



## Arkansas Judicial Retirement System

Quarterly Board Meeting

Thursday, August 22, 2024, 1:30 p.m.

124 West Capitol Avenue, Suite 400, Little Rock 72201

*The meeting will be held in the APERS conference room located on the 4<sup>th</sup> floor. The meeting will be a hybrid and can be attended via Zoom via the link on our website, [www.apers.org](http://www.apers.org).*

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### AGENDA

1. Call to Order
2. Recognition of notification of meeting to news media pursuant to Act 93 of 1967 (AR Code 25-19-101) - Freedom of Information Act
3. Recognition of the Presence of a Quorum
4. **Action Item**: Approval of Minutes of the Meeting of May 16, 2024 **(Page 2)**
5. Administrative Expense Reports for the quarter ending June 30, 2024 **(Page 5)**
6. **Investments** - Mr. John Jackson from Callan LLC and Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
  - a. CIO Report **(Page 6)**
  - b. Quarterly Report for the Period Ending June 30, 2024 **(Page 17)**
  - c. **Action Item**: Update on New Manager Search
7. **Finance** - Mr. Jason Willett, Chief Financial Officer
  - a. Financial Statements for the Quarter Ending June 30, 2024 **(Page 117)**
8. **Legal** – Ms. Laura Gilson, General Counsel
  - a. Litigation Update **(Page 119)**
9. **Benefits** - Ms. Allison Woods, Deputy Director of Benefits
  - a. Benefits Summary **(Page 121)**
10. **Executive Report** – Ms. Amy Fecher, Executive Director
  - a. Executive Report Review **(Page 132)**
11. Next Quarterly Board Meeting: December 5, at 1:30 p.m.
12. Adjournment

**Arkansas Judicial Retirement System  
Board of Trustees Meeting  
May 16, 2024**

The regular meeting of the Arkansas Judicial Retirement System Board of Trustees was held on Thursday, May 16, 2024, at 1:30 p.m. in the 4th floor conference room, 124 West Capitol, Little Rock, Arkansas. This hybrid meeting was held via ZOOM remote conferencing in the conference room. Judge Yeargan presided.

Judge Yeargan recognized the presence of a quorum.

**Board Members Present**

Hon. Charles Yeargan (Retired Circuit Judge), Chair, Glenwood  
Hon. Raymond Abramson (AR Court of Appeals), Holly Grove  
Hon. Herbert Wright (Circuit Judge), North Little Rock  
Hon. Marcia Hearnberger (Circuit Judge), Hot Springs  
Hon. John Scott (Circuit Judge), Fort Smith

**Visitors Present**

Mr. John Jackson, Callan LLC  
Ms. Brianne Weymouth, LLC\*  
Ms. Clorissa Prince, Administrative Office of the Courts\*  
Mr. Michael Knapp, Legislative Audit\*

**APERS Staff Present**

Ms. Amy Fecher, Executive Director, Arkansas Judicial Retirement System  
Ms. Allison Woods, Deputy Director of Benefits  
Mr. Carlos Borromeo, Deputy Director of Investments & Finance  
Ms. Ashley Golleher, Deputy Director of Operations  
Mr. Richmond Giles, Staff Attorney  
Mr. Jason Willett, Chief Financial Officer  
Ms. Patty Shipp, Assurance Officer  
Ms. Jennifer Taylor, APERS Director of Benefits Administration\*  
Ms. Jacobia Bates, Director of Public Affairs  
Ms. Stephanie Blair, Communications Manager  
Ms. Kristi Brown, Retirement Coordinator\*  
Ms. Cheryl Wilburn, APERS Benefits Operations Manager\*  
Ms. Rhonda Summers, Investments Analyst\*  
Ms. Rebecca Walton, Administrative Analyst\*

\*Denotes Remote Attendees

**Notification of News Media**

An e-mail notification of the Arkansas Judicial Retirement System board meeting was sent to the Arkansas Democrat-Gazette, the Associated Press, Television Station KLRT/FOX16, Radio Station KARN, and Radio Station KAAY. This notification is pursuant to A.C.A. 25-19-101 (Act 93 of 1967) as amended-The Freedom of Information Act.

## **Minutes**

Prior to the Board meeting, a copy of the minutes from the February 22, 2024, meeting was emailed to each AJRS Board member for review. Judge Abramson made a motion to accept the minutes as presented. The motion was seconded by Judge Wright. Without objection the motion carried.

## **Administrative Expense Reports for the Quarter**

Judge Wright made a motion to accept the expense reports for January – March, 2024, as presented. Judge Abramson seconded the motion. With no objection the report was approved as submitted.

## **Investments**

### **CIO Report**

Mr. Carlos Borromeo shared the CIO Report for the quarter ending March 31, 2024. He reported that the total fund is at 4.69% for the quarter and for the calendar year 9.90%. He shared that despite higher interest rates in the first calendar quarter of 2024, U.S. stocks rallied. The S&P 500 posted its strongest start to a year since Q1 of 2019. Investors drove prices higher on the back of a solid economy. Recession fears continued to subside. Inflation decelerated from peak levels, but it is still being stubborn. Wage inflation eased. GDP grew at an annualized rate of 3.4%, which is the fastest growth since late 2021, driven by consumer spending and corporate investment. Unemployment remained low. More specifically a strong recovery in the labor participation rate improved labor supply. Corporate profits remained solid, and continued expectations for the Federal Reserve to cut rates this year.

## **Quarterly Report for the Period Ending March 31, 2024 (Callan)**

### **Callan Report**

Mr. John Jackson stated that the SP 500 was up almost 11% for the quarter and over 19% for the fiscal year which is good news. He also provided an overview of the market returns for the first quarter. Mr. Jackson mentioned that although the feds have spoken about potential rate cuts it appears that has been pushed out due to sticky inflation being problematic. It is expected that rates may be cut in the third or fourth calendar quarter of 2024.

Mr. Jackson also provided an overview of the actual vs. target asset allocation. He shared that the value of the fund at the beginning of the quarter was \$322,828,213, investment returns \$15,106,926, net flows \$3,505,231, with an ending market value of \$334,429,908.00 as of March 31, 2024. The total fund was up 4.69% and over 12% for the last year.

Mr. Jackson reported that there were concerns with the international equity manager Baillie Gifford's under performance over the last two years. Although there have been strong periods of where Baillie Gifford have outperformed benchmarks in the past, they have not performed well for the last two years, being behind 9.4% in 2023, and another percent during this quarter. Mr. Jackson recommended the board allow APERS staff to search for a replacement for Baillie Gifford.

After discussion, Judge Wright made a motion to allow Callan and APERS staff to search for a new manager to replace Baillie Gifford and provide a recommendation to the Board during the next schedule meeting in August. The motion was second by Judge Hearnberger and it was carried.

Mr. Jackson also reported that MacKay Shields announced that CEO Jeff Phlegar had retired after working with MacKay for 12 years. A search for Mr. Phlegar's replacement is being conducted.

### **Financial Statements for the Quarter Ending March 31, 2024**

Mr. Jason Willett, CFO, shared the quarterly financial statements with the board. He stated that investment assets for the quarter ending March 31, 2024, was \$334,217,946. Mr. Willett added that the investment assets are up about \$30,000,000 from March of 2023. AJRS Fiduciary Net Position as of March 31, 2024, was \$334,398,676.

### **Legal**

Mr. Richmond Giles, Staff Attorney shared that the current member appeal for Judge Wendell Griffin has been reassigned due to several recusals. The case is currently assigned to Judge Mackie Pierce.

Mr. Giles also reported that the Arkansas Legislature began a process a few years ago to codify the rules of every state agency so that there would be a uniform rule style among state agencies, posted to a single website. The Bureau of Legislative Research has indicated to APERS that the codified version of AJRS' rules could be posted live on the legislative website by early 2025.

### **Benefits Report**

Ms. Allison Woods provided a benefits summary that included membership information, eligibility for benefits, retirement benefits and new retiree information. Ms. Woods stated that the historical information remains consistent from year to year.

### **Executive Report**

Director Fecher shared that APERS will be engaging in strategic planning efforts beginning in May with the goal of providing the plan to the Board in the Fall of 2024. Staff representing various divisions will be engaged in the strategic planning as well as designated board of trustee members from all three systems. She stated that AJRS is currently in the planning stages and aim to commence the strategic facilitation meetings in late May.

Ms. Fecher also mentioned that the AJRS appropriation for FY25 has been signed into law as Act 79 of 2024.

The updated website will go live on Monday, May 20, 2024. The AJRS website can be viewed at <https://apers.org/ajrs/>.

The updated member handbook for AJRS is available on the website. APERS is pleased to offer this additional resource to our members.

Director Fecher asked Ms. Jacobia Bates to give a demonstration of the new website. A comparison of the current website and new website highlighted enhancements that will improve the user experience. The new website provides updated content and improved navigation to better meet the needs of members and employers. Members and employers can access forms, send secure messages, sign up for benefits and access their members portal account on the website.

There being no other business the meeting was adjourned.

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Hon. Charles Yeagan, Ret. Circuit Judge  
Chair Arkansas Judicial Retirement System

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Amy Fecher  
APERS Executive Director

ARKANSAS JUDICIAL RETIREMENT SYSTEM  
STATEMENT OF ADMINISTRATIVE EXPENSES

Description	FY 23 Expenses	FY 24 Budget	Apr-24	May-24	Jun-24	Total YTD	Remaining Budget
<u>M &amp; O Expenses</u>							
Office Supplies/Printing	1,075.87	2,460.00	-	-		988.49	1,471.51
Board Member Expense Reimbursement	1,266.72	6,000.00	-	365.04	-	1,126.33	4,873.67
Bank Charges	3,385.23	3,540.00	302.51	308.83	325.55	3,763.20	(223.20)
<b>Total M &amp; O Expenses</b>	<b>5,727.82</b>	<b>12,000.00</b>	<b>302.51</b>	<b>673.87</b>	<b>325.55</b>	<b>5,878.02</b>	<b>6,121.98</b>
<u>Professional Fees</u>							
Veritext LLC (1)	-	-				311.60	-
Gabriel Roeder Smith (1)	33,800.00	35,000.00				28,400.00	6,600.00
Aristotle Capital (2)	139,851.49	155,000.00	39,498.83			111,871.57	43,128.43
Baillie Gifford (2)	126,814.22	210,000.00	32,376.22			96,885.51	113,114.49
Callan Associates (2)	75,226.36	75,000.00	19,558.85			58,676.55	16,323.45
Capital Guardian (2)	-	-				-	-
Invesco Real Estate (2)	98,900.04	95,000.00	28,160.37			109,342.07	(14,342.07)
MacKay Shields (2)	359,784.74	400,000.00	96,885.21			282,559.91	117,440.09
Robeco (Boston Partners) (2)	281,482.95	300,000.00	86,525.94			239,726.82	60,273.18
BNY Mellon (2)	14,877.93	20,000.00		7,852.49		18,843.83	1,156.17
Mellon Capital Management (2)	17,109.14	30,000.00	5,154.45			14,313.15	15,686.85
BatteryMarch / QS Investors (2)	-	-	-	-	-	-	-
Wellington Management (2)	-	-	-	-	-	-	-
<b>Total Professional Fees</b>	<b>1,147,846.87</b>	<b>1,320,000.00</b>	<b>308,159.87</b>	<b>7,852.49</b>	<b>-</b>	<b>960,931.01</b>	<b>359,380.59</b>
Transfers To APERS	113,708.00	115,000.00	-	-	-	115,000.00	-
<b>Total Administrative Expenses</b>	<b>1,267,282.69</b>	<b>1,447,000.00</b>	<b>308,462.38</b>	<b>8,526.36</b>	<b>325.55</b>	<b>1,081,809.03</b>	<b>365,502.57</b>

Notes:

- (1) Administrative Expense
- (2) Investment Expense



DELIVERING SECURE RETIREMENT BENEFITS  
AND EXCEPTIONAL SERVICE TO OUR MEMBERS.

# Chief Investment Officer Report

*For the Quarter Ending and Fiscal Year Ending, June 30, 2024*

# Second Quarter 2024 – How It Started

There were strong April Headwinds					April Returns	
Highlights from the month of April 2024					S&P 500	-4.08%
* Oil hit \$90 per barrel (inflationary)					Russell 1000 Index	-4.26%
* The Fixed Income markets removed rate cut expectations, from 6, down to maybe just 1					Russell 1000 Growth Index	-4.24%
* Iran attacked Israel. Israel told U.S. "no choice but to retaliate"					Russell 1000 Value Index	-4.27%
* Fed Gov. Daly said "there is no urgency to cut rates"					Russell 2000 Index	-7.04%
* Fed Gov. Jefferson said in inflation persists, the Fed will hold rates HIGHER FOR LONGER					Russell 2000 Growth Index	-7.70%
* Fed Chairman Powell said recent data showed lack of further progress on inflation					Russell 2000 Value Index	-6.37%
He dialed back any expectations of rate cuts					Russell 3000 Index	-4.40%
* The Fed's Beige Book data strengthened the case for the Fed to delay rate cuts					MSCI EAFE Index	-2.56%
* Israel launched retaliatory strike against Iran.					MSCI EAFE Growth Index	-3.97%
* TESLA stock cratered following price cuts (Magnificent 7 member)					MSCI EAFE Value Index	-1.02%
* NVIDIA stock fell 10% (Magnificent 7 member)					ACWI ex US Index	-1.79%
* Meta issued light revenue price guidance (Magnificent 7 member)					Bloomberg Agg	-2.53%
May became the month to watch					Bloomberg High Yield Corp	-0.94%
* 5/01 was the day for the FOMC meeting. Stocks rallied. A possible rate hike was removed.					3-month T-Bill	0.44%
* 5/03 was the day for economic data, non-farm payrolls. Job growth was lower than expected.						
The Fixed Income markets adjusted the first Fed rate cut to Sept (from Nov.)						

# Second Quarter 2024 - Summary

- In the second quarter of 2024, there was a combination of inflation, geopolitical uncertainty, economic slowdown, and anticipation for a Fed rate cut in September.
- Snap elections in France, a loss for the conservative party in the UK raised concerns for potential shifts in policy in those regions.
- A U.S. Presidential debate fueled doubts about the durability of President Biden to serve a second term.
- Inflationary pressures showed signs of easing supported by a slowing in wage gains and a small uptick in unemployment.
- During the quarter, momentum in the housing market slowed as housing starts and residential construction eased, overshadowing gains in home prices and a rise in sales activity.
- Economic growth has surpassed forecasts, yet the possibility of a rate cut still remains due to indications of reduced consumer spending, an increase in jobless claims, and a decline in business sentiment.

# Second Quarter 2024 – Summary (cont.)

- The Fed's Beige Book indicated the U.S. economic activity continued to grow at a slight to modest rate. Wages experienced a modest to moderate pace. Projections suggest a slower growth trajectory in the next six months, influenced by upcoming election, possible domestic policy changes, geopolitical conflict, and inflation.
- The June Consumer Price Index (CPI) reported 3.0% rise, lower than the anticipated 3.3%. Financial markets adjusted to factor in a potential Fed rate cut.
- The European Central Bank cut rates for the first time in five years, followed by Denmark's central bank.
- Emerging markets, led by India, South Korea, and Taiwan, outperformed the global markets.
- A decline China's market due to deflation concerns and weak economic data overshadowed any optimism and improvements in China's property sector.

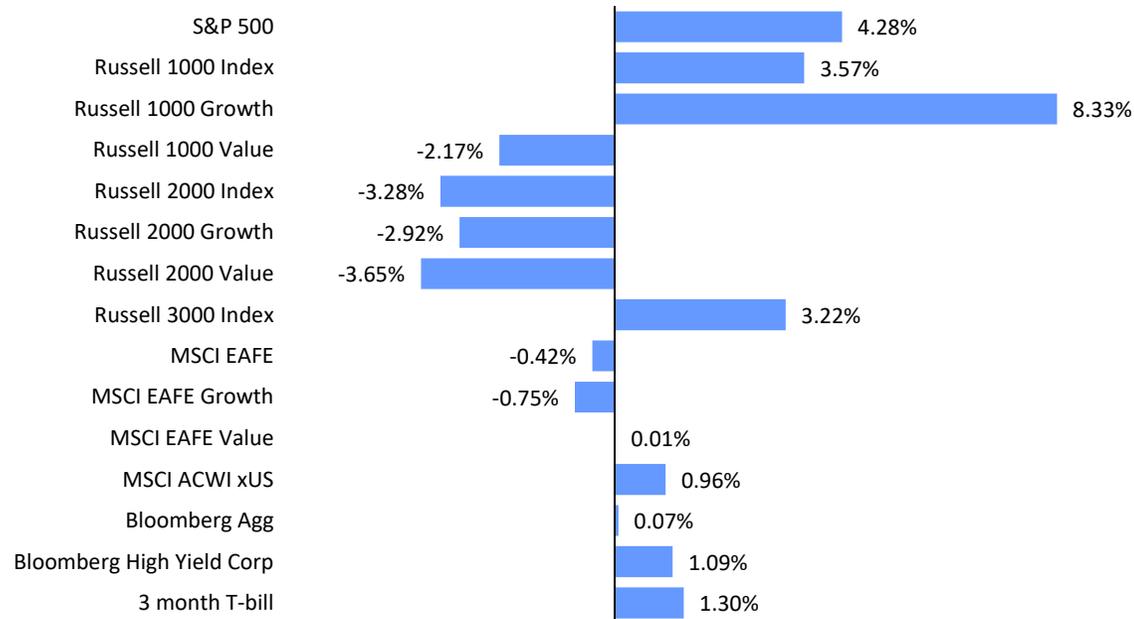
# Second Quarter 2024 – AJRS Portfolio

Benchmarks			AJRS Portfolio				
	Q2 2024	Fiscal Year		Q2 2024	Fiscal Year	30-Jun-24	
<b>U.S. Equity</b>							
S&P 500	4.28%	24.56%	<b>Domestic Equity</b>	2.36%	24.01%	\$	140,584,783 41.99%
Russell 2000 Index	-3.28%	10.06%	<b>International Equity</b>	-0.77%	2.61%	\$	35,896,157 10.72%
Russell 3000	3.22%	23.13%	<b>Fixed Income</b>	1.04%	6.82%	\$	131,199,470 39.18%
Russell 1000 Growth	8.33%	33.48%	<b>Real Estate</b>	-1.29%	-10.49%	\$	26,666,057 7.96%
Russell 1000 Value	-2.17%	13.06%	<b>AJRS Total Portfolio</b>	1.20%	11.23%	\$	334,346,467
<b>International Equity</b>						\$	480,554 Cash
MSCI EAFE	-0.42%	11.54%				\$	334,827,021
MSCI ACWI xUS	0.96%	11.62%					
<b>Fixed Income</b>							
Bloomberg Agg	0.07%	2.63%					

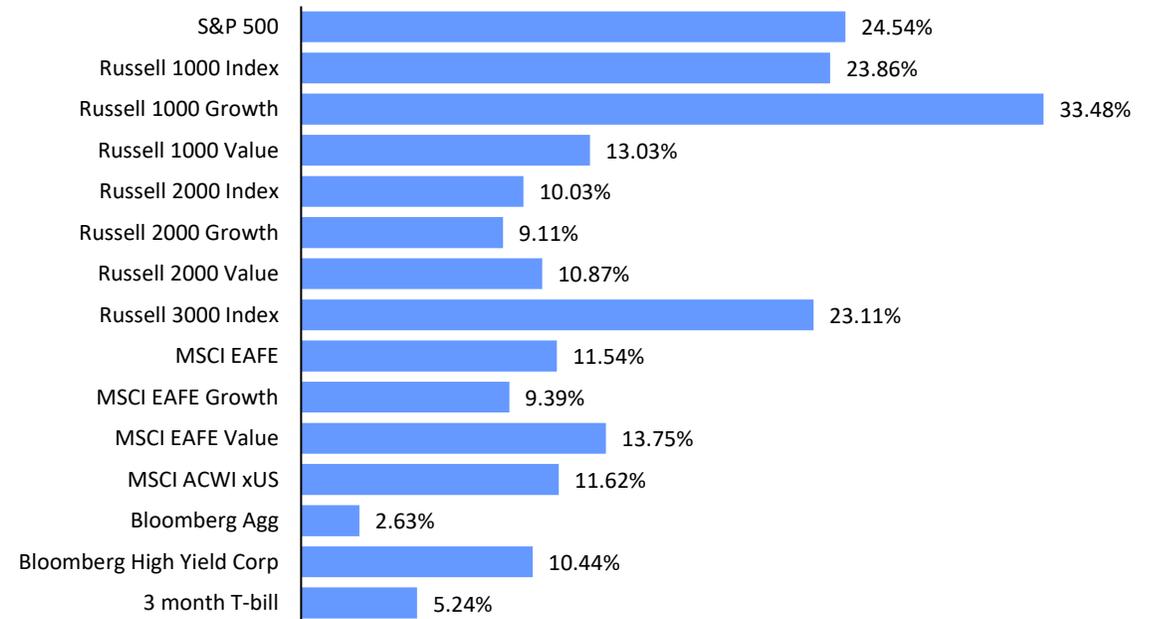
# Second Quarter 2024 – Domestic Equities

- U.S. Large Cap stocks continue to outperform small and mid-cap stocks.
- Growth outperformed Value
- U.S equities outperformed International equities

Performance by Asset Class: Quarter Ended 6/30/24

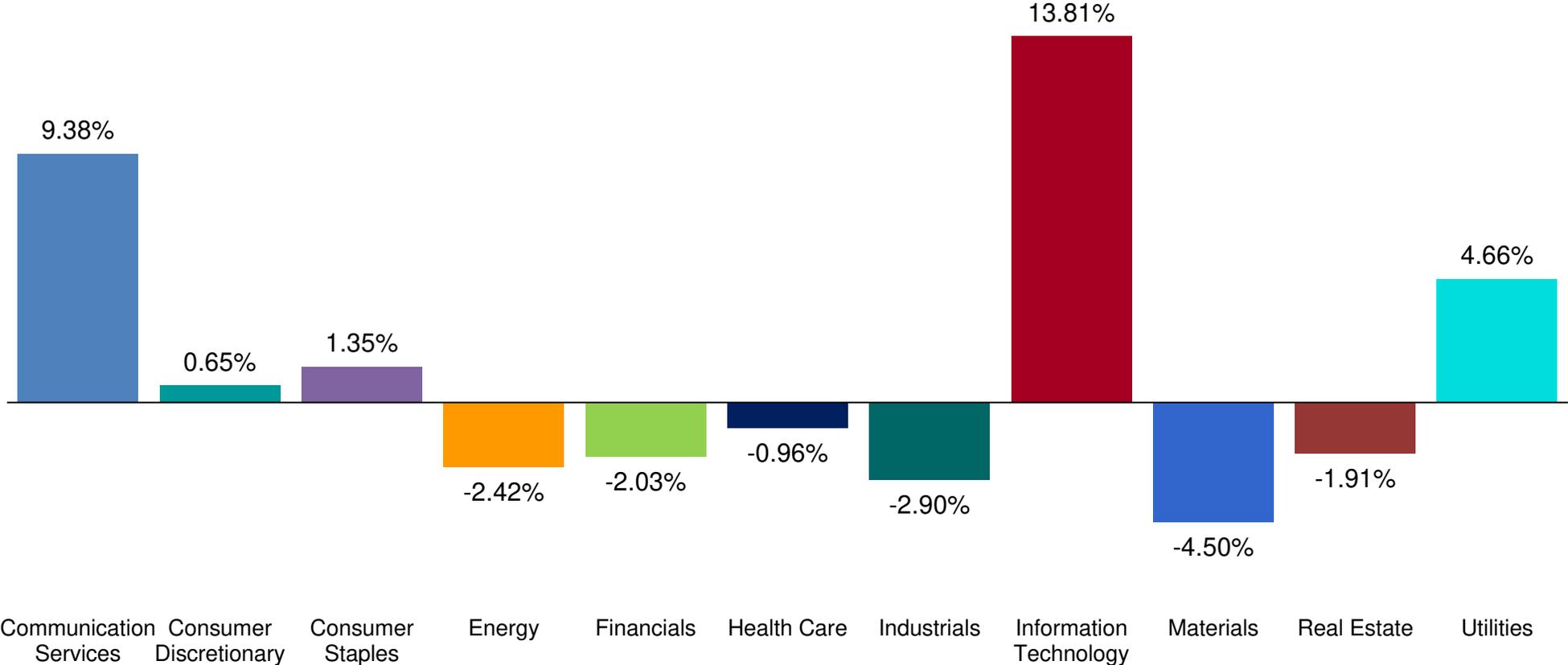


Performance by Asset Class: 1 Year Ended 6/30/24



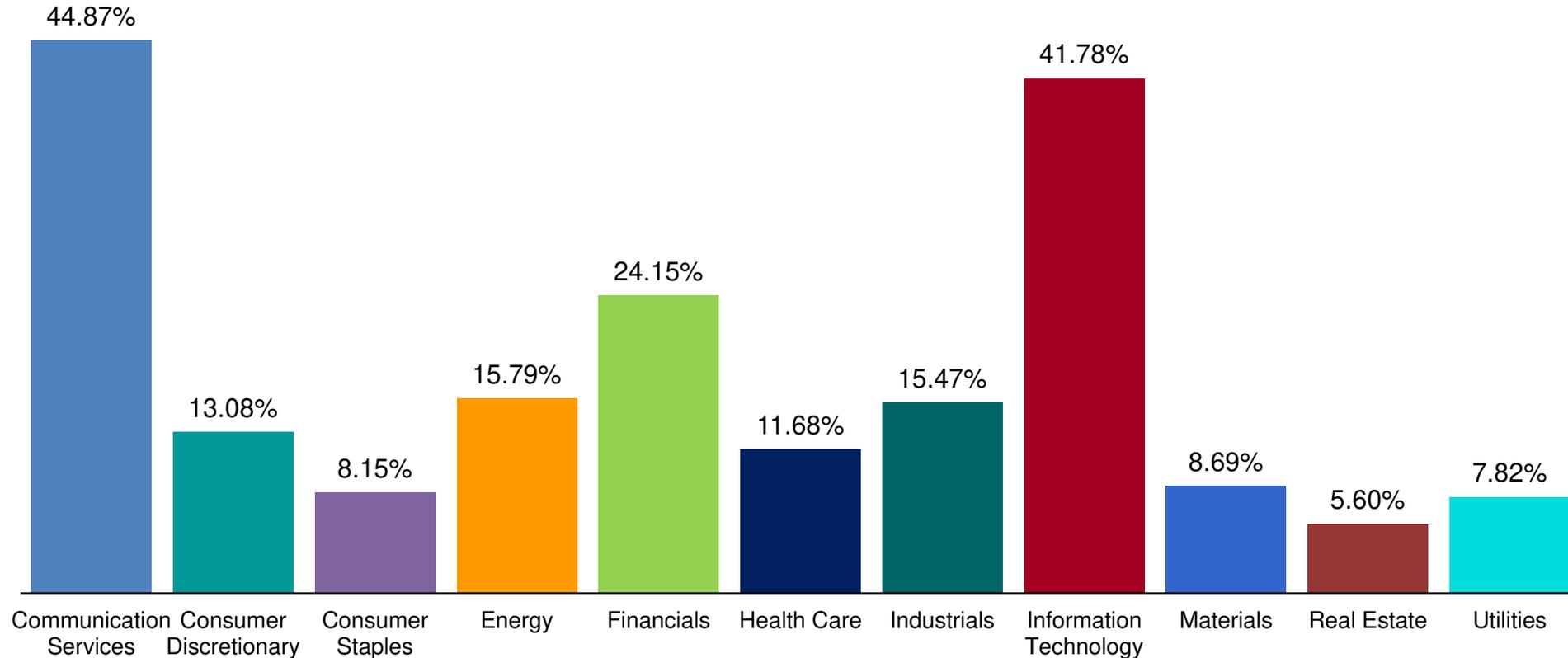
# Second Quarter 2024 – S&P Quarter Performance

Industry Sector Quarterly Performance (S&P 500) as of 6/30/2024



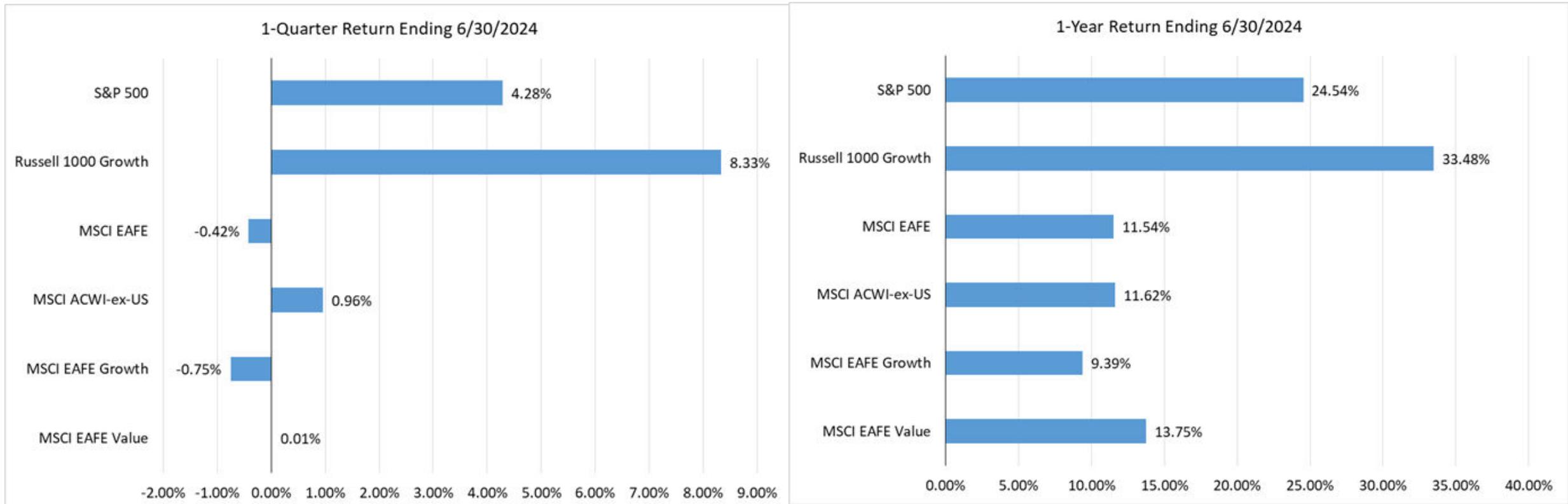
# Second Quarter 2024 – Fiscal Year Performance

Industry Sector 1-Year Performance (S&P 500) as of 6/30/2024



# Second Quarter 2024 – Global Equities

- U.S equities outperformed International equities
- Opposite of the U.S. equities, EAFE Value outperforms EAFE Growth



# July and August 2024

- A faulty update from CrowdStrike, a cybersecurity company, caused Microsoft systems to crash.
- Chinese markets suffered largest decline in six months as economic and geopolitical risks continue.
- Fed's Dudley reversed his stance. He advocated for immediate rate cuts and caused market jitters.
- Bank of Japan raised interest rates which pressured the ¥en carry trade.
- Bank of England cut rates by 25 basis points to 5.00% which prompted concerns that the U.S. Fed was “behind the curve” and the U.S. would experience a hard landing.
- August 2, Japanese stocks plummeted.
- August 2, Fed officials pushed back against a 50 basis point rate cut.
- August 5, Black Monday as Japanese markets had a significant decline. The ¥en crashed from 161.76 to 142.57. The U.S. equity markets reacted as the DJIA plummeted over 1,000 points. The S&P lost 3% as fears of an economic slowdown and overheated gains in the technology sector.
- Fears that the ¥en carry trade is not complete.

# 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

Q2 = Second 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

August 22, 2024



## **Executive Summary Second Quarter 2024**

Arkansas Judicial Retirement  
System

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**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.

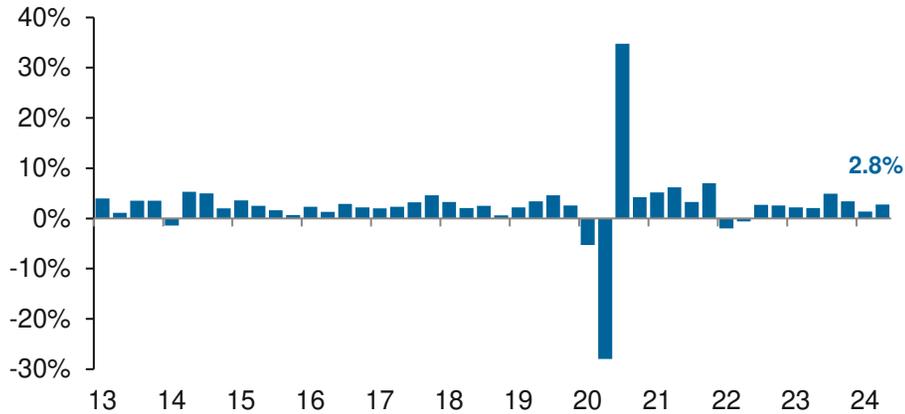


**Economic Overview**  
June 30, 2024

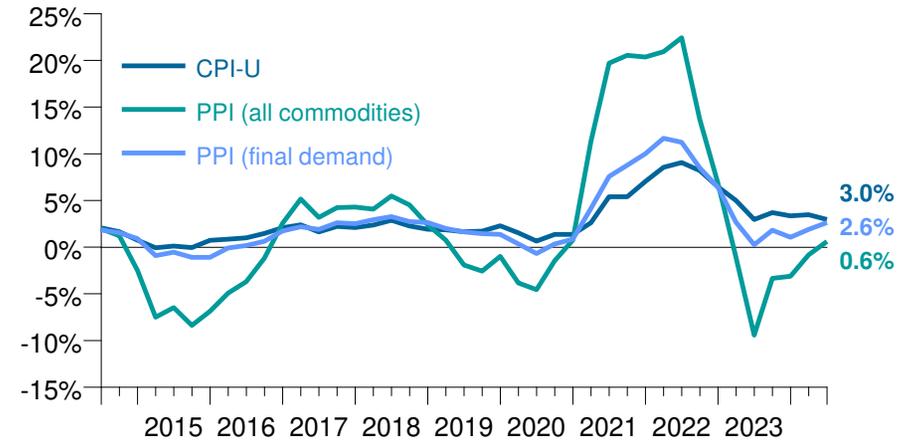
# U.S. Economy—Summary

For periods ended 6/30/24

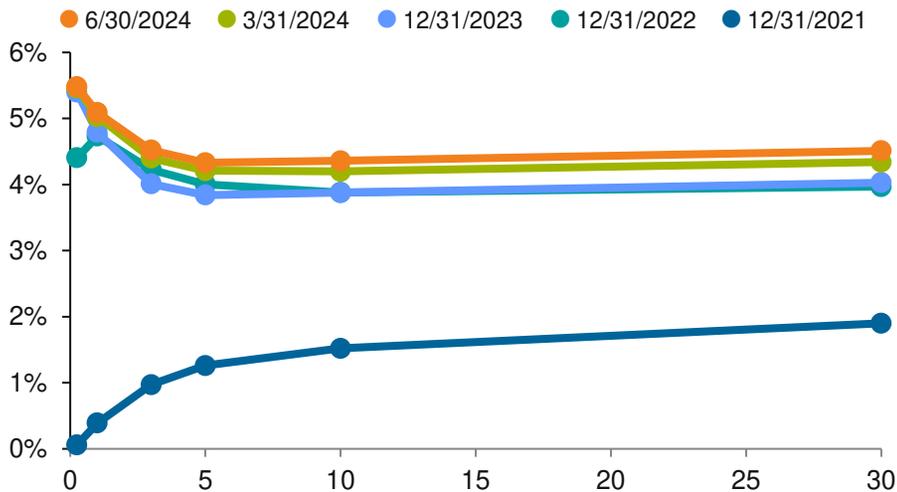
### Quarterly Real GDP Growth



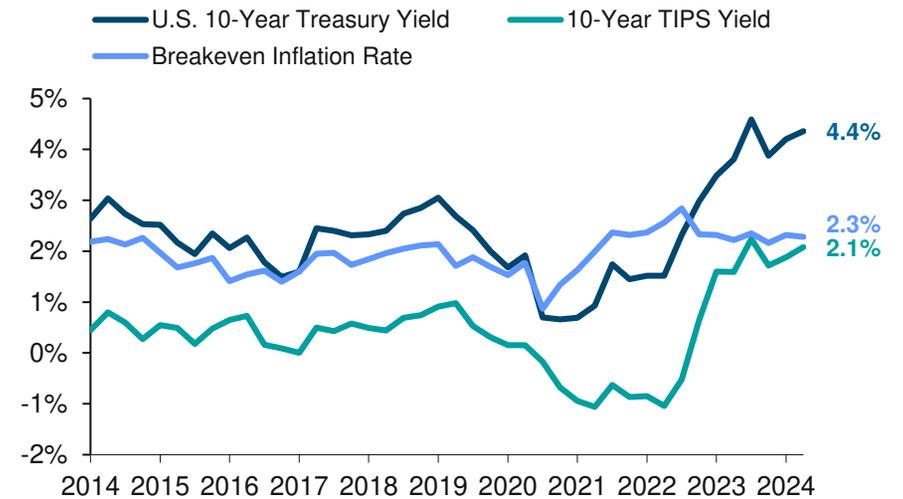
### Inflation Year-Over-Year



### U.S. Treasury Yield Curves



### Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve



**Global Markets Snapshot**  
June 30, 2024

# Global Markets Snapshot

## Returns for Periods ended 6/30/24

	Q2 2024	FYTD	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
S&P 500	4.28	24.56	24.56	15.05	12.86	7.67
Russell 1000 Growth	8.33	33.48	33.48	19.34	16.33	8.18
Russell 1000 Value	(2.17)	13.06	13.06	9.01	8.23	6.85
Russell 2000	-3.28	10.06	10.06	6.94	7.00	7.60
Russell 2000 Growth	(2.92)	9.14	9.14	6.17	7.39	6.42
Russell 2000 Value	(3.64)	10.90	10.90	7.07	6.23	8.32
Russell 3000	3.22	23.13	23.13	14.14	12.15	7.82
<b>Global ex-U.S. Equity</b>						
MSCI World ex USA	-0.60	11.22	11.22	6.55	4.27	4.63
MSCI:EAFE	(0.42)	11.54	11.54	6.46	4.33	4.49
MSCI Emerging Markets	5.00	12.55	12.55	3.10	2.79	--
MSCI ACWI ex USA Small Cap	0.66	11.26	11.26	6.13	4.44	6.74
<b>Fixed Income</b>						
Bloomberg Aggregate	0.07	2.63	2.63	-0.23	1.35	3.88
90-day T-Bill	1.32	5.40	5.40	2.16	1.51	1.91
Bloomberg Long Gov/Credit	-1.73	-1.58	-1.58	-2.22	1.65	5.29
Bloomberg Global Agg ex-US	-2.11	-0.66	-0.66	-3.56	-1.86	2.46
<b>Real Estate</b>						
NCREIF Property	-0.26	-5.53	-5.53	3.39	6.07	7.75
NCREIF NFI ODCE Eq Wt Net	-0.82	-10.32	-10.32	2.58	5.80	6.23
FTSE Nareit Equity	0.06	7.79	7.79	3.90	5.90	9.06
<b>Alternatives</b>						
HFRI Fund Weighted	0.54	9.80	9.80	6.67	4.77	6.00
Cambridge Private Equity*	2.61	5.95	5.95	15.39	13.70	13.62
<b>Inflation - CPI-U</b>						
	0.59	2.97	2.97	4.17	2.80	2.58

