

## Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on November 13, 2025, in Richmond, Virginia with the following members participating:

Board members:

A. Scott Andrews, Chair  
Hon. J. Brandon Bell, II (*attended remotely from Roanoke, VA under § 2.2-3708.3(B)(3)*) (departed at 3:12 p.m.)  
John M. Bennett  
J. Clifford Foster, IV (departed at 3:03 p.m.)  
Susan T. Gooden, Ph.D. (*attended remotely from Seattle, WA under § 2.2-3708.3(B)(4)*)  
Jessica L. Hood  
Hon. Matthew James  
Lindsey K. Pantele

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Advait Apte, Rory Badura, Matt Bennett, Ty Bowers, Lee Buchanan, Jessica Budd, Caroline Cardwell, Dorothy Chiddo, Michael Cooper, Sara Denson, Valerie Disanto, Curtis Doughtie, Pam Elam, Kenji Epling, Laurie Fennell, Laura Fields, Antonio Fisher, Josh Fox, Katherine Grawe, JT Grier, Krystal Groff, Dane Honrado, KC Howell, Sandy Jack, Wendy Jenkins, Mengting Kim, Matthew Lacy, Chung Ma, Curt Mattson, Scott Mootz, Greg Oliff, Matt Priestas, Laura Pugliese, Mark Rein, Andrew Ringle, Gregory Salvati, Jenny Schoeller, Wendy Schueller, Dan Schlussler, Michael Scott, Joseph Shaver, Richard Slate, Amethyst Sloane, Virginia Sowers and Larry Tentor.

Guests:

Lauren Albanese, Financial Investment News; Jim Anderson, Michael Spadaro and Becky Stouffer, Gabriel, Roeder, Smith & Company; Jeremy Bennett, Virginia Association of Counties; Valerie Cymes; Chris Doll, CEM Benchmarking; Lisa Giaffo; Jacob Hodges, Encore; Alexandra Jansson and Kimberly Sarte, Joint Legislative Audit and Review Commission; Elizabeth Myers, Office of the Attorney General; Anita R. Schneider; Bea Snidow, Virginia Education Association; Sabrina Ticer-Wurr, MandateWire and Nate Weinstein, Osmosis.

The meeting convened at 1:01 p.m.

### Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the November 13, 2025, meeting of the Virginia Retirement System Board of Trustees.

### Approval of Minutes

Following a motion by Mr. Bennett, and a second by Ms. Pantele, the VRS Board of Trustees unanimously approved the minutes from its October 16, 2025, meeting.



### **Report of the Investment Advisory Committee**

Larry Kochard, Chair of the Investment Advisory Committee (IAC), began his report by noting the IAC met on November 5, 2025, and approved the minutes from its August 20, 2025, meeting. The Committee received the Chief Investment Officer's report from Andrew Junkin (CIO) covering asset allocation, performance and new manager hires and terminations since the August 20<sup>th</sup> IAC meeting.

Following the CIO report, staff provided an update on the following topics:

- A review was provided of the Private Equity Program; topics included an overview, exposures, results (including VRS results relative to the investment rate of return by vintage year), VRS Co-investment program, top ten investment managers, DIME managers, as well as forward-looking plans for Private Equity.
- A review was provided of the Real Assets investment program; topics included an overview, an update on market fundamentals and portfolio exposures, results, top ten managers, DIME managers, and forward-looking plans for Real Assets.
- A review of the Credit Strategies and Private Investment Partnership Programs was provided; topics included an overview, asset allocation, market update, exposures, results, top ten managers and a forward look for both programs.
- Finally, the Private Markets Team hosted a roundtable discussion with IAC members covering topics including expansion of private assets into the retail channel, concerns of systematic risk from private credit and impacts of AI on private markets.

Mr. Andrews thanked Mr. Kochard for his report.

### **Report of the Chief Investment Officer**

Andrew Junkin, Chief Investment Officer, began his report with 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.

### **Corporate Governance Report**

Next, Mr. Junkin presented the Corporate Governance Report. He reviewed the FY 2025 Corporate Governance Report and provided an overview of the Proxy Voting and Litigation Policy to the Board.

He advised that Institutional Shareholder Services, Inc. (ISS) continues to provide proxy research and implementation services for VRS. Mr. Junkin advised that during 2023, VRS adopted the ISS Global Board-Aligned Voting Policy. A summary of the 2025 U.S. voting guidelines was presented to the Board. An annual examination of the relationship with ISS includes a review of any changes to the policy, managerial evaluation of any changes and feedback to ISS, and participation in a survey to voice opinions on potential policy changes.



Mr. Junkin provided an overview of VRS securities litigation and investment organizations. Lastly, Mr. Junkin discussed involvement in investor organizations, stating that VRS continues to be a non-voting member of the Council of Institutional Investors.

Mr. Andrews thanked Mr. Junkin for his presentation.

