



Arkansas Public Employees' Retirement System

Quarterly Board Meeting

(Wednesday, June 11, 2025, 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 the March 12, 2025, Board Meeting (**Page 3**) and May 15, 2025, Investment Finance Subcommittee (**Page 8**)
5. **Investments** – Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
 - a. CIO Report (**Page 12**)
 - b. Ms. Brianne Weymouth and Mr. John Jackson, Callan - Quarterly Report for the Period Ending March 31, 2025 (**Page 27**)
 - c. Mr. Larry Middleton and Mr. Bo Brister, Stephens, Inc. - Quarterly Report for the Period Ending March 31, 2025 (**Page 64**)
 - d. Mr. Larry Walther - Investment Finance Subcommittee Report (**Page 69**)
6. **Finance** – Mr. Jason Willett, Chief Financial Officer
 - a. Financial Statements for the Quarter Ending March 31, 2025 (**Page 71**)
 - b. Contributions as a percentage of Total Benefits (**Page 73**)
7. **Legal** – Ms. Laura Gilson, General Counsel
 - a. Litigation Update (**Page 74**)
 - b. ***Action Item*** – Approval of Remote Meeting Attendance Policy (**Page 77**)
 - c. ***Action Item*** – Rule Promulgation (**Page 79**)
 - d. Securities Litigation Firms Discussion
8. **Benefits** – Ms. Allison Woods, Deputy Director of Benefits
 - a. Benefits Summary for the Quarter Ending March 31, 2025 (**Page 83**)
 - b. Employee Contributions to Public Pension Plans Summary (**Page 87**)

9. **Executive Report** – Ms. Amy Fecher, Executive Director

- a. Executive Report Review (**Page 88**)

10. Other Business

11. Upcoming Meetings

- a. Next Quarterly Board Meeting – Wednesday, September 10, 2025, at 9:00 a.m.

12. Adjournment

Quarterly Meeting
Arkansas Public Employees' Retirement System
Board of Trustees
March 12, 2025

A regular meeting of the Board of Trustees of the Arkansas Public Employees' Retirement System was held on Wednesday, March 12, 2025, 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 Daryl Basset presided.

Quorum Present

Secretary Daryl Basset recognized the presence of a quorum and called the meeting to order.

Board Members Present:

Secretary Daryl Bassett (State Employee), Chair, Sherwood, AR
The Honorable John Thurston (Treasurer of State), Little Rock, AR
Mr. Larry Walther, (State Employee, Retiree), Little Rock, AR
Mr. Alan McVey, (Department of Finance and Administration), proxy
The Honorable Barry Moehring (Non-State Employee, County Judge), Bentonville, AR
Mr. Richard Wilson (Retired), Little Rock, AR*
Mr. Gary Carnahan (Non-State Employee), Hot Springs, AR
The Honorable Joe Hurst (Non-State Employee, Mayor), Van Buren, AR*
Mr. Gary Wallace (Retired Law Enforcement), Greenbrier, AR
Mr. Russell White (Retired Law Enforcement), Alma, AR
Mr. Jason Brady, (State Auditor's Office) proxy
Ms. Kaye Donham, (Retired), Benton, AR*

Visitors:

Ms. Brianne Weymouth, Callan LLC*
Mr. Larry Middleton, Stephens, Inc
Mr. Bo Brister, Stephens, Inc
Mr. Bill Huffman, Jr., Treasurer Office
Mr. Michael Harry, Treasurer Office
Ms. Amanda O'Neal, Treasurer Office
Mr. Kenneth Burleson, Treasurer Office
Mr. Beu Ellis, Treasurer Office
Ms. Barbara Williams, Arkansas Department of Health*
Ms. Melissa Cahill, HarbourVest*
Aamna Azam, Insight Investment*
Mr. Douglas Appell, Pensions & Investments Newspaper*
Mr. Sean Kirkpatrick, Osmosis*
Ms. Lauren Albanese, Financial Investment News*
Ms. Frances Hill, Horizon ISP*
Mr. Bud Cummins, Law Offices of Bud Cummins*
Mr. Cyril Espanol, With Intelligence*
Mr. Russell Ursery, Clark County Sheriff's Department*

APERS Staff:

Ms. Amy Fecher, Executive Director
Ms. Allison Woods, Deputy Director of Benefits
Ms. Ashley Golleher, Deputy Director of Operations
Ms. Laura Gilson, General Counsel
Mr. Richmond Giles, Staff Attorney
Ms. Patty Shipp, Assurance Officer
Mr. Carlos Borromeo, Deputy Director of Investments & Finance
Mr. Jason Willett, Chief Financial Officer
Mr. Phillip Norton, Director of IT
Ms. Jacobia Bates, Director of Public Affairs
Ms. Usha Doolabh, Investments Accounting Operations Manager*
Ms. Jennifer Taylor, Director of Benefits Administration*
Ms. Linda McGrath, Administrative Specialist*
Ms. Kristi Brown, Retirement Coordinator*
Ms. Shelly George, Retirement Section Manager*
Ms. Bailey Hall, Assurance Analyst

*Denotes remote attendees

News Media Notified

An e-mail with notification of the Arkansas Public Employees' Retirement System Board meeting was sent to the Arkansas Democrat-Gazette, the Associated Press, and various news outlets. It was also posted on Arkansas.gov. This notification is pursuant to A.C.A. § 25-19-101 (Act 93 of 1967), as amended, *a.k.a.* the Arkansas Freedom of Information Act.

Board Minutes

Prior to the Board meeting, a copy of the minutes from the December 4, 2024, Board Meeting, the March 5, 2025, Investment Finance Subcommittee meeting were e-mailed to each APERS Board member for review.

The minutes from the December 4, 2024, Board Meeting were adopted as presented. The motion to approve was made by Mr. Jason Brady and seconded by Mr. Alan McVey.

Investments

Invest Finance Subcommittee Report

The subcommittee met to evaluate new investment managers for core infrastructure and secondary real estate, as well as to review a security litigation request. Secretary Bassett appointed Jason Brady to preside over the meeting. APERS Deputy Director of Investments & Finance proposed strategies to enhance diversification while maintaining a 16% allocation target.

After reviewing potential managers, the subcommittee approved CBRE, IFM, and JPMorgan for core infrastructure and selected StepStone Group, LP for another secondary real estate to complement Neuberger Berman.

Stephens consultants introduced Blue Owl IPI, an AI and data center infrastructure strategy backed by long-term leases with major clients like Microsoft and Amazon, offering strong historical returns. The subcommittee approved a \$50–\$75 million investments in all the proposed strategies.

Additionally, the subcommittee reviewed a litigation request related to APERS' financial losses from The Trade Desk, Inc., caused by an underperforming product and executive stock sales. Given APERS' significant losses, the subcommittee determined the case had strong standing and deferred the final decision to staff for further evaluation.

Minutes Approval

The Investment and Finance Subcommittee Recommendations were adopted. The motion to approve was made by Judge Barry Moehring and seconded by Mr. Gary Wallace.

CIO Report

Mr. Carlos Borromeo provided an overview of the investment portfolio noting that Q4 was largely influenced by the elections. The Federal Reserve and the European Central Bank (ECB) both lowered interest rates by 25 basis points, though expectations for additional rate cuts in 2025 were scaled back. Fixed income experienced significant volatility due to geopolitical tensions, central bank decisions, and fluctuating inflation data. Additionally, concerns arose as DeepSeek unveiled its AI movement.

Regarding the APERS portfolio, it was down 1.23% for the quarter but remained up 3.84% for the 2025 fiscal year and nearly 10% (at 9.93%) for the 2024 calendar year, with a total fund balance of \$11.75 billion. Growth stocks regained dominance in Q4, outperforming value stocks across large, mid, and small-cap segments, with mid-cap stocks leading performance. Communication Services, Consumer Discretionary, and IT sectors were the top-performing domestic equities. The S&P 500 had another strong year, posting a 25% return year-to-date in 2024. Both the S&P 500 and Russell 1000 Growth markets outperformed global markets in Q4 and throughout 2024. Secretary Bassett commended Carlos and his team for their work.

Callan Report

Ms. Brianna Weymouth, Callan, gave the APERS' Quarterly Report for the period ending December 31, 2024. She highlighted that GDP for the quarter was up 2.3%, driven primarily by consumer spending, particularly among the top 10% of earners. The U.S. Treasury Yield Curve indicates that the fixed income portfolio is expected to generate higher yields moving forward, with anchor assets earning more than they have historically. Real estate returns have faced challenges in recent quarters, but the market appears to be leveling off, signaling a potential turning point. Additionally, Bloomberg's high-yield index posted a positive 2% return.

The APERS portfolio remains strong, with domestic equity allocated at 42%, slightly above the 39% target. When assessing overall fund performance, two key factors have contributed to long-term results. First, active management in domestic equity has played a significant role, with the "Magnificent 7" stocks responsible for nearly 60% of S&P 500 returns. Second, while the real assets portfolio slightly underperformed, ongoing evaluations are in place to optimize strategy. Investment staff and consultants are also reviewing international equity to determine if adjustments are needed. Secretary Bassett inquired about potential restructuring plans, and Ms. Weymouth responded that the team would assess active versus passive funds and ensure the right active managers are in place to maximize returns.

Stephens Inc, Report

Mr. Larry Middleton and Mr. Bo Brister from Stephens, Inc. presented the Quarterly Report for the period ending December 31, 2024. They provided an overview of the current draw schedule, noting that \$725 million is allocated to private equity, with HarbourVest drawing \$24 million in Q4 and approximately \$136 million in capital being withdrawn. Over the past several months, investment staff have been in discussions with Stephens regarding new investment opportunities.

One key highlight was Blue Owl's recent acquisition of IPI, where APERS has been given the first right of refusal if any investors do not commit their capital. This presents a strong investment opportunity, as Amazon and Microsoft are expanding their data centers, with Blue Owl as a leading investor securing 15- to 20-year leases on these facilities

CFO Report

Mr. Willett presented the Financial Statements for the quarter ending December 31, 2024. He began reviewing the Statement of Fiduciary Net Position as of December 31, 2024. Cash and cash equivalents are just over \$41 million and total receivables of just over \$7.6 million. The total investment assets were just over \$11.9 billion at the end of the quarter. For comparison purposes Mr. Willett looked back on December 31, 2023, to demonstrate that investment assets have increased about \$700 million in the last year. The total assets of just over \$11.976 billion and liabilities of approximately \$668.8 million brought us to the net position at the end of the quarter totaled \$11,307,391,931.

The Statement of Changes in Fiduciary Net Position through the end of December showed employer and employee contributions of around \$240.4 million. APERS had total additions of just over \$634 million for the period. There were deductions with benefits expense of approximately \$356 million through the end of December. The ending net position at the end of the quarter of just over \$11 billion.

Gary Carnahan noted that contributions are becoming a higher percentage of benefit payouts and requested additional information from the CFO for further analysis.

Mr. Willett presented two action items. First, the Board must approve the state mileage reimbursement rate annually (A.C.A. 25-16-902). He confirmed with the Arkansas Department of Finance and Administration that the current rate remains \$.52/mile. Gary Wallace moved to approve the rate for 2025, Alan McVey seconded, and the motion passed unanimously.

Second, the Board considered the DROP interest rate. Willett provided historical data and noted staff recommended maintaining the 3% rate based on the current 1-year T-bill rate. After brief discussion, Gary Carnahan moved to keep the rate at 3%, Judge Barry Moehring seconded, and the motion passed unanimously. The rate takes effect July 1, 2025, for FY 2026.

Legal Report

Ms. Laura Gilson presented the Legal Report for the period ending December 31, 2024. There are currently two member appeals in progress, both moving forward as expected and set to enter oral arguments this spring.

Following the 2025 legislative session, APERS will review the newly enacted Acts to determine if any rule promulgation is necessary to align with updated laws.

In the Securities Litigation Update, all cases that APERS is engaged with have seen activity. The Seagate case was initially dismissed, but upon appeal, the judge requested additional information from the attorneys. In the 5 Below case, there have been no new updates since the amended complaint was filed in January. Regarding TradeDesk, the lead plaintiff status is expected to be determined by late spring.

Benefits Report

Ms. Allison Woods provided the benefits summary for the quarter ending December 31, 2024. The Freedom Public Water Authority became a new participating employer, adding three full-time employees to APERS. Once enrolled, participating employers cannot leave APERS; however, an exception occurred when a county-owned hospital with approximately 85 members was no longer owned and operated by the county. While this situation is rare, it prompted the Benefits, Public Affairs, and Communications teams to develop a publication for these former county employees which can also be used by other members who terminate employment in the future.

As of December 2024, APERS has 43,442 active members, with an average annual salary of \$48,794. The total number of retirees, including employees and spouses, stood at 39,493 as of December 31, 2024, with \$730 million paid in total benefits for the year. July remains the busiest month for retirement, followed by January. Currently, the system maintains a 1:1 ratio of active members to retirees.

Executive Report

The Executive Director noted updates from the Executive Summary. Helena-West Helena is currently \$150,000 behind on its APERS payments. To address this, APERS is collecting monthly payments from turnback funds through the Treasurer's Office. The issue has been communicated to the Attorney General, Governor's Office, Trustees, Helena-West Helena City Council Members, and Legislative Audit. Darryl Bassett inquired about the impact on employees, to which Director Fecher explained that employees will not receive service credit for the unpaid months. At this time, the city is approximately three months behind in payments.

APERS is in the process of updating the Pension Administration System, a project expected to take 24 months, and, a Multi-Factor Authentication (MFA) system is scheduled for implementation in May to enhance security.

Adjournment

With no further business, the meeting was adjourned following a motion by Judge Barry Moehring and a second by Mr. Gary Wallace, with a unanimous vote.

Upcoming Board Meetings

June 11, 2025, at 9:00 a.m.

September 10, 2025, at 9:00 a.m.

December 3, 2025, at 9:00 a.m.

Mr. Darryl Bassett, Chair

Ms. Amy Fecher, Executive Director

Arkansas Public Employees' Retirement System Board of Trustees
Investments and Finance Sub-Committee
May 15, 2025

A meeting of the Investment Finance Subcommittee of the Arkansas Public Employees' Retirement System (APERS) was held on Thursday, May 15, 2025, at 1:00 p.m. This meeting was held via Zoom remote conferencing as well as in person in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Mr. Larry Walther presided.

Board Members Present

Mr. Larry Walther, (Retired Member), Chair of Investment Finance Sub-Committee
Secretary Jim Hudson, Department of Finance and Administration (State Employee)
Mr. Jason Brady, (State Auditor's Office) proxy
Mr. Gary Wallace, (Retired Law Enforcement)
Mr. Gary Carnahan, (Non-State Employee), Hot Springs, AR*

APERS Staff Present

Ms. Amy Fecher, Executive Director
Ms. Allison Woods, Deputy Director of Benefits
Mr. Carlos Borrromeo, Deputy Director of Investments & Finance
Ms. Jacobia Bates, Director of Public Affairs
Ms. Laura Gilson, General Counsel
Ms. Ashley Golleher, Deputy Director of Operations
Ms. Patty Shipp, Assurance Officer
Mr. Richmond Giles, Legal Staff
Ms. Usha Doolabh, Investments Accounting Operations Manager*
Ms. Julianna Alamina, Investment Analyst*
Mr. Daryl Bussell, Information Systems Coordinator

Visitors Present

Mr. Mark White, Arkansas Teacher Retirement System
Ms. Melissa Cahill, HarbourVest
Mr. Bill Cole, HarbourVest
Mr. Gabe Feghali, Neuberger Berman
Mr. Will Proctor, Neuberger Berman
Mr. Michael Schwartz, Neuberger Berman
Mr. Mike Wickline, Democrat Gazette
Mr. Seth Middleton, Stephens
Mr. Bo Brister, Stephens
Mr. Larry Middleton, Stephens
Mr. Chris Villines, Association of Arkansas Counties*
Ms. Lauren Barber*
Mr. Rod Graves, Arkansas Teacher Retirement System*
Ms. Tammy Porter, Arkansas Teacher Retirement System*
Mr. Joe Ebisa, WithIntelligence*
Ms. Kelsi Hogg, Arkansas Legislative Audit*
Ms. Stacie Jackson, APERS*

*Denotes remote attendees

The meeting focused on providing clarity on the characteristics of the private credit asset class and explain why it is considered complementary.

Secondary Infrastructure

Mr. Carlos Borrromeo provided an update on the portfolio's positioning and strategic outlook, noting that the strategic asset allocation will remain unchanged. He explained that the portfolio is currently overweight in international equity and underweight in credit/fixed income and real assets. Within this framework, secondary infrastructure will be classified as a subset of real assets, while private credit will fall under credit/fixed income.

He discussed the risk and return characteristics of various infrastructure investments. Social infrastructure and public-private partnerships were identified as low risk and low return, whereas more competitive assets like energy trading and merchant power were noted for their higher risk and higher return profiles.

Mr. Borrromeo introduced the concept of secondary infrastructure investing, explaining that this approach aims to deliver premium, risk-adjusted returns compared to primary investments. He emphasized that secondary infrastructure is one of the fastest-growing alternative asset classes, with key growth drivers including market expansion, limited partners rebalancing their portfolios, general partners retaining their best-performing assets, and broader balance sheet considerations.

He further compared direct infrastructure investments with the secondary approach, highlighting that 70–80% of assets in secondary deals can typically be identified upfront. This approach also offers benefits such as J-curve mitigation and quicker capital deployment.

Following the discussion, Jason Brady made a motion for the Board to authorize APERS Staff to include secondary infrastructure investments—specifically Partners Group Infrastructure Secondary (USA), Ares Secondaries Infrastructure Solutions III, and Pantheon Global Infrastructure V—for up to \$100 million each, to be invested at the discretion of the Chief Investment Officer. The motion was seconded by Secretary Jim Hudson and subsequently passed.

Private Credit

Representatives from HarbourVest, Neuberger Berman, and Stephens were present for the discussion.

Larry Middleton of Stephens began by providing an overview of private credit. He explained that private credit offers durable income, reduced exposure to credit and interest rate risk, and access to an expanding opportunity set driven by long-term market trends. He contrasted public credit, which primarily involves corporate bonds, with private credit, which is typically securitized.

Middleton noted that the primary focus in this space is direct lending—not the purchase of distressed assets. He highlighted the historical performance of direct lending over the past 10 years, reporting an average return of 8.8%, compared to 4.4% for high-yield corporate bonds. This performance difference, he emphasized, supports private credit as a compelling investment option.

HarbourVest

Ms. Melissa Cahill of HarbourVest addressed the board next, beginning with an overview of APERS' involvement in the Dover Street XI program, which focuses on private equity secondary offerings. She noted that HarbourVest has been investing in secondaries for 40 years, providing deep experience in this space.

She spoke about the evolution of the private credit market, emphasizing its tremendous growth in recent years. Key drivers of this expansion include the speed, anonymity, and flexibility that secondary transactions can offer to both buyers and sellers.

Ms. Cahill highlighted that in 2024, HarbourVest saw approximately \$12 billion in executed secondary sales. However, this represented only about 4% of the deals they evaluated, reflecting a highly selective environment with significantly more sellers than buyers.

Mr. Bill Cole of HarbourVest followed with a discussion on credit secondaries. He explained that credit secondary investments can help meet liquidity needs for both limited partners (LPs) and general partners (GPs). Utilizing the secondary market to access private credit opportunities allows investors to reduce risk while aiming for higher returns.

He emphasized that investing in seasoned loans—those that are already performing—can significantly reduce the probability of default. Additionally, he noted that the discounts often seen in secondary transactions are a reflection of the market’s under-capitalization, creating opportunities for well-positioned investors.

Mr. Cole pointed out that currently, only 4% of capital in secondary funds is allocated specifically to credit investments, underscoring a growing demand for liquidity-focused investors. He added that an allocation to credit secondaries could be a strategic way to establish or enhance an institution’s private credit program.

In response to a question from Board Member Jim Hudson regarding the due diligence process, Mr. Cole explained that credit investing is unique in that when lending to a business, the investor knows exactly what the expected earnings will be from interest and at maturity. He summarized the approach by stating, “You win by not losing with credit.”

Neuberger Berman

Mr. Gabe Feghali of Neuberger Berman spoke next, focusing on direct lending as an investment strategy. He described direct lending as an “all-weather” asset class, offering attractive risk-adjusted returns, lower volatility, low default and loss rates, and strong recovery rates. Additionally, he highlighted that direct lending does not experience a j-curve effect, making it a stable option for institutional portfolios.

Mr. Feghali noted that corporate direct lending is straightforward in its structure and benefits from high recovery rates, even in the rare cases of default. He also mentioned that if the Federal Reserve were to raise interest rates again, direct lending strategies would stand to benefit due to their floating-rate nature.

He pointed out that direct lending currently carries an approximate 2.2% return premium over broadly syndicated loans. The asset class continues to see significant growth, with more deals being executed than ever before—surpassing pre-pandemic levels.

Larry Middleton outlined the default rates and earnings associated with the companies involved. Larry, along with Bo Brister, noted their 13 years of experience in this space and emphasized that the information shared should offer valuable insight for consideration.

Board Member Jason Brady asked Carlos Borromeo how much APERS has allocated for private equity. Carlos responded that the Board previously approved an allocation of 5% of the total fund for private equity investments.

