



**INVESTMENT BOARD MEETING MINUTES**  
IPERS Headquarters, 7401 Register Drive  
Des Moines, Iowa  
June 18, 2020

The following people participated in the IPERS Investment Board Meeting held on Thursday, June 18, 2020.

**Members of the Board – Present**

Lisa Stange, Chair

Marlene Sprouse, Vice Chair

David Creighton

Treasurer Michael Fitzgerald

Justin Kirchhoff

Phyllis Peterson

Kris Rowley

Representative Mary Mascher

Representative Mary Ann Hanusa

Senator Mark Lofgren

**Members of the Board – Absent**

Senator Pam Jochum

**Administration and Staff**

Greg Samorajski, CEO

Karl Koch, CIO

Sriram Lakshminarayanan, CRO

Pat Reinhardt, Senior Investment Officer

Keith Scholten, Senior Investment Officer

Melinda McElroy, Executive Assistant

Elizabeth Hennessey, General Council

Shawna Lode, Director of Communications

Rick Hindman, Chief Information Officer

**Wilshire Associates**

Rose Dean

Ali Kazemi

Shawn Quinn

## **Proceedings**

Lisa Stange, chair, called the meeting to order at 8:30 a.m.

## **Approval of Minutes of Previous Meeting**

David Creighton made the motion to approve the March 27, 2020, Investment Board meeting minutes. Marlene Sprouse seconded. The minutes were approved by unanimous voice vote.

## **CEO Report**

Greg Samorajski thanked the Board members and all others for attending today's Investment Board meeting via Zoom and conference call. He reported that the IPERS building continues to be closed to the public and noted IPERS continues to offer high service to its members and employers during the COVID-19 pandemic.

## **CEO Across-the-Board Salary Adjustment**

For fiscal year 2021, Governor Reynolds authorized an across-the-board salary increase of 2.1% for state of Iowa employees. Lisa Stange made the motion that the Investment Board approve the across-the-board salary increase for IPERS' CEO. David Creighton seconded the motion.

**Ayes:** Lisa Stange, Marlene Sprouse, David Creighton, Treasurer Fitzgerald, Justin Kirchhoff, Phyllis Peterson and Kris Rowley

**Nays:** None

**MOTION PASSED**

## **IPERS Investment Staff Reports**

### ***Beta Report***

Karl Koch reviewed the Fund's asset allocation and stated that all asset classes were within policy ranges as of June 5, 2020. The Total Fund market value estimate on that date was \$34.98 billion.

### ***Risk Report***

Sriram Lakshminarayanan presented IPERS' risk monitoring reports noting active risk is elevated but currently stable. He expects all components of risk to drop in the next few months if the markets remain reasonable.

### ***Alpha Report***

The investment staff reported they were monitoring Berenberg Asset Management for performance and organizational issues and IPM is being monitored for performance issues. Both firms are liquid absolute return strategy managers.

### ***CIO Updates***

Karl Koch reported on IPERS' discussions of implementing a Term Asset-Backed Securities Loan Facility (TALF) program. He next reported that IPERS has requested three waivers from the Department of Administrative Services. Two waiver requests relate to service contracts terms and the third relates to the competitive selection process for private market investments.

## **Private Markets Program Overview**

Pat Reinhardt provided the Board with the annual review of the private markets program. No program changes were recommended.

## **Infrastructure Fund Hiring Recommendation**

Pat Reinhardt reported that IPERS received 12 proposals in response to its RFP for open-end infrastructure funds, but 5 did not meet the minimum requirements. The evaluation committee scored the remaining 7 proposals and interviewed the 5 highest-scoring firms. The evaluation committee recommended that the Investment Board approve the hiring of Brookfield Super-Core Infrastructure Partners for a global infrastructure mandate, subject to final due diligence and successful contract negotiations. Justin Kirchhoff made the motion to approve the hiring recommendation. Phyllis Peterson seconded. The motion carried by unanimous roll call vote.

**Ayes:** Lisa Stange, Marlene Sprouse, David Creighton, Treasurer Fitzgerald, Justin Kirchhoff, Phyllis Peterson and Kris Rowley

**Nays:** None

**MOTION PASSED**

## **Securities Lending Review**

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

## **Securities Litigation Report**

Elizabeth Hennessey reported on the status of each case IPERS is serving in an active role and provided the total funds recovered during the period of March 1, 2019 through June 4, 2020, from monitored cases.

## **Fossil Fuel Divestment**

Karl Koch reviewed with the Board that Iowa legislators and IPERS have received emails from citizens requesting that Iowa's pension funds freeze all investments in fossil fuel companies or divest from all direct and indirect investments in coal, oil and gas producers. Karl noted that historically IPERS has not supported such action due to the social investment prohibitions in IPERS' investment policy, but that the Board has the authority to change the policy in its discretion. IPERS staff and Wilshire Associates will assist in evaluating potential policy changes if the Board requests it.

## **Public Comments and Other Business**

Public comment was given by Pat Deluhery regarding internal investment management. Marlene Sprouse announced she will be retiring as president of Indian Hills Community College effective October 1, 2020, and her resignation from the Investment Board will be effective June 19, 2020.

**Confirm Next Meeting Dates**

The next regularly scheduled meetings of the Investment Board are Wednesday, September 16 and Thursday, September 17, 2020.

**Adjourn**

With no further business to come before the Investment Board, the meeting adjourned at 11:15 a.m.