

**MINUTES
BOARD OF TRUSTEES OF THE
INDIANA PUBLIC RETIREMENT SYSTEM**

**Meeting held at:
One N. Capitol
1st Floor Conference Room
Indianapolis, Indiana 46204**

February 23, 2018

Board Members Present

Michael Pinkham
Brian Abbott
Connie Plankenhorn
Bret Swanson

Tera Klutz
Kelly Mitchell
David Frick
Micah Vincent

Guest Presenters

Jeff MacLean, Verus
Tiffany Spudich, Capital Cities

Pat Beckham, Cavanaugh Macdonald
Brent Banister, Cavanaugh Macdonald

Staff Presenters

Steve Russo, Executive Director
Sanjay Patel, Director of Real Assets

Donna Grotz, Chief Finance and
Administration Officer

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

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

I. Approval of Minutes from December 15, 2017, Board of Trustees Meeting

MOTION duly made and carried to approve the Board of Trustees Meeting minutes from the December 15, 2017, Board meeting.

*Proposed by: Mike Pinkham
Seconded by: Brian Abbott
Votes: 8 in favor, 0 opposed, 0 abstentions*

II. Required Business

No required business was discussed by the Board.

III. Unfinished Business

A. Investment Policy Statement Revisions

Sanjay Petal presented a revised Investment Policy Statement. A copy was provided to the Board electronically for their review. Recommended revisions were discussed at the December 15, 2017 meeting.

MOTION duly made and carried to adopt the revised INPRS Investment Policy Statement.

Proposed by: Brian Abbott
Seconded by: David Frick
Votes: 8 in favor, 0 opposed, 0 abstentions

B. Indiana Administrative Code (IAC) Adoption

Steve Russo presented revised proposed updates to the IAC. A copy was provided to the Board electronically for their review. Recommended revisions were discussed at the December 15, 2017 meeting. No public comments were received.

MOTION duly made and carried to approve all of the changes to the IAC presented in Board Resolution No. 2018-02-23.

Proposed by: Brian Abbott
Seconded by: David Frick
Votes: 8 in favor, 0 opposed, 0 abstentions

IV. New Business

A. FY18 Actuarial Assumptions & Methods

Pat Beckham and Brent Banister presented the INPRS assumptions for the FY18 actuarial valuations. Mr. Banister talked about FY18 actuarial valuations assumptions and methods. Mr. Banister and Steve Russo discussed Senate Bill 373 and if becomes law, new assumptions regarding postretirement benefit adjustments will be needed. Mr. Banister recommended actuarial assumptions used in 2017 be generally retained for 2018 with only a few minor changes. Mr. Banister and Mr. Russo discussed the changes. The Board of Trustees will be asked to vote on this at the next board meeting.

B. Financial Update

Donna Grotz presented the INPRS financial update to the Board. Ms. Grotz began with the FY18 forecast. Ms. Grotz then talked about administrative and

investment expenses. Ms. Grotz also discussed financial highlights as of end of January 2018.

C. Active/Passive Investment Management Study

Sanjay Patel presented the Active/Passive Investment Management study. Jeff MacLean talked about the active management environment, absolute return portfolio analysis, and active risk budgeting. Mr. MacLean also talked about asset classes in the defined benefit portfolio.

Tiffany Spudich presented the active versus passive analysis on the defined contribution plan and provided a summary of recommendations.

MOTION duly made and carried to approve the recommended changes by INPRS staff.

Proposed by: Kelly Mitchell
Seconded by: Brian Abbott
Votes: 8 in favor, 0 opposed, 0 abstentions

D. Investments Update

Jeff MacLean presented the INPRS investment update to the Board. He discussed team imperatives and provided highlights as of January 31, 2018. Mr. MacLean also reviewed the INPRS' investment portfolio and performance as of January 31, 2018. Mr. MacLean also discussed portfolio risk, economic sensitivity, and spread duration.

E. Executive Director Report

Steve Russo presented the Executive Director's report. Mr. Russo mentioned a Line of Duty death. Mr. Russo gave an update for the Recordkeeper and ASA Annuity transition and "go-live" success after the transition. Mr. Russo also summarized the Balance Scorecard. Mr. Russo also provided an update on the 2018 Legislative Session.

V. **Preliminary Agenda for April 20, 2018 Board Meeting**

A copy of the preliminary agenda for the April 20, 2018, meeting was included in materials provided electronically to Board members.

VI. Executive Session

A brief Executive Session was held at pursuant to IC 5-14-1.5-6.1(b)(9).

As posted, the Board discussed personnel matters as authorized pursuant to IC 5-14-1.5-6.1(b)(9).

As required by IC 5-14-1.5-6.1(d), the Board hereby certifies that only subject matter related to IC 5-14-1.5-6.1(b)(9) was discussed.

VII. Other business as requested by the Board

No other business as requested by the Board was discussed.

VIII. Adjournment

MOTION duly made and carried to adjourn the February 23, 2018 Board meeting at 1:07 p.m.

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