

A Pension Trust Fund of the City of Richmond, Virginia

Richmond Retirement System

RRS

Building your financial future

Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

Annual Comprehensive Financial Report

for the fiscal year ended
June 30, 2026

Vision

Our vision is to be a leader in pension fund management and administration. Every employee of the Richmond Retirement System (RRS) displays a devotion to maintaining excellence in public service and embraces the highest standards of excellence, accountability, dependability and integrity. Active and retiree members should take pride in knowing the RRS provides the best retirement services available and is an exemplary steward of their pension funds.

Mission

To deliver timely and effective communications and retirement services with integrity and professionalism to the members of the Richmond Retirement System, its Board of Trustees, City officials, departments, and City Council.

A publication of the
Richmond Retirement System,
A pension trust fund of the City of Richmond, Virginia

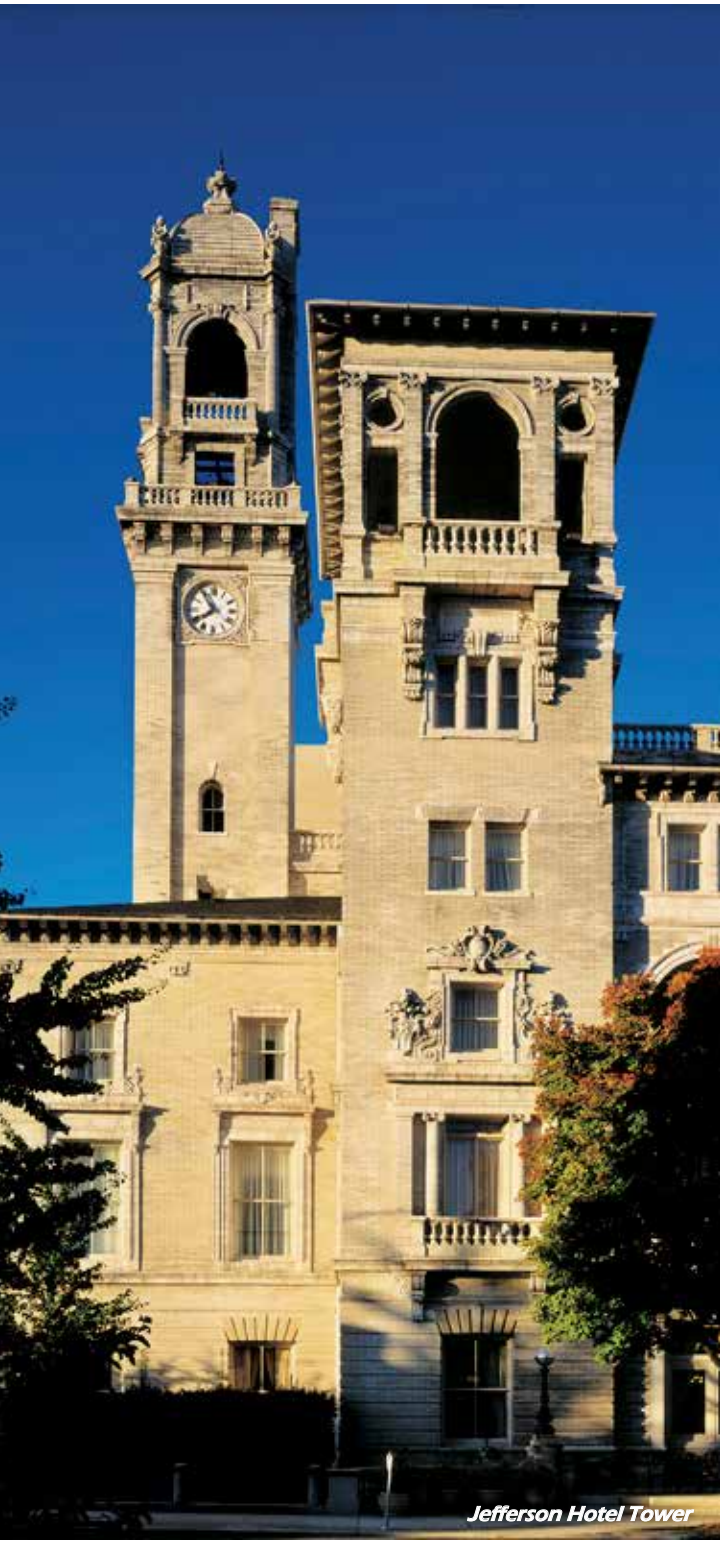

Jefferson Hotel Tower

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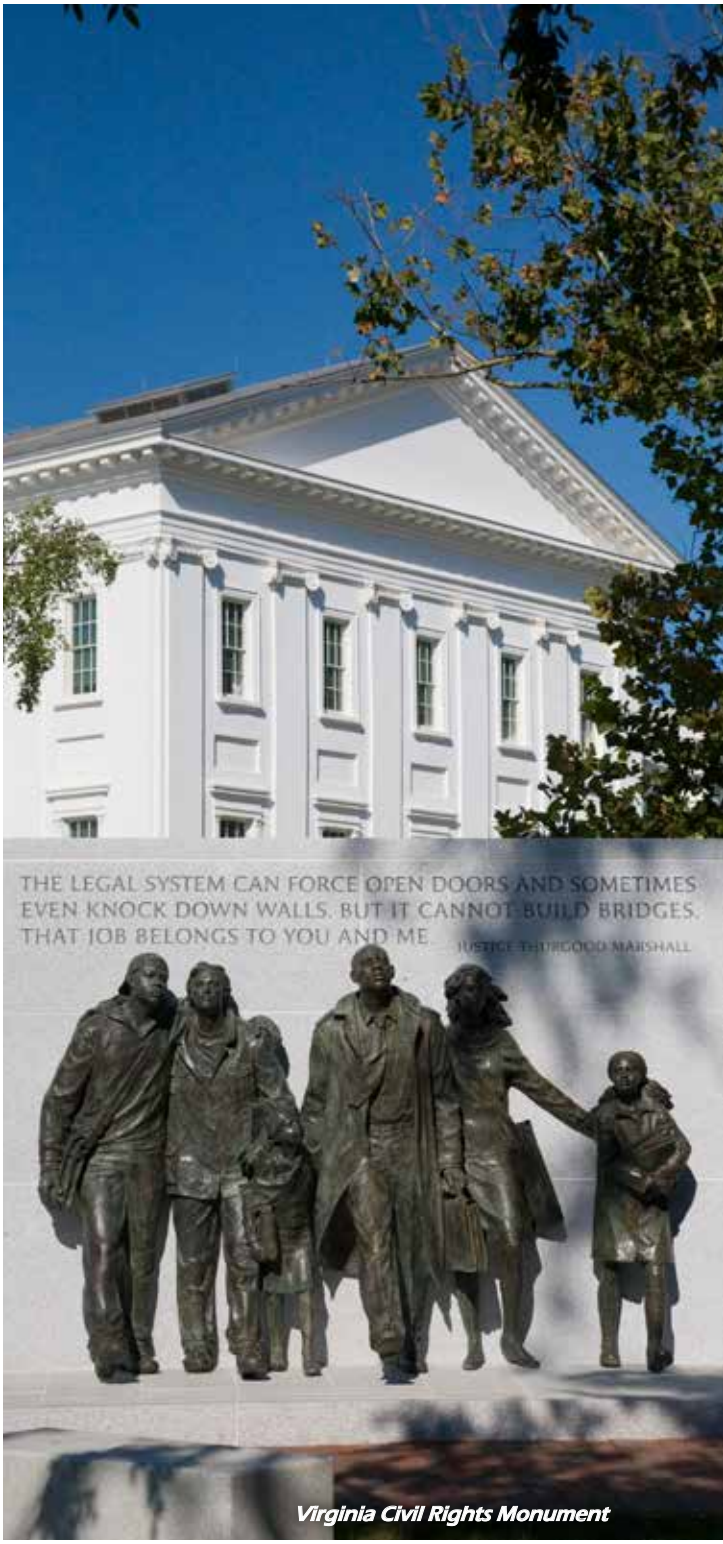
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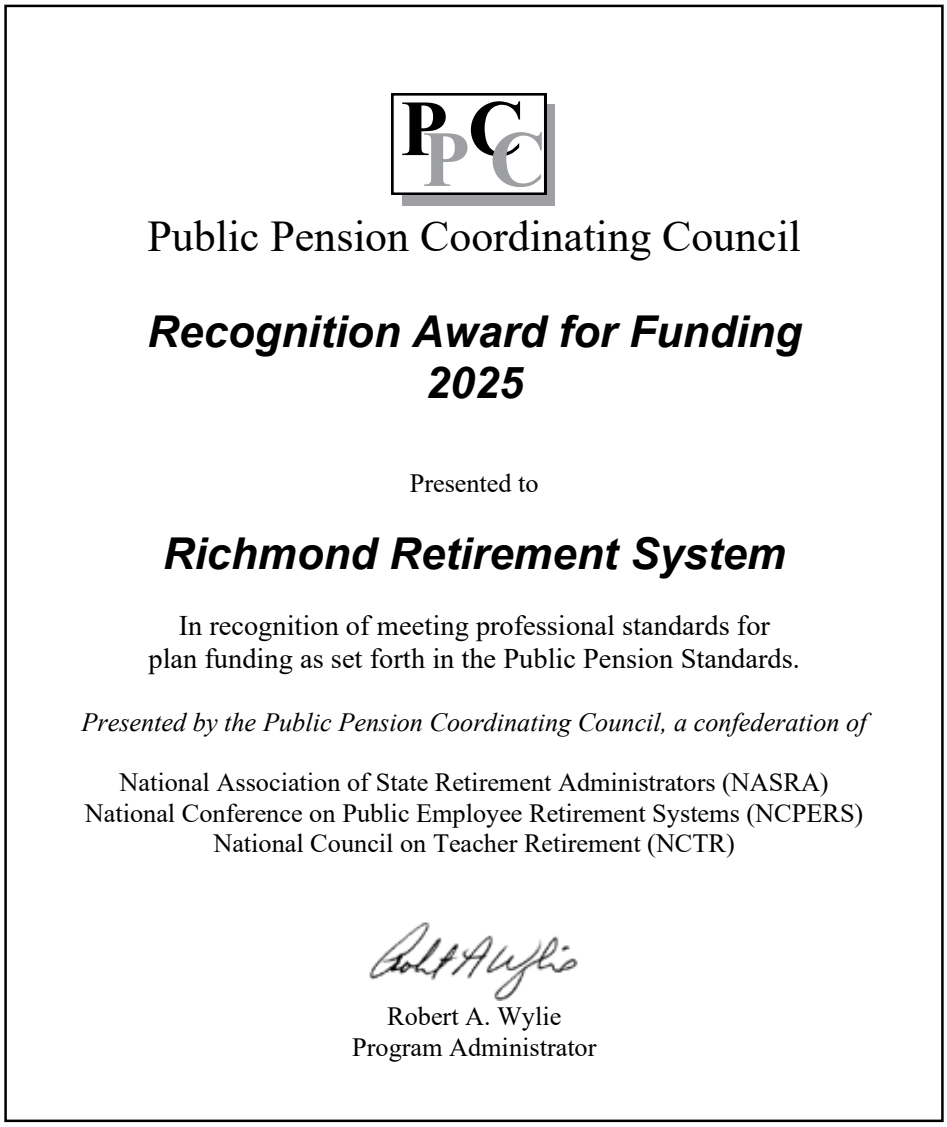
Virginia Civil Rights Monument



Linden Row Inn

Introductory Section

Award



Public Pension Coordinating Council

Recognition Award for Funding
2025

Presented to

Richmond Retirement System

In recognition of meeting professional standards for
plan funding as set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

Robert A. Wylie
Program Administrator

Public Pension Coordinating Council Achievement Award

The RRS received the Achievement Award from the Public Pension Coordinating Council (PPCC) in recognition of the agency's excellence in meeting the Public Pension Standards. Developed by PPCC, these standards are the benchmark for measuring excellence in defined benefit plan funding and administration.

The purpose of the award is to promote high professional standards for public employee retirement systems and publicly commend systems that adhere to these standards. The PPCC is a coalition of the National Association of State Retirement Administrators (NASRA), National Conference on Public Employee Retirement Systems (NCPERS) and the National Council on Teacher Retirement (NCTR).

Letter of Transmittal

Richmond Retirement System
RRS
Building your financial future

November 10, 2026

To the Honorable Richmond City Council and
Mayor Danny Avula
Richmond, VA 23219

On behalf of the Board of Trustees of the Richmond Retirement System (RRS, System or Plan) and in accordance with City of Richmond code § 22-54, I am pleased to submit the RRS Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2026. The ACFR was prepared by the RRS, a pension trust fund of the City of Richmond, and management maintains responsibility for the accuracy and completeness of the presentation including all disclosures.

In addition to this Introductory Section, the RRS's ACFR contains a Financial Section, Investment Section, Actuarial Section, and Statistical Section. This Letter of Transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found in the Financial Section and provides an in-depth analysis of the RRS's financial statements. The Financial Section also includes the report of the RRS's independent auditor, which states the auditor's opinion on the financial position of the RRS.

Overview

The RRS was first established in 1945 by Richmond City Council and reestablished by the acts of the Virginia General Assembly in 1998, 2005, 2008, and 2010. This is our 81st year of operations. The System administers its defined benefit plan in accordance with provisions outlined in both the Richmond City Charter (5B.01) and Chapter 22 of the Richmond Municipal Code. A single employer, the City of Richmond, and its component unit, The Richmond Behavioral Health Authority participates in the RRS on behalf of its employees. The Plan was closed to all new City employees effective January 1, 2024.

Accounting Basis and Internal Controls

Financial statements included in the ACFR have been prepared in accordance with generally accepted accounting principles (GAAP) for governmental accounting and reporting under the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used in the preparation of the financial statements. Revenues are recognized when they are earned; expenses are recognized when the liabilities are incurred. Investments are reported at fair value. In management's opinion, the financial statements present fairly the RRS's net position at June 30, 2026, and the changes in the Plan's net position.

continued on next page

RRS management is responsible for maintaining a system of adequate internal controls designed to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The concept of reasonable assurance recognizes that these controls should be cost-effective and that the cost of a control should not exceed the benefits derived from that control. In management's opinion, the internal controls in effect during fiscal year 2026 adequately safeguard the System's assets and provide reasonable assurance regarding the proper recording of financial transactions.

Funding

At June 30, 2026, the Plan Fiduciary Net Position as a percentage of the Total Pension Liability (Funded Status) was 91.8% compared to 84.9% at June 30, 2025. Further actuarial information can be found in the Actuarial Section of this report.

Investments

For the fiscal year ended June 30, 2026, the investment portfolio returned 12.4% on a net-of-fees (net) basis compared to an investment return of 10.5% net in the prior year. The fair value of the RRS investment portfolio, including cash, at June 30, 2026 was $980.3 million, an increase of $79.1 million from the prior year. Additional information on the System's investment policies and strategies as well as information on the portfolio's composition and investment return information is included in the Investment Section of this report.

Major Initiatives

The restructuring of the investment portfolio, as a result of an extensive strategic analysis, continued in fiscal year 2026. The portfolio restructure is a multi-year project which impacted all asset classes.

