



Arkansas State Police Retirement System
Quarterly Board Meeting
(Thursday, May 16, 2024, 10:00 A.M.)
124 West Capitol Avenue, Suite 400, Little Rock 72201

The meeting will be held in the APERS conference room located on the 4th floor. The meeting will be a hybrid and can be attended via Zoom via the link on our website, www.apers.org.

AGENDA

1. Call to Order
2. Recognition of Notification of Meeting to News Media Pursuant to Act 93 of 1967 (AR Code 25-19-101) - Freedom of Information Act
3. Recognition of the Presence of a Quorum
4. **Action Item** - Approval of Minutes for the Board Meeting of February 22, 2024 **(Page 2)**
5. **Investments** - Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
 - a. CIO Report **(Page 5)**
 - b. Quarterly Report for the Period Ending March 31, 2024 **(Page 14)**
6. **Finance** - Mr. Jason Willett, Chief Financial Officer
 - a. Financial Statements for the Quarter Ending March 31, 2024 **(Page 43)**
 - b. Report on estimated income from the Insurance Premium Tax
7. **Legal** – Mr. Richmond Giles, Staff Attorney
 - a. **Action Item** - Proposed Rule Changes **(Page 45)**
8. **Benefits** - Ms. Allison Woods, Deputy Director of Benefits
 - a. Benefits Summary **(Page 53)**
9. **Executive Report** - Ms. Amy Fecher, Executive Director
 - a. Executive Report Review **(Page 55)**
 - b. Website Demo
10. Next Quarterly Board Meeting – August 22, 10:00 a.m.
11. Adjournment

**Arkansas State Police Retirement System
Board of Trustees
February 22, 2024**

The regular meeting of the Board of Trustees of the Arkansas State Police Retirement System was held on Thursday, February 22, 2024, at 10:00 a.m. This hybrid meeting was held via ZOOM remote conferencing in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Captain Kyle Drown presided.

Note: Due to an ATT network outage, the meeting start time was delayed. The meeting began at 10:30a.m.

Captain Drown recognized the presence of a quorum and called the meeting to order.

Board Members Present

Captain Scott Joe, Chair, ASP Tier II
Captain Kyle Drown, ASP Tier I
Mr. Andy Babbitt, Department of Finance and Administration*
Mr. Donnie Underwood, Citizen at Large*

Board Member Absent

Mr. John Allison, ASP Commissioner
Mr. Phillip Milligan

Visitors

Mr. Kevin Balaod, With Intelligence*
Mr. Susan Tedford, Arkansas State Police*

APERS Staff Present

Ms. Amy Fecher, Executive Director
Ms. Allison Woods, Deputy Director of Benefits
Mr. Carlos Borromeo, Deputy Director of Investments & Finance
Ms. Ashley Golleher, Deputy Director of Operations
Mr. Jason Willett, Chief Financial Officer
Mr. Daryl Bussell, IT Supervisor
Mr. Richmond Giles, Staff Attorney
Ms. Patty Shipp, Assurance Officer
Ms. Jacobia Bates, Director of Public Affairs
Ms. Stephanie Blair, Communications Manager
Ms. Cheryl Wilburn, Benefits Operations Manager*
Ms. Shelly George, Retirement Coordinator*
Ms. Usha Doolabh, Investments Manager*
*Remote Attendees

News Media Notified

An e-mail notification of the Arkansas State Police Retirement System Board meeting was sent to the Arkansas Democrat-Gazette, the Associated Press, Television Station KLRT/FOX16, Radio Station KARN,

and Radio Station KAAZ, this letter of notification is pursuant to A.C.A. § 25-19-101 (Act 93 of 1967) as amended- The Freedom of Information Act.

Minutes

A copy of the minutes from the meeting of November 16, 2023, was e-mailed to each trustee prior to the meeting. Captain Scott Joe made a motion to accept the minutes as presented. Andy Babbitt seconded the motion. With no objection, the minutes were approved as presented.

Investments

CIO Report

Mr. Borromeo presented the CIO Report for the second quarter of fiscal year 2024. Mr. Carlos Borromeo provided the summary for the fourth quarter. Mr. Borromeo stated that investor optimism amid the economic strength and a changing domestic outlook for interest rates prompted the US equity markets to rise sharply in the fourth quarter; however, in October stocks retreated on a continued hawkish stance from the Fed and didn't see any need for the Fed to change their rate hikes.

He noted that the final two months is when the stock markets started to kick off. A slowdown in inflation sparked hopes that the Fed would end its rate-hiking campaign and perhaps even start to cut rates in 2024. In December, the Fed did a pivot on their intentions and the future path of interest rates. The markets viewed this as a positive and that's what started the lift for both stocks and bonds.

For the year, the Magnificent 7 collectively returned +107.01% and contributed 62% of the S&P 500's total return year-to-date. If you exclude the Magnificent 7, the S&P 500 could have only been up +12.49% vs +26.29%. The market concentration is clear in that nearly 75% of the stocks in the S&P 500 had a lower return than the overall index. For the quarter, the valuation of the portfolio was \$409,179 billion.

Quarterly Report for the Period Ending December 31, 2023 (Callan)

Mr. Borromeo directed the boards attention to the actual vs. target asset allocation information. He stated that over the next year, the plan is to continue to build and get to the target allocation. He shared that the total fund is at 8.06% for the quarter and for the calendar year 12.33%. Mr. Borromeo informed the board that the APERS board of trustees approved adjusting the portfolio to large and mid-cap growth, and lower its exposure to small cap. Mr. Borromeo stated that the Magnificent 7 will continue to drive the market and we should attach ourselves to it.

Finance

Financial Statements for the Quarter Ending December 31, 2023

Mr. Willett shared the statement of investment assets are at \$408,477,516 million for the quarter ending December 31, 2023, which was a big increase from last year in December 2022, when investment assets were at \$371,000 million. Our fiduciary net position as of December 31, 2023, is \$408,989,591 million.

Mr. Willett stated that our contributions revenue is over \$6.1 million with most of this amount being employer contributions. He added that investment income is over \$16.5 million, last year we were at \$3.5 million. Mr. Willett concluded that we were doing well overall and the results for the year were very good.

Legal:

Mr. Richmond Giles provided an update on the November 16, 2023, member appeal hearing for Cpl. Kenneth Cartwright. Mr. Giles reported that the member did not file a petition for judicial review of the

Board's decision to uphold the Executive Director's Determination. He stated that the board's decision is considered final, and the case is now closed. Director Fecher clarified that the member had thirty (30) days following the hearing to file a petition for judicial review.

Captain Drown asked if the board's decision set a precedent or if something should be done legislatively to make the law clearer. Director Fecher stated we can consider legislative action if the board determines it should be made clearer in the law.

Benefits

Ms. Allison Woods, Deputy Director of Benefits shared the Benefits Summary which includes quarterly information as well as historical information to show progression throughout the year and decades. The summary also shared benefit information for membership. Retirees have increased significantly over the past few decades.

Ms. Woods stated that during the quarter ending December 31, 2023, there was a total of 583 active members. She added that the average pay for members have also increased and shared an example of a final average compensation.

Executive Report

Director Fecher shared that the FY23 Legislated Audit for APERS had been completed and approved by the legislative audit committee. There were no findings detected during the audit. Ms. Fecher also provided a brief overview of the twelve Arkansas State Police Retirement trainings held in January. Both Captains Joe and Drown expressed thanks for the training and said it was beneficial for the Arkansas State Police. Director Fecher shared and highlighted an article about the Arkansas Public Employees Retirement System, in the February 22, 2024, edition of the Arkansas Democrat Gazette.

Ms. Fecher reminded the board of the annual requirement to approve travel reimbursement rates for trustees performing official Board duties at the first meeting of each calendar year. The Department of Finance and Administration has temporarily authorized a rate of fifty-two (52) cents per mile.

Mr. Babbitt made a motion to approve Annual Board Travel Reimbursement (A.C.A. 25-16-902), Mr. Underwood seconded the motion, without objection the motion passed.

Before the meeting adjourned, Captain Drown thanked Director Fecher and staff for attending the Arkansas State Police Retiree meeting and supporting retired ASP members.

With no other business, the meeting was adjourned.

Captain Kyle Drown
Chair, Arkansas State Police Board of Trustees

Ms. Amy Fecher
APERS Executive Director

Chief Investment Officer Report

For the Quarter Ending March 31, 2024

Q1 2024 Summary

COMPOSITE								
		Fiscal			Fiscal			
U.S. Equity	Qtr	Year		Q1 2024	Year		31-Mar-24	
S&P 500	10.56%	19.44%	Domestic Equity	9.10%	17.16%	\$ 4,582,279,727	40.07%	
Russell 1000 Growth	14.16%	23.21%	International Equity	4.70%	10.18%	\$ 2,812,094,193	24.59%	
Russell 1000 Value	8.99%	15.56%	Private Markets	11.51%	16.60%	\$ 359,549,134	3.14%	
Russell 2000 Index	14.03%	13.79%	Fixed Income	0.30%	4.82%	\$ 1,976,029,667	17.28%	
Russell 2000 Growth	7.58%	12.42%	Real Assets	-1.78%	-6.45%	\$ 1,513,824,389	13.24%	
Russell 2000 Value	2.90%	15.09%	APERS Total Portfolio	4.85%	9.36%	\$ 11,243,777,110		
Russell 3000 Index	10.02%	19.29%				\$ 190,710,672	Cash	
International Equity						\$ 11,434,487,782	TOTAL FUND	
MSCI EAFE	5.78%	12.01%				\$ 424,790,263.55	ASPRS Plan	
MSCI ACWI xUS	4.69%	10.56%				\$ 734,230.07	ASPRS Cash	
Fixed Income						\$ 425,524,493.62		
Bloomberg Agg	-0.78%	2.56%						
Bloomberg High Yield	1.47%	9.24%						

Current Q2 Headwinds

Strong April Headwinds					April Returns	
So far in the month of April 2024					S&P 500	-4.08%
* Oil has hit \$90 per barrel (inflationary)					Russell 1000 Index	-4.26%
* The Fixed Income markets have removed rate cut expectations, from 6, down to maybe just 1					Russell 1000 Growth Index	-4.24%
* Iran attacked Israel. Israel told U.S. "no choice but to retaliate"					Russell 1000 Value Index	-4.27%
* Fed Gov. Daly said "there is no urgency to cut rates"					Russell 2000 Index	-7.04%
* Fed Gov. Jefferson said in inflation persists, will hold rates HIGHER FOR LONGER					Russell 2000 Growth Index	-7.70%
* Fed Chairman Powell said "recent data shows lack of further progress on inflation"					Russell 2000 Value Index	-6.37%
He dialed back expectations on rate cuts					Russell 3000 Index	-4.40%
* The Fed's Beige Book data strengthened the case for the Fed to delay rate cuts					MSCI EAFE Index	-2.56%
* Israel launched retaliatory strike against Iran.					MSCI EAFE Growth Index	-3.97%
* TESLA stock craters following price cuts (Magnificent 7 member)					MSCI EAFE Value Index	-1.02%
* NVIDIA stock fell 10% (Magnificent 7 member)					ACWI ex US Index	-1.79%
* Meta issued light revenue price guidance (Magnificent 7 member)					Bloomberg Agg	-2.53%
May could set the tone					Bloomberg High Yield Corp	-0.94%
* 5/01 FOMC meeting. Stocks rally. Powell said "it's unlikely the next policy move will be a hike"					3-month T-Bill	0.44%
* 5/03 U.S. jobs growth was lower than expected. Unemployment rate rose to 3.9%						
The Fixed Income markets pull forward the first Fed rate cut to Sept (from Nov.)						

Q1 2024 Summary

Despite higher interest rates in first quarter of 2024, U.S. stocks rallied.

- The S&P 500 posted its strongest start to a year since Q1 of 2019.
- Investors drove prices higher in the back of a solid economy.
- Recession fears subsided.
- Inflation decelerated but it is still being stubborn.
- GDP grew at an annualized rate of 3.4% which is the fastest growth since late 2021.
- Unemployment remained low. More specifically a strong recovery in the labor participation rate.
- Corporate profits remained solid.
- Continued expectation for Fed rate cuts.

Q1 2024 Summary

Domestic Equities

- The theme continued: Large Cap outperforms Small Cap and Growth outperforms Value.

