

Virginia Retirement System Investment Portfolio (VRSIP)

as of September 30, 2024

Help-Me-Do-It-Path

Category:
Asset Allocation

Inception Date: ¹
7/1/2008

Total Annual Operating Expense: ²
As a %: 0.63%
Per \$1,000: \$6.30

Total Net Assets:
\$117.2 billion

Investment Objective

The investment objective of the VRSIP is to maximize return while managing risk within an acceptable range. Due to the long-term nature of the defined benefit plan's liabilities, the horizon for investment decisions is generally defined as 10 years or longer. There is no assurance that the Fund will achieve its objective. Refer to "Risks" section.

Manager

The Fund is managed by a team of professionals at the Virginia Retirement System (VRS). Investment activities are accomplished through direct management by VRS investment staff as well as staff appointed outside managers.

Investor Profile

The Fund may be appropriate for the investor who wants to simplify the asset allocation process by investing in a single fund consisting of a diversified portfolio.³ The Fund may be suitable for the investor with a long-term investment time frame who is willing to accept the risks associated with the daily volatility of the investment markets.

Strategy

The VRSIP will pursue its objective through the active and passive management of a diversified portfolio of investments. Such investments may include but not be limited to U.S. stocks, non-U.S. stocks, bonds, public and private real estate, credit strategies, convertibles, private equity and cash. The Fund may use a variety of investment techniques and strategies to achieve desired portfolio results within particular investment mandates. Such strategies may include but not be limited to the use of illiquid securities, derivatives, leverage, short sales, swaps, foreign currency transactions and loaning of securities.

Risks

Risk is assessed in an asset-liability framework, and the Board establishes asset allocation policy based primarily on the expected volatility in the pension plan's funded status and

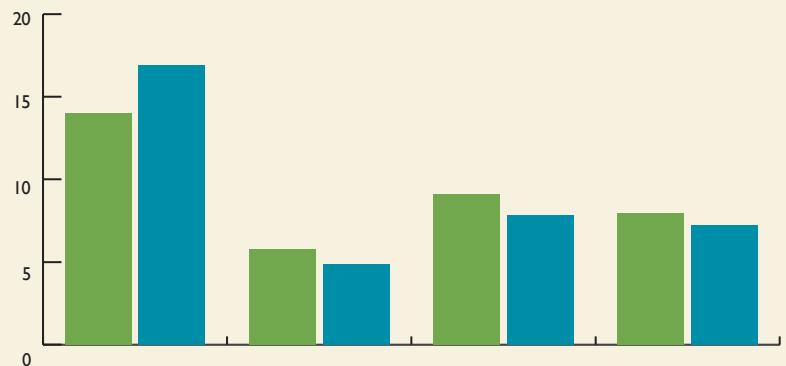
Performance

Performance data shown represents past performance and is not a guarantee or prediction of future results.

For performance data current to the most recent month-end, please visit the website at:

dcp.varetire.org/investments.

Investors should consider the investment objectives, risk, fees and expenses carefully before investing.



Total Return (%)

VRSIP ⁴

VRS Custom Benchmark ⁵

1 Year

3 Years*

5 Years*

10 Years*

14.03

5.78

9.14

7.98

16.94

4.88

7.83

7.23

*Annualized

contribution rate volatility. Specific risk objectives for the Fund are to: 1) Manage the volatility (a measure of the dispersion of outcomes for the return on an investment; typically, this is stated as annualized standard deviation) of the Fund within a reasonable range around a targeted volatility as established in the asset allocation process; and 2) manage tracking error of the Fund within a reasonable range around a targeted tracking error. Tracking error is a statistical measure describing the degree of variability around policy benchmarks, and is calculated as the standard deviation of the difference between the Fund’s return and the benchmark’s return. Standard deviation is a statistical measure of the extent to which numbers are spread around their average.

The Board may change the risk target and strategy for the Fund at any time, based on the needs of the pension plan and changing market conditions. In general, the investment strategies and risk measures used in managing the Fund are designed to help the Board control risks in a manner appropriate for a long-term pension plan with minimal liquidity needs. Such strategies and risk measures may not be consistent with the risk tolerance and objectives of individual investors, and participants should carefully assess the suitability of the Fund in light of their own specific objectives.

The Fund’s participation in a securities lending program may result in losses to the Fund. Securities lending programs and subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investment held in collateral pools may decline in value, be sold at a loss or incur credit losses.

A glossary of terms is located on the Plans’ website at dcp.varetire.org/investments.

Quarterly Opening

Because some of the underlying assets are illiquid in nature (such as real assets and private equity) the VRSIP is officially valued on a calendar quarter basis. Thus, the VRSIP is open to contributions and incoming and outgoing transfers only on a quarterly basis.

Participants investing in the VRSIP are responsible for making transfers out of the Fund in a timely manner to cover any distributions requested and to meet the IRS required minimum distribution upon reaching age 73. Participants using the VRSIP are also required to maintain at least \$2,500 in the target date portfolios and/or other core investments for each plan in which they invest in the VRSIP.

Participants should read the VRSIP Disclosure Document for information regarding the administrative parameters before investing in the VRSIP. Go to dcp.varetire.org/investments.

Asset Allocation (%) ⁶

Public Equity	33.6
Private Equity	16.2
Credit Strategies	15.2
Fixed Income	15.0
Real Assets	12.3
Diversifying Strategies	3.3
Cash	2.1
Private Investment Partnerships	2.0
Exposure Management Portfolio	0.8
Leverage	-0.6

¹ The inception date shown reflects the date the VRS investment portfolio was unitized.

² Total Annual Operating Expense is based on those expenses incurred in the fiscal year ended June 30, 2023.

³ Diversification of an investment portfolio does not assure a profit and does not protect against loss in declining markets.

⁴ Fund performance returns shown reflect all fund management fees and expenses, but do not reflect the plan administrative fee, which would further reduce the returns shown. All calculations assume reinvestment of dividends and capital gains. All returns are calculated in U.S. dollars.

⁵ The VRS Custom Benchmark is a blend of the asset class benchmarks at policy weights.

⁶ May not equal 100% due to rounding.

Plan Administrative Fee — A Voya Financial annual record keeping fee of \$35.50 will be deducted from your account on a monthly basis (approximately \$2.96 per month) and is to fund annual operating expenses. If you participate in more than one Commonwealth of Virginia plan, only one annual fee of \$35.50 will be deducted from your account.

NOT FDIC INSURED - MAY LOSE VALUE - NO BANK GUARANTEE