

FY2021

ANNUAL SUMMARY

For the Fiscal Year Ended June 30, 2021



A LETTER FROM THE CHIEF EXECUTIVE OFFICER

FY2021 was one for the record books.

IPERS' unprecedented investment return of 29.63% was the second highest in IPERS' history and generated \$9.89 billion for the IPERS Trust Fund that pays member benefits. On June 30, 2021, the value of the fund equaled an all-time high of \$42.85 billion.

This success was central to a dramatic decrease in IPERS' unfunded actuarial liability that dropped from \$6.58 billion in FY2020 to \$4.96 billion in FY2021. During the same time, IPERS' funded ratio grew from 83.96% to 88.34%. IPERS continues to be among the most well-funded public pension plans in the nation.

So what does all this mean for you, our valued IPERS member? Plenty.

First, it's reassurance that IPERS is a strong retirement system that is well-equipped to pay retirement, death and disability benefits into perpetuity.

Second, it's proof that our investment program is designed to withstand market vulnerabilities. When the onset of the COVID-19 pandemic sent markets into a tailspin in late FY2020, IPERS' investments returned little more than 3%. IPERS weathered that year and was able to quickly rebound.

Third, IPERS is on track to eliminate the unfunded actuarial liability and become fully funded.

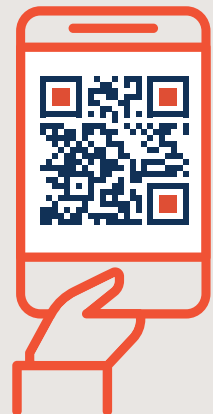
Thanks for reviewing this annual summary that highlights our year's work in more detail. It is our privilege to share the successes of FY2021 with you.



Sincerely,

Gregory S. Samorajski
CEO

SCAN ME



Scan this QR code to read the full FY2021 Annual Comprehensive Financial Report or visit our website at www.ipers.org.

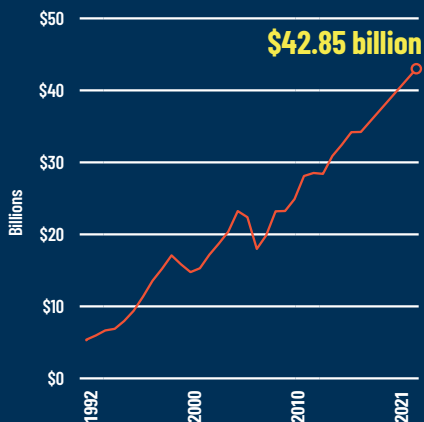
This report conforms with generally accepted accounting principles (GAAP).

THE MOST IMPORTANT THING IPERS DOES IS PAY BENEFITS

More than 380,000 lowans rely on IPERS to provide secure retirement benefits now and in the future. Because nearly 70% of IPERS' benefit payments come from investment income, it's imperative that IPERS' investment program achieves its goals to provide the benefits public employees expect. While this year's return of 29.63% far exceeds the 7.00% assumption, it's important to perform well over the long term. IPERS' investment goal is to maintain a diverse portfolio and maximize returns at an acceptable level of risk with a long-term outlook.

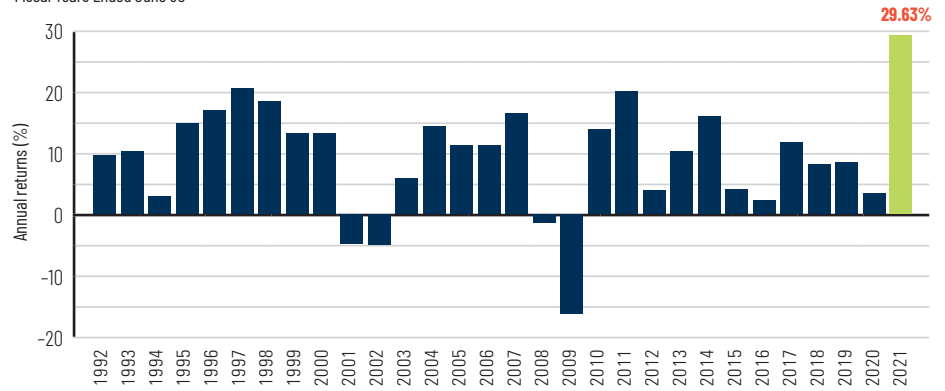
TRUST FUND GROWTH

In FY2021, the value of the IPERS Trust Fund grew more than \$9 billion to nearly \$43 billion.