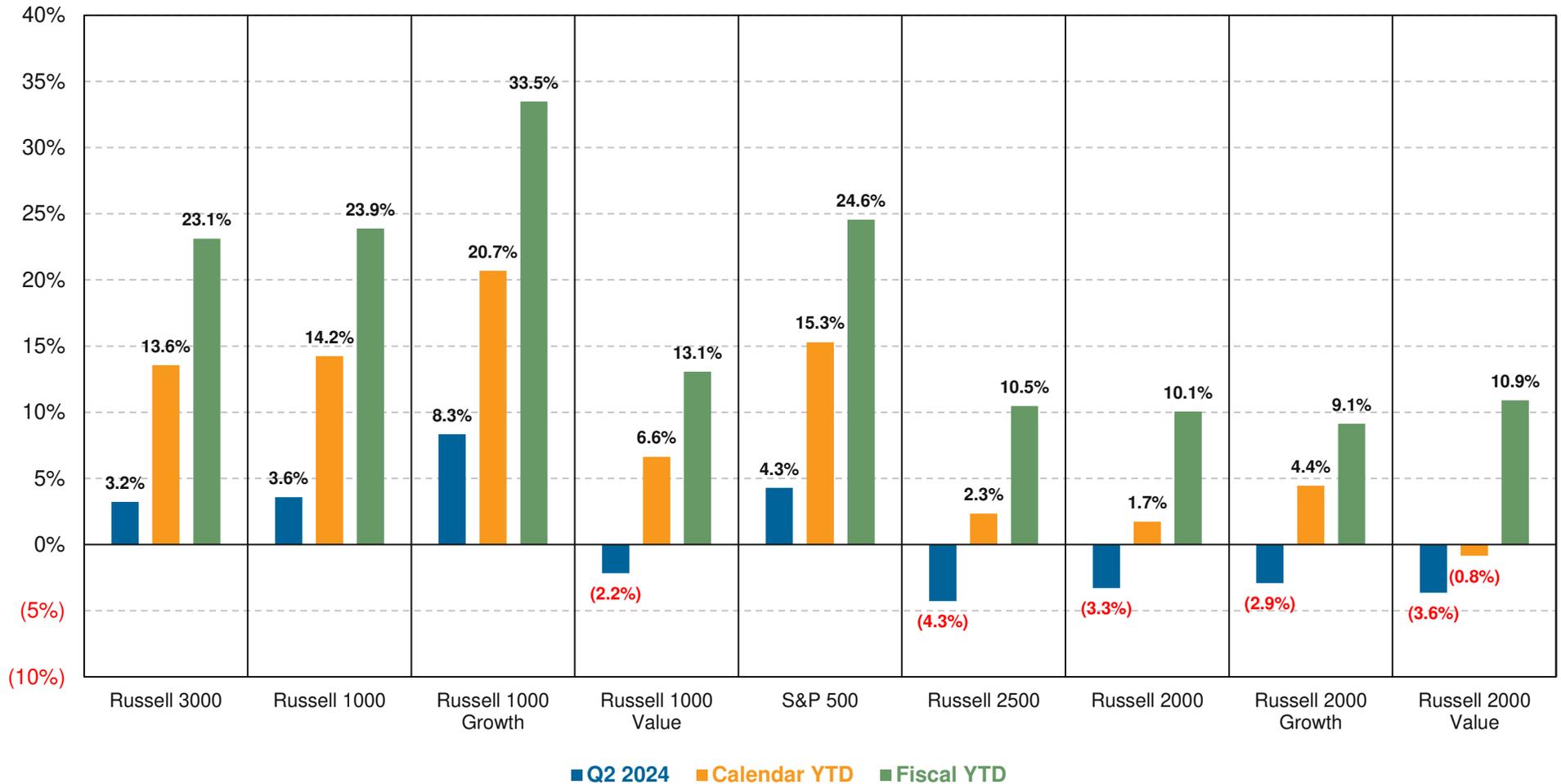
\*Cambridge PE data as of 12/31/23

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

# U.S. Equity Market Snapshot: Q2 2024

Broad indices exhibited a strong start to 2024, but performance was uneven

Returns for Periods Ended June 30, 2024

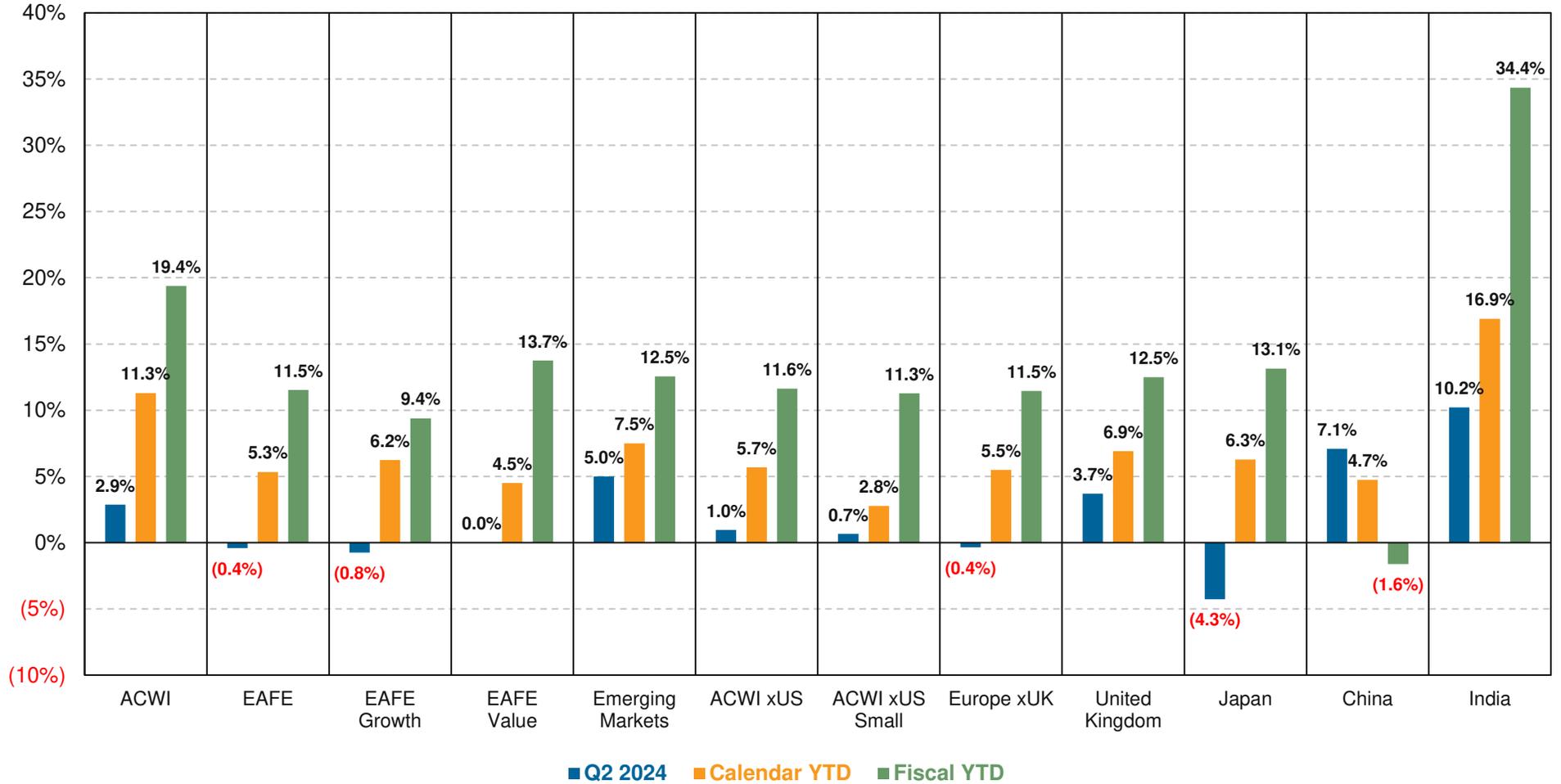


Sources: FTSE Russell, S&P Dow Jones Indices

# Global Equity Market Snapshot: Q2 2024

Reversal as China snaps back and Japan lags; India continues to outperform

Returns for Periods Ended June 30, 2024

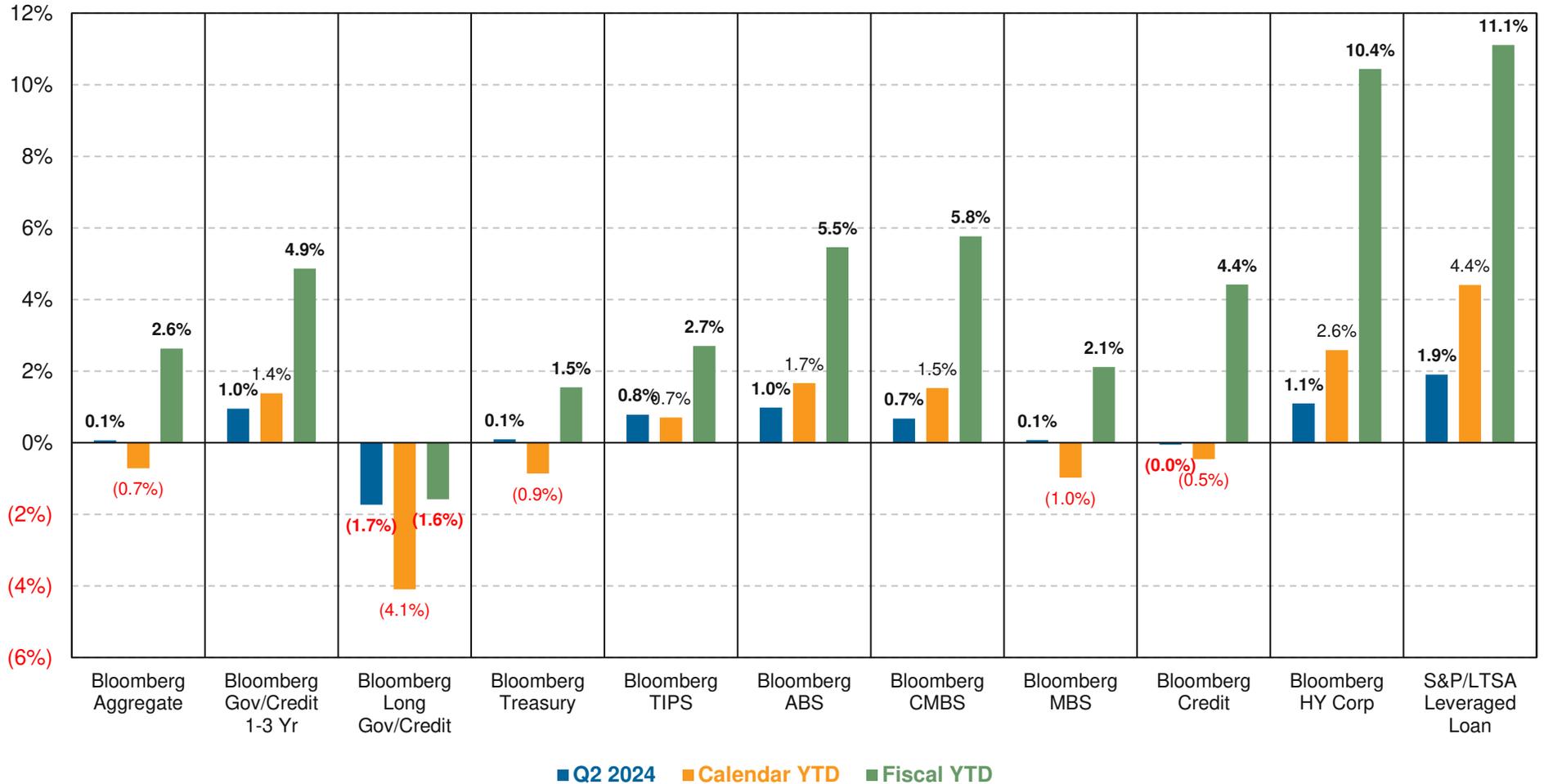


Source: MSCI

# U.S. Fixed Income Market Snapshot: Q2 2024

Muted performance across the board

Returns for Periods Ended June 30, 2024



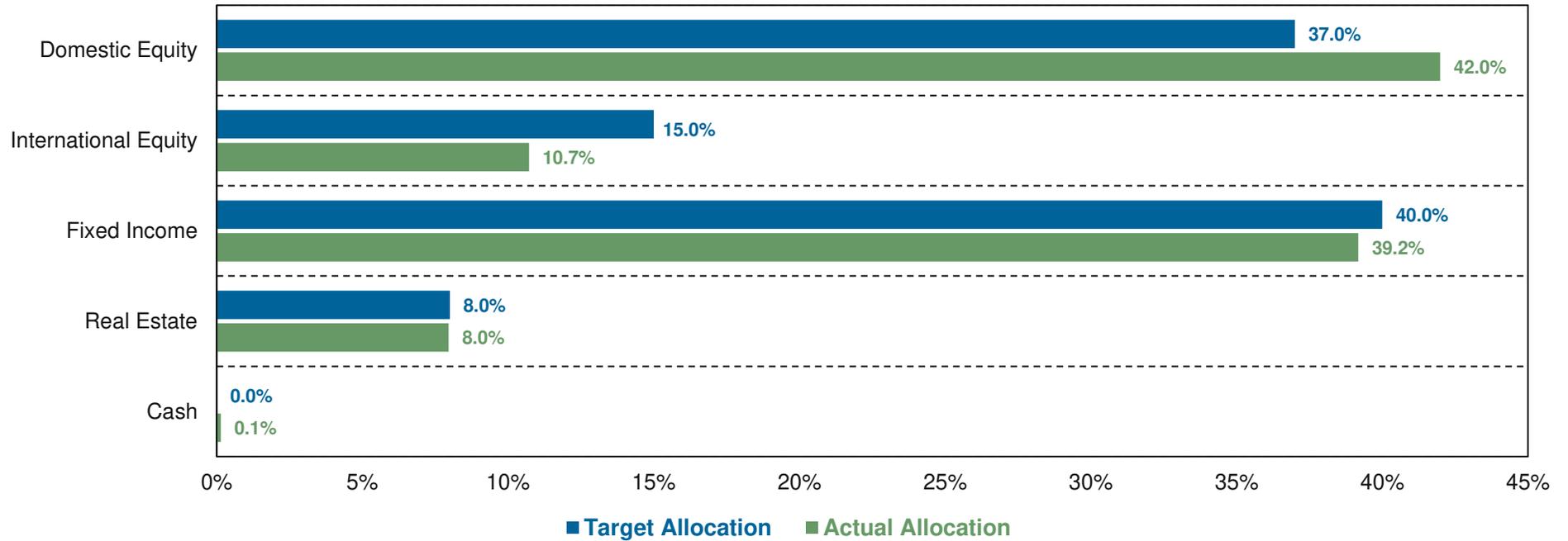
Sources: Bloomberg, Callan, S&P Dow Jones Indices



**AJRS Portfolio Review**  
June 30, 2024

# Actual vs. Target Asset Allocation

June 30, 2024



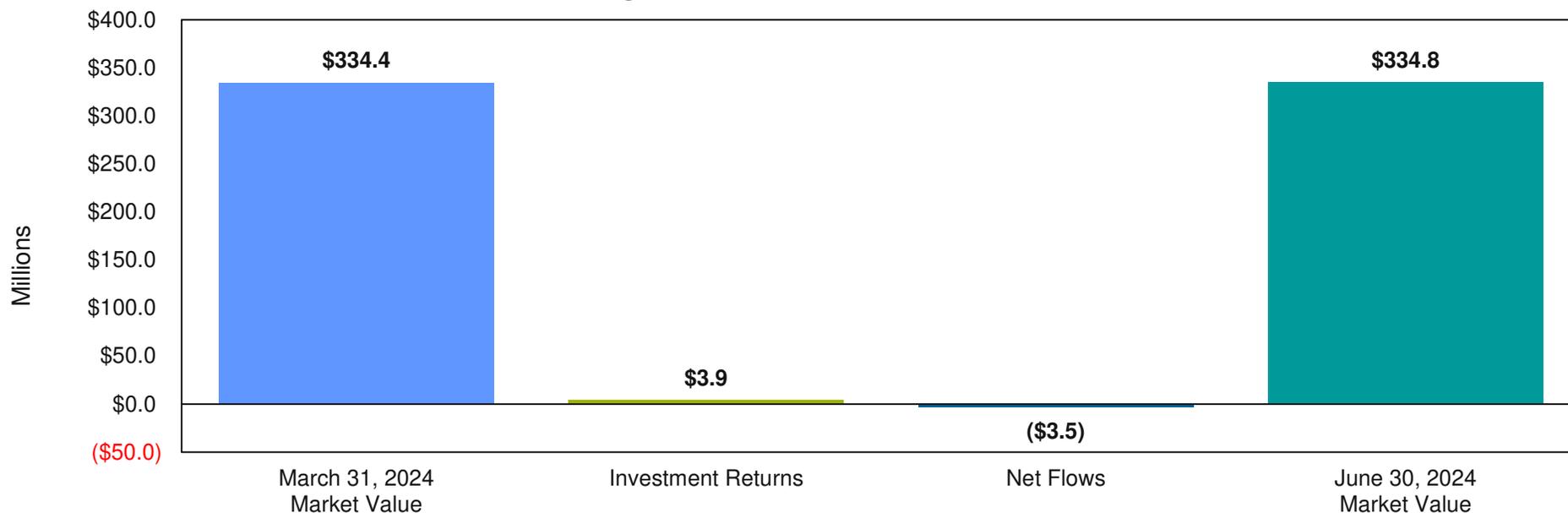
Asset Class	\$000s Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	140,585	42.0%	32.0%	37.0%	42.0%
International Equity	35,896	10.7%	10.0%	15.0%	20.0%
Fixed Income	131,199	39.2%	35.0%	40.0%	45.0%
Real Estate	26,666	8.0%	3.0%	8.0%	13.0%
Cash	481	0.1%	0.0%	0.0%	5.0%
<b>Total</b>	<b>334,827</b>	<b>100.0%</b>		<b>100.0%</b>	

AJRS' target asset allocation was approved at the February 2024 Board meeting.

# Total Fund Asset Summary

June 30, 2024

Changes in Total Fund Assets – Q2 2024



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
<b>Q2 2024</b>							
(3/31/24 - 6/30/24)	\$334,429,908	+	\$3,893,476	+	(\$3,496,363)	=	<b>\$334,827,022</b>
<b>Fiscal Year</b>							
(6/30/23 - 6/30/24)	\$308,408,935	+	\$34,342,471	+	(\$7,924,384)	=	<b>\$334,827,022</b>

# Total Fund Performance

June 30, 2024

Returns for Periods Ended June 30, 2024

Group: Callan Public Fd Mid DB

	Q2 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	2.13%	14.30%	4.62%	8.89%	7.96%	7.63%
25th Percentile:	1.92%	12.92%	3.93%	8.30%	7.41%	7.35%
Median	1.34%	11.70%	3.03%	7.71%	6.90%	7.12%
75th Percentile:	0.98%	10.29%	2.11%	6.80%	6.50%	6.72%
90th Percentile:	0.43%	9.09%	1.43%	6.24%	5.93%	6.47%
<b>Total Fund</b>	<b>1.20% (56)</b>	<b>11.23% (58)</b>	<b>1.41% (90)</b>	<b>7.02% (70)</b>	<b>6.71% (61)</b>	<b>7.00% (56)</b>
<b>Benchmark</b>	<b>1.33% (51)</b>	<b>10.31% (74)</b>	<b>2.22% (74)</b>	<b>6.65% (79)</b>	<b>6.43% (79)</b>	<b>6.70% (76)</b>
Peer Universe Constituents	125	125	123	123	116	76

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

# Asset Class Performance and Market Values

June 30, 2024

	Market Value \$(Dollars)	Ending Weight	Q2 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b> Russell:3000 Index	\$140,584,783	42.0%	2.36% 3.22%	24.01% 23.13%	24.01% 23.13%	8.61% 8.05%	14.57% 14.14%	12.05% 12.15%
<b>International Equity</b> Intl Equity Benchmark	\$35,896,157	10.7%	(0.77%) 1.17%	2.61% 12.17%	2.61% 12.17%	(8.98%) 0.97%	3.41% 6.05%	3.45% 4.30%
<b>Fixed Income</b> Blmbg:Aggregate	\$131,199,470	39.2%	1.04% 0.07%	6.82% 2.63%	6.82% 2.63%	(1.80%) (3.02%)	1.50% (0.23%)	2.48% 1.35%
<b>Real Estate</b> NCREIF:NFI-ODCE Eq Wt Net	\$26,666,057	8.0%	(1.29%) (0.82%)	(10.49%) (10.32%)	(10.49%) (10.32%)	0.90% 1.14%	2.33% 2.58%	6.18% 5.80%
<b>Cash &amp; Equivalents</b> 3 Month T-Bill	\$480,554	0.1%	1.36% 1.32%	5.43% 5.40%	5.43% 5.40%	3.07% 3.03%	2.14% 2.16%	1.53% 1.51%
<b>AJRS Total Composite</b> AJRS Total Composite Target	\$334,827,022	100.0%	1.20% 1.33%	11.23% 10.31%	11.23% 10.31%	1.41% 2.22%	7.02% 6.65%	6.71% 6.43%

Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

June 30, 2024

	Q2 2024		Fiscal Year		Last 3 Years		Last 5 Years		Last 10 Years	
<b>Domestic Equity</b>	<b>2.36%</b>	44	<b>24.01%</b>	9	<b>8.61%</b>	16	<b>14.57%</b>	11	<b>12.05%</b>	34
Russell 3000 Index	3.22%	10	23.13%	12	8.05%	28	14.14%	25	12.15%	24
S&P 500 Index	4.28%	5	24.56%	6	10.01%	6	15.05%	4	12.86%	9
Med Public Fd - Dom Eqty	2.13%		20.98%		7.71%		13.43%		11.72%	
Mellon Russell 1000 Growth Index	8.42%	15	33.66%	42	11.18%	18	-		-	
Russell 1000 Growth Index	8.33%	15	33.48%	42	11.28%	16	19.34%	9	16.33%	15
Callan Large Cap Growth	6.42%		31.92%		8.73%		16.51%		15.26%	
Boston Partners	(1.15%)	41	21.90%	10	9.74%	11	12.73%	16	10.21%	18
Russell 1000 Value Index	(2.17%)	67	13.06%	83	5.52%	82	9.01%	89	8.23%	88
Callan Large Cap Value	(1.58%)		16.26%		7.38%		10.98%		9.20%	
Aristotle Capital Boston	(1.42%)	17	7.66%	74	0.91%	60	-		-	
Russell 2000 Index	(3.28%)	55	10.06%	60	(2.58%)	94	6.94%	88	7.00%	90
Callan Small Cap Core	(3.15%)		11.48%		1.40%		8.99%		8.67%	
<b>International Equity</b>	<b>(0.77%)</b>	100	<b>2.61%</b>	99	<b>(8.98%)</b>	99	<b>3.41%</b>	99	<b>3.45%</b>	87
International Equity Benchmark	1.17%	70	12.17%	46	0.97%	45	6.05%	60	4.29%	73
Med Public Fd - Int Eqty	1.56%		12.02%		0.64%		6.43%		5.04%	
Baillie Gifford Intl Choice Fd	(0.77%)	76	2.61%	97	(8.98%)	99	3.41%	98	-	
MSCI ACWxUS Gross	1.17%	23	12.17%	38	0.97%	65	6.05%	70	4.34%	78
Callan NonUS Eq	0.23%		11.15%		2.10%		7.10%		5.22%	

Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

June 30, 2024

	Q2 2024		Fiscal Year		Last 3 Years		Last 5 Years		Last 10 Years	
<b>Fixed Income</b>	<b>1.04%</b>	<b>1</b>	<b>6.82%</b>	<b>1</b>	<b>(1.80%)</b>	<b>35</b>	<b>1.50%</b>	<b>9</b>	<b>2.48%</b>	<b>12</b>
Bloomberg Aggregate Index	0.07%	80	2.63%	92	(3.02%)	90	(0.23%)	97	1.35%	90
Med Public Fd - Dom Fixed	0.19%		3.99%		(2.22%)		0.69%		1.87%	
Mackay Shields LLC	1.04%	1	6.82%	4	(1.80%)	17	1.50%	15	2.48%	24
Blmbg Aggregate Index	0.07%	96	2.63%	95	(3.02%)	90	(0.23%)	98	1.35%	100
Callan Core Plus FI	0.42%		4.31%		(2.33%)		0.91%		2.25%	
<b>Real Estate</b>	<b>(1.29%)</b>	<b>91</b>	<b>(10.49%)</b>	<b>57</b>	<b>0.90%</b>	<b>61</b>	<b>2.33%</b>	<b>54</b>	<b>6.18%</b>	<b>27</b>
Med Public Fd - Real Est	(0.26%)		(9.42%)		1.51%		2.51%		5.61%	
Invesco Core Real Estate	(1.29%)	79	(10.49%)	70	0.90%	63	2.33%	66	6.18%	45
NFI-ODCE Equal Weight Net	(0.82%)	60	(10.32%)	68	1.14%	59	2.58%	61	5.80%	61
Callan OE Core Cmngld RE	(0.60%)		(8.55%)		1.60%		3.18%		5.96%	
<b>Total Fund</b>	<b>1.20%</b>	<b>56</b>	<b>11.23%</b>	<b>58</b>	<b>1.41%</b>	<b>90</b>	<b>7.02%</b>	<b>70</b>	<b>6.71%</b>	<b>61</b>
Callan Public Fd Mid DB	1.34%		11.70%		3.03%		7.71%		6.90%	
<b>Total Fund ex Cash</b>	<b>1.20%</b>	<b>56</b>	<b>11.21%</b>	<b>59</b>	<b>1.41%</b>	<b>90</b>	<b>7.06%</b>	<b>68</b>	<b>6.75%</b>	<b>60</b>
Target Benchmark*	1.33%	51	10.31%	74	2.22%	74	6.65%	79	6.43%	79
Callan Public Fd Mid DB	1.34%		11.70%		3.03%		7.71%		6.90%	

Benchmark definitions included in the Appendix.

# Work Plan Update

## Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	08/2024	11/2024
Quarterly Board Meetings	Quarterly	08/2024	11/2024
Customized Board Education Sessions	As Needed		As Needed
Investment Policy Statement Review	Annual	02/2024	As Needed

## Multi-Year Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Asset Allocation Analysis	3-5 years	02/2024	2027 - 2029
Domestic Equity Manager Search – Aristotle Hired	As Needed	05/2019	
Non-U.S. Equity Manager Search – TBD	As Needed	08/2024	
Fixed Income Manager Search – Mackay Shields Hired	As Needed	02/2010	
Real Estate Manager Search – Invesco Hired	As Needed	11/2011	



## Appendix

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## Benchmark Definitions

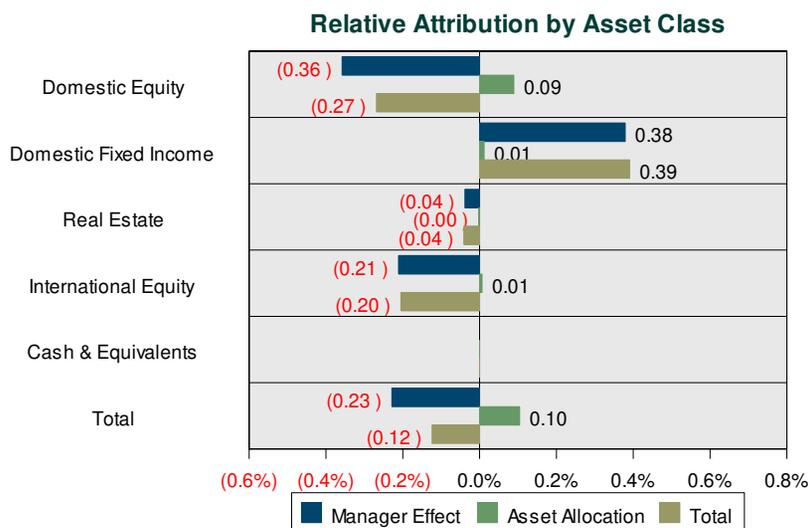
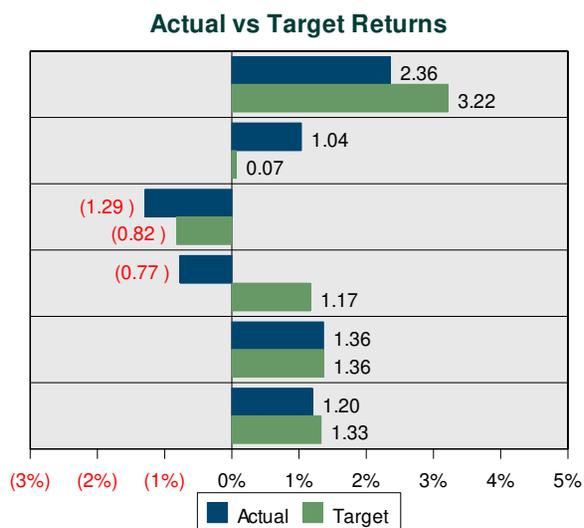
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights.

	<u>Target</u>
Domestic Equity	37.0%
International Equity	15.0
Fixed Income	40.0
<u>Real Estate</u>	<u>8.0</u>
<b>Total Target</b>	<b>100.0%</b>

2. **Domestic Equity Benchmark:** Russell 3000 Index
3. **International Equity Benchmark:** MSCI EAFE prior to 7/1/17, MSCI ACWI xUS Gross thereafter
4. **Fixed Income Benchmark:** Bloomberg Aggregate Index
5. **Real Estate Benchmark:** NCREIF NFI-ODCE Eq Wt Net

# Total Fund Relative Attribution – Q2 2024

June 30, 2024



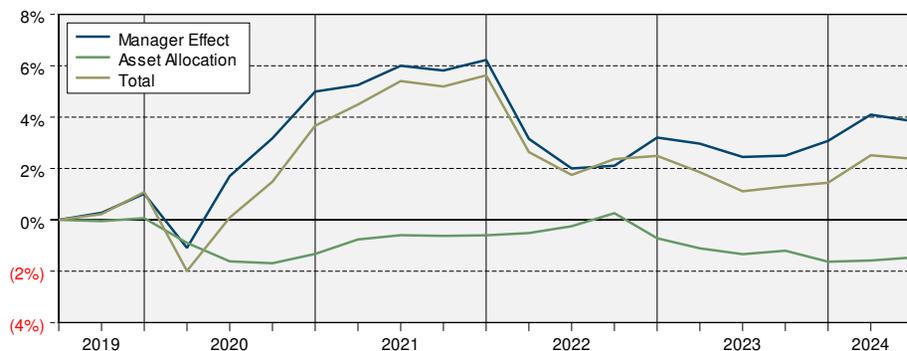
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	37%	2.36%	3.22%	(0.36)%	0.09%	(0.27)%
Domestic Fixed Income	39%	40%	1.04%	0.07%	0.38%	0.01%	0.39%
Real Estate	8%	8%	(1.29)%	(0.82)%	(0.04)%	(0.00)%	(0.04)%
International Equity	11%	15%	(0.77)%	1.17%	(0.21)%	0.01%	(0.20)%
Cash & Equivalents	0%	0%	1.36%	1.36%	0.00%	0.00%	0.00%
<b>Total</b>			<b>1.20%</b>	<b>1.33%</b>	<b>+ (0.23)%</b>	<b>+ 0.10%</b>	<b>(0.12)%</b>

Benchmark definitions included in the Appendix.

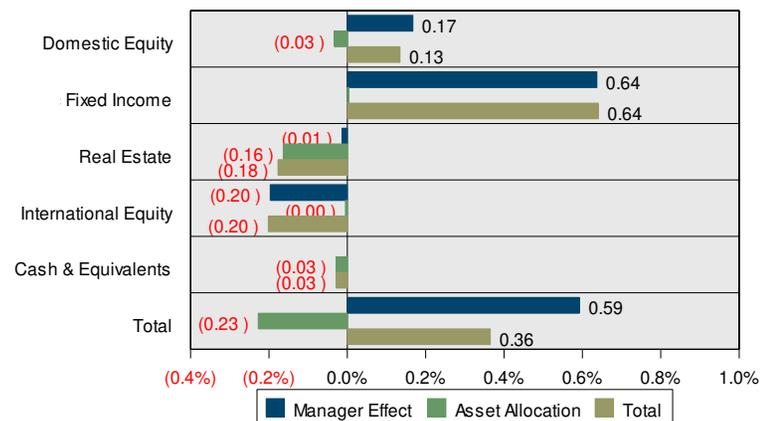
# Total Fund Relative Attribution – 3 Years

June 30, 2024

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



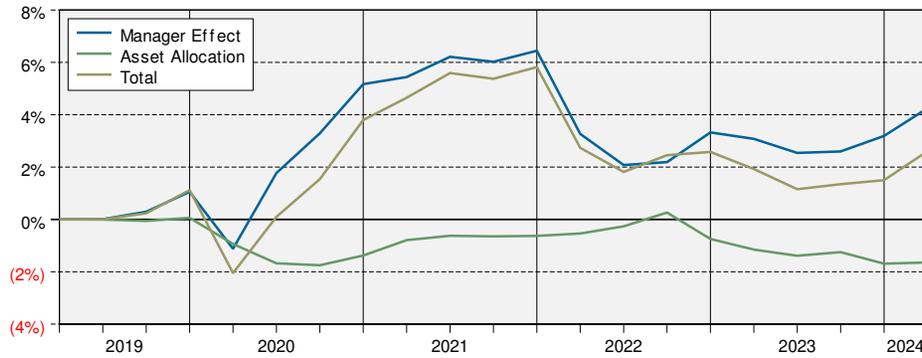
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	37%	8.61%	8.05%	0.18%	0.05%	0.23%
Domestic Fixed Income	40%	40%	(1.80%)	(3.02%)	0.49%	(0.03%)	0.46%
Real Estate	9%	8%	0.90%	1.14%	(0.01%)	(0.17%)	(0.18%)
International Equity	12%	15%	(8.98%)	0.97%	(1.26%)	(0.05%)	(1.32%)
Cash & Equivalents	0%	0%	3.07%	3.07%	0.00%	(0.00%)	(0.00%)
<b>Total</b>			<b>1.41%</b>	<b>2.22%</b>	<b>(0.61%)</b>	<b>(0.21%)</b>	<b>(0.81%)</b>

Benchmark definitions included in the Appendix.

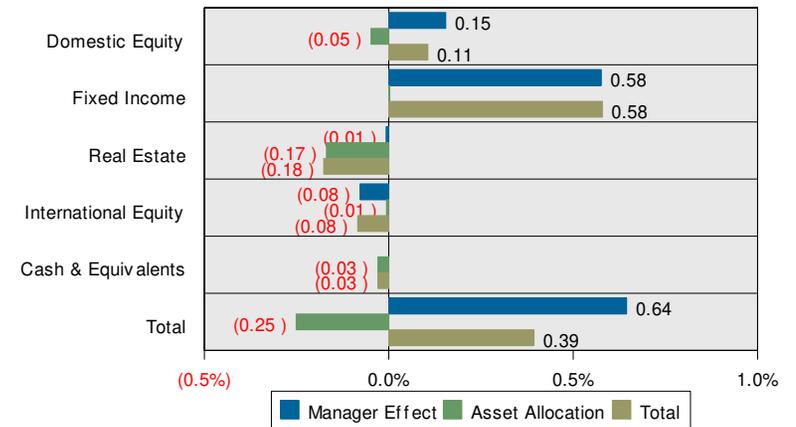
# Total Fund Relative Attribution – 5 Years

June 30, 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	38%	37%	14.57%	14.14%	0.17%	(0.03%)	0.13%
Domestic Fixed Income	39%	40%	1.50%	(0.23%)	0.64%	0.00%	0.64%
Real Estate	9%	8%	2.33%	2.58%	(0.01%)	(0.16%)	(0.18%)
International Equity	13%	15%	3.41%	6.05%	(0.20%)	(0.00%)	(0.20%)
Cash & Equivalents	0%	0%	2.14%	2.14%	0.00%	(0.03%)	(0.03%)
<b>Total</b>			<b>7.02%</b>	<b>6.65%</b>	<b>+ 0.59%</b>	<b>+ (0.23%)</b>	<b>0.36%</b>

Benchmark definitions included in the Appendix.

