



Defined Contribution Plans Advisory Committee (DCPAC) Meeting

1300 E. Main St.
SCC Building, Courtroom B
Richmond, VA 23219

Thursday, 3/12/2026
1:00 - 3:00 PM ET

1. Welcome & Introductions

2. Meeting Minutes

a. Adoption of the Minutes from the December 4, 2025, Meeting

2025.12.4 DCPAC Minutes - Page 2

3. Administration

2025Q4 Administrative Summary - Page 6

3-12-26 Retirement Income Slides - Page 34

a. Administrative Reports & Communications

i. DC Plans and Hybrid Plan Update

ii. ORPHE Update

iii. Retirement Income Solutions

4. Investments

Final Investment Slide Deck 3-12-26 - Page 59

a. Performance Reports

b. Policy Statements Updates

i. RBA - Approve Revised Defined Contribution Plans Investment Belief Statements

RBA - 4-23-26 Approve Revised Defined Contribution Plans Investment Belief Statements - Page 107

ii. RBA - Approve Revised Unbundled and Bundled Defined Contribution Plans Investment Policy Statements

RBA - 4-23-26 Approve Revised DC Unbundled & Bundled Plans Investment Policy Statements - Page 108

5. Other Business

a. Legislative Update

Legislative Update DCPAC 3.12.2026 - Page 109

b. Discussion of New Ideas

6. 2026 Meetings

a. Remaining 2026 Meetings

i. May 14, 2026, at 1:00 p.m.

ii. September 10, 2026, at 1:00 p.m. (Annual Investment Review)

iii. December 3, 2026, at 1:00 p.m.

b. Board Retreat (not a meeting of the DCPAC): March 17-18, 2026

Minutes

A regular meeting of the Defined Contribution Plans Advisory Committee (DCPAC) of the VRS Board of Trustees convened on December 4, 2025, with the following members present:

Susan T. Gooden, Chair

Hon. Matthew James, Vice Chair

Monique Barnes* *(in accordance with § 2.2-3708.3(B)(1) of the Code of Virginia)*

Ravindra Deo

Rebecca Fentress

C. Matt Harris

Kate Jonas* *(in accordance with § 2.2-3708.3(B)(3) of the Code of Virginia; called from Westport, CT)*

Brenda Madden

September Sanderlin

Members of the Board of Trustees:

John M. Bennett*

Jessica L. Hood

VRS Staff:

Ingrid Allen*, Trish Bishop, Ty Bowers, Stephen Cerreto*, Dorothy Chiddo*, Michael Cooper, David Cotter, Valerie DiSanto*, Curtis Doughtie, Pam Elam, Antonio Fisher, Josh Fox*, Kelly Hiers, KC Howell, Sandy Jack, LaShaunda King*, Brian Lackey*, Ryan LaRochelle, Joyce Monroe*, Robert Pryor*, Laura Pugliese, Kristy Scott*, Michael Scott, Jennifer Schreck, Virginia Sowers, Ashley Spradley*, Emily Trent*, Bridgette Watkins-Smith, Rachel Webb*, and Tanya Williams*.

Guests:

Jacob Hodges, Encore; Al Calvo, Voya; Kimberly Sarte, JLARC; Lisa Giaffo*.

**Attended remotely*

The meeting convened at 1:00 p.m.

Opening Remarks

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

Approval of Minutes

Upon a motion by Delegate James and a second by Mr. Deo, the minutes of the September 11, 2025, meeting were approved by the Committee.

Administrative Reports and Communications Update

Administration Reports & Communications

Kelly Hiers, Defined Contribution Plans Administrator, provided an overview of the Defined Contribution Plans, as well as an update on administrative reports for the third quarter of 2025, which included reviewing assets and accounts across the various plans. Ms. Hiers advised the Committee that plan assets increased, as did the total number of plan accounts.

Ms. Hiers provided an update on Section 603 of the federal law SECURE 2.0, which requires age-based catch-up contributions to be made as Roth contributions for participants with wages over \$150,000 in the previous year. Ms. Hiers also provided an overview of advice and managed accounts, including the number of participants using each service.

DC Plans and Hybrid Plan Update

Ms. Hiers provided an update on auto-escalation with the next escalation cycle occurring in January 2026. Communications have gone out to prepare employers and participants for auto-escalation. It was noted that over 145,000 active Hybrid Plan members are eligible for the January 2026 escalation. Participants who do not wish to increase their voluntary contributions may opt out during the month of December.

ORPHE Update

Ms. Hiers provided an overview of ORPHE reports for the third quarter of 2025, including plan assets and accounts.

ORPHE Employer Update Report

Ms. Sanderlin provided an overview of the ORPHE Annual Employer Update hosted by VRS on September 17, 2025. She noted that 19 participating institutions were present.

Dr. Gooden thanked Ms. Hiers and Ms. Sanderlin for their presentations.

Annual Administrative Expense Reports

Pam Elam, Business Performance Analyst, provided an overview of the administrative expense report and annual cost update for FY 2025, as required by the DCPAC Charter. The report provided total participant counts, as well as direct and indirect costs associated with administering VRS' Defined Contributions Plans. Total administrative costs related to participants and expenditures for FY 2025 were provided, along with a table containing cost data for the five-year period from FY 2021 to FY 2025.

Dr. Gooden thanked Ms. Elam for her presentation.

DC Plans Investments Update

Performance Reports

Laura Pugliese, Portfolio Manager of Defined Contribution Plans, provided an overview of the September 30, 2025, performance reports to the DCPAC, including the unbundled DC plans investment options and the bundled TIAA ORPHE investment menu.

CEM Defined Contribution Plans Survey

Ms. Pugliese provided an overview of highlights from the CEM 2024 DC Trends survey, which was included in the Appendix of the meeting materials. The survey was comprised of 97 corporate plans and 23 public plans representing \$2.5 trillion in assets. Ms. Pugliese noted the survey results included the VRS 457 deferred compensation plan and the TIAA ORPHE Retirement Choice (RC) contract. Ms. Pugliese informed the Committee that asset mixes selected by plan participants among a plan's investment menu opportunity set influence a plan's total return measures. Additionally, differences in plan size and participant account balances are attributed to many factors, including if a plan is a primary or supplemental plan, contributions, matching rates, and participant demographics.

Dr. Gooden thanked Ms. Pugliese for her presentation.

Other Business

Code of Ethics

Michael Cooper, Chief Operating Officer, informed the Committee that an email notification would be forthcoming that will include instructions for completing the review and affirmation of the Board of Trustees' Code of Ethics and Conduct, an annual requirement of VRS advisory committee members. Mr. Cooper shared that Committee members will be able to electronically sign and submit the affirmation statement. Committee members will also receive the annual Conflict of Interest Act (COIA) filing requirement from the Virginia Conflict of Interest and Ethics Advisory Council in the next few weeks.

Dr. Gooden thanked Mr. Cooper for his presentation.

Discussion of New Ideas

No new ideas were presented.

Upcoming DCPAC Meetings

Dr. Gooden confirmed the DCPAC meeting dates for 2026:

- March 12, 2026, at 1 p.m.
- May 14, 2026, at 1 p.m.
- September 10, 2026, at 1 p.m.
- December 3, 2026, at 1 p.m.

Adjournment

There being no further business, Dr. Gooden adjourned the meeting at 2:16 p.m. upon a motion by Delegate James, with a second by Ms. Madden, and a vote of the Committee.

Chair

Date



VRS Defined Contribution Plans

4th Quarter 2025

(October 1 – December 31, 2025)

Administrative Summary

March 12, 2026

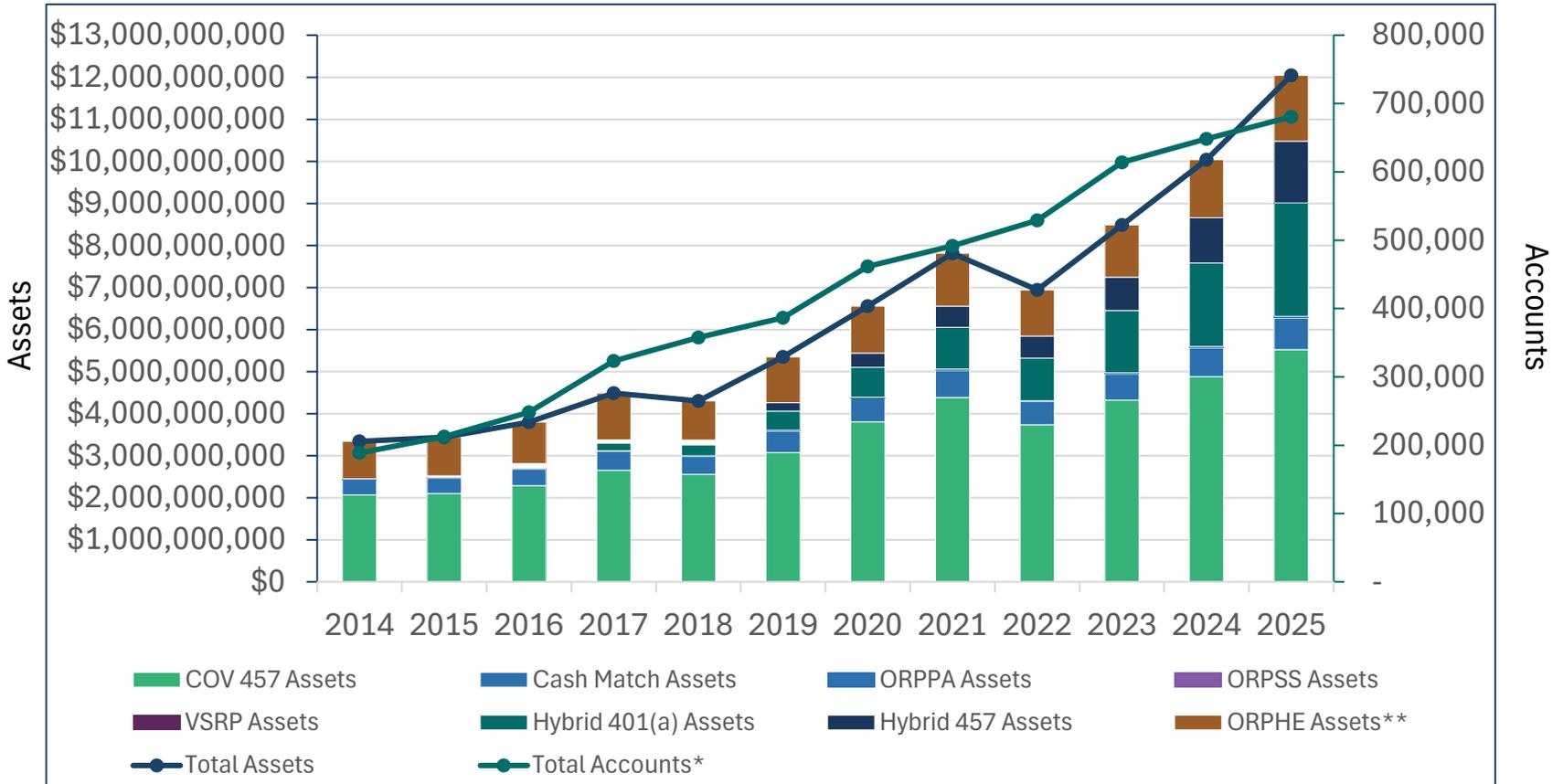
Agenda

- General Updates
- COV 457 & Cash Match Plans
- Hybrid Retirement Plan
- ORPHE
- Upcoming Events
- Retirement Income



Total Assets and Accounts Over Time

Totals as of 12/31/2025	Assets	Accounts	Assets ↑ 3% Accounts ↑ 1% Since 9/30/2025
	\$12,045,712,754	680,735	



Note: All data reflects totals as of the end of the calendar year and includes participant, beneficiary, forfeiture, and reserve accounts with a balance. Current year data is as of 12/31/2025.

*Does not indicate unique participants.

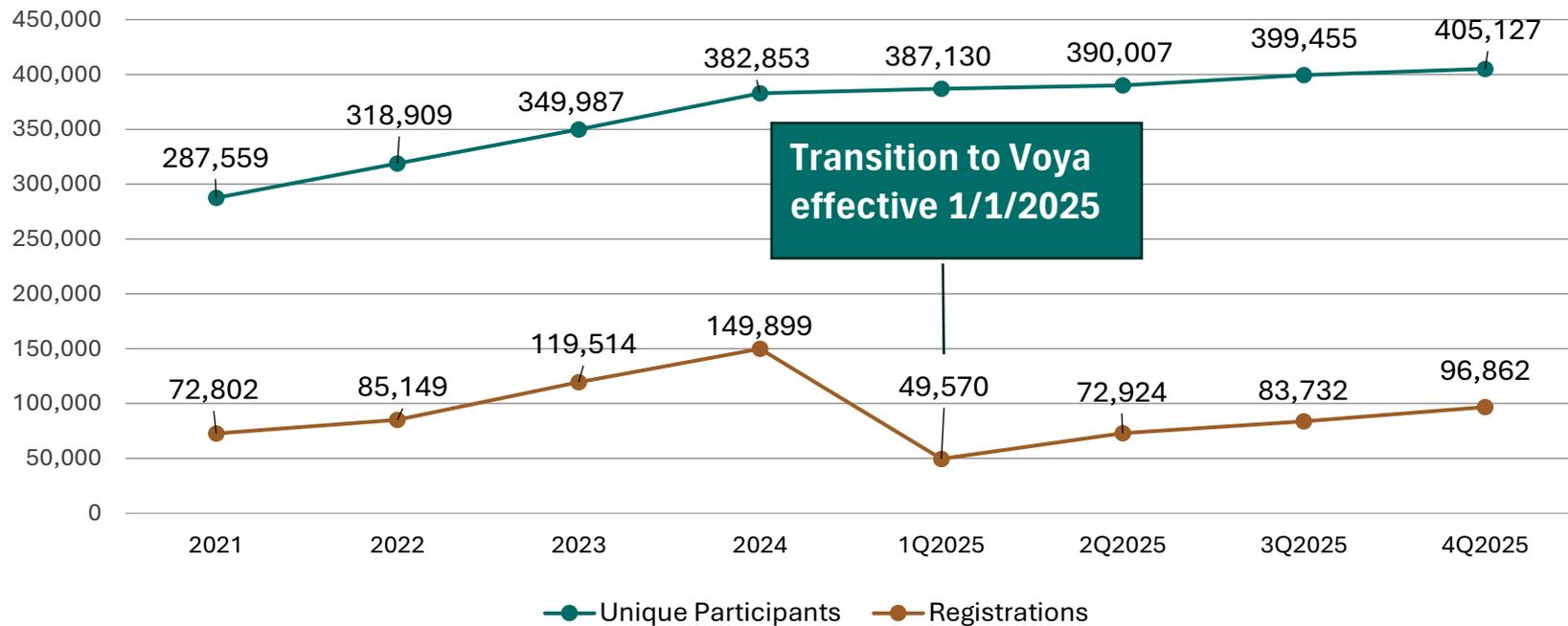
**Includes ORPHE-selected providers.



Web Access (Logins, Views, etc.)

Increasing online registration continues to be a key component of regular plan communications, in addition to targeted campaigns.

24% online registration as of 12/31/2025.



Voya Annual Service Review

- Conducted February 19, 2026
- Included members of Voya leadership and service team
 - Relationship Management
 - Plan Management
 - Communications
 - Field Education
 - Advice/Managed Accounts
- Agenda included
 - Voya Update/Technology Roadmap
 - Review of key 2025 accomplishments across teams
 - Review of Advice/Managed Accounts



Voya Annual Service Review

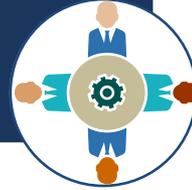
- New retirement income guidance experience
- Online and automatic in-plan Roth conversions
- New dashboard features

Participant



- Enhancements to Sponsor Web experience
- Improvements to plan review experience
- Expanded retirement income solutions

Plan
Sponsor/Employers



- Support SECURE 2.0 provisions, including Roth catch-up
- Implement new contact center technologies
- Maintain focus on cybersecurity advancements

Strategic



Voya Annual Service Review - Operations

- 2026 automatic escalation
- SECURE 2.0 Roth catch-up provision buildout and communications
- Continuing to build out custom reporting
- Payroll submission process fine-tuned to make it easier for employers.
 - Over 35,000 payroll files processed



- Enhancements to the statement mailing process
- Over 25,000 tasks completed by operations
 - Beneficiary updates
 - Beneficiary transfers
 - Participant maintenance updates
 - Rollover and distribution requests

Voya Annual Service Review - Communications

- Catalog of communications pieces transferred over with required updates
 - Videos
 - Employer job aids
 - Participant publications
 - Presentations
- 2025 initiatives
 - Automatic escalation
 - SECURE 2.0 Roth catch-up

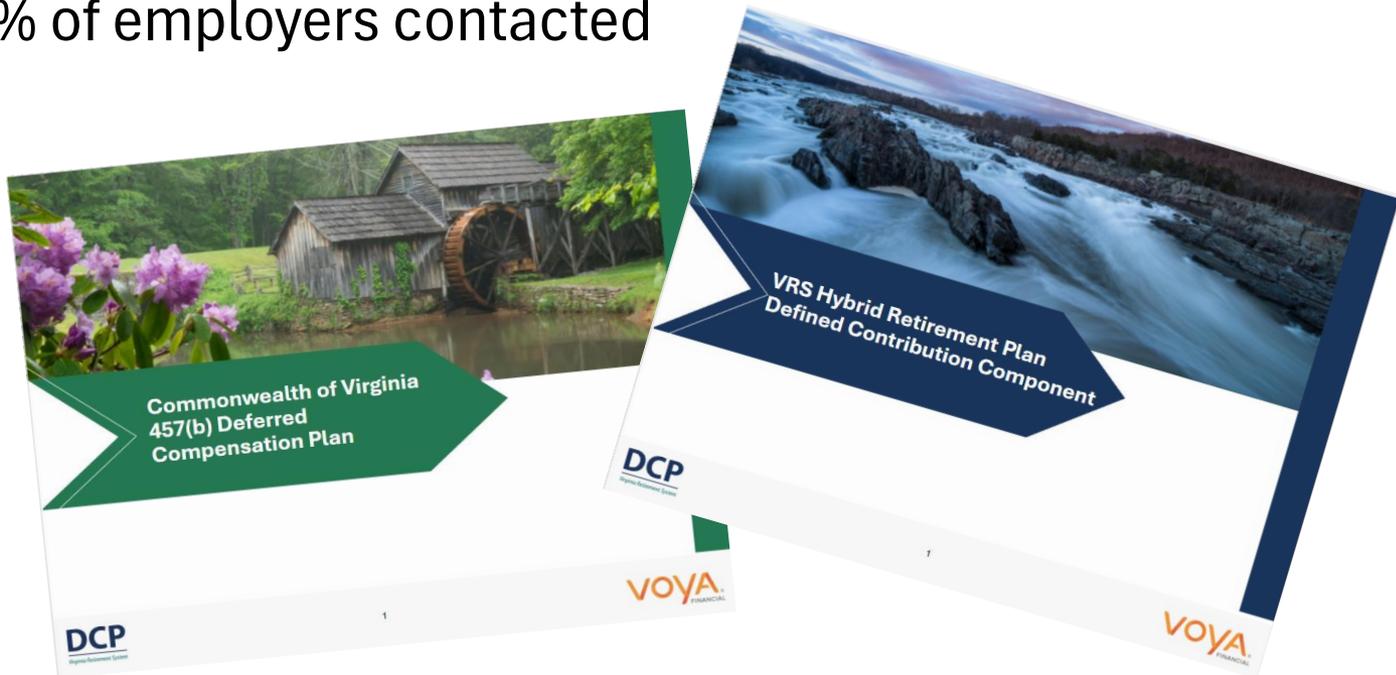
2026 Planning – Goals

- Increasing contributions/enrollment
- Beneficiary maintenance
- Online account registration
- E-delivery sign-up
- Engagement with local education team



Voya Annual Service Review – Field Team

- 572 group meetings conducted
 - Over 23,000 attended
- Held nearly 7,000 individual meetings
- 97% of employers engaged
 - 100% of employers contacted



Voya Annual Service Review

Call Center

- Over 100,000 calls accepted
 - Average answer speed – 31 seconds
- Over 25,000 survey responses received
 - Average customer satisfaction score consistently above 97%



Employer Support

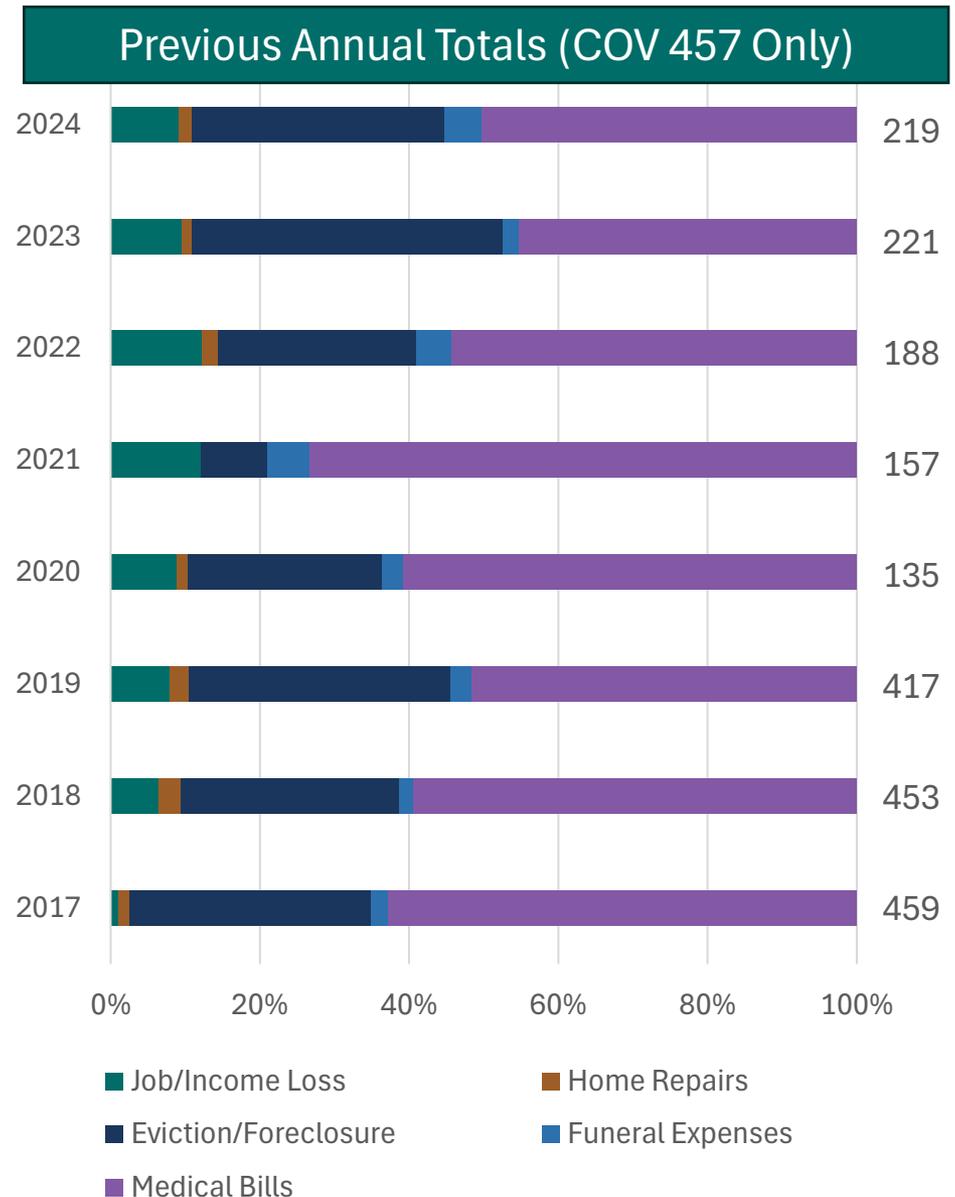
- Over 1,200 calls
- Top call drivers
 - Deferral change reports
 - User access



Unforeseen Emergency Withdrawal

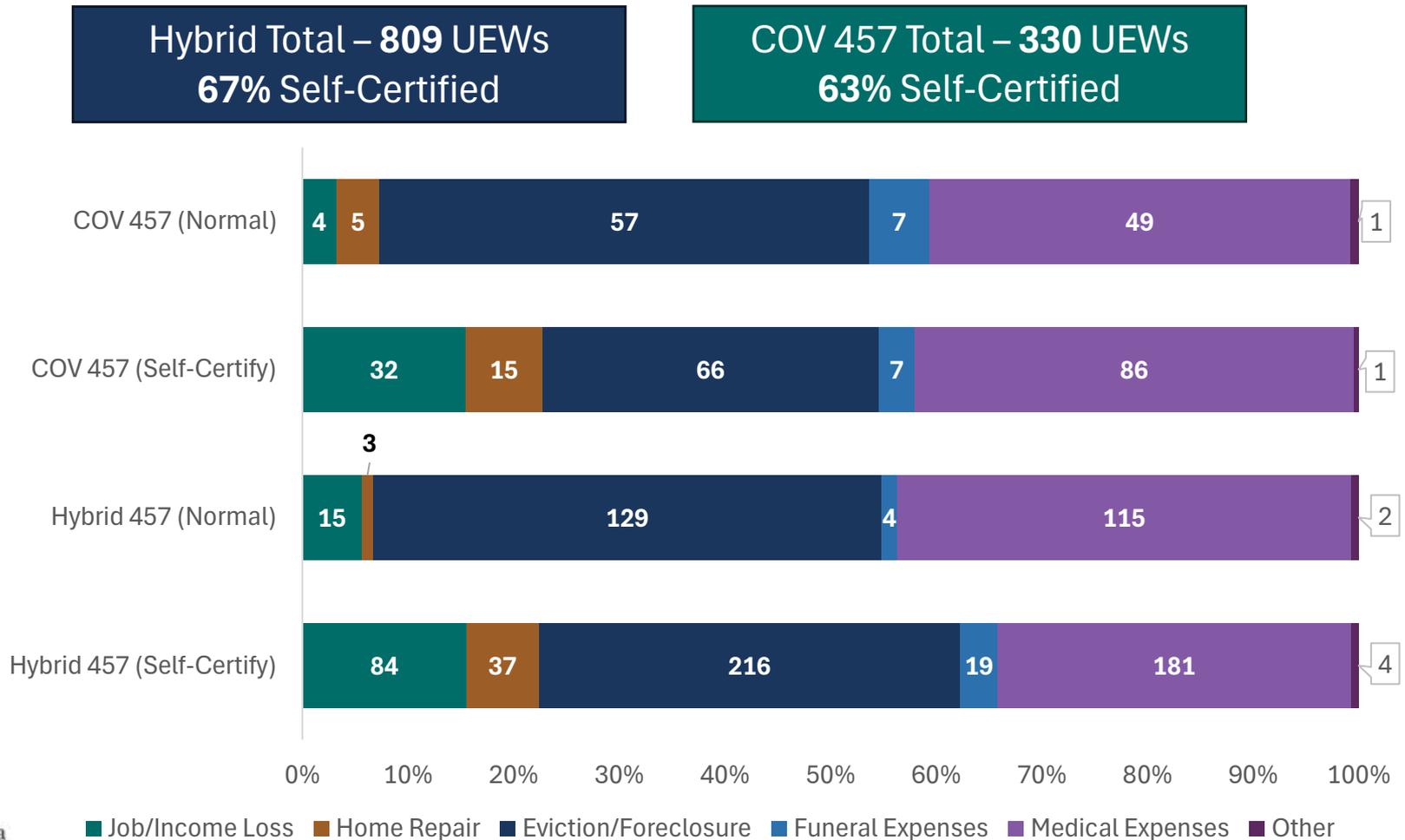
January 1, 2025 –
Changes to Unforeseen
Emergency Withdrawal
(UEW) options included:

- Self-certification UEWs up to \$2,500 in the COV 457 Plan
- UEWs in the Hybrid 457 Plan, including the addition of a self-certification provision up to \$2,500



Unforeseen Emergency Withdrawal

Usage of self-certified UEWs was consistent across both 457 plans with variations in the reasons requested.

