



Audit and Compliance Committee Meeting

[1111 E. Main Street](#)
[Third Floor Board Room](#)

Tuesday, 4/15/2025

3:00 - 4:30 PM ET

I. Minutes of the December 12th Meeting

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II. Report on Code of Ethics by Management

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A. Report from Administration

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B. Report from Investments

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III. FY 2025 Audit Plan Progress as of December 31, 2024

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IV. Miscellaneous Updates

A. Quarterly Report on Fraud, Waste and Abuse Hotline Cases

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B. Cost of Living Adjustments

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V. Audit Reports

A. Report 461: Real Assets

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B. Report 462: VNAV Application Controls (Closed Session)

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VI. Next Meeting Date: June 17, 2025, at 1:00 p.m.

Minutes

The Audit and Compliance Committee of the Board of Trustees met on December 12, 2024, at the Virginia Retirement System located in Richmond, Virginia. The following individuals were present.

Audit and Compliance Committee Members:

Sen. J. Brandon Bell, II, Committee Chair
John M. Bennett, Committee Vice Chair
A. Scott Andrews, Board Chair

Other Members of the Board of Trustees:

Lindsey K. Pantele

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Rory Badura, Judy Bolt, Jeanne Chenault, Michael Cooper, Antonio Fisher, Joshua Fox, Krystal Groff, Robert Irving, Sandy Jack, Curt Mattson, David Porter, Matthew Priestas, Kristy Scott and Leslie Weldon

Guests:

Zach Borgerding, Justin Ferrell and Eric Sandridge, Auditor of Public Accounts

The meeting convened at approximately 10:07 a.m.

Opening Remarks

Sen. Bell called the meeting to order and welcomed everyone to the December 12, 2024, meeting of the Audit and Compliance Committee and noted no changes or additions to the meeting agenda.

Approval of Minutes

Upon motion of Mr. Andrews, seconded by Mr. Bennett, the committee approved the minutes of the Audit and Compliance Committee meeting held on September 18, 2024.

Exit on the 2024 Annual Comprehensive Financial Report (ACFR)

Mr. Borgerding informed the committee the APA's audit work over VRS' fiscal year 2024 ACFR was in its final stages. Mr. Borgerding indicated the APA plans to issue an unmodified opinion dated December 11, 2024. Mr. Borgerding noted as a part of the audit, the APA would issue a "Report on Internal Controls and Compliance" in January 2025. Results of the audit include no new recommendations but will include follow up on prior year recommendations, which is in the process of being discussed with management.

Mr. Borgerding informed the committee Mr. Sandridge would be taking over as project manager moving forward. He reflected on the past decade he had served as the project manager and expressed his respect for VRS as an organization and its management.

Entrance for 2024 Employer Assurances Review

Mr. Sandridge then provided the committee with an overview of the APA's upcoming examination designed to provide participating employers and their auditors the assurances necessary to prepare their own annual financial statements in accordance with:

- *GASB Statement No. 68*, which focuses on employer reporting over pension plans.
- *GASB Statement No. 75*, which deals with employer reporting over other post-employment benefit plans.

Mr. Sandridge noted the examination will cover the period July 1, 2023, through June 30, 2024, and the APA anticipates issuing its opinions on these matters on or about June 30, 2025. He further indicated the engagement memo would be provided to the committee at a later date.

Audit Report

The committee received one audit report from staff.

Audit Report 460 – Purchase of Prior Service

Ms. Bolt presented the results of Internal Audit's review of Purchase of Prior Service. The review determined overall, purchases of prior service are valid, complete and processed in accordance with the *Code of Virginia*. There were no recommendations resulting from this review.

Acceptance of Audit Report

Upon motion of Mr. Bennett, seconded by Mr. Andrews, the committee accepted audit report no. 460 as presented.

Annual Report on Internal Audit's Quality Assurance and Improvement Program

Ms. Schreck presented the results of the annual internal Quality Assurance and Improvement Program Review as of June 30, 2024, which concluded there was reasonable assurance that the Internal Audit Department was generally performing in conformance with the *International Standards for the Professional Practice of Internal Auditing*. Ms. Schreck noted this review would be validated by an independent third party with their results reported to the committee.

Update on the Global Internal Audit Standards Implementation

Ms. Schreck continued the discussion from the September committee meeting related to the Chief Audit Executive (CAE) qualifications and competencies and shared the recently updated job description for the position. She provided an overview of the planned timeline and cycle of committee activities for the department's implementation of the new *Global Internal Audit Standards*. The committee discussed the use of the different job titles of CAE and Internal Audit Director within the private and public sectors. Ms. Schreck

concluded the discussion by encouraging the committee to share any of its additional feedback on the recently updated job description.

Quarterly Report on Fraud, Waste and Abuse Hotline Cases

Ms. Schreck shared there were no Fraud, Waste and Abuse cases reported for the period August 1, 2024, through October 31, 2024. Ms. Schreck provided the committee with a brief overview of the nature of prior cases.

Miscellaneous Updates

Management's Quarterly Travel Expense and Per Diem Report

Ms. Schreck noted management's quarterly travel expense and per diem report was included in the meeting materials for the Audit and Compliance Committee's review.

Closing Remarks from the Agency Director

Ms. Bishop conveyed her gratitude of the work and professionalism of Mr. Borgerding over the years he had served as the project manager for the APA audit work. She remarked that during a time when the organization had to navigate changes in GASB standards, IT standards and other requirements, Mr. Borgerding served as a good partner to VRS.

Ms. Bishop also recognized the VRS Chief Financial Officer, Ms. Weldon, and the VRS Controller, Mr. Porter, and their staff's work on VRS' financial statements, acknowledging the efficiencies implemented leading to the ACFR's earlier completion. She emphasized the importance of this work and her appreciation for their and the APA's collaborative efforts to achieve this milestone.

Next Committee Meeting Date

Ms. Schreck noted the next meeting of the committee is scheduled for April 15, 2025, at 3:00 p.m.

Meeting Adjournment

There being no further business, upon motion by Mr. Bennett, seconded by Mr. Andrews, the Audit and Compliance Committee adjourned the meeting at approximately 10:45 a.m.

Committee Chair

Secretary

Code of Ethics

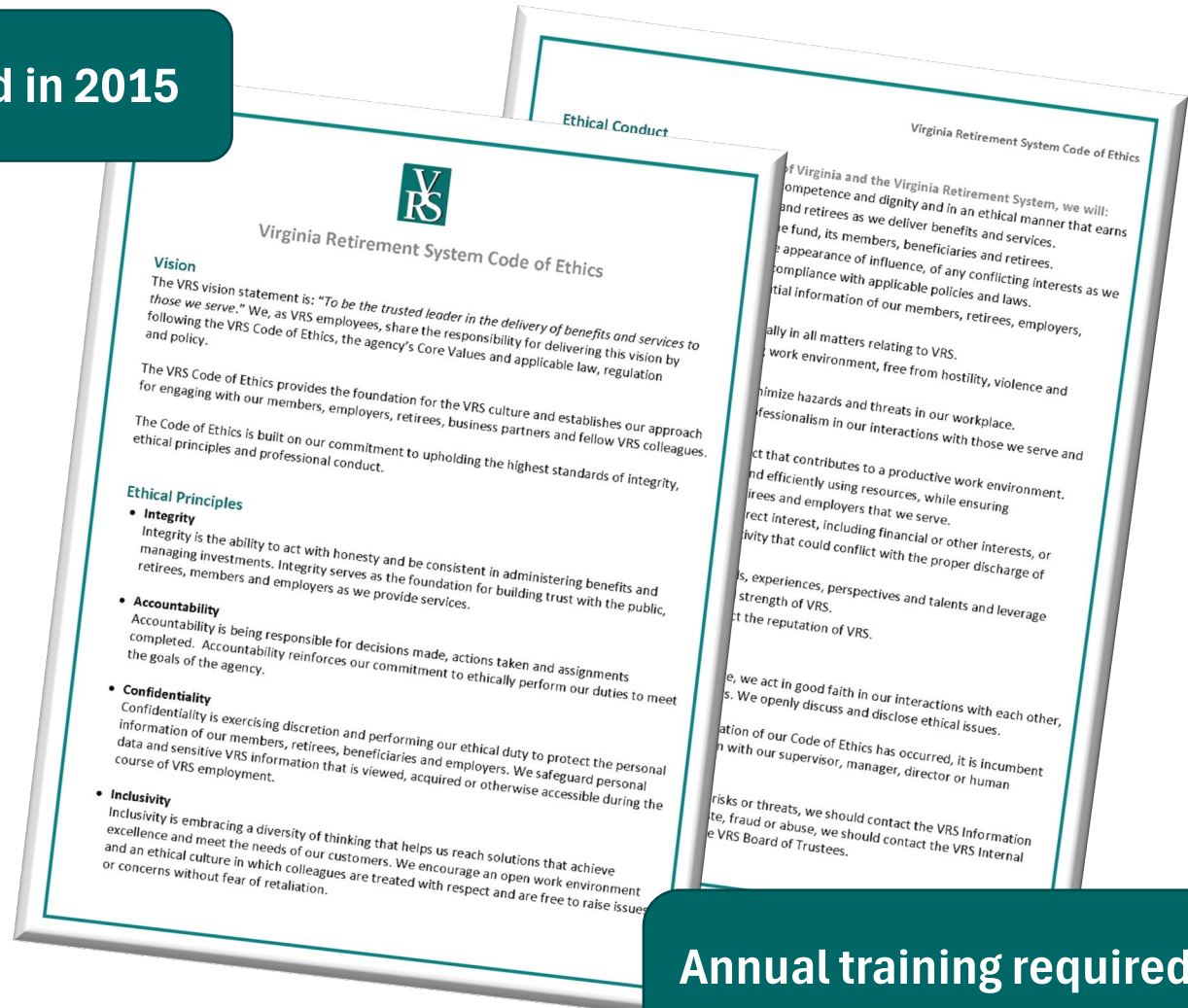


VRS Code of Ethics Report

Presented to
VRS Audit and Compliance Committee
April 15, 2025

VRS Administration Code of Ethics

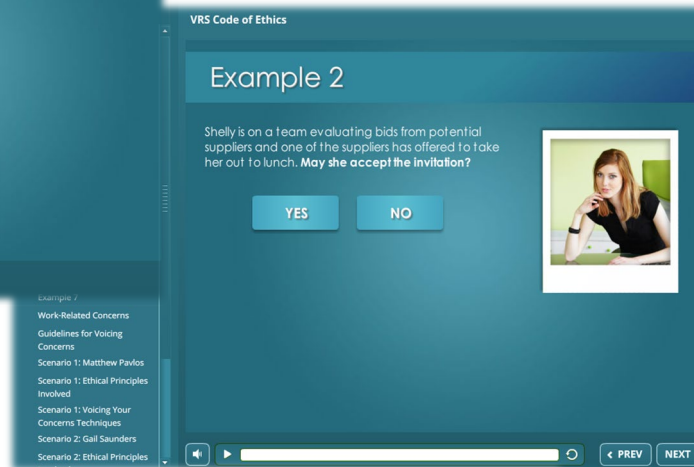
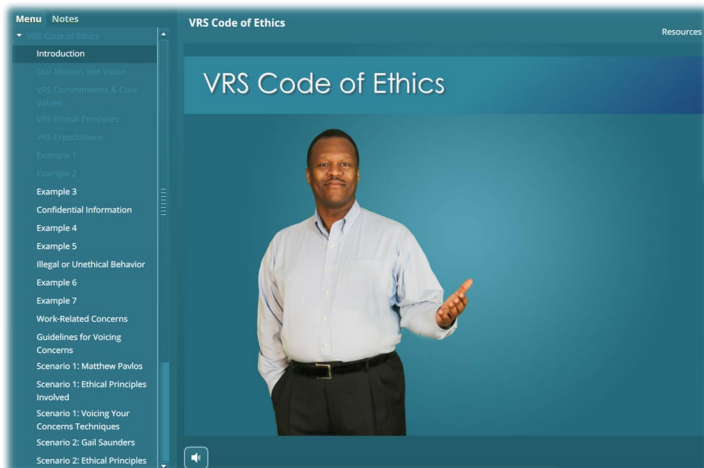
Adopted in 2015



Annual training required for all eligible employees

Online Training Course

- Developed in 2016
- Interactive
- Incorporates real-life scenarios



2024 Results

All eligible full-time and wage employees required to complete the Code of Ethics training course no later than December 31, 2024.



100% course completion



Completed by November 26, 2024

VRS Investments Code of Ethics

- **Consists of four interconnected policies:**
 - Code of Ethics and Standards of Professional Conduct Policy
 - Material Non-Public Information Policy
 - Personal Trading Policy
 - Policy on Gifts
- **Applies to Investment staff in addition to the VRS Administration Code of Ethics**



Monitoring and Certification

- **Initial Certification:**
 - New employee training on Investments Code of Ethics policies and initial certification
- **Quarterly Certifications:**
 - Quarterly certifications of compliance with the Personal Trading Policy
- **Annual Certifications:**
 - Annual certification of compliance with Investments Code of Ethics policies



FY 2024 Compliance Results



For FY 2024 (and through 12/31/2024), all new Investment staff have provided Initial Certifications of compliance with the Investments Code of Ethics.



For FY 2024, all Investment staff have provided Annual Certifications of compliance with the Investments Code of Ethics.



For FY 2024 (and through 12/31/2024), all Investment staff have provided Quarterly Certifications of compliance with the Personal Trading Policy for each fiscal quarter.



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April 8, 2025

MEMORANDUM

TO: VRS Audit and Compliance Committee

FROM: Patricia S. Bishop
Director 

RE: 2024 Code of Ethics Report

Since adopting its Code of Ethics in 2015, VRS expects all eligible full-time and wage employees to complete ethics training each year. Beginning in 2016, VRS established an online 30-minute interactive Code of Ethics course to more efficiently facilitate the required training. The course details the provisions of the VRS Code of Ethics and includes related scenarios that employees could face in the workplace. Each year the Human Resources staff reviews the training course to ensure it is current.

It is the goal of the agency to have all eligible employees complete the Code of Ethics course at least once during the year. All eligible employees successfully completed the required course before December 31, 2024. One employee who was out on extended leave completed the course upon their return in February.

To the best of our knowledge, all employees are in compliance with the requirements and expectations described in the VRS Code of Ethics.

Attachment



Virginia Retirement System Code of Ethics

Vision

The VRS vision statement is: *“To be the trusted leader in the delivery of benefits and services to those we serve.”* We, as VRS employees, share the responsibility for delivering this vision by following the VRS Code of Ethics, the agency’s Core Values and applicable law, regulation and policy.

The VRS Code of Ethics provides the foundation for the VRS culture and establishes our approach for engaging with our members, employers, retirees, business partners and fellow VRS colleagues.

The Code of Ethics is built on our commitment to upholding the highest standards of integrity, ethical principles and professional conduct.

Ethical Principles

- **Integrity**

Integrity is the ability to act with honesty and be consistent in administering benefits and managing investments. Integrity serves as the foundation for building trust with the public, retirees, members and employers as we provide services.

- **Accountability**

Accountability is being responsible for decisions made, actions taken and assignments completed. Accountability reinforces our commitment to ethically perform our duties to meet the goals of the agency.

- **Confidentiality**

Confidentiality is exercising discretion and performing our ethical duty to protect the personal information of our members, retirees, beneficiaries and employers. We safeguard personal data and sensitive VRS information that is viewed, acquired or otherwise accessible during the course of VRS employment.

- **Inclusivity**

Inclusivity is embracing a diversity of thinking that helps us reach solutions that achieve excellence and meet the needs of our customers. We encourage an open work environment and an ethical culture in which colleagues are treated with respect and are free to raise issues or concerns without fear of retaliation.

Ethical Conduct

As employees of the Commonwealth of Virginia and the Virginia Retirement System, we will:

- Perform our work with integrity, competence and dignity and in an ethical manner that earns the trust of members, employers and retirees as we deliver benefits and services.
- Act solely in the best interest of the fund, its members, beneficiaries and retirees.
- Remain free from influence, or the appearance of influence, of any conflicting interests as we conduct business ethically and in compliance with applicable policies and laws.
- Maintain and protect the confidential information of our members, retirees, employers, business partners and employees.
- Deal fairly, objectively and impartially in all matters relating to VRS.
- Promote a positive and welcoming work environment, free from hostility, violence and harassment of any kind.
- Promote safety and security to minimize hazards and threats in our workplace.
- Exercise good faith, civility and professionalism in our interactions with those we serve and with each other.
- Create a climate of trust and respect that contributes to a productive work environment.
- Act as good stewards, effectively and efficiently using resources, while ensuring accountability to our members, retirees and employers that we serve.
- Refrain from having a direct or indirect interest, including financial or other interests, or engaging in a personal business activity that could conflict with the proper discharge of duties or management of VRS.
- Embrace differences in backgrounds, experiences, perspectives and talents and leverage those differences as a fundamental strength of VRS.
- Share in the responsibility to protect the reputation of VRS.

Illegal or Unethical Behavior

as we strive to maintain an ethical culture, we act in good faith in our interactions with each other, business partners and external customers. We openly discuss and disclose ethical issues.

If at any time, we believe a potential violation of our Code of Ethics has occurred, it is incumbent upon us to seek clarity through discussion with our supervisor, manager, director or human resource office.

If the issue involves information security risks or threats, we should contact the VRS Information Security Officer. If the issue involves waste, fraud or abuse, we should contact the VRS Internal Audit Director, who reports directly to the VRS Board of Trustees.



Virginia
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Virginia Retirement System, Investment Department
1200 East Main Street, Richmond, Virginia 23219

To: Members of the Audit and Compliance Committee

From: Curtis M. Mattson, Chief Administrative Officer *CMM*
Richard W. Brooks, Regulatory and Legal Officer *RB*

Date: April 8, 2025

Subject: Annual Report on Investment Department's Code of Ethics and Standards of Professional Conduct Policy (as of December 31, 2024)

As required in the Audit and Compliance Committee Charter, please find attached the annual report on the Investment Department's Code of Ethics and Standards of Professional Conduct Policy. This report describes the process for communicating this Policy to the Investment Department personnel and monitoring compliance with this Policy.

Attached you will also find the current Code of Ethics and Standards of Professional Conduct Policy and the respective stand-alone policies referenced in this Policy.

Let us know if you have any questions.

VRS Investment Department
Annual Report on the Code of Ethics and Standards of Professional Conduct Policy
As of December 31, 2024

Overview

The Investment Department Code of Ethics and Standards of Professional Conduct Policy (the “Code of Ethics”) is built on our commitment to upholding the highest standards of integrity, ethical principles, and professional conduct. All Investment associates (including new hires, interns, and those working part-time) are subject to this Code of Ethics.

The Investment Department first adopted its Code of Ethics in 2006. This document is periodically reviewed and updated to confirm that its contents and procedures are current. The most recent version of the Code of Ethics became effective July 1, 2015.

The Code of Ethics continues to address potential conflicts of interest in three main areas:

- The treatment of confidential and material non-public information;
- Trading of securities in personal accounts; and
- The disclosure of discussions of potential employment arrangements or other forms of consideration between Investment associates and entities conducting business with the VRS.

