



INVESTMENT BOARD MEETING MINUTES
IPERS Headquarters, 7401 Register Drive
Des Moines, Iowa
June 20, 2019

The following people participated in the IPERS Investment Board Meeting held on Thursday, June 20, 2019.

Members of the Board – Present

Treasurer Michael Fitzgerald, Chair
Lisa Stange, Vice Chair
David Creighton
Justin Kirchhoff
Phyllis Peterson

Marlene Sprouse
Wayne Walter
Representative Mary Mascher
Senator Pam Jochum

Members of the Board – Absent

Senator Mark Lofgren
Representative Mary Ann Hanusa

Administration and Staff

Donna Mueller, CEO
Karl Koch, CIO
Sriram Lakshminarayanan, CRO
Jeff Beisner, Senior Investment Officer
Pat Reinhardt, Senior Investment Officer
Keith Scholten, Senior Investment Officer

Kevin Terdal, Investment Officer
David Martin, Chief Benefits Officer
Gregg Schochenmaier, General Council
Darla Iverson, Chief Financial Officer
Shawna Lode, Director of Communications

Wilshire Associates

Rose Dean
Ali Kazemi,

Pathway Capital Management

Doug Le Bon
Jason Jenkins
Nick Siemsen

Guests

Taylor Collins, Governor's Office
Jina Bresson, State Treasurer's Office
Bridget Godes, Senate Dem. Caucus Staff
Brian Guillaume, House Dem. Caucus Staff
Dylan Keller, Senate Republican Caucus Staff
Jennifer Acton, Legislative Service Agency
Ron Robinson, Legislative Service Agency

Brad Hudson, Benefits Advisory Committee
Lowell Dauenaugh, Benefits Advisory Committee
Steve Timmins, Department of Management
Carlos Pacheco, Bank of New York Mellon
Scott Sams, Principal Global Investors
Ron Rolighed, Goldman Sachs
Nate Disterhoft, Homesteaders Life Company

Proceedings

Treasurer Fitzgerald, chair, called the meeting to order at 8:30 a.m.

Approval of Minutes of Previous Meeting - Tab 2

Marlene Sprouse made the motion to approve the March 22, 2019, Investment Board meeting minutes. Phyllis Peterson seconded. The minutes were approved by unanimous voice vote.

CEO Report

Donna Mueller reported on IPERS staff hiring and the types of retirement education sessions IPERS provides to its members.

CEO Across-the-Board Salary Adjustment - Tab 3

For fiscal year 2020, Governor Reynolds authorized an across-the-board salary increase of 2.1% for State of Iowa Employees. Lisa Stange made the motion that the Investment Board approve the across-the-board salary increase for IPERS' CEO. David Creighton seconded the motion.

Ayes: Treasurer Fitzgerald, Lisa Stange, David Creighton, Justin Kirchhoff, Phyllis Peterson, Marlene Sprouse, and Wayne Walter

Nays: None

MOTION PASSED

IPERS Investment Staff Reports - Tab 4

Beta Report - Tab 4A

Karl Koch reviewed the Fund's asset allocation and stated that all asset classes were within policy ranges as of June 7, 2019. The Total Fund market value estimate on that date was \$33.2 billion.

Risk Report - Tab 4B

Sriram Lakshminarayanan presented IPERS' risk monitoring reports noting the portfolio risk levels had not changed much since the previous Board meeting.

Alpha Report - Tab 4C

The investment staff reported they were monitoring performance issues for Oaktree Capital Management (U.S. high-yield bonds) and monitoring Aegon USA (U.S. high-yield bonds) for organizational issues.

Personnel Changes

Karl Koch informed the Board that Jeff Beisner, investment officer overseeing IPERS' equity portfolios has announced his retirement. The process of hiring a replacement will begin shortly.

Private Markets Program Overview - Tab 5

Pat Reinhardt provided the Board with the annual review of the private markets program. No program changes were recommended.

Private Equity Manager Presentation – Tab 6

Doug Le Bon, Jason Jenkins, and Nick Siemsen of Pathway Capital Management provided a presentation that reviewed the investment plan and performance for the private equity account they manage on behalf of IPERS.

Active Management: The Path Forward – Tab 7

Karl Koch and Sriram Lakshminarayanan reviewed staff's current initiatives in active management, including researching non-traditional alpha, alternative risk premia, knowledge management, and development of an internal systematic TAA process.

Benefits Division Update – David Martin - Tab 8

David Martin reviewed the member demand measures report for May 2019 and reported that he and staff are working on testing and implementing IPERS' new mortality tables.

Confirm Next Meeting Dates

The next regularly scheduled meetings of the Investment Board are Wednesday, September 18 and Thursday, September 19, 2019.

Adjourn

With no further business to come before the Investment Board, the meeting adjourned at 12:45 p.m.