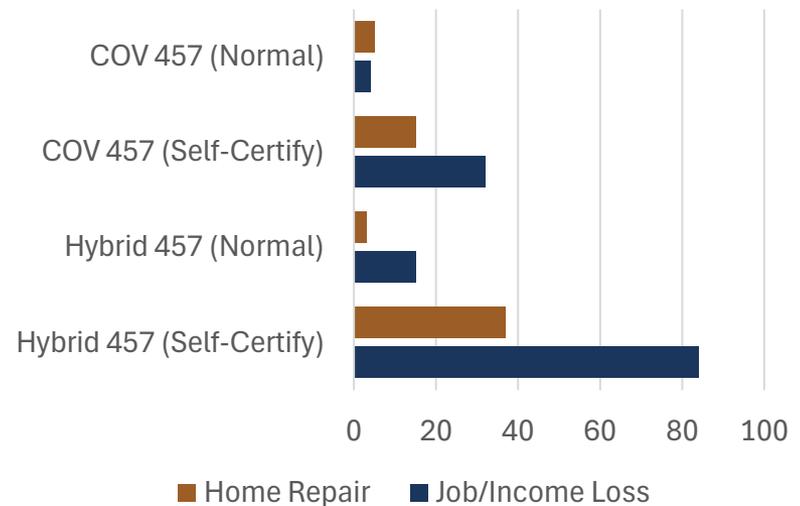


Unforeseen Emergency Withdrawal

- The top two UEW reasons has consistently been:

Medical expenses
Prevention of eviction/foreclosure

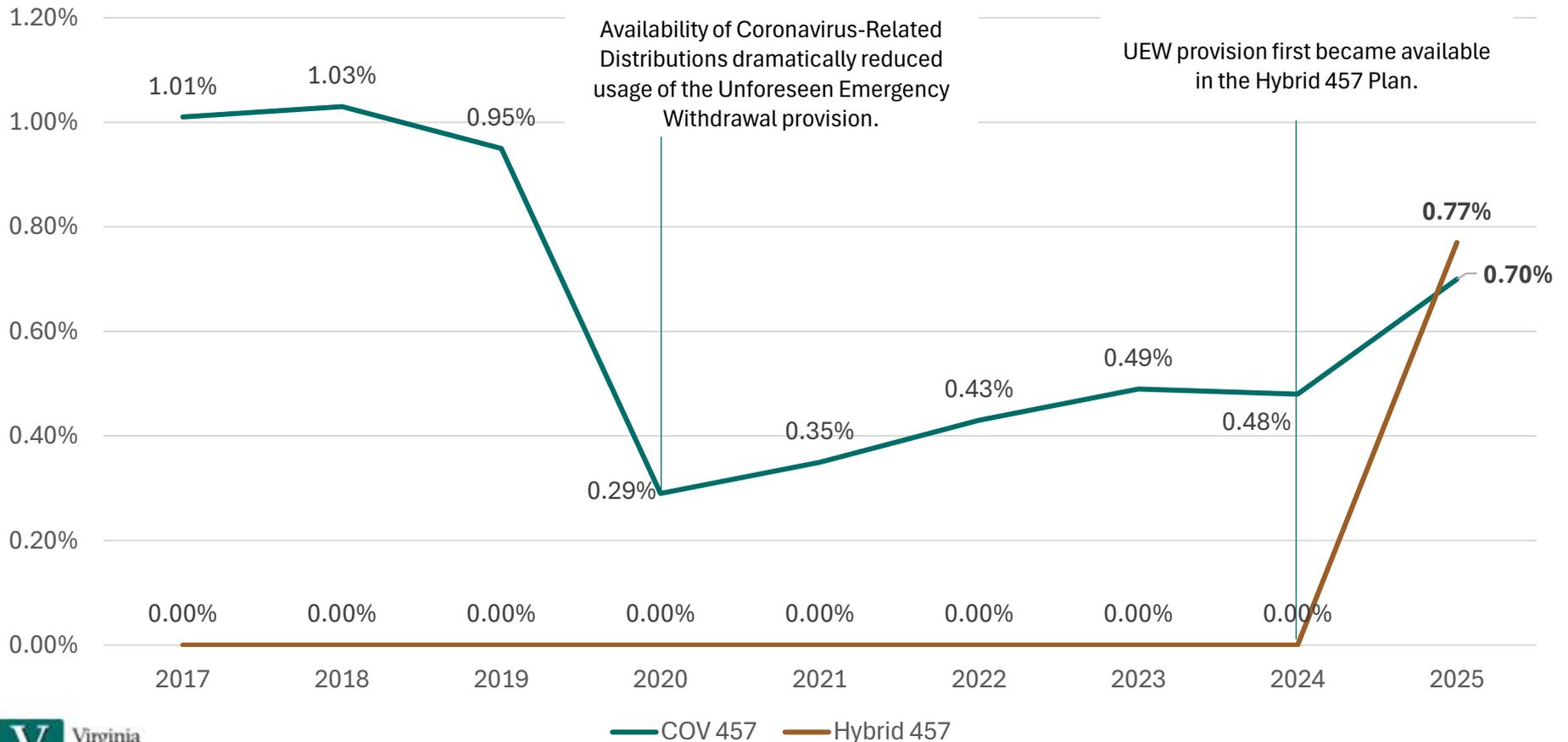
- Self-certified UEWs have a larger usage due to **job/income loss and home repairs** than with normal UEWs.
 - Potential impact from environmental factors in 2025.
 - Will continue to monitor.



Unforeseen Emergency Withdrawal

Usage, as a percentage of active plan participants, was consistent across both 457 plans in 2025.

% Usage Based on Active Participant Counts



Communications Highlights

- Personalized messaging launched

Restart Contributions (COV 457 and Hybrid 457)

Don't lose sight of your retirement income. [View in browser](#)



Are you ready to get back on track and plan for the retirement you envision?

[Restart your savings](#)

We've noticed that you haven't been contributing to your account. You may have had to stop contributing because you had to shift your financial priorities. We've all experienced having to change our plans.

Getting back on track doesn't have to be hard. Restarting your retirement contributions is a step in helping you achieve the retirement you envision.

[Log in to your retirement account and restart your savings.](#) Even a small contribution may make a difference toward your retirement goals.

Have questions? Call us at 1-877-327-5261.



Download the **Voya Retire Mobile App**
Experience an easier, secure and convenient way to access and manage your retirement account all on the go with the Voya Retire mobile app.

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Save More (COV 457 and Hybrid 457)

[View as web page](#)



Saving for your future starts with you



Your small steps now, can have a big impact on your future.

Have you checked in on your retirement account to make sure you are saving enough? Have your plans to save gotten off track? If so, it's never too late to get back on track.

Go ahead, take 2-minutes to save more.

[Increase your contributions](#)

 **Give your savings a boost**

You're eligible for catch-up contributions, which means you get to put away \$7,500 more for retirement in 2025.

[Up my contributions >](#)

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Happy Birthday (All plans)

Wishing you a happy birthday. [View as web page](#)




Happy birthday

Joann

We hope you are taking time to celebrate you and all your accomplishments from the last year.

Did you have any financial milestones that you reached, paying off that pesky credit card or building up your rainy day fund? If so, great job! If you didn't get to accomplish everything you wanted to - don't fret. We like to think that birthdays are like a personal new year. So make this year YOUR year to start.

Log in today so that you can live well and retire better.

[Log in](#)

Tips and tricks to get you moving

Whether you are just getting started on your journey to financial wellness, nearing retirement, or somewhere in between, we have tips and tools to help you along the way. Visit [voya.com/lifechecks](#).



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Communications Highlights

Retirement Planning for Women Campaign

- Online seminars
 - 4,336 emails sent 2/9
 - 41.8% open rate
 - Over 400 registrations so far!
- Women's Voices: Real Stories Q&A
 - Includes DC Plans Education Specialists and VRS Hybrid Member Counselor



Retirement Planning for Women

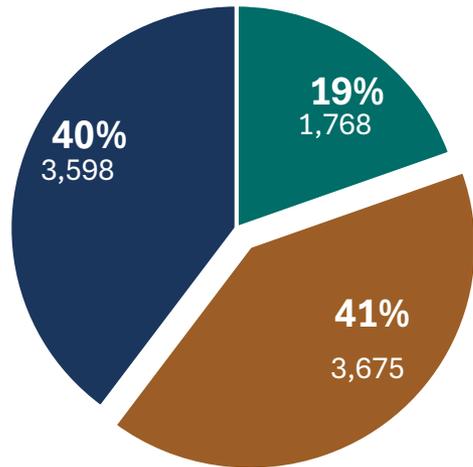
Join us to explore retirement strategies, investment options and real-life insights designed to meet women where they are in their financial journey.

[Learn more](#)

Advisory Services

Advice adoption is growing but usage remains modest.

9,041 participants have used Advice Services



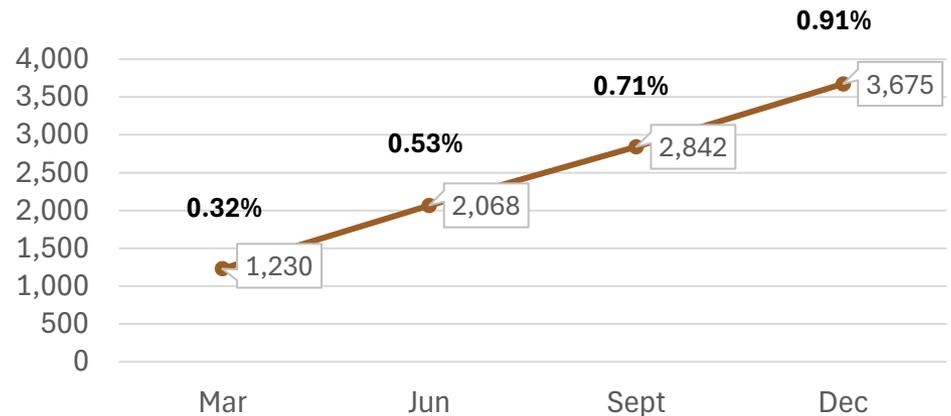
■ Calls ■ Professional Management (PM) ■ Online

Quarter at a Glance

Total assets under PM
\$158,321,648
 Average PM member balance
\$43,081

Professional Management Users

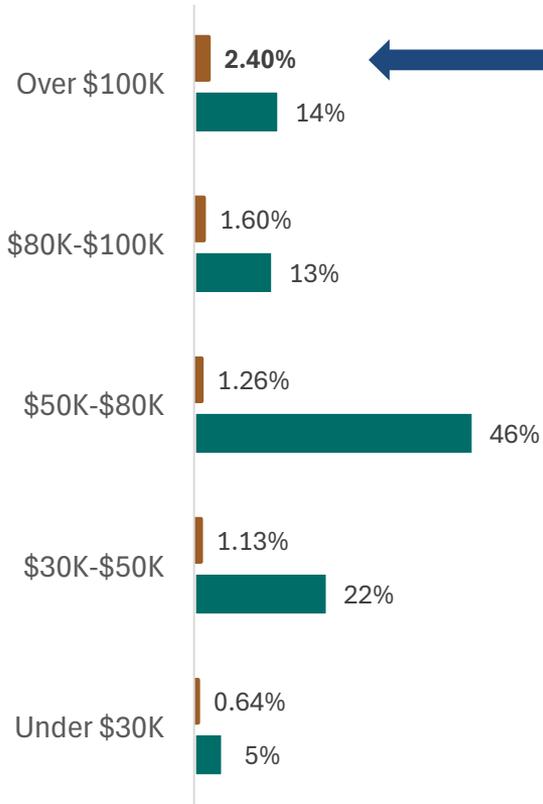
Counts and Percentage of Eligible



Advisory Services – Professional Management

Salary Comparison

- As a percent of Total Hybrid Plan Members
- As a percent of PM Users

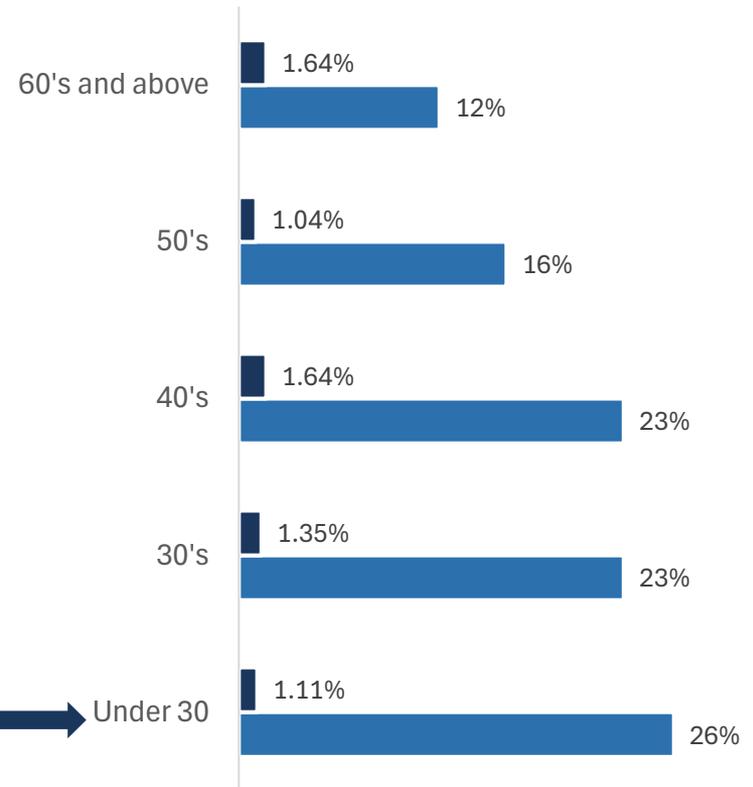


Usage is more prevalent with higher-income participants.

Younger hybrid plan members are less likely to use PM but make up a larger portion of overall hybrid plan membership.

Age Breakdown

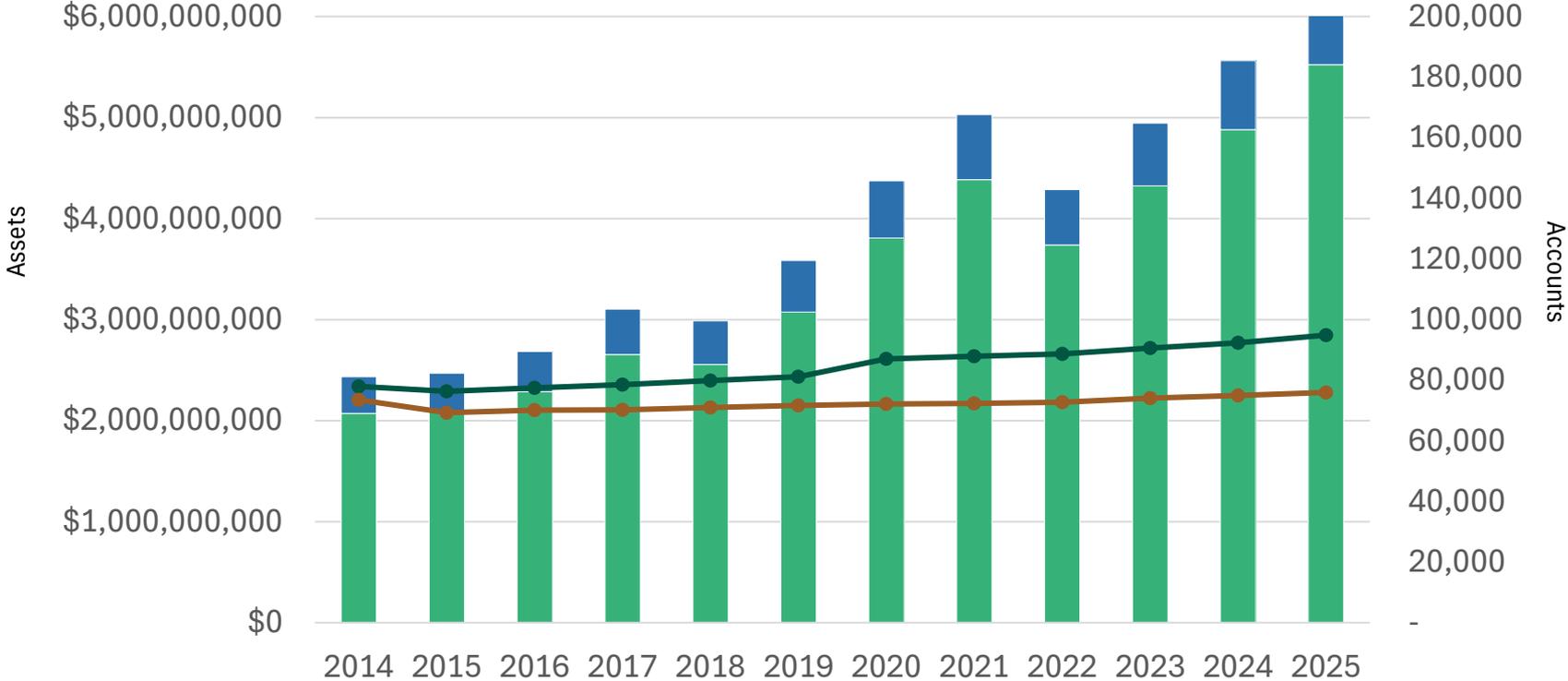
- As a percent of Total Hybrid Plan Members
- As a percent of PM Users



COV 457/Cash Match Plan Assets and Accounts

Totals as of 12/31/2025		Assets	Accounts
COV 457		\$5,524,906,333	94,867
Cash Match		\$751,143,585	75,960

**Assets ↑ 2%
Since 9/30/2025**



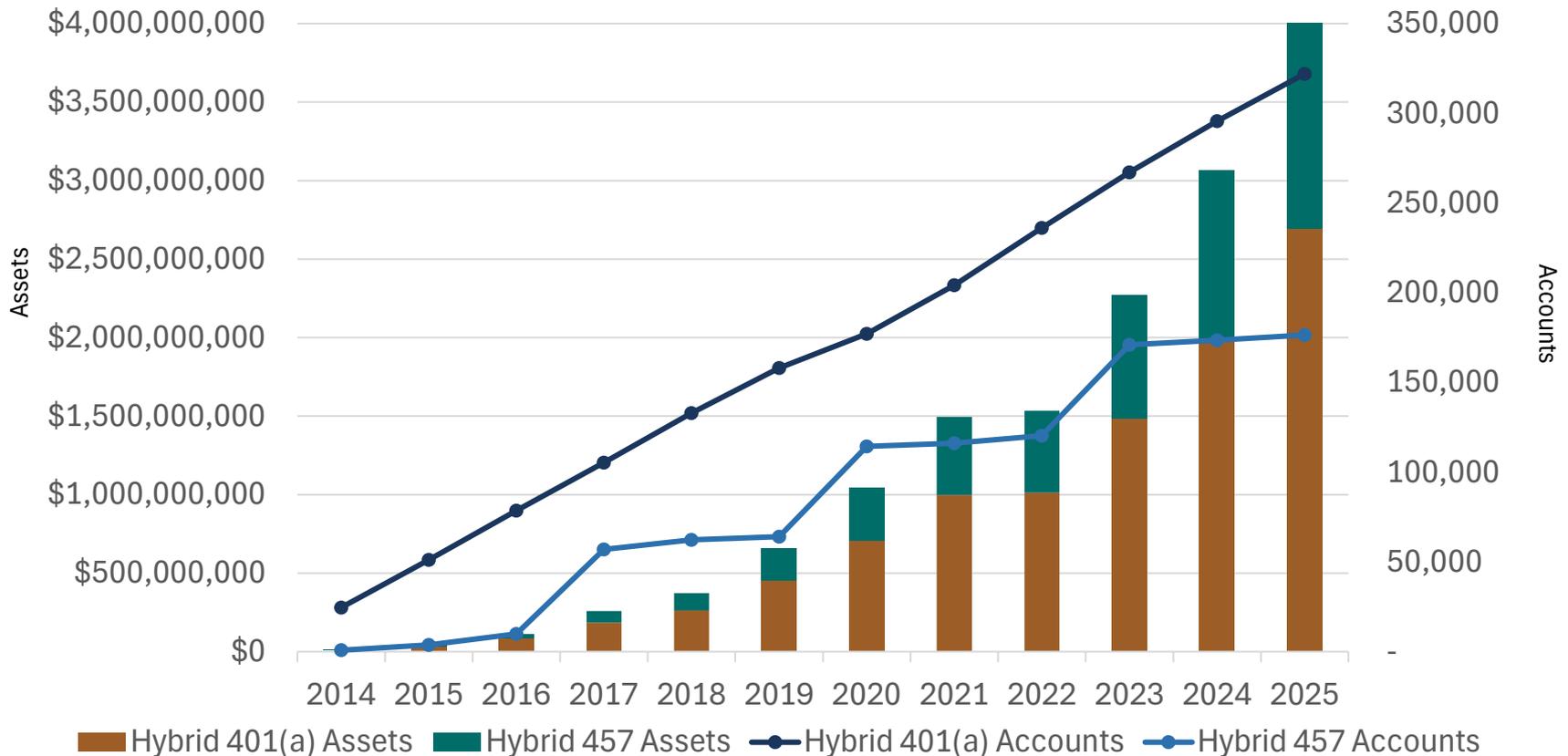
COV 457 Assets Cash Match Assets COV 457 Accounts Cash Match Accounts

Note: All data, except for the current year, reflect totals as of the end of the calendar year and include participant, beneficiary, forfeiture and reserve accounts with a balance. Current year data is as of 9/30/2025.



Hybrid Retirement Plan Assets and Accounts (DC only)

Totals as of 12/31/2025	Assets	Accounts	Assets ↑ 6% Accounts ↑ 1% Since 9/30/2025
Hybrid 401(a)	\$2,691,473,636	321,980	
Hybrid 457	\$1,473,915,109	176,449	



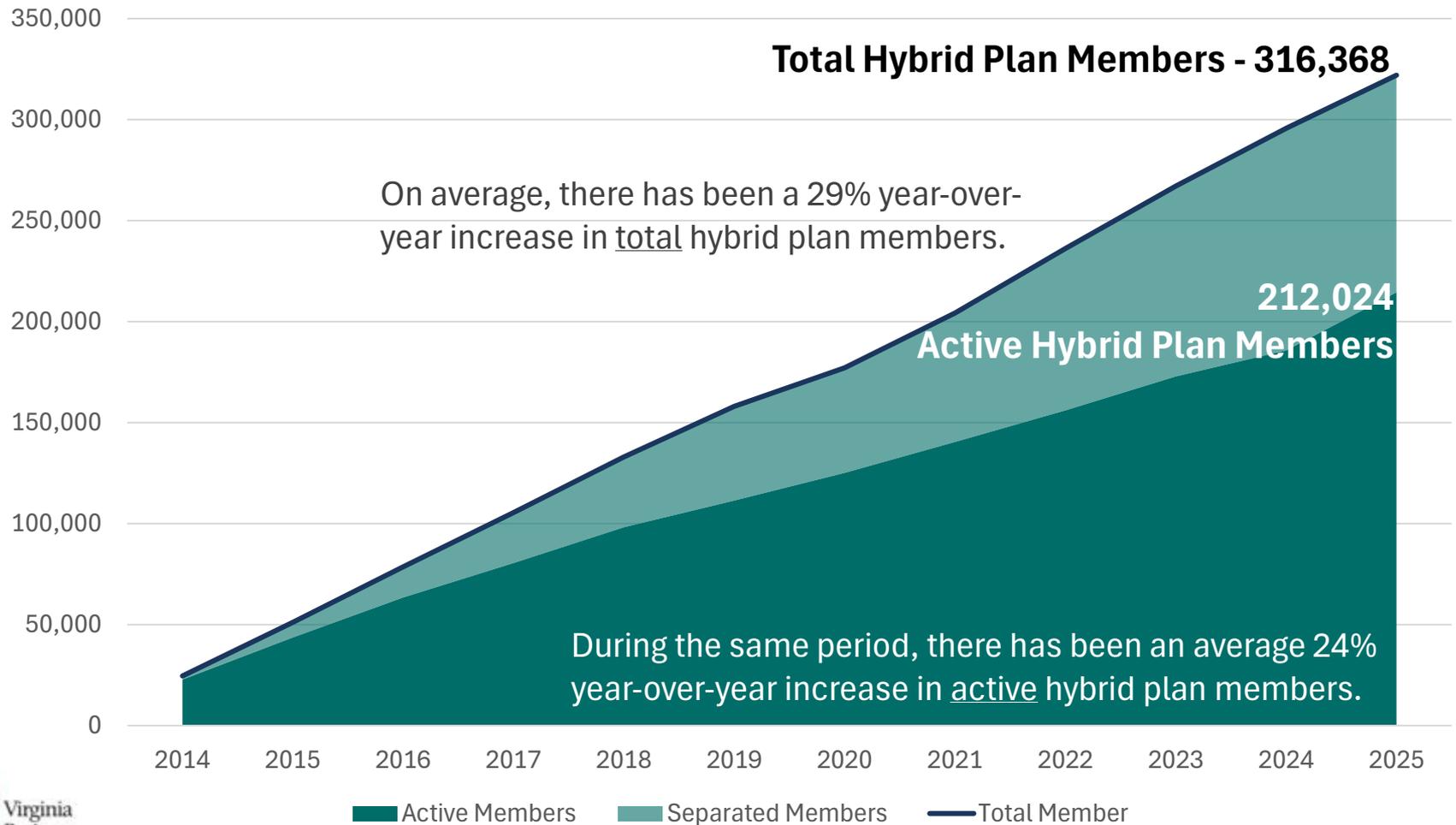
■ Hybrid 401(a) Assets
 ■ Hybrid 457 Assets
 ● Hybrid 401(a) Accounts
 ● Hybrid 457 Accounts



Note: All data reflect totals as of the end of the calendar year and include participant, beneficiary, forfeiture and reserve accounts with a balance.

