We welcome visitors and remind you that public comment is not received at VRS meetings.

Written comments may be sent by:

- Email: trustees@varetire.org
- Mail: P.O. Box 2500, Richmond, VA 23218

About VRS

The Virginia Retirement System, an independent state agency, delivers retirement and other benefits to covered Virginia public sector employees. Learn more at varetire.org.

June 12, 2026

MEMORANDUM

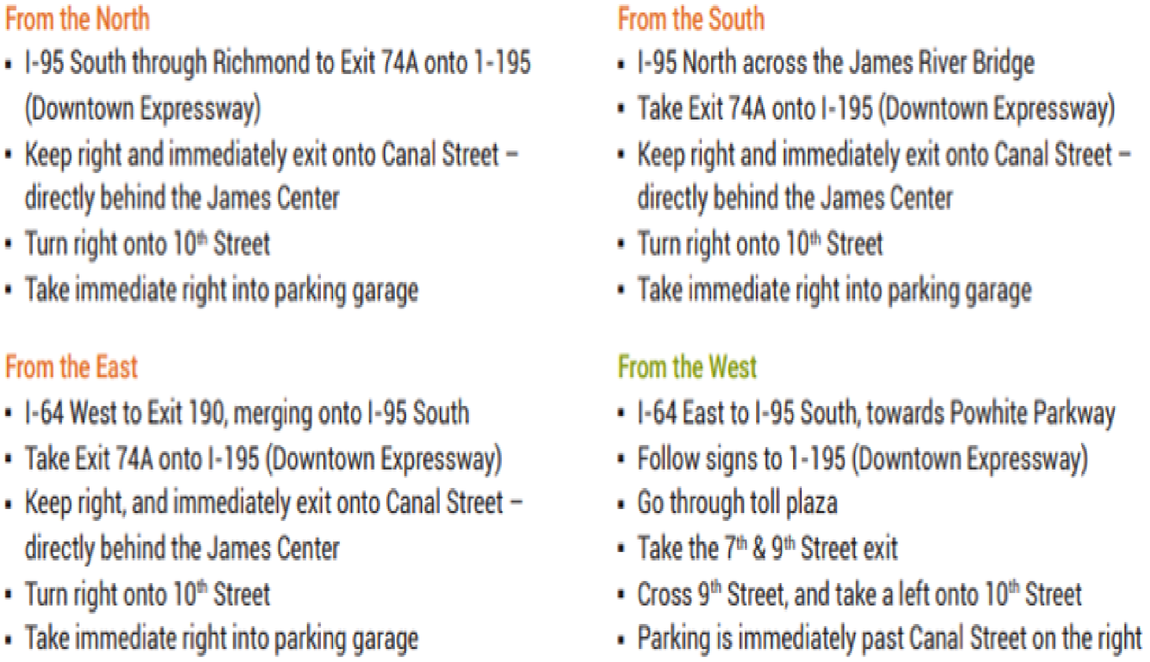
TO: VRS Board of Trustees

FROM: Patricia S. Bishop
Director

RE: Agenda Materials for June 17th Board Meeting

We are looking forward to the June 17th Board meeting beginning at 1:00 p.m. The meeting will be held in our leased space located in the James Center, 901 East Cary Street, 4th floor, Chesapeake, CR. Enclosed are the agenda and meeting materials. Boxed lunches will be available beginning at 11:30 a.m.

As you are aware, parking for Board and Committee meetings is available in the James Center parking garage located on the corner of 10th Street and Canal Street. After parking, take the elevator to the 2nd floor, and walk across the pedestrian sky bridge to One James Center. Please bring your parking ticket to the meeting with you for validation. For your reference, listed below are the directions to the parking garage and a map showing you the location in proximity to the lease space.



From the North

- I-95 South through Richmond to Exit 74A onto 1-195 (Downtown Expressway)
- Keep right and immediately exit onto Canal Street – directly behind the James Center
- Turn right onto 10th Street
- Take immediate right into parking garage

From the South

- I-95 North across the James River Bridge
- Take Exit 74A onto I-195 (Downtown Expressway)
- Keep right and immediately exit onto Canal Street – directly behind the James Center
- Turn right onto 10th Street
- Take immediate right into parking garage

From the East

- I-64 West to Exit 190, merging onto I-95 South
- Take Exit 74A onto I-195 (Downtown Expressway)
- Keep right, and immediately exit onto Canal Street – directly behind the James Center
- Turn right onto 10th Street
- Take immediate right into parking garage

From the West

- I-64 East to I-95 South, towards Powhite Parkway
- Follow signs to 1-195 (Downtown Expressway)
- Go through toll plaza
- Take the 7th & 9th Street exit
- Cross 9th Street, and take a left onto 10th Street
- Parking is immediately past Canal Street on the right

In addition, parking for scheduled meetings will remain available in the VRS, 1200 E. Main St. parking deck in the sub-basement or lower sub-basement. The respective spaces are marked with a yellow sign that reads: "Reserved for Board Member Parking."

Listed below is a recap of the meetings scheduled for next week:

Meeting	Date	Location
Benefits and Actuarial Committee	Wednesday, June 17th, 9:00 a.m.	James Center, 901 E. Cary St., 4th floor, Chesapeake Conference Room
Administration, Finance and Talent Management Committee	Wednesday, June 17th, 10:30 a.m.	James Center, 901 E. Cary St., 4th floor, Chesapeake Conference Room
Board of Trustees	Wednesday, June 17th, 1:00 p.m.	James Center, 901 E. Cary St., 4th floor, Chesapeake Conference Room

Again, we look forward to seeing you next week. If you have any questions, please feel free to contact me. Alternately, you may contact LaShaunda King at 804-641-6729 or Emily Trent at 804-307-3915.

Attachments

Virginia Retirement System®

Board of Trustees Meeting

901 East Cary Street
James Center, 4th floor
Richmond, VA 23219

Wednesday, 6/17/2026
1:00 - 3:30 PM ET

I. Approve Minutes

- **April 23, 2026**

  4.23.26 Board Meeting Minutes - Page 6

II. Election of Vice Chair

III. Committee Assignments

Proposed Committee Assignments 6.17.26 - Page 16

IV. Report of the Chief Investment Officer

CIO Report - June 2026 - Page 18
CIO Quarterly Report - QE March 2026 - Page 26
Performance Summary 3.31.2026 - Page 35
Asset Allocation Report - March 2026 - Page 36
Daily Asset Allocation Report 6.5.2026 - Page 38
New Investments and Terminations 6.17.2026 - Page 40

- **RBA – Approve FY2027 DB Plan Strategic Asset Allocation**

  RBA - Approve FY2027 DB Plan Strategic Asset Allocation - Page 42
- **RBA – Approve Benchmarks for Credit Strategies, Diversifying Strategies, Private Equity, and Private Investment Partnerships**

  RBA - Approve Benchmarks for Credit Strategies Diversifying Strategies Private Equity and PIP edits - Page 44
- **RBA – Approve Excess Return Objectives**

  RBA - Approve Excess Return Objectives - Page 47

V. Report of the Administration, Finance and Talent Committee

Report of the Administration Finance and Talent Management Committee - Page 49

- **RBA – Reappointment of DCPAC Members**

  RBA Reappoint DCPAC Members - Page 51
  Bio - Monique Barnes - Page 52
  Bio - Ravindra Deo - Page 53
  Bio - Matt Harris - Page 54
  Bio - Kate Jonas - Page 55
  Bio - Brenda Madden - Page 56
- **RBA – Approve FY27 APOs and OMs**

  RBA Approve FY27 APOs and OMs - Page 57
  FY27 APOs - Page 59
  FY27 Operational Measures - Page 64
- **RBA – Approve Revised Administration and Investment Operations and Administrative Pay Plans**

  RBA - Approve Revised Pay Plans - Page 84
- **RBA – Approve Revised Investment Professionals’ Pay Plan**

Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on April 23, 2026, in Richmond, Virginia with the following members participating:

Board members:
A. Scott Andrews, Chair
Lawrence A. Bernert III, Vice Chair
John M. Bennett (*attended remotely from Richmond, VA under § 2.2-3708.3(B)(2))*
J. Clifford Foster, IV
Susan T. Gooden, Ph.D.
Jessica L. Hood
Del. Matthew James
William H. Leighty
Lindsey K. Pantele

VRS Staff:

> Patricia Bishop, Andrew Junkin, Jennifer Schreck, Nikolai Abaev, Steven Adelaar, , Rory Badura, Parham Behrooz, Brock Bell, Matt Bennett, Lee Buchanan, Jessica Budd, Caroline Cardwell, Dorothy Chiddo, Michael Cooper, David Cotter, Valerie Disanto, Curtis Doughtie, Kenji Epling, Laurie Fennell, Laura Fields, Kevin Finity, Kenneth Fleming, Josh Fox, Katherine Grawe, JT Grier, Krystal Groff, Rachel Hayes, Dane Honrado, KC Howell, Robert Irving, Sandy Jack, Ross Kasarda, Mengting Kim, LaShaunda King, Kristina Koutrakos, Matt Lacy, Daniel Lipok, Chung Ma, Curt Mattson, Liliane Nixon, Walker Noland, Greg Oliff, Angela Payne, Laura Pugliese, Matt Priestas, Katie Ray, Paula Reid, Mark Rein, Gregory Salvati, Jummai Sarki-Hurd, Dan Schlussler, Jenny Schoeller, Kristy Scott, Michael Scott, Joseph Shaver, Richard Slate, Amethyst Sloane, Virginia Sowers, Larry Tentor, Emily Trent, Korey Turner, Dan Whitlock and Steve Woodall.

Guests:

> Lauren Albanese, Financial Investment News; Maya Ansbro, Apollo; Joe Ebisa, With Intelligence; Lisa Giaffo, Osmosis; Brett Johnson, PEI Group; Sue Kennedy; Kimberly Sarte, Joint Legislative Audit and Review Commission; Elizabeth Myers, Office of the Attorney General; and Ben Sheng, FireFund.

The meeting convened at 1:05 p.m.

Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the April 23, 2026, meeting of the Virginia Retirement System Board of Trustees. Mr. Andrews acknowledged Mr. Leighty and his return to the Board of Trustees with a warm welcome. Additionally, Mr. Andrews advised the Board that Ms. Hood was recognized earlier in the day by the Office of the Attorney General with an Unsung Hero Award for her advocacy within her community and work as the Director of Outreach & Public Relations for the Wise County and City of Norton Commonwealth Attorney's Office. The Board congratulated Ms. Hood and welcomed Mr. Leighty back to the Board.

Approval of Minutes

Following a motion by Ms. Pantele, with a second by Mr. Foster, the VRS Board of Trustees unanimously approved the minutes from its February 5, 2026, meeting, as well as minutes of the March 17, 2026, and March 18, 2026, annual retreat. Mr. Leighty abstained from voting in this matter.

Committee Assignments

Next, Mr. Andrews advised that, in accordance with the Governance Policy, the Board needed to update its committee assignments.

Following a motion by Dr. Gooden, with a second by Mr. Foster, the Board unanimously approved the proposed committee assignments.

Report of the Investment Advisory Committee

Lawrence Kochard, Chair of the Investment Advisory Committee (IAC), began his report by noting the IAC met on April 8, 2026, and approved the minutes from its November 5, 2025, meeting. The Committee received the Chief Investment Officer's (CIO) report that included an update on the current market.

Following the CIO report, staff provided a presentation on benchmark recommendations, a portfolio diversification update, and the annual program reviews for the public markets team. Lastly, Andrew Junkin, Chief Investment Officer, concluded the meeting by providing an update on the investment team's work toward mitigating investment exposure to those countries which have been designated as foreign adversaries by the Office of the Secretary of Commerce.

Mr. Andrews thanked Mr. Kochard for his report.

Chief Investment Officer

Next, Mr. Junkin provided a market overview and discussed asset allocation, total fund performance and tracking error, concluding that risk measures are within Board-approved levels. Mr. Junkin then discussed the New Investments and Terminations report, the Quarterly Diverse Investment Manager Engagement (DIME) report and the Quarterly External Investment Manager Referral report.

Mr. Junkin gave a presentation of benchmark recommendations. Mr. Junkin began his presentation by reviewing the current investment benchmarks. He then described the characteristics of a good benchmark per the CFA Institute: specified in advance, appropriate, measurable, unambiguous, reflective of current investment opinions, accountable, and investable. Mr. Junkin then discussed the proposed enhancements to Private Equity, Credit Strategies, and Diversifying Strategies program benchmarks that would become effective, if approved by the Board, no sooner than July 1, 2026. Mr. Junkin concluded the proposed changes would allow the Board to more clearly distinguish between allocation outcomes and implementation decisions.

Mr. Andrews thanked Mr. Junkin for his report and presentation.

Independent Consultant Review of Investment Benchmarks and Hurdles

Mr. Junkin introduced Peter Grant and Tom Stephens with Mercer, an independent consulting firm. They presented the results of the Benchmark and Incentive Hurdle Analysis, a study in which Mercer completed a detailed evaluation of the benchmarks and incentive hurdles used by VRS for the Total Fund and underlying asset classes. Mr. Grant and Mr. Stephens stated their analysis indicated the current benchmarks used by VRS are generally suitable though recent data suggests that some changes may be appropriate. They noted their agreement with the proposed changes to the Private Equity, Credit Strategies and Diversifying Strategies benchmarks. In addition, they stated each proposed change was conceptually sound and supported by quantitative evidence. Further, Mr. Grant and Mr. Stephens proposed adjusting the incentive hurdles for Private Equity and the Total Fund due to the proposed change in the Private Equity benchmark. Finally, Mr. Grant and Mr. Stephens proposed an incentive hurdle for Diversifying Strategies.

Mr. Andrews thanked Mr. Grant and Mr. Stephens for their presentation.

Report of the Defined Contribution Plans Advisory Committee

The Defined Contribution Plans Advisory Committee (DCPAC) provided the following report and placed it on file.

APPROVAL OF MINUTES

The Committee approved the minutes of its December 4, 2025, meeting.

ADMINISTRATION

Administrative Report & Communications
Staff provided an overview of the Defined Contribution Plans, as well as an update on administrative reports for the fourth quarter of 2025, which included reviewing assets and accounts across the various plans. Staff advised the Committee that plan assets increased, hitting $12 billion, and the total number of plan accounts increased as well.

Staff provided an update regarding website access and registrations following the transition to Voya, along with an overview of Voya's annual review, which took place in February. Staff reviewed usage of the unforeseen emergency withdrawal provisions across the COV 457 and Hybrid 457 Plan. Usage was in line with expectations with the primary drivers being medical expenses and prevention of eviction/foreclosure.

Hybrid Plan Update
Staff provided an update on the auto-escalation that occurred in January 2026. Auto-escalation occurs at the plan level every three years. During the opt out window preceding the escalation, 1.3% of the eligible population opted out of the increase and 1.4% made an active election to increase their contribution with the majority of those using active election choosing to maximize their voluntary contributions at 4%.

Leading up to the escalation, there is a variety of communications for both employees and employers to ensure awareness. Following the escalation, staff will monitor the impacted population to track activity and ensure compliance.

ORPHE Update

Staff provided an overview of ORPHE reports for the fourth quarter of 2025, including plan assets and accounts. There is approximately $1.5 billion in ORPHE assets and a total of approximately 11,000 accounts.

Retirement Income Solutions

Staff provided information related to VRS retirement plans and annuities. Specifically, staff discussed how annuities work generally and specifically operate in retirement plans like VRS. In addition, staff provided information related to DC Plan distributions and the participant behavior over the last years.

INVESTMENTS

Performance Reports

Staff provided the Committee with a review of January 31, 2026, performance reports for the unbundled DC plans, and the TIAA Optional Retirement Plan for Higher Education (ORPHE). Staff informed the Committee that after market close on January 30, 2026, the International Stock Fund transitioned from a MSCI ACWI IMI ex USA Index strategy to a MSCI ACWI IMI ex USA, ex China, ex Hong Kong strategy to align with VRS' Foreign Adversaries Policy. Staff continue to work with stakeholders to explore opportunities for other affected funds to make this transition as new funds come to the DC plans marketplace.

Policy Statements Updates

Staff performed a review of the DC Plans Investment Belief Statements, the Investment Policy Statement for an Unbundled DC Plan Structure and the Investment Policy Statement for a Bundled DC Plan Structure and recommended document updates to incorporate references to VRS' Foreign Adversaries Policy and address other plan needs.

Upon a motion by Delegate James, with a second by Mr. Foster, the VRS Board of Trustees approved the following action:

RBA: Approve Revised Defined Contribution Plans Investment Beliefs Statements

Request for Board Action 2026-04-3: *The Board approves the Revised Defined Contribution Plans Investment Belief Statements.*

Upon a motion by Delegate James, with a second by Mr. Foster, the VRS Board of Trustees approved the following action:

RBA: Approve Revised Unbundled and Bundled Contribution Plans Investment Policy Statements

Request for Board Action 2026-04-4: *The Board approves the Revised Unbundled and Bundled Defined Contribution Plans Investment Policy Statements*

OTHER BUSINESS

Legislative Updates

Staff presented the Committee with an overview of the 2026 General Assembly session. At the beginning of the session, there were 28 VRS-specific bills that were being tracked with approximately 50 more that could have an impact on the agency. The only bill remaining of the 28 is bill HB139, which addresses several changes for school boards and their employees, including a purchase of prior service provision that would not change VRS current procedures. The remainder of the bills were unsuccessful.

The committee was informed that Mr. Foster's appointment to the Board was confirmed for a five-year term, with additional board member appointments pending. With respect to the proposed budget, both the House- and the Senate-introduced budgets included salary increases for state employees, teachers and state supported local employees as budget actions, but the budget is not yet final.

Discussion of New Ideas

No new ideas were presented.

2026 MEETINGS

Del. James confirmed the DCPAC meeting dates for 2026:

- May 14, 2026, at 1:00 pm
- September 10, 2026, at 1:00 pm (Annual investment review)
- December 3, 2026, at 1:00 pm
- Board Retreat (not a meeting of the DCPAC): March 17 – 18, 2026

Mr. Andrews thanked Delegate James for his report.

Report of the Audit and Compliance Committee

APPROVAL OF MINUTES

The Committee approved the minutes of its December 11, 2025, meeting.

ANNUAL REPORT ON CODE OF ETHICS

The Chief Operating Officer (COO) and the Regulatory and Legal Officer provided annual reports on their respective processes for communicating VRS' Code of Ethics and Conduct and for monitoring compliance, as required by the Audit and Compliance Committee Charter. Both indicated compliance with the reporting and certification requirements for their respective programs.

Jennifer Schreck, Audit Director, discussed Internal Audit's review of management's representations regarding VRS' Code of Ethics activities for the calendar year ended December 31, 2025, noting nothing came to Internal Audit's attention that indicated they were not appropriately represented.

REVIEW OF COMMITTEE AND INTERNAL AUDIT CHARTERS

Ms. Schreck discussed the results of the periodic review of the Audit and Compliance Committee and internal audit charters.

AUDIT PLAN PROGRESS AS OF DECEMBER 31, 2025

Ms. Schreck next reported on the progress of the fiscal year 2026 annual audit plan as of December 31, 2025, the mid-point of the fiscal year. During her report, the Audit Director acknowledged one project has been shifted to a later period in the long-range plan and one project was added to the current fiscal year plan.

STRATEGIC PLAN PROGRESS AS OF DECEMBER 31, 2025

Ms. Schreck also provided an update on the internal audit strategic plan, noting progress on the initiatives included for each of the strategic plan's goals.

MISCELLANEOUS UPDATES

The committee received the following miscellaneous updates:

> Quarterly Report on Fraud, Waste and Abuse Hotline Cases
> The Audit Director shared there were no fraud, waste and abuse hotline complaints reported to Internal Audit through the Office of the State Inspector General or any other source during the period of November 1, 2025, through January 31, 2026.
>
> Internal Audit's Review of Cost-of-Living Adjustments
> Internal audit noted its review of the proposed "Cost-of-Living Adjustments" as calculated by VRS' actuary, Gabriel, Roeder, Smith & Company, was completed and the results were provided to the Benefits and Actuarial Committee and Board of Trustees at their respective meetings in February 2026.
>
> Management's Quarterly Travel Expenses and Per Diem Reports
> The Committee received Management's Quarterly Travel Expenses and Per Diem report.

AUDIT REPORTS

The committee received two audit reports.

- The review of the *Group Life Insurance Program and Related Death Processing Activities* determined the related VRS processes are handled timely, accurately and in accordance with established procedures and guidelines. There were no formal recommendations as a result of this review.
- The Committee went into closed session to receive the report on *Networking and Computing: IT Infrastructure*.

Upon returning to the open meeting, the Committee accepted both reports.

Next Committee Meeting Date

The Committee's next meeting is scheduled for Wednesday, June 9, 2026, at 1:00 p.m.

Mr. Andrews thanked Mr. Foster for his report.

Report of the Administration, Finance and Talent Management Committee

The Administration, Finance and Talent Management Committee met on April 23, 2026, and discussed the following:

APPROVAL OF MINUTES

The Committee approved the minutes of its September 24, 2025, meeting.

REAPPOINTMENT OF INVESTMENT ADVISORY COMMITTEE (IAC) MEMBERS

Andrew Junkin, Chief Investment Officer, informed the committee of three IAC members due for reappointment. Mr. Junkin indicated that William 'Hance' West, Nancy G. Leake and W. Bryan Lewis have been active and engaged participants of the IAC, and each are willing to continue their service on the IAC.

Upon a motion by Mr. Bernert, with a second by Mr. Leighty, the VRS Board of Trustees approved the following action:

RBA: Reappointment of Investment Advisory Committee

Request for Board Action 2026-04-5: *The Board reappoints to the Investment Advisory Committee William "Hance" West and Nancy G. Leake, each for a two-year term ending December 31, 2027, and W. Bryan Lewis for a two-year term ending March 31, 2028.*

BENCHMARK RECOMMONDATIONS – APRIL 2026

Mr. Junkin gave a presentation of benchmark recommendations. Mr. Junkin began his presentation by reviewing the current investment benchmarks. He then described the characteristics of a good benchmark per the CFA Institute: specified in advance, appropriate, measurable, unambiguous, reflective of current investment opinions, accountable, and investable. Mr. Junkin then discussed the proposed enhancements to Private Equity, Credit Strategies, and Diversifying Strategies program benchmarks that would become effective, if approved by the Board, no sooner than July 1, 2026. Mr. Junkin concluded the proposed changes would allow the Board to more clearly distinguish between allocation outcomes and implementation decisions.

VRS BENCHMARK INCENTIVE HURDLE STUDY 2026

Peter Grant and Tom Stephens with Mercer, an independent consultant, presented the results of the Benchmark and Incentive Hurdle Analysis, a study in which Mercer completed a detailed evaluation of the benchmarks and incentive hurdles used by VRS for the Total Fund and underlying asset classes. Mr.

Grant and Mr. Stephens stated their analysis indicated the current benchmarks used by VRS are generally suitable though recent data suggests that some changes may be appropriate. They noted their agreement with the proposed changes to the Private Equity, Credit Strategies, and Diversifying Strategies benchmarks. In addition, they stated each proposed change was conceptually sound and supported by quantitative evidence. Further, Mr. Grant and Mr. Stephens proposed adjusting the incentive hurdles for Private Equity and the Total Fund due to the proposed change in the Private Equity benchmark. Last, Mr. Grant and Mr. Stephens proposed an incentive hurdle for Diversifying Strategies.

BUDGET UPDATE

Jon Farmer, Budget and Performance Reporting Manager, provided an update on the FY 2026 budget. Mr. Farmer advised the Committee that VRS has a current budget of approximately $143 million and has expended approximately $89 million. Mr. Farmer noted that the agency is on track to conclude the fiscal year with an estimated $10 million in unexpended appropriation.

ONE VIEW PROJECT – APRIL 2026

Dorothy Harmer, Investments Project Manager, provided an overview of the OneView Project. OneView is intended to establish an integrated platform supporting investment risk, leverage, treasury, and data management that will provide capabilities that scale as the portfolio grows in size and complexity. Ms. Harmer then described the objectives, program structure, timeline, budget and project risks and mitigation information to the Committee.

PERFORMANCE COMPENSATION INITIATIVE OVERVIEW

Michael Cooper, Chief Operating Officer, and Paula Reid, Human Resources Director, provided a presentation on a performance compensation initiative for the agency. The agency is working with a consultant to evaluate enhancements to its performance compensation policies. Additional updates will be provided at the May and June committee meetings.

Mr. Andrews concluded his report.

Essential Conditions Education: Opportunities for VRS Trustee Engagement

Jennifer Schreck, Audit Director, gave a presentation to the Board on Audit Standards, the purpose, principles and importance of internal auditing. In summary, an effective internal audit function enables strong corporate governance and the organization’s ability to create, protect and sustain value. A collaborative partnership among the Board, Senior Management and Internal Audit is crucial to achieving effective internal auditing. Together, the Board’s and Senior Management’s efforts to address essential conditions provide the necessary support to the Audit Director and enable effective internal auditing at VRS.

Mr. Andrews thanked Ms. Schreck for her presentation.

Signature Resolution

Trish Bishop, VRS Director, presented an amendment to the Resolution for Payment of Retirement System Funds in the State Treasury and Signing Official Documents to add the Procurement Director. Upon a motion by Ms. Pantele, with a second by Mr. Leighty, the VRS Board of Trustees approved the amendment as presented.

Legislative Update

Next, Sandy Jack, Director of Policy, Planning and Compliance, provided the Board with an update on VRS-related legislation in the 2026 General Assembly session.

Ms. Jack provided an overview of legislation requiring each school board to adopt a policy that requires the school board to approve unpaid educational leave for school board employees who are state employees' association officers and for at least two school board employees who are local employees' association officers for a maximum of four years per officer. The bill permits employee association officers approved for such leave to purchase service credit with the Virginia Retirement System for such period of leave. A substitute was introduced, changing provisions for school boards; however, the bill and substitute codify for school board employees the existing VRS PPS policy regarding unpaid educational leave. (Signed. Chap. 563.)

Ms. Jack provided budget and board appointment updates.

Mr. Andrews thanked Ms. Jack for her presentation.

Report of the Director

Trish Bishop, VRS Director, began her report with a review of the roadmap from the VRS Project Portfolio and New Coverage Elections.

Ms. Bishop then asked that Mr. Badura present an overview of Actuarial Measures and Key Indicators for fiscal year 2026. The overview included a comparison of the actual fund market value versus the expected market value based on plan assumptions for FY 2026, a comparison of pension cash flows for fiscal year 2025 versus 2026, as well as the average increase in CPI year to date. Ms. Bishop also shared that a stress test and sensitivity analysis report will be presented to the Benefits and Actuarial Committee at their June meeting.

Ms. Bishop advised the Board of upcoming committee and board meeting dates. Lastly, Ms. Bishop highlighted an article from the VRS Member News Spotlight that received a lot of attention and reposts featuring Brian Saunders with the Virginia Department of Emergency Management and his work and response during Hurricane Helene in 2024.

Mr. Andrews thanked Ms. Bishop for her report.

Information Technology (Closed Session)

Upon a motion by Mr. Bernert, with a second by Mr. Foster, the Virginia Retirement System Board of Trustees convened a closed meeting under the Virginia Freedom of Information Act for the purpose of discussion of an information technology system or software program where discussion in an open meeting would jeopardize the security of such information technology system or software program, pursuant to the exemption contained in *Code of Virginia* § 2.2-3711(A)(19).

Upon return to open meeting, Mr. Bernert moved, with a second by Dr. Gooden, the following resolution:

WHEREAS, the Virginia Retirement System Board of Trustees convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, § 2.2-3712 of the *Code of Virginia* requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, the Board certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board.

The Board approved the resolution upon the following roll call vote:

Mr. Bernert: Aye
Mr. Bennett: Aye
Mr. Foster: Aye
Dr. Gooden: Aye
Ms. Hood: Aye
Delegate James: Aye
Mr. Leighty: Aye
Ms. Pantele: Aye
Mr. Andrews: Aye

Adjournment

Following a motion by Mr. Leighty, with a second by Delegate James, the VRS Board of Trustees agreed to adjourn the meeting.

The meeting concluded at 3:16 p.m.

_________________________ _________________________

Chair Secretary

Proposed VRS Board of Trustees and Committee Assignments
(Effective June 17, 2026)

VRS Board of Trustees

Proposed	**Current**
Susan T. Gooden, Ph.D., Chair	Susan T. Gooden, Ph.D., Chair
A. Scott Andrews	A. Scott Andrews
Lawrence A. Bernert, III	Lawrence A. Bernert, III, Vice Chair
John M. Bennett	John M. Bennett
J. Clifford Foster, IV	J. Clifford Foster, IV
Jessica L. Hood	Jessica L. Hood
Matthew James	Matthew James
William H. Leighty	William H. Leighty
Lindsey K. Pantele	Lindsey K. Pantele

Administration, Finance and Talent Management Committee

Proposed	**Current**
Susan T. Gooden, Ph.D., Chair	A. Scott Andrews, Chair
A. Scott Andrews	Lawrence A. Bernert, III, Vice Chair
Lawrence A. Bernert, III	John M. Bennett

Audit and Compliance Committee

Proposed	**Current**
J. Clifford Foster, IV, Chair	Vacant, Chair
Vacant, Vice Chair	J. Clifford Foster, Vice Chair
Susan T. Gooden, Ph.D.	A. Scott Andrews
William H. Leighty	

Benefits and Actuarial Committee

Proposed	**Current**
Lawrence A. Bernert, III, Chair	John M. Bennett, Chair
Vacant, Vice Chair	Lindsey K. Pantele
John M. Bennett	Jessica L. Hood
Jessica L. Hood	

Defined Contribution Plans Advisory Committee

Proposed	**Current**
Matthew James, Chair	Susan T. Gooden, Ph.D., Chair
Jessica L. Hood, Vice Chair	Matthew James, Vice Chair
Monique Barnes	Monique Barnes
Ravindra A. Deo	Ravindra A. Deo
Rebecca Fentress	Rebecca Fentress
C. Matt Harris	C. Matt Harris
Kate Jonas	Kate Jonas
Brenda O. Madden	Brenda O. Madden
September Sanderlin	September Sanderlin

Proposed VRS Board of Trustees and Committee Assignments
(Effective June 17, 2026)

Investment Policy Committee	
Proposed	**Current**
Susan T. Gooden, Ph.D., Chair	Susan T. Gooden, Ph.D., Chair
A. Scott Andrews	A. Scott Andrews
John M. Bennett	Lawrence A. Bernert III, Vice Chair
Lawrence A. Bernert, III	John M. Bennett
J. Clifford Foster, IV	J. Clifford Foster, IV
Jessica L. Hood	Jessica L. Hood
Matthew James	Matthew James
William H. Leighty	William H. Leighty
Lindsey K. Pantele	Lindsey K. Pantele

Investment Advisory Committee	
Proposed (No Change)	**Current**
Lawrence E. Kochard, Ph.D., Chair	Lawrence E. Kochard, Ph.D., Chair
William "Hance" West, Vice Chair	William "Hance" West, Vice Chair
Eric Baggeson	Eric Baggeson
Théodore Economou	Théodore Economou
Palmer P. Garson	Palmer P. Garson
Thomas S. Gayner	Thomas S. Gayner
Nancy G. Leake	Nancy G. Leake
W. Bryan Lewis	W. Bryan Lewis
Rod Smyth	Rod Smyth

Notes:

1. *By charter, the Board chair appoints Board members to each committee, subject to approval by the Board.*
2. *By charter, the Board chair and vice chair shall serve in the respective position for the Administration, Finance and Talent Management Committee and Investment Policy Committee.*
3. *For all committees other than the Administration, Finance and Talent Management Committee and Investment Policy Committee, the committee chair is appointed by the Board chair, subject to approval by the Board.*
4. *For all committees other than the Administration, Finance and Talent Management Committee Defined Contribution Plans Advisory Committee and Investment Policy Committee, the vice chair is elected by the committee members at the meeting following the approval of the committee assignments.*
5. *For the Defined Contribution Plans Advisory Committee, the Board member on the committee who is not appointed as chair shall serve as the vice chair.*
6. *Lindsey Pantele resigned effective 6/30/26 and will not complete her term.*
7. *Mr. Bennett does not intend to seek another term. His term ended 2/28/2026, but he will continue to serve until a successor is appointed by Joint Rules.*

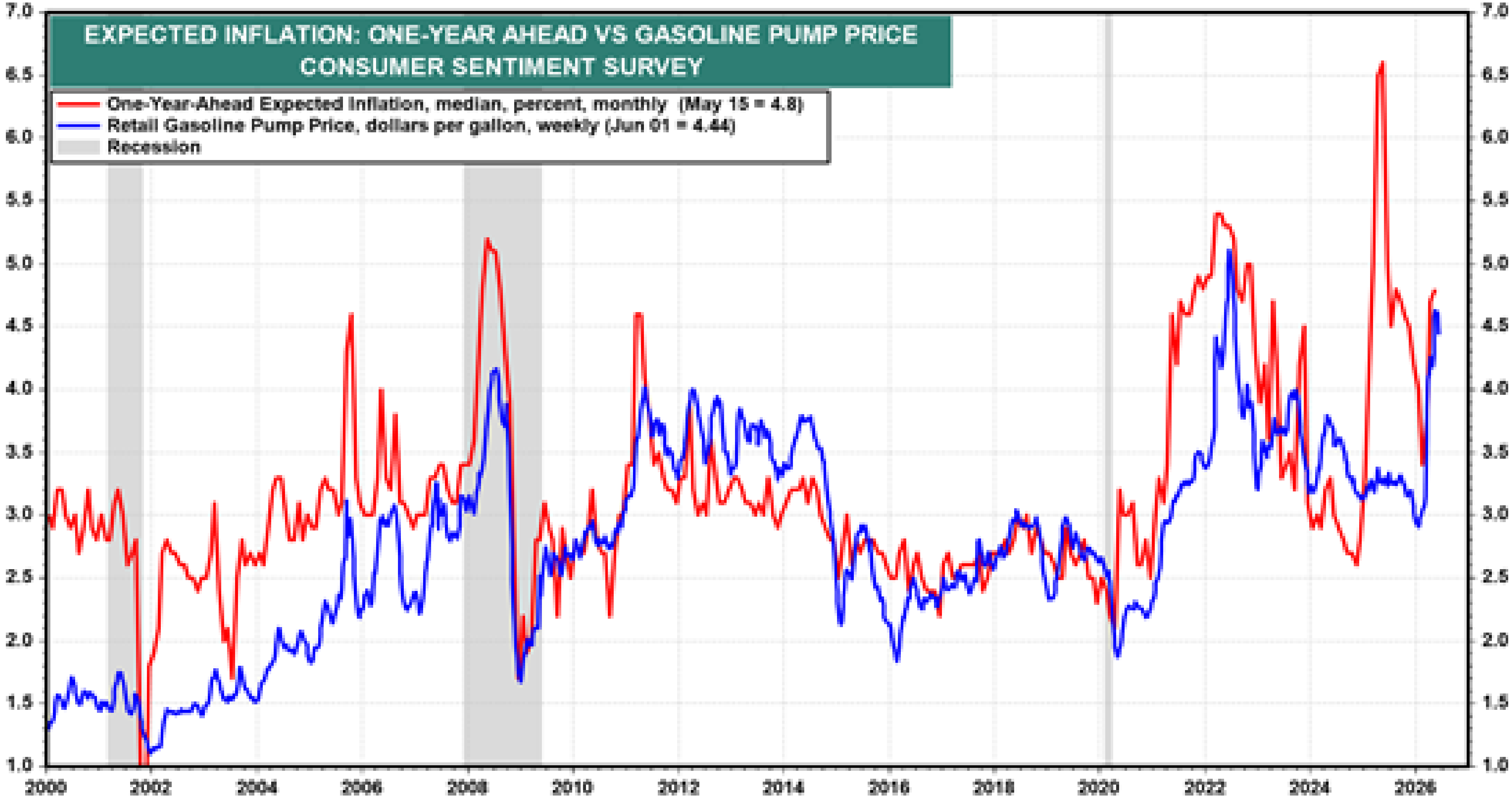
Virginia Retirement System®

Chief Investment Officer Report

Market Review – June 2026

Andrew Junkin

Inflation Expectations Nearly 5%



Source: LSEG Datastream and © Yardeni Research, and Survey Research Center.

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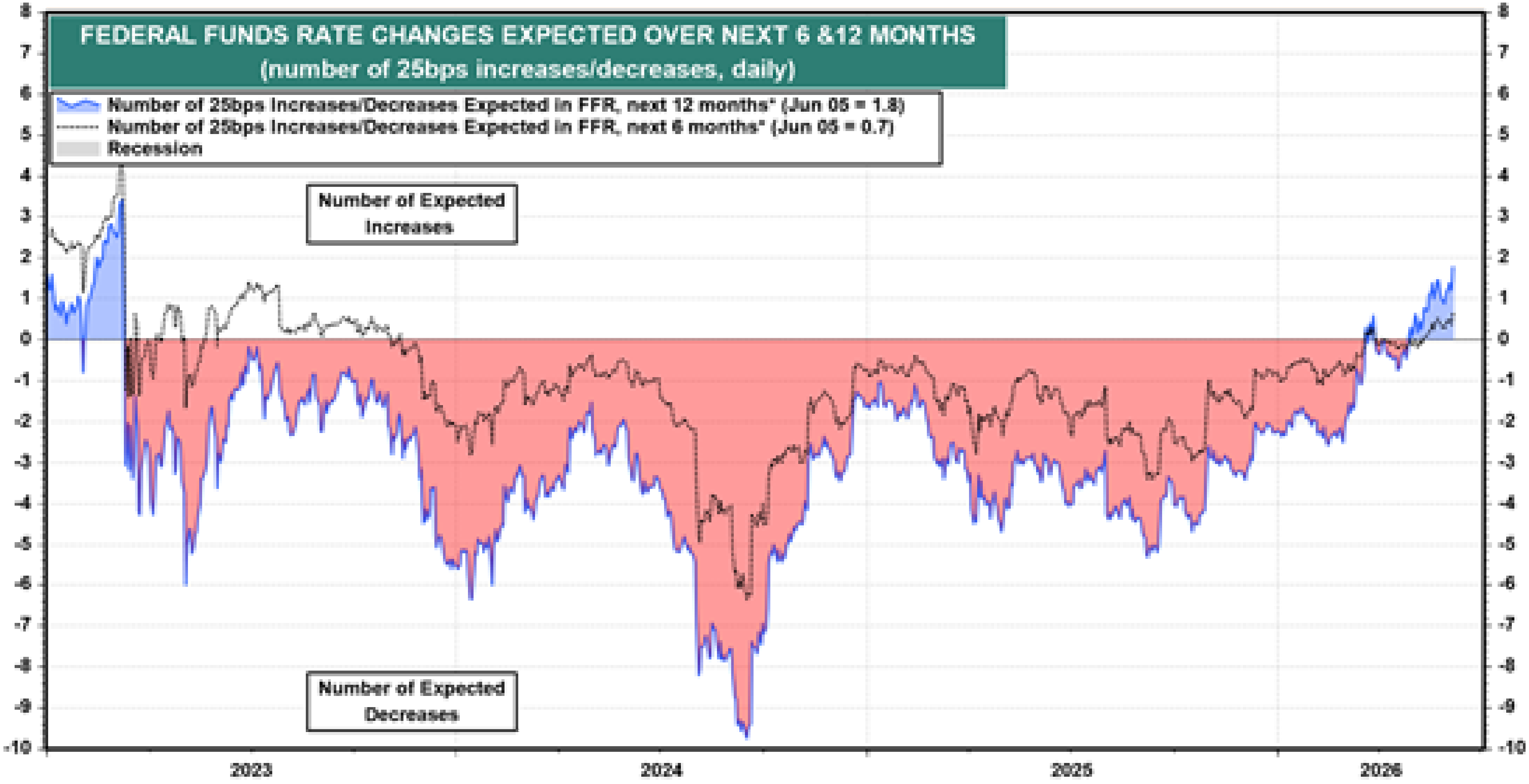
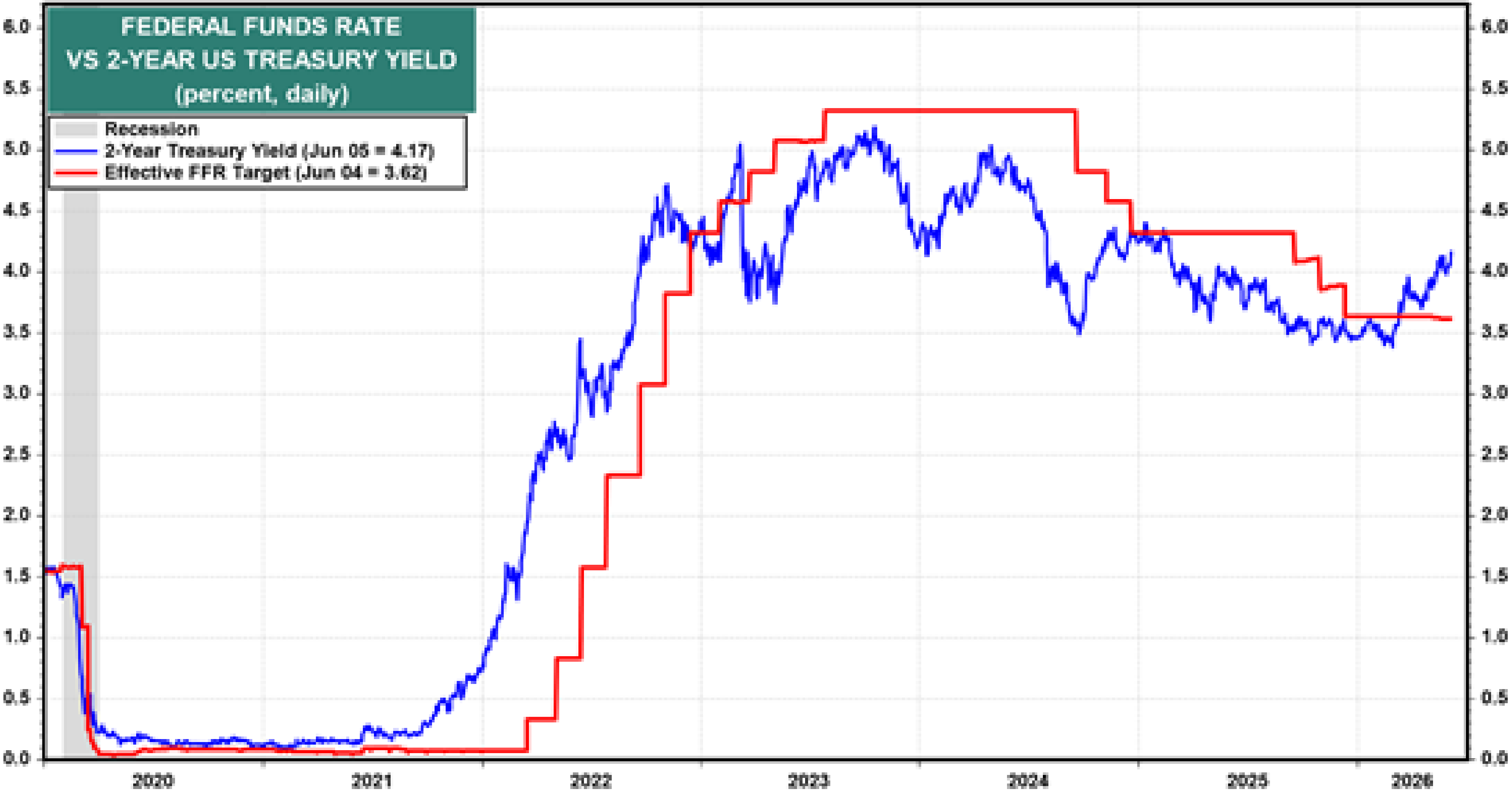
Interest Rate Expectations



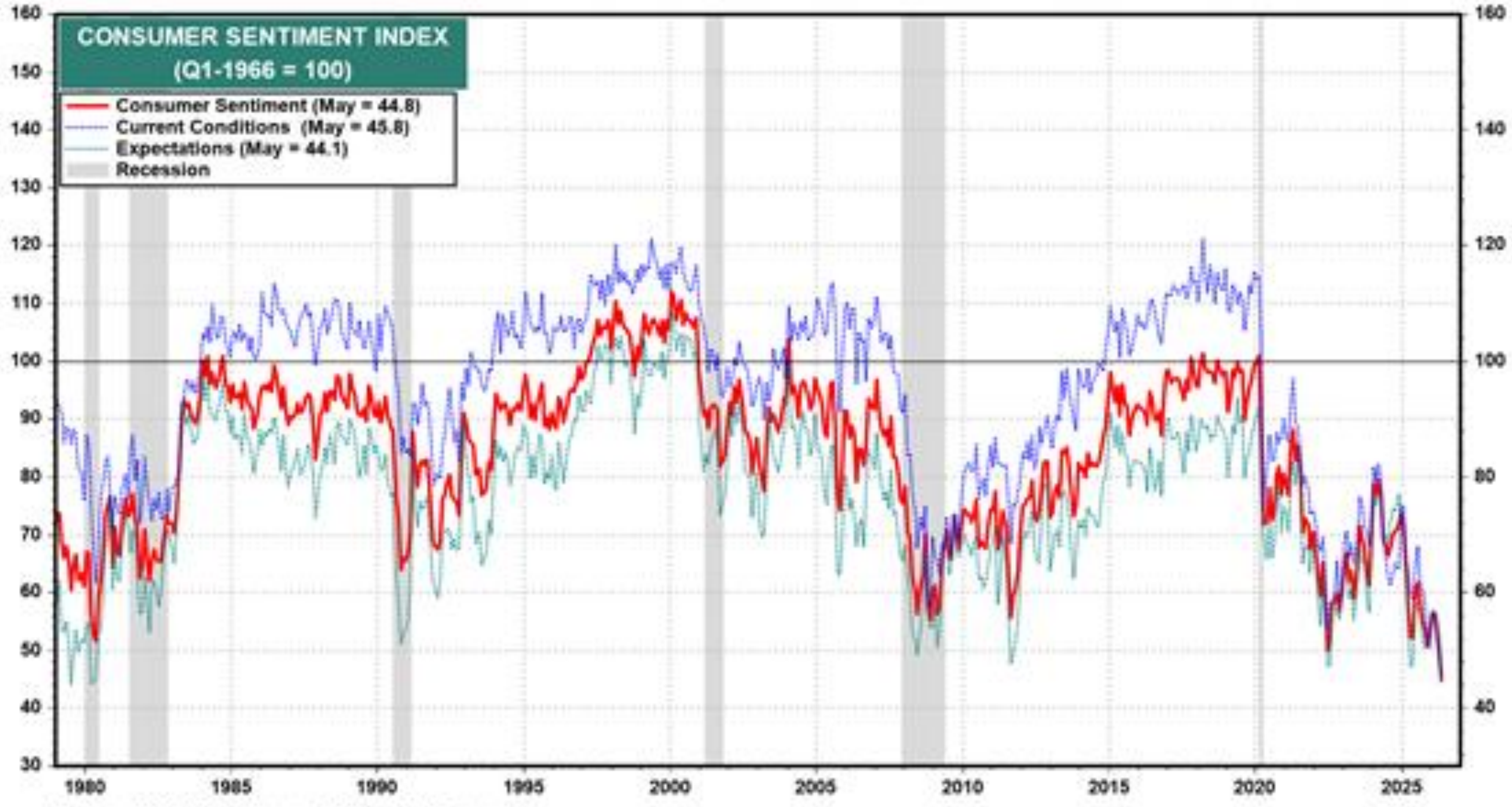
Source: LSEG Datastream and © Yardeni Research. Federal Reserve and Chicago Board of Trade.
* 6-month and12-month futures FFR minus FFR all divided by 25.

