

IPERS INVESTMENT IN-SERVICE MEETING

September 16, 2009

IPERS Board Room

The following people were in attendance at the IPERS Investment In-Service Meeting that was held in the IPERS Board Room on Wednesday, September 16, 2009.

Members of the Board

David Creighton, Chair
Phyllis Peterson, Vice Chair
Treasurer Michael Fitzgerald
Michael Beary
Lana Dettbarn

Jay Ingram
Joanne Stockdale
Senator Steve Kettering
Representative Dawn Pettengill

Administration & Staff

Donna Mueller, CEO
Karl Koch, Chief Investment Officer
Jeff Beisner, Investment Officer 3
Pat Reinhardt, Investment Officer 3
Keith Scholten, Investment Officer 3
Melinda Prince, Executive Secretary

David Martin, Chief Benefits Officer
Gregg Schochenmaier, General Counsel
Kelly Lovell, General Counsel
Leon Schwartz, Chief Operations Officer
Julie Economaki, Public Info. Officer
Roger Wheatley, Internal Auditor

Consultant

Wilshire Associates
Eileen Neill
Jim Rice

Presenters

Steven Foresti, Wilshire Associates
Stephen Marshall, Wilshire Associates
Joel Whidden, Bridgewater Associates
Paul Podolsky, Bridgewater Associates
Robert Goldstein, Blackrock Solutions
Robert Capaldi, Blackrock

Other Guests

Jina Bresson, Treasurer's Office
Theresa Kehoe, Senate Democratic Caucus Staff
David Blakeley, Bank of New York Mellon
Ray Walton, BAC Member
Jon Studer, BAC Alternate
Pat Deluhery

NOTE: References to specific "Tabs" relate to the September 16th In-Service notebook, where the full reports may be found.

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Asset Allocation Overview – Tab 1

Steven Foresti and Stephen Marshall of Wilshire Associates gave an overview of the asset allocation process, and how it relates to modern portfolio theory. Foresti and Marchall also discussed some of the tools used in asset allocation and addressed some of the potential shortcomings of traditional asset allocation approaches and some possible alternatives.

Balanced Beta: A Better Approach to Asset Allocation – Tab 2

Joel Whidden and Paul Podolsky of Bridgewater Associates gave an educational presentation on a balanced beta approach to asset allocation, which they believe is a better approach than traditional approaches. Whidden and Podolsky argued that an investment portfolio that had balanced exposure to the four key economic environments would provide a better risk adjusted return for investors in the long run. Some of the implementation issues associated with such an approach, such as the leveraging of bonds, was also discussed.

Risk Management in the New World – Tab 3

Robert Goldstein of Blackrock Solutions reviewed the lessons learned from the seismic changes in the financial markets over the last two years and the impact it has had, and the need for, better risk management systems.

Public-Private Investment Funds – Tab 4

Jim Rice of Wilshire Associates gave an overview of the Public-Private Investment Partnership (PPIP) program that was introduced by the U.S. Treasury to create liquidity in the residential and commercial mortgage-backed securities markets.

Adjournment

The meeting was adjourned at 5:50 p.m.