# Asset Distribution Across Investment Managers

June 30, 2024

	June 30, 2024				March 31, 2024	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equity</b>	<b>\$140,584,783</b>	<b>41.99%</b>	<b>\$(3,631,179)</b>	<b>\$3,172,541</b>	<b>\$141,043,422</b>	<b>42.17%</b>
Mellon Russell 1000 Growth Index	54,075,021	16.15%	(3,405,154)	4,241,493	53,238,683	15.92%
Boston Partners	67,068,908	20.03%	(186,526)	(786,279)	68,041,712	20.35%
Aristotle Capital Boston	19,440,854	5.81%	(39,499)	(282,674)	19,763,027	5.91%
<b>International Equity</b>	<b>\$35,896,157</b>	<b>10.72%</b>	<b>\$0</b>	<b>\$(279,038)</b>	<b>\$36,175,195</b>	<b>10.82%</b>
Baillie Gifford	35,896,157	10.72%	0	(279,038)	36,175,195	10.82%
<b>Fixed Income</b>	<b>\$131,199,470</b>	<b>39.18%</b>	<b>\$(96,885)</b>	<b>\$1,342,503</b>	<b>\$129,953,852</b>	<b>38.86%</b>
MacKay Shields LLC	131,199,470	39.18%	(96,885)	1,342,503	129,953,852	38.86%
<b>Real Estate</b>	<b>\$26,666,057</b>	<b>7.96%</b>	<b>\$(28,160)</b>	<b>\$(349,381)</b>	<b>\$27,043,598</b>	<b>8.09%</b>
Invesco Core Real Estate	26,666,057	7.96%	(28,160)	(349,381)	27,043,598	8.09%
<b>Cash &amp; Equivalents</b>	<b>\$480,554</b>	<b>0.14%</b>	<b>\$259,862</b>	<b>\$6,851</b>	<b>\$213,841</b>	<b>0.06%</b>
AJRS Cash Account	480,554	0.14%	259,862	6,851	213,841	0.06%
<b>Total Fund</b>	<b>\$334,827,022</b>	<b>100.0%</b>	<b>\$(3,496,363)</b>	<b>\$3,893,476</b>	<b>\$334,429,908</b>	<b>100.0%</b>

# Investment Manager Returns – Net of Fees

June 30, 2024

	Q2 2024	Last Year	Last 3 Years	Last 5 Years	Last 17 Years
<b>NET OF FEE RETURNS</b>					
<b>Domestic Equity</b>					
Mellon Russell 1000 Growth Index	8.41%	33.61%	11.13%	-	-
Russell 1000 Growth Index	8.33%	33.48%	11.28%	19.34%	12.82%
Boston Partners Russell 1000 Value	(1.27%) (2.17%)	21.29% 13.06%	9.17% 5.52%	12.14% 9.01%	8.49% 6.81%
Aristotle Capital Boston Russell 2000 Index	(1.62%) (3.28%)	6.81% 10.06%	0.10% (2.58%)	- 6.94%	- 6.89%
<b>International Equity</b>					
Baillie Gifford Intl Choice Fd MSCI ACWIxUS Gross	(0.86%) 1.17%	2.10% 12.17%	(9.44%) 0.97%	2.91% 6.05%	- 3.25%
<b>Domestic Fixed Income</b>					
MacKay Shields LLC Blmbg Aggregate Index	0.96% 0.07%	6.50% 2.63%	(2.10%) (3.02%)	1.19% (0.23%)	- 2.97%
<b>Real Estate</b>					
Invesco Core Real Estate NFI-ODCE Equal Weight Net	(1.40%) (0.82%)	(10.78%) (10.32%)	0.61% 1.14%	2.03% 2.58%	- 4.00%
<b>Total Fund</b>	<b>1.11%</b>	<b>10.84%</b>	<b>1.06%</b>	<b>6.64%</b>	<b>5.89%</b>
<b>Total Fund ex Cash</b>	<b>1.11%</b>	<b>10.82%</b>	<b>1.05%</b>	<b>6.69%</b>	<b>6.07%</b>
Target Benchmark*	1.33%	10.31%	2.22%	6.65%	6.15%

Benchmark definitions included in the Appendix.

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Past performance is no guarantee of future results.

TO: Arkansas Judicial Retirement System Board of Trustees  
FROM: Carlos Borromeo, Chief Investment Officer  
DATE: August 6, 2024  
SUBJECT: International Equity Investment Manager search

On May 16, 2024 the AJRS Board requested that the APERS Investment Staff and the Investment Consultant conduct a search for an International Equity manager to possibly replace Baillie Gifford.

There are many qualified investment managers in the International Equity space. The Callan database has over 2,500 investment managers. Callan conducted the quantitative screening, as well as qualitative screening. The process narrowed the list down to 11 possible firms. Callan's oversight committee vetted the candidates and presented a list of three investment strategies to staff. The firms were Acadian Asset Management, Connor Clark & Lunn Investment Management ("CC&L"), and EARNEST Partners LLC. ("EP")

The Investment staff performed an internal analysis and due diligence. Staff and consultant felt that an investment manager who was more "core like" would be an appropriate fit for the AJRS system.

Information, data points, and metrics that were taken into consideration:

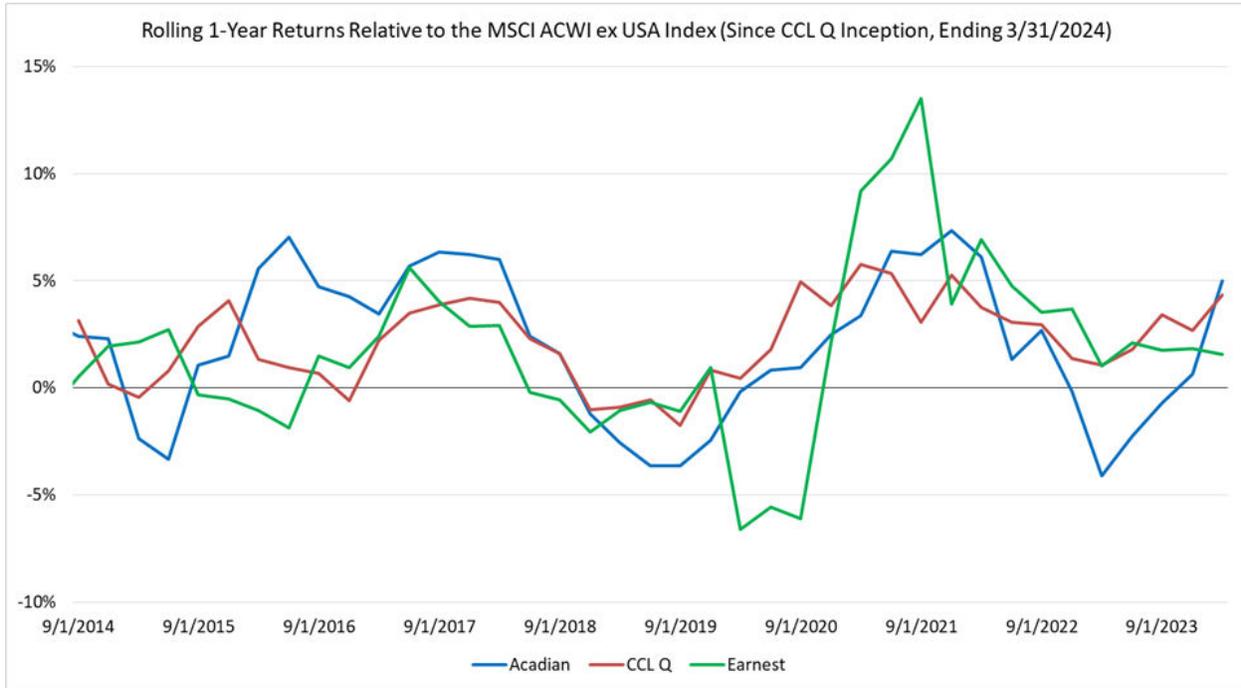
- Consistency versus the benchmark,
- Risk vs. Reward
- Ability to pick stocks vs. style tilts
- Tracking error versus the RU1000V Index
- Downside performance versus the benchmark
- Ability to comply with existing Arkansas laws (proxy voting and ESG divestment)

The data indicates that CC&L is the most consistent manager of the three, based on a few high-level indicators:

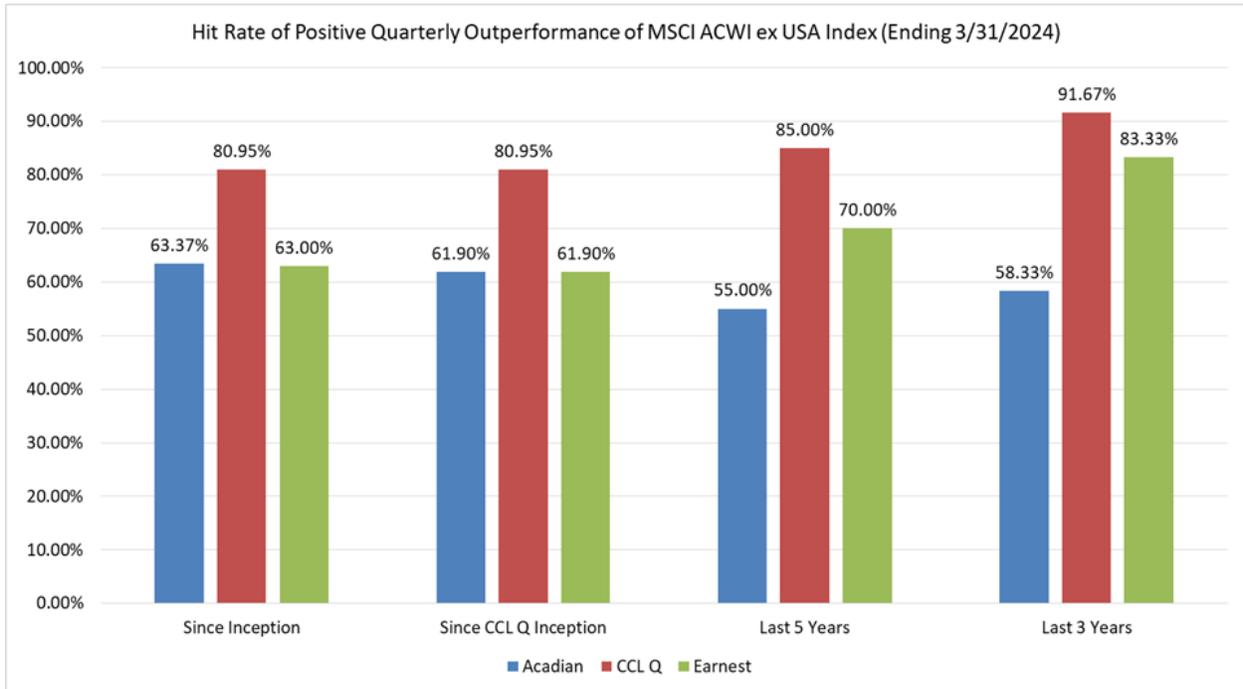
- CC&L's "batting average" of "out performing" the benchmark in any given quarter is the highest among the three managers.
- Of the three managers, CC&L's economic risk position versus the benchmark is the most stable over time.
- CC&L's returns are dominated by stock picking, not periodic macro bets or style tilts that are more common in the other two managers.

The supporting charts follow in the next few pages. **CC&L is "red" in all the charts.**

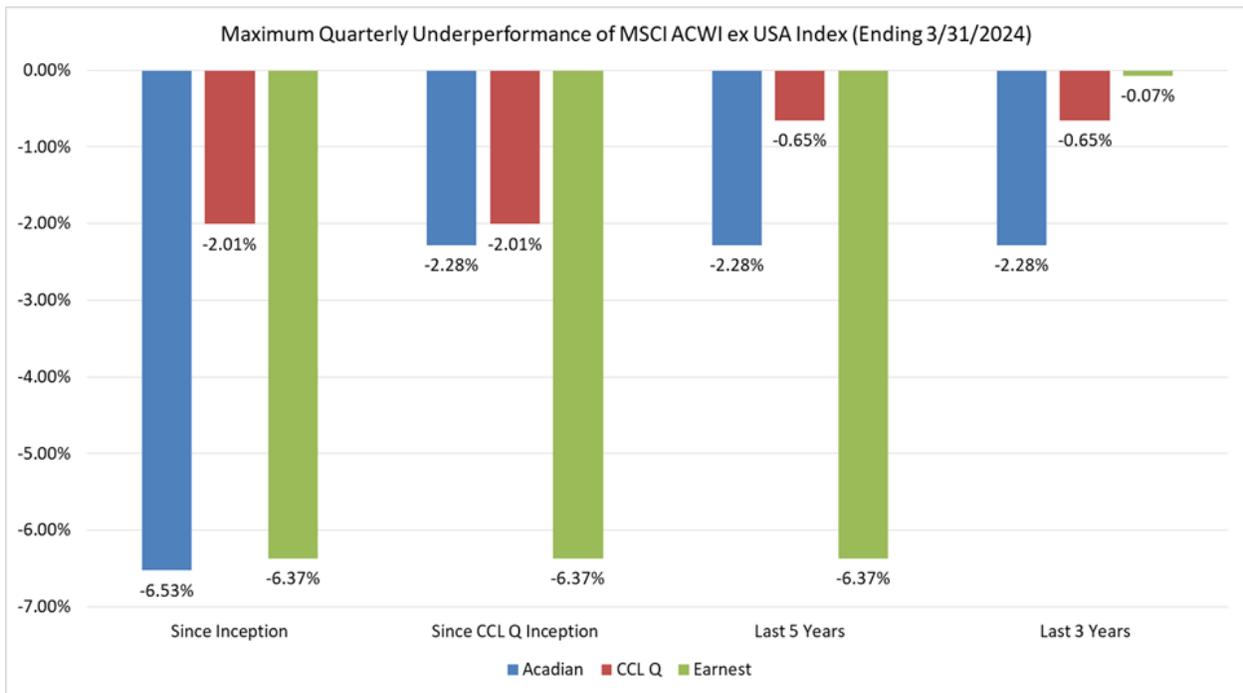
CC&L exhibits consistent positive and stable 1-year outperformance of the benchmark when compared to Acadian and EP. CC&L’s periods of underperformance are shorter and less severe than the other two managers.

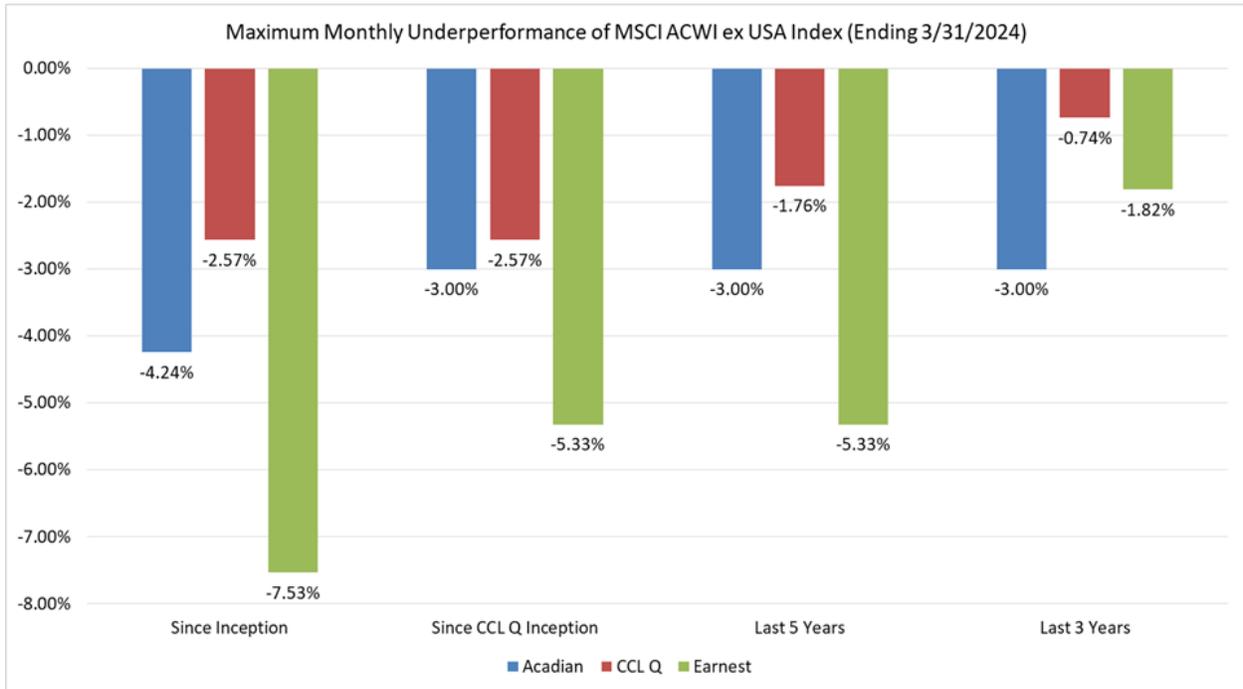


CC&L has the highest hit rate of outperforming the benchmark in any given quarter or in any given month. **They have the best “batting average.”**

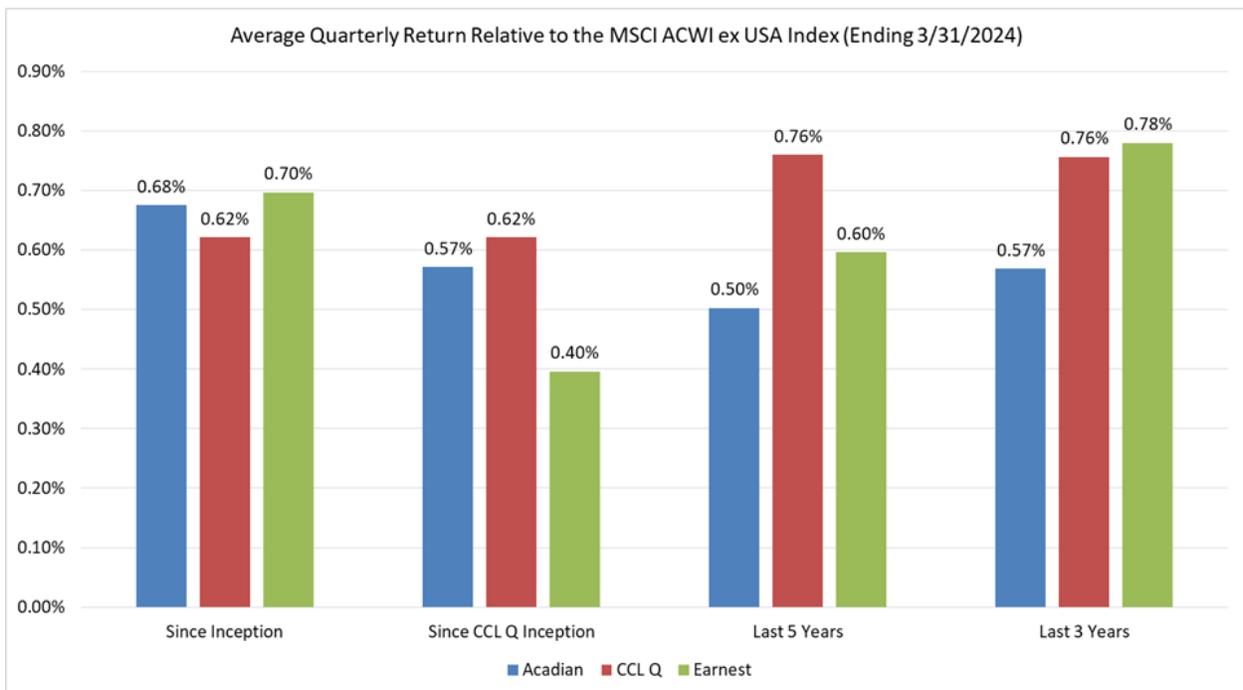


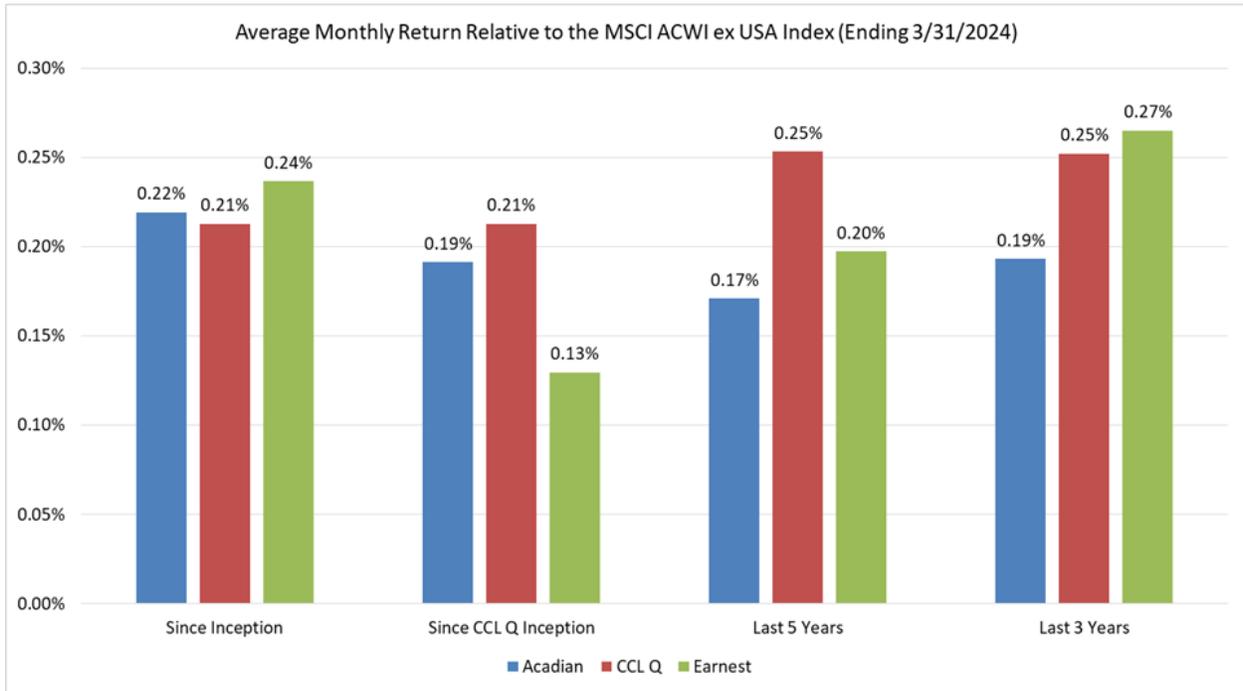
**CC&L demonstrates good downside risk control.** Their maximum underperformance of the benchmark in any given quarter or month has been mild when compared to the other two managers.



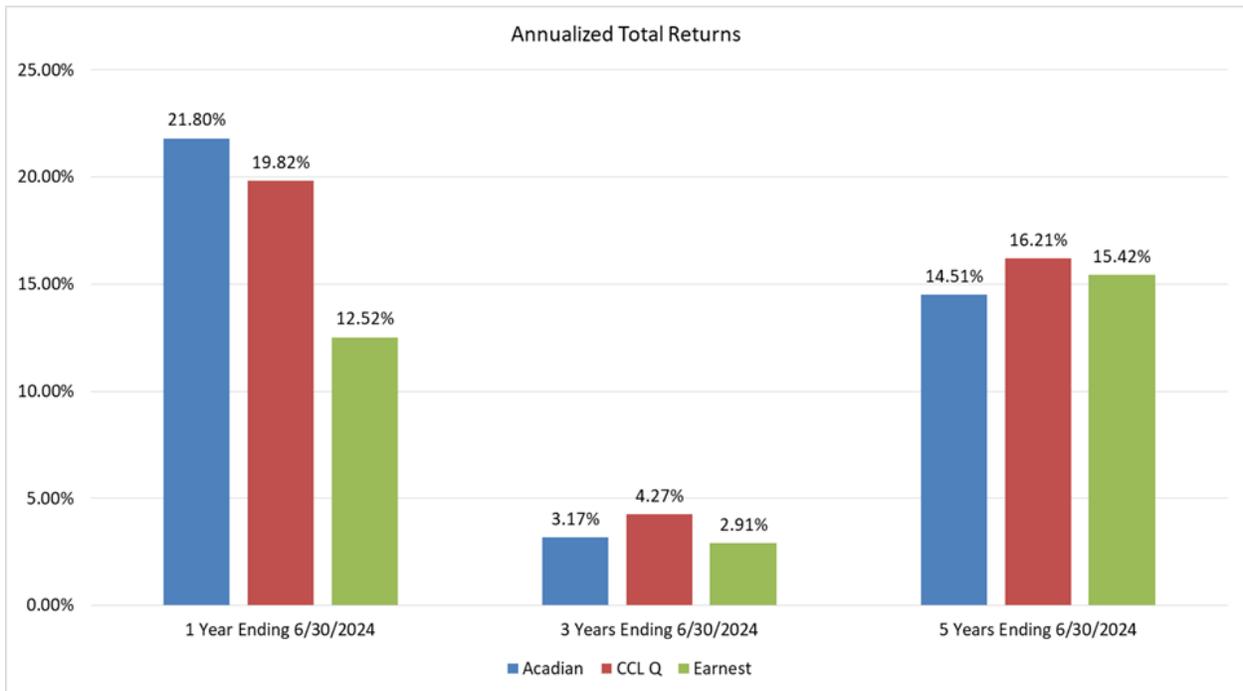


CC&L's average performance in any given month or quarter performs well compared to the other two managers.

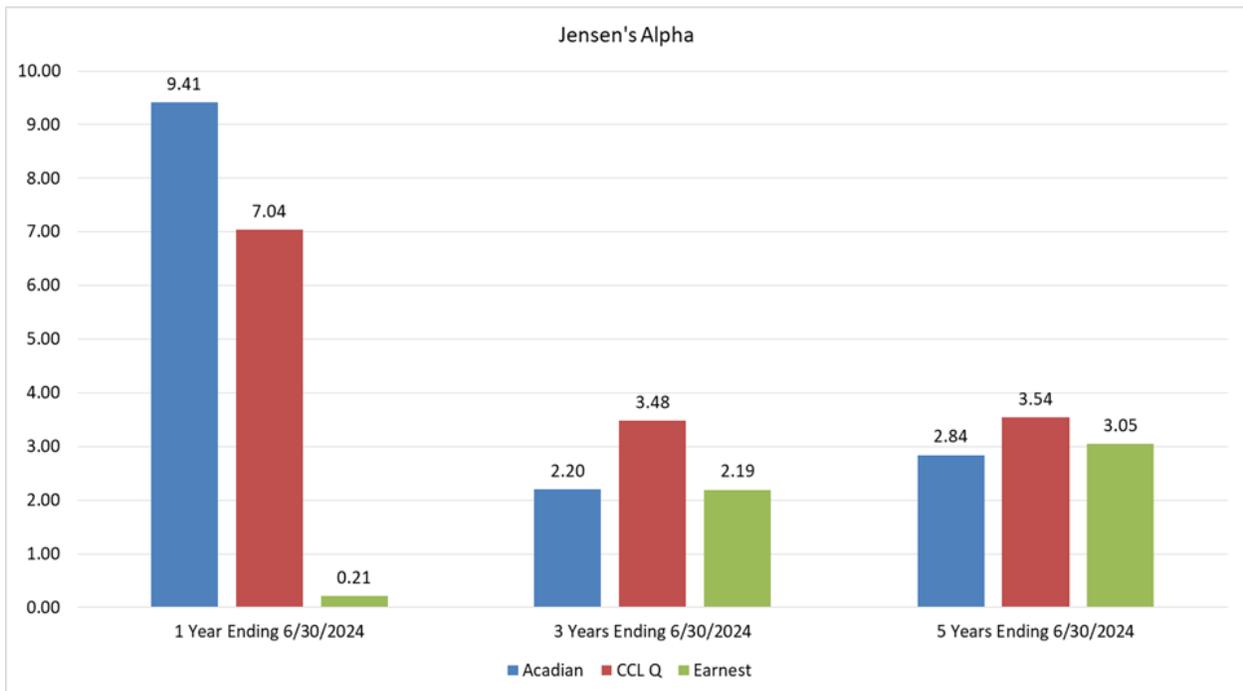
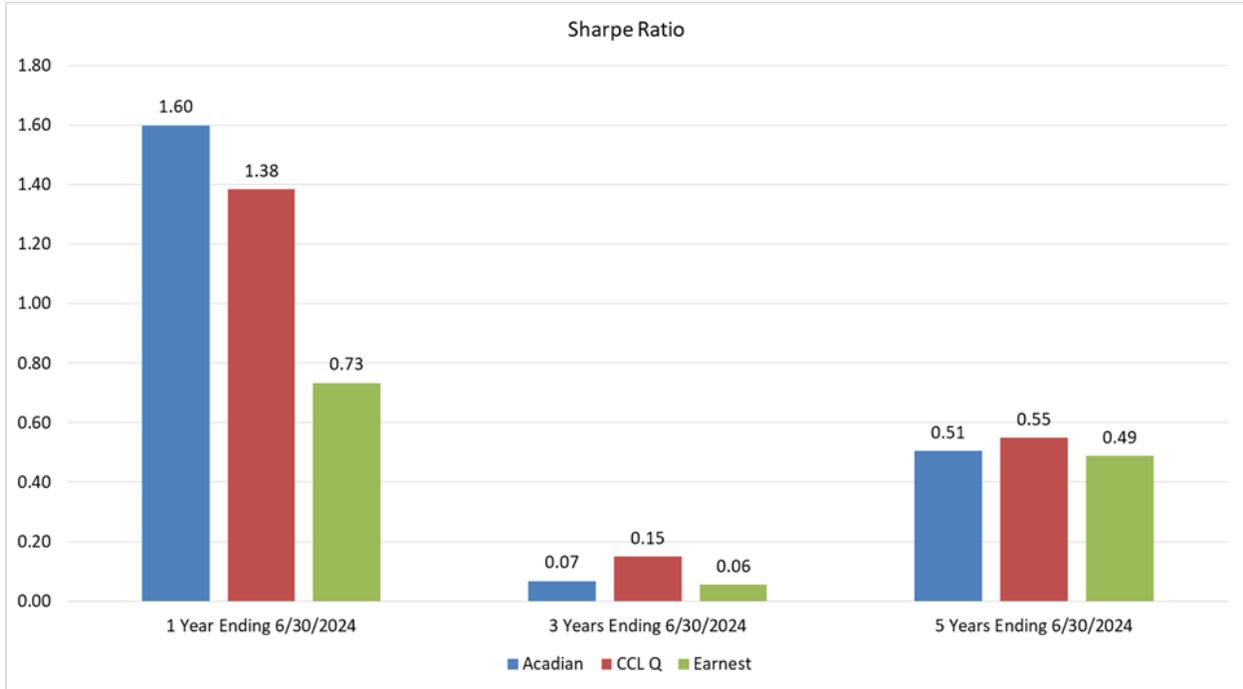


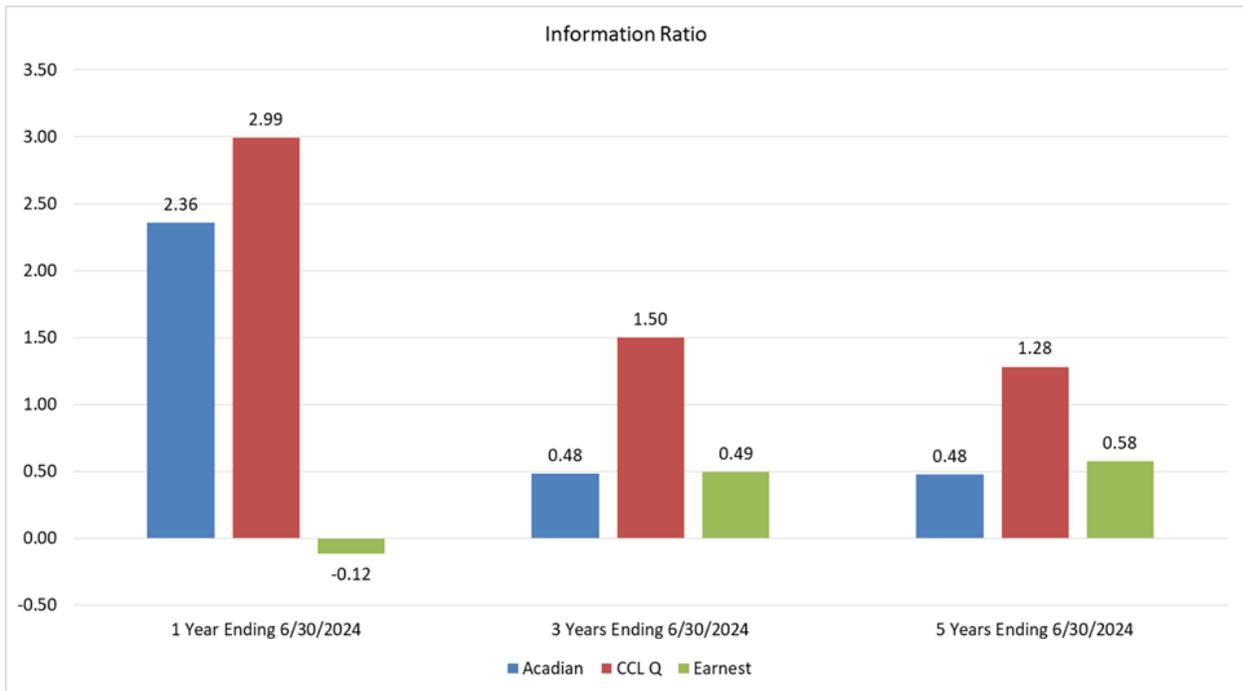


**Despite taking less risk than Acadian or EP, CC&L's performance over the past 3 and 5 years is competitive.**

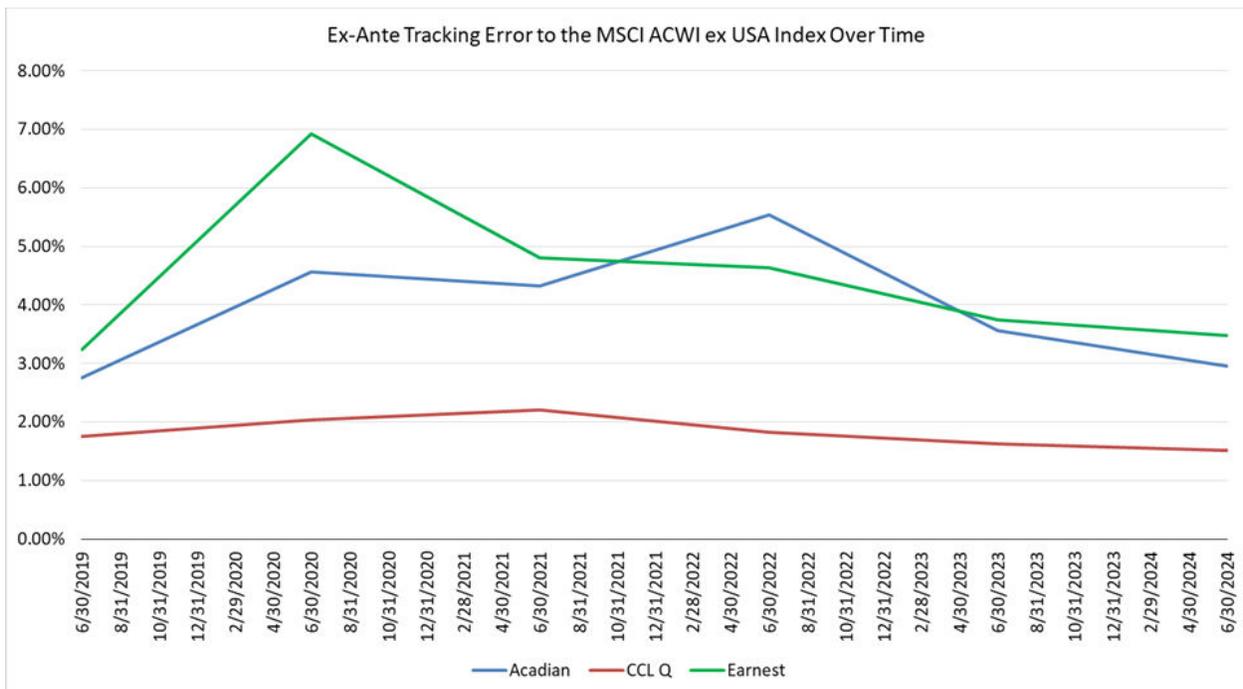


CC&L's risk adjusted performance performs well when compared to Acadian and EP, and over the longer term, performs better.





CC&L exhibits a more moderate and stable risk profile, while producing better returns. **Tracking error to the benchmark is much lower than Acadian or EP.**



CC&L exhibits effective economic risk management. Their exposure to the economic measures are stable over time, and do not make up a large portion of their relative returns. **Their returns tend to be dominated by the ability to pick stocks.** Acadian and EP demonstrated a greater tendency to change their economic risk management/profile over time, which amounted to making large bets on economic phenomena. Example: Acadian bet heavily on inflation in 2022, EP bet heavily on economic cyclicalities in the aftermath of the epidemic.