#### **CEM Cost Effective Analysis of VRS Investment Program**

Chris Doll of CEM Benchmarking, Inc., presented the results of the Investment Benchmarking Analysis for the five-year period ending December 31, 2024. The presentation is a review of VRS' investment costs, performance and risk versus a peer group. Mr. Doll advised that VRS' five-year and ten-year performance placed VRS in the positive value-added, low-cost quadrant of the cost effectiveness chart. The fund was below benchmark costs as it paid less than the peer group for similar services and had a lower cost implementation style. In summary, Mr. Doll concluded the cost-effective management of the plan is generating the appropriate results on both the value side with the top line performance and the savings managed by negotiating with external managers and managing money internally.

Mr. Andrews thanked Mr. Doll for his presentation and commended the Investment staff for their efforts to continue delivering positive value-added results at a lower cost.

#### **Report of the Benefits and Actuarial Committee**

The VRS Board of Trustees received the report of the Benefits and Actuarial Committee following its meeting on November 12, 2025, and placed it on file.

#### **APPROVAL OF MINUTES**

The Committee approved the minutes of its October 15, 2025, meeting.

#### **2025 ACTUARIAL VALUATION RESULTS FOR POLITICAL SUBDIVISION RETIREMENT PLANS, THE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP), LOCAL HEALTH INSURANCE CREDIT (HIC), AND THE LINE OF DUTY ACT (LODA) FUND**

Jim Anderson and Becky Stouffer from the VRS plan actuary, Gabriel, Roeder, Smith & Company (GRS), presented the June 30, 2025, actuarial valuation results for the Political Subdivision Retirement Plans, the Virginia Local Disability Program (VLDP), the Local Health Insurance Credit (HIC), and the Line of Duty Act (LODA) fund. The VRS actuary conducts annual valuations as of the close of the fiscal year (June 30). This year's valuation results will be used for rate-setting for fiscal years 2027 and 2028.

The valuation results incorporated recent changes from the quadrennial experience study that the Board approved during its April meeting. As discussed at that time, the changes in assumptions were expected to have only minor impacts in the developed employer contribution rates. In addition to assumption changes, the actuarial experience from the past year included higher than expected increases in salaries and cost-of-living adjustments (COLAs), which create actuarial losses. However, the investment return for the fund of 9.9% exceeded the long-term assumed rate of 6.75% for fiscal year 2025. The investment gains associated with a higher-than-expected investment return overshadowed

the experience study changes and higher salaries and COLAs resulting in lower contribution rates for most plans and an increase in the funded status for most of the political subdivision plans.

Key points from the political subdivision retirement plans, local HIC and VLDP presentation include:  
Pensions

- Average funded status for pension plans increased to 92% from last year's 89%. Of the 602 local employers, 275 had a funded status over 100%.
- The average contribution rate for pension plans continued to trend lower dropping from 12.25% in the last rate-setting valuation to 10.46%.

#### OPEBS

- Funded status for HIC plans increased for political subdivisions in aggregate. The state funded HIC plans for Constitutional Officers, Social Services employees, and Registrars all had increases in funded status due to both higher than expected investment returns as well as additional contributions from maintaining the higher employer rates from the prior biennium.
- Contribution rates for the state-funded HIC plans saw decreases while the employer rates for 136 of the 236 political subdivision plans remained unchanged from prior rate-setting due to funding policy provisions which maintain rates until plans reach 75% funded status.
- VLDP funded status dropped slightly for the Teachers plan due to assumption changes while VLDP for political subdivision plans trended higher. Each of the VLDP plans saw small increases in the employer rates mostly due to assumption changes from the recent experience study.

Ms. Stouffer provided the results for the Line of Duty Act (LODA) Fund.

Key points from the LODA fund presentation include:

- The LODA plan is a pay-as-go plan that must collect the required funds to pay benefits expected to be incurred over the coming year.
- The LODA plan premium per full-time equivalent is expected to increase from \$1,015 to \$1,385.
- Increases in the premium rate were due in part to the following:
  - Higher than expected increases in healthcare premiums
  - Increases in the healthcare trend rates
  - Changes in the premium weighting from the recent experience study for some covered groups to better reflect observed experience
- LODA fund premiums are inherently expected to increase each rate setting as the primary benefit is health insurance coverage which is expected to increase each year along with an increase in the number of members under claim.

Ms. Stouffer and Mr. Anderson of GRS delivered an abbreviated version of their presentation to the full Board of Trustees on November 13, 2025.

Upon a motion by Mr. Bennett, with a second by Delegate James, the VRS Board of Trustees approved the following action with respect to the valuation report for political subdivisions and the Health Insurance Credit (HIC) for certain political subdivisions; and the contribution rates for constitutional



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officers, social services employees, general registrars, VSDP and VLDP. Upon a motion by Mr. Bennett, with a second by Mr. Foster, the VRS Board of Trustees approved the following action with respect to the premium rate for LODA:

***Request for Board Action 2025-11-27:*** After considering the recommendations of its Plan Actuary, Gabriel, Roeder, Smith & Company, the Board accepts the June 30, 2025, valuation report for political subdivisions and the Health Insurance Credit (HIC) for certain political subdivisions; approves a contribution rate of 0.27% for constitutional officers, a rate of 0.20% for social services employees, and a contribution rate of 0.13% for general registrars; approves a contribution rate of 0.48% for the Virginia Local Disability Program (VLDP), including self-funded Long-Term Care for Teachers and a rate of 0.79% for VLDP, including self-funded Long-Term Care for Political Subdivisions; and approves a full-time equivalent premium rate of \$1,385.00 for the Line of Duty Death and Health Benefits Trust Fund (Fund), all for both FY 2027 and FY 2028, to be effective July 1, 2026.

