



**Arkansas Judicial Retirement System**  
**Board of Trustees Quarterly Meeting**  
**December 4, 2025**



**Arkansas Judicial Retirement System**  
Quarterly Board Meeting  
Thursday, December 4, 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 4<sup>th</sup> floor. The meeting will be a hybrid and can be attended via Zoom via the link on our website, [www.apers.org](http://www.apers.org).*

## **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 September 11, 2025 (**Page 4**)
5. Administrative Expense Reports for the quarter ending September 30, 2025 (**Page 8**)
6. **Investments** – Ms. Brianne Weymouth and Mr. John Jackson from Callan LLC and Mr. Carlos Borromeo, Deputy Director of Investments and Finance
  - a. CIO Report (**Page 9**)
  - b. Quarterly Report for the Period Ending September 30, 2025 (**Page 22**)
7. **Finance** – Finance: Mr. Mita Drazilov and Ms. Heidi Barry, GRS, and Mr. Jason Willett, Chief Financial Officer
  - a. June 30, 2025, Actuarial Valuation Results (**Page 49**)
  - b. **Action Item**: Approve the annual reserve transfers
  - c. Financial Statements for the Quarter Ending September 30, 2025 (**Page 68**)
8. **Legal** – Ms. Laura Gilson, General Counselor
  - a. Legal Report (**Page 70**)
9. **Benefits** – Ms. Allison Woods, Deputy Director of Benefits
  - a. Benefits Summary (**Page 71**)
10. **Executive Report** – Ms. Amy Fecher, Executive Director
  - a. Executive Report Review (**Page 76**)

11. Next Calendar Year Quarterly Board Meetings:
  - 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 Quarterly Meeting Minutes  
September 11, 2025**

The regular meeting of the Arkansas Judicial Retirement System Board of Trustees was held on Thursday, September 11, 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 (District 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  
Hon. Raymond Abrahamson (Circuit Judge)

**Visitors Present**

Ms. Brianne Weymouth, Callan LLC  
Mr. John Jackson, Callan LLC  
Ms. Samantha Elrod, Arkansas Legislative Audit  
Ms. Sue Scott  
Mr. Logan Surdam, Arkansas Legislative Audit\*

**APERS Staff Present**

Ms. Amy Fecher, Executive Director, Arkansas Judicial Retirement System  
Ms. Allison Woods, Deputy Director of Benefits  
Mr. Carlos Borromeo, Deputy Director of Investments & Finance  
Ms. 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 Hollowoa, Director of Marketing  
Ms. Kristi Brown, Member Services \*  
Ms. Shelly George, Retirement Section Manager\*  
Ms. Linda Mcgrath, Digital Archives Librarian\*

\*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 the June 12, 2025, meeting was emailed to each AJRS Board member for review. Judge Abrahamson made a motion to accept the minutes as presented. The motion was seconded by Judge Brown. Without objection the motion carried.

## **Investments**

### **CIO Report**

Mr. Carlos Borrromeo presented the CIO report, ending June 30, 2025. He reported that the portfolio achieved a 6.44% return for the quarter and 10.67% for the fiscal year, reflecting strong overall market performance. He noted that investor enthusiasm for artificial intelligence continued to drive growth, with renewed momentum among the “Magnificent Seven” stocks. In response to a question from Judge Brown, Mr. Borrromeo identified the Magnificent Seven as Apple, Amazon, Alphabet, Nvidia, Meta, Microsoft, and Tesla.

Mr. Borrromeo emphasized that this quarter marked one of the few times in recent years when every major asset class produced positive returns, underscoring the broad-based strength of the markets and the diversification within the portfolio.

### **Callan Report**

Ms. Brianne Weymouth and Mr. John Jackson, join the table to give Callan report for the period ending June 30, 2025. Ms. Weymouth reported that while real estate was down 1.08% for fiscal year 2025, international equity posted a strong gain of 24.33%. A discussion followed regarding the balance of risk versus reward in the total fund performance. Given that the plan is over 90% funded, the Board expressed interest in continuing on the conservative approach they have been on to preserve its strong funding status. Ms. Weymouth noted that potential interest rate cuts could be beneficial for Aristotle Capital Boston, a small-cap manager within the portfolio. In the credit markets, AJRS achieved a 7.72% return for fiscal year 2025.

It was noted that CC&L International Equity has exposure to Hong Kong and China, which will require divestment in accordance with Act 937 of 2025. Mr. Borrromeo recommended following APERS by hiring BlackRock to manage a fund-of-one excluding Hong Kong and China and considering an APERS Wellington growth strategy. Mr. John Scott asked Mr. Jackson for his perspective, and Mr. Jackson expressed a preference for a passive management approach given the need to remove Hong Kong and China exposure.

Following discussion, the Board agreed to proceed with hiring BlackRock as a new manager. A motion to hire BlackRock was made by Judge Raymond Abrahamson, seconded by Judge Marcia Hearnberger, and approved unanimously.

### **CFO Report**

Mr. Jason Willett, Chief Financial Officer, presented the Statement of Fiduciary Net Position as of June 30, 2025. AJRS ended the year with just over \$263,000 in cash and cash equivalents and net receivables of just over \$3,200 noting the large overpayment that has been fully reserved for to be conservative. The overpayment receivable is being recouped from the monthly benefit each month. Investment assets totaled \$362.3 million. AJRS is up about \$28 million in investment assets in FY25 with an ending net position restricted for pension benefits of \$362,276,521.

Mr. Willett reviewed the Statement of Changes in Fiduciary Net Position for the period ending June 30, 2025. Total contributions for the year were \$12,110,777. Employer contributions were just over \$10.1 million, which is an increase of about \$300,000. Employee contributions were just over \$1.4 million. Court fees of just over \$568,000 have been on an uptrend and were up over \