



Arkansas Judicial Retirement System

Quarterly Board Meeting

Thursday, September 11, 2025, 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 4th floor. The meeting will be a hybrid and can be attended via Zoom via the link on our website, www.apers.org.

AGENDA

1. Call to Order
2. Recognition of 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 June 12, 2025 **(Page 3)**
5. Administrative Expense Reports for the quarter ending June 30, 2025 **(Page 7)**
6. **Investments** - Mr. John Jackson from Callan LLC and Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
 - a. CIO Report **(Page 8)**
 - b. Quarterly Report for the Period Ending June 30, 2025 **(Page 24)**
7. **Finance** - Mr. Jason Willett, Chief Financial Officer
 - a. Financial Statements for the Quarter Ending June 30, 2025 **(Page 51)**
8. **Legal** – Ms. Laura Gilson, General Counsel
 - a. Litigation Update **(Page 53)**
 - b. Rules Update
9. **Benefits** - Ms. Allison Woods, Deputy Director of Benefits
 - a. Benefits Summary **(Page 54)**
10. **Executive Report** – Ms. Amy Fecher, Executive Director
 - a. Executive Report Review **(Page 58)**
11. **Upcoming Meetings for Calendar Year 2025 and 2026**

Thursday, December 4, 2025, at 1:30 p.m.
Thursday, March 5, 2026, at 1:30 p.m.

Thursday, June 4, 2026, at 1:30 p.m.

Thursday, September 24, 2026, at 1:30 p.m.

Thursday, December 3, 2026, at 1:30 p.m.

12. Adjournment

**Arkansas Judicial Retirement System
Board of Trustees Meeting
June 12, 2025**

The regular meeting of the Arkansas Judicial Retirement System Board of Trustees was held on Thursday, June 12, 2025, at 2:30 p.m. at the Embassy Suites in Hot Springs, Arkansas. This hybrid meeting was held via ZOOM remote conferencing in the conference room. Judge Herbert Wright presided.

Judge Wright recognized the presence of a quorum.

Board Members Present

Hon. Herbert Wright (Circuit Judge), Chair, North Little Rock
Hon. Marcia Hearnberger (Circuit Judge), Hot Springs
Hon. John Scott (Circuit Judge), Bentonville
Hon. Earnest Brown, Jr. (Circuit Judge), Pine Bluff

Visitors Present

Ms. Brianne Weymouth, Callan LLC*
Judge Mackie Pierce
Judge Chalk Mitchell

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. Laura Gilson, General Counsel
Mr. Jason Willett, Chief Financial Officer
Mr. Phillip Norton, Director of IT
Ms. Jacobia Bates, Director of Public Affairs
Ms. Brooke Hollowo, Director of Communications
Mr. Richmond Giles, Staff Attorney*
Ms. Patty Shipp, Assurance Officer*
Ms. Usha Doolabh, Investments Manager*
Ms. Kristi Brown, Member Services Supervisor*
Ms. Shelly George, Retirement Section Manager*
Ms. Cheryl Wilburn, Benefits Operations Manager*
Ms. Jennifer Taylor, Director of Benefits Administration*

*Denotes Remote Attendees

Notification of News Media

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

Minutes

Prior to the Board meeting, a copy of the minutes from March 13, 2025, meetings was emailed to each AJRS Board member for review. Judge HERNBERGER made a motion to accept the minutes as presented. The motion was seconded by Judge BROWN. Without objection the motion carried.

Investments

CIO Report

Carlos Borromeo presented the CIO report, ending March 31, 2025. He noted that the Federal Reserve cut interest rates twice during the period, while inflation remained steady, creating a relatively supportive environment for investors.

Carlos also highlighted promising developments in the artificial intelligence space, sharing that AI innovation is becoming more cost-effective and efficient, now requiring fewer NVIDIA chips to achieve impactful results.

As of March 31, the total portfolio value stood at \$344.1 million, increasing to \$350.5 million by May 30, a positive trend over the reporting period.

In domestic equities, large-cap value stocks outperformed with a 2.4% return, while large-cap growth stocks experienced some pullback. Within the "Magnificent 7," Tesla and Alphabet (Google) saw modest performance, reflecting a temporary rotation in market leadership.

Carlos discussed a strategic benchmark shift from the S&P 500 to the MSCI EAFE Index to better align with increased international exposure. While such strong performance in international markets is not typical, several countries, most notably Spain and Norway, posted gains exceeding 20%, underscoring the value of diversification. He explained that during periods like this, it's common for the U.S. dollar to weaken slightly, reflecting global capital flows and shifting investor sentiment.

Callan Report

Ms. Brianne Weymouth, Callan, gave the AJRS Quarterly Report for the period ending March 31, 2025. When comparing recent activity to previous drawdowns, she noted that while the COVID-19 downturn was characterized by a sharp decline followed by a rapid recovery, the current environment has been more moderate. Year-to-date, the S&P 500 is up 1.5%, and the AJRS portfolio remains within its target range across all asset classes, though it is slightly overweight in domestic equity and fixed income.

Ms. Weymouth reviewed total fund performance relative to the benchmark and peer public funds of similar size. For the quarter, the fund was down 0.4%, while the benchmark posted a positive return of 0.22%. However, the fund's one-year return remains strong at 6.65%. In terms of manager performance, domestic equity was the only segment to post negative returns, down 5.16%, while international equity was a bright spot, up 7.66%. She also mentioned that the real estate market appears to have bottomed out and is beginning to rebound.

New legislation now requires divestment from China and Hong Kong. One of AJRS's investment managers may face challenges meeting this mandate, and the situation is being evaluated.

Ms. Weymouth also provided an educational overview of private real estate versus infrastructure investments, which Callan refers to as "hard assets", investments outside of traditional stocks and bonds. Infrastructure, she explained, is considered an all-weather asset class, performing well in both high and low-interest rate environments. Examples include long-life assets like airports, bridges, and toll roads.

While real estate returns depend heavily on strategy, infrastructure investments typically offer a high-income component with modest appreciation over time.

Infrastructure is further supported by increasing global demand for renewable energy and decarbonization, and it serves as an inflation hedge with strong potential for income. However, there are considerations, including revenue risks through market cycles, higher debt levels, and exposure to international trade and interest rate fluctuations. She also discussed expected risk-return profiles, noting that private equity carries the highest risk and return potential, with real estate and infrastructure falling in the middle range.

Finally, Ms. Weymouth explained the range of infrastructure revenue models, from most to least predictable, including availability payments, regulated assets, contracted revenues, patronage-based income, and merchant risk. Should AJRS pursue private infrastructure investments, they would likely do so through a core return strategy, focusing on stable assets that generate regular distributions from operating cash flow, with expected net returns in the 5–7% range.

CFO Report

Mr. Jason Willett, CFO, shared the quarterly financial statements with the board ending on March 31, 2025. The fiduciary net position for the period ended at \$343,814,413. Compared to the same time last year, investment assets have increased by approximately \$9 million, reflecting steady growth. Total contributions for the period amounted to \$10.5 million, while investment income totaled \$12.773 million. Total deductions came in at \$14.1 million, resulting in an ending net position of \$343,814,413. Overall, the report reflected positively on the system's performance, indicating that the plan is doing very well financially.

Legal

Ms. Laura Gilson presented the Legal Report for the period ending March 31, 2025. There were no member appeals at the board level during the meeting. However, there is one case currently at the Court of Appeals, for which APERS has filed a motion to dismiss. Ms. Gilson provided an overview of the rules being promulgated in connection with Act 370 of 2025.

The board considered two action items. First, a motion to approve the remote attendance policy was made by Judge Scott and seconded by Judge HERNBERGER; the motion was unanimously approved. Second, discussion ensued on a motion for staff to move forward with the rule promulgation process, which was followed by a motion made by Judge Brown and seconded by Judge HERNBERGER; this motion was also unanimously approved.

Benefits Report

Ms. Allison Woods provided a benefits summary for the period that ended March 31, 2025. The average pay of active members is \$193,955, while the average annual benefit for current retirees is \$137,934. During the quarter, seven judges retired. Additionally, NASRA recently released a report on the benefits of state judges, and Allison Woods noted that she could share that information with the board at the next meeting.

Executive Report

Executive Director Fecher gave the executive report ending March 31, 2025. Multi-Factor Authentication (MFA) has officially gone live for myAJRS. Outreach efforts are ongoing, including opportunities like the Judicial Conference presentation, which was appreciated by staff. Work is underway on several Requests for Proposals (RFPs), including one for banking services. The new pay plan is scheduled to go into effect

on July 1. Additionally, there was discussion about future meetings with the Administrative Office of the Courts (AOC).

Upcoming Board Meetings

September 11, 2025, at 1:30 p.m.

December 4, 2025, at 1:30 p.m.

With no other business, the meeting was adjourned. A motion to adjourn was made by Judge Brown and seconded by Judge HERNBERGER. The motion passed.

Hon. Herbert Wright, Circuit Judge
Chair Arkansas Judicial Retirement System

Amy Fecher
APERS Executive Director

ARKANSAS JUDICIAL RETIREMENT SYSTEM
STATEMENT OF ADMINISTRATIVE EXPENSES

Description	FY 24 Expenses	FY 25 Budget	Apr-25	May-25	Jun-25	Total YTD	Remaining Budget
<u>M & O Expenses</u>							
Office Supplies/Printing	988.49	3,000.00	-	-	1,041.24	1,041.24	1,958.76
Board Member Expense Reimbursement	1,126.33	4,000.00			326.56	1,233.44	2,766.56
Bank Charges	3,763.20	5,000.00	298.88	282.40	290.19	2,741.62	2,258.38
Total M & O Expenses	5,878.02	12,000.00	298.88	282.40	1,657.99	5,016.30	6,983.70
<u>Professional Fees</u>							
Veritext LLC (1)	311.60	1,000.00				-	1,000.00
Gabriel Roeder Smith (1)	28,400.00	30,000.00				29,100.00	900.00
Aristotle Capital (2)	148,259.41	170,000.00			39,649.83	161,204.45	8,795.55
Conner, Clark, & Lunn (2)	-	100,000.00			28,338.43	65,212.39	34,787.61
Baillie Gifford (2)	130,437.04	50,000.00				37,356.27	12,643.73
Callan Associates (2)	78,235.40	85,000.00			20,341.21	81,364.84	3,635.16
Invesco Real Estate (2)	109,342.07	140,000.00			25,559.20	107,971.84	32,028.16
MacKay Shields (2)	374,363.57	425,000.00			105,051.24	412,047.42	12,952.58
Robeco (Boston Partners) (2)	313,473.26	360,000.00			86,886.14	342,966.20	17,033.80
BNY Mellon (2)	22,523.82	32,000.00		7,848.63		31,605.38	394.62
Mellon Capital Management (2)	18,878.22	25,000.00			6,147.38	21,384.01	3,615.99
Total Professional Fees	1,224,224.39	1,418,000.00	-	7,848.63	311,973.43	1,290,212.80	127,787.20
Transfers To APERS	115,000.00	115,000.00	-	-	-	115,000.00	-
Total Administrative Expenses	1,345,102.41	1,545,000.00	298.88	8,131.03	313,631.42	1,410,229.10	134,770.90

Notes:

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



DELIVERING SECURE RETIREMENT BENEFITS
AND EXCEPTIONAL SERVICE TO OUR MEMBERS.

Chief Investment Officer Report

For the Fiscal Year Ending June 30, 2025

2nd Quarter 2025 – Fiscal Year 2025

Benchmarks			AJRS Portfolio					Fiscal	
	Q2 2025	Fiscal Year		Q3 2024	Q4 2024	Q1 2025	Q2 2025	Year	30-Jun-25
U.S. Equity			Domestic Equity	5.17%	2.34%	-5.16%	10.27%	15.56%	\$ 154,949,154
S&P 500	10.94%	15.16%	International Equity	8.92%	-7.02%	7.66%	14.04%	24.33%	\$ 40,577,810
Russell 2000 Index	8.50%	7.68%	Fixed Income	5.56%	-2.54%	2.94%	1.71%	7.72%	\$ 140,907,688
Russell 3000	10.99%	15.30%	Real Estate	0.00%	-1.00%	-0.46%	0.38%	-1.08%	\$ 25,928,610
Russell 1000 Growth	17.84%	17.22%	AJRS Total Portfolio	5.26%	-0.80%	-0.42%	6.44%	10.67%	\$ 362,363,262
Russell 1000 Value	3.79%	13.70%							\$ 256,600
International Equity									\$ 362,619,862
MSCI EAFE	11.78%	17.73%							
MSCI ACWI xUS	12.03%	17.72%							
Fixed Income									
Bloomberg Agg	1.21%	6.08%							

2nd Quarter 2025 – Fiscal Year 2025

AJRS Portfolio		Q3 2024	Q4 2024	First	Q1 2025	First	Q2 2025	Fiscal
				6mo		9mo		Year
				FY2025		FY2025		
Domestic Equity		5.17%	2.34%	7.63%	-5.16%	2.07%	10.27%	15.56%
International Equity		8.92%	-7.02%	1.27%	7.66%	9.03%	14.04%	24.33%
Fixed Income		5.56%	-2.54%	2.88%	2.94%	5.91%	1.71%	7.72%
Real Estate		0.00%	-1.00%	-1.00%	-0.46%	-1.45%	0.38%	-1.08%
AJRS Total Portfolio		5.26%	-0.80%	4.41%	-0.42%	3.98%	6.44%	10.67%

1st Quarter 2025 - reminder

U.S. Markets

- China's DeepSeek released an AI model at a fraction of the cost of market leaders, disrupting investor sentiment and pressuring U.S. tech valuations.
- U.S. equities declined, with information technology and consumer discretionary sectors posting steep losses. Other sectors performed better, led by energy and healthcare.
- Public-sector job cuts raised concerns about consumer spending.
- In March, the Federal Reserve cut its U.S. growth forecast for 2025 while raising its inflation outlook, further weighing on sentiment.

