



Audit and Compliance Committee Meeting

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

Thursday, 4/23/2026
10:00 - 11:30 AM ET

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II. Report on Code of Ethics by Management

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A. Report from Administration

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A. Report 467: Group Life Insurance and Death Processing

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B. Report 466: Networking and Computing IT Infrastructure (Closed Session)

VII. Next Meeting Date: June 9, 2026, at 1:00 p.m.

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Minutes

The Audit and Compliance Committee of the Board of Trustees met on December 11, 2025, at the Patrick Henry Building located in Richmond, Virginia. The following individuals were present.

Audit and Compliance Committee Members:

Sen. J. Brandon Bell, II, Committee Chair
J. Clifford Foster, IV, Committee Vice Chair
A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

Lawrence A. Bernert, III
Jessica L. Hood

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Judy Bolt, Ty Bowers, Michael Cooper, Valerie Disanto, Curtis Doughtie, Joshua Fox, Krystal Groff, Sandy Jack, Curt Mattson, Matthew Priestas, Kristy Scott and Virginia Sowers.

Guests:

Eric Sandridge, Auditor of Public Accounts; Jacob Hodges, Encore; Alexandra Jansson, Joint Legislative Audit and Review Commission; and Daniel Lipok, Vtech.

The meeting convened at approximately 11:30 a.m.

Opening Remarks

Sen. Bell called the meeting to order and welcomed everyone to the December 11, 2025, meeting of the Audit and Compliance Committee and noted no changes or additions to the meeting agenda.

Approval of Minutes

Upon motion of Mr. Andrews, seconded by Mr. Bernert, the committee approved the minutes of the Audit and Compliance Committee meeting held on September 24, 2025.

Exit on the 2025 Annual Comprehensive Financial Report (ACFR)

Mr. Sandridge informed the committee the APA's audit work over VRS' fiscal year 2025 ACFR was in its final stages. Mr. Sandridge indicated the APA plans to issue an unmodified opinion dated no later than December 15, 2025. Mr. Sandridge noted as a part of the audit, the APA would issue a "Report on Internal Controls and Compliance" in January 2026. Results of the audit include no new recommendations but will include follow-up on a prior year recommendation, for which APA noted it was satisfied with management's corrective action and

will be reporting the recommendation as implemented. The committee discussed with Mr. Sandridge the process APA follows to select VRS staff for fraud interviews.

Entrance for 2025 Employer Assurances Review

Mr. Sandridge then provided the committee with an overview of the APA's upcoming examination designed to provide participating employers and their auditors the assurances necessary to prepare their own annual financial statements in accordance with *GASB Statements No. 68* and *No. 75*.

Mr. Sandridge noted the examination will cover the period July 1, 2024, through June 30, 2025, and the APA anticipates issuing its opinions on these matters on or about June 30, 2026. He further indicated the engagement memo would be provided to the committee at a later date.

Audit Report

The committee received one audit report from staff.

Audit Report 465 – Health Insurance Credits and Premiums

Mr. Priestas presented the results of Internal Audit's review of Health Insurance Credits and Premiums. The review determined overall, health insurance credits are valid and complete and health insurance premiums are properly withheld, remitted and recorded. There was one recommendation resulting from this review.

Acceptance of Audit Report

Upon motion of Mr. Andrews, seconded by Ms. Hood, the committee accepted audit report no. 465 as presented.

Annual Report on Internal Audit's Quality Assurance and Improvement Program

Ms. Schreck presented the results of the annual internal Quality Assurance and Improvement Program Review as of June 30, 2025, which concluded there was reasonable assurance that the Internal Audit Department generally conforms with the Global Internal Audit Standards. Ms. Schreck discussed how this is the first time the review was performed under the new standards, with the new standards being in effect starting January 2025, which covered half of the review's assessment period.

Miscellaneous Updates

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck shared there were no Fraud, Waste and Abuse cases reported for the period August 1, 2025, through October 31, 2025.

Management's Quarterly Travel Expense and Per Diem Report

Ms. Schreck noted management's quarterly travel expense and per diem report was included in the meeting materials for the Audit and Compliance Committee's review.

Next Committee Meeting Date

Ms. Schreck noted the next meeting of the committee is scheduled for March 25, 2026, at 1:00 p.m.

Meeting Adjournment

There being no further business, upon motion of Sen. Bell, seconded by Mr. Andrews, the Audit and Compliance Committee adjourned the meeting at approximately 12:07 p.m.

Committee Chair

Secretary

Code of Ethics

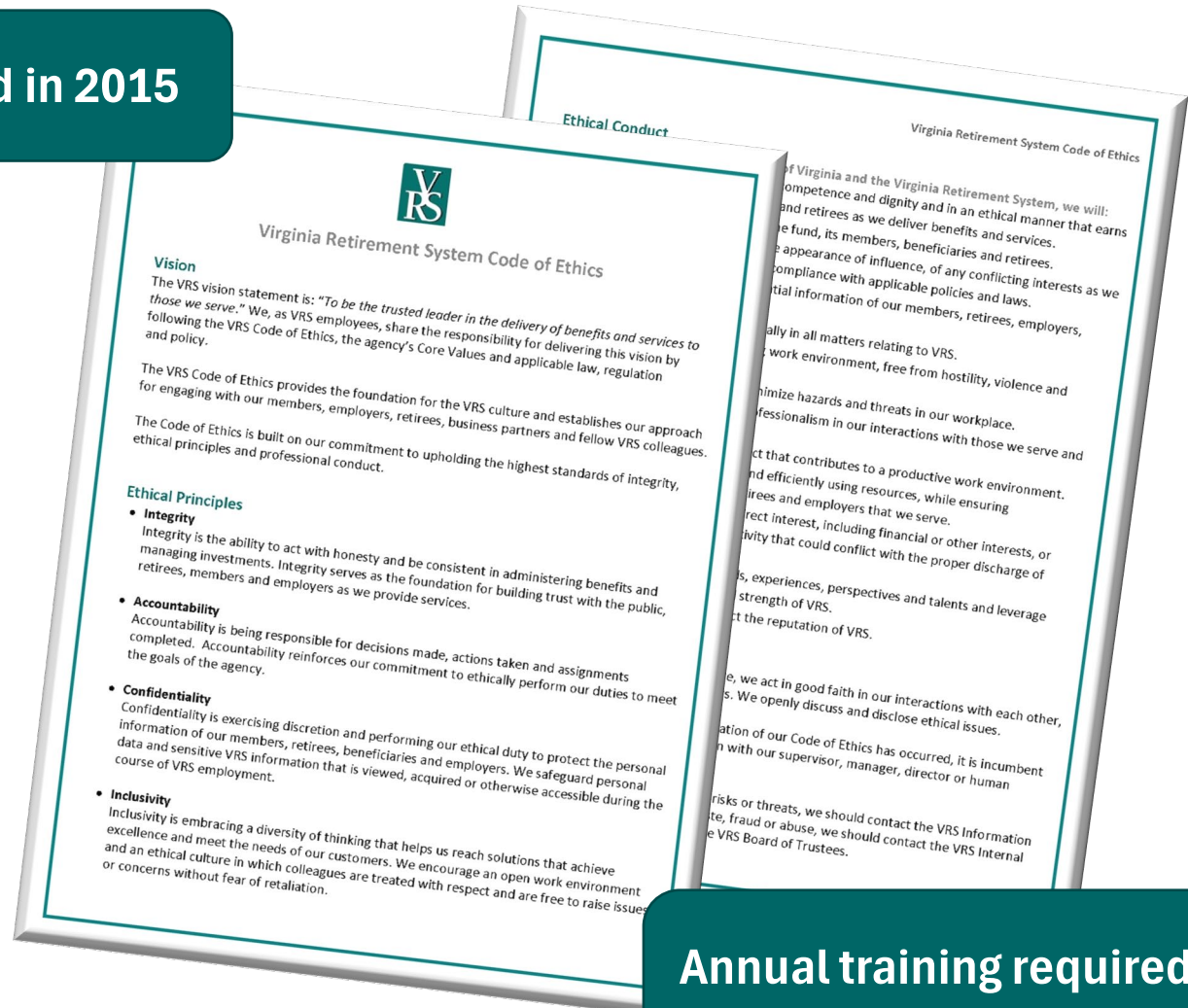


VRS Code of Ethics Report

Presented to
VRS Audit and Compliance Committee
March 25, 2026

VRS Administration Code of Ethics

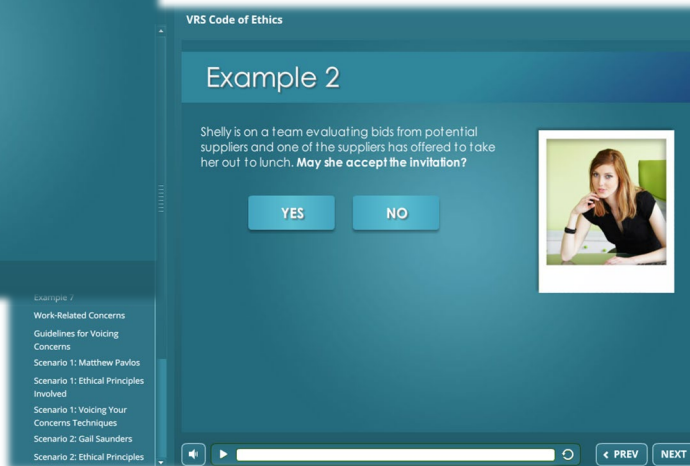
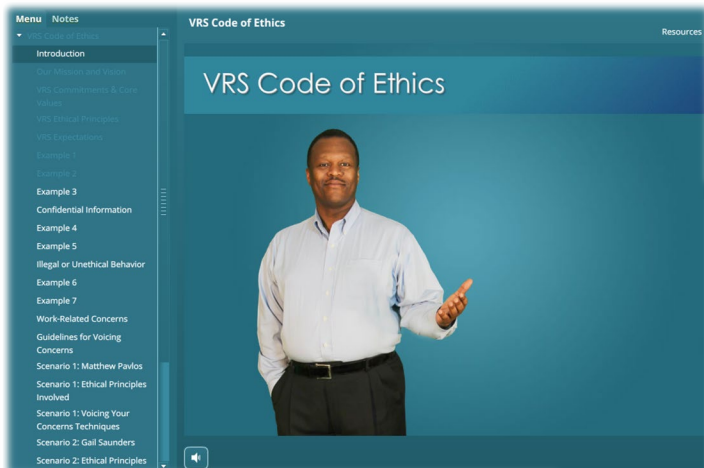
Adopted in 2015



Annual training required for all eligible employees

Online Training Course

- Developed in 2016
- Interactive
- Incorporates real-life scenarios



2025 Results

- **97% of eligible staff completed the training by December 31, 2025.**
- **All eligible staff completed the training by January 8, 2026.**

VRS Investments Code of Ethics

- Consists of four interconnected policies:
 - Code of Ethics and Standards of Professional Conduct Policy
 - Material Non-Public Information Policy
 - Personal Trading Policy
 - Policy on Gifts
- Applies to Investment staff in addition to the VRS Agency-Wide Code of Ethics



Monitoring and Certification

Initial

New employee training on Investments Code of Ethics Policies and initial certification

Quarterly

Compliance with the Personal Trading Policy

Annual

Certification of compliance with Investments Code of Ethics Policies

FY 2025 Compliance Results – Investments



For FY 2025 (and through 12/31/2025), all new Investment staff have provided Initial Certifications of compliance with the Investments Code of Ethics.



For FY 2025, all Investment staff have provided Annual Certifications of compliance with the Investments Code of Ethics.



For FY 2025 (and through 12/31/2025), all Investment staff have provided Quarterly Certifications of compliance with the Personal Trading Policy for each fiscal quarter.



Virginia
Retirement
System®





Virginia Retirement System Code of Ethics

Vision

The VRS vision statement is: *“To be the trusted leader in the delivery of benefits and services to those we serve.”* We, as VRS employees, share the responsibility for delivering this vision by following the VRS Code of Ethics, the agency’s Core Values and applicable law, regulation and policy.

The VRS Code of Ethics provides the foundation for the VRS culture and establishes our approach for engaging with our members, employers, retirees, business partners and fellow VRS colleagues.

The Code of Ethics is built on our commitment to upholding the highest standards of integrity, ethical principles and professional conduct.

Ethical Principles

- **Integrity**

Integrity is the ability to act with honesty and be consistent in administering benefits and managing investments. Integrity serves as the foundation for building trust with the public, retirees, members and employers as we provide services.

- **Accountability**

Accountability is being responsible for decisions made, actions taken and assignments completed. Accountability reinforces our commitment to ethically perform our duties to meet the goals of the agency.

- **Confidentiality**

Confidentiality is exercising discretion and performing our ethical duty to protect the personal information of our members, retirees, beneficiaries and employers. We safeguard personal data and sensitive VRS information that is viewed, acquired or otherwise accessible during the course of VRS employment.

- **Inclusivity**

Inclusivity is embracing a diversity of thinking that helps us reach solutions that achieve excellence and meet the needs of our customers. We encourage an open work environment and an ethical culture in which colleagues are treated with respect and are free to raise issues or concerns without fear of retaliation.

Ethical Conduct

As employees of the Commonwealth of Virginia and the Virginia Retirement System, we will:

- Perform our work with integrity, competence and dignity and in an ethical manner that earns the trust of members, employers and retirees as we deliver benefits and services.
- Act solely in the best interest of the fund, its members, beneficiaries and retirees.
- Remain free from influence, or the appearance of influence, of any conflicting interests as we conduct business ethically and in compliance with applicable policies and laws.
- Maintain and protect the confidential information of our members, retirees, employers, business partners and employees.
- Deal fairly, objectively and impartially in all matters relating to VRS.
- Promote a positive and welcoming work environment, free from hostility, violence and harassment of any kind.
- Promote safety and security to minimize hazards and threats in our workplace.
- Exercise good faith, civility and professionalism in our interactions with those we serve and with each other.
- Create a climate of trust and respect that contributes to a productive work environment.
- Act as good stewards, effectively and efficiently using resources, while ensuring accountability to our members, retirees and employers that we serve.
- Refrain from having a direct or indirect interest, including financial or other interests, or engaging in a personal business activity that could conflict with the proper discharge of duties or management of VRS.
- Embrace differences in backgrounds, experiences, perspectives and talents and leverage those differences as a fundamental strength of VRS.
- Share in the responsibility to protect the reputation of VRS.

Illegal or Unethical Behavior

as we strive to maintain an ethical culture, we act in good faith in our interactions with each other, business partners and external customers. We openly discuss and disclose ethical issues.

If at any time, we believe a potential violation of our Code of Ethics has occurred, it is incumbent upon us to seek clarity through discussion with our supervisor, manager, director or human resource office.


If the issue involves information security risks or threats, we should contact the VRS Information Security Officer. If the issue involves waste, fraud or abuse, we should contact the VRS Internal Audit Director, who reports directly to the VRS Board of Trustees.



March 10, 2026

MEMORANDUM

TO: VRS Audit and Compliance Committee

FROM: Patricia S. Bishop
Director 

RE: 2025 Code of Ethics Report

Since adopting its Code of Ethics in 2015, VRS expects all eligible full-time and wage employees to complete ethics training each year. Beginning in 2016, VRS established an online 30-minute interactive Code of Ethics course to more efficiently facilitate the required training. The course details the provisions of the VRS Code of Ethics and includes related scenarios that employees could face in the workplace. Each year the Human Resources staff reviews the training course to ensure it is current.

It is the goal of the agency to have all eligible employees complete the Code of Ethics course at least once during the year. For 2025, 97% of eligible employees successfully completed the required course before December 31, 2025. The remaining eligible employees completed the required course by January 8, 2026.

To the best of our knowledge, all employees are in compliance with the requirements and expectations described in the VRS Code of Ethics.

Attachment



Virginia
Retirement
System

Virginia Retirement System, Investment Department
1200 East Main Street, Richmond, Virginia 23219

To: Members of the Audit and Compliance Committee

From: Curtis M. Mattson, Chief Administrative Officer *CMM*
Richard W. Brooks, Regulatory and Legal Officer *RWB*

Date: March 11, 2026

Subject: Annual Report on Investment Department's Code of Ethics and Standards of Professional Conduct Policy (as of December 31, 2025)

As required in the Audit and Compliance Committee Charter, please find attached the annual report on the Investment Department's Code of Ethics and Standards of Professional Conduct Policy. This report describes the process for communicating this Policy to the Investment Department personnel and monitoring compliance with this Policy.

Attached you will also find the current Code of Ethics and Standards of Professional Conduct Policy and the respective stand-alone policies referenced in this Policy.

Let us know if you have any questions.

VRS Investment Department
Annual Report on the Code of Ethics and Standards of Professional Conduct Policy
As of December 31, 2025

Overview

The Investment Department Code of Ethics and Standards of Professional Conduct Policy (the “Code of Ethics”) is built on our commitment to upholding the highest standards of integrity, ethical principles, and professional conduct. All Investment associates (as defined in the Code of Ethics) are subject to this Code of Ethics.

The Investment Department first adopted its Code of Ethics in 2006. This document is periodically reviewed and updated to confirm that its contents and procedures are current. The most recent version of the Code of Ethics became effective July 1, 2015.

The Code of Ethics continues to address potential conflicts of interest in three main areas:

- The treatment of confidential and material non-public information;
- Trading of securities in personal accounts; and
- The disclosure of discussions of potential employment arrangements or other forms of consideration between Investment associates and entities conducting business with the VRS.

Incorporated by reference and made part of the Code of Ethics are the following stand-alone policies:

- Material Non-Public Information Policy;
- Personal Trading Policy; and
- Policy on Gifts.

A copy of each of these policies, as well as the Code of Ethics, is attached.

Communicating and Monitoring Procedures

The Code of Ethics and related stand-alone policies are located on the Investment Department’s network drive, which is accessible by all Investment associates.

Initial Certification Process

- As part of the Investment Department’s new employee orientation process, the Code of Ethics and related stand-alone policies are provided to the newly hired Investment associate by the Regulatory and Legal Officer.
- Completed and physically signed (or electronic equivalent) initial certification forms are received from the Investment associate.
- All initial certifications are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Quarterly Procedures

- Following the end of each fiscal quarter, the Personal Trading Policy is sent to all Investment associates by the Regulatory and Legal Officer.
- Certification of compliance with the Personal Trading Policy for the prior fiscal quarter, as well as supporting documentation for applicable personal trades made during that period, is required from each Investment associate.
- All certifications and supporting documentation are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Annual Procedures

- At the beginning of each fiscal year, the Code of Ethics and related stand-alone policies are sent to all Investment associates by the Regulatory and Legal Officer.
- Each Investment associate is required to certify their compliance with each of these policies during the prior fiscal year, which includes an acknowledgement from the Investment associate that, during the prior fiscal year, he or she had no known personal conflicts of interest related to entities conducting business with the VRS.
- All certifications are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Results

FY 2025

- Initial certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates hired during FY 2025 and were properly reviewed.
- Annual certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates and were properly reviewed.
- Personal trading certifications for each fiscal quarter during FY 2025 have been received from all Investment associates and were properly reviewed.

FY 2026 (through December 31, 2025)

- Initial certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates hired during FY 2026 (through December 31, 2025) and were properly reviewed.

- Personal trading certifications for the first two fiscal quarters of FY 2026 have been received from all Investment associates and were properly reviewed.

Overall Conclusion

- To the best of our knowledge, all Investment associates have been and continue to be in compliance with the requirements of the Investment Department Code of Ethics and Standards of Professional Conduct Policy and the stand-alone policies incorporated therein by reference.



Virginia
Retirement
System

Investment Department

Code of Ethics

and

Standards of Professional Conduct Policy

Effective Date – July 1, 2015

**Virginia Retirement System
Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

Introduction

Investment associates (i.e., VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. Investment associates owe a duty of loyalty to the Fund and should avoid conflicts that may reasonably be perceived as abusing the faith and confidence that has been placed in the VRS Investment Department.

Policy

The VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy (COE or Policy) was established in an effort to ensure loyalty as well as a commitment to fairness, openness and transparency in the governance of the Fund. Furthermore, the VRS Investment Department has also incorporated the CFA Institute Code of Ethics and Standards of Professional Conduct (see pages 5 and 6 of this document) into its COE.

In addition to the incorporation of the CFA standards, this Policy specifically addresses: (i) the treatment of confidential information; (ii) the disclosure of discussions of potential employment arrangements or other forms of consideration between investment associates (or members of their immediate families) and entities conducting business, either directly or indirectly, with the VRS Investment Department where a potential for conflict of interest exists; and (iii) additional policies adopted by the Investment Department to mitigate risks associated with potential conflicts of interest between an investment associate's own interests and those of the Fund.

Any variety of activities, events or matters may cause a potential conflict of interest. The intent of this COE is to help ensure that no VRS investment associate or any member of the investment associate's immediate family seek or accept personal gain in conflict with the provisions this COE and from the investment decisions of the VRS investment programs. For the purposes of this COE, "immediate family" means a spouse and any child who lives at home and who is a dependent of the investment associate.

This Policy is not intended to address every situation or activity where a conflict of interest might exist. Investment associates are strongly encouraged to seek the advice of the Regulatory and Legal officer (RLO) whenever there is uncertainty about compliance with this Policy.

Treatment of Confidential Information

In the course of performing their duties, VRS investment associates are expected to exhibit the utmost discretion in handling and/or acting upon any confidential information that has been provided to them with the expectation (whether explicit or implicit) of confidentiality. In their handling of confidential information, VRS investment associates shall exercise reasonable care to protect and preserve the privacy of such information entrusted to them by either internal or external sources. Furthermore, all actions based on, or communications involving confidential information shall be limited to the legitimate

business purposes of the VRS. VRS investment associates shall fully comply with all applicable laws concerning public disclosure of information. Also, see the Investment Department's Material Non-Public Information Policy.

Potential Employment/Other Forms of Consideration

This Code of Ethics and Standards of Professional Conduct Policy specifically addresses the disclosure of discussions of potential employment arrangements or other forms of consideration between an investment associate (and members of their immediate family) and entities conducting business, either directly or indirectly, with the VRS Investment Department where a potential for conflict of interest exists. For purposes of this Policy, an "entity conducting business with the VRS Investment Department" includes but is not limited to: investment managers, placements agents, consultants, broker/dealers, and related vendors.

The appearance of a breach of a duty of loyalty can arise if an investment associate or a member of their immediate family is discussing prospective employment or other forms of consideration with an entity conducting business with the VRS Investment Department, which could reasonably be expected to create a conflict of interest, without first notifying the Chief Investment Officer (CIO). Therefore, all investment associates are required to provide disclosure to the CIO, or his or her designee, regarding such discussions with any entity doing business within the associate's program (such as Total Public Equity, Internal Equity Management, Fixed Income, Credit Strategies, Real Assets, Private Equity, Strategic Opportunities, etc.) or for entities doing business with other areas within the VRS Investment Department for which the associate has had significant input or participation (such as initial evaluation, ongoing due diligence, reviewing fee calculations, etc.).

These disclosures will provide the CIO an opportunity to take appropriate steps to protect the Fund, the VRS Investment Department, and the investment associate from allegations of a conflict of interest. Due to the nature of the Investment Department's Management Committee (responsible for reviewing all investment recommendations), all Program Directors and all other participants on that Committee are required to provide disclosures regarding such discussions (including those involving members of their immediate family) with any entity conducting business with the VRS Investment Department. If the CIO is required to make any such disclosures under this Policy, he or she will do so to the Chairman of the VRS Board.

