



**Illinois Police Officers'
Pension Investment Fund**

REQUEST FOR PROPOSALS

Investment Management Services

Active US High Yield Bond

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Introduction

The Illinois Police Officers' Pension Investment Fund ("IPOPIF" or "the Fund") is soliciting proposals for active investment management of US High Yield Bonds. The Fund is conducting the Request for Proposal ("RFP") process in accordance with applicable provisions of the Illinois Pension Code, the Fund's Investment Policy Statement, the Fund's Procurement of Investment Services Policy, and the Fund's Ethics Policy, all of which are subject to change. All policies are available on the Fund's website at: <https://www.ipopif.org/governing-documents/policies/>. Candidates shall comply with the Fund's Procurement of Investment Services Policy and the Fund's Ethics Policy at all times.

About IPOPIF

Pursuant to the Illinois Pension Code (40 ILCS 5/1 and 5/22B), IPOPIF is a public pension investment fund responsible for consolidating, managing, and investing the pension investment assets of 357 separate Illinois Pension Code Article 3 Funds. IPOPIF is governed by a nine-member Board of Trustees (the "Board"). The IPOPIF total fund was recently valued at approximately \$13 billion. IPOPIF's Asset allocation is summarized below.

IPOPIF Asset Allocation	Interim Target Allocation	Long-term Target Allocation
Growth	58%	65%
US Large	23%	23%
US Small	5%	5%
International Developed	19%	19%
International Developed Small	5%	5%
Emerging Markets	6%	6%
Private Equity		7%
Income	16%	14%
High Yield Corporate Credit	4%	3%
Emerging Market Debt	6%	3%
Bank Loans	3%	3%
Private Credit	3%	5%
Real Assets	6%	8%
REITs	4%	
Real Estate	2%	5%
Infrastructure		3%
Risk Mitigation	20%	13%
Cash	1%	1%
Short-Term Gov't/Credit	10%	3%
US Treasury	3%	3%
US TIPS	3%	3%
Core Fixed Income	3%	3%
Total	100%	100%

Scope of Services

IPOPIF is seeking qualified firms to actively manage a portfolio of high yield bonds with a goal of exceeding benchmark performance net of fees. The mandate will be benchmarked to the Bloomberg US Corporate High Yield index or a similar index. Narrowly focused strategies such as short duration, high quality (BB-B) only, etc. will not be considered. The search anticipates selecting a single manager with a 2% allocation (approximately \$260 million at recent fund NAV of \$13 billion). However, the final recommendations and allocations will be determined by the search process and evaluation.

Candidates must be a qualified investment adviser and shall serve as a fiduciary to the IPOPIF under the Illinois Pension Code and have independent discretionary authority with respect to the management of the portfolio assigned to the successful candidate, subject to the Fund's Investment Policy and the agreed upon objectives and guidelines. To be considered, Candidates must meet all the requirements of, and fully comply with, this RFP.

IPOPIF High Yield Search Preferences

The search will prefer proposals with the following characteristics. However, these preferences are not minimum qualifications, which are detailed later in this document. IPOPIF may consider proposals that don't meet preferences.

- Separately managed account vehicle.
- At least \$1 billion assets under management in the proposed strategy.
- At least a five-year track record in proposed strategy.
- Consistent and strong demonstration of alpha generation through different credit cycles.

Search Process

With the goals of increasing efficiency and promoting participation, IPOPIF will use a phased approach to identify the highest caliber candidates to be invited to submit a proposal. However, the process remains open to any qualified candidate to submit a proposal.

Update Database

IPOPIF will use the eVestment database ("eVestment" or "IPOPIF database") in the evaluation process. Respondents must update eVestment by June 27, 2025, with performance data through March 31, 2025, as well as narratives for the organization, product, and process.

IPOPIF will screen eVestment using the following filters to create the evaluation universe:

- eVestment Universe: US High Yield Fixed Income
- Preferred Benchmark: Bloomberg US Corporate High Yield, Bloomberg US Corporate High Yield 2% Cap, ICE BofAML US High Yield, ICE BofAML US High Yield Constrained

Screening Phase 1

Upon initial evaluation of eVestment data, Candidates who the IPOPIF Staff, in consultation with the Investment Consultant, identify as high caliber candidates will be requested to submit additional information requested in Exhibit 1, including a product pitchbook.

Screening Phase 2

Following evaluation of the Exhibit 1 additional information, Candidates who the IPOPIF Staff, in consultation with the Investment Consultant, identify as the highest caliber candidates will be requested to submit a proposal as detailed below.