Incorporated by reference and made part of the Code of Ethics are the following stand-alone policies:

- Material Non-Public Information Policy;
- Personal Trading Policy; and
- Policy on Gifts.

A copy of each of these policies, as well as the Code of Ethics, is attached.

Communicating and Monitoring Procedures

The Code of Ethics and related stand-alone policies are located on the Investment Department’s network drive, which is accessible by all Investment associates.

Initial Certification Process

- As part of the Investment Department’s new employee orientation process, the Code of Ethics and related stand-alone policies are provided to the newly hired Investment associate by the Regulatory and Legal Officer.
- Completed and physically signed (or electronic equivalent) initial certification forms are received from the Investment associate.
- All initial certifications are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Quarterly Procedures

- Following the end of each fiscal quarter, the Personal Trading Policy is sent to all Investment associates by the Regulatory and Legal Officer.
- Certification of compliance with the Personal Trading Policy for the prior fiscal quarter, as well as supporting documentation for applicable personal trades made during that period, is required from each Investment associate.
- All certifications and supporting documentation are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Annual Procedures

- At the beginning of each fiscal year, the Code of Ethics and related stand-alone policies are sent to all Investment associates by the Regulatory and Legal Officer.
- Each Investment associate is required to certify their compliance with each of these policies during the prior fiscal year, which includes an acknowledgement from the Investment associate that, during the prior fiscal year, he or she had no known personal conflicts of interest related to entities conducting business with the VRS.
- All certifications are received and reviewed by the Regulatory and Legal Officer. These certifications require the signature (or electronic equivalent) of the Investment associate, his or her immediate supervisor, and either the Regulatory and Legal Officer or the Chief Administrative Officer.

Results

FY 2024

- Initial certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates hired during FY 2024 and were properly reviewed.
- Annual certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates and were properly reviewed.
- Personal trading certifications for each fiscal quarter during FY 2024 have been received from all Investment associates and were properly reviewed.

FY 2025 (through December 31, 2024)

- Initial certifications of compliance with the Code of Ethics, which incorporates by reference the stand-alone policies, have been received from all Investment associates hired during FY 2025 (through December 31, 2024) and were properly reviewed.

- Personal trading certifications for the first two fiscal quarters of FY 2025 have been received from all Investment associates and were properly reviewed.

Overall Conclusion

- To the best of our knowledge, all Investment associates have been and continue to be in compliance with the requirements of the Investment Department Code of Ethics and Standards of Professional Conduct Policy and the stand-alone policies incorporated therein by reference.



Virginia
Retirement
System

Investment Department

Code of Ethics

and

Standards of Professional Conduct Policy

Effective Date – July 1, 2015

**Virginia Retirement System
Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

Introduction

Investment associates (i.e., VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. Investment associates owe a duty of loyalty to the Fund and should avoid conflicts that may reasonably be perceived as abusing the faith and confidence that has been placed in the VRS Investment Department.

Policy

The VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy (COE or Policy) was established in an effort to ensure loyalty as well as a commitment to fairness, openness and transparency in the governance of the Fund. Furthermore, the VRS Investment Department has also incorporated the CFA Institute Code of Ethics and Standards of Professional Conduct (see pages 5 and 6 of this document) into its COE.

In addition to the incorporation of the CFA standards, this Policy specifically addresses: (i) the treatment of confidential information; (ii) the disclosure of discussions of potential employment arrangements or other forms of consideration between investment associates (or members of their immediate families) and entities conducting business, either directly or indirectly, with the VRS Investment Department where a potential for conflict of interest exists; and (iii) additional policies adopted by the Investment Department to mitigate risks associated with potential conflicts of interest between an investment associate's own interests and those of the Fund.

Any variety of activities, events or matters may cause a potential conflict of interest. The intent of this COE is to help ensure that no VRS investment associate or any member of the investment associate's immediate family seek or accept personal gain in conflict with the provisions this COE and from the investment decisions of the VRS investment programs. For the purposes of this COE, "immediate family" means a spouse and any child who lives at home and who is a dependent of the investment associate.

This Policy is not intended to address every situation or activity where a conflict of interest might exist. Investment associates are strongly encouraged to seek the advice of the Regulatory and Legal officer (RLO) whenever there is uncertainty about compliance with this Policy.

Treatment of Confidential Information

In the course of performing their duties, VRS investment associates are expected to exhibit the utmost discretion in handling and/or acting upon any confidential information that has been provided to them with the expectation (whether explicit or implicit) of confidentiality. In their handling of confidential information, VRS investment associates shall exercise reasonable care to protect and preserve the privacy of such information entrusted to them by either internal or external sources. Furthermore, all actions based on, or communications involving confidential information shall be limited to the legitimate

business purposes of the VRS. VRS investment associates shall fully comply with all applicable laws concerning public disclosure of information. Also, see the Investment Department's Material Non-Public Information Policy.

Potential Employment/Other Forms of Consideration

This Code of Ethics and Standards of Professional Conduct Policy specifically addresses the disclosure of discussions of potential employment arrangements or other forms of consideration between an investment associate (and members of their immediate family) and entities conducting business, either directly or indirectly, with the VRS Investment Department where a potential for conflict of interest exists. For purposes of this Policy, an "entity conducting business with the VRS Investment Department" includes but is not limited to: investment managers, placements agents, consultants, broker/dealers, and related vendors.

The appearance of a breach of a duty of loyalty can arise if an investment associate or a member of their immediate family is discussing prospective employment or other forms of consideration with an entity conducting business with the VRS Investment Department, which could reasonably be expected to create a conflict of interest, without first notifying the Chief Investment Officer (CIO). Therefore, all investment associates are required to provide disclosure to the CIO, or his or her designee, regarding such discussions with any entity doing business within the associate's program (such as Total Public Equity, Internal Equity Management, Fixed Income, Credit Strategies, Real Assets, Private Equity, Strategic Opportunities, etc.) or for entities doing business with other areas within the VRS Investment Department for which the associate has had significant input or participation (such as initial evaluation, ongoing due diligence, reviewing fee calculations, etc.).

These disclosures will provide the CIO an opportunity to take appropriate steps to protect the Fund, the VRS Investment Department, and the investment associate from allegations of a conflict of interest. Due to the nature of the Investment Department's Management Committee (responsible for reviewing all investment recommendations), all Program Directors and all other participants on that Committee are required to provide disclosures regarding such discussions (including those involving members of their immediate family) with any entity conducting business with the VRS Investment Department. If the CIO is required to make any such disclosures under this Policy, he or she will do so to the Chairman of the VRS Board.

In addition to these disclosure requirements, all members of the Management Committee are prohibited from accepting employment with any entity with which the VRS Investment Department has a contractual agreement for a period of one year from the most recent contract inception date with VRS.

Finally, the Virginia State and Local Government Conflict of Interests Act applies to each investment associate. A portion of this Act prohibits accepting any business or professional opportunity when the recipient knows there is a reasonable likelihood that the opportunity is being afforded for influence in the performance of the recipient's official duties. For details regarding the Virginia State and Local Government Conflict of Interests Act see Exhibit A.

Other Investment Department Policies

In addition to this Code of Ethics and Standards of Professional Conduct Policy, the Investment Department has adopted a number of policies to mitigate risks associated with potential conflicts of interest between an investment associate's own interests and those of the Fund. These additional policies include, but are not limited to, the Investment Department's Personal Trading Policy, Material Non-Public Information Policy, and the Policy on Gifts. These policies are incorporated by reference and made part of this COE.

(i) Personal Trading Policy

The VRS Investment Department has adopted a Personal Trading Policy that applies to all investment associates. This policy is intended to provide guidance and direction on the types of personal trading activities permitted or prohibited. See the separate Personal Trading Policy.

(ii) Material Non-Public Information Policy

In the course of employment and potentially from other sources, VRS investment associates may come into possession of material non-public information relating to publically traded securities. The VRS Investment Department has adopted a Material Non-Public Information Policy to protect against misuse of material non-public information and to comply with Federal securities laws. See the separate Material Non-Public Information Policy.

(iii) Policy on Gifts

The Investment Department has adopted a Policy on Gifts that sets forth specific guidelines and restrictions governing the acceptance of gifts and entertainment by investment associates. It is also the intent of the VRS Investment Department to treat the sections of the State and Local Government Conflict of Interests Act ("COIA") relating to gifts as the minimum acceptable standard - see Exhibit A. Also, see the separate Policy on Gifts.

Reporting and Certification Procedures

Upon implementation of this updated Policy, all current and prospective investment associates (including new hires and interns) will be required to sign an Initial Certification form that they: have read the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy; understand these documents; acknowledge there are penalties for non-compliance; and, agree to comply with this Policy – see Exhibit B. All VRS investment associates will also be required to annually certify that they have complied with this COE and all aforementioned policies incorporated by reference - see Exhibit C. The RLO will maintain a file of completed forms.

This COE will be updated and revised as necessary. The RLO will provide a copy of this Policy to all investment associates no less frequently than annually or when substantive changes are made to this Policy.

Reserve the Right to Request Information from Investment Associates

If the need arises, the RLO and the Chief Administrative Officer (CAO) reserve the right to request and review Statement of Economic Interests forms, personal brokerage statements and other relevant information from any investment associate or members of their respective immediate households. Investment associates agree to make a reasonable effort to obtain requested information from members of their immediate households if such is requested.

Non-Compliance

Every investment associate is expected to adhere to the requirements of this COE. Failure to comply could result in sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment. Additionally, improper or illegal actions could result in criminal penalties and/or civil liabilities. All persons subject to this Code of Ethics and Standards of Professional Conduct Policy should report any known violations to the RLO.



CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

PREAMBLE

The CFA Institute Code of Ethics and Standards of Professional Conduct are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. High ethical standards are critical to maintaining the public's trust in financial markets and in the investment profession. Since their creation in the 1960s, the Code and Standards have promoted the integrity of CFA Institute members and served as a model for measuring the ethics of investment professionals globally, regardless of job function, cultural differences, or local laws and regulations. All CFA Institute members (including holders of the Chartered Financial Analyst® [CFA®] designation) and CFA candidates must abide by the Code and Standards and are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute. Sanctions can include revocation of membership, revocation of candidacy in the CFA Program, and revocation of the right to use the CFA designation.

THE CODE OF ETHICS

Members of CFA Institute (including CFA charterholders) and candidates for the CFA designation ("Members and Candidates") must:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

STANDARDS OF PROFESSIONAL CONDUCT

I. PROFESSIONALISM

- A. Knowledge of the Law.** Members and Candidates must understand and comply with all applicable laws, rules, and regulations (including the CFA Institute Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, Members and Candidates must comply with the more strict law, rule, or regulation. Members and Candidates must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.
- B. Independence and Objectivity.** Members and Candidates must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Members and Candidates must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

- C. Misrepresentation.** Members and Candidates must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.
- D. Misconduct.** Members and Candidates must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

II. INTEGRITY OF CAPITAL MARKETS

- A. Material Nonpublic Information.** Members and Candidates who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.
- B. Market Manipulation.** Members and Candidates must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

CFA Code of Ethics and Standards of Professional Conduct (page 2 of 2)

III. DUTIES TO CLIENTS

- A. Loyalty, Prudence, and Care.** Members and Candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and Candidates must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.
- B. Fair Dealing.** Members and Candidates must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.
- C. Suitability.**
1. When Members and Candidates are in an advisory relationship with a client, they must:
 - a. Make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
 - b. Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
 - c. Judge the suitability of investments in the context of the client's total portfolio.
 2. When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.
- D. Performance Presentation.** When communicating investment performance information, Members and Candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.
- E. Preservation of Confidentiality.** Members and Candidates must keep information about current, former, and prospective clients confidential unless:
1. The information concerns illegal activities on the part of the client or prospective client,
 2. Disclosure is required by law, or
 3. The client or prospective client permits disclosure of the information.

IV. DUTIES TO EMPLOYERS

- A. Loyalty.** In matters related to their employment, Members and Candidates must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.
- B. Additional Compensation Arrangements.** Members and Candidates must not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer's interest unless they obtain written consent from all parties involved.
- C. Responsibilities of Supervisors.** Members and Candidates must make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations, and the Code and Standards.

V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTIONS

- A. Diligence and Reasonable Basis.** Members and Candidates must:
1. Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
 2. Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.
- B. Communication with Clients and Prospective Clients.** Members and Candidates must:
1. Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes.
 2. Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
 3. Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
 4. Distinguish between fact and opinion in the presentation of investment analysis and recommendations.
- C. Record Retention.** Members and Candidates must develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

VI. CONFLICTS OF INTEREST

- A. Disclosure of Conflicts.** Members and Candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Members and Candidates must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.
- B. Priority of Transactions.** Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.
- C. Referral Fees.** Members and Candidates must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from or paid to others for the recommendation of products or services.

VII. RESPONSIBILITIES AS A CFA INSTITUTE MEMBER OR CFA CANDIDATE

- A. Conduct as Participants in CFA Institute Programs.** Members and Candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute or the CFA designation or the integrity, validity, or security of the CFA Institute programs.
- B. Reference to CFA Institute, the CFA Designation, and the CFA Program.** When referring to CFA Institute, CFA Institute membership, the CFA designation, or candidacy in the CFA Program, Members and Candidates must not misrepresent or exaggerate the meaning or implications of membership in CFA Institute, holding the CFA designation, or candidacy in the CFA program.



EXHIBIT A

VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy

Summary of Virginia State and Local Government Conflict of Interests Act Virginia Code § 2.2-3100 et seq.

Certain sections of the Act directly applicable to investment associates include, but are not limited to:

Use of confidential information and accepting gifts that could influence decisions: Officers and employees may not use confidential state information, not available to the public, for their own or for anyone else's economic benefit. Officers or employees may not accept any money, loan, gift, favor, or any other thing of value that could tend to influence their work and the decisions that would influence them in the performance of their official duties. [CITE: Virginia Code § 2.2-3103(4), (5).]

Business or professional opportunity: Furthermore, officers and employees cannot accept a business or professional opportunity when they know that there is a reasonable likelihood that the opportunity is being offered to influence them in the performance of their official duties. [CITE: Virginia Code § 2.2-3103(6).]

See Virginia Code § 2.2-3100 et seq. for the entire Virginia State and Local Government Conflict of Interests Act.

EXHIBIT B

**VRS Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Name: _____
(Please Print)

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the RLO

EXHIBIT C

**VRS Investment Department
Code of Ethics and Standards of Professional Conduct Policy**

ANNUAL CERTIFICATION FORM

For the Period _____

I certify that to the best of my knowledge for the period stated above:

1. I was in compliance with the requirements of the VRS Investment Department Code of Ethics and Standards of Professional Conduct Policy.
2. I was in compliance with the requirements of the VRS Investment Department Personal Trading Policy.
3. I was in compliance with the requirements of the VRS Investment Department Material Non-Public Information Policy.
4. I was in compliance with the requirements of the VRS Investment Department Policy on Gifts.
5. I am not aware of any conflict of interest between myself (or members of my immediate family) and entities conducting business, either directly or indirectly, with the VRS Investment Department. These entities include, but are not limited to: investment managers, placement agents, consultants, broker/dealers, and related vendors.

Investment Associate
Signature: _____
Print Name: _____
Title: _____
Date: _____

Reviewed by RLO
or CAO: _____
Date: _____

Reviewed by Supervisor:
Signature: _____
Date: _____

Return this completed form to the RLO

**VRS Investment Department
Material Non-Public Information Policy
Effective Date – July 1, 2015**

Introduction

Investment associates (i.e., VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. While public pension funds are exempt from many of the federal securities laws governing money managers, VRS and investment associates are not exempt from important anti-fraud provisions under federal securities laws that prohibit insider trading and other manipulative and dishonest behavior that threatens the integrity of the market.

This Policy applies to all VRS investment associates. This Policy cannot and is not intended to address all insider trading issues that may arise in connection with an investment associate's duties. Investment associates are strongly encouraged to seek the advice of the VRS Investments Regulatory and Legal Officer (RLO) if they have questions related to this Policy or issues it addresses.

Policy

Material, Non-Public Information

In the course of employment and potentially from other sources, VRS investment associates may come into possession of non-public information relating to publically traded securities. Trading on inside information is not a basis for legal liability unless the information is material. Both positive and negative information can be material. The underlying factor is whether the information could have a market impact.

Federal insider trading laws and regulations generally prohibit those who possess material, non-public information from buying or selling securities or passing on such information to others who may be induced to buy or sell securities on the basis of such information. Such information is of special importance under the anti-fraud sections of the federal and state securities laws, and misuse of that information can lead to civil and criminal penalties for VRS and investment associates. Whether information is material and non-public is not always obvious. This Policy section, therefore, starts with a short discussion of what might constitute material, non-public information.

Material Information

Information is deemed material if it would be considered important by a reasonable investor in deciding whether to buy, sell or refrain from any activity regarding that security. In addition, such information would be material if it were likely to have a significant impact on the market price or value of that company's securities. Whether information is material is established by reviewing all the facts and circumstances.

Information provided by a company could be material because of its expected effect on a particular class of securities, all of a company's securities, the securities of another company, or the securities of several companies. The prohibition against misusing material, non-public information applies to all types of financial instruments including, but not limited to, stocks, bonds, warrants, options, futures, forwards, swaps, and commercial paper.

Those covered under this Policy who are aware of material, non-public information regarding a company are prohibited from, directly or indirectly, making investment decisions on behalf of VRS or any other transactions, related to that company. If an investment associate is uncertain whether the information is material, the safest course of action is for the employee to treat the information as material. In such a situation, the investment associate should consult the RLO before initiating any transactions with respect to the subject security.

The following partial list illustrates types of information that would generally be considered material:

- Projections of future earnings or losses or other financial results;
- A gain or loss of a material contract, customer or supplier or material changes in the profitability status of a current contract;
- Merger, acquisitions, tender offers, or joint ventures;
- A significant sale of assets, write-downs or write offs or disposition of a subsidiary;
- Expansion or curtailment of company or major division operations;
- Innovative products, processes, or discoveries;
- New licenses, patents, or other intellectual property milestones;
- Regulatory approval or rejection of a product;
- Changes in management;
- Events regarding the issuer's securities (i.e. defaults on senior securities, changes in dividends, or stock repurchases);
- Debt service or liquidity problems or unannounced plans to file for a bankruptcy;
- Criminal, civil and government investigations and indictments;
- Undisclosed regulatory or law enforcement proceedings;
- Pending labor disputes;
- Undisclosed plans to issue restatement of financial statements; and
- Undisclosed order for large trades before they are executed.

This list of examples is not intended to be exhaustive, and other types of information may also be material. As discussed further below, after information such as that listed above becomes public, it generally no longer creates a risk of insider trading.

Non-Public Information

Non-public information is information that is not generally known or available to the general public. Once information has been effectively communicated in the marketplace, it is no longer considered non-public. However, the distribution of material, non-public information must occur through commonly recognized channels for the classification to change. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg or other publications of general circulation would be considered public. In addition, there must be adequate time for the public to receive and evaluate the information. When material information has been publicly disclosed, you should continue to refrain from buying or selling securities in question until the information has been adequately disseminated to the public so that investors have had the opportunity to evaluate the information. Adequate dissemination requires allowing enough time after the announcement for the market to react to the information.