In addition to these disclosure requirements, all members of the Management Committee are prohibited from accepting employment with any entity with which the VRS Investment Department has a contractual agreement for a period of one year from the most recent contract inception date with VRS.

Finally, the Virginia State and Local Government Conflict of Interests Act applies to each investment associate. A portion of this Act prohibits accepting any business or professional opportunity when the recipient knows there is a reasonable likelihood that the opportunity is being afforded for influence in the performance of the recipient's official duties. For details regarding the Virginia State and Local Government Conflict of Interests Act see Exhibit A.

Other Investment Department Policies

In addition to this Code of Ethics and Standards of Professional Conduct Policy, the Investment Department has adopted a number of policies to mitigate risks associated with potential conflicts of interest between an investment associate's own interests and those of the Fund. These additional policies include, but are not limited to, the Investment Department's Personal Trading Policy, Material Non-Public Information Policy, and the Policy on Gifts. These policies are incorporated by reference and made part of this COE.

(i) Personal Trading Policy

The VRS Investment Department has adopted a Personal Trading Policy that applies to all investment associates. This policy is intended to provide guidance and direction on the types of personal trading activities permitted or prohibited. See the separate Personal Trading Policy.

(ii) Material Non-Public Information Policy

In the course of employment and potentially from other sources, VRS investment associates may come into possession of material non-public information relating to publically traded securities. The VRS Investment Department has adopted a Material Non-Public Information Policy to protect against misuse of material non-public information and to comply with Federal securities laws. See the separate Material Non-Public Information Policy.

(iii) Policy on Gifts

The Investment Department has adopted a Policy on Gifts that sets forth specific guidelines and restrictions governing the acceptance of gifts and entertainment by investment associates. It is also the intent of the VRS Investment Department to treat the sections of the State and Local Government Conflict of Interests Act ("COIA") relating to gifts as the minimum acceptable standard - see Exhibit A. Also, see the separate Policy on Gifts.

Reporting and Certification Procedures

Upon implementation of this updated Policy, all current and prospective investment associates (including new hires and interns) will be required to sign an Initial Certification form that they: have read the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy; understand these documents; acknowledge there are penalties for non-compliance; and, agree to comply with this Policy – see Exhibit B. All VRS investment associates will also be required to annually certify that they have complied with this COE and all aforementioned policies incorporated by reference - see Exhibit C. The RLO will maintain a file of completed forms.

This COE will be updated and revised as necessary. The RLO will provide a copy of this Policy to all investment associates no less frequently than annually or when substantive changes are made to this Policy.

Reserve the Right to Request Information from Investment Associates

If the need arises, the RLO and the Chief Administrative Officer (CAO) reserve the right to request and review Statement of Economic Interests forms, personal brokerage statements and other relevant information from any investment associate or members of their respective immediate households. Investment associates agree to make a reasonable effort to obtain requested information from members of their immediate households if such is requested.

Non-Compliance

Every investment associate is expected to adhere to the requirements of this COE. Failure to comply could result in sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment. Additionally, improper or illegal actions could result in criminal penalties and/or civil liabilities. All persons subject to this Code of Ethics and Standards of Professional Conduct Policy should report any known violations to the RLO.



CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

PREAMBLE

The CFA Institute Code of Ethics and Standards of Professional Conduct are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. High ethical standards are critical to maintaining the public's trust in financial markets and in the investment profession. Since their creation in the 1960s, the Code and Standards have promoted the integrity of CFA Institute members and served as a model for measuring the ethics of investment professionals globally, regardless of job function, cultural differences, or local laws and regulations. All CFA Institute members (including holders of the Chartered Financial Analyst® [CFA®] designation) and CFA candidates must abide by the Code and Standards and are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute. Sanctions can include revocation of membership, revocation of candidacy in the CFA Program, and revocation of the right to use the CFA designation.

THE CODE OF ETHICS

Members of CFA Institute (including CFA charterholders) and candidates for the CFA designation ("Members and Candidates") must:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

STANDARDS OF PROFESSIONAL CONDUCT

I. PROFESSIONALISM

- A. Knowledge of the Law.** Members and Candidates must understand and comply with all applicable laws, rules, and regulations (including the CFA Institute Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, Members and Candidates must comply with the more strict law, rule, or regulation. Members and Candidates must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.
- B. Independence and Objectivity.** Members and Candidates must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Members and Candidates must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

- C. Misrepresentation.** Members and Candidates must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.
- D. Misconduct.** Members and Candidates must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

II. INTEGRITY OF CAPITAL MARKETS

- A. Material Nonpublic Information.** Members and Candidates who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.
- B. Market Manipulation.** Members and Candidates must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

CFA Code of Ethics and Standards of Professional Conduct (page 2 of 2)

III. DUTIES TO CLIENTS

- A. Loyalty, Prudence, and Care.** Members and Candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and Candidates must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.
- B. Fair Dealing.** Members and Candidates must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.
- C. Suitability.**
1. When Members and Candidates are in an advisory relationship with a client, they must:
 - a. Make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
 - b. Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
 - c. Judge the suitability of investments in the context of the client's total portfolio.
 2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.
- D. Performance Presentation.** When communicating investment performance information, Members and Candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.
- E. Preservation of Confidentiality.** Members and Candidates must keep information about current, former, and prospective clients confidential unless:
1. The information concerns illegal activities on the part of the client or prospective client,
 2. Disclosure is required by law, or
 3. The client or prospective client permits disclosure of the information.

IV. DUTIES TO EMPLOYERS

- A. Loyalty.** In matters related to their employment, Members and Candidates must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.
- B. Additional Compensation Arrangements.** Members and Candidates must not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer's interest unless they obtain written consent from all parties involved.
- C. Responsibilities of Supervisors.** Members and Candidates must make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations, and the Code and Standards.

V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTIONS

- A. Diligence and Reasonable Basis.** Members and Candidates must:
1. Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
 2. Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.
- B. Communication with Clients and Prospective Clients.** Members and Candidates must:
1. Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes.
 2. Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
 3. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
 4. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.
- C. Record Retention.** Members and Candidates must develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

VI. CONFLICTS OF INTEREST

- A. Disclosure of Conflicts.** Members and Candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Members and Candidates must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.
- B. Priority of Transactions.** Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.
- C. Referral Fees.** Members and Candidates must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from or paid to others for the recommendation of products or services.

VII. RESPONSIBILITIES AS A CFA INSTITUTE MEMBER OR CFA CANDIDATE

- A. Conduct as Participants in CFA Institute Programs.** Members and Candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute or the CFA designation or the integrity, validity, or security of the CFA Institute programs.
- B. Reference to CFA Institute, the CFA Designation, and the CFA Program.** When referring to CFA Institute, CFA Institute membership, the CFA designation, or candidacy in the CFA Program, Members and Candidates must not misrepresent or exaggerate the meaning or implications of membership in CFA Institute, holding the CFA designation, or candidacy in the CFA program.



EXHIBIT A

VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy

Summary of Virginia State and Local Government Conflict of Interests Act Virginia Code § 2.2-3100 et seq.

Certain sections of the Act directly applicable to investment associates include, but are not limited to:

Use of confidential information and accepting gifts that could influence decisions: Officers and employees may not use confidential state information, not available to the public, for their own or for anyone else's economic benefit. Officers or employees may not accept any money, loan, gift, favor, or any other thing of value that could tend to influence their work and the decisions that would influence them in the performance of their official duties. [CITE: Virginia Code § 2.2-3103(4), (5).]

Business or professional opportunity: Furthermore, officers and employees cannot accept a business or professional opportunity when they know that there is a reasonable likelihood that the opportunity is being offered to influence them in the performance of their official duties. [CITE: Virginia Code § 2.2-3103(6).]

See Virginia Code § 2.2-3100 et seq. for the entire Virginia State and Local Government Conflict of Interests Act.

EXHIBIT B

**VRS Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Name: _____
(Please Print)

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the RLO

EXHIBIT C

**VRS Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

ANNUAL CERTIFICATION FORM

For the Period _____

I certify that to the best of my knowledge for the period stated above:

1. I was in compliance with the requirements of the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy.
2. I was in compliance with the requirements of the VRS Investment Department Personal Trading Policy.
3. I was in compliance with the requirements of the VRS Investment Department Material Non-Public Information Policy.
4. I was in compliance with the requirements of the VRS Investment Department Policy on Gifts.
5. I am not aware of any conflict of interest between myself (or members of my immediate family) and entities conducting business, either directly or indirectly, with the VRS Investment Department. These entities include, but are not limited to: investment managers, placement agents, consultants, broker/dealers, and related vendors.

Investment Associate
Signature: _____
Print Name: _____
Title: _____
Date: _____

Reviewed by RLO
or CAO: _____
Date: _____

Reviewed by Supervisor:
Signature: _____
Date: _____

Return this completed form to the RLO

VRS Investment Department
Material Non-Public Information Policy
Effective Date – July 1, 2015

Introduction

Investment associates (i.e., VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. While public pension funds are exempt from many of the federal securities laws governing money managers, VRS and investment associates are not exempt from important anti-fraud provisions under federal securities laws that prohibit insider trading and other manipulative and dishonest behavior that threatens the integrity of the market.

This Policy applies to all VRS investment associates. This Policy cannot and is not intended to address all insider trading issues that may arise in connection with an investment associate's duties. Investment associates are strongly encouraged to seek the advice of the VRS Investments Regulatory and Legal Officer (RLO) if they have questions related to this Policy or issues it addresses.

Policy

Material, Non-Public Information

In the course of employment and potentially from other sources, VRS investment associates may come into possession of non-public information relating to publically traded securities. Trading on inside information is not a basis for legal liability unless the information is material. Both positive and negative information can be material. The underlying factor is whether the information could have a market impact.

Federal insider trading laws and regulations generally prohibit those who possess material, non-public information from buying or selling securities or passing on such information to others who may be induced to buy or sell securities on the basis of such information. Such information is of special importance under the anti-fraud sections of the federal and state securities laws, and misuse of that information can lead to civil and criminal penalties for VRS and investment associates. Whether information is material and non-public is not always obvious. This Policy section, therefore, starts with a short discussion of what might constitute material, non-public information.

Material Information

Information is deemed material if it would be considered important by a reasonable investor in deciding whether to buy, sell or refrain from any activity regarding that security. In addition, such information would be material if it were likely to have a significant impact on the market price or value of that company's securities. Whether information is material is established by reviewing all the facts and circumstances.

Information provided by a company could be material because of its expected effect on a particular class of securities, all of a company's securities, the securities of another company, or the securities of several companies. The prohibition against misusing material, non-public information applies to all types of financial instruments including, but not limited to, stocks, bonds, warrants, options, futures, forwards, swaps, and commercial paper.

Those covered under this Policy who are aware of material, non-public information regarding a company are prohibited from, directly or indirectly, making investment decisions on behalf of VRS or any other transactions, related to that company. If an investment associate is uncertain whether the information is material, the safest course of action is for the employee to treat the information as material. In such a situation, the investment associate should consult the RLO before initiating any transactions with respect to the subject security.

The following partial list illustrates types of information that would generally be considered material:

- Projections of future earnings or losses or other financial results;
- A gain or loss of a material contract, customer or supplier or material changes in the profitability status of a current contract;
- Merger, acquisitions, tender offers, or joint ventures;
- A significant sale of assets, write-downs or write offs or disposition of a subsidiary;
- Expansion or curtailment of company or major division operations;
- Innovative products, processes, or discoveries;
- New licenses, patents, or other intellectual property milestones;
- Regulatory approval or rejection of a product;
- Changes in management;
- Events regarding the issuer's securities (i.e. defaults on senior securities, changes in dividends, or stock repurchases);
- Debt service or liquidity problems or unannounced plans to file for a bankruptcy;
- Criminal, civil and government investigations and indictments;
- Undisclosed regulatory or law enforcement proceedings;
- Pending labor disputes;
- Undisclosed plans to issue restatement of financial statements; and
- Undisclosed order for large trades before they are executed.

This list of examples is not intended to be exhaustive, and other types of information may also be material. As discussed further below, after information such as that listed above becomes public, it generally no longer creates a risk of insider trading.

Non-Public Information

Non-public information is information that is not generally known or available to the general public. Once information has been effectively communicated in the marketplace, it is no longer considered non-public. However, the distribution of material, non-public information must occur through commonly recognized channels for the classification to change. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg or other publications of general circulation would be considered public. In addition, there must be adequate time for the public to receive and evaluate the information. When material information has been publicly disclosed, you should continue to refrain from buying or selling securities in question until the information has been adequately disseminated to the public so that investors have had the opportunity to evaluate the information. Adequate dissemination requires allowing enough time after the announcement for the market to react to the information.

Non-public information does not change to public information solely by selective dissemination. Corporations that disclose information on a limited basis create the potential for insider-trading violations. Information concerning a public company's financial statements or regulatory filings prior to completion is non-public. Similarly, disclosure to a room full of analysts does not necessarily make the disclosed information public until it is made available to investors in general. The confirmation by an insider of unconfirmed rumors, even if the information in question was reported as rumors in a public form, may be non-public information.

Examples of the ways in which non-public information might be transmitted include, but are not limited to:

- In person;
- In writing;
- By telephone;
- During a presentation;
- By email, instant messaging, or Bloomberg messaging;
- By text message or through Twitter; or
- On a social networking site such as Facebook or LinkedIn.

Definition of an Insider

The term insider trading is not specifically defined under the federal securities laws (most guidance in this area can be found under case law and related judicial decisions). The term insider is generally used to refer to trading in securities on the basis of material, non-public information. Insiders are not limited to officers, directors and employees (corporate officials) of a company and major shareholders. A person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purpose.

A person could be liable for insider information simply by possessing inside information regarding a given security, breaching a fiduciary duty to the source of the information, and then trading it with a self-serving intent, even if he or she would have made the trade anyway. The Securities and Exchange Commission (“SEC”), which is the primary U.S. regulator under the federal securities laws, takes the view that the mere fact that a person knows the information is enough to bar him or her from trading, even if the reasons for the potential trade are not based on that information.

This duty may be imputed to others. For example in cases where an insider “tips” another person about material, non-public information likely to have an effect on the company’s share price, the duty the insider owes is now imputed to the recipient of the information. This person would be in violation if he/she trades on the basis of this information. A restricted person, who tips information to a person who then trades, is subject to the same penalties, even if the restricted person did not trade and did not profit from the trading.

Prohibition/Penalties

Each investment associate is required to adhere to this Policy. Failure to comply could result in VRS sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment.

In addition to VRS penalties, the consequences of insider trading violations can be severe under U.S. law. The SEC takes the position that these laws apply to all transactions in shares or options of companies listed for trading in the U.S., whether or not the actual trades take place in the U.S. For individuals who trade on inside information (or tip information to others), possible penalties include:

- A civil penalty of disgorgement, or return, of profit gained or loss avoided, plus a fine of up to three times the profit gained or loss avoided.
- Criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years for felony convictions.

An entity that knowingly and recklessly disregards the fact that an employee is likely to engage in illegal trading and fails to take appropriate steps to prevent the illegal activity is currently subject to possible penalties which may include:

- A civil penalty of the greater of \$1 million or three times the profit gained or the loss avoided as a result of the employee's violation; and/or
- A criminal penalty of up to \$2.5 million.

External Managers

As part of the normal course of business, VRS investment staff employs outside third-party managers to invest a portion of VRS assets. VRS may receive information about these managers' investment strategies and trading activities. Some of this information could be considered material non-public information and limit VRS's ability to trade in that issuer's public securities.

If a VRS investment associate expects that discussions with an outsider might involve the transmission of material, non-public information, the investment associate should inquire whether or not this information would make VRS an insider and should seek a representation regarding the counterparty's status as a potential insider. When practicable, this disclosure and representation should be communicated by email. It is recognized that VRS may enter into confidentiality agreements with third-parties through which investment associates of VRS may receive non-public information. In these instances, appropriate controls must be implemented through the use of information barriers.

Information Barriers/Chinese Walls

Federal and state securities laws generally prohibit VRS from trading in a security while in possession of material, non-public information related to the traded security or issuer. The federal securities laws, however, permit institutional investors to trade while one or more of its employees possess material, non-public information if the individual or group of individuals making the investment decision on behalf of the institutional investor is not aware of that information. Furthermore, the institutional investor must have implemented reasonable policies and procedures that ensure that the individual or group of individuals making an investment decision on behalf of the institutional investor is not aware of material, non-public information related to that investment decision.

All investment associates must consider material, non-public information as highly confidential and use information barriers to protect the confidentiality of such information. Furthermore, such information should be disclosed only to employees on a need to know basis to carry-out their job responsibilities.

Investment associates must safeguard non-public information whether generated internally or acquired from outside sources. Investment associates must use this information only for VRS related matters and not share this investment related information or resources with other VRS investment programs. In order to control access to this non-public information, business related communications

between VRS investment staff and other VRS employees should be kept to a minimum. Investment associates should be highly sensitive to the potential for disclosure of any non-public information.

Other VRS investment programs not privy to material, non-public information may still be permitted to trade in securities of an issuer so long as appropriate informational barriers exist and the guidelines in the Procedures for Protection of Material, Non-Public Information section of this document are followed.

Procedures for Protection of Material, Non-Public Information

Investment associates who may be in possession of material, non-public information should take protective steps to preserve the confidentiality of that information and prevent its intentional or inadvertent disclosure. These steps may include, but are not limited to, the following:

- Immediately report the potential receipt of material, non-public information to the RLO and immediate Supervisor;
- Not discuss any potentially material, non-public information with colleagues, except as specifically required by their position;
- Not trade the securities of any company about which they may possess material, non-public information;
- Refrain from discussing any potentially material, non-public information with any person who is outside of the barrier/Chinese wall;
- Refrain from, directly or indirectly, participating in, recommending or supervising any decisions to buy, sell or hold the securities of the issuer; and
- Safeguard all files, file cabinets and other storage areas that contain information concerning material non-public information.

Review and Determination

It is the responsibility of every VRS investment associate to notify his/her immediate supervisor and the RLO when in receipt of material, non-public information or whenever he/she has questions as to whether they are in possession of material, non-public information. The RLO will conduct research to determine if the information is likely to be considered material, and whether the information has been publicly disseminated. The RLO will keep a file describing the information, its source, and the date that the information was received.

After the RLO has reviewed the matter, a determination will be made as to whether the information is material and non-public. If a determination is made that the information is material and non-public, the security in question will be placed on a restricted list for the particular investment program that came into possession of such information. The RLO will provide notice of such determination in written format via e-mail to all employees known to have access to such information

and to the employees within the specific investment program. These employees are prohibited from placing any trades in such security and must adhere to the Procedures for Protection of Material, Non-Public Information previously covered.

Investment associates with such information have the responsibility to notify the RLO when they believe the security should be considered for removal from the restricted list. The RLO has the ultimate responsibility for maintaining a restricted list and no person, other than the RLO and the Chief Administrative Officer, can make a determination to exclude an issuer from VRS's restricted list. The restricted list shall be distributed to a limited number of investment associates on a need to know basis only.

Trading in affected securities may resume when the RLO or Chief Administrative Officer determines that the information has become public and/or immaterial. At such time, the RLO will notify in writing via e-mail the applicable investment associates that the restriction has been removed.

Initial Certification Form

Upon implementation of this Policy, all current and prospective investment associates (including new hires and interns) will be required to sign an Initial Certification form that they: have read the VRS Investment Department Material Non-Public Information Policy; understand this document; acknowledge there are penalties for non-compliance; and, agree to comply with this Policy – see Exhibit A. In addition, an annual certification of compliance with this Policy is required as part of the Investment Department Code of Ethics and Standards of Professional Conduct Policy.

Exhibit A

**VRS Investment Department
Material Non-Public Information Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Material Non-Public Information Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer

**VRS Investment Department
Personal Trading Policy
Effective Date – July 1, 2015**

Purpose

Investment associates (i.e. VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. The interests of assets managed by VRS (“VRS Fund”) are of paramount importance and all investment associates must exercise care and caution always to place the interests of VRS before their own. It is integral to the culture of the VRS Investment Department to prohibit investment associates from undertaking personal transactions that may give rise to a conflict of interest, insider dealing or breach of confidentiality by virtue of an activity carried out on behalf of VRS.

This Personal Trading Policy applies to all VRS Investment Department personnel. This Policy is put forth to guard against improprieties or conflicts of interest involving an investment associate’s personal trading activities that could harm or adversely affect the credibility or reputation of VRS. This Policy is designed to provide guidance and direction to investment associates on the types of personal trading activities permitted or prohibited.

With the adoption and implementation of this updated Policy, investment associates will no longer be permitted to conduct personal securities transactions in covered securities for their own personal accounts. For purposes of this Policy, a personal security transaction is defined as any transaction in individual securities for an investment associate’s own account or for an account in which the associate has beneficial ownership and decision making authority for the account.

At the date of implementation of this Policy, any investment associates holding covered securities may continue to hold these securities indefinitely or may sell such securities with pre-clearance (as described below), from the Regulatory and Legal Officer (RLO) or the Chief Administrative Officer (CAO). This process is also applicable to new hires within the Investment Department.

Covered Securities

VRS investment associates are strictly prohibited from the purchase of individually traded equities or debt instruments of corporate issuers for their own personal accounts, including but not limited to the following:

- Stocks;
- Corporate bonds;
- Preferred stock;
- IPOs;
- Private Placements;
- Master Limited Partnerships;

- Short Sales;
- Convertible securities;
- Derivatives based on non-permitted securities; and
- Options, warrants, puts, calls and rights relating to publicly traded equity or debt securities.

Transactions where the investment associate has no decision making authority involving a covered security are permissible. Neither pre-clearance nor the reporting requirements (discussed further below) apply to these transactions. Examples include, but are not limited to, the following:

- Automatic dividend reinvestment plans;
- Acquisition of a covered security through a gift or bequest;
- Purchase, sale or other acquisition of a covered security in a trust in which the VRS investment associate holds beneficial ownership, but holds no decision making authority with respect to selection of investments (i.e. blind trust); and
- Discretionary management of personal account(s) by a portfolio manager (PM) or registered investment advisor (RIA). A discretionary account is defined as an account giving power of attorney to the PM or RIA to buy and sell securities with no prior communication with the account owner with respect to purchases or sales.

This Policy cannot address every situation that might confront VRS investment associates and as such, investment associates are strongly encouraged to seek advice of the RLO should there be a question as to the status of the potential transaction or a related situation.

Administration of the Policy

The RLO will be responsible for the administration of this Policy. The RLO will receive and review all reports required to be submitted pursuant to this Policy (reporting requirements are detailed below). The RLO will review the reports to determine that investment associates' trades are consistent with the requirements and restrictions set forth in this Policy and do not otherwise indicate improper trading activities. The RLO will also ensure that all books and records relating to this Policy are properly maintained.

Pre-Clearance for Selling Covered Securities

Pre-clearance is required for any sale involving a previously held covered security where an investment associate has decision making authority to conduct a sale. Immediate family members of VRS investment associates are not required to formally apply for pre-clearance unless the investment associate has beneficial ownership and decision making authority for the account. For the purposes of this Policy, "immediate family" means a spouse and any child who lives at home and who is a dependent of the investment associate. VRS investment associates will exercise reasonable care to protect and preserve confidential or sensitive information related to VRS matters. Communications involving such

confidential or sensitive information will not be shared with immediate family members or others and must only be used for legitimate business purposes. All VRS investment associates are also subject to the requirements of the Investment Department's separate policy on material non-public information.

