



## INVESTMENT BOARD MEETING MINUTES

IPERS Headquarters

7401 Register Drive, Des Moines, Iowa

June 20, 2024

The following people participated in the IPERS Investment Board Meeting held on Thursday, June 20, 2024.

### **Members of the Board – Present**

Justin Kirchhoff, Chair

Bill Bemis

Tami Loge

Kris Rowley

Treasurer Roby Smith

Matt Watters

Representative Martin Graber

Senator Mark Lofgren

Senator Pam Jochum

### **Members of the Board – Absent**

Representative Amy Nielsen

### **Administration and Staff**

Greg Samorajski, CEO

Sriram Lakshminarayanan, CIO

John Fujiwara, Head of Strategy

Sheldon Lien, Senior Investment Officer

Pat Reinhardt, 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, Director of Communications

David Martin, Chief Benefits Officer

### **Wilshire Associates**

Thomas Toth

Ali Kazemi

## Proceedings

Justin Kirchhoff, chair, called the meeting to order at 8:30 a.m.

### Approval of Minutes of Previous Meeting

Tami Loge moved to approve the March 22, 2024, Investment Board meeting minutes. Matt Watters seconded. The minutes were approved by unanimous voice vote.

### CEO Report

Greg Samorajski reported that he recently attended a national conference of pension plan directors. The main themes discussed were modernization of pension administration systems and considerations, and possibilities of applying artificial intelligence to business process. Greg next discussed the newly created Strategy Division within IPERS. The division will continue its communication and legislative liaison responsibilities but will be expanded to engage and educate members, employers and external stakeholders. Concluding his report, he announced that IPERS is progressing with its plan to deliver most documents digitally. Soon IPERS will roll out an online retirement application for Regular members.

### Private Markets Program Annual Review

Pat Reinhardt and Marcus Dong presented the annual review of IPERS' private markets program. The program consists of three main portfolios: private equity, private credit and private real assets; no changes were recommended to the portfolios. Pat concluded the report by noting that portfolio restructuring in the private real assets portfolio will be a key focus moving forward.

### Real Assets Equity Manager Hiring Recommendation

Pat Reinhardt and Marcus Dong reviewed that this RFP was issued on November 18, 2022, with the purpose of identifying non-core real assets equity products across infrastructure, real estate, and other real asset mandates such as timber and farmland. The evaluation of the proposals was conducted in three phases. Phase 1 was an evaluation of the minimum qualifications. Of the 154 proposals received, 29 did not meet the minimum qualifications. Phase 2 was an evaluation of the responses and how they would fit in IPERS' existing real assets portfolio. At this point, the evaluation committee removed the other real assets proposals from further consideration, and 45 responses were selected for Phase 3. Fourteen finalists were selected for interviews, eight infrastructure and six real estate products.

The evaluation committee recommended that the Investment Board approve the hiring of nine investment firms/strategies for the real sssets portfolio. Manager recommendations are contingent on final due diligence and successful contract negotiations prior to funding.

Firm Name	Strategy Name	Status
Kayne Anderson	KAREP VII	2- 3 Allocations
KKR	KKR REPA IV	
Blue Owl (fka Oak Street)	Net Lease Property Fund	2-3 Bench Managers
LCN Capital Partners	North American Fund Series	

Elm Tree	Net Lease Fund Series	1-2 Allocations  2-3 Bench Managers
Macquarie	MIP VI	
Morgan Stanley	NHIP IV	
Stonepeak	Infrastructure Fund Series	
ECP	Energy Fund Series	

Bill Bemis moved to approve the hiring recommendations. Tami Loge seconded. 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**

### **Search for Excess Returns**

John Fujiwara and Sheldon Lien provided an educational presentation on what absolute return strategies are and how they're different from traditional investment strategies. They also reviewed the lengthy search process for reviewing and selecting absolute return strategies for the IPERS portfolio.

### **IPERS Investment Staff Reports**

#### ***Beta Report***

Sriram Lakshminarayanan reviewed the fund's asset allocation and stated that all asset classes were within policy ranges as of June 7, 2024. The total fund market value estimate on that date was \$43.4 billion.

#### ***Alpha Report***

The Investments Division staff reviewed the alpha report, noting material organizational concerns with LARS manager PGIM Wadhwani.

#### ***Private Markets Program***

Pat Reinhardt reviewed the private market program managers, noting performance issues with Heitman CREDIT.

#### ***Risk Report***

Sriram Lakshminarayanan presented IPERS' risk monitoring report, noting plan-level total active risk is stable at 0.21%.

### **Securities Litigation Report**

Elizabeth Hennessey reported on the status of each case in which IPERS is serving in an active role and provided the total funds recovered from May 1, 2023, through June 1, 2024.

**Public Comments**

None.

**Other Business**

None

**Confirm Next Meeting Dates**

The next regularly scheduled meetings of the Investment Board are Wednesday, September 25, and Thursday, September 26, 2024.

**Adjourn**

With no further business to come before the Investment Board, Bill Bemis moved to adjourn. Tami Loge seconded. The motion was approved by unanimous voice vote. The meeting adjourned at 10:50 p.m.