



Arkansas Public Employees' Retirement System

Quarterly Board Meeting

(Wednesday, March 12, 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 December 4, 2024, Board Meeting and the March 5, 2025, Investment Finance Subcommittee (**Page 3**)
5. **Investments** –Mr. Carlos Borromeo, Deputy Director of Investments and Finance
 - a. CIO Report (**Page 11**)
 - b. Ms. Brianne Weymouth and Mr. John Jackson, Callan - Quarterly Report for the Period Ending December 31, 2024 (**Page 21**)
 - c. Mr. Larry Middleton and Mr. Bo Brister, Stephens, Inc. - Quarterly Report for the Period Ending December 31, 2024 (**Page 57**)
 - d. Investment Finance Subcommittee Report – Secretary Daryl Bassett, Chair (**Page 61**)
Action Item: Subcommittee Recommendations
6. **Finance** –Mr. Jason Willett, Chief Financial Officer
 - a. Financial Statements for the Quarter Ending December 31, 2023 (**Page 62**)
 - b. **Action Item:** Annual Approval for Board Travel Reimbursement (A.C.A. 25-16-902)
 - c. **Action Item:** Set the annual DROP Rate
7. **Legal** – Ms. Laura Gilson, General Counsel
 - a. Litigation Update (**Page 64**)
 - b. Member Appeal Update
8. **Benefits** – Ms. Allison Woods, Deputy Director of Benefits
 - a. Benefits Summary for the Quarter Ending December 31, 2024 (**Page 66**)

9. **Executive Report** – Ms. Amy Fecher, Executive Director
a. Executive Report Review (**Page 70**)

10. Other Business

11. Upcoming Meetings
a. Next Quarterly Board Meeting – Wednesday, June 11, 2025, at 9:00 a.m.

12. Adjournment

Quarterly Meeting
Arkansas Public Employees' Retirement System
Board of Trustees
December 4, 2024

A regular meeting of the Board of Trustees of the Arkansas Public Employees' Retirement System was held on Wednesday, December 4, 2024, 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. Mr. Larry Walther presided.

Quorum Present

Mr. Larry Walther recognized the presence of a quorum and called the meeting to order.

Board Members Present:

The Honorable Larry Walther, (Treasurer of State), Chair, Little Rock, AR
Ms. Candace Franks, (State Employee, Retired) Little Rock, AR*
Mr. Jim Hudson, (Secretary of the Department of Finance and Administration), Little Rock, AR
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*
Secretary Daryl Bassett (State Employee), Sherwood, AR
Mr. Dale Douthit, (State Employee), Russellville, AR*

Visitors:

Ms. Brianne Weymouth, Callan LLC
Mr. John Jackson, Callan LLC
Mr. Larry Middleton, Stephens, Inc
Mr. Bo Brister, Stephens, Inc
Mr. Seth Middleton, Stephens, Inc
Mr. Mita Drazilov, GRS Consulting
Ms. Heidi Barry, GRS Consulting
Ms. Kelsi Hogg, Arkansas Legislative Audit
Mr. Eric Munson, Treasurer's Office
Mr. Andy Babbitt, Auditor's Office
Mr. Mike Wickline, Democrat-Gazette
Ms. Brittany Schubert, SSI Investment Management*
Mr. Brian McGrath, SecondaryLink*
Cyril Espanol, With Intelligence*
Anshul Jain, UMass Boston*
Mr. Zack Cziryak, FIN News*
Mr. Nate Weinstein*
Mr. Jody Carreiro, Osborn, Carreiro & Associates*

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. Brooke Hollowoa, Director of Communications
Ms. Jacobia Bates, Director of Public Affairs
Ms. Usha Doolabh,
Ms. Linda McGrath, Administrative Specialist*
Ms. Kristi Brown, Retirement Coordinator*
Ms. Cheryl Wilburn, Retirement Section Manager*
Ms. Stacie Jackson, Administrative Specialist III*
Ms. Shelly George, Retirement Section Manager*

*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.

Minutes

Prior to the Board meeting, a copy of the minutes from the August 21, 2024, Board Meeting, the September 25th and November 5th Investment Finance Subcommittee meetings, and the September 5th Member Appeals Subcommittee were e-mailed to each APERS Board member for review.

The minutes from the August 21, 2024 Board Meeting were adopted as presented. The motion to approve was made by Mr. Jim Hudson and seconded by Mr. Gary Wallace.

Election of New Chair

The Chair position will become vacant in 2025. Mr. Bassett will transition from Vice Chair to Chair. Mr. Jason Brady nominated Mr. Jim Hudson for the Vice Chair position, and the vote was unanimously in favor. Board members expressed their support for the decision, and sent well wishes to Mr. Larry Walther for his leadership and guidance throughout his tenure.

Investments

Member Appeals Subcommittee Report

The APERS Member Appeal Subcommittee convened on September 5, 2024, to hear a member appeal. Judge Barry Moehring led the deliberations for the subcommittee. The subcommittee voted to uphold the Executive Director's Determination.

Invest Finance Subcommittee Report

On September 5, 2024, the board reviewed securities litigation requests, approving action to become a lead plaintiff on the Five Below case. Ms. Laura Gilson, Chief General Counsel, proposed guidelines for

shareholder derivative cases, recommending participation when Arkansans are impacted, with discretion left to the Executive Director. The board approved an updated Securities Litigation Policy and received a report from Mr. Carlos Borromeo on a 4% increase in the Domestic Equity Portfolio in August, requesting further information on private credit.

On November 5th, 2024, the board received a presentation from Stephens, Inc. on private credit, highlighting its growth since 2012, performance benefits, and challenges, with an estimated yield of 9-11% and low default rates. Discussion included market entry points, secondary markets, and positioning APERS for favorable conditions. Callan's presentation on infrastructure investments emphasized regulated utilities, conservative return targets of 8%, and opportunities in Arkansas energy and utilities, with Mr. Hudson noting the generational potential in energy transmission. It was also noted that these investments fit within the current asset allocation that has been approved by the Board. The sub-committee requested that staff keep the committee apprised of what would be an appropriate investment in private credit, infrastructure, or other real estate strategies, as well as to give notice to the investment subcommittee.

Minutes Approval

Mr. Jason Brady moved to approve the minutes for both subcommittees, with Mr. Jim Hudson seconding the motion. The minutes were unanimously approved.

CIO Report

Mr. Borromeo presented the CIO report for the quarter ending September 30, 2024, noting a 5.13% return on the portfolio, which exceeded \$12 billion, returning to the November 2021 high. He highlighted key market trends, including a rotation from growth to value stocks and a global focus on interest rate cuts. Despite concerns around AI and technology, the S&P saw a 5.9% return, with communication services and IT underperforming. Mr. Borromeo also mentioned that APERS benefited from class action proceeds, even though not the lead plaintiff, and he gave the total amount APERS has recovered.

Callan Report

Ms. Brianne Weymouth and Mr. John Jackson, Callan gave the APERS' Quarterly Report for the period ending September 30, 2024. Mr. Jackson discussed key economic indicators, including strong consumer spending, a GDP growth of 2.8%, and a slight decrease in inflation to 2.4%. Unemployment also dropped to 4.3%, with potential further rate cuts expected in December.

Ms. Weymouth led the discussion on APERS' continued investments in real estate and private markets, highlighting gains for the quarter, which were offset by benefit payments. The fund's performance for the quarter was strong, positioning it favorably among public fund peers, with solid long-term returns.

Domestic equity slightly underperformed its benchmark, while international equity benefited from falling interest rates. Fixed income continued to perform well, and real assets showed positive return. The non-core portfolio saw growth, although some areas like farmland and timber underperformed.

Mr. Bassett highlighted the success of the current investment strategy in reducing the unfunded liability, and Mr. Hudson emphasized the importance of monitoring performance against benchmarks.

Stephens Inc, Report

Mr. Larry Middleton and Mr. Bo Brister from Stephens, Inc. presented the Quarterly Report for the period ending September 30, 2024. Mr. Middleton noted a shift toward improved consumer and investor confidence. He highlighted strong opportunities in both private and public markets. In private equity, Mr. Middleton expressed satisfaction with the capital calls and a 20% effect rate for HarbourVest, signaling

positive distribution. He also emphasized the value of infrastructure as an important asset class that provides income streams and is protected against inflation due to its tangible nature.

Mr. Brister shared that the timing of APERS' entry into HarbourVest was excellent as the fund closed oversubscribed with late round investors not receiving their desired allocation. Dover Street XI generated a \$6 million distribution year-to –date which contributed to an exceptional internal rate of return performance metric. As the fund matures, we expect the longer-term IRR to pare down to around 20%. Jason Brady expressed his gratitude to Stephens and Carlos for their insights into the secondary market.

GRS Report

Mr. Mita Drazilov and Ms. Heidi Barry from GRS provided an update on the annual actuarial valuation. There are currently 42,797 retirees and members participating in the DROP, with retiree numbers growing faster than the active membership. The board's recent changes to the benefit structure, including a five-year final average compensation (FAC) for new hires after July 2022, have helped reduce the unfunded liability. These changes apply to around 20% of members.

In response to a question from Secretary Bassett about staying loyal to reducing the unfunded liability, Ms. Barry explained that while liabilities are set, market volatility impacts outcomes. The board's benefit redesign also included gradually increasing employee contributions by 25 basis points until reaching a 7% rate.

Chairman Larry Walther inquired about the 15.32% employer contribution rate, and Mr. Jason Brady noted that the state is contributing 1% more than the actuarially computed employer contribution rate for June 30, 2024, adding approximately \$23 million. Mr. Jim Hudson emphasized the importance of investing in and protecting the plan. A motion to approve the 15.32% employer contribution rate, effective July 1, 2026, was made by Secretary Hudson and seconded by Secretary Darryl Bassett. The motion was approved unanimously.

Mr. Drazilov then noted there was an additional board action item needed on APERS. Every year as required by statute there are reserve transfers to be made. These are accounting transfers and do not affect the actuarial valuation but are required by statute. For June 30, 2024, GRS recommended transfers of \$387,812,858 from the employer accumulation reserve account into the retirement reserve account and \$27,419,056 out of the employer accumulation reserve account into the deferred annuity reserve account. After some discussion, Mr. Brady made the motion to approve these recommended reserve transfers and seconded by Secretary Hudson. The motion was approved unanimously.

The District Judges Retirement System (DJRS) has two plans: the old plan, which applies to employers before January 1, 2005, and the new cost-sharing plan for those after January 1, 2005. There are 28 employers still paying on the old plan. When the new plan becomes 100% funded, it will transition to cost-sharing with APERS. The new employer rate will be determined for July 1, 2026 for the new plan and paid off old plan and for the old plan employers the required contributions are expressed in a dollar amount beginning July 1, 2024.

As of now, the funded ratio for the new and paid-off plans is 91%, while the old plan is at 39%. The combined funded ratio is 82%. The employer normal cost on the new and paid-off plans is 17.8%, with a \$2.8 million unfunded liability, which will be amortized over 2.6 years. Contributions for the unfunded liability currently total around 61.7% of payroll. Ms. Barry noted to keep in mind while this employer rate looks high this is a closed plan with a declining payroll. The still paying old plan has computed employer contributions of \$519,600 and the detail of that is shown on the handout you were provided.

The motion was made by Mr. Jason Brady for the actuarially computed district judge employer contributions to apply starting July 1, 2026, for the new plan and paid off old plan and for July 1, 2024, for those still paying old plan employers. Secretary Hudson seconded the motion, the board voted unanimously in favor.

Ms. Barry then briefly went over some different scenarios in response to some questions from the board regarding how investment returns going forward could impact the APERS employer contribution rate.

CFO Report

Mr. Willett presented the Financial Statements for the quarter ending September 30, 2024. He began reviewing the Statement of Fiduciary Net Position as of September 30, 2024. Cash and cash equivalents are just over \$36 million and total receivables of just over \$7.5 million. The total investment assets were just under \$11.5 billion at the end of the quarter. For comparison purposes Mr. Willett looked back on September 30, 2023, to demonstrate that investment assets have increased about \$1.6 billion in the last year. The total assets of just over \$12.1 billion and liabilities of approximately \$671 million brought us to the net position at the end of the quarter totaled \$11,518,868,619.

The Statement of Changes in Fiduciary Net Position through the end of September showed employer and employee contributions of just over \$112.3 million up slightly from a year ago with investment income of just over \$560.6 million. APERS had total additions of just over \$660.7 million for the period. There were deductions with benefits expense of approximately \$179 million through the end of September. And the ending net position at the end of the quarter of just over \$11.5 billion. Mr. Willett noted that overall, it was a very good quarter financially for the system being driven almost entirely by strong investment returns.

Legal Report

Ms. Laura Gilson presented the Legal Report for the period ending September 30, 2024. There were no new member appeals. There are currently two circuit court appeals. The rule promulgation project is moving forward, with final versions of rules for all three agencies pending approval by the legislature. Regarding securities litigation, APERS is pursuing a case related to Five Below after being granted the lead plaintiff position. Additionally, legislative proposals were discussed, including technical updates, amending the plan to incorporate a 2024 Act, and a lookback law for overpayments to address clerical errors.

Efforts to increase penalties for defrauding the system were also highlighted, along with a proposal to reduce special language in the budget and to provide funding formulas for other systems contributing to APERS.

Benefits Report

Ms. Allison Woods provided the benefits summary for the quarter ending September 30, 2024. There were no new employers this quarter; however, the Freedom Public Water Authority in Mena, Arkansas, will be joining APERS as a new employer. Additionally, a public transit authority expressed interest in joining, but current language does not allow for it and it would require legislation to add them as a participating employer.

Executive Report

The Executive Director noted updates from the Executive Summary – the agency completed a website overhaul, updated multiple policies, and revised the board handbook. Director Fecher then presented the Executive Summary of the Strategic Plan, which outlines a three-year plan with specific dates and metrics for achieving the outlined goals that include continuing to improve the funding status, enhance the

member experience, foster and retain a highly skilled workforce, and optimize the security, integrity, and usability of information systems.

Adjournment

With no further business, the meeting was adjourned following a motion by Mr. Jim Hudson and a second by Mr. Richard Wilson, with a unanimous vote.

Upcoming Board Meetings

March 12, 2025, at 9:00 a.m.

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. Larry Walther, Chair

Ms. Amy Fecher, Executive Director

Arkansas Public Employees' Retirement System Board of Trustees
Investments and Finance Sub-Committee
March 5, 2025

A meeting of the Investment Finance Subcommittee of the Arkansas Public Employees' Retirement System (APERS) was held on Wednesday, March 5, 2025, at 2:30 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. Secretary Daryl Bassett presided.

Board Members Present

Secretary Daryl Bassett, Department of Labor and Licensing (State Employee), 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 Borromeo, 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. Brooke Hollowoa, Communications Director
Ms. Usha Doolabh, Investments Accounting Operations Manager*
Ms. Julianna Alamina, Investment Analyst*
Mr. Daryl Bussell, Information Systems Coordinator

Visitors Present

Mr. Douglas Appell, Pensions and Investments Newspaper*
Ms. Kelsi Hogg, Legislative Audit*
Ms. Lauren Albanese, Financial Investment News*
Mr. Richard Bearden, Impact Management*

*Denotes remote attendees

The meeting focused on discussing potential new investment managers to diversify the portfolio with core infrastructure and real estate strategies and reviewing a security litigation request. Secretary Bassett asked Mr. Jason Brady to preside over this committee, in which he accepted.

Discussion of Possible New Managers

Carlos Borromeo proposed adding core infrastructure, as well as secondary real estate to enhance portfolio performance as well as to add diversification. The allocation target remains at 16%. A cash flow analysis confirmed the capacity to introduce three to five new strategies to the core real asset portfolio, targeting between \$50 to \$75 million for each strategy.

Core Infrastructure

Staff performed its research independently of consultants. Callan also performed a search for APERS. The search had as many as 17 different investment managers and strategies. Staff and consultant narrowed the list and recommend CBRE, IFM, and JPMorgan.