Short Rates Already Rising



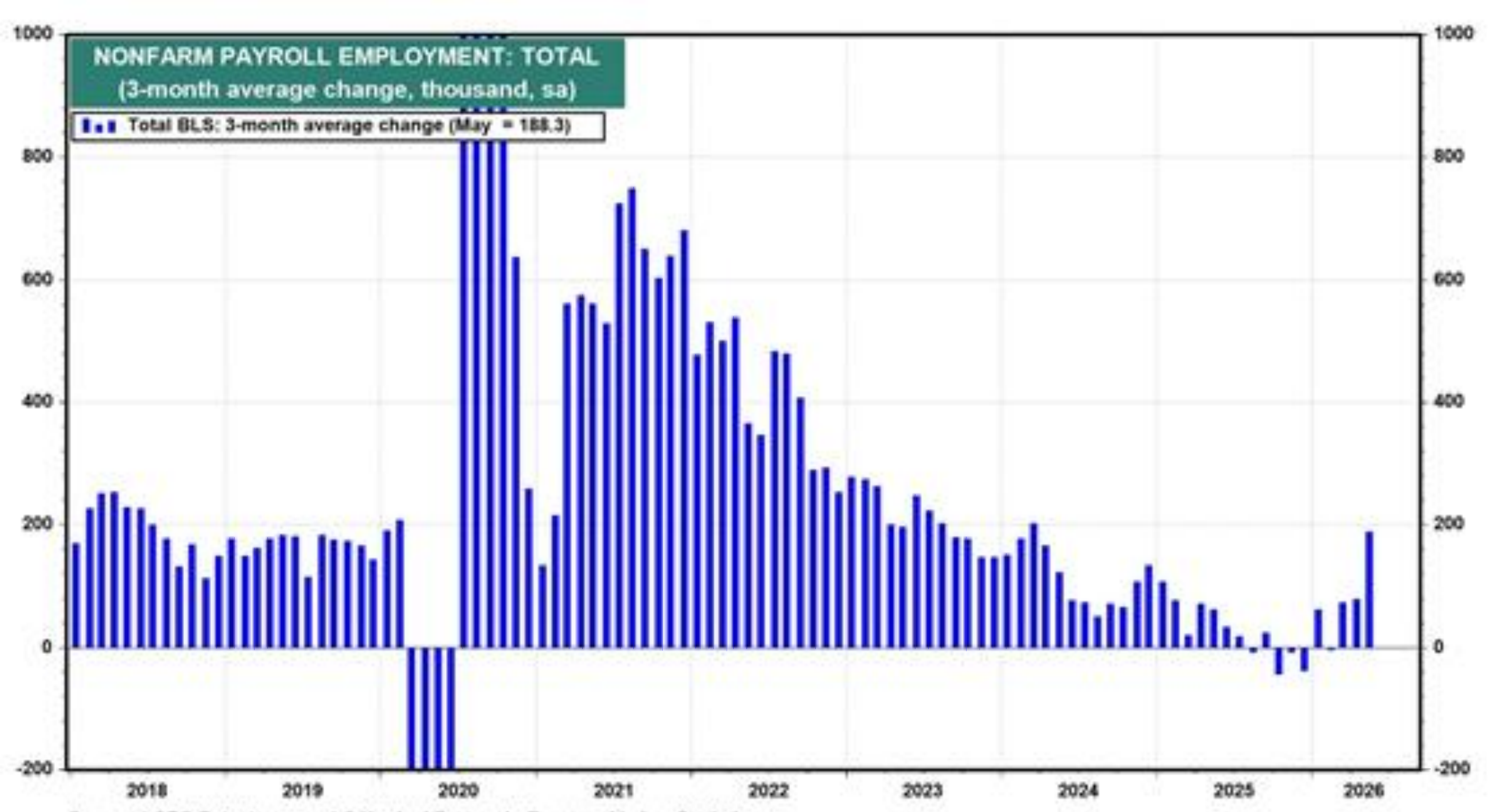
Source: LSEG Datastream and © Yardeni Research. Federal Reserve.

Consumer Sentiment at All Time Low



Source: LSEG Datastream and © Yardeni Research.

Job Market Stabilizing



Source: LSEG Datastream and © Yardeni Research. Bureau of Labor Statistics.

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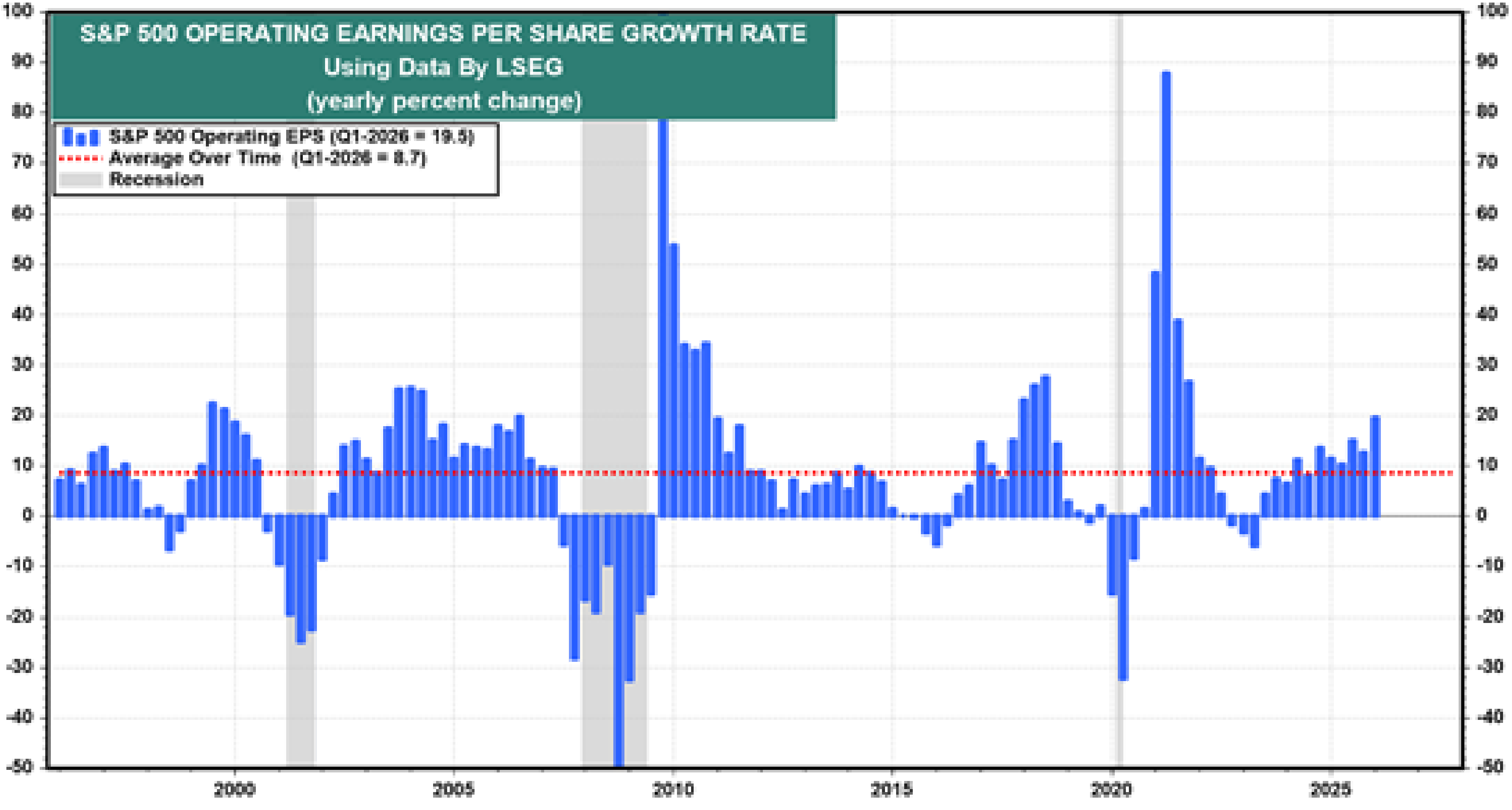
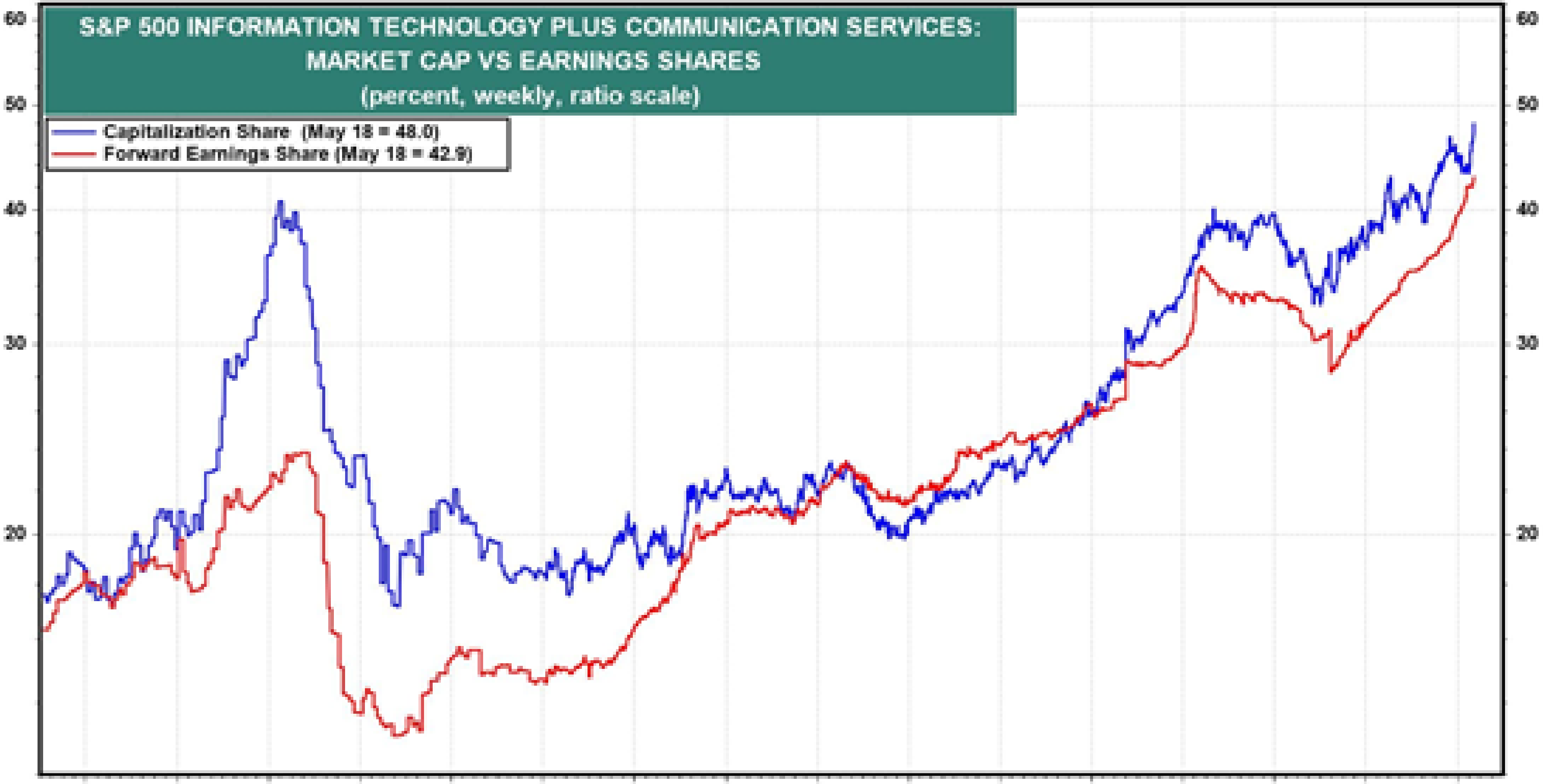
Earnings Continue to Grow



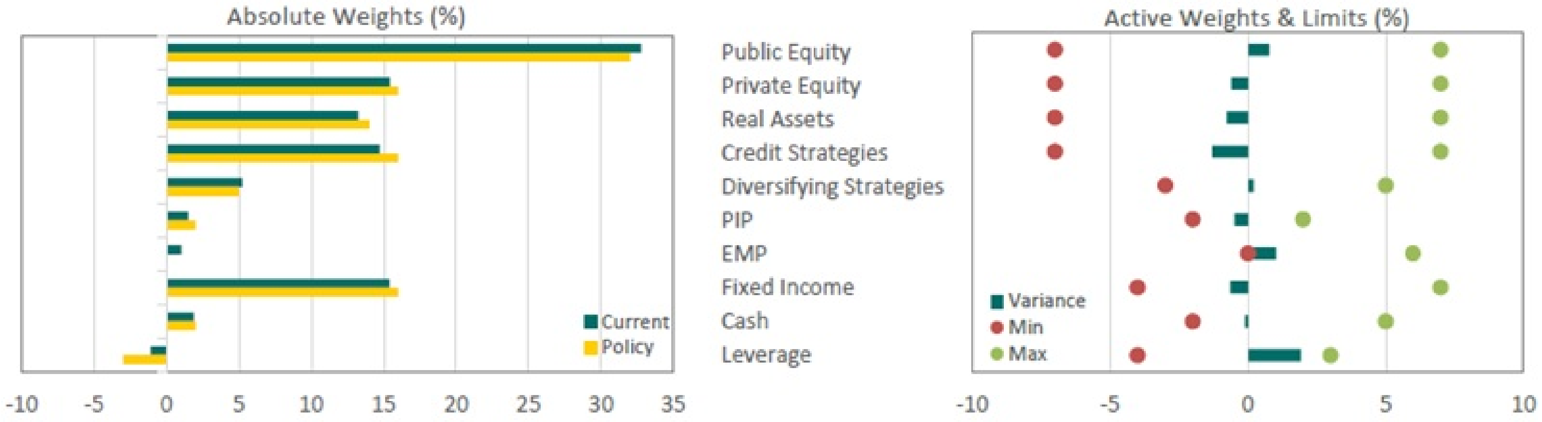
Source: LSEG Datastream and © Yardeni Research. IBES.

Technology Stocks Leading the Way



Source: LSEG Datastream and © Yardeni Research. Standard & Poor's.

Asset Allocation - March 31, 2026



Tracking Error (%)	
5Yr Fund	2.3
5Yr Public	1.5

		Weights (%)					
Asset Class	Billions ($)	Current	Policy	Variance	Min	Max	Internal
Public Equity	42.3	32.8	32.0	0.8	25	39	52
Private Equity	19.9	15.4	16.0	-0.6	9	23	14
Real Assets	17.1	13.2	14.0	-0.8	7	21	17
Credit Strategies	19.0	14.7	16.0	-1.3	9	23	6
Diversifying Strategies	6.7	5.2	5.0	0.2	2	10	0
Private Investment Partnerships (PIP)	2.0	1.5	2.0	-0.5	0	4	0
Exposure Management Portfolio (EMP)	1.3	1.0	0.0	1.0	0	6	0
Fixed Income	19.9	15.4	16.0	-0.6	12	23	95
Cash	2.4	1.9	2.0	-0.1	0	7	0
Leverage	-1.4	-1.1	-3.0	1.9	-4	0	0
Total Fund (Net Market Value)	**129.3**	**100.0**	**100.0**	**0.0**	n.a.	n.a.	**37**
Total Fund (Gross Market Value)	130.7	101.1	103.0	-1.9	n.a.	n.a.	0

Exposures by Policy Groups							
Public + Private Equity	62.3	48.2	48.0	0.2	38	58	n.a.
Fixed Income + Cash	22.3	17.3	18.0	-0.7	12	27	n.a.

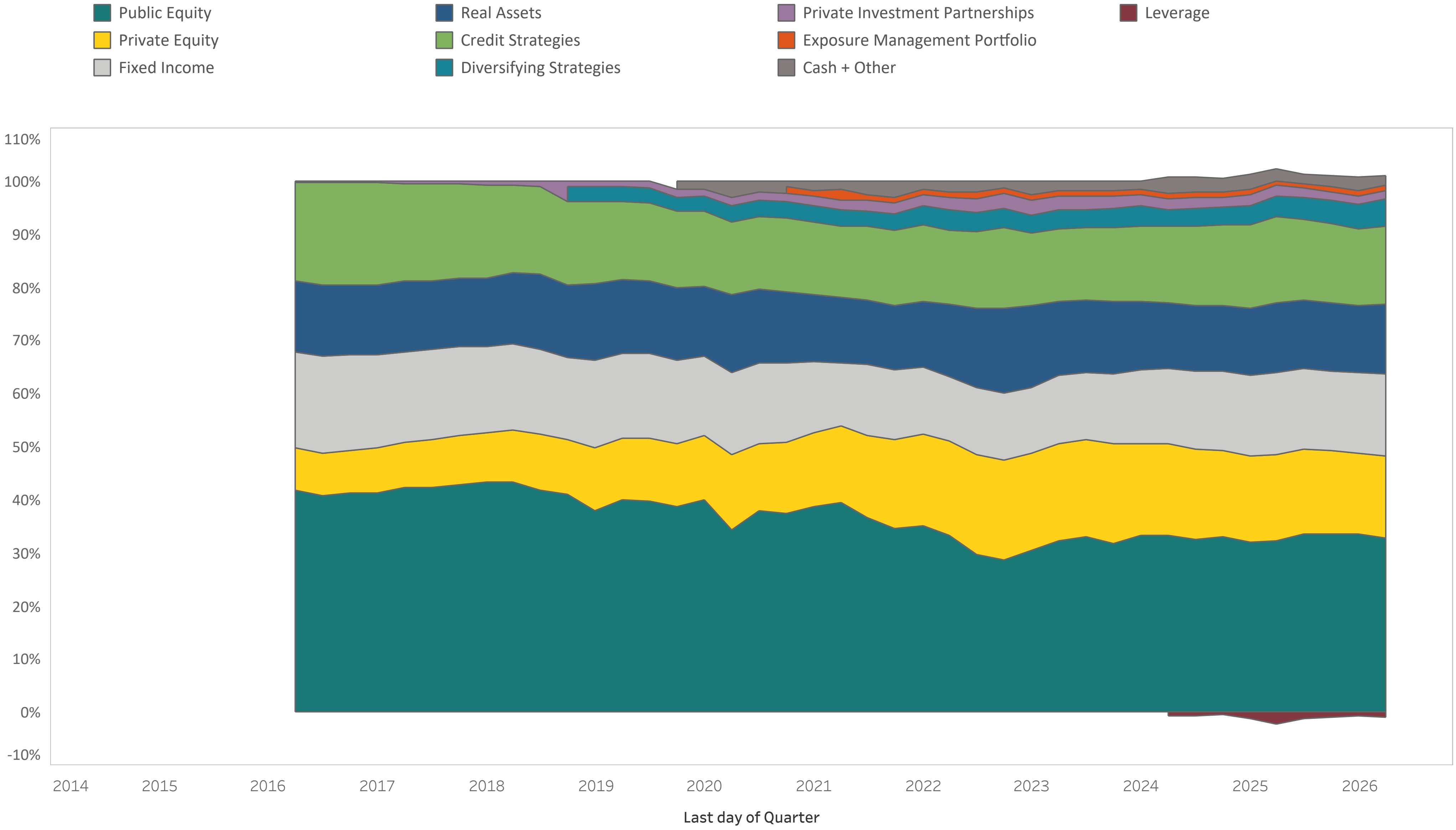
Total Fund includes the following amount held by the Treasurer of VA: $517 million

The values shown for each asset class on this report may reflect adjustments related to derivative positions in the Rebalance Account, pending transactions and certain accruals, in order to provide a more descriptive representation of the true economic exposure to each asset class (0 adjustments applied)

The VRS Defined Benefit Plan Investment Policy Statement established the total fund tracking error range as the allowable observed tracking error calculated quarterly using 5 years of history as of 3/31/2026.

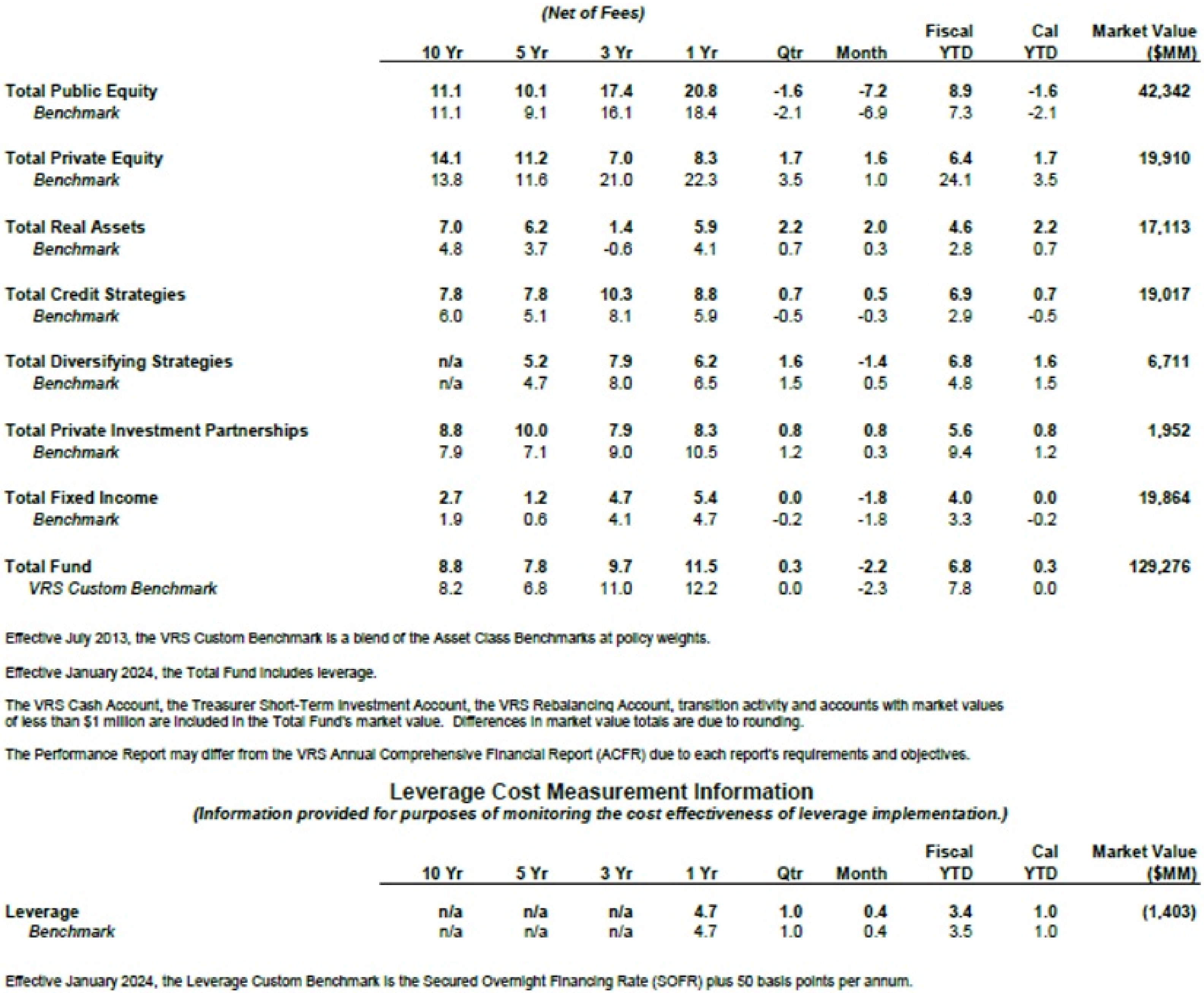
Differences in totals are due to rounding

Asset Allocation Rolling 10-Year



As of March 31, 2026

Performance - March 31, 2026



(Net of Fees)

	10 Yr	5 Yr	3 Yr	1 Yr	Qtr	Month	Fiscal YTD	Cal YTD	Market Value ($MM)
Total Public Equity	**11.1**	**10.1**	**17.4**	**20.8**	**-1.6**	**-7.2**	**8.9**	**-1.6**	**42,342**
Benchmark	11.1	9.1	16.1	18.4	-2.1	-6.9	7.3	-2.1	
Total Private Equity	**14.1**	**11.2**	**7.0**	**8.3**	**1.7**	**1.6**	**6.4**	**1.7**	**19,910**
Benchmark	13.8	11.6	21.0	22.3	3.5	1.0	24.1	3.5	
Total Real Assets	**7.0**	**6.2**	**1.4**	**5.9**	**2.2**	**2.0**	**4.6**	**2.2**	**17,113**
Benchmark	4.8	3.7	-0.6	4.1	0.7	0.3	2.8	0.7	
Total Credit Strategies	**7.8**	**7.8**	**10.3**	**8.8**	**0.7**	**0.5**	**6.9**	**0.7**	**19,017**
Benchmark	6.0	5.1	8.1	5.9	-0.5	-0.3	2.9	-0.5	
Total Diversifying Strategies	**n/a**	**5.2**	**7.9**	**6.2**	**1.6**	**-1.4**	**6.8**	**1.6**	**6,711**
Benchmark	n/a	4.7	8.0	6.5	1.5	0.5	4.8	1.5	
Total Private Investment Partnerships	**8.8**	**10.0**	**7.9**	**8.3**	**0.8**	**0.8**	**5.6**	**0.8**	**1,952**
Benchmark	7.9	7.1	9.0	10.5	1.2	0.3	9.4	1.2	
Total Fixed Income	**2.7**	**1.2**	**4.7**	**5.4**	**0.0**	**-1.8**	**4.0**	**0.0**	**19,864**
Benchmark	1.9	0.6	4.1	4.7	-0.2	-1.8	3.3	-0.2	
Total Fund	**8.8**	**7.8**	**9.7**	**11.5**	**0.3**	**-2.2**	**6.8**	**0.3**	**129,276**
VRS Custom Benchmark	8.2	6.8	11.0	12.2	0.0	-2.3	7.8	0.0	

Effective July 2013, the VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

Effective January 2024, the Total Fund includes leverage.

The VRS Cash Account, the Treasurer Short-Term Investment Account, the VRS Rebalancing Account, transition activity and accounts with market values of less than $1 million are included in the Total Fund's market value. Differences in market value totals are due to rounding.

The Performance Report may differ from the VRS Annual Comprehensive Financial Report (ACFR) due to each report's requirements and objectives.

Leverage Cost Measurement Information

(Information provided for purposes of monitoring the cost effectiveness of leverage implementation.)

	10 Yr	5 Yr	3 Yr	1 Yr	Qtr	Month	Fiscal YTD	Cal YTD	Market Value ($MM)
Leverage	**n/a**	**n/a**	**n/a**	**4.7**	**1.0**	**0.4**	**3.4**	**1.0**	**(1,403)**
Benchmark	n/a	n/a	n/a	4.7	1.0	0.4	3.5	1.0	

Effective January 2024, the Leverage Custom Benchmark is the Secured Overnight Financing Rate (SOFR) plus 50 basis points per annum.

Performance Attribution

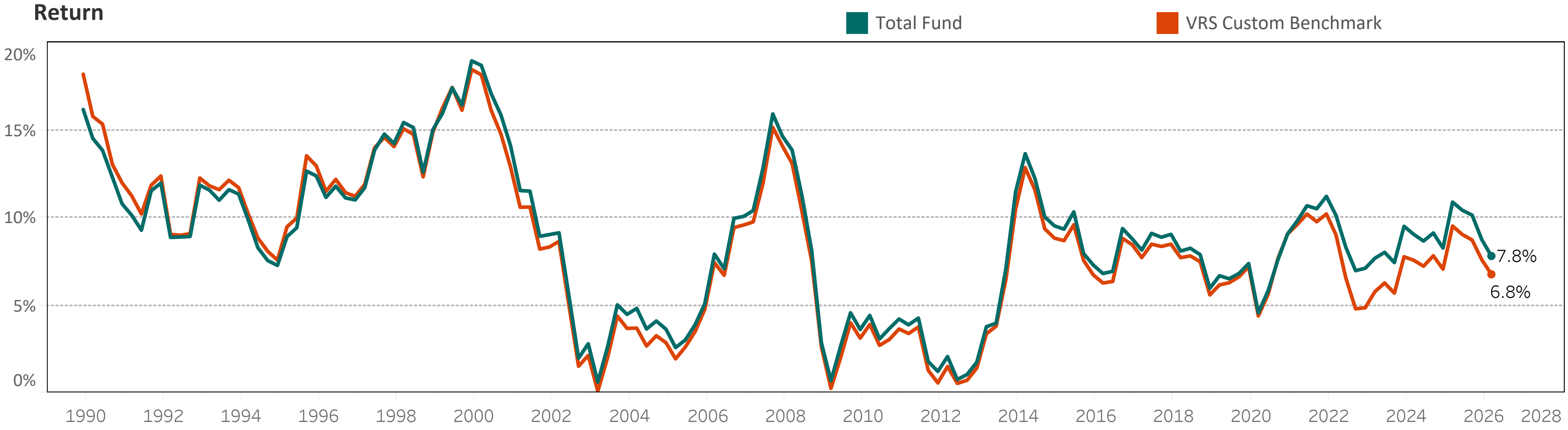
Fiscal Year-To-Date, ending March 31, 2026

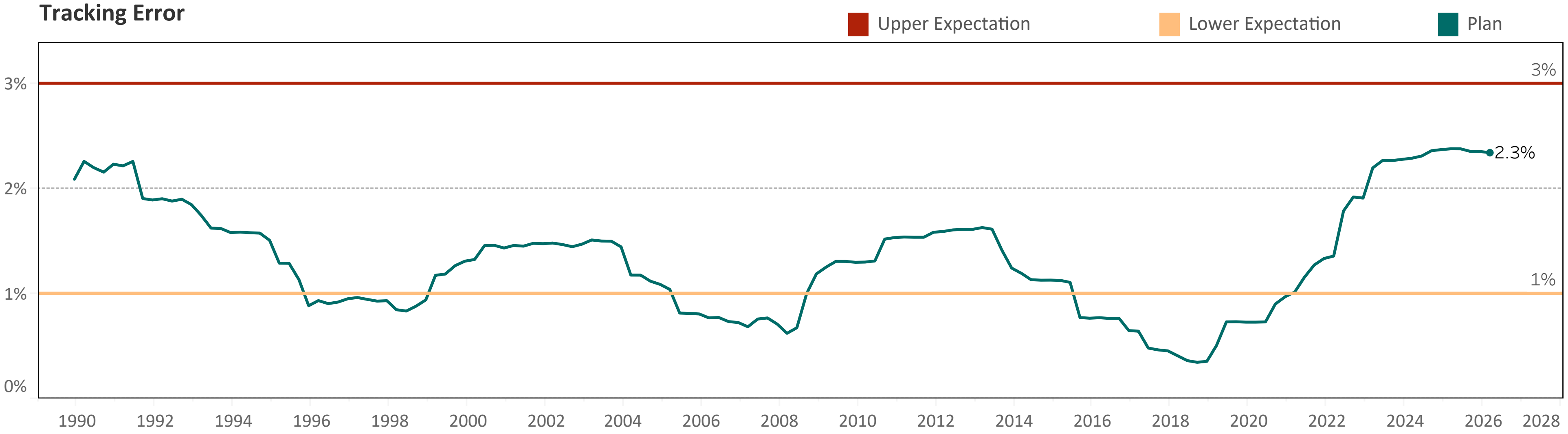
	Portfolio		Policy		Attribution		
	Weight	Return	Weight	Return	Allocation	Selection	Total
TOTAL	100.0	6.8	100.0	7.8	0.1	-1.1	-1.0
Public Equity	33.5	8.9	32.0	7.3	-0.1	0.5	0.5
Private Equity	15.6	6.4	16.0	24.1	-0.1	-2.6	-2.7
Real Assets	12.8	4.6	14.0	2.8	0.1	0.2	0.3
Credit Strategies	14.7	6.9	16.0	2.9	0.1	0.6	0.7
Diversifying Strategies	4.7	6.8	5.0	4.8	0.0	0.1	0.1
Private Investment Partnerships	1.7	5.6	2.0	9.4	0.0	-0.1	-0.1
EMP	0.9	27.7			0.2	0.0	0.2
Fixed Income	15.1	4.0	16.0	3.3	0.0	0.1	0.2
Cash	1.7	1.4	2.0	3.0	0.0	0.0	0.0
Other	0.2	-3.0			0.0	0.0	0.0
Leverage	-0.7	3.4	-3.0	3.5	-0.1	0.0	-0.1

Differences in totals are due to rounding.

In return attribution, **allocation** refers to the value added by having different asset class weights in the portfolio than the asset class weights in the benchmark. **Selection** refers to the value added by holding individual securities or instruments within the asset class in different than benchmark weights.

Total Fund Rolling 5-Year


Return


Tracking Error

As of March 31, 2026

The VRS Defined Benefit Plan Investment Policy Statement established the total fund tracking error range as the allowable observed tracking error calculated quarterly using 5 years of history.

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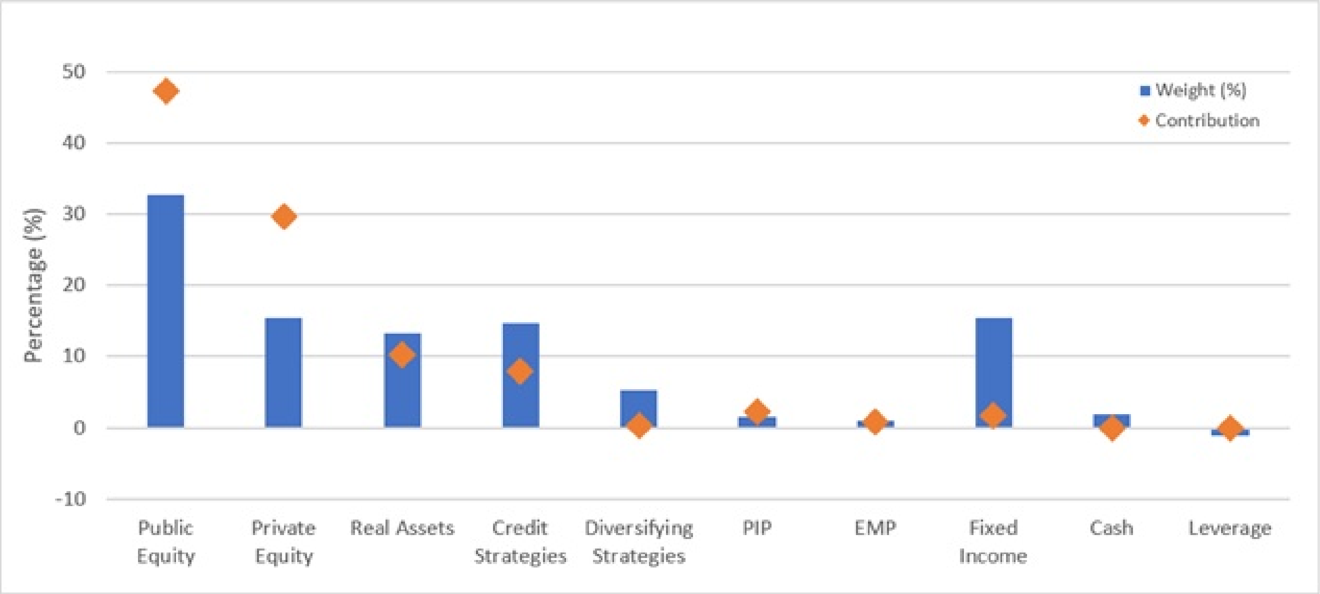
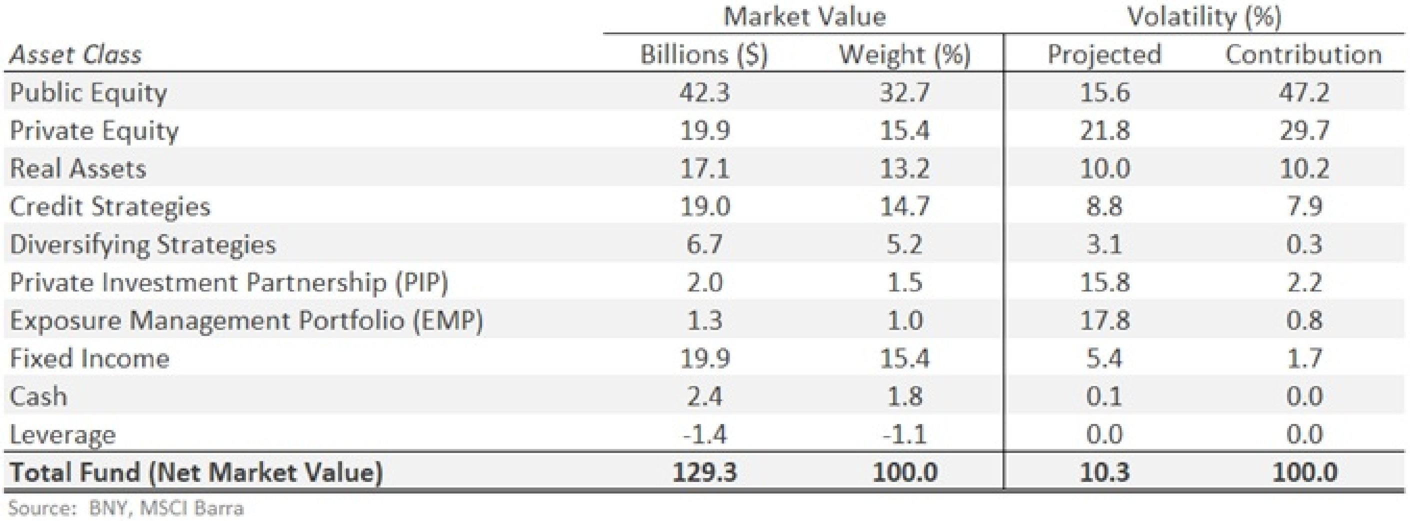
Projected Volatility and Risk Contribution - March 31, 2026

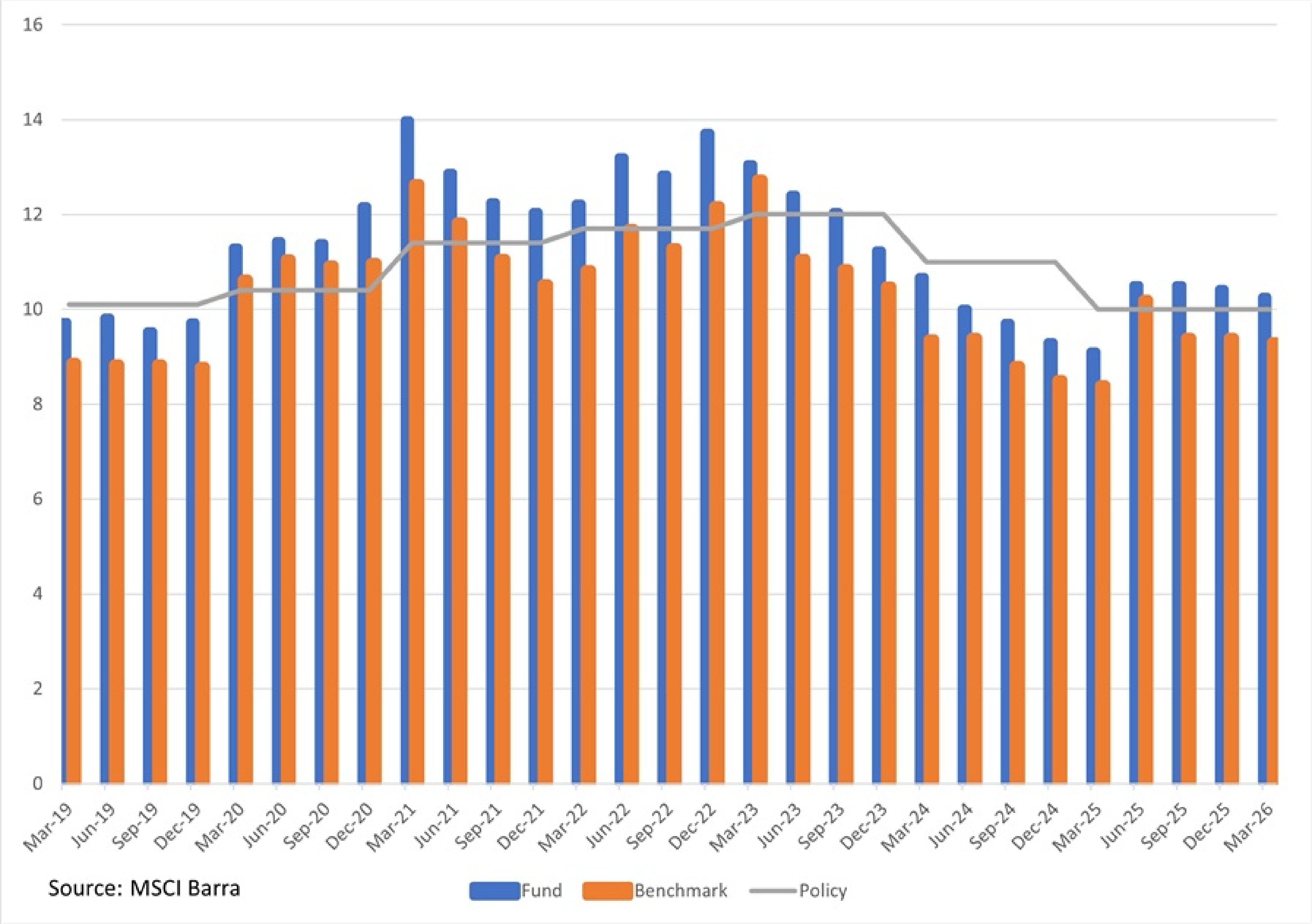




	Market Value		Volatility (%)	
Asset Class	Billions ($)	Weight (%)	Projected	Contribution
Public Equity	42.3	32.7	15.6	47.2
Private Equity	19.9	15.4	21.8	29.7
Real Assets	17.1	13.2	10.0	10.2
Credit Strategies	19.0	14.7	8.8	7.9
Diversifying Strategies	6.7	5.2	3.1	0.3
Private Investment Partnership (PIP)	2.0	1.5	15.8	2.2
Exposure Management Portfolio (EMP)	1.3	1.0	17.8	0.8
Fixed Income	19.9	15.4	5.4	1.7
Cash	2.4	1.8	0.1	0.0
Leverage	-1.4	-1.1	0.0	0.0
Total Fund (Net Market Value)	**129.3**	**100.0**	**10.3**	**100.0**

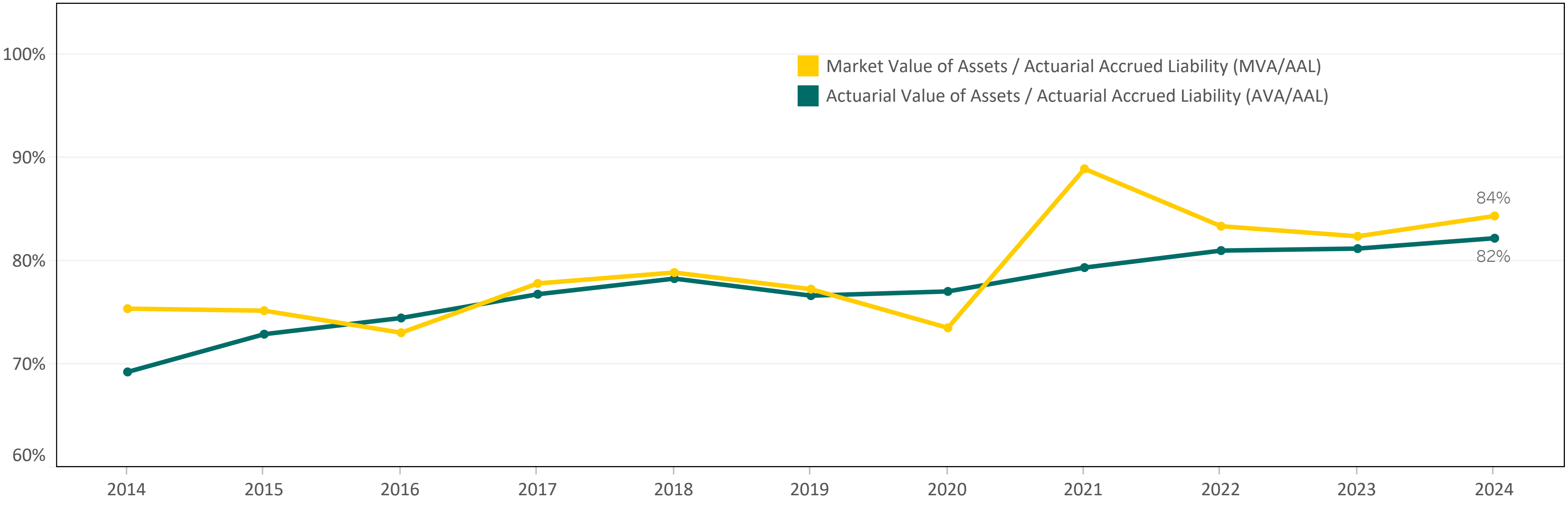
Source: BNY, MSCI Barra

VRS Fund Projected Volatility - March 31, 2026



Source: MSCI Barra

Funded Status - Assets/Liabilities



As of end of fiscal year.