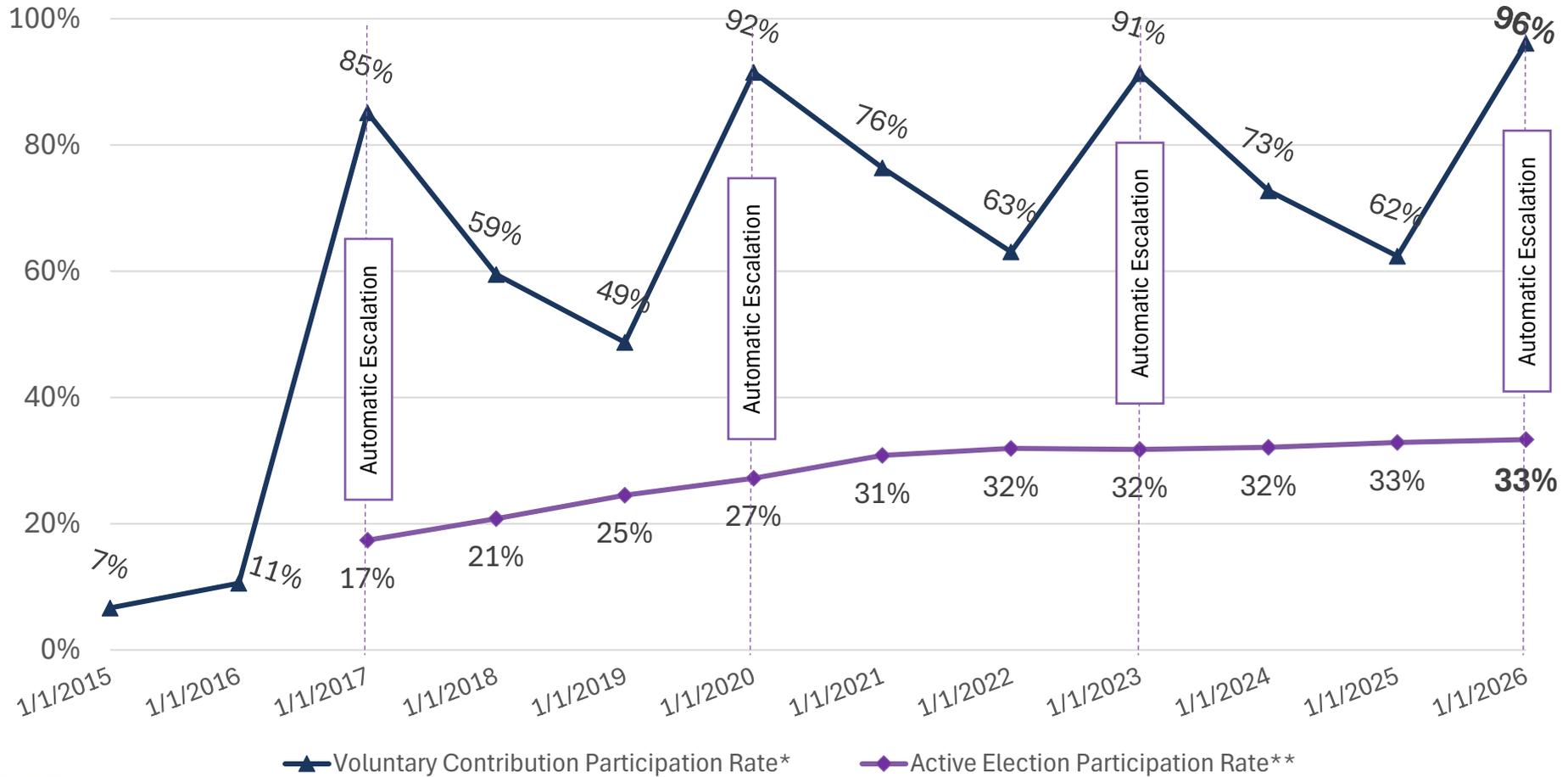
Hybrid Retirement Plan Member Counts

Year-Over-Year Changes in Hybrid Membership



Hybrid 457 Plan – Voluntary Participation Rate*

As of 1/1/2026, 96% of hybrid plan members (203,823 out of 212,024) have a voluntary contribution percentage with Voya Financial. 33% made an Active Election**.

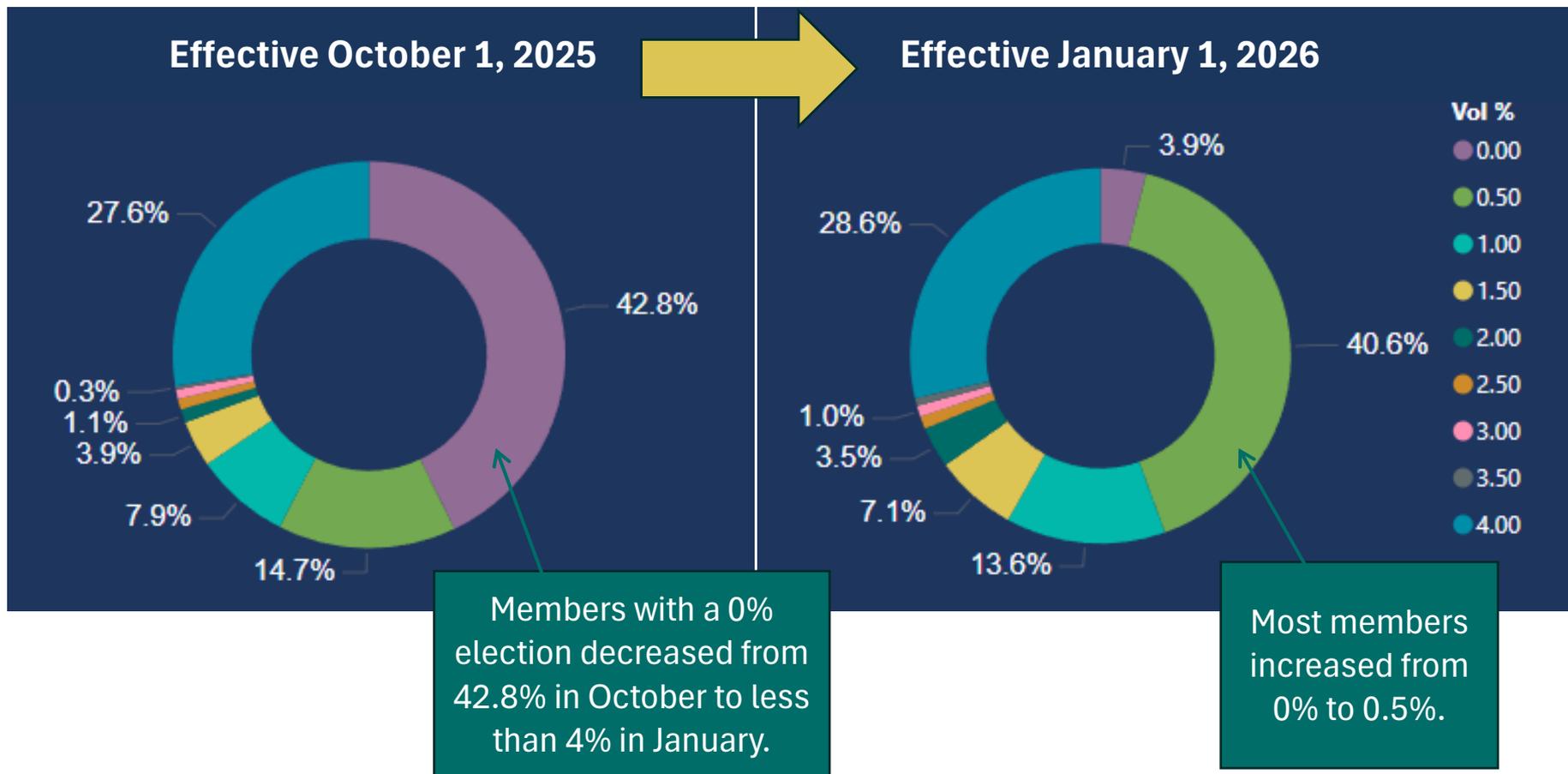


*All data is as of 1/1 and represents elections made during Q4 of the prior year.

**Includes members who had a self-selected voluntary election on file prior to the 3-year automatic escalations effective January 1 of 2017, 2020, 2023 and 2026.

Hybrid Retirement Plan Voluntary Contribution Elections

Impact of Automatic Escalation



Hybrid Retirement Plan Auto-Escalation Update



Over 144,000

Hybrid plan members were auto-escalated* effective January 1, 2026



*defaulted or accepted 0.5% increase

Auto-Escalation Historical Rates

	2023	2020	2017
Active Control	2.7%	2.5%	2.1%
Opt-Out	0.9%	1.0%	3.1%

Cumulative through December 31, 2025

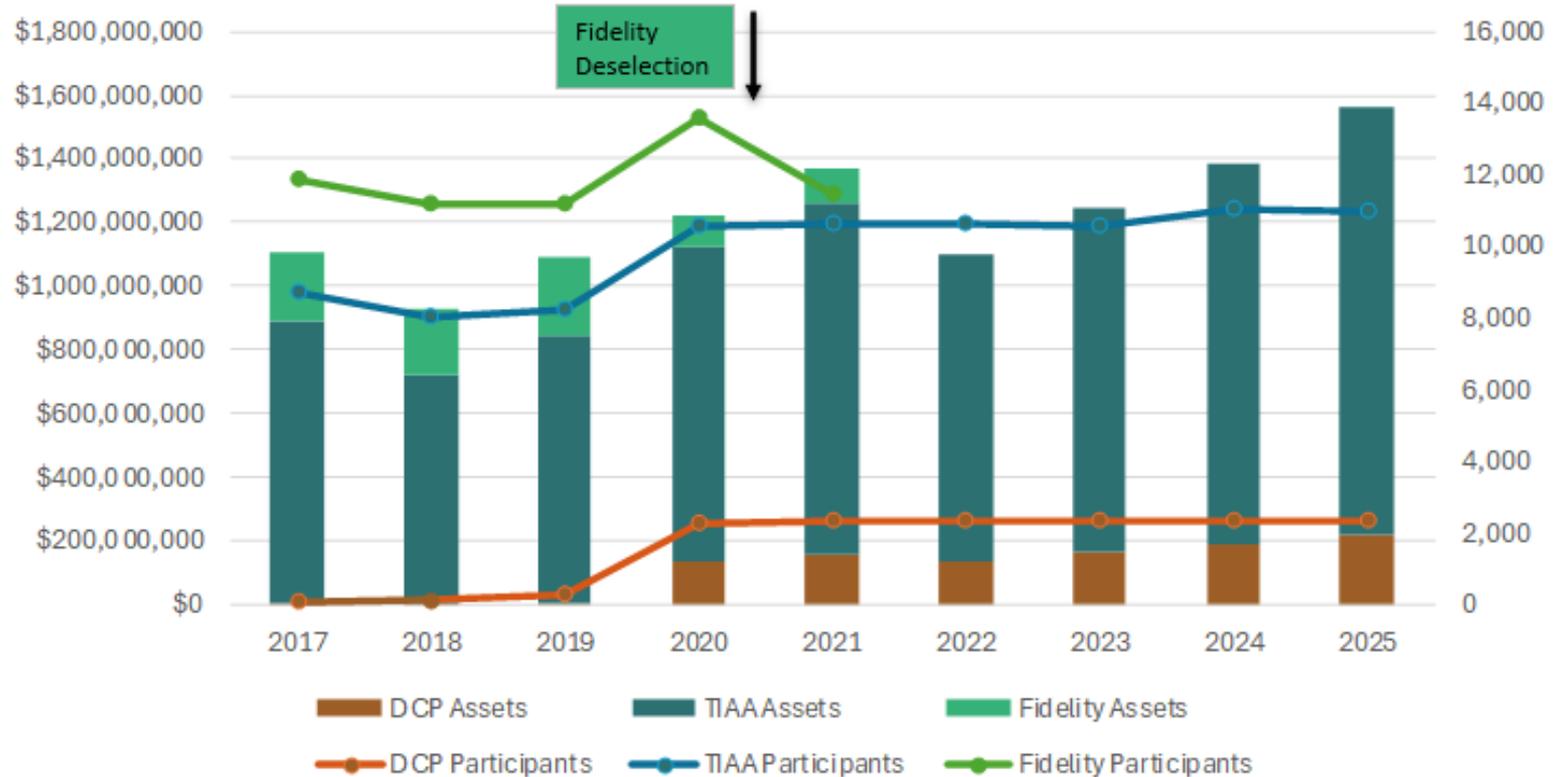
Defaulted to 0.5% increase	95.4%
Accepted 0.5% increase	0.5%
Active Control (elected a different %)	1.4% 82% elected 4%
Elected SmartStep	0.1%
Opted Out	1.3%
No longer eligible	1.4%

ORPHE

Administrative Summary

Totals as of 12/31/2025	Assets	Accounts	Assets 2% Accounts 0% Since 09/30/2025
	\$1,563,365,814	10,966	

ORPHE Selected Providers



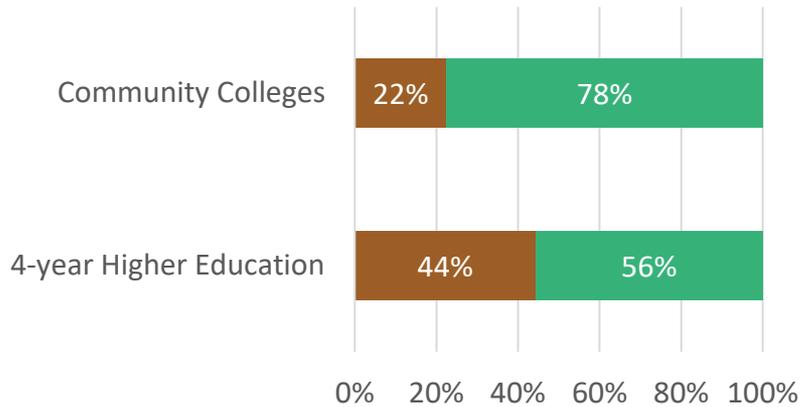
ORPHE

Administrative Summary

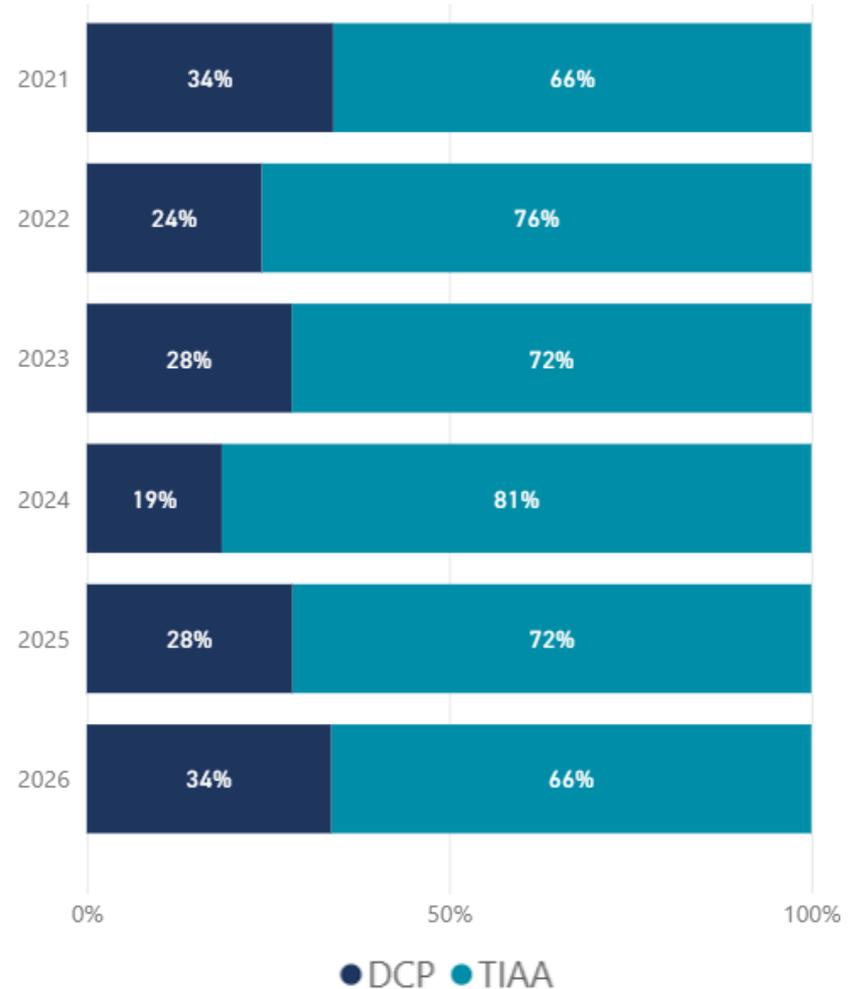
On average, there are approximately 130 ORPHE-eligible new hires each year.

Plan and provider elections have been relatively consistent over time.

ORPHE Plan Choice



ORPHE Provider Choice Over Time



Upcoming Events



Ongoing

- Procedure development and review
- Communications development and review

Spring

- America Saves Week
- COV 457 employer outreach continues
- Hybrid plan new hire mailings (email and mail)
- Retirement Planning for Women seminar and Q&A sessions
- Mandatory Roth Catch-Up email reminders

Thank you!



Retirement Income

Agenda

- VRS Retirement Plans Metrics
- Annuity Primer
- DC Plans Distribution Metrics



Retirement Income

- VRS pension plan benefits are used as baseline retirement income when determining potential retirement income gaps, if any.
- VRS members also receive Social Security benefits.
- Both sources provide retirement benefits reflective of pre-retirement income levels and should be considered as we evaluate holistic solutions for the VRS defined contribution plans.

VRS Active Membership as of June 30, 2025

For VRS Defined Contribution Plans, understanding the pension benefits creates a baseline for retirement income solutions going forward.

Retirement System Type	DB Plan 1	DB Plan 2	Hybrid	ORPs	Total
Teachers	48,800	25,452	86,802	n/a	161,054
State Employees	21,167	11,817	48,345	n/a	81,329
Political Subdivisions	26,808	33,150	63,330	n/a	123,288
State Police Officers (SPORS)	790	1,070	n/a	n/a	1,860
Virginia Law Officers (VaLORS)	1,366	5,961	n/a	n/a	7,327
Judicial (JRS)	102	34	330	n/a	466
Optional Retirement Plans* (ORPs)	n/a	n/a	n/a	142 – ORPPA 4 – ORPSS 3,291 – ORPHE (TIAA) 1,027 – ORPHE (DCP)	4,464
Total Active Members	99,033	77,484	198,807	4,464	

Data source: 2025 VRS Navigator member statistics

*Data source: Voya and TIAA plan reporting



Member Statistics – Defined Benefit

Among the various pension plans, there are variances across numerous data elements, including those critical to retirement income solutions.

	June 30, 2025 Valuation					
	State	Teachers	SPORS	VaLORS	JRS	Political Subdivisions
Actives						
Average Age	46.9	45.3	40.7	39.6	57.3	45.4
Average Employer Type Service ^{&}	10.1	11.4	13.8	7.3	8.8	8.3
Average Total Service ^{&}	11.0	11.7	15.0	8.3	14.4	9.6
Average Entry Age Based on Employer Type Service	36.8	33.9	26.9	32.3	48.5	37.1
Average Pay	\$77,218	\$69,331	\$96,071	\$58,011	\$208,551	\$64,812
Retirees in the Past Year						
Average Age at Retirement	65.2	62.9	57.5	58.3	69.5	63.4
Average Service at Retirement [*]	24.4	24.5	31.1	23.1	50.4	22.0
Average FAC at Retirement	\$73,059	\$72,690	\$107,017	\$54,346	\$185,176	\$63,561
Average VRS Benefit at Retirement as a Percent of FAC	39.56%	39.34%	50.54%	40.92%	51.03%	37.20%
Average Benefit at Retirement [^]	\$28,901	\$28,597	\$54,085	\$22,241	\$94,502	\$23,646

[&] Average service for JRS does not include the service credit weighting of 1.5, 2.0, 2.5 or 3.5 depending on age at appointment and date of appointment/election.

^{*} Average service at retirement is calculated as the sum of the retirees' total VRS service at retirement divided by retiree headcounts. For JRS members, total service at retirement includes the service credit weighting of 1.5, 2.0, 2.5, or 3.5 depending on age at appointment/election and date of appointment/election.

[^] Average benefit was calculated using the current benefit payment at retirement, including any adjustments for optional elections or early retirement. This does not include any temporary supplement amounts for those eligible.

Distribution of Retirees by Age at Retirement

Most retirees are age 60 or older, with some variation across plans.

Fiscal Year 2025	Under 55	55-59	60-65	Over 65
Teachers	7.00%	19.00%	39.21%	34.79%
State	4.00%	7.88%	34.05%	54.07%
Political Subdivisions	12.65%	12.99%	31.57%	42.79%
SPORS	36.12%	33.33%	23.61%	6.94%
VaLORS	34.77%	26.16%	22.22%	16.85%
Judicial	0.00%	2.94%	8.82%	88.24%

Data source: 2025 VRS Annual Comprehensive Financial Report (ACFR)

Distribution of Retirees by Years of Service

Most members retire with between 21 and 40 years of service.

Fiscal Year 2025	1-10	11-20	21-30	31-40	41-50	Over 50
Teachers	12.94%	27.07%	36.88%	20.94%	2.07%	0.10%
State	16.43%	25.79%	26.08%	23.98%	7.22%	0.50%
Political Subdivisions	17.61%	28.79%	34.84%	16.02%	2.62%	0.12%
SPORS	0.00%	9.72%	44.44%	40.28%	5.56%	0.00%
VaLORS	9.68%	27.60%	50.54%	10.75%	1.43%	0.00%
Judicial	5.88%	2.94%	26.47%	8.82%	17.65%	38.24%

Data source: 2025 VRS ACFR

Retirements – Fiscal Year 2025

Members can retire earlier with a reduction in their full pension benefit. The reduction amount can vary based on a variety of factors.

Total Retirees

Benefit Tier	Unreduced	Reduced	Total	% with Early Reduction Factor
Plan 1	140,774	75,279	216,053	34.8%
Plan 2	4,132	5,008	9,140	54.8%
Hybrid	1,361	1,376	2,737	50.3%
Total	146,267	81,663	227,930	35.8%

Data source: 2025 VRS valuation

Distribution of Retirees by Payout Option

Most retirees choose a basic benefit, which provides the highest guaranteed income.

Fiscal Year 2025	Basic Benefit	Survivor Option	PLOP with Basic	PLOP with Survivor	Advance Pension
Teachers	71.80%	10.03%	15.11%	1.94%	1.12%
	64.30%				
	66.00%				
	36.12%				
	64.16%				
	44.12%				
	69.00%				

Data source: 2025 VRS ACFR

VRS Retiree Statistics

On average, members receive a pension benefit for at least 19 years after retirement.

