

Minutes

A regular meeting of the Virginia Retirement System Board of Trustees was held on April 16, 2025, in Richmond, Virginia with the following members participating:

Board members:

A. Scott Andrews, Chair
Hon. J. Brandon Bell, II
John M. Bennett
J. Clifford Foster, IV
Susan T. Gooden, Ph.D.
Jessica L. Hood
Hon. Matthew James

Investment Advisory Committee:

Lawrence E. Kochard, Ph.D., Chair

VRS Staff:

Patricia Bishop, Jennifer Schreck, Andrew Junkin, Advait Apte, John Alouf, Rory Badura, Parham Behrooz, Matt Bennett, Valerie Brown, Caroline Cardwell, Jeanne Chenault, Perry Corsello, Michael Cooper, David Cotter, Juanita Cribbs, Sara Denson, Curtis Doughtie, Jon Farmer, Laura Fields, Antonio Fisher, Josh Fox, JT Grier, Greg Hines, Dane Honrado, KC Howell, Robert Irving, Sandy Jack, LaShaunda King, Matt Lacy, Chung Ma, Curt Mattson, Kidus Molla, Scott Mootz, Teresa Nguyen, Walker Noland, Greg Oliff, Matt Priestas, Laura Pugliese, Paula Reid, Gregory Salvati, Jummai Sarki-Hurd, Dan Schlussler, Michael Scott, Richard Slate, Amethyst Sloan, Virginia Sowers, Emily Trent, Leslie Weldon, Dan Whitlock and Steve Woodall.

Guests:

Lauren Albanese, Financial Investment News; Jim Anderson, Jennifer Cagaran and Becky Stouffer, Gabriel, Roeder, Smith & Company; Valentina Baez, FT Specialist; Merrill Bajana, Osmosis; Kevin Balaod and Cyril Espanil, With Intelligence; Jeremy R. Bennett, Virginia Association of Counties; Alexandra Jansson and Kimberly Sarte, Joint Legislative Audit and Review Commission; Georgi Korovski, PeakLoad; Elizabeth Myers, Office of the Attorney General; and Bea Snidow, Virginia Education Association.

The meeting convened at 1:00 p.m.

Opening Remarks

Mr. Andrews called the meeting to order and welcomed everyone to the April 16, 2025, meeting of the Virginia Retirement System Board of Trustees. Mr. Andrews introduced the newest member of the Board, Clifford Foster, and advised that the Board will be adopting a resolution of appreciation for Mr. Disharoon recognizing his service on the VRS Board of Trustees.

Approval of Minutes

Following a motion by Mr. Bennett, and a second by Senator Bell, the VRS Board of Trustees unanimously approved the minutes from its February 6, 2025, meeting, as well as minutes of the March 18, 2025, and March 19, 2025, annual retreat.

Election of Board Vice Chair

Dr. Gooden nominated Lawrence Bernert, III, to serve as Vice Chair. The election closed with no other nominations. Following a motion by Mr. Bennett, and a second by Senator Bell, the VRS Board of Trustees unanimously approved the nomination of Mr. Bernert to serve as Vice Chair.

Committee Assignments

Next, Mr. Andrews advised that, in accordance with the Governance Policy, the Board needed to update its committee assignments.

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

Report of the Investment Advisory Committee

Lawrence Kochard, Chair of the Investment Advisory Committee (IAC), began his report by noting the IAC met on April 2, 2025, and approved the minutes from its August 14, 2024, and November 6, 2024, meetings. The Committee received the Chief Investment Officer's (CIO) report that included an update on the current market.

Following the CIO report, staff provided a portfolio diversification update, which included the proposed policy weight changes for the next fiscal year. The Committee was supportive of the proposed changes. Next, staff provided a review of the Public Equity and Fixed Income programs. Lastly, Mr. Junkin concluded the meeting by providing an update on the investment team's work toward mitigating investment exposure to those countries who have been designated as foreign adversaries by the Office of the Secretary of Commerce.

Mr. Andrews thanked Mr. Kochard for his report.

