

FOR FISCAL YEAR

2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT



Arkansas Public Employees' Retirement System Annual Comprehensive Financial Report for the fiscal year ending June 30, 2025.



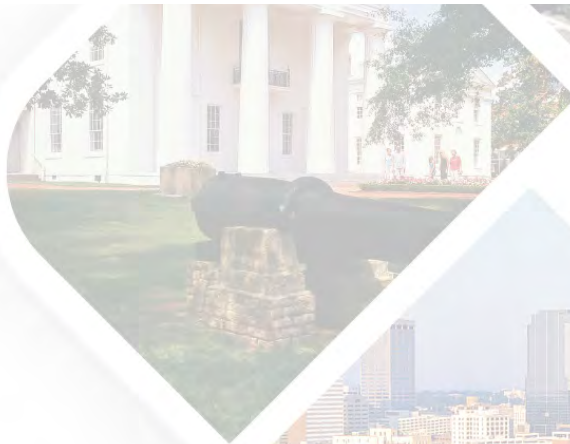
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**Arkansas Public Employees' Retirement System
Annual Comprehensive Financial Report**



for Fiscal Year 2025

APERS' Mission Statement

APERS' mission is to deliver secure retirement benefits and exceptional service to our members.

Core Values

Core Values

A	CCOUNTABILITY
P	ROFESSIONALISM
E	XCELLENCE
R	ESPECT
S	ERVICE



Public Pension Coordinating Council

***Recognition Award for Funding
2025***

Presented to

Arkansas Public Employees' Retirement System

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

Presented by the Public Pension Coordinating Council, a confederation of

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

A handwritten signature in black ink, reading 'Robert A. Wylie'.

Robert A. Wylie
Program Administrator

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APERS

ARKANSAS PUBLIC EMPLOYEES'
RETIREMENT SYSTEM





System Overview

(for the fiscal years ended June 30, 2025 and June 30, 2024)

THE FUND

Investments	FY25	FY24
Assets (in Millions)	\$12,409	\$11,479
Rate of return	11.11%	10.42%
Actuarial Valuations		
Actuarial Valuation Assets (in Millions)	\$11,464	\$11,238
Actuarial Market Value Funded Ratio	86%	82%
Actuarial Funding Value Funded Ratio	83%	84%

APERS MEMBERS

Active	FY25	FY24
Total Active Members	43,490	43,943
Average Age	44.3	44.3
Average Years of Service	8.5	8.5
Average Salary	\$50,761	\$48,724

Retired	FY25	FY24
Total Retired Members	43,148	42,797
Benefits Paid (in Millions)	\$713.8	\$682.7
Average Monthly Pension	\$1,379	\$1,329

Inactive	FY25	FY24
Total Inactive Members	15,351	15,247

COVERED EMPLOYERS

	FY25	FY24
Total Covered Employers	602	607
Contributions (in Millions)	\$367.6	\$348.6

December 1, 2025

Board of Trustees
Arkansas Public Employees' Retirement System
Little Rock, AR 72201

To the Members of the Arkansas Public Employees' Retirement System (APERS):

We are pleased to present the Arkansas Public Employees' Retirement System Annual Comprehensive Financial Report for the Fiscal Year ending June 30, 2025.

This report reflects the collaborative work of APERS' management, under the guidance of the Board of Trustees. To the best of our knowledge, the information enclosed is materially accurate and fairly presents the financial position and operations of the System. The report serves multiple purposes: to support informed decision-making, demonstrate fiscal transparency, ensure legal compliance, and reflect our commitment to responsible stewardship of member and employer contributions.

Plan Basics

Established in 1957 to serve state employees, APERS has since expanded to include employees from counties, municipalities, some school employees, and other political subdivisions. The mission of APERS is to deliver secure retirement benefits and exceptional service to our members. Our administrative priorities and strategic planning are guided by this mission. A summary of plan provisions can be found in the Actuarial Section, and a comprehensive list of participating employers is available in the Statistical Section.

Financial Information

This report has been prepared in accordance with generally accepted accounting principles (GAAP) in the United States.

APERS is responsible for establishing and maintaining effective internal controls over financial reporting. These controls are designed to provide reasonable assurance that transactions are authorized, properly recorded, and that financial statements are prepared in accordance with GAAP.

Investments

The APERS Board has adopted an investment policy consistent with Arkansas Code Annotated § 24-2-618 et seq., including fiduciary obligations under the "prudent investor rule." This framework authorizes the development of an Investment Policy Statement and the delegation of investment authority to professional advisors.

The Investment Policy Statement serves as a guide for asset allocation and risk management. Through diversification, the portfolio seeks to optimize returns while managing risk. A breakdown of asset allocation is provided in the Investments Section.

Investment managers are responsible for executing the policy within Board approved guidelines and in accordance with all federal and state laws. Ongoing compliance monitoring is conducted by APERS staff and our investment consultant. A list of investment managers is included in the Investments Section.

For fiscal year 2025, the fund achieved an 11.11% rate of return. Quarterly performance reports are reviewed in comparison to benchmarks and other pension funds. Over the past 20 years, APERS has maintained a long-term annualized return of 7.45%.

Actuarial Analysis

A pension system is considered well-funded when its assets are sufficient to meet future obligations. A higher funding ratio indicates stronger financial health and assurance that all promised benefits will be covered.

APERS' statutory funding objective is to meet long-term benefit obligations through stable and sustainable contributions as a percentage of payroll. According to the actuarial firm, "if contributions to the system are level in concept and soundly executed, APERS will pay all promised benefits when due—the ultimate test of financial soundness." The Board has adopted an Actuarial Funding Policy with a 100% funding goal.

As of June 30, 2025, the System's actuarial accrued liability was \$13.89 billion. The actuarial funding value of assets was \$11.46 billion, which resulted in an actuarial value funded ratio of 83%. A detailed analysis is provided in the Actuarial Section.

Professional Services

The Board retains independent professionals to ensure the System's integrity and long-term sustainability. Actuarial services are provided by Gabriel, Roeder, Smith & Company (GRS), investment consulting is offered by Callan, LLC and Stephens, Inc.; and annual financial audits are performed by Arkansas Legislative Audit in compliance with Arkansas Code Annotated § 24-2-702.

Awards and Acknowledgments

APERS received the Public Pension Standards Award for Funding and Administration from the Public Pension Coordinating Council for the 19th consecutive year. This national recognition reflects our adherence to best practices in funding and plan governance.

Message from the Chair and Executive Director

Throughout fiscal year 2025, the Board remained focused on fulfilling its fiduciary responsibility by adopting and recommending policies designed to strengthen the trust fund. We extend our sincere thanks to the APERS Board of Trustees for their strategic leadership and commitment to the integrity of the System. We also acknowledge the dedication of APERS staff, whose daily efforts provide excellent service and administration of the System.

We remain focused on preserving the financial strength of the System to ensure that APERS continues meeting its benefit obligations – now and in the future.

Respectfully,



Daryl Bassett, Chair
Arkansas Public Employees' Retirement System
Board of Trustees



Amy Fecher, Executive Director
Arkansas Public Employees' Retirement System

Board of Trustees

Daryl Bassett, Chair

State Employee Member
Governor Appointee

Dennis Milligan

Ex-Officio Member
Auditor of State

Jim Hudson, Vice Chair

Ex-Officio Member
Secretary, Department of Finance and
Administration

Larry Walther

Retired State Employee Member
Governor Appointee

John Thurston

Ex-Officio Member
Treasurer of State

Richard Wilson

Retired State Employee Member
President ProTempore of the Senate Appointee

Barry Moehring

County Employee Member
County Judge
Governor Appointee

Russell White

Retired Law Enforcement Member
Speaker of the House of Representatives Appointee

Joe Hurst

Municipal Employee Member
Mayor of Van Buren
Governor Appointee

Gary Wallace

Retired Law Enforcement Member
President ProTempore of the Senate Appointee

Dale Douthit

State Employee Member
Chairman of Arkansas Workers'
Compensation Commission
Governor Appointee

Kaye Donham

Retired State Employee
Speaker of the House of Representatives Appointee

Gary Carnahan

Municipal Employee Member
City Engineer
Governor Appointee

Administration

The Arkansas Public Employees' Retirement System (APERS or "the System") serves several primary purposes: to ensure secure retirement benefits for both current and future members of the retirement system, to guide the fund through sound investment practices, and to provide educational resources on retirement to our members.

The administration of APERS undertakes the following actions to achieve these objectives:

- Disbursing monthly benefit payments to retirees and their beneficiaries,
- Adjusting plan and fund management through necessary board and legislative actions,
- Managing the System's funds in accordance with the prudent investor rule as delineated in the Investment Policy Statement established by the APERS Board of Trustees, and
- Offering retirement education through seminars and one-on-one counseling, both online and in person.

Senior Staff

Amy Fecher

Executive Director

Carlos Borromeo

Chief Investment Officer

Allison Woods

Chief Benefits Officer

Ashley Golleher

Chief Operations Officer

Jason Willett

Chief Fiscal Officer

Patty Shipp

Chief Assurance and Risk Management Officer

Phillip Norton

Chief Information Officer

Laura Gilson

General Counsel

Usha Doolabh

Director of Investments

Jennifer Taylor

Retirement Administrator

Jacobia Bates

Director of Public Affairs

Cheryl Wilburn

Manager, Benefits Operations

Tammy Shadwick

Manager, Human Resources

Shelly George

Manager, Employer Reporting

Jon Aucoin

Manager, Investment and Finance Reporting

Brooke Hollowoa

Director of Marketing

Professional Service Providers

Custodial 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

Private Markets Consultant

Stephens Capital Management
Little Rock, AR 72201



APERS
ARKANSAS PUBLIC EMPLOYEES'
RETIREMENT SYSTEM



Management's Discussion and Analysis

This discussion and analysis of the Arkansas Public Employees' Retirement System (APERS or "the System") provides an overview of the System's financial activities for the fiscal year ended June 30, 2025 (fiscal year 2025 or FY2025). It is intended to be used in conjunction with the executive letter and APERS' financial statements and notes, which begin on page 19 of this report.

Using This Financial Report

This annual comprehensive financial report reflects the activities of APERS as reported in the Statement of Fiduciary Net Position (page 17) and the Statement of Changes in Fiduciary Net Position (page 18). These statements are presented on an accrual basis and reflect all trust fund activities as incurred. The Notes to 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

APERS' net position restricted for pension benefits increased by \$ 887.7 million during FY2025. On June 30, 2025, total plan assets were \$12.7 billion. These assets along with deferred outflows of resources of \$190,880, exceeded total liabilities of \$753.8 million and deferred inflows of resources of \$4,092,786, resulting in a net position restricted for pension benefits of \$11.9 billion.

Total additions for the System increased approximately \$171.1 million in FY2025. While employer and employee contributions increased \$31.1 million in FY2025, the primary reason for this large increase in FY2025 additions was the increase in net investment income of approximately \$140 million. APERS had an investment return of 11.11% in FY2025 which was slightly higher than the return of 10.42% in FY2024.

Benefit payments increased approximately \$31.2 million in FY2025 due both to an increase in the number of retirees being paid monthly benefits and to the 3% increase in the annual cost of living adjustment that happens every year on July 1.

The other primary expenditures of the System consisting of refunds of contributions and administrative expenses increased slightly in FY2025. Contribution refunds have continued to increase each year. Administrative expenses increased slightly in FY2025 as the System works to ensure that there is adequate staff to service an increasing number of retirees and members.

Summary of Financial Highlights	
Financial Highlights FY2025	Changes in FY2025
APERS' net position restricted for pension benefits increased by	\$887.7 million
Total plan assets	\$12.7 billion
Total additions for the System increased approximately	\$171.1 million
Employer and employee contributions increased	\$31.1 million
Net investment income increased	\$140 million
Benefit payments increased	\$31.2 million

The Statement of Fiduciary Net Position

The Statement of Fiduciary Net Position (page 17) reports the pension trust fund's assets, liabilities, and resulting net position at the end of the fiscal year such that:

$$\text{ASSETS} - \text{LIABILITIES} = \text{NET POSITION}$$

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 (page 18) reports the pension trust fund's financial transactions that have occurred during the fiscal year such that:

$$\text{ADDITIONS} - \text{DEDUCTIONS} = \text{CHANGE IN NET POSITION}$$

It supports 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. 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, the basis of accounting, management's use of estimates, and other accounting policies.

Note 3 describes deposits and investment risk.

Note 4 addresses other post-employment benefits (OPEB).

Note 5 provides information regarding legally required reserves.

Note 6 provides capital assets activity.

Note 7 describes the System's Deferred Retirement Option Plan.

Note 8 provides information regarding the System's net pension liability.

The required supplementary information provides additional detail and historical information considered to be useful in evaluating the condition of the plan administered by APERS. The System provides certain required schedules and related note disclosures that collectively demonstrate the System's annual progress toward funding its actuarial accrued liability.

Basic Financial Statements

Statement of Fiduciary Net Position

(as of June 30, 2025 and 2024)

ASSETS	2025	2024
Cash and Cash Equivalents	\$259,752,023	\$316,194,329
Receivables	49,504,533	73,933,487
Investments, At Fair Value		
Government Securities	581,671,440	468,841,955
Corporate Securities	6,408,571,959	5,045,161,943
International Securities	2,232,718,167	2,837,344,161
Core Plus Bond Fund	701,651,328	657,262,333
Real Estate	983,545,604	1,079,887,366
Private Markets	325,572,003	269,599,188
Timberland	408,945,028	338,727,091
Commercial Loans	607,430	624,147
Core Infrastructure	20,142,202	-
Secondary Infrastructure	9,306,117	-
Total Investments at Fair Value	<u>11,672,731,278</u>	<u>10,697,448,184</u>
Securities Lending Collateral Pool	701,220,578	650,973,847
Capital Assets, Net of Accumulated Depreciation	6,081,286	9,130,626
Other Assets	415,523	404,893
TOTAL ASSETS	<u>12,689,705,221</u>	<u>11,748,085,366</u>
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	190,880	366,757
LIABILITIES		
Accounts Payable and Accrued Expenses	26,982,077	(1) 16,057,986
Investment Purchases Payable	24,982,628	32,610,096
Securities Lending Liability	701,810,369	651,069,077
TOTAL LIABILITIES	<u>753,775,074</u>	<u>699,737,159</u>
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	<u>4,092,786</u>	<u>4,404,909</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$11,932,028,241</u>	<u>\$11,044,310,055</u>

(1) FY2024 was restated due to the Implementaion of GASB 101, Compensated Absences. See Note 2 "Accounting Restatement" for more detail.

Statement of Changes in Fiduciary Net Position

(as of June 30, 2025 and 2024)

ADDITIONS	2025	2024
Contributions		
Employer Contributions	\$367,602,599	\$348,653,977
Employee Contributions	114,383,954	102,239,193
Total Contributions	<u>481,986,553</u>	<u>450,893,170</u>
Investment Income		
Interest	116,622,077	109,298,805
Dividends	80,032,637	90,192,039
Investment Gain/(Loss)	899,779,800	812,432,871
Security Lending Income	36,035,291	38,628,697
Real Estate Income	113,890,070	37,882,911
Investment Management Expenses	(97,008,514)	(79,117,788)
Net Investment Income	<u>1,149,351,361</u>	<u>1,009,317,535</u>
Other Additions		
Transfers from Other Public Employees Retirement Systems	2,771,075	3,004,211
Miscellaneous Additions	771,589	479,872
Miscellaneous Transfers from State Agencies	285,772	331,189
Total Other Additions	<u>3,828,436</u>	<u>3,815,272</u>
Total Additions	1,635,166,350	1,464,025,978
DEDUCTIONS		
Benefit Payments	713,837,982	682,663,974
Member Refunds	20,712,396	19,159,269
Administrative Expenses	12,838,709	(1) 12,816,787
Total Deductions	<u>747,389,087</u>	<u>714,640,030</u>
ADJUSTMENTS		
Actuarial Adjustment to DJ Unfunded Liability	(59,077)	(380,284)
NET INCREASE (DECREASE)	887,718,186	749,005,664
Net Position Restricted for Pension Benefits		
Beginning of Year	11,044,310,055	10,295,304,391
End of Year	<u>\$11,932,028,241</u>	<u>\$11,044,310,055</u>

(1) FY2024 was restated due to the Implementaion of GASB 101, Compensated Absences. See Note 2 "Accounting Restatement" for more detail.

Notes to the Financial Statements

Note 1: Plan Description

General Information

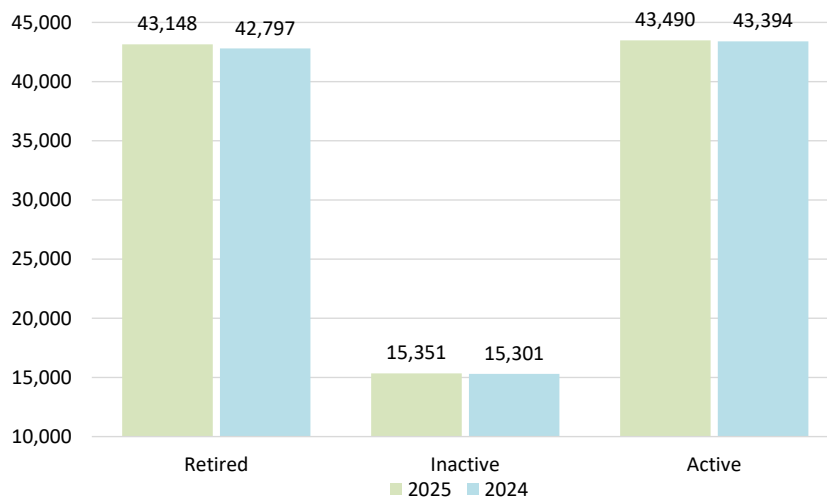
APERS is a cost-sharing, multiple employer, defined benefit pension plan established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. Its purpose is to provide retirement benefits for eligible employees and elected officials of state and governmental entities in Arkansas. The laws governing the operations of APERS are set forth in Arkansas Code Annotated (A.C.A.), Title 24, Chapter 4, with related laws in Chapter 2 and Chapter 7.

The general administration and responsibility for the proper operation of the System is vested in the thirteen-member Board of Trustees of the Arkansas Public Employees’ Retirement System (the Board). Membership includes three state and three non-state employees, all appointed by the Governor; two retired members appointed by the President Pro Tempore of the Senate; two retired members appointed by the Speaker of the House of Representatives; and three ex-officio trustees, including the Auditor of State, Treasurer of State, and the Secretary of the Department of Finance and Administration.

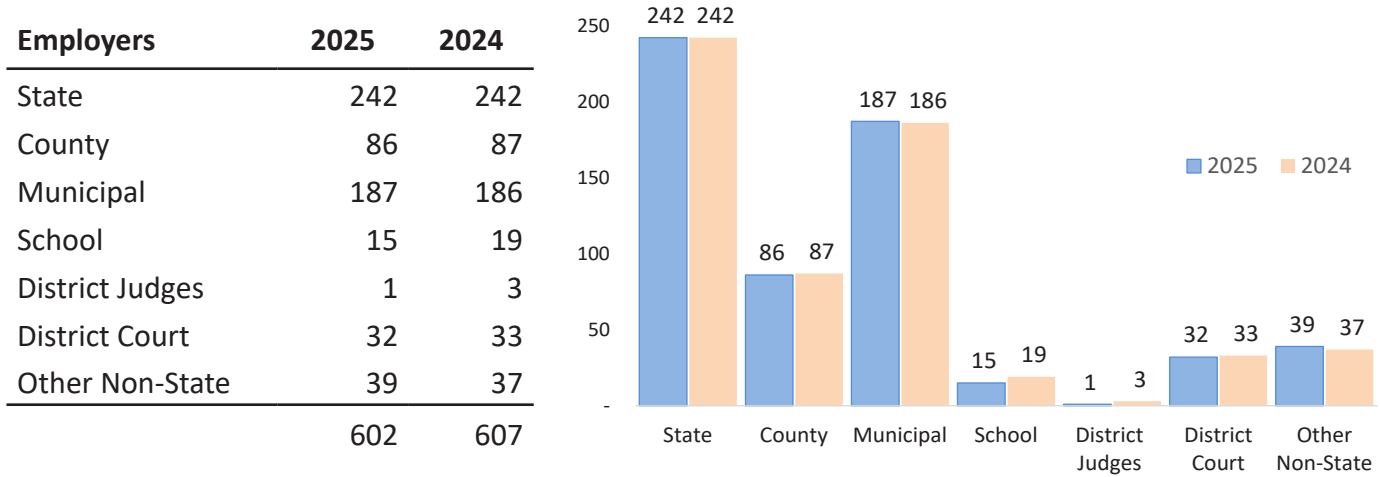
Membership

APERS covers all state employees who are not covered by another authorized plan, all county employees, municipal employees whose municipalities have elected coverage under the System, college and university employees, certain non-teaching employees, and other public entities defined by law.

Membership	2025	2024
Retirees and beneficiaries receiving benefits (includes DROP participants)	43,148	42,797
Terminated plan members entitled to but not yet receiving benefits	15,351	15,301
Active plan members	43,490	43,394



Reporting Entities/Employers



Entities Not Reported

The executive director and administrative staff of APERS also serve as the executive and administrative staff of two other retirement systems, the Arkansas State Police Retirement System and the Arkansas Judicial Retirement System. These systems do not constitute part of the APERS reporting entity under the provisions of GASB Statement No. 14: The financial reporting entities of these three systems are legally separate, fiscally independent entities with separate boards of trustees. The nature of the relationship between these Systems and APERS is merely a sharing of administrative resources and, as such, does not require inclusion of these Systems in APERS’ Financial Statements.

Employer Contributions

All participating employers are required to contribute a portion of their eligible employee’s salaries into the System. The Board establishes the provisions for these employer contributions based on the rates the independent actuary determines are necessary to fund the System. Because of the cost of providing enhanced service credit to certain members classified as public safety employees, and pursuant to the provisions of Act 625 of 1983 and Act 1097 of 1993, certain agencies employing individuals in public safety positions are required to remit additional contributions in amounts determined by the actuary.

Employer Contribution Rates

(as of June 30, 2025)

Employer	Contribution Rates
State Division	15.32%
Wildlife Subdivision	27.32%
State Capitol Police Subdivision	15.32%
County Division	15.32%
Municipal Division	15.32%
School Division	4.00%
Other Non-State Division	15.32%
Military Department Civilian Firefighters	27.32%
Elected Officials Additional Contributions	2.50%

Employee Contributions

The System was established as a contributory plan in which member-employees also contributed a portion of their salaries to the System. However, with the passage of Act 793 of 1977, existing members and previous members were offered the opportunity to choose to become non-contributory members. Anyone who joined the System subsequent to January 1, 1978, and had previously been a member was automatically enrolled as a non-contributory member.

Act 2084 of 2005 directed APERS to establish a new contributory plan effective July 1, 2005. It required that all covered employees first hired on or after July 1, 2005, contribute 5% of their salary into the System. Employees hired before June 30, 2005, who were in the non-contributory plan were given the option to join the new contributory plan by December 31, 2005. Non-contributory members who did not join the new contributory plan by that deadline remain non-contributory members.

Act 365 of 2021 which took effect July 1, 2022, raises the contribution rate from 5.50% to 5.75% for contributory members for fiscal year 2025. This rate will continue to increase by 0.25% each July 1 until it reaches 7%.

Fiscal Year	Employee Contribution Rate
2025	5.75%
2026	6.00%
2027	6.25%
2028	6.50%
2029	6.75%
2030	7.00%

A member's employee contributions are refundable if the member terminates APERS-covered employment before a monthly benefit is payable. Employee contributions remaining on deposit with APERS earn interest (at the annual rate of 2%), which is included in any refund of contributions.

System Administration

The costs of administering the System are paid out of investment earnings.

Benefits

Benefit provisions are established by state law and may be amended only by the Arkansas General Assembly. Members are eligible for full benefits under the following conditions:

- at age 65 with five years of actual service,
- at any age with 28 years of actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for local elected officials.