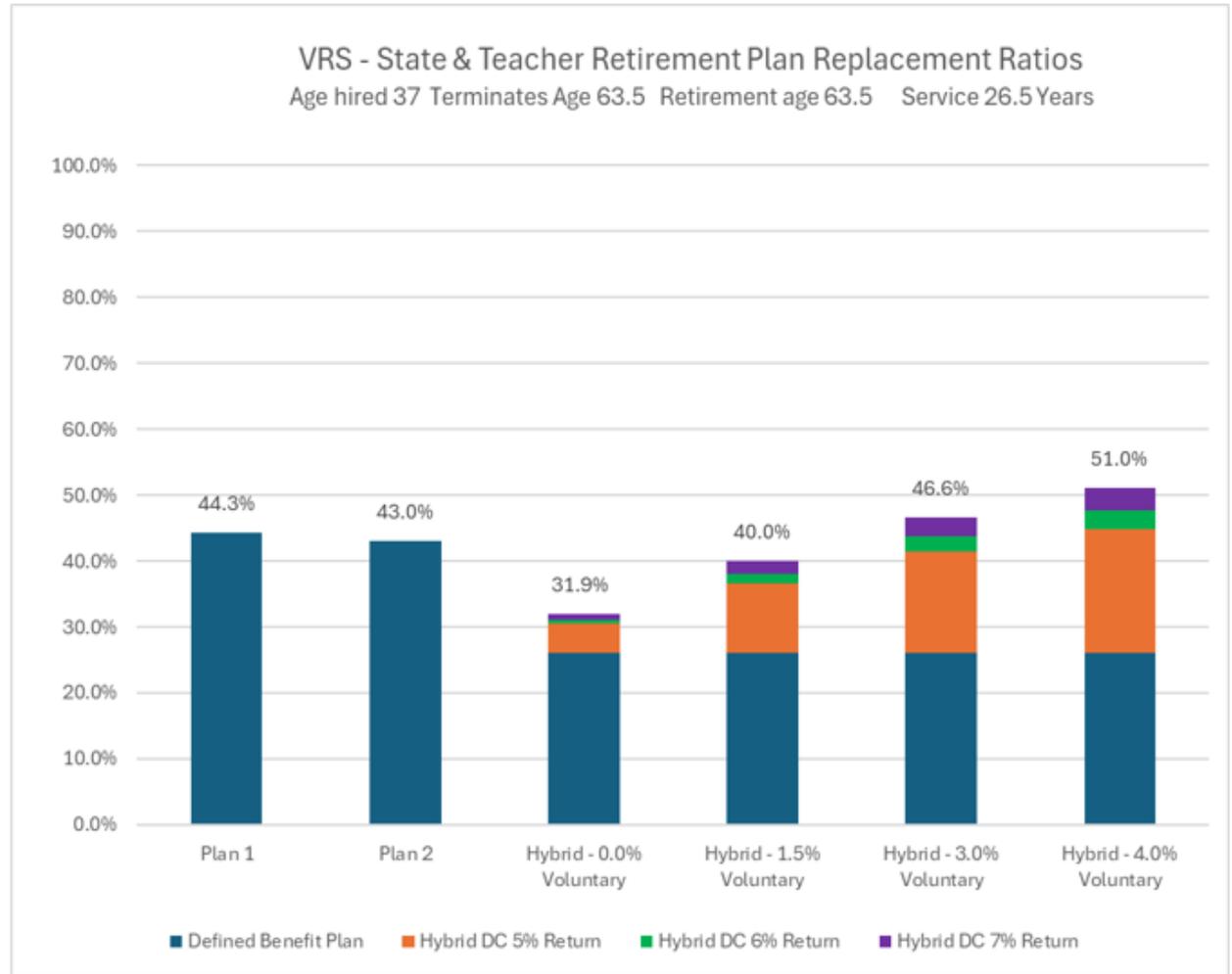
Fiscal Year		Average Age at Death	Average Years in Receipt	Count
2025	Female	81.8	20.1	4,140
	Male	79.8	18.5	2,863
	Total	81.0	19.4	7,003
2024	Female	81.5	19.8	4,146
	Male	79.2	18.0	2,989
	Total	80.5	19.1	7,135
2023	Female	81.3	19.6	4,023
	Male	79.2	18.0	2,832
	Total	80.4	19.0	6,855

Data source: VRS fiscal year-end valuations

Replacement Rate Examples

Example A:

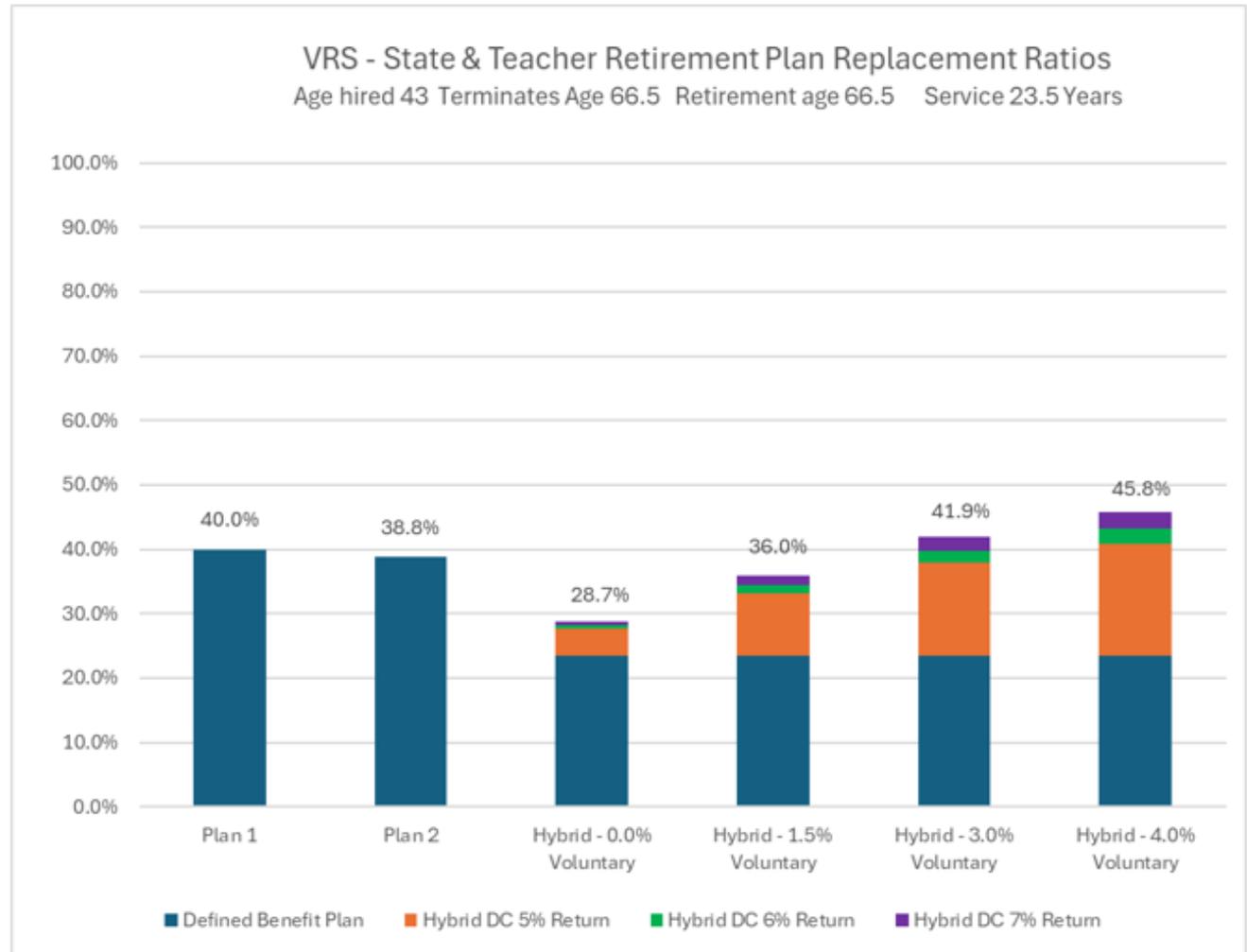
- Member hired at age 37
- Terminated at age 63.5
- Retires at age 63.5 with 26.5 years of service



Replacement Rate Examples

Example B:

- Member hired at age 43
- Terminated at age 66.5
- Retires at age 66.5 with 23.5 years of service



Social Security Replacement Income

- Social Security benefits vary based on average annual career earnings.
- A [June 2025 analysis](#) by Social Security actuaries provides estimated replacement income for retirees using a wide range of incomes.
- For workers born in 1959, who reach full retirement age at 66 and 10 months, Social Security found that the replacement rate would be:

Replacement Income Rate	Average Annual Career Earnings
78.7%	\$17,368
57.3%	\$31,263
42.6%	\$69,473
35.2%	\$111,156
27.9%	\$171,373

Illustrative estimates based on hypothetical SSA earnings scenarios.

Sources:

AARP - [How Much Social Security Will I Get?](#)

Social Security Administration - [Replacement Rates for Hypothetical Retired Workers](#)

Replacement Income Inferences – VRS DB + Social Security at age 66 and 10 months

Estimated replacement income across all VRS members is close to or above 80%.

	Teachers	State	Political Subdivisions	SPORS	VaLORS	Judicial
VRS Average FAC at Retirement*	\$72,690	\$73,059	\$63,651	\$107,017	\$54,346	\$185,176
Social Security Estimated Average Annual Career Earnings	~\$69,473	~\$69,473	~\$69,473	~\$111,156	~\$69,473	~\$171,373
VRS Average Benefit as a % of FAC*	39.34%	39.56%	37.20%	50.54%	40.92%	51.03%
Social Security Estimated Replacement Income Rate	~42.6%	~42.6%	~42.6%	~35.2%	~42.6%	~27.9%
Estimated Income Replacement	~81.9%	~82.2%	~79.8%	~85.7%	~83.5%	~78.9%

*Data source: 2025 VRS valuation. Does not include optional retirement plans.

General DC Plans Distribution Types & Investment Vehicles

■ Non-Guaranteed

- Systematic withdrawals
- Partial distributions
- Managed payouts

■ Investments

- Target Date Retirement Vintage
- Capital Preservation Funds
- Other core & SDBA investments

■ Lifetime Guaranteed

- Single Premium Immediate Annuity (SPIA)
- Deferred Annuity
- Qualified Longevity Annuity Contract (QLAC)
- Guaranteed Lifetime Withdrawal Benefit (GLWB)
- ❖ Lifetime guaranteed products embedded within target date offerings

Annuity Primer

- An annuity is a form of insurance contract that provides a stream of periodic payments, typically for life.
- Annuities pool and manage longevity risk.
- Annuities offer a variety of forms/features:
 - Fixed: Fixed/guaranteed payments for the term of the contract (lifetime or designated period).
 - Variable: Fluctuating periodic payments based on the performance of underlying investments (lifetime or designated period).
 - Riders: Optional features make up part of the annuity contract
 - Immediate: Payouts begin shortly after being funded.
 - Deferred: Payouts will be made sometime in the future.

Annuity Primer

- Annuities offer a variety of forms/features (cont.):
 - Guaranteed Lifetime Withdrawal Benefit (GLWB)
 - Provides guaranteed income base.
 - Investment grows based on underlying investment performance, which includes a potential step-up withdrawal amount feature.
 - Participant keeps the account value and can access it (Taking additional withdrawals can reduce payments.).
 - Qualified Longevity Annuity Contract (QLAC)
 - Provides guaranteed lifetime income stream that starts later in life, typically when annuitants are in their mid-70s to mid-80s.
- In-plan or out-of-plan.

Annuity Primer

- State insurance guaranty associations can provide various protection options to policy holders in the event an insurance company becomes insolvent or cannot meet its obligations.
 - The amount of coverage varies by state.

VRS DC Plans Current Payout Options

■ Non-Guaranteed

- Lump sum
- Systematic withdrawals
- Partial distributions
- Managed payouts
 - Available through Voya Managed Accounts

■ Lifetime Guaranteed

- MetLife Institutionally Priced Single Premium Immediate Annuity for the unbundled DC plans
 - Straight life
 - Joint & survivor
 - Period certain
- TIAA Single Premium Immediate Annuity for the TIAA-bundled ORPHE (potential for loyalty bonus)
 - Straight life
 - Joint & survivor
 - Period certain

2025 Annuity Purchases

MetLife

- 7 purchased in 2025
- Purchase amounts ranging from \$41K to \$256K
 - Benefits ranging from \$257/month to \$1,485/month

TIAA

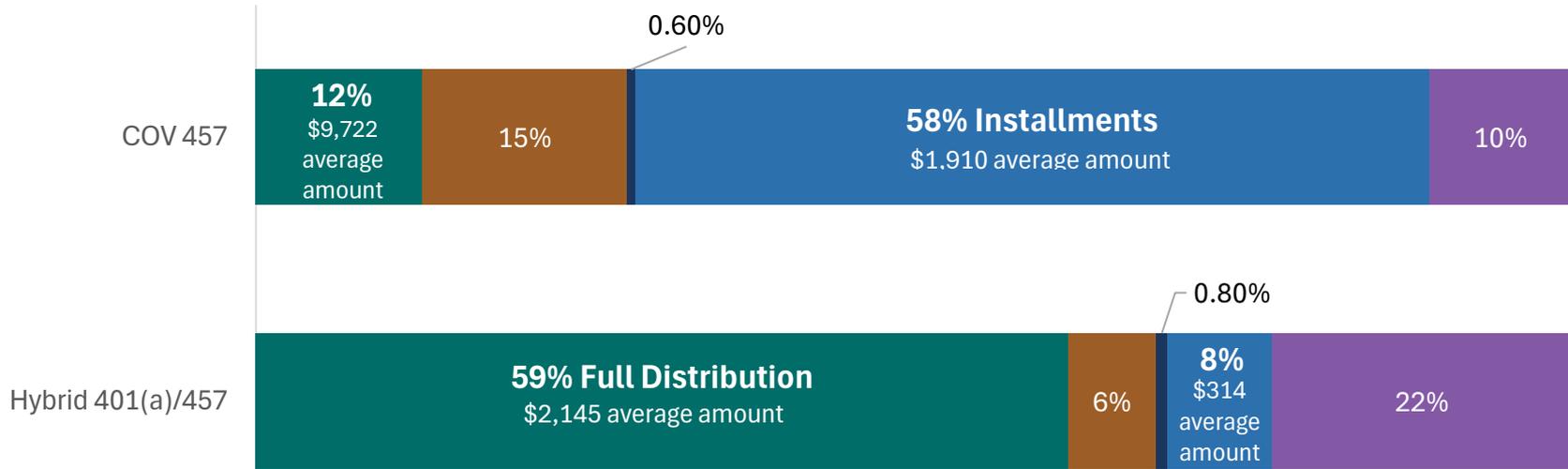
- 106 purchased in 2025
- Purchase amounts ranging from \$5.2K to \$457K

VRS DC Plans Current Payout Options

Distribution behavior is dramatically different between the largest plans.

Distribution Types Processed

■ Full - Cash
 ■ Partial - Cash
 ■ In-Service
 ■ Installments
 ■ Rollovers



COV 457 Plan

- More established plan (est. 1980)
- Higher contribution limits
- Many participants have access to VRS Plan 1 or VRS Plan 2

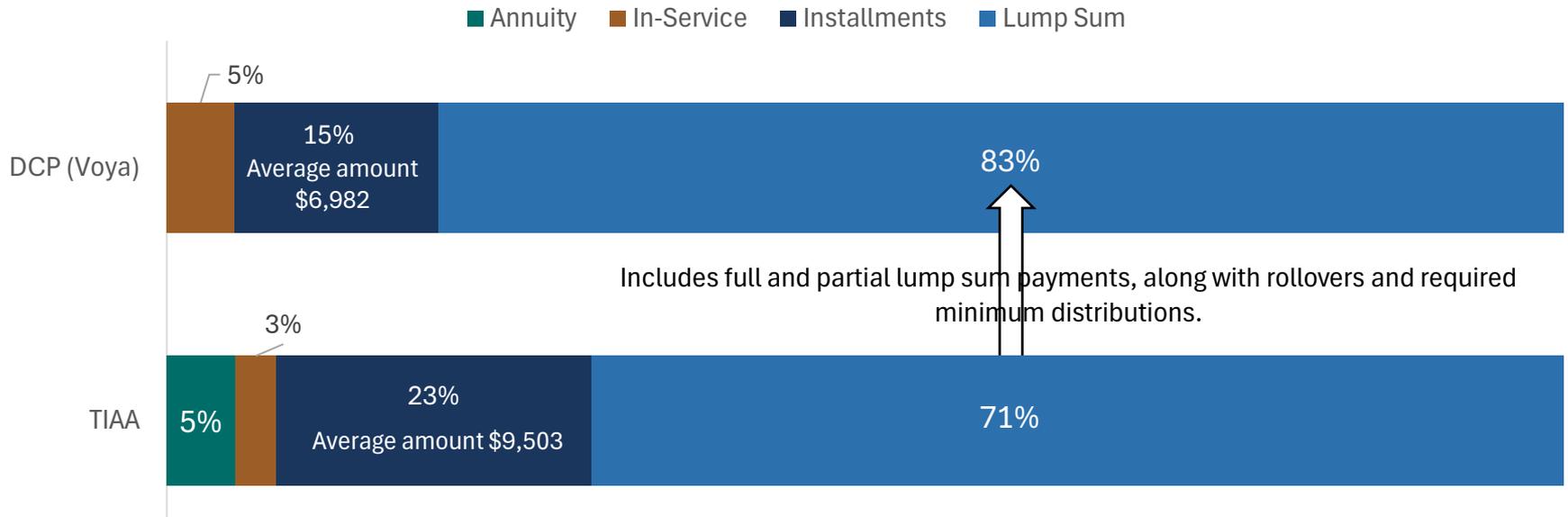
Hybrid 401(a)/457

- Newer plan (est. 2014)
- Limited contributions (Max 5% employee and 3.5% employer)
- Coupled with the Hybrid defined benefit component

VRS DC Plans Current Payout Options

Installments account for less than a quarter of ORPHE distributions.

Distribution Types Processed



DCP (Voya)

- Newer plan (available since 2017)
- Processed over 200 distributions
- Provides access to a group annuity contract through MetLife

TIAA

- Longer tenured plan (available through VRS since 2000)
- Processed over 2,000 distributions
- Investment lineup includes a fixed annuity, TIAA Traditional, which is TIAA's flagship product

Thank you!





Appendix

Benefit Payout Options

- **Basic Benefit.** The unreduced (normal) retirement benefit calculation. Upon death, any remaining member contributions and accrued interest are paid in a lump sum to the member's beneficiary.
- **Survivor Option.** Members may choose a whole percentage of their benefit, between 10% and 100%, to continue as a lifetime benefit to a survivor upon their death. The member's benefit is actuarially reduced.
- **Basic Benefit with Partial Lump-Sum Option Payment (PLOP) and Survivor Option with PLOP.** Members who are in active service for one or more years beyond their eligibility for an unreduced benefit can elect a partial lump-sum payment of their member contributions and accrued interest equal to one, two or three times their annual retirement benefit, depending how long they work beyond their unreduced retirement eligibility. The monthly benefit is actuarially reduced accordingly.
- **Advance Pension Option.** Members elect to receive a temporary higher benefit that begins at retirement and continues until an age chosen by the member, between age 62 up to the normal retirement age under Social Security. At that point, the benefit is permanently reduced on an actuarially equivalent basis.

Benefit Payments

Average Benefit Payments

Year Ended June 30		Years of Credited Service						Total Active Retirees
		1-10	11-15	16-20	21-25	26-30	Over 30	
Teachers								
2025	Number Active Retirees	533	410	704	741	777	951	4,116
	Average AFC	\$48,043	\$52,128	\$62,776	\$70,128	\$81,051	\$84,869	
	Average Monthly Benefit	\$430	\$836	\$1,369	\$1,968	\$3,148	\$3,736	
2024	Number Active Retirees	564	447	712	693	838	979	4,233
	Average AFC	\$44,183	\$51,351	\$59,521	\$67,101	\$77,059	\$84,324	
	Average Monthly Benefit	\$382	\$798	\$1,297	\$1,894	\$3,015	\$3,752	
2023	Number Active Retirees	555	550	850	773	852	1062	4,642
	Average AFC	\$43,696	\$48,625	\$58,863	\$63,559	\$75,219	\$77,759	
	Average Monthly Benefit	\$419	\$805	\$1,264	\$1,771	\$2,937	\$3,441	
State								
2025	Number Active Retirees	398	272	353	298	334	768	2,423
	Average AFC	\$56,477	\$61,286	\$69,954	\$71,101	\$75,976	\$85,609	
	Average Monthly Benefit	\$478	\$1,003	\$1,639	\$2,143	\$2,994	\$4,079	
2024	Number Active Retirees	387	322	389	382	346	837	2,663
	Average AFC	\$54,937	\$59,935	\$64,306	\$68,062	\$72,372	\$82,303	
	Average Monthly Benefit	\$531	\$993	\$1,450	\$2,009	\$2,795	\$3,907	
2023	Number Active Retirees	417	343	346	370	348	863	2,687
	Average AFC	\$54,188	\$59,032	\$62,643	\$63,853	\$71,988	\$75,999	
	Average Monthly Benefit							

Benefit Payments

Average Benefit Payments

Year Ended June 30		Years of Credited Service						Total Active Retirees
		1-10	11-15	16-20	21-25	26-30	Over 30	
Political Subvisions								
2025	Number Active Retirees	565	353	571	589	529	602	3,209
	Average AFC	\$46,620	\$47,472	\$55,219	\$65,153	\$79,078	\$84,291	
	Average Monthly Benefit	\$397	\$792	\$1,299	\$2,020	\$3,053	\$3,869	
2024	Number Active Retirees	584	453	596	686	546	651	3,516
	Average AFC	\$43,891	\$46,365	\$52,780	\$63,521	\$73,738	\$82,757	
	Average Monthly Benefit	\$415	\$767	\$1,224	\$1,978	\$2,867	\$3,698	
2023	Number Active Retirees	585	495	588	648	526	609	3,451
	Average AFC	\$40,688	\$42,003	\$50,724	\$58,890	\$68,723	\$75,270	
	Average Monthly Benefit	\$355	\$716	\$171	\$1,834	\$2,664	\$3,377	
All Plans (Teacher, State, Political Subs, SPORS, VaLORS, JRS)								
2025	Number Active Retirees	1,525	1,050	1,698	1,712	1,738	2,410	10,133
	Weighted Average AFC	\$49,781	\$52,896	\$61,421	\$68,172	\$79,290	\$86,070	
	Average Monthly Benefit	\$436	\$865	\$1,404	\$2,022	\$3,084	\$3,950	
2024	Number Active Retirees	1,569	1,241	1,749	1,864	1,813	2,522	10,758
	Weighted Average AFC	\$46,792	\$51,651	\$58,078	\$65,323	\$74,754	\$84,066	
	Average Monthly Benefit	\$435	\$839	\$1,308	\$1,946	\$2,904	\$3,838	
2023	Number Active Retirees	1,577	1,430	1,837	1,884	1,787	2,592	11,107
	Weighted Average AFC	\$45,338	\$48,845	\$56,611	\$61,577	\$72,386	\$77,391	
	Average Monthly Benefit	\$423	\$829	\$1,264	\$1,811	\$2,810	\$3,537	



Defined Contribution Plans Investment Program

March 12, 2026

Agenda



Performance



Defined Contribution Plans Advisory Committee Report
Unbundled Plans Investment Performance

Below are the totals for the period ending January 31, 2026. Returns greater than one year are annualized.

Investment Options	1 Month	3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs / Since Inception ¹	Fund Expense Ratio ²	Inception Date	Market Value	% of Market Value ²⁵	% of Participants Selecting an Option ²⁶
	%	%	%	%	%	%	%	%		\$	%	%
Do-It-For-Me: Target Date Portfolios^{3,4}												
Retirement Portfolio	1.52	2.23	1.52	12.33	9.04	4.48	6.26	0.06	8/1/05	848,089,580	7.7	8.0
Custom Benchmark	1.45	2.23	1.45	12.25	9.05	4.49	6.25					
Target Date 2030 Portfolio	1.79	2.58	1.79	14.02	11.08	6.37	8.49	0.06	8/1/05	646,322,761	5.9	7.2
Custom Benchmark	1.74	2.60	1.74	13.94	11.10	6.38	8.46					
Target Date 2035 Portfolio	2.10	3.00	2.10	15.88	12.86	7.77	9.67	0.06	7/5/06	758,528,761 ²²	6.9	8.8
Custom Benchmark	2.07	3.03	2.07	15.76	12.87	7.76	9.62					
Target Date 2040 Portfolio	2.48	3.47	2.48	17.58	14.59	9.09	10.75	0.06	8/1/05	711,093,989	6.5	9.0
Custom Benchmark	2.46	3.51	2.46	17.44	14.59	9.06	10.68					
Target Date 2045 Portfolio	2.83	3.90	2.83	19.23	16.24	10.30	11.64	0.06	7/5/06	741,195,514	6.8	10.4
Custom Benchmark	2.82	3.96	2.82	19.07	16.25	10.26	11.56					
Target Date 2050 Portfolio	3.11	4.28	3.11	20.91	17.61	11.22	12.21	0.06	9/30/07	773,052,796	7.0	11.9
Custom Benchmark	3.12	4.35	3.12	20.73	17.63	11.17	12.12					
Target Date 2055 Portfolio	3.26	4.50	3.26	21.77	18.25	11.60	12.41	0.06	5/19/10	910,859,237	8.3	14.9
Custom Benchmark	3.28	4.58	3.28	21.62	18.29	11.56	12.33					
Target Date 2060 Portfolio	3.28	4.54	3.28	21.91	18.31	11.63	12.41	0.06	11/17/14	564,759,213	5.1	13.5
Custom Benchmark	3.31	4.63	3.31	21.79	18.36	11.60	12.36					
Target Date 2065 Portfolio	3.28	4.54	3.28	21.91	18.33	11.63	12.75	0.06	9/23/19	160,648,803	1.5	8.6
Custom Benchmark	3.31	4.63	3.31	21.79	18.37	11.60	12.77					
Target Date 2070 Portfolio	3.29	4.54	3.29	21.91	n/a	n/a	17.66	0.06	9/27/24	7,864,324	0.1	1.1
Custom Benchmark	3.31	4.63	3.31	21.79	n/a	n/a	17.44					
Help-Me-Do-It: Individual Options												
Money Market Fund ^{5,6}	0.33	1.01	0.33	4.46	5.12	3.53	2.45	0.08	11/1/99	185,944,885	1.7	1.7
FTSE 3 Month Treasury Bill Index	0.32	0.99	0.32	4.33	5.02	3.37	2.26					
Yield as of 01/31/26: 3.84% ⁷												
Stable Value Fund ^{8,9}	0.30	0.89	0.30	3.56	3.33	2.61	2.35	0.24	2/1/95	579,796,121	5.3	4.5
Custom Benchmark ¹⁰	0.31	0.94	0.31	4.01	4.43	3.49	2.61					
Yield as of 01/31/26: 3.64% ¹¹												
Bond Fund ¹²	0.20	0.58	0.20	6.87	3.68	-0.17	1.92	0.03	11/1/99	206,956,617	1.9	3.4
Bloomberg U.S. Aggregate Bond Index	0.11	0.58	0.11	6.85	3.65	-0.20	1.88					
Inflation-Protected Bond Fund ¹³	0.45	0.10	0.45	6.02	3.76	1.16	3.06	0.03	7/30/02	67,185,669	0.6	1.6
Bloomberg U.S. TIPS Index	0.31	0.09	0.31	5.97	3.70	1.12	2.97					
High-Yield Bond Fund ¹⁴	0.40	1.68	0.40	7.57	8.08	4.80	6.47	0.40	5/31/04	66,493,560	0.6	1.4
ICE BofA U.S. High-Yield BB-B Constrained Index	0.50	1.80	0.50	7.82	8.25	4.19	6.23					
Stock Fund ¹⁵	1.45	1.76	1.45	16.34	21.10	14.99	15.59	0.01	11/1/99	2,463,240,833	22.4	9.1
S&P 500 Index	1.45	1.76	1.45	16.35	21.11	14.99	15.57					
Small/Mid-Cap Stock Fund ¹⁶	4.95	6.61	4.95	13.55	12.11	7.88	11.95	0.02	11/1/99	550,095,494	5.0	5.2
Russell 2500 Index	4.98	6.60	4.98	13.46	11.99	7.79	11.87					
International Stock Fund ¹⁷	5.97	8.96	5.97	35.56	16.31	9.13	9.66	0.06	11/1/99	376,658,106	3.4	4.7
MSCI ACWI ex-U.S. IMI Index ¹⁸	6.04	9.16	6.04	35.01	16.39	9.00	9.55					
Global Real Estate Fund ¹⁹	3.69	4.66	3.69	12.54	5.79	4.58	4.98	0.08	10/1/02	109,121,187	1.0	2.9
FTSE EPRA/NAREIT Developed Index	3.75	4.59	3.75	11.74	4.92	3.69	4.09					
VRSIP ²⁰	1.47	2.45	12.77	12.77	10.63	8.76	8.93	0.62	7/1/08	72,979,336 ²³	0.7	0.4
VRS Custom Benchmark ²¹	0.96	2.76	12.81	12.81	12.61	7.56	8.32					
VRSIP and benchmark returns are reported with a one month lag. [Return information shown is as of December 31, 2025.] [Market value as of December 31, 2025 was \$73,467,522.]												
Do-It-Myself: Self-Directed Brokerage Account												
Schwab PCRA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	187,770,790	1.7	0.2
Total										\$10,988,657,576²⁴		