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, the Diverse Investment Manager Engagement (DIME) quarterly report, and the External Manager Referral quarterly report.

Mr. Andrews thanked Mr. Junkin for his report.

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 March 6, 2025, and placed it on file.

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 December 5, 2024, meeting.

ADMINISTRATION

DC Plans Overview

Staff provided an overview of the DC Plans, as well as an update on administrative reports for the fourth quarter of 2024. An overview of assets and accounts across the various defined contribution plans. Staff advised the Committee that total Plan accounts have increased 1% since September and assets have surpassed \$10 billion.

Staff provided an update on the federal SECURE 2.0 legislation. Specifically, staff covered Section 603, which requires that age-based catch-up contributions made by employees earning wages greater than \$145,000 in the previous year be made as Roth contributions. This provision will be effective in January 2026. Staff also provided an update on Unforeseen Emergency Withdrawals (UEW). UEW provisions were added to the Hybrid 457 Plan with self-certification, and self-certification provisions were also added to the Commonwealth 457 plan.

Staff provided an overview of ORPHE plans for the fourth quarter of 2024. Total Plan accounts increased slightly and assets were down 1%. Staff also provided a preview of upcoming ORPHE events.

DC Plans Recordkeeper Transition Update

Staff confirmed the completion of the transition to Voya, which occurred in early January. Voya staff provided statistics on the transition including balances, record counts, participant and employer contact, and communications. Voya staff also provided an update on January 2025 activity. This included milestones, participant contact, advice activity, plan balances, and distributions. Voya acknowledged that like in any complex transition, some employers and participants encountered certain challenges, specifically response times related to higher-than-normal call volume and timeliness with employer postings. Voya's senior leadership acknowledged the difficulties and committed to correcting these areas. VRS staff will continue to closely monitor participant and employer experience. An update on the status of VOYA's corrective actions will be provided at the next DCPAC meeting.

INVESTMENTS

Performance Reports

Staff provided an overview of the December 31, 2024, performance reports to the DCPAC, including the unbundled DC plans investment options and the bundled TIAA investment menu for ORPHE.

OTHER BUSINESS

State Legislative Update

Staff provided an overview of VRS-related legislation presented during the 2025 regular session of the General Assembly. Staff noted that the General Assembly reconvenes on April 2nd to address the Governor's vetoes and amendments.

DISCUSSION OF NEW IDEAS

No new ideas were brought before the Committee.

2025 MEETINGS

Dr. Gooden confirmed the remaining DCPAC meeting dates in 2025, all at 1:00 p.m.:

- Thursday, May 15th
- Thursday, September 11th
- Thursday, December 4th

Mr. Andrews thanked Dr. Gooden for her 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 April 15, 2025, and placed it on file.

APPROVAL OF MINUTES

The Committee approved the minutes of its February 6, 2025, meeting.

EXPERIENCE STUDY

The study is required by statute to be performed at least once every four years to validate assumptions and make necessary adjustments based on a comparison of actual VRS experience to the expected experience based on current assumptions. The study reviews economic and demographic assumptions, actuarial methods, and funding policies providing gain/loss analysis over the prior four years as well as cost impact analysis of any proposed changes. In addition, the study considers recommendations made in the quadrennial actuarial audit conducted by the Joint Legislative Audit and Review Commission's actuary.

Becky Stouffer, Jim Anderson and Jennifer Cagasan from the VRS plan actuary, Gabriel, Roeder, Smith & Company presented the results from the Experience Study and provided recommendations and cost impacts associated with the proposed changes.

GRS provided an abbreviated presentation of the recommendations to the Board of Trustees.

Upon a motion by Mr. Bennett, with a second by Dr. Gooden, the VRS Board of Trustees approved the following action:

RBA: Approval of Actuarial Assumptions based on July 1, 2020, to June 30, 2024, Experience Study

Request for Board Action 2025-04-03: The VRS Board of Trustees approves its plan actuary's recommendations as presented in the Experience Study (7/1/2020 to 06/30/2024) to change various assumptions, including: certain demographic assumptions regarding mortality rates, retirement rates, withdrawal rates, disability rates, salary increases and total payroll growth; method changes regarding the determination of normal cost; and various other post-employment benefits (OPEB) specific assumptions related to the Line of Duty Plan, Health Insurance Credit program, and the VSDP and VLDP disability programs.

