

RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

COMMENCEMENT

1. Chairperson call meeting to order.

| Meeting Date | Start Time | End Time | Meeting Type |
|--|------------|----------|--------------|
| 7/16/2025 | 12:10 PM | 12:50 PM | Regular |
| Meeting Information City Hall Building, Sixth Floor Conference Room 810 Union Street, Norfolk, Virginia 23510 | | | |

2. Roll call.

| | Present |
|--|-------------------------------------|
| Yvonne T. Allmond (Chair) | <input checked="" type="checkbox"/> |
| Elizabeth (Liz) A. Delude (Vice-Chair) | <input checked="" type="checkbox"/> |
| John R. E. Garris | <input checked="" type="checkbox"/> |
| Lashawnda W. Hall | <input type="checkbox"/> |
| Jean G. Hopkins | <input checked="" type="checkbox"/> |
| Daryl N. Howard | <input checked="" type="checkbox"/> |
| James (Jim) J. Izard II (Investment Committee Chair) | <input checked="" type="checkbox"/> |
| Mark R. Warden | <input type="checkbox"/> |
| Christine A. Garczynski (Admin and Planning Committee Chair) | <input checked="" type="checkbox"/> |
| DCM Douglas J. Beaver | <input checked="" type="checkbox"/> |

Additional Attendees

| | | |
|--|---|---|
| Penny Whitson Executive Director | Justin Payne Retirement Benefits Specialist II | Andy Fox Deputy City Attorney I |
| | | |

3. Approval of minutes of meeting held May 7, 2025:

☒ **Approved** ☐ **Denied**

REPORTING**Reporting Period: June 2025 – July 2025****TOTAL**
(Submitted/Approved)

| | |
|--|---------------|
| A. Service Retirement Applications | 15 |
| 1. Normal Service Retirement | 5 |
| 2. Normal Service Retirement with DROP | 5 |
| a. General Employees | 3 |
| b. Public Safety Employees | 2 |
| 3. Early Service Retirement – Reduced Benefit | 2 |
| 4. Early Service Retirement – Deferred Benefit | 0 |
| 5. Vested Service Retirement | 3 |
| B. Disability Retirement Applications | 1 |
| 1. Accidental Disability Retirement | 0 |
| 2. Ordinary Disability Retirement | 1 |
| C. Disability Reexamination Determinations | 1 |
| D. DROP Exit Report | 8 |
| E. Report of Deaths | 36 |
| 1. Retiree | 33 |
| 2. Spouse or Beneficiary | 3 |
| F. Death Benefit Claims | 10 |
| G. Retirement Rescissions | 0 |
| H. Previous Docket Amendments and Corrections | 0 |
| I. Non-Vested Member Separation from Employment | 0 |
| Total | \$0.00 |

J. Obligations Reported for Payment

Refer to EXHIBIT 1

K. Committee Reports

1. Administration and Planning Committee – no meeting
2. Investment Management Committee –
 - a. Meketa Investment Group investment and market review
 - i. Economic and Market Update

ii. Executive Summary

| NERS | May 31, 2025 | April 30, 2025 | March 31, 2025 | June 30, 2024 |
|-----------------------------------|-----------------|----------------|-----------------|----------------|
| Total Fund Balance | \$1.38 Billion | \$1.35 Billion | \$1.35 Billion | \$1.32 Billion |
| Funded Status | 89% | 87% | 87% | 85% |
| NERS Assumed Rate of Return | 6.75% | 6.75% | 6.75% | 6.75% |
| FYTD Rate of Return | 8.0% | 5.0% | 4.6% | 10.4% |
| 12 Months Trailing Rate of Return | 9.0% | 8.7% | 6.0% | 10.4% |
| Monthly Rate of Return | 2.9% | 0.4% | -1.2% | 0.9% |
| Monthly Gains/Losses | +\$40.3 million | \$5.3 million | -\$16.6 million | \$12.0 million |
| Monthly Net Cash Flow | -\$8.0 million | -\$8.2 million | -\$8.5 million | -\$8.2 million |