- 1 If the fund was not in existence for 10 years, fund and corresponding benchmark returns shown represent performance from the since inception date.
- 2 Fund investment advisers may voluntarily agree to waive expenses. Expense waivers may be terminated at any time.
- 3 Effective February 2023, the Target Date Portfolios invest in units of BlackRock's LifePath Index Funds N. The LifePath Index Funds N invest in the master Lifepath Index Funds F. The inception dates shown reflect that of the master LifePath Index Funds F. Prior to February 2023, the Target Date Portfolios invested in BlackRock's LifePath Index Funds O which also invested in the master LifePath Index Funds F. All performance returns are linked.
- 4 Custom Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. As the Funds asset classes have been re-defined or added over time, the indices used to calculate the benchmarks have changed accordingly. As of January 1, 2025, the indices used to calculate the Custom Benchmarks are: Russell 1000 Index, Russell 2000 Index, MSCI ACWI Ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg 0-5 TIPS Index, FTSE NAREIT All Equity REITS, FTSE Global Core Infrastructure 50/50, and the Bloomberg Enhanced Roll Yield Index.
- 5 The Money Market Fund invests in units of BlackRock's Short-Term Investment Fund W. The inception data shown reflects the VRS Defined Contribution Plan's investment strategy inception date. Returns of the Fund from July 2012 through July 2016 represent performance of other BlackRock funds. Performance returns are linked.
- 6 An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment it is possible to lose money by investing in the Fund.
- 7 The current yield more closely reflects the earnings of the Fund than the total net return information. There is no guarantee that the Fund will earn the current yield in the future.
- 8 The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 9 Direct transfers from the Stable Value Fund to the Money Market Fund (considered a "competing fund") are not permitted. Before transferring to the Money Market Fund, participants must first transfer to a "non-competing" fund for 90 days. Optional Retirement Plan for Higher Education (ORPHE) participants who want to make a direct exchange to another ORPHE provider, must first exchange to a "non-competing" fund on the Voya Financial investment platform for 90 days.
- 10 Effective August 2016, the benchmark represents a hypothetical return generated by the monthly yields of actively traded U.S. Treasuries based on [50% 2- year maturity + 50% 3- year maturity] plus an annualized spread of 0.25% and is representative of the Fund's expected return profile, given how the Fund is managed and book value accounting treatment. Prior to August 2016 the custom benchmark was based on the monthly yield of actively traded U.S Treasuries with a 3-year maturity plus an annualized spread of 0.50%. The benchmark returns are linked.
- 11 The current yield more closely reflects the earnings of the Fund than the total net return information. There is no guarantee that the Fund will earn the current yield in the future.
- 12 The Bond Fund invests in units of BlackRock's U.S. Debt Index Fund M. The U.S. Debt Index Fund M invests in the master Fund F. The inception date shown reflects the VRS Defined Contribution Plans strategy inception date.
- 13 The Inflation-Protected Bond Fund invests in units of BlackRock's U.S. Treasury-Inflation Protected Securities Fund M. The U.S. Treasury Inflation-Protected Securities Fund M invests in the master Fund F. The inception date shown reflects the inception date of the master Fund F.
- 14 The High-Yield Bond Fund invests in units of JPMorgan's Corporate High-Yield Fund-Investment Class. The inception date shown reflects the date the current investment team at JPMorgan commenced management responsibility of the Fund.
- 15 The Stock Fund invests in units of BlackRock's Equity Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 16 The Small/Mid-Cap Stock Fund invests in units of BlackRock's Russell 2500 Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy date.
- 17 The International Stock Fund invests in units of BlackRock's MSCI ACWI ex-U.S. IMI Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plan's investment strategy inception date. Returns from July 2012 through July 2016 represent performance of another BlackRock Fund. Performance returns are linked.
- 18 Effective August 2016, the performance benchmark is the MSCI ACWI ex.-U.S. IMI Index. It was the MSCI World ex-U.S Index from July 2012 through July 2016. The benchmark returns are linked.
- 19 The Global Real Estate Fund invests in units of BlackRock's Developed Real Estate Index Fund F. Performance represents BlackRock's returns for the master Fund F with deductions taken for investment management fees negotiated by VRS and fund administrative expenses. The inception date shown reflects the VRS Defined Contribution Plans investment strategy inception date.
- 20 The inception date shown reflects the date the VRS Investment Portfolio (VRSIP) was utilized.
- 21 The VRS Custom Benchmark is a blend of the asset class benchmarks at policy weights.
- 22 Includes Pending Account VRSIP amount of \$282,179.
- 23 Includes Preliminary Investment Portfolio Account - PIP amount of \$0.
- 24 Includes \$12,395,453 held in the administrative Special Accounts.
- 25 May not equal 100% due to rounding.
- 26 The data reflects the percentage of participants who selected a particular investment option as of December 31, 2025. There were 672,101 participant accounts as of Decemberr 31, 2025 across all unbundled DC plans.

All fund performance returns shown reflect all fund management fees and expenses, but do not reflect the Plan administrative fee charged by Voya Financial which would further reduce the returns shown.

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Performance returns are provided by BlackRock, Galliard Capital Management, JPMorgan, Bank of New York Mellon, and Voya Financial. Benchmark returns are provided by BlackRock, Russell/Mellon Analytical Services, Galliard, and Voya Financial. Although data is gathered from sources believed to be reliable, we cannot guarantee completeness or accuracy.

Plan Administrative Fee: An annual record keeping and communication services fee of \$35.50 is deducted from participant accounts on a monthly basis (approximately \$2.96 per month). Only one annual fee of \$35.50 is deducted from participant accounts for those participants participating in more than one Commonwealth of Virginia defined contribution plan.

Excess over benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the interest rate environment for capital preservation funds.

Below benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the nature of book value accounting treatment for stable value funds as it relates to interest rates.

Excess performance for an actively managed fund.

Underperformance for an actively managed fund.

International Stock Fund Update



- \$376.7 Million in Assets.
- 31,323 Participant Accounts.
- Effective January 30, 2026 changed to a MSCI ACWI IMI ex USA ex China ex Hong Kong index fund mandate to align with VRS Foreign Adversaries Policy.
 - Underlying fund and performance benchmark change.
 - Fund and benchmark returns linked to prior fund and benchmark returns.
- Coordinated effort among BlackRock, VRS, Voya and State Street.

Defined Contribution Plans Advisory Committee Report

TIAA RC Contract Investment Performance

Below are the totals for the period ending January 31, 2026. Returns greater than one year are annualized.

Investment Options	1 Month	3 Months	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs / Since Inception ¹	Fund Expense Ratio ²	Inception Date	Market Value	% of Market Value ¹⁹	% of Participants Selecting an Option ²⁰
	%	%	%	%	%	%	%	%		\$	%	%
Target Date Portfolios^{3,4}												
BlackRock LifePath Index Retirement Fund N	1.52	2.23	1.52	12.33	9.04	4.48	6.28	0.06	8/1/05	49,041,680	8.2	11.6
Custom Benchmark	1.45	2.23	1.45	12.25	9.05	4.49	6.25					
BlackRock LifePath Index 2030 Fund N	1.79	2.58	1.79	14.02	11.08	6.38	8.50	0.06	8/1/05	44,885,838	7.5	8.5
Custom Benchmark	1.74	2.60	1.74	13.94	11.10	6.38	8.46					
BlackRock LifePath Index 2035 Fund N	2.10	3.00	2.10	15.88	12.86	7.78	9.68	0.06	7/5/06	39,544,201	6.6	8.7
Custom Benchmark	2.07	3.03	2.07	15.76	12.87	7.76	9.62					
BlackRock LifePath Index 2040 Fund N	2.48	3.47	2.48	17.58	14.59	9.10	10.76	0.06	8/1/05	47,761,239	7.9	9.4
Custom Benchmark	2.46	3.51	2.46	17.44	14.59	9.06	10.68					
BlackRock LifePath Index 2045 Fund N	2.83	3.90	2.83	19.23	16.24	10.31	11.65	0.06	7/5/06	45,098,556	7.5	10.7
Custom Benchmark	2.82	3.96	2.82	19.07	16.25	10.26	11.56					
BlackRock LifePath Index 2050 Fund N	3.11	4.28	3.11	20.91	17.61	11.23	12.22	0.06	9/30/07	30,272,915	5.0	9.1
Custom Benchmark	3.12	4.35	3.12	20.73	17.63	11.17	12.12					
BlackRock LifePath Index 2055 Fund N	3.26	4.50	3.26	21.77	18.25	11.61	12.42	0.06	5/19/10	19,246,399	3.2	8.3
Custom Benchmark	3.28	4.58	3.28	21.62	18.29	11.56	12.33					
BlackRock LifePath Index 2060 Fund N	3.28	4.54	3.28	21.91	18.31	11.64	12.43	0.06	11/17/14	6,407,389	1.1	4.9
Custom Benchmark	3.31	4.63	3.31	21.79	18.36	11.60	12.36					
BlackRock LifePath Index 2065 Fund N	3.28	4.54	3.28	21.91	18.33	11.64	12.79	0.06	9/23/19	11,172,107	1.9	3.6
Custom Benchmark	3.31	4.63	3.31	21.79	18.37	11.60	12.77					
BlackRock LifePath Index 2070 Fund N	3.29	4.54	3.29	21.91	n/a	n/a	17.66	0.06	9/27/24	1,224,457	0.2	0.2
Custom Benchmark	3.31	4.63	3.31	21.79	n/a	n/a	17.44					
Individual Options												
BlackRock Short-Term Investment Fund W⁵	0.33	1.01	0.33	4.46	5.12	3.53	2.46	0.08	7/1/03	9,183,712	1.5	6.8
FTSE 3 Month Treasury Bill Index	0.32	0.99	0.32	4.33	5.02	3.37	2.26					
Yield as of 01/31/26: 3.84% ⁶												
BlackRock U.S. Debt Index Fund M⁷	0.20	0.58	0.20	6.87	3.68	-0.17	1.92	0.03	6/6/96	14,245,669	2.4	15.0
Bloomberg U.S. Aggregate Bond Index	0.11	0.58	0.11	6.85	3.65	-0.20	1.88					
BlackRock U.S. TIPS Fund M⁸	0.45	0.10	0.45	6.02	3.76	1.16	3.06	0.03	7/30/02	7,461,100	1.2	10.7
Bloomberg U.S. TIPS Index	0.31	0.09	0.31	5.97	3.70	1.12	2.97					
BlackRock Equity Index Fund J⁹	1.45	1.76	1.45	16.34	21.11	14.99	15.59	0.01	3/5/97	82,263,697	13.7	23.0
S&P 500 Index	1.45	1.76	1.45	16.35	21.11	14.99	15.57					
BlackRock Russell 2500 Index Fund J¹⁰	4.95	6.61	4.95	13.55	12.10	7.88	11.95	0.02	9/30/08	11,807,201	2.0	4.8
Russell 2500 Index	4.98	6.60	4.98	13.46	11.99	7.79	11.87					
BlackRock MSCI ACWI ex-U.S. IMI Index Fund M¹¹	5.97	8.96	5.97	35.55	16.28	9.10	9.88	0.07	2/28/11	24,767,088	4.1	14.7
MSCI ACWI ex-U.S. IMI Index	6.04	9.16	6.04	35.01	16.39	9.00	9.80					
BlackRock MSCI ACWI IMI Index Non-Lendable Fund M¹²	3.19	4.42	3.19	22.29	18.57	11.72	12.79	0.05	4/12/13	84,617,328	14.1	26.0
MSCI ACWI IMI Index	3.28	4.47	3.28	22.07	18.43	11.50	12.53					
TIAA Real Estate Account¹³	0.15	0.72	0.15	3.89	-4.58	1.80	2.81	0.90	10/2/95	13,593,523	2.3	22.1
Custom Composite Benchmark ¹⁴	n/a	n/a	n/a	n/a	n/a	n/a	n/a					
TIAA Traditional Annuity RC^{15,16,17,18}	0.38	1.12	0.38	4.50	4.66	4.34	4.23	--- ²¹	8/1/05	49,046,468	8.2	24.7
Self-Directed Brokerage Account												
TIAA - Self-Directed Account	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10,422,359	1.7	1.0
Total										\$602,062,926		

Footnotes >

- 1 If the fund was not in existence for 10 years, fund and corresponding benchmark returns shown represent performance from the since inception date.
- 2 Fund investment advisers may voluntarily agree to waive expenses. Expense waivers may be terminated at any time.
- 3 The BlackRock LifePath Index Funds N invest in the master LifePath Index Funds F. The inception dates shown reflect the inception date of the master LifePath Funds F. The inception dates for most LifePath Funds N were 8/15/17. The 2065 Fund's N inception date was 11/15/19, and the 2070 inception date was 10/04/2024. Returns prior to Funds' N inception dates are those of Funds F with deductions taken for Funds N investment management fees.
- 4 Custom Benchmarks are calculated using blended returns of third-party indices that proportionately reflect the respective weightings of the Portfolios' asset classes. Weightings are adjusted quarterly to reflect the Portfolios' asset allocation shifts over time. As the Funds asset classes have been re-defined or added over time, the indices used to calculate the benchmarks have changed accordingly. As of January 1, 2025, the indices used to calculate the Custom Benchmarks are: Russell 1000 Index, Russell 2000 Index, MSCI ACWI Ex-U.S. IMI Net Dividend Return Index, Bloomberg U.S. Long Credit Bond Index, Bloomberg U.S. Intermediate Credit Bond Index, Bloomberg U.S. Long Government Bond Index, Bloomberg U.S. Intermediate Government Bond Index, Bloomberg U.S. Securitized: MBS, ABS, and CMBS Index, Bloomberg 0-5 TIPS Index, FTSE NAREIT All Equity REITS, FTSE Global Core Infrastructure 50/50, and the Bloomberg Enhanced Roll Yield Index.
- 5 An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment it is possible to lose money by investing in the Fund.
- 6 The current yield more closely reflects the earnings of the Fund than the total net return information.
- 7 The BlackRock U.S. Debt Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 7/20/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 8 The BlackRock U.S. Treasury Inflation-Protected Securities Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 7/20/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M' investment management fees.
- 9 The BlackRock Equity Index Fund J invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund J was 3/20/17. Returns prior to Fund J's inception date are those of Fund F with deductions taken for Fund J's investment management fees.
- 10 The BlackRock Russell 2500 Fund J invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund J was 10/15/21. Returns prior to Fund J's inception date are those of Fund F with deductions taken for Fund J's investment management fees.
- 11 The BlackRock MSCI ACWI ex-U.S. IMI Index Fund M invests in the master Fund F. The inception date shown reflects the inception of the master Fund F. The inception date of Fund M was 12/31/12. Returns prior to Fund M's inception date are those of Fund F with deductions taken for Fund M's investment management fees.
- 12 The BlackRock MSCI ACWI IMI Index Non-Lendable Fund M invests in the master Fund F. Inception dates for the master Fund F and Fund M are both 4/12/13.
- 13 Transfers out of the TIAA Real Estate Account (REA) are limited to one per quarter. Currently, these transfers do require a minimum transaction of at least \$1000 (except for systematic transfers, which must be at least \$100), or entire accumulation if less; however, this minimum may be reduced or eliminated in the future. Individual contract owners are limited from making transfers from making transfers into their account accumulation if, after giving effect to such transfer, the total value of such contract owner's Account accumulation (under all contracts issued to such contract owner) would exceed \$150,000.
- 14 Effective January 2014, the Custom Composite Index is 70% NCREIF Open End Diversified Core Equity (ODCE) Net Index, 20% Bloomberg 3-Month Treasury Bill Index, and 10% Dow Jones U.S. Select REIT Index. Prior periods include other representative indices. TIAA's investment management team does not manage its real estate portfolio to a specific published index benchmark. The Custom Composite Index represents a reasonable proxy of how TIAA allocates assets among real property, short-term investments, and REITs over time. The Virginia Retirement System anticipates that Fund returns may vary greatly from those of the Custom Composite Index. Benchmark returns are not available for months that do not end on a calendar quarter due to the fact that NCREIF ODCE Index returns are only published each calendar quarter.
- 15 Upon separation from service or retirement, participants can convert their TIAA Traditional accumulation dollar amount to a lifetime income, transfer Payout Annuity, interest-only or required minimum distribution option(s). TIAA Traditional Annuity transfers and withdrawals must be paid in installments over an 84-month period under the Transfer Payout Annuity for the Retirement Choice (RC) contract. Under the Transfer Payout Annuity, each installment includes a portion of principal and interest, based on the rate in effect at the time of the transfer or withdrawal. There are two exceptions to the payout installment. Lump sum withdrawals are available within 120 days after termination of employment with a 2.5% surrender charge and for balances less than \$5,000, the surrender charge is waived and 100% of the balance must be withdrawn.
- 16 The TIAA Traditional Annuity RC contract has minimum guaranteed rate during the accumulation phase of 1% to 3% . The current minimum rate for the RC contract is 3%. Further, the TIAA Traditional Annuity RC contract applies to premiums deposited during the applicable calendar year and is guaranteed for 10 years, at which point the minimum rate for these premiums will be reset.
- 17 TIAA's annual credited rate on new money for the RC contract for the month of January was 5.00%.
- 18 The TIAA Traditional Annuity is not an investment for purposes of federal securities laws; it is a guaranteed insurance contract. Therefore, unlike a variable annuity or mutual fund, the TIAA Traditional Annuity does not include an identifiable expense ratio. Each premium allocated to the TIAA Traditional Annuity buys a definite amount of lifetime income for participants based on the rate schedule in effect at the time the premium is paid. In addition, the TIAA Traditional Annuity provides a guarantee of principle, a guaranteed minimum rate of interest and the potential for additional amounts of interest when declared by TIAA's Board of Trustees. Additional amounts, when declared, remain in effect for the "declaration year" that begins each March for the accumulating annuities and January for lifetime payout annuities. Additional amounts are not guaranteed for future years.
- 19 May not equal 100% due to rounding
- 20 The data reflects the percentage of participants who selected a particular investment option as of December 31, 2025. There were 5,862 (RC contract) participants as of December 31, 2025.
- 21 Effective July 2022, TIAA no longer provides an estimated expense ratio for its TIAA Traditional Annuity product.

Performance returns shown reflect all fund management fees and other investment related expenses, but do not reflect the TIAA annual administrative fee of \$28 (deducted at \$7.00 per quarter) which would further reduce the returns shown. Performance returns do not reflect redemption fees and/or surrender charges, if applicable.

All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars. Fund and benchmark returns are provided by TIAA and BlackRock. Although data is gathered from sources to be reliable, the Virginia Retirement System cannot guarantee completeness or accuracy.

Excess over benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the interest rate environment for capital preservation funds.

Below benchmark return by 10 bps or more for index funds and capital preservation funds. Reasonable expectations due to impact of typical sources of tracking including fair value pricing for index funds and the nature of book value accounting treatment for stable value funds as it relates to interest rates.

Policy Statements Updates



**Approve revised Defined Contribution Plans
Investment Belief Statements.**

Requested Action

The VRS Board of Trustees approves the revised Defined Contribution Plans Investment Belief Statements effective April 23, 2026.

Description/Background

The VRS Board of Trustees approved the current Defined Contribution Plans Investment Belief Statements on September 21, 2021.

As a result of the implementation of the VRS Foreign Adversaries Policy, staff performed an internal review of the Defined Contribution Plans Investment Belief Statements. Both a red line and black line version of the revised Defined Contribution Plans Investment Belief Statements are attached.

Rationale for Requested Action

The proposed revision adds a reference to the VRS Foreign Adversaries Policy to the Defined Contribution Plans Investment Belief Statements.

Authority for Requested Action

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

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date



APPROVED BY THE BOARD OF TRUSTEES: APRIL 23, 2026* SEPTEMBER 21, 2021

I. Introduction

The Virginia Retirement System (VRS) fulfills the fiduciary obligations outlined in the *Code of Virginia*, which require the VRS Board of Trustees (Board) to discharge its duties with respect to the defined contribution (DC) plans solely in the interest of the beneficiaries thereof and affords the Board the opportunity to contract with private corporations or institutions subject to the standards set forth in § 51.1-124.30 to provide investment products and services. The Board, therefore, developed these Defined Contribution Plans Investment Beliefs to guide the strategic management of the VRS DC Plans investment program. These statements represent a high-level framework for making decisions that require balancing multiple, often competing, factors and issues. In addition, the Defined Contribution Plans Investment Beliefs provide context for VRS actions and reflect VRS values, with a focus on maintaining the long-term commitment to provide benefits to participants.

II. VRS DC Investment Belief Statements

The Board developed the following Defined Contribution Plans Investment Belief Statements to guide decisions and provide an anchor to the stated goals and objectives.

Goals and Objectives

A defined contribution plan provides participants an individual account to exercise discretion over their retirement assets using investment options selected by VRS or selected by the participant through the brokerage window. Each participant has an individual risk tolerance, time horizon and investment objectives.

- 1.** The primary objective of the VRS DC Plans is to provide participants with an array of investment choices across a range of asset classes, risk levels and investment strategies so participants have the opportunity to develop a retirement income stream that complements the VRS Defined Benefit (DB) Plan or other retirement income.
- 2.** Given the vital role of the DC Plans in VRS' primary retirement plan offerings, appropriate governance of the DC Plans is critical.
 - a.** The VRS Board of Trustees has overall fiduciary authority over the DC investment program. To assist the Board in fulfilling its duty the Board has appointed a Defined Contribution Plans Advisory Committee to provide the Board with objective DC plan design and investment advice.

(Continued)

- c. In keeping with industry best practice, the administrative and investment aspects of the individual's overall investment plan should be unbundled/disaggregated to allow for maximum design flexibility.
 - d. VRS should continue efforts to contact eligible employees who are not participating in the VRS DC plans to build awareness of plan benefits.
- 8.** The self-directed brokerage window that VRS provides in the VRS DC Plans can serve as an effective investment tool for individual participants.
- 9.** VRS should continue to explore viable solutions to assist participants in managing the critically important task of decumulation of retirement assets.
- 10.** Participant investment education is a valuable resource to participants and can enhance a successful program.
- a. Participant investment education should cover certain key topics consistent with industry best practices including:
 - i. Identifying principal retirement planning risks (see Belief Statement 11).
 - ii. Understanding the accumulation phase versus the decumulation phase.
 - iii. Analyzing the costs associated with various investment options.
 - iv. Considering the impact of non-plan (outside) assets.
 - v. Considering other potential sources of retirement income.
 - b. VRS should also consider making various investment advice and financial planning solutions/products available to participants.
- 11.** VRS should seek to inform DC plan participants about fundamental retirement planning risks.
- a. *Shortfall risk* – The probability or potential that an individual^s may not meet his/her **their** long-term retirement savings goal.
 - b. *Longevity risk* – The potential that an individual^s may outlive his/her **their** retirement assets.
 - c. *Drawdown risk* – The impact that short-term declines in a portfolio can have on long-term values.



APPROVED BY THE BOARD OF TRUSTEES: APRIL 23, 2026*

I. Introduction

The Virginia Retirement System (VRS) fulfills the fiduciary obligations outlined in the *Code of Virginia*, which require the VRS Board of Trustees (Board) to discharge its duties with respect to the defined contribution (DC) plans solely in the interest of the beneficiaries thereof and affords the Board the opportunity to contract with private corporations or institutions subject to the standards set forth in § 51.1-124.30 to provide investment products and services. The Board, therefore, developed these Defined Contribution Plans Investment Beliefs to guide the strategic management of the VRS DC Plans investment program. These statements represent a high-level framework for making decisions that require balancing multiple, often competing, factors and issues. In addition, the Defined Contribution Plans Investment Beliefs provide context for VRS actions and reflect VRS values, with a focus on maintaining the long-term commitment to provide benefits to participants.

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The Board developed the following Defined Contribution Plans Investment Belief Statements to guide decisions and provide an anchor to the stated goals and objectives.

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A defined contribution plan provides participants an individual account to exercise discretion over their retirement assets using investment options selected by VRS or selected by the participant through the brokerage window. Each participant has an individual risk tolerance, time horizon and investment objectives.

- 1.** The primary objective of the VRS DC Plans is to provide participants with an array of investment choices across a range of asset classes, risk levels and investment strategies so participants have the opportunity to develop a retirement income stream that complements the VRS Defined Benefit (DB) Plan or other retirement income.
- 2.** Given the vital role of the DC Plans in VRS' primary retirement plan offerings, appropriate governance of the DC Plans is critical.
 - a.** The VRS Board of Trustees has overall fiduciary authority over the DC investment program. To assist the Board in fulfilling its duty the Board has appointed a Defined Contribution Plans Advisory Committee to provide the Board with objective DC plan design and investment advice.

(Continued)

- c. In keeping with industry best practice, the administrative and investment aspects of the individual's overall investment plan should be unbundled/disaggregated to allow for maximum design flexibility.
 - d. VRS should continue efforts to contact eligible employees who are not participating in the VRS DC plans to build awareness of plan benefits.
- 8.** The self-directed brokerage window that VRS provides in the VRS DC Plans can serve as an effective investment tool for individual participants.
- 9.** VRS should continue to explore viable solutions to assist participants in managing the critically important task of decumulation of retirement assets.
- 10.** Participant investment education is a valuable resource to participants and can enhance a successful program.
- a. Participant investment education should cover certain key topics consistent with industry best practices including:
 - i. Identifying principal retirement planning risks (see Belief Statement 11).
 - ii. Understanding the accumulation phase versus the decumulation phase.
 - iii. Analyzing the costs associated with various investment options.
 - iv. Considering the impact of non-plan (outside) assets.
 - v. Considering other potential sources of retirement income.
 - b. VRS should also consider making various investment advice and financial planning solutions/products available to participants.
- 11.** VRS should seek to inform DC plan participants about fundamental retirement planning risks.
- a. *Shortfall risk* – The probability or potential that individuals may not meet their long-term retirement savings goal.
 - b. *Longevity risk* – The potential that individuals may outlive their retirement assets.
 - c. *Drawdown risk* – The impact that short-term declines in a portfolio can have on long-term values.



Approve revised Unbundled and Bundled Defined Contribution Plans Investment Policy Statements.

Requested Action

The VRS Board of Trustees approves the revised VRS Investment Policy Statement for an Unbundled Defined Contribution Plan Structure and the revised VRS Investment Policy Statement for a Bundled Defined Contribution Plan Structure effective April 23, 2026.