Mr. Andrews thanked Mr. Bennett for his 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 April 15, 2025, and placed it on file.

APPROVAL OF MINUTES

The committee approved the minutes of its December 12, 2024, meeting.

ANNUAL REPORT ON CODE OF ETHICS

The chief operating officer and the regulatory and legal officer provided annual reports on their respective processes for communicating VRS' Code of Ethics and Conduct and for monitoring compliance, as required by the Audit and Compliance Committee Charter. Both indicated compliance with the reporting and certification requirements for their respective programs.

AUDIT PLAN PROGRESS AS OF DECEMBER 31, 2024

The internal audit director reported on the progress on the fiscal year 2025 annual audit plan as of December 31, 2024, the mid-point of the fiscal year. During her report, the internal audit director acknowledged one project has been shifted to a later period in the long-range plan and one project has been brought forward to fiscal year 2025 to accommodate operational activities of the organization.

MISCELLANEOUS UPDATES

The committee received the following miscellaneous updates:

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

There were no Fraud, Waste and Abuse Hotline complaints reported to Internal Audit via the Office of the State Inspector General or other sources during the period of November 1, 2024, through January 31, 2025.

Internal Audit's Review of Cost-of-Living Adjustments

Internal audit noted its review of the proposed "Cost-of-Living Adjustments" as calculated by VRS' actuary, Gabriel, Roeder, Smith & Company, was completed and the results were provided to the Benefits and Actuarial Committee and Board of Trustees at their respective meetings in February 2025.

Management's Quarterly Travel Expense and Per Diem Report

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

AUDIT REPORTS

The committee received two audit reports.

- The review of the *Real Asset Program* determined VRS provides adequate oversight and monitoring of the program. There were no formal recommendations as a result of this review.
- The committee went into closed session to receive the report on *VNAV Application Controls*.

The committee accepted both reports.

NEXT COMMITTEE MEETING DATE

The committee's next meeting is scheduled for Tuesday, June 17, 2025, at 1 p.m.

Mr. Andrews thanked Senator Bell for his report.

Report 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 April 16, 2025, and placed it on file.

APPROVAL OF MINUTES

The Committee approved the minutes of its September 18, 2024, meeting.

APPROVE AMENDED PAY PLANS

Paula Reid, Human Resources Director, reviewed the proposed amendments to the Administrative Pay Plan, Investment Operations and Administration Staff Pay Plan and Investment Professionals' Pay Plan. The changes include adjustments to the salary scales, consistent with the changes being made to the Commonwealth's Classified Compensation Plan, based on the 2025 amendments to the 2024 Appropriation Act. Other changes include clarification that pay actions implemented to be consistent with the provisions of the Appropriation Act include both salary adjustments and bonuses.

Upon a motion by Mr. Bennett, with a second by Senator Bell, the VRS Board of Trustees approved the following action:

RBA: Approve amended Administrative Pay Plan, Investment Operations and Administration Staff Pay Plan and Investment Professionals' Pay Plan

Request for Board Action 2025-04-04: *The Board approves an amended Administrative Pay Plan, Investment Operations and Administration Staff Pay Plan and Investment Professionals' Pay Plan, effective June 10, 2025.*

REAPPOINTMENT OF INVESTMENT ADVISORY COMMITTEE (IAC) MEMBERS

Andrew Junkin, Chief Investment Officer, informed the committee that two IAC members are due for reappointment. Mr. Junkin indicated that Thomas Gayner and Rod Smyth have been active and engaged participants of the IAC, and both are willing to continue their service on the IAC.

Upon a motion by Mr. Bennett, with a second by Senator Bell, the VRS Board of Trustees approved the following action:

RBA: Reappointment of IAC Members

Request for Board Action 2025-04-05: *The Board reappoints Thomas Gayner to the Investment Advisory Committee (IAC) for a two-year term ending February 19, 2027, and reappoints Rod Smyth to the IAC for a two-year term ending June 20, 2027.*

Mr. Andrews concluded the Report of the Administration, Finance and Talent Committee.

