

## RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

### COMMENCEMENT

1. Chairperson call meeting to order.

Meeting Date	Start Time	End Time	Meeting Type
5/1/2024	11:00 AM	12:51 PM	Regular
<b>Meeting Information</b>  City Hall Building, Sixth Floor Conference Room 810 Union Street, Norfolk, Virginia 23510			

2. Roll call.

	Present
Yvonne T. Allmond (Interim Chair)	<input checked="" type="checkbox"/>
Elizabeth (Liz) A. Delude	<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 checked="" type="checkbox"/>
Christine A. Garczynski (Admin and Planning Committee)	<input checked="" type="checkbox"/>
Catheryn R. Whitesell	<input checked="" type="checkbox"/>

Additional Attendees

<b>Penny DeLosh</b> Executive Director	<b>Jackie Cowan</b> Retirement Benefits Administrator	<b>Andy Fox – Attended remotely</b> Deputy City Attorney I
<b>Mary Mustard</b> Meketa	<b>Henry Jaung</b> Meketa	

3. Approval of minutes of meeting held March 6, 2024:

☒ Approved    ☐ Denied

REPORTING	
Reporting Period: April 2024 – May 2024	TOTAL (Submitted/Approved)
<b>A. Service Retirement Applications</b>	<b>26</b>
1. Normal Service Retirement	7
2. Normal Service Retirement with DROP	4
a. General Employees	4
b. Public Safety Employees	0
3. Early Service Retirement – Reduced Benefit	0
4. Early Service Retirement – Deferred Benefit	0
5. Vested Service Retirement	15
<b>B. Disability Retirement Applications</b>	<b>1</b>
1. Accidental Disability Retirement	1
2. Ordinary Disability Retirement	0
<b>C. Disability Reexamination Determinations</b>	<b>0</b>
<b>D. DROP Exit Report</b>	<b>3</b>
<b>E. Report of Deaths</b>	<b>21</b>
1. Retiree	14
2. Spouse or Beneficiary	7
<b>F. Death Benefit Claims</b>	<b>6</b>
<b>G. Retirement Rescissions</b>	<b>2</b>
<b>H. Previous Docket Amendments and Corrections</b>	<b>0</b>
<b>I. Non-Vested Member Separation from Employment</b>	<b>3</b>
Total	<b>\$28,921.51</b>

**J. Obligations Reported for Payment**

Refer to EXHIBIT 1

**K. Committee Reports**

1. Administration and Planning Committee – no meeting
  - a. NERS Board of Trustees Governance Manual
    - i. Revision required to increase Investment Committee members from four (4) to five (5)

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

NERS	March 31, 2024	February 29, 2024	January 31, 2024
Total Fund Balance	\$1.33 Billion	\$1.30 Billion	\$1.28 Billion
Funded Status	87%	85%	84%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	8.9%	6.2%	4.0%
12 Months Trailing Rate of Return	11.8%	10.7%	5.6%
Monthly Rate of Return	2.6%	2.1%	-0.3%
Monthly Gains/Losses	\$33.2 million	\$26.9 million	\$4.3 million
Monthly Net Cash Flow	-\$8.4 million	-\$7.2 million	-\$9.2 million