Eurozone Markets

- Eurozone equities gained sharply as global investors rotated out of U.S. technology stocks and into European markets following the DeepSeek announcement.

Global Bonds

- Rising uncertainty about U.S. leadership in technology, coupled with macroeconomic concerns, pushed global bond sentiment lower.
- Recession fears increased as investors reassessed risk and growth trajectories.

AJRS Portfolio		First 9mo
	Q1 2025	FY2025
Domestic Equity	-5.16%	2.07%
International Equity	7.66%	9.03%
Fixed Income	2.94%	5.91%
Real Estate	-0.46%	-1.45%
AJRS Total Portfolio	-0.42%	3.98%

2nd Quarter 2025 – FY 2025

Market Dynamics

- Uncertainty around U.S. trade policy dominated early Q2.
- While initial trade measures were announced, they were later suspended, which helped equities rebound and eased recession concerns.
- Public credit markets shifted focus from anticipated interest rate cuts to concerns around debt sustainability.

U.S. Markets

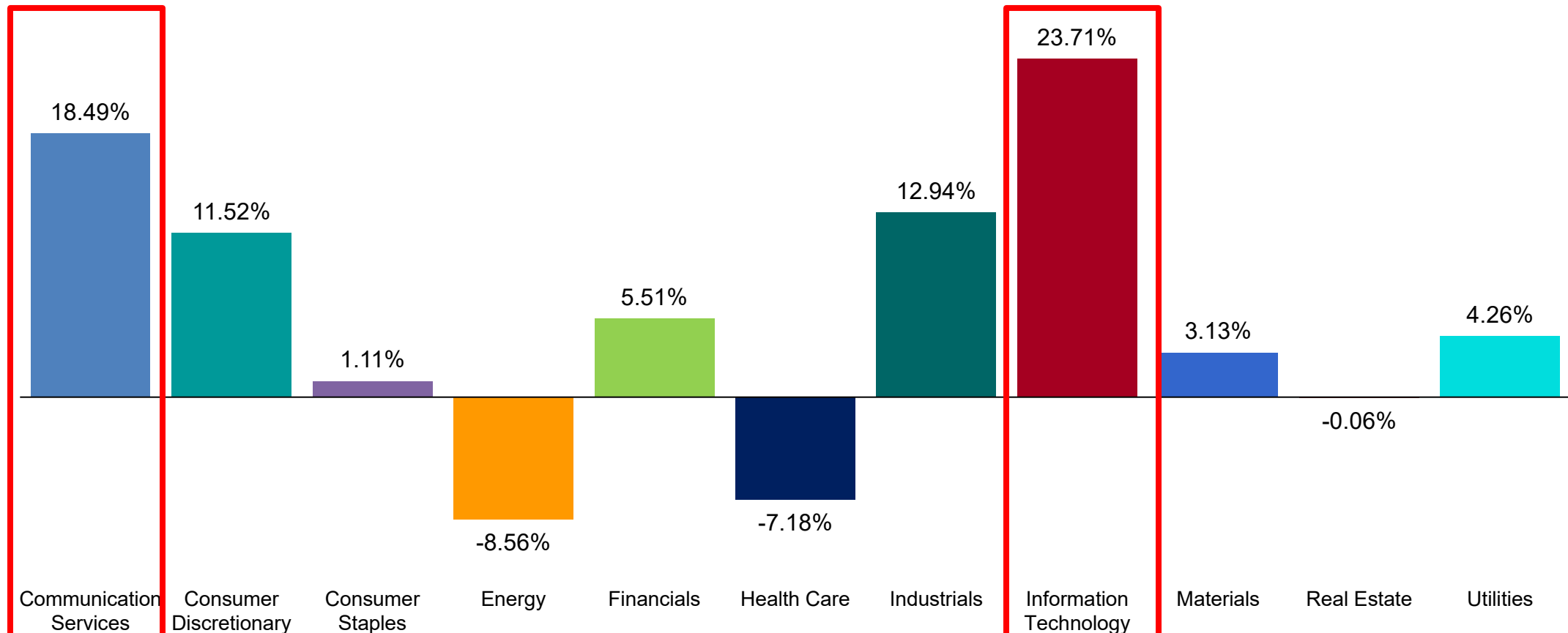
- Equities advanced, led by information technology and communication services.
- Renewed investor appetite for select “Magnificent 7” stocks fueled gains.
- A.I.-exposed companies staged a strong recovery.
- Robust corporate earnings and resilient economic data further supported equity momentum.

AJRS Portfolio		
	Q2 2025	Fiscal Year
Domestic Equity	10.27%	15.56%
International Equity	14.04%	24.33%
Fixed Income	1.71%	7.72%
Real Estate	0.38%	-1.08%
AJRS Total Portfolio	6.44%	10.67%

2nd Quarter 2025 – S&P Quarter Performance

Appetite for some of the Magnificent 7 stocks reignited.

Industry Sector Quarterly Performance (S&P 500) as of 06/30/2025

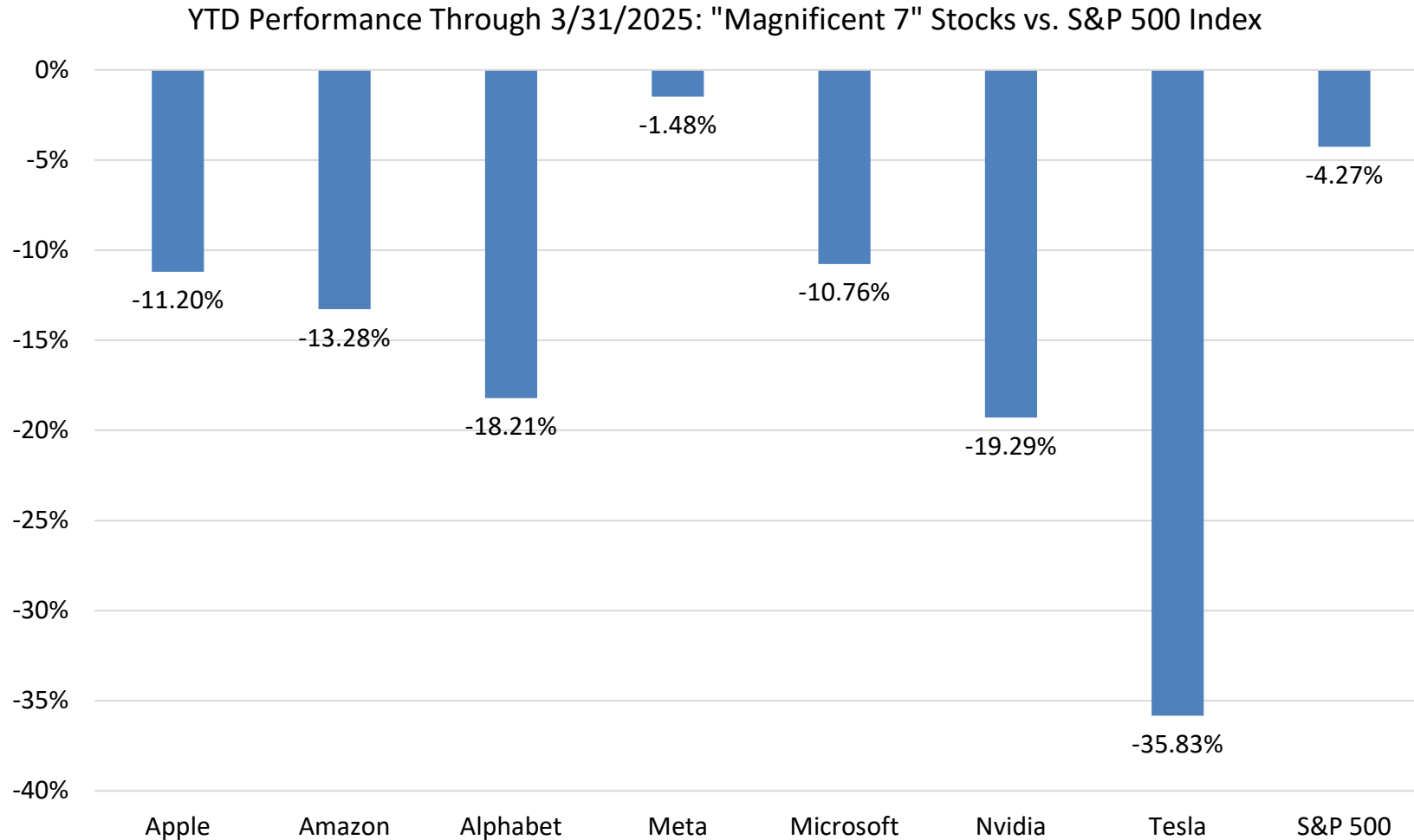


2nd Quarter 2025 - Summary

Stocks with exposure to A.I. staged a strong recovery.

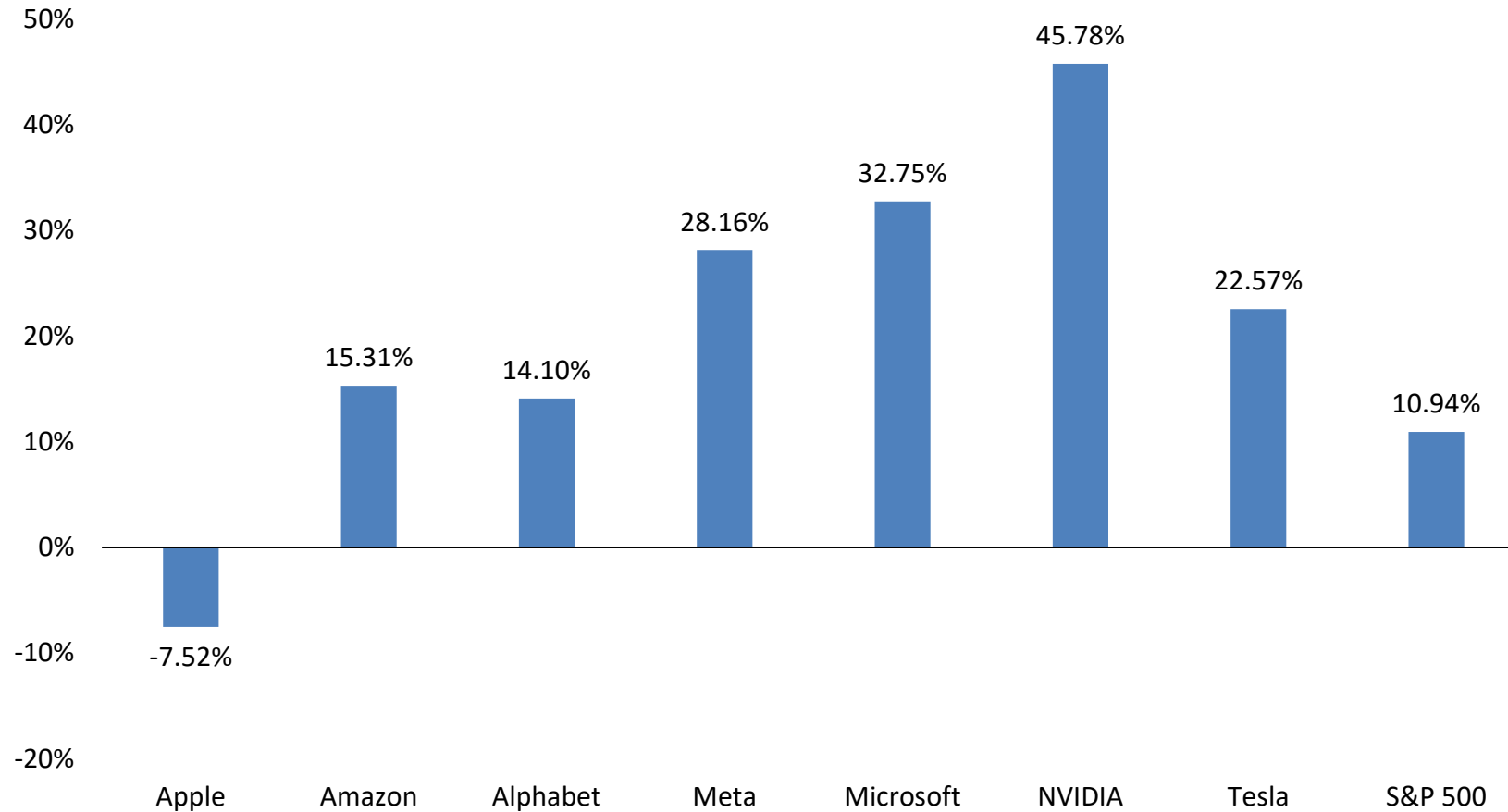
	QTD US Equity Returns as of 06/30/2025				Fiscal YTD US Equity Returns as of 06/30/2025		
	Growth	Core	Value		Growth	Core	Value
Large	17.84%	11.11%	3.79%	Large	17.22%	15.66%	13.70%
Mid	18.20%	8.53%	5.35%	Mid	26.49%	15.21%	11.53%
Small	11.97%	8.50%	4.97%	Small	9.73%	7.68%	5.54%

1st Quarter 2025 – “Magnificent 7” Performance



2nd Quarter 2025 – “Magnificent 7” Performance

1-Quarter Performance Ended 6/30/2025: "Magnificent 7" Stocks vs. S&P 500 Index



2nd Quarter 2025 – FY 2025

UK & Eurozone

- The FTSE All-Share Index moved higher as the U.S. dollar weakened, prompting investors to rotate out of U.S. assets.
- Top-performing sectors included industrials (notably defense stocks), telecommunications, utilities, and real estate.
- The Bank of England cut rates by 25 bps, providing additional support to equities.
- Eurozone equities also posted strong gains. Defense stocks outperformed following the NATO summit agreement for member countries to increase defense spending.

