



Arkansas Public Employee Retirement System
Board of Trustees Quarterly Meeting
September 23, 2026



Arkansas Public Employees' Retirement System

Quarterly Board Meeting

(Wednesday, September 23, 2026, 9:00 A.M.)

124 West Capitol Avenue, Suite 400, Little Rock 72201

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

AGENDA

1. Call to Order
2. Recognition of the Presence of a Quorum
3. Notification of Meeting to News Media Pursuant to Act 93 of 1967 (A.C.A. § 25-19-101) – Freedom of Information Act
4. **Action Item:** Approval of the Minutes for June 3, 2026, Board Meeting **(Page 4)**
5. **Investments** – Mr. Carlos Borrromeo, Chief Investment Officer
 - a. CIO Report **(Page 7)**
 - b. Consultants Reports, Christian McCormick and Colin Kowalski, Meketa Capital and Mr. Larry Middleton and Mr. Bo Brister, Stephens, Inc. - Quarterly Report for the Period Ending June 30, 2026 **(Page 26)**
6. **Finance** – Mr. Jason Willett, Chief Financial Officer
 - a. Preliminary Valuation Presentation - Mr. Mita Drazilov and Ms. Heidi Barry, GRS **(Page 66)**
 - b. Supplemental Requested Research on Age of Retirement **(Page 82)**
 - c. Financial Statements for the Quarter Ending June 30, 2026 **(Page 89)**
7. **Legal** – Ms. Laura Gilson, General Counsel
 - a. Legal Report **(Page 91)**
 - b. Supplemental Research on Delinquent Employer Contributions **(Page 93)**
8. **Internal Audit** – Ms. Patty Shipp, Chief Assurance and Risk Officer
 - a. Audit Report for FY26 **(Page 103)**
 - b. Audit Plan for FY27 **(Page 115)**
9. **Operations** – Ms. Alex Johnston, Chief Operations Officer
 - a. Culture Survey Results **(Page 123)**

10. **Benefits** – Ms. Allison Woods, Chief Benefits Officer
 - a. **Action Item**: Medical Review Board Report
 - b. Benefits Summary for the Quarter Ending June 30, 2026 **(Page 124)**
11. **Executive Report** – Ms. Amy Fecher, Executive Director
 - a. Executive Report Review **(Page 131)**
12. Other Business
13. Upcoming Meetings
 - Next Quarterly Board Meeting – Wednesday, December 2, 2026, at 9:00 a.m.
 - Trustee Education Seminar – December 1-2, 2026
 - 2027:**
 - March 10, 2027, at 9:00 a.m.
 - June 9, 2027, at 9:00 a.m.
 - September 22, 2027, at 9:00 a.m.
 - December 1, 2027, at 9:00 a.m.
14. Adjournment



**Arkansas Public Employees' Retirement System
Board of Trustees Quarterly Meeting Minutes
June 3, 2026**

A regular meeting of the Board of Trustees of the Arkansas Public Employees' Retirement System was held on Wednesday, June 2, 2026, at 9:00 a.m. This hybrid meeting was held via ZOOM remote conferencing as well as in person in the conference room, 124 West Capitol, Little Rock, Arkansas. Secretary Jim Hudson presided.

ATTENDEES

Board Members Present

Secretary Jim Hudson, Department of Finance and Administration, Chair
Ms. Susannah Marshall, Commissioner, Arkansas State Bank Department, Vice Chair
The Honorable Barry Moehring, Non-State Employee, County Judge
The Honorable Joe Hurst, Non-State Employee, Mayor*
The Honorable John Thurston, Treasurer of State
Mr. Bill Gossage, Retired State Employee
Mr. Dale Douthit, State Employee
Mr. Gary Carnahan, Non-State Employee
Mr. Jason Brady, State Auditor's Office, (*proxy for Auditor of State Dennis Milligan*)
Mr. Gary Wallace, Retired Law Enforcement
Mr. Larry Walther, Retired State Employee
Mr. Richard Wilson, Retired State Employee
Mr. Russell White, Retired Law Enforcement
Secretary Daryl Bassett, State Employee
Secretary Leslie Fiskens, Department of Shared Administrative Services

Board Members Absent

None

APERS Staff Present

Ms. Amy Fecher, Executive Director
Ms. Allison Woods, Chief Benefits Officer
Mr. Carlos Borromeo, Chief Investments & Finance Officer
Ms. Alex Johnston, Chief Operations Officer
Ms. Patty Shipp, Chief Assurance and Fraud Risk Officer
Ms. Laura Gilson, General Counsel
Mr. Richmond Giles, Staff Attorney
Mr. Jason Willett, Chief Financial Officer
Ms. Jacobia Bates, Director of Public Affairs
Mr. Ronald Barrick, IT Specialist
Ms. Bailey Hall, Assurance Analyst
Ms. Rhonda Summers, Investment Analyst*
Ms. Jennifer Taylor, Director of Benefits Administration*
Ms. Cheryl Wilburn, Retirement Section Manager*
Ms. Stacie Jackson, Administrative Specialist III*
Ms. Rebecca Walton, Investment Analyst*
Ms. Fe'Netria Clifton, Retirement Coordinator*
Ms. Shelly George, Retirement Section Manager*
Ms. Usha Doolabh, Investments Accounting Operations Manager*

Guests

Mr. Christian McCormick, Meketa
Ms. Erika Olson, Meketa
Mr. Michael Harry, Treasurer's Office
Mr. Bill Huffman, Treasurer's Office

Guests Continued

Mr. Andy Babbit, Department of Finance and Administration
Ms. Kelsi Hogg, Arkansas Legislative Audit*
Ms. Lauren Albanese, Financial Investment News*
Ms. Leanne Schmitt, Star Mountain Capital*
Mr. John Mather, Arini Capital Management*
Ms. Cyril Espanol, With Intelligence*
Mr. Nate Osmosis, Osmosis*
Mr. Jesse Pound, Pensions & Investments*
Mr. Michael Opre, SSI Investment Management*
Mr. Mason Nome, Apollo Global Management*
Ms. Rachelle Hochman, Apollo Global Management*
Mr. Jacob Brenner, Apollo Global Management*
Ms. Sami Fuller, Financial Times Specialist*
Ms. Georgi Korovski, PeakLoad*
Mr. Clifford Robison, Retiree*
Ms. Brianne Weymouth, Callan*
Mr. Bo Brister, Stephens, Inc
Mr. Larry Middleton, Stephens, Inc
Mr. Seth Middleton, Stephens, Inc
Mr. Kyle Straube, Dimensional Fund Advisor
Mr. Mike Wickline, Arkansas Democrat- Gazette

***Via Zoom**

1. **Call to Order** - Secretary Jim Hudson, Chair, called the Board of Trustees meeting to order at 9:00 a.m.
2. **Recognition of the Presence of a Quorum** - Secretary Jim Hudson, Chair, recognized the presence of a quorum.
3. **Notification of Meeting to News Media Pursuant to Act 93 of 1967 (A.C.A. § 25-19-101) Freedom of Information Act** - Secretary Jim Hudson, Chair confirmed notification of the meeting has been made to the news media pursuant to Act 93 of 1967.
4. Approval of the Minutes for March 4, 2026, Regular Quarterly Board Meeting.

Secretary Leslie Fiskien moved to approve the minutes of the March 4, 2026, Board Meeting. Commissioner Susannah Marshall seconded the motion, and the Board unanimously approved the motion.

5. **Investments** - Mr. Carlos Borromeo, Chief Investments and Finance Officer
 - a. CIO Report
 1. Mr. Borromeo noted the combined APERS investment surpassed \$14 billion in assets at close of business June 2nd, 2026, during the current quarter.
 2. Quarterly Report for the Period Ending March 31, 2026 - Presented by Ms. Brianne Weymouth, Callan LLC
 - b. Private Equity Quarterly Report for the Period Ending March 31, 2026 - Presented by Mr. Larry Middleton and Mr. Bo Brister, Stephens, Inc.
6. **Finance** - Mr. Jason Willett, Chief Financial Officer
 - a. Financial Statements for the Quarter Ending March 31, 2026
7. **Legal** - Ms. Laura Gilson, General Counsel
 - a. Litigation Update
 - b. Member Appeal Update
8. **Benefits** - Ms. Allison Woods, Chief Benefits Officer
 - a. Benefits Summary for the Quarter Ending March 31, 2026
9. **Executive Report** - Ms. Amy Fecher, Executive Director
 - a. Executive Report Review
10. **Other Business** - none
11. **Next Quarterly Board Meeting** - Wednesday, September 23, 2026, at 9:00 a.m.
12. **Adjournment** - There being no other business, the meeting was adjourned.

Upcoming Board Meetings

September 23, 2026, at 9:00 a.m.

December 2, 2026, at 9:00 a.m.

Secretary Jim Hudson, Chair

Amy Fecher, Executive Director



Chief Investment Officer Report

For the Fiscal Year Ending June 30, 2026

Benchmarks and Portfolio Performance – Q4 FY 2026

			APERS Portfolio						
Benchmarks			APERS/ASPRS Portfolio						
U.S. Equity	Qtr	Fiscal Year		Q3 2025	Q4 2025	Q1 2026	Q2 2026	Fiscal Year	30-Jun-26
S&P 500	15.20%	22.32%	Domestic Equity	7.40%	1.25%	-3.08%	16.57%	22.86%	\$ 6,029,342,791
Russell 1000 Growth	16.74%	17.71%	International Equity	5.09%	4.64%	-0.04%	17.17%	28.79%	\$ 3,198,609,692
Russell 1000 Value	13.87%	27.12%	Private Markets	4.69%	3.87%	1.05%	3.59%	13.84%	\$ 698,271,186
Russell 2000 Index	21.49%	40.78%	Credit Markets	2.09%	1.37%	0.11%	1.03%	4.68%	\$ 2,403,135,920
Russell 2000 Growth	25.71%	38.74%	Real Assets	-1.77%	2.09%	2.36%	3.46%	6.21%	\$ 1,820,741,050
Russell 2000 Value	17.19%	43.01%	Total Portfolio	4.61%	2.22%	-0.91%	11.30%	18.00%	\$ 14,150,100,639
Russell 3000 Index	15.44%	22.82%							\$ 132,033,380 Cash
International Equity									\$ 14,282,134,019 TOTAL FUND
MSCI EAFE	10.82%	20.23%							
MSCI ACWI xUS	14.49%	27.66%							
Public Credit									
Bloomberg Agg	0.87%	-0.62%							
Bloomberg High Yield	3.50%	7.15%							

2026 Fiscal Year Key Takeaways

The portfolio was ranked in the 1st percentile for the second quarter of 2026, as well as for the first half of the year.

The portfolio was ranked in the 5th percentile for fiscal year 2026

The portfolio's fiscal year outcome was anchored by a major surge in the second quarter of the year.

Portfolio Performance Overview

Domestic Equity

Quarter: 16.57% vs. 15.43% (Russell 3000)

Fiscal Year (FY): 22.86% vs. 22.81% (Russell 3000)

Contributors:

- CastleArk (All Cap Growth): Posted 19.97% vs 17.05% (RU3000G) for the quarter, and 21.93% vs. 18.24% for the FY.
- Boston Partners (Large Cap Value): Returned 16.07% vs 13.84% (RU1000V) for the quarter, and 30.58% vs 27.09% for the FY.
- SSI Investment Management (Convertible Bonds): Delivered 19.59% vs 16.78% (ML All Conv) for the quarter, and 39.40% vs 34.12% for the FY.

International Equity: Reconstructed mid-fiscal year to comply with Act 937 of 2025. The portfolio outperformed its benchmark for both time periods:

Quarter: 17.17% vs. 14.49% (MSCI ACWI ex-US)

Fiscal Year (FY): 28.79% vs. 27.66% (MSCI ACWI ex-US)

Real Assets:

Total Real Assets: Returned 3.46% for the quarter and 6.21% for the FY.

Secondary Real Estate: Returned 9.72% for the quarter and 27.13% for the FY.

Infrastructure (Core and Secondary): Returned 6.38% for the quarter and 30.04% for the FY.

Economic and Market Overview – Q4 FY 2026

Second Quarter 2026 Summary

- Global stock markets advanced driven by renewed optimism surrounding AI capital expenditure and news of a ceasefire in the Middle East.
- Asian (ex-Japan) equities experienced particularly strong performance.
- Global bond markets were influenced by fluctuating energy prices and shifting inflation expectations.

United States

- The AI investment cycle remained a defining driver of U.S. market performance during the quarter.
- The S&P 500 Index increased 15.2% in the second quarter, marking its strongest quarterly gain since 2020.
- Investors continued to direct capital toward companies positioned to benefit from strong demand for computing power, data infrastructure, semiconductors and cloud-related services.

United Kingdom

- UK equities posted gains during the quarter, although weakness in the energy sector limited overall market performance.
- Prime Minister Keir Starmer announced his resignation as Labor Party leader. The markets showed little reaction.

Emerging Markets

- Emerging Markets rose sharply in Q2 2026 posting their strongest absolute quarterly performance since 2009.
- Performance was dominated by the technology orientated markets of Taiwan and Korea.
- Korea was the standout performer in the quarter reaching all-time highs boosted by outsized returns in memory and AI related stocks.
- A similar story in Taiwan with MSCI Taiwan reaching all-time highs.
- Hungary and Egypt outperformed for the quarter.

Economic and Market Overview – Q4 FY 2026

Global Bonds

- Q2 2026 was a positive quarter for global bond markets, although volatility remained elevated.
- The Middle East conflict remained in full focus, with the direction of bond yields tracking energy markets extremely closely.
- As concerns over further escalation intensified, bond yields rose to multi-year highs before reversing on encouraging signs of a potential US-Iran agreement.
- Kevin Warsh was approved as Powell's successor, chairing his first meeting in June.

Asia ex-Japan

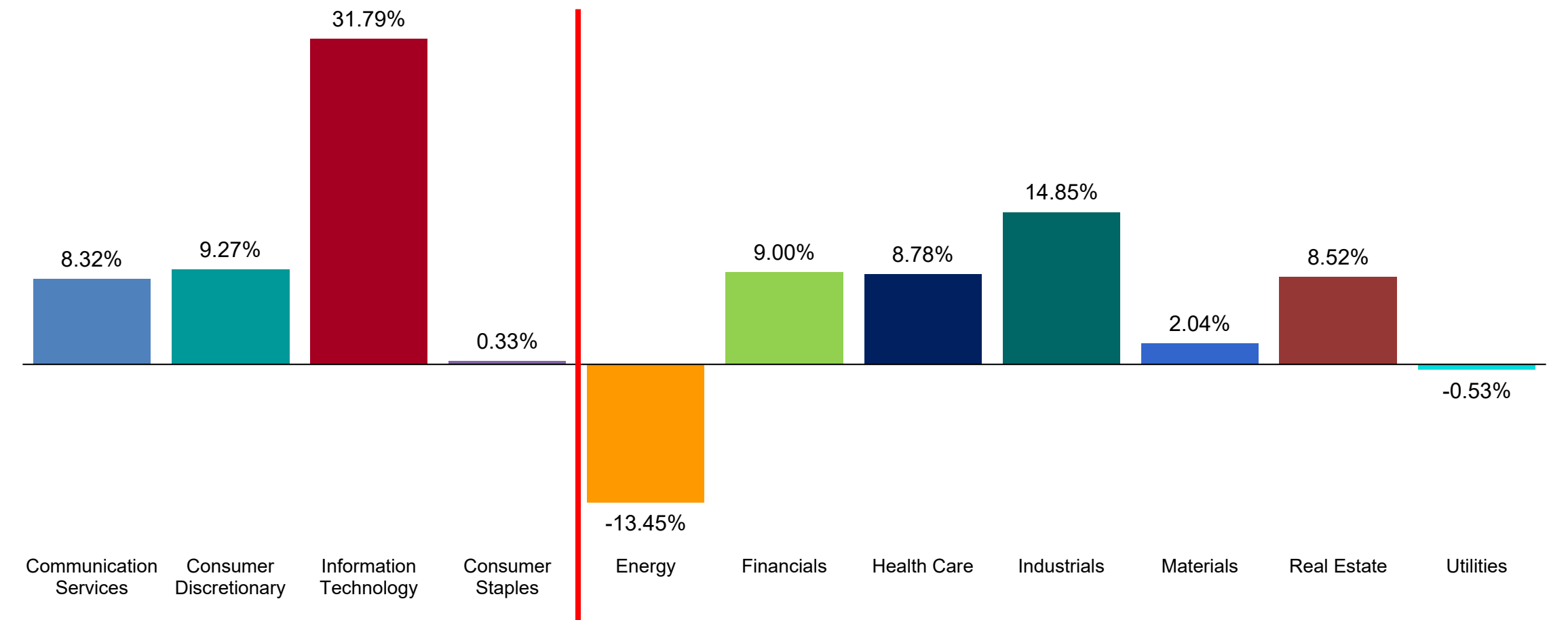
- South Korea ended the quarter positive, supported by strong demand for AI-related semiconductors, which drove substantial gains in January and February.
- Markets declined in March as investors worried about the impact of higher oil prices on South Korea's energy dependent economy.
- Chinese equities were down in the first quarter, as well, in response to slow domestic growth and weaker export demand.

Other Asset Classes

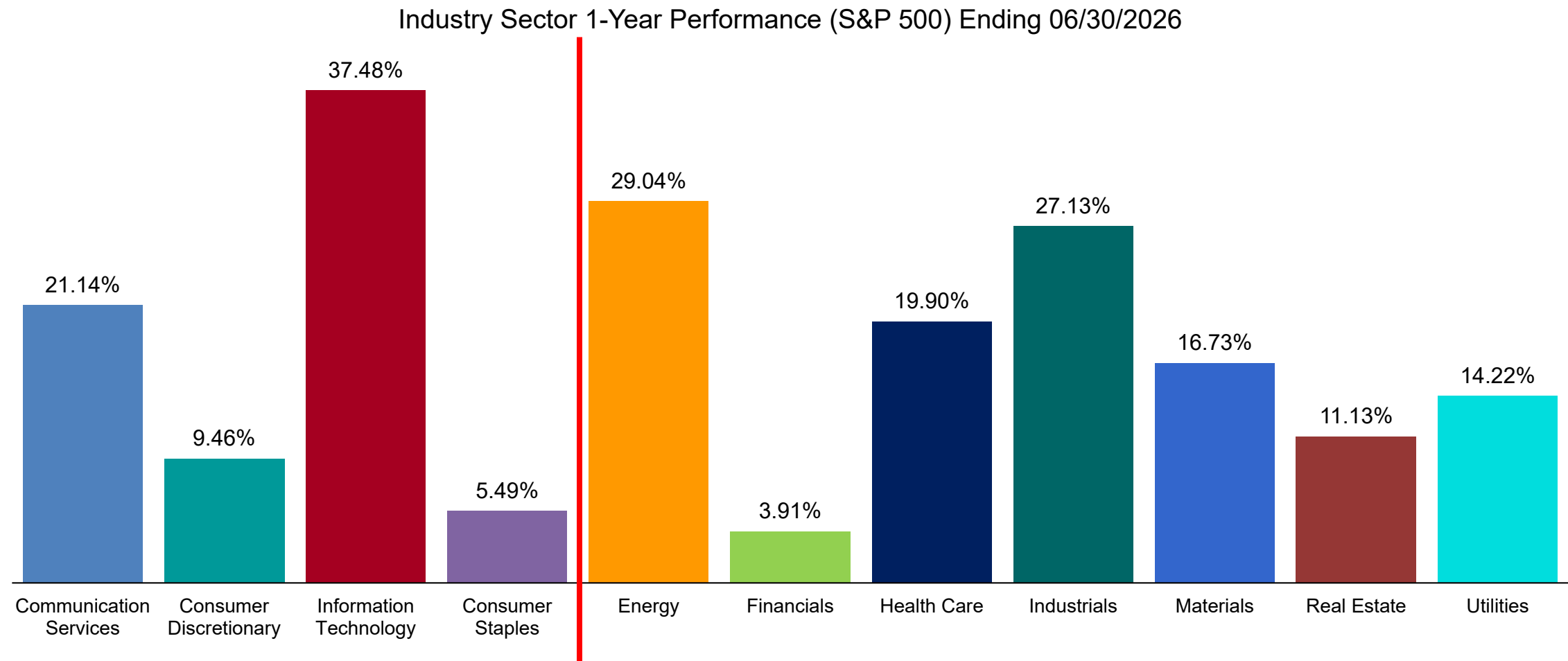
- Commodities fell in the quarter with the S&P GSCI index down 11.4%.
- Oil prices fell as the US and Iran agreed a ceasefire during the period.
- Gold and other precious metals came under pressure amid rising inflation expectations.

S&P 500 Performance – Q4 FY 2026

Industry Sector Quarterly Performance (S&P 500) as of 06/30/2026

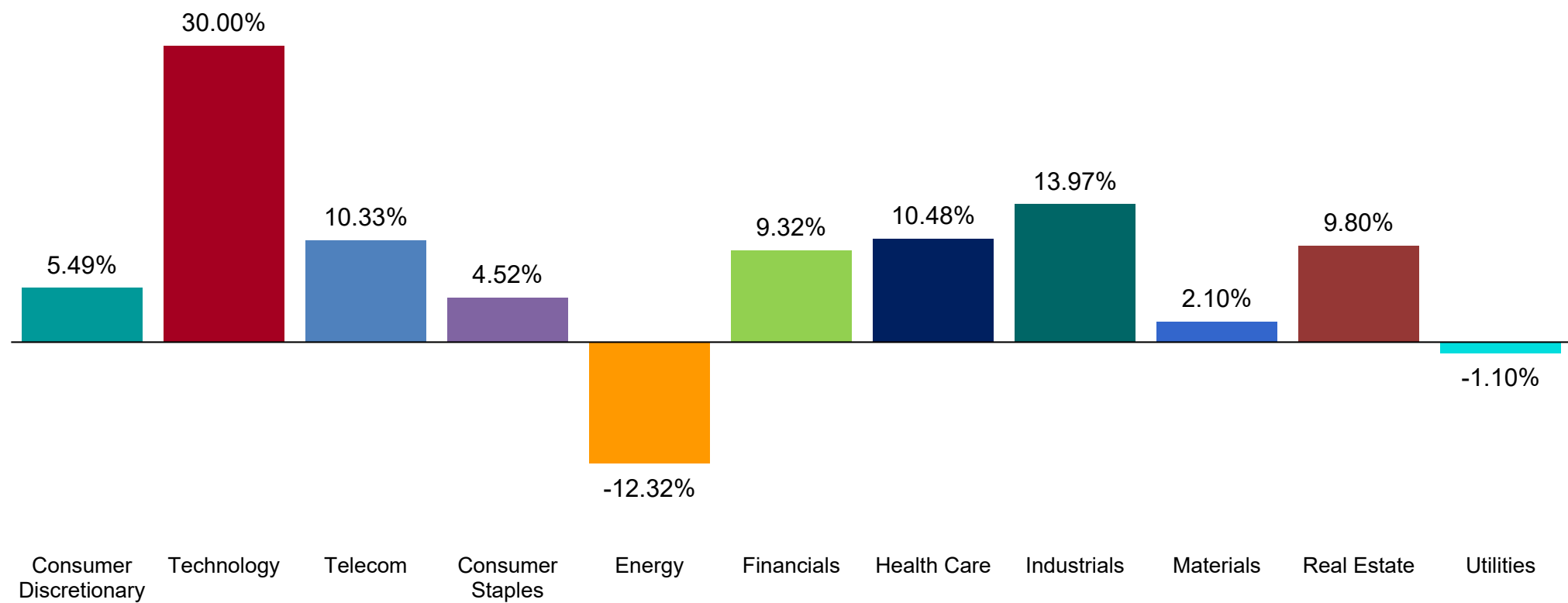


S&P 500 Performance – 2026 Fiscal Year



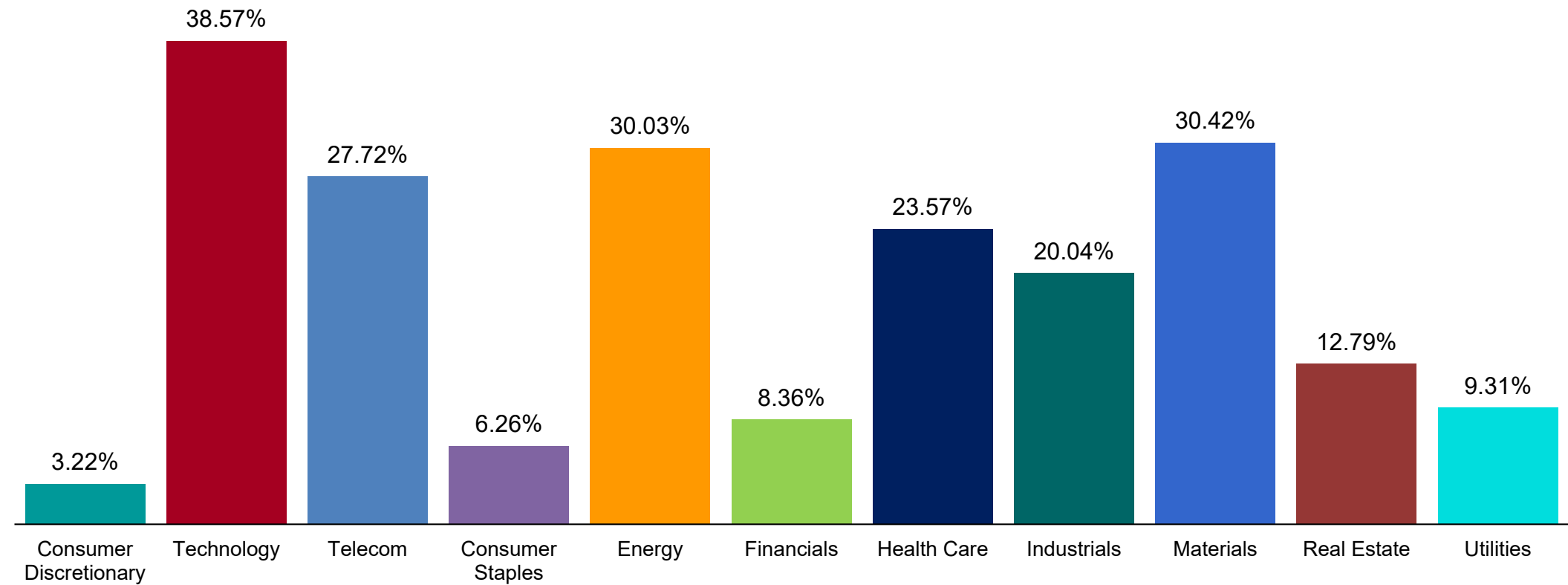
Russell 3000 Performance – Q4 FY 2026

Industry Sector Quarterly Performance (Russell 3000) as of 06/30/2026



Russell 3000 Performance – 2026 Fiscal Year

Industry Sector 1-Year Performance (Russell 3000) Ending 06/30/2026



U.S. Equity Markets Performance

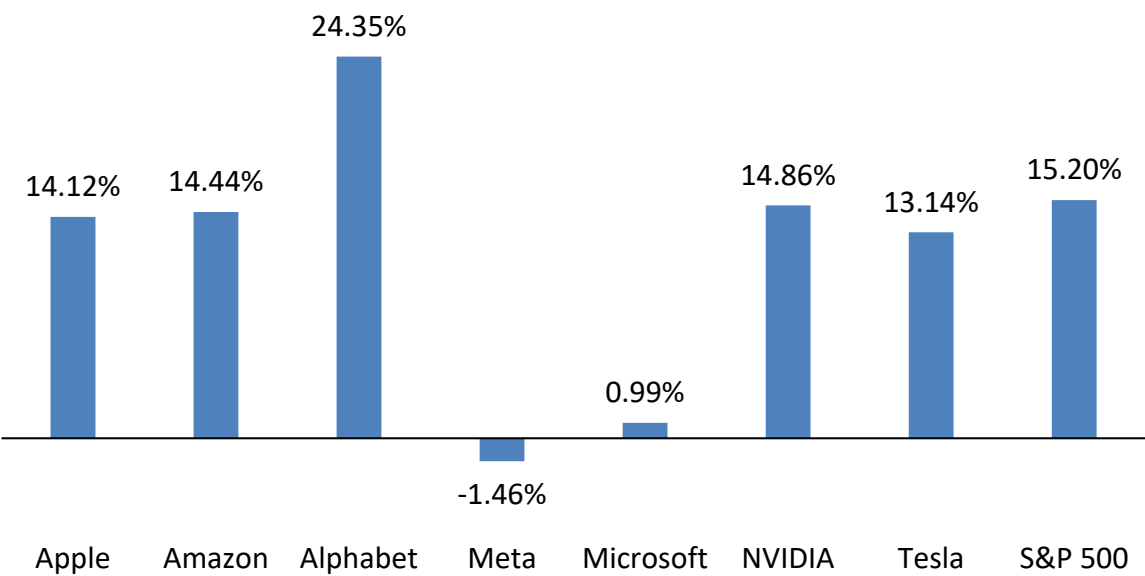
Growth gained ground in the quarter. Value was the clear winner for the fiscal year.