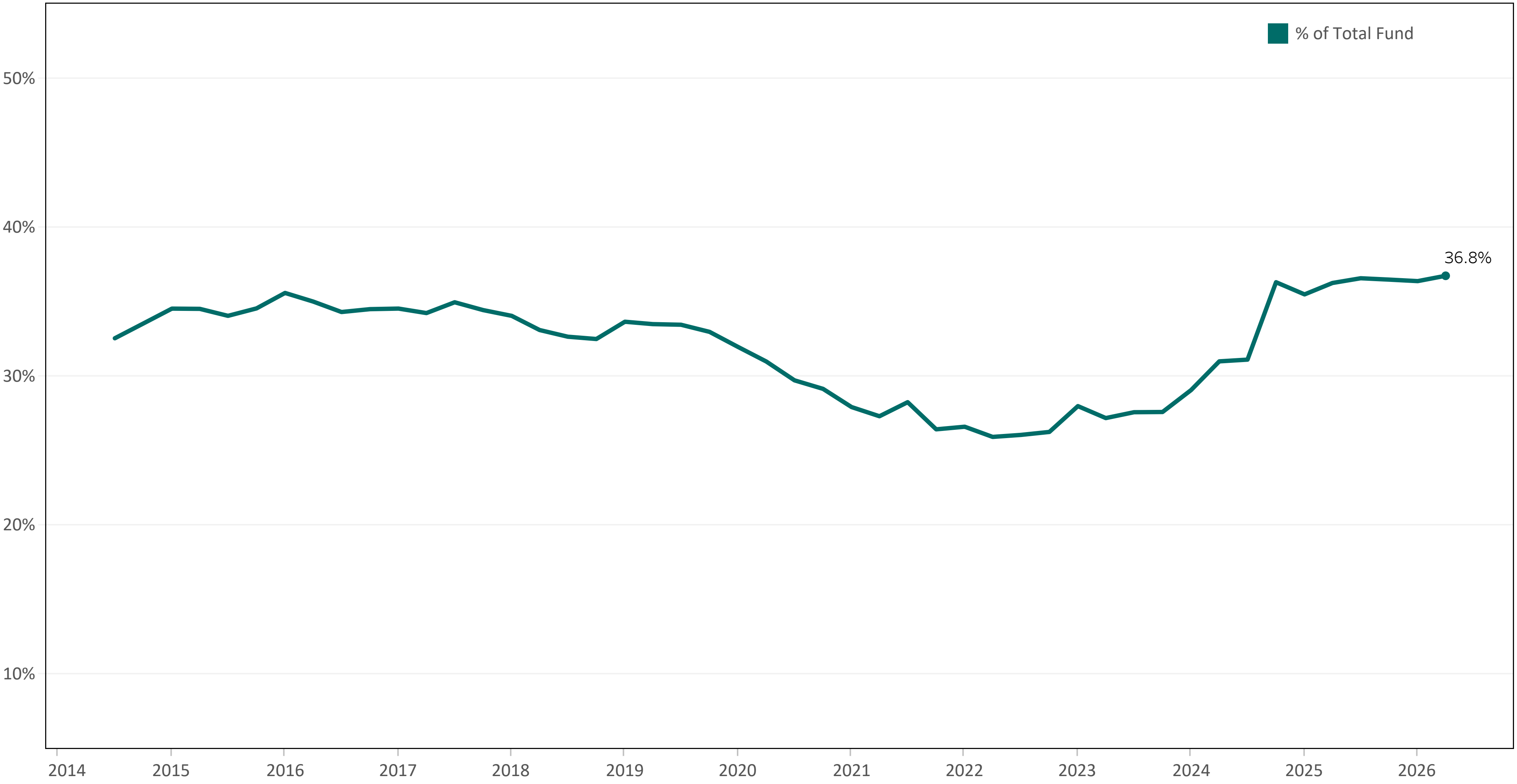
Market Value of Assets (MVA) - The value at which assets could be traded on the market.

Actuarial Value of Assets (AVA) - VRS generally uses a smoothed value of assets for actuarial value. The smoothed value phases-in investment gains and losses over a five year period to reduce volatility.

Actuarial Accrued Liability (AAL) - represents the portion of the Present Value of Future Projected Benefits attributable to service earned (or accrued) as of the valuation date.

Funded Status - The ratio of a plan's current assets to the actuarial accrued liability (AAL). In financial reporting of public pension plans, funded status is reported using the MVA and the liabilities as of the reporting date. When referring to funding of the plan, the funded status equals the actuarial value of assets divided by the actuarial accrued liability as of the valuation date.

Internally Managed Assets



As of 9/30/2024, the percentage includes both internally managed Public Market Assets and Private Market Assets where VRS has full discretion.

PERFORMANCE SUMMARY
Rolling Periods Ending
March 31, 2026

TOTAL FUND PERFORMANCE

(Net of Fees)

	10 Yr	5 Yr	3 Yr	1 Yr	Qtr	Month	Fiscal YTD	Cal YTD	Market Value ($MM)
Total Public Equity	**11.1**	**10.1**	**17.4**	**20.8**	**-1.6**	**-7.2**	**8.9**	**-1.6**	**42,342**
Benchmark	11.1	9.1	16.1	18.4	-2.1	-6.9	7.3	-2.1	
Total Private Equity	**14.1**	**11.2**	**7.0**	**8.3**	**1.7**	**1.6**	**6.4**	**1.7**	**19,910**
Benchmark	13.8	11.6	21.0	22.3	3.5	1.0	24.1	3.5	
Total Real Assets	**7.0**	**6.2**	**1.4**	**5.9**	**2.2**	**2.0**	**4.6**	**2.2**	**17,113**
Benchmark	4.8	3.7	-0.6	4.1	0.7	0.3	2.8	0.7	
Total Credit Strategies	**7.8**	**7.8**	**10.3**	**8.8**	**0.7**	**0.5**	**6.9**	**0.7**	**19,017**
Benchmark	6.0	5.1	8.1	5.9	-0.5	-0.3	2.9	-0.5	
Total Diversifying Strategies	**n/a**	**5.2**	**7.9**	**6.2**	**1.6**	**-1.4**	**6.8**	**1.6**	**6,711**
Benchmark	n/a	4.7	8.0	6.5	1.5	0.5	4.8	1.5	
Total Private Investment Partnerships	**8.8**	**10.0**	**7.9**	**8.3**	**0.8**	**0.8**	**5.6**	**0.8**	**1,952**
Benchmark	7.9	7.1	9.0	10.5	1.2	0.3	9.4	1.2	
Total Fixed Income	**2.7**	**1.2**	**4.7**	**5.4**	**0.0**	**-1.8**	**4.0**	**0.0**	**19,864**
Benchmark	1.9	0.6	4.1	4.7	-0.2	-1.8	3.3	-0.2	
Total Fund	**8.8**	**7.8**	**9.7**	**11.5**	**0.3**	**-2.2**	**6.8**	**0.3**	**129,276**
VRS Custom Benchmark	8.2	6.8	11.0	12.2	0.0	-2.3	7.8	0.0	

Effective July 2013, the VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

Effective January 2024, the Total Fund includes leverage.

The VRS Cash Account, the Treasurer Short-Term Investment Account, the VRS Rebalancing Account, transition activity and accounts with market values of less than $1 million are included in the Total Fund's market value. Differences in market value totals are due to rounding.

The Performance Report may differ from the VRS Annual Comprehensive Financial Report (ACFR) due to each report's requirements and objectives.

Leverage Cost Measurement Information

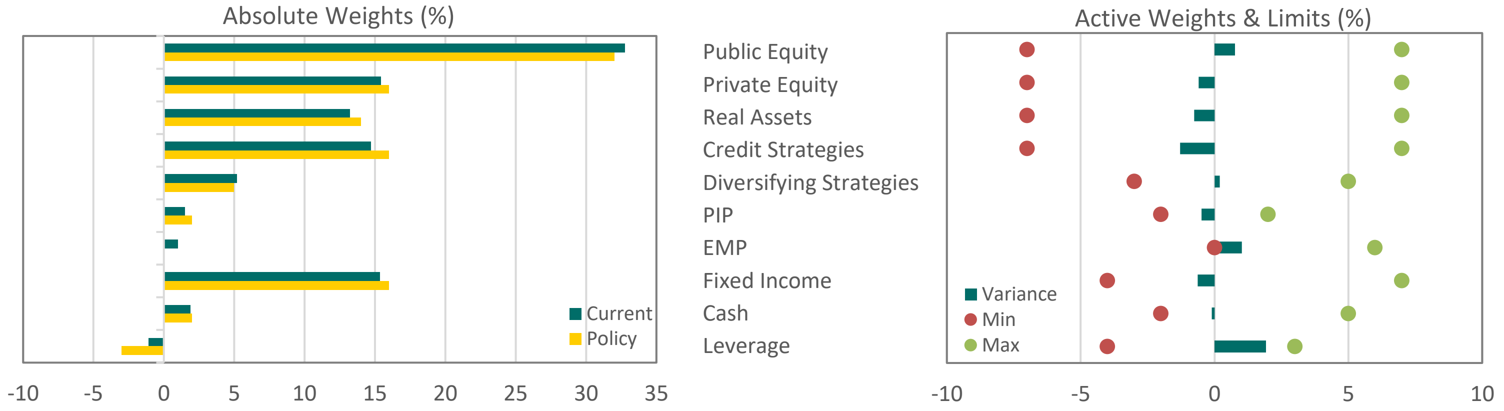
(Information provided for purposes of monitoring the cost effectiveness of leverage implementation.)

	10 Yr	5 Yr	3 Yr	1 Yr	Qtr	Month	Fiscal YTD	Cal YTD	Market Value ($MM)
Leverage	**n/a**	**n/a**	**n/a**	**4.7**	**1.0**	**0.4**	**3.4**	**1.0**	**(1,403)**
Benchmark	n/a	n/a	n/a	4.7	1.0	0.4	3.5	1.0	

Effective January 2024, the Leverage Custom Benchmark is the Secured Overnight Financing Rate (SOFR) plus 50 basis points per annum.

Asset Allocation Report

March 31, 2026



Tracking Error (%)	
5Yr Fund	2.3
5Yr Public	1.5

		Weights (%)					
Asset Class	Billions ($)	Current	Policy	Variance	Min	Max	Internal
Public Equity	42.3	32.8	32.0	0.8	25	39	52
Private Equity	19.9	15.4	16.0	-0.6	9	23	14
Real Assets	17.1	13.2	14.0	-0.8	7	21	17
Credit Strategies	19.0	14.7	16.0	-1.3	9	23	6
Diversifying Strategies	6.7	5.2	5.0	0.2	2	10	0
Private Investment Partnerships (PIP)	2.0	1.5	2.0	-0.5	0	4	0
Exposure Management Portfolio (EMP)	1.3	1.0	0.0	1.0	0	6	0
Fixed Income	19.9	15.4	16.0	-0.6	12	23	95
Cash	2.4	1.9	2.0	-0.1	0	7	0
Leverage	-1.4	-1.1	-3.0	1.9	-4	0	0
Total Fund (Net Market Value)	**129.3**	**100.0**	**100.0**	**0.0**	**n.a.**	**n.a.**	**37**
Total Fund (Gross Market Value)	130.7	101.1	103.0	-1.9	n.a.	n.a.	0

Exposures by Policy Groups							
Public + Private Equity	62.3	48.2	48.0	0.2	38	58	n.a.
Fixed Income + Cash	22.3	17.3	18.0	-0.7	12	27	n.a.

- Total Fund includes the following amount held by the Treasurer of VA: $ 517 million
- The values shown for each asset class on this report may reflect adjustments related to derivative positions in the Rebalance Account, pending transactions and certain accruals, in order to provide a more descriptive representation of the true economic exposure to each asset class (0 adjustments applied)
- The VRS Defined Benefit Plan Investment Policy Statement established the total fund tracking error range as the allowable observed tracking error calculated quarterly using 5 years of history as of 03/31/2026.
- Differences in totals are due to rounding

Virginia
Retirement
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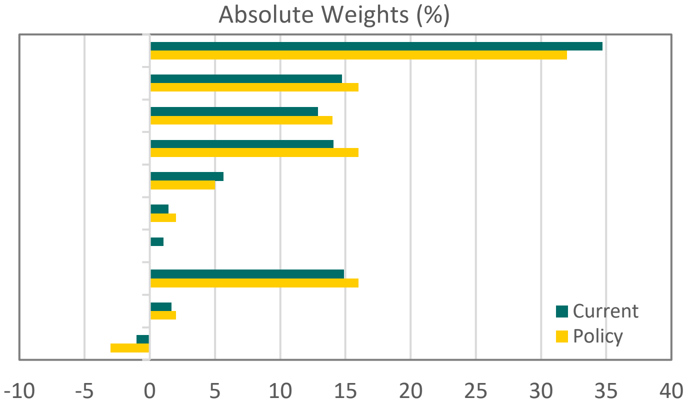
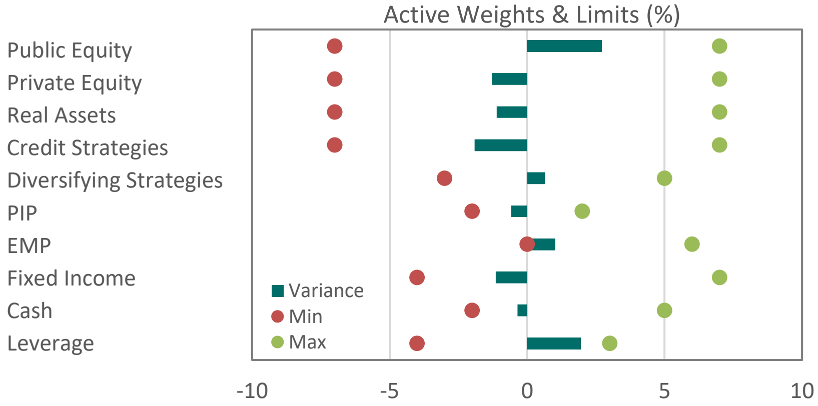
Daily Asset Allocation Report

June 5, 2026





Tracking Error (%)	
5Yr Fund	2.3
5Yr Public	1.5

		Weights (%)					
Asset Class	Billions ($)	Current	Policy	Variance	Min	Max	Internal
Public Equity	46.5	34.7	32.0	2.7	25	39	52
Private Equity	19.7	14.7	16.0	-1.3	9	23	14
Real Assets	17.3	12.9	14.0	-1.1	7	21	16
Credit Strategies	18.9	14.1	16.0	-1.9	9	23	6
Diversifying Strategies	7.6	5.7	5.0	0.7	2	10	0
Private Investment Partnerships (PIP)	1.9	1.4	2.0	-0.6	0	4	0
Exposure Management Portfolio (EMP)	1.4	1.0	0.0	1.0	0	6	0
Fixed Income	19.9	14.9	16.0	-1.1	12	23	95
Cash	2.2	1.7	2.0	-0.3	0	7	0
Leverage	-1.4	-1.0	-3.0	2.0	-7	0	0
Total Fund (Net Market Value)	**134.0**	**100.0**	**100.0**	**0.0**	**n.a.**	**n.a.**	**37**
Total Fund (Gross Market Value)	135.4	101.0	103.0	-2.0	n.a.	n.a.	0

Exposures by Policy Groups							
Public + Private Equity	66.3	49.4	48	1.4	38	58	n.a.
Fixed Income + Cash	22.1	16.5	18	-1.5	12	27	n.a.

- Total Fund includes the following amount held by the Treasurer of VA: $ 549 million
- The values shown for each asset class on this report may reflect adjustments related to derivative positions in the Rebalance Account, pending transactions and certain accruals, in order to provide a more descriptive representation of the true economic exposure to each asset class (0 adjustments applied)
- The VRS Defined Benefit Plan Investment Policy Statement established the total fund tracking error range as the allowable observed tracking error calculated quarterly using 5 years of history as of 3/31/2025
- Differences in totals are due to rounding

VRS Investment Department
Recap of New Investments/Terminations
Time Period: 04/24/2026 – 06/17/2026

Program	Action	Effective Date	Commitment/ Current Value	Funding/ Defunding Period	Description
Real Assets	Hired	02/26/2026	$229 Million	Immediate	**International Farming Corporation Separate Account** – Separate account manager focused on existing U.S. farmland permanent crop properties.
Real Assets	Terminated	05/29/2026	$187 Million	Immediate	**AgIS Farmland Separate Account** – Separate account manager focused on U.S. farmland properties.
Real Assets	Hired	05/29/2026	$200 Million	5 Years	**LS Power Fund VI -** A closed-end fund investing in power generation and energy transition infrastructure assets primarily focused in North America.
Real Assets	Hired	05/27/2026	$150 Million	5 Years	**EQT Transition Infrastructure –** A closed-end fund investing in energy transition and related infrastructure assets in North America and Europe.
Private Equity	Hired	01/30/2026	$50 Million	6 Years	**Monomoy V Co-invest SMA –** A sidecar with Monomoy V for smaller co-investment opportunities.
Private Equity	Hired	03/26/2026	€166 Million	5 Years	**Inflexion Buyout Fund VII –** Middle market private equity firm focused on acquiring majority stakes in high-growth, high-margin, and entrepreneurially led Northern Europe companies across business services, technology, healthcare, industrials, financial services, and consumer.
Private Equity	Hired	04/27/2026	€200 Million	5 Years	**Charterhouse XII –** Middle market private equity firm focused on investing in high-quality mid-market European companies across the services and healthcare sectors.
Private Equity	Hired	05/28/2026	€100 Million	5 Years	**Charterhouse XII Co-invest SMA –** A sidecar with Charterhouse XII for smaller co-investment opportunities.
VRS Internal Equity Management	Opened	05/01/2026	$425 Million	Immediate	**Three Ridges -** An internally managed active US small cap equity strategy.

VRS Investment Department
Recap of New Investments/Terminations
Time Period: 04/24/2026 – 06/17/2026

Program	Action	Effective Date	Commitment/ Current Value	Funding/ Defunding Period	Description
Credit Strategies	Hired	04/24/2026	$400 Million	3 Years	**Ares Pathfinder III -** A closed-end fund targeting directly originated asset-backed structured investments.
Diversifying Strategies	Hired	05/01/2026	$500 Million	1 Year	**PIMCO Multi-Strategy Custom Mandate –** A bespoke, multi-strategy hedge fund portfolio solution.

Request for Board Action

RBA 2026-06-____

Approve FY2027 Defined Benefit Plan Strategic Asset Allocation.

Requested Action

The VRS Board of Trustees approves the FY2027 Defined Benefit Plan Strategic Asset Allocation and Allowable Ranges, effective July 1, 2026.

Description/Background

Board Strategic Asset Allocation and Allowable Ranges. The Board approved the current FY2026 Defined Benefit Plan Strategic Asset Allocation and Allowable Ranges at the June 18, 2025, Board meeting. As part of the transition to the Board's long-term defined benefit plan strategic asset allocation (which was approved at the June 15, 2023, Board meeting), the Chief Investment Officer (CIO) recommends the following target exposures and allowable ranges effective July 1, 2026.

	Current FY 2026	Allowable Range		Proposed FY 2027	Allowable Range	
Asset Class	**Target**	**Min**	**Max**	**Target**	**Min**	**Max**
Public Equity	32%	25%	39%	32%	25%	39%
Private Equity	16%	9%	23%	15%	8%	22%
Real Assets	14%	7%	21%	14%	7%	21%
Credit Strategies	16%	9%	23%	16%	9%	23%
Diversifying Strategies	5%	2%	10%	6%	3%	11%
Private Investment Partnerships (PIP)	2%	0%	4%	2%	0%	4%
Exposure Management Portfolio (EMP)	0%	0%	6%	0%	0%	6%
Fixed Income	16%	12%	23%	16%	12%	23%
Cash	2%	0%	7%	2%	0%	7%
Total Fund (Gross)[1]	103%			103%		
Asset Allocation Leverage	-3%	-4%	0%	-3%	-4%	0%
Total Fund (Net)[2]	100%			100%		
High-Level Exposure						
Total Equity	48%	38%	58%	47%	37%	57%
Fixed Income + Cash	18%	12%	27%	18%	12%	27%
Rebalancing Leverage		-3%	0%		-3%	0%

[1] Reflects total amount invested.

[2] Reflects total amount invested less leverage.

Staff will not, by its tactical actions, underweight or overweight any individual asset class beyond the minimum and maximum allowable ranges. However, market action or Fund liquidity needs could cause an individual asset class to be temporarily below the minimum allowable range or above the maximum allowable range. In such rare cases, using the high-level rebalancing ranges, the CIO will have the flexibility to exceed the individual allowable ranges if the deviation is related to market actions or Fund liquidity needs, if the CIO believes bringing an individual asset class back within its allowable range would not be economically prudent. If, however, the CIO determines an individual asset class needs to be brought back into its allowable range, staff will establish an action plan. In any event, the CIO will communicate the deviation to the Board on a timely basis.

Staff will not, by its tactical actions, cause the Strategic Asset Allocation Leverage (comprised of Asset Allocation Leverage and Rebalancing Leverage) to surpass its limit. However, market action or Fund liquidity needs could cause the Strategic Asset Allocation Leverage to be temporarily above the limit. In such rare cases, the CIO will have the flexibility to exceed the maximum limit if the deviation is related to market actions or Fund liquidity needs, if the CIO believes bringing the Strategic Asset Allocation Leverage back within its limit would not be economically prudent. If, however, the CIO determines the Strategic Asset Allocation Leverage needs to be brought back within its limit, staff will establish an action plan. In any event, the CIO will communicate the deviation to the Board on a timely basis.

Rationale for Requested Action

The recommended Strategic Asset Allocation and Allowable Ranges reflects the current market conditions and continues to allow for easier management of the asset allocation.

Authority for Requested Action

The Board is authorized to approve this recommendation pursuant to the provisions of *Code of Virginia* §§ 51.1-124.22 and -124.30.

The above action is approved.

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Susan T. Gooden, Ph.D., Chair Date
VRS Board of Trustees

Request for Board Action

RBA 2026-06-____

Approve Benchmarks for Credit Strategies, Diversifying Strategies, Private Equity, and Private Investment Partnerships.

Requested Action

The VRS Board of Trustees approves the recommended benchmarks for Credit Strategies, Diversifying Strategies, Private Equity, and Private Investment Partnerships, effective as of the dates stated herein.

Description/Background

The VRS Board of Trustees uses benchmarks to monitor performance results. At the meetings noted in the table below, the Board approved the Credit Strategies, Diversifying Strategies, Private Equity, and Private Investment Partnerships benchmarks.

Current Benchmarks:

Credit Strategies	A blend of the Morningstar LSTA Performing Loan Index (50%) and the Bloomberg US High Yield Ba/B 2% Issuer Cap Index (50%). *(Approved: June 15, 2023; Effective: July 1, 2023)*
Diversifying Strategies	The ICE BofA US 3-Month Treasury Bill Index plus 250 basis points per annum. *(Approved: November 16, 2023; Effective: January 1, 2024)*
Private Equity	The regional benchmarks of the MSCI ACWI IMI Index ex Selected Countries (net VRS taxes) lagged by three months, weighted to reflect the Private Equity opportunity set (currently 75% North America, 20% Europe, and 5% Asia and Emerging Markets). *(Approved June 18, 2025; Effective: July 1, 2025)*
Private Investment Partnerships	The weighted average of the Private Equity Custom Benchmark (33%), the NCREIF Private Real Estate Benchmark (25%), the Other Real Assets Custom Benchmark (8%), and the Credit Strategies Custom Benchmark (34%). *(Approved: June 18, 2025; Effective: July 1, 2025)*

As directed by the Board, staff recently engaged Mercer (A Marsh Business), a global professional services independent consulting firm serving sophisticated institutional investment clients, to review the appropriateness of the benchmarks for the individual asset classes and the total fund. Mercer presented the results of their review to the Board at the April 23, 2026, meeting.

After careful analysis, Mercer recommends the following benchmark changes.

Credit Strategies	A blend of the Morningstar LSTA Performing Loan Index (50%) and the Bloomberg US High Yield Ba/B 2% Issuer Cap Index (50%); lagged by three months. ***See the Credit Strategies Benchmark Implementation Information below for the effective date.***
Diversifying Strategies	A blend of the ICE BofA US 3-Month Treasury Bill Index plus 250 basis points per annum (75%) and the HFRI Institutional Trend Following Directional Index (25%). ***Effective date: July 1, 2026***
Private Equity	The MSCI Private Equity Index excluding venture capital and excluding funds under $1B in size lagged by three months. ***See the Private Equity Benchmark Implementation Information below for effective dates.***
Private Investment Partnerships	The weighted average of the Private Equity Custom Benchmark (33%), the NCREIF Private Real Estate Benchmark (25%), the Other Real Assets Custom Benchmark (8%), and the Credit Strategies Custom Benchmark (34%). ***See the Private Investment Partnerships Implementation Information below for effective dates.***

Notes:

Credit Strategies Benchmark Implementation Information:

To avoid timing risk, the proposed new Credit Strategies Custom Benchmark will be implemented for the Fiscal Year 2027 Q2 reporting period. In other words, the Credit Strategies Custom Benchmark Fiscal Year 2027 Q1 return will be repeated for the Fiscal Year 2027 Q2 reporting period. However, if the return of the Fiscal Year 2027 Q1 Credit Strategies Custom Benchmark has a return greater than +/- 3%, then the implementation of the new benchmark will be postponed until the return of the quarter to be repeated has a return of less than +/- 3%.

Private Equity Benchmark Implementation Information:

To avoid timing risk and in acknowledgement that adjustments to a mature private investment portfolio take time, the proposed new Private Equity Custom Benchmark will be phased-in over five fiscal years.

Fiscal Year	**Current Benchmark Public Market Index**	**Proposed Benchmark Private Fund Universe Index**
Fiscal Year 2027 *(effective July 1, 2026)*	80%	20%
Fiscal Year 2028 *(effective July 1, 2027)*	60%	40%
Fiscal Year 2029 *(effective July 1, 2028)*	40%	60%
Fiscal Year 2030 *(effective July 1, 2029)*	20%	80%
Fiscal Year 2031 *(effective July 1, 2030)*	0%	100%

Private Investment Partnerships Implementation Information:

The Private Equity and Credit Strategies Custom Benchmarks within the Private Investment Partnerships Custom Benchmark will change to reflect the proposed new Private Equity and Credit Strategies Custom Benchmarks noted above.

Total Fund Implementation Information:

The Total Fund Custom Benchmark will change to incorporate the proposed new benchmarks and their respective implementation schedules, as applicable.

Rationale for Requested Action

The benchmarks reflect the characteristics of a good benchmark per the CFA Institute: unambiguous, investable, measurable, appropriate, specified in advance, and reflective of current investment opinions. Specifically, Credit Strategies has become more private credit-focused, and the benchmark change improves the alignment between the (now) less-liquid portfolio and benchmark. Diversifying Strategies represents a combination of underlying strategies (one of which is a trend-based strategy) intended to provide diversification with other asset classes, and the benchmark change introduces a trend index component. Private Equity's new benchmark better reflects the risk and return characteristics of the asset class as well as better serves as a measure of success of the private portfolio implementation.

Authority for Requested Action

The Board is authorized to approve these recommendations pursuant to the provisions of *Code of Virginia* §§ 51.1-124.22 and -124.30.

The above action is approved.

______________________________	______________________________
Susan T. Gooden, Ph.D., Chair VRS Board of Trustees	Date

Virginia
Retirement
System

Request for Board Action
RBA 2026-06-____

Approve Excess Return Objectives.

Requested Action

The VRS Board of Trustees approves the recommended excess return objectives, effective July 1, 2026.

Description/Background

The VRS Board of Trustees uses excess return objectives in calculations associated with the Investment Professionals' Pay Plan. At the June 11, 2020, meeting, the Board approved the current excess return objectives as recommended by Verus. As directed by the Board, staff recently engaged Mercer (A March Business), a global professional services independent consulting firm serving sophisticated institutional investment clients, to review the appropriateness of the excess return objectives for the individual asset classes and the total fund. Mercer presented the results of their review to the Board at the April 23, 2026, meeting.

After careful analysis, Mercer recommends the following excess return objectives.

Excess Return Objectives: Recommended Changes

	Excess Return Objective (basis points)	
Program	**Current**	**Recommended**
Private Equity	200	30
Diversifying Strategies	n/a	30
Total Fund	45	30

Notes:

For the implementation of the incentive compensation calculation where the excess return objective changed, the excess return calculation will be a blend of the current excess return objective (to be used through June 30, 2026) and the recommended excess return objective (to be used from July 1, 2026 onward) as applicable for the trailing three- and five-year annualized time periods against which the programs and the total fund are measured.

Currently for incentive compensation purposes, a portion of Diversifying Strategies' quantitative plan component was based on the average of the asset class multipliers for which Diversifying Strategies supported. Therefore, the current excess return objective is not applicable.

Excess Return Objectives: No Recommended Changes

	Excess Return Objective (basis points)	
Program	**Current**	**Recommended**
Public Equity	30	30
Real Assets	75	75
Credit Strategies	75	75
Private Investment Partnerships	n/a	n/a
Fixed Income	25	25
Internal Equity Management	25	25

Rationale for Requested Action

The excess return objectives reflect the strategies and current capabilities of staff within each program as well as for the total fund. The change to Private Equity's excess return objective reflects the expectations of outperforming its new benchmark as it is more difficult to outperform a private benchmark. Private benchmarks embed the structural advantages of investing in private markets; are peer-based, meaning persistent outperformance requires relative skill; and can exhibit survivorship bias. As Diversifying Strategies becomes a mature program and reflects a greater percentage of the total fund, for incentive compensation purposes, the program is being assigned its own excess return objective against which it will be measured. The total fund benchmark is a blend of the underlying asset class benchmarks at policy weights, and the change to the Private Equity benchmark has the biggest impact on total fund excess returns. The change to the total fund excess return objective results in similar success rates as the current excess return objective and is consistent with the historical tracking error.

Authority for Requested Action

The Board is authorized to approve these recommendations pursuant to the provisions of *Code of Virginia* §§ 51.1-124.22 and -124.30.

The above action is approved.

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Susan T. Gooden, PhD., Chair
VRS Board of Trustees

Date

Report

The Administration, Finance and Talent Management Committee met on June 17, 2026, and discussed the following:

APPROVAL OF MINUTES

The Committee approved the minutes of its April 23, 2026, meeting.

REAPPOINTMENT OF DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE (DCPAC) MEMBERS

Patricia Bishop, Director, informed the committee of five DCPAC members due for reappointment. Ms. Bishop indicated that Monique Barnes, Ravindra Deo, Matt Harris, Kate Jonas and Brenda Madden have been active and engaged participants of the DCPAC, and each are willing to continue their service on the committee.

The Committee recommends approval of the following action to the full Board:

Request for Board Action: *The Board reappoints Monique G. Barnes, Ravindra Deo, C. Matt Harris, Kate Jonas, and Brenda Madden to the Defined Contribution Plans Advisory Committee (DCPAC), each for a two-year term ending June 20, 2028.*

APPROVE REVISED ADMINISTRATIVE AND INVESTMENT OPERATIONS AND ADMINISTRATION PAY PLANS

Paula Reid, Human Resources Director, reviewed proposed changes to the Administrative Pay Plan and the Investment Operations and Administration Pay Plan. Ms. Reid advised that while the Commonwealth's budget for next year has not yet been approved, it is expected that a salary increase for state employees will be included. Any such increase would be accounted for in changes to the pay bands within the Administrative and Investment Operations and Administration Pay Plans.

The Committee recommends approval of the following action to the full Board:

Request for Board Action: *The Board approves the amendments to the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan.*

APPROVE AMENDED INVESTMENT PROFESSIONALS' PAY PLAN

Paula Reid, Human Resources Director, reviewed proposed changes to the Investment Professionals' Pay Plan. Ms. Reid indicated that changes related to certain professional job classifications to better reflect their roles and responsibilities are included in the proposed amendments. In addition, benchmark changes recommended by Mercer, a global professional services independent consulting firm, are proposed, along with any changes to the pay bands resulting from the approved 2026 Appropriation Act.

The Committee recommends approval of the following action to the full Board:

***Request for Board Action**: The Board approves amendments to the Investment Professionals' Pay Plan ("Pay Plan"), effective July 1, 2026.*

PERFORMANCE COMPENSATION INITIATIVE OVERVIEW

Michael Cooper, Chief Operating Officer, and Paula Reid, Human Resources Director, provided an update on the performance compensation initiative for the agency. The agency is working with a consultant to evaluate enhancements to its performance compensation policies and plans to pilot the new program beginning in FY 2027.

DISCUSSION AND CONSIDERATION OF FY 2027 AGENCY PERFORMANCE OUTCOMES (APOS) AND OPERATIONAL MEASURES (OMS)

Michael Cooper, Chief Operating Officer, reviewed the proposed agency performance outcomes (APOs) and operational measures (OMs) for fiscal year 2027, which were previously distributed electronically to all Board members for review. Staff must complete three of the four APOs and meet the target for at least 15 of the 18 OMs to be eligible for the agency's gainsharing bonus.

***Request for Board Action**: The Board approves the FY 2027 Agency Performance Outcomes (APOs) and Operational Measures (OMs).*

BUDGET UPDATE

Jon Farmer, Budget and Performance Reporting Manager, provided an update on the FY 2026 budget. Mr. Farmer advised the Committee that VRS has a current budget of approximately $143 million and has expended approximately $106 million. Mr. Farmer noted that the agency is on track to conclude the fiscal year with an estimated $11 million in unexpended appropriation, representing approximately 7.5% of the total budget.

Submitted to the Board of Trustees on June 17, 2026.

Susan Gooden, Chair
Administration, Finance and Talent Management Committee

Virginia
Retirement
System

Request for Board Action

RBA 2026-06-____

Reappointment of DCPAC Members.

Requested Action

The Board reappoints Monique G. Barnes, Ravindra Deo, C. Matt Harris, Kate Jonas, and Brenda Madden to the Defined Contribution Plans Advisory Committee (DCPAC), each for a two-year term ending June 20, 2028.

Rationale for Requested Action

Ms. Barnes, Mr. Deo, Mr. Harris, Ms. Jonas, and Ms. Madden currently serve on the DCPAC and are willing to be reappointed for another two-year term.

- Ms. Barnes is the Director of Budget for Henrico County Public Schools.
- Mr. Deo is the Executive Director of the Federal Retirement Thrift Investment Board.
- Mr. Harris is the Deputy County Administrator for Finance and Administration at Chesterfield County.
- Ms. Jonas is the Head of Consultant Relations at L&G – Asset Management, America.
- Ms. Madden is a Senior Vice President and the Human Resources Director of Davenport & Company.

Copies of their biographies are attached.

Authority for Requested Action

Code of Virginia § 51.1-124.26 authorizes the Board to appoint such other advisory committees as it deems necessary. Each member appointment requires a two-thirds vote of the Board, and advisory committee members serve at the pleasure of the Board.

The above action is approved.

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Susan T. Gooden, Ph.D., Chair Date
VRS Board of Trustees

Ms. Barnes is currently the Director of Budget for Henrico County Public Schools and has held that position since July 2024. Prior to that, she served as the Chief Financial Officer for Prince George County Public Schools and had previously served in similar capacities for Williamsburg-James City County Public Schools, Hopewell Public Schools, and Surry Public Schools. Ms. Barnes has more than 18 years of experience in overseeing and managing the financial needs of public school systems in Virginia and has been awarded the Meritorious Budget Award from the Virginia Association of School Business Officials (VASBO) on multiple occasions. Ms. Barnes is skilled in government budgeting, procurement, management, corporate and managerial finance, and strategic planning.

Ms. Barnes is a Certified Administrator of School Finance and Operations and a Certified Government Financial Manager. Ms. Barnes is also a Certified Virginia Finance Officer and has received the Virginia Association of School Business Officers Certificate.

Ms. Barnes was recently elected to serve as a Director on the Executive Board of VASBO, beginning in FY27, and currently serves on the Management Team.

Ms. Barnes earned an associate degree in Applied Science – Accounting from Tidewater Community College, an undergraduate degree in Music from Virginia Commonwealth University, and an MBA with a concentration in Accounting from the College of William and Mary.

Ravindra Deo Ravindra Deo serves as the Executive Director of the largest defined contribution plan in the world. Ravindra joined the FRTIB in 2015 as the Chief Investment Officer. During his time at FRTIB, he also served as acting COO from June 2016 to February 2017, and acting Executive Director from May 2017 to August 2017. Ravindra started his career in 1986 and worked in the asset management industry for 29 years prior to joining the FRTIB. He has worked in a variety of roles including as an overlay asset allocator focused on risk reduction, as part of a team that worked on the creation of the first ETFs, as a team leader focused on lifestyle funds, and as an investment advisory consultant to some of the largest institutional investors in the world. He has been the lead on investment and manager research teams and has conducted extensive manager research on both alternative and traditional asset classes. Ravindra has a Bachelor of Technology from the Indian Institute of Technology, Delhi and an MBA from the University of California, Berkeley

Matt Harris, Deputy County Administrator for Finance and Administration

Matt Harris was appointed Deputy County Administrator for Finance and Administration in March 2018. He supervises and coordinates the operations of the County Administrator's Office and the Office of Constituent and Media Services to help ensure integrated support and interaction with the County Administrator, Board of Supervisors, employees and residents of the County. Mr. Harris also provides strategic direction and supervision to major county functions such as Intergovernmental Relations (the liaison function with state and Federal officials), the Learning and Performance Center, Sports, Visitation and Entertainment and Finance (Accounting, Budget and Management, Purchasing, Real Estate Assessment). He also helps coordinate special events and serves as liaison with the Registrar, Commissioner of the Revenue and Treasurer. In addition, Mr. Harris serves on the Board of Directors for the Riverside Regional Jail, the finance committee for the Greater Richmond Convention Center Authority, the Board of Directors for the VML-VACo OPEB Trust, the Board of Directors for the Chesterfield County SRP Trust, the Board of Directors for the Chesterfield County Schools SRP Trust, the Board of Directors for VRS Deferred Compensation Advisory Board, and is a member of the VACo Finance Steering Committee.

Prior to being appointed Deputy, Mr. Harris served as the county's Budget and Management Director where he led the department and served as a key advisor to the County Administrator and the Board of Supervisors.

Mr. Harris received a Bachelor's degree in Economics from Virginia Tech and a Master's degree from the University of North Carolina – Chapel Hill. He lives in Midlothian with his wife, Meghan, and five children.

Biographies

Kate Jonas, Head of Consultant Relations, L&G – Asset Management, America

Kate Jonas is Head of Consultant Relations at L&G – Asset Management, America. In her role, she is responsible for developing and maintaining relationships with global consultants across all asset classes, helping drive the retention and growth of assets across the business.

Kate joined the firm in 2025. Previously, Kate was Senior Managing Director, Head of Global Consultant Relations at Nuveen where she recruited to build a world class Institutional Consultant Relations effort amidst the accelerated integration of Nuveen and TIAA. Prior to this, Kate spent over a decade in several client-facing leadership roles at BlackRock, most recently as Managing Director, Head of Defined Contribution Consultant Relations. Kate has also held roles at AQR Capital Management, JP Morgan Asset Management, Insight Investment and Morgan Stanley Asset Management.

Kate earned a BA in Government and American Studies from Smith College and MBA, Strategic Planning and Accounting from The Wharton School of the University of Pennsylvania.

Professional Biography for:

Brenda O. Madden, SPHR, SHRM-SCP
SVP, Human Resources Director
Davenport & Company LLC
Richmond Virginia

Brenda Madden is a Human Resources Executive with 35 years of Human Resources experience with various Richmond-based companies. She is certified as a Senior Professional in Human Resources (SPHR, SHRM-SCP).

She has been in her current role for 19 years as Director of Human Resources with Davenport & Company, an employee-owned, regional Investment Brokerage firm with over 525 employees, primarily in Virginia and North Carolina. She is responsible for providing strategic guidance and leadership for all aspects of Human Resources. She oversees all aspects of human resources management including benefits administration with emphasis on health & welfare benefits, defined contribution retirement plans, talent management, compensation, performance management, regulatory compliance, employee relations and organizational development, while being a trusted business partner to managers and associates of the firm.

