



**INVESTMENT BOARD MEETING MINUTES**  
Video / Telephonic Meeting  
March 25, 2022

The following people participated in the IPERS Investment Board meeting held on Friday, March 25, 2022.

**Members of the Board - Present**

Phyllis Peterson, Chair  
Justin Kirchhoff, Vice Chair  
Bill Bemis  
Mike Duncan  
Treasurer Michael Fitzgerald

Kris Rowley  
Lisa Stange  
Representative Mary Mascher  
Senator Pam Jochum  
Senator Tim Goodwin

**Members of the Board - Absent**

Representative Brian Lohse

**Administration**

Greg Samorajski, CEO  
Sriram Lakshminarayanan, CIO  
Sheldon Lien, Senior Investment Officer  
Pat Reinhardt, Senior Investment Officer  
Keith Scholten, Senior Investment Officer  
Marcus Dong, Investment Officer  
Kevin Terdal, Investment Officer

Melinda McElroy, Executive Assistant  
Elizabeth Hennessy, General Counsel  
David Martin, Chief Benefits Officer  
Darla Iverson, Chief Financial Officer  
Rick Hindman, Chief Information Officer  
Shawna Lode, Director of Communications

**Consultants**

Ali Kazemi, Wilshire  
Shawn Quinn, Wilshire

**Actuaries**

Patrice Beckham, Cavanaugh Macdonald  
Brent Banister, Cavanaugh Macdonald  
Bryan Hoge, Cavanaugh Macdonald

## **Call to Order**

Phyllis Peterson, chair, called the meeting to order at 8:30 a.m. and asked vice chairperson Justin Kirchhoff to facilitate the meeting because she is attending by telephone.

## **Approval of Minutes from Previous Meeting**

Treasurer Fitzgerald made the motion to approve the December 2, 2021, Investment Board meeting minutes. Phyllis Peterson seconded. The minutes were approved by unanimous voice vote.

## **CEO Report – Greg Samorajski**

Greg Samorajski reported Phyllis Peterson is retiring from her position on the Investment Board and thanked her for her 18 years of dedicated service. He then welcomed Tami Loge to the Board who will fill the retired member position on the Board upon Phyllis Peterson's retirement.

## **Experience Study – Economic Assumptions Review – Patrice Beckham, Brent Banister and Bryan Hoge**

The Cavanaugh Macdonald actuaries reported that an experience study is performed every four years. The current study covers fiscal years 2018 through 2021 and will be presented to the Board in two parts. At this meeting, Cavanaugh Macdonald reviewed their recommended economic assumptions. At their June 16, 2022, meeting, the Board will review the actuary's recommended demographic assumptions. At that meeting, the Board could adopt a new set of assumptions. If new assumptions are adopted, they would be applied to the June 30, 2022, valuation.

## **Calendar Year 2021 Investment Performance Review – Ali Kazemi**

Ali Kazemi of Wilshire reported that as of December 31, 2021, the Total Fund performance for the calendar year was 19%, outperforming the policy benchmark return of 18.4%. The presentation also included a return/risk ranking, sources of risk and a performance review of each publicly traded asset class and the managers within each class.

## **IPERS Investment Staff Reports**

### ***Beta Report***

Sriram Lakshminarayanan reviewed the beta report, noting the Fund's estimated market value of \$42.178 billion as of March 11, 2022, the date of the report. All asset classes were within policy ranges.

### ***Alpha Report***

The investment staff reviewed the alpha report noting minor performance concerns continue with Janus Capital, a domestic equity manager.

### *Private Markets Program*

Pat Reinhardt reviewed the investment managers in IPERS' private markets program noting minor concerns with Clarion Partners and UBS Farmland and material concerns with RREEF.

### *Risk Report*

Sriram Lakshminarayanan reported the search for a new risk officer to fill his previous position has begun. He then presented IPERS' risk monitoring reports noting active risk increased slightly from the last report to the Board.

### *CIO Updates*

Sriram Lakshminarayanan updated the Board on several matters including an update on market conditions relating to high inflation rates, recent Federal Reserve activity and IPERS' direct and indirect holdings in Russia; progress on the domestic equity portfolio transition; and announced that the ARP strategies will go live soon.

