



INVESTMENT BOARD AND BENEFITS ADVISORY COMMITTEE MINUTES
IPERS Headquarters
7401 Register Drive, Des Moines, Iowa
December 6, 2024

The following people attended the IPERS Investment Board Meeting held on Friday, December 6, 2024.

Members of the Board – Present

Bill Bemis, Chair

Kris Rowley, Vice Chair

Justin Kirchhoff

Tami Loge

Treasurer Roby Smith

Matt Watters

Representative Martin Graber

Senator Molly Donahue

Members of the Board – Absent

Representative Amy Nielsen

Senator Mark Lofgren

Administration and Staff

Greg Samorajski, Chief Executive Officer

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, Senior Investment Officer

Kate Fishman, Investment Officer

Ankit Saw, Investment Officer

Melinda McElroy, Executive Assistant

Elizabeth Hennessey, General Counsel

Shawna Lode, Chief Strategy Officer

Rick Hindman, Deputy Executive Director

Amanda Schwarz, CFAO

Andrew Ewing, Attorney

Consultant – Wilshire

Ali Kazemi

Actuary – Cavanaugh Macdonald

Patrice Beckman

Brent Banister

Bryan Hoge

Call to Order

Chairperson Bill Bemis called the IPERS Investment Board meeting to order at 10:30 a.m.

Approval of Minutes from the Previous Meetings

Tami Loge moved to approve the September 25, 2024, and September 26, 2024, Investment Board meeting minutes. Treasurer Smith seconded. The motion carried by unanimous voice vote.

2024 Actuarial Valuation Report

Cavanaugh Macdonald presented the 2024 actuarial valuation report results. IPERS' funded status increased from 89.70% to 90.75% and the unfunded actuarial liability decreased from \$4.71 billion to \$4.38 billion. The 2024 valuation report sets the required contribution rates for FY2026. Contribution rates for Regular and Protection Occupation members remain unchanged. Contribution rates for Sheriffs and Deputy Sheriffs increased by 7.16% because of benefit enhancements established in HF2661.

CEO's Report

Greg Samorajski introduced Amanda Schwarz, IPERS' newly hired Chief Financial and Administrative Officer. He next recognized David Martin, IPERS' Chief Benefits Officer (CBO), who is retiring this month. In the weeks ahead, IPERS will redefine the CBO role and conduct a national search. The Benefits Advisory Committee will consult on the hiring. Greg also discussed IPERS' intent to issue an RFP to outsource the various aspects of disability benefits management, including evaluating claims, ensuring compliance with relevant laws and regulations, and managing ongoing cases effectively.

Administrative Rules

Elizabeth Hennessey reviewed the proposed changes to Iowa Administrative Code 495 – Chapter 2 “Investment Board.” The proposed changes are in response to Governor Reynolds' Executive Order 10 that, in part, directs agencies to rescind rules that are duplicative of statute. Kris Rowley moved to approve the proposed changes as presented. Justin Kirchhoff seconded. The motion carried by unanimous voice vote.

CY2025 Private Markets Commitments

Pat Reinhardt and Marcus Dong reviewed the private markets program commitment plan for calendar year 2025, noting commitments would not exceed: \$1 billion to private real assets, \$650 million to private credit and \$700 million to private equity.

Absolute Return Search Manager Hiring Recommendations

John Fujiwara reported the RFP to identify absolute return investment products that could be used in a portable alpha strategy was issued on January 10, 2024. IPERS received 93 responses to the RFP. The evaluation committee recommended the Investment Board approve the hiring of the following five investment firms/strategies, subject to final due diligence and successful contract negotiations:

Firm Name	Strategy Name
AQR Capital Management	AQR Helix Strategy
Brevan Howard	Brevan Howard Alpha Strategies Master Fund Limited
Bracebridge Capital	Bracebridge Absolute Return Composite
Blackstone	Blackstone Strategic Opportunity Fund
Davidson Kempner Capital Management	Navigator Fund

Justin Kirchhoff moved to approve the proposed hiring recommendations. Matt Watters seconded. The motion carried by roll call vote.

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

Nays: None

Absent: None

MOTION PASSED

IPERS Investment Staff Reports

Beta Report

Sriram Lakshminarayanan reviewed the Fund's asset allocation and reported all asset classes were within their established policy ranges. The estimated market value of the IPERS Trust Fund is \$44.62 billion.

Alpha Report

No concerns were noted on the alpha report.

Private Markets Program Risk Report

Pat Reinhardt noted minor performance concerns for real assets manager Heitman CREDIT.

Risk Report

Sriram Lakshminarayanan reviewed IPERS' standard risk reports.

FY2024 Investment Management Expenses

Keith Scholten reported IPERS' FY2024 preliminary investment management expenses were \$58.4 million, 0.219% of the IPERS Trust Fund's average market value. Investment management expenses increased 34.4% from FY2023.

CIO Updates

Sriram Lakshminarayanan discussed the investment landscape following the presidential election. IPERS will continue to look for active investment strategies to add value to the portfolio and will likely issue another RFP for absolute return strategies in January 2025. IPERS' FY2026 budget request included removing the current cap that limits incentive compensation payments to investment staff at \$25,000 per year/employee. He concluded his updates by mentioning Wilshire's Client Conference is April 8-9, 2025, Board members are encouraged to attend educational conferences as their schedules permit.

Public Comments

None

Confirm Next Meeting Date and Adjournment

The Investment Board's next meeting is Friday, March 28, 2025. With no further business to come before the Board, Tami Loge moved to adjourn. Matt Watters seconded. The motion carried by unanimous voice vote. The meeting adjourned at 2:00 p.m.