



## Arkansas Judicial Retirement System

Quarterly Board Meeting  
(Thursday, June 12, 2025, 2:30 P.M.)  
400 Convention Blvd, Hot Springs, AR 71901

*The meeting will be held at the Embassy Suites during the AR Judicial Counsel Conference. The meeting will be a hybrid and can be attended via Zoom via the link on our website, [www.arjrs.org](http://www.arjrs.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 March 13, 2025 **(Page 2)**
5. Administrative Expense Reports for January, February, and March 2025 **(Page 6)**
6. **Investments** - Ms. Brianne Weymouth and Mr. John Jackson from Callan LLC and Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
  - a. CIO Report **(Page 7)**
  - b. Quarterly Report for the Period Ending March 31, 2025 **(Page 21)**
  - c. Infrastructure Investment Education **(Page 48)**
7. **Finance** - Mr. Jason Willett, Chief Financial Officer
  - a. Financial Statements for the Quarter Ending March 31, 2025 **(Page 77)**
8. **Legal** – Ms. Laura Gilson, General Counsel
  - a. Legal Report **(Page 79)**
  - b. **Action Item** – Approval of Remote Meeting Attendance Policy **(Page 80)**
  - c. **Action Item** – Rule Promulgation **(Page 82)**
9. **Benefits** - Ms. Allison Woods, Deputy Director of Benefits
  - a. Benefits Summary **(Page 83)**
10. **Executive Report** – Ms. Amy Fecher, Executive Director
  - a. Executive Report Review **(Page 85)**
11. Next Quarterly Board Meeting: September 11, at 1:30 p.m.
12. Adjournment

**Arkansas Judicial Retirement System  
Board of Trustees Meeting  
March 13, 2025**

The regular meeting of the Arkansas Judicial Retirement System Board of Trustees was held on Thursday, March 13, 2025, 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 Herbert Wright presided.

Judge Wright recognized the presence of a quorum.

**Board Members Present**

Hon. Herbert Wright (Circuit Judge), Chair, North Little Rock  
Hon. Raymond Abramson (AR Court of Appeals), Holly Grove\*  
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\*  
Mr. Joe Ebisa, With Intelligence\*

**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  
Ms. Laura Gilson, General Counsel  
Mr. Richmond Giles, Staff Attorney  
Mr. Jason Willett, Chief Financial Officer  
Ms. Patty Shipp, Assurance Officer  
Mr. Phillip Norton, Director of IT  
Ms. Jacobia Bates, Director of Public Affairs  
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 December 5, 2024, and February 13, 2025, meetings was emailed to each AJRS Board member for review. Judge Brown made a motion to accept the minutes as presented. The motion was seconded by Judge Scott. Without objection the motion carried.

## **Investments**

### **CIO Report**

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

The AJRS portfolio was down 0.8% for the quarter but remained up 4.41% for the 2025 fiscal year and 10.63.% for the 2024 calendar year, with a total fund balance of \$349.2 million.

Growth stocks regained dominance in Q4, outperforming value stocks across large, mid, and small-cap segments, with mid-cap stocks leading performance. Communication Services, Consumer Discretionary, and IT sectors were the top-performing domestic equities. The S&P 500 had another strong year, posting a 25% return year-to-date in 2024. Both the S&P 500 and Russell 1000 Growth markets outperformed global markets in Q4 and throughout 2024.

Mr. Borrromeo explained after a question from Judge Brown AJRS outperformed APERS by .57%.

### **Callan Report**

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

In the fixed income category, Bloomberg Aggregate is up 1.25% on the year. In real estate, the ODCE was positive .85%. Going forward, Callan is expecting to see some appreciation in the real estate market and the fund to keep seeing positive returns. The full US investment grade market was down 3.1%.

The AJRS portfolio in the quarter ended with just under \$350 million in assets. The Domestic Equity portfolio was overweight and underweight in international and fixed income. Callan recommended it might be time to make a slight rebalance to get back to the minimum targets in those categories.

While the AJRS quarter was slightly down for the quarter (0.8%), the portfolio was near the top quartile of other public funds. The fund is up 10.63% on the last calendar year. The Domestic Equity trailed slightly for the quarter, but the Russell 1000 Growth has performed greatly, and outperformed many other managers in a difficult market.

After discussion, AJRS expressed interest in exploring adding core infrastructure into their portfolio.

### **CFO Report**

Mr. Jason Willett, CFO, shared the quarterly financial statements with the board ending on December 31, 2024. While walking through the fiduciary net position at the end of December, Mr. Willett noted that cash and cash equivalents are just under \$4 million, and investment assets are just over \$345 million. Looking back at Q4 for 2023, the portfolio is up around \$23 million in investments. The net position restricted for pension benefits is \$348,993,079.

Statement of changes in fiduciary net position shows that there are \$9.2 million in contributions, noting that the Department of Finance and Administration increased the percentage of funding on court fees. Net investment income is just over \$14.4 million, which is comparable to where the portfolio was last year. The ending net position for the quarter was \$348,993,079.

Mr. Willett presented one action item. The Board must approve the state mileage reimbursement rate annually (A.C.A. 25-16-902). He confirmed with the Arkansas Department of Finance and Administration that the current rate remains \$.52/mile. Judge Scott moved to approve the rate for 2025, Judge Hearnberger seconded, and the motion passed unanimously.

### **Legal**

Ms. Laura Gilson presented the Legal Report for the period ending December 31, 2024. There are no new member appeals. There has been no appeal of the Board's Order dated February 13, 2025, regarding Griffen's member appeal to circuit court, in which the board complied with Judge Pierce's order.

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

### **Benefits Report**

Ms. Allison Woods provided a benefits summary that included membership information, eligibility for benefits, retirement benefits and new retiree information. Ms. Woods noted that she added the two exceptions to the age 70 mandatory retirement law to the benefits summary based on feedback from Judge Hearnberger. There was no activity or the quarter.

There are currently 145 active members and 179 retirees, with an average annual benefit of \$137,934.

### **Executive Report**

Executive Director Fecher gave the executive report ending December 31, 2024. Each of the board members was given a copy of the AJRS Annual Report. The legislative Audit report was completed and there were no findings for the AJRS system.

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

### **Upcoming Board Meetings**

**June 12, 2025, at 2:30 p.m. – Hot Springs Embassy Suites at Judicial Council Meeting**

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

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

With no other business, the meeting was adjourned.

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Hon. Herbert Wright, 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 24 Expenses	FY 25 Budget	Jan-25	Feb-25	Mar-25	Total YTD	Remaining Budget
<u>M &amp; 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
<b>Total M &amp; O Expenses</b>	<b>5,878.02</b>	<b>12,000.00</b>	<b>298.88</b>	<b>282.40</b>	<b>1,657.99</b>	<b>5,016.30</b>	<b>6,983.70</b>
<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			38,419.01	121,554.62	48,445.38
Conner, Clark, & Lunn (2)	-	100,000.00			25,997.66	36,873.96	63,126.04
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			61,023.63	23,976.37
Invesco Real Estate (2)	109,342.07	140,000.00			26,321.34	82,412.64	57,587.36
MacKay Shields (2)	374,363.57	425,000.00			103,394.80	306,996.18	118,003.82
Robeco (Boston Partners) (2)	313,473.26	360,000.00			82,554.75	256,080.06	103,919.94
BNY Mellon (2)	22,523.82	32,000.00		7,948.23		23,756.75	8,243.25
Mellon Capital Management (2)	18,878.22	25,000.00			8,695.30	15,236.63	9,763.37
<b>Total Professional Fees</b>	<b>1,224,224.39</b>	<b>1,418,000.00</b>	<b>20,341.21</b>	<b>7,948.23</b>	<b>285,382.86</b>	<b>970,390.74</b>	<b>447,609.26</b>
Transfers To APERS	115,000.00	115,000.00	-	-	-	115,000.00	-
<b>Total Administrative Expenses</b>	<b>1,345,102.41</b>	<b>1,545,000.00</b>	<b>20,640.09</b>	<b>8,230.63</b>	<b>287,040.85</b>	<b>1,090,407.04</b>	<b>454,592.96</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 March 31, 2025*

# 4<sup>th</sup> Quarter 2024 - Reminder

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

# 1st<sup>th</sup> Quarter 2025 - Summary

## U.S. Markets

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

## Eurozone

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

# 1st<sup>th</sup> Quarter 2025 - Summary

## Eurozone (cont.)

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

## United Kingdom

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

## Global Bonds

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

# 1<sup>st</sup> Quarter 2025 – AJRS Portfolio

Benchmarks					AJRS Portfolio			
		Q1 2025	Fiscal Year	Calendar Year	Q1 2025	Fiscal Year	31-Mar-25	
<b>U.S. Equity</b>								
S&P 500	-4.27%	3.80%	-4.27%	<b>Domestic Equity</b>	<b>-5.16%</b>	<b>2.07%</b>	\$	143,117,161
Russell 2000 Index	-9.48%	-0.75%	-9.48%	<b>International Equity</b>	<b>7.66%</b>	<b>9.03%</b>	\$	35,609,160
Russell 3000	-4.72%	3.88%	-4.72%	<b>Fixed Income</b>	<b>2.94%</b>	<b>5.91%</b>	\$	138,637,298
Russell 1000 Growth	-9.97%	-0.53%	-9.97%	<b>Real Estate</b>	<b>-0.46%</b>	<b>-1.45%</b>	\$	26,027,612
Russell 1000 Value	2.14%	9.55%	2.14%	<b>AJRS Total Portfolio</b>	<b>-0.42%</b>	<b>3.98%</b>	\$	343,391,231
<b>International Equity</b>							\$	741,560
MSCI EAFE	6.86%	5.32%	6.86%				\$	344,132,791
MSCI ACWI xUS	5.23%	5.08%	5.23%					
<b>Fixed Income</b>								
Bloomberg Agg	2.78%	4.81%	2.78%					

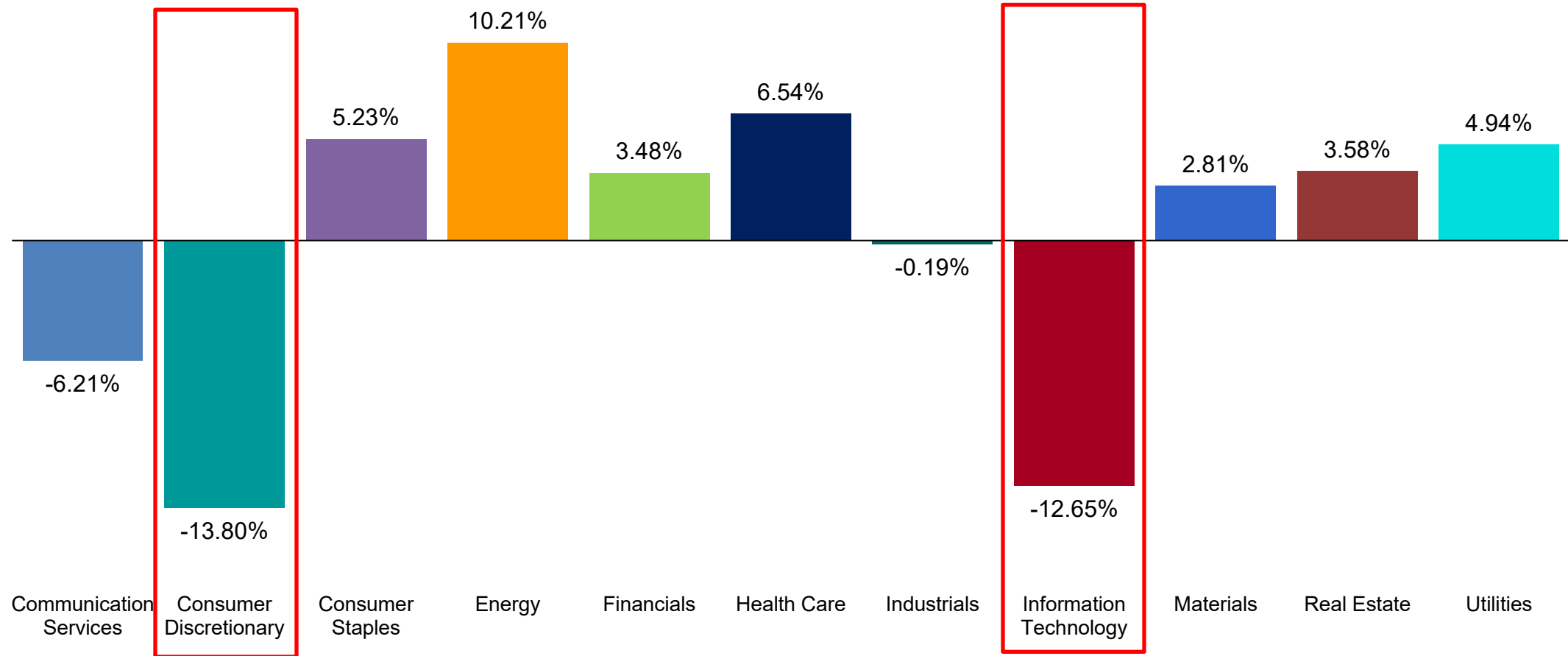
# 1<sup>st</sup> Quarter 2025 – Domestic Equities

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

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

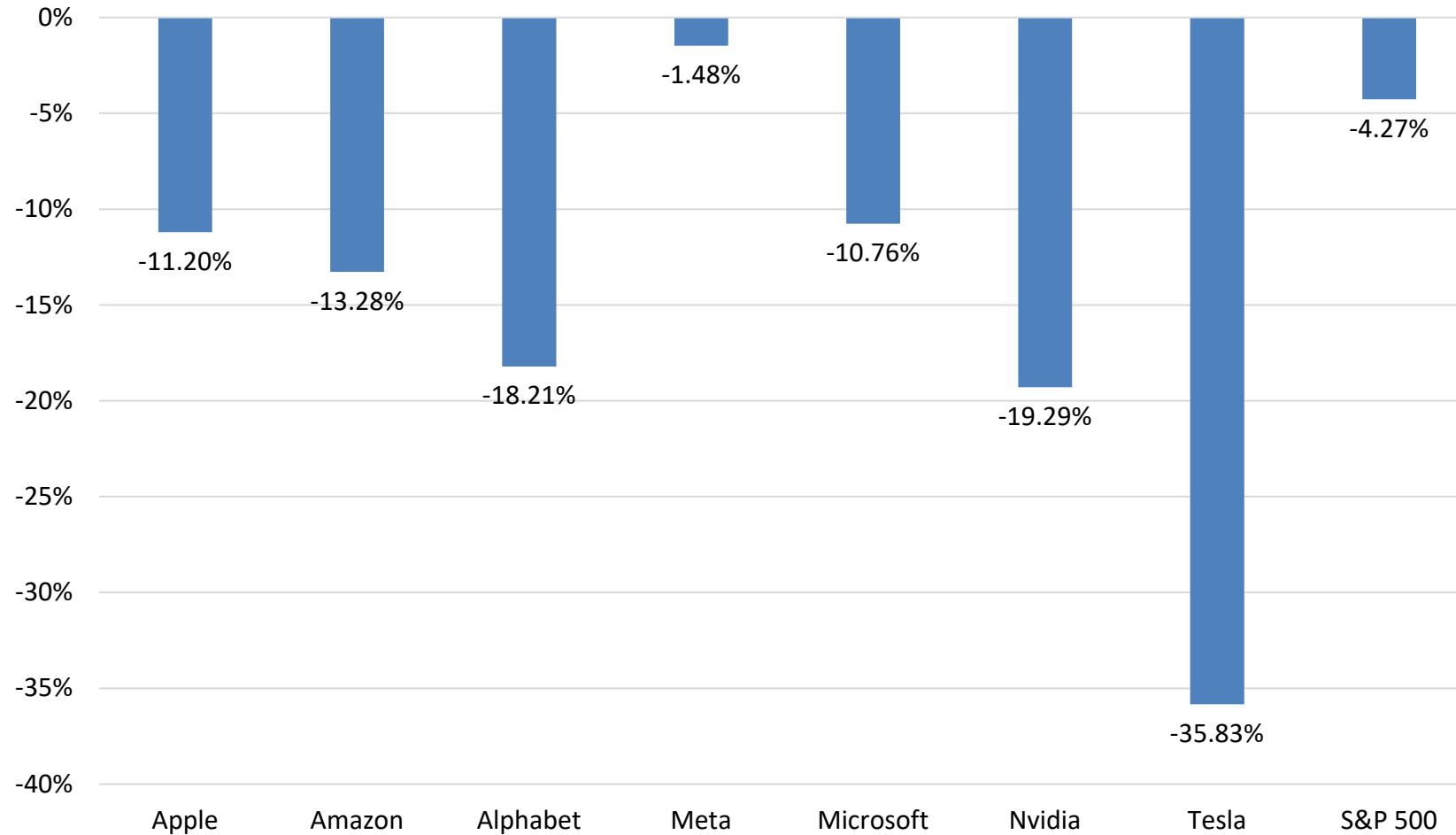
# 1<sup>st</sup> Quarter 2025 – S&P Quarter Performance

