



**Annual Comprehensive Financial Report**  
for the period ending June 30, 2021

# **Arkansas Judicial Retirement System**

## **Annual Financial Report**

**For the Fiscal Year Ended June 30, 2021**

---

# Table of Contents

## Introduction

<b>A Brief History</b>	5
<b>System Highlights</b>	5
<b>Letter of Transmittal</b>	6
<b>Board of Trustees</b>	8
<b>Administrative Staff</b>	8
<b>Professional Service Providers</b>	9

## Financial Section

<b>Management's Discussion and Analysis</b>	11
<b>Basic Financial Statements</b>	12
The Statement of Fiduciary Net Position	12
The Statement of Changes in Fiduciary Net Position	13
<b>Notes to the Financial Statements</b>	14
Note 1: Plan Description	14
Note 2: Summary of Significant Accounting Policies	15
Note 3: Deposits and Investments	16
Note 4: Legally Required Reserves	22
Note 5: Net Pension Liability	23
<b>Required Supplementary Information</b>	25
Schedule of Employer Contributions	25
Schedule of the Net Pension Liability	25
Schedule of Investment Returns	25
Schedule of Changes in the Net Pension Liability and Related Ratios	26

## Investment Section

<b>Capital Markets Commentary</b>	29
Investment Portfolio Assets	30
<b>Asset Allocation: Actual vs Target</b>	31
<b>Manager Distribution</b>	31
<b>Schedule of Comparative Investment Results by Year</b>	32
<b>Schedule of Comparative Annualized Investment Results</b>	32
<b>Ten Largest Holdings by Category</b>	33
Domestic Fixed Income	33
Domestic Equity	33
International Equity	33
<b>Schedule of Brokerage Commissions</b>	34
<b>Schedule of Investment Manager Fees</b>	35

---

## Actuarial Section

<b>Actuary's Certification Letter</b>	37
<b>Summary of Actuarial Assumptions</b>	39
<b>Supplementary Information</b>	40
<b>Actuarial Data</b>	41
Single Life Retirement Values	41
Decrement and Pay Increase Assumptions for Active Members	42
Probabilities of Retirement for Members Eligible to Retire	42
Computed Employer Contribution Rates	43
Retirees and Beneficiaries by Attained Age	44
Active Tier One Members by Attained Age and Years of Service	45
Active Tier Two Members by Attained Age and Years of Service	46
<b>Actuarial Analysis</b>	47
Short Condition Test	47
Short Condition Test: Ten-Year Comparative Statement	47
Analysis of Experience: Changes in Unfunded Actuarial Accrued Liabilities	48
Analysis of Experience: Gains/Losses by Risk Area	49
<b>Summary of Plan Provisions</b>	50

## Statistical Section

<b>The System</b>	53
Schedule of Revenues by Source	53
Chart of Revenues by Source	53
Schedule of Expenses by Type	54
Chart of Expenses by Type	54
Schedule of Benefit Expenses by Type	55
Chart of Benefit Expenses by Type	55
<b>Membership</b>	56
Schedule of Retired Members by Type of Benefit	56

This Page Intentionally Left Blank

# Introduction

The Introduction summarizes the System's performance during the 2021 fiscal year and lists some of the people responsible for it, including the Board of Trustees, the senior agency staff, and key professional contractors and consultants.

**A Brief History**

**System Highlights**

**Letter of Transmittal**

**Board of Trustees**

**Administrative Staff**

**Professional Service Providers**



**AJRS**  
ARKANSAS JUDICIAL  
RETIREMENT SYSTEM



# A Brief History

## Arkansas Judicial Retirement System

With the passage of Act 365 on March 28, 1953, the Arkansas General Assembly created the Arkansas Judicial Retirement System (AJRS or the System).

The statutes providing for and governing AJRS may be found in Chapters 2 and 8 of Title 24 of the Arkansas Code Annotated (A.C.A.). The administration and control of the System is vested in the Board of Trustees of the Arkansas Judicial Retirement System (the Board). The Board is appointed by the Arkansas Judicial Council.

The System provides for the retirement of all circuit judges, court of appeals judges, and Arkansas Supreme Court justices. Act 399 of 1999 created a Tier II benefit plan for all persons who become members of the System after August 1, 1999. Any active member of the System prior

to August 1, 1999 had until the end of the term in office in which the member is serving on the effective date to elect coverage under Tier II.

Act 744 of 2009 permits Tier I judges with at least 20 years of judicial service to continue making 6% employee contributions in exchange for a 2.5% increase in benefits for each additional year of service. The maximum benefit payable is 75% of final salary.

This Annual Comprehensive Financial report, which covers the period from July 1, 2020 through June 30, 2021, provides comprehensive information about the System including statements of financial condition, investment objectives and policy, an actuarial report, historical and statistical information on active members, annuitants and benefit payments, as well as a description of the retirement plan.

## System Highlights (as of June 30, 2021)

Active Members	2021		2020	
	Tier 1	Tier II	Tier 1	Tier II
Number	8	137	142	123
Average Age (yrs.)	67.6	56.8	60.9	59.6
Average Service (yrs.)	29.1	8.1	17.9	11.3
Average Annual Salary	\$176,625	\$175,668	\$173,524	\$173,082

Retirees	2021	2020
Number	33	3
Average Age (yrs.)	71	67.3
Average Service (yrs.)	25	21
Average Monthly Benefit	\$8,517	\$8,962

All Retired Members		
Number	178	148
Average Age (yrs.)	76.7	77.1
Average Service (yrs.)	NA	NA
Average Monthly Benefit	\$8,034	\$7,716

# Letter of Transmittal



124 West Capitol, Suite 400 • Little Rock, AR 72201-3704  
501-682-7800 • 1-800-682-7377 • [www.apers.org](http://www.apers.org)

Dear AJRS Members:

The Arkansas Judicial Retirement System (AJRS) is pleased to present the Annual Comprehensive Financial Report for the period ending June 30, 2021. The report is designed to provide a clear and concise picture of the financial condition of the System. The report includes the following sections:

- Introduction
- Financial
- Investment
- Actuarial
- Statistical

## Accounting System

The accrual basis of accounting is used to record the assets, liabilities, revenues, and expenses of the Arkansas Judicial Retirement System Trust Fund. Revenues are recognized in the accounting period in which they are earned, without regard to date of collection, and expenses are recorded when incurred, regardless of when payment is made. Investments are reported at market values determined by the custodial agent. The agent's determination of market value includes, among other things, using pricing services or prices quoted by independent brokers at current exchange rates.

## Funding

The System is funded through contributions from the state and employees as well as investment income. The general financial objective of the System is to establish and receive contributions which, expressed as a percentage of active member payroll, will remain approximately level from generation to generation.

## Investments

In accordance with the Investment Code contained in A.C.A. Title 24, Chapter 2, the Board is required to invest the funds in conformity with the "prudent investor rule." The Investment Code permits the Board to establish an investment policy based upon certain investment criteria and allows the Board to retain professional investment consultants to assist the Board in making investments. The Board has established an investment policy that reflects the level of risk that is deemed appropriate for the fund. The investment consultants retained by the Board is listed in the schedule of professional services contractors.

## Professional Services

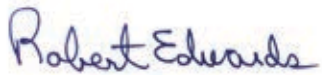
Professional services are provided to AJRS by a firm selected by the Board to aid in the efficient and effective management of the System. A listing for this firm as well as other professional services contractors retained by AJRS is shown on page 9 of this report.



## Acknowledgments

This report is the result of the combined efforts of the AJRS staff under the direction of the Board. Its purpose is to provide complete and reliable information as a basis for making management decisions, as a means for determining compliance with legal provisions, and as a means for determining responsible stewardship over the assets contributed by the members and employers.

Judge Robert Edwards

A handwritten signature in blue ink that reads "Robert Edwards".

Chairman, AJRS Board of Trustees

Ms. Allison Woods

A handwritten signature in blue ink that reads "Allison Woods".

Acting Executive Director

## Board of Trustees

**The Honorable Robert Edwards, Chair**  
Retired Circuit Judge  
P.O. Box 42  
Searcy, AR 72145

**The Honorable Raymond Abramson**  
Arkansas Court of Appeals Judge  
625 Marshall Street  
Little Rock, AR 72201-1080

**The Honorable Mark Hewett**  
Retired Circuit Judge  
7201 Highland Park  
Fort Smith, AR 72916

**The Honorable Charles Yeargan**  
Retired Circuit Judge  
P.O. Box 820  
Murfreesboro, AR 71958

**The Honorable Marcia Hearnberger**  
Eighteenth Judicial Circuit East Judge  
501 Ouachita Avenue, Room 304  
Hot Springs, AR 71901

## Administrative Staff

**Allison Woods**  
Interim Executive Director

**Jason Willett**  
Chief Financial Officer

**Carlos Borromeo**  
Chief Investment Officer

**Laura Gilson**  
Chief Legal Counsel

**Vacant**  
Director of Human Resources

**Phillip Norton**  
Director of Information Technology

**Jennifer Taylor**  
Director of Benefits Administration

**Jacobia Bates**  
Manager, Educational Outreach

**Jon Aucoin**  
Manager, Communications Section

**Cheryl Wilburn**  
Manager, Member and Retiree Services Section

**John Owens**  
Internal Auditor

**Usha Doolabh**  
Accounting Operations Manager, Investments

# Professional Service Providers

## **Custodian Bank**

**The Bank of New York Mellon**  
Pittsburgh, PA 15258

## **Actuary**

**Gabriel, Roeder, Smith & Co.**  
Southfield, MI 48076

## **Investment Consultant**

**Callan Associates, Inc.**  
Chicago, IL 60602

## **Investment Managers**

**Aristotle Capital Boston**  
Boston, MA 02110

**Baillie Gifford**  
Edinburgh, Scotland

**Boston Partners**  
Boston, MA 02108

**Invesco Real Estate**  
Dallas, TX 75240

**MacKay Shields**  
New York, NY 10105

**Mellon Capital**  
Pittsburgh, PA 15258

This Page Intentionally Left Blank

# Financial

The Financial Section features objective analysis of the System's overall financial health and provides a comprehensive report of its income and expenses for the fiscal year.

## **Management's Discussion and Analysis**

### **Basic Financial Statements**

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position

### **Notes to the Financial Statements**

- Note 1: Plan Description
- Note 2: Summary of Significant Accounting Policies
- Note 3: Deposits and Investments
- Note 4: Legally Required Reserves
- Note 5: Net Pension Liability

### **Required Supplementary Information**

- Schedule of Employer Contributions
- Schedule of Net Pension Liability
- Schedule of Investment Returns
- Schedule of Changes in Net Pension Liability and Related Ratios



**AJRS**  
ARKANSAS JUDICIAL  
RETIREMENT SYSTEM

# Management's Discussion and Analysis

This discussion and analysis of the Arkansas Judicial Retirement System provides an overview of the System's financial activities for the fiscal year ended June 30, 2021. It is intended to be used in conjunction with the transmittal letter and the financial statements and notes, which begin on page 16 of this report.

## Using This Financial Report

This Annual Comprehensive Financial Report reflects the activities of the Arkansas Judicial Retirement System as reported in the Statement of Fiduciary Net Position (page 12) and the Statement of Changes in Fiduciary Net Position (page 13). These statements are presented on an accrual basis and reflect all Trust Fund activities as incurred. The Notes to the Financial Statements are an integral part of the financial statements and include additional information essential to understanding the basic financial statements. The Required Supplementary Information following the Notes to the Financial Statements provide historical information and additional details considered useful in evaluating the condition of the plan. Investment data in the Financial section is presented at fair value. See the Actuarial Section of this report for a detailed discussion of the actuarial value of assets and liabilities and the funded ratio.

## Financial Highlights

The net position restricted for pension benefits increased by \$66.1 million during FY2021. On June 30, 2021, total plan assets were \$350.6 million. These assets exceeded total liabilities of \$3.7 million, resulting in a net position restricted for pension benefits of \$346.9 million.

- Total additions for the system increased by \$54.4 million in FY2021. The primary reason for this large increase in FY2021 additions was the increase in net investment income of \$54.8 million. AJRS had a tremendous year with an investment return of 25.99% in FY2021.
- Benefit payments increased approximately \$1.87 million in FY2021 due to a large increase in the number of retirees which happened in FY2021.

- Administrative expenses increased slightly in FY2021 due primarily to an increase in professional fees pertaining to the annual actuarial valuation.

## The Statement of Fiduciary Net Position

The Statement of Fiduciary Net Position (see page 12) reports the pension trust fund's assets, liabilities, and resulting net position such that at the end of the fiscal year

$$\text{assets} - \text{liabilities} = \text{net position.}$$

It is a snapshot of the financial position of the pension trust fund at that specific time.

## The Statement of Changes in Fiduciary Net Position

The Statement of Changes in Fiduciary Net Position (see page 13) reports the pension trust fund's financial transactions that have occurred during the fiscal year such that

$$\text{additions} - \text{deductions} = \text{net change in net position.}$$

It indicates the change that has occurred to the prior year's net position value on the Statement of Fiduciary Net Position.

## Notes to the Financial Statements

The notes to the financial statements are provided as an integral component of the financial statements to help explain in narrative form some of the more complex or less obvious elements to the statements. Further, the notes provide additional information that is essential for a comprehensive understanding of the System's financial condition and the results of its operations.