QTD US Equity Returns as of 06/30/2026				Fiscal YTD US Equity Returns as of 06/30/2026			
	Growth	Core	Value		Growth	Core	Value
Large	16.74%	15.14%	13.87%	Large	17.71%	22.02%	27.12%
Mid	14.55%	13.83%	13.40%	Mid	6.17%	21.63%	26.62%
Small	25.71%	21.49%	17.19%	Small	38.74%	40.78%	43.01%

“Magnificent 7” Performance

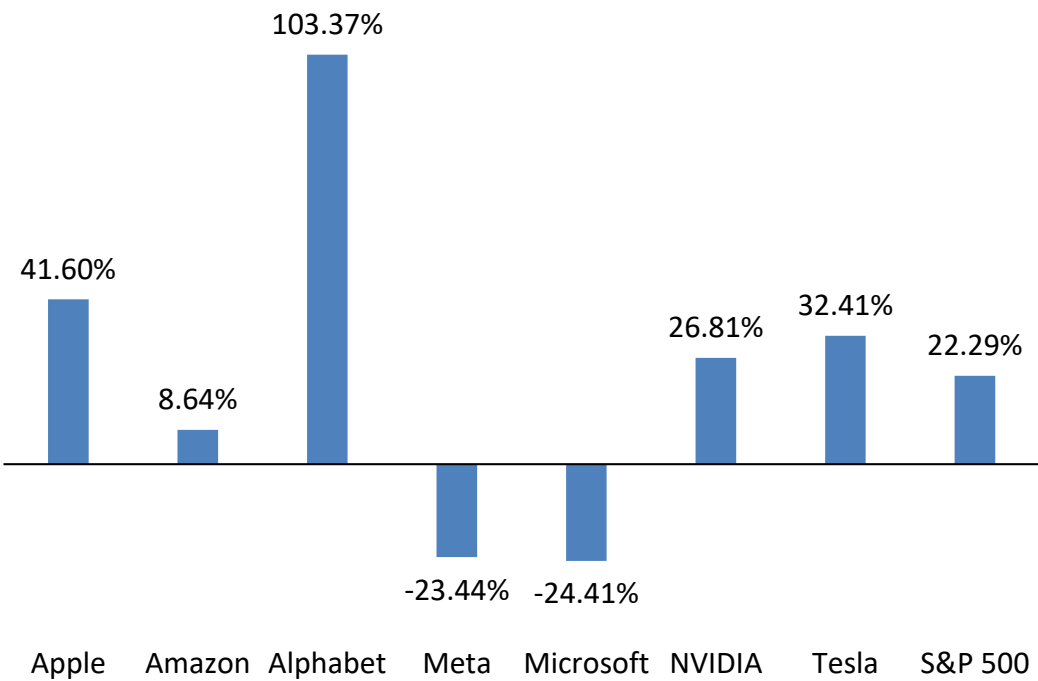
2Q 2026

1-Quarter Performance Ended 06/30/2026: "Magnificent 7" Stocks vs. S&P 500 Index



2026 Fiscal Year

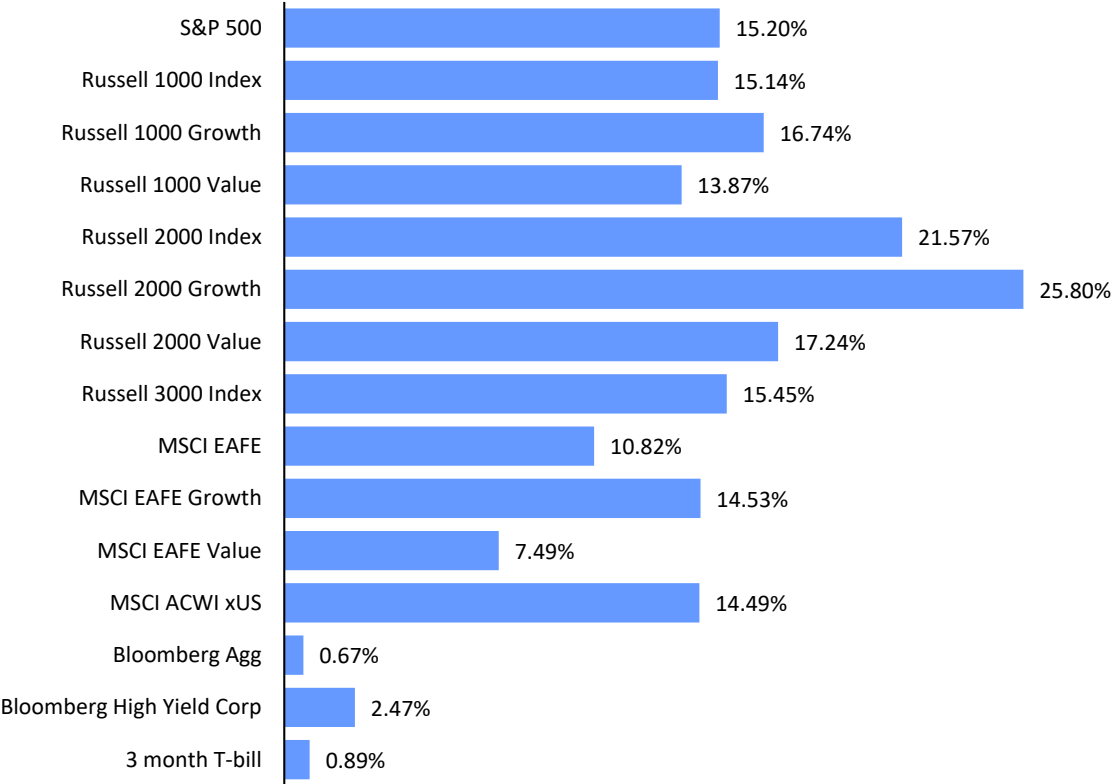
1-Year Performance Ended 06/30/2026: "Magnificent 7" Stocks vs. S&P 500 Index



Global Indices

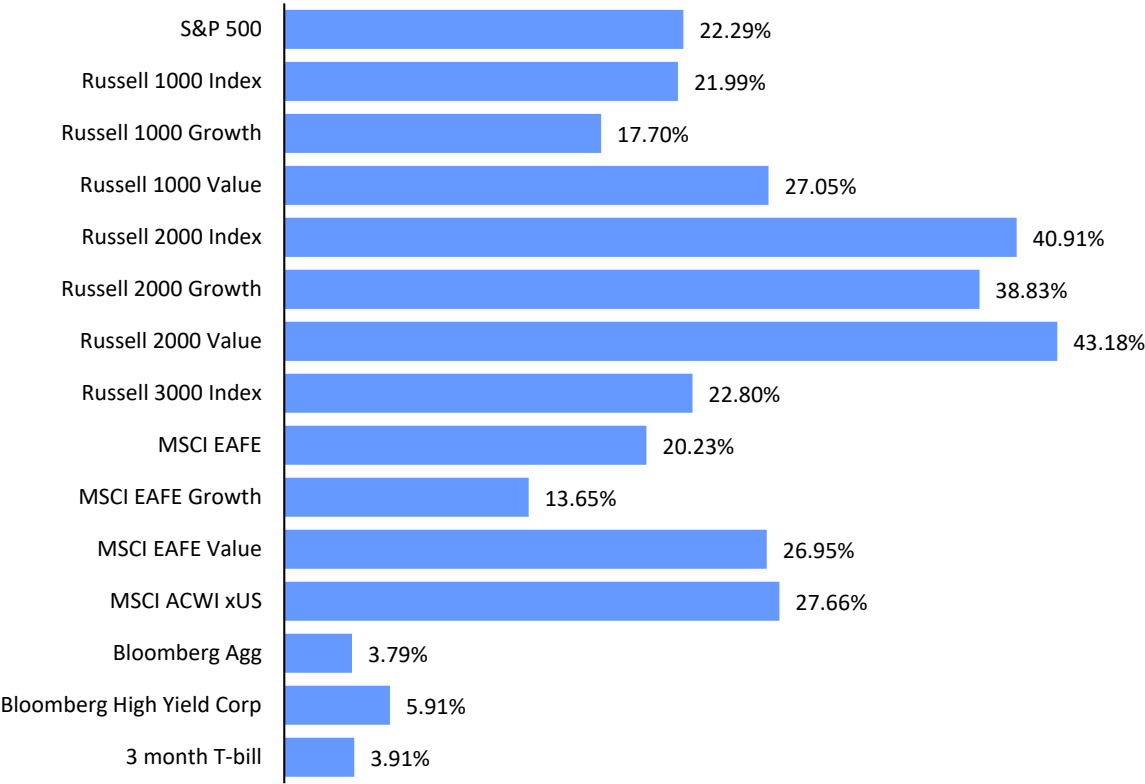
2Q 2026

Performance by Asset Class: Quarter Ended 06/30/26



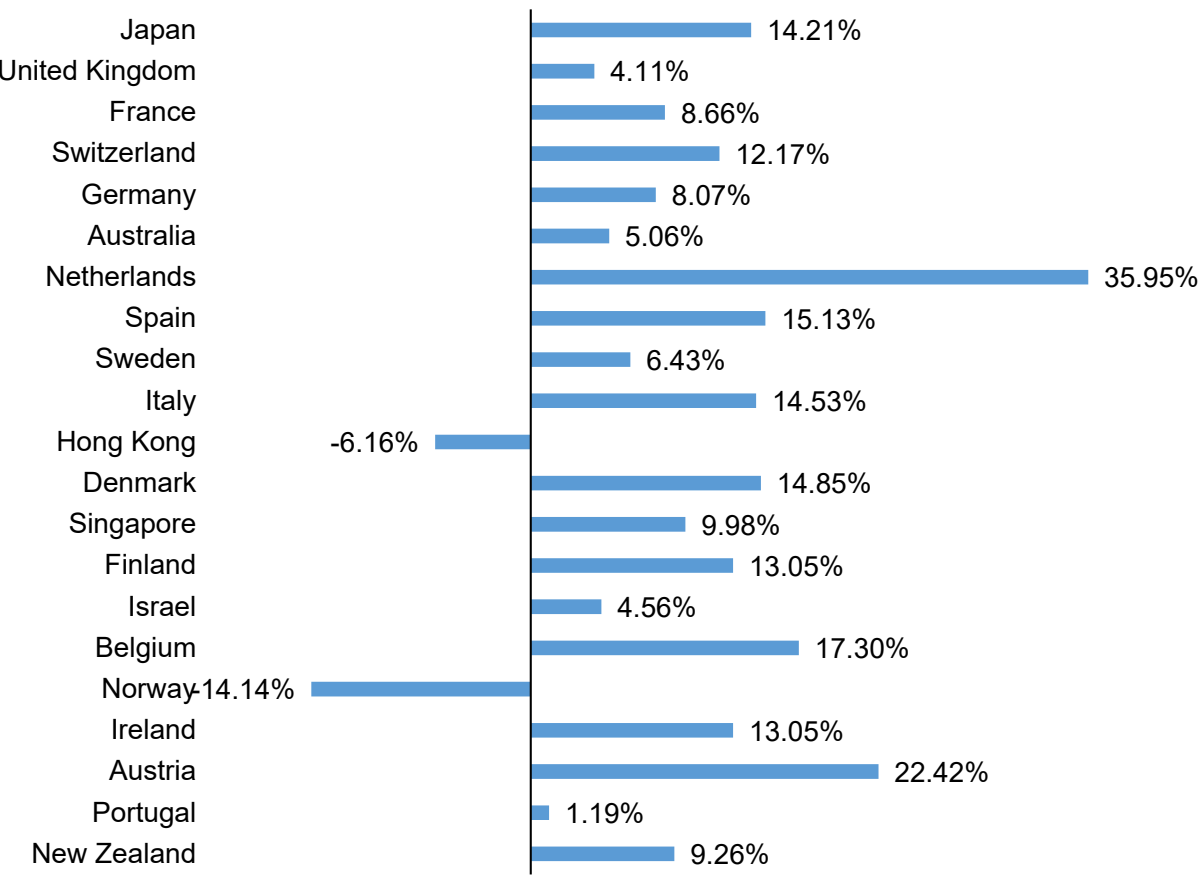
2026 Fiscal Year

Performance by Asset Class: One Year Ended 06/30/26

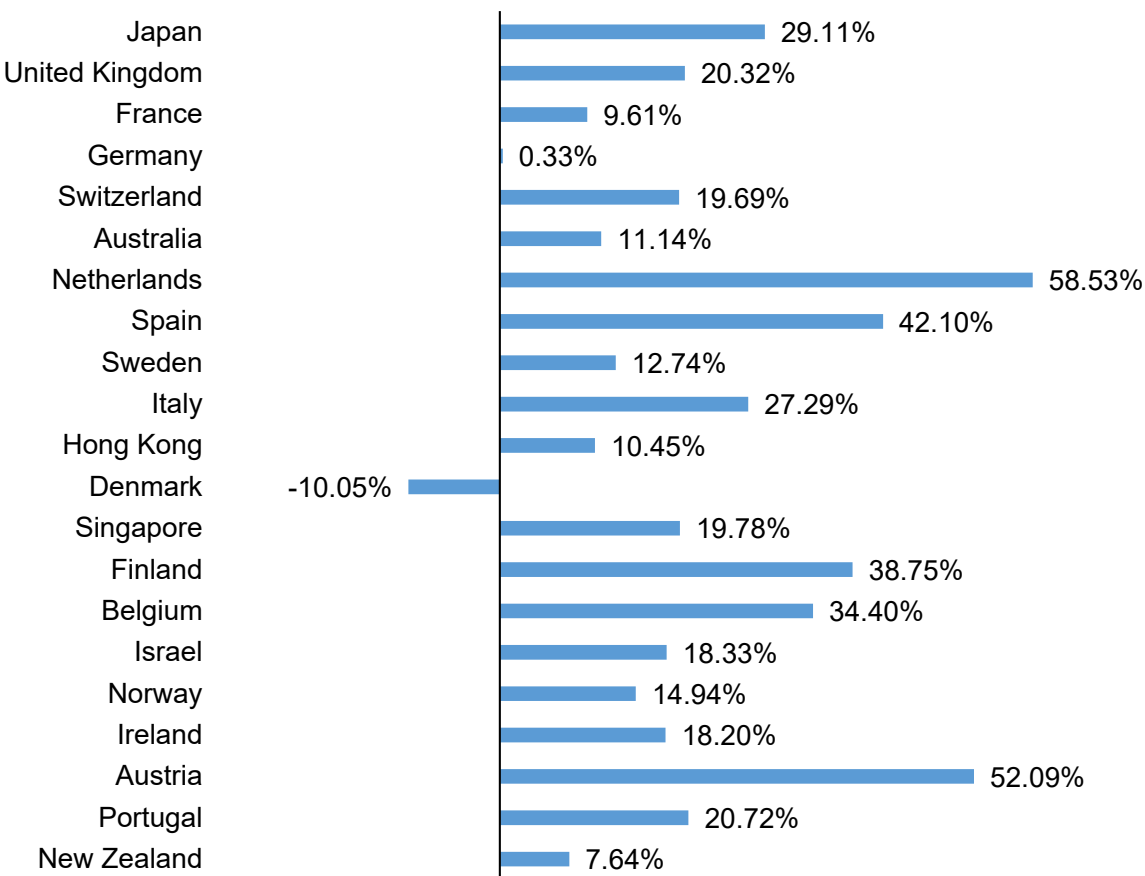


EAFE Index

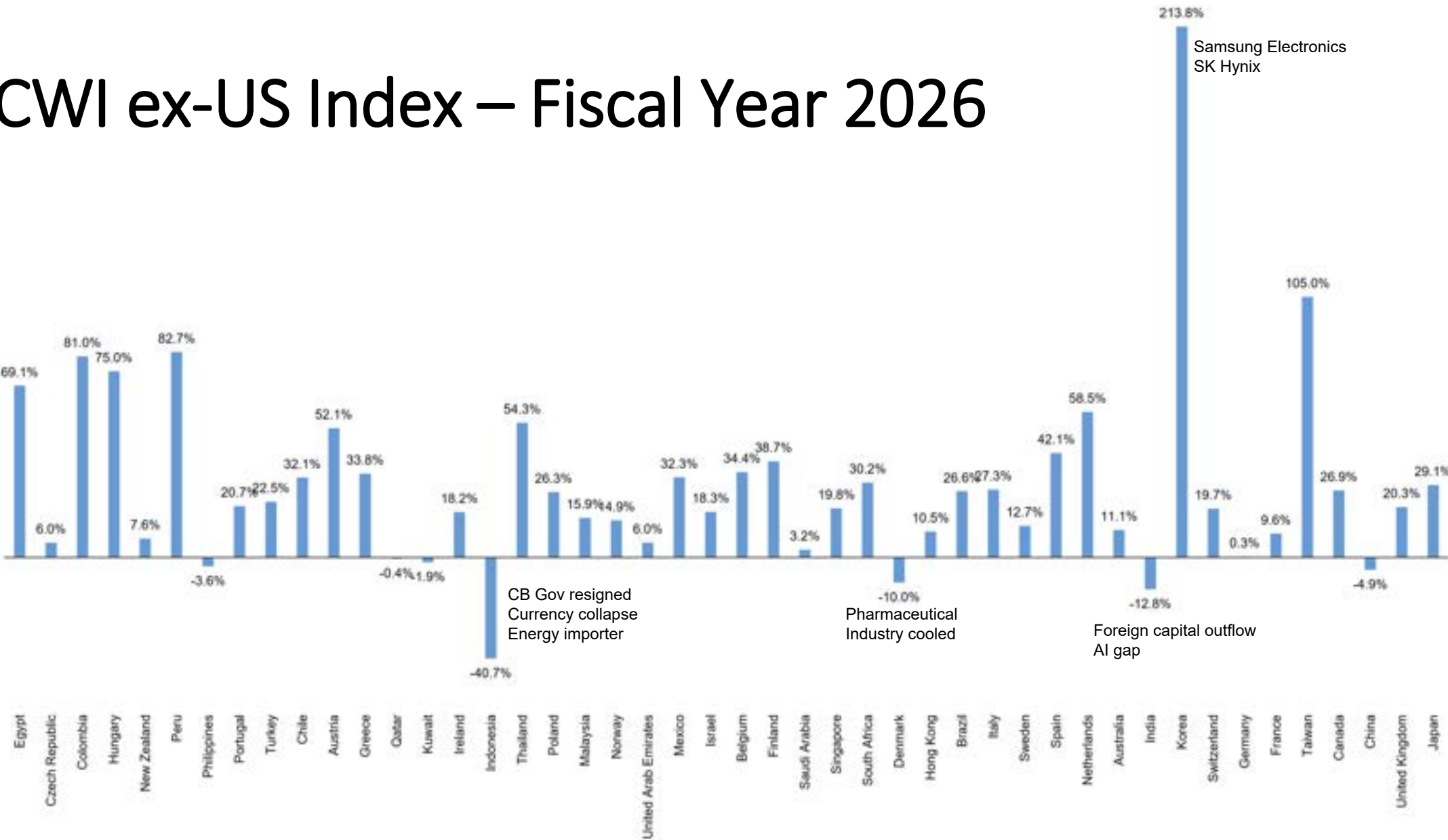
Countries in the MSCI EAFE Index: 1-Quarter Return Ending 06/30/2026



Countries in the MSCI EAFE Index: 1-Year Return Ending 06/30/2026



ACWI ex-US Index – Fiscal Year 2026



Reconstitution of Russell Indices

- The Russell Indexes are reconstituted each June, with companies redistributed based on market capitalizations and investment style.
- The Magnificent 7 are no longer pure growth.
- Some of the largest technology companies have migrated into the Russell 1000 Value Index.
- Value indexes will probably behave differently than in the past.
- Underlying holdings of the indexes will matter more than labels or style.

	They all were 100% Value They will now be 100% Growth
	Was 50% Value and 50% Growth Now will be 100% Growth
	Both were 100% Growth in 2025 Apple will 54% Growth, 46% Value MSFT will be 50% / 50%
	AMZN was 73% Growth in 2025 Will be 8% Growth and 92% Value

Reconstitution of Russell Indices – Russell 1000 Growth

Russell 1000 Growth Index (RU1000G)			
	Prior to rebalance		Change
	% weighting	% weighting	
Nvidia	12.8%	13.9%	1.1%
Apple	11.7%	6.7%	-5.0%
Microsoft	8.0%	4.1%	-3.9%
Alphabet	6.8%	11.2%	4.4%
Broadcom	5.1%	5.2%	0.1%
Amazon	4.7%	0.6%	-4.1%
Tesla	3.3%	3.7%	0.4%
Eli Lilly	3.1%	2.8%	-0.3%
Meta	3.0%	3.0%	UNCH
Visa	1.8%	1.7%	-0.1%
Total Top 10	60.3%	52.9%	-7.4%

RU1000G - New Top 10		
	% weighting	Change
Nvidia	13.9%	▲
Alphabet	11.2%	▲
Apple	6.7%	▼
Broadcom	5.2%	▲
Microsoft	4.1%	▼
Micron	3.9%	NEW
Tesla	3.7%	▲
Meta	3.0%	UNCH
Eli Lilly	2.8%	▼
Advanced Micro	2.8%	NEW
Total Top 10	57.3%	

RU1000G - Notable Sector Changes			
	Prior to rebalance		Change
	% weighting	% weighting	
Communication Services	11.4%	16.3%	4.9%
Information Technology	51.4%	54.3%	2.9%
Industrials	6.9%	8.9%	2.0%
Consumer Discretionary	12.6%	8.2%	-4.4%
Health Care	8.0%	5.4%	-2.6%
Consumer Staples	2.7%	1.2%	-1.5%

Source: FactSet (as of June 30, 2026)

RU1000G - Notable Industry Changes			
	Prior to rebalance		Change
	% weighting	% weighting	
Semis & Equip	23.50%	33.10%	9.60%
Interactive Media	9.80%	14.20%	4.40%
Machinery	0.30%	1.70%	1.40%
Software	14.00%	9.30%	-4.70%
Broadline Retail	4.80%	0.70%	-4.10%
*Tech Hardware	11.90%	8.50%	-3.40%

*Tech Hardware Storage & Peripherals

Reconstitution of Russell Indices – Russell 1000 Value

Russell 1000 Value Index (RU1000V)			
	Prior to rebalance	Post Rebalance	
	% weighting	% weighting	Change
Micron	3.7%	0.0%	-3.7%
Alphabet	3.7%	0.0%	-3.7%
Berkshire Hathaway	2.7%	2.6%	-0.1%
JPMorgan Chase	2.6%	2.5%	-0.1%
Amazon	1.8%	5.9%	4.1%
Johnson & Johnson	1.8%	1.7%	-0.1%
Exxon Mobil	1.7%	1.6%	-0.1%
Intel	1.6%	1.7%	0.1%
Walmart	1.3%	1.3%	UNCH
Cisco	1.3%	1.3%	UNCH
Total Top 10	22.2%	18.6%	-3.6%

RU1000V - New Top 10		
	% weighting	Change
Amazon	5.9%	▲
Apple	5.4%	NEW
Microsoft	3.9%	NEW
Berkshire Hathaway	2.6%	▼
JPMorgan Chase	2.5%	▼
Intel	1.7%	▲
Johnson & Johnson	1.7%	▼
Exxon Mobil	1.6%	▼
Cisco	1.3%	UNCH
Walmart	1.3%	UNCH
Total Top 10	27.9%	

RU1000V - Notable Sector Changes			
	Prior to rebalance	Post Rebalance	
	% weighting	% weighting	Change
Consumer Discretionary	6.5%	10.6%	4.1%
Health Care	11.1%	12.6%	1.5%
Consumer Staples	6.8%	7.5%	0.7%
Communication Services	7.3%	3.3%	-4.0%
Industrials	13.2%	11.4%	-1.8%
Energy	5.9%	5.5%	-0.4%

Source: FactSet (as of June 30, 2026)

RU1000V - Notable Industry Changes			
	Prior to rebalance	Post Rebalance	
	% weighting	% weighting	Change
Software	1.0%	5.5%	4.5%
Broadline Retail	2.0%	6.1%	4.1%
*Tech Hardware	2.1%	6.1%	4.0%
Semis & Equip	10.4%	3.4%	-7.1%
Interactive Media	4.3%	0.7%	-3.7%
Machinery	3.9%	2.6%	-1.3%

*Tech Hardware Storage & Peripherals

Class Action Settlement Proceeds

Fiscal Year	Total Proceeds
2009	\$ 2,808,033.51
2010	\$ 2,333,548.87
2011	\$ 1,222,467.30
2012	\$ 734,293.86
2013	\$ 501,060.63
2014	\$ 1,034,993.49
2015	\$ 499,547.35
2016	\$ 1,367,167.89
2017	\$ 354,154.24
2018	\$ 801,714.62
2019	\$ 1,442,809.72
2020	\$ 1,319,992.13
2021	\$ 575,013.13
2022	\$ 553,429.10
2023	\$ 390,107.88
2024	\$ 345,399.83
2025	\$ 116,013.94
2026	\$ 231,175.49
	\$ 16,630,922.98