Global Public Credit

- Global bonds benefited from a weaker U.S. dollar and continued supportive monetary policies.
- Rising geopolitical tensions — particularly U.S. trade policy shifts and Middle East developments - weighed on risk sentiment.
- Market focus shifted away from monetary easing toward fiscal policy discipline and debt sustainability.
- Moody’s downgraded U.S. Treasury debt to Aa1, citing fiscal risks and growing debt burdens.

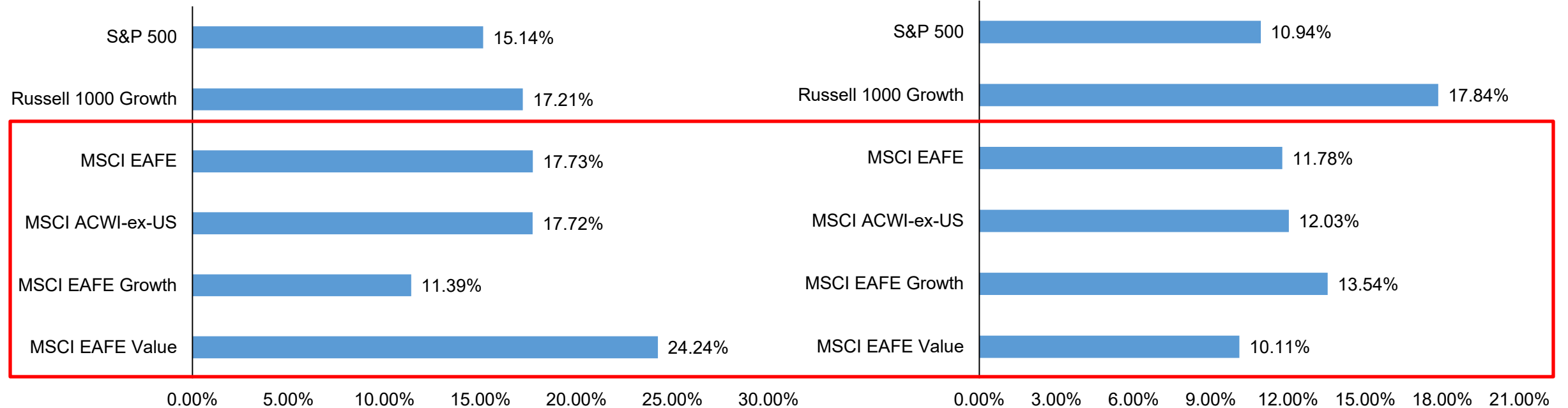
AJRS Portfolio		
	Q2 2025	Fiscal Year
Domestic Equity	10.27%	15.56%
International Equity	14.04%	24.33%
Fixed Income	1.71%	7.72%
Real Estate	0.38%	-1.08%
AJRS Total Portfolio	6.44%	10.67%

2nd Quarter 2025 – International Markets

- The rotation into the other currencies aided the international markets.