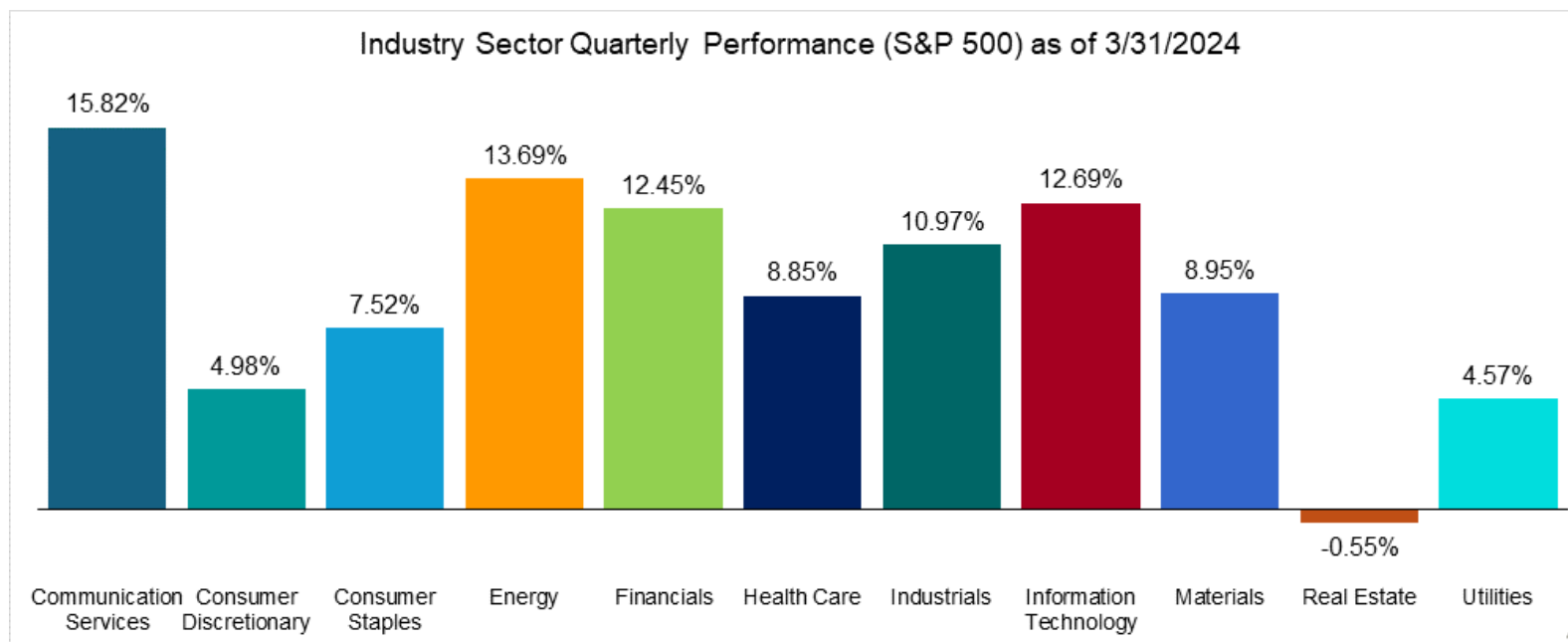
RU1000 Growth 11.4%

RU2000 Growth 7.58%

RU1000 Value 9.0%

RU2000 Value 2.90%

- The S&P 500 sector breakdown, all sectors posted a positive return except Real Estate.

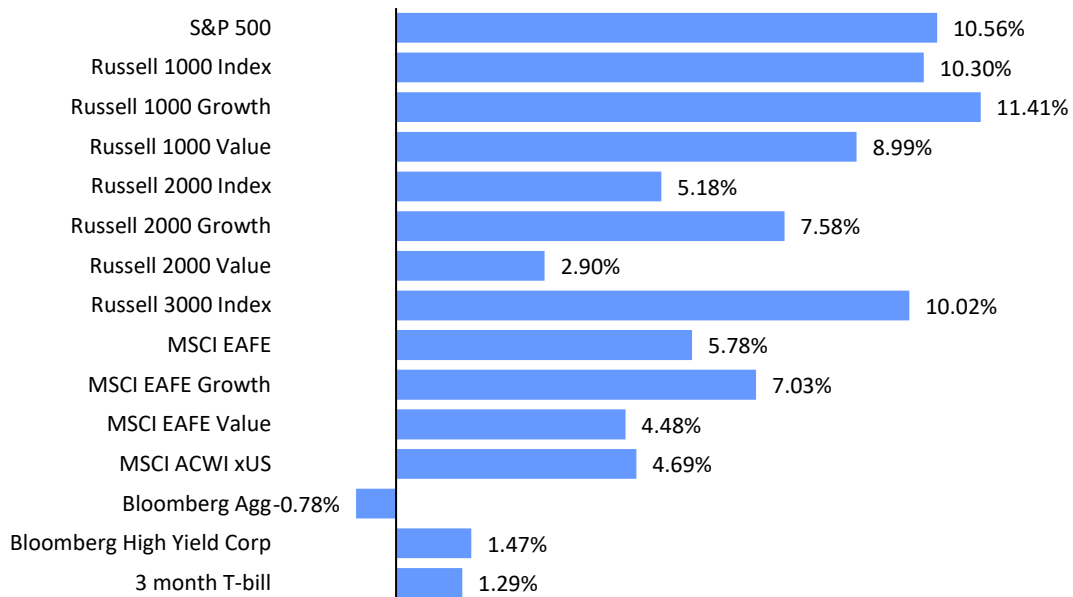


Q1 2024 Summary

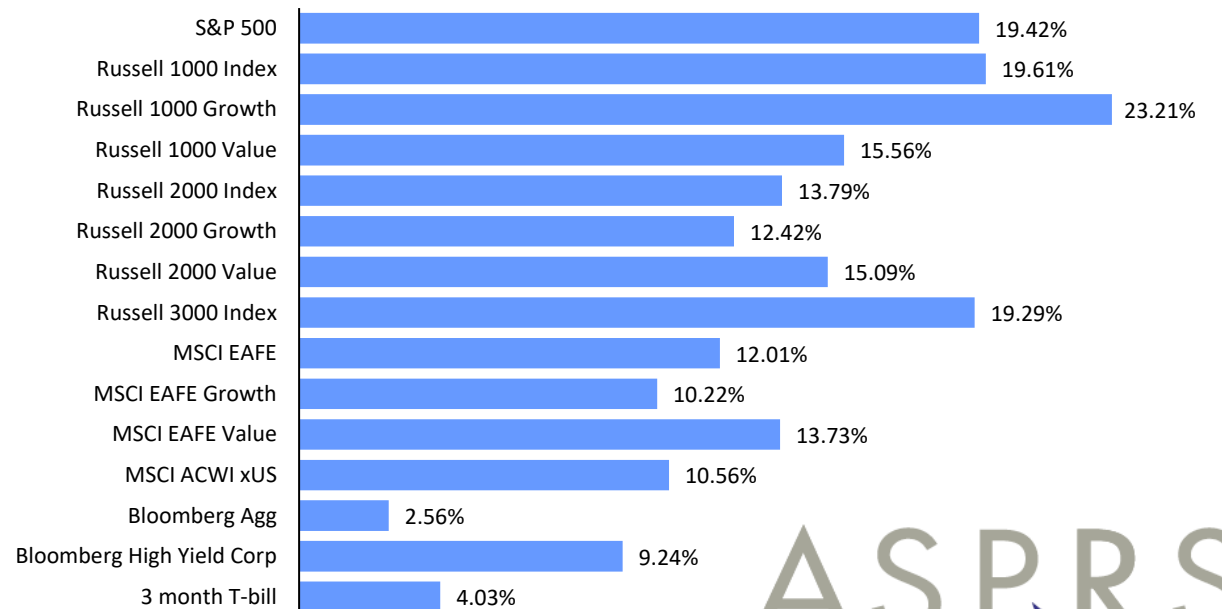
Major global equity indices all performed well.

- The S&P 500 Index was up 10.6%
- The MSCI EAFE was up 10.0% (in local currency). The strength of the US\$ hurt performance. The EAFE was up 5.8% in US\$

Performance by Asset Class: Quarter Ended 3/31/24



Performance by Asset Class: 9 Months Ended 3/31/24



Q1 2024 Summary

International Equities

- Global equities ended 1Q on a strong note buoyed by optimism surrounding future rate cuts, strong corporate earnings, and slowing inflation.
- Tensions in the Middle East weighed on the markets.
- All major central banks maintained their interest rates unchanged while suggesting potential interest rate cuts in June.
- Japanese equity markets stood out, outperforming global stocks, on a weak ¥en and the Bank of Japan's surprising reversal of its negative monetary policy stance. Investors weren't convinced.
- The emerging markets struggled with an ailing property sector, high unemployment, and slowing factory output.

MSCI EAFE Growth 7.0%
Japan 19.2%
India 6.3%

MSCI EAFE Value 4.5%
Australia 5.4%
Turkey 25.5%

U.K. Equities 4.0%
Brazil (4.5%)

Q1 2024 Summary

Fixed Income

- 1Q24 marked a partial unwind of markets pricing in overly dovish policy expectations.
- At the end of 2023, the futures market was pricing in as many as six rate cuts in 2024, but in Q1, that was cut in half.
- The inflation data slowly pushed higher as the core services component has proven to be stickier than originally expected.
- Comments from Fed Chairman Powell and Fed Governor Waller in March tempered market expectations regarding the speed, magnitude, and timing of rate cuts that were originally priced into the markets in 2024. *(the Fed's own dot plots suggested the rate cuts). This caused interest rates to back up across the curve.

Glossary of Terminology

The Super 6 = "MANMAT" = Microsoft, Apple, NVIDIA, Meta (facebook), Amazon, Tesla.

Magnificent 7 = "MANMAT" + Alphabet (Google) = MANMAAT

Fed = The U.S. Federal Reserve Bank

S&P 500 = Standard and Poor's 500

Q4 = Fourth Quarter

YTD = Year to Date

Bloomberg Agg = Bloomberg Aggregate Index

U.S. T-bill = United States Treasury Bill

Value = Value Stocks

Growth = Growth Stocks

EAFE = Europe Asia Far East

ACWI = All Country World Index

IG = Investment Grade



May 2024

Executive Summary First Quarter 2024

Arkansas Public Employees
Retirement System

Brianne Weymouth, CAIA
Senior Vice President

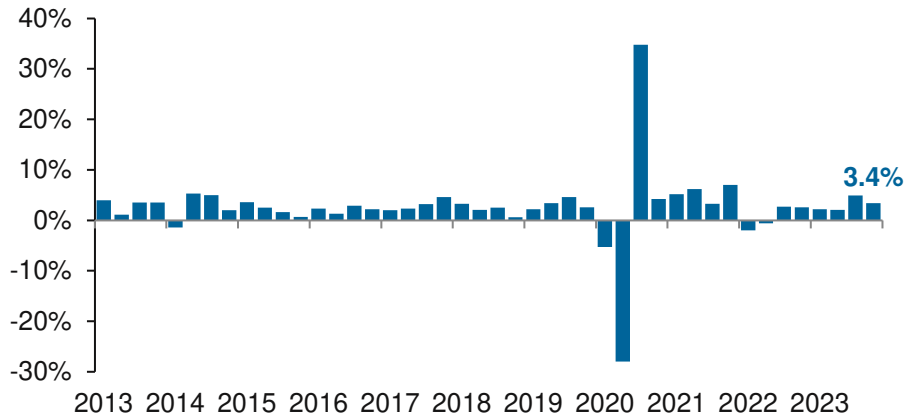
John Jackson, CFA
Senior Vice President

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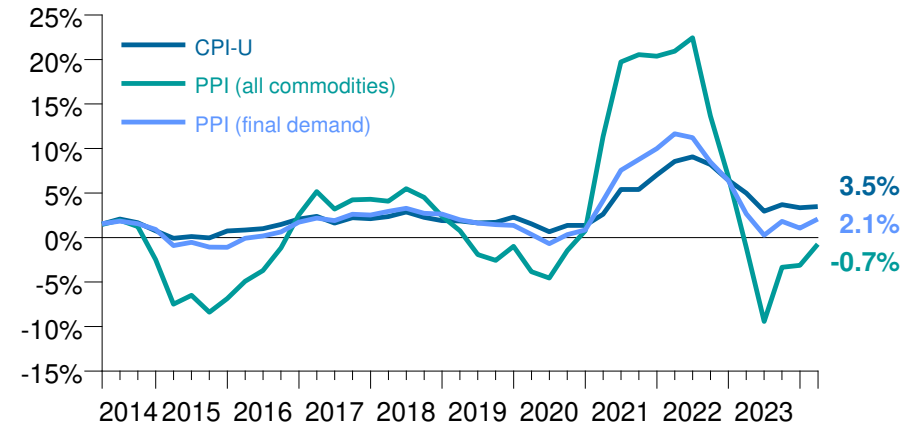
U.S. Economy—Summary

For periods ended 3/31/24 (except GDP, which is as of 12/31/23)

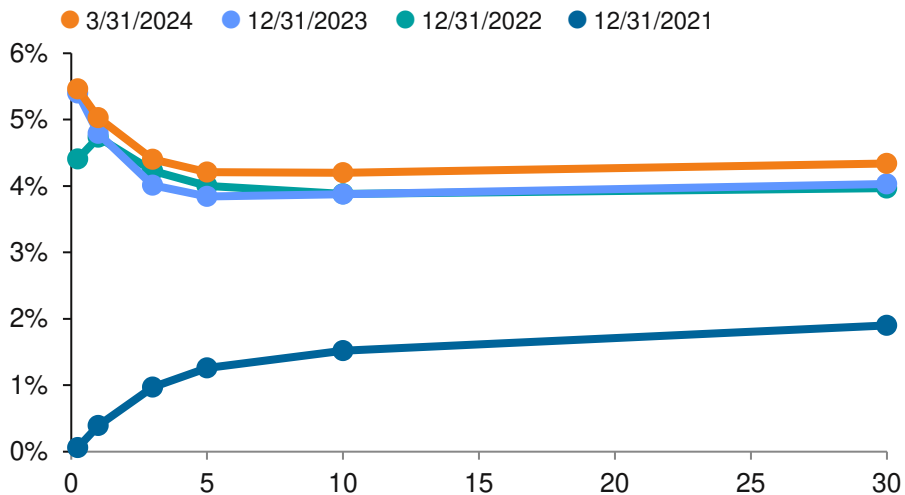
Quarterly Real GDP Growth



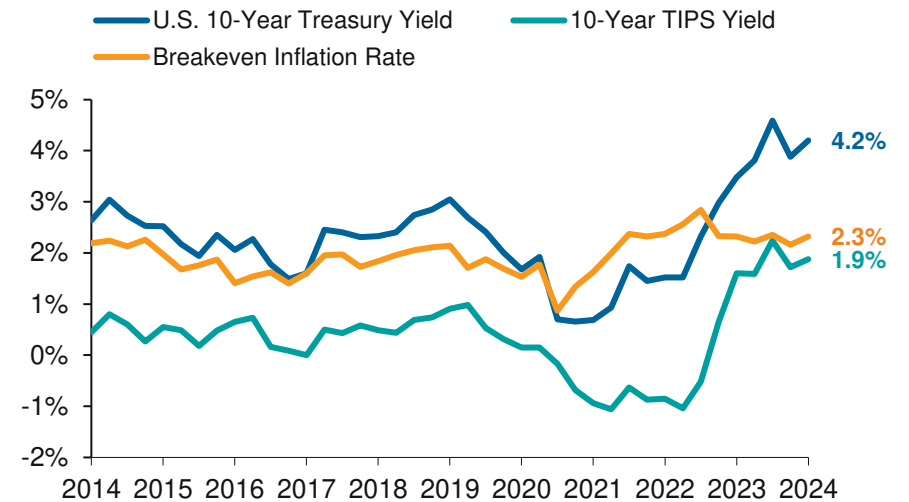
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