In her role, she also serves on Davenport's Profit-Sharing Committee, which meets quarterly and reviews investment performance and plan administration matters for its 401k, and Profit-Sharing retirement plans. The Human Resources department handles day-to-day interaction with employees related to these plans to include everything from new employee education/enrollment, distributions, loans, rollovers, RMD's, to retirement options and communication.

Prior to joining Davenport & Company, she worked at The Colony Group (part of Argonaut Insurance Company), Virginia Mutual Insurance Company (now Alfa Mutual) and Heritage Savings Bank.

She has served on the board of the Virginia Society of Human Resources State Council for 17 years and has been in her current role of Treasurer for past 7 years.

She received a Bachelor's degree in Business Administration from Virginia Commonwealth University.

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Request for Board Action
RBA 2026-06-____

Approve FY 2027 APOs and Operational Measures.

Requested Action

The VRS Board of Trustees approves the FY 2027 Agency Performance Outcomes and Agency Operational Measures.

Description/Background

Each year the VRS Board of Trustees approves Agency Performance Outcomes (APOs) and Operational Measures. The APOs are stretch goals for the Administrative staff. The Operational Measures are agency performance measures.

APOs (see attachment 1). The FY 2027 APOs have four stated outcomes summarized as follows:

1. **Data Quality Enhancements – Phase 3**
2. **Demographic Data Collection and Maintenance Initiative – Phase 2**
3. **VNAV Enhancements – Phase 3**
4. **Enhanced Employee Engagement Initiative**

The objective is to attain three of the four APOs. Successful attainment of the APOs is the gainsharing portion of the performance management program of the Administrative Pay Plan for administrative staff. Under the gainsharing portion of the performance management program of the Investment Operations and Administration Pay Plan, investments operations staff are eligible for a bonus if their performance meets or exceeds expectations or is exceptional, as rated in their annual performance assessment, and the employee consistently works, as a team member, to accomplish the goals of the Investment Department. Both bonuses are normally paid as a lump sum equal to 2.5% of salary.

Operational Measures (see attachment 2). VRS also identifies key operational measures each year. These measures are coupled with the APOs as part of the gainsharing portion of the performance management program. The objective is to meet or exceed the target goal for at least 15 of the 18 measures. Note: there are three additional operational measures that will be piloted in FY 2027. The pilot measures will not count towards meeting the overall operational measure target. Again, the expectation is that all employees will work collaboratively and contribute to accomplishing key functions of the agency.

Satisfying the APO and operational measure targets is required to earn the gainsharing bonus.

Rationale for Requested Action

The APOs are stretch goals for VRS, and VRS identifies key operational measures as organizational performance expectations for the fiscal year that must be maintained while working to satisfy the APOs and maintaining key agency functions. Both the Administrative and Investment Operations and Administration Staff Pay Plans contain gainsharing language to reward teamwork, collaboration, and organizational results.

Although satisfaction of the APOs and Operational Measures is not an explicit condition for a gainsharing bonus to be paid to Investment Operations and Administration staff, the agency's practice is that no gainsharing bonus is paid to Investment Operations and Administration staff in a year that Administrative staff is not eligible for a gainsharing bonus.

Authority for Requested Action

Code of Virginia § 51.1-124.22 (A)(11) authorizes the Board to establish and administer a compensation plan for officers and employees of the Retirement System.

The above action is approved.

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Susan T. Gooden, Ph.D., Chair VRS Board of Trustees	Date

Virginia Retirement System

AGENCY PERFORMANCE OUTCOMES STATUS REPORT

FISCAL YEAR 2027

Summary

APO Status Indicator

●	Proceeding as planned
△	Off plan, mitigation in place
◆	Off plan, mitigation needed
★	Completed
N/S	Not started

Overall Measure: 3 of 4 completed

APO #	APO Description	Strategic Goal	July	August	September	October	November	December	January	February	March	April	May	June
1	**Data Quality Enhancements – Phase 3** DEC Owner: Michael Cooper *(Measure: 3 of 3 completed)*	**Digital Transformation and Secure Service Delivery**												
2	**Demographic Data Collection and Maintenance - Phase 2** DEC Owner: Michael Cooper *(Measure: 3 of 4 completed)*	Member, Retiree and Employer Education, Outreach and Partnership												
3	**VNAV Enhancements - Phase 3** DEC Owner: Matt Salapka *(Measure: 4 of 5 completed)*	**Digital Transformation and Secure Service Delivery**												
4	**Enhanced Employee Engagement Initiative** DEC Owner: Paula Reid *(Measure: 4 of 5 completed)*	**Organizational Strength, Culture and Engagement**												

Changes to agency performance outcomes require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia
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AGENCY PERFORMANCE OUTCOMES STATUS REPORT

FISCAL YEAR 2027

APO 1

APO Status Indicator

●	Proceeding as planned
▲	Off plan, mitigation in place
◆	Off plan, mitigation needed
★	Completed
N/S	Not started

APO 1 Measure: 3 of 3 completed

Data Quality Enhancements – Phase 3

DEC Owner:

Michael Cooper

Strategic Goal:

Digital Transformation and Secure Service Delivery

#	APO Description	July	August	September	October	November	December	January	February	March	April	May	June
1.1	Implement a process to identify additional critical data elements and improve data quality through proactive monitoring and correction.												
1.2	Implement a proof-of-concept data correction platform to improve operational efficiency and auditability.												
1.3	Establish foundational data governance and literacy to support sustainable data quality.												

Changes to agency performance outcomes require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia
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AGENCY PERFORMANCE OUTCOMES STATUS REPORT

FISCAL YEAR 2027

APO 2

APO Status Indicator

●	Proceeding as planned
▲	Off plan, mitigation in place
◆	Off plan, mitigation needed
★	Completed
N/S	Not started

APO 2 Measure: 3 of 4 completed

Demographic Data Collection and Maintenance - Phase 2	DEC Owner: Michael Cooper	**Strategic Goal:** **Member, Retiree and Employer Education, Outreach and Partnership**

#	APO Description	July	August	September	October	November	December	January	February	March	April	May	June
2.1	Consistent with the Contact Data Collection and Maintenance Policy, initiate implementation of updated enrollment data collection processes for employers.												
2.2	Employ targeted communication methods to further address missing or erroneous data for existing member accounts.												
2.3	Establish baseline for data elements and create targets to monitor the health of critical contact information components.												
2.4	Initiate redesign of new member onboarding approach to enhance new member engagement.												

Changes to agency performance outcomes require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia Retirement System

AGENCY PERFORMANCE OUTCOMES STATUS REPORT

FISCAL YEAR 2027

APO 3

APO Status Indicator

●	Proceeding as planned
▲	Off plan, mitigation in place
◆	Off plan, mitigation needed
★	Completed
N/S	Not started

APO 3 Measure: 4 of 5 completed

VNAV Enhancements - Phase 3	DEC Owner: Matt Salapka	**Strategic Goal:** **Digital Transformation and Secure Service Delivery**

#	APO Description	July	August	September	October	November	December	January	February	March	April	May	June
3.1	Finalize governance and staffing models for VNAV next generation program team and commence staffing process, including roles and responsibilities.												
3.2	Explore and document lessons learned from similar public pension systems regarding their approach, governance, development, implementation, and post go-live experiences.												
3.3	Engage a strategic partner to guide and support the planning phase and prepare business and functional requirements for RFP development.												
3.4	Initiate process to capture current state analysis including business requirements, functional requirements, and pain points.												
3.5	Produce a conversion readiness gap analysis document with remediation actions.												

Changes to agency performance outcomes require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia Retirement System

AGENCY PERFORMANCE OUTCOMES STATUS REPORT

FISCAL YEAR 2027

APO 4

APO Status Indicator

● Proceeding as planned

▲ Off plan, mitigation in place

◆ Off plan, mitigation needed

★ Completed

N/S Not started

APO 4 Measure: 4 of 5 completed

Enhanced Employee Engagement Initiative	DEC Owner: Paula Reid	Strategic Goal: Organizational Strength, Culture and Engagement

#	APO Description	July	August	September	October	November	December	January	February	March	April	May	June
4.1	Successfully pilot the new Administration and Investment Operations Incentive Compensation Program.												
4.2	Conduct agency-wide engagement survey to solicit feedback and opportunities for improvement.												
4.3	Successfully develop new agency strategic plan, including identifying key initiatives to support stated goals.												
4.4	Initiate the development of employee engagement activities, including training courses for managers related to employee engagement initiatives.												
4.5	Enhance bench strength development and succession management efforts by providing opportunities for knowledge transfer, training, and mentoring to expand and foster competitive pools of internal candidates to fill identified critical roles.												

Changes to agency performance outcomes require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia
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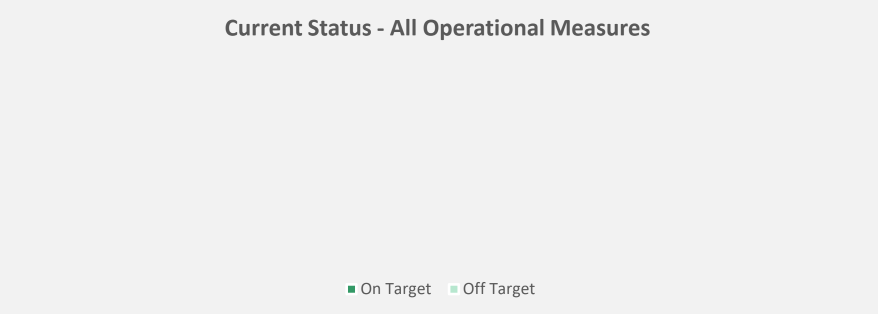
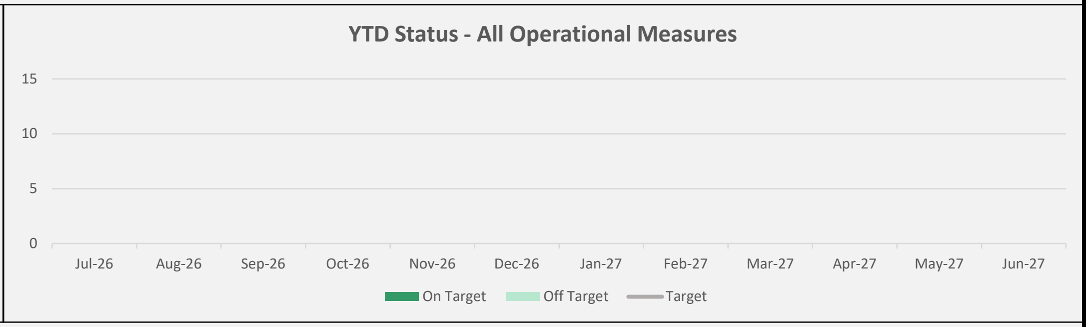
FISCAL YEAR 2027 OPERATIONAL MEASURES STATUS REPORT

July-26


Current Status - All Operational Measures


YTD Status - All Operational Measures

OM #	Operational Measure (OM)	Description	Strategic Goal	Target (Goal)	Current Status	YTD Status	Reporting Frequency	Comments
1	Timeliness of Monthly Financial Account Reconciliations	Percentage of monthly financial control reconciliations completed by last business day of the following month	Superior Governance and Long-Term Financial Health	> 98.00%	-	-	Monthly	
2	Average Abandoned Call Rate	Percentage of calls to the Customer Counseling Center (CCC) that result in hang-ups while in the queue	Member, Retiree and Employer Education, Outreach and Partnership	< 5.00%	-	-	Monthly	
3	Timeliness of Response to Messages Received by the Customer Counseling Center (CCC)	Average response time to emails received by the CCC	Member, Retiree and Employer Education, Outreach and Partnership	.50 business days	-	-	Monthly	
4	Timeliness of Monthly Retirement Disbursements	Percentage of monthly retirement disbursements processed no later than the first business day of the month	Superior Governance and Long-Term Financial Health	100.00%	-	-	Monthly	
5	Timeliness of Service Retirements Processed	Percentage of service retirements processed so that retiring members are set up to receive retirement benefits on the first retirement payment date for which they are eligible	Superior Governance and Long-Term Financial Health	98.00%	-	-	Monthly	
6	Accuracy of Service Retirements Processed	Percentage of service retirements processed for which the corresponding benefit payment correctly reflects the member's service record	Superior Governance and Long-Term Financial Health	99.00%	-	-	Monthly	
7	Timeliness of Disability Retirements Processed	Percentage of disability retirements processed within 30 days of VRS receiving notification of approval by the Medical Review Board	Superior Governance and Long-Term Financial Health	98.00%	-	-	Monthly	
8	Accuracy of Disability Retirements Processed	Percentage of disability retirements processed for which the corresponding benefit paid correctly reflects the member's service record	Superior Governance and Long-Term Financial Health	99.00%	-	-	Monthly	
9	Timeliness of Workflow Documentation Imaging	Percentage of workflow documents imaged within one business day of receipt	Digital Transformation and Secure Service Delivery	99.50%	-	-	Monthly	
10	Planned IT System Availability	Percentage of time critical systems are available during periods of planned availability	Technology Infrastructure	99.50%	-	-	Monthly	
11	Timeliness of Employer Contribution Confirmations	Percentage of Employer Contribution Confirmation (CC) snapshots completed in VNAV by the end of the month in which they are due	Superior Governance and Long-Term Financial Health	99.00%	-	-	Monthly	
12	Customer Satisfaction - Calls	Percentage of respondents indicating a positive overall customer service experience with a contact center call.	Member, Retiree and Employer Education, Outreach and Partnership	>90%	-	-	Monthly	
13	Customer Satisfaction - Counseling	Percentage of respondents indicating a positive overall counseling experience.	Member, Retiree and Employer Education, Outreach and Partnership	>90%	-	-	Monthly	

Overall Measure: 15 of 18 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia
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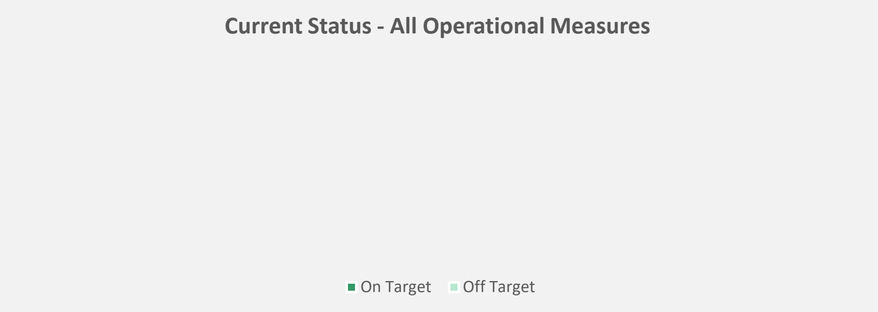
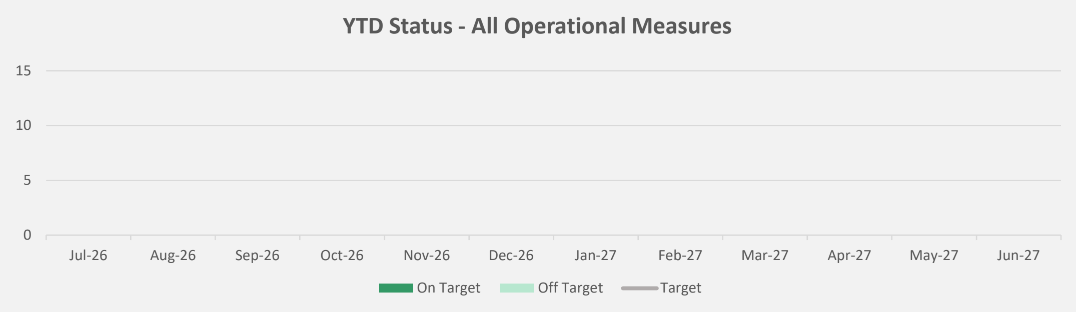
FISCAL YEAR 2027 OPERATIONAL MEASURES STATUS REPORT

July-26



Current Status - All Operational Measures



YTD Status - All Operational Measures

OM #	Operational Measure (OM)	Description	Strategic Goal	Target (Goal)	Current Status	YTD Status	Reporting Frequency	Comments
14	Implementation of Corrective Action to Audit Recommendations	Percentage of audit recommendations for which VRS management represents that corrective action has been implemented by the approved target date	Superior Governance and Long-Term Financial Health	> 95.00%			Quarterly	
15	Preventable Employee Turnover	Percentage of employees voluntarily separating VRS employment due to preventable experiences	Organizational Strength, Culture and Engagement	< 10.00%	-	-	Annual	
16	Cost to Administer Defined Benefit Plans	Annual pension administration cost for defined benefit plans, as compared to peer group median reported by CEM Benchmarking, Inc.	Superior Governance and Long-Term Financial Health	Lower than the FY 2026 CEM Peer Cost Average	-	-	Annual	Will not know FY 2026 CEM peer cost until spring 2027
17	Systems Security Awareness	Percentage of eligible staff who have completed security training in compliance with the agency's and Commonwealth's security policies	Digital Transformation and Secure Service Delivery	100.00%	-	-	Annual	Measure reported on an annual basis
18	Employee Professional Development	Percentage of full-time VRS administration employees receiving at least 10 hours of professional development	Organizational Strength, Culture and Engagement	90.00%	-	-	Annual	Measure reported on an annual basis

Overall Measure: 15 of 18 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Fiscal Year 2027 Operational Measures

Reporting Period: July-26

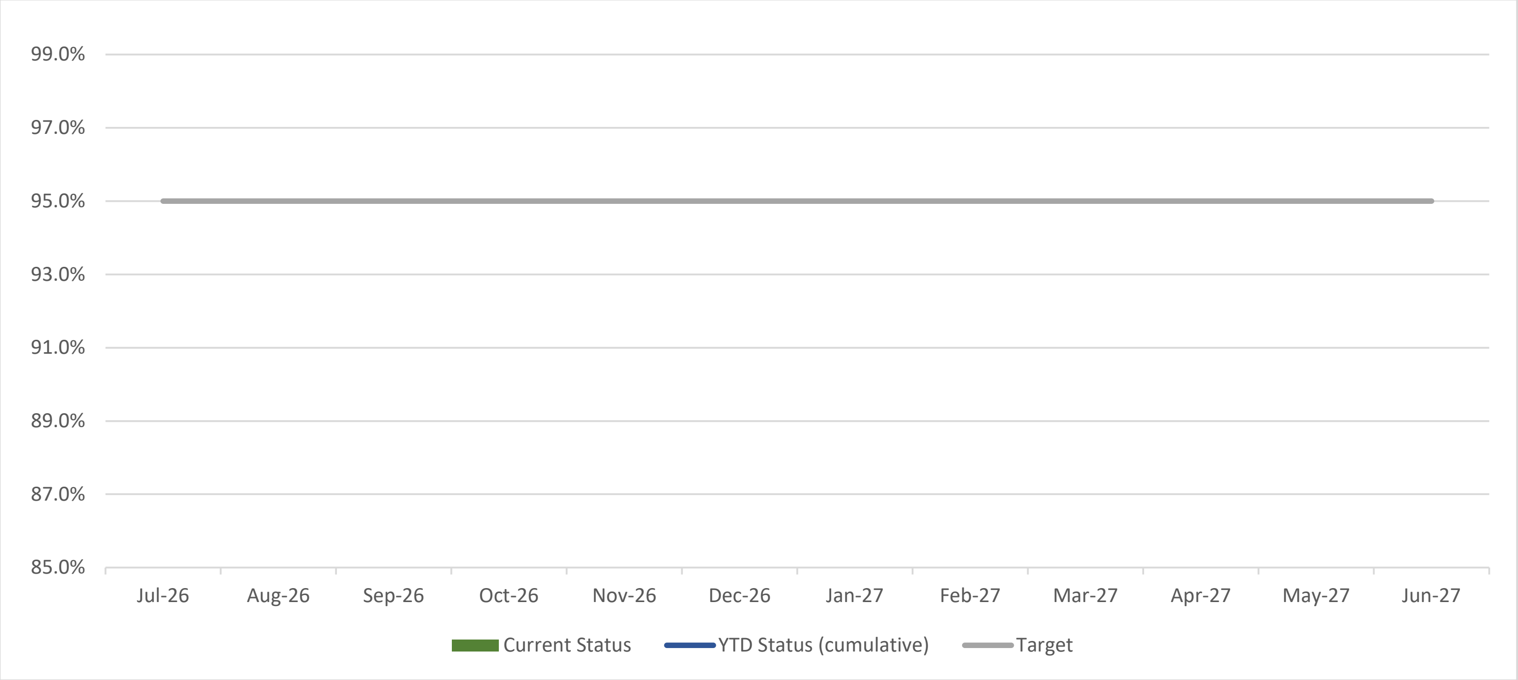
OM 1

Operational Measure	Timeliness of Monthly Financial Account Reconciliations
Strategic Goal	Superior Governance and Long-Term Financial Health
Description	Percentage of monthly financial control reconciliations completed by last business day of the following month
Calculation Methodology	The number of financial account reconciliations completed by the last business day of the month, divided by the total accounts requiring reconciliation each month.

Data Source	Finance Control Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	> 98.00%	**Baseline** (Performance History)	99%
Target Rationale: *Maintain recent performance*		***Baseline Rationale:*** ***3*** *year average = 99%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	VNAV Next Generation project impacts workload and systems	Identify alternative processes to work around disruptions, and cross-train staff for backup as needed
2	Potential technology issues related to interdependency with Cardinal and other 3rd party systems	Enact business continuity plan for technology outages
3	Unanticipated external/internal requests for new programs that expand the overall number of reconciliations	Streamline process for approving and implementing new programs to expedite roll-out and ensure accurate reconciliation reporting

YTD Performance History



VRS Mission: *VRS delivers retirement and other benefits to Virginia public employees through sound financial stewardship and superior customer service.*

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Overall Measure: 13 of 16 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Fiscal Year 2027 Operational Measures

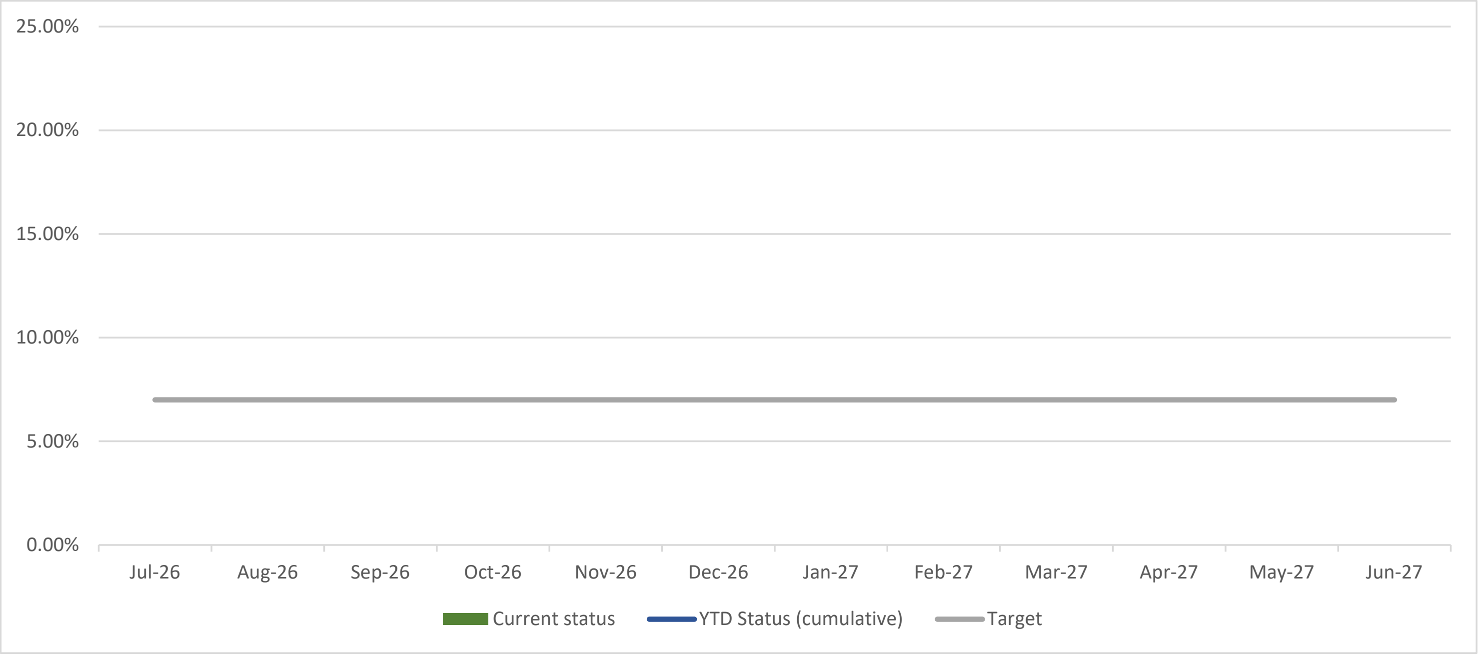
Reporting Period: July-26

OM 2

Operational Measure	Average Abandoned Call Rate		
Strategic Goal	Member, Retiree and Employer Education, Outreach and Partnership		
Description	Percentage of calls to the Customer Counseling Center (CCC) that result in hang-ups while in the queue		
Calculation Methodology	The number of abandoned calls (defined as a caller hanging up prior to reaching a knowledgeable person), divided by the total number of calls received by the CCC support teams. Average rate is calculated on a cumulative basis.		
Data Source	Customer Counseling Center Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	< 5.00%	**Baseline** (Performance History)	1277.00%
Target Rationale: *To account for anticipated high call volume due to system changes.*		***Baseline Rationale: 3*** *year average = 12.77%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Regulatory or legislative changes that impact customer benefits and result in increased call volumes (i.e. federal tax code change)	Prepare and implement a staffing augmentation plan for times when additional resources are needed on short notice to react to call influxes due to external causes
2	Ongoing system enhancements, including VNAV Next Generation	Prepare a staffing augmentation plan for times when additional resources are needed on short notice to react to call influxes
3	Need for increased security requirements for accessing members' records in accordance with industry best practices which cause longer call times	Identify opportunities to expedite the requisite validation process while still ensuring compliance with VRS security protocols to protect member data

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

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Fiscal Year 2027 Operational Measures

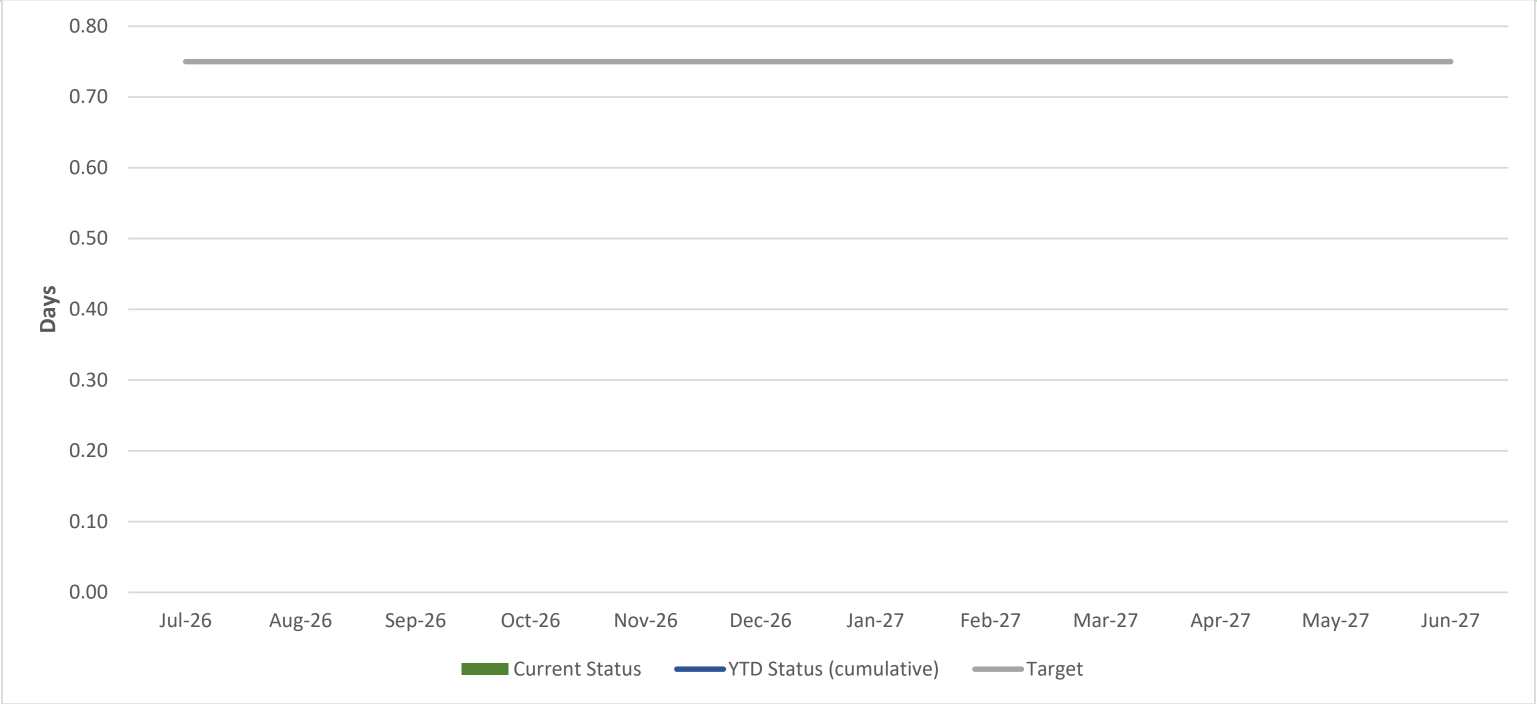
Reporting Period: July-26

OM 3

Operational Measure	Timeliness of Response to Messages Received by the Customer Counseling Center (CCC)		
Strategic Goal	Member, Retiree and Employer Education, Outreach and Partnership		
Description	Average response time to emails received by the CCC		
Calculation Methodology	The number of messages responded to within 0.5 business days, divided by the total number of messages responded to by the CCC.		
Data Source	Customer Counseling Center Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	.50 business days	**Baseline** (Performance History)	.38 business days
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = .38 days*	
Current Reporting Month Status	**0.00**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Regulatory or legislative changes that impact customer benefits and result in increased call volumes (i.e. federal tax code change)	Prepare and implement a staffing augmentation plan for times when additional resources are needed on short notice to react to email influxes due to external causes
2	Ongoing system enhancements, including VNAV Next Generation	Prepare a staff augmentation plan for times when additional resources are needed to address email backlogs resulting from system outages
3	Historically high rate of turnover of CCC staff	Continue recruitment and retention measures to attract and retain CCC staff

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

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Fiscal Year 2027 Operational Measures

Reporting Period: July-26

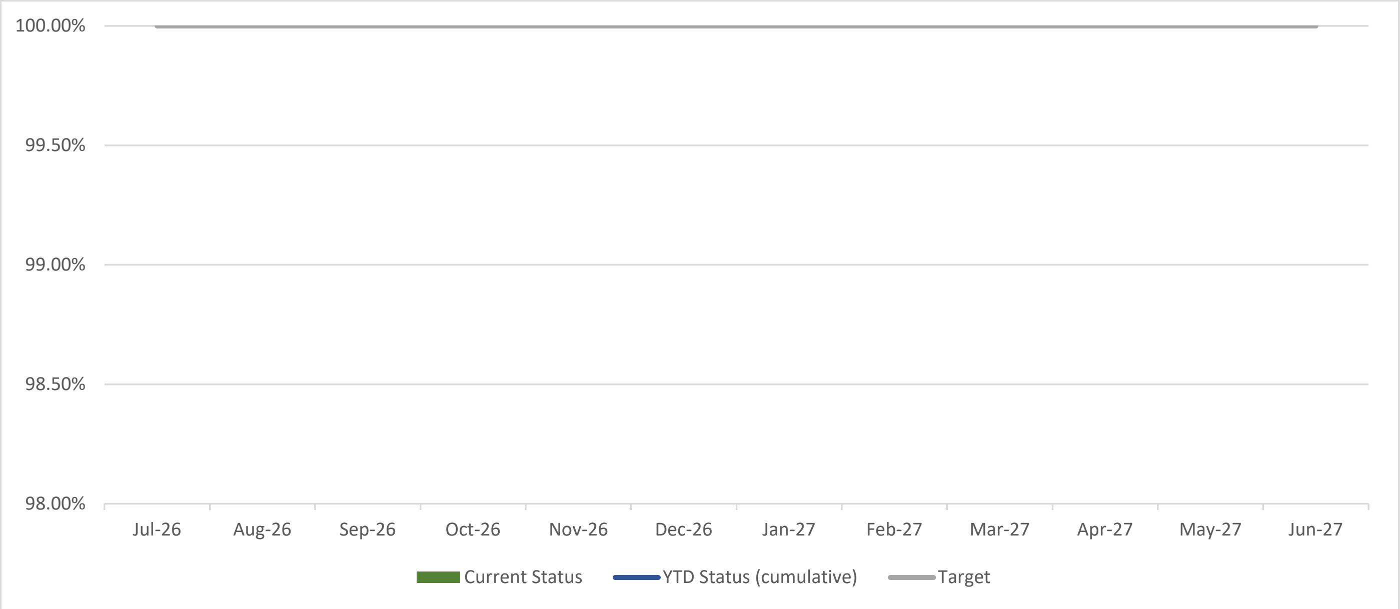
OM 4

Operational Measure	Timeliness of Monthly Retirement Disbursements
Strategic Goal	Superior Governance and Long-Term Financial Health
Description	Percentage of monthly retirement disbursements processed no later than the first business day of the month
Calculation Methodology	The number of monthly retirement disbursements processed so that the payment date is no later than the first business day of the month, divided by the total number of monthly retirement disbursements that require processing each month. "Processed" is defined as funds having been disbursed to retirees; "disbursed" is defined as the funds having been paid out of the VRS account. This process requires VRS to submit documentation to external partners (Virginia Department of Treasury, banking partner) in sufficient time to meet the first business day of the month requirement.

Data Source	Benefit Disbursements Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	100.00%	**Baseline** (Performance History)	100.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = 100%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

Potential Constraints to Meeting Target		**100**
1	Dependence upon external parties who are integral to the process (i.e., Virginia Department of Treasury and banking partner)	Develop contingency plan in concert with external parties to ensure open lines of communication and alternate processes in the event of a potential delay
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Sensitivity of data that requires strong controls and several levels of approvals; risk of staff absences or unavailability	Cross-train existing staff and ensure redundancy of staff authorized to approve retirements

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

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Virginia Retirement System

Fiscal Year 2027 Operational Measures

Reporting Period: July-26

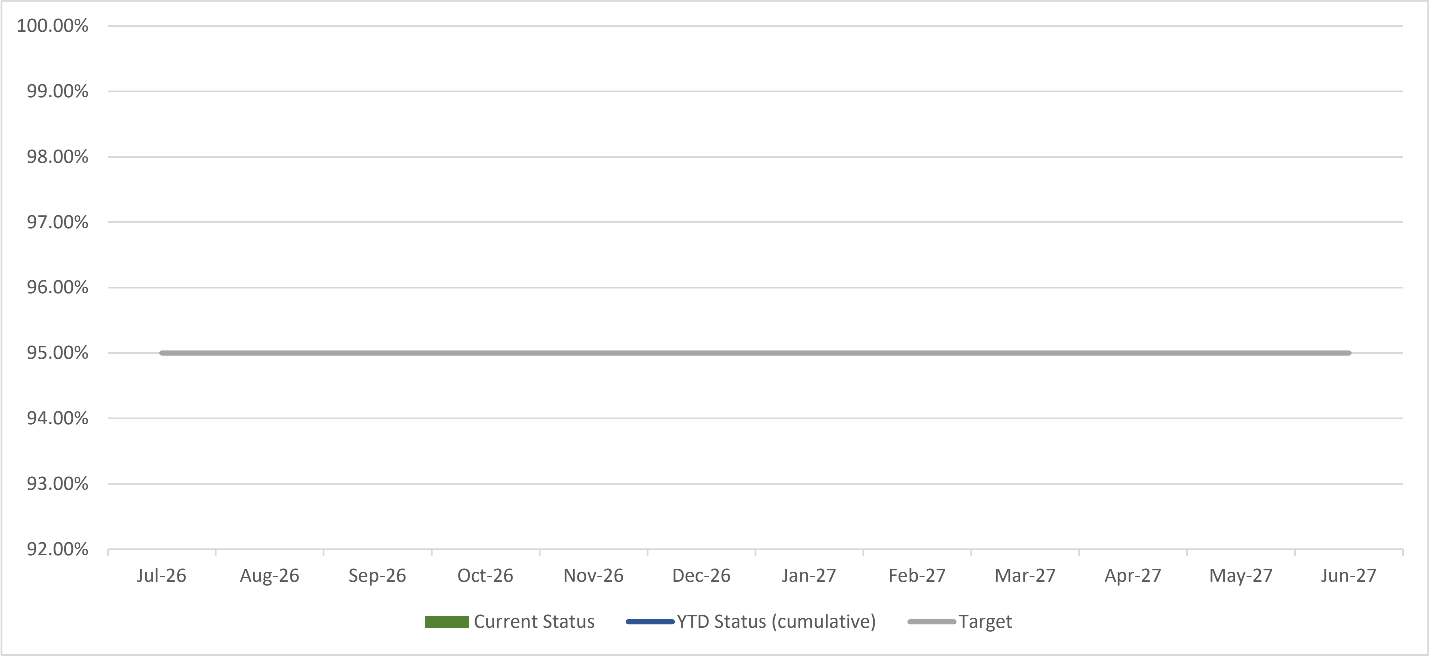
OM 5

Operational Measure	Timeliness of Service Retirements Processed
Strategic Goal	Superior Governance and Long-Term Financial Health
Description	Percentage of service retirements processed so that retiring members are set up to receive retirement benefits on the first retirement payment date for which they are eligible
Calculation Methodology	The number of service retirement payments processed by the first payment date on which the member is eligible to receive retirement benefits, divided by the total number of initial payments made for the same time period. The "first payment date on which the member is eligible to receive retirement benefits" is based on the date by which VRS receives a member's retirement application that is determined by VRS to be complete, accurate, and ready for payment processing. "Processed" is defined as funds having been paid to retirees; "disbursed" is defined as the funds having been paid out of the VRS account.

Data Source	Service Retirement Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	98.00%	**Baseline** (Performance History)	99.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = 99%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Ongoing implementation of myVRS enhancements, which will significantly change current processes	Provide ample opportunity for advanced training; augment staffing as needed to ensure adequate resources during transition
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Sensitivity of data that requires strong controls and several levels of approvals; risk of staff absences or unavailability	Cross-train existing staff and ensure redundancy-of staff authorized to approve retirements

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director’s Executive Committee (DEC) and the Board of Trustees.

Fiscal Year 2027 Operational Measures

Reporting Period: July-26

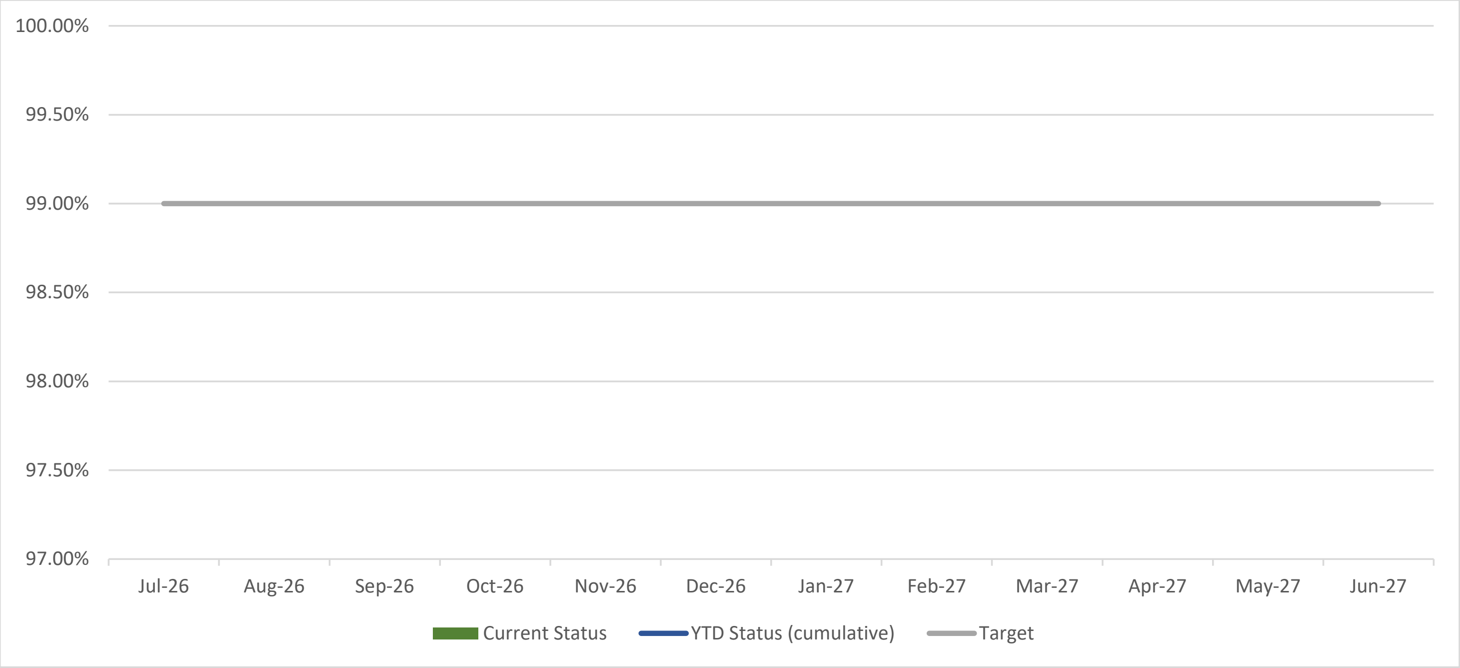
OM 6

Operational Measure	Accuracy of Service Retirements Processed
Strategic Goal	Superior Governance and Long-Term Financial Health
Description	Percentage of service retirements processed for which the corresponding benefit payment correctly reflects the member's service record
Calculation Methodology	The number of service retirement applications processed and corresponding benefit paid accurately, divided by the total number of initial service retirement benefits processed and paid. An accurate benefit payment is defined as the benefit amount correctly reflecting the member's service record. "Processed" is defined as funds having been paid to retirees; "paid" is defined as the funds having been paid out of the VRS account.

Data Source	Service Retirement Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	99.00%	**Baseline** (Performance History)	99.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = 99%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Ongoing implementation of myVRS enhancements, which will significantly change current processes	Provide ample opportunity for advanced training; augment staffing as needed to ensure adequate resources during transition
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Sensitivity of data that requires strong controls and several levels of approvals; risk of staff absences or unavailability	Cross-train existing staff and ensure redundancy of staff authorized to approve retirements

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director’s Executive Committee (DEC) and the Board of Trustees.

