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## Minutes

A meeting of the Investment Advisory Committee of the Virginia Retirement System was held on April 13, 2022 with the following members present:

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

The following Board members were present:

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

The following staff members were in attendance:

Trish Bishop, Ron Schmitz, Jennifer Schreck, Stephen Adelaar, John Alouf, Advait Apte, Rory Badura, Parham Behrooz, Ryan Carlson, Jeanne Chenault, Perry Corsello, Sara Denson, Michael Desai, Valerie Disanto, Laurie Fennell, Josh Fox, Katherine Grawe, JT Grier, Mehtab Haleem, Greg Hines, Dane Honrado, K.C. Howell, Kristina Koutrakos, Matt Lacy, Chung Ma, Curt Mattson, Jennifer MacKnight, Moses Maxfield, Steve McClelland, Walker Noland, Greg Oliff, Steven Peterson, Vera Pleasants, Steven Ramirez, Mark Rein, Garret Rhodes, Jummai Sarki-Hurd, Dan Schlussler, Jennifer Schoeller, Kristy Scott, Viet Tran, Korey Turner, Lisa Turner, Daniel Whitlock, Cindy Wilkinson, Nick Zizzo.

Also in attendance was Lauren Albanese of Financial Investment News; Jamie Bitz of the Virginia Joint Legislative Audit and Review Commission; Andrea Cinkovic of Goldman Sachs; Brian Deveney of the Virginia Auditor of Public Accounts; Mc Cyril Espanol of Pageant Media; Gary Gammon of the Virginia Auditor of Public Accounts; Madeline Katz of Mandate Wire; Alex Meyer of Goldman Sachs; and Paul Schutzman of MSCI.

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Mr. Kochard called the meeting to order at 9:00 a.m.

**Minutes**

A motion was made by Mr. Kochard and seconded by Mr. Beasley to approve the minutes for the November 10, 2021 Committee meeting. The motion was unanimously approved.

**CIO Report**

Mr. Schmitz opened his CIO report commenting on the Ukraine / Russia situation. Then Mr. Schmitz presented the Asset Allocation Report and Performance Summary as of February 28, 2022, and Total Fund Tracking Error Report as of December 31, 2021. Last, Mr. Schmitz reviewed the New Investments and Terminations Report.

**Public Market Asset Program Reviews**

Mr. Grier provided a brief overview of the Public Market Asset Programs, provided a preview of the agenda items, and introduced the following Program reviews: Public Equity, Internal Equity Management, and Fixed Income.

Mr. Whitlock provided an annual review of the Public Equity program. Annual review topics included: an overview of team members, asset allocation, philosophy, manager evaluation framework, market updates, exposures, results, top five managers, manager terminations, diverse investment management engagement, and a look ahead. Mr. Whitlock concluded his review with a discussion regarding opportunities still in value investing and active management in areas of secular growth.

Mr. Schlussler provided an annual review of Internal Equity Management (IEM). Annual review topics included: an overview of team members, asset allocation, philosophy, research process, factor selection, portfolio management, market updates, exposures, results, and a look forward. Mr. Schlussler concluded his review with a discussion regarding the focus of the IEM program – where it began, where it is now, and where it will be in the future.

Mr. Behrooz and Mr. Oliff provided an annual review of the Fixed Income program. Annual review topics included: an overview of team members, asset allocation, philosophy, market updates, exposures, results, and a look forward. Mr. Behrooz and Mr. Oliff concluded their review with a discussion regarding market activities that could impact results.

**Portfolio Solutions Group Functional Review**

Mr. Ma provided a general overview of the Portfolio Solutions Group (PSG) and introduced each functional area to be covered in the review.

Mr. Hines provided a review of the Risk Management area. Review topics included an overview of the team, risk management deliverables, risk

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team synergies and priorities, and sample updates the team provides to the Investment Department.

Ms. Koutrakos provided a review of the Portfolio Strategy area. Review topics included an overview of the team, objective, process, process integration, recent engagement examples, and plans and priorities.

Dr. Peterson provided a review of the Research area. Review topics included an overview of the team, as well as case examples of manager selection and due diligence tools, and natural language processing.

Mr. Lacy provided a review of the Portfolio Integration area. Review topics included two different case studies, which highlighted the strategic advantages of collaboration across the various investment teams to benefit the fund.

#### **Adjournment**

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

Mr. Economou made a motion to adjourn the meeting. Mr. West 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 11:38 a.m.



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Larry Kochard, Chairperson