Non-public information does not change to public information solely by selective dissemination. Corporations that disclose information on a limited basis create the potential for insider-trading violations. Information concerning a public company's financial statements or regulatory filings prior to completion is non-public. Similarly, disclosure to a room full of analysts does not necessarily make the disclosed information public until it is made available to investors in general. The confirmation by an insider of unconfirmed rumors, even if the information in question was reported as rumors in a public form, may be non-public information.

Examples of the ways in which non-public information might be transmitted include, but are not limited to:

- In person;
- In writing;
- By telephone;
- During a presentation;
- By email, instant messaging, or Bloomberg messaging;
- By text message or through Twitter; or
- On a social networking site such as Facebook or LinkedIn.

Definition of an Insider

The term insider trading is not specifically defined under the federal securities laws (most guidance in this area can be found under case law and related judicial decisions). The term insider is generally used to refer to trading in securities on the basis of material, non-public information. Insiders are not limited to officers, directors and employees (corporate officials) of a company and major shareholders. A person can be a “temporary insider” if he or she enters into a special confidential relationship in the conduct of a company’s affairs and as a result is given access to information solely for the company’s purpose.

A person could be liable for insider information simply by possessing inside information regarding a given security, breaching a fiduciary duty to the source of the information, and then trading it with a self-serving intent, even if he or she would have made the trade anyway. The Securities and Exchange Commission (“SEC”), which is the primary U.S. regulator under the federal securities laws, takes the view that the mere fact that a person knows the information is enough to bar him or her from trading, even if the reasons for the potential trade are not based on that information.

This duty may be imputed to others. For example in cases where an insider “tips” another person about material, non-public information likely to have an effect on the company’s share price, the duty the insider owes is now imputed to the recipient of the information. This person would be in violation if he/she trades on the basis of this information. A restricted person, who tips information to a person who then trades, is subject to the same penalties, even if the restricted person did not trade and did not profit from the trading.

Prohibition/Penalties

Each investment associate is required to adhere to this Policy. Failure to comply could result in VRS sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment.

In addition to VRS penalties, the consequences of insider trading violations can be severe under U.S. law. The SEC takes the position that these laws apply to all transactions in shares or options of companies listed for trading in the U.S., whether or not the actual trades take place in the U.S. For individuals who trade on inside information (or tip information to others), possible penalties include:

- A civil penalty of disgorgement, or return, of profit gained or loss avoided, plus a fine of up to three times the profit gained or loss avoided.
- Criminal fine (no matter how small the profit) of up to \$1 million; and
- A jail term of up to ten years for felony convictions.

An entity that knowingly and recklessly disregards the fact that an employee is likely to engage in illegal trading and fails to take appropriate steps to prevent the illegal activity is currently subject to possible penalties which may include:

- A civil penalty of the greater of \$1 million or three times the profit gained or the loss avoided as a result of the employee's violation; and/or
- A criminal penalty of up to \$2.5 million.

External Managers

As part of the normal course of business, VRS investment staff employs outside third-party managers to invest a portion of VRS assets. VRS may receive information about these managers' investment strategies and trading activities. Some of this information could be considered material non-public information and limit VRS's ability to trade in that issuer's public securities.

If a VRS investment associate expects that discussions with an outsider might involve the transmission of material, non-public information, the investment associate should inquire whether or not this information would make VRS an insider and should seek a representation regarding the counterparty's status as a potential insider. When practicable, this disclosure and representation should be communicated by email. It is recognized that VRS may enter into confidentiality agreements with third-parties through which investment associates of VRS may receive non-public information. In these instances, appropriate controls must be implemented through the use of information barriers.

Information Barriers/Chinese Walls

Federal and state securities laws generally prohibit VRS from trading in a security while in possession of material, non-public information related to the traded security or issuer. The federal securities laws, however, permit institutional investors to trade while one or more of its employees possess material, non-public information if the individual or group of individuals making the investment decision on behalf of the institutional investor is not aware of that information. Furthermore, the institutional investor must have implemented reasonable policies and procedures that ensure that the individual or group of individuals making an investment decision on behalf of the institutional investor is not aware of material, non-public information related to that investment decision.

All investment associates must consider material, non-public information as highly confidential and use information barriers to protect the confidentiality of such information. Furthermore, such information should be disclosed only to employees on a need to know basis to carry-out their job responsibilities.

Investment associates must safeguard non-public information whether generated internally or acquired from outside sources. Investment associates must use this information only for VRS related matters and not share this investment related information or resources with other VRS investment programs. In order to control access to this non-public information, business related communications

between VRS investment staff and other VRS employees should be kept to a minimum. Investment associates should be highly sensitive to the potential for disclosure of any non-public information.

Other VRS investment programs not privy to material, non-public information may still be permitted to trade in securities of an issuer so long as appropriate informational barriers exist and the guidelines in the Procedures for Protection of Material, Non-Public Information section of this document are followed.

Procedures for Protection of Material, Non-Public Information

Investment associates who may be in possession of material, non-public information should take protective steps to preserve the confidentiality of that information and prevent its intentional or inadvertent disclosure. These steps may include, but are not limited to, the following:

- Immediately report the potential receipt of material, non-public information to the RLO and immediate Supervisor;
- Not discuss any potentially material, non-public information with colleagues, except as specifically required by their position;
- Not trade the securities of any company about which they may possess material, non-public information;
- Refrain from discussing any potentially material, non-public information with any person who is outside of the barrier/Chinese wall;
- Refrain from, directly or indirectly, participating in, recommending or supervising any decisions to buy, sell or hold the securities of the issuer; and
- Safeguard all files, file cabinets and other storage areas that contain information concerning material non-public information.

Review and Determination

It is the responsibility of every VRS investment associate to notify his/her immediate supervisor and the RLO when in receipt of material, non-public information or whenever he/she has questions as to whether they are in possession of material, non-public information. The RLO will conduct research to determine if the information is likely to be considered material, and whether the information has been publicly disseminated. The RLO will keep a file describing the information, its source, and the date that the information was received.

After the RLO has reviewed the matter, a determination will be made as to whether the information is material and non-public. If a determination is made that the information is material and non-public, the security in question will be placed on a restricted list for the particular investment program that came into possession of such information. The RLO will provide notice of such determination in written format via e-mail to all employees known to have access to such information

and to the employees within the specific investment program. These employees are prohibited from placing any trades in such security and must adhere to the Procedures for Protection of Material, Non-Public Information previously covered.

Investment associates with such information have the responsibility to notify the RLO when they believe the security should be considered for removal from the restricted list. The RLO has the ultimate responsibility for maintaining a restricted list and no person, other than the RLO and the Chief Administrative Officer, can make a determination to exclude an issuer from VRS's restricted list. The restricted list shall be distributed to a limited number of investment associates on a need to know basis only.

Trading in affected securities may resume when the RLO or Chief Administrative Officer determines that the information has become public and/or immaterial. At such time, the RLO will notify in writing via e-mail the applicable investment associates that the restriction has been removed.

Initial Certification Form

Upon implementation of this Policy, all current and prospective investment associates (including new hires and interns) will be required to sign an Initial Certification form that they: have read the VRS Investment Department Material Non-Public Information Policy; understand this document; acknowledge there are penalties for non-compliance; and, agree to comply with this Policy – see Exhibit A. In addition, an annual certification of compliance with this Policy is required as part of the Investment Department Code of Ethics and Standards of Professional Conduct Policy.

Exhibit A

**VRS Investment Department
Material Non-Public Information Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Material Non-Public Information Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer

**VRS Investment Department
Personal Trading Policy
Effective Date – July 1, 2015**

Purpose

Investment associates (i.e. VRS Investment Department personnel), as employees of a public entity, a fiduciary, and a major market participant, should exemplify the highest standards of ethical conduct in all matters related to VRS. The interests of assets managed by VRS (“VRS Fund”) are of paramount importance and all investment associates must exercise care and caution always to place the interests of VRS before their own. It is integral to the culture of the VRS Investment Department to prohibit investment associates from undertaking personal transactions that may give rise to a conflict of interest, insider dealing or breach of confidentiality by virtue of an activity carried out on behalf of VRS.

This Personal Trading Policy applies to all VRS Investment Department personnel. This Policy is put forth to guard against improprieties or conflicts of interest involving an investment associate’s personal trading activities that could harm or adversely affect the credibility or reputation of VRS. This Policy is designed to provide guidance and direction to investment associates on the types of personal trading activities permitted or prohibited.

With the adoption and implementation of this updated Policy, investment associates will no longer be permitted to conduct personal securities transactions in covered securities for their own personal accounts. For purposes of this Policy, a personal security transaction is defined as any transaction in individual securities for an investment associate’s own account or for an account in which the associate has beneficial ownership and decision making authority for the account.

At the date of implementation of this Policy, any investment associates holding covered securities may continue to hold these securities indefinitely or may sell such securities with pre-clearance (as described below), from the Regulatory and Legal Officer (RLO) or the Chief Administrative Officer (CAO). This process is also applicable to new hires within the Investment Department.

Covered Securities

VRS investment associates are strictly prohibited from the purchase of individually traded equities or debt instruments of corporate issuers for their own personal accounts, including but not limited to the following:

- Stocks;
- Corporate bonds;
- Preferred stock;
- IPOs;
- Private Placements;
- Master Limited Partnerships;

- Short Sales;
- Convertible securities;
- Derivatives based on non-permitted securities; and
- Options, warrants, puts, calls and rights relating to publicly traded equity or debt securities.

Transactions where the investment associate has no decision making authority involving a covered security are permissible. Neither pre-clearance nor the reporting requirements (discussed further below) apply to these transactions. Examples include, but are not limited to, the following:

- Automatic dividend reinvestment plans;
- Acquisition of a covered security through a gift or bequest;
- Purchase, sale or other acquisition of a covered security in a trust in which the VRS investment associate holds beneficial ownership, but holds no decision making authority with respect to selection of investments (i.e. blind trust); and
- Discretionary management of personal account(s) by a portfolio manager (PM) or registered investment advisor (RIA). A discretionary account is defined as an account giving power of attorney to the PM or RIA to buy and sell securities with no prior communication with the account owner with respect to purchases or sales.

This Policy cannot address every situation that might confront VRS investment associates and as such, investment associates are strongly encouraged to seek advice of the RLO should there be a question as to the status of the potential transaction or a related situation.

Administration of the Policy

The RLO will be responsible for the administration of this Policy. The RLO will receive and review all reports required to be submitted pursuant to this Policy (reporting requirements are detailed below). The RLO will review the reports to determine that investment associates' trades are consistent with the requirements and restrictions set forth in this Policy and do not otherwise indicate improper trading activities. The RLO will also ensure that all books and records relating to this Policy are properly maintained.

Pre-Clearance for Selling Covered Securities

Pre-clearance is required for any sale involving a previously held covered security where an investment associate has decision making authority to conduct a sale. Immediate family members of VRS investment associates are not required to formally apply for pre-clearance unless the investment associate has beneficial ownership and decision making authority for the account. For the purposes of this Policy, "immediate family" means a spouse and any child who lives at home and who is a dependent of the investment associate. VRS investment associates will exercise reasonable care to protect and preserve confidential or sensitive information related to VRS matters. Communications involving such

confidential or sensitive information will not be shared with immediate family members or others and must only be used for legitimate business purposes. All VRS investment associates are also subject to the requirements of the Investment Department's separate policy on material non-public information.

An investment associate with an existing holding in a covered security must get pre-clearance in writing from either the RLO or the CAO prior to selling such security. The RLO or CAO may under certain temporary situations delegate the pre-approval process to another individual within the Compliance Department as appropriate (i.e. both out of the office). This temporary approval must be in writing and identify the compliance person prior to the approval or denial of any covered security transaction(s). No individual authorized to pre-clear transactions may pre-clear a transaction for a covered security in which he or she has beneficial ownership. The RLO will obtain pre-clearance from the CAO, if necessary.

Prior consent must be sought using the Personal Trading Pre-Clearance Form - see Exhibit D. This form must be signed by the employee seeking approval, the immediate supervisor, and the RLO or CAO. **No trading is permitted until approval is received.** Transactions that appear upon reasonable inquiry and investigation to present no likelihood of harm to VRS will be entitled to pre-clearance. Pre-clearance approval is valid for a period of five business days following the day approval is granted. After such time, pre-clearance approval will no longer be valid. The VRS investment associate will provide the RLO or CAO with a trade confirmation (or equivalent and acceptable documentation) within ten days of completion of such transaction. If no transaction occurs, the investment associate will provide written notification to the RLO or CAO as soon as reasonably practical upon expiration of the approval period.

Policy Distribution and Certifications

The RLO will provide a copy of this updated Policy to all investment associates no less frequently than annually or when substantive changes are made to this Policy. Investment associates will attest to compliance with this Policy through initial and quarterly certifications as described below.

Initial Certification Form

Upon implementation of this updated Policy, all current investment associates will certify that they have received, read and will comply with this Policy. All new hires to the Investment Department will receive a current copy of this Policy promptly after being employed. The RLO will meet with new investment associates to provide an overview of this Policy. All new investment associates will be required to acknowledge they are subject to this Policy and have read and understand this Policy as evidenced by the Initial Certification Form - see Exhibit A.

Quarterly Certification Form

Every investment associate must submit a Quarterly Certification Form (see Exhibit B) to the RLO following each quarter-end. The certification requires investment associates to indicate whether or not transactions in covered securities occurred during the previous quarter for an investment associate's

own account or for an account in which the associate has beneficial ownership and decision making authority for the account. **In the event an investment associate has no reportable trades to disclose, he or she will still be required to submit the report to the RLO certifying that no reportable trades occurred during the previous quarter.** A fully completed Transaction Report for Covered Securities (see Exhibit C) along with the Personal Trading Pre-Clearance Form (see Exhibit D) must be completed if trades occurred in covered securities during the previous quarter.

Violations

Investment associates must immediately report any known violation of this Policy to the RLO. All reports will be treated confidentially and investigated promptly and appropriately. VRS will not retaliate against any investment associate that reports a violation in good faith and any retaliation constitutes a further violation of this Policy.

Each investment associate is required to adhere to this Policy. Failure to comply could result in sanctions, the level of which will depend on the severity of the infraction. Sanctions may include, but not be limited to: a written reprimand; demotion of job duties; disgorgement of profits; and/or, termination of employment. Additionally, improper or illegal actions could result in criminal penalties and/or civil liabilities.

Training

The RLO will provide an overview related to this Policy to all employees at the time they begin employment at VRS and to VRS investment associates periodically thereafter. However, failure to provide this training or the failure of an employee to attend training will not excuse noncompliance with this Policy. The provisions of this Policy are intended to be read in conjunction with other VRS policies.

Exhibit A

**VRS Investment Department
Personal Trading Policy**

INITIAL CERTIFICATION FORM

I have read the VRS Investment Department Personal Trading Policy. I understand the requirements of this document, recognize that I am subject to this Policy, understand the penalties for non-compliance and agree to comply with this Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer



Exhibit B

**VRS Investment Department
Personal Trading Policy**

Quarterly Certification Form – Quarter Ending _____

By checking this box, I certify that I have attached the Transaction Report for Covered Securities (see Exhibit C) for applicable trades done in my personal accounts and/or accounts whereby I exercise investment discretion for the time period indicated. To the best of my knowledge, the execution of this/these trade(s) does not violate the VRS Investment Department’s Personal Trading Policy.

OR

By checking this box, I certify that no trades of such covered securities were executed for the time period indicated.

AND

By checking this box, I certify that to the best of my knowledge I was in compliance with all requirements of the Personal Trading Policy.

Investment Associate Signature: _____

Print Name: _____

Title: _____

Date: _____

Reviewed by RLO or CAO: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

Return this completed form to the Regulatory and Legal Officer

Exhibit C

VRS Investment Department
Transaction Report for Covered Securities

Quarter Ended _____

During the quarter referred to above, the following transactions were effected in covered securities which are required to be reported pursuant to the VRS Investment Department Personal Trading Policy.

Date of Transaction	Security Name	Security Symbol	Nature of Transaction (i.e. Sale)	Number of Shares	Share Price	Dollar Amount of Transaction

This Transaction Report excludes transactions not required to be reported by the Personal Trading Policy (i.e. non-covered securities). I hereby certify that the information contained in this Transaction Report is accurate and complete to the best of my knowledge.

Investment Associate Signature: _____ Reviewed by RLO or CAO: _____

Print Name: _____ Date: _____

Title: _____ Reviewed By Supervisor: _____

Date: _____ Date: _____

VRS Investment Department
 Personal Trading Pre-Clearance Form

Before trading (selling) in any covered security prior approval must be obtained from either the Regulatory and Legal Officer (RLO) or the Chief Administrative Officer (CAO) as evidenced by completion of this form.

Security Name	Security Symbol	Nature of Transaction (i.e. Sale)	Description of Requested Transaction Dollar Value or Quantity to be Sold

I hereby certify that the information contained in this Pre-Clearance Form is accurate and complete to the best of my knowledge. I agree to provide a brokerage statement or trade confirmation for the transaction(s) listed above within ten business days of completion of the trade(s). I will notify the RLO promptly if the approved transaction(s) does not occur.

Investment Associate

Signature: _____

Reviewed by Supervisor: _____

Print Name: _____

Date: _____

Title: _____

Date: _____

Reviewed by RLO

or CAO: _____

Date: _____

Approval: Granted Denied Trade did not occur

If Granted, this pre-clearance approval is good through close of business on _____.

VRS INVESTMENT DEPARTMENT
POLICY ON GIFTS
Effective July 1, 2015

I. PURPOSE

It is the intent of the VRS Investment Department to be a national leader in the area of internal governance and to display a high level of ethical conduct. The Department will strive to remain above reproach as it discharges the duties related to investments that have been assigned by the VRS Board of Trustees.

It is also the intent of the VRS Investment Department to treat the sections of the State and Local Government Conflict of Interests Act (“COIA”) relating to gifts as the minimum acceptable standard. Therefore, the policy on gifts that will govern the Department will strive to meet or exceed this standard.

In furtherance of these intents, this policy is established to define the behavioral guidelines within which all members of the VRS Investment staff are expected to conduct themselves.

II. PROHIBITED CONDUCT UNDER COIA

Generally, COIA prohibits the following conduct relating to gifts:

- A. Soliciting or accepting money or other thing of value for services performed within the scope of one’s official duties, except the compensation, expenses or other remuneration paid by the agency of which one is an officer or employee.
- B. Accepting any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence one in the performance of his official duties.
- C. Accepting a gift from a person who has interests that may be substantially affected by the performance of the officer's or employee's official duties under circumstances where the timing and nature of the gift would cause a reasonable person to question the officer's or employee's impartiality in the matter affecting the donor.
- D. Accepting gifts from sources on a basis so frequent as to raise an appearance of the use of one’s public office for personal gain.

III. GIFT-RELATED DISCLOSURE REQUIREMENTS UNDER COIA

A “required filer” under COIA must make the following annual disclosures:

- A. Lodging, transportation, money, or any other thing of value (excluding meals or drinks coincident with a meeting) with a combined value exceeding \$200 for the presentation of

a single talk, participation in one meeting, or publication of a work in his or her capacity as an officer or employee of the agency.

