

## RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

### COMMENCEMENT

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

Meeting Date	Start Time	End Time	Meeting Type
1/8/2025	12:00 PM	12:20 PM	Regular
<b>Meeting Information</b> City Hall Building, Tenth 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 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>Justin Payne</b> Retirement Benefits Specialist II	<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 November 6, 2024:**

☒ **Approved**    ☐ **Denied**

## REPORTING

**Reporting Period: December 2024 – January 2025**
**TOTAL**  
 (Submitted/Approved)

<b>A. Service Retirement Applications</b>	<b>23</b>
1. Normal Service Retirement	8
2. Normal Service Retirement with DROP	3
a. General Employees	2
b. Public Safety Employees	1
3. Early Service Retirement – Reduced Benefit	1
4. Early Service Retirement – Deferred Benefit	1
5. Vested Service Retirement	10
<b>B. Disability Retirement Applications</b>	<b>0</b>
1. Accidental Disability Retirement	0
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>20</b>
1. Retiree	12
2. Spouse or Beneficiary	8
<b>F. Death Benefit Claims</b>	<b>7</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>1</b>
Total	<b>\$11,614.05</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

NERS	November 30, 2024	October 31, 2024	September 2024
Total Fund Balance	\$1.40 Billion	\$1.38 Billion	\$1.42 Billion
Funded Status	90%	89%	91%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	5.7%	3.9%	6.1%
12 Months Trailing Rate of Return	16.0%	20.6%	20.5%
Monthly Rate of Return	1.7%	-2.1%	2.1%
Monthly Gains/Losses	\$24.0 million	-\$29.1 million	\$28.8 million
Monthly Net Cash Flow	-\$8.4 million	-\$8.0 million	-\$8.0 million

## ii. Executive Summary

- Investment Committee has requested an explanation and recommendations from Meketa on how to proceed with the significant under performance in Hedge Fund assets.

