

**RETIREMENT BOARD OF TRUSTEES
MEETING MINUTES**

COMMENCEMENT

1. Chairperson call meeting to order.

| Meeting Date | Start Time | End Time | Meeting Type |
|--------------|------------|----------|--------------|
| 9/10/2025 | 12:00 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 checked="" type="checkbox"/> |
| Jean G. Hopkins | <input checked="" type="checkbox"/> |
| Daryl N. Howard | <input type="checkbox"/> |
| James (Jim) J. Izard II (Investment Committee Chair) | <input checked="" type="checkbox"/> |
| Mark R. Warden | <input checked="" 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 | Jackie Cowan Retirement Benefits Administrator | Andy Fox Deputy City Attorney I |
| | | |

3. Approval of minutes of meeting held July 16, 2025:

Approved **Denied**

REPORTING

| Reporting Period: August 2025 – September 2025 | | TOTAL (Submitted/Approved) |
|--|--|--------------------------------------|
| A. Service Retirement Applications | | 31 |
| 1. Normal Service Retirement | | 8 |
| 2. Normal Service Retirement with DROP | | 9 |
| a. General Employees | | 6 |
| b. Public Safety Employees | | 3 |
| 3. Early Service Retirement – Reduced Benefit | | 1 |
| 4. Early Service Retirement – Deferred Benefit | | 1 |
| 5. Vested Service Retirement | | 12 |
| B. Disability Retirement Applications | | 2 |
| 1. Accidental Disability Retirement | | 1 |
| 2. Ordinary Disability Retirement | | 1 |
| C. Disability Reexamination Determinations | | 1 |
| D. DROP Exit Report | | 4 |
| E. Report of Deaths | | 29 |
| 1. Retiree | | 24 |
| 2. Spouse or Beneficiary | | 5 |
| F. Death Benefit Claims | | 9 |
| G. Retirement Rescissions | | 0 |
| H. Previous Docket Amendments and Corrections | | 0 |
| I. Non-Vested Member Separation from Employment | | 3 |
| Total | | \$27,052.35 |

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 | July 31, 2025 | June 30, 2025 | May 31, 2025 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| Total Fund Balance | \$1.46 Billion | \$1.42 Billion | \$1.38 Billion |
| Funded Status | 94% | 91% | 89% |
| NERS Assumed Rate of Return | 6.75% | 6.75% | 6.75% |
| FYTD Rate of Return | 0.6% | 11.3% | 8.0% |
| 12 Months Trailing Rate of Return | 9.7% | 11.3% | 9.0% |
| Monthly Rate of Return | 0.6% | 3.0% | 2.9% |
| Monthly Gains/Losses | \$8.4 million | \$43.2 million | \$40.3 million |
| Monthly Net Cash Flow | \$35.2 million | -\$8.6 million | -\$8.0 million |