- Note 1 provides a general description of the System, including information regarding membership and employers.
- Note 2 summarizes significant accounting policies, including the basis of accounting, management's use of estimates, and other accounting policies.
- Note 3 describes deposits and investments risk.
- Note 4 provides information regarding legally required reserves.
- Note 5 provides information regarding the System's net pension liability.



# Basic Financial Statements

## The Statement of Fiduciary Net Position *(for the years ended June 30)*

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$3,321,689	\$2,307,123
Receivables:		
Contributions	0	169,504
Investment Principal Receivable	1,942,862	528,392
Accrued Investment Income Receivable	1,048,708	918,115
Total Receivables	2,991,570	1,616,011
Investments At Fair Value:		
Government Securities	35,674,389	25,348,643
Corporate Securities	211,204,945	161,919,710
International Securities	69,747,982	63,926,368
Real Estate	26,034,969	24,220,615
Commercial Loans	1,650,238	2,518,753
Total Investments	344,312,523	277,934,089
TOTAL ASSETS	350,625,782	281,857,224
LIABILITIES		
Accrued Expenses and Other Liabilities	358,192	274,689
Investment Principal Payable	3,378,658	745,396
TOTAL LIABILITIES	3,736,850	1,020,085
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$346,888,932	\$280,837,139

## The Statement of Changes in Fiduciary Net Position *(for the years ended June 30)*

	2021	2020
ADDITIONS		
Contributions:		
Employer	\$8,038,373	\$8,177,723
Employee	1,117,205	1,138,323
Court Fees	171,520	394,974
Total Contributions	9,327,098	9,711,020
Investment Income:		
Interest	3,588,299	3,473,766
Dividends	2,446,967	3,408,349
Investment Gain	67,343,240	11,607,056
Total Investment Income	73,378,507	18,489,171
Less: Investment Expense	1,149,057	1,054,984
Net Investment Income	72,229,450	17,434,187
Other Additions:		
Miscellaneous Additions	13	1,096
TOTAL ADDITIONS	81,556,561	27,146,303
DEDUCTIONS		
Benefits	15,310,419	13,440,774
Refunds of Contributions	49,199	5,986
Administrative Expenses	145,150	141,891
TOTAL DEDUCTIONS	15,504,768	13,588,651
NET INCREASE (DECREASE)	66,051,793	13,557,652
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of Year	280,837,139	267,279,487
End of Year	\$346,888,932	\$280,837,139

# Notes to the Financial Statements

The notes to the financial statements are provided as an integral component of the financial statements to help explain in narrative form some of the more complex or less obvious elements to the statements. Further, the notes provide additional information that is essential for a comprehensive understanding of the System’s financial condition and the results of its operations.

- Note 1 provides a general description of the System, including information regarding membership and employers.
- Note 2 summarizes significant accounting policies, including the basis of accounting, management’s use of estimates, and other accounting policies.
- Note 3 describes deposits and investments risk
- Note 4 provides information regarding legally required reserves.

- Note 5 provides information regarding the System’s net pension liability

### Note 1: Plan Description

AJRS is a single-employer, defined benefit pension plan established on March 28, 1953.

The System provides for the retirement of all circuit judges, court of appeals judges, and Supreme Court justices. The laws governing operations of AJRS are set forth in Arkansas Code of 1987 Annotated (A.C.A.) §§ 24-8-201 through 24-8-228 and §§ 24-8-701 through 24-8-717. The administration and control of the System is vested in the Board of Trustees of the Arkansas Judicial Retirement System (the Board), which includes five members selected by the Arkansas Judicial Council.

### Membership

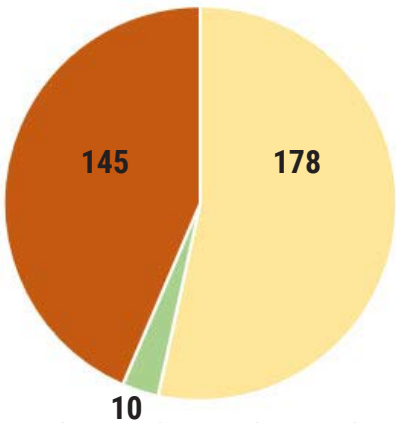
As of June 30, 2020 and 2021, membership was as follows:

#### Membership

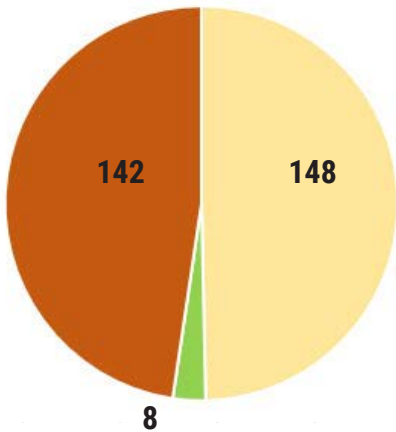
Retirees and Beneficiaries Receiving Benefits
Terminated Plan Members Entitled To But Not Receiving Benefits
Active Plan Members
Total

2021	2020
178	148
10	8
145	142
333	298

Membership 2021



Membership 2020



## Contributions

Contribution provisions are established by state law and may be amended only by the Arkansas General Assembly. The contribution rate of each member of the System is 6% of annual salary for Tier I (A.C.A. § 24-8-209) and 5% of annual salary for Tier II (A.C.A. § 24-8-706). When a judge is certified as eligible for retirement, no further contribution is required of that member for Tier I (A.C.A. § 24-8-211) or for Tier II (A.C.A. § 24-8-708). The employer contribution rate is 12% of salaries paid.

In addition to the 12% employer rate and the statutory fees, the Chief Fiscal Officer of the State is required to transfer from the Constitutional and State Central Services Fund an amount that is equal to the difference between the mandatory contribution rate and the actuarially determined rate necessary to fund the plan (A.C.A. § 24-8-210).

## Plan Administration

Costs for administering the plan are paid out of investment earnings.

## Benefits

An active member in Tier I with a minimum of 10 years of credited service may voluntarily retire upon reaching 65 years of age or thereafter upon filing a written application with the Board. Any other Tier I member who has a minimum of 20 years of credited service may retire regardless of age, and any judge or justice who has served at least 14 years is eligible for benefits upon reaching age 65. In all cases of age and service retirement for judges or justices elected after July 1, 1983 and remaining in Tier I, the member must have a minimum of 8 years of actual service as a justice of the Arkansas State Supreme Court or a judge of the circuit courts or the Arkansas Court of Appeals (A.C.A. § 24-8-215). An active or former member in Tier II may retire at age 65 with 8 or more years of actual service or after 20 years of actual service regardless of age (A.C.A. § 24-8-710).

## Increases after Retirement

For any person who was a member on or before June 30, 1983, the retirement benefits are increased or decreased from time to time as the salary for the particular judicial office is increased or decreased. For all judges or justices first elected on or after July 1, 1983, and who have received

retirement benefits from the System for at least 12 full calendar months, the retirement benefits are increased each July 1st by 3%. Post retirement increases for members are authorized in A.C.A. sections as follows:

Tier I judges first elected before July 1, 1983	§ 24-8-218 (c) (1) (B)
Tier I judges first elected after July 1, 1983	§ 24-8-223
Tier II judges:	§ 24-8-717

## Note 2: Summary of Significant Accounting Policies

### Basis of Accounting

AJRS accounts and records are maintained using fund accounting principles, and its financial statements are prepared using the accrual basis of accounting. Contributions and other revenues are recorded in the accounting period in which they are earned, and expenses are recognized when due and payable in accordance with the terms of the System.

### Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the U.S. requires the System administrator to make significant estimates and assumptions that affect various data in the report, including the following:

- The net position restricted for pensions at the date of the financial statements
- The net pension liability and other actuarial information presented in Note 5
- The required supplementary information as of the benefit information date
- The changes in fiduciary net position during the reporting period

Estimates may also be involved in formulating disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

### Cash and Cash Equivalents

Cash and cash equivalents include demand accounts, cash in state treasury, and short-term investment funds (STIF). The STIF accounts are created through daily sweeps of excess cash by the System's custodian bank into a bank-

sponsored commingled fund that is invested in U.S. Government and agency securities and other short-term instruments.

### Note 3: Deposits and Investments

Deposits are carried at cost and are included in "cash and cash equivalents." Cash and cash equivalents include demand accounts, cash in state treasury, and short-term investment funds. As of June 30, 2021, these totals were \$17,261, \$535, and \$3,303,893 respectively. State Treasury Management Law governs the management of funds held in the State Treasury (cash in state treasury) and it is the responsibility of the Treasurer of State to ensure the funds are adequately insured and collateralized.

#### Investments

Arkansas Code Annotated §§ 24-2-601 – 24-2-619 authorize the Board to have full power to invest and reinvest monies of the System and to hold, purchase, sell, assign, transfer or dispose of any of the investments or proceeds of the investments in accordance with the prudent investor rule. Security transactions and any resulting gains or losses are accounted for on a trade basis. Net investment income includes net appreciation in the fair value of investments, interest income, dividend income, and total investment expense, which includes investment management fees, custodial fees, and all other significant investment-related costs.

Arkansas Code Annotated § 24-2-608 also states that the System shall seek to invest not less than 5% nor more than 10% of the System's portfolio in Arkansas-related investments. APERS recognizes a legal responsibility to seek to invest in the Arkansas economy while realizing that its primary, legal, and fiduciary commitment is to beneficiaries of the retirement system. As stated in A.C.A. § 24-2-608 (d), "nothing in this section shall in any way limit or impair the responsibility of a fiduciary to invest in accordance with the prudent investor rule set forth in §§ 24-2-610 – 24-2-619."

Investments are reported at fair value as determined by the custodian bank. The custodian bank's determination of fair values includes,

among other things, using pricing services or quotes by major independent brokers at current exchange rates as available. The schedule on the following page reflects the fair value of investments.

### Statement of Invested Assets

(Assets by type at fair value in dollars as of June 30, 2021)

<b>Government Securities:</b>	
U.S. Government Securities	\$23,157,192
U.S. Government Agency Securities	12,339,830
Futures	177,367
<b>Corporate Securities:</b>	
Fixed Income Commingled	
High Yield Income Fund	11,863,003
Collateralized Obligations	19,184,794
Corporate Bonds	55,802,894
Common Stock	123,192,606
Domestic Equity Commingled	0
Convertible Preferred	764,523
Preferred	397,125
<b>International Securities:</b>	
Global Commingled	49,952,074
Global Corporate Fixed Income	9,856,932
Forwards	0
Global Equity	5,911,463
Global Govt Fixed	
Emerging Markets	4,027,512
<b>Real Estate</b>	26,034,969
<b>Commercial Loans</b>	1,650,238
<b>Total</b>	<b>\$344,312,523</b>

### Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are (a) uninsured, (b) not registered in the name of the government, and (c) held by either the counterparty or the counterparty's trust department or agent but not in the System's name. Arkansas Code Annotated § 24-2-606 does address the custodianship of assets, and the investment policy states that "the custodian bank shall, by nominee agreement, hold any and all securities for the beneficial interest of the APERS fund." As of June 30, 2021, there were no investments exposed to custodial credit risk.

## Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. Interest rate risk is the greatest risk faced by an investor in the debt securities market since the price of a debt security will often move in the opposite direction of the change in interest rates.

The System's external fixed income investment manager uses the measurement of effective duration to mitigate the interest rate risk of the fixed income investments. The fixed income investment manager monitors and reports the effective duration on a monthly basis. The effective duration of the investment portfolio is required to be +/- 10% of the benchmark's duration. The benchmark for the U.S. fixed income markets is the Barclays Capital U.S. Aggregate Bond Index.

## Debt Security Investments and Maturities

(as of June 30, 2021)

Category	Market Value	Less than 1 Year	1 - 5 Years	6 - 10 Years	More than 10 Years	Fund - No Maturities
<b>Government Securities</b>						
U.S. Government Securities	\$23,157,192	\$0	\$3,817,627	\$9,895,233	\$9,444,332	\$0
Agency CMO	5,842,301	0	0	1,118,079	4,724,222	0
Agency Pooled	3,378,272	0	0	0	3,378,272	0
U.S. Fixed Futures	177,367	177,367	0	0	0	0
<b>Total Government Securities</b>	<b>32,555,133</b>	<b>177,367</b>	<b>3,817,627</b>	<b>11,013,312</b>	<b>17,546,826</b>	<b>0</b>
<b>Corporate Securities</b>						
Collateralized Obligations	19,184,794	0	1,756,173	2,259,454	15,169,168	0
Preferred Stock	397,125	0	0	0	397,125	0
Convertible Preferred Stock	764,523	0	0	0	764,523	0
U.S. Corporate Bonds	55,802,894	583,650	15,017,927	26,677,620	13,523,697	0
<b>Total Corporate Securities</b>	<b>76,149,336</b>	<b>583,650</b>	<b>16,774,099</b>	<b>28,937,074</b>	<b>29,854,513</b>	<b>0</b>
<b>International Securities</b>						
Emerging Market	4,027,512	0	710,954	1,713,127	1,603,432	0
Global Corporate Fixed	9,856,932	0	2,613,220	3,745,277	3,498,436	0
<b>Total International Securities</b>	<b>13,884,445</b>	<b>0</b>	<b>3,324,173</b>	<b>5,458,404</b>	<b>5,101,868</b>	<b>0</b>
<b>Commercial Loans</b>	<b>1,650,238</b>	<b>0</b>	<b>957,257</b>	<b>692,981</b>	<b>0</b>	<b>0</b>
<b>High Yield Income Fund</b>	<b>11,863,003</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,863,003</b>
<b>Municipal Bonds</b>	<b>319,030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>319,030</b>	<b>0</b>
<b>Grand Total</b>	<b>\$136,421,185</b>	<b>\$761,017</b>	<b>\$24,873,157</b>	<b>\$46,101,771</b>	<b>\$52,822,237</b>	<b>\$11,863,003</b>

## Credit Risk for Investments

Credit risk of investments is the risk that the issuer or other counterparty will not fulfill its obligation to the holder of the investment. Credit risk exposure is dictated by each investment manager's agreement. This credit risk is measured by the credit quality of investment in debt securities as described by nationally recognized statistical rating organizations. Each portfolio is managed in

accordance with investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual security quality rating tiers, and the average credit quality of the overall portfolio.