Glossary of Terminology

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

Magnificent 7 = “MANMAT” + Alphabet (Google) = MANMAAT

Fed = The U.S. Federal Reserve Bank

S&P 500 = Standard and Poor’s 500

Q4 = Fourth Quarter

YTD = Year to Date; FYD = Fiscal Year to Date; FY = Fiscal Year (July 1 to June 30)

Bloomberg Agg = Bloomberg Aggregate Index

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

Value = Value Stocks

Growth = Growth Stocks

FTSE = Financial Times Stock Index (London)

EAFE = Europe Asia Far East

ACWI = All Country World Index

EMU = European Economic and Monetary Union

IG = Investment Grade

WTI Crude = West Texas Intermediate Crude

Arkansas Public Employee Retirement System

2nd Quarter 2026

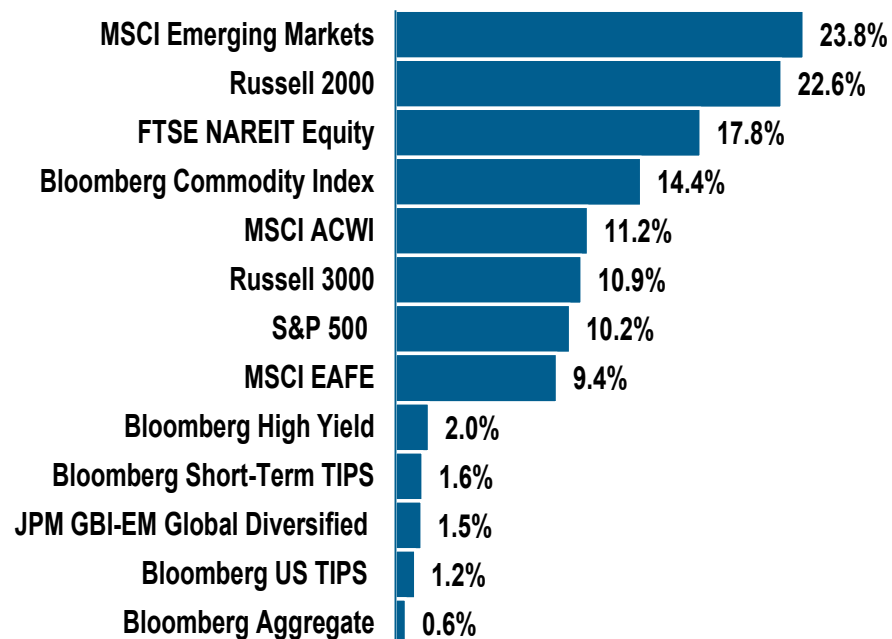
Executive Summary Report

Economic and Market Update

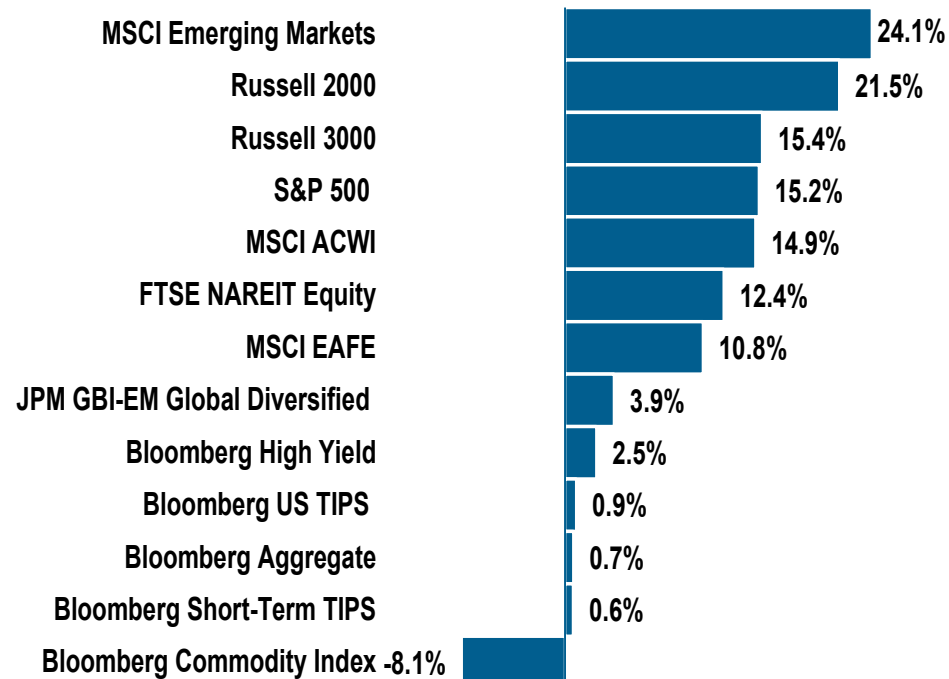
Data as of June 30, 2026

Index Returns¹

YTD



Q2



¹ Source: Bloomberg. Data is as of June 30, 2026.

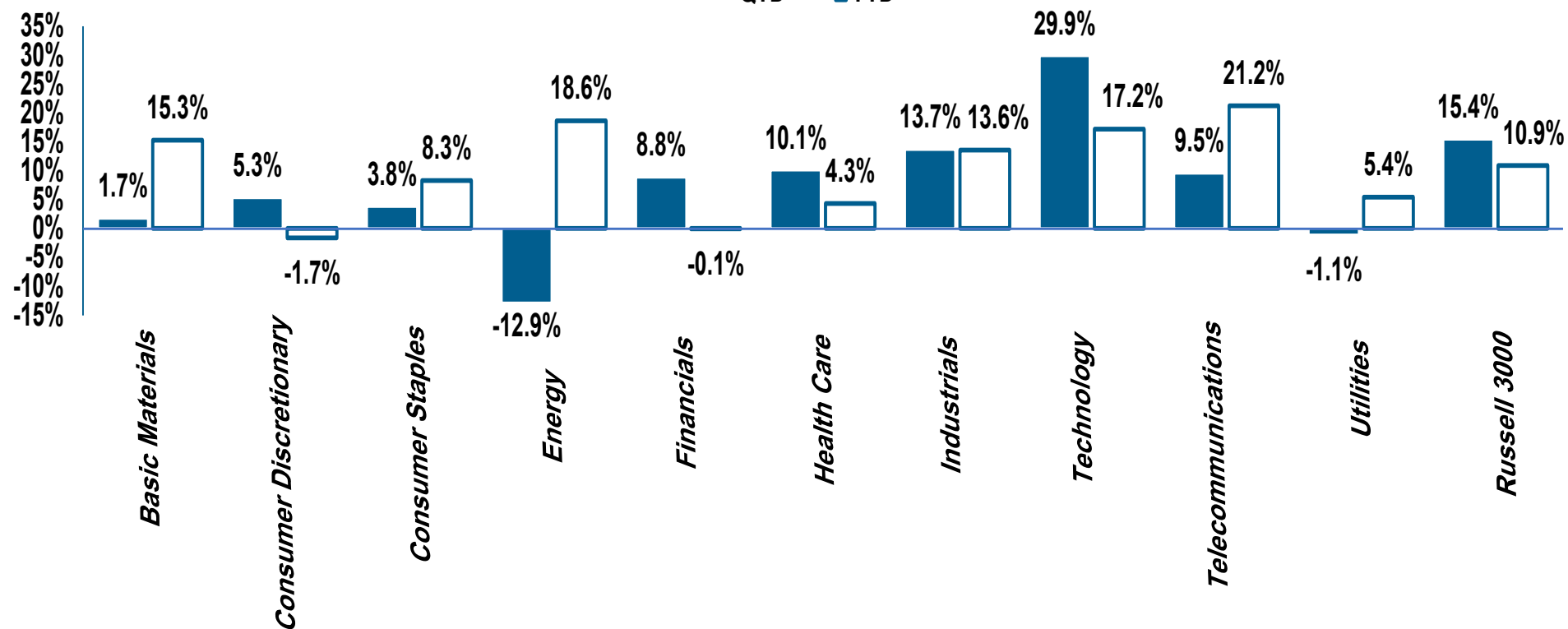
Domestic Equity Index Returns¹

Domestic Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	-1.0	15.2	10.2	22.3	20.6	13.4	15.5
Russell 3000	-0.3	15.4	10.9	22.8	20.3	12.3	15.1
Russell 1000	-0.5	15.1	10.3	22.0	20.4	12.7	15.3
Russell 1000 Growth	-2.7	16.7	5.3	17.7	22.6	13.7	18.6
Russell 1000 Value	2.3	13.9	16.3	27.1	17.8	11.2	11.5
Russell MidCap	3.1	13.8	15.3	21.6	16.5	8.5	12.0
Russell MidCap Growth	2.7	14.5	7.3	6.2	15.6	6.0	13.0
Russell MidCap Value	3.0	13.4	17.6	26.6	16.5	9.5	10.6
Russell 2000	3.7	21.5	22.6	40.8	18.6	7.0	11.6
Russell 2000 Growth	3.6	25.7	22.2	38.7	18.4	5.6	12.0
Russell 2000 Value	4.0	17.2	23.0	43.0	18.7	8.2	10.9

¹ Source: Bloomberg. Data is as of June 30, 2026.

Russell 3000 Sector Returns¹

■ QTD □ YTD



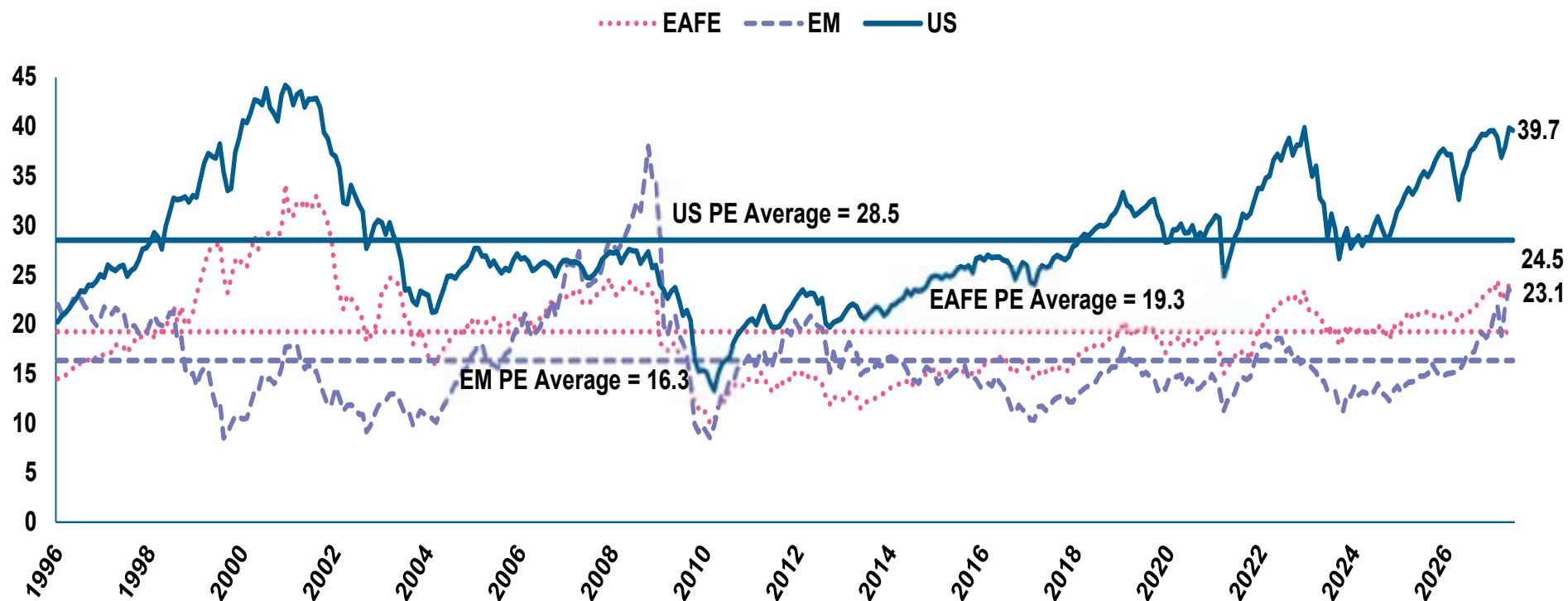
¹ Source: Bloomberg. Data is as of June 30, 2026.

MSCI International Equity Index Returns¹

Foreign Equity	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	-0.6	14.5	13.7	27.7	18.8	8.8	9.9
MSCI EAFE	0.1	10.8	9.4	20.2	16.4	9.0	9.7
MSCI EAFE (Local Currency)	2.4	11.5	11.7	24.9	15.8	11.3	10.6
MSCI EAFE Small Cap	-3.7	9.0	7.6	17.4	15.7	5.3	8.6
MSCI Emerging Markets	-1.4	24.1	23.8	43.5	23.0	7.2	10.1
MSCI Emerging Markets (Local Currency)	-0.1	24.1	26.8	50.2	25.1	10.1	11.8
MSCI EM ex China	0.0	34.5	38.8	63.1	28.3	13.2	12.4
MSCI China	-7.1	-6.6	-15.0	-4.9	7.7	-6.6	4.3

¹ Source: Bloomberg. Data is as of June 30, 2026.

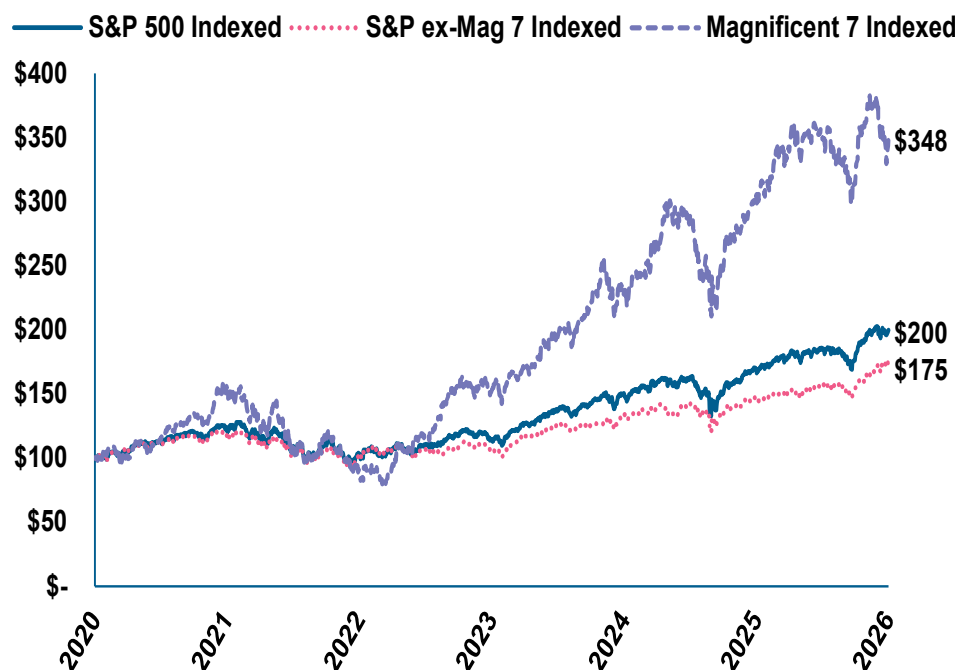
Equity Cyclically Adjusted P/E Ratios¹



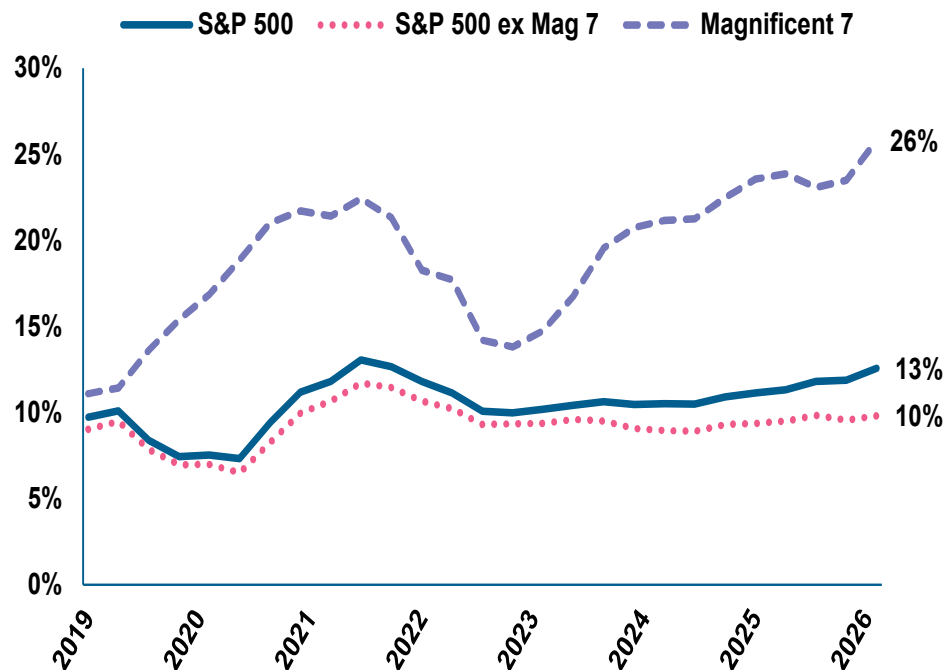
¹ US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of June 2026. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

Performance and Profit Margins: S&P 500 and “Magnificent 7”¹

Performance Indexed to \$100



Profit Margins



¹ Source: Bloomberg. Data is as of June 30, 2026.

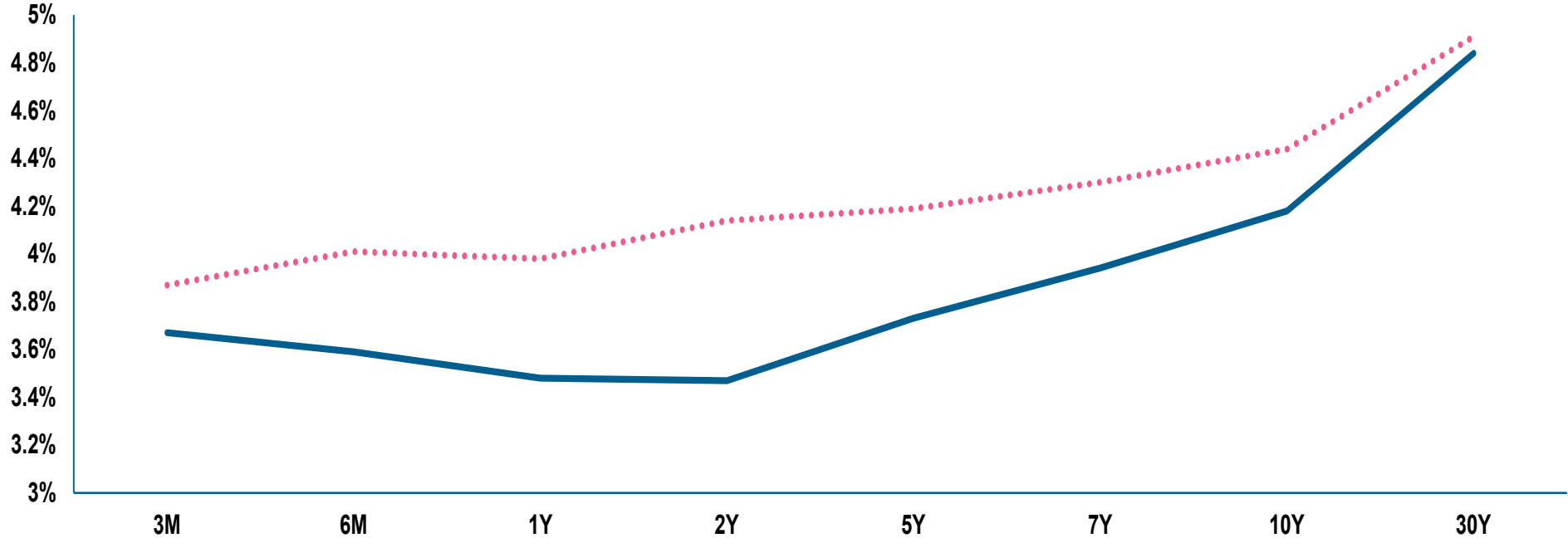
Public Credit Index Returns¹

Fixed Income	June (%)	Q2 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.3	0.9	0.8	4.2	4.7	0.4	1.9	4.9	5.8
Bloomberg Aggregate	0.2	0.7	0.6	3.8	4.2	0.1	1.5	4.7	6.0
Bloomberg US TIPS	-0.5	0.9	1.2	3.4	4.0	1.0	2.6	4.4	6.5
Bloomberg Short-term TIPS	-0.4	0.6	1.6	3.6	5.1	3.3	3.1	4.2	2.4
Bloomberg US Long Treasury	1.0	0.9	0.4	2.9	-0.5	-5.6	-1.3	4.9	14.3
Bloomberg High Yield	0.3	2.5	2.0	5.9	8.8	4.2	5.8	7.2	3.2
JPM GBI-EM Global Diversified (USD)	0.2	3.9	1.5	7.9	7.3	2.1	2.7	--	--

¹ Source: Bloomberg. Data is as of June 30, 2026. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

US Yield Curve¹

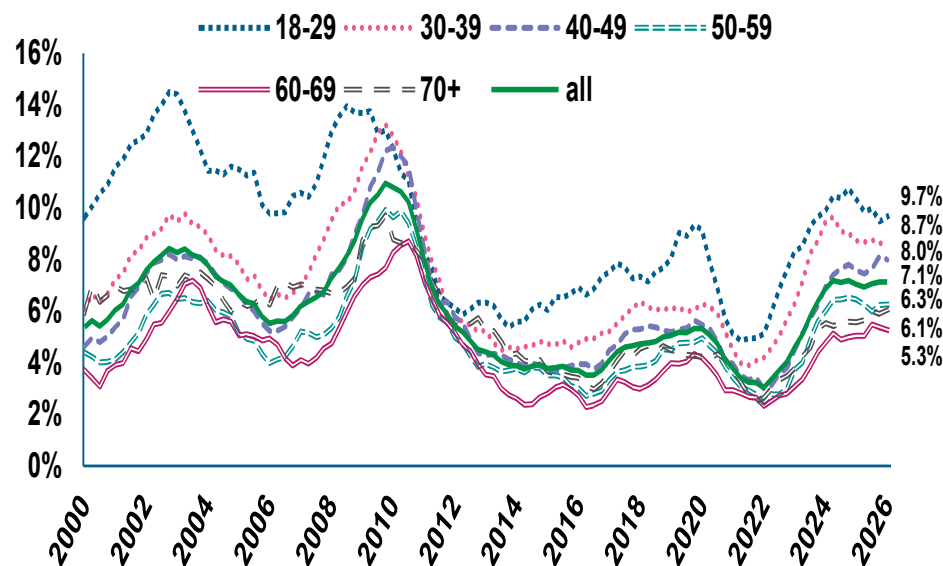
— 12/31/2025 6/30/2026



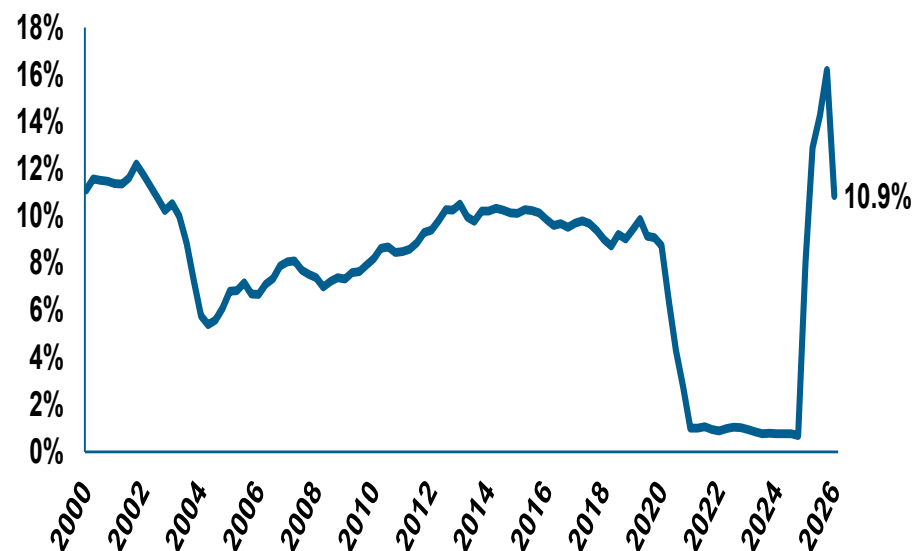
¹ Source: Bloomberg. Data is as of June 30, 2026.

Stress is Building Among Some US Consumers¹

Transition into Serious Delinquency for Credit Cards by Age



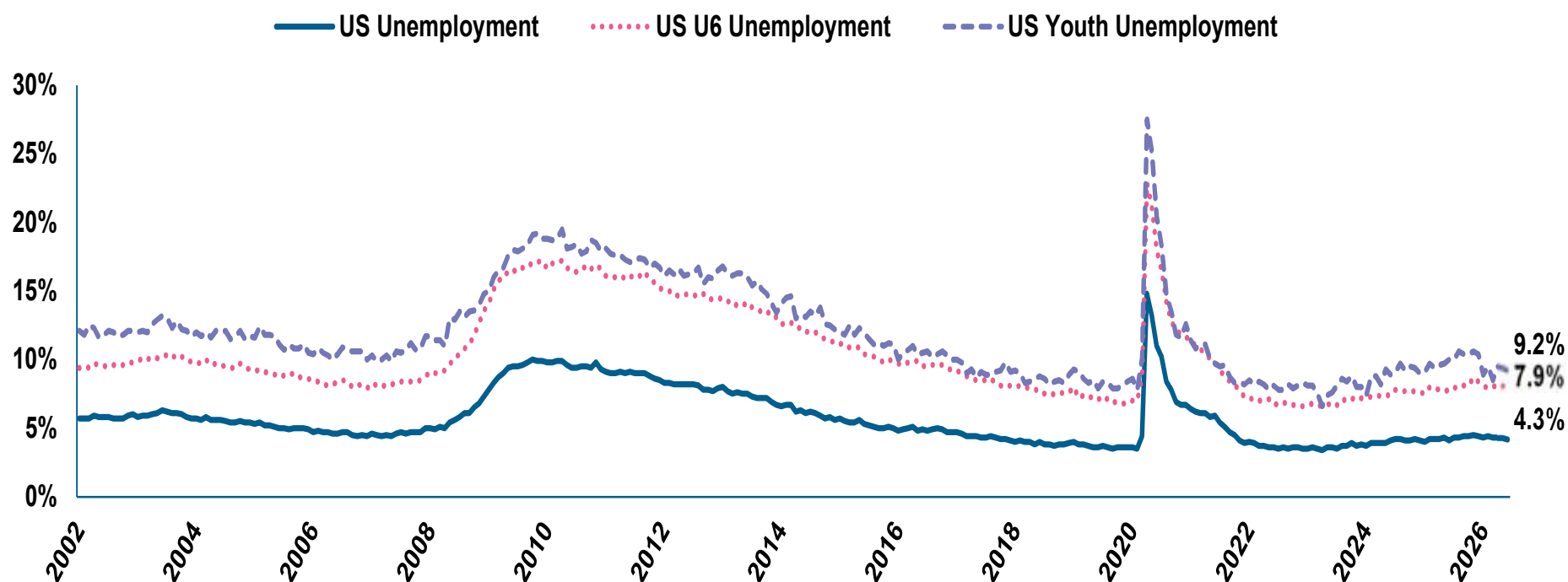
Transition Into Serious Delinquency (90+ Days) for Student Loans²



¹ Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of March 31, 2026.