iii. Performance Summary as of July 31, 2025

| Performance Update As of July 31, 2025 | | | | | | | | | | | |
|---|----------------------|----------------|-------------|-------------|-------------|-------------|-------------|------------|---------------|----------------|--|
| Asset Class Performance Summary | | | | | | | | | | | |
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date | |
| Total System | 1,461,539,095 | 100.0 | 0.6 | 8.9 | 9.7 | 8.3 | 8.0 | 6.7 | 7.9 | Oct-90 | |
| Total System Policy Benchmark | | | 0.8 | 8.7 | 11.3 | 9.6 | 8.9 | 7.2 | 8.1 | | |
| Total Fund Actual Allocation Benchmark | | | 0.8 | 9.2 | 11.1 | -- | -- | -- | -- | | |
| Total Fund Public Benchmark | | | 0.9 | 9.4 | 12.0 | 11.1 | 8.2 | 7.3 | 8.2 | | |
| Growth Assets | 797,099,962 | 54.5 | 1.1 | 11.2 | 13.2 | -- | -- | -- | 15.5 | Dec-22 | |
| Growth Assets Custom Benchmark | | | 1.3 | 10.3 | 15.2 | -- | -- | -- | 17.0 | | |
| Global Equity | 789,187,670 | 54.0 | 1.1 | 11.3 | 13.3 | 13.5 | 12.1 | 9.8 | 9.3 | Oct-90 | |
| Global Equity Policy Benchmark | | | 1.3 | 11.3 | 15.1 | 14.7 | 12.5 | 9.8 | 9.7 | | |
| Private Equity | 7,912,292 | 0.5 | | | | | | | | | |
| MSCI ACWI + 3% 1Q Lag | | | 1.2 | 0.3 | 15.2 | -- | -- | -- | 17.4 | | |
| Credit | 73,059,192 | 5.0 | 1.4 | 6.7 | 9.5 | -- | -- | -- | 9.9 | May-23 | |
| Credit Custom Benchmark | | | 0.6 | 4.4 | 8.1 | -- | -- | -- | 9.7 | | |
| High Yield & Bank Loans | 73,059,192 | 5.0 | 1.4 | 6.7 | 9.5 | -- | -- | -- | 9.9 | May-23 | |
| High Yield & Bank Loans Custom Benchmark | | | 0.6 | 4.4 | 8.1 | -- | -- | -- | 9.7 | | |
| Inflation Hedges | 308,958,903 | 21.1 | 0.3 | 9.4 | 9.4 | -- | -- | -- | 2.2 | Dec-22 | |
| Inflation Hedges Custom Benchmark | | | 0.4 | 10.4 | 9.0 | -- | -- | -- | 2.5 | | |
| Real Estate | 105,806,549 | 7.2 | 0.1 | 1.7 | 3.9 | -5.4 | 0.9 | 2.8 | 5.4 | Apr-11 | |
| NCREIF ODCE (Net) | | | 0.0 | 1.7 | 2.7 | -6.2 | 2.5 | 4.4 | 6.7 | | |
| Natural Resources & Infrastructure | 76,387,766 | 5.2 | 1.2 | 12.9 | 7.3 | -- | -- | -- | 4.8 | Apr-23 | |
| S&P Global LargeMidcap Resources & Commodities NR USD | | | 1.5 | 15.6 | 6.3 | -- | -- | -- | 3.8 | | |
| Gold | 41,415,700 | 2.8 | -1.1 | 34.6 | 35.1 | -- | -- | -- | 22.1 | Apr-23 | |
| 60% Gold (Spot)/ 40% FTSE Gold Mines | | | 0.0 | 37.6 | 37.1 | -- | -- | -- | 24.9 | | |
| Short-Term TIPS | 85,348,889 | 5.8 | 0.3 | 4.4 | 5.9 | -- | -- | -- | 5.1 | Mar-23 | |
| Bloomberg U.S. TIPS 0-5 Year | | | 0.3 | 4.3 | 5.9 | -- | -- | -- | 5.5 | | |
| Risk Mitigation | 282,421,037 | 19.3 | -0.6 | 2.1 | 0.7 | -- | -- | -- | 2.4 | Dec-22 | |
| Risk Mitigation Custom Benchmark | | | -0.2 | 2.4 | 2.2 | -- | -- | -- | 3.1 | | |
| Investment Grade Fixed Income | 228,177,975 | 15.6 | -0.4 | 3.2 | 2.0 | 1.1 | -1.3 | 1.6 | 5.0 | Oct-90 | |
| Bloomberg U.S. Aggregate Index | | | -0.3 | 3.7 | 3.4 | 1.6 | -1.1 | 1.7 | 5.0 | | |
| Intermediate-Term Bonds | 179,517,843 | 12.3 | -0.3 | 3.6 | 3.5 | 2.2 | -0.7 | 1.9 | 5.1 | Oct-90 | |
| Bloomberg U.S. Aggregate Index | | | -0.3 | 3.7 | 3.4 | 1.6 | -1.1 | 1.7 | 5.0 | | |

