



The Educational Employees' Supplementary
Retirement System of *Fairfax County*

MEETING MINUTES

Approved May 15, 2026

An all-virtual meeting of the ERFC Board of Trustees was held on March 27, 2026, via video and teleconference.

Trustees present:

Kimberly Adams, *Chairperson and Trustee*
Kathie Pfeffer-Hahn, *Vice Chairperson and Trustee (departed 12:00pm)*
Leigh Burden, *Treasurer and Trustee*
Ducchi Quan, *Trustee*
William Solomon, *Trustee (joined 9:05am)*
Adam McConagha, *Trustee*

Absent:

Marty Smith, *Trustee*

Also present:

Melissa O'Neal, *Executive Director*
Srikumar Bala, *Deputy Executive Director, Audit and Technology*
Mangala Murthy, *Deputy Executive Director, Investments*
Wendy Zhi, *Senior Manager III, Finance*
Kristin Delgado, *Senior Manager II, Communications and Operations*
Mussie Hagos, *Senior Functional Applications Specialist*
Michelle Andrews, *Administrator (Acting) of HR Technology, FCPS*
Jenifer Cromwell, *Member, Bredhoff & Kaiser*
Ernest Zhu, *Associate, Bredhoff & Kaiser*
Rosemary Elly Guillette, *Senior Vice President and Senior Consultant, Segal Marco Advisors (departed 12:00pm)*
Christian Sevier, *Vice President and Senior Consultant, Segal Marco Advisors (departed 11:42am)*
Elizabeth Brewer, *Senior Investment Consultant, Segal Marco Advisors*
John Haggerty, *Managing Principal / Director of Private Market Investments, Meketa Investment Group*
Richard O'Neill, *Managing Principal / Consultant, Meketa Investment Group (10:20am to 10:54am)*

Sabrina Ciampa, *Private Markets Analyst, Meketa Investment Group*
Julia Adelman, *Private Markets Investment Associate, Meketa Investment Group*

Nate Weinstein, *Osmosis*
(516) 916-7742, *General Public*

Meeting

Call to Order

Ms. Adams called the meeting to order at 9:01am.

Announcement of Agenda Changes

Ms. Pfeffer-Hahn **moved to approve the agenda, as presented**. Mr. Quan seconded the motion. Mr. Solomon was not present for this vote. The remaining Trustees voted unanimously to approve the agenda.

Consent Agenda

Approval of Minutes of the January 23, 2026, Board of Trustees Meeting

Ms. Pfeffer-Hahn **moved to approve the minutes of the January 23, 2026, Board of Trustees Meeting, as presented**. Mr. Quan seconded the motion. Mr. Solomon was not present for this vote. The remaining Trustees voted unanimously to approve the minutes, as presented.

The minutes of the January 23, 2026, Board of Trustees Meeting were posted to BoardDocs.

New Business

Proposed Fiscal Year 2027 Meeting Dates

Ms. O'Neal presented the proposed Fiscal Year 2027 ERFC Board of Trustees meeting dates. The Trustees discussed the proposed meeting dates. Ms. O'Neal and Ms. Cromwell responded to questions from the Trustees.

Mr. Quan **moved that the Board of Trustees approve the Fiscal Year 2027 ERFC Board of Trustees meeting dates, as presented**. Mr. Solomon seconded the motion. The Trustees voted unanimously to approve the meeting dates, as presented.

The presentation on the proposed meeting dates was posted to BoardDocs.

Investment Consultant and Investment Manager

Overview of Investment Operations

Ms. Murthy reported that the search for an emerging markets investment

manager is on hold because of considerable improvements in performance by the current manager, William Blair. She also reported that the review of the investment consultant and investment manager is ongoing. She reviewed the investment fund booklet and the asset allocation report.

Ms. Murthy reported that all investment managers are currently in compliance with ERFC's Investment Policy Statement. She reviewed the investment staff's meetings with investment managers in Fiscal Year 2026. Ms. Murthy and Ms. Guillette responded to questions from Trustees.

The presentation on investment operations was posted to BoardDocs.

Active vs. Passive Investing Education

Ms. Guillette reviewed the current active and passive investment managers by asset class. She noted that active investment managers can help alleviate the risk of concentration in a single sector (technology or technology-adjacent). However, passive investments are still important because fees for passive investments are lower, it's difficult for active managers to consistently out-calculate the market in the most heavily analyzed stocks (such as large cap equities), and passive investments offer instant liquidity.

Ms. Guillette summarized that issues to consider when evaluating whether to invest in active or passive investments, and noted that the evaluation should focus on a balance between concentration and diversification, and that the goal is not to abandon passive investment, but to ensure no passive investment in the portfolio is accidentally a "concentrated bet" on a single sector. Ms. Guillette and Mr. Sevier answered questions from Trustees.

Segal Marco's presentation was posted to BoardDocs.

Investment Performance

Ms. Brewer reviewed current market conditions. Mr. Sevier reviewed the flash report on portfolio performance and noted that all asset classes were within long-term ranges as of February 28, 2026. He reported that ERFC's assets were approximately \$3.71 billion as of February 28, 2026. He reported that ERFC's total return for the one month ending February 28, 2026, was 1.0% compared to the interim policy benchmark return of 1.3% for the same period, and the return for the fiscal year-to-date was 8.2% compared to the interim policy benchmark return of 9.0% for the same period. Mr. Sevier and Ms. Guillette reviewed the

performance of investment managers in different asset classes over the one, three, and five-year periods. They answered questions from the Trustees.