The normal retirement benefit amount, paid on a monthly basis, is determined by the member's final average compensation and years of service. A member may retire with a reduced benefit at age 55 with at least five years of actual service or at any age with 25 years of actual service. APERS also provides for disability and survivor benefits.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

APERS' accounts and records are maintained using fund accounting principles, and its financial statements are prepared using the accrual basis of accounting. Expenses are recorded when the liability is incurred; revenues are recorded in the accounting period in which they are earned and become measurable; and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are established by statute as a percentage of salaries and are recognized when due, pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments

The System is authorized to invest in eligible investments as approved by the Board as set forth in its investment policy. System investments are reported at fair value. Short-term investments, debt securities, and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds is determined by the respective fund trustee based on quoted sales prices of the underlying securities.

Net investment income (or loss) includes net appreciation (or depreciation) in the fair value of investments, interest income, dividend income, securities lending income and expenses, and investment expenses, which include investment management and custodial fees and all other significant investment related costs. The System's international investment managers may enter in to forward foreign exchange contracts to protect against fluctuation in exchange rates between the trade date and the settlement date of foreign investment transactions. Any gains and losses on these contracts are included in income in the period in which the exchange rates change.

Investment securities and investment securities that underlie commingled or mutual fund investments are exposed to various risks, such as interest rate and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that those changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

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 8
- 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, imprest accounts, cash in the state treasury, and short-term investment funds (STIF). The STIF accounts are created through daily sweeps of excess cash by the System's custodial bank into bank-sponsored commingled funds that are invested in U.S. Government and agency securities and other short-term investments. The STIF accounts had an average weighted maturity of 90 days or less and are stated at fair value.

Capital Assets

Capital assets purchased and in the custody of APERS were recorded as expenditures at the time of purchase. Assets with costs exceeding \$5,000 and an estimated useful life exceeding one year are reported at historical cost, including ancillary costs (such as professional fees and costs, freight costs, preparation and setup costs, and installation costs). Depreciation is reported for capital assets based on a straight-line method with no salvage value. The estimated useful life generally assigned by APERS to capital assets held ranges from five to 20 years. A schedule of capital asset activity for the fiscal year can be found in Note 6 Summary of Capital Assets.

Risks and Uncertainties

Certain data in this report – including contributions to the System and the net pension liability, as well as other actuarial information in Note 8 and the required supplementary information – have been formulated based on certain projections about interest rates, inflation rates, and employee compensation and demographics. Due to the dynamic nature of these factors, it is possible that these projections will need to be revised in the near term. Because of the uncertainties inherent in making such projections, the effect of any such changes could be material to the financial statements.

Accounting Restatement

APERS implemented the Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, in the fiscal year ended June 30, 2025. This new standard establishes new criteria for recognizing and measuring liabilities for compensated absences, such as vacation and sick leave. The most significant change is the adoption of a “more likely than not” recognition threshold, which replaces the previous “probable” threshold, potentially leading to larger liabilities being recorded. The cumulative effect of this change on the beginning net position was a decrease of \$647,426 and has been adjusted in the comparative financial statements for the year ended June 30, 2024.

Note 3: Deposits and Investments

Deposits

Deposits are carried at cost and are included in “cash and cash equivalents.” Cash and cash equivalents include demand accounts, cash in state treasury, short-term investment funds, and petty cash. As of June 30, 2025, these totals were \$73,445, \$6,361,288, \$253,317,090, and \$200 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.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover deposits or collateral securities. The System’s policy is to place deposits only in collateralized or insured accounts. As of June 30, 2025, the System’s only deposits exposed to potential custodial credit risk were those holding its foreign currency balance which is detailed in the Foreign Currency Risk Table. The System holds foreign currency in banks outside the United States as a result of transactions by international investment managers.

Investments

Arkansas Code Annotated (A.C.A.) §§ 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.

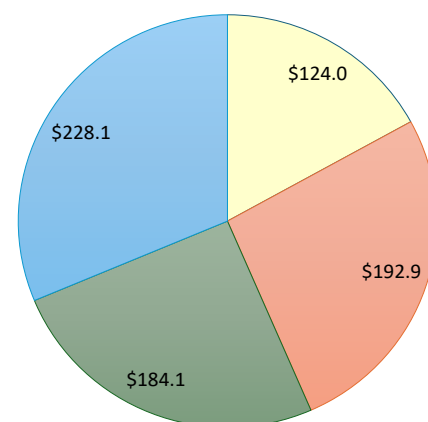
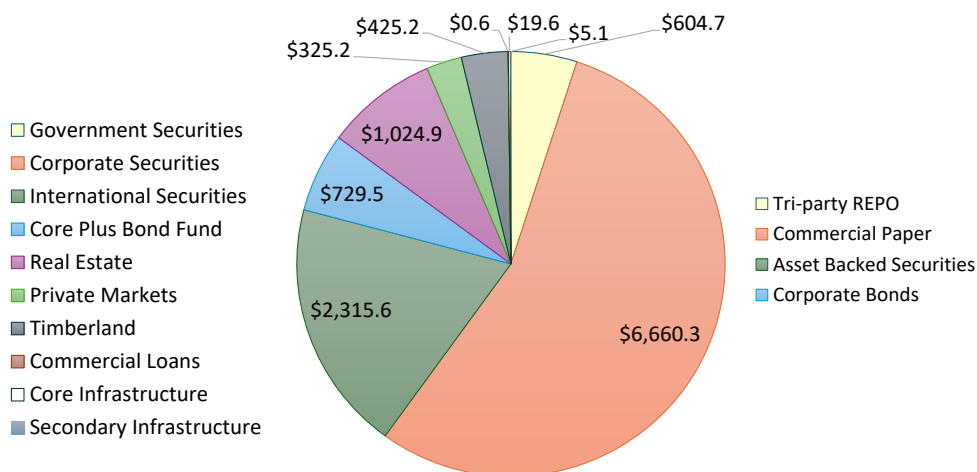
A.C.A. § 24-2-608 also states that the System shall seek to invest not less than 5% nor more than 10% of the System’s portfolio in Arkansas-related investments. APERS recognizes a legal responsibility to seek to invest in the Arkansas economy while realizing that its primary, legal, and fiduciary commitment 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 custodial bank. The custodial 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, 2025)*

Category	Base Market Value	APERS	ASPRS
Government Securities	\$604,721,594	\$581,671,439	\$23,050,155
Corporate Securities	6,660,311,876	6,406,440,968	253,870,908
International Securities	2,315,577,869	2,227,315,057	88,262,812
Core Plus Bond Fund	729,455,979	701,651,327	27,804,652
Real Estate	1,024,868,271	985,803,398	39,064,873
Private Markets	325,156,826	312,762,833	12,393,993
Timberland	425,150,475	408,945,027	16,205,448
Commercial Loans	631,501	607,430	24,071
Core Infrastructure	19,617,069	18,869,325	747,743
Secondary Infrastructure	5,050,342	4,857,838	192,504
	\$12,110,541,802	\$11,648,924,644	\$461,617,159
Securities Lending Collateral Investments, at Fair Value:			
Tri-party REPO	\$123,970,110	\$119,244,745	\$4,725,365
Commercial Paper	192,878,023	185,526,097	7,351,926
Asset Backed Securities	184,059,307	177,043,524	7,015,783
Corporate Bonds	228,100,720	219,406,212	8,694,508
	\$729,008,159	\$701,220,577	\$27,787,582



(in millions of dollars)

*Totals may not add up due to rounding.

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, 2025, there were no investments exposed to custodial credit risk.

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 below indicates the System’s exposure to credit risk for investments:

The System’s Exposure to Credit Risk

S&P's Quality Ratings		Securities Lending Collateral
Rating		
AAA	\$ 9,895,077	\$183,558,420
AA	438,967,389	180,259,648
A	79,297,284	240,719,095
BBB	284,359,423	
BB	63,661,840	
B	17,383,115	
CCC or below	9,657,411	311,525
Not rated	1,808,336,546	123,762,063
Base Market Value	\$2,711,558,085	\$728,610,751

Moody's Quality Ratings	
Rating	
Aaa	\$ 446,870,656
Aa	181,569,005
A	77,712,609
Baa	269,066,948
Ba	51,333,196
B	19,661,427
Caa or below	16,166,022
Not rated	1,649,178,222
Base Market Value	\$2,711,558,085

All figures are APERS and ASPRS combined.

Concentration of Credit Risk for Investments

The concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer (not including investments issued or guaranteed by the U.S. government or investments in mutual funds or external investment pools). The System has a formal investment policy for concentration of credit risk. None of the System's investments in any one issuer (other than those issued or guaranteed by the U.S. government) represented more than 5% of total investments.

Interest Rate Risk for Investments

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 managers use the measurement of effective duration to mitigate the interest rate risk of the fixed income investments. Each fixed income investment manager monitors and reports the effective duration monthly. 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.

As of June 30, 2025, the System had the following debt security investments and maturities:

Debt Security Investments and Maturities

(in dollars as of June 30, 2025)

	Market Value	Less than 1	1 - 5	6 - 10	More than 10	Fund - No Maturities
Government Securities	\$ 604,721,594	\$ 52,381,224	\$ 34,417,081	\$ 129,331,103	\$388,592,186	-
Corporate Securities	931,498,876	86,798,451	370,442,093	160,461,074	313,797,258	-
International Securities	170,685,359	10,373,417	75,843,532	52,664,752	31,803,658	-
Floating Rate Fund	16,372,550	-	-	-	-	\$ 16,372,550
Core Plus Bond Fund	729,455,979	-	-	-	-	729,455,979
Commercial Loans	631,501	-	631,501	-	-	-
Co-Mingled Funds	9,368,008	-	-	-	-	9,368,008
High Yield Income Fund	248,824,218	248,824,218	-	-	-	-
	<u>2,711,558,085</u>	<u>398,377,309</u>	<u>481,334,207</u>	<u>342,456,929</u>	<u>734,193,103</u>	<u>755,196,537</u>
Securities Lending Collateral	728,610,751	521,070,153	207,039,711	500,887	-	-
	<u>\$3,440,168,836</u>	<u>\$919,447,462</u>	<u>\$688,373,919</u>	<u>\$342,957,816</u>	<u>\$734,193,103</u>	<u>\$755,196,537</u>

All figures are APERS and ASPRS combined.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The System's currency risk resides within the international equity investments as well as within the fixed income investments and the fixed income managers. The System's policy is to allow the external investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure using currency forward contracts. The System has a formal investment policy for foreign currency risk which limits foreign currency exposure to 10% of the investment manager's respective portfolio.

Foreign Currency Risk Table

(as of June 30, 2025)

Currency	Fair Value	Percentage
Australian Dollar	\$ 6,214,907	0.88%
Brazilian Real	6,232,930	0.88%
British Pound Sterling	132,337,937	18.65%
Canadian Dollar	49,372,843	6.96%
Danish Krone	29,326,852	4.13%
Euro Currency	186,809,074	26.33%
Hong Kong Dollar	38,470,179	5.42%
Israeli Shekel	35,141,488	4.95%
Japanese Yen	110,430,037	15.56%
Mexican New Peso	3,301,266	0.47%
Norwegian Krone	240	0.00%
Singapore Dollar	16,565,003	2.33%
South Korean Won	4,764,985	0.67%
Swedish Krone	36,473,004	5.14%
Swiss Franc	54,168,058	7.63%
	<u>\$ 709,608,803</u>	<u>100.00%</u>

Asset-Backed Securities

Asset-backed securities (ABS) 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

Corporate bonds are a debt security issued by a corporation. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations.

Convertible Corporate Bonds

Convertible bonds convey an option to the bondholders to be exchanged for another asset, generally a fixed number of shares of common stock at a pre-stated price.

Pooled Funds

Pooled funds are funds from many individual investors that are aggregated for the purposes of investment and benefit from economies of scale. The System could be indirectly exposed to credit and market risks associated with forward currency contracts to the extent that these pooled funds hold forward currency contracts for purposes of managing exposure to fluctuations in foreign exchange rates. APERS and ASPRS investments in international pooled funds can be found in the Investments Measured at the Net Asset Value table.

Securities Lending

Arkansas Code Annotated § 24-2-602 and the Board's investment policy permit the System to participate in a securities lending program to augment investment income. The System lends its securities to brokers-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future.

Derivative Instruments

The System adheres to the GASB Statement No. 53: Accounting and Financial Reporting for Derivative Instruments, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

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. APERS, through its external investment managers, can hold such instruments.

APERS does comply with GASB No. 53 and will disclose its exposure to derivative instruments if there is exposure. APERS had no exposure to any GASB No. 53 derivative instruments at June 30, 2025.

Foreign Currency Forward Contracts

A foreign currency forward is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened. These contracts are entered into in order to hedge risks from foreign currency rate fluctuation and to facilitate trade settlement of foreign security transactions. Forwards carry foreign currency risk resulting from adverse fluctuations in foreign exchange rates.

Foreign Currency Forwards

(in dollars as of June 30, 2025)

	Pay	Receive	Notional Value	Market Value	Unrealized G/L
Euro Currency	EUR	USD	\$ (462,308)	\$ 461,843	\$ (465)
Japanese Yen	JPY	USD	(2,123,885)	2,121,976	(1,910)
Japanese Yen	USD	JPY	(1,591,680)	1,591,073	(606)
Swiss Franc	USD	CHF	(308,791)	308,202	(590)
British Pound	USD	GBP	(302,983)	302,640	(342)
			<u>\$(4,789,647)</u>	<u>\$4,785,734</u>	<u>\$(3,913)</u>

All figures are APERS and ASPRS combined.

Financial Futures

A financial future is an agreement to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. These derivative securities are used to improve yield, adjust duration of the portfolio, circumvent changes in interest rates, or to replicate an index. Futures contracts are standardized and traded on organized exchanges, thereby reducing credit risk.

Financial Futures

(in dollars as of June 30, 2025)

Futures Contract	Expiration	Notional Value	Fair Value	Unrealized Gain/(Loss)
U.S. 2-year Treasury Note	Sept 2025	\$ 335,251,752	\$ 336,789,946	\$ 1,538,194
U.S. 5-year Treasury Note	Sept 2025	47,359,469	47,742,000	382,531
U.S. 10-year Treasury Note	Sept 2025	(7,251,094)	(7,288,125)	(37,031)
U.S. 10-year Ultra Treasury Note	Sept 2025	(15,946,515)	(16,454,250)	(507,735)
U.S. Long Bond Treasury	Sept 2025	42,211,339	43,878,125	1,666,786
U.S. Ultra Bond Treasury	Sept 2025	29,327,492	30,615,125	1,287,633
		<u>\$ 430,952,443</u>	<u>\$ 435,282,821</u>	<u>\$ 4,330,378</u>

Fair Value Measurements

APERS 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 of 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 classified as Level 3 in the Investments and Derivative Instruments Measured at Fair Value 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

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 Investment Measured at the Net Asset Value table.

Investments and Derivative Instruments Measured at Fair Value

(in dollars as of June 30, 2025)

	Fair Value	Level 1	Level 2	Level 3
Investments at Fair Value				
Cash & Cash Equivalents	\$165,852,307	\$29,332,532	\$5,972	\$136,513,804
Public Equities				
Domestic Equity	2,988,241,679	2,988,241,679	–	–
International Equity	1,324,646,531	1,324,646,531	–	–
U.S. Convertible Preferred	58,262,449	45,082,280	13,180,169	–
International Preferred	186,159	–	186,159	–
Fixed Income				
U.S. Government Securities	244,700,522	244,700,522	–	–
Futures	4,165,318	4,165,318	–	–
US Convertible Bonds	313,170,414	–	313,170,414	–
International Convertible Bonds	47,478,060	–	47,478,060	–
International Fixed Income	116,701,290	–	116,701,290	–
Domestic Fixed Income	827,847,007	–	827,847,007	–
Term Loans	607,430	–	–	607,430
Total Investments	6,091,859,167	4,636,168,862	1,318,569,071	137,121,234
Securities Lending Collateral Investments, at Fair Value				
Tri-party repo	119,244,745	–	119,244,745	–
Corporate Bonds	219,406,212	–	219,406,212	–
Asset Backed	177,043,524	–	177,043,524	–
Commercial paper	185,526,097	–	185,526,097	–
Total Securities Lending Collateral	701,220,578	–	701,220,577	–
Total Investments Measured at Fair Value	\$6,793,079,744	\$4,636,168,862	\$2,019,789,648	\$137,121,234
Investments Measured at the Net Asset Value (NAV)				
Pooled Investments				
Index Fund - REITs	\$27,521,218	–	–	\$ 27,521,218
Index Fund - ACWI exUS	598,801,318	–	–	598,801,318
Index Fund - U.S. Large Cap Value	172,738,529	–	–	172,738,529
Index Fund - U.S. Large Cap Growth	424,371,769	–	–	424,371,769
Index Fund - S&P 500	689,198,254	–	–	689,198,254
Global Bond Fund	9,010,927	\$ 9,010,927	–	–
Global Floating Rate Fund	15,748,478	15,748,478	–	–
International Equity Pooled Funds	1,033,236,277	–	–	1,033,236,277
Fixed Income Pooled Funds	782,128,403	–	–	782,128,403
Alternative Investments				
Hedge Fund of Funds	259,326,132	–	–	259,326,132
Infrastructure	23,727,164	–	–	23,727,164
Agriculture	93,087,619	–	–	93,087,619
Timber	93,717,616	–	–	93,717,616
Private Equity	220,372,175	–	–	220,372,175
Real Estate	1,250,599,374	–	–	1,250,599,374
Total Investments Measured at the NAV	\$5,693,585,253	\$24,759,406	–	\$5,668,825,847

Investments Measured at the Net Asset Value

(in dollars as of June 30, 2025)

	APERS Total	Unfunded Commitments	Redemption Frequency	Redemption Notice
Equity Pooled Investments				
Index Fund - REITs	\$ 27,521,218	—	Daily	T-1
Index Fund - ACWI exUS	598,801,318	—	Daily	T-2
Index Fund - U.S. Large Cap Value	172,738,529	—	Daily	T-1
Index Fund - U.S. Large Cap Growth	424,371,769	—	Daily	T-1
Index Fund - S&P 500	689,198,254	—	Daily	T-1
International Equity Pooled Funds	1,033,236,277	—	Daily	T-2
Fixed Income Pooled Investments				
Global Bond Fund	9,010,927	—	Daily	T-1
Global Floating Rate Fund	15,748,478	—	Daily	T-1
Fixed Income Pooled Funds	782,128,403	—	Daily	T-1
Hedge Fund of Funds				
Blackstone	259,326,132	—	Quarterly	T-45
Infrastructure				
HarbourVest Infrastructure Opportunities Fund III	4,857,838	\$91,378,888	N/A	N/A
Blue Owl Digital Infrastructure Fund III	18,869,325	30,113,558	N/A	N/A
Agriculture / Farmland				
PGIM Agriculture Investments	43,064,751	—	Quarterly	T-45
International Farming Corp Core Farmland Fund	50,022,868	—	Quarterly	T-45
Timber				
PFI Timberland Fund	93,717,616	—	N/A	N/A
Private Equity				
HarbourVest Dover Street XI	166,935,474	246,242,056	N/A	N/A
Neuberger Berman APERS Fund of One	53,436,701	388,793,121	N/A	N/A
Core Real Estate				
Carlyle Property Investors	78,250,158	—	Quarterly	T-45
Clarion Partners Lion Industrial Trust	76,558,102	—	Quarterly	T-45
Heitman America Real Estate Trust	285,536,668	—	Quarterly	T-90
Principal Enhanced Property Fund	82,304,616	—	Quarterly	T-45
INVESCO Core Real Estate, USA	407,240,278	—	Quarterly	T-45
Value-Add				
Harrison Street Real Estate Partners IX	34,611,395	14,557,893	N/A	N/A
Harrison Street Real Estate Partners VIII	43,220,067	5,116,121	N/A	N/A
Heitman Value Partners IV	24,269,685	4,660,918	N/A	N/A
LaSalle Income & Growth Fund VII	10,338,428	—	N/A	N/A
LaSalle Income & Growth Fund VI	3,229,616	—	N/A	N/A
TA Realty Associates Fund XII	50,648,050	—	N/A	N/A
Starwood Distressed Opportunity Fund XII	55,204,319	21,642,368	N/A	N/A
TA Realty Associates Fund XIII	63,472,810	4,869,533	N/A	N/A
TA Realty Associates Fund XI	55,779	—	N/A	N/A
Secondary Real Estate				
Neuberger Berman Real Estate Secondary Opportunities Fund II	19,065,478	54,078,505	N/A	N/A
Stepstone Real Estate Partners V	16,593,926	55,841,411	N/A	N/A
	<u>\$5,693,585,253</u>	<u>\$917,294,372</u>		

Domestic Equity Pooled Funds

The APERS fund does invest in the following passive index funds (beta). An S&P 500 Index Fund, a U.S. Large Cap Growth Index Fund, a U.S. Large Cap Value Index Fund, a REIT Index Fund, and an international ACWI exUS Index Fund. The S&P 500 Index is a fund of the largest 500 corporations in the U.S. equity markets. The Large Cap Growth Index Fund invests in large, well-known companies with a total market value typically exceeding \$10 billion and exhibits characteristics associated with rapid growth. Large Cap Value Index Fund also invests in companies typically exceeding \$10 billion, however the fund focuses on stocks that appear to be less expensive or are growing more slowly than other large cap stocks. The philosophy is that the market may have underpriced these companies. A REIT Index Fund is a passively managed fund that tracks a specific index of publicly traded Real Estate Investment Trusts (REITs). It provides investors with broad exposure to the real estate market through a single, diversified investment.

International Equity Pooled Funds

The pooled funds consist of two international strategies. The Acadian All Country World ex-US Small Cap strategy employs a combination of top-down and bottom-up multi-factor models to construct the strategy. The top-down consists of value, growth, momentum, volatility, and macro factors. The bottom up drives 80% of the process. The other strategy is the Artisan International Value Fund. It seeks to invest in high-quality, undervalued businesses that offer the potential for superior return. The International Equity ACWI ex US Index Fund is an investment fund that tracks the performance of stocks in developed and emerging markets around the world, excluding the United States.

Fixed Income Pooled Investments

Global Bond Fund and Global Floating Rate Fund — The Global Bond Fund seeks to generate strong risk-adjusted returns from the global bond markets. The strategy focuses on selecting securities with attractive valuations in countries with stable to improving structural outlooks and growth trajectories. By combining bond and currency investments across countries, it creates a well-diversified portfolio that can take advantage of different market, business, and economic cycles and will be generally less correlated to other traditional asset classes. The Floating Rate Fund seeks a high level of current income by investing primarily in floating rate loans and other floating rate investments while diversifying across industries and issuers. The strategy seeks investments with the potential for outperformance based on credit fundamentals and does not sacrifice this quality to chase yield. Preservation of capital stands as the prerequisite to maximization of total return. This means that satisfaction of credit and valuation criteria comes before considering the incremental yield of a prospective security.

Fixed Income Pooled Funds — There are three commingled investment strategies. PGIM Core Plus Bond Fund, MacKay Defensive Bond Fund, and MacKay High Yield Core Fund. The Core Plus Fixed Income Strategy seeks additional return from multiple sources, including sector allocation and subsector and security selection.

Duration, yield curve, and currency positionings are moderate. The largest component of the Core Plus Fixed Income risk is allocated to portfolio strategies that have consistently generated the highest return for the lowest unit of risk over time, such as sector allocation and subsector security selection. The Defensive Bond Fund investment objective is to exploit different sources of return available 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. The High Yield Fund's 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.

Hedge Fund of Funds

Blackstone — The System hired Blackstone to manage a fund-of-funds strategy. As the name suggests, Blackstone invests APERS' funds in other hedge funds. The number of funds that APERS invests in varies on market conditions. The types of strategies that are contained within APERS' portfolio also vary. On June 30 there were fundamental equity strategies, event driven strategies, fundamental credit strategies, credit trading strategies, distressed credit strategies, RMBS strategies, structured ABS strategies, multi-strategies, commodity strategies, macro rates strategies, thematic macro strategies, quantitative strategies, Commodity Trading Advisor (CTA) strategies, and special situation strategies in the portfolio.