June 2024  
**Arkansas Judicial Retirement  
System**  
Investment Manager Search  
ACWI xUS

**CONFIDENTIAL**

## ACWI xUS Core Manager Evaluation

	<b>Investment Manager</b>	<b>Strategy</b>
<p>The following investment manager organizations have submitted information to Callan regarding their investment management capabilities. The information has been summarized in this report for the consideration of Arkansas Judicial Retirement System.</p>	Acadian Asset Management LLC	All Country World ex-U.S. Equity
	Connor, Clark & Lunn Investment Management Ltd.	CC&L Q International Equity
	EARNEST Partners, LLC	International Equity - Unconstrained

The investment manager organizations contained herein have submitted information to Callan regarding their investment management capabilities, for which information Callan has not necessarily verified the accuracy or completeness of or updated. The information provided to Callan has been summarized in this report for your consideration. Unless otherwise noted, performance figures reflect a commingled fund or a composite of discretionary accounts. All written comments in this report are based on Callan's standard evaluation procedures which are designed to provide objective comments based upon facts provided to Callan. The appropriateness of the candidate investment vehicle(s) discussed herein is based on Callan's understanding of the client's portfolio as of the date hereof. Certain operational topics may be addressed in this investment evaluation for information purposes. Unless Callan has been specifically engaged to do so, Callan has not conducted due diligence of the operations of the candidate or investment vehicle(s), as may be typically performed in an operational due diligence evaluation assignment. The investment evaluation and any related due diligence questionnaire completed by the candidate may contain highly confidential information that is covered by a non-disclosure or other related agreement with the candidate which must be respected by the client and its representatives. The client agrees to adhere to the conditions of any applicable confidentiality or non-disclosure agreement.

## Table of Contents

<b>Search Process, Profile &amp; Summary</b>	<b>Section I</b>
<hr/>	
- Manager Search Process	
- Candidate Profile	
- Candidate Summary Matrix	
<b>Candidate Firm Information</b>	<b>Section II</b>
<hr/>	
<b>Candidate Product Information</b>	<b>Section III</b>
<hr/>	
<b>Candidate Portfolio Characteristics</b>	<b>Section IV</b>
<hr/>	
<b>Candidate Performance</b>	<b>Section V</b>
<hr/>	
<b>Appendix</b>	<b>Section VI</b>
<hr/>	
- Firm Overview Profiles	
- Definitions	
- Disclosures	



## Search Process, Profile & Summary

## Search Process

### Steps in the Manager Search Process

**1** Client & Candidate Profiles

**2** Quantitative Analysis

**3** Qualitative Assessment

**4** Manager Search Committee

**5** Semi-Finalist Review

**Finalists**

## Candidate Profile

### 1. Manager Type

Only qualified investment counselors or organizations registered under the Investment Advisers Act of 1940 that are currently managing assets will be considered. This includes investment counselors and investment counseling subsidiaries of banks, brokerage houses and insurance companies.

### 2. Investment Style

The client is seeking a global ex-U.S. equity manager. Because AJRS' international equity allocation utilizes a single manager, AJRS is seeking a core manager to replace Baillie Gifford. The manager will be benchmarked against MSCI ACWI ex-U.S. Index and the Callan Non US Equity peer group.

### 3. Managed Assets

Firms should have a minimum of \$5 billion in AUM. Strategy assets should be greater than \$3 billion; however, strategies with less than this will be considered on a case-by-case basis. Vehicle assets will also be considered on a case-by-case basis.

### 4. Professional Staff

Investment staff should be stable and of sufficient depth and breadth to perform the ongoing duties of the firm and to ensure continuity of the investment process. The firm's executive management team should be experienced and stable. Additionally, there should be a sufficient number of client service professionals relative to the firm's client base to ensure that the client has reasonable access to the firm.

### 5. Portfolio Manager Structure & Experience

Team approach is preferred but not required. Key professionals should have at least 10 years of investment experience. Teams that have worked together for at least five years are preferred.

### 6. Investment Vehicle

AJRS is willing to consider separate accounts and commingled vehicles. Daily valuation and liquidity is preferred, but monthly is acceptable.

### 7. Historical Performance & Risk Criteria

Performance over multiple cumulative, annual and rolling periods will be evaluated relative to the appropriate peer group and index. Risk-adjusted measures and holdings-based portfolio characteristics will also be considered. A track record of at least three years is preferred, and performance records from previous firms will be evaluated on a case-by-case basis.

## Candidate Profile

### 8. Qualities Specifically Sought

- Firm must be a viable, ongoing business
- Organizational infrastructure to support institutional client base
- Disciplined investment process
- Low turnover of key personnel
- Low dispersion of returns within appropriate composite
- Commitment to client service and an ability to effectively articulate their investment process
- Willingness to visit client as needed

### 9. Qualities To Be Avoided

- Concentrated client base
- Candidates currently involved in a merger, acquisition, or recent transaction impacting the firm's senior executives
- Excessive recent personnel turnover

### 10. Specific Client Requests & Additional Considerations

The client would like to review 3-4 candidates.

Candidates must provide a proxy report and state that the proxies have been voted solely in the pecuniary interest of the pension benefit plan (see attached).

## Manager Summary Matrix

	Organization/Team	Strategy/Portfolio	Summary Opinion
<b>Acadian Asset Management LLC</b>  All Country World ex-U.S. Equity	<ul style="list-style-type: none"> <li>- Wholly-owned subsidiary of BrightSphere Investment Group, a publicly listed company on the NYSE.</li> <li>- In 2018, John Chisholm and Ross Dowd were appointed Co-CEOs; Churchill Franklin transitioned to chairman then retired in 2020.</li> <li>- In June 2022, Chisholm retired, and Dowd became the sole CEO. On December 20, 2023, Acadian announced that CEO Ross Dowd was replaced by Chief Marketing Officer (CMO) Kelly Young. Ted Noon became the new CMO.</li> <li>- In October 2023, Acadian announced that the firm had released 28, or 7%, of its employees.</li> <li>- Co-Directors of Global Equity Research Wesley Chan and Ryan Stever resigned in March 2018.</li> <li>- Appointed Vladimir Zdorovtsov as director of global equity research in December 2019.</li> <li>- Investment team consists of 34 portfolio managers and 57 quantitative analysts.</li> </ul>	<ul style="list-style-type: none"> <li>- Employs a combination of top-down and bottom-up multi-factor models to construct the strategy.</li> <li>- Top-down constitutes 20% of the process and consists of value, growth, momentum, volatility, and macro factors.</li> <li>- Bottom-up drives 80% of the process and consists of ~40% value, ~20% growth, ~20% quality, and ~20% technical.</li> <li>- Portfolio holds 400-1,400 names with annual turnover of 50%-100%.</li> <li>- Diversified, all cap strategy with a value tilt.</li> </ul>	<ul style="list-style-type: none"> <li>- Stable organization despite parent company BrightSphere who is expected sell its affiliate Acadian; however, the terms of the firm and economic structure are expected to be intact similar to BHMS transaction in July 2020 and TS&amp;W transaction in May 2021.</li> <li>- The appointment of Fanesca Young as lead portfolio manager of Equities and departure of Portfolio Manager Kurt Livermore in 2Q23 is expected to have little overall impact given the systematic nature of the process and depth of the investment team.</li> <li>- The CEO change was not anticipated but appears to be a positive for the firm's culture and future prospects beyond BrightSphere.</li> <li>- The staffing reduction should not impact Acadian's equity strategies. The reduction was part of a refocusing of future organizational priorities.</li> <li>- Systematic process mitigates key person risk.</li> <li>- Robust process with a track record of enhancing its quantitative models and differentiated by its integration of ESG alpha factors relative to quant peers.</li> <li>- Model is more efficacious in less efficient markets; subsequently, it structurally veers to emerging markets and small cap.</li> <li>- Strategy may be less effective during inflection points.</li> <li>- Viable for a standalone and multi-manager structure given the relative value characteristics and risk/return profile.</li> </ul>

## Manager Summary Matrix

	Organization/Team	Strategy/Portfolio	Summary Opinion
<b>Connor, Clark &amp; Lunn Investment Management Ltd.</b>  CC&L Q International Equity	<ul style="list-style-type: none"> <li>- Connor, Clark &amp; Lunn Investment Management Limited (CC&amp;L) was founded by Larry Lunn in 1982. CC&amp;L is an independently owned investment management firm in Canada</li> <li>- CC&amp;L is part of the Connor, Clark &amp; Lunn Financial Group, a multi boutique asset management firm.</li> <li>- All non-investment management functions, including administration, information systems, sales and marketing and corporate accounting, are centralized and are the responsibility of the Financial Group.</li> <li>- CC&amp;L Financial Group owns 29% of CC&amp;L Investment Management, with the remaining amount held by current partners.</li> <li>- Quant team and strategy headed by Steven Huang and Jennifer Drake</li> <li>- 60-person systematic research team</li> </ul>	<ul style="list-style-type: none"> <li>- Employs a systematic process to construct risk-controlled, relative value portfolios</li> <li>- The composition of the alpha model is dynamic and consists of fundamental factors (i.e., growth, value and quality) and opportunities signals (i.e., efficiency, complexity and structural)</li> <li>- Model is composed of ~20% fundamental and ~80% opportunities</li> <li>- Portfolio holds over 1,000 names with an annual turnover of 120%-230%</li> <li>- Relatively constrained sector and country allocation which focuses risk on the models stock specific alpha targets</li> <li>- Diversified, risk-controlled all-cap core strategy with a slight value tilt</li> </ul>	<ul style="list-style-type: none"> <li>- CC&amp;L Financial Group owns 11 boutiques and provides strategic advice and institutional sales to asset management firms.</li> <li>- CC&amp;L Investment Management is run relatively independently with no observed restrictive oversight from the parent group.</li> <li>- Team is deep and stable, due to the systematic nature there is little key person risk.</li> <li>- Highly dynamic strategy that uses high turnover to adjust the portfolio based on economic conditions and each stocks unique attributes</li> <li>- Optimal in both a standalone and multi-manager structure given the core orientation and risk/return profile.</li> </ul>

## Manager Summary Matrix

	Organization/Team	Strategy/Portfolio	Summary Opinion
<b>EARNEST Partners, LLC</b>  International Equity - Unconstrained	<ul style="list-style-type: none"> <li>- 100% employee owned firm, with the majority held by CEO/CIO Paul Viera (60%; African American owned).</li> <li>- Multiple products across U.S. equity, international, and fixed income asset classes.</li> <li>- Experienced team of 10 that cover stocks globally differentiated by their industry experience prior to joining the firm.</li> </ul>	<ul style="list-style-type: none"> <li>- Employs a bottom-up, fundamental relative value process to construct portfolios.</li> <li>- Idea generation driven by bespoke screening process return pattern recognition.</li> <li>- Seeks attractive companies by assessing economic moat, latent assets and liability, balance sheet, and management.</li> <li>- Portfolio holds 60-80 names with annual turnover of 20%</li> <li>- All-cap relative value strategy.</li> </ul>	<ul style="list-style-type: none"> <li>- Firm founder Paul Viera owns majority of firm.</li> <li>- Strategy has a ~10% exposure to the firm's China A commingled fund.</li> <li>- Viable for a standalone or multi-manager structure given the relative value portfolio characteristics and risk/return profile.</li> </ul>

## Proposed Vehicle Information

	Product / Vehicle AUM (\$mm)	Minimum Account Size (\$mm)	Proposed Fee on \$40mm (%)	Comments
Acadian CIT (Class F)	13,433 / 1,808	1	0.45 (mgmt)   0.55* (all-in)	*10 bp OPEX cap - DE LLC also available for 0.71% (mgmt) and 0.80 (all-in) fee
CC&L CIT (Class M)	226 / 226	10	0.37 (mgmt)   0.45* (all-in)	*8 bp OPEX cap - CIT, Class M, is a Callan exclusive shareclass - Standard CIT, Class A, also available for 0.65% (mgmt), OPEX estimated to be between 0.18%-0.28%
EARNEST CIT (Class 1)	5,897 / 1,287	3	0.85 (all-in)	



## Candidate Firm Information

## Candidate Firm Summary

	Acadian Asset Management LLC	Connor, Clark & Lunn Investment Management Ltd.	EARNEST Partners, LLC
Headquarters	Boston, MA	Vancouver, BC	Atlanta, GA
Ownership / Parent	Subsidiary / BrightSphere Affiliate Holdings LLC	Partnership / N/A	Employee Owned / N/A
Total Firm Assets (\$mm)	109,060	52,511	33,825
Have any open regulatory exams/investigations been escalated to enforcement?	No	No	No
Date of Last SEC Exam	09/30/2022	01/23/2013	03/04/2016
GIPS Compliant	Yes	Yes	Yes
E&O Insurance	Yes	Yes	Yes
Disaster Recovery Plan in Place	Yes	Yes	Yes

**Total Firm Assets Under Management****Total Firm Assets by Type (\$mm) as of March 31, 2024**

	<b>Corporate</b>	<b>Public(Govt)</b>	<b>Sub-Advised</b>	<b>Other</b>	<b>Total Org Assets</b>
Acadian Asset Management LLC	21,231	43,132		44,698	109,060
Connor, Clark & Lunn Investment Management Ltd.	15,081	16,342	11,911	9,177	52,511
EARNEST Partners, LLC	14,689	12,549	2,936	3,651	33,825



## Candidate Product Information

## Candidate Product Summary

	Acadian Asset Management LLC	Connor, Clark & Lunn Investment Management Ltd.	EARNEST Partners, LLC
Product Name	All Country World ex-U.S. Equity	CC&L Q International Equity	International Equity - Unconstrained
Product Benchmark	MSCI:ACWI xUS	MSCI:ACWI xUS	MSCI:ACWI xUS
Proposed Vehicle	CIT	CIT	CIT
Product / Vehicle Inception	1998 / 2019	2013 / 2024	1999 / 2010
Total Product Assets (\$mm)	13,433	226	5,897
Total Vehicle Assets (\$mm)	1,808	226	1,287
Number of Holdings	1,027	1,309	60
Annual Turnover	82%	270%	7%
Emerging Market Exposure*	5 Yr High: 41.14% Current: 33.91% 5 Yr Low: 29.11%	5 Yr High: 36.53% Current: 27.24% 5 Yr Low: 25.32%	5 Yr High: 35.65% Current: 26.22% 5 Yr Low: 26.22%
Combined Z-Score*	0.02 (66th)	-0.13 (71st)	0.21 (57th)
Weighted Median Market Cap*	16.11 (92nd)	28.33 (77th)	29.88 (71st)

\*Ranking vs Callan Non-US All Country Broad Equity in parenthesis

## Product Level Investment Professionals

	Product Level Resources			Gained (5 Yr)		Lost (5 Yr)		
	Portfolio Managers	Central Research Analysts	Dedicated Fundamental Analysts	Quantitative Analysts	Portfolio Managers	Dedicated Fundamental Analysts	Portfolio Managers	Dedicated Fundamental Analysts
Acadian	36			56	5 (14%)	0	6 (17%)	0
CC&L	8			43	1 (14%)	0 (0%)	0 (0%)	0 (0%)
EARNEST	10				2 (20%)	0	2 (20%)	0

## Key Investment Professionals

### Acadian

Key Professionals	Started with Product	Joined Firm	Investment Experience
Brendan Bradley - PM	2004	2004	1998
Ryan Taliaferro - PM	2011	2011	2002

### EARNEST

Key Professionals	Started with Product	Joined Firm	Investment Experience
Paul Viera - PM	1999	1999	1980
Chris Hovis - PM	2006	2006	1994
Dinkar Singh - PM	2009	2009	2001

### CC&L

Key Professionals	Started with Product	Joined Firm	Investment Experience
Chris Archbold - PM	2013	1993	1993
Brian Bardsley - PM	2013	2007	1993
Michael Cao - PM	2013	2011	2008
Jennifer Drake - PM	2013	2007	1997
Tate Haggins - PM	2013	2003	2003
Steve Huang - PM	2013	1996	1996
Glen Roberts - PM	2013	2007	2007
Dion Roseman - PM	2013	2004	1993

## Product Assets Under Management

### Product Assets by Vehicle (\$mm) as of March 31, 2024

	Separate Account	Commingled	MF Institutional	MF Retail	Total
Acadian	7,528	5,906			13,433
CC&L		226			226
EARNEST	3,327	1,668	902		5,897

## Product Asset Turnover

### Product Asset Turnover (\$mm) as of March 31, 2024

	Total Product Assets	Largest Account	Total Accounts	5-Year Net Asset Growth*	2023 Assets	2022 Assets	2021 Assets	2020 Assets	2019 Assets
Acadian	13,433	2,347	16	-34	12,875	11,798	13,471	11,209	9,714
CC&L	226	168	4	73	204	177	215	164	190
EARNEST	5,897	1,286	35	-2,991	5,004	4,468	5,344	5,878	7,133

\* Net Asset Growth measures net asset flows by removing the performance impact on reported asset growth, thereby isolating growth due to net asset flows into or out of the product. This calculation is based upon each product's beginning and ending assets as well as the representative product return.

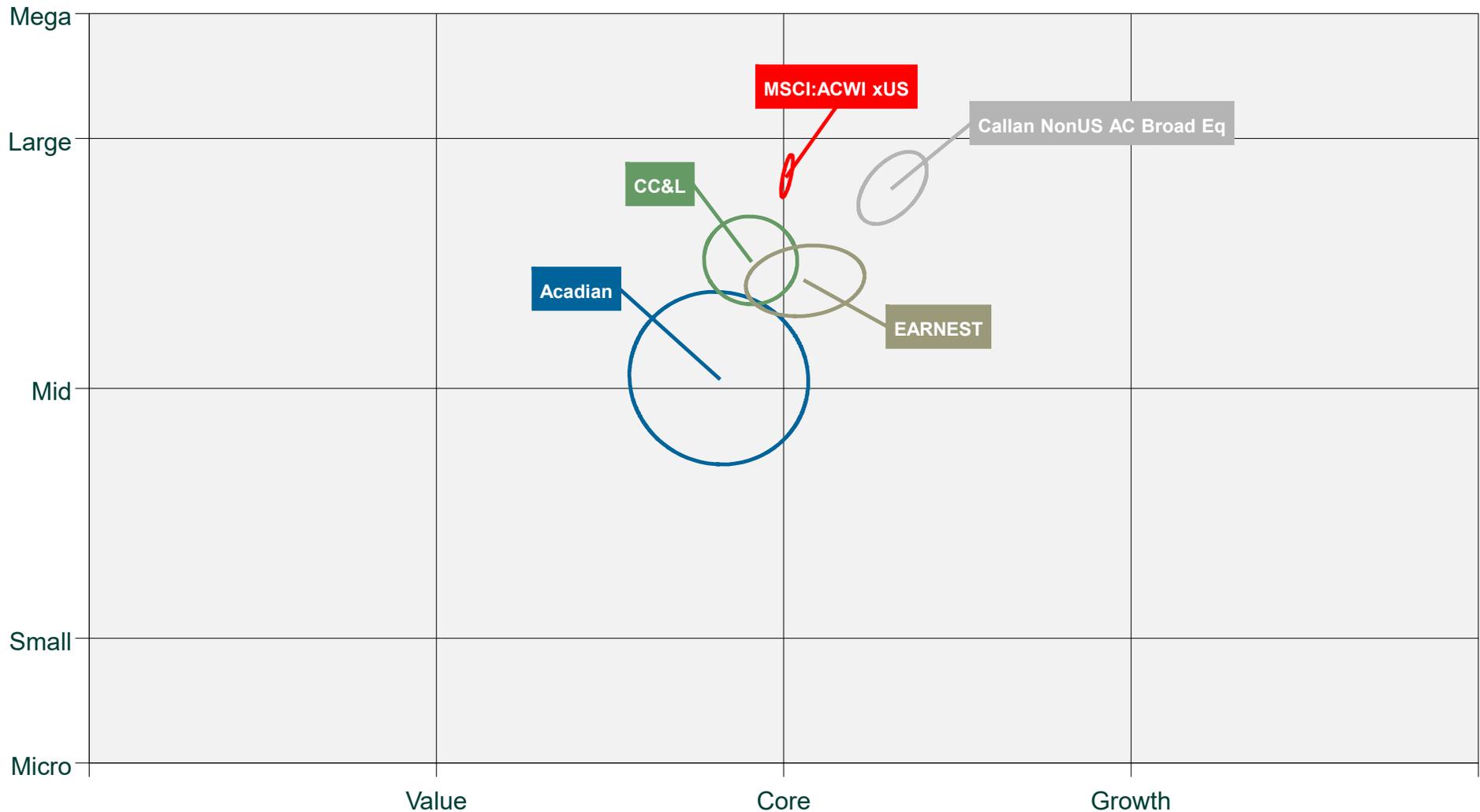


## Candidate Portfolio Characteristics

## Style Map

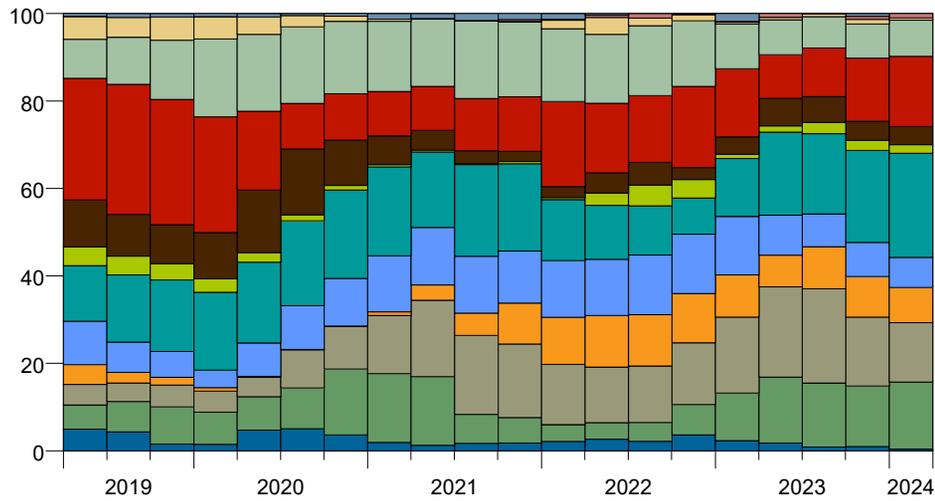
This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z score", based on the eight fundamental factors used in the MSCI stock style scoring system. The style map illustrates the average historical market capitalization and style score of the portfolio.

### Style Map for Five Years Ended March 31, 2024

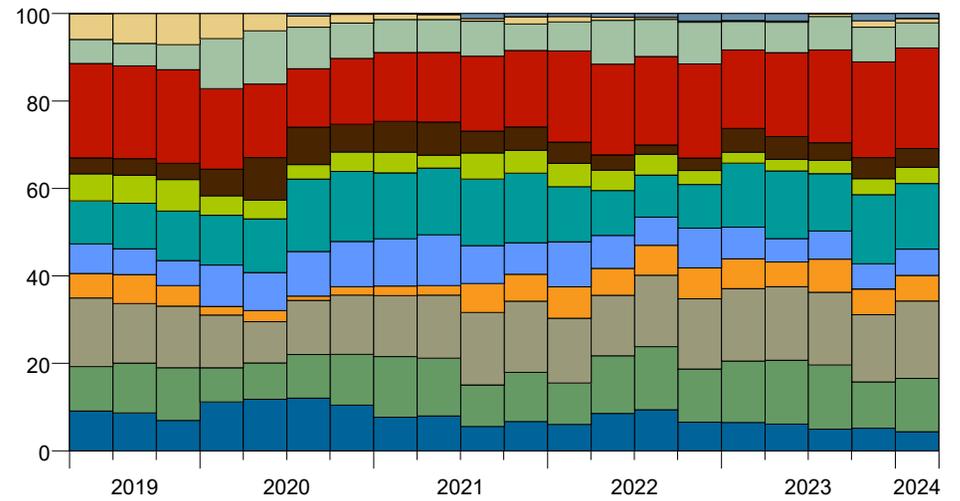


## Sector Allocation

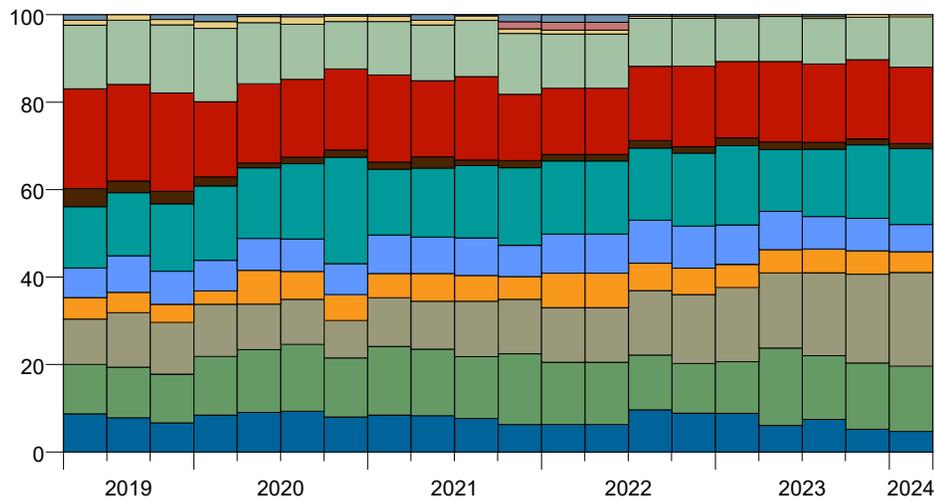
Acadian



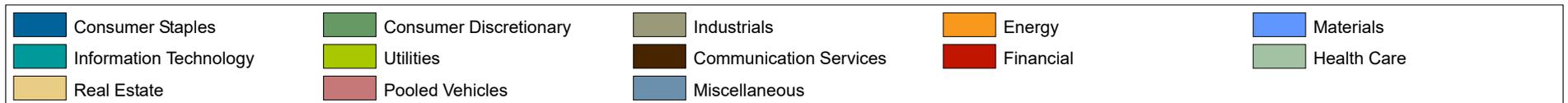
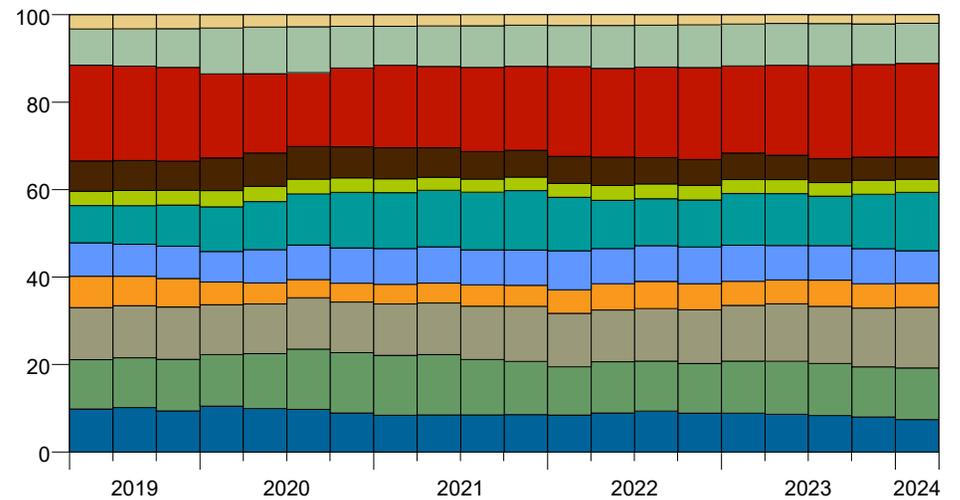
CC&L



EARNEST

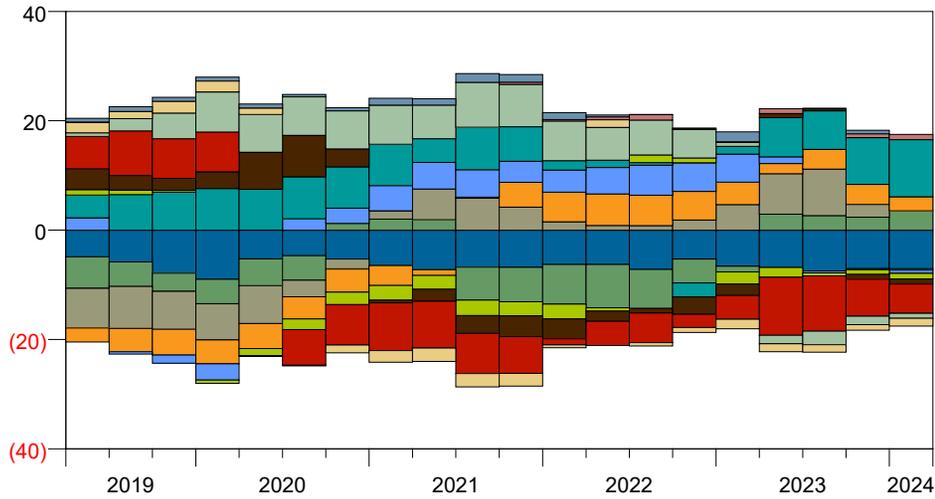


Index: MSCI ACWI xUS (Net)

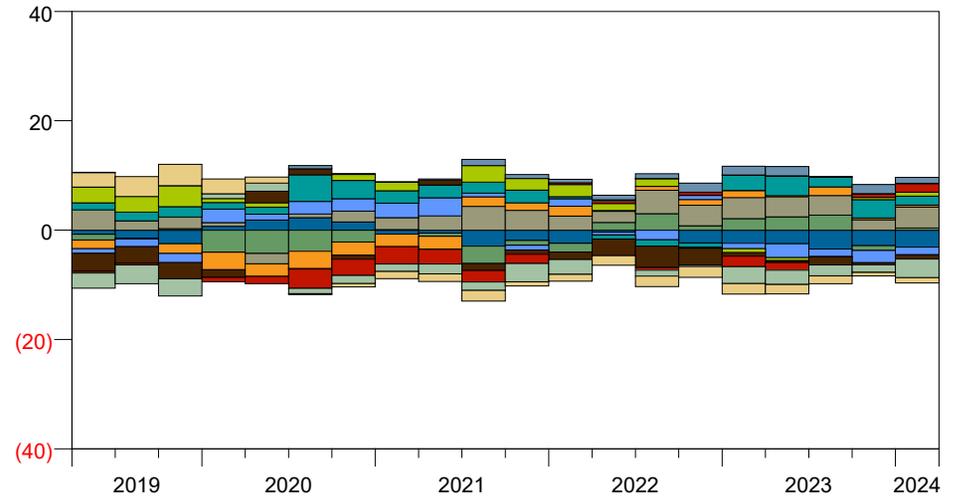


## Sector Allocation Relative to MSCI:ACWI xUS

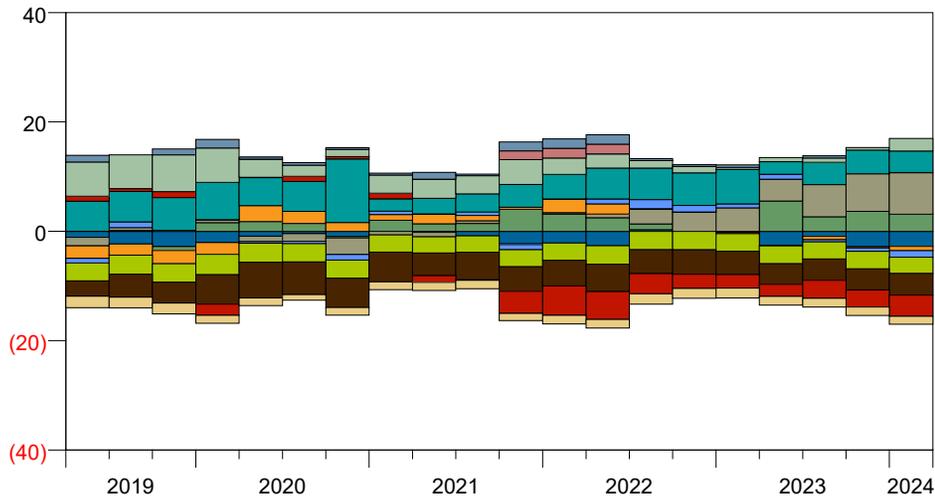
Acadian



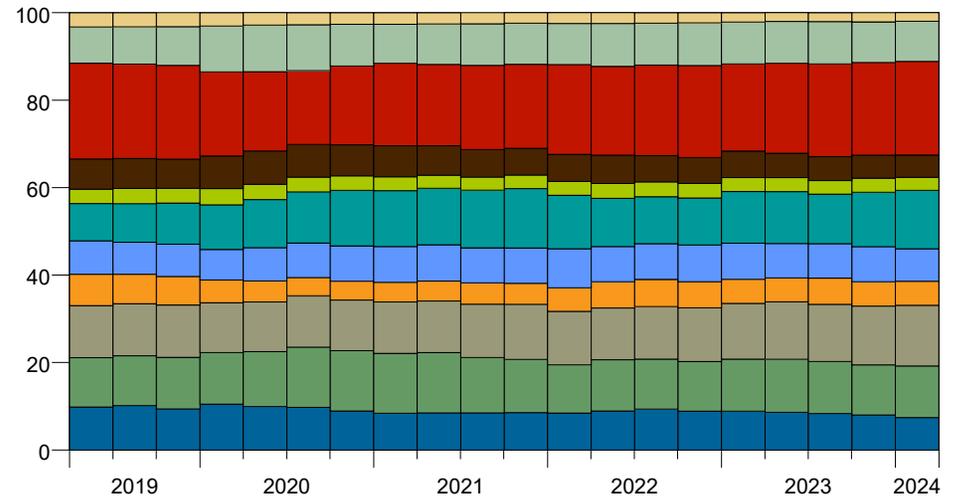
CC&L



EARNEST

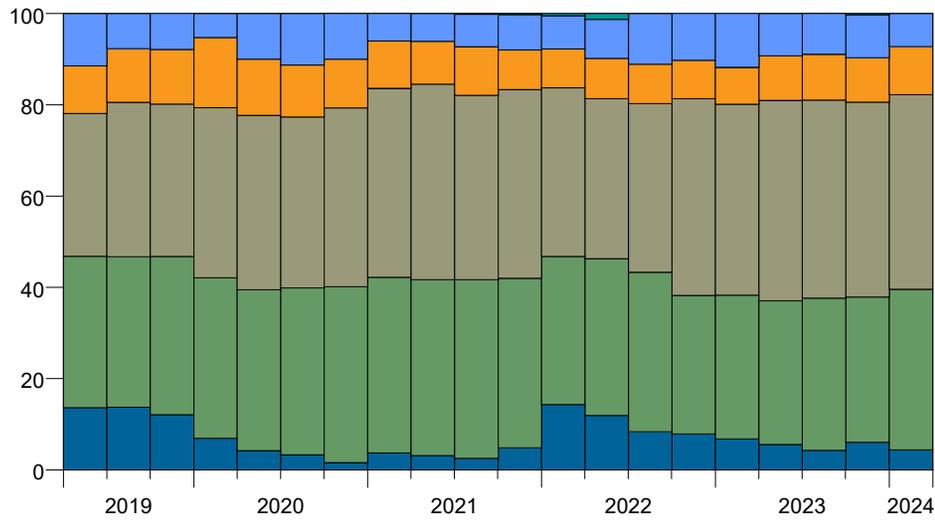


Index: MSCI ACWI xUS (Net)

