

**MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM
1 N. Capitol, Indianapolis, IN 46204
1st Floor Conference Room and Virtual Webcast**

June 23, 2023

Board Members Present

Bret Swanson
Justin McAdam
Brian Abbott
Michael Pinkham

Tera Klutz
David Frick
Daniel Elliott
(*absent: Vivienne Ross*)

Guest Speakers

Tim McEnery, Verus Investments
Chris Doll, CEM Benchmarking
Brad Armstrong, GRS Consulting
Brian Murphy, GRS Consulting

Staff Presenters

Steve Russo, Executive Director
Anthony Green, Deputy Executive Director
Robert Corne, Chief Financial Officer
Cheryl Harding, Chief Strategic Initiatives Officer
Scott Davis, Chief Investment Officer

Steven Barley, Chief IT Officer
Keith Hall, Chief Audit & Risk Officer

Meeting called to order at 10:00 a.m. by Chairman Swanson.

In accordance with normal practice, Board members were provided electronically written materials in advance of the meeting.

I. Approval of Minutes from May 5, 2023 Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the May 5, 2023 Board meeting.

*Proposed by: Bret Swanson
Seconded by: Daniel Elliott
Votes: 7 in favor, 0 opposed, 0 abstentions*

II. Unfinished Business

Investment Policy Statement

Scott Davis discussed the Investment Policy Statement. INPRS staff requested the following recommendations to the Board of Trustees:

- Amend the IPS to include new China-related legislation
 - Update benchmarks to “Ex-China” (Addendum 2)
 - Add China to list of prohibited securities (Section 9)
- Amend the IPS to address ESG issues and ESG-related legislation
 - Adjust existing and add new IPS definitions (Section 1)
 - Restate INPRS’s fiduciary duty pursuant to HEA 1008 (Section 2 and Section 5)
 - Restate INPRS’s policy regarding governance risk to clarify risks with ESG and any non-financial factors (Section 8.2.6)
 - Restate INPRS’s policy regarding proxy voting to clarify non-financial factors (Addendum 7)
 - Add shareholder engagement INPRS’s policy regarding proxy voting (Addendum 7)
 - Add the now Indiana Code-require annual proxy voting reports as IPS provision (Addendum 7)

Proposed by: Daniel Elliott
Seconded by: Justin McAdam
Votes: 7 in favor, 0 opposed, 0 abstentions

III. Required Business

FY24 Internal Audit Plan Approval

Keith Hall provided FY23 and FY24 Audit Plan Highlights. Mr. Hall discussed the audit planning steps, risk assessment, and the heat map. INPRS staff recommended that the Board approve the Audit Plan as it was presented.

Proposed by: Brian Abbott
Seconded by: Tera Klutz
Votes: 7 in favor, 0 opposed, 0 abstentions

FY24 Expense Budget & Strategic Plan

Cheryl Harding discussed the FY2024-2026 Strategy Plan Budget and the Balanced Scorecard Measurements.

Anthony Green outlined the CRM & IT Modernization Project and the Current-to-Future-State Opportunities. He also discussed the Integrated Implementation Strategies & Timelines.

Robert Corne discussed the INPRS Expenses & Capital Budget along with the FY2024 Budget Summary. Mr. Corne also provided the FY24 Administrative Budget Walk Forward information.

INPRS staff recommended that the Board approve the Fiscal Year 2024 Strategic Plan and Budget as it was presented.

Proposed by: Tera Klutz
Seconded by: Michael Pinkham
Votes: 7 in favor, 0 opposed, 0 abstentions

IV. New Business

A. Investment Incentive Compensation Plan

Steve Russo outlined the Investment Incentive Plan. INPRS staff recommended to the Board to approve changes to the Investment Incentive Compensation Plan as presented to better align total INPRS investment professional compensation to current labor market data.

Proposed by: David Frick
Seconded by: Justin McAdam
Votes: 7 in favor, 0 opposed, 0 abstentions

B. CEM DB Administration Benchmarking Review

CEM Benchmarking representative, Chris Doll, discussed global pension system trends and comparisons.

C. Actuarial Audit Results

GRS Consulting presenters, Brian Murphy and Brad Armstrong, discussed the actuarial audit results for the DB plans.

D. Investment Update

Scott Davis introduced Tim McEnery from Verus Investments who discussed the fiscal year market environment. Mr. Davis discussed investment performance across the defined benefit and defined contribution accounts as of May 31, 2023.

E. Financial Update

Robert Corne presented the financial update which included the year-to-date financial results, Supplemental Reserve Accounts (SRA's) balances, and the administrative and investment expenses.

F. Executive Director Report

Steve Russo acknowledged recent Line of Duty Deaths (LODD) and discussed the Working Balanced Scorecard.

V. Other business as requested by the Board

None

VI. Preliminary Agenda for September 8, 2023 Board Meeting

None

VII. Adjournment

MOTION duly made and carried to adjourn the June 23, 2023 Board meeting and adjourned at 1:08 p.m.