An investment associate with an existing holding in a covered security must get pre-clearance in writing from either the RLO or the CAO prior to selling such security. The RLO or CAO may under certain temporary situations delegate the pre-approval process to another individual within the Compliance Department as appropriate (i.e. both out of the office). This temporary approval must be in writing and identify the compliance person prior to the approval or denial of any covered security transaction(s). No individual authorized to pre-clear transactions may pre-clear a transaction for a covered security in which he or she has beneficial ownership. The RLO will obtain pre-clearance from the CAO, if necessary.

Prior consent must be sought using the Personal Trading Pre-Clearance Form - see Exhibit D. This form must be signed by the employee seeking approval, the immediate supervisor, and the RLO or CAO. **No trading is permitted until approval is received.** Transactions that appear upon reasonable inquiry and investigation to present no likelihood of harm to VRS will be entitled to pre-clearance. Pre-clearance approval is valid for a period of five business days following the day approval is granted. After such time, pre-clearance approval will no longer be valid. The VRS investment associate will provide the RLO or CAO with a trade confirmation (or equivalent and acceptable documentation) within ten days of completion of such transaction. If no transaction occurs, the investment associate will provide written notification to the RLO or CAO as soon as reasonably practical upon expiration of the approval period.

Policy Distribution and Certifications

The RLO will provide a copy of this updated Policy to all investment associates no less frequently than annually or when substantive changes are made to this Policy. Investment associates will attest to compliance with this Policy through initial and quarterly certifications as described below.

Initial Certification Form

Upon implementation of this updated Policy, all current investment associates will certify that they have received, read and will comply with this Policy. All new hires to the Investment Department will receive a current copy of this Policy promptly after being employed. The RLO will meet with new investment associates to provide an overview of this Policy. All new investment associates will be required to acknowledge they are subject to this Policy and have read and understand this Policy as evidenced by the Initial Certification Form - see Exhibit A.

Quarterly Certification Form

Every investment associate must submit a Quarterly Certification Form (see Exhibit B) to the RLO following each quarter-end. The certification requires investment associates to indicate whether or not transactions in covered securities occurred during the previous quarter for an investment associate's

own account or for an account in which the associate has beneficial ownership and decision making authority for the account. **In the event an investment associate has no reportable trades to disclose, he or she will still be required to submit the report to the RLO certifying that no reportable trades occurred during the previous quarter.** A fully completed Transaction Report for Covered Securities (see Exhibit C) along with the Personal Trading Pre-Clearance Form (see Exhibit D) must be completed if trades occurred in covered securities during the previous quarter.

Violations

Investment associates must immediately report any known violation of this Policy to the RLO. All reports will be treated confidentially and investigated promptly and appropriately. VRS will not retaliate against any investment associate that reports a violation in good faith and any retaliation constitutes a further violation of this Policy.

Each investment associate is required to adhere to this Policy. Failure to comply could result in sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment. Additionally, improper or illegal actions could result in criminal penalties and/or civil liabilities.

Training

The RLO will provide an overview related to this Policy to all employees at the time they begin employment at VRS and to VRS investment associates periodically thereafter. However, failure to provide this training or the failure of an employee to attend training will not excuse noncompliance with this Policy. The provisions of this Policy are intended to be read in conjunction with other VRS policies.

Exhibit A

**VRS Investment Department
Personal Trading Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Personal Trading Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer



Exhibit B

**VRS Investment Department
Personal Trading Policy**

Quarterly Certification Form – Quarter Ending _____

By checking this box, I certify that I have attached the Transaction Report for Covered Securities (see Exhibit C) for applicable trades done in my personal accounts and/or accounts whereby I exercise investment discretion for the time period indicated. To the best of my knowledge, the execution of this/these trade(s) does not violate the VRS Investment Department's Personal Trading Policy.

OR

By checking this box, I certify that no trades of such covered securities were executed for the time period indicated.

AND

By checking this box, I certify that to the best of my knowledge I was in compliance with all requirements of the Personal Trading Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer

Exhibit C

VRS Investment Department
Transaction Report for Covered Securities

Quarter Ended _____

During the quarter referred to above, the following transactions were effected in covered securities which are required to be reported pursuant to the VRS Investment Department Personal Trading Policy.

Date of Transaction	Security Name	Security Symbol	Nature of Transaction (i.e. Sale)	Number of Shares	Share Price	Dollar Amount of Transaction

This Transaction Report excludes transactions not required to be reported by the Personal Trading Policy (i.e. non-covered securities). I hereby certify that the information contained in this Transaction Report is accurate and complete to the best of my knowledge.

Investment Associate Signature: _____ Reviewed by RLO or CAO: _____

Print Name: _____ Date: _____

Title: _____ Reviewed By Supervisor: _____

Date: _____ Date: _____

VRS Investment Department
 Personal Trading Pre-Clearance Form

Before trading (selling) in any covered security prior approval must be obtained from either the Regulatory and Legal Officer (RLO) or the Chief Administrative Officer (CAO) as evidenced by completion of this form.

Security Name	Security Symbol	Nature of Transaction (i.e. Sale)	Description of Requested Transaction Dollar Value or Quantity to be Sold

I hereby certify that the information contained in this Pre-Clearance Form is accurate and complete to the best of my knowledge.
 I agree to provide a brokerage statement or trade confirmation for the transaction(s) listed above within ten business days of completion of the trade(s).
 I will notify the RLO promptly if the approved transaction(s) does not occur.

Investment Associate

Signature: _____

Reviewed by Supervisor: _____

Print Name: _____

Date: _____

Title: _____

Date: _____

Reviewed by RLO

or CAO: _____

Date: _____

Approval: Granted Denied Trade did not occur

If Granted, this pre-clearance approval is good through close of business on _____.

VRS INVESTMENT DEPARTMENT
POLICY ON GIFTS
Effective July 1, 2015

I. PURPOSE

It is the intent of the VRS Investment Department to be a national leader in the area of internal governance and to display a high level of ethical conduct. The Department will strive to remain above reproach as it discharges the duties related to investments that have been assigned by the VRS Board of Trustees.

It is also the intent of the VRS Investment Department to treat the sections of the State and Local Government Conflict of Interests Act (“COIA”) relating to gifts as the minimum acceptable standard. Therefore, the policy on gifts that will govern the Department will strive to meet or exceed this standard.

In furtherance of these intents, this policy is established to define the behavioral guidelines within which all members of the VRS Investment staff are expected to conduct themselves.

II. PROHIBITED CONDUCT UNDER COIA

Generally, COIA prohibits the following conduct relating to gifts:

- A. Soliciting or accepting money or other thing of value for services performed within the scope of one’s official duties, except the compensation, expenses or other remuneration paid by the agency of which one is an officer or employee.
- B. Accepting any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence one in the performance of his official duties.
- C. Accepting a gift from a person who has interests that may be substantially affected by the performance of the officer's or employee's official duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the officer's or employee's impartiality in the matter affecting the donor.
- D. Accepting gifts from sources on a basis so frequent as to raise an appearance of the use of one’s public office for personal gain.

III. GIFT-RELATED DISCLOSURE REQUIREMENTS UNDER COIA

A “required filer” under COIA must make the following annual disclosures:

- A. Lodging, transportation, money, or any other thing of value (excluding meals or drinks coincident with a meeting) with a combined value exceeding \$200 for the presentation of

a single talk, participation in one meeting, or publication of a work in his or her capacity as an officer or employee of the agency.

- B. Payments under (III. A) must be listed even if they are donated to charity.
- C. Generally, payments under (III. A) need not be listed if they are returned within 60 days after receipt.
- D. Any gift or entertainment at a single event where the value received by you from any business, governmental entity, or individual exceeds \$50 and for which you neither paid nor rendered services in exchange.
- E. Any gift or entertainment in any combination where the value received by you from any business, governmental entity, or individual exceeds \$100 and for which you neither paid nor rendered services in exchange.
- F. When completing the VRS Travel Expense Reimbursement Request form, VRS Investment staff must complete that portion of the form titled Detailed Record of Items for Conflict of Interest Reporting, if applicable.

IV. VRS INVESTMENT DEPARTMENT POLICY ON GIFTS

In light of the standard of conduct enunciated under COIA and the desire of the VRS Investment Department to strive to meet or exceed this standard, the VRS Investment Department Policy on Gifts will be as follows (for purposes of this policy the term “gift” includes entertainment):

- A. No member of the VRS Investment staff, while acting in his or her official capacity, will solicit or arrange a gift for him or herself or for any other person from any current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof.
- B. No member of the VRS Investment staff will accept any unsolicited gift from any current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof, unless it is a token, educational, promotional or advertising item of nominal value (i.e., estimated market value of less than \$50), and does not compromise, or appear to compromise, the independence or judgment of the VRS Investment staff member. Examples of token, educational, promotional or advertising items of nominal value include, but are not limited to: a hat, coffee mug, pen, tin of popcorn, nylon duffle bag, etc.
- C. No member of the VRS Investment staff will accept any gift through an intermediary, if he or she knows, or has reason to know, that the gift has originated from a source that would make the gift prohibited under this policy.
- D. In no event will a member of the VRS Investment staff accept a gift if the source of the gift is not identified. If the source of any gift cannot be ascertained, the gift will be donated to a suitable charitable organization.

- E. No member of the VRS Investment staff will accept any complimentary work or analysis offered or performed by a current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof, that is intended to benefit personally the involved VRS Investment staff member if such work or analysis is offered to or performed for such VRS Investment staff member because of his or her official capacity.
- F. No cash, cash equivalents or securities of any value may ever be accepted.
- G. Any gift, the receipt of which is prohibited by this policy, will either be returned to its source immediately or donated to a suitable charitable organization.
- H. Meals and drinks that are coincident with a meeting are not considered to be items of value that implicate this policy.
- I. Sponsored paid travel is permitted under this policy where the VRS Investment staff member serves in an advisory capacity (i.e. Advisory Board) for current investments where these travel expense have been effectively paid by VRS through the management fees.

Where considered appropriate, the VRS Investment staff will inform current, prospective, or potential external investment managers, placement agents, consultants, broker/dealers, and related vendors, or any affiliate thereof, of the existence of this policy and request, wherever possible, that such entities refrain from placing VRS Investment staff in situations that would implicate this policy and its enforcement.



MEMORANDUM

Date: March 18, 2026

To: Trish Bishop, VRS Director
Andrew Junkin, VRS Chief Investment Officer

Cc: Michael Cooper, VRS Chief Operating Officer
Curt Mattson, VRS Chief Administrative Officer
Rick Brooks, VRS Investments Regulatory and Legal Officer

From: Jennifer P. Bell Schreck, VRS Internal Audit Director 
Krystal Groff, VRS Principal Auditor

Subject: Review of 2025 Code of Ethics Activities

Internal Audit has reviewed VRS' Code of Ethics activities for the calendar year ended December 31, 2025. The purpose of our review was to obtain reasonable, but not absolute assurance, the status of such activities was fairly represented in management's status reports.

Based upon our review of available documentation, attendance at VRS Board, Committee and internal agency meetings and discussions with various VRS personnel, nothing came to our attention to cause us to question the representations set forth by management with respect to organizational Code of Ethics activities. We found VRS provided training on the organization's expectations for ethics and professional conduct and ensured timely completion of said training. Monthly agency meetings reinforced the agency's Core Values. Further, VRS documented Investment professionals' compliance with ethics-related investment policies. Accordingly, we have no reason to believe that the status of VRS' Code of Ethics activities was not appropriately represented for the calendar year ended December 31, 2025.

Please let me know if you have any questions. We will share these results with the Audit and Compliance Committee's March 25, 2026, meeting. Please feel free to share this information with the Board of Trustees, as you deem appropriate.

Review of Committee and Internal Audit Charters



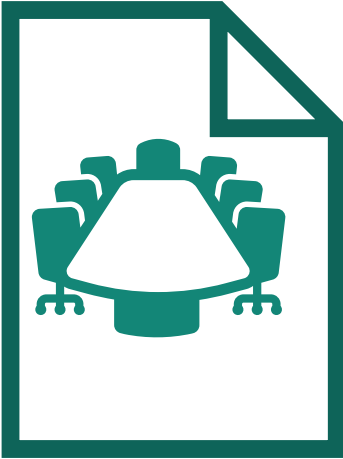
Review of Committee and Departmental Charters

As of March 2026

Board Governance over Internal Audit Function

Achieved through Three Documents

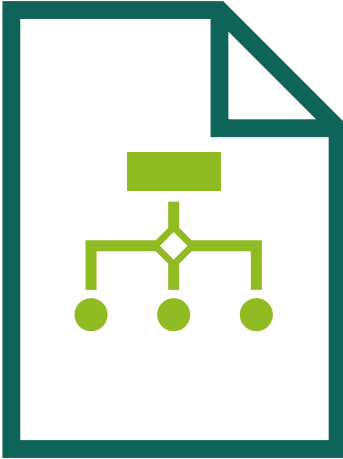
Board Governance Policy



Audit and Compliance Committee Charter



Internal Audit Charter

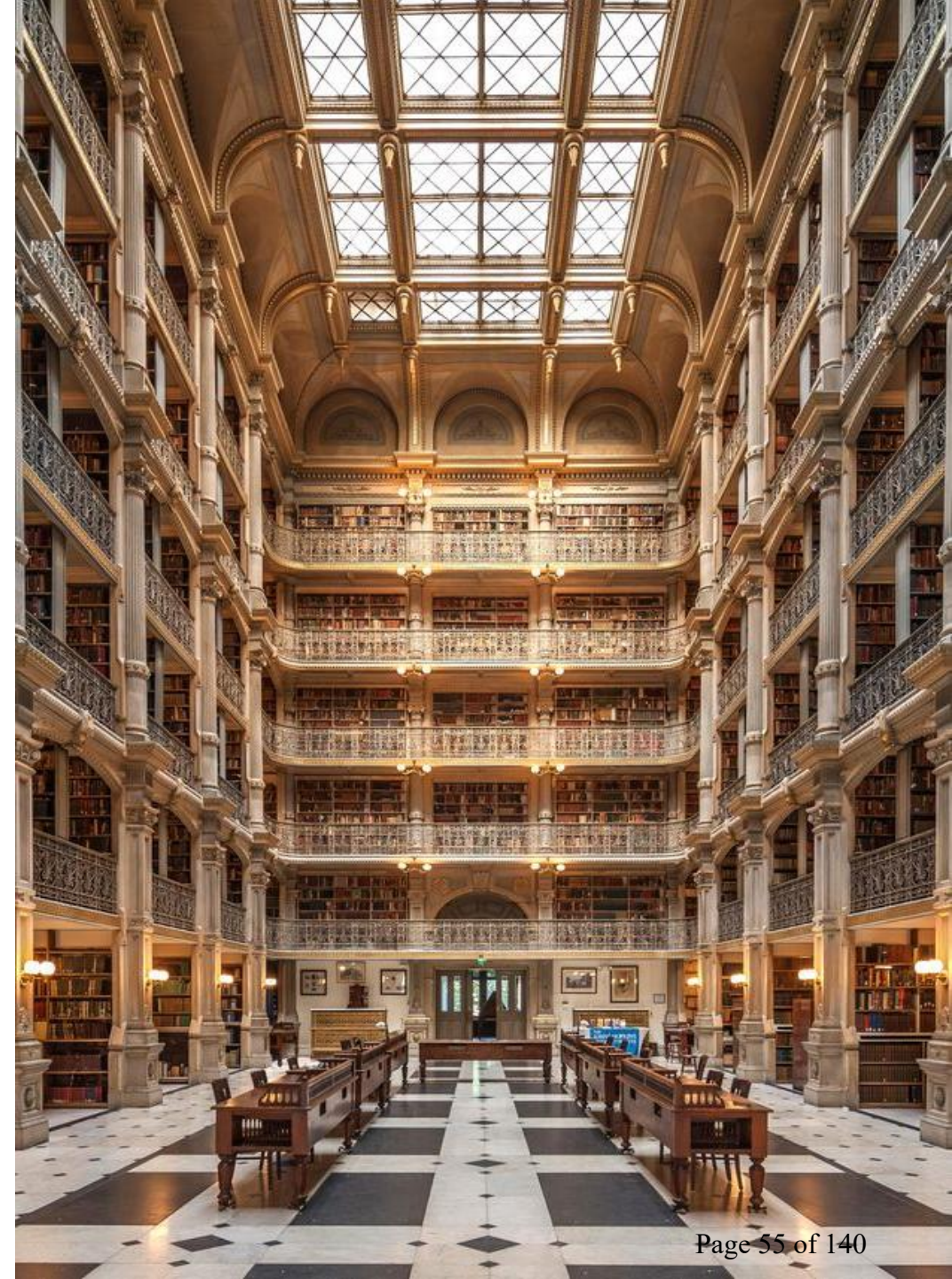


Amendments or changes approved by the Board

Amendments or changes approved by the Committee

Last Review of Charters

- Summer 2024
 - Overall review of all board and committee governance documents
 - *Global Internal Audit Standards Update*
- Results
 - Minor adjustments to Audit and Compliance Committee Charter and Board Governance Policy
 - Significant adjustments to Internal Audit Charter for clearer alignment





Current Review Results

- ✓ Both charters remain reflective of current practices and organizational expectations.
- ✓ Key topics recommended by the IIA's Model Charter have been incorporated into VRS' governance documents.
- ✓ VRS' Internal Audit Charter has been appropriately customized to reflect organizational specific practices.

COMMITTEE CHARTER

AUDIT AND COMPLIANCE COMMITTEE

PURPOSE

The purpose of the Audit and Compliance Committee (Committee) is to review matters relating to or affecting internal and external audit, including, but not limited to, VRS' financial reporting process, systems of internal control, auditing procedures and process, and process for monitoring compliance with laws, regulations, and the Code of Conduct, and to submit reports or make recommendations to the full Board regarding those matters.

AUTHORITY

The Committee is authorized to request, gather, and consider whatever information it deems relevant to the matters brought before it, and to report its findings or recommendations on those matters to the Board. The Committee is not empowered to take any further or independent action unless such action is specifically authorized or directed by the Board.

DUTIES AND RESPONSIBILITIES

The Committee duties and responsibilities include the following on an as needed basis unless otherwise specified:

1. Monitor internal and external audit functions and report to the Board following each Committee meeting on the reports and matters presented to or considered by the Committee.
2. Review the Internal Audit Department Charter, assess its continued alignment with the Board's mandate for the internal audit function as well as the scope and types of internal audit services to be provided. As necessary, approve changes to the Internal Audit Department Charter.
3. Communicate the Board's perspectives on VRS' strategies, objectives, and risks to assist the Audit Director with determining internal audit priorities.

A&C Committee Charter
Approved 10/17/2024
Page 1 of 6

4. Review the risk-based annual and long-range audit plans developed by the Audit Director, provide feedback in response to such plans to the Audit Director, and make recommendations to the Board regarding such audit plans.
5. Monitor progress of work on the annual audit plan through review of the Audit Director's semi-annual progress reports, and reports of any revisions made to the audit plan, making recommendations to the Board for action regarding any significant revisions to the audit plan.
6. Ensure the internal audit department has unrestricted access to all VRS activities, records, properties, and personnel applicable to the area under review. The Board has resolved that the scope of internal audit activities may not be restricted by actions of management.
7. Make appropriate inquiries of management and the Audit Director to determine whether there are any inappropriate scope, access, authority or resource limitations which impact the department's ability to fulfill its responsibilities effectively and make recommendations to the Board, if any, for necessary action.
8. Receive and review reports of the Audit Director and make recommendations to the Board, as necessary, for action.
9. Gain an understanding of the effectiveness of VRS' governance, risk management, and control processes based on the results of internal audit engagements and discussions with management.
10. Receive and review reports from the Audit Director regarding the effectiveness and sufficiency of the internal audit department resources, including the sufficiency of the department's funding and organizational structure to fulfill the internal audit mandate and plans. As appropriate, work with management and the Audit Director to make recommendations to the Board through the Administration, Finance and Talent Management Committee regarding requests for changes in the funding and staffing of the department.
11. Monitor the status of management's progress in response to audit recommendations.
12. Ensure a quality assurance and improvement program has been established for the internal audit function and review the results annually.
13. Ensure an independent, external quality assurance review of the internal audit department is performed at least once every five years, review the report of such review. As appropriate, recommend to the Board what, if any, corrective actions are necessary relative to the governance of the function, and monitor the implementation of any corrective actions undertaken as a result of the review.
14. Provide the opportunity for meetings between the Committee and the Audit Director whenever the Committee or Audit Director finds such to be necessary.
15. Periodically review and approve the requirements necessary for the Audit Director to manage the internal audit function and identify the necessary qualifications, experience, and competencies to fulfill the approved roles and responsibilities of the position.

16. Approve the internal audit function's performance objectives at least annually.
17. Assess the effectiveness and efficiency of the internal audit function by:
 - a. Reviewing the internal audit function's performance objectives, including conformance with the Standards, laws and regulations; ability to meet the internal audit mandate, and progress towards completion of the internal audit plan.
 - b. Considering the results of the internal audit function's quality assurance and improvement program.
 - c. Determining the extent to which the internal audit function's performance objectives are being met.
18. Review and make recommendations to the Board through the Administration, Finance and Talent Management Committee regarding the performance of the Audit Director.
19. Discuss with the Audit Director and senior management any disagreements the Audit Director has with senior management or other stakeholders on the scope, findings or other aspects of an engagement that may affect the ability of the internal audit function to execute its responsibilities, and provide support as necessary to enable the Audit Director to perform the responsibilities outlined in the internal audit mandate defined in the Internal Audit Department Charter, including, if necessary, providing a recommendation to the Board for action.
20. Receive and review reports from management regarding the process for communicating the VRS Code of Conduct to agency personnel, and for monitoring compliance therewith. This includes the processes and compliance mechanisms in place for both administrative and investment department personnel. As necessary, request permission from the Board to retain independent counsel (through the Office of the Attorney General), accountants, or others to advise the Committee.
21. Conduct entrance and exit conferences with the Auditor of Public Accounts, or any other external assurance provider, regarding assurance services provided and report to the Board on the scope and substance of those meetings.
22. Review the annual financial statements and other sections of the annual report, and consider whether they are complete and consistent with information known to Committee members.
23. Receive and review reports of the Auditor of Public Accounts or any other external assurance provider, and if necessary, make recommendations to the Board regarding actions to be taken.
24. Ensure management and the external auditors review all matters required to be communicated to the Committee under generally accepted government auditing standards.
25. Provide time during Committee meetings for external auditors to discuss any matters that the Committee or auditors believe should be discussed.

26. Periodically consider the desirability of an audit by an independent accounting firm and, if such audit is deemed necessary, present such a recommendation to the Board together with a list of candidate firms.
27. Perform such other duties when directed to do so by the Board.

COMPOSITION

The Committee is composed of at least three (3) Board members appointed by the chairperson of the Board, subject to approval by the Board.

Each member is appointed for a two-year term, and may be reappointed for additional two-year terms.

OFFICERS

Chairperson

The chairperson of the Board shall appoint the chairperson of the Committee, subject to approval by the Board. The Committee chairperson is appointed for a two-year term, and may be reappointed for additional two-year terms.

The chairperson has the following duties:

1. Facilitating the operation of the Committee meetings;
2. Reviewing proposed agendas for Committee meetings;
3. Presiding over meetings of the Committee;
4. Reporting to the Board on the matters considered by the Committee and the recommendations of the Committee; and
5. Performing such additional duties as are required to facilitate the Committee's fulfillment of its responsibilities.

Vice-Chairperson

The Committee shall elect its vice-chairperson at the first meeting following the appointment or reappointment of a chairperson, or at the first meeting following such time as a sitting vice-chairperson becomes unable or unwilling to complete their term.