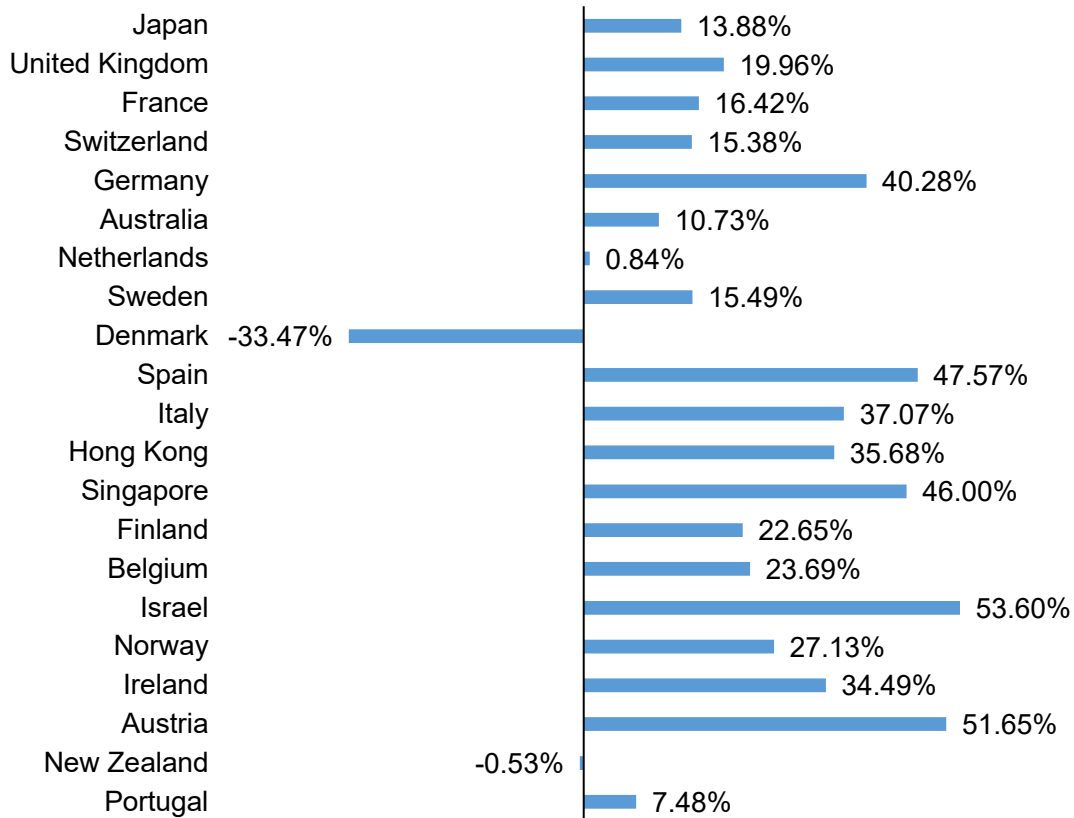
1-Year Return Ending 06/30/2025

1-Quarter Return Ending 06/30/2025

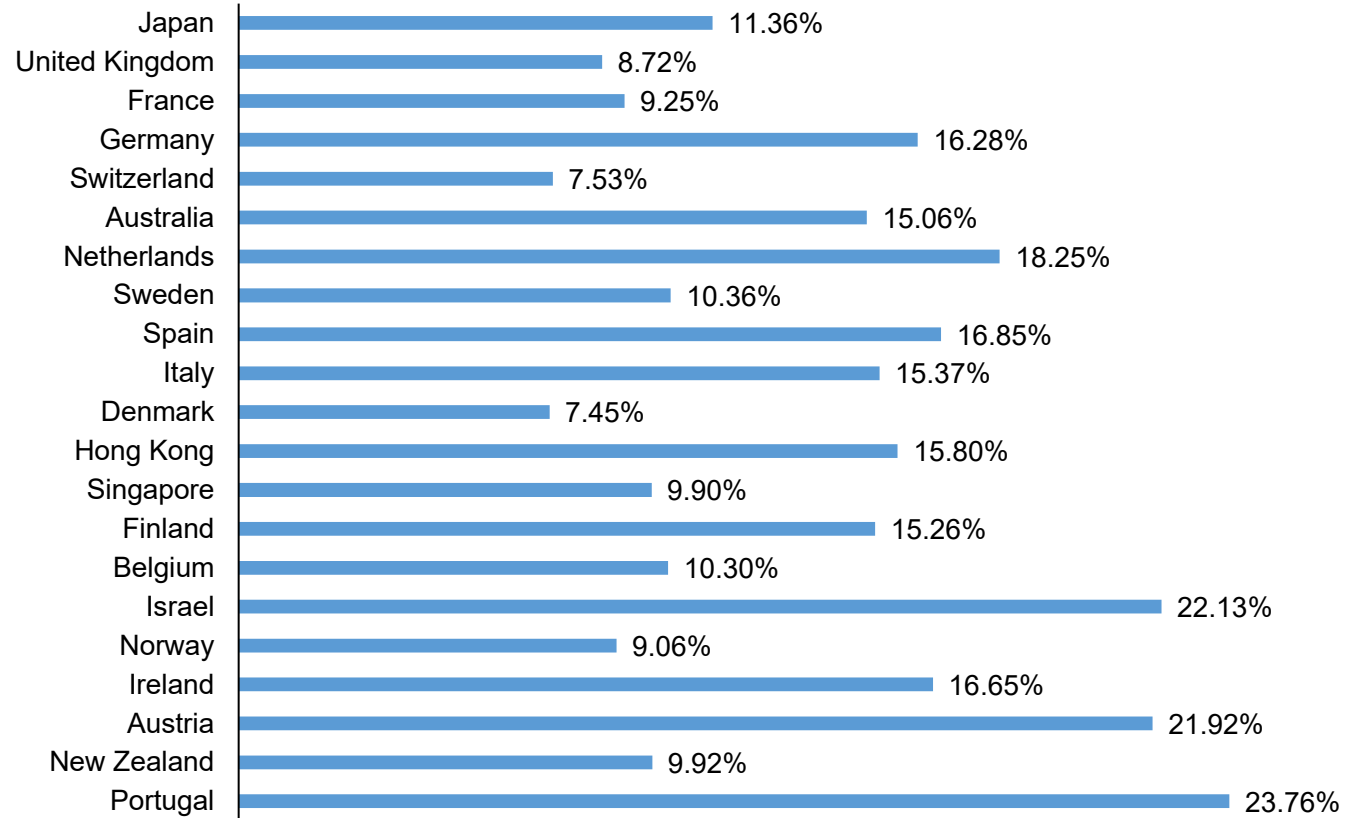


2nd Quarter 2025 – International Markets

Countries in the MSCI EAFE Index: 1-Year Return Ending 06/30/2025

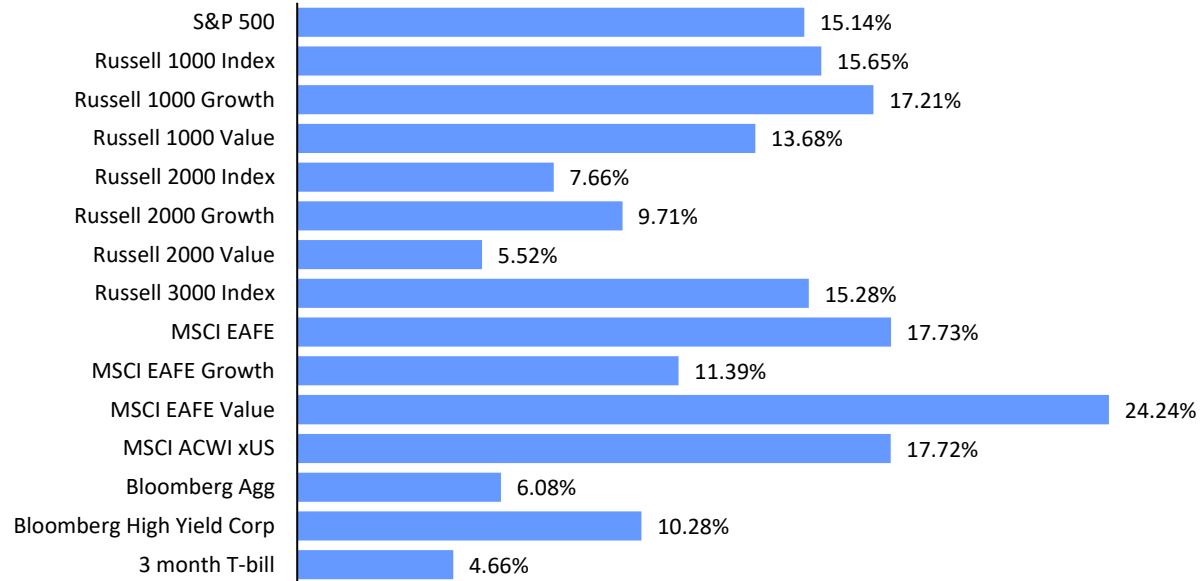


Countries in the MSCI EAFE Index: 1-Quarter Return Ending 06/30/2025

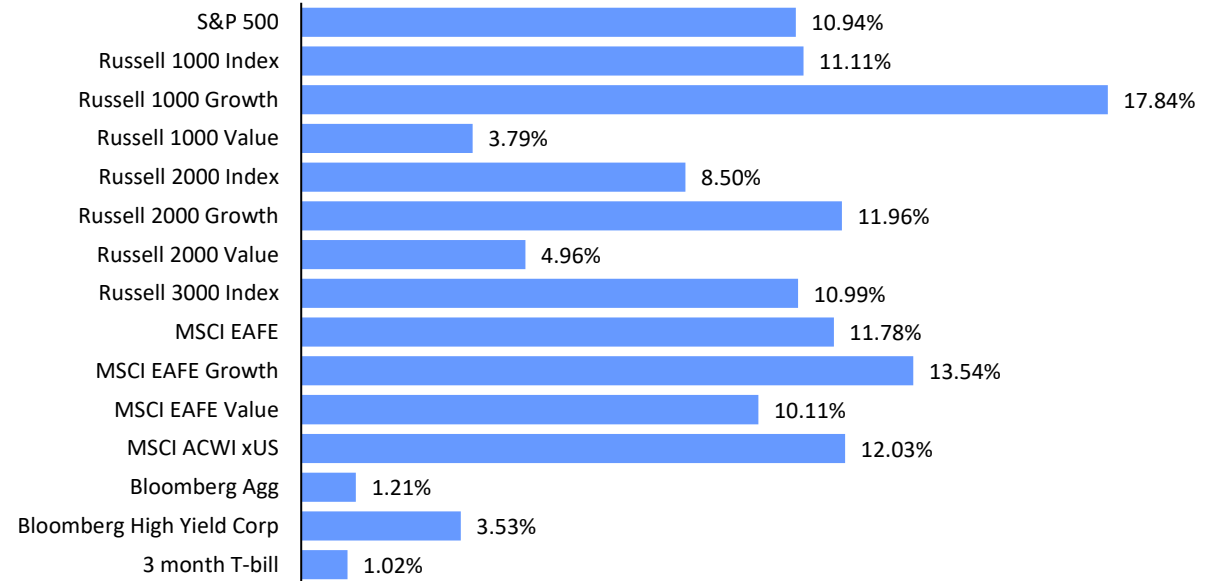


2nd Quarter 2025 – Global Markets

Performance by Asset Class: One Year Ended 06/30/25

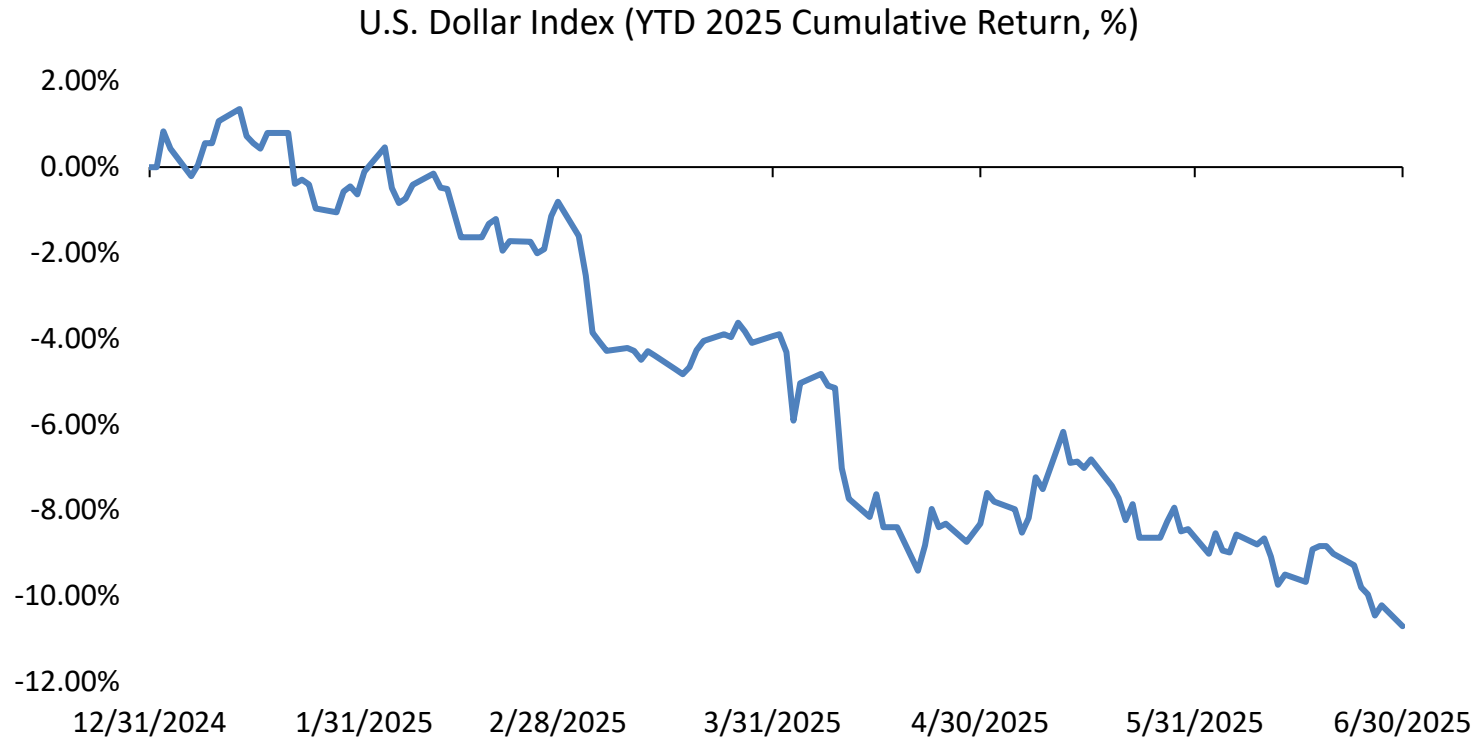


Performance by Asset Class: Quarter Ended 06/30/25



Monitoring the U.S. Dollar

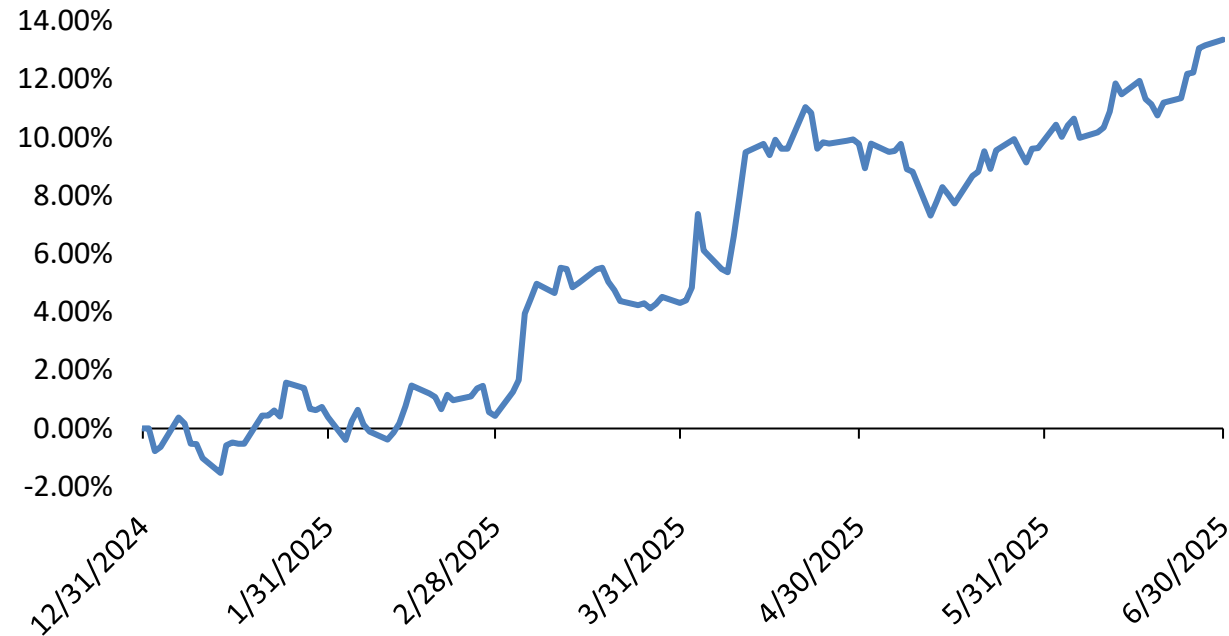
- The U.S. Dollar Index continued its decline in Q2, pressured by expectations of a slower pace of Fed rate adjustments and a weaker U.S. economic outlook.
- Reduced demand for the dollar made non-U.S. investments more attractive to international investors.



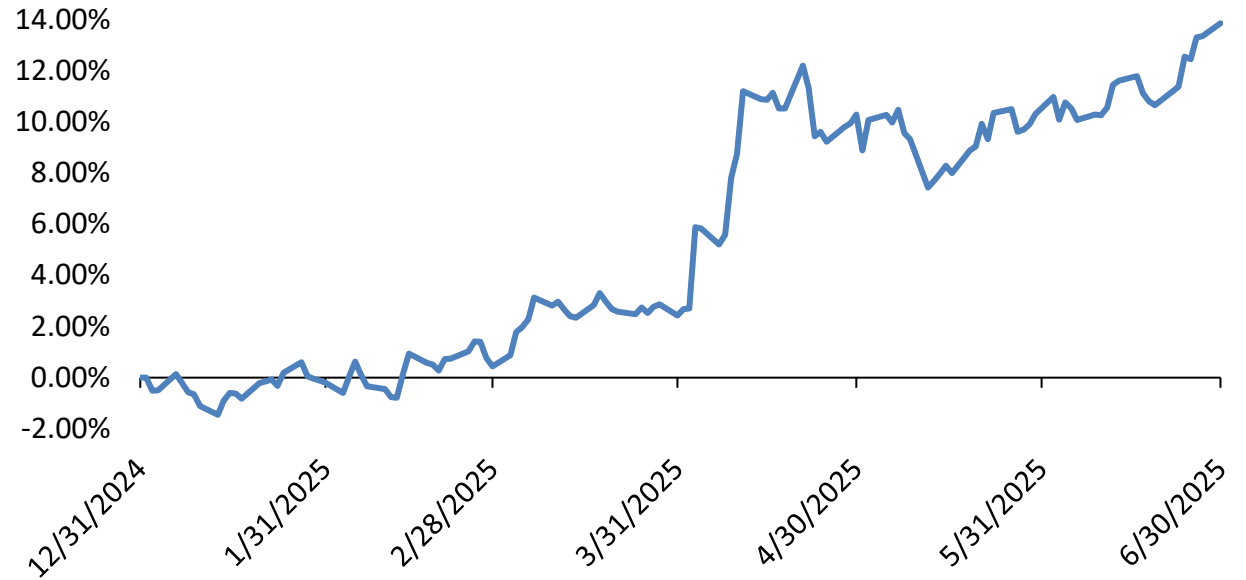
Monitoring the U.S. Dollar

- The transition from the US dollar to other currencies warrants close observation.