ii. Performance Update as of March 31, 2024

Performance Update | As of March 31, 2024

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,326,692,782</b>	<b>100.0</b>	<b>2.6</b>	<b>4.4</b>	<b>8.9</b>	<b>11.8</b>	<b>4.2</b>	<b>6.7</b>	<b>6.2</b>	<b>7.8</b>	<b>Oct-90</b>
Total Fund Policy Benchmark			2.8	4.8	10.0	13.2	4.9	7.4	6.3	8.0	
Total Fund Actual Allocation Benchmark			2.7	4.6	9.8	12.8	--	--	--	--	
Total Fund Public Benchmark			2.6	5.5	12.2	16.8	3.9	7.4	6.4	8.1	
<b>Growth Assets</b>	<b>732,821,263</b>	<b>55.2</b>	<b>3.1</b>	<b>8.1</b>	<b>15.2</b>	<b>21.7</b>	--	--	--	<b>18.2</b>	<b>Dec-22</b>
Growth Assets Custom Benchmark			3.3	8.1	15.9	23.0	--	--	--	19.1	
<b>Global Equity</b>	<b>729,945,322</b>	<b>55.0</b>	<b>3.1</b>	<b>8.1</b>	<b>15.3</b>	<b>21.8</b>	<b>6.2</b>	<b>10.7</b>	<b>8.9</b>	<b>9.2</b>	<b>Oct-90</b>
Global Equity Policy Benchmark			3.2	7.7	15.6	22.5	6.3	10.6	8.6	9.5	
<b>Private Equity</b>	<b>2,875,941</b>	<b>0.2</b>									
<b>Credit</b>	<b>64,127,679</b>	<b>4.8</b>	<b>1.0</b>	<b>2.3</b>	<b>8.6</b>	--	--	--	--	<b>10.7</b>	<b>May-23</b>
Credit Custom Benchmark			1.0	2.0	9.2	11.8	--	--	--	10.7	
<b>High Yield &amp; Bank Loans</b>	<b>64,127,679</b>	<b>4.8</b>	<b>1.0</b>	<b>2.3</b>	<b>8.6</b>	--	--	--	--	<b>10.7</b>	<b>May-23</b>
High Yield & Bank Loans Custom Benchmark			1.0	2.0	9.2	11.8	4.0	4.8	4.5	10.7	
<b>Inflation Hedges</b>	<b>284,573,669</b>	<b>21.4</b>	<b>2.8</b>	<b>-0.1</b>	<b>0.3</b>	<b>-2.0</b>	--	--	--	<b>-5.4</b>	<b>Dec-22</b>
Inflation Hedges Custom Benchmark			3.0	0.2	0.2	-2.4	--	--	--	-3.4	
<b>Real Estate</b>	<b>102,413,858</b>	<b>7.7</b>	<b>-1.3</b>	<b>-3.2</b>	<b>-8.6</b>	<b>-10.1</b>	<b>-0.9</b>	<b>-0.7</b>	<b>3.6</b>	<b>5.5</b>	<b>Apr-11</b>
NCREIF ODCE (Net)			-2.6	-2.6	-9.4	-12.0	2.5	2.6	5.8	7.2	
<b>Natural Resources &amp; Infrastructure</b>	<b>70,901,702</b>	<b>5.3</b>	<b>6.3</b>	<b>1.1</b>	<b>5.5</b>	<b>1.6</b>	--	--	--	<b>1.6</b>	<b>Apr-23</b>
S&P Global LargeMidcap Resources & Commodities NR USD			8.2	1.1	4.9	0.9	8.7	8.6	4.3	0.9	
<b>Gold</b>	<b>44,415,471</b>	<b>3.3</b>	<b>11.4</b>	<b>3.8</b>	<b>9.7</b>	<b>3.8</b>	--	--	--	<b>3.8</b>	<b>Apr-23</b>
60% Gold (Spot)/ 40% FTSE Gold Mines			13.4	4.2	11.2	6.7	4.5	--	--	6.7	
<b>Short-Term TIPS</b>	<b>66,842,638</b>	<b>5.0</b>	<b>0.6</b>	<b>0.8</b>	<b>3.8</b>	<b>3.1</b>	--	--	--	<b>3.7</b>	<b>Mar-23</b>