Proposal Submission

Email the completed proposal, including all supporting Exhibits, to HYsearch@ipopif.org, no later than the proposal due date. IPOPIF will acknowledge receipt of proposals. You must ensure that your email is successfully transmitted. IPOPIF will not accept late, mailed, or faxed Proposals.

All material submitted in response to the RFP will become the property of IPOPIF. IPOPIF is not responsible for any costs incurred by the Candidates in responding to this RFP. This RFP shall not be construed as a legal offer and the Board, in its sole discretion, may select one or more firms, or no firms, to provide the services.

Notwithstanding the foregoing, any firm that meets the Minimum Qualifications, as detailed below, may submit a proposal including the additional information requested in Exhibit 1.

To ensure a uniform review process and to obtain the maximum degree of comparability, proposals must be organized in the following manner:

1. **Cover Letter:** Candidates must provide a cover letter signed by an individual authorized to legally bind the Candidate and on official business letterhead showing the name of the Candidate, address, telephone number, name of contact person, and date. This letter may summarize what the candidate believes to be the firm's most unique attributes or competitive advantages but may be no longer than two pages. The letter must contain / attest to the following:
 - a. Confirmation that the Candidate meets each of the Minimum Qualifications, set forth below.
 - b. Confirmation that the Candidate is in compliance with Exhibit 4 – Certifications, Representations, and Acknowledgements.
 - c. Confirmation that the Candidate has provided complete Exhibit 5 – Disclosures.
 - d. Confirmation that the Candidate accepts or has redlined any and all objections or proposed amendments to Exhibit 6 (IPOPIF Investment Manager Agreement).
 - e. The following verification statement:

I certify under penalty of perjury, that I am an individual authorized to legally bind the Candidate, that I have personally examined and am familiar with the information submitted in this disclosure and all attachments, and that the information is true, accurate, and complete. I acknowledge and agree that, under 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record in an attempt to defraud the IPOPIF is guilty of a Class 3 felony.

2. **Exhibit 1 – Request for Information.**
3. **Exhibit 2 – Completed RFP Questionnaire.**
4. **Exhibit 3 – Proposed Fee Schedule.** Fees must be the best terms offered by the firm (MFN) as specified in the minimum requirements below.
5. **Exhibit 4. – Certifications, Representations, and Acknowledgements**
6. **Exhibit 5. – Disclosures.**
7. **Exhibit 6 – IPOPIF Investment Manager Agreement.** The Candidate must agree to the IPOPIF Investment Manager Agreement which is attached as Exhibit 6. Amendments to the IPOPIF Investment Manager Agreement are disfavored and any and all objections or proposed amendments to the IPOPIF Investment Manager Agreement shall be redlined in Candidate's response to the RFP.

Schedule

The Fund anticipates the following schedule and key milestones, but reserves the right to amend it at any time at its sole discretion:

Deadline	Milestone
6/16/25	RFP posted
6/27/25	Investment firms update data through 3/31/2025 in eVestment
7/18/25	Screening Phase 1 – Request for Information (Exhibit 1) from high caliber candidates
8/1/25	Deadline for high caliber candidates to submit Exhibit 1 (RFI)
8/15/25	Screening Phase 2 – Highest caliber candidates are invited to submit proposals
8/29/25	Deadline for written questions
9/5/25	Final response to questions posted on IPOPIF website
9/12/25	Deadline for submission of completed proposals
10/13-10/24/25	Semifinalist interviews with Verus and IPOPIF staff
12/12/25	Board review, finalist interviews (TBD), and approval

All deadlines represent 5 PM Central Standard Time (CST)

Communication with IPOPIF

Inquiries: All communication and questions related to this RFP will be conducted via a dedicated IPOPIF email: HYsearch@ipopif.org. Questions can be emailed any time, but no later than the question due date outlined above. Responses to questions will be posted to the IPOPIF website periodically but no later than the response due date outlined above. The general IPOPIF phone number, 309-280-6464, may be used if absolutely necessary.

Quiet Period: The following Quiet Period provisions of the IPOPIF Procurement of Investment Services Policy will be in effect during the search process.