U.S. Dollar per Euro (YTD 2025 Cumulative Return, %)



U.S. Dollar per Swiss Franc (YTD 2025 Cumulative Return, %)



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

September 11, 2025



Executive Summary Second Quarter 2025

Arkansas Judicial Retirement
System

Brianne Weymouth, CAIA
Senior Vice President

John Jackson, CFA
Senior Vice President

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

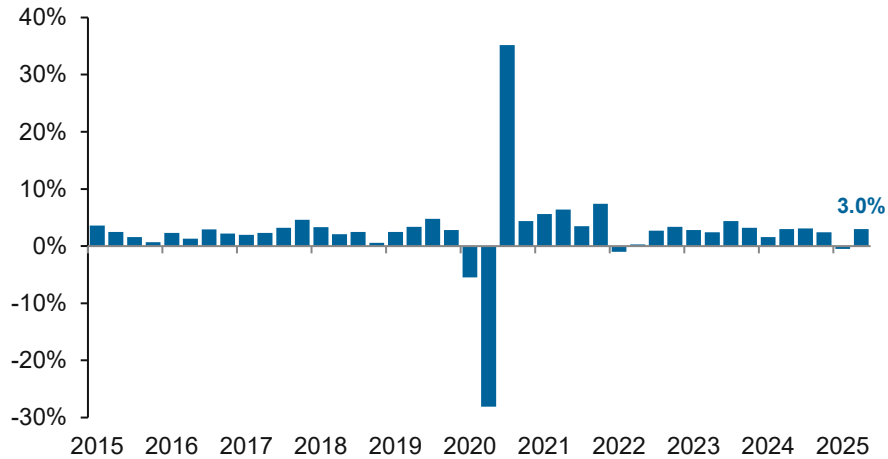


Economic Overview

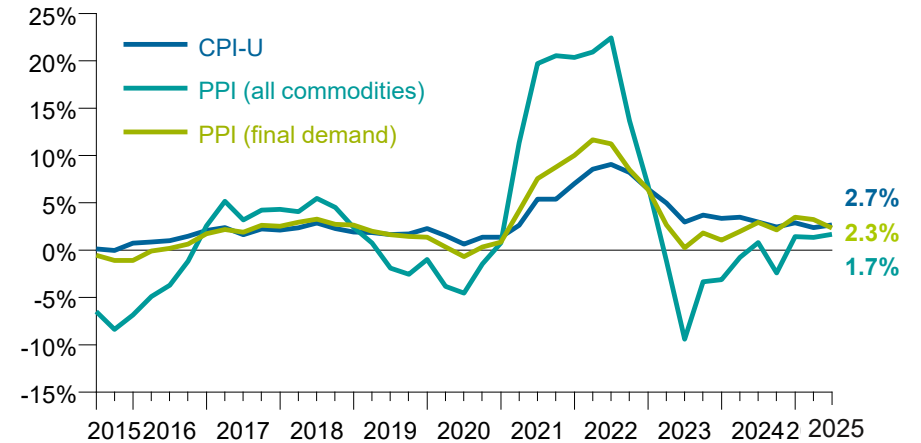
U.S. Economy—Summary

For periods ended 6/30/25

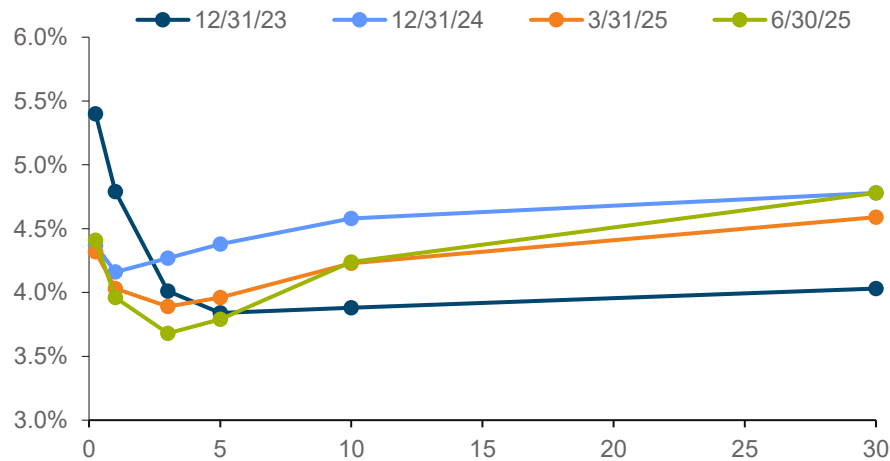
Quarterly Real GDP Growth



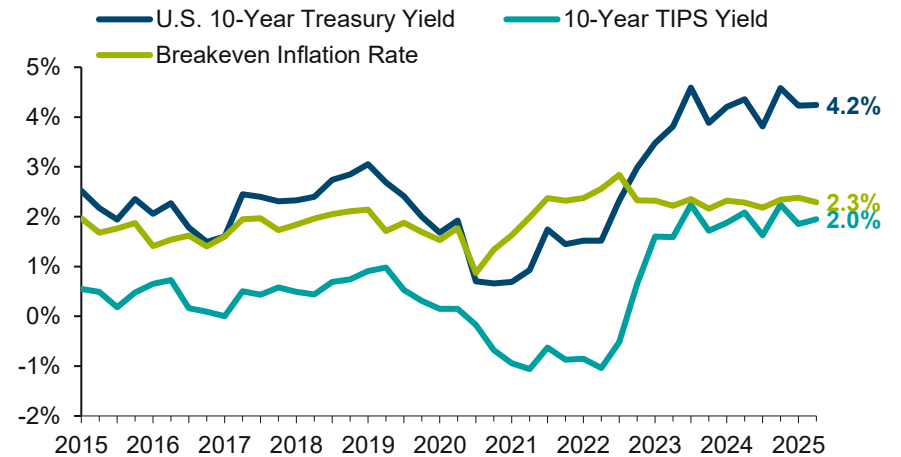
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve



Global Markets Snapshot

Global Markets Snapshot

Returns for Periods ended 6/30/25

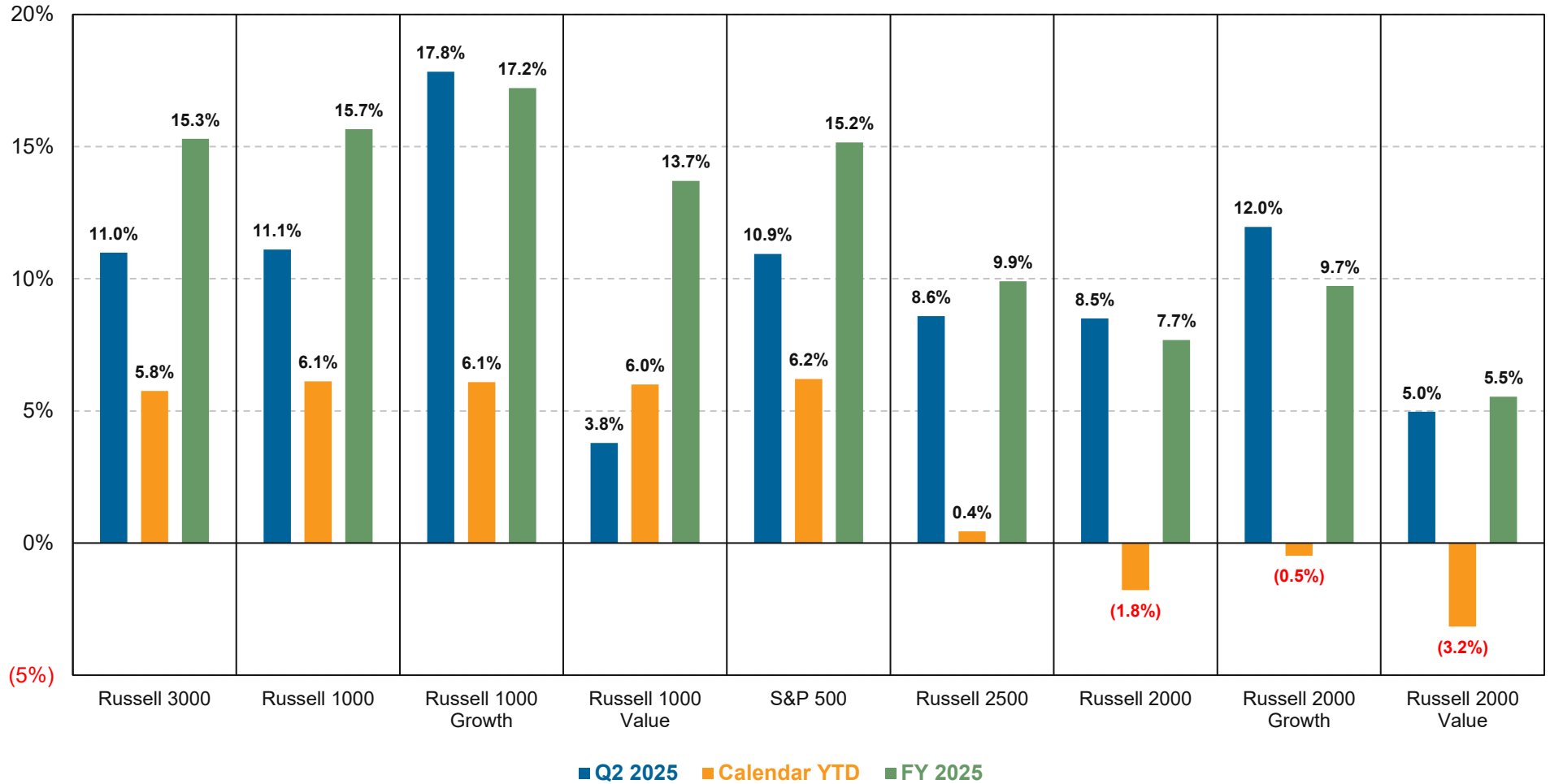
	Q2 2025	FY 2025	1 Year	5 Years	10 Years	25 Years
U.S. Equity						
S&P 500	10.94	15.16	15.16	16.64	13.65	7.98
Russell 1000 Growth	17.84	17.22	17.22	18.15	17.01	7.88
Russell 1000 Value	3.79	13.70	13.70	13.93	9.19	7.80
Russell 2000	8.50	7.68	7.68	10.04	7.12	7.35
Russell 2000 Growth	11.97	9.73	9.73	7.42	7.14	5.76
Russell 2000 Value	4.97	5.54	5.54	12.47	6.72	8.60
Russell 3000	10.99	15.30	15.30	15.96	12.96	8.04
Global ex-U.S. Equity						
MSCI ACWI ex USA	12.03	17.72	17.72	10.13	6.12	--
MSCI EAFE	11.78	17.73	17.73	11.16	6.51	4.51
MSCI Emerging Markets	11.99	15.29	15.29	6.81	4.82	--
MSCI ACWI ex USA Small Cap	16.93	18.34	18.34	10.74	6.54	7.02
Fixed Income						
Bloomberg Aggregate	1.21	6.08	6.08	-0.73	1.76	3.94
90-day T-Bill	1.04	4.68	4.68	2.76	1.98	1.88
Bloomberg Long Gov/Credit	-0.18	3.32	3.32	-4.93	1.79	5.24
Bloomberg Global Agg ex-US	7.29	11.21	11.21	-1.63	0.61	2.94
Real Estate						
NCREIF Property	1.20	4.23	4.23	3.70	5.22	7.46
NCREIF NFI ODCE Eq Wt Net	0.84	2.47	2.47	2.74	4.71	5.88
FTSE Nareit Equity	-1.16	8.60	8.60	8.63	6.32	9.29
Alternatives						
HFRI Fund Weighted	4.32	8.43	8.43	8.56	5.40	5.46
Cambridge Private Equity*	1.67	6.30	6.30	15.66	13.09	10.35
Inflation - CPI-U	0.86	2.67	2.67	4.58	3.06	2.54

Cambridge Private Equity data as of 3/31/25. Returns greater than one year are annualized.