iii. Performance Summary as of May 31, 2025

Performance Update | As of May 31, 2025

| Asset Class Performance Summary | | | | | | | | | | | | |
|---|----------------------|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|---------------|----------------|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | QTD (%) | YTD (%) | FYTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
| Total System | 1,383,248,605 | 100.0 | 2.9 | 3.2 | 5.1 | 8.0 | 9.0 | 6.7 | 8.3 | 6.3 | 7.8 | Oct-90 |
| Total System Policy Benchmark | | | 3.1 | 3.9 | 4.9 | 9.1 | 10.2 | 8.0 | 9.1 | 6.7 | 8.0 | |
| Total Fund Actual Allocation Benchmark | | | 3.3 | 4.0 | 5.1 | 8.9 | 9.9 | -- | -- | -- | -- | |
| Total Fund Public Benchmark | | | 4.1 | 4.9 | 4.5 | 9.3 | 11.0 | 9.0 | 8.5 | 6.7 | 8.1 | |
| Growth Assets | 740,514,948 | 53.5 | 5.3 | 6.0 | 5.6 | 9.4 | 11.1 | -- | -- | -- | 14.2 | Dec-22 |
| Growth Assets Custom Benchmark | | | 5.2 | 6.5 | 4.9 | 11.3 | 13.5 | -- | -- | -- | 15.9 | |
| Global Equity | 733,217,497 | 53.0 | 5.4 | 6.0 | 5.6 | 9.5 | 11.1 | 10.8 | 12.8 | 9.1 | 9.2 | Oct-90 |
| Global Equity Policy Benchmark | | | 5.8 | 6.8 | 5.1 | 10.9 | 12.9 | 11.7 | 13.1 | 9.0 | 9.6 | |
| Private Equity | 7,297,451 | 0.5 | | | | | | | | | | |
| MSCI ACWI + 3% 1Q Lag | | | -0.4 | 3.2 | 3.0 | 14.6 | 18.5 | -- | -- | -- | 19.9 | |
| Credit | 71,234,279 | 5.1 | 1.8 | 1.6 | 3.7 | 7.4 | 7.9 | -- | -- | -- | 9.3 | May-23 |
| Credit Custom Benchmark | | | 1.5 | 1.5 | 2.3 | 7.4 | 8.0 | -- | -- | -- | 9.4 | |
| High Yield & Bank Loans | 71,234,279 | 5.1 | 1.8 | 1.6 | 3.7 | 7.4 | 7.9 | -- | -- | -- | 9.3 | May-23 |
| High Yield & Bank Loans Custom Benchmark | | | 1.5 | 1.5 | 2.3 | 7.4 | 8.0 | -- | -- | -- | 9.4 | |
| Inflation Hedges | 284,106,492 | 20.5 | 0.8 | 1.3 | 7.5 | 10.3 | 9.7 | -- | -- | -- | 1.6 | Dec-22 |
| Inflation Hedges Custom Benchmark | | | 0.8 | 1.3 | 8.0 | 8.5 | 7.2 | -- | -- | -- | 1.8 | |