1. The quiet period shall commence with the posting of the RFP and end when the parties have executed an investment manager agreement.
2. Initiation, continuation, and conclusion of the quiet period shall be directly communicated to the Board and posted on the IPOPIF website.
3. During the quiet period, no Board member, or Staff member or fiduciary or service provider involved in the search shall accept meals, travel, lodging, entertainment, or any other good or service of value from any candidate.
4. All authority related to the search process shall be exercised solely by the Board as a whole, and not by individual Board members.
5. If any Board member or IPOPIF Staff member is contacted by a candidate during the quiet period about a matter relating to the pending selection, the Board member or IPOPIF Staff member shall refer the candidate to the Chief Investment Officer. While the quiet period does not prevent Board approved meetings or communications by Staff with an incumbent Investment Consultant, Transition Manager, or Investment Adviser that is also a candidate, discussion related to the pending selection shall be avoided during those activities.
6. A candidate may be disqualified from a search process for a willful violation of this Policy.

Notwithstanding the foregoing, the Board through any designated Board member, the Executive Director, the Chief Investment Officer, or Fiduciary Legal Counsel may conduct discussions with candidates to determine in greater detail a candidate's qualifications; and negotiate the various terms of the investment manager agreement, including fees. Discussions may be held before and after the responses to the RFP have been submitted. The Board, IPOPIF Staff, and Fiduciary Legal Counsel shall not disclose publicly any information contained in any responses until the presentation of the finalists.

Reference: [Procurement of Investment Services Policy](#)

Minimum Qualifications

Candidates must satisfy each of the following minimum qualifications for this RFP in order to be given consideration. Failure to satisfy each of the requirements will result in the rejection of the proposal. Candidates are required to confirm in their cover letter that they meet each of the following minimum qualifications.

1. Candidate is: (a) a registered investment adviser registered under the Investment Adviser's Act of 1940, (b) a registered investment adviser under the Illinois Securities Law of 1953; (c) a bank, as defined in the Investment Advisers Act of 1940; or (d) an insurance company authorized to transact business in Illinois.
2. Candidate and its proposed team have all authorizations, permits, licenses,

and certifications required by federal and state laws and regulations to perform the services specified in this RFP, and in Illinois, at the time Candidate submits a response to the RFP.

3. Candidate confirms that it has provided a fee schedule that represents the best terms offered by the firm (Most Favored Nation or MFN).
4. Candidate agrees to serve as a fiduciary as defined by the Illinois Pension Code.
5. Candidate acknowledges and agrees that IPOPIF is unable to provide its vendors with any indemnification rights and that IPOPIF requires that its vendors provide it with indemnification.
6. Candidate has provided all certifications and completed all required disclosures.
7. IPOPIF's practice is to reserve all rights to seek all remedies in court (IPOPIF does not consent to arbitration), including the right to a jury trial, and IPOPIF's further practice is that venue for any litigation shall be, and third parties shall submit to the jurisdiction of, the Circuit Court for the Tenth Judicial Circuit, Peoria, Illinois, or the U.S. District Court for the Central District of Illinois.
8. Submitted strategy is consistent with the RFP Scope of Services.
9. Daily valuation and liquidity.

Evaluation Criteria

Evaluation of Investment Manager Responses. Responses will be evaluated initially by IPOPIF Investment Staff and the Investment Consultant based on the following evaluation factors. The relative importance of the evaluation factors will vary based on the parameters of the search. Investment Staff and the Investment Consultant will determine, based on the evaluation factors, the highest caliber investment managers and will also disclose the non-finalists. The Chief Investment Officer and the Investment Consultant will provide the Board with a copy of Exhibit 5 – Disclosures prior to consideration of the finalists. The Board will select, in the exercise of its discretion based on the evaluation factors, an investment manager from the list of top-qualified Investment Managers. The evaluation factors are:

1. Firm background, experience, and reputation, including: the candidate firm's experience in the management of institutional portfolios, the background and qualifications of principals and professional staff, the size of the firm and the products offered, organizational structure, portfolio manager tenure, depth of portfolio team and research team, the firm's history of lawsuits and regulatory actions regarding the firm's investment practices, and the firm's record of integrity and business ethics;
2. Investment philosophy and process, including: the clarity and technical merits of the investment process, buy/sell discipline, efficacy of decisions made (streamlined,

responsive), consistency of application, risk awareness and controls, uniqueness of the process, and trading ability;