Description/Background

The VRS Board of Trustees approved the current Unbundled Plan and Bundled Plan Investment Policy Statements on January 2, 2020.

As a result of the implementation of the VRS Foreign Adversaries Policy, staff performed an internal review of the Unbundled Plan and Bundled Plan Investment Policy Statements. Both a red line and black line version of the revised Investment Policy Statements are attached.

Rationale for Requested Action

The proposed revisions adds a Foreign Adversaries section as well as other updates to address the current needs of the plans to the VRS Investment Policy Statement for an Unbundled Defined Contribution Plan Structure and the VRS Investment Policy Statement for a Bundled Defined Contribution Plan Structure.

Authority for Requested Action

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

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date



**APPROVED BY THE BOARD OF TRUSTEES:
EFFECTIVE ~~JANUARY~~ APRIL 23, 2026***

The Virginia Retirement System (VRS) sponsors several primary and supplemental defined contribution (DC) plans. Most plans operate fully under an unbundled (open architecture) approach whereby the investment function is contracted separately from the record keeping, enrollment and marketing functions. The purposes of the plans are set forth in the Plan Documents and Master Trusts, which are accessible on the VRS website at dcpemployers.varetire.org.

This Investment Policy Statement has been adopted by the VRS Board of Trustees (Board) to provide guidelines for the investment offerings under an unbundled plan construct. Plans using an unbundled structure approach include the Deferred Compensation Plan of the Commonwealth of Virginia, the Virginia Cash Match Plan, the Optional Retirement Plan of the Commonwealth of Virginia for Political Appointees, the Optional Retirement Plan of the Commonwealth of Virginia for Public School Superintendents, the Virginia Supplemental Retirement Plan, the defined contribution component of the Hybrid Retirement Plan and the Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education.

1. Investment Objectives

In a defined contribution investment program, each participant has his or her own risk tolerance, time horizon and investment objectives. Participants are responsible for their own investment decisions. To help meet these varying needs, the VRS unbundled DC plans seek to provide participants with an array of investment choices across a range of asset classes, risk levels, and investment strategies so they can construct and/or invest in portfolios that address their individual needs, and do so using investment vehicles and structures that provide competitive risk-adjusted returns at a reasonable cost. Additionally, institutionally priced out-of-plan and/or in-plan guaranteed or non-guaranteed retirement income solutions may be made available.

The Board recognizes that DC plan participants have varying levels of investment knowledge and/or interest in actively managing their investments. The following organizational framework has been designed to categorize the types of investment options available to VRS unbundled DC plan participants:

- *Do-It-For-Me Investors:* These investors may have limited investment knowledge, confidence, or interest in managing their investments. For whatever reason, they prefer a pre-packaged, diversified investment option that has been designed to reasonably fit most people of their ages and retirement planning horizons. To meet this need, a series of Target Date Portfolios is made available whose investment policy, glide paths, and investment strategies are expected to meet the general needs of the average DC plan participant, based on a periodic analysis of the demographic characteristics of participants and the long-term investment opportunity set.

- *Help-Me-Do-It Investors:* These investors have some knowledge of investments and want to be more involved in structuring their portfolios, but they would like the ability to pick from a menu of fund options that have been screened by VRS and for which investment fees and expenses have been negotiated to institutional price levels through VRS bargaining power. To meet this need, a menu of Core Investment Options is made available, each targeted to a different asset class or strategy. The core fund lineup will generally consist of funds representing the constituent asset classes included in the target date portfolios, but there may be funds included in the core lineup that are not included in the target date portfolios, and vice versa.
- *Do-It-Myself Investors:* Some investors are very knowledgeable and/or desire to take a very active approach to their investments, and therefore may desire investment alternatives in addition to those offered as part of the Target Date Portfolios or Core Investment Options. To meet this need, a self-directed brokerage account (SDBA) is made available to self-designated knowledgeable investors who are willing to accept all risks, costs, and operational rules and procedures related to participating in a SDBA.

2. Decision Making

The Board is responsible for the following:

- Selection of the default investment option. (Appendix 1)
- Within Target Date Portfolios, ensuring a robust process is used to establish the glide path's asset allocation and to determine which asset classes and strategies to include. (Appendix 1)
- Within the Core Investment Options, included asset classes. (Appendix 2)
- Whether to offer a Self-Directed Brokerage Account (SDBA). (Appendix 3)
- Whether individual investment advice and/or managed accounts will be provided and the terms on which it will be available to participants.

Beyond these guidelines, the Board delegates to the Chief Investment Officer (CIO) all other decisions related to VRS unbundled defined contribution investments. Changes that are contemplated are expected to be done with due consideration of administrative needs as to the operations, outreach, and communications, etc. The CIO or a designee will report regularly to the Defined Contribution Plans Advisory Committee (DCPAC) and Board on the status and investment results of the DC investment program. Included in such reporting will be performance benchmarks selected by the CIO to appropriately measure or compare the risk and investment objectives of the various investment options.

In carrying out its fiduciary duty to oversee DC investments, the Board will consider advice and recommendations provided by the DCPAC. The specific duties and responsibilities of the DCPAC are described in the DCPAC Charter.

Additionally, the Board developed a set of ~~twelve~~ Defined Contribution Plans Investment Belief Statements intended to help guide the strategic management of the VRS DC investment program.

(Continued)

3. Plan Level Policies

The CIO has full authority to hire and terminate investment managers and negotiate or renegotiate fees. The CIO shall develop policies and procedures for hiring, monitoring, and terminating investment managers and other ~~investment related~~[investment-related](#) service providers. The CIO shall also develop procedures for appropriate mapping of plan assets and/or funds as situations arise. Mapping means the transfer of assets from a discontinued investment option or terminated investment manager to another investment option or investment manager under the DC plans. The CIO works with the Director to coordinate implementation relating to changes to the unbundled DC plans investment program and may consult with the DCPAC as needed.

The CIO is responsible for ensuring that adequate due diligence is being performed in the evaluation of potential and existing investments, and that all investment activity will be in compliance with applicable regulatory requirements.

4. Trading Restrictions and Redemption Fees

The Board and the investment managers may impose restrictions and/or fees that discourage investment trading that could have an adverse impact on the management of a fund, other plan participants, or clients of the fund's management.

5. Authority to Execute Contracts

The CIO and the Chief Administrative Officer (CAO) have full authority to execute contracts on behalf of VRS, provided that any contract relating directly to an investment decision must be approved by the CIO. Such contracts may include, but not be limited to, investment management contracts, subscription agreements, service agreements and consulting contracts.

5.6. Best Execution

Generally, all investment transactions executed on behalf of the plans should be made on the basis of best execution. VRS defines best execution as the process and price that results in the best overall performance impact, as judged by the portfolio manager, taking into account current market conditions. VRS will generally discourage the use of soft dollar arrangements, and where such arrangements are utilized, staff will review this usage for reasonableness.

7. Foreign Adversaries

VRS will mitigate its direct and indirect economic exposure to foreign adversaries as identified by federal agencies involved in law enforcement, national security, security regulation, and economic policies related to the economic activities of U.S. persons. The Board delegates to the CIO all decisions relating to the implementation and administration of such exposure.

6.8. Use of Consultants/Service Providers

The CIO has the authority to hire consultants, research providers, and other service providers providing that such expenditures [are in alignment align](#) with the Board-approved operating budget.

7.9. Code of Ethics

The investment staff will conduct its affairs in a manner that reflects the highest standards of ethical conduct. The staff is expected to comply with the [CFA Institute of Code of Ethics and Standards of Professional Conduct](#).

Target Date Portfolios As of April 23, 2026 ~~—November 14, 2013~~ Appendix 1

A series of target date portfolios with investment policy glide paths and investment strategies that are expected to meet the general needs of the average DC plan participant in different age cohorts is offered through the plans. A glide path represents the changes made to the asset allocation mix over time as the target date approaches. There is a higher equity allocation in the longer dated portfolios because of the long-term investment time horizon. Over time, the equity allocation decreases as the investment time horizon decreases.

The Board expects target date portfolios to be broadly diversified. These portfolios may include exposure to various sub-segments of the broad asset classes as well as to alternative asset classes as determined by the target date provider using reasonable optimization techniques to measure the risk/reward trade off. Asset classes used within target date portfolios may include: large cap domestic equity, small/mid cap domestic equity, international equity, emerging market equity and debt, domestic core fixed income, high-yield bonds, inflation-protected securities, international/global fixed income, commodities, real estate, and cash. A target date portfolio is not required to include each of these asset classes and may include other asset classes. If feasible, a retirement income solution may be incorporated within those portfolios near, at and through retirement.

The target date portfolios' glide paths shall be based on sound investment theory and investment methodology as well as reasonable capital market assumptions. Plan demographics shall be taken into consideration when developing a custom glide path or selecting an off-the-shelf provider. Based on work done by a consultant together with VRS staff, advice from the DCPAC, and general investment philosophy of VRS, the Board expects to employ a glide path that is more on the conservative side of the target date portfolios available at the time of the study. The percentage allocation to equities in a more conservative glide path is comparatively lower than that of an aggressive glide path at retirement.

The target date portfolios serve as the unbundled DC plans default investment option.

Asset Classes: Core Funds

As of **April 23, 2026**

~~November 14, 2013~~

Appendix 2

Core investment options shall represent the broad asset classes available in the capital markets to the extent they are practical and, when prudent, certain sub-asset classes. The core fund lineup will generally consist of funds representing the constituent asset classes included in the target date portfolios, but there may be funds included in the core lineup that are not included in the target date portfolios, and vice versa. From time-to-time additional asset classes may be added or existing asset classes may be deleted in order to maintain an array of investment options that address participants' changing needs or changes in the investment industry. If feasible, retirement income solutions may be included as part of the menu of core investment options.

The Board delegates to the CIO decisions as to 1) whether a fund investment option shall utilize a passive or active investment strategy or a combination of both; 2) whether a fund should exhibit a large, mid, or small capitalization structure or a combination thereof; 3) whether a fund should exhibit a growth, value, blended style, or targeted volatility orientation; 4) whether a fund should have a single investment manager or use multiple investment managers or firms; and 5) whether a fund invests in a single asset class or more than one asset class.

The following asset class categories are considered for possible inclusion in the plans:

Capital Preservation

- Money Market
- Stable Value

Fixed Income

- Investment grade (short-term, intermediate, long-term)
- Inflation-Protected
- High-Yield
- International/Global

Global Public Equity

- U.S. Equity
- Non-U.S. Developed Equity
- Emerging Equity

Real Estate (public & private)

Asset Allocation

- VRS unitized investment portfolio (VRSIP) – includes all asset classes utilized in the VRS investment portfolio.

Self-Directed Brokerage Account
As of ~~November 14, 2013~~ April 23,
2026
Appendix 3

A Self-Directed Brokerage Account (SDBA) is available for self-designated knowledgeable investors who acknowledge and understand the SDBA's operational rules and procedures as well as the risks and costs associated with the investments allowed in the SDBA. Subject to limitations imposed by the SDBA provider, allowable SDBA investments include mutual funds, exchange traded funds (ETFs) and individual securities. Participants must complete the SDBA enrollment materials prior to investing in the SDBA.

The SDBA is made available through the plans' third-party administrator ~~/(record keeping contract)~~ and is not contracted for separately. The third-party administrator ~~/(record keeper)~~ may change the SDBA provider from time to time.



APPROVED BY THE BOARD OF TRUSTEES: EFFECTIVE APRIL 23, 2026*

The Virginia Retirement System (VRS) sponsors several primary and supplemental defined contribution (DC) plans. Most plans operate fully under an unbundled (open architecture) approach whereby the investment function is contracted separately from the recordkeeping, enrollment and marketing functions. The purposes of the plans are set forth in the Plan Documents and Master Trusts, which are accessible on the VRS website at dcpemployers.varetire.org.

This Investment Policy Statement has been adopted by the VRS Board of Trustees (Board) to provide guidelines for the investment offerings under an unbundled plan construct. Plans using an unbundled structure approach include the Deferred Compensation Plan of the Commonwealth of Virginia, the Virginia Cash Match Plan, the Optional Retirement Plan of the Commonwealth of Virginia for Political Appointees, the Optional Retirement Plan of the Commonwealth of Virginia for Public School Superintendents, the Virginia Supplemental Retirement Plan, the defined contribution component of the Hybrid Retirement Plan and the Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education.

1. Investment Objectives

In a defined contribution investment program, each participant has his or her own risk tolerance, time horizon and investment objectives. Participants are responsible for their own investment decisions. To help meet these varying needs, the VRS unbundled DC plans seek to provide participants with an array of investment choices across a range of asset classes, risk levels, and investment strategies so they can construct and/or invest in portfolios that address their individual needs, and do so using investment vehicles and structures that provide competitive risk-adjusted returns at a reasonable cost. Additionally, institutionally priced out-of-plan and/or in-plan guaranteed or non-guaranteed retirement income solutions may be made available.

The Board recognizes that DC plan participants have varying levels of investment knowledge and/or interest in actively managing their investments. The following organizational framework has been designed to categorize the types of investment options available to VRS unbundled DC plan participants:

- *Do-It-For-Me Investors:* These investors may have limited investment knowledge, confidence, or interest in managing their investments. For whatever reason, they prefer a pre-packaged, diversified investment option that has been designed to reasonably fit most people of their ages and retirement planning horizons. To meet this need, a series of Target Date Portfolios is made available whose investment policy, glide paths, and investment strategies are expected to meet the general needs of the average DC plan participant, based on a periodic analysis of the demographic characteristics of participants and the long-term investment opportunity set.

* Originally adopted February 16, 2012. Amended November 14, 2013, February 9, 2017, January 2, 2020 and April 23, 2026.

- *Help-Me-Do-It Investors:* These investors have some knowledge of investments and want to be more involved in structuring their portfolios, but they would like the ability to pick from a menu of fund options that have been screened by VRS and for which investment fees and expenses have been negotiated to institutional price levels through VRS bargaining power. To meet this need, a menu of Core Investment Options is made available, each targeted to a different asset class or strategy. The core fund lineup will generally consist of funds representing the constituent asset classes included in the target date portfolios, but there may be funds included in the core lineup that are not included in the target date portfolios, and vice versa.
- *Do-It-Myself Investors:* Some investors are very knowledgeable and/or desire to take a very active approach to their investments, and, therefore, may desire investment alternatives in addition to those offered as part of the Target Date Portfolios or Core Investment Options. To meet this need, a self-directed brokerage account (SDBA) is made available to self-designated knowledgeable investors who are willing to accept all risks, costs, and operational rules and procedures related to participating in a SDBA.

2. Decision Making

The Board is responsible for the following:

- Selection of the default investment option. (Appendix 1)
- Within Target Date Portfolios, ensuring a robust process is used to establish the glide path's asset allocation and to determine which asset classes and strategies to include. (Appendix 1)
- Within the Core Investment Options, included asset classes. (Appendix 2)
- Whether to offer a Self-Directed Brokerage Account (SDBA). (Appendix 3)
- Whether individual investment advice and/or managed accounts will be provided and the terms on which it will be available to participants.

Beyond these guidelines, the Board delegates to the Chief Investment Officer (CIO) all other decisions related to VRS unbundled defined contribution investments. Changes that are contemplated are expected to be done with due consideration of administrative needs as to the operations, outreach, and communications, etc. The CIO or a designee will report regularly to the Defined Contribution Plans Advisory Committee (DCPAC) and Board on the status and investment results of the DC investment program. Included in such reporting will be performance benchmarks selected by the CIO to appropriately measure or compare the risk and investment objectives of the various investment options.

In carrying out its fiduciary duty to oversee DC investments, the Board will consider advice and recommendations provided by the DCPAC. The specific duties and responsibilities of the DCPAC are described in the DCPAC Charter.

Additionally, the Board developed a set of Defined Contribution Plans Investment Belief Statements intended to help guide the strategic management of the VRS DC investment program.

(Continued)

3. Plan Level Policies

The CIO has full authority to hire and terminate investment managers and negotiate or renegotiate fees. The CIO shall develop policies and procedures for hiring, monitoring and terminating investment managers and other investment-related service providers. The CIO shall also develop procedures for appropriate mapping of plan assets and/or funds as situations arise. Mapping means the transfer of assets from a discontinued investment option or terminated investment manager to another investment option or investment manager under the DC plans. The CIO works with the Director to coordinate implementation relating to changes to the unbundled DC plans investment program and may consult with the DCPAC as needed.

The CIO is responsible for ensuring that adequate due diligence is being performed in the evaluation of potential and existing investments, and that all investment activity will be in compliance with applicable regulatory requirements.

4. Trading Restrictions and Redemption Fees

The Board and the investment managers may impose restrictions and/or fees that discourage investment trading that could have an adverse impact on the management of a fund, other plan participants, or clients of the fund's management.

5. Authority to Execute Contracts

The CIO and the Chief Administrative Officer (CAO) have full authority to execute contracts on behalf of VRS, provided that any contract relating directly to an investment decision must be approved by the CIO. Such contracts may include, but not be limited to, investment management contracts, subscription agreements, service agreements and consulting contracts.

6. Best Execution

Generally, all investment transactions executed on behalf of the plans should be made on the basis of best execution. VRS defines best execution as the process and price that results in the best overall performance impact, as judged by the portfolio manager, taking into account current market conditions. VRS will generally discourage the use of soft dollar arrangements, and where such arrangements are utilized, staff will review this usage for reasonableness.

7. Foreign Adversaries

VRS will mitigate its direct and indirect economic exposure to foreign adversaries as identified by federal agencies involved in law enforcement, national security, security regulation, and economic policies related to the economic activities of U.S. persons. The Board delegates to the CIO all decisions relating to the implementation and administration of such exposure.

8. Use of Consultants/Service Providers

The CIO has the authority to hire consultants, research providers, and other service providers providing that such expenditures align with the Board-approved operating budget.

9. Code of Ethics

The investment staff will conduct its affairs in a manner that reflects the highest standards of ethical conduct. The staff is expected to comply with the [CFA Institute of Code of Ethics and Standards of Professional Conduct](#).

Target Date Portfolios As of April 23, 2026 Appendix 1

A series of target date portfolios with investment policy glide paths and investment strategies that are expected to meet the general needs of the average DC plan participant in different age cohorts is offered through the plans. A glide path represents the changes made to the asset allocation mix over time as the target date approaches. There is a higher equity allocation in the longer dated portfolios because of the long-term investment time horizon. Over time, the equity allocation decreases as the investment time horizon decreases.

The Board expects target date portfolios to be broadly diversified. These portfolios may include exposure to various sub-segments of the broad asset classes as well as to alternative asset classes as determined by the target date provider using reasonable optimization techniques to measure the risk/reward trade off. Asset classes used within target date portfolios may include: large cap domestic equity; small/mid cap domestic equity; international equity; emerging market equity and debt; domestic core fixed income; high-yield bonds; inflation-protected securities; international/global fixed income; commodities; real estate; and cash. A target date portfolio is not required to include each of these asset classes and may include other asset classes. If feasible, a retirement income solution may be incorporated within those portfolios near, at and through retirement.

The target date portfolios' glide paths shall be based on sound investment theory and investment methodology as well as reasonable capital market assumptions. Plan demographics shall be taken into consideration when developing a custom glide path or selecting an off-the-shelf provider. Based on work done by a consultant together with VRS staff, advice from the DCPAC, and general investment philosophy of VRS, the Board expects to employ a glide path that is more on the conservative side of the target date portfolios available at the time of the study. The percentage allocation to equities in a more conservative glide path is comparatively lower than that of an aggressive glide path at retirement.

The target date portfolios serve as the unbundled DC plans default investment option.

**Asset Classes: Core Funds
As of April 23, 2026
Appendix 2**

Core investment options shall represent the broad asset classes available in the capital markets to the extent they are practical and, when prudent, certain sub-asset classes. The core fund lineup will generally consist of funds representing the constituent asset classes included in the target date portfolios, but there may be funds included in the core lineup that are not included in the target date portfolios, and vice versa. From time-to-time additional asset classes may be added or existing asset classes may be deleted in order to maintain an array of investment options that address participants' changing needs or changes in the investment industry. If feasible, retirement income solutions may be included as part of the menu of core investment options.

The Board delegates to the CIO decisions as to 1) whether a fund investment option shall utilize a passive or active investment strategy or a combination of both; 2) whether a fund should exhibit a large, mid, or small capitalization structure or a combination thereof; 3) whether a fund should exhibit a growth, value, blended style, or targeted volatility orientation; 4) whether a fund should have a single investment manager or use multiple investment managers or firms; and 5) whether a fund invests in a single asset class or more than one asset class.

The following asset class categories are considered for possible inclusion in the plans:

Capital Preservation

- Money Market
- Stable Value

Fixed Income

- Investment grade (short-term, intermediate, long-term)
- Inflation-Protected
- High-Yield
- International/Global

Global Public Equity

- U.S. Equity
- Non-U.S. Developed Equity
- Emerging Equity

Real Estate (public & private)**Asset Allocation**

- VRS unitized investment portfolio (VRSIP) – includes all asset classes utilized in the VRS investment portfolio.

**Self-Directed Brokerage Account
As of April 23, 2026
Appendix 3**

A Self-Directed Brokerage Account (SDBA) is available for self-designated knowledgeable investors who acknowledge and understand the SDBA's operational rules and procedures as well as the risks and costs associated with the investments allowed in the SDBA. Subject to limitations imposed by the SDBA provider, allowable SDBA investments include mutual funds, exchange traded funds (ETFs) and individual securities. Participants must complete the SDBA enrollment materials prior to investing in the SDBA.

The SDBA is made available through the plans' third-party administrator (record keeping contract) and is not contracted for separately. The third-party administrator (record keeper) may change the SDBA provider from time to time.



**APPROVED BY THE BOARD OF TRUSTEES:
EFFECTIVE ~~JANUARY~~ APRIL 23, 2026***

This Investment Policy Statement has been adopted by the VRS Board of Trustees (Board) to provide guidelines for the investment offerings provided to participants of the Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education (ORPHE) when a bundled plan construct is utilized. The purpose of the plan is set forth in the Plan Document and Master Trust, which are accessible on the VRS website at dcpemployers.varetire.org. Bundled plans use the same company for investments, recordkeeping, enrollment and marketing services. A bundled plan provider's investment platform may include the provider's proprietary investment options as well as non-proprietary options.

1. Investment Objectives

In a defined contribution (DC) investment program, each participant has his or her own risk tolerance, time horizon and investment objectives. Participants are responsible for their own investment decisions. To help meet these varying needs, the VRS ORPHE seeks to provide participants with an array of investment choices across a range of asset classes, risk levels, and investment strategies so they can construct and/or invest in portfolios that address their individual needs, and do so using investment vehicles and structures that provide competitive risk-adjusted returns at a reasonable cost within a bundled plan construct. Additionally, institutionally priced out-of-plan and/or in-plan guaranteed or non-guaranteed retirement income solutions may be made available.

The Board recognizes that DC plan participants have varying levels of investment knowledge and/or interest in actively managing their investments, and, therefore, may desire investment alternatives in addition to those offered as part of a core investment lineup. To meet this need, a self-directed brokerage account (SDBA) is made available to self-designated knowledgeable investors who are willing to accept all risks, costs, and operational rules and procedures related to participating in a SDBA.

2. Decision Making

The Board is responsible for the following:

- Selection of the plan default investment option. (Appendix 1)
- Within the fund lineup, included asset classes. (Appendix 2)
- Whether to offer a Self-Directed Brokerage Account (SDBA). (Appendix 3)
- Whether individual investment advice will be provided and the terms on which it will be available to participants.

(Continued)

Beyond these guidelines, the Board delegates to the Chief Investment Officer (CIO) all other investment decisions related to the ORPHE as it relates to the bundled plan structure. The CIO or a designee will report regularly to the Defined Contribution Plans Advisory Committee (DCPAC) and Board on the status and investment results of the investment program. Included in such reporting will be performance benchmarks selected by the CIO to appropriately measure or compare the risk and investment objectives of the various investment options.

In carrying out its fiduciary duty to oversee DC investments, the Board will consider advice and recommendations provided by the DCPAC. The specific duties and responsibilities of the DCPAC are described in the DCPAC Charter.

Additionally, the Board developed a set of ~~twelve~~ Defined Contribution Plans Investment Belief Statements intended to help guide the strategic management of the VRS DC investment program.

3. Plan Level Policies

The CIO shall work with the VRS Director and the DCPAC ~~relative to when~~ hiring and terminating a bundled plan provider. The CIO has full authority to select or eliminate fund options within a bundled plan provider's investment program using reasonable processes and to negotiate or renegotiate investment fees. The CIO shall also develop procedures for appropriate mapping of bundled plan assets and/or funds as situations arise. Mapping means the transfer of assets from a discontinued investment option or terminated provider to another investment option or provider under the ORPHE. The CIO works with the Director to coordinate implementation relating to changes to the bundled plan investment program and may consult with the DCPAC as needed.

The CIO is responsible for ensuring that adequate due diligence is ~~being performed in the evaluation of when evaluating~~ potential and existing investments, and that all investment activity will be in compliance with applicable regulatory requirements.

4. Trading Restrictions and Redemption Fees

The Board and the bundled plan provider(s) may impose restrictions and/or fees that discourage investment trading that could have an adverse impact on the management of a fund, other participants, or clients of the provider companies.

(Continued)

5. Best Execution

Taking into consideration the nature of a bundled DC plan structure, generally all investment transactions executed on behalf of the plan should be made on the basis of best execution. VRS defines best execution as the process and price that results in the best overall performance impact, as judged by the portfolio manager, taking into account current market conditions. VRS will generally discourage the use of soft dollar arrangements, and where such arrangements are utilized, staff will review this usage for reasonableness.

6. Foreign Adversaries

VRS will mitigate its direct and indirect economic exposure to foreign adversaries as identified by federal agencies involved in law enforcement, national security, security regulation, and economic policies related to the economic activities of U.S. persons. The Board delegates to the CIO all decisions relating to the implementation and administration of such exposure.

6.7. Use of Consultants/Service Providers

The CIO has the authority to hire consultants, research providers, and other service providers providing that such expenditures are in alignment with the Board-approved operating budget.

7.8. Code of Ethics

The investment staff will conduct its affairs in a manner that reflects the highest standards of ethical conduct. The staff is expected to comply with the CFA Institute of Code of Ethics and Standards of Professional Conduct.

Default Investment Option
Effective January 2, 2020
Appendix 1

TIAA-CREF Program: BlackRock LifePath Index Funds

Asset Classes: Investment Options **Effective ~~April 23, 2026~~ November** **~~14, 2013~~** **Appendix 2**

Investment options shall represent the broad asset classes available in the capital markets to the extent they are practical and, when prudent, certain sub-asset classes. From time to time additional asset classes may be added, or existing asset classes may be deleted in order to maintain an array of investment options that address participants' changing needs or changes in the investment industry. If feasible, retirement income solutions may be included as part of the menu of core investment options and embedded within asset allocation funds (i.e., target date funds).