Acknowledgments

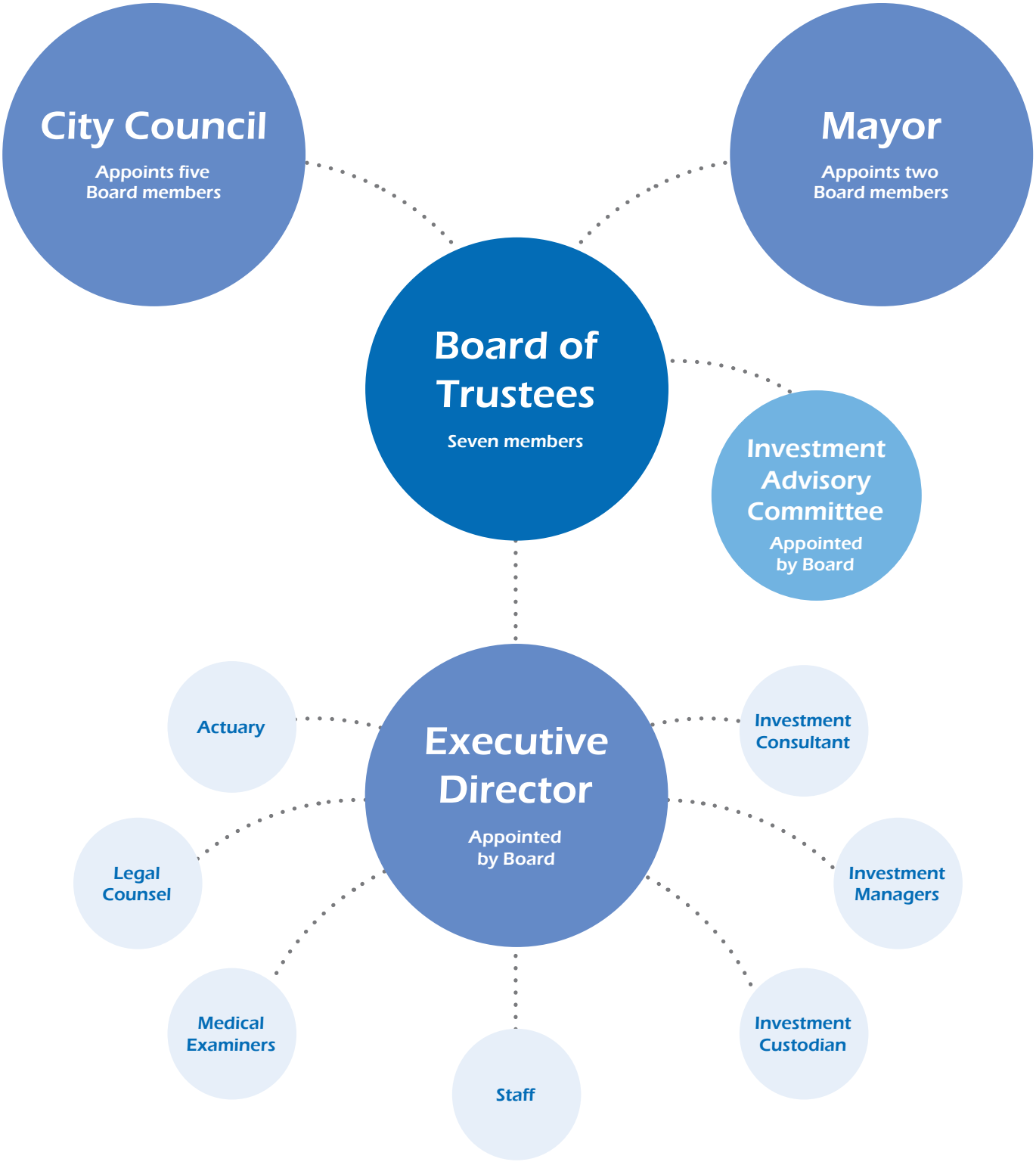
I would like to express my gratitude to the Board of Trustees, Investment Advisory Committee, and my staff for their hard work and dedication to the Richmond Retirement System. I would also like to wish Leo F. Griffin, our former Executive Director, a happy, healthy, and rewarding retirement. Thank you for more than 13 years of dedicated service to the Richmond Retirement System; your leadership, commitment, and contributions will have a long-lasting impact and will be remembered for years to come.

Respectfully submitted,



Kia J. Johnson
Interim Executive Director

Organizational Chart



Board of Trustees



Faith Flippo
Chairman
Captain
Police Department, City of Richmond
Term Expires: October 27, 2026



Adam Grossman, CFA®
Vice Chairman
Global Equity CIO
Riverfront Investment Group, LLC
Term Expires: October 24, 2026



Regina J. "Gina" Elbert
Senior Vice President and
Chief Human Resources Officer
Dominion Energy
Term Expires: March 28, 2029



Carlin E. Gibson
Captain
Fire Department, City of Richmond
Term Expires: October 25, 2028

Michael Nguyen
Deputy Director – Debt and Investment Management
Finance Department, City of Richmond
Term Expires: February 23, 2029



Matthew E. Peanort
Deputy Director – Business Services
Police Department, City of Richmond
Term Expires: March 8, 2027



Daisy Weaver
Retiree
City of Richmond
Term Expires: November 22, 2026

Executive Director



Kia J. Johnson, MBA
Interim Executive Director
Richmond Retirement System

Investment Advisory Committee

The Board of Trustees appoints Investment Advisory Committee (IAC) members to provide recommendations to the Board on investments and investment policy. The IAC meets quarterly and consists of five to seven members of which at least two are current members of the Board. The remainder of the IAC are persons who are not otherwise affiliated with RRS and who have demonstrated skill and expertise in institutional investments.

IAC members who are not members of the Board of Trustees serve up to two consecutive three-year terms for a total of six years. IAC members who also serve on the Board of Trustees have IAC terms that match their Board terms.

A list of IAC members can be found at:
www.rva.gov/retirement-system

Investment Managers and Other Service Providers

Investment Managers

Domestic Equity

Brown Investment Advisory Baltimore, MD
LSV Asset Management Chicago, IL
Northern Trust Investments Chicago, IL
Sycamore Capital Cincinnati, OH
William Blair & Company, LLC Chicago, IL

Non-U.S. Equity

Acadian Asset Management, Inc. Boston, MA
WCM Investment Management Laguna Beach, CA

Fixed Income

Loomis, Sayles & Co., L.P. Boston, MA
PGIM Fixed Income Newark, NJ

Diversifying Assets

Blackstone Alternative Asset Management Associates, LLC New York, NY
Graham Capital Management, LP Rowayton, CT
North Rock Capital Management, LLC Palm Beach Gardens, FL

Private Equity

Accel KKR Growth Capital Partners, L.P. Menlo Park, CA
Arcline Capital Partners, L.P. San Francisco, CA
Brighton Park Capital, L.P. Greenwich, CT
Clayton, Dubilier & Rice New York, NY
Clearlake Capital Partners, L.P. Santa Monica, CA
Coller Capital London, UK
H.I.G. Capital Miami, FL
Industry Ventures, L.P. San Francisco, CA
Lexington Partners, Inc. Boston, MA
StepStone Group, LLC San Diego, CA

Private Debt

Alcentra Ltd. London, UK
Audax Group, L.P. Boston, MA
Blue Owl Capital New York, NY
CarVal Investors Hopkins, MN
EIG Global Energy Partners Washington, D.C.
HPS Investment Partners, LLC New York, NY
ICG SCSp London, UK
Park Square Capital, LLP London, UK
Sixth Street Partners, L.P. San Francisco, CA

Real Estate

J.P. Morgan Asset Management New York, NY
Orion Capital Managers London, UK
PGIM Real Estate Madison, NJ
Principal Global Investors Des Moines, IA

Other Service Providers

Actuary

Creative Planning Institutional Consulting Glen Allen, VA

Auditor

Baker Tilly US, LLP New York, NY

Investment Consultant

Callan, LLC Atlanta, GA

Legal Counsel

K&L Gates LLP Seattle, WA
Troutman Pepper LLP Richmond, VA

Master Custodian

Northern Trust Corporation Chicago, IL

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James River at Dawn

Financial Section

The RRS administers retirement benefit plans for its active members, retirees, and beneficiaries. The purpose of the financial section is to present the plan's financial condition for the fiscal year. To support this information, the section includes Management's Discussion and Analysis as well as the Notes to the Financial Statements.

Report of Independent Auditors

The Board of Trustees
Richmond Retirement System

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Richmond Retirement System (RRS), a component unit of the City of Richmond, Virginia, which comprise the statements of fiduciary net position as of June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of Richmond Retirement System as of June 30, 2026 and 2025, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RRS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of Richmond Retirement System present only the fiduciary net position and changes in the fiduciary net position of the City of Richmond, Virginia that are attributable to the transactions of Richmond Retirement System. The accompanying financial statements do not purport to, and do not, present fairly the financial position of the City of Richmond, Virginia as of June 30, 2026, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

continued on next page

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RRS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

continued on next page

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis, schedule of changes in the employers' net pension liability and related ratios, schedule of employers' contributions, schedule of investment returns, and notes to the schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Richmond Retirement System's basic financial statements. The schedule of administrative expenses and the schedule of retirement benefits (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory, investment, actuarial, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of Richmond Retirement System. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Baker Tilly US, LLP

Albuquerque, New Mexico
October 16, 2026

Management's Discussion and Analysis

This section presents management's discussion and analysis of the Richmond Retirement System's (RRS, System, or Plan) financial performance during the fiscal year ended June 30, 2026, with comparisons to the prior year. It focuses on why the System's financial position and results changed. Please read it in conjunction with the accompanying financial statements and the related notes.

Overview of the Financial Statements

This report is prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). Investments are stated at fair market value or net asset value, and income includes the recognition of unrealized gains or losses. The accrual basis of accounting is used to record assets, liabilities, additions, and deductions. Additions are recognized when earned without regard to the date of collection. Deductions are recognized when the corresponding liabilities are incurred, regardless of payment date. For ease of reading, the dollar amounts that appear in this narrative are rounded.

The financial section contains the following information:

1. Basic Financial Statements including:

a) Statements of fiduciary net position
b) Statements of changes in fiduciary net position
c) Notes to financial statements

2. Required Supplementary Information including:

a) Management's discussion and analysis
b) Schedule of changes in the employer's net pension liability and related ratios
c) Schedule of employer's contributions
d) Notes to the schedules
e) Schedule of investment returns

3. Supplementary Information including:

a) Schedule of administrative expenses
b) Schedule of retirement benefits

The statement of fiduciary net position shows what the System owns (assets) and owes (liabilities) at year end. The difference is the net position restricted for pensions, which is held to pay benefits to members and the expenses of administering the System. The statement of changes in fiduciary net position shows the additions (contributions and investment income) and deductions (benefits, refunds, and administrative expenses) that caused net position to change during the year. The notes to the financial statements are an integral part of the statements and provide additional detail needed to understand them.

The required supplementary information presents ten-year trends that reflect the long-term nature of the Plan: the changes in the employer's net pension liability and related ratios, including the funded status; the employer's contributions compared to the actuarially determined contribution; and the annual money-weighted rate of return on investments.

Financial Summary

Financial Highlights

- The System's net position was $961.8 million at June 30, 2026, an increase of $77.9 million or 8.8% from the prior year.
- The System's investments returned 12.4%, net of fees, compared to 10.5% in fiscal 2025, well above the 7.0% assumed rate of return used by the System's actuary.
- The net pension liability decreased $71.6 million to $85.8 million, and the funded status improved to 91.8% from 84.9%.
- Total contributions were $45.4 million, a decrease of $12.0 million (20.9%), primarily because the actuarially determined contribution was lower.
- Total deductions were $78.8 million, a decrease of $0.6 million (0.8%). Retirement benefits make up 97.5% of total deductions.

Summary of Financial Statements

The table below provides a summary of the financial statements as of and for the years ended June 30:

Activity for the Fiscal Year Ended June 30	2026	2025
Total Assets	$ 982,476,379	$ 903,396,021
Total Liabilities	(20,699,867)	(19,546,476)
Net Position	**$ 961,776,512**	**$ 883,849,545**
Contributions	$ 45,416,234	$ 57,409,568
Net Investment Earnings	111,290,017	86,655,453
Total Additions	**156,706,251**	**144,065,021**
Benefit Payments	(76,995,481)	(77,590,824)
Administrative Expenses	(1,783,803)	(1,803,604)
Total Deductions	**(78,779,284)**	**(79,394,428)**
Total Additions	156,706,251	144,065,021
Total Deductions	(78,779,284)	(79,394,428)
Net Change	**$ 77,926,967**	**$ 64,670,593**
Contribution Rates		
General		81.28%
Police/fire		41.37%

Detailed Analyses

Additions to Fiduciary Net Position

Additions to fiduciary net position come from two sources: contributions from the City and members, and investment income. Total additions were $156.7 million in fiscal 2026, compared to $144.1 million in the prior year.

Contributions — Total contributions were $45.4 million, a decrease of $12.0 million (20.9%) from fiscal 2025. Employer contributions decreased $11.6 million (22.7%) to $39.7 million because the actuarially determined contribution (ADC) for fiscal 2026 was lower. The ADC declined mainly because the $120.0 million in pension obligation bond proceeds contributed by the City in June 2024 reduced the System's unfunded liability, lowering the annual amount needed to pay it down. The City contributed the full ADC in both years. Effective January 2025, the City changed from contributing a percentage of payroll to contributing a flat dollar amount, and fiscal 2026 was the first full year under the flat dollar amount. Contribution rates for general employees and public safety officers from July 2024 to January 2025 were 81.28% and 41.37% respectively. Member contributions decreased $0.4 million (5.9%) to $5.7 million as the number of active members continued to decline since the Plan closed to new employees after January 1, 2024. Further information on contributions can be found in the Notes to Financial Statements on page 33.

Investment Results — Investment income is the System's largest source of funding. Net investment income was $111.3 million in fiscal 2026, $24.6 million more than the $86.7 million earned in fiscal 2025. The increase came from a $100.6 million rise in the fair value of investments, compared to $73.3 million in the prior year. Interest and dividend income decreased $2.6 million to $12.3 million, and investment expenses were $1.6 million.

The System's investments returned 12.4%, net of fees, for the year. The actuary assumes the System will earn 7.0% a year over the long term, so this year's return was more than five percentage points higher than expected. Earnings above the assumed rate reduce the System's unfunded liability. When the actuary calculates the City's required contribution, these gains are recognized gradually over five years, which keeps contributions from swinging sharply from year to year.

Financial markets were favorable during the year. Stock markets in the United States and abroad posted strong gains, led by technology companies tied to artificial intelligence and computer chips. After a decline in early calendar 2026, markets rebounded sharply in the April through June quarter. Bonds earned modest returns as persistent inflation kept interest rates elevated, and real estate returns came mainly from rental income while property values were largely flat.

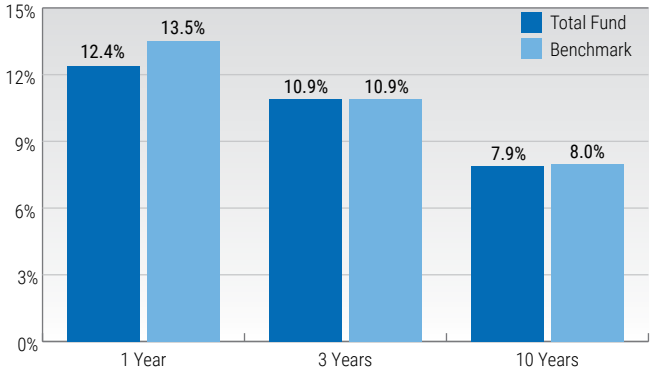
Every asset class earned a positive return in fiscal 2026. International stocks led with a 21.5% return, followed by U.S. stocks at 19.5%, private equity at 14.4%, diversifying assets at 12.4%, private debt at 8.4%, fixed income at 4.4%, and real estate at 4.3%.

Comparison to Benchmark — RRS is a long-term investor, and results in any single year can be above or below its benchmark. The benchmark shows what the System would have earned by investing in market indexes in the same proportions as its target asset allocation. In fiscal 2026, the System's 12.4% return trailed its benchmark return of 13.5% by 1.1 percentage points. The difference came mainly from the System's stock managers, whose returns, while strong, did not keep pace with the broader markets. U.S. stocks returned 19.5% compared to 22.8% for the Russell 3000 Index, and international stocks returned 21.5% compared to 27.7% for the MSCI ACWI ex U.S. Index. Diversifying assets also trailed their benchmark. Private equity (14.4% compared to 10.7%) and private debt (8.4% compared to 4.3%) outperformed their benchmarks and partly offset the shortfall.

Over longer periods, results have been at or above the benchmark. Over three years, the System returned 10.9% annualized compared to 10.9% for the benchmark. Since its portfolio restructuring on October 1, 2020, the System has outperformed its benchmark by 0.5% annualized (8.6% compared to 8.1%) and has beaten its benchmark in 15 of 23 quarters. More detailed investment data can be found in the Investment Section of this report beginning on page 42.

Investment Performance (Net of Fees)

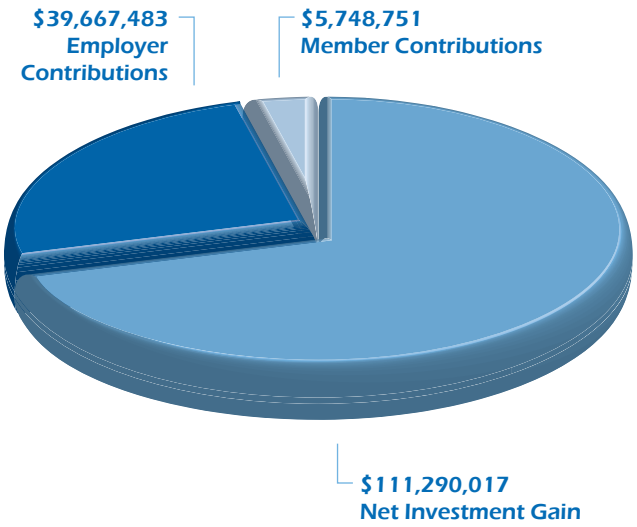
As of June 30, 2026



RRS uses a time-weighted performance calculation. Time period returns are determined by geometrically linking the holding period returns.