## iii. Performance Summary as of November 30, 2024

### Performance Update | As of November 30, 2024

Asset Class Performance Summary												
	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>1,400,458,683</b>	<b>100.0</b>	<b>1.7</b>	<b>-0.4</b>	<b>5.7</b>	<b>11.8</b>	<b>16.0</b>	<b>4.0</b>	<b>7.0</b>	<b>6.3</b>	<b>7.9</b>	<b>Oct-90</b>
Total Fund Policy Benchmark			2.2	0.5	6.0	13.2	16.7	5.2	8.0	6.6	8.1	
Total Fund Actual Allocation Benchmark			2.1	0.3	5.8	12.5	16.5	--	--	--	--	
Total Fund Public Benchmark			3.2	0.7	7.2	15.1	20.7	4.9	7.7	6.8	8.2	
<b>Growth Assets</b>	<b>754,702,180</b>	<b>53.9</b>	<b>2.9</b>	<b>0.3</b>	<b>7.1</b>	<b>17.9</b>	<b>23.7</b>	--	--	--	<b>16.7</b>	<b>Dec-22</b>
Growth Assets Custom Benchmark			3.8	1.8	8.5	20.7	26.1	--	--	--	18.8	
<b>Global Equity</b>	<b>749,408,351</b>	<b>53.5</b>	<b>2.9</b>	<b>0.3</b>	<b>7.1</b>	<b>17.9</b>	<b>23.7</b>	<b>6.5</b>	<b>10.8</b>	<b>9.2</b>	<b>9.3</b>	<b>Oct-90</b>
Global Equity Policy Benchmark			3.9	1.5	8.4	19.6	25.9	7.2	11.0	9.2	9.6	
<b>Private Equity</b>	<b>5,293,829</b>	<b>0.4</b>										
MSCI ACWI + 3% IQ Lag			2.8	4.7	8.5	32.2	27.1	--	--	--	22.1	
<b>Credit</b>	<b>58,922,835</b>	<b>4.2</b>	<b>0.2</b>	<b>0.9</b>	<b>4.3</b>	<b>7.9</b>	<b>10.4</b>	--	--	--	<b>10.3</b>	<b>May-23</b>
Credit Custom Benchmark			1.0	1.1	4.8	8.5	11.4	--	--	--	10.9	
<b>High Yield &amp; Bank Loans</b>	<b>58,922,835</b>	<b>4.2</b>	<b>0.2</b>	<b>0.9</b>	<b>4.3</b>	<b>7.9</b>	<b>10.4</b>	--	--	--	<b>10.3</b>	<b>May-23</b>
High Yield & Bank Loans Custom Benchmark			1.0	1.1	4.8	8.5	11.4	--	--	--	10.9	
<b>Inflation Hedges</b>	<b>303,622,906</b>	<b>21.7</b>	<b>-0.2</b>	<b>-0.7</b>	<b>5.4</b>	<b>7.0</b>	<b>7.6</b>	--	--	--	<b>-0.3</b>	<b>Dec-22</b>
Inflation Hedges Custom Benchmark			-0.8	-1.6	2.4	3.6	3.1	--	--	--	-0.7	
<b>Real Estate</b>	<b>110,980,722</b>	<b>7.9</b>	<b>2.1</b>	<b>0.9</b>	<b>7.1</b>	<b>3.9</b>	<b>2.6</b>	<b>-1.9</b>	<b>0.9</b>	<b>3.8</b>	<b>5.8</b>	<b>Apr-11</b>
NCREIF ODCE (Net)			0.0	0.0	0.0	-3.2	-8.0	-1.0	2.1	5.2	6.8	
<b>Natural Resources &amp; Infrastructure</b>	<b>70,708,205</b>	<b>5.0</b>	<b>-0.7</b>	<b>-3.5</b>	<b>0.4</b>	<b>2.8</b>	<b>6.3</b>	--	--	--	<b>2.0</b>	<b>Apr-23</b>
S&P Global LargeMidcap Resources & Commodities NR USD			-1.0	-4.6	-0.2	1.1	4.8	--	--	--	0.6	
<b>Gold</b>	<b>53,070,086</b>	<b>3.8</b>	<b>-4.6</b>	<b>-1.2</b>	<b>13.6</b>	<b>24.0</b>	<b>24.0</b>	--	--	--	<b>13.8</b>	<b>Apr-23</b>
60% Gold (Spot)/ 40% FTSE Gold Mines			-4.9	-3.1	12.9	24.5	26.5	--	--	--	15.7	
<b>Short-Term TIPS</b>	<b>68,863,893</b>	<b>4.9</b>	<b>0.4</b>	<b>0.0</b>	<b>2.5</b>	<b>4.9</b>	<b>6.0</b>	--	--	--	<b>4.6</b>	<b>Mar-23</b>
Bimbg. U.S. TIPS 0-5 Year			0.4	0.0	2.5	4.8	6.0	--	--	--	5.2	

### Performance Update | As of November 30, 2024

	Market Value (\$)	% of Portfolio	1 Mo (%)	QTD (%)	FYTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk Mitigation</b>	<b>283,210,762</b>	<b>20.2</b>	<b>1.1</b>	<b>-2.2</b>	<b>2.4</b>	<b>1.2</b>	<b>5.3</b>	--	--	--	<b>3.0</b>	<b>Dec-22</b>
Risk Mitigation Custom Benchmark			1.1	-1.2	2.5	2.9	6.2	--	--	--	3.4	
<b>Investment Grade Fixed Income</b>	<b>228,856,615</b>	<b>16.3</b>	<b>1.3</b>	<b>-2.0</b>	<b>4.1</b>	<b>2.4</b>	<b>7.6</b>	<b>-2.1</b>	<b>0.1</b>	<b>1.6</b>	<b>5.1</b>	<b>Oct-90</b>
Bimbg. U.S. Aggregate Index			1.1	-1.4	3.7	2.9	6.9	-2.0	0.0	1.5	5.1	
<b>Intermediate-Term Bonds</b>	<b>178,479,570</b>	<b>12.7</b>	<b>1.1</b>	<b>-1.5</b>	<b>4.1</b>	<b>3.7</b>	<b>7.8</b>	<b>-1.5</b>	<b>0.5</b>	<b>1.8</b>	<b>5.2</b>	<b>Oct-90</b>
Bimbg. U.S. Aggregate Index			1.1	-1.4	3.7	2.9	6.9	-2.0	0.0	1.5	5.1	
<b>Long-Term Bonds</b>	<b>50,377,045</b>	<b>3.6</b>	<b>1.9</b>	<b>-3.4</b>	<b>4.2</b>	<b>-0.9</b>	<b>7.4</b>	--	--	--	<b>0.3</b>	<b>Mar-23</b>
Bimbg. U.S. Treasury: Long			1.8	-3.5	4.1	-1.2	7.4	--	--	--	0.3	
<b>Hedge Funds</b>	<b>51,460,504</b>	<b>3.7</b>	<b>0.4</b>	<b>-3.3</b>	<b>-3.9</b>	<b>-4.1</b>	<b>-3.2</b>	--	--	--	<b>-1.0</b>	<b>Apr-23</b>
Hedge Fund Custom Benchmark			1.5	-0.3	-1.6	2.6	3.5	--	--	--	2.9	
<b>Cash</b>	<b>2,893,642</b>	<b>0.2</b>										