Board Member Walther then asked Carlos what direction he would recommend for APERS moving forward. Carlos stated that he and Stephens plan to evaluate and determine the appropriate balance between public and private credit within the portfolio. He also noted that approximately 70% of the total fund remains highly liquid and could be accessed within a few days if needed.

Israel Bonds

Board Member Jason Brady introduced a discussion on Israel Bonds, noting that it had come to his attention that APERS currently does not hold any, unlike the State Treasurer’s Office. He explained that in 2017, during his tenure as Chief Deputy Treasurer, then-Treasurer Dennis Milligan led an initiative to pass legislation—Act 644 of 2017—that granted the Treasurer’s Office authority to invest directly in Israel Bonds. Since then, both Treasurer Milligan and his successors, Treasurer Thurston and Treasurer Walther, have purchased Israel Bonds on behalf of the state.

Brady shared that the State Treasury currently holds approximately \$55 million in Israel Bonds as part of its \$11 billion portfolio. He described Israel Bonds as being backed by the full faith and credit of the State of Israel, rather than being tied to specific assets. While they are considered illiquid, they are also widely regarded as low-risk investments, with a current bond rating of A. He added that several other states—including Oklahoma, Louisiana, Texas, and Mississippi—also hold Israel Bonds, citing their solid returns and sound investment profile.

Following his remarks, Jason Brady made a motion to authorize APERS staff to invest a minimum of \$25 million and a maximum of \$50 million in Israel Bonds. The motion was seconded by Jim Hudson and carried without dissent.

New Business

Secretary Jim Hudson requested that Director Fecher work with APERS Staff to develop a proposed staffing plan and timeline for taking the system’s investment advisor services to market. The intention is to ensure a fair and transparent process for evaluating potential service providers.

Board Member Jason Brady inquired how long it would take to bring a formal recommendation and plan to the Board. Director Fecher responded that a plan and recommendation could be presented by the September Board meeting. He noted that while these contracts are legally exempt from procurement law, APERS would still conduct an open and transparent competitive bidding process through an internal Request for Proposal (RFQ).

Following the discussion, Secretary Jim Hudson made a motion that the Investment and Finance Subcommittee direct APERS Staff to prepare a proposed timeline and methodology to take APERS investment advisor services out for competitive bidding, with the plan to be submitted at the next Investment Finance Subcommittee meeting. The motion was seconded by Jason Brady and carried without dissent.

With no further business, the meeting was adjourned.

Larry Walther, Sub-Committee Chair

Amy Fecher, APERS Executive Director



Chief Investment Officer Report

For the Quarter Ending March 31, 2025

4th Quarter 2024 - Reminder

- U.S. equities posted gains, while global markets faced headwinds amid renewed trade tensions.
- The Federal Reserve lowered interest rates by 25 basis points in both November and December. However, inflation remained persistent. In December, the Federal Reserve tempered its outlook on the number of anticipated rate cuts in 2025.
- In Europe, recession fears and political instability – particularly in France and Germany – dampened market performance, compounded by growing concerns over potential trade conflicts with the incoming U.S. administration.
- The European Central Bank (ECB) also implemented two 25 basis point rate cuts during the quarter, in October and December.
- Fixed income markets experienced significant volatility, driven by geopolitical uncertainty, central bank actions, and inconsistent inflation data.
- Key concerns going forward include geopolitical risk, central bank policy direction, and developments surrounding emerging technologies such as DeepSeek.

1stth Quarter 2025 - Summary

U.S. Markets

- China's DeepSeek released a highly competitive AI model at a fraction of the cost of current market leaders. This triggered a selloff in the tech sector as investors reassessed AI leadership, valuation, and future return potential.
- U.S. equities declined in Q1, led by steep losses in the information technology and consumer discretionary sectors. Conversely, energy and healthcare posted strong gains.
- Market sentiment was further impacted by headlines surrounding public sector job cuts, raising concerns about potential pressure on consumer spending.
- In March, the Federal Reserve lowered its U.S. growth forecast for 2025 and raised its inflation outlook.
- The Federal Reserve held interest rates steady and signaled a more hawkish stance, indicating that further cuts may not materialize.

Eurozone

- Eurozone equities rallied in Q1, benefiting from investor rotation out of U.S. tech in response to DeepSeek's disruption.
- Optimism surged in February following the German elections, but gains were partially reversed in March as geopolitical and economic headlines regained focus.

1stth Quarter 2025 - Summary

Eurozone (cont.)

- The automotive sector came under significant pressure, while banks emerged as top performers.
- The European Central Bank (ECB) cut interest rates as anticipated, supporting market stability.

United Kingdom

- U.K. equities advanced during the quarter, led by strong performance among large-cap firms.
- Sentiment toward small- and mid-cap companies remained cautious.
- Fiscal concerns persisted as U.K. gilt yields rose and the British pound weakened.

Global Bonds

- The global macroeconomic landscape shifted notably in Q1. U.S. dominance in technology was challenged, contributing to broader uncertainty and rising recession fears.
- U.S. Treasuries outperformed during the quarter, driven by softer economic data.
- U.S. dollar-denominated bonds outperformed euro-denominated bonds across both investment-grade and high-yield categories.

1st Quarter 2025 – APERS Portfolio

Benchmarks				APERS/ASPRS Portfolio					
	Qtr	Last 1-yr	Fiscal Year		Q1 2025	Fiscal Year	31-Mar-25		
U.S. Equity									
S&P 500	-4.27%	8.25%	3.80%	Domestic Equity	-5.64%	1.45%	\$	4,668,953,945	
Russell 1000 Growth	-9.97%	7.76%	-0.53%	International Equity	4.32%	3.86%	\$	2,689,783,262	
Russell 1000 Value	2.14%	7.18%	9.55%	Private Markets	1.39%	6.76%	\$	460,563,695	
Russell 2000 Index	-9.48%	-4.01%	-0.75%	Fixed Income	2.86%	5.81%	\$	2,099,740,916	
Russell 2000 Growth	-11.12%	-4.86%	-2.00%	Real Assets	0.59%	1.31%	\$	1,546,400,241	
Russell 2000 Value	-7.74%	-3.12%	0.54%	APERS Total Portfolio	-0.79%	3.02%	\$	11,465,442,059	
Russell 3000 Index	-4.72%	7.22%	3.88%				\$	110,862,059 Cash	
International Equity							\$	11,576,304,118 TOTAL FUND	
MSCI EAFE	6.86%	4.88%	5.32%						
MSCI ACWI xUS	5.23%	6.09%	5.08%						
Fixed Income									
Bloomberg Agg	2.78%	4.88%	4.81%						
Bloomberg High Yield	1.00%	7.69%	6.53%						

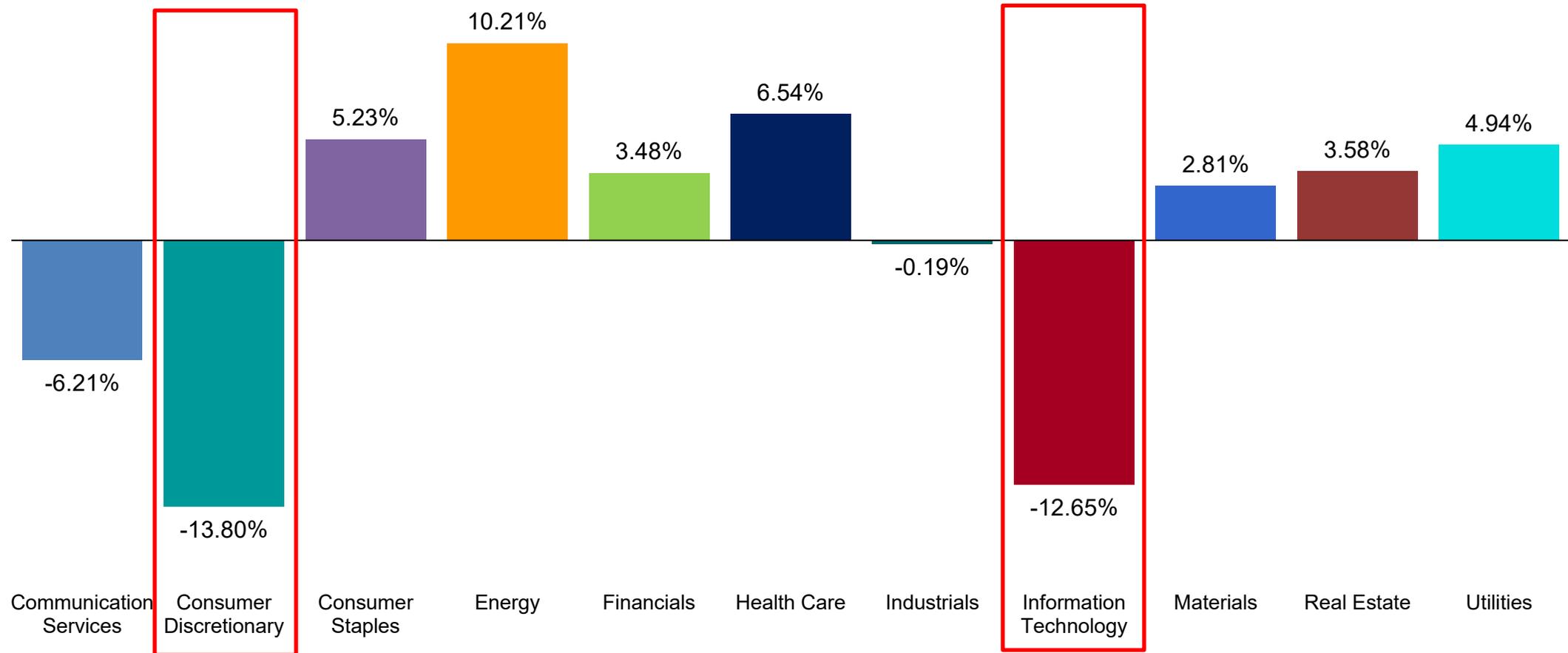
1st Quarter 2025 – Domestic Equities

- U.S. equities experienced a decline in price-to-earnings (P/E) ratios across growth, core, and value segments, with growth seeing the steepest drop
- The P/E expansion observed through the end of 2024 was fully reversed.
- Growth equities are currently facing the most economic concerns.

	QTD US Equity Returns as of 03/31/2025					Fiscal YTD US Equity Returns as of 03/31/2025		
	Growth	Core	Value			Growth	Core	Value
Large	-9.97%	-4.49%	2.14%		Large	-0.53%	4.10%	9.55%
Mid	-7.12%	-3.40%	-2.11%		Mid	7.01%	6.15%	5.87%
Small	-11.12%	-9.48%	-7.74%		Small	-2.00%	-0.75%	0.54%

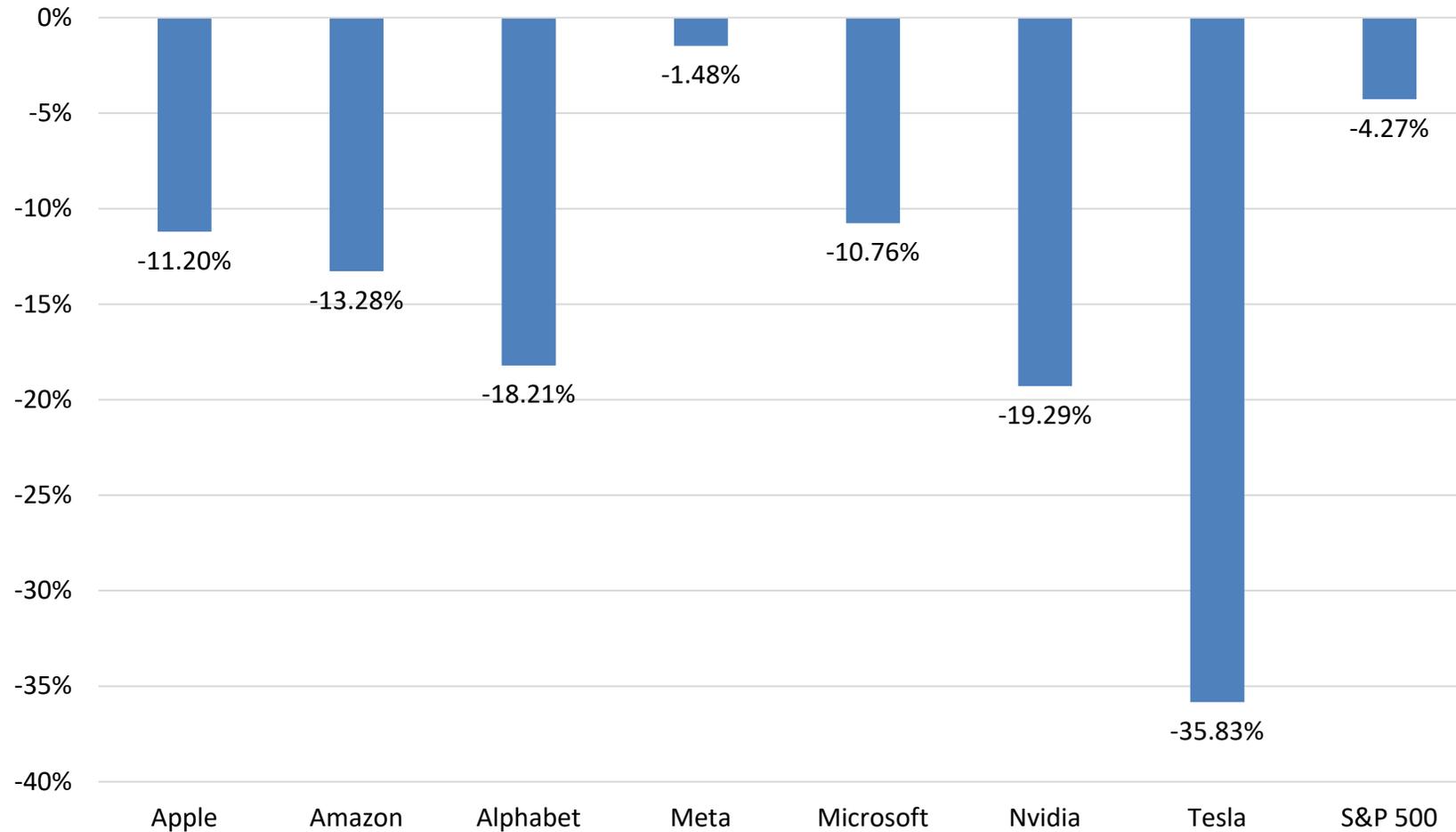
1st Quarter 2025 – S&P Quarter Performance

Industry Sector Quarterly Performance (S&P 500) as of 3/31/2025



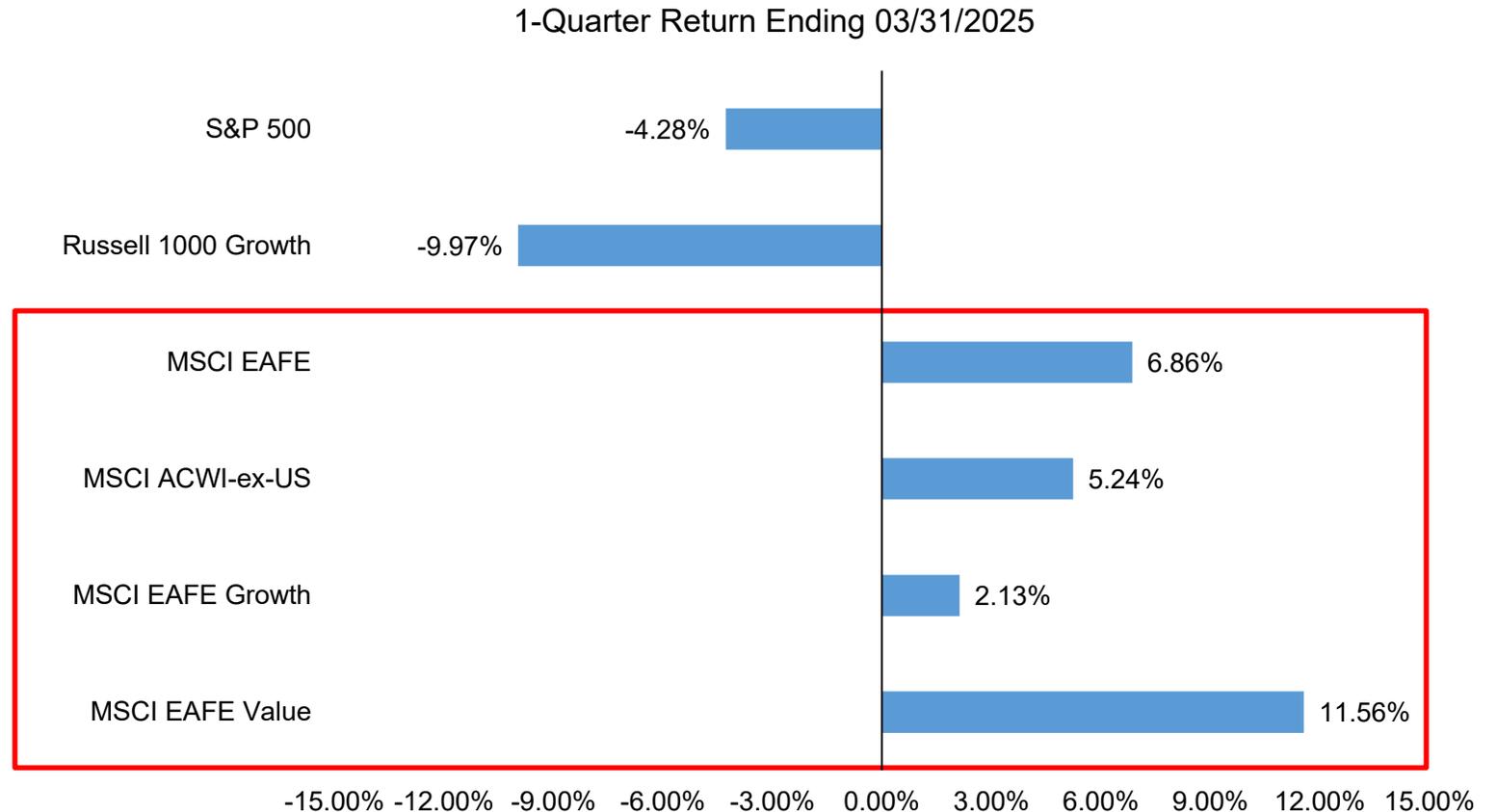
1st Quarter 2025 – “Magnificent 7” Performance

YTD Performance Through 3/31/2025: "Magnificent 7" Stocks vs. S&P 500 Index



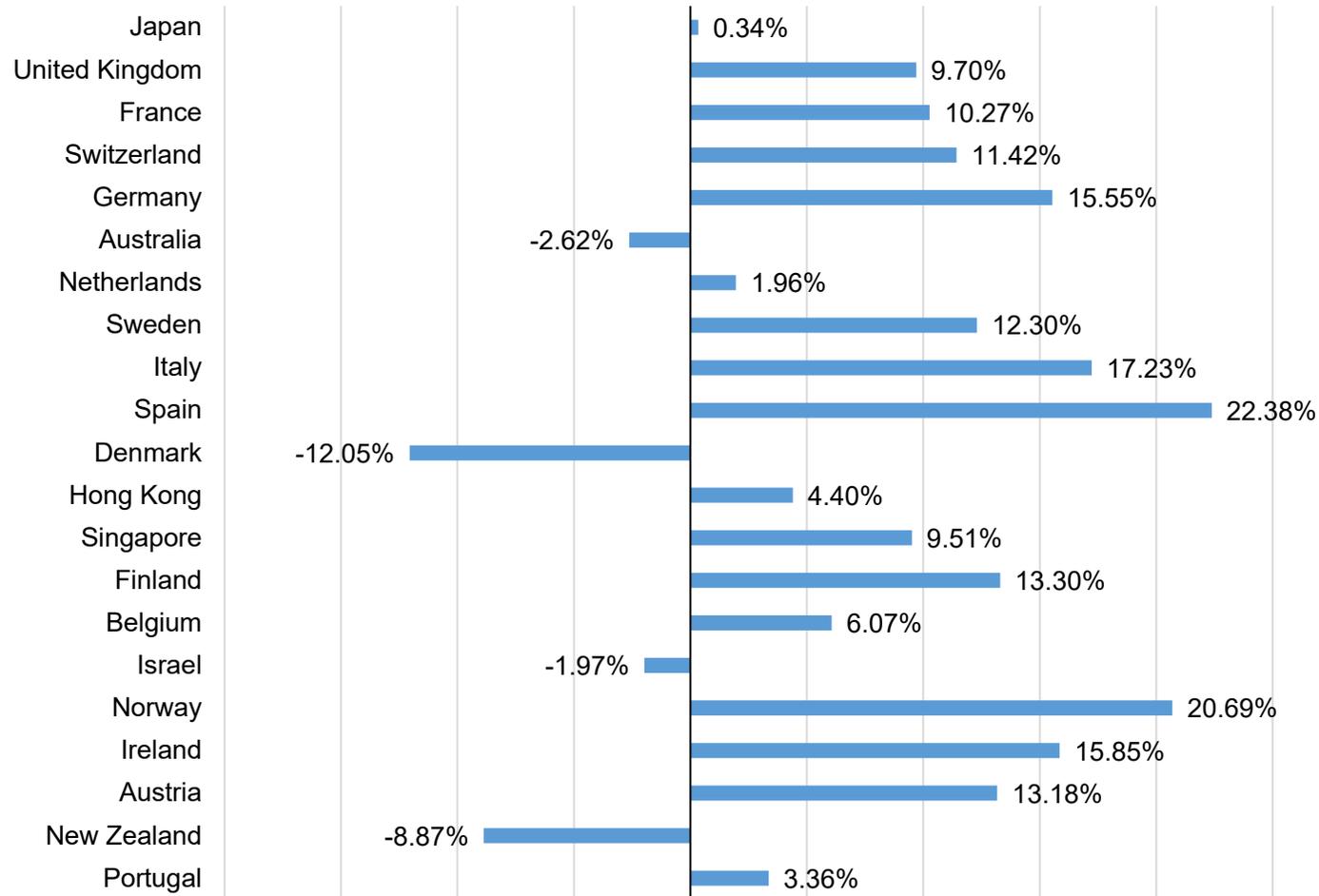
1st Quarter 2025 – International Markets

- Investors rotated out of U.S. tech stocks following DeepSeek’s emergence, favoring Eurozone equities.
- German elections in February sparked a wave of investor optimism.
- The global macroeconomic landscape shifted as U.S. technological leadership faced new challenges.