Additions by Source

Fiscal Year 2026



Deductions from Fiduciary Net Position

Deductions from fiduciary net position consist of retirement benefits, refunds of member contributions, and administrative expenses. Total deductions were $78.8 million in fiscal 2026, a decrease of $0.6 million (0.8%) from the prior year. Contributions covered $45.4 million of these deductions, and the remaining $33.4 million was paid from investment earnings.

Retirement Benefits — Retirement benefits paid decreased $0.4 million (0.6%) to $76.8 million. The decrease is primarily attributable to retiree supplements paid by the City: a supplement was paid in fiscal 2025, while no supplement was paid in fiscal 2026. The number of retirees and beneficiaries decreased by 58 members in fiscal 2026 and 49 during the prior year.

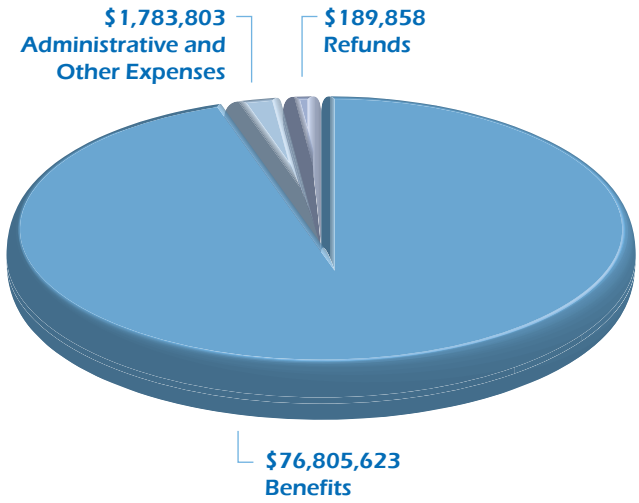
Refunds — Refunds of member contributions decreased $168.3 thousand (47.0%) in fiscal 2026, compared to an increase of $164.9 thousand (85.3%) in fiscal 2025. Lump-sum withdrawals from the Plan fluctuate from year to year based on the number of non-vested participants that leave the System and the dollar size of the withdrawals.

Administrative Expenses — Administrative expenses include salaries and benefits for the RRS staff, along with other costs of administering the Plan, and are shown on the Schedule of Administrative Expenses on page 40. Administrative expenses increased $40.3 thousand (2.3%) in fiscal 2026, while depreciation expense decreased $60.1 thousand because most of the System's capital assets are now fully depreciated. Combined, administrative and depreciation expenses were $1.8 million, essentially unchanged from the prior year.

Deductions by Type

Deductions from Fiduciary Net Position

Fiscal Year 2026



Net Pension Liability and Funded Status

The net pension liability is the amount by which the total pension liability (the present value of benefits members have earned) exceeds the fiduciary net position available to pay those benefits. The net pension liability decreased $71.6 million, from $157.4 million at June 30, 2025 to $85.8 million at June 30, 2026.

The total pension liability increased $6.3 million to $1,047.6 million, as interest on the liability and benefits earned by members during the year ($84.5 million combined) were largely offset by $77.0 million in benefit payments and refunds. Fiduciary net position increased $77.9 million, primarily because investment returns exceeded the 7.0% assumption. As a result, the funded status, which compares fiduciary net position to the total pension liability as required by GASB Statement No. 67, improved from 84.9% to 91.8%, the highest level shown in the funding history below.

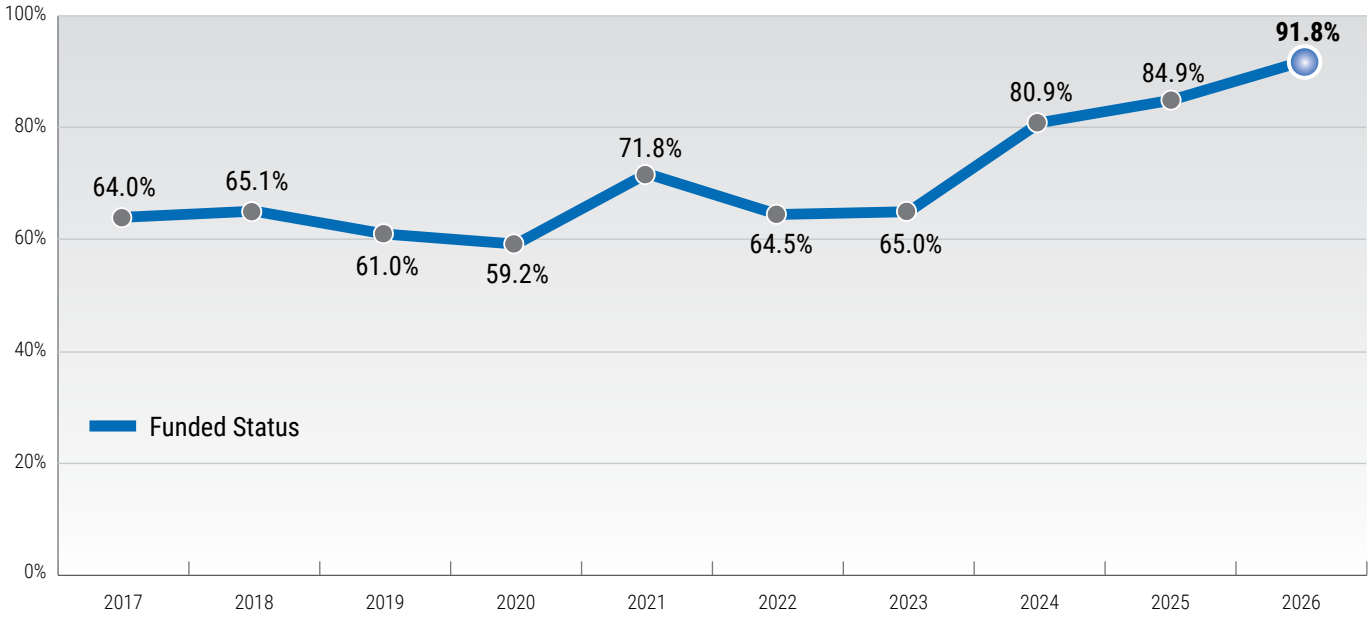
Changes in actuarial assumptions and the performance of financial markets can significantly affect the funded status from year to year. Over time, the benefit structure of the Plan, together with contributions and investment returns, are the primary drivers of the funded status. City Code requires that contributions to the RRS consist of a normal contribution plus an accrued liability contribution, which together equal the ADC, and the City has traditionally contributed the full ADC. Additional information is provided in Note IX and the required supplementary information.

Capital Assets and Long-Term Financing

The System has no long-term debt. Capital assets, net of accumulated depreciation, were $5 thousand at June 30, 2026, compared to $11 thousand at June 30, 2025. There were no significant capital asset additions or disposals during the year.

Schedule of Funding Status

As of June 30, 2026



Currently Known Facts, Decisions, or Conditions

Based on the July 1, 2026 actuarial valuation, the ADC will be $36.7 million for the fiscal year beginning July 1, 2027, a decrease from $37.9 million for the year ending June 30, 2027. The valuation included no changes in actuarial assumptions, methods, or plan provisions, and the discount rate remains 7.0%. The actuary has recommended that the City continue to contribute the full ADC and that future benefit enhancements, such as cost-of-living adjustments, be considered with caution.

Because the Plan is closed to new employees, the number of active members contributing to the System will continue to decline, and benefit payments will increasingly exceed contributions. The actuary projects that benefit payments will exceed contributions by approximately $56 million per year from fiscal 2028 through 2032. That gap is projected to grow to approximately $81 million per year beginning in fiscal 2033, when the amortization of the 2019 unfunded liability is completed and employer contributions decline. This pattern is expected for a closed plan, and the difference will be paid from the System's investment earnings and assets.

Statements of Fiduciary Net Position

As of June 30,

Assets	**2026**	**2025**
Cash and Short-Term Investments	**$3,420,567**	**$4,274,609**
Receivables		
Security Transactions Receivable	11,689	–
Contributions	2,009,202	2,006,018
Interest and Dividends	133,527	112,572
Total Receivables	**2,154,418**	**2,118,590**
Investments, at Fair Value		
U.S. Equities	220,526,393	200,134,893
International Equities	186,080,688	162,312,217
Fixed Income	292,965,045	280,694,161
Real Estate	55,035,530	57,876,997
Diversifying Assets	66,999,001	59,629,250
Private Debt	50,620,136	56,552,382
Private Equity	104,669,361	79,791,628
Total Investments, at Fair Value	**976,896,154**	**896,991,528**
Capital Assets, Net	**5,240**	**11,294**
Total Assets	**$982,476,379**	**$903,396,021**
Liabilities		
DROP Payable	$17,230,268	$16,344,851
Security Transactions Payable	17,312	–
Accounts Payable and Accrued Expenses	2,596,746	2,456,758
Investment Expenses Payable	421,101	330,000
Retirement and Death Benefits Payable	434,440	414,867
Total Liabilities	**20,699,867**	**19,546,476**
Net Position Restricted for Pensions	**$961,776,512**	**$883,849,545**

The accompanying Notes to Financial Statements, which begin on page 24, are an integral part of this statement.

Statements of Changes in Fiduciary Net Position

Year ended June 30,

Additions	2026	2025
Employer Contributions		
City of Richmond	$38,889,634	$50,258,713
Richmond Behavioral Health Authority	756,142	1,038,933
Portability Transfer	21,707	–
Total Employer Contributions	**39,667,483**	**51,297,646**
Member Contributions	5,748,751	6,111,922
Total Contributions	**45,416,234**	**57,409,568**
Investment Income		
Net Increase in Fair Value of Investments	100,640,026	73,314,154
Dividends and Interest Income	12,279,932	14,900,276
Total Investment Income	112,919,958	88,214,430
Investment Expenses	(1,629,941)	(1,558,977)
Net Investment Income	**111,290,017**	**86,655,453**
Total Additions	**156,706,251**	**144,065,021**
Deductions		
Retirement Benefits	(76,805,623)	(77,232,715)
Refunds of Member Contributions	(189,858)	(358,109)
Administrative Expenses	(1,777,749)	(1,737,469)
Depreciation and Amortization Expense	(6,054)	(66,135)
Total Deductions	**(78,779,284)**	**(79,394,428)**
Net Increase	**77,926,967**	**64,670,593**
Net Position Restricted for Pensions		
Beginning of Year	883,849,545	819,178,952
End of Year	**$961,776,512**	**$883,849,545**

The accompanying Notes to Financial Statements, which begin on the following page, are an integral part of this statement.

Notes to Financial Statements

I. Summary of Significant Financial Policies

(A) Financial Reporting Entity

The Richmond Retirement System (RRS or the System) is a component unit of the City of Richmond, Virginia (the City). The System's operations are accounted for as a blended component unit in the City's financial reporting entity because it provides services for the benefit of the City's employees. Its operations are included in the City of Richmond's basic financial statements as a fiduciary pension trust fund.

(B) Administration and Management

The RRS is governed by the Board of Trustees (the Board), which administers the retirement program according to the requirements of the Code of the City, and other governing laws. The Board has full power to invest and reinvest the trust funds of the RRS through the adoption of the investment policies and guidelines that fulfill the Board's investment objectives to maximize long-term investment returns while targeting an acceptable level of risk.

The Board consists of seven members; the City Council appoints five members and the Mayor appoints two members. The Board appoints an Executive Director to administer and transact the System's business. The Board also retains outside investment managers and consultants to advise and assist in the implementation of these policies. Northern Trust (the Custodian) is the custodian of designated assets of the RRS.

The provisions of Chapter 22 of the Code of the City govern the actual operations of the RRS.

The Board of Trustees also oversees a 401(a) plan and a 457 plan (Defined Contribution Plans). The 401(a) Plan is a closed plan. The 457 Plan is optional and allows employees to save for retirement by deferring a percentage of their pay on a pretax basis. The Defined Contribution Plans' financial transactions are not recorded in the System's accounting system. Therefore, these programs are not included in the System's financial statements. Additional information about the 401(a) Defined Contribution Plan is provided in the statistical section of this report.

(C) Accounting Basis

The financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP) using the accrual basis of accounting and the economic resources measurement focus.

Under the accrual basis, revenues are recognized when earned and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows.

Member and employer contributions are recognized as revenue, when due, in the period in which employees' services are performed pursuant to the City Code.

Investment income is recognized when earned by the System. Benefits and refunds are recognized when due and payable in accordance with the City Code.

(D) Administrative Expenses and Budget

The Board approves expenses related to the administration and management of the RRS. These expenses are included in a budget prepared using the full accrual basis of accounting. Expenses for goods and services received but not paid for prior to the System's fiscal year end are accrued for financial reporting purposes in accordance with GAAP.

(E) Security Transactions Receivable

Security transactions receivable consist of foreign currency and investment security sales that have occurred but are pending the final settlement. The System recognizes these transactions when they occur.

(F) Security Transactions Payable

Security transactions payable consist of foreign currency and investment security purchases that have

occurred but are pending the final settlement. The System recognizes these transactions when the obligation occurs.

(G) Adopted Accounting Pronouncements

RRS adopted Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements,* and GASB Statement No. 104, *Disclosure of Certain Capital Assets,* both effective for the fiscal year ended June 30, 2026. GASB Statement No. 103 revises management's discussion and analysis (MD&A) requirements, the presentation of budgetary comparison information, unusual or infrequent item disclosures, and other aspects of the financial reporting model. As a result of adopting GASB Statement No. 103, the MD&A in this report is presented in the five required sections: an overview of the financial statements, a financial summary, detailed analyses, significant capital asset and long-term financing activity, and currently known facts, decisions, or conditions. The MD&A focuses on explaining the reasons for significant changes from the prior year. Management assessed the remaining provisions of GASB Statement No. 103 and determined they do not require additional disclosure in RRS's financial statements, as these statements do not include a budgetary comparison and are not presented as a business-type activity subject to the revised proprietary fund reporting requirements. The adoption of GASB Statement No. 103 had no effect on the System's net position.

GASB Statement No. 104 requires intangible right-to-use assets (leases, subscription-based IT arrangements, and similar arrangements) to be disclosed separately from owned assets within the capital assets note and requires disclosure of capital assets meeting the held-for-sale criteria. Management reviewed the requirements of GASB Statement No. 104 and determined it did not have a material effect on and was not relevant to RRS's financial statements for the fiscal year ended June 30, 2026.

GASB Statement No. 105, *Subsequent Events,* was issued in December 2025 and is effective for fiscal years beginning after June 15, 2026 (RRS's fiscal year ending June 30, 2027). RRS has not early adopted GASB Statement No. 105 and management does not expect its adoption to have a material effect on the System's financial statements.

II. Deposits and Investments

(A) Deposits

As of June 30, 2026 and 2025, RRS held cash and cash equivalents with commercial banks and the Custodian totaling $3.4 and $4.3 million, respectively. All funds deposited in banks are protected under the provisions of the Virginia Securities for Public Deposit Act (the Act).

(B) Investments

1. Authorized Investments

The RRS invests in obligations of the U.S. government or its agencies, approved money market funds, other banks and savings and loan associations not exceeding the federal insurance coverage, and commercial paper rated A-1 by Standard & Poor's, or P-1 by Moody's. The RRS is also authorized to invest in: fixed income securities; domestic and international equities; private debt; Real Estate Investment Trusts (REITs); private equity; private real estate; and diversifying assets. Decisions as to individual equity security selection, security size and quality, number of industries and holdings, current income levels, turnover, and other tools employed by active managers are left to the managers' discretion, subject to the standards of fiduciary prudence, as set out in the respective manager's Investment Management Agreement. As of June 30, 2026 and 2025, total unfunded commitments amounted to $77.4 and $83.7 million, respectively.