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



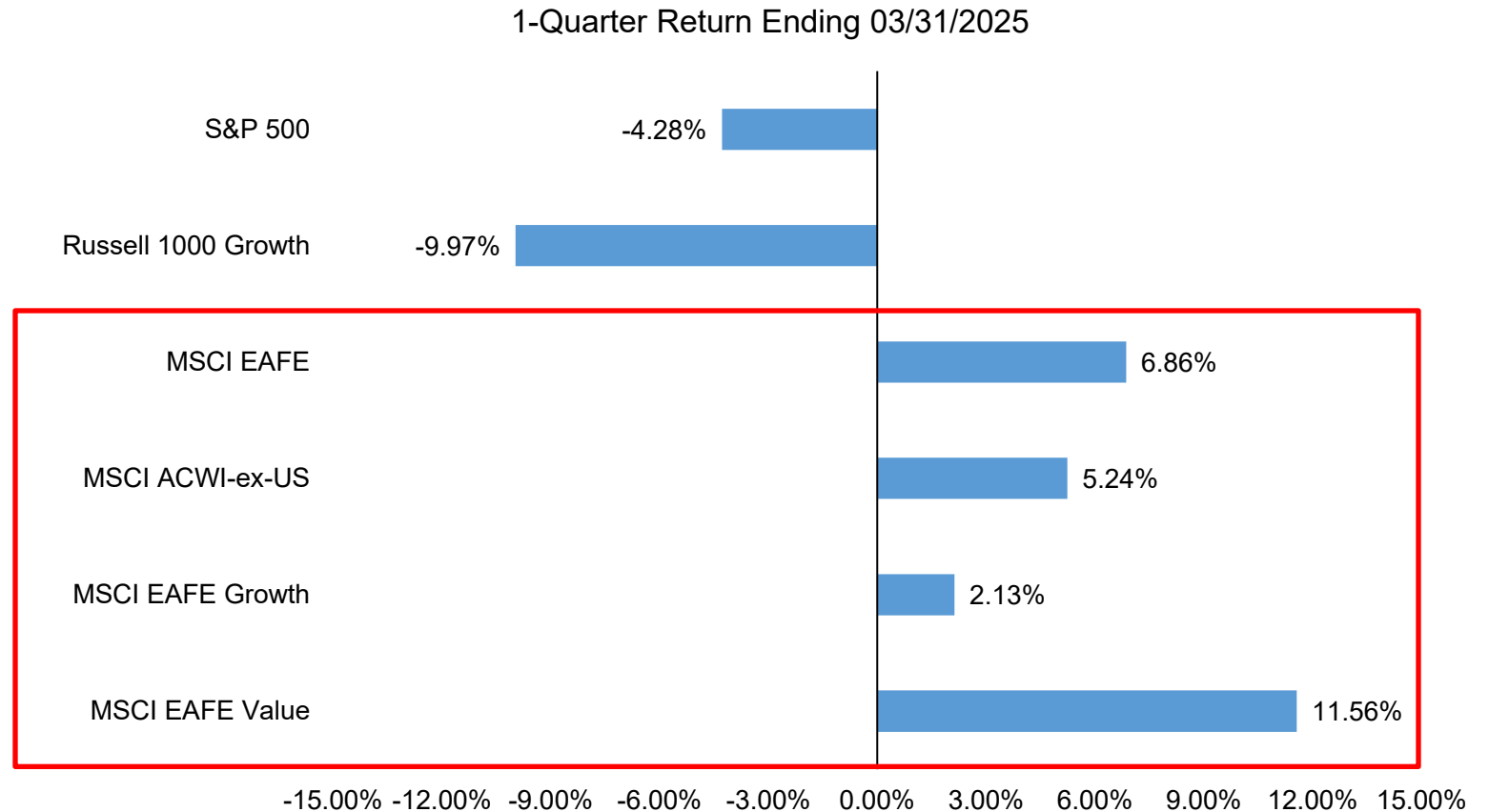
# 1<sup>st</sup> Quarter 2025 – “Magnificent 7” Performance

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



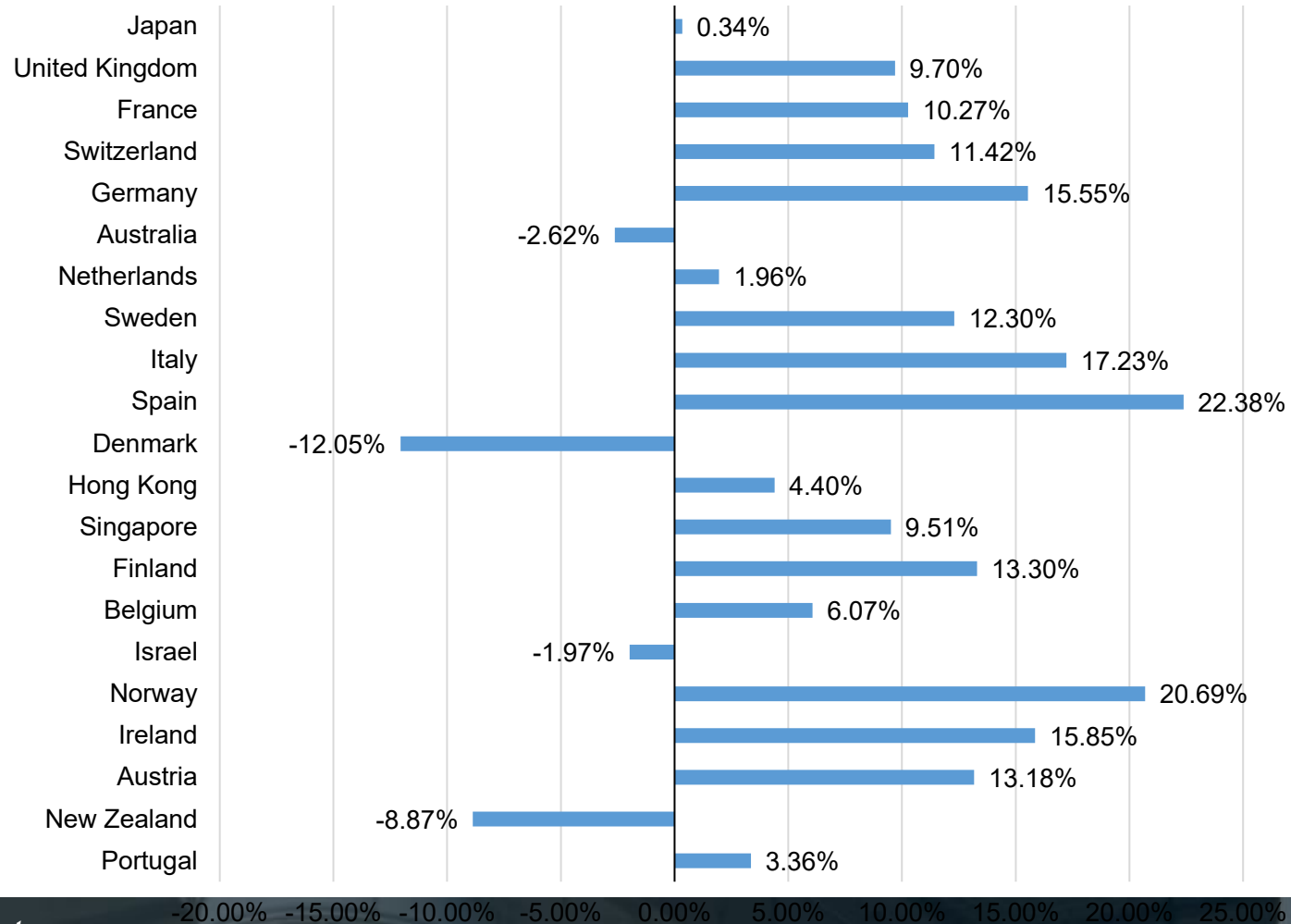
# 1<sup>st</sup> Quarter 2025 – International Markets

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



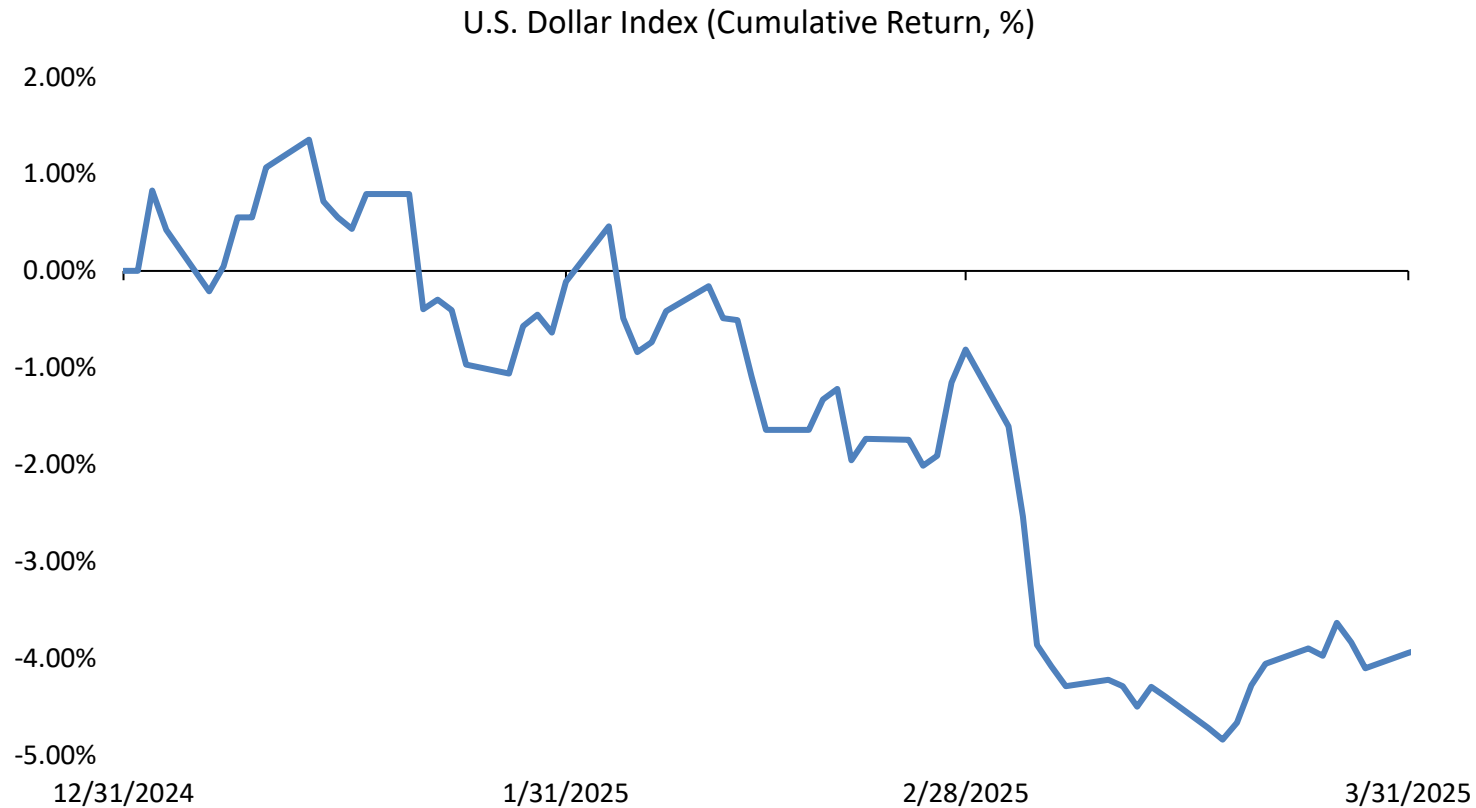
# 1<sup>st</sup> Quarter 2025 – International Markets

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



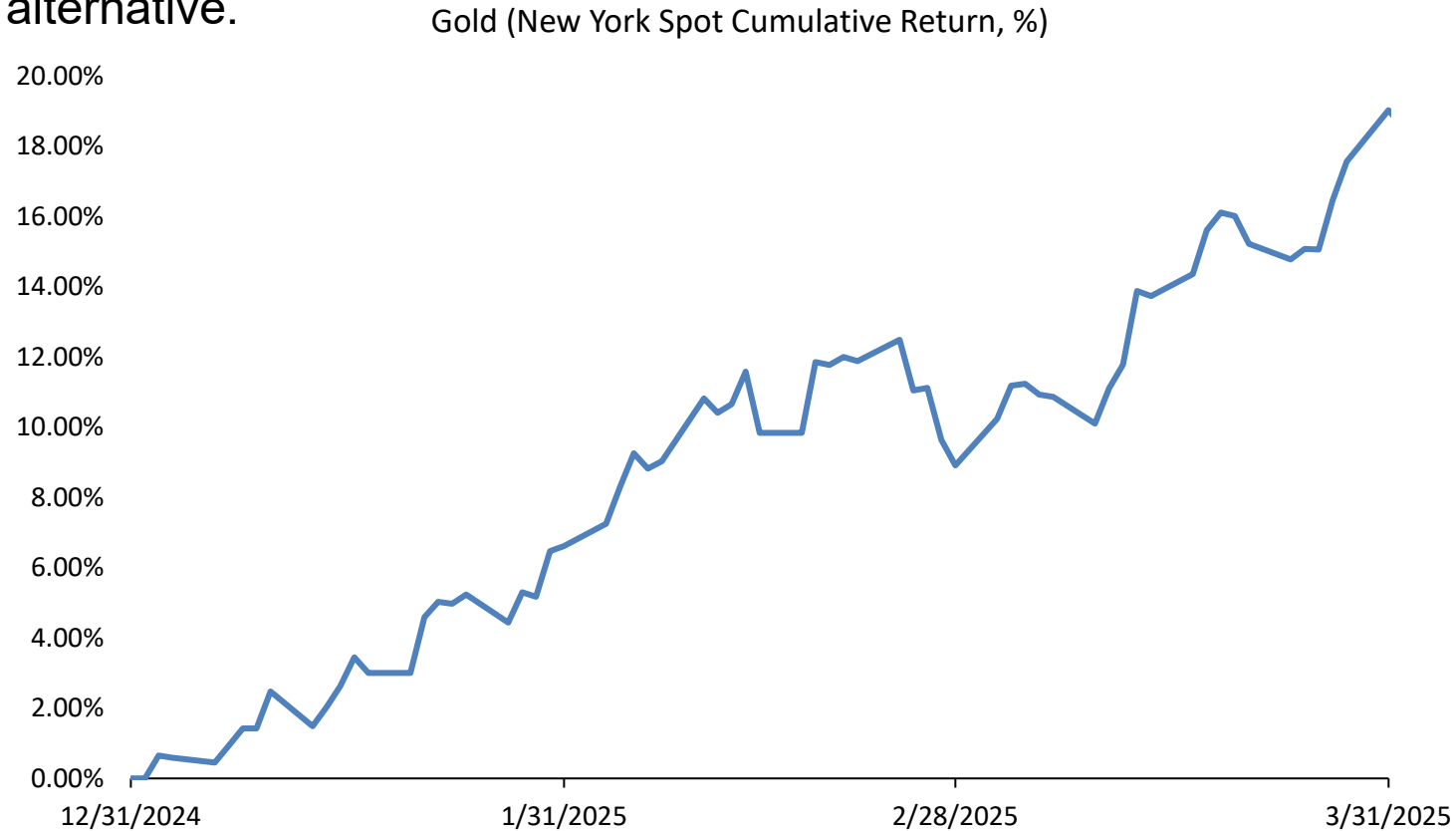
# 1<sup>st</sup> Quarter 2025 – U.S. Dollar

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



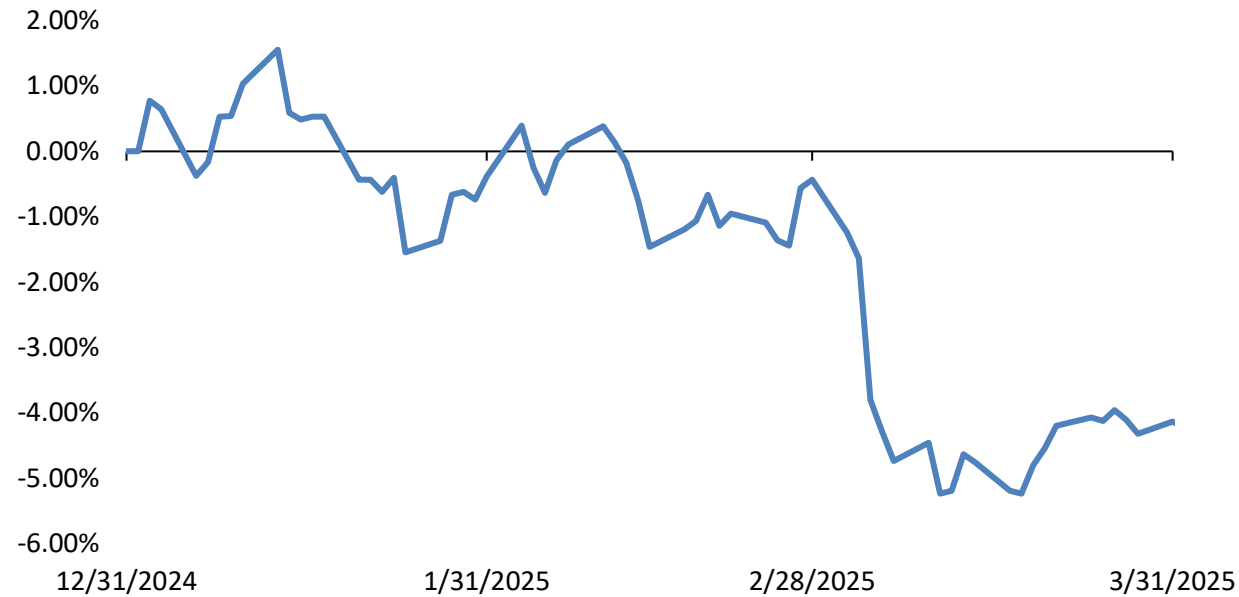
# 1<sup>st</sup> Quarter 2025 – U.S. Dollar