Fiscal Year 2027 Operational Measures

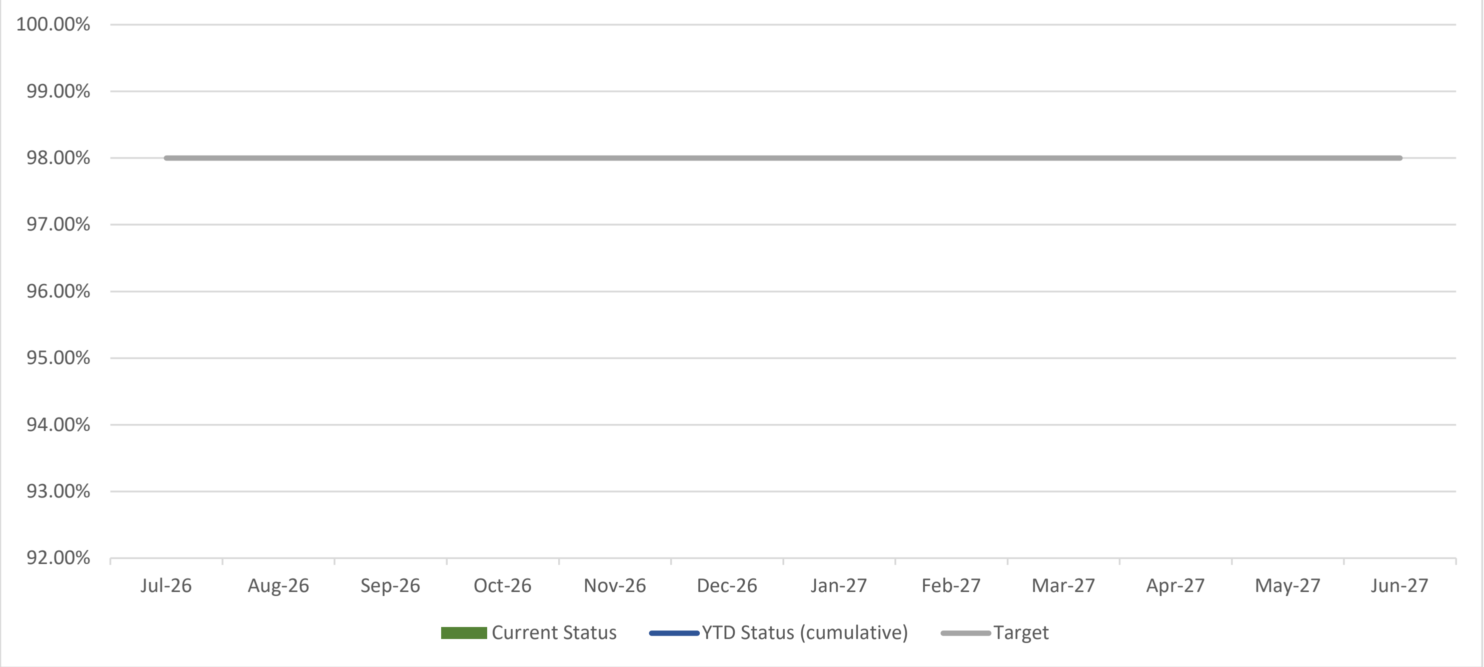
Reporting Period: July-26

OM 7

Operational Measure	Timeliness of Disability Retirements Processed		
Strategic Goal	Superior Governance and Long-Term Financial Health		
Description	Percentage of disability retirements processed within 30 days of VRS receiving notification of approval by the Medical Review Board		
Calculation Methodology	The number of disability retirements processed within 30 days after VRS receives notice of approval of the application by the Medical Review Board. "Processed" is defined as funds having been paid to retirees; "paid" is defined as the funds having been paid out of the VRS account.		
Data Source	Disability Retirement Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	98.00%	**Baseline** (Performance History)	98.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = 98%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Ongoing implementation of myVRS enhancements, which will significantly change current processes	Provide ample opportunity for advanced training; augment staffing as needed to ensure adequate resources during transition
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Sensitivity of data that requires strong controls and several levels of approvals; risk of staff absences or unavailability	Cross-train existing staff and ensure redundancy of staff authorized to approve retirements

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director’s Executive Committee (DEC) and the Board of Trustees.

Fiscal Year 2027 Operational Measures

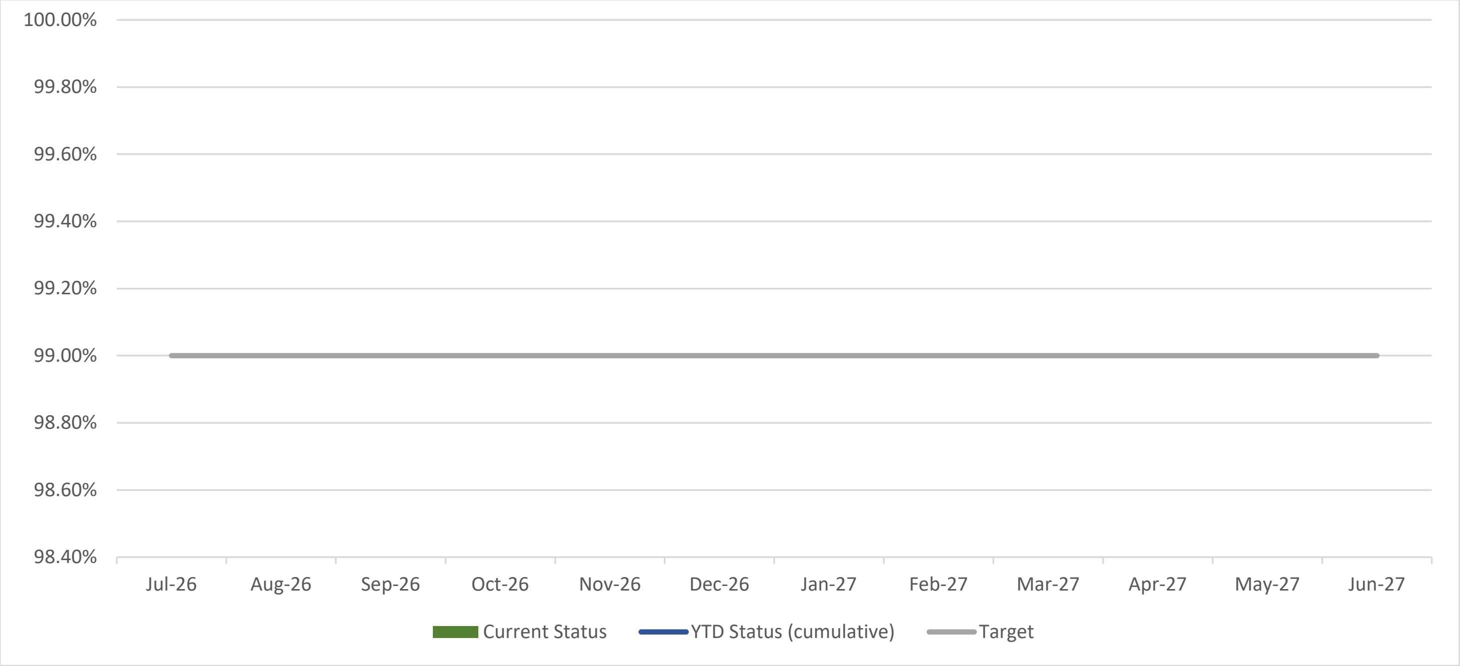
Reporting Period: July-26

OM 8

Operational Measure	Accuracy of Disability Retirements Processed		
Strategic Goal	Superior Governance and Long-Term Financial Health		
Description	Percentage of disability retirements processed for which the corresponding benefit paid correctly reflects the member's service record		
Calculation Methodology	The number of disability retirement applications processed and corresponding benefit paid accurately, divided by the total number of initial disability retirement benefits processed and paid. An accurate benefit payment is defined as the benefit amount correctly reflecting the member's service record. "Processed" is defined as funds having been paid to retirees; "paid" is defined as the funds having been paid out of the VRS account.		
Data Source	Disability Retirement Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	99.00%	**Baseline** (Performance History)	99.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = 99%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Ongoing implementation of myVRS enhancements, which will significantly change current processes	Provide ample opportunity for advanced training; augment staffing as needed to ensure adequate resources during transition
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Sensitivity of data that requires strong controls and several levels of approvals; risk of staff absences or unavailability	Cross-train existing staff and ensure redundancy of staff authorized to approve retirements

YTD Performance History



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Overall Measure: 13 of 16 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia Retirement System

Fiscal Year 2027 Operational Measures

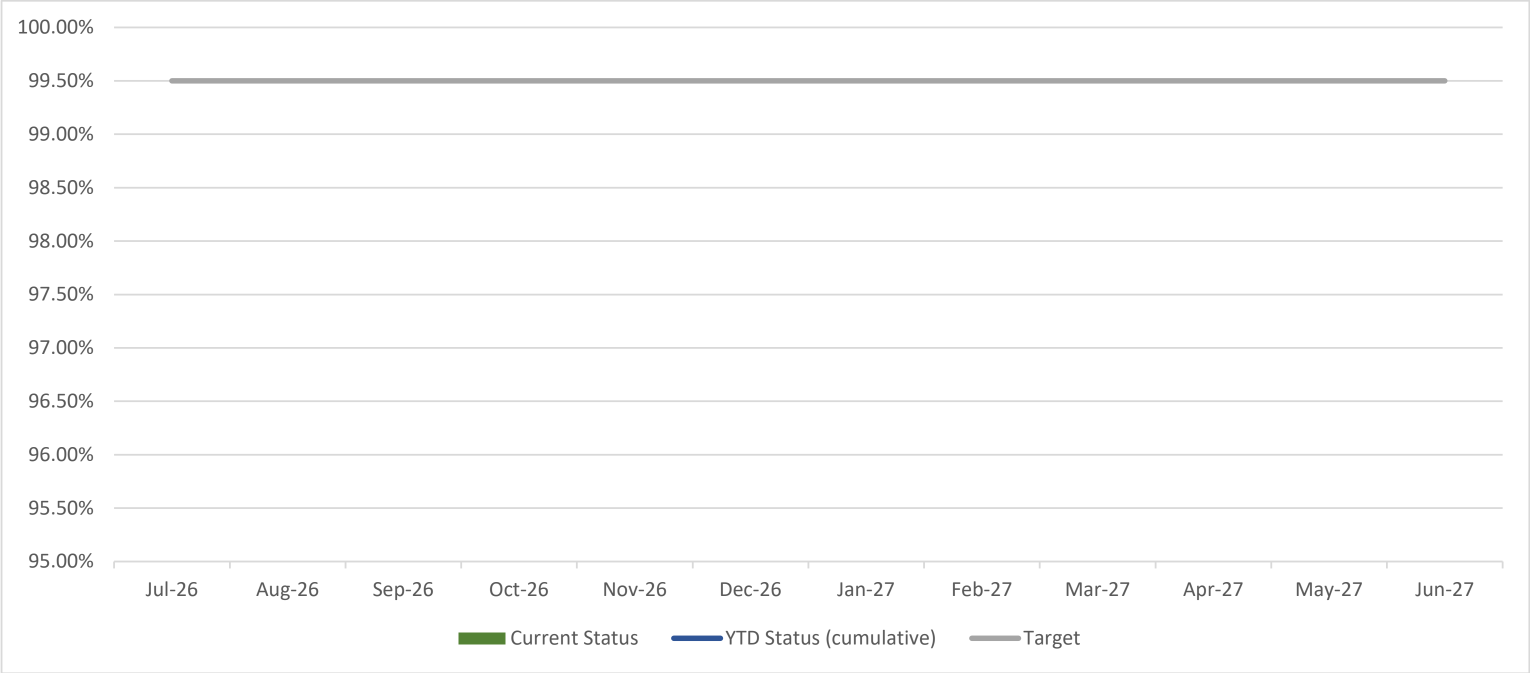
Reporting Period: July-26

OM 9

Operational Measure	Timeliness of Workflow Documentation Imaging		
Strategic Goal	Digital Transformation and Secure Service Delivery		
Description	Percentage of workflow documents imaged within one business day of receipt		
Calculation Methodology	The number of documents imaged within one business day of receipt by the Imaging business unit, divided by the number of documents received by the Imaging unit within the same timeframe. Currently, an average of 20,000 documents are imaged per month.		
Data Source	Technology Services SLEs Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	99.50%	**Baseline** (Performance History)	100.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale:*** *3 year average = 100%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Ongoing implementation of new ECM system impacts staff time and other resources.	Enact business continuity plan as applicable and leverage supporting business unit resources.
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Staffing constraints; specific skill set required limits feasibility for untrained staff to produce results with same efficiency and effectiveness	Establish a routine cross-training program to ensure well-trained staff are available at all times

YTD Performance History



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Fiscal Year 2027 Operational Measures

Reporting Period: July-26

OM 10

Operational Measure	Planned IT System Availability
Strategic Goal	Technology Infrastructure
Description	Percentage of time critical systems are available during periods of planned availability
Calculation Methodology	Percentage of time during which critical business systems are available for use by VRS staff and customers, divided by the total time for which it was planned that said systems would be available. Critical business systems include: VNAV, telephone, email, internet, myVRS, Imaging, Investments, D365, Customer Counseling Center Cisco phone system, and remote access. Note: business systems deemed "critical" may change periodically depending on business needs or system changes (ex: RIMS was decommissioned in spring 2019 and is no longer considered a critical business system as of that time). Periods of availability are pre-determined based on business needs and requirements regarding routine system testing, maintenance and upgrades. "Availability" is defined as being able to be used by the majority of persons for whom it is intended and for the majority of purposes for the system's intended use.

Data Source	Technology Services SLEs Performance Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	99.50%	**Baseline** (Performance History)	99.00%

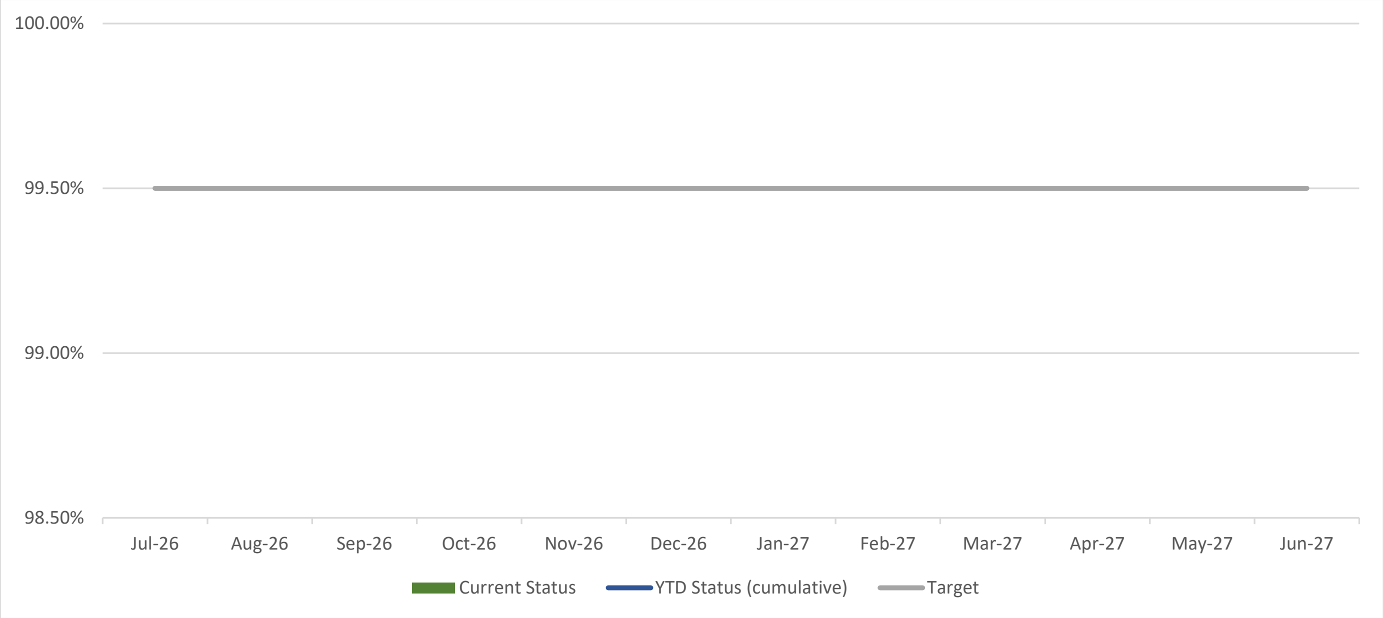
Target Rationale: *Maintain recent performance*

Baseline Rationale: 3 *year average = 99%*

Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	Mitigation Strategies
1	Failure on the part of third party business partners to provide dependent services	Implement back-up plans (ex: different phone line)
2	Ongoing system enhancements, including VNAV Next Generation	Enact business continuity plan for technology outages
3	Timing of a potential system failure that limits staff resources available to respond immediately	Strategically plan staffing availability to address potential system failures in the most effective manner

YTD Performance History



VRS Mission: *VRS delivers retirement and other benefits to Virginia public employees through sound financial stewardship and superior customer service.*

VRS Vision: *To be the trusted leader in the delivery of benefits and services to those we serve.*

Overall Measure: 13 of 16 meet or exceed target

Changes to operational measure targets and/or calculation methodologies require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Fiscal Year 2027 Operational Measures

Reporting Period: July-26

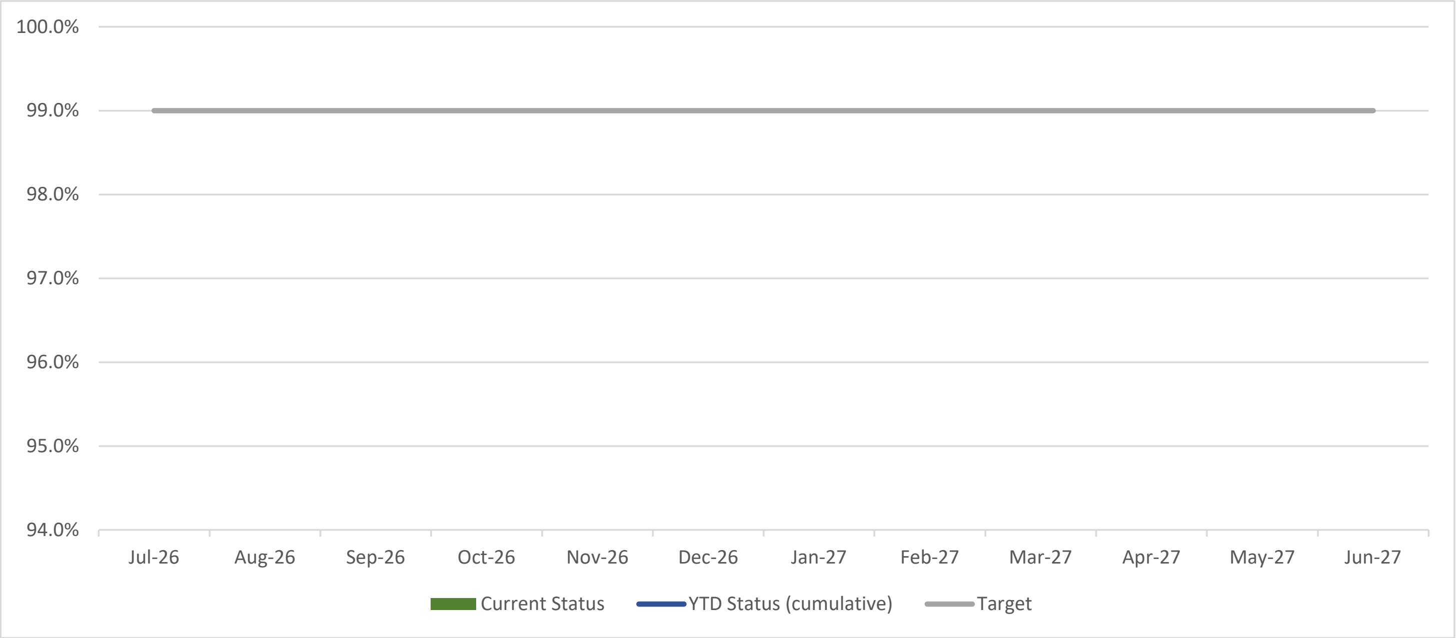
OM 11

Operational Measure	Timeliness of Employer Contribution Confirmations
Strategic Goal	Superior Governance and Long-Term Financial Health
Description	Percentage of Employer Contribution Confirmation (CC) snapshots completed in VNAV by the end of the month in which they are due
Calculation Methodology	The number of employer CC snapshots received by the end of the month in which they are due, divided by the total number of employer CC snapshots required for the same time period. VRS works with employers to ensure that monthly CC snapshots are posted in a timely fashion. There are over 1,000 employers reporting to VRS for which CC snapshots are required on a monthly basis.

Data Source	Employer Reporting Contribution Confirmation and Payment Status Report	**Reporting Frequency**	Monthly
Target (Performance Goal)	99.00%	**Baseline** (Performance History)	100.00%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: 3*** *year average = 100.00%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Dependence on over 1,000 employers to submit their confirmations on time every month	Proactively communicate with employers with a focus on those with a history of delinquent submissions to mediate potential causes for delay
2	Ongoing system enhancements, including VNAV Next Generation	Proactively communicate with employers to identify potential impacts and assist as appropriate with the submission process
3	Potential technology issues related to interdependency with Cardinal and other 3rd party systems	Provide notice to state employers of potential for delay due to Cardinal implementation and advise that they prepare to ensure timely report submission

YTD Performance History



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Changes to operational measure targets and/or calculation methodologies require approval by both the Director's Executive Committee (DEC) and the Board of Trustees.

Virginia
Retirement
System

Fiscal Year 2027 Operational Measures

Reporting Period: July-26

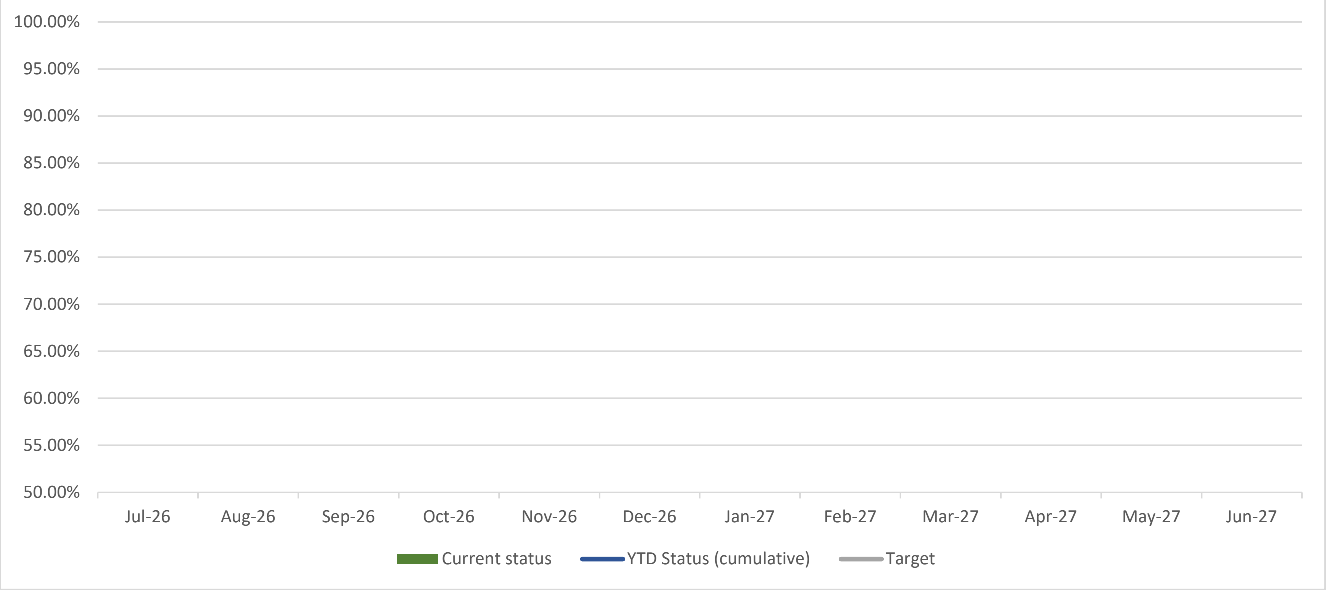
OM 12

Operational Measure	Customer Satisfaction - Calls
Strategic Goal	Member, Retiree and Employer Education, Outreach and Partnership
Description	Percentage of respondents indicating a positive overall customer service experience with a contact center call.
Calculation Methodology	The number of survey responses to Question 1 of the post-counseling survey rating of 4 or higher (the scale is 1-5, with 5 being the highest score), divided by the total number of responses to that question, reported on a cumulative basis. Question = "Overall, my experience was." 4=Very Good, 5 = Excellent.

Data Source	Telephony System Reporting Module	**Reporting Frequency**	Monthly
Target (Performance Goal)	>90%	**Baseline** (Performance History)	-
Target Rationale: *Based on initial data after system implemented in 2024.*		***Baseline Rationale: N/A***	
Current Reporting Month Status	-	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	-

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Resources constraints that impact the ability to respond to customers in a timely manner, resulting in lower customer satisfaction scores	Prepare and implement a staffing augmentation plan for times when additional resources are needed on short notice to react to call influxes due to external causes
2	Ongoing system enhancements, including VNAV Next Generation	Prepare a staffing augmentation plan for times when additional resources are needed on short notice to react to call influxes
3	Need for increased security requirements for accessing members' records in accordance with industry best practices which cause longer customer interaction times	Identify opportunities to expedite the requisite validation process while still ensuring compliance with VRS security protocols to protect member data

YTD Performance History



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Fiscal Year 2027 Operational Measures

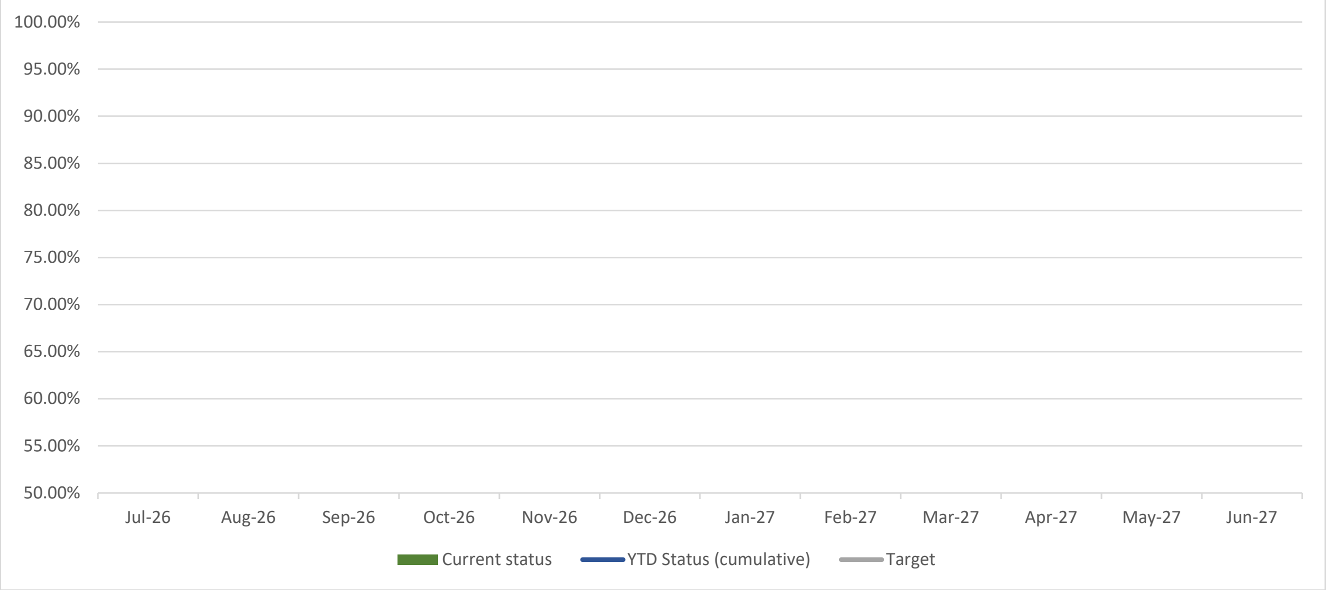
Reporting Period: July-26

OM 13

Operational Measure	Customer Satisfaction - Counseling		
Strategic Goal	Member, Retiree and Employer Education, Outreach and Partnership		
Description	Percentage of respondents indicating a positive overall counseling experience.		
Calculation Methodology	The number of responses to Question 4 of the post-call interaction survey rating 4 or higher (the scale is 1-5, with 5 being the highest score), divided by the total number of survey responses. Average rate is calculated on a cumulative basis. Question = "The overall customer service experience I received met my expectations."		
Data Source	Post-Counseling Survey Tool	**Reporting Frequency**	Monthly
Target (Performance Goal)	>90%	**Baseline** (Performance History)	-
Target Rationale: *Based on initial data after system implemented in 2024.*		***Baseline Rationale: N/A***	
Current Reporting Month Status	-	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	-

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Resources constraints that impact the ability to respond to customers in a timely manner, resulting in lower customer satisfaction scores	Prepare and implement a staffing augmentation plan for times when additional resources are needed on short notice to react to call influxes due to external causes
2	Ongoing system enhancements, including VNAV Next Generation	Prepare a staffing augmentation plan for times when additional resources are needed on short notice to react to call influxes
3	Need for increased security requirements for accessing members' records in accordance with industry best practices which cause longer customer interaction times	Identify opportunities to expedite the requisite validation process while still ensuring compliance with VRS security protocols to protect member data

YTD Performance History



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Fiscal Year 2027 Operational Measures

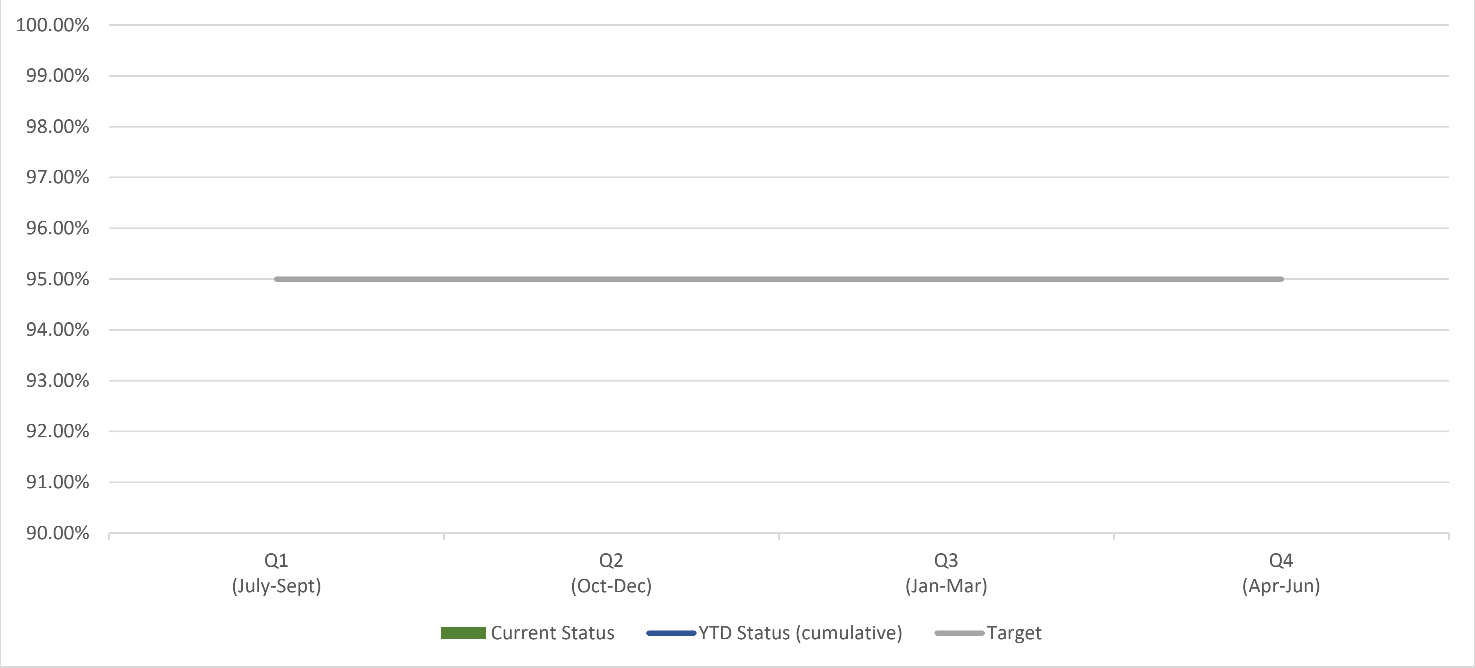
Reporting Period: July-26

OM 14

Operational Measure	Implementation of Corrective Action to Audit Recommendations		
Strategic Goal	Superior Governance and Long-Term Financial Health		
Description	Percentage of audit recommendations for which VRS management represents that corrective action has been implemented by the approved target date		
Calculation Methodology	The number of audit recommendations for which VRS management has represented that corrective action has been implemented, divided by the total number of audit recommendations for which corrective action is needed as of the date the measure is calculated. VRS management establishes target dates and provides periodic updates to Audit regarding whether actions have been taken. Audit tracks responses in the Audit Recommendation Follow-Up System (ARFUS).		
Data Source	ARFUS	**Reporting Frequency**	Quarterly
Target (Performance Goal)	> 95.00%	**Baseline** (Performance History)	100.00%
Target Rationale: *Maintain recent performance and account for ongoing system and process changes impacting implementation.*		***Baseline Rationale: 3*** *year average = 100%*	
Current Reporting Month Status	**0.00%**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	0.00%

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	High cost to implement necessary corrective action	Work within existing agency allocations and, if necessary, also with state budgetary processes to obtain resources needed to effectuate corrective action
2	Limited staff resources to effectively implement necessary corrective action	Adjust allocation of staffing resources to enable corrective action implementation
3	External factors that delay ability to take necessary corrective action (ex: legislative mandates that redirect agency resources)	Communicate with DEC and Audit regarding possible adjustment of target date to accommodate timeline of when resources will be available

YTD Performance History



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Fiscal Year 2027 Operational Measures

Reporting Period: July-26

OM 15

Operational Measure	Preventable Employee Turnover		
Strategic Goal	Organizational Strength, Culture and Engagement		
Description	Percentage of employees voluntarily separating VRS employment due to preventable experiences		
Calculation Methodology	The number of Administration employees who voluntarily separate from VRS employment due to preventable reasons, divided by the total number of Administration employees who voluntarily separate VRS employment, when total employee turnover exceeds 5% within the same period of time. Preventable turnover is determined from exit interview results, and includes substantiated reports of unsuccessful supervision or management, unsatisfactory work environment, insufficient resources to complete one's job effectively, and unavailability of training opportunities.		
Data Source	Human Resources Department Exit Interview Survey Results	**Reporting Frequency**	Annual
Target (Performance Goal)	< 10.00%	**Baseline** (Performance History)	27.27%
Target Rationale: *Maintain recent performance*		***Baseline Rationale: FY 2024 results***	
Current Reporting Month Status	-	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	-

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Unrealistic employee expectations regarding VRS work environment and responsibilities	Provide clear position descriptions and responsibilities upon hire; outline organization culture and expectations on a regular basis; ensure open communication between employees, managers and supervisors
2	Reorganization due to myVRS enhancements may alter current work responsibilities for some employees	Provide clear and open communication throughout the implementation process; Offer sufficient training opportunities for employees tasked with new responsibilities
3	Internal and external factors impacting employee morale	Continue direct outreach to employees, provide EAP resources and implement employee engagement activities

YTD Performance History

[Reported as an annual measure]

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Overall Measure: 13 of 16 meet or exceed target

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Fiscal Year 2027 Operational Measures

Reporting Period: July-26

OM 16

Operational Measure	Cost to Administer Defined Benefit Plans		
Strategic Goal	Superior Governance and Long-Term Financial Health		
Description	Annual pension administration cost for defined benefit plans, as compared to peer group median reported by CEM Benchmarking, Inc.		
Calculation Methodology	VRS pension administration cost per active member and annuitant for defined benefit plans as compared to that of its peer group, as calculated by CEM Benchmarking, Inc. The average peer cost calculated by CEM is available on delay and will not be known until spring 2025. At that time the FY 2026 annual agency cost will be compared to the to the FY 2025 CEM peer cost to determine whether VRS's cost is lower than the peer average.		
Data Source	CEM Benchmarking, Inc.	**Reporting Frequency**	Annual
Target (Performance Goal)	Lower than the FY 2026 CEM Peer Cost Average	**Baseline** (Performance History)	N/A
Target Rationale: *Measuring VRS annual administrative cost for FY 2024 against the most current peer data as provided by CEM Benchmarking, Inc.*		***Baseline Rationale:*** *N/A*	
Current Reporting Month Status	-	**YTD Status** (Used at year-end to determine whether target has been met)	-

	Potential Constraints to Meeting Target	Mitigation Strategies
1	Significant unanticipated costs to administer pension plans due to external influences	Work within existing agency allocations and prioritize spending plans to ensure administrative expenditures remain reasonable
2	Dependent upon expenditure patterns for the CEM Peer group for administrative cost average	Maintain communications with CEM peers to stay informed on any spending abnormalities that may skew CEM-calculated peer costing
3	FY 2026 CEM cost not known until late into FY 2025 (limiting agency ability to react if missing target)	Proactively calculate and monitor agency administrative cost in anticipation of receiving the FY 2026 CEM cost; adjust agency spending if out of line with recent CEM peer cost averages

YTD Performance History

[Average Pension Administration Cost for VRS' Peer Group, as provided by CEM Benchmarking, will be known in spring 2027]

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Overall Measure: 13 of 16 meet or exceed target

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Fiscal Year 2027 Operational Measures

Reporting Period: July-26

OM 17

Operational Measure	Systems Security Awareness		
Strategic Goal	Digital Transformation and Secure Service Delivery		
Description	Percentage of eligible staff who have completed security training in compliance with the agency's and Commonwealth's security policies		
Calculation Methodology	Percentage of eligible staff who have completed the agency's annual security training, VRS User IT Security Policy Training ("security training"), divided by the total eligible agency staff. Employees who join the agency during FY 2027 are required to complete security training within 30 days after their start date. All staff are required to complete the training during the annual training window. The training provides information on such critical security practices as protecting sensitive data, utilizing effective passphrases, reviewing acceptable technology use policies, being on alert for phishing and other malpractices, and more. **The percentage is calculated on a cumulative basis and reported annually (with the total requirement recalculated monthly as new staff are hired and required to obtain security training).**		
Data Source	Technology Services SLEs Performance Report	**Reporting Frequency**	Annual
Target (Performance Goal)	100.00%	**Baseline** (Performance History)	100.00%
Target Rationale: *Maintain high security awareness*		***Baseline Rationale:*** *All VRS staff completed security training in FY 2025*	
Current Status	**-**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	-

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Unavailability of the Virginia Learning Center (VLC, a non-VRS application) for training	Provide sufficient time for staff to obtain training within prescribed timeline to allow for possible VLC system unavailability
2	Ongoing system enhancements	Enact business continuity plan for technology outages
3	New training requirements as set-forth by the Commonwealth Security Policy that require changes to the prepared security training	Proactively coordinate with different units within VRS to ensure sufficient time and resources to make necessary changes to the prepared training

YTD Performance History

[Reported as an annual measure]

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Overall Measure: 13 of 16 meet or exceed target

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Fiscal Year 2027 Operational Measures

Reporting Period: July-26

OM 18

Operational Measure	Employee Professional Development
Strategic Goal	Organizational Strength, Culture and Engagement
Description	Percentage of full-time VRS administration employees receiving at least 10 hours of professional development
Calculation Methodology	The number of eligible full-time VRS administration employees who have completed at least 10 hours of professional development, divided by the total number of eligible full-time administration employees. Eligible employees are full-time administration staff hired as of July 1, 2026 who are not on short- or long-term disability or FMLA during FY 2027. Qualifying professional development includes courses designated in the Virginia Learning Center (VLC), as well as conferences, webinars, college or trade school classes, and any other professional development as approved by the Human Resources Director. Number of hours received is tracked on a cumulative basis and reported quarterly.

Data Source	Human Resources Performance Report	**Reporting Frequency**	Annual
Target (Performance Goal)	90.00%	**Baseline** (Performance History)	92.00%
Target Rationale: *Maintain recent performance and increased total # of hours*		***Baseline Rationale: 3*** *year average = 92%*	
Current Status	**-**	**YTD Status** (Cumulative; used at year-end to determine whether target has been met)	-

	Potential Constraints to Meeting Target	**Mitigation Strategies**
1	Limited staff flexibility to obtain professional development due to significant staff time dedicated to new software solution implementations and other system enhancements.	Encourage staff to plan for professional development opportunities before and/or after periods of time dedicated to software solution implementations and other system enhancements.
2	Dependence on IT system availability/accessibility for trainings and/or time tracking	Advise staff to plan to be proactive about obtaining professional development and reporting their hours earned as they go
3	Limited progressive course availability on relevant subject matter area	Ongoing communication between managers and staff to expand and identify new learning opportunities

YTD Performance History

[Reported as an annual measure]

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Request for Board Action

RBA 2026-06-___

Approve amended Administrative Pay Plan and Investment Operations and Administration Staff Pay Plan

Requested Action

The VRS Board of Trustees approves amendments to the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan.

Description/Background

The VRS Board of Trustees approved the current Administrative Pay Plan on June 10, 2025, and the current Investment Operations and Administration Staff Pay Plan on September 25, 2025. Item 469 of the introduced version of House Bill 30 (the Appropriation Act) requires the Department of Human Resource Management (DHRM) to increase the minimum and maximum of each of the salary bands in the Commonwealth's Classified Compensation Plan by 2%, effective July 10, 2026, and by an additional 2%, effective June 10, 2027. During the 2026 Regular Session of the General Assembly, the Senate of Virginia proposed increasing these percentages to 3% while the House of Delegates maintained the 2% increases contained in the introduced version of the bill.

As of June 17, 2026, the General Assembly has not adopted a final version of the Appropriation Act. Generally, the VRS Board of Trustees adjusts the salary scales in its pay plans in accordance with the requirements of the Appropriation Act. Upon approval of the final version of the Appropriations Act, the minimum and maximum of each grade of the salary scales of the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan shall be amended in an amount consistent with changes to be made to the Commonwealth's Classified Compensation Plan in the 2026 Appropriation Act as of the effective dates of the changes specified in such legislation.

Rationale for Requested Action

The amendments to the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan are made pursuant to the provisions of the 2026 Appropriation Act and in keeping with the salary band adjustments made to the Commonwealth's Classified Compensation Plan.

Authority for Requested Action

Code of Virginia § 51.1-124.22(A)(11) authorizes the Board to establish and administer a compensation plan for officers and employees of the Retirement System.

The above action is approved.

______________________________ ______________________

Susan T. Gooden, Ph. D., Chair
VRS Board of Trustees

Date

Request for Board Action
RBA 2026-06-____

Approve amended Investment Professionals’ Pay Plan

Requested Action

The VRS Board of Trustees approves amendments to the Investment Professionals’ Pay Plan (“Pay Plan”), effective July 1, 2026.

Description/Background

The VRS Board of Trustees approved the current Pay Plan on June 10, 2025. The proposed amendments update the descriptions for certain VRS’ investment professional job classes/positions to better reflect their roles and responsibilities with regard to the application of the pay plan.

In addition, as directed by the Board, staff recently engaged Mercer (A Marsh Business), a global professional services independent consulting firm serving sophisticated institutional investment clients, to review the appropriateness of the benchmarks and the excess return objectives for the individual asset classes and the total fund. Mercer presented the results of their review to the Board at the April 23, 2026, meeting. The proposed amendments adjust the excess return objectives used in the incentive compensation calculation under the Pay Plan in accordance with Mercer’s recommendations.

Finally, Item 469 of the introduced version of House Bill 30 (the Appropriation Act) requires the Department of Human Resource Management (DHRM) to increase the minimum and maximum of each of the salary bands in the Commonwealth’s Classified Compensation Plan by 2%, effective July 10, 2026, and by an additional 2%, effective June 10, 2027. During the 2026 Regular Session of the General Assembly, the Senate of Virginia proposed increasing these percentages to 3% while the House of Delegates maintained the 2% increases contained in the introduced version of the bill.

As of June 17, 2026, the General Assembly has not adopted a final version of the Appropriation Act. Generally, the VRS Board of Trustees adjusts the salary scales in its pay plans in accordance with the requirements of the Appropriation Act. Upon approval of the final version of the Appropriations Act, the minimum and maximum of each grade of the salary scales of the Pay Plan shall be amended in an amount consistent with changes to be made to the Commonwealth’s Classified Compensation Plan in the 2026 Appropriation Act as of the effective dates of the changes specified in such legislation.

Rationale for Requested Action

The amendments to the Pay Plan are made in accordance with Mercer’s recommendations. Additional amendments are made pursuant to the provisions of the 2026 Appropriation Act and in keeping with the salary band adjustments made to the Commonwealth’s Classified Compensation Plan.

Authority for Requested Action

Code of Virginia § 51.1-124.22(A)(11) authorizes the Board to establish and administer a compensation plan for officers and employees of the Retirement System.

The above action is approved.

____ _________________________________

Susan T. Gooden, Ph.D., Chair Date
VRS Board of Trustees

Virginia
Retirement
System

VIRGINIA RETIREMENT SYSTEM

INVESTMENT PROFESSIONALS'

PAY PLAN

Effective July 1, 2026

OVERVIEW & PAY PHILOSOPHY

The Virginia Retirement System's (VRS) Board of Trustees (Board) has designed this Investment Professionals' Pay Plan (Plan) after working with an independent compensation consultant. In addition, the Board has adopted benchmarks, recommended by an independent investment consultant, to be used as part of this Plan.

