
Minutes

A meeting of the Investment Advisory Committee of the Virginia Retirement System was held on August 20, 2025 with the following members present:

Larry Kochard

Eric Baggesen, joined remotely under § 2.2-3708.3(B)(3)

Theodore Economou, joined remotely under § 2.2-3708.3(B)(3)

Palmer Garson, joined remotely under § 2.2-3708.3(B)(4)

Nancy Leake

Bryan Lewis, joined remotely under § 2.2-3708.3(B)(2)

Rod Smyth

Hance West

The following Board members were present:

A. Scott Andrews (remote)

John Bennett (remote)

Lawrence Bernert

Clifford Foster

Matthew James

The following staff members were in attendance:

Trish Bishop, Andrew Junkin, Chung Ma, Stephen Adelaar, John Alouf, Advait Apte, Rory Badura, Parham Behrooz, Brock Bell, Matthew Bennett, Erica Billingslea, Ty Bowers, Lee Buchanan, Ryan Carlson, Warren Chang, Tom Coleman, Perry Corsello, Sara Denson, Kenji Epling, Laurie Fennell, Laura Fields, Antonio Fisher, Katherine Grawe, JT Grier, Mehtab Haleem, Dane Honrado, K.C. Howell, Robert Irving, Sandy Jack, Wendy Jenkins, Ross Kasarda, Kristina Koutrakos, Matt Lacy, Jennifer MacKnight, Curt Mattson, Scott Mootz, Teresa Nguyen, Walker Noland, Greg Oliff, Bob Pryor, Garret Rhodes, Jummai Sarki-Hurd, Daniel Schlussler, Jenny Schoeller, Michael Scott, Richard Slate, Virginia Sowers, Larry Tentor, Nathan Thomas, Korey Turner, Leslie Weldon, Daniel Whitlock, and Steve Woodall.

Also in attendance was Lauren Albanese with Financial Investment News; Muskan Arora with Markets Group; Doston Bradley of Cerberus Capital; Thomas Cosmer of PineBridge; Mitchell King and AK Ray of BlackRock; Cyril Espanol with Pageant Media; Jacob Hodges and Jake Sellers with Encore; Alexandra Jansson with JLARC; Tom Metzler of Principal; Jeffrey Podesta of Schafer-Cullen; Rasha Anaya, Emmin Bickford, Cam Blank, May

Brickhouse, , Kate Gordon, Camille Rodney, and Nancy Wein with unknown affiliation.

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

Mr. Kochard welcomed Eric Baggesen to the IAC.

Mr. Kochard announced that Mr. Baggesen and Mr. Economou would be participating remotely in accordance with § 2.2-3708.3 (B)(3) of the Code of Virginia; Ms. Garson would be participating remotely in accordance with § 2.2-3708.3 (B)(4) of the Code of Virginia; and Mr. Lewis would be participating remotely in accordance with § 2.2-3708.3 (B)(2) of the Code of Virginia

Mr. Kochard took a roll call of each Committee member for attendance purposes:

Mr. Baggesen - present
Mr. Economou – present
Ms. Garson – not present
Ms. Leake – present
Mr. Lewis – present
Mr. Smyth – present
Mr. West – present
Mr. Kochard – present

Minutes

A motion was made by Mr. Smyth and seconded by Ms. Leake to approve the minutes from the April 2, 2025 Committee meeting. The motion was unanimously approved.

Ms. Garson joined the meeting remotely at 9:07 a.m.

CIO Report

Mr. Junkin began his report with a market overview. Mr. Junkin then discussed the total fund performance and asset allocation. Last, Mr. Junkin reviewed the New Investments and Terminations Report.

Portfolio Solutions Group Review

Mr. Ma explained the scenario analysis discussion will be moved up in the agenda so there will be ample time for the IAC to opine on this topic. Mr. Ma provided a review of the Portfolio Solutions Group. Review topics included an overview of the program, the team, and markets.

Mr. Mootz provided a review of Risk Management at VRS. Review topics included an overview of the team, importance of risk management, the VRS approach to risk management, and forward-looking risk estimates.

Mr. Bell provided a review of Portfolio Integration and Treasury. Review topics included an overview of the team, leverage deployment, current funding channels, future funding sources, guidance on rebalancing, funding optimization, Treasury enhancements, and Treasury initiatives in progress.

Asset Allocation Scenario Analysis

Mr. Ma provided a review of forward returns and scenario analysis. Review topics included state plans and external managers' forward returns, long term VRS forward returns, and scenario analysis. Mr. Ma introduced Mr. Badura to assist in discussing various scenario analysis including median paths, baselines, secular stagnation, tech bubble, and productivity boost.

Portfolio Solutions Group Review (continued)

Ms. Koutrakos and Mr. Kasarda provided a review of the Diversifying Strategies program. Review topics included an overview of the team, portfolio objectives, program expectations and structure, performance, program evolution timeline, trend drawdown, returns and risk, and looking ahead.

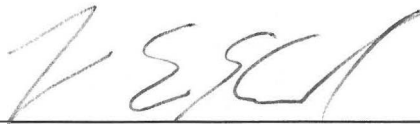
Ms. Grawe provided a review of the Exposure Management Portfolio. Review topics included an overview of the objectives, process review, performance, and looking ahead.

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

Adjournment

Mr. West made a motion to adjourn the meeting. Mr. Smyth seconded the motion. Mr. Kochard asked for the Committee members to vote on the motion, and the motion was unanimously approved.

The meeting was adjourned at 11:46 a.m.



Larry Kochard, Chairperson