## 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
<b>Total Fund</b>	<b>1,321,625,157</b>	<b>100.0</b>	<b>1.3</b>	<b>5.8</b>	<b>10.4</b>	<b>2.5</b>	<b>6.4</b>	<b>5.8</b>	<b>7.8</b>	<b>Oct-90</b>
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	
<b>Growth Assets</b>	<b>738,992,459</b>	<b>55.9</b>	<b>1.9</b>	<b>10.1</b>	<b>17.4</b>	--	--	--	<b>16.5</b>	<b>Dec-22</b>
Growth Assets Custom Benchmark			3.0	11.3	19.3	--	--	--	18.0	
<b>Global Equity</b>	<b>734,402,918</b>	<b>55.6</b>	<b>1.8</b>	<b>10.1</b>	<b>17.4</b>	<b>4.4</b>	<b>10.4</b>	<b>8.6</b>	<b>9.2</b>	<b>Oct-90</b>
Global Equity Policy Benchmark			2.4	10.3	18.4	4.7	10.4	8.4	9.5	
<b>Private Equity</b>	<b>4,589,541</b>	<b>0.3</b>								
<b>Credit</b>	<b>64,630,411</b>	<b>4.9</b>	<b>1.0</b>	<b>3.5</b>	<b>9.8</b>	--	--	--	<b>10.2</b>	<b>May-23</b>
Credit Custom Benchmark			1.5	3.5	10.8	--	--	--	10.5	
<b>High Yield &amp; Bank Loans</b>	<b>64,630,411</b>	<b>4.9</b>	<b>1.0</b>	<b>3.5</b>	<b>9.8</b>	--	--	--	<b>10.2</b>	<b>May-23</b>
High Yield & Bank Loans Custom Benchmark			1.5	3.5	10.8	--	--	--	10.5	
<b>Inflation Hedges</b>	<b>273,537,606</b>	<b>20.7</b>	<b>1.4</b>	<b>1.5</b>	<b>1.9</b>	--	--	--	<b>-3.6</b>	<b>Dec-22</b>
Inflation Hedges Custom Benchmark			1.0	1.2	1.2	--	--	--	-2.3	
<b>Real Estate</b>	<b>102,249,915</b>	<b>7.7</b>	<b>0.2</b>	<b>-3.0</b>	<b>-8.4</b>	<b>-1.7</b>	<b>-0.3</b>	<b>3.4</b>	<b>5.4</b>	<b>Apr-11</b>
NCREIF ODCE (Net)			-0.7	-3.2	-10.0	1.0	2.3	5.5	7.0	
<b>Natural Resources &amp; Infrastructure</b>	<b>64,416,659</b>	<b>4.9</b>	<b>0.7</b>	<b>2.4</b>	<b>6.8</b>	--	--	--	<b>2.3</b>	<b>Apr-23</b>
S&P Global LargeMidcap Resources & Commodities NR USD			0.2	1.3	5.2	--	--	--	0.9	
<b>Gold</b>	<b>46,710,259</b>	<b>3.5</b>	<b>5.2</b>	<b>9.1</b>	<b>15.3</b>	--	--	--	<b>7.2</b>	<b>Apr-23</b>
60% Gold (Spot)/ 40% FTSE Gold Mines			5.9	10.3	17.8	--	--	--	10.2	
<b>Short-Term TIPS</b>	<b>60,160,774</b>	<b>4.6</b>	<b>1.4</b>	<b>2.3</b>	<b>5.4</b>	--	--	--	<b>4.2</b>	<b>Mar-23</b>
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
<b>Risk Mitigation</b>	<b>244,464,681</b>	<b>18.5</b>	<b>-0.6</b>	<b>-1.2</b>	<b>0.5</b>	--	--	--	<b>2.3</b>	<b>Dec-22</b>
Risk Mitigation Custom Benchmark			-0.2	0.4	3.2	--	--	--	2.7	
<b>Investment Grade Fixed Income</b>	<b>178,666,464</b>	<b>13.5</b>	<b>-0.4</b>	<b>-1.6</b>	<b>0.9</b>	<b>-3.3</b>	<b>-0.3</b>	<b>1.4</b>	<b>5.0</b>	<b>Oct-90</b>
Blmbg. U.S. Aggregate Index			0.1	-0.7	2.6	-3.0	-0.2	1.3	5.0	
<b>Intermediate-Term Bonds</b>	<b>130,310,898</b>	<b>9.9</b>	<b>0.1</b>	<b>-0.4</b>	<b>3.1</b>	<b>-2.6</b>	<b>0.1</b>	<b>1.6</b>	<b>5.1</b>	<b>Oct-90</b>
Blmbg. U.S. Aggregate Index			0.1	-0.7	2.6	-3.0	-0.2	1.3	5.0	
<b>Long-Term Bonds</b>	<b>48,355,567</b>	<b>3.7</b>	<b>-1.7</b>	<b>-4.8</b>	<b>-5.7</b>	--	--	--	<b>-2.6</b>	<b>Mar-23</b>
Blmbg. U.S. Treasury: Long			-1.8	-5.0	-5.6	--	--	--	-2.6	
<b>Hedge Funds</b>	<b>63,667,802</b>	<b>4.8</b>	<b>-1.3</b>	<b>-0.2</b>	<b>-1.2</b>	--	--	--	<b>1.9</b>	<b>Apr-23</b>
Hedge Fund Custom Benchmark			-1.2	4.2	4.7	--	--	--	5.1	
<b>Cash</b>	<b>2,130,414</b>	<b>0.2</b>								

