The President of the Board, Mr. Jonathan Kinney, called the meeting to order at 8:00 AM.

The meeting was held electronically via Microsoft Teams, consistent with the Virginia General Assembly allowing such electronic meetings during the COVID-19 pandemic.

All participants attended from their respective offices or homes. The meeting was open and available to the public via Microsoft Teams.

Voting Members Present: Mr. Jonathan Kinney, President
Mr. Richard Alt, Vice President
Mr. Jimmie Barrett, Secretary
Mr. William Ross, Assistant Treasurer
Ms. Barbara Donnellan
Ms. Michael-dharma Irwin

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

Voting Members Absent: Ms. Michelle Cowan, Treasurer

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
Mr. Drew Dinger, Windmark Investment Partners
Mr. Rajiv Jain, GQG Partners
Mr. Adam Kleiman, GQG Partners
Ms. Virginia Sadler, County Attorney’s Office

CONSENT LIST
A motion to approve the consent list, consisting of the May 7, 2020 meeting minutes and the Fiscal Year 2021 Budget, was offered by Ms. Donnellan and seconded by Mr. Alt. The motion passed by a vote of 6-0, with Ms. Cowan not present.
INVESTMENT RECOMMENDATION FOLLOW-UP

Messrs. Musto and Dinger presented a follow-up review of GQG Partners in response to trustee questions at the May 7, 2020 Board meeting. They addressed the topics of key man risk, fees and holdings overlap with existing mandates. There was robust discussion on these three topics, rates of portfolio turnover and being able to add value in the US large cap space.

GQG US EQUITY STRATEGY

Messrs. Jain and Kleiman introduced GQG Partners US Equity strategy. Mr. Kleiman reviewed the team and investment philosophy. He discussed idea generation, analytics and pricing and portfolio construction.

Mr. Jain noted members of the investment team have backgrounds other than investment analysis. He feels this provides true thought diversity and unique ways of analyzing companies— an “insight advantage” that supports the creation of a high conviction, concentrated portfolio. He discussed the upside and downside capture of the portfolio and noted that in the current environment especially, strength and resiliency of the balance sheet was most important. Mr. Kleiman discussed the different fee structures available. The discussion was active, with many questions from the trustees.

A motion to invest $156 million with GQG’s US Equity Strategy, subject to negotiation of proper documentation, and to authorize staff to take the actions necessary, was offered by Mr. Alt and seconded by Ms. Donnellan. During further discussion, a friendly amendment to reduce the investment to $150 million was made and accepted. The amended motion passed by a vote of 6-0, with Ms. Cowan not present.

A motion to use the flat fee structure was offered by Ms. Irwin and seconded by Ms. Donnellan. The motion passed by a vote of 6-0, with Ms. Cowan not present.

A motion to source the investment in GQG US Equity Strategy using the $125 million from the Vanguard 500 Index plus capital appreciation since the investment was made in May with the remainder coming from the Northern Trust Short Term Investment Fund, was offered by Mr. Alt and seconded by Mr. Ross. The motion passed by a vote of 5-0-1, with Ms. Cowan not present and Mr. Kinney abstaining, noting his concerns about using cash at this time.

QUARTERLY PERFORMANCE REVIEW

Messrs. Goederham and Musto of Windmark Investment Partners reviewed System investment performance for the quarter ended March 31, 2020. 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>-11.9</td>
<td>-3.1</td>
<td>4.2</td>
<td>7.0</td>
</tr>
<tr>
<td>Total Fund (Net) *</td>
<td>-11.9</td>
<td>-3.2</td>
<td>4.0</td>
<td>6.8</td>
</tr>
<tr>
<td>Policy Benchmark**</td>
<td>-12.3</td>
<td>-3.3</td>
<td>3.8</td>
<td>6.3</td>
</tr>
<tr>
<td>CPI + 3.75% Annualized</td>
<td>1.4</td>
<td>5.3</td>
<td>5.5</td>
<td>5.3</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 strong relative performance of the equity section, particularly active growth-oriented strategies.

Relative to the TUCS universe of public plans, ACERS’ performance was in the 33rd, 38th and 32nd percentile on a one, five and ten-year basis, respectively. WIP estimates the fund’s diversified risk level at March 31, 2020 was 54. This compares to WIP’s estimated Fund benchmark risk of 54 and the top of the policy risk band at 65.

Mr. Gooderham noted the Fund’s estimated performance as of May 29, 2020 for the calendar year was -2.2% versus a benchmark performance of -2.9%, while the estimated fiscal year performance was 4.3% versus a benchmark performance of 3.4%.

**KEY INITIATIVES**

Ms. Stenroos stated the consultants’ annual review was emailed to trustees and results were expected no later than June 26th with the results being presented at the July meeting.

Mr. Barrett updated the Board on the Executive Director Search committee’s work.

**CLOSED SESSION**

Mr. Lynch made a statement regarding the closed session material.

This is a service-connected disability claim of a firefighter. Pursuant to VA Code § 2.2-3112.B.1 I am making this declaration prescribed in subsection F of § 2.2-3115. I am a firefighter and a member and a paid officer of Arlington Professional Firefighters and Paramedics Assoc.-IAFF Local 2800, which makes me a member of an occupation, business, profession and a group of three or more persons affected by the issue. The appellant is also a firefighter and a member of the same organization. The determination of service-connected disability claims are of significant economic importance to all firefighters and potentially one day to me. However, I am able to participate in the transaction fairly, objectively, and in the public interest, as I take my role as fiduciary seriously and it is not in my, the firefighting occupation’s, the Association’s or the public’s interest that service-connected disability claims be granted to those who should not receive them.

I would add that while the Association has assisted the appellant in this appeal as it customarily assists members with such appeals. However, at my direction, responsibility for the appeal was given to two other officers of the Association instead of me.

A motion was offered by Mr. Barrett, seconded by Ms. Donnellan, and passed by a vote of 6-0, with Ms. Cowan not present, to enter into closed session for discussion by the Board regarding the discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected and discussion or consideration of medical and mental records excluded from this chapter pursuant to Virginia Code §2.2-3711(A)(6) and §2.2-3705.5. The closed session began at 10:57 AM.
The Board returned to open session at 11:59 AM. On a motion by Mr. Barrett, and carried by a vote of 6-0, with Ms. Cowan not present, 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. 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, a motion to have the two finalists for the investment consultant present at the July Board meeting was offered by Ms. Donnellan and seconded by Mr. Alt. The motion passed by a vote of 6-0, with Ms. Cowan not present.

A motion to direct staff to request, and work with, the County Attorney’s Office to obtain independent counsel to advise the Retirement Board in a disability appeal matter and to authorize staff to take the steps necessary to identify and retain an independent medical examiner with qualifications and expertise specific to the appellant’s conditions, was offered by Ms. Irwin and seconded by Ms. Donnellan. The motion passed with a vote of 6-0, with Ms. Cowan not present.

ADJOURNMENT

Mr. Ross, seconded by Mr. Barrett, offered a motion to adjourn the meeting. The motion passed by a vote of 6-0, with Ms. Cowan not present. The meeting ended at 12:09 PM.

Respectfully Submitted,
Randee Stenroos
Assistant Director