
Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on June 17, 2026, in Richmond, Virginia with the following members participating:

Board members:

Susan T. Gooden, Ph.D., Chair

Lawrence A. Bernert III, Vice Chair

A. Scott Andrews

John M. Bennett

J. Clifford Foster, IV

Jessica L. Hood

Hon. Matthew James (*attended remotely from Portsmouth, VA under § 2.2-3708.3(B)(3)*)

William H. Leighty

Lindsey K. Pantele

VRS Staff:

Patricia Bishop, Jennifer Schreck, Andrew Junkin, Stephen Adelaar, Rory Badura, Parham Behrooz, Matt Bennett, Ty Bowers, Lee Buchanan, Caroline Cardwell, Michael Cooper, Perry Corsello, David Cotter, Alfie Crooks, Sara Denson, Kedar Desai, Karan Deshmukh, Valerie Disanto, Curtis Doughtie, Kenji Epling, Laurie Fennell, Laura Fields, Antonio Fisher, Anita George Coleman, Katie Grawe, JT Grier, Krystal Groff, Dane Honrado, K.C. Howell, Robert Irving, Siri Chandana Keerthipati, Mengting Kim, LaShaunda King, Gopi Krishna Reddy Kota, Kristina Koutrakos, Matthew Lacy, Daniel Lipok, Chung Ma, Prashanth Malyala, Curt Mattson, Kidus Molla, Nicole Moriette, Rebecca Nicholas, Walker Noland, Greg Oliff, Blake Preston, Laura Pugliese, Katie Ray, Paula Reid, Mark Rein, Rich Rogness, Andrew Roper, Gregory Salvati, Jummai Sarki-Hurd, Jenny Schoeller, Dan Schlusser, Ben Sheng, Richard Slate, Amethyst Sloane, Joseph Shaver, Virginia Sowers, Larry Tentor, Sabrina Ticer-Wurr, Emily Trent, Korey Turner, Bowen Valery, Dan Whitlock, Melissa Wilks and Steve Woodall.

Guests:

Lauren Albanese, Financial Investment News; Alfie Crooks, PEI Group; Joe Ebisa, WithIntelligence.com; Alexandra Jansson and Kimberly Sarte, Joint Legislative Audit and Review Commission; Kevin Harber, Office of the Attorney General; Prashanth Malyala; Andrew Roper; Jacob Rose-Seiden, Osmosis; Ben Sheng, FundFire; Yu Sun, Financial Times; and Sabrina Ticer-Wurr, MandateWire.

The meeting convened at 1:00 p.m.

Opening Remarks

Dr. Gooden called the meeting to order and welcomed everyone to the June 17, 2026, meeting of the Virginia Retirement System Board of Trustees.

Approval of Minutes

Following a motion by Mr. Leighty, and a second by Mr. Andrews, the VRS Board of Trustees unanimously approved the minutes from its April 23, 2026, meeting.

Election of Vice-Chair

Mr. Bernert nominated Scott Andrews to serve as Vice Chair. The election closed with no other nominations. Following a motion by Mr. Bennett, and a second by Mr. Leighty, the VRS Board of Trustees unanimously approved the nomination of Mr. Andrews to serve as Vice Chair.

Committee Assignments

Next, Dr. Gooden advised that, with the appointment of a new Board member, and in accordance with the Governance Policy, the Board is required to update its committee assignments.

Following a motion by Mr. Bennett, with a second by Mr. Andrews, the Board unanimously approved the proposed committee assignments.

Report of the Chief Investment Officer

Andrew Junkin, Chief Investment Officer, began his report with a market overview and discussed asset allocation, total fund performance and tracking error, concluding that risk measures are within Board-approved levels. Mr. Junkin then discussed the New Investments and Terminations report. Mr. Junkin next presented changes to the FY2027 Defined Benefit Plan Strategic Asset Allocation, the benchmarks for Credit Strategies, Diversifying Strategies, Private Equity and Private Investment Partnerships, and the excess return objectives.

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

RBA: Approve FY2027 Defined Benefit Plan Strategic Asset Allocation

Request for Board Action 2026-06-6: The VRS Board of Trustees approves the FY2027 Defined Benefit Plan Strategic Asset Allocation and Allowable Ranges, effective July 1, 2026.

