

Minutes

A meeting of the Investment Advisory Committee of the Virginia Retirement System was held on November 10, 2021 with the following members present:

Larry Kochard, Chairperson
Michael Beasley
Theodore Economou
Deborah Allen Hewitt
Nancy Leake
Bryan Lewis
Rod Smyth

The following Board members were present:

O'Kelly E. McWilliams, III
Brandon Bell
John Bennett
Michael Disharoon
Brett Hayes
Joseph Montgomery
Troilen Seward

The following staff members were in attendance:

Trish Bishop, Ron Schmitz, Jennifer Schreck, Stephen Adelaar, John Alouf, Rory Badura, Parham Behrooz, Tom Coleman, Ryan Carlson, Warren Chang, Jeanne Chenault, Michael Cooper, Sara Denson, Jon Farmer, Laurie Fennell, Josh Fox, Katherine Grawe, JT Grier, Greg Hines, Dane Honrado, K.C. Howell, Robert Irving, Kristina Koutrakos, Matt Lacy, Chung Ma, Curt Mattson, Jennifer MacKnight, Moses Maxfield, Steve McClelland, Walker Noland, Tom Mulvin, Greg Oliff, Steven Peterson, Vera Pleasants, Mark Rein, Tyler Sanders, Jummai Sarki-Hurd, Dan Schlussler, Kristy Scott, Jillian Sherman, Larry Tentor, Korey Turner, Lisa Turner, Daniel Whitlock, Cindy Wilkinson, Steve Woodall, Nick Zizzo, and Olga Zozulya.

Also in attendance was Lauren Albanese of Financial Investment News; Jamie Bitz of the Virginia Joint Legislative Audit and Review Commission; Steff Chavez of Mandate Wire; Andrea Cinkovic of Goldman Sachs; Brian Deveney of the Virginia Auditor of Public Accounts; Alex Meyer of Goldman Sachs; Oscar Sheehan of Pageant Media; and Carolyn Weimer of Carlyle.

Mr. Kochard called the meeting to order at 10:05 a.m. Mr. Kochard indicated that this IAC meeting has been designated as the annual non-remote meeting (in which no members attend via electronic means). With the exception of Tom Gayner and Hance West, all other Committee members were present.

Minutes

A motion was made by Mr. Beasley and seconded by Dr. Hewitt to approve the minutes for the August 26, 2021 Committee meeting. The motion was unanimously approved.

CIO Report

Mr. Schmitz opened his CIO report commenting on market trends. Then Mr. Schmitz presented the Asset Allocation Report, Performance Summary, and Total Fund Tracking Error as of September 30, 2021. During the review of the Total Fund Tracking Error, Mr. Schmitz provided insight into the contributing factors to the Total Fund Tracking Error. Last, Mr. Schmitz reviewed the New Investments and Terminations Report.

**Private Market Asset
Program Reviews**

Mr. Howell provided a brief overview of the Private Market Asset Programs, provided a preview of the agenda items, and introduced the following Program reviews: Credit Strategies, Real Assets, Private Equity, and Private Investment Partnerships (PIP).

Mr. Woodall provided an annual review of the Credit Strategies program. Annual review topics included: an overview of team members, asset allocation, market updates, exposures, results, top 10 managers, and a look ahead. Mr. Woodall concluded his review with a discussion regarding opportunities in private credit.

Mr. Noland provided an annual review of the Real Assets program. Annual review topics included: an overview of team members, exposures, results, top 10 managers, diverse investment management engagement, and a look forward. Mr. Noland concluded his review with a discussion regarding program asset allocation and market fundamentals.

Mr. Lewis stepped out of the meeting at 11:00 a.m and rejoined the meeting at 11:25 a.m.

Mr. Alouf provided an annual review of the Private Equity program. Annual review topics included: an overview of team members, exposures, results, top 10 investment managers, diverse investment management engagement, and a look forward. Mr. Alouf concluded his review with a discussion regarding current dynamics in his program

including the private equity pacing model, the fund life cycle, and trends in extending hold periods.

During the Private Equity program review, the Committee expressed support for exceeding the policy target if market movements raise the Private Equity allocation above the maximum allowable range.

Mr. Beasley exited the meeting at 12:00 p.m.

Mr. McClelland provided an annual review of the Private Investment Partnerships (PIP). Annual review topics included: an overview of team members, allocation, benchmark, portfolio growth, results, and a look forward. Mr. McClelland concluded his review with a discussion of lessons learned from establishing this program.

During the PIP program review, the Committee expressed support for staff to continue focusing on 10- and 20-year returns as part of their strategy.

Long Term Investment Themes

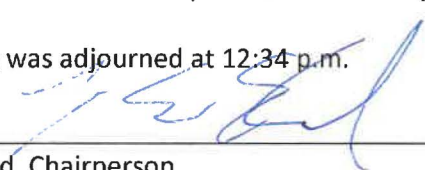
Mr. Schmitz introduced two long term investment themes (board policy and staff implementation) as well as several broad themes currently monitored by staff for the Committee's consideration at the next Investment Advisory Committee meeting.

The Committee members engaged in general discussion throughout all of the reviews provided.

Adjournment

Ms. Leake made a motion to adjourn the meeting. Mr. Beasley seconded the motion. Mr. Kochard asked for the Committee members to vote on the motion, and the motion passed unanimously.

The meeting was adjourned at 12:34 p.m.



Larry Kochard, Chairperson