| Performance Update As of July 31, 2025 | | | | | | | | | | | |
|--|-------------------|----------------|-------------|-------------|-------------|-----------|-----------|------------|---------------|----------------|--|
| | Market Value (\$) | % of Portfolio | 1 Mo (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date | |
| Long-Term Bonds | 48,660,132 | 3.3 | -0.9 | 2.2 | -2.9 | -- | -- | -- | -1.2 | Mar-23 | |
| Bloomberg U.S. Treasury: Long | | | -0.9 | 2.1 | -2.8 | -- | -- | -- | -1.2 | | |
| Hedge Funds | 50,547,773 | 3.5 | -1.3 | -2.7 | -4.6 | -- | -- | -- | -1.5 | Apr-23 | |
| Hedge Fund Custom Benchmark | | | -0.2 | -2.1 | -2.1 | -- | -- | -- | 1.4 | | |
| Cash | 3,695,289 | 0.3 | | | | | | | | | |

a. Comparison to June 30, 2025

Performance Update | As of June 30, 2025

| Asset Class Performance Summary | | | | | | | | | | | |
|---|----------------------|----------------|-------------|-------------|-------------|-------------|-------------|------------|---------------|----------------|--|
| | Market Value (\$) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date | |
| Total System | 1,417,934,696 | 100.0 | 6.4 | 8.2 | 11.3 | 10.0 | 8.6 | 6.8 | 7.9 | Oct-90 | |
| Total System Policy Benchmark | | | 6.9 | 7.9 | 12.2 | 11.3 | 9.4 | 7.2 | 8.1 | | |
| Total Fund Actual Allocation Benchmark | | | 7.2 | 8.4 | 12.3 | -- | -- | -- | -- | | |
| Total Fund Public Benchmark | | | 8.9 | 8.4 | 13.4 | 12.7 | 8.8 | 7.3 | 8.2 | | |
| Growth Assets | 773,751,827 | 54.6 | 10.5 | 10.1 | 14.1 | -- | -- | -- | 15.5 | Dec-22 | |
| Growth Assets Custom Benchmark | | | 10.5 | 8.9 | 15.5 | -- | -- | -- | 17.0 | | |
| Global Equity | 765,941,902 | 54.0 | 10.6 | 10.1 | 14.2 | 15.8 | 13.0 | 9.8 | 9.3 | Oct-90 | |
| Global Equity Policy Benchmark | | | 11.6 | 9.8 | 15.9 | 16.8 | 13.4 | 9.7 | 9.7 | | |
| Private Equity | 7,809,925 | 0.6 | | | | | | | | | |
| MSCI ACWI + 3% 1Q Lag | | | -0.6 | -0.8 | 10.3 | -- | -- | -- | 17.6 | | |
| Credit | 72,302,582 | 5.1 | 3.1 | 5.3 | 9.0 | -- | -- | -- | 9.6 | May-23 | |
| Credit Custom Benchmark | | | 2.9 | 3.8 | 8.9 | -- | -- | -- | 9.8 | | |
| High Yield & Bank Loans | 72,302,582 | 5.1 | 3.1 | 5.3 | 9.0 | -- | -- | -- | 9.6 | May-23 | |
| High Yield & Bank Loans Custom Benchmark | | | 2.9 | 3.8 | 8.9 | -- | -- | -- | 9.8 | | |
| Inflation Hedges | 288,368,278 | 20.3 | 2.8 | 9.1 | 11.9 | -- | -- | -- | 2.1 | Dec-22 | |
| Inflation Hedges Custom Benchmark | | | 3.1 | 9.9 | 10.4 | -- | -- | -- | 2.5 | | |
| Real Estate | 105,931,443 | 7.5 | 0.5 | 1.6 | 6.2 | -5.1 | 0.9 | 2.8 | 5.5 | Apr-11 | |
| NCREIF ODCE (Net) | | | 0.8 | 1.7 | 2.7 | -6.2 | 2.5 | 4.4 | 6.7 | | |
| Natural Resources & Infrastructure | 75,511,752 | 5.3 | 4.5 | 11.6 | 7.2 | -- | -- | -- | 4.4 | Apr-23 | |
| S&P Global LargeMidcap Resources & Commodities NR USD | | | 5.2 | 13.9 | 6.2 | -- | -- | -- | 3.2 | | |
| Gold | 36,854,219 | 2.6 | 8.4 | 36.1 | 47.5 | -- | -- | -- | 23.6 | Apr-23 | |
| 60% Gold (Spot)/ 40% FTSE Gold Mines | | | 9.2 | 37.6 | 48.8 | -- | -- | -- | 26.0 | | |
| Short-Term TIPS | 70,070,863 | 4.9 | 1.0 | 4.0 | 6.5 | -- | -- | -- | 5.2 | Mar-23 | |
| Bloomberg U.S. TIPS 0-5 Year | | | 1.0 | 4.0 | 6.5 | -- | -- | -- | 5.6 | | |