This Plan includes three core elements:

- Base Salary (described in Section I)
- Incentive Pay (described in Section II)
- Deferred Compensation Plan for VRS Personnel (DCIP) (described in Section III)

Overall, this Plan is designed to:

- Attract, motivate, and retain skilled investment professionals by offering competitive compensation opportunities.
- Directly align compensation with long-term, superior relative and absolute investment performance.
- Reinforce risk management priorities and standards.
- Attract and retain senior investment professionals by deferring a portion of incentive compensation on a tax-deferred basis.
- Benefit all stakeholders – VRS' beneficiaries, VRS' employees, and Virginia's taxpayers – through a compensation plan that is clear, aligned with performance, competitive and cost effective.

Importantly, this Plan anchors on two broad and long-standing philosophical principles:

1. VRS should pay base salaries consistent with the 75th percentile of a peer group of other leading public funds. The primary guidelines for determining VRS' leading public fund peer group will be (1) funds of similar size (AUM) as VRS and (2) funds with significant (>25%) assets managed internally. Additional criteria the Board may consider is asset allocation / diverse portfolio similar to VRS, degree of delegation to the Chief Investment Officer (CIO) and staff, use of outside investment consultants, and Board pay decision making authority.

2. VRS should provide incentive compensation opportunities such that, in combination with base salary, total compensation levels approximate the median (50th percentile) of a blended group weighted 75% to the total compensation levels of leading peer group public funds and 25% to the total compensation levels of a broad range of private-sector firms that employ investment professionals.

I. Base Salary

SALARY RANGES

This Plan establishes a salary range for each job class taking into account its relative importance to VRS and the salaries paid for comparable types of jobs in other leading public funds.

Minimum, midpoint, and maximum salary rates define the salary range for each job class/position. The midpoint of each job class/position approximates the 75th percentile of salaries of a peer group of leading public pension funds. Actual salaries can be higher or lower than the midpoint depending on factors such as job performance, professional education and certifications, the willingness to assume new and higher-level duties and responsibilities, the ability to learn quickly and apply new knowledge and skills, being a team player, and the length of time in the position.

Investment Professionals' Pay Plan
Effective July 1, 2026

Each position's salary range includes a defined:

- **Minimum** - the lowest base salary paid for a job within the job class/position.
- **Midpoint** - represents the market salary paid to a fully qualified employee, who has the institutional knowledge and practical experience to fulfill independently all of the responsibilities of the job/position.
- **Maximum** - the highest salary rate for the job class/position.

Grade	Position	Salary Range ($ Thousands) Min ($)	Mid ($)	Max ($)
11	Chief Investment Officer	$395,716	$528,328	$659,880
10	Deputy Chief Investment Officer	$358,584	$477,405	$597,287
9	Managing Director	$328,086	$435,458	$542,832
8	Program Director	$280,364	$375,807	$471,250
7	Director	$244,572	$328,086	$ 411,597
6	Senior Portfolio Manager	$244,572	$328,086	$411,597
5	Portfolio Manager	$190,886	$256,503	$322,120
4	Senior Investment Officer	$161,060	$214,747	$268,718
3	Investment Officer	$125,269	$167,025	$208,782
2	Senior Investment Analyst	$95,443	$125,269	$155,095
1	Investment Analyst	$77,548	$101,409	$125,269

In considering the above salary range, it important to note the following:

- **Market Pay Reviews**: The VRS normally conducts a comparative market total pay study generally every two to three years to ensure competitiveness of the salary and incentive structures. Typically, the VRS conducts the study in the 1st quarter of the calendar year with an effective date of July 1 (the beginning of the fiscal year).

- **Changes in Salary Ranges**: The Board must approve changes to the salary scale and incentive structure.

Salary Adjustments

Oversight & Administration

VRS will implement pay actions, including any bonuses, consistent with the provisions of the Appropriation Act. The VRS Board, however, approves across-the-board performance-based salary increases, market-based salary increases and incentive pools, for VRS investment professionals, consistent with the Code of Virginia and the Appropriation Act. The CIO approves salary adjustments for individual investment professionals and, as described later in the Plan, sign-on bonuses, incentive payments, and relocation expenses subject to the limitations in the Code of Virginia and other applicable state or federal law and regulation.

Merit Increases

- Salary increases are based on meeting individual performance standards. The supervisor completes the evaluation after the end of the fiscal year. If a participant in the investment employees' pay plan does not meet overall performance standards, then the participant is ineligible for performance increases to their base salary and market adjustments to their base salary for that performance cycle. Performance cycles are on a fiscal year basis (July 1 through June 30) and typically begin with an effective date of performance plans in the first quarter of the new fiscal year.
- The CIO will receive base salary increases as approved by the VRS Board and in accordance with the terms in the CIO's Employment Agreement, with approved effective dates established by the VRS Board.

Starting Salaries

The starting salary for a new employee considers the rates presently paid to other employees in the department and those in the same job class (when applicable), the candidate's education, skills, work experience, and salary history. The starting salary normally does not exceed the salary grade midpoint.

Reallocation

Reallocation occurs when a job classification is reviewed by Human Resources, and it is determined that the job duties and responsibilities have changed significantly enough to place the job in a different job title and job class. Unless the CIO authorizes an exception, this would not exceed a 15% increase. However, the individual's salary will always be at least at the minimum of the range of the new job, regardless of the amount of the increase.

In-grade Adjustments

In-grade adjustments occur to ensure competitiveness, retention, and to recognize increased skills, abilities, knowledge, obtainment of a degree or certification, or significant increases in responsibilities within the job class. Unless the CIO authorizes an exception, adjustments will not exceed a 10% increase.

Promotions

Promotions occur when an individual moves into a position in a higher job class. Promotions can be competitive (selected through a recruitment and hiring process) or non-competitive (through a job reclassification or reallocation). Unless the CIO approves an exception, promotions will not exceed a 15% increase. However, the individual's salary will always be at least at the minimum of the range of the new job, regardless of the amount of the increase.

Downward Assignment

Downward adjustment occurs when an employee changes positions whether voluntarily, or because of unsatisfactory performance, resulting in a downward change in job class. A reduction in salary may occur based on a review of the salary and range and the circumstances associated with the downward move. In downward assignments, an individual's salary cannot exceed the maximum of the new salary range.

II. Incentive Pay Plan

ADMINISTRATION

The VRS Board of Trustees, as Plan Administrator, administers incentive pay under the Plan through the Administration, Finance and Talent Management (AFT) Committee and retains full and complete discretion:

- To increase or decrease incentives for any and/or all Plan participants.
- To modify, amend or rescind any aspect of the Plan at any time for any and/or all Plan participants.
- While the Plan Administrator remains mindful of the value that staff adds to the organization and supports the Plan, the Plan Administrator also specifically reserves the right to cancel, reduce, or delay the amount of any incentives payable under this Plan when, in the sole discretion of the Plan Administrator, extreme budgetary pressures, economic, market or other conditions are such that the Plan Administrator deems such action necessary under the circumstances.

- Consistent with the preceding paragraph, payment of incentives under this Plan is not guaranteed.

The Plan Administrator may delegate certain aspects of this Plan's day-to-day operation to the VRS CIO and the VRS Director of Human Resources. However, any substantive Plan-related questions or issues impacting incentive payouts for the CIO require the Plan Administrator's prior approval.

PLAN ELIGIBILITY

Incumbents in the positions listed below are eligible for incentive pay under the Plan, provided they:

- Are active VRS employees.
- Work for VRS at least forty hours per week. Plan participants who work less than full-time may be eligible to receive a prorated incentive payment. Wage employees are not eligible to participate in the Plan.
- Receive an individual performance evaluation of at least "meets expectations" for the relevant performance year (i.e., the year preceding the normally scheduled year of payment).
- Remain in compliance with the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy.

Chief Investment Officer
Deputy Chief Investment Officer
Managing Director – Portfolio Solutions Group
Managing Director – Private Market Assets and Defined Contribution (DC) Plans
Managing Director – Public Market Assets
Program Director
Director
Senior Portfolio Manager
Portfolio Manager
Senior Investment Officer
Investment Officer
Senior Investment Analyst
Investment Analyst

The CIO will determine the design of the incentive pay structure for the positions supporting the DC Plans, with both quantitative and qualitative elements.

Generally, employees on an approved leave of absence are considered active employees. The CIO will resolve all questions regarding eligibility, or in the case of the CIO, eligibility will be determined by the Board.

Participation in this Plan in any one year does not confer the right to participate in this Plan in any other year or to receive Plan payouts for the current and/or any future year. Participation in this Plan does not confer the right to continued employment. Subject to the provisions of this Plan, only active VRS employees may receive payments under this Plan.

OVERALL INCENTIVE PLAN MECHANICS

As described in more detail throughout this document, under the terms of this Plan:

- Eligible Plan participants will be assigned an incentive opportunity, expressed as a percentage of their actual earned base salary.

- Incentive opportunities vary by position, with the level of such opportunities increasing with the degree to which the position directly affects VRS' investment performance.
- Incentives are weighted or allocated to separate Plan components, described below, with the specific components and weightings varying by position:

    1. Total Fund relative investment performance
    2. Asset Class relative investment performance
    3. Average of Asset Class Multipliers (for positions that support multiple asset classes)
    4. Qualitative – focuses on individual achievement of assigned objectives.

- After year-end, payouts under each Plan component would be determined based on performance.
- Each participant's preliminary award would equal the sum of all of their performance adjusted Plan components.
- Final awards would equal preliminary awards adjusted, up or down, based on the Total Fund's one- year absolute return. Specifically, there will be no adjustment for returns between 0% and the assumed rate of return, currently 6.75%. There will be a positive one-for-one adjustment for returns in excess of the assumed rate of return (e.g., if Total Fund one-year actual absolute return equals +9.75%, then the preliminary awards will be increased by 3%). There will be a negative one-for-one adjustment for a return less than 0% (e.g., if Total Fund one-year actual absolute return equals -15%, then the preliminary awards will be reduced by 15%). This adjustment is specifically intended to systematically take into account, in the shorter term, the effect of market cycles on the health of the pension plan by providing a mechanism to reflect the impact of up and down markets on incentive compensation.

Generally, a participant must be employed on the date of payment of the award. However, see INCENTIVE PLAN PROVISIONS, *Termination of Employment Due to Death, Disability or Retirement*.

INCENTIVE OPPORTUNITIES
Incentive opportunities will vary by position based on multiple criteria:

- The position's potential effect on the VRS' investment performance.
- Competitive market pay requirements.
- Internal equity considerations.
- Other factors determined by the CIO or, in the case of the CIO's position, by VRS' Board.

Actual awards can vary based on performance.

Investment Professionals' Pay Plan
Effective July 1, 2026

For the fiscal year ending June 30, 2023, and all subsequent years, unless as otherwise determined, the Plan's incentive opportunities are as follows:

Incentive Levels	
VRS Position	Incentive[1] (% Salary)
Chief Investment Officer	70[2]
Deputy Chief Investment Officer	65[2]
Managing Director – Portfolio Solutions Group	65[2]
Managing Director – Private Market Assets and DC Plans	65[2]
Managing Director – Public Market Assets	65[2]
Program Director	60[2]
Director	50
Senior Portfolio Manager	50
Portfolio Manager	40
Senior Investment Officer	30
Investment Officer	30
Senior Investment Analyst	20
Investment Analyst	10

[1] Performance-adjusted preliminary awards can vary from zero to two times the incentive.
[2] A portion, up to 50%, of the positions' earned incentives is subject to mandatory deferral.

INCENTIVE WEIGHTINGS
Each participant's incentive award will be weighted or allocated to separate, stand-alone Plan components. Importantly, all participants have a portion of their incentive opportunities weighted:

- To the Total Fund Plan component – which helps reinforce the importance of collective success as measured by the Total Fund's relative investment results.
- To the Qualitative Plan component – this helps reinforce achievement of specific initiatives and professional development.

Described below are the specific Plan weightings and the approach for determining awards under each of these Plan components.

Investment Professionals' Pay Plan
Effective July 1, 2026

Incentive Weightings by Plan Component

VRS Position	Total Fund %	Asset Class Multipliers %	Asset Class %	Qualitative %	Total
		(% of total incentive weighted to each component)			
Chief Investment Officer	60	20[1]		20	100
Deputy Chief Investment Officer	60	20[1]		20	100
Managing Director – Portfolio Solutions Group	60	20[1]		20	100
Managing Director – Private Market Assets and DC Plans	40	40[2]		20	100
Managing Director – Public Market Assets	40	40[3]		20	100
Program Director	30	50[4]	50[4]	20	100
Director	30	50[4]	50[4]	20	100
Senior Portfolio Manager	20	60[4]	60[4]	20	100
Portfolio Manager	20	60[4]	60[4]	20	100
Senior Investment Officer	20	60[4]	60[4]	20	100
Investment Officer	20	60[4]	60[4]	20	100
Senior Investment Analyst	20	30[4]	30[4]	50	100
Investment Analyst	20	30[4]	30[4]	50	100

[1] Average multiplier based on the multipliers of all asset classes under the incumbent's purview.

[2] The MD Private Market Assets and DC Plans average multiplier is based on the multipliers of private market asset classes under the incumbent's purview.

[3] The MD Public Market Assets average multiplier is based on the multipliers of the public market asset classes under the incumbent's purview.

[4] These positions may support a specific asset class or multiple asset classes. If the position supports a specific asset class, then the multiplier is based on the asset class multiplier. If the position supports multiple asset classes, then the multiplier is based on the average of the multipliers of the asset classes supported.

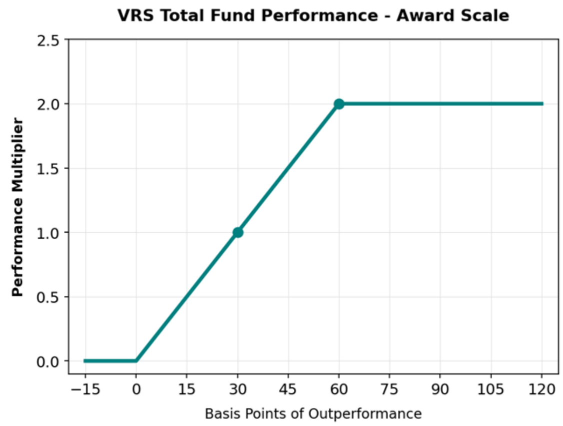
QUANTITATIVE PLAN COMPONENTS

These Plan components link participants' incentive compensation to relative investment performance or, more specifically, the extent by which the Total Fund and/or Asset Class performance exceeds passive benchmarks (indices) as measured over trailing three- and five-year annualized periods (each weighted 50%).

For purposes of this Plan:

- Measurement of relative investment performance is net of third-party fees, which consist of investment management fees and performance fees paid to investment managers, custodian fees, legal fees, internal investment staff administrative expenses, and miscellaneous fees.
- A performance-award scale defines the linkage between relative investment performance and a corresponding Performance Multiplier. Illustrating this approach at the Total Fund level, when VRS' relative investment performance:
  - Equals zero or less (i.e., no relative value added), then the VRS Performance Multiplier will equal zero and there will be no incentive payouts under this Plan component.
  - Equals 30 bps, then the VRS Performance Multiplier will equal 1.00 and there will be a 100% payout of this Plan component.
  - Equals 60 bps or more, then the VRS Performance Multiplier will equal 2.00 and there will be a 200% payout of this Plan component.
  - Is anywhere between zero and 60 bps, then the VRS Performance Multiplier is determined on an interpolated, straight-line basis.

Note: The Board approved the Mercer recommended excess return objective (30 basis points) for the Total Fund at the June 17, 2026 meeting with an effective date of July 1, 2026. For implementation purposes, the Total Fund excess return objective will be a blend of the former excess return objective (45 basis points) to be used until June 30, 2026, and the new excess return objective (30 basis points) to be used from July 1, 2026 onward.



Commented [LF1]: This graph should be deleted - the one showing the 45 basis points.

- Selected participants whose responsibilities span multiple asset classes may have a portion of their incentive weighted to a component that is determined based on the average multipliers of asset classes they support. The intent of this Plan component is to recognize and reward superior relative investment performance, regardless of the level of the associated assets.

The Board is responsible for setting the basis point outperformance standards for the Total Fund. The CIO is responsible for setting the basis point outperformance standards for individual asset classes, subject to the Board's final review and approval.

QUALITATIVE PLAN COMPONENT

The qualitative incentive multiplier can range from 0.00 to 2.00 at the CIO's discretion. The CIO obtains input from applicable senior staff regarding individual performance levels to help determine the qualitative rating. The qualitative rating is separate and distinct from the individual's annual performance evaluation rating requirement for plan eligibility. This Plan component links participants' incentive compensation to achievement of individual and/or position-specific performance objectives and VRS' overall performance objectives. Actual awards under this Plan component will reflect:

- Position and/or incumbent-specific performance criteria.
- Achievement of key VRS performance objectives, including:

  - Building an effective organization
  - Enhancing investment excellence
  - Developing staff

The Board will annually determine the CIO's qualitative incentive multiplier after assessing attainment of the qualitative performance objectives, considering input and recommendations provided by the AFT Committee.

DETERMINING PRELIMINARY AWARDS

After the end of each fiscal year, a preliminary award will be determined for each Plan participant by aggregating all of their performance multiplier-adjusted weighted Plan components. In particular:

- Performance multipliers will be determined for each Plan component based on actual results.
- Preliminary payouts under each weighted Plan component will be determined by multiplying the incentive dollars weighted to that component by the associated performance multiplier.
- Total preliminary awards would be determined by adding up all of that participant's weighted Plan components.

Illustrated below is this approach for a position with an incentive of $80,000.

Plan Component	Weighted Portion of Incentive		Performance Multiplier		
Total Fund	$16,000	X	1.50	=	$24,000
Asset Class	48,000	X	1.00	=	48,000
Qualitative	16,000	X	1.20	=	19,200

Preliminary Award **$91,200**

DETERMINING FINAL AWARDS

Final awards, if any, would be determined after each fiscal year-end by adjusting the sum of each participant's preliminary award, up or down, based on VRS' one-year absolute return for the most recently completed fiscal year. Specifically, there will be no adjustment for returns between 0% and the assumed rate of return, currently 6.75%. There will be a positive one-for-one adjustment for returns in excess of the assumed rate of return. There will be a negative one- for-one adjustment for returns less than 0%. Illustrated below is the process for determining final awards.

Scenario #1: The Total Fund's One-Year Absolute Return Is +5%

Plan Component	Weighted Portion of Incentive		Performance Multiplier		Actual Award
Total Fund	$16,000	X	1.50	=	$24,000
Asset Class	48,000	X	1.00	=	48,000
Qualitative	16,000	X	1.20	=	19,200

Preliminary Award **$91,200**
X no adjustment **0%**

Final Award **$91,200**

Scenario #2: The Total Fund's One-Year Absolute Return Is 9.75%

Plan Component	Weighted Portion of Incentive		Performance Multiplier		Actual Award
Total Fund	$16,000	X	1.50	=	$24,000
Asset Class	48,000	X	1.00	=	48,000
Qualitative	16,000	X	1.20	=	19,200

Preliminary Award **$91,200**

X 1+ Total Fund's One-Year Rate of Return
Less Assumed Rate of Return **103%**

Final Award **$93,936**

Scenario #3: The Total Fund's One-Year Absolute Return Is -15%

Plan Component	Weighted Portion of Incentive		Performance Multiplier		Actual Award
Total Fund	$16,000	X	1.50	=	$24,000
Asset Class	48,000	X	1.00	=	48,000
Qualitative	16,000	X	1.20	=	19,200

Preliminary Award **$91,200**

X 1+ Total Fund's One-Year Rate of Return **85%**

Final Award **$77,520**

PAYING OUT FINAL AWARDS

Board Review

Prior to payout of any and/or all awards, the CIO will present a schedule of aggregate incentives to the Board of Trustees, through the AFT Committee, in advance. This report will include, in aggregate, the awards, the multipliers awarded for each component, the actual dollar awards earned for each component and the total awards. Internal Audit and Human Resources will review the calculations. As requested by the AFT Committee, the CIO will provide additional information prior to the Board approving the payout of any and/or all awards.

Final Award Payout

Final awards will be paid out as follows:

- For the CIO, Deputy CIO, Managing Directors, and Program Directors, 50% of the total award amounts up to the Internal Revenue Code (IRC) § 415(c)(1)(A) plan limits will be contributed to the DCIP plan. For the CIO only, any portion of this amount that cannot be contributed to the DCIP due to the IRC plan limits will instead be contributed to the § 415(m) plan. All other amounts are paid in cash. See Section III.
- For all other Plan participants, awards are paid 100% in cash.

Timing of Cash Payouts

When the Board approves incentive awards, the VRS will make payments between July 1 and December 31 after VRS' fiscal year end.

INCENTIVE PLAN PROVISIONS

- ***New employees, promoted employees and other employees who transfer into another position covered in this pay plan:***
  - Employees who join the VRS Investment Department after the commencement of the fiscal year may be eligible to participate in the Plan. Incentives will be computed on the incentive percentage and their actual earned salary for the year.
  - Promoted employees and employees who transfer into another position covered in this Plan will have their incentives calculated based on their actual earned salary for the year and a proportional incentive percentage for each position held during the fiscal year.
- ***Minimum Individual Performance Standard***: Employees with an individual performance rating of "Does Not Meet Expectations" are not eligible to receive any incentive payment under the Plan.
- ***Termination of Employment Due to Death, Disability, or Retirement***: Terminated employees may be eligible to receive a time-weighted portion of their final award for the current performance year. Plan participants who terminate employment due to death or disability or who retire during a fiscal year will be eligible to receive a time-weighted portion of their Board approved award (1/12 for each complete month worked in their last year of service). Notwithstanding any other provision of this Plan, the incentive payments for the year in which death, disability or retirement occurs shall be paid 100% in cash to such employee or his representative between July 1 and December 31 following the end of the fiscal year in which such death, disability or retirement occurs.
- ***Termination for all Other Reasons***: Except as specifically determined by the CIO for all positions other than the CIO, and by the AFT Committee for the CIO's position, participants who terminate employment with VRS for all other reasons prior to the normally scheduled date of payout forfeit all rights under the Plan.
- ***Clawback***: In the event of termination for malfeasance related to duties as an investment professional, VRS retains the right to seek repayment for any and/or all paid incentive awards.

III. Defined Contribution Incentive Plan for VRS Personnel (DCIP) PARTICIPATION

The DCIP covers, in relevant part, VRS investment professionals who meet the definition of eligible participant. "Eligible participants" in the DCIP are the CIO, Deputy CIO, Managing Directors, and Program Directors. The Board retains the discretion to amend, at any time, the positions that are eligible to participate in the DCIP.

AMOUNTS SUBJECT TO ANNUAL DEFERRAL

- Contributions to the DCIP only occur in years when VRS' Board decides, at its full and complete discretion, to allow payment of incentive awards.
- In years when VRS' Board decides to pay incentive awards, 50% of the final awards up to specified IRC § 415(c)(1)(A) limits will be contributed to the DCIP for each eligible participant. For the CIO only, any portion of the incentive award that cannot be contributed to the DCIP due to the IRC plan limits will instead be contributed to the § 415(m) plan. All other amounts are paid in cash.

INVESTMENT RETURN

Eligible participants' accounts in the DCIP and, if applicable, the § 415(m) plan, will earn an "investment return" (positive or negative) equaling the current annual rate of return of the VRS Fund.
However, upon attaining age 55, the DCIP permits eligible participants who have established accounts in the Commonwealth of Virginia 457 Deferred Compensation Plan, to transfer a portion (but not all) of their account to the Virginia Cash Match Plan. This transfer right allows eligible participants in the DCIP who are age 55 or older to direct their own investments among the investment options available under the Virginia Cash Match Plan. Notwithstanding the transfer right, eligible participants must leave at least a minimal balance amount in their DCIP account in order to keep the account open for future contributions. The VRS Defined Contribution Plan Administrator will assist eligible participants with these transfers.

The CIO cannot transfer funds from the § 415(m) plan to the Virginia Cash Match Plan because the §

415(m) plan is a non-qualified "excess benefit plan" not permitted to be held in trust for the exclusive benefit of the plan participants.

DISTRIBUTIONS

The eligible participant's DCIP account will be distributed to the eligible participant as soon as administratively practicable following the last day of the quarter in which the eligible participant terminates employment with the Commonwealth of Virginia. The eligible participant may elect to receive the balance in the DCIP either in cash or as a "rollover" into another retirement plan or IRA. All distributions/rollovers will be credited with earnings through the latest quarter end for which finalized performance is available by the date of the distribution/rollover.

The distribution of the CIO's account in the § 415(m) plan will be made in cash to the CIO within 180 days of the CIO's termination of employment, and is not eligible for rollover.

For any eligible participant who transferred a portion of their DCIP account to the Virginia Cash Match Plan, the terms of the Cash Match Plan will govern distributions.

All applicable laws and regulations will govern the creation, funding, and distributions of the DCIP and § 415(m) plan. Detailed plan documents are on file with the Human Resources Director and the Chief Financial Officer, which will control over any inconsistencies or discrepancies with this summary

TAXATION

Taxation of the contributions to the DCIP and § 415(m) plans is deferred until distribution from the respective plan.

IV. Other Compensation Plan Information

Competitive Pay Increases

Competitive pay increases are an option available to retain a highly valued employee who has received a job offer from another employer. Requests for competitive pay increases should take into consideration the employee's experience, level of education, performance and contribution to the agency, and the salaries of other employees in comparable jobs. A written job offer must be received to provide a competitive pay increase.

Sign-on Bonuses

Investment professionals hired at the VRS may be eligible for sign-on bonuses, as described in the VRS Employee Sign-on Bonus Program Policy.

Relocation Expenses

Investment professionals hired at the VRS may be eligible for reimbursement of relocation expenses, if approved by the CIO. The reimbursement of the expenses must comply with the Department of Accounts Moving and Relocation Policy.

Employment at Will

The investment employees covered by this Plan are exempt from the provisions of the Virginia Personnel Act and employment in these positions is at will. Just as the employee retains the right to resign at any time, the VRS has a similar right to end at will employment with or without cause. An at- will employee does not serve an introductory period. An at-will employee is not eligible to use the agency's grievance procedure to resolve employment disputes.

Investment employees covered by this Plan are eligible for all other employment benefits and subject to agency policies that do not contradict their "at will" status.

409A Compliance

The intent of the Board is that payments and benefits under this Plan either comply with Section 409A of the Internal Revenue Code and applicable guidance issued thereunder ("Code Section 409A") or qualify for an exemption from Code Section 409A and, accordingly, all provisions of this Plan shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Code Section 409A. The Board shall not take any action to accelerate or delay the payment of any monies and/or provision of any benefits in any matter which would not be in compliance with Code Section 409A to the extent Code Section 409A applies to such payment or benefit. Notwithstanding any of the provisions of this Plan, the Board shall not be liable to the employee if any payment or benefit which is to be provided pursuant to this Plan and which is considered deferred compensation subject to Code Section 409A otherwise fails to comply with, or be exempt from, the requirements of Code Section 409A.

CLASS STRUCTURE

The following descriptions are the summaries of VRS' investment professional job classes/positions:

Chief Investment Officer

The CIO manages and directs investment programs, determines appropriate program structure, implementation, and monitoring. The CIO manages investment professionals who are directly responsible for internal and external investment programs. The CIO heads the Executive and Management Committees, which are responsible for reviewing all investment recommendations. The CIO collaborates with the VRS Board-appointed Investment Advisory Committee (IAC) and delivers frequent reports and updates to the VRS Board.

Deputy Chief Investment Officer

The Deputy CIO assists the CIO in managing and directing investment programs, determines appropriate program structure, implementation, and monitoring. The Deputy CIO manages investment professionals who are directly responsible for internal and external investment programs. The Deputy CIO is a member of the Executive and Management Committees, which are responsible for reviewing all investment recommendations. The Deputy CIO collaborates with the CIO and the VRS Board-appointed IAC.

Managing Director

The Managing Director is a senior investment position reporting directly to the CIO. This position serves on the Investment Executive and Management Committees. The Executive Committee is a department wide resource to the CIO for management and administrative issues. The Management Committee participates in asset allocation and manager/fund allocation decisions.

Program Director

The Program Director has deep asset class knowledge and carries full managerial responsibility for a VRS investment program, including all internally and externally managed assets. The Program Director may also support multiple asset classes. The Program Director participates on the Investment Management Committee and regularly presents information to the IAC and the Board. The Program Director, as applicable, operates within an explicit risk budget and has investment performance objectives that are regularly measured. The Program Director has full responsibility for negotiating on behalf of VRS.

Director/Senior Portfolio Manager

The Director or Senior Portfolio Manager position is a senior investment leadership position responsible for the oversight of multiple portfolio strategies, an asset class, or an investment function and may provide direct supervision for one or more investment staff. Positions at this level carry dual accountability: driving investment excellence within their particular mandates while contributing directly to the broader Total Fund objectives.

Portfolio Manager

The Portfolio Manager provides critical input to strategy development and is responsible for the more complicated and higher risk investments. The Portfolio Manager may delegate to the Senior Investment Officer certain portions of the investment program. The Portfolio Manager will begin to negotiate terms on behalf of VRS. The Portfolio Manager, from time to time, makes presentations and recommendations to the Management Committee, and perhaps the IAC and Board.

The Portfolio Manager supporting the DC Plans is a senior investment position reporting directly to the Managing Director - Private Market Assets and DC Plans. This position provides critical input to the design, implementation, and monitoring of all investment related aspects of the VRS DC Plans. Responsibilities include (1) evaluation and selection of new investment strategies, managers and/or funds, (2) negotiating terms on behalf of VRS, (3) monitoring and management of relationships with existing DC investment managers, (4) implementing investment policy as determined by the VRS Board, (5) presenting to the Defined Contribution Plans Advisory Committee and the Board, and (6) any other projects or duties relating to the DC Plans as may be assigned from time to time.

Senior Investment Officer

The Senior Investment Officer has higher level monitoring responsibilities that tend to involve higher risk and strategies that are more complicated. Some Senior Investment Officers may have day-to- day responsibilities for managing internal portfolios, subject to risk limits prescribed by the program director. The Senior Investment Officer will increasingly become involved in strategy development and formal recommendations to the Program Director.

Investment Officer

The Investment Officer, in addition to analytical responsibilities, may have direct responsibility for monitoring some portion of the existing portfolio, or some strategies or managers under consideration in the future. Such assignments will typically be in lower risk and less complicated strategies. The Investment Officer may continue to be involved in monitoring, compliance, and administration, but will also begin to make formal investment recommendations to the Program Director.

Senior Investment Analyst

The Senior Investment Analyst performs various types of analysis at the direction of more senior staff members. Analyst activities are geared around providing support for senior staff members more directly involved in the decision-making process. Such activities will include research, reporting, monitoring, compliance, and administration.

Investment Analyst

The Investment Analyst assists other investment professionals in their daily operations, including investment research and analysis, trading, and portfolio management. Analysts follow and report current market information relating to assigned sectors of the market. In addition, the Analyst conducts independent research on various topics, performs data maintenance, integrity, and report generation tasks.

Report

The Defined Contribution Plans Advisory Committee (DCPAC) convened on May 14, 2026, at 1:00 p.m. and took up the following matters:

WELCOME AND INTRODUCTION

Dr. Gooden welcomed Committee members, Board members, agency officials, representatives from stakeholder groups, and other members of the public joining in person and through electronic means to the DCPAC.

APPROVAL OF MINUTES

The Committee approved the minutes of its March 12, 2026, meeting.

ADMINISTRATION

Administrative Reports & Communications

Staff provided an overview of the Defined Contribution Plans, as well as an update on administrative reports for the first quarter of 2026, which included reviewing assets and accounts across the various plans. Staff advised the Committee that plan assets are down, slightly, due to market changes and the total number of plan accounts is up 10%.

Staff provided an update regarding website access and online registrations following the transition to Voya, with a 10% increase since the end of the calendar year. Communications highlights were shared including the *Save More*, *Restart Contributions*, *Max Out Contributions,* and *Birthday* email campaigns, and various others.

DC Plans and Hybrid Plan Update

Staff provided an update on COV 457 and Cash Match Plan assets and accounts. Assets were down slightly with accounts being slightly up. In general, there is not a lot of activity with this plan because it is an older plan. Hybrid Retirement plan accounts are up 13%. Staff shared the impact of auto-escalation rates on the voluntary 457 rates. The next auto-escalation will be in 2029.

ORPHE Update

Staff provided an overview of ORPHE reports for the first quarter of 2026, including plan assets and accounts. There is approximately $1.5 billion in ORPHE assets and a total of approximately 11,000 accounts.

INVESTMENTS

Performance Reports

Staff provided the Committee with a review of March 31, 2026, performance reports for the unbundled DC plans, and the TIAA Optional Retirement Plan for Higher Education (ORPHE).

Fund Updates

Staff informed the Committee BlackRock is updating their target date glidepath to reflect research in the areas of labor income and life expectancy resulting in a slightly higher equity allocation along the glide path around the midpoint and nearing retirement. Staff notified the Committee that after successful negotiations BlackRock is lowering investment management fees on several of its funds.
Staff provided an update on the VRS Board approved the Foreign Adversaries Policy and reviewed current DC plans exposure as of March 31, 2026. Staff reminded the Committee that it continues to monitor fund developments in this area and, where possible, will invest in funds that can be aligned with the Policy.

Callan 2026 DC Trends Survey Highlights

Staff provided an overview of highlights from the Callan 2026 DC Trends survey, which was included in the Appendix of the meeting materials. Staff noted there were 80 DC Plan sponsors, slightly lower than last year. This year's government respondents represented 16%, whereas last year it was 20%. This has always been a good survey to benchmark ourselves because of the respondents' plan sizes and investment menu offerings. Staff reviewed the trends in the areas of governance, investments, benchmarking, retirement income, and other topical areas.

Retirement Income

Staff provided an overview of how VRS provides participants with a robust selection of non-guaranteed retirement income payout options. Staff shared with the Committee that in addition to these non-guaranteed payout options participants also have the option to generate a lifetime guaranteed income stream via an immediate annuity purchase via MetLife (unbundled DC plans) or TIAA in the ORPHE. Staff demonstrated the new Retirement Income dashboard launched by Voya May 4, 2026. The dashboard is automatically visible for participants ages 50 and above. There are various screens available that will provide outcomes based on the information added, including a page to optimize savings paycheck amounts and deductions.

Investment staff is performing additional research whereby provider companies are embedding lifetime guaranteed income products within target date fund offerings and will report back to the Committee at a future meeting.

OTHER BUSINESS

Plan Document Updates

Staff informed the Committee of the recommendations for amendments to the Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP Plan Documents. Based on a recent review of the Plan Documents, several amendments necessitated by the passage of SECURE 2.0 and its final regulations were identified. The Internal Revenue Code provides that the amendments to reflect the provisions of SECURE 2.0 must be in place by December 31, 2029. The recordkeeper has already implemented (or will be implementing depending on the effective date) these amendments as they are required by SECURE 2.0, so the amendments are effectively ministerial in nature.

Recommend RBA for Approved Amended & Restated Plan Documents

The Committee recommended approval of the following action to the Board:

Request for Board Action: *The Board approves the Approved Amended and Restated Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP Plan Documents*

DCPAC Reappointments

Staff informed the Committee of the request for reappointment of Monique Barnes, Ravindra Deo, Matt Harris, Kate Jonas, and Brenda Madden, each to a two-year term ending June 20, 2028. Their current terms expire on June 20, 2026.

Recommend RBA for Reappointment of DCPAC Members

The Committee recommended approval of the following action to the Administration, Finance, and Talent Management Committee. The Administration, Finance and Talent Management Committee will provide their recommendation to the Board:

Request for Board Action: *The Board reappoints Monique Barnes, Ravindra Deo, Matt Harris, Kate Jonas, and Brenda Madden, to the Defined Contribution Plans Advisory Committee (DCPAC), for a two-year term ending June 20, 2028.*

Discussion of New Ideas

No new ideas were presented.

2026 MEETINGS

Dr. Gooden confirmed the DCPAC meeting dates for 2026:

- September 10, 2026, at 1:00 pm (Annual investment review)
- December 3, 2026, at 1:00 pm

There was no other business to come before the Committee.

Submitted to the Board of Trustees on June 17, 2026.

____
Dr. Susan Gooden, Chair
Defined Contribution Plans Advisory Committee

Request for Board Action
RBA 2026-06-____

Approve amended and Restated Plan Document: Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP.

Requested Action

The Virginia Retirement System Board of Trustees approves the amended and restated (i) Commonwealth of Virginia 457 Deferred Compensation Plan (COV 457), (ii) Virginia Cash Match Plan (VA Cash Match), (iii) Virginia Hybrid 457 Deferred Compensation Plan (Hybrid 457), (iv) Virginia Hybrid 401(a) Cash Match Plan (Hybrid Cash Match, (v) Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education (ORPHE), (vi) Optional Retirement Plan of the Commonwealth for Political Appointees (ORPPA), (vii) Optional Retirement Plan of the Commonwealth for Public School Superintendents (ORPSS), and (viii) Defined Contribution Incentive Plan for VRS Personnel (DCIP).

Description/Background

In 2025, outside benefits counsel, Ice Miller, reviewed the majority of the Defined Contribution Plans to determine whether the Plans had been timely amended for all relevant changes required by the Internal Revenue Code (IRC). The last review by outside benefits counsel was performed in 2021.

The Plan review identified several plan document amendments necessitated by the passage of the Setting Every Community Up for Retirement Enhancement Act of 2022 (SECURE Act 2.0) and the final IRS regulations adopted under SECURE Act 2.0. As these provisions are required under SECURE Act 2.0 and its attendant regulations, the proposed amendments to the Plan Documents are effectively ministerial in nature, and Voya, as VRS' recordkeeper, has already implemented or will be implementing the changes, depending on the effective date of the respective change. The IRC provides that Plan Document amendments to reflect the provisions of SECURE Act 2.0 must be in place no later than December 31, 2029.

The proposed amendments to the Plan Documents include the following:

1. Increasing the Required Minimum Distribution (RMD) age to IRC levels.
   Plans: VA Cash Match, Hybrid 457, Hybrid Cash Match, ORPHE, ORPPA, ORPSS

2. Increasing elective deferral limits to IRC levels.
   Plans: COV 457, Hybrid 457

3. Requiring catch-up contributions made by individuals whose wages exceed a certain amount be designated as Roth contributions (currently, individuals whose FICA wages exceed $150,000).
   Plans: COV 457

4. Excluding Roth accounts from the calculation of RMDs during the participant's lifetime starting calendar year 2024.
   Plans: COV 457

5. Revising rules governing RMDs to beneficiaries when, on or after January 1, 2022, the participant dies before RMDs begin, including rules requiring distribution to beneficiaries within a certain period of time which varies depending on the category of beneficiary.
   Plans: COV 457, VA Cash Match, Hybrid 457, Hybrid Cash Match, ORPHE, ORPPA, ORPSS, DCIP

6. Revising rules governing RMDs to beneficiaries when, on or after January 1, 2022, the participant dies on or after the date RMDs begin, including rules requiring distribution to beneficiaries within a certain period of time which varies depending on the category of beneficiary.
   Plans: COV 457, VA Cash Match, Hybrid 457, Hybrid Cash Match, ORPHE, ORPPA, ORPSS, DCIP

7. Provides that if the participant's sole beneficiary is their surviving spouse, the surviving spouse may elect to delay RMDs until the participant's required beginning date and to be treated as the participant for purposes of determining life expectancy.
   Plans: COV 457, VA Cash Match, Hybrid 457, Hybrid Cash Match, ORPHE, ORPPA, ORPSS, DCIP

Authority for Requested Action

Va. Code § 51.1-124.22(8) authorizes the Board to make determinations necessary to carry out the provisions of Title 51.1 of the *Code of Virginia*, and Va. Code § 51.1-124.22(10) requires the Board to adopt rules and policies that bring the Retirement System into compliance with any applicable law or regulation of the Commonwealth of Virginia or the United States.

The above action is approved.

____ ______________________________

Susan T. Gooden, Ph.D., Chair
VRS Board of Trustees

Date

Defined Contribution Plans

Plan Document Amendments

Defined Contribution Plan Document Amendments

- 2025 review of plan documents by outside benefits counsel.
- Identified amendments required by SECURE 2.0 and corresponding federal regulations.
- Amendments ministerial – recordkeeper has implemented or will be implementing required changes depending on the effective date of the respective change.
- IRC requires plan document amendments be in place by December 31, 2029.

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Defined Contribution Plan Document Amendments

- Not all plan documents require all the amendments listed.
- The proposed amendments, effective January 1, 2026, include:
  - Increase the Required Minimum Distribution (RMD) age to IRC levels.
  - Increase elective deferral limits to IRC levels.
  - Require catch-up contributions made by individuals whose FICA wages exceed a certain threshold (currently $150,000) be designated as Roth contributions.
  - Exclude Roth accounts from the calculation of RMDs during the participant's lifetime.

(continued)

Defined Contribution Plan Document Amendments

- Revising RMD rules for beneficiaries, including rules requiring distribution of a participant’s account to beneficiaries within certain periods of time if
  - The participant, on or after January 1, 2022, dies before RMDs begin, and
  - The participant, on or after January 1, 2022, dies on or after the date RMDs begin.
- Provide that the participant’s surviving spouse, if the sole beneficiary, may elect to delay RMDs until the participant’s required beginning date and to be treated as the participant for purposes of determining life expectancy.

Summary of Plan Document Amendments

	COV 457	VA Cash Match	Hybrid 457	Hybrid Cash Match	ORPHE	ORPPA	ORPSS	DCIP
Increase RMD age*		✓	✓	✓	✓	✓	✓	
Increase elective deferral limits	✓		✓					
Catch-up Roth contributions if > $150,000	✓							
RMDs – exclude Roth during lifetime	✓							
RMDs – participant dies before RMDs begin	✓	✓	✓	✓	✓	✓	✓	✓
RMDs – participant dies on or after RMDs begin	✓	✓	✓	✓	✓	✓	✓	✓
RMDs – surviving spouse	✓	✓	✓	✓	✓	✓	✓	✓

*COV 457 and DCIP have previously been amended to increase RMD age.

Virginia Retirement System®

Audit and Compliance Committee
Committee Report to the Board of Trustees
June 9, 2026
Page 1 of 2

Report

The Audit and Compliance Committee (committee) met on June 9, 2026. Mr. Foster welcomed committee members, board members, agency officials, representatives from stakeholder groups and other members of the public joining in person and through electronic means. The committee discussed the following:

APPROVAL OF MINUTES

The committee approved the minutes of its April 23, 2026, meeting.

STATUS UPDATE ON THE 2025 EMPLOYER ASSURANCES REVIEW

The Auditor of Public Accounts (APA) reported the Employer Assurances Review, covering GASB Statements No. 68 and 75, is progressing as planned. The APA indicated their work over the pension and other post-employment benefit plans will be substantially completed by June 30, 2026.

ENTRANCE WITH THE APA FOR THE VRS 2026 ANNUAL COMPREHENSIVE FINANCIAL REPORT AUDIT

The committee held its annual entrance conference with the APA to review the approach and scope of the examination of VRS' Annual Comprehensive Financial Report for the fiscal year ending June 30, 2026.

AUDIT REPORTS

The committee received and accepted two audit reports.

- The review of the *Private Equity Program* determined due diligence and monitoring activites are adequate and effective and align with the applicable investment policy statements. There were no formal recommendations as a result of this review.
- The review of the *Service Retirements* determined, overall, service retirement processes are working as expected, system interfaces are properly controlled, and system access is appropriately managed based on the principle of lease privilege with proper segregation of duties. There was one recommendation resulting from this review.

INTERNAL AUDIT'S FY 2027 PERFORMANCE AND OVERSIGHT REPORTING

The Internal Audit Director presented the department's fiscal year 2027 performance and oversight reporting approach. The committee approved the approach as presented.

QUARTERLY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE CASES

The Internal Audit Director shared there were no fraud, waste and abuse hotline complaints reported to Internal Audit through the Office of the State Inspector General or any other source during the period of February 1, 2026, through April 30, 2026.

MANAGEMENT'S QUARTERLY TRAVEL EXPENSE AND PER DIEM REPORT

The committee received management's Quarterly Travel Expense and Per Diem report.

NEXT COMMITTEE MEETING DATE

The committee's next meeting is scheduled for Wednesday, September 16, 2026, at 10 a.m.

Respectfully submitted to the Board of Trustees on June 17, 2026.