- B. Payments under (III. A) must be listed even if they are donated to charity.
- C. Generally, payments under (III. A) need not be listed if they are returned within 60 days after receipt.
- D. Any gift or entertainment at a single event where the value received by you from any business, governmental entity, or individual exceeds \$50 and for which you neither paid nor rendered services in exchange.
- E. Any gift or entertainment in any combination where the value received by you from any business, governmental entity, or individual exceeds \$100 and for which you neither paid nor rendered services in exchange.
- F. When completing the VRS Travel Expense Reimbursement Request form, VRS Investment staff must complete that portion of the form titled Detailed Record of Items for Conflict of Interest Reporting, if applicable.

IV. VRS INVESTMENT DEPARTMENT POLICY ON GIFTS

In light of the standard of conduct enunciated under COIA and the desire of the VRS Investment Department to strive to meet or exceed this standard, the VRS Investment Department Policy on Gifts will be as follows (for purposes of this policy the term “gift” includes entertainment):

- A. No member of the VRS Investment staff, while acting in his or her official capacity, will solicit or arrange a gift for him or herself or for any other person from any current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof.
- B. No member of the VRS Investment staff will accept any unsolicited gift from any current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof, unless it is a token, educational, promotional or advertising item of nominal value (i.e., estimated market value of less than \$50), and does not compromise, or appear to compromise, the independence or judgment of the VRS Investment staff member. Examples of token, educational, promotional or advertising items of nominal value include, but are not limited to: a hat, coffee mug, pen, tin of popcorn, nylon duffle bag, etc.
- C. No member of the VRS Investment staff will accept any gift through an intermediary, if he or she knows, or has reason to know, that the gift has originated from a source that would make the gift prohibited under this policy.
- D. In no event will a member of the VRS Investment staff accept a gift if the source of the gift is not identified. If the source of any gift cannot be ascertained, the gift will be donated to a suitable charitable organization.

- E. No member of the VRS Investment staff will accept any complimentary work or analysis offered or performed by a current, prospective, or potential external investment manager, placement agent, consultant, broker/dealer, or related vendor, or any affiliate thereof, that is intended to benefit personally the involved VRS Investment staff member if such work or analysis is offered to or performed for such VRS Investment staff member because of his or her official capacity.
- F. No cash, cash equivalents or securities of any value may ever be accepted.
- G. Any gift, the receipt of which is prohibited by this policy, will either be returned to its source immediately or donated to a suitable charitable organization.
- H. Meals and drinks that are coincident with a meeting are not considered to be items of value that implicate this policy.
- I. Sponsored paid travel is permitted under this policy where the VRS Investment staff member serves in an advisory capacity (i.e. Advisory Board) for current investments where these travel expense have been effectively paid by VRS through the management fees.

Where considered appropriate, the VRS Investment staff will inform current, prospective, or potential external investment managers, placement agents, consultants, broker/dealers, and related vendors, or any affiliate thereof, of the existence of this policy and request, wherever possible, that such entities refrain from placing VRS Investment staff in situations that would implicate this policy and its enforcement.

FY 2025 Audit Plan Progress as of December 31, 2024



Internal Audit FY 2025 Annual Plan Progress Report

As of December 31, 2024

Approved FY 2025 Annual Plan

- ¹ Risk Based Projects
- ² Sensitive Systems
- ³ Standards Mandated
- ⁴ Board Mandated

Adjustments to the Plan

Benefits ¹

Group Life Insurance and Death Processing *

Med

Long Term Care Program*, **

Low

Health Insurance Credit and Premium Benefits

Med

Retiree Disbursements

High

Investments ¹

Leverage Program

High

Real Assets

Med

Information Technology ²

Networking and Computing

High

VNAV Application Controls

High

Carry-Over from Prior Long-Range Plan ¹

Investment Balances, Performance Reporting and Investment Manager Compensation

Low

Purchase of Prior Service

High

Other Assurance Reporting

Audit Recommendation Follow-Up System (Quarterly and Annual Review) ³

Fraud, Waste and Abuse Reporting ⁴

Quality Assurance Improvement Program ³

Quality Assurance Review ³

Review of Incentive Compensation ⁴

Review of Agency Performance Outcomes and Operational Measures ⁴

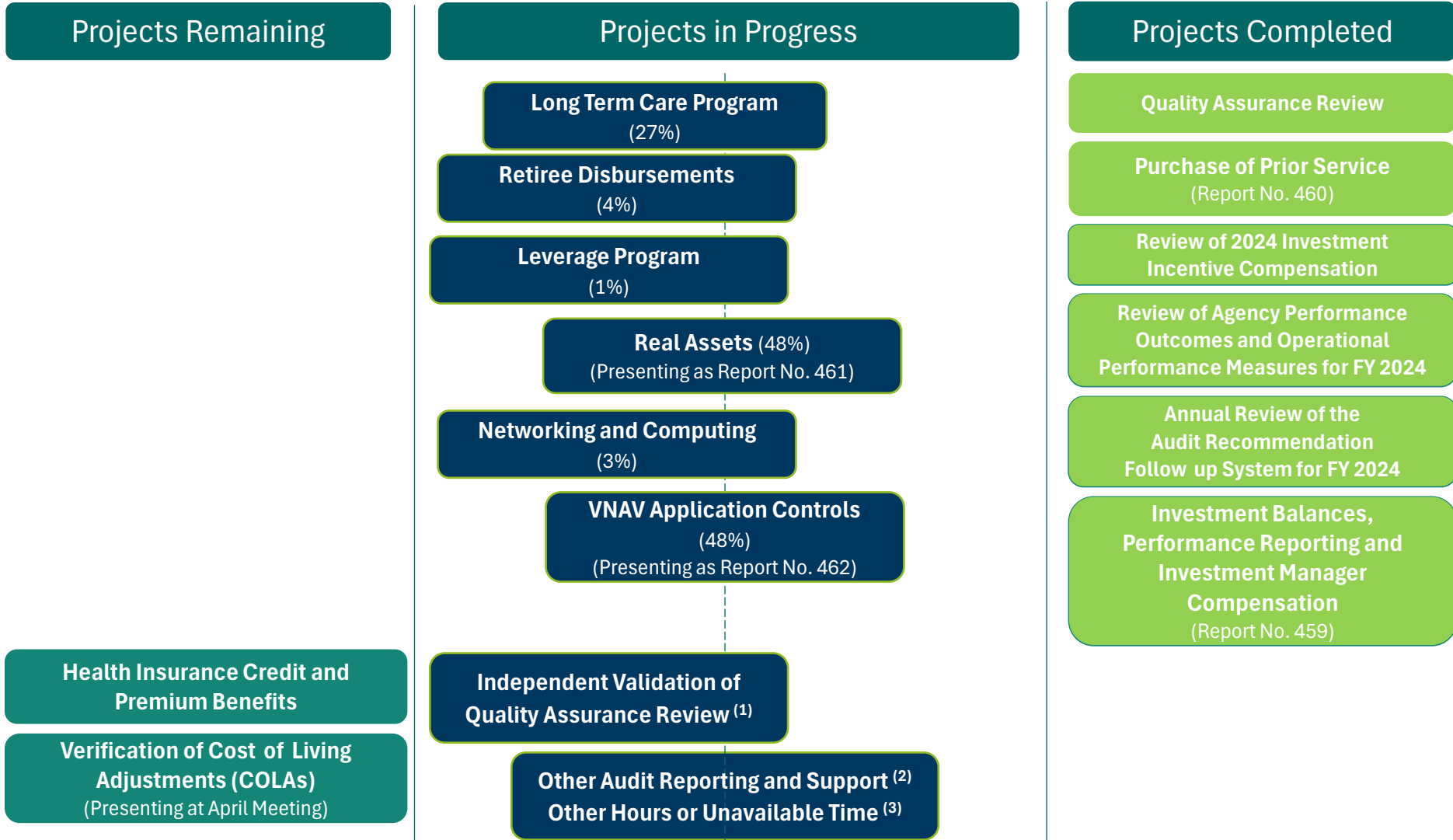
Verification of Cost-of-Living Adjustments ⁴



* Adjustment to timing of project
 ** Adjustment to nature of work

FY 2025 Annual Plan Progress Report

As of December 31, 2024



FY 2025 Annual Plan Progress Report

As of December 31, 2024

Notes:

- (1) The independent validation process has been initiated; however, scheduling challenges have delayed its completion. The results are expected to be reported out at the committee's June meeting.
- (2) The other audit reporting and support includes items that result in routine reporting to the committee and management, such as
 - (a) Administration of the Quality Assurance Improvement Program.
 - (b) Quarterly monitoring and reporting on audit recommendation resolution as captured in the Audit Recommendation Follow-Up System (ARFUS).
 - (c) Investigation of fraud, waste and abuse allegations, as appropriate.
 - (d) Review of items as requested by the committee or senior management including investment incentive compensation, agency performance outcomes and operational measures and cost of living adjustments.Several of these items require testwork to be initiated in one audit plan year and conclude in the next audit plan year.
- (3) The other hours or unavailable time reflects departmental administrative items, such as
 - (a) Interactions with executive staff and oversight entities including the Auditor of Public Accounts, the Joint Legislative Audit and Review Commission and the Virginia IT Agency.
 - (b) Involvement with professional organizations.
 - (c) Advisory insight for agency initiatives such as Records Management, Data Quality and Human Resource Information System Implementation.
 - (d) Administration of the internal audit function, including the implementation of the new *Global Internal Audit Standards*.
 - (e) Review and enhancement of departmental policies and procedures and supporting tools, including SharePoint audit documentation management.
 - (f) Collaboration with the Information Technology, Data Quality and Risk and Fraud Prevention teams.
 - (g) Continuing professional education and other VRS provided training.
 - (h) Annual, personal, sick and other leave available to VRS staff.

Miscellaneous Updates

Report of Alleged Fraud, Waste and Abuse Hotline Cases

**For Complaints Received During the Period
November 1, 2024 through January 31, 2025**

SUMMARY OF CASES REVIEWED AND CLOSED

During the period November 1, 2024, through January 31, 2025, there were no cases of potential fraud, waste and abuse reported from the Office of the State Inspector General or from any other source.

Background

Fraud, Waste and Abuse relating to VRS can be comprised of any number of concerns. Such items can be reported to VRS' Internal Audit Department directly or through the Office of the State Inspector General (OSIG) State Employee Fraud, Waste and Abuse Hotline. (A majority of complaints are received through OSIG.)

All matters that relate to Fraud, Waste and/or Abuse reported are reviewed to determine the proper protocol for investigation.

Committee Reporting

Cases of a serious and/or significant nature will be reported to the VRS Audit and Compliance Committee immediately. At a minimum, a summary of all Hotline cases will be reported to the Audit and Compliance Committee on a quarterly basis.

Retention

Hardcopy documents, including handwritten notes, are stored in a secure location until the case is closed, upon which they are shredded. Electronic files are stored on Internal Audit's secured drive. Documentation containing case details are labeled "**CONFIDENTIAL – STATE FRAUD, WASTE AND ABUSE HOTLINE DOCUMENTS**" and sensitive items are labeled FOIA Exempt. As appropriate, files are disposed of in accordance with the Library of Virginia's retention policy.

FRAUD, WASTE AND ABUSE CASE MANAGEMENT

PROCESSING OF COMPLAINTS

When received, the Audit Director and Hotline Auditor perform a preliminary review of the complaint. After initial discussion, the Hotline Auditor determines whether a formal response is required by OSIG (cases referred by OSIG may or may not require a formal response, depending on the nature of the complaint) and adds the case to Internal Audit's Hotline Tracking System.

The Hotline Auditor sets up a case file on Internal Audit's secured and restricted drive to maintain confidentiality. The Hotline Auditor then evaluates the case details and may review information available in VRS' systems to obtain further details about the subject of the complaint. Additionally, the Hotline Auditor may forward the details of the case to other VRS personnel for review. The Hotline Auditor also notifies the VRS Director of the case.

Complaints regarding disability benefits constitute the large majority of the Hotline cases received by VRS. The Hotline Auditor will meet with appropriate VRS staff, as necessary, to discuss details of the case in order for all parties to proceed forward with their portion of the investigation. Complaints forwarded to others are monitored for resolution. Actions and determinations for cases are reviewed for reasonableness by the Hotline Auditor. Once a determination of appropriate action has occurred, such action is documented in the Internal Audit case file and on the Hotline Tracking System. The Internal Audit Director is apprised of all actions and determinations.

For other complaints, such as internal fraud, waste or abuse (examples could include abuses of various types of leave, teleworking policies, employee theft, etc.), the Hotline Auditor investigates the allegation and obtains supporting documentation from management, as needed. If a determination is made that there is a reasonable possibility of fraud, waste or abuse, management is notified of the allegation by the Audit Director and given a reasonable timeframe in which to report back to the Audit Director any actions taken regarding the allegation. The Audit Director determines the reasonableness of such action, reports the actions and resolution of the complaint to the Hotline Auditor who documents the results in the case file and on the Hotline Tracking System.

All investigation results are reported to the VRS Director and members of the VRS Audit and Compliance Committee once a case is resolved, regardless of the outcome.



MEMORANDUM

TO: Patricia S. Bishop, VRS Director

FROM: Jennifer P. Bell Schreck, VRS Internal Audit Director 

DATE: January 30, 2025

RE: Cost of Living Adjustments (COLAs)

Internal Audit has reviewed the amounts referred to as "Cost of Living Adjustments" as set forth in the attached letter and supporting table from VRS' actuary, Gabriel, Roeder, Smith & Company dated January 21, 2025.

In conducting our review, we independently recalculated the "Cost of Living Adjustments" using data and procedures provided by management and the actuary, while confirming certain external components associated with such calculations. We also examined the Code of Virginia sections referred to in the actuary's letter and supporting table.

Based upon our review, we found the "Cost of Living Adjustments" in the above referenced letter and table to be valid and accurate, based on the data provided, subject to the assumptions included therein with respect to increases in the VSDP LTD benefit, VSDP creditable compensation and VLDP creditable compensation, where the amounts are not specified by statute, but instead are to be recommended by the actuary and approved by the Board.

Please let me know if you have any questions. I ask that you share this information with the Benefits and Actuarial Committee.

Attachment



January 21, 2025

Mr. Rory Badura, ASA, EA, FCA, MAAA
 Senior Staff Actuary
 Virginia Retirement System
 1200 E. Main Street
 Richmond, VA 23219

Re: Cost of Living Adjustments (COLA) Effective July 1, 2025

Dear Mr. Badura:

As requested, we have calculated the annual COLA called for under Virginia Code for the Virginia Retirement System (VRS), the Virginia Sickness and Disability Program (VSDP), the Virginia Local Disability Program (VLDP) and the Group Insurance Program, in particular, the Group Life Insurance (GLI).

The following table summarizes the adjustments recommended effective July 1, 2025. Those denoted in **bold** require action by the Board of Trustees to set the amount of adjustment.

COLA Type/Group	Required by Code	Adjustment Level Set by Board Resolution	July 1, 2025	
			Adjustment	Annual Amount
VRS Plan 1 (Vested as of 1/1/2013)	Yes	N/A	2.95%	N/A
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	Yes	N/A	2.48%	N/A
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Yes	Yes	4.00%	N/A
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	Yes	Yes	2.95%	N/A
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	Yes	Yes	2.48%	N/A
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Yes	N/A	2.48%	\$ 9,768
VRS Hazardous Duty Supplement	Yes	N/A	5.78%	\$17,856

Mr. Rory Badura
Virginia Retirement System
January 21, 2025
Page 2

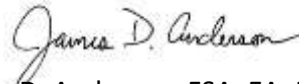
The COLA adjustments were calculated in accordance with the Virginia Code and our understanding of Board of Trustee Policies and Procedures, as adopted February 4, 2011. Refer to the enclosure for additional detail supporting the calculated COLA adjustments.

Please let us know if you have any questions.

Sincerely,
Gabriel, Roeder, Smith & Company



Rebecca L. Stouffer, ASA, FCA, MAAA



James D. Anderson, FSA, EA, FCA, MAAA

RLS/JDA:ah

Enclosure

cc: Sandy Jack, VRS



VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2025

COLA Type/Group	Brief Description	Code Section(s)	Average CPI-U		CPI-U Increase ¹	COLA Calculation		
			2023	2024		100% of First 3.00%	50% of Next 4.00%	COLA
VRS Plan 1 (Vested as of 1/1/2013)	100% of the CPI-U increase up to 3.00% plus 50% of the next 4.00%. Minimum COLA of 0.00%. Maximum COLA of 5.00%.	51.1-166.B.	304.702	313.689	2.95%	2.95%	0.00%	2.95%
VRS Plan 1 Non-Vested, Plan 2, and Hybrid Plan	100% of the CPI-U increase up to 2.00%, plus 50% of the next 2.00%. Minimum COLA of 0.00%. Maximum COLA of 3.00%.	51.1-166.B.	304.702	313.689	2.95%	2.00%	0.48%	2.48%
COLA Type/Group	Brief Description/Rationale ²	Code Section(s)	Creditable Compensation ³		% Increase in Pay	COLA Calculation		
			2023	2024		100% of First 4.00%		COLA
VSDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	As recommended by Cavanaugh Macdonald Consulting, LLC and adopted by the Board in 2011, the VSDP Creditable Compensation COLA is based on the increase in the pay rate for State, SPORS and VaLORS VSDP members active at the beginning and the end of the most recent plan year before the date of determination of the COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year; however, is subject to the Maximum COLA. Maximum COLA of 4.00%.	51.1-1117.B. 51.1-1123.C. 51.1-1128.B.	\$4,937,461,134	\$5,314,173,162	7.63%	4.00%		4.00%
VLDP Creditable Compensation (for VRS Pension Benefit Determination Purposes)	Apply approach similar to the "VSDP Creditable Compensation." The VLDP Creditable Compensation COLA was based on the increase in the pay rate for Hybrid Pension Plan members (of the Teacher Plan and non-hazardous duty Political Subdivisions) active at the beginning and the end of the most recent plan year before the date of determination of COLA. The COLA calculated in this manner may be modified to reflect extraordinary pay adjustments during a given year, subject to the VSDP maximum COLA level.	51.1-1161.C. 51.1-1169.C.	\$5,397,703,342	\$5,886,115,468	9.05%	4.00%		4.00%
COLA Type/Group	Brief Description/Rationale	Code Section(s)	Creditable Compensation		% Increase in Pay	COLA Calculation		
			2023	2024		100% of First 4.00%		COLA
VSDP Plan 1 (Vested as of 1/1/2013) (Net LTD Benefit)	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan 1 (Vested as of 1/1/2013).	51.1-1112.C. 51.1-1125.C.						2.95%
VSDP Plan 1 Non-Vested, Plan 2, and Hybrid	As individuals in receipt of LTD benefits are akin to retirees receiving a retirement allowance, adjust the Net LTD benefit by 100% of the COLA for VRS Plan Non-Vested, Plan 2 and Hybrid Plan.	51.1-1112.C. 51.1-1125.C.						2.48%

¹ Increase in CPI-U is the ratio, or percentage change, of the current year CPI-U to prior year CPI-U index. By Code, the CPI-U index is defined as the calendar year average of the monthly CPI-U averages.