III. Fair Value Measurements

The RRS categorizes the fair value measures of its assets within the fair value hierarchy established by generally accepted accounting principles outlined in GASB Statement No. 72, *Fair Value Measurement and Application.* The RRS has the following fair value measurements as of June 30, 2026 and 2025:

Investments Measured at Fair Value

as of June 30, 2026

	Fair Value at June 30, 2026	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equities				
Consumer Spending	$14,307,731	$14,307,731	$ –	$ –
Energy and Industrials	19,558,393	19,558,393	–	–
Information Technology	11,931,195	11,931,195	–	–
Financials	18,639,162	18,639,162	–	–
Health Care	12,169,751	12,169,751	–	–
Other	7,435,226	7,435,226	–	–
Total U.S. Equities	**84,041,458**	**84,041,458**	**–**	**–**
International Equities	89,369,931	–	–	89,369,931
Real Estate	16,566,803	–	–	16,566,803
Diversifying Assets	36,668,900	–	–	36,668,900
Private Debt	50,620,136	–	–	50,620,136
Private Equity	104,669,361	–	–	104,669,361
Total	**381,936,589**	**$84,041,458**	**$ –**	**$297,895,131**
Investments Measured at NAV Practical Expedient				
U.S. Equities	136,484,935			
International Equities	96,710,757			
Fixed Income	292,965,045			
Real Estate	38,468,727			
Diversifying Assets	30,330,101			
Total Investments Measured at NAV	**594,959,565**			
Total Investments, at Fair Value	**$976,896,154**			

Investments Measured at Fair Value

as of June 30, 2025

	Fair Value at June 30, 2025	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Equities				
Consumer Spending	$12,289,388	$12,289,388	$ –	$ –
Energy and Industrials	16,321,324	16,321,324	–	–
Information Technology	7,797,741	7,797,741	–	–
Financials	17,669,295	17,669,295	–	–
Health Care	10,670,390	10,670,390	–	–
Other	6,102,820	6,102,820	–	–
Total U.S. Equities	**70,850,958**	**70,850,958**	**–**	**–**
International Equities	80,437,102	–	–	80,437,102
Real Estate	16,102,683	–	–	16,102,683
Diversifying Assets	32,006,571	–	–	32,006,571
Private Debt	56,552,382	–	–	56,552,382
Private Equity	79,791,628	–	–	79,791,628
Total	**335,741,324**	**$70,850,958**	**$ –**	**$264,890,366**
Investments Measured at NAV Practical Expedient				
U.S. Equities	129,283,935			
International Equities	81,875,115			
Fixed Income	280,694,161			
Real Estate	41,774,314			
Diversifying Assets	27,622,679			
Total Investments Measured at NAV	**561,250,204**			
Total Investments, at Fair Value	**$896,991,528**			

Investments Measured at NAV Practical Expedient

as of June 30, 2026 and 2025

	Fair Value June 30, 2026	Fair Value June 30, 2025	Redemption Frequency	Required Redemption Notice
U.S. Equities	$136,484,935	$129,283,935	Daily	0-5 days
International Equities	96,710,757	81,875,115	Daily	1-30 days
Fixed Income	292,965,045	280,694,161	Daily	1-10 days
Real Estate	38,468,727	41,774,314	Daily, Quarterly	7-45 days
Diversifying Assets	30,330,101	27,622,679	Daily, Quarterly	1-95 days
Total Investments Measured at NAV Practical Expedient	**$594,959,565**	**$561,250,204**		

Level 1 investments are valued at active market quoted prices. Level 2 investments are valued using inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Level 3 investments are valued by market assumptions that are based on unobservable inputs. Fair value measurements for investments valued using the net asset value practical expedient (NAV practical expedient) are excluded from the fair value hierarchy in accordance with GASB No. 72, *Fair Value Measurement and Application.*

U.S. Equities — Shares held in common stock are classified in Level 1 of the fair value hierarchy and valued using price quotes on active markets for those securities. Units held in commingled funds and mutual funds are valued using the NAV practical expedient of the fund as reported by the investment managers. The NAV practical expedient is based on the fair value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of units outstanding.

International Equities — International equities include investments in institutional investment funds, which invest in and employ a variety of investment strategies in foreign developed and emerging markets. Interests held in one fund are classified in Level 3 of the fair value hierarchy and units held in the other fund are valued using the NAV practical expedient as reported by the investment managers.

Fixed Income — Fixed income includes units in commingled funds that hold investments in domestic and international corporate bonds, U.S. Treasury obligations, mortgage-backed securities issued by federal agencies and collateralized mortgage obligations, and domestic and international mutual funds with underlying investments in fixed income securities. Units held in commingled funds are valued using the NAV practical expedient of the commingled fund as reported by the investment managers.

Real Estate — This category includes real estate funds that invest in residential, office, retail, and industrial real estate or debt related to real estate acquisitions. Units held in real estate funds are valued using the NAV practical expedient of the commingled fund as reported by the investment managers. Real estate funds that are not valued at NAV practical expedient include significant unobservable inputs and are classified in Level 3 of the fair value hierarchy.

Diversifying Assets — This category consists of investments in fund-of-funds and direct investments. Investment managers in the fund-of-funds category have the ability to invest in underlying managers that focus on a variety of different strategies such as long/short, event-driven, leveraging, and other derivative instruments. The System's direct fund managers focus on a global macro approach. Units held in investments valued using the NAV practical expedient are excluded from the fair value hierarchy and reported at the NAV provided by the investment managers. Investments in limited partnerships that are not valued at NAV are classified in Level 3 of the fair value hierarchy.

Private Debt and Private Equity — Private debt includes investments in limited partnerships and portfolios focused on direct, distressed, or mezzanine lending as governed by their respective investment agreements. Private equity includes limited partnerships and portfolios focused on small buyouts, secondary acquisitions, distressed companies, or sector-focused investments. Investments in private debt and private equity represent partnership interests and capital investments and are valued as limited partnership ownership interests based on investment statements and other information provided by each investment manager. Investments in both private debt and private equity are classified in Level 3 of the fair value hierarchy.

IV. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the RRS. The RRS has an investment policy for credit risk. Fixed income investments should emphasize high-quality and reasonable diversification. The investment managers are responsible for making an independent analysis of the creditworthiness of securities and their suitability as investments regardless of the classifications provided by rating agencies. The System's fixed income portfolio as of June 30, 2026 and 2025, consists of commingled funds which are not rated.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the RRS will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The RRS does not have exposure to custodial credit risk.

V. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The System invests in mutual funds, commingled funds, pooled funds, and has separately managed portfolios that invest in foreign securities. As of June 30, 2026 and 2025, the total fair value of these investments was $186.1 million and $162.3 million, respectively.

As of June 30, 2026 and 2025, the RRS had $3.0 million and $3.3 million of foreign currency holdings in its portfolio, respectively. The Board monitors foreign currency risk in accordance with the RRS investment policy.

VI. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The RRS does not have a specific investment policy governing interest rate risk. As of June 30, 2026 and 2025, the effective duration of the fixed income portfolio is 5.98 and 6.04 years respectively.

VII. Risks and Uncertainties

The RRS, including its Board of Trustees, officers, and employees, is not involved in any ongoing claims or lawsuits that would have an adverse effect on the System's financial condition.

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, foreign currency, liquidity, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such change could materially affect the amounts in the System's financial statements.

The City's contribution amounts and the actuarial information disclosed are based on certain assumptions pertaining to interest rates, inflation rates, and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the basic financial statements.

VIII. Plan Description

The RRS was established by action of the Richmond City Council on February 1, 1945. The City Council appoints five members, and the Mayor appoints two members of the Board of Trustees to administer the RRS. However, the City Council retains the authority to establish or amend benefit provisions. The RRS is not subject to the provisions of the Employee Retirement Income Security Act of 1974.

The RRS is a single employer defined benefit (DB) plan. RRS has one participating employer, the City of Richmond, including its component unit Richmond Behavioral Health Authority. The Plan was closed to all new employees after January 1, 2024. Current members are vested after five years of creditable service or at their normal retirement age (age 65 for general employees; age 60 for public safety employees). The Plan is contributory for members. The following table demonstrates the changes in retirees and beneficiaries during the years ended June 30, 2026 and 2025.

	For the Fiscal Year ended:			
	2026	2025	Increase/ (Decrease)	Percent Change
Active Vested DB Plan Members	959	1,000	(41)	-4.1%
Active Non-vested DB Plan Members	41	55	(14)	-25.5%
Active Vested and Deferred DB benefit: 401(a) Defined Contribution Plan Members	80	97	(17)	-17.5%
Virginia Retirement System Plan Members	151	142	9	6.3%
Terminated Vested DB Plan Members	1,382	1,464	(82)	-5.6%
Retirees & Beneficiaries	3,993	4,051	(58)	-1.4%
Total	**6,606**	**6,809**	**(203)**	**-3.0%**

(A) Summary of Benefit and Contribution Provisions

Outlined on the following pages is a summary of the main provisions of the Plan, set by Chapter 22 of the Code of the City of Richmond.

1. Definitions

Average Final Compensation

The average annual creditable compensation of a member during the member's 36 consecutive months of creditable service in which such compensation was at its greatest amount or during the entire period of the member's creditable service if less than three years.

Creditable Compensation

The base compensation payable to an eligible employee working in a full-time position, plus shift differentials, bonuses, severance pay, and educational incentive pay but excluding overtime pay, imputed income under Section 79 of the Internal Revenue Service Code, and lump-sum payments for unused sick or vacation leave.

Creditable Service

Total service as an employee, whether or not continuous, but excluding any separate periods of service less than nine months in duration and any periods of leave without pay unless otherwise required by law. Effective July 1, 1999, 50% of unused sick leave counts as creditable service at retirement for current employees. Vested members who terminated City employment between July 1, 1998, and June 30, 1999, received 25% of unused sick leave as creditable service.

2. Retirement Plan Options

a) Defined Benefit

The Defined Benefit Plan pays a monthly benefit at retirement based on the member's years of creditable service and average final compensation. General and public safety employees are required to pay contributions of 5% of their creditable compensation.

b) Enhanced Defined Benefit

The Enhanced Defined Benefit Plan option pays a monthly benefit at retirement based on the member's years of creditable service and average final compensation. This plan is optional for public safety officers and senior executives.

General employees are required to make contributions of 8.57% of their creditable compensation, and public safety employees are required to make contributions of 8.95% of their creditable compensation until they terminate employment or retire in order to receive the benefits of the enhanced option. For public safety employees, the enhanced option allows eligibility for an unreduced early service retirement upon the completion of 20 years of creditable service, regardless of age.

The benefit levels for both options are set by the formulas, regardless of the fund's investment performance. Participating entities contribute an amount each year that varies according to calculations by the actuary. The participating entities' contributions are invested by outside investment firms with the primary objective of ensuring the security, stability, and continued growth of assets for members' future benefits. The Code of the City of Richmond requires that the Plan be maintained on an actuarially sound basis.

3. Deferred Retirement Option Program (DROP)

Effective October 1, 2003, the DROP was implemented for public safety employees eligible for an unreduced retirement allowance. Effective July 1, 2015, eligible members may elect to participate for a maximum of six years, deferring receipt of unreduced retirement benefits while continuing employment with the City.

Upon a member's election to participate in the DROP, the amount of creditable service and the average final compensation become frozen for purposes of determining pension benefits. The participant is considered retired for all purposes related to the System and does not accrue additional retirement benefits, except for annual benefit cost-of-living adjustments, if applicable.

Each DROP participant's monthly pension is tracked by an individual DROP account in lieu of being paid to the participant. Upon termination of employment, the participant will receive the DROP account balance and will begin receiving the monthly pension directly. The DROP account is not credited with investment gains and losses.

As of June 30, 2026 and 2025, the DROP liability totaled $17.2 and $16.3 million, respectively.

4. Retirement Eligibility

A member is eligible for normal retirement upon attaining their normal retirement date (general employees, age 65; public safety employees, age 60). Early retirement is

permitted at any time within the ten-year period prior to the normal retirement date, provided the member has completed five or more years of creditable service, any age with 30 years of creditable service (general employees), 25 years of creditable service (public safety employees participating in defined benefit plan), or 20 years of creditable service (public safety employees participating in the enhanced defined benefit plan option).

5. Retirement Allowance

Upon retirement, a member becomes eligible to receive an annual allowance, payable in equal monthly installments. The annual allowance is computed as follows:

a) Normal Retirement Allowance

General Employees — 1.75% (2.00% enhanced option) of the member's average final compensation, multiplied by the number of years of creditable service up to 35 years.

Public Safety Employees — 1.65% of the member's average final compensation, multiplied by the number of years of creditable service up to 35 years. In addition, a supplement of 0.75% of the member's average final compensation, multiplied by the number of years of creditable service up to 25 years is payable from retirement until age 65.

b) Early Retirement Allowance

If a member retires prior to their normal retirement age, the allowance is determined as follows: for general employees, the benefit is reduced by five-twelfths of 1% for each complete month by which retirement precedes the earlier of age 65 or the date on which the employee would have completed 30 years of service had the member remained employed. For public safety employees, the benefit is reduced by five-twelfths of 1% for each complete month by which retirement precedes either age 60 or the date on which the employee would have completed 25 years of service had the member remained in service in the Defined Benefit Plan (or 20 years of service had the member remained in service in the Enhanced Defined Benefit Plan), whichever is earlier.

c) Workers' Compensation Offset

In no instance may a member who receives both (a) a compensation award pursuant to the Virginia Workers' Compensation Act, and (b) a retirement allowance before the attainment of age 65 from the RRS, receive a benefit which would cause the sum of the Workers' Compensation award and retirement allowance to exceed the member's average final compensation at the time the member separated from active service. After attainment of age 65, the member shall be entitled to the full retirement allowance.

If a member in receipt of a retirement allowance elects to receive a lump-sum settlement in lieu of periodic payments for disability under the Virginia Workers' Compensation Act, the member's service retirement allowance shall continue to be reduced in the same amount required by Section 22-202(5) for the number of months equivalent to the lump-sum award amount divided by the amount of the original Workers' Compensation award.

6. Retirement Benefit Payment Options

The member may elect, with the approval of the Board, one of the following options, in which case the amount payable is the actuarial equivalent of the Basic Benefit otherwise payable.

a) Joint and Survivor Option

A reduced allowance is payable to the member during their lifetime; with the same amount or a designated fraction thereof continued after the member's death to a designated contingent beneficiary, if living.

b) Pop-Up Joint and Survivor Option

A reduced allowance is payable to the member during their lifetime; with the same amount or a designated fraction thereof continued after the member's death to a designated contingent beneficiary, if living. If the designated contingent beneficiary predeceases the member, the allowance is increased to the amount that would have been payable in the absence of the election of an optional form of benefit.

c) Smooth-Out Option

An increased retirement allowance is paid prior to age 65 and a decreased retirement allowance thereafter. The purpose of this option is to provide for a more level total retirement income before and after age 65, considering the primary federal Social Security benefits.

d) Level Option

This payment option provides a leveled monthly benefit for the member's lifetime which is less than the Basic Ben-

efit before age 65 amount and greater than the Basic Benefit after age 65 amount. This option is available to current public safety employees and to former vested general employees who terminated service prior to March 1, 1997.

7. Disability Retirement Eligibility

Any member in service who has five or more years of creditable service may retire, or may be retired by the member's appointing authority, at any time prior to the member's normal retirement date on account of permanent disability, provided that the medical examiners certify that the member has been completely incapacitated by reason of sickness or injury from performing the duties required by the participating employer, and provided further that if the disability is service connected (i.e. if it arises from a cause that would be compensable under the Virginia Workers' Compensation Act), the five-year service requirement does not apply. The service requirement is also waived for public safety employees if the disability arises from respiratory or heart disease or from hypertension unless it is certified that such disability was not suffered in the line of duty.

8. Disability Retirement Allowance

a) Non-Service Connected Disability

The annual allowance, payable monthly, is computed in the same way as a normal retirement allowance prior to the changes effective March 1, 1997, with the following modifications: "Disability Average Compensation" is used in place of Average Final Compensation. In essence, this is the annual rate of compensation in effect at the date of disability, graded into average final compensation for members who become disabled within three years of their normal retirement date. Creditable Service is replaced by "Disability Credited Service," which is the smaller of: i. the number of years of creditable service the member would have completed at age 60 if the member had remained in service until that time; or ii. the larger of a. 20 years, or b. twice the member's actual years of creditable service except that if the disability occurs after age 60, disability credited service is equal to the number of years of creditable service. A deduction for Social Security is made prior to age 65 if the member is entitled to total and permanent disability benefits under Social Security. The early service reduction factor of five-twelfths of 1% per month early retirement reduction is not imposed. The additional pre-age 65 allowance for public safety employees is not payable.

