

The Virginia Retirement System Board of Trustees held its annual retreat on March 14, 2018 at the Westin Richmond, 6631 West Broad Street, Richmond with the following members present:

Board of Trustees:

Mitchell L. Nason, Chair

Diana F. Cantor, Vice-Chair

J. Brandon Bell, II

Wallace G. Harris

W. Brett Hayes

William H. Leighty

O'Kelly E. McWilliams, III (Mr. McWilliams participated by Skype under § 2.2-3708.1)

Joseph W. Montgomery

Troilen G. Seward

Investment Advisory Committee:

Rod Smyth

Thomas Gayner

Lawrence Kochard

W. Bryan Lewis

Hance West

Defined Contribution Plans Advisory Committee:

Rick Larson

Staff: Patricia Bishop, Ron Schmitz, Stephen Adelaar, John Alouf, Kelly Baker, Katie Baskind, Farley Beaton, Parham Behrooz, Matt Bennett, Erica Billingslea, Warren Chang, Jeanne Chenault, Matt Clayton, Tom Coleman, Michael Cooper, Harriet Covey, Barry Faison, Josh Fox, Bryan Gardiner, Jay Gentry, Brian Goodman, Katie Grawe, JT Grier, Robert Irving, Ross Kasarda, Joe Kennebeck, LaShaunda King, Kristina Koutrakos, Matthew Lacy, Vu Le, Chung Ma, Curt Mattson, Steve McClelland, Scott Mootz, Tom Mulvin, Alex Muniz, Peter Murphy, Walker Noland, Greg Oliff, Andrea Peeks, Steve Peterson, Laura Pugliese, Jummai Sarki-Hurd, Dan Schlussler, Jennifer Schreck, Michael Scott, Justin Smith, Capri Stanley-Smith, Larry Tentor, Carol Timpano, Lisa Turner, Dan Whitlock,

Cindy Wilkinson, Weldon Wirick, Steve Woodall, and Olga Zozulya

Guests: Sarah Herzog and Adam Rosatelli with the Senate Finance Committee; Joe McMahon with the Joint Legislative Audit and Review Commission; Elizabeth Myers with the Office of the Attorney General; Kristy Scott with the Office of the Auditor of Public Accounts; Art Lipscomb with Virginia Professional Firefighters; Sandy Harrington with the Virginia Municipal League; George Loening and Andrew Salem with Select Equity; Michelle Russell-Sowe with Schrodgers; Tara Schulstad Sciscoe, with Ice Miller; Jason Thomas with The Carlyle Group; Mitch Truitt with Apex Digital Strategy; Byron Wein and Joseph Zidle with Blackstone; and Kathryn Leaf Wilmes with Pantheon.

RETREAT CALLED TO ORDER

Ronald D. Schmitz, Chief Investment Officer, welcomed attendees to the retreat.

Opening Remarks

Patricia Bishop, VRS Director, welcomed attendees to the second day of the retreat and introduced the first speaker of the day on the topic of fiduciary duties, Tara Schulstad Sciscoe, with Ice Miller, LLP.

PRESENTATIONS:

Board Governance

Tara Schulstad Sciscoe, with Ice Miller, LLP, presented a fiduciary training session which focused on three primary elements: who is a fiduciary?; standard of conduct expected of a fiduciary; and fiduciary liability. Ms. Sciscoe also addressed good governance practices to mitigate fiduciary liability and risk.

VRS All-Star Fireside Chat – Real Assets

Walker Noland hosted a fireside chat on Real Assets with Kathryn Leaf Wilmes, Head of Pantheon's Global Infrastructure and Real Assets team and Chair of the Global Infrastructure & Real Assets Committee.

VRS All-Star Fireside Chat – Global Equity

Daniel Whitlock hosted a fireside chat on Global Equity with George Loening, Chairman, Portfolio Manager, Analyst, and Principal of Select Equity.

Global Macro Overview

Jason Thomas, with The Carlyle Group, gave a presentation on Macroeconomic & Investment Outlook: The New Dollar Standard.

VRS All-Star Fireside Chat – Credit Strategies

Steve McClelland hosted a fireside chat on Credit Strategies with Michelle Russell-Dowe, Head of Securitized Credit at Schroders.

VRS All-Star Fireside Chat – Private Equity

John Alouf hosted a fireside chat on Private Equity with Mitch Truwit, co-CEO of Apex Partners and Chairman of the Apex Digital Strategy.

Ten Surprises For 2018

Byron Wien, with Blackstone, discussed the Top 10 Surprises of 2018.

Behavioral Finance

Steven Peterson, VRS Director of Research, gave a presentation on Behavioral Finance.

Closing Remarks

Mr. Schmitz thanked the speakers and everyone who attended the retreat.

ADJOURNMENT

The retreat concluded at approximately 4:00 p.m.



Chair



Secretary