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

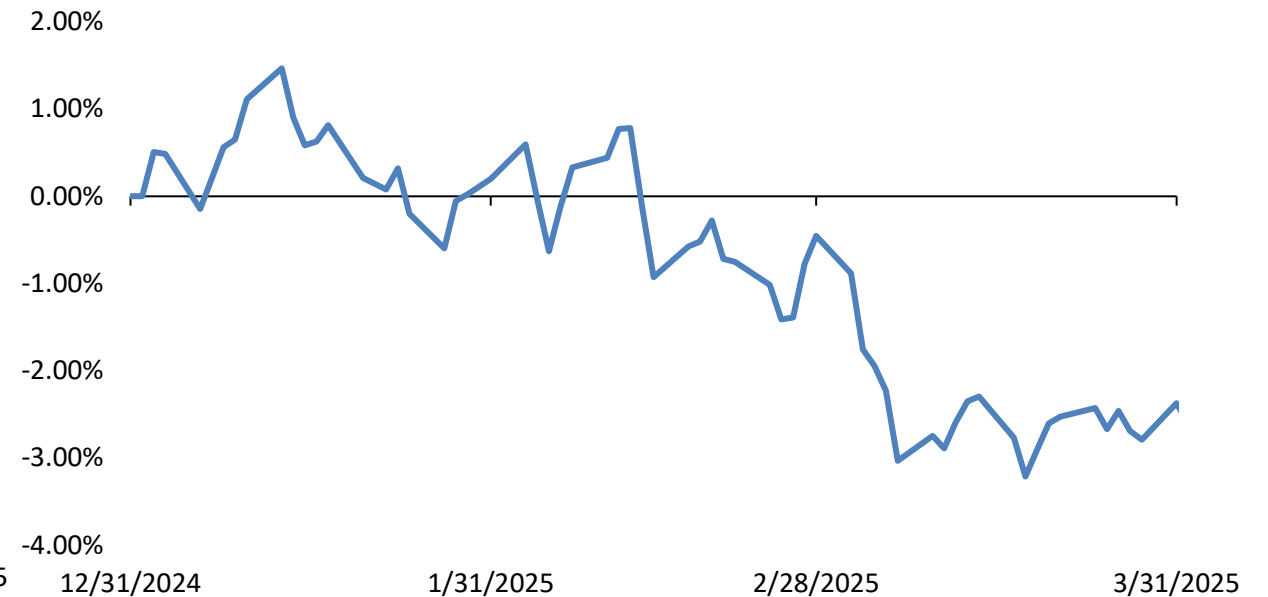


# 1<sup>st</sup> Quarter 2025 – U.S. Dollar

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



Swiss Franc Per U.S. Dollar (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

June 12, 2025



## **Executive Summary First Quarter 2025**

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.

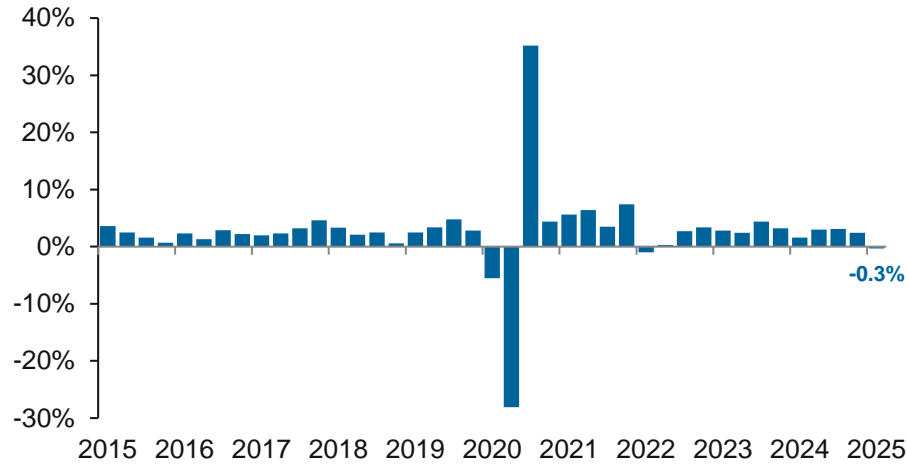


**Economic Overview**

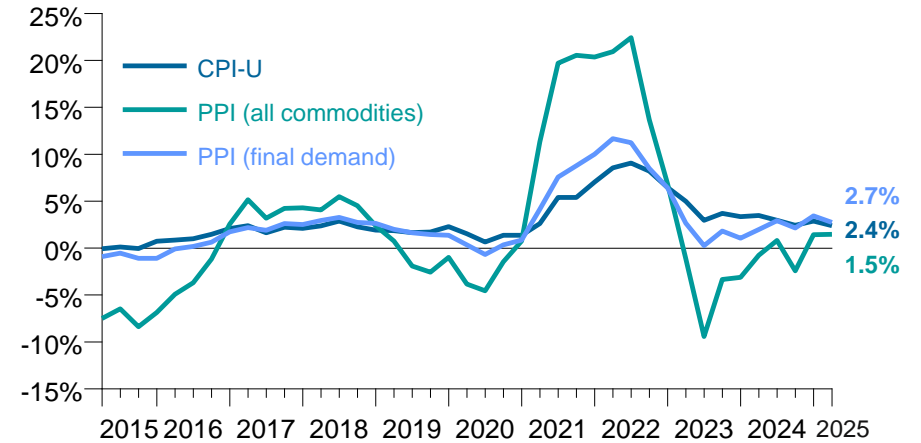
# U.S. Economy—Summary

For periods ended 3/31/25

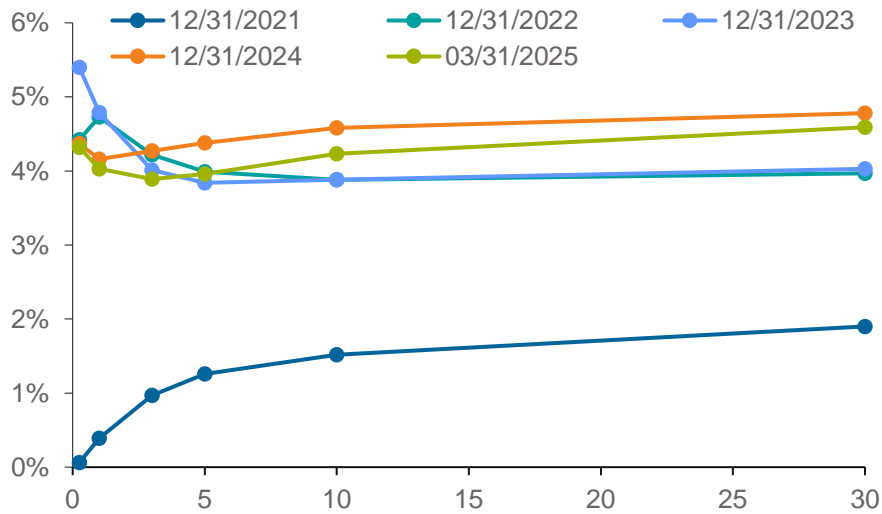
Quarterly Real GDP Growth



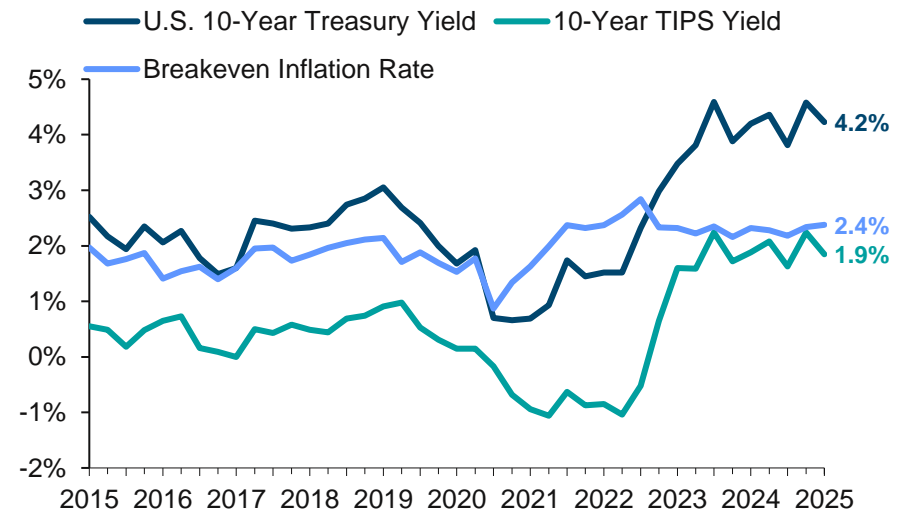
Inflation Year-Over-Year



U.S. Treasury Yield Curves



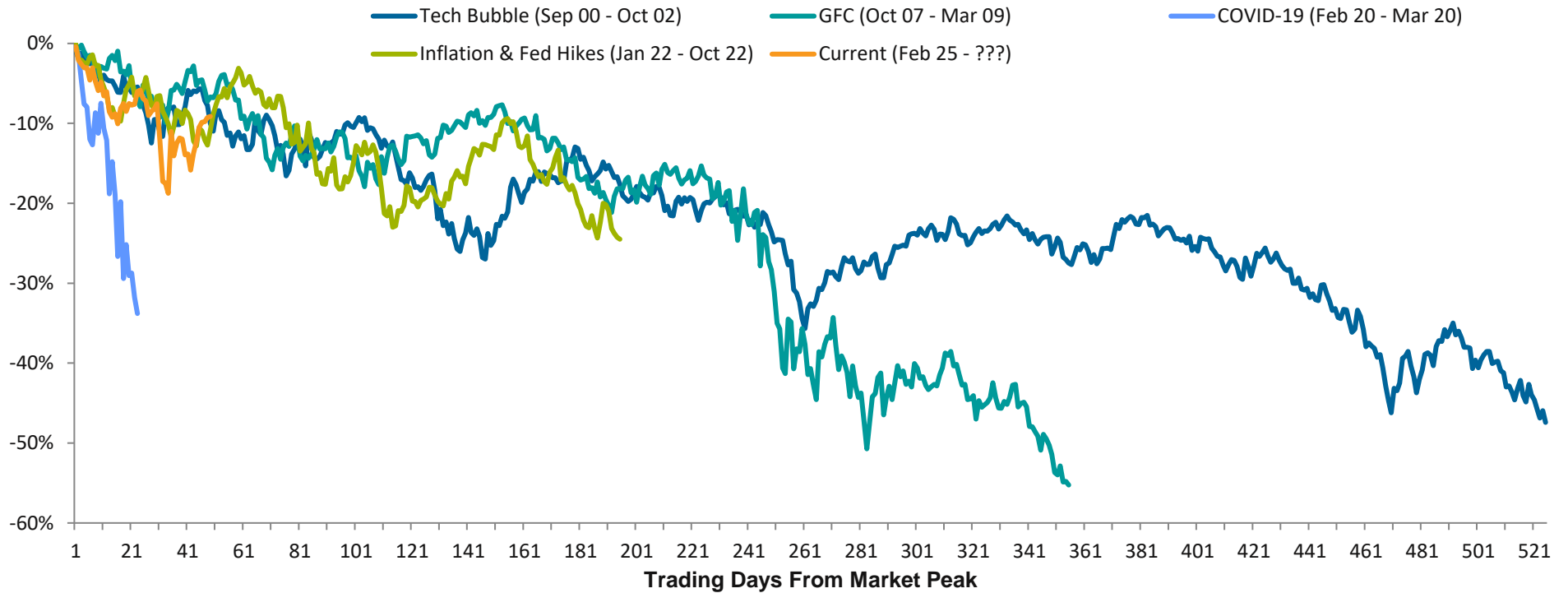
Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve

# Current Market Correction in Context

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



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

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

Sources: Callan, S&P Dow Jones Indices



## Global Markets Snapshot

# Global Markets Snapshot

## Returns for Periods ended 3/31/25

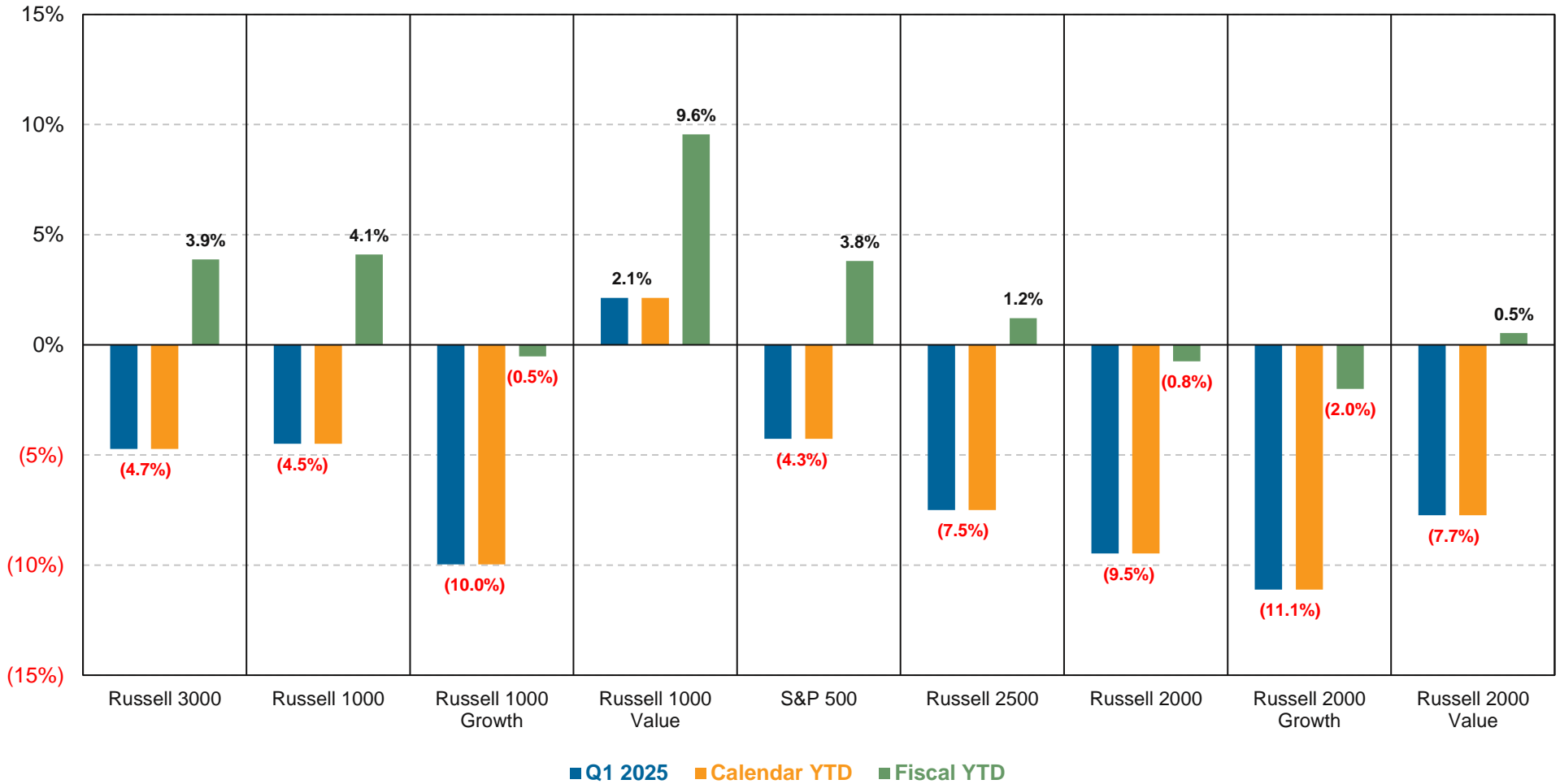
	Q1 2025	FYTD	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
S&P 500	-4.27	3.80	8.25	18.59	12.50	7.41
Russell 1000 Growth	-9.97	-0.53	7.76	20.09	15.12	7.06
Russell 1000 Value	2.14	9.55	7.18	16.15	8.79	7.43
Russell 2000	-9.48	-0.75	-4.01	13.27	6.30	6.83
Russell 2000 Growth	-11.12	-2.00	-4.86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

