

## INPRS Board of Trustees Meeting Summary September 11, 2015

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Following is a brief summary of the most recent INPRS Board meeting. It was held on September 11, 2015. This information covers key actions taken. It is *not* the official minutes of the meeting.

### 1. Funding Policy Update

- INPRS staff proposed changes to the INPRS Funding Policy. They recommended to the Board that employer contribution rates be reduced gradually once the plan's funded status is equal to or greater than 105%.
- The Board will vote on the proposed revisions to the INPRS Funding Policy at the October meeting.

### 2. Investment Policy Statement

- INPRS staff recommended changes to the INPRS Investment Policy Statement, based on the Board's previous approval of a new asset allocation.
- The Board will vote on the revised Investment Policy Statement at the October meeting.

### 3. Fiscal Year 2015 (July 1, 2014 to June 30, 2015)

- Steve Russo, executive director of INPRS, provided a review of fiscal year 2015, including the following highlights:
  - Employers paid 104.5% of the Actuarial Determined Contribution (ADC);
  - 1-year Defined Benefit investment returns were 0% versus a 30-year average assumed rate of return of 6.75%;
  - Members living longer a major driver of a 5.9% increase in accrued liabilities
  - Aggregate funded status of the pre-funded plans is 86%;
  - No contribution rate increases expected in 2017, '77 Fund rate likely to decrease; and
  - Continued progress towards exemplary customer service and operational excellence.

### 4. Investments update

- **Return on Investments:**
  - INPRS' cumulative return since reaching the target asset allocation on June 30, 2012, is 20.5%. This is below the target return of 21.7%
  - All ASA Target Date Funds continue to outperform their respective benchmarks over one, three, and five years.
  - The International Equity Fund in the ASA has outperformed its respective benchmark over one, three, and five years.
- **Investments/Terminations:**
  - There were three new investments (fixed income, private equity, and real estate), two additional investments (both risk parity), and no terminations.

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- **Watch List:**
  - There are four managers currently on the “Watch List”: Artisan Mid-Cap Value, Blackrock, Jackson Square, and PIMCO.
  - Two managers were removed from the “Watch List”: Leading Edge and TimesSquare.

5. Executive Director’s Report

- Mr. Russo provided a brief overview of his report to the Pension Management Oversight Committee. The report can be found online at:  
[http://www.in.gov/inprs/files/PMOCPresentation\\_08262014.pdf](http://www.in.gov/inprs/files/PMOCPresentation_08262014.pdf)

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