Performance Update | As of June 30, 2025

| | Market Value (\$) | % of Portfolio | QTD (%) | YTD (%) | 1 Yr (%) | 3 Yrs (%) | 5 Yrs (%) | 10 Yrs (%) | Inception (%) | Inception Date |
|--------------------------------------|--------------------|----------------|-------------|-------------|-------------|------------|-------------|------------|---------------|----------------|
| Risk Mitigation | 283,512,010 | 20.0 | -0.1 | 2.7 | 3.2 | -- | -- | -- | 2.7 | Dec-22 |
| Risk Mitigation Custom Benchmark | | | 0.9 | 2.9 | 4.3 | -- | -- | -- | 3.3 | |
| Investment Grade Fixed Income | 229,090,489 | 16.2 | 0.5 | 3.6 | 5.3 | 2.1 | -0.9 | 1.7 | 5.1 | Oct-90 |
| Bloomberg U.S. Aggregate Index | | | 1.2 | 4.0 | 6.1 | 2.5 | -0.7 | 1.8 | 5.0 | |
| Intermediate-Term Bonds | 179,986,336 | 12.7 | 1.2 | 3.9 | 6.4 | 3.1 | -0.3 | 2.0 | 5.1 | Oct-90 |
| Bloomberg U.S. Aggregate Index | | | 1.2 | 4.0 | 6.1 | 2.5 | -0.7 | 1.8 | 5.0 | |
| Long-Term Bonds | 49,104,153 | 3.5 | -1.5 | 3.1 | 1.5 | -- | -- | -- | -0.9 | Mar-23 |
| Bloomberg U.S. Treasury: Long | | | -1.5 | 3.1 | 1.6 | -- | -- | -- | -0.8 | |
| Hedge Funds | 51,229,008 | 3.6 | -2.5 | -1.4 | -4.3 | -- | -- | -- | -0.9 | Apr-23 |
| Hedge Fund Custom Benchmark | | | -0.2 | -1.0 | -1.9 | -- | -- | -- | 2.0 | |
| Cash | 3,192,513 | 0.2 | | | | | | | | |

- iv. As of June 30, 2025, Total Plan Actuarial Liability (AL) is \$1.568 billion and the Actuarial Value of Assets (AVA) is \$1.377 billion for an Actuarial Funded Ratio (AVA/AL) of 88%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MVA/AL) was approximately 91% in June 2025 and 94% in July 2025
- v. NERS ranks in the top quartile of funds based on plan size, placing in the 16th percentile—representing a significant improvement
- vi. Asset Allocation Review
 - a. After significant review over several months, the Investment Committee recommended adopting Policy C, which reallocates assets from Public Equity to Private Credit, Investment Grade Credit and Infrastructure as outlined in the Proposed Asset Allocation Policy Options. The change is intended to reduce overall risk by introducing greater portfolio stability by adding diversification and income while lowering overall volatility. However, noting in exchange for higher yields and lower daily volatility, funds will be slightly more illiquid

i. The NERS Board of Trustees approved the recommendation to adopt Policy C, which reallocates assets from Public Equity to Private Credit, Investment Grade Credit and Infrastructure. Consequently, the Investment Policy Statement (IPS) will be updated to reflect the newly approved policy and the modified investment ranges