Sources: Bloomberg, Bureau of Labor Statistics, Callan

Market Snapshot

Returns for Periods ended 3/31/24

	Q1 2024	FYTD	1 Year	5 Years	10 Years	25 Years
U.S. Equity						
S&P 500	10.56	19.44	29.88	15.05	12.96	7.78
Russell 1000 Growth	11.41	23.21	39.00	18.52	15.98	8.00
Russell 1000 Value	8.99	15.56	20.27	10.32	9.01	7.40
Russell 2000	5.18	13.79	19.71	8.10	7.58	8.37
Russell 2000 Growth	7.58	12.42	20.35	7.38	7.89	7.14
Russell 2000 Value	2.90	15.09	18.75	8.17	6.87	9.15
Russell 3000	10.02	19.29	29.29	14.34	12.33	8.01
Global ex-U.S. Equity						
MSCI World ex USA	5.59	11.90	15.29	7.48	4.81	4.78
MSCI:EAFE	5.78	12.01	15.32	7.33	4.80	4.61
MSCI Emerging Markets	2.37	7.19	8.15	2.22	2.95	--
MSCI ACWI ex USA Small Cap	2.11	10.54	12.80	6.24	4.74	7.20
Fixed Income						
Bloomberg Aggregate	-0.78	2.56	1.70	0.36	1.54	3.84
90-day T-Bill	1.29	4.03	5.24	2.02	1.38	1.91
Bloomberg Long Gov/Credit	-2.41	0.15	-1.15	-0.62	2.32	5.25
Bloomberg Global Agg ex-US	-3.21	1.48	-0.71	-2.49	-1.38	2.34
Real Estate						
NCREIF Property*	-3.02	-7.24	-9.07	3.33	6.19	7.79
NCREIF NFI ODCE Eq Wt Net	-2.39	-9.58	-12.34	2.98	6.15	6.38
FTSE Nareit Equity	-0.20	7.72	10.54	4.15	6.61	9.48
Alternatives						
HFRI Fund Weighted	4.52	9.30	11.68	6.92	4.93	6.35
Cambridge Private Equity*	-0.42	1.18	4.17	14.59	14.27	13.87
Inflation - CPI-U						
	1.82	2.37	3.48	4.20	2.83	2.58

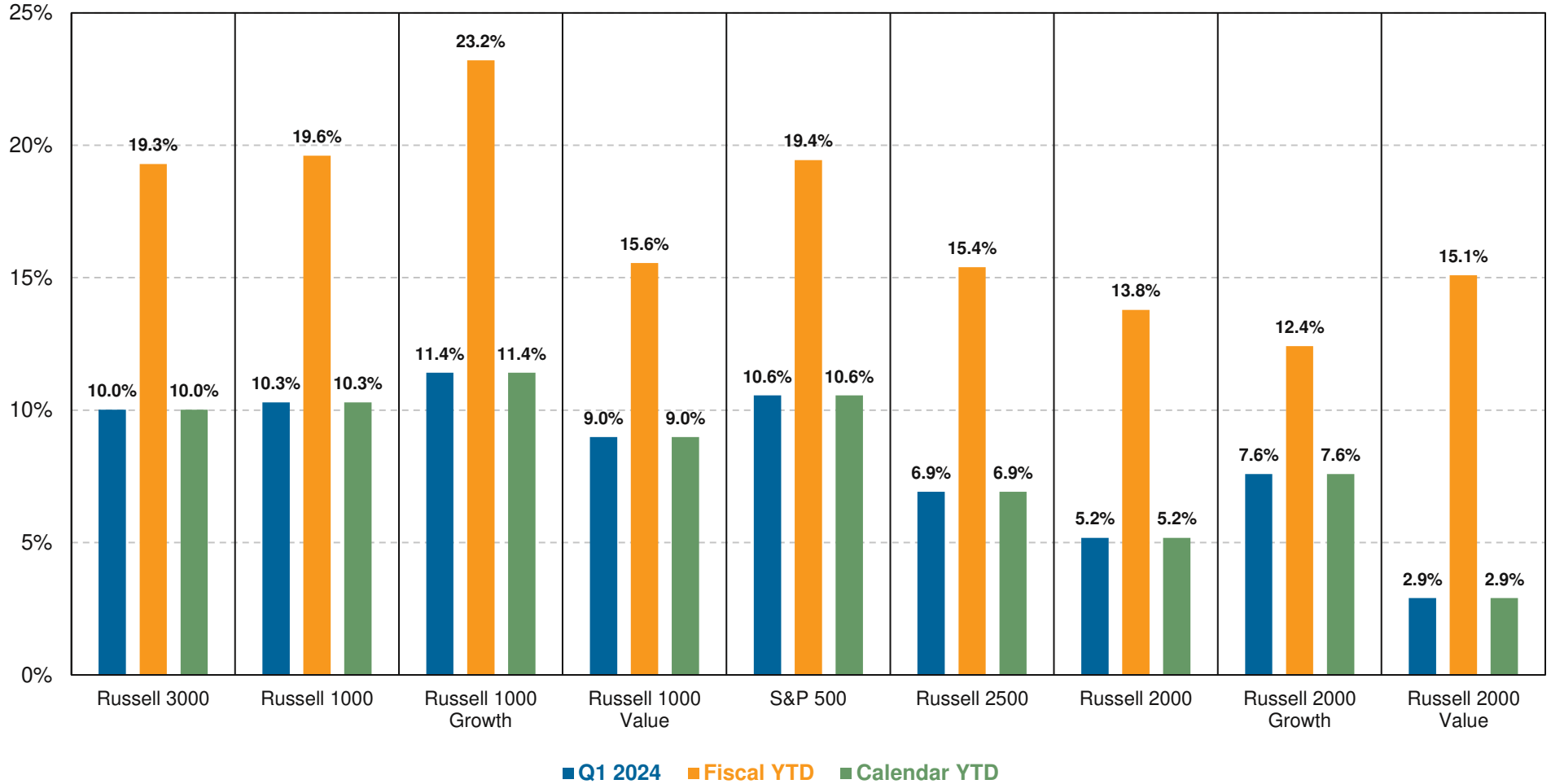
*Cambridge PE data as of 9/30/23; NCREIF Property data as of 12/31/23

Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices

U.S. Equity Market Snapshot: Q1 2024

Domestic equity markets exhibited a strong start to 2024

Returns for Periods Ended March 31, 2024

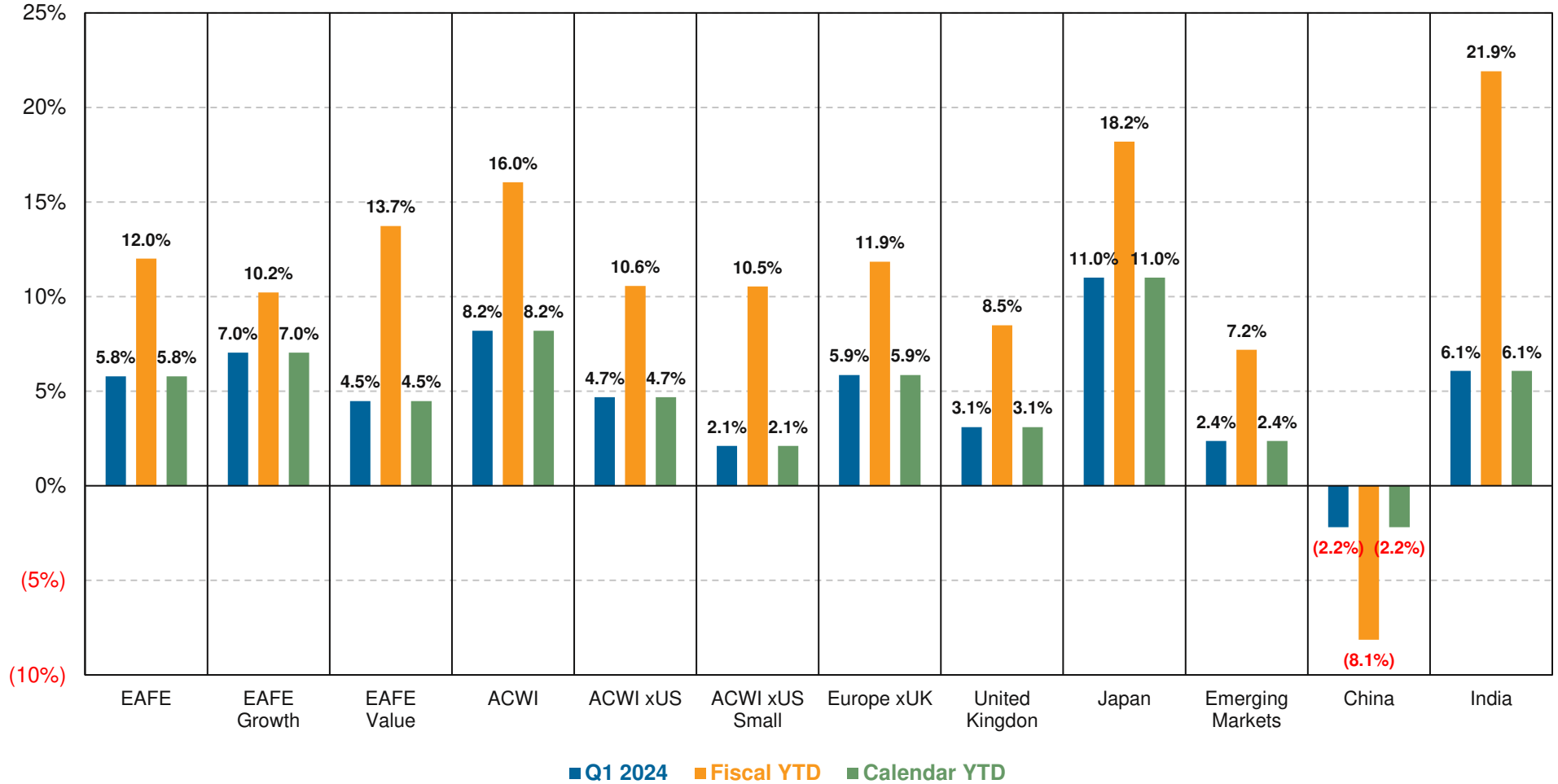


Sources: FTSE Russell, S&P Dow Jones Indices

Global/Global ex-U.S. Equity Market Snapshot: Q1 2024

Non-U.S. equities posted gains but lagged domestic markets

Returns for Periods Ended March 31, 2024

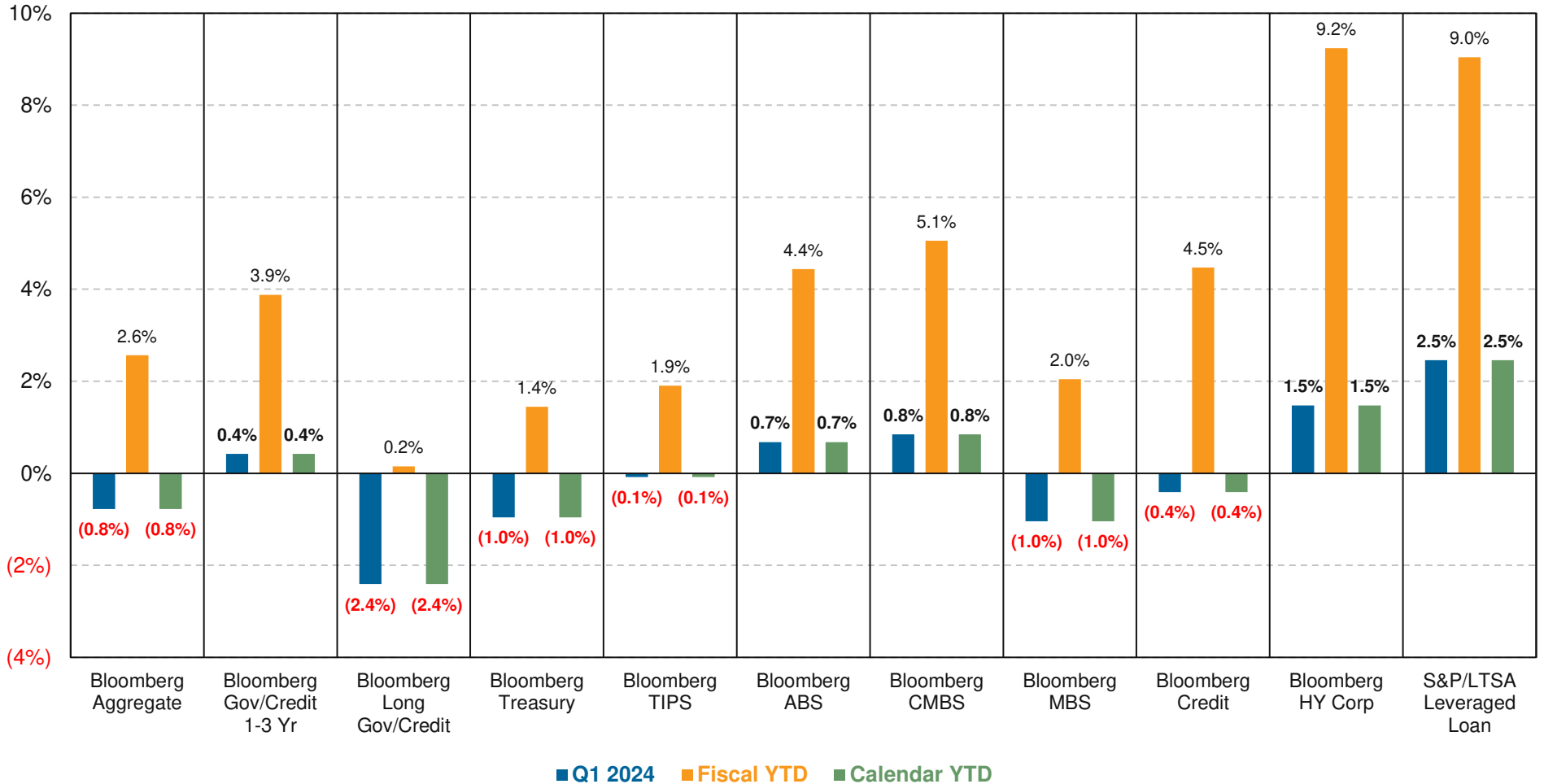


Source: MSCI

U.S. Fixed Income Market Snapshot: Q1 2024

Treasury yields rose while risk appetite drove credit spreads tighter

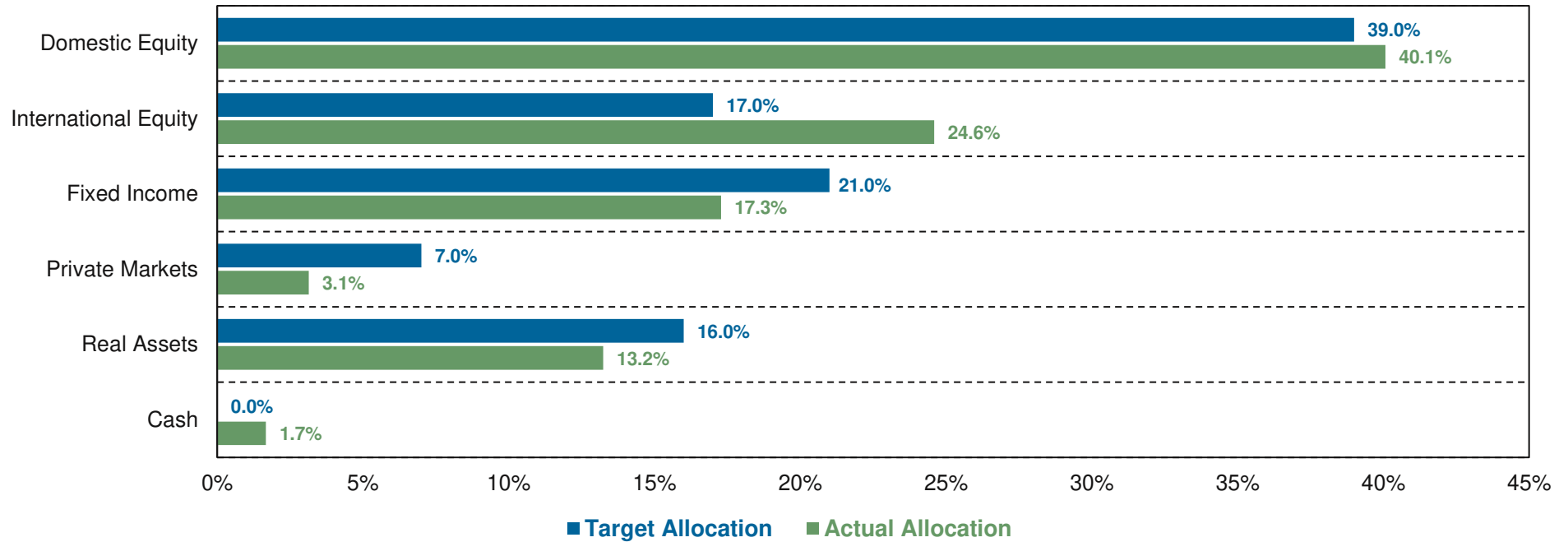
Returns for Periods Ended March 31, 2024



Sources: Bloomberg, Callan, S&P Dow Jones Indices

Actual vs. Target Asset Allocation*

March 31, 2024

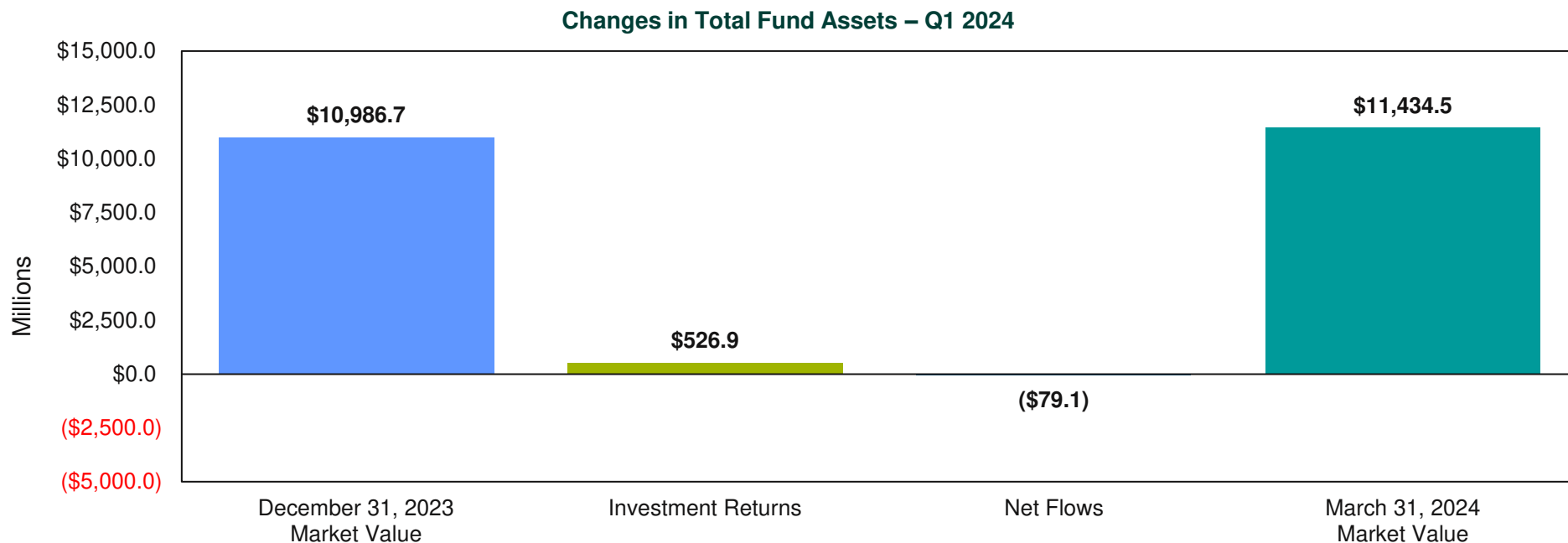


Asset Class	\$Millions Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	4,582	40.1%	34.0%	39.0%	44.0%
International Equity	2,812	24.6%	12.0%	17.0%	22.0%
Fixed Income	1,976	17.3%	16.0%	21.0%	26.0%
Private Markets	360	3.1%	2.0%	7.0%	12.0%
Real Assets	1,514	13.2%	11.0%	16.0%	21.0%
Cash	191	1.7%	0.0%	0.0%	5.0%
Total	11,434	100.0%		100.0%	

*The target asset allocation was approved in February 2023. The benchmark will be modified to reflect the new long-term targets when the Private Equity allocation has been implemented. Benchmark definitions can be found in the appendix.

Total Fund Asset Summary

March 31, 2024



Changes in Total Fund Assets	Q1 2024	Fiscal YTD	1 Year
	(12/31/23 – 3/31/24)	(7/1/23 – 3/31/24)	(3/31/23 – 3/31/24)
Total Fund			
Beginning Market Value	\$10,986,656,389	\$10,691,261,784	\$10,457,095,250
+ Investment Returns	\$526,882,736	\$977,109,251	\$1,275,219,660
+ Net Flows	(\$79,051,343)	(\$233,883,253)	(\$297,827,128)
= Ending Market Value	\$11,434,487,782	\$11,434,487,782	\$11,434,487,782

Total Fund Performance

March 31, 2024

Returns for Periods Ended March 31, 2024

Group: Callan Public Fund Spr DB

	Q1 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	6.69%	17.36%	6.74%	9.44%	8.25%	7.72%
25th Percentile:	6.18%	15.54%	5.71%	8.86%	7.69%	7.40%
Median	5.19%	13.85%	4.87%	8.26%	7.29%	7.09%
75th Percentile:	4.45%	12.11%	3.96%	7.48%	6.70%	6.68%
90th Percentile:	3.71%	10.76%	3.05%	6.77%	6.21%	6.35%
Total Fund	4.85% (63)	12.51% (70)	4.11% (71)	8.21% (52)	7.23% (53)	7.34% (29)
Benchmark	4.72% (67)	14.15% (47)	4.97% (48)	8.42% (45)	7.28% (51)	7.32% (31)
Peer Universe Constituents	321	321	318	318	306	227

Peer group ranking in parentheses.
Benchmark definitions included in the Appendix.

Asset Class Performance and Market Values

March 31, 2024

	Market Value \$(Dollars)	Ending Weight	Q1 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity <i>Russell:3000 Index</i>	\$4,582,279,727	40.07%	9.10 10.02	17.16 19.29	24.69 29.29	7.53 9.78	13.03 14.34	11.25 12.33
International Equity <i>Int'l Equity Benchmark</i>	\$2,812,094,193	24.59%	4.70 4.33	10.18 10.56	13.06 13.20	2.11 1.72	7.79 5.49	5.57 3.90
Private Markets	\$359,549,134	3.14%	11.51	16.60	18.34	7.02	7.18	6.27
Private Equity <i>Private Equity Benchmark</i>	\$120,686,208	1.06%	34.12 12.60	--	--	--	--	--
Hedge Fund of Funds <i>HFRI FOF Index</i>	\$238,862,926	2.09%	4.65 4.13	9.74 7.66	11.39 9.94	7.24 6.81	6.67 6.15	6.48 5.45
Fixed Income <i>Blmbg:Aggregate</i>	\$1,976,029,667	17.28%	0.30 (0.78)	4.82 2.56	4.69 1.70	(1.26) (2.46)	1.53 0.36	2.53 1.54
Real Assets <i>Real Assets Benchmark</i>	\$1,513,824,389	13.24%	(1.78) (0.98)	(6.45) (5.29)	(8.01) (3.36)	5.66 5.84	4.93 5.93	5.51 5.70
REITS <i>S&P DJ US Select REIT</i>	\$12,464,614	0.11%	(0.40) (0.39)	7.28 7.32	10.41 10.45	3.69 3.69	2.72 2.99	-- 5.91
Core Real Estate <i>NFI-ODCE Eq Wt Net</i>	\$848,103,019	7.42%	(2.70) (2.38)	(8.91) (9.57)	(10.77) (12.33)	3.84 2.81	3.16 2.98	6.30 6.15
Value Add Real Estate <i>NCREIF Total Index</i>	\$454,753,274	3.98%	(1.02) (2.38)	(6.08) (9.57)	(10.24) (12.33)	11.75 2.81	11.18 2.98	12.33 6.15
Farmland <i>NCREIF Farmland Index</i>	\$101,310,123	0.89%	0.44 0.74	1.43 2.76	3.42 3.58	-- 7.36	-- 6.02	-- 7.11
Timber <i>NCREIF Timberland Index</i>	\$97,193,359	0.85%	0.38 2.12	5.56 8.00	16.04 9.85	13.23 10.99	7.21 7.04	3.68 5.83
Cash	\$190,710,672	1.67%	1.22	3.76	4.97	2.63	2.02	(0.24)
Total Fund <i>Total Fund Benchmark</i>	\$11,434,487,782	100.00%	4.85 4.72	9.36 9.72	12.51 14.15	4.11 4.97	8.21 8.42	7.23 7.28

