

## RETIREMENT BOARD OF TRUSTEES MEETING MINUTES

### COMMENCEMENT

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

Meeting Date	Start Time	End Time	Meeting Type
3/5/2025	12:00 PM	12:31 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 type="checkbox"/>
Elizabeth (Liz) A. Delude (Vice-Chair)	<input checked="" type="checkbox"/>
John R. E. Garris	<input 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 checked="" type="checkbox"/>
Douglas J. Beaver	<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

**3. Approval of minutes of meeting held January 8, 2025:**

☒ **Approved**    ☐ **Denied**

<b>REPORTING</b>	
<b>Reporting Period: February 2025 – March 2025</b>	<b>TOTAL (Submitted/Approved)</b>
<b>A. Service Retirement Applications</b>	<b>30</b>
1. Normal Service Retirement	13
2. Normal Service Retirement with DROP	5
a. General Employees	4
b. Public Safety Employees	1
3. Early Service Retirement – Reduced Benefit	1
4. Early Service Retirement – Deferred Benefit	0
5. Vested Service Retirement	11
<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>6</b>
<b>E. Report of Deaths</b>	<b>31</b>
1. Retiree	26
2. Spouse or Beneficiary	5
<b>F. Death Benefit Claims</b>	<b>1</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>\$34,546.18</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 – **Approved**
    - i. Updated to reflect new Board of Trustees ex-officio Deputy City Manager, Douglas J. Beaver
    - ii. Updated to reflect the medical board as NowCare
2. Investment Management Committee –

a. Meketa Investment Group investment and market review  
 i. Economic and Market Update

NERS	January 31, 2025	December 31, 2024	November 30, 2024
Total Fund Balance	\$1.38 Billion	\$1.35 Billion	\$1.40 Billion
Funded Status	89%	87%	90%
NERS Assumed Rate of Return	6.75%	6.75%	6.75%
FYTD Rate of Return	5.7%	2.8%	5.7%
12 Months Trailing Rate of Return	12.1%	8.8%	16.0%
Monthly Rate of Return	2.8%	-2.7%	1.7%
Monthly Gains/Losses	\$37.6 million	-\$37.9 million	\$24.0 million
Monthly Net Cash Flow	-\$8.0 million	-\$7.9 million	-\$8.4 million

ii. Executive Summary

iii. Performance Summary as of January 31, 2025

Performance Update | As of January 31, 2025

Asset Class Performance Summary										
	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	1,384,230,168	100.0	2.8	5.7	12.1	4.1	6.6	6.4	7.8	Oct-90
Total Fund Policy Benchmark			2.4	6.4	14.3	5.3	7.6	6.8	8.0	
Total Fund Actual Allocation Benchmark			2.6	6.3	13.3	--	--	--	--	
Total Fund Public Benchmark			2.6	7.3	15.1	5.5	7.3	6.9	8.1	
<b>Growth Assets</b>	750,397,992	54.2	3.8	7.6	17.9	--	--	--	15.6	Dec-22
Growth Assets Custom Benchmark			2.8	9.0	21.4	--	--	--	17.5	
<b>Global Equity</b>	744,359,776	53.8	3.9	7.7	18.0	7.2	10.4	9.6	9.3	Oct-90
Global Equity Policy Benchmark			3.3	9.0	19.9	7.9	10.7	9.6	9.6	
<b>Private Equity</b>	6,038,216	0.4								
MSCI ACWI + 3% 1Q Lag			-2.0	9.1	36.7	--	--	--	20.5	
<b>Credit</b>	65,367,297	4.7	1.6	5.3	8.2	--	--	--	9.8	May-23
Credit Custom Benchmark			1.0	6.0	9.3	--	--	--	10.5	
<b>High Yield &amp; Bank Loans</b>	65,367,297	4.7	1.6	5.3	8.2	--	--	--	9.8	May-23
High Yield & Bank Loans Custom Benchmark			1.0	6.0	9.3	--	--	--	10.5	
<b>Inflation Hedges</b>	293,588,093	21.2	2.5	5.2	9.1	--	--	--	-0.4	Dec-22
Inflation Hedges Custom Benchmark			3.0	3.4	7.0	--	--	--	-0.1	
<b>Real Estate</b>	114,214,187	8.3	0.4	4.9	3.1	-3.6	0.3	3.3	5.5	Apr-11
NCREIF ODCE (Net)			0.0	1.0	-2.3	-3.1	2.0	4.9	6.8	
<b>Natural Resources &amp; Infrastructure</b>	70,157,819	5.1	3.7	-0.4	7.1	--	--	--	1.3	Apr-23
S&P Global LargeMidcap Resources & Commodities NR USD			4.9	-2.2	5.8	--	--	--	-0.6	
<b>Gold</b>	41,309,725	3.0	9.8	19.0	36.2	--	--	--	15.3	Apr-23
60% Gold (Spot)/ 40% FTSE Gold Mines			10.9	19.9	39.6	--	--	--	18.0	
<b>Short-Term TIPS</b>	67,906,362	4.9	0.9	3.3	5.2	--	--	--	4.6	Mar-23
Bimbg. U.S. TIPS 0-5 Year			0.9	3.3	5.2	--	--	--	5.2	

