



Minutes

A meeting of the Investment Advisory Committee of the Virginia Retirement System was held on April 10, 2024 with the following members present:

Larry Kochard
Michael Beasley
Theodore Economou, joined remotely under § 2.2-3708.3(B)(3)
Palmer Garson
Tom Gayner
Nancy Leake
Bryan Lewis
Rod Smyth
Hance West

The following Board members were present:

A. Scott Andrews (remote)
John Bennett (remote)
Lawrence Bernert
Michael Disharoon
Matthew James

The following staff members were in attendance:

Trish Bishop, Andrew Junkin, Jennifer Schreck, Stephen Adelaar, John Alouf, Advait Apte, Rory Badura, Daniel Ball, Parham Behrooz, Brock Bell, Matt Bennett, Kevin Bliss, Jeanne Chenault, Tom Coleman, Sara Denson, Laurie Fennell, Laura Fields, Josh Fox, Holly Glass, Katherine Grawe, JT Grier, Mehtab Haleem, Dane Honrado, K.C. Howell, Sandy Jack, Ross Kasarda, Jeannie Kim, Kristina Koutrakos, Matt Lacy, Chung Ma, Jennifer MacKnight, Curt Mattson, Kidus Molla, Teresa Nguyen, Walker Noland, Greg Oliff, Vera Pleasants, Daniel Schlusser, Jenny Schoeller, Kristy Scott, Michael Scott, Daniel Whitlock, Scott Weaver, and Steve Woodall.

Also in attendance was John Kevin Balaod of With Intelligence; Jamie Bitz with the Virginia Joint Legislative Audit and Review Commission; Doston Bradley of Cerberus Capital; Thomas Cosmer with Pinebridge; Blake Curtis and Jason Samansky with RVK; Alec Ostrowidzki, affiliation unknown; Katherine Smith, affiliation unknown; Junming Wang, affiliation unknown; and Spencer Witherspoon of Shenkman Capital.

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

Mr. Kochard announced that Mr. Economou would be participating remotely in accordance with § 2.2-3708.3 (B)(3) of the Code of Virginia.

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

Mr. Beasley – present
Mr. Economou – present
Ms. Garson – present
Mr. Gayner – not present, entered the meeting at 9:42 a.m.
Ms. Leake – present
Mr. Lewis – present
Mr. Smyth – present
Mr. West – present
Mr. Kochard – present

Minutes

A motion was made by Mr. Beasley and seconded by Mr. Lewis to approve both sets of minutes for the August 23, 2023 and November 15, 2023 Committee meeting. The August minutes were not approved at the November meeting as there was no physical quorum of the Investment Advisory Committee members. The motion was unanimously approved via roll call:

Mr. Beasley – aye
Mr. Economou – aye
Ms. Garson – aye
Mr. Gayner – not present (entered at 9:42 a.m.)
Ms. Leake – aye
Mr. Lewis – aye
Mr. Smyth – aye
Mr. West – aye
Mr. Kochard – aye

CIO Report

Mr. Junkin opened his CIO report by commenting on economic growth, consumer activity, inflation and employment, household debt, Federal Reserve rate decisions, and the higher real cost of money. Mr. Junkin then presented the Asset Allocation Report, Performance Summary, and Total Fund Tracking Error Report as of December 31, 2023. Last, Mr. Junkin reviewed the New Investments and Terminations Report.

Leverage Implementation Update

Mr. Ma provided an update on the Leverage Implementation. Mr. Ma stated that leverage was launched in January 2024, and discussed the roadmap since launch as well as the continued direction of the glide path

in which the goal of leverage is for a more resilient and diversified portfolio. Mr. Ma also discussed fund position and the progress thus far since leverage implementation.

Public Market Assets Program Reviews

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

Mr. Schlussler and Mr. Whitlock provided a review of the Public Equity program. Review topics included an overview of program objectives, the team, markets, exposures, results, mandates, and forward-looking plans and priorities.

Mr. Oliff and Mr. Behrooz provided a review of the Fixed Income program. Review topics included an overview of program objectives, the team, markets, exposures, results, forward-looking plans and priorities, and collaboration.

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

Benchmark & Performance Hurdle Analysis

RVK was engaged to review Virginia Retirement System's investment policy statement, historical performance, current and historical benchmark and policy definitions, and current and historical incentive compensation hurdles. Blake Curtis and Jason Samansky with RVK presented the methodology used and the results of the study to the Committee. RVK noted that no changes are recommended as a result of the study.

The Committee members engaged in general discussion throughout the presentation. Mr. Kochard thanked Mr. Curtis and Mr. Samansky for their review.

Mr. Beasley made a motion to adjourn the meeting. Ms. Leake seconded the motion. Mr. Kochard asked for the Committee members to vote on the motion, the motion was unanimously approved via roll call:

Mr. Beasley – aye
Mr. Economou – aye
Ms. Garson – aye
Mr. Gayner – aye
Ms. Leake – aye
Mr. Lewis – aye
Mr. Smyth – aye
Mr. West – aye

Mr. Kochard – aye

Adjournment

The meeting was adjourned at 11:16 a.m.



Larry Kochard, Chairperson