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

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

Request for Board Action 2026-06-7: The VRS Board of Trustees approves the recommended benchmarks for Credit Strategies, Diversifying Strategies, Private Equity, and Private Investment Partnerships, effective as of the dates stated herein.

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

RBA: Approve Excess Return Objectives

Request for Board Action 2025-06-8: The VRS Board of Trustees approves the recommended excess return objectives, effective July 1, 2026.

Dr. Gooden thanked Mr. Junkin for his report.

Reports of the Administration, Finance and Talent Committee

The VRS Board of Trustees received the report of the Administration, Finance and Talent Committee following its meeting on June 17, 2026, and placed it on file.

APPROVAL OF MINUTES

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

REAPPOINTMENT OF DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE (DCPAC) MEMBERS

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

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

Request for Board Action 2026-06-9: The Board reappoints Monique G. Barnes, Ravindra Deo, C. Matt Harris, Kate Jonas, and Brenda Madden to the Defined Contribution Plans Advisory Committee (DCPAC), each for a two-year term ending June 20, 2028.

APPROVE REVISED ADMINISTRATIVE AND INVESTMENT OPERATIONS AND ADMINISTRATION PAY PLANS

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

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

Request for Board Action 2026-06-10: The Board approves the amendments to the Administrative Pay Plan and the Investment Operations and Administration Staff Pay Plan.

APPROVE AMENDED INVESTMENT PROFESSIONALS' PAY PLAN

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

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

Request for Board Action 2026-06-11: The Board approves amendments to the Investment Professionals' Pay Plan ("Pay Plan"), effective July 1, 2026.

PERFORMANCE COMPENSATION INITIATIVE OVERVIEW

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

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

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

Upon a motion by Mr. Andrews, with a second by Ms. Pentele, the VRS Board of Trustees approved the following action:

Request for Board Action 2026-06-12: The Board approves the FY 2027 Agency Performance Outcomes (APOs) and Operational Measures (OMS).

BUDGET UPDATE

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

Report of the Defined Contribution Plans Advisory Committee

The VRS Board of Trustees received the report of the Defined Contribution Plans Advisory Committee following its meeting on May 14, 2026, and placed it on file.

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

APPROVAL OF MINUTES

The Committee approved the minutes of its March 6, 2026, meeting.

ADMINISTRATION

Administrative Reports & Communications

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

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

DC Plans and Hybrid Plan Update

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

ORPHE Update

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

INVESTMENTS

Performance Reports

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

Fund Updates

Staff informed the Committee BlackRock is updating their target date glidepath to reflect research in the areas of labor income and life expectancy resulting in a slightly higher equity allocation along the glide

path around the midpoint and nearing retirement. Staff notified the Committee that after successful negotiations BlackRock is lowering investment management fees on several of its funds. Staff provided an update on the VRS Board approved the Foreign Adversaries Policy and reviewed current DC plans exposure as of March 31, 2026. Staff reminded the Committee that it continues to monitor fund developments in this area and, where possible, will invest in funds that can be aligned with the Policy.

Callan 2026 DC Trends Survey Highlights

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

Retirement Income

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

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

OTHER BUSINESS

Plan Document Updates

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

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

Request for Board Action 2026-06-13: *The Board approves the Approved Amended and Restated Virginia 457 and Cash Match, Hybrid 457 and Cash Match, ORPHE, ORPPA, ORPSS, and DCIP Plan Documents*

DCPAC Reappointments

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

Recommend RBA for Reappointment of DCPAC Members

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

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

Discussion of New Ideas

No new ideas were presented.

2026 MEETINGS

Dr. Gooden confirmed the DCPAC meeting dates for 2026:

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

There was no other business to come before the Committee.

Dr. Gooden concluded the report.

Report of the Audit and Compliance Committee

The VRS Board of Trustees received the report of the Audit and Compliance Committee following its meeting on June 9, 2026, and placed it on file.

APPROVAL OF MINUTES

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

STATUS UPDATE ON THE 2025 EMPLOYER ASSURANCES REVIEW

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

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

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

AUDIT REPORTS

The committee received and accepted two audit reports.

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

INTERNAL AUDIT'S FY 2027 PERFORMANCE AND OVERSIGHT REPORTING

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

QUARTERLY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE CASES

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

MANAGEMENT'S QUARTERLY TRAVEL EXPENSE AND PER DIEM REPORT

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

NEXT COMMITTEE MEETING DATE

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

Dr. Gooden thanked Mr. Foster for his report.