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

U.S. Equity Market Snapshot: Q2 2025

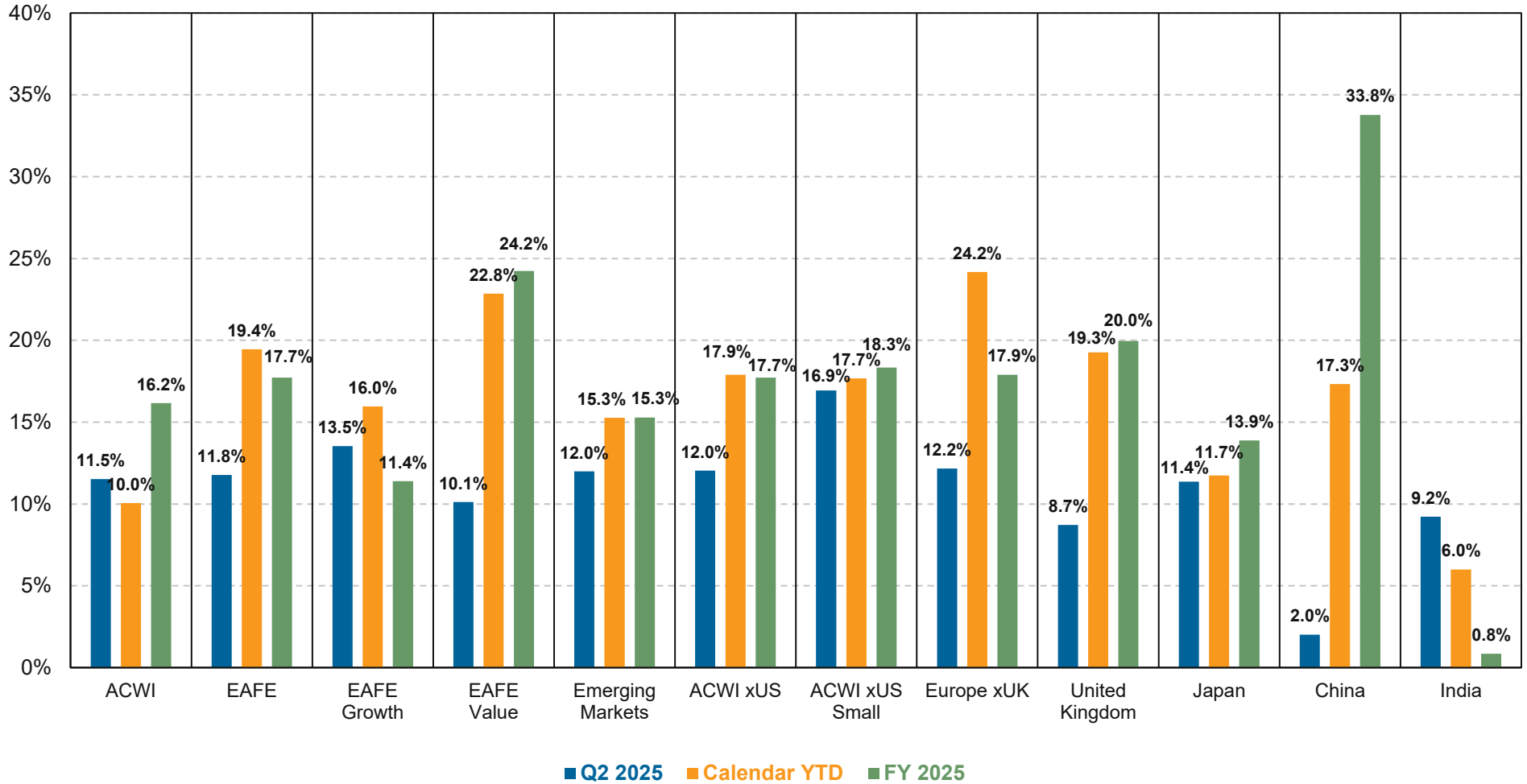
Returns for Periods Ended June 30, 2025



Sources: FTSE Russell, S&P Dow Jones Indices

Global Equity Market Snapshot: Q2 2025

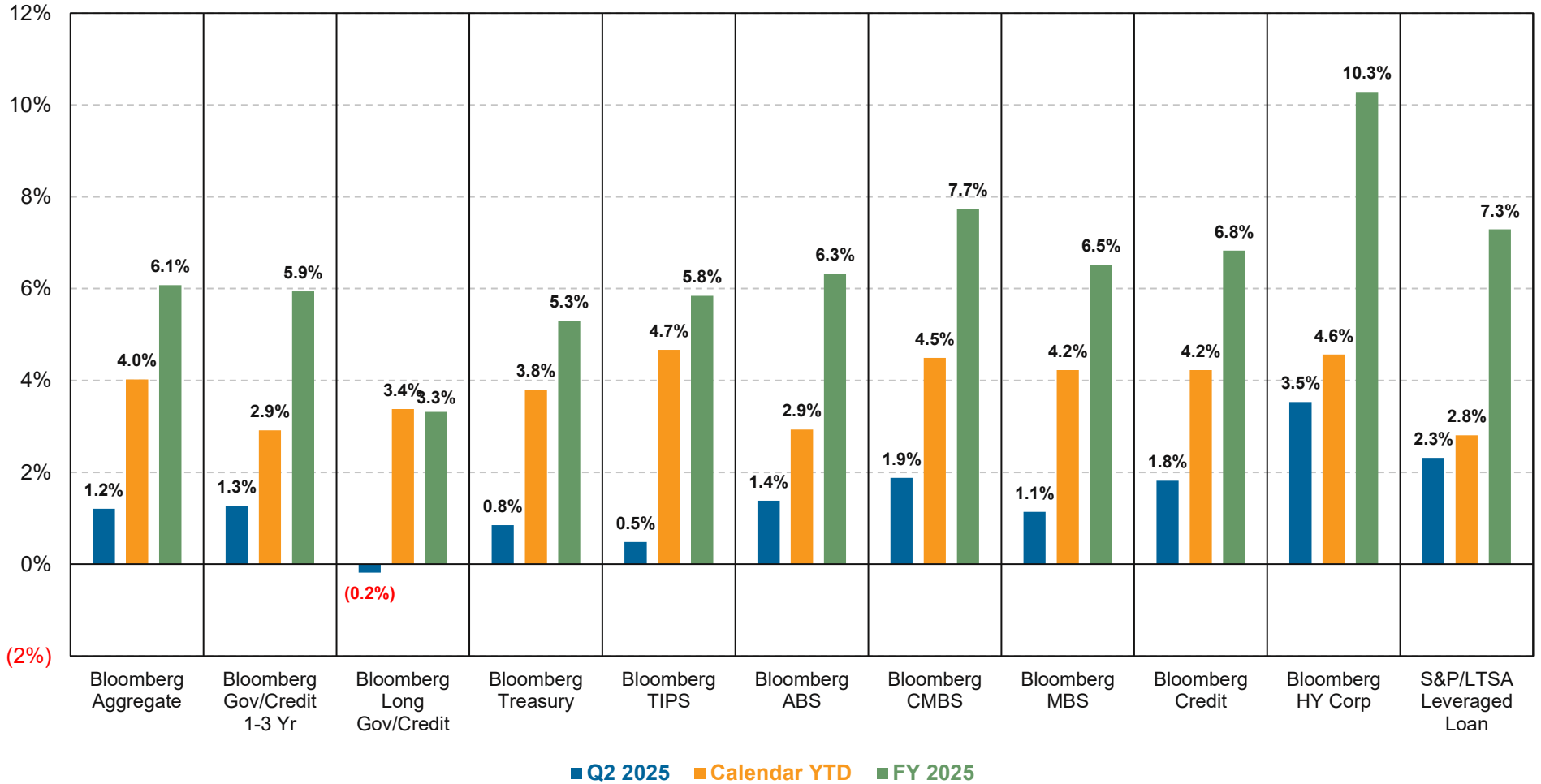
Returns for Periods Ended June 30, 2025



Source: MSCI

U.S. Fixed Income Market Snapshot: Q2 2025

Returns for Periods Ended June 30, 2025



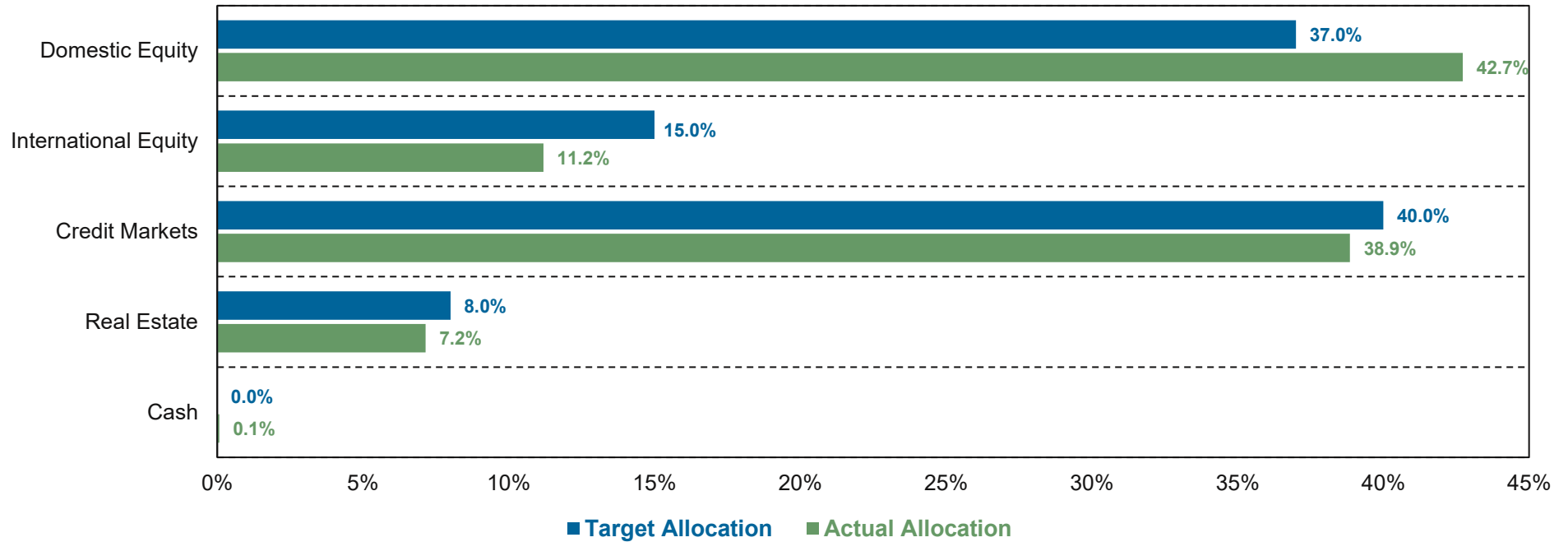
Sources: Bloomberg, Callan, S&P Dow Jones Indices



AJRS Portfolio Review

Actual vs. Target Asset Allocation

June 30, 2025

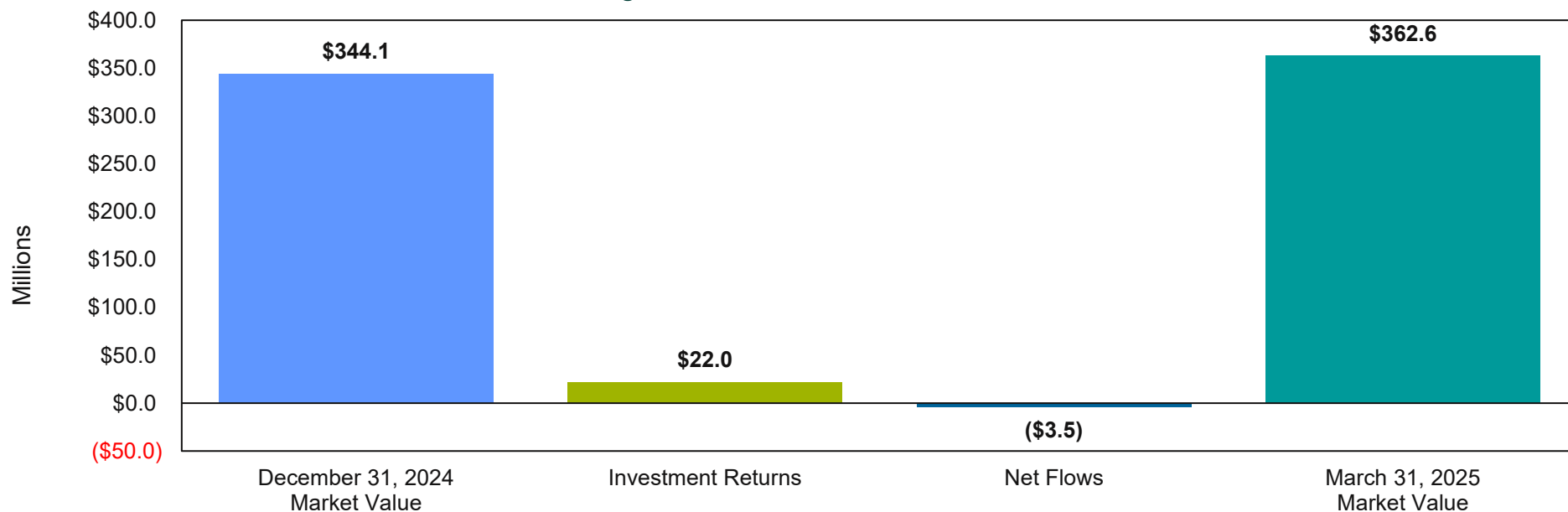


Asset Class	\$000s Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	154,949	42.7%	32.0%	37.0%	42.0%
International Equity	40,578	11.2%	10.0%	15.0%	20.0%
Credit Markets	140,908	38.9%	35.0%	40.0%	45.0%
Real Estate	25,929	7.2%	3.0%	8.0%	13.0%
Cash	257	0.1%	0.0%	0.0%	5.0%
Total	362,620	100.0%		100.0%	

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

Total Fund Asset Summary

Changes in Total Fund Assets – Q2 2025



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q2 2025 (3/31/25 – 6/30/25)	\$344,132,791	+	\$22,032,861	+	(\$3,545,790)	=	\$362,619,862
FY 2025 (6/30/24 – 6/30/25)	\$334,827,022	+	\$35,646,018	+	(\$7,853,178)	=	\$362,619,862

Total Fund Performance

June 30, 2025

Returns for Periods Ended June 30, 2025

Group: Callan Public Fd Mid DB

	Q4 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	8.13%	12.96%	12.44%	10.31%	8.59%	7.74%
25th Percentile	7.70%	12.17%	11.47%	9.83%	8.17%	7.48%
Median	7.07%	11.41%	10.52%	9.08%	7.76%	7.18%
75th Percentile	6.26%	10.33%	9.38%	8.24%	7.13%	6.79%
90th Percentile	5.60%	9.38%	8.37%	7.48%	6.62%	6.39%
Total Fund	6.44% (71)	10.67% (71)	9.60% (71)	7.78% (84)	7.27% (68)	7.08% (62)
Benchmark	6.42 (71)	11.15 (60)	9.68 (69)	7.52 (90)	7.16 (73)	6.88 (72)
Peer Universe Constituents	111	111	110	110	106	71

