

Minutes

A regular meeting of the Virginia Retirement System Administration, Finance and Talent Management Committee was held on April 23, 2026, with the following members participating:

A. Scott Andrews, Chair

Lawrence A. Bernert III, Vice Chair

John M. Bennett (*attended remotely from Richmond, VA under § 2.2-3708.3(B)(2)*)

Board members present:

William H. Leighty

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Ty Bowers, Dorothy Chiddo, Michael Cooper, David Cotter, Valerie Disanto, Curtis Doughtie, Jonathan Farmer, Laurie Fennell, Laura Fields, Josh Fox, J. T. Grier, Dorothy Harmer, Rachel Hayes, Dane Honrado, KC Howell, Robert Irving, Sandy Jack, LaShaunda King, Leslie LaBrie, Daniel Lipok, Chung Ma, Curt Mattson, Scott Mootz, Angela Payne, Matt Priestas, Paula Reid, Mark Rein, Gregory Salvati, Amethyst Sloane, Virginia Sowers and Melanie Zaremba.

Guests:

Peter Grant and Tim Stephens, Mercer; and Kimberly Sarte, Joint Legislative Audit and Review Commission.

The meeting convened at 11:30 a.m.

Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the April 23, 2026, meeting of the Administration, Finance and Talent Management Committee.

Approval of Minutes

Following a motion by Mr. Bernert, with a second by Mr. Leighty, the Committee approved the minutes of its September 24, 2025, meeting.

RBA – Reappointment of IAC Members

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

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

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

Mr. Andrews thanked Mr. Junkin for his presentation.

Proposed Benchmark Changes

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

Mr. Andrews thanked Mr. Junkin for the presentation.

Independent Consultant Review of Investment Benchmarks and Hurdles

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

Quarterly Budget Update

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

One View Program Overview

Dorothy Harmer, Investments Project Manager, provided an overview of the OneView Project. OneView is intended to establish an integrated platform supporting investment risk, leverage, treasury and data management that will provide capabilities that scale as the portfolio grows in size and complexity. Ms.

Harmer then described the objectives, program structure, timeline, budget and project risks, as well as mitigation information to the Committee.

Mr. Andrews thanked Ms. Harmer for her presentation.

Administration and Investment Operations Incentive Compensation Initiative

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

Adjournment

There being no further business and following a motion by Mr. Leighty, with a second by Mr. Bernert the Committee agreed to adjourn the meeting at 12:47 p.m.


Chair

6-17-26
Date