____
J. Clifford Foster, IV, Committee Vice Chair
Audit and Compliance Committee

Report

The VRS Benefits and Actuarial Committee met on June 17, 2026, and took up the following matters:

APPROVAL OF MINUTES

The Committee approved the minutes of its February 4, 2026, meeting.

ELECTION OF COMMITTEE VICE CHAIR

The Committee unanimously approved the nomination of Jessica Hood to serve as Committee Vice Chair.

EARLY RETIREMENT FACTORS STUDY

Rory Badura, Senior Staff Actuary, provided an update on the Early Retirement Factors Study to the Committee. Mr. Badura advised the first phase of the factor study involved updating the optional form factors to reflect the new mortality and discount rates for joint and survivor options, partial lump-sum option (PLOP), and the advanced pension option (APO). The optional form factors began affecting retirements after August 1, 2024. The second phase of the study is a review of the early retirement reduction factors.

Mr. Badura noted the *Code of Virginia* allows members who meet certain eligibility criteria to receive benefits prior to normal retirement and, in an effort to equalize the value that a member will receive from the Fund, such retirement allowance will be reduced for the period by which the actual retirement date precedes the unreduced retirement date. VRS currently uses fixed-rate reductions rather than a true actuarial equivalent. This method is used by most State retirement systems as it is easier to communicate and requires less frequent updating, however it does provide a subsidy that varies by age and service.

Mr. Badura advised the Plan Actuary, Gabriel, Roeder, Smith & Company (GRS), reviewed the data and determined the VRS early retirement factors are well within common practice among state retirement systems both in terms of the use of simple factors and the subsidies provided. Staff recommends at this time to maintain the current structure and continue to monitor early retirement patterns as Plan 2 and Hybrid retirements increase, and review the actual experience during the next quadrennial assumption review in 2029.

INFORMATION ITEMS

Group Life Insurance

Robert Irving, Customer Services Director, presented an administrative update regarding recommendations for the Group Life Insurance premium rate to the Committee. Mr. Irving advised VRS' third-party administrator, Securian Financial, manages and administers the life insurance program which provides members opportunities to purchase optional life insurance coverage. Reviews on premium rates are conducted annually and recommendations to maintain, increase or reduce rates are provided to VRS. Mr. Irving advised the recommendation, effective July 1, 2026, is an overall reduction of 3.00% for those aged 50-70 in the optional life insurance premiums for certain age groups.

Stress Test and Sensitivity Analysis Report

Mr. Badura presented the findings of the VRS Stress Test and Sensitivity Analysis Report. The report helps to identify possible vulnerabilities in investment strategies and funding policies and provides an analysis of potential impacts of various economic scenarios on VRS-administered retirement plans to support the future health of the retirement system. The current report is based on the June 30, 2025, actuarial valuations and focused on economic scenario testing, a review of other risks to plan funding, and strategies to enhance funding.

Mr. Badura advised consecutive years of higher than assumed rates of return contributed to improving the funded status and lowering employer contribution rates for both retirement and other post-employment benefits (OPEB) plans; however, recent uncertainty in the markets highlights the need to identify opportunities to further strengthen the health of the plans. Due to current economic conditions, VRS will continue to analyze future impacts on the fund as new information becomes available.

Submitted to the Board of Trustees on June 17, 2026.

____

John M. Bennett, Chair
Benefits and Actuarial Committee

RESOLUTION
FOR MASTER CUSTODIAL SERVICES

Pursuant to the authority vested in the Board of Trustees of the Virginia Retirement System by *Code of Virginia* § 51.1-149, on this ~~5th~~ 17th day of ~~February~~ June 2026, it is HEREBY

PREVIOUS DESIGNATIONS REVOKED

RESOLVED, that all prior designations by the Board of Trustees of the Virginia Retirement System of persons authorized to sign investment invoices and actions involving the distribution or payment of funds or transfer of assets of the Virginia Retirement System under their custodial control as well as actions involving administrative matters and proxies within their custodial control are hereby revoked; and

VRS ASSET TRANSFERS AND ACCOUNT PAYMENTS

BE IT FURTHER RESOLVED, that dual signatures, one of which shall be from the Director of the Virginia Retirement System, the Chief Financial Officer, the Deputy Chief Financial Officer, the Chief Operating Officer, the Customer Services Director, or the Chief Technology and Security Officer and the second shall be from the Chief Investment Officer, the Chief Administrative Officer - Investments, the Investments Information Quality Manager, the Investments Office Administrator, or the Investments Compliance Officer, are hereby required and that those persons are designated and authorized by the Board to sign for all actions involving the distribution or payment of funds or transfer of assets of the Virginia Retirement System, including the payment of investment management, consulting, or custodian fees, under their custodial control that are not initiated by an authorized investment advisor associated with the settlement of a purchase or sale transaction. If investment personnel are unavailable, any two of the listed VRS administrative personnel could sign; however, in no event shall both signatures be those of investment department personnel.

Notwithstanding the foregoing, the signature of only one of the listed VRS administrative personnel is required for transactions of less than $1.00; and

VRS ACCOUNT ADMINISTRATIVE MATTERS

BE IT FURTHER RESOLVED, that the Director of the Virginia Retirement System, the Chief Investment Officer, the Chief Administrative Officer - Investments, the Investments Information Quality Manager, the Investments Office Administrator, the Investments Compliance Officer, the Chief Financial Officer, the Deputy Chief Financial Officer, the Controller, and the Investment Accounting Manager are designated by the Board as those additional persons authorized to open and close accounts and take other administrative actions for the VRS accounts not involving the signing of official documents in the name of the Board of Trustees of the VRS or the distribution or payment of funds or transfer of assets of the Virginia Retirement System under their custodial control; and

PROXIES

BE IT FURTHER RESOLVED, that the Chief Investment Officer, the Chief Administrative Officer - Investments, or the Investments Information Quality Manager are hereby designated by the Board as the persons authorized to sign proxies for the VRS accounts; and

COMPLIANCE

BE IT FURTHER RESOLVED, that the Director of the Virginia Retirement System, the Chief Investment Officer, the Chief Administrative Officer - Investments, or the Investments Information Quality Manager are hereby designated by the Board as those persons authorized to sign for all actions involving compliance issues to include, but not be limited to, class action suits, tax exemptions, authorized signatures, stock and bond powers, required resolutions as needed, etc.

ATTEST:

VIRGINIA RETIREMENT SYSTEM AUTHORIZED SIGNATURES
FOR MASTER CUSTODIAL SERVICES

~~A. Scott Andrews~~Susan T. Gooden, Ph.D., Chair
VRS Board of Trustees

Patricia S. Bishop
Secretary to the VRS Board of Trustees

Patricia S. Bishop
Director

Andrew H. Junkin
Chief Investment Officer

Curtis Doughtie
Chief Financial Officer

Mark A. Rein
Chief Technology and Security Officer

Michael P. Cooper
Chief Operating Officer

Robert L. Irving
Customer Services Director

Curtis M. Mattson
Chief Administrative Officer - Investments

David Porter
Controller

Laurie Fennell
Investments Information Quality Manager

Abida W. Arezo
Investment Accounting Manager

Danita R. Barnes
Investments Office Administrator

Courtney J. Shearer
Deputy Chief Financial Officer~~ (vacant)~~

Jennifer Schoeller
Investments Compliance Officer

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:

The foregoing instrument was acknowledged before me this ~~5th~~ 17th day of ~~February~~ June 2026 by ~~A. Scott Andrews~~ Susan T. Gooden, Patricia S. Bishop, Andrew H. Junkin, Curtis Doughtie, Mark A. Rein, Michael P. Cooper, Robert L. Irving, Curtis M. Mattson, David Porter, Laurie Fennell, Abida W. Arezo, Danita R. Barnes, Courtney J. Shearer, and Jennifer Schoeller.

____
LaShaunda B. King, Notary Public

My commission expires September 30, 2026.

RESOLUTION
FOR MASTER CUSTODIAL SERVICES

Pursuant to the authority vested in the Board of Trustees of the Virginia Retirement System by *Code of Virginia* § 51.1-149, on this 17th day of June 2026, it is HEREBY

PREVIOUS DESIGNATIONS REVOKED

RESOLVED, that all prior designations by the Board of Trustees of the Virginia Retirement System of persons authorized to sign investment invoices and actions involving the distribution or payment of funds or transfer of assets of the Virginia Retirement System under their custodial control as well as actions involving administrative matters and proxies within their custodial control are hereby revoked; and

VRS ASSET TRANSFERS AND ACCOUNT PAYMENTS

BE IT FURTHER RESOLVED, that dual signatures, one of which shall be from the Director of the Virginia Retirement System, the Chief Financial Officer, the Deputy Chief Financial Officer, the Chief Operating Officer, the Customer Services Director, or the Chief Technology and Security Officer and the second shall be from the Chief Investment Officer, the Chief Administrative Officer - Investments, the Investments Information Quality Manager, the Investments Office Administrator, or the Investments Compliance Officer, are hereby required and that those persons are designated and authorized by the Board to sign for all actions involving the distribution or payment of funds or transfer of assets of the Virginia Retirement System, including the payment of investment management, consulting, or custodian fees, under their custodial control that are not initiated by an authorized investment advisor associated with the settlement of a purchase or sale transaction. If investment personnel are unavailable, any two of the listed VRS administrative personnel could sign; however, in no event shall both signatures be those of investment department personnel.

Notwithstanding the foregoing, the signature of only one of the listed VRS administrative personnel is required for transactions of less than $1.00; and

VRS ACCOUNT ADMINISTRATIVE MATTERS

BE IT FURTHER RESOLVED, that the Director of the Virginia Retirement System, the Chief Investment Officer, the Chief Administrative Officer - Investments, the Investments Information Quality Manager, the Investments Office Administrator, the Investments Compliance Officer, the Chief Financial Officer, the Deputy Chief Financial Officer, the Controller, and the Investment Accounting Manager are designated by the Board as those additional persons authorized to open and close accounts and take other administrative actions for the VRS accounts not involving the signing of official documents in the name of the Board of Trustees of the VRS or the distribution or payment of funds or transfer of assets of the Virginia Retirement System under their custodial control; and

PROXIES

BE IT FURTHER RESOLVED, that the Chief Investment Officer, the Chief Administrative Officer - Investments, or the Investments Information Quality Manager are hereby designated by the Board as the persons authorized to sign proxies for the VRS accounts; and

COMPLIANCE

BE IT FURTHER RESOLVED, that the Director of the Virginia Retirement System, the Chief Investment Officer, the Chief Administrative Officer - Investments, or the Investments Information Quality Manager are hereby designated by the Board as those persons authorized to sign for all actions involving compliance issues to include, but not be limited to, class action suits, tax exemptions, authorized signatures, stock and bond powers, required resolutions as needed, etc.

ATTEST:

VIRGINIA RETIREMENT SYSTEM AUTHORIZED SIGNATURES FOR MASTER CUSTODIAL SERVICES

Susan T. Gooden, Ph.D., Chair
VRS Board of Trustees

Patricia S. Bishop
Secretary to the VRS Board of Trustees

Patricia S. Bishop
Director

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COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:

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____
LaShaunda B. King, Notary Public

My commission expires September 30, 2026.

RESOLUTION
FOR PAYMENT OF RETIREMENT SYSTEM FUNDS IN THE STATE TREASURY AND SIGNING OFFICIAL DOCUMENTS

Pursuant to the authority vested in the Board of Trustees of the Virginia Retirement System by *Code of Virginia* § 51.1-149, on this ~~23rd~~ 17th day of ~~April~~ June 2026 it is hereby

RESOLVED, that all prior designations by the Board of Trustees of the Virginia Retirement System of persons authorized to sign vouchers and Voucher Transmittals issued by the Retirement System for the payment of funds of the Retirement System in the State Treasury are hereby revoked; and

BE IT FURTHER RESOLVED, that the State Treasurer, the Director of Operations, and the Director of Cash Management and Investments, or their designees, are hereby designated by the Board as those persons authorized to sign only those vouchers issued by the Retirement System for the payment of funds of the Retirement System in the State Treasury which are contained in Agency Business Unit 15800 Account Number 103607, which has been designated by the Comptroller as the short-term investment account, including but not limited to, funds used to purchase short-term securities to mature within two (2) years and to effect repurchase agreements involving securities of varying maturities which are held as short-term investments; and

BE IT FURTHER RESOLVED, that the Director of the Retirement System, the Chief Financial Officer, the Chief Operating Officer, the Customer Services Director, the Chief Technology and Security Officer, and the Deputy Chief Financial Officer whose signatures appear herein, are hereby designated by the Board as those persons authorized to sign Voucher Transmittals issued by the Retirement System for the payment of any and all funds of the Retirement System in the State Treasury and any and all accounts designated by the Comptroller as Retirement System funds accounts, including Agency Business Unit 15800 Account Number 103607, provided that such Voucher Transmittals shall be initialed by appropriate supervisory and management level staff personnel; and

BE IT FURTHER RESOLVED, that the Chief Financial Officer, the Deputy Chief Financial Officer, the Customer Services Director, and the Chief Technology and Security Officer are not authorized to sign a Voucher Transmittal prepared in their respective department; and

BE IT FURTHER RESOLVED, that the Director of the Retirement System, the Chief Operating Officer, the Chief Investment Officer or the Chief Administrative Officer - Investments are hereby designated full authority to sign any and all official documents in the name of the Board of Trustees of the Virginia Retirement System including, but not limited to, leases, deeds, contracts, equity index futures and options on such futures, signature cards, minutes and purchase orders; and

BE IT FURTHER RESOLVED, that the following persons are hereby designated by the Board as those additional persons authorized to sign any and all purchase orders and contracts in the name of the Board of Trustees of the Virginia Retirement System: (i) the Chief Financial Officer or Deputy Chief Financial Officer, provided that the amount of the transaction does not exceed $500,000; (ii) the Procurement Director, provided that the amount of the transaction does not exceed $250,000; and (iii) the General Services Administrator or Senior Procurement Analyst, provided that the amount of the transaction does not exceed $30,000.

BE IT FURTHER RESOLVED, that a copy of this resolution shall be forwarded immediately to the Office of the Comptroller.

ATTEST:

~~A. Scott Andrews~~Susan T. Gooden, Ph.D.
Chair, VRS Board of Trustees

Patricia S. Bishop
Secretary to the VRS Board of Trustees

SIGNATURE PAGE FOR PAYMENT OF RETIREMENT SYSTEM FUNDS IN THE STATE TREASURY AND SIGNING OFFICIAL DOCUMENTS

Patricia S. Bishop, Director

Mark A. Rein, Chief Technology and Security Officer

Curtis Doughtie, Chief Financial Officer

Andrew H. Junkin, Chief Investment Officer

Michael P. Cooper, Chief Operating Officer

Robert L. Irving, Customer Services Director

Curtis M. Mattson, Chief Administrative Officer – Investments

Amanda Nies-Berger, Procurement Director

Richard E. Budaji, General Services Administrator

Courtney J. Shearer
Deputy Chief Financial Officer ~~(vacant)~~

Senior Procurement Analyst (vacant)

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:

The foregoing instrument was acknowledged before me this ~~23rd~~ 17th day of ~~April~~ June 2026 by ~~A. Scott Andrews~~ Susan T. Gooden; Patricia S. Bishop; Mark A. Rein; Curtis Doughtie; Andrew H. Junkin; Michael P. Cooper; Robert L. Irving; Curtis M. Mattson; Amanda Nies-Berger; Courtney J. Shearer; and Richard E. Budaji.

LaShaunda B. King, Notary Public

My commission expires September 30, 2026.

R E S O L U T I O N
FOR PAYMENT OF RETIREMENT SYSTEM FUNDS IN THE STATE TREASURY AND SIGNING OFFICIAL DOCUMENTS

Pursuant to the authority vested in the Board of Trustees of the Virginia Retirement System by *Code of Virginia* § 51.1-149, on this 17th day of June 2026 it is hereby

***RESOLVED*,** that all prior designations by the Board of Trustees of the Virginia Retirement System of persons authorized to sign vouchers and Voucher Transmittals issued by the Retirement System for the payment of funds of the Retirement System in the State Treasury are hereby revoked; and

BE IT FURTHER RESOLVED, that the State Treasurer, the Director of Operations, and the Director of Cash Management and Investments, or their designees, are hereby designated by the Board as those persons authorized to sign only those vouchers issued by the Retirement System for the payment of funds of the Retirement System in the State Treasury which are contained in Agency Business Unit 15800 Account Number 103607, which has been designated by the Comptroller as the short-term investment account, including but not limited to, funds used to purchase short-term securities to mature within two (2) years and to effect repurchase agreements involving securities of varying maturities which are held as short-term investments; and

***BE IT FURTHER RESOLVED*,** that the Director of the Retirement System, the Chief Financial Officer, the Chief Operating Officer, the Customer Services Director, the Chief Technology and Security Officer, and the Deputy Chief Financial Officer whose signatures appear herein, are hereby designated by the Board as those persons authorized to sign Voucher Transmittals issued by the Retirement System for the payment of any and all funds of the Retirement System in the State Treasury and any and all accounts designated by the Comptroller as Retirement System funds accounts, including Agency Business Unit 15800 Account Number 103607, provided that such Voucher Transmittals shall be initialed by appropriate supervisory and management level staff personnel; and

***BE IT FURTHER RESOLVED*,** that the Chief Financial Officer, the Deputy Chief Financial Officer, the Customer Services Director, and the Chief Technology and Security Officer are not authorized to sign a Voucher Transmittal prepared in their respective department; and

***BE IT FURTHER RESOLVED*,** that the Director of the Retirement System, the Chief Operating Officer, the Chief Investment Officer or the Chief Administrative Officer - Investments are hereby designated full authority to sign any and all official documents in the name of the Board of Trustees of the Virginia Retirement System including, but not limited to, leases, deeds, contracts, equity index futures and options on such futures, signature cards, minutes and purchase orders; and

BE IT FURTHER RESOLVED, that the following persons are hereby designated by the Board as those additional persons authorized to sign any and all purchase orders and contracts in the name of the Board of Trustees of the Virginia Retirement System: (i) the Chief Financial Officer or Deputy Chief Financial Officer, provided that the amount of the transaction does not exceed $500,000; (ii) the Procurement Director, provided that the amount of the transaction does not exceed $250,000; and (iii) the General Services Administrator or Senior Procurement Analyst, provided that the amount of the transaction does not exceed $30,000.

BE IT FURTHER RESOLVED, that a copy of this resolution shall be forwarded immediately to the Office of the Comptroller.

ATTEST:

Susan T. Gooden, Ph.D.
Chair, VRS Board of Trustees

Patricia S. Bishop
Secretary to the VRS Board of Trustees

SIGNATURE PAGE FOR PAYMENT OF RETIREMENT SYSTEM FUNDS IN THE STATE TREASURY AND SIGNING OFFICIAL DOCUMENTS

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Senior Procurement Analyst (vacant)

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:

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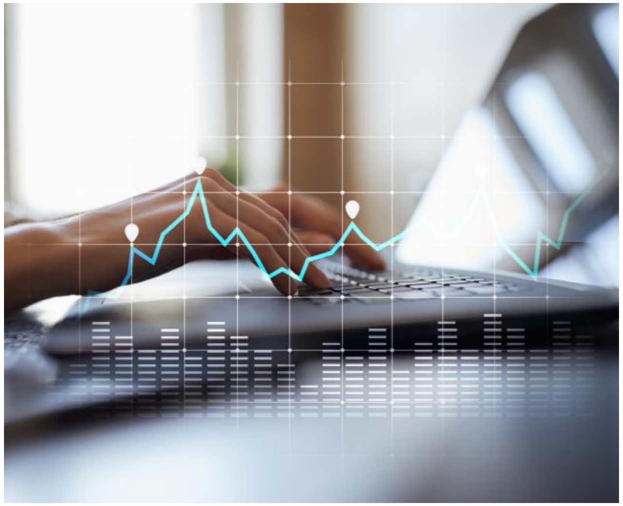
LaShaunda B. King, Notary Public

My commission expires September 30, 2026.

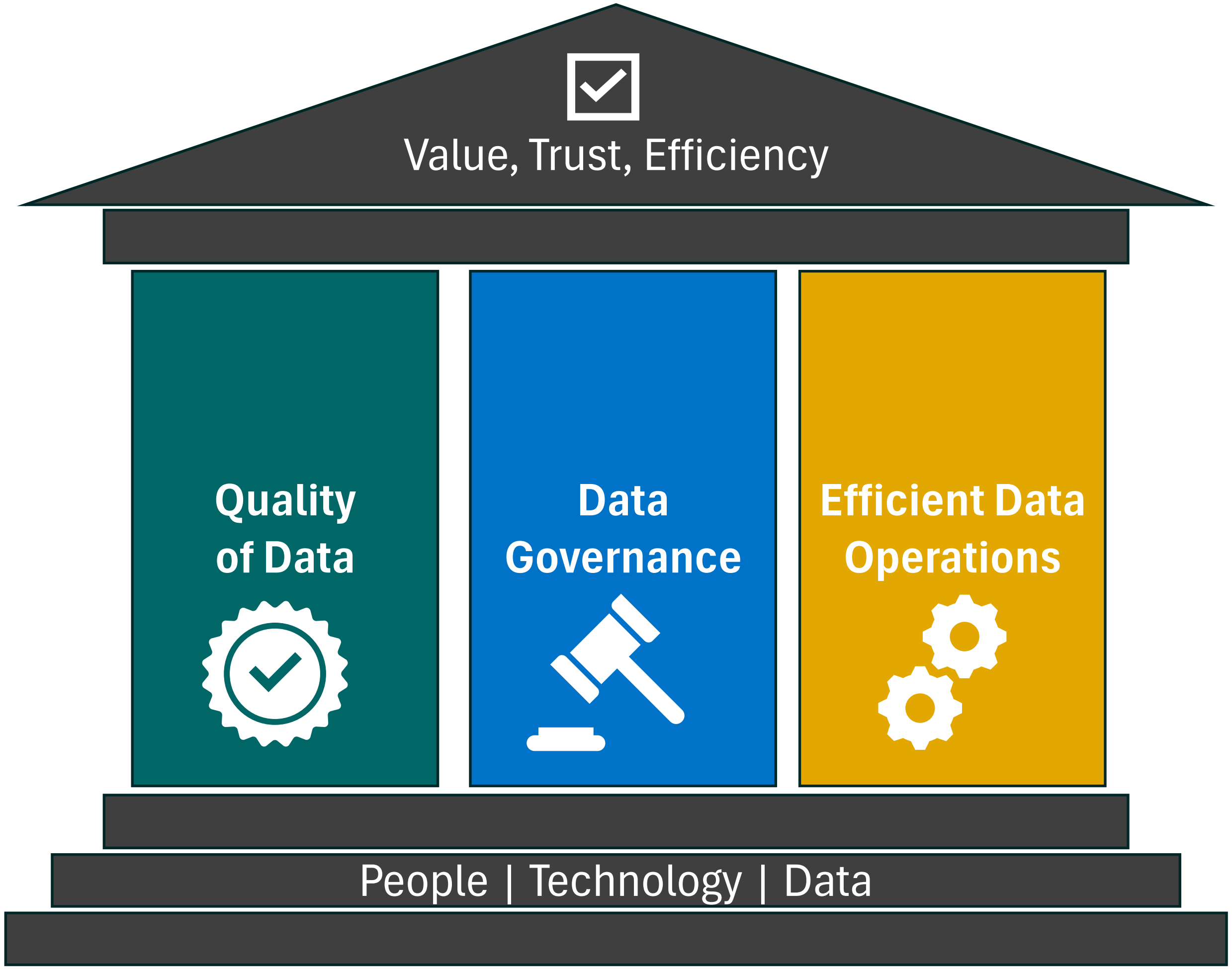


Making Data Actionable Across VRS

June 17, 2026

Presenter: Kedar Desai, VRS Data Officer

Data Office Pillars



Value, Trust, Efficiency

Quality of Data

Data Governance

Efficient Data Operations

People | Technology | Data

The Path We Have Traveled

January 2024
Data Office Established

July 2024
First Data Process Improvements Dashboard Built

September-October 2024
Data Quality Charter Established; Data Quality Plan Adopted

November 2024
Critical Data Elements (CDE) Identified

January–July 2025
First Data Office Team Member; Data Office Team Expanded

February 2025
Data Quality Rules (DQRs) Developed

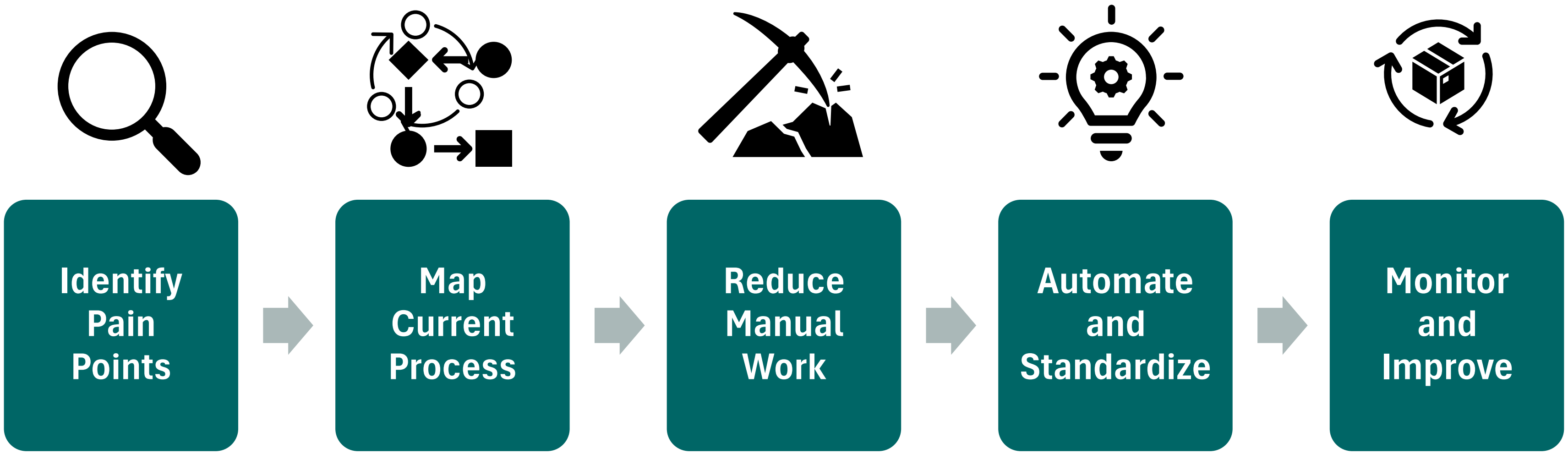
March 2025
First CDE Dashboard Built

April 2025-May 2026:
Data Toolkit Expanded to Include More CDEs and DPIs

July-December 2025
Data Quality Plan Implemented for Health Insurance Credit CDE

April 2026
Data Validation Unit Established

Data Process Improvement



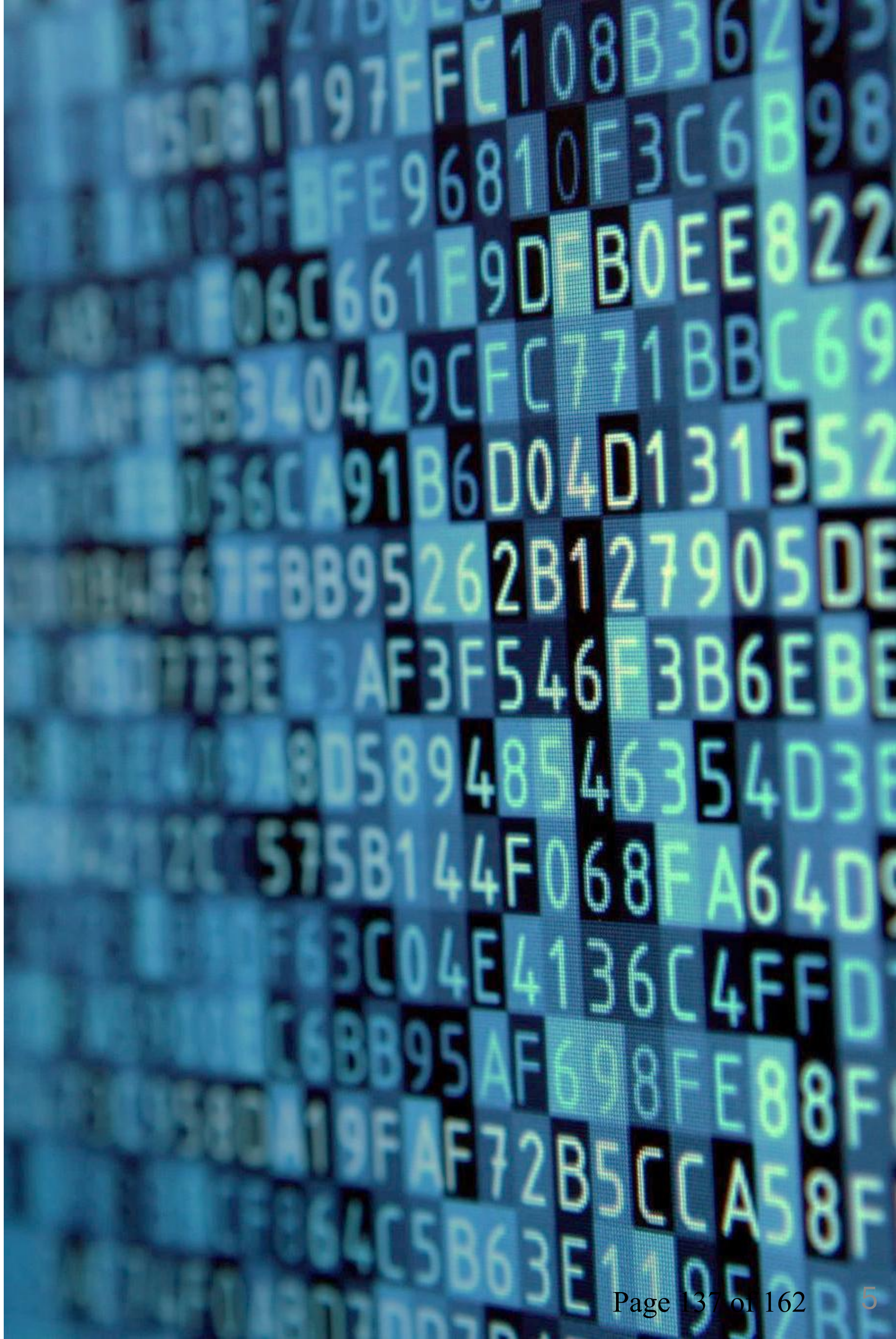
Identify Pain Points → **Map Current Process** → **Reduce Manual Work** → **Automate and Standardize** → **Monitor and Improve**

- **Identify Pain Points:** Uncover issues, delays, rework that impacts data velocity
- **Map Current Process:** Understand existing process end-to-end
- **Reduce Manual Work:** Reduce manual steps and hand-offs
- **Automate and Standardize:** Automate routine tasks and standardize outputs for efficiency
- **Monitor and Improve:** Track, measure and continuously refine the process

Data Process Improvement in Action:

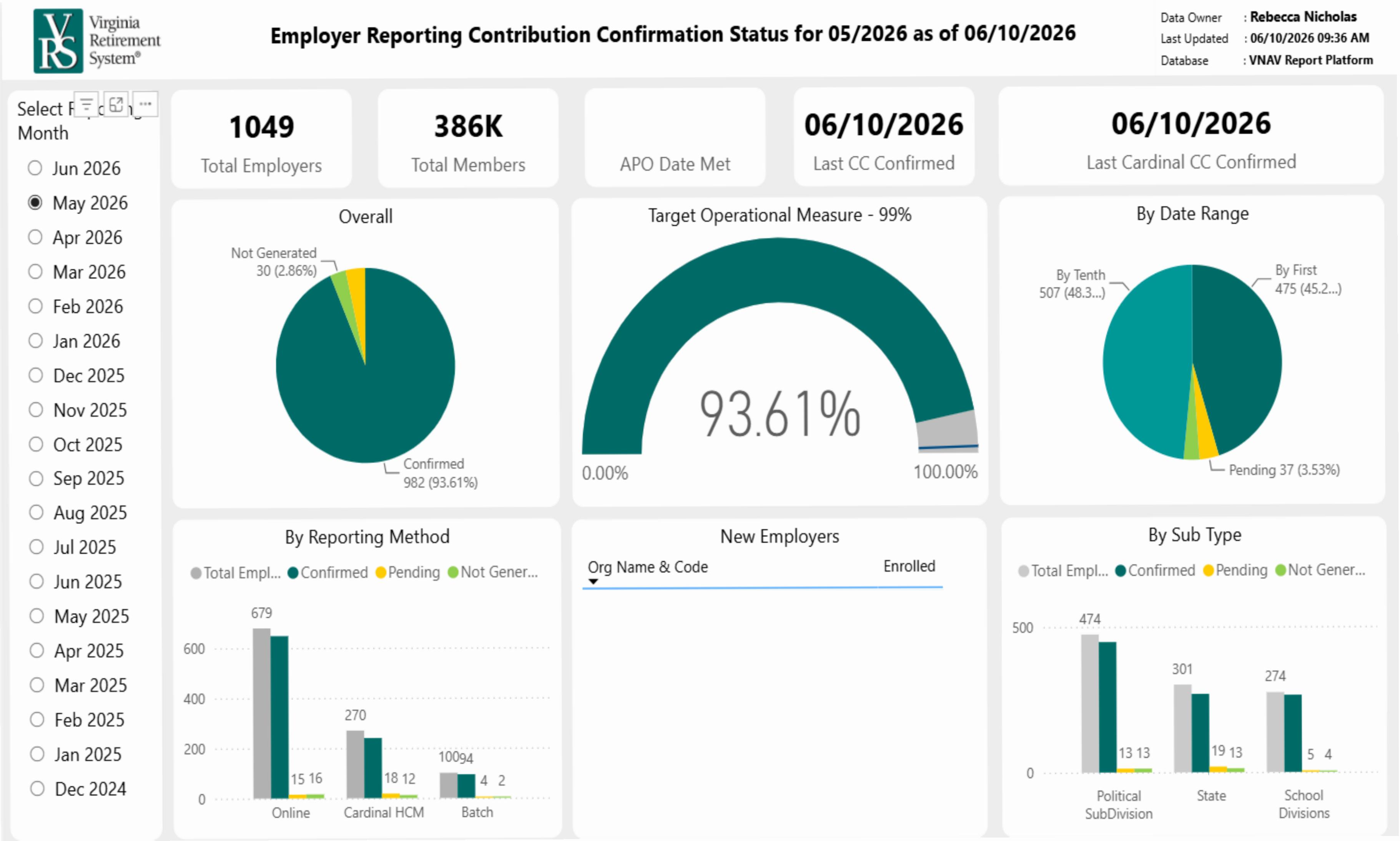
Example 1

Rebecca Nicholas
(Contribution Confirmation Dashboard)



Virginia
Retirement
System®

CC Dashboard



Employer Reporting Contribution Confirmation Status for 05/2026 as of 06/10/2026

Data Owner : **Rebecca Nicholas**
Last Updated : **06/10/2026 09:36 AM**
Database : **VNAV Report Platform**

Select F
Month

- ○ Jun 2026
- ● May 2026
- ○ Apr 2026
- ○ Mar 2026
- ○ Feb 2026
- ○ Jan 2026
- ○ Dec 2025
- ○ Nov 2025
- ○ Oct 2025
- ○ Sep 2025
- ○ Aug 2025
- ○ Jul 2025
- ○ Jun 2025
- ○ May 2025
- ○ Apr 2025
- ○ Mar 2025
- ○ Feb 2025
- ○ Jan 2025
- ○ Dec 2024

1049 Total Employers

386K Total Members

APO Date Met

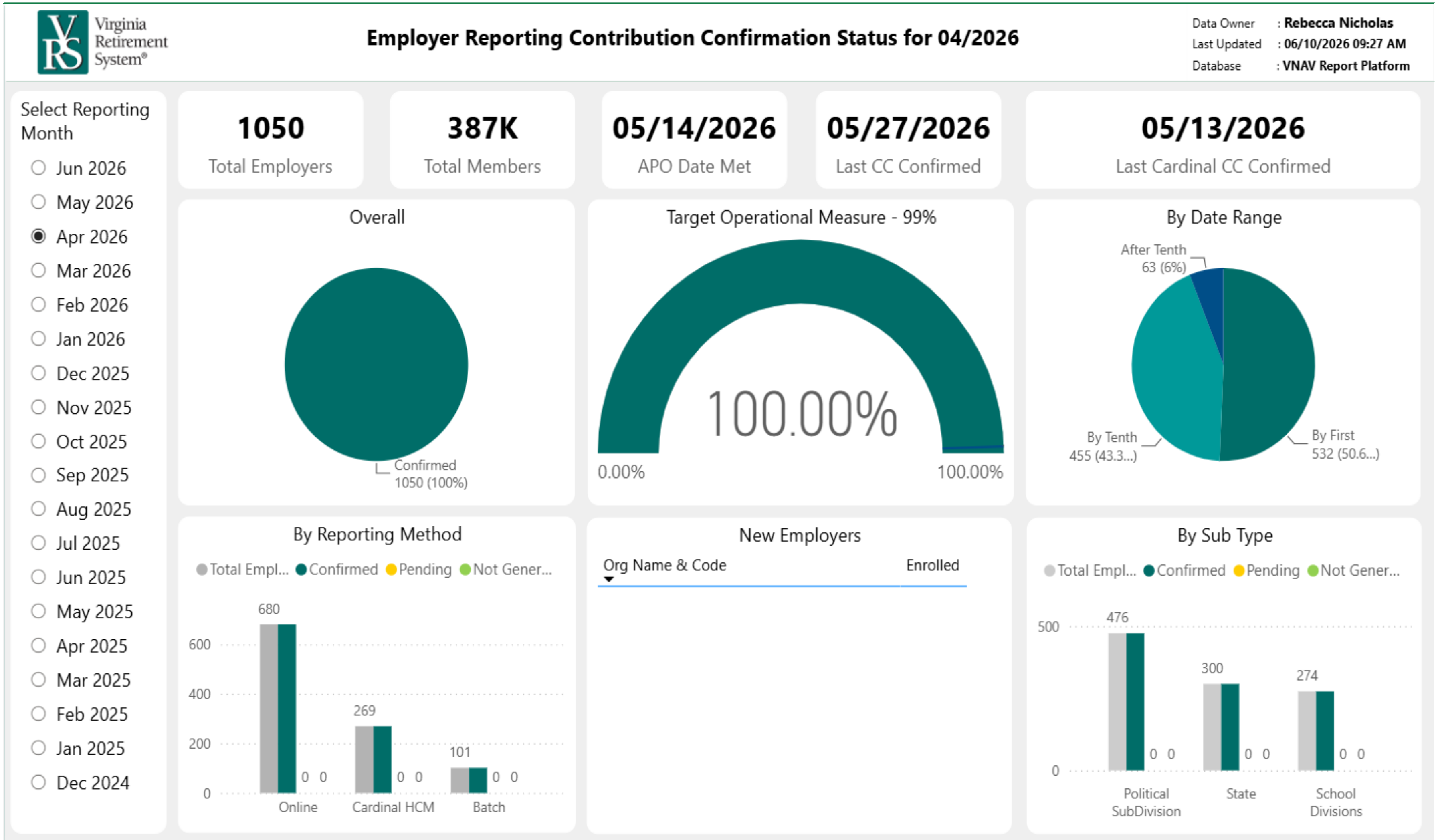
06/10/2026 Last CC Confirmed

06/10/2026 Last Cardinal CC Confirmed

New Employers

Org Name & Code	Enrolled

CC Dashboard



Employer Reporting Contribution Confirmation Status for 04/2026

Data Owner : **Rebecca Nicholas**
Last Updated : **06/10/2026 09:27 AM**
Database : **VNAV Report Platform**

Select Reporting Month

- ○ Jun 2026
- ○ May 2026
- ● Apr 2026
- ○ Mar 2026
- ○ Feb 2026
- ○ Jan 2026
- ○ Dec 2025
- ○ Nov 2025
- ○ Oct 2025
- ○ Sep 2025
- ○ Aug 2025
- ○ Jul 2025
- ○ Jun 2025
- ○ May 2025
- ○ Apr 2025
- ○ Mar 2025
- ○ Feb 2025
- ○ Jan 2025
- ○ Dec 2024