Asset Allocation Policy Options

| | Current Policy Target (%) | Current Allocation ¹ (%) | Current Policy Range (%) | Policy C (%) | Policy D (%) |
|--|---------------------------|-------------------------------------|--------------------------|--------------|--------------|
| Growth Assets | 57 | 55 | 47 - 67 | 45 | 47 |
| Global Equity | 52 | 54 | 42 - 62 | 40 | 42 |
| Private Equity | 5 | 1 | 0 - 10 | 5 | 5 |
| Credit | 4 | 5 | 0 - 9 | 11 | 7 |
| High Yield Bonds & Bank Loans | 4 | 5 | 0 - 9 | 6 | 7 |
| Private Credit | 0 | 0 | -- | 5 | 0 |
| Inflation Hedges | 21 | 21 | 14 - 28 | 23 | 26 |
| Short-term TIPS | 5 | 6 | 0 - 10 | 5 | 5 |
| Real Estate | 8 | 7 | 3 - 13 | 8 | 8 |
| Natural Resources | 2 | 4 | 0 - 10 ² | 2 | 2 |
| Gold | 3 | 3 | 0 - 6 | 3 | 3 |
| Infrastructure | 3 | 1 | 0 - 10 ² | 5 | 8 |
| Risk Mitigation | 18 | 19 | 11 - 25 | 21 | 20 |
| Investment Grade Bonds | 10 | 12 | 7 - 21 ³ | 13 | 12 |
| Long-term Government Bonds | 4 | 3 | 7 - 21 ³ | 4 | 4 |
| RMS Hedge Funds | 4 | 4 | 0 - 9 | 4 | 4 |
| Expected Return (20 years) | 8.12 | 7.90 | | 8.04 | 8.01 |
| Expected Return (20 years) Adjusted ⁴ | 7.80 | 7.58 | | 7.80 | 7.76 |
| Standard Deviation | 12.0 | 11.7 | | 10.9 | 11.0 |
| Probability of Achieving 6.75% over 20 Years | 69.3 | 66.9 | | 70.0 | 69.3 |

¹ As of July 31, 2025.² In the current policy, Natural Resources and Infrastructure are aggregated. The range corresponds to the sum of the two targets.³ In the current policy, Investment Grade Bonds and Long-term Government Bonds are aggregated. The range corresponds to the sum of the two targets.⁴ Modified US Equity expected return.

L. Other / Old Business

1. UBS
 - a. \$146,901.29 received on July 25, 2025, after a quarterly fee of \$41,887.05 was withheld

M. New Business/Other

1. Proposed NERS Board of Trustees Meeting Schedule 2026 - **APPROVED**
2. NERS received the Government Finance Officers Association Award (GFOA) for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for Fiscal Year 2024 for the 5th consecutive year
3. Cheiron, the actuary for NERS, is scheduled to present the FY 2025 Actuarial Valuation Report at the January 2026 Board of Trustees meeting

N. Next Meeting: November 5, 2025

1. Anticipated Quorum: Yes No

2. Scheduled Guest Speaker(s)

O. Adjournment



810 Union Street, Suite 309, Norfolk, VA 23510

Exhibit 1
Obligations Reported for Payment: August 2025 – September 2025

| | Description | Amount |
|----|-------------------------------|------------------------|
| 1. | State Street Corporation | \$6,000.00 |
| 2. | Cheiron | \$11,304.46 |
| 3. | Retirement Payroll | \$17,217,516.39 |
| 4. | Meketa Investment Group, Inc. | \$129,699.38 |
| 5. | | |
| 6. | TOTAL | \$17,364,520.23 |

Additional Details

1. Custodial Services – August 2025 \$3,000.00 (estimated); September 2025 \$3,000.00 (estimated)
(Payment is auto debited from the investment cash account)
2. Actuarial Services – August 2025 \$5,652.23 (estimated); September 2025 \$5,652.23 (estimated)
3. Monthly Benefits Payroll – August 2025 \$8,617,516.39 (actual) and September 2025 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – August 2025 \$64,849.69; September 2025 \$64,849.69 (estimated)