In no instance may a member who receives a compensation award pursuant to the Virginia Workers' Compensation Act and a non-service connected disability retirement allowance from the City receive a benefit which would cause the sum of the disability retirement allowance and Workers' Compensation award to exceed the member's average final compensation at the time the non-service connected disability caused separation from active service.

b) Service Connected Disability

The annual allowance payable monthly is computed in the same way as a normal retirement allowance, prior to the changes effective March 1, 1997, with the following modifications: the disability retirement allowance is computed as two-thirds of the member's disability average compensation. This allowance shall be reduced dollar for dollar by the amount of compensation, if any, awarded to the member under the Virginia Workers' Compensation Act for as long as such compensation is payable. If any member who retired on or after July 1, 1989, elects to receive a lump-sum settlement in lieu of periodic payments for disability under the Virginia Workers' Compensation Act, the member's retirement allowance shall continue to be reduced in the same amount and for the number of months equivalent to the lump-sum award divided by the amount of the original Workers' Compensation award. A deduction for Social Security is made prior to age 65 if the member is entitled to total and permanent disability benefits under Social Security. The early service reduction factor of five-twelfths of 1% per month early retirement reduction is not imposed. The additional pre-age 65 allowance for public safety employees is not payable.

9. Death Benefits Before Retirement

If a member who became an employee of the participating employer on or before June 13, 1988, and has one or more years of creditable service dies before retirement, a death benefit is payable equal to $16.67 multiplied by the number of months of creditable service of the member, subject to a maximum of $1,000.

If a member who is eligible for an early or normal retirement dies prior to actual retirement and no benefit of the type described in the paragraph below is payable,

the surviving spouse is entitled to receive an allowance for life equal to that amount which would have been paid if the full Joint and Survivor Option had been in effect at the time of the member's death. The additional allowance paid from retirement to age 65 to public safety employees is not included in this benefit.

If a member dies at any time before retirement from a cause that would be compensable under the Virginia Workers' Compensation Act, an allowance is payable to the surviving spouse or to the member's children under the age of 18 equal to that which would have been payable if the full Joint and Survivor Option had been in effect at the time of the member's death. The allowance is calculated by projecting creditable service to that which the member would have earned had they remained in service until age 65 with the same final average compensation in effect at the time of their death. The benefit is reduced by any compensation awarded under the Virginia Workers' Compensation Act.

10. Death Benefits After Retirement

The beneficiary of a retired member with at least one year of creditable service will receive, at the member's death, a death benefit of $16.67 multiplied by the number of months of creditable service of the member, subject to a maximum of $1,000.

An allowance for life, as described in the preceding paragraphs, is also payable to the widow or widower of a member who retired for disability after attaining early retirement age but dies before reaching normal retirement age. In this case, the member's average final compensation as of the disability retirement date is used, but it is assumed the member's service continued to the last day of the month in which the member died.

11. Ad Hoc Cost-of-Living Allowances (COLA)

Ad hoc COLAs are issued at the discretion of the City Council.

12. Benefits for City Officials and Department Heads

Effective March 1, 1997, certain City officials and department heads can make additional contributions to the System in order to receive two years of credit for each year of service in a covered position (up to a maximum of 15 additional years).

IX. Contributions Required and Contributions Made

For the years ended June 30, 2026 and 2025, the Entry Age actuarial cost method was used in determining employer contribution rates and amounts, calculated by the System's actuaries. The annual contribution includes amortization of the unfunded actuarial liability.

Effective January 2025, RRS changed from an employer contribution percentage to an employer contribution dollar amount.

Contributions totaling $45.4 million, including $5.7 million in member contributions, were made during the fiscal year ended June 30, 2026. Contributions made during the fiscal year ended June 30, 2025, totaled $57.4 million, including $6.1 million in member contributions.

(A) Funding Policy

Pursuant to Sec. 22-113 of the City Code, participating employers in the RRS contribute annual contribution amounts equal to the sum of the normal contribution and the accrued liability contribution. Both components are determined as of July 1 one year prior to the beginning of each fiscal year and are calculated in accordance with recognized actuarial principles using methods, assumptions, and amortization periods approved by the Board of Trustees. The normal contribution represents the actuarial cost of benefits accrued during the year and is determined using the same actuarial cost method and assumptions adopted by the Board.

The accrued liability contribution consists of (1) the amount necessary to amortize the initial unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years, in accordance with GASB guidelines, and (2) the contribution required to amortize any subsequent increases or decreases in the UAAL resulting from changes in actuarial assumptions, changes in plan provisions — including the granting of cost of living adjustments — and actuarial gains or losses. Each annual change in the UAAL is amortized over a separate closed period not to exceed 30 years, consistent with GASB guidelines.

As of each valuation date, the UAAL is measured as the excess of the actuarial accrued liability over the actuarial value of assets held in the retirement account. The

actuarial value of assets is determined under a Board approved method that reflects market value.

The Board certifies to the City's Director of Finance the normal contribution amount and the accrued liability contribution amount to be paid each year. These contributions are certified as dollar amounts and are required to be remitted by the City to the RRS each pay period during the fiscal year.

(B) Net Pension Liability

The components of the employer's net pension liability at June 30, 2026 and 2025, are as follows:

Components of Employer's Net Pension Liability

	June 30,	
	2026	2025
Total Pension Liability	$1,047,582,712	$1,041,237,304
Plan Fiduciary Net Position	(961,776,512)	(883,849,545)
Employer's Net Pension Liability	$85,806,200	$157,387,759
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Funded Status)	91.8%	84.9%

(C) Actuarial Assumptions

For the purposes of determining net pension liability, fair value of investments was used. Significant actuarial assumptions used in determining the actuarial liability include: (a) 7.0% investment rate of return for 2026 and 2025; (b) projected salary increases of 3.0% to 5.0% for general employees for both years; for police and fire employees, salary increase assumptions were 11% for 2026 and 2025; and (c) the assumption that benefits will not increase after retirement. The most recent actuarial experience study was completed for the five years ended June 30, 2023; however, a change in salary increase assumption for police and fire employees was approved by the Board in September 2025 effective for the July 1, 2025 and July 1, 2026 valuation.

(D) Long-Term Expected Rate of Return and Target Asset Allocation

The long-term expected rate of return on RRS investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation identifies the optimal asset mix strategy for the RRS. To ensure compliance with the policy, a rebalancing strategy is used. RRS is in the multiyear process of phasing in its asset allocation. Best estimates of geometric return for each major asset class included in the pension plan's target asset allocation as of June 30, 2026, are summarized in the table below.

Asset Class	10-Year Assumptions *Geometric Return*	Target Asset Allocation
Broad U.S. Equities	7.35%	24.00%
International Equities	7.45%	16.00%
Diversifying Assets	5.70%	6.00%
Private Equity	8.50%	9.00%
Fixed Income	4.75%	34.00%
Private Debt	7.25%	6.00%
Real Estate (Core)	6.25%	5.00%

(E) Annual Money-Weighted Rate of Return

For the fiscal years ended June 30, 2026 and 2025, the annual money-weighted rates of return were 12.4% and 10.5%, respectively. The annual money-weighted rate of return is calculated net of all investment management expenses and additional plan investment-related expenses that are reported by the Custodian or were provided to the investment consultant by the RRS. The methodology used to determine the money-weighted rate of return is different from the calculation of the fiscal year rate of return. Cash flows have a larger impact on the money-weighted rate of return than the fiscal year rate of return, which uses a time-weighted calculation.

(F) Discount Rate

The discount rate used to measure the total pension liability was 7.0% as of June 30, 2026 and 2025. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City, and its component unit, contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those

assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(G) Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability along with the funded status of the System, calculated using the current discount rate of 7.0%, as well as using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	$181,034,396	$85,806,200	$3,161,883
Funded Status	84.2%	91.8%	99.7%



Richmond Skyline from the James River



Groovin' in the Garden *©Richard MacDonald*

Required Supplementary Information

Financial Section, continued

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

Total Pension Liability	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Service Cost	$14,259,998	$12,224,960	$12,218,425	$10,898,882	$11,051,933	$11,768,290	$12,194,183	$10,690,477	$10,306,295	$10,254,351
Interest	70,237,347	68,196,046	66,321,416	64,551,302	64,243,572	64,253,208	63,160,066	63,004,086	62,230,250	61,563,762
Changes of Benefit Terms	–	–	–	–	–	479,225	15,042,109	–	–	–
Differences Between Expected and Actual Experience	(1,156,456)	10,987,065	15,515,052	27,066,887	4,615,390	(1,683,740)	(1,075,314)	(1,116,866)	8,033,833	6,602,613
Changes of Assumptions	–	15,051,566	10,914,397	–	–	–	–	61,459,185	–	–
Benefit Payments, Including Refunds of Member Contributions	(76,995,481)	(77,590,824)	(78,767,014)	(75,743,572)	(75,293,547)	(74,627,010)	(72,813,126)	(70,748,768)	(69,773,981)	(69,302,957)
Net Change in Total Pension Liability	6,345,408	28,868,813	26,202,276	26,773,499	4,617,348	189,973	16,507,918	63,288,114	10,796,397	9,117,769
Total Pension Liability – Beginning	1,041,237,304	1,012,368,491	986,166,215	959,392,716	954,775,368	954,585,395	938,077,477	874,789,363	863,992,966	854,875,197
Total Pension Liability – Ending (a)	1,047,582,712	1,041,237,304	1,012,368,491	986,166,215	959,392,716	954,775,368	954,585,395	938,077,477	874,789,363	863,992,966
Plan Fiduciary Net Position										
Contributions – Employer	$39,667,483	$51,297,646	$187,680,492	$62,168,123	$54,936,872	$55,649,723	$55,240,421	$48,539,647	$46,548,902	$42,911,076
Contributions – Member	5,748,751	6,111,922	4,447,236	2,039,752	1,777,663	1,804,651	1,980,230	1,935,870	1,962,951	2,150,631
Net Investment Income (Loss)	111,290,017	86,655,453	66,728,497	34,837,868	(46,162,681)	138,699,585	9,749,141	25,100,251	38,843,025	62,841,319
Benefit Payments, Including Refunds of Member Contributions	(76,995,481)	(77,590,824)	(78,767,014)	(75,743,572)	(75,293,547)	(74,627,010)	(72,813,126)	(70,748,768)	(69,773,981)	(69,302,957)
Administrative Expenses	(1,783,803)	(1,803,604)	(1,760,039)	(1,609,850)	(1,526,612)	(1,557,446)	(1,335,510)	(1,277,205)	(1,208,148)	(1,141,301)
Net Change in Plan Fiduciary Net Position	77,926,967	64,670,593	178,329,172	21,692,321	(66,268,305)	119,969,503	(7,178,844)	3,549,795	16,372,749	37,458,768
Plan Fiduciary Net Position – Beginning	883,849,545	819,178,952	640,849,780	619,157,459	685,425,764	565,456,261	572,635,105	569,085,310	552,712,561	515,253,793
Plan Fiduciary Net Position – Ending (b)	961,776,512	883,849,545	819,178,952	640,849,780	619,157,459	685,425,764	565,456,261	572,635,105	569,085,310	552,712,561
Employer's Net Pension Liability – Ending (a) – (b)	$85,806,200	$157,387,759	$193,189,539	$345,316,435	$340,235,257	$269,349,604	$389,129,134	$365,442,372	$305,704,053	$311,280,405
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.8%	84.9%	80.9%	65.0%	64.5%	71.8%	59.2%	61.0%	65.1%	64.0%
Covered Payroll	$101,291,786	$100,959,486	$106,018,963	$103,666,870	$95,468,950	$96,123,709	$104,017,764	$108,326,347	$107,814,490	$107,363,266
Employer's Net Pension Liability as a Percentage of Covered Payroll	84.7%	155.9%	182.2%	333.1%	356.4%	280.2%	374.1%	337.4%	283.5%	289.9%

Schedule of Employer's Contributions

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$39,667,483	$51,297,646	$69,500,995	$62,168,123	$54,936,872	$55,649,723	$48,276,781	$46,539,647	$46,548,902	$42,911,076
Contributions in Relation to the Actuarially Determined Contribution	39,667,483	51,297,646	187,680,492	62,168,123	54,936,872	55,649,723	55,240,421	48,539,647	46,548,902	42,911,076
Contribution Deficiency (Excess)	$ –	$ –	$(118,179,497)	$ –	$ –	$ –	$(6,963,640)	$(2,000,000)	$ –	$ –
Covered Payroll	$101,291,786	$100,959,486	$106,018,963	$103,666,870	$95,468,950	$96,123,709	$104,017,764	$108,326,347	$107,814,490	$107,363,266
Contributions as a Percentage of Covered Payroll	39.16%	50.81%	177.03%	59.97%	57.54%	57.89%	53.11%	44.81%	43.17%	39.97%

Notes to the Schedules

Valuation Date

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates

	2026
Actuarial Cost Method	Entry Age Normal
Amortization Period	Effective 7/1/2024, level dollar amount over a closed period not to exceed 30 years for all employee groups. Prior to 7/1/2024 it was level percent of pay over a closed period not to exceed 30 years for police and fire employees and level dollar amount over a closed period not to exceed 30 years for general members.
Remaining Amortization Period	Unfunded liability amortized over 12 years as of July 1, 2019 with 5 years remaining as of July 1, 2026. Other new bases are amortized over 20 years. Effective 7/1/2024 the pension obligation bond proceeds were used to reduce the remaining 7/1/2019 unfunded liability bases over 7 years with 5 years remaining as of July 1, 2026.
Asset Valuation Method	Five-year spread of actual over expected investment earnings with the restriction that the resulting value must be within 90%-110% of market value.
Inflation	2.50%
Salary Increases – General Employees	3.00% to 5.00%
Salary Increases – Police and Fire Employees	11% effective 7/1/2026. 3.00% to 5.50% thereafter
Investment Rate of Return	7.00%
Retirement Age – General Employees	20% in 1st year of unreduced retirement eligibility; 6% at age 55 increasing to 100% at age 75
Retirement Age – Police and Fire Employees	(45% up to age 50, 40% after age 51) in 1st year of unreduced retirement eligibility; 10% at age 50 increasing to 100% at age 65
Mortality – General Employees	Pub-2010 Below Median Income Table for General Employees
Mortality – Police and Fire Employees	Pub-2010 Below Median Income Table for Safety Employees

Schedule of Investment Returns

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.4%	10.5%	9.9%	5.8%	-6.0%	24.0%	-1.0%	5.1%	7.1%	12.2%

Money-weighted rate of return is based on a methodology that reflects the impact of cash flows (contributions and withdrawals) to and from the portfolio and considers both the investment return and the size of the portfolio. In contrast, time-weighted rate of return is a measure of the compound rate of growth in a portfolio. The time-weighted method eliminates the effects of cash flows on the investment return. Large cash inflows or outflows in the portfolio and volatility of results can result in distortions to the money-weighted rate of return relative to the time-weighted return. Information on the portfolio's time-weighted rates of return can be found in the Investment Section of this report.



Main Street Station

Supplementary Information

Financial Section, continued

Schedule of Administrative Expenses

Year Ended June 30, 2026

Personnel Services	
Salaries and wages	$1,065,175
Social security and medicare	70,890
Retirement contributions	227,402
Group life and health insurance	117,813
Total Personnel Services	**1,481,280**
Professional Services	
Actuarial	64,657
Legal services	25,832
Auditing and accounting services	42,500
Business services	20,575
Medical examiners	2,700
Total Professional Services	**156,264**
Communications	
Printing and publications	**2,948**
Other	
Board/staff development and travel	6,015
Technology	1,069
Supplies	14,662
Dues and membership	5,169
Depreciation and amortization	6,054
Total Other	**32,969**
Total Administrative Expenses before Allocation to Information Technology and Risk Management	**1,673,461**
Operating fund transfer to internal service funds	110,342
Total Administrative and Depreciation/Amortization Expenses	**1,783,803**

Schedule of Retirement Benefits

Year Ended June 30, 2026

Benefit Payments:

Regular Pension	$66,141,574
Disability Pension	3,049,141
Survivor Pension	2,400,255
Death Benefits	117,965
DROP Expense	5,096,688
Total Benefit Payments	**$76,805,623**



Lewis Ginter Botanical Garden Treehouse



Downtown Office Building

Investment Section

The Investment Section provides detailed information regarding the performance of the investment portfolio. This information includes asset allocation and an investment summary.