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

Asset Class Performance and Market Values

June 30, 2025

	Market Value \$(Dollars)	Ending Weight	2Q 2025	FY 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity Russell:3000 Index	\$154,949,154	41.59%	10.27% 10.99%	12.56% 15.30%	12.56% 15.30%	17.79% 19.08%	16.19% 15.96%	12.39% 12.96%
International Equity Intl Equity Benchmark*	\$40,577,810	10.35%	14.04% 12.03%	24.33% 17.95%	24.33% 17.95%	13.36% 14.46%	5.51% 10.60%	5.88% 6.49%
Fixed Income Blmbg:Aggregate	\$140,907,688	40.29%	1.71% 1.21%	7.72% 6.08%	7.72% 6.08%	5.07% 2.55%	1.41% (0.73%)	3.13% 1.76%
Real Estate NCREIF:NFI-ODCE Eq Wt Net	\$25,928,610	7.56%	0.38% 0.84%	(1.08%) 2.47%	(1.08%) 2.47%	(7.20%) (6.31%)	1.84% 2.74%	4.47% 4.71%
Cash & Equivalents 3 Month T-Bill	\$256,600	0.22%	1.06% 1.04%	4.33% 4.68%	4.33% 4.68%	4.47% 4.56%	2.71% 2.76%	1.95% 1.98%
Total Fund Total Fund Benchmark	\$362,619,862	100.0%	6.44% 6.42%	10.67% 11.15%	10.67% 11.15%	9.60% 9.68%	7.78% 7.52%	7.27% 7.16%

* Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

June 30, 2025

	Q2 2025	FY 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	10.27%	12.56%	12.56%	17.79%	16.19%	12.39%
Russell 3000 Index	10.99%	15.30%	15.30%	19.08%	15.96%	12.96%
S&P 500 Index	10.94%	15.16%	15.16%	19.71%	16.64%	13.65%
Mellon Russell 1000 Growth Idx	17.98% (39)	17.31% (31)	17.31% (31)	25.73% (36)	18.10% (11)	--
Russell:1000 Growth	17.84% (42)	17.22% (33)	17.22% (33)	25.76% (35)	18.15% (10)	17.01% (10)
Callan Large Cap Growth	17.17%	15.95%	15.95%	24.78%	15.87%	15.60%
Boston Partners	6.31% (14)	11.57% (72)	11.57% (72)	15.05% (35)	17.26% (28)	10.71% (26)
Russell:1000 Value	3.79% (63)	13.70% (40)	13.70% (40)	12.76% (65)	13.93% (79)	9.19% (83)
Callan Large Cap Value	4.32%	13.15%	13.15%	13.89%	15.84%	10.08%
Aristotle Capital Boston	3.40% (89)	2.86% (87)	2.86% (87)	7.34% (91)	10.15% (87)	--
Russell:2000 Index	8.50% (28)	7.68% (46)	7.68% (46)	10.00% (59)	10.04% (89)	7.12% (88)
Callan Small Cap Core	7.16%	7.16%	7.16%	10.66%	12.63%	8.62%
International Equity	14.04%	24.33%	24.33%	13.36%	5.51%	5.88%
Intl Equity Benchmark	12.03%	17.95%	17.95%	14.46%	10.60%	6.49%
CC&L Q Intl Equity	14.27% (14)	--	--	--	--	--
MSCI ACWI xUS (Net)	12.03% (52)	17.72% (63)	17.72% (63)	13.99% (78)	10.13% (72)	6.12% (88)
Callan NonUS Eq	12.06%	19.59%	19.59%	16.08%	11.57%	7.29%
Mellon ACWI ex US Fund	12.13% (48)	--	--	--	--	--
MSCI ACWI xUS (Net)	12.03% (52)	17.72% (63)	17.72% (63)	13.99% (78)	10.13% (72)	6.12% (88)
Callan NonUS Eq	12.06%	19.59%	19.59%	16.08%	11.57%	7.29%

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

Investment Manager Returns and Peer Group Rankings

June 30, 2025

	Q2 2025	FY 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Credit Markets	1.71%	7.72%	7.72%	5.07%	1.41%	3.13%
Blmbg:Aggregate	1.21%	6.08%	6.08%	2.55%	(0.73%)	1.76%
MacKay Shields LLC	1.71% (23)	7.72% (10)	7.72% (10)	5.07% (5)	1.41% (15)	3.13% (18)
Blmbg:Aggregate	1.21% (98)	6.08% (97)	6.08% (97)	2.55% (97)	(0.73%) (98)	1.76% (100)
Callan Core Plus FI	1.57%	6.96%	6.96%	3.89%	0.65%	2.74%
Real Estate	0.38%	(1.08%)	(1.08%)	(7.20%)	1.84%	4.47%
	0.84%	2.47%	2.47%	(6.31%)	2.74%	4.71%
Invesco Core Real Estate	0.38% (95)	(1.08%) (96)	(1.08%) (96)	(7.20%) (67)	1.84% (76)	4.47% (63)
NCREIF NFI ODCE Eq Wt Net	0.84% (80)	2.47% (73)	2.47% (73)	(6.31%) (64)	2.74% (58)	4.71% (60)
Callan OE Core Cmngld RE	1.23%	3.11%	3.11%	(5.36%)	3.05%	4.99%
Total Fund	6.44% (71)	10.67% (71)	10.67% (71)	9.60% (71)	7.78% (84)	7.27% (68)
Total Fund Benchmark	6.42% (71)	11.15% (60)	11.15% (60)	9.68% (69)	7.52% (90)	7.16% (73)
Callan Public Fd Mid DB	7.07%	11.41%	11.41%	10.52%	9.08%	7.76%

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

Organizational Developments

2nd Quarter 2025

Invesco Real Estate – Core Real Estate

August 2025 – Kim Hourihan joined Invesco Real Estate (IRE) as Head of Global Strategy and will assume portfolio management responsibilities for Invesco Core Real Estate (ICRE). In her previous role, which she held until the end of 2024, Ms. Hourihan served as the Global Chief Investment Officer of CBRE Investment Management. Ms. Hourihan brings more than three decades of experience in real estate investment management to the IRE team, including the successful launch and management of CBRE US Core Partners Fund from 2013 to 2021. With the arrival of Ms. Hourihan, current ICRE portfolio managers Michelle Foss and Chad Provost have been transitioned out of their roles.

No action required.

Work Plan Update

Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	09/2025	12/2025
Quarterly Board Meetings	Quarterly	09/2025	12/2025
Customized Board Education Sessions	As Needed		
Investment Policy Statement Review	Annual	02/2024	2025

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

Benchmark Definitions

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

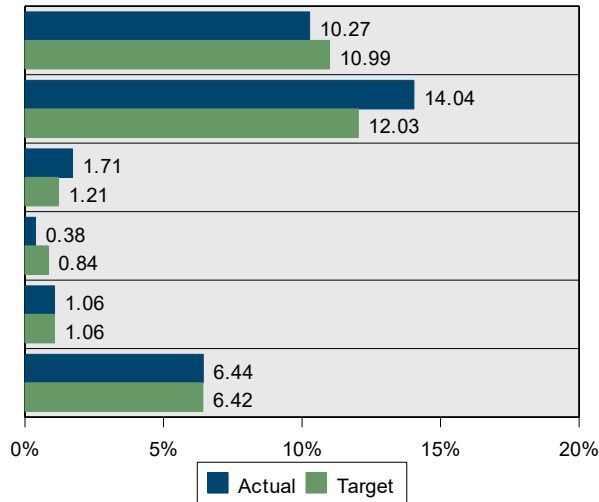
	<u>Target</u>
Domestic Equity	37.0%
International Equity	15.0
Fixed Income	40.0
<u>Real Estate</u>	<u>8.0</u>
Total Target	100.0%

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

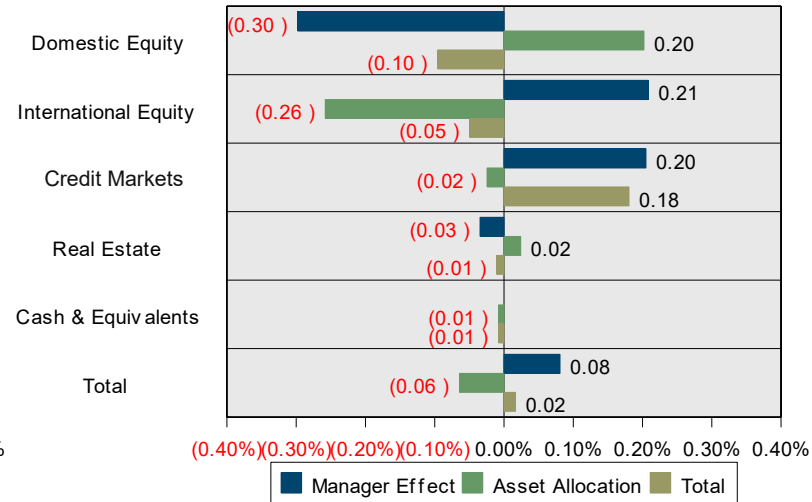
Total Fund Relative Attribution – Q2 2025

June 30, 2025

Actual vs Target Returns



Relative Attribution by Asset Class



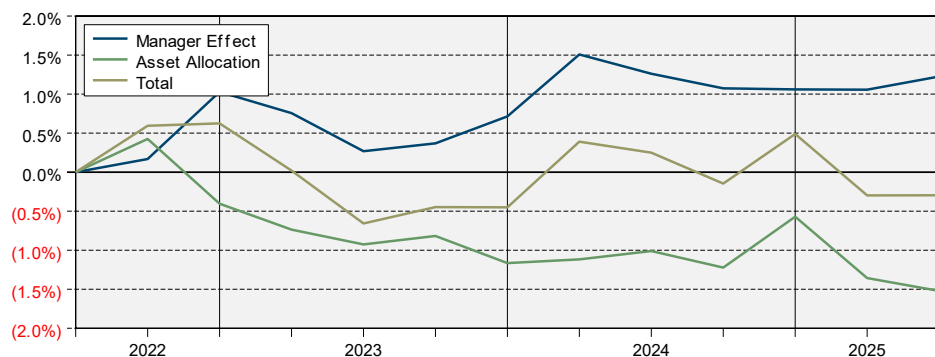
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	41%	37%	10.27%	10.99%	(0.30%)	0.20%	(0.10%)
International Equity	10%	15%	14.04%	12.03%	0.21%	(0.26%)	(0.05%)
Credit Markets	40%	40%	1.71%	1.21%	0.20%	(0.02%)	0.18%
Real Estate	8%	8%	0.38%	0.84%	(0.03%)	0.02%	(0.01%)
Cash & Equivalents	0%	0%	1.06%	1.06%	0.00%	(0.01%)	(0.01%)
Total			6.44%	6.42%	+ 0.08%	+ (0.06%)	0.02%

Benchmark definitions included in the Appendix.

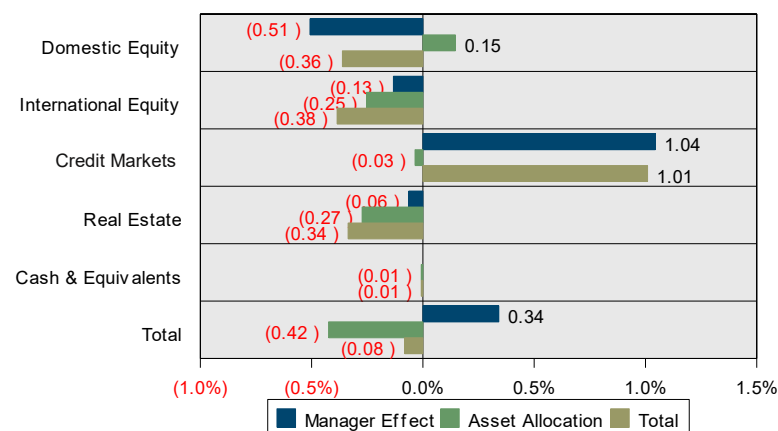
Total Fund Relative Attribution – 3 Years

June 30, 2025

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



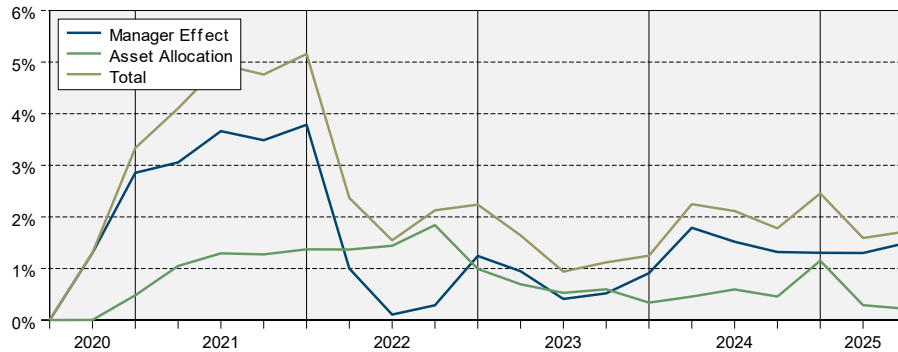
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	40%	37%	17.79%	19.08%	(0.51%)	0.15%	(0.36%)
International Equity	11%	15%	13.36%	14.46%	(0.13%)	(0.25%)	(0.38%)
Credit Markets	40%	40%	5.07%	2.55%	1.04%	(0.03%)	1.01%
Real Estate	9%	8%	(7.20%)	(6.31%)	(0.06%)	(0.27%)	(0.34%)
Cash & Equivalents	1%	0%	4.47%	4.47%	0.00%	(0.01%)	(0.01%)
Total			9.60%	9.68%	+ 0.34%	+ (0.42%)	(0.08%)

Benchmark definitions included in the Appendix.