The Board notes that due to the nature of the bundled plan structure, investment decisions are limited to investment options that are, or can be made, available on a provider's investment platform. It is possible that bundled plan constraints may limit the scope of investment options available to participants, limit access to more attractive options within the asset classes and limit the extent to which negotiations can be made relative to investment management and investment related fees.

The Board delegates to the CIO decisions as to 1) whether a fund investment option shall utilize a passive or active investment strategy or a combination of both; 2) whether a fund should exhibit a large, mid, or small capitalization structure or a combination thereof; 3) whether a fund should exhibit a growth, value, blended style, or targeted volatility orientation; 4) whether a fund should have a single investment manager or use multiple investment managers or firms and; 5) whether a fund invests in a single asset class or more than one asset class.

The following asset class categories are considered for possible inclusion in the plan:

Capital Preservation

- Money Market
- Stable Value
- Fixed Annuity

Fixed Income

- Investment grade (short-term, intermediate, long-term)
- Inflation-Protected
- High-Yield
- International/Global

Global Public Equity

- U.S. Equity
- Non-U.S. Developed Equity
- Emerging Equity

Real Estate (public & private)

Asset Allocation

- Target Date
- Risk Based

(Continued)

Asset Classes: Investment Options**Effective ~~April 23, 2026~~ November
14, 2013****Appendix 2 (continued)**

The Board expects asset allocation funds to be diversified portfolios. These portfolios may include exposure to various sub-segments of the broad asset classes as well as to alternative asset classes as determined by the provider company using reasonable optimization techniques to measure the risk/reward trade off. Asset classes used within asset allocation funds may include: large cap domestic equity, small/mid cap domestic equity, international equity, emerging market equity and debt, domestic core fixed income, high-yield bonds, inflation-protected securities, international/global fixed income, commodities, real estate and cash. An asset allocation fund is not required to include each of these asset classes and may include other asset classes. Glide paths for target date portfolios shall be based on sound investment theory and investment methodology as well as reasonable capital market assumptions. A glide path represents the changes made to the asset allocation mix over time as the target date approaches. There is a higher equity allocation in the longer dated portfolios because of the long-term investment time horizon. Over time, the equity allocation decreases as the investment time horizon decreases.

Self-Directed Brokerage Account
Effective ~~April 23, 2026~~ February
9, 2017
Appendix 3

A Self-Directed Brokerage Account (SDBA) is made available through the plan's bundled provider(s) and is not contracted for separately. A bundled plan provider may change its SDBA provider from time to time.

The SDBA is available for self-designated knowledgeable investors who acknowledge and understand the SDBA's operational rules and procedures as well as the risks and costs associated with the investments allowed in the SDBA. Subject to limitations imposed by the SDBA provider, allowable investments include mutual funds, exchange traded funds (ETFs) and individual securities. Participants must complete the SDBA enrollment materials prior to investing in the SDBA.



APPROVED BY THE BOARD OF TRUSTEES: EFFECTIVE APRIL 23, 2026*

This Investment Policy Statement has been adopted by the VRS Board of Trustees (Board) to provide guidelines for the investment offerings provided to participants of the Optional Retirement Plan of the Commonwealth of Virginia for Employees of Institutions of Higher Education (ORPHE) when a bundled plan construct is utilized. The purpose of the plan is set forth in the Plan Document and Master Trust, which are accessible on the VRS website at dcpemployers.varetire.org. Bundled plans use the same company for investments, recordkeeping, enrollment and marketing services. A bundled plan provider's investment platform may include the provider's proprietary investment options as well as non-proprietary options.

1. Investment Objectives

In a defined contribution (DC) investment program, each participant has his or her own risk tolerance, time horizon and investment objectives. Participants are responsible for their own investment decisions. To help meet these varying needs, the VRS ORPHE seeks to provide participants with an array of investment choices across a range of asset classes, risk levels, and investment strategies so they can construct and/or invest in portfolios that address their individual needs, and do so using investment vehicles and structures that provide competitive risk-adjusted returns at a reasonable cost within a bundled plan construct. Additionally, institutionally priced out-of-plan and/or in-plan guaranteed or non-guaranteed retirement income solutions may be made available.

The Board recognizes that DC plan participants have varying levels of investment knowledge and/or interest in actively managing their investments, and, therefore, may desire investment alternatives in addition to those offered as part of a core investment lineup. To meet this need, a self-directed brokerage account (SDBA) is made available to self-designated knowledgeable investors who are willing to accept all risks, costs, and operational rules and procedures related to participating in a SDBA.

2. Decision Making

The Board is responsible for the following:

- Selection of the plan default investment option. (Appendix 1)
- Within the fund lineup, included asset classes. (Appendix 2)
- Whether to offer a Self-Directed Brokerage Account (SDBA). (Appendix 3)
- Whether individual investment advice will be provided and the terms on which it will be available to participants.

(Continued)

* Originally adopted February 16, 2012. Amended November 14, 2013, February 9, 2017, January 2, 2020 and April 23, 2026.

Beyond these guidelines, the Board delegates to the Chief Investment Officer (CIO) all other investment decisions related to the ORPHE as it relates to the bundled plan structure. The CIO or a designee will report regularly to the Defined Contribution Plans Advisory Committee (DCPAC) and Board on the status and investment results of the investment program. Included in such reporting will be performance benchmarks selected by the CIO to appropriately measure or compare the risk and investment objectives of the various investment options.

In carrying out its fiduciary duty to oversee DC investments, the Board will consider advice and recommendations provided by the DCPAC. The specific duties and responsibilities of the DCPAC are described in the DCPAC Charter.

Additionally, the Board developed a set of Defined Contribution Plans Investment Belief Statements intended to help guide the strategic management of the VRS DC investment program.

3. Plan Level Policies

The CIO shall work with the VRS Director and the DCPAC when hiring and terminating a bundled plan provider. The CIO has full authority to select or eliminate fund options within a bundled plan provider's investment program using reasonable processes and to negotiate or renegotiate investment fees. The CIO shall also develop procedures for appropriate mapping of bundled plan assets and/or funds as situations arise. Mapping means the transfer of assets from a discontinued investment option or terminated provider to another investment option or provider under the ORPHE. The CIO works with the Director to coordinate implementation relating to changes to the bundled plan investment program and may consult with the DCPAC as needed.

The CIO is responsible for ensuring that adequate due diligence is performed when evaluating potential and existing investments, and that all investment activity will be in compliance with applicable regulatory requirements.

4. Trading Restrictions and Redemption Fees

The Board and the bundled plan provider(s) may impose restrictions and/or fees that discourage investment trading that could have an adverse impact on the management of a fund, other participants, or clients of the provider companies.

(Continued)

5. Best Execution

Taking into consideration the nature of a bundled DC plan structure, generally all investment transactions executed on behalf of the plan should be made on the basis of best execution. VRS defines best execution as the process and price that results in the best overall performance impact, as judged by the portfolio manager, taking into account current market conditions. VRS will generally discourage the use of soft dollar arrangements, and where such arrangements are utilized, staff will review this usage for reasonableness.

6. Foreign Adversaries

VRS will mitigate its direct and indirect economic exposure to foreign adversaries as identified by federal agencies involved in law enforcement, national security, security regulation and economic policies related to the economic activities of U.S. persons. The Board delegates to the CIO all decisions relating to the implementation and administration of such exposure.

7. Use of Consultants/Service Providers

The CIO has the authority to hire consultants, research providers and other service providers providing that such expenditures align with the Board-approved operating budget.

8. Code of Ethics

The investment staff will conduct its affairs in a manner that reflects the highest standards of ethical conduct. The staff is expected to comply with the [CFA Institute of Code of Ethics and Standards of Professional Conduct](#).

Default Investment Option
Effective January 2, 2020
Appendix 1

TIAA-CREF Program: BlackRock LifePath Index Funds

**Asset Classes: Investment Options
Effective April 23, 2026
Appendix 2**

Investment options shall represent the broad asset classes available in the capital markets to the extent they are practical and, when prudent, certain sub-asset classes. From time to time additional asset classes may be added, or existing asset classes may be deleted in order to maintain an array of investment options that address participants' changing needs or changes in the investment industry. If feasible, retirement income solutions may be included as part of the menu of core investment options and embedded within asset allocation funds (i.e., target date funds).

The Board notes that due to the nature of the bundled plan structure, investment decisions are limited to investment options that are, or can be made, available on a provider's investment platform. It is possible that bundled plan constraints may limit the scope of investment options available to participants, limit access to more attractive options within the asset classes and limit the extent to which negotiations can be made relative to investment management and investment related fees.

The Board delegates to the CIO decisions as to 1) whether a fund investment option shall utilize a passive or active investment strategy or a combination of both; 2) whether a fund should exhibit a large, mid, or small capitalization structure or a combination thereof; 3) whether a fund should exhibit a growth, value, blended style, or targeted volatility orientation; 4) whether a fund should have a single investment manager or use multiple investment managers or firms and; 5) whether a fund invests in a single asset class or more than one asset class.

The following asset class categories are considered for possible inclusion in the plan:

Capital Preservation

- Money Market
- Stable Value
- Fixed Annuity

Fixed Income

- Investment grade (short-term, intermediate, long-term)
- Inflation-Protected
- High-Yield
- International/Global

Global Public Equity

- U.S. Equity
- Non-U.S. Developed Equity
- Emerging Equity

Real Estate (public & private)**Asset Allocation**

- Target Date
- Risk Based

(Continued)

Asset Classes: Investment Options
Effective April 23, 2026
Appendix 2 *(continued)*

The Board expects asset allocation funds to be diversified portfolios. These portfolios may include exposure to various sub-segments of the broad asset classes as well as to alternative asset classes as determined by the provider company using reasonable optimization techniques to measure the risk/reward trade off. Asset classes used within asset allocation funds may include: large cap domestic equity, small/mid cap domestic equity, international equity, emerging market equity and debt, domestic core fixed income, high-yield bonds, inflation-protected securities, international/global fixed income, commodities, real estate and cash. An asset allocation fund is not required to include each of these asset classes and may include other asset classes. Glide paths for target date portfolios shall be based on sound investment theory and investment methodology as well as reasonable capital market assumptions. A glide path represents the changes made to the asset allocation mix over time as the target date approaches. There is a higher equity allocation in the longer dated portfolios because of the long-term investment time horizon. Over time, the equity allocation decreases as the investment time horizon decreases.

**Self-Directed Brokerage Account
Effective April 23, 2026
Appendix 3**

A Self-Directed Brokerage Account (SDBA) is made available through the plan's bundled provider(s) and is not contracted for separately. A bundled plan provider may change its SDBA provider from time to time.

The SDBA is available for self-designated knowledgeable investors who acknowledge and understand the SDBA's operational rules and procedures as well as the risks and costs associated with the investments allowed in the SDBA. Subject to limitations imposed by the SDBA provider, allowable investments include mutual funds, exchange traded funds (ETFs) and individual securities. Participants must complete the SDBA enrollment materials prior to investing in the SDBA.

Thank you!





**Approve revised Defined Contribution Plans
Investment Belief Statements.**

Requested Action

The VRS Board of Trustees approves the revised Defined Contribution Plans Investment Belief Statements effective April 23, 2026.

Description/Background

The VRS Board of Trustees approved the current Defined Contribution Plans Investment Belief Statements on September 21, 2021.

As a result of the implementation of the VRS Foreign Adversaries Policy, staff performed an internal review of the Defined Contribution Plans Investment Belief Statements. Both a red line and black line version of the revised Defined Contribution Plans Investment Belief Statements are attached.

Rationale for Requested Action

The proposed revision adds a reference to the VRS Foreign Adversaries Policy to the Defined Contribution Plans Investment Belief Statements.

Authority for Requested Action

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

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date



Approve revised Unbundled and Bundled Defined Contribution Plans Investment Policy Statements.

Requested Action

The VRS Board of Trustees approves the revised VRS Investment Policy Statement for an Unbundled Defined Contribution Plan Structure and the revised VRS Investment Policy Statement for a Bundled Defined Contribution Plan Structure effective April 23, 2026.

Description/Background

The VRS Board of Trustees approved the current Unbundled Plan and Bundled Plan Investment Policy Statements on January 2, 2020.

As a result of the implementation of the VRS Foreign Adversaries Policy, staff performed an internal review of the Unbundled Plan and Bundled Plan Investment Policy Statements. Both a red line and black line version of the revised Investment Policy Statements are attached.

Rationale for Requested Action

The proposed revisions adds a Foreign Adversaries section as well as other updates to address the current needs of the plans to the VRS Investment Policy Statement for an Unbundled Defined Contribution Plan Structure and the VRS Investment Policy Statement for a Bundled Defined Contribution Plan Structure.

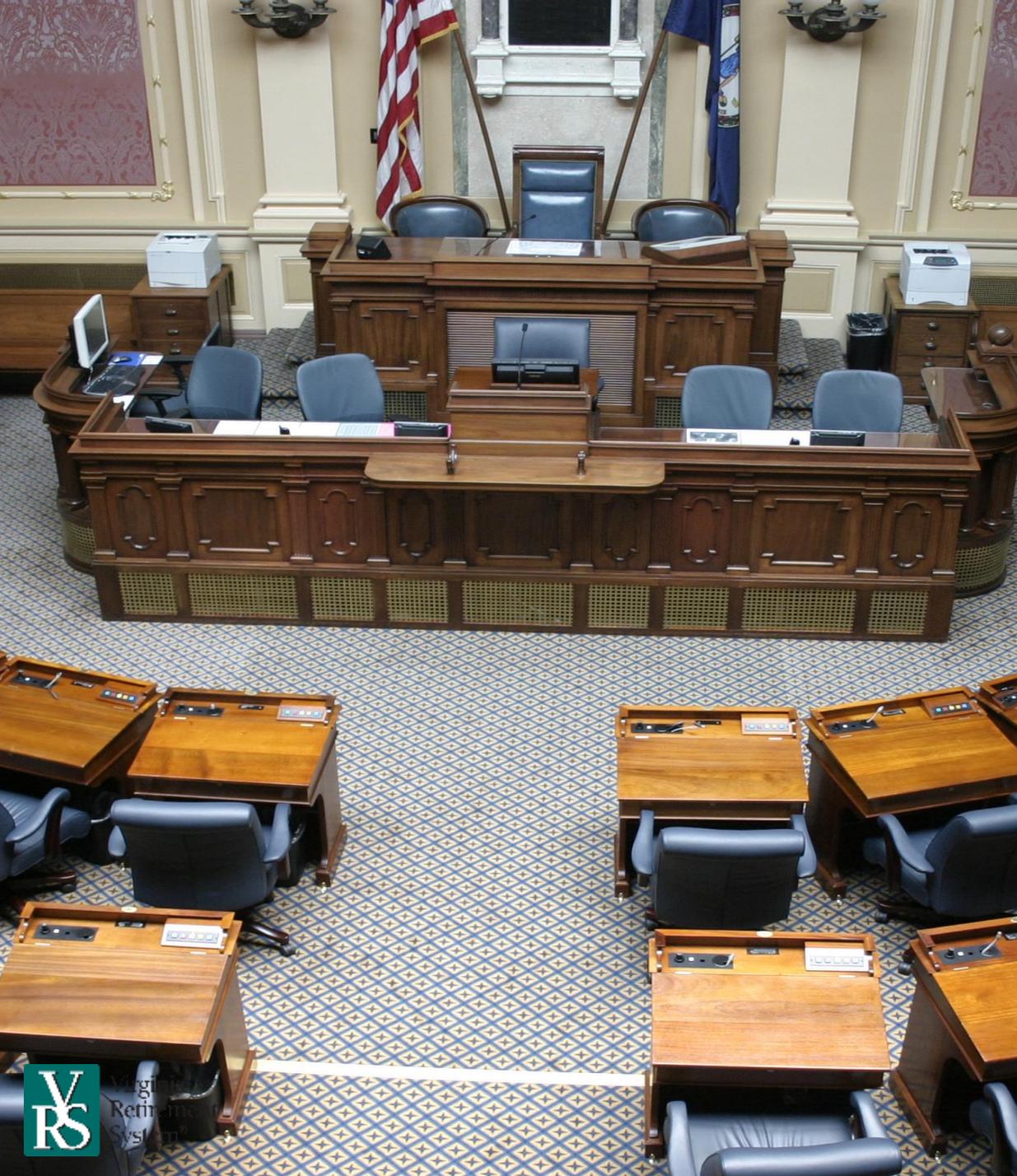
Authority for Requested Action

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

The above action is approved.

A. Scott Andrews, Chair
VRS Board of Trustees

Date



2026 Legislation*

*Updated through 2/26/2026 am

General Assembly

- The General Assembly convened on January 14.
- Crossover was February 17, which was the final day for each chamber to complete work on its own legislation.
- This is a long session, so a budget will be passed.
- Session concludes on March 14.



2026 VRS-Related Bill

VRS [PPS]

Bill Number	Patron	Description
HB 139	Simonds	<p>Requires each school board to adopt a policy that requires the school board to approve unpaid educational leave for school board employees who are state employee association officers and for at least two school board employees who are local employee association officers for a maximum of four years per officer. The bill permits employee association officers approved for such leave to purchase service credit with the Virginia Retirement System for such period of leave.</p> <p>A substitute was introduced changing provisions for school boards, however the bill and substitute codify for school board employees the existing VRS PPS policy regarding unpaid educational leave.</p>



Board Appointments

Board Appointment

Bill Number	Patron	Description
SJ 72	Rouse	Virginia Retirement System Board of Trustees: John Clifford Foster of Richmond, Virginia, Member, appointed March 14, 2025, for a term of five years beginning March 1, 2025, and ending February 28, 2030, to succeed Michael Disharoon.



Budget- Salary Actions

2026 Introduced Budget and Committee Reports

Salary Actions

Item	Description
Item 469 R(1)(l) HB 30	Out of the appropriation for this item, \$92,321,275 the first year and \$203,442,509 the second year from the general fund is provided to increase the base salary of the following employees by two percent on July 10, 2026 and an additional two percent on June 10, 2027...(l) Full-time employees of ...the Virginia Retirement System.
Item 469 R(5) SB 30	The base rates of pay, and related employee benefits, for wage employees may be increased by up to two percent no earlier than July 10, 2026 and an additional two percent no earlier than June 10, 2027. The cost of such increases for wage employees shall be borne by existing funds appropriated to each agency.
Item 469 #1s SB 30 Amendment	This amendment provides \$48.8 million GF the first year and \$109.0 million GF the second year to increase the proposed two percent salary increase to three percent for state employees included in the introduced budget.
Item 125 #8s SB 30 Amendment	This amendment provides \$63.6 million GF the first year and \$129.7 million GF the second year to increase teacher salaries by 1.0 percent each year, bringing the total teacher salary increase to 3.0 percent each year when combined with the Governor's introduced budget.

Introduced Budget- Contribution Rates



2026 Introduced Budget and Committee Reports

Employer Contribution Rates

Item	Description
Item 469 (H)(1) HB 30	H.1. Contribution rates paid to VRS for the retirement benefits of public school teachers, state employees, state police officers, state judges, and state law enforcement officers eligible for the Virginia Law Officers Retirement System shall be based on a valuation of retirement assets and liabilities that are consistent with the provisions of Title 51.1, Code of Virginia.
Item 469(H)(1) SB 30	2. Retirement defined benefit contribution rates, excluding the applicable employee contribution, shall be: Public school teachers FY 27: 12.20% FY 28: 12.20% State employees FY 27: 11.07% FY 28: 11.07% State Police Officers' Retirement System FY 27: 31.67% FY 28: 31.67% Virginia Law Officers' Retirement System FY 27: 22.60% FY 28: 22.60% Judicial Retirement System FY 27: 30.49% FY 28: 30.49%



Failed Legislation

2026 VRS-Related Bills - Failed

VaLORS

Bill Number	Patron	Description
HB 204	Cherry	Extends membership in the Virginia Law Officers' Retirement System (VaLORS) to emergency dispatchers who are employed by the Department of State Police, Capitol Police, and agencies whose law-enforcement officers are eligible for membership in VaLORS. The bill has a delayed effective date of July 1, 2027, and provides that such membership would apply only to service earned on or after July 1, 2027.
HB 1269	Nivar	

2026 VRS-Related Bills - Failed

VaLORS

Bill Number	Patron	Description
HB 1267	Nivar	Adds (i) full-time sworn members of the enforcement division of the Department of Motor Vehicles, (ii) probation officers employed by the Department of Corrections, (iii) full-time sworn law-enforcement officers employed by the Department of Corrections, and (iv) full-time sworn law-enforcement officers employed by the Department of Juvenile Justice to membership in the Virginia Law Officers' Retirement System. The bill has a delayed effective date of July 1, 2027, and provides that such membership applies only to service earned on or after July 1, 2027.
HB 1055	Phillips	Extends membership in the Virginia Law Officers' Retirement System to full-time sworn unit investigators appointed by the Attorney General. The bill has a delayed effective date of July 1, 2027, and provides that such membership applies only to service earned on or after July 1, 2027.

2026 VRS-Related Bills - Failed

Enhanced Benefits

Bill Number	Patron	Description
HB 205	Cherry	Allows local governments to provide enhanced retirement benefits for hazardous duty service to full-time salaried 911 dispatchers. The bill provides that such enhanced retirement benefits apply only to service earned as a full-time salaried 911 dispatcher on or after July 1, 2027, but allows an employer, as that term is defined in relevant law, to provide such enhanced retirement benefits for service earned as a full-time salaried 911 dispatcher before July 1, 2027, in addition to service earned on or after that date. The bill has a delayed effective date of 7/1/27.
HB 750	Runion	
SB 304	Jordan	
HB 1128	Reid	Allows local governments to provide enhanced retirement benefits for hazardous duty service, other than a hazardous duty supplement, to full-time salaried 911 dispatchers. The bill provides that such enhanced retirement benefits apply only to service earned as a full-time salaried 911 dispatcher on or after July 1, 2027, but allows an employer, as that term is defined in relevant law, to provide such enhanced retirement benefits for service earned as a full-time salaried 911 dispatcher before July 1, 2027, in addition to service earned on or after that date. The bill has a delayed effective date of July 1, 2027.

2026 VRS-Related Bills - Failed

Enhanced Benefits

Bill Number	Patron	Description
SB 154	Hackworth	Virginia Retirement System; enhanced retirement benefits for animal control officers. Adds full-time animal control officers to the list of local employees eligible to receive enhanced retirement benefits for hazardous duty service for service earned in such positions on or after July 1, 2027. Under current law, localities may provide such benefits to first responders, including firefighters and emergency medical technicians, and certain other hazardous duty positions. The bill has a delayed effective date of July 1, 2027.
HB 585	Ballard	Allows local governments to provide enhanced retirement benefits for hazardous duty service to full-time salaried animal control officers and 911 dispatchers. The bill provides that such enhanced retirement benefits apply only to service earned as a full-time salaried animal control officer or 911 dispatcher on or after July 1, 2027, but allows an employer, as that term is defined in relevant law, to provide such enhanced retirement benefits for service earned as a full-time salaried animal control officer or 911 dispatcher before July 1, 2027, in addition to service earned on or after that date. The bill has a delayed effective date of 7/1/27.

2026 VRS-Related Bills - Failed

Enhanced Benefits

Bill Number	Patron	Description
SB 419	Craig	Awards an individual who has reached normal retirement age under the State Police Officers' Retirement System (SPORS) or Virginia Law Officers' Retirement System (VaLORS), as determined by relevant law, one additional year of creditable service for every five full years of creditable service earned (i) as a member of SPORS, (ii) as a member of VaLORS, or (iii) while employed by a locality that has elected to provide SPORS-benefits to its employees. This bill only affects those retirements that take place on or after July 1, 2027.

2026 VRS-Related Bills - Failed

LODA/VaLORS

Bill Number	Patron	Description
SB 238	Head	Permits the Board of Visitors of the Virginia School for the Deaf and the Blind to establish a campus police department, in compliance with the provisions of law relating to campus police departments established by institutions of higher education, and to employ campus police officers therein.

2026 VRS-Related Bills - Failed

LODA

Bill Number	Patron	Description
SB 523	Deeds	Provides that if a deceased person, as that term is defined in the Line of Duty Act, died as a result of certain cancers within 7 years from his date of retirement, his beneficiary shall be entitled to the payment of certain benefits. Under current law, such beneficiary shall be entitled to such payment if the deceased person's death (i) arose out of and in the course of his employment or (ii) was within five years from his date of retirement.

2026 VRS-Related Bills - Failed

Return to Work

Bill Number	Patron	Description
SB 113	Craig	Allows a retired law-enforcement officer to continue to receive his service retirement allowance during a subsequent period of employment by a local law-enforcement agency in a civilian role that does not require law-enforcement certification as a fingerprint examiner, forensics specialist, property and evidence technician, background investigator, or firearms instructor, so long as he has a break in service of at least six calendar months between retirement and reemployment, did not retire under an early retirement program, did not retire under the Workforce Transition Act of 1995, and retired in good standing from his sworn law-enforcement officer position.
HB 1306	Cornett	Reduces from six months to one month the length of the required break in service after retirement for a teacher before such person may return to work full time and continue to receive his pension under the Virginia Retirement System.

2026 VRS-Related Bills - Failed

Return to Work

Bill Number	Patron	Description
HB 1488	Bulova	Allows a retired sworn law-enforcement officer to return to work full time in any covered position and continue to receive his pension under the Virginia Retirement System if such person has a break in service of at least six calendar months before reemployment and meets certain other requirements, including having retired in good standing from his sworn law-enforcement officer position. The bill has a delayed effective date of January 1, 2027.

2026 VRS-Related Bills - Failed

Return to Work

Bill Number	Patron	Description
SB 695	Jordan	<p>Requires each school board to enter into a collaborative agreement with the local law-enforcement agency to employ at least one school resource officer in each public elementary and secondary school in the local school division. The bill requires localities to provide enhanced retirement benefits to school resource officers. The bill also allows a retired law-enforcement officer to work as a school resource officer after a break in service of at least six months without impacting his retirement benefits.</p> <p>A substitute was introduced in subcommittee that removed the requirement for enhanced hazardous duty benefits but kept the return-to-work provisions.</p>

2026 VRS-Related Bills - Failed

Return to Work

Bill Number	Patron	Description
HB 1107	Kilgore	Allows Virginia Retirement System (VRS) members who return to work full time at the Department of Corrections as a correctional officer or an instructional employee required to be licensed by the Board of Education to continue to receive their VRS pension if (i) the person has a break in service of at least six calendar months between retirement and returning to work full time for the Department of Corrections, (ii) the person is not receiving a retirement benefit pursuant to an early retirement incentive program offered by the Department of Corrections, and (iii) those returning to work as a correctional officer successfully complete the minimum training standards established by the Department of Criminal Justice Services within 12 months of the hiring date. If the person makes the election to continue to receive a VRS pension during such new employment at the Department of Corrections, then (a) such service and compensation shall not affect any other retirement benefits, (b) such person shall still be eligible for cash match plan benefits, and (c) the employer shall include the person's compensation in membership payroll subject to certain employer contributions.