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

March 31, 2024

	Q1 2024		Fiscal YTD		Last Year		Last 3 Years		Last 5 Years	
Domestic Equity	9.10%	72	17.16%	81	24.69%	82	7.53%	81	13.03%	70
Russell 3000 Index	10.02%	15	19.29%	20	29.29%	11	9.78%	28	14.34%	21
Pub Pln- Dom Equity	9.57%		18.31%		27.47%		9.16%		13.76%	
Lazard Asset Mgmt.	3.70%	96	5.30%	98	10.60%	94	4.49%	87	9.40%	95
Russell 3000 Index	10.02%	60	19.29%	50	29.29%	38	9.78%	44	14.34%	38
Callan All Cap Broad	10.42%		19.27%		28.02%		9.50%		13.32%	
CastleArk	14.99%	1	24.99%	10	36.80%	15	12.15%	20	18.05%	9
Russell 3000 Growth Index	11.23%	36	22.66%	27	37.95%	14	11.54%	22	17.82%	10
Callan All Cap Broad	10.42%		19.27%		28.02%		9.50%		13.32%	
Mellon S&P 500 Index Fd	10.55%	71	19.43%	82	29.87%	72	11.49%	54	14.72%	60
S&P 500 Index	10.56%	71	19.44%	82	29.88%	72	11.49%	54	15.05%	57
Callan Large Cap Core	11.78%		21.86%		31.68%		11.52%		15.23%	
Horrell Capital - Passive	9.21%	75	17.70%	71	23.26%	79	10.64%	40	13.88%	45
Bloomberg Arkansas Index	2.68%	97	14.36%	87	24.60%	66	16.57%	5	18.08%	9
S&P 500 Index	10.56%	48	19.44%	49	29.88%	36	11.49%	22	15.05%	32
Callan All Cap Broad	10.42%		19.27%		28.02%		9.50%		13.32%	
Mellon Large Cap Growth	11.41%	68	23.27%	60	-	-	-	-	-	-
Russell 1000 Growth Index	11.41%	68	23.21%	60	39.00%	54	12.50%	18	18.52%	10
Callan Large Cap Growth	12.52%		24.50%		40.04%		10.44%		16.35%	
Wellington Management	9.51%	52	17.03%	70	22.07%	62	10.39%	45	11.88%	59
Russell 1000 Value Index	8.99%	63	15.56%	79	20.27%	76	8.11%	86	10.32%	87
Callan Large Cap Value	9.78%		18.23%		22.81%		10.14%		12.15%	
LSV Asset Management	3.94%	80	17.87%	44	24.15%	26	9.18%	20	11.81%	34
Russell 2000 Value Index	2.90%	92	15.09%	65	18.75%	71	2.22%	88	8.17%	89
Callan Small Cap Value	5.02%		17.04%		20.63%		6.24%		10.91%	
Stephens Investment Mgmt.	9.97%	36	18.09%	12	24.38%	20	2.49%	18	10.56%	44
Russell 2000 Growth Index	7.58%	49	12.42%	44	20.35%	39	(2.68%)	66	7.38%	89
Callan Small Cap Growth	7.48%		11.92%		18.48%		(0.48%)		10.07%	
Froley Revy Investment	3.48%	30	7.50%	31	10.71%	34	(2.78%)	91	9.41%	28
ML All Conv	2.34%	69	6.41%	52	11.34%	22	(0.98%)	70	10.28%	11
Callan Convert Bonds DB	2.90%		6.56%		10.22%		0.80%		7.49%	

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

March 31, 2024

	Q1 2024		Fiscal YTD		Last Year		Last 3 Years		Last 5 Years	
International Equity	4.70%	50	10.18%	54	13.06%	58	2.11%	51	7.79%	29
Benchmark*	4.33%	72	10.56%	46	13.20%	56	1.72%	56	5.49%	80
Pub Pln- Intl Equity	4.70%		10.38%		13.45%		2.16%		6.94%	
Artisan Partners	4.61%	68	12.62%	30	17.30%	24	9.95%	1	12.66%	1
MSCI EAFE	5.78%	48	12.01%	34	15.32%	43	4.78%	35	7.33%	63
Callan NonUS Eq	5.71%		10.79%		14.52%		3.85%		7.90%	
Mellon ACWI ex US Fund	4.60%	68	10.49%	54	13.34%	62	2.16%	73	6.25%	82
MSCI ACWI ex US	4.69%	67	10.56%	53	13.26%	62	1.94%	76	5.97%	87
Callan NonUS Eq	5.71%		10.79%		14.52%		3.85%		7.90%	
Baillie Gifford Overseas	3.90%	78	4.09%	97	4.39%	98	(6.86%)	99	5.30%	94
MSCI ACWIxUS Gross	4.81%	67	10.87%	49	13.83%	59	2.44%	71	6.48%	78
Callan NonUS Eq	5.71%		10.79%		14.52%		3.85%		7.90%	
Lazard Asset Mgmt.	6.40%	31	11.81%	39	16.33%	32	3.12%	62	6.90%	72
MSCI ACWIxUS Gross	4.81%	67	10.87%	49	13.83%	59	2.44%	71	6.48%	78
Callan NonUS Eq	5.71%		10.79%		14.52%		3.85%		7.90%	
Acadian ACW ex US SmallCap	5.95%	30	14.90%	31	16.02%	30	5.54%	9	-	
MSCI ACWI ex US Small Cap	2.11%	71	10.54%	53	12.80%	45	0.38%	52	6.24%	52
Callan Intl Small Cap	4.82%		10.81%		11.50%		1.00%		6.53%	
Franklin Templeton Intl SmallCap	0.46%	84	7.32%	72	8.50%	73	(1.20%)	63	-	
MSCI ACWI ex US Small Cap	2.11%	71	10.54%	53	12.80%	45	0.38%	52	6.24%	52
Callan Intl Small Cap	4.82%		10.81%		11.50%		1.00%		6.53%	

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

March 31, 2024

	Q1 2024		Fiscal YTD		Last Year		Last 3 Years		Last 5 Years	
Fixed Income	0.30%	13	4.82%	11	4.69%	14	(1.26%)	47	1.53%	45
Blmbg Aggregate Index	(0.78%)	92	2.56%	85	1.70%	85	(2.46%)	93	0.36%	96
Pub Pln- Dom Fixed	(0.24%)		3.55%		3.06%		(1.40%)		1.44%	
DoubleLine Capital	0.14%	20	3.90%	47	3.81%	38	(1.30%)	24	0.93%	86
MacKay Shields	0.56%	5	5.52%	4	5.19%	4	(1.23%)	21	2.02%	14
PGIM	0.18%	17	4.99%	11	5.01%	7	(1.29%)	23	1.58%	35
Blmbg Aggregate Index	(0.78%)	94	2.56%	96	1.70%	96	(2.46%)	89	0.36%	99
Callan Core Plus FI	(0.11%)		3.87%		3.41%		(1.71%)		1.46%	
Private Markets	11.51%		16.60%		18.34%		7.02%		7.18%	
Private Equity	34.12%		-		-		-		-	
Benchmark**	12.60%		-		-		-		-	
HarbourVest Dover XI	36.61%		-		-		-		-	
Benchmark**	12.60%		-		-		-		-	
Hedge Fund of Funds	4.65%		9.74%		11.39%		7.24%		6.67%	
HFRI FOF: Diversified Index***	4.08%		7.60%		9.88%		6.79%		6.14%	
Blackstone Alt. Asset Mgmt.	4.65%	16	9.74%	8	11.39%	19	7.24%	8	6.67%	20
HFRI FOF: Diversified Index***	4.08%	45	7.60%	61	9.88%	57	6.79%	9	6.14%	34
Callan Core Diversif FoF	4.04%		8.32%		10.21%		4.32%		5.57%	

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

March 31, 2024

	Q1 2024		Fiscal YTD		Last Year		Last 3 Years		Last 5 Years	
Real Assets	(1.78%)		(6.45%)		(8.01%)		5.66%		4.93%	
NCREIF Total Index****	(0.98%)		(5.29%)		(3.36%)		5.83%		5.93%	
REITS	(0.40%)		7.28%		10.41%		3.69%		2.72%	
S&P DJ US Select REIT	(0.39%)		7.32%		10.45%		3.69%		2.99%	
MCM EB DV Non-SL REIT Fd	(0.40%)	30	7.28%	40	10.41%	37	3.69%	54	2.72%	93
S&P DJ US Select REIT	(0.39%)	29	7.32%	37	10.45%	34	3.69%	54	2.99%	89
Callan Real Estate REIT	(0.83%)		7.07%		9.85%		3.72%		5.29%	
Core Real Estate	(2.70%)		(8.91%)		(10.77%)		3.84%		3.16%	
NCREIF NFI-ODCE Eq Wt Net	(2.38%)		(9.57%)		(12.33%)		2.81%		2.98%	
Invesco Real Estate	(3.40%)	98	(9.32%)	67	(11.53%)	66	2.93%	54	2.81%	70
Heitman Real Estate Trust LP*****	(1.56%)	29	(8.25%)	56	(9.54%)	44	5.33%	30	3.78%	45
NCREIF NFI-ODCE Eq Wt Net	(2.38%)	85	(9.57%)	68	(12.33%)	72	2.81%	56	2.98%	67
Callan OE Core Cmngld RE	(1.80%)		(7.94%)		(9.67%)		3.01%		3.38%	
Value Add Real Estate	(1.02%)		(6.08%)		(10.24%)		11.75%		11.18%	
NCREIF Total Index	(0.98%)		(5.29%)		(7.16%)		3.63%		3.76%	
Carlyle Property Investors	(3.71%)		-		-		-		-	
Clarion Lion Industrial Trust	0.30%		(1.76%)		(2.64%)		-		-	
Harrison Street Fund VIII	0.19%		0.21%		0.28%		-		-	
Heitman Value Partners IV	(0.18%)		11.02%		3.24%		14.20%		13.46%	
LaSalle Inc & Growth VI LP	(8.00%)		(9.73%)		(9.07%)		(13.40%)		(10.06%)	
LaSalle Inc & Growth VII LP	(12.34%)		(43.89%)		(54.41%)		(15.50%)		(8.62%)	
Starwood SOF XII	8.85%		6.89%		3.65%		-		-	
TA Realty XI	19.38%		(12.61%)		(27.75%)		2.80%		7.28%	
TA Realty XII	(1.82%)		(8.98%)		(8.65%)		17.77%		-	
TA Realty XIII	(6.86%)		-		-		-		-	
NCREIF Total Index	(0.98%)		(5.29%)		(7.16%)		3.63%		3.76%	
Farmland	0.44%		1.43%		3.42%		-		-	
IFC Core Farmland Fund	1.52%		4.85%		8.08%		-		-	
PGIM Agriculture	(0.86%)		(3.02%)		(2.66%)		-		-	
NCREIF Farmland Index	0.74%		2.76%		3.58%		7.36%		6.02%	
Timber	0.38%		5.56%		16.04%		13.23%		7.21%	
Pinnacle	0.38%		5.56%		16.04%		13.23%		7.21%	
NCREIF Timberland Index	2.12%		8.00%		9.85%		10.99%		7.04%	
Cash	1.22%		3.76%		4.97%		2.63%		2.02%	
Total Fund	4.85%	63	9.36%	70	12.51%	70	4.11%	71	8.21%	52
Benchmark*	4.72%	67	9.72%	64	14.15%	47	4.97%	48	8.42%	45
Callan Public Fund Spr DB	5.19%		10.32%		13.85%		4.87%		8.26%	

Benchmark definitions included in the Appendix.

Organizational Developments

1st Quarter 2024

MacKay Shields – Domestic Fixed Income

In March 2024, MacKay Shields announced that CEO Jeff Phlegar had retired and is now serving as a Senior Advisor through June 30, 2024. Phlegar had been with MacKay for 12 years and he has been in the industry for 30; personal reasons were cited for Phlegar's retirement. Naim Abou-Joaude was named interim CEO and a search is being conducted for Phlegar's replacement. Abou-Joaude is also CEO of New York Life Investment Management (NYLIM), a role that he assumed last May after serving as CEO at one of the NYLIM boutiques, Candriam. He will continue to be CEO at NYLIM as well as interim CEO of MacKay and is in the process of relocating from London to New York City. There are no plans to consolidate NYLIM's six investment management boutiques as they all have very different areas of focus but there is collaboration/sharing of legal/compliance/distribution. Investment teams and decisions will not be directly impacted as the CEO has no portfolio management duties and is responsible for business strategy, governance, and other non-investment related areas. John Loffredo remains Vice Chairman of MacKay Shields and will report to Abou-Joaude.

Lazard Asset Management – Domestic Equity

On April 8, 2024, Lazard announced that after serving as Portfolio Manager and Analyst at Lazard for the last 29 years, Chris Blake has decided to leave the firm. Blake was the lead portfolio manager for the US Equity Concentrated Strategy and played a significant role in building the strategy over the years. Sean Gallagher, who serves as Global Head of Lazard's Small Cap Equity platform, will take over lead PM, working closely with existing portfolio managers on US Equity Concentrated, Jay Levy and Marty Flood, who have been working at Lazard for the past 7 and 28 years, respectively. Prior to Lazard, Sean was Founder and Chief Investment Officer (CIO) of Connacht Asset Management, and was a Partner at GSAM, spending nearly 18 years in various leadership roles, including as CIO of GSAM's Value Equity Business, and later as Co-CIO of GSAM's US Equity team.