Report of the Benefits and Actuarial Committee

The VRS Board of Trustees received the report of the Benefits and Actuarial Committee following its meeting on June 17, 2026, and placed it on file.

APPROVAL OF MINUTES

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

ELECTION OF COMMITTEE VICE CHAIR

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

EARLY RETIREMENT FACTORS STUDY

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

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

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

INFORMATION ITEMS

Group Life Insurance

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

Stress Test and Sensitivity Analysis Report

Mr. Badura presented the findings of the VRS Stress Test and Sensitivity Analysis Report. The report helps to identify possible vulnerabilities in investment strategies and funding policies and provides an

analysis of potential impacts of various economic scenarios on VRS-administered retirement plans to support the future health of the retirement system. The current report is based on the June 30, 2025, actuarial valuations and focused on economic scenario testing, a review of other risks to plan funding, and strategies to enhance funding.

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

Dr. Gooden thanked Mr. Bennett for his report.

Custodial and Signature Authorization Resolutions

Trish Bishop, VRS Director, presented an amendment for consideration to the Resolution for Master Custodial Services to add the name of the Deputy Chief Financial Officer, Courtney Shearer, to those permitted to open and close accounts. The amendment also updated the name of the Board Chair to reflect Dr. Gooden's recent appointment. Further, Ms. Bishop presented an amendment to the Resolution for Payment of Retirement System Funds in the State Treasury and Signing Official Documents to add the name of the new Deputy Chief Financial Officer and update the name of the Board Chair. Upon a motion by Mr. Andrews, with a second by Mr. Foster, the VRS Board of Trustees approved the amendments as presented to the Resolution for Master Custodial Services and the Resolution for Payment of Retirement System Funds in the State Treasury and Signing Official Documents.

Operational Update Series: Data Office

Michael Cooper, Chief Operating Officer, Kedar Desai, Data Officer, Anita George-Coleman, Service Retirement Supervisor, Rebecca Nicholas, Operations Accounting Manager, gave a presentation on data process improvements, the improvement cycle and dashboards to view status information including VRS data quality enhancement processes and a data quality dashboard demonstration. In addition, the contribution confirmation and retirement analytics dashboards were reviewed. The team advised that data literacy, data governance, data toolkit, data architecture, and analytics enablement tools will be used to continue improvements in the data office.

Dr. Gooden thanked all presenters for their excellent work and recognized the innovation and collaboration occurring at VRS.

Commending Resolution for Lindsey K. Pantele

Dr. Gooden presented the following commending resolution of service of Lindsey K. Pantele:

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

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

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

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

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

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

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

Upon a motion by Mr. Andrews, with a second by Mr. Foster, the VRS Board of Trustees approved the resolution.

Report of the Director

Ms. Bishop, Director, began her report with an update on the agency road map for FY 2026, noting all projects are progressing and will be accomplished as planned, as well as a review of New Coverage Elections.

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

- VRS received two outstanding achievements from the Commonwealth of Virginia Campaign Awards: Philanthropy Excellence Award and the Heart of the CVC Award. VRS' CVC Coordinator Nicole Morlette, Julia Dozier, Vincent Price and Deardrian Carver accepted the recognition on behalf of VRS.
- The National Conference on Public Employee Retirement Systems (NCPERS) recently awarded a Certificate of Transparency to VRS for its participation in the NCPERS Public Retirement Systems Study.
- VRS presented at the Virginia Government Finance Officers Association (VGFOA) during the Spring Conference in Williamsburg, Virginia. Curtis Doughtie, Chief Financial Officer, and Andy Feagans, Employer Relationship Program Manager presented.
- An update was provided to the Virginia Retired Teachers Association in April by Ms. Bishop.

- A report to the Joint Legislative Audit and Review Commission (JLARC) from VRS will take place Monday, July 6, 2026.
- An overview of Actuarial Measures and Key Indicators for fiscal year 2026 was provided. The overview included a comparison of the actual fund market value versus the expected market value based on plan assumptions for FY 2026, a comparison of pension cash flows for fiscal year 2026 versus 2025, as well as the average increase in CPI year to date.
- A preview of upcoming board and committee meetings was provided.

