



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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FOR IMMEDIATE RELEASE

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IPERS Investment Board updates asset allocation plan

Private equity target increased by 4.0%, private real assets by 1.0%

September 22, 2022 (Des Moines, IA) - Today the Investment Board of the Iowa Public Employees' Retirement System (IPERS) voted to amend the system's allocation plan, increasing the allocations for private equity from 13.0% to 17.0% and private real assets from 8.5% to 9.5%. Some other asset classes were slightly reduced.

"Private equity returned more than 68.0% and 23.0% in FY2021 and FY2022, respectively. Private equity's historically strong performance means the current asset allocation exceeds the current policy target," IPERS CEO Greg Samorajski said. "To avoid rebalancing illiquid assets and potentially diminishing the portfolio's value, and to ensure vintage year diversification, the Investment Board responded with action that brings the allocations more in line with IPERS' actual targets."

IPERS' Investment Board annually reviews the asset allocation plan. In 2021 the Board did not change the plan. In 2020, the Board amended the allocations in four asset classes, including increasing the private equity allocation from 11.0% to 13.0%.

Asset Class	Previous Policy	New Policy (approved 9-22-22)
US Equity	22.0%	21.0%
International Equity	17.5%	16.5%
Private Equity	13.0%	17.0%
Global Smart Beta	6.0%	5.0%
Total Growth Assets	58.5%	59.5%
Core (Plus) Fixed Income	20.0%	19.0%
Total Safety Assets	20.0%	19.0%
Public Credit	4.0%	3.0%
Private Credit	8.0%	8.0%
Total Credit Assets	12.0%	11.0%
Private Real Assets	8.5%	9.5%
Total Inflation Hedging Assets	8.5%	9.5%
Cash	1.0%	1.0%
Total Liquidity Assets	1.0%	1.0%
Total Assets	100%	100%

In other business at today's meeting, CEM Benchmarking, Inc. shared IPERS' Investment Cost Effectiveness Analysis for the five-year period ending December 31, 2021. Highlights of the report include the following:

Returns

- IPERS' five-year net total return exceeded both the U.S. public median and the peer median.
- IPERS' five-year policy return exceeded both the U.S. public median and the peer median.

Value added

- IPERS' five-year net value added exceeded both the U.S. public median and the peer median.

Cost

- IPERS' investment cost was below the benchmark cost, suggesting IPERS' fund was low cost compared to peers.
- IPERS' fund was low cost because it had a lower cost implementation style and it paid less than peers for similar services.
- IPERS' costs decreased between 2017 and 2021 because IPERS had a lower cost implementation style and paid less in total for similar investment styles. This was partly offset by a higher cost asset mix.

Complete materials from the meeting are available [here](#). The Board's next meeting is scheduled for December 1, 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 \$40.13 billion trust fund that pays more than \$2.4 billion in annual benefits to more than 120,000 retirees. IPERS is the state's largest public retirement system, serving more than 173,000 current public employees.