Secondary Real Estate

Secondary Real estate strategy is like the secondary private equity strategy that APERS currently has in place. The only difference being the focus on real estate as opposed to private equity. Similar to the secondary p/e strategy, secondary real estate will minimize the J-curve, offer higher returns, with lower fees. StepStone Group, LP was identified as the preferred manager to pair with Neuberger Berman in the secondary real estate investment asset class. StepStone is a strong investment manager with expertise in the private markets. APERS could benefit by utilizing the firm's depth and breadth of data and information.

Blue Owl Proposal

Mr. Borromeo told the Board that Stephens had presented an opportunity with Blue Owl to him. He disclosed that he owns some Blue Owl in his personal portfolio and therefore deferred to Stephens to present this opportunity. Stephens was unaware that Mr. Borromeo had any funds with Blue Owl prior to suggesting them.

Stephens consultants introduced the Blue Owl strategy, IPI. Stephens has other clients which have invested approximately \$300 million with Blue Owl. The investment focus is on real assets, particularly infrastructure and macro trends such as AI and data center demand. IPI's data center investments are backed by long-term leases of 10 to 20 years with major clients like Microsoft and Amazon. These investments offer an expected yield of 8-9%, with an overall return rate of 10-12%, historically reaching up to 14%. IPI Fund 3 has an estimated \$50 to \$75 million available.

Mr. Brady motioned to approve the recommended three core real estate managers, the secondary real estate investment manager, and the investment with Blue Owl. The motion was seconded by Gary Wallace and was unanimously approved to bring to the Board.

New Business

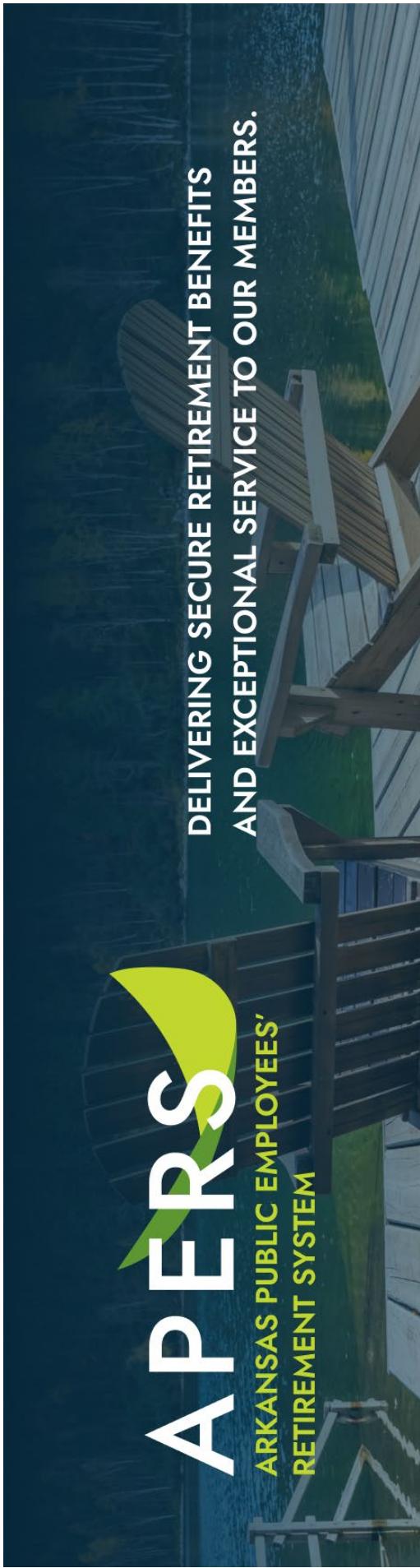
Director Fecher asked the committee for their thoughts as they reviewed a security litigation request regarding The Trade Desk case, where APERS incurred a loss. The discussion focused on whether to pursue the case, with consensus to defer to staff for assessment and management. Ms. Gilson noted that APERS has one of the highest losses among affected stockholders, strengthening its position in potential litigation. Darryl Bassett emphasized the importance of addressing the issue proactively.

APERS is currently a lead plaintiff in two other cases, one of which is under appeal.

With no further business, the meeting was adjourned.

Daryl Bassett, Sub-Committee Chair

Amy Fecher, APERS Executive Director



Chief Investment Officer Report

For the Quarter Ending December 31, 2024

4th Quarter 2024 - Summary

- U.S. equities rose after the election, while other global markets faced pressure due to concerns over trade tariffs.
- The Federal Reserve lowered interest rates by 25 basis points in both November and December. However, inflation remains persistent. In December, the Fed also scaled back expectations for the number of rate cuts in 2025.
- In Europe, recession fears and political instability in France and Germany drove markets lower, while concerns over potential trade wars with the new U.S. administration added to the uncertainty.
- The European Central Bank (ECB) lowered interest rates by 25 basis points in both October and December.
- The fixed income markets saw significant volatility in the last quarter of 2024, driven by geopolitical tensions, central bank decisions, and fluctuating inflation data.
- Digital assets are making headlines, with two pivotal events in 2024 that may have shaped the landscape of cryptocurrency.
- Looking ahead, concerns remain as DeepSeek unveiled the AI movement, prompting a reaction from AI-related equities.

4th Quarter 2024 – APERS Portfolio

Benchmarks	Calendar			Last	Fiscal	APERS Portfolio		Fiscal	Calendar
	Qtr	YTD	1-yr	Year			Q4 2024	Year	Year
U.S. Equity									
S&P 500	2.41%	25.02%	25.02%	22.19%			2.17%	7.51%	18.62%
Russell 1000 Growth	7.07%	33.36%	33.36%	29.56%	Domestic Equity		-7.84%	-0.44%	4.93%
Russell 1000 Value	-1.98%	14.37%	14.37%	13.72%	International Equity		4.30%	5.30%	25.44%
Russell 2000 Index	0.33%	11.54%	11.54%	13.34%	Private Markets		-2.51%	2.87%	3.82%
Russell 2000 Growth	1.70%	15.15%	15.15%	13.13%	Fixed Income		0.07%	0.71%	-1.01%
Russell 2000 Value	-1.06%	8.05%	8.05%	13.46%	Real Assets				\$ 1,580,351,239
Russell 3000 Index	2.63%	2.63%	23.81%	21.69%	APERS Total Portfolio	-1.23%	3.84%	9.93%	\$ 11,608,344,958
International Equity									
MSCI EAFE	-8.11%	3.82%	3.82%	6.52%					\$ 144,578,878
MSCI ACWI xUS	-7.60%	5.53%	5.53%	7.50%					Cash
Fixed Income									
Bloomberg Agg	-3.06%	1.25%	1.25%	3.08%					
Bloomberg High Yield	0.17%	8.19%	8.19%	10.70%					
									\$ 11,752,923,836 TOTAL FUND

4th Quarter 2024 – Domestic Equities

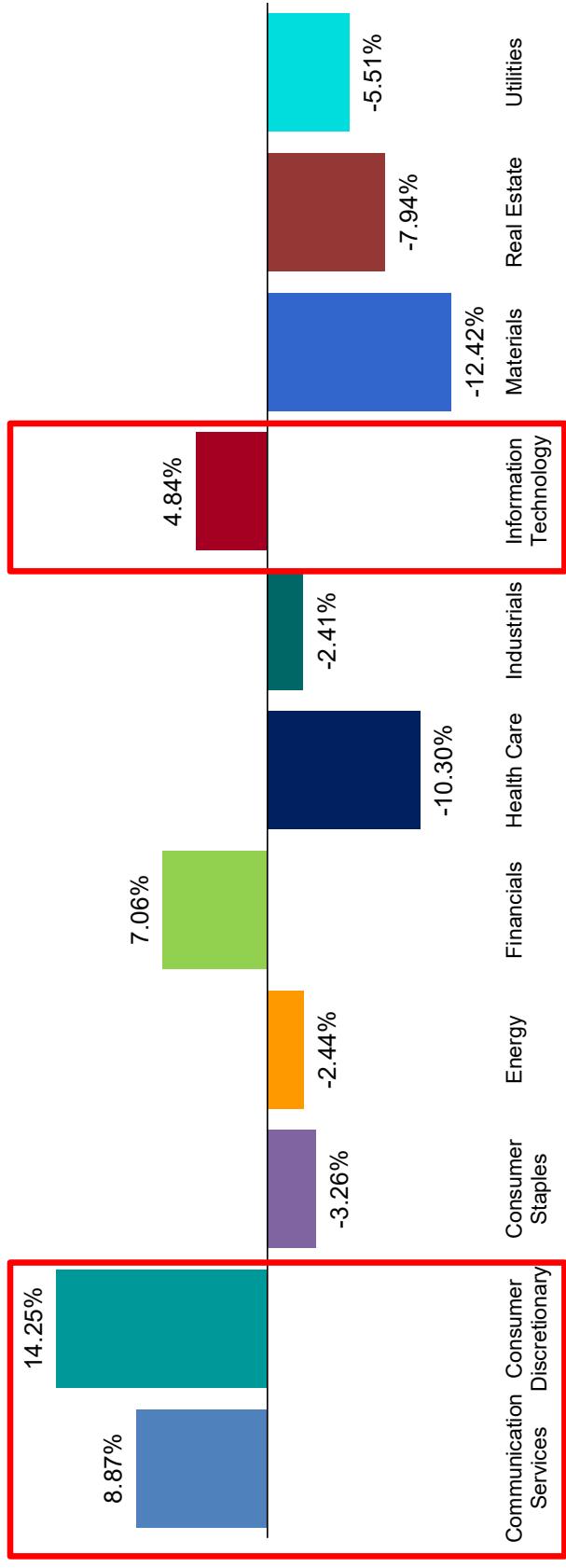
- After underperforming in Q3, growth stocks regained dominance in Q4.
- Growth stocks outperformed value stocks across large, mid, and small-cap segments.
- Mid-cap growth led performance for the quarter.
- Every style and market cap posted positive returns for the full 2024 calendar year.
- Large-cap growth was the top performer for 2024.

QTD US Equity Returns as of 12/31/2024			YTD US Equity Returns as of 12/31/2024			
	Growth	Core	Value	Growth	Core	
Large	7.07%	2.75%	-1.98%	Large	33.36%	24.51%
Mid	8.14%	0.62%	-1.75%	Mid	22.10%	15.34%
Small	1.70%	0.33%	-1.06%	Small	15.15%	11.54%

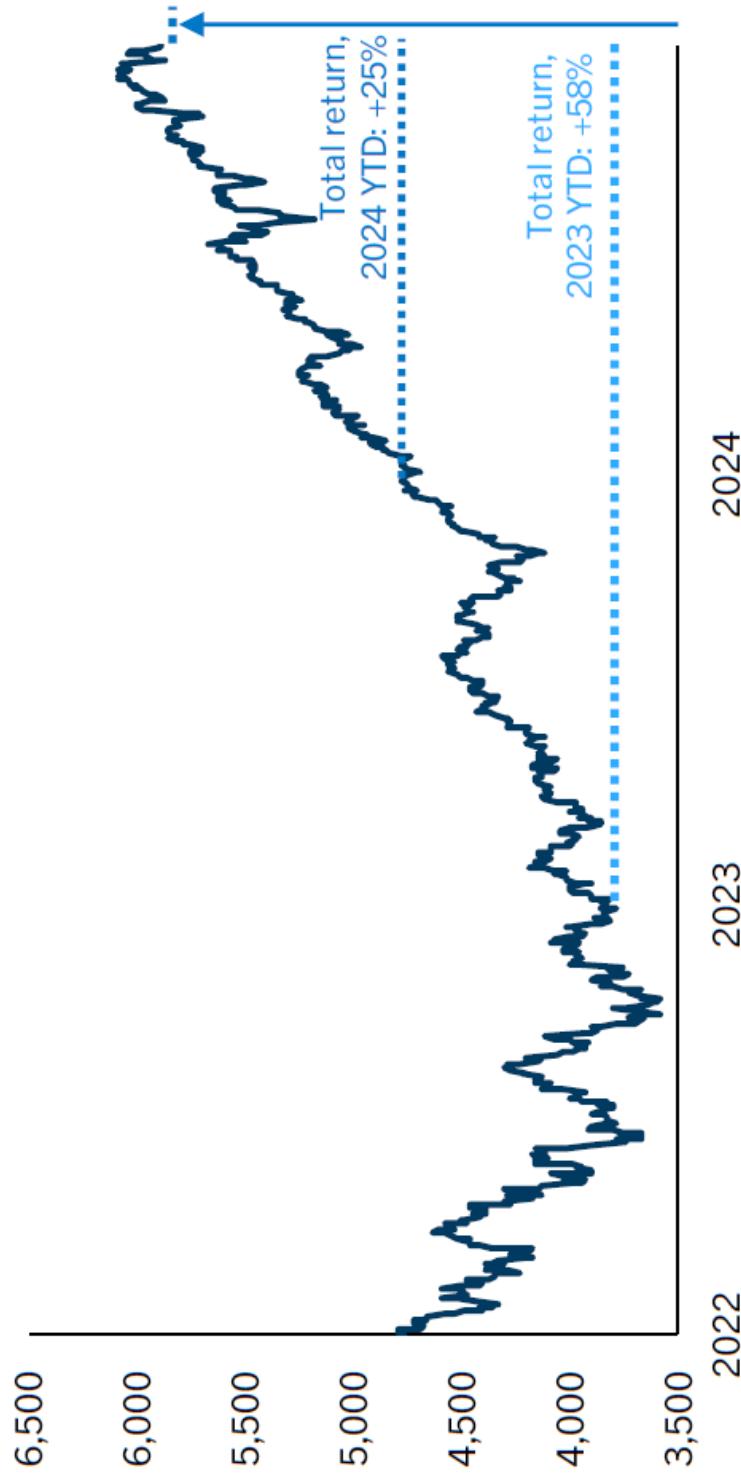
4th Quarter 2024 – S&P Quarter Performance

- The S&P 500 posted gains in the final quarter, capping off a strong year.