Performance Update | As of March 31, 2024

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk Mitigation</b>	<b>245,170,171</b>	<b>18.5</b>	<b>1.1</b>	<b>-0.6</b>	<b>1.2</b>	<b>1.1</b>	--	--	--	<b>3.2</b>	<b>Dec-22</b>
Risk Mitigation Custom Benchmark			1.3	0.6	3.4	3.1	--	--	--	3.4	
<b>Investment Grade Fixed Income</b>	<b>179,293,263</b>	<b>13.5</b>	<b>1.0</b>	<b>-1.3</b>	<b>1.3</b>	<b>0.3</b>	<b>-2.6</b>	<b>0.3</b>	<b>1.7</b>	<b>5.1</b>	<b>Oct-90</b>
Bloomberg U.S. Aggregate Index			0.9	-0.8	2.6	1.7	-2.5	0.4	1.5	5.0	
<b>Intermediate-Term Bonds</b>	<b>130,107,204</b>	<b>9.8</b>	<b>0.9</b>	<b>-0.5</b>	<b>3.0</b>	<b>2.4</b>	<b>-2.1</b>	<b>0.7</b>	<b>1.8</b>	<b>5.1</b>	<b>Oct-90</b>
Bloomberg U.S. Aggregate Index			0.9	-0.8	2.6	1.7	-2.5	0.4	1.5	5.0	
<b>Long-Term Bonds</b>	<b>49,186,059</b>	<b>3.7</b>	<b>1.1</b>	<b>-3.2</b>	<b>-4.0</b>	<b>-6.3</b>	--	--	--	<b>-1.7</b>	<b>Mar-23</b>
Bloomberg U.S. Treasury Long			1.2	-3.3	-3.9	-6.1	-8.0	-2.8	1.2	-1.5	
<b>Hedge Funds</b>	<b>64,501,032</b>	<b>4.9</b>	<b>1.4</b>	<b>1.1</b>	<b>0.1</b>	<b>3.7</b>	--	--	--	<b>3.7</b>	<b>Apr-23</b>
Hedge Fund Custom Benchmark			2.5	5.4	5.9	7.7	--	--	--	7.7	
<b>Cash</b>	<b>1,375,876</b>	<b>0.1</b>									