Custodial and Signature Authorization Resolutions

Trish Bishop, VRS Director, presented an amendment for consideration to the Resolution for Master Custodial Services to add the Deputy Chief Financial Officer to those permitted to open and close accounts. Further, Ms. Bishop presented an amendment to the Resolution for Payment of Retirement System Funds in the State Treasury and Signing Official Documents to remove the Senior Procurement Specialist to sign purchase orders or contracts not exceeding \$30,000.00 as the position is vacant. Technical amendments to both resolutions were also presented for consideration. Upon a motion by Dr. Gooden, with a second by Delegate James, 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.

Commending Resolution for Michael P. Disharoon

Mr. Andrews presented the following commending resolution of service of Michael P. Disharoon:

WHEREAS, Michael P. Disharoon was appointed to serve on the Virginia Retirement System Board of Trustees for a term beginning in March 2020 and concluding February 2025; and

WHEREAS, Mr. Disharoon was elected to serve as the Vice Chair of the Board of Trustees in April 2024, serving in that position with distinction until the conclusion of his term while providing valuable guidance to the Board, sharing his comprehensive understanding of investment best practices, and fully engaging in Board discussions; and

WHEREAS, Mr. Disharoon also served as a Member of the Chief Investment Officer Search Committee, applying his expertise to the evaluation of candidates for the skills that are needed to sustain the system in the future; and

WHEREAS, Mr. Disharoon served the members and retirees of the system with steady leadership, and the system benefited from his willingness to generously share his extensive knowledge of the investment and financial industries, which greatly contributed to its success;

NOW, THEREFORE, BE IT RESOLVED, that on April 16, 2025, we, the members of the Board of Trustees of the Virginia Retirement System, hereby acknowledge Mr. Disharoon's loyal and faithful service to the Board of Trustees, the Virginia Retirement System, its members, retirees, and the Commonwealth of Virginia, and are grateful for his contributions, stewardship, and commitment as a member of the Board of Trustees.

Upon a motion by Senator Bell, with a second by Dr. Gooden, the VRS Board of Trustees approved the resolution.

Legislative Update

Sandy Jack, Director of Policy, Planning and Compliance, provided a 2025 legislative session update advising the Board that the General Assembly adjourned on February 22, 2025, and reconvened on April 2, 2025, to consider the Governor's amendments and vetoes. Ms. Jack presented an overview of the following bills that passed during the 2025 regular session of the General Assembly that affect the Virginia Retirement System:

- Senate Bill 934 - Unclaimed Volunteer Firefighters' and Rescue Squad Workers' Service Award Funds: Provides that any funds or other property held or payable to a member of the Volunteer Firefighters' and Rescue Squad Workers' Service Award Fund that have remained unclaimed for more than five years after the member's forfeiture of membership or the dissolution of the volunteer EMS agency or volunteer fire department shall be presumed abandoned for the purposes of the Virginia Disposition of Unclaimed Property Act.
- Senate Bill 1201 - Conservation Officers Become Members of VaLORS: Extends membership in the Virginia Law Officers' Retirement System (VaLORS) to conservation officers of the Department of Conservation and Recreation. VaLORS membership applies only to service earned starting July 1, 2025.
- House Bill 1705 - Disability Benefits for Certain Emergency Dispatchers: Beginning July 1, 2026, emergency dispatchers who are not members of the Hybrid Retirement Plan will become participants in the Virginia Local Disability Program (VLDP) for hybrid plan members, or the comparable disability program provided by their employer. Employers will cover the costs required for funding dispatchers' participation in the disability program. Dispatchers in service before July 1, 2025, will be given a one-time opportunity to elect to remain in their existing disability program. They will have until March 31, 2026, to make their election.
- House Bill 1815 Senate Bill 1142 - Line of Duty Act Benefits for Campus and Private Police Officers: Provides employees of contributing nonprofit private institutions of higher education and contributing private police departments, as defined in the bill, with the benefits granted to employees of participating employers under the Line of Duty Act (LODA).