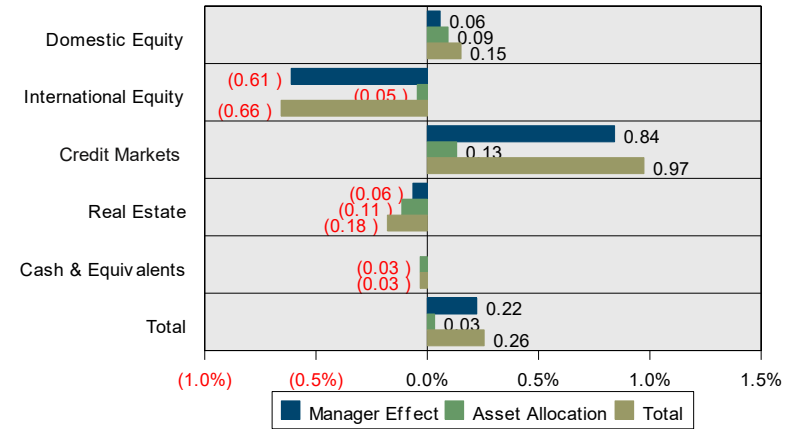
Total Fund Relative Attribution – 5 Years

June 30, 2025

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	37%	16.19%	15.96%	0.06%	0.09%	0.15%
International Equity	13%	15%	5.51%	10.60%	(0.61%)	(0.05%)	(0.66%)
Credit Markets	39%	40%	1.41%	(0.73%)	0.84%	0.13%	0.97%
Real Estate	9%	8%	1.84%	2.74%	(0.06%)	(0.11%)	(0.18%)
Cash & Equivalents	0%	0%	2.71%	2.71%	0.00%	(0.03%)	(0.03%)
Total			7.78%	7.52%	+ 0.22%	+ 0.03%	0.26%

Benchmark definitions included in the Appendix.

Asset Distribution Across Investment Managers

June 30, 2025

	June 30, 2025				March 31, 2025		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight	
Domestic Equity	\$154,949,154	42.73%	\$(2,726,091)	\$14,558,083	\$143,117,161	41.59%	
Mellon Russell 1000 Growth Index	60,640,742	16.72%	(2,605,117)	9,490,608	53,755,252	15.62%	
Boston Partners	74,470,134	20.54%	(82,555)	4,416,398	70,136,290	20.38%	
Aristotle Capital Boston	19,838,277	5.47%	(38,419)	651,077	19,225,619	5.59%	
International Equity	\$40,577,810	11.19%	\$(26,474)	\$4,995,124	\$35,609,160	10.35%	
CC&L Q Intl Equity	36,242,090	9.99%	(25,998)	4,525,997	31,742,091	9.22%	
Mellon ACWI ex US Fund	4,335,720	1.20%	(477)	469,127	3,867,069	1.12%	
Credit Markets	\$140,907,688	38.86%	\$(103,395)	\$2,373,785	\$138,637,298	40.29%	
MacKay Shields LLC	140,907,688	38.86%	(103,395)	2,373,785	138,637,298	40.29%	
Real Estate	\$25,928,610	7.15%	\$(198,157)	\$99,155	\$26,027,612	7.56%	
Invesco Core Real Estate	25,928,610	7.15%	(198,157)	99,155	26,027,612	7.56%	
Cash & Equivalents	\$256,600	0.07%	\$(491,674)	\$6,714	\$741,560	0.22%	
AJRS General Fund	256,600	0.07%	(491,674)	6,714	741,560	0.22%	
Total Fund	\$362,619,862	100.00%	\$(3,545,791)	\$22,032,861	\$344,132,791	100.00%	

Investment Manager Returns – Net of Fees

June 30, 2025

	Q2 2025	FY 2025	Last 3 Years	Last 5 Years	Last 10 Years
NET OF FEE RETURNS					
Domestic Equity					
Mellon Russell 1000 Growth Index	17.97%	17.27%	25.68%	18.05%	-
Russell 1000 Growth Index	17.84%	17.22%	25.76%	18.15%	17.01%
Boston Partners	6.18%	11.04%	14.46%	16.65%	10.12%
Russell 1000 Value	3.79%	13.70%	12.76%	13.93%	9.19%
Aristotle Capital Boston	3.19%	2.04%	6.48%	9.27%	-
Russell 2000 Index	8.50%	7.68%	10.00%	10.04%	7.12%
International Equity					
CC&L Q Intl Equity	14.18%	-	-	-	-
MSCI ACWI xUS (Net)	12.03%	17.72%	13.99%	10.13%	6.12%
Mellon ACWI ex US Fund	12.12%	-	-	-	-
MSCI ACWI xUS (Net)	12.03%	17.72%	13.99%	10.13%	6.12%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

June 30, 2025

	Q2 2025	FY 2025	Last 3 Years	Last 5 Years	Last 10 Years
NET OF FEE RETURNS					
Credit Markets					
MacKay Shields LLC	1.64%	7.40%	4.76%	1.10%	2.82%
Blmbg Aggregate Index	1.21%	6.08%	2.55%	(0.73%)	1.76%
Real Estate					
Invesco Core Real Estate	0.28%	(1.47%)	(7.53%)	1.51%	3.98%
NFI-ODCE Equal Weight Net	0.84%	2.47%	(6.31%)	2.74%	4.71%
Total Fund	6.35%	10.32%	9.23%	7.41%	6.84%
Total Fund ex Cash	6.36%	10.36%	9.23%	7.45%	6.88%
Target Benchmark*	6.42%	11.15%	9.68%	7.52%	7.16%

Benchmark definitions included in the Appendix.

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Past performance is no guarantee of future results.



Quarterly Board Meeting

Statement of Fiduciary Net Position as of (June 30, 2025)

ASSETS

Cash and Cash Equivalents	\$	263,293
Receivables		
Contributions Receivable	\$	3,292
Overpayment Receivable		62,112
Allowance for Doubtful Accounts		<u>(62,112)</u>
Total Receivables		3,292
Investment Assets		<u>362,364,666</u>
TOTAL ASSETS		<u>362,631,251</u>

LIABILITIES

Accrued Expenses and Other Liabilities		<u>354,729</u>
TOTAL LIABILITIES		<u>354,729</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$	<u><u>362,276,521</u></u>



Quarterly Board Meeting

Statement of Changes in Fiduciary Net Position for the Period Ending (June 30, 2025)

ADDITIONS

Contributions		
Employer	\$	10,120,958
Employee		1,421,809
Court Fees		<u>568,010</u>
Total Contributions		12,110,777
Investment Income		35,750,159
Less: Investment Expense		<u>(1,261,113)</u>
Net Investment Income		34,489,046
Other Additions		
Miscellaneous Additions		<u>278</u>
TOTAL ADDITIONS		<u>46,600,101</u>

DEDUCTIONS

Benefits		18,819,129
Refunds of Contributions		-
Administrative Expenses		<u>194,503</u>
TOTAL DEDUCTIONS		<u>19,013,633</u>

NET CHANGE IN NET POSITION 27,586,469

NET POSITION RESTRICTED FOR PENSION BENEFITS

Beginning of Fiscal Year		<u>334,690,053</u>
End of 4th Quarter	\$	<u><u>362,276,521</u></u>



Quarterly Board Meeting

September 11, 2025

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 Griffin filed a petition for judicial review of the board's September 28, 2023, decision to uphold the Executive Director's Determination regarding the calculation of Griffen's monthly benefit. Pulaski County Circuit Court Judge Mackey Pierce entered a judgment December 26, 2024, remanding the decision back to the board with instructions to recalculate Griffen's benefits in accordance with Tier One, and the board voted on February 13, 2025, to comply with Judge Pierce's order. March 24, 2025, Griffen filed an amended petition for judicial review and AJRS has responded with a Motion to Dismiss, June 3 and 23, 2025. The case is before Hon. Cathleen Compton, 3rd Division, 6th District.

RULES PROMULGATION

AJRS is repealing Rule 24 CAR 15-104, an obsolete rule which sets AJRS board meeting dates that are no longer followed. **No public comments were received.** The rule repeal will be presented to the Joint Retirement Committee (date TBD) and then to the ALC Administrative Rules Subcommittee Meeting scheduled for September 25, 2025.



Quarterly Board Meeting Benefits Summary

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. A judge or justice who becomes 70 during a term may complete that term; and a judge or justice who is not eligible to retire at age 70 may continue until he or she attains sufficient service to retire.
- **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
$$\$204,493 \times 3.2\% \times 20.1 \text{ yrs.} = \$ 131,529 \text{ annually/ } \$10,960 \text{ monthly}$$
- **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
Benefits Summary

Active Members - Historical

	1 year	5 years	10 years	20 years
Number	145	140	140	134
Average Age	58.7	60.5	59.7	55.6
Average Service*	15.9	17.8	16.8	10.5
Average Pay	\$193,955	\$168,591	\$141,297	\$ 121,505

* Includes reciprocal service

Inactive Members - Historical

	1 year	5 years	10 years	20 years
Number	13	8	4	0
Total Accrued Liabilities*	\$10.4m	\$4.7	\$2.2m	\$1.6m

* Includes refunds of contributions

Retirees - Historical

	1 year	5 years	10 years	20 years
Number	179	149	124	100
Total Annual Benefits	\$18.4m	\$13.3m	\$10.1m	\$6.6m
Average Age*	71.0	65.5	62.0	n/a
Average Service*	20.1	13.9	12.00	n/a
Avg. Annual Benefit*	\$137,934	\$65,700	\$45,586	n/a

* New retirees

Legend – Historical Periods

Time	Fiscal Year Ending
1 year	June 30, 2024
5 years	June 30, 2019
10 years	June 30, 2014
20 years	June 30, 2004



Quarterly Board Meeting
Benefits Summary

Retirees – New This Quarter

Name	Date	Age	Court	Gross Amount	Service Credit
None					



Quarterly Board Meeting
Benefits Summary

Special Topic: Employee Contributions to Public Pension Plans

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

Employee Contribution Plan Designs

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

Trends in Employee Contributions

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

Employee Contribution Rates for Neighboring States

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

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



Quarterly Board Meeting Executive Report

Member Outreach

APERS continued outreach through on-site education and conference presentations. Highlights include providing training to the Arkansas Game and Fish Commission, leading a breakout session and counseling members at the Arkansas Association of Counties Annual Conference in Rogers, and presenting updates to State HR administrators at the OPM HR Forum. Ongoing outreach continues both in person and virtually, with 10 training courses conducted since June.

Procurement & Finance

APERS recently completed the competitive procurement process for banking services. A contract was awarded to U.S. Bank to provide retiree and beneficiary payment services. Over the coming months, APERS will be working closely with U.S. Bank to transition from our current provider to ensure a seamless process for our members. A Statewide Actuary Services Contract RFP is also underway through the Office of State Procurement, with APERS providing evaluation support.

Finance is actively engaged in year-end closing activities. Closing books work is progressing sequentially through AJRS and ASPRS, with APERS as the final system to close.

Investment Consultant RFQ

At the request of the APERS Investment Finance Committee, staff have developed an RFQ for Investment Consultant Services. The final review of the RFQ is scheduled for October and could be issued from late October to early November at the Board's discretion.

Proxy Report

All Proxy Voting Reports for fiscal year 2025 investment funds required by Act 498 of 2023 are complete. The reports can be found on the APERS, ASPRS, and AJRS websites under the investment reports and resources section.

Organizational Development

Agency-wide team building sessions were conducted in June 2025 using the DISC framework. The Member and Retiree Services Division have also adopted a "coach-and-coachee organizational structure. A recent "draft day" event introduced teams pairing senior counselors with newer counselors to foster development and strengthen service delivery.



Technology Initiatives

APERS is developing an AI-enabled chatbot to improve member access to information. A prototype has been reviewed with state technology leaders to ensure alignment with emerging AI policies. Deployment will follow once an enterprise-approved large language model is available and the chatbot has passed rigorous internal testing for accuracy. To stay engaged in statewide AI efforts, Patty Shipp participated in the Arkansas AI Policy Roundtable sponsored by Heartland Forward.

APERS is building dashboards in Power BI to give leaders a real-time view of investments, operations, finance, and customer service. These dashboards will provide actionable insights, improve decision-making, and increase visibility across the organization without additional software costs.