iii. Comparison to June 30, 2023

Performance Update | As of June 30, 2023

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,248,442,785</b>	<b>100.0</b>	<b>3.1</b>	<b>2.7</b>	<b>7.2</b>	<b>8.4</b>	<b>7.1</b>	<b>5.4</b>	<b>6.5</b>	<b>7.7</b>	<b>Oct-90</b>
Total Fund Policy Benchmark			3.3	2.9	7.8	9.5	7.6	6.0	6.5	7.9	Oct-90
Total Fund Actual Allocation Benchmark			3.1	2.7	7.6	--	--	--	--	--	Oct-90
Total Fund Public Benchmark			4.2	4.1	10.3	10.5	5.6	5.5	6.4	7.6	Oct-90
<b>Growth Assets</b>	<b>671,956,583</b>	<b>53.8</b>	<b>5.5</b>	<b>5.7</b>	<b>12.7</b>	--	--	--	--	<b>8.4</b>	<b>Dec-22</b>
Growth Assets Custom Benchmark			5.6	6.1	13.9	--	--	--	--	8.9	Dec-22
<b>Global Equity</b>	<b>671,956,583</b>	<b>53.8</b>	<b>5.5</b>	<b>5.7</b>	<b>12.7</b>	<b>15.8</b>	<b>11.2</b>	<b>7.9</b>	<b>9.2</b>	<b>9.0</b>	<b>Oct-90</b>
Global Equity Policy Benchmark			5.8	5.9	13.2	16.1	11.0	7.6	8.9	9.2	Oct-90
<b>Credit</b>	<b>53,501,269</b>	<b>5.1</b>	<b>1.3</b>	--	--	--	--	--	--	<b>1.9</b>	<b>May-23</b>
Credit Custom Benchmark			2.0	2.4	5.0	--	--	--	--	1.4	May-23
<b>High Yield &amp; Bank Loans</b>	<b>53,501,269</b>	<b>5.1</b>	<b>1.3</b>	--	--	--	--	--	--	<b>1.9</b>	<b>May-23</b>
High Yield & Bank Loans Custom Benchmark			2.0	2.4	5.0	0.6	4.7	3.7	4.3	1.4	May-23
<b>Inflation Hedges</b>	<b>233,410,832</b>	<b>18.7</b>	<b>0.1</b>	<b>-2.3</b>	<b>-3.1</b>	--	--	--	--	<b>-7.4</b>	<b>Dec-22</b>
Inflation Hedges Custom Benchmark			0.0	-2.6	-2.3	--	--	--	--	-4.7	Dec-22
<b>Real Estate</b>	<b>90,643,992</b>	<b>7.3</b>	<b>-0.5</b>	<b>-1.6</b>	<b>-6.1</b>	<b>-12.1</b>	<b>2.5</b>	<b>1.8</b>	<b>5.4</b>	<b>6.6</b>	<b>Apr-11</b>
NCREF ODCE (net)			-2.8	-2.8	-6.1	-10.7	7.1	5.6	7.8	8.5	Apr-11
<b>Natural Resources &amp; Infrastructure</b>	<b>31,502,822</b>	<b>2.5</b>	<b>6.1</b>	<b>-3.7</b>	--	--	--	--	--	<b>-3.7</b>	<b>Apr-23</b>
S&P Global LargeMidCap Commodity and Resources NR USD			6.1	-3.8	-5.2	6.2	19.3	7.4	5.1	-3.8	Apr-23
<b>Gold</b>	<b>35,778,914</b>	<b>2.9</b>	<b>-2.6</b>	<b>-5.4</b>	--	--	--	--	--	<b>-5.4</b>	<b>Apr-23</b>
60% Gold (Spot)/ 40% FTSE Gold Mines			-2.0	-4.1	5.1	6.6	--	--	--	-4.1	Apr-23
<b>Short-Term TIPS</b>	<b>75,477,780</b>	<b>6.0</b>	<b>-0.2</b>	<b>-0.7</b>	--	--	--	--	--	<b>0.2</b>	<b>Mar-23</b>
Bloomberg US Treasury TIPS 0-5 Yr TR			-0.2	-0.7	1.5	0.1	2.3	2.7	1.7	1.2	Mar-23
<b>MLPs</b>	<b>7,325</b>	<b>0.0</b>	--	--	--	--	--	--	--	--	--
<b>Risk Mitigation</b>	<b>279,574,101</b>	<b>22.4</b>	<b>0.2</b>	<b>-0.1</b>	<b>3.6</b>	--	--	--	--	<b>3.1</b>	<b>Dec-22</b>
Risk Mitigation Custom Benchmark			0.0	-0.3	1.5	--	--	--	--	1.2	Dec-22
<b>Investment Grade Fixed Income</b>	<b>214,525,350</b>	<b>17.2</b>	<b>-0.2</b>	<b>-1.0</b>	<b>3.0</b>	<b>0.1</b>	<b>-3.5</b>	<b>1.0</b>	<b>1.7</b>	<b>5.2</b>	<b>Oct-90</b>
Bloomberg US Aggregate TR			-0.4	-0.8	2.1	-0.9	-4.0	0.8	1.5	5.1	Oct-90
<b>Intermediate-Term Bonds</b>	<b>163,279,749</b>	<b>13.1</b>	<b>-0.3</b>	<b>-0.6</b>	<b>2.9</b>	<b>0.0</b>	<b>-3.6</b>	<b>0.9</b>	<b>1.7</b>	<b>5.2</b>	<b>Oct-90</b>
Bloomberg US Aggregate TR			-0.4	-0.8	2.1	-0.9	-4.0	0.8	1.5	5.1	Oct-90

Performance Update | As of June 30, 2023

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Long-Term Bonds</b>	<b>51,245,601</b>	<b>4.1</b>	<b>0.0</b>	<b>-2.3</b>	--	--	--	--	--	<b>2.3</b>	<b>Mar-23</b>
Bloomberg US Treasury Long TR			0.0	-2.3	3.7	-6.8	-12.1	-0.9	1.8	2.3	Mar-23
<b>Hedge Funds</b>	<b>64,442,797</b>	<b>5.2</b>	<b>1.7</b>	<b>3.6</b>	--	--	--	--	--	<b>3.6</b>	<b>Apr-23</b>
HFRI Macro (Total) Index			1.1	1.7	-0.8	-0.4	7.3	5.0	3.1	1.7	Apr-23
<b>Cash</b>	<b>605,953</b>	<b>0.0</b>	--	--	--	--	--	--	--	--	--

iv. Performance Summary as of March 31, 2024

- As of June 30, 2023, Total Plan Actuarial Liability (AL) is \$1.531 billion and the Actuarial Value of Assets (AVA) is \$1.294 billion for an Actuarial Funded Ratio (AVA/AL) of 85%. Using the Market Value of Assets (MVA), the Market Funded Ratio (MV/AL) was approximately 85% in February 2024 and 87% in March 2024.