² The COLA maximum is not explicitly stated in the Request for Board Action (RBA) – 2011-02-04. Based upon a review of the 2022 Cost of Living Adjustments letter, dated January 20, 2022, and confirmation with the VRS staff, GRS understands that a maximum COLA of 4.00% is applicable under the current policies and procedures.

³ Creditable Compensation has been compiled from the data provided by the VRS for the June 30, 2023 and June 30, 2024 actuarial valuations.

VRS, VSDP, VLDP, GLI COLA and Recommendations Effective July 1, 2025 (Concluded)

COLA Type/Group	Brief Description	Code Section(s)	Adjusted Minimum Benefit Calculation		
			COLA	Before COLA	After COLA
GLI Minimum Benefit (Applicable to employees with at least 30 years of creditable service)	Minimum \$8,000 is indexed annually by 100% of the VRS COLA for Plan 1 Non-Vested, Plan 2, and Hybrid Plan.	51.1-505.B.	2.48%	\$9,532	\$9,768


COLA Type/Group	Brief Description	Code Section(s)	Social Security (SS) COLA		Biennial SS COLA Increase %	Adjusted Minimum Benefit Calculation		
			2023	2024		Before COLA (Monthly)	After COLA (Monthly)	After COLA (Annual)
VRS Hazardous Duty Supplement	Initial allowance equal to \$9,264, adjusted July 1, 2001, and biennially thereafter. Increase is based upon the increase in social security benefits in the interim.	51.1-138.B. 51.1-206.B. 51.1-217.B.	3.20%	2.50%	5.78%	\$1,407	\$1,488	\$17,856



1200 East Main Street
P.O. Box 2500
Richmond, VA 23218-2500
Toll-free: 1-888-VARETIR (827-3847)
Website: www.varetire.org
Email: vrs@varetire.org
Fax: 804-786-1541

Patricia S. Bishop
Director

MEMORANDUM

To: Jennifer P. Schreck, Internal Audit Director
From: Patricia S. Bishop, Director 
Date: March 26, 2025
Subject: Summary of Travel Related Expenses

I am attaching the following:

1. Summary of Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through December 31, 2024.
2. Summary of Other Sponsored Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through December 31, 2024. **There were no reportable Other Sponsored Travel Related Expenses for this period.**
3. Detail of Travel Related Expenses Paid During the Quarter of and Fiscal Year-to-Date Through December 31, 2024.
4. Record of Attendance and Per Diems for the Quarters Ended December 31, 2024.

This information should be shared with the Audit & Compliance Committee.

If you have any questions, please do not hesitate to ask.

PSB/lbk

Attachments

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date Q2 2025

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Andrews, Allen	-	\$427.46	\$427.46	-	-	-	-	-	-	-	-	-	-	\$871.32	\$871.32	-	-
Beasley, Michael	-	-	-	-	-	-	-	-	-	-	-	-	-	\$880.29	\$880.29	-	-
Bell II, John	-	\$997.64	\$997.64	-	-	-	-	-	-	-	-	-	-	\$1,475.73	\$1,475.73	-	-
Bernert III, Lawrence	-	\$487.76	\$487.76	-	-	-	-	-	-	-	-	-	-	\$609.70	\$609.70	-	-
Deo, Ravindra	-	-	-	-	-	-	-	-	-	-	-	-	-	\$144.25	\$144.25	-	-
Disharoon, Michael	-	\$442.20	\$442.20	-	-	-	-	-	-	-	-	-	-	\$1,087.41	\$1,087.41	-	-
Hood, Jessica	-	\$1,850.39	\$1,850.39	-	-	-	-	-	-	-	-	-	-	\$3,684.86	\$3,684.86	-	-
James, Matthew	-	\$1,140.95	\$1,140.95	-	-	-	-	-	-	-	-	-	-	\$1,594.17	\$1,594.17	-	-
Kasanoff, Kathryn	-	\$597.77	\$597.77	-	-	-	-	-	-	-	-	-	-	\$1,315.38	\$1,315.38	-	-
Lewis, Wilbert	-	-	-	-	-	-	-	-	-	-	-	-	-	\$588.25	\$588.25	-	-
Bishop, Patricia	-	\$5,042.16	\$5,042.16	2	\$5,042.16	1	-	1	-	-	-	-	-	\$8,804.87	\$8,804.87	4	\$8,804.87
Chenault, Jeanne	-	-	-	-	-	-	-	-	-	-	-	-	-	\$3,562.09	\$3,562.09	1	\$3,562.09
Irving Jr, Robert	-	\$2,045.48	\$2,045.48	1	\$2,045.48	-	-	1	-	-	-	-	-	\$4,261.10	\$4,261.10	2	\$4,261.10
Jack, Sandra	-	-	-	-	-	-	-	-	-	-	-	-	-	\$5,470.31	\$5,470.31	1	\$5,470.31
Junkin, Andrew	-	\$7,292.89	\$7,292.89	4	\$7,292.89	-	-	4	-	-	-	-	-	\$14,201.91	\$14,201.91	9	\$14,201.91
Schreck, Jennifer	-	\$2,630.80	\$2,630.80	1	\$2,630.80	-	-	1	-	-	-	-	-	\$2,630.80	\$2,630.80	1	\$2,630.80
Weldon, Leslie	-	\$2,718.96	\$2,718.96	1	\$2,718.96	-	-	1	-	-	-	-	-	\$2,718.96	\$2,718.96	1	\$2,718.96
Adelaar, Stephen	-	\$4,355.55	\$4,355.55	3	\$4,355.55	-	-	2	2	3	-	-	-	\$4,355.55	\$4,355.55	3	\$4,355.55
Alouf, John	\$13,124.05	\$4,795.56	\$17,919.61	6	\$17,919.61	3	-	-	3	-	-	-	\$13,124.05	\$7,430.92	\$20,554.97	9	\$20,554.97
Apte, Advait	-	\$2,507.83	\$2,507.83	2	\$2,507.83	-	-	2	-	-	-	-	-	\$2,507.83	\$2,507.83	2	\$2,507.83
Bennett, Matthew	\$11,564.08	\$2,955.25	\$14,519.33	4	\$14,519.33	3	-	-	1	-	-	1	\$11,564.08	\$2,955.25	\$14,519.33	4	\$14,519.33
Billingslea, Erica	\$739.95	\$4,019.95	\$4,759.90	3	\$4,759.90	1	-	2	1	-	-	1	\$4,178.50	\$4,719.56	\$8,898.06	5	\$8,898.06
Bliss, Kevin	\$1,875.10	\$6,367.68	\$8,242.78	5	\$8,242.78	2	-	2	-	-	-	1	\$2,672.72	\$6,503.68	\$9,176.40	7	\$9,176.40

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date **Q2 2025**

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses				
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel	
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost
AM						BD	CF	DD	MM	SV	TR						
Buchanan, Lee	-	-	-	-	-	-	-	-	-	-	-	-	\$1,568.74	\$29.48	\$1,598.22	2	\$1,598.22
Carlson, Ryan	-	\$1,320.80	\$1,320.80	1	\$1,320.80	-	-	1	-	-	-	-	-	\$1,320.80	\$1,320.80	1	\$1,320.80
Chang, Warren	\$12,965.43	\$3,563.55	\$16,528.98	6	\$16,528.98	2	3	-	1	-	-	-	\$24,178.78	\$4,432.85	\$28,611.63	8	\$28,611.63
Coleman, Thomas	\$4,577.64	\$6,825.75	\$11,403.39	9	\$11,403.39	4	-	-	3	1	1	-	\$6,277.23	\$6,863.58	\$13,140.81	11	\$13,140.81
Corsello, Perry	\$6,303.50	\$727.00	\$7,030.50	3	\$7,030.50	3	-	-	-	1	-	1	\$7,796.63	\$727.00	\$8,523.63	4	\$8,523.63
Gentry III, William	\$790.70	\$12,665.37	\$13,456.07	5	\$13,456.07	2	2	-	-	1	-	-	\$2,840.91	\$13,825.13	\$16,666.04	8	\$16,666.04
Grier, John	-	\$2,876.51	\$2,876.51	1	\$2,876.51	-	-	1	-	-	-	-	-	\$3,805.98	\$3,805.98	2	\$3,805.98
Hines, Gregory	-	\$5,989.02	\$5,989.02	3	\$5,989.02	-	-	3	-	-	-	-	-	\$5,989.02	\$5,989.02	3	\$5,989.02
Honrado, Cordell	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,462.78	\$2,462.78	1	\$2,462.78
Jones, DeVon	\$31,802.40	\$2,793.66	\$34,596.06	7	\$34,596.06	1	3	-	1	2	-	-	\$31,802.40	\$2,793.66	\$34,596.06	7	\$34,596.06
Kennebeck, Joseph	-	\$2,431.69	\$2,431.69	1	\$2,431.69	-	-	-	-	1	-	-	-	\$2,431.69	\$2,431.69	1	\$2,431.69
Koutrakos, Kristina	-	\$7,043.80	\$7,043.80	5	\$7,043.80	-	-	5	-	-	-	-	-	\$7,043.80	\$7,043.80	5	\$7,043.80
Lacy, Matthew	-	\$497.44	\$497.44	1	\$497.44	-	-	1	-	-	-	-	-	\$497.44	\$497.44	1	\$497.44
Le, Vu	-	\$2,123.93	\$2,123.93	1	\$2,123.93	-	-	1	-	-	-	-	-	\$8,638.27	\$8,638.27	3	\$8,638.27
Ma, Chung	-	\$2,281.60	\$2,281.60	1	\$2,281.60	-	-	1	-	-	-	-	-	\$10,349.10	\$10,349.10	4	\$10,349.10
Matoua, Katherine	-	\$3,477.43	\$3,477.43	3	\$3,477.43	-	-	3	-	-	-	-	-	\$3,477.43	\$3,477.43	3	\$3,477.43
Muniz, Alex	-	\$3,435.83	\$3,435.83	2	\$3,435.83	-	-	2	-	-	-	-	-	\$10,067.10	\$10,067.10	4	\$10,067.10
Murphy, James	\$12,996.26	\$351.77	\$13,348.03	3	\$13,348.03	3	-	-	-	-	-	-	\$24,776.34	\$402.27	\$25,178.61	4	\$25,178.61
Noland, Walker	\$651.90	\$1,094.97	\$1,746.87	2	\$1,746.87	1	-	1	-	-	-	-	\$651.90	\$1,179.57	\$1,831.47	3	\$1,831.47
Rhodes, Garret	-	\$3,241.77	\$3,241.77	1	\$3,241.77	-	-	1	-	-	-	-	-	\$3,241.77	\$3,241.77	1	\$3,241.77
Sarki-Hurd, Hajara	\$3,206.57	\$1,035.39	\$4,241.96	3	\$4,241.96	2	-	-	-	1	-	-	\$3,769.41	\$1,690.31	\$5,459.72	5	\$5,459.72
Schlussler, Daniel	-	-	-	-	-	-	-	-	-	-	-	-	-	\$1,171.11	\$1,171.11	1	\$1,171.11
Scott, Michael	-	-	-	-	-	-	-	-	-	-	-	-	-	\$2,121.07	\$2,121.07	1	\$2,121.07

Summary of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Fiscal Year-To-Date **Q2 2025**

Traveler	Current Quarter Expenses												Fiscal Year-To-Date Expenses					
	Total Travel			Out-of-State-Travel									Total Travel			Out-of-State-Travel		
	Sponsor Paid	VRS Paid	Total	# Trips	Cost	Travel reasons							Sponsor Paid	VRS Paid	Total	# Trips	Cost	
AM						BD	CF	DD	MM	SV	TR							
Tentor, Lawrence	-	\$1,887.45	\$1,887.45	2	\$1,887.45	-	-	2	-	-	-	-	-	-	\$2,612.02	\$2,612.02	3	\$2,612.02
Tran, Viet	\$6,917.25	\$363.05	\$7,280.30	4	\$7,280.30	3	1	-	-	-	-	-	\$6,917.25	\$1,007.08	\$7,924.33	5	\$7,924.33	
Turner, Korey	-	\$1,227.90	\$1,227.90	1	\$1,227.90	-	-	1	1	1	-	-	-	\$1,227.90	\$1,227.90	1	\$1,227.90	
Voeks III, Robert	\$11,132.22	\$2,931.39	\$14,063.61	4	\$13,530.65	1	1	-	1	1	-	-	\$11,928.31	\$3,664.08	\$15,592.39	6	\$15,059.43	
Whitlock, Daniel	-	\$12,853.67	\$12,853.67	1	\$12,853.67	-	-	1	-	1	-	-	-	\$12,853.67	\$12,853.67	1	\$12,853.67	
Woodall, Steven	\$1,159.59	\$1,232.79	\$2,392.38	2	\$2,392.38	1	-	-	1	-	-	1	\$1,159.59	\$2,698.37	\$3,857.96	3	\$3,857.96	
Total	\$119,806.64	\$134,949.81	\$254,756.45	104	\$248,279.32	33	10	40	15	13	1	5	\$155,206.84	\$200,998.52	\$356,205.36	151	\$343,421.04	

Travel Reasons Legend			
AM	Advisory/Assoc. Meeting	MM	Manager Meeting
BD	Board Related	SV	Site Visit
CF	Conference	TR	Training
DD	Due Diligence		

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in **Q2 2025**

Traveler	Travel Start	Travel End	Destination	Sponsor	Purpose	Sponsor Paid	VRS Paid	Total
Andrews, Allen	10/17/2024	10/17/2024	Richmond, VA		Attended a VRS Board meeting.	-	\$150.08	\$150.08
Andrews, Allen	11/14/2024	11/14/2024	Richmond, VA		Attempted to attend VRS Board meeting in person, however, traffic was backed up on 95S and he only made it to Ashland, VA.	-	\$127.30	\$127.30
Andrews, Allen	12/12/2024	12/12/2024	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$150.08	\$150.08
Bell II, John	10/17/2024	10/17/2024	Richmond, VA		Attended a VRS Board meeting.	-	\$262.64	\$262.64
Bell II, John	11/14/2024	11/14/2024	Richmond, VA		Attended a VRS Board meeting.	-	\$262.64	\$262.64
Bell II, John	12/12/2024	12/12/2024	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$447.36	\$447.36
Bell II, John	12/12/2024	12/12/2024	Richmond, VA		Attended VRS Board and Committee meetings.	-	\$25.00	\$25.00
Bernert III, Lawrence	10/17/2024	10/17/2024	Richmond, VA		Attended a VRS Board meeting.	-	\$121.94	\$121.94
Bernert III, Lawrence	11/06/2024	11/06/2024	Richmond, VA		Attended an Investment Advisory Committee meeting.	-	\$121.94	\$121.94
Bernert III, Lawrence	11/14/2024	11/14/2024	Richmond, VA		Attended VRS Board/Committee meetings.	-	\$121.94	\$121.94
Bernert III, Lawrence	12/12/2024	12/12/2024	Richmong, VA		Attended a VRS Board meeting.	-	\$121.94	\$121.94
Disharoon, Michael	10/17/2024	10/17/2024	Richmond, VA		Attended a VRS Board meeting.	-	\$147.40	\$147.40
Disharoon, Michael	11/14/2024	11/14/2024	Richmond, VA		Attended a VRS Board meeting.	-	\$147.40	\$147.40

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Disharoon, Michael	12/12/2024	12/12/2024	Richmond, VA	Attended a VRS Board meeting.	-	\$147.40	\$147.40
Hood, Jessica	10/16/2024	10/17/2024	Richmond, VA	Attended VRS Board/Committee meetings.	-	\$879.30	\$879.30
Hood, Jessica	11/14/2024	11/14/2024	Richmond, VA	Attended VRS Board/Committee meetings.	-	\$11.65	\$11.65
Hood, Jessica	11/14/2024	11/14/2024	Richmond, VA	Attended VRS Board/Committee meetings.	-	\$479.72	\$479.72
Hood, Jessica	12/12/2024	12/12/2024	Richmond, VA	Attended VRS Board and Committee meetings.	-	\$479.72	\$479.72
James, Matthew	10/16/2024	10/17/2024	Richmond, VA	Attended a VRS Board/Committee meetings.	-	\$129.98	\$129.98
James, Matthew	11/06/2024	11/06/2024	Richmond, VA	Attended an Investment Advisory Committee meeting.	-	\$384.40	\$384.40
James, Matthew	11/14/2024	11/14/2024	Richmond, VA	Attended a VRS Board meeting.	-	\$129.98	\$129.98
James, Matthew	12/05/2024	12/05/2024	Richmond, VA	Attended a Defined Contribution Plans Advisory Committee meeting.	-	\$129.98	\$129.98
James, Matthew	12/12/2024	12/12/2024	Richmond, VA	Attended a VRS Board meeting.	-	\$366.61	\$366.61
Kasanoff, Kathryn	12/05/2024	12/05/2024	Richmond, VA	DCPAC	-	\$597.77	\$597.77
Bishop, Patricia	09/26/2024	09/29/2024	Portland, ME	Attended the National Association of State Retirement Administrators Fall Executive Committee meeting.	-	\$2,166.17	\$2,166.17
Bishop, Patricia	10/05/2024	10/08/2024	Atlanta, GA	Attended the National Council on Teacher Retirement annual conference.	-	\$2,875.99	\$2,875.99
Irving Jr, Robert	10/20/2024	10/24/2024	Orlando FL	ICMI Training & Conference	-	\$2,045.48	\$2,045.48

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Junkin, Andrew	09/29/2024	10/02/2024	Chicago, IL		2024 NASIO Conference - Sunday, September 29 - Wednesday, October 2, 2024 - Chicago, IL	-	\$916.50	\$916.50
Junkin, Andrew	09/29/2024	10/02/2024	Chicago, IL		2024 NASIO Conference - Sunday, September 29 - Wednesday, October 2, 2024 - Chicago, IL	-	\$3,500.00	\$3,500.00
Junkin, Andrew	10/07/2024	10/09/2024	Kennebunkport, Maine		ISCG True North Summit - Kennebunkport, Maine - October 7-9, 2024	-	\$2,213.35	\$2,213.35
Junkin, Andrew	12/02/2024	12/03/2024	Washington, DC		December 2-3, 2024 KKR CIO Symposium - Washington, DC	-	\$663.04	\$663.04
Schreck, Jennifer	11/03/2024	11/07/2024	Tallahassee, FL		APPFA Fall Conference 2024 - Tallahassee, FL; November 4-7, 2024; for networking, CPE/PDUs and Committee member duties	-	\$2,630.80	\$2,630.80
Weldon, Leslie	10/26/2024	10/30/2024	Indianapolis, IN		Public Pension Financial Forum annual conference	-	\$2,718.96	\$2,718.96
Adelaar, Stephen	10/15/2024	10/16/2024	New York		Attended the Albourne Hedge Fund Conference. Annual due diligence meeting with JP Morgan. Prospect Manager meeting with Lazard	-	\$1,133.40	\$1,133.40
Adelaar, Stephen	10/23/2024	10/25/2024	California		Oct. 23rd - manager meeting with WCM Investment Management - Laguna Beach. Oct. 24th - 25th - Farallon Capital Investor Conference - San Francisco.	-	\$2,404.74	\$2,404.74
Adelaar, Stephen	11/14/2024	11/14/2024	New York		Annual due diligence meeting with Select Equity. Manager/Investor meeting with Baillie Gifford.	-	\$817.41	\$817.41
Alouf, John	09/16/2024	09/27/2024	Budapest and San Francisco	Apax; Apax and TSG; TSG	Travel to Budapest and San Francisco for Apax and TSG advisory committee meetings. Both portions of this trip are sponsored travel. The final day of travel to meet with other managers was not sponsored travel.	\$11,576.81	\$649.71	\$12,226.52