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

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

# U.S. Equity Market Snapshot: Q1 2025

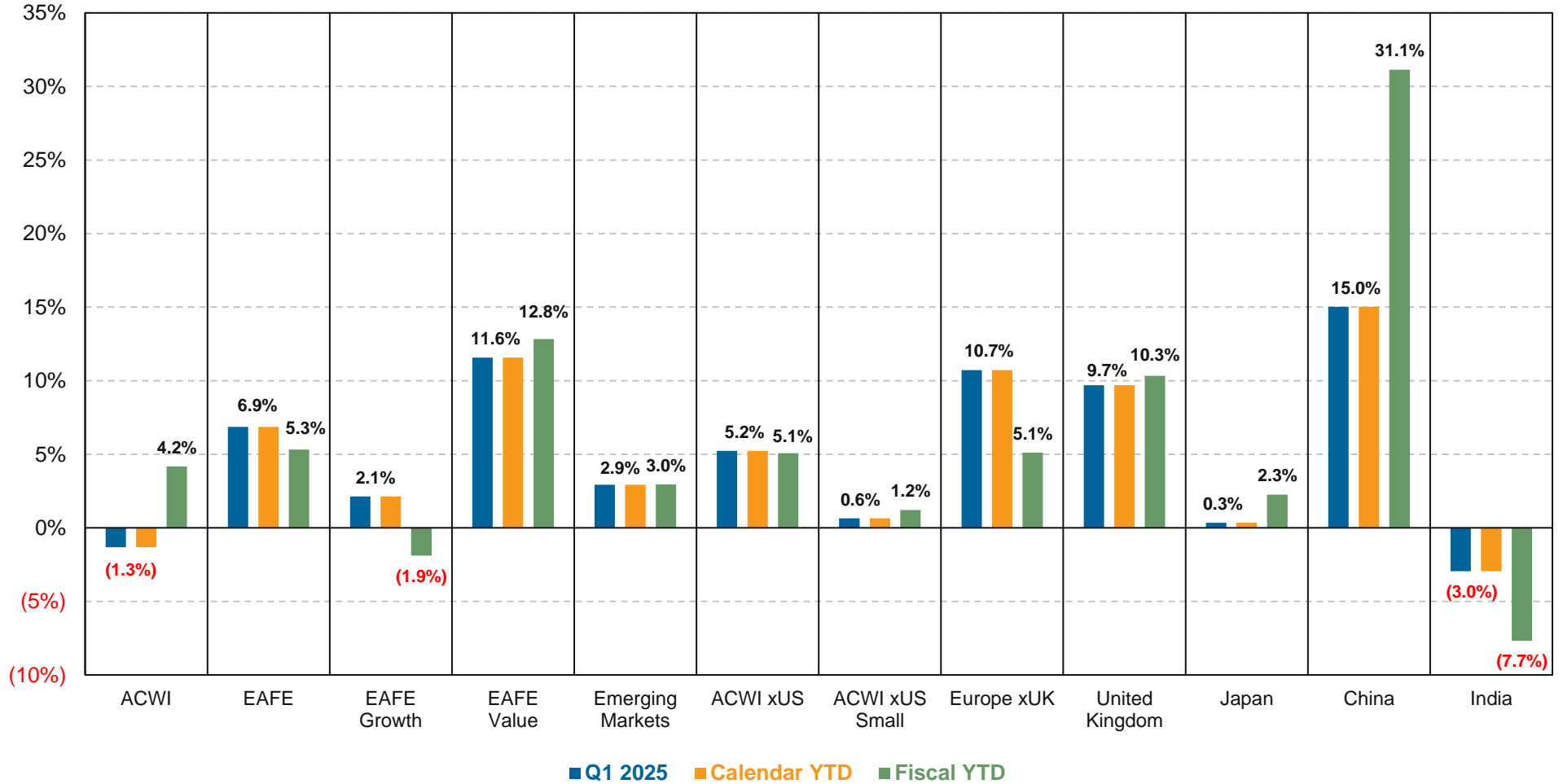
Returns for Periods Ended March 31, 2025



Sources: FTSE Russell, S&P Dow Jones Indices

# Global Equity Market Snapshot: Q1 2025

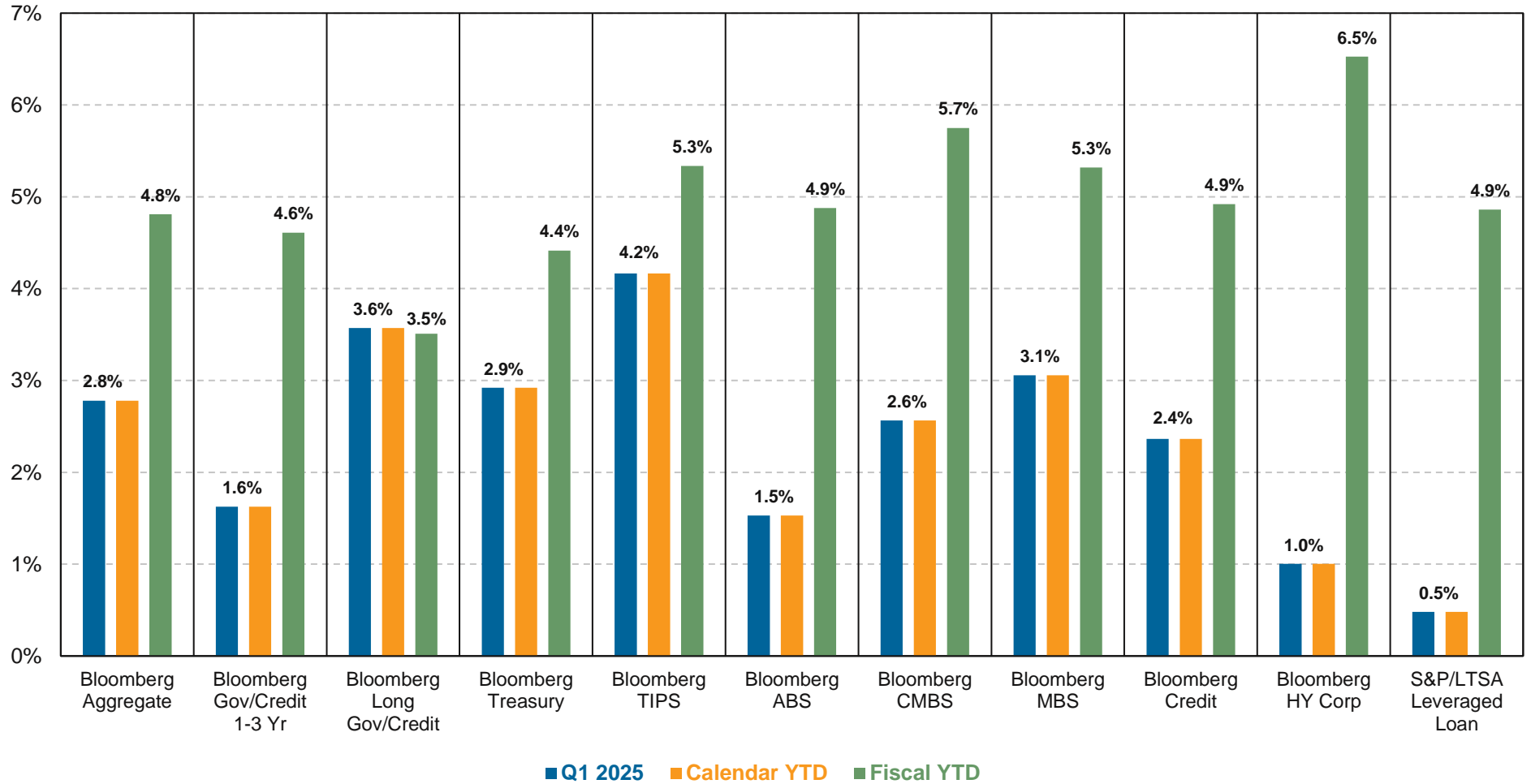
Returns for Periods Ended March 31, 2025



Source: MSCI

# U.S. Fixed Income Market Snapshot: Q1 2025

Returns for Periods Ended March 31, 2025



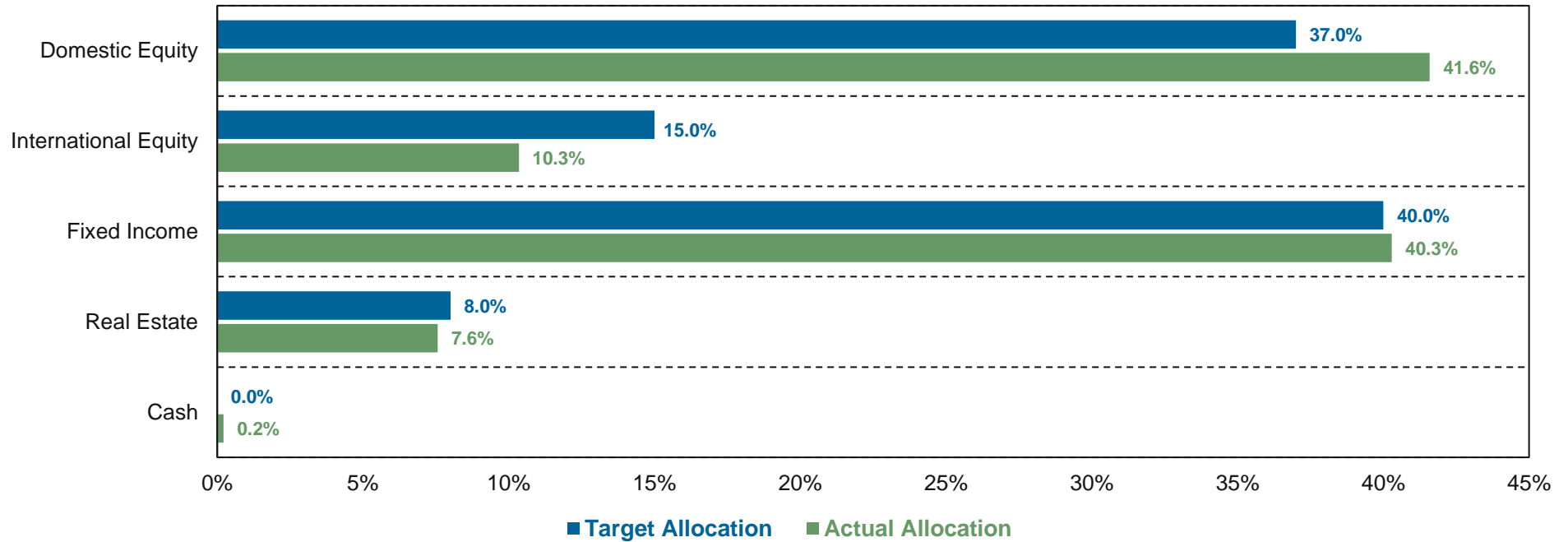
Sources: Bloomberg, Callan, S&P Dow Jones Indices



## AJRS Portfolio Review

# Actual vs. Target Asset Allocation

March 31, 2025

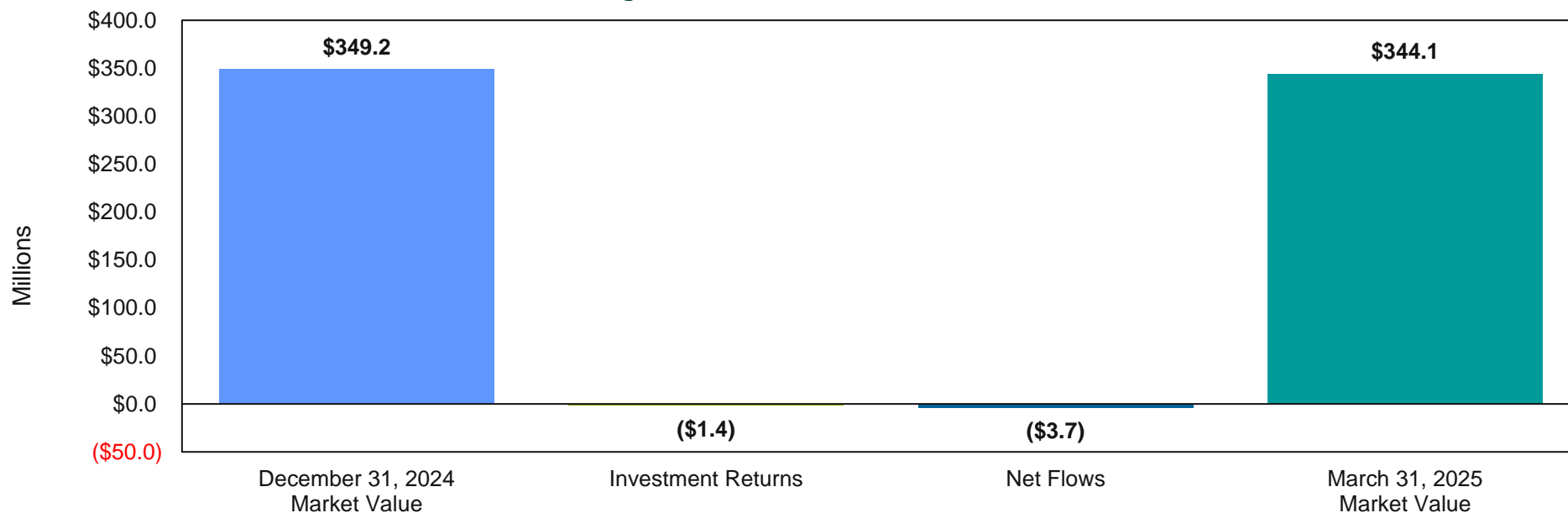


Asset Class	\$000s Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	143,117	41.6%	32.0%	37.0%	42.0%
International Equity	35,609	10.3%	10.0%	15.0%	20.0%
Fixed Income	138,637	40.3%	35.0%	40.0%	45.0%
Real Estate	26,028	7.6%	3.0%	8.0%	13.0%
Cash	742	0.2%	0.0%	0.0%	5.0%
<b>Total</b>	<b>344,133</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

Changes in Total Fund Assets – Q1 2025



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
<b>Q1 2025</b> (12/31/24 – 3/31/25)	\$349,246,720	+	(\$1,386,150)	+	(\$3,727,779)	=	<b>\$344,132,791</b>
<b>Fiscal YTD</b> (6/30/24 – 3/31/25)	\$334,827,022	+	\$13,613,157	+	(\$4,307,388)	=	<b>\$344,132,791</b>

# Total Fund Performance

March 31, 2025

Returns for Periods Ended March 31, 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	1.18%	6.41%	5.53%	11.47%	7.87%	7.56%
25th Percentile	0.55%	6.00%	4.97%	10.98%	7.40%	7.22%
Median	(0.01%)	5.20%	4.14%	10.11%	6.92%	6.93%
75th Percentile	(1.27%)	3.92%	3.51%	9.36%	6.41%	6.59%
90th Percentile	(2.99%)	2.09%	2.45%	8.44%	5.88%	6.16%
<b>Total Fund</b>	<b>(0.42%) (64)</b>	<b>5.23% (49)</b>	<b>3.55% (74)</b>	<b>9.29% (77)</b>	<b>6.65% (64)</b>	<b>6.89% (54)</b>
<b>Benchmark</b>	<b>0.22 (38)</b>	<b>5.83 (30)</b>	<b>3.82 (63)</b>	<b>8.55 (89)</b>	<b>6.47 (73)</b>	<b>6.64 (71)</b>
Peer Universe Constituents	113	113	111	111	106	69

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

# Asset Class Performance and Market Values

March 31, 2025

	Market Value \$(Dollars)	Ending Weight	1Q 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b> Russell:3000 Index	\$143,117,161	41.59%	(5.16%) (4.72%)	2.07% 3.88%	4.48% 7.22%	7.82% 8.22%	18.78% 18.18%	11.37% 11.80%
<b>International Equity</b> Intl Equity Benchmark*	\$35,609,160	10.35%	7.66% 5.36%	9.03% 5.41%	8.19% 6.65%	1.77% 5.03%	7.79% 11.46%	4.74% 5.37%
<b>Fixed Income</b> Blmbg:Aggregate	\$138,637,298	40.29%	2.94% 2.78%	5.91% 4.81%	7.00% 4.88%	2.14% 0.52%	2.36% (0.40%)	2.79% 1.46%
<b>Real Estate</b> NCREIF:NFI-ODCE Eq Wt Net	\$26,027,612	7.56%	(0.46%) 0.84%	(1.45%) 1.62%	(2.72%) 0.78%	(5.84%) (5.24%)	0.84% 2.26%	4.96% 5.00%
<b>Cash &amp; Equivalents</b> 3 Month T-Bill	\$741,560	0.22%	1.05% 1.02%	3.23% 3.60%	4.64% 4.97%	4.16% 4.23%	2.51% 2.56%	1.84% 1.87%
<b>Total Fund</b> Total Fund Benchmark	\$344,132,791	100.0%	(0.42%) 0.22%	3.98% 4.45%	5.23% 5.83%	3.55% 3.82%	9.29% 8.55%	6.65% 6.47%

\* Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b>	<b>(5.16%)</b>	<b>2.07%</b>	<b>4.48%</b>	<b>7.82%</b>	<b>18.78%</b>	<b>11.37%</b>
Russell 3000 Index	(4.72%)	3.88%	7.22%	8.22%	18.18%	11.80%
S&P 500 Index	(4.27%)	3.80%	8.25%	9.06%	18.59%	12.50%
<b>Mellon Russell 1000 Growth Idx</b>	<b>(10.00%) (68)</b>	<b>(0.56%) (38)</b>	<b>7.81% (18)</b>	<b>10.04% (29)</b>	<b>20.00% (11)</b>	<b>--</b>
Russell:1000 Growth	(9.97%) (65)	(0.53%) (38)	7.76% (18)	10.10% (28)	20.09% (11)	15.12% (11)
Callan Large Cap Growth	(8.96%)	(1.22%)	4.90%	8.92%	17.73%	13.85%
<b>Boston Partners</b>	<b>(0.48%) (86)</b>	<b>4.95% (89)</b>	<b>3.74% (81)</b>	<b>8.43% (44)</b>	<b>19.52% (31)</b>	<b>10.09% (34)</b>
Russell:1000 Value	2.14% (38)	9.55% (28)	7.18% (46)	6.64% (67)	16.15% (84)	8.79% (86)
Callan Large Cap Value	1.32%	8.09%	6.89%	7.61%	18.45%	9.61%
<b>Aristotle Capital Boston</b>	<b>(7.16%) (25)</b>	<b>(0.53%) (61)</b>	<b>(1.94%) (44)</b>	<b>1.62% (65)</b>	<b>14.41% (81)</b>	<b>--</b>
Russell:2000 Index	(9.48%) (100)	(0.75%) (93)	(4.01%) (97)	0.52% (96)	13.27% (39)	6.30% (45)
Callan Small Cap Core	(8.00%)	0.29%	(2.73%)	2.62%	15.92%	7.90%
<b>International Equity</b>	<b>7.66%</b>	<b>9.03%</b>	<b>8.19%</b>	<b>1.77%</b>	<b>7.79%</b>	<b>4.74%</b>
Intl Equity Benchmark	5.36%	5.41%	6.65%	5.03%	11.46%	5.37%
<b>CC&amp;L Q Intl Equity</b>	<b>7.95% (36)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI ACWI xUS (Net)	5.23% (73)	5.08% (64)	6.09% (59)	4.48% (76)	10.92% (76)	4.98% (90)
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%	6.23%
<b>Mellon ACWI ex US Fund</b>	<b>5.35% (72)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI ACWI xUS (Net)	5.23% (73)	5.08% (64)	6.09% (59)	4.48% (76)	10.92% (76)	4.98% (90)
Callan NonUS Eq	7.01%	7.06%	7.12%	6.39%	12.57%	6.23%

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

# Investment Manager Returns and Peer Group Rankings

March 31, 2025

	Q1 2025	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Fixed Income</b>	<b>2.94%</b>	<b>5.91%</b>	<b>7.00%</b>	<b>2.14%</b>	<b>2.36%</b>	<b>2.79%</b>
Blmbg:Aggregate	2.78%	4.81%	4.88%	0.52%	(0.40%)	1.46%
<b>MacKay Shields LLC</b>	<b>2.94%</b> (24)	<b>5.91%</b> (12)	<b>7.00%</b> (3)	<b>2.14%</b> (11)	<b>2.36%</b> (14)	<b>2.79%</b> (20)
Blmbg:Aggregate	2.78% (52)	4.81% (93)	4.88% (94)	0.52% (90)	(0.40%) (100)	1.46% (100)
Callan Core Plus FI	2.79%	5.28%	5.67%	1.36%	1.48%	2.42%
<b>Real Estate</b>	<b>(0.46%)</b>	<b>(1.45%)</b>	<b>(2.72%)</b>	<b>(5.84%)</b>	<b>0.84%</b>	<b>4.96%</b>
NCREIF NFI ODCE Eq Wt Net	0.84% (59)	1.62% (100)	0.78% (95)	(5.24%) (100)	2.26% (100)	5.00% (100)
<b>Invesco Core Real Estate</b>	<b>(0.46%)</b> (97)	<b>(1.45%)</b> (95)	<b>(2.72%)</b> (95)	<b>(5.84%)</b> (67)	<b>0.84%</b> (78)	<b>4.96%</b> (61)
NCREIF NFI ODCE Eq Wt Net	0.84% (63)	1.62% (60)	0.78% (57)	(5.24%) (62)	2.26% (55)	5.00% (61)
Callan OE Core Cmngld RE	0.93%	1.89%	1.17%	(4.15%)	2.51%	5.22%
<b>Total Fund</b>	<b>(0.42%)</b> (64)	<b>3.98%</b> (60)	<b>5.23%</b> (49)	<b>3.55%</b> (74)	<b>9.29%</b> (77)	<b>6.65%</b> (64)
Total Fund Benchmark	0.22% (38)	4.45% (41)	5.83% (30)	3.82% (63)	8.55% (89)	6.47% (73)
Callan Public Fd Mid DB	(0.01%)	4.23%	5.20%	4.14%	10.11%	6.92%

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

# Work Plan Update

## Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	06/2025	09/2025
Quarterly Board Meetings	Quarterly	06/2025	09/2025
Customized Board Education Sessions	As Needed		
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

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## Benchmark Definitions

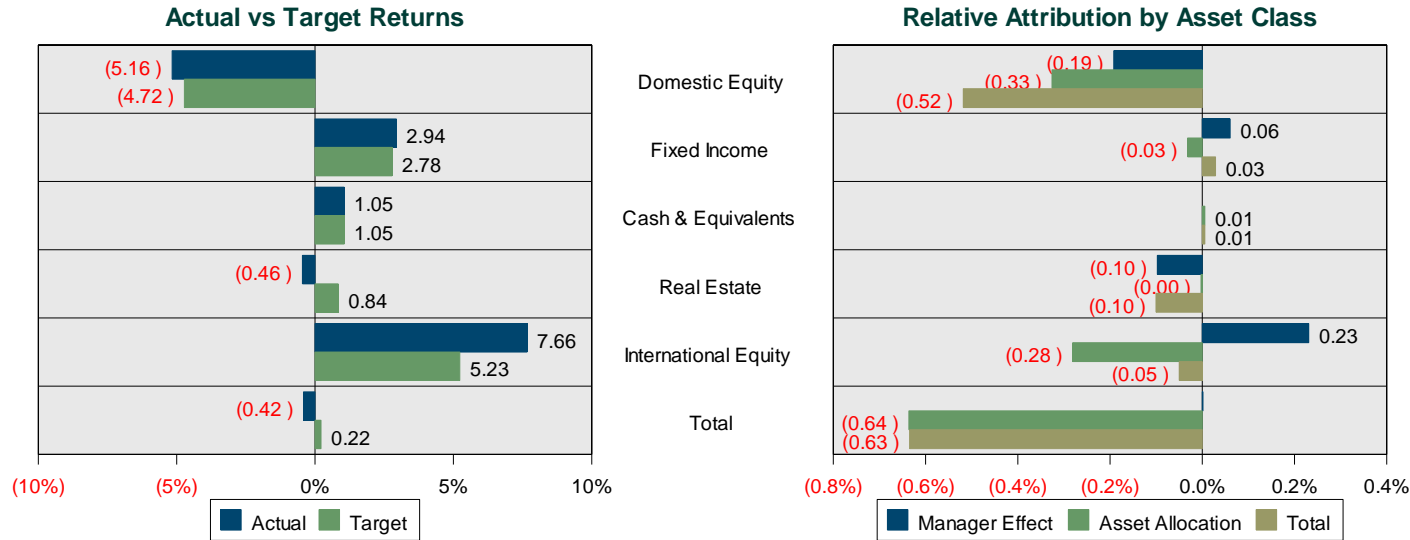
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights.

	<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 thereafter
4. **Fixed Income Benchmark:** Bloomberg Aggregate Index
5. **Real Estate Benchmark:** NCREIF NFI-ODCE Eq Wt Net

# Total Fund Relative Attribution – Q1 2025

March 31, 2025



## Relative Attribution Effects for Quarter ended March 31, 2025

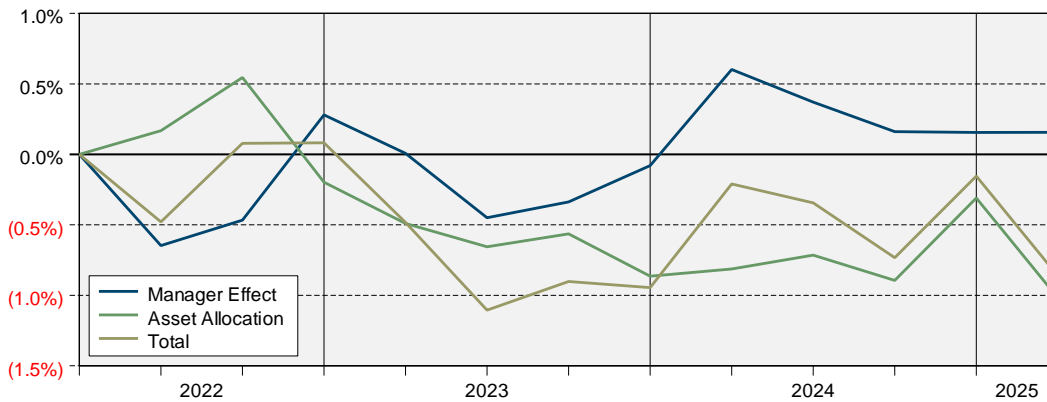
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return	
Domestic Equity	43%	37%	(5.16%)	(4.72%)	(0.19%)	(0.33%)	(0.52%)	
Fixed Income	39%	40%	2.94%	2.78%	0.06%	(0.03%)	0.03%	
Cash & Equivalents	1%	0%	1.05%	1.05%	0.00%	0.01%	0.01%	
Real Estate	8%	8%	(0.46%)	0.84%	(0.10%)	(0.00%)	(0.10%)	
International Equity	10%	15%	7.66%	5.23%	0.23%	(0.28%)	(0.05%)	
<b>Total</b>			<b>(0.42%)</b>		<b>0.22%</b>	<b>+ 0.00%</b>	<b>+ (0.64%)</b>	<b>(0.63%)</b>

Benchmark definitions included in the Appendix.

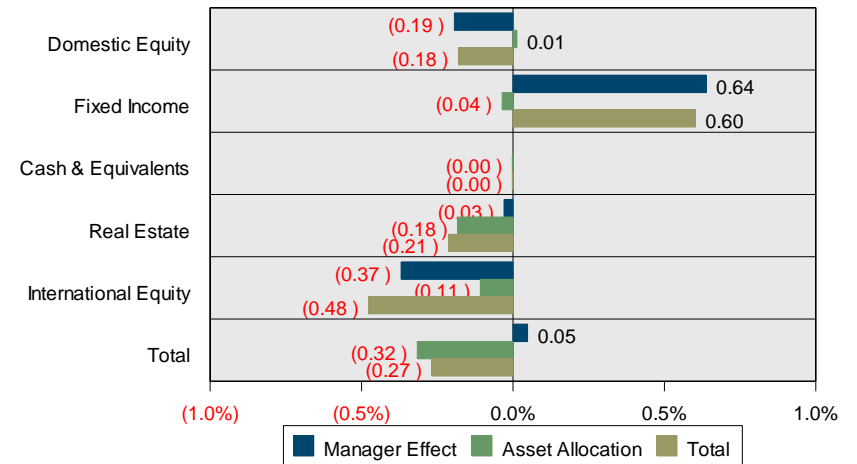
# Total Fund Relative Attribution – 3 Years

March 31, 2025

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



Three 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%	7.82%	8.22%	(0.19%)	0.01%	(0.18%)
Fixed Income	40%	40%	2.14%	0.52%	0.64%	(0.04%)	0.60%
Cash & Equivalents	1%	0%	4.16%	4.16%	0.00%	(0.00%)	(0.00%)
Real Estate	9%	8%	(5.84%)	(5.24%)	(0.03%)	(0.18%)	(0.21%)
International Equity	11%	15%	1.77%	4.99%	(0.37%)	(0.11%)	(0.48%)
<b>Total</b>			<b>3.55%</b>	<b>3.82%</b>	<b>+ 0.05%</b>	<b>+ (0.32%)</b>	<b>(0.27%)</b>

Benchmark definitions included in the Appendix.

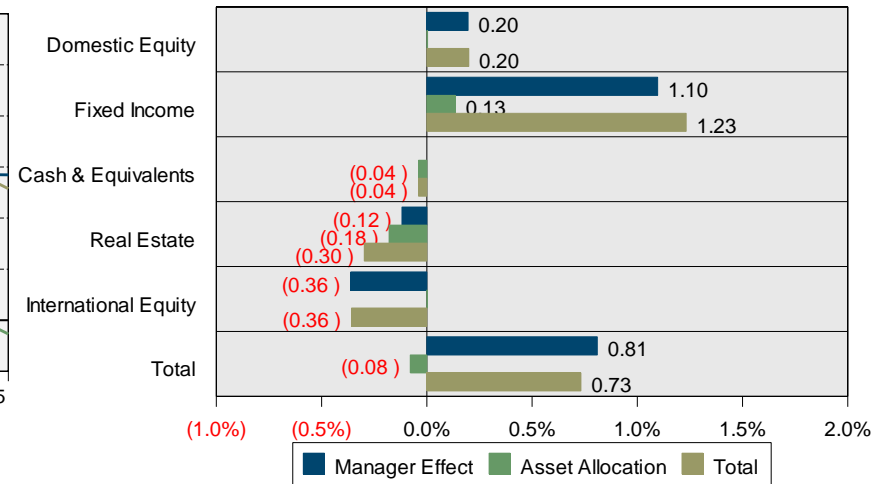
# Total Fund Relative Attribution – 5 Years

March 31, 2025

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



Five 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%	18.78%	18.18%	0.20%	0.00%	0.20%
Fixed Income	39%	40%	2.36%	(0.40%)	1.10%	0.13%	1.23%
Cash & Equivalents	0%	0%	2.51%	2.51%	0.00%	(0.04%)	(0.04%)
Real Estate	9%	8%	0.84%	2.26%	(0.12%)	(0.18%)	(0.30%)
International Equity	13%	15%	7.79%	11.43%	(0.36%)	0.00%	(0.36%)
<b>Total</b>			<b>9.29%</b>	<b>8.55%</b>	<b>+ 0.81%</b>	<b>+ (0.08%)</b>	<b>0.73%</b>

Benchmark definitions included in the Appendix.

# Asset Distribution Across Investment Managers

March 31, 2025

	March 31, 2025				December 31, 2024	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equity</b>	<b>\$143,117,161</b>	<b>41.59%</b>	<b>\$(131,998)</b>	<b>\$(7,788,161)</b>	<b>\$151,037,320</b>	<b>43.25%</b>
Mellon Russell 1000 Growth Index	53,755,252	15.62%	(5,517)	(5,972,991)	59,733,760	17.10%
Boston Partners	70,136,290	20.38%	(85,020)	(333,786)	70,555,097	20.20%
Aristotle Capital Boston	19,225,619	5.59%	(41,461)	(1,481,383)	20,748,463	5.94%
<b>International Equity</b>	<b>\$35,609,160</b>	<b>10.35%</b>	<b>\$(11,838)</b>	<b>\$2,533,172</b>	<b>\$33,087,826</b>	<b>9.47%</b>
CC&L Q Intl Equity	31,742,091	9.22%	(10,876)	2,336,785	29,416,183	8.42%
Mellon ACWI ex US Fund	3,867,069	1.12%	(961)	196,387	3,671,643	1.05%
<b>Domestic Fixed-Income</b>	<b>\$138,637,298</b>	<b>40.29%</b>	<b>\$(100,436)</b>	<b>\$3,956,808</b>	<b>\$134,780,926</b>	<b>38.59%</b>
MacKay Shields LLC	138,637,298	40.29%	(100,436)	3,956,808	134,780,926	38.59%
<b>Real Estate</b>	<b>\$26,027,612</b>	<b>7.56%</b>	<b>\$(197,131)</b>	<b>\$(119,877)</b>	<b>\$26,344,620</b>	<b>7.54%</b>
Invesco Core Real Estate	26,027,612	7.56%	(197,131)	(119,877)	26,344,620	7.54%
<b>Cash &amp; Equivalents</b>	<b>\$741,560</b>	<b>0.22%</b>	<b>\$(3,286,376)</b>	<b>\$31,908</b>	<b>\$3,996,028</b>	<b>1.14%</b>
AJRS General Fund	741,560	0.22%	(3,286,376)	31,908	3,996,028	1.14%
<b>Total Fund</b>	<b>\$344,132,791</b>	<b>100.00%</b>	<b>\$(3,727,779)</b>	<b>\$(1,386,150)</b>	<b>\$349,246,720</b>	<b>100.00%</b>

# Investment Manager Returns – Net of Fees

March 31, 2025

	Q1 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>NET OF FEE RETURNS</b>					
<b>Domestic Equity</b>					
Mellon Russell 1000 Growth Index	(10.01%)	7.77%	10.00%	19.96%	-
Russell 1000 Growth Index	(9.97%)	7.76%	10.10%	20.09%	15.12%
Boston Partners	(0.59%)	3.23%	7.87%	18.89%	9.50%
Russell 1000 Value Index	2.14%	7.18%	6.64%	16.15%	8.79%
Aristotle Capital Boston	(7.34%)	(2.72%)	0.80%	13.51%	-
Russell 2000 Index	(9.48%)	(4.01%)	0.52%	13.27%	6.30%
<b>International Equity</b>					
CC&L Q Intl Equity	7.91%	-	-	-	-
MSCI ACWI xUS (Net)	5.23%	6.09%	4.48%	10.92%	4.98%
Mellon ACWI ex US Fund	5.32%	-	-	-	-
MSCI ACWI xUS (Net)	5.23%	6.09%	4.48%	10.92%	4.98%

Benchmark definitions included in the Appendix.