Infrastructure

HarbourVest Infrastructure Opportunities Fund (IOF III) — IOF III targets secondary investment opportunities and is further strengthened by direct co-investments in infrastructure assets in North America and Western Europe.

Blue Owl Digital Infrastructure Fund (ODI III) — ODI III focuses on developing, acquiring, and owning data centers and other connectivity related real assets to help meet the AI and cloud-driven global digital capacity needs of the world's largest technology companies, with a focus on large-scale, build-to-suit developments.

Agriculture / Farmland

PGIM U.S. Agriculture Fund — PGIM seeks to build diversified portfolios of assets with good quality soils and water security located in microclimates with favorable growing conditions. Targeted investments typically fall within one of the following investment themes: healthier lifestyles, farm tech efficacies and higher productivity, competitive advantage/scale, and opportunistic.

International Farm Corporation (IFC) Core Farmland Fund — This fund seeks to generate stable income and attractive risk-adjusted financial returns. The strategy has a lower correlation to other asset classes, has a lease strategy that reduces risk, and seeks long-term appreciation. The strategy may enable food sourcing solutions for core fund and IFC growers as well.

Timberland

An objective of a timber investment is to provide the fund with diversification from traditional asset classes. The goal of the timber investment is to get a stable core-type return with very low or little volatility.

Private Equity

HarbourVest Dover Street Fund XI — This is a Private Equity ("P/E") secondaries strategy. It is primarily domestic secondary P/E funds. The fund is diversified by vintage year and strategy types. Investment types vary between buyout, venture, growth equity, and distressed.

Neuberger Berman Fund of One — This is a Private Equity fund-of-fund strategy similar to the Blackstone strategy. Neuberger Berman invests APERS' funds in other P/E strategies. Neuberger Berman will diversify the strategy by vintage years and style.

Real Estate

This asset class provides diversification to the total portfolio and strives to reduce total fund volatility while also enhancing the total return of the portfolio. Real estate has a low, and in some cases, negative correlation with other major investment asset classes. The following are the strategies that comprise the Real Estate asset class and are explained in greater detail.

Core Real Estate

Carlyle Property Investors — This U.S. focused core-plus fund has its focus on sectors where accelerating demographic trends drive demand. The fund objectives: target investments with a Core+ return profile, seek attractive property rent and NOI growth, seek to generate attractive levels of income and quarterly distributions, and construct a highly diversified portfolio by sector and geography.

Clarion Partners Lion Industrial Trust — This is an open-end industrial fund. It is one of the largest private industrial funds in the U.S. and one of the few “pure-play.” The strategy is to invest in warehouse/distribution facilities that appeal to companies focused on e-commerce, logistics, and supply-chain management, with an emphasis on large core industrial markets throughout the United States.

Heitman America Real Estate Trust (HART) — The HART strategy creates a high-quality, low-risk portfolio of stabilized, income-producing assets diversified by property type and economic exposure through acquiring assets in infill locations within major metropolitan areas, focusing on strong site attributes such as proximity to amenities and transportation networks, and ensuring that assets are well constructed with features that will appeal to tenants over long periods of time.

Principal Enhanced Property Fund — This is an open-end, commingled fund sponsored and managed by Principal Real Estate Investors. The features and objectives of the Fund include: pursues a nationally diversified portfolio of high-quality assets, pursues an “enhanced” or “core plus” investment strategy, and provides market competitive total return.

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.

Value-Add Real Estate

Harrison Street Real Estate Partners Fund VIII and IX— These Funds acquire, develop, and/or redevelop assets in the education, healthcare, life science, and storage sectors. The majority of the return is anticipated to be generated through appreciation.

Heitman Value Partners IV (“HVP IV”) — This is the fourth offering in Heitman’s North American value-add series. It is a closed-end, commingled fund that will pursue a diverse set of real estate opportunities with value-added business plans. The objective is to provide investors with attractive risk-adjusted returns. The strategy seeks to benefit from Heitman’s extensive research, real estate, and capital markets expertise to identify emerging investment opportunities and trends before they are fully appreciated by the broader market. The Fund will execute investment strategies that capitalize on those opportunities.

LaSalle Funds VI and VII — These Funds pursue non-core properties that exhibit strong fundamentals and are expected to generate both income and appreciation. The sectors focused upon are office, multifamily, retail, industrial, and specialty.

Starwood Distressed Opportunity Fund XII — The strategy pursues distressed investment opportunities which are expected to arise from economic disruptions. Investments are made across multiple sectors, including

multifamily, affordable housing, hotels, office, and industrial. The Fund invests primarily in the United States and Europe. The fund pursues both debt and equity investments, including the acquisition of distressed or non-performing loans.

TA Realty Funds XI, XII and XIII — TA Realty has managed value-add, commingled real estate funds for approximately 30 years. They have investments in 35 markets, and four property types (office, industrial, multifamily, and retail). The firm has developed and refined a consistent approach focused on creating diversified real estate portfolios that can generate strong cash flow, benefit from an intensive asset management approach, and result in the long-term creating of value of the life of the fund(s).

Secondary Real Estate

Neuberger Berman Real Estate Secondary Opportunities Fund II (RESOF II) — RESOF II primarily seeks to acquire interests in mature real estate funds from LPs who desire liquidity, as well as to recapitalize seasoned real estate funds and investments alongside incumbent third-party managers. RESOF II invests globally with a focus on the U.S. and Europe. The fund targets the middle market and employs a value-oriented approach.

Stepstone Real Estate Partners V (SREP V) — SREP V seeks to provide liquidity to managers of real estate vehicles through special situations secondaries, including recapitalizations, also referred to as “GP-led secondaries”. Stepstone partners with managers and sponsors to offer creative, flexible secondary and recapitalization solutions across global real estate markets.

Note 4: Other Post-Employment Benefits

GASB Statement No. 75: Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions requires that OPEB expense of proprietary and fiduciary funds be recognized on the accrual basis in the fund financial statements. APERS is considered a fiduciary fund in the state-wide annual comprehensive financial report.

The 2025 charge of \$136,245 is a prorated amount from the Arkansas Department of Finance and Administration based on a state-wide actuarial study. The amount charged to APERS is based on budgeted employees of the agency. *The State of Arkansas 2025 Annual Comprehensive Financial Report will contain the complete OPEB footnote required by GASB Statement No.75.*

Note 5: Legally Required Reserves

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 Retirement Reserve Account is the account to which member contributions, interest on those contributions, and employer contributions are transferred upon member retirement.
- The Deferred Annuity Account is the amount set up to cover estimated retirement benefits to inactive vested members who are not currently receiving benefit payments.

As a by-product of achieving level contribution financing, actuarial accrued liabilities usually become increasingly well funded over a period of years. Funded ratios in the 70% to 90% range are common in public sector retirement plans.

The reserve strength of APERS remains strong both by absolute and relative measures. Sufficient assets were available to pay estimated retirement benefits applicable to retired individuals or beneficiaries currently receiving benefits and inactive vested individuals who are not currently receiving benefits.

Reserve Balances

(as of June 30, 2025)

Members' Deposit Account	\$ 759,452,232
Members' Deposit Account Interest Reserve	134,376,269
Employer Accumulation Account	3,245,948,208
Retirement Reserve	6,946,543,630
Deferred Annuity	697,520,047
DROP Reserve	128,387,010
Dec 31, 2004 Accrued Liability Reserve	19,733,851
Other	66,994
Total	\$ 11,932,028,241

Note 6: Summary of Capital Assets

Capital Assets

(as of June 30, 2025)

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets, depreciable/amortizable:				
Equipment	\$ 142,715	-	-	\$ 142,715
Intangibles	21,239,594	-	-	21,239,594
Right-to-use assets:				
Buildings	2,973,124	\$ 780,438	-	3,753,562
SBITA	3,548,295	-	-	3,548,295
Total capital assets, depreciable/amortizable	27,903,728	780,438	-	28,684,166
Less accumulated depreciation/ amortization for:				
Equipment	(124,878)	(5,967)	-	(130,845)
Intangibles	(15,556,188)	(2,166,822)	-	(17,723,010)
Right-to-use assets:				
Buildings	(2,204,962)	(769,915)	-	(2,974,877)
SBITA	(887,074)	(887,074)	-	(1,774,148)
Total accumulated depreciation/ amortization	(18,773,102)	(3,829,778)		(22,602,880)
Total capital assets, depreciable/ amortizable, net	\$ 9,130,626	\$ (3,049,340)	-	\$ 6,081,286

Note 7: Deferred Retirement Option Plan

A Deferred Retirement Option Plan (DROP) is available to members of the System as authorized by A.C.A. §§ 24-4-801 - 24-4-806. In lieu of terminating employment and accepting a retirement benefit under the System, any member who has at least 28 years of actual service in the System can elect to participate in the DROP. The DROP allows a member to defer the receipt of retirement benefits for a maximum of 10 years. During that time, a percentage of a member’s chosen benefit is deposited into an account that accrues interest at a rate of 2% annually. The System had a balance of \$128,387,010 in the DROP reserve as of June 30, 2025.

Note 8: Net Pension Liability

The components of the net pension liability (NPL) of the System on June 30, 2025, were as follows:

Total pension liability	\$14,030,817,236
Plan fiduciary net position	\$11,932,028,241
Net pension liability	\$2,098,788,995
Plan fiduciary net position as a percentage of total pension liability	85.04%

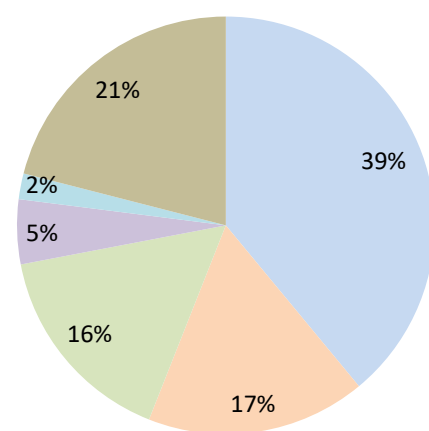
Long-term Expected Return on Plan Assets

The System’s policy in regard to the allocation of its invested assets was established by the Board and is reviewed at least annually to determine if the asset allocation is consistent with an acceptable level of risk and volatility.

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 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 current asset allocation percentage and by adding expected price inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2025 to 2034 were based upon capital market assumptions provided by the plan’s investment consultants. For each major asset class that is included in the pension plan’s current asset allocation as of June 30, 2025, the best estimates are summarized in the following table:

Target Allocation table

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	39%	5.14%
International Equity	17%	5.97%
Real Estate	16%	5.00%
Private Equity	5%	8.77%
Hedge Funds	2%	3.58%
Domestic Fixed	21%	3.26%
Total	100%	



Total Real Rate of Return	5.02%	■ Broad Domestic Equity ■ International Equity
Plus: Price Inflation - Actuary's Assumption	2.50%	■ Real Estate ■ Private Equity
Less: Investment Expenses (Passive)	0.00%	■ Hedge Funds ■ Domestic Fixed
Net Expected Return	7.52%	

Discount Rate

A single discount rate of 7% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

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

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
\$3,916,636,354	\$2,098,788,995	\$599,773,611

Required Supplementary Information

Schedule of Employer Contributions

(dollars in millions)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contributions as a % of Covered Payroll
2016	\$ 264.2	\$ 264.2	-	\$ 1,795	14.72%
2017	261.3	261.3	-	1,788	14.61
2018	276.3	276.3	-	1,849	14.94
2019	293.0	293.0	-	1,936	15.13
2020	298.9	298.9	-	1,929	15.49
2021	305.9	305.9	-	1,908	16.04
2022	320.2	320.2	-	2,054	15.59
2023	339.6	339.6	-	2,252	15.08
2024	348.0	348.0	-	2,257	15.42
2025	366.7	366.7	-	2,347	15.62

*Actual contributions are based on covered payroll at the time of the contribution. This payroll is not reported to the actuary. The covered payroll shown on this page is the valuation payroll. Based upon the limitations of this schedule, the final column cannot be compared to the contribution rates actually charged to APERS participating employers.

Actuarial Methods and Assumptions

Valuation Date: June 30, 2022 (excluding District Judges Still Paying Old Plan)
June 30, 2024 (District Judges Still Paying Old Plan)

Methods and Assumptions used to Determine Fiscal Year 2025 Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed (Level Dollar, Closed for District Judges New Plan and Paid Off Old Plan and District Judges Still Paying Old Plan)
Remaining Amortization Period	14 years (4.6 years for District Judges New Plan/Paid Off Old Plan and 12 years for District Judges Still Paying Old Plan)
Asset Valuation Method	4-Year smoothed market; 25% corridor (Market Value for Still Paying Old Plan)
Inflation	3.25% wage inflation, 2.50% price inflation
Salary Increases	3.25% to 9.85% including inflation (3.25% to 6.96% including inflation for District Judges)
Investment Rate of Return	7.15% (7.00% for District Judges Still Paying Old Plan)
Retirement Age	* Experience-based table of rates that are specific to the type of eligibility condition
Mortality	<p><u>APERS and District Judges New Plan/Paid-Off Old Plan:</u> Based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017.</p> <p><u>District Judges Still Paying Old Plan:</u> Based on the PubG-2010 Amount-Weighted Below-Median Income General Retiree mortality tables for males and females. Mortality rates are multiplied by 114% for males and 132% for females and are adjusted for fully generational mortality improvements using Scale MP-2021.</p>

Other Information:

Notes Assumptions for District Judges Still Paying Old Plan were updated in the June 30, 2023 valuation dated October 31, 2023.

*Investment Rate of Return set as of June 30, 2022.

Schedule of the Net Pension Liability

Year Ending June 30	Total 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
2016	\$9,762,106,222	\$7,370,758,150	\$2,391,348,072	75.50%	\$1,795,174,463	133.21%
2017	10,612,937,270	8,028,796,790	2,584,140,480	75.65	1,788,074,570	144.52
2018	10,808,687,173	8,602,752,132	2,205,935,041	79.59	1,849,202,619	119.29
2019	11,245,856,457	8,833,327,660	2,412,528,797	78.55	1,936,042,263	124.61
2020	11,632,595,177	8,769,010,690	2,863,584,487	75.38	1,929,343,374	148.42
2021	11,954,285,999	11,185,453,706	768,832,293	93.57	1,907,642,349	40.30
2022	12,430,222,099	9,733,838,632	2,696,383,467	78.31	2,054,188,304	131.26
2023	13,209,490,955	10,295,304,391	2,914,186,564	77.94	2,252,048,646	129.40
2024	13,533,079,393	11,044,957,481	2,488,121,912	81.61	2,256,616,749	110.26
2025	14,030,817,236	11,932,028,241	2,098,788,995	85.04	2,347,361,476	89.41

Schedule of Annual Money Weighted Rate of Return

(annual money-weighted rate of return, net of investment expense, by fiscal year)

2016	(0.06)%
2017	11.89%
2018	9.90%
2019	5.31%
2020	2.00%
2021	30.83%
2022	(10.81)%
2023	8.43%
2024	9.92%
2025	10.52%

Schedule of Changes in the Net Pension Liability and Related Ratios

Fiscal year ending June 30	2025	2024	2023
TOTAL PENSION LIABILITY			
Service Cost	\$ 256,851,769	\$ 256,766,391	\$ 224,674,840
Interest	930,595,798	909,087,161	872,640,034
Benefit changes	712,609	-	-
Differences between expected and actual experience	44,136,841	(140,435,716)	170,265,906
Assumption changes	-	-	187,295,676
Benefit payments, including refunds of employee contributions	(734,559,174)	(701,829,398)	(675,607,600)
NET CHANGE IN TOTAL PENSION LIABILITY	497,737,843	323,588,438	779,268,856
TOTAL PENSION LIABILITY, BEGINNING OF YEAR	13,533,079,393	13,209,490,955	12,430,222,099
TOTAL PENSION LIABILITY, END OF YEAR (a)	\$14,030,817,236	\$13,533,079,393	\$13,209,490,955
PLAN FIDUCIARY NET POSITION			
Contributions - employer	\$ 366,744,968	\$ 348,024,606	\$ 339,554,854
Contributions - member	113,772,695	101,308,467	92,360,864
Net investment income	1,149,351,361	1,009,317,537	809,503,795
Benefit payments, including refunds of employee contributions	(734,559,174)	(701,829,398)	(675,607,600)
Administrative expense	(13,477,339)	(12,163,206)	(10,465,349)
Other additions	5,238,249	4,995,084	6,119,195
NET CHANGE IN PLAN FIDUCIARY NET POSITION	887,070,760	749,653,090	561,465,759
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	11,044,957,481	10,295,304,391	9,733,838,632
PLAN FIDUCIARY NET POSITION, END OF YEAR (b)	\$ 11,932,028,241	\$11,044,957,481	\$10,295,304,391
NET PENSION LIABILITY, END OF YEAR (a) - (b)	\$ 2,098,788,995	\$ 2,488,121,912	\$ 2,914,186,564
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY			
	85.04%	81.61%	77.94%
COVERED - EMPLOYEE PAYROLL	\$ 2,347,361,476	\$ 2,256,616,749	\$2,252,048,646
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED - EMPLOYEE PAYROLL			
	89.41%	110.26%	129.40%

2022	2021	2020	2019	2018	2017	2016
\$ 205,730,312	\$ 200,169,558	\$ 198,416,559	\$ 189,567,873	\$ 181,557,602	\$ 174,663,657	\$ 169,112,934
838,746,422	816,578,389	789,604,504	759,163,751	745,846,405	719,134,258	692,210,941
-	(5,405,298)	-	(62,984)	-	-	-
84,323,321	(65,645,442)	2,007,866	60,093,169	(6,960,593)	62,849,281	2,912,566
-	-	-	-	(180,097,868)	416,146,405	-
(652,863,955)	(624,006,385)	(603,290,209)	(571,592,525)	(544,595,643)	(521,962,553)	(494,105,931)
475,936,100	321,690,822	386,738,720	437,169,284	195,749,903	850,831,048	370,130,510
11,954,285,999	11,632,595,177	11,245,856,457	10,808,687,173	10,612,937,270	9,762,106,222	9,391,975,712
\$12,430,222,099	\$11,954,285,999	\$11,632,595,177	\$11,245,856,457	\$10,808,687,173	\$10,612,937,270	\$ 9,762,106,222
\$ 320,231,614	\$ 305,922,769	\$ 298,919,954	\$ 292,951,695	\$ 276,282,425	\$ 261,334,560	\$ 264,216,252
80,317,012	74,358,836	70,923,737	67,221,706	63,430,545	57,711,427	55,000,117
(1,192,887,341)	2,665,823,683	174,561,773	450,493,099	782,326,766	862,824,701	(4,260,175)
(652,863,955)	(624,006,385)	(603,290,209)	(571,592,525)	(544,595,643)	(521,962,553)	(494,105,931)
(11,794,785)	(11,644,328)	(11,681,604)	(14,739,700)	(11,497,216)	(9,495,869)	(6,929,103)
5,382,381	5,988,441	6,249,379	6,241,253	8,008,465	7,626,374	6,594,649
(1,451,615,074)	2,416,443,016	(64,316,970)	230,575,528	573,955,342	658,038,640	(179,484,191)
11,185,453,706	8,769,010,690	8,833,327,660	8,602,752,132	8,028,796,790	7,370,758,150	7,550,242,341
\$ 9,733,838,632	\$ 11,185,453,706	\$ 8,769,010,690	\$ 8,833,327,660	\$ 8,602,752,132	\$ 8,028,796,790	\$ 7,370,758,150
\$ 2,696,383,467	\$ 768,832,293	\$ 2,863,584,487	\$ 2,412,528,797	\$ 2,205,935,041	\$ 2,584,140,480	\$ 2,391,348,072
78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%
\$ 2,054,188,304	\$1,907,642,349	\$1,929,343,374	\$1,936,042,263	\$1,849,202,619	\$1,788,074,570	\$1,795,174,463
131.26%	40.30%	148.42%	124.61%	119.29%	144.52%	133.21%





Investment Overview

Investment returns play an important role in the funded ratio of the Arkansas Public Employees' Retirement System and the Arkansas State Police Retirement System combined portfolio, referred to as "combined portfolio" throughout the remainder of the Investment Section.

The Board of Trustees of the Arkansas Public Employees' Retirement System (the Board) has adopted an Investment Policy Statement with the purpose of the exclusive benefit of the participants and beneficiaries of the System and with the objective of maximizing the total rate of return on investments within prudent risk parameters. The overall goal is to achieve an annualized rate of return which, when combined with employee and employer contributions, will meet or exceed the benefit and administrative requirements of the System.

The System's investments are managed by professional investment management firms based upon statutory investment authority as well as the investment policies adopted by the Board. The investment staff coordinates and monitors the investment of the trust fund's assets and assists in the formulation and implementation of investment policies and long-term investment strategy.

The net investment portfolio fair values shown in this section, and used for the basis of calculating investment returns, may differ from those shown in other sections of this report. The values shown in this section are the appropriate industry standard basis for investment return calculation.

Asset Allocation and Diversification

Asset allocation is a process which is designed to construct an optimal long-term asset mix which achieves a specific set of investment objectives. The Investment Policy Statement establishes the System's asset allocation policy as designed to meet those objectives.

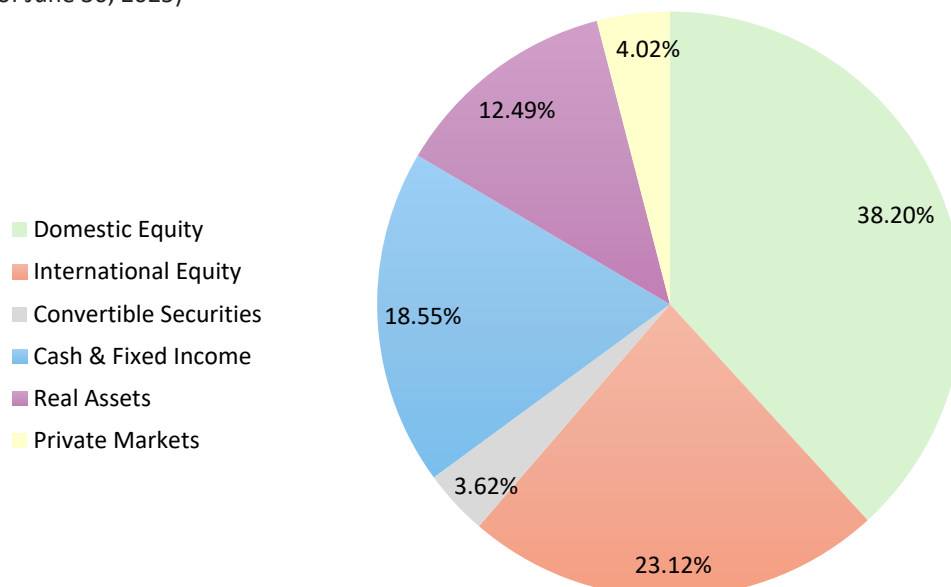
The System's asset allocation policy has been adopted to provide diversification. The goal is to maximize the investment return as well as to be consistent with prudent levels of market and economic risks. The most important investment decision is the determination of asset allocation targets.

Risk is diversified by utilizing active and passive management as well as by retaining multiple investment management firms with varying investment styles.

The pie chart illustrates the actual asset allocation to each type of investment as of the June 30, 2025.