Investment Consultant Report

Callan

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Atlanta, GA 30327

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www.callan.com

September 28, 2026

Board of Trustees
Richmond Retirement System
730 East Broad Street, Suite 900
Richmond, VA 23219

RE: Fiscal Year 2026

Dear Trustees,

Callan LLC is pleased to present the Richmond Retirement System's ("RRS") investment results for fiscal year-end June 30, 2026.

Total Fund Objectives

The RRS investment program's objective is to provide plan participants with retirement benefits. This is accomplished by the implementation of a carefully planned and executed long-term investment program. The Board of Trustees ("Board"), with input provided by an Investment Advisory Committee ("IAC"), has exclusive control of all retirement system investments and is responsible for establishing investment objectives, strategies, and policies.

The Board is charged with the responsibility of investing RRS' assets to provide for the benefits of the members of the System. To achieve that goal, the Board follows a policy of seeking means of enhancing revenues while also protecting against undue losses in any particular investment area. The Board diversifies the investment of the assets among classes of securities to reduce risk while maximizing the long-range return.

Fiscal Year 2026 Market Review

Fiscal year 2026 was similar to FY2025 in that capital markets exhibited significant volatility in reaction to global events and an explosion in AI investment, particularly in the US. While the first half of the fiscal year was largely occupied with concerns on inflation and AI spending, the second half was dominated by the Iran war and its accompanying impact on inflation and energy costs. Pockets of equities dominated results (US small cap AI and biotech names, emerging markets AI supply-chain leaders, etc.) but the rising tide assisted most investors. Along with the aforementioned inflation concerns, the changing of the guard at the Fed also drove interest rate volatility all along the yield curve. Based on market indices, returns for the broad US equity market for the full fiscal year 2026 were +22.8% with small caps nearly doubling the returns of large caps (+40.8% vs +21.0%). Non-US equity indices for

continued on next page

the period returned +27.7% with economic growth and being the predominant driver of stock prices. US fixed income index returns (+3.8%) lower than last year and were meaningfully impacted by rate volatility and historically tight spread sectors. Real estate returns continue to normalize after the 2022-2023 selloff. Alternative assets have shown strength over some more traditional sectors. Private equity index returns (+10.7%) lagged public markets but were strong. Hedge funds (+16.7%) returns were buoyed by both market volatility and equity beta. Private debt (+4.3%) lagged broader public equity markets, but beat public fixed income very slightly.

Total Fund Rates of Return

For the fiscal-year-ending June 30, 2026, the RRS Total Fund returned 12.4% on a net-of-fee basis underperforming the policy benchmark return of 13.5% by 113 basis points. Over the trailing three-year period, the RRS Total Fund exceeded the policy benchmark by 5 basis points net-of-fees with an annualized return of 10.9%, and also exceeded the benchmark by 11 basis points over the trailing five-year period with an annualized net-of-fee return of 6.2%. For the trailing ten years, the RRS Total Fund returned 7.9% on a net-of-fee basis trailing the policy benchmark return of 8.0% by 12 basis points.

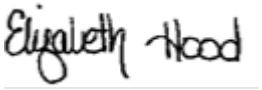
Investment Policy

RRS conducted an asset-liability study during FY 2024 and updated the long-term, strategic targets to reflect changing circumstances in capital markets and plan demographics. No policy changes were made during FY 2026.

The performance returns for the Richmond Retirement System presented in this report have been calculated by Callan using custodial bank statements. The performance is calculated using a time-weighted rate of return methodology based upon the market value of assets.

Kind regards,





William Emmett, CFA

Elizabeth Hood, CFA

Investment Policy Summary

Introduction

The Board is responsible for the overall management of the assets of the fund. The Trustees approve the Investment Policy Statement (IPS) and provide overall direction in executing the policy. The Trustees review investment results in relationship to investment expectations and actuarial assumptions and experience to determine if future changes are needed to either the IPS or the implementation of the IPS.

Purpose of the IPS

The purpose of the IPS is to assist the Board in effectively supervising, monitoring, and evaluating the investment of the fund assets. The IPS:

1. Makes a clear distinction between the responsibilities of the Board and the service providers hired to help implement the Fund's Investment Policy — the investment consultant, the investment managers, and the bank custodian/trustee.
2. Describes the Fund's risk tolerance, as defined by the asset classes that are considered allowable investments and the percentage allocations to each asset class.
3. Sets forth the criteria to be placed on diversification of portfolio investments.
4. Provides rate-of-return objectives and criteria to monitor and evaluate the performance results achieved by the investment managers.
5. Establishes effective communication procedures between the Board and the investment managers, investment consultant, and bank custodian/trustee.
6. Creates a formal review process for reviewing this Investment Policy Statement.
7. Reflects the Board's responsibility to review the IPS annually and to implement changes as necessary in coordination with the Investment Advisory Committee and the investment consultant.

Objectives

The assets are invested to meet the following objectives:

1. To ensure funds are available to meet current and future obligations of the plan when due.
2. To earn an investment return greater than the actuarial return assumption over time.
3. To assure the Fund's fiscal health.

Time Horizon

For purposes of planning, the time horizon for investments is long-term. Capital values fluctuate over shorter periods and the Board recognizes that the possibility of capital loss does exist. The Board has adopted a long-term investment horizon in order to carefully weigh the probability of investment loss against the long-term potential for investment gains. Fund assets will be invested in a prudent manner to ensure diversification of investment risks and opportunities.

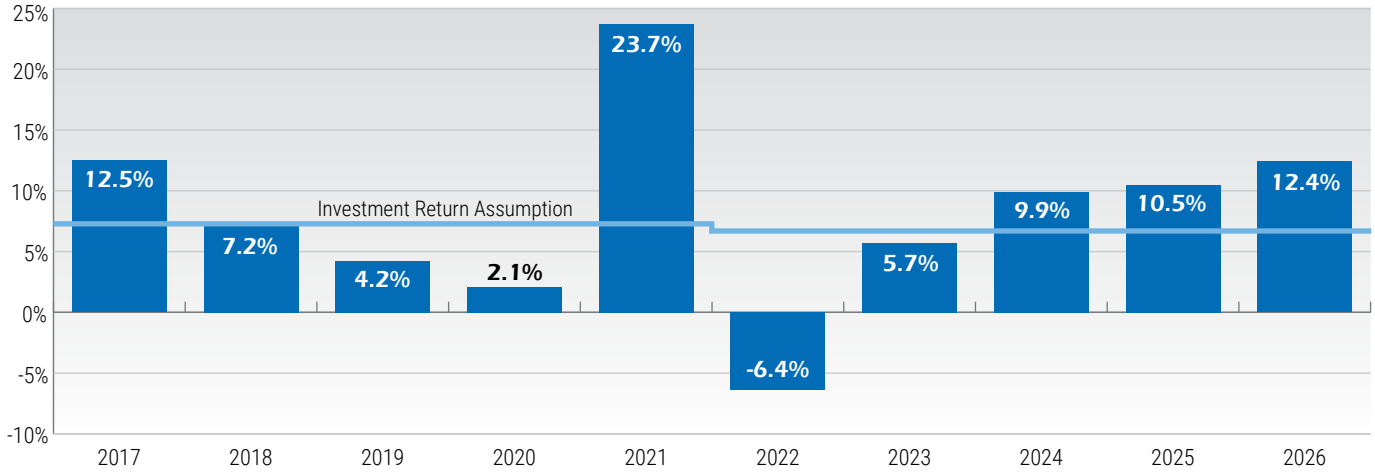
This long-term perspective guides decisions regarding asset allocation targets, rebalancing practices, and performance expectations

For a copy of the Investment Policy Statement, please contact the Richmond Retirement System at 730 East Broad Street, Suite 900, Richmond, VA 23219.

The current Investment Policy Statement was adopted by the Board on December 4, 2025.

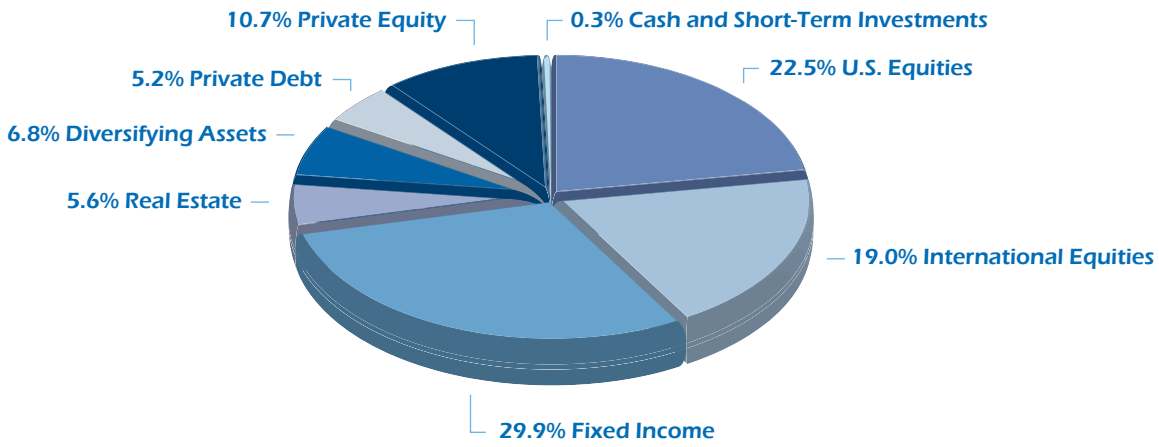
Schedules of Investment Results

Fiscal Year Returns *(Net of Fees)*



Effective June 30, 2019, the investment return assumption was lowered from 7.5% to 7.0%.

Asset Allocation



May not add to 100% due to rounding.

Investment Performance Summary* *(Net of Fees)*

One, Three, Five & Ten Years Ending June 30, 2026

	1 Year	3 Years	5 Years	10 Years
Total Fund				
RRS	12.4%	10.9%	6.2%	7.9%
RRS Custom Benchmark[1]	13.5%	10.9%	6.1%	8.0%
Total U.S. Equity				
RRS	19.5%	17.5%	10.0%	13.4%
RRS Benchmark[2]	22.8%	20.4%	12.3%	15.1%
Total International Equity				
RRS	21.5%	19.9%	8.8%	10.9%
RRS Benchmark[3]	27.7%	18.8%	8.8%	9.9%
Total Fixed Income				
RRS	4.4%	4.8%	0.4%	2.3%
RRS Benchmark[4]	3.8%	4.2%	0.1%	1.5%
Total Diversifying Assets				
RRS	12.4%	10.9%	9.2%	7.1%
RRS Benchmark[5]	16.7%	10.7%	5.9%	6.0%
Total Real Estate				
RRS	4.3%	-1.5%	1.9%	3.6%
RRS Benchmark[6]	4.5%	-0.6%	2.7%	4.6%
Total Private Equity				
RRS	14.4%	11.3%	11.7%	13.3%
RRS Benchmark[7]	10.7%	7.6%	7.8%	13.5%
Total Private Debt				
RRS	8.4%	9.7%	9.6%	8.9%
RRS Benchmark[8]	4.3%	7.6%	5.9%	5.5%

Benchmarks:

[1] The RRS Custom Benchmark is a blend of the Asset Class Benchmarks at policy weights.

[2] The U.S. Equity Benchmark is the Russell 3000 Index.

[3] The International Equity Benchmark is the MSCI ACWI ex U.S. Index.

[4] The Fixed Income Benchmark is the Bloomberg U.S. Aggregate Index.

[5] The Hedge Funds Benchmark is the HFRI Fund of Funds Composite Index.

[6] The Real Estate Benchmark is the NCREIF Value-Weighted ODCE Index.

[7] The Private Equity Benchmark is the Cambridge Associates U.S. All Private Equity Index lagged by three months.

[8] The Private Debt Benchmark is the Credit Suisse Leveraged Loan Index lagged by three months.

** Source: Callan LLC. Investment return calculations were prepared using a time-weighted return methodology based on market value, net of investment expenses.*

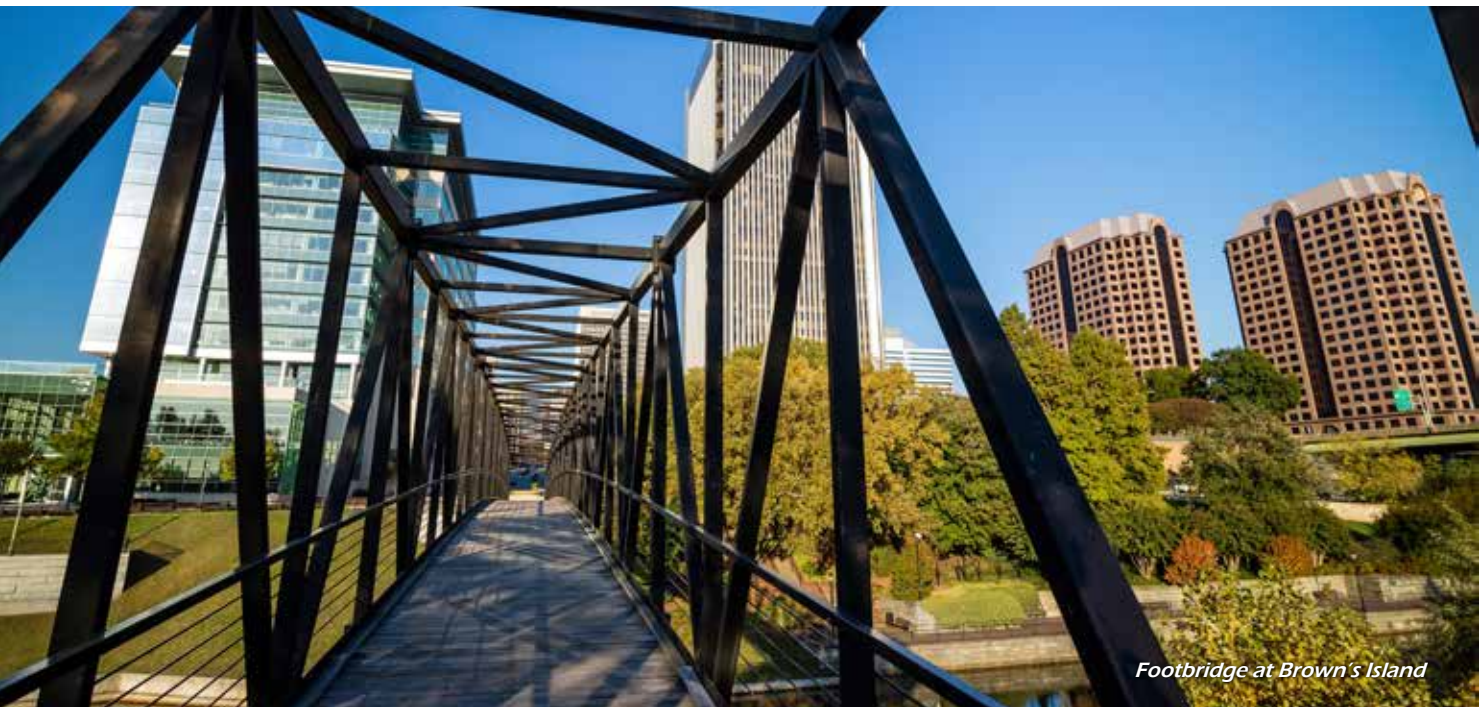
Schedule of Investments

Ten Largest Equity Holdings at June 30, 2026*

Description	Share/Par	Fair Value
Alphabet Inc. (GOOG)	5,600	2,001,272
Cisco Systems, Inc. (CSCO)	15,500	1,820,630
Citigroup Inc. (C)	12,400	1,735,504
Dell Technologies Inc. (DELL)	3,600	1,553,256
Merck & Co., Inc. (MRK)	9,900	1,272,150
State Street Corporation (STT)	7,500	1,272,000
Bank of America Corporation (BAC)	21,600	1,230,768
Altria Group, Inc. (MO)	17,100	1,230,345
QUALCOMM Incorporated (QCOM)	6,200	1,145,698
Wells Fargo & Company (WFC)	13,600	1,123,904
Total Ten Largest Equity Holdings		**$14,385,527**

Fair Value of Cash, Investment Payables & Receivables, and Investments, June 30, 2026	**$980,023,524**
Percentage of Ten Largest Equity Holdings	**1.47%**

A complete listing of the holdings at June 30, 2026 is available from the RRS's Executive Office.
**Schedule does not include equity and fixed income securities held by mutual funds and commingled trusts.*