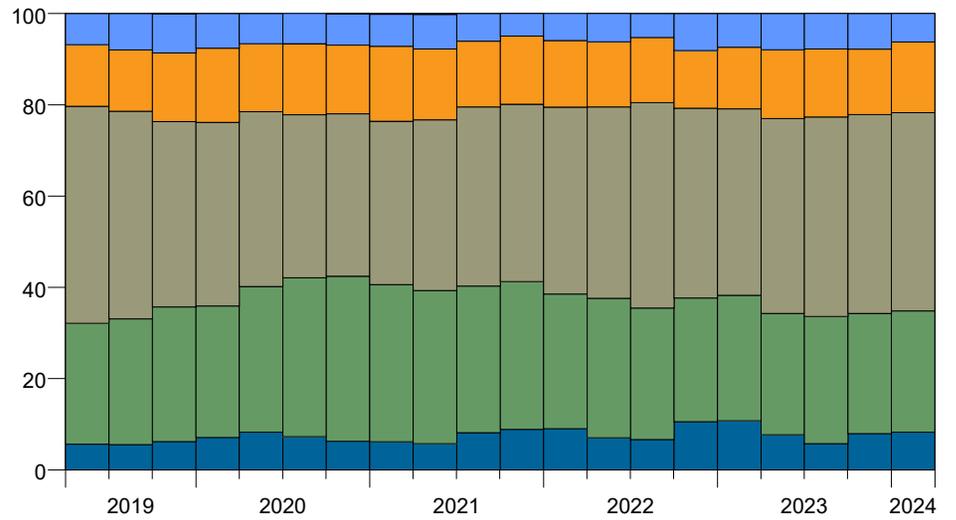


## Region Exposure

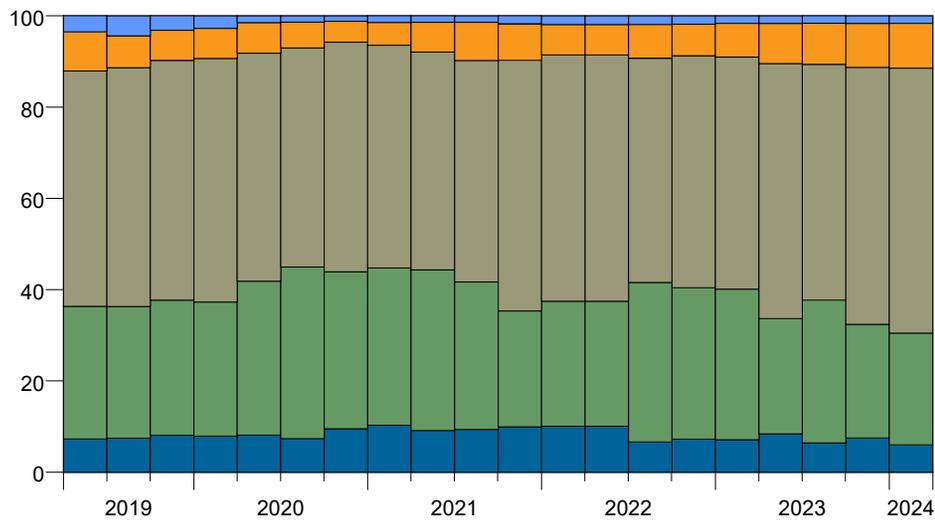
Acadian



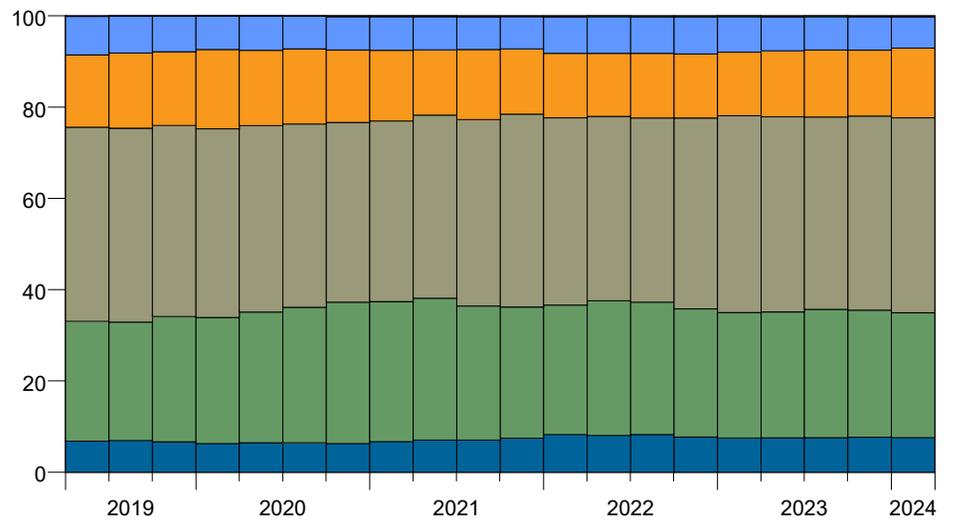
CC&L



EARNEST

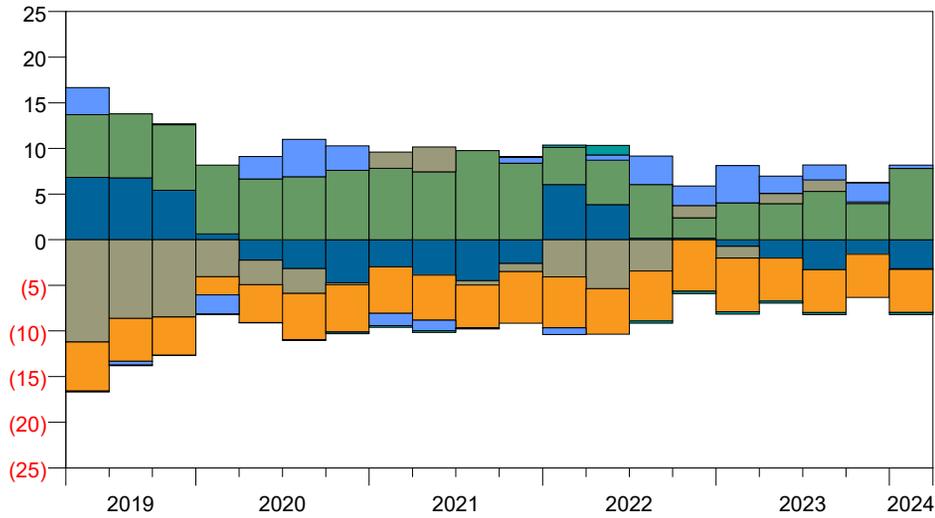


Index: MSCI ACWI xUS (Net)

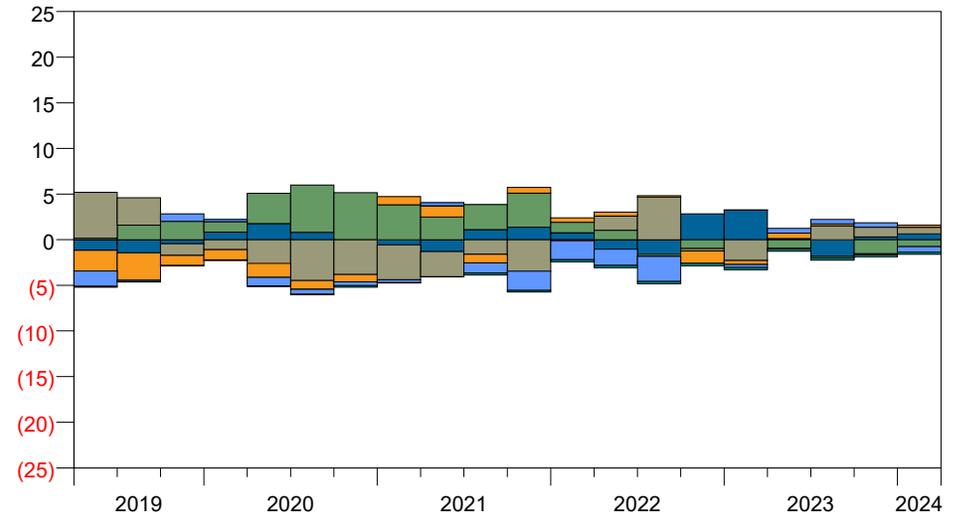


## Region Exposure Relative to MSCI:ACWI xUS

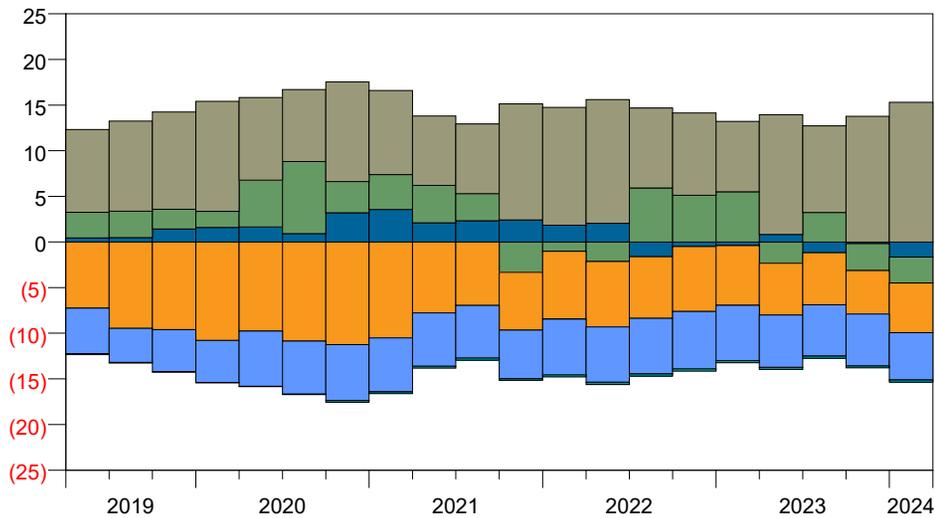
Acadian



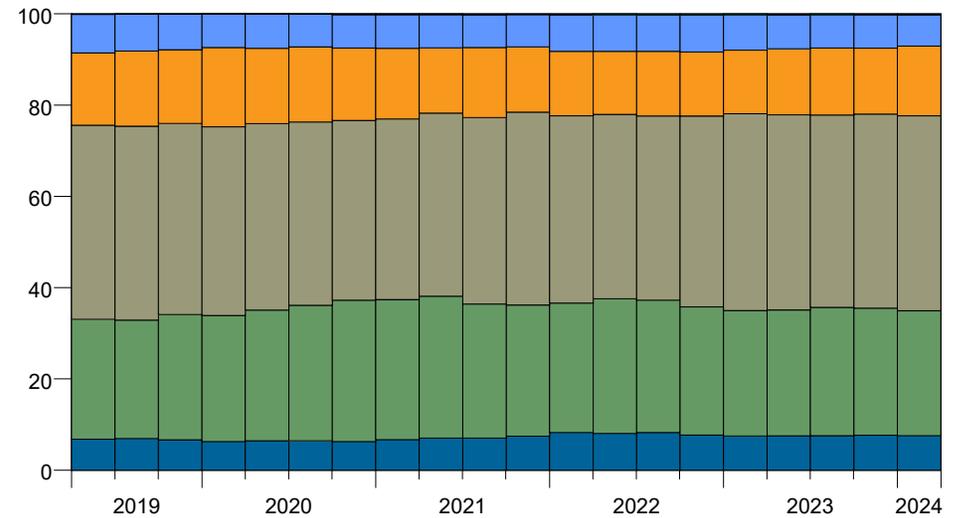
CC&L



EARNEST



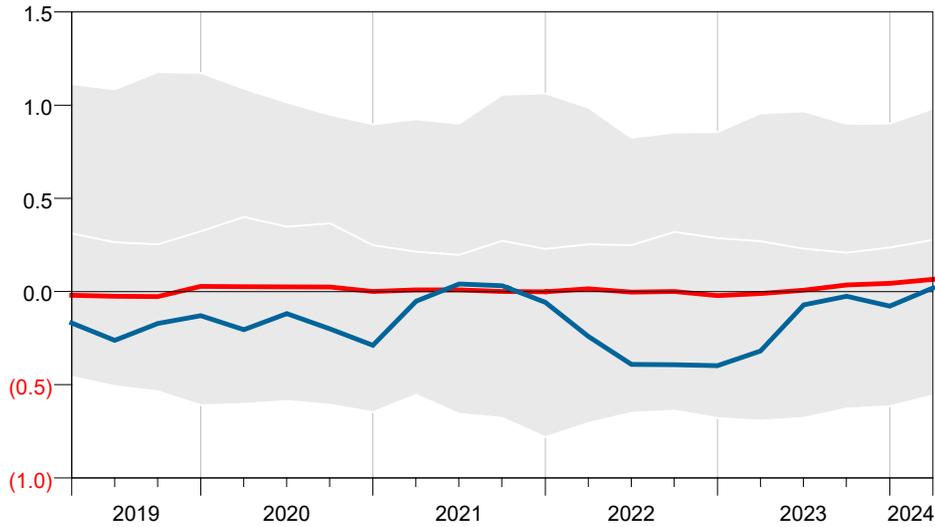
Index: MSCI ACWI xUS (Net)



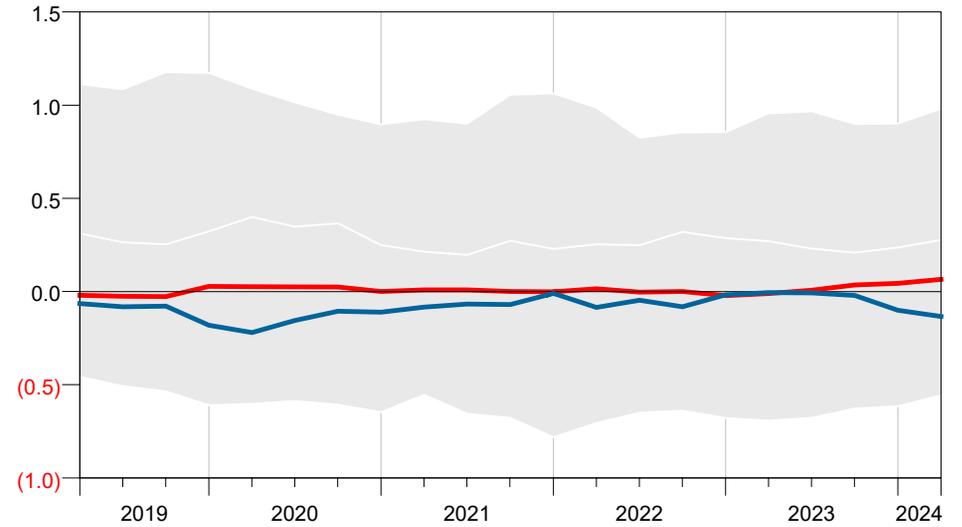
## Combined Z Score

The charts below illustrate Combined Z Score for different managers over time. As a backdrop, the range (from 10th to 90th percentile) is shown for the Callan Non-US All Country Broad Equity group. The MSCI ACWI xUS (Net) index is shown in red for comparison.

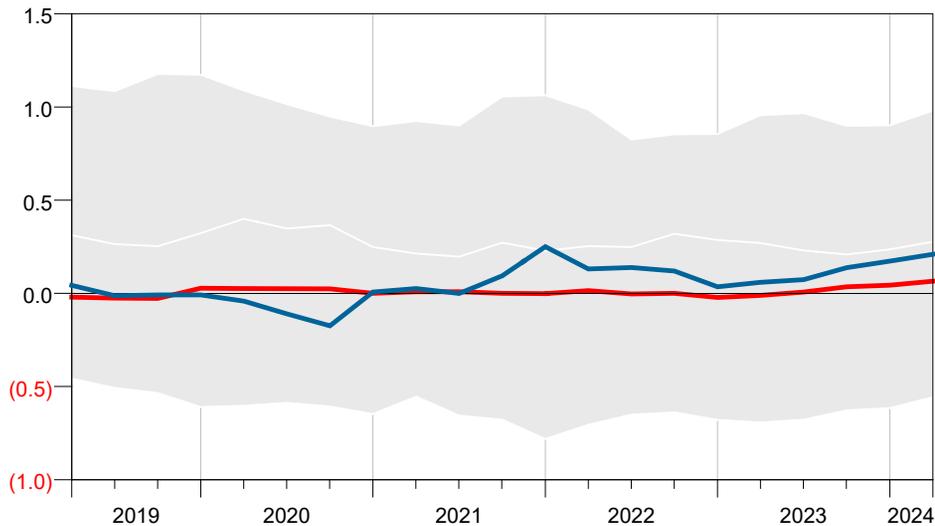
### Acadian



### CC&L



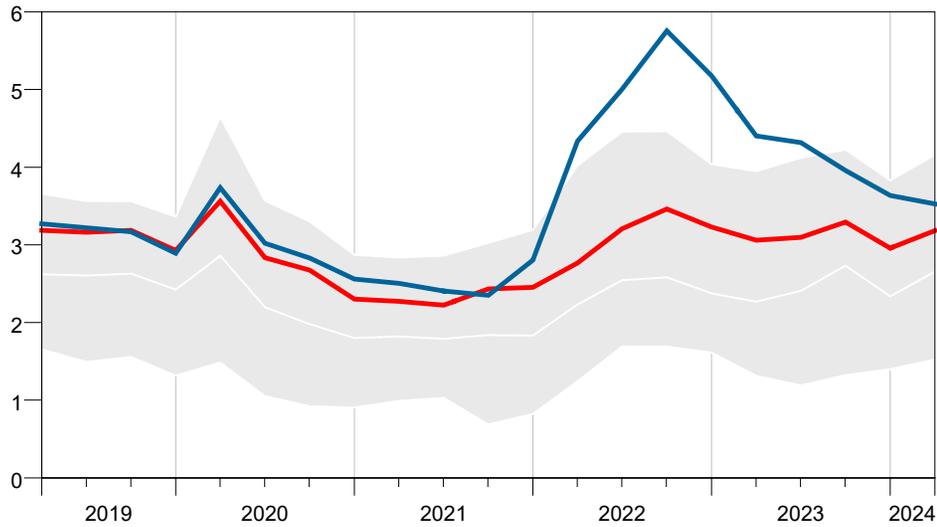
### EARNEST



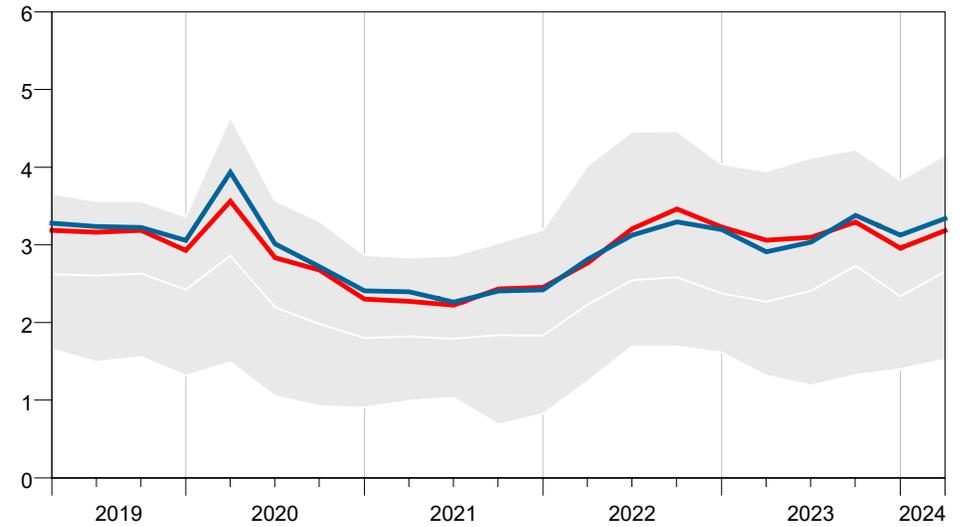
## Dividend Yield

The charts below illustrate Dividend Yield for different managers over time. As a backdrop, the range (from 10th to 90th percentile) is shown for the Callan Non-US All Country Broad Equity group. The MSCI ACWI xUS (Net) index is shown in red for comparison.

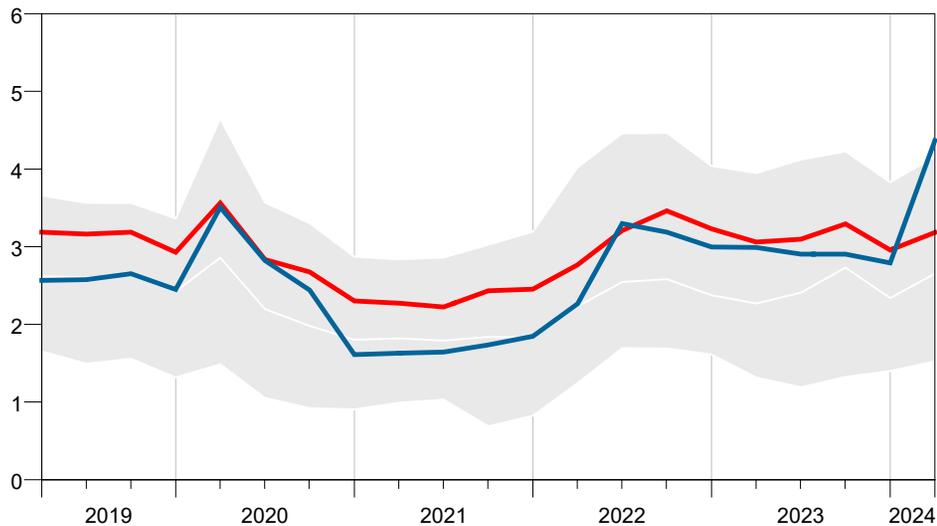
**Acadian**



**CC&L**



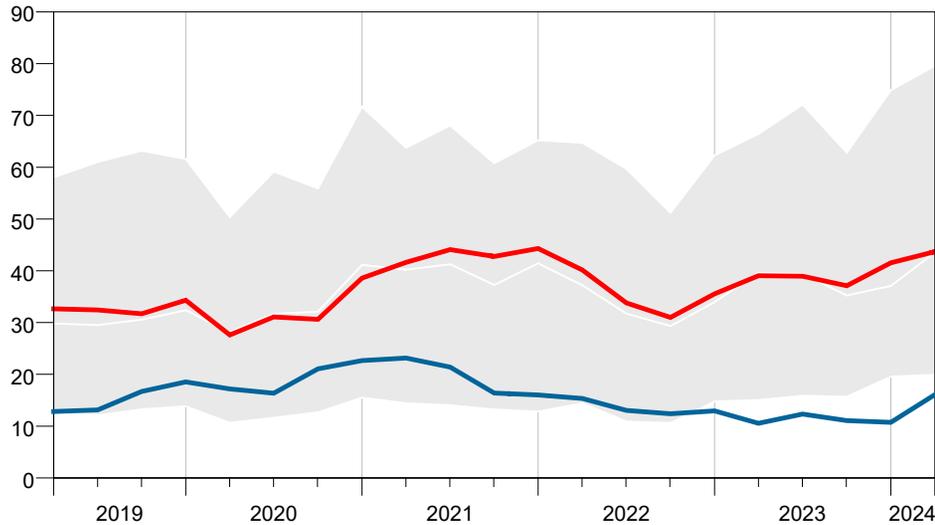
**EARNEST**



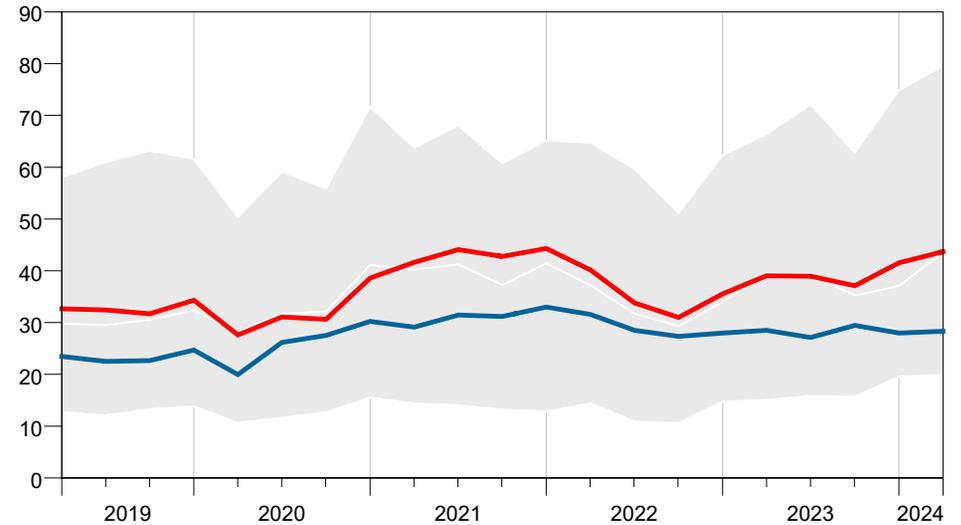
## Weighted Median Market Capitalization

The charts below illustrate Weighted Median Market Capitalization for different managers over time. As a backdrop, the range (from 10th to 90th percentile) is shown for the Callan Non-US All Country Broad Equity group. The MSCI ACWI xUS (Net) index is shown in red for comparison.

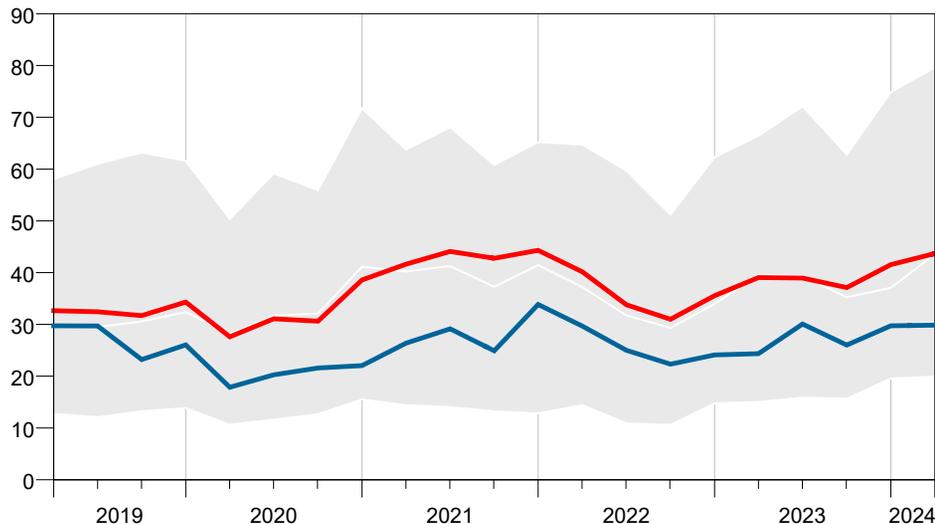
**Acadian**



**CC&L**



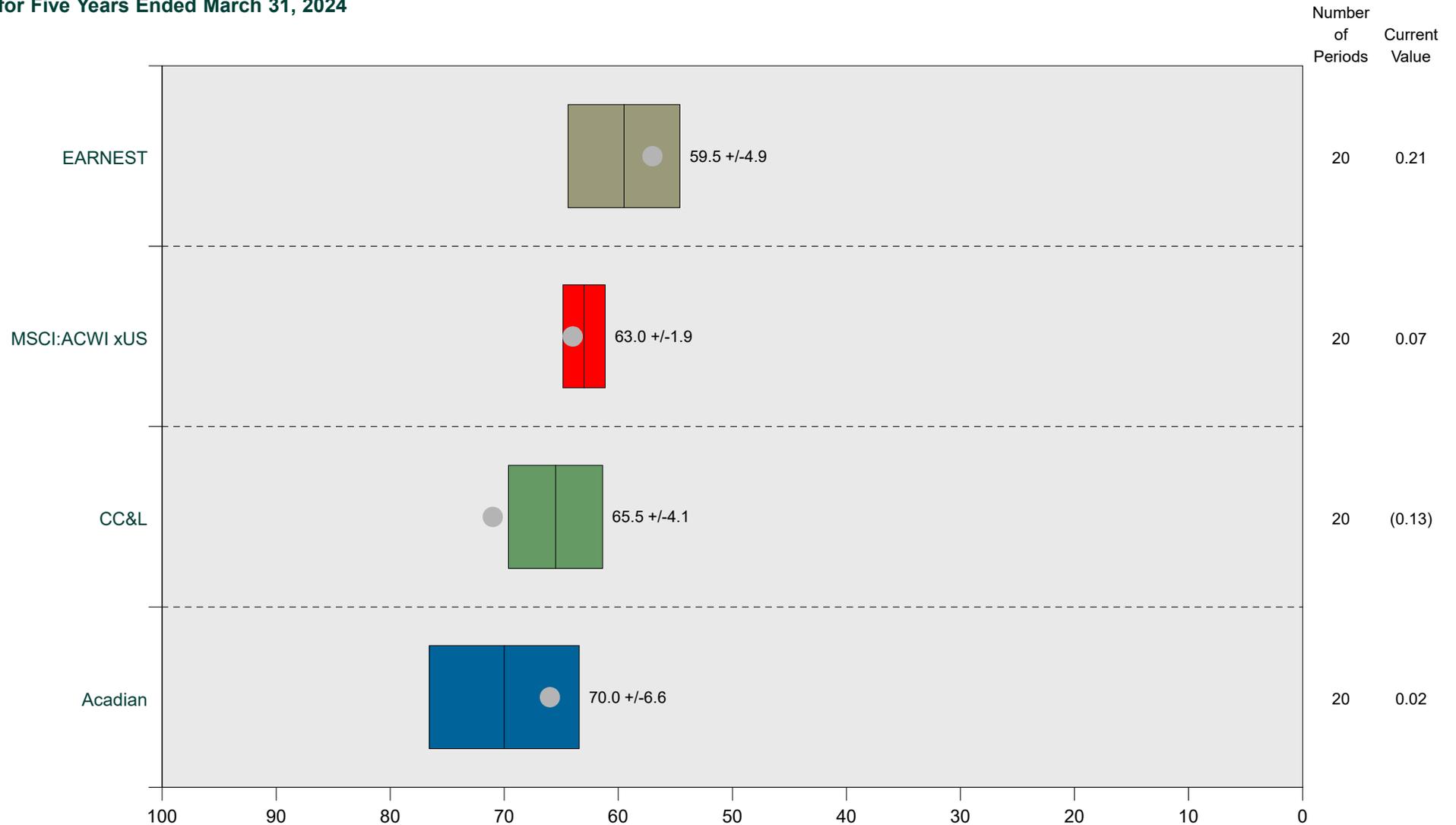
**EARNEST**



## Historical Rankings - Combined Z Score

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

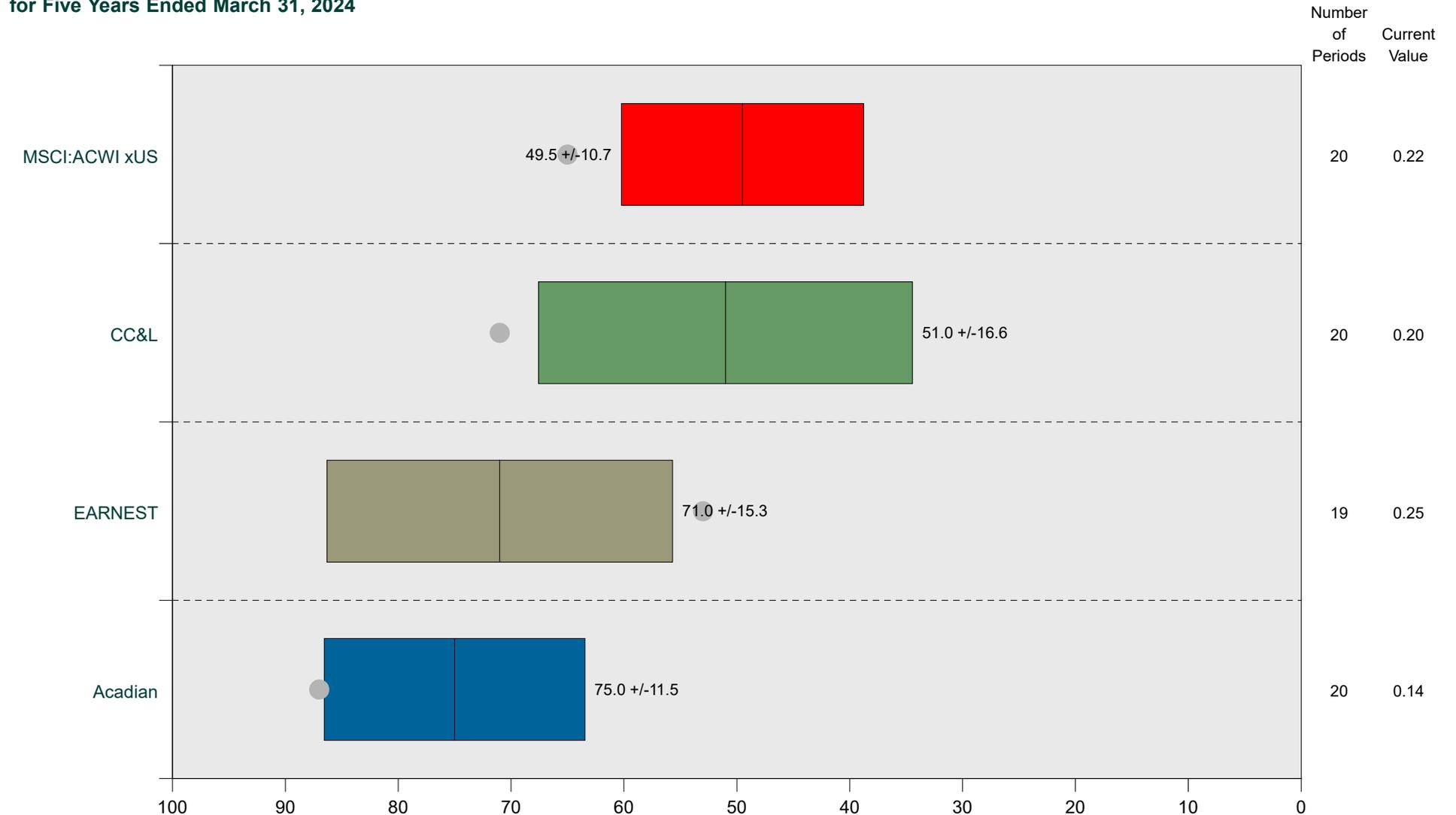
### Combined Z Score Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024



## Historical Rankings - Stability Score

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

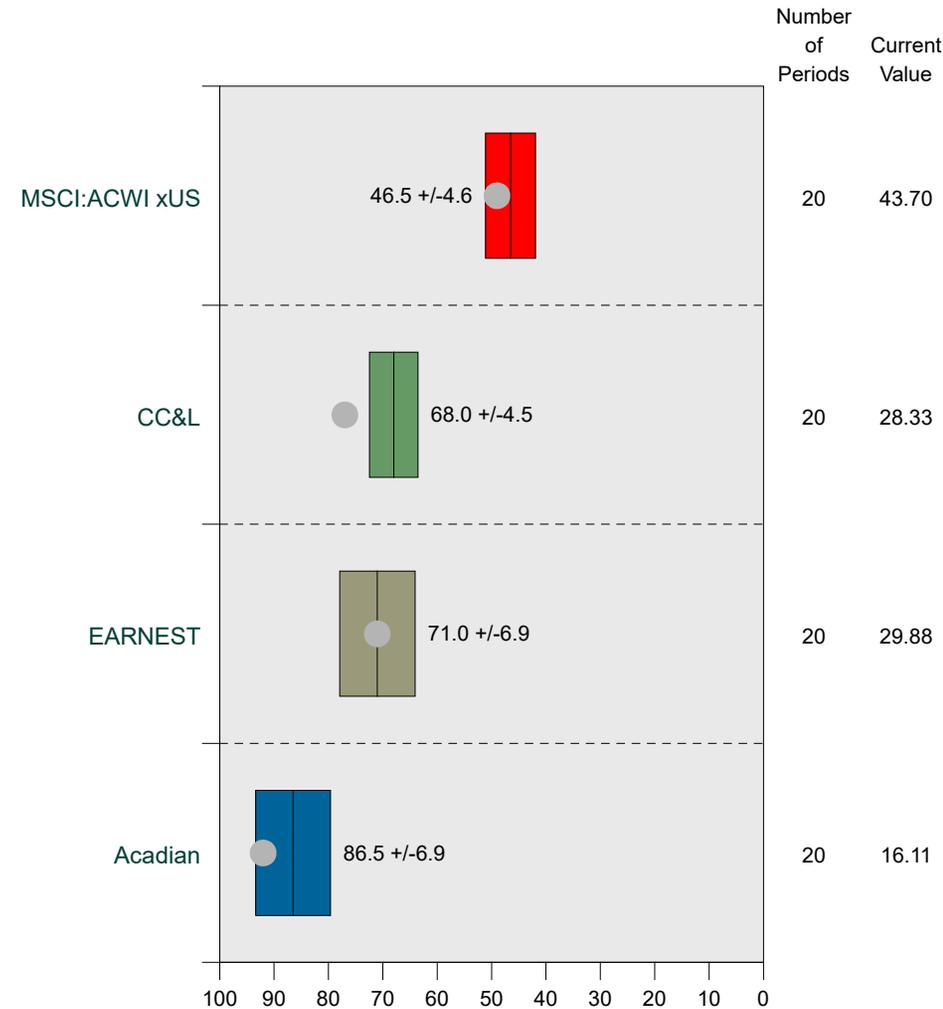
### Stability Score Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024



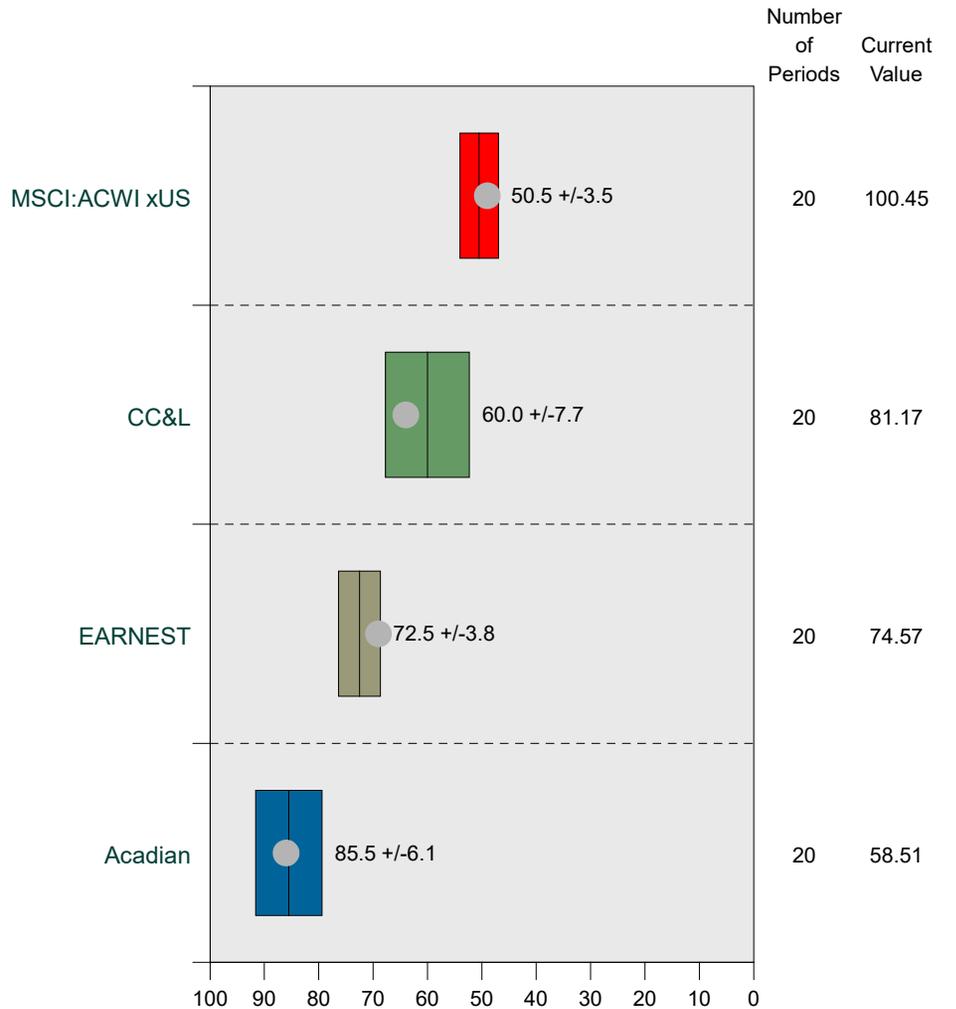
### Historical Rankings - Weighted Median & Average Market Cap.