1050 Total Employers

387K Total Members

05/14/2026 APO Date Met

05/27/2026 Last CC Confirmed

05/13/2026 Last Cardinal CC Confirmed

Overall

Target Operational Measure - 99%

By Date Range

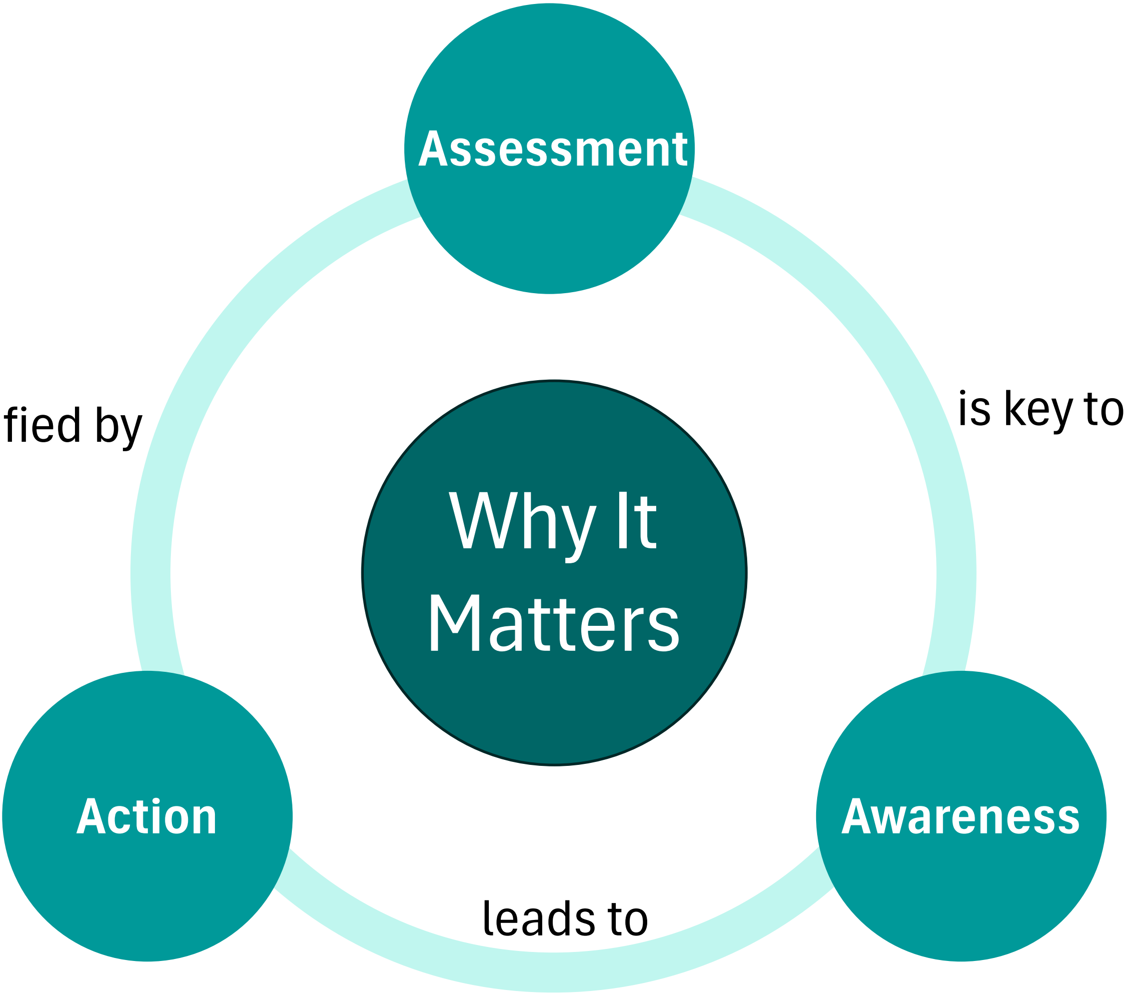
By Reporting Method

New Employers

Org Name & Code	Enrolled

By Sub Type

Data Quality Improvement Cycle



Assessment

is key to

Awareness

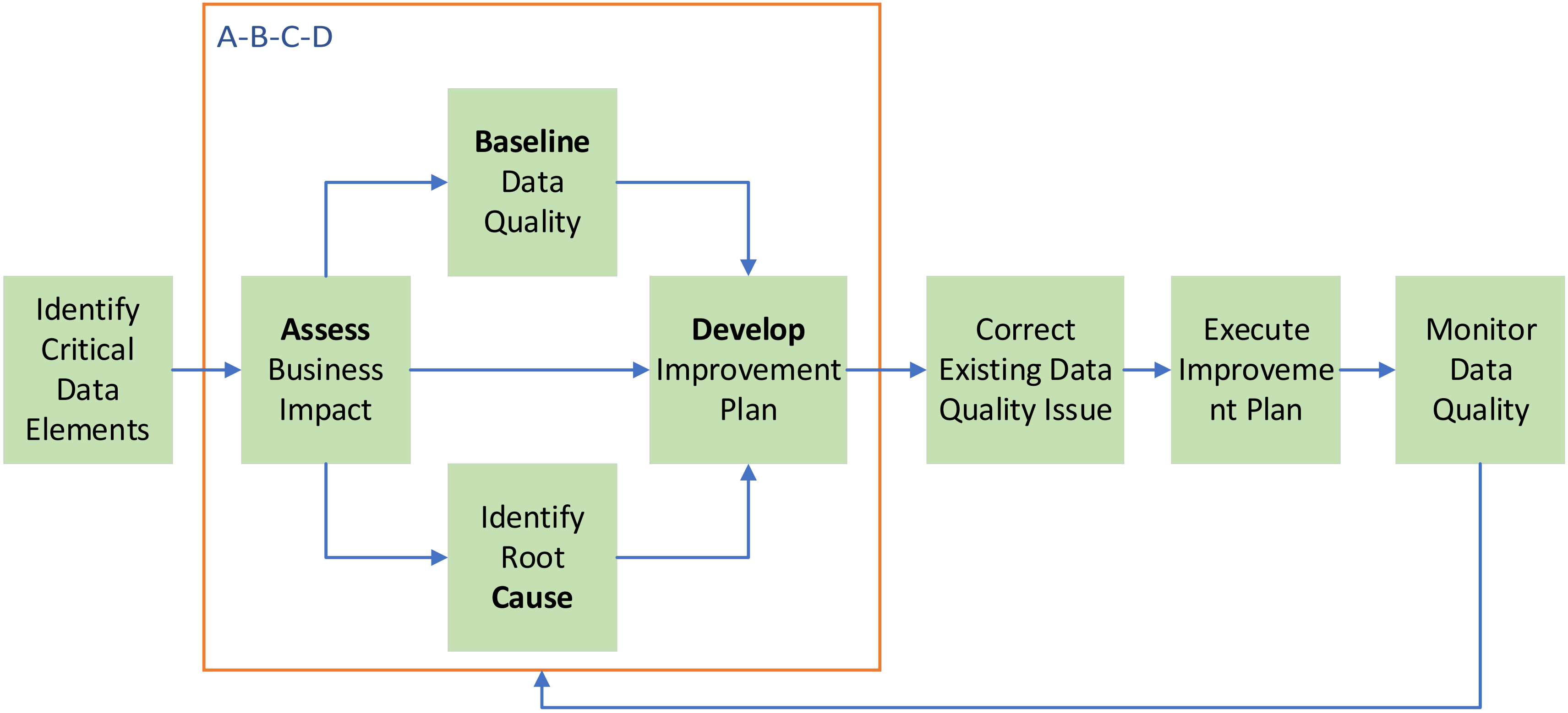
leads to

Action

is verified by

Why It Matters

VRS Data Quality Enhancement Process



Communicate, Manage, and Engage

Virginia Retirement System®

Improving Data Quality

Data Quality Task Force

Data Quality Charter

Data Owners

7 CDE Data Dashboards

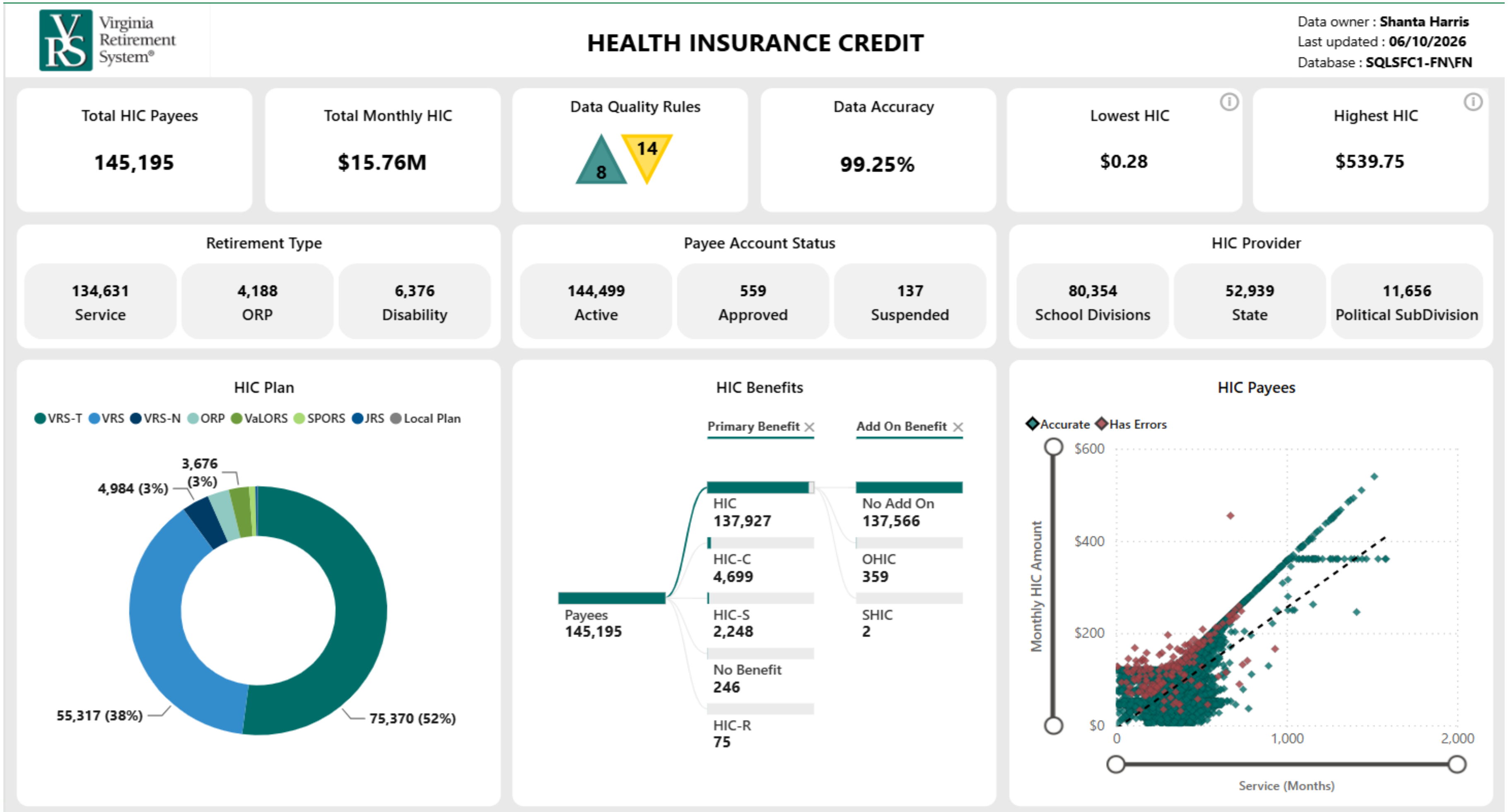
Data Stewards

177+ Data Quality Rules

14 Critical Data Elements

Data Quality Dashboard Demonstration

HIC Data Quality Dashboard



HEALTH INSURANCE CREDIT

Data owner : **Shanta Harris**
Last updated : **06/10/2026**
Database : **SQLSFC1-FN\FN**

Total HIC Payees
145,195

Total Monthly HIC
$15.76M

Data Quality Rules
8 **14**

Data Accuracy
99.25%

Lowest HIC
$0.28

Highest HIC
$539.75

Retirement Type

134,631 Service	**4,188** ORP	**6,376** Disability

Payee Account Status

144,499 Active	**559** Approved	**137** Suspended

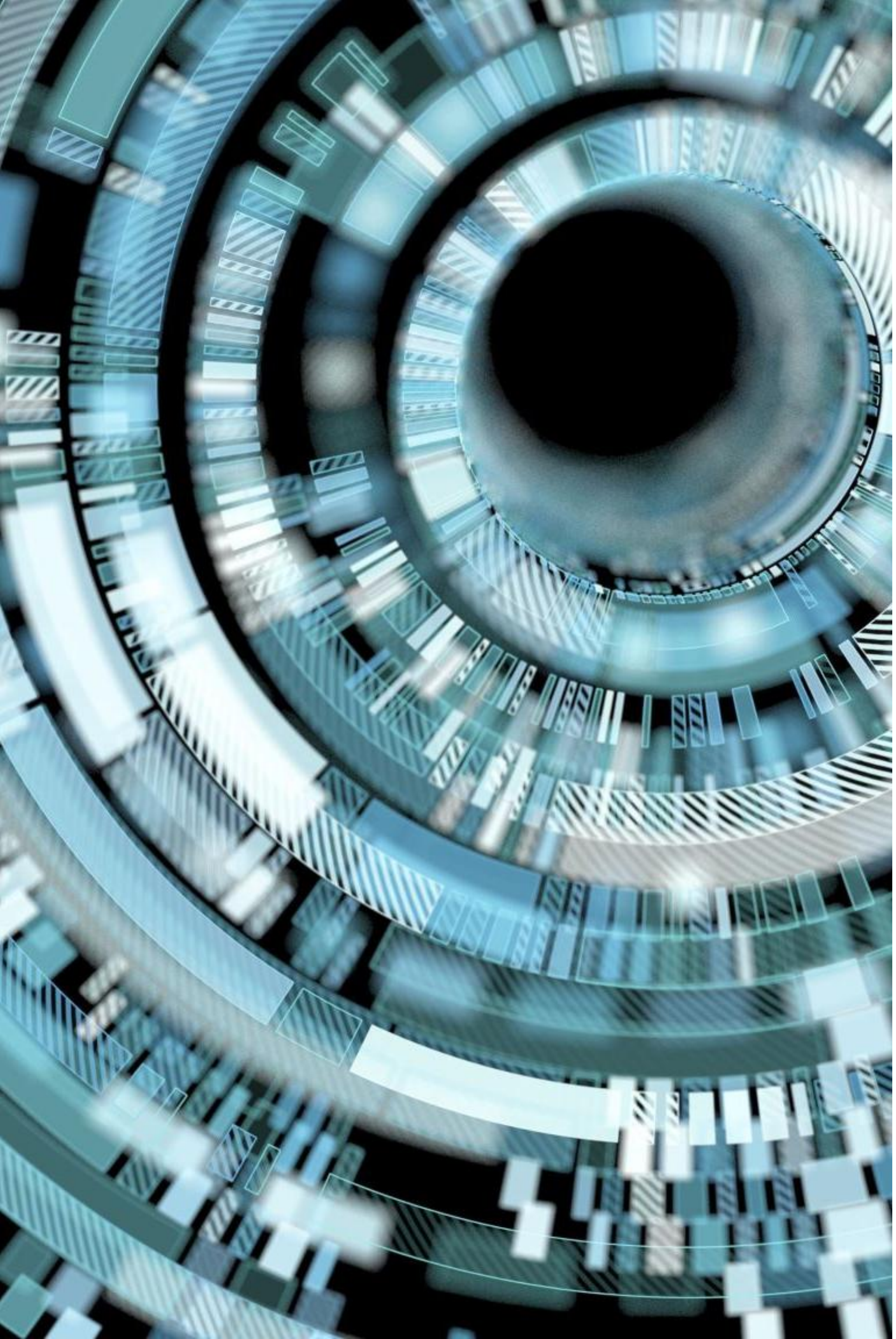
HIC Provider

80,354 School Divisions	**52,939** State	**11,656** Political SubDivision

HIC Plan

HIC Benefits

HIC Payees

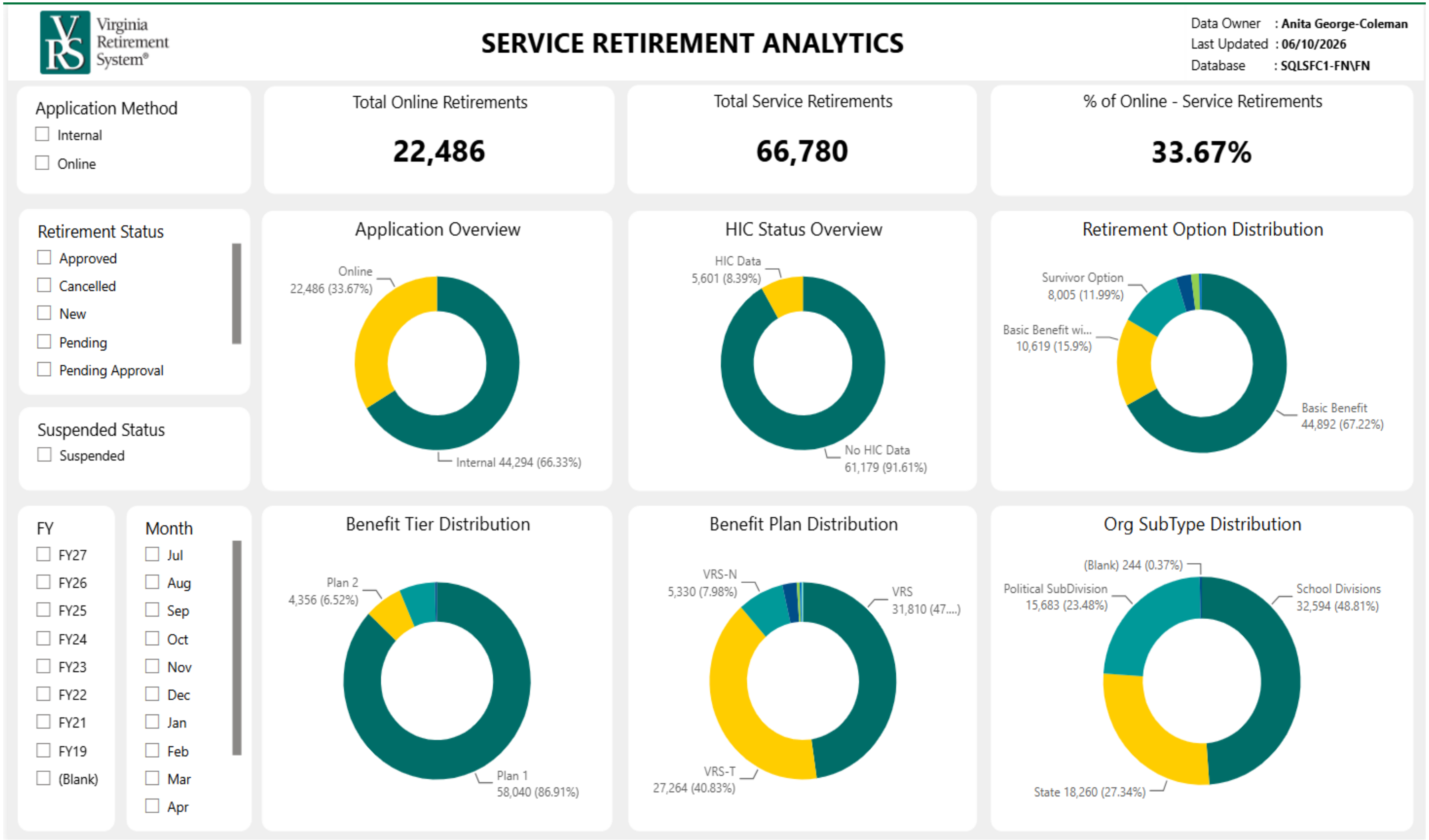


Data Process Improvement in Action:

Example 2

Anita George-Coleman
(Retirement Analytics)

Retirement Analytics Dashboard



SERVICE RETIREMENT ANALYTICS

Data Owner : **Anita George-Coleman**
Last Updated : **06/10/2026**
Database : **SQLSFC1-FN\FN**

Application Method
☐ Internal
☐ Online

Total Online Retirements	Total Service Retirements	% of Online - Service Retirements
22,486	**66,780**	**33.67%**

Retirement Status
☐ Approved
☐ Cancelled
☐ New
☐ Pending
☐ Pending Approval

Suspended Status
☐ Suspended

FY
☐ FY27
☐ FY26
☐ FY25
☐ FY24
☐ FY23
☐ FY22
☐ FY21
☐ FY19
☐ (Blank)

Month
☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr

Application Overview

HIC Status Overview

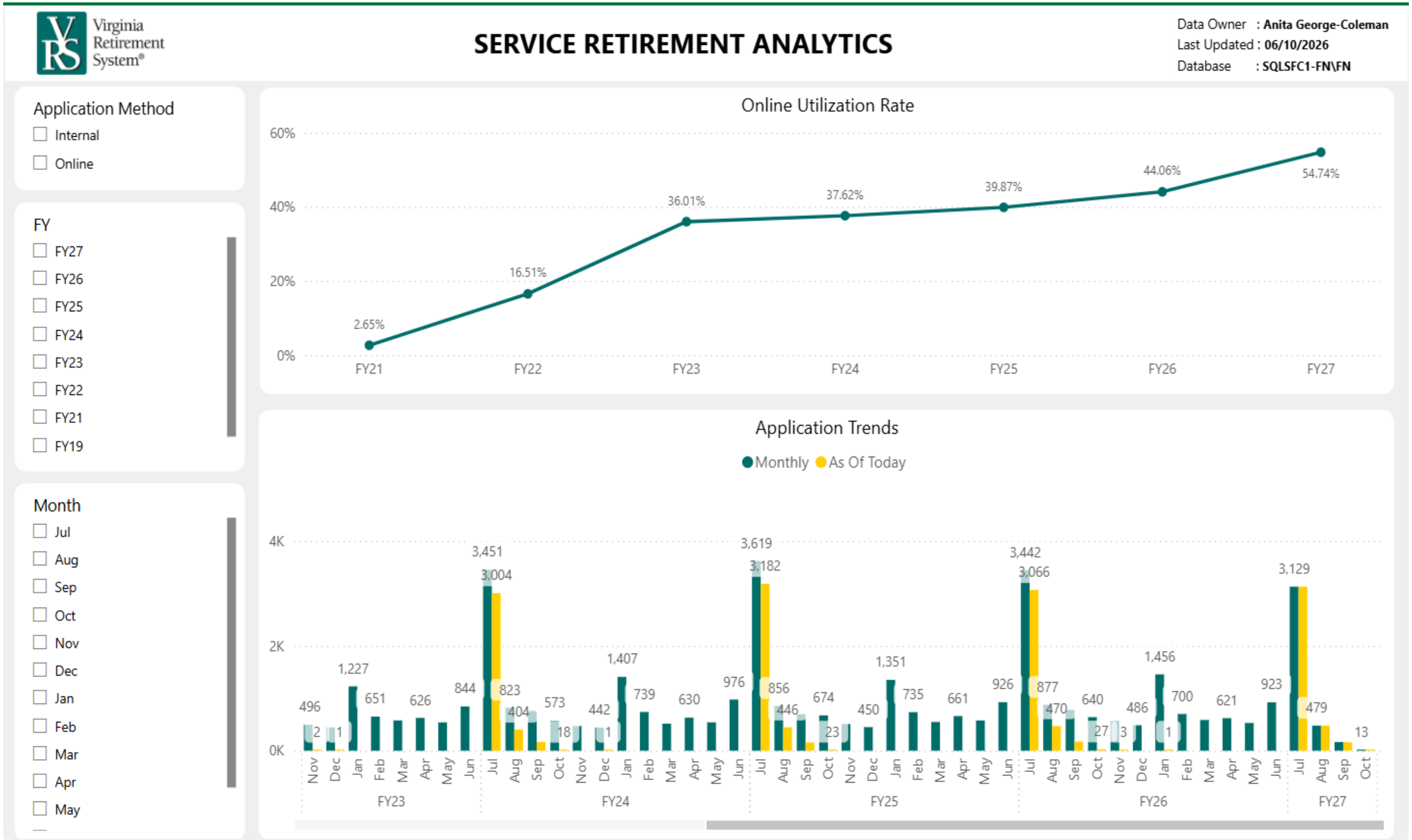
Retirement Option Distribution

Benefit Tier Distribution

Benefit Plan Distribution

Org SubType Distribution

Retirement Analytics Dashboard



Virginia Retirement System®

SERVICE RETIREMENT ANALYTICS

Data Owner : **Anita George-Coleman**
Last Updated : **06/10/2026**
Database : **SQLSFC1-FN\FN**

Application Method
☐ Internal
☐ Online

FY
☐ FY27
☐ FY26
☐ FY25
☐ FY24
☐ FY23
☐ FY22
☐ FY21
☐ FY19

Month
☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May

What’s Ahead?

Data Literacy

Data Toolkit

AI

Data Governance

Data Architecture

Analytics Enablement

Virginia
Retirement
System®

Resolution of Appreciation

PRESENTED TO

Lindsey K. Pantele

WHEREAS, Lindsey K. Pantele was appointed to the Board of Trustees of the Virginia Retirement System on March 1, 2022, and served with distinction until June 30, 2026; and

WHEREAS, Ms. Pantele served as a member and Vice Chair of the Benefits and Actuarial Committee, where she provided thoughtful guidance and careful consideration of matters relating to plan benefits, funding, and actuarial principles; and

WHEREAS, Ms. Pantele also served on the Investment Policy Committee, offering valuable insight and expertise in support of the Board's oversight responsibilities; and

WHEREAS, throughout her tenure, Ms. Pantele demonstrated integrity, professionalism, and sound judgment in service to members and retirees, drawing on her extensive experience as an educator and school administrator in the Commonwealth of Virginia; and

WHEREAS, Ms. Pantele represented the Board at meetings of the Virginia Retired Teachers Association, engaging with members and providing updates on VRS legislation, administrative activities, and benefits; and

WHEREAS, Ms. Pantele was named the 2020 Henrico County Teacher of the Year in recognition of her dedication to educational excellence and service to students and her community, and continues to demonstrate exemplary leadership in her role as Assistant Principal at Douglas S. Freeman High School;

NOW, THEREFORE, BE IT RESOLVED, that on June 17, 2026, we, the members of the Board of Trustees of the Virginia Retirement System, hereby express our sincere appreciation to Ms. Pantele for her distinguished service to the Board, the Virginia Retirement System, its members and retirees, and the Commonwealth of Virginia, and extend our deep gratitude for her stewardship, commitment, and many valuable contributions.

SUSAN T. GOODEN, PH.D., CHAIR

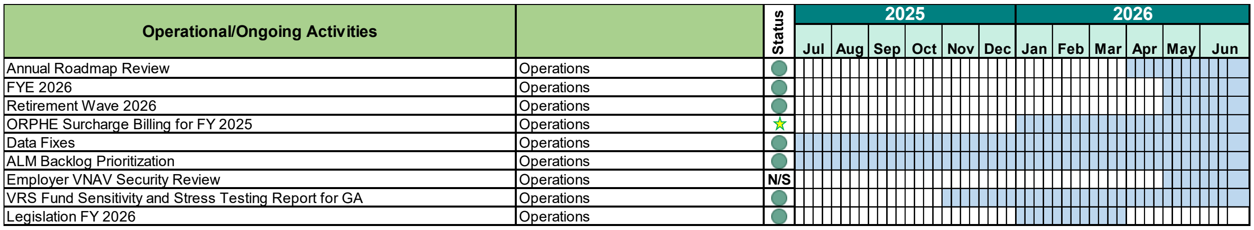
Virginia Retirement System

VRS Project Portfolio
FISCAL YEAR 2026
May 2026 Status Report

Status Indicator

●	Proceeding as planned
△	Off plan, mitigation in place
◆	Off plan, mitigation needed
☆	Completed
▯	Project timeline
N/S	Not started

Agency Performance Objectives (APOs)	Strategic Alignment	Status	2025						2026					
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Data Quality Enhancements - Phase 2	Digital Transformation and Secure Service Delivery	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Demographic Data Collection and Maintenance Initiative - Phase 1	Digital Transformation and Secure Service Delivery	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
VNAV Enhancements - Phase 2	Digital Transformation and Secure Service Delivery	△	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Human Resource Information System (HRIS) Implementation - Phase 3	Organizational Strength, Culture and Engagement	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨		
Agency Initiatives		Status	2025						2026					
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Develop and Implement Returned Mail Address Validation Policy and Procedures	Superior Governance and Long-Term Financial Health	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Purchase of Refunded Service Process	Digital Transformation and Secure Service Delivery	△	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Enhance Options for Retirees to Opt-Out of Paper Tax Documents	Digital Transformation and Secure Service Delivery	☆	▨	▨	▨	▨								
Benefit Payment Policy Implementation	Superior Governance and Long-Term Financial Health	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Implement updates consistent with Website Content Accessibility Guidelines (WCAG) 2.1	Superior Governance and Long-Term Financial Health	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
James Center Relocation including Network/Wifi/Infrastructure build	Superior Governance and Long-Term Financial Health	☆	▨	▨	▨	▨	▨	▨	▨	▨				
Windows 11 Implementation	Technology Infrastructure	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Replacement of re-capcha for myVRS	Digital Transformation and Secure Service Delivery	☆	▨	▨	▨	▨	▨	▨	▨	▨	▨			
Explore establishment of AI Center of Excellence	Digital Transformation and Secure Service Delivery	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
ECM Solution Implementation	Digital Transformation and Secure Service Delivery	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Conduct Review and Analysis of Early Retirement Reduction Factors	Superior Governance and Long-Term Financial Health	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Legislation https://www.varetire.org/about/legislation/		Status	2025						2026					
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
SB 934 - Certain unclaimed property presumed abandoned; Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund.	Legislation	☆												
SB 950 - Virginia Retirement System; increased retirement allowance for certain judges.	Legislation	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
SB 1201 - Virginia Law Officers' Retirement System; conservation officers.	Legislation	☆												
VLDP - HB 1705 - Virginia Retirement System; disability benefits; emergency dispatchers	Legislation	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
LODA - HB 1815/SB 1142 - Line of Duty Act; campus police officers; private police officers.	Legislation	☆												
LODA/VaLORS - SB 797/HB 2507	Legislation	☆												
Operational/Ongoing Activities		Status	2025						2026					
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
COLA 2025	Operations	☆	▨											
FYE 2025	Operations	☆	▨											
EDGE	Operations	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Retirement Wave 2025	Operations	☆	▨											
Teacher Contracts	Operations	☆	▨	▨										
MBPs	Operations	☆	▨	▨										
Annual Code of Ethics Training	Operations	☆				▨	▨	▨						
Annual Security Awareness Training	Operations	☆					▨	▨						
FOIA Training	Operations	☆												▨
ACFR	Operations	☆	▨	▨	▨	▨	▨	▨						
PAFR	Operations	☆			▨	▨	▨	▨						
LODA Annual Report	Operations	☆			▨	▨	▨	▨						
GASB 67	Operations	●			▨	▨	▨							
GASB 68	Operations	●							▨	▨	▨	▨	▨	▨
GASB 74	Operations	●			▨	▨	▨							
GASB 75	Operations	●							▨	▨	▨	▨	▨	▨
Actuarial Valuations	Operations	☆	▨	▨	▨	▨	▨	▨						
myVRS Annual Updates	Operations	☆						▨						
Update Contribution Rates in VNAV	Operations	☆						▨						
1099/W2	Operations	☆						▨	▨					



Operational/Ongoing Activities		Status	2025						2026					
			Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Annual Roadmap Review	Operations	●										▨	▨	▨
FYE 2026	Operations	●											▨	▨
Retirement Wave 2026	Operations	●											▨	▨
ORPHE Surcharge Billing for FY 2025	Operations	☆							▨	▨	▨	▨	▨	▨
Data Fixes	Operations	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
ALM Backlog Prioritization	Operations	●	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨	▨
Employer VNAV Security Review	Operations	N/S											▨	▨
VRS Fund Sensitivity and Stress Testing Report for GA	Operations	●					▨	▨	▨	▨	▨	▨	▨	▨
Legislation FY 2026	Operations	●							▨	▨	▨			

Yellow Status Items

Item	Due Date	Comments
VNAV Enhancements – Phase 2	TBD	In an effort to ensure long-term project success, additional time adjusting the staffing plan has been made to ensure the Program Manager and project team will be sufficiently resourced and supported. This work continues at this time.
Purchase of Refunded Service Process	TBD	Due to time constraints, the Purchase of Refunded Service process changes in myVRS were removed from the June release scope and moved to a future release. The work will be completed in FY27.

Red Status Items

Item	Due Date	Comments
N/A		

Realignments/Adjustments

Item	Due Date	Comments
N/A		

New Employer Coverage

Coverage Elected	Details
New VRS Employer with Tax-Deferred Purchase of Prior Service	▪ **Central Shenandoah Planning District Commission** (City of Staunton), Effective July 1, 2026
Full-time Classification of Bus Drivers	▪ **Bristol City Public Schools,** Effective July 1, 2026

Commonwealth of Virginia Campaign Awards

At the CVC Award Luncheon on April 24, VRS' CVC Coordinator Nicole Morlette, Julia Dozier, Vincent Price and Deardrian Carver accepted recognition on behalf of VRS for two outstanding achievements: the Philanthropy Excellence Award and the Heart of the CVC Award!

CVC Honors VRS Philanthropy and Volunteers

Philanthropy Excellence Award

(Agency Size: 100-500)

- Reflects our team's collective commitment to giving
- This campaign year, **VRS raised $79,654.88**—an impressive 55.1% increase from last year's $51,354.75

Virginia Retirement System

is honorably presented the

Philanthropy Excellence Award

for the highest agency amount donated in the "Agency Size between 100 to 500" category for the 2025 campaign.

April 22, 2026

Jonathan Singleton, CVC Supervisor

Justin Shreve, CVC Director

Virginia Retirement System

is honorably presented the

Heart of the CVC Award

for the Top Volunteer Impact for the 2025 campaign.

April 22, 2026

Jonathan Singleton, CVC Supervisor

Justin Shreve, CVC Director

Heart of the CVC Award

(Top Volunteer Impact)

- Recognizes the agency with the highest reported volunteer hours
- **VRS employees logged an incredible 597 volunteer hours** through Direct Giving
- Of note: **Jillian Sherman, VRS Legislative Liaison & Policy Analyst, logged 467 hours** volunteering with the Girl Scouts of the Commonwealth of Virginia

NCPERS Certificate of Transparency

The National Conference on Public Employee Retirement Systems recently awarded a Certificate of Transparency to VRS for its participation in the 2026 NCPERS Public Retirement Systems Study.

VRS was one of 149 state and local pension funds that voluntarily reported information about finances, operations and business practices.

NCPERS Serving Public Pensions Since 1941

Certificate of Transparency

This Certificate of Transparency is awarded to the

Virginia Retirement System

in recognition of its participation in the *NCPERS 2026 Public Retirement Systems Study*, an initiative that advances open disclosure, strengthens data collection, and promotes greater public understanding of public retirement systems. Through this contribution, Virginia Retirement System demonstrates its commitment to transparency, accountability, and informed engagement within the public pension community.

Hank Kim
Chief Executive Officer, NCPERS

VRS Presents at VGFOA Conference

CFO Curtis Doughtie and Employer Relationship Program Manager Andy Feagans briefed members of the Virginia Government Finance Officers Association this spring in Williamsburg

VGFOA

Virginia Retirement System®

VRTA Spring Conference

VRS Director Trish Bishop provided an update at the April meeting of the Virginia Retired Teachers Association, which drew nearly 100 educators to Richmond

VIRGINIA RETIRED TEACHERS
KNOWLEDGE IS POWER
ASSOCIATION
1935

Virginia Retirement System®

VRS Report to JLARC

JLARC
JOINT LEGISLATIVE AUDIT & REVIEW COMMISSION

Monday, July 6, 2026
House Committee Room C (Room 206)
General Assembly Building
201 N. 9th St., Richmond, Virginia

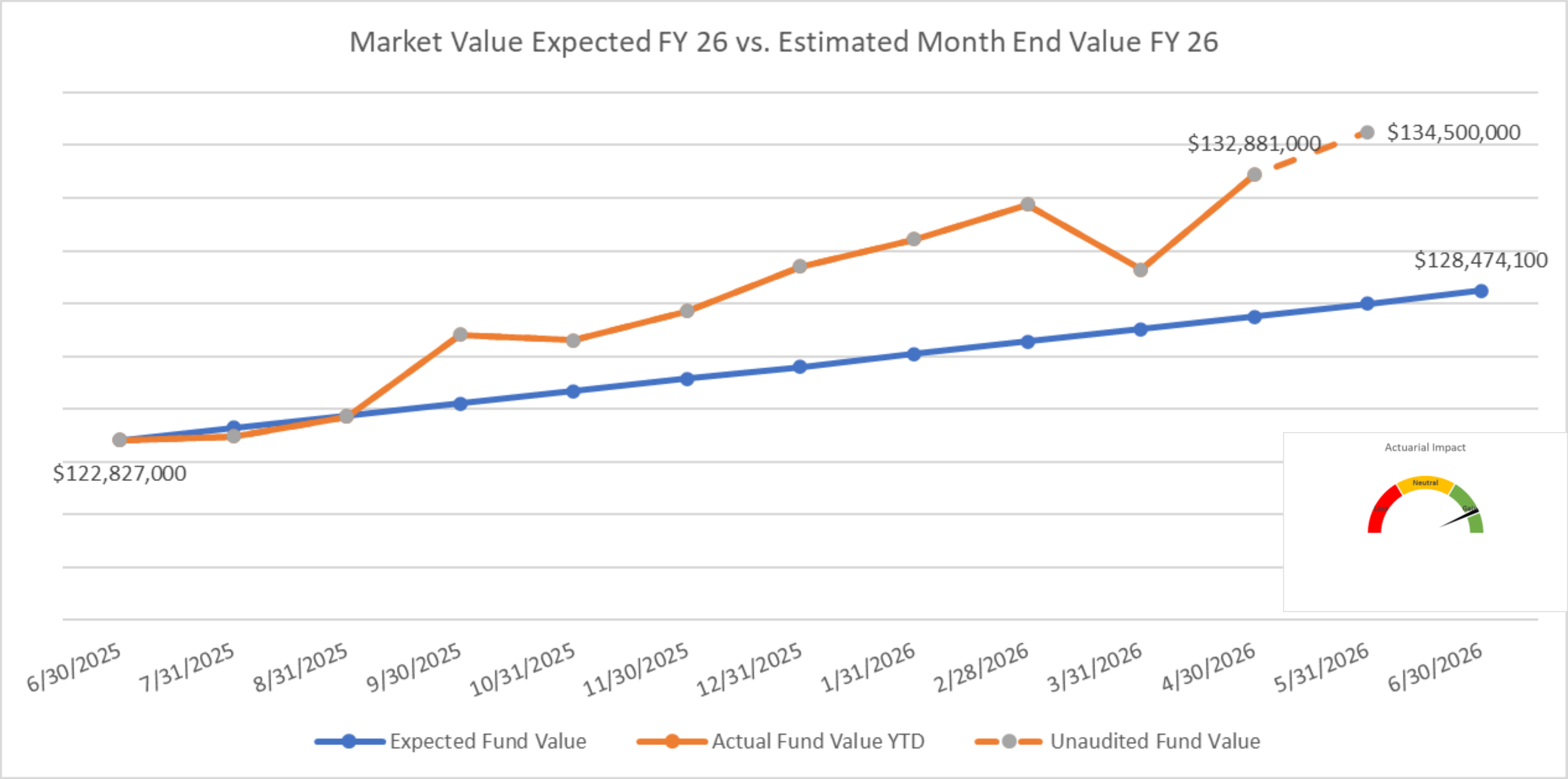
jlarc.virginia.gov/calendar.asp

Meetings are usually streamed live and often are also available to view after the meeting via JLARC's YouTube channel.

Virginia Retirement System®

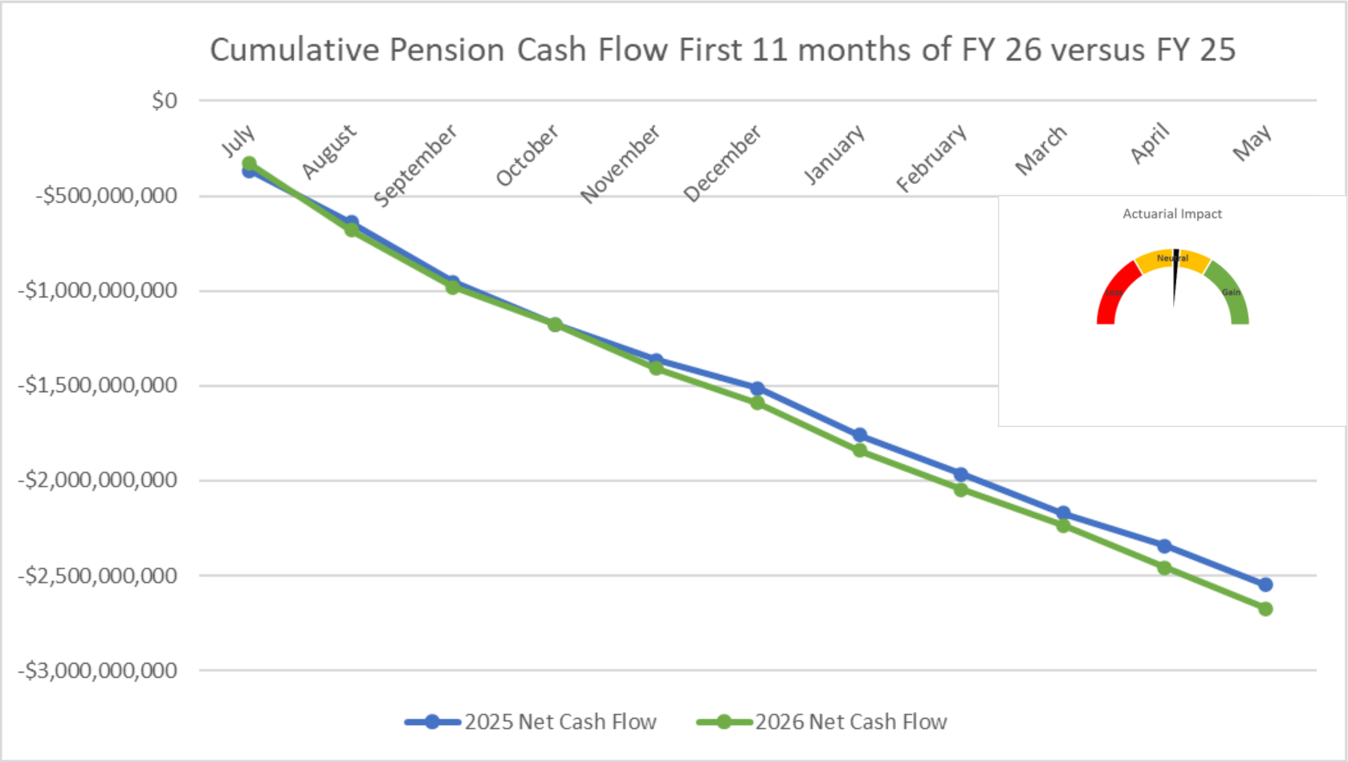
Actuarial Measures
Key Indicators

Fund Market Value Actual vs. Expected – FY 2026



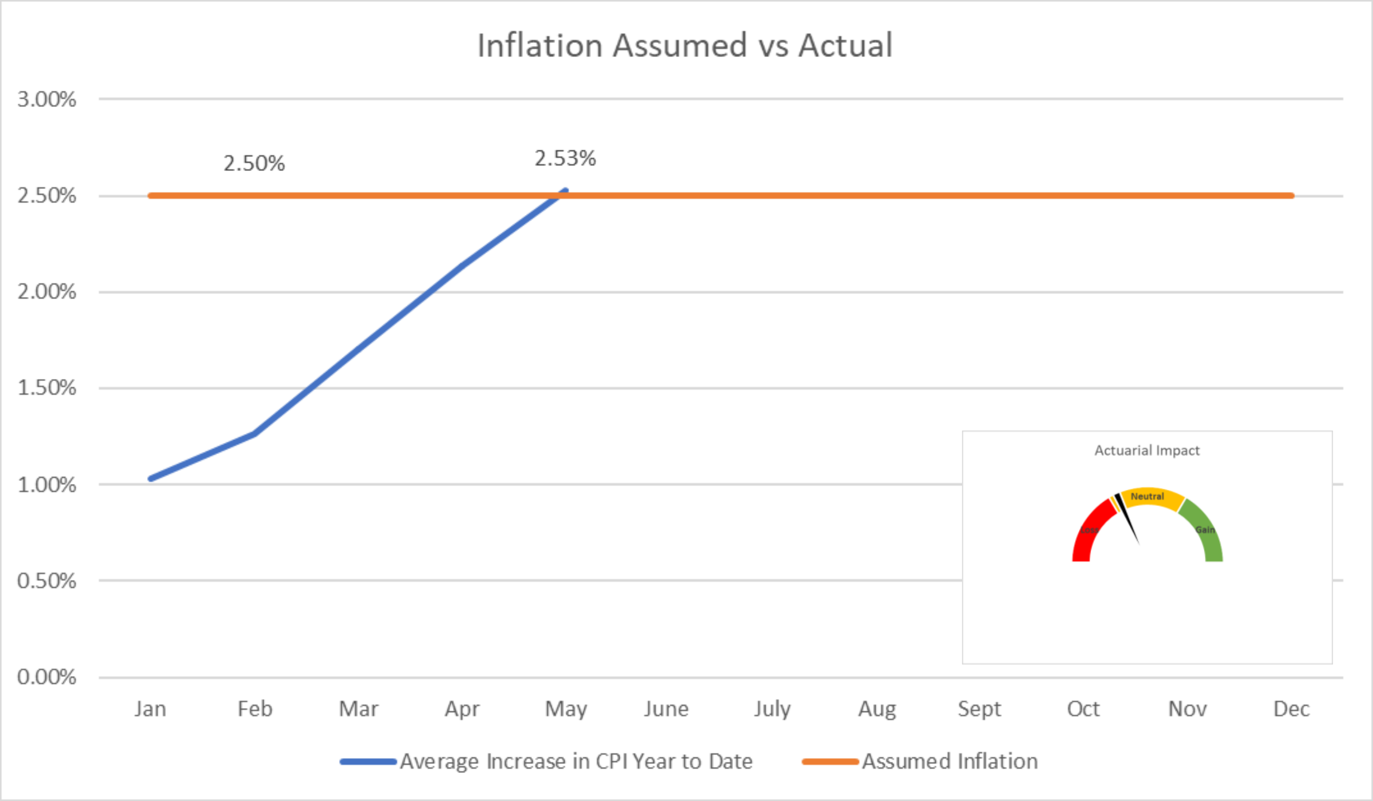
- Through first 11 months of FY 2026 the estimated fund value is trending higher than expected based on an assumed rate of return of 6.75%.

Pension Cash Flow



- Pension cash flows for first 11 months of Fiscal year 2026 are slightly more negative than those observed in first 11 months of Fiscal year 2025.

Inflation – Average Increase in CPI Year to Date



Virginia Retirement System®

Deficit Provision Acknowledgment Form

(Appendix A of DPB's New Year Start-up instructions)

Section A (for all agencies)

Agency Acknowledgement

I have received, read, and understand your instructions regarding indebtedness of state agencies as they relate to the requirements of § 4-3.01 of the current Appropriation Act.

Agency Name Virginia Retirement System ____________ Agency Code 158____________

Other agencies in the Act (if any) for which your agency is responsible: ________________

____

____

Agency/Cabinet Head Name Patricia Bishop ____

Agency/Cabinet Head Signature____

(Personal signature is required above and cannot be delegated)

Date__________________

Section B (if applicable to your agency)

Supervisory Board *(see §2.2-2100 of the Code of Virginia for what constitutes a "supervisory board")*

I have provided each member of the supervisory board of this agency with a copy of the notice in this memorandum and I will provide the same material to those appointed to the board in the future.

____

(Personal Signature of Agency Head)

Date: ______________________________________

E-mail to:

Digitally sign or scan the signed original; Save as a PDF, and Email to ***budget@dpb.virginia.gov*****.**

NOTE: Provide your agency name and agency number as well as the phrase "Deficit Provision Acknowledgment Form" in the subject line of the email.