DPB Deficit Provision Acknowledgement Form

Ms. Bishop noted that annually VRS and other state agencies are required to confirm that their obligations and expenditures do not exceed their appropriations. She advised that VRS expenditures and obligations do not exceed appropriations. The reporting form specifically states that each member of the Board has been provided with a copy of the notice. The executed form will be sent to the Department of Planning and Budget.

Dr. Gooden thanked Ms. Bishop for her report.

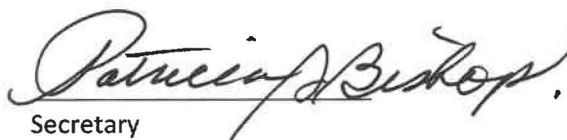
Other Business

Lastly, Dr. Gooden confirmed the following meeting schedule:

- Investment Advisory Committee – August 12 at 9:00 a.m.
- Defined Contribution Plans Advisory Committee – September 10 at 1:00 p.m.
- Audit and Compliance Committee – September 16 at 10:00 a.m.
- Administration, Finance and Talent Management Committee – September 16 at 1:00 p.m.
- Board of Trustees – September 17 at 1:00 p.m.

Adjournment

There being no further business and following a motion by Mr. Leighty, with a second by Mr. Foster, the VRS Board of Trustees agreed to adjourn the meeting at 2:42 p.m.


Chair
Secretary

Report

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

APPROVAL OF MINUTES

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

REAPPOINTMENT OF DEFINED CONTRIBUTION PLANS ADVISORY COMMITTEE (DCPAC) MEMBERS

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

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

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

APPROVE REVISED ADMINISTRATIVE AND INVESTMENT OPERATIONS AND ADMINISTRATION PAY PLANS

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

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

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

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

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

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

PERFORMANCE COMPENSATION INITIATIVE OVERVIEW

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

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

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Request for Board Action: The Board approves the FY 2027 Agency Performance Outcomes (APOS) and Operational Measures (OMS).

BUDGET UPDATE

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

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



Susan Gooden, Chair
Administration, Finance and Talent Management Committee

Report

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

WELCOME AND INTRODUCTION

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

APPROVAL OF MINUTES

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

ADMINISTRATION

Administrative Reports & Communications

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

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

Retirement Income

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

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

OTHER BUSINESS

Plan Document Updates

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

Recommend RBA for Approved Amended & Restated Plan Documents

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

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

DCPAC Reappointments

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

Recommend RBA for Reappointment of DCPAC Members

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

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

Discussion of New Ideas

No new ideas were presented.

2026 MEETINGS

Dr. Gooden confirmed the DCPAC meeting dates for 2026:

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

There was no other business to come before the Committee.

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



Dr. Susan Gooden, Chair
Defined Contribution Plans Advisory Committee

Report

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

APPROVAL OF MINUTES

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

STATUS UPDATE ON THE 2025 EMPLOYER ASSURANCES REVIEW

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

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

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

AUDIT REPORTS

The committee received and accepted two audit reports.

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

INTERNAL AUDIT'S FY 2027 PERFORMANCE AND OVERSIGHT REPORTING

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

QUARTERLY REPORT ON FRAUD, WASTE AND ABUSE HOTLINE CASES

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

MANAGEMENT'S QUARTERLY TRAVEL EXPENSE AND PER DIEM REPORT

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



Virginia
Retirement
System

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

NEXT COMMITTEE MEETING DATE

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

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

A handwritten signature in blue ink, reading 'J. Clifford Foster, IV', written over a horizontal line.

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



Report

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

APPROVAL OF MINUTES

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

ELECTION OF COMMITTEE VICE CHAIR

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

EARLY RETIREMENT FACTORS STUDY

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

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

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

INFORMATION ITEMS

Group Life Insurance

Robert Irving, Customer Services Director, presented an administrative update regarding recommendations for the Group Life Insurance premium rate to the Committee. Mr. Irving advised VRS' third-party administrator, Securian Financial, manages and administers the life insurance program which provides members opportunities to purchase optional life insurance coverage. Reviews on premium rates are conducted annually and recommendations to maintain, increase or reduce rates are provided

to VRS. Mr. Irving advised the recommendation, effective July 1, 2026, is an overall reduction of 3.00% for those aged 50-70 in the optional life insurance premiums for certain age groups.