The term of the vice-chairperson shall commence upon election and shall terminate at the first meeting of the Committee following the appointment or reappointment of a Committee chairperson.

In the event of the absence or incapacity of the Committee chairperson, the vice-chairperson shall preside at meetings of the Committee and shall fulfill such other duties and responsibilities of the chairperson as may be necessary.

Secretary

The Audit Director, or the Audit Director's designee, shall act as secretary to the Committee.

The secretary has the following duties:

1. Help the chairperson develop the agenda for Committee meetings;
2. Notify Committee members of meetings;
3. Coordinate and distribute information to Committee members;
4. Act as liaison between the Committee and VRS staff;
5. Serve as liaison between the Committee and the Auditor of Public Accounts;
6. Coordinate matters on the agenda and presentations for the Committee; and
7. Maintain the minutes and records of all Committee meetings.

CONDUCT OF BUSINESS

1. The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern all Committee meetings insofar as they are applicable and not inconsistent with any of the policies adopted by the Board, including this charter, with particular attention to the rules provided for conduct of business in committees. Special note is to be made of the rules provided for procedure in small boards which are deemed to be appropriate for use in all meetings contemplated in this charter.
2. Unless otherwise specified by the Board, voting by proxy is not allowed.
3. A majority of the members of the Committee shall constitute a quorum at meetings of the Committee. Any Board member who is not a member of the Committee but is present at a Committee meeting shall have all the rights and privileges afforded to a Committee member while present at such meeting, including voting and being counted toward a quorum, and any such participation shall not be considered voting by proxy. The participation by any Board member who is not a member of the Committee shall be recorded in the minutes of the Committee meeting.
4. Except as otherwise specified herein, approval of an action or decision shall be by a majority of those Committee members present and voting at a Committee meeting.
5. The Committee chairperson will seek at all times to develop a consensus of opinion among Committee members in order to be able to present clear and

concise recommendations to the Board. In the event that a consensus is not obtainable, the Committee chairperson will present the range of opinions and their rationale to the Board.

6. The Committee chairperson, vice-chairperson or, in their absence, a staff designee, will report to the Board on the content and results of each Committee meeting. The chairperson or vice-chairperson will sign all meeting minutes, as applicable.
7. The Committee will generally meet four times per year.

CHANGES IN THE CHARTER

The Committee may, from time to time, deem it necessary to alter, amend, modify, or rescind all or a part of this charter. Such revisions, once approved by a majority vote of the Committee, shall be submitted to the Board for final approval. If approved by a two-thirds vote of the Board, such revisions shall be incorporated into and made a part of this charter.

INTERNAL AUDIT CHARTER

VIRGINIA RETIREMENT SYSTEM

Internal Audit Charter

September 09, 2024

INTERNAL AUDIT CHARTER

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INTERNAL AUDIT CHARTER

A. INTRODUCTION

The Board of Trustees (Board) of the Virginia Retirement System (VRS) has formed an Audit and Compliance Committee (Committee) and established an Internal Audit Department (Department) whose reporting responsibility is to the Board through the Committee. The Committee assists the full Board in considering internal and external audit matters as defined in the Board's Governance Policy and Committee's Charter. The internal audit function receives its mandate, including its authority, from the Board and the Audit Director must provide the Board and senior management the information necessary to establish the internal audit mandate. The Internal Audit Charter (Charter) is intended to define the Department's mandate, including its purpose, authority, responsibility, and position within VRS and to provide guidance in the execution of its duties.

B. INTERNAL AUDIT DEPARTMENT

1. Foreword

The Charter serves as a foundational document in the organization and administration of the Department by the Audit Director and provides a basis for the evaluation of the performance of the Department and the Audit Director by the Committee.

2. Purpose

The purpose of the internal audit function is to strengthen VRS' ability to create, protect, and sustain value by providing the Board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances VRS':

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

VRS' internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with recognized standards.
- The internal audit function is independently positioned with direct accountability to the Board.
- Internal auditors are free from undue influence and committed to making objective assessments.

INTERNAL AUDIT CHARTER

3. Global Internal Audit Standards

Commitment to Adhering to the Global Internal Audit Standards

The Department will govern itself and its audit activities by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards (*Standards*) and Topical Requirements. The Audit Director will report annually to senior management and the Committee regarding the Department's conformance with the *Standards*, which will be assessed through a quality assurance and improvement program.

Commitment to Ethics and Professionalism

Domain II: Ethics and Professionalism of the Global Internal Audit Standards states the principles and expectations governing behavior of individuals and internal audit functions in the conduct of internal auditing. In adhering to the *Standards*, the Department shall adhere to these behavioral expectations as well as the VRS Code of Ethics.

4. Authority

The internal audit function receives its mandate, including its authority, from the Board and the Audit Director must provide the Board and senior management the information necessary to establish the internal audit mandate. The internal audit function's authority is realized through its direct reporting relationship to the Board through the Committee as described in the Board Governance Policy.

To establish, maintain, and assure that the Department has sufficient authority to fulfill its duties, the Board has delegated specific duties and authority to the Audit Director and oversight responsibilities to the Committee within the Board Governance Policy and Committee Charter.

The Audit Director shall have direct access to the Director, Chief Investment Officer, and to the Committee and the Board in any instance where the Audit Director believes such access is needed to fulfill the stated objectives of the Department.

The Department has unrestricted access to all VRS activities, records, information, physical property, and personnel pertinent to fulfilling internal audit responsibilities. The Board has endorsed this right in the Board Governance Policy and Committee Charter and has resolved that the scope of internal audit activities not be restricted by actions of management.

Internal auditors are accountable for the confidentiality and safeguarding of records and information in their possession and will make appropriate arrangements examining such records or information.

INTERNAL AUDIT CHARTER

Except for direction from the Committee, the Audit Director is free to allocate resources, set frequencies, select subjects, determine scopes of work, and apply techniques and issue communications required to accomplish the function's objectives.

5. Scope and Types of Internal Audit Activities

The scope of internal audit services covers the breadth of the organization, including all of VRS' activities, assets, and personnel. In practice, the scope of work performed is realized through the audit plan risk assessment process discussed in Section B.11 below and governed by the Committee and Board through their respective recommendation and approval of the Long-Range and Annual Audit Plans.

Assurance Services

The scope of internal audit assurance services encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for VRS. Internal audit assessments include evaluating whether:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- The actions of VRS employees, contractors or other relevant parties comply with VRS' policies and procedures and applicable laws, regulations, and governance standards.
- Resources and assets are acquired economically, used efficiently, and adequately protected.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out efficiently and effectively.
- Quality and continuous improvement are fostered in the organization's control processes.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact VRS.

The Audit Director also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers, as needed. As used herein, the term "external" shall refer to representatives of or the activities of the Auditor of Public Accounts for the Commonwealth of Virginia, independent Certified Public Accountants and auditors from organizations (governmental or commercial) outside VRS.

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Opportunities for improving governance, risk management, and internal control processes; profitability; and the organization's image may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

While the activities of the Department shall involve the aforementioned activities, the Department's work shall focus primarily upon "financial and compliance" type issues due to the primarily financial nature of VRS.

Advisory and Other Services

The Department may perform advisory and related service activities, the nature and scope of which will be agreed upon with management, provided the Department does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

6. Responsibilities

The Audit Director has the responsibility to:

- a. Establish and ensure adherence to policies and procedures designed to guide the Department.
- b. Consider emerging trends and successful practices in internal auditing in the development of such policies and procedures.
- c. Ensure adherence to VRS' applicable policies and procedures unless such policies and procedures conflict with the Charter (any such conflicts will be resolved or otherwise communicated with senior management and the Committee).
- d. Ensure conformance of the Department with the *Standards*, with the following qualification. If the Department is prohibited by law or regulation from conformance with certain parts of the *Standards*, the Audit Director will resolve or document any such conflicts and communicate such actions to the Committee and senior management.
- e. Ensure internal audit engagements are performed, documented and communicated in accordance with the *Standards* and laws and/or regulations.

The Audit Director shall meet with management and the Committee periodically to discuss:

- a. Results of audit engagements or other activities.
- b. The Department's audit plans and performance relative to its plans, including any revisions to the internal audit plans in response to changes in VRS' business, risks, operations, programs, systems and controls.
- c. Resource requirements and the impact of resource limitations on the audit plans.
- d. Relationships between the Department and external auditors.
- e. Significant risk exposures and control issues, including fraud risks, governance

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- issues, and other matters requiring the attention of or requested by the Committee.
- f. Any response to risk by management that may be unacceptable to VRS.
 - g. The propriety of any limitations on the scope of internal audits that may be imposed by management.
 - h. The Department's mandate.
 - i. Results from the quality assurance and improvement program, which include the internal audit function's conformance with the *Standards* and action plans to address the internal audit function's deficiencies and opportunities for improvement.
 - j. The Department's organizational independence.
 - k. Potential impairments to the Department's independence, including relevant disclosures as applicable.

7. **Independence, Organizational Position and Reporting Relationships**

Based on the Board Governance Policy, the Audit Director will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. The Audit Director will report functionally to the Board and administratively as necessary (for example, back-office operations) to the Director. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Board, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The Audit Director will confirm to the Board, at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the Audit Director will document the characteristics of the governance structure which limit independence and any safeguards employed to achieve the principle of independence.

The Audit Director will disclose to the appropriate parties within senior management any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate. If appropriate resolution cannot be realized, the Audit Director and senior management will disclose the interference to the Committee for action as directed by the Committee's Charter.

8. **Ethics, Professionalism and Objectivity**

The Audit Director will ensure that internal auditors:

- Conform with the *Standards*, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.

INTERNAL AUDIT CHARTER

- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for VRS.
- Initiating or approving transactions external to the Department.
- Directing the activities of any VRS employee not employed by the Department, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Audit Director or internal audit staff has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias and undue influence.

The Audit Director will disclose to the Committee any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

The Department has a professional responsibility to management and to the Board to conduct reviews with an attitude of professional skepticism, recognizing that the application

INTERNAL AUDIT CHARTER

of internal auditing procedures may produce evidential matter indicating the possibility of errors and irregularities.

If the internal auditor believes that an irregularity may exist in an area under review or in any other area of VRS, the Audit Director shall be notified. The Audit Director shall consider the implications of the potential irregularity and determine the extent of any further review. The Audit Director will discuss the potential irregularity and its disposition with management and the Committee, as appropriate.

9. Involvement in System Planning and Development

The Department will participate, in an advisory capacity, in the planning, development, implementation, and modification of major computer-based and manual systems to ensure:

- a. Adequate controls are incorporated in the system.
- b. A thorough testing of the system is performed at appropriate stages.
- c. System documentation is complete and accurate.
- d. The intended purpose and objective of the system implementation or modification has been met.

The internal auditor participating in such a review should ensure that the extent of the review does not affect independence.

10. Cooperation with External Auditors

The Audit Director is responsible for coordinating the audit efforts of the Department with those of the Auditor of Public Accounts for the Commonwealth of Virginia and any other external auditors.

This coordination of audit efforts should be in the planning and definition of the scope of proposed audits so the work of all auditing groups is complementary and will provide a comprehensive, cost-effective audit.

The Department will facilitate entrance and exit conferences between the external auditors and the Committee.

11. Audit Plan Risk Assessment Process

The *Standards* recommend annual risk assessments be made in developing audit work schedules (or plans). Over time, given the complexity and the nature of VRS' operations and the size of the organization, the Audit Director, senior management and Committee have found it effective for formal comprehensive risk assessments to be made approximately once every three years which coincides with our current audit cycle. This approach allows for a comprehensive assessment of all auditable units in an efficient manner

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with the relative risks of each unit being considered at approximately the same time. This approach also provides a means to measure planned versus actual audits over an extended period of time.

Making such assessments formally on an annual basis would be costly and administratively burdensome and could impact the breadth of oversight coverage realized across VRS' operations. Instead, the Audit Director essentially extracts the annual audit plan from the long-range audit plan (typically three years in duration). In developing the annual plan, the Audit Director tries to stay in-line with the long-range plan, but also considers various factors including changes in VRS operations and related risks. The factors identified and considered through the less formal annual risk assessment process and resulting changes made are documented during the development of the annual plan.

Acknowledging the above, the Audit Director shall submit a risk-based long-range audit plan every three years and a risk-based annual audit plan, at least annually, to management for review, the Committee for review and recommendation for action and the Board for review and approval.

12. Investigations

The Department shall be notified in all cases where assets have or are thought to have been lost through defalcation or other security breaches in the financial and operating systems of VRS.

Upon reasonable evidence that such loss has, in fact, occurred, the Audit Director should ensure that the Chairperson of the Board, the Chairperson of the Committee, the Director and Chief Investment Officer (as applicable) have been promptly notified of the potential loss. The Audit Director shall then work with the Director to ensure the Auditor of Public Accounts, State Inspector General, and Superintendent of the Virginia State Police for the Commonwealth of Virginia are promptly notified of all material losses relating to funds provided to VRS by the Commonwealth of Virginia.

The Department will perform sufficient tests to identify the weaknesses in financial and operating procedures that permitted the loss to occur and recommend improvements to the procedures to correct these weaknesses in accordance with the limitations set forth in [§ 30-138](#) of the *Code of Virginia*.

Any investigation of specific events with the objective of recovery and/or prosecution, or the questioning of any individuals outside VRS, is the responsibility of the appropriate law enforcement authorities.

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13. Personnel and Outside Contractors

The Audit Director shall ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the Charter. The ultimate quality of the Department's performance is directly related to the quality of the people employed. The internal audit function should be directed by and staffed with qualified and competent individuals.

Core competencies for employment have been established by VRS; however, additional experience, training, and specialized skills, as well as intelligence, adaptability, proactiveness, an inquiring mind, analytical ability, good business judgment, and an ability to communicate with individuals must be considered in the employment process.

The Audit Director may occasionally need to obtain expertise from outside the organization through contracts. In such cases, the contract should contain appropriate provisions regarding the nature of the services provided and any applicable professional standards. The Audit Director will inform the Committee of the use of all external consultants.

14. Continuing Education

The Board and VRS recognizes the need for members of the Department to "stay current" on issues and auditing techniques.

To fulfill this need, the Audit Director will require each professional representative of the Department to obtain, on average, at least 40 hours of continuing education credits annually.

15. Quality Assurance and Improvement Program

The Audit Director will develop, implement and maintain a quality assurance and improvement program that covers all aspects of the Department. The program will include an evaluation of the Department's conformance with the *Standards*, as well as performance measurements to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program will also assess the efficiency and effectiveness of the Department and identify opportunities for improvement. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Audit Director will communicate to management and the Committee on the Department's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside VRS. Qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

INTERNAL AUDIT CHARTER

16. Audit Recommendation Monitoring

The status of all audit recommendations will be tracked and monitored by the Audit Director, whether they are issued by VRS' internal audit function, the Auditor of Public Accounts or other external auditors.

Should management not agree with a recommendation, the Audit Director and senior management will provide the Committee with the relevant information. The Committee will then consider whether, in its oversight role, it should intervene and direct senior management to respond or direct the Department to delete the recommendation. On a quarterly basis, senior management will report to the Department on the status of their plan of action for each recommendation subject to monitoring. Once management represents a recommendation as implemented, the implementation plan of action will be subject to a limited review by the Department for validation.

Annually, a status report on the recommendations and their associated plans of actions being included for and released from oversight will be presented to senior management and the Committee.

C. CHANGES IN THE CHARTER

The Audit Director or Committee may, from time to time, deem it necessary to alter, amend, modify, or rescind all or a part of this charter. Various circumstances may justify a follow-up discussion between the Audit Director, Board, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the *Standards*.
- A significant reorganization within VRS.
- Significant changes in the Audit Director, Board, and/or senior management.
- Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Such revisions, once approved by a majority vote of the Committee, shall be incorporated into and made a part of this charter.

Progress Reporting as of December 31, 2025



Internal Audit FY 2026 Annual Plan Progress Report

As of December 31, 2025

FY 2026 Annual Plan

Adjustments to the Plan

Benefits ¹

Deferred Compensation and
Cash Match Programs

High

Group Life Insurance and
Death Processing

Med

Service Retirements

Med

Investments ¹

Investment Compliance and
Legal and Regulatory Oversight

Med

Private Equity

Med

Information Technology ²

myVRS

High

IT Governance ⁵

High

Backup and Recovery

High

- Legend:
¹ Risk Based Projects
² Sensitive Systems
³ Standards Mandated
⁴ Board Mandated

- ⁵ Timing Adjustment
⁶ Annual Plan Addition

Carried Over Projects from Prior Year Plan ¹

Leverage Program

High

Health Insurance Credit and
Premium Benefits

Med

Long Term Care Program

Low

Networking and Computing

High

Other Assurance Reporting

Audit Recommendation Follow-Up System
(Quarterly and Annual Review) ³

Quality Assurance Improvement Program ³

Code of Ethics Reporting ^{3,6}

Fraud, Waste and Abuse Reporting ⁴

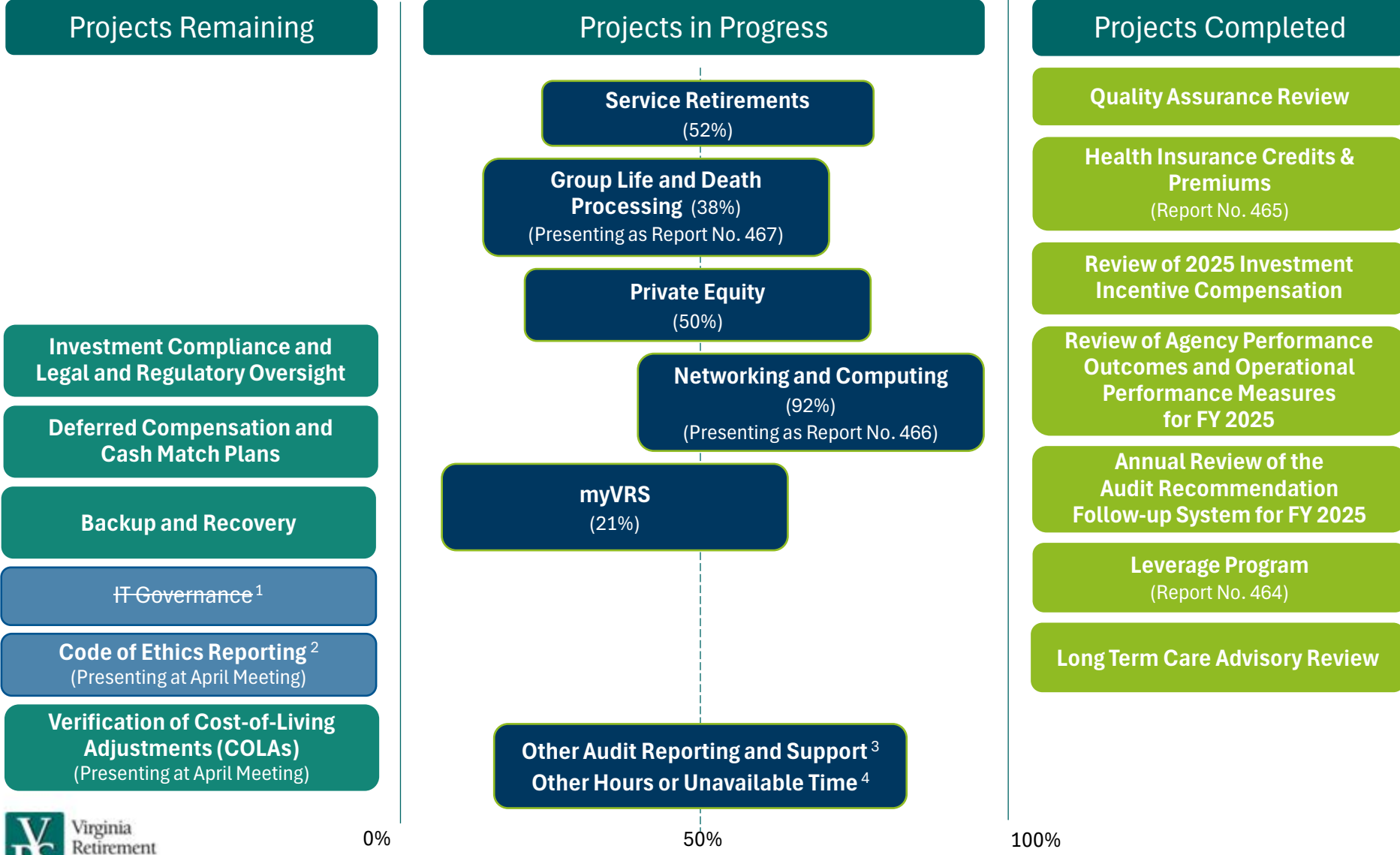
Review of Incentive Compensation ⁴

Review of Agency Performance Outcomes
and Operational Measures ⁴

Verification of Cost-of-Living Adjustments ⁴

FY 2026 Annual Plan Progress Report

As of December 31, 2025



See the following page for a description of the notes referenced above.

FY 2026 Annual Plan Progress Report

As of December 31, 2025

Notes:

- (1) To better align our work in this area with ongoing organizational initiatives, we will be shifting this project into the FY 2027 annual plan.
- (2) In support of the *Global Internal Audit Standards*' enhanced focus on governance and to supplement ongoing efforts in this area with individual projects, we have added a limited assurance review of VRS' Code of Ethics reporting.
- (3) Other audit reporting and support includes items resulting in routine reporting to the committee and/or management, such as
 - (a) Administration of the Quality Assurance Improvement Program.
 - (b) Quarterly monitoring and reporting on audit recommendation resolution as captured in the Audit Recommendation Follow-Up System (ARFUS).
 - (c) Investigation of fraud, waste and abuse allegations, as appropriate.
 - (d) Review of items as requested by the committee or senior management including investment incentive compensation, agency performance outcomes and operational measures and cost-of-living adjustments.Several of these items require testwork to be initiated in one audit plan year and conclude in the next audit plan year.
- (4) The other hours or unavailable time reflects departmental administrative items, such as
 - (a) Interactions with executive staff and oversight entities including the Auditor of Public Accounts, the Joint Legislative Audit and Review Commission and the Virginia IT Agency.
 - (b) Involvement with professional organizations.
 - (c) Advisory insight for agency initiatives such as Records Management, Data Quality and Human Resource Information System Implementation.
 - (d) Administration of the internal audit function, including the implementation of the new *Global Internal Audit Standards*.
 - (e) Review and enhancement of departmental policies and procedures and supporting tools, including SharePoint audit documentation management.
 - (f) Collaboration with the Information Technology, Data Quality and Risk and Fraud Prevention teams.
 - (g) Continuing professional education and other VRS provided training.
 - (h) Annual, personal, sick and other leave available to VRS staff.



