



INVESTMENT BOARD MEETING MINUTES
IPERS Headquarters
7401 Register Drive, Des Moines, Iowa
March 24, 2023

The following people participated in the IPERS Investment Board meeting held on Friday, March 24, 2023.

Members of the Board – Present

Justin Kirchhoff, Chair
Bill Bemis, Vice Chair
Tami Loge
Treasurer Roby Smith

Kris Rowley
Lisa Stange
Senator Pam Jochum
Senator Mark Lofgren

Members of the Board – Absent

None

Administration

Greg Samorajski, CEO
Sriram Lakshminarayanan, CIO
John Fujiwara, Head of Strategy
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
Tara Hagan, Chief Financial Officer
Rick Hindman, Chief Information Officer
Shawna Lode, Director of Communications

Consultants

Thomas Toth, Wilshire
Ali Kazemi, Wilshire
Blake Curtis, Wilshire

Call to Order

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

Approval of Minutes from Previous Meeting

Kris Rowley made the motion to approve the December 1, 2022, Investment Board meeting minutes. Tami Loge seconded. The minutes were approved by unanimous voice vote.

CEO Report – Greg Samorajski

Greg Samorajski welcomed State Treasurer Roby Smith to the Investment Board and introduced Russ Trimble and Molly Widen, also of the Treasurer's office. Greg next introduced Linda Guffey, IPERS' new deputy chief operations officer. Greg concluded his report by saying Governor Reynolds' proposed budget includes a \$2.5 million administrative budget increase for IPERS. The legislature is currently considering this request.

Legislative Session Update – Shawana Lode

Shawna Lode reported on the 2023 legislative session and bills impacting IPERS.

Actuarial Consulting Services Hiring Recommendation – Bill Bemis

Bill Bemis reported IPERS received four proposals in response to the Actuarial Consulting Services RFP. The evaluation committee recommended the Investment Board hire Cavanaugh Macdonald as the System's actuary, subject to final due diligence and successful contract and fee negotiations. Bill Bemis made the motion to approve the hiring recommendation. Kris Rowley seconded. The motion carried by unanimous roll call vote.

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

Nays: None

MOTION PASSED

Closed Session for CIO Performance Evaluation and CEO Compensation

Kris Rowley made the motion that the IPERS Investment Board go into a closed session of this public meeting to discuss the CIO's annual performance evaluation and the CEO's compensation as authorized by Iowa Code section 21.5(1)(i). Tami Loge seconded. The motion carried by unanimous roll call vote.

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

Nays: None

MOTION PASSED

Kris Rowley made the motion that the IPERS Investment Board end its closed session and resume the open session of this meeting. Tami Loge seconded. The motion carried by unanimous roll call vote. The Board took no action during its closed session.

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

Nays: None

MOTION PASSED

Lisa Stange made the motion to approve a CEO salary increase of 5% effective for the next pay period. Should the Governor provide a salary adjustment per usual practice mid-year, the CEO's salary will be adjusted to ensure the 5% increase is maintained. Kris Rowley seconded. The motion carried by roll call vote.

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

Nays: Treasurer Smith

MOTION PASSED

Calendar Year 2022 Investment Performance Review – Thomas Toth and Ali Kazemi

Wilshire reported, as of December 31, 2022, the Total Fund performance for the calendar year was -10.6%, outperforming the policy benchmark return of -10.9%. 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.

Investment Policy and Goal Statement – Sriram Lakshminarayanan

Staff recommended the Investment Board revise the Asset Allocation Policy contained in Appendix B of the IPGS to make the Bloomberg U.S. Aggregate Index the Policy Benchmark for the core-plus asset class, effective July 1, 2023. In addition, the core-plus fixed-income asset class should be renamed to the core fixed-income asset class. Tami Loge made the motion to approve the recommendation. Treasurer Smith seconded. The motion carried by roll call vote.

Ayes: Justin Kirchhoff, Tami Loge, Kris Rowley, Treasurer Smith and Lisa Stange

Nays: None

Absent: Bill Bemis

MOTION PASSED

IPERS Investment Staff Reports

CIO Updates

Sriram Lakshminarayanan updated the Board on several matters and reviewed a presentation on current market conditions.

Beta Report

Sriram Lakshminarayanan reviewed the beta report, noting the Fund's estimated market value of \$39.789 billion as of March 17, 2023, the date of the report. All asset classes were within policy ranges.

Alpha Report

The investment staff reviewed the alpha report noting minor performance and process concerns with Columbia, an international equity manager.

Private Markets Program

Pat Reinhardt reviewed the investment managers in IPERS' private markets program noting minor concerns with Clarion Partners, Forest Investment Associates and UBS Farmland.

Risk Report

Sriram Lakshminarayanan presented IPERS' risk monitoring reports noting active risk remains well below the 1.5% target.

Public Comments

The Investment Board heard comments from former Senator Patrick Deluhery and Greg Jameson.

Confirm Next Meeting Date

The next regularly scheduled Investment Board meeting is Thursday, June 15, 2023, beginning at 8:30 a.m.

Other Business

The Board and IPERS staff thanked Lisa Stange for her years of dedicated service to the IPERS Investment Board.

Adjourn

With no further business to come before the Investment Board, the meeting adjourned at 11:51 a.m.