| Real Estate | 105,365,669 | 7.6 | 0.2 | 0.0 | 1.1 | 5.7 | 6.6 | -5.0 | 0.4 | 3.0 | 5.5 | Apr-11 |
| NCREIF ODCE (Net) | | | 0.0 | 0.0 | 0.9 | 1.8 | 1.2 | -5.1 | 2.0 | 4.7 | 6.7 | |
| Natural Resources & Infrastructure | 72,632,504 | 5.3 | 2.5 | 0.5 | 7.3 | 3.1 | 0.6 | -- | -- | -- | 2.8 | Apr-23 |
| S&P Global LargeMidcap Resources & Commodities NR USD | | | 3.3 | 0.6 | 8.9 | 1.6 | -2.4 | -- | -- | -- | 1.3 | |
| Gold | 36,409,277 | 2.6 | 1.4 | 7.1 | 34.5 | 45.7 | 42.7 | -- | -- | -- | 23.9 | Apr-23 |
| 60% Gold (Spot)/ 40% FTSE Gold Mines | | | 1.0 | 7.4 | 35.3 | 46.3 | 44.9 | -- | -- | -- | 26.1 | |
| Short-Term TIPS | 69,699,042 | 5.0 | -0.4 | 0.4 | 3.5 | 6.0 | 6.6 | -- | -- | -- | 5.1 | Mar-23 |
| Bimbg. U.S. TIPS 0-5 Year | | | -0.4 | 0.4 | 3.5 | 5.9 | 6.6 | -- | -- | -- | 5.6 | |
| Risk Mitigation | 287,392,885 | 20.8 | -1.3 | -1.7 | 1.0 | 1.5 | 2.0 | -- | -- | -- | 2.1 | Dec-22 |
| Risk Mitigation Custom Benchmark | | | -0.7 | -0.5 | 1.5 | 2.9 | 3.4 | -- | -- | -- | 2.9 | |
| Investment Grade Fixed Income | 234,077,605 | 16.9 | -1.2 | -1.2 | 1.8 | 3.4 | 4.6 | 0.9 | -1.1 | 1.4 | 5.0 | Oct-90 |
| Bimbg. U.S. Aggregate Index | | | -0.7 | -0.3 | 2.4 | 4.5 | 5.5 | 1.5 | -0.9 | 1.5 | 5.0 | |
| Intermediate-Term Bonds | 186,169,774 | 13.5 | -0.7 | -0.4 | 2.3 | 4.7 | 5.7 | 2.0 | -0.5 | 1.8 | 5.1 | Oct-90 |
| Bimbg. U.S. Aggregate Index | | | -0.7 | -0.3 | 2.4 | 4.5 | 5.5 | 1.5 | -0.9 | 1.5 | 5.0 | |
| Long-Term Bonds | 47,907,831 | 3.5 | -2.9 | -3.9 | 0.6 | -1.0 | 0.7 | -- | -- | -- | -2.0 | Mar-23 |
| Bimbg. U.S. Treasury: Long | | | -2.9 | -3.9 | 0.6 | -0.9 | 0.7 | -- | -- | -- | -1.9 | |
| Hedge Funds | 50,484,378 | 3.6 | -1.7 | -3.9 | -2.8 | -5.7 | -6.8 | -- | -- | -- | -1.6 | Apr-23 |
| Hedge Fund Custom Benchmark | | | -0.9 | -1.0 | -1.8 | -2.7 | -3.7 | -- | -- | -- | 1.6 | |
| Cash | 2,830,902 | 0.2 | | | | | | | | | | |