Work Plan Update

Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	05/2024	08/2024
Quarterly Board Meetings	Quarterly	05/2024	08/2024
Customized Board Education Sessions	As Needed	5/2023	As Needed
Investment Policy Statement Review	Annual	11/2023	11/2024

Multi-Year Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Asset/Liability Study	5-7 years	2/2019	2024 – 2026
Asset Allocation Analysis	3 years	12/2023	2026 – 2029
Domestic Equity Structure Review	3-5 years	8/2022	2025 – 2027
Non-U.S. Equity Structure Review	3-5 years	11/2020	2023 – 2025
Fixed Income Structure Review	3-5 years	11/2023	2026 – 2028
Real Assets Structure & Pacing Analysis	1-3 years	5/2021	2022 – 2024
Private Equity Structure & Pacing Analysis	1-3 years	5/2023	2024 – 2026



Appendix

Benchmark Definitions

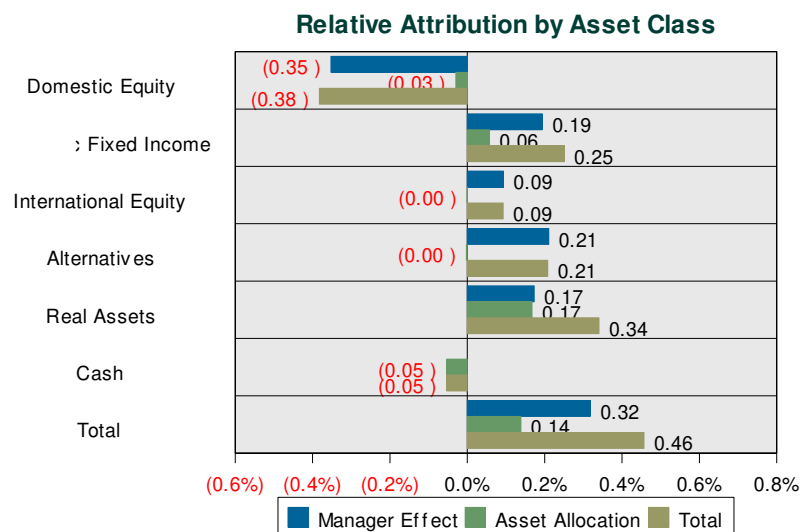
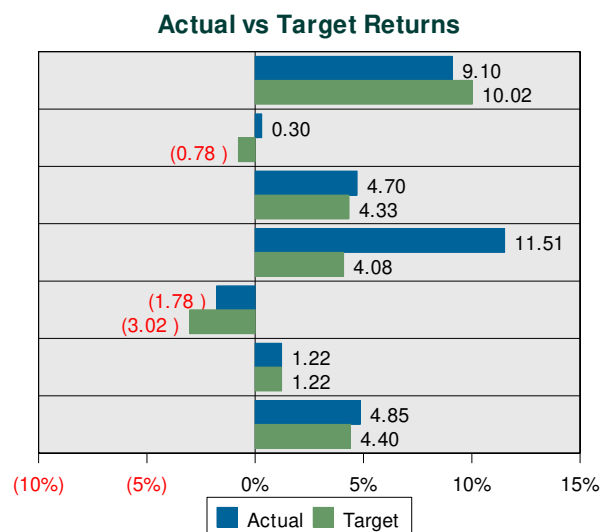
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights. The Long-Term Target was established in July 2023; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of the strategic long-term asset allocation.

	Long-Term Target	1Q 2024 Target
Russell 3000	39.0%	39.0%
MSCI ACWI xUS IMI	17.0	24.0
Bloomberg Aggregate	21.0	19.0
Real Assets	16.0	16.0
Private Markets	7.0	2.0
- Private Equity	5.0	0.0
- Hedge Funds	2.0	2.0
Total Target	100.0%	100.0%

2. **Domestic Equity Benchmark:** Russell 3000 Index
3. **International Equity Benchmark:** MSCI ACWI xUS IMI Index; Prior to 12/31/2020 MSCI EAFE Index
4. **Fixed Income Benchmark:** Bloomberg Aggregate Index
5. **Real Assets:** NCREIF Property Index; Prior to 7/1/2023 CPI All Urban Consumers + 4%
6. **Private Equity:** Russell 3000 Index +3%
7. **Hedge Funds:** HFRI Diversified Index; Prior to 7/1/2023 60% MSCI World and 40% Bloomberg Aggregate.

Total Fund Relative Attribution – Q1 2024

March 31, 2024



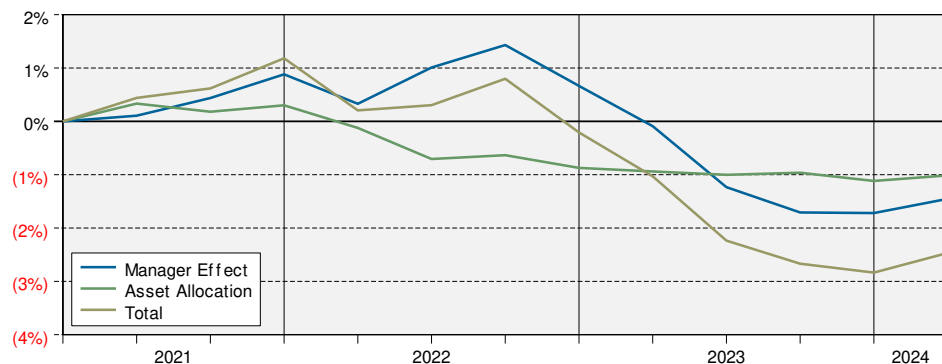
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	39%	9.10%	10.02%	(0.35%)	(0.03%)	(0.38%)
Fixed Income	18%	19%	0.30%	(0.78%)	0.19%	0.06%	0.25%
International Equity	25%	24%	4.70%	4.33%	0.09%	(0.00%)	0.09%
Private Markets	3%	2%	11.51%	4.08%	0.21%	(0.00%)	0.21%
Real Assets	14%	16%	(1.78%)	(3.02%)	0.17%	0.17%	0.34%
Cash	2%	0%	1.22%	1.22%	0.00%	(0.05%)	(0.05%)
Total			4.85%	4.40%	+ 0.32%	+ 0.14%	0.46%

Benchmark definitions included in the Appendix.

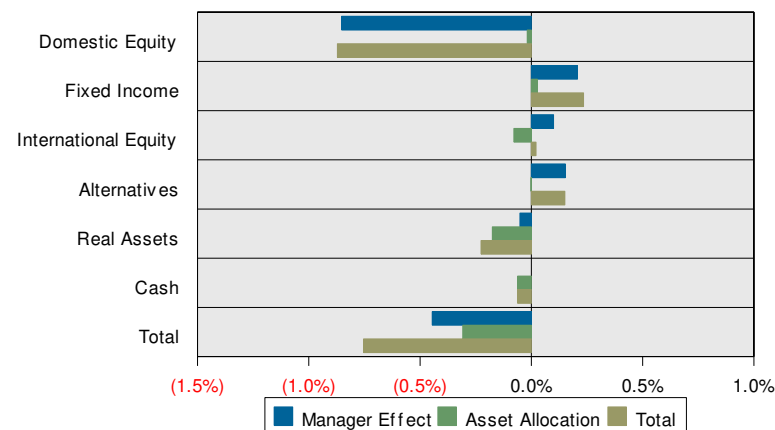
Total Fund Relative Attribution – 3 Years

March 31, 2024

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



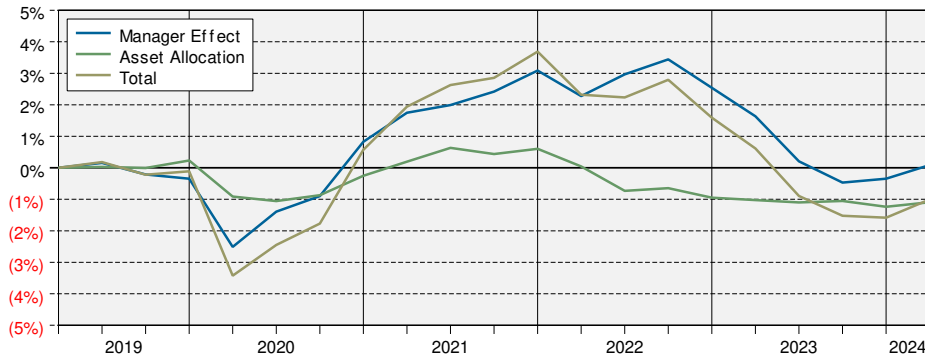
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	37%	7.53%	9.78%	(0.85%)	(0.02%)	(0.87%)
Fixed Income	18%	18%	(1.26%)	(2.46%)	0.21%	0.03%	0.23%
International Equity	25%	24%	2.11%	1.72%	0.10%	(0.08%)	0.02%
Private Markets	4%	4%	7.02%	3.19%	0.15%	(0.00%)	0.15%
Real Assets	14%	16%	5.66%	5.83%	(0.05%)	(0.18%)	(0.23%)
Cash	1%	0%	2.63%	2.63%	0.00%	(0.06%)	(0.06%)
Total			4.11%	4.86%	(0.45%)	(0.31%)	(0.75%)

Benchmark definitions included in the Appendix.

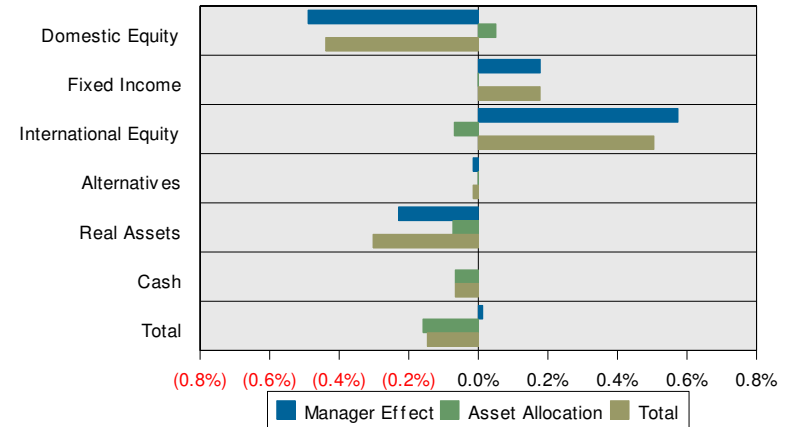
Total Fund Relative Attribution – 5 Years

March 31, 2024

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects

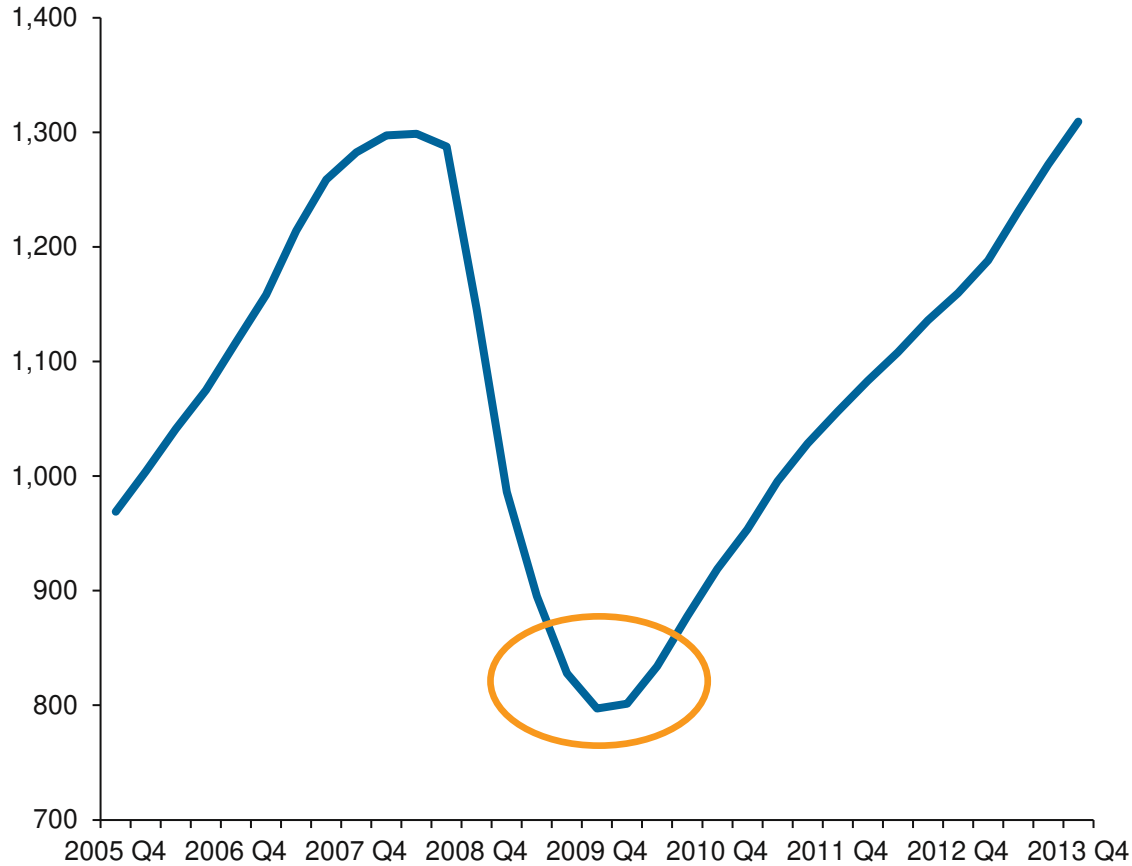


Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	37%	13.03%	14.34%	(0.49%)	0.05%	(0.44%)
Fixed Income	17%	18%	1.53%	0.36%	0.18%	(0.00%)	0.18%
International Equity	25%	24%	7.79%	5.49%	0.57%	(0.07%)	0.51%
Private Markets	4%	5%	7.18%	7.03%	(0.01%)	(0.00%)	(0.02%)
Real Assets	14%	16%	4.93%	5.93%	(0.23%)	(0.07%)	(0.30%)
Cash	1%	0%	2.02%	2.02%	0.00%	(0.07%)	(0.07%)
Total			8.21%	8.35%	+ 0.01%	+ (0.16%)	(0.15%)

Benchmark definitions included in the Appendix.