Performance Update | As of January 31, 2025

	Market Value (\$)	% of Portfolio	1 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Risk Mitigation</b>	274,876,786	19.9	0.6	1.1	0.6	--	--	--	2.2	Dec-22
Risk Mitigation Custom Benchmark			0.5	1.9	2.4	--	--	--	2.9	
<b>Investment Grade Fixed Income</b>	219,442,903	15.9	0.5	2.1	1.0	-2.0	-0.7	1.2	5.0	Oct-90
Bimbg. U.S. Aggregate Index			0.5	2.5	2.1	-1.5	-0.6	1.2	5.0	
<b>Intermediate-Term Bonds</b>	171,606,659	12.4	0.5	2.9	2.6	-1.1	-0.1	1.5	5.1	Oct-90
Bimbg. U.S. Aggregate Index			0.5	2.5	2.1	-1.5	-0.6	1.2	5.0	
<b>Long-Term Bonds</b>	47,836,244	3.5	0.5	-1.1	-4.0	--	--	--	-2.4	Mar-23
Bimbg. U.S. Treasury: Long			0.4	-1.1	-3.9	--	--	--	-2.3	
<b>Hedge Funds</b>	52,442,744	3.8	0.9	-2.1	-1.1	--	--	--	0.1	Apr-23
Hedge Fund Custom Benchmark			0.5	-0.4	3.2	--	--	--	3.2	
<b>Cash</b>	2,991,139	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
<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 87% in December 2024 and 89% in January 2025.

vi. Monitor the underperforming mutual fund to determine the appropriate course of action moving forward, in coordination with from Meketa

## L. Other / Old Business

### 1. UBS

- a. \$152,198.59 received on January 27, 2025, after a quarterly fee of \$43,195.48 was withheld

**M. New Business/Other**

1. National Association of Public Pension Attorneys (NAPPA)
  - a. \$350.00 annual membership dues for Andy Fox
2. 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 4,700
  - b. As of February 14, 2025, we had not received the required forms from 50 individuals, which affected the processing of their benefits. In response, a Suspension of Benefit letter was mailed to each of these individuals, notifying them that their benefits would be temporarily suspended until the necessary form was submitted. To ensure that no one was left without access to their benefit, we suspended direct deposit payments and instead issued paper checks. This approach allowed us to promptly assist anyone who contacted the Retirement Office, ensuring that those who had not received their February benefit could still receive it after completing the necessary form.
  - c. As of March 5, 2025, approximately 15 individuals have responded, with 13 submitting their completed forms. Upon receipt of the completed form, their direct deposit accounts were reinstated for the March 2025 benefit.
  - d. For those individuals who have not yet submitted their completed forms, we will continue to process paper checks in March 2025. However, if the required forms are not received by April 2025, future payments will be suspended, and no additional benefits will be processed until we receive direct communication from the individuals. Once the necessary forms are received, any benefits due will be retroactively paid.

**N. Next Meeting: May 7, 2025**

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

**O. Adjournment**

**Exhibit 1**  
**Obligations Reported for Payment: February 2025 – March 2025**

	Description	Amount
1.	State Street Corporation	\$6,000.00
2.	Cheiron	\$11,304.46
3.	Retirement Payroll	\$17,105,796.89
4.	Meketa Investment Group, Inc.	\$122,306.86
5.	National Association of Public Pension Attorneys	\$350.00
6.	<b>TOTAL</b>	<b>\$17,245,758.21</b>

**Additional Details**

1. Custodial Services – February 2025 \$3,000.00 (estimated); March 2025 \$3,000.00 (estimated)  
(Payment is auto debited from the investment cash account)
2. Actuarial Services – February 2025 \$5,652.23 (estimated); March 2025 \$5,652.23 (estimated)
3. Monthly Benefits Payroll – February 2025 \$8,505,796.89 (actual) and March 2025 \$8,600,000.00 (estimated)
4. Outsourced Chief Investment Officer Services (OCIO) – February 2025 \$61,153.43 (estimated); March 2025 \$61,153.43 (estimated)
5. Annual membership renewal fee; paid February 2025