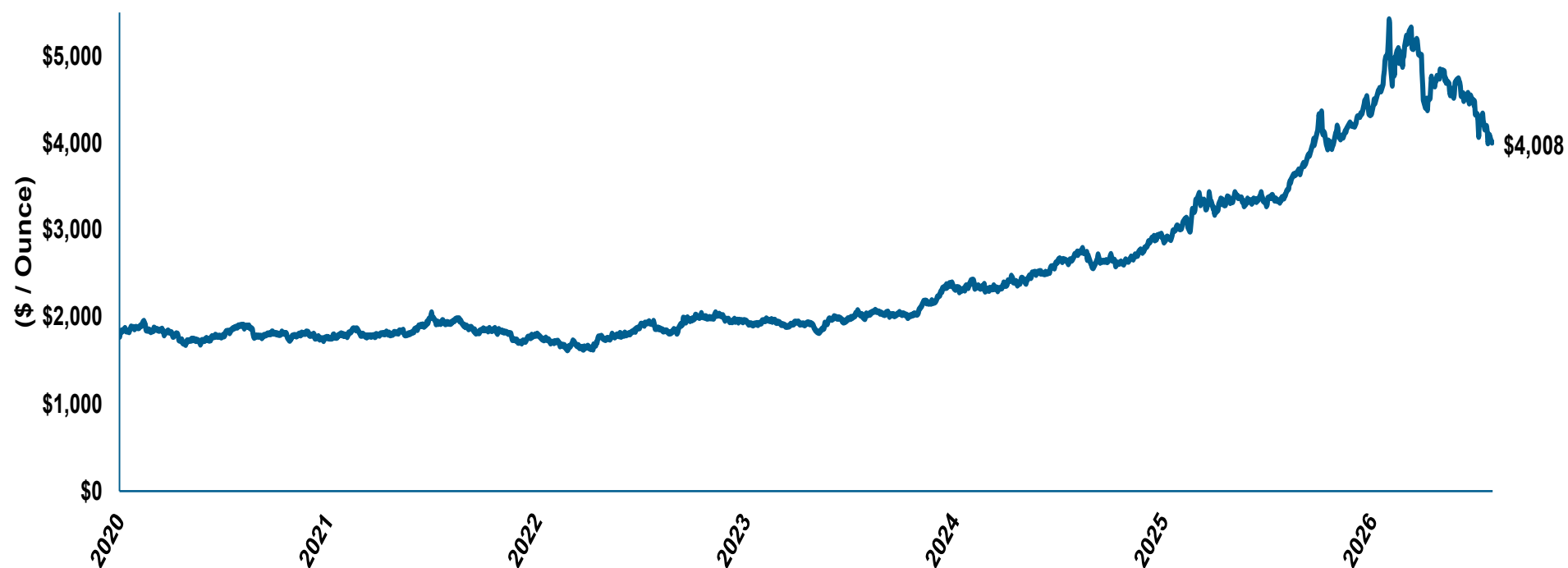
² Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of March 31, 2026.

US Unemployment¹



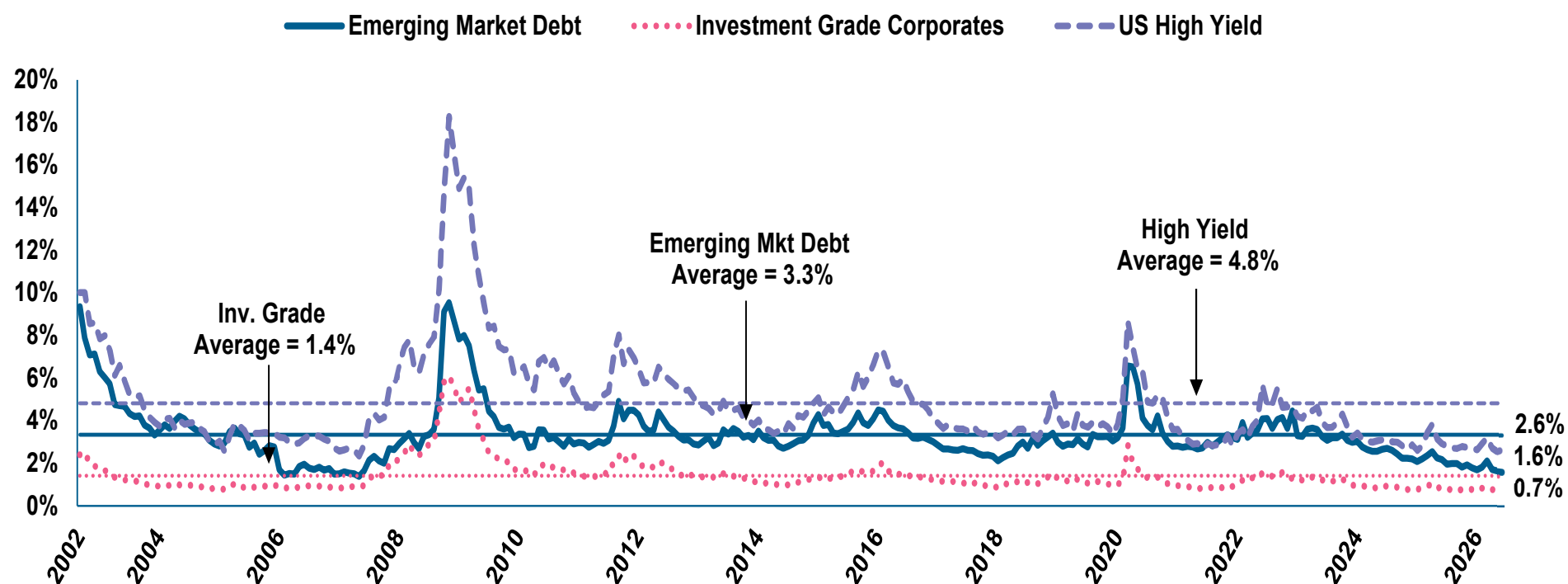
¹ Source: FRED and BLS. Data is as of June 30, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

Gold¹



¹ Source: Bloomberg. Data is as of June 30, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

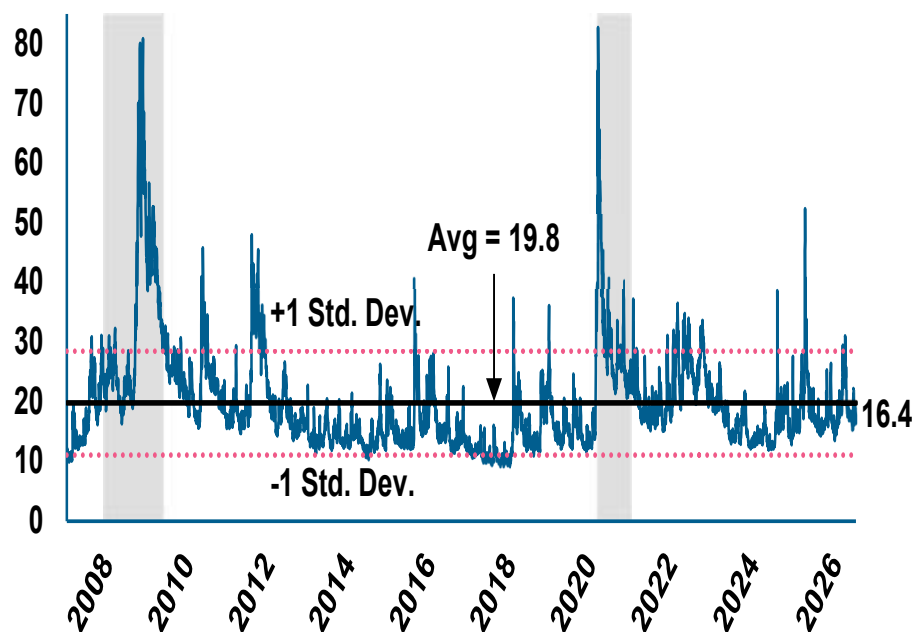
Credit Spreads vs. US Treasury Bonds¹



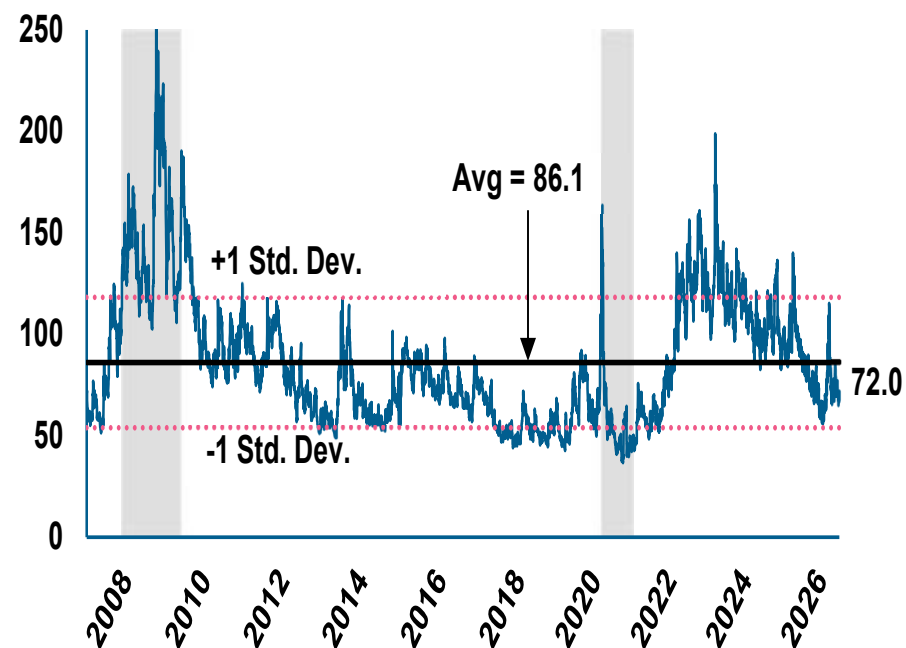
¹ Source: Bloomberg. Data is as of June 30, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

S&P 500 and U.S. Treasury Volatility¹

VIX Index

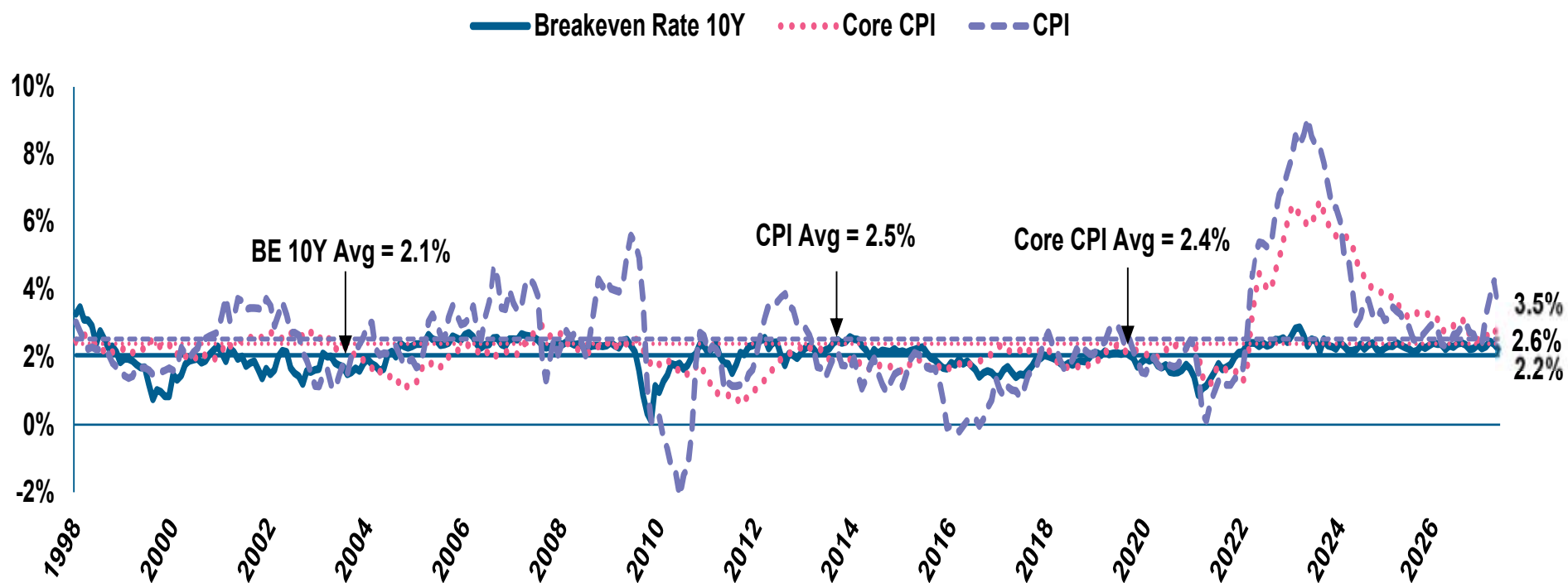


MOVE Index



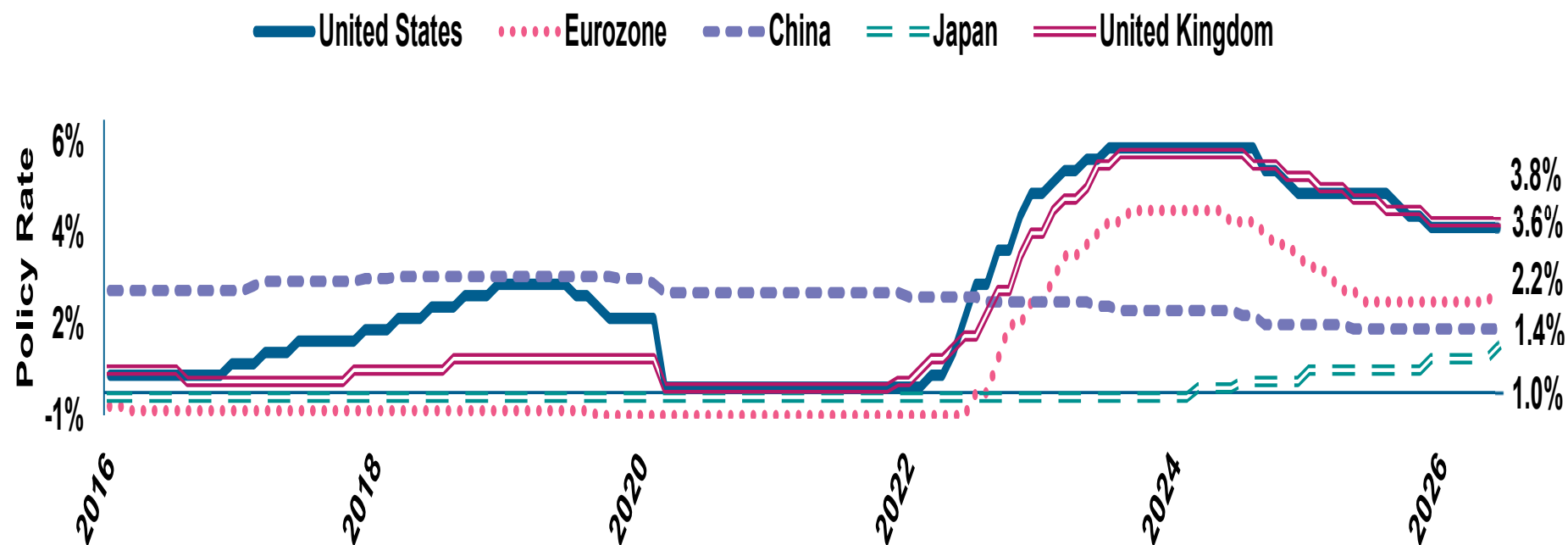
¹ Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of June 30, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and June 2026.

US Inflation¹



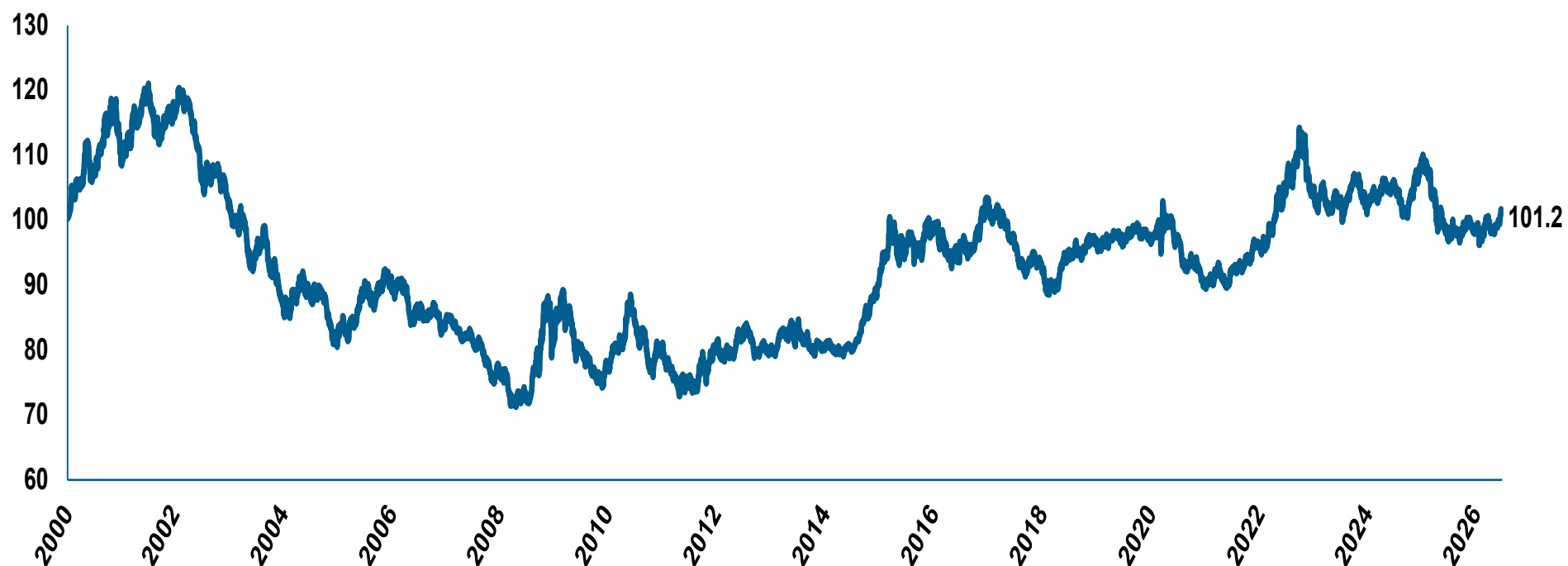
¹ Source: FRED. Data is as of June 30, 2026.

Global Policy Rates¹



¹ Source: Bloomberg. Data is as of June 30, 2026. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the PBOC 7-day Reverse Repo Rate. UK rate is the UK Bank of England Official Bank Rate.

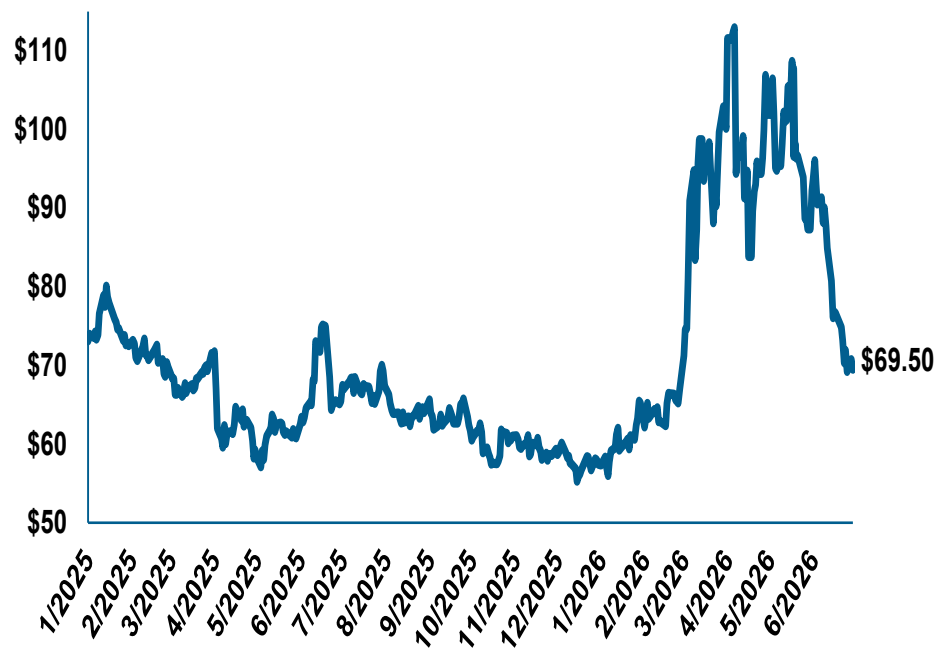
US Dollar vs. Broad Currencies¹



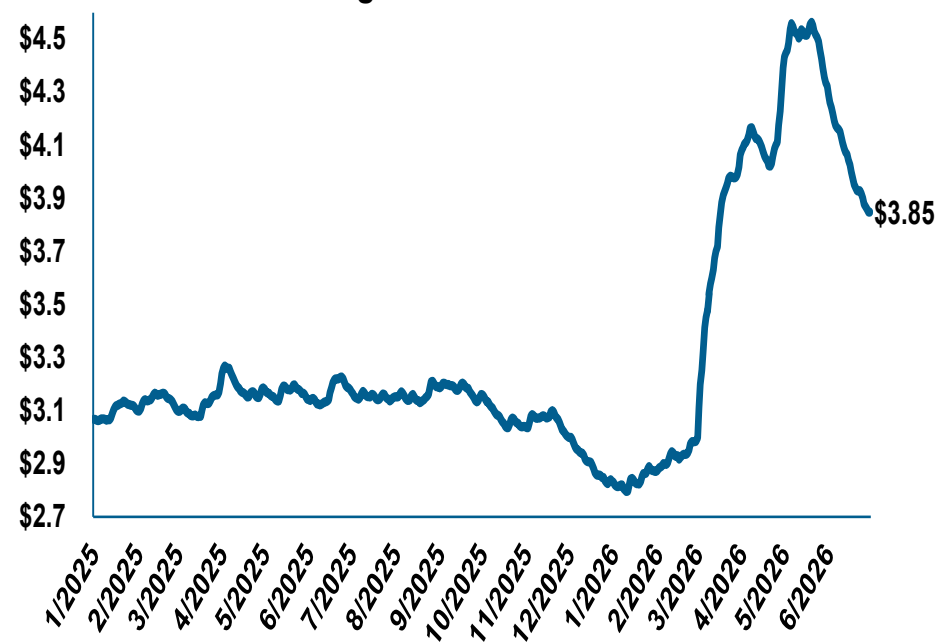
¹ Source: Bloomberg. Data is as of June 30, 2026.

Gas and Oil¹

WTI Crude



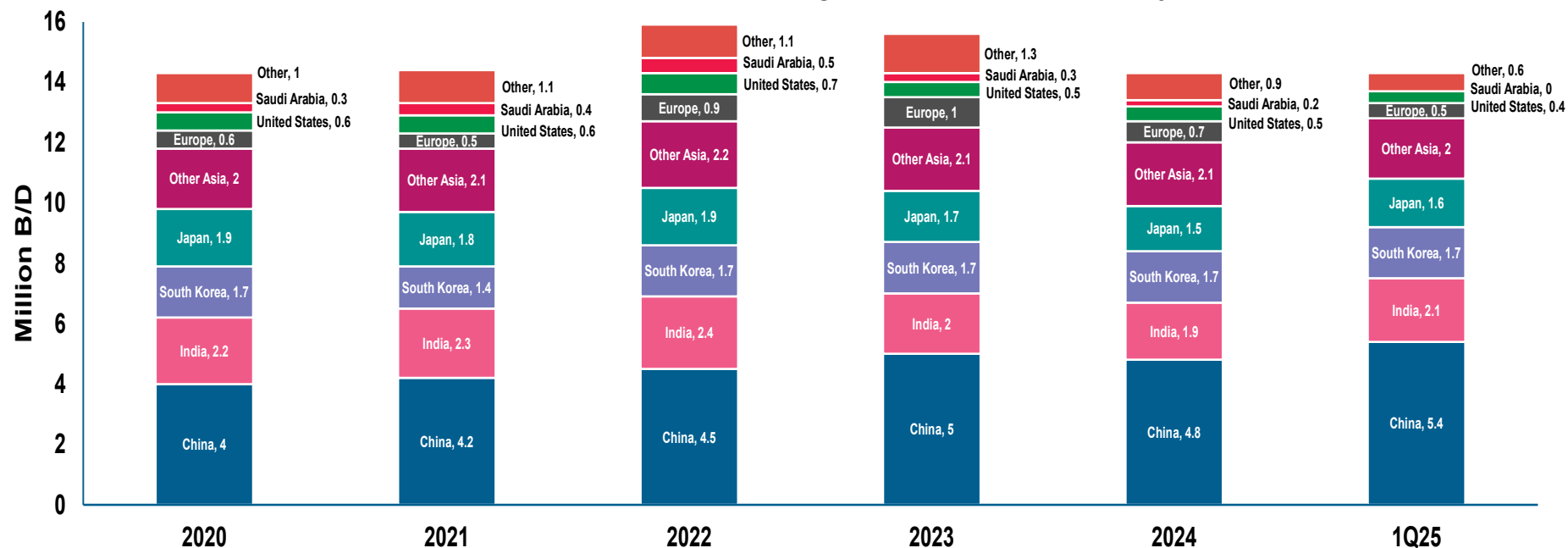
Avg. Retail Gas Price



¹ Source: Bloomberg. Data is as of June 30, 2026.