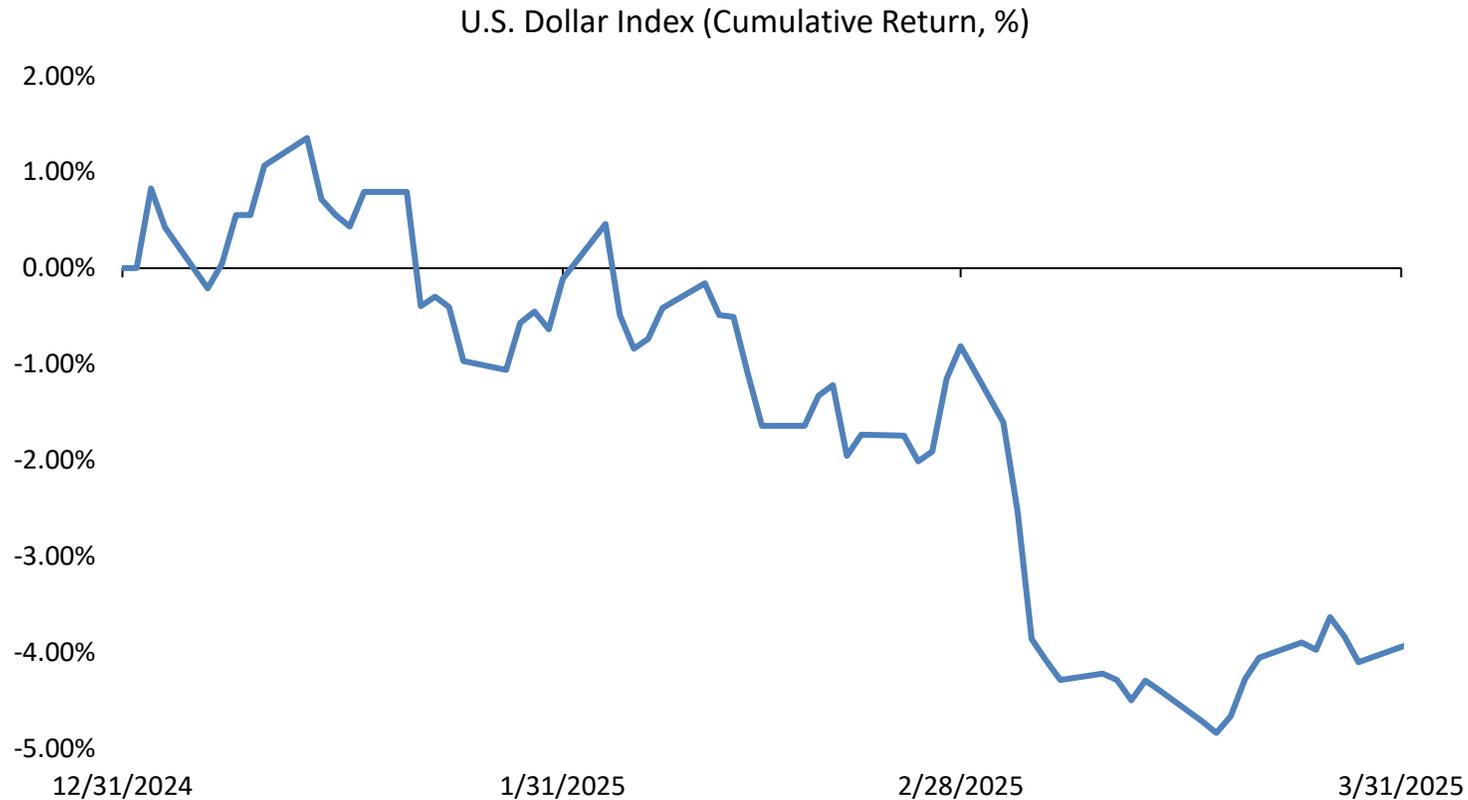
1st Quarter 2025 – International Markets

Countries in the MSCI EAFE Index: 1-Quarter Return Ending 03/31/2025



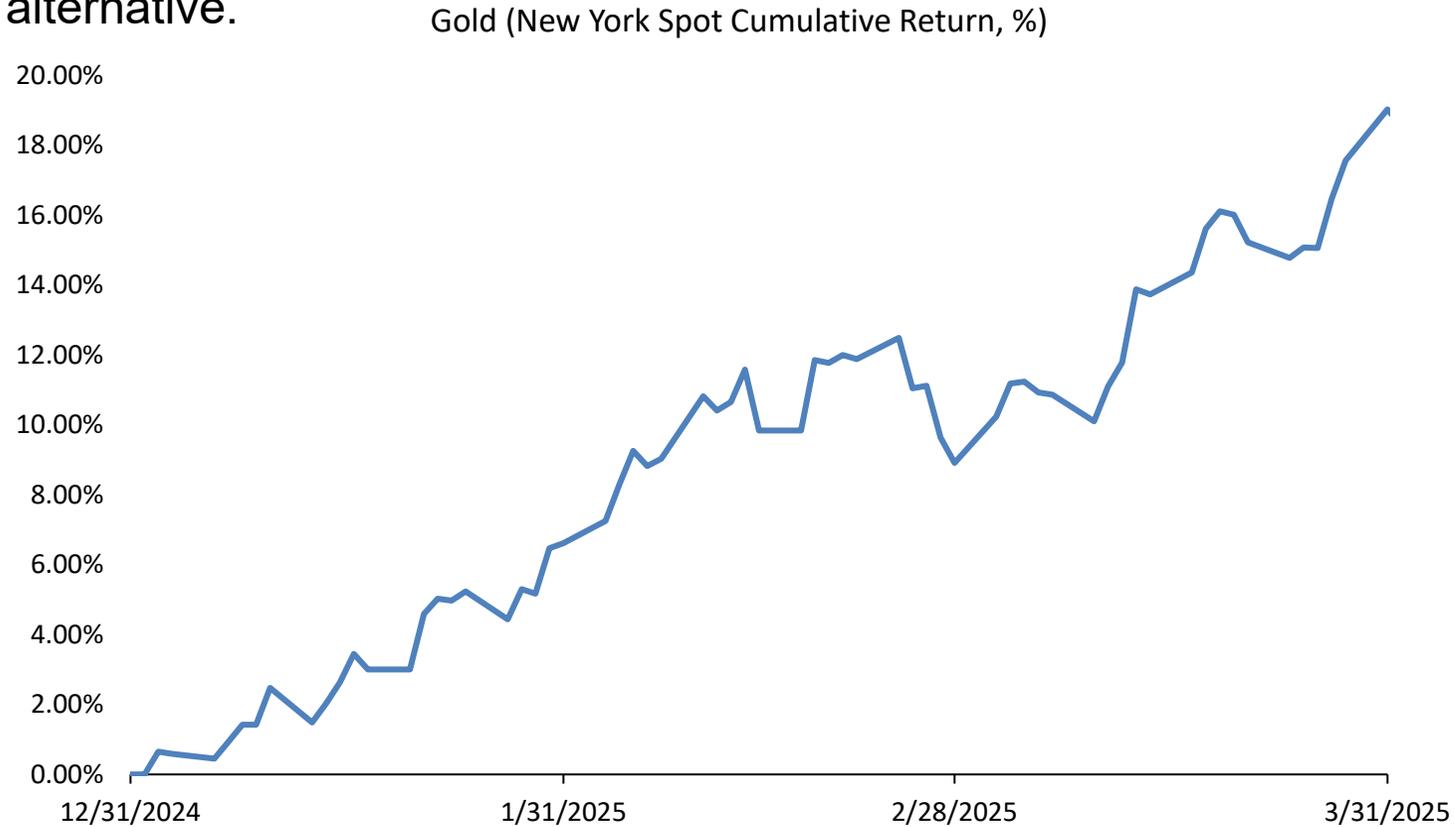
1st Quarter 2025 – U.S. Dollar

- The U.S. dollar's unexpected decline in Q1 caught markets off guard, raising questions about its credibility and long-term stability.



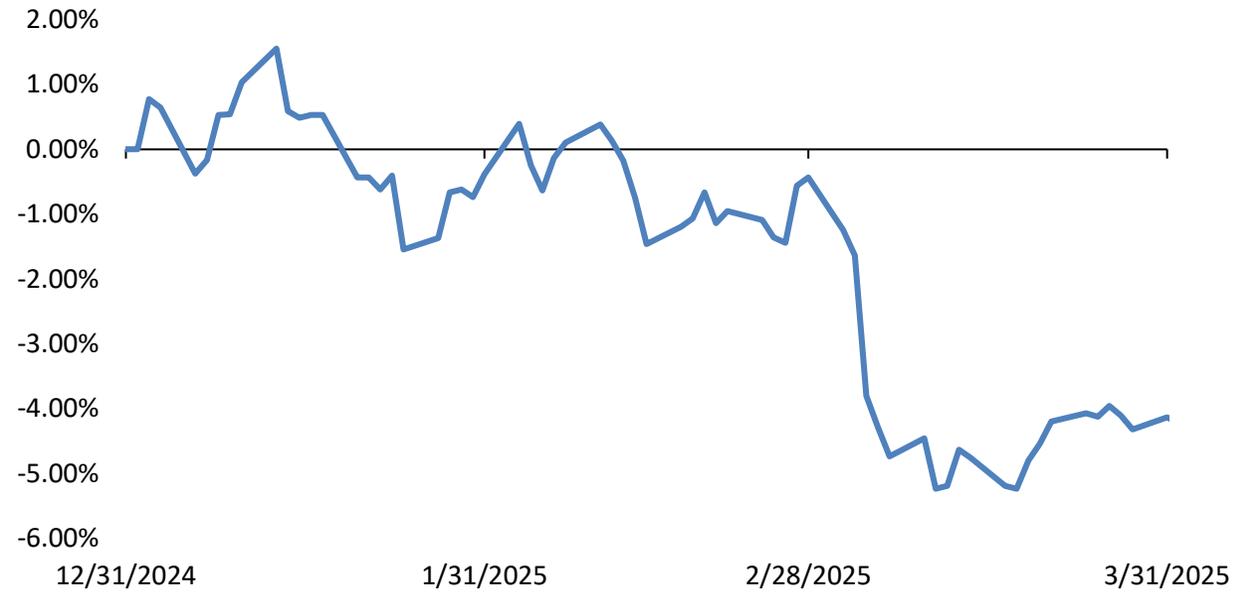
1st Quarter 2025 – U.S. Dollar

- The drop also reflected the prevailing view that the dollar remains overvalued.
- Investors reduced exposure to U.S. assets and the dollar, turning instead to gold as a preferred “safe haven” alternative.

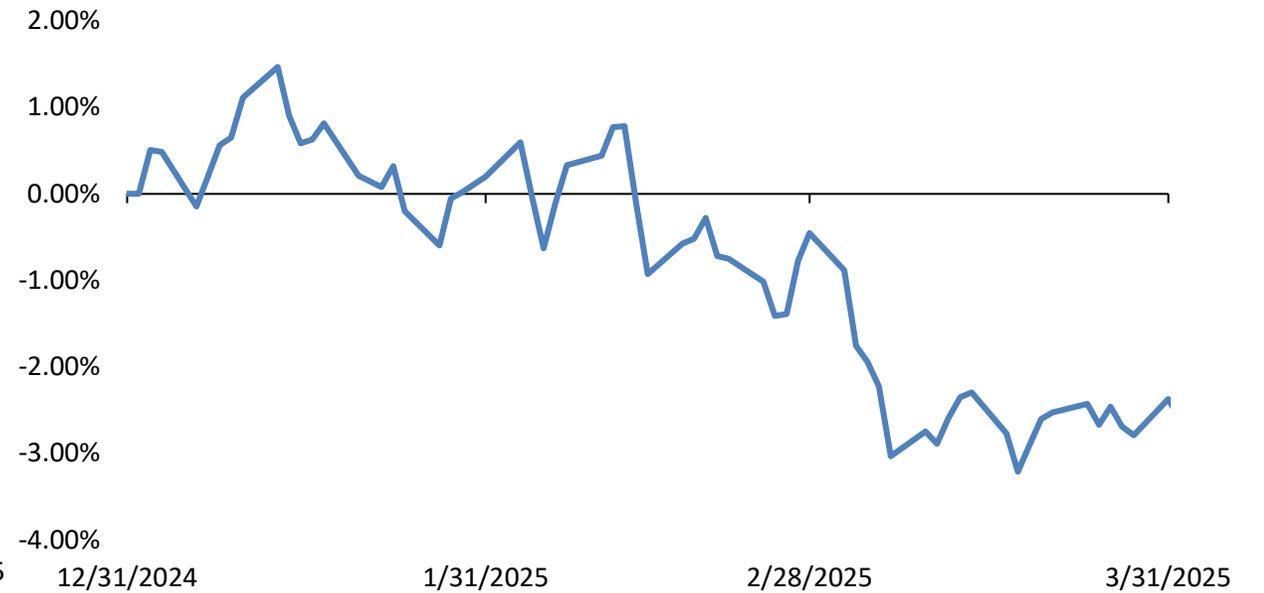


1st Quarter 2025 – U.S. Dollar

Euro per U.S. Dollar (Cumulative Return, %)



Swiss Franc Per U.S. Dollar (Cumulative Return, %)



1st Quarter 2025 – Class Actions Report



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	\$	91,269.61
	\$	16,375,003.16

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

Bloomberg Agg = Bloomberg Aggregate Index

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

Value = Value Stocks

Growth = Growth Stocks

EAFE = Europe Asia Far East

ACWI = All Country World Index

IG = Investment Grade

June 11, 2025



Executive Summary First Quarter 2025

Arkansas Public Employees
Retirement System

Brianne Weymouth, CAIA
Senior Vice President

John Jackson, CFA
Senior Vice President

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

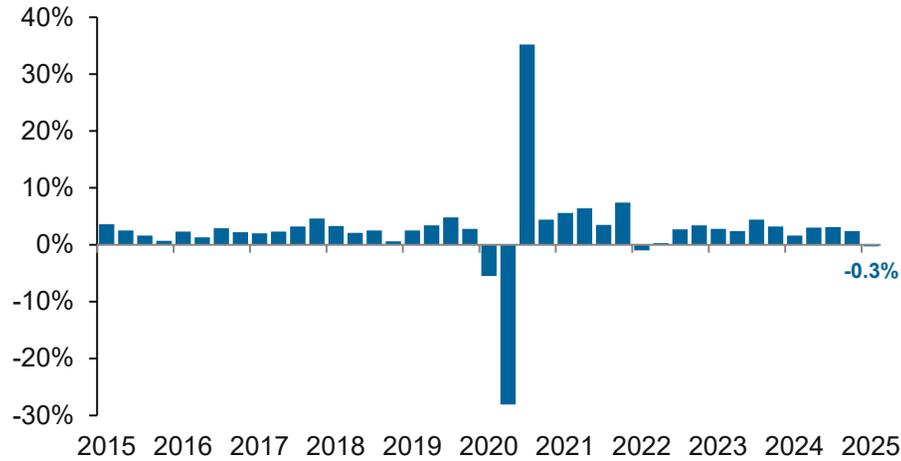


Economic Overview

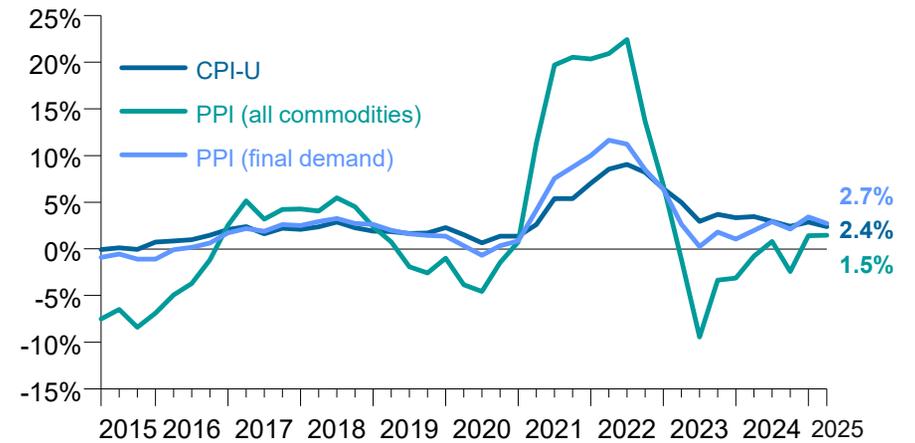
U.S. Economy—Summary

For periods ended 3/31/25

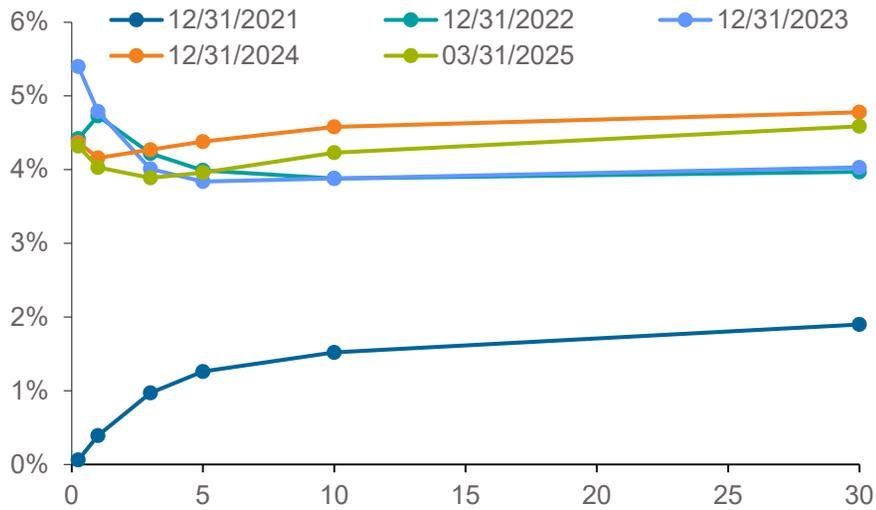
Quarterly Real GDP Growth



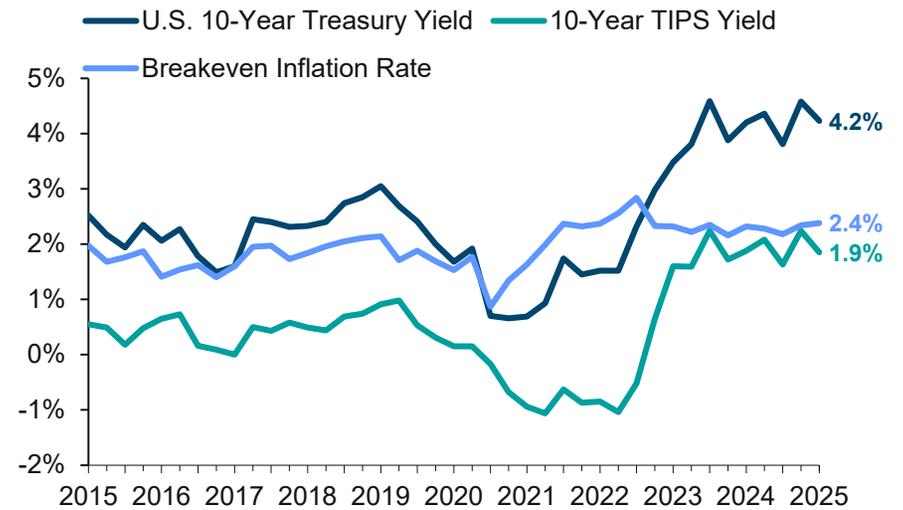
Inflation Year-Over-Year



U.S. Treasury Yield Curves



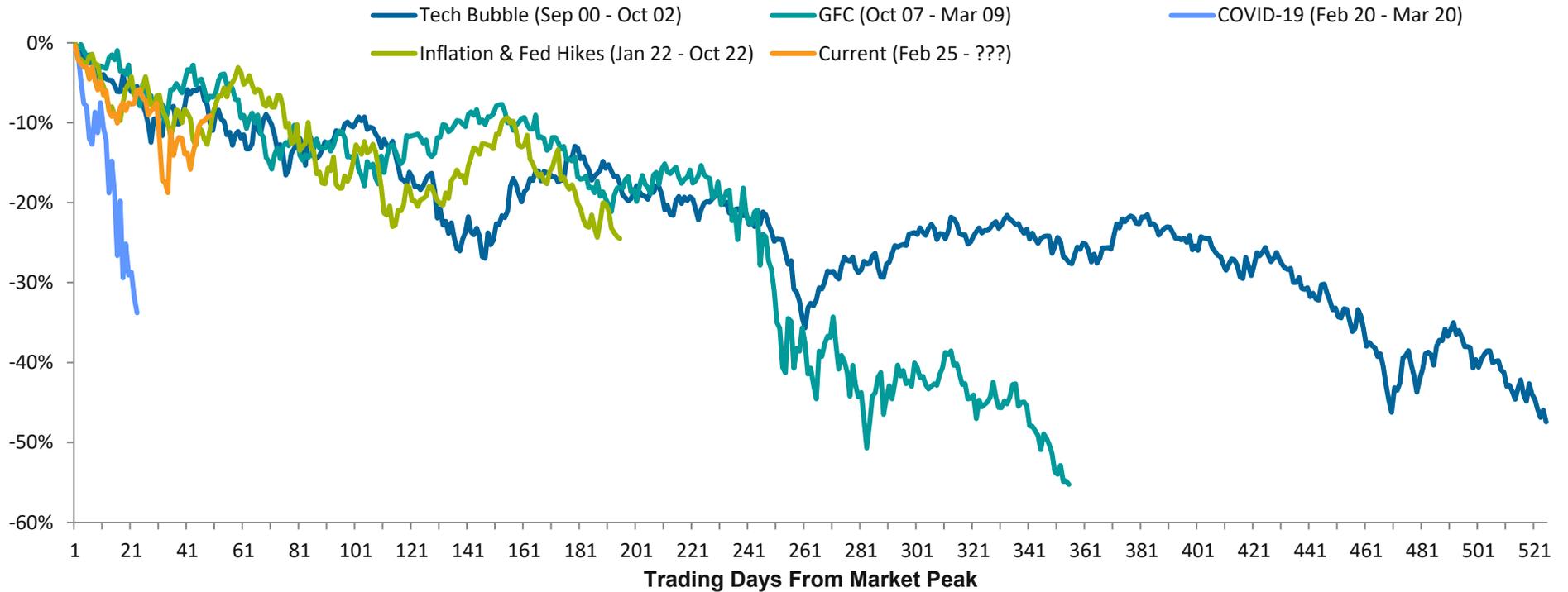
Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve

Current Market Correction in Context

S&P 500 Cumulative Returns
Market Peak-to-Trough for Recent Corrections vs. 2/20/25 Through 4/30/25



The current market correction has been swift relative to other corrections over the last 25 years.