Mr. Andrews thanked Ms. Jack for her report.

Report of the Director

Ms. Bishop, Director, began her report with an update on the agency road map for FY 2025, noting all projects are progressing as planned, as well as a review of New Coverage Elections.

Ms. Bishop then made the following announcement to the Board:

- VRS received the Certificate of Transparency from the National Conference on Public Employee Retirement Systems (NCPERS). VRS was recognized for furthering open disclosure, increasing available data, and encouraging the public's understanding of public retirement systems.

Ms. Bishop presented an overview of Actuarial Measures and Key Indicators for fiscal year 2025. The overview included a comparison of the actual fund market value versus the expected market value based on plan assumption for FY 2025, a comparison of pension cash flows for fiscal year 2024 versus 2025, as well as the average increase in CPI year to date.

Ms. Bishop noted an Administrative Finance and Talent Management Committee meeting would be scheduled for May to discuss Succession Management, Lease Space and Agency Performance Outcomes.

Mr. Andrews thanked Ms. Bishop for her report.

Other Business

Lastly, Mr. Andrews reviewed the following meeting schedule:

- Administration, Finance and Talent Management Committee – May 2025, date to be determined.
- Defined Contribution Plans Advisory Committee – May 15 at 1:00 p.m.
- Benefits and Actuarial Committee – June 9 at 1:00 p.m.
- Administration, Finance and Talent Management Committee – June 17 at 10:30 a.m.
- Audit and Compliance Committee – June 17 at 1:00 p.m.
- Board of Trustees – June 18 at 1:00 p.m.

Adjournment

There being no further business and following a motion by Senator Bell, with a second by Delegate James, the VRS Board of Trustees agreed to adjourn the meeting at 2:18 p.m.



Chair



Secretary

Report

The Defined Contribution Plans Advisory Committee (DCPAC) convened on March 6, 2025, 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 December 5, 2024, meeting.

ADMINISTRATION

DC Plans Overview

Staff provided an overview of the DC Plans, as well as an update on administrative reports for the fourth quarter of 2024. An overview of assets and accounts across the various defined contribution plans. Staff advised the Committee that total Plan accounts have increased 1% since September and assets have surpassed \$10 billion.

Staff provided an update on the federal SECURE 2.0 legislation. Specifically, staff covered Section 603, which requires that age-based catch-up contributions made by employees earning wages greater than \$145,000 in the previous year be made as Roth contributions. This provision will be effective in January 2026. Staff also provided an update on Unforeseen Emergency Withdrawals (UEW). UEW provisions were added to the Hybrid 457 Plan with self-certification, and self-certification provisions were also added to the Commonwealth 457 plan.

Staff provided an overview of ORPHE plans for the fourth quarter of 2024. Total Plan accounts increased slightly and assets were down 1%. Staff also provided a preview of upcoming ORPHE events.

DC Plans Recordkeeper Transition Update

Staff confirmed the completion of the transition to Voya, which occurred in early January. Voya staff provided statistics on the transition including balances, record counts, participant and employer contact, and communications. Voya staff also provided an update on January 2025 activity. This included milestones, participant contact, advice activity, plan balances, and distributions. Voya acknowledged that like in any complex transition, some employers and participants encountered certain challenges, specifically response times related to higher-than-normal call volume and timeliness with employer postings. Voya's senior leadership acknowledged the difficulties and committed to correcting these areas. VRS staff will continue to closely monitor participant and employer experience. An update on the status of VOYA's corrective actions will be provided at the next DCPAC meeting.

INVESTMENTS

Performance Reports

Staff provided an overview of the December 31, 2024, performance reports to the DCPAC, including the unbundled DC plans investment options and the bundled TIAA investment menu for ORPHE.

OTHER BUSINESS

State Legislative Update

Staff provided an overview of VRS-related legislation presented during the 2025 regular session of the General Assembly. Staff noted that the General Assembly reconvenes on April 2nd to address the Governor's vetoes and amendments.