Summary of Investment Allocation by Asset Class

(as of June 30, 2025)

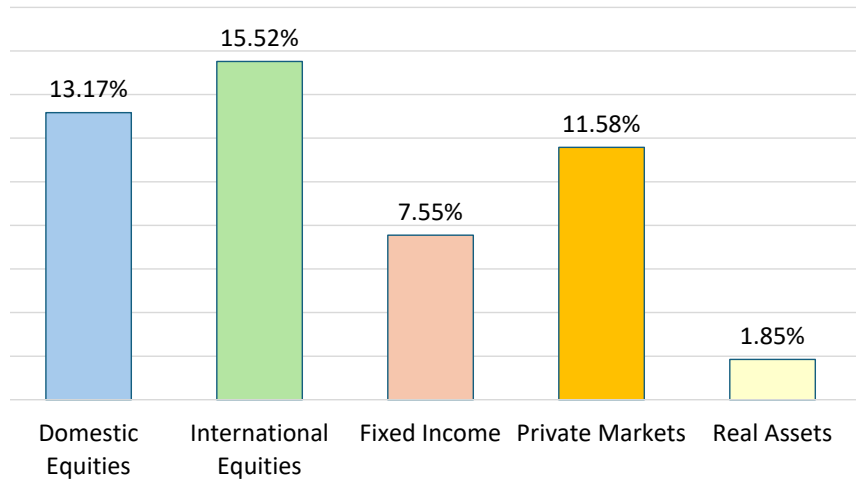


Due to rounding, chart may not equal 100%

Investment Return Summary

For the Fiscal Year 2025

- The System posted an **11.11%** return.
- Domestic Equity posted a **13.17%** return.
- International Equity posted a **15.52%** return.
- Fixed Income posted a **7.55%** return.
- Private Markets posted an **11.58%** return.
- Real Assets posted a **1.85%** return.



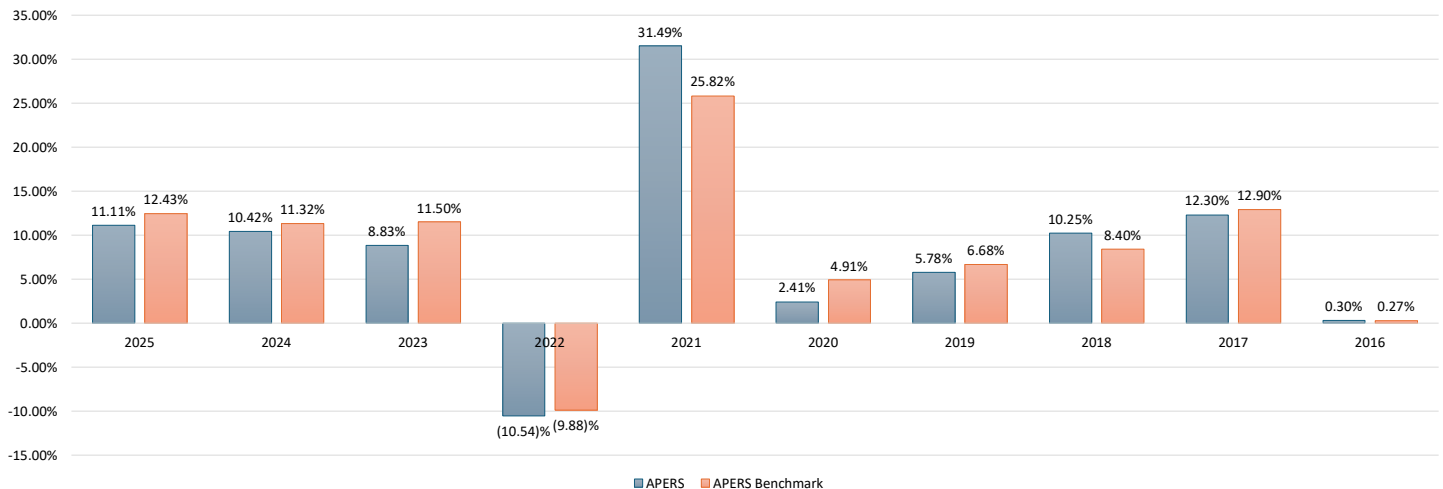
Investment Results

For the fiscal year ending June 30, 2025, the combined portfolio realized a total investment return of 11.11%. The return slightly underperformed the 12.43% return of the combined portfolio’s policy benchmark, a set of market indexes and weightings to those indexes that reflect the combined portfolio’s asset class targets. The combined portfolio’s return exceeded the actuarial assumed rate of return of 7.00%.

The following tables provide a historical perspective of the combined portfolio’s investment returns and performance over the past 10 years. The investment returns are shown for the total combined portfolio as well as for each asset class over various time periods, including benchmark or target for each asset class.

Actual vs Benchmark return - 10 Year Comparison

(for fiscal years ended June 30)



Schedule of Comparative Investment Results by Year

(for fiscal years ended June 30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Fund										
APERS	11.11%	10.42%	8.83%	(10.54)%	31.49%	2.41%	5.78%	10.25%	12.30%	0.30%
APERS Benchmark	12.43%	11.32%	11.50%	(9.88)%	25.82%	4.91%	6.68%	8.40%	12.90%	0.27%
Actuarial Assumed Investment Return	7.00%	7.00%	7.00%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.50%
Domestic Equities										
APERS	13.17%	18.49%	15.24%	(14.22)%	43.65%	6.06%	8.12%	16.27%	17.52%	(0.38)%
Russell 3000 Index	15.30%	23.13%	18.95%	(13.87)%	44.16%	6.53%	8.98%	14.78%	18.51%	2.14%
International Equities										
APERS	15.52%	10.90%	17.06%	(2.24)%	41.35%	(1.45)%	1.98%	7.22%	18.39%	(6.88)%
MSCI - EAFE Index	17.83%	11.57%	18.77%	17.77%	32.35%	(5.13)%	1.08%	6.84%	20.27%	(10.16)%
Fixed Income										
APERS	7.55%	5.48%	0.82%	(11.39)%	4.32%	6.81%	8.57%	0.79%	3.04%	5.06%
Bloomberg Aggregate Index	6.08%	2.63%	(0.94)%	(10.29)%	(0.33)%	8.74%	7.87%	(0.40)%	(0.31)%	6.00%
Private Markets										
APERS	11.58%	24.56%	4.75%	(4.53)%	17.26%	(1.17)%	10.20%	6.43%	5.51%	2.86%
Diversified Strategy Target	N/A	N/A	10.49%	(12.51)%	22.15%	6.45%	7.41%	6.40%	10.51%	0.82%
Real Assets										
APERS	1.85%	(6.38)%	(7.53)%	29.59%	18.52%	(4.37)%	1.72%	11.34%	3.27%	8.29%
Benchmark	4.23%	(5.53)%	6.97%	13.06%	9.39%	4.65%	5.65%	6.87%	5.63%	5.01%

Schedule of Comparative Annualized Investment Results

	Annualized Returns			
	3-year	5-year	7-year	10-year
Total Fund				
APERS	10.10%	9.43%	7.90%	7.75%
APERS Benchmark	11.75%	9.51%	8.44%	8.02%
Actuarial Assumed Investment Return	7.00%	7.06%	7.09%	7.14%
Domestic Equities				
APERS	15.61%	13.75%	11.80%	11.51%
Russell 3000 Index	19.08%	15.96%	13.55%	12.96%
International Equities				
APERS	14.46%	10.51%	7.48%	6.95%
MSCI - EAFE Index	13.92%	9.57%	6.11%	5.74%
Fixed Income				
APERS	4.58%	1.12%	2.95%	2.95%
Bloomberg Aggregate Index	2.55%	(0.73)%	1.77%	1.76%
Private Markets				
APERS	13.34%	10.26%	7.44%	7.44%
Diversified Strategy Target	N/A	N/A	N/A	N/A
Real Assets				
APERS	(4.11)%	6.25%	4.02%	5.07%
Benchmark	1.75%	5.43%	5.35%	5.50%

Domestic Equity

As of June 30, 2025, 41.82% of the combined portfolio was invested in domestic equities (U.S. stocks). The fair value of the domestic equity component was \$5.189 billion.

The passive component is primarily an S&P 500 Index Fund and a Large Cap Growth Index Fund. It constitutes an efficient, low-cost means of obtaining market exposure and provides liquidity should it be needed for benefit payments.

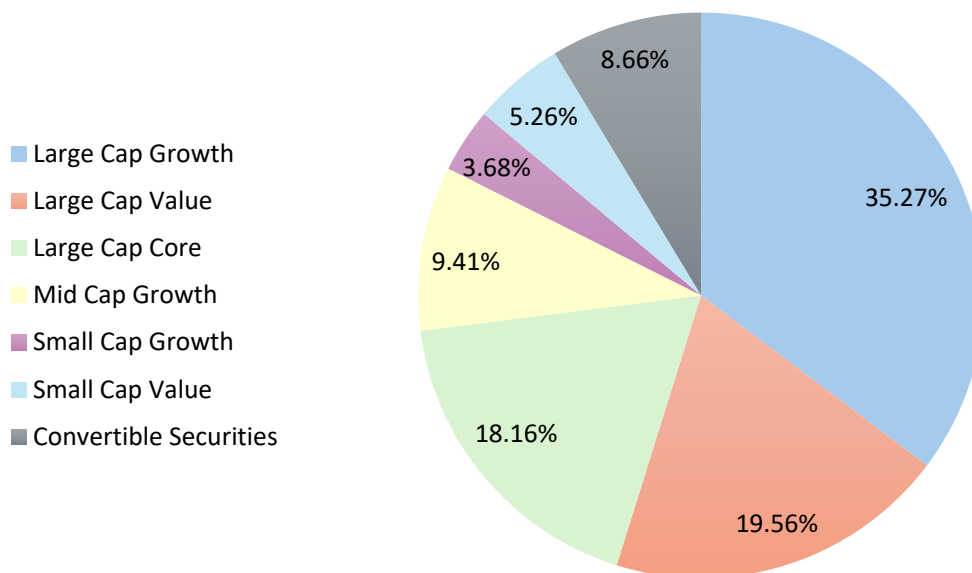
Combined Portfolio Strategies

The combined portfolio utilizes active management in small, mid, and large capitalization stock strategies. The portfolio is also invested in strategies that focus on different investment styles: a value portfolio which focuses on companies undervalued relative to their prospective dividend and earnings growth; a growth portfolio which focuses on companies whose earnings are expected to grow at rates which exceed the general economy; and a core portfolio which seeks to add value across all sectors through stock selection.

Results

The domestic equity portfolio returned 13.17% for the fiscal year, the Russell 3000 Index, returned 15.30%.

Combined Portfolio Strategies



The portfolio is widely diversified across various equity market sectors and industries.

International Equity

As of June 30, 2025, 23.12% of the combined portfolio was invested in international equities (non-U.S. stocks). The fair value of the international equity portfolio of the combined portfolio was \$2.87 billion.

The international equity portfolio takes an active management approach to international markets with approximately 78% invested with active investment managers. The international portfolio assets are allocated across developed and emerging markets. The combined portfolio utilizes the MSCI EAFE (Europe, Asian, and Far East) Index as its benchmark for the international equity index.

The passive component is an ACWI ex-US Index Fund. Similar to the S&P 500 Index Fund, it constitutes an efficient, low-cost means of obtaining market exposure and provides liquidity should it be needed for benefit payments.

The international equity portfolio returned 15.52% for the fiscal year, the MSCI ACWI xUS IMI Index returned 17.83%.

Top 10 Holdings

The top 10 holdings within the public equity portfolio (domestic and international combined) as of June 30, 2025

Rank	Holding	Market Value*	Percentage
1	NVIDIA CORP	\$86,698,513	87
2	MICROSOFT CORP	78,038,904	78
3	AMAZON.COM INC	62,945,404	63
4	META PLATFORMS INC	42,791,137	43
5	APPLE INC	35,969,379	36
6	MASTERCARD INC	28,973,345	29
7	ALPHABET INC	24,116,635	24
8	PHILIP MORRIS INTERNATIONAL INC	23,210,829	23
9	SERVICENOW INC	20,113,357	20
10	O'REILLY AUTOMOTIVE INC	19,557,489	20

*Figures are APERS and ASPRS combined

(in millions of dollars)

Fixed Income

As of June 30, 2025, 17.19% of the combined portfolio was invested in fixed income securities. The fair value of the fixed income equity portfolio was \$2.133 billion

Core-Plus Fixed Income

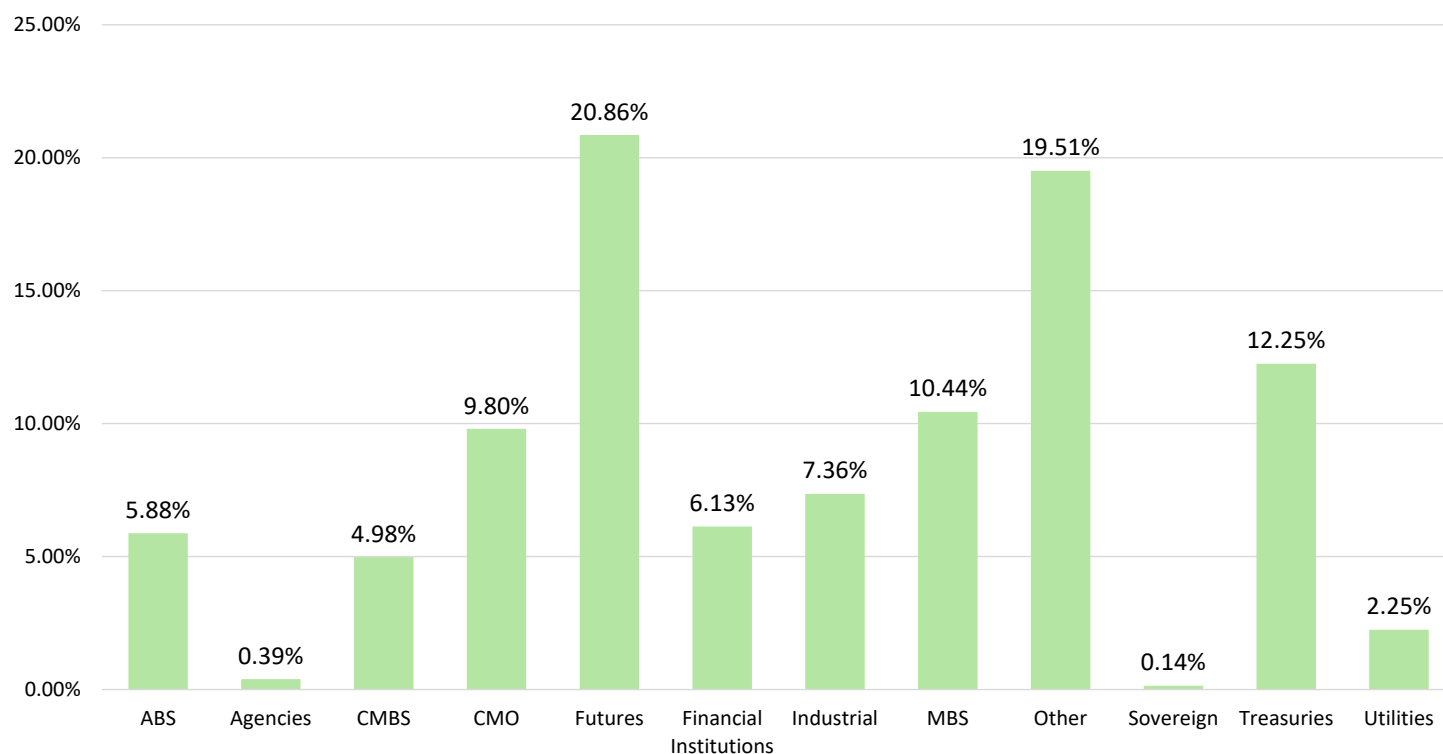
The fixed income portfolio of the combined portfolio is invested in core-plus fixed income strategies. The objective is to generate a return above the core fixed income investment. The fixed income portfolio is 100% invested in core plus and is 100% actively managed.

The core-plus portfolio is a diversified portfolio of fixed income securities, utilizing cash and cash equivalents, forward foreign exchange contracts, swaps, currency options, financial futures, government and government agency bonds, Eurobonds, nondollar bonds, nonconvertible preferred stock, options on fixed income instruments, mortgage-backed bonds, corporate bonds, commercial mortgage-backed securities, private placement corporate bonds, and asset-backed securities.

Results

The fixed income portfolio returned 7.55% for the fiscal year, the Bloomberg Aggregate Index, returned 6.08%.

Core-Plus Fixed Income Distribution



Top 10 Holdings

The top 10 holdings within the fixed income portfolio as of June 30, 2025

Holdings	Description	Market Value*
1	U S TREASURY NOTE 4.000% 04/30/2032	\$21,616,988
2	U S TREASURY NOTE 0.875% 11/15/2030	16,803,276
3	U S TREASURY NOTE 4.250% 05/15/2035	13,299,957
4	U S TREASURY BOND 1.125% 08/15/2040	12,473,595
5	U S TREASURY BOND 5.000% 05/15/2045	12,222,221
6	U S TREASURY NOTE 0.750% 03/31/2026	8,777,970
7	U S TREASURY BOND 1.875% 02/15/2041	7,522,846
8	U S TREASURY NOTE 0.625% 08/15/2030	6,331,298
9	U S TREASURY NOTE 0.625% 05/15/2030	6,236,160
10	U S TREASURY BOND 4.750% 05/15/2055	5,932,359

*Figures are APERS and ASPRS combined

Private Markets

As of June 30, 2025, 4.02% of the combined portfolio was invested in diversified strategies. This asset class has the smallest allocation target. The fair value of the portfolio was \$518 million.

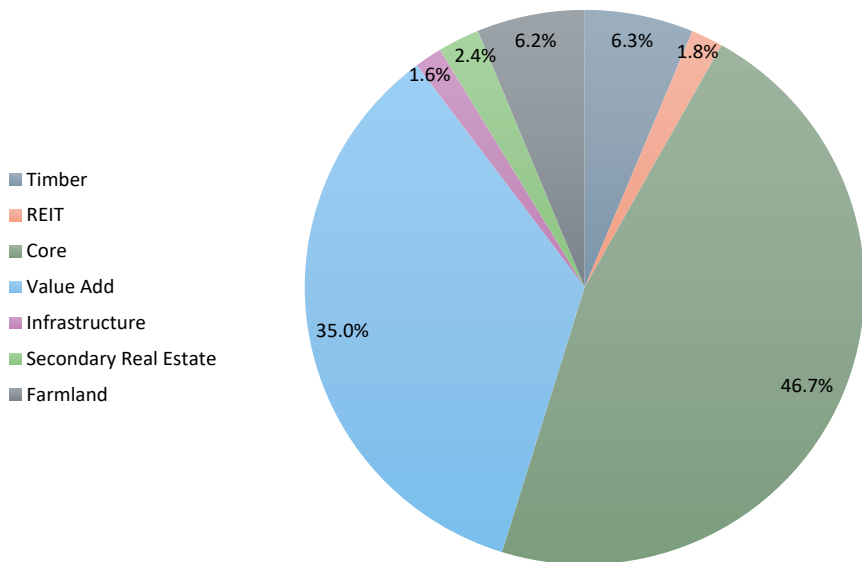
The Fund-of-Funds strategy invests in hedge funds. The total number of funds varies as does the types of strategies. On June 30, 2025, there were fundamental equity strategies, event driven strategies, fundamental credit strategies, credit trading strategies, distressed credit strategies, Residential Mortgage Backed Securities (RMBS) strategies, structured Asset-Backed Securities (ABS) strategies, “multi-strat” strategies, commodity strategies, macro rates strategies, thematic macro strategies, quantitative strategies, Commodity Trade Advisor (CTA) strategies, and special situation strategies in the portfolio.

The private markets sector also includes private equity which is a new asset class for the fund.

Results

The Private Markets Strategies portfolio returned 11.58% for the fiscal year. The combined portfolio’s hedge fund targeted performance returned 7.28%.

Real Assets Portfolio



Timber	\$ 97,431,405
REIT	28,611,813
Core	723,320,736
Value Add	542,398,332
Infrastructure	24,667,411
Secondary Real Estate	37,259,996
Farmland	96,776,444
	\$1,550,466,137

Investment Managers

Acadian Asset Management

Boston, MA 02110

Artisan Partners

Milwaukee, WI 53202

Baillie Gifford Overseas Ltd.

Edinburgh, Scotland

Blackstone Alternative Asset Management, LP

New York, NY 10154

Blue Owl Capital

New York, NY 10022

Boston Partners

Boston, MA 02108

The Carlyle Group

Washington, D.C. 20001

CastleArk Management, LLC

Chicago, IL 60606

Clarion Partners

New York, NY 10169

DoubleLine Capital

Los Angeles, CA 90071

Franklin Templeton Institutional

Coral Gables, FL

HarbourVest Partners, LLC

Boston, MA 02111

Harrison Street Real Estate Partners

Chicago, IL 60606

Heitman America Real Estate

Chicago, IL 60606

Horrell Capital Management

Little Rock, AR 72211

International Farming Investment Management, LLC.

Kinston, NC 28504

Invesco Real Estate

Dallas, TX 75240

LaSalle Investment Management

San Francisco, CA 94111

Lazard Asset Management

New York, NY 10020

LSV Asset Management

Chicago, IL 60606

MackKay Shields

New York, NY 10105

Mellon Capital

Pittsburgh, PA 15258

Neuberger Berman Group, LLC

New York, NY 101

PGIM U.S. Agriculture

San Francisco, CA 94111

Pinnacle Forest Investments, LLC

Little Rock, AR 72211

PGIM, Inc.

Newark, NJ 07102

Principal Real Estate Investors, LLC

Des Moines, IA 50309

SSI Investment Management

Beverly Hills, CA 90210

Starwood Management LLC

Los Angeles, CA 90025

Stephens Investment Management Group

Houston, TX 77046

StepStone Group

New York, NY 10172

TA Associates Realty

Boston, MA 02109

Wellington Management Company

Boston, MA 02210

William Blair, LLC

Chicago, IL 60606

Schedule of Manager Distribution

(for the year ended June 30, 2025)

MANAGER	Total	APERS	ASPRS
DOMESTIC EQUITY			
SSI INVESTMENT MGMT	\$ 449,270,148	\$ 432,145,331	\$ 17,124,817
WELLINGTON	417,161,039	401,260,124	15,900,915
CASTLEARK MGMT	773,952,521	744,451,796	29,500,725
CASTLEARK LGE CAP GROWTH	78,783,043	75,780,072	3,002,971
STEPHENS SMALL CAP GROWTH	191,214,783	183,926,255	7,288,528
STEPHENS MID CAP GROWTH	488,222,770	469,613,198	18,609,573
LSV ASSET MANAGEMENT	272,895,915	262,493,949	10,401,965
HORRELL CAPITAL (PASSIVE)	225,903,502	217,292,745	8,610,757
BNYM LARGE CAP VALUE	179,583,716	172,738,529	6,845,187
BOSTON PARTNERS LCV	418,054,869	402,119,884	15,934,985
MCM EB LARGE CAP GROWTH	441,188,540	424,371,769	16,816,770
WILLIAM BLAIR - LARGE CAP GROWTH	536,409,053	515,962,766	20,446,288
MCM EB DV STOCK INDEX	716,509,422	689,198,254	27,311,168
	<u>5,189,149,321</u>	<u>4,991,354,672</u>	<u>197,794,649</u>
DOMESTIC FIXED INCOME			
MACKAY CP II (PARETO)	732,905,409	704,969,276	27,936,133
DOUBLELINE CAPITAL	670,946,034	645,371,604	25,574,430
PRUDENTIAL INVESTMENTS	729,455,979	701,651,327	27,804,652
	<u>2,133,307,422</u>	<u>2,051,992,207</u>	<u>81,315,215</u>
INTERNATIONAL EQUITY			
MCM ACWI EX-US INDEX FUND	622,530,286	598,801,318	23,728,968
ACADIAN ASSET MANAGEMENT	263,269,832	253,234,784	10,035,048
FRANKLIN TEMPLETON	180,124,573	173,258,770	6,865,803
MANNING & NAPIER	162,652	156,452	6,200
LAZARD ASSET MGMT	634,883,409	610,683,577	24,199,832
ARTISAN PARTNERS	2,917,877	2,806,656	111,221
ARTISAN PARTNERS CIT	810,910,962	780,001,493	30,909,469
BAILLIE GIFFORD	353,721,491	340,238,700	13,482,791
	<u>2,868,521,082</u>	<u>2,759,181,750</u>	<u>109,339,332</u>
PRIVATE MARKETS / DIVERSIFIED STRATEGIES			
HARBOURVEST DOVER XI	173,550,701	166,935,474	6,615,227
NEUBERGER BERMAN	55,554,261	53,436,701	2,117,560
BLACKSTONE	269,602,565	259,326,132	10,276,433
	<u>498,707,527</u>	<u>479,698,307</u>	<u>19,009,220</u>

(Table continued on the following page.)