- Only the COVID-19 crash was faster and more severe.

Sources: Callan, S&P Dow Jones Indices



Global Markets Snapshot

Returns for Periods ended 3/31/25

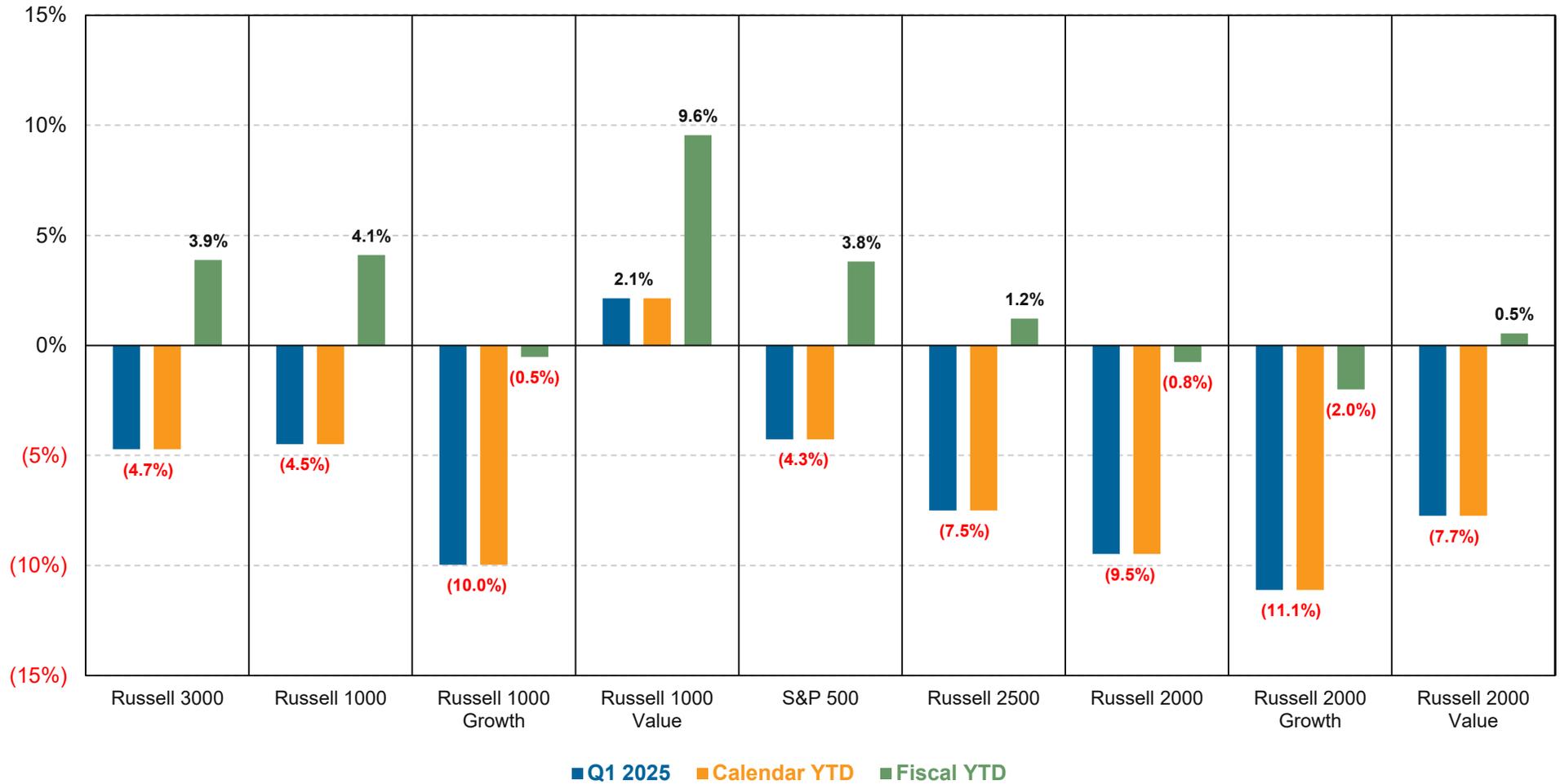
	Q1 2025	FYTD	1 Year	5 Years	10 Years	25 Years
U.S. Equity						
S&P 500	-4.27	3.80	8.25	18.59	12.50	7.41
Russell 1000 Growth	-9.97	-0.53	7.76	20.09	15.12	7.06
Russell 1000 Value	2.14	9.55	7.18	16.15	8.79	7.43
Russell 2000	-9.48	-0.75	-4.01	13.27	6.30	6.83
Russell 2000 Growth	-11.12	-2.00	-4.86	10.78	6.14	4.96
Russell 2000 Value	-7.74	0.54	-3.12	15.31	6.07	8.47
Russell 3000	-4.72	3.88	7.22	18.18	11.80	7.44
Global ex-U.S. Equity						
MSCI World ex USA	6.20	5.94	5.30	12.16	5.50	4.01
MSCI:EAFE	6.86	5.32	4.88	11.77	5.40	3.88
MSCI Emerging Markets	2.93	2.95	8.09	7.94	3.71	--
MSCI ACWI ex USA Small Cap	0.64	1.21	1.87	11.84	5.32	6.09
Fixed Income						
Bloomberg Aggregate	2.78	4.81	4.88	-0.40	1.46	3.96
90-day T-Bill	1.02	3.60	4.97	2.56	1.87	1.90
Bloomberg Long Gov/Credit	3.57	3.51	1.72	-3.74	1.01	5.28
Bloomberg Global Agg ex-US	2.53	3.65	1.46	-2.35	-0.18	2.62
Real Estate						
NCREIF Property	1.28	2.99	2.72	3.25	5.42	7.54
NCREIF NFI ODCE Eq Wt Net	0.84	1.62	0.78	2.26	5.00	5.97
FTSE Nareit Equity	0.91	9.87	9.94	11.34	5.33	9.78
Alternatives						
HFRI Fund Weighted	-0.42	3.94	4.64	9.55	4.98	5.23
Cambridge Private Equity*	2.68	3.71	7.93	14.27	13.40	12.39
Inflation - CPI-U						
	1.33	1.79	2.39	4.38	3.08	2.53

Cambridge Private Equity and Cambridge Senior Debt data as of 9/30/24. Returns greater than one year are annualized.

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

U.S. Equity Market Snapshot: Q1 2025

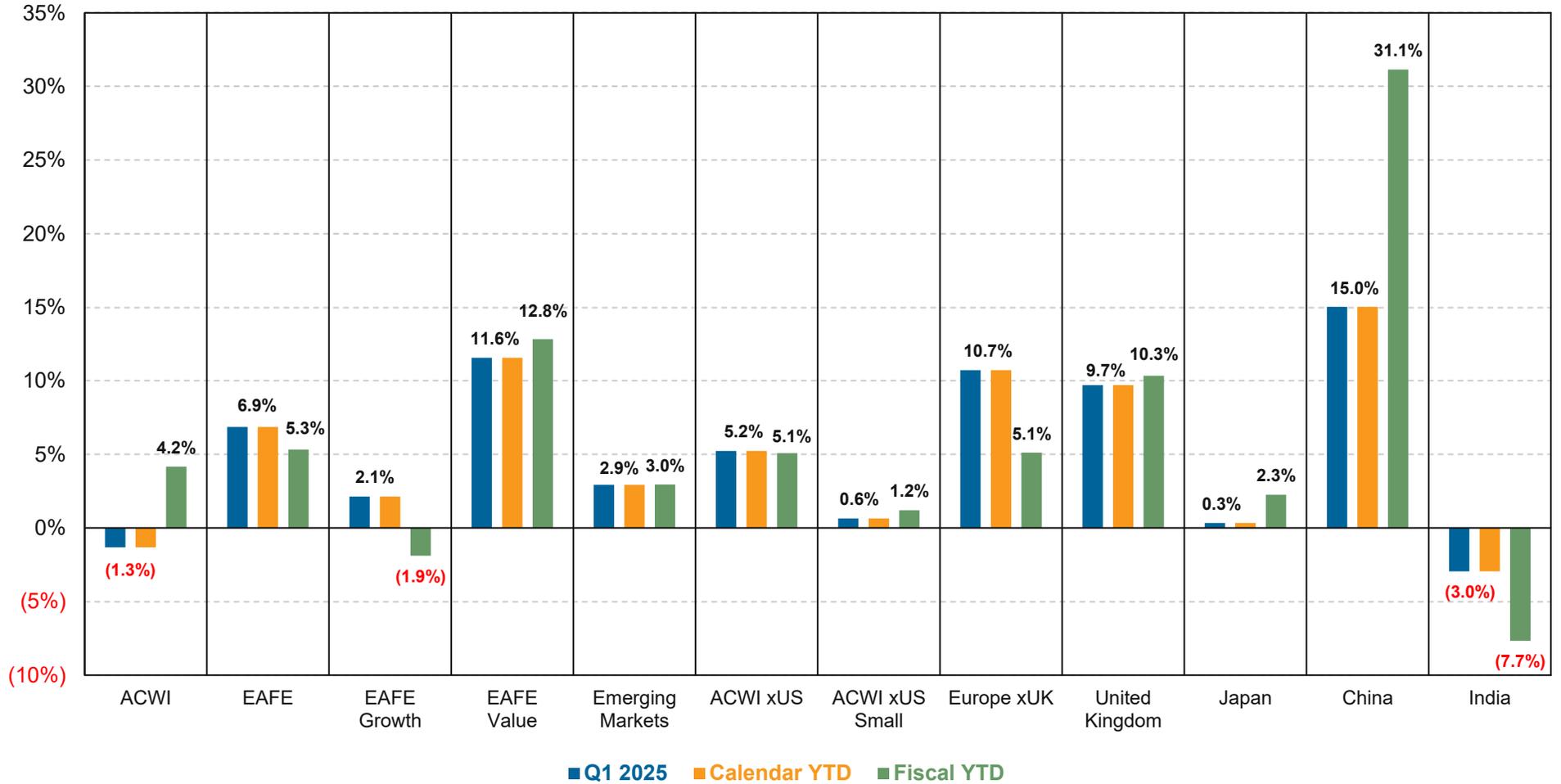
Returns for Periods Ended March 31, 2025



Sources: FTSE Russell, S&P Dow Jones Indices

Global Equity Market Snapshot: Q1 2025

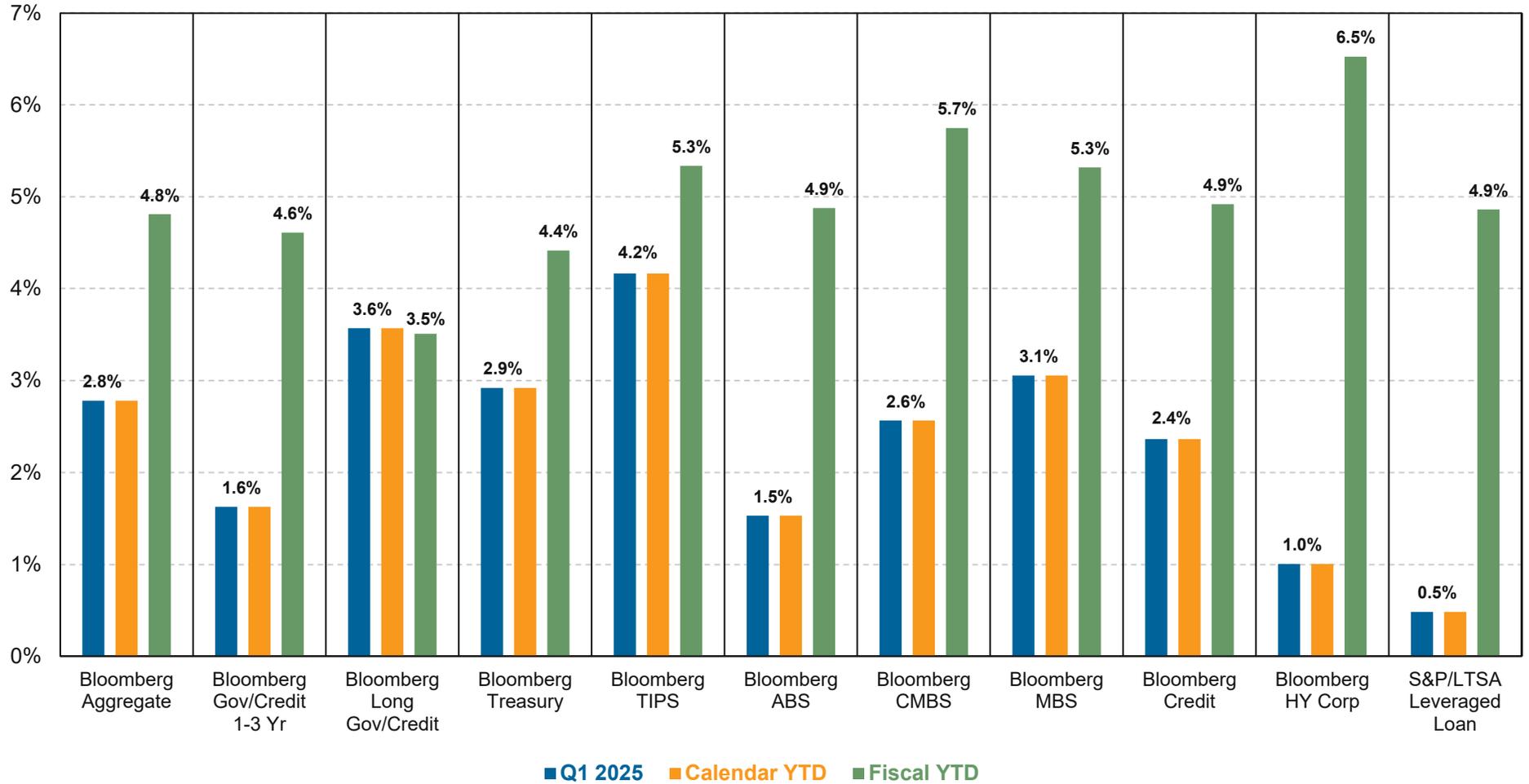
Returns for Periods Ended March 31, 2025



Source: MSCI

U.S. Fixed Income Market Snapshot: Q1 2025

Returns for Periods Ended March 31, 2025



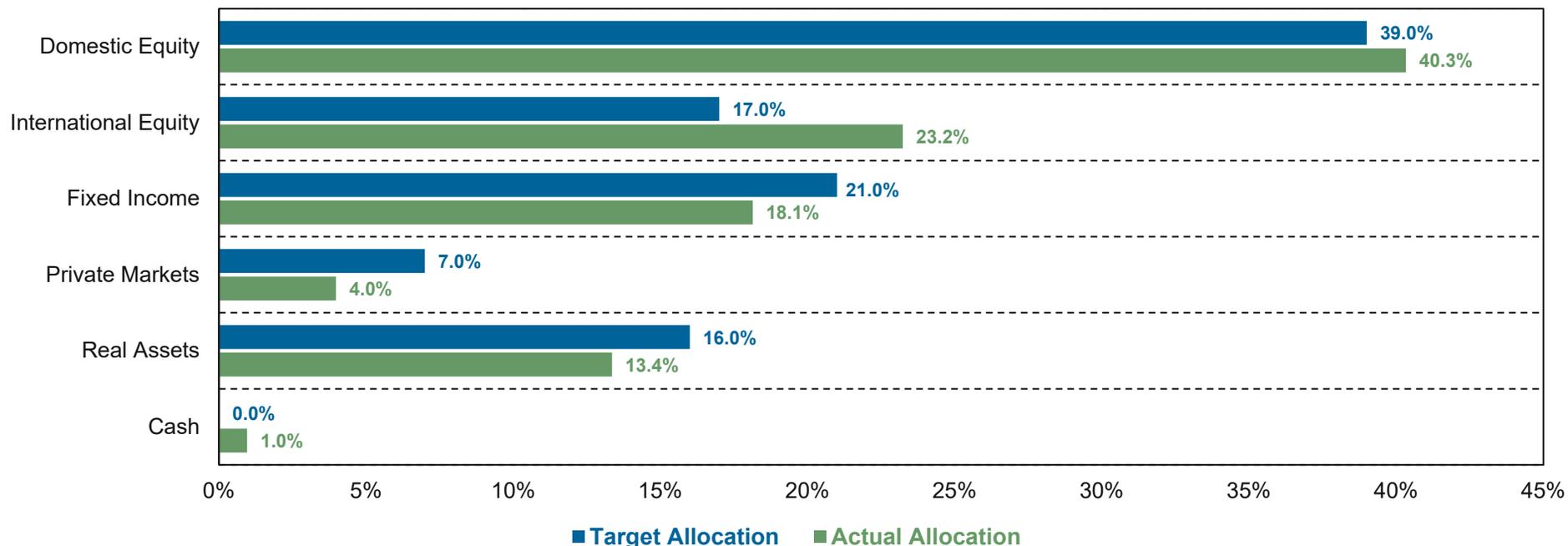
Sources: Bloomberg, Callan, S&P Dow Jones Indices



APERS Portfolio Review

Actual vs. Target Asset Allocation*

March 31, 2025

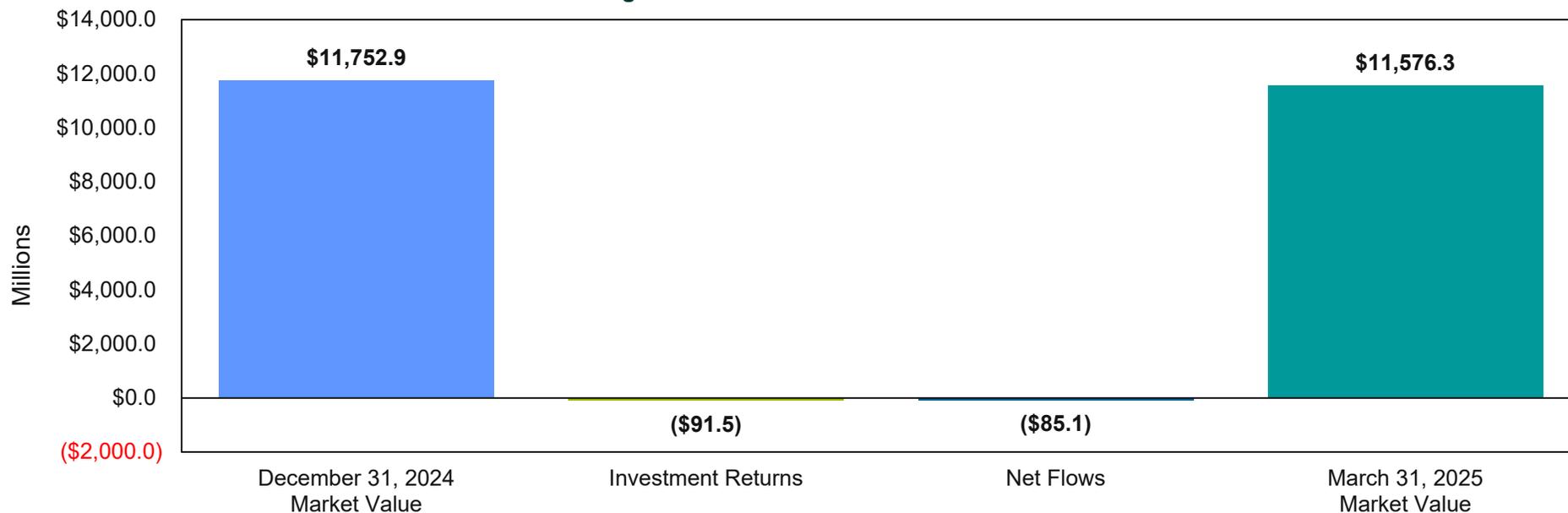


Asset Class	\$Millions Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	4,669	40.3%	34.0%	39.0%	44.0%
International Equity	2,690	23.2%	12.0%	17.0%	22.0%
Fixed Income	2,100	18.1%	16.0%	21.0%	26.0%
Private Markets	461	4.0%	2.0%	7.0%	12.0%
Real Assets	1,546	13.4%	11.0%	16.0%	21.0%
Cash	111	1.0%	0.0%	0.0%	5.0%
Total	11,576	100.0%		100.0%	