iv. Comparison to June 30, 2024

| Performance Update As of June 30, 2024 | | | | | | | | | | | |
|---|----------------------|-------------------|------------|-------------|-------------|--------------|--------------|---------------|------------------|-------------------|--|
| Asset Class Performance Summary | | | | | | | | | | | |
| | Market Value (\$) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date | |
| Total Fund | 1,321,625,157 | 100.0 | 1.3 | 5.8 | 10.4 | 2.5 | 6.4 | 5.8 | 7.8 | Oct-90 | |
| Total Fund Policy Benchmark | | | 1.9 | 6.9 | 12.1 | 3.4 | 7.2 | 6.1 | 8.0 | | |
| Total Fund Actual Allocation Benchmark | | | 1.6 | 6.3 | 11.6 | -- | -- | -- | -- | | |
| Total Fund Public Benchmark | | | 1.8 | 7.4 | 14.2 | 2.7 | 7.1 | 6.2 | 8.1 | | |
| Growth Assets | 738,992,459 | 55.9 | 1.9 | 10.1 | 17.4 | -- | -- | -- | 16.5 | Dec-22 | |
| Growth Assets Custom Benchmark | | | 3.0 | 11.3 | 19.3 | -- | -- | -- | 18.0 | | |
| Global Equity | 734,402,918 | 55.6 | 1.8 | 10.1 | 17.4 | 4.4 | 10.4 | 8.6 | 9.2 | Oct-90 | |
| Global Equity Policy Benchmark | | | 2.4 | 10.3 | 18.4 | 4.7 | 10.4 | 8.4 | 9.5 | | |
| Private Equity | 4,589,541 | 0.3 | | | | | | | | | |
| Credit | 64,630,411 | 4.9 | 1.0 | 3.5 | 9.8 | -- | -- | -- | 10.2 | May-23 | |
| Credit Custom Benchmark | | | 1.5 | 3.5 | 10.8 | -- | -- | -- | 10.5 | | |
| High Yield & Bank Loans | 64,630,411 | 4.9 | 1.0 | 3.5 | 9.8 | -- | -- | -- | 10.2 | May-23 | |
| High Yield & Bank Loans Custom Benchmark | | | 1.5 | 3.5 | 10.8 | -- | -- | -- | 10.5 | | |
| Inflation Hedges | 273,537,606 | 20.7 | 1.4 | 1.5 | 1.9 | -- | -- | -- | -3.6 | Dec-22 | |
| Inflation Hedges Custom Benchmark | | | 1.0 | 1.2 | 1.2 | -- | -- | -- | -2.3 | | |
| Real Estate | 102,249,915 | 7.7 | 0.2 | -3.0 | -8.4 | -1.7 | -0.3 | 3.4 | 5.4 | Apr-11 | |
| NCREIF ODCE (Net) | | | -0.7 | -3.2 | -10.0 | 10 | 2.3 | 5.5 | 7.0 | | |
| Natural Resources & Infrastructure | 64,416,659 | 4.9 | 0.7 | 2.4 | 6.8 | -- | -- | -- | 2.3 | Apr-23 | |
| S&P Global LargeMidcap Resources & Commodities NR USD | | | 0.2 | 1.3 | 5.2 | -- | -- | -- | 0.9 | | |
| Gold | 46,710,259 | 3.5 | 5.2 | 9.1 | 15.3 | -- | -- | -- | 7.2 | Apr-23 | |
| 60% Gold (Spot)/ 40% FTSE Gold Mines | | | 5.9 | 10.3 | 17.8 | -- | -- | -- | 10.2 | | |
| Short-Term TIPS | 60,160,774 | 4.6 | 1.4 | 2.3 | 5.4 | -- | -- | -- | 4.2 | Mar-23 | |
| Blmbg. U.S. TIPS 0-5 Year | | | 1.4 | 2.3 | 5.4 | -- | -- | -- | 4.9 | | |