- 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 89% in October 2024 and 90% in November 2024.

L. Other / Old Business

## 1. UBS

- a. \$690,586.00 redemption on January 6, 2025

**M. New Business/Other**

1. Reappointment of Board of Trustee Appointee, Yvonne T. Allmond – Resolution 1,931; term January 1, 2025 – December 31, 2028
2. Reappointment of Board of Trustee Appointee, Elizabeth (Liz) A. Delude – Resolution 1,931; term January 1, 2025 – December 31, 2028
3. Reappointment of Board of Trustee Appointee, John R. E. Garris – Resolution 1,931; term January 1, 2025 – December 31, 2028
4. Reappointment of Board of Trustee Appointee, Daryl N. Howard – Resolution 1,931; term January 1, 2025 – December 31, 2028

**N. Next Meeting: March 5, 2025**

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

**O. Adjournment**

**Exhibit 1**  
**Obligations Reported for Payment: December 2024 – January 2025**

	Description	Amount
1.	State Street Corporation	\$6,000.00
2.	Cheiron	\$10,975.20
3.	Retirement Payroll	\$16,991,620.86
4.	Meketa Investment Group, Inc.	\$120,914.10
5.	Government Finance Officers Association	\$1,220.00
6.	<b>TOTAL</b>	<b>\$17,130,730.16</b>

**Additional Details**

1. Custodial Services - December 2024 \$3,000.00 (estimated); January 2025 \$3,000.00 (estimated)  
(Payment is auto debited from the investment cash account)
2. Actuarial Services – December 2024 \$5,487.60 (estimated); January 2025 \$5,487.60 (estimated)
3. Monthly Benefits Payroll - December 2024 \$8,391,620.86 (actual) and January 2025 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – December 2024 \$60,457.05 (estimated); January 2025 \$60,457.05 (estimated)
5. Application Fee for Certificate of Achievement Award for FY 2024 Annual Comprehensive Financial Report (ACFR); paid November 2024