The schedule on the following page indicates the System's exposure to credit risk for investments.



## The System's Exposure to Credit Risk

### Moody's Quality Ratings *(in dollars as of June 30, 2021)*

Moody's Rating	AAA	AA	A	BBB	BB	B	CCC or below	Not Rated	Base Market Value
<b>Government Securities</b>									
U.S. Government Securities	0	\$23,157,192	0	0	0	0	0	0	\$23,157,192
Agency CMO	0	4,724,222	0	0	0	0	0	1,118,079	5,842,301
Agency Pooled	0	3,378,272	0	0	0	0	0	0	3,378,272
U.S. Fixed Futures	0	0	0	0	0	0	0	177,367	177,367
<b>Total Government Securities</b>	0	31,259,686	0	0	0	0	0	1,295,447	32,555,133
<b>Corporate Securities</b>									
Collateralized Obligations	1,019,121	1,163,411	1,289,311	1,243,246	571,168	693,982	772,735	12,431,821	19,184,794
Preferred Stock	0	0	0	397,125	0	0	0	0	397,125
Convertible Preferred Stock	0	0	0	433,738	330,785	0	0	0	764,523
U.S. Corporate Bonds	656,591	485,580	8,687,439	32,123,573	8,553,021	2,351,898	739,994	2,204,798	55,802,894
<b>Total Corporate Securities</b>	1,675,712	1,648,990	9,976,750	34,197,682	9,454,974	3,045,880	1,512,729	14,636,619	76,149,336
<b>International Securities</b>									
Emerging Market	0	0	425,926	1,370,115	1,354,279	0	0	877,193	4,027,512
Global Corporate Fixed	0	0	657,175	5,772,091	2,277,702	658,155	0	491,810	9,856,932
<b>Total International Securities</b>	0	0	1,083,101	7,142,206	3,631,980	658,155	0	1,369,003	13,884,445
<b>Commercial Loans</b>	0	0	0	66,390	0	1,512,447	71,400	0	1,650,238
<b>High Yield Income Fund</b>	0	0	0	0	0	0	0	11,863,003	11,863,003
<b>Municipal Bonds</b>	0	319,030	0	0	0	0	0	0	319,030
<b>Grand Total</b>	<u>\$1,675,712</u>	<u>\$33,227,707</u>	<u>\$11,059,851</u>	<u>\$41,406,278</u>	<u>\$13,086,954</u>	<u>\$5,216,481</u>	<u>\$1,584,129</u>	<u>\$29,164,072</u>	<u>\$136,421,185</u>

### S&P's Quality Ratings *(in dollars as of June 30, 2021)*

Moody's Rating	Aaa	Aa	A	Baa	Ba	B	Caa or below	Not Rated	Base Market Value
<b>Government Securities</b>									
U.S. Government Securities	\$23,157,192	0	0	0	0	0	0	0	\$23,157,192
Agency CMO	4,724,222	0	0	294,099	0	0	0	823,980	5,842,301
Agency Pooled	3,378,272	0	0	0	0	0	0	0	3,378,272
U.S. Fixed Futures	0	0	0	0	0	0	0	177,367	177,367
<b>Total Government Securities</b>	31,259,686	0	0	294,099	0	0	0	1,001,347	32,555,133
<b>Corporate Securities</b>									
Collateralized Obligations	2,979,895	2,051,823	1,604,225	1,123,639	209,368	533,472	305,630	10,376,740	19,184,794
Preferred Stock	0	0	0	397,125	0	0	0	0	397,125
Convertible Preferred Stock	0	0	0	764,523	0	0	0	0	764,523
U.S. Corporate Bonds	257,899	1,448,882	9,858,025	28,505,041	8,108,101	3,237,207	129,300	4,258,438	55,802,894
<b>Total Corporate Securities</b>	3,237,794	3,500,705	11,462,250	30,790,328	8,317,469	3,770,679	434,930	14,635,179	76,149,336
<b>International Securities</b>									
Emerging Market	0	0	425,926	1,770,685	816,694	0	0	1,014,208	4,027,512
Global Corporate Fixed	0	0	993,971	5,221,886	2,850,365	381,862	0	408,849	9,856,932
<b>Total International Securities</b>	0	0	1,419,897	6,992,571	3,667,058	381,862	0	1,423,057	13,884,445
<b>Commercial Loans</b>	0	0	0	0	66,390	1,512,447	71,400	0	1,650,238
<b>High Yield Income Fund</b>	0	0	0	0	0	0	0	11,863,003	11,863,003
<b>Municipal Bonds</b>	0	319,030	0	0	0	0	0	0	319,030
<b>Grand Total</b>	<u>\$34,497,481</u>	<u>\$3,819,735</u>	<u>\$12,882,147</u>	<u>\$38,076,999</u>	<u>\$12,050,918</u>	<u>\$5,664,989</u>	<u>\$506,330</u>	<u>\$28,922,586</u>	<u>\$136,421,185</u>

### Asset-Backed Securities

Asset-backed securities (ABSs) are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other credit providers. The System's ability to recover the amount of principal invested in these securities depends on the performance and quality of the trust assets.

### Mortgage-Backed Securities

A mortgage-backed security (MBS) is a type of asset-backed security that is secured by a mortgage or collection of mortgages. MBSs depend on the underlying pool of mortgage loans to provide cash flow to make principal and interest payments on the security to its holders. The payments are usually periodic, similar to coupon payments. MBSs are subject to credit risk, prepayment risk, and extension risk.

A collateralized mortgage obligation (CMO) is an MBS that comprises classes of bonds created by prioritizing the cash flows of the underlying mortgage pool. CMOs may be collateralized by whole-loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities.

The System invests in MBSs and CMOs for diversification and to enhance fixed income returns. These instruments are reported at fair value in the Statement of Fiduciary Net Position.

### Corporate Bonds

As of June 30, 2021, the System held corporate bonds with a fair value of approximately \$56 million. Corporate bonds are a debt security issued by a corporation. The backing for the bond is usually the ability of the company to pay the debt, which is typically based on money to be earned from future operations. In some cases, the company's physical assets may be used as

collateral for bonds. Such bonds usually have a fixed term maturity and can have either a fixed or variable interest rate. Variable interest rate bonds have adjustments that are made periodically and vary directly with movements in interest rates.

### Pooled Funds

AJRS has approximately \$50 million invested in international pooled funds. AJRS could be indirectly exposed to credit and market risks associated with currency forward contracts to the extent that these pooled funds hold currency forward contracts for purposes of managing exposure to fluctuations in foreign exchange rates.

### Derivative Instruments

Derivative instruments are financial contracts or agreements whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. Derivative instruments include futures contracts, forward contracts, swap contracts, options contracts, and forward foreign currency exchange. At any given time, AJRS, through its external investment managers, may hold such instruments. The external investment managers may enter into these investments on behalf of AJRS, primarily to enhance the performance and reduce the volatility of its portfolio. The external investment managers may enter into swaps and futures contracts to gain or hedge exposure to certain markets and to manage interest rate risk. AJRS' external investment managers seek to control this risk by evaluating the counterparties before approval, establishing credit limits for each counterparty, and employing procedures for monitoring exposure to credit risk. AJRS' external investment managers anticipate that the counterparties will be able to satisfy their obligations under the contracts. Investments in limited partnerships and commingled funds may include derivatives that are not shown in any derivative totals.

Futures Contract	Expiration	Notional Value	Fair Value	Unrealized Gain (Loss)
US 2-year Treasury Note	Sept 2021	\$7,944,750	\$7,931,531	\$(13,219)
US 5-year Treasury Note	Sept 2021	743,602	740,578	(3,023)
US 10-year Treasury Note	Sept 2021	(1,856,000)	(1,855,000)	1,000
US 10-year Ultra Treasury Note	Sept 2021	(6,699,860)	(6,771,344)	(71,484)
US Ultra Bond Treasury	Sept 2021	5,769,781	5,973,313	203,531
US Long Bond Future	Sept 2021	2,672,188	2,732,750	60,563
		\$8,574,461	\$8,751,828	\$177,367

## Fair Value Measurements

AJRS categorizes its fair value measurements within the fair value hierarchy by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lower priority to unobservable inputs (Level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table(s) on the following pages shows the fair value leveling of the investments for the System.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Real estate, timberland, and Partnership assets classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument(s) and should not be perceived as the particular investment's risk.

## Investments and Derivative Instruments Measured at Fair Value

(in dollars as of June 30, 2021)

### Investments At Fair Value

	Fair Value	Level 1	Level 2	Level 3
U.S Domestic Equities	\$71,084,644	\$69,922,995	\$1,161,648	
Fixed Income				
U.S. Government Securities	33,355,312	23,157,192	10,198,119	
Collateralized Obligations	22,642,825		22,642,825	
Futures	177,367	177,367		
Global Corporate Fixed	9,856,932		9,856,932	
Emerging Markets	4,027,512		4,027,512	
Corporate Bonds	54,167,542		54,167,542	
Commercial Loans	1,650,238			1,650,238
Municipal Bonds	319,030		319,030	0
<b>Total Investments Measured at Fair Value</b>	<b>\$197,281,403</b>	<b>\$93,257,555</b>	<b>\$102,373,610</b>	<b>\$1,650,238</b>

### Investments Measured at the Net Asset Value (NAV)

Defensive Bond Fund	11,162,891
High Yield Core Fund	700,113
Baillie Gifford International Choice Fund	49,952,074
Invesco Core Real Estate Fund	26,034,969
BNY Large Cap Growth Fund	59,181,073
<b>Total Investments Measured at the NAV</b>	<b>\$147,031,120</b>

Investments classified as level 1 in the preceding table are exchange-traded securities whose values are based on published market prices and quotations from either national security exchanges or active markets for those securities.

Investments classified as level 2 in the preceding table include publicly traded debt securities and exchange traded stocks in inactive markets. Investments in this category are sourced from reputable pricing vendors using pricing matrix models and techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by AJRS' custodian bank which maintains the book of record for all investments.

Investments classified as level 3 in the preceding table are unobservable, meaning that the assets lack an independent pricing source. Values are provided by the investment manager or an external pricing source such as an independent appraiser.

### Investments Measured at the Net Asset Value (NAV)

The fair value of investments that are organized as commingled funds or limited partnerships have

no readily ascertainable fair value. The value is determined by using the net asset value per share or its equivalent. Commingled fund values are based on each investor's proportionate share of the total underlying assets in the fund less any liabilities for client withdrawals, investment purchases or other accrued expenses. Limited partnership values are based on the capital account balance the general partner reports at the end of each reporting period, adjusted by subsequent contributions, distributions, management fees, and changes in values of foreign currency and published market prices for certain securities. Even though the limited partnerships and commingled funds issue annual financial statements audited by independent auditors, the year-end for the State and these entities do not always agree.

There are inherent uncertainties in estimating fair values for these types of investments, and it is possible that the estimates will change in the near-term or the subsequent sale of assets will be different from the reported net asset value. With certain exceptions, mainly the equity and the fixed income funds, these investments cannot be redeemed, or, have certain restrictions regarding redemption. The real estate investments distributions are through the liquidation of the underlying assets or net operating cash flows. Each investment has a different redemption frequency and notice period as noted in the following table.

### Investments Measured at the Net Asset Value *(in dollars as of June 30, 2021)*

	Fair Value	Strategy Type	Fund Life of Non-redeemable mandates	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period	Other Redemption Restrictions	Restriction Time Remaining
Defensive Bond Fund	\$11,162,891	Income Oriented	N/A	none	daily	T + 1	N/A	N/A
High Yield Core Fund	700,113	Active High Yield Fixed Income	N/A	none	daily	T + 1	N/A	N/A
Baillie Gifford International Choice Fund	49,952,074	International Equities	N/A	none	daily	T + 3	N/A	N/A
Invesco Core Real Estate Fund	26,034,969	Core Real Estate	N/A	none	quarterly	T + 45	N/A	N/A
BNY Large Cap Growth Fund	59,181,073	U.S. Large Cap Growth stocks	N/A	none	daily	T + 1	N/A	N/A
	<b>\$147,031,120</b>							

### Baillie Gifford International Choice Fund

The Choice Fund aims to deliver good long-term performance to shareholders by investing in a portfolio of 60-90 international growth stocks with up to 15% in emerging markets. The portfolio is built through bottom-up stock selection. It differs from the benchmark and looks for businesses that seek to outperform the market over the long term. Portfolio guidelines ensure a level of diversification across sectors and regions.