**INFORMATION ITEM**

The Committee's next meeting will be held on February 4, 2026, at 1:00 p.m.

Mr. Andrews thanked Mr. Bennett for his report.

**Report of the Director**

Ms. Bishop, Director, began her report with an update on the agency road map for FY 2026, noting all projects are progressing and expected to be accomplished as planned.

Ms. Bishop then provided the following updates to the Board:

- VRS was recently recognized with the 2025 Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council for the 22<sup>nd</sup> consecutive year.
- VRS celebrated Customer Service Week October 6 – October 10, 2025.
- VRS held its annual celebration of Diwali, the festival of lights, on November 5<sup>th</sup>, during which staff enjoyed learning more about the meaning of Diwali and partaking in celebratory events.
- A preview of upcoming board and committee meetings was provided.

**Information Technology (Closed Session)**

Upon a motion by Mr. Bennett, with a second by Ms. Pantele, 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 program, pursuant to the exemption contained in *Code of Virginia* § 2.2-3711(A)(19).

Upon return to open meeting, Mr. Bennett moved, with a second by Ms. Pantele, 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<sup>1</sup>:

Mr. Bennett: Aye

Dr. Gooden: Aye

Ms. Hood: Aye

Delegate James: Aye

Ms. Pantele: Aye

Mr. Andrews: Aye

#### **Other Business**

Lastly, Mr. Andrews confirmed the following meeting schedule:

- Defined Contribution Plans Advisory Committee – December 4 at 1:00 p.m.
- Audit and Compliance Committee – December 11 at 10:30 a.m.<sup>2</sup>
- Board of Trustees – December 11 at 1:00 p.m.

#### **Adjournment**

There being no further business and following a motion by Mr. Bennett, with a second by Delegate James, the VRS Board of Trustees agreed to adjourn the meeting at 3:15 p.m.



Chair



Secretary

<sup>1</sup> Senator Bell was not present for the closed meeting session or the subsequent roll call vote.

<sup>2</sup> The Audit and Compliance Committee meeting was subsequently changed to December 11 at 11:30 a.m.

## Report

The Benefits and Actuarial Committee met on November 12, 2025, and took up the following matters:

### APPROVAL OF MINUTES

The Committee approved the minutes of its October 15, 2025, meeting.

### 2025 ACTUARIAL VALUATION RESULTS FOR POLITICAL SUBDIVISION RETIREMENT PLANS, THE VIRGINIA LOCAL DISABILITY PROGRAM (VLDP), LOCAL HEALTH INSURANCE CREDIT (HIC), AND THE LINE OF DUTY ACT (LODA) FUND

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The valuation results incorporated recent changes from the quadrennial experience study that the Board approved during its April meeting. As discussed at that time, the changes in assumptions were expected to have only minor impacts in the developed employer contribution rates. In addition to assumption changes, the actuarial experience from the past year included higher than expected increases in salaries and cost-of-living adjustments (COLAs), which create actuarial losses. However, the investment return for the fund of 9.9% exceeded the long-term assumed rate of 6.75% for fiscal year 2025. The investment gains associated with a higher-than-expected investment return overshadowed the experience study changes and higher salaries and COLAs resulting in lower contribution rates for most plans and an increase in the funded status for most of the political subdivision plans.

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Ms. Stouffer and Mr. Anderson of GRS will also deliver an abbreviated version of their presentation to the full Board of Trustees on November 13, 2025.

Following some discussion, the Committee recommended approval of the following action to the full Board of Trustees:

***Request for Board Action:*** *After considering the recommendations of its Plan Actuary, Gabriel, Roeder, Smith & Company, the Board accepts the June 30, 2025, valuation report for political subdivisions and the Health Insurance Credit (HIC) for certain political subdivisions; approves a contribution rate of 0.27% for constitutional officers, a rate of 0.20% for social services employees, and a contribution rate of 0.13% for general registrars; approves a contribution rate of 0.48% for the Virginia Local Disability Program (VLDP), including self-funded Long-Term Care for Teachers and a rate of 0.79% for VLDP, including self-funded Long-Term Care for Political Subdivisions; and approves a full-time equivalent premium rate of \$1,385.00 for the Line of Duty Death and Health Benefits Trust Fund (Fund), all for both FY 2027 and FY 2028, to be effective July 1, 2026.*

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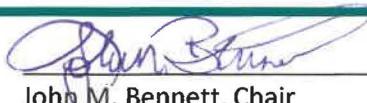
Submitted to the Board of Trustees on November 13, 2025.



Virginia  
Retirement  
System

**Benefits and Actuarial Committee**  
**Committee Report to the Board of Trustees**  
**November 13, 2025**  
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A handwritten signature in blue ink, appearing to read "John M. Bennett".

John M. Bennett, Chair  
Benefits and Actuarial Committee