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

**Weighted Median Market Cap Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**



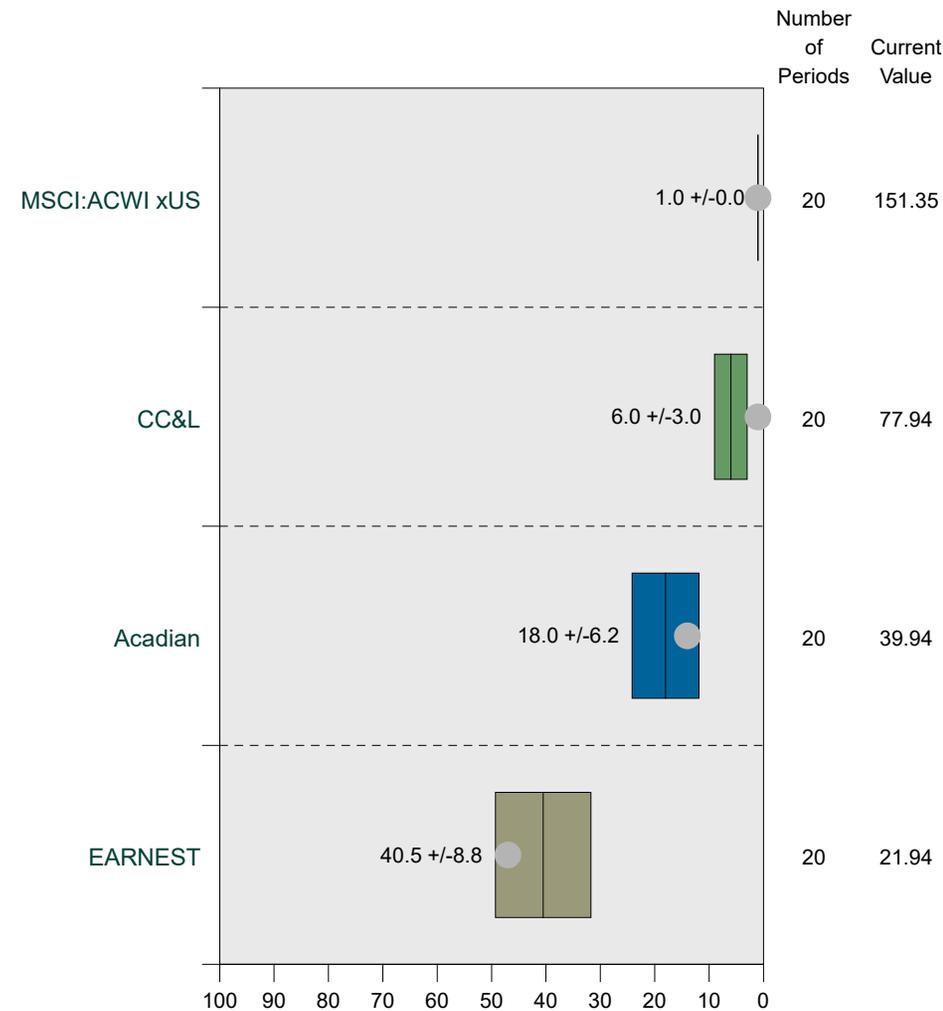
**Weighted Average Market Cap Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**



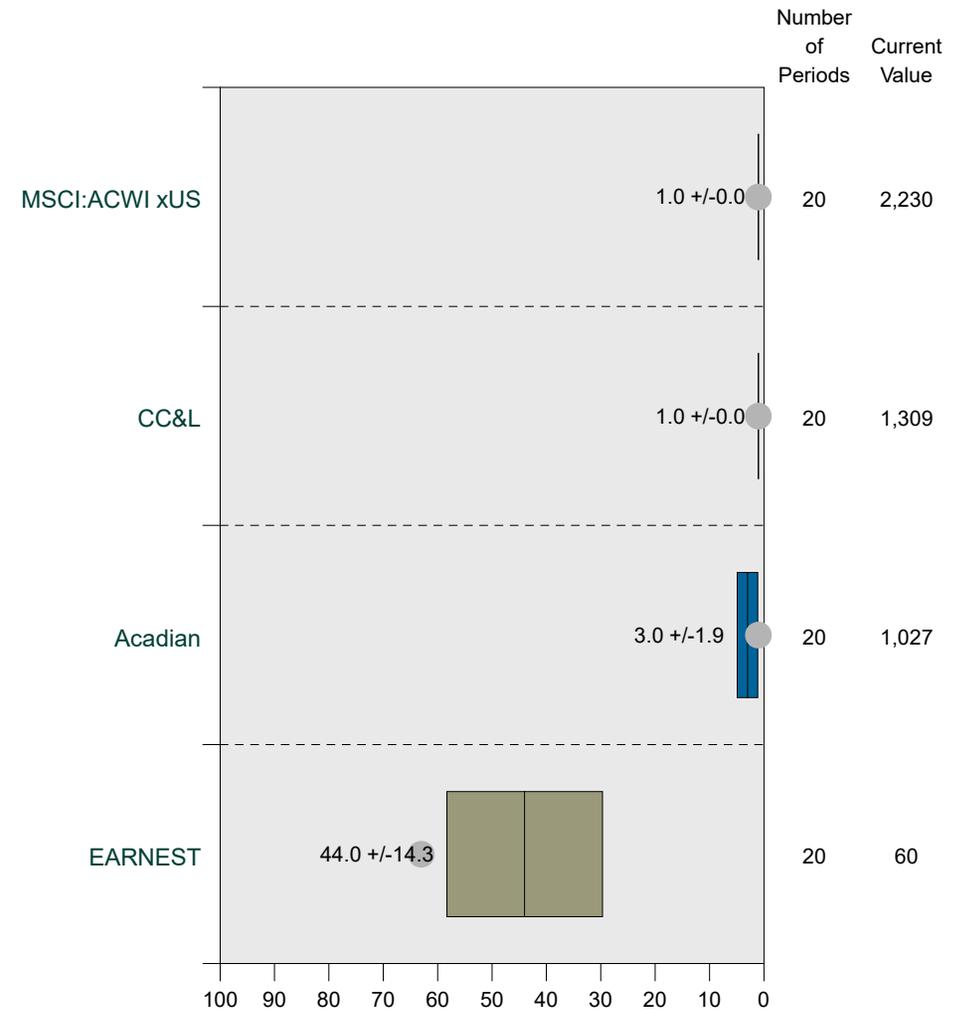
## Historical Rankings - Issue Div. & Number of Holdings

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

**Issue Diversification Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**

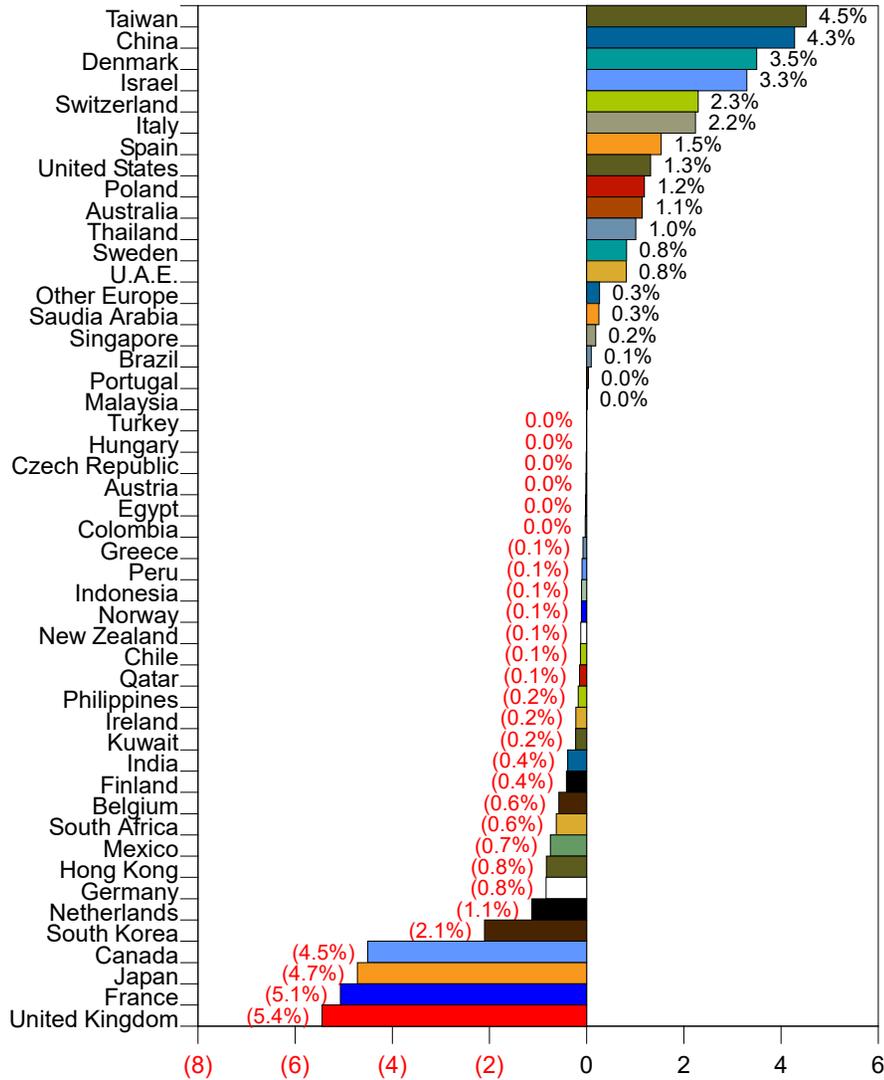


**Number of Holdings Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**

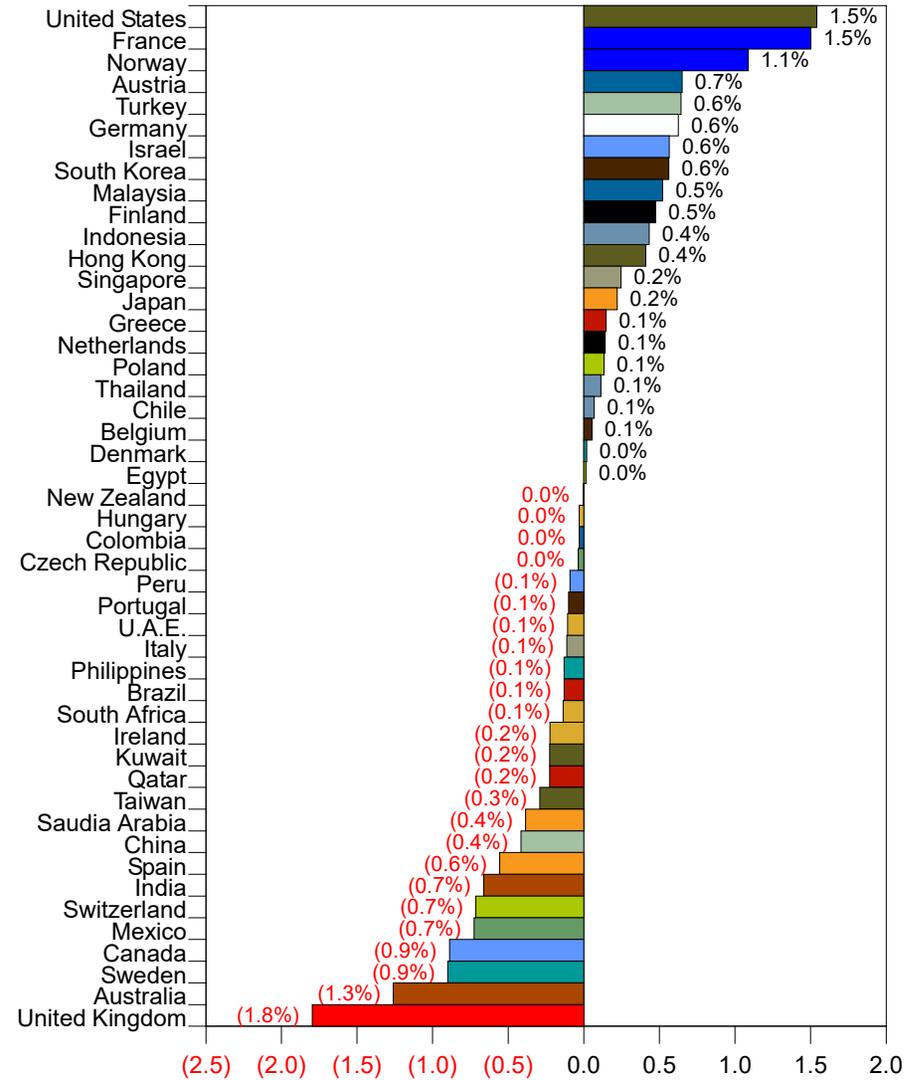


Relative Country Exposures  
Relative to MSCI:ACWI xUS

Acadian

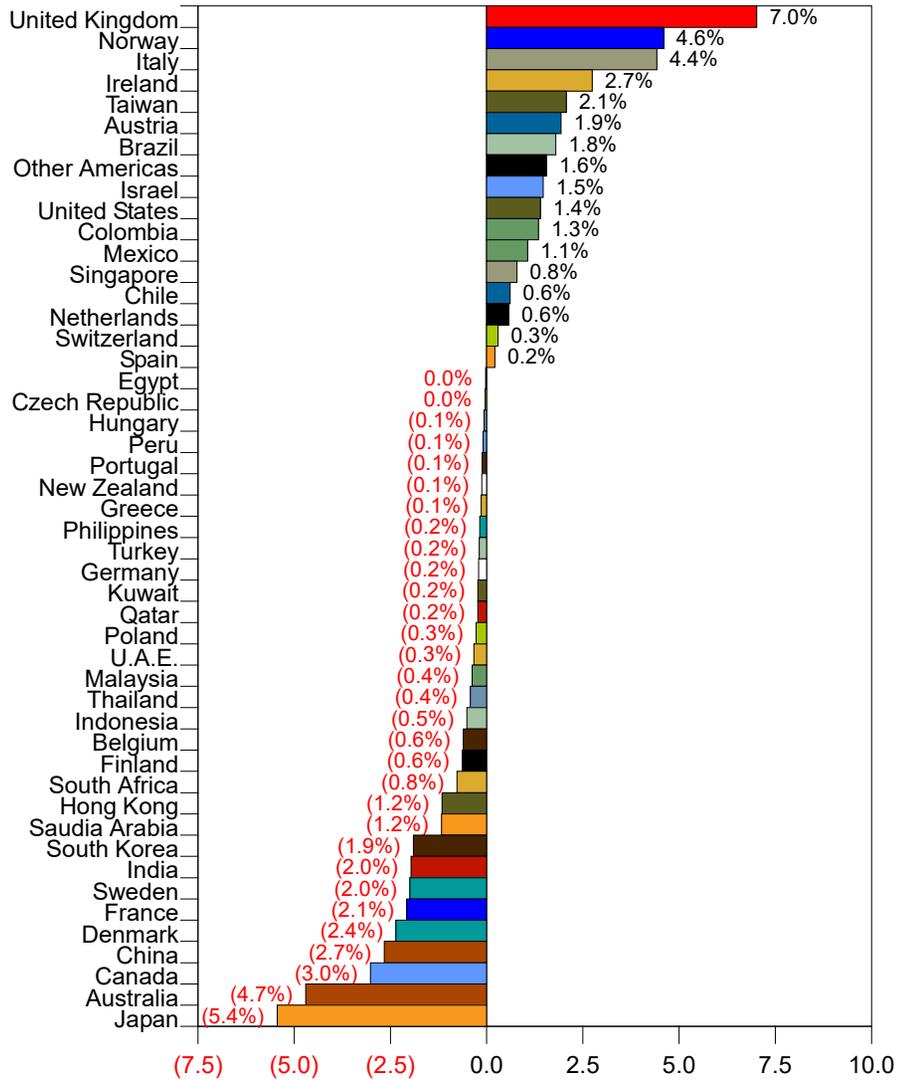


CC&L



## Relative Country Exposures Relative to MSCI:ACWI xUS

### EARNEST





# Candidate Performance

## Returns and Peer Group Rankings - Trailing Periods

### Returns for Periods Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Rankings in Parentheses)

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
Acadian	7.07 (20)	19.51 (15)	4.73 (22)	8.58 (30)	8.38 (25)	6.81 (19)
CC&L	7.00 (21)	18.77 (16)	5.56 (15)	9.73 (10)	9.17 (10)	6.99 (17)
EARNEST	4.92 (71)	15.64 (38)	5.67 (13)	8.90 (22)	8.38 (25)	6.49 (30)
Baillie Gifford (Incumbent)	3.75 (89)	4.50 (98)	(6.62) (97)	5.29 (95)	5.71 (90)	4.81 (78)
<b>Callan NonUS AC Broad Eq*</b>	<b>5.79</b>	<b>14.14</b>	<b>3.23</b>	<b>7.64</b>	<b>7.41</b>	<b>5.80</b>
<b>MSCI:ACWI xUS</b>	<b>4.69 (74)</b>	<b>13.26 (60)</b>	<b>1.94 (66)</b>	<b>5.97 (87)</b>	<b>5.88 (84)</b>	<b>4.25 (88)</b>

\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Returns and Peer Group Rankings - Calendar Years

### Returns for Periods Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Rankings in Parentheses)

	1 Qtr. 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Acadian	7.07 (20)	16.98 (56)	(15.73) (43)	16.27 (7)	13.90 (53)	19.14 (87)	(14.81) (47)	35.74 (13)	9.48 (4)	(3.85) (78)
CC&L	7.00 (21)	19.31 (37)	(14.40) (35)	14.00 (13)	15.41 (49)	23.15 (60)	(14.65) (44)	33.09 (22)	4.40 (27)	(1.38) (56)
EARNEST	4.92 (71)	18.37 (44)	(12.46) (23)	12.54 (26)	13.49 (54)	23.29 (59)	(15.53) (56)	31.44 (35)	6.01 (19)	(5.76) (89)
Baillie Gifford (Incumbent)	3.75 (89)	11.04 (96)	(31.57) (97)	3.75 (89)	33.94 (7)	34.09 (4)	(16.50) (71)	32.39 (28)	1.18 (61)	2.31 (18)
<b>Callan NonUS AC Broad Eq*</b>	<b>5.79</b>	<b>17.47</b>	<b>(17.45)</b>	<b>10.23</b>	<b>15.32</b>	<b>24.86</b>	<b>(15.08)</b>	<b>29.13</b>	<b>2.12</b>	<b>(0.88)</b>
<b>MSCI:ACWI xUS</b>	<b>4.69 (74)</b>	<b>15.62 (75)</b>	<b>(16.00) (46)</b>	<b>7.82 (71)</b>	<b>10.65 (60)</b>	<b>21.51 (72)</b>	<b>(14.20) (40)</b>	<b>27.19 (71)</b>	<b>4.50 (26)</b>	<b>(5.66) (89)</b>

\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Returns and Peer Group Rankings - Rolling Three-Year Periods

### Returns for Rolling Three-Year Periods Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Rankings in Parentheses)

	Last 3 Yrs.	3 Yrs. Ending 3/31/23	3 Yrs. Ending 3/31/22	3 Yrs. Ending 3/31/21	3 Yrs. Ending 3/31/20
Acadian	4.73 (22)	14.23 (43)	11.33 (20)	7.22 (59)	(0.47) (48)
CC&L	5.56 (15)	16.27 (19)	11.57 (19)	8.87 (45)	(0.34) (48)
EARNEST	5.67 (13)	18.67 (5)	11.17 (22)	7.33 (58)	(3.13) (74)
Baillie Gifford (Incumbent)	(6.62) (97)	9.30 (94)	10.14 (38)	14.86 (6)	2.63 (22)
<b>Callan NonUS AC Broad Eq*</b>	<b>3.23</b>	<b>13.33</b>	<b>9.17</b>	<b>8.43</b>	<b>(0.61)</b>
<b>MSCI:ACWI xUS</b>	<b>1.94 (66)</b>	<b>11.80 (73)</b>	<b>7.51 (71)</b>	<b>6.51 (69)</b>	<b>(1.96) (62)</b>

\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Returns and Peer Group Rankings - Rising/Declining Periods

### Returns for Rising/Declining Periods for Ten Years Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Rankings in Parentheses)

	Rising Period 10/1/22 to 3/31/24	Declining Period 1/1/22 to 9/30/22	Rising Period 4/1/20 to 12/31/21	Declining Period 1/1/20 to 3/31/20	Rising Period 1/1/19 to 12/31/19	Declining Period 10/1/18 to 12/31/18	Rising Period 7/1/16 to 9/30/18	Declining Period 7/1/14 to 6/30/16	Rising Period 4/1/14 to 6/30/14
Acadian	26.16 (58)	(25.51) (35)	34.87 (34)	(21.54) (39)	19.14 (87)	(13.19) (53)	16.97 (13)	(5.76) (52)	5.76 (15)
CC&L	28.76 (35)	(25.21) (32)	35.80 (28)	(22.98) (51)	23.15 (60)	(13.18) (52)	16.14 (18)	(6.55) (65)	4.52 (41)
EARNEST	26.42 (54)	(23.51) (12)	38.93 (12)	(28.15) (87)	23.29 (59)	(12.89) (46)	15.75 (23)	(6.98) (73)	4.58 (37)
Baillie Gifford (Incumbent)	19.73 (100)	(39.83) (98)	36.82 (24)	(19.71) (21)	34.09 (4)	(15.30) (89)	13.05 (57)	(2.51) (9)	2.65 (84)
<b>Callan NonUS AC Broad Eq*</b>	<b>26.61</b>	<b>(28.00)</b>	<b>32.95</b>	<b>(22.85)</b>	<b>24.86</b>	<b>(13.05)</b>	<b>13.31</b>	<b>(5.57)</b>	<b>4.08</b>
<b>MSCI:ACWI xUS</b>	<b>24.15 (86)</b>	<b>(26.50) (39)</b>	<b>28.77 (80)</b>	<b>(23.36) (57)</b>	<b>21.51 (72)</b>	<b>(11.46) (23)</b>	<b>12.42 (69)</b>	<b>(7.78) (83)</b>	<b>5.03 (29)</b>

\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Statistics and Peer Group Rankings - Up & Down Market Capture

The table below illustrates Up Market Capture and Down Market Capture for ten years versus the Callan NonUS AC Broad Eq group. A manager with an up-market capture greater than 100 has outperformed the index during the up market and a manager with a down-market capture less than 100 has outperformed the index during the down market. The Down Market Capture rankings are inverted.

### Up Market Capture and Down Market Capture Relative to the MSCI:ACWI xUS for Ten Years Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Rankings in Parentheses)

	Up Market Capture (%)	Down Market Capture (%)
Acadian	117.02 (61)	93.42 (92)
CC&L	133.83 (28)	98.59 (65)
EARNEST	131.26 (30)	100.22 (52)
Baillie Gifford (Incumbent)	146.92 (15)	111.86 (3)
<b>Callan NonUS AC Broad Eq*</b>	<b>120.68</b>	<b>100.77</b>

\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Excess Correlation Table

This excess correlation table shows the correlation of one portfolio's excess return to another portfolio's excess return. Excess return is the return minus a benchmark. For instance, Excess Correlation could measure the correlation of Manager A's return in excess of a benchmark with Manager B's return in excess of the same benchmark. Excess Correlation is used to indicate whether different managers outperform a market index at the same time.

### Benchmark: MSCI ACWI xUS (Net) for Five Years Ended March 31, 2024

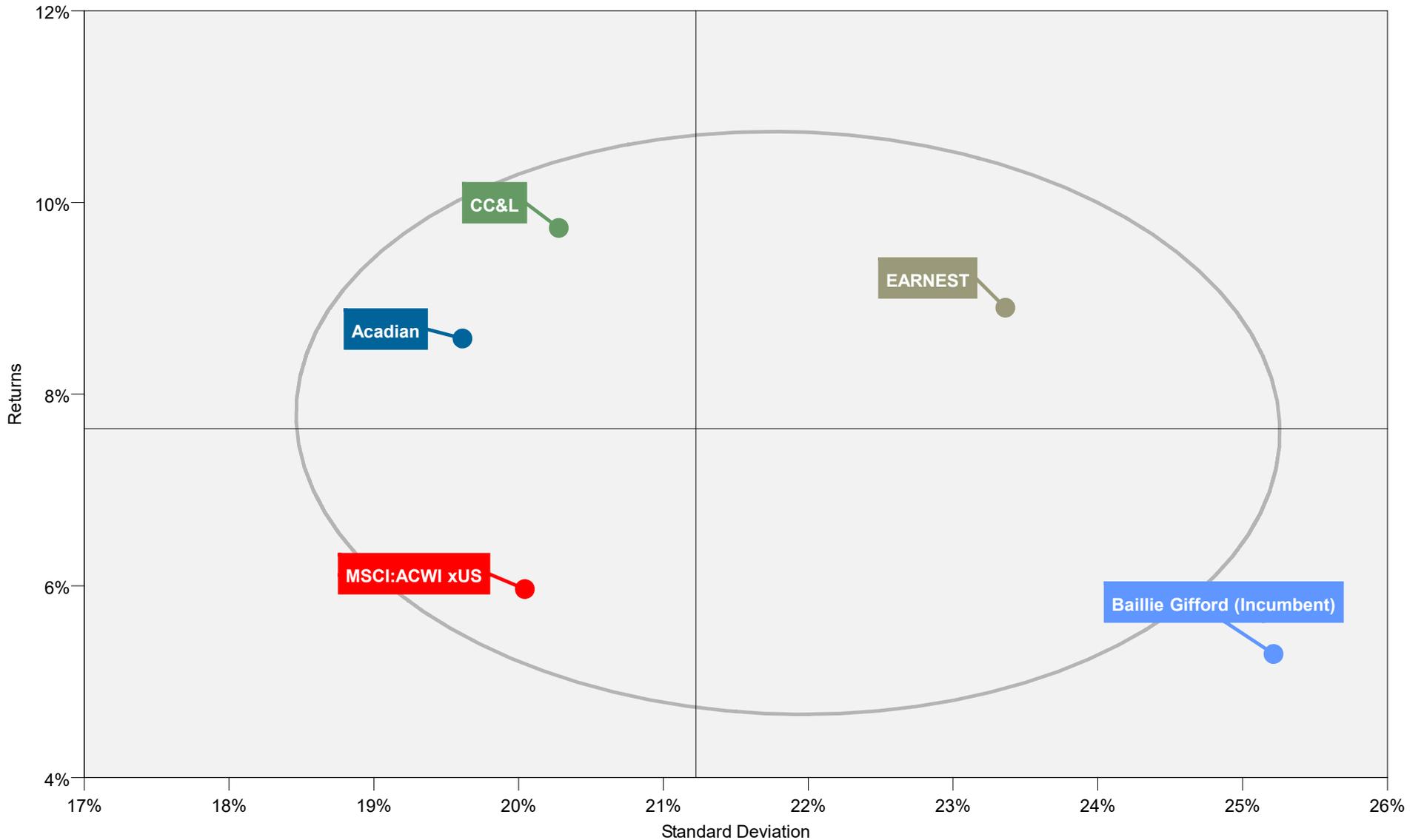
Acadian	1.00			
CC&L	0.41	1.00		
EARNEST	0.04	(0.25)	1.00	
Baillie Gifford (Incumbent)	(0.36)	0.05	(0.22)	1.00
	Acadian	CC&L	EARNEST	Baillie Gifford (Incumbent)

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Risk/Reward Structure

Risk/Reward for Five Years Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Ellipse with Median at Central Axis)



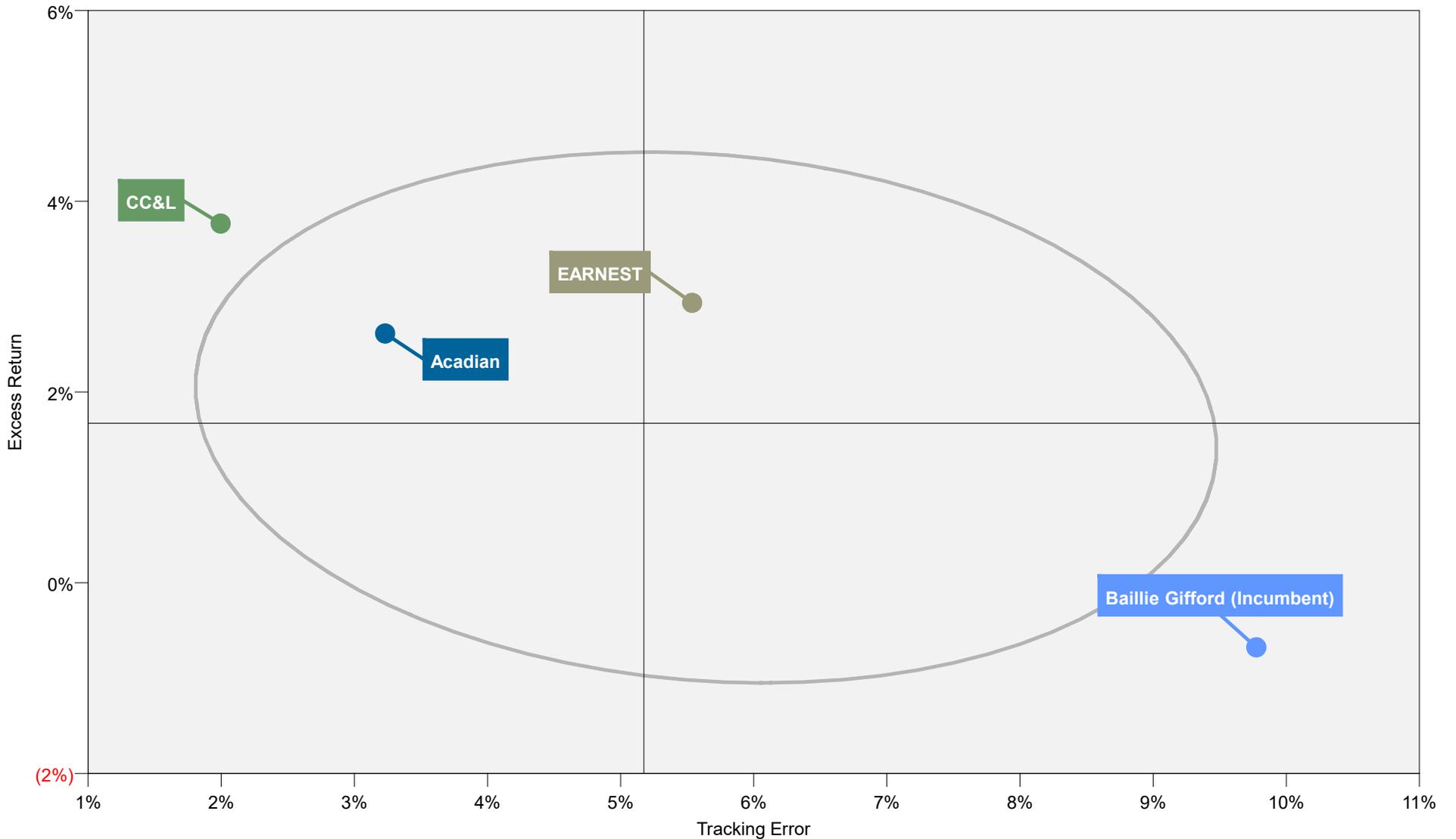
Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Excess Return vs. Tracking Error

Excess Return vs Tracking Error for Five Years Ended March 31, 2024

Benchmark: MSCI ACWI xUS (Net)

Group: Callan NonUS AC Broad Eq (Ellipse with Median at Central Axis)



Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Risk Statistics

### Return-Based Risk Statistics Relative to MSCI:ACWI xUS for Five Years Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Ranking in Parentheses)

	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Alpha	Beta	Correlation
Acadian	19.61 (93)	1.52 (90)	0.33 (17)	0.80 (9)	2.61 (31)	0.97 (90)	0.99 (16)
CC&L	20.28 (82)	0.43 (99)	0.38 (6)	1.76 (1)	3.61 (10)	1.01 (68)	1.00 (4)
EARNEST	23.36 (19)	2.17 (73)	0.29 (34)	0.55 (28)	2.67 (30)	1.15 (16)	0.98 (38)
Baillie Gifford (Incumbent)	25.21 (9)	7.14 (4)	0.13 (97)	(0.06) (94)	(0.58) (95)	1.17 (11)	0.93 (87)
<b>Callan NonUS AC Broad Eq*</b>	<b>21.22</b>	<b>3.26</b>	<b>0.26</b>	<b>0.33</b>	<b>1.73</b>	<b>1.03</b>	<b>0.97</b>
<b>MSCI:ACWI xUS</b>	<b>20.04 (85)</b>	<b>0.00 (100)</b>	<b>0.20 (74)</b>	<b>0.00 (92)</b>	<b>0.00 (92)</b>	<b>1.00 (75)</b>	<b>1.00 (1)</b>

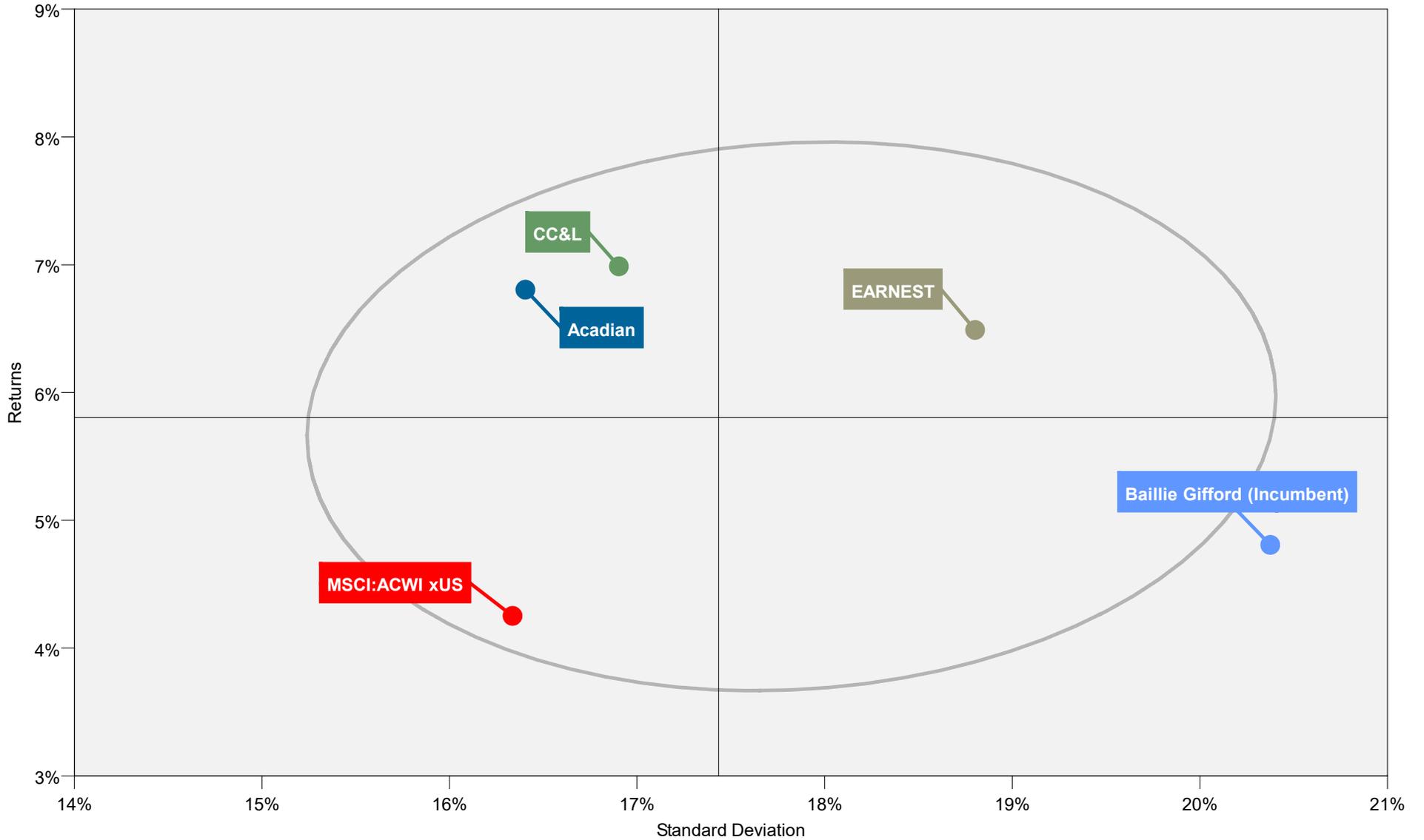
\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Risk/Reward Structure

Risk/Reward for Ten Years Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Ellipse with Median at Central Axis)



Manager candidate performance shown is gross-of-fees unless otherwise noted.