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

Total Fund Asset Summary

Changes in Total Fund Assets – Q1 2025



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q1 2025 (12/31/24 – 3/31/25)	\$11,752,923,835	+	(\$91,497,712)	+	(\$85,122,006)	=	\$11,576,304,118
Fiscal YTD (6/30/24 – 3/31/25)	\$11,479,176,077	+	\$339,457,709	+	(\$242,329,668)	=	\$11,576,304,118

Total Fund Performance

March 31, 2025

Returns for Periods Ended March 31, 2025
Group: Callan Public Fund Spr DB

	Q1 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	1.38%	6.76%	5.66%	11.73%	7.98%	7.58%
25th Percentile:	0.78%	6.17%	5.10%	11.08%	7.51%	7.29%
Median:	0.22%	5.45%	4.36%	10.32%	7.02%	6.97%
75th Percentile:	(0.59%)	4.69%	3.68%	9.52%	6.45%	6.58%
90th Percentile:	(2.28%)	3.34%	2.89%	8.59%	5.90%	6.09%
Peer Universe Constituents	301	301	290	290	278	197
Total Fund	(0.79%) (78)	4.02% (84)	3.55% (80)	10.76% (35)	6.99% (54)	7.16% (34)
Benchmark	0.00% (60)	5.80% (38)	5.07% (26)	10.55% (41)	7.23% (38)	7.21% (31)

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

Total Fund Performance

March 31, 2025

Returns for Periods Ended March 31, 2025

Group: Callan Public Fd V Lg DB (>\$10B)

	Q1 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	1.45%	7.20%	5.65%	11.65%	8.13%	7.69%
25th Percentile:	1.20%	6.33%	5.22%	11.20%	7.81%	7.49%
Median:	0.62%	5.76%	4.49%	10.49%	7.50%	7.23%
75th Percentile:	0.26%	5.33%	3.79%	9.89%	7.06%	6.97%
90th Percentile:	(0.02%)	4.51%	3.03%	9.11%	6.52%	6.37%
Peer Universe Constituents	55	55	54	54	52	48
Total Fund	(0.79%) (97)	4.02% (95)	3.55% (81)	10.76% (47)	6.99% (80)	7.16% (56)
Benchmark	0.00% (87)	5.80% (49)	5.07% (35)	10.55% (49)	7.23% (63)	7.21% (53)

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

Asset Class Performance and Market Values

March 31, 2025

	Market Value \$(Dollars)	Ending Weight	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	\$4,668,953,945	40.33%	(5.64%)	1.45%	2.60%	5.13%	16.13%	10.37%
<i>Russell:3000 Index</i>			(4.72%)	3.88%	7.22%	8.22%	18.18%	11.80%
International Equity	\$2,689,783,262	23.24%	4.32%	3.86%	4.54%	4.98%	11.95%	6.01%
<i>Int'l Equity Benchmark</i>			4.59%	4.54%	5.50%	3.99%	9.99%	4.55%
Private Markets	\$460,563,695	3.98%	1.39%	6.76%	14.05%	9.93%	10.66%	6.80%
Private Equity	\$199,936,527	1.73%	0.29%	4.43%	21.36%	--	--	--
<i>PE Benchmark</i>			3.32%	14.69%	26.83%	--	--	--
Hedge Funds	\$260,627,168	2.25%	2.13%	8.18%	10.22%	8.92%	9.54%	6.58%
<i>HFRI FOF Index</i>			0.17%	4.25%	4.91%	7.13%	5.90%	5.55%
Fixed Income	\$2,099,740,916	18.14%	2.86%	5.81%	6.47%	1.84%	2.08%	2.61%
<i>Blmbg:Aggregate</i>			2.78%	4.81%	4.88%	0.52%	(0.40%)	1.46%
Real Assets	\$1,546,400,241	13.36%	0.59%	1.31%	1.38%	(2.20%)	5.92%	5.10%
<i>Real Assets Benchmark</i>			1.28%	2.99%	2.72%	2.66%	5.36%	5.58%
REITS	\$29,111,039	0.25%	1.17%	9.95%	9.78%	(1.56%)	10.82%	--
<i>S&P DJ US Select REIT</i>			1.17%	9.97%	9.79%	(1.41%)	10.84%	4.53%
Core/Core Plus RE	\$1,003,798,139	8.67%	0.41%	0.27%	(0.17%)	(3.45%)	2.51%	4.88%
<i>NFI-ODCE Eq Wt Net</i>			0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Non-Core Real Estate	\$316,508,702	2.73%	1.33%	5.32%	5.66%	(0.33%)	9.10%	10.86%
<i>NCREIF Total Index</i>			1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
Farmland	\$96,112,057	0.83%	0.19%	(0.77%)	(0.34%)	--	--	--
<i>NCREIF Farmland Index</i>			0.06%	(1.49%)	(1.70%)	3.50%	4.83%	5.69%
Timber	\$100,870,304	0.87%	0.31%	1.69%	6.56%	12.65%	8.64%	3.84%
<i>NCREIF Timberland Index</i>			0.80%	3.83%	5.60%	8.89%	7.93%	5.34%
Cash	\$110,862,059	100.00%	1.00%	3.67%	5.01%	4.24%	2.60%	1.81%
Total Fund	\$11,576,304,118		(0.79%)	3.02%	4.02%	3.55%	10.76%	6.99%
<i>Total Fund Benchmark</i>			0.00%	4.28%	5.80%	5.07%	10.55%	7.23%

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	(5.64%)	1.45%	2.60%	5.13%	16.13%	10.37%
Russell 3000 Index	(4.72%)	3.88%	7.22%	8.22%	18.18%	11.80%
CastleArk	(11.08%) (92)	(9.19%) (100)	(3.13%) (93)	6.61% (63)	18.89% (39)	13.05% (14)
Russell 3000 Growth Idx	(10.00%) (87)	(0.57%) (72)	7.18% (43)	9.63% (31)	19.57% (28)	14.55% (5)
Callan All Cap Broad	(3.00%)	5.61%	5.21%	7.74%	18.21%	10.74%
CastleArk LCG	(11.70%) (93)	--	--	--	--	--
Russell:1000 Growth	(9.97%) (65)	(0.53%) (38)	7.76% (18)	10.10% (28)	20.09% (11)	15.12% (11)
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%	13.85%
Mellon S&P 500 Index Fd	(4.26%) (37)	3.81% (25)	8.26% (16)	9.06% (46)	18.53% (53)	12.35% (45)
S&P 500 Index	(4.27%) (38)	3.80% (25)	8.25% (16)	9.06% (46)	18.59% (51)	12.50% (41)
Callan Large Cap Core	(4.72%)	2.24%	5.94%	8.86%	18.63%	12.18%
Horrell Capital - Passive	0.19% (23)	5.87% (45)	1.50% (70)	6.74% (63)	18.03% (56)	9.83% (64)
Blmbg Arkansas Index	(10.52%) (89)	(8.28%) (100)	(12.17%) (99)	2.85% (93)	21.44% (19)	7.69% (97)
S&P 500 Index	(4.27%) (60)	3.80% (53)	8.25% (26)	9.06% (32)	18.59% (45)	12.50% (19)
Callan All Cap Broad	(3.00%)	5.61%	5.21%	7.74%	18.21%	10.74%
Mellon Large Cap Growth	(10.00%) (68)	(0.56%) (38)	7.71% (18)	--	--	--
Russell 1000 Growth Idx	(9.97%) (65)	(0.53%) (38)	7.76% (18)	10.10% (28)	20.09% (11)	15.12% (11)
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%	13.85%
William Blair LCG	(9.99%) (67)	(5.65%) (93)	(1.23%) (91)	--	--	--
Russell 1000 Growth Idx	(9.97%) (65)	(0.53%) (38)	7.76% (18)	10.10% (28)	20.09% (11)	15.12% (11)
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%	13.85%
Wellington Management	0.94% (59)	6.95% (72)	5.63% (64)	7.42% (53)	16.85% (75)	8.96% (79)
Russell 1000 Value Idx	2.14% (38)	9.55% (28)	7.18% (46)	6.64% (67)	16.15% (84)	8.79% (86)
Callan Large Cap Value	1.32%	8.09%	6.89%	7.61%	18.45%	9.61%
Boston Partners LCV	0.32%	--	--	--	--	--
Russell:1000 Value	2.14% (38)	9.55% (28)	7.18% (46)	6.64% (67)	16.15% (84)	8.79% (86)
Callan Large Cap Value	1.32%	8.09%	6.89%	7.61%	18.45%	9.61%

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

Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Stephens Mid Cap Growth	(6.37%) (17)	1.74% (34)	--	--	--	--
Russell Mid Cap Growth Idx	(7.12%) (28)	7.01% (1)	3.57% (1)	6.16% (4)	14.86% (11)	10.14% (24)
Callan Mid Cap Growth	(9.55%)	0.12%	(3.08%)	1.34%	12.58%	9.31%
LSV Asset Management	(5.90%) (26)	2.01% (34)	(1.56%) (41)	5.58% (15)	21.61% (20)	--
Russell 2000 Value Idx	(7.74%) (59)	0.54% (45)	(3.12%) (57)	0.05% (90)	15.31% (79)	6.07% (92)
Callan Small Cap Value	(7.08%)	0.39%	(2.40%)	2.91%	18.58%	7.52%
Stephens Investment Mgmt.	(7.94%) (13)	0.34% (19)	(1.98%) (26)	2.46% (22)	13.81% (31)	9.26% (34)
Russell 2000 Growth Idx	(11.12%) (45)	(2.00%) (39)	(4.86%) (45)	0.78% (48)	10.78% (74)	6.14% (97)
Callan Small Cap Growth	(11.32%)	(3.02%)	(5.43%)	0.40%	12.56%	8.76%
Froley Revy Investment	(3.60%) (82)	4.41% (72)	4.77% (65)	0.08% (69)	11.32% (35)	7.83% (32)
ML All Conv. Index	(2.14%) (53)	6.49% (37)	6.27% (49)	1.80% (35)	12.43% (20)	8.51% (21)
Morningstar Convertibles	(1.99%)	5.78%	6.21%	1.15%	10.63%	7.16%

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

Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
International Equity	4.32%	3.86%	4.54%	4.98%	11.95%	6.01%
Intl Equity Benchmark*	4.59%	4.54%	5.50%	3.99%	9.99%	4.55%
Artisan Intl Value CIT	5.86% (66)	--	--	--	--	--
MSCI EAFE Index	6.86% (51)	5.32% (62)	4.88% (69)	6.05% (56)	11.77% (65)	5.40% (82)
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%	6.23%
Mellon ACWI ex US Fund	5.45% (71)	5.44% (61)	6.71% (55)	4.81% (73)	11.27% (73)	--
MSCI ACWI xUS Index	5.36% (72)	5.41% (62)	6.65% (55)	5.03% (70)	11.46% (71)	5.49% (79)
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%	6.23%
Baillie Gifford Overseas	1.72% (92)	1.97% (84)	1.42% (86)	(0.37%) (97)	6.61% (97)	4.81% (91)
MSCI ACWI xUS Index	5.36% (72)	5.41% (62)	6.65% (55)	5.03% (70)	11.46% (71)	5.49% (79)
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%	6.23%
Lazard Asset Mgmt.	5.18% (74)	1.80% (85)	0.58% (86)	4.76% (74)	10.86% (76)	5.48% (79)
MSCI ACWI xUS Index	5.36% (72)	5.41% (62)	6.65% (55)	5.03% (70)	11.46% (71)	5.49% (79)
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%	6.23%
Acadian ACW ex US SmallCap	1.87% (74)	5.52% (40)	8.73% (19)	5.03% (31)	--	--
MSCI ACWI xUS Small	0.64% (83)	1.21% (73)	1.87% (65)	0.99% (59)	11.84% (48)	5.32% (78)
Callan Intl Small Cap	4.10%	4.80%	3.77%	2.67%	11.71%	6.63%
Franklin Templeton Intl SmallCap	(0.34%) (86)	(1.89%) (88)	(1.99%) (76)	0.78% (61)	--	--
MSCI ACWI xUS Small	0.64% (83)	1.21% (73)	1.87% (65)	0.99% (59)	11.84% (48)	5.32% (78)
Callan Intl Small Cap	4.10%	4.80%	3.77%	2.67%	11.71%	6.63%

* Benchmark definitions included in the Appendix.
Peer Group ranking in parentheses.

Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Fixed Income	2.86%	5.81%	6.47%	1.84%	2.08%	2.61%
Blmbg Aggregate Index	2.78%	4.81%	4.88%	0.52%	(0.40%)	1.46%
DoubleLine Capital	2.71% (66)	5.82% (18)	6.20% (21)	1.64% (26)	1.82% (32)	--
Blmbg Aggregate Index	2.78% (52)	4.81% (93)	4.88% (94)	0.52% (90)	(0.40%) (100)	1.46% (100)
Callan Core Plus FI	2.79%	5.28%	5.67%	1.36%	1.48%	2.42%
MacKay Shields	2.97% (20)	6.10% (7)	7.16% (2)	2.15% (11)	2.49% (12)	2.86% (14)
Blmbg Aggregate Index	2.78% (52)	4.81% (93)	4.88% (94)	0.52% (90)	(0.40%) (100)	1.46% (100)
Callan Core Plus FI	2.79%	5.28%	5.67%	1.36%	1.48%	2.42%
PGIM Fixed Inc	2.89% (31)	5.51% (28)	6.04% (28)	1.71% (22)	1.88% (31)	2.88% (14)
Blmbg Aggregate Index	2.78% (52)	4.81% (93)	4.88% (94)	0.52% (90)	(0.40%) (100)	1.46% (100)
Callan Core Plus FI	2.79%	5.28%	5.67%	1.36%	1.48%	2.42%
Private Equity	0.29%	4.43%	21.36%	--	--	--
Private Equity Benchmark	3.32%	14.69%	26.83%			
HarbourVest Dover XI	0.00%	3.55%	16.81%	--	--	--
Neuberger Berman Fund of One	0.97%	6.38%	35.56%	--	--	--
Hedge Funds	2.13%	8.18%	10.22%	8.92%	9.54%	6.58%
APERS - Blackstone	2.13% (5)	8.18% (13)	10.22% (11)	8.92% (12)	9.54% (13)	6.58% (8)
HFRI FOF Diversified Index**	0.10% (48)	4.18% (64)	4.84% (65)	7.10% (21)	5.89% (84)	5.54% (19)
Callan Core Div. FoF	(0.03%)	5.69%	6.40%	5.50%	8.46%	4.70%

Benchmark definitions included in the Appendix.

** 3-month Treasury Bill +4% through 6/30/2023; HFRI FOF Diversified Index thereafter.

Peer Group ranking in parentheses.

Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Real Assets	0.59%	1.31%	1.38%	(2.20%)	5.92%	5.10%
NCREIF Total Index*	1.28%	2.99%	2.72%	2.66%	5.36%	5.58%
REITS	1.17%	9.95%	9.78%	(1.56%)	10.82%	--
S&P DJ U.S. Select REIT	1.17%	9.97%	9.79%	(1.41%)	10.84%	4.53%
MCM EB DV Non-SL REIT Fd	1.17% (54)	9.95% (60)	9.78% (63)	(1.56%) (73)	10.82% (54)	--
S&P DJ U.S. Select REIT	1.17%	9.97%	9.79%	(1.41%)	10.84%	4.53%
Callan Real Estate REIT	1.21%	10.14%	10.67%	(0.68%)	10.84%	6.24%
Core Real Estate	0.41%	0.27%	(0.17%)	(3.45%)	2.51%	4.88%
NCREIF NFI-ODCE Eq Wt. Net	0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Carlyle Property Investors	0.48% (83)	0.73% (74)	1.05% (55)	--	--	--
NCREIF NFI-ODCE Eq Wt. Net	0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%	5.22%
Clarion Lion Industrial Trust	0.98% (48)	0.07% (82)	(1.46%) (85)	--	--	--
NCREIF NFI-ODCE Eq Wt. Net	0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%	5.22%
Invesco Real Estate	(0.51%) (97)	(1.50%) (96)	(2.78%) (95)	(5.86%) (68)	0.83% (78)	4.96% (61)
NCREIF NFI-ODCE Eq Wt. Net	0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%	5.22%
Heitman Real Estate Trust LP	1.40% (26)	2.12% (37)	2.78% (25)	(0.46%) (15)	4.60% (20)	--
NCREIF NFI-ODCE Eq Wt. Net	0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%	5.22%
Principal Enhanced Prpty Fd	1.26% (38)	3.45% (14)	--	--	--	--
NCREIF NFI-ODCE Eq Wt. Net	0.84%	1.62%	0.78%	(5.24%)	2.26%	5.00%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%	5.22%

*Benchmark definitions included in the Appendix. Peer Group ranking in parentheses.

Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Value Add Real Estate	1.33%	5.32%	5.66%	(0.33%)	9.10%	10.86%
Harrison Street Fund VIII	(2.41%)	(4.34%)	(4.48%)	4.97%	--	--
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
Harrison Street Fund IX	11.87%	9.67%	9.67%	--	--	--
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
Heitman Value Partners IV	1.47%	3.11%	3.44%	7.12%	13.26%	--
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
LaSalle Inc & Growth VI LP	(2.00%)	(28.53%)	(34.34%)	(25.81%)	(17.60%)	(4.90%)
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
LaSalle Inc & Growth VII LP	0.17%	(11.06%)	(12.89%)	(27.75%)	(12.68%)	--
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
Starwood SOF XII	0.10%	8.07%	11.58%	11.98%	--	--
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
TA Realty XII	1.04%	(1.34%)	(0.41%)	0.22%	12.49%	--
NCREIF:Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
TA Realty XIII	0.78%	40.64%	38.63%	--	--	--
NCREIF Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%	5.42%
Farmland	0.19%	(0.77%)	(0.34%)	--	--	--
IFC Core Farmland Fund	0.81%	4.48%	5.71%	--	--	--
NCREIF:Farm Idx	0.06%	(1.49%)	(1.70%)	3.50%	4.83%	5.69%
PGIM Agriculture	(0.50%)	(6.41%)	(6.78%)	--	--	--
NCREIF Farmland Index	0.06%	(1.49%)	(1.70%)	3.50%	4.83%	5.69%
Timber	0.31%	1.69%	6.56%	12.65%	8.64%	3.84%
Pinnacle	0.31%	1.69%	6.56%	12.65%	8.64%	3.84%
NCREIF Timberland Index	0.80%	3.83%	5.60%	8.89%	7.93%	5.34%
Cash	1.00%	3.67%	5.01%	4.24%	2.60%	1.81%
Total Fund	(0.79%) (78)	3.02% (87)	4.02% (84)	3.55% (80)	10.76% (35)	6.99% (54)
Total Fund Benchmark	0.00% (60)	4.28% (54)	5.80% (38)	5.07% (26)	10.55% (41)	7.23% (38)
Callan Public Fund Spr DB	0.22%	4.33%	5.45%	4.36%	10.32%	7.02%

*Benchmark definitions included in the Appendix. Peer Group ranking in parentheses.

Organizational Developments

1st Quarter 2025

Clarion Partners – Core Real Estate

April 2025 – Josh Pristaw will be joining the Clarion Partners' senior leadership team as Managing Director and President in mid-summer. He will report directly to David Gilbert, Clarion's CEO and Chairman. Mr. Pristaw joins Clarion from Pretium, an investment firm with \$60 billion under management across U.S. residential real estate, residential credit, and corporate credit, where he served as Senior Managing Director and Head of Pretium's real estate platform.

No action required.

Artisan Partners – International Equity

March 2025 – Artisan Partners announced the appointment of current President Jason Gottlieb to succeed Eric Colson as chief executive officer, and the appointment of Colson as executive chair and chair of the board, both effective June 4, 2025. Gottlieb joined Artisan in October 2016 as a managing director of investment operations. He was promoted to chief operating officer and executive vice president in February 2017 and president in January 2021. No additional personnel or structural changes are anticipated within the Investment Management division because of this announcement.

No action required.

Principal Real Estate Investors – Core Real Estate

March 2025 – Principal hired Richard Hill as a Senior Managing Director, Global Head of Real Estate Research and Strategy. In this role, Mr. Hill works across portfolio teams on capital allocation strategies. He also leads the real estate global research team and has responsibility for delivering the house economic and real estate views to clients. Prior to his current role, Mr. Hill was the Head of Real Estate Strategy and Research at Cohen & Steers. Mr. Hill succeeds Indraneel Karlekar, who departed in January 2024 to become Global Head of Research and Strategy at Clarion Partners.

