The President of the Board, Mr. Jonathan Kinney, called the meeting to order at 8:00 AM, in the Cherry/Dogwood Conference Room, 2100 Clarendon Boulevard, Arlington VA.

Voting Members Present: Mr. Jonathan Kinney, President  
Mr. Richard Alt, Vice President  
Ms. Michelle Cowan, Treasurer  
Mr. Jimmie Barrett, Secretary  
Mr. William Ross, Assistant Treasurer  
Ms. Barbara Donnellan (arrived at 8:02 AM)  
Ms. Michael-dharma Irwin

Substitute Members Present: Ms. Emily Hughes  
Mr. Brian Lynch  
Mr. Carl Newby

Others Present: Mr. Daniel Zito, Executive Director  
Ms. Randee Stenroos, Assistant Director  
Ms. Katrina Milne, Analyst  
Mr. Stephen Euell, Accountant  
Mr. Rob Gooderham, Windmark Investment Partners  
Mr. Garry Musto, Windmark Investment Partners

CONSENT LIST

A motion to approve the consent list, consisting of the February 6, 2020 meeting minutes was offered by Mr. Ross and seconded by Mr. Barrett. The motion passed by a vote of 6-0, with Ms. Donnellan not present.

QUARTERLY PERFORMANCE REVIEW

Messrs. Gooderham and Musto of Windmark Investment Partners reviewed System investment performance for the quarter ended December 31, 2019. Fund returns for various time periods were:
<table>
<thead>
<tr>
<th>(%)</th>
<th>Quarter</th>
<th>1 Year</th>
<th>5 Years</th>
<th>10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Fund (Gross)</td>
<td>5.9</td>
<td>20.1</td>
<td>7.2</td>
<td>8.8</td>
</tr>
<tr>
<td>Total Fund (Net) *</td>
<td>5.8</td>
<td>20.0</td>
<td>7.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Policy Benchmark**</td>
<td>5.3</td>
<td>19.9</td>
<td>7.0</td>
<td>8.1</td>
</tr>
<tr>
<td>CPI + 3.5% Annualized</td>
<td>1.0</td>
<td>6.0</td>
<td>5.5</td>
<td>5.4</td>
</tr>
</tbody>
</table>

* Gross returns adjusted downwards for current annual fee rate per annual fee review and analysis, assuming all fees deducted quarterly.

** 40% Ru3000, 17.5% MSCI ACWI ex-US, 39% BC Universal, 1.5% Barclays TIPS, 2% T-Bills

Outperformance versus the benchmark over the past year was driven by the overweight allocation to equities which rallied strongly throughout the year.

Relative to the TUCS universe of public plans, ACERS’ performance was in the 25th, 51st and 40th percentile on a one, five and ten-year basis, respectively. WIP estimates the fund’s diversified risk level at December 31, 2019 was 61. This compares to WIP’s estimated Fund benchmark risk of 54 and the top of the policy risk band at 65.

Messrs. Gooderham and Musto reviewed the contributors to, and detractors from, relative return over the most recent three and five-year periods. They provided current performance figures through February 28th and discussed the drivers of the market’s recent volatility. They discussed individual managers and noted some strategies are being reviewed due to performance and organizational changes.

EQUITY POSITIONING REVIEW

Messrs. Gooderham and Musto discussed the Fund’s long-term equity strategy and reviewed the current equity positioning in detail. Specific levers that could be used to adjust positioning depending on circumstances were discussed. WIP presented several different views of the equity section to include, among others: growth vs. value, US vs. international developed vs. emerging markets, small cap stocks and REITs. An active discussion ensued.

No recommendations resulted from this review.

CONSULTANT RFP DRAFT AND PROCESS

Ms. Stenroos presented the draft RFP for general investment consulting services. She noted the last RFP was in 2015 and best practices recommend re-bidding every five years. The RFP will go out for bid the week of March 9 with proposals required by March 31st.

Staff will review and proposals which meet the requirements will be evaluated by a committee. The plan is to have finalists present at the May 7th Board meeting. Board members were asked to submit any questions or topics not covered in the draft for inclusion in the final RFP.
KEY INITIATIVES

- Ms. Stenroos noted the trimming of T. Rowe Price Floating Rate fund and the termination of Loomis Sayles were complete.
- Ms. Stenroos noted BVIP Fund X had closed as of February 27th.
- Mr. Zito noted he and Mr. Kinney had briefed the County Board members in February.

CLOSED SESSION

A motion was offered by Mr. Barrett, seconded by Ms. Cowan, and passed by a vote of 7-0, to enter into closed session for discussion by the Board regarding the discussion, consideration or interview of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body pursuant to Virginia Code §2.2-3711(A)(1). The closed session began at 9:35 AM.

The Board returned to open session at 10:30 AM. On a motion by Ms. Barrett, and carried by a vote of 7-0, the voting recorded as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Kinney</td>
<td>Aye</td>
</tr>
<tr>
<td>Mr. Alt</td>
<td>Aye</td>
</tr>
<tr>
<td>Ms. Cowan</td>
<td>Aye</td>
</tr>
<tr>
<td>Ms. Donnellan</td>
<td>Aye</td>
</tr>
<tr>
<td>Mr. Barrett</td>
<td>Aye</td>
</tr>
<tr>
<td>Mr. Ross</td>
<td>Aye</td>
</tr>
<tr>
<td>Ms. Irwin</td>
<td>Aye</td>
</tr>
</tbody>
</table>

The Board certified that only public matters lawfully exempted from open meeting requirement by Virginia law and identified in the motion convening the closed session were heard, discussed or considered by the Board.

After returning to open session, Mr. Kinney acknowledged Mr. Zito’s intention to retire and made a sense of the Board motion to complete the Executive Director/CIO search by approximately the March 2021 Trustee meeting. This motion was seconded by Ms. Irwin and passed by a vote of 7-0.

Finally, three committees were established to focus on the Executive Director/CIO search (Cowan, Donnellan, Barrett, Irwin), Governance (Alt, Newby, Ross, Hughes) and the Consultant RFP evaluation (Donnellan, Ross, Lynch). Mr. Kinney requested each committee appoint a chair and that a 30-minute session be added to next month’s agenda for committee meetings.
ADJOURNMENT

Mr. Barrett, seconded by Ms. Cowan, offered a motion to adjourn the meeting. The motion passed by a vote of 7-0. The meeting ended at 10:42 AM.

Respectfully Submitted,
Randee Stenroos
Assistant Director