## Risk Statistics

### Return-Based Risk Statistics Relative to MSCI:ACWI xUS for Ten Years Ended March 31, 2024

Group: Callan NonUS AC Broad Eq (Percentile Rankings in Parentheses)

	Standard Deviation	Downside Risk	Sharpe Ratio	Information Ratio	Alpha	Beta	Correlation
Acadian	16.40 (87)	1.45 (92)	0.33 (14)	0.84 (4)	2.53 (20)	0.99 (80)	0.98 (14)
CC&L	16.90 (65)	0.90 (99)	0.33 (13)	1.32 (1)	2.62 (17)	1.03 (54)	0.99 (2)
EARNEST	18.80 (24)	1.71 (86)	0.27 (38)	0.55 (21)	2.05 (35)	1.13 (16)	0.98 (22)
Baillie Gifford (Incumbent)	20.38 (7)	5.61 (4)	0.17 (88)	0.07 (87)	0.55 (79)	1.17 (12)	0.93 (87)
<b>Callan NonUS AC Broad Eq*</b>	<b>17.43</b>	<b>2.75</b>	<b>0.25</b>	<b>0.32</b>	<b>1.57</b>	<b>1.03</b>	<b>0.97</b>
<b>MSCI:ACWI xUS</b>	<b>16.34 (87)</b>	<b>0.00 (100)</b>	<b>0.18 (87)</b>	<b>0.00 (88)</b>	<b>0.00 (88)</b>	<b>1.00 (75)</b>	<b>1.00 (1)</b>

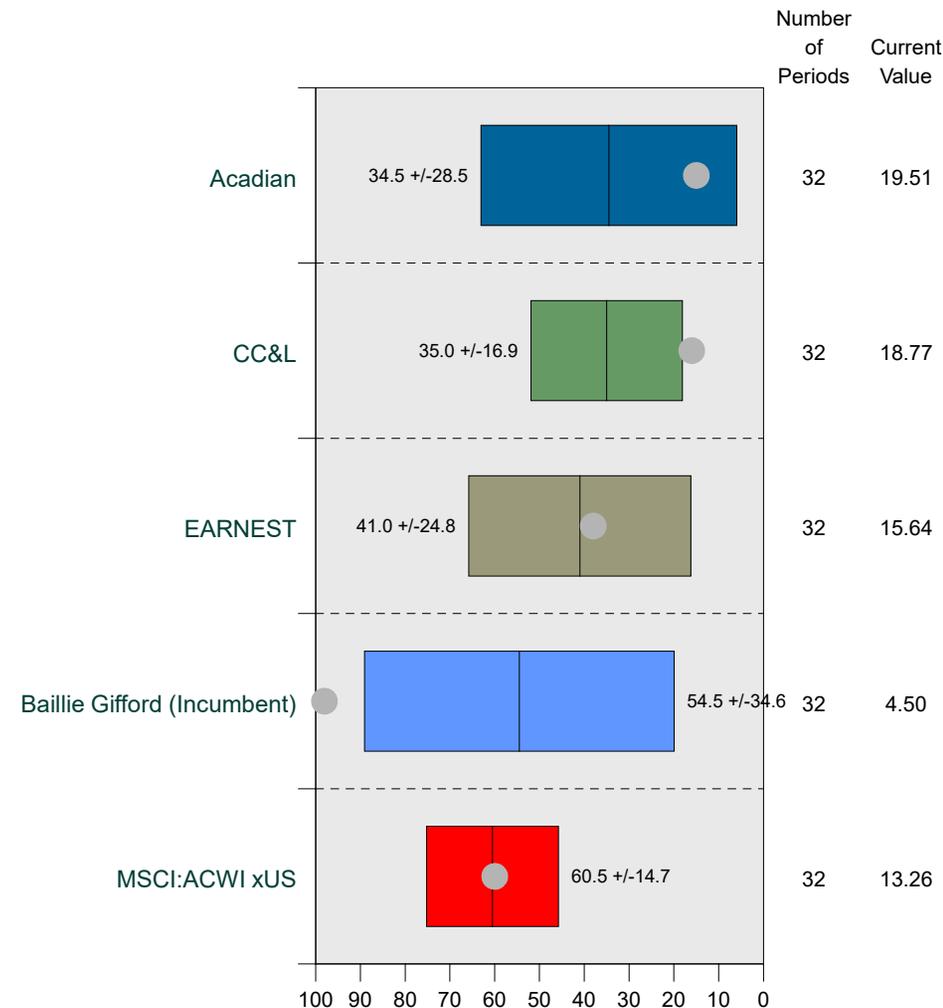
\*Results reflect group median.

Manager candidate performance shown is gross-of-fees unless otherwise noted.

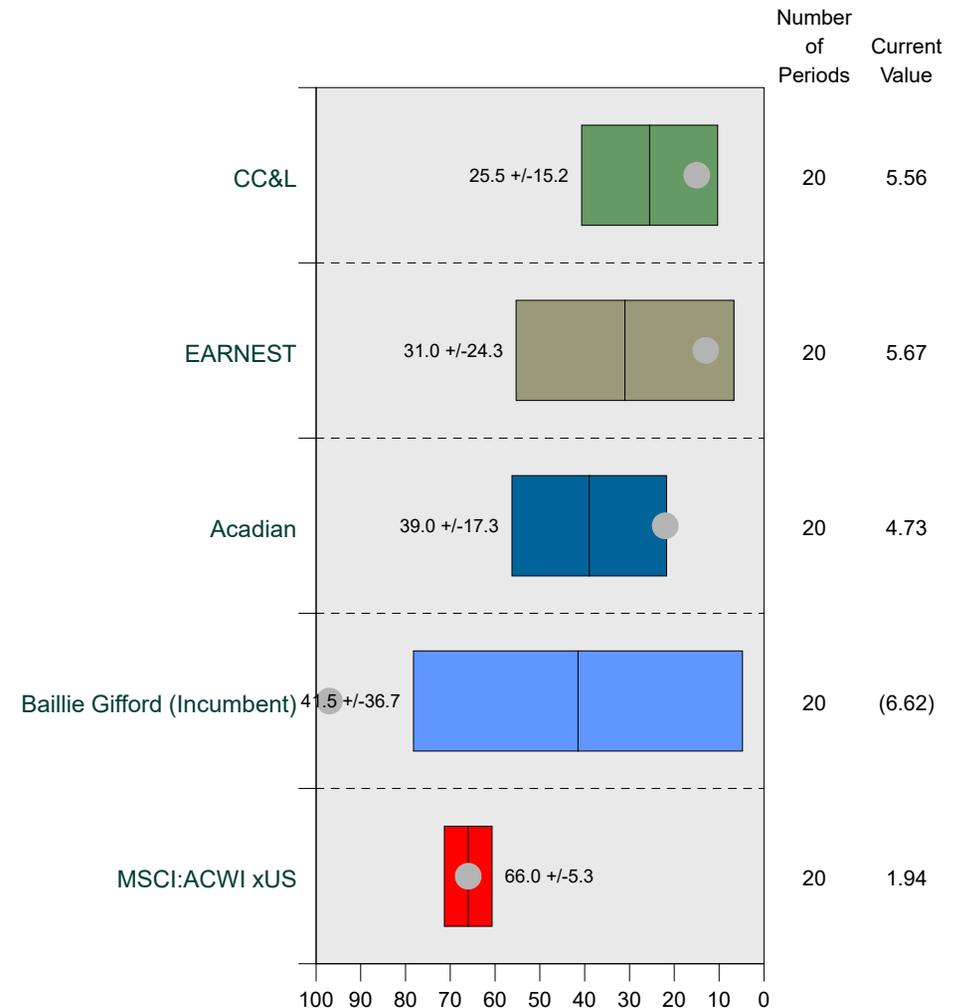
## Historical Rankings - Returns

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

**Rolling One-Year Returns Against Callan NonUS AC Broad Eq for Eight Years Ended March 31, 2024**



**Rolling Three-Year Returns Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**

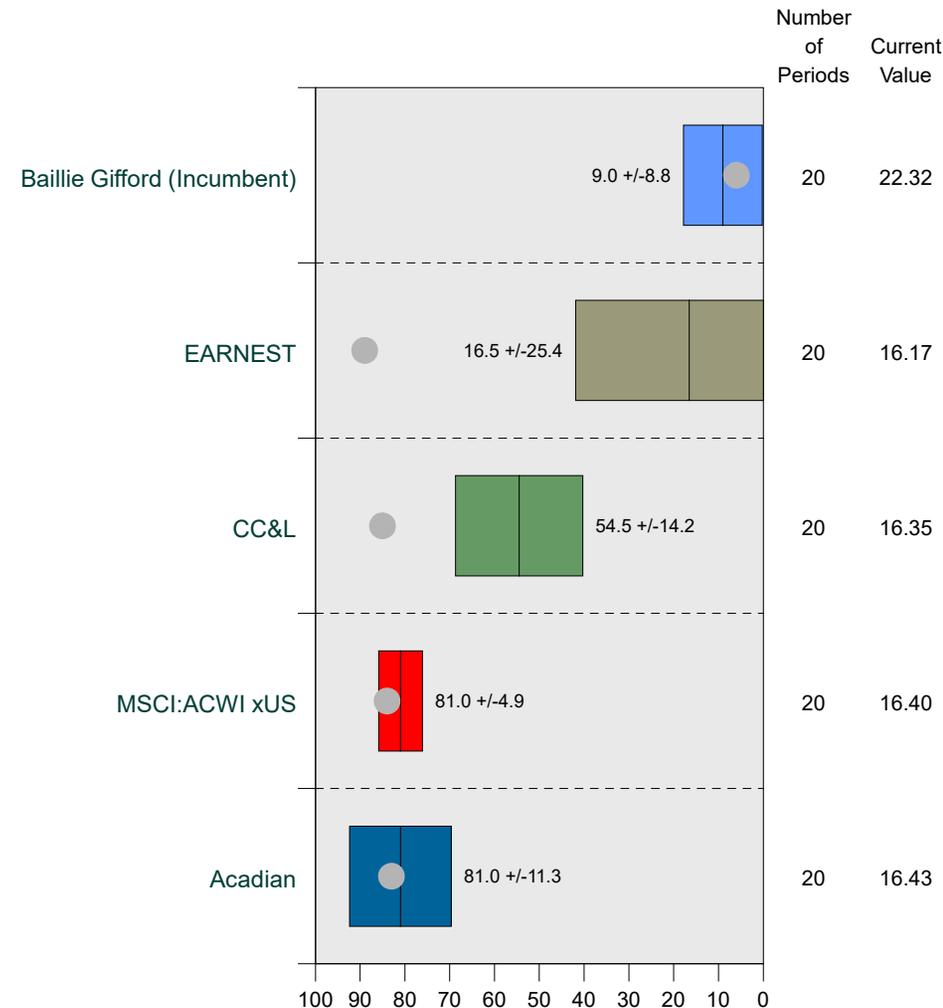


Manager candidate performance shown is gross-of-fees unless otherwise noted.

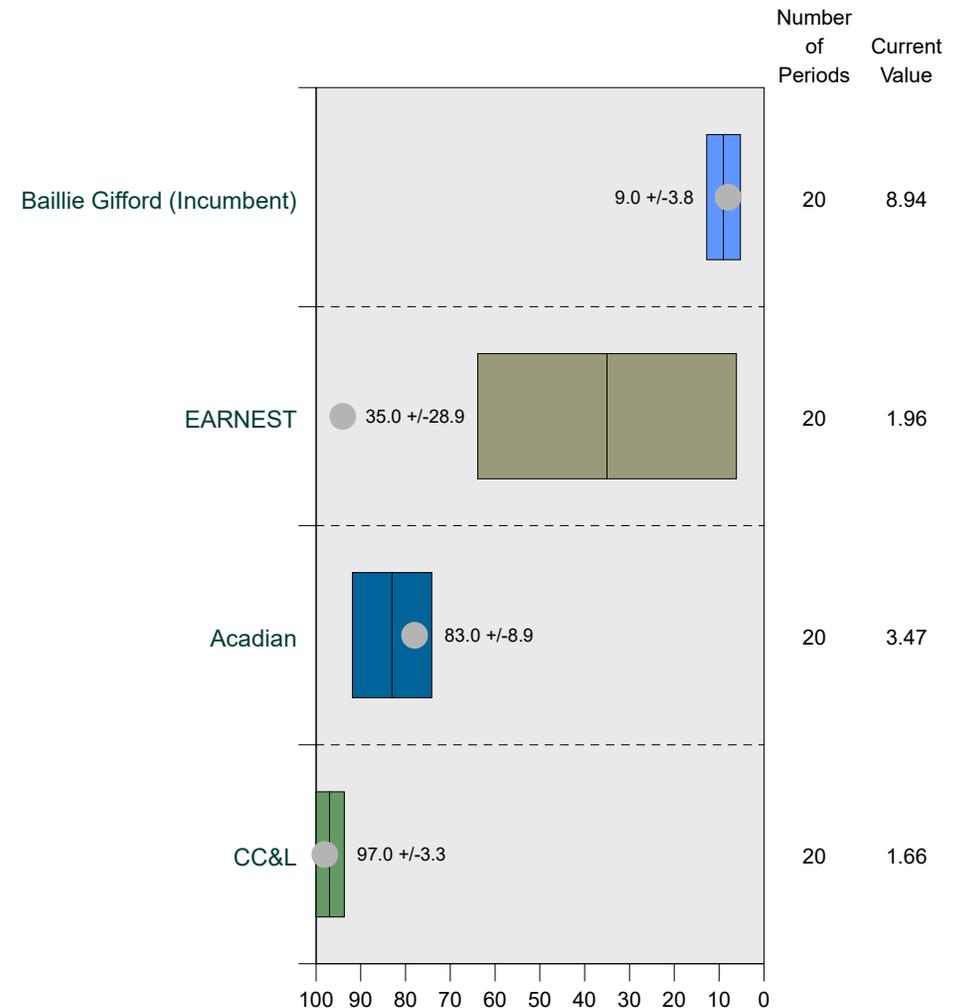
## Historical Rankings - Standard Deviation & Tracking Error

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

**Rolling Three-Year Standard Deviation Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**



**Rolling Three-Year Tracking Error Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**

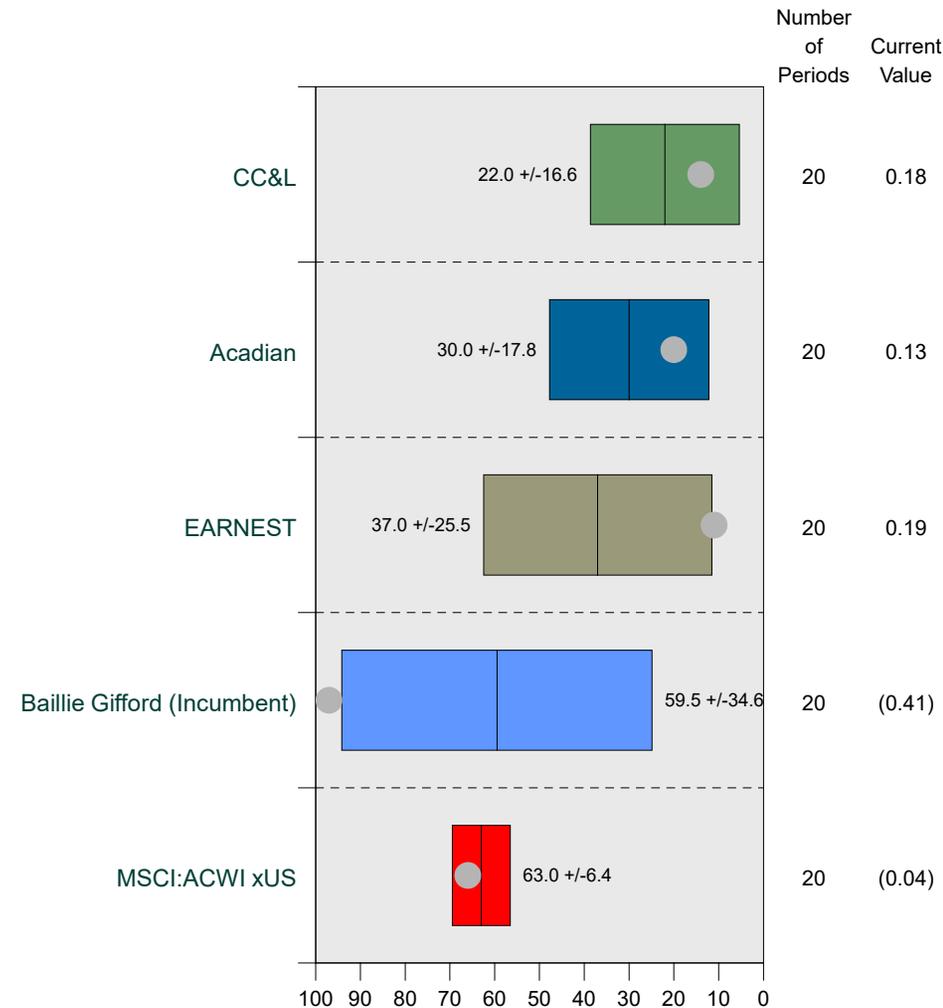


Manager candidate performance shown is gross-of-fees unless otherwise noted.

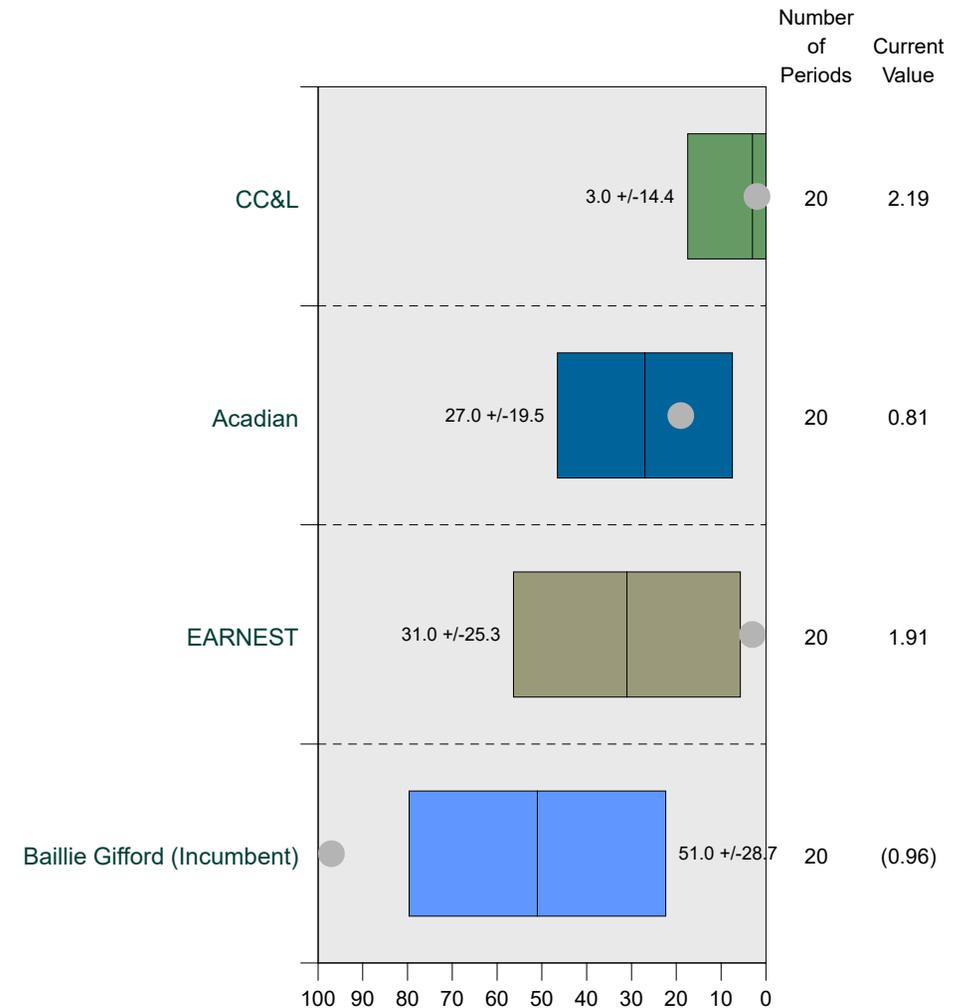
## Historical Rankings - Sharpe Ratio & Excess Return Ratio

This page compares multiple portfolios to each other by analyzing both the historical median ranking for a given metric versus a relevant peer group, and the consistency and range (standard deviation) of that ranking over time. The midpoint of each sideways bar represents the median ranking of a given portfolio over time, and the width of the bar represents the consistency and range of that ranking (+/- 1 standard deviation). The slash-separated numbers show the median and standard deviation, respectively, of the portfolios' ranking. The current ranking of each portfolio is demarcated by a dot, while the corresponding current value of the metric is displayed on the far right.

**Rolling Three-Year Sharpe Ratio Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**



**Rolling Three-Year Excess Return Ratio Against Callan NonUS AC Broad Eq for Five Years Ended March 31, 2024**



Manager candidate performance shown is gross-of-fees unless otherwise noted.



## Firm Overview: Acadian Asset Management LLC

Acadian was founded in 1977 as a financial research firm and provided international index-matching and active country selection strategies for State Street Bank and Trust. Acadian registered with the SEC in 1986 as an independent adviser and in December 1987, the firm launched its first international equity product. In early 1992, Acadian Asset Management became a wholly owned subsidiary of Boston-based United Asset Management, which was acquired by Old Mutual Investment Advisers in 2000. On December 30, 2007, Acadian completed a change in its corporate structure from a Massachusetts corporation to a Delaware LLC to facilitate an incentive program that includes ownership shares to a wide spectrum of employees. Acadian Asset Management's parent company, Old Mutual, changed its brand name to BrightSphere Investment Group in March 2018.

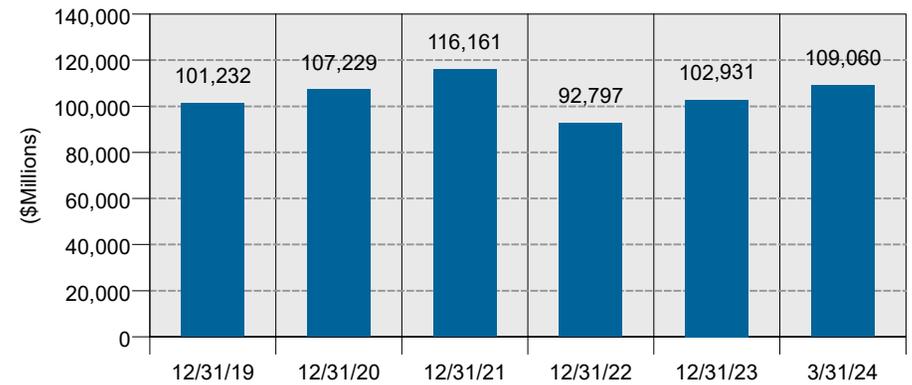
Firm	Contact
Acadian Asset Management LLC 260 Franklin Street 21th Floor Boston, MA 02110	Renee Hoffman (617) 850-3579 rhoffman@acadian-asset.com

Ownership	Founded	Portfolio Managers	Analysts
Subsidiary	1986	36	112

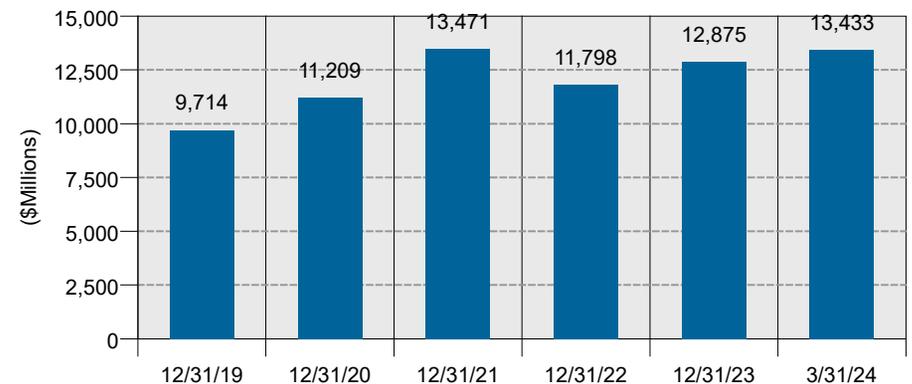
### Total Firm Asset Breakdown

Domestic	\$(mm)	Client Type	\$(mm)
Equity	3,443	Corporate	21,231
Fixed Income	16	Public(Govt)	43,132
<b>Total</b>	<b>3,459</b>	Union/Multi-Employer	1,668
		Foundation/Endowment	2,847
Global	\$(mm)	Other	40,182
Equity	103,565	<b>Total Org Assets</b>	<b>109,060</b>
Balanced	2,036		
<b>Total</b>	<b>105,601</b>		

### Total Firm Asset Growth (\$mm) as of March 31, 2024



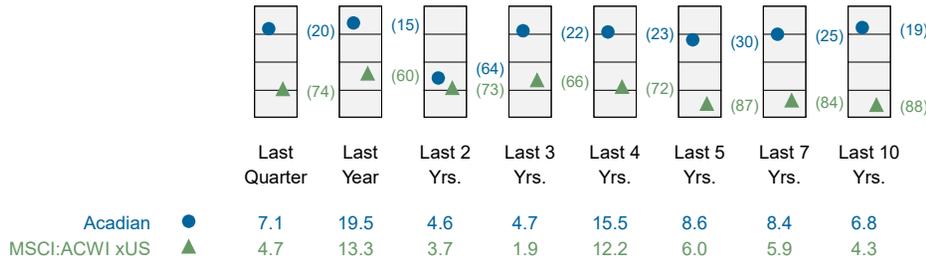
### Total Product Asset Growth (\$mm) as of March 31, 2024



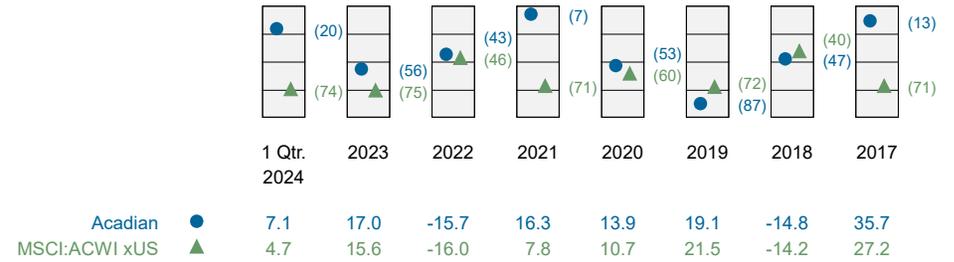
Client Type AUM Total does not include DC assets.

# Product Overview: Acadian

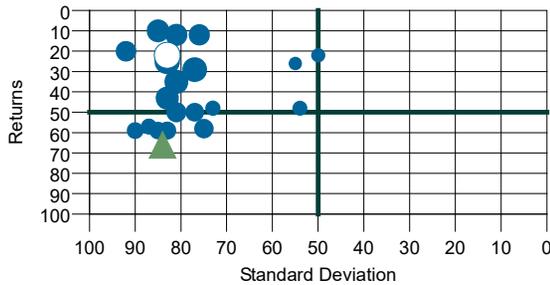
## Returns vs. Callan NonUS AC Broad Eq



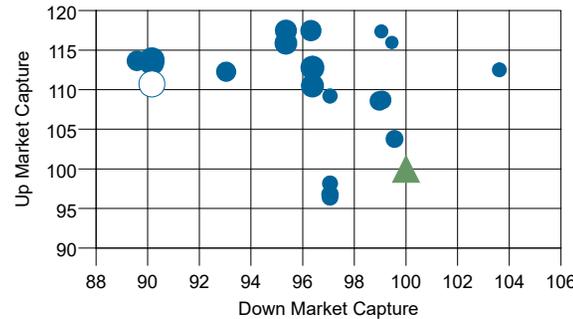
## Calendar Year Returns



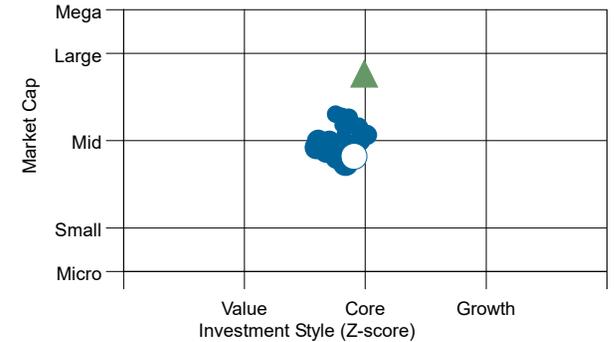
## Return and Risk Rankings vs. Callan NonUS AC Broad Eq Group Rolling 3 Year for 5 Years



## Upside/Downside Capture Rolling 3 Year for 5 Years



## Holdings Based Style Map Rolling 1 Year



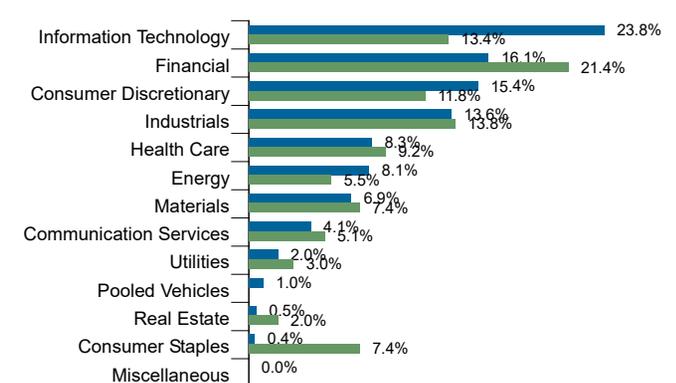
## Regional Exposure (%)

	Acadian	MSCI:ACWI xUS	Callan NonUS AC Broad Eq
Emerging Markets	35	27	20
Europe	43	43	54
Frontier Markets	0	0	0
Japan	11	15	14
North America	4	8	8
Pacific Rim	7	7	4

## Portfolio Characteristics

	Acadian	MSCI:ACWI xUS	Callan NonUS AC Broad Eq
Number of Holdings	1,027	2,230	71
Issue Diversification	39.9	151.3	20.9
Growth Z Score	0.1	0.0	0.1
Value Z Score	0.1	(0.1)	(0.2)
Combined Z Score	0.0	0.1	0.3
Wtd. Median Market Cap.	16.1	43.7	43.6
Forecasted P/E (exc neg)	11.3	13.7	15.3
Price/Book Value	1.6	1.8	2.2
Forecasted Gr. in Earnings	13.8	12.9	13.0
Return on Equity	21.4	17.2	17.9
Dividend Yield	3.5	3.2	2.7

## Equity Sector Exposure vs MSCI:ACWI xUS



Performance shown is gross-of-fees unless otherwise noted.

## Firm Overview: Connor, Clark & Lunn Investment Management Ltd.

Connor, Clark & Lunn Investment Management Limited (CC&L) was founded by Larry Lunn in 1982. CC&L is an independently owned investment management firm in Canada

CC&L is part of the Connor, Clark & Lunn Financial Group (CC&L Financial Group). The Group is responsible for the investment of over US\$68 billion in financial assets through its affiliated investment managers on behalf of institutional, private and retail clients.

All non-investment management functions, including administration, information systems, sales and marketing and corporate accounting are centralized and are the responsibility of CC&L Financial Group. Direct equity ownership by the key investment professional in their respective organizations is an important cornerstone of compensation.

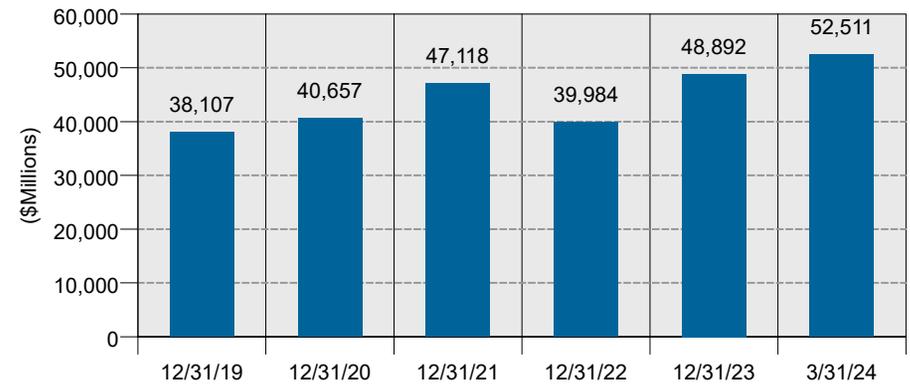
Firm	Contact
Connor, Clark & Lunn Investment Management Ltd. 2300-1111 West Georgia Street Vancouver, BC BC V6E 4M3	Stephen Reynolds +1 (312) 375-7353 sreynolds@cclgroup.com

Ownership	Founded	Portfolio Managers	Analysts
Partnership	1982	20	-

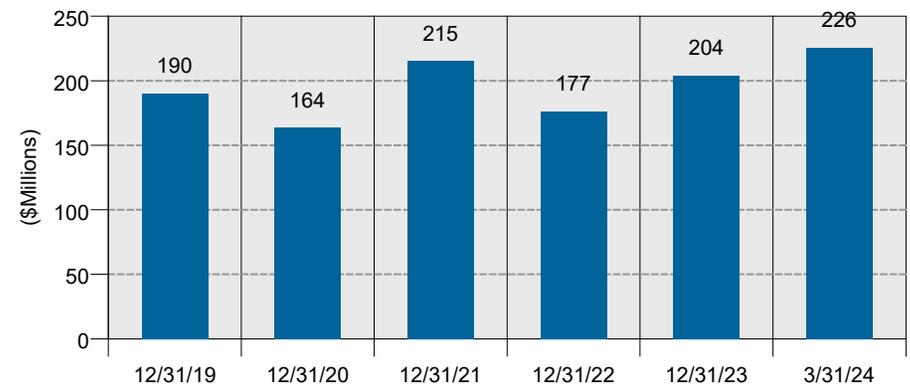
### Total Firm Asset Breakdown

<b>Domestic</b>	<b>\$(mm)</b>	<b>Client Type</b>	<b>\$(mm)</b>
Equity	3,594	Corporate	15,081
Alternatives	423	Public(Govt)	16,342
<b>Total</b>	<b>4,017</b>	Union/Multi-Employer	2,147
		Foundation/Endowment	1,514
<b>Global</b>	<b>\$(mm)</b>	Insurance	583
Equity	41,074	High Net Worth	30
Fixed Income	10,189	Sub-Advised	11,911
Balanced	9,376	Other	4,903
Alternatives	6,406	<b>Total Org Assets</b>	<b>52,511</b>
<b>Total</b>	<b>67,044</b>	<b>Total Defined Contribution</b>	<b>6,688</b>

### Total Firm Asset Growth (\$mm) as of March 31, 2024



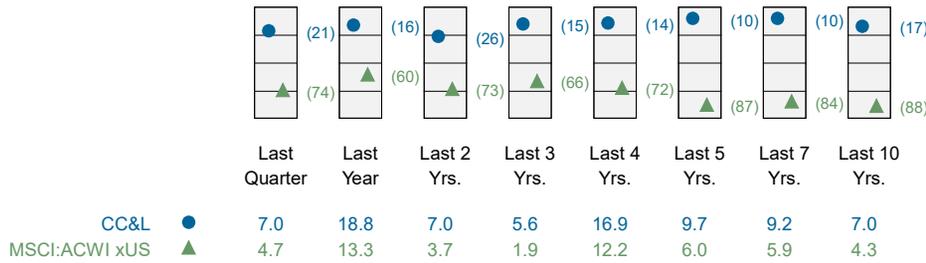
### Total Product Asset Growth (\$mm) as of March 31, 2024



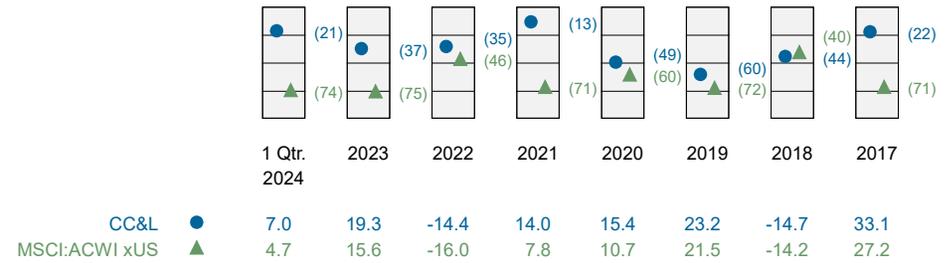
Client Type AUM Total does not include DC assets.

# Product Overview: CC&L

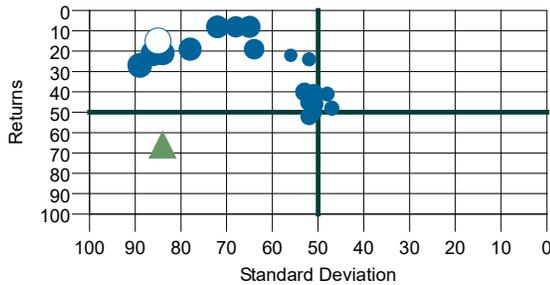
## Returns vs. Callan NonUS AC Broad Eq



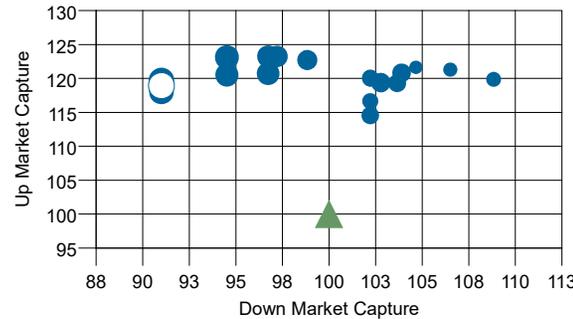
## Calendar Year Returns



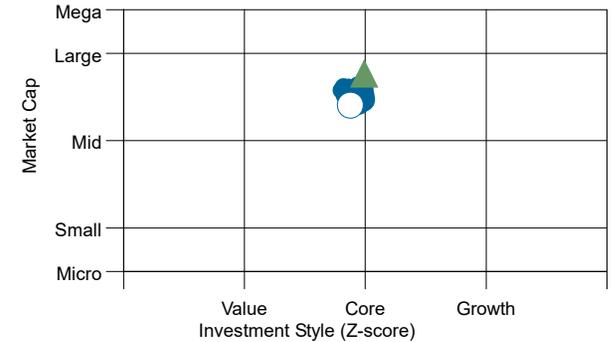
## Return and Risk Rankings vs. Callan NonUS AC Broad Eq Group Rolling 3 Year for 5 Years



## Upside/Downside Capture Rolling 3 Year for 5 Years



## Holdings Based Style Map Rolling 1 Year



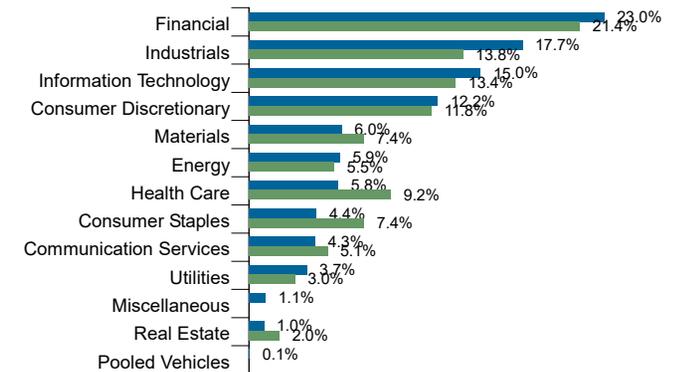
## Regional Exposure (%)

	CC&L	MSCI:ACWI xUS	Callan NonUS AC Broad Eq
Emerging Markets	27	27	20
Europe	43	43	54
Frontier Markets	0	0	0
Japan	15	15	14
North America	8	8	8
Pacific Rim	6	7	4

## Portfolio Characteristics

	CC&L	MSCI:ACWI xUS	Callan NonUS AC Broad Eq
Number of Holdings	1,309	2,230	71
Issue Diversification	77.9	151.3	20.9
Growth Z Score	0.0	0.0	0.1
Value Z Score	0.1	(0.1)	(0.2)
Combined Z Score	(0.1)	0.1	0.3
Wtd. Median Market Cap.	28.3	43.7	43.6
Forecasted P/E (exc neg)	12.2	13.7	15.3
Price/Book Value	1.5	1.8	2.2
Forecasted Gr. in Earnings	12.2	12.9	13.0
Return on Equity	16.5	17.2	17.9
Dividend Yield	3.3	3.2	2.7

## Equity Sector Exposure vs MSCI:ACWI xUS



Performance shown is gross-of-fees unless otherwise noted.