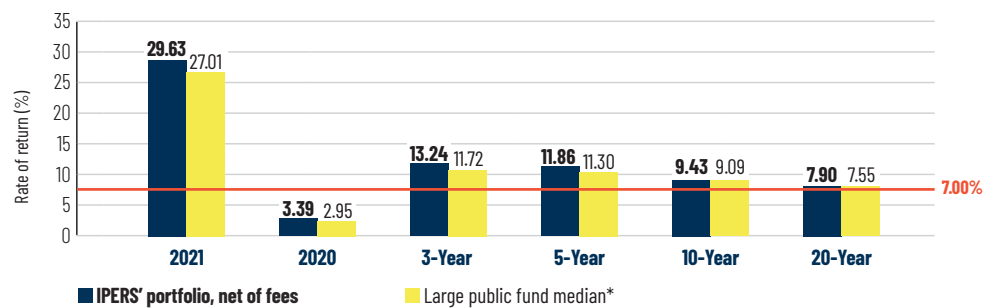
INVESTMENT RETURNS

Fiscal Years Ended June 30



INVESTMENT FUND PERFORMANCE SUMMARY

— Current actuarial assumed investment return = 7.00%



*TUCS Public Funds > \$1 Billion Index.

Note: 3-, 5-, 10- and 20-year results are annualized returns.

INVESTMENT PERFORMANCE

IPERS' investment policy goal is to maximize the total rate of return on investments within prudent risk parameters. Solid performance over time is important. Read IPERS' full investment policy at www.ipers.org/investment-policies.

29.63% FY2021 Investment Return

7.00% Long-Term Investment Assumption



FUNDED RATIO

A funded ratio equals the value of assets divided by pension obligations or liabilities.

88.34%
as of June 30, 2021

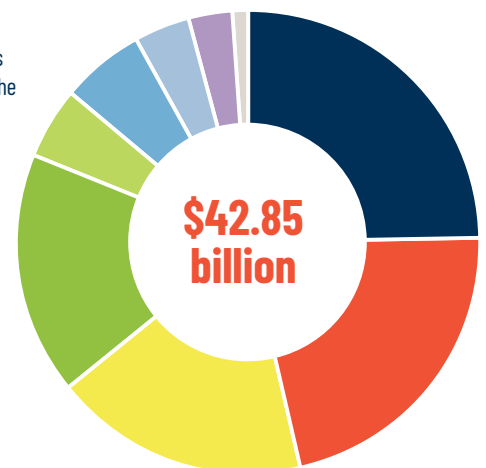
ASSET ALLOCATION

An investment portfolio constructed of diversified assets will, on average, yield high long-term returns and lower the risk of any individual holding or security.

(Fair Values in Millions)*
As of June 30, 2021

- Core-plus fixed income (25%) \$10,632
- Domestic equity (22%) \$9,314
- Private equity (18%) \$7,506
- International equity (17%) \$7,293
- Private real assets (6%) \$2,361
- Global smart beta equity (6%) \$2,493
- Public credit (4%) \$1,646
- Private credit (3%) \$1,147
- Cash (1%) \$463

*Due to rounding, this chart does not equal 100%.



MEMBERSHIP

ALL MEMBERS
by Status*



- Active (45%) 173,186
- Retired (31%) 119,542
- Inactive vested (7%) 25,770
- Inactive nonvested (14%) 53,940
- Retired reemployed (2%) 9,484

ACTIVE MEMBERS
by Major Employer Type*



- Education (52%) 90,298
- County (16%) 27,588
- State (15%) 26,055
- City (14%) 23,601
- Other (3%) 5,644

*Due to rounding, charts may not equal 100%.