Stress Test and Sensitivity Analysis Report

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

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

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



John M. Bennett, Chair
Benefits and Actuarial Committee

***RESOLUTION
FOR MASTER CUSTODIAL SERVICES***

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

PREVIOUS DESIGNATIONS REVOKED

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

VRS ASSET TRANSFERS AND ACCOUNT PAYMENTS

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

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

VRS ACCOUNT ADMINISTRATIVE MATTERS

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

PROXIES

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

COMPLIANCE

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

**VIRGINIA RETIREMENT SYSTEM AUTHORIZED SIGNATURES
FOR MASTER CUSTODIAL SERVICES**

ATTEST:



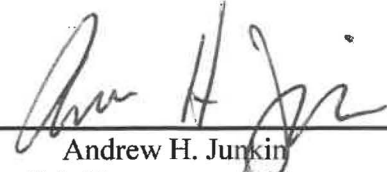
Susan T. Gooden, Ph.D., Chair
VRS Board of Trustees



Patricia S. Bishop
Secretary to the VRS Board of Trustees



Patricia S. Bishop
Director



Andrew H. Junkin
Chief Investment Officer



Curtis Doughtie
Chief Financial Officer



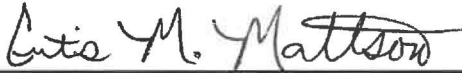
Mark A. Rein
Chief Technology and Security Officer



Michael P. Cooper
Chief Operating Officer



Robert L. Irving
Customer Services Director



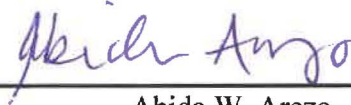
Curtis M. Mattson
Chief Administrative Officer - Investments



David Porter
Controller



Laurie Fennell
Investments Information Quality Manager



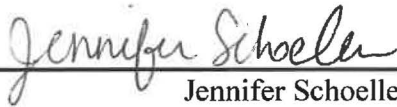
Abida W. Arezo
Investment Accounting Manager



Danita R. Barnes
Investments Office Administrator



Courtney J. Shearer
Deputy Chief Financial Officer



Jennifer Schoeller
Investments Compliance Officer

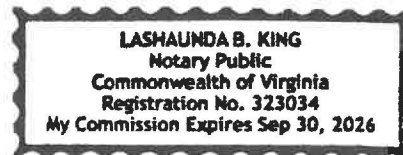
**VIRGINIA RETIREMENT SYSTEM AUTHORIZED SIGNATURES
FOR MASTER CUSTODIAL SERVICES**

**COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:**

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


LaShaunda B. King, Notary Public

My commission expires September 30, 2026.



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

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

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

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

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

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

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

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

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

ATTEST:



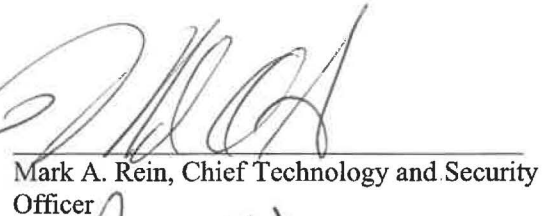
Susan T. Gooden, Ph.D.
Chair, VRS Board of Trustees



Patricia S. Bishop
Secretary to the VRS Board of Trustees

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

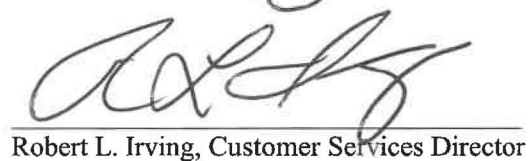

Patricia S. Bishop, Director


Mark A. Rein, Chief Technology and Security Officer


Curtis Doughtie, Chief Financial Officer

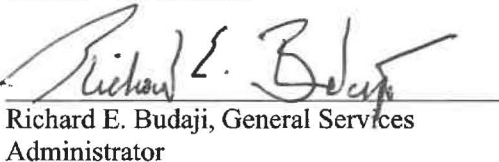

Andrew H. Junkin, Chief Investment Officer


Michael P. Cooper, Chief Operating Officer


Robert L. Irving, Customer Services Director


Curtis M. Mattson, Chief Administrative Officer – Investments


Amanda Nies-Berger, Procurement Director


Richard E. Budaji, General Services Administrator


Courtney J. Shearer
Deputy Chief Financial Officer

Senior Procurement
Analyst (vacant)

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:

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


LaShaunda B. King, Notary Public

My commission expires September 30, 2026.