### Invesco Core Real Estate (ICRE)

The ICRE strategy is a portfolio of U.S. properties diversified by property type and geographic location, with an emphasis on attractive current income returns and the opportunity for both income and capital growth. It is based on top-down economic fundamentals combined with bottom-up local market intelligence.

### Defensive Bond Arbitrage Fund

The Defensive Bond Arbitrage Fund's investment objective is to exploit different sources of return in high yield corporate securities in a way that generates risk-adjusted returns superior to those available from conventional high yield securities. The investment strategy is based on the assumption and observation that numerous market inefficiencies exist throughout the capital markets (particularly in the high yield bond markets) and that the prudent, active, and systematic exploitation of these inefficiencies can generate returns consistent with these objectives.

### High Yield Income Fund

The High Yield Active Core philosophy is centered on the belief that the best risk-adjusted returns and, ultimately, the best absolute returns are

generated by a strategy of yield capture and error avoidance.

### BNYM Large Cap Growth Fund

the BNYM Mellon DB SL Large Cap Growth Stock Index Fund seeks to match the performance and overall characteristics of the Russell 1000 Growth Index in a risk-controlled, cost-effective manner. The Fund's approach aims to minimize tracking error, manage transaction costs, and utilize a full replication approach.

## Note 4: Legally Required Reserves

A description of reserve accounts and their balances for the years ended June 30, 2020 and 2021 are as follows:

The Members' Deposit Account (MDA) represents members' contributions held in trust until each member's retirement, at which time contributions are transferred to the Retirement Reserve Account, described below.

The Employers' Accumulation Account accumulates employers' contributions to be used in providing the reserves required for transfer to the Retirement Reserve Account as members retire or become eligible for disability benefits.

The Deferred Annuity Account is the reserve account established to cover estimated retirement benefits to inactive vested members who are not currently receiving benefit payments.

The Retirement Reserve Account is the account to which member contributions, interest on those contributions, and employer contributions are transferred upon member retirement.

#### Legally Required Reserves

Members Deposit Account
Members Deposit Account Interest Reserve
Employer Accumulation Account
Retirement Reserve Account
Deferred Annuity Account
Total

2021	2020
\$12,464,029	\$15,744,793
698	698
168,831,743	105,504,540
161,092,399	156,555,891
4,500,063	3,031,217
\$346,888,932	\$280,837,139

## Note 5: Net Pension Liability

The components of the net pension liability of the System at June 30, 2021 were as follows:

Total Pension Liability	\$309,112,455
Plan Fiduciary Net Position	\$346,888,932
Net Pension Liability	\$(37,776,477)
Plan fiduciary net position as a percentage of total pension liability	112.22%

### Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan 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. Best estimates of arithmetic real rates of return were provided by the plan's investment consultant. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2021, these best estimates, provided by the plan's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37.0%	5.89%
International Equity	15.0%	6.54%
Real estate	8.0%	4.58%
Cash Equivalents	0.0%	(1.01)%
Domestic Fixed	40.0%	(0.21)%
Total	100%	
Total Real Rate of Return		3.44%
Plus: Price Inflation - Actuary's Assumption		2.50%
Less: Admin and Investment Expenses*		0.00%
Net Expected Return		5.94%

\*This may overstate the investment expense as the investment market assumptions are based upon passive management. Our assumption for investment expense includes the cost of active management.



### Sensitivity of the Net Pension Liability

The following table presents the net pension liability of the System, calculated using the discount rate of 5.75%, as well as what the System's net pension liability would be if it were calculated using a discount rate of one percentage point lower (4.75%) or one percentage point higher (6.75%) than the current rate.

1% Decrease	Current Discount Rate	1% Increase
4.75%	5.75%	6.75%
\$(1,352,033)	\$(37,776,477)	\$(68,635,078)

### Actuarial Gains and Losses

Actuarial gains and losses result from the differences between the AAL amount computed by the actuary and those same amounts reflected

in the required supplemental schedules as of the date of the actuarial report. The net actuarial gain or losses increases or decreases the unfunded AAL based on the annual actuarial valuation. The 2021 actuarial gains and losses were due to routine adjustments of actuarial assumptions and methodology, as well as normal experience gains and losses. The resulting actuarial gain was \$12,557,813. This was a much larger actuarial gain than is normally seen due primarily to the FY2021 actual investment.

### Actuarial Computed Liabilities

The total unfunded actuarial computed liability of the System was \$5,957,057 as of June 30, 2021. This amount is shown at fair value and is based on the entry age normal cost method.

Actuarial Present Value of	(1) Total Present Value	(2) Position Cov- ered By Future Normal Cost Contributions	(3) Actuarial Ac- rued Liabilities (1)-(2)
Benefits to be paid to current retirees, beneficiaries, and future beneficiaries of current retirees	\$209,485,982	\$0	\$209,485,982
Age and service allowances based on total service likely to be rendered by present active members	158,531,014	64,854,299	93,676,715
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	6,769,837	3,989,121	2,780,716
Disability benefits likely to be paid to present active members	1,872,375	2,292,081	(419,706)
Death-in-service benefits likely to be paid on behalf of present active members	6,988,621	3,399,873	3,588,748
<b>TOTAL</b>	<b>383,647,829</b>	<b>74,535,374</b>	<b>309,112,455</b>
Applicable Assets (Funding Value)	303,155,398	0	303,155,398
Liabilities to be covered by future contributions	\$80,492,431	\$74,535,374	\$5,957,057

## Required Supplementary Information

The historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due is required supplementary information.

### Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2012	\$5,465,079	100%
2013	5,672,291	100
2014	6,117,327	100
2015	5,690,381	100
2016	5,561,289	100
2017	8,485,361	100
2018	8,421,173	100
2019	8,233,959	100
2020	8,572,697	100
2021	\$8,209,893	100%

### Schedule of the Net Pension Liability

FY Ending June 30,	Total Pension Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$208,005,544	\$217,430,541	\$(9,424,997)	104.53%	\$19,781,628	(47.65)%
2015	254,713,985	223,123,751	31,590,234	87.60	22,308,000	141.61
2016	260,522,178	215,785,569	44,736,609	82.83	22,308,000	200.54
2017	270,381,518	240,819,648	29,561,870	89.07	22,917,870	128.99
2018	279,174,680	256,508,130	22,666,550	91.88	23,434,705	96.72
2019	284,488,459	267,279,487	17,208,972	93.95	23,602,735	72.91
2020	296,653,578	280,837,139	15,816,439	94.67	24,586,078	64.33
2021	\$309,112,455	\$346,888,932	\$(37,776,477)	112.22%	\$25,479,456	(148.26)%

### Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expense

2014	15.63%
2015	4.60%
2016	(0.79)%
2017	12.93%
2018	7.94%
2019	5.72%
2020	6.51%
2021	25.72%

## Schedule of Changes in the Net Pension Liability and Related Ratios

Fiscal Year Ending June 30	2021	2020
TOTAL PENSION LIABILITY		
Service Cost	\$7,197,367	\$7,096,255
Interest	16,822,916	16,175,509
Changes in Benefit Terms	0	0
Differences Between Expected and Actual Experience	3,798,212	2,340,115
Assumption Changes	0	0
Benefit Payments	(15,310,419)	(13,440,774)
Refunds	(49,199)	(5,986)
NET CHANGE IN TOTAL PENSION LIABILITY	12,458,877	12,165,119
TOTAL PENSION LIABILITY, BEGINNING OF YEAR	296,653,578	284,488,459
TOTAL PENSION LIABILITY, END OF YEAR (a)	309,112,455	296,653,578
PLAN FIDUCIARY NET POSITION		
Contributions - Employer	8,209,893	8,572,697
Contributions - Employee	1,117,205	1,138,323
Net Investment Income	72,229,450	17,434,154
Benefit Payments,	(15,310,419)	(13,440,774)
Other	13	1,129
Refunds	(49,199)	(5,986)
Administrative Expense	(145,150)	(141,891)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	66,051,793	13,557,652
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	280,837,139	267,279,487
PLAN FIDUCIARY NET POSITION, END OF YEAR (b)	346,888,932	280,837,139
NET PENSION LIABILITY, END OF YEAR (a) - (b)	\$(37,776,477)	\$15,816,439
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	112.22%	94.67%
COVERED - EMPLOYEE PAYROLL	\$25,479,456	\$24,586,078
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED - EMPLOYEE PAYROLL	(148.26%)	64.33%

Ultimately, 10 years will be displayed.

2019	2018	2017	2016	2015	2014
\$6,919,400	\$6,927,257	\$7,221,153	\$7,230,267	\$5,342,168	\$5,319,836
15,877,675	15,378,982	16,121,127	15,770,309	14,883,382	14,607,426
0	0	0	0	0	0
(4,481,503)	(743,902)	(3,462,751)	(5,184,045)	12,969,853	(5,751,106)
0	0	2,369,244	0	24,290,229	0
(12,979,769)	(12,769,175)	(12,310,422)	(12,007,538)	(10,762,871)	(9,966,020)
(22,024)	0	(79,011)	(800)	(14,320)	(18,836)
5,313,779	8,793,162	9,859,340	5,808,193	46,708,441	4,191,300
279,174,680	270,381,518	260,522,178	254,713,985	208,005,544	203,814,244
284,488,459	279,174,680	270,381,518	260,522,178	254,713,985	208,005,544
8,233,959	8,421,173	8,485,361	5,561,289	5,690,381	6,117,327
988,612	1,016,180	1,016,646	1,011,372	946,149	925,324
14,655,787	19,162,603	28,044,374	(1,744,085)	9,971,823	29,793,113
(12,979,769)	(12,769,175)	(12,310,422)	(12,007,538)	(10,762,871)	(9,966,020)
41,854	11	45,832	0	0	0
(22,024)	0	(79,011)	(800)	(14,320)	(18,836)
(147,062)	(142,311)	(168,701)	(158,420)	(137,951)	(130,529)
10,771,357	15,688,482	25,034,079	(7,338,182)	5,693,211	26,720,379
256,508,130	240,819,648	215,785,569	223,123,751	217,430,540	190,710,161
267,279,487	256,508,130	240,819,648	215,785,569	223,123,751	217,430,540
\$17,208,972	\$22,666,550	\$29,561,870	\$44,736,609	\$31,590,234	\$(9,424,996)
93.95%	91.88%	89.07%	82.83%	87.60%	104.53%
\$23,602,735	\$23,434,639	\$22,917,870	\$22,308,000	\$22,308,000	\$19,781,628
72.91%	96.72%	128.99%	200.54%	141.61%	(47.65%)

This Page Intentionally Left Blank

# Investment

The Investment Section describes the makeup and performance of the System's investment portfolio, including the allocation of assets, the returns on those investments, the consultants and investment managers employed by the System, and the costs and fees it incurred.

## Capital Markets Commentary

### Asset Allocation: Actual vs Target

### Manager Distribution

### Schedule of Comparative Investment Results by Year

### Schedule of Comparative Annualized Investment Results

### Ten Largest Holdings by Category

Domestic Fixed Income

Domestic Equity

International Equity

### Schedule of Brokerage Commissions

### Schedule of Investment Manager Fees



AJRS  
ARKANSAS JUDICIAL  
RETIREMENT SYSTEM



## Capital Markets Commentary

Calendar year 2020 could be summarized by: Bull, Bear, Bull. 2020 had two different book-end bull markets, with a short-lived bear market in the middle.

As fiscal year 2020 ended the markets were beginning to see signs of the recovery from the COVID-19 collapse. FY 2020 was able to eek out a positive return of 2.41%.

### September 30, 2020

The Q1 of FY 2021 (Sept 30, 2021) saw the financial markets showing signs of recovery but still being extremely cautious as the Delta variant fueled a pandemic surge and both spending and employment data disappointed the markets.

U.S. Q3 GDP slipped down to 2%, after a 6.7% gain in Q2. Unemployment dropped to 4.8% in Sept 2021, and the economy added 194k jobs, which was down from a monthly average of 560k.

Despite all of this, Q3 2021 may still be remembered as one of the most impressive turnarounds ever recorded, following the worst economic contraction ever recorded.

Massive fiscal and monetary stimulus, combined with a sharp acceleration in the health care industries' ability to fight and somewhat control the pandemic helped to create an environment for many parts of the global economy to heal.

The markets witnessed amazing response to the pandemic by numerous companies. Businesses changed the nature of their business process with urgency and speed. Companies and consumers changed. Technology helped corporations adapt to a virtual demand environment. Some corporations had to redefine how they do business almost instantaneously. Whether it was shifting call center operations to a "work from home" environment, or collaborating through video meetings, physicians operating in a telehealth environment, industrial supply chain companies rapidly adopting to shortages of parts, or retailers rapidly having to adopt and accelerate omnichannel sales models, the adaptations to the pandemic took place at an unprecedented velocity.

The most impressive though, was witnessing the health care system analyze the COVID virus and

have numerous vaccine candidates that may be able to be mass produced by the end-of-year 2020.

### December 31, 2020

**2020, Good riddance** - The year ended on a strong note and the markets saw reasons for optimism heading into 2021.

Q3 GDP rose 33.4%, a record quarterly increase. The unemployment rate, which peaked at 14.7%, fell to 6.7% in November 2020.

