

Minutes

A regular meeting of the Defined Contribution Plans Advisory Committee (DCPAC) of the VRS Board of Trustees convened on December 5, 2024, with the following members present:

Susan T. Gooden, Chair
Hon. Matthew James, Vice Chair
Monique Barnes (in accordance with § 2.2-3708.3(B)(4) of the Code of Virginia)
C. Matt Harris
Kate Jonas
Rick Larson
Brenda Madden
David Winter

Members of the Board of Trustees:
John M. Bennett

VRS Staff:
Trish Bishop, Jessica Budd, Stephen Cerreto, Jeanne Chenault, Michael Cooper, David Cotter, Pam Elam, Antonio Fisher, Josh Fox, Kelley Harlow, Kelly Hiers, KC Howell, Robert Irving, Sandy Jack, Andrew Junkin, Brian Lackey, Ryan LaRochelle, Joyce Monroe, Teresa Nyugen, Laura Pugliese, Kristy Scott, Michael Scott, Jennifer Schreck, Ashley Spradley, Bridgette Watkins-Smith, Rachel Webb, Leslie Weldon, and Tanya Williams.

Guests:
Taylor Benson, BlackRock; Casey Connelly, BlackRock; Steven McGregor, Voya; Andrew Ness, Sageview; Jake Noviello, BlackRock; Lindsay Saienni, Financial Investment News; Nate Weinstein.

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 Mr. James and a second by Mr. Larson, the minutes of the September 12, 2024, meeting were approved by the Committee.

DC Plans Investments Update

Global Equity Benchmarking

Andrew Junkin, VRS Chief Investment Officer (CIO), presented an overview of global equity benchmarking, focusing on existing exposure to foreign adversaries as currently defined by the Secretary of Commerce. The Virginia Retirement System Board of Trustees authorized the CIO to pursue a policy related to current and future investments in countries designated as foreign adversaries by the Office of the Secretary of Commerce. This policy may include restricting some or all of such investments, and the relevant benchmarks used by VRS for such investments, in the designated countries. The Board further determined that such a policy is consistent with VRS' fiduciary duty.

Performance Reports

Laura Pugliese, Portfolio Manager of Defined Contribution Plans, provided an overview of the October 31, 2024, investment performance reports for the unbundled DC plans and the TIAA Retirement Choice (RC) contract ORPHE plan.

CEM Defined Contribution Plans Survey

Ms. Pugliese reviewed the CEM DC Plans 2023 survey results, which was comprised of 104 corporate and 27 public plans representing \$1.4 trillion in assets. Ms. Pugliese informed the Committee that the survey results included the unbundled DC Plans supplemental 457 Deferred Compensation Plan, in addition to the bundled TIAA program for ORPHE. Ms. Pugliese noted that the TIAA information was based solely on the TIAA Retirement Choice (RC) contract. Ms. Pugliese included the CEM DC Survey Reports in the Appendix for the Committee to review.

Dr. Gooden thanked Mr. Junkin and Ms. Pugliese for their presentations.

Administrative Reports and Communications Update

Administration Reports & Communications

Kelly Hiers, Defined Contribution Plans Administrator, provided an overview of the DC Plans and an update on administrative reports for the third quarter of 2024. An overview of assets and accounts across the various defined contribution plans, as well as account trends, was also provided.

Ms. Hiers informed the Committee that VRS received an Honorable Mention for its outstanding beneficiary campaign (with MissionSquare Retirement) for the MarCom Awards in fiscal year 2024.

Total assets across all plans have increased 31% since this time last year, reaching \$10 billion. Hybrid Retirement Plan assets and accounts continue to increase as new members are added to the hybrid plan, which is now the primary plan. Further, Ms. Hiers provided updates on plan assets and accounts as well as hybrid voluntary contribution elections. ORPHE activities included Open Enrollment in October, which allows participants to change providers.

ORPHE Update

Ms. Hiers provided an overview of ORPHE reports for the third quarter of 2024, including plan assets and accounts.

ORPHE Employer Update Report

Mr. Larson provided an overview of the ORPHE Annual Employer Update hosted by VRS on September 25, 2024. He noted that 18 participating institutions were present.

DC Plans Recordkeeper Transition Update

Ms. Hiers provided a project status on the DC Plans Recordkeeper transition to Voya. Milestones were reviewed, including the contract documents being finalized, the transition websites going live, and integrated testing being conducted. VRS staff have been working with MissionSquare and Voya to make sure call centers are up and running and employer support teams are ready. Highlights of the overall project were provided relating to the transition in January and beyond Go Live.

Dr. Gooden thanked Ms. Hiers and Mr. Larson 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 2024, 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 2024 were provided, along with a table containing cost data for the five-year period from FY 2020 to FY 2024.

Dr. Gooden thanked Ms. Elam 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 business was brought before the Committee.

Upcoming DCPAC Meetings

Dr. Gooden confirmed the DCPAC meeting dates for 2025:

- March 6, 2025, at 1 p.m.
- May 15, 2025, at 1 p.m.
- September 11, 2025, at 1 p.m.
- December 4, 2025, at 1 p.m.

Adjournment

There being no further business, Dr. Gooden adjourned the meeting at 2:42 p.m. upon a motion by Mr. Winter, with a second by Mr. James, and a vote of the Committee.


Chair

03/06/2025
Date