(Table continued from the previous page.)

Schedule of Manager Distribution

(for the year ended June 30, 2025)

MANAGER	Total	APERS	ASPRS
REAL ASSETS			
PGIM AGRICULTURE	\$ 44,771,297	\$ 43,064,751	\$ 1,706,546
IFC INTERNATIONAL FARMING	52,005,147	50,022,868	1,982,279
HARRISON STREET FUND VIII	44,932,768	43,220,067	1,712,701
STARWOOD SOF XII	57,391,925	55,204,319	2,187,606
INVESCO REALTY (CORE FUND)	426,468,978	410,213,273	16,255,705
HEITMAN VALUE FD IV	25,231,431	24,269,685	961,746
TA ASSOC. REALTY - FUND XI	57,989	55,779	2,210
TA ASSOC. REALTY - FUND XII	52,655,103	50,648,050	2,007,053
TA ASSOC. REALTY - FUND XIII	65,988,075	63,472,810	2,515,265
LASALLE INV MGMT - FUND VI	3,357,597	3,229,616	127,981
LASALLE INV MGMT- FUND VII	10,748,113	10,338,427	409,686
HEITMAN REAL ESTATE	296,851,758	285,536,668	11,315,090
PINNACLE FOREST INVEST.	97,431,405	93,717,615	3,713,790
MCM EB DV NON ST RT	28,611,813	27,521,218	1,090,596
CARLYLE PROP INV FUND	80,894,333	77,810,886	3,083,447
PRINCIPLE ENHANCED PF	85,566,137	82,304,615	3,261,522
CLARION LION IND TRUST	79,591,904	76,558,102	3,033,802
NEUBERGER BERMAN RE SECONDARY II	20,008,495	19,245,832	762,663
BLUE OWL DG INFR III	19,617,069	18,869,325	747,743
STEPSTONE RE PTR V	17,251,501	16,593,926	657,575
HARBOURVEST IOF III	5,050,342	4,857,838	192,504
HARRISON STREET FUND IX	35,982,956	34,611,395	1,371,561
	<u>1,550,466,136</u>	<u>1,491,367,065</u>	<u>59,099,071</u>
Short Term Investment Fund	<u>168,914,157</u>	<u>152,672,833</u>	<u>16,241,324</u>
TOTAL FUND	<u><u>\$12,409,065,645</u></u>	<u><u>\$11,926,266,834</u></u>	<u><u>\$482,798,811</u></u>

Schedule of Brokerage Commissions

(for the year ended June 30, 2025)

Brokerage firm	Total Commission	APERS	ASPRS
J.P MORGAN SECURITIES INC, NEW YORK	\$ 191,956	\$ 184,639	\$ 7,317
MORGAN STANLEY AND CO., LLC, NEW YORK	119,887	115,317	4,570
GOLDMAN SACHS & CO, NY	106,780	102,710	4,070
JEFFERIES & CO INC, NEW YORK	94,685	91,076	3,609
BANK OF AMERICA CORP, CHARLOTTE	86,922	83,609	3,313
ISI GROUP INC, NEW YORK	73,042	70,257	2,784
UBS SECURITIES LLC, STAMFORD	70,303	67,623	2,680
WILLIAM BLAIR & CO, CHICAGO	63,223	60,813	2,410
UBS EQUITIES, LONDON	62,773	60,380	2,393
BARCLAYS CAPITAL, LONDON (BARCGB33)	54,893	52,801	2,092
All Others (157)	1,168,986	1,124,428	44,558
	<u>\$ 2,093,450</u>	<u>\$ 2,013,654</u>	<u>\$ 79,796</u>

Schedule of Investment Fees

(for the year ended June 30, 2025)

	Combined Fees	APERS Fees	ASPRS Fees
Domestic Equity	\$ 14,697,056	\$ 14,136,849	\$ 560,207
Fixed Income	4,076,132	3,920,762	155,370
International Equity	11,690,740	11,245,124	445,616
Private Markets/Diversified Strategies	9,039,559	8,694,999	344,561
Real Assets	14,186,339	13,645,599	540,740
Consulting Services	1,172,569	1,127,874	44,695
Custodian Bank Services	510,628	491,165	19,464
	<u>\$ 55,373,023</u>	<u>\$ 53,262,371</u>	<u>\$ 2,110,652</u>





November 12, 2025

Board of Trustees
Arkansas Public Employees Retirement System
Little Rock, Arkansas

Dear Board Members:

The basic financial objective of the Arkansas Public Employees Retirement System (APERS) 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 APERS 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 APERS as of June 30, 2025. The purpose of the June 30, 2025 annual actuarial valuation was to determine the contribution requirements for the year beginning July 1, 2027 (July 1, 2025 for the District Judges Still Paying Old Plan) 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 (level dollar for the District Judges portion of APERS) 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, 2025. In addition, a separate report was issued (dated October 31, 2025) to provide actuarial information for GASB Statement No. 67 and GASB Statement No. 68.

The APERS 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. The plan's external auditor also audits the actuarial data annually. We are not responsible for the accuracy or completeness of the data provided by staff.

The actuarial valuation report and GASB Statement Nos. 67 and 68 report contain the following supporting schedules for use in the Actuarial and Financial Sections of the Annual Comprehensive 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

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Arkansas Public Employees Retirement System
November 12, 2025
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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 with the exception of the old plan still paying District Judges portion of APERS, where assets are valued on a market basis.

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 actuarial assumptions used for the valuation produce results which, individually and in the aggregate, are reasonable. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). 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, 2025 valuations were based upon assumptions that were recommended in connection with a study of experience covering the period 2017-2022.

On the basis of the June 30, 2025 actuarial valuations and the benefits and contribution rates then in effect, it is our opinion that the Arkansas Public Employees Retirement System continues to satisfy the general financial objective of level contribution financing.

We have assessed that the contribution rate calculated under the current funding policy is a reasonable Actuarially Determined Employer Contribution (ADEC) and it is consistent with the plan accumulating adequate assets to make benefit payments when due.

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 assumptions/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.



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Arkansas Public Employees Retirement System
November 12, 2025
Page 3

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

MDD/HGB:rmn



Summary of Actuarial Assumptions

Economic Assumptions

The investment return rate used in making the valuation was 7.00% per year, compounded annually (net after investment expenses). This rate of return is not the assumed real rate of return. The real rate of return is the portion of investment return which is more than the wage inflation rate. Considering the assumed wage inflation rate of 3.25%, the 7.00% investment return rate translates to an assumed net real rate of return of 3.75%. The wage inflation assumption was first used for the June 30, 2015 valuation, including also the District Judges division. The investment return assumption was first used for the June 30, 2023 valuation, including also the District Judges division.

Pay increase assumptions for individual active members are shown on pages E-7 and E-8. Part of the assumption for each age is for a merit and/or seniority increase, and the other 3.25% recognizes wage inflation. The wage inflation assumption consists of 2.50% for price inflation and 0.75% for real wage growth. These assumptions were first used for the June 30, 2023 valuation and for the District Judges division for the June 30, 2015 valuation.

Total active member payroll is assumed to increase 3.25% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation. This assumption was first used for the June 30, 2015 valuation and for the District Judges division for the June 30, 2015 valuation.

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

Non-Economic Assumptions

The **healthy retiree mortality tables**, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables, for males and females, respectively. The **disabled retiree mortality tables**, for post-retirement disabled mortality, used in evaluating allowances to be paid were 114% and 132% of the PubNS-2010 Amount-Weighted Disabled Retiree Mortality tables for males and females, respectively. The **pre-retirement mortality tables** used were 75% of the PubG-2010 Amount-Weighted Below-Median General Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables. Related values are shown on pages E-3 (post-retirement) and E-7 (pre-retirement). These assumptions were first used for the June 30, 2023 valuation.

The probabilities of retirement for members eligible to retire are shown on pages E-4 through E-6. These probabilities were first used for the June 30, 2023 valuation and for the June 30, 2007 valuation for the District Judges division.

The probabilities of withdrawal from service, death-in-service and disability are shown for sample ages on pages E-7 and E-8. These probabilities were first used for the June 30, 2023 valuation and for the District Judges division for the June 30, 2018 valuation.

The individual entry-age normal actuarial cost method of the valuation was used in determining liabilities and normal cost.

Differences in the past between assumed experience and actual experience (actuarial gains and losses) become part of actuarial accrued liabilities.

*The data referenced in this section is taken from the actuary's report, Arkansas Public Employees' Retirement System Actuarial Valuation and Experience Gain/(Loss) Analysis June 30, 2024, prepared by Gabriel Roeder Smith & Co. The page numbers mentioned above refer to this report. A PDF copy of the report is available for download at www.apers.org.

For APERS, unfunded actuarial accrued liabilities are amortized to produce contribution amounts (principal and interest) which are level percent-of-payroll contributions. Beginning with the 2023 annual actuarial valuation, the amortization period will remain closed and the remaining UAAL will be amortized over a 17-year closed period. Changes in the UAAL due to the actuarial gains or losses for each annual actuarial valuation or from changes to the actuarial assumptions will be amortized over a new closed 20-year period on an annual basis. Changes in the UAAL due to changes in benefit provisions that would result in an increase in the employer contribution rate shall be amortized over a closed 15-year period for active members and a closed 5-year period for non-active members (i.e., retired members and deferred members). Changes in the UAAL due to changes in benefit provisions that would result in a decrease in the employer contribution rate shall be amortized over a closed 30-year period for active members and a closed 15-year period for non-active members (i.e., retired members and deferred members). The maximum amortization period to finance the total UAAL shall not exceed 30 years.

For the District Judges division, unfunded actuarial accrued liabilities are amortized as a level dollar contribution. Beginning with the 2023 annual actuarial valuation, the amortization period is a closed 4-year period for the New Plan and Paid-Off Old Plan and a closed 12-year period for the Still Paying Old Plan.

Recognizing the special circumstances of the General Assembly division, modifications of the above assumptions were made where appropriate.

Present assets (cash & investments) were valued on a market related basis in which differences between actual and assumed returns are phased-in over a four-year period (including District Judges New Plan and Paid Off Old Plan). The funding value of assets may not deviate from the market value of assets by more than 25%. District Judges Still Paying Old Plan present assets (cash & investments) were valued on a market value basis.

The data about persons now covered and about present assets were 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 Public Employees' Retirement System Actuarial Valuation and Experience Gain/(Loss) Analysis June 30, 2024, prepared by Gabriel Roeder Smith & Co. The page numbers mentioned above refer to this report. A PDF copy of the report is available for download at www.apers.org.

Actuarial Data

Single Life Retirement Values

Sample Attained Ages	Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly for Life Increasing 3% Annually		Future Life Expectancy (Years) 2025 *	
	Men	Women	Men	Women	Men	Women
40	\$ 159.32	\$ 164.07	\$ 235.57	\$ 247.07	41.36	45.16
45	152.69	158.86	219.97	233.35	36.11	39.86
50	145.05	152.58	203.33	218.19	31.23	34.82
55	137.90	146.33	187.68	203.11	26.96	30.25
60	129.05	138.09	170.02	185.40	22.83	25.73
65	117.87	127.07	149.91	164.50	18.81	21.27
70	103.67	112.82	127.08	140.53	14.93	16.94
75	87.44	95.93	103.28	114.87	11.39	12.94
80	70.09	77.24	79.91	88.97	8.32	9.41
85	53.57	58.46	59.17	64.98	5.86	6.50

Sample Attained Ages	Benefit Increasing 3.0% Yearly	Portion of Age 60 Lives Still Alive *	
		Men	Women
60	\$100	100 %	100 %
65	116	93	96
70	134	85	91
75	155	73	82
80	180	57	69

* Applicable to calendar year 2025. Life expectancies and rates in future years are determined by the fully generational MP-2011 projection scale

Separations from Active Employment Before Retirement

(State and Local Government Division as of June 30, 2025)

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year						Pay Increase Assumptions for an Individual Employee		
		Withdrawal		Death *		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0	40.0 %	40.0 %							
	1	25.0	25.0							
	2	20.0	20.0							
	3	15.0	15.0							
	4	12.0	12.0							
20	5+	12.5	12.5	0.03 %	0.01 %	0.01 %	0.01 %	7.75 %	3.25 %	11.00 %
25		12.5	12.5	0.04	0.01	0.04	0.04	6.10	3.25	9.35
30		11.0	11.0	0.06	0.02	0.07	0.07	3.98	3.25	7.23
35		7.8	7.8	0.08	0.03	0.09	0.09	2.82	3.25	6.07
40		5.5	5.5	0.10	0.04	0.13	0.13	2.20	3.25	5.45
45		4.3	4.3	0.12	0.05	0.17	0.17	1.70	3.25	4.95
50		3.4	3.4	0.15	0.07	0.34	0.34	1.29	3.25	4.54
55	2.4	2.4	0.23	0.11	0.60	0.60	1.06	3.25	4.31	
60	1.5	1.5	0.35	0.18	0.85	0.85	0.70	3.25	3.95	

* Applicable to calendar year 2025. Rates in future years are determined by the above rates and the MP-2021 projection scale. Pay increase rates are age based only, and not service based.

State and Local Government Division Age-Based Retirement

(as of June 30, 2025)

Retirement Ages (with less than 28 years of service)	Percent of Eligible Active Members Retiring Within Next Year	
	Unreduced	Reduced
55		2.5 %
56		2.5
57		3.0
58		3.0
59		4.0
60		4.0
61		5.5
62		18.0
63		17.0
64		14.0
65	22.0 %	
66	25.0	
67	23.0	
68	18.0	
69	18.0	
70	18.0	
71	18.0	
72	18.0	
73	18.0	
74-84	20.0	
85 & Over	100.0	

A member was assumed eligible for unreduced retirement after attaining age 65 with 5 years of service or 28 years regardless of age. A member was assumed eligible for reduced retirement after attaining age 55 with 5 or more years of service.

State and Local Government Division Service-Based Retirement

(as of June 30, 2025)

Service	Percent of Eligible Active Members Retiring Within Next Year
28	15 %
29	17
30	15
31	15
32	15
33	15
34	15
35	20
36	22
37	22
38	22
39	25
40	25
41	25
42 & Over	100

Short Condition Test

The APERS 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 condition test.

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

- Active member contributions on deposit,
- The liabilities for future benefits to present retired lives, and
- The liabilities for service already rendered by active members.

In a system that has been following the discipline of level percent-of-payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in unusual circumstances).

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. Liability 3 being fully funded is uncommon.

Ten-Year Comparative Statement

(dollars in millions for fiscal years ended June 30)

Val'n. Date:	Entry Age Accrued Liability			Valuation Assets	Portion of Present Values Covered by Present Assets				
	(1) Active Member Contr.	(2) Retirees and Benef.	(3) Active Members (Employer Financed Portion)		(1)	(2)	(3)	Total	
June 30									
STATE DIVISION (including sub-divisions)									
1998@	\$17.20	\$ 640.3	\$1,395.90	\$2,328.50	100%	100%	119%	113%	
1999@#	16.9	784.0	1,634.2	2,637.1	100%	100%	112%	108%	
2000	15.8	747.5	1,865.7	2,943.3	100%	100%	117%	112%	
LOCAL GOVERNMENT DIVISION									
1998@	\$ 8.80	\$ 337.9	\$ 501.1	\$ 968.10	100%	100%	124%	114%	
1999#	8.8	446.9	587.9	1,074.7	100%	100%	105%	103%	
2000	7.6	440.0	706.0	1,178.1	100%	100%	103%	102%	
STATE AND LOCAL GOVERNMENT DIVISION									
2017	291.1	5,547.3	4,671.8	8,157.0	100%	100%	50%	78%	
2017@	291.1	5,460.9	4,568.5	8,157.0	100%	100%	53%	79%	
2018	334.7	5,717.9	4,641.7	8,416.4	100%	100%	51%	79%	
2019	376.0	6,015.8	4,737.0	8,738.7	100%	100%	50%	79%	
2020	410.2	6,270.1	4,832.7	9,090.4	100%	100%	50%	79%	
2021#	439.2	6,531.0	4,851.3	9,892.5	100%	100%	60%	84%	
2022	473.0	6,677.8	5,075.3	10,220.3	100%	100%	60%	84%	
2023@	516.8	6,937.6	5,614.2	10,638.4	100%	100%	57%	81%	
2024	563.4	7,139.4	5,689.7	11,237.6	100%	100%	62%	84%	
2025	638.3	7,325.8	5,921.3	11,463.5	100%	100%	59%	83%	
2025#	638.3	7,326.6	5,921.2	11,463.5	100%	100%	59%	83%	

After legislated changes in benefit provisions, @ After changes in actuarial assumptions.

Analysis of Experience

Purpose of Gain/(Loss) Analysis

Regular actuarial valuations give valuable information about the composite change in unfunded actuarial accrued liabilities – whether or not the liabilities are increasing or decreasing and by how much.

But valuations do not show the portion of the change attributable to each risk area within the retirement system: the rate of investment return which plan assets earn; the rates of withdrawal of active members who leave covered employment; the rates of mortality; the rates of disability; the rates of pay increases; and the ages at actual retirement. In an actuarial valuation, assumptions must be made as to what these rates will be, for the next year and for decades in the future.

The objective of a gain and loss analysis is to determine the portion of the change in actuarial condition (unfunded actuarial accrued liabilities) attributable to each risk area.

The fact that actual experience differs from assumed experience is to be expected – the future cannot be predicted with precision. The economic risk areas (particularly investment return and pay increases) are volatile. Inflation directly affects economic risk areas, and inflation seems to defy reliable prediction.

Changes in the valuation assumed experience for a risk area should be made when the differences between assumed and actual experience have been observed to be sizable and persistent. A gain and loss analysis covering a relatively short period may or may not be indicative of long-term trends, which are the basis of actuarial assumptions.

Changes in Unfunded Actuarial Accrued Liability

(as of June 30, 2025)

	Total (\$ in millions)
(1) UAAL* at beginning of year	\$ 2,154.9
(2) Employer normal cost from last valuation	165.5
(3) Actual employer contributions	366.0
(4) Interest accrual: [[1) + ½[(2) - (3)]]x .07	143.8
(5) Expected UAAL before changes: (1) + (2) - (3) + (4)	2,098.2
(6) Increase from benefit changes	0.7
(7) Changes from revised actuarial assumptions and methods	0.0
(8) New entrant liabilities	85.6
(9) Expected UAAL after changes: (5) + (6) + (7) + (8)	2,184.5
(10) Actual UAAL at end of year	2,422.6
(11) Gain/(Loss): (9) - (10)	\$ (238.1)
<hr/>	
(12) Actuarial accrued liability at start of year	\$ 13,392.5
(13) Gain/(loss) as percent of actuarial accrued liabilities at start of year: (11) / (12)	(1.8)%
(14) Investment gain/(loss)	\$ (290.3)
As a percent of AAL at the start of the year: (14) / (12)	(2.2)%
(15) Liability gain/(loss)	\$ 52.2
As a percent of AAL at the start of the year: (15) / (12)	0.4%

* Unfunded actuarial accrued liability.

Gains/(Losses) by Risk Area

(for the fiscal year ended June 30, 2025)

Type of Risk Area	Total (\$ in millions)	% of BOY Accrued Liabilities
ECONOMIC RISK AREAS		
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	\$ (43.2)	(0.3)%
Investment Return. If there is greater investment return than assumed, there is a gain. If less return, a loss.	(290.3)	(2.2)%
NON-ECONOMIC RISK AREAS		
Non-Casualty Retirements. 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.	1.3	0.0 %
Disability Retirements. If there are fewer disabilities than assumed, there is a gain. If more, a loss.	1.4	0.0 %
Death-in-Service Benefits. If there are fewer claims than assumed, there is a gain. If more, a loss.	(1.5)	(0.0)%
Withdrawal. If more liabilities are released by other separations than assumed, there is a gain. If smaller releases, a loss.	50.6	0.4 %
Total Active Member Actuarial Gains/(Losses)	\$ (281.7)	(2.1)%
Retired Life Mortality.	82.2	0.6 %
Other. Includes data adjustments at retirement, timing of financial transactions, and miscellaneous unidentified sources.	(38.6)	(0.3)%
Total Actuarial Gains/(Losses)	\$ (238.1)	(1.8)%

Summary of Provisions Evaluated (Excludes Special Provisions for General Assembly)

The Non-Contributory Plan applies to all persons first hired after January 1, 1978 and before July 1, 2005 in APERS-covered employment. The New Contributory Plan applies to all persons hired after July 1, 2005 in APERS-covered employment or Non-Contributory members who elected to participate in the New Contributory Plan.

New Contributory Plan

Non-Contributory Plan

Voluntary Retirement

With a full benefit, after either (a) age 65 with 5 years of service, or (b) 28 years of actual service, regardless of age.

With a full benefit, after either (a) age 65 with 5 years of service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced 1 month for each 2 months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service).

With a reduced benefit, after age 55 with 5 years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement precedes normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

With a reduced benefit, after age 55 with 5 years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement precedes normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

Final Average Compensation (FAC)

Average of highest 36 calendar months of covered compensation (60 months for members hired on or after July 1, 2022).

Average of highest 36 calendar months of covered compensation.

Full Age & Service Retirement Benefit

2.00% of FAC times years of service (2.03% for service prior to July 1, 2007), plus .5% of FAC times years of service over 28 years for service after July 1, 2009. The minimum monthly benefit is \$150 minus any age and beneficiary option reductions.

1.72% of FAC times years and months of credited service (1.75% for service prior to July 1, 2007), plus .5% of FAC times years of service over 28 years for service after July 1, 2009. If retirement is prior to age 62, an additional .33% of FAC times years of service will be paid until age 62. The portion of the APERS benefit based on service before 1978 cannot be less than the amount provided by contributory provisions in effect at the time of retirement. The minimum monthly benefit is \$150 minus any age and beneficiary option reductions.

Summary of Provisions Evaluated

New Contributory Plan

Non-Contributory Plan

Benefit Increases After Retirement

Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.

Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.

For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of three percent (3%), or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers (CPI-W) over the one-year period ending in the December preceding the redetermination date.

Member Contribution Rates

5% of covered compensation (pre-tax). Beginning July 1, 2022, the member contribution rate will increase in increments of 0.25% per year until it reaches the maximum 7%. Member contributions are refundable if APERS-covered employment terminates before a monthly benefit is payable. Members will earn interest on the contributions at a rate of 2% annually.

No employee contributions for service after January 1, 1978. If there is service before January 1, 1978, contributions for that period are refundable later in the same manner as under the Contributory Plan.

Vested Retirement Benefits

5 or more years of service, and leaving APERS-covered employment before full retirement age. Deferred full retirement benefit, based on service and pay at termination, begins at age 65. A death benefit is payable to surviving spouse of member who dies before benefit commencement.

5 or more years of service, and leaving APERS-covered employment before full retirement age. Deferred full retirement benefit, based on service and pay at termination, begins at age 65. A death benefit is payable to surviving spouse of member who dies before benefit commencement.

In place of deferred full benefit, at age 55 or older a qualifying member can elect an immediate reduced benefit.

In place of deferred full benefit, at age 55 or older a qualifying member can elect an immediate reduced benefit.

Total and Permanent Disability

Disabled after 5 or more years of service, including credit for 18 of the 24 months preceding disability.

Disabled after 5 or more years of service, including credit for 18 of the 24 months preceding disability.

Amount is computed as an age & service benefit, based on service and pay at disability.

Amount is computed as an age & service benefit, based on service and compensation at disability.

Summary of Provisions Evaluated

New Contributory Plan

Non-Contributory Plan

Death After Retirement

If death occurs before total monthly benefit payments equal member's accumulated contributions, the difference is refunded.

Member contributions before 1978 are protected in the same manner as under the Contributory Plan.

A retiring member can also elect an optional form of benefit, which provides beneficiary protection paid for by reducing the retired member's benefit amount. Should the member elect a straight life benefit and decease within 12 months of the date of retirement, a benefit may be payable to the surviving spouse under certain conditions.

A retiring member can also elect an optional form of benefit, which provides beneficiary protection paid for by reducing the retired member's benefit amount. Should the member elect a straight life benefit and decease within 12 months of the date of retirement, a benefit may be payable to the surviving spouse under certain conditions.