FY 2026 – FY 2027 Interim Internal Audit Strategic Plan Progress Report

As of December 31, 2025

FY 2026 – FY 2027 Interim Internal Audit Strategic Plan Goals

VRS 2022 – 2026 Strategic Plan

IA Goal 2:
Elevate and Enhance
Audit Talent

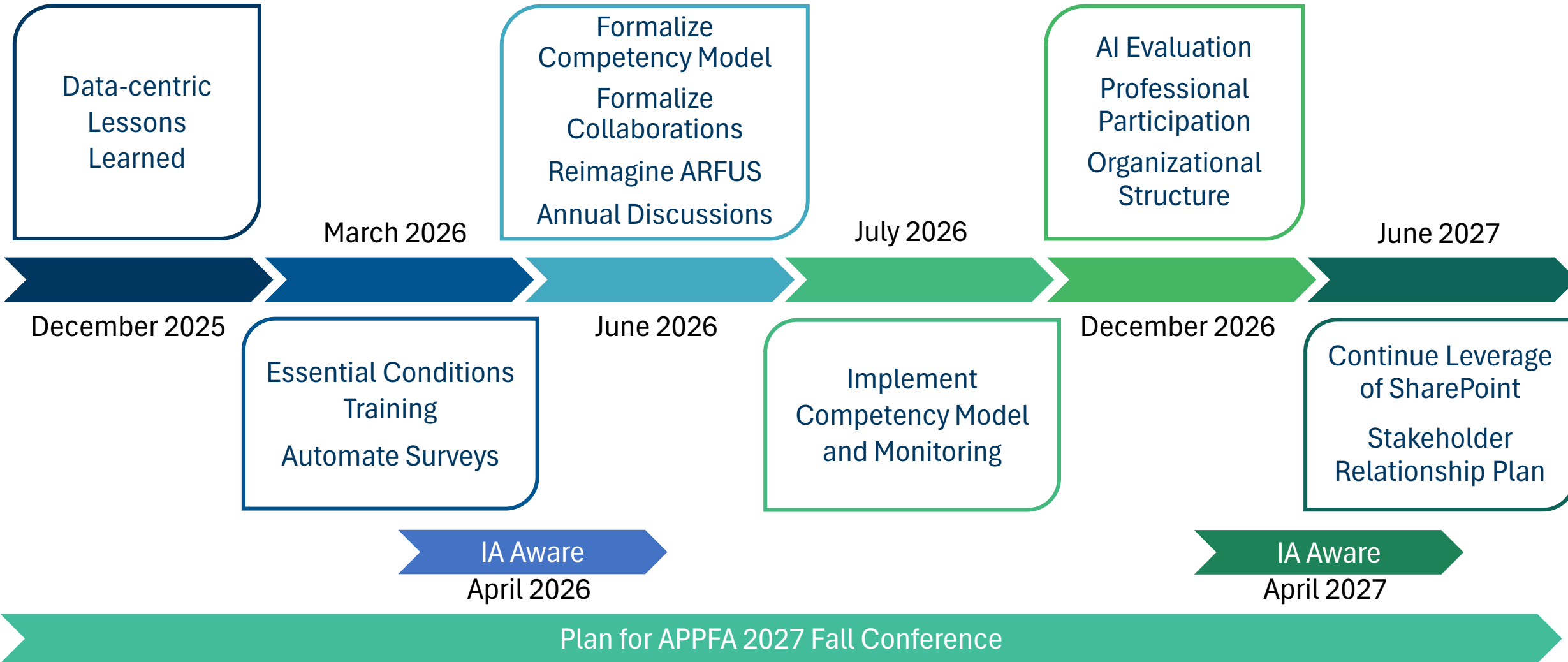
IA Goal 3:
Reinforce
Stakeholder Trust



IA Goal 1:
Strategically Leverage
Technology

Alignment with VRS' strategic plan was a critical consideration in the development of our departmental goals and initiatives.

Measures and Targets Timeline



IA Goal 1: Strategically Leverage Technology

Progress as of December 31, 2025

To be initiated

|| Continue Leverage of SharePoint

Initiated

→ Automation of Audit Satisfaction Surveys

→ Formalize Collaborations

→ Artificial Intelligence Evaluation

Completed

☑ Data-centric Lessons Learned

IA Goal 2: Elevate and Enhance Audit Talent

Progress as of December 31, 2025

To be initiated

- Implement Competency Model and Monitoring
- Review Organizational Structure
- Professional Participation
- Annual Discussions

Initiated

- ➔ Plan for APPFA Fall 2027 Conference
- ➔ Formalize Competency Model

Completed

IA Goal 3: Reinforce Stakeholder Trust

Progress as of December 31, 2025

To be initiated

|| Stakeholder Relationship Plan

Initiated

- Essential Conditions Training
- Reimagine ARFUS
- IA Aware

Completed

Introduction

Internal Audit’s strategic plan (Plan) outlines our intentional approach to elevate departmental capabilities and enhance support of the Virginia Retirement System’s (VRS) organizational vision, mission, goals and strategies, as highlighted in the VRS Strategy Map below.

This initial Plan will cover the two-year period of July 2025 through June 2027. Timing of subsequent plans will align with Internal Audit’s three year long-range audit plan with the strategies of the identified goals integrated into the long-range and resulting annual plans. Internal Audit will regularly review and report on its performance against the Plan to senior management and the Board through the Audit and Compliance Committee, updating the Plan as needed.

INTERNAL AUDIT’S VISION

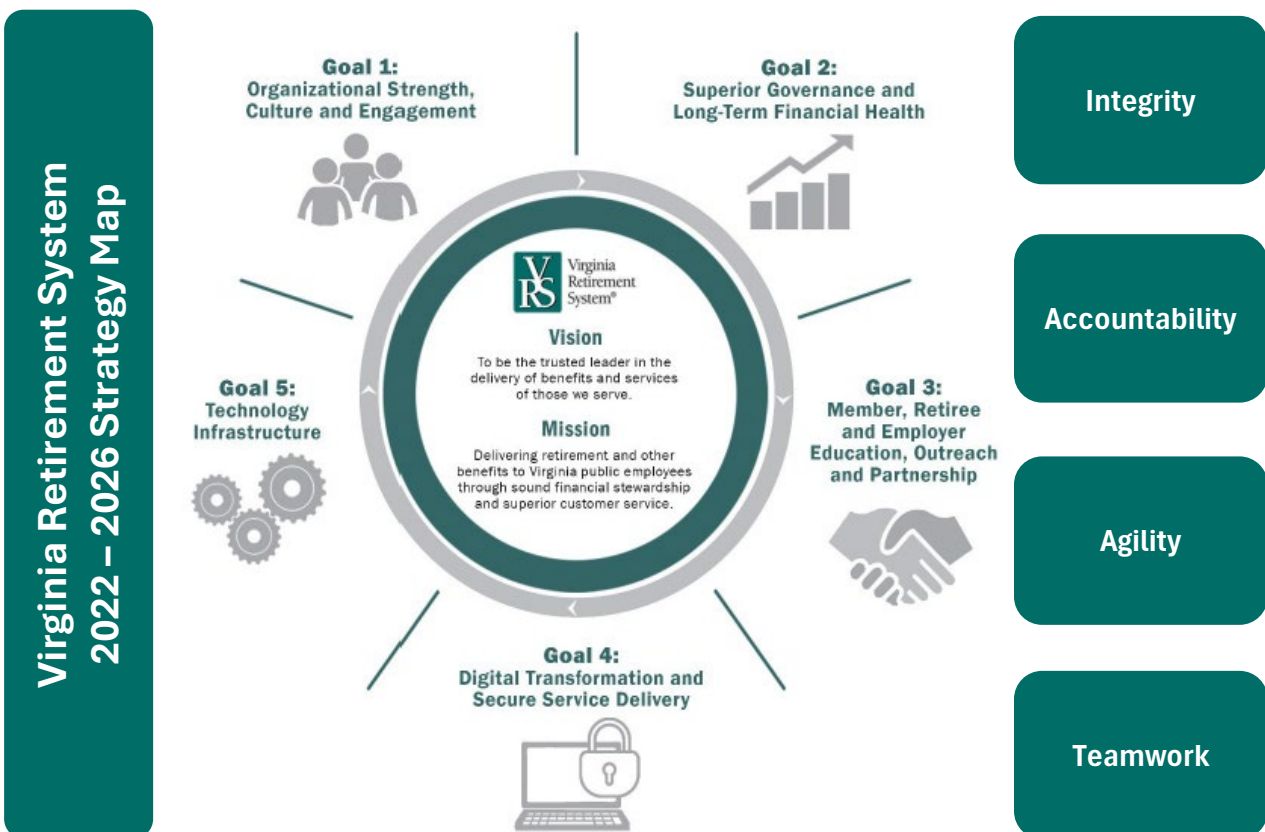
To be leadership’s trusted, strategic partner providing meaningful risk, control and governance expertise to support VRS in the achievement of its mission.

INTERNAL AUDIT’S MISSION

Internal Audit enhances and protects VRS’ organizational reputation by providing risk-based and objective assurance, advice and insight.

CORE VALUES

Internal Audit embraces VRS’ Core Values of integrity, accountability, agility and teamwork. In addition, Internal Audit commits to performing audit work with professional courage (doing what is right despite potential challenges and uncertainty) and communicating with confidence, integrity and transparency.



Internal Audit Goals and Supporting Initiatives to Achieve Success

Internal Audit’s Plan serves to enhance its capabilities to support VRS’ organizational goals and strategies by providing proactive risk identification, control expertise, process improvement advice, governance insight and accountability awareness. Conformance with the Institute of Internal Auditors’ *Global Internal Audit Standards (Standards)* guides the Plan’s execution and oversight.

VRS Strategy Map
 Alignment:
 Goals 4 and 5

IA Goal 1: Strategically Leverage Technology

Use technology to create efficiencies, enhance audit quality and elevate organizational risk insight.

INITIATIVES

1. Enrich departmental understanding and use of VRS data and business intelligence capabilities.
2. Enhance the capture of client feedback to support ongoing quality improvement activities and conformance with the *Standards*.
3. Support the creation of continuous monitoring tools used by management to detect data anomalies and identify potential fraud or processing risks.
4. Expand Internal Audit’s use of and approach to SharePoint to increase audit execution and reporting efficiency and effectiveness.
5. Support intentional, focused and innovative use of artificial intelligence within Internal Audit’s assurance services in alignment with the Virginia IT Agency’s and VRS’ artificial intelligence governance.

MEASURES AND TARGETS

1. Implement post-audit lessons learned sessions into the audit process to enhance future data and business intelligence efforts and needs. (December 2025)
2. Automate the audit satisfaction and other survey tools. (March 2026)
3. Formalize and expand Internal Audit’s collaboration activities with VRS’ Data Office and Fraud Prevention teams to enhance existing business intelligence capabilities. (June 2026)
4. Assess and evaluate the current and planned use of artificial intelligence within VRS and how Internal Audit may align its work with these initiatives. (December 2026)
5. Assess Internal Audit’s use of SharePoint and its embedded tools to enhance the capture of key data and facilitate collaboration on key activities such as risk assessments, audit requests, reporting and recommendation monitoring and resolution. (June 2027)

VRS Strategy Map
 Alignment:
 Goal 1

IA Goal 2: Elevate and Enhance Audit Talent

Strengthen audit competencies to sustain talent and contribute to organizational success.

INITIATIVES

MEASURES AND TARGETS

1. Support the audit profession by serving as the host agency for an upcoming Association of Public Pension Fund Auditor’s (APPFA) professional development conference.
2. Assess departmental competencies and organizational structure to ensure ongoing alignment with VRS’ and Internal Audit’s strategic goals.
3. Ensure audit team awareness of *Standards* and performance expectations.
4. Collaborate with senior leadership regarding opportunities to intentionally leverage Internal Audit resources to provide advice and insight.
5. Promote engagement by supporting participation in professional organizations which align with the competency model.

1. Initiate and continue planning for Fall 2027 APPFA professional development conference. (July 2025 – June 2027)
2. Formalize departmental centric competency model and monitoring methodology. (June 2026)
3. Begin holding annual audit team discussions to highlight performance expectations, including conformance with the *Standards* and departmental methodologies; identify opportunities to refine and enhance methodologies and support the identification of future strategic initiatives. (June 2026)
4. Implement formalized competency model and monitoring activities. (July 2026)
5. Identify and encourage additional participation opportunities in relevant professional organizations. (December 2026)
6. Review and report on Internal Audit organizational structure relative to similar internal audit functions and provide recommendations regarding any changes to the current structure. (December 2026)

VRS Strategy Map
 Alignment:
 Goals 2 and 3

IA Goal 3: Reinforce Stakeholder Trust

Strengthen relationships and communications with VRS leaders and business area stakeholders to foster trust, transparency and collaboration, resulting in proactive assurance and insight over governance, risks and controls.

INITIATIVES

1. Ensure key partners' understanding of ongoing responsibilities to support the internal audit function.
2. Enhance transparency and highlight proactive and collaborative responses to risks and recommendations identified for ongoing monitoring.
3. Foster a culture of universal responsibility for risk identification and mitigation.
4. Identify repeatable initiatives to enhance stakeholder relationships.

MEASURES AND TARGETS

1. Develop and provide training for Trustees and senior management regarding essential conditions included in the *Standards*. (March 2026)
2. Reimagine the audit recommendation follow-up system (ARFUS) reporting. (June 2026)
3. Develop internal audit awareness communication materials highlighting collaborative relationships and organizational activities supporting risk identification and mitigation. (April 2026 and April 2027)
4. Develop stakeholder relationship plan to capture and integrate repeatable initiatives to strengthen stakeholder relationships. (June 2027)

Other Ongoing Operational Oversight Reporting

In addition to the above initiatives, we will continue to report to senior management and the Board through the Audit and Compliance Committee regarding Internal Audit's performance over the following operational activities:

- Execution of the annual and long-range plans, highlighting initiated, completed and deferred projects
 Goal: No less than 85% of annually planned projects initiated by June 30th
- Qualifications of audit staff, including completion of individualized continuing professional education goals
 Goal: Complete minimum of 40 hours of continuing professional education in accordance with the Internal Audit Charter
- Annually report the results of Internal Audit's ongoing oversight of management's response to audit recommendations
- Annually attest to the sufficiency of financial and human resources necessary to meet operational objectives

Miscellaneous Updates

Report of Alleged Fraud, Waste and Abuse Hotline Cases

**For Complaints Received During the Period
November 1, 2025 through January 31, 2026**

SUMMARY OF CASES REVIEWED AND CLOSED

During the period November 1, 2025 through January 31, 2026, there were no cases of potential fraud, waste and abuse reported from the Office of the State Inspector General or from any other source.

Background

Fraud, Waste and Abuse relating to VRS can be comprised of any number of concerns. Such items can be reported to VRS' Internal Audit Department directly or through the Office of the State Inspector General (OSIG) State Employee Fraud, Waste and Abuse Hotline. (A majority of complaints are received through OSIG.)

All matters that relate to Fraud, Waste and/or Abuse reported are reviewed to determine the proper protocol for investigation.

Committee Reporting

Cases of a serious and/or significant nature will be reported to the VRS Audit and Compliance Committee immediately. At a minimum, a summary of all Hotline cases will be reported to the Audit and Compliance Committee on a quarterly basis.

Retention

Hardcopy documents, including handwritten notes, are stored in a secure location until the case is closed, upon which they are shredded. Electronic files are stored on Internal Audit's secured drive. Documentation containing case details are labeled "**CONFIDENTIAL – STATE FRAUD, WASTE AND ABUSE HOTLINE DOCUMENTS**" and sensitive items are labeled FOIA Exempt. As appropriate, files are disposed of in accordance with the Library of Virginia's retention policy.

FRAUD, WASTE AND ABUSE CASE MANAGEMENT

PROCESSING OF COMPLAINTS

When received, the Audit Director and Hotline Auditor perform a preliminary review of the complaint. After initial discussion, the Hotline Auditor determines whether a formal response is required by OSIG (cases referred by OSIG may or may not require a formal response, depending on the nature of the complaint) and adds the case to Internal Audit's Hotline Tracking System.

The Hotline Auditor sets up a case file on Internal Audit's secured and restricted drive to maintain confidentiality. The Hotline Auditor then evaluates the case details and may review information available in VRS' systems to obtain further details about the subject of the complaint. Additionally, the Hotline Auditor may forward the details of the case to other VRS personnel for review. The Hotline Auditor also notifies the VRS Director of the case.

Complaints regarding disability benefits constitute the large majority of the Hotline cases received by VRS. The Hotline Auditor will meet with appropriate VRS staff, as necessary, to discuss details of the case in order for all parties to proceed forward with their portion of the investigation. Complaints forwarded to others are monitored for resolution. Actions and determinations for cases are reviewed for reasonableness by the Hotline Auditor. Once a determination of appropriate action has occurred, such action is documented in the Internal Audit case file and on the Hotline Tracking System. The Internal Audit Director is apprised of all actions and determinations.

For other complaints, such as internal fraud, waste or abuse (examples could include abuses of various types of leave, teleworking policies, employee theft, etc.), the Hotline Auditor investigates the allegation and obtains supporting documentation from management, as needed. If a determination is made that there is a reasonable possibility of fraud, waste or abuse, management is notified of the allegation by the Audit Director and given a reasonable timeframe in which to report back to the Audit Director any actions taken regarding the allegation. The Audit Director determines the reasonableness of such action, reports the actions and resolution of the complaint to the Hotline Auditor who documents the results in the case file and on the Hotline Tracking System.

All investigation results are reported to the VRS Director and members of the VRS Audit and Compliance Committee once a case is resolved, regardless of the outcome.



MEMORANDUM

TO: Patricia S. Bishop, VRS Director

FROM: Jennifer P. Bell Schreck, VRS Internal Audit Director 

DATE: January 29, 2026

RE: Cost of Living Adjustments (COLAs)

Internal Audit has reviewed the amounts referred to as "Cost of Living Adjustments" as set forth in the attached letter and supporting table from VRS' actuary, Gabriel, Roeder, Smith & Company dated January 22, 2026.

In conducting our review, we independently recalculated the "Cost of Living Adjustments" using data and procedures provided by management and the actuary, while confirming certain external components associated with such calculations. We also examined the Code of Virginia sections referred to in the actuary's letter and supporting table.

Based upon our review, we found the "Cost of Living Adjustments" in the above referenced letter and table to be valid and accurate, based on the data provided, subject to the assumptions included therein with respect to increases in the VSDP LTD benefit, VSDP creditable compensation and VLDP creditable compensation, where the amounts are not specified by statute, but instead are to be recommended by the actuary and approved by the Board.

Please let me know if you have any questions. I ask that you share this information with the Benefits and Actuarial Committee.

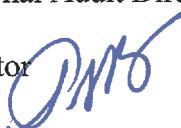
Attachment



1200 East Main Street
P.O. Box 2500
Richmond, VA 23218-2500
Toll-free: 1-888-VARETIR (827-3847)
Website: www.varetire.org
Email: vrs@varetire.org
Fax: 804-786-1541

Patricia S. Bishop
Director

MEMORANDUM

To: Jennifer P. Schreck, Internal Audit Director
From: Patricia S. Bishop, Director 
Date: March 4, 2026
Subject: Summary of Travel Related Expenses

I am attaching the following:

1. Summary of Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through December 31, 2025.
2. Summary of Other Sponsored Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through December 31, 2025.
3. Detail of Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through December 31, 2025.
4. Record of Attendance and Per Diems for the Quarters Ended December 31, 2025.

This information should be shared with the Audit & Compliance Committee.

If you have any questions, please do not hesitate to ask.

PSB/lbk

Attachments

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date Q2 2026

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Andrews, Allen	-	\$470.40	\$470.40	-	-	-	-	-	-	-	-	-	-	\$871.85	\$871.85	-	-
Baggesen, Eric	-	\$938.61	\$938.61	1	\$938.61	-	1	-	-	-	-	-	-	\$1,850.30	\$1,850.30	1	\$938.61
Bell II, John	-	\$626.33	\$626.33	-	-	-	-	-	-	-	-	-	-	\$626.33	\$626.33	-	-
Bernert III, Lawrence	-	\$382.20	\$382.20	-	-	-	-	-	-	-	-	-	-	\$637.00	\$637.00	-	-
Deo, Ravindra	-	\$150.71	\$150.71	-	-	-	-	-	-	-	-	-	-	\$301.42	\$301.42	-	-
Fentress, Rebecca	-	\$134.40	\$134.40	-	-	-	-	-	-	-	-	-	-	\$134.40	\$134.40	-	-
Hood, Jessica	-	\$3,227.08	\$3,227.08	-	-	-	-	-	-	-	-	-	-	\$4,847.98	\$4,847.98	-	-
James, Matthew	-	\$543.20	\$543.20	-	-	-	-	-	-	-	-	-	-	\$950.60	\$950.60	-	-
Kasanoff, Kathryn	-	\$126.99	\$126.99	-	-	-	-	-	-	-	-	-	-	\$798.80	\$798.80	-	-
Lewis, Wilbert	-	\$449.52	\$449.52	-	-	-	-	-	-	-	-	-	-	\$449.52	\$449.52	-	-
Sanderlin, September	-	\$129.50	\$129.50	-	-	-	-	-	-	-	-	-	-	\$259.00	\$259.00	-	-
Bishop, Patricia	-	\$3,642.62	\$3,642.62	1	\$3,642.62	-	-	1	-	-	-	-	-	\$8,661.80	\$8,661.80	2	\$8,661.80
Junkin, Andrew	-	\$7,027.37	\$7,027.37	3	\$7,027.37	-	-	3	-	-	-	-	-	\$12,965.47	\$12,965.47	5	\$12,965.47
Mattson, Curtis	-	\$59.00	\$59.00	-	-	-	-	-	-	-	-	-	-	\$59.00	\$59.00	-	-
Schreck, Jennifer	-	\$2,998.28	\$2,998.28	1	\$2,998.28	-	-	1	-	-	-	-	-	\$2,998.28	\$2,998.28	1	\$2,998.28
Sowers, Virginia	-	-	-	-	-	-	-	-	-	-	-	-	-	\$4,205.85	\$4,205.85	1	\$4,205.85
Weldon, Leslie	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,823.17	\$3,823.17	2	\$3,823.17
Rabalais, Shawn	-	\$2,886.06	\$2,886.06	2	\$2,886.06	-	-	2	-	-	-	-	-	\$2,886.06	\$2,886.06	2	\$2,886.06
Adelaar, Stephen	-	\$3,950.45	\$3,950.45	3	\$3,950.45	1	-	1	1	1	-	-	-	\$3,950.45	\$3,950.45	3	\$3,950.45
Alouf, John	\$6,525.40	\$5,890.88	\$12,416.28	8	\$12,295.88	-	4	-	2	2	-	-	\$6,525.40	\$6,448.71	\$12,974.11	9	\$12,853.71
Bell, Brock	-	\$4,867.81	\$4,867.81	3	\$4,867.81	-	-	2	-	1	-	-	-	\$4,867.81	\$4,867.81	3	\$4,867.81
Bennett, Matthew	\$17,520.48	\$848.76	\$18,369.24	3	\$18,369.24	3	-	-	-	-	-	-	\$17,520.48	\$1,916.47	\$19,436.95	4	\$19,436.95