Industry Sector Quarterly Performance (S&P 500) as of 12/31/2024

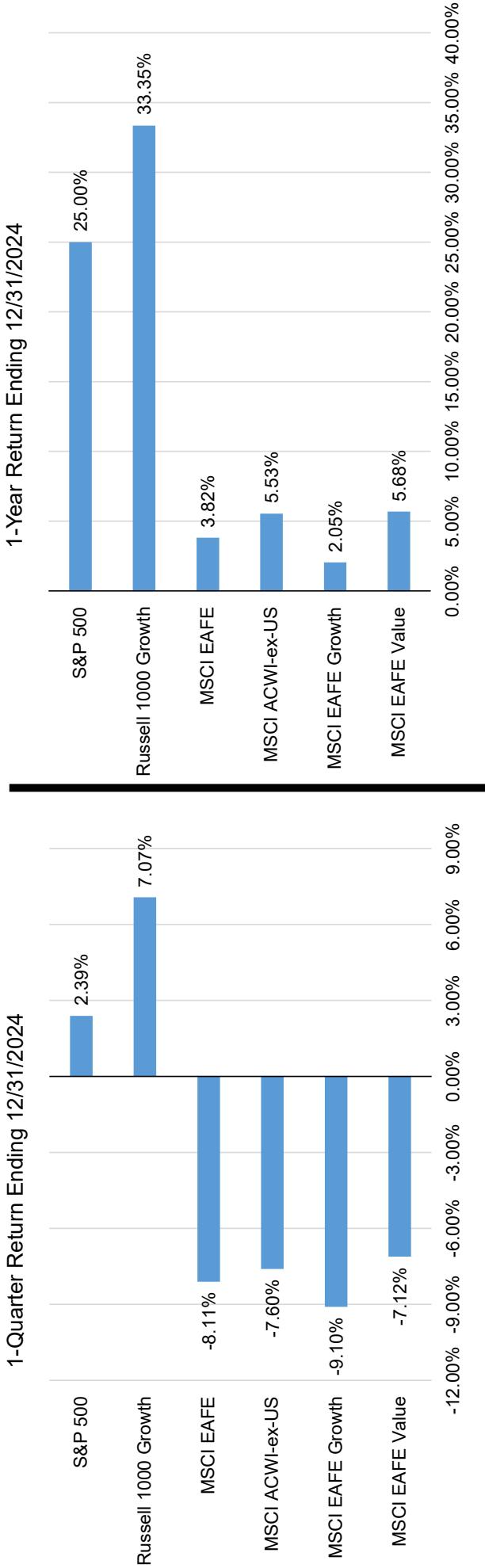


The S & P 500 Index had another great year



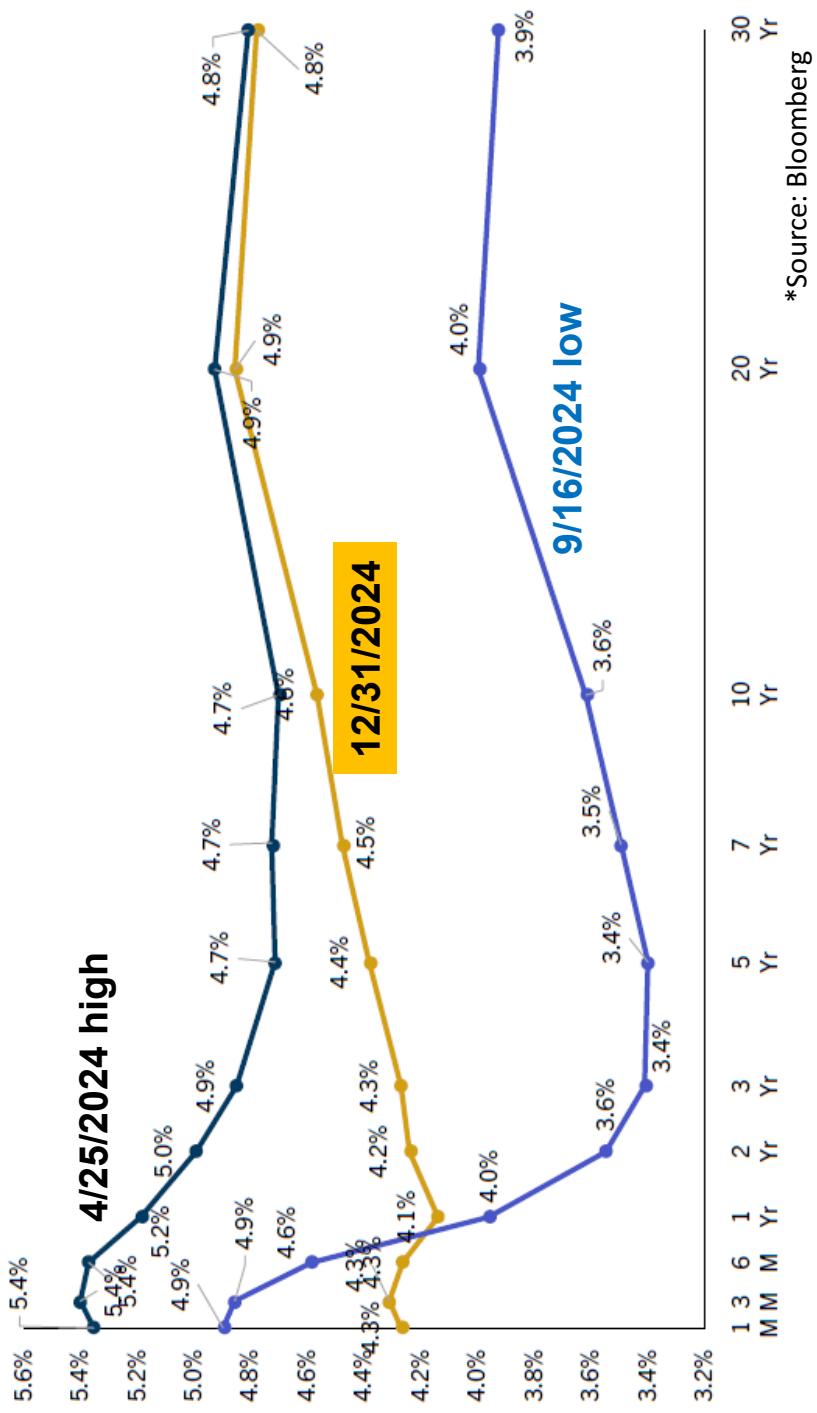
*Source: Bloomberg

4th Quarter 2024 – Global Markets



4th Quarter 2024 – Fixed Income

U.S. bond yields surged during the quarter as economic resilience and rising inflation influenced fixed income prices. Notably, both short- and long-term yields saw significant moves. The short end reflects expectations of rate cuts, while the 10-year yield has climbed 95 basis points since the cuts began—an unusual trend signaling stronger growth, higher inflation, and fewer anticipated rate cuts.



Chief Investment Officer Report

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4th Quarter 2024 – 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	\$ 35,698.30
	<hr/>
	\$ 16,319,431.85

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

March 12, 2025

Executive Summary Fourth Quarter 2024

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.

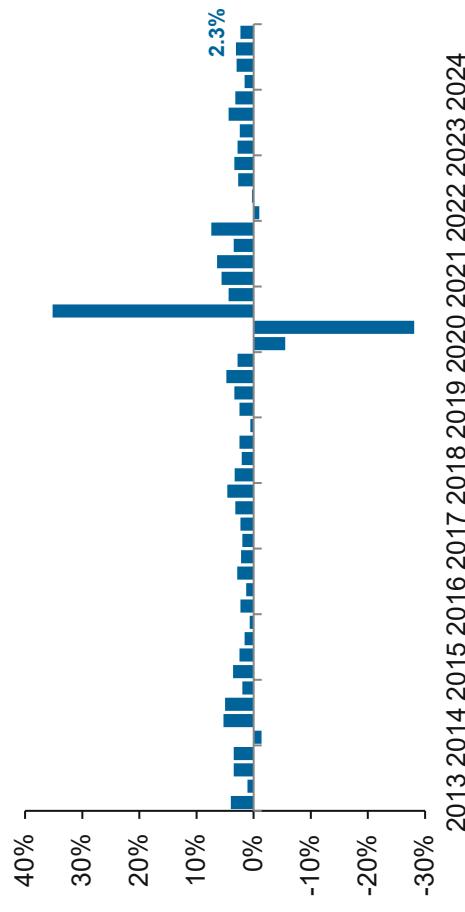
Economic Overview



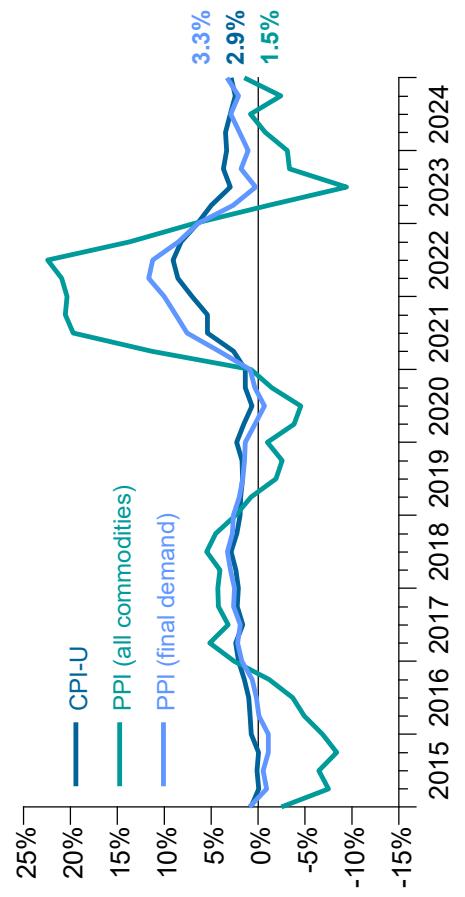
U.S. Economy—Summary

For periods ended 12/31/24

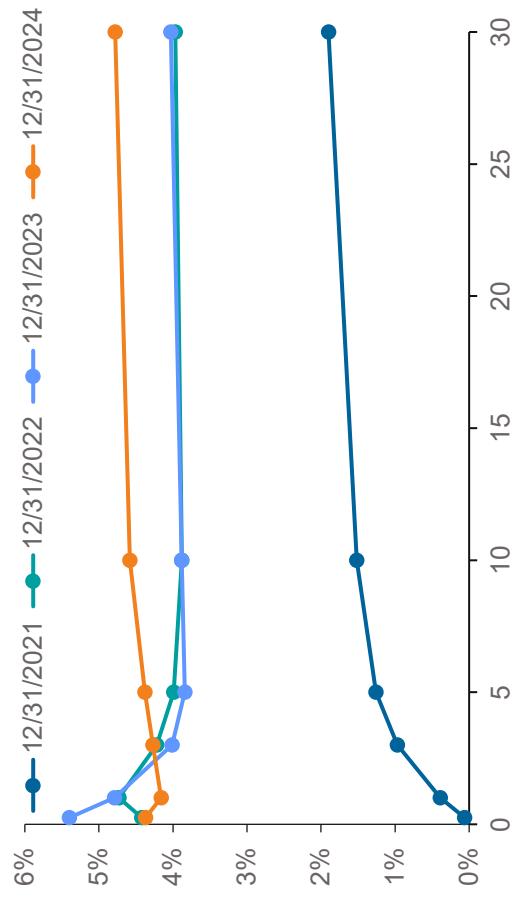
Quarterly Real GDP Growth



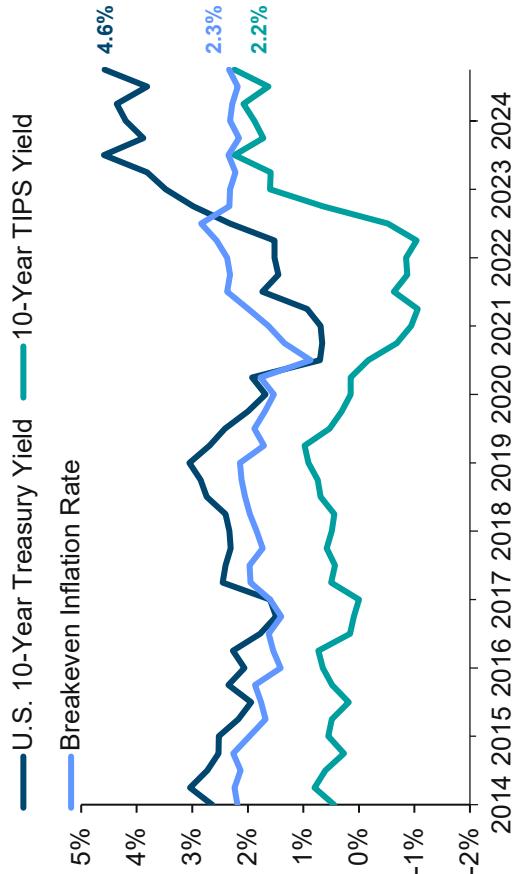
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve

Market Snapshot



Global Markets Snapshot

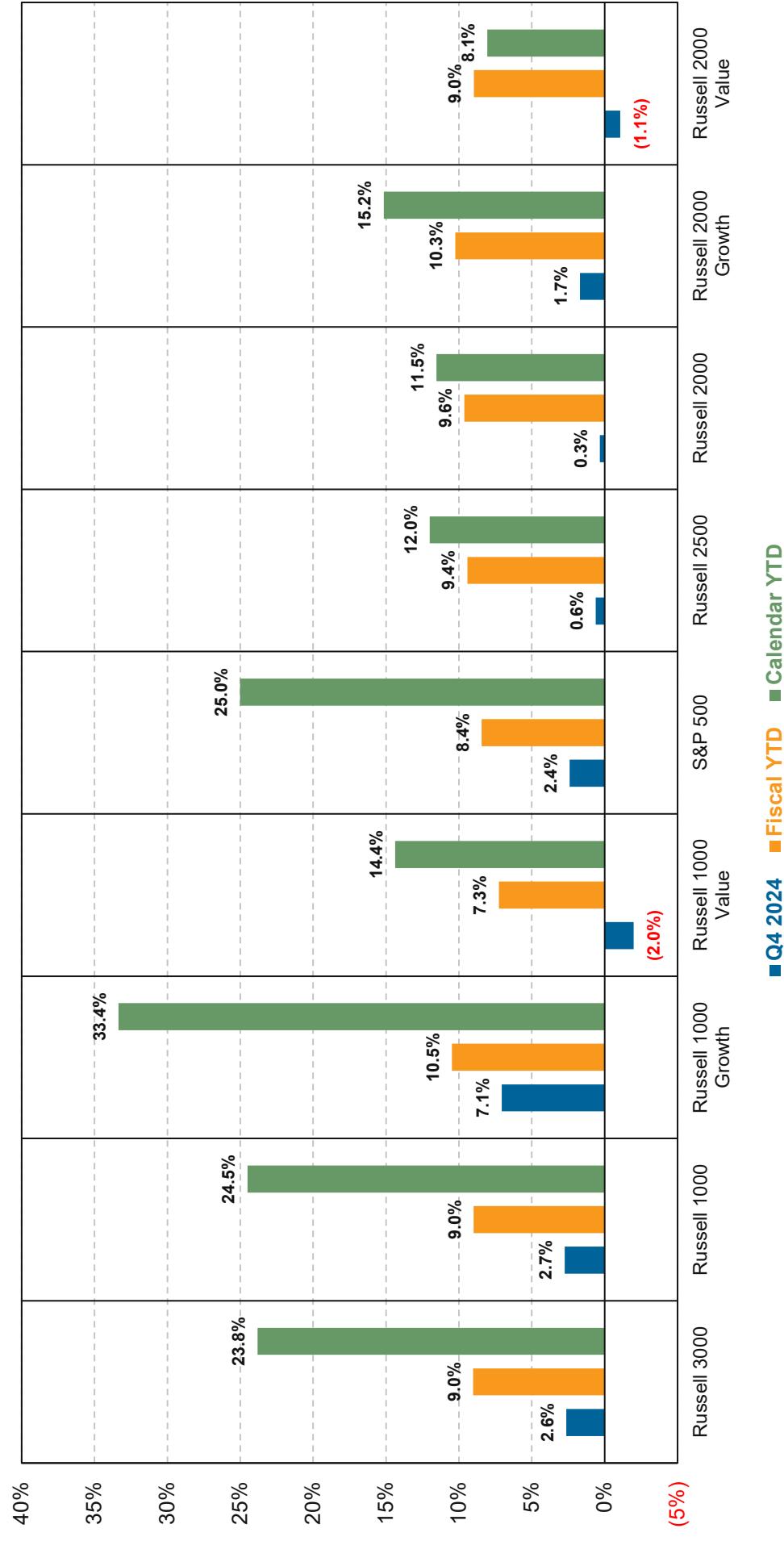
Returns for Periods ended 12/31/24

	Q4 2024	FYTD	1 Year	5 Years	10 Years	25 Years
U.S. Equity						
S&P 500	2.41	8.44	25.02	14.53	13.10	7.70
Russell 1000 Growth	7.07	10.49	33.36	18.96	16.78	7.80
Russell 1000 Value	-1.98	7.26	14.37	8.68	8.49	7.36
Russell 2000	0.33	9.64	11.54	7.40	7.82	7.55
Russell 2000 Growth	1.70	10.26	15.15	6.86	8.09	5.83
Russell 2000 Value	-1.06	8.98	8.05	7.29	7.14	8.98
Russell 3000	2.63	9.03	23.81	13.86	12.55	7.84
Global ex-U.S. Equity						
MSCI World ex USA	-7.43	-0.24	4.70	5.10	5.26	3.78
MSCI:EAFE	-8.11	-1.44	3.82	4.73	5.20	3.60
MSCI Emerging Markets	-8.01	0.02	7.50	1.70	3.64	--
MSCI ACWI ex USA Small Cap	-7.66	0.56	3.36	4.30	5.66	6.23
Fixed Income						
Bloomberg Aggregate	-3.06	1.98	1.25	-0.33	1.35	3.94
90-day T-Bill	1.17	2.55	5.25	2.46	1.77	1.91
Bloomberg Long Gov/Credit	-7.42	-0.06	-4.15	-3.26	0.99	5.36
Bloomberg Global Agg ex-US	-6.84	1.09	-4.22	-3.37	-0.90	2.45
Real Estate						
NCREIF Property	0.90	1.69	0.43	3.13	5.66	7.58
NCREIF NFI ODCE Eq Wt Net	0.85	0.78	-2.43	2.24	5.25	6.04
FTSE Nareit Equity	-6.21	8.88	8.73	4.27	5.73	9.84
Alternatives						
HFRX Fund Weighted	1.42	4.38	9.75	6.98	5.26	5.57
Cambridge Private Equity*	2.68	3.71	7.93	14.27	13.40	12.39
Inflation - CPI-U	0.10	0.46	2.89	4.20	3.00	2.54