No action required.

Work Plan Update

Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	06/2025	09/2025
Quarterly Board Meetings	Quarterly	06/2025	09/2025
Customized Board Education Sessions	As Needed	05/2023	As Needed
Investment Policy Statement Review	Annual	11/2023	2025

Multi-Year Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Asset/Liability Study	5-7 years	02/2019	2024 – 2026
Asset Allocation Analysis	3 years	12/2023	2026 – 2029
Domestic Equity Structure Review	3-5 years	08/2022	2025 – 2027
Non-U.S. Equity Structure Review	3-5 years	11/2020	2023 – 2025
Fixed Income Structure Review	3-5 years	11/2023	2026 – 2028
Real Assets Structure & Pacing Analysis	1-3 years	05/2021	2022 – 2024
Private Equity Structure & Pacing Analysis	1-3 years	05/2023	2024 – 2026



Appendix

Benchmark Definitions

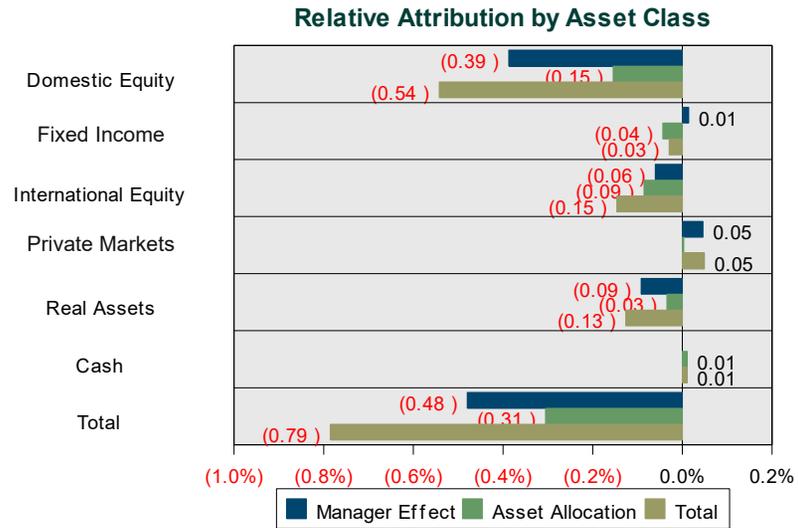
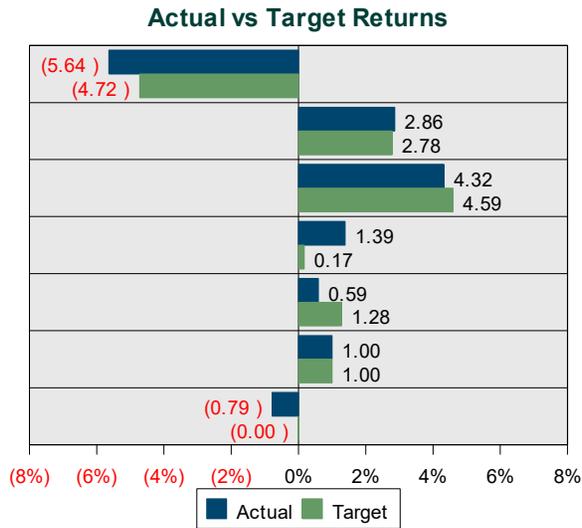
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights. The Long-Term Target was established in February 2023; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of the strategic long-term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

	Long-Term Target	1Q 2025 Target
Domestic Equity	39.0%	39.0%
International Equity	17.0	24.0
Fixed Income	21.0	19.0
Real Assets	16.0	16.0
Private Markets	7.0	2.0
- Private Equity	5.0	0.0
- Hedge Funds	2.0	2.0
Total Target	100.0%	100.0%

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

Total Fund Relative Attribution – Q1 2025

March 31, 2025



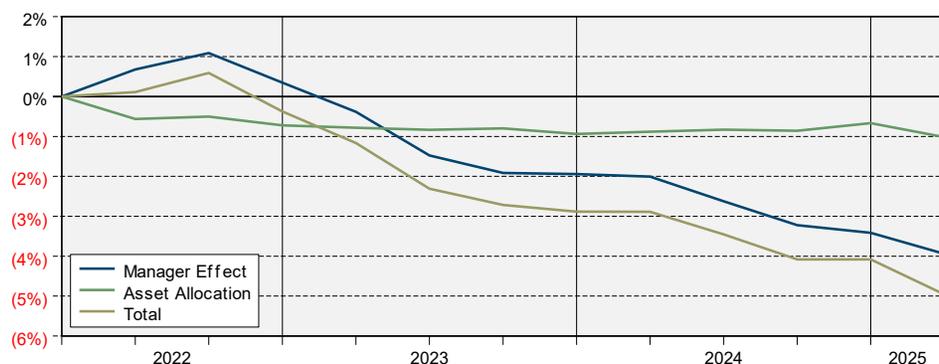
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	39%	(5.64%)	(4.72%)	(0.39%)	(0.15%)	(0.54%)
Fixed Income	17%	19%	2.86%	2.78%	0.01%	(0.04%)	(0.03%)
International Equity	22%	24%	4.32%	4.59%	(0.06%)	(0.09%)	(0.15%)
Private Markets	4%	2%	1.39%	0.17%	0.05%	0.00%	0.05%
Real Assets	13%	16%	0.59%	1.28%	(0.09%)	(0.03%)	(0.13%)
Cash	1%	0%	1.00%	1.00%	0.00%	0.01%	0.01%
Total					(0.79%)	(0.00%)	(0.79%)
						(0.48%)	(0.31%)

Benchmark definitions included in the Appendix.

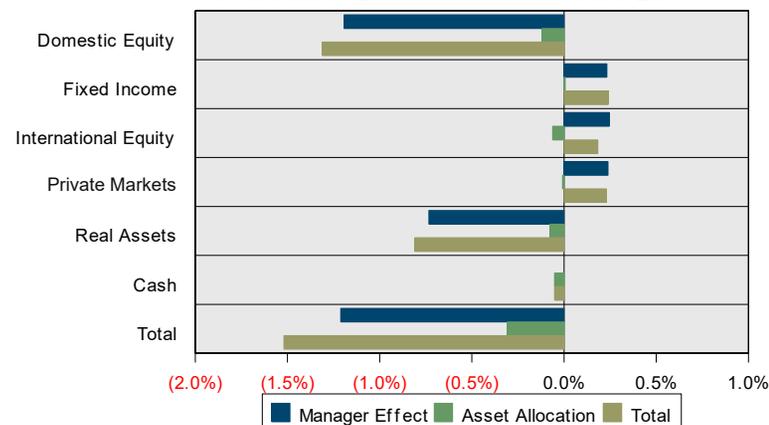
Total Fund Relative Attribution – 3 Years

March 31, 2025

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



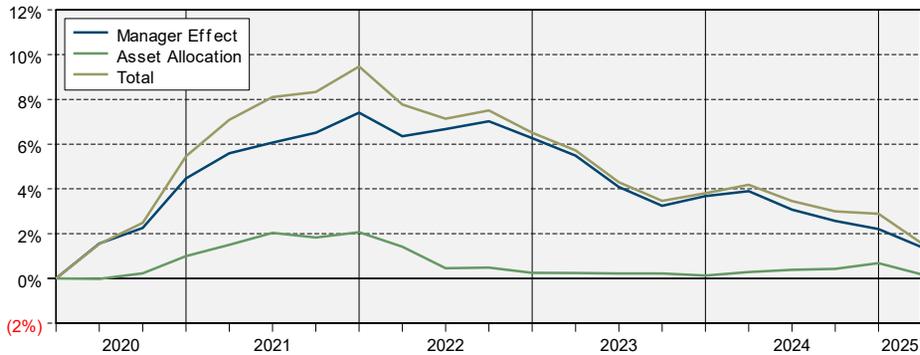
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	5.05%	8.01%	(1.13%)	(0.08%)	(1.21%)
Fixed Income	18%	19%	(1.17%)	(2.41%)	0.22%	0.02%	0.25%
International Equity	25%	24%	0.62%	0.50%	0.03%	(0.04%)	(0.01%)
Private Markets	4%	4%	8.72%	1.35%	0.28%	(0.01%)	0.27%
Real Assets	14%	16%	(0.39%)	3.58%	(0.60%)	(0.19%)	(0.78%)
Cash	1%	0%	3.92%	3.92%	0.00%	(0.05%)	(0.05%)
Total			2.12%	3.65%	(1.19%)	(0.33%)	(1.53%)

Benchmark definitions included in the Appendix.

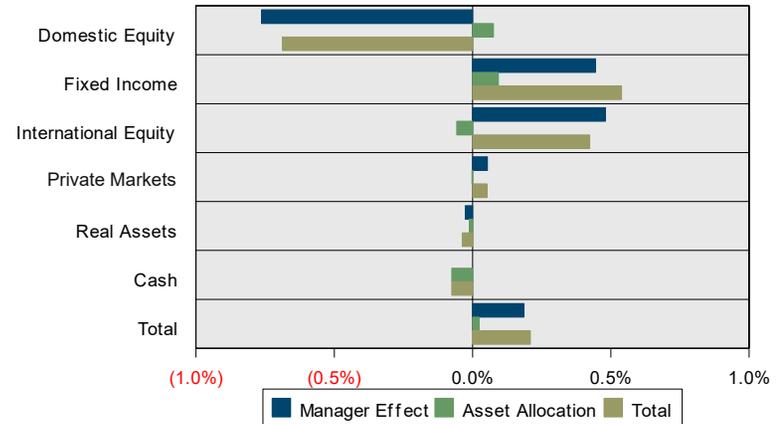
Total Fund Relative Attribution – 5 Years

March 31, 2025

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



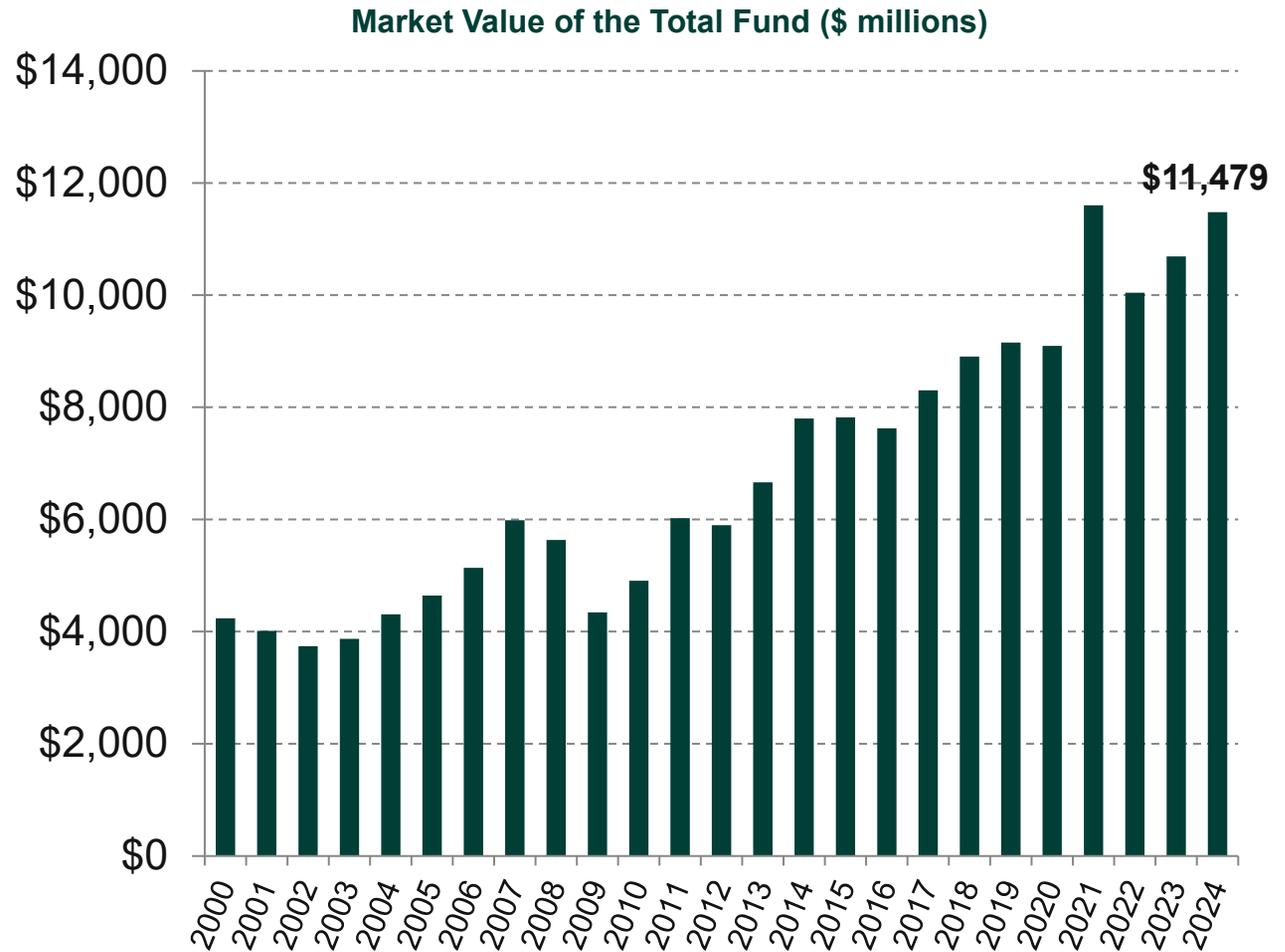
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	16.13%	18.18%	(0.76%)	0.08%	(0.69%)
Fixed Income	17%	18%	2.08%	(0.40%)	0.45%	0.09%	0.54%
International Equity	25%	24%	11.95%	9.99%	0.48%	(0.06%)	0.42%
Private Markets	4%	4%	10.66%	8.52%	0.05%	(0.00%)	0.05%
Real Assets	14%	16%	5.92%	5.36%	(0.03%)	(0.01%)	(0.04%)
Cash	1%	0%	2.60%	2.60%	0.00%	(0.08%)	(0.08%)
Total			10.76%	10.55%	+ 0.19%	+ 0.02%	0.21%

Benchmark definitions included in the Appendix.

Historical Market Values of the Total Fund

Fiscal Year-End Market Values

Fiscal Year Ending	Market Value
2000	\$4,236,749,732
2001	\$4,012,745,608
2002	\$3,739,381,695
2003	\$3,869,787,673
2004	\$4,307,589,827
2005	\$4,642,924,118
2006	\$5,136,985,259
2007	\$5,985,111,493
2008	\$5,633,155,289
2009	\$4,341,419,711
2010	\$4,907,734,835
2011	\$6,022,965,592
2012	\$5,896,862,618
2013	\$6,662,631,673
2014	\$7,800,291,923
2015	\$7,820,289,128
2016	\$7,624,665,446
2017	\$8,301,352,120
2018	\$8,904,393,859
2019	\$9,153,121,783
2020	\$9,093,497,703
2021	\$11,602,695,185
2022	\$10,042,629,672
2023	\$10,691,261,784
2024	\$11,479,176,077



Asset Distribution Across Investment Managers

March 31, 2025

	March 31, 2025			December 31, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	\$4,668,953,945	40.33%	\$(3,643,372)	\$(278,863,061)	\$4,951,460,378	42.13%
CastleArk Mgmt. LLC	663,245,735	5.73%	(914,511)	(82,590,608)	746,750,855	6.35%
Mellon S&P 500 Index Fd	645,855,619	5.58%	(20,154)	(28,728,948)	674,604,721	5.74%
Horrell Capital - Passive	221,099,972	1.91%	(88,728)	423,249	220,765,451	1.88%
Mellon Large Cap Value	173,017,863	1.49%	(8,089)	3,599,892	169,426,060	1.44%
Boston Partners LCV	392,267,206	3.39%	(187,529)	1,253,261	391,201,473	3.33%
Mellon Large Cap Growth	373,975,878	3.23%	(12,932)	(41,555,295)	415,544,105	3.54%
CastleArk LCG	67,033,733	0.58%	(46,521)	(8,876,723)	75,956,977	0.65%
Wellington Management	404,489,913	3.49%	(329,848)	3,789,179	401,030,583	3.41%
William Blair LCG	455,376,307	3.93%	(348,263)	(50,542,626)	506,267,196	4.31%
Stephens Mid Cap Growth	416,977,318	3.60%	(511,482)	(28,327,599)	445,816,399	3.79%
LSV Asset Management	279,961,782	2.42%	(430,129)	(17,545,220)	297,937,131	2.54%
Stephens Investment Mgmt.	169,789,400	1.47%	(325,173)	(14,622,308)	184,736,881	1.57%
Froley Revy Investment	405,863,218	3.51%	(420,013)	(15,139,315)	421,422,546	3.59%
International Equity	\$2,689,783,262	23.24%	\$(29,532,150)	\$112,730,726	\$2,606,584,686	22.18%
Artisan Intl Value CIT	764,554,538	6.60%	(1,269,138)	42,402,303	723,421,374	6.16%
Artisan Partners	2,771,219	0.02%	(1,787,136)	90,123	4,468,232	0.04%
Mellon ACWI ex US Fund	583,260,429	5.04%	(25,068,641)	31,441,880	576,887,190	4.91%
Baillie Gifford Overseas	364,252,584	3.15%	(390,295)	6,181,633	358,461,246	3.05%
Lazard Asset Mgmt.	588,135,513	5.08%	(410,404)	29,003,268	559,542,649	4.76%
Acadian ACW ex US SmallCap	226,223,552	1.95%	(331,653)	4,152,116	222,403,090	1.89%
Franklin Templeton Intl SmallCap	160,585,427	1.39%	(274,883)	(540,597)	161,400,907	1.37%
Fixed Income	\$2,099,740,916	18.14%	\$(1,010,979)	\$58,408,682	\$2,042,343,213	17.38%
DoubleLine Capital	660,182,959	5.70%	(306,291)	17,446,806	643,042,444	5.47%
MacKay Shields	720,312,971	6.22%	(347,663)	20,747,224	699,913,410	5.96%
PGIM	719,244,986	6.21%	(357,025)	20,214,652	699,387,359	5.95%
Private Markets	\$460,563,695	3.98%	\$26,998,497	\$5,959,757	\$427,605,442	3.64%
Private Equity	\$199,936,527	1.73%	\$27,652,377	\$513,852	\$171,770,298	1.46%
HarbourVest Dover XI	143,895,876	1.24%	18,116,229	0	125,779,647	1.07%
Neuberger Berman Fund of One	56,040,651	0.48%	9,536,148	513,852	45,990,651	0.39%
Hedge Funds	\$260,627,168	2.25%	\$(653,881)	\$5,445,905	\$255,835,144	2.18%
Blackstone Alt. Asset Mgmt	260,627,168	2.25%	(653,881)	5,445,905	255,835,144	2.18%

Asset Distribution Across Investment Managers

March 31, 2025

	March 31, 2025			December 31, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Real Assets	\$1,546,400,241	13.36%	\$(43,036,378)	\$9,085,381	\$1,580,351,239	13.45%
REITS	\$29,111,039	0.25%	\$(3,137)	\$336,323	\$28,777,852	0.24%
MCM EB DV Non-SL REIT Fd	29,111,039	0.25%	(3,137)	336,323	28,777,852	0.24%
Core/Core-Plus Real Estate	\$1,003,798,139	8.67%	\$(56,764,998)	\$4,125,020	\$1,056,438,117	8.99%
Carlyle Property Investors	80,754,390	0.70%	(662,118)	384,783	81,031,726	0.69%
Clarion Lion Industrial Trust	77,597,442	0.67%	(236,168)	755,375	77,078,235	0.66%
Invesco Real Estate	452,490,988	3.91%	(39,231,025)	(2,336,315)	494,058,328	4.20%
Heitman Real Estate Tr LP	307,754,690	2.66%	(15,554,717)	4,250,377	319,059,030	2.71%
Principal Enh. Property Fd	85,200,629	0.74%	(1,080,970)	1,070,801	85,210,799	0.73%
Non-Core Real Estate	\$316,508,702	2.73%	\$16,923,352	\$4,124,416	\$295,460,934	2.51%
Harrison Street Fund VIII	45,086,328	0.39%	848,210	(1,112,585)	45,350,703	0.39%
Harrison Street Fund IX	33,627,673	0.29%	1,060,782	3,604,731	28,962,160	0.25%
Heitman Value Partners IV	24,279,772	0.21%	(11,456,694)	517,142	35,219,324	0.30%
LaSalle Inc & Growth VI LP	3,288,274	0.03%	0	(67,002)	3,355,276	0.03%
LaSalle Inc & Growth VII LP	12,542,905	0.11%	(52,964)	21,331	12,574,538	0.11%
NB Real Estate Secondary Opps II	20,008,495	0.17%	20,008,495	0	-	-
Starwood SOF XII	59,704,475	0.52%	(236,009)	56,824	59,883,660	0.51%
TA Realty XI	55,762	0.00%	(394)	3,214	52,942	0.00%
TA Realty XII	59,016,202	0.51%	(3,706,482)	642,618	62,080,066	0.53%
TA Realty XIII	58,898,817	0.51%	10,458,409	458,143	47,982,265	0.41%
Farmland	\$96,112,057	0.83%	\$(3,009,651)	\$186,875	\$98,934,833	0.84%
IFC Core Farmland Fund	51,303,844	0.44%	(2,875,718)	413,888	53,765,674	0.46%
PGIM Agriculture	44,808,213	0.39%	(133,933)	(227,013)	45,169,159	0.38%
Timber	\$100,870,304	0.87%	\$(181,945)	\$312,747	\$100,739,502	0.86%
Pinnacle	100,870,304	0.87%	(181,945)	312,747	100,739,502	0.86%
Cash	\$110,862,059	0.96%	\$(34,897,623)	\$1,180,804	\$144,578,878	1.23%
Composite Fund	\$11,576,304,118	100.00%	\$(85,122,006)	\$(91,497,712)	\$11,752,923,835	100.00%