Death While in APERS-Covered Employment

Member's accumulated contributions are refundable.

Member's accumulated contributions before 1978 are refundable.

If the member had 5 or more years of service, monthly benefits are payable instead. Surviving spouse receives a benefit computed as if member had retired and elected the Joint & 75% Survivor Option. Payment begins immediately.

If the member had 5 or more years of service, monthly benefits are payable instead. Surviving spouse receives a benefit computed as if member had retired and elected the Joint & 75% Survivor Option. Payment begins immediately.

Each dependent child receives benefit of 10% of compensation (maximum of 25% for all children). A child is considered a dependent until the child's death, marriage, or attainment of 23 years of age, whichever occurs first. The 23-year maximum age shall be extended for any child who has been deemed physically or mentally incompetent by an Arkansas court of competent jurisdiction or by the Board of Trustees of the Arkansas Public Employees' Retirement System, for as long as the incompetency exists.

Each dependent child receives benefit of 10% of compensation (maximum of 25% for all children). A child is considered a dependent until the child's death, marriage, or attainment of 23 years of age, whichever occurs first. The 23-year maximum age shall be extended for any child who has been deemed physically or mentally incompetent by an Arkansas court of competent jurisdiction or by the Board of Trustees of the Arkansas Public Employees' Retirement System, for as long as the incompetency exists.

Dependent parents benefits are payable if neither spouse nor children's benefits are payable.

Dependent parents benefits are payable if neither spouse nor children's benefits are payable.

Summary of Provisions Evaluated Credited Service

Membership Group	Service Credits
Public Safety Members (including State Capitol Police and Wildlife Sub-Division members) hired before July 1, 1997	1-1/2 times regular rate with 5 years actual service required to meet benefit eligibility rules.
Governor (hired before July 1, 1999)	3 times regular rate with 5 years actual service required to meet death-in-service eligibility and 4 years actual service required for other benefit eligibility.
Elected State Constitutional Officers (hired before July 1, 1999)	2-1/2 times regular rate with 5 years actual service required to meet benefit eligibility.
General Assembly	Regular crediting rate with 5 years of actual service required to meet death-in-service eligibility and 10 years of actual service required for other benefit eligibility.
Other Elected Public Officials (municipal and county officials)	2 times regular rate with 5 years actual service required to meet benefit eligibility.
All Other Members	Regular rate.

Arkansas Public Employees Deferred Retirement Option Plan

Members with 28 years of actual service in APERS or in combination with a reciprocal system are eligible to participate.

Members, for a maximum of 10 years, may continue employment and have 75% of their accrued benefit (at date of participation with 30 or more years of service) paid into the Deferred Retirement Option Plan in lieu of any further benefit accruals.

The payments into the Deferred Retirement Option Plan accumulate with interest at a rate established by the Board. The interest is paid on the mean balance and is paid to the member at termination of active membership in either a lump sum or as an annuity.

Employer contributions continue for members participating in the DROP.



The System

Schedule of Revenues by Source

(for fiscal years ended June 30)

Year Ending June 30	Member Contributions	Employer Contributions	Investment Income	Transfers & Other	Total
2016	\$ 55,944,132	\$ 263,545,822	\$ (4,177,314)	\$ 6,271,067	\$ 321,583,707
2017	58,500,339	262,063,747	862,824,701	6,105,620	1,189,494,407
2018	64,730,519	276,784,232	782,326,767	6,069,774	1,129,911,292
2019	68,206,685	293,575,107	450,493,098	5,115,404	817,390,294
2020	71,470,967	299,497,566	174,561,773	4,870,799	550,401,105
2021	75,044,922	306,570,648	2,665,823,683	4,636,568	3,052,075,821
2022	81,213,355	320,805,145	(1,192,887,342)	4,475,146	(786,393,696)
2023	93,037,947	340,152,342	809,503,794	4,297,740	1,246,991,823
2024	102,239,193	348,653,977	1,009,317,535	3,815,272	1,464,025,977
2025	114,383,954	367,602,599	1,149,351,361	3,828,436	1,635,166,350

Chart of Revenues by Source

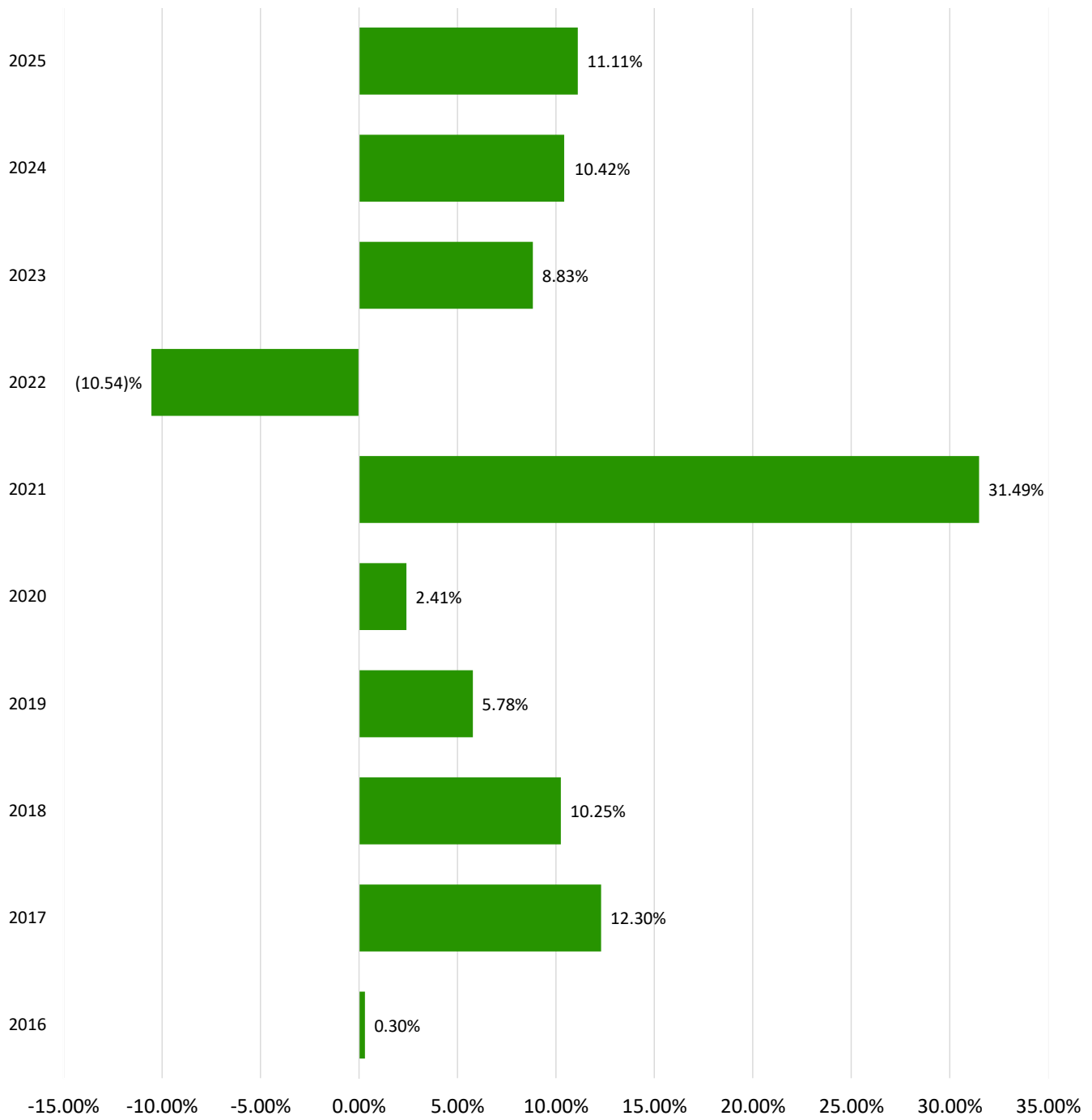
(for fiscal years ended June 30)



The figures shown are in millions of dollars.

Chart of Investment Return Percentage Rate

(for fiscal years ended June 30)



Schedule of Expenses by Type

(for fiscal years ended June 30)

Year Ending June 30	Benefit Payments ¹	Administrative Expenses ³	Refunds	Total
2016	\$ 480,913,495	\$ 7,181,913	\$ 13,188,729	\$ 501,284,137
2017	508,200,406	9,502,608	13,755,408	531,458,422
2018	530,861,312	11,503,639	13,727,908	556,092,859
2019	555,352,597	14,739,700	16,239,928	586,332,225
2020	587,453,797	11,682,726	15,835,290	614,971,813
2021	608,207,117	11,644,847	15,798,750	635,650,713
2022	635,176,766	11,794,786	17,687,189	664,658,741
2023	659,133,497	10,465,629	16,473,823	686,072,949
2024	682,663,974	² 12,816,787	19,159,269	714,640,030
2025	713,837,982	12,838,709	20,712,396	747,389,087

1 Includes DROP and PAW distributions

2 Restatement

3 Summary of Administrative Expenses can be found in the table below.

Summary of Administrative Expenses

(for fiscal years ended June 30)

	2025	2024	2023	2022	2021
Personnel Services	\$ 6,319,966	¹ \$ 6,285,145	\$ 5,352,973	\$ 4,812,611	\$ 4,752,456
Communications	276,049	313,827	304,318	308,144	322,120
Purchases	85,300	81,927	96,810	94,745	62,055
Services and Charges	1,172,984	1,146,495	1,023,106	977,132	1,631,521
Bad Debt Expense	240,704	11,974	234,687	231,024	155,787
Depreciation Expense	3,829,778	3,799,566	2,909,649	2,909,683	2,177,851
Post Employment Benefits	(136,245)	(179,812)	(1,576,467)	393,220	338,871
Data Processing Charges	1,050,173	1,357,663	2,120,554	2,068,228	2,204,186
Total Administrative Expenses	\$ 12,838,709	\$ 12,816,787	\$ 10,465,629	\$ 11,794,786	\$ 11,644,847

1 Restatement

Schedule of Benefit Expenses by Type *

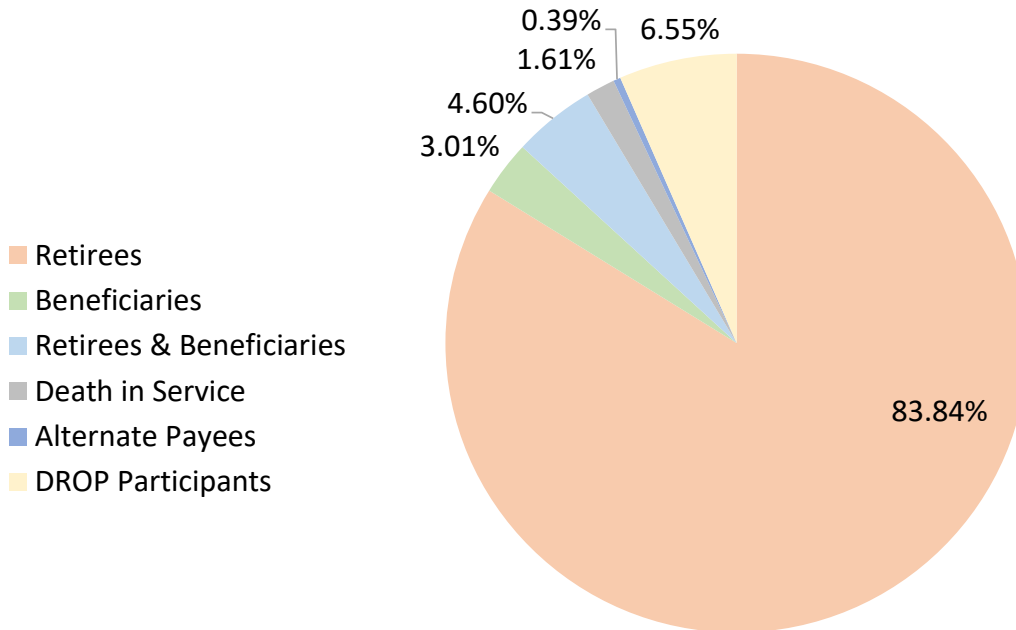
(for fiscal years ended June 30)

	Age & Service Retirees	Age & Service Beneficiaries	Disability Retirees & Beneficiaries	Death in Service	QDRO Alternate Payees	DROP Participants
2016	\$ 417,856,215	\$ 14,859,185	\$ 27,738,864	\$ 41,088	\$ 1,549,793	\$ 47,686,116
2017	449,127,264	13,258,740	29,710,308	8,837,724	1,798,296	37,399,188
2018	471,378,204	14,960,412	30,417,624	9,385,248	2,005,704	46,929,948
2019	500,098,272	15,582,348	31,298,916	9,604,896	2,159,076	50,352,876
2020	523,802,448	17,078,448	32,792,592	10,211,760	2,284,872	50,936,592
2021	548,656,164	18,254,160	33,479,772	10,482,132	2,448,240	45,525,552
2022	559,176,360	19,560,720	33,151,632	10,797,852	2,601,300	45,928,200
2023	586,201,116	21,165,660	33,523,944	11,347,044	2,714,904	48,594,792
2024	609,466,620	22,094,700	34,119,360	11,747,028	2,852,988	49,766,688
2025	633,708,024	22,774,812	34,767,384	12,171,528	2,960,448	49,498,512

* Expenses are based on annualized June 30 benefits amounts.

Chart of Benefit Expenses by Type (Percentages)

(for the fiscal year ended June 30, 2025)



Membership

APERS covers all state employees who are not covered by another authorized plan, all county employees, municipal employees whose municipalities have elected coverage under the System, some college and university employees who are not covered by another authorized plan, and other public entities specifically defined by law.

Members*

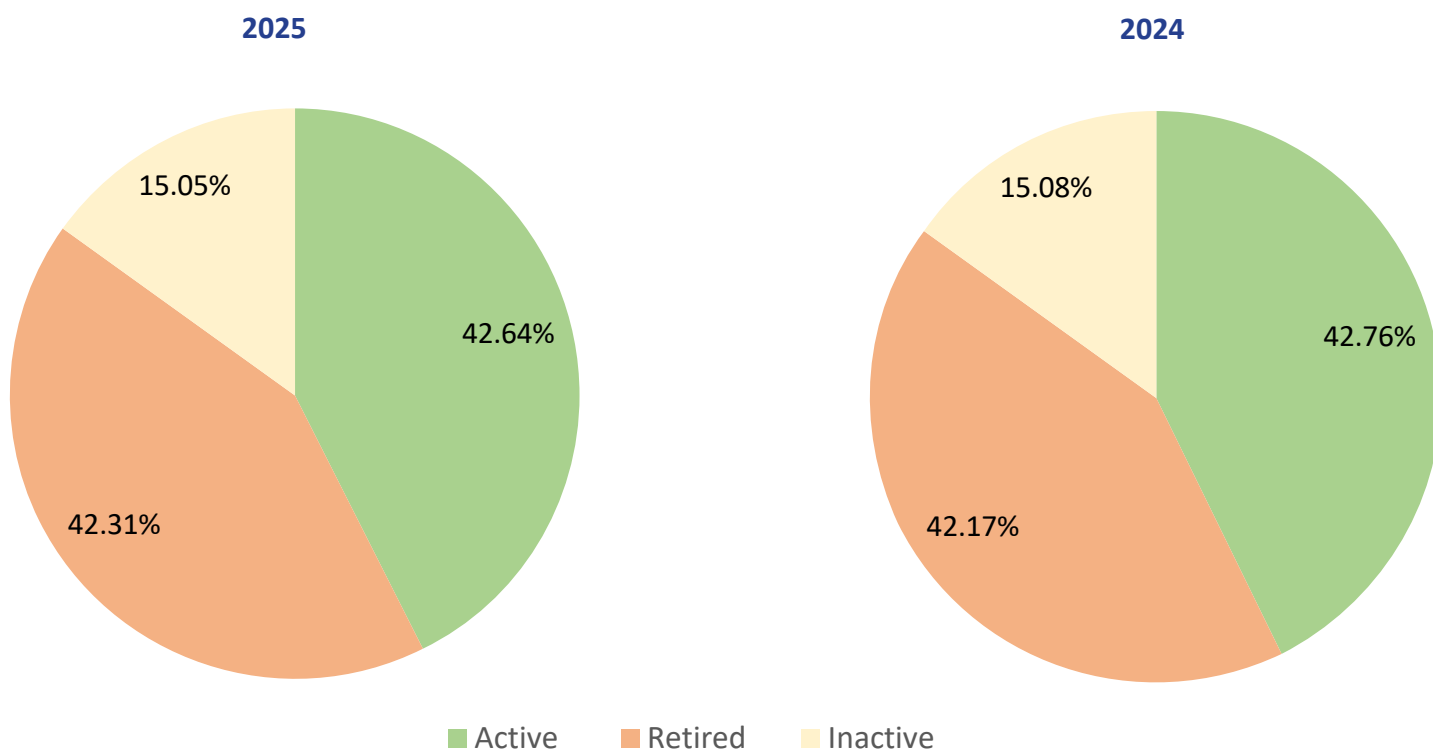
(for fiscal years ended June 30)

	2025	2024
Active Plan Members	43,490	43,394
Retirees and Beneficiaries Receiving Benefits (includes DROP participants)	43,148	42,797
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	15,351	15,301

* Includes members of the Arkansas District Judges Retirement System

Charts of Memberships by Type

(for fiscal years ended June 30)



Summary of Active and Retired Member Valuation

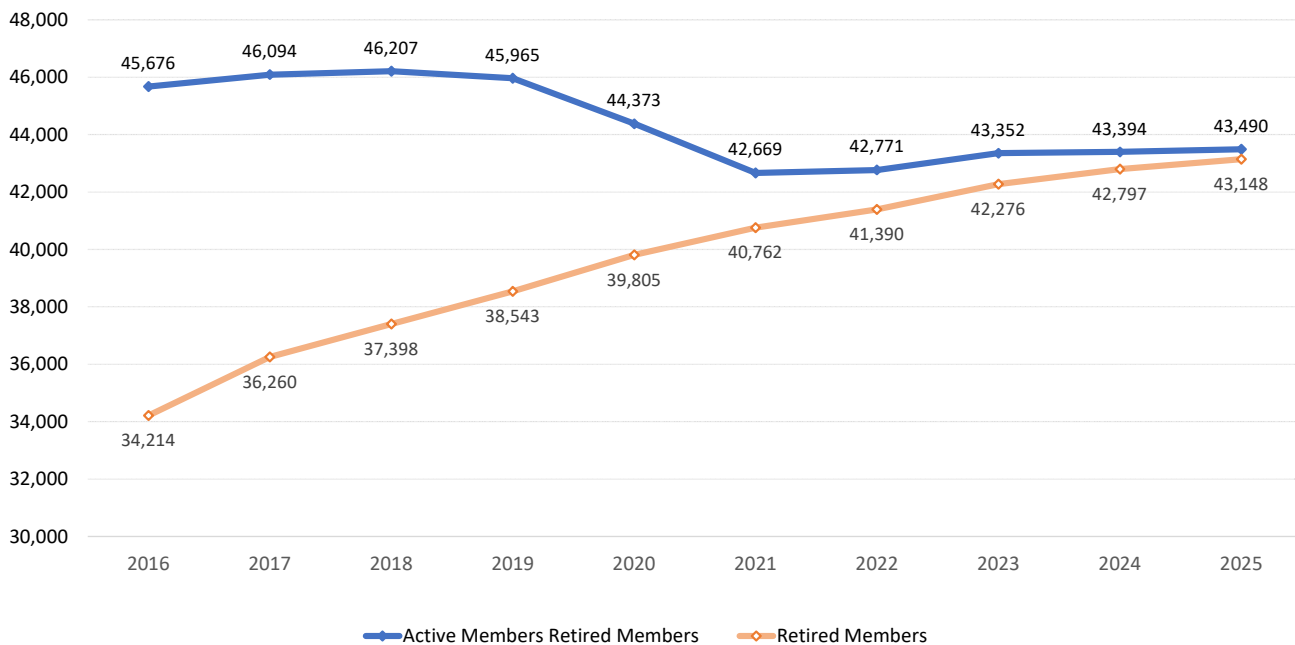
Historical Comparative Schedule

Valuation Date	Active Members				Retired Lives (Including DROP Members)			
	No.	Valuation Payroll			No.	Active per Retired	Annual Benefits	
		\$ Millions	Average	% Incr.			\$ Millions	As a % of Pay
6/30/16	45,676	1,686.5	36,923	2.6%	34,214	1.3	509.7	30.2%
6/30/17	46,094	1,668.8	36,204	(1.9)%	36,260	1.3	540.1	32.4%
6/30/18	46,207	1,723.6	37,302	3.0%	37,398	1.2	575.1	33.4%
6/30/19	45,965	1,802.4	39,212	5.1%	38,543	1.2	609.1	33.8%
6/30/20	44,373	1,795.7	40,469	3.2%	39,805	1.1	637.1	35.5%
6/30/21	42,669	1,781.8	41,759	3.2%	40,762	1.0	658.8	37.0%
6/30/22	42,771	1,925.5	45,020	7.8%	41,390	1.0	671.2	34.9%
6/30/23	43,352	2,112.3	48,724	8.2%	42,276	1.0	703.5	33.3%
6/30/24	43,394	2,117.4	48,794	0.1%	42,797	1.0	730.0	34.5%
6/30/25	43,490	2,207.6	50,761	4.0%	43,148	1.0	755.9	34.2%

The above valuation payroll results do not include DROP payroll.