3. Performance, including long-term performance, risk factors, and consistency of performance, each of these relative to benchmarks and peers;
4. The IPOPIF's overall Investment Policy and allocations among existing investment managers, including, but not limited to, the diversification of investment managers in terms of style, investment philosophy, and the complementary relationship between investment managers in the context of the Investment Policy;
5. Reasonableness of the fees, including availability of 'most-favored nation' fee clauses;
6. Portfolio management and client services, including client servicing, accounting, and reporting;
7. The Candidate's ability, pursuant to Sections 1-113.6 and 1-113.17 of the Illinois Pension Code, to consider decision-useful sustainability factors within the bounds of financial and fiduciary prudence, including but not limited to (i) corporate governance and leadership factors; (ii) environmental factors; (iii) social capital factors; (iv) human capital factors; and (v) business model and innovation factors, as provided for under the Illinois Sustainable Investing Act, 30 ILCS 238/1, *et seq.* and detailed in the IPOPIF Investment Policy;
8. The Exhibit 5 Disclosures and history of regulatory actions regarding the Candidate's practices, record of integrity and business ethics, and the strength of the Candidate's internal ethics and conflicts of interest policies; and
9. The Candidate's approach to managing and reducing cybersecurity risk and protecting networks and data, including complying with the U.S. Department of Labor's Cybersecurity Program Best Practices, the State of Illinois Cybersecurity Strategy, the National Institute of Standards and Technology Cybersecurity Framework, and industry best practices.

IPOPIF Database

The IPOPIF utilizes [eVestment](http://www.evestment.com) (the "IPOPIF database"), a third-party industry database of institutional-quality quantitative and qualitative registered investment manager information, to serve as the primary pool from which the IPOPIF will identify and evaluate Candidates. Candidates are required to submit their information into the IPOPIF Database and may do so at www.evestment.com/submit-my-data/. The IPOPIF's database is subject to the following:

1. All interested investment managers have access to the IPOPIF Database. No fee shall be required to participate in the IPOPIF Database and the IPOPIF will not use any criteria to exclude Emerging or MWDBE (as defined below) investment managers or SDVOSB or VOSB (as defined below) investment managers from participating in the IPOPIF Database.
2. The IPOPIF shall publish on its website the details of the IPOPIF Database and shall encourage all interested investment managers to access and submit their information into the IPOPIF Database, regardless of whether there is a current RFP, and will engage in outreach

to ensure that Emerging or MWDBE investment managers and SDVOSB or VOSB investment managers are aware of and have access to the IPOPIF Database.

3. The IPOPIF will use the IPOPIF Database to evaluate Candidates with respect to the product information and performance as specified in Exhibit 2 – RFP Questionnaire.

Emerging, MWDBE, SDVOSB, and VOSB Investment Managers

“Emerging Investment Manager,” as defined in Section 1-109.1(4) of the Illinois Pension Code, means a qualified investment adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a MWDBE. MWDBE means a Minority-Owned Business, Women-Owned Business, or Business Owned by Person with a Disability, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, 30 ILCS 575/2, as amended. SDVOSB means a “qualified serviced-disabled veteran-owned small business” as defined in 30 ILCS 500/45-57. VOSB means a “qualified veteran-owned small business” as defined in 30 ILCS 500/45-57.

The IPOPIF will not use any criteria to exclude an otherwise qualified Emerging or MWDBE, SDVOSB, or VOSB investment manager Candidate, such as a minimum number of years in business or minimum assets under management. The IPOPIF’s goal is to improve investment performance by identifying highly qualified and potentially successful Emerging and MWDBE investment managers that can be awarded allocations or, if the investment manager is participating in a “fund of funds”, to be graduated into a separate account portfolio when openings occur or a need is identified.

Emerging or MWDBE, SDVOSB, or VOSB investment manager Candidates shall provide documentation establishing such status. Preference shall be given to the appropriate certification from the State of Illinois as acceptable documentation. If such certifications are not available, the IPOPIF may consider another state’s or a city’s certification.

If an Emerging or MWDBE investment manager Candidate meets the criteria in the RFP, then that Candidate shall receive an invitation by the Board to present as a finalist. If there are multiple Emerging or MWDBE investment manager Candidates that meet the criteria, then the Chief Investment Officer may choose the most qualified firm or firms to present to the Board. The preference for Emerging or MWDBE investment manager Candidates was established by the Illinois Pension Code.

If a SDVOSB or VOSB investment manager Candidate meets the criteria in the RFP, then that Candidate shall receive an invitation by the Board to present as a finalist. If there are multiple SDVOSB or VOSB investment manager Candidates that meet the criteria, then the Chief Investment Officer may choose the most qualified firm or firms to present to the Board. The preference for SDVOSB and VOSB investment manager Candidates was established by the Board.