The S&P 500 index hit a record high in Q4 2020. The Index was up +12.1% for the quarter, and up +18.4% for 2020. Since the March 2020 market low, the Index was up over 70%, with all sectors posting increases greater than 40%.

International equity markets rallied alongside the U.S. markets. The MSCI EM index was up +19.7%. the MSCI ACWI ex US was up +17%.

The reasons for optimism heading into 2021: a roll-out vaccine, additional fiscal stimulus on top of the previous stimulus package, and pent-up demand from consumers.

### March 30, 2021

Equity markets around the world continued to surge in Q1 2021. Year-over-year returns from the bottom of the pandemic market crash were astounding. S&P 500 +56%, MSCI ex US +46%, Emerging Markets +58%, and US Small Caps were up an amazing +95%.

The initial recovery was concentrated in a few stocks, FAANG (Facebook, Amazon, Alphabet, Netflix, and Google) and the U.S. mega cap names. The market saw a rotation to small cap and value with the flip from a "COVID trade" to a "GDP growth trade" with the announcement of vaccines. Economic recovery was looking strong in 2021, going into 2022 as the Fed projected GDP growth of 6.5% in 2021.

COVID-19 infections surged going into the new year, and re-openings were reversed in many states as vaccine distribution challenges kept widespread inoculation from being achieved until mid-year in the U.S., and probably even later in other countries around the globe.

### June 30, 2021

The APERS investment portfolio carried a strong tailwind into the fiscal year end. The U.S. equity markets continued to perform strongly. The S&P 500 ended the Q2 strong, returning 8.55% which made its year-over-year return +40.79%.

The markets continued to get impressive data. The U.S. labor markets added 850k nonfarm payrolls in Q2 and ended the quarter with the unemployment rate at 5.9%.

Global manufacturing activity rose to 55.5 to end the second quarter. However, output, new orders,

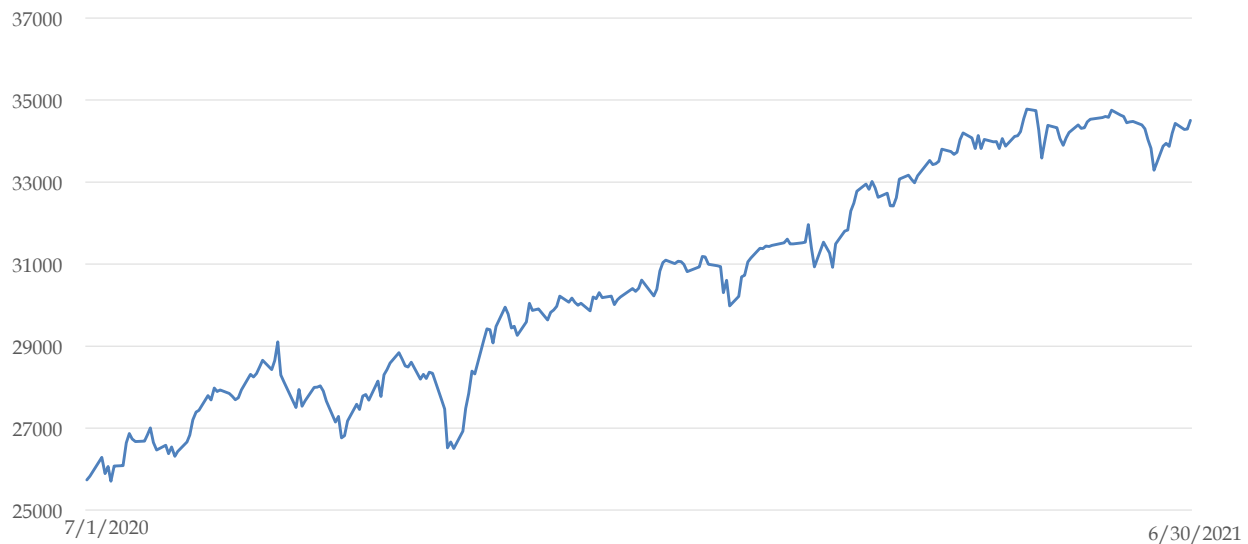
and employment all rose which stressed the global supply chains and disrupted production. It didn't matter. The fiscal year returns were impressive.

The fiscal year-end performance for all investment categories were unprecedented.

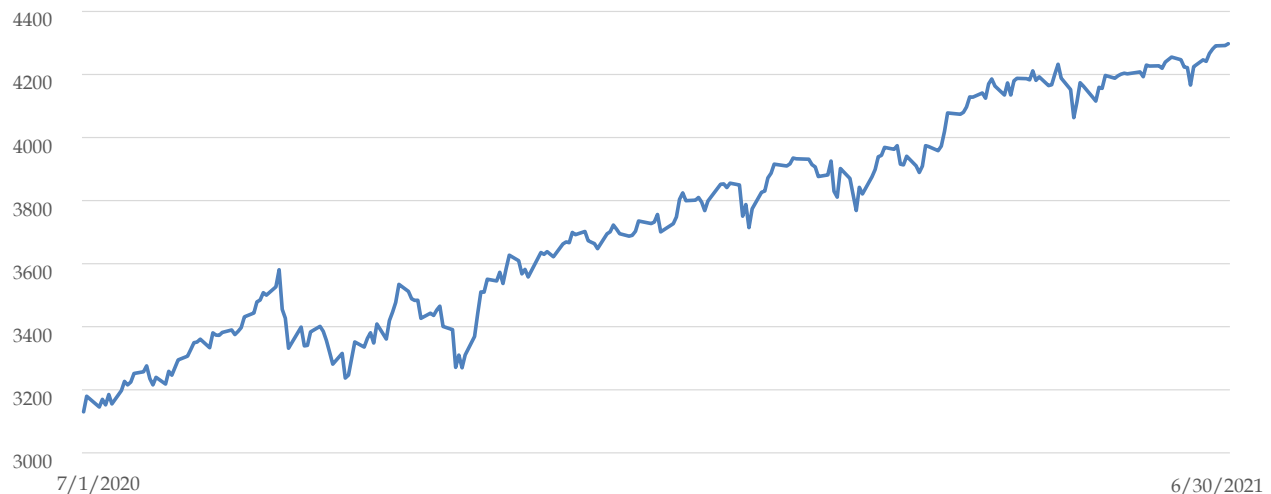
### Investment Portfolio Assets

At the close of FY2021, the APERS' investment portfolio had a fair value of \$11.603 billion which is an increase of \$2.577 billion from the \$9.025 billion investment fair value as of June 30, 2020.

### Dow Jones Industrial Average



### S&P 500 INDEX



## Asset Allocation: Actual vs Target

AJRS' actual asset allocation is within the target range set by its investment policy. This target should be confirmed based on AJRS' ongoing asset allocation discussions. The comparison of the current target allocation with the actual allocation is as follows:

Asset Class	Dollars* Actual	Weight Actual	Target	Percentage Difference	Dollars* Difference
Domestic Equity	\$131,029	37.7%	37.0%	0.7%	\$2,554
Int'l Equity	49,952	14.4	15.0	(0.6)	(2,132)
Domestic Fixed Income	139,813	40.3	40.0	0.3	921
Real Estate	26,240	7.6	8.0	(0.4)	(1,538)
Cash & Equivalents	195	0.1	0.0	0.1%	\$195
Total	\$347,229	100.0%	100.0%		

\*Dollars in thousands

Total asset class does not include cash at local bank and non-investment receivables. Totals may not add due to rounding.



## Manager Distribution (as of June 30, 2021)

Asset Allocation	Strategy	Market Value (\$ Thousands)	Percentage of Total
<b>Domestic Equity</b>			
Aristotle Capital	Small Cap Equity	\$19,379,966	5.58%
Boston Partners	Value Equity	52,467,892	15.11
BNYM Large Cap Growth	Growth Equity	59,181,073	17.04
		131,028,930	
<b>International Equity</b>			
Baillie Gifford Int'l Choice Fund	International Equity	49,952,074	14.39
<b>Domestic Fixed Income</b>			
MacKay Shields LLC	Core Plus Fixed Income	139,813,181	40.27
<b>Real Estate</b>			
Invesco Core Real Estate	Core Real Estate	26,239,963	7.56
<b>Cash &amp; Equivalents</b>			
AJRS General Fund	Short Term Investments	195,180	0.06
		\$347,229,329	100.00%

## Schedule of Comparative Investment Results by Year

(for the years ended June 30)

	2021	2020	2019	2018	2017	2016	2015
<b>Total Fund</b>							
Arkansas Judicial Retirement System	25.57%	6.83%	6.14%	8.23%	13.35%	(0.27)%	5.06%
Callan Total Public Fund Median	25.99	3.30	6.14	8.04	12.50	0.34	3.12
Inflation (Consumer Price Index)				2.87	1.50	0.64	(0.38)
<b>Equities</b>							
Arkansas Judicial Retirement System	46.84	4.92	6.19	15.72	19.99	(1.81)	9.18
Callan Total Equity Database Median	44.60	3.07	7.74	15.36	18.92	1.01	7.37
Russell 3000 Index	44.16	6.53	8.98	14.78	18.51	2.14	7.29
<b>International Equities</b>							
Arkansas Judicial Retirement System	39.46	12.48	0.35	9.12	25.17	(12.15)	(1.41)
Callan Total Non-US Equities Database Median	36.81	(2.48)	0.50	8.23	20.73	(8.88)	(3.22)
MSCI - ACWI-ex US Index	36.29	(4.39)	1.80	7.79	20.27	(10.16)	(4.22)
<b>Fixed Income</b>							
Arkansas Judicial Retirement System	5.14	8.20	8.31	0.29	3.90	3.92	1.16
Callan Total Fixed Income Database Median	1.08	8.37	7.54	(0.12)	1.09	4.87	1.70
Bloomberg Aggregate Index	(0.33)%	8.74%	7.87%	(0.40)%	(0.31)%	6.00%	1.86%

## Schedule of Comparative Annualized Investment Results

(for the years ended June 30)

	2021	3 Year Annualized	5 Year Annualized
<b>Total Fund</b>			
Arkansas Judicial Retirement System	25.99%	12.63%	11.88%
Callan Total Public Fund Median	25.39	11.08	10.74
Inflation (Consumer Price Index)			
<b>Equities</b>			
Arkansas Judicial Retirement System	46.84	17.83	17.83
Callan Total Equity Database Median	44.60	17.60	17.44
Russell 3000 Index	44.16	18.73	17.89
<b>International Equities</b>			
Arkansas Judicial Retirement System	39.46	16.33	16.54
Callan Total Non-US Equities Database Median	36.81	9.83	11.81
MSCI - ACWI-ex US Index	36.29	9.88	11.59
<b>Fixed Income</b>			
Arkansas Judicial Retirement System	5.14	7.21	5.12
Callan Total Fixed Income Database Median	1.08	5.85	3.57
Bloomberg Aggregate Index	(0.33)%	5.34%	3.03%

# Ten Largest Holdings by Category

(by market value as of June 30, 2021)

## Domestic Fixed Income

	Par Value	Market Value
U.S. Treasury Note 1.250% 04/30/2028 DD 04/30/21	\$6,900,000	\$6,926,979
U.S. Treasury Bond 2.375% 05/15/2051 DD 05/15/21	3,725,000	3,980,498
U.S. Treasury Note 0.750% 04/30/2026 DD 04/30/21	3,835,000	3,817,627
U.S. Treasury Bond 2.250% 05/15/2041 DD 05/15/21	2,010,000	2,093,536
U.S. Treasury-CPI INFLAT 0.875% 01/15/2029 DD 01/15/19	1,617,730	1,872,652
U.S. Treasury Bond 4.375% 11/15/2039 DD 11/15/09	896,000	1,247,017
U.S. Treasury Bond 4.500% 05/15/2038 DD 05/15/08	840,000	1,173,967
GNMA GTD REMIC P/T 21-87 EK 1.000% 05/20/2051 DD 05/01/21	855,626	848,156
Citigroup Inc. 8.125% 07/15/2039 DD 07/23/09	460,000	795,266
MPLX LP 4.000% 02/15/2025 DD 02/12/15	\$600,000	655,152
		\$23,410,851

## Domestic Equity

	Shares	Market Value
JP Morgan Chase & Co.	3,613	\$561,966
Johnson & Johnson	3,213	529,310
Berkshire Hathaway Inc.	1,783	495,624
Cisco Systems Inc. (Delaware)	8,780	465,322
Conoco Phillips	6,193	377,154
Alphabet Inc-Cl A	150	365,455
Unitedhealth Group Inc.	904	362,131
Autozone Inc.	239	356,641
Bank of America Corp.	8,635	356,035
Micron Technology Inc.	3,970	337,371
		\$4,207,007

## International Equity

	Shares	Market Value
TSMC ADR	159,381	\$19,151,221
ASML	23,608	16,221,293
Zalando SE	125,830	15,213,152
Shopify 'A'	8,760	12,798,185
Li Ning	924,500	11,285,642
Alibaba	49,102	11,135,352
Sartorius Pref.	20,785	10,820,873
Mettler - Toledo	7,674	10,631,099
Nibe Industrier AB 'B' Shares	970,892	10,219,617
Asian Paints Ltd.	252,528	10,167,369
		\$127,643,803

# Schedule of Brokerage Commissions

(for the fiscal year ended June 30, 2021)