DISCUSSION OF NEW IDEAS

No new ideas were brought before the Committee.

2025 MEETINGS

Dr. Gooden confirmed the remaining DCPAC meeting dates in 2025, all at 1:00 p.m.:

- Thursday, May 15th
- Thursday, September 11th
- Thursday, December 4th

There was no other business to come before the Committee.

Submitted to the Board of Trustees on April 16, 2025.



Susan T. Gooden, Chair
Defined Contribution Plans Advisory Committee

Report

The VRS Benefits and Actuarial Committee met on April 15, 2025, and took up the following matters:

APPROVAL OF MINUTES

The Committee approved the minutes of its February 6, 2025, meeting.

EXPERIENCE STUDY

The study is required by statute to be performed at least once every four years to validate assumptions and make necessary adjustments based on a comparison of actual VRS experience to the expected experience based on current assumptions. The study reviews economic and demographic assumptions, actuarial methods, and funding policies providing gain/loss analysis over the prior four years as well as cost impact analysis of any proposed changes. In addition, the study considers recommendations made in the quadrennial actuarial audit conducted by the Joint Legislative Audit and Review Commission's actuary.

Becky Stouffer, Jim Anderson and Jennifer Cagasan from the VRS plan actuary, Gabriel, Roeder, Smith & Company presented the results from the Experience Study and provided recommendations and cost impacts associated with the proposed changes.

GRS will provide an abbreviated presentation of the recommendations to the Board of Trustees.

Following some discussion, the Committee recommended approval of the following action to the full Board of Trustees:

Request for Board Action: *The VRS Board of Trustees approves its plan actuary's recommendations as presented in the Experience Study (7/1/2020 to 06/30/2024) to change various assumptions, including: certain demographic assumptions regarding mortality rates, retirement rates, withdrawal rates, disability rates, salary increases and total payroll growth; method changes regarding the determination of normal cost; and various other post-employment benefits (OPEB) specific assumptions related to the Line of Duty Plan, Health Insurance Credit program, and the VSDP and VLDP disability programs.*

Submitted to the Board of Trustees on April 16, 2025.



John M. Bennett, Chair
Benefits and Actuarial Committee

Report

The Audit and Compliance Committee met on April 15, 2025. Senator Bell 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 December 12, 2024, meeting.

ANNUAL REPORT ON CODE OF ETHICS

The chief operating officer and the regulatory and legal officer provided annual reports on their respective processes for communicating VRS' Code of Ethics and Conduct and for monitoring compliance, as required by the Audit and Compliance Committee Charter. Both indicated compliance with the reporting and certification requirements for their respective programs.

AUDIT PLAN PROGRESS AS OF DECEMBER 31, 2024

The internal audit director reported on the progress on the fiscal year 2025 annual audit plan as of December 31, 2024, the mid-point of the fiscal year. During her report, the internal audit director acknowledged, one project has been shifted to a later period in the long-range plan and one project has been brought forward to fiscal year 2025 to accommodate operational activities of the organization.

MISCELLANEOUS UPDATES

The committee received the following miscellaneous updates:

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

There were no Fraud, Waste and Abuse Hotline complaints reported to Internal Audit via the Office of the State Inspector General or other sources during the period of November 1, 2024, through January 31, 2025.

Internal Audit's Review of Cost of Living Adjustments

Internal audit noted its review of the proposed "Cost of Living Adjustments" as calculated by VRS' actuary, Gabriel, Roeder, Smith & Company, was completed and the results were provided to the Benefits and Actuarial Committee and Board of Trustees at their respective meetings in February 2025.

Management's Quarterly Travel Expense and Per Diem Report

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

AUDIT REPORTS

The committee received two audit reports.

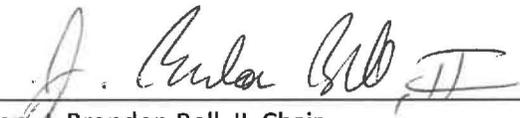
- The review of the *Real Assest Program* determined VRS provides adequate oversight and monitoring of the program. There were no formal recommendations as a result of this review.
- The committee went into closed session to receive the report on *VNAV Application Controls*.

