

## RETIREMENT BOARD OF TRUSTEES

### MEETING MINUTES

#### COMMENCEMENT

**1. Chairperson call meeting to order.**

Meeting Date	Start Time	End Time	Meeting Type
9/11/2024	12:00 PM	12:32 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 (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 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 Chair)	<input type="checkbox"/>
Catheryn R. Whitesell	<input type="checkbox"/>

#### Additional Attendees

<b>Penny DeLosh</b> Executive Director	<b>Jackie Cowan</b> Retirement Benefits Administrator	<b>Andy Fox</b> Deputy City Attorney I
<b>Mike Roggow (alternate for C. Garczynski)</b> Asst. Director of Finance		

**3. Approval of minutes of meeting held July 17, 2024:**

☒ **Approved**     ☐ **Denied**

## REPORTING

**Reporting Period: August 2024 – September 2024**
**TOTAL**  
 (Submitted/Approved)

<b>A. Service Retirement Applications</b>	<b>27</b>
1. Normal Service Retirement	9
2. Normal Service Retirement with DROP	5
a. General Employees	2
b. Public Safety Employees	3
3. Early Service Retirement – Reduced Benefit	2
4. Early Service Retirement – Deferred Benefit	0
5. Vested Service Retirement	11
<b>B. Disability Retirement Applications</b>	<b>1</b>
1. Accidental Disability Retirement	0
2. Ordinary Disability Retirement	1
<b>C. Disability Reexamination Determinations</b>	<b>1</b>
<b>D. DROP Exit Report</b>	<b>4</b>
<b>E. Report of Deaths</b>	<b>35</b>
1. Retiree	29
2. Spouse or Beneficiary	6
<b>F. Death Benefit Claims</b>	<b>11</b>
<b>G. Retirement Rescissions</b>	<b>0</b>
<b>H. Previous Docket Amendments and Corrections</b>	<b>0</b>
<b>I. Non-Vested Member Separation from Employment</b>	<b>4</b>
Total	<b>\$34,160.39</b>

### **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 and Executive Summary

NERS	July 31, 2024	June 30, 2024	May 31, 2024
Total Fund Balance	\$1.38 Billion	\$1.32 Billion	\$1.32 Billion
Funded Status	90%	86%	86%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	2.0%	10.4%	9.4%
12 Months Trailing Rate of Return	10.3%	10.4%	12.7%
Monthly Rate of Return	2.0%	0.9%	2.6%
Monthly Gains/Losses	\$27.1 million	\$11.9 million	\$34.7 million
Monthly Net Cash Flow	\$34.3 million	-\$8.2 million	-\$7.6 million

1. Meketa forecasts a difficult environment for Macro economy
2. Top ten percent (10%) of earners will need pull consumption forward, which is unlikely, meaning S&P companies will likely be negatively impacted
3. Recommend continued uninterrupted Meketa investment strategy at this time

## ii. Performance Summary as of July 31, 2024

## Performance Update | As of July 31, 2024

Asset Class Performance Summary											
	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Total Fund	1,383,197,295	100.0	2.0	7.9	10.3	3.1	6.8	6.2	7.8	Oct-90	
Total Fund Policy Benchmark			1.6	8.6	11.1	3.9	7.5	6.4	8.0		
Total Fund Actual Allocation Benchmark			1.9	8.3	11.0	--	--	--	--		
Total Fund Public Benchmark			2.1	9.6	13.4	3.2	7.5	6.5	8.1		
Growth Assets	761,098,689	55.0	1.9	12.2	15.8	--	--	--	16.9	Dec-22	
Growth Assets Custom Benchmark			1.6	13.1	17.0	--	--	--	18.2		
Global Equity	756,509,147	54.7	1.9	12.2	15.8	4.9	10.7	9.0	9.2	Oct-90	
Global Equity Policy Benchmark			2.1	12.5	16.4	5.2	10.7	8.8	9.5		
Private Equity	4,589,541	0.3									
Credit	57,021,297	4.1	0.9	4.4	9.4	--	--	--	10.3	May-23	
Credit Custom Benchmark			1.3	4.9	10.8	--	--	--	11.0		
High Yield & Bank Loans	57,021,297	4.1	0.9	4.4	9.4	--	--	--	10.3	May-23	
High Yield & Bank Loans Custom Benchmark			1.3	4.9	10.8	--	--	--	11.0		
Inflation Hedges	304,460,173	22.0	2.6	4.1	2.6	--	--	--	-1.9	Dec-22	
Inflation Hedges Custom Benchmark			1.8	3.0	0.8	--	--	--	-1.1		
Real Estate	111,104,140	8.0	2.3	-0.7	-6.6	-1.2	0.1	3.6	5.6	Apr-11	
NCREIF ODCE (Net)			0.0	-3.2	-10.0	1.0	2.3	5.5	7.0		
Natural Resources & Infrastructure	71,133,533	5.1	1.0	3.4	1.0	--	--	--	2.9	Apr-23	
S&P Global LargeMidcap Resources & Commodities NR USD			1.4	2.7	-0.2	--	--	--	1.9		
Gold	50,445,297	3.6	8.0	17.8	20.9	--	--	--	13.1	Apr-23	
60% Gold (Spot)/ 40% FTSE Gold Mines			8.5	19.7	24.4	--	--	--	16.5		
Short-Term TIPS	71,777,203	5.2	0.9	3.2	5.8	--	--	--	4.6	Mar-23	
Bbmq. U.S. TIPS 0-5 Year			0.9	3.2	5.8	--	--	--	5.3		

