
Minutes

A meeting of the Investment Advisory Committee of the Virginia Retirement System was held on August 14, 2024 with the following members present:

Larry Kochard
Michael Beasley
Theodore Economou, joined remotely under § 2.2-3708.3(B)(3)
Palmer Garson
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
Jessica Hood
Matthew James

The following staff members were in attendance:

Trish Bishop, Andrew Junkin, Stephen Adelaar, John Alouf, Advait Apte, Rory Badura, Parham Behrooz, Brock Bell, Matt Bennett, Lee Buchanan, Warren Chang, Jeanne Chenault, Michael Cooper, Perry Corsello, Sara Denson, Laurie Fennell, Laura Fields, Antonio Fisher, Kenneth Fleming, Josh Fox, Holly Glass, Katherine Grawe, JT Grier, Mehtab Haleem, Greg Hines, K.C. Howell, Ross Kasarda, Jennifer Kazzie, Jeannie Kim, Kristina Koutrakos, Matt Lacy, Vu Le, Chung Ma, Jennifer MacKnight, Curt Mattson, Scott Mootz, Teresa Nguyen, Walker Noland, Greg Oliff, Jeffery Pereira, Steven Peterson, Vera Pleasants, Laura Pugliese, Shawn Rabalais, Mark Rein, Daniel Schlussler, Michael Scott, Larry Tentor, Corey Turner, Daniel Whitlock, and Steve Woodall.

Also in attendance were Lauren Albanese with Financial Investment News; Harrison Bader with BlackRock; Zach Borgerding, Justin Ferrell, and Erin Shell of the Virginia Auditor of Public Accounts; Doston Bradley of Cerberus Capital; Alfie Crooks with PEI Group; Cyril Espanol of Pageant Media; Mitchell King with BlackRock; Justin Mitchell with Financial Investment News; Alec Ostrowidzki with Goldman Sachs; Katharine Smith

with Financial Investment News, and Spencer Witherspoon with Shenkman Capital Management.

Mr. Kochard called the meeting to order at 8:59 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
Ms. Leake – present
Mr. Lewis – present
Mr. Smyth – present
Mr. West – present
Mr. Kochard – present

Minutes

A motion was made by Mr. Kochard and seconded by Mr. Beasley to approve minutes for the April 10, 2024 Committee meeting. The motion was unanimously approved via roll call:

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

Charter Review

Mr. Cotter, Director of Legislative and Government Affairs, discussed proposed updates on changes being made to the Investment Advisory Committee charter. A motion was made by Mr. Smyth and seconded by Ms. Leake to approve the changes to the Committee Charter. The motion was unanimously approved via roll call:

Mr. Beasley – aye
Mr. Economou – aye
Ms. Garson – aye
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 current market conditions. Mr. Junkin then discussed asset allocation, total fund performance, and tracking error. Last, Mr. Junkin reviewed the New Investments and Terminations Report.

Mr. Beasley commented and wanted it noted that credit should be given to all VRS associates that have done the work to get the investment returns that Mr. Junkin presented today.

**Portfolio Solutions
Group Review**

Mr. Ma provided an overview of the Portfolio Solutions Group and also introduced Mr. Bell and Mr. Mootz, new hires to the group.

Mr. Apte provided a review of the State Plans' forward returns summary, external manager's forward returns comparison, VRS's long term forward returns, and forward returns attribution.

Mr. Mootz provided an overview of Risk Management at VRS. Review topics included an overview of the team, objectives, keys to success, philosophy, looking forward, and a case study.

Mr. Lacy provided a review of the Portfolio Integration and Treasury team. Review topics included reasons to deploy leverage and current funding channels. Mr. Bell provided a review of Treasury enhancements, potential future funding sources, and additional Treasury initiatives in progress.

Mr. Kasarda and Ms. Koutrakos provided a program overview of Diversifying Strategies and discussed the program evolution and objectives. Review topics included an overview of the team, objectives, performance, and looking forward.

Ms. Grawe provided an overview of the Exposure Management Portfolio. Review topics included objectives, investment criteria, diligence framework, and keys to success.

The Committee members engaged in general discussion throughout the presentation.

Adjournment

Mr. Beasley made a motion to adjourn the meeting. Mr. West 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
Ms. Leake – aye
Mr. Lewis – aye
Mr. Smyth – aye
Mr. West – aye
Mr. Kochard – aye

The meeting was adjourned at 12:07 p.m.



Hance West, Vice - Chairperson