Investment Manager Returns – Net of Fees

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Domestic Equity	(5.71%)	1.22%	2.28%	4.81%	15.76%
Russell 3000 Index	(4.72%)	3.88%	7.22%	8.22%	18.18%
Pub Pln- Dom Equity	(4.62%)	3.41%	5.68%	7.48%	17.76%
CastleArk	(11.18%)	(9.48%)	(3.56%)	6.21%	18.47%
Russell 3000 Growth Index	(10.00%)	(0.57%)		9.63%	19.57%
Callan All Cap Broad	(3.00%)	5.61%	5.21%	7.74%	18.21%
Mellon S&P 500 Index Fd	(4.26%)	3.81%	8.25%	9.05%	18.51%
S&P 500 Index	(4.27%)	3.80%	8.25%	9.06%	18.59%
Callan Large Cap Core	(4.72%)	2.24%	5.94%	8.86%	18.63%
Horrell Capital - Passive	0.15%	5.75%	1.33%	6.57%	17.84%
Bloomberg Arkansas Index	(10.52%)	(8.28%)	(12.17%)	2.85%	21.44%
S&P 500 Index	(4.27%)	3.80%	8.25%	9.06%	18.59%
Callan All Cap Broad	(3.00%)	5.61%	5.21%	7.74%	18.21%
Boston Partners LCV	0.27%	-	-	-	-
Russell 1000 Value Index	2.14%	9.55%	7.18%	6.64%	16.15%
Callan Large Cap Value	1.32%	8.09%	6.89%	7.61%	18.45%
Mellon Large Cap Value	2.12%	-	-	-	-
Russell 1000 Value Index	2.14%	9.55%	7.18%	6.64%	16.15%
Callan Large Cap Value	1.32%	8.09%	6.89%	7.61%	18.45%
CastleArk LCG	(11.75%)	-	-	-	-
Russell 1000 Growth Index	(9.97%)	(0.53%)	7.76%	10.10%	20.09%
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%
Mellon Large Cap Growth	(10.00%)	(0.57%)	7.69%	-	-
Russell 1000 Growth Index	(9.97%)	(0.53%)	7.76%	10.10%	20.09%
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%
Wellington Management	0.86%	6.71%	5.30%	7.10%	16.50%
Russell 1000 Value Index	2.14%	9.55%	7.18%	6.64%	16.15%
Callan Large Cap Value	1.32%	8.09%	6.89%	7.61%	18.45%
William Blair LCG	(10.05%)	(5.84%)	(1.50%)	-	-
Russell 1000 Growth Index	(9.97%)	(0.53%)	7.76%	10.10%	20.09%
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%
Stephens Mid Cap Growth	(6.47%)	1.43%	-	-	-
Russell MidCap Growth Idx	(7.12%)	7.01%	3.57%	6.16%	14.86%
Callan Mid Cap Growth	(9.55%)	0.12%	(3.08%)	1.34%	12.58%
LSV Asset Management	(6.03%)	1.57%	(2.15%)	4.98%	20.93%
Russell 2000 Value Index	(7.74%)	0.54%	(3.12%)	0.05%	15.31%
Callan Small Cap Value	(7.08%)	0.39%	(2.40%)	2.91%	18.58%
Stephens Investment Mgmt.	(8.09%)	(0.22%)	(2.79%)	1.74%	13.05%
Russell 2000 Growth Index	(11.12%)	(2.00%)	(4.86%)	0.78%	10.78%
Callan Small Cap Growth	(11.32%)	(3.02%)	(5.43%)	0.40%	12.56%
Froley Rev y Investment	(3.69%)	4.10%	4.35%	(0.32%)	10.88%
ML All Conv	(2.14%)	6.49%	6.27%	1.80%	12.43%
Morningstar Convertibles	(1.99%)	5.78%	6.21%	1.15%	10.63%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
International Equity	4.21%	3.60%	4.18%	4.61%	11.57%
Benchmark*	4.59%	4.54%	5.50%	3.99%	9.99%
Pub Pln- Intl Equity	5.91%	6.26%	6.58%	5.66%	12.23%
Artisan Intl Value CIT	5.69%	-	-	-	-
MSCI EAFE	6.86%	5.32%	4.88%	6.05%	11.77%
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%
Mellon ACWI ex US Fund	5.44%	5.40%	6.66%	4.75%	11.21%
MSCI ACWI ex US	5.23%	5.08%	6.09%	4.48%	10.92%
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%
Baillie Gifford Overseas	1.62%	1.63%	0.98%	(0.78%)	6.19%
MSCI ACWixUS Gross	5.36%	5.41%	6.65%	5.03%	11.46%
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%
Lazard Asset Mgmt.	5.11%	1.58%	0.28%	4.44%	10.52%
MSCI ACWixUS Gross	5.36%	5.41%	6.65%	5.03%	11.46%
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%
Acadian ACW ex US SmallCap	1.72%	5.06%	8.08%	4.39%	-
MSCI ACWI ex US Small Cap	0.64%	1.21%	1.87%	0.99%	11.84%
Callan Intl Small Cap	4.10%	4.80%	3.77%	2.67%	11.71%
Franklin Templeton Intl SmallCap	(0.51%)	(2.37%)	(2.63%)	0.11%	-
MSCI ACWI ex US Small Cap	0.64%	1.21%	1.87%	0.99%	11.84%
Callan Intl Small Cap	4.10%	4.80%	3.77%	2.67%	11.71%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Fixed Income	2.81%	5.65%	6.26%	1.64%	1.88%
Blmbg Aggregate Index	2.78%	4.81%	4.88%	0.52%	(0.40%)
Pub Pln- Dom Fixed	2.29%	4.56%	5.00%	1.29%	1.19%
DoubleLine Capital	2.67%	5.67%	6.00%	1.45%	1.63%
MacKay Shields	2.91%	5.94%	6.94%	1.94%	2.29%
PGIM	2.84%	5.35%	5.82%	1.51%	1.67%
Blmbg Aggregate Index	2.78%	4.81%	4.88%	0.52%	(0.40%)
Callan Core Plus FI	2.79%	5.28%	5.67%	1.36%	1.48%
Private Markets	1.12%	5.59%	11.86%	8.26%	9.32%
Private Equity	0.00%	2.69%	17.10%	-	-
Benchmark**	3.32%	14.69%	26.83%	-	-
HarbourVest Dover XI	0.00%	1.65%	11.86%	-	-
Neuberger Berman Fund of One	0.00%	5.06%	33.89%	-	-
Benchmark**	3.32%	14.69%	26.83%	-	-
Hedge Funds of Funds	1.87%	7.36%	9.11%	7.83%	8.44%
HFRI FOF: Diversified Index***	0.17%	4.25%	4.91%	3.36%	8.52%
Blackstone Alt. Asset Mgmt.	1.87%	7.36%	9.11%	7.83%	8.44%
HFRI FOF: Diversified Index****	0.17%	4.25%	4.91%	7.13%	5.90%
Callan Core Diversif FoF	(0.03%)	5.69%	6.40%	5.50%	8.46%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Real Assets	0.33%	0.59%	0.46%	(2.90%)	5.00%
NCREIF Total Index*****	1.28%	2.99%	2.72%	2.66%	5.36%
REITS	1.16%	9.91%	9.73%	(1.62%)	10.75%
S&P DJ US Select REIT	1.17%	9.97%	9.79%	(1.41%)	10.84%
MCM EB DV Non-SL REIT Fd	1.17%	9.95%	9.78%	(1.56%)	10.82%
S&P DJ US Select REIT	1.17%	9.97%	9.79%	(1.41%)	10.84%
Callan Real Estate REIT	1.21%	10.14%	10.67%	(0.68%)	10.84%
Core/Core-Plus Real Estate	0.25%	(0.20%)	(0.83%)	(3.99%)	1.98%
NCREIF NFI-ODCE Eq Wt Net	0.84%	1.62%	0.78%	(5.24%)	2.26%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%
Invesco Real Estate	(0.60%)	(1.80%)	(3.17%)	(6.22%)	0.47%
Heitman Real Estate Trust LP	1.21%	1.58%	2.06%	(1.16%)	3.90%
Carlyle Property Investors	0.22%	0.23%	0.04%	-	-
Clarion Lion Industrial Trust	0.67%	(0.53%)	(2.64%)	-	-
Principal Enhanced Property Fd	0.98%	2.31%	-	-	-
NFI-ODCE Equal Weight Net	0.84%	1.62%	0.78%	(5.24%)	2.26%
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%
Non-Core Real Estate	0.85%	4.10%	4.22%	(1.21%)	6.72%
NCREIF Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%
Harrison Street Fund VIII	(2.73%)	(5.26%)	(5.36%)	2.56%	-
Heitman Value Partners IV	1.24%	2.45%	2.59%	6.26%	12.31%
LaSalle Inc & Growth VI LP	(2.00%)	(28.53%)	(34.34%)	(25.92%)	(17.93%)
LaSalle Inc & Growth VII LP	(0.25%)	(12.20%)	(14.36%)	(28.71%)	(13.72%)
Starwood SOF XII	(0.30%)	6.60%	9.43%	7.57%	-
TA Realty XII	0.70%	(1.48%)	(0.60%)	0.17%	6.50%
TA Realty XIII	0.52%	36.60%	32.94%	-	-
NCREIF Total Index	1.28%	2.99%	2.72%	(2.11%)	3.25%
Farmland	(0.55%)	(2.60%)	(2.70%)	-	-
IFC Core Farmland Fund	(0.33%)	1.65%	2.04%	-	-
PGIM Agriculture	(0.80%)	(7.22%)	(7.81%)	-	-
NCREIF Farmland Index	0.06%	(1.49%)	(1.70%)	3.50%	4.83%
Timber	0.13%	1.01%	5.60%	11.72%	7.66%
Pinnacle	0.13%	1.01%	5.60%	11.72%	7.66%
NCREIF Timberland Index	0.80%	3.83%	5.60%	8.89%	7.93%
Cash	1.00%	3.67%	5.01%	4.24%	2.60%
Total Fund	(0.89%)	2.71%	3.57%	3.14%	10.31%
Callan Public Fund Spr DB	0.22%	4.33%	5.45%	4.36%	10.32%
Total Fund ex Cash	(0.90%)	2.70%	3.55%	3.15%	10.34%
Benchmark*	(0.00%)	4.28%	5.80%	5.07%	10.55%
Callan Public Fund Spr DB	0.22%	4.33%	5.45%	4.36%	10.32%

Benchmark definitions included in the Appendix.

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A PRESENTATION FROM STEPHENS CAPITAL MANAGEMENT

Arkansas PERS Private Equity Program

First Quarter 2025 Update

APERS Private Equity First Quarter Capital Activity

- HarbourVest Partners Dover Street XI, LP (Secondary Private Equity Fund)
 - \$20mm of Capital Was Drawn During 1Q
 - \$1.9mm was Distributed during the Quarter
 - As of 3/31/2025 \$120mm of Cumulative Capital Has Been Called
- NB Arkansas PERS FOO, LP (Custom Private Equity Fund)
 - \$10mm of Capital was called during 1Q
 - As of 3/31/2025 \$45MM of Cumulative Capital Has Been Called

Performance data and detailed information will be available twelve months after first capital call. We expect data to lag by one quarter.

Private Equity Snapshot as of 3/31/25

IRR and Performance Multiples

(Inception to Date | Roll Forward | Base)

Selected Investments

Base Currency: USD

Investment	Commitment	Transactions		Valuation	Performance			
		Paid-In Capital	Distributions		IRR	TVPI	DPI	RVPI
APERS NB FOO								
1 NB Arkansas PERS FOO LP	325,000,000	45,800,000	0	56,040,651 ↻	27.56	1.22	0.00	1.22
Total: APERS NB FOO	325,000,000	45,800,000	0	56,040,651	27.56	1.22	0.00	1.22
APERS Private Investment Program								
2 Dover Street XI L.P.	400,000,000	120,620,383	10,586,263	147,584,114 ↻	34.72	1.31	0.09	1.22
Total: APERS Private Investment Program	400,000,000	120,620,383	10,586,263	147,584,114	34.72	1.31	0.09	1.22
Total Investments: 2	725,000,000	166,420,383	10,586,263	203,624,765	32.94	1.29	0.06	1.22

¹ Investment is Liquidated as of the Report End Date

↻ indicates that the valuation has been rolled forward.

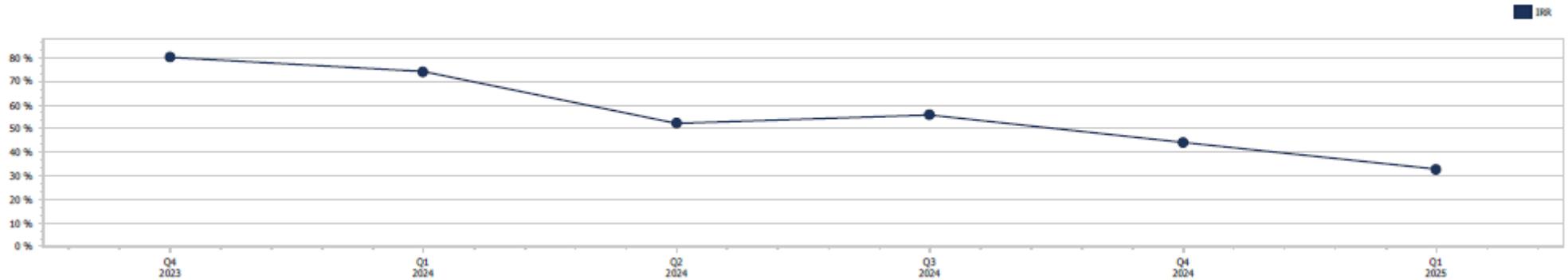
Missing performance values indicate insufficient cash flows or incalculable results.

* Valuations provided by managers from previous quarter plus roll forward estimates

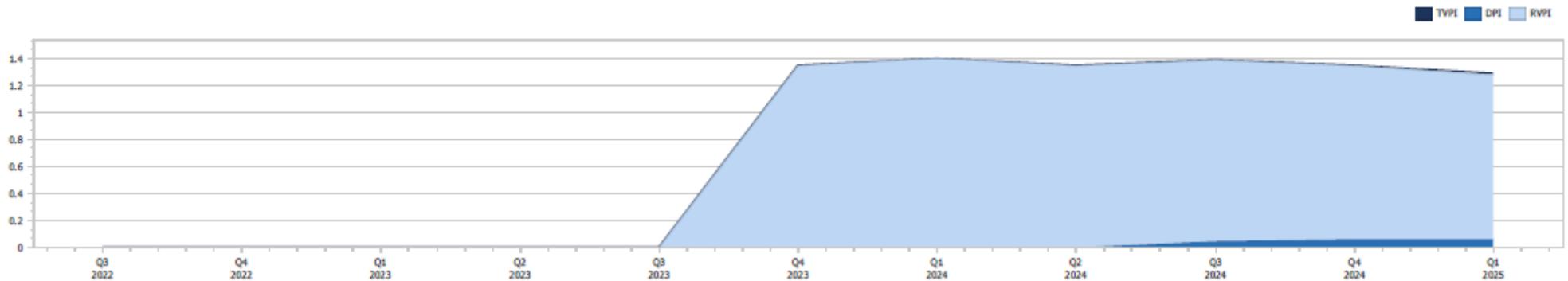
Source: MSCI/Burgiss, Stephens, Neuberger Berman, HarbourVest

Since Inception IRR & Multiples Over Time

IRR over Time (%)



Multiples over Time



⁴ Investment is Liquidated as of the Report End Date

🔄 indicates that the valuation has been rolled forward.

Missing performance values indicate insufficient cash flows or incalculable results.

* Valuations provided by managers from previous quarter plus roll forward estimates

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

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Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. You may obtain the most current month-end performance data from your Financial Consultant by calling 800-643-9691.

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The indexes and models referenced in the charts presented are unmanaged and do not

reflect any transaction costs or management fees. They were chosen to give you a basis of comparison for market segment performance. Actual investment alternatives may invest in some instruments not eligible for inclusion in such an index or model and may be prohibited from investing in some instruments included in such an index or model. You cannot invest directly in an index.

The investment return and principal value of an investment will fluctuate so that the value of an investment, when sold or redeemed, may be more or less than the original cost.

The blended return calculations for the benchmarks are determined by using the return performance data for the stated time period on each of the comparative index benchmarks as stated per asset class below, as reported by independent data services, and blending those returns for the index in the same percentages as are stated for the corresponding asset class and time period. Index performance information is provided for comparison only. Indexes are unmanaged, may assume reinvestment of all distributions and does not account for fees or any charges. It is not possible to invest directly into an index.

The hypothetical blended portfolio return calculations are based upon the proposed allocation of the portfolio to the recommended investments using total return performance data for the stated time periods as reported by independent data services. Your portfolio value will fluctuate such that you may receive more or less than your original investment should you choose to close your account. The gross performance quoted does not reflect the deduction of our advisory fees and other account expenses. Your investment return will be reduced by advisory fees and other account expense.

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For fee based accounts, performance data may or may not be shown after considering Stephens' investment advisory fees (net performance). Advisory fees and other expenses and charges reduce the returns realized by the client account. Advisory clients are referred to Part 2A Appendix 1 ("Brochure") of Stephens Form ADV for additional information regarding advisory fees. The net effect of the deduction of fees on annualized performance, including the compounded effect over time, varies with the size of the fee and the account's investment performance. For example, an account with a 1.50% annual management fee and 7% annual performance before fees will have a net performance after fees of about 5.4% per year over a five-year period. The same account with 12% annual performance will have a net performance after fees of about 10.32% per year over a five-year period. Compounding will similarly affect the account's performance on a cumulative basis. Cost Basis presented reflects current IRS regulations.

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Investments and Finance Subcommittee
Chair Report
May 15, 2025

The Subcommittee convened to review portfolio positioning, asset class evaluation, and investment strategy refinement. Discussions focused primarily on private credit and secondary infrastructure.

Portfolio Strategy and Secondary Infrastructure

Mr. Carlos Borromeo reported that APERS' strategic asset allocation remains unchanged. The portfolio is currently overweight in international equities and underweight in credit/fixed income and real assets. Within this framework, secondary infrastructure will be classified under real assets.

He described secondary infrastructure as a rapidly growing asset class that offers risk-adjusted returns superior to primary infrastructure, with advantages including J-curve mitigation and faster capital deployment. The Board approved staff discretion to invest up to \$100 million each in three secondary infrastructure funds:

- Partners Group Infrastructure Secondary (USA)
- Ares Secondaries Infrastructure Solutions III
- Pantheon Global Infrastructure V

Private Credit Insights

Representatives from Stephens, HarbourVest, and Neuberger Berman provided detailed briefings on private credit:

- Stephens highlighted direct lending as the primary strategy, with a 10-year average return of 8.8%, nearly double that of high-yield bonds.
- HarbourVest focused on credit secondaries, emphasizing lower default risk, market undercapitalization, and strategic liquidity benefits.
- Neuberger Berman underscored direct lending as an "all-weather" asset class with low volatility, floating-rate benefits, and strong recovery rates.

Board members discussed APERS' current 5% allocation to private equity and the potential to increase exposure to private credit as part of a broader diversification strategy.

Israel Bonds Investment

At the request of Board Member Jason Brady, the Board considered investment in Israel Bonds, citing low risk, solid returns, and current holdings by the State Treasurer's Office. The Board approved an investment of \$25–50 million in Israel Bonds.

Investment Advisor Services

Secretary Jim Hudson requested a plan for competitively bidding out investment advisor services. Director Fecher committed to presenting a timeline and methodology to the subcommittee.

Conclusion

The meeting reinforced APERS' focus on prudent diversification and strategic asset allocation. The Board's actions support a balanced approach to risk, return, and liquidity while strengthening long-term fund sustainability.