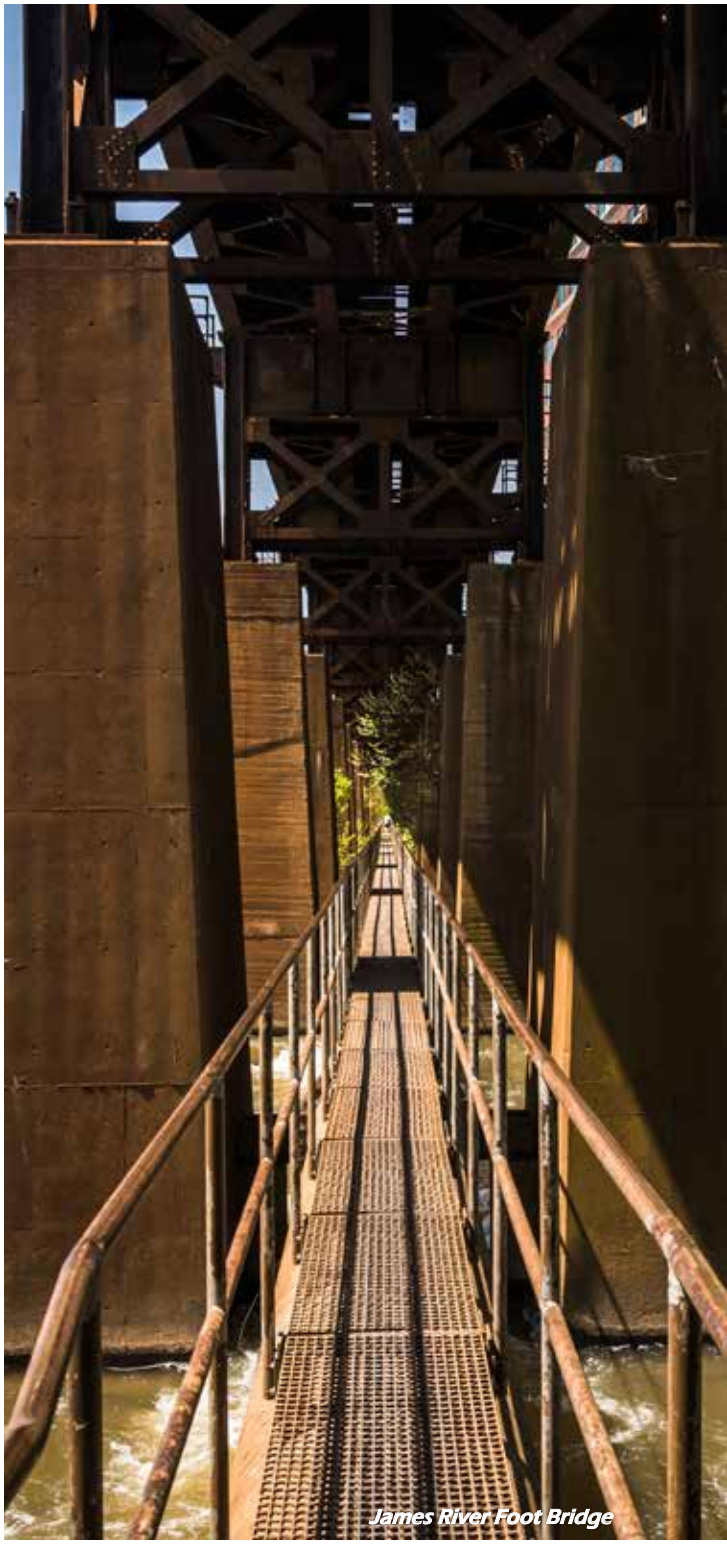


Footbridge at Brown's Island

Investment Summary

As of June 30, 2026	Fair Value	% of Total Fair Value
Equities		
U.S. Equities		
Information Technology	$11,931,195	1.22%
Consumer	14,307,731	1.46%
Financial	18,639,162	1.90%
Healthcare	12,169,751	1.24%
Industrials	10,386,045	1.06%
Energy	4,786,084	0.49%
Utilities	1,361,460	0.14%
Telecommunications	6,348,259	0.65%
Materials	3,024,804	0.31%
Other/Commingled Funds	137,571,902	14.03%
Total U.S. Equities	**220,526,393**	**22.50%**
International Equities		
Commingled Funds	186,080,688	18.98%
Total Equities	**406,607,081**	**41.48%**
Fixed Income		
Core Commingled Fund	197,797,309	20.18%
Core Plus Commingled Fund	95,167,736	9.71%
Total Fixed Income	**292,965,045**	**29.88%**
Other Investments		
Diversifying Assets	66,999,001	6.83%
Real Estate	55,035,530	5.61%
Private Debt	50,620,136	5.16%
Private Equity	104,669,361	10.68%
Total Other Investments	**277,324,028**	**28.29%**
Total Investments	**976,896,154**	**99.65%**
Short-Term Investments		
Cash and Cash Equivalents	**3,420,567**	**0.35%**
Total Investments and Cash Equivalents	**$980,316,721**	**100.00%**

May not add to 100% due to rounding.


James River Foot Bridge


Richmond Canal Walk

Actuarial Section

The Actuarial Section presents information relating to the funded status of the pension plan. Additionally, this section provides detailed information about actuarial assumptions, includes retirement trend data, and summarized provisions and changes.

October 2, 2026

Board of Trustees
The Richmond Retirement System
Richmond, Virginia

Ladies and Gentlemen:

Actuarial valuations of the Richmond Retirement System are performed annually. The results of the latest actuarial valuation of the System, which was prepared as of July 1, 2026, are summarized in this letter.

The valuation reflects the benefits in effect on the valuation date, and was prepared on the basis of the data submitted by the City using generally accepted actuarial principles and methods.

A. Financing Objective and City's Contribution Amounts

The financing objective of the System is to:

1. Fully fund all current costs based on the normal contribution amount payable by the City determined under the funding method; and

2. Fully fund the unfunded actuarial liability based on actuarial liability contributions payable by the City over an amortization period of no more than 30 years, with level contributions for both Police/Fire and General employees.

The July 1, 2026 valuation develops contribution amounts for the fiscal year ending June 30, 2028. These contribution amounts as of July 1, 2027 are as follows:

General Employees	Police & Fire	Total
$11,825,813	$24,863,456	$36,689,269

The contribution amounts displayed above, once adjusted, are sufficient to support the benefits of the System and administrative expenses and achieve the financing objective set forth above.

B. Net Pension Liability

Under GASB 67, the Net Pension Liability is the excess, if any, of the Total Pension Liability over the Fiduciary Net Position. The Total Pension Liability is determined under the Entry Age actuarial cost method. The Net Pension Liability as of June 30, 2026 and June 30, 2025 is as follows:

	June 30, 2026	June 30, 2025
1. Total Pension Liability:	$1,047,582,712	$1,041,237,304
2. Fiduciary Net Position:	$961,776,512	$883,849,545
3. Net Pension Liability:	$85,806,200	$157,387,759
4. Funded Percentage:	91.8%	84.9%

C. Legislative and Administrative Changes

There were no legislative or administrative changes during the fiscal year ended June 30, 2026.

D. Actuarial Assumptions and Methods

There were no changes to assumptions and methods during the fiscal year ended June 30, 2026.

For purposes of determining contribution amounts, the difference between actual investment earnings and expected investment earnings is recognized over a five-year period, with the restriction that the actuarial asset value cannot be less than 90% or more than 110% of market value. This smoothing method is utilized in order to smooth the impact of short term market fluctuations on the System's contribution amounts. For purposes of financial reporting beginning with the fiscal year ended June 30, 2014, assets are reported at fair market value.

Samples of the actuarial assumptions and descriptions of the actuarial cost method and asset valuation method are set forth in the outline of actuarial assumptions and methods included in the report.

E. System Assets and Participant Data

The individual data for members of the System as of the valuation date were reported to the actuary by the City. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness in comparison with the data submitted for the previous valuation. It is our understanding that the independent auditor of the System has also made an examination of the data.

The value of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System Staff which will be audited by the independent auditor of the System. Assets have been reduced by the value of DROP accounts as those accounts are recognized as benefits payable from the System.

F. Financial Results and Membership Data

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report and the related membership data schedules. We were responsible for providing information for all schedules included in the Actuarial Section as well as certain schedules included in other sections of the annual financial report for the fiscal year ended June 30, 2026. These schedules include the Schedule of Active Members Valuation Data and Schedule of Beneficiaries Added to and Removed from Rolls.

G. Defined Contribution Plan

The City also sponsors a 401(a) Defined Contribution Plan for General employees hired on or after July 1, 2006 and other employees who have elected to participate in that plan in lieu of the Richmond Retirement System's defined benefit plan. An analysis of the Defined Contribution Plan with respect to Virginia Code Title 51.1-800 was conducted and we believe it is in compliance.

H. Funding Adequacy

The results of the valuation indicate contribution amounts payable by the City, when taken together with the current assets of the System including member contributions, is adequate to fund the actuarial liabilities on account of all benefits payable under the System in accordance with generally accepted actuarial principles utilizing the assumptions and methods adopted by the Board.

I. Funding Adequacy (continued)

To the best of our knowledge, this report is complete and accurate and the System is being operated on an actuarially sound basis. All costs and liabilities have been determined in conformance with generally accepted actuarial principles and on the basis of actuarial assumptions and methods which are each individually reasonable taking into account past experience and reasonable expectations of future experience. The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice.

Future liability and asset values may differ from the results shown in this report for many reasons including, but not limited to, actual experience differing from assumed experience, changes in actuarial assumptions or methods, plan amendments, regulatory changes or changes in contribution strategy. An impact analysis of such potential changes is not included in this report. Potential plan risks are discussed in Table 16 in compliance with ASOP 51.

The valuation software used to develop liabilities for this report was ProVal, developed by Winklevoss Technologies, LLC. Creative Planning Institutional Consulting coded ProVal for the data, assumptions and provisions for this plan and believe ProVal is appropriate for performing this valuation.

The undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. We are not aware of any direct or material indirect financial interest or relationship, including investments or other services, that could create a conflict of interest or that would impair the objectivity of our work.

We appreciate the opportunity to be of service to the Richmond Retirement System and are available to answer questions regarding this report or to provide further details as may be requested.

Respectfully submitted,

Creative Planning Institutional Consulting



Daniel L. Homan, EA, MAAA
Team Lead, Actuarial Consultant



William J. Reid, FCA, EA
Team Lead, Actuarial Consultant

CREATIVE PLANNING®

Actuarial Assumptions and Methods

Actuarial Cost Method

For fiscal year ended June 30, 2026, the actuarial cost method used to determine the actuarial liability and the normal cost is the Entry Age Actuarial Cost Method.

The accrued liability and the normal cost are used to determine the City of Richmond's contribution requirement. The July 1, 2024 valuation developed contribution amounts for fiscal year ending June 30, 2026 using the Entry Age Actuarial Cost Method.

The investment return assumption of 7% was adopted for the years ended on and after June 30, 2019. Other actuarial assumptions and methods are as follows:

Actuarial Assumptions

Interest

7.0% per annum, compounded annually; readopted July 1, 2024.

Mortality

Active Lives and Service Retirements

General Employees:
Pub-2010 Below-Median Income Mortality Table for General Employees

Police and Fire Employees:
Pub-2010 Below-Median Income Mortality Table for Public Safety Employees

Disabled Lives

General Employees:
Pub-2010 Below-Median Income Mortality Table for Disabled General Employees

Police and Fire Employees:
Pub-2010 Below-Median Income Mortality Table for Disabled Public Safety Employees

Turnover

General Employees:
An attained age table with the following typical rates:

Age	Rate
25	-
35	0.0950
45	0.0550
55	0.0300
60	0.0100

Police and Fire Employees:
An attained age table with the following typical rates:

Age	Rate
25	0.0993
35	0.0543
45	0.0120
55	0.0019
60	-

Retirement

General Employees:
A select and ultimate table with the following typical rates; 20% for the first year in which the employee is eligible for unreduced immediate retirement benefits, and:

Age	Rate
55-59	0.060
60-61	0.100
62-64	0.150
65	0.250
66	0.300
67-74	0.200
75	1.000

Police and Fire Employees:
A select and ultimate table with the following typical rates; 45% for the first year in which the employee is eligible for unreduced immediate retirement benefits up to age 50 and 40% after age 50, and:

Age	Rate
50	10.0%
51-53	8.0%
54-55	12.0%
56	9.0%
57	15.0%
58	20.0%
59	25.0%
60	30.0%
61-63	20.0%
64	25.0%
65	100.0%

Disability

General Employees:
An attained age table with the following typical rates:

Age	Rate
25	-
35	0.000100
45	0.001500
55	0.008500
60	0.014200

Police and Fire Employees:
An attained age table with the following typical rates:

Age	Rate
25	0.000100
35	0.000200
45	0.001000
55	0.001300

Duty Disability

General Employees:
An attained age table with the following typical rates:

Age	Rate
25	0.000017
35	0.000017
45	0.000059
55	0.000252

Police and Fire Employees:
An attained age table with the following typical rates:

Age	Rate
25	0.000035
35	0.000047
45	0.000170
55	0.000746

Salary Increases

General Employees:
An attained age table with the following typical rates:

Age	Rate
25	0.05000
35	0.05000
45	0.04500
55	0.04000
60	0.03250

Police and Fire Employees:
11% at all ages effective 7/1/2026 followed by an attained age table effective 7/1/2027 and thereafter with the following typical rates:

Age	Rate
25	0.05500
35	0.04500
45	0.04000
55	0.03000
60	0.03000

Cost-of-Living Adjustments

None assumed.

Asset Valuation Basis

For purposes of determining contribution amount, five-year spread of the difference between actual investment earnings and assumed investment earnings at 7% was used. The resulting actuarial asset value cannot be less than 90% or greater than 110% of market value.

Schedule of Active Members Valuation Data

General Defined Benefit Plan Members *(Dollars in Thousands)*

Valuation Date	Members	Annual Payroll	Average Salary	Percent Increase (Decrease) to Average Salary
6/30/26	**362**	**$35,883**	**$99**	**4.8**
6/30/25	395	$37,363	$95	6.7
6/30/24	431	38,199	89	13.7
6/30/23	475	37,036	78	6.8
6/30/22	513	37,458	73	7.0
6/30/21	561	38,275	68	4.2
6/30/20	604	39,532	65	9.1
6/30/19	738	44,286	60	1.1
6/30/18	800	47,493	59	3.3
6/30/17	873	50,169	57	1.5

Police and Fire Defined Benefit Plan Members *(Dollars in Thousands)*

Valuation Date	Members	Annual Payroll	Average Salary	Percent Increase (Decrease) to Average Salary
6/30/26	**638**	**$75,214**	**$118**	**12.8**
6/30/25	660	$68,954	$104	21.0
6/30/24	778	67,179	86	11.8
6/30/23	906	69,953	77	15.5
6/30/22	866	57,873	67	3.9
6/30/21	902	58,028	64	0.1
6/30/20	983	63,181	64	1.5
6/30/19	993	62,902	63	3.0
6/30/18	981	60,321	61	5.9
6/30/17	985	57,195	58	2.9

Defined Contribution 401(a) Plan Members *(Dollars in Thousands)*

Valuation Date	Members	Annual Payroll	Average Salary	Percent Increase (Decrease) to Average Salary
6/30/26	**1,152**	**$90,074**	**$78**	**3.6**
6/30/25	1,813	$136,786	$75	8.2
6/30/24	1,850	129,007	70	10.6
6/30/23	2,631	165,923	63	5.6
6/30/22	2,518	150,363	60	5.5
6/30/21	2,438	138,009	57	3.4
6/30/20	2,400	131,407	55	5.3
6/30/19	2,297	119,416	52	0.9
6/30/18	2,179	112,220	52	1.5
6/30/17	2,051	104,053	51	1.3

Schedule of Beneficiaries Added to and Removed from Rolls

(Dollars in Thousands)

Ended	Added	Annual Allowances Added	Removed	Annual Allowances Removed	Total	Annual Allowances	% Change	Average Annual Allowances	Retirees as a Percent of Active Members	
									Number	Pay
6/30/26	**115**	**$2,377**	**173**	**$2,195**	**3,993**	**$76,727**	**0.2%**	**$19**	**399.3%**	**69.1%**
6/30/25	113	$3,304	162	$2,058	4,051	$76,545	1.7%	$19	384.0%	72.0%
6/30/24	104	$2,199	162	$1,928	4,100	$75,300	0.4%	$18	339.1%	71.5%
6/30/23	121	$2,106	177	$1,952	4,158	$75,028	0.2%	$18	301.1%	70.1%
6/30/22	149	$3,337	211	$3,061	4,214	$74,874	0.4%	$18	305.6%	78.5%
6/30/21	149	$3,985	200	$3,235	4,276	$74,598	1.0%	$17	292.3%	77.5%
6/30/20	220	$5,707	193	$2,378	4,327	$73,848	4.7%	$17	272.7%	71.9%
6/30/19	157	$3,008	175	$2,544	4,300	$70,519	0.7%	$16	248.4%	65.8%
6/30/18	161	$3,332	140	$2,400	4,318	$70,055	1.3%	$16	242.4%	65.0%
6/30/17	128	$2,268	153	$2,179	4,297	$69,123	0.1%	$16	231.3%	64.4%


Richmond International Raceway

Analysis of Financial Experience

Reasons for Change in the Net Pension Liability

The Net Pension Liability (NPL) was $85,806,200 as of June 30, 2026, a decrease of $71,581,559 from $157,387,759 as of June 30, 2025. The decrease was driven primarily by three factors. First, investment performance for the fiscal year was stronger than assumed. The actual return on the market value of assets was 12.4%, compared to the expected return of 7.0%, resulting in an actuarial investment gain of approximately $50.6 million, which reduced the NPL. Second, employer and member contributions and expected investment earnings exceeded the cost of benefits earned during the year, including service cost, interest on the total pension liability, and administrative expenses. This contributed approximately $19.8 million to the decrease in the NPL. Third, actuarial experience other than investment returns — such as demographic gains and losses — resulted in a net gain of approximately $1.2 million. There were no changes in actuarial assumptions, methods, or benefit provisions during fiscal year 2026.