Volume of Crude Oil¹

Volume of Crude Oil Transported Through The Strait of Hormuz, By Destination



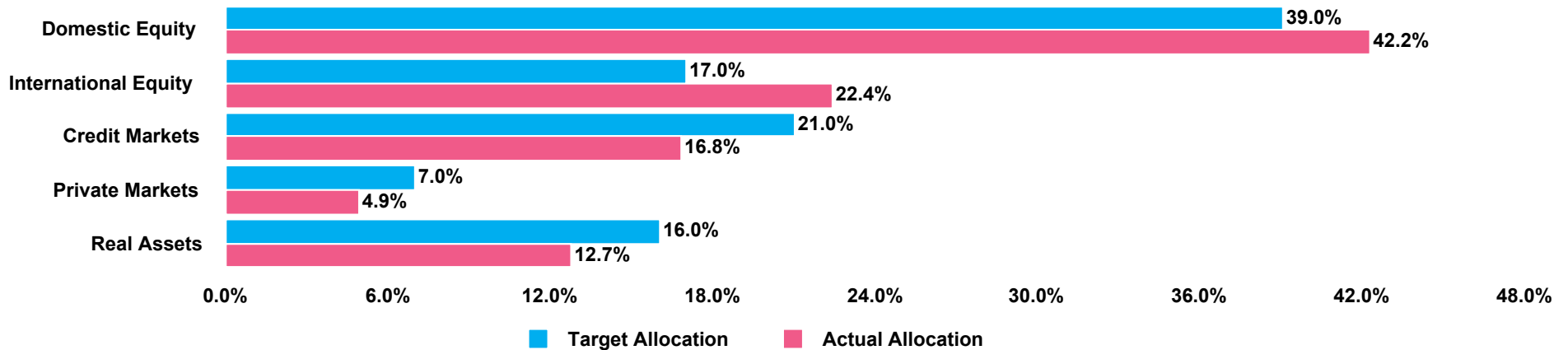
¹ Source: Apollo Academy. Data is as of March 31, 2025.

**APERS Portfolio Review
As of June 30, 2026**

Asset Allocation Compliance | As of June 30, 2026

Allocation vs. Targets						
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Domestic Equity	6,029,342,791	42.2	39.0	3.2	34.0 - 44.0	Yes
International Equity	3,198,451,274	22.4	17.0	5.4	12.0 - 22.0	No
Credit Markets	2,403,135,920	16.8	21.0	-4.2	16.0 - 26.0	Yes
Private Markets	698,271,186	4.9	7.0	-2.1	2.0 - 12.0	Yes
Real Assets	1,820,741,050	12.7	16.0	-3.3	11.0 - 21.0	Yes
Total Fund	14,282,134,019	100.0	100.0	0.0		

As of June 30, 2026



Trailing Gross Performance | As of June 30, 2026

Asset Class Performance Summary							
	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Domestic Equity	6,029,342,791	42.2	16.57	12.98	22.86	18.11	10.24
<i>Russell 3000 Index</i>			<i>15.43</i>	<i>10.86</i>	<i>22.81</i>	<i>20.35</i>	<i>12.30</i>
International Equity	3,198,451,274	22.4	17.17	17.12	28.79	18.17	8.47
<i>MSCI AC World ex USA (Net)</i>			<i>14.49</i>	<i>13.68</i>	<i>27.66</i>	<i>18.82</i>	<i>8.79</i>
Private Markets	698,271,186	4.9	3.59	4.68	13.84	16.55	9.63
<i>Hedge Funds</i>	<i>303,750,778</i>	<i>2.1</i>	<i>4.06</i>	<i>6.24</i>	<i>13.72</i>	<i>12.57</i>	<i>9.17</i>
<i>Hedge Fund Benchmark</i>			<i>6.93</i>	<i>8.03</i>	<i>15.90</i>	<i>10.50</i>	<i>5.47</i>
<i>Private Equity</i>	<i>394,520,408</i>	<i>2.8</i>	<i>3.24</i>	<i>3.39</i>	<i>14.46</i>	<i>--</i>	<i>--</i>
<i>Private Equity Benchmark</i>			<i>-3.24</i>	<i>-0.18</i>	<i>21.58</i>	<i>--</i>	<i>--</i>
Credit Markets	2,403,135,920	16.8	1.03	1.15	4.68	5.89	1.19
<i>Public Credit</i>	<i>2,225,945,323</i>	<i>15.6</i>	<i>1.01</i>	<i>1.02</i>	<i>4.54</i>	<i>5.85</i>	<i>1.16</i>
<i>Blmbg US Aggregate Index</i>			<i>0.67</i>	<i>0.62</i>	<i>3.79</i>	<i>4.16</i>	<i>0.08</i>
<i>Private Credit</i>	<i>177,190,597</i>	<i>1.2</i>	<i>1.24</i>	<i>3.07</i>	<i>6.94</i>	<i>--</i>	<i>--</i>
<i>Blmbg US Aggregate Index</i>			<i>0.67</i>	<i>0.62</i>	<i>3.79</i>	<i>--</i>	<i>--</i>
Real Assets	1,820,741,050	12.7	3.46	5.91	6.21	0.42	3.95
<i>Real Assets Benchmark</i>			<i>1.24</i>	<i>2.44</i>	<i>4.86</i>	<i>1.07</i>	<i>4.54</i>
<i>REITS</i>	<i>35,031,082</i>	<i>0.2</i>	<i>12.34</i>	<i>17.54</i>	<i>22.50</i>	<i>12.35</i>	<i>5.69</i>
<i>S&P DJ US Select REIT</i>			<i>12.37</i>	<i>17.58</i>	<i>22.59</i>	<i>12.39</i>	<i>5.70</i>
<i>Core Real Estate</i>	<i>854,100,052</i>	<i>6.0</i>	<i>2.59</i>	<i>3.47</i>	<i>0.94</i>	<i>-2.22</i>	<i>1.91</i>
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	<i>-1.64</i>	<i>1.88</i>
<i>Secondary Real Estate</i>	<i>114,458,917</i>	<i>0.8</i>	<i>9.72</i>	<i>15.51</i>	<i>27.13</i>	<i>--</i>	<i>--</i>
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	<i>--</i>	<i>--</i>
<i>Value-Add Real Estate</i>	<i>301,366,037</i>	<i>2.1</i>	<i>1.49</i>	<i>3.96</i>	<i>3.61</i>	<i>--</i>	<i>--</i>
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	<i>--</i>	<i>--</i>

Portfolio Summary

Total Fund	14,282,134,019	100.0	11.30	10.29	18.00	13.10	7.09
<i>Total Fund Benchmark</i>			<i>9.58</i>	<i>7.89</i>	<i>16.52</i>	<i>13.40</i>	<i>7.81</i>

Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Infrastructure	317,928,348	2.2	6.38	16.99	30.04	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	--	--
<i>Core Infrastructure</i>	<i>202,249,782</i>	<i>1.4</i>	<i>4.98</i>	<i>10.76</i>	<i>11.20</i>	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	--	--
<i>Secondary Infrastructure</i>	<i>115,678,566</i>	<i>0.8</i>	<i>9.79</i>	<i>39.77</i>	<i>283.74</i>	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	--	--
<i>Farmland</i>	<i>96,908,088</i>	<i>0.7</i>	<i>0.01</i>	<i>0.28</i>	<i>2.73</i>	<i>1.66</i>	--
<i>NCREIF Farmland Index</i>			<i>0.27</i>	<i>0.07</i>	<i>-0.12</i>	<i>0.40</i>	--
<i>Timber</i>	<i>100,948,526</i>	<i>0.7</i>	<i>2.92</i>	<i>3.93</i>	<i>5.80</i>	<i>5.36</i>	<i>9.62</i>
<i>NCREIF Timberland Index</i>			<i>0.95</i>	<i>2.10</i>	<i>4.42</i>	<i>6.50</i>	<i>8.50</i>
Cash	132,191,799	0.9	1.09	1.94	3.86	4.55	3.55

Trailing Gross Performance | As of June 30, 2026

Trailing Performance Summary							
	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Domestic Equity	6,029,342,791	42.2	16.57	12.98	22.86	18.11	10.24
<i>Russell 3000 Index</i>			<i>15.43</i>	<i>10.86</i>	<i>22.81</i>	<i>20.35</i>	<i>12.30</i>
Growth							
CastleArk	904,937,812	6.3	19.97	13.65	21.93	19.87	12.08
<i>Russell 3000 Growth Index</i>			<i>17.05</i>	<i>5.88</i>	<i>18.24</i>	<i>22.26</i>	<i>13.17</i>
CastleArk LCG	91,439,258	0.6	19.83	8.85	16.61	--	--
<i>Russell 1000 Growth Index</i>			<i>16.74</i>	<i>5.33</i>	<i>17.71</i>	<i>--</i>	<i>--</i>
William Blair LCG	572,540,107	4.0	15.20	1.14	7.02	--	--
<i>Russell 1000 Growth Index</i>			<i>16.74</i>	<i>5.33</i>	<i>17.71</i>	<i>--</i>	<i>--</i>
Mellon Large Cap Growth	476,788,686	3.3	16.60	5.07	17.44	22.53	--
<i>Russell 1000 Growth Index</i>			<i>16.74</i>	<i>5.33</i>	<i>17.71</i>	<i>22.58</i>	<i>--</i>
Stephens Mid Cap Growth	573,557,668	4.0	17.95	14.28	18.01	--	--
<i>Russell Midcap Growth Index</i>			<i>14.55</i>	<i>7.27</i>	<i>6.17</i>	<i>--</i>	<i>--</i>
Stephens Small Cap Growth	246,898,745	1.7	21.47	19.01	29.98	19.39	7.76
<i>Russell 2000 Growth Index</i>			<i>25.71</i>	<i>22.18</i>	<i>38.74</i>	<i>18.44</i>	<i>5.57</i>
Core							
Horrell Capital - Passive	185,663,165	1.3	4.71	8.80	13.45	11.50	8.82
<i>Blmbg Arkansas Index</i>			<i>6.35</i>	<i>13.71</i>	<i>32.12</i>	<i>10.09</i>	<i>12.16</i>
<i>S&P 500 Index</i>			<i>15.20</i>	<i>10.21</i>	<i>22.33</i>	<i>20.61</i>	<i>13.41</i>
Mellon S&P 500 Index Fd	773,773,318	5.4	15.20	10.21	22.34	20.62	13.42
<i>S&P 500 Index</i>			<i>15.20</i>	<i>10.21</i>	<i>22.33</i>	<i>20.61</i>	<i>13.41</i>

Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Value							
Boston Partners LCV	544,429,120	3.8	16.07	18.36	30.58	--	--
<i>Russell 1000 Value Index</i>			<i>13.84</i>	<i>16.23</i>	<i>27.09</i>	<i>--</i>	<i>--</i>
Wellington Management	530,470,862	3.7	15.12	16.56	27.53	17.63	12.06
<i>Russell 1000 Value Index</i>			<i>13.84</i>	<i>16.23</i>	<i>27.09</i>	<i>17.78</i>	<i>11.17</i>
Mellon Large Cap Value	228,247,926	1.6	13.86	16.24	27.12	--	--
<i>Russell 1000 Value Index</i>			<i>13.84</i>	<i>16.23</i>	<i>27.09</i>	<i>--</i>	<i>--</i>
LSV Asset Management	311,803,646	2.2	14.58	17.69	30.74	16.15	10.77
<i>Russell 2000 Value Index</i>			<i>17.19</i>	<i>22.99</i>	<i>43.01</i>	<i>18.73</i>	<i>8.23</i>
Froley Revy Investment	588,792,477	4.1	19.59	23.61	39.40	20.26	7.59
<i>ICE: Convertibles</i>			<i>16.78</i>	<i>21.12</i>	<i>34.12</i>	<i>18.20</i>	<i>7.71</i>

Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
International Equity	3,198,451,274	22.4	17.17	17.12	28.79	18.17	8.47
<i>MSCI AC World ex USA (Net)</i>			<i>14.49</i>	<i>13.68</i>	<i>27.66</i>	<i>18.82</i>	<i>8.79</i>
Acadian ACWI xUS xChina	536,353,025	3.8	20.43	23.38	--	--	--
Artisan Intl Value CIT	659,078,057	4.6	15.22	14.41	26.69	--	--
BlackRock ACWI ex-US PRCE	1,389,804,707	9.7	15.46	15.93	--	--	--
Wellington Intl Growth ex-PRC	607,917,016	4.3	20.79	18.50	--	--	--
Private Markets	698,271,186	4.9	3.59	4.68	13.84	16.55	9.63
Hedge Funds	303,750,778	2.1	4.06	6.24	13.72	12.57	9.17
<i>Hedge Fund Benchmark</i>			<i>6.93</i>	<i>8.09</i>	<i>15.96</i>	<i>10.52</i>	<i>5.47</i>
Blackstone - APERS	303,750,778	2.1	4.06	6.24	13.72	12.57	9.17
Private Equity	394,520,408	2.8	3.24	3.39	14.46	--	--
<i>Private Equity Benchmark</i>			<i>-3.24</i>	<i>-0.24</i>	<i>21.02</i>	--	--
Neuberger Berman Fund of One	115,524,863	0.8	6.37	6.92	8.74	--	--
HarbourVest Dover XI	265,899,285	1.9	1.91	1.91	16.40	--	--
HarbourVest PE Continuation Solutions	13,096,260	0.1	6.07	--	--	--	--

Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Credit Markets	2,403,135,920	16.8	1.03	1.15	4.68	5.89	1.19
<i>Blmbg US Aggregate Index</i>			<i>0.67</i>	<i>0.62</i>	<i>3.79</i>	<i>4.16</i>	<i>0.08</i>
Public Credit	2,225,945,323	15.6	1.01	1.02	4.54	5.85	1.16
DoubleLine Capital	694,630,477	4.9	0.75	0.31	3.73	5.18	1.08
Mackay Shields	766,561,342	5.4	1.10	1.44	4.80	6.45	1.36
PGIM Fixed Inc	764,753,505	5.4	1.17	1.24	5.04	5.86	1.02
Private Credit	177,190,597	1.2	1.24	3.07	6.94	--	--
NB Private Debt Eagle Fund	80,070,316	0.6	1.44	4.81	--	--	--
HarbourVest Fund of One	97,120,281	0.7	1.06	1.06	--	--	--

Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Real Assets	1,820,741,050	12.7	3.46	5.91	6.21	0.42	3.95
<i>Real Assets Benchmark</i>			<i>1.24</i>	<i>2.44</i>	<i>4.86</i>	<i>1.07</i>	<i>4.54</i>
REITS	35,031,082	0.2	12.34	17.54	22.50	12.35	5.69
<i>S&P DJ US Select REIT</i>			<i>12.37</i>	<i>17.58</i>	<i>22.59</i>	<i>12.39</i>	<i>5.70</i>
MCM EB DV Non-SL REIT Fd	35,031,082	0.2	12.34	17.54	22.50	12.35	5.68
Farmland	96,908,088	0.7	0.01	0.28	2.73	1.66	--
<i>NCREIF Farmland Index</i>			<i>0.27</i>	<i>0.07</i>	<i>-0.12</i>	<i>0.40</i>	<i>--</i>
IFC Core Farmland Fund	52,262,012	0.4	-0.09	-0.09	4.36	5.69	--
PGIM Agriculture	44,646,076	0.3	0.12	0.71	0.85	-2.97	--
Timber	100,948,526	0.7	2.92	3.93	5.80	5.36	9.62
<i>NCREIF Timberland Index</i>			<i>0.95</i>	<i>2.10</i>	<i>4.42</i>	<i>6.50</i>	<i>8.50</i>
Pinnacle	100,948,526	0.7	2.92	3.93	5.80	5.36	9.62
Core Real Estate	854,100,052	6.0	2.59	3.47	0.94	-2.22	1.91
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	<i>-1.64</i>	<i>1.88</i>
Carlyle Property Investors	82,818,006	0.6	2.25	3.55	6.09	--	--
Clarion Lion Industrial Trust	83,921,494	0.6	3.88	4.50	6.71	2.16	--
Invesco Real Estate	353,254,967	2.5	3.55	3.42	-5.36	-5.71	-0.77
Heitman Real Estate Trust LP	245,328,753	1.7	0.92	2.67	3.95	-0.16	3.99
Principal Enhanced Property Fd	88,776,832	0.6	2.73	4.61	9.06	--	--

Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Value-Add Real Estate	301,366,037	2.1	1.49	3.96	3.61	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	--	--
LaSalle Inc & Growth VI LP	3,258,369	0.0	0.77	-3.24	-2.96	-16.26	-16.02
LaSalle Inc & Growth VII LP	10,816,662	0.1	-0.79	2.10	1.95	-24.62	-14.42
TA Realty XI	47,392	0.0	-5.25	-12.73	-21.12	1.03	3.40
TA Realty XII	21,843,848	0.2	-7.59	-7.54	-12.93	-8.61	5.07
TA Realty XIII	67,412,154	0.5	0.81	0.97	1.81	--	--
Heitman Value Partners IV	13,398,393	0.1	0.56	0.51	1.76	6.79	9.70
Heitman Value Partners VI	17,225,206	0.1	9.80	3.11	--	--	--
Harrison Street Fund VIII	36,810,625	0.3	-0.20	6.45	5.48	0.10	--
Harrison Street Fund IX	48,366,591	0.3	1.36	12.93	12.03	--	--
Harrison Street Fund X	20,314,927	0.1	11.87	11.87	--	--	--
Starwood SOF XII	61,871,870	0.4	3.57	3.57	8.39	9.36	--
Secondary Real Estate	114,458,917	0.8	9.72	15.51	27.13	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	--	--
NB RE Secondary Opps III	39,343,755	0.3	13.40	32.28	32.28	--	--
StepStone RE Partners V	42,299,615	0.3	9.67	9.67	25.25	--	--
CBRE RE Partners II	32,815,547	0.2	5.44	7.52	--	--	--

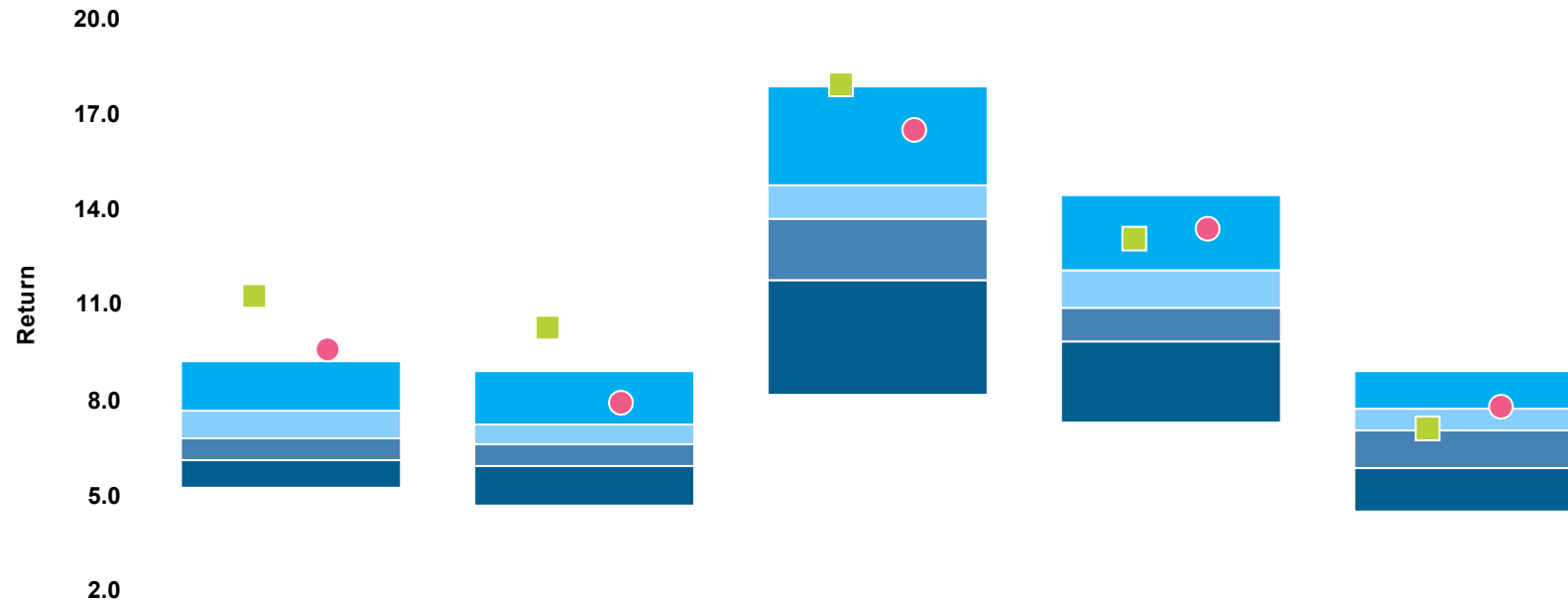
Trailing Gross Performance | As of June 30, 2026

	Market Value (\$)	% of Portfolio	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
Infrastructure	317,928,348	2.2	6.38	16.99	30.04	--	--
Core Infrastructure	202,249,782	1.4	4.98	10.76	11.20	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	<i>--</i>	<i>--</i>
CBRE Global Infra Fd	52,166,755	0.4	3.81	3.81	--	--	--
JPM Infrastructure Investment Fund	52,792,773	0.4	2.87	6.29	--	--	--
Blue Owl Digital Infrs III	44,330,318	0.3	6.74	27.25	27.25	--	--
IFM INV GBL INFRA FD	52,959,937	0.4	6.86	--	--	--	--
Secondary Infrastructure	115,678,566	0.8	9.79	39.77	283.74	--	--
<i>NCREIF NFI-ODCE Eq Wt. Net</i>			<i>1.30</i>	<i>2.28</i>	<i>3.54</i>	<i>--</i>	<i>--</i>
StepStone SSIF SSIFP	49,784,458	0.3	14.74	--	--	--	--
Partners Group Secondary	20,808,320	0.1	2.45	45.40	--	--	--
HarbourVest Infra Opp III	21,732,046	0.2	13.54	13.54	469.24	--	--
Pantheon Global Infrastructure V	13,323,637	0.1	17.62	17.62	--	--	--
Ares ASIS III	10,030,105	0.1	0.00	71.29	--	--	--
Cash	132,191,799	0.9	1.09	1.94	3.86	4.55	3.55

Portfolio Summary

Total Fund	14,282,134,019	100.0	11.30 (1)	10.29 (1)	18.00 (5)	13.10 (12)	7.09 (48)
<i>Total Fund Benchmark</i>			<i>9.58 (3)</i>	<i>7.89 (13)</i>	<i>16.52 (12)</i>	<i>13.40 (10)</i>	<i>7.81 (23)</i>
<i>InvMetrics All Public DB Plans > \$10B Median</i>			<i>6.78</i>	<i>6.63</i>	<i>13.74</i>	<i>10.88</i>	<i>7.02</i>

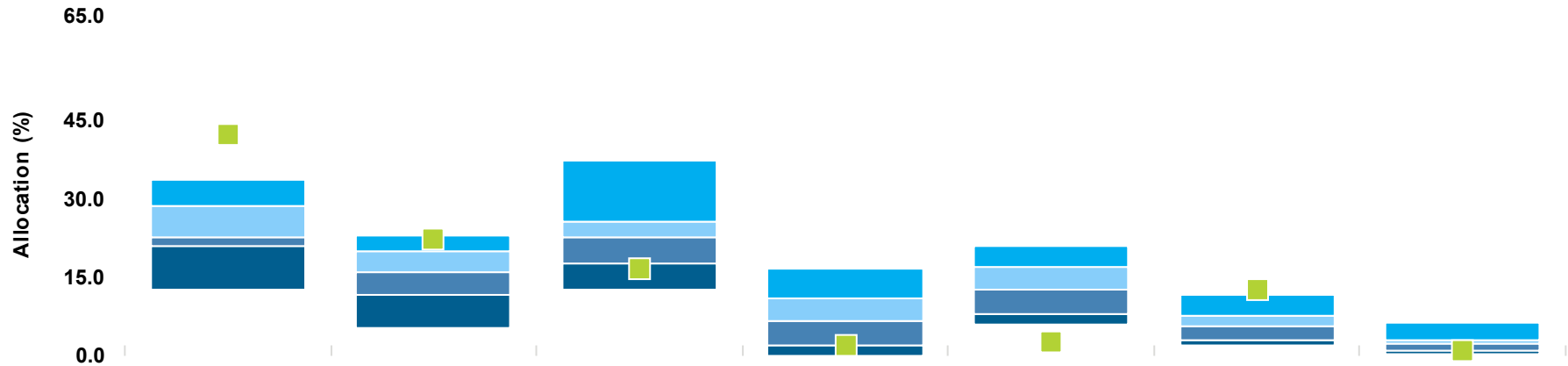
InvMetrics All Public DB Plans > \$10B Return Comparison As of June 30, 2026



	Q2 2026 (%)	Jan-Jun 2026 (%)	FY 2026 (%)	Last 3 Yrs (%)	Last 5 Yrs (%)
■ Total Fund	11.30 (1)	10.29 (1)	18.00 (5)	13.10 (12)	7.09 (48)
● Total Fund Benchmark	9.58 (3)	7.89 (13)	16.52 (12)	13.40 (10)	7.81 (23)
5th Percentile	9.24	8.92	17.88	14.46	8.91
1st Quartile	7.67	7.22	14.78	12.10	7.73
Median	6.78	6.63	13.74	10.88	7.02
3rd Quartile	6.08	5.95	11.80	9.87	5.87
95th Percentile	5.23	4.66	8.14	7.31	4.49
Population	32	32	32	32	31

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

InvMetrics All Public DB Plans > \$10B Allocation Comparison As of June 30, 2026



	US Equity	Global ex-US	Credit	Hedge Funds	Private Equity	Real Assets	Cash & Equivalents
■ Total Fund	42.22 (1)	22.39 (14)	16.83 (79)	2.13 (75)	2.76 (100)	12.75 (1)	0.93 (82)
5th Percentile	33.50	22.89	37.48	16.72	20.85	11.55	6.36
1st Quartile	28.71	19.93	25.57	10.91	17.12	7.59	2.98
Median	22.66	15.85	22.52	6.59	12.68	5.50	2.38
3rd Quartile	20.93	11.68	17.75	2.11	7.87	2.92	1.09
95th Percentile	12.72	5.21	12.79	0.06	5.94	1.85	0.40

Manager Meeting Update

Manager Meeting Update

Asset Class	Most Recent Meeting Date
Domestic Equity	
CastleArk All Cap Growth	<i>September 3, 2026</i>
CastleArk Large Cap Growth	<i>August 18, 2026</i>
William Blair Large Cap Growth	<i>July 16, 2026</i>
Stephens Mid Cap Growth	<i>June 23, 2026</i>
Stephens Small Cap Growth	<i>June 23, 2026</i>
Horrell Capital Passive	<i>June 2, 2026</i>
Boston Partners Large Cap Value	<i>August 13, 2026</i>
Wellington Research Value	<i>July 20, 2026</i>
LSV Small Cap Value	<i>March 17, 2026</i>
Froley Revy / SSI Convertibles	<i>July 28, 2026</i>
International Equity	
Acadian ACWI xUS xChina	<i>June 18, 2026</i>
Artisan International Value	<i>April 23, 2026</i>
Wellington Intl Growth ex-PRC	<i>July 7, 2026</i>
Hedge Funds	
BlackStone - APERS	<i>August 12, 2026</i>
Public Credit	
DoubleLine Core Plus	<i>August 27, 2026</i>
MacKay Shields Core Plus	<i>February 10, 2026</i>
PGIM Core Plus	<i>June 17, 2026</i>

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A PRESENTATION FROM STEPHENS CAPITAL MANAGEMENT

Arkansas PERS Private Markets Program

Second Quarter 2026 Update

Private Equity Program as of 3/31/26*

	Investment	Commitment	Paid in Capital	Cummulative Distribution	Total Value	TV/PI	IRR NET
APERS PE Program							
2024 Vintage	NB AR PERS FOO, LP	\$ 450,000,000.00	\$ 84,700,000.00	\$ -	\$ 103,800,000.00	1.2x	17%
2023 Vintage	HV Dover Street XI	\$ 400,000,000.00	\$ 220,000,000.00	\$ 33,021,709.00	\$ 285,968,533.00	1.3x	24%
2026 Vintage	HV PE FOO	\$ 100,000,000.00	\$ 9,899,540.00		\$ 10,546,317.00	NM	NM
TOTAL		\$ 950,000,000.00	\$ 314,599,540.00	\$ 33,021,709.00	\$ 400,314,850.00	1.25x	20%

The private equity platform continues to perform in-line with performance and pacing expectations.

