



INVESTMENT BOARD MEETING MINUTES  
IPERS Headquarters  
7401 Register Drive, Des Moines, Iowa  
December 1, 2022

The following people attended the IPERS Investment Board Meeting held on Thursday, December 1, 2022.

**Members of the Board – Present**

Justin Kirchhoff, Chair  
Bill Bemis, Vice Chair  
Treasurer Michael Fitzgerald  
Tami Loge

Kris Rowley  
Lisa Stange  
Representative Mary Mascher  
Representative Brian Lohse

**Members of the Board – Absent**

Senator Tim Goodwin  
Senator Pam Jochum

**Administration and Staff**

Greg Samorajski, Chief Executive Officer  
Sriram Lakshminarayanan, CIO  
Rich Wiggins, Risk & Operations Officer  
Sheldon Lien, Senior Investment Officer  
Pat Reinhardt, Senior Investment Officer  
Keith Scholten, Senior Investment Officer  
John Fujiwara, Retirement Investment Officer

Marcus Dong, Investment Officer  
Kevin Terdal, Investment Officer  
Melinda McElroy, Executive Assistant  
David Martin, Chief Benefits Officer  
Elizabeth Hennessey, General Counsel  
Shawna Lode, Director of Communications  
Rick Hindman, Chief Operations Officer

**Consultant – Wilshire**

Rose Dean

**Actuary – Cavanaugh Macdonald**

Patrice Beckham  
Brent Banister  
Bryan Hoge

**Benefits Advisory Committee**

Len Cockman  
Lowell Dauenbaugh  
Steve Hoffman  
Erin Mullenix  
Melissa Peterson  
Phil Tetzloff

## **Call to Order**

Chair Justin Kirchoff called the meeting to order at 8:30 a.m.

## **Approval of Minutes from the Previous Meetings**

Lisa Stange made the motion to approve the meeting minutes from the September 21, 2022, and September 22, 2022, Board meetings. Treasurer Fitzgerald seconded. The motion carried by unanimous voice vote.

## **CEO's Report**

Greg Samorajski thanked Representative Mary Mascher and Treasurer Michael Fitzgerald for their years of dedicated service to IPERS, its members and the Investment Board.

## **Request to Issue an RFP for Actuarial Consulting Services**

Greg Samorajski reported that state agencies must rebid contracts every six years. IPERS' contract with current actuary, Cavanaugh Macdonald, expires June 30, 2023. Kris Rowley moved to approve the issuance of an RFP for actuarial consulting services. Tami Loge seconded. The motion carried by unanimous roll call vote.

**Ayes:** Justin Kirchoff, Bill Bemis, Treasurer Fitzgerald, Tami Loge, Kris Rowley and Lisa Stange  
**Nays:** None

**MOTION PASSED**

## **IPERS Investment Staff Reports**

### ***Beta Report***

Sriram Lakshminarayanan reviewed the Fund's asset allocation and reported all asset classes were within their established policy ranges. The estimated market value of the IPERS Trust Fund is \$39.84 billion.

### ***Alpha Report***

The investment team reviewed the alpha report noting minor performance concerns for Columbia Management's EAFE strategy.

### ***Private Markets Program Risk Report***

Pat Reinhardt noted minor performance concerns for real estate manager, Clarion Partners, and other real assets managers Forest Investment Associates and UBS Farmland.

### ***Risk Report***

Rich Wiggins reviewed IPERS' standard risk reports.

### ***CY2023 Private Markets Commitments***

Pat Reinhardt reviewed the private market program commitment plan, noting in calendar year 2023, IPERS plans to make commitments of up to \$1.95 billion. Private equity to receive \$700 million, private credit to receive \$850 million and \$400 million to private real assets.

### ***FY2022 Investment Management Expenses***

Sriram Lakshminarayanan reported IPERS' preliminary investment management expenses for fiscal year 2022 were \$70.3 million, an increase of 3.1% from FY2021.

### ***CIO Updates***

Sriram Lakshminarayanan discussed how unprecedented the investment markets are with both stocks and bonds simultaneously producing double-digit negative returns. He next updated the Board on the alpha search RFP IPERS plans to issue and the recently launched internal ARP strategy.

### **Securities Lending Review**

Jina Bresson of the State Treasurer's Office provided an overview of the securities lending program and its earnings.

### **2022 Actuarial Valuation Report**

Patrice Beckham, Brent Banister and Bryan Hoge of Cavanaugh Macdonald presented the results of the 2022 actuarial valuation report. Despite assumption changes resulting from the previous years' Experience Study and an investment return of -3.9% in FY2022, IPERS' funded status increased from 88.3% to 89.5%, and the unfunded actuarial liability decreased to \$4.615 billion. The 2022 valuation report sets the required contribution rates for FY2024. Contribution rates will remain unchanged for Regular and Protection Occupation members. Contribution rates for Sheriffs and Deputy Sheriffs will decrease 0.50%.

### **Contribution Rate Funding Policy**

Greg Samorajski reviewed proposed changes to the Contribution Rate Funding Policy, including when the favorable experience dividend and the supplemental account for active members programs will be funded. After discussions, Justin Kirchhoff moved for Greg Samorajski, as IPERS CEO, to establish a COLA working group consisting of Investment Board and BAC members. The group will study the issue and bring a recommendation to the Board and BAC for their endorsement. The recommendation may be presented to the legislature. Lisa Stange seconded. The motion carried by unanimous roll call vote.

**Ayes:** Justin Kirchhoff, Bill Bemis, Treasurer Fitzgerald, Tami Loge, Kris Rowley and Lisa Stange

**Nays:** None

**MOTION PASSED**

### **Public Comments**

None

### **Confirm Next Meeting Date and Adjournment**

The Investment Board's next meeting date is Friday, March 24, 2023. With no further business to come before the Board, the meeting adjourned at 11:55 a.m.