Broker Name	Number of Shares Traded	Total Commission	Commission Per Share
Citigroup Global Markets, Inc., New York	47,705	\$4,044.72	\$0.08
Morgan Stanley & Co Inc., Ny	193,439	\$3,483.59	\$0.02
J.P. Morgan Securities LLC, New York	143,381	\$2,984.18	\$0.02
Goldman Sachs & Co, NY	122,955	\$2,496.91	\$0.02
Credit Suisse, New York (CSUS)	121,958	\$2,450.45	\$0.02
HSBC Securities (USA) Inc., New York	58,510	\$1,646.16	\$0.03
Merrill Lynch Pierce Fenner Smith Inc. NY	90,422	\$1,476.28	\$0.02
RBC Capital Markets LLC, New York	108,821	\$1,147.88	\$0.01
UBS Securities LLC, Stamford	44,073	\$881.33	\$0.02
Barclays Capital New York	21,989	\$726.40	\$0.03
Jefferies & Co. Inc., New York	16,727	\$595.73	\$0.04
Raymond James & Assoc. Inc., St Petersburg	12,411	\$444.32	\$0.04
Keybanc Capital Markets Inc., New York	9,748	\$373.57	\$0.04
Pershing LLC, Jersey City	12,794	\$353.92	\$0.03
Instinet Corp., New York	29,154	\$301.83	\$0.01
B Riley And Co. LLC, New York	6,560	\$255.97	\$0.04
Suntrust Capital Markets Inc., New York	7,124	\$249.94	\$0.04
Baird, Robert W & Co. Inc., Milwaukee	6,297	\$209.54	\$0.03
William Blair & Co., Chicago	5,242	\$207.47	\$0.04
Stifel Nicolaus	6,043	\$198.20	\$0.03
Others (21 brokerage firms)	70,811	\$1,540.43	\$0.02
	1,136,164	\$26,068.82	



# Schedule of Investment Manager Fees

(for the fiscal year ended June 30, 2021)

Investment Manager	Market Value	Fee	Basis Points
Equities			
Aristotle Capital	\$19,379,966	\$135,235	0.80
BNYM Large Cap Growth	59,181,073	22,481	0.04
Robeco Boston Partners	52,467,892	269,629	0.58
Fixed Income			
MacKay Shields LLC	139,813,181	353,561	0.30
Real Estate			
Invesco Real Estate (Core)	26,239,963	79,323	0.80
International Equities			
Baillie Gifford	\$49,952,074	203,970	0.53
Total Investment Manager Fees		1,064,199	
Other Services			
Bank of New York Mellon (Custodian)		15,271	
Callan Associates (Consultant)		69,588	
Total Other Services		84,859	
Total Investment Fees		<u>\$1,149,057</u>	

This Page Intentionally Left Blank

# Actuarial

The Actuarial Section provides a snapshot of the methods, assumptions, and data used by the System's actuarial consultant to advise the System on maintaining a healthy funding ratio.

## **Actuary's Certification Letter**

## **Summary of Actuarial Assumptions**

## **Supplementary Information**

### **Actuarial Data**

Single Life Retirement Values

Decrement and Pay Increase Assumptions for Active Members

Separations from Active Employment Before Retirement

Probabilities of Retirement for Members Eligible to Retire

### **Short Condition Test**

Ten-Year Comparative Statement

### **Derivation of Experience (Gain/Loss)**

### **Gains/Losses by Risk Area**



**AJRS**  
ARKANSAS JUDICIAL  
RETIREMENT SYSTEM

# Actuary's Certification Letter



800.521.0498 | P: 248.799.9000 | [www.grsconsulting.com](http://www.grsconsulting.com)

March 4, 2022

Board of Trustees  
Arkansas Judicial Retirement System  
Little Rock, Arkansas

Dear Board Members:

***The basic financial objective of the Arkansas Judicial Retirement System (AJRS) as provided in the Arkansas Code is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Arkansas citizens and when combined with present assets and future investment return will be sufficient to meet the financial obligations of AJRS to present and future benefit recipients.*** The progress towards meeting this financial objective is illustrated in the Schedule of Funding Progress and the Schedule of Employer Contributions.

We performed an actuarial valuation and issued an actuarial valuation report for AJRS as of June 30, 2021. The purpose of the June 30, 2021 annual actuarial valuation was to determine the contribution requirement for the fiscal year ending June 30, 2023 and to measure the System's funding progress. The actuarial valuation report should not be relied upon for any other purpose. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the cost assigned by the valuation method to the year of service about to be rendered) as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a period of up to 30 years. The most recent valuations were completed based upon population data, asset data, and plan provisions as of June 30, 2021. In addition, a separate report was issued (dated October 27, 2021) to provide actuarial information for GASB Statement Nos. 67 and 68.

The AJRS administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer term trends. We are not responsible for the accuracy and completeness of the information provided by the administrative staff.

The actuarial valuation report and GASB Statement No. 67 and No. 68 report contain the following supporting schedules for use in the Actuarial and Financial Sections of the Annual Financial Report.

## **Actuarial Section**

- Summary of Assumptions Used
- Summary of Actuarial Methods and Assumptions
- Active Member Valuation Data
- Short Condition Test
- Analysis of Financial Experience
- Analysis of Financial Experience – Gains and Losses by Risk Area

### Financial Section

- Schedule of Funding Progress
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of the Net Pension Liability
- Schedule of Contributions
- Notes to Schedule of Contributions

For actuarial valuation purposes, assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed four-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. These assumptions are adopted by the Board after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of the Actuarial Standards of Practice. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The June 30, 2021 valuation was based upon assumptions that were recommended in connection with a study of experience through the period 2011-2016.

***On the basis of the June 30, 2021 actuarial valuation and the benefits and contribution rates then in effect, it is our opinion that the Arkansas Judicial Retirement System is satisfying the general financial objective of level-percent-of-payroll financing.***

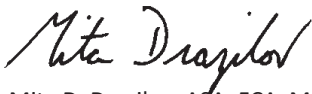
Future actuarial measurements may differ significantly from those presented in the annual valuations due to such factors as experience differing from that anticipated by actuarial assumptions, or changes in plan provisions, actuarial assumption/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

The reports were prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

The signing individuals are independent of the plan sponsor.

Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.


Respectfully submitted,  
Gabriel, Roeder, Smith & Company



Mita D. Drazilov, ASA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA



David L. Hoffman

MDD/HGB/DLH:rmn



# Summary of Actuarial Assumptions\*

## Economic Assumptions

The investment return rate used in making the valuation was 5.75% per year, compounded annually (net after investment expenses). Adopted 2017.

Pay increase assumptions for individual active members are shown on page D-3. Part of the assumption for each age is for a merit and/or seniority increase, and the other 3.25% recognizes wage inflation. This wage inflation assumption consists of 2.50% for price inflation and 0.75% for real wage growth. Adopted 2015 and readopted 2017.

Total active member payroll is assumed to increase 3.25% a year, which is the portion of the individual pay increase assumptions recognizing inflation.

The number of active members is assumed to continue at the present number.

## Non-Economic Assumptions

The healthy mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were the RP-2014 Healthy Annuitant table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were the RP-2014 disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. It was assumed that 100% of pre-retirement deaths would be non-duty related. Mortality rates for a particular calendar year are determined by applying the MP-2016 improvement scale to the above described tables. Related values are shown on pages D-3 and D-5. Adopted 2017.

The probabilities of retirement for members eligible to retire are shown on page D-4. Adopted 2017.

The probabilities of withdrawal from service, death-in-service, and disability are shown for sample ages on page D-3. Adopted 2017.

Normal Cost and the allocation of benefit values between service rendered before and after the valuation date was determined using an individual entry-age actuarial cost method having the following characteristics.

- The annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

The normal cost, the present value of future normal cost and the present value of benefits are based on the benefit levels available to each member. The accrued liability is the difference between the present value of benefits and the present value of future normal cost.

Funding value of assets (cash & investments) was determined by phasing-in differences between actual market return and the assumed rate of return over a four-year period.

The data about persons now covered and about present assets was furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).

\*The data referenced in this section is taken from the actuary's report, *Arkansas Judicial Retirement System Actuarial Valuation and Experience Gain/(Loss) Analysis June 30, 2021*, prepared by Gabriel Roeder Smith & Co. Unless otherwise noted, page number citations refer to that report. A PDF copy of the report is available for download at [www.apers.org](http://www.apers.org).



## Supplementary Information

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent-of-Payroll
Remaining Amortization Period	Variable*
Asset Valuation Method	4-Year smoothed market with 25% corridor
Actuarial Assumptions:	
Investment Rate of Return	5.75%
Projected Salary Increases	3.25%
Including Price Inflation at	2.50%
Cost-of-Living Adjustments	Pre July 1, 1983 retirees: Increased with increases in active judges pay. Post June 30, 1983 retirees: 3% compound.
Retirees and Beneficiaries Receiving Benefits	178
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	<u>145</u>
Total	333

# Actuarial Data

## Single Life Retirement Values

Attained Age in 2021	Percent Dying Next Year		Present Value of \$1 Monthly for Life Increasing 3% Annually		Future Life Expectancy (Years)	
	Men	Women	Men	Women	Men	Women
50	0.3833%	0.2610%	\$235.90	\$245.89	34.89	37.47
55	0.5494%	0.3645%	217.90	228.59	30.12	32.52
60	0.7764%	0.5501%	197.43	208.62	25.53	27.73
65	1.1266%	0.8246%	174.63	186.18	21.16	23.15
70	1.6802%	1.2650%	149.82	161.33	17.06	18.80
75	2.6498%	2.0501%	123.53	134.53	13.26	14.75
80	4.4416%	3.5021%	96.97	107.00	9.87	11.09

Probabilities of death are for calendar year 2021.

Sample Attained Ages	\$100 Benefit Increasing 3% Annually	Portion of Age 65 Lives in 2021 Still Alive	
		Men	Women
65	\$100.00	100%	100%
70	115.93	94%	95%
75	134.39	85%	89%
80	155.80	73%	79%
85	180.61	58%	65%

## Decrement and Pay Increase Assuptions for Active Members

2021 Sample Ages	Years of Service	Percent of Active Members Separating Within the Next Year					Pay Increase Assumptions for Individual Member		
		Male		Female		Withdrawal	Merit & Seniority	Base (Economic)	Increase Next Year
		Death	Disability	Death	Disability				
	0					6.00%			
	1					6.00%			
	2					6.00%			
	3					6.00%			
	4					6.00%			
30	5+	0.04%	0.04%	0.02%	0.05%	1.00%	0.00%	3.25%	3.25%
35		0.05%	0.04%	0.03%	0.05%	1.00%	0.00%	3.25%	3.25%
40		0.06%	0.10%	0.04%	0.18%	1.00%	0.00%	3.25%	3.25%
45		0.09%	0.13%	0.06%	0.20%	1.00%	0.00%	3.25%	3.25%
50		0.16%	0.25%	0.10%	0.28%	1.00%	0.00%	3.25%	3.25%
55		0.27%	0.45%	0.17%	0.38%	1.00%	0.00%	3.25%	3.25%
60		0.47%	0.71%	0.26%	0.51%	1.00%	0.00%	3.25%	3.25%
65		0.85%	0.83%	0.38%	0.62%	1.00%	0.00%	3.25%	3.25%

The pay increase assumptions are age based only, and not service based.  
Probabilities of death are for calendar year 2021.

## Probabilities of Retirement for Members Eligible to Retire

### Early Retirement

Retirement Ages	Percent of Eligible Active Members Electing Early Retirement Within Next Year
62	2%
63	2%
64	2%

### Normal Retirement

1. For ages under 70, a 4% probability of retirement is used.
2. For ages 70 and over
  - a. if the future year of consideration is an odd year, then a 4% probability of retirement is used.
  - b. if the future year of consideration is an even year,
    - i. for members under the age of 76, a 33% probability of retirement is used.
    - ii. for members ages 76 or older, a 100% probability of retirement is used.

For Tier One, a member was assumed eligible to retire at age 50 with 20 years of service or at age 65 with 10 years of service. A member was assumed eligible to retire early at age 62 with 14 years of service.

For Tier Two, a member was assumed eligible to retire at age 50 with 20 years of service or at age 65 with 8 years of service. A member was assumed eligible to retire early at age 62 with 8 years of service.