Long Term Investors Don't Need to Call the Bottom

ODCE Total Return Index during Global Financial Crisis (GFC) Index = 100 in 1977 Q4



Early 1990s	5-Year Return
1995 Q2	11.92%
1995 Q3	12.30%
Trough 1995 Q4	12.99%
1996 Q1	12.97%
1996 Q2	12.69%

Tech Crash	5-Year Return
2002 Q1	12.68%
2002 Q2	13.51%
Trough 2002 Q3	14.01%
2002 Q4	14.04%
2003 Q1	12.50%

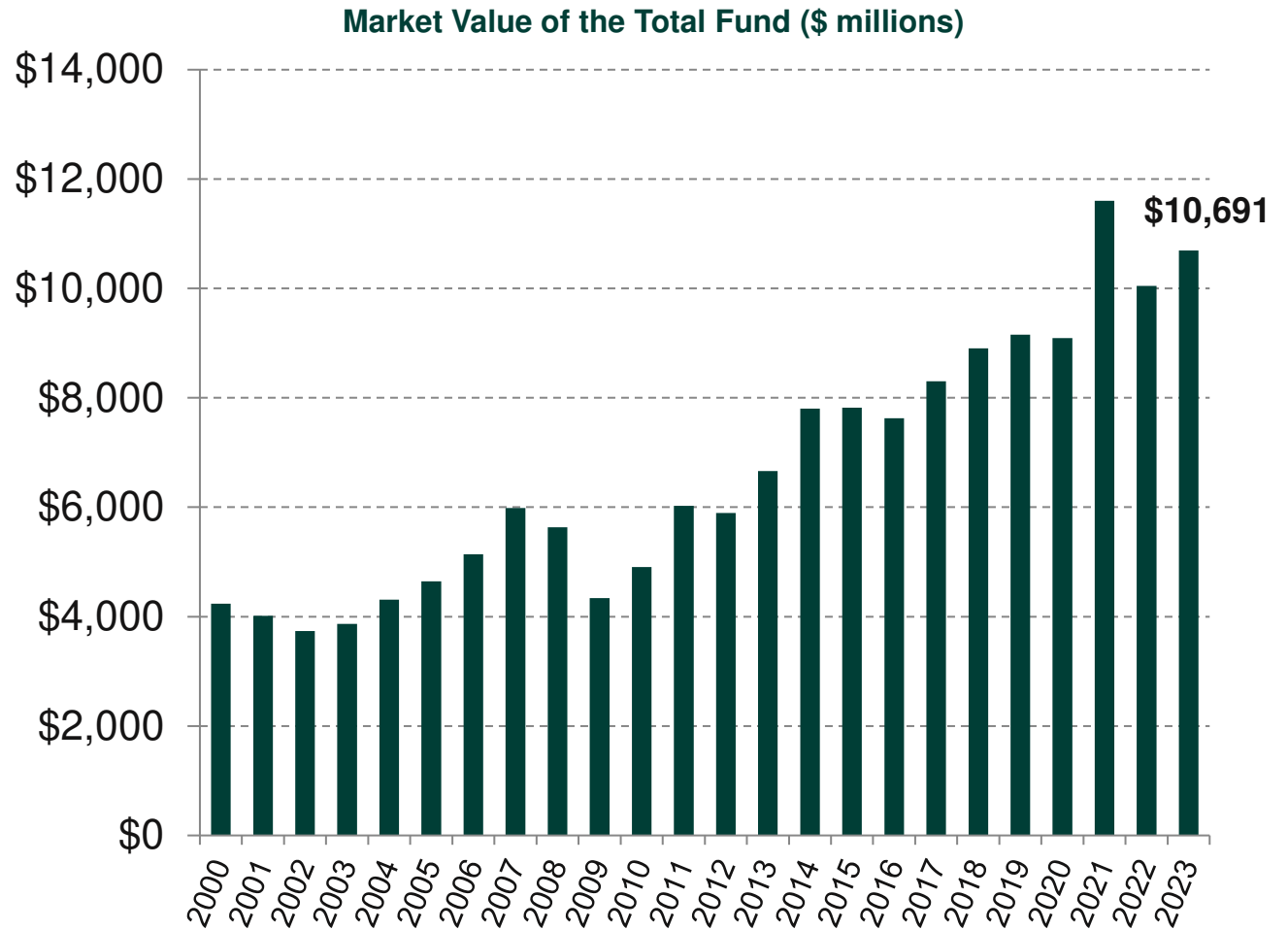
Financial Crisis	5-Year Return
2009 Q3	11.34%
2009 Q4	12.85%
Trough 2010 Q1	13.44%
2010 Q2	13.33%
2010 Q3	12.94%

Source: NCREIF, AEW

Historical Market Values of the Total Fund

Fiscal Year-End Market Values

Fiscal Year Ending	Market Value
2000	\$4,236,749,732
2001	\$4,012,745,608
2002	\$3,739,381,695
2003	\$3,869,787,673
2004	\$4,307,589,827
2005	\$4,642,924,118
2006	\$5,136,985,259
2007	\$5,985,111,493
2008	\$5,633,155,289
2009	\$4,341,419,711
2010	\$4,907,734,835
2011	\$6,022,965,592
2012	\$5,896,862,618
2013	\$6,662,631,673
2014	\$7,800,291,923
2015	\$7,820,289,128
2016	\$7,624,665,446
2017	\$8,301,352,120
2018	\$8,904,393,859
2019	\$9,153,121,783
2020	\$9,093,497,703
2021	\$11,602,695,185
2022	\$10,042,629,672
2023	\$10,691,261,784



Investment Manager Returns – Net of Fees

March 31, 2024

	Q1 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Domestic Equity	9.02%	16.90%	24.31%	7.18%	12.66%
Russell 3000 Index	10.02%	19.29%	29.29%	9.78%	14.34%
Pub Pln- Dom Equity	9.57%	18.31%	27.47%	9.16%	13.76%
Lazard Asset Mgmt.	3.62%	5.06%	10.27%	4.18%	9.08%
Russell 3000 Index	10.02%	19.29%	29.29%	9.78%	14.34%
Callan All Cap Broad	10.42%	19.27%	28.02%	9.50%	13.32%
CastleArk	14.90%	24.64%	36.30%	11.78%	17.66%
Russell 3000 Growth Index	11.23%	22.66%	37.95%	11.54%	17.82%
Callan All Cap Broad	10.42%	19.27%	28.02%	9.50%	13.32%
Mellon S&P 500 Index Fd	10.55%	19.42%	29.86%	11.48%	14.71%
S&P 500 Index	10.56%	19.44%	29.88%	11.49%	15.05%
Callan Large Cap Core	11.78%	21.86%	31.68%	11.52%	15.23%
Horrell Capital - Passive	9.17%	17.56%	23.07%	10.47%	13.69%
Bloomberg Arkansas Index	2.68%	14.36%	24.60%	16.57%	18.08%
S&P 500 Index	10.56%	19.44%	29.88%	11.49%	15.05%
Callan All Cap Broad	10.42%	19.27%	28.02%	9.50%	13.32%
Mellon Large Cap Growth	11.37%	23.22%	-	-	-
Russell 1000 Growth Index	11.41%	23.21%	39.00%	12.50%	18.52%
Callan Large Cap Growth	12.52%	24.50%	40.04%	10.44%	16.35%
Wellington Management	9.43%	16.77%	21.71%	10.07%	11.55%
Russell 1000 Value Index	8.99%	15.56%	20.27%	8.11%	10.32%
Callan Large Cap Value	9.78%	18.23%	22.81%	10.14%	12.15%
LSV Asset Management	3.79%	17.37%	23.45%	8.57%	11.19%
Russell 2000 Value Index	2.90%	15.09%	18.75%	2.22%	8.17%
Callan Small Cap Value	5.02%	17.04%	20.63%	6.24%	10.91%
Stephens Investment Mgmt.	9.80%	17.51%	23.58%	1.84%	9.87%
Russell 2000 Growth Index	7.58%	12.42%	20.35%	(2.68%)	7.38%
Callan Small Cap Growth	7.48%	11.92%	18.48%	(0.48%)	10.07%
Froley Revy Investment	3.38%	7.18%	10.27%	(3.17%)	8.97%
ML All Conv	2.34%	6.41%	11.34%	(0.98%)	10.28%
Callan Convert Bonds DB	2.90%	6.56%	10.22%	0.80%	7.49%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

March 31, 2024

	Q1 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
International Equity	4.61%	9.87%	12.65%	1.75%	7.43%
Benchmark*	4.33%	10.56%	13.20%	1.72%	5.49%
Pub Pln- Intl Equity	4.70%	10.38%	13.45%	2.16%	6.94%
Artisan Partners	4.47%	12.18%	16.68%	9.38%	12.07%
MSCI EAFE	5.78%	12.01%	15.32%	4.78%	7.33%
Callan NonUS Eq	5.71%	10.79%	14.52%	3.85%	7.90%
Mellon ACWI ex US Fund	4.59%	10.45%	13.28%	2.10%	6.19%
MSCI ACWI ex US	4.69%	10.56%	13.26%	1.94%	5.97%
Callan NonUS Eq	5.71%	10.79%	14.52%	3.85%	7.90%
Baillie Gifford Overseas	3.79%	3.78%	3.97%	(7.23%)	4.89%
MSCI ACWIxUS Gross	4.81%	10.87%	13.83%	2.44%	6.48%
Callan NonUS Eq	5.71%	10.79%	14.52%	3.85%	7.90%
Lazard Asset Mgmt.	6.32%	11.56%	15.97%	2.81%	6.56%
MSCI ACWIxUS Gross	4.81%	10.87%	13.83%	2.44%	6.48%
Callan NonUS Eq	5.71%	10.79%	14.52%	3.85%	7.90%
Acadian ACW ex US SmallCap	5.80%	14.38%	15.32%	4.89%	-
MSCI ACWI ex US Small Cap	2.11%	10.54%	12.80%	0.38%	6.24%
Callan Intl Small Cap	4.82%	10.81%	11.50%	1.00%	6.53%
Franklin Templeton Intl SmallCap	0.30%	6.79%	7.79%	(1.85%)	-
MSCI ACWI ex US Small Cap	2.11%	10.54%	12.80%	0.38%	6.24%
Callan Intl Small Cap	4.82%	10.81%	11.50%	1.00%	6.53%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

March 31, 2024

	Q1 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Fixed Income	0.25%	4.67%	4.49%	(1.45%)	1.34%
Blmbg Aggregate Index	(0.78%)	2.56%	1.70%	(2.46%)	0.36%
Pub Pln- Dom Fixed	(0.24%)	3.55%	3.06%	(1.40%)	1.44%
DoubleLine Capital	0.10%	3.75%	3.62%	(1.48%)	0.75%
MacKay Shields	0.51%	5.37%	4.98%	(1.43%)	1.82%
PGIM	0.14%	4.83%	4.80%	(1.49%)	1.38%
Blmbg Aggregate Index	(0.78%)	2.56%	1.70%	(2.46%)	0.36%
Callan Core Plus FI	(0.11%)	3.87%	3.41%	(1.71%)	1.46%
Private Markets	10.27%	14.75%	16.18%	5.81%	6.12%
Private Equity	29.02%	-	-	-	-
HarbourVest Dover XI	31.06%	-	-	-	-
Hedge Fund of Funds	4.38%	8.91%	10.27%	6.15%	5.60%
HFRI FOF: Diversified Index**	4.08%	7.60%	9.88%	6.79%	6.14%
Blackstone Alt. Asset Mgmt.	4.38%	8.91%	10.27%	6.15%	5.60%
HFRI FOF: Diversified Index**	4.08%	7.60%	9.88%	6.79%	6.14%
Callan Core Diversif FoF	4.04%	8.32%	10.21%	4.32%	5.57%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

March 31, 2024

	Q1 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
Real Assets	(1.90%)	(6.79%)	(8.47%)	4.71%	4.04%
NCREIF Total Index***	(0.98%)	(5.29%)	(3.36%)	5.83%	5.93%
REITS	(0.42%)	7.24%	10.34%	3.63%	2.66%
S&P DJ US Select REIT	(0.39%)	7.32%	10.45%	3.69%	2.99%
MCM EB DV Non-SL REIT Fd	(0.40%)	7.28%	10.41%	3.69%	2.72%
S&P DJ US Select REIT	(0.39%)	7.32%	10.45%	3.69%	2.99%
Callan Real Estate REIT	(0.83%)	7.07%	9.85%	3.72%	5.29%
Core Real Estate	(2.82%)	(9.20%)	(11.22%)	3.36%	2.66%
NCREIF NFI-ODCE Eq Wt Net	(2.38%)	(9.57%)	(12.33%)	2.81%	2.98%
Invesco Real Estate	(3.49%)	(9.58%)	(11.86%)	2.57%	2.45%
Heitman Real Estate Trust LP	(1.74%)	(8.58%)	(10.17%)	4.64%	3.05%
NFI-ODCE Equal Weight Net	(2.38%)	(9.57%)	(12.33%)	2.81%	2.98%
Callan OE Core Cmngld RE	(1.80%)	(7.94%)	(9.67%)	3.01%	3.38%
Value Add Real Estate	(0.95%)	(6.17%)	(10.23%)	8.81%	8.34%
NCREIF Total Index	(0.98%)	(5.29%)	(7.16%)	3.63%	3.76%
Carlyle Property Investors	(3.95%)	-	-	-	-
Clarion Lion Industrial Trust	0.00%	(2.64%)	(3.80%)	-	-
Harrison Street Fund VIII	2.46%	1.64%	1.26%	-	-
Heitman Value Partners IV	(0.37%)	10.34%	2.61%	13.34%	12.44%
LaSalle Inc & Growth VI LP	(8.00%)	(9.73%)	(9.43%)	(13.72%)	(10.58%)
LaSalle Inc & Growth VII LP	(12.71%)	(44.52%)	(55.04%)	(16.43%)	(9.68%)
Starwood SOF XI	8.16%	4.08%	(0.42%)	-	-
TA Realty XI	19.37%	(8.26%)	(21.36%)	2.97%	6.30%
TA Realty XII	(1.54%)	(7.37%)	(6.98%)	14.29%	-
TA Realty XIII	(7.82%)	-	-	-	-
NCREIF Total Index	(0.98%)	(5.29%)	(7.16%)	3.63%	3.76%
Farmland	(0.41%)	(0.62%)	0.82%	-	-
IFC Core Farmland Fund	0.16%	1.78%	4.17%	-	-
PGIM Agriculture	(1.11%)	(3.82%)	(3.67%)	-	-
NCREIF Farmland Index	0.74%	2.76%	3.58%	7.36%	6.02%
Timber	0.16%	4.85%	15.01%	12.21%	6.25%
Pinnacle	0.16%	4.85%	15.01%	12.21%	6.25%
NCREIF Timberland Index	2.12%	8.00%	9.85%	10.99%	7.04%
Cash	1.22%	3.76%	4.97%	2.63%	2.02%
Total Fund	4.74%	9.06%	12.10%	3.68%	7.78%
Callan Public Fund Spr DB	5.19%	10.32%	13.85%	4.87%	8.26%
Total Fund ex Cash	4.77%	9.11%	12.18%	3.71%	7.81%
Benchmark*	4.72%	9.72%	14.15%	4.97%	8.42%

Benchmark definitions included in the Appendix.