Upon returning to the open meeting, the committee accepted both reports.

NEXT COMMITTEE MEETING DATE

The committee's next meeting is scheduled for Tuesday, June 17, 2025, at 1 p.m.

Respectfully submitted to the Board of Trustees on April 16, 2025.



Sen. J. Brandon Bell, II, Chair
Audit and Compliance Committee

Report

The Administration, Finance and Talent Management Committee met on April 16, 2025, and discussed the following:

APPROVAL OF MINUTES

The Committee approved the minutes of its September 18, 2024, meeting.

APPROVE AMENDED PAY PLANS

Paula Reid, Human Resources Director, reviewed the proposed amendments to the Administrative Pay Plan, Investment Operations and Administration Staff Pay Plan and Investment Professionals' Pay Plan. The changes include adjustments to the salary scales, consistent with the changes being made to the Commonwealth's Classified Compensation Plan, based on the 2025 amendments to the 2024 Appropriation Act. Other changes include clarification that pay actions implemented to be consistent with the provisions of the Appropriation Act include both salary adjustments and bonuses.

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

Request for Board Action: *The VRS Board of Trustees approves an amended Administrative Pay Plan, Investment Operations and Administration Staff Pay Plan, and Investment Professionals' Pay Plan, effective June 10, 2025.*

REAPPOINTMENT OF INVESTMENT ADVISORY COMMITTEE (IAC) MEMBERS

Andrew Junkin, Chief Investment Officer, informed the committee that two IAC members are due for reappointment. Mr. Junkin indicated that Thomas Gayner and Rod Smyth have been active and engaged participants of the IAC, and both 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 Thomas Gayner to the Investment Advisory Committee (IAC) for a two-year term ending February 19, 2027, and reappoints Rod Smyth to the IAC for a two-year term ending June 20, 2027.*

BUDGET UPDATE

Jon Farmer, Budget and Reporting Manager, presented the quarterly budget update, explaining that through February 28, 2025, VRS has expended approximately \$82 million in appropriations. Staff estimates a projected year-end total of approximately \$126 million in expenditures, a variance of 7.5% of the agency's approximately \$136 million budget.

Submitted to the Board of Trustees on April 16, 2025.



**Administration, Finance and Talent
Management Committee
Committee Report to the Board of Trustees
April 16, 2025
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A handwritten signature in blue ink, appearing to read 'A. Scott Andrews', written over a horizontal line.

A. Scott Andrews, Chair
Administration, Finance and Talent Management Committee

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 16th day of April 2025 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

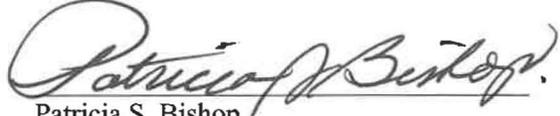
BE IT FURTHER RESOLVED, that the following persons are hereby designated by the Board as those additional persons authorized to sign any and all purchase orders and contracts in the name of the Board of Trustees of the Virginia Retirement System: (i) the Chief Financial Officer or Deputy Chief Financial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

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

ATTEST:



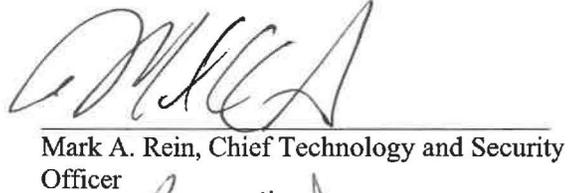
A. Scott Andrews
Chairman, VRS Board of Trustees