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date **Q2 2026**

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Billingslea, Erica	\$641.36	\$1,240.69	\$1,882.05	1	\$1,882.05	1	-	-	-	-	-	-	\$2,831.87	\$1,268.21	\$4,100.08	2	\$4,100.08
Bliss, Kevin	\$796.80	\$3,814.07	\$4,610.87	5	\$4,610.87	4	-	1	1	-	-	-	\$796.80	\$3,814.07	\$4,610.87	5	\$4,610.87
Buchanan, Lee	\$2,114.85	\$44.00	\$2,158.85	3	\$2,158.85	-	2	-	-	1	-	-	\$2,776.32	\$65.20	\$2,841.52	4	\$2,841.52
Carlson, Ryan	-	\$2,000.82	\$2,000.82	1	\$2,000.82	-	-	1	-	-	-	-	-	\$2,000.82	\$2,000.82	1	\$2,000.82
Chang, Warren	\$19,848.80	\$2,543.64	\$22,392.44	4	\$22,392.44	-	3	-	1	-	-	-	\$19,848.80	\$2,543.64	\$22,392.44	4	\$22,392.44
Chen, William	-	\$1,948.19	\$1,948.19	1	\$1,948.19	-	-	1	-	-	-	-	-	\$1,948.19	\$1,948.19	1	\$1,948.19
Coleman, Thomas	\$4,534.36	\$6,578.57	\$11,112.93	8	\$11,112.93	-	4	-	1	1	2	-	\$4,534.36	\$8,269.82	\$12,804.18	10	\$12,804.18
Corsello, Perry	\$4,999.85	\$25.44	\$5,025.29	2	\$5,025.29	2	-	-	-	-	-	-	\$6,095.93	\$446.77	\$6,542.70	4	\$6,542.70
Epling, Kenji	-	\$4,335.73	\$4,335.73	3	\$4,335.73	2	-	1	2	-	-	-	-	\$4,335.73	\$4,335.73	3	\$4,335.73
Fleming, Kenneth	-	\$1,179.08	\$1,179.08	1	\$1,179.08	-	-	1	-	-	-	-	-	\$1,179.08	\$1,179.08	1	\$1,179.08
Glass, Holly	-	\$1,546.81	\$1,546.81	1	\$1,546.81	-	-	1	1	-	-	-	-	\$8,737.51	\$8,737.51	2	\$8,737.51
Hines, Gregory	-	\$5,130.06	\$5,130.06	3	\$5,130.06	-	-	2	-	1	-	-	-	\$8,995.38	\$8,995.38	4	\$8,995.38
Honrado, Cordell	-	\$4,557.02	\$4,557.02	3	\$4,557.02	-	-	3	-	-	-	-	-	\$5,493.09	\$5,493.09	4	\$5,493.09
Irvin, Benjamin	-	\$122.01	\$122.01	-	-	-	-	-	-	-	-	-	-	\$122.01	\$122.01	-	-
Jones, DeVon	\$17,061.51	\$5,288.43	\$22,349.94	8	\$22,349.94	-	6	-	1	1	-	-	\$17,061.51	\$5,288.43	\$22,349.94	8	\$22,349.94
Kim, Mengting	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,446.64	\$1,446.64	1	\$1,446.64
Koutrakos, Kristina	-	\$9,814.66	\$9,814.66	3	\$9,814.66	-	-	2	-	1	-	-	-	\$12,282.03	\$12,282.03	4	\$12,282.03
Lacy, Matthew	-	\$1,829.92	\$1,829.92	1	\$1,829.92	-	-	1	-	-	-	-	-	\$1,829.92	\$1,829.92	1	\$1,829.92
Le, Vu	-	\$6,504.94	\$6,504.94	3	\$6,504.94	-	-	3	-	-	-	-	-	\$14,077.77	\$14,077.77	5	\$14,077.77
Ma, Chung	-	\$5,371.72	\$5,371.72	3	\$5,371.72	-	-	2	-	1	-	-	-	\$5,371.72	\$5,371.72	3	\$5,371.72
Muniz, Alex	-	\$4,639.88	\$4,639.88	2	\$4,639.88	-	-	2	-	-	-	-	-	\$10,446.90	\$10,446.90	3	\$10,446.90
Murphy, James	\$31,140.41	\$544.18	\$31,684.59	3	\$31,684.59	-	3	-	-	-	-	-	\$32,322.11	\$613.22	\$32,935.33	4	\$32,935.33

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date **Q2 2026**

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Noland, Walker	\$219.30	\$5,068.56	\$5,287.86	4	\$5,053.22	-	-	1	-	-	3	-	\$219.30	\$7,138.64	\$7,357.94	6	\$7,123.30
Pugliese, Laura	-	\$1,281.08	\$1,281.08	1	\$1,281.08	-	-	1	-	-	-	-	-	\$1,281.08	\$1,281.08	1	\$1,281.08
Rhodes, Garret	-	\$2,882.37	\$2,882.37	1	\$2,882.37	-	-	1	-	-	-	-	-	\$2,882.37	\$2,882.37	1	\$2,882.37
Sarki-Hurd, Hajara	\$10,107.53	\$366.81	\$10,474.34	3	\$10,213.89	-	3	-	-	-	-	-	\$11,950.86	\$1,369.42	\$13,320.28	5	\$12,931.64
Schlussler, Daniel	-	\$1,526.26	\$1,526.26	1	\$1,526.26	-	-	1	-	-	-	-	-	\$1,526.26	\$1,526.26	1	\$1,526.26
Scott, Michael	-	\$3,864.99	\$3,864.99	2	\$3,864.99	-	-	2	1	-	-	-	-	\$3,864.99	\$3,864.99	2	\$3,864.99
Tentor, Lawrence	-	\$1,462.21	\$1,462.21	1	\$1,462.21	-	-	1	-	-	-	-	-	\$1,462.21	\$1,462.21	1	\$1,462.21
Thomas, Nathan	-	\$1,691.52	\$1,691.52	1	\$1,691.52	-	-	-	-	1	-	-	-	\$1,691.52	\$1,691.52	1	\$1,691.52
Tran, Viet	\$11,522.32	\$5,233.87	\$16,756.19	5	\$16,756.19	-	4	1	-	-	-	-	\$12,346.23	\$5,249.27	\$17,595.50	6	\$17,595.50
Tribhuvan Singh, Fnu	\$749.93	\$1,418.13	\$2,168.06	2	\$2,168.06	-	1	-	1	-	-	-	\$749.93	\$4,012.75	\$4,762.68	5	\$4,762.68
Turner, Korey	-	\$1,497.64	\$1,497.64	1	\$1,497.64	1	-	-	1	-	-	-	-	\$8,737.18	\$8,737.18	2	\$8,737.18
Voeks III, Robert	\$12,726.30	\$1,271.69	\$13,997.99	5	\$13,778.48	-	3	-	-	2	-	-	\$13,465.43	\$1,767.46	\$15,232.89	7	\$15,013.38
Whitlock, Daniel	-	\$1,567.14	\$1,567.14	1	\$1,567.14	-	-	1	1	-	-	-	-	\$2,399.96	\$2,399.96	2	\$2,399.96
Woodall, Steven	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,371.62	\$1,371.62	1	\$1,371.62
Total	\$140,509.20	\$137,542.30	\$278,051.50	112	\$270,795.16	14	34	40	14	13	5	-	\$149,045.33	\$209,841.15	\$358,886.48	148	\$346,953.69

Travel Reasons Legend			
AM	Advisory/Assoc. Meeting	MM	Manager Meeting
BD	Board Related	SV	Site Visit
CF	Conference	TR	Training
DD	Due Diligence		

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Andrews, Allen	10/16/2025	10/16/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$156.80	\$156.80
Andrews, Allen	11/13/2025	11/13/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$156.80	\$156.80
Andrews, Allen	12/11/2025	12/11/2025	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$156.80	\$156.80
Baggesen, Eric	11/04/2025	11/05/2025	Richmond, VA		11-05-2025 Investment Advisory Committee Meeting - Richmond, VA	-	\$938.61	\$938.61
Bell II, John	12/10/2025	12/11/2025	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$626.33	\$626.33
Bernert III, Lawrence	10/16/2025	10/16/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$127.40	\$127.40
Bernert III, Lawrence	11/05/2025	11/05/2025	Richmond, VA		Attended a VRS Investment Advisory Committee meeting.	-	\$127.40	\$127.40
Bernert III, Lawrence	12/11/2025	12/11/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$127.40	\$127.40
Deo, Ravindra	12/04/2025	12/04/2025	Richmond, VA		DCPAC	-	\$150.71	\$150.71
Fentress, Rebecca	12/04/2025	12/04/2025	Richmond		DCPAC	-	\$134.40	\$134.40
Hood, Jessica	10/15/2025	10/16/2025	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$803.29	\$803.29

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Hood, Jessica	11/12/2025	11/13/2025	Richmond, VA		Attended VRS Board of Trustees and Committee meetings.	-	\$1,346.60	\$1,346.60
Hood, Jessica	12/04/2025	12/04/2025	Richmond, VA		Attended a Defined Contribution Plans Advisory Committee meeting.	-	\$501.20	\$501.20
Hood, Jessica	12/10/2025	12/11/2025	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$575.99	\$575.99
James, Matthew	10/16/2025	10/16/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$135.80	\$135.80
James, Matthew	11/13/2025	11/13/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$135.80	\$135.80
James, Matthew	12/04/2025	12/04/2025	Richmond, VA		Attended a Defined Contribution Plans Advisory Committee meeting.	-	\$135.80	\$135.80
James, Matthew	12/11/2025	12/11/2025	Richmond, VA		Attended a VRS Board of Trustees meeting.	-	\$135.80	\$135.80
Kasanoff, Kathryn	12/04/2025	12/04/2025	Richmond, VA		DCPAC	-	\$126.99	\$126.99
Lewis, Wilbert	11/05/2025	11/05/2025	Richmond, VA		Investment Advisory Committee Meeting - November 5, 2025 - Richmond, VA	-	\$449.52	\$449.52
Sanderlin, September	12/04/2025	12/04/2025	Richmond		DCPAC	-	\$129.50	\$129.50
Bishop, Patricia	10/04/2025	10/08/2025	Salt Lake City, UT		Attended the annual National Council on Teacher Retirement conference.	-	\$3,642.62	\$3,642.62

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Junkin, Andrew	09/28/2025	10/01/2025	Austin, TX		NASIO 2025 Conference - September 28 - October 1, 2025 - Austin, TX	-	\$1,169.62	\$1,169.62
Junkin, Andrew	09/28/2025	10/01/2025	Austin, TX		NASIO 2025 Conference - September 28 - October 1, 2025 - Austin, TX	-	\$3,500.00	\$3,500.00
Junkin, Andrew	11/17/2025	11/19/2025	New York, NY		ACG Family Office GP LP Summit - November 17-19, 2025 - New York, NY	-	\$2,357.75	\$2,357.75
Mattson, Curtis	10/28/2025	10/28/2025	Richmond, VA		VSCPA Training - Economic Leassons with Lewis - Navigating Global Disruption & Opportunity - October 28, 2025	-	\$59.00	\$59.00
Schreck, Jennifer	10/20/2025	10/24/2025	Folsom, CA		APFFA Fall 2025 Professional Development Conference, Networking	-	\$2,998.28	\$2,998.28
Rabalais, Shawn	10/27/2025	10/29/2025	New York		Attended the SEM Consortium, focusing on small and emerging and diverse managers.	-	\$1,679.19	\$1,679.19
Rabalais, Shawn	09/16/2025	09/17/2025	New York		Attended the Private Debt Investor (PDI) Network Conference.	-	\$1,206.87	\$1,206.87
Adelaar, Stephen	09/29/2025	10/01/2025	Middleburg, VA		Attend the Baillie Gifford Client Conference.	-	\$647.40	\$647.40
Adelaar, Stephen	10/21/2025	10/23/2025	California		10/21 - Annual due diligence with WCM in Santa Ana, CA. 10/21 - travel from Santa Ana to SFO. 10/22 - Annual due diligence meeting with ValueAct. 10/22 - 10/23 - Farallon Annual Meeting and due diligence.	-	\$2,461.09	\$2,461.09
Adelaar, Stephen	10/29/2025	10/29/2025	New York		Attended the Baillie Gifford Private Companies meeting.	-	\$841.96	\$841.96

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Alouf, John	09/22/2025	09/25/2025	Madrid	Apax	Travel to Madrid for Apax LPAC. This is sponsored travel.	\$5,312.36	\$21.98	\$5,334.34
Alouf, John	09/29/2025	10/01/2025	New York	TSG	Travel to New York for TSG Consumer Day. This is sponsored travel.	\$53.64	\$23.40	\$77.04
Alouf, John	10/16/2025	10/16/2025	New York		Travel to New York for Inflexion due diligence.	-	\$632.86	\$632.86
Alouf, John	10/28/2025	10/29/2025	Los Angeles		Travel to Los Angeles for Leonard Green due diligence.	-	\$2,179.09	\$2,179.09
Alouf, John	11/06/2025	11/06/2025	New York		Travel to New York for Odyssey annual meeting.	-	\$607.98	\$607.98
Alouf, John	11/18/2025	11/18/2025	Boston	TA	Travel to Boston for TA's 2025 LPAC meetings. This is sponsored travel.	\$449.10	\$35.88	\$484.98
Alouf, John	11/20/2025	11/21/2025	Washington DC	Arlington	Travel to DC for Arlington Capital Partners AGM and LPAC. This is sponsored travel.	\$710.30	\$21.82	\$732.12
Alouf, John	12/07/2025	12/10/2025	Ojai, CA		Travel to Ojai for Lead Edge annual general meeting.	-	\$2,247.47	\$2,247.47
Alouf, John	12/17/2025	12/17/2025	Charlottesville		Travel to Charlottesville for Quad-C due diligence.	-	\$120.40	\$120.40
Bell, Brock	08/26/2025	08/26/2025	Washington, DC.		Washington, D.C. Institutional Exchange, August 26th, 2025 for Brock Bell.	-	\$280.68	\$280.68
Bell, Brock	09/11/2025	09/16/2025	NYC		Manager meetings (11th- 15th)/ J.P Morgan conference (16th) for Brock Bell. Sept 11-16th, NY.	-	\$2,466.71	\$2,466.71

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q2 2026**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Bell, Brock	10/14/2025	10/17/2025	Florida		ISLA Americas' 2nd Annual Securities Finance & Collateral Management Conference, 14-17 October 2025 for Brock Bell, Florida.	-	\$2,120.42	\$2,120.42
Bennett, Matthew	09/16/2025	09/19/2025	London	ICG	Attended the ICG Investors' Meeting and LPAC Meeting for European Fund VIII.	\$8,367.43	\$711.79	\$9,079.22
Bennett, Matthew	10/22/2025	10/23/2025	New York	Castlelake; Catlelake	Attended the Varde Annual General Meeting on 10/22. Attended the Castlelake Annual General Meeting and LPAC meeting for APC III. **Castlelake is Sponsored Travel	\$917.32	\$71.97	\$989.29
Bennett, Matthew	11/17/2025	11/20/2025	London	Park Square	Attended the Park Square Capital annual meeting and LPAC meeting.	\$8,235.73	\$65.00	\$8,300.73
Billingslea, Erica	10/28/2025	10/30/2025	New York	Audax	10/28 - Update meeting with Oak Hill Advisors Cadenza. Audax Advisory Board Meetings - Mezz V, DSL I and DSL II. 10?29 - Audax Annual Meeting 10/30 - Update meeting with Oak Hill Advisors Legato. Due diligence meeting with prospective manager, BDT & MSD. **Sponsored Travel - Audax	\$641.36	\$1,240.69	\$1,882.05
Bliss, Kevin	09/16/2025	09/17/2025	New York	ACORE	Attended the ACORE Annual Meeting and LPAC Session.	\$796.80	\$47.73	\$844.53
Bliss, Kevin	10/16/2025	10/16/2025	New York		Attended the TCW Annual Meeting.	-	\$936.70	\$936.70

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Bliss, Kevin	10/20/2025	10/21/2025	Boston		Attended the GlobalARC Annual Conference on 10/20. Due diligence meeting with Barings on 10/21.	-	\$835.27	\$835.27
Bliss, Kevin	11/05/2025	11/06/2025	Chicago, IL		Attended the Blue Owl annual meeting and advisory board meeting.	-	\$1,401.90	\$1,401.90
Bliss, Kevin	11/17/2025	11/18/2025	Boston, MA		Attended the Barings Annual Meeting.	-	\$592.47	\$592.47
Buchanan, Lee	10/15/2025	10/17/2025	Georgia	IFC	Travel to Georgia for meeting and site visit with IFC. This is sponsored travel.	\$1,067.09	\$15.40	\$1,082.49
Buchanan, Lee	10/29/2025	10/30/2025	Boca Raton	Clarion	Travel to Boca Raton for Clarion Partners Fall Advisory Committee meetings. This is sponsored travel.	\$510.12	\$15.40	\$525.52
Buchanan, Lee	11/03/2025	11/04/2025	Washington, DC	Carlyle	Travel to Washington, DC for 2025 Carlyle US Real Estate Investor Advisory Committee Meetings. This is sponsored travel.	\$537.64	\$13.20	\$550.84
Carlson, Ryan	10/06/2025	10/08/2025	NYC		9th Annual Global Quantitative and Macro Investment Conference, Oct 6th-8th, 2025 for Ryan Carlson.	-	\$2,000.82	\$2,000.82
Chang, Warren	09/24/2025	09/26/2025	Minneapolis		Travel to Minneapolis for Excelsior Energy annual general meeting.	-	\$1,467.75	\$1,467.75
Chang, Warren	10/13/2025	10/17/2025	London	iCON	Travel to London for iCON annual meeting and meetings with other managers. The iCON portion of the trip is sponsored travel.	\$7,954.82	\$783.86	\$8,738.68

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Chang, Warren	10/19/2025	10/25/2025	Milan	IFM	Travel to Milan for IFM Global annual meeting. This is sponsored travel.	\$10,467.76	\$95.56	\$10,563.32
Chang, Warren	11/08/2025	11/12/2025	Las Vegas	DigitalBridge; LS Power; Stonepeak	Travel to Las Vegas for DigitalBridge AGM and site visit, and to New York for Stonepeak and LS Power meetings. This is sponsored travel.	\$1,426.22	\$196.47	\$1,622.69
Chen, William	10/07/2025	10/09/2025	NYC		Wolfe's 9th Global conference and Bernstein's 22nd Annual conference, 10/7/2025 – 10/9/2025 NYC for William Chen	-	\$1,948.19	\$1,948.19
Coleman, Thomas	10/06/2025	10/08/2025	Washington, DC	EIG	Travel to Washington, DC for EIG annual meeting and Pritzker site visit. The EIG portion of this trip is sponsored travel.	\$769.10	\$605.35	\$1,374.45
Coleman, Thomas	10/13/2025	10/14/2025	Greenbrier, WV	Taurus	Travel to Greenbrier, WV for Taurus Mining Finance Fund 2 LPAC. This is sponsored travel.	\$276.50	\$10.00	\$286.50
Coleman, Thomas	10/27/2025	10/29/2025	Chicago and Madison		Travel to Chicago and Madison for manager meetings with Pritzker, Security Capital, and Quad CP.	-	\$1,760.84	\$1,760.84
Coleman, Thomas	11/05/2025	11/06/2025	Houston	Lime Rock	Travel to Houston for Lime Rock annual meeting. This is sponsored travel.	\$1,562.68	\$33.49	\$1,596.17
Coleman, Thomas	11/09/2025	11/10/2025	Santa Ana, CA		Travel to Santa Ana, CA for Affinius site visit.	-	\$1,861.38	\$1,861.38

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Coleman, Thomas	11/17/2025	11/20/2025	Dallas and New York	Meadow	Travel to Dallas for a Pritzker site visit and New York for Meadow's annual meeting. The New York portion of the trip is sponsored travel.	\$734.25	\$886.86	\$1,621.11
Coleman, Thomas	12/02/2025	12/03/2025	Toronto	Kinterra	Travel to Toronto for Kinterra AGM/LPAC and meeting with Sprott. This is sponsored travel.	\$1,191.83	\$20.64	\$1,212.47
Coleman, Thomas	12/10/2025	12/11/2025	New York		Travel to New York for Kimmeridge due diligence.	-	\$1,400.01	\$1,400.01
Corsello, Perry	11/03/2025	11/05/2025	New York	Ares	Manager meetings with Sixth Street Partners and Oaktree. Advisory Board Annual Meetings with Ares ASOF and Ares Pathfinder.	\$2,254.83	\$15.22	\$2,270.05
Corsello, Perry	11/10/2025	11/13/2025	California	Sixth Street Partners	Attended the Sixth Street Partners Annual Meeting and Advisory Committee Meetings for TAO, TOP III, TOP IV and TOP V. **Sponsored Travel	\$2,745.02	\$10.22	\$2,755.24
Epling, Kenji	09/29/2025	10/01/2025	Middleburg, VA		Attended the Baillie Gifford Client Conference.	-	\$615.66	\$615.66
Epling, Kenji	10/15/2025	10/16/2025	New York		Dye diligence meetings with Coatue, Eminence, JP Morgan and Ariel. Attended the Maverick Annual Meeting.	-	\$1,282.77	\$1,282.77

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q2 2026**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Epling, Kenji	10/21/2025	10/23/2025	San Francisco, CA		10/21 - travel to Santa Anna, CA for a due diligence meeting with WCM. 10/21 - travel to San Francisco. 10/22 - due diligence meeting with ValueAct. 10/22 - 10/23 - Farallon Annual Meeting and annual due diligence.	-	\$2,437.30	\$2,437.30
Fleming, Kenneth	10/21/2025	10/26/2025	Boston		Travel to Boston for PREA Conference.	-	\$1,179.08	\$1,179.08
Glass, Holly	09/29/2025	10/01/2025	Boston		Annual due diligence meetings with Arrowstreet and Acadian. Attended the Acadian Client Conference.	-	\$1,546.81	\$1,546.81
Hines, Gregory	09/15/2025	09/17/2025	Nashville, TN.		Equity Conference Nashville - September 15 - 17, Greg Hines	-	\$2,284.50	\$2,284.50
Hines, Gregory	09/29/2025	10/01/2025	NYC		Barclays QIS Conference NYC 2025, Monday, September 29, 2025/16th Annual Global Volatility Summit September 30, 2025 in New York, NY.	-	\$1,897.17	\$1,897.17
Hines, Gregory	10/29/2025	10/30/2025	NYC		SG Macro Equity Volatility for Greg Hines NYC, October 29th.	-	\$948.39	\$948.39
Honrado, Cordell	09/22/2025	09/24/2025	Florida		SimCorp for Dane Honrado in Miami, Florida September 22-24th.	-	\$1,076.71	\$1,076.71
Honrado, Cordell	10/26/2025	10/29/2025	Charleston, SC.		Cutter Conference in Charleston, SC. Dane Honrado- October 26th-29th.	-	\$2,108.87	\$2,108.87

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Honrado, Cordell	11/17/2025	11/19/2025	Boston		Financial Technology Forum Fall Workshop, Boston, MA, November 17-19, 2025 for Dane Honrado	-	\$1,371.44	\$1,371.44
Irvin, Benjamin	12/17/2025	12/17/2025	Charlottesville		Travel to Charlottesville for Quad-C due diligence.	-	\$122.01	\$122.01
Jones, De'Von	10/07/2025	10/10/2025	San Francisco and Los Angeles	Clearlake	Travel to San Francisco for Accel-KKR annual meeting and to Los Angeles for Clearlake LPAC. The Clearlake portion of the trip is sponsored travel.	\$1,988.85	\$1,037.72	\$3,026.57
Jones, De'Von	10/14/2025	10/17/2025	Stockholm	Nordic	Travel to Stockholm for 2025 Nordic LPAC. This is sponsored travel.	\$9,827.00	\$47.55	\$9,874.55
Jones, De'Von	10/19/2025	10/21/2025	Houston	EnCap	Travel to Houston for EnCap LPAC. This is sponsored travel.	\$1,367.53	\$15.40	\$1,382.93
Jones, De'Von	10/22/2025	10/23/2025	New York	Veritas	Travel to New York for Veritas annual meeting. This is sponsored travel.	\$868.46	\$47.62	\$916.08
Jones, De'Von	10/28/2025	10/29/2025	Los Angeles		Travel to Los Angeles for Leonard Green due diligence.	-	\$1,450.45	\$1,450.45
Jones, De'Von	11/03/2025	11/06/2025	Boston		Travel to Boston for Advent annual general meeting.	-	\$2,151.52	\$2,151.52
Jones, De'Von	11/12/2025	11/13/2025	New York	Stone Point	Travel to New York for Stone Point LPAC. This is sponsored travel.	\$1,426.80	\$25.66	\$1,452.46