Reasons for Change in Funded Status

The funded status increased from 84.9% as of June 30, 2025 to 91.8% as of June 30, 2026. The increase from the prior year was primarily due to a strong return on investments.

Information for plan provisions regarding benefits can be found in Note VIII beginning on page 29. Additionally, the assumptions and methods used in the actuarial valuation can be found in Note IX beginning on page 33 and in the required supplementary information. Actuarial assumptions used for funding purposes are the same as those used for financial statement purposes.



Carytown ©Jeff Greenberg



Virginia Museum of Fine Arts, Sydney and Frances Lewis Galleries of Mid to Late 20th-Century Art ©Bilyana Dimitrova

Statistical Section

The Statistical Section presents detailed historical information regarding the pension plan administered by the RRS. This information includes a ten-year overview of changes in net position, plan membership, contributions, plan additions and deductions, benefits and refunds. Included in this analysis is statistical information regarding retirees.

Schedule of Changes and Growth in Net Position

Pension Trust Fund *(Dollars in Thousands)*

For the year ended June 30

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Net Position Available — Beginning of Year	**$883,850**	**$819,179**	**$640,850**	**$619,157**	**$685,426**	**$565,456**	**$572,635**	**$569,085**	**$552,713**	**$515,254**
Additions										
Employer Contributions	**39,667**	51,298	187,681	62,168	54,937	55,650	55,241	48,540	46,549	42,911
Member Contributions	**5,749**	6,112	4,447	2,040	1,778	1,804	1,980	1,936	1,963	2,151
Net Investment Income (Loss)	**111,290**	86,655	66,728	34,838	(46,163)	138,700	9,749	25,100	38,843	62,841
Total Additions	**156,706**	**144,065**	**258,856**	**99,046**	**10,552**	**196,154**	**66,970**	**75,576**	**87,355**	**107,903**
Deductions										
Benefit Payments	**76,806**	77,233	78,574	75,672	75,213	74,469	72,761	70,545	69,707	69,186
Refunds	**190**	358	193	71	81	158	52	204	68	117
Administrative/ Depreciation Expenses	**1,783**	1,803	1,760	1,610	1,527	1,557	1,336	1,277	1,208	1,141
Total Deductions	**78,779**	**79,394**	**80,527**	**77,353**	**76,821**	**76,184**	**74,149**	**72,026**	**70,983**	**70,444**
Change in Net Position	**77,927**	**64,671**	**178,329**	**21,693**	**(66,269)**	**119,970**	**(7,179)**	**3,550**	**16,372**	**37,459**
Net Position Available — End of Year	**$961,777**	**$883,850**	**$819,179**	**$640,850**	**$619,157**	**$685,426**	**$565,456**	**$572,635**	**$569,085**	**$552,713**

Schedule of Retirees and Beneficiaries *June 30, 2026*

Amount of Monthly Benefit	Number of Retirees	Type of Retirement[1]							Option Selected[2]					
		A	B	C	D	E	F	G	Life	1	2	3	4	5
$1-$100	298	0	18	275	5	0	0	0	253	18	2	5	2	18
$101-$200	317	3	19	287	5	1	0	2	261	22	3	2	1	28
$201-$300	208	8	29	158	6	1	5	1	163	18	1	4	5	17
$301-$400	193	6	47	118	11	0	6	5	145	17	1	4	1	25
$401-$500	148	10	35	88	2	1	11	1	113	14	0	1	1	19
$501-$600	146	14	41	74	5	5	6	1	103	9	0	4	1	29
$601-$700	116	12	38	53	5	0	6	2	76	8	1	3	3	25
$701-$800	110	9	50	35	6	1	9	0	60	6	1	2	1	40
$801-$900	111	9	56	28	7	3	7	1	64	4	1	1	3	38
$901-$1000	100	13	48	22	3	4	9	1	52	5	2	2	3	36
Over $1000	2,246	402	1,593	106	37	55	53	0	1,568	162	49	93	107	267
Total	**3,993**	**486**	**1,974**	**1,244**	**92**	**71**	**112**	**14**	**2,858**	**283**	**61**	**121**	**128**	**542**

[1]Types of Retirement

A *Normal Retirement* — A general employee age 65 or a sworn public safety officer age 60 or older.

B *Early Service* — A general employee at least age 55, with five years of creditable service, or a sworn public safety officer at least age 50, with five years of creditable service.

C *Deferred Service* — A former vested general employee age 65 or older or a former vested sworn public safety officer age 60 or older.

Deferred Early Service — A former vested general employee at least age 55 but less than age 65 or a sworn public safety officer at least age 50 but less than age 60.

D *Beneficiary (normal, early, deferred retirement)* — Surviving beneficiary of a deceased retiree who is receiving a retirement allowance payable monthly for life.

E *Compensable Disability* — An employee who retires from active service due to a job-related disability.

F *Ordinary Disability* — A vested employee who retires from active service due to a non-job-related disability.

G *Beneficiary (disability)* — Beneficiary of a deceased disability retiree who is receiving a retirement allowance payable monthly for life.

[2]Option Selected

LIFE — Basic Benefit

Option 1 — 100% Joint and Survivor Benefit

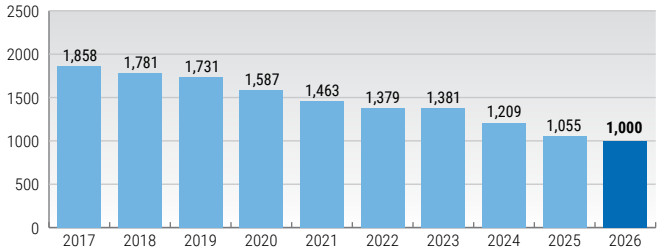
Option 2 — 75% Joint and Survivor Benefit

Option 3 — 50% Joint and Survivor Benefit

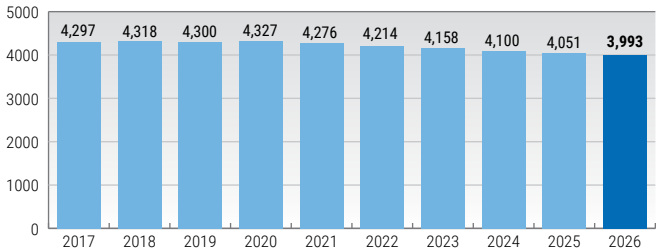
Option 4 — 25% Joint and Survivor Benefit

Option 5 — Social Security (Smooth-Out)

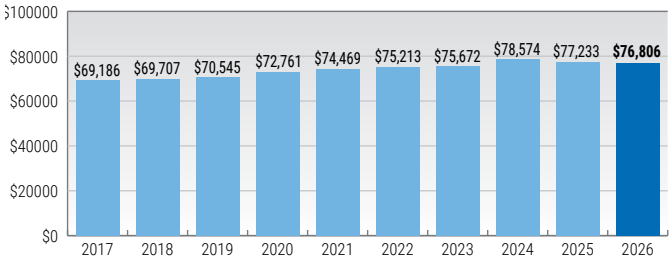
Number of Active Defined Benefit Plan Members



Number of Retirees and Beneficiaries



Retirement Benefits *(Dollars in Thousands)*



Schedule of Participating Employer and Component Unit (Current Year and Ten Years Ago)

	2026		2016	
Participating Employer and Component Unit	Covered Employees	Percentage of Total System	Covered Employees	Percentage of Total System
City of Richmond	990	99.0%	1,873	98.0%
Richmond Behavioral Health Authority	10	1.0%	38	2.0%
Total	**1,000**	**100.0%**	**1,911**	**100.0%**

Benefit Payment Options:

Basic Benefit

This form of payment provides a monthly benefit for life. However, when a member dies, all benefits stop. There are no monthly payments to a beneficiary after death.

Social Security (Smooth-Out) Option

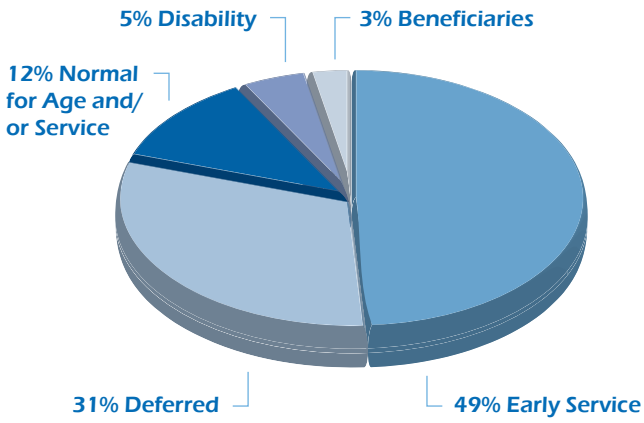
This form of payment provides an increased monthly benefit prior to age 65. When a member reaches age 65, retirement benefits will be reduced by the projected amount of their primary Social Security benefit. The purpose of this option is to provide for a more level total retirement income before and after age 65, taking into account the federal Social Security benefits. There are no monthly payments to a beneficiary after the member's death.

Joint and Survivor Benefit Option

This form of payment provides a reduced benefit during a member's lifetime. Upon the member's death, the same amount or a designated fraction (25%, 50% or 75%) will continue to be paid to a designated beneficiary, if living.

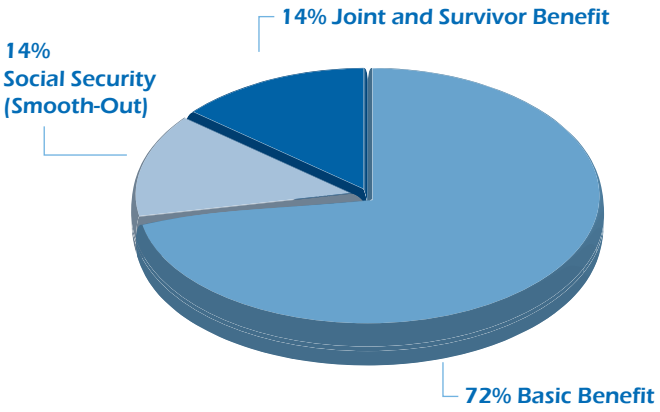
Retirement Types for All Retirees

As of June 30, 2026



Benefit Payment Options for All Retirees

As of June 30, 2026



Schedule of Average Benefit Payments

Retirements Effective July 1, 2016 to June 30, 2026

	Years of Creditable Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
FY 2026							
Average monthly benefit	$195	$400	$743	$990	$3,417	$4,146	$5,067
Average final salary	$35,019	$43,984	$41,798	$39,074	$94,049	$97,306	$99,227
Number of retired members	2	23	15	7	12	16	16
FY 2025							
Average monthly benefit	$636	$297	$910	$1,568	$2,649	$4,402	$5,215
Average final salary	$114,246	$28,042	$53,910	$59,475	$72,717	$96,287	$99,679
Number of retired members	2	17	12	12	14	24	14
FY 2024							
Average monthly benefit	$122	$305	$556	$1,333	$2,836	$4,447	$3,550
Average final salary	$32,040	$36,262	$35,489	$56,972	$95,164	$98,538	$68,527
Number of retired members	1	18	15	11	12	19	20
FY 2023							
Average monthly benefit	$345	$380	$899	$1,121	$1,802	$3,665	$4,140
Average final salary	$130,827	$33,146	$55,396	$49,757	$62,821	$80,228	$84,014
Number of retired members	3	23	9	19	12	22	17
FY 2022							
Average monthly benefit	$193	$369	$1,123	$1,431	$2,312	$3,615	$3,496
Average final salary	$38,175	$33,257	$59,249	$54,722	$70,322	$78,885	$70,716
Number of retired members	1	18	15	24	13	34	19
FY 2021							
Average monthly benefit	$256	$270	$897	$1,170	$1,842	$3,935	$4,226
Average final salary	$39,418	$34,704	$53,128	$46,577	$53,898	$84,101	$81,024
Number of retired members	1	24	13	16	15	35	27
FY 2020							
Average monthly benefit	$210	$295	$686	$1,137	$2,229	$3,022	$2,956
Average final salary	$84,906	$35,361	$43,835	$50,424	$70,850	$64,920	$54,641
Number of retired members	1	26	17	13	27	28	98
FY 2019							
Average monthly benefit	$488	$343	$744	$1,352	$1,546	$3,399	$3,224
Average final salary	$85,690	$34,903	$39,025	$47,110	$50,916	$72,880	$62,348
Number of retired members	6	43	21	16	12	30	24
FY 2018							
Average monthly benefit	$255	$238	$910	$1,266	$1,718	$2,991	$3,331
Average final salary	$41,363	$25,826	$53,314	$49,956	$50,019	$65,135	$67,468
Number of retired members	2	27	22	16	8	20	38
FY 2017							
Average monthly benefit	$146	$293	$816	$1,352	$1,952	$3,214	$2,713
Average final salary	$52,541	$31,507	$44,095	$60,070	$56,857	$66,133	$52,548
Number of retired members	2	22	26	15	13	17	21

Schedule of Membership *June 30, 2026*

Active Defined Benefit Plan Members — By Departments and Agencies

Animal Care & Control		1
Assessor of Real Estate		4
Citizen Service & Response		3
City Attorney's Office		7
City Auditor		1
City Clerk		2
Office of the City Council		1
Department of Community Wealth Building		2
Department of Budget & Strategic Planning		1
Department of Community Development		9
Department of Economic Development		0
Department of Emergency Communications		9
Department of Finance		2
Department of Fire & Emergency Services		283
General Employees	3	
Firefighters	280	
Department of Human Resources		1
Department of Information Technology		8
Department of Parks, Recreation & Community Facilities		38
Department of Procurement Services		1
Department of Public Utilities		93
Department of Public Works		80
Department of Social Services		42
Housing & Community Development		2
Inspector General		0
Juvenile Justice Services		4
Office of the Chief Administrative Officer		2
Minority Business Enterprise		1
Office of the Mayor		1
Office of Strategic Communications and Civic Engagement		1
Office of Sustainability		1
Public Library		8
Richmond Behavioral Health Authority		10
Richmond Police Department		380
General Employees	22	
Police Officers	358	
Richmond Retirement System		1
Human Services		1
Total		**1,000**

Retired Members

General Employees	2,735
Police & Fire Employees	1,257
City Council Members	1
Total	**3,993**

Terminated Vested Defined Benefit Plan Members

General Employees	1,040
Police & Fire Employees	342
Total	**1,382**

Transferred to VRS and Retained RRS Defined Benefit Membership

General Employees	67
Police & Fire Employees	84
Total	**151**

Active Defined Contribution 401(a) Plan Members

General Employees	1,127
Police & Fire Employees	17
City Council Members	8
Total	**1,152**
Total Terminated Vested Defined Contribution Members	644
Total Membership	**8,322**

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www.rva.gov/retirement-system

Richmond Retirement System

RRS

Building your financial future