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Alouf, John	09/30/2024	10/01/2024	Austin, TX		Travel to Austin for Peak Rock due diligence.	-	\$1,355.74	\$1,355.74
Alouf, John	10/23/2024	10/25/2024	Palm Beach, FL		Travel to Palm Beach for Lead Edge Capital due diligence.	-	\$2,077.95	\$2,077.95
Alouf, John	11/12/2024	11/13/2024	Boston and New York	TA	Travel to Boston for TA LPAC and New York for Odyssey AGM. The TA portion of the trip is sponsored.	\$978.49	\$469.10	\$1,447.59
Alouf, John	11/19/2024	11/20/2024	New York, NY	Vista	Travel to New York for Vista LPAC. This is sponsored travel.	\$568.75	\$14.74	\$583.49
Alouf, John	12/02/2024	12/02/2024	Washington, DC		Travel to Washington DC for meetings with JMI and Arlington Capital Partners	-	\$228.32	\$228.32
Apte, Advait	10/08/2024	10/08/2024	New York, NY		BNP Paribas Quant forum/conference in New York on October 8th, 2024 for Advait Apte.	-	\$721.51	\$721.51
Apte, Advait	10/22/2024	10/24/2024	New York, NY.		October 22-24 to attend Wolfe conference in NYC for Advait Apte.	-	\$1,786.32	\$1,786.32
Bennett, Matthew	09/24/2024	09/27/2024	London, UK	ICG	Attended the ICG annual meeting and LPAC meeting. Manager meeting with Park Square. **Sponsored Travel - ICG	\$10,212.79	\$601.77	\$10,814.56
Bennett, Matthew	10/08/2024	10/10/2024	New York	Castlelake	Castlelake AGM and LPAC meetings. HPS SIP VI due diligence meeting. HPS Deal Diligence meeting.	\$1,351.29	\$118.80	\$1,470.09
Bennett, Matthew	10/24/2024	10/24/2024	New York		Attended the Varde Annual General Meeting.	-	\$1,061.84	\$1,061.84
Bennett, Matthew	12/09/2024	12/09/2024	New York		Attended the HPS Training Program provided by Training The Street, a global finance training firm.	-	\$1,172.84	\$1,172.84

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Billingslea, Erica	10/07/2024	10/10/2024 New York	Audax	LPAC and AGM Meeting for Audax Mezz Fund V, Audax DLS I, and Audax DLS II. Deals diligence meeting with HPS. KKR Asset Based Finance Forum.	\$739.95	\$1,121.15	\$1,861.10
Billingslea, Erica	10/22/2024	10/24/2024 New York		Attended the SEM Consortium sponsored by GCM Grosvenor.	-	\$1,707.32	\$1,707.32
Billingslea, Erica	12/09/2024	12/09/2024 New York		Attended the HPS Credit Training Program, provided by Training The Street, a global finance training firm. Virtual - Nov. 25th, In-Person - Dec. 9th.	-	\$1,191.48	\$1,191.48
Bliss, Kevin	10/22/2024	10/25/2024 San Francisco, CA		Attended the Farallon Annual Investor Conference. Credit Strategies mandate - Sp Sits (FSSO).	-	\$2,459.80	\$2,459.80
Bliss, Kevin	11/07/2024	11/08/2024 Chicago, IL		Attended the Blue Owl AGM/LPAC meetings.	-	\$1,131.94	\$1,131.94
Bliss, Kevin	11/12/2024	11/15/2024 Houston, TX	Orchard	Attended the Orchard Asset Management Advisory Board Meetings for OGAM Taiga and ElganTree III.	\$1,875.10	\$47.06	\$1,922.16
Bliss, Kevin	11/18/2024	11/20/2024 Austin, TX		Attended the Institutional Investor Private Credit Forum.	-	\$1,542.82	\$1,542.82
Bliss, Kevin	12/09/2024	12/09/2024 New York		Attended the HPS Credit Training Program provided by Training The Street, a global finance training firm. Update meeting with Apollo - European Principal Finance Fund IV and Libra.	-	\$1,186.06	\$1,186.06
Carlson, Ryan	10/16/2024	10/18/2024 New York, NY		21st annual Bernstein Quant Conference Networking Wednesday, October 16th, 2024 57 West 57th Street New York, NY 10019 for Ryan Carlson.	-	\$1,320.80	\$1,320.80

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Chang, Warren	09/30/2024	10/05/2024	Madrid and London	iCON	Travel to Madrid for Asterion meeting and London for iCON Infrastructure AGM and LPAC. The London portion of this trip is sponsored travel.	\$8,868.49	\$1,628.01	\$10,496.50
Chang, Warren	10/21/2024	10/25/2024	New York	True Green	Travel to New York for Tiger, EQT, and True Green meetings. Two days of travel expenses are sponsored by True Green.	\$1,528.92	\$923.61	\$2,452.53
Chang, Warren	10/28/2024	10/31/2024	Las Vegas, NV	IFM	Travel to Las Vegas for IFM Annual General Meeting. This is sponsored travel.	\$664.85	\$33.42	\$698.27
Chang, Warren	11/07/2024	11/07/2024	New York, NY		Travel to New York for True Green V due diligence.	-	\$912.51	\$912.51
Chang, Warren	11/11/2024	11/14/2024	Ft. Lauderdale and New York	DigitalBridge; LS Power	Travel to Ft. Lauderdale for DigitalBridge AGM and New York for LS Power AGM. Both portions of the trip are sponsored travel.	\$1,244.07	\$46.00	\$1,290.07
Chang, Warren	11/19/2024	11/21/2024	New York	Stonepeak	Travel to New York for Stonepeak's 2024 Annual General Meeting. This is sponsored travel.	\$659.10	\$20.00	\$679.10
Coleman, Thomas	09/23/2024	09/25/2024	Las Vegas, NV	Resource Capital	Travel to Las Vegas for Resource Capital AGM and LPAC. This is sponsored travel.	\$820.70	\$34.74	\$855.44
Coleman, Thomas	09/30/2024	10/02/2024	Seattle, WA		Travel to Seattle for Pritzker site visit.	-	\$2,253.21	\$2,253.21
Coleman, Thomas	10/07/2024	10/09/2024	Washington DC	EIG	Travel to Washington DC to attend EIG Partners' Conference. This is sponsored travel.	\$1,197.89	\$50.66	\$1,248.55
Coleman, Thomas	10/24/2024	10/25/2024	Atlanta, GA		Travel to Atlanta for Silver Creek due diligence.	-	\$961.26	\$961.26
Coleman, Thomas	10/28/2024	10/30/2024	Naples, FL	Carlyle	Travel to Naples, FL for Carlyle US Real Estate IAC Meetings. This is sponsored travel (airfare, hotel, ground transportation).	\$721.11	\$224.34	\$945.45

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Coleman, Thomas	11/06/2024	11/07/2024	Houston, TX	Lime Rock	Travel to Houston for Lime Rock Annual Meeting and LPAC. This is sponsored travel.	\$1,175.51	\$14.74	\$1,190.25
Coleman, Thomas	11/12/2024	11/13/2024	New York, NY	Meadow	Travel to New York for Meadow Partners 2024 Investor Meeting and LPAC. This is sponsored travel.	\$662.43	\$32.52	\$694.95
Coleman, Thomas	12/03/2024	12/06/2024	Lake Tahoe		Travel to Lake Tahoe for Kinterra due diligence.	-	\$1,922.46	\$1,922.46
Coleman, Thomas	12/12/2024	12/13/2024	New York		Travel to New York for Kimmeridge due diligence.	-	\$1,331.82	\$1,331.82
Corsello, Perry	10/27/2024	10/30/2024	San Francisco, CA	SSP	Attended the Sixth Street Partners AGM and LPAC Meetings for TAO, TOP III, TOP IV, and TOP V.	\$3,592.21	\$24.86	\$3,617.07
Corsello, Perry	11/11/2024	11/12/2024	New York	Ares	Attended the Ares ASOF I and ASOF II Advisory Board meetings. Update meeting with Oaktree.	\$1,351.01	\$30.19	\$1,381.20
Corsello, Perry	12/09/2024	12/10/2024	New York	Ares	Attended the HPS Credit Training Program provided by Training The Street, a global finance training firm. Attended the Ares PCS I and PCS II Advisory Board meetings.	\$1,360.28	\$671.95	\$2,032.23
Gentry III, William	10/09/2024	10/10/2024	Boston, MA		Travel to Boston for Spectrum Equity 2024 Annual Meeting and LPAC.	-	\$551.59	\$551.59
Gentry III, William	10/14/2024	10/24/2024	New York and London		Travel to New York for Sycamore, London for Bain, and New York for GCM's SEM conference.	-	\$9,714.84	\$9,714.84
Gentry III, William	11/18/2024	11/20/2024	Chicago and Dallas		Travel to Chicago for Madison Dearborn and Dallas for Energy Spectrum meetings.	-	\$1,460.00	\$1,460.00
Gentry III, William	12/11/2024	12/11/2024	New York	Hellman & Friedman	Travel to New York for Hellman & Friedman LPAC. This is sponsored travel.	\$790.70	\$5.00	\$795.70

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

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Gentry III, William	12/11/2024	12/12/2024	Boston, MA		Travel to Boston for Summit Partners LPAC.	-	\$933.94	\$933.94
Grier, John	09/29/2024	10/02/2024	Denver, CO		Q- Group Conference 2024 in Denver, CO for JT Grier September 29- October 2nd.	-	\$2,876.51	\$2,876.51
Hines, Gregory	09/16/2024	09/20/2024	New York, NY		JPM NA Asset Owner Conference (NYC) and Manager Meetings - Sept 16th- 20th, 2024 for Greg Hines.	-	\$4,017.04	\$4,017.04
Hines, Gregory	10/08/2024	10/09/2024	New York, NY		BNP Paribas Quant Forum: Games Wide Open for Greg Hines in New York, NY October 8th and the Citi North America Markets Investor Conference, October9th-10th in Miami	-	\$1,413.44	\$1,413.44
Hines, Gregory	11/19/2024	11/19/2024	New York, NY.		Commodities & QIS University Tuesday, 19th November 2024 Location: Two Bryant Park Pavilion, 1114 6th Avenue, New York for Gregory Hines. This is a day trip.	-	\$558.54	\$558.54
Jones, De'Von	09/24/2024	09/26/2024	Atlanta, GA and Boston, MA	Great Hill Partners	Travel to Atlanta for Accel-KKR meeting and to Boston for Great Hill Partners annual meeting and LPAC. The Great Hill portion of the trip is sponsored travel.	\$512.43	\$1,158.62	\$1,671.05
Jones, De'Von	10/14/2024	10/17/2024	Stockholm	Nordic	Travel to Stockholm for Nordic Capital Advisory Committee. This is sponsored travel.	\$9,956.57	\$20.99	\$9,977.56
Jones, De'Von	10/21/2024	10/24/2024	New York, NY	Veritas	Travel to New York for Insight, GCM Grosvenor, and Veritas meetings. The Veritas portion of the trip is sponsored travel.	\$778.68	\$1,375.16	\$2,153.84
Jones, De'Von	10/28/2024	10/30/2024	Houston, TX	EnCap	Travel to Houston for EnCap 2024 Investor Conference. This is sponsored travel.	\$1,083.25	\$14.74	\$1,097.99
Jones, De'Von	11/07/2024	12/14/2024	Paris, France	Advent; Advent International	Travel to Paris for Advent International 2024 Limited Partners Meeting. This is sponsored travel.	\$8,779.94	-	\$8,779.94

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Virginia Retirement System

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Jones, De'Von	11/16/2024	12/23/2024	Hong Kong	Asia Alternatives	Travel to Hong Kong for Asia Alternatives annual meeting and LPAC. This is sponsored travel.	\$10,691.53	-	\$10,691.53
Jones, De'Von	12/02/2024	12/02/2024	Washington DC		Travel to Washington DC for Due Diligence with JMI and Arlington Capital Partners.	-	\$224.15	\$224.15
Kennebeck, Joseph	09/25/2024	10/27/2024	New York, NY		Manager Meetings with Virtu, Barclays, INET, and Mizuho in New York, NY for Joe Kennebeck. September 25th- 27th, 2024.	-	\$2,431.69	\$2,431.69
Koutrakos, Kristina	09/16/2024	09/18/2024	New York, NY		15th Annual Global Volatility Summit in New York, NY for Kristina Koutrakos September 16th-18th, 2024.	-	\$1,520.54	\$1,520.54
Koutrakos, Kristina	09/21/2024	09/24/2024	Nashville, TN.		Nashville, TN. for JourneyForward conference for Kristina Koutrakos for Sept 21st to Sept 24, 2024.	-	\$1,694.01	\$1,694.01
Koutrakos, Kristina	09/30/2024	10/01/2024	Washington, DC.		CFA and CAIA Invitation - ALTSDC Forum, CAIA's regional conference, ALTSDC in Washington DC. September 30th- October 1st, 2024 for Kristina Koutrakos.	-	\$552.80	\$552.80
Koutrakos, Kristina	10/05/2024	10/09/2024	Toronto, ON Canada		ICPM Discussion Forum in Toronto, ON, Canada, October 5th-9th, 2024 for Kristina Koutrakos.	-	\$2,418.69	\$2,418.69
Koutrakos, Kristina	10/21/2024	10/22/2024	New York, NY		Goldman Sachs The Alternatives Summit, October 21st to 22nd in New York, NY for Kristina Koutrakos.	-	\$857.76	\$857.76
Lacy, Matthew	11/18/2024	11/18/2024	Newport Beach, CA.		Global Peer Financing Association in Newport Beach, Ca. for Matt Lacy. November 18th-21st, 2024.	-	\$497.44	\$497.44
Le, Vu	10/22/2024	10/24/2024	New York, NY.		Wolfe (NY - Oct. 22-24), 2024 in New York, NY for Vu Le.	-	\$2,123.93	\$2,123.93

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Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Ma, Chung	10/21/2024	10/23/2024	Boston, MA.		Global Arc Conference for Chung Ma. October 21-23, 2024, in Boston, Ma at the InterContinental Boston.	-	\$2,281.60	\$2,281.60
Matoua, Katherine	08/21/2024	08/22/2024	Washington, DC.		Global Economic Outlook and Mega Trends Panel for Katherine Matoua, 21-Aug-2024 - 22-Aug-2024.	-	\$701.50	\$701.50
Matoua, Katherine	09/10/2024	09/11/2024	New York, NY		2024 Pretium Investor Symposium, September 10-11, 2024 for Katherine Matoua. New York, NY.	-	\$1,184.79	\$1,184.79
Matoua, Katherine	09/29/2024	10/01/2024	Nashville, TN.		The 66th NABE Annual Conference, September 29 - October 1, 2024 in Nashville for Katherine Matoua.	-	\$1,591.14	\$1,591.14
Muniz, Alex	09/29/2024	10/02/2024	Denver, Colorado		Q Group Fall Seminar 2024 September 29, 2024 - October 02, 2024 in Denver Colorado for Alex Muniz	-	\$2,425.97	\$2,425.97
Muniz, Alex	10/20/2024	10/25/2024	Staunton, Va.		Commonwealth Management Institute (CMI) - Fall 2024 for Alex Muniz October 20-25th, 2024.	-	\$1,009.86	\$1,009.86
Murphy, James	09/21/2024	09/26/2024	Singapore	KKR	Travel to Singapore for KKR-Asia Annual General Meeting. This is sponsored travel.	\$10,644.30	\$234.29	\$10,878.59
Murphy, James	10/16/2024	10/17/2024	Houston, TX	First Reserve	Travel to Houston for First Reserve Annual Meeting. This is sponsored travel.	\$1,330.88	\$93.74	\$1,424.62
Murphy, James	11/13/2024	11/14/2024	New York	Stone Point	Travel to New York for Stone Point Trident Board of Advisors Meeting. This is sponsored travel.	\$1,021.08	\$23.74	\$1,044.82
Noland, Walker	10/23/2024	10/25/2024	Washington DC		Travel to Washington DC for PREA conference.	-	\$1,050.75	\$1,050.75
Noland, Walker	11/12/2024	11/13/2024	Longboat Key, FL	PGIM	Travel to Longboat Key, FL for PRISA Fund Series Advisory Council Meetings. This is sponsored travel.	\$651.90	\$44.22	\$696.12

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Rhodes, Garret	09/22/2024	10/25/2024	New York, NY.		ML in Finance Conference Sep. 22-25 in New York for Garret Rhodes.	-	\$3,241.77	\$3,241.77
Sarki-Hurd, Hajara	09/23/2024	09/26/2024	Santa Monica, CA	Realterm	Travel to Santa Monica for Realterm AGM and LPAC. This is sponsored travel.	\$2,802.63	\$64.74	\$2,867.37
Sarki-Hurd, Hajara	10/07/2024	10/09/2024	Washington DC	IPI	Travel to Washington DC for IPI LPAC and Annual Meeting. This is sponsored travel.	\$403.94	-	\$403.94
Sarki-Hurd, Hajara	11/11/2024	11/13/2024	Boston, MA		Travel to Boston for BPP Life Sciences Fall Meeting.	-	\$970.65	\$970.65
Tentor, Lawrence	10/02/2024	10/04/2024	Cambridge, MA.		JOIM conference, Cambridge MA, 2 October 2024 – 4 October 2024 for Larry Tentor.	-	\$1,434.45	\$1,434.45
Tentor, Lawrence	10/14/2024	10/18/2024	Philadelphia, PA.		Wharton University Training, Investment Strategies and Portfolio Management Monday, October 14, 2024-Friday, October 18, 2024, for Larry Tentor.	-	\$453.00	\$453.00
Tran, Viet	10/09/2024	10/10/2024	Boston, MA	Spectrum Equity	Travel to Boston, MA for Spectrum Equity AGM. This is sponsored travel.	\$517.44	\$15.24	\$532.68
Tran, Viet	10/14/2024	10/23/2024	New York, London, Scottsdale	Bain; Sycamore; TPG	Travel to New York for Sycamore meeting, London for Bain meeting, and Scottsdale for TPG meeting. These are sponsored travel.	\$3,229.13	\$13.77	\$3,242.90
Tran, Viet	10/29/2024	10/30/2024	New York, NY	Centerbridge	Travel to New York for Centerbridge LPAC. This is sponsored travel.	\$1,115.41	\$33.74	\$1,149.15
Tran, Viet	11/18/2024	11/21/2024	Chicago and New York	Madison Dearborn; Madison Dearborn AND Riverside; Riverside	Travel to Chicago for Madison Dearborn and New York for Riverside annual meetings. Both legs of the trip are sponsored travel.	\$2,055.27	\$300.30	\$2,355.57
Turner, Korey	10/15/2024	10/16/2024	New York		Attend the Albourne Hedge Fund Conference. Attend the Maverick Conference. Due diligence meeting with JP Morgan. Prospective manager meeting with Lazard.	-	\$1,227.90	\$1,227.90