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

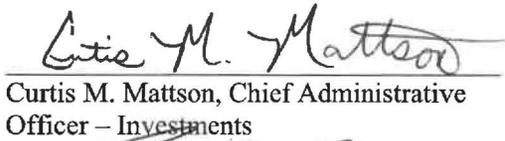

Mark A. Rein, Chief Technology and Security Officer


Leslie B. Weldon, Chief Financial Officer

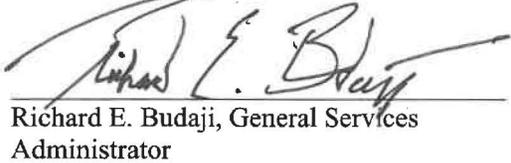

Andrew H. Junkin, Chief Investment Officer


Michael P. Cooper, Chief Operating Officer


Robert L. Irving, Customer Services Director


Curtis M. Mattson, Chief Administrative Officer – Investments

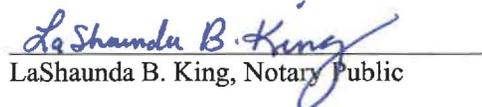

Robert G. Robinson, Procurement Manager


Richard E. Budaji, General Services Administrator

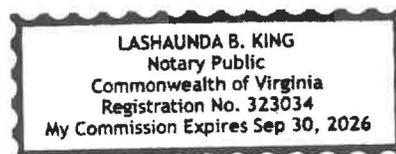

Curtis Doughtie, Deputy Chief Financial Officer

COMMONWEALTH OF VIRGINIA
CITY OF RICHMOND, TO-WIT:

The foregoing instrument was acknowledged before me this 16th day of April 2025 by A. Scott Andrews; Patricia S. Bishop; Mark A. Rein; Leslie B. Weldon; Andrew H. Junkin; Michael P. Cooper; Robert L. Irving; Curtis M. Mattson; Robert G. Robinson, Richard E. Budaji, and Curtis Doughtie.


LaShaunda B. King, Notary Public

My commission expires September 30, 2026.



**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 16th day of April 2025, 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 Compliance Officer or the Investments Office Administrator, 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 under their custodial control that (i) are not initiated by an authorized investment advisor associated with the settlement of a purchase or sale transaction and (ii) are not for the payment of investment management, consulting or custodian fees. 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; 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 Compliance Officer, the Investments Office Administrator, 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 Compliance Officer 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 Compliance Officer 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.

ATTEST:

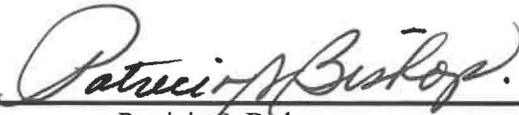


A. Scott Andrews, Chair
VRS Board of Trustees

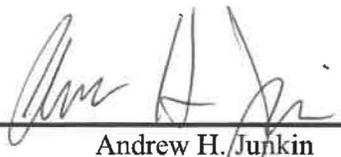


Patricia S. Bishop
Secretary to the VRS Board of Trustees

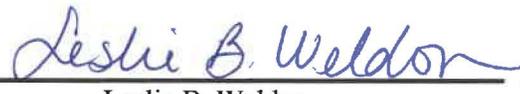
**VIRGINIA RETIREMENT SYSTEM AUTHORIZED SIGNATURES
FOR MASTER CUSTODIAL SERVICES**



Patricia S. Bishop
Director



Andrew H. Junkin
Chief Investment Officer



Leslie B. Weldon
Chief Financial Officer



Mark A. Rein
Chief Technology and Security Officer



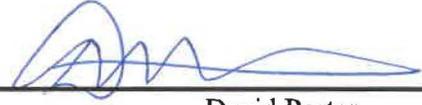
Michael P. Cooper
Chief Operating Officer



Robert L. Irving
Customer Services Director



Curtis M. Mattson
Chief Administrative Officer - Investments



David Porter
Controller



Laurie Fennell
Investments Compliance Officer



Abida W. Arezo
Investment Accounting Manager



Danita R. Barnes
Investments Office Administrator



Curtis Doughtie
Deputy Chief Financial Officer

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

The foregoing instrument was acknowledged before me this 16th day of April 2025 by A. Scott Andrews, Patricia S. Bishop, Andrew H. Junkin, Mark A. Rein, Michael P. Cooper, Robert L. Irving, Curtis M. Mattson, Leslie B. Weldon, Laurie Fennell, Abida W. Arezo, David Porter, Danita R. Barnes, and Curtis Doughtie.



LaShaunda B. King, Notary Public

My commission expires September 30, 2026.