## Investment Manager Returns – Net of Fees

March 31, 2025

	Q1 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>NET OF FEE RETURNS</b>					
<b>Domestic Fixed Income</b>					
Mackay Shields LLC	2.86%	6.68%	1.84%	2.05%	2.48%
Blmbg Aggregate Index	2.78%	4.88%	0.52%	(0.40%)	1.46%
<b>Real Estate</b>					
Invesco Core Real Estate	(0.55%)	(3.12%)	(6.16%)	0.52%	4.47%
NFI-ODCE Equal Weight Net	0.84%	0.78%	(5.24%)	2.26%	5.00%
<b>Total Fund</b>	<b>(0.49%)</b>	<b>4.89%</b>	<b>3.20%</b>	<b>8.92%</b>	<b>6.21%</b>
<b>Total Fund ex Cash</b>					
Target Benchmark*	0.22%	5.83%	3.82%	8.55%	6.47%

Benchmark definitions included in the Appendix.

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Past performance is no guarantee of future results.



## **Arkansas Judicial Retirement System**

## **Private Infrastructure Education**

June 12<sup>th</sup>, 2025

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**Brianne Weymouth, CAIA**  
Senior Vice President

**John Jackson, CFA**  
Senior Vice President

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## Agenda

- Characteristics of an Infrastructure Investment, Risks and Rewards
- Implementation
- Trends
- Appendix

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## Private Infrastructure Overview

# Private Real Estate vs. Private Infrastructure

## Real Estate



**Main Property Types:** Office, Retail, Apartment, Industrial  
**Alternative Property Types:** Self Storage, Student Housing, Senior Housing, Medical Office

## Infrastructure



**Transportation:** Bridges, Toll Roads, Tunnels, Airports, Seaports, Rail  
**Energy:** Transmission and Storage, LNG facilities  
**Renewables:** Solar, Wind, Biomass, Hydro, Batteries  
**Utilities:** Gas, Electric, Water  
**Water/Waste:** Treatment, Desalination, and Management  
**Communications:** Data Centers, Wireless & Broadcast Towers, Fiber

# Characteristics of Private Real Estate Investing

## Investment Types / Structures

- Mostly equity investments in commercial real estate
- Wide range of strategies and vehicles (and benefits)
- Variance of property types and geographies

## Return Components

- Income = Net Operating Income (NOI), or monthly rent/lease payments net of expenses
- Appreciation from “cap rate compression,” “NOI growth,” or both
- Return components depend on strategy

## Debt / Leverage

- Debt is often employed to enhance returns and/or to increase diversification
- Leverage is expressed in terms of loan-to-value (LTV), or the ratio of a property’s loan balance to the value of the underlying property
- Income return net of debt service



**Main Property Types:** Office, Retail, Apartment, Industrial  
**Alternative Property Types:** Self Storage, Student Housing, Senior Housing, Medical Office

# Characteristics of Private Infrastructure Investing

## Investment Types / Structures

- Essential assets for economic activity/movement of goods & people
- Wide variance of sectors
- Can be brownfield (mature, stabilized) or greenfield (newly developed)
- Ex-U.S. focus, but primarily in OECD markets
- Investor size determines type of exposure (smaller investors via public markets; larger via private markets)

## Return Components

- High income component with modest appreciation over time
- Defensive income streams through monopoly positions, high barriers to entry, and/or highly regulated market

## Debt / Leverage

- Higher leverage levels due to large ticket sizes and significant capital needs (typically 50%–85%+ LTV)
- Stable, predictable income allows investors to service that debt



**Transportation:** Bridges, Toll Roads, Tunnels, Airports, Seaports, Rail

**Energy:** Transmission and Storage, LNG facilities

**Renewables:** Solar, Wind, Biomass, Hydro, Batteries

**Utilities:** Gas, Electric, Water

**Water/Waste:** Treatment, Desalination, and Management

**Communications:** Data Centers, Wireless & Broadcast Towers, Fiber

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## What is Private Infrastructure

### Investment Types / Structures

- Essential assets for economic activity / movement of goods and people
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# Infrastructure

## Benefits and Considerations

### Benefits

- ▶ Potential low correlation with the broader economic cycle
- ▶ Potential for yield/income returns
- ▶ Inflation hedge
- ▶ Diversification with global and sector-diversified portfolio
- ▶ Potential for enhanced returns via investment in value add strategies
- ▶ Demand for renewables and decarbonization

### Considerations

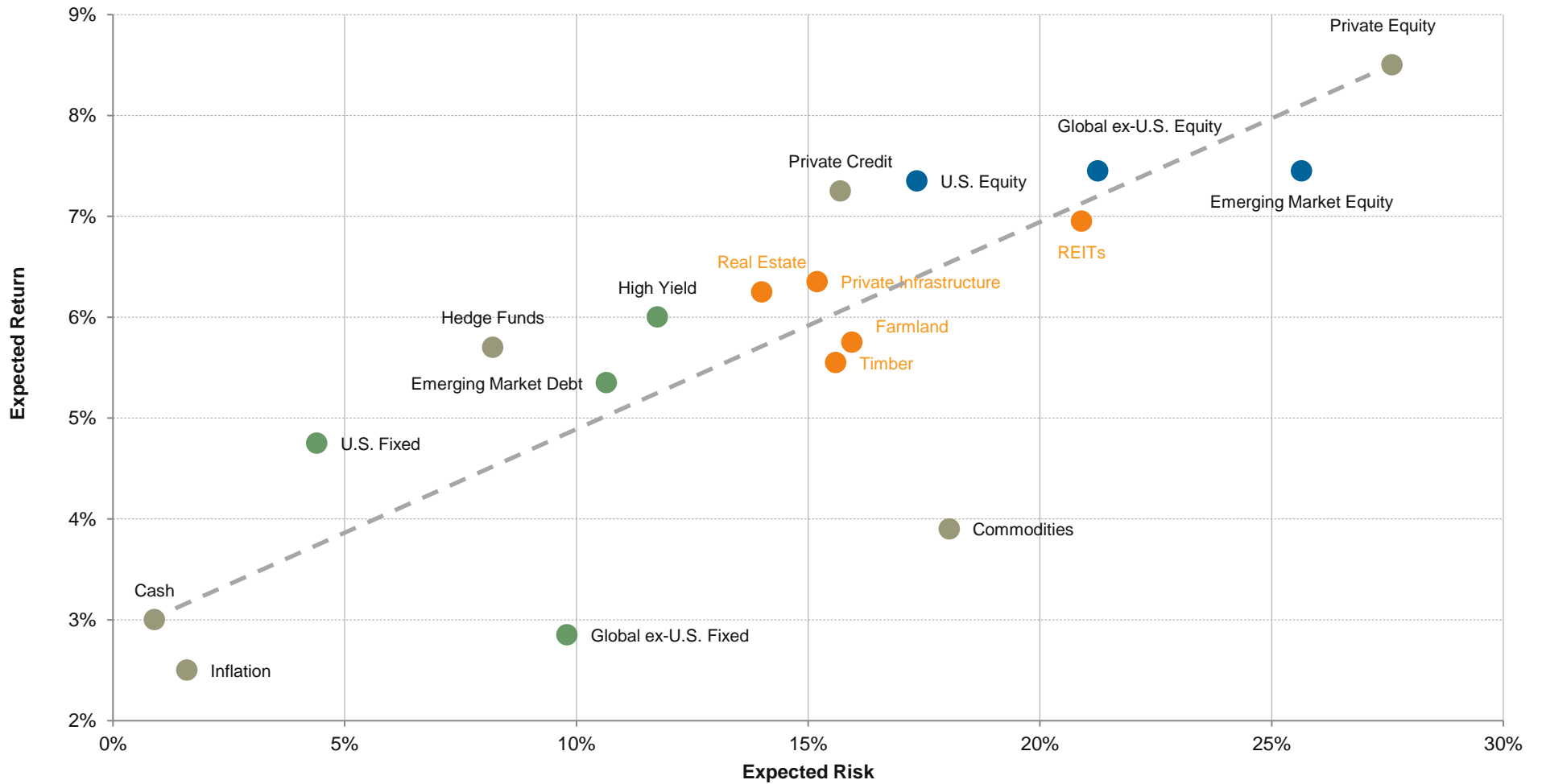
- ▶ Complex operating business requiring specialized expertise; manager selection is critical
- ▶ Revenue risk through market cycles
- ▶ Interest rate risk. Impact from inflation on revenue
- ▶ Core infrastructure has higher leverage than core RE
- ▶ International portfolio – F/X risk
- ▶ Global/domestic trade patterns and policies
- ▶ Obsolescence risk with decarbonization and changes in consumer patterns/regulatory risk

### Why Infrastructure and How Much?

- Additional layer of diversification for Real Assets portfolio;
- What is the target allocation and role of infrastructure in the portfolio?

# Why Invest in Infrastructure?

## Visualizing Callan's 2025–2034 Capital Market Assumptions

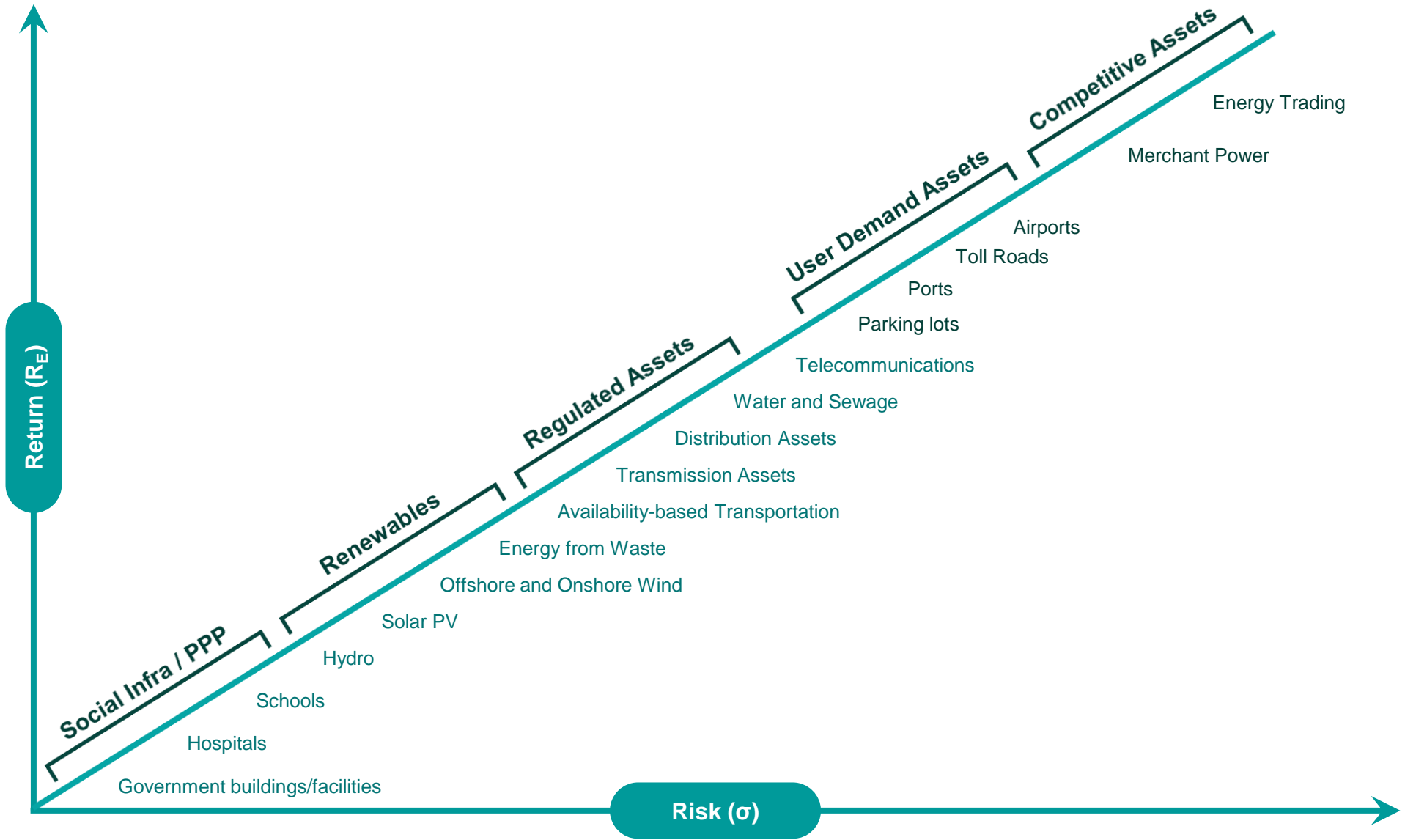


Expected returns for real assets fall between stocks and bonds, consistent with historical outcomes.



# Infrastructure Asset Spectrum

Actual risk and return highly dependent on contract structure



Source: Callan research

# Revenue Types and Risks

- Revenue risk is essential to consider when evaluating infrastructure assets
- Key attraction of infrastructure investing is long term contracts and cash flow
- Cash flows tend to be sensitive to inflation

## Revenue Categories



Availability	Regulated	Contracted	Patronage (Usage or GDP-linked)	Merchant
Revenue is constant as long as asset is maintained according to the contract	Revenue is subject to government regulation	Revenue based on contracts with private-sector counterparties	Revenue models vary and are based on asset usage	Revenue depends on the current market price of the natural resource
Inflation Adjustment Mechanism				
May have potential for consumer price index, or similar, type increases	Periodic government reviews (rate cases) allow companies to pass on higher costs to customers	Companies allow toll/fee increases based on consumer price index increases. Or typical annual revenue escalators of 3-4%	May benefit from business-dependent indirect or direct linkage of revenue escalators	Least formal inflation linkage, although unexpected inflation may coincide with a strong economy

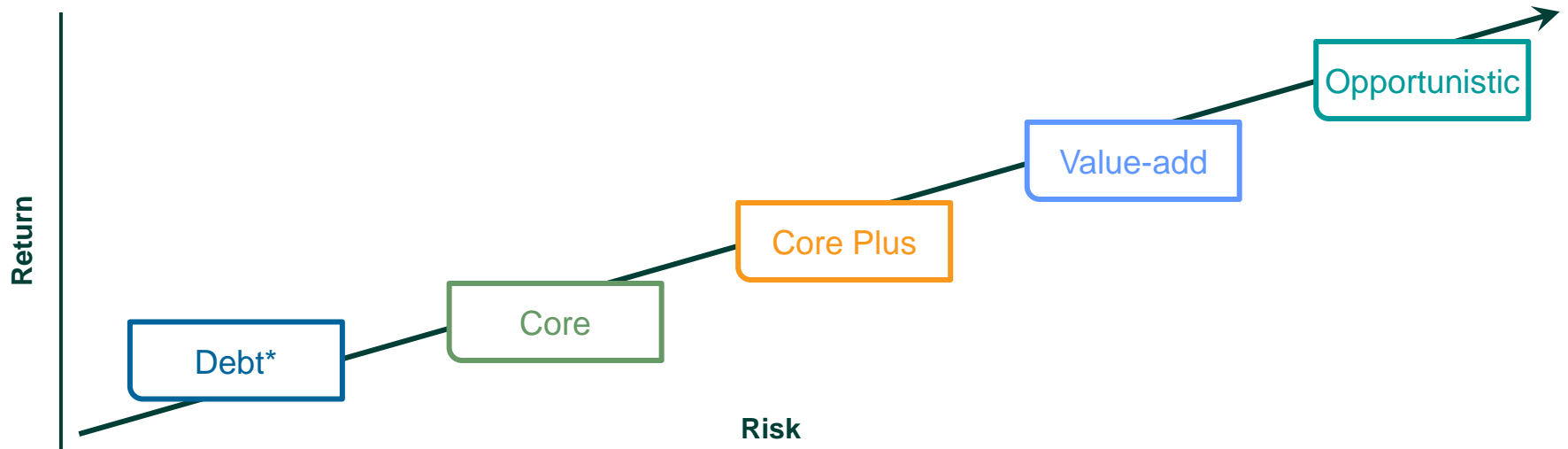
Source: Callan

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## Implementation

# Private Infrastructure – Relative Risk/Return



	Debt	Core	Core Plus	Value-add	Opportunistic
Net Return estimate	Typically 3-5% over a fixed rate such as LIBOR. Higher return strategies too	5-7%	8-10%	10-12%	13%+
Asset	Asset level Corporate level	Stable asset	Existing asset	Enhancement of existing asset	Development of a new asset
Cash flow to investors	Interest payments	Regular distributions from operating cash flow	Semi-regular distributions from operating cash flow	Cash flow may be reinvested into the assets and not paid to investors until the enhancement is complete	No cash flow during the development of the asset, which may take 3-10 years depending on the type of asset and complexity to develop
Investment stage	Debt	Brownfield	Brownfield	Brownfield	Greenfield

\* Debt strategies are being developed with higher return targets, this is an increasing area

## Common Infrastructure Vehicles

	Open-end Funds	Closed-end Funds
Term	Perpetual	Typically 10 year term, plus extensions. Some funds have a 25 year life
Minimum Investment Size	Typical \$10 million minimum	Typical \$10 million minimum
Fee Range	77–105 bps on NAV	125–175 bps, based on commitments during investment period and on active capital thereafter.
	Performance fees apply; Typically limited at 10% over a hurdle	Performance fees apply; Typically up to 20% over a hurdle
Liquidity & Exit	Medium	Low
	Typically 3-4 year lock ups  Liquidity is subject to entry/exit queues	Liquidity is dependent on fund wrap up or sale on secondary market
Volatility	Lower	Lower
Return Targets	Ranges, depending on strategy:  6–12% net IRR	Ranges, depending on strategy:  9–15% net IRR
	Income component is typical from the start: 4–6% income per year	Income component takes 4–5 years to materialize, when assets are stabilized: 4–6% income per year
Correlation	Low correlation to public equities	Low correlations to public equities

# Institutional Infrastructure Markets

This is a global asset class with a wide range of risk and return options

North America only focus		Global
5<	<b>Open-End Fund Universe</b>	15+
20+ annually	<b>Closed-End Fund Universe</b>	100+ annually
Most U.S. only funds have been smaller and sector focused, increasing number of diversified products coming to market	<b>Market</b>	Most common: OECD markets, Europe-focused Less common: Emerging markets
Renewables and energy are most prevalent, with an increasing number of diversified funds and other sector-focused funds (e.g. water, communications)	<b>Sector Types</b>	Renewables, transport, communication, utilities, water and waste, social
U.S. energy discoveries and clean power creating need for energy investment. Historic underinvestment and shrinking public budgets also create opportunity	<b>Key Drivers</b>	Global demand for clean power, historic public sector underinvestment, need for increased communications assets, greater history of public-private partnerships outside the U.S.
Managers who expand the definition of infrastructure to include private equity-like assets or have high concentration to energy-linked assets	<b>Key Risk Considerations</b>	Political instability; currency fluctuations & stability; Variations in legal, tax, language, culture, etc.

