



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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IPERS earns 29.6% investment return in FY2021, second highest in its history
Pension system adds nearly \$9 billion to trust fund

August 30, 2021 (Des Moines, IA) – The Iowa Public Employees' Retirement System (IPERS) announced today that it earned a 29.6% net return in FY2021, 0.8% more than its policy benchmark, and the second highest fiscal year annual return in the system's 63-year history. IPERS' performance means it added nearly \$9 billion to a trust fund now valued at close to \$43 billion.

Fiscal and monetary stimulus by governments around the world, renewed economic growth and the perception that the pandemic was nearing an end led to historically high returns on assets such as stocks, private equity and credit strategies for the 12 months ended June 30, 2021.

"Markets were very good to investors in fiscal year 2021," IPERS CEO Greg Samorajski said. "In addition, IPERS was able to add significant value on top of those results, while maintaining the conservative investment posture established by the IPERS Investment Board. In FY2020, IPERS generated positive returns in a terrible market environment. FY2021 produced near-record, top-quartile results in a favorable market. That is what we seek to do through our investment approach – in addition to outperforming in up-markets we seek to protect the trust fund in down-markets."

Private equity (buyouts and venture capital) was the top performing asset class with an annual return of 68.3% for the fiscal year. IPERS does not attempt to formally compute excess return for its private investment classes in the computation of its Policy Benchmark. In FY2021, the Wilshire 5000 U.S. equity index returned 44.24%. When compared to this benchmark, plus 3% for example, IPERS' private equity returns were truly exceptional and among the best in class. IPERS' domestic stock portfolio and international stock portfolio produced annual returns of approximately 43% and 37% for the fiscal year, respectively. The lowest performing asset class was core plus (mostly investment grade) bonds, which produced 2.23% for the fiscal year.

IPERS compared favorably to other large public pension funds, handily beating the median return of 27.01% and the first quartile point of 29.31% for a peer group of large public pension funds, according to Wilshire, IPERS' investment consultant. However, Samorajski noted that, "Returns do not tell the whole story because the amount of risk taken to produce the returns must be considered. Risk-adjusted returns are the standard for making comparisons among funds with varying goals. IPERS continues to be one of the best when it comes to efficiently converting investment risk into return."

According to Wilshire, IPERS' risk-adjusted investment performance ranked it among the top couple of funds in FY2021 and IPERS has consistently ranked in the top quartile in three-, five- and 10-year time periods ending June 30, 2021.

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The Iowa Legislature created IPERS in 1953 to provide a dependable and economical retirement plan for Iowa's public employees. Today, IPERS is a \$43 billion trust fund that pays more than \$2.3 billion in annual benefits to more than 126,000 retirees. IPERS is the state's largest public retirement system, serving more than 170,000 current public employees