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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.



Quarterly Board Meeting

Statement of Fiduciary Net Position as of (March 31, 2024)

ASSETS	
Cash and Cash Equivalents	\$ 1,551,156
Receivables	
Contributions Receivable	-
Overpayment Receivable	276,135
Allowance for Doubtful Accounts	<u>(276,135)</u>
Total Receivables	-
Investments at Fair Value	
Investment Assets	424,790,264
Securities Lending Collateral	<u>22,777,621</u>
Total Investments	447,567,885
TOTAL ASSETS	<u><u>449,119,041</u></u>
LIABILITIES	
Securities Lending Liability	22,778,585
Accrued Expense and Other Liabilities	<u>289,599</u>
TOTAL LIABILITIES	<u><u>23,068,184</u></u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 426,050,858</u></u>

Unaudited
4/26/2024



Quarterly Board Meeting

Statement of Changes in Fiduciary Net Position for the Period Ending (March 31, 2024)

ADDITIONS	
Contributions	
Employer	\$ 11,615,054
Employee	<u>8,352</u>
Total Contributions	11,623,407
Investment Income	
Investment Income	36,693,520
Less: Investment Expense	<u>(864,127)</u>
Net Investment Income	35,829,393
TOTAL ADDITIONS	47,452,800
DEDUCTIONS	
Benefits	23,505,322
Administrative Expense	<u>231,734</u>
TOTAL DEDUCTIONS	23,737,056
NET INCREASE/(DECREASE)	23,715,744
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of Year	<u>402,335,114</u>
End of 3rd Quarter	<u>\$ 426,050,858</u>

Unaudited
4/26/2024



Quarterly Board Meeting

Legal Report

ADMINISTRATIVE MEMBER APPEALS

None

APPEAL FROM ADMINISTRATIVE MEMBER APPEAL - LITIGATION

None

RULES PROMULGATION

The Arkansas Legislature began a process several years ago to codify the rules of every state agency so that there would be a uniform rule style among state agencies, posted to a single website. The Bureau of Legislative Research has indicated to APERS that the codified version of ASPRS rules could be posted live on the legislative website by early 2025. In preparing the rules for the codification process, staff recommends that six (6) obsolete rules be repealed so that they will not be codified. Staff asks that the board authorize repeal of following rules that are obsolete and no longer needed for the administration of ASPRS benefits:

ASPRS BOARD RULE 1 – Repayment of a Refund, that only applied when a member took a refund of their contributions and later decided to repay ASPRS for that refund to reestablish service in the system. The contributory requirement ended more than forty-six years ago. A review of ASPRS members found no refunded contributions that could be repaid to ASPRS to reestablish service; therefore, the rule is obsolete and no longer needed for the administration of ASPRS benefits.

ASPRS BOARD RULE 2 – Termination Refund, that applied when a contributory member terminated employment and requested a refund. Only ASPRS' members in the system prior to January 1, 1978, could be contributory members. As contributory members, the member could request a refund of the member's contribution and forfeit their ASPRS annuity upon termination of employment. A review of ASPRS member records found no remaining member contributions to be refunded; therefore, the rule is obsolete and no longer needed for the administration of ASPRS benefits.



Quarterly Board Meeting

Legal Report

ASPRS BOARD RULE 5 – Final Average Salary, that only applied to contributory service. Only ASPRS' members in the system prior to January 1, 1978, could be contributory members. There is no final average salary to calculate for contributory members since the contributory requirement for ASPRS members ended January 1, 1978. There are no active contributory members of ASPRS, only inactive members that are not eligible for an ASPRS annuity because they did not meet vesting requirements. If an ASPRS member still retains accumulated contributions in their member deposit account and vests, Ark. Code Ann. § 24-6-201(8) defines "final average salary" for contributory service within Tier One and APERS will administer the final average salary accordingly. Therefore, the rule is obsolete and no longer needed for the administration of ASPRS benefits.

ASPRS BOARD RULE 6 – May 1978 – Public Safety, that applied to Tier 1 noncontributory members only. Tier 1 closed for ASPRS members hired after April 2, 1997. There are currently twelve (12) active Tier 1 noncontributory members whose service is credited as a "public safety member" under Ark. Code Ann. § 24-6-201(13). APERS no longer needs the rule to identify an eligible public safety member for the proper administration of benefits. Therefore, the rule is obsolete and no longer needed for the administration of ASPRS benefits.

ASPRS RULE 8 – June 1988 – RETIREMENT DATE, that is inconsistent with current law identifying the retirement date of a member for both Tier 1 and Tier 2. ASPRS RULE 8 identifies the retirement date of a member as the last day of employment. However, Ark. Code Ann. §§ 24-6-212 and 404 require the member to state the retirement date on their retirement application, which may or may not be the last day of a member's employment. The rule is inconsistent with the law and administration of benefits and may create member confusion.

ASPRS RULE 9 – November 1988 – APPLICATION OF AD HOC INCREASES, that applied to the administration of a one-time ad hoc increase in benefits. Rule 9 was promulgated to clarify that an ad hoc benefit increase granted by Act 718 of 1987 would be added to retirement benefits after the cost-of-living adjustment or "COLA" had been applied and is now obsolete. In the event future legislation grants an ad hoc increase to retirement benefits, then the law should set forth when to apply the increase so that the system's actuaries can produce an accurate financial impact statement before the passage of the act. Therefore, the rule is obsolete and no longer needed for the administration of ASPRS benefits.

MARK UP – REPEAL

ARKANSAS STATE POLICE RETIREMENT SYSTEM

~~RULE 1 – November 1957 and June 1973 – REPAYMENT OF A REFUND~~

~~When repaying a refund, the member shall pay 6% interest from the date of the refund to the date of the repayment. The interest shall be compounded annually.~~

MARK UP – REPEAL

ARKANSAS STATE POLICE RETIREMENT SYSTEM

~~RULE 2 – December 1981 – TERMINATION REFUND~~

~~Interest on contributions refunded to members shall be 3%. No interest shall be credited to a member's account for fiscal years ending prior to July 1, 1959. No interest shall be credited to a member with less than five years of service.~~

MARK UP – REPEAL

ARKANSAS STATE POLICE RETIREMENT SYSTEM

~~RULE 5 – March 1975 – FINAL AVERAGE SALARY~~

~~For contributory service, the exact 36 months back from the last date of pay shall be used to compute the final average salary.~~

MARK UP – REPEAL

ARKANSAS STATE POLICE RETIREMENT SYSTEM

~~Rule 6 May 1978 PUBLIC SAFETY~~

~~All commissioned personnel are public safety as referenced in Act 793 of 1973.~~

MARK UP – REPEAL

ARKANSAS STATE POLICE RETIREMENT SYSTEM

~~RULE 8 – June 1988 – RETIREMENT DATE~~

~~The date of retirement shall be considered the last date of employment.~~

MARK UP – REPEAL

ARKANSAS STATE POLICE RETIREMENT SYSTEM

~~RULE 9 – November 1988 – APPLICATION OF AD-HOC INCREASES~~

~~Absent specific direction in the law, ad hoc increases will be computed after applying costs of living increases.~~



Quarterly Board Meeting

Benefits Summary

Membership

- **Tier One:** All state police officers on March 19, 1951, and all persons who become state police officers after that date become members of State Police Retirement System.
- **Tier Two:** All state police officers first hired on or after April 3, 1997, are covered by the tier two benefit plan.

Members – New This Quarter

	Jan 2024	Feb 2024	Mar 2024
Number	5	27	0
Total Active Members	568	585	568

Members - Historical

	1 year	5 years	10 years	20 years
Number	517	528	525	424
Average Pay	\$72,943	\$56,048	\$53,344	\$39,730

Eligibility for Benefits

- **Normal retirement:** Members may voluntarily retire once they attain normal retirement age, which is the youngest of the following ages:
 - Any age with 28 years of credited service
 - Age 65 with at least five (5) years of credited service
 - Age 65 reduced by 0.75 of a month for each month of service, but no younger than age 55.
- **Early retirement:** Members who have not attained normal retirement age may retire with an early annuity. Early retirement can begin under the following conditions:
 - Within 10 years of normal retirement age
 - A reduction of one-half percent (0.5%) multiplied by the number of months the early retirement age is younger than normal retirement age
- **Disability retirement:** Members with at least five (5) years of actual service who become totally and permanently incapacitated for duty with the division due to personal injury or disease can be retired by the board after a medical examination.
- **Survivor retirement:** Survivors of members with at least five (5) years of actual service who die before retirement may receive a survivor annuity. Eligible survivors include a spouse, dependent children, and in some cases, dependent parents.



Quarterly Board Meeting

Benefits Summary

Inactive Members – New This Quarter

	Jan 2024	Feb 2024	Mar 2024
Number	0	0	0
Total Inactive Members	123	123	123

Inactive Members - Historical

	1 year	5 years	10 years	20 years
Number	123	84	63	26
Total Benefits	\$1.35m	\$913k	\$597k	\$271k

Benefits

- **Straight life annuity:** Members who retire receive a straight life annuity equal to 2.65% of their final average compensation (FAC) multiplied by the number of years of credited service.
- **Benefit calculation example:** Final Average Compensation X 2.65% X Credited Service
 $\$72,943 \times 2.65\% \times 21.67 \text{ yrs.} = \$41,887 \text{ annually/ } \$3,490 \text{ monthly}$
- **Annuity options:** Before members receive their first payment, they can elect to receive the straight life annuity or elect to have their annuity reduced under one of four options that provide continuing benefits to a designated beneficiary.
- **Cost-of-living adjustments:** Each July 1, the system redetermines the amount of each monthly benefit that has been paid for at least twelve months. The amount of the redetermined benefit – a cost-of-living adjustment (COLA) – is the previous July 1 benefit amount increased by three percent (3%).

Retirees – New This Quarter

	Jan 2024	Feb 2024	Mar 2024
Number	3	1	5
Total Retirees	713	710	716

Retirees - Historical

	1 year	5 years	10 years	20 years
Number	740	668	598	425
Total Benefits	\$28.9m	\$24.3m	\$20.3m	\$10.8m



Quarterly Board Meeting

Executive Report

Website

The updated website will go live on Monday, May 20, 2024. You may view the ASPRS test website [here](#).

Member Handbooks

Updated Member handbooks will be available on the website. We are pleased to offer this additional resource to our members.

Fiscal Session

APERS appropriation for FY25 has been signed into law as Act 79 of 2024.

Operational Improvements

APERS has partnered with DIS to update our interactive voice response (IVR) phone system. This will allow our members to be directed to the appropriate section for their specific needs, thus improving our efficiency, member satisfaction, and the quality of service provided. Included in this update is an option to request forms and other information. The updated IVR system is set to go-live on Friday May 17, 2024.

Retirement Education and Outreach

In addition to regularly scheduled retirement education webinars and seminars, the APERS team provided retirement education and counseling at the following locations over the last quarter: Arkansas Court of Appeals, University of Arkansas at Pine Bluff, National Park College in Hot Springs, City of Wynn, City of Pottsville, City of Mountain Home, City of Heber Springs, The Department of Energy and Environment, Logan County, Little Rock Health Department, Benton County, and The Department of Corrections in Pine Bluff. APERS Staff presented to the State's Annual Financial CPE Conference, sponsored by the Arkansas Department of Finance and Administration. This conference provides Continuing Professional Education (CPE) for our state accounting employees.

APERS Strategic Plan

APERS will be engaging in strategic planning efforts beginning in May with the goal of providing the plan to board in the Fall of 2024. We will engage staff representing various divisions as well as designated board of trustee members from all three systems. We are currently in the planning stages and aim to commence the strategic facilitation meetings in late May.