Cambridge Private Equity and Cambridge Senior Debt data as of 9/30/24. Returns greater than one year are annualized.
 Sources: Bloomberg, Calian, Cambridge, FTSE Russell, HFRX, MSCI, NCREIF, S&P Dow Jones Indices

U.S. Equity Market Snapshot: Q4 2024

Returns for Periods Ended December 31, 2024

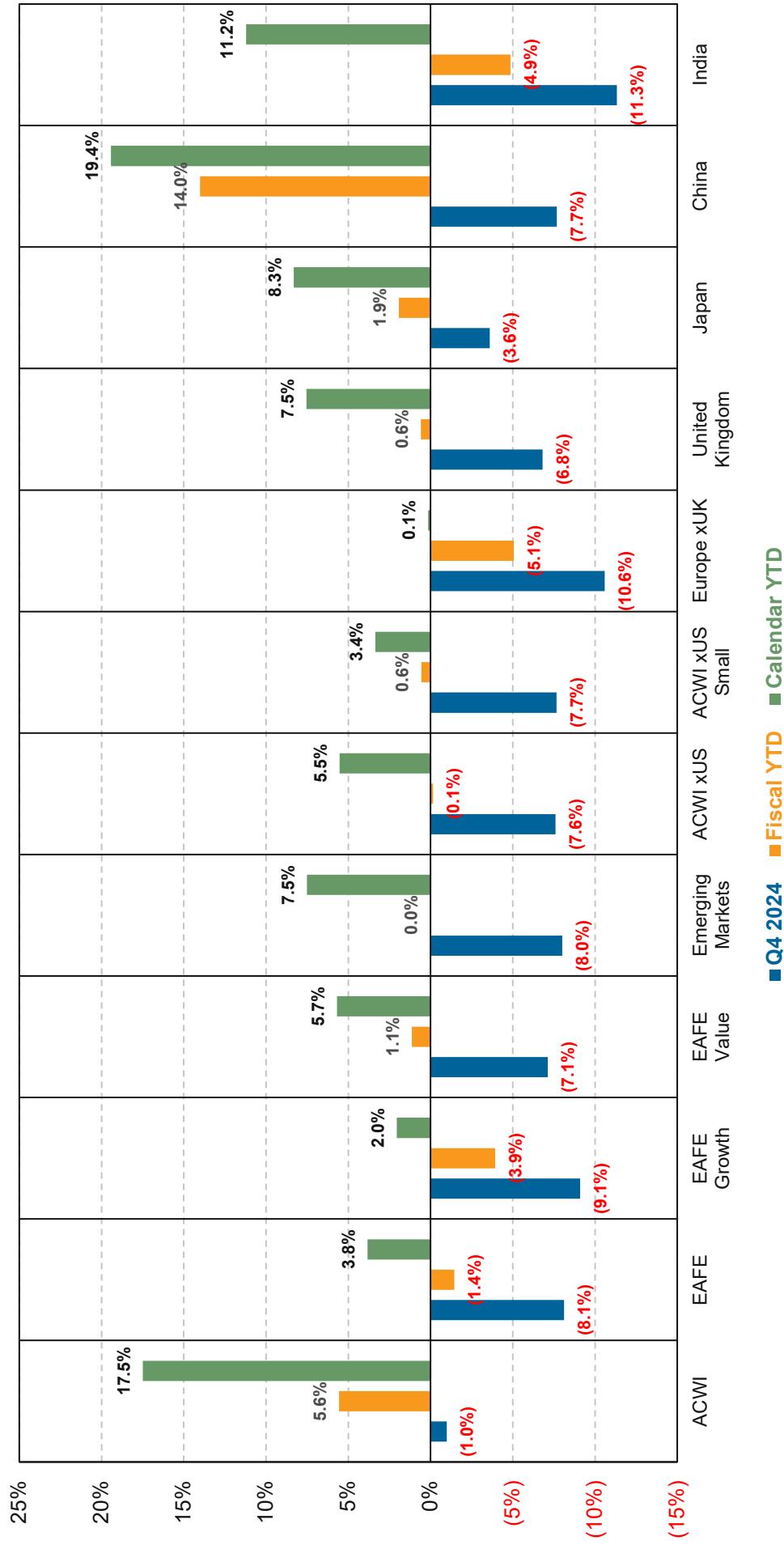


Sources: FTSE Russell, S&P Dow Jones Indices

Callan

Global Equity Market Snapshot: Q4 2024

Returns for Periods Ended December 31, 2024

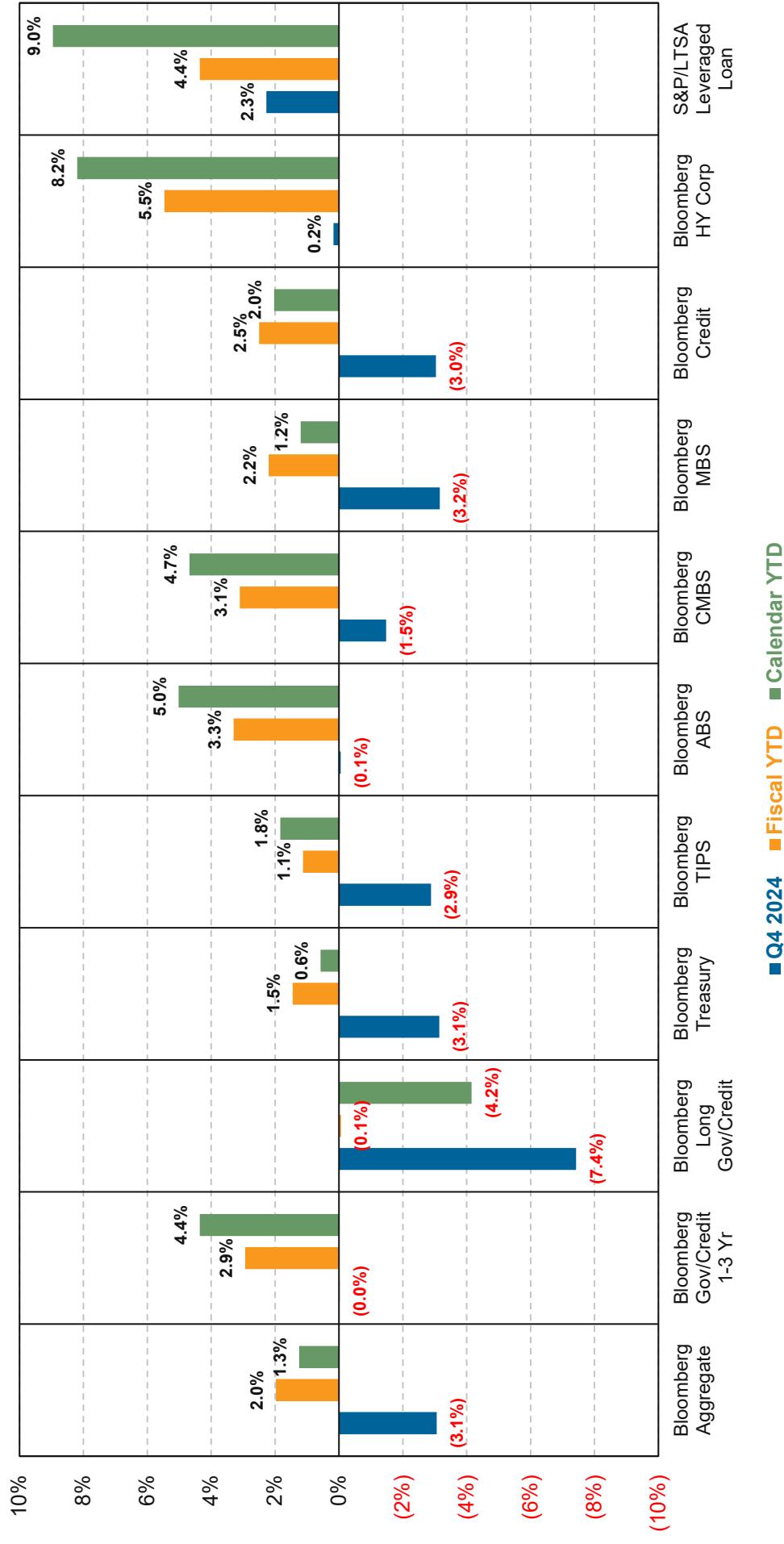


Source: MSCI

Callan

U.S. Fixed Income Market Snapshot: Q4 2024

Returns for Periods Ended December 31, 2024



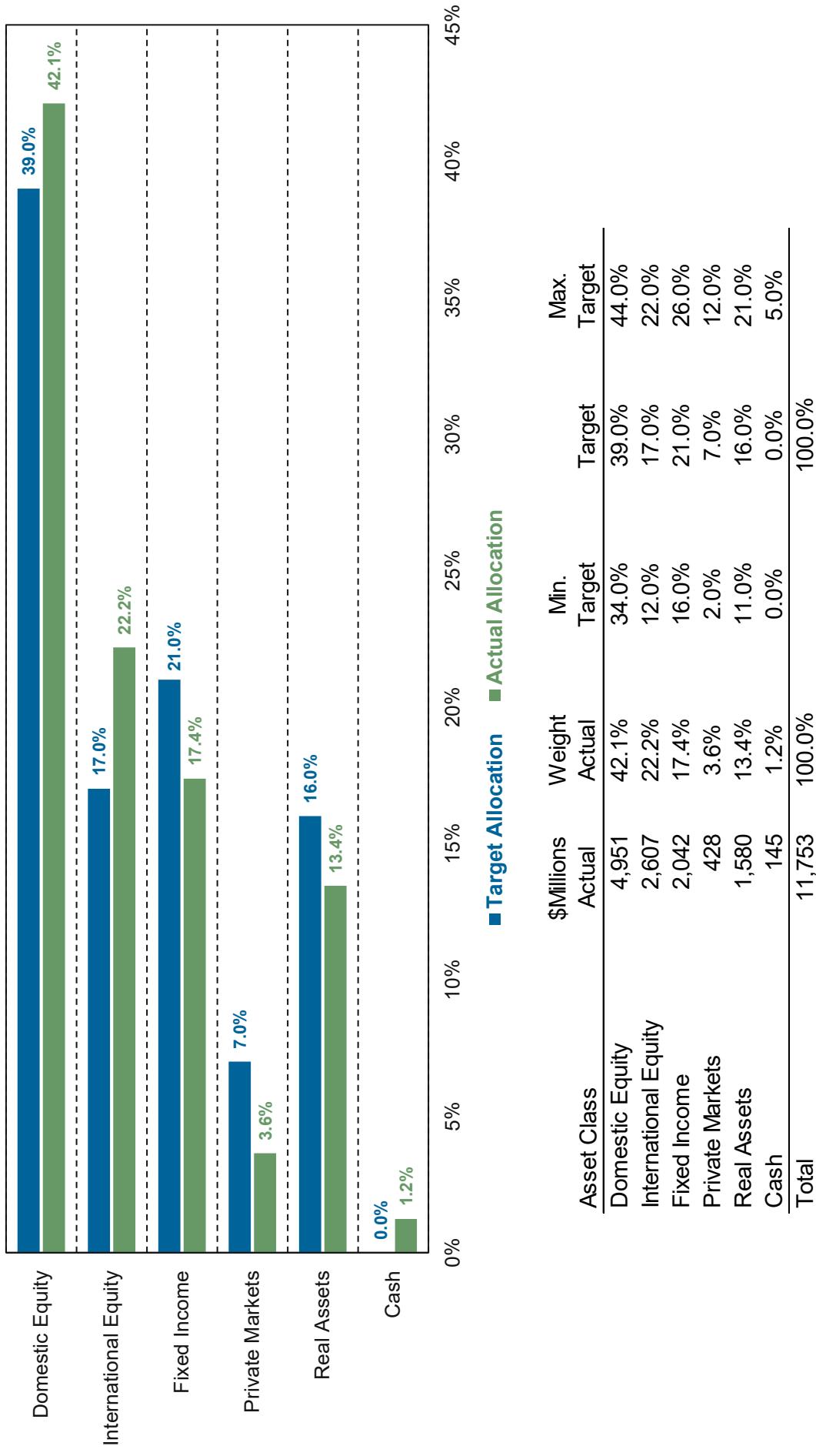
Sources: Bloomberg, Callan, S&P Dow Jones Indices

APERS Portfolio Review



Actual vs. Target Asset Allocation*

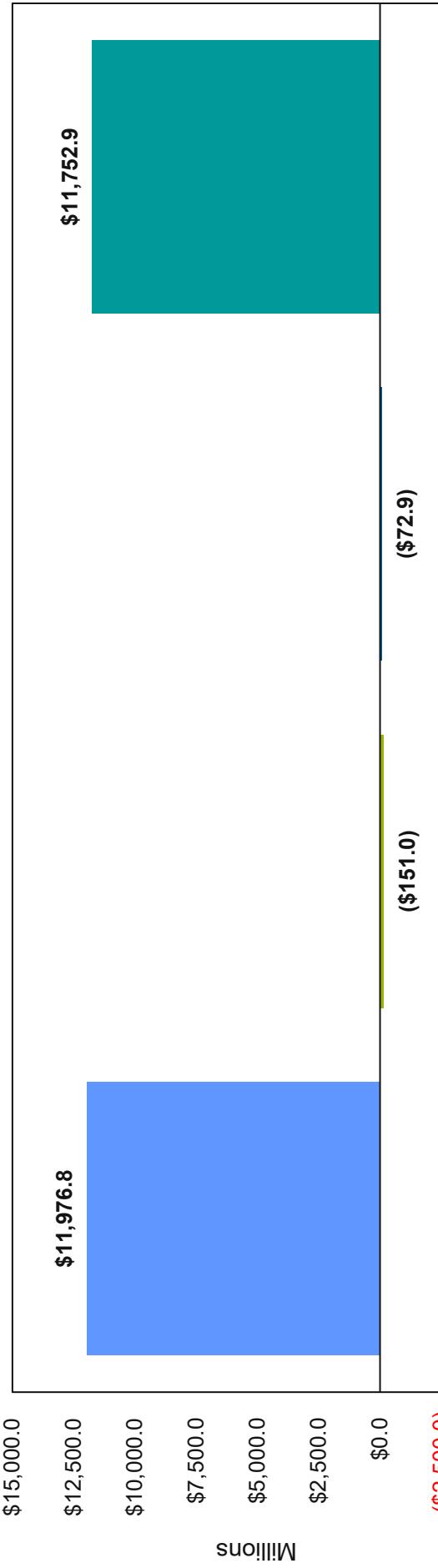
December 31, 2024



*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 – Q4 2024



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q4 2024 (9/30/24 - 12/31/24)	\$11,976,802,837	+	(\$150,955,374)	+	(\$72,923,627)	=	\$11,752,923,835
Fiscal YTD (6/30/24 - 12/31/24)	\$11,479,176,077	+	\$430,955,420	+	(\$157,207,662)	=	\$11,752,923,835

Total Fund Performance

December 31, 2024

Returns for Periods Ended December 31, 2024
Group: Callan Public Fund Spr DB

	Q4 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	0.56%	12.93%	4.70%	8.50%	8.21%	7.55%
25th Percentile	(0.46%)	11.65%	3.80%	7.90%	7.72%	7.24%
Median	(1.12%)	10.00%	2.97%	7.19%	7.32%	6.90%
75th Percentile	(1.62%)	8.54%	2.16%	6.40%	6.70%	6.53%
90th Percentile	(2.11%)	7.26%	1.20%	5.56%	6.07%	6.10%
Peer Universe Constituents	324	324	313	312	296	210
Total Fund	(1.23%) (54)	9.93% (50)	2.12% (77)	7.13% (52)	7.36% (49)	7.15% (34)
Benchmark	(1.19%) (52)	10.80% (33)	3.65% (27)	7.52% (39)	7.50% (39)	7.16% (32)

