
Minutes

A meeting of the Investment Advisory Committee of the Virginia Retirement System was held on November 15, 2023 with the following members present:

Larry Kochard, joined remotely under § 2.2-3708.3(B)(4)
Michael Beasley
Theodore Economou
Nancy Leake, joined remotely under § 2.2-3708.3(B)(1)
Bryan Lewis
Rod Smyth

The following Board members were present:

A. Scott Andrews
Brandon Bell
John Bennett
Michael Disharoon
Jessica Hood

The following staff members were in attendance:

Trish Bishop, Andrew Junkin, Jennifer Schreck, Stephen Adelaar, John Alouf, Rory Badura, Daniel Ball, Parham Behrooz, Jeanne Chenault, Tom Coleman, Michael Cooper, Perry Corsello, Sara Denson, Laurie Fennell, Laura Fields, Antonio Fisher, Josh Fox, Jay Gentry, Holly Glass, Katherine Grawe, JT Grier, Mehtab Haleem, K.C. Howell, Jeannie Kim, Kristina Koutrakos, Chung Ma, Jennifer MacKnight, Curt Mattson, Tom Mulvin, Walker Noland, Mark Rein, Jummai Sarki-Hurd, Daniel Schlussler, Jenny Schoeller, Kristy Scott, Michael Scott, Korey Turner, Daniel Whitlock, Cindy Wilkinson, Steve Woodall, and Olga Zozulya.

Also in attendance was Lauren Albanese of Financial Investment News; Harrison Bader and Brigid Schutsky of BlackRock; Jamie Bitz with the Virginia Joint Legislative Audit and Review Commission; Doston Bradley of Cerberus; McCyril Espanol of Pageant Media; Dillon Gravenstone and Alec Ostrowidski of Goldman Sachs; Hudson Miller, affiliation unknown; Erin Rodriguez and Amy Stokes of the Virginia Auditor of Public Accounts; Gabriel Simkin, affiliation unknown; and John Zilko of Antares.

Mr. Kochard called the meeting to order at 9:00 a.m.

Mr. Kochard announced that Ms. Garson, Mr. Gayner, and Mr. West were unable to attend the meeting.

Mr. Kochard further announced that he, under code section § 2.2-3708.3(B)(4), and Ms. Leakes, under code section § 2.2-3708.3(B)(1), would be participating remotely in accordance with the Code of Virginia.

Mr. Kochard took a roll call of each Committee member for attendance purposes:

Mr. Beasley – present
Mr. Economou – present
Ms. Leake – present
Mr. Lewis – not present, entered the meeting at 9:02 a.m.
Mr. Smyth – present
Mr. Kochard – present

Minutes

Mr. Kochard noted that there is no physical quorum of Investment Advisory Committee members so the minutes from the August 23, 2023 Committee meeting will not be approved during this meeting.

CIO Report

Mr. Junkin opened his CIO report by commenting on current market conditions. Mr. Junkin then presented the Asset Allocation Report, Performance Summary, and Total Fund Tracking Error Report as of September 30, 2023. Last, Mr. Junkin reviewed the New Investments and Terminations Report.

**Asset Liability
Management Update**

Mr. Ma provided an update on Asset Liability Management. Mr. Ma stated the new Asset Allocation is expected to launch in January 2024. Mr. Ma discussed the roadmap to launch, on which management is at the point of finalizing new policies ahead of the launch; as well as reiterated the expected glide path to achieving the new allocation policy weights. Mr. Ma also discussed possible funding sources, dynamic scenario and stress testing tools, and key takeaways to support the new Asset Allocation.

Mr. Ma also presented proposed updates to the VRS Defined Benefit Plan Investment Policy Statement, including the Appendix 1, the VRS Investment Belief Statements, and the new VRS Investment Leverage Policy. The Committee expressed their agreement with the proposed updates and new document. The documents were presented for approval at a subsequent VRS Board of Trustees meeting.

**Private Market Assets
Program Reviews**

Mr. Howell provided a general overview of Private Market Assets and introduced each program to be covered in the review.

Mr. Noland provided a review of the Real Assets program. Review topics included an overview of program objectives, the team, markets, exposures, results, manager breakout including top 10 investment managers and Diverse Investment Management Engagement managers, commitments made for the period ending June 30, 2023, and forward-looking plans and priorities.

Mr. Alouf provided a review of the Private Equity program. Review topics included an overview of the team, markets, exposures, results, manager breakout including top 10 investment managers and Diverse Investment Management Engagement managers, and forward-looking plans and priorities.

Mr. Woodall provided a review of the Credit Strategies program. Review topics included an overview of the program objective, the team, asset allocation, markets, exposures, results, co-investments approach, manager breakout including top 10 investment managers and FY 2023 hires and terminations, and forward-looking plans and priorities.

The Committee members engaged in general discussion throughout the reviews provided.

Adjournment

Because there was no physical quorum, a motion is not necessary to adjourn the meeting.

The meeting was adjourned at 11:18 a.m.



Larry Kochard, Chairperson