



Virginia
Retirement
System®

Investments Report

FOR THE QUARTER ENDING
SEPTEMBER 30, 2025





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The first quarter of the VRS fiscal year produced positive results across most asset classes as markets continued to stabilize following earlier tariff- and trade-related volatility. Moderating inflation, strong corporate earnings and improving global risk sentiment contributed to broad-based gains. Against this backdrop, the VRS portfolio returned 3.9% for the quarter, compared with 4.8% for the board-approved benchmark. Calendar-year results remain strong, with the total fund up 10.1% versus 9.8% for the benchmark through September 30.

Over the long term, the VRS portfolio continues to generate strong performance. For the three-, five- and 10-year periods ended September 30, the total fund returned 11.2%, 10.2% and 8.9%, respectively, each exceeding the actuarial assumed rate of return of 6.75% and outperforming the benchmark over the five- and 10-year periods. These results highlight the strength of a diversified portfolio designed to balance growth and stability across varying economic environments.

Public equity, private equity, credit strategies and real assets each contributed meaningfully to multi-year performance, supported by the fund's strategic mix of public and private market exposures. While near-term fluctuations are anticipated, the fund's long-term orientation, global diversification and disciplined rebalancing remain central to generating sustained value over time.

As of 09/30/2025	FYTD	1 Year	3 Years	5 Years	10 Years
VRS Total Fund	3.9	10.3	11.2	10.2	8.9
Benchmark	4.8	10.3	12.9	8.7	8.2
Excess Return	-0.9	0.0	-1.7	1.5	0.7

The portfolio remains largely aligned with its long-term policy targets, with all major programs operating close to their respective strategic weights. Public equity, private equity, real assets, credit strategies, diversifying strategies, fixed income and cash all remain well within their allowable ranges, supporting balanced risk exposure across the total fund.

The investment team remains focused on disciplined risk management, thoughtful rebalancing and identifying opportunities globally as the fiscal year progresses. Broad diversification continues to be a foundational strength of the VRS investment program, helping to navigate shifting market conditions while supporting long-term return objectives.



TOTAL FUND PERFORMANCE

(Expressed in Percentages, Net of Fees)

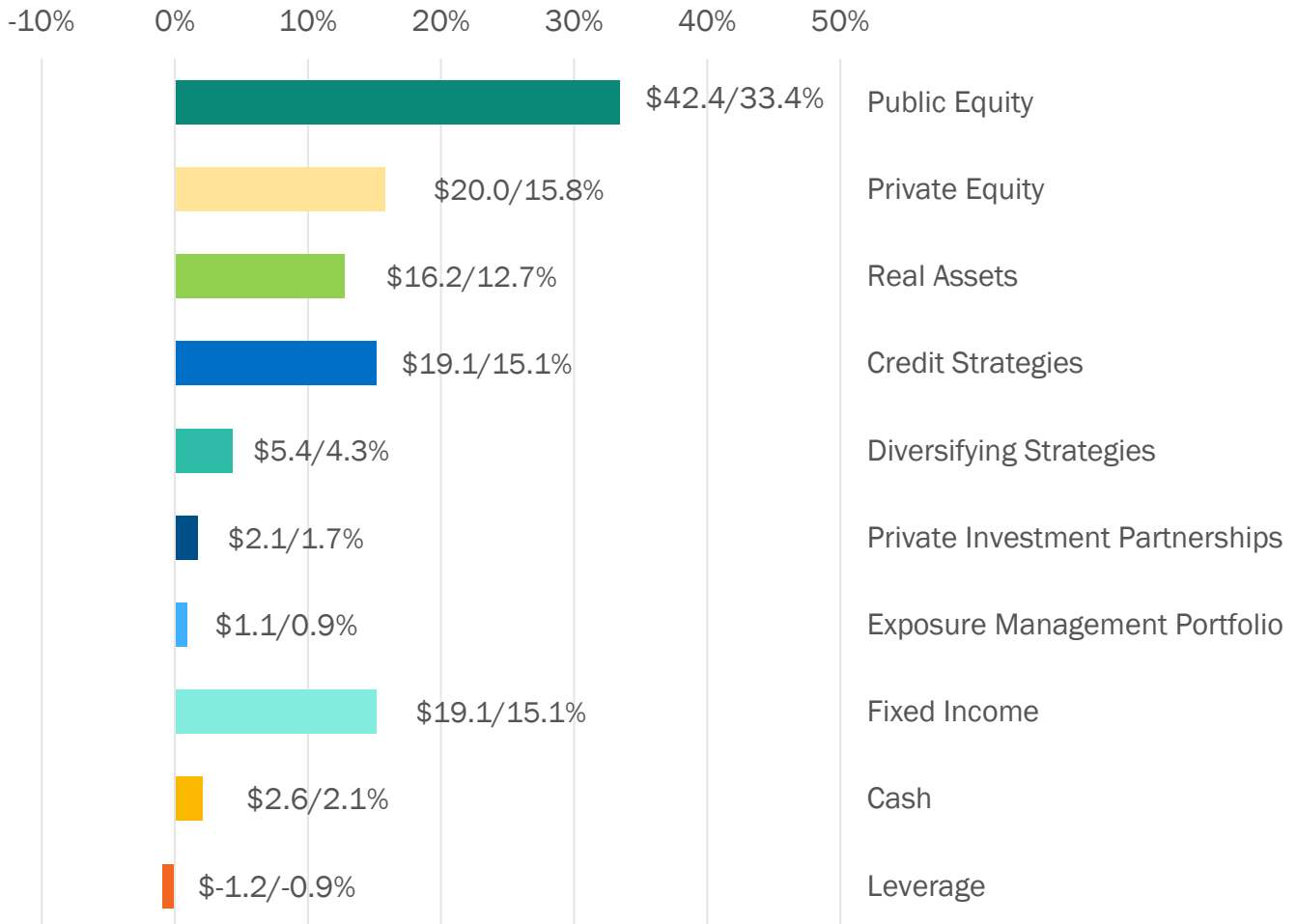
	10 Yr.	5 Yr.	3 Yr.	1 Yr.	Qtr.	Month	Fiscal YTD	Cal YTD
Total Public Equity	11.3	14.4	22.8	17.7	6.4	2.6	6.4	18.7
<i>Benchmark ¹</i>	11.4	13.3	22.3	15.5	6.3	2.8	6.3	17.3
Total Private Equity	13.9	14.9	5.8	7.7	2.4	2.4	2.4	5.8
<i>Benchmark ²</i>	12.3	14.3	17.9	16.9	11.7	4.6	11.7	9.6
Total Real Assets	7.3	6.8	0.5	4.3	1.3	1.1	1.3	3.5
<i>Benchmark ³</i>	5.3	4.2	-1.8	4.0	1.1	0.4	1.1	3.5
Total Credit Strategies	7.7	9.2	10.7	11.3	4.6	3.8	4.6	8.5
<i>Benchmark ⁴</i>	6.1	6.0	10.1	7.0	2.0	0.6	2.0	5.9
Total Diversifying Strategies	n/a	6.7	8.7	6.7	2.7	1.8	2.7	5.3
<i>Benchmark ⁵</i>	n/a	5.7	9.8	6.9	1.7	0.5	1.7	5.1
Total Private Investment Partnerships	8.5	12.0	7.7	9.2	2.7	2.7	2.7	5.2
<i>Benchmark ⁶</i>	7.5	8.6	8.3	9.2	4.9	1.9	4.9	6.4
Total Fixed Income	2.9	0.8	6.2	4.1	2.6	1.4	2.6	7.1
<i>Benchmark ⁷</i>	2.0	-0.1	5.6	3.3	2.2	1.1	2.2	6.4
Total Fund	8.9	10.2	11.2	10.3	3.9	2.3	3.9	10.1
<i>VRS Custom Benchmark ⁸</i>	8.2	8.7	12.9	10.3	4.8	2.0	4.8	9.8