Ms. Brewer reviewed the quarterly report on portfolio performance, and asset allocations for the period ending December 31, 2025. She noted that all asset classes were within long-term ranges as of December 31, 2025. Mr. Sevier reported that ERFC's assets grew from approximately \$3.56 billion as of October 1, 2025, to approximately \$3.61 billion as of December 31, 2025. He reported that ERFC's total return for the fourth quarter of 2025, was 1.5% compared to the interim policy benchmark return of 1.8% for the same period, and the return for the year 2025, was 11.3% compared to the interim policy benchmark return of 12.1% for the same period. He reviewed the performance of investment managers in different asset classes over the one, three, and five-year periods.

Segal Marco's quarterly and monthly reports were posted to BoardDocs.

Private Market Performance Report

Mr. Haggerty introduced Mr. O'Neill. Mr. O'Neill reviewed the impact of recent geopolitical events on the global macroeconomy. He noted that investment performance was impacted and that was mostly caused by volatile oil prices. He also noted that the stock market is down, but not as much as expected. Mr. Haggerty reported that Meketa is reviewing impacts on natural resources investments and other investments in ERFC's portfolio.

Mr. Haggerty, Ms. Ciampa, and Ms. Adelman reviewed three recent commitments, Basalt Infrastructure Fund V, L.P., Clarion Alternative Sectors Fund GP, LLC, and Broadview Real Estate Partners II, L.P. Mr. Haggerty and Ms. Ciampa answered questions from the Trustees.

Meketa's monthly report and investment memoranda were posted to BoardDocs.

Private Markets Performance Guide Education

Mr. Haggerty reviewed the reasons that private markets need different metrics to evaluate performance, including irregular cash flows, valuations based on general partner estimates, and annual reviews by independent auditors subject to methodological discretion; therefore, traditional metrics like annual return or price appreciation fail to capture the complexity of private market cash flow patterns and illiquidity characteristics.

Ms. Ciampa reviewed ERFC's private equity program. Mr. Haggerty, Ms. Ciampa, and Ms. Adelman reviewed various metrics used to evaluate the

private market investment performance, including unfunded commitments, Total Value to Paid-In capital (“TVPI”), Distributions to Paid-In (“DPI”), and Internal Rate of Return (“IRR”). Mr. Haggerty responded to questions from the Trustees.

Meketa’s Private Markets Performance Guide presentation on was posted to BoardDocs.

Ms. Pfeffer-Hahn **moved to receive and file the reports of the investment consultant and investment manager**. Mr. Quan seconded the motion. The Trustees voted unanimously to receive and file the reports.

Staff Reports

Executive Director Report

Ms. O’Neal reported that ERFC is fully staffed and introduced Ms. Michelle Andrews, who will soon join ERFC as the Deputy Executive Director, Operations. Ms. O’Neal reviewed Superintendent Dr. Reid’s recent visit to ERFC and the summer internship program at ERFC for FCPS students.

Operations and Communications Report

Ms. Delgado reviewed recent communications to ERFC members, including a campaign focused on updating members’ beneficiary designations, the snow day email, and the DROP campaign. She reviewed past and forecasted retirements by fiscal year, retirement totals for the last three fiscal years, retirement averages, and upcoming DROP participants. Ms. Delgado responded to questions from the Trustees.

The Retirement/DROP Summary Report and WAR Summary Report were posted to BoardDocs.

Finance Report

Ms. Zhi reviewed the members who were exiting DROP in Fiscal Year 2026, and the projected DROP exits in Fiscal Year 2027, and the average months in DROP and average DROP account balances.

She reviewed the preliminary changes in plan net position matters by category, including the amount of contributions, net investment income, and benefit payments and administrative expenses for calendar years 2024 and 2025.

Ms. Zhi reviewed ERFC’s Fiscal Year 2026 expenses, and reported that as of February 28, 2026, actual expenses were approximately 63.6% of the fiscal year

budget, and that the pension payments (including refunds) were 94.7% of total actual expenses, which was in line with the budget.

IT Report

Mr. Bala reported that the Request for Proposal (“RFP”) for the Pension Administration System is still on track to be issued in June 2026, and Segal is planning to deliver the draft RFP in April 2026. He reviewed the Dialpad integration and the implementation of the internal ERFC AI policy. Ms. O’Neal and Mr. Bala responded to questions from Trustees.

Educational Resource List

The Educational Resource List was posted to BoardDocs. Ms. Adams and Ms. O’Neal reviewed the educational opportunities.

The Staff Reports presentation was posted to BoardDocs.

Mr. Quan **moved to receive and file the reports of ERFC staff**. Ms. Burden seconded the motion. Ms. Pfeffer-Hahn was not present for this vote. The remaining Trustees voted unanimously to receive and file the reports.

Adjournment

The meeting was adjourned without objection at 12:08pm.

Next Meeting – May 15, 2026 (in-person)