## Computed Employer Contribution Rates

Valuation Date	Active Members in Valuation				UAAL Financing Period	Computed Employer Contribution Rate
	Average Number	Averages in Years Pay	Age	Service <sup>@</sup>		
June 30	Number	Pay	Age	Service <sup>@</sup>	Period	
2012 #	140	137,155	58.5	15.8	30	31.46%
2013	140	139,898	58.7	15.9	30	29.12%
2014 #	140	141,297	59.7	16.8	29	25.09%
2015 #	139	160,489	58.6	16.4	28	37.99%
2016	139	160,489	59.5	17.0	27	37.37%
2017#	140	163,699	59.0	16.1	15/20	35.87%
2018	139	168,595	60.0	16.9	&	35.90%
2019	140	168,591	60.5	17.8	&	34.85%
2020	142	173,141	60.9	17.9	&	34.34%

# Revised actuarial assumptions and/or methods.

### Retirees and Beneficiaries by Attained Age *(as of June 30, 2021)*

Attained Age	Retirees		Survivor Beneficiaries		Total	
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances
52		\$ -	1	\$ 51,588	1	\$ 51,588
58	2	56,256			2	56,256
61	1	67,152			1	67,152
62			1	40,212	1	40,212
63			4	324,732	4	324,732
65	3	271,932	2	131,208	5	403,140
66	3	262,176	2	129,180	5	391,356
67	2	178,416			2	178,416
68	6	410,196			6	410,196
69	5	538,440			5	538,440
70	7	837,216	2	146,172	9	983,388
71	8	856,644	1	74,556	9	931,200
72	9	890,760	2	182,148	11	1,072,908
73	10	1,102,308	1	106,848	11	1,209,156
74	5	570,048	2	153,204	7	723,252
75	9	1,015,716			9	1,015,716
76	8	889,260	4	336,036	12	1,225,296
77	6	534,288	2	125,388	8	659,676
78	9	799,272	1	78,492	10	877,764
79	4	499,620	2	159,636	6	659,256
80	4	494,304	2	142,440	6	636,744
81	3	147,516	2	175,836	5	323,352
82	4	409,164	1	72,372	5	481,536
83	2	281,004			2	281,004
84	5	568,572	1	75,204	6	643,776
85	3	318,168	2	160,992	5	479,160
86	5	626,556	3	223,608	8	850,164
87	2	222,972	1	70,308	3	293,280
89	2	228,384			2	228,384
90			1	70,308	1	70,308
91	2	215,760	1	85,104	3	300,864
92	1	120,552	1	70,308	2	190,860
93	1	104,916	1	70,308	2	175,224
94			1	74,196	1	74,196
95	1	170,196	1	70,308	2	240,504
96			1	72,000	1	72,000
<b>TOTALS</b>	<b>132</b>	<b>\$ 13,687,764</b>	<b>46</b>	<b>\$ 3,472,692</b>	<b>178</b>	<b>\$ 17,160,456</b>

**Active Tier One Members by Attained Age and Years of Service** (as of June 30, 2021)

Attained Age	Years of Benefit Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
50-54									\$ -
55-59					1	1		2	349,764
60									
61									
62									
63									
64									
65									
66						1		1	174,882
67									
68					1			1	174,882
69							1	1	174,882
70							1	1	184,588
71							1	1	179,123
72									
73							1	1	174,882
74									
<b>Totals</b>					<b>2</b>	<b>2</b>	<b>4</b>	<b>8</b>	<b>\$ 1,413,003</b>

Averages					
Group	No.	Age	Benefit Service	Eligibility Service	Annual Pay
Tier One	8	67.6	29.1	30.7	\$176,625

**Active Tier Two Members by Attained Age and Years of Service** (as of June 30, 2021)

Attained Age	Years of Benefit Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
30-34	2							2	\$ 349,764
35-39	10							10	1,748,820
40-44	7	1		3	2			13	2,292,878
45-49	11	1	3	5	1			21	3,687,977
50-54	10	2	3		2	3	1	21	3,682,228
55-59	9		2	4		2	4	21	3,694,951
60	1	1	1	1	1		1	6	1,057,774
61	1	1		1	1	1	2	7	1,228,415
62		1		2		1	1	5	878,651
63	3	1		1				5	884,116
64		1	2	1		1		5	884,116
65	2			1	3			6	1,049,292
66	2			1		2		5	874,410
67					2			2	349,764
68			2					2	349,764
69			1	1		2		4	699,528
70									
71		1			1			2	354,005
72									
73									
74									
75									
76									
77									
<b>Totals</b>	<b>58</b>	<b>10</b>	<b>14</b>	<b>21</b>	<b>13</b>	<b>12</b>	<b>9</b>	<b>137</b>	<b>\$ 24,066,453</b>

**Averages**

Group	No.	Age	Benefit Service	Eligibility Service	Annual Pay
Tier Two	137	56.8	8.1	11.8	\$175,668



# Actuarial Analysis

## Short Condition Test

The AJRS funding objective is to meet long-term benefit promises through contributions that remain approximately level from year-to-year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the System will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long-term test.

A short condition test is one means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with

- the liabilities for future benefits to present retired lives
- the employer financed portion of liabilities for service already rendered by non-retired members.

In a system that has been following the discipline of level percent-of-payroll financing, active member contributions (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets. In addition, the liabilities for service already rendered by active members (liability 3) will be partially covered by the remainder of present assets. The larger the funded portion of liability 3, the stronger the condition of the System.

- member accumulated contributions

## Short Condition Test: Ten-Year Comparative Statement

Actual experience will not (except by coincidence) coincide exactly with assumed experience. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain (loss) is shown below:

	2021	2020
1) UAAL* at start of year	\$ 19,335,500	\$ 23,817,084
2) Normal cost from last valuation	6,331,476	5,950,664
3) Employer contributions	8,209,893	8,572,697
4) Interest accrual: $(1) * .0575 + [(2)-(3)] * .02875$	1,057,787	1,294,099
5) Expected UAAL before changes: $(1)+(2)-(3)+(4)$	18,514,870	22,489,150
6) Change in benefits/assumptions/methods	0	0

## Analysis of Experience: Changes in Unfunded Actuarial Accrued Liabilities

Actual experience will not (except by coincidence) coincide exactly with assumed experience. Gains and losses often cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience gain (loss) is shown below:

	2021	2020
1) UAAL* at start of year	\$ 19,335,500	\$ 23,817,084
2) Normal cost from last valuation	6,331,476	5,950,664
3) Employer contributions	8,209,893	8,572,697
4) Interest accrual: (1) * .0575 + [(2)-(3)]*.02875	1,057,787	1,294,099
5) Expected UAAL before changes: (1)+(2)-(3)+(4)	18,514,870	22,489,150
6) Change in benefits/assumptions/methods	0	0
7) Expected UAAL after changes: (5) + (6)	18,514,870	22,489,150
8) Actual UAAL at end of year	5,957,057	19,335,500
9) Gain(loss): (7) - (8)	12,557,813	3,153,650
10) Gain(loss) as percent of actuarial accrued liabilities at start of year: \$296,653,578	4.2%	1.1%
Last year's accrued liability	\$296,653,578	\$284,488,459

\* Unfunded actuarial accrued liability.

**Analysis of Experience: Gains/Losses by Risk Area** (for the fiscal year ended June 30, 2021)

Type of Risk Area	Gain (Loss) During Year	
	\$ in Millions	Percent of Liabilities
<b>ECONOMIC RISK AREAS .....</b>		
<b>Pay Increases.</b> If there are smaller pay increases than assumed, there is a gain. If greater increases, a (loss).	\$2.5	0.8 %
<b>Investment Return.</b> If there is greater investment return than assumed, there is a gain. If less return, a (loss).	16.2	5.5 %
<b>NON-ECONOMIC RISK AREAS .....</b>		
<b>Age &amp; Service Retirements.</b> If members retire at older ages or with lower final average pays than assumed, there is a gain. If younger ages or higher average pays, a (loss).	(6.2)	(2.2)%
<b>Disability Retirements.</b> If there are fewer disabilities than assumed, there is a gain. If more, a (loss).	0.1	0.0 %
<b>Death-in-Service Benefits.</b> If more liabilities are released by deaths-in-service than assumed, there is a gain. If less, a (loss).	(0.1)	0.0 %
<b>Withdrawal.</b> If more liabilities are released by other separations than assumed, there is a gain. If smaller releases, a (loss).	0.5	0.2 %
<b>Retiree Mortality/COLAs.</b> If there are fewer deaths than assumed, there is a (loss). If more, a gain. This includes gains and losses related to Tier I pre-July 1, 1983 retired member increases.	(0.6)	(0.2)%
<b>Other.</b> Gains and losses resulting from group size change, data adjustments, timing of financial transactions, additional contributions and miscellaneous unidentified sources.	0.2	0.1 %
<b>Experience Gain/(Loss)</b>	<b>\$12.6</b>	<b>4.2 %</b>

# Summary of Plan Provisions

Tier One	Tier Two
<p style="text-align: center;"><b>Description</b></p> <p>Elected or appointed prior to the effective date of Act 399 of 1999 and who do not elect to participate in Tier Two.</p>	
<p style="text-align: center;"><b>Regular Retirement</b></p> <p>An active member may retire at age 65 with 10 or more years of credited service, or after 20 years of credited service regardless of age. Persons who become members after June 30, 1983 must also have at least 8 years of actual service as a justice of the Supreme Court, or as a judge of the Circuit or Chancery Courts or the Court of Appeals.</p>	
<p style="text-align: center;"><b>Compulsory Retirement</b></p> <p>Any judge or justice who attains 70 years of age during a term of office to which he has been elected may complete the term without forfeiting rights to retirement benefits. Any judge or justice who is not eligible to retire at age 70 may continue to serve as judge until completion of the term in which there has accrued sufficient credited service to retire. Otherwise, judges or justices must retire by their 70th birthday or lose their retirement benefits.</p>	
<p style="text-align: center;"><b>Final Salary</b></p> <p>The annual salary for the last judicial office held.</p>	
<p style="text-align: center;"><b>Age &amp; Service Annuity</b></p> <p>60% of the judge's final salary, for life.</p> <p>Each year of additional service after twenty (20) years of judicial service, the benefit shall be increased by two and one-half percent (2.5%) with a maximum benefit payable of seventy-five percent (75%) of the judge's final salary.</p>	
	<p>Elected or appointed after the effective date of Act 399 of 1999 or elected to participate in Tier Two.</p> <p>An active member or former member may retire at age 65 with 8 or more years of credited service, or after 20 years of credited service regardless of age.</p> <p>Any judge or justice who attains 70 years of age during a term of office to which he has been elected may complete the term without forfeiting rights to retirement benefits. Any judge or justice who is not eligible to retire at age 70 may continue to serve as judge until completion of the term in which there has accrued sufficient credited service to retire. Otherwise, judges or justices must retire by their 70th birthday or lose their retirement benefits.</p> <p>The annual salary for the last judicial office held.</p> <p>3.2% of the salary of the last judicial office held multiplied by the number of years of service not to exceed 80% of the salary of the last judicial office held.</p>

Tier One	Tier Two
<p data-bbox="690 373 933 405" style="text-align: center;"><b><i>Deferred Retirement</i></b></p> <p data-bbox="203 426 787 703">An inactive member who has 14 or more years of credited service and left judicial service before attaining age 65 will be entitled to an age and service annuity beginning at age 65. Persons who become members after June 30, 1983 must also have at least 8 years of actual service as a justice of the Supreme Court, or as a judge of the Circuit or Chancery Courts or the Court of Appeals.</p>	
<p data-bbox="690 735 933 766" style="text-align: center;"><b><i>Disability Retirement</i></b></p> <p data-bbox="203 787 787 1039">An active member with 3 or more consecutive years of credited service who becomes totally and permanently disabled may be retired and receive a disability annuity computed in the same manner as an age and service annuity. The 3 years of service is not required for persons who were members before July 1, 1983.</p>	
<p data-bbox="706 1060 917 1092" style="text-align: center;"><b><i>Early Retirement</i></b></p> <p data-bbox="203 1113 787 1312">A member who became a member before July 1, 1983 and who has 18 but less than 20 years credited service may retire, regardless of age, and receive an immediate annuity. The amount is the full age and service amount reduced proportionately for service less than 20 years.</p> <p data-bbox="203 1354 787 1686">A member with 14 years of credited service may retire between ages 62 and 65 and receive an immediate annuity. The amount is the full age and service amount reduced 1/2 of 1% for each month that retirement age is younger than age 65. Persons who become members after June 30, 1983 must also have at least 8 years of actual service as a justice of the Supreme Court, or as a judge of the Circuit Court or Chancery Courts or the Court of Appeals.</p>	
<p data-bbox="852 426 1404 562">An inactive member who has 8 or more years of credited service and left judicial service before attaining age 65 will be entitled to an age and service annuity beginning at age 65.</p>	
<p data-bbox="852 787 1421 1039">An active member with 3 or more consecutive years of credited service who becomes totally and permanently disabled may be retired and receive a disability annuity computed in the same manner as an age and service annuity, except that the benefit shall not be less than 25.6% of final salary.</p>	
<p data-bbox="852 1113 1404 1281">A member with 8 years of credited service may retire between ages 62 and 65 and receive an immediate annuity. The amount is the full age and service amount reduced 1/2 of 1% for each month retirement age is younger than age 65.</p>	

Tier One	Tier Two
<p style="text-align: center;"><b><i>Survivor Benefits</i></b></p> <p>Upon the death of a member with 3 or more years of service, before or after retirement, an annuity of 67% of the judge's benefit is payable to the following survivors (shared if there is more than one eligible survivor):</p> <ul style="list-style-type: none"> <li>• A surviving spouse married to the judge more than 1 year at the time of death.</li> <li>• A minor child of the judge.</li> </ul> <p>The 3-year service requirement is not required of those who became members prior to July 1, 1983.</p>	
<p style="text-align: center;"><b><i>Increases After Retirement</i></b></p> <p>For any person who was a member on or before June 30, 1983, the retirement benefits are increased or decreased from time to time as the salary for the particular judicial office is increased or decreased. For all judges or justices first elected after June 30, 1983, and who have received retirement benefits from the System for at least 12 full calendar months, the retirement benefits are increased each July 1st by 3%.</p>	
<p style="text-align: center;"><b><i>Member Contributions</i></b></p> <p>Active members contribute 6% of their salaries. Members with 20 or more years of service and members age 65 or older with 10 or more years of service do not contribute to the Retirement System. At any time a member is accruing the additional 2.5% of final salary benefit, member contributions would be required. If a member leaves service before becoming eligible to retire, accumulated contributions may be refunded.</p>	
<p>Upon the death of a member with 3 or more years of service, before or after retirement, an annuity of 67% of the judge's benefit, but not less than 17.152% of final salary, is payable to the following survivors (shared if there is more than one eligible survivor):</p> <ul style="list-style-type: none"> <li>• A surviving spouse married to the judge more than 1 year at the time of death.</li> <li>• A minor child of the judge.</li> </ul> <p>The 3-year service requirement is not required of those who became members prior to July 1, 1983.</p>	
<p>For all judges or justices who have received retirement benefits from the System for at least 12 full calendar months, the retirement benefits are increased each July 1st by 3%.</p>	
<p>Active members contribute 5% of their salaries. Members with 25 or more years of service do not contribute to the Retirement System. If a member leaves service before becoming eligible to retire, accumulated contributions may be refunded.</p>	

# Statistical

The Statistical Section features data regarding the System and its membership for the fiscal year, and in some cases comparisons to corresponding data from previous years.