## Firm Overview: EARNEST Partners, LLC

Connor & Associates began managing equity in 1993. In 1998, Paul Viera acquired a majority ownership in the company and renamed it EARNEST Partners. In 1999, EARNEST Partners merged with Investek Capital Management, and the combined firm took the EARNEST name. Investek Capital Management was founded in 1989 by Michael T. McRee to manage fixed-income assets, which later in 1992 included tax-exempt funds. Today, EARNEST Holdings LLC owns 100% of EARNEST Partners (equity) and EARNEST Partners Limited (fixed income). The firm remains 100% employee-owned.

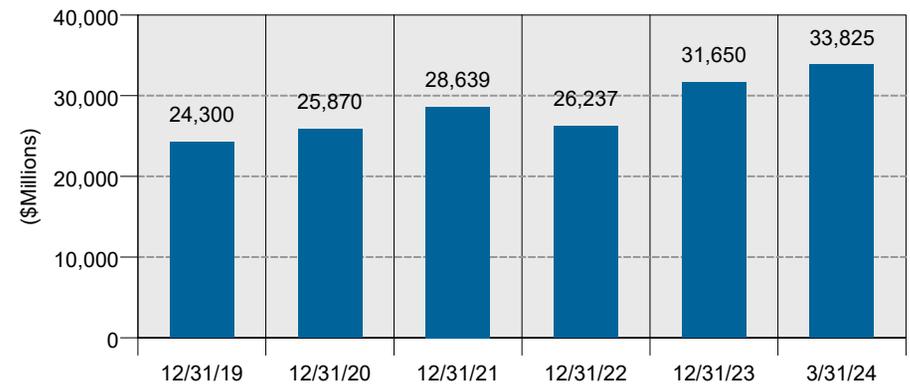
Firm	Contact
EARNEST Partners, LLC 1180 Peachtree Street Suite 2300 Atlanta, GA 30309	Jeffrey Jackson 404-879-4435 jeffreyjackson@earnestpartners.com

Ownership	Founded	Portfolio Managers	Analysts
Employee Owned	1998	16	-

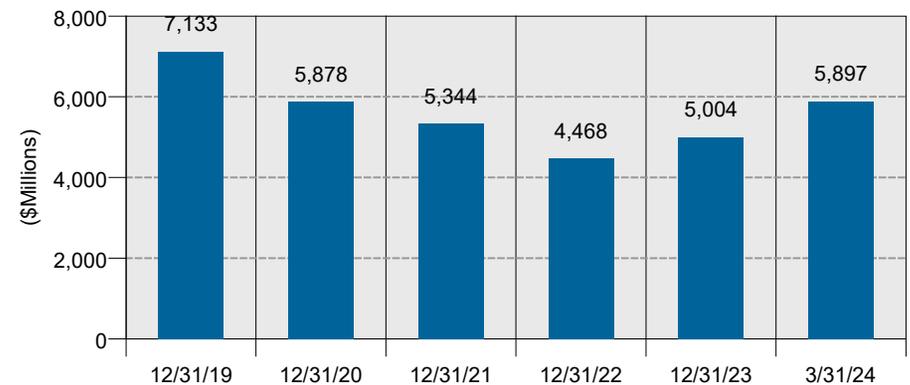
### Total Firm Asset Breakdown

	\$(mm)	Client Type	\$(mm)
<b>Domestic</b>			
Equity	16,928	Corporate	14,689
Fixed Income	10,087	Public(Govt)	12,549
<b>Total</b>	<b>27,015</b>	Union/Multi-Employer	2,311
		Foundation/Endowment	774
<b>Global</b>	<b>\$(mm)</b>	Insurance	566
Equity	6,810	Sub-Advised	2,936
<b>Total</b>	<b>6,810</b>	<b>Total Org Assets</b>	<b>33,825</b>

### Total Firm Asset Growth (\$mm) as of March 31, 2024



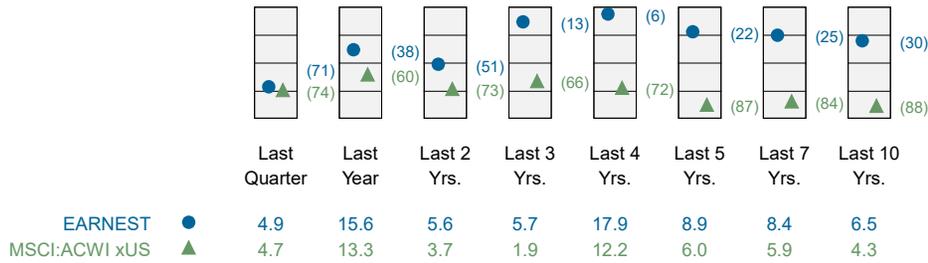
### Total Product Asset Growth (\$mm) as of March 31, 2024



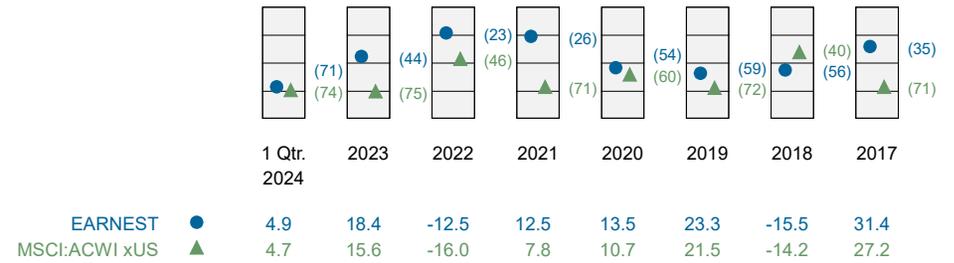
Client Type AUM Total does not include DC assets.

# Product Overview: EARNEST

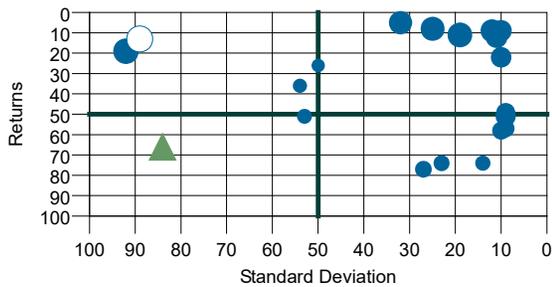
## Returns vs. Callan NonUS AC Broad Eq



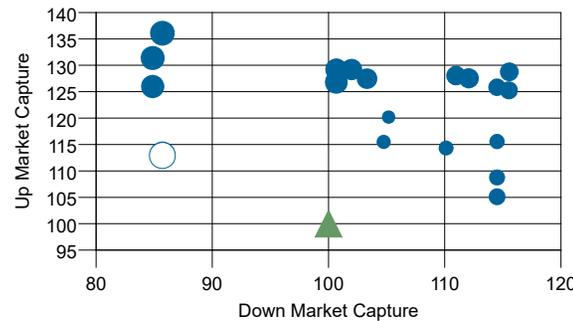
## Calendar Year Returns



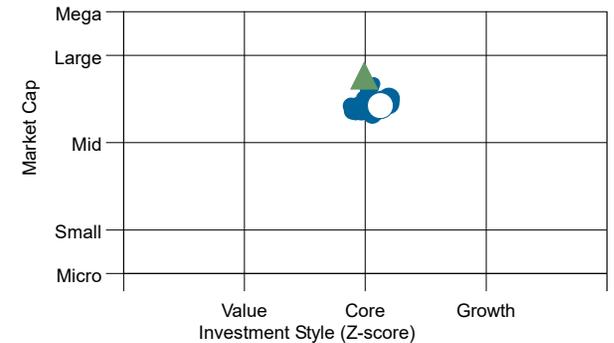
## Return and Risk Rankings vs. Callan NonUS AC Broad Eq Group Rolling 3 Year for 5 Years



## Upside/Downside Capture Rolling 3 Year for 5 Years



## Holdings Based Style Map Rolling 1 Year



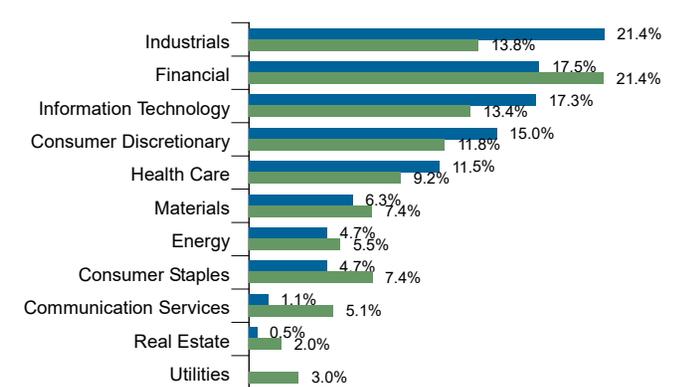
## Regional Exposure (%)

	EARNEST	MSCI:ACWI xUS	Callan NonUS AC Broad Eq
Emerging Markets	25	27	20
Europe	58	43	54
Frontier Markets	0	0	0
Japan	10	15	14
North America	6	8	8
Pacific Rim	2	7	4

## Portfolio Characteristics

	EARNEST	MSCI:ACWI xUS	Callan NonUS AC Broad Eq
Number of Holdings	60	2,230	71
Issue Diversification	21.9	151.3	20.9
Growth Z Score	0.1	0.0	0.1
Value Z Score	(0.1)	(0.1)	(0.2)
Combined Z Score	0.2	0.1	0.3
Wtd. Median Market Cap.	29.9	43.7	43.6
Forecasted P/E (exc neg)	14.1	13.7	15.3
Price/Book Value	2.2	1.8	2.2
Forecasted Gr. in Earnings	18.1	12.9	13.0
Return on Equity	17.0	17.2	17.9
Dividend Yield	4.4	3.2	2.7

## Equity Sector Exposure vs MSCI:ACWI xUS



Performance shown is gross-of-fees unless otherwise noted.

## Definitions

**Alpha** measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

**Beta** measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

**Combined Z Score** is the difference between the MSCI Growth Z Score and the MSCI Value Z Score (Growth - Value). A significant positive Combined Z Score implies significant "growthiness" in the stock or portfolio. A Combined Z Score close to 0.00 (positive or negative) implies "core-like" style characteristics, and a significantly negative Combined Z Score implies more "valueyness" in the stock or portfolio.

**Correlation** measures the degree to which two variables are associated. Correlation is a commonly used tool for constructing a well-diversified portfolio. Traditionally, equities and fixed-income asset returns have not moved closely together. The asset returns are not strongly correlated. A balanced fund with equities and fixed-income assets represents a diversified portfolio that attempts to take advantage of the low Correlation between the two asset classes. The value for Correlation ranges from +1.0 to -1.0. A positive Correlation means that the two variables move, to a degree, in the same manner or direction, and a negative Correlation means that the variables move, to a degree, in the opposite manner or direction. A Correlation of +1.0 (-1.0) means the two variables move in exactly the same (opposite) direction.

**Coupon Rate** is the market value weighted average coupon of all securities in the portfolio. The total coupon payments per year are divided by the total portfolio par value.

**Dividend Yield** reflects the total amount of dividends paid out for a stock over the proceeding twelve months divided by the closing price of a share of the common stock.

**Downside Risk** differentiates between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation captures both upside and downside volatility, downside risk measures only the volatility of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

**Effective Yield** is the actual total annualized return that would be realized if all securities in the portfolio were held to their expected maturities. Effective yield is calculated as the internal rate of return, using the current market value and all expected future interest and principal cash flows.

**Effective Duration** is one measure of the portfolio's exposure to interest rate risk. Generally, the higher a portfolio's duration, the more that its value will change in response to interest rate changes. The option adjusted duration for each security in the portfolio is calculated using models which determine the expected stream of cash-flows for the security based on various interest rate scenarios.

## Definitions (continued)

**Excess Correlation** is the correlation of a portfolio's excess return to another portfolio's excess return. Excess return is the portfolio return minus the benchmark return. For instance Excess Correlation could measure the correlation of Manager A's return in excess of a benchmark with Manager B's return in excess of the same benchmark. Excess Correlation is used to indicate whether different managers outperform a market index at the same time.

**Excess Return** is the portfolio return minus the benchmark return.

**Excess Return Ratio** is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

**Forecasted Growth in Earnings** is a measure of a company's expected long-term success in generating future year-over-year earnings growth. This growth rate is a market value weighted average of the consensus (mean) analysts' long-term earnings growth rate forecast for each company in the portfolio. The definition of long-term varies by analyst but is limited to a 3-8 year range. This value is expressed as the expected average annual growth of earnings in percent.

**Forecasted P/E** is a forward-looking valuation measure of a company's common stock. It encapsulates the amount of earnings estimated for next year per dollar of current share price. This value is calculated by dividing the present stock price of each company in the portfolio by the consensus (mean) analysts' earnings forecasts for the next year. These earnings estimates are for recurring, non-extraordinary earnings per primary common share. The individual P/E stock ratios are then weighted by their respective portfolio market values in order to calculate a weighted average representative of the portfolio as a whole.

**Growth Z Score** is a holdings-based measure of the "growthiness" of an individual stock or portfolio of stocks based on fundamental financial ratio analysis. The MSCI Growth Z Score is an aggregate score based on the growth score of five separate financial fundamentals: Long Term Forward Earnings Growth, Short Term Forward Earnings Growth, Current Internal Growth (ROE \* (1-payout ratio)), Long Term Historical Earnings Growth, and Long Term Historical Sales Growth.

**Information Ratio** measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

**Issue Diversification** is the number of stocks (largest holdings) making up half of the market value of the total portfolio.

**Market Capitalization (Weighted Median / Weighted Average)** - Market capitalization is the market value of a company's outstanding shares. This figure is found by taking the stock price and multiplying it by the total number of shares outstanding. The weighted median market cap is the point at which half of the market value of the portfolio is invested in stocks with a greater market cap, and consequently the other half is invested in stocks with a lower market cap. Weighted average market cap for a portfolio is defined as the sum of each of the security's weight in the portfolio multiplied by its intrinsic market capitalization.

## Definitions (continued)

**Price to Earnings Ratio (P/E)** is a measure of value for a company. It is equal to the price of a share of common stock divided by the earnings per share for a twelve-month period.

**Price to Book Value (P/B)** is a measure of value for a company. It is equal to the market value of all the shares of common stock divided by the book value of the company. The book value is the sum of capital surplus, common stock, and retained earnings.

**Quality Rating** is a way to measure the credit quality as determined by the individual security ratings. The ratings for each security are compiled into a composite rating for the whole portfolio. Quality symbols range from AAA (highest investment quality and lowest credit risk) to D (lowest investment quality and highest credit risk).

**R-Squared (R<sup>2</sup>)** is a statistical measure that indicates the extent to which the variability of a security or portfolio's returns is explained by the variability of the market. The value will be between 0 and 1. The higher the number, the greater the extent to which portfolio returns are related to market return.

**Residual Risk** is the unsystematic, firm-specific, or diversifiable risk of a security or portfolio that can be reduced by including assets that do not have similar unique risk. It is the portion of the total risk of a security or portfolio that is unique to the security or portfolio itself and is not related to the overall market.

**Return on Equity (ROE)** is a measure of a company's profitability, specifically relating profits to the equity investment employed to achieve the profits. Return on Equity focuses on the returns accruing to the residual owners of a company, the equity holders. It is equal to income divided by total common equity. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Common equity includes common stock outstanding, capital surplus, and retained earnings.

**Rising/Declining Periods** is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, in determining the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class). The analysis determines if a significant "cycle reversal" has occurred over a period. If the magnitude of the cumulative relative return is greater than one standard deviation when the number of periods is four or more quarters-or two standard deviations for periods less than 4 quarters-a significant reversal has occurred. The process is repeated until all the different combinations of recent periods are evaluated, and a break point is determined.

**Sharpe Ratio** is a measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

**Stability Score** is calculated as the difference between the Defensive and Dynamic scores and can range from -1 to +1. A stability score of +1 indicates a Low Risk and High Quality portfolio (or stock), whereas, a stability score of -1 indicates a High Risk and Low Quality portfolio (or stock). The underlying variables that drive the stability scores are Total Return Volatility, Debt/Equity Ratio, Earnings Volatility and Return on Assets and together encompass both observed price risk and current balance sheet risk.

## Definitions (continued)

**Standard Deviation** is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (i.e., has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

**Style Map (Holdings Based)** - Morgan Stanley Capital International (MSCI) has developed security-level style scores which are based on multiple fundamental ratios that classify stocks as "value" or "growth." On a relative basis we can match these to a manager's portfolio holdings to get a score for the portfolio that is more reliable and current than traditional returns-based regression analysis. Using the combined Z score and weighted median market cap, the holdings based style map allows for viewing manager style in a two dimensional space.

**Tracking Error** is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

**Up Market (Down Market) Capture** is a measure of relative performance in up-markets (down-markets). It is determined by the index which has an Up Capture (Down Capture) ratio of 100% when the index is performing positively (negatively). If a manager captures more than 100% of the rising (declining) market it is said to be "offensive" ("defensive").

**Value Z Score** is a holdings-based measure of the "valueyness" of an individual stock or portfolio of stocks based on fundamental financial ratio analysis. The MSCI Value Z Score is an aggregate score based on the value scores of three separate financial fundamentals: Price/Book, Price/Forward Earnings, and Dividend Yield.

**Weighted Average Life** is the weighted average time remaining until the principal is paid off for all securities in a portfolio.

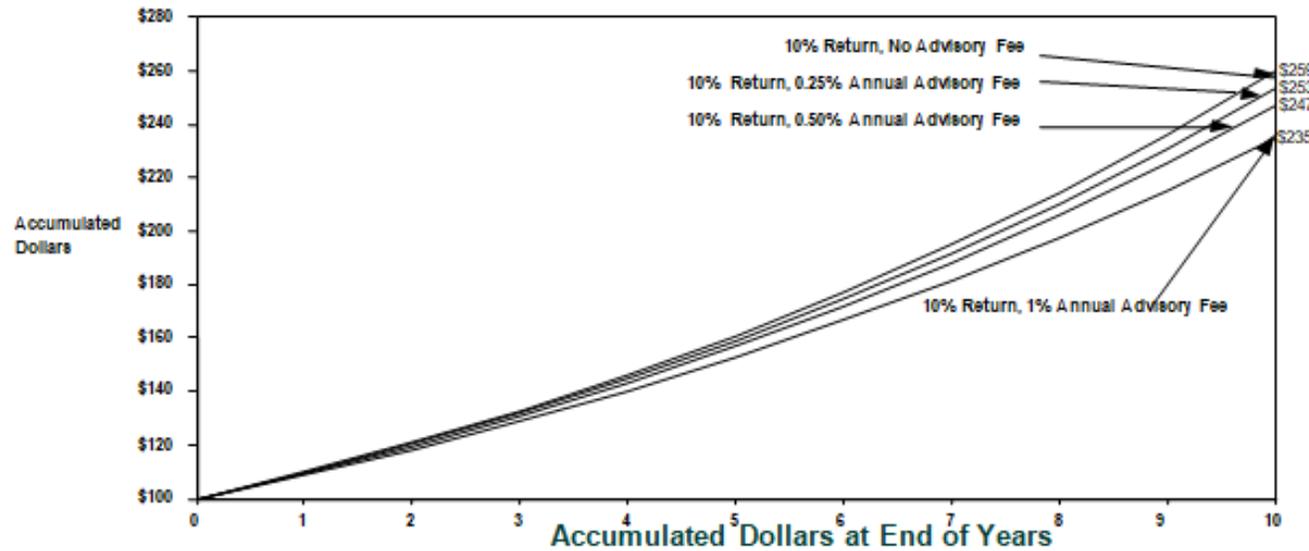
## Disclosure Statement

The preceding report has been prepared for the exclusive use of the Arkansas Judicial Retirement System. Unless otherwise noted, performance returns contained in this report do not reflect the deduction of investment advisory fees. The returns in this report will be reduced by the advisory fees and any other expenses incurred in the management of an investment account. The investment advisory fees applicable to the advisors listed in this report are described in Part II of each advisor's form ADV.

The following graphical and tabular example illustrates the cumulative effect of investment advisory fees on a \$100 investment growing at 10% over ten years. Fees are assumed to be paid monthly.

In addition to asset-based investment advisory fees, some strategies may include performance-based fees ("carry") that may further lower the returns realized by investors. These performance-based fees can be substantial, are most prevalent in "Alternative" strategies like hedge funds and many types of private markets, but can occur elsewhere. The effects of performance-based fees are dependent on investment outcomes and are not included in the example below.

### The Cumulative Effect of Advisory Fees



	1	2	3	4	5	6	7	8	9	10
No Fee	110.0	121.0	133.1	146.4	161.1	177.2	194.9	214.4	235.8	259.4
25 Basis Points	109.7	120.4	132.1	145.0	159.1	174.5	191.5	210.1	230.6	253.0
50 Basis Points	109.5	119.8	131.1	143.5	157.1	172.0	188.2	206.0	225.5	246.8
100 Basis Points	108.9	118.6	129.2	140.7	153.3	166.9	181.8	198.0	215.6	234.9

10% Annual Return Compounded Monthly, Annual Fees Paid Monthly.

# List of Callan's Investment Manager Clients

## Quarterly List as of March 31, 2024

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Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry, and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor, and disclose potential conflicts on an ongoing basis.

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database, or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please note that if an investment manager receives a product or service on a complimentary basis (e.g., attending an educational event), they are not included in the list below. Callan is committed to ensuring that we do not consider an investment manager's business relationship with Callan, or lack thereof, in performing evaluations for or making suggestions or recommendations to its other clients. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group, and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance department.

Manager Name
abrdrn
Acadian Asset Management LLC
Adams Street Partners, LLC
Aegon Asset Management
AllianceBernstein
Allspring Global Investments, LLC
Altrinsic Global Advisors, LLC
American Century Investments
Amundi US, Inc.
Antares Capital LP
Apollo Global Management, Inc.
AQR Capital Management
Ares Management LLC
ARGA Investment Management, LP
Ariel Investments, LLC
Aristotle Capital Management, LLC
Artemis Real Estate Partners
Atlanta Capital Management Co., LLC
Audax Private Debt
AXA Investment Managers

Manager Name
Baillie Gifford International, LLC
Baird Advisors
Barings LLC
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
Belle Haven Investment L.P.
BentallGreenOak
Beutel, Goodman & Company Ltd.
Black Creek Investment Management Inc.
BlackRock
Blackstone Group (The)
Blue Owl Capital, Inc.
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brookfield Asset Management Inc.
Brown Brothers Harriman & Company
Brown Investment Advisory & Trust Company
Capital Group

# List of Callan's Investment Manager Clients (continued)

Quarterly List as of March 31, 2024

Manager Name
CastleArk Management, LLC
Cercano Management LLC
CIBC Asset Management Inc.
CIM Group, LP
Clarion Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Threadneedle Investments NA
Comvest Partners
CQS
Crescent Capital Group LP
Dana Investment Advisors, Inc.
D.E. Shaw Investment Management, LLC
DePrince, Race & Zollo, Inc.
Diamond Hill Capital Management, Inc.
Dimensional Fund Advisors L.P.
Doubleline
DWS
EARNEST Partners, LLC
Fayez Sarofim & Company
Federated Hermes, Inc.
Fidelity Institutional Asset Management
Fiera Capital Corporation
First Eagle Investment Management, LLC
First Hawaiian Bank Wealth Management Division
Fisher Investments
Franklin Templeton
Fred Alger Management, LLC
GAMCO Investors, Inc.
GlobeFlex Capital, L.P.
Goldman Sachs
Golub Capital

Manager Name
GW&K Investment Management
Harbor Capital Group Trust
Hardman Johnston Global Advisors LLC
Haven Global Partners, LLC
Heitman LLC
Hotchkis & Wiley Capital Management, LLC
HPS Investment Partners, LLC
IFM Investors
Impax Asset Management LLC
Income Research + Management
Insight Investment
Intercontinental Real Estate Corporation
Invesco
J.P. Morgan
Janus
Jennison Associates LLC
Jensen Investment Management
Jobs Peak Advisors
Kayne Anderson Rudnick Investment Management, LLC
King Street Capital Management, L.P.
Kohlberg Kravis Roberts & Co. L.P. (KKR)
Lazard Asset Management
LGIM America
Lincoln National Corporation
Longview Partners
Loomis, Sayles & Company, L.P.
Lord, Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Macquarie Asset Management
Manulife Investment Management

# List of Callan's Investment Manager Clients (continued)

Quarterly List as of March 31, 2024

Manager Name
Marathon Asset Management, L.P.
Mawer Investment Management Ltd.
MetLife Investment Management
MFS Investment Management
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
MUFG Bank, Ltd.
Natixis Investment Managers
Neuberger Berman
Newton Investment Management
Northern Trust Asset Management
Nuveen
Oaktree Capital Management, L.P.
Orbis Investment Management Limited
P/E Investments
Pacific Investment Management Company
Parametric Portfolio Associates LLC
Parnassus Investments
Partners Group (USA) Inc.
Pathway Capital Management, LP
Peregrine Capital Management, LLC
PGIM DC Solutions
PGIM Fixed Income
PGIM Quantitative Solutions LLC
Pictet Asset Management
PineBridge Investments
Polen Capital Management, LLC
PPM America, Inc.
Pretium Partners, LLC
Principal Asset Management
Pzena Investment Management, LLC

Manager Name
Raymond James Investment Management
RBC Global Asset Management
Regions Financial Corporation
S&P Dow Jones Indices
Sands Capital Management
Schroder Investment Management North America Inc.
Segall Bryant & Hamill
SLC Management
Sprucegrove Investment Management Ltd.
Star Mountain Capital, LLC
State Street Global Advisors
Strategic Global Advisors, LLC
T. Rowe Price Associates, Inc.
TA Realty
TD Global Investment Solutions
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
TPG Angelo Gordon
UBS Asset Management
VanEck
Versus Capital Group
Victory Capital Management Inc.
Virtus Investment Partners, Inc.
Vontobel Asset Management
Voya
Walter Scott & Partners Limited
WCM Investment Management
Wellington Management Company LLP
Western Asset Management Company LLC
Westfield Capital Management Company, LP
William Blair & Company LLC
Xponance, Inc.

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The table below indicates whether one or more of the candidates listed in this report is, itself, a client of Callan as of the date of the most recent quarter end. These clients pay Callan for educational, software, database and/or reporting products and services; refer to our Form ADV 2A for additional information. Given the complex corporate and organizational ownership structures of investment management firms and/or trust/custody or securities lending firms, the parent and affiliate firm relationships are not listed here if they don't separately contract with Callan.

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As a matter of policy, Callan follows strict procedures so that investment manager client relationships do not affect the outcome or process by which Callan's searches or evaluations are conducted.

Firm	Is an Investment Manager Client of Callan*	Is not an Investment Manager Client of Callan
Acadian Asset Management LLC	X	
Connor, Clark & Lunn Investment Management Ltd.		X
EARNEST Partners, LLC	X	

\*Based upon Callan manager clients as of the most recent quarter end.

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

Past performance is no guarantee of future results.



Quarterly Board Meeting

Statement of Fiduciary Net Position as of (June 30, 2024)

ASSETS	
Cash and Cash Equivalents	\$ 499,003
Receivables	
Contributions Receivable	\$ 182,162
Overpayment Receivable	22,880
Allowance for Doubtful Accounts	<u>(17,748)</u>
Total Receivables	187,293
Investment Assets	<u>334,349,059</u>
TOTAL ASSETS	<u>335,035,355</u>
LIABILITIES	
Accrued Expenses and Other Liabilities	<u>345,303</u>
TOTAL LIABILITIES	<u>345,303</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 334,690,053</u>



Quarterly Board Meeting

**Statement of Changes in Fiduciary Net Position for the Period Ending (June 30, 2024)**

ADDITIONS

Contributions		
Employer	\$	9,860,335
Employee		1,307,899
Court Fees		<u>406,259</u>
Total Contributions		11,574,493
Investment Income		34,496,805
Less: Investment Expense		<u>(1,219,153)</u>
Net Investment Income		33,277,653
Other Additions		
Miscellaneous Additions		<u>275</u>
<b>TOTAL ADDITIONS</b>		<u><b>44,852,420</b></u>

DEDUCTIONS

Benefits		18,107,583
Refunds of Contributions		-
Administrative Expenses		<u>149,590</u>
<b>TOTAL DEDUCTIONS</b>		<u><b>18,257,172</b></u>

NET CHANGE IN NET POSITION 26,595,247

NET POSITION RESTRICTED FOR PENSION BENEFITS

Beginning of Fiscal Year		<u>308,094,805</u>
End of 4th Quarter	\$	<u><u>334,690,053</u></u>



## Quarterly Board Meeting

### Legal Report

#### **ADMINISTRATIVE MEMBER APPEALS**

None

#### **APPEAL FROM ADMINISTRATIVE MEMBER APPEAL - LITIGATION**

##### ***Wendell Griffen vs. Arkansas Judicial Retirement System, 60CV-23-8282***

On October 30, 2023, Wendell Griffen filed in Pulaski County Court a petition for judicial review of the board's September 28, 2023, decision to uphold the Executive Director's Determination. The board held that Griffen's monthly benefit should be capped at eighty percent (80%) for the combination of his Tier One and Tier Two service, consistent with the limitations under the AJRS plan. AJRS timely filed its Answer to the Petition along with the Administrative Record. The Office of the Attorney General entered an appearance as counsel for AJRS. The case has previously been assigned to Judge Welch, Judge Honorable, and Judge Fox. The case is currently assigned to Judge Mackie Pierce after Judge Fox entered his recusal order on April 16, 2024.

#### **RULES PROMULGATION**

The Arkansas Legislature began a process several years ago to codify the rules of every state agency so that there would be a uniform rule style among state agencies, posted to a single website. The Bureau of Legislative Research has indicated to APERS that the codified version of AJRS' rules could be posted live on the legislative website by early 2025.

#### **2025 PROPOSED LEGISLATION**

In May, the Board suggested that staff consider pursuing legislation to remove the term "chancery judges" from sections of the plan identifying participating AJRS members. Staff conducted research and found that there are several active and retired AJRS members who have accrued service in the system as chancery judges prior to the enactment of Amendment 80. Therefore, staff does not recommend that the Board pursue legislation to remove the term "chancery judges" from the plan at this time.



## Quarterly Board Meeting

### Legal Report

#### **AJRS Bill to create Penalty, Anti-alienation, and Errors and Corrections statutes**

**Summary:** this proposed bill is intended to create three (3) new sections under the AJRS plan to be consistent with APERS and ASPRS plans:

- Penalty statute – this section would create a penalty, classified as a Class A misdemeanor, for attempting to commit fraud against the system.
- Anti-alienation statute – this section would protect a persons' right to an annuity or contributions under the plan from processes of law, including garnishment, execution, attachment, and otherwise prohibit the assignment of benefits under the plan, except when expressly authorized by law.
- Errors and Corrections – this section would establish a process for correcting errors in the records maintained by the system which cause either overpayments or underpayments to members and/or beneficiaries.

#### **SECURITIES LITIGATION CASES**

None



## Quarterly Board Meeting

# Membership and Benefit Provisions

## Membership

Whether elected or appointed to office, all circuit judges, judges of the Court of Appeals, and justices of the Supreme Court must participate in the Arkansas Judicial Retirement System.

- **Tier One:** A person who became a member of the system before July 30, 1999, participates in the benefit plan referred to as Tier One.
- **Tier Two:** A person who becomes a member of the system on or after July 30, 1999, must participate in the Tier Two Actual Judicial Service Benefit Plan.

## Eligibility for Benefits

- **Normal retirement:** Any member may retire and be eligible for benefits after attaining:
  - A minimum of 20 years of actual service, regardless of age, or
  - At least eight (8) years of service, upon reaching age 65.
  - Generally, judges or justices must retire by their seventieth birthday or lose their retirement benefits.
- **Early retirement:** Any member may elect to retire and receive benefits after attaining:
  - Eight (8) years or more of actual service, after reaching age 62 and before reaching 65.
  - Retirement benefits are reduced six percent (6%) for each full year that the judge or justice retires before reaching age 65.
- **Disability retirement:** Members who have served a minimum of three (3) consecutive years will receive retirement benefits if the Board determines an incapacitating disability occurs.
- **Survivor retirement:** Survivors of members who have served at least three (3) years may receive survivor benefits. Eligible survivors include a spouse and minor children.

## Retirement Benefits

- **Retirement Benefits:** The retirement benefits paid to an eligible and qualified member is 3.2% of the annual salary payable to the last judicial office held multiplied by the number of years of actual service, not to exceed 80% of salary. These benefits are payable for the recipient's life.
- **Benefit calculation example:** Annual Salary X 3.2% X Actual Service  
 $\$192,918 \times 3.2\% \times 21.67 \text{ yrs.} = \$133,777 \text{ annually/ } \$11,148 \text{ monthly}$
- **Survivors' Benefits:** Survivors' benefits are 67% of the amount of a member's retirement benefits.
- **Cost-of-living adjustments:** Each July 1, the system redetermines the amount of each monthly benefit paid for at least twelve months. The amount of the redetermined benefit – a cost-of-living adjustment (COLA) – is the previous July 1 benefit amount increased by three percent (3%).



Quarterly Board Meeting

## Membership and Benefit Data

### Membership

#### Active Members

This table provides recent and historical data for active members.

	1 year	5 years	10 years	20 years
Number	142	139	140	134
Average Age	58.1	60.0	58.7	54.9
Average Service	15.1	16.9	15.9	10.0
Average Pay	\$193,869	\$168,595	\$139,898	\$118,915

### Retirement Benefits

#### Retirees and Survivors

This table provides recent and historical data for retired members and survivors.

	1 year	5 years	10 years	20 years
Number	178	147	125	98
Total Annual Benefits	\$18.1m	\$13.0m	\$10.0m	\$6.4m
Average Age*	70.6	67.0	65.7	N/A
Average Service*	25.3	9.4	18.5	N/A
Avg. Annual Benefit*	\$149,373	\$111,188	\$95,268	N/A

\* New Retirees



## Quarterly Board Meeting

### Executive Report

#### **APERS Strategic Planning Process**

APERS began the strategic planning process in May 2024. We have engaged the entire APERS staff on this process through various working sessions to identify five overarching goals for the agency to accomplish its vision and mission. Board support is important to this process, and we will be enlisting you as your time allows.

#### **FY 2024 Fiscal Year End Closing**

The Finance and Investments teams have completed closing out our books for AJRS for the year of July 1, 2023, through June 30<sup>th</sup>, 2024.

#### **Biennial Budget**

We submitted our biennial budget to the Office of Budget and our hearing is scheduled for October 9<sup>th</sup> at 9:00 am.

#### **Proxy Vote Reports**

Act 498 of 2023 requires all retirement systems to report proxy votes to the Board annually and post the reports on our website. APERS, ASPRS and AJRS Proxy reports are complete and may be found on our website in the investments section: [Reports and Resources – APERS](#)

#### **Retirement Education and Outreach**

The APERS team continues to work with participating employers to provide retirement education through in person and virtual engagement. The APERS staff provided education and counseling at the following events over the last quarter: The Municipal League Conference, The Judicial Spring Conference, Administrative Office of the Courts, The Rural Development Conference, and the Arkansas Association of Counties Conference.

#### **AR Interns 2024**

APERS participated in the 2024 myARInternship program through the Department of Transformation and Shared Services and employed two interns during the months of June and July. The interns were Janina Eddy and Lucky Gilmore. They participated in various meetings and projects to assist the APERS team. Some of their activities included: review of actuarial data, website review and edits, drafting the Fall newsletter, legislative research, attending meetings with the director, etc. We are grateful for the opportunity to work with the AR Interns and wish them all the best on their future endeavors.

#### **Collaboration with Auditor of State and AASIS**

Our IT Team worked closely with the OPM AASIS Team and the Auditor of State's Office to roll out the addition of several new entities onto the payroll system. This was a long-term project to integrate systems that went live on July 1 without issues.

#### **Proposed Legislative Package**

We are working on our proposed legislative package for the session to begin in January 2025 and will have a draft for the board to review at the December meeting.



## Quarterly Board Meeting

### Executive Report

#### Board Meeting Dates

The APERS investments and finance teams would like the board to consider adjusting board meeting dates in the future to present up to date private equity data and returns. We are proposing the following dates for your consideration and action:

- December 5, 2024, at 1:30 p.m. (change from November 21<sup>st</sup>)
- March 13, 2025, at 1:30 p.m.
- June 12, 2025, at 1:30 p.m.
- September 11, 2025, at 1:30 p.m.
- December 4, 2025, at 1:30 p.m.