2026 VRS-Related Bills - Failed

Return to Work

Bill Number	Patron	Description
HB 1296	Glass	Increases the amount of monthly health insurance credits received by retired general registrars and employees of general registrars with a minimum of 15 years of creditable service from \$1.50 to \$1.75 per month per year of creditable service not to exceed \$52.50 per month beginning July 1, 2026.
HB 659	Kent	Allows a state retiree who elects to participate in the state retiree health plan but later discontinues participation one opportunity to return to participation in the plan, provided that such return to participation occurs within five years after the date of such employee's retirement. Under current law, a state retiree who elects to participate in the state retiree health plan but later discontinues participation is barred from participating in the plan.

2026 VRS-Related Bills - Failed

Weighted Service

Bill Number	Patron	Description
HB 987	Garrett	Provides that a member of the Virginia Retirement System shall be eligible for additional years of service credit for service earned as a teacher in the field of career and technical education. The amount of service credit earned shall determined as follows: (i) for service earned as a member who is 45 years of age or older but younger than 55 years of age at the time of such service, such service shall be multiplied by the weighted years of service factor of 2.0 and (ii) for service earned as a member who is 55 years of age or older at the time of such service, such service shall be multiplied by the weighted years of service factor of 2.5.

2026 LODA Bills - Failed

Bill Number	Patron	Description
HB 491	Guzman	Provides that a sheriff or deputy sheriff shall be eligible for Line of Duty Act benefits. Under current law, sheriffs or deputy sheriffs are only eligible for Line of Duty Act benefits in the City of Richmond.
HB 1317	Willett	Provides that if a deceased person, as that term is defined in the Line of Duty Act, died as a result of certain cancers within 10 years from his date of retirement, his beneficiary shall be entitled to the payment of certain benefits. Under current law, such beneficiary shall be entitled to such payment if the deceased person's death (i) arose out of and in the course of his employment or (ii) was within five years from his date of retirement.

2026 VRS-Related Bills - Failed

JLARC Study

Bill Number	Patron	Description
HR 9	Maldonado	Directs the Joint Legislative Audit and Review Commission to perform a two-year comprehensive evaluation of the Virginia Retirement System's retirement plans, including Plan 1, Plan 2, and the Hybrid Retirement Plan, with particular attention to benefit adequacy, employee affordability, and impacts on workforce recruitment and retention.



Quarterly Review

VRS Defined Contribution Plans
October 1, 2025– December 31, 2025

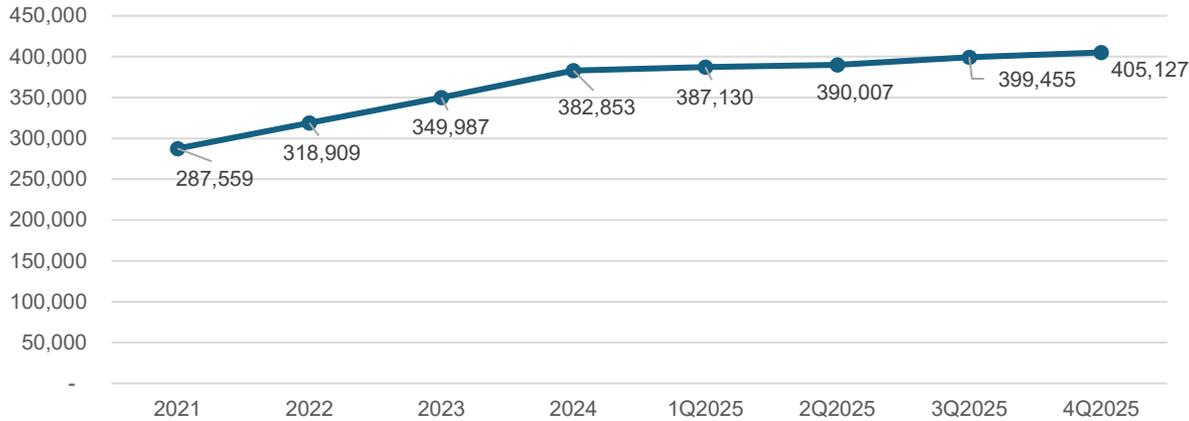
VRS Defined Contribution Plans¹

4th Quarter 2025– DC Plans Metrics

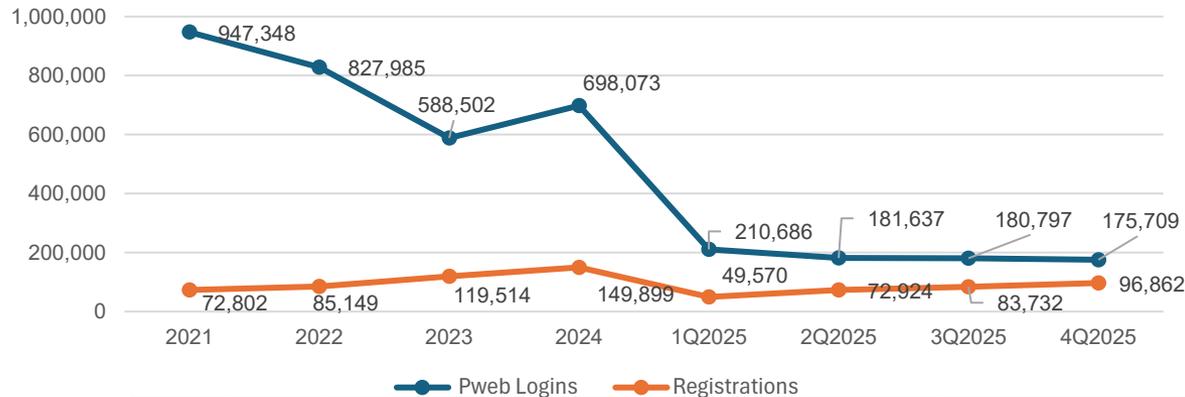
Total Assets²: \$10,705,302,988

Total Accounts²: 672,101

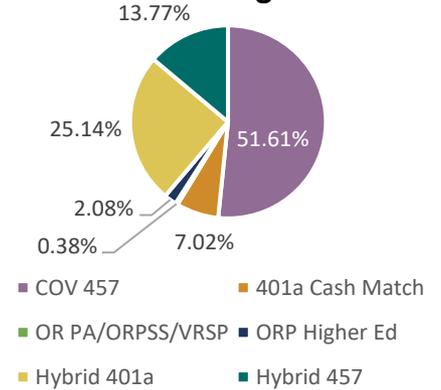
Unique Participants



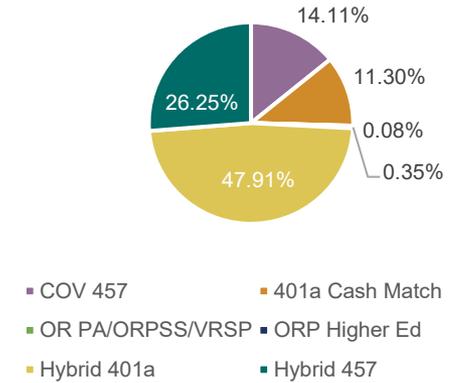
Account Access Registrations & Logins



Assets Under Management



Accounts Under Management



Top 10 Visited Pages

1. Dashboard
2. Account Details
3. Account Summary
4. Transactions
5. Balance
6. Message center
7. Manage Investments
8. Loans/Withdrawals
9. Contribution
10. Investment Performance

VRS Defined Contribution Plans

4th Quarter 2025– DC Plans Participant Engagement

Call Center Participant Services

- 94,713 calls received in 2025
- 68,791 calls received in 2024
- 60,397 calls received in 2023
- 55,471 calls received in 2022
- 55,311 calls received in 2021

Current call trends:

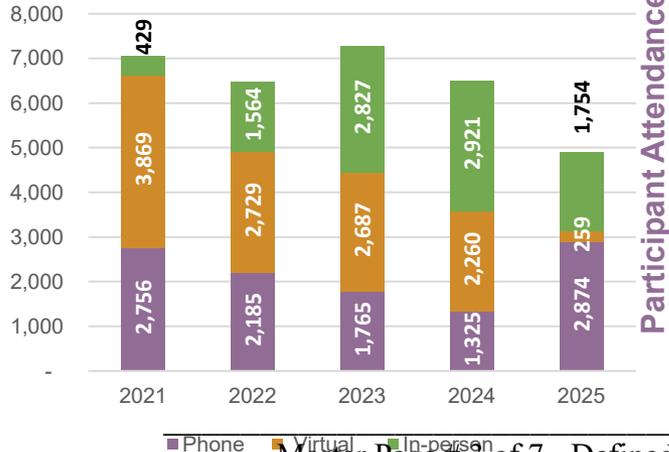
1. Targeted Message
2. Terminations
3. Plan Overview
4. Plan Participation
5. Account Maintenance

Advisory Services

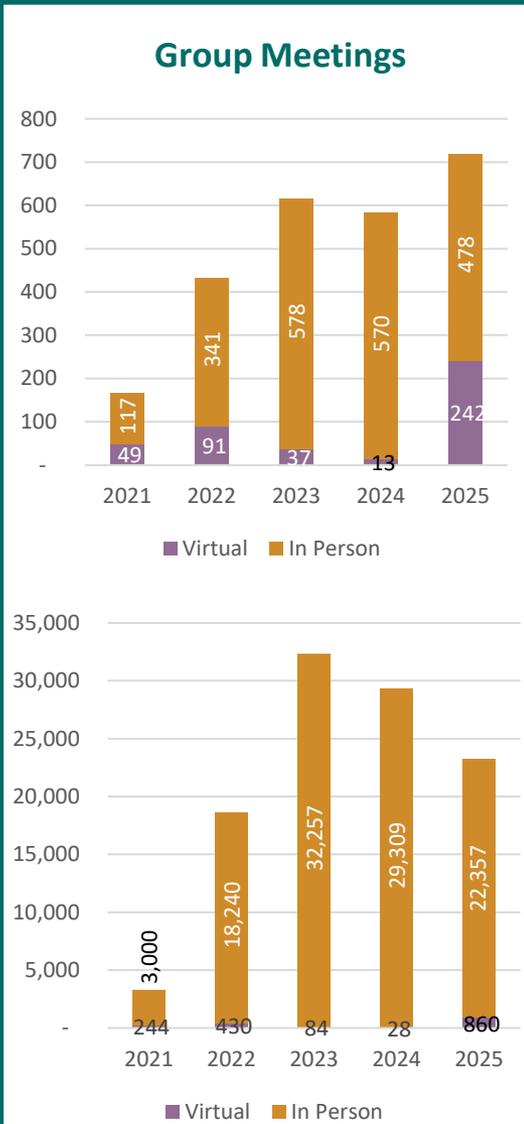
Advisor Calls	370
Online Adopters	3,598
Professional Management Members*	3,675
Total Activity	7,643

*4Q25 Fees paid by Professional Management Member: \$139,125.32

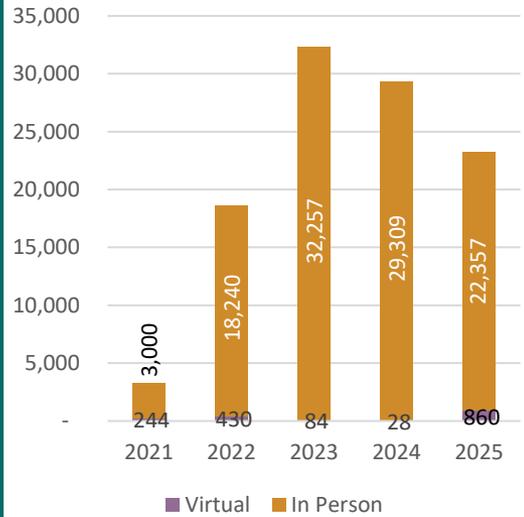
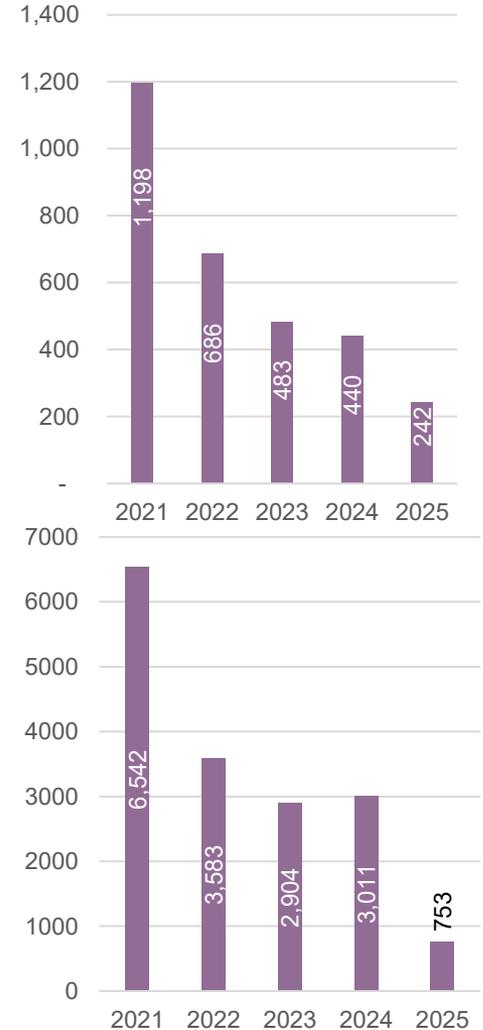
Individual Account Reviews



Participant Sessions



Webinars

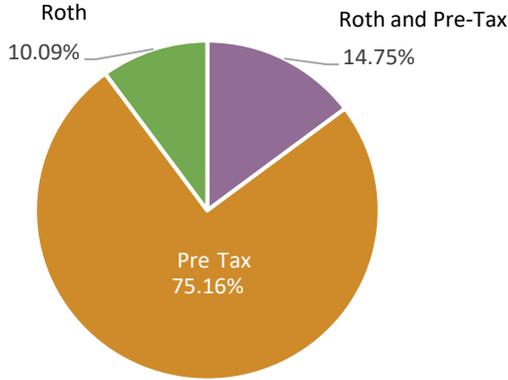


Participant Attendance

VRS Defined Contribution Plans

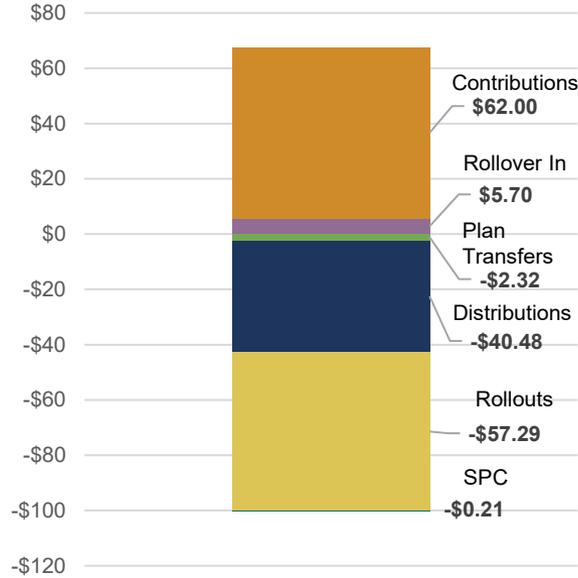
4th Quarter 2025– COV 457 Plan, Virginia Cash Match Plan

Deferral Type



Average pre tax deferral per pay \$205.07
Average Roth deferral per pay \$215.64

Contributions/Distributions⁵



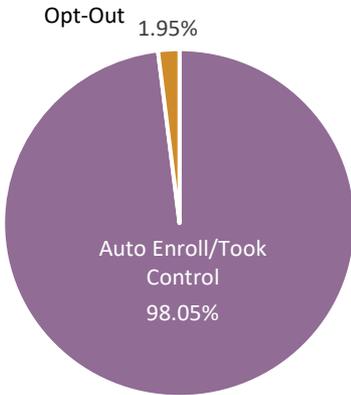
COV 457 Participation Rates

- State⁴ 47.13%
- Non-state 11.96%

Top 10 Fund Holdings

1. Stock Fund	\$2,199,896,154
2. Target Date Portfolios	\$1,961,210,127
3. Stable Value Fund	\$568,537,637
4. Small/Mid Cap Stock Fund	\$468,083,692
5. International Stock Fund	\$296,767,046
6. Bond Fund	\$184,561,750
7. Schwab PCRA	\$162,454,022
8. Money Market Fund	\$155,159,567
9. Global Real Estate Fund	\$91,350,664
10. VRS Investment Portfolio	\$70,772,579

Auto Enrollment



1.95% Opt Out rate for quarter
3.45% opt out rate since conversion to Voya

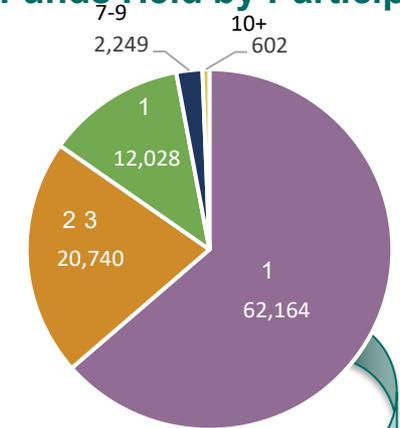
Participant Status Overview⁶

170,827 total accounts

56% Active
44% Separated

\$2,846m assets at risk

of Funds Held by Participants



85.0% of this population is invested in a single TDP

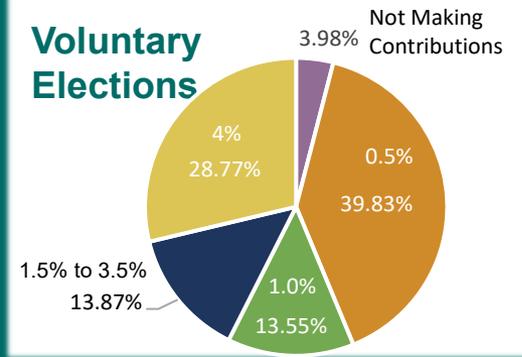
VRS Defined Contribution Plans

4th Quarter 2025– Hybrid Retirement Plan – 401(a) & 457(b)

Participation Rates⁷



Voluntary Elections



Top 10 Fund Holdings

1. Target Date Portfolio	\$3,791,011,010
2. Stock Fund	\$197,589,010
3. Small/Mid Cap Stock Fund	\$45,286,999
4. International Stock Fund	\$39,508,728
5. Money Market Fund	\$26,192,981
6. Bond Fund	\$16,631,679
7. Schwab PCRA	\$11,945,647
8. Global Real Estate Fund	\$11,187,201
9. Stable Value Fund	\$11,012,410
10. High Yield Bond Fund	\$7,556,240

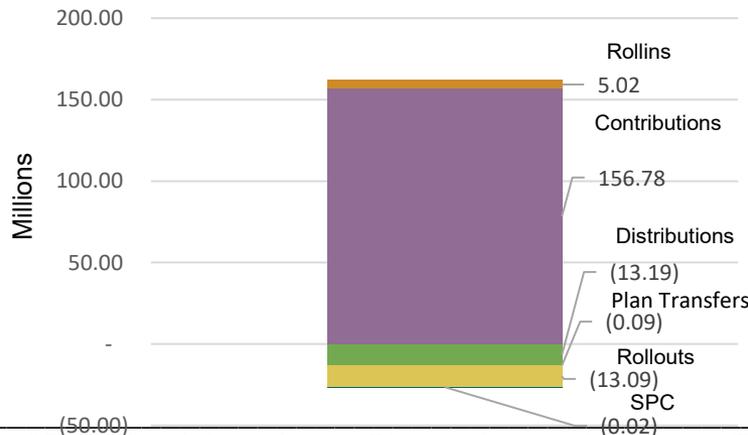
Participant Status Overview³

498,429 total accounts

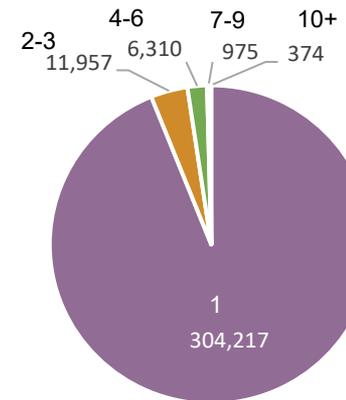


\$771m assets at risk

Contributions/Distributions



of Funds Held by Participants



99.1% of this population is invested in a single TDP

VRS Defined Contribution Plans

4th Quarter 2025 ORPHE* and ORPPA

ORPHE Participation

Participant Accounts: 10,966

Assets: \$1,563,365,814

Providers: Voya, TIAA

ORPHE-Eligible Plan Coverage



Plan ● VRS-HYBRID ● ORPHE_Plan2

ORPPA Participation

Participant Accounts: 507

Assets: \$40,030,624

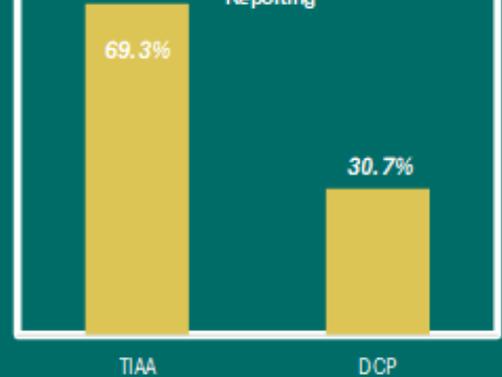
Providers: Voya

ORPPA-Eligible Plan Coverage



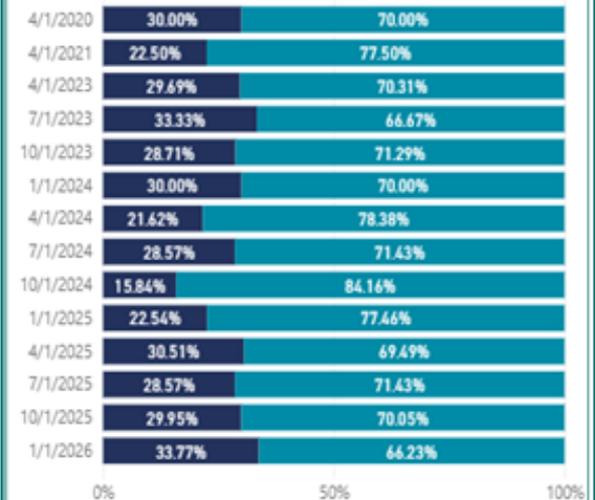
Plan ● ORPPA_Plan2 ● VRS-HYBRID

ORPHE - Provider Elections 12 Month Reporting

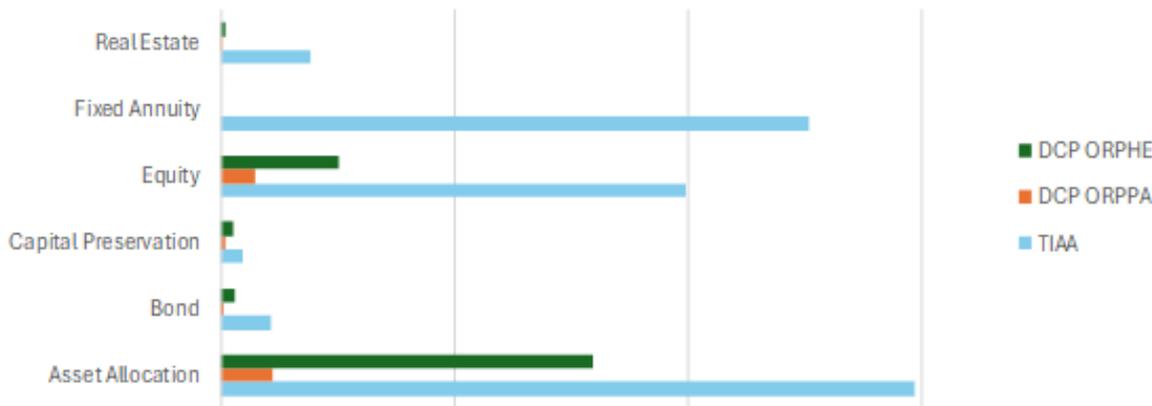


ORPHE Provider Election Rates Over Time

Provider ● DCP ● TIAA



Participant Holdings by Plan and Assets



ORPHE Deselected Providers:

Fidelity, T. Rowe Price, Empower, Corebridge, MetLife

Participants: 1,155

Assets: \$173,065,368.10

*Excludes opt-out higher ed institutions. ^Excludes deselected investments. Some currently selected funds on the TIAA platform may include assets across the RIC, BA, and GRA contracts. †Includes both international and domestic equity.

VRS Defined Contribution Plans

4th Quarter 2025– DC Plans Metrics

Source Information/Additional Footnotes

All data unless noted otherwise was provided by Voya Financial and is as of 12/31/2025.

1. Includes DC plans record kept by Voya Financial
2. Total assets and accounts include beneficiaries, forfeiture, and reserve accounts.
3. Web statistics provided by Google Analytics.
4. Includes employees at higher education institutions who are also eligible for a 403(b).
5. Cash Flow Definitions
 - Rollins – Contributions into a participant’s account from a retirement plan or IRA.
 - Contributions – Payroll contributions from a participant’s paycheck.
 - Plan Transfers – Transfer of funds between VRS retirement plans.
 - Distributions – Consists of auto enrollment refunds, required minimum distributions (RMDs) unforeseen emergency withdrawals and full, partial, installment and de minimis requests
 - Rollouts – Withdrawal request sent to another retirement plan or IRA
 - SCP – A request to transfer employee contribution funds from the plan to VRS to purchase service credit. Please note, SCP is not permitted from the H401 plan.
6. Active Participants do not have a termination date on file and may not have made a contribution during the quarter. Terminated Participants have a termination date on file.
7. Source: 10/1/21 Active Hybrid Member Demographics Report.
8. Active Election participation rate includes members who had a self-selected voluntary election on file prior to the automatic escalation that occurred on 12/16/19.
9. Chart shows current status of active participants set up as auto-enroll eligible after plan conversion, January 1, 2025; excludes terminated participants.