## **The System**

- Schedule of Revenues by Source
- Chart of Revenues by Source
- Schedule of Investment Return Rate
- Chart of Investment Return Percentage Rate
- Schedule of Expenses by Type
- Schedule of Benefit Expenses by Type
- Chart of Benefit Expenses by Type

## **Membership**

- Schedule of Retired Members by Type of Benefit



AJRS  
ARKANSAS JUDICIAL  
RETIREMENT SYSTEM



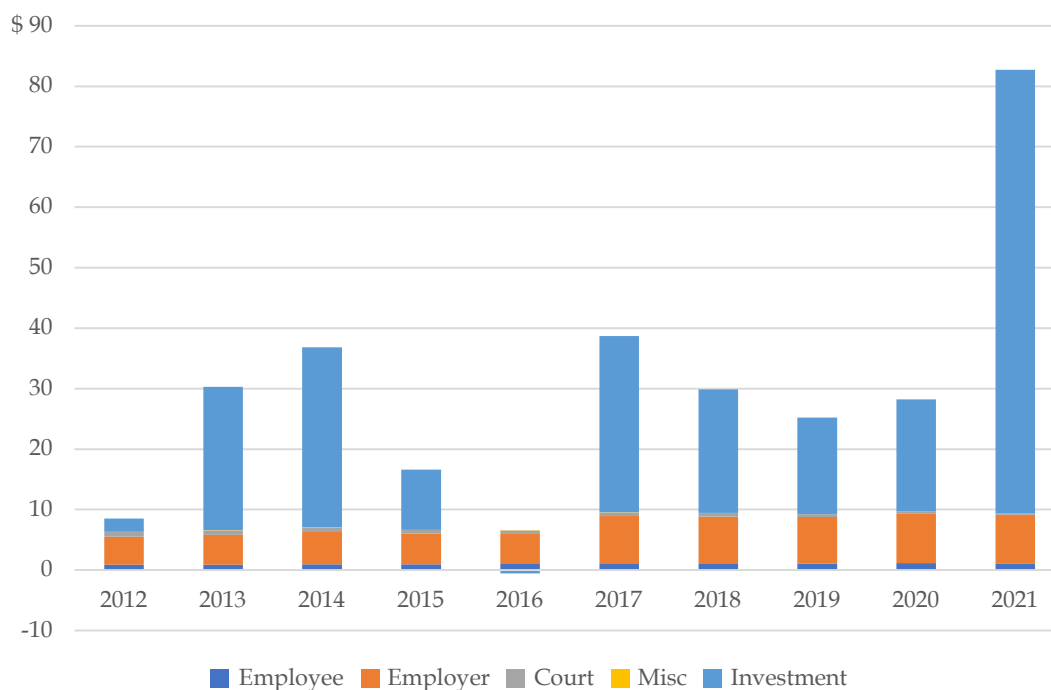
# The System

## Schedule of Revenues by Source

Year Ending June 30	Employee Contri- butions	Employer & Other Entity Contributions	Court Fees	Misc.	Investment Income	Total
2012	\$ 879,762	\$ 4,640,182	\$ 814,993	\$ 9,904	2,148,975	\$ 8,493,816
2013	886,685	4,931,998	740,293	40,696	23,706,205	30,305,877
2014	925,324	5,345,572	764,883	6,873	29,793,113	36,835,765
2015	946,149	5,078,901	609,388	2,092	9,971,824	16,608,354
2016	1,011,372	4,962,144	586,818	12,328	(581,835)	5,990,826
2017	1,016,646	7,898,543	586,818	45,833	29,157,400	38,705,240
2018	1,016,180	7,834,355	586,818	12	20,431,379	29,868,745
2019	1,030,430	7,722,374	511,585	16	15,931,915	25,196,320
2020	1,138,323	8,177,723	394,974	1,096	18,489,171	28,201,287
2021	\$ 1,117,205	\$ 8,038,373	\$ 171,520	\$ 13	\$ 73,378,507	\$ 82,705,618

## Chart of Revenues by Source

(shown in millions of dollars; for fiscal years ended June 30)



## Schedule of Expenses by Type

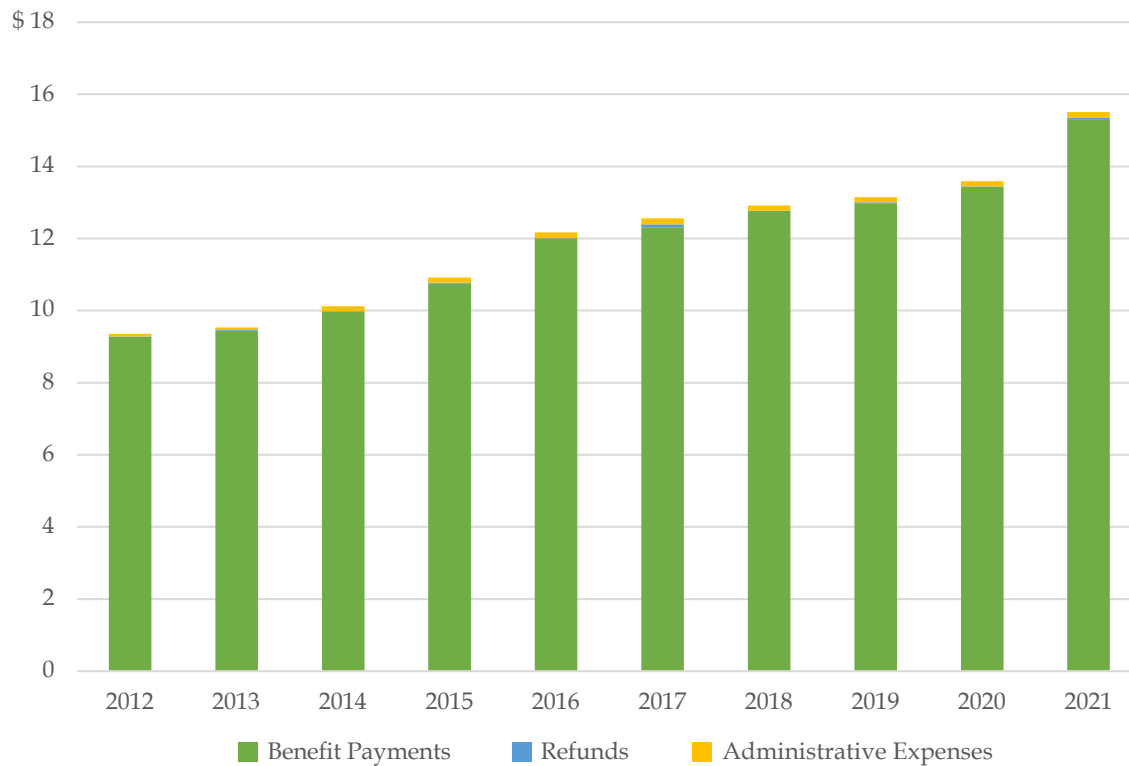
Year Ending June 30	Benefit Payments	Refunds	Administrative Expenses	Total
2012	\$ 9,280,100	\$ 7,014	\$ 67,798	\$ 9,354,912
2013	9,448,550	27,593	55,591	9,531,734
2014	9,966,020	18,836	130,529	10,115,385
2015	10,762,871	14,320	137,951	10,915,142
2016	12,007,537	800	158,420	12,166,757
2017	12,310,422	79,011	168,702	12,558,134
2018	12,769,175	0	142,311	12,911,485
2019	12,979,769	22,024	147,062	13,148,855
2020	13,440,774	5,986	141,891	13,588,651
2021	\$ 15,310,419	\$ 49,199	\$ 145,150	\$ 15,504,768

\* Expenses are annualized based on June 30 benefit amounts.

Note: Administrative expenses will change once the pension expense amount is adjusted based upon actuarially determined net pension liability.

## Chart of Expenses by Type

(shown in millions of dollars; for fiscal years ended June 30)



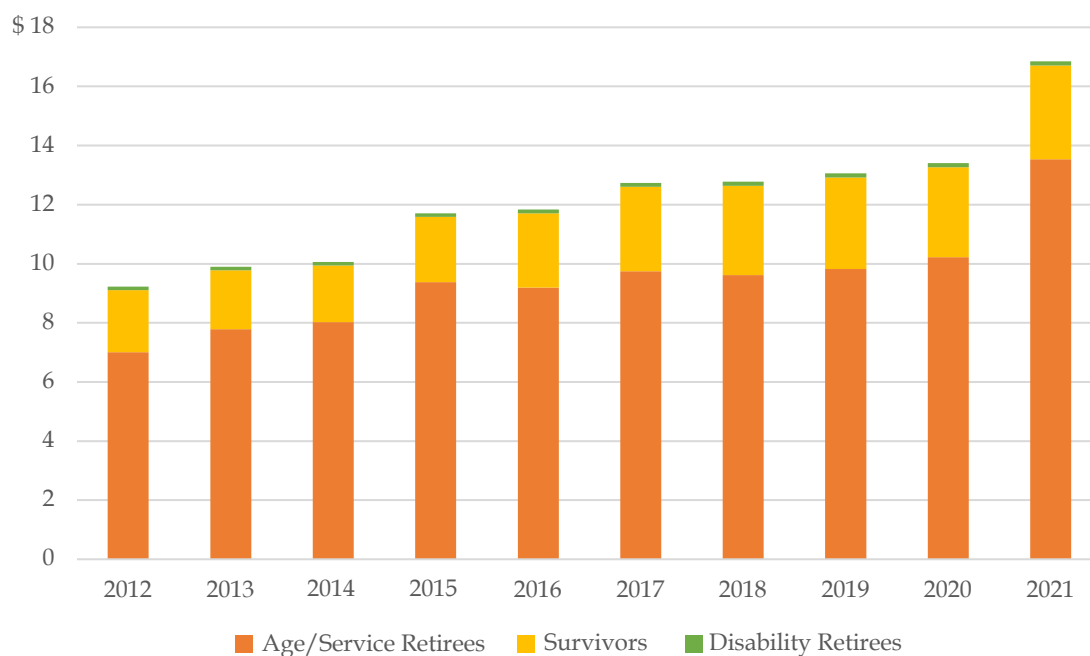
## Schedule of Benefit Expenses by Type \*

Year Ended June 30	Age and Service Retirees	Survivors	Disability Retirees
2012	\$ 7,010,699	\$ 2,096,331	\$ 114,154
2013	7,783,179	1,992,752	117,579
2014	8,020,300	1,916,865	121,106
2015	9,377,001	2,206,257	124,740
2016	9,194,076	2,516,580	128,482
2017	9,746,437	2,856,225	132,336
2018	9,620,977	3,014,896	136,306
2019	9,823,260	3,095,064	140,376
2020	10,221,672	3,040,596	144,600
2021	\$ 13,538,832	\$ 3,165,576	\$ 148,932

\* Expenses are annualized based on June 30 benefit amounts.

## Chart of Benefit Expenses by Type

(shown in millions of dollars; for fiscal years ended June 30)



# Membership

## Schedule of Retired Members by Type of Benefit

(for the fiscal year ended June 30, 2021)

	Number	Annual Annuities	Annuity Liabilities
<b>Age and Service Retirees</b>			
Life	19	\$1,734,504	\$18,065,200
Life Continuing to Survivor	111	11,804,328	154,074,434
Totals	130	13,538,832	172,139,634
<b>Beneficiaries of Age &amp; Service Retirees</b>	41	3,165,576	31,370,645
Total Age & Service Retirees & Beneficiaries	171	16,704,408	203,510,279
<b>Disability Retirees</b>			
Life	1	100,656	785,160
Life Continuing to Survivor	1	48,276	638,400
Totals	2	148,932	1,423,560
<b>Beneficiaries of Disability Retirees</b>	0	0	0
Total Disability Retirees & Beneficiaries	2	148,932	1,423,560
Death-in-Service Beneficiaries	5	307,116	4,552,143
Total Retirees & Beneficiaries	178	\$17,160,456	\$209,485,982

## Retired Members by Type of Benefit