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

Total Fund Performance

December 31, 2024

Returns for Periods Ended December 31, 2024
Group: Callan Public Fd V Lg DB (>\$10B)

	Q4 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	0.35%	10.83% 	5.10%	8.80%	8.31%	7.60%
25th Percentile	(0.15%) 	10.17% 	4.03%	8.25%	8.03%	7.43%
Median	(0.77%) 	9.35% 	3.18% 	7.73% 	7.63% 	7.16% 
75th Percentile	(1.41%) 	7.95% 	2.33% 	6.98% 	7.22% 	6.89%
90th Percentile	(2.12%) 	6.95% 	1.88% 	6.20% 	6.49% 	6.32%
Peer Universe Constituents	56	56	56	56	54	49
Total Fund	(1.23%) (61)	9.93% (32)	2.12% (82)	7.13% (69)	7.36% (69)	7.15% (54)
Benchmark	(1.19%) (61)	10.80% (11)	3.65% (35)	7.52% (61)	7.50% (57)	7.16% (50)

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

Callan

Asset Class Performance and Market Values

December 31, 2024

	Market Value \$(Dollars)	Ending Weight	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity <i>Russell i3000 Index</i>	\$4,951,460,378	42.13%	2.17% 2.63%	7.51% 9.03%	18.62% 23.81%	5.05% 8.01%	12.17% 13.86%	11.25% 12.55%
International Equity <i>Int'l Equity Benchmark</i>	\$2,606,584,686	22.18%	(7.84%) (7.61%)	(0.44%) (0.05%)	4.93% 5.23%	0.62% 0.50%	5.25% 3.50%	6.01% 4.58%
Private Markets	\$427,605,442	3.64%	4.30%	5.30%	25.44%	8.72%	7.91%	7.05%
Private Equity <i>PE Benchmark</i>	\$171,770,298	1.46%	5.79% 6.85%	4.13% 11.10%	62.30% 38.22%	--	--	--
Hedge Funds <i>HFRx FOF Index</i>	\$255,835,144	2.18%	3.35% 2.49%	5.92% 4.03%	12.94% 9.12%	8.34% 7.42%	7.17% 6.18%	6.65% 5.63%
Fixed Income <i>Bloomberg Aggregate</i>	\$2,042,343,213	17.38%	(2.51%) (3.06%)	2.87% 1.98%	3.82% 1.25%	(1.17%) (2.41%)	0.97% (0.33%)	2.51% 1.35%
Real Assets <i>Real Assets Benchmark</i>	\$1,580,351,239	13.45%	0.07% 0.90%	0.71% 1.69%	(1.01%) 0.43%	(0.39%) 3.58%	4.40% 5.39%	5.27% 5.61%
REITs <i>S&P DJ US Select REIT</i>	\$28,777,852	0.24%	(5.95%) (5.93%)	8.68% 8.70%	8.07% 8.10%	(3.17%) (3.02%)	3.12% 3.40%	-- 4.89%
Core/Core Plus RE <i>NFI-ODCE Eq Wt Net</i>	\$1,056,438,117	8.99%	0.35% (0.75%)	(0.14%) (3.93%)	(3.12%) (2.43%)	(1.23%) (3.11%)	2.47% 2.24%	5.22% 5.25%
Non-Core Real Estate <i>NCREIF Total Index</i>	\$295,460,934	2.51%	(0.75%) 0.90%	3.93% 1.69%	3.68% 0.43%	2.28% (0.82%)	8.90% 3.13%	11.14% 5.66%
Farmland <i>NCREIF Farmland Index</i>	\$98,934,833	0.84%	0.25% (1.32%)	(0.96%) (1.55%)	(0.10%) (1.03%)	-- 4.38%	-- 4.80%	-- 5.90%
Timber <i>NCREIF Timberland Index</i>	\$100,739,502	0.86%	1.19% 1.44%	1.37% 3.00%	6.63% 6.97%	12.79% 9.75%	8.62% 7.78%	3.87% 5.43%
Cash	\$144,578,878	1.23%	1.05%	2.65%	5.24%	3.92%	2.49%	1.77%
Total Fund <i>Total Fund Benchmark</i>	\$11,752,923,835	100.00%	(1.23%) (1.19%)	3.84% 4.28%	9.93% 10.80%	2.12% 3.65%	7.13% 7.52%	7.36% 7.50%

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity						
Russell 3000 Index	2.17%	7.51%	18.62%	5.05%	12.17%	11.25%
Lazard Asset Mgmt.	2.63%	9.03%	23.81%	8.01%	13.86%	12.55%
Russell 3000 Index	3.78% (34)	14.63% (6)	18.61% (70)	3.95% (85)	9.45% (90)	9.85% (79)
Callan All Cap Broad	2.63% (48)	9.03% (43)	23.81% (31)	8.01% (45)	13.86% (43)	12.55% (29)
CastleArk	2.01%	8.70%	21.02%	7.51%	13.23%	11.41%
Russell 3000 Growth Idx	2.41% (49)	2.13% (91)	25.26% (27)	8.46% (35)	17.39% (13)	14.86% (12)
Callan All Cap Broad	6.82% (10)	10.48% (28)	32.46% (14)	9.93% (30)	18.25% (12)	16.22% (2)
Mellon S&P 500 Index Fd	2.01%	8.70%	21.02%	7.51%	13.23%	11.41%
S&P 500 Index	2.41% (46)	8.43% (25)	25.01% (49)	8.94% (67)	14.20% (54)	12.94% (50)
Callan Large Cap Core	2.29%	6.94%	24.87%	9.32%	14.58%	12.94%
Horrell Capital - Passive	(0.16%) (70)	5.67% (79)	10.64% (89)	5.29% (80)	11.77% (72)	9.95% (78)
Bltmbg Arkansas Index	3.67% (35)	2.50% (90)	0.79% (100)	5.88% (75)	14.40% (37)	8.94% (85)
S&P 500 Index	2.41% (49)	8.44% (56)	25.02% (28)	8.94% (34)	14.53% (36)	13.10% (24)
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%	11.41%
Mellon Large Cap Growth	7.07% (16)	10.49% (14)	33.34% (25)	--	--	--
Russell 1000 Growth Idx	7.07% (16)	10.49% (14)	33.36% (24)	10.47% (17)	18.96% (9)	16.78% (10)
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%	15.41%
Wellington Management	(1.71%) (67)	5.95% (60)	14.59% (55)	6.88% (57)	9.92% (61)	9.12% (63)
Russell 1000 Value Idx	(1.98%) (72)	7.26% (35)	14.37% (55)	5.63% (77)	8.68% (85)	8.49% (87)
Callan Large Cap Value	(1.25%)	6.66%	15.41%	7.24%	10.45%	9.46%
William Blair LCG	3.39% (74)	4.82% (85)	--	--	--	--
Russell 1000 Growth Idx	7.07% (16)	10.49% (14)	33.36% (24)	10.47% (17)	18.96% (9)	16.78% (10)
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%	15.41%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Stephens Mid Cap Growth	4.02% (61)	8.66% (60)	--	--	--	--
Russell Mid Cap Growth Index	8.14% (19)	15.22% (15)	22.10% (19)	4.04% (6)	11.47% (19)	11.54% (30)
Callan Mid Cap Growth	4.77%	9.85%	14.95%	(0.16%)	9.88%	10.82%
LSV Asset Management	0.50% (32)	8.41% (48)	8.73% (56)	7.41% (17)	10.45% (33)	--
Russell 2000 Value Idx	(1.06%) (64)	8.98% (39)	8.05% (63)	1.94% (89)	7.29% (84)	7.14% (96)
Callan Small Cap Value	(0.32%)	8.25%	9.03%	4.33%	9.51%	8.68%
Stephens Investment Mgmt.	2.37% (44)	8.99% (51)	17.09% (39)	0.86% (33)	10.39% (35)	10.61% (48)
Russell 2000 Growth Iidx	1.70% (52)	10.26% (38)	15.15% (57)	0.21% (48)	6.86% (87)	8.09% (97)
Callan Small Cap Growth	1.80%	9.09%	15.94%	(0.25%)	9.10%	10.57%
Froley Revy Investment	2.96% (12)	8.31% (22)	12.46% (13)	(0.59%) (94)	8.79% (28)	8.48% (27)
ML All Conv. Index	3.38% (10)	8.82% (15)	11.14% (32)	0.65% (67)	9.66% (15)	9.07% (16)
Callan Convert Bonds DB	1.53%	6.23%	9.94%	1.16%	6.79%	6.82%

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

Callan

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
International Equity						
Intl Equity Benchmark*	(7.84%) (7.61%)	(0.44%) (0.05%)	4.93% 5.23%	0.62% 0.50%	5.25% 3.50%	6.01% 4.58%
Artisan Partners	(8.42%) (80)	(1.02%) (66)	5.64% (53)	7.49% (3)	9.85% (2)	8.66% (4)
MSCI EAFE Index	(8.11%) (70)	(1.44%) (71)	3.82% (69)	1.65% (51)	4.73% (68)	5.20% (80)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Mellon ACWI ex US Fund	(7.43%) (51)	(0.01%) (49)	5.85% (52)	1.09% (59)	4.42% (77)	—
MSCI ACWI xUS Index	(7.50%) (53)	0.05% (48)	6.09% (47)	1.35% (57)	4.61% (70)	5.31% (78)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Baillie Gifford Overseas	(8.30%) (74)	0.24% (45)	3.59% (71)	(7.71%) (99)	1.78% (97)	5.30% (78)
MSCI ACWI xUS Index	(7.50%) (53)	0.05% (48)	6.09% (47)	1.35% (57)	4.61% (70)	5.31% (78)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Lazard Asset Mgmt.	(9.49%) (94)	(3.22%) (90)	1.75% (83)	0.86% (62)	3.83% (87)	5.40% (74)
MSCI ACWI xUS Index	(7.50%) (53)	0.05% (48)	6.09% (47)	1.35% (57)	4.61% (70)	5.31% (78)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Acadian ACW ex US SmallCap	(4.23%) (6)	3.59% (25)	13.08% (9)	4.18% (14)	—	—
MSCI ACWI xUS Small	(7.66%) (54)	0.56% (48)	3.36% (49)	(1.47%) (44)	4.30% (54)	5.66% (72)
Callan Intl Small Cap	(7.47%)	0.38%	3.06%	(1.97%)	4.62%	6.84%
Franklin Templeton Intl SmallCap	(9.13%) (73)	(1.56%) (72)	(1.20%) (80)	(3.47%) (60)	—	—
MSCI ACWI xUS Small	(7.66%) (54)	0.56% (48)	3.36% (49)	(1.47%) (44)	4.30% (54)	5.66% (72)
Callan Intl Small Cap	(7.47%)	0.38%	3.06%	(1.97%)	4.62%	6.84%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Fixed Income	(2.51%) (3.06%)	2.87% 1.98%	3.82% 1.25%	(1.17%) (2.41%)	0.97% (0.33%)	2.51% 1.35%
Blmbg Aggregate Index						
DoubleLine Capital	(2.51%) (18)	3.02% (5)	3.54% (13)	(0.98%) (14)	0.57% (69)	--
Mackay Shields	(2.46%) (14)	3.05% (5)	4.66% (2)	(1.06%) (15)	1.54% (12)	2.73% (18)
PGIM Fixed Inc	(2.57%) (24)	2.55% (40)	3.25% (23)	(1.44%) (40)	0.76% (53)	2.81% (13)
Blmbg Aggregate Index	(3.06%) (80)	1.98% (91)	1.25% (95)	(2.41%) (88)	(0.33%) (98)	1.35% (100)
Callan Core Plus Fixed Income	(2.76%)	2.44%	2.74%	(1.59%)	0.78%	2.31%
Private Markets	4.30%	5.30%	25.44%	8.72%	7.91%	7.05%
Private Equity	5.79%	4.13%	62.30%	--	--	--
Pvt. Equity Benchmark	6.85%	11.01%	38.22%			
HarbourVest Dover XI	6.52%	3.55%	59.57%	--	--	--
Neuberger Berman Fund of One	4.03%	5.35%	--	--	--	--
Pvt. Equity Benchmark	6.85%	11.01%	38.22%			
Hedge Funds	3.35% 2.49%	5.92% 4.03%	12.94% 9.12%	8.34% 1.37%	7.17% 5.89%	6.65% 6.25%
HFRI FOF Diversified Index*						
APERS - Blackstone	3.35% (37)	5.92% (34)	12.94% (20)	8.34% (9)	7.17% (27)	6.65% (5)
HFRI FOF Diversified Index**	2.49% (55)	4.03% (71)	9.12% (73)	7.42% (11)	6.18% (55)	5.63% (17)
Callan Core Div. FoF	2.95%	4.88%	10.92%	4.73%	6.42%	4.69%

* 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

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Real Assets	0.07%	0.71%	(1.01%)	(0.39%)	4.40%	5.27%
NCREIF Total Index*	0.90%	1.69%	0.43%	3.58%	5.39%	5.61%
REITs	(5.95%)	8.68%	8.07%	(3.17%)	3.12%	--
S&P DJ U.S. Select REIT	(5.93%)	8.70%	8.10%	(3.02%)	3.40%	4.89%
MCM EB DV Non-SL REIT Fd	(5.95%) (34)	8.68% (42)	8.07% (48)	(3.17%) (71)	3.12% (89)	--
S&P DJ U.S. Select REIT	(5.93%) (33)	8.70% (40)	8.10% (47)	(3.02%) (69)	3.40% (80)	4.89% (86)
Callan Real Estate REIT	(6.57%)	8.35%	8.01%	(2.52%)	5.01%	6.37%
Core Real Estate	0.35%	(0.14%)	(3.12%)	(1.23%)	2.47%	5.22%
NCREIF NFI-ODCE Eq Wt Net	0.85%	0.78%	(2.43%)	(3.11%)	2.24%	5.25%
Carlyle Property Investors	0.26%	(75)	0.26% (61)	(3.17%) (73)	--	--
Clarion Lion Industrial Trust	(0.90%)	(95)	(0.90%) (84)	(2.12%) (55)	--	--
Invesco Real Estate	(0.05%)	(91)	(1.00%) (86)	(5.60%) (89)	(3.68%) (68)	1.26% (77)
Heitman Real Estate Trust LP	0.31%	(71)	0.71% (47)	(0.22%) (31)	2.02% (11)	3.92% (28)
Principal Enhanced Property Fd	4.17%	(1)	2.17% (7)	--	--	--
NCREIF NFI-ODCE Eq Wt Net	0.85%	(33)	0.78% (41)	(2.43%) (64)	(3.11%) (67)	2.24% (56)
Callan OE Core Cmngld RE	0.72%	0.48%	(1.72%)	(1.95%)	2.55%	5.49%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Value Add Real Estate						
NCREIF Total Index	(0.75%)	3.93%	3.68%	2.28%	8.90%	11.14%
0.90%	1.69%	0.43%	(0.82%)	3.13%	5.66%	
Harrison Street Fund VIII	(1.75%)	(1.98%)	(1.93%)	5.83%	--	--
Harrison Street Fund IX	(1.97%)	(1.97%)	--	--	11.72%	
Heitman Value Partners IV	(2.86%)	1.61%	1.76%	8.89%	(17.11%)	(4.29%)
0.04%	(27.08%)	(38.36%)	(23.77%)	(25.03%)	(26.88%)	
LaSalle Inc & Growth VI LP	(4.73%)	(11.21%)			(12.32%)	
4.98%	7.97%	21.34%	--	--	--	
Starwood SOF XII		(2.36%)	(3.24%)	4.60%	--	
TA Realty XII	(1.71%)	(2.36%)	--	--	--	
TA Realty XIII	(1.12%)	39.54%	28.12%	--	--	
NCREIF Total Index	0.90%	1.69%	0.43%	(0.82%)	3.13%	5.66%
Farmland						
IFC Core Farmland Fund	0.25%	(0.96%)	(0.10%)	--	--	--
PGIM Agriculture	1.86%	3.64%	6.45%	--	--	--
NCREIF Farmland Index	(1.60%)	(5.94%)	(7.11%)	--	--	--
	(1.32%)	(1.55%)	(1.03%)	4.38%	4.80%	5.90%
Timber						
Pinnacle	1.19%	1.37%	6.63%	12.79%	8.62%	3.87%
NCREIF Timberland Index	1.19%	1.37%	6.63%	12.79%	8.62%	3.87%
	1.44%	3.00%	6.97%	9.75%	7.78%	5.43%
Cash	1.05%	2.65%	5.24%	3.92%	2.49%	1.77%
Total Fund	(1.23%)	(54)	3.84%	(60)	9.93%	(50)
Total Fund Benchmark	(1.19%)	(52)	4.28%	(41)	10.80%	(33)
Callan Public Fund Spr DB	(1.12%)	4.07%	10.00%		2.97%	7.19%

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

Organizational Developments

4th Quarter 2024

Mellon Investments Corporation – Passive Large Cap Growth Equity

January 2025 – Mellon Investments Corporation informed Callan of its plan to close the San Francisco office, which has housed passive index investment professionals. Employees may relocate to Mellon's Pittsburgh office and must decide by the end of February. Those accepting the offer have until Q3 2026 to move. Head of Index Stephanie Hill has accepted and will relocate. The remaining 16 team members have not disclosed their plans. Callan will monitor the decisions of remaining team members.