## Performance Update | As of July 31, 2024

	Market Value (\$)	% of Portfolio	1 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk Mitigation</b>	<b>260,617,136</b>	<b>18.8</b>	<b>1.9</b>	<b>0.8</b>	<b>3.1</b>	--	--	--	<b>3.4</b>	<b>Dec-22</b>
Risk Mitigation Custom Benchmark			1.6	2.0	4.7	--	--	--	3.6	
<b>Investment Grade Fixed Income</b>	<b>205,319,191</b>	<b>14.8</b>	<b>2.8</b>	<b>1.1</b>	<b>4.4</b>	<b>-2.8</b>	<b>0.2</b>	<b>1.7</b>	<b>5.1</b>	<b>Oct-90</b>
Bloomberg U.S. Aggregate Index			2.3	1.6	5.1	-2.6	0.2	1.6	5.1	
<b>Intermediate-Term Bonds</b>	<b>155,234,850</b>	<b>11.2</b>	<b>2.6</b>	<b>2.2</b>	<b>5.9</b>	<b>-2.2</b>	<b>0.6</b>	<b>1.9</b>	<b>5.2</b>	<b>Oct-90</b>
Bloomberg U.S. Aggregate Index			2.3	1.6	5.1	-2.6	0.2	1.6	5.1	
<b>Long-Term Bonds</b>	<b>50,084,341</b>	<b>3.6</b>	<b>3.6</b>	<b>-1.4</b>	<b>-0.1</b>	--	--	--	<b>0.0</b>	<b>Mar-23</b>
Bloomberg U.S. Treasury: Long			3.6	-1.6	-0.1	--	--	--	0.0	
<b>Hedge Funds</b>	<b>52,969,471</b>	<b>3.8</b>	<b>-1.1</b>	<b>-1.3</b>	<b>-1.5</b>	--	--	--	<b>0.9</b>	<b>Apr-23</b>
Hedge Fund Custom Benchmark			-1.0	3.2	3.0	--	--	--	4.0	
<b>Cash</b>	<b>2,328,474</b>	<b>0.2</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>6.4</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>13.8</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			5.9	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)			-2.9	-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>35,776,914</b>	<b>2.9</b>	<b>-2.4</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>
HFRM 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>									

1. Portfolio is conservatively structured and positioned well
2. Tremendous improvement in peer performance, NERS is now top one-third quartile
3. 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 86% in June 2024 and 90% in July 2024

**L. Other / Old Business**

1. UBS
  - a. \$181,900.85 received on July 26, 2024, after a quarterly fee of \$46,216.40 was withheld

**M. New Business/Other**

1. NERS received the Government Finance Officers Association Award (GFOA) for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for Fiscal Year 2023. This is the 4th consecutive year NERS has received this award
2. NERS Board of Trustees Meeting Schedule 2025 – **APPROVED**
3. Retirement Benefit Verification Campaign (Proof of Life) initiated at the end of June 2024 to assist in obtaining accurate retiree and beneficiary data
  - a. Mailed approximately 4,600
  - b. Received approximately 3,600 responses as of September 10, 2024

**N. Next Meeting: November 6, 2024**

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

**O. Adjournment**

**Exhibit 1**  
**Obligations Reported for Payment: August 2024 – September 2024**

	Description	Amount
1.	State Street Corporation	\$6,000.00
2.	Cheiron	\$10,975.20
3.	Retirement Payroll	\$16,904,763.39
4.	Meketa Investment Group, Inc.	\$120,914.10
5.		
6.	<b>TOTAL</b>	<b>\$17,042,652.69</b>

**Additional Details**

1. Custodial Services - August 2024 \$3,000.00 (estimated); September 2024 \$3,000.00 (estimated)  
(Payment is auto debited from the investment cash account)
2. Actuarial Services – August 2024 \$5,487.60 (estimated); September 2024 \$5,487.60 (estimated)
3. Monthly Benefits Payroll - August 2024 \$8,504,763.39 (actual) and September 2024 \$8,400,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – August 2024 \$60,457.05 (estimated);  
September 2024 \$60,457.05 (estimated)