Detail of Travel Related Expenses

Virginia Retirement System

Board/Committee Members and Selected VRS Staff

Paid in Q2 2025

Voeks III, Robert	09/30/2024	10/01/2024	Austin, TX		Travel to Austin for Peak Rock due diligence.	-	\$1,369.12	\$1,369.12
Voeks III, Robert	10/15/2024	10/16/2024	Charlottesville, VA		Travel to Charlottesville for Quad-C Annual General Meeting and LPAC. This is sponsored travel.	-	\$103.18	\$103.18
Voeks III, Robert	10/21/2024	10/22/2024	Boston, MA	Audax	Travel to Boston for Audax Annual Meeting and LPAC. This is sponsored travel.	\$391.07	\$38.71	\$429.78
Voeks III, Robert	11/12/2024	11/13/2024	New York, NY	Apollo	Travel to New York for Apollo LPAC. This is sponsored travel.	\$859.45	\$48.74	\$908.19
Voeks III, Robert	11/19/2024	11/20/2024	Boston, MA		Travel to Boston for Charlesbank Annual General Meeting.	-	\$843.84	\$843.84
Voeks III, Robert	12/03/2024	12/06/2024	London	Charterhouse	Travel to London for Charterhouse LPAC (sponsored) and Audax meeting (not sponsored.)	\$9,881.70	\$527.80	\$10,409.50
Whitlock, Daniel	09/23/2024	09/27/2024	London and Edinburgh		London - Manger meetings with CET, Theleme, and Lansdowne. Edinburgh - Ballie Gifford Client Conference and meeting with the team.	-	\$12,853.67	\$12,853.67
Woodall, Steven	11/13/2024	11/14/2024	New York	BlackRock/TCP	Attended the BlackRock/TCP Annual Meeting and LPAC Meeting for TCP Special Situations Fund IX. Annual Due Diligence Meeting with HPS Mezz Co-Investment.	\$1,159.59	\$56.85	\$1,216.44
Woodall, Steven	12/09/2024	12/09/2024	New York		Attended the HPS Credit Training Program provided by Training The Street, a global finance training firm. Virtual - Nov. 25th. In-person - Dec. 9th.	-	\$1,175.94	\$1,175.94
Total						\$119,806.64	\$134,949.81	\$254,756.45

VRS BOARD OF TRUSTEES AND COMMITTEES
 RECORD OF ATTENDANCE & PER DIEMS
 FOR 4Q2024

Month Paid:		Oct-24		Nov-24		Dec-24			Total Days Attended	Per Diem Rate	Per Diem Payments			Total	
Member	Area	10/16/2024	10/17/2024	11/6/2024	11/14/2024	11/14/2024	12/5/2024	12/12/2024			12/12/2024	Oct	Nov		Dec
A. SCOTT ANDREWS, CHAIR	BOT	-	X	X		X	-	X	X	4	\$ 300.00	\$ 300.00	\$ 600.00	\$ 300.00	\$ 1,200.00
J BRANDON BELL, II	BOT	-	X	-		X	-	X	X	3	300.00	300.00	300.00	300.00	900.00
JOHN M. BENNETT	BOT	X	X	X	X	X	X	X	X	6	300.00	600.00	600.00	600.00	1,800.00
LAWRENCE BERNERT	BOT	-	X	X	X	X	-	-	X	4	300.00	300.00	600.00	300.00	1,200.00
MICHAEL P. DISHAROON	BOT	-	X	X		X	-	-	X	4	300.00	300.00	600.00	300.00	1,200.00
SUSAN GOODEN	BOT	-	X	-		X	X	-	X	4	300.00	300.00	300.00	600.00	1,200.00
JESSICA L. HOOD	BOT	X	X	-	X	X	-	-	X	4	300.00	600.00	300.00	300.00	1,200.00
MATTHEW JAMES	BOT	X	X	X		X	X	-	X	6	300.00	600.00	600.00	600.00	1,800.00
LINDSEY PANTELE	BOT	X	X	-	X	X	-	X	X	4	300.00	600.00	300.00	300.00	1,200.00
MONIQUE BARNES (1)	DCPAC	-	-	-			X	-	-	1	300.00			300.00	300.00
RIVINDRA DEO	DCPAC	-	-	-			-	-	-	-	300.00	-	-	-	-
C. MATT HARRIS	DCPAC	-	-	-			X	-	-	1	300.00	-	-	300.00	300.00
RICK LARSON	DCPAC	-	-	-			X	-	-	1	300.00	-	-	300.00	300.00
BRENDA O. MADDEN	DCPAC	-	-	-			X	-	-	1	300.00	-	-	300.00	300.00
ARUN MURALIDHAR	DCPAC	-	-	-			X	-	-	1	300.00	-	-	300.00	300.00
DAVID A. WINTER	DCPAC	-	-	-			X	-	-	1	300.00	-	-	300.00	300.00
MICHAEL R. BEASLEY	IAC	-	-	X			-	-	-	1	300.00	-	300.00	-	300.00
THEODORE ECONOMOU	IAC	-	-	X			-	-	-	1	300.00	-	300.00	-	300.00
PALMER GARSON	IAC	-	-	X			-	-	-	-	-	-	-	-	-
THOMAS S.GAYNER	IAC	-	-	-			-	-	-	-	300.00	-	-	-	-
LAWRENCE E KOCHARD	IAC	-	-	X			-	-	-	1	300.00	-	300.00	-	300.00
NANCY G. LEAKE	IAC	-	-	X			-	-	-	1	300.00	-	300.00	-	300.00
WILBERT BRYAN LEWIS	IAC	-	-	X			-	-	-	1	300.00	-	300.00	-	300.00
ROD SMYTH	IAC	-	-	X			-	-	-	1	300.00	-	300.00	-	300.00
WILLIAM H. WEST	IAC	-	-	X		X	-	-	-	2	300.00	-	600.00	-	600.00
											\$ 3,900.00	\$ 6,600.00	\$ 5,400.00	\$ 15,900.00	

Number Attending	4	9	13	4	10	9	4	9	62						
Total Days per Diem Paid (Control Total)	4	9	12	4	6	9	4	5	53	x\$300	=				15,900.00

Audit Reports

Real Assets Program

As of September 30, 2024



Dear Members of the Audit and Compliance Committee,

We have completed audit number 461, "Real Assets Program." The main purpose of our review was to assess the adequacy and effectiveness of due diligence and monitoring activities and their alignment with the applicable Investment Policy Statements.

We conducted our audit in accordance with the *Global Internal Audit Standards*. These standards require we plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for the conclusions based upon our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This report was distributed to the Chief Investment Officer, VRS Director and members of management for review and comment. As our review did not result in a written recommendation, management did not provide a written response but expressed substantial agreement with our report.

We appreciate the cooperation and assistance of the Investment, Operations and Investment Accounting departments throughout this review.

Respectfully Submitted,

Jennifer P. Bell Schreck, CPA, CISA, PMP
Audit Director

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EXECUTIVE SUMMARY

We conducted an examination of the Real Assets Program within VRS' Investment department as of September 30, 2024.

Our review determined:

- Management's administration of the portfolio complies with the Real Assets Investment Policy Statement.
- Management has implemented sufficient and appropriate program monitoring activities.
- Real assets accounting transactions are accurate, reconciled and timely recorded by the Bank of New York (BNY).

This review did not include an evaluation of external manager fees related to the Real Assets Program, as coverage over external manager compensation was addressed recently in Report No. 459, Investment Balances, Performance Reporting and Investment Manager Compensation dated as of and for the six-month period ending December 31, 2023.

There are no written recommendations resulting from our review.

SNAPSHOT

The Real Assets Program's **value** as of **September 30, 2024** was **\$14.4** Billion or **12.3%** of the **Total Fund**.



The Real Assets Program's outstanding **Unfunded Commitments** as of **June 30, 2024** totaled **\$4.5** Billion.

AUDIT ASSESSMENT
Adequate oversight and monitoring controls exist over the Real Assets Program.

Written Recommendations: 0

BACKGROUND

INTRODUCTION

The value of the Real Assets Program as of September 30, 2024, was \$14.4 billion, or 12.3% of the total fund. The Real Assets Program currently has a policy target of 14% with an allowable range between 7% and 21% of the total fund. The Real Assets Program has generated a since-inception net time-weighted return of 8.1% as of September 30, 2024.

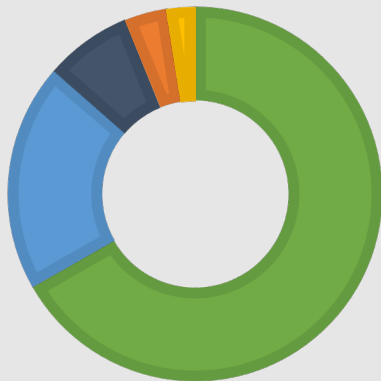
The Real Assets Program has evolved significantly since VRS' first investment in commercial real estate in 1981. Over time VRS leadership has shifted the direction and modified allocations of the Real Assets Program to specific strategies based on market conditions as well as the overall risk profile of the total fund. This program is designed to reduce volatility of the total fund by investing in assets that do not have high statistical correlation with the public equities market. The graphic below shows the evolution of the Real Assets Program.



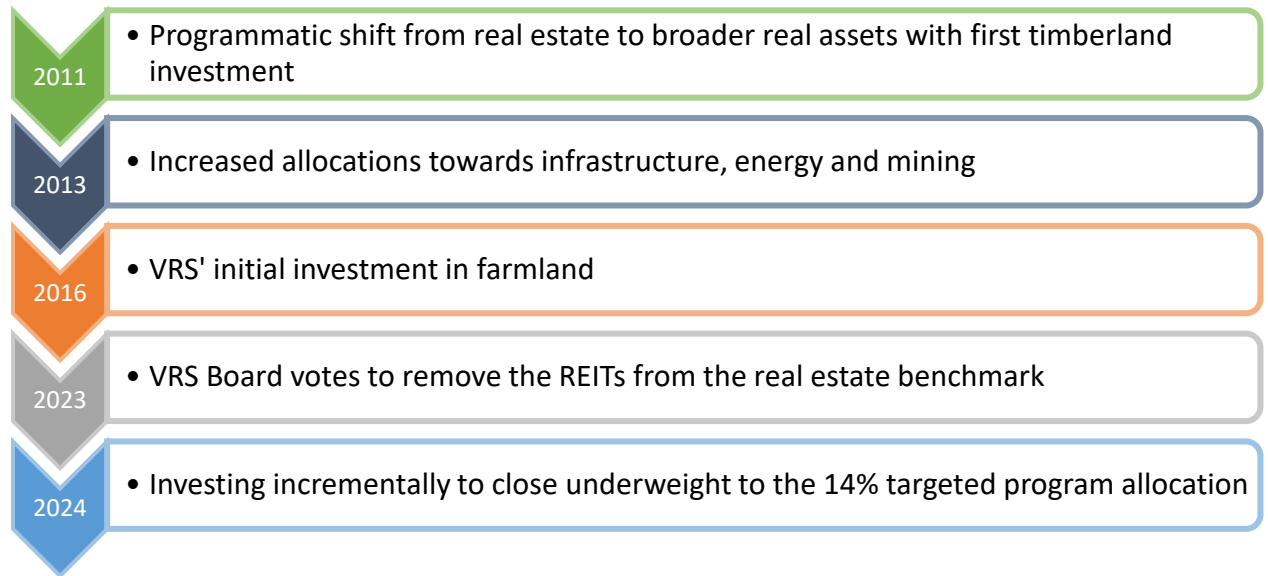
REAL ASSETS PROGRAM

Sector Allocations

As of September 30, 2024



- Private Real Estate
- Infrastructure
- Energy & Mining
- Timberland
- Farmland



Real Assets Investment Accounts

The diagram to the left illustrates the sector allocations of the Real Assets Program. The Real Assets Program will typically invest through a variety of account structures such as, but not limited to:

- open and closed end commingled funds
- separate accounts
- unit trusts
- public and private REITs and REOCs (real estate investment trusts and real estate operating companies)
- joint ventures
- limited partnerships
- limited liability companies

The currently approved Real Assets Investment Policy Statement stipulates zero to 40% of the program can be invested in publicly traded real estate equity investments. As of September 30, 2024, the Real Assets Program holds a minimal amount of publicly traded real estate investments.

TOP 10 MANAGERS

Blackstone Real Estate Partners

Carson Advisors

Clarion Partners

Global Infrastructure Partners, LP

Harrison Street

Industry Funds Management

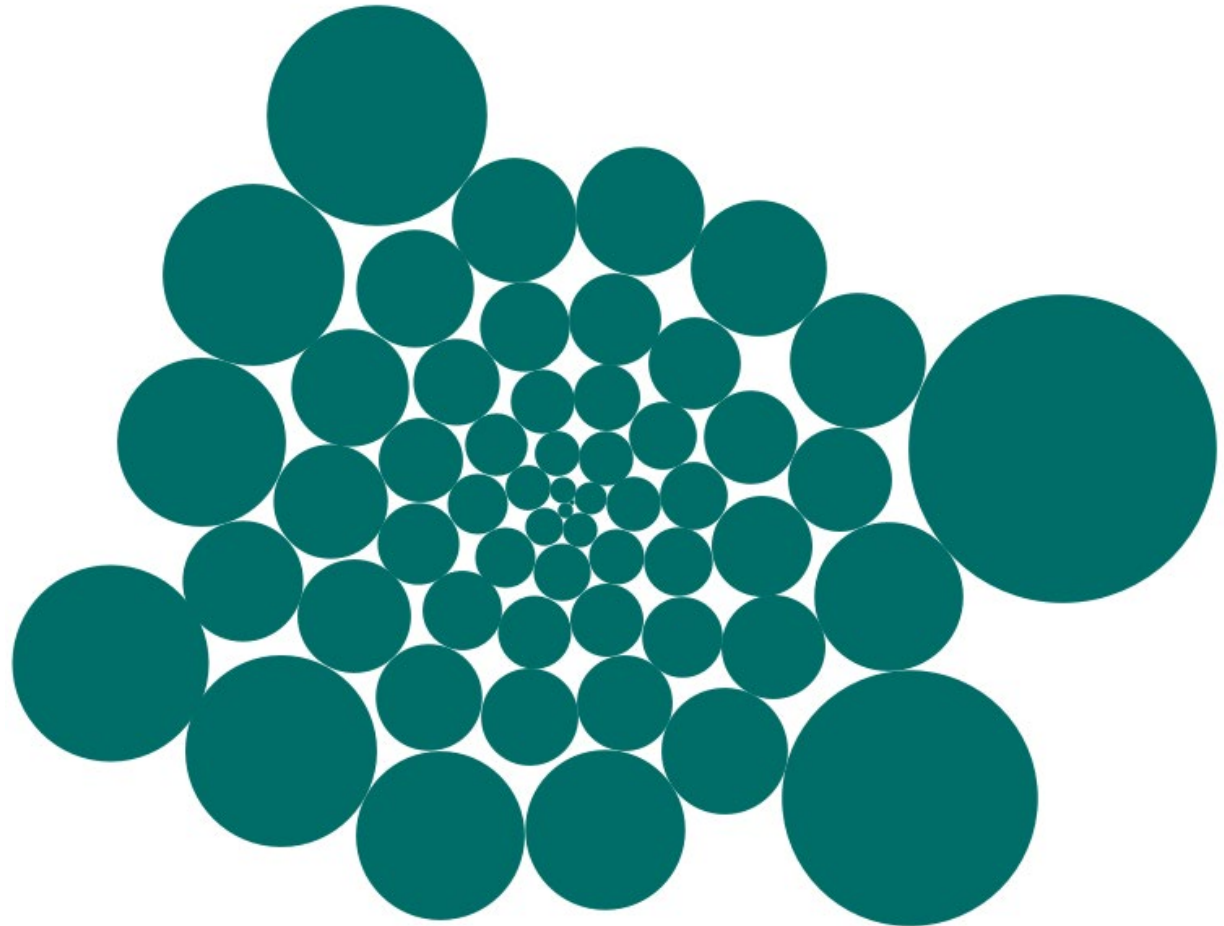
Morgan Stanley

Pantheon Ventures (US) LP

Pritzker Realty Group

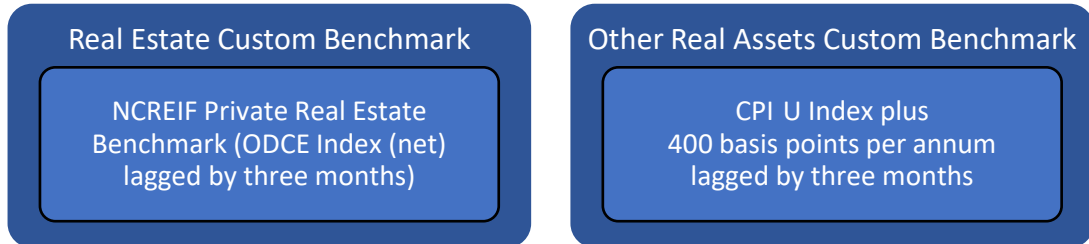
Prudential

VRS invests across approximately 60 external managers in the Real Assets Program. The top 10 external managers are highlighted in the graphic to the left. The diagram below illustrates the magnitude of the investments with the individual managers that make up the Real Assets Program. The size of the circle corresponds to the combined market value of assets by manager, compared to the Real Assets Program as a whole, as of September 30, 2024. VRS may invest in one or more accounts with each Real Assets manager.



PERFORMANCE BENCHMARKS

Program investments are measured against VRS Board of Trustees (Board) approved custom benchmarks. The current custom real assets benchmark is the market value weighted blend of the following benchmarks, which became effective January 2023.



As illustrated in the following table, the Real Assets Program performance has consistently exceeded its custom benchmark across all reported periods.

Return vs. Benchmark as of September 30, 2024				
	10 Year	5 Year	3 Year	1 Year
Real Assets Return	8.0	5.8	5.3	-1.7
Custom Real Assets Benchmark	5.9	3.5	2.3	-4.5
Excess Return	2.1	2.3	3.0	2.8

INVESTMENT POLICY STATEMENTS

Defined Benefit Plan Investment Policy Statement

The governing document for the total fund is the VRS Defined Benefit Plan Investment Policy Statement. This document was most recently updated and approved by the Board on November 16, 2023. Based on this document, the investment objective of the VRS defined benefit plan portfolio is to maximize return while managing risk within an acceptable range.

The Board delegates to the Chief Investment Officer (CIO) the authority to establish and modify as necessary the program level investment policy statements. Therefore, the CIO must approve any material changes to the risk profile and/or the return objectives.

Real Assets Program Pg. 7 of 17

Appendix 1 of the VRS Defined Benefit Plan Investment Policy Statement captures the Board approved program policy target percentages, allowable ranges and benchmarks for Real Assets and other investment programs.