- Expanding universe of managers and funds, including new product offerings and increased variety of products from existing managers
- Increasing number of infrastructure debt fund offerings following changes to banking regulations

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## Private Infrastructure Trends

# Infrastructure Fundraising Moderating

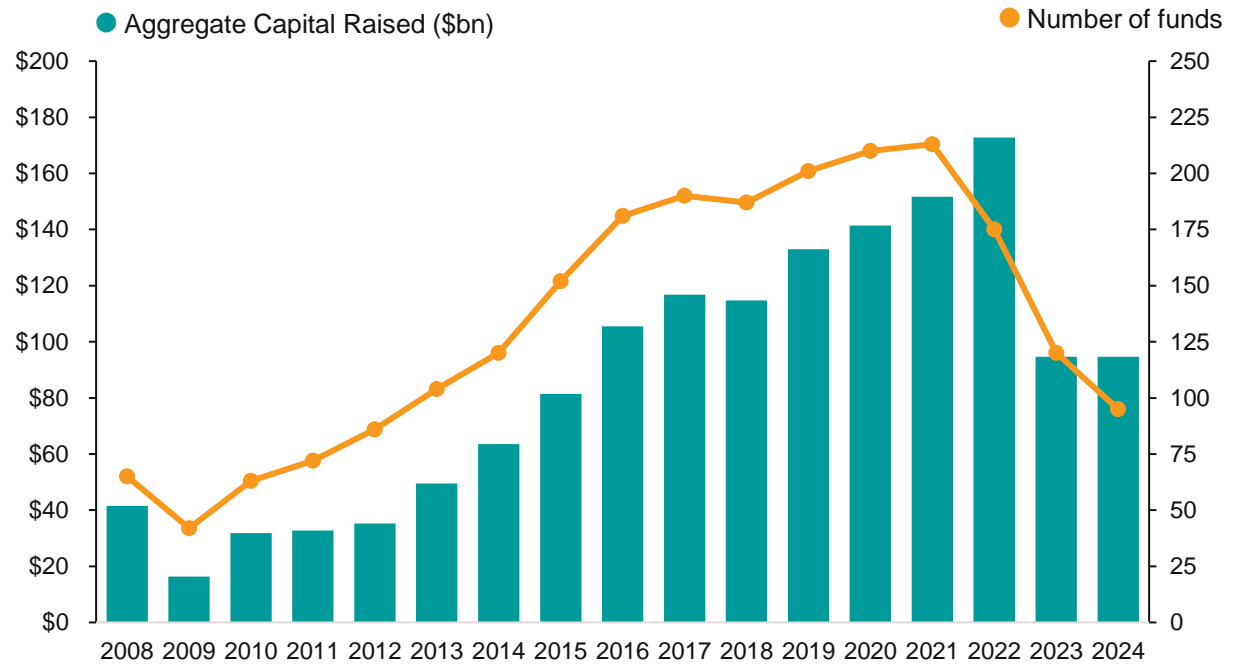
Dry powder remains elevated

Fundraising fell in 2023/2024 following strong growth back to the GFC.

Moderating fundraising has been driven by the “denominator effect” and the growth in open-end funds, plus a slowdown in exits, which reduces capital distributions to fund new commitments.

Megafunds continue to dominate, though the universe is expanding, with new offerings in infrastructure debt, energy transition, emerging markets and sector-specific strategies.

Infrastructure Fundraising Volume



Source: Institutional Infrastructure Investor data, Preqin, Infralogic CBRE, Callan research

# Proliferation of Open-End Funds

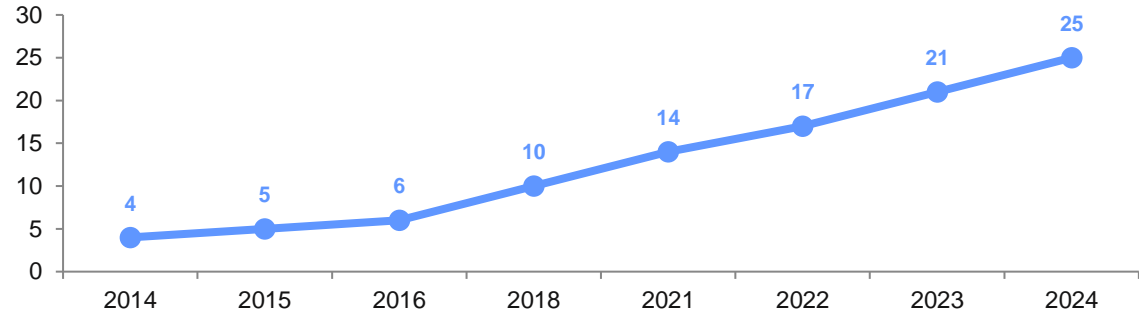
Investors showing increasing preference for evergreen structures

There is an expanding number of viable open-end infrastructure funds.

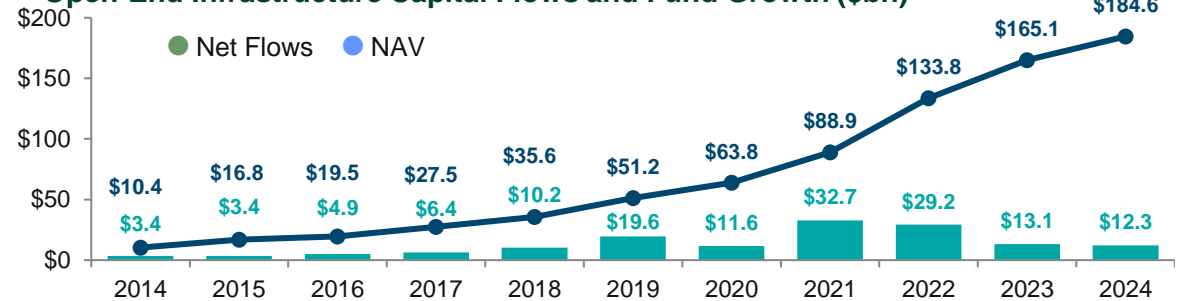
Benefits include:

- Enhanced liquidity
- Limited to no J-curve
- Appropriate structure for “long-lived” assets
- Immediate and perpetual yield
- Immediate diversification
- Lower fees
- Reduced complexity
- “Time in” the market vs. “timing the market”

Number of Open-End Equity Funds in Market Tracked by Callan



Open-End Infrastructure Capital Flows and Fund Growth (\$bn)



Source: Callan research. Data in bottom chart represents 15 diversified open-end infrastructure funds closely tracked by Callan

# Infrastructure Trends

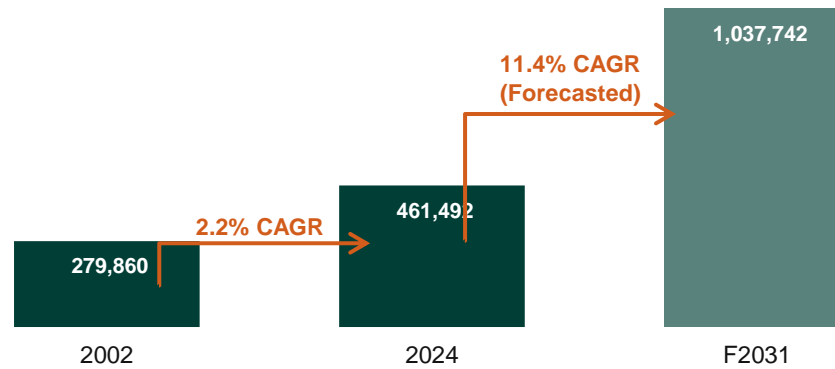
Energy demand expanding... and fast

Several factors driving surge in energy demand growth, including:

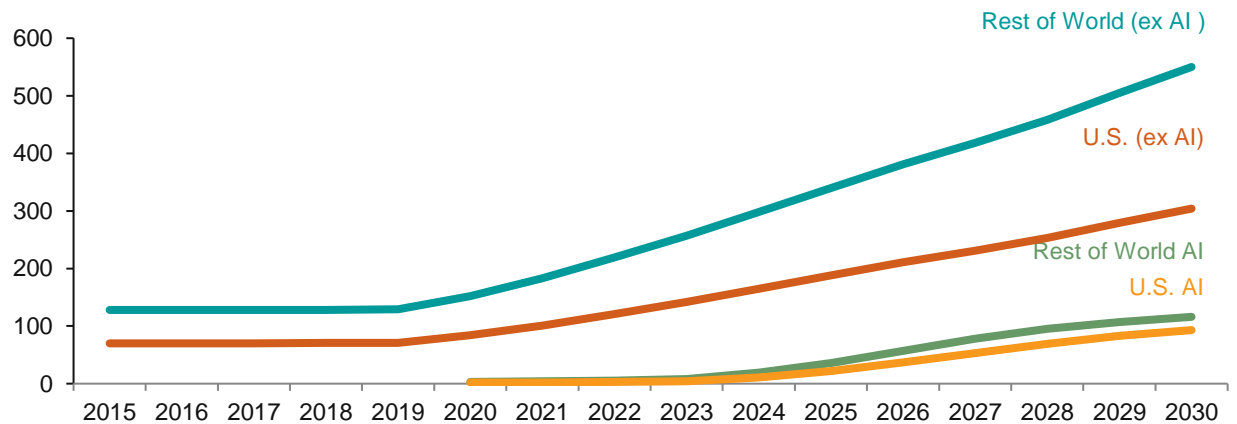
- Data centers / AI
- Onshoring of manufacturing and industrial
- Transport electrification
- Corporate / government net zero targets
- Heating / cooling

AI grabs headlines but still smaller component of data center power demand

Annual Energy Consumption (GWh)



Global Data Center Power Demand (terawatt-hours)



Source: 2025 ERCOT System Planning Long-Term Hourly Peak Demand and Energy Forecast. Statista, based on IEA, Cisco Systems and Goldman Sachs, released May 2024

# Infrastructure Trends

Data centers in focus – demand outpacing supply

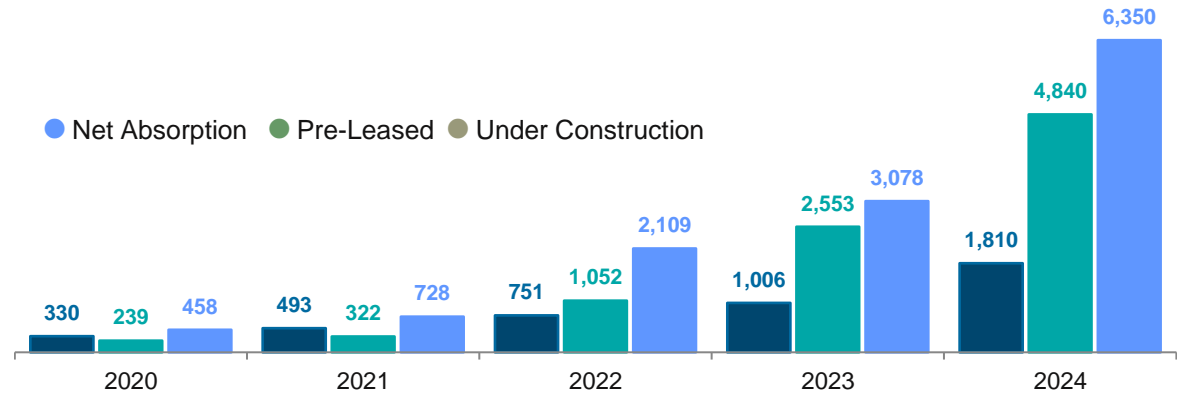
Supply & Demand imbalance leading to accelerating rent growth in recent years.

Demand stemming from hyperscalers and AI boom.

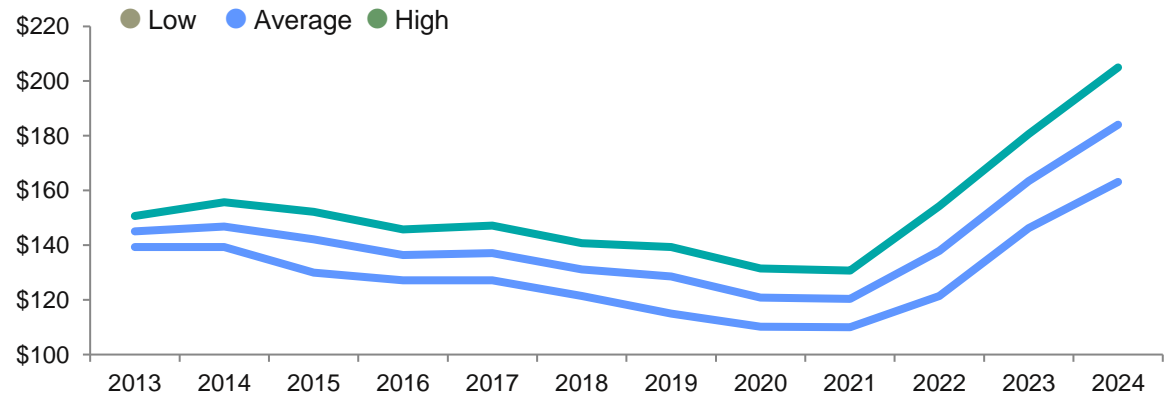
Vacancy at record low 1.9% at year-end 2024.

Supply lagging due to power constraints and supply chain delays,

Primary Markets Net Absorption, Preleasing & Under Construction (MWh)



Average Asking Rental Rate in Primary Markets (250–500 kW Pricing \$)



Source: CBRE Research, CBRE Data Center Solutions, H2 2024.