NB AR PERS FOO is comprised of both primary and secondary strategies in the large and mid buyout space. The fund seeks to steadily deployment capital across multiple vintages to further improve diversification and sustainability.

Dover Street XI is a diverse secondary private equity strategy that has completed over 60 transactions split 50/50 between GP and LP led transactions representing over 2,000 portfolio companies held by 160 managers.

HV PE FOO has been initiated to create an ongoing and sustainable private equity program after the Dover Street investment period and will be partially funded with future distributions.

* Private Equity valuations provided by managers from previous quarter.

Source: MSCI/Burgiss, Stephens, Neuberger Berman, HarbourVest,

Private Credit Program as of 3/31/2026

Investment		Commitment	Paid in Capital	Cummulative Distribution	Total Value	TV/PI	IRR NET
APERS PC Program							
Evergreen	NB Eagle Debt	\$ 200,000,000.00	\$ 80,000,000.00		\$ 82,464,609.00		4%
2026 Vintage	HV PC FOO	\$ 585,000,000.00	\$ 88,000,000.00		\$ 89,561,691.00		NM
TOTAL		\$ 785,000,000.00	\$ 168,000,000.00	\$ -	\$ 172,026,300.00		4%

The private credit platform provides APERS with leading institutional private credit managers that deploy capital in both primary and secondary markets.

NB Eagle Debt is an evergreen private debt strategy that seeks to build a diversified, high-quality portfolio of private debt investments across stable businesses. The fund is performing well with a stable institutional client base and a levered gross cash yield of 11%.

HarbourVest APERS PC Fund is designed to invest in both primary and secondary private credit opportunities. The fund made an initial investment in the second half of 2025 and has added more primary investments in 1Q of 2026.

* Private Credit valuations provided by managers from previous quarter.

Source: MSCI/Burgiss, Stephens, Neuberger Berman, HarbourVest, Google Finance

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Arkansas Public Employees Retirement System

Preliminary Valuation Results

June 30, 2026

September 23, 2026 Board Meeting

Presented by: Mita D. Drazilov, ASA, FCA, MAAA

Heidi G. Barry, ASA, FCA, MAAA



Preliminary Results for the June 30, 2026 Actuarial Valuation

- Overview
- Participant Data
- Funding Value of Assets
- APERS Funded Ratio
- Preliminary Employer Contribution Rate
- Summary
- Appendix

Overview

- The purpose of the June 30, 2026 actuarial valuation is twofold:
 - Determine the employer contribution rate for the 12-month period beginning July 1, 2028
 - Determine the financial position of APERS (i.e., funded ratio) as of June 30, 2026
- The purpose of presenting the June 30, 2026 preliminary valuation results is twofold:
 - Presents the preliminary computed employer contribution rate based upon the “layered” amortization method for amortizing the Unfunded Actuarial Accrued Liability (UAAL)
 - Allows the Board to consider modifying the minimum employer contribution rate (i.e., 15.32% of payroll) and/or adopt a maximum employer contribution rate in accordance with the Board’s Funding Policy

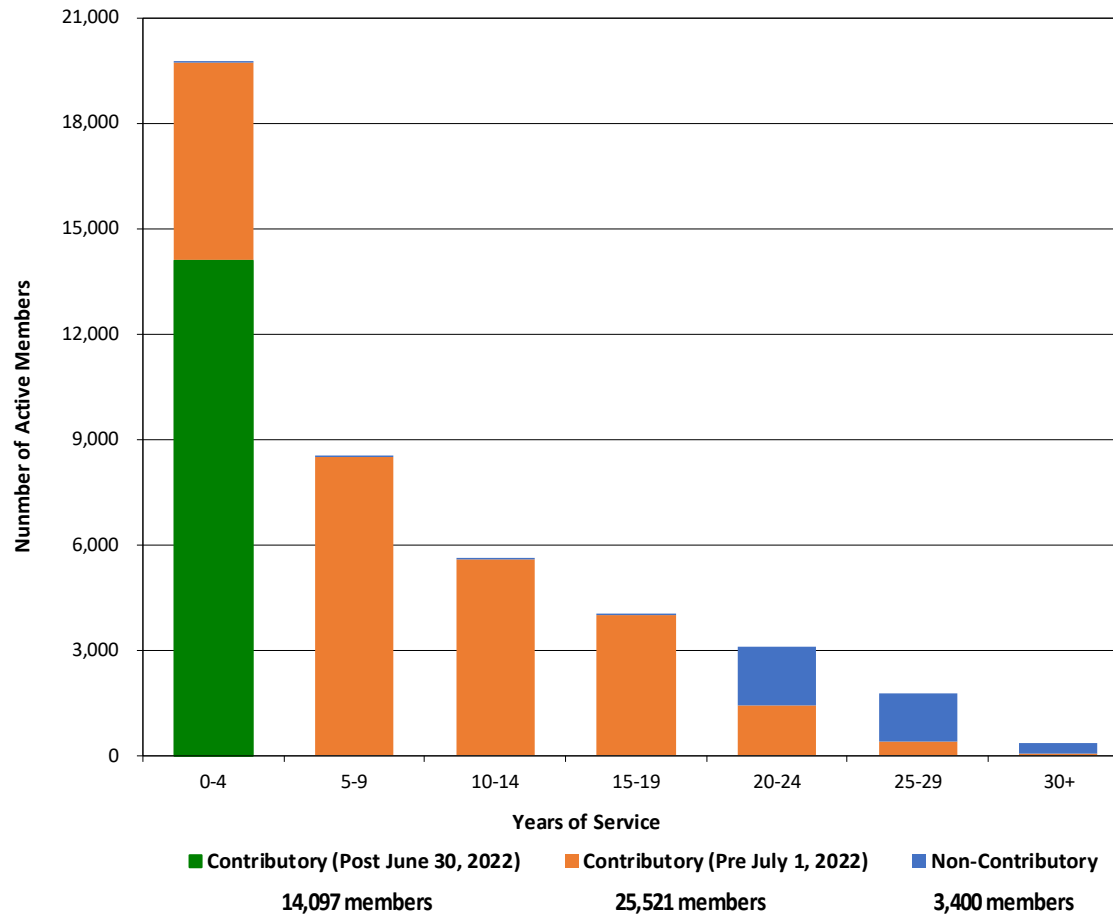
Participant Data

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
6/30/17	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%
6/30/26	43,018	2,357.5	54,802	8.0%	43,845	1.0	790.3	33.5%

Participant Data (Continued)

- There are 39,618 members who participate in the New Contributory Plan
 - This total includes members who have made an election to participate in the New Contributory Plan
 - Member contribution rate for the 12-month period beginning July 1, 2028 will be 6.75% of payroll
 - There are 25,521 members hired prior to July 1, 2022 and 14,097 members hired on or after July 1, 2022
 - Members hired on or after July 1, 2022 have different benefit provisions for FAC and COLAs
- There are 3,400 members who participate in the Non-Contributory Plan
- There are an additional 1,445 members with a \$100 million payroll who participate in the DROP plan (not included in active counts above)
 - Employers will make contributions on the pay of these DROP participants

Participant Data (Concluded) – Distribution of Active Members by Years of Service



Development of Funding Value of Assets

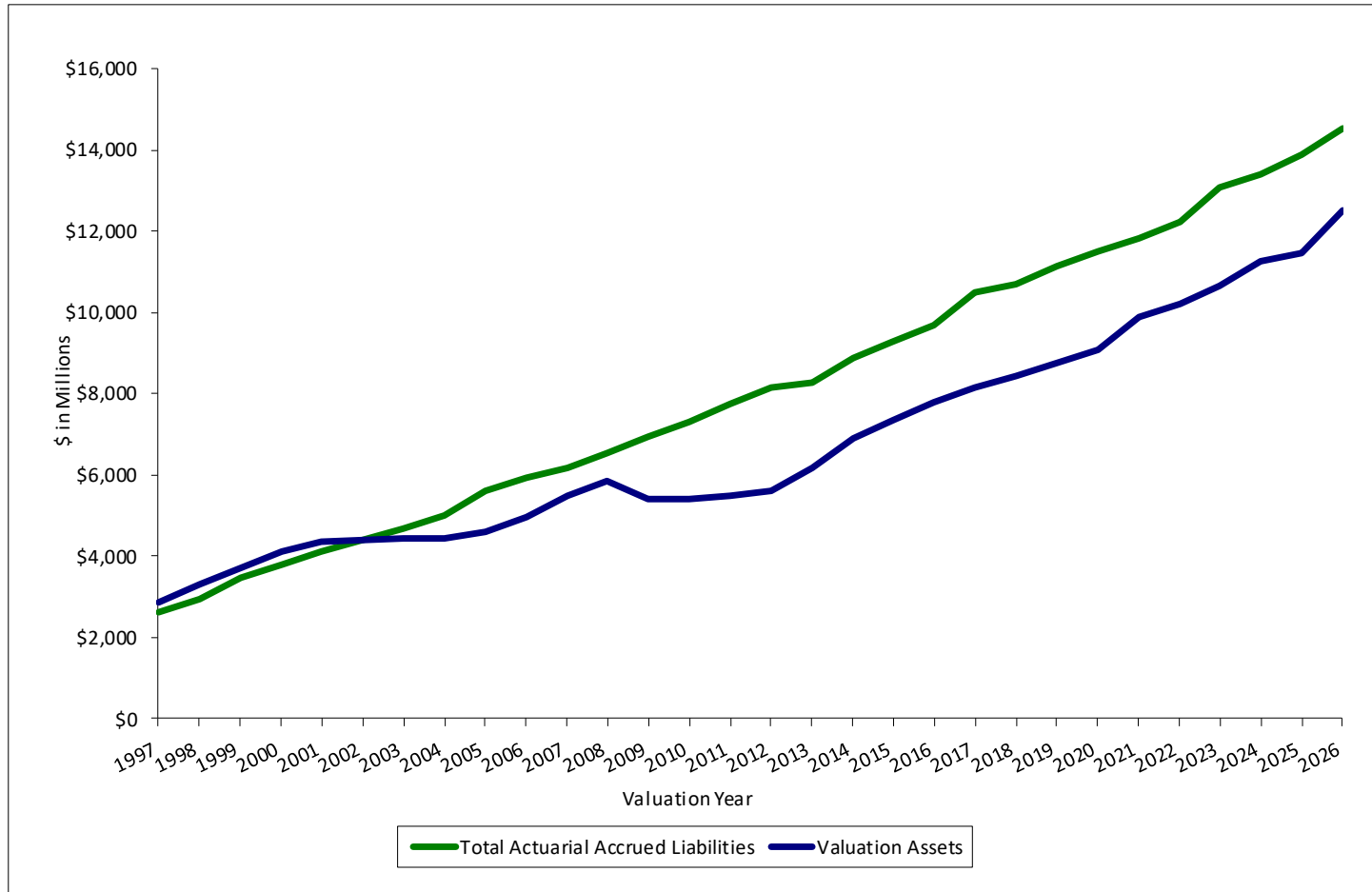
Valuation Date June 30:	2026
A. Funding Value Beginning of Year	\$ 11,463,514,414
B. Market Value End of Year	13,669,628,641
C. Market Value Beginning of Year	11,897,331,205
D. Non-Investment Net Cash Flow	(253,971,822)
E. Investment Income	
E1. Market Total: B - C - D	2,026,269,258
E2. Assumed Rate	7.00%
E3. Amount for Immediate Recognition	\$ 793,657,224
E4. Amount for Phased-In Recognition	1,232,612,034
F. Phased-In Recognition of Investment Income	
F1. Current Year: 0.25 x E4	308,153,009
F2. First Prior Year	92,269,439
F3. Second Prior Year	67,874,559
F4. Third Prior Year	21,259,354
F5. Total Phase-Ins	489,556,361
G. Preliminary Funding Value End of Year: A + D + E3 + F5	\$ 12,492,756,177
H. Adjustment to Minimum of 75% of B, Maximum 125% of B	-
I. Funding Value End of Year	\$ 12,492,756,177
J. Difference Between Market & Funding Value	1,176,872,464
K. Recognized Rate of Return	11.3%
L. Market Rate of Return	17.2%
M. Ratio of Funding Value to Market Value	91%

- Funding Value of Assets (FVA) as of June 30, 2025 was \$11,463.5M (row A)
- Non-Investment net cash flow (i.e., dollars in less dollars out) for the System during the calendar year was -\$254.0M (row D)
- The System earned \$2,026.3M (row E1) in investment income during the year versus \$793.7M (row E3) expected
- This additional investment income of \$1,232.6M (row E4) is then recognized in the FVA over the next 4 years
- 25% of the current year's investment income above expectations and 25% of the prior 3 years' unrecognized investment income (totaling 489.6M; row F5) are then recognized in the June 30, 2026 FVA
- The sum of the above (rows A+D+E3+F5) equals the Preliminary FVA (row G). The 25% corridor is then applied, if necessary, resulting in the final June 30, 2026 FVA equal to \$12,492.8M (row I)
- As of June 30, 2026, the FVA Value of Assets is 9% lower than the Market Value of Assets (MVA) (row M)

APERS Funded Ratio

- Funding value of assets total \$12.49B
- Actuarial accrued liabilities total \$14.51B
- Unfunded actuarial accrued liabilities total \$2.02B
- The APERS funded ratio on a funding value of assets basis is 86%
 - On a market value of assets basis, the funded ratio is 94%
- The funded ratios were 83% and 86%, respectively, in the previous valuation

APERS Funded Ratio (Concluded)



Preliminary Employer Contribution Rate

Contribution for	Contributions Expressed as %'s of Active Payroll for Fiscal Year Beginning July 1, 2028				Total
	Non-Contributory	Contributory Hired before July 1, 2022	Contributory Hired on or after July 1, 2022	DROP	
Normal Cost:					
Age and service annuities (including DROP and reduced retirement)					8.64%
Separation benefits					2.75%
Disability benefits					0.55%
Death-in-service annuities					0.18%
Administrative expenses					0.40%
Total	9.97%	13.33%	11.93%	9.85%	12.52%
Member contributions	0.00%	6.75%	6.75%	0.00%	5.83%
Employer Normal Cost	9.97%	6.58%	5.18%	9.85%	6.69%
Unfunded Actuarial Accrued Liabilities					6.45% *
Preliminary Computed Employer Contribution Rate					13.14%

- The preliminary computed employer contribution rate presented on this slide (i.e., 13.14% of payroll) is before the application of the Board adopted minimum employer contribution rate (15.32%).
- The normal cost portion of the computed employer contribution rate (i.e., 6.69% of payroll) is the employer cost of the active membership accruing an additional year of service credit.
- The amortization payment portion of the computed employer contribution to finance the unfunded actuarial accrued liabilities (i.e., 6.45% of payroll) is based upon the “layered” amortization method in conjunction with the Board’s adopted funding policy.

* The unfunded actuarial accrued liability and total payroll is projected to the end of Fiscal Year 2028 when determining the unfunded amortization rate. Unfunded actuarial accrued liabilities were amortized over multiple amortization periods as shown on the following slide.

Layered Amortization

Source of Unfunded Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability		6/30/2028 UAAL Amount	Remaining Period Beginning 7/1/2028	Amortization Factor	FY 2029 Contribution as a % of Payroll		
	Initial							
	Amount	Financing Period						
Initial Unfunded Actuarial Accrued Liability.								
	\$	2,237,467,492	N/A	\$	2,068,128,896	14 yrs.	10.846548	6.95%
Changes from experience deviations.								
6/30/2024		(260,752,119)	20		(300,334,551)	18	13.073156	(0.84)%
6/30/2025		308,494,558	20		351,952,892	19	13.581905	0.94%
6/30/2026		(373,562,260)	20		(478,530,976)	20	14.072825	(1.24)%
Changes from actuarial assumptions and actuarial cost method revisions.								
6/30/2023		192,713,806	20		216,500,983	17	12.545929	0.63%
Changes from amendments to benefit provisions.								
6/30/2025		712,609	5		685,707	4	3.669068	0.01%
Totals				\$	1,858,402,951			6.45%

Summary

- The preliminary computed employer contribution rate for the 12-month period beginning July 1, 2028 is 13.14% of payroll
- In conjunction with the Board's adopted funding policy, the Board may wish to modify the minimum employer contribution rate (i.e., 15.32% of payroll)
 - The Board may or may not do this at this meeting
- The final employer contribution rate for the 12-month period beginning July 1, 2028 will be adopted by the Board at the December Board meeting

District Judges

- New Plan
 - Cost sharing arrangement
 - Once the District Judges New Plan and Paid-Off Old Plan achieve a funded ratio of 100% or greater, the UAAL contribution for this portion of District Judges will become part of the APERS overall contribution rate
 - In the June 30, 2025 valuation, the amortization period was 1.6 years beginning July 1, 2027
 - We recommend that the Board adopt the use of an amortization period of 1 year beginning July 1, 2028

A man in a dark suit and blue patterned tie is pointing his right index finger directly at the viewer. He is holding a dark folder or book under his left arm. The background is blurred, showing other people in a professional setting.

THANK YOU

QUESTIONS

Appendix

Board Adopted Funding Policy (Highlights)

- The Board adopted changes to the Funding Policy at the February 2023 Board meeting
- Amortization Method
 - Beginning with the 2023 annual actuarial valuation, once APERS reaches a 20-year amortization period, the amortization period will remain closed and the remaining UAAL will be amortized over that period
 - Each year, changes in the UAAL due to actuarial gains or losses or from changes to the actuarial assumptions will be amortized over a closed 20-year period
 - 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
 - The maximum amortization period to finance the total UAAL shall not exceed 30 years
- Funding Target and Computed Employer Contributions
 - The target funded ratio is 100%
 - The Board has the discretion to establish, change or remove an employer minimum contribution rate and an employer maximum contribution rate

Disclaimers

- This presentation is intended to be used in conjunction with the June 30, 2026 actuarial valuation report. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- This presentation should not be relied on for any purpose other than the purpose described in the presentation.
- 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.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- Readers are cautioned to examine original source materials and to consult with subject matter experts before making decisions related to the subject matter of this presentation.
- This presentation expresses the views of the authors and does not necessarily express the views of Gabriel, Roeder, Smith & Company.



September 1, 2026

Ms. Amy Fecher, Executive Director
Arkansas Public Employees Retirement System
One Union National Plaza
124 West Capitol Avenue, Suite 400
Little Rock, Arkansas 72201

Re: Actuarial Analysis of Proposed Benefit Changes - Supplemental Valuation

Dear Ms. Fecher:

As requested, enclosed are the results of a supplemental actuarial valuation related to proposed benefit changes for the Arkansas Public Employees Retirement System.

Please let us know if you have any questions or comments.

Sincerely,
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Mita Drazilov". The signature is written in a cursive, flowing style.

Mita D. Drazilov, ASA, FCA, MAAA

A handwritten signature in black ink that reads "Heidi G. Barry". The signature is written in a cursive, flowing style.

Heidi G. Barry, ASA, FCA, MAAA

MDD/HGB:sc
Enclosure

Arkansas Public Employees Retirement System
Supplemental Actuarial Valuation
as of June 30, 2025
Supplemental Valuation

Requested By: Ms. Amy Fecher, Executive Director
Arkansas Public Employees Retirement System

Date: September 1, 2026

Submitted By: Mita D. Drazilov, ASA, FCA, MAAA and Heidi G. Barry, ASA, FCA, MAAA
Gabriel, Roeder, Smith & Company

This report presents the results of an actuarial valuation of proposed benefit changes for members of the Arkansas Public Employees Retirement System (APERS) hired on or after July 1, 2027. 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.

The date of the valuation was June 30, 2025. This means that the results of the supplemental valuation indicate what the June 30, 2025 valuation would have shown if the proposed benefit changes had been in effect on that date. Supplemental valuations do **not** predict the result of future actuarial valuations. Rather, supplemental valuations give an indication of the probable long-term cost of the **benefit changes only** without comment on the complete end result of the future valuations.

Actuarial assumptions and methods were consistent with those used in the regular actuarial valuation of the Retirement System on the valuation date, unless otherwise noted. Actuarial assumptions are adopted by the Retirement Board of Trustees. In particular, the assumed rate of investment return was 7.0% and payroll was assumed to increase 3.25% per year.

A brief summary of the data used for purposes of the study as of June 30, 2025 is presented below:

Group	Number	Covered Payroll	Average in Years	
			Age	Service
Contributory Members Hired on or After July 1, 2022	12,077	\$ 492,179,290	36.2 yrs.	1.3 yrs.

It is our understanding that benefits for current active, DROP, inactive and retired members would not be affected by the proposed benefit change. They were excluded from this study.

Arkansas Public Employees Retirement System
Supplemental Actuarial Valuation
as of June 30, 2025
Supplemental Valuation

Contributory Plan Members Hired on or After July 1, 2027

Present Provisions – Normal Retirement Eligibility:

Age 65 with 5 years of actual service, or 28 years of credited service, regardless of age.

Proposed Provisions– Normal Retirement Eligibility:

Age 66 with 5 years of actual service, or 28 years of credited service, regardless of age.

Actuarial Information: Changes due to the proposed pension benefit changes would have no effect on the current pension benefit obligation or current employer contributions for the active members covered under the Arkansas Public Employees Retirement System as of June 30, 2025.

However, the estimated long-term decrease in employer costs (the decrease in Employer Normal Cost) as a result of the proposed change is summarized below:

Increase in Employer Contribution Rate	% of Affected Payroll
Normal Cost	(0.19)%
UAAL* (15-year amortization)	0.00%
Total	(0.19)%

* *Unfunded Actuarial Accrued Liability.*

Notes:

The Normal Cost of the System is expected to decrease over time as new members are hired into the System.

Probabilities of retirement were adjusted in connection with the proposal. Future changes in hiring, termination or retirement patterns could affect the amount of the ultimate decrease in contributions as well as the time period over which it will emerge. See comment 8 on page 6 for the revised rates of retirement.

Arkansas Public Employees Retirement System
Supplemental Actuarial Valuation
as of June 30, 2025
Supplemental Valuation

Contributory Plan Members Hired on or After July 1, 2027

Present Provisions – Normal Retirement Eligibility:

Age 65 with 5 years of actual service, or 28 years of credited service, regardless of age.

Proposed Provisions– Normal Retirement Eligibility:

Age 67 with 5 years of actual service, or 28 years of credited service, regardless of age.

Actuarial Information: Changes due to the proposed pension benefit changes would have no effect on the current pension benefit obligation or current employer contributions for the active members covered under the Arkansas Public Employees Retirement System as of June 30, 2025.

However, the estimated long-term decrease in employer costs (the decrease in Employer Normal Cost) as a result of the proposed change is summarized below:

Increase in Employer Contribution Rate	% of Affected Payroll
Normal Cost	(0.41)%
UAAL* (15-year amortization)	0.00%
Total	(0.41)%

* *Unfunded Actuarial Accrued Liability.*

Notes:

The Normal Cost of the System is expected to decrease over time as new members are hired into the System.

Probabilities of retirement were adjusted in connection with the proposal. Future changes in hiring, termination or retirement patterns could affect the amount of the ultimate decrease in contributions as well as the time period over which it will emerge. See comment 8 on page 6 for the revised rates of retirement.

Arkansas Public Employees Retirement System
Supplemental Actuarial Valuation
as of June 30, 2025
Supplemental Valuation

Contributory Plan Members Hired on or After July 1, 2027

Present Provisions – Normal Retirement Eligibility:

Age 65 with 5 years of actual service, or 28 years of credited service, regardless of age.

Proposed Provisions– Normal Retirement Eligibility:

Age 68 with 5 years of actual service, or 28 years of credited service, regardless of age.

Actuarial Information: Changes due to the proposed pension benefit changes would have no effect on the current pension benefit obligation or current employer contributions for the active members covered under the Arkansas Public Employees Retirement System as of June 30, 2025.

However, the estimated long-term decrease in employer costs (the decrease in Employer Normal Cost) as a result of the proposed change is summarized below:

Increase in Employer Contribution Rate	% of Affected Payroll
Normal Cost	(0.59)%
UAAL* (15-year amortization)	0.00%
Total	(0.59)%

* *Unfunded Actuarial Accrued Liability.*

Notes:

The Normal Cost of the System is expected to decrease over time as new members are hired into the System.

Probabilities of retirement were adjusted in connection with the proposal. Future changes in hiring, termination or retirement patterns could affect the amount of the ultimate decrease in contributions as well as the time period over which it will emerge. See comment 8 on page 6 for the revised rates of retirement.

Arkansas Public Employees Retirement System
Supplemental Actuarial Valuation
as of June 30, 2025
Supplemental Valuation

Additional Comments

Comment 1 — The figures shown on the prior page are based on the June 30, 2025 actuarial valuation. Please remember that with this change, if adopted with an effective date of July 1, 2027, experience would begin to emerge in the June 30, 2028 valuation. That valuation will likely be completed in the fall of 2028, and is based on member data as of June 30, 2028. Experience will emerge over time as newly hired members enter the System and replace current active members.

Comment 2 — The calculations are based upon assumptions regarding future events, which may or may not materialize. They are also based upon present and proposed plan provisions that are outlined in this report. If you have reason to believe that the assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described, or that conditions have changed since the calculations were made, you should contact the authors of this report prior to relying on information in this report.

Comment 3 — If you have reason to believe that the information provided in this report is inaccurate, or is in any way incomplete, or if you need further information in order to make an informed decision on the subject matter of this report, please contact the authors of this report prior to making such decision.

Comment 4 — This report is intended to describe the financial effect of the proposed plan change. No statement in this report is intended to be interpreted as a recommendation in favor of the change, or in opposition to it.

Comment 5 — In the event that more than one plan change is being considered, it is very important to remember that the results of separate actuarial valuations cannot generally be added together to produce a correct estimate of the combined effect of all of the changes. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions with each other, and with the assumptions that must be used.

Comment 6 — This report is intended to describe the financial effect of the proposed plan change on the Retirement System. Except as otherwise noted, potential effects on other benefit plans were not considered.

Comment 7 — The reader of this report should keep in mind that actuarial calculations are mathematical estimates based on current data and assumptions about future events (which may or may not materialize). Please note that actuarial calculations can and do vary from one valuation year to the next, sometimes significantly if the group valued is very small (less than 30 lives). As a result, the cost impact of a benefit change may fluctuate over time, as the demographics of the group changes.