Quarterly Board Meeting

Statement of Fiduciary Net Position as of (March 31, 2025)

ASSETS	
Cash and Cash Equivalents	\$ 37,620,760
Receivables	
Dec 2004 Actuarial Liability Receivable	3,778,590
Contributions Receivable	3,656,294
Overpayment Receivable	704,079
Allowance for Doubtful Accounts	<u>(885,744)</u>
Total Receivables	7,253,220
Investments at Fair Value	
Investment Assets	11,099,398,786
Securities Lending Collateral	<u>650,973,847</u>
Total Investments	11,750,372,633
Fixed Assets (Net)	9,130,626
Prepays and Other Assets	190,880
	<u>11,804,568,118</u>
LIABILITIES	
Securities Lending Liability	651,069,077
Accrued Expense and Other Liabilities	17,970,262
Other Post Employment Benefits	<u>4,092,786</u>
	<u>673,132,125</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 11,131,435,994</u></u>

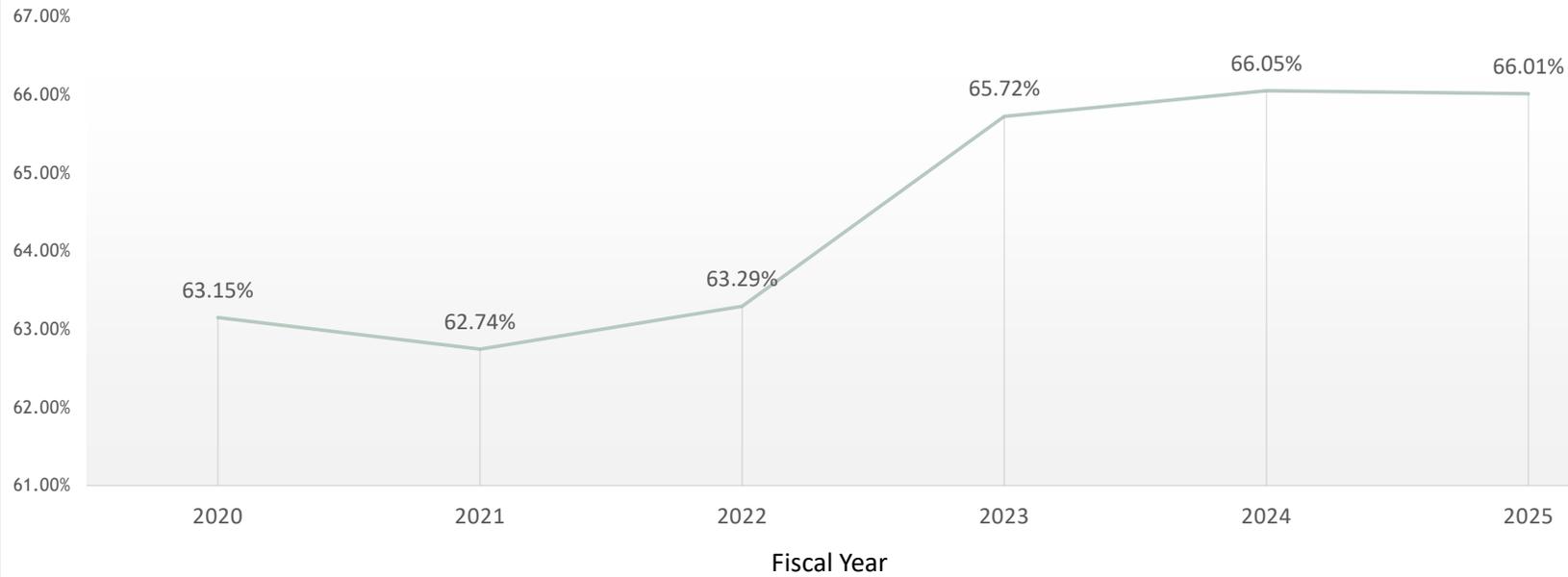


Quarterly Board Meeting

Statement of Changes in Fiduciary Net Position for the Period Ending (March 31, 2025)

ADDITIONS	
Contributions	
Employer	\$ 270,012,462
Employee	83,917,574
Total Contributions	<u>353,930,036</u>
Investment Income	
Investment Income	329,004,750
Less: Investment Expense	<u>(40,341,113)</u>
Net Investment Income	288,663,637
Other Additions	
Transfers from Teachers and Highway	2,122,352
Miscellaneous Additions	523,955
Miscellaneous Administrative Transfers	<u>285,557</u>
Total Other Additions	<u>2,931,864</u>
TOTAL ADDITIONS	645,525,536
DEDUCTIONS	
Benefits	536,162,017
Refund of Contributions	15,292,238
Administrative Expense	<u>7,533,692</u>
TOTAL DEDUCTIONS	<u>558,987,947</u>
NET INCREASE/(DECREASE)	86,537,590
ADJUSTMENTS	
Actuarial Adjustment to DJ Unfunded Liability	<u>(59,077)</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of Year	<u>11,044,957,481</u>
End of 3rd Quarter	<u>\$ 11,131,435,994</u>

APERS Total Contributions as a Percentage of Total Benefits Paid



Fiscal Year	2020	2021	2022	2023	2024	2025
Total Contributions	\$370,968,532.37	\$381,615,570	\$402,018,499	\$433,190,289	\$450,893,170	\$353,930,036
Total Benefits Paid	\$587,453,797.24	\$608,207,117	\$635,176,766	\$659,133,497	\$682,663,974	\$536,162,017
Total Contributions as a Percentage of Total Benefits Paid	63.15%	62.74%	63.29%	65.72%	66.05%	66.01%



Quarterly Board Meeting
June 11, 2025
Legal Report

ADMINISTRATIVE MEMBER APPEALS

Joseph S. Martin

Member appeals the decision of the Executive Director dated May 28, 2025 upholding APERS staff's determination that: 1) the member's retirement was invalid because reciprocal service credit with LOPFI was incorrectly counted and he was not eligible to retire; 2) the member must repay the benefits he incorrectly received; and 3) that he must pay member contributions for service rendered to an APERS participating employer from 2020 to present. The member appeal hearing will be scheduled with the Member Appeals Subcommittee of the APERS board.

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 Member Appeals Subcommittee's decision, adopted by the full board, that upheld the Executive Director's determination to deny the retired member's request to add non APERS-covered employment to their 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. **Member filed a motion dated April 4, 2025, to dismiss the board and the executive director from the case in their individual capacity. Awaiting order of the judge on that motion. APERS' brief in opposition to member's brief on the substantive claims was filed on May 29, 2025.**

Bart Virden v. APERS, 60CV-24-8251

On October 2, 2024, Bart Virden filed a petition for judicial review (appeal) in Pulaski County Circuit Court. Judge Virden appealed the Member Appeals Subcommittee's decision that upheld the Executive Director's determination to deny his request to reset his retirement date so that he could rescind his reciprocity at an earlier date. The case was assigned to Judge Tim Fox. APERS is represented by the Office of the Attorney General. **Oral arguments were heard on April 28, 2025, and a court order fully upholding the decision of the board was entered May 12, 2025.**

RULES PROMULGATION

APERS Board Rule 24 CAR § 1-218, regarding termination of covered employment as a requirement for retirement, is recommended to be amended in compliance with Act 370 of



Quarterly Board Meeting
June 11, 2025
Legal Report

2025 regarding retired judges appointed as special judges. Act 370 allows retired judges, including district court judges retired under APERS, to accept an appointment to serve as a special judge immediately upon retirement and not forfeit their APERS monthly benefit. Additional amendments to the rule intend to repeal repetitive language, obsolete language, and language already stated in law.

SECURITIES LITIGATION CASES

Company name	Case Caption	Important Dates	Lead Plaintiff Status	Firm	Update
Seagate	<i>In re Seagate Technology Holdings plc Securities Litigation</i> , No. 3:23-cv-03431 (N.D. Cal.)	10/19/2023 5/12/2025	Granted Order for case to proceed	BLBG	Judge granted BLBG's repleading of case; surviving Motion to Dismiss; now in discovery phase
Five Below	<i>In re Five Below, Inc. Securities Litigation</i> , No. 2:24-cv-03638 (E.D. Pa.)	09/16/2024 10/28/2024 01/13/2025 5/13/2025	Granted Joint lead plaintiff status ATRS and APERS Amended Complaint Response to Motion to Dismiss filed	Berger Montague	Awaiting judge's ruling on defendant's Motion to Dismiss
The Trade Desk, Inc.	<i>In re The Trade Desk, Securities Litigation</i> , No. 2:25-cv-01396-CAS-DFM (C.D. Cal.)	04/21//2025	Motion filed for lead plaintiff with MissPERS	Cohen Milstein	Likely that joint plaintiffs will be appointed lead plaintiff



Quarterly Board Meeting
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Legal Report

LEGISLATION (2025 SESSION) APERS Bills

Act 130 Administrative Costs Allocated to APERS (Codifying “Special Language”)
This act creates a formula to determine the amount to be paid by AJRS and ASPRS to APERS for the costs of administration of AJRS and ASPRS each fiscal year. This act does not modify benefits for any member or beneficiary. This act may result in a net decrease in APERS’ administrative expenses.

Act 131 APERS Technical Corrections Bill
This act makes multiple technical corrections to the APERS plan. The act certain adds lump-sum payments and bonus payments made to a member to the definition of “compensation” as required by Act 172 of the 2024 Fiscal Session. The act also moves and combines sections of the APERS plan, regarding the termination of employment requirement for retirement, to ensure the efficient administration of benefits. This act does not modify benefits for any member or beneficiary and has no actuarial cost to the system.

Act 112 Fraud Against a State Supported Retirement System Reclassified as Felony
This act makes it a Class D felony for a person to knowingly make a material false statement or representation to a state supported retirement system for the purpose of obtaining a benefit or increasing or decreasing a claim for a benefit. This act does not modify benefits for any member or beneficiary and has no actuarial cost to the system.

Remote Meeting Attendance Policy

Act 505 of 2025

I. REMOTE ATTENDANCE AUTHORIZED

A. The Arkansas Public Employees' Retirement System Board of Trustees may conduct a board meeting or board subcommittee meeting in person or remotely by telephone conference call, video conference call, video broadcast, or other "real-time" form of electronic or similar communications equipment that allows all trustees and persons authorized to participate in the meeting to simultaneously hear each other, and by video call see each other and respond to other trustees and participants as necessary for deliberation, voting, and to conduct other board business.

B. A trustee who attends a board meeting or board subcommittee meeting remotely constitutes trustee presence at such meeting for purposes of establishing a quorum, voting, deliberating, or conducting other board business.

II. IDENTITY OF TRUSTEE VERIFIED

The identity of the trustee who participates remotely shall be verified by the chairperson or their designee by voice, image, phone number, or other verifiable electronic stamp as necessary to ensure the accurate identification of the trustee.

III. CHAIR DISCRETION

A. The Chairperson shall determine whether a board meeting is held in person, remotely, or in combination, and allow the Executive Director to facilitate such a request.

B. Absent a designation by the Chairperson or subcommittee chair for a remote format of the board meeting or board subcommittee meeting, the Executive Director will provide notice to the trustees of the remote options, if any, available for trustee attendance.

IV. PUBLIC PARTICIPATION

The public may attend a board meeting or board subcommittee meeting remotely in the same format as may be allowed for the trustees for a particular meeting, with access provided in advance of the meeting in compliance with Arkansas Freedom of Information Act, Ark. Code Ann. § 25-19-101, *et seq.* (“FOIA”).

V. REVIEW OF POLICY

The Board may periodically review and make appropriate changes to this policy in keeping with FOIA, its fiduciary standards, and policy goals.

The intent of this internal policy is to be consistent with Act 505 of 2025 and exempt from the requirements of the Administrative Procedure Act, § 25-15-201 and the promulgation of rules thereunder and may be amended by Board action. In the event of an inconsistency with this Board policy and any previous Board policy regarding remote attendance, this policy shall control.

MARKUP

24 CAR § 1-218. Termination of covered employment required for retirement.

(a)~~(1)~~ When used in the context of Arkansas Code § 24-4-520, “terminate covered employment” shall mean that the employee/employer relationship has been brought to an end and no longer exists in any form, currently or prospectively, between the Arkansas Public Employees’ Retirement System (APERS) member and ~~the Arkansas Public Employees’ Retirement System~~ an APERS covered employer.

~~(b)(2) In the case of For~~ elected public officials, in addition to ~~the foregoing (a)~~, they shall ~~have complied~~, “terminate covered employment” includes complying with state law requirements for vacating their office.

~~(b)(1) Any A~~ retiring elected public official ~~shall execute an affidavit, along together with the local official responsible for certifying that the public office has been vacated shall execute an affidavit on a form provided by APERS stipulating compliance with this section.~~

(2) This affidavit shall be filed with the ~~Arkansas Public Employees’ Retirement System~~ APERS at least thirty (30) calendar days prior to the effective date of retirement.

~~(c)(1) In compliance with Arkansas Code § 24-4-520(b)(1), when a member who either does or does not have service credit under Arkansas Code § 24-4-521 at a rate of two (2) or more years credited service for each year of actual service, Acts 2011, No. 774, terminates for retirement purposes, he or she is not eligible to return to employment in any position or capacity with an Arkansas Public Employees’ Retirement System covered employer within one hundred eighty (180) days of the person’s effective date of retirement is met, unless said position is:~~

~~(A) Covered by another retirement system; or~~

~~(B) An elected position that has never been covered by the Arkansas Public Employees’ Retirement System.~~

~~(2) When a member who does have service credit under Arkansas Code § 24-4-521 at a rate of two (2) or more years credited service for each year of actual service terminates for retirement purposes, he or she is not eligible to return to employment in any position or capacity with an Arkansas Public Employees’ Retirement System covered employer within one (1) year from the person’s effective date of retirement, unless said position is:~~

~~(A) Covered by another retirement system; or~~ I

MARKUP

~~(B) An elected position that has never been covered by the Arkansas Public Employees' Retirement System. APERS; or~~

~~(3) Any prearranged agreement that the member will return to work for any participating employer in any capacity, full-time or part-time, including as a leased employee, before the expiration of the period mandated by Arkansas Code § 24-4-520(b)(1), shall create a rebuttable presumption that the member has not terminated covered employment.~~

~~(d)(1) When a member terminates in compliance with under Arkansas Code § 24-4-520(b)(2) and (3), they are not eligible to return to employment in any position or capacity with an Arkansas Public Employees' Retirement System covered employer sooner than thirty (30) days from the commencement of his or her retirement, unless said position is:~~

~~(A) Covered by another retirement system; or~~

~~(B) An elected position that has never been covered by the Arkansas Public Employees' Retirement System.~~

~~(2) Any prearranged agreement that the member will return to work for any participating employer in any capacity, full time or part time, including as a leased employee, before the expiration of the thirty day period mandated by Arkansas Code § 24-4-520(b)(2) or Arkansas Code § 24-4-520(b)(3), shall create a rebuttable presumption that the member has not terminated covered employment.~~

~~(e)(1) Persons failing to terminate covered employment shall forfeit all Arkansas Public Employees' Retirement System retirement benefits to the Arkansas Public Employees' Retirement System until the requirements of Arkansas Code § 24-4-520 and this section are met.~~

~~(2) Failure to meet termination requirements shall not operate to revoke a member's retirement election.~~

~~(3) However, those individuals returning to employment in a position covered by another retirement system or having been elected to an office never covered by the Arkansas Public Employees' Retirement System should be free to pursue said endeavors without unnecessary restriction.~~

(d) A retired judge's appointment to serve as a special judge in accordance with Arkansas Constitution Amendment 80, § 13 does not constitute a failure to terminate covered employment under Arkansas Code § 24-4-520.

CLEAN

24 CAR § 1-218. Termination of covered employment required for retirement.

(a) When used in the context of Arkansas Code § 24-4-520, “terminate covered employment” shall mean that the employee/employer relationship has been brought to an end and no longer exists in any form, currently or prospectively, between the Arkansas Public Employees’ Retirement System (APERS) member and an APERS covered employer.

(b) For elected public officials, in addition to (a), “terminate covered employment” includes complying with state law requirements for vacating their office.

(1) A retiring elected public official together with the local official responsible for certifying that the public office has been vacated shall execute an affidavit on a form provided by APERS stipulating compliance with this section.

(2) This affidavit shall be filed with APERS at least thirty (30) calendar days prior to the effective date of retirement.

(c) Any prearranged agreement that the member will return to work for any participating employer in any capacity, full-time or part-time, including as a leased employee, before the expiration of the period mandated by Arkansas Code § 24-4-520(b)(1), shall create a rebuttable presumption that the member has not terminated covered employment.

(d) A retired judge’s appointment to serve as a special judge in accordance with Arkansas Constitution Amendment 80, § 13 does not constitute a failure to terminate covered employment under Arkansas Code § 24-4-520.

CLEAN

Notes:

Paragraph (a) amended for clarity.

Paragraph (b) amended for clarity.

Paragraph (c) amended to reduce repetitive language.

Paragraph (d) is repealed as obsolete, as it dealt with members who participated in the DROP as of 2009.

Paragraph (e) is repealed as it restates and is duplicative of 24-4-110 and 24-4-111.

DRAFT



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

	Jan 2025	Feb 2025	Mar 2025
Number ¹	587	534	480
Total Active Members	43,497	43,533	43,571

Members - Historical

	1 year	5 years	10 years	20 years
Number	43,394	45,965	45,841	42,826
Average Annual Pay	\$48,794	\$39,212	\$35,735	\$27,455

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

	Jan 2025	Feb 2025	Mar 2025
Number	127	86	88
Total Inactive Members	15,670	15,613	15,587

Inactive Members - Historical

	1 year	5 years	10 years	20 years
Number	15,301	14,862	13,514	9,617
Total Annual Benefits	\$96.4m	\$79.2m	\$65.7m	\$39.8m



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
 $\$48,794 \times 2.00\% \times 17.1 \text{ yrs.} = \$16,687 \text{ annually/ } \$1,391 \text{ monthly}$

Refunds – New This Quarter

	Jan 2025	Feb 2025	Mar 2025
Number	233	235	218
Total Benefits	\$1.5m	\$1.5m	\$1.4m

Refunds – Historical

	1 year	5 years	10 years	20 years
Number	3,005	3,272	2,665	20
Total Annual Benefits	\$18.6m	\$15.9m	\$9.2m	\$400k

Retirees – New This Quarter

	Jan 2025	Feb 2025	Mar 2025
Number	219	139	125
Total Retirees	39,581	39,573	39,546

Retirees - Historical

	1 year	5 years	10 years	20 years
Number	42,797	38,543	31,914	19,872
Total Annual Benefits	\$730.0m	\$609.1m	\$457.1m	\$203.4m



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, 2024
5 years	June 30, 2019
10 years	June 30, 2014
20 years	June 30, 2004



Quarterly Board Meeting
Benefits Summary

Special Topic: Employee Contributions to Public Pension Plans

Most employees in state and local government pension plans contribute toward the cost of the plan as a condition of their employment, with contributions withheld as a deduction each pay period. NASRA published a brief examining employee contribution plan designs and recent trends.

Employee Contribution Plan Designs

- Employee contribution rates are typically between 4% and 8% of pay.
- The median employee contribution rate for employees with Social Security coverage is 6.1%. Employees without Social Security coverage typically have higher rates with a median of 9.0%.
- Some plans have variable employee contribution rates based on the fund’s investment performance or actuarial conditions, such as normal cost or a percentage of the employer contribution rate.

Trends in Employee Contributions

- Since 2009, 40 states have increased employee contribution rates.
- Most plans apply rate increases to all active participants, while some plans apply rate increases only to new hires.
- State legislators typically are responsible for setting employee contribution rates, but recently, retirement system boards in a few states have been granted authority to set rates.

Employee Contribution Rates for Neighboring States

State	Plan	Contribution Rate	Social Security
LA	Louisiana SERS	8.0% for regular employees hired as of 7/1/2006; 9.5% for hazardous duty employees	No
MS	Mississippi PERS	9.0% for regular employees; 7.25% for Highway Patrol Officers	Yes
MO	Missouri State Employees	4.0% for those hired after 12/31/10; non-contributory for those hired previously	Yes
OK	Oklahoma PERS	3.5% for state employees; 3.5% to 8.5% for county and local employees; 8.0% for hazardous duty employees	Yes
TX	Texas ERS	9.5% for those hired before 9/1/2022; 6.0% in a cash balance plan for those hired after	Yes

Source: NASRA Issue Brief: Employee Contributions, November 2024
<https://www.nasra.org/files/Issue%20Briefs/NASRAContribBrief.pdf>



Quarterly Board Meeting

Executive Report

Multi-Factor Authentication Implementation

In May 2025, APERS implemented multi-factor authentication (MFA) for all member accounts accessed through the myAPERS online portal. This initiative enhances data security and aligns with industry best practices. MFA is now a mandatory step in the login process to help safeguard sensitive retirement information.

Membership Outreach and Education

APERS continues to support members and retirees statewide through targeted education and outreach. This quarter, the Education Outreach Division:

- Participated bi-weekly in new employee orientations at Department of Human Services and the Department of Energy and Environment.
- Presented at the Pulaski County Spring Conference and the Arkansas State Police Retiree Meeting.
- Delivered in-person retirement seminars statewide, covering benefit calculations and retirement planning.
- Hosted webinars to expand access to retirement guidance and benefit education.

These efforts help ensure members are informed and confident in planning for retirement.

Banking Services Request For Proposal and Vendor Transition

The Office of State Procurement issued a Request for Proposal (RFP) for banking services on behalf of APERS. We are currently in negotiations with the highest-scoring vendor. Concurrently, we are working closely with our existing banking partner to ensure a seamless transition and uninterrupted benefit payments for retirees.

Pay Plan Update

As part of the state's broader compensation initiative, over 60% of APERS positions are scheduled to receive a Labor Market Adjustment effective July 1, 2025. These adjustments aim to address market competitiveness, support employee retention, and enhance recruitment efforts. The pay plan has been especially beneficial in reducing salary disparities for accounting roles and entry-level counselor positions.

Legislative Session Summary

APERS participated actively in the 2025 legislative session, successfully advancing several key initiatives that are listed in the legal report.