No action required.

William Blair – Large Cap Growth Equity

January 2025 – William Blair announced that Stephanie Braming, Head of Investment Management, will retire at the end of 2025. William Blair's CEO and COO will lead a full search for her replacement, with input from senior members of the Investment Management team. No additional personnel or structural changes are anticipated within the Investment Management division because of this announcement.

No action required.

Work Plan Update

Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	03/2025	06/2025
Quarterly Board Meetings	Quarterly	03/2025	06/2025
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.

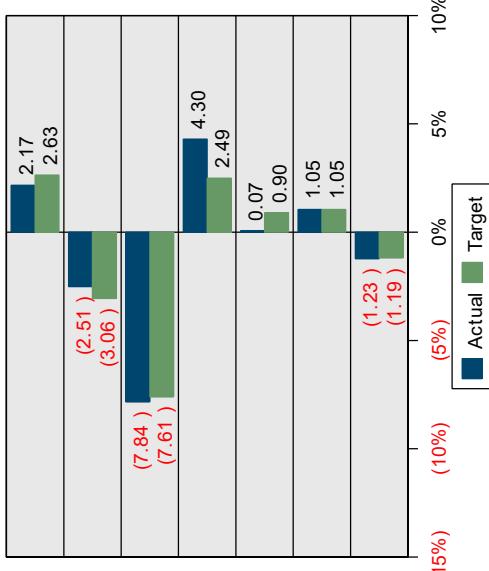
	Long-Term Target	4Q 2024 Target
Domestic Equity	39.0%	39.0%
International Equity	17.0	24.0
Fixed Income	21.0	19.0
Real Assets	16.0	16.0
Private Markets	7.0	2.0
- Private Equity	5.0	0.0
- Hedge Funds	2.0	2.0
Total Target	100.0%	100.0%

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:** HFR1 Diversified Index; Prior to 7/1/2023 60% MSCI World and 40% Bloomberg Aggregate.

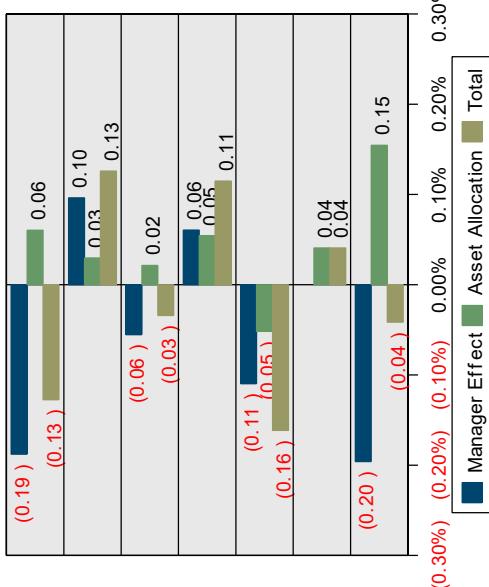
Total Fund Relative Attribution – Q4 2024

December 31, 2024

Actual vs Target Returns



Relative Attribution by Asset Class



Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	40%	39%	2.17%	2.63%	(2.51%)	(0.19%)	(0.13%)
Fixed Income	18%	19%	(2.51%)	(3.06%)	(7.84%)	(0.10%)	0.13%
International Equity	24%	24%	(2.51%)	(7.61%)	(7.84%)	(0.06%)	(0.03%)
Private Markets	3%	2%	4.30%	4.30%	4.30%	0.06%	0.11%
Real Assets	13%	16%	0.07%	0.90%	0.07%	(0.11%)	(0.16%)
Cash	2%	0%	1.05%	1.05%	1.05%	0.00%	0.04%
Total							(0.04%)
							(0.15%) + (0.20%) = (1.19%)

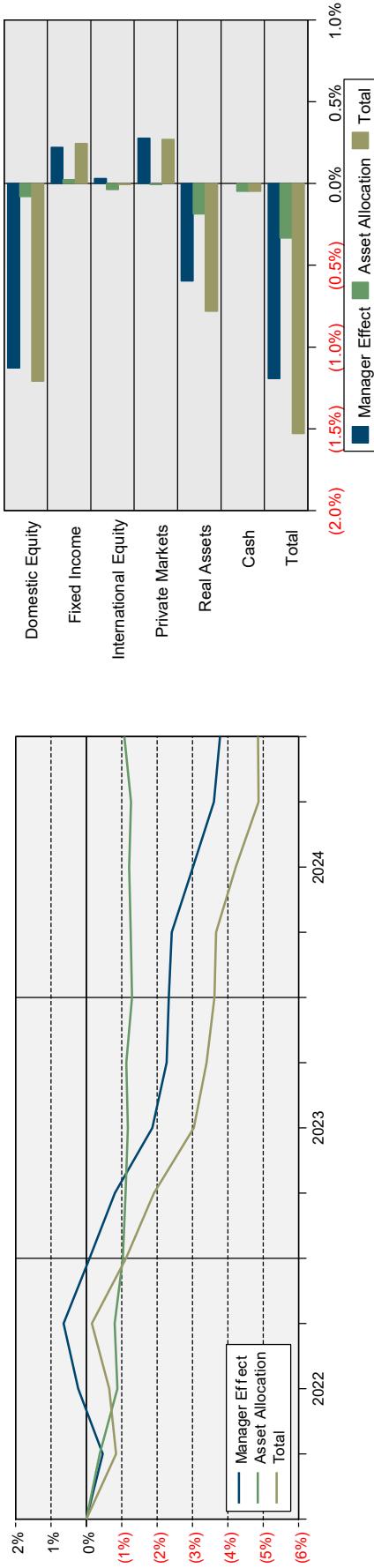
Benchmark definitions included in the Appendix.

Callan

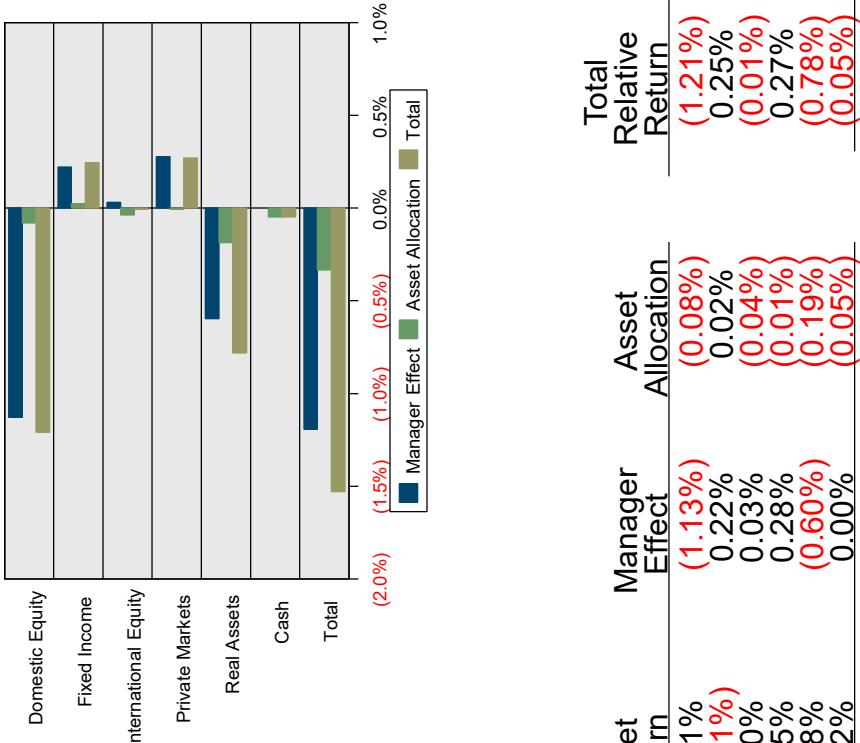
Total Fund Relative Attribution – 3 Years

December 31, 2024

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



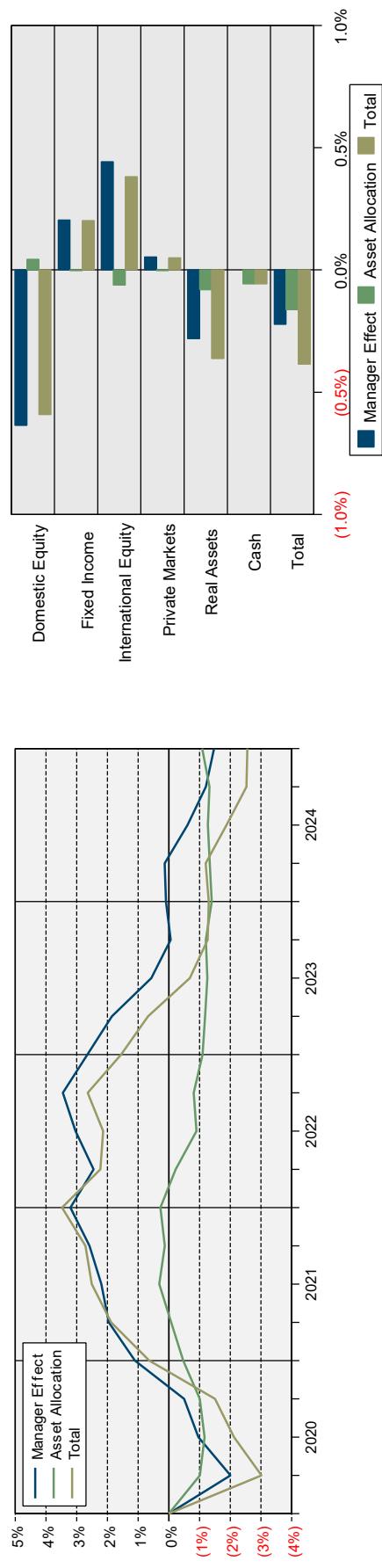
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	5.05%	8.01%	(1.13%)	(0.08%)	(1.21%)
Fixed Income	18%	19%	(1.17%)	(2.41%)	0.22%	0.02%	0.25%
International Equity	25%	24%	0.62%	0.50%	0.03%	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					(1.53%)	(0.33%)	(1.53%)
					2.12%	= 3.65%	+ (1.19%) + (0.33%)

Benchmark definitions included in the Appendix.

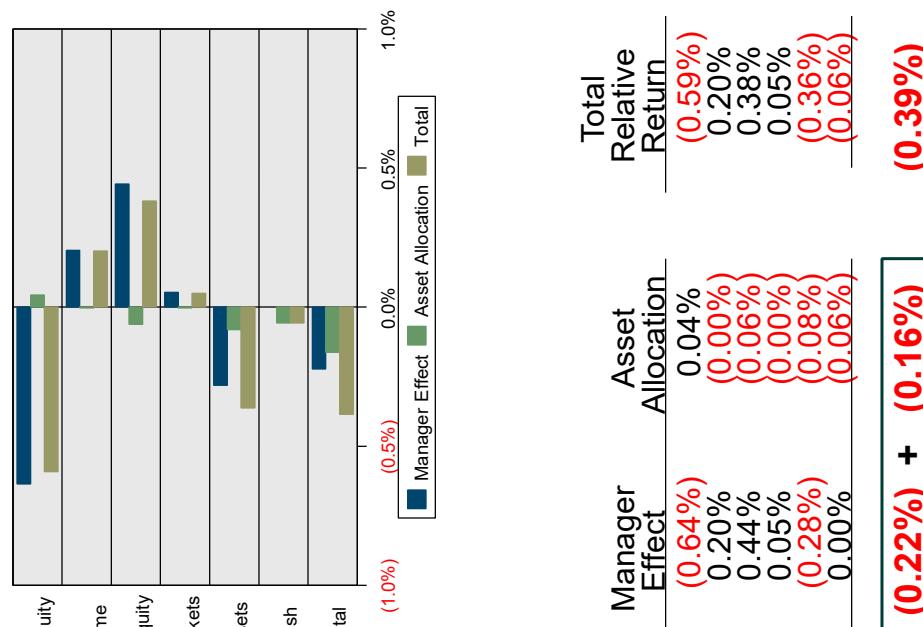
Total Fund Relative Attribution – 5 Years

December 31, 2024

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	12.17%	13.86%	(0.64%)	0.04%	(0.59%)
Fixed Income	17%	18%	0.97%	(0.33%)	0.20%	(0.00%)	0.20%
International Equity	25%	24%	5.25%	3.50%	0.44%	(0.06%)	0.38%
Private Markets	4%	4%	7.91%	5.87%	0.05%	(0.00%)	0.05%
Real Assets	14%	16%	4.40%	5.39%	(0.28%)	(0.08%)	(0.36%)
Cash	1%	0%	2.49%	2.49%	0.00%	(0.06%)	(0.06%)
Total			7.13%	7.52%	+ (0.22%)	+ (0.16%)	(0.39%)

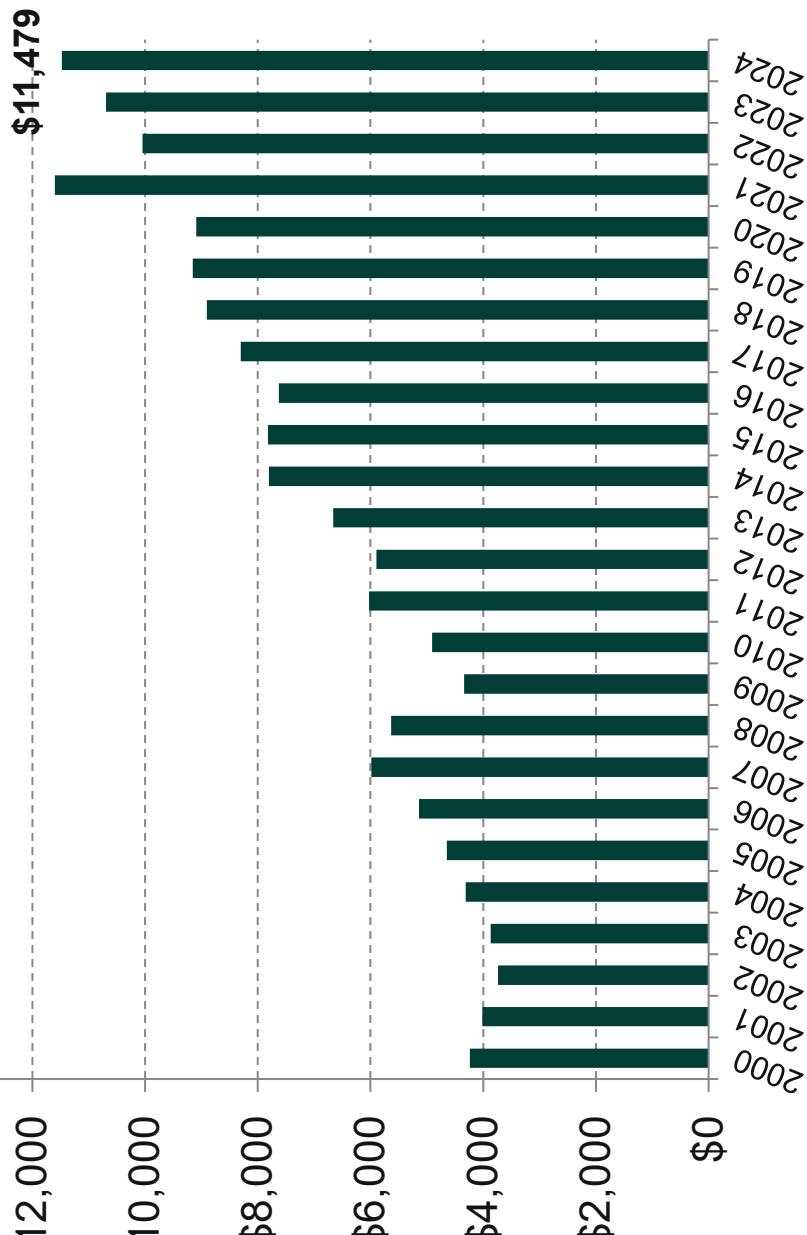
Benchmark definitions included in the Appendix.