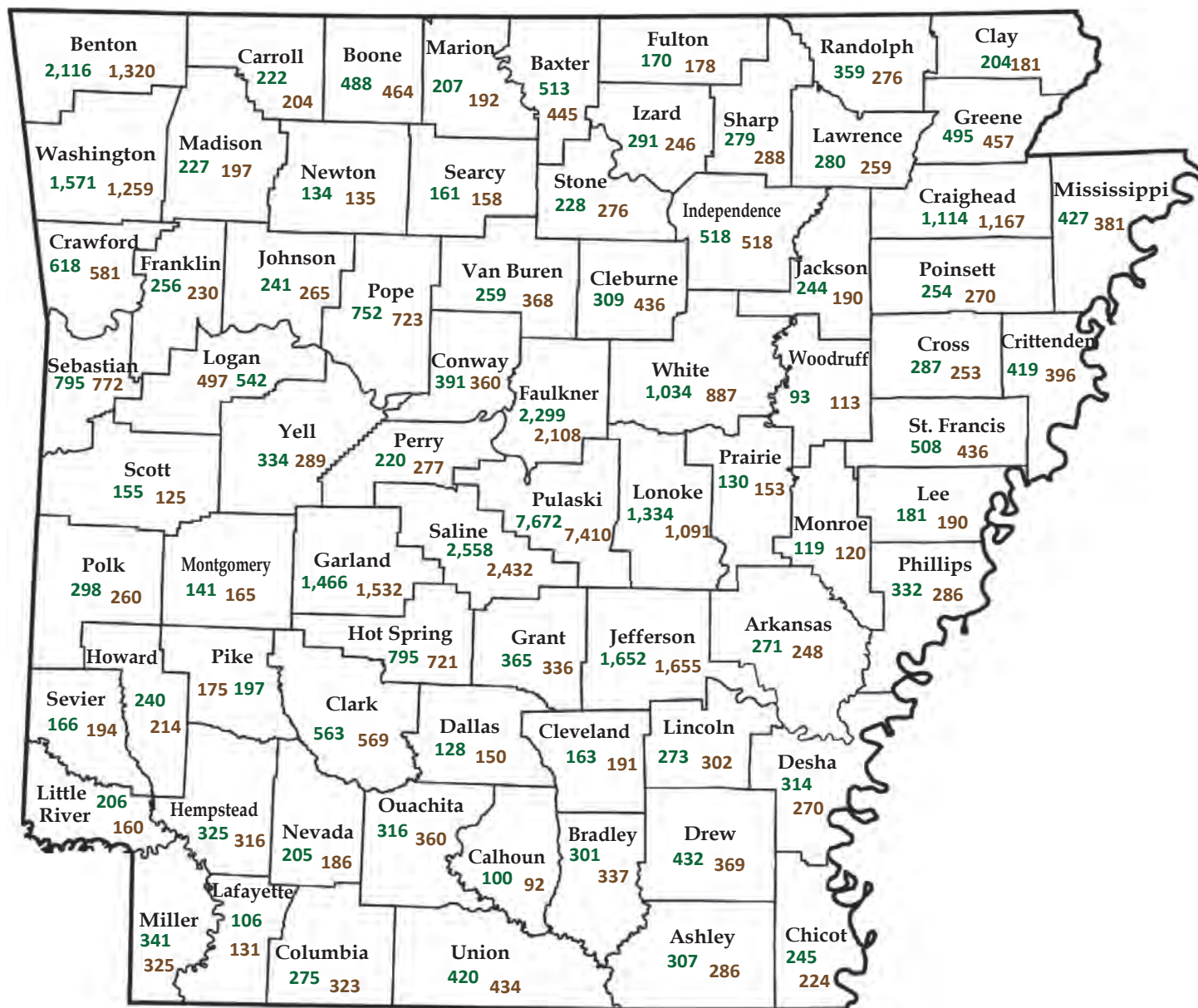
Chart of Memberships by Type - 10 year comparison

(for fiscal years ended June 30)



Comparison of Active and Retired Members by County

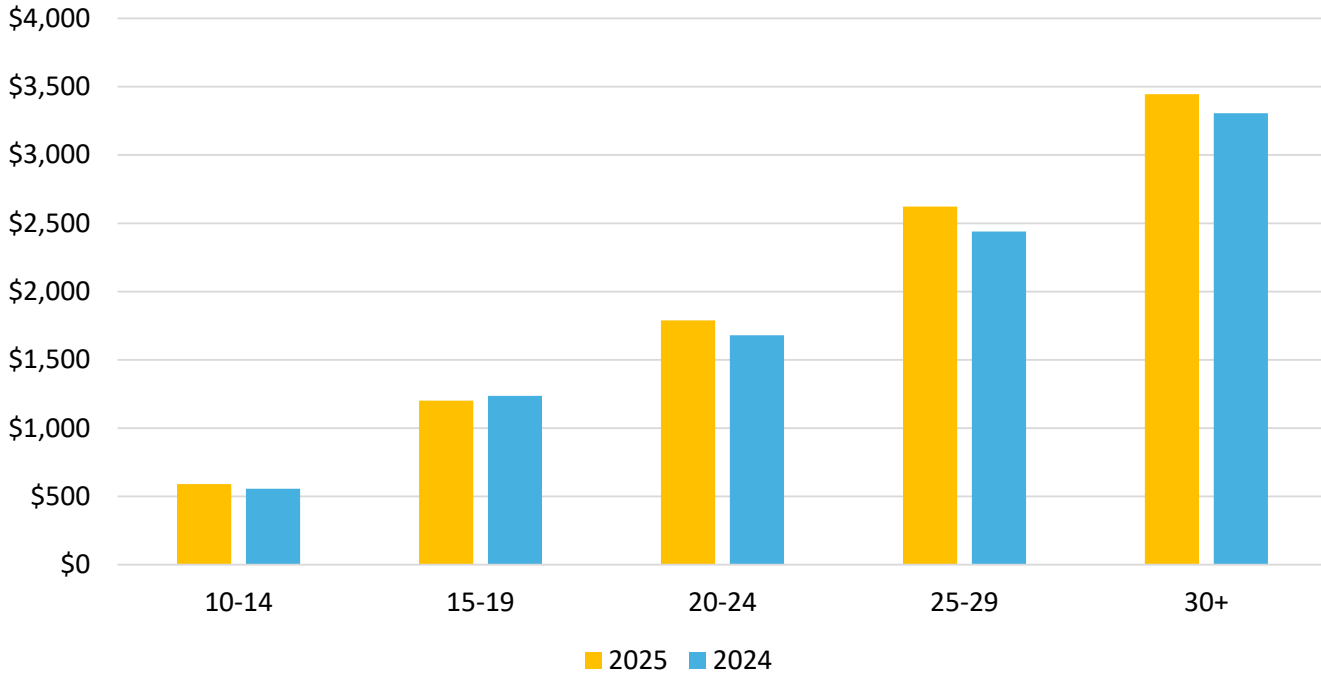
(for fiscal year ended June 30, 2025)



■ Active Members ■ Retired Members

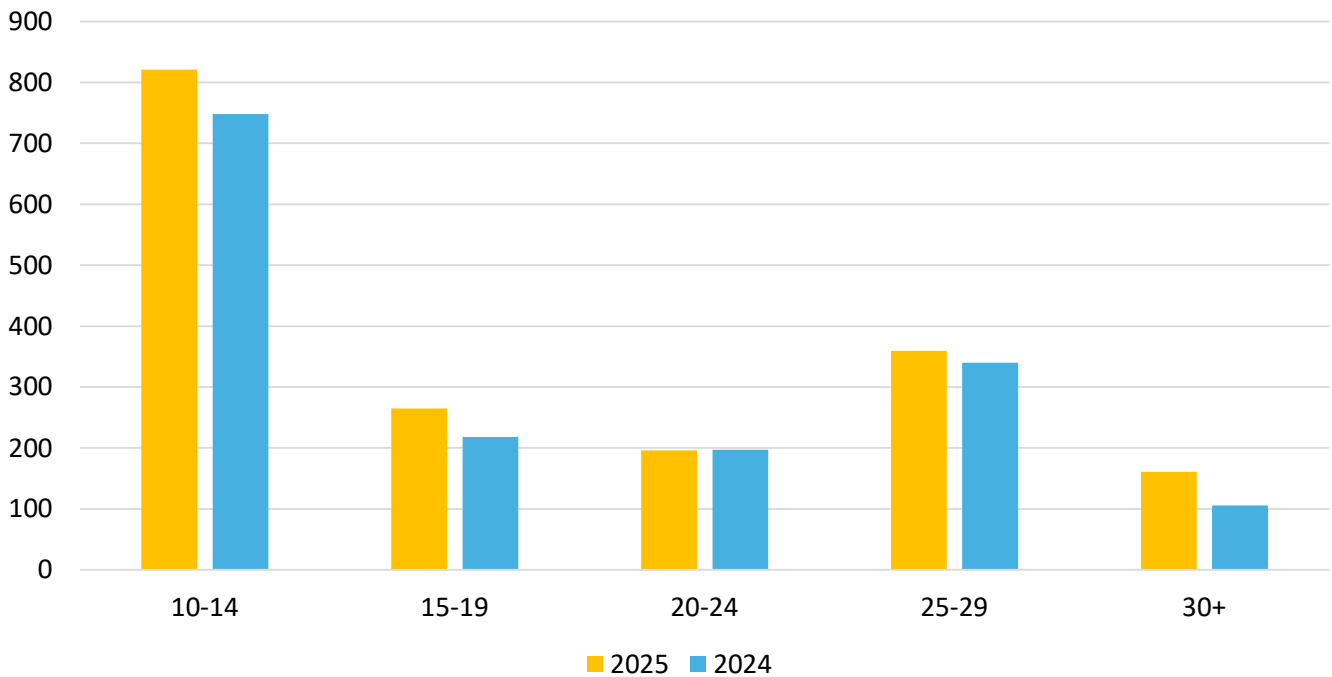
Comparison of Monthly Annuity by Credited Years of Service

(in dollars for fiscal years ended June 30)



Comparison of New Retirees by Credited Years of Service

(for fiscal years ended June 30)



Schedule of Retired Members by Type of Benefit

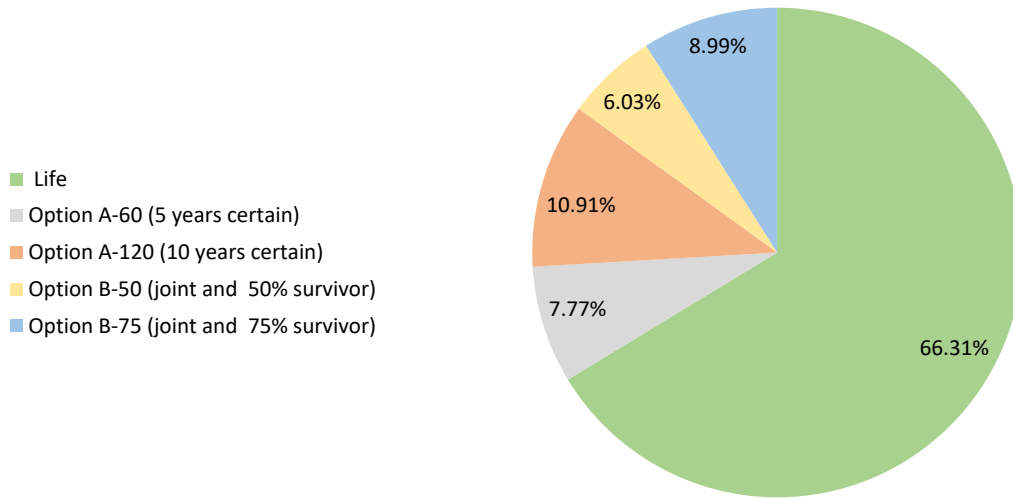
(for fiscal year ended June 30, 2025)

Type of Annuity	Number	Annual Annuities
Age & Service Retirees		
Life	23,355	\$ 432,008,940
Option A-60 (5 years certain)	2,735	39,681,648
Option A-120 (10 years certain)	3,841	54,637,716
Option B-50 (joint and 50% survivor)	2,123	47,928,168
Option B-75 (joint and 75% survivor)	3,166	59,451,552
Totals	35,220	633,708,024
Disability Retirees		
Life	1,976	23,790,744
Option A-60	179	2,042,100
Option A-120	356	4,139,688
Option B-50	145	1,764,240
Option B-75	269	3,030,612
Totals	2,925	34,767,384
Beneficiaries of Age & Service and Disability Retirees		
Life	34	881,772
Option A-60	54	573,168
Option A-120	308	2,701,296
Option B-50	499	5,463,732
Option B-75	1,006	13,154,844
Totals	1,901	22,774,812
Total Age & Service Retirees & Beneficiaries	37,121	656,482,836
Death-in-Service Beneficiaries	1,287	12,171,528
Total Death and Disability Retirees & Beneficiaries	4,212	46,938,912
QDRO Alternate Payees	349	2,960,448
Total Retirees & Beneficiaries	41,682	706,382,196
DROP Participants	1,439	49,339,764
DROP "Frozen" Participants	27	158,748
Total Including DROP Participants	43,148	\$ 755,880,708

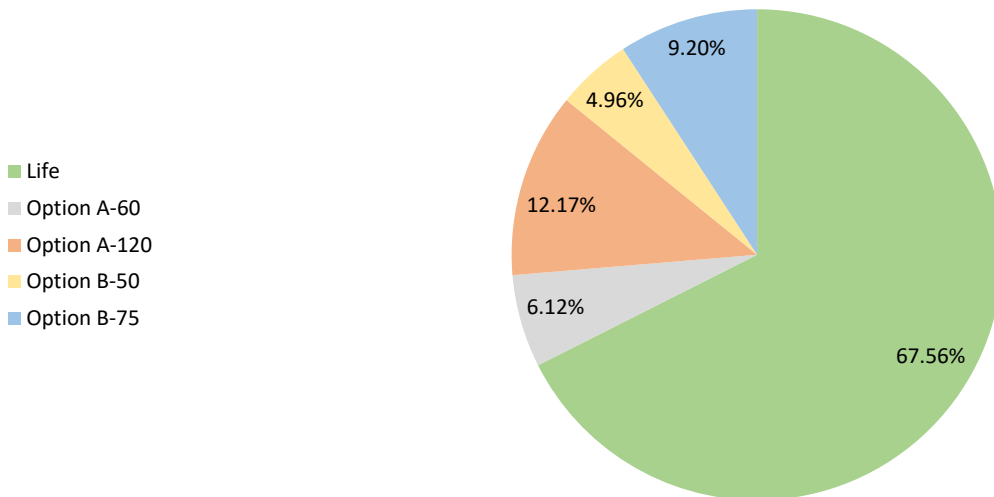
Charts of Retired Members by Type of Benefit (Percentages)

(for fiscal year ended June 30, 2025)

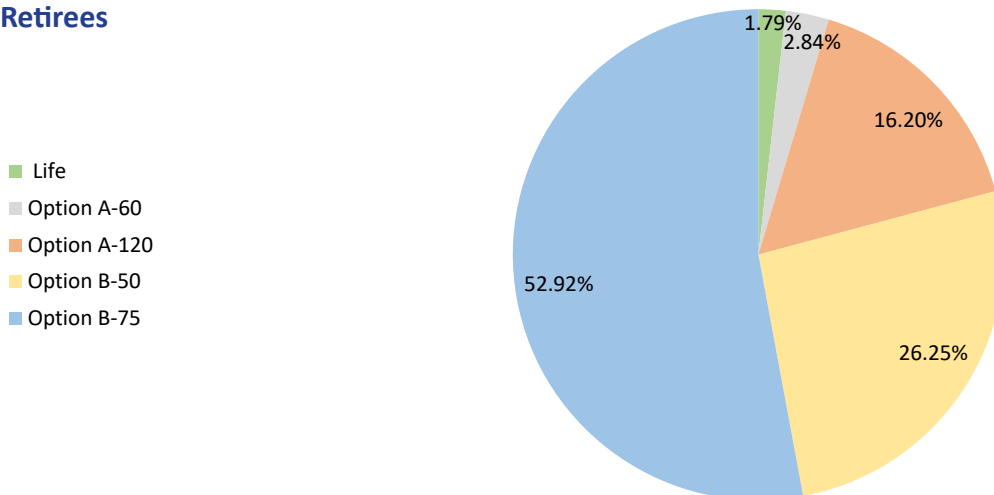
Age & Service Retirees



Disability Retirees



Beneficiaries of Age & Service & Disability Retirees



Figures may not add up to 100% due to rounding.

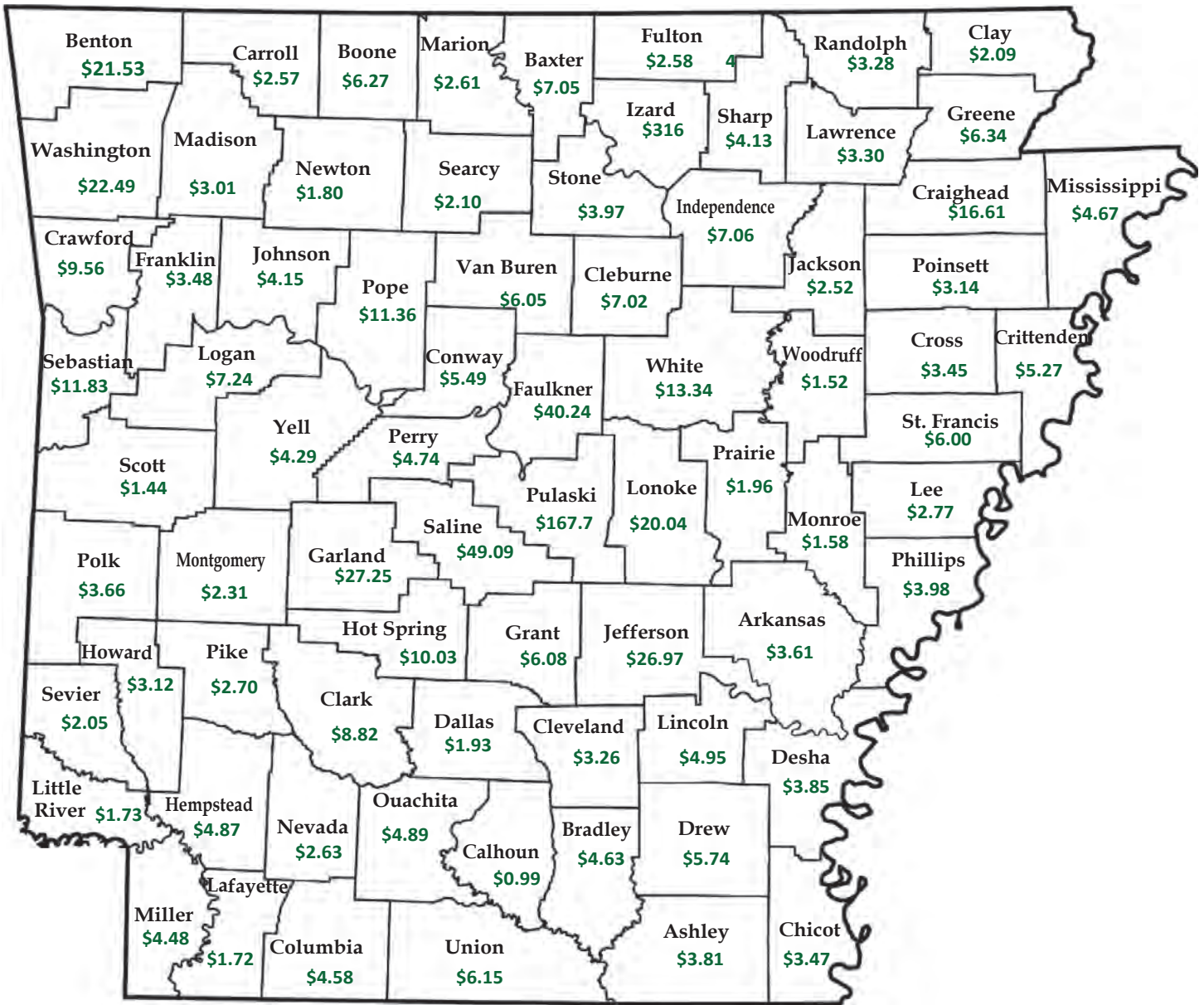
Schedule of Retirees and Benefits Paid by County

(for fiscal year ended June 30, 2025)

County	Benefits Paid	Retirees	County	Benefits Paid	Retirees
Arkansas	\$3,606,838	248	Lee	\$2,772,206	190
Ashley	\$3,816,963	286	Lincoln	\$4,953,591	302
Baxter	\$7,054,957	445	Little River	\$1,737,887	160
Benton	\$21,533,950	1,320	Logan	\$7,246,637	497
Boone	\$6,279,150	464	Lonoke	\$20,043,163	1,091
Bradley	\$4,635,823	337	Madison	\$3,018,761	197
Calhoun	\$999,179	92	Marion	\$2,613,328	192
Carroll	\$2,574,011	204	Miller	\$4,482,645	325
Chicot	\$3,474,635	224	Mississippi	\$4,677,297	381
Clark	\$8,821,451	569	Monroe	\$1,584,503	120
Clay	\$2,090,105	181	Montgomery	\$2,319,327	165
Cleburne	\$7,028,213	436	Nevada	\$2,632,291	186
Cleveland	\$3,261,666	191	Newton	\$1,806,090	135
Columbia	\$4,586,197	323	Ouachita	\$4,896,805	360
Conway	\$5,490,405	360	Out Of State	\$44,047,947	3,747
Craighead	\$16,616,695	1,167	Perry	\$4,740,920	277
Crawford	\$9,560,964	581	Phillips	\$3,985,589	286
Crittenden	\$5,274,109	396	Pike	\$2,702,084	175
Cross	\$3,456,530	253	Poinsett	\$3,147,691	270
Dallas	\$1,926,290	150	Polk	\$3,664,153	260
Desha	\$3,852,949	270	Pope	\$11,366,067	723
Drew	\$5,747,806	369	Prairie	\$1,965,637	153
Faulkner	\$40,244,159	2,108	Pulaski	\$167,773,428	7,410
Franklin	\$3,482,796	230	Randolph	\$3,284,596	276
Fulton	\$2,582,466	178	Saint Francis	\$6,005,639	436
Garland	\$27,253,108	1,532	Saline	\$49,096,386	2,432
Grant	\$6,081,149	336	Scott	\$1,442,166	125
Greene	\$6,346,467	457	Searcy	\$2,105,655	158
Hempstead	\$4,875,889	316	Sebastian	\$11,833,950	772
Hot Spring	\$10,038,189	721	Sevier	\$2,054,892	194
Howard	\$3,123,663	214	Sharp	\$4,138,177	288
Independence	\$7,069,644	518	Stone	\$3,978,073	276
Izard	\$3,162,697	246	Union	\$6,158,208	434
Jackson	\$2,524,769	190	Van Buren	\$6,057,535	368
Jefferson	\$26,973,502	1,655	Washington	\$22,490,537	1,259
Johnson	\$4,150,344	265	White	\$13,341,804	887
Lafayette	\$1,728,098	131	Woodruff	\$1,527,033	113
Lawrence	\$3,302,958	259	Yell	\$4,290,732	289

Map of Arkansas Counties with Total Benefits Paid

(in millions of dollars for fiscal year ended June 30, 2025)

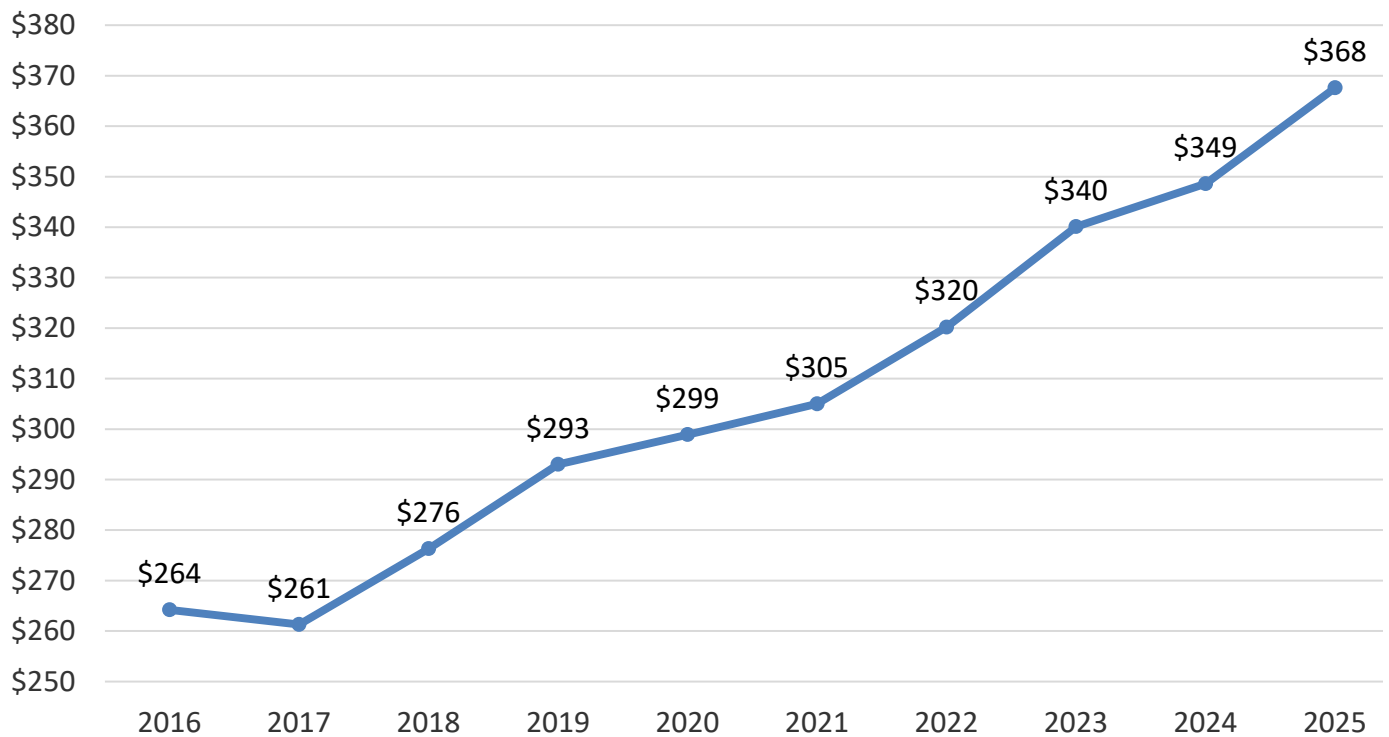


In Arkansas	
Total Payees	40,384
Total Paid	\$686,564,271
Out of State	
Total Payees	3,747
Total Paid	\$44,047,947
Totals	
Total Payees	44,131
Total Paid	\$730,612,218

Employers

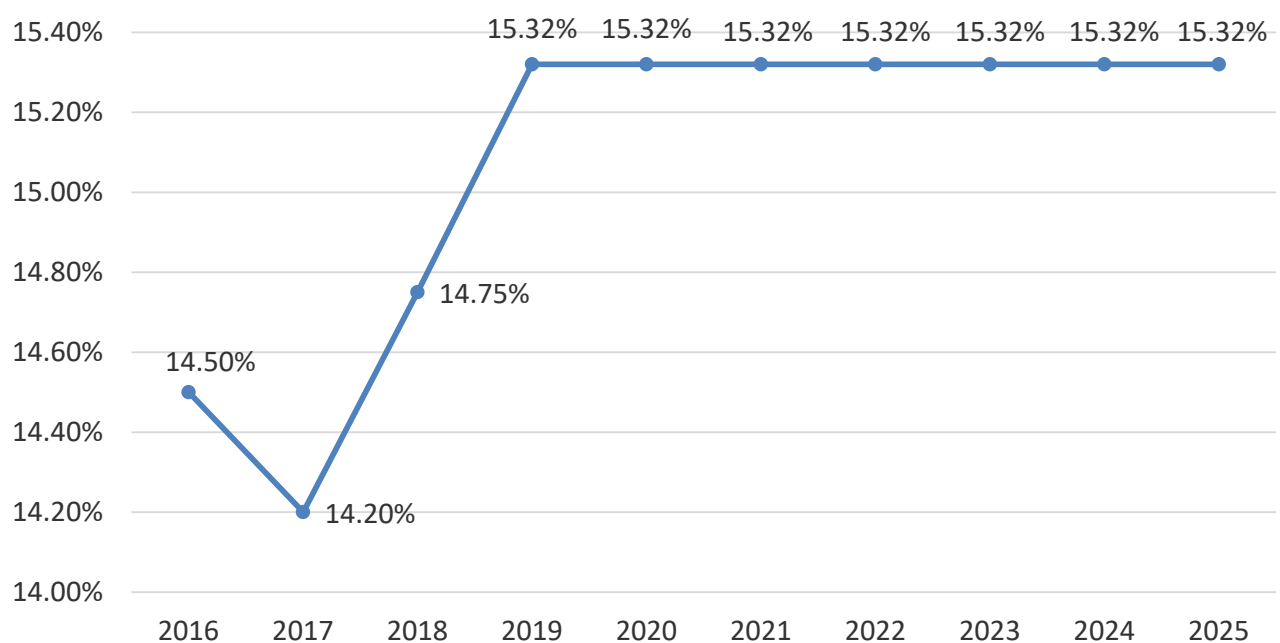
Chart of Employer Contributions - 10 year comparison

(for fiscal years ended June 30)



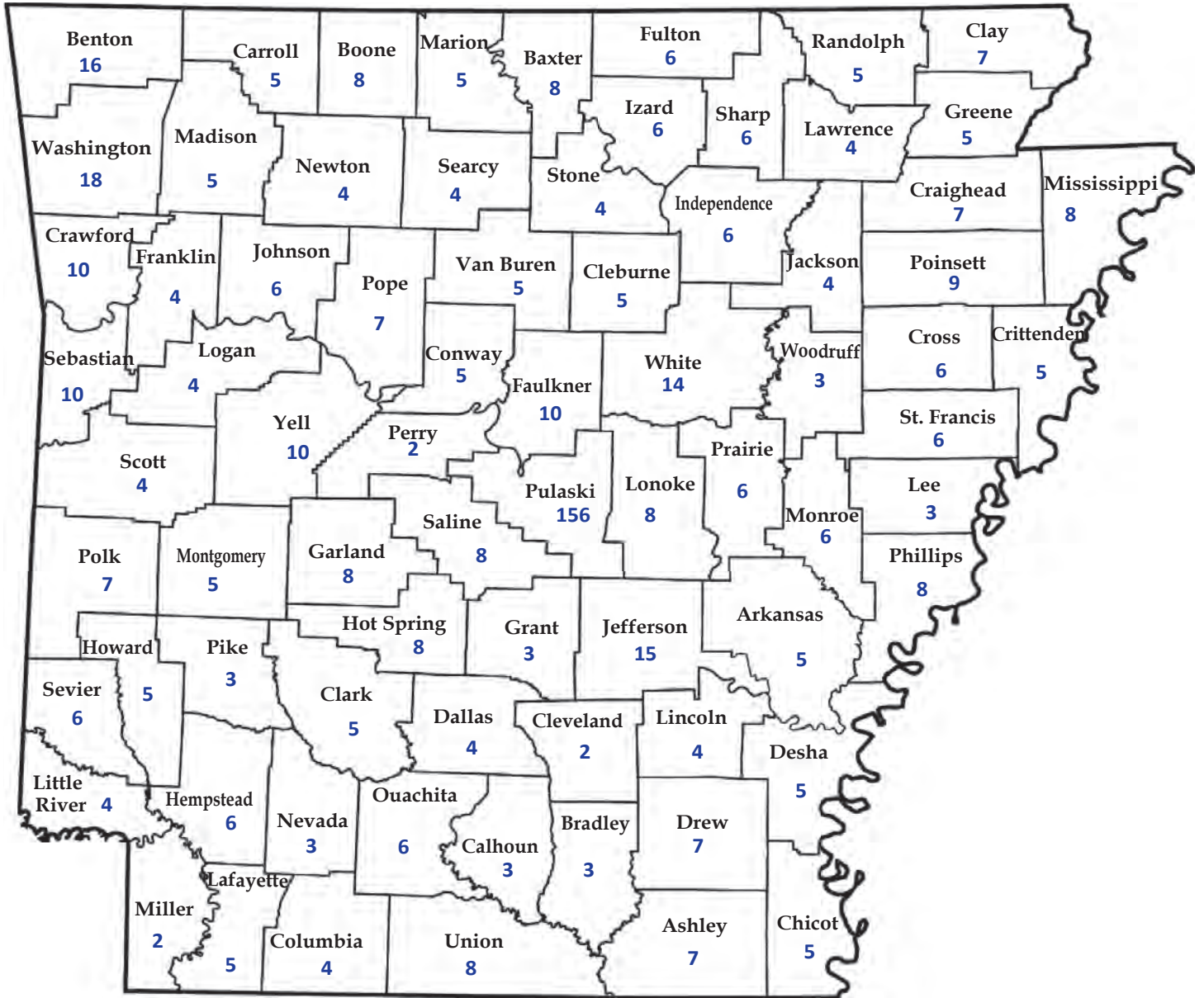
Figures shown in millions of dollars

Chart of Employer Contribution Rates - 10 year comparison



Map of Participating Employers by County

(for fiscal year ended June 30, 2025)



Schedule of Participating Employers

State Entities

House of Representatives - Speaker's Office	Clark County Conservation District
Accountancy, Arkansas State Board of Public	Clay County Conservation District
Administrative Office of the Courts	Cleburne County Conservation District
Alcohol Abuse Program	Cleveland County Conservation District
Appraiser Licensing and Certification Board, Arkansas	Collection Agencies, Arkansas State Board of
Architects, Landscape Architects and	Columbia County Conservation District
Interior Designers, Arkansas Board of	Constitutional Officers
Arkansas County Conservation District	Contractors Licensing Board, Arkansas
Arkansas Northeastern College	Conway County Conservation District
Arkansas Senate	Cossatot Community College of
Arkansas State University	the University of Arkansas
Arkansas State University - Beebe	Cossatot Conservation District
Arkansas State University - Newport	Counseling, Arkansas Board of Examiners in
Arkansas State University Three Rivers	Court of Appeals, Arkansas
Arkansas Technical University	Craighead County Conservation District
Ashley County Conservation District	Crawford County Conservation District
Attorney General, Arkansas	Crime Information Center, Arkansas
Auctioneers Licensing Board, Arkansas	Crime Laboratory, Arkansas State
Auditor, Arkansas	Crittenden County Conservation District
Bail Bondsman Licensing Board, Arkansas	Crooked Creek Conservation District
Barber Examiners, Arkansas State Board of	Cross County Conservation District
Baxter County Conservation District	Dallas County Conservation District
Benton County Conservation District	Dental Examiners, Arkansas State Board of
Black River Technical College	Department of Agriculture
Boone County Conservation District	Department of Commerce
Buffalo Conservation District	Department of Correction
Calhoun County Conservation District	Department of Education
Capitol Zoning District Commission, Arkansas	Department of Energy and Environment
Carroll County Conservation District	Department of Finance and Administration
Chicot County Conservation District	Department of Health
Child Abuse and Neglect Prevention Board, Arkansas	Department of Human Services
Chiropractic Examiners, Arkansas State Board of	Department of Labor and Licensing
Claims Commission, Arkansas State	Department of Parks, Heritage, and Tourism

Department of Public Safety	Fulton County Conservation District
Department of the Inspector General	Game and Fish Commission, Arkansas
Department of Transformation and Shared Services	Garland County Conservation District
Department of Veterans Affairs	Geographic Information Office, Arkansas
Deputy Prosecuting Attorneys	Geological Survey, Arkansas
Desha County Conservation Districts	Governor, Office of
Development Finance Authority, Arkansas	Greene County Conservation District
Dietetics Licensing Board, Arkansas	Health Services Permit Agency, Arkansas
Disabled Veterans Service Office	Hearing Instrument Dispensers, Arkansas Board of
Division Emergency Management	Hempstead County Conservation District
Division of Aeronautics	Henderson State University
Division of Assessment Coordination	Home Inspector Registration Board, Arkansas
Division of Community Correction	Hot Spring County Conservation District
Division of Corrections	House of Representatives, Arkansas
Division of Environmental Quality	Independence County Conservation District
Division of Heritage	Izard County Conservation District
Division of Higher Education	Jackson County Conservation District
Division of Information Systems	Jefferson County Conservation District
Division of Labor	Johnson County Conservation District
Division of Workforce Services	Judicial Discipline and Disability Commission, Arkansas
Drew County Conservation District	Lafayette Conservation District
East Arkansas Community College	L'Aigle Creek Conservation District
Economic Development Commission, Arkansas	Law Enforcement Standards and Training, Arkansas Commission
Educational Television Division	Lawrence County Conservation District
Election Commissioners, Arkansas State Board of	Lee County Conservation District
Ethics Commission, Arkansas	Legislative Audit, Arkansas Division of
Fair Housing Commission, Arkansas	Legislative Research, Arkansas Bureau of
Faulkner County Conservation District	Library, Arkansas State
Fifteenth (15th) Judicial District	Lieutenant Governor, Office of
Victim Witness Office	Lincoln County Conservation District
Fifteenth (15th) Judicial Drug Task Force	Liquified Petroleum Gas Board, Arkansas
Fifth (5th) Judicial Drug Task Force	Little River Conservation District
Fire Protection Licensing Board, Arkansas	Logan County Conservation District
First (1st) Judicial Drug Task Force	Lonoke County Conservation District
Fourteenth (14th) Judicial Drug Task Force	
Franklin County Conservation District	

Lottery Commission, Arkansas	Poteau River Conservation District
Madison County Conservation District	Prairie County Conservation District
Manufactured Home Commission, Arkansas	Prosecuting Attorney
Martin Luther King, Jr. Commission	Prosecutor Coordinator, Office of the
Medicaid Inspector General, Office of	Psychology, Arkansas Board of
Medical Board, Arkansas State	Public Defender Commission, Arkansas
Miller County Conservation District	Public Employees' Retirement System, Arkansas
Mine Creek Conservation District	Public Service Commission, Arkansas
Minority Health Commission, Arkansas	Pulaski Conservation District
Mississippi County Conservation District	Randolph County Conservation District
Monroe County Conservation District	Real Estate Commission, Arkansas
Montgomery County Conservation District	Rehabilitation Services, Arkansas
Motor Vehicle Commission, Arkansas	Rich Mountain Conservation District
National Park Community College	Riverside Vocational-Technical School
Natural Resources Commission, Arkansas	Saint Francis Conservation District
Nevada County Conservation District	School for the Blind, Arkansas
Newton County Conservation District	School for the Deaf, Arkansas
North Arkansas College	Sebastian County Conservation District
Northwest Arkansas Community College	Secretary of State, Office of
Nursing, Arkansas State Board of	Sentencing Commission, Arkansas
Oil and Gas Commission, Arkansas	Sharp County Conservation District
Optitians, Arkansas Board of Dispensing	Sixteenth (16th) Judicial Drug Task Force
Optometry, Arkansas State Board of	Social Security Administration,
Ouachita Conservation District	Disability Determination for
Ozarka College	Social Work Licensing Board, Arkansas
Parole Board, Arkansas	South Arkansas College
Perry County Conservation District	South Central Drug Task Force - Eighth (8th) Judicial
Pharmacy, Arkansas State Board of	District
Phillips Community College of the	Southeast Arkansas College
University of Arkansas	Southern Arkansas University
Phillips County Conservation District	Southern Arkansas University Tech
Physical Therapy, Arkansas State Board of	Speech-Language Pathology and Audiology,
Pike County Conservation District	Arkansas Board of Examiners
Poinsett County Conservation District	Spinal Cord Commission, Arkansas
Pope County Conservation District	State Bank Department

State District Courts	University of Central Arkansas
State Lands, Arkansas Commission of	Van Buren County Conservation District
State Military Department	Veterans Child Welfare Service
State Parks Division and the Tourism Division	Veterinary Medical Examining Board, Arkansas
State Police, Division of	Washington County Conservation District
State Securities Division	Waterways Commission, Arkansas
Statewide Shared Services	White County Conservation District
Stone County Conservation District	Woodruff County Conservation District
Supreme Court - Bar of Arkansas	Workers' Compensation Commission, Arkansas
Supreme Court, Arkansas	Yell County Conservation District
Tenth (10th) Judicial District Victim Assistance Office	University of Arkansas at Monticello
Tenth (10th) Judicial Drug Task Force	University of Arkansas at Pine Bluff
The State Insurance Department	University of Arkansas College at Hope
Third (3rd) Judicial Drug Task Force	University of Arkansas Community College at Batesville
Thirteenth (13th) Judicial Drug Task Force	University of Arkansas Community College at Morrilton
Tobacco Control Board, Arkansas	University of Arkansas for Medical Sciences
Tobacco Settlement Commission, Arkansas	University of Arkansas Rich Mountain
Towing and Recovery Board, Arkansas	University of Arkansas System Division of Agriculture
Treasurer, Office of the	University of Central Arkansas
Twentieth (20th) Judicial District Drug Task Force	Van Buren County Conservation District
Twenty-First (21st) Judicial Drug Task Force	Veterans Child Welfare Service
Union County Conservation District	Veterinary Medical Examining Board, Arkansas
University of Arkansas - Pulaski Technical College	Washington County Conservation District
University of Arkansas at Fayetteville	Waterways Commission, Arkansas
University of Arkansas at Fort Smith	White County Conservation District
University of Arkansas at Little Rock	Woodruff County Conservation District
University of Arkansas at Monticello	Workers' Compensation Commission, Arkansas
University of Arkansas at Pine Bluff	Yell County Conservation District
University of Arkansas College at Hope	
University of Arkansas Community College at Batesville	
University of Arkansas Community College at Morrilton	
University of Arkansas for Medical Sciences	
University of Arkansas Rich Mountain	
University of Arkansas System Division of Agriculture	

County Agencies

Arkansas Association of Counties	Hempstead County
Arkansas County	Hot Spring County
Arkansas Valley Regional Library	Howard County
Ashley County	Independence County
Baxter County	Izard County
Baxter County Library	Jackson County
Benton County	Jefferson County
Boone County	Johnson County
Bradley County	Lafayette County
Calhoun County	Lawrence County
Carroll County	Lee County
Chicot County	Lincoln County
Clark County	Little River County
Clay County	Logan County
Clay County - Western District	Lonoke County
Cleburne County	Madison County
Cleveland County	Marion County
Columbia County	Miller County
Conway County	Mississippi County
Craighead County	Monroe County
Crawford County	Montgomery County
Crittenden County	Nevada County
Cross County	Newton County
Dallas County	Ouachita County
Desha County	Perry County
Drew County	Phillips County
East Central Arkansas Regional Library	Phillips County Library
Faulkner County	Pike County
Franklin County	Poinsett County
Fulton County	Polk County
Garland County	Pope County
Grant County	Prairie County
Grassy Lake and Tyronza Drainage District	Pulaski County
Greene County	Randolph County
	Randolph County Nursing Home

Saint Francis County
 Saline County
 Saline County Library
 Scott County
 Searcy County
 Sebastian County
 Sevier County
 Sharp County
 Stone County
 Union County
 Van Buren County
 Washington County
 White County
 White County Public Library
 White River Regional Library
 Woodruff County
 Yell County
 Yell County Library

Municipal Agencies

Alma Water and Sewer Department
 Batesville Waterworks
 Bradford Water and Sewer System
 Brinkley Municipal Waterworks
 and Sewer Department
 Camden Water and Utilities
 Central Arkansas Water
 City of Alexander
 City Of Alma
 City Of Arkadelphia
 City Of Ash Flat
 City Of Ashdown
 City Of Augusta
 City Of Austin
 City Of Batesville
 City Of Beebe
 City Of Bentonville

City Of Biscoe
 City Of Bono
 City Of Bradford
 City Of Brinkley
 City Of Bryant
 City Of Cabot
 City Of Caddo Valley
 City Of Calico Rock
 City Of Cammack Village
 City Of Carlisle
 City Of Cave City
 City Of Cave Springs
 City of Cedarville
 City Of Centerton
 City Of Charleston
 City Of Cherry Valley
 City Of Clarksville
 City Of Clinton
 City Of Corning
 City Of Cotter
 City of Crawfordsville
 City Of Crossett
 City of Danville
 City of Dardanelle
 City of Decatur
 City Of Des Arc
 City Of Dewitt
 City Of Dierks
 City Of Dover
 City of Elkins
 City Of Elm Springs
 City Of England
 City Of Eudora
 City Of Farmington
 City Of Flippin
 City Of Fordyce

City Of Foreman	City Of Lavaca
City Of Forrest City	City Of Lepanto
City Of Gassville	City Of Leslie
City Of Gentry	City Of Lewisville
City Of Goshen	City Of Lincoln
City Of Gravette	City Of Lockesburg
City Of Green Forest	City Of Lowell
City of Greenbrier	City Of Magnolia
City Of Greenland	City Of Malvern
City of Greers Ferry	City Of Mammoth Spring
City of Guy	City Of Marked Tree
City Of Hackett	City Of Marshall
City Of Hamburg	City Of Marvell
City Of Hampton	City Of McRae
City Of Hardy	City Of Melbourne
City Of Harrisburg	City Of Mena
City Of Harrison	City Of Monette
City Of Haskell	City Of Monticello
City Of Hazen	City Of Morrilton
City Of Heber Springs	City Of Mountain Home
City Of Helena-West Helena	City Of Mountain Pine
City Of Highfill	City Of Mountain View
City Of Hope	City Of Mt Ida
City Of Horatio	City Of Murfreesboro
City Of Hot Springs	City Of Nashville
City Of Humnoke	City Of Norman
City Of Huntington	City Of Ola
City Of Huntsville	City Of Pangburn
City Of Huttig	City Of Paragould
City Of Jacksonville	City Of Paris
City Of Jasper	City Of Pea Ridge
City of Junction City	City Of Perryville
City Of Kibler	City Of Piggott
City Of Knoxville	City Of Plumerville
City Of Lamar	City of Pottsville

City Of Prairie Grove	Harrisburg Water and Gas Division
City Of Prescott	Hope Water and Light
City Of Quitman	Hot Springs Advertising and Promotion Commission
City Of Rector	Huntsville Water and Sewer
City Of Rison	Jacksonville Wastewater Utility
City Of Rogers	Jacksonville Water Commission
City Of Russellville	Little Rock Water Reclamation Authority
City Of Salem	Malvern Waterworks
City of Scranton	McGehee Water and Sewer System
City Of Searcy	Mena Water and Sewer
City Of Shannon Hills	Mount Pleasant Water Department
City Of Sheridan	Mountain View Water and Sewer Commision
City Of Smackover	Municipal League, Arkansas
City Of Stamps	North Little Rock Advertising & Promotion Commission
City Of Star City	Pangburn Water Department
City Of Strong	Piggott Light and Water System
City Of Stuttgart	Rogers Water Utilities
City Of Summit	Star City Water and Sewer
City Of Trumann	Stuttgart and North Arkansas County Library
City Of Van Buren	Town of Arkansas City
City of Vilonia	Town of Bigelow
City Of Waldron	Town of Emerson
City Of Ward	Town Of Fountain Hill
City Of Warren	Town Of Fulton
City Of West Fork	Town of Imboden
City Of Wilmar	Town Of Pyatt
City Of Wynne	Town Of Ravenden
City Of Yellville	Town Of Shirley
Clinton Water and Sewer	Town Of Viola
Crossett Public Library	Town Of Western Grove
Crossett Water Commission	Van Buren Municipal Utilities
El Dorado Waterworks	Vilonia Waterworks Association
Fordyce Water and Sewer	Warren Water and Sewer
Forrest City Water Utility	Wynne Water Utilities
Fort Smith Public Library	

Schools

Atkins Schl Dist #18
 Booneville School Dist #65
 Clarksville School Dist #17
 Cossatot River School District
 Fairview Schl Dist
 Fayetteville School Dist #1
 Forrest City School Dist
 Fort Smith School Dist
 Helena West Helena Schl Dist #2
 Hope School Dist #1a
 Lafayette County School Dist.
 Lee County School District

District Judges

ADJRS Pilot
 Brinkley District Court
 Little Rock District Court

District County Employees

Alpena District Court
 Berryville District Court
 Dermott District Court
 Marion District Court
 Dumas District Court
 Faulkner County District Court
 Newport District Court
 Pine Bluff District Court
 Booneville District Court
 Texarkana District Court
 Blytheville District Court
 Clarendon District Court
 Camden District Court
 Fort Smith District Court
 De Queen District Court
 Cherokee Village District Court

Elkins District Court
 Eureka Springs District Court
 West Memphis District Court
 McGehee District Court
 Osceola District Court
 East Camden District Court
 Little Rock District Court
 Fayetteville District Court
 McCrory District Court
 Lake Village District Court
 Lonoke District Court
 Trumann District Court
 Devalls Bluff District Court
 Maumelle District Court
 Siloam Springs District Court
 Tyrone District Court
 North Little Rock District Court
 Springdale District Court
 Sherwood District Court

Other Non-State Employees

Alpine Public Water Authority
 Benton County Solid Waste District
 Blytheville-Gosnell Regional Airport Authority
 Boone County Airport
 Boston Mountain Solid Waste Management District
 Buffalo Island Regional Water District
 Clark County Country Water Facilities
 Fulton County Water Authority
 Hardin Public Water Authority
 Highway 71 Water District No. 1
 Hot Spring County Solid Waste Management District
 James Fork Regional Water District
 Jefferson Public Water Authority
 Kimzey Regional Water District
 Lake Catherine Waterworks & Sewer Facilities Board

Little River Rural Development
Authority Water System

Madison County Water Facilities Board

Magnet Butterfield Water Association

Marion County Regional Airport

Milltown-Washburn Water Users

Montgomery County Regional Water Authority

Nevada County-Prescott Solid Waste
Management Authority

North Garland County Regional Water District

Northeast Arkansas Regional Solid
Waste Management District

Northeast Public Water Authority

Paragould Housing Authority

Phillips County Sewer Facilities Board

Pulaski Area Geographic Information System

Pulaski County Regional Solid
Waste Management District

Riversouth Rural Water District

Saline County Regional Solid Waste
Management District

Sardis Water Association

South Bend Fire District #10

Southeast White County Water Authority

Southwest Boone County Water Association

Southwest White County Regional Water Association

Texarkana Regional Airport

Upper Southwest Arkansas Solid
Waste Management District

Washington Water Authority

Watson Chapel Public Water Authority