Notes:

- Effective July 2025, the Public Equity Custom Benchmark is a weighted average of the MSCI ACWI IMI Index ex Selected Countries (net VRS taxes) (85%) and the MSCI World Min Vol Index ex Selected Countries (net VRS taxes) (15%).
- Effective July 2025, the Private Equity Custom Benchmark is the regional benchmarks of the MSCI ACWI IMI Index ex Selected Countries (net VRS taxes) lagged by three months, weighted to reflect the Private Equity opportunity set (currently 75% North America, 20% Europe, and 5% Asia and Emerging Markets).
- Effective January 2023, the Real Assets Custom Benchmark is the market value weighted blend of the NCREIF Private Real Estate Benchmark (ODCE Index (net) lagged by three months) and the Other Real Assets Custom Benchmark (the CPI-U Index plus 400 basis points per annum lagged by three months).
- Effective July 2023, the Credit Strategies Custom Benchmark is a blend of the Morningstar LSTA Performing Loan Index (50%) and the Bloomberg US High Yield Ba/B 2% Issuer Cap Index (50%).
- Effective January 2024, the Diversifying Strategies Custom Benchmark is the ICE BofA US 3-Month Treasury Bill Index plus 250 basis points per annum.
- Effective July 2025, the Private Investment Partnerships (PIP) Custom Benchmark is the weighted average of the Private Equity Custom Benchmark (33%), the NCREIF Private Real Estate Benchmark (25%), the Other Real Assets Custom Benchmark (8%), the Bloomberg US High Yield Ba/B 2% Issuer Cap Index (17%), and the Morningstar LSTA Performing Loan Index (17%).
- Effective July 2020, the Fixed Income Custom Benchmark is a blend of the Bloomberg US Aggregate Bond Index (90%), Bloomberg US High Yield Ba/B 2% Issuer Cap Index (5%), and JP Morgan EMBI Global Core Index (5%).
- The VRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.



Total Fund Market Value = \$126.8 billion



Dollar Amounts in Billions / Percent of Total Fund

Source: Bank of New York

Differences in totals are due to rounding.



VRS Return (as of September 30, 2025)	
1-year	10.3
3-year	11.2
5-year	10.2
10-year	8.9
15-year	8.6
20-year	7.3
25-year	6.6

Source: Bank of New York