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

Market Value of the Total Fund (\$ millions)



Asset Distribution Across Investment Managers

December 31, 2024

December 31, 2024

	December 31, 2024			September 30, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity						
Lazard Asset Mgmt.	\$4,951,460,378	42.13%	\$35,286,145	\$103,668,325	\$4,812,505,908	40.18%
CastleArk Mgmt. LLC	0	0.00%	(276,310,240)	7,460,993	268,849,248	2.24%
Mellon S&P 500 Index Fd	746,750,855	6.35%	(872,945)	17,550,167	730,073,632	6.10%
Horrell Capital - Passive e	674,604,721	5.74%	(50,021,142)	17,242,078	707,383,785	5.91%
Mellon Large Cap Value	220,765,451	1.88%	(89,165)	(360,333)	221,214,949	1.85%
Boston Partners LCV	169,426,060	1.44%	(130,002,531)	(5,432,232)	304,860,824	2.55%
Mellon Large Cap Growth	391,201,473	3.33%	400,000,000	(8,798,527)	-	-
CastleArk LCG	415,544,105	3.54%	99,993,700	28,841,430	286,708,975	2.39%
Wellington Management	75,956,977	0.65%	75,000,000	956,977	-	-
William Blair LCG	401,030,583	3.41%	(80,388,145)	(5,515,180)	486,933,908	4.07%
Stephens Mid Cap Growth	506,267,196	4.31%	(338,035)	16,629,482	489,975,749	4.09%
LSV Asset Management	445,816,399	3.79%	(473,182)	17,239,119	429,050,462	3.58%
Stephens Investment Mgmt.	297,937,131	2.54%	(471,616)	1,471,485	296,937,263	2.48%
Froley Revy Inv estment	184,736,881	1.57%	(332,120)	4,283,979	180,785,022	1.51%
	421,422,546	3.59%	(408,433)	12,098,887	409,732,091	3.42%
International Equity						
Artisan Partners	\$2,606,584,686	22.18%	\$1,629,768	\$211,334,772	\$2,829,549,226	23.63%
Artisan Intl Value CIT	4,468,232	0.04%	(765,860,353)	(15,373,937)	785,702,522	6.56%
Mellon ACWI ex US Fund	723,421,374	6.16%	765,860,353	(42,438,980)	-	-
Baillie Gifford Overseas	576,887,190	4.91%	(77,794)	(46,303,723)	623,268,707	5.20%
Lazard Asset Mgmt.	358,461,246	3.05%	(490,559)	(32,450,932)	391,402,736	3.27%
Acadian ACW ex US SmallCap	559,542,649	4.76%	(439,980)	(58,707,294)	618,689,924	5.17%
Franklin Templeton Intl SmallCap	222,403,090	1.89%	(342,011)	(9,834,266)	232,579,367	1.94%
	161,400,907	1.37%	(279,423)	(16,225,641)	177,905,971	1.49%
Fixed Income						
DoubleLine Capital	\$2,042,343,213	17.38%	\$1,026,846	\$52,658,922	\$2,096,028,980	17.50%
MackKey Shields	643,042,444	5.47%	(314,615)	(16,556,052)	659,913,111	5.51%
PGM	699,913,410	5.96%	(356,735)	(17,643,390)	717,913,535	5.99%
	699,387,359	5.95%	(355,496)	(18,459,480)	718,202,334	6.00%
Private Markets						
Private Equity						
HarbourVest Dover XI	\$171,770,298	1.46%	\$20,089,670	\$8,676,899	\$143,003,729	1.19%
Neuberger Berman Fund of One	125,779,647	1.07%	20,211,545	6,893,580	98,674,522	0.82%
	45,990,651	0.39%	(121,875)	1,783,319	44,329,207	0.37%
Hedge Funds						
Blackstone Alt. Asset Mgmt	\$255,835,144	2.18%	\$641,429	\$8,314,508	\$248,162,065	2.07%
	255,835,144	2.18%	(641,429)	8,314,508	248,162,065	2.07%

Asset Distribution Across Investment Managers

December 31, 2024

	December 31, 2024			September 30, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Real Assets	\$1,580,351,239	13.45%	\$111,963,284)	\$1,145,056	\$1,591,169,467	13.29%
REITs	\$28,777,852	0.24%	\$15,975,293	\$14,377,937	\$14,377,937	0.12%
MCM EB DV Non-SL REIT Fd	28,777,852	0.24%	15,975,293	(1,575,377)	14,377,937	0.12%
Core/Core-Plus Real Estate	\$1,056,438,117	8.99%	\$122,392,852)	\$3,667,957	\$1,075,163,012	8.98%
Carlyle Property Investors	81,031,726	0.69%	(663,732)	209,438	81,486,019	0.68%
Clarion Lion Industrial Trust	77,078,235	0.66%	(232,106)	(700,931)	78,011,272	0.65%
Invesco Real Estate	494,058,328	4.20%	(16,513,396)	(262,813)	510,834,537	4.27%
Heitman Real Estate Tr LP	319,059,030	2.71%	(3,434,102)	966,376	321,526,756	2.68%
Principal Enh. Property Fd	85,210,799	0.73%	(1,549,516)	3,455,887	83,304,428	0.70%
Non-Core Real Estate	\$295,460,934	2.51%	\$4,509,262)	\$12,385,941)	\$302,356,136	2.52%
Harrison Street Fund VIII	45,350,703	0.39%	(2,325,841)	(834,637)	48,511,181	0.41%
Harrison Street Fund IX	28,962,160	0.25%	(1,078,499)	(582,205)	30,622,864	0.26%
Heitman Value Partners IV	35,219,324	0.30%	(6,652,866)	(1,364,198)	43,236,388	0.36%
LaSalle Inc & Growth VI LP	3,355,276	0.03%	0	1,381	3,353,895	0.03%
LaSalle Inc & Growth VII LP	12,574,538	0.11%	(1,007,471)	(647,706)	14,229,715	0.12%
Starwood SOF XII	59,883,660	0.51%	14,764,183	2,841,536	42,277,941	0.35%
TA Realty XI	52,942	0.00%	(112,508)	13,006	152,444	0.00%
TA Realty XII	62,080,066	0.53%	(15,654,541)	(1,270,931)	79,005,538	0.66%
TA Realty XIII	47,982,265	0.41%	7,558,282	(542,187)	40,966,170	0.34%
Farmland	\$98,934,833	0.84%	\$1516,993)	\$248,803	\$99,203,023	0.83%
IFC Core Farmland Fund	53,765,674	0.46%	(376,609)	982,280	53,160,003	0.44%
PGIM Agriculture	45,169,159	0.38%	(140,384)	(733,477)	46,043,020	0.38%
Timber	\$100,739,502	0.86%	\$1519,471)	\$1,189,613	\$100,069,359	0.84%
Pinnacle	100,739,502	0.86%	(519,471)	1,189,613	100,069,359	0.84%
Cash	\$144,578,878	1.23%	\$1113,038,116)	\$1,233,532	\$256,383,461	2.14%
Composite Fund	\$11,752,923,835	100.00%	\$72,923,627)	\$1150,955,374)	\$11,976,802,837	100.00%

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Domestic Equity					
Russell 3000 Index	2.09%	7.35%	18.26%	4.71%	11.81%
Pub Pin- Dom Equity	2.63%	9.03%	23.81%	8.01%	13.86%
1.88%	8.41%	21.55%	7.45%	13.12%	
CastleArk	2.28%	1.92%	24.76%	8.06%	16.98%
Russell 3000 Growth Index	6.82%	10.48%	32.46%	9.93%	18.25%
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%
Mellon S&P 500 Index Fd	2.40%	8.43%	24.99%	8.92%	14.18%
S&P 500 Index	2.41%	8.44%	25.02%	8.94%	14.53%
Callan Large Cap Core	2.29%	6.94%	24.87%	9.32%	14.58%
Horrell Capital - Passive	(0.20%)	5.59%	10.46%	5.12%	11.59%
Bloomberg Arkansas Index	3.67%	2.50%	0.79%	5.88%	14.40%
S&P 500 Index	2.41%	8.44%	25.02%	8.94%	14.53%
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%
Mellon Large Cap Value	(1.98%)	7.26%	14.37%	5.65%	8.68%
Russell 1000 Value Index	(1.98%)	6.66%	15.41%	7.24%	10.45%
Callan Large Cap Value	(1.25%)				
Mellon Large Cap Growth	7.07%	10.48%	33.27%		
Russell 1000 Growth Index	7.07%	10.49%	33.36%	10.47%	18.96%
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%
Wellington Management	(1.78%)	5.79%	14.23%	6.56%	9.60%
Russell 1000 Value Index	(1.98%)	7.26%	14.37%	5.63%	8.68%
Callan Large Cap Value	(1.25%)	6.66%	15.41%	7.24%	10.45%
William Blair LCG	3.32%	4.68%			
Russell 1000 Growth Index	7.07%	10.49%	33.36%	10.47%	18.96%
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%
Stephens Mid Cap Growth	3.91%	8.44%			
Russell MidCap Growth Idx	8.14%	15.22%	22.10%	4.04%	11.47%
Callan Mid Cap Growth	4.77%	9.85%	14.95%	(0.16%)	9.88%
LSV Asset Management	0.34%	8.09%	8.08%	6.80%	9.82%
Russell 2000 Value Index	(1.06%)	8.98%	8.05%	1.94%	7.29%
Callan Small Cap Value	(0.32%)	8.25%	9.03%	4.33%	9.51%
Stephens Investment Mgmt.	2.19%	8.57%	16.13%	0.15%	9.66%
Russell 2000 Growth Index	1.70%	10.26%	15.15%	0.21%	6.86%
Callan Small Cap Growth	1.80%	9.09%	15.94%	(0.25%)	9.10%
Froley Revy Investment	2.85%	8.09%	12.01%	(0.99%)	8.36%
ML All Conv	3.38%	8.82%	11.14%	0.65%	9.66%
Callan Convert Bonds DB	1.53%	6.23%	9.94%	1.16%	6.79%
Benchmark definitions included in the Appendix.					

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
International Equity					
Benchmark*	(7.90%) (7.61%) (7.70%)	(0.59%) (0.05%) (0.44%)	4.58% 5.23% 4.95%	0.26% 0.50% 1.05%	4.89% 3.50% 4.90%
Mellan ACWI ex US Fund	(7.44%) (7.60%) (7.35%)	(0.03%) (0.15%) (0.07%)	5.80% 5.53% 5.96%	1.04% 0.82% 1.72%	4.36% 4.10% 5.49%
MSCI ACWI ex US Callan NonUS Eq	(8.42%) (7.50%) (7.35%)	0.01% 0.05% (0.07%)	3.14% 6.09% 5.96%	(8.09%) 1.35% 1.72%	1.38% 4.61% 5.49%
Ballie Gifford Overseas MSCI ACWIxUS Gross Callan NonUS Eq	(9.56%) (7.50%) (7.35%)	(3.36%) 0.05% (0.07%)	1.44% 6.09% 5.96%	0.55% 1.35% 1.72%	3.51% 4.61% 5.49%
Lazard Asset Mgmt. MSCI ACWIxUS Gross Callan NonUS Eq	(4.38%) (7.66%) (7.47%)	3.28% 0.56% 0.38%	12.42% 3.36% 3.06%	3.54% (1.47%) (1.97%)	- 4.30% 4.62%
Acadian ACW ex US SmallCap MSCI ACWI ex US Small Cap Callan Intl Small Cap	(9.28%) (7.66%) (7.47%)	(1.88%) 0.56% 0.38%	(4.11%) (1.47%) (1.97%)	(4.11%) (4.30%) (4.62%)	- -
Franklin Templeton Intl SmallCap MSCI ACWI ex US Small Cap Callan Intl Small Cap					

Benchmark definitions included in the Appendix.

Callan

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Fixed Income					
Bloomberg Aggregate Index	(2.56%) (3.06%) (2.40%)	2.77% 1.98% 2.47%	3.62% 1.25% 2.69%	(1.36%) (2.41%) (1.19%)	0.78% (0.33%) 0.92%
Pub Pln- Dom Fixed					
DoubleLine Capital	(2.56%) (2.51%) (2.62%) (3.06%) (2.76%)	2.92% 2.94% 2.44% 1.98% 2.44%	3.35% 4.45% 3.04% 1.25% 2.74%	(1.17%) (1.26%) (1.64%) (2.44%) (1.59%)	0.38% 1.34% 0.56% (0.33%) 0.78%
Mackay Shields					
PGIM					
Bloomberg Aggregate Index					
Callan Core Plus FI					
Private Markets					
Private Equity					
Benchmark**	3.78% 4.84% 6.85%	4.42% 2.69% 11.01%	21.99% 51.08% 38.22%	7.10% -	6.61% -
HarbourVest Dover XI					
Neuberger Berman Fund of One					
Benchmark**	5.29% 3.75% 6.85%	1.65% 5.06% 11.01%	46.60% -	-	-
Hedge Funds of Funds					
HFRI FOF: Diversified Index***	3.09% 2.49%	5.39% 4.03%	11.80% 9.12%	7.25% 1.37%	6.10% 5.89%
Blackstone Alt. Asset Mgmt.	3.09%	5.39%	11.80%	7.25%	6.10%
HFRI FOF: Diversified Index***	2.49%	4.03%	9.12%	7.42%	6.18%
Callan Core Diversif FoF	2.95%	4.88%	10.92%	4.73%	6.42%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Real Assets					
NCREIF Total Index***	(0.14%) 0.90%	0.26% 1.69%	(1.77%) 0.43%	(1.18%) 3.58%	3.50% 5.39%
REITs					
S&P DJ US Select REIT	(5.96%) (5.93%)	8.66% 8.70%	8.02% 8.10%	(3.23%) (3.02%)	3.06% 3.40%
MCM EB DV Non-SL REIT Fd	(5.95%) (5.93%)	8.68% 8.70%	8.07% 8.10%	(3.17%) (3.02%)	3.12% 3.40%
S&P DJ US Select REIT	(6.57%)	8.35%	8.0%	(2.52%)	5.01%
Callan Real Estate REIT					
Core/Core-Plus Real Estate					
NCREIF NFI-ODCE Eq Wt Net	0.14% 0.85%	(0.45%) 0.78%	(3.74%) (2.43%)	(1.76%) (3.11%)	1.96% 2.24%
Invesco Real Estate	(0.16%)	(1.21%)	(5.98%)	(4.05%)	0.90%
Heitman Real Estate Trust LP	0.13%	0.36%	(0.92%)	1.30%	3.23%
Carlile Property Investors	0.00%	0.00%	(4.13%)	-	-
Clarion Lion Industrial Trust	(1.20%)	(1.20%)	(3.29%)	-	-
Principal Enhanced Property Fd	3.31%	1.32%	-	-	-
NFI-ODCE Equal Weight Net	0.85%	0.78%	(2.43%)	(3.11%)	2.24%
Callan OE Core Cmngld RE	0.72%	0.48%	(1.72%)	(1.95%)	2.55%
Non-Core Real Estate					
NCREIF Total Index	(0.86%) 0.90%	3.23% 1.69%	3.03% 0.43%	0.96% (0.82%)	6.53% 3.13%
Harrison Street Fund VIII	(2.07%)	(2.61%)	(0.31%)	3.51%	10.78%
Heitman Value Partners IV	(3.08%)	1.19%	0.95%	8.03%	(17.48%)
LaSalle Inc & Growth VI LP	0.04%	(27.08%)	(38.36%)	(25.17%)	(13.33%)
LaSalle Inc & Growth VII LP	(5.17%)	(11.98%)	(25.06%)	(27.81%)	-
Starwood SOF XI	4.55%	6.92%	18.71%	-	-
TA Realty XII	(1.54%)	(2.17%)	(2.82%)	3.72%	-
TA Realty XIII	(1.00%)	35.89%	21.91%	(0.82%)	3.13%
NCREIF Total Index	0.90%	1.69%	0.43%	-	-
Farmland					
IFC Core Farmland Fund	(0.27%)	(2.06%)	(2.56%)	-	-
PGM Agriculture	1.14%	1.99%	2.55%	-	-
NCREIF Farmland Index	(1.90%) (1.32%)	(6.48%) (1.55%)	(8.10%) (1.03%)	4.38%	4.80%
Timber					
Pinnacle	0.92%	0.88%	5.63%	11.76%	7.64%
NCREIF Timberland Index	0.92% 1.44%	0.88% 3.00%	5.63% 6.97%	11.76% 9.75%	7.64% 7.78%
Cash	1.05%	2.65%	5.24%	3.92%	2.49%
Total Fund ex Cash					
Callan Public Fund Spr DB	(1.33%) (1.12%)	3.63% 4.07%	9.46% 10.00%	1.70% 2.97%	6.70% 7.19%
Total Fund					
Callan Public Fund Spr DB	(1.36%) (1.19%) (1.12%)	3.64% 4.28% 4.07%	9.48% 10.80% 10.00%	1.72% 3.65% 2.97%	6.73% 7.52% 7.19%

