



INVESTMENT BOARD MEETING MINUTES

IPERS Headquarters

7401 Register Drive, Des Moines, Iowa

September 26, 2024

The following people participated in the IPERS Investment Board meeting held on Thursday, September 26, 2024.

Members of the Board – Present

Justin Kirchhoff, Chair

Bill Bemis, Vice Chair

State Treasurer Roby Smith

Tami Loge

Kris Rowley

Matt Watters

Representative Martin Graber

Senator Molly Donahue

Members of the Board – Absent

Representative Amy Nielsen

Senator Mark Lofgren

Administration and Staff

Greg Samorajski, CEO

Sriram Lakshminarayanan, CIO

John Fujiwara, Head of Strategy

Sheldon Lien, Senior Investment Officer

Keith Scholten, Senior Investment Officer

Marcus Dong, Retirement Investment Officer

Kate Fishman, Retirement Investment Officer

Ankit Saw, Retirement Investment Officer

Melinda McElroy, Executive Assistant

Elizabeth Hennessey, General Counsel

Shawna Lode, Chief Strategy Officer

Tara Hagan, Chief Financial Officer

Consultant – Wilshire

Thomas Toth

Ali Kazemi

Ned McGuire

Presenter - CEM Benchmarking

Christopher Doll

Proceedings

Chairperson Justin Kirchhoff called the meeting to order at 10:30 a.m.

Approval of Minutes

Tami Loge moved to approve the meeting minutes from the June 20, 2024, Investment Board meeting. Kris Rowley seconded. The motion carried by unanimous voice vote.

CEO Report

Greg Samorajski shared with the Board a high-level review on how IPERS' funding works, stating contributions plus investment earnings are used to pay benefits and expenses. A portion of that income goes towards paying down the unfunded liability and any new liabilities.

IPERS FY2026 Budget

Greg Samorajski reviewed IPERS' proposed FY2026 budget noting unlike most state government agencies, IPERS receives no funding from the state general fund or any other government source. Expenditures are paid entirely from the IPERS Trust Fund that is funded only with member and employer contributions. IPERS' administrative budget is subject to appropriation from the Iowa Legislature. IPERS is seeking a budget increase of \$62.7 million and 13 new full-time employees. Most of the request, \$60 million spread over 10 years, is to replace IPERS' pension administration system. The Board expressed their support of the budget request.

CEM Investment Benchmarking Review for CY2023

Christopher Doll of CEM Benchmarking reviewed IPERS' investment benchmarking results for the 5-year period ending December 31, 2023. IPERS once again ranked as a low-cost fund based on CEM's analysis for the calendar year. Christopher reported IPERS' 5-year net value added was 1.6%, exceeding the peer median of 1.1%.

FY2024 Investment Performance Review

Thomas Toth and Ali Kazemi of Wilshire presented IPERS' investment performance for the fiscal year ended June 30, 2024. The portfolio returned 9.1% (net of fees) in FY2024, outperforming its policy benchmark return of 8.8% over the same period.

Annual Asset Allocation Review

Thomas Toth, Ali Kazemi and Ned McGuire of Wilshire presented the annual asset allocation review modeling potential portfolios with de-risking options. Wilshire concluded maintaining the current portfolio target allocation is reasonable given IPERS' investment horizon and recommended no changes.

Annual Review of Investment Policy and Goal Statement

No changes were made to Investment Policy and Goal Statement or the Asset Allocation Policy.

IPERS Investment Staff Reports

Beta Report

Sriram Lakshminarayanan reported all asset classes were within acceptable policy ranges as of September 13, 2024, and the total fund market value estimate was \$44.8 billion on that date.

Alpha Report

The investment staff reviewed the alpha report noting staff has no concerns with the active investment managers.

Private Markets Program

Pat Reinhardt reviewed IPERS' private market managers noting minor performance concerns with Heitman CREDIT.

Risk Report

Sriram Lakshminarayanan presented IPERS' risk monitoring report showing plan-level total active risk stable and no meaningful increases or decreases are planned in the next quarter.

Election of Chair and Vice Chair

Justin Kirchhoff nominated Bill Bemis for chair and Kris Rowley as vice chair. Tami Loge seconded the nominations. The motion carried by unanimous roll call vote.

Ayes: Justin Kirchhoff, Bill Bemis, Treasurer Smith, Tami Loge, Kris Rowley and Matt Watters

Nays: None

MOTION PASSED

Public Comments

Public comments were heard from former Senator Patrick Deluhery.

Confirm Next Meeting Date and Adjournment

The next regularly scheduled IPERS Investment Board meeting is Friday, December 6, 2024. With no further business to come before the Board, Kris Rowley moved to adjourn the meeting. Tami Loge seconded. The meeting adjourned at 2:05 p.m.