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q2 2026**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Jones, De'Von	11/17/2025	11/21/2025	San Francisco and New York	Thoma Bravo; Thoma Bravo & Vista	Travel to San Francisco for Thoma Bravo LPAC and to New York for Vista LPAC. Both are sponsored travel, but the only sponsored expenses for Vista include airfare and hotel accommodations, arranged directly by Vista.	\$1,582.87	\$512.51	\$2,095.38
Koutrakos, Kristina	09/16/2025	09/21/2025	England		Man Alternative Investing Symposium, September 16th-21st, 2025 in Oxford, England for Kristina Koutrakos.	-	\$6,352.11	\$6,352.11
Koutrakos, Kristina	09/29/2025	09/30/2025	DC		ALTSDC conference in DC, September 29-30th for Kristina Koutrakos. Traveler will drive to and from conference.	-	\$811.59	\$811.59
Koutrakos, Kristina	10/04/2025	10/08/2025	Vancouver		ICPM Fall Discussion forum in Vancouver for Kristina Koutrakos October 4th-8th, 2025.	-	\$2,650.96	\$2,650.96
Lacy, Matthew	09/23/2025	09/25/2025	Canada		GPFA Annual Meeting September 23-25, 2025 in Montreal Canada for Matt Lacy.	-	\$1,829.92	\$1,829.92
Le, Vu	09/29/2025	10/01/2025	Boston		Acadian (Boston) for Vu Le, September 29th-October 1st.	-	\$1,946.26	\$1,946.26
Le, Vu	10/05/2025	10/08/2025	CA.		Q-Group Fall Seminar, Vu Le October 5-8, 2025, California	-	\$2,801.59	\$2,801.59
Le, Vu	11/12/2025	11/13/2025	NYC		13th Annual MSQA Investment Forum, NYC for Vu Le, November 12-13th, 2025.	-	\$1,757.09	\$1,757.09
Ma, Chung	09/28/2025	09/30/2025	NYC		AAAIM, Barclays QIS, Global Vol. 2025 for Chung Ma. NYC 9/28-10-1	-	\$1,505.16	\$1,505.16

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Ma, Chung	10/06/2025	10/08/2025	Boston		AI Conference/Manager Meeting Wednesday, October 6 - Thursday, October 8, 2025 for Chung Ma	-	\$1,656.44	\$1,656.44
Ma, Chung	10/19/2025	10/22/2025	Boston		22nd Annual Global ARC Boston for Chung Ma, October 19-22, 2025.	-	\$2,210.12	\$2,210.12
Muniz, Alex	09/16/2025	09/18/2025	Chicago		CQA Fall 2025 Conference for Alex Muniz, Sept. 16th-18th, 2025	-	\$1,617.41	\$1,617.41
Muniz, Alex	10/05/2025	10/08/2025	Chicago		Q Group Fall Seminar 2025, October 05, 2025-October 08, 2025 for Alex Muniz	-	\$3,022.47	\$3,022.47
Murphy, James	09/07/2025	09/11/2025	London	CVC	Travel to London for CVC LPAC. This is sponsored travel.	\$9,588.39	\$163.25	\$9,751.64
Murphy, James	09/13/2025	09/18/2025	Singapore	KKR	Travel to Singapore for KKR's Asia Investors Meeting. This is sponsored travel.	\$10,131.34	\$290.55	\$10,421.89
Murphy, James	11/15/2025	11/18/2025	Seoul	MBK	Travel to Seoul for MBK annual general meeting and LPAC. This is sponsored travel.	\$11,420.68	\$90.38	\$11,511.06
Noland, Walker	09/29/2025	09/30/2025	Los Angeles		Travel to Los Angeles for AMLI site visit.	-	\$1,096.84	\$1,096.84
Noland, Walker	10/06/2025	10/08/2025	Spokane		Travel to Spokane, Washington for Molpus site visits.	-	\$2,007.86	\$2,007.86
Noland, Walker	10/22/2025	10/24/2025	Boston		Travel to Boston for PREA conference.	-	\$1,021.71	\$1,021.71

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Noland, Walker	11/12/2025	11/14/2025	Reston	PGIM	Travel to Reston for PGIM PRISA II Fund Advisory Committee meetings. This is sponsored travel.	\$219.30	\$15.34	\$234.64
Noland, Walker	12/04/2025	12/04/2025	Chicago		Travel to Chicago for AMLI site visit.	-	\$926.81	\$926.81
Pugliese, Laura	10/13/2025	10/15/2025	Minnesota		Travel to Minneapolis, MN for the DCIIA Conference, the PSI Roundtable, and the RRC Executive Committee Meeting.	-	\$1,281.08	\$1,281.08
Rhodes, Garret	10/06/2025	10/09/2025	NYC		Wolfe's 9th Global conference and Bernstein's 22nd Annual conference, 10/6/2025 – 10/9/2025 NYC for Garret Rhodes.	-	\$2,882.37	\$2,882.37
Sarki-Hurd, Hajara	09/25/2025	09/26/2025	Ft. Lauderdale	Blackstone	Travel to Ft. Lauderdale for BREP Edens board meeting. This is sponsored travel.	\$524.16	\$22.66	\$546.82
Sarki-Hurd, Hajara	10/20/2025	10/24/2025	London	Westbrook	Travel to London for Westbrook Annual Meeting and LPAC. This is sponsored travel.	\$8,600.51	\$49.07	\$8,649.58
Sarki-Hurd, Hajara	11/05/2025	11/06/2025	Chicago	Blue Owl	Travel to Chicago for Blue Owl annual meeting. This is sponsored travel.	\$982.86	\$34.63	\$1,017.49
Sarki-Hurd, Hajara	11/13/2025	11/14/2025	Charlottesville		Travel to Charlottesville for UVA Real Estate Conference.	-	\$260.45	\$260.45
Schlussler, Daniel	10/26/2025	10/28/2025	Austin, TX.		JOIM Conference in Austin, TX. for Daniel Schlussler, 10/26-10/28, 2025.	-	\$1,526.26	\$1,526.26
Scott, Michael	09/28/2025	10/01/2025	San Diego, CA		Attended the NAGDCA Conference.	-	\$2,834.10	\$2,834.10

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Scott, Michael	10/14/2025	10/15/2025	Minnesota		Traveled to Minneapolis for the DCIIA Conference. Due diligence meeting with Galliard.	-	\$1,030.89	\$1,030.89
Tentor, Lawrence	09/25/2025	09/27/2025	NYC		2025 Frontiers in Quantitative Finance Conference, Sept 25-27, 2025 for Larry Tentor.	-	\$1,462.21	\$1,462.21
Thomas, Nathan	09/23/2025	09/24/2025	NYC		Manager Meetings/UBS Event: Prime Brokerage 101 in NYC for Nathan Thomas, Sept 23rd-24th.	-	\$1,691.52	\$1,691.52
Tran, Viet	10/07/2025	10/10/2025	San Francisco	Spectrum Equity	Travel to San Francisco for Spectrum Equity and Alpine AGM. The Spectrum Equity portion of the trip is sponsored travel.	\$1,366.06	\$702.30	\$2,068.36
Tran, Viet	10/14/2025	10/16/2025	New York	Sycamore	Travel to New York for Sycamore Partners AGM and Inflexion DD. The Sycamore portion of the trip is sponsored travel.	\$1,303.03	\$666.55	\$1,969.58
Tran, Viet	10/20/2025	10/24/2025	New York and London	Bain	Travel to New York for Insight meeting and London for Bain LPAC. The London portion of the trip is sponsored travel.	\$7,355.32	\$1,433.50	\$8,788.82
Tran, Viet	10/27/2025	10/29/2025	New York		Travel to New York for GCM SEM conference.	-	\$1,622.37	\$1,622.37
Tran, Viet	11/17/2025	11/19/2025	Chicago and Houston	Madison Dearborn	Travel to Chicago for Madison Dearborn and Houston for Sterling annual meetings. The Madison Dearborn portion of the trip is sponsored travel.	\$1,497.91	\$809.15	\$2,307.06

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2026

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Tribhuan Singh, Fnu	10/28/2025	10/29/2025	Los Angeles		Travel to Los Angeles for Leonard Green due diligence.	-	\$1,377.96	\$1,377.96
Tribhuan Singh, Fnu	12/10/2025	12/11/2025	New York	Hellman & Friedman	Travel to New York for Hellman & Friedman LPAC. This is sponsored travel.	\$749.93	\$40.17	\$790.10
Turner, Korey	10/15/2025	10/16/2025	New York		Due diligence meetings with Coatue, Eminence, JP Morgan and Ariel. Attended the Maverick Annual Meeting.	-	\$1,497.64	\$1,497.64
Voeks III, Robert	10/14/2025	10/15/2025	Charlottesville		Travel to Charlottesville for Quad-C annual meeting and LPAC. The hotel and meals were arranged and sponsored by the manager directly.	-	\$108.01	\$108.01
Voeks III, Robert	10/20/2025	10/21/2025	Boston	Audax	Travel to Boston for Audax annual meeting and LPAC. This is sponsored travel.	\$1,087.21	\$39.70	\$1,126.91
Voeks III, Robert	11/04/2025	11/05/2025	New York	Apollo	Travel to New York for Apollo Fall LPAC. This is sponsored travel.	\$832.55	\$94.27	\$926.82
Voeks III, Robert	11/19/2025	11/20/2025	Boston		Travel to Boston for Charlesbank annual general meeting.	-	\$861.98	\$861.98
Voeks III, Robert	12/01/2025	12/02/2025	Austin	Peak Rock	Travel to Austin for Peak Rock annual general meeting. This is sponsored travel.	\$1,592.92	\$18.65	\$1,611.57
Voeks III, Robert	12/08/2025	12/10/2025	London	Charterhouse	Travel to London for Charterhouse LPAC. This is sponsored travel.	\$9,213.62	\$37.58	\$9,251.20
Voeks III, Robert	12/17/2025	12/17/2025	Charlottesville		Travel to Charlottesville for Quad-C due diligence.	-	\$111.50	\$111.50

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q2 2026**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Whitlock, Daniel	11/06/2025	11/07/2025	New York		Attended the BlackRock Global Hedge Fund Investor Conference. Due diligence meeting with prospective manager, BlackRock 32 Capital/GAO. Met with Innocap, a potential service provider.	-	\$1,567.14	\$1,567.14
Total						\$140,509.20	\$137,542.30	\$278,051.50

VRS BOARD OF TRUSTEES AND COMMITTEES
 RECORD OF ATTENDANCE & PER DIEMS
 FOR 3Q2025

Month Paid:		October-25				November-25				December-25			Total Days Attended	Per Diem Rate	Per Diem Payments			Total
Member	Area	9/24/2025	9/24/2025	9/25/2025	10/15/2025	10/16/2025	11/5/2025	11/12/2025	9/13/2025	12/4/2025	12/11/2025	12/11/2025			Oct	Nov	Dec	
		ACC	AFT	BOT	BAC	BOT	IAC	BAC	BOT	DCPAC	ACC	BOT						
A. SCOTT ANDREWS, CHAIR	BOT	X	X	X	-	X	-	-	X	-	X	X	5	\$ 300.00	\$ 900.00	\$ 300.00	\$ 300.00	\$ 1,500.00
J BRANDON BELL, II	BOT	X	-	X	-	X	X	-	X	-	X	X	6	300.00	900.00	600.00	300.00	1,800.00
JOHN M. BENNETT	BOT	-	X	X	X	X	X	X	X	X	-	X	9	300.00	1,200.00	900.00	600.00	2,700.00
LAWRENCE BERNERT	BOT	X	X	X	X	X	X	X	-	-	X	X	7	300.00	1,200.00	600.00	300.00	2,100.00
J. CLIFFORD FOSTER	BOT	X	-	X	X	X	X	X	X	-	X	X	8	300.00	1,200.00	900.00	300.00	2,400.00
SUSAN GOODEN	BOT	-	-	X	-	X	-	-	X	X	-	X	5	300.00	600.00	300.00	600.00	1,500.00
JESSICA L. HOOD	BOT	X	X	X	X	X	-	X	X	X	X	X	8	300.00	1,200.00	600.00	600.00	2,400.00
MATTHEW JAMES	BOT	-	-	X	-	X	-	-	X	X	-	X	5	300.00	600.00	300.00	600.00	1,500.00
LINDSEY PANTELE	BOT	-	-	X	X	X	-	X	X	-	-	X	6	300.00	900.00	600.00	300.00	1,800.00
MONIQUE BARNES	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
RIVINDRA DEO	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
C. MATT HARRIS	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
KATHRYN JONAS KASANOFF	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
RICK LARSON	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
BRENDA O. MADDEN	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
DAVID A. WINTER	DCPAC	-	-	-	-	-	-	-	-	X	-	-	1	300.00	-	-	300.00	300.00
ERIC BAGGESEN	IAC	-	-	-	-	-	X	-	-	-	-	-	1	300.00	-	300.00	-	300.00
THEODORE ECONOMOU	IAC	-	-	-	-	-	X	-	-	-	-	-	1	300.00	-	300.00	-	300.00
PALMER GARSON	IAC	-	-	-	-	-	X	-	-	-	-	-	-	-	-	-	-	-
THOMAS S.GAYNER	IAC	-	-	-	-	-	-	-	-	-	-	-	-	300.00	-	-	-	-
LAWRENCE E KOCHARD	IAC	-	-	X	-	-	X	-	X	-	-	-	3	300.00	300.00	600.00	-	900.00
NANCY G. LEAKE	IAC	-	-	-	-	-	X	-	-	-	-	-	1	300.00	-	300.00	-	300.00
WILBERT BRYAN LEWIS	IAC	-	-	-	-	-	X	-	-	-	-	-	1	300.00	-	300.00	-	300.00
ROD SMYTH	IAC	-	-	-	-	-	X	-	-	-	-	-	1	300.00	-	300.00	-	300.00
WILLIAM H. WEST	IAC	-	-	-	-	-	X	-	-	-	-	-	1	300.00	-	300.00	-	300.00
															\$ 9,000.00	\$ 7,500.00	\$ 6,000.00	\$22,500.00

Number Attending	5	4	10	5	9	12	5	9	11	5	9	84					
Total Days per Diem Paid (Control Total)	5	1	10	5	9	11	5	9	11	5	4	75	x \$300			=	22,500.00

Audit Reports

Group Life and Death Processing

October 1, 2024 – September 30, 2025

Highlighting VRS Core Values: *Integrity, Teamwork, Accountability* and *Agility* in Action



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Dear Members of the Audit and Compliance Committee,

We have completed audit number 467, “Group Life and Death Processing.” The main purpose of our audit was to ascertain whether group life insurance and death processes are handled timely, accurately and in accordance with established guidelines and procedures.

We conducted our audit in accordance with the *International Standards for the Professional Practice of Internal Auditing*. These standards require that we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for the conclusions based upon our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report was distributed to the VRS Director and members of management for review and comment. As our review did not result in a written recommendation, management did not provide a written response but expressed substantial agreement with our report.

We appreciate the cooperation and assistance of the Beneficiary Payments, Communications, Accounting and Information Technology teams throughout this review.

Respectfully Submitted,

A handwritten signature in black ink that reads 'Jennifer P. Bell Schreck'.

Jennifer P. Bell Schreck, CPA, CISA, PMP
Audit Director

EXECUTIVE SUMMARY

We conducted an examination of VRS' Group Life Insurance Program and related death processing activities for the period of October 1, 2024, to September 30, 2025. Our review determined that:

- Group life insurance claims are valid, accurate, complete and timely.
- Retirement disbursements are updated appropriately to reflect notice of death and group life claims.
- Monitoring activities over the group life insurance and death processing practices are effective.
- Financial systems supporting activities pertaining to group life insurance claims are accurate.
- System interfaces between VRS and its third-party administrator, Securian are working as expected.

Full-time employees of employers electing to participate in VRS' Group Life Insurance Program are automatically covered under the provisions of the basic Group Life Insurance Program on their first day of employment. Upon death, in addition to potential life insurance proceeds, a member's accumulated retirement contributions and interest are refunded to the member's beneficiary(ies) if the member dies during active covered service, unless a beneficiary is eligible for and elects a retirement benefit.

We found the overall control environment for group life insurance and death processing to be sufficient. Overall, Securian was found to be processing, documenting and paying death claims accurately and completely. VRS' demonstrated effective oversight and management of Securian, including the validation of contractual performance metrics monthly. Lastly, VRS was processing final pension checks and any remaining accumulated contributions and interest to beneficiaries in a timely manner.

While there are no written recommendations resulting from our review; we noted an opportunity to improve security of personally identifiable information during the death processing activities which was resolved immediately by management.

SNAPSHOT

As of June 30, 2025, the **Group Life Insurance** Program covered approximately **234,040 retirees** and **366,850 active members** across **939 employers**.

For the **audit period** of October 1, 2024, through September 30, 2025, **VRS paid \$263.8 million** in **claims**.

AUDIT ASSESSMENT

Overall, Group Life Insurance claims are valid, accurate, timely and complete.

Other activities associated with death processing are appropriate, generally timely, and in accordance with requirements established in the Code of Virginia.

Written Recommendations: 0

BACKGROUND

INTRODUCTION

When a VRS member passes away, their designated beneficiaries become entitled to certain benefits. At a minimum, beneficiaries receive a refund of any remaining member contributions and interest, or if eligible and the member had elected the option, a monthly benefit under the member’s defined benefit plan. If the member’s employer participated in the Group Life Insurance Program, beneficiaries are also entitled to a life insurance benefit.

VRS has outsourced the group life insurance processing to a third-party vendor, Securian Financial. VRS’ VNAV and Enterprise Content Management (ECM) systems support the administration of group life insurance benefits as well as the processing of member deaths.

LIFE INSURANCE BENEFITS

Full-time employees of employers electing to participate in VRS’ Group Life Insurance Program are automatically covered under the provisions of the basic Group Life Insurance Program on their first day of employment. This basic coverage is funded by employer and employee premium contributions. Employers may choose to pay all or a portion of the employee’s share. Life insurance benefits continue post-employment, although their value decreases over time. The basic life insurance benefits provided to active and retired members are set forth below.

Natural Death Benefit

Standard amount payable for deaths from non-accidental causes, calculated as follows:

ACTIVE MEMBERS	RETIRED MEMBERS
Annual salary rounded to the next highest thousand and then doubled	<p>Service Retirees: Initial coverage at retirement (see active member calculation), reduced by 25% per year beginning on January 1st following the first full year of separation and annually thereafter until the amount reaches 25% of the initial coverage amount.</p> <p>Disability Retirees: Same reduction schedule, but reduction does not begin until January 1st of the first full year following the date of their normal retirement age.</p>

The General Assembly passed legislation effective July 1, 2015, creating a floor of \$8,000 for the life insurance coverage of retirees with 30 or more years of service. In accordance with the *Code of Virginia*, this floor adjusts annually using the VRS Plan 2 cost-of-living rate adjustments calculated by VRS' actuary. As of July 1, 2025, this floor is \$9,768.

Additional Death Benefits

As reflected below and defined after the chart, VRS' Group Life Insurance Program provides additional benefits for active and retired members beyond the basic natural death benefit discussed above, depending on the circumstances.

ACTIVE MEMBERS	RETIRED MEMBERS
Accidental Death Benefit Accidental Dismemberment Benefit Felonious Assault Benefit Repatriation Benefit Safety Belt (Seatbelt) Benefit Accelerated Death Benefit	Accelerated Death Benefit
Irrevocable Assignment of Ownership	

Definition of Benefits

- Accidental Death Benefit:** Amount payable for a death deemed to have occurred from an unintended, unexpected and unforeseen injury. The amount payable is an additional amount equal to the natural death benefit paid.
- Accidental Dismemberment Benefit:** Amount payable from the accidental, permanent and irrevocable loss of sight in one or both eyes or loss of one or more limbs. The amount payable for the accidental loss of one limb or sight in one eye is the individual's annual salary rounded to the next highest thousand. This amount is doubled for the accidental loss of two or more limbs, the total loss of eyesight or the loss of one limb and the sight of one eye.
- Felonious Assault Benefit:** Amount payable if a member is killed or suffers the loss of a limb or vision as the result of a felonious assault that occurs in the workplace or while the member is on business travel, provided the assault was not committed by an immediate family member. This is an additional benefit, consisting of 1) a lump sum payment and 2) a Virginia

College Savings Plan account if the member has minor children and dies as a result of the assault. The lump sum amount payable is the lesser of \$50,000 or 25% of the accidental death or dismemberment benefit amount. Where applicable, the amount placed in Virginia College Savings Plan account will be approximately equal to average cost of the current cost of four years of tuition and mandatory fees at a public institution of higher education in Virginia.

- **Repatriation Benefit:** Amount payable for the transportation and associated costs of returning a member's remains in cases of accidental death where the member dies while more than 75 miles from home. The amount payable is either the actual cost or \$5,000, whichever is less.
- **Safety Belt (Seatbelt) Benefit:** Amount payable if a member is killed or suffers the loss of a limb or vision in an accident while driving or riding in a private passenger vehicle. The member must have been wearing a safety belt at the time of the accident, and the driver must not have been intoxicated, impaired or under the influence of drugs or alcohol. The amount payable is an enhanced benefit equal to the lesser of \$50,000 or 10% of the member's accidental death or dismemberment benefit.
- **Accelerated Death Benefit:** A prepayment of all or a portion of the natural death benefit to terminally ill members with a life expectancy of twelve months or less. The terminal medical condition may be caused by sickness or accident. The accelerated death benefit is paid at the full coverage amount for active members or reduced coverage amount for retired members.
- **Irrevocable Assignment of Ownership:** A voluntary permanent assignment of ownership rights made by the member while living. No amount is payable until death.

Other Eligible Employees

In addition to active members and retirees, certain employees who terminate from service and are eligible for retirement are entitled to post-employment life insurance benefits as if they had retired, provided their accumulated member contributions and interest are retained in the pension fund. Terminated employees eligible for such benefits include:

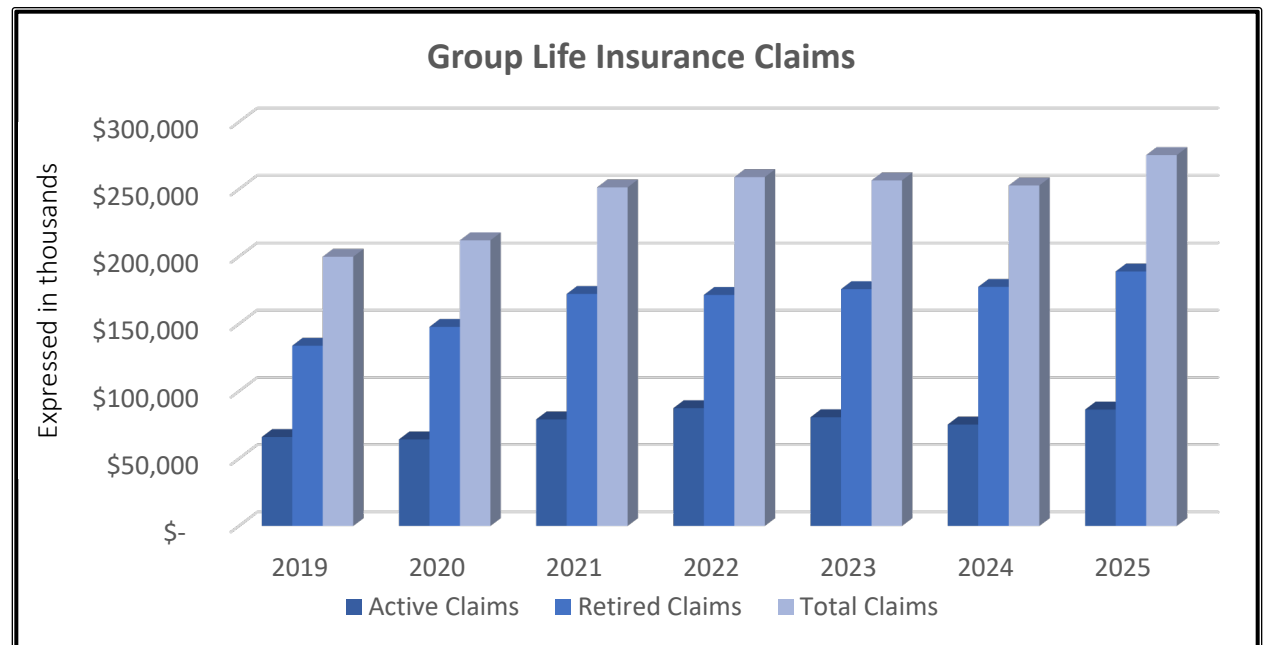
- State police officers, other state law enforcement and correctional officers and participating law enforcement officers and firefighters of political subdivisions who are 50 years of age or older with at least five years of service.
- Other Plan 1 participants who are at least 50 years of age with 10 or more years of service; or age 55 or more with at least five years of service.