THE AVERAGE IPERS RETIREE



64
Retirement Age



\$1,524
Monthly Benefit



23
Years of Service

ADMINISTRATION COST

IPERS' pension administration costs per member are significantly less than its peers.

\$98



Peer average cost

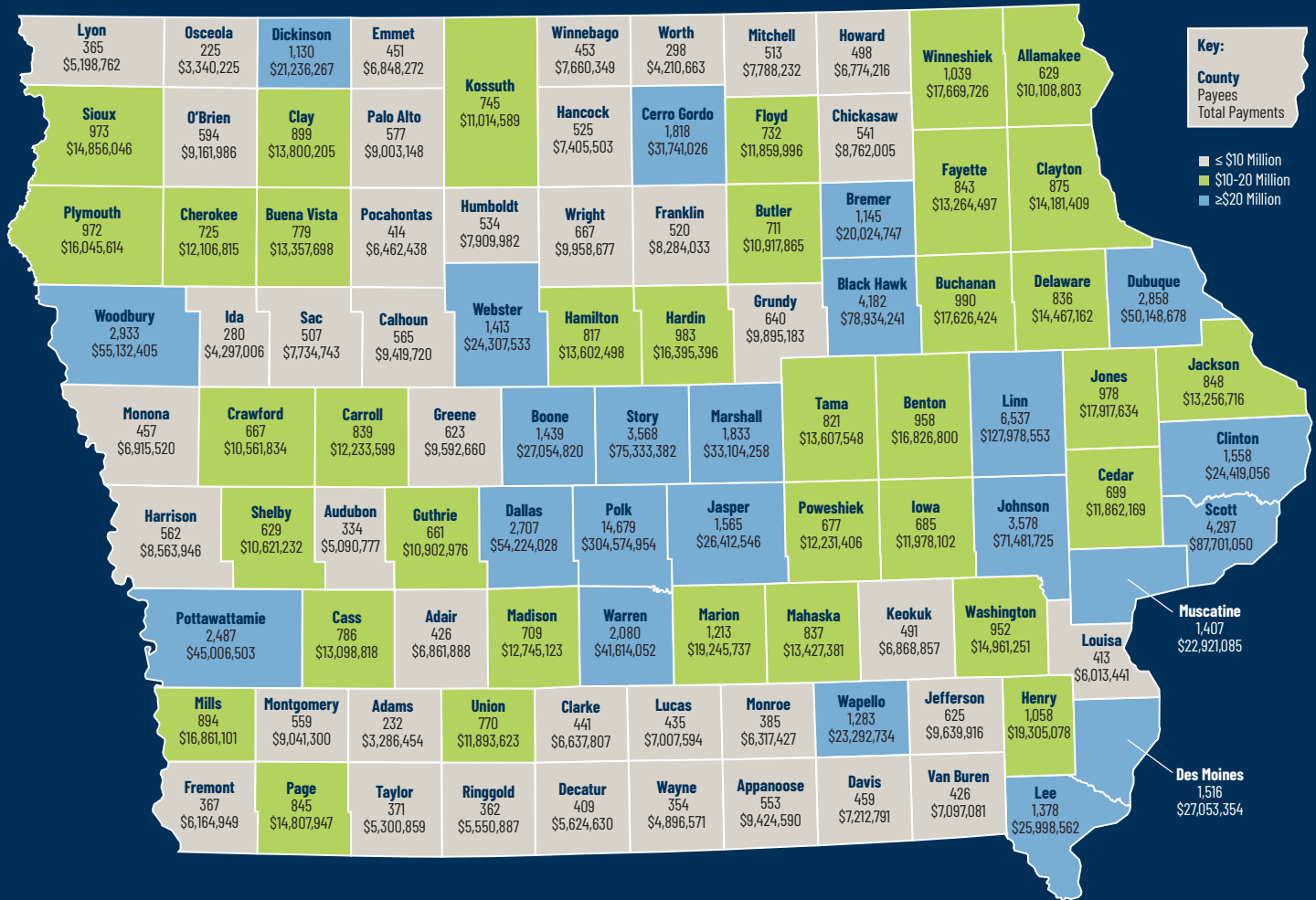
\$46



IPERS' cost

Source: CEM Benchmarking, Inc., FY2020

BENEFIT PAYEES AND PAYMENTS BY COUNTY



\$2.4 billion
TOTAL BENEFITS PAID

\$2.1 billion
BENEFITS PAID TO RETIREES LIVING IN IOWA



Working Today for Your Tomorrow

Iowa Public Employees' Retirement System

P.O. Box 9117
7401 Register Drive
Des Moines, Iowa 50306-9117

QUESTIONS? CONTACT US.