b. Committee Membership

- Member appointment needed due to Larry Bernart resignation
  - Mark R. Warden to serve on Investment Committee
  - John R. E. Garriss to serve on Investment Committee

**L. Other / Old Business**

1. UBS
  - a. \$143,105.46 received on April 4, 2024

**M. New Business/Other**

1. Investment Concepts 101 training presented by Meketa
  - a. Meketa to complete training during July 17, 2024, Investment Committee Meeting
    - i. The Basics of Stocks and Bonds and Basic Principles of Portfolio Theory: Risk and Return were covered during May 1, 2024, meeting
    - ii. Basic Principles of Portfolio Theory: Diversification and Asset Allocation to be covered during the July 17, 2024, meeting
2. Introduction of new Board of Trustee Appointee, Mark R. Warden – Resolution 1,914; term April 9, 2024, expiring December 31, 2027
3. Resolution certificate for Larry Bernert, Board Chair, presented in recognition of service to the Norfolk Employees' Retirement System
4. Medical Board Request for Proposal (RFP)
  - a. Initiated RFP to obtain Medical Board Physicians for NERS disability determinations due to one (1) of the two (2) medical board physicians closing their practice and becoming a physician of Bon Secours Medical Center
5. NERS Retirement Benefit Verification Campaign (Proof of Life Initiative)
  - a. As a protection against fraud, NERS will initiate an annual Proof of Life Initiative. Retirees and beneficiaries, in an active pay status, will be required to verify that pension payments are received by the intended parties, either the retiree or the beneficiary of a retiree, by confirming membership data such as address, phone number and etc. Members who do not respond following two (2) reminder letters will have their retirement allowance payments placed on hold, and risk future suspension of their payments. Once the retiree and/or beneficiary verifies their NERS membership, their benefit will be reinstated with any retroactive payments, if applicable.
6. National Association of Public Pension Attorneys (NAPPA)
  - a. 2024 NAPPA legal education conference \$990 registration fee for Andy Fox, requested – Board Approved
7. NERS Board of Trustees Officers Nomination and Election

- a. Chairperson
  - i. Appointment Nomination – Yvonne T. Allmond
  - ii. Appointment Approved - Affirmative vote from all Board of Trustees in attendance
- b. Vice-Chairperson
  - i. Appointment Nomination - Elizabeth (Liz) A. Delude
  - ii. Appointment Approved - Affirmative vote from all Board of Trustees in attendance

**N. Next Meeting: July 17, 2024**

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

**O. Adjournment**

**Exhibit 1**  
**Obligations Reported for Payment: April 2024 – May 2024**

	Description	Amount
1.	State Street Corporation	\$5,600.00
2.	Cheiron	\$10,975.20
3.	Retirement Payroll April 2024 & May 2024	\$17,005,312.56
4.	Meketa Investment Group, Inc.	\$118,534.78
5.	NowCare Physicians	\$550.00
6.	<b>TOTAL</b>	<b>\$17,140,972.54</b>

**Additional Details**

1. Custodial Services - April 2024 \$2,600.00 (estimated); May 2024 \$3,000.00 (estimated)  
(Payment is auto debited from the investment cash account)
2. Actuarial Services – April 2024 \$5,487.60 (estimated); May 2024 \$5,487.60 (estimated)
3. Monthly Benefits Payroll - April 2024 \$8,405,312.56 (actual) and May 2024 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – April 2024 \$59,267.39 (estimated); May 2024 \$59,267.39 (estimated)
5. Fees for Medical Board Review & Determination (M. Kirk)– paid April 2024