### **Real Assets Credit Manager Hiring Recommendations - Pat Reinhardt**

Pat Reinhardt reported IPERS received 90 proposals in response to the Private Real Assets Credit search RFP. Eight opportunities are being recommended for investment across the manager submissions and three managers are being recommended for bench consideration. All recommendations are contingent upon completion of operational due diligence and final contract negotiations.

	Sub-Strategy Allocation Range (\$M)	
	Low	High
<b>Core Real Estate Debt</b>		
Heitman CREDIT		
Principal		
<b>Sub-total</b>	<b>\$150</b>	<b>\$350</b>
<b>Opportunistic Real Estate Debt</b>		
Kayne Anderson, KARED IV		
Oaktree, RE Debt Fund II		
Sound Mark (Bench Manager)		
Calmwater (Bench Manager)		
<b>Sub-total</b>	<b>\$200</b>	<b>\$400</b>
<b>Infrastructure Debt</b>		
IFM Investors		
<b>Sub-total</b>	<b>\$50</b>	<b>\$150</b>
<b>Leasing Strategies</b>		
Oak Street		
JP Morgan, GTIF		
<b>Sub-total</b>	<b>\$100</b>	<b>\$300</b>
<b>Other Real Assets Credit</b>		
Raven Capital Management		
AgAmerica Lending (Bench Manager)		
<b>Sub-total</b>	<b>\$50</b>	<b>\$150</b>
<b>Total Real Assets Credit Portfolio</b>	<b>\$550</b>	<b>\$1,350</b>

Lisa Stange made the motion to approve the hiring recommendations. Bill Bemis seconded.

**Ayes:** Phyllis Peterson, Justin Kirchhoff, Bill Bemis, Mike Duncan, Treasurer Michael Fitzgerald, Kris Rowley and Lisa Stange

**Nays:** None

**Absent:** None

**MOTION PASSED**

### **Absolute Return Strategies Manager Hiring Recommendations – Sriram Lakshminaryanan**

Sriram Lakshminarayanan reported the search was conducted in three phases: a quantitative screen, a qualitative screen and an interview process. The following nine firms were recommended to the Investment Board for hiring pending due-diligence reviews, contract negotiations and evaluating portable alpha considerations.

<b>Firm</b>	<b>Product Class</b>
Arrowstreet Capital	Global Equity Long/Short
Camden	Camden Bond Strategy
Verition	Multi-Strategy Fund
Brevan Howard	AS Macro
MAN	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

Bill Bemis made the motion to approve the hiring recommendations. Kris Rowley seconded.

**Ayes:** Phyllis Peterson, Justin Kirchhoff, Bill Bemis, Mike Duncan, Treasurer Michael Fitzgerald, Kris Rowley and Lisa Stange

**Nays:** None

**Absent:** None

**MOTION PASSED**

### **IPERS Staff Updates**

Shawna Lode reported on the 2022 legislative session and bills impacting IPERS.

Rick Hindman and Mike Chesmore spoke to the Board about IPERS’ security practices, procedures and strategies to minimize cyber-attacks.

Elizabeth Hennessey reviewed the settlement status of a securities litigation case in which IPERS was involved.

David Martin reported on legislation recently signed by the Governor excluding pensions from Iowa taxes and noted member annual benefit statements will begin mailing later this month.

### **Public Comments**

Board members thanked Phyllis Peterson for her years of dedicated service to IPERS and the Investment Board.

### **Confirm Next Meeting Date**

The next regularly scheduled Investment Board meeting is Thursday, June 16, 2022, beginning at 8:30 a.m.

### **Other Business**

Because of Phyllis Peterson's retirement from the Board, Lisa Stange proposed that Justin Kirchhoff move from vice chair to chair. Lisa Stange made the motion nominating Justin Kirchhoff as Investment Board chair. Treasurer Fitzgerald seconded.

**Ayes:** Bill Bemis, Treasurer Michael Fitzgerald, Kris Rowley and Lisa Stange

**Abstain:** Justin Kirchhoff

**Absent:** Phyllis Peterson and Mike Duncan

**MOTION PASSED**

### **Adjourn**

With no further business to come before the Investment Board, the meeting adjourned at 12:20 p.m.