- Other Plan 2 and Hybrid Plan members who are 60 years of age or older with at least five years of service.

Should these individuals elect to take a refund of their member contributions, they are no longer eligible.

Life Insurance Claims Activity

During fiscal year 2025, VRS remitted approximately \$275 million to Securian for basic group life insurance claims paid by Securian on behalf of VRS for active and retired members. The following graph shows the dollar amount of claims paid by VRS to Securian for active and retired members over the past seven fiscal years.



*Source: VRS FY25 Annual Comprehensive Financial Report, Schedule of Group Life Insurance Deductions

Funding the Basic Group Life Insurance Program

VRS is *accountable* and assumes the primary funding risk for the VRS Group Life Insurance Program. To fund this program, the VRS Board of Trustees proposes to the Governor and General Assembly the premiums to be paid based on actuarially determined rates. Once approved, VRS

collects the premiums for eligible members from the employers. These premiums are deposited into the Group Life Insurance Fund where VRS' Investment department oversees the investment of these funds to cover the cost of this benefit program and its administration.

Optional Life Insurance Program

Under the provisions of the Optional Group Life Insurance Program, eligible members may supplement, at their own expense, their basic coverage amounts, and also obtain insurance coverage for their spouse or children. Both basic group life insurance and optional group life insurance are insured products; however, the optional group life insurance is contributory insurance for which the carrier assumes all risk.

All responsibility for the Optional Group Life Insurance Program, including collection of premiums, rests directly with the carrier. Accordingly, the administration of the Optional Group Life Insurance Program was specifically excluded from our examination.

REFUNDS OF MEMBER RETIREMENT CONTRIBUTIONS

Upon death, in addition to potential life insurance proceeds, a member's accumulated retirement contributions and interest are refunded to the member's beneficiary(ies) if the member dies during active covered service, unless the beneficiary is eligible for and elects a retirement benefit.

If the decedent is a retiree and no survivor option is selected, the beneficiary receives a refund of the individual's accumulated contributions and interest to the extent this balance exceeds the retirement benefits already paid. Retirement benefit payments generally exceed the value of a member's accumulated contributions and interest after approximately two years of retirement.

REFUND OF DEFINED CONTRIBUTION PLAN FUNDS



If the member participated in a VRS defined contribution plan, their designated beneficiary is entitled to these funds. The beneficiary works with VOYA, VRS' third-party record keeper, for their distribution.

BENEFIT PROCESSING

When a member dies, their beneficiary may be eligible to receive the life insurance proceeds discussed above, payment of any retirement contributions in the member's defined benefit

member contribution account, a monthly benefit or both. The designated beneficiary is also entitled to any funds remaining in a VRS defined contribution plan in which the deceased member participated. The following describes the shared responsibilities for death benefit processing between VRS and its third-party partners.

Death Notification

Benefit processing commences upon receipt of a death notification, which typically happens through:

- A weekly data file provided by VRS' third-party death notification vendor, PBI Research Services.
- Telephone contact with either VRS' Customer Contact Center or Securian.
- Review of published obituaries.

VRS' Benefit Payment department will occasionally receive a death notification through other sources and update VNAV, as appropriate.

Workflow Generation

The data received through the PBI Research Services file, by phone or other source allows VRS or Securian to add the date of death to the member's accounts in VNAV which in turn initiates workflow activities for Securian and, as applicable, for VRS' Beneficiary Payments department.

Life Insurance Payment Processing

Securian reviews the member's information in VNAV, to confirm coverage and identify the member's beneficiary. A letter is sent to the beneficiary that includes a claim form and requests submission of the death certificate. When returned, the claim form and death certificate are attached to the member's record. Prior to payment of the claim, Securian updates the member's beneficiary record in VNAV with the payment amount and then pays the benefit. Once paid, a check detail is produced and attached to the member's record.

Other Payment Processing

Finally, upon receipt of the death certificate, as applicable, VRS processes a refund of any remaining contributions and interest or, if eligible, initiates the payment of a beneficiary's monthly benefit.

MANAGING THE PROCESS

Securian's Responsibilities

Currently, Securian has responsibility for servicing all life insurance related items including:

- Coordinating retiree death notifications with VRS as part of the processing of retirement and survivor benefits.
- Confirming beneficiary eligibility.
- Processing all life insurance benefit claims.
- Offsetting amounts from life insurance proceeds. Offsets include benefit overpayments as specified by VRS along with unpaid spousal and child support.

To keep VRS' member records in VNAV up to date, Securian has access through the VNAV employer portal to provide appropriate updates on death claims. Securian electronically transfers claim payment activity daily via Secure File Transfer Protocol (SFTP) to VRS. The payment file includes data to populate the related payment fields in VNAV and creates an electronic image of every claim payment.

Death claims support files are hand delivered to VRS. These files are uploaded into ECM, VRS' imaging system.

Exception Reports

As noted above, VRS receives a daily import file from Securian which updates the claim payment details in VNAV. Occasionally, death claim data is not updated when there are discrepancies between the VNAV ID in Securian's file and/or the deceased individuals name in VNAV. VRS created an exception report which can be requested on demand, however VRS regularly performs this process monthly.

The Beneficiary Payments department reviews the report and resolves errors list on the exception report. As appropriate, the beneficiary data is corrected in VNAV or the necessary information is communicated to Securian for errors which need to be addressed to complete processing.



In 2022, VRS initiated a project to move the transfer of support files from Securian to an electronic process. Implementation is expected to be completed by the end of June 2026.

Invoice Payment and Processing by Administrator

Securian submits a monthly invoice, as well as documentation supporting claims paid, to VRS' General Accounting department. Securian's monthly invoice charges include:

- **Minimum Monthly Premium** - Administrative fee and insurance premium VRS pays to Securian for being its third-party administrator and insurance carrier.
- **Claim Charges and Interest** - Total monies paid by Securian to beneficiaries.
- **State and Federal Premium Taxes** - Expense incurred by Securian resulting from the payment of insurance proceeds.
- **Interest Charges** - Interest owed because the billing statement is for expenses incurred two months in arrears of the current month.

Upon receipt, VRS' General Accounting department *teams* up with the Beneficiary Payments department to verify the accuracy of invoice charges. The General Accounting department reviews the invoice charges and supporting documentation, obtains approval from the Beneficiary Payments Administrator for payment and then submits the invoice for final management approval and payment.

Performance Metrics

VRS and Securian have contractually agreed upon eight performance metrics to ensure Securian provides complete account management processing and timely customer service to VRS members and their beneficiaries. These performance metrics are as follows:

99% of all initial death notifications for retirees, active employees, spouses and dependent children are responded to within five business days after notification.

95% of all death, accelerated benefit and dismemberment claims are paid within 10 calendar days after receipt of necessary proof.

98% of all death claims are paid with 95% accuracy within 30 calendar days after receipt of necessary proof.

95% of optional life insurance applications requiring evidence of insurability are approved, declined or request additional information for making underwriting decision within seven calendar days.

95% of all applications requiring evidence of insurability receive a final disposition, with notification mailed to the applicant within seven calendar days after all necessary information is received.

25 seconds average speed of answer or less for customer service telephone calls.

3% or less call abandonment rate for customer service telephone calls.

4.0 or higher average rating from VRS benefits staff on account management satisfaction.

VRS tracks performance monthly using statistics provided by Securian. By contract, VRS assesses penalties for deficient performance, if any, by March 30th of the following year.

OTHER PROGRAM UPDATES

Beneficiary Information Collection

VRS communicates regularly with members and retirees through quarterly electronic newsletters, the VRS Member News and Retiree News, respectively. These newsletters highlight key announcements, updates to VRS benefits, financial wellness articles, and member spotlights. Within these communications VRS regularly reminds members of the necessity to name or update beneficiaries for their various benefit programs.

VRS also engages with employers monthly through an electronic VRS Employer Update, which also regularly includes the importance of employers counseling members on establishing beneficiary designations at the start of employment and maintaining them throughout their careers. Internally, VRS reinforces this same guidance with its own employees during agency meetings referred to as VRS Today meetings, reminding them to keep their beneficiary information current.




Through each of these communication channels members are consistently encouraged to review and update their beneficiary designations following major life events, such as a change in marital status, the birth or adoption of a child, or as they approach retirement.



**Use Your Online Accounts to
Manage Benefits, Stay
Informed**

Winter 2025

Outstanding overpayments
 totaled \$14,877,509.33
 as of
 December 31, 2025. 

VRS provides universal *agility* to active, inactive and retired members’ ability to name or update their beneficiaries for Group Life Insurance and VRS accumulated contributions at any time through the myVRS portal. While digital submission is encouraged for its convenience and efficiency, paper forms remain available for members who prefer traditional methods.

VRS disables the access to a member’s myVRS portal account once a date of death is known. Any beneficiary changes made in the myVRS portal after the member’s date of death are not considered valid. VRS relies on the most recent beneficiary designation submitted prior to the date of death.

Cost of Living Adjustments Overpayments

In 2009, the cost-of-living adjustment (COLA) increase was improperly calculated. Benefits provided to VRS retirees and beneficiaries as well as VSDP long-term disability recipients were overpaid from the date the incorrect COLA was applied until it was subsequently identified and corrected. VRS immediately placed additional controls in place over the calculation process and initiated efforts to recover the overpayments.

Collected Offset Recoveries (as of December 31, 2025)		
Calendar Year	COLA	VSDP COLA
2012-2018	\$ 4,318,227.00	\$ -
2019	\$ 729,943.33	\$ -
2020	\$ 795,961.83	\$ 50.32
2021	\$ 821,134.39	\$ -
2022	\$ 787,761.00	\$ -
2023	\$ 761,066.41	\$ -
2024	\$ 837,527.61	\$ -
2025	\$ 817,769.60	\$ -
Total	\$ 9,869,391.17	\$ 50.32

Among the collection methods currently used is the offset of a retiree’s overpayment against the life insurance proceeds due upon their death. This process has been in place since 2012.

VRS has recovered roughly \$9.9 million (40%) of the overpayments as reflected in the table to the left through December 2025 using these offsets.

SCOPE AND METHODOLOGY

Group life insurance claims and death processes were reviewed for active member deaths, retired member deaths and disability retirement member deaths. The primary purposes of our examination were to:

- Ensure group life insurance claims are valid, accurate, complete and processed timely.
- Substantiate whether VRS appropriately updates the retirement disbursements to reflect notice of death and group life insurance claims.
- Ensure appropriate monitoring activities are in place over the group life insurance and death processing activities.
- Validate accuracy of VRS financial records surrounding activities pertaining to group life insurance claims and death processing.
- Verify system interfaces between Securian and VRS are working as expected.

GENERAL ASSESSMENT AND UNDERSTANDING

We obtained a general understanding of VRS' Group Life Insurance Program and death processing as well as controls surrounding these processes by meeting with key individuals responsible for the processes. Applicable policies and procedures and other relevant documents, such as the *Code of Virginia*, were also reviewed to support our understanding.

MONITORING AND COMPLIANCE

Relevant documentation related to program monitoring and compliance was reviewed to gain an understanding of the guidelines surrounding group life insurance and death processing procedures. Documentation included:

§51.1-500 of the
Code of Virginia

"Losing a Loved One
- Guide for Families"
on the VRS Website

Employer Manual -
"Group Life
Insurance" Chapter

Employer Manual -
"Death Benefits"
Chapter

PBI Research Services

provides death
match/obituary notice
services for VRS'
retired members.



Securian Relationship Documentation

The most recent SSAE 18 System and Organizational Control (SOC) report for Securian was examined to evaluate whether complementary user entity controls defined within the SOC report were in place and the report was adequately reviewed by VRS staff.

The contract between VRS and Securian was assessed to determine if a current Interconnection Security Agreement was in place and to determine what performance metrics were in place to evaluate Securian's conformance to the terms of the contract. A sample of performance metrics, relevant to the audit, were selected and reviewed to determine if they were performed in accordance with the contract and monitored appropriately by VRS staff.

Research Resources

An understanding was gained regarding the services provided to VRS from PBI Research Services. Further, we acquired insight into VRS' use of records provided by the Virginia Department of Health's Office of Vital Records to support the group life insurance and death processing activities.

GROUP LIFE INSURANCE TRANSACTIONS

To validate compliance and controls over group life insurance claims and transactions, a sample of group life insurance claims were reviewed. All selected claims were examined for specific characteristics including:

- Employer participated in VRS' Group Life Insurance Program.
- Sufficient documentation was received for the death claim.
- Notification of death was complete.
- Salary used to pay benefit agreed to the salary in VNAV.
- Benefit paid agreed to the actual life insurance payment.
- A copy of the death certificate was received.
- Payment amount and the payee per the Securian statement of benefits agreed to VNAV.
- Case status was complete.
- Benefit was calculated accurately, including recovery of overpayments.

Active member deaths claims were further assessed to validate:

- Accidental death benefits were appropriately paid, if applicable.
- Sufficient documentation was obtained to support payment of other life insurance benefits due to the member, if applicable.

Retiree and disability retirement claims were reviewed to assess decedents were removed from the retirement disbursements processing promptly. Where applicable, survivor benefits were appraised to determine they were a qualified survivor and added to the retirement disbursements processing promptly.

Additionally, where applicable, overpayments were reviewed to determine if appropriate measures were taken to recover the overpayment.

VRS FINANCIAL ACCURACY

To determine the validity and accuracy of VRS' financial records surrounding activities pertaining to group life insurance claims and death processing, monthly exception reports that identified differences between VRS records and Securian records for group life insurance payments were examined. Reconciling items were evaluated for appropriate follow-up by VRS and Securian staff.

Two monthly Securian invoices were reviewed to ascertain whether invoices were accurate, properly approved and paid timely. The status of the COLA recovery through Securian claims was confirmed. Further, deceased members' accounts were examined to determine whether adequate effort to locate beneficiaries occurred for member contribution records which did not have a zero balance.

BENEFICIARY INFORMATION COLLECTION

We evaluated VRS's processes for communicating with active and retired members about the importance of regularly updating beneficiary information. Our review included the frequency of these communications, the channels VRS uses to deliver them, and the overall effectiveness of these efforts. We also assessed the proportion of the member and retiree populations that currently have a beneficiary designation on file with VRS.

SYSTEM ACCESS AND INTERFACES

Securian's user access to VNAV was examined for principle of least privilege. Access rights granted to users for VNAV and the Employer Portal were reviewed for alignment with the user's job functions and appropriate segregation of duties. System interfaces between Securian and VRS were evaluated for accuracy, proper control and effective execution.

We also assessed VRS' processes for using and applying data from its contracted Death Notification vendor. Finally, we determined whether a member's myVRS account is locked or disabled once VRS receives a death notification.

CONCLUSIONS

GENERAL ASSESSMENT AND UNDERSTANDING

The overall control environment for group life insurance and death processing is sufficient. Further, management has established procedures supporting group life insurance and death processing and has defined and implemented appropriate segregation of duties.

MONITORING AND COMPLIANCE

Monitoring activities and controls over the group life insurance and death processing practices are sufficient and are operating as expected. SOC reports are appropriately reviewed for weaknesses and complementary user entity controls defined within the SOC report are in place at VRS. Performance metrics are in operation and properly monitored for achievement, as contractually required.

GROUP LIFE INSURANCE TRANSACTIONS

Overall, evaluation of group life insurance claims found payment of claims were valid, accurate, complete and timely. Decedents were removed from the retirement disbursement listing promptly, and where appropriate, survivors were added to the retirement disbursement listing in a timely manner. Accidental death benefits were appropriately paid when applicable and if additional benefits were due, sufficient documentation was obtained to support their payment.

During our review of claims, we noted Securian and VRS were consistently communicating agency-issued identification numbers included in death-claim information sent to employers through unencrypted emails. VRS' Data Management Policy classifies agency-issued identification numbers as sensitive and requires both VRS and its partners to safeguard this information from potential disclosure or unauthorized access.

Once this issue was brought to management's attention, immediate action was taken to discontinue the prior practice and implement new procedures to ensure these identification numbers are transmitted in an encrypted format going forward. As a result of these immediate and proactive measures, this issue is now considered resolved.

Finally, we identified several minor issues related to the individual processing of specific claims. These items were communicated to management, who took prompt action to address and resolve the discrepancies. Detailed information on these observations is available upon request.

VRS FINANCIAL ACCURACY

Analysis of the monthly exception reports used during the audit period found that exception reports were reviewed and exceptions resolved in a timely manner to maintain ongoing agreement between Securian and VRS' systems.

Examination of the selected monthly invoices from Securian found invoices were accurate, properly approved and paid timely. Further, review of recovery efforts of COLA overpayments through offsets by Securian were appropriately applied.

Review of deceased members' accounts with a balance of contributions and service found VRS was making reasonable efforts to locate beneficiaries to remit the outstanding balance.

VRS' Data Management Policy

Aligns with the *Code of Virginia § 2.2-3801* and provides governance and direction for identifying, classifying and protecting all forms of personal, confidential, business and other protected or regulated data.



ORDER OF PRECEDENCE

If no valid beneficiary designation is on file or the beneficiary is deceased, VRS is required by law to pay benefits according to the following order of precedence:



- First, to the spouse of the member/retiree.
- Second, if no surviving spouse, to the children of the member/retiree and descendants of the deceased children, per stirpes.
- Third, if none of the above, to the parents of the member/retiree.
- Fourth, if none of the above, to the duly appointed executor or administrator of the estate of the member/retiree.
- Fifth, if none of the above, to other next of kin of the member entitled under the laws of the domicile of the member/retiree at the time of death.

BENEFICIARY INFORMATION COLLECTION

We found VRS consistently and continuously educated and informed members about the importance of naming beneficiaries and updating those designations after major life events. VRS communicated regularly with members, retirees and employers through electronic newsletters, reminding them of the necessity to name or update beneficiaries for their benefits.

As of February 8, 2025, 55% of active members and 73% of active members on VSDP LTD (VLDP not included) with group life insurance coverage have designated a beneficiary.

Order of Precedence

We confirmed where VRS has no beneficiary designation on file VRS paid benefits following the order of precedence, as required by law.

SYSTEM ACCESS AND INTERFACES

Evaluation of Securian employees' access to VRS systems found their access to appear reasonable. Likewise, relevant VRS employee access selected for review was consistent with their job duties and responsibilities.

System interface practices between VRS and Securian are reasonable and working as intended. Further, a signed Interconnections Security Agreement was in place and found to be current.

myVRS Disablement

We confirmed that a decedent's myVRS account is disabled or locked after VRS receives a death notification to protect the *integrity* of the account. This occurs through a systematic update immediately after a death date is entered into a members' record. Additionally, we verified that beneficiary changes that occurred prior to VRS being notified of a member's death were only used when the change occurred prior to the member's date of death.

Future Improvements

VRS has *teamed* with the Virginia Department of Health's Office of Vital Records to explore options to receive a periodic file containing death records for individuals reported deceased within the Commonwealth.

Once implemented, the additional data will enhance VRS's ability to verify death information, which in turn strengthens the *integrity* and accuracy of VRS' benefit administration.

As the Office of Vital Records' proposed solution is a standard dataset already distributed to multiple agencies, the dataset is not tailored specifically to VRS or its systems' needs. As a result, VRS must filter and reconcile the file to identify records relevant to its membership before the information can be fully leveraged for benefit processing.



Currently, due to limited IT development capacity, VRS has yet to integrate use of this file into the Beneficiary Payment department's automated processes.

As the IT development resources become available, we encourage management's use of this information to enhance their benefit management processes.

Management has noted this effort likely will require an ongoing multi-team effort to securely bring in the dataset and match, review and confirm the validity of the reporting for further action.

FOLLOW-UP ON PRIOR REPORTS

There were no outstanding audit recommendations to consider.

RECOMMENDATIONS

We have no written recommendations to offer as a result of our review.

MANAGEMENT EXIT CONFERENCE

This report was distributed to Ms. Bishop, and other members of VRS' management and staff for review and comment. They expressed substantial agreement with this report.

As there are no written recommendations, a written response from management is not required.

REPORT DISTRIBUTION

Submitted to the Audit and Compliance Committee at its meeting held
March 25, 2026.

MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE

Vacant, Committee Chair
J. Clifford Foster IV, Committee Vice Chair
A. Scott Andrews, Board Chair

WITH COPIES TO:

OTHER MEMBERS OF THE BOARD OF TRUSTEES

John M. Bennett
Lawrence A. Bernert III
Susan T. Gooden
Jessica L. Hood
The Hon. Matthew James
Lindsey K. Pantele

VRS EXECUTIVE LEADERSHIP

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Members of the
Executive Committees

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Alexandra Jansson

PRINCIPAL AUDITOR IN-CHARGE

Matthew Priestas, CIA, CRMA, CISA, PMP

AUDIT SUPERVISOR

Judy Bolt, CPA, CIA, CFE, CISA

The Committee is in
Closed Session

CLOSED SESSION LANGUAGE

Closed Session under the Freedom of Information Act

The Freedom of Information Act (FOIA) prescribes the behavior of public bodies operating under the authority of the *Code of Virginia*, with the goal of providing transparency for Virginia's stakeholders.

In certain limited situations, as authorized under FOIA, a public body may enter closed session.

For the April meeting, the committee will need to go into closed session to discuss an information technology related audit report (exempt under § 2.2-3711(A)(19)).

Actions by the Committee in Closed Session

Any recommendations and actions agreed to by the Committee during the closed session must be voted upon and approved in open session to be communicated to the Board.

To Convene Closed Meeting

"I move that the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees convene a closed meeting under the Virginia Freedom of Information Act for the purpose of discussing information that describes the design, function, operation, or access control features of a security system which is used to control access to or use of an automated data processing system pursuant to the exemption contained in Virginia Code § 2.2-3711(A)(19)."

[Second needed]

[Roll call vote needed]

Certification after Closed Meeting

"I move the following resolution:

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

NOW, THEREFORE, BE IT RESOLVED, that the Audit and Compliance Committee 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 Committee."

[Second needed]

[Roll call vote needed]