## Sample Infrastructure Sponsors in the Market

Most Infrastructure Managers Focus on Equity Strategies, More Managers Adding Debt Strategies

Open-end Managers	Closed-end Managers
Axiom Infrastructure	Antin
Blackstone Inc.	Ardian
Brookfield	BlackRock
First Sentier Investors	Brookfield
Harrison St.	EQT
IFM Investors	Global Infrastructure Partners
J.P.Morgan	I Squared Capital
KKR	KKR
Macquarie	Macquarie
Ullico Investment Advisors, Inc.	Stonepeak

Source: Callan research,

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**Appendix**

# What is the Driver for Global Infrastructure Investment Today?

Renewable Energy Targets, Data Storage/Transmission, Aging Infrastructure

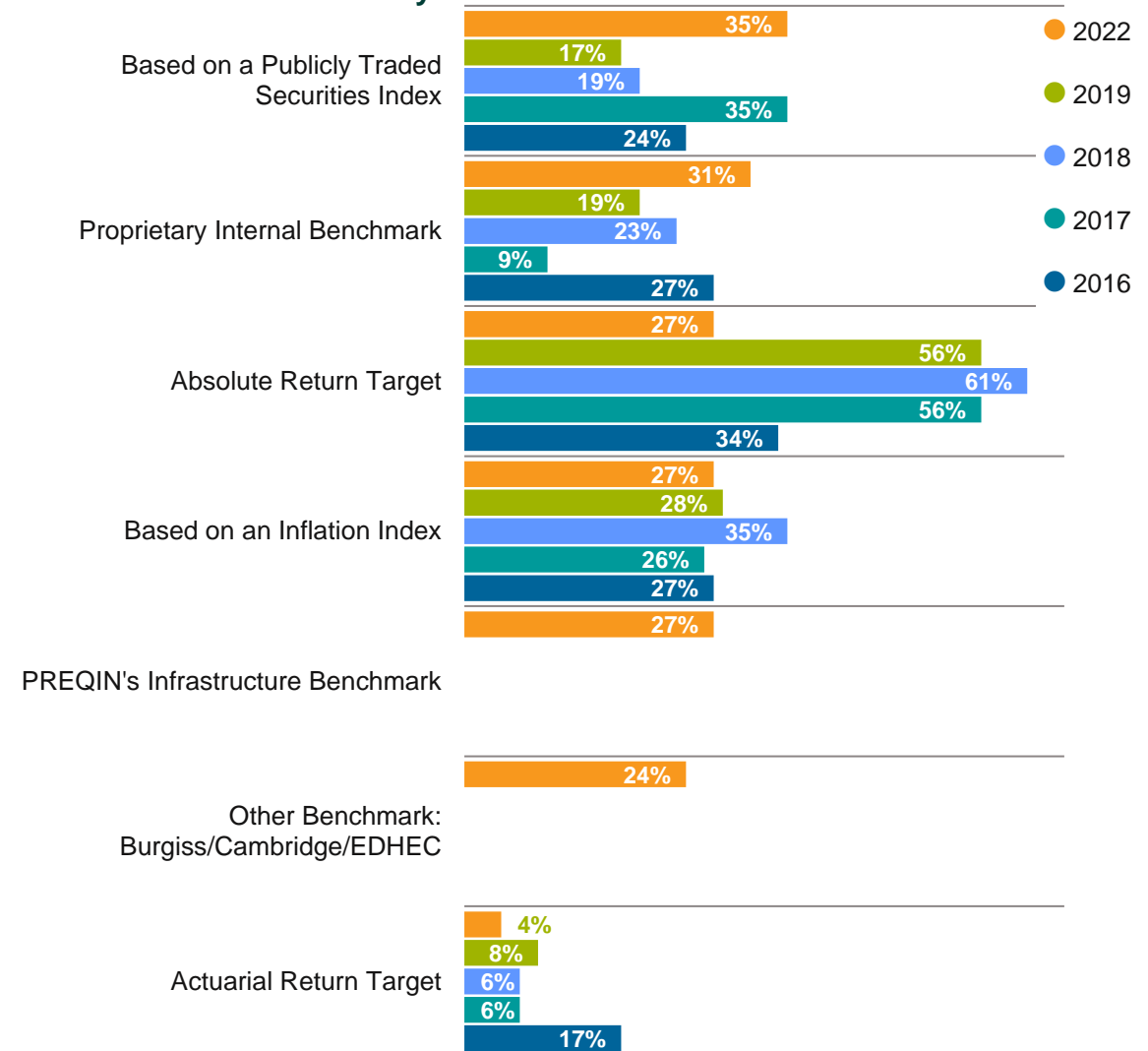
Sector	Demand driver	Infrastructure Type
<b>Communications / Data</b>	Increased demand with new technology and work from home	Fiber, towers, data centers, small cell
<b>Power (including renewables)</b>	Trend for reduced carbon emissions and non-nuclear power	Thermal power Wind, solar, hydro, biomass, geothermal Transmission & storage
<b>Water / Waste</b>	Increased demand, historic under-investment and aging infrastructure	Water utilities, waste management, wastewater systems
<b>Sustainability</b>	ESG considerations	Energy/water efficiency and monitoring, waste to energy, recycling
<b>Transport</b>	Increased demand, historic under-investment and aging infrastructure	Airports, roads, ports, rail and electric vehicle-related infrastructure
<b>Energy</b>	Development of oil and shale resources in the US	Utilities, district energy, mid-stream energy related transmission, storage and export facilities
<b>Social</b>	Insufficient municipal budgets	Healthcare, judicial, education facilities, Public Private Partnerships



# Benchmarking is Inconsistent – Some Investors Use Multiple Benchmarks

- The 2022 Investor Benchmark Survey suggests that investors use multiple benchmarks as the responses total more than 100%.
- With rising inflation, investors have cooled on the use of an absolute return target compared to prior years.
- Publicly traded indices continue to be relevant for investor benchmarks.
- Private infrastructure benchmarks are being developed (e.g. Burgiss, Cambridge and EDHEC); in some cases there are regional concentrations (e.g. Australia) that do not reflect individual investor portfolios.
- Investors have yet to agree on a single benchmark for private infrastructure in the way that they have for private real estate (NCREIF-ODCE Index).

## Investor Benchmark Survey



Source: Probitas, 2017, 2018, 2019 and 2022 Infrastructure Investor Survey. Note for 2022: Percentages total to 175% as some investors use more than one benchmark

## Public Private Partnerships (PPP or P3)

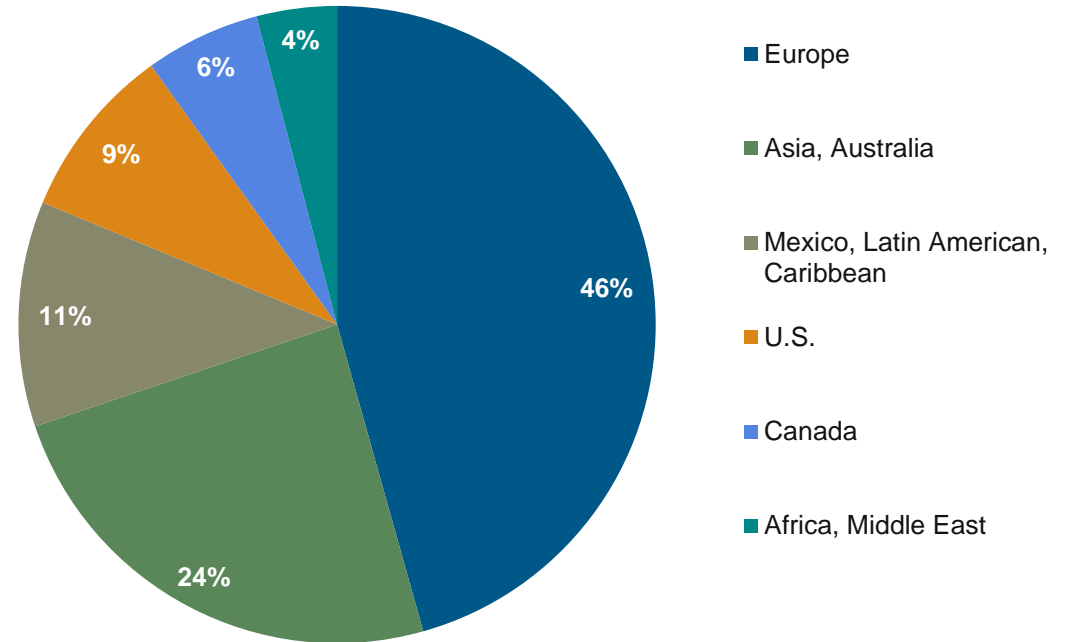
The U.S. implemented fewer PPP than other regions; other regions have more social PPP projects

### Public-Private Partnerships:

Cooperative arrangements between two or more public and private sector entities, typically of a long-term nature, to deliver an infrastructure asset (often social and transportation).

PPPs generally require significant up-front time commitments by both public and private participants to determine the scope and implementation. Due to the time commitment and uncertainty of winning the process, many private managers do not pursue these kinds of projects.

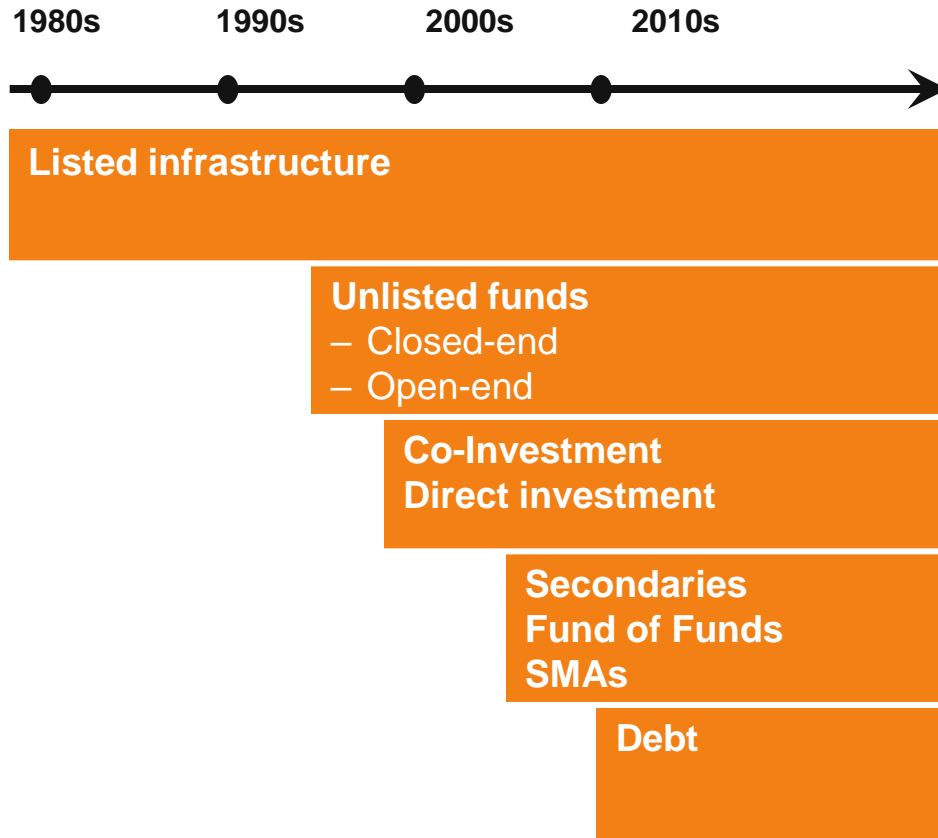
Worldwide PPP, Nominal Costs, 1985-2011  
(\$ billions)



Data source: <https://usa.streetsblog.org/2012/01/20/do-brookings-and-heritage-agree-on-public-private-partnerships/>

# Development of Infrastructure Investment Options

## Market development



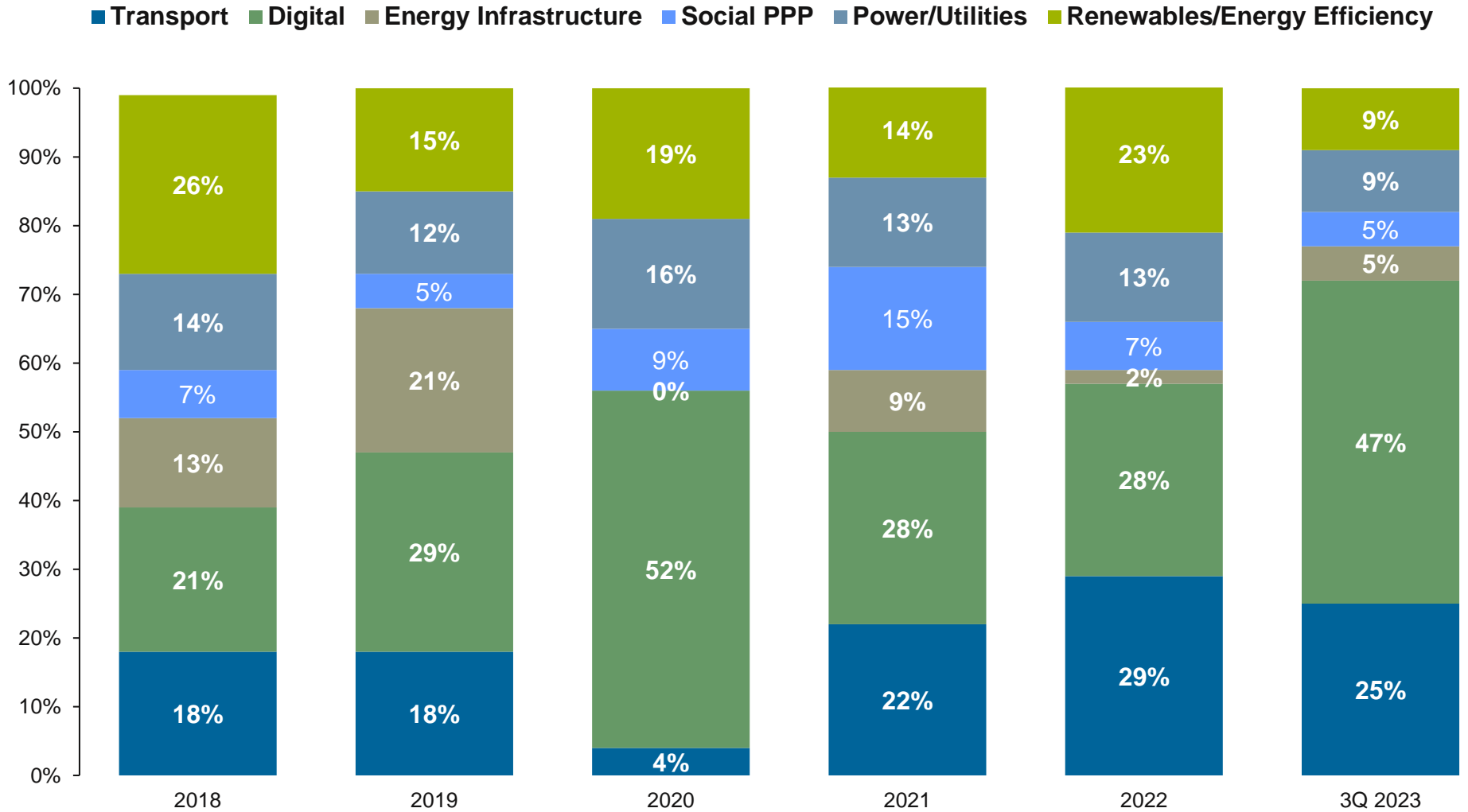
## Various strategies ...



# Global Infrastructure Deal Activity by Sector

Major sectors include: transport, digital, power/utilities and renewables/energy efficiency

## Global Infrastructure Sector Investment Activity



Source: Callan research

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Quarterly Board Meeting

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

ASSETS

Cash and Cash Equivalents	\$	746,169
Receivables		
Contributions Receivable	\$	10,884
Overpayment Receivable		17,748
Allowance for Doubtful Accounts		<u>(17,748)</u>
Total Receivables		10,884
Investment Assets		<u>343,398,033</u>
TOTAL ASSETS		<u>344,155,086</u>

LIABILITIES

Accrued Expenses and Other Liabilities		<u>340,673</u>
TOTAL LIABILITIES		<u>340,673</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$	<u><u>343,814,413</u></u>



Quarterly Board Meeting

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

ADDITIONS

Contributions	
Employer	\$ 9,157,831
Employee	1,032,189
Court Fees	<u>342,311</u>
Total Contributions	10,532,331
Investment Income	13,714,904
Less: Investment Expense	<u>(941,291)</u>
Net Investment Income	12,773,614
Other Additions	
Miscellaneous Additions	<u>217</u>
<b>TOTAL ADDITIONS</b>	<b><u>23,306,161</u></b>

DEDUCTIONS

Benefits	14,032,684
Refunds of Contributions	-
Administrative Expenses	<u>149,116</u>
<b>TOTAL DEDUCTIONS</b>	<b><u>14,181,801</u></b>

NET CHANGE IN NET POSITION 9,124,360

NET POSITION RESTRICTED FOR PENSION BENEFITS

Beginning of Fiscal Year	<u>334,690,053</u>
End of 3rd Quarter	<u><u>\$ 343,814,413</u></u>



## Quarterly Board Meeting

June 12, 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 Griffen 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. A special board meeting was held on February 13, 2025, and the board voted to comply with Judge Pierce's order. March 24, 2025, Griffen filed an amended petition. April 22, 2024, AJRS filed a motion to dismiss and incorporated brief. May 14, 2025, Griffen filed an amended petition. AJRS filed a Motion to Dismiss on June 3, 2025.

#### **RULES PROMULGATION**

After a review of the 2025 Legislative Acts, no AJRS rule amendments for promulgation are needed to conform to the new laws. However, for the board's consideration there is a draft repeal of 24 CAR 15-104, which sets AJRS board meeting dates and is obsolete. Also of note, APERS is proposing promulgation of its rule pertaining to separation from service to meet termination requirements for judges who have retired from APERS and then are asked to serve as special judges. Act 370 of 2025 allows retired judges, including district court judges who retire under APERS, to accept an appointment to serve as a special judge immediately upon retirement. In these cases, the special judge would not forfeit their retirement benefit from APERS.

#### **LEGISLATION (2025 SESSION) AJRS Bills**

Act 128 (HB1208) Adds AJRS to the list of claimant agencies allowed an offset of member's tax refund  
Act 129 (HB1209) Prohibits assignment of benefits; errors corrections with 5-year statute of limitations  
Act 130 (HB1210) AJRS Administrative Costs Allocated to APERS (Codifying "Special Language")  
Act 112 (HB1317) Designates fraud of a state supported retirement system as a Class D felony

# Remote Meeting Attendance Policy

## Act 505 of 2025

### I. REMOTE ATTENDANCE AUTHORIZED

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

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

### II. IDENTITY OF TRUSTEE VERIFIED

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

### II. CHAIR DISCRETION

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

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

### **III. PUBLIC PARTICIPATION**

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

### **IV. REVIEW OF POLICY**

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

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

# MARKUP

~~24 CAR § 15-104. Board meeting dates.~~

~~The Board of Trustees of the Arkansas Judicial Retirement System shall meet on the first Thursday of the second month of each quarter and at such other times as called by the chair.~~



## 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  
$$\$193,955 \times 3.2\% \times 20.1 \text{ yrs.} = \$ 124,751 \text{ annually/ } \$10,396 \text{ monthly}$$
- **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

### Executive Report

#### **Multi-Factor Authentication Implementation**

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

#### **Membership Outreach and Education**

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

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

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

#### **Banking Services Request For Proposal and Vendor Transition**

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

#### **Pay Plan Update**

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

#### **Legislative Session Summary**

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