



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

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Chief Executive Officer

**Kim Reynolds**  
Governor

**Adam Gregg**  
Lt. Governor

**FOR IMMEDIATE RELEASE**

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**IPERS announces 5.41% investment return in FY2023, \$1 billion in fund growth**

*Investment Board approves changes to allocation plan*

**September 28, 2023 (Des Moines, IA)** - At today's quarterly meeting of its investment board, the Iowa Public Employees' Retirement System announced that its investment program earned a 5.41% return in FY2023, slightly exceeding its policy benchmark of 5.27%. At the conclusion of FY2023, the value of the IPERS Trust Fund equaled \$41.13 billion, a \$1 billion increase from the same time in FY2022.

"IPERS overcame several market challenges in FY2023, including interest rate hikes, debt ceiling concerns and uncertainty in some aspects of the private markets sector to achieve a positive return," said IPERS CEO Greg Samorajski. "I'm proud of our team of investment professionals who remain steadfast in their commitment to the long-term security of the IPERS Trust Fund."

A summary of IPERS' fiscal year-end and quarterly results are available [on its website](#).

Today the IPERS Investment Board also modified the System's asset allocation plan as part of its annual review, including reducing the allocation to international equities by 3.50% (16.50% to 13.00%) and increasing the allocation to core fixed income by 3.50% (19.00% to 22.50%). The adjustments maintain IPERS' 7.00% return target.

Asset Class	Current Policy	New Policy (approved 9-28-23)
US Equity	21.00%	21.0%
International Equity	16.50%	13.00%
Private Equity	17.00%	17.00%
Global Smart Beta	5.00%	5.00%
<b>Total Growth Assets</b>	<b>59.50%</b>	<b>56.00%</b>
Public Credit	3.00%	3.00%
Private Credit	8.00%	8.00%
<b>Total Defensive Growth Assets</b>	<b>11.00%</b>	<b>11.00%</b>
Core Fixed Income	19.00%	22.50%
Cash	1.00%	1.00%
Short Duration Fixed Income	0.00%	0.00%
<b>Total Defensive/Rate Sensitive Assets</b>	<b>20.00%</b>	<b>23.50%</b>
Private Real Assets	9.50%	9.50%
<b>Total Real Assets/Inflation Sensitive Assets</b>	<b>9.50%</b>	<b>9.50%</b>
<b>Total Assets</b>	<b>100.00%</b>	<b>100.00%</b>

### Absolute Return Strategies

The Board approved hiring seven strategies as candidates to add to the IPERS' absolute return overlay program. Onboarding these strategies is subject to final due diligence and successful contract negotiations. IPERS issued the RFP on December 5, 2022, and received 129 responses.

Firm	Strategy Name
DCM	Diversified Alpha
Neuberger Berman	Insurance-Linked Strategies
Contrarian Capital Management	Emerging Markets Distressed
Kosmos	Life Insurance Paired Policies
Orion	Orion Commodities Fund
Invesco	Dynamic Multifactor Strategy
Jupiter	Strategic Absolute Return Bond

### Additional Meeting Highlights

CEM Benchmarking Inc. provided its annual report of IPERS' investment cost effectiveness analysis. Key points for 2022 included:

- IPERS' five-year net total return was 7.0%. This was above the U.S. Public median of 5.9% and exceeded the peer median of 5.7%.
- IPERS' five-year net value added was 1.7%. This was above the U.S. Public median by 1.1% and exceeded the peer median by 0.8%.
- IPERS' investment cost of 44.3 bps was below IPERS' benchmark cost of 57.7 bps, suggesting that IPERS' Trust Fund was low cost compared to peers.

Complete materials from today's IPERS Investment Board meeting are available [here](#).

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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 \$41.13 billion trust fund that pays \$2.5 billion in annual benefits to more than 120,000 retirees. IPERS is the state's largest public retirement system, serving more than 176,000 current public employees.*