| Performance Update As of June 30, 2024 | | | | | | | | | | | |
|--|----------------------|-------------------|-------------|-------------|-------------|--------------|--------------|---------------|------------------|-------------------|--|
| | Market Value (\$) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date | |
| Risk Mitigation | 244,464,681 | 18.5 | -0.6 | -1.2 | 0.5 | -- | -- | -- | 2.3 | Dec-22 | |
| Risk Mitigation Custom Benchmark | | | -0.2 | 0.4 | 3.2 | -- | -- | -- | 2.7 | | |
| Investment Grade Fixed Income | 178,666,464 | 13.5 | -0.4 | -1.6 | 0.9 | -3.3 | -0.3 | 1.4 | 5.0 | Oct-90 | |
| Blmbg. U.S. Aggregate Index | | | 0.1 | -0.7 | 2.6 | -3.0 | -0.2 | 1.3 | 5.0 | | |
| Intermediate-Term Bonds | 130,310,898 | 9.9 | 0.1 | -0.4 | 3.1 | -2.6 | 0.1 | 1.6 | 5.1 | Oct-90 | |
| Blmbg. U.S. Aggregate Index | | | 0.1 | -0.7 | 2.6 | -3.0 | -0.2 | 1.3 | 5.0 | | |
| Long-Term Bonds | 48,355,567 | 3.7 | -1.7 | -4.8 | -5.7 | -- | -- | -- | -2.6 | Mar-23 | |
| Blmbg. U.S. Treasury: Long | | | -1.8 | -5.0 | -5.6 | -- | -- | -- | -2.6 | | |
| Hedge Funds | 63,667,802 | 4.8 | -1.3 | -0.2 | -1.2 | -- | -- | -- | 1.9 | Apr-23 | |
| Hedge Fund Custom Benchmark | | | -1.2 | 4.2 | 4.7 | -- | -- | -- | 5.1 | | |
| Cash | 2,130,414 | 0.2 | | | | | | | | | |

- v. As of June 30, 2024, Total Plan Actuarial Liability (AL) is \$1.555 billion and the Actuarial Value of Assets (AVA) is \$1.324 billion for an Actuarial Funded Ratio (AVA/AL) of 85%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MVA/AL) was approximately 87% in April 2025 and 89% in May 2025

vi. Asset Allocation Considerations

1. Option One - Private Credit

- a. The downside of this type of investment is that lending to private companies can restrict the ability to raise additional capital from other sources

2. Option Two - Modify current asset class allocations.

- a. Changes to the asset allocation could reduce the allocation to Public Equity while increasing overall capital availability
3. None of the proposed options represent significant or transformational changes to the portfolio
4. The recommendation is to reach a final decision during the September meeting

L. Other / Old Business

1. UBS
 - a. No redemption in the second quarter

M. New Business/Other

1. \$34,487,000.00 City of Norfolk's Employer Annual Contribution disbursed to NERS State Street Bank July 2, 2025, with Meketa investment direction
2. \$8,716,323.00 City of Norfolk's Section 115 Trust fund contribution disbursed to NERS State Street Bank July 1, 2025, with Meketa investment direction
3. FY2026 NERS 2.01% Contribution Interest Refund Rate confirmed via bankrate.com – Board Approved
4. Board of Trustees Annual Acknowledgements requiring signature:
 - a. Board of Trustee Signature Required
 - i. Code of Ethics and Conduct Appendix A – Annual Ethics Policy Acknowledgement Statement
 - ii. Governance Manual Appendix B – Annual Financial Disclosure/Conflict of Interest Affidavit
 - b. Meketa Investment Group Signature Required
 - i. Governance Manual Appendix A – Standard of Conduct Questionnaire for Service Providers

N. Next Meeting: September 10, 2025

1. Anticipated Quorum: ☒ Yes ☐ No
2. Scheduled Guest Speaker(s)

O. Adjournment

Exhibit 1
Obligations Reported for Payment: June 2025 – July 2025

| | Description | Amount |
|----|-------------------------------|------------------------|
| 1. | State Street Corporation | \$6,000.00 |
| 2. | Cheiron | \$11,304.46 |
| 3. | Retirement Payroll | \$17,093,142.10 |
| 4. | Meketa Investment Group, Inc. | \$120,327.38 |
| 5. | | |
| 6. | TOTAL | \$17,230,773.94 |

Additional Details

1. Custodial Services – June 2025 \$3,000.00 (estimated); July 2025 \$3,000.00 (estimated)
(Payment is auto debited from the investment cash account)
2. Actuarial Services – June 2025 \$5,652.23 (estimated); July 2025 \$5,652.23 (estimated)
3. Monthly Benefits Payroll – June 2025 \$8,493,142.10 (actual) and July 2025 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – June 2025 \$60,163.69; July 2025 \$60,163.69 (estimated)