515-281-0020 or 800-622-3849 (toll-free)

Monday-Friday 7:30 a.m.-5 p.m. Central Time

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**A LETTER FROM THE GOVERNOR
AND LT. GOVERNOR**

The legislature created IPERS in 1953 to attract and retain a quality workforce to fulfill the critical duties of government. Today, one in 10 Iowans rely on IPERS for a dependable retirement income.

IPERS members are teachers, social workers, nurses, firefighters, police and many more who are dedicated to improving the lives of others. I've seen the impact of your selfless service firsthand as I travel throughout Iowa. I continue to be impressed and inspired by your work.

IPERS is not only a benefit for its members, it's also a sizable economic engine for Iowa. Retirees in Iowa receive the greatest share of IPERS' annual benefit payments, \$2.1 billion, collectively in FY2021. Residents reinvest this money in their communities to help grow the local and state economies.

We are proud to represent you and support IPERS. Thank you for everything you do every day and for your dedication over the last year.



Kim Reynolds

Kim Reynolds
Governor



Adam Gregg

Adam Gregg
Lieutenant Governor

FIDUCIARY NET POSITION

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2021	2020	2021/2020 Percentage Change	2019	2020/2019 Percentage Change
Cash and investments at fair value	\$43,661,649	\$35,334,054	23.6	\$35,059,231	0.8
Receivables	1,213,789	777,650	56.1	1,017,467	(23.6)
Capital assets	13,127	14,167	(7.3)	15,073	(6.0)
Other assets	628	530	18.5	554	(4.3)
Total assets	44,889,193	36,126,401	24.3	36,092,325	0.1
Deferred outflows of resources	99	83	19.3	46	80.4
Total liabilities	1,999,337	2,078,741	(3.8)	2,081,664	(0.1)
Deferred inflows of resources	79	51	54.9	26	96.2
Total net position	\$42,889,876	\$34,047,692	26.0	\$34,010,681	0.1

CHANGES IN FIDUCIARY NET POSITION

(Dollar Values Expressed in Thousands)
Fiscal Years Ended June 30

	2021	2020	2021/2020 Percentage Change	2019	2020/2019 Percentage Change
Additions					
Contributions and service purchases	\$1,371,873	\$1,327,865	3.3	\$1,294,438	2.6
Net investment and securities lending income	9,895,374	1,041,873	849.8	2,640,007	(60.5)
Total additions	11,267,247	2,369,738	375.5	3,934,445	(39.8)
Deductions					
Benefits and refunds	2,418,811	2,319,143	4.3	2,222,656	4.3
Administrative expenses	13,852	13,584	2.0	15,697	(13.5)
Total deductions	2,432,663	2,332,727	4.3	2,238,353	4.2
Extraordinary item*	7,600	-	-	-	-
Increase in net position	\$8,842,184	\$37,011	23,790.7	\$1,696,092	(97.8)

*IPERS received the final settlement payment from the Westridge Capital fraud case, CFTC v. Walsh / SEC v. WG. This payment resulted in an extraordinary item during this fiscal year.

Total net position restricted for pensions increased from \$34.048 billion on June 30, 2020, to \$42.890 billion on June 30, 2021. These assets consist of capital assets owned by IPERS and investment portfolio assets.

In FY2021, employee and employer contributions, including service purchases, totaled \$1.372 billion, while total member benefits equaled \$2.419 billion. The resulting \$1.047 billion contribution shortfall was funded with earnings and sales proceeds from the investment portfolio.