Benchmark definitions included in the Appendix.

Callan

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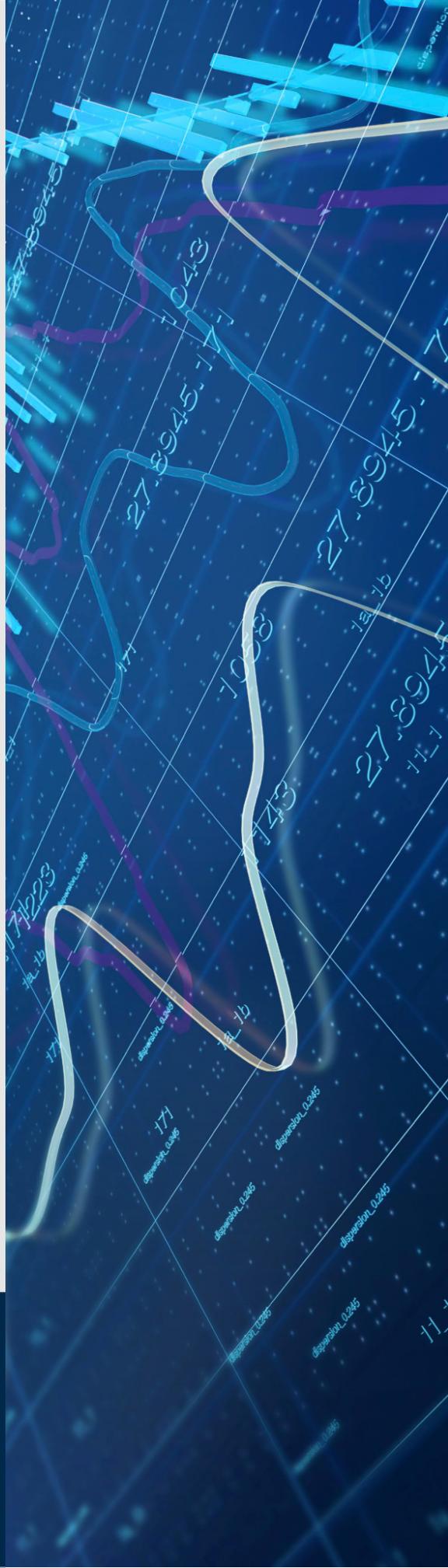
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A PRESENTATION FROM STEPHENS CAPITAL MANAGEMENT

Arkansas PERS Private Equity Program

Fourth Quarter 2024 Update

APERS Private Equity Fourth Quarter Capital Activity

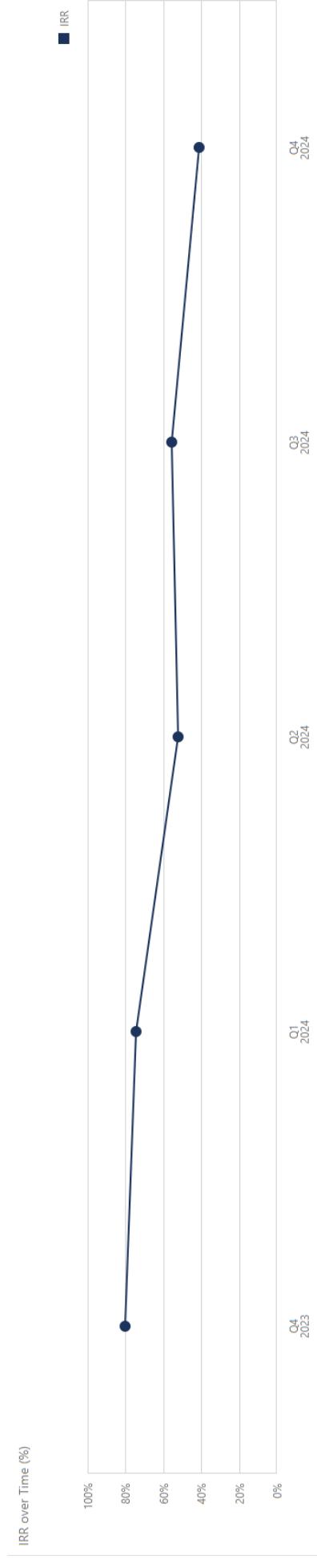
- HarbourVest Partners Dover Street XI, LP (Secondary Private Equity Fund)
 - \$24mm of Capital Was Drawn During 4Q
 - \$2.5mm was Distributed during the Quarter
 - As of 12/31/2024 \$100mm of Cumulative Capital Has Been Called
- NB Arkansas PERS FOO, LP (Custom Private Equity Fund)
 - No Capital was called during 4Q
 - As of 12/31/2024 \$35MM of Cumulative Capital Has Been Called
 - We expect \$10mm to be drawn in 1Q 2025

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 12/31/24

	Investment			Transactions		Valuation			Performance		
	Investment	Closing Date	Commitment	Paid-In Capital	Distributions	Valuation	IRR	TVPI	DPI	RVPI	
APERS NB FOO											
1 NB Arkansas PERS FOO LP		10/17/2023	325,000,000	35,750,000	0	45,990,651	↑	38.14	1.29	0.00	1.29
Total: APERS NB FOO			325,000,000	35,750,000	0	45,990,651	38.14	1.29	0.00	1.29	
APERS Private Investment Program											
2 Dover Street XI L.P.		9/30/2022	400,000,000	100,620,383	8,702,492	125,779,647	↑	41.43	1.34	0.09	1.25
Total: APERS Private Investment Program			400,000,000	100,620,383	8,702,492	125,779,647	41.43	1.34	0.09	1.25	
Total Investments:	2		725,000,000	136,370,383	8,702,492	171,770,298	40.89	1.32	0.06	1.26	

Since Inception IRR Over Time



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

Stephens

Capital Management

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Blended benchmarks are rebalanced periodically. 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 asset class and time period.

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1/3/2025

Investments and Finance Subcommittee
Chair Report
March 4, 2025

The subcommittee met to evaluate new investment managers for portfolio diversification in core infrastructure and secondary real estate, and to review a security litigation request. Secretary Bassett appointed Mr. Jason Brady to preside over the subcommittee.

New Investment Managers

To enhance performance and diversification, Carlos Borromeo proposed incorporating core infrastructure and secondary real estate strategies while maintaining the Board approved 16% allocation target. A cash flow analysis confirmed the capacity for three to five new strategies, each ranging from \$50 to \$75 million.

- **Core Infrastructure:** After reviewing 17 potential investment managers, staff and consultants recommended **CBRE, IFM, and JPMorgan**, which the subcommittee approved.
- **Secondary Real Estate:** The subcommittee approved **StepStone Group, LP** as the preferred manager to complement Neuberger Berman, offering higher returns and lower fees.

Blue Owl Proposal

Stephens consultants introduced **Blue Owl IPI**, an infrastructure strategy focused on AI and data centers expansion. Backed by long-term leases (10–20 years) with major clients like Microsoft and Amazon, it has yielded historical returns of 10–12%, with potential up to 14%. The subcommittee approved an investment in IPI Fund 3, in the range of \$50–\$75 million.

Security Litigation Request

The subcommittee reviewed a litigation request regarding **The Trade Desk, Inc.** case, where APERS incurred financial losses due to an inferior new product and executive stock sales. Given APERS' significant losses, Ms. Gilson noted its strong standing in potential litigation. The subcommittee reached a consensus of the viability of the case and per the Securities Litigation Policy, they deferred the decision to staff for further evaluation and decision on how to move forward.



Quarterly Board Meeting

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

ASSETS

Cash and Cash Equivalents	\$ 41,338,180
Receivables	
Dec 2004 Actuarial Liability Receivable	3,829,144
Contributions Receivable	3,889,563
Overpayment Receivable	705,162
Allowance for Doubtful Accounts	<u>(823,168)</u>
Total Receivables	7,600,701
Investments at Fair Value	
Investment Assets	11,266,984,501
Securities Lending Collateral	<u>650,973,847</u>
Total Investments	11,917,958,348
Fixed Assets (Net)	9,130,626
Prepays and Other Assets	190,880
TOTAL ASSETS	<u>11,976,218,734</u>

LIABILITIES

Securities Lending Liability	651,069,077
Accrued Expense and Other Liabilities	13,664,940
Other Post Employment Benefits	<u>4,092,786</u>
TOTAL LIABILITIES	
	<u>668,826,803</u>

NET POSITION RESTRICTED FOR PENSION BENEFITS \$ 11,307,391,931

Unaudited
2/21/2025



Quarterly Board Meeting

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

ADDITIONS

Contributions

Employer	\$ 183,578,087
Employee	56,868,865
Total Contributions	<u>240,446,951</u>

Investment Income

Investment Income	416,249,714
Less: Investment Expense	(24,543,745)
Net Investment Income	<u>391,705,970</u>

Other Additions

Transfers from Teachers and Highway	1,439,567
Miscellaneous Additions	298,415
Miscellaneous Administrative Transfers	<u>285,553</u>
Total Other Additions	<u>2,023,535</u>

TOTAL ADDITIONS 634,176,456

DEDUCTIONS

Benefits	356,019,635
Refund of Contributions	10,718,300
Administrative Expense	<u>4,944,993</u>

TOTAL DEDUCTIONS 371,682,928

NET INCREASE/(DECREASE) 262,493,527

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 2nd Quarter	<u>\$ 11,307,391,931</u>



Quarterly Board Meeting
March 12, 2025
Legal Report

ADMINISTRATIVE MEMBER APPEALS

None

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. On September 24, 2024, the Chief Justice of the Supreme Court assigned the case to Judge Daniel Brock of the 17th Judicial Circuit. **The parties are responding to court filings.**

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 and the case is assigned to Judge Tim Fox. 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. APERS is represented by the Office of the Attorney General. APERS' Answer to the Petition and the Administrative Record were filed on November 7, 2024. **APERS motion to dismiss was partially granted. A hearing is set for April 28, 2025.**

RULES PROMULGATION

APERS will review the Acts after the 2025 legislative session to determine if rule promulgation is needed to conform to the new laws.

LEGISLATION (2025 SESSION) APERS Bills

- HB1210 Administrative Costs Allocated to APERS (Codifying "Special Language")
- HB1211 APERS Technical Corrections Bill
- HB1304 Statute of Limitations and Lost Payees
- HB1317 Fraud Against a State Supported Retirement System Reclassified as Felony



Quarterly Board Meeting

March 12, 2025

Legal Report

SECURITIES LITIGATION CASES

Company name	Case Caption	Date Case Filed	Lead Plaintiff Status	Firm	Update
Seagate	In re Seagate Technology Holdings plc	10/19/2023	Granted 3/26/2024 -Hearing on Motion to Dismiss 8/8/24 Case Dismissed 9/12/24Appealed 3/4/2025 Hearing scheduled	BLBG	BLBG timely filed an appeal and the parties are briefing the court. Hearing on the appeal scheduled.
Five Below	In re Five Below, Inc. Securities litigation	09/16/2024	Granted 10/28/2024 joint lead plaintiff status ATRS and APERS 01/13/2025 Amended Complaint	Berger Montague	Parties are responding to the Motion to Dismiss

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
 - Rural Waterworks Facilities Board
 - Regional Airport Authority
 - Border Municipal Airport Authority
 - Public Facilities Board
 - Regional Solid Waste Management Board
 - Joint County and Municipal Sanitation Authority
 - Suburban Improvement District
 - Public Water Authority
 - Regional Water Distribution Board

Participating Employers – New This Quarter

Employer Name	Employer Type	Effective Date	No. of Employees
Freedom Public Water Authority	Public Water Authority	12/01/2024	3

Members – New This Quarter

	Oct 2024	Nov 2024	Dec 2024
Number ¹	667	492	400
Total Active Members	43,498	43,522	43,442

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
Benefits Summary

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

	Oct 2024	Nov 2024	Dec 2024
Number	144	105	94
Total Inactive Members	15,657	15,652	15,637

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

	Oct 2024	Nov 2024	Dec 2024
Number	282	303	137
Total Benefits	\$1.7m	\$1.8n	\$0.9m

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

	Oct 2024	Nov 2024	Dec 2024
Number	154	122	120
Total Retirees	39,500	39,499	39,493

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

	Group	Before July 1, 2007	On or after July 1, 2007
Multiplier	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

Executive Report

Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024 are available for APERS, ASPRS, and AJRS. The ACFR reflects the system's overall financial health, investment performance, and long-term sustainability.

APERS Legislative Audit

APERS FY24 Legislative Audit has been completed, and Trustees will be receiving it in the mail shortly.

Pension Administration System Upgrade

Upgrading our pension administration system remains a top priority. Our goal is to implement a modern, secure, and efficient platform that improves the accuracy of member data, streamlines benefit processing, and enhances overall service delivery and security. Planning activities are well underway, and project work is scheduled to fully commence in July 2025. The complete upgrade is expected to take up to two years to finalize.

Multi-Factor Authentication

APERS is implementing a multi-factor authentication process to begin in May for our current pension administration system for a greater security and protection of data.

Membership Outreach and Education

We are enhancing our outreach efforts to ensure all members remain well-informed about their benefits. Key initiatives include:

- **Employer Webinars:** Organizing educational sessions that focus on employer reporting requirements and system navigation.
- **Social Media Engagement:** Utilizing social media channels to share essential information on retirement planning and benefits.
- **Member/Retiree Webinars and On-Site Training:** The public affairs team conducted several training sessions during the last quarter to further educate and engage our members.

Legislative Session Update

APERS staff is actively monitoring the legislative session with an emphasis on proposals that could impact pension funding, benefit formulas, and administrative processes. We are collaborating closely with legislators to ensure that our members' interests are effectively represented.