IPERS ®
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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IPERS Investment Board approves several hirings to boost private credit and absolute return strategies
CY2021 report shows IPERS exceeding benchmarks and peer performance

March 28, 2022 (Des Moines, IA) – At its quarterly meeting held last Friday in Des Moines, the Investment Board of the Iowa Public Employees' Retirement System (IPERS) approved hiring firms to manage various strategies within IPERS' $45.2 billion portfolio. All hirings are subject to final due diligence and successful contract negotiations.

"In late 2020, the Investment Board directed IPERS staff to implement an ambitious allocation plan," said IPERS CEO Greg Samorajski. "Since then, we've worked diligently to strategically acquire the resources necessary to implement this plan and ensure its success. This marks another milestone in that process as the Board approves hiring several new external managers. IPERS will work in close partnership with these firms to execute the Board's plan."

Real asset credit
The Board approved hiring 11 firms to manage the substrategies of the real assets portion of IPERS' private credit portfolio. The hirings are in response to the Board's September 2020 decision to increase the private credit target allocation from 3% to 8%. Over the last two years IPERS issued two RFPs to select asset managers for the private credit portfolio. These hirings are in response to the second RFP that was issued in July 2021.

Firm/Subcategory	Allocation Range (in millions)	
Core Real Estate Debt		
Heitman CREDIT		
Principal		
Subtotal	$150	$350
Opportunistic Real Estate Debt		
Kayne Anderson KARED IV		
Oaktree, RE Debt Fund II		
Sound Mark (Bench Manager)		
Calmwater (Bench Manager)		
Subtotal	$200	$400
Infrastructure Debt		
IFM Investors		
Subtotal	$50	$150
Leasing Strategies		
Oak Street		
JP Morgan, GTIF		

Subtotal	$100	$300
Other Real Assets Credit		
Raven Capitol Management		
AgAmerica Lending (Bench Manager)		
Subtotal	$50	$150
TOTAL REAL ASSETS CREDIT PORTFOLIO	$550	$1,350

Absolute return strategies

The Board approved hiring nine firms to support IPERS' absolute return allocation. The new hires supplement the current firms that manage approximately $917 million. IPERS intends to identify four to five products that best match its requirements. The remaining firms will be bench managers.

Firm	Product Class
Arrowstreet Capital	Global Equity Long/Short
Camden	Camden Bond Strategy
Verition	Multi-Strategy Fund
Brevan Howard	AS Macro
Man Group	Man GLG Emerging Market Debt
Millennium Global	Millennium Active Currency Alpha
Capula	Global Relative Value
ROW	CTA Diversified Program
Mesirow	Mesirow Emerging Markets Currency Alpha

At Friday's meeting, Wilshire, IPERS' investment consultant, shared a summary of the plan's CY2021 performance. Highlights from their report include the following:

- IPERS returned 19.0% in CY2021, outperforming its benchmark of 18.4%.
- Three- and five-year returns beat the policy benchmark and outperformed the Public Markets Reference Index by 2.4% and 2.3%, respectively.
- IPERS ranks very favorably versus peers across all time horizons. IPERS' returns have ranked in the top quartile against all public plans with more than $1 billion in assets over three, five and 10 years.
- IPERS 10-year risk-adjusted returns remain in the top-quartile, relative to all public plans with more than $1 billion in assets.

Complete materials from the meeting are available here. The Board's next meeting is scheduled for June 16, 2022.

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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 $45 billion trust fund that pays more than $2.4 billion in annual benefits to more than 129,000 retirees. IPERS is the state's largest public retirement system, serving more than 170,000 current public employees.