Real Assets Program Leadership Structure

As of December 31, 2024

Chief Investment Officer

Managing Director Private
Market Assets and DC Plans

Director of
Real Assets Program

Sr.
Portfolio
Mgr

Portfolio
Mgrs
(2)

Invest
Officer

Invest
Analyst

Real Assets Program Investment Policy Statement

The VRS Real Assets Program Investment Policy Statement was most recently updated in September 2023. Broadly stated, the investment objective for the Program is to deliver attractive risk-adjusted returns and diversification benefits for the total fund. The policy statement also defines the VRS Real Assets Program as including, but not limited to, the following sectors: real estate, timberland, farmland, infrastructure, natural resources and related equity and debt assets and securities. Each of these real assets is not a homogenous asset class, but rather a set of investments with wide-ranging characteristics.

The Real Assets Investment Policy Statement also includes allowable ranges for specific real assets categories, performance objectives (acknowledging benchmark and risk parameters), diversification requirements, leverage guidelines, account structures, limitations on the percentage of allowable private real estate exposure, as well as due diligence expectations.

The organizational chart to the left reflects the reporting structure for the staff responsible for the Program's investments. These individuals are further supported by the Compliance, Operations and Investment Accounting departments, as well as the Chief Administrative Officer (CAO) in the administration of the program.

Real Assets Investment Policy Monitoring

The Real Assets Program Director prepares two quarterly reports to monitor compliance with the quantifiable elements of the Real Assets Investment Policy Statement. These reports are the Real Assets Program Guidelines report and the Real Assets Program Internal Parameters report.

In addition, the Real Assets Program utilizes BNY's compliance monitoring services for publicly traded real assets accounts. The VRS Compliance department is responsible for monitoring BNY's Compliance Monitoring process.

NEW MANAGER DUE DILIGENCE

Potential new investments and managers for all VRS investment programs are identified through numerous avenues, including prior experience with the manager, referrals from other pension plans/managers, industry presentations, presentations to VRS staff, commercially available databases, etc. The timing for identifying new managers is not predetermined. Potential new managers will move through the due diligence process as suitable matches to VRS' investment needs and preferences are recognized.

Once VRS determines it has an interest in investing with an external manager, the Investment department will perform an in-depth analysis of the manager in preparation of a written proposal and related due diligence review. Assuming these due diligence activities do not uncover something adverse, the manager will be invited to formally present their investment opportunity.

As the due diligence process draws to completion, VRS will prepare a written proposal (referred to as the Investment Recommendation Memorandum) with an overview of the investment and a description of numerous data points, including: a summary of the investment; background of the firm offering it and its investment team; the strengths and weaknesses of the manager; key investment terms; asset reporting; valuation and custody; track record; risk factors and the proposed action plan.

The Program Director, or staff designee, will generally begin contract negotiations with the external manager to define the contract terms including the investment amount and related fees. Additionally, the Compliance department will begin its separate due diligence process which typically includes sending a compliance due diligence questionnaire to the prospective manager, performing a biographical and criminal background check and holding due diligence calls with executive leadership of the potential manager.

The Compliance department's due diligence questionnaire evaluates numerous areas of the external manager and includes such items as ownership structure, material developments, Securities and Exchange Commission registration, description of back-office operations, external audit reports, third parties utilized by the manager, description of controls including cash and custody arrangements and disclosures of any regulatory actions taken against the manager. Key personnel background checks are also performed for all new managers and as deemed appropriate for new investments with an existing manager.

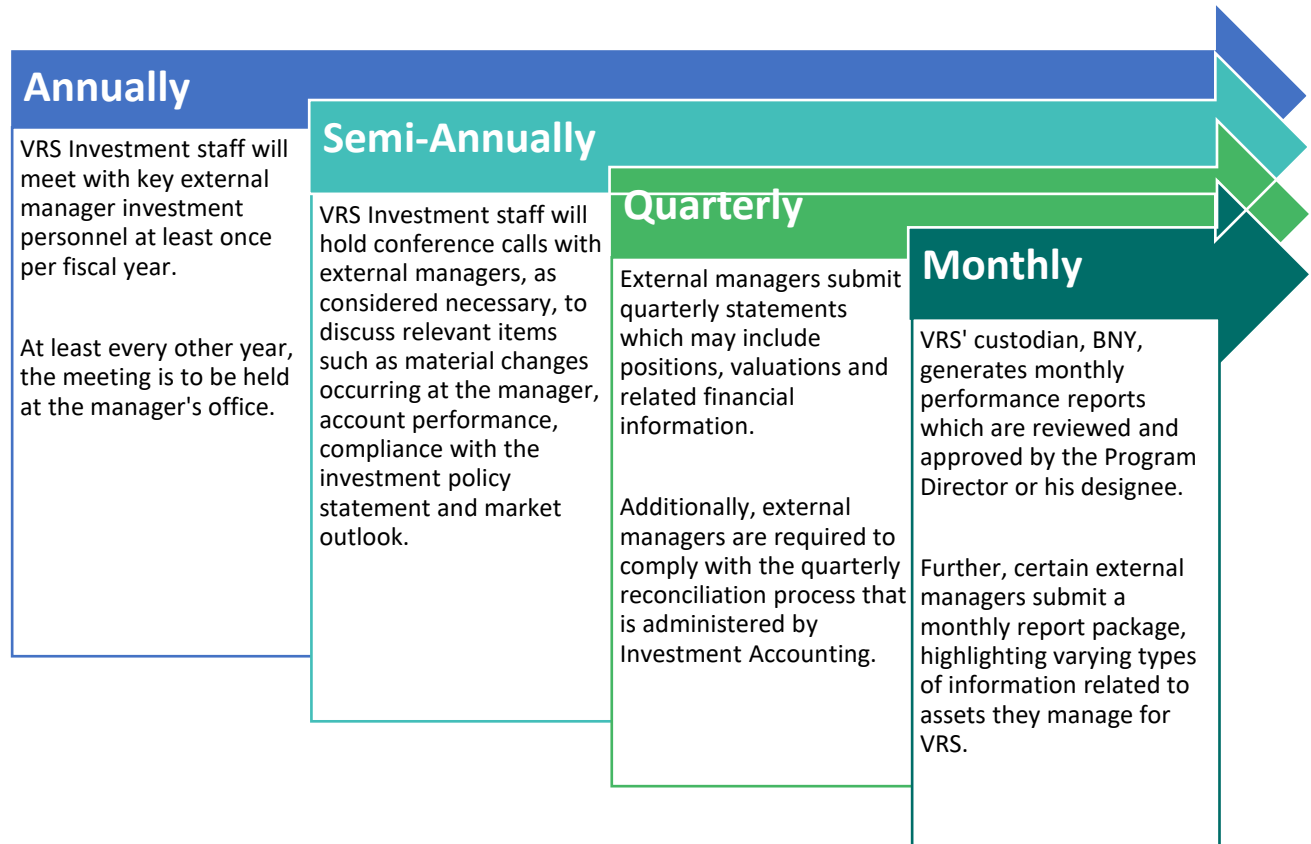
Assuming favorable due diligence results, a contract is executed by either the CIO or CAO upon approval of the investment by the CIO.

While most investments which reach this stage are successful, it is possible information learned during the formal manager meeting indicates the investment does not align with VRS' goals and objectives (including fee structure), and the investment consideration would be discontinued.

Once an executed contract is in place, the manager is considered hired. However, an initial investment may not take place immediately, as the investment timing depends on the external manager's strategy.

DUE DILIGENCE AND MONITORING OF EXISTING INVESTMENTS

Monitoring existing managers is a continuous effort that draws both on quantitative and qualitative elements. To ensure managers are adequately monitored, a cycled approach is utilized. Additionally, given the nature of certain managers and their accounts, there will be a range of available data points. Therefore, the Program Director and program staff use their judgment to gather and consider information relevant to the monitoring process on a manager-by-manager basis.



In addition to the process above, VRS requires each external manager to submit an annual supplemental questionnaire and certification. The objective of the questionnaire is to provide updated information regarding changes in qualitative and quantitative areas of the external

Real Assets Quarterly Reconciliation Process



manager's operations. The final section of the questionnaire includes a contract/agreement compliance certification form which must be signed by an authorized individual to certify the manager acted in compliance with the terms and conditions set forth in all contract/agreements in force between the firm and VRS from inception through the date indicated on the certification.

RECONCILIATIONS

Monthly Reconciliations

VRS requires all external managers to reconcile investment balances with VRS' master custodian, BNY, monthly. This reconciliation process is administered by BNY and is subject to audit as a part of its SOC 1, Type 2 Report.

Quarterly Reconciliations

Quarterly, VRS reconciles all Real Assets Program accounts to ensure the ending balances and transactions recorded by BNY agree with VRS' and each external investment manager's records. This supports VRS' oversight of the monthly reconciliation process managed by BNY.

As reflected in the graphic to the left, VRS Operations staff prepares, and the Investment Operations Manager subsequently reviews, the quarterly Real Assets Program reconciliation. Once reviewed by the Investment Operations Manager, the Director of Real Assets (or designee) approves the reconciliation as part of the quarterly reconciliation process.

The Real Assets Program quarterly reconciliation is then submitted to VRS' Investment Accounting department no later than 45 days after quarter end to ensure timely completion of the reconciliation in accordance with VRS' reconciliation policies and procedures. Upon receipt, the reconciliation is reviewed and approved by the Investment Accounting department.

COMMITMENTS

Outstanding commitments are not recorded or maintained by VRS' master custodian and are only tracked internally by VRS. The accurate capture of commitments is necessary to support financial reporting disclosure requirements in VRS' audited financial statements. VRS uses an internal portfolio management platform to track its commitments.

SCOPE AND METHODOLOGY

The primary purposes of our examination were to:

- Determine compliance with the Real Assets Investment Policy Statement.
- Ascertain whether program monitoring activities are sufficient and appropriate.
- Assess whether real assets transactions are accurate, reconciled and recorded timely by BNY.

GENERAL ASSESSMENT AND UNDERSTANDING

We obtained a general understanding of the Real Assets Program as well as the controls by meeting with key individuals. We also reviewed the applicable policies and procedures and other relevant documents.

COMPLIANCE WITH INVESTMENT POLICY STATEMENTS

We reviewed the Real Assets Investment Policy Statement and elements of the VRS Defined Benefit Investment Policy Statement related to real assets to assess compliance with the investment objectives, allowable strategies, limits, applicable targets and approved ranges.

We assessed the September 30, 2024, quarterly Real Assets Program Guidelines report and the Real Assets Program Internal Parameters report for exceptions. Additionally, we agreed all elements of the Real Assets Program Guidelines report to supporting documentation.

All BNY's Compliance Monitor reports as of September 30, 2024, were obtained for all publicly traded real assets accounts. All exceptions noted were reviewed for adequate resolution. Additionally, parameters associated with each account coded in BNY Compliance Monitor were evaluated for agreement with the applicable Investment Policy Statement guideline.

NEW INVESTMENT ACCOUNT DUE DILIGENCE

New manager due diligence documentation was reviewed for a random sample of five real assets accounts with an inception date between September 30, 2023, and September 30, 2024. The

graphic below highlights the new account due diligence requirements evaluated for all new real asset investment accounts reviewed.

Investment strategy aligns with Investment Policy Statement objectives	Investment Recommendation Memorandum sufficiently supports the recommendation	Approval of Investment Recommendation Memorandum by the CIO
All legal documents are reviewed and properly executed	Operational due diligence results were satisfactory	Reported to the Investment Advisory Committee and the Board

MONITORING EXISTING INVESTMENTS

A random sample of six accounts associated with existing real assets external managers was selected for review and evaluated for compliance with the monitoring procedures found within the Investment Policy Statement. The graphic below includes the monitoring requirements evaluated for all existing real asset investment accounts reviewed.

Annual manager meeting occurred	Annual due diligence questionnaire was obtained and reviewed	Manager contract/agreement compliance certification form was obtained
Form ADV 2 was obtained and reviewed	Monthly performance reports were reviewed and approved	Audited financial statements were obtained and reviewed

OUTSTANDING COMMITMENTS

A random sample of 10 real assets accounts with outstanding commitments was selected to validate both the original and outstanding commitment amounts recorded in VRS' internal portfolio management platform are accurate and agree to external managers' statements as of June 30, 2024.

SYSTEM ACCESS

Logical access controls over the internal portfolio management platform were reviewed for overall reasonableness. Additionally, VRS' semi-annual review was reviewed for reasonableness over user access for all VRS employees that have access to the system. Finally, we validated user access was appropriately documented and recorded in VRS' access management tool.

RECONCILIATIONS

Both the Operations and Investment Accounting departmental procedures related to the quarterly reconciliation process were obtained and reviewed for completeness and overall reasonableness. A random sample of 15 real assets accounts was selected from the September 30, 2024, quarterly reconciliations to assess whether each reconciliation agreed to supporting documentation, was completed timely and was properly approved.

CONCLUSIONS

GENERAL ASSESSMENT AND UNDERSTANDING

Overall, VRS' Real Assets Investment Policy Statement adequately defines the investment objectives, allowable strategies, limits and risks. Additionally, VRS' Defined Benefit Investment Policy Statement defines the Real Asset Program performance benchmark information as well as target and allowable ranges. We found substantial compliance with the applicable Investment Policy Statements allowing for proper oversight of the Program's investment activities.

COMPLIANCE WITH INVESTMENT POLICY STATEMENTS

We found the Real Assets Program is in compliance with the Defined Benefit Investment Policy Statement's current policy target of 14%. The policy dictates an allowable range between 7% and 21% of the total fund. The value of the Real Assets Program as of September 30, 2024, was \$14.4 billion, or 12.3% of the total fund.

No exceptions were identified on the quarterly Real Assets Program Guidelines or the Real Assets Program Internal Parameters reports selected for review. Additionally, any exceptions identified on BNY's compliance monitoring reports reviewed for the applicable real asset accounts were timely and adequately resolved.

However, we did identify one publicly traded account for which compliance guidelines were not accurately coded in BNY's compliance monitoring tool. Upon investigation, management further determined the corresponding account was not set up correctly in BNY's compliance monitoring tool. As a result, the tool had not provided coverage over any compliance guidelines for the account. Nevertheless, management also shared other quarterly reporting based compensating controls were working as intended during this period to monitor specific account guidelines for compliance.

Management acknowledged this oversight and is working with BNY to make the appropriate adjustments to the compliance monitoring tool. Further, management is implementing an annual review process over publicly traded real assets accounts compliance restrictions to ensure all guidelines are coded accurately in BNY's compliance monitoring tool. This practice mirrors the annual review process performed for other publicly traded investment programs which use the same tool. They also plan to implement additional enhancements for the annual review process across all accounts monitored through BNY's tool.

NEW INVESTMENT ACCOUNT DUE DILIGENCE

Overall, substantial and sufficient due diligence activities are being applied by the Investment and Compliance departments. Due diligence results were adequately captured within the Investment Recommendation Memorandum and the Compliance External Manager Review documentation.

All new real assets accounts are communicated to both the Investment Advisory Committee and the Board. New co-investment accounts are not included within this routine reporting but are associated with existing manager relationships that were previously disclosed.

MONITORING EXISTING INVESTMENTS

Substantial and sufficient monitoring activities are being applied for existing Real Assets Program investment relationships.

Of note, one of the externally managed real assets accounts selected for testwork is classified as a "separate account." Due to the account structure, audited financial statements are not available. In their place, VRS obtained brokerage and/or quarterly position statements to monitor the account's financial activity.

We commend the Real Assets team for the use of standard forms to document the annual manager visit and other monitoring activities and encourage use of similar forms where appropriate across all programs.

OUTSTANDING COMMITMENTS

Real Assets Program commitment amounts recorded in the internal portfolio management platform, including both the original and outstanding amounts, are materially accurate and agree to external managers' records.

SYSTEM ACCESS

Overall, we found logical access controls over the internal portfolio management platform reasonable. The June 30, 2024, semi-annual managerial user access review was completed and properly approved. However, we noted authorization of two users' access was not captured in VRS' global access management tool. The actual access aligned with the individuals' job responsibilities and had been reviewed and confirmed as a part of Investment's semi-annual managerial user access reviews. When brought to their attention, management immediately took corrective action to update VRS' global access management tool.

RECONCILIATIONS

Overall, the Operations and Investment Accounting departments have appropriate quarterly external manager reconciliation procedures and processes to ensure all accounts are adequately reconciled. The September 30, 2024, real assets reconciliations reviewed were found to be adequately supported, completed timely and appropriately approved.

FOLLOW-UP ON PRIOR REPORTS

There were no outstanding audit recommendations to consider.

RECOMMENDATIONS

We have no written recommendations to offer as a result of our review.

MANAGEMENT EXIT CONFERENCE

This report was distributed to Mr. Junkin, Ms. Bishop and other members of VRS' management and staff for review and comment. They expressed substantial agreement with this report. As there are no written recommendations, a written response from management is not required.

REPORT DISTRIBUTION

Submitted to the Audit and Compliance Committee at its meeting held
April 15, 2025.

MEMBERS OF THE AUDIT AND COMPLIANCE COMMITTEE

J. Brandon Bell, II, Committee Chair
John M. Bennett, Committee Vice Chair
A. Scott Andrews, Board Chair

WITH COPIES TO:

OTHER MEMBERS OF THE BOARD OF TRUSTEES

Lawrence A. Bernert, III
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Susan T. Gooden
Jessica L. Hood
Matthew James
Lindsey K. Pantele

VRS EXECUTIVE LEADERSHIP

Patricia S. Bishop
Andrew H. Junkin
Members of the
Executive Committees

AUDITOR OF PUBLIC ACCOUNTS

Staci A. Henshaw

JLARC

Kimberly A. Sarte
Alex Jansson

PRINCIPAL AUDITOR IN-CHARGE

Joshua Fox, CIA, CIDA, CFE

AUDIT SUPERVISOR

Krystal Groff, CIA, CISA

Closed Session

CLOSED SESSION LANGUAGE

Closed Session under the Freedom of Information Act

The Freedom of Information Act (FOIA) prescribes the behavior of public bodies operating under the authority of the *Code of Virginia*, with the goal of providing transparency for Virginia's stakeholders.

In certain limited situations, as authorized under FOIA, a public body may enter closed session.

For the April meeting, the committee will need to go into closed session to discuss an information technology related audit report (exempt under § 2.2-3711(A)(19)).

Actions by the Committee in Closed Session

Any recommendations and actions agreed to by the Committee during the closed session must be voted upon and approved in open session to be communicated to the Board.

To Convene Closed Meeting

"I move that the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees convene a closed meeting under the Virginia Freedom of Information Act for the purpose of discussing information that describes the design, function, operation, or access control features of a security system which is used to control access to or use of an automated data processing system pursuant to the exemption contained in Virginia Code § 2.2-3711(A)(19)."

[Second needed]

[Roll call vote needed]

Certification after Closed Meeting

"I move the following resolution:

WHEREAS, the Audit and Compliance Committee of the Virginia Retirement System Board of Trustees convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, *Code of Virginia* § 2.2-3712 requires a certification by the Committee that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Audit and Compliance Committee certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Committee."

[Second needed]

[Roll call vote needed]