Arkansas Public Employees Retirement System
Supplemental Actuarial Valuation
as of June 30, 2025
Supplemental Valuation

Additional Comments (Concluded)

Comment 8 — The rates of age-based normal retirement used in this supplemental valuation are shown below:

Retirement Ages (with less than 28 years of service)	Percent of Eligible Active Members					
	Unreduced	Reduced	Unreduced	Reduced	Unreduced	Reduced
	66 & 5	55 & 5	67 & 5	55 & 5	68 & 5	55 & 5
55		2.0 %		1.5 %		1.0 %
56		2.0		1.5		1.0
57		2.5		2.0		1.5
58		2.5		2.0		1.5
59		3.5		3.0		2.5
60		3.5		3.0		2.5
61		5.0		4.5		4.0
62		5.0		4.5		4.0
63		18.0		5.5		5.0
64		17.0		18.0		5.0
65		14.0		17.0		18.0
66	30.0 %			14.0		17.0
67	26.0		35.0 %			14.0
68	24.0		28.0		40.0 %	
69	20.0		25.0		35.0	
70	20.0		22.0		30.0	
71	18.0		18.0		18.0	
72	18.0		18.0		18.0	
73	18.0		18.0		18.0	
74-84	20.0		20.0		20.0	
85 & Over	100.0		100.0		100.0	

Comment 9 — This report was 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.



Quarterly Board Meeting
Statement of Fiduciary Net Position as of (June 30, 2026)

	<u>6/30/2026</u>	<u>6/30/2025</u>
ASSETS		
Cash and Cash Equivalents	\$ 42,250,766	\$ 38,309,173
Receivables		
Dec 2004 Actuarial Liability Receivable	3,543,008	3,774,742
Contributions Receivable	4,760,783	5,910,140
Overpayment Receivable	820,404	689,296
Allowance for Doubtful Accounts	(951,800)	(804,201)
Total Receivables	<u>8,172,396</u>	<u>9,569,977</u>
Investments at Fair Value		
Investment Assets	13,677,921,816	11,909,126,055
Securities Lending Collateral	837,088,170	701,220,578
Total Investments	<u>14,515,009,986</u>	<u>12,610,346,633</u>
Fixed Assets (Net)	4,365,250	6,081,286
Prepays and Other Assets	494,828	606,403
TOTAL ASSETS	<u>14,570,293,227</u>	<u>12,664,913,472</u>
LIABILITIES		
Securities Lending Liability	837,121,446	701,810,369
Accrued Expense and Other Liabilities	27,514,883	26,982,077
Other Post Employment Benefits	3,972,553	4,092,786
TOTAL LIABILITIES	<u>868,608,882</u>	<u>732,885,231</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 13,701,684,345</u>	<u>\$ 11,932,028,241</u>

Preliminary Unaudited 6/30/26



Quarterly Board Meeting

Statement of Changes in Fiduciary Net Position for the Period Ending (June 30, 2026)

	6/30/2026	6/30/2025
ADDITIONS		
Contributions		
Employer	\$ 392,119,133	\$ 367,602,599
Employee	136,168,880	114,383,954
Total Contributions	528,288,013	481,986,553
Investment Income		
Investment Income	2,138,950,316	1,246,359,876
Less: Investment Expense	(114,592,084)	(97,008,514)
Net Investment Income	2,024,358,232	1,149,351,362
Other Additions		
Transfers from Teachers Retirement System	2,490,808	2,771,075
Miscellaneous Additions	460,204	771,589
Miscellaneous Administrative Transfers	294,428	285,772
Total Other Additions	3,245,440	3,828,436
TOTAL ADDITIONS	2,555,891,685	1,635,166,351
DEDUCTIONS		
Benefits	749,349,531	713,837,982
Refund of Contributions	22,321,102	20,712,396
Administrative Expense	14,607,105	13,486,135
TOTAL DEDUCTIONS	786,277,738	748,036,514
NET INCREASE/(DECREASE)	1,769,613,948	887,129,837
ADJUSTMENTS		
Actuarial Adjustment to DJ Unfunded Liability	42,157	(59,077)
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of Year	11,932,028,241	11,044,957,481
End of 4th Quarter	\$ 13,701,684,345	\$ 11,932,028,241
TOTAL NUMBER OF PAYEES		
Beneficiaries	1,982	1,929
Survivors	1,320	1,292
Retirees	38,882	38,340
TOTAL PAYEES	42,184	41,561

Preliminary Unaudited 6/30/26



Quarterly Board Meeting
September 23, 2026
Legal Report

ADMINISTRATIVE MEMBER APPEALS

In Re Oren Noble - Resolved

APPEAL TO CIRCUIT COURT FROM ADMINISTRATIVE MEMBER APPEAL - LITIGATION

Hon. Raymond R. Abramson v. APERS et al, 48CV-23-98

On December 6, 2023, Raymond Abramson filed a petition for judicial review (appeal) from the board's decision that upheld the Executive Director's determination to deny adding non APERS-covered employment to the member's APERS record. APERS is represented by the Office of the Attorney General. Judge Daniel Brock of the 17th Judicial Circuit is assigned to the case. The board and the executive director were removed as defendants from the case in their individual capacity by order of the judge dated July 31, 2025. A hearing was held October 29, 2025, before Judge Brock to present oral arguments in support of APERS Motion to Dismiss. **Awaiting a ruling from the judge** (no change from previous board meeting).

RULES PROMULGATION

None

SECURITIES LITIGATION CASES

Company name	Case Caption	Important Dates	Case Status	Firm	Update
Seagate	<i>In re Seagate Technology Holdings plc Securities Litigation, No. 3:23-cv-03431 (N.D. Cal.)</i>	10/19/2023 5/12/2025 11/5/2025 5/29/2026	Lead Plaintiff Granted Order for case to proceed Mediation SETTLEMENT (non-public pending court approval of motion)	BLBG	Discovery phase Parties are reviewing Preliminary approval of final settlement
Seagate	<i>Seagate, cont.</i>	11/17/2026	Hearing FINAL APPROVAL of settlement	BLBG	



Quarterly Board Meeting
September 23, 2026

Legal Report

Five Below	<i>In re Five Below, Inc. Securities Litigation, No. 2:24-cv-03638 (E.D. Pa.)</i>	09/16/2024 10/28/2024 01/13/2025 8/25/2025-10/2026	Lead Plaintiff - Granted Joint lead plaintiff status ATRS (Labaton) Amended Complaint Discovery phase extension to October	Berger Montague	Motion to Dismiss granted in part; discovery commenced Discovery phase
The Trade Desk, Inc.	<i>In re The Trade Desk, Securities Litigation, No. 2:25-cv-01396-CAS-DFM (C.D. Cal.)</i>	04/21/2025 8/15/2025 10/14/2025 12/12/2026 3/17/2026	Lead Plaintiff - Granted Joint lead plaintiff status with MissPERS (BLBG) Consolidated complaint filed Defendant's Motion to Dismiss filed APERS Response to Motion to Dismiss Defendant's Motion to Dismiss denied	Cohen Milstein	Initial filings Discovery phase
Sportradar	<i>In re Sportrader, Securities Litigation, No. 1:26-cv-04112-GHW (S.D.N.Y)</i>	08/10/2026	Lead Plaintiff - Granted	Kessler Topaz	Discovery phase



Quarterly Board Meeting
September 23, 2026

Survey on Other States' Public Pension Plan Legislation to Collect Delinquent Employer Contributions

As requested at the June board meeting, the legal staff has researched rules and laws used by other state public pension systems to collect delinquent employer contributions. Staff conducted an informal nationwide survey of state public pension plans and received 15 responses. The procedures and laws are attached to this report.

The survey indicates that public pension plans use a range of statutory collection tools, with the imposition of interest and penalties, interception of public funds, and judicial collection being the most common enforcement mechanisms among the responding systems. The following collection and enforcement methods are summarized:

- **Interest and penalties:** Like APERS, five of the responding systems are authorized to charge interest and penalties to employers who are delinquent in remitting employer contributions to the system. ATRS allows the board to waive both.
- **Intercept of appropriated or allocated funds:** Also, like APERS, eight of the responding systems have statutory authority to intercept funds appropriated by the State or other funding source for use by the delinquent employer.
- **Judicial collection:** Of the seven systems authorized to intercept funds due to the employer, four are also specifically authorized to seek a court judgment to recover delinquent contributions. One system reported that it may proceed directly to court to pursue collection.
- **Administrative sanctions:** Two systems reported having statutory authority to impose additional, more robust, enforcement measures while the employer remains delinquent, including:
 - suspension of employees' accrual of service credit;
 - suspension of refunds and benefit payments; and
 - termination of an employer's participation in the system.¹
- **Prohibition against bankruptcy:** Participating municipal employers in one system are prohibited from filing for bankruptcy until full payment of delinquent employer contributions.
- **Absence of authority:** Two systems reported that they have no specific statutory authority to collect delinquent employer contributions.

¹ For context, participation in this particular public pension system is *voluntary*.

Laws and Policies Regarding Collection of Delinquent Employer Contributions in Other State Retirement Systems

1. Arkansas Teacher Retirement System

Ark. Code Ann. §§ 24-7-205 and 24-7-506 — Collection in any manner provided by law

Ark. Code Ann. § 24-7-411 — Board waiver of penalties and interest

Ark. Code Ann. § 24-7-411 — Deduction from covered employer's operating funds through the Department of Education

Ark. Code Ann. § 19-20-106 — Certification to Chief Fiscal Office of the State to receive payment from the State Treasury

2. Baton Rouge Municipal Police Employees' Retirement System

Baton Rouge Municipal Police Employees' Retirement System formerly enacted an "offset" statute, similar to APERS, but that law has since been repealed.

3. Chicago Teachers' Pension Fund

40 ILCS 5/17-132

(b) . . . An Employer in possession of member contributions deducted from payroll checks is holding Fund assets, and thus becomes a fiduciary over those assets.

(e) . . . The Board is also authorized to collect delinquent contributions from charter schools and contract schools and develop procedures for the collection of such delinquencies. Collection procedures may include legal proceedings in the courts of the State of Illinois. Expenses, including reasonable attorneys' fees, incurred in the collection of delinquent contributions may be assessed by the Board against the charter school or contract school.

4. Employees Retirement System of the City of St. Louis

Revised Code of the City of St. Louis § 4.6.080(A)

Each employer shall, on account of its employees who are members of the retirement system, pay annually into the fund an amount equal to a certain percentage of the compensation of the employees to be known as the "normal contribution" for the employer and an additional amount equal to a percentage of the compensation of the employees to be known as the "unfunded accrued liability contribution."

5. Illinois Municipal Retirement Fund

40 ILCS 5/7-172.1

(a) If any participating municipality or participating instrumentality fails to transmit to the Fund contributions required of it under this Article or contributions collected by it from its

participating employees for the purposes of this Article for more than 60 days after the payment of such contributions is due, the Fund, after giving notice to such municipality or instrumentality, may certify to the State Comptroller the amounts of such delinquent payments in accordance with any applicable rules of the Comptroller, and the Comptroller shall deduct the amounts so certified or any part thereof from any payments of State funds to the municipality or instrumentality involved and shall remit the amount so deducted to the Fund. If State funds from which such deductions may be made are not available, the Fund may proceed against the municipality or instrumentality to recover the amounts of such delinquent payments in the appropriate circuit court.

(b) If any participating municipality fails to transmit to the Fund contributions required of it under this Article or contributions collected by it from its participating employees for the purposes of this Article for more than 60 days after the payment of such contributions is due, the Fund, after giving notice to such municipality, may certify the fact of such delinquent payment to the county treasurer of the county in which such municipality is located, who shall thereafter remit the amounts collected from the tax levied by the municipality under Section 7-171 directly to the Fund.

(c) If reports furnished to the Fund by the municipality or instrumentality involved are inadequate for the computation of the amounts of such delinquent payments, the Fund may provide for such audit of the records of the municipality or instrumentality as may be required to establish the amounts of such delinquent payments. The municipality or instrumentality shall make its records available to the Fund for the purpose of such audit. The cost of such audit shall be added to the amount of the delinquent payments and shall be recovered by the Fund from the municipality or instrumentality at the same time and in the same manner as the delinquent payments are recovered.

6. Kansas Public Employees' Retirement System

Kan. Stat. Ann. § 74-4920(16)

Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under K.S.A. [16-204\(a\)](#), and amendments thereto. At the request of the board, delinquent payments that are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

7. Kentucky Public Pensions Authority

Ky.Rev.Stat.Ann. 66.400(2)(c)

No municipality may file for bankruptcy protection under the United States Bankruptcy Code if it is in default or is delinquent in the payment of contributions due under KRS 78.510 to 78.852.

Ky.Rev.Stat.Ann. 61.675 – Kentucky Employees Retirement System

(4) If a nonhazardous employer in the Kentucky Employees Retirement System is delinquent in paying the employer contributions required by KRS 61.565 for a period of ninety (90) days or more for those contributions payable on or after July 1, 2021, or if an employer who voluntarily ceases participation in the Kentucky Employees Retirement System as provided by KRS 61.522(8) elects to pay off the costs of ceasing participation by installment payments as provided by KRS 61.522(8)(g) and subsequently is delinquent in making installment payments for a period of ninety (90) days or more:

(a) Employees of the employer who are participating in the system or who are continuing to participate in the system after the employer's effective cessation date as provided by KRS 61.522(8)(d)2. shall not accrue any additional service credit or benefits in the system through the employer or ceasing employer until such time as the employer has satisfied the required employer contributions or installment payments to the system;

(b) The board may file an action in the Franklin Circuit Court to collect any delinquent employer contributions or installment payments owed by the employer and to attach so much of the general fund appropriations of the delinquent employer as is necessary to achieve full compliance with the provisions of KRS 61.522(8) or 61.565;

(c) The systems shall notify the Finance and Administration Cabinet, and the Finance and Administration Cabinet may withhold or intercept from the employer or ceasing employer a sufficient portion of any appropriated state funds not yet disbursed to the employer or ceasing employer to satisfy the required employer contributions or installment payments to the system.

Ky.Rev.Stat.Ann. 78.625 – County Police and County Employees Retirement System

(3)(b) Delinquent contributions, with interest at the rate adopted by the board compounded annually, or penalties may be recovered by action in the Franklin Circuit Court against the county liable or may, at the request of the board, be deducted from any other moneys payable to the county by any department or agency of the state.

(4) If an agency is delinquent in the payment of contributions due in accordance with any of the provisions of KRS 78.510 to 78.852, refunds and retirement allowance payments to members of this agency may be suspended until the delinquent contributions, with interest at the rate adopted by the board compounded annually, or penalties have been paid to the system.

8. Minnesota Public Employees Retirement Association

Minn. Stat. § 353.27, subd. 12

(a) In the case of omission of required deductions for the general employees retirement plan, the public employees police and fire retirement plan, or the local government correctional employees retirement plan from the salary of an employee, the department head or designee shall immediately, upon discovery, report the employee for membership and deduct the employee deductions under subdivision 4 during the current pay period or during the pay period immediately following the discovery of the omission. Payment for the omitted obligations may only be made in accordance with reporting procedures and methods established by the executive director.

(b) When the entire omission period of an employee does not exceed 60 days, the governmental subdivision may report and submit payment of the omitted employee deductions and the omitted employer contributions through the reporting processes under subdivision 4.

(c) When the omission period of an employee exceeds 60 days, the governmental subdivision shall furnish to the association sufficient data and documentation upon which the obligation for omitted employee and employer contributions can be calculated. The omitted employee deductions must be deducted from the employee's subsequent salary payment or payments and remitted to the association for deposit in the applicable retirement fund. The employee shall pay omitted employee deductions due for the 60 days prior to the end of the last pay period in the omission period during which salary was earned. The employer shall pay any remaining omitted employee deductions and any omitted employer contributions, plus interest at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, from the date or dates each omitted employee contribution was first payable.

(d) An employer shall not hold an employee liable for omitted employee deductions beyond the pay period dates under paragraph (c), nor attempt to recover from the employee those employee deductions paid by the employer on behalf of the employee. Omitted deductions due under paragraph (c) which are not paid by the employee constitute a liability of the employer that failed to deduct the omitted deductions from the employee's salary. The employer shall make payment with interest at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually. Omitted employee deductions are no longer due if an employee terminates public service before making payment of omitted employee deductions to the association, but the employer remains liable to pay omitted employer contributions plus interest at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, from the date the contributions were first payable.

(e) The association may not commence action for the recovery of omitted employee deductions and employer contributions after the expiration of three calendar years after the calendar year in which the contributions and deductions were omitted. Except as provided under paragraph (b), no payment may be made or accepted unless the association has

already commenced action for recovery of omitted deductions. An action for recovery commences on the date of the mailing of any written correspondence from the association requesting information from the governmental subdivision upon which to determine whether or not omitted deductions occurred.

9. School Employees Retirement System of Ohio

Ohio R.C. 33093.51(C)

Where an employer fails or has failed or refuses to make payments to the employers' trust fund, as provided for under Chapter 3309. of the Revised Code, or fails to pay any penalty imposed under section 3309.571 of the Revised Code the secretary of the school employees retirement system may certify to the department, monthly or at such times as is determined by the school employees retirement board, the amount due from such employer, and the department shall deduct from the amount allocated to the employer under Chapter 3317. of the Revised Code, the entire amounts due to the system from the employer upon the certification to the department by the secretary of the school employees retirement system.

10. Municipal Employees' Retirement System of Louisiana

La. R.S. § 11:1733

E. Delinquent payments due pursuant to Subsection C or F of this Section may, with interest at the system's actuarial valuation rate compounded annually, be recovered by action in a court of competent jurisdiction against the employer liable therefor or shall, upon due certification of delinquency and at the request of the board, be deducted from any other monies payable to the employer by any department or agency of the state.

11. Municipal Employees' Retirement System of Michigan

Reporting and Contribution Enforcement Policy of the Municipal Employees' Retirement System of Michigan

Employers participating in MERS' Defined Benefit and/or Hybrid Plan are required to remit all employer and employee contributions for the Defined Benefit plan or the defined benefit component of the Hybrid Plan to MERS on or before the 20th day of the calendar month next following the month in which the work was performed.

At the sole and exclusive discretion of the MERS Board, MERS may suspend benefits payments to retirees and beneficiaries of a delinquent employer until it receives the delinquent payment amount pursuant to Plan Document Section 79.

If an employer is in excess of 180 days late in remitting the foregoing contributions, MERS' Retirement Board may, in its sole and exclusive discretion, terminate the participation of such employer, pursuant to MERS Plan Document Section 79 and Section VI of this Policy, or take such other action as permitted by law.

12. South Carolina Public Employee Benefit Authority

S.C. Code Ann. § 9-1-1170

The collection of employers' contributions shall be made as follows:

(1) Upon the basis of each actuarial valuation provided herein the Board shall annually prepare and certify to each employer a statement of the total amount payable by the employer for the ensuing fiscal year to the employer annuity accumulation fund and this amount must be handled and disbursed in accordance with the usual appropriations;

(2) The chief fiscal officer of each employer shall transmit funds which are due in the Retirement System office no later than the last day of the month on account of each employee who is a member of the System an amount sufficient to cover the normal contribution and the accrued liability contribution of each member employed by the employer for the preceding month. Delinquent payments under this section and Section 9-1-1160 must be charged interest compounded annually based on the adjusted prime rate charged by banks, rounded to the nearest full percent. The effective date of the adjustment must be based on the twelve-month period ending March thirty-first of any calendar year and must be established by April fifteenth for an effective date of the next July first. The adjusted prime rate charged by banks means the average predominant prime rate quoted by commercial banks to large businesses as determined by the Board of Governors of the Federal Reserve System. The adjusted prime rate used must be the adjusted prime rate charged by the bank during March of that year; and

(3) If within ninety days after request by the Board any employer has not provided the System with the records and other information required under this item or if the full accrued amount of the contributions and interest provided for under this section due from members employed by an employer or from an employer other than the State has not been received by the System from the chief fiscal officer of the employer within thirty days after the last due date as provided in this item, then upon notification by the Board to the State Treasurer and Comptroller General as to the default of the employer as provided in this item, any distributions which might otherwise be made to the employer from any funds of the State must be withheld from the employer until notice from the Board to the State Treasurer that the employer is no longer in default.

13. Teachers Retirement Association of Minnesota

Minn. Stat. § 354.512

In addition to any other remedies permitted under law, if an employing unit or other entity required by law to make any form of payment to the Teachers Retirement Association fails to make full payment, the executive director is authorized to certify the amount of deficiency to the commissioner of management and budget, who shall deduct the amount from any state aid or appropriation applicable to the employing unit or entity, and transmit the withheld aid or appropriation to the executive director for deposit in the fund.

14. Teachers' Retirement System of the State of Illinois

40 ILCS 5/16-158.1

Any school district or other employing unit failing to transmit to the System contributions required of it under this Article or contributions required of teachers, for more than 90 days after such contributions are due is subject to the following: after giving notice to the district or other unit, the System may certify to the State Comptroller or the Regional Superintendent of Schools the amounts of such delinquent payments and the State Comptroller or the Regional Superintendent of Schools shall deduct the amounts so certified or any part thereof from any State funds to be remitted to the school district or other employing unit involved and shall pay the amount so deducted to the System. If State funds from which such deductions may be made are not available, the System may proceed against the school district or other employing unit to recover the amounts of such delinquent payments in the appropriate circuit court.

The System may provide for an audit of the records of a school district or other employing unit as may be required to establish the amounts of required contributions. The school district or other employing unit shall make its records available to the System for the purpose of such audit. The cost of such audit shall be added to the amount of the delinquent payments and shall be recovered by the System from the school district or other employing unit at the same time and in the same manner as the delinquent payments are recovered.

Administrative Code § 1650.182

- a) The System may waive additional amounts due upon good cause shown when:
 - 1) The delinquency is attributable to circumstances commonly known as an "act of God", such as fire, flood, tornado and the like; or
 - 2) The delinquency is attributable to other administrative reasons where no employer negligence is involved; the employer's record indicates a history of good faith and consistent compliance with the System's contribution and reporting requirements; and the employer remits the pay-period reports and required contributions within a reasonable time as determined by the System taking into consideration the reason for delinquency and the period of delinquency.
- b) Circumstances purporting to justify a waiver of the additional amounts due must be certified in writing to the System by an authorized representative of the employer requesting a waiver.

15. Utah Retirement Systems

Utah Code § 49-11-601

- (1) The employer contributions, fees, premium taxes, contribution adjustments, and other required payments shall be paid to the office by the participating employer as determined by the executive director.
- (2) A participating employer that fails to withhold the amount of any member contributions, as soon as administratively possible, shall also pay the member contributions to the office out of its own funds.
- (3) Except as limited by Subsections (6) and (7), if a participating employer does not make the contributions required by this title within 30 days of the end of the pay period, the participating employer is liable to the office as provided in Section 49-11-604 for:
 - (a) delinquent contributions;
 - (b) interest on the delinquent contributions as calculated under Section 49-11-503; and
 - (c) a penalty equal to the greater of:
 - (i) \$250; or
 - (ii) 50% of the total contributions for the employees for the period of the reporting error.
- (4) The executive director may waive all or any part of the interest, penalties, expenses, and fees if the executive director finds there were extenuating circumstances surrounding the participating employer's failure to comply with this section.
- (5) Contributions made in error will be refunded to the participating employer or member that made the contributions.
- (6)
 - (a) An employer described in Subsection 49-12-202(2)(c) or (d), or Subsection 49-13-202(2)(c), (d), or (e) that paid retirement benefits to an employee or retiree that were not required by this title may offer the retirement benefits paid to the employee as a substantial substitute to service credit and retirement benefits that may have been earned by the employee under this title.
 - (b) An employee who received retirement benefits under Subsection (6)(a) may sign an affidavit that:

- (i) acknowledges the substantial substitute received by the employee under Subsection (6)(a); and
 - (ii) irrevocably relinquishes service credit and retirement benefits that may have accrued to the employee under this title effective from the employee's date of employment with the employer described in Subsection (6)(a) to the date of the employer's election under Section 49-12-202 or 49-13-202.
- (c) Nothing in this section shall be construed to diminish an employer's right to recover past retirement benefits other than Social Security, paid to an employee or retiree, in error or under mistaken belief that the employer was not a participating employer.
- (7) If the employer files with the office an irrevocable written relinquishment of service credit signed by the member or retiree:
- (a) the office shall proportionally reduce any delinquent contributions, penalties, fees, or interest assessed against a participating employer in connection with a member or retiree described in Subsection (6)(a); and
 - (b) the system has no liability to the employee for benefits relinquished under Subsection (6)(b).

Utah Code § 49-11-605

If a participating employer discovers that it has violated Section 49-11-601, 49-11-602, or 49-11-603 prior to the office becoming aware of the violation, notifies the office of the violation in writing, and corrects the violation within a period agreed to by the office, the penalties under those sections shall be waived.



FY2026

CHIEF ASSURANCE OFFICER

REPORT

September 23, 2026

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- Audit Area – Benefit Reconciliation Audit Report
- Special Projects – Culture and Working Environment Follow-Up

APERS FY2026
Chief Assurance Officer Report

Dear Board of Trustees,

I am pleased to present the Arkansas Public Employees Retirement System (APERS) Assurance Officer Report for Fiscal Year 2026 (FY26). This report includes an Agency Description, Agency Function, and Audit Report Summary, including the List of Audits, Audit Results, and Audit Recommendations.

This report provides a high-level overview of each engagement in the supplemental information section. Complete audit report documents are available on request.

The assurance officer executes all audits to ensure that:

- Compliance with applicable laws and regulations
- Reliability and integrity of financial and operational information
- Safeguarding of assets
- Effectiveness and efficiency of operations

Furthermore, the assurance officer conducts all activities to achieve the overall goal of internal assurance: adding value and improving agency operations.



Assurance Officer/Internal Auditor, APERS

**APERS FY2026
Chief Assurance Officer Report**

AGENCY FUNCTION

The Arkansas Public Employees Retirement System provides present and future retirement benefits for its members, members' survivors, and members' beneficiaries.

AGENCY DESCRIPTION

Agency Origins

The Arkansas Public Employees Retirement System (APERS), formerly the Arkansas State Employees Retirement System, was established by the General Assembly in 1957 as a multi-employer defined benefit retirement plan for State of Arkansas employees (via Act 77 of 1957). From 1957 through 1965, county employers (via Act 42 of 1959), municipal employers (via Act 64 of 1961), college and university employers (via Act 149 of 1963), non-teaching public school employers (via Act 63 of 1965), and Arkansas District Judges (via Act 177 of 2007) all joined the system.

APERS is governed by the Board of Trustees of the Arkansas Public Employees Retirement System (The Board), which comprises nine members.

APERS' assurance officer administratively reports to the executive director of APERS and functionally reports to the Board.

Agency Function

The agency's function is to administer a retirement system for the State of Arkansas employees and participating public employers.

Budget and Personnel Information

APERS' operations are appropriated and funded by the agency's trust funds, and the agency receives no direct appropriation of general or special revenues from the state. Each year, the Legislature enacts line-item appropriations for personnel, operational expenses, equipment, travel, supplies, and professional consulting services.

APERS has 85 authorized positions and routinely has between 62 and 72 filled at any time. APERS has four divisions and 13 functional units. An Executive Team member heads each division.

Agency Divisions

APERS' divisions of responsibility are as follows:

Executive Division – comprises the Executive Team, Social Security, Legal, and Internal Assurance.

- **Executive Team**
Includes the APERS Executive Director, Deputy Director of Benefits Administration, Deputy Director of Investments and Finance, and Deputy Director of Operations.
- **Social Security**
Responsible for Section 218 of the IRS Code and Arkansas political subdivisions.

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Chief Assurance Officer Report

- **Legal**
Responsible for handling all legal matters within APERS
- **Internal Assurance**
Responsible for conducting internal audits and consulting engagements within APERS.

Operations Division - comprises the Public Affairs, Human Resources, Digital Services, and Information Technology Services units.

- **Public Affairs**
Responsible for the agency website, social media presence, training, and outreach.
- **Human Resources**
Responsible for personnel management, payroll, recruitment and training, office policy management, employee orientation, and employee benefit programs.
- **Information Technology Services**
Responsible for the agency's data processing, information technology, and information security.

Benefits Administration Division - comprises Member Services, Retiree Services, and Employer Services.

- **Member Services**
The Member Services Section serves members and former members on all pre-retirement requests, including service verifications, reciprocal service, service credit purchases, benefit estimates, and benefit applications.
- **Retiree Services**
The Retiree section serves retirees and survivors on all post-retirement requests, including benefit verifications, demographic changes, annuity option changes, deduction changes, and direct deposit authorizations.
- **Employer Services**
The Employer Services Section assists participating public employers in fulfilling their requirements for member enrollment, compensation and service reporting, contribution remittance, and employer enrollment.
- **Member Support**
The Member Services Section assists members with general APERS questions by phone. They may transfer members to the appropriate resource as needed or assist with scheduling appointments as needed.
- **Administrative Services**
The Administrative Services Section digitizes all agency documents and staffs the agency reception desk.

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Chief Assurance Officer Report

Investment and Finance Division – comprises Investments and Finance.

- **Investments**
Responsible for monitoring external consultants such as investment managers and the trust fund's custodian bank. The investment managers provide daily, monthly, and annual reports on APERS' investments in domestic equities, international equities, fixed income, and alternative investments.
- **Finance**
Responsible for general accounting, budgeting, and agency purchasing activities.

Administration of Additional Plans

APERS staff is responsible by law for administering multiple retirement systems in addition to the APERS plan. Each plan is separately funded and has a separate and distinct benefit established by law. Those plans are listed below:

- **Arkansas Judicial Retirement System (AJRS)**—A separate Board of Trustees governs this system, which benefits retired members of state Circuit Courts, the Court of Appeals, and the Supreme Court.
- **Arkansas State Police Retirement System (ASPRS)** – A separate Board of Trustees governs this system and provides benefits for retired officers of the Arkansas State Police.
- **Arkansas District Judges Retirement System (ADJRS)** – This closed plan was abolished, and its powers, duties, and plan liabilities were transferred to APERS.
- **Closed Local Plans** – APERS administers the benefits to retirees of several closed local retirement funds for municipal judges and court clerks.

APERS FY2026
Chief Assurance Officer Report

AUDIT REPORT SUMMARY

The Assurance Officer undertook

- | | |
|-------------------|--|
| List of Audits: | <ol style="list-style-type: none">1. Benefit Calculations in FY20252. Benefit Calculations with Reciprocal Service in FY20253. Benefit Reconciliation Audit - Continuous4. FY2026 Process Benefit Recalculation Workflows in FY2026 |
| Special Projects: | <ol style="list-style-type: none">1. Culture and Working Environment Follow-up2. Internal APERS Chatbot |

SUPPLEMENTAL INFORMATION SECTION

AUDIT AREA: Benefit Calculations

Scope:	Benefit calculations during FY25 (July 2024 through June 2025)
Audit Objective(s):	Determine if APERS Benefit Counselors correctly calculate benefits for new retirees, including early retirement, normal retirement, disability retirement, beneficiary benefits, and DROP entry.
Methodology:	Procedures for reviewing Benefit Calculations included testing 237 of the 2,368 unique records queried. All 132 records were thoroughly tested by manually calculating years of service and benefits.
Overall Evaluation:	Seven errors were identified in the sample, representing a 2.95% sample error rate. Applying the finite population correction and a 95% confidence level, the projected population error rate ranges from 0.9% to 5.0%. This range indicates that we can be 95% confident that the actual error rate for the full population falls within these limits. The testing results indicate that control performance is generally reliable, but the exceptions show clear opportunities to tighten the control process and reduce the likelihood of similar errors in future transactions. I recommend continuing this audit annually.
Observations:	There were seven observations documented. Applying the finite population correction and a 95% confidence level, the projected population error rate ranges from 0.9% to 5.0%.

The full audit report is available upon request.

APERS FY2026
Chief Assurance Officer Report

AUDIT AREA: Benefit Calculations with Reciprocal Service

Scope:	Documentation selected for testing included benefit calculations processed during FY25 (July 2024 through June 2025).
Audit Objective(s):	Determine if APERS Benefit Counselors correctly calculate benefits for retirees, including early retirement, normal retirement, disability retirement, beneficiary benefits, and DROP entrants who have reciprocal service.
Methodology:	The Assurance Officer requested the population of benefit calculations with reciprocal service from APERS IT. The full population included 449 records, and 91 (20%) were randomly selected for testing.
Overall Evaluation:	The audit population consisted of 449 records. 91 (20%) records were randomly selected for testing, with only six records (1%) found to have any issue, and only two of the six required the recalculation of a member's benefit. Six errors were identified in the sample; however, only two of them affected benefits. Applying finite population correction and a 95% confidence level, the projected population error rate ranges from 0.0% to 1.0% when considering only the two errors that impacted benefits. When considering all six errors, the error rate ranges from 1.5% to 11%. The testing results indicate that control performance is generally reliable, but the exceptions show clear opportunities to tighten the control process and reduce the likelihood of similar errors in future transactions. Reciprocal service is a complicated factor in benefit calculation, and I recommend continuing this audit annually.
Observations:	The audit report recorded two observations. Neither was substantial.

The full audit report is available upon request.

**APERS FY2026
Chief Assurance Officer Report**

AUDIT AREA: FY2026 Recalculation Workflows

Scope:	The FY26 Recalculation Workflow engagement was initiated as a targeted, risk-based review to strengthen assurance over processes that directly affect member benefits. Although not part of the FY26 annual audit plan, the engagement was added to provide timely, independent validation of control performance and to surface improvement opportunities as process changes were implemented.
Audit Objective(s):	Determine if APERS Benefit Counselors correctly calculate benefits by examining records with recalculation workflows during FY2026.
Methodology:	Testing procedures encompassed the complete population of recalculation workflow instances processed for FY2026 through mid-May 2026 and were executed by the Chief Assurance Officer. The work focused on whether control activities operated as designed and reconciliations consistently produced accurate results.
Overall Evaluation:	The audit population consisted of 258 unique recalculation workflow records, and all records were tested. The audit identified 16 errors, resulting in an overall error rate of 6.2%. The pattern of exceptions indicates that several process steps within the recalculation workflow would benefit from strengthened controls, clearer procedural guidance, and more consistent documentation standards. The results demonstrate that peer review of benefit calculations may not be achieving the desired outcome, and opportunities exist to reduce preventable errors through targeted corrective action.
Observations:	There are four observations noted in this report based on the nature, frequency, and potential impact of the exceptions observed.

The full audit report is available upon request.

APERS FY2026
Chief Assurance Officer Report

AUDIT AREA: Benefit Reconciliation Audit Report

Scope:	Legislative Audit identified a deficiency in monitoring the Benefit Reconciliation Audit Report generated each month from COMPASS. Monitoring of the report was assigned to the Assurance Office for FY26
Audit Objective(s):	On an ongoing basis, to review the outstanding items on the report, determine the cause for the items' inclusion on the report, and work with the Benefits team to resolve the items.
Methodology:	APERS IT generates the report monthly and places it in the designated folder for review. The Chief Assurance Officer reviews the report for new instances, reviews those cases, and then refers them to the benefit team for action.
Overall Evaluation:	All outstanding items have been reviewed. The Benefit Reconciliation Audit Report is a valuable tool. In July, it revealed a system error related to COLAS for members with July birthdays. A system fix was initiated, and the errors were resolved.
Observations:	Not applicable.

The full audit report is available upon request.

SPECIAL PROJECT: CULTURE AND WORKING ENVIRONMENT FOLLOW-UP

A follow-up to the Culture and Working Environment engagement completed in FY23 was conducted. The objectives of the follow-up engagement are to ensure the agency continues to make progress toward strengthening the culture within APERS. Responsibility for conducting the survey moved to HR for FY26. The Assurance Officer analyzed the results and found that APERS' culture continues to improve in most areas. The executive team received an in-depth analysis of the results and formulated actionable steps for appropriate areas. The Chief Assurance Officer will continue to assist as needed and will review results each year to ensure accountability for the project.

INTERNAL ASSURANCE PLAN

FISCAL YEAR 2027



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EXECUTIVE SUMMARY

Dear Board of Trustees,

I am pleased to present the Arkansas Public Employees Retirement System (APERS) Internal Assurance Plan for Fiscal Year 2027 (FY27). In addition to planned audits, special projects, and follow-up activities, the Assurance Officer will continue working to implement an AI Agent/Chatbot on the agency's website and continue oversight of the fraud monitoring activities begun in SFY2025. The activities mentioned above include activities in the following areas:

- Benefit Calculations
- Cross-Functional Areas
- Culture and Working Environment
- Member Experience
- Fraud Monitoring

This planning document outlines the scope, objectives, goals, and audit methodologies that will be utilized. It also includes the Audit Work Schedule and the Audit Plan Hours. An annual Risk Assessment Matrix and Audit Plan Questionnaire is used to identify areas within the agency that may need review.



Assurance Officer, APERS

Scope

Traditionally, audits have reviewed work from the previous fiscal year. While some audits will follow that traditional approach, many engagements will use a just-in-time model, reviewing work closer to completion. This scope will provide more timely feedback for process improvement.

Objective

The continuing objective of internal assurance is to assist the Board of Trustees and all levels of management in effectively discharging their responsibilities by furnishing analysis, appraisals, and recommendations concerning the agency's activities. This objective is accomplished by ensuring the following:

- Compliance with applicable laws and regulations
- Compliance with business processes, procedures, and policies
- Reliability and integrity of financial and operational information
- Safeguarding assets
- Effectiveness and efficiency of operations
- Safeguarding and monitoring the performance of internal controls

Goal

All work activities conducted by the Assurance Officer support the overall goal of Internal Assurance: to add value and improve the agency's operations.

Audit Methodology

An annual risk assessment identifies the areas critical to the agency's selection of audits for the yearly audit work schedule.

Risk assessment is a “systematic process for assessing and integrating professional judgments about probable adverse conditions and events.” It organizes and integrates professional judgments to develop the annual audit work schedule.

Risk is the probability of an event or action that may adversely affect the organization and the activity being audited. Risk is a measure of uncertainty. “Control risk” is the risk that established internal controls lose effectiveness over time. “Custodial risk” relates to the ownership and safeguarding of assets. “Operational risk” is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, systems, or external events. “Business risk” is the risk associated with the potential material effects of an uncertain environment on the achievement of established objectives. “Residual risk” is the amount of risk that management is willing to assume or that applicable controls will not address.

The risk assessment process begins by identifying auditable areas. Next, each area is assigned points under six risk factors: internal control, written procedures, operational complexity, operational changes, management priority, and the date of the last audit. After assigning points for each risk factor, the points are totaled, and the audit areas are assigned a low-, medium-, or high-risk level based on the total. Audits with a high or medium risk level are evaluated for the annual audit work schedule.

In addition to the risk assessment matrix, the Assurance Officer submits an audit plan questionnaire to all section managers to help identify critical risk areas. The Executive Director, in consultation with the Executive Team, may request a review of areas within APERS that warrant attention. The Assurance Officer will design engagements to accommodate those requests.

FY2027 Areas of Focus

I. Planned Work by Area of Focus

Activity Area

Assurance Activity

Benefit Applications (includes reciprocity)– FY27	Review Benefit Calculations
New DROP entry FY26	Review Benefit Calculations
Pre-Retirement Death Benefits – FY27	Review Benefit Calculations
Member Services	Benefit Reconciliation Audit Report - Monthly
Cross-functional/Member Experience	AI Agent/Chatbot Upkeep/Implementation
Culture and Work Environment	Follow-up
Fraud Monitoring	Supervisory

SY2027 Assurance Office Hours

I. Planned and Unplanned Audits

Audit of FY27 Benefit Calculations – Just-in-time approach	300
New DROP entry FY26	80
Pre-Retirement Death Benefits	120
Continuous Audit of Benefit Reconciliation Audit Report from COMPASS (monthly)	120
Unplanned Audits – carried out as needed and identified	170

Total Planned Audit Hours	790
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II. Follow-up and Additional Activities

Culture and Working Conditions	12
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Total Follow-up and Additional Activities Hours	12
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III. Fraud Monitoring Activities

Supervising Ongoing Fraud Monitoring Activities	120
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Total Fraud Monitoring Hours	120
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IV. Special Projects

Implementation and monitoring of AI Agent/Chatbot for website	240
Microsoft GO+ Participation	60
Dashboard upkeep and retooling as needed	70

Total Special Project Hours	370
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V. Administrative

General Administration*	360
Training**	100
Annual Leave (Estimate 18 days)	144
Sick Leave (Estimate 12 days a year; 8 hrs. x 12 days)	96
Holidays (11 days x 8 hrs.)	88

Total Administrative Audit Hours	788
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Total Planned Audit Hours***	2,080
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*General administration includes extending planned audits, following up on prior audit findings, assisting external auditors if requested, and undertaking collateral duties such as providing recommendations for grievance hearings, updating the internal audit manual, managing the Continuity of

Operations Plan and collaborating with strategic plan alignment activities.

**Training includes conferences and seminars from the Association of Public Pension Fund Auditors and the Institute of Internal Auditors, as well as other continuing education opportunities.

***Total planned hours (52 weeks x 40 hours a week)

CULTURE SURVEY

results

100%

Believe work
contributes
to the
APERS
mission

97%

Have the tools,
resources, and
information
needed to
perform
effectively

81%

Feel
respected
and valued
at APERS

Employees said:

Communication and
information sharing needs to
improve.

Employees also asked for
stronger collaboration,
greater recognition, and
more opportunities to provide
input.

APERS' response:

- Redesigned the employee intranet to include:
 - Upcoming dates, events, and news
 - Expanded division and employee resources
 - Training materials
 - An employee suggestion box
- Developed LEAD APERS Leadership Framework for APERS leadership team.
- Developing APERS Creed, an employee framework that establishes workplace expectations for all employees.
- Aligning agency performance-review metrics with the new OPM standards.



Quarterly Board Meeting Benefits Summary

I. Membership

- **Mandatory participating public employers:** All employees of the State of Arkansas, except those who are members of another state retirement system, and all county employees must become members of the system as a condition of employment.
- **Optional participating public employers:** All employees of the following political subdivisions must become members of the system as a condition of employment after the date the employer elects to become a participating public employer.
 - Municipality
 - Joint County and Municipal Sanitation Authority
 - Rural Waterworks Facilities Board
 - Suburban Improvement District
 - Regional Airport Authority
 - Public Water Authority
 - Border Municipal Airport Authority
 - Regional Water Distribution Board
 - Public Facilities Board
 - Metropolitan Port Authority
 - Regional Solid Waste Management Board
 - Public Transit Authority

Participating Employers – New This Quarter

Employer Name	Employer Type	Effective Date	No. of Employees
None			

Members – New This Quarter

	Apr 2026	May 2026	Jun 2026
Number ¹	448	561	503
Total Active Members	43,166	43,122	43,133

Members - Historical

	1 year	5 years	10 years	20 years
Number	43,490	44,373	45,722	42,938
Average Annual Pay	\$50,761	\$40,469	\$35,979	\$28,295

¹ Represents persons who are first-time members of the system



Quarterly Board Meeting
Benefits Summary

II. Eligibility for Benefits

- **Normal retirement:** Members may voluntarily retire once they attain normal retirement age, which is the youngest of the following ages:
 - Age 65 with at least five (5) years of actual service
 - Any age with 28 years of actual service
 - Age 55 with 35 years of credited service
- **Early retirement:** Members who have not attained normal retirement age may retire with an early annuity, which is reduced by the difference between their age and normal retirement age. Early retirement can begin at the youngest of the following ages:
 - Age 55 with at least five (5) years of actual service
 - Any age with 25 years of actual service
 - Up to 10 years before normal retirement age
- **Disability retirement:** Members with at least five (5) years of actual service who become totally and permanently disabled for any suitable job or position may receive a disability annuity.
- **Survivor retirement:** Survivors of members with at least five (5) years of actual service who die before retirement may receive a survivor annuity. Eligible survivors include a spouse, dependent children, and in some cases, dependent parents.

Inactive Members – New This Quarter

	Apr 2026	May 2026	June 2026
Number	113	138	92
Total Inactive Members	15,571	15,591	15,517

Inactive Members - Historical

	1 year	5 years	10 years	20 years
Number	15,351	14,711	13,638	10,250
Total Annual Benefits	\$99.2m	\$81.0m	\$68.7m	\$42.5m



Quarterly Board Meeting
Benefits Summary

III. Benefits

- **Refund of contributions:** When members terminate covered service, they can request a refund of their accumulated contributions and interest, which is credited at the rate of two percent (2%).
- **Straight life annuity:** Members who retire receive a straight life annuity equal to a percentage of their final average compensation (FAC) multiplied by the number of years of credited service.
- **Annuity options:** Before members receive their first payment, they can elect to receive the straight life annuity or elect to have their annuity reduced under one of four options that provide continuing benefits to a designated beneficiary.
- **Cost-of-living adjustments:** Each July 1, the system redetermines the amount of each monthly benefit that has been paid for at least twelve months. The amount of the redetermined benefit – a cost-of-living adjustment (COLA) – is based on the date that the retiree was first hired.
- **Benefit calculation example:** Final Average Compensation X Multiplier X Credited Service

$$\$50,761 \times 2.00\% \times 17.4 \text{ yrs.} = \$17,665 \text{ annually} / \$1,472 \text{ monthly}$$

Refunds – New This Quarter

	Apr 2026	May 2026	Jun 2026
Number	252	286	311
Total Benefits	\$1.6m	\$2.0m	\$2.3m

Refunds – Historical

	1 year	5 years	10 years	20 years
Number	3,600	3,042	2,996	24
Total Annual Benefits	\$20.0m	\$15.3m	\$11.9m	\$500k

Retirees – New This Quarter

	Apr 2026	May 2026	Jun 2026
Number	178	190	216
Total Retirees	40,151	40,209	40,311

Retirees - Historical

	1 year	5 years	10 years	20 years
Number	43,148	39,805	33,106	21,080
Total Annual Benefits	\$755.9m	\$637.1m	\$483.9m	\$232.9m



Quarterly Board Meeting
Benefits Summary

IV. Benefit Formula Components

Multiplier	Group	Before July 1, 2007	On or after July 1, 2007
	Non-contributory	1.75%	1.72%
	Contributory	2.03%	2.00%
Final Average Compensation	Group	Before July 1, 2022	On or after July 1, 2022
	All Members	3-year average	5-year average
Credited Service	Group	Service Credit Rate	
	Regular Members	One (1) month for each month of service	
	Local Elected Officials	Two (2) months for each month of service	

Legend – Historical Timelines

Time	Fiscal Year Ending
1 year	June 30, 2025
5 years	June 30, 2020
10 years	June 30, 2015
20 years	June 30, 2005



Quarterly Board Meeting
Benefits Summary

Special Topic: Pre-Retirement Death Benefits

In addition to providing retirement and disability benefits for members, the system can provide death benefits to survivors. The eligible survivors, benefit amount, and benefit duration depend on whether the death occurs before retirement or after retirement. This topic overviews deaths that occur before retirement.

Key Provisions

- **Eligibility:** The system allows survivors to apply for benefits if an active member or former member with five (5) years of actual service dies before retirement.
- **Survivor Types:** Three (3) specific survivor types are eligible for benefits: a spouse (of at least six (6) months), dependent children, and in rare cases, dependent parents.
- **Benefit Amount:** Each survivor receives an annuity based on the greater of either a percent of the member's compensation or a dollar amount.
- **Effective Date:** Survivor benefits are effective the first of the month following the member's death.
- **Duration:** Surviving spouses receive benefits until remarriage, or in some cases for life; dependent children receive benefits until the earlier of age 23 or marriage; dependent parents receive benefits for life.

Survivor Statistics

Distribution of Pre- and Post-Retirement Survivors

Group	Number	Annual Annuities	% of Total Annuities
Pre-Retirement Survivors	1,287	\$12,171,528	1.6%
Post-Retirement Beneficiaries	1,901	\$22,774,812	3.0%
All Retirees	43,148	\$755,880,708	100%

Distribution of Pre-Retirement Survivor Types

Survivor Type	Number
Spouses	1106
Dependent Children	179
Dependent Parents	2
Total	1,287



Quarterly Board Meeting
Benefits Summary

Example of Benefit Amount

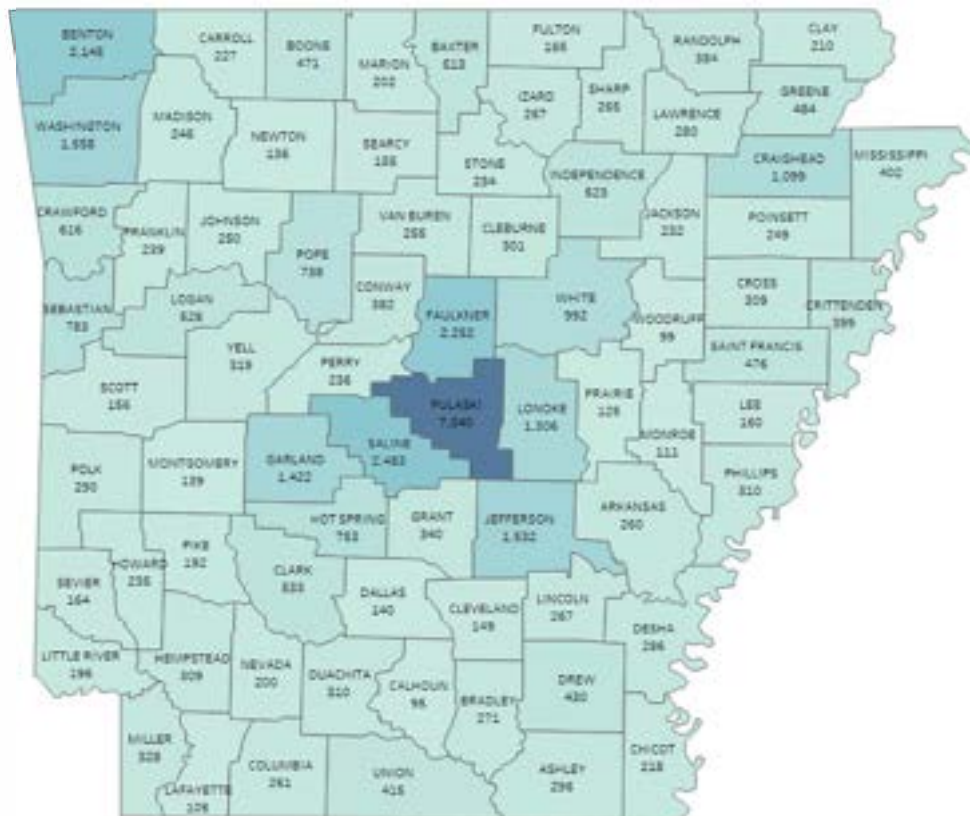
Member Age: 44
Spouse Age: 44
Actual Service: 8.5
Annual Compensation: \$50,761

The Survivor Receives the Greater of:				
Survivor Type	Percent of Compensation	Percent Annuity Amount	Dollar Amount	Dollar Annuity Amount
Spouse	10%	\$423	Option B75	\$448
Dependent Children = 2	Each 10%	\$423	Equal Share of \$150	\$75
Dependent Children = 3	Equal share of 25%	\$353	Equal Share of \$150	\$50

Arkansas Public Employees
Retirement System
Fiscal Year 2026

Arkansas

Total Active 41,748





Quarterly Board Meeting Executive Report

Protecting APERS Assets

APERS served as lead plaintiff on behalf of all investors who were defrauded by Seagate Technology Holdings (Seagate) during a period that Seagate was violating U.S. export laws. Seagate sold advanced hard disk drives (HDD) used for spying to Huawei, a Chinese company, who was then shipping the spyware to Iran. The litigation resulted in a \$175 million settlement for the class. The involvement of APERS helped push the recovery of assets to a record settlement and represents an important recovery for APERS as well as for all the investors.

National Leadership

I was honored to be elected Region IV Vice President of the National Association of State Retirement Administrators Executive Committee. This position gives APERS an additional opportunity to contribute to national conversations affecting public retirement systems and to learn from our peers throughout the region.

Cybersecurity and Technology

APERS participated in a Linea cybersecurity tabletop exercise designed to test our preparedness, communication, and response procedures during a potential cybersecurity incident. Exercises such as this help us identify opportunities to strengthen our plans before an actual event occurs.

Work also continues the V3locity system upgrade. During the quarter, the project advanced from its initial planning stages into [configuration/process review/data preparation/testing—confirm the current phase]. Staff members throughout the agency continue to work closely with the project team to ensure the upgraded system supports APERS' operational and member-service needs.

Leadership and Staff Development

We developed an APERS Leadership Framework that connects leadership expectations to our mission and core values. The framework provides leaders with consistent guidance for building trust, supporting employees, improving communication, and leading with purpose.

We also developed two new staff training videos focused on professional conduct and protecting sensitive information. These resources will help reinforce expectations for workplace behavior, confidentiality, and responsible information handling.

Four APERS employees are participating in the limited Microsoft AI Champions group. They also attended Microsoft's Copilot Agent Building Workshop to explore responsible ways artificial intelligence may help improve efficiency and support our work.

At our recent All-Staff Meeting, we shared agency updates, reinforced our mission and values, and continued introducing employees to the expectations included in our leadership and employee frameworks.



We also reviewed the results of our employee culture survey. The feedback provides valuable insight into what APERS is doing well and where we have opportunities to strengthen communication, engagement, and the overall employee experience.

Trustee Orientation

We welcomed Trustee Sandra Hollowell and provided an orientation covering APERS' governance, operations, investments, benefits administration, and responsibilities to our members. We appreciate her willingness to serve and look forward to working with her.

Member and Community Outreach

Jacobia Bates and the outreach team continued connecting with APERS members and participating employers through counseling sessions, employer presentations, retirement seminars, and other events. These efforts help members better understand their benefits and provide opportunities for direct, personalized assistance.

I appreciate the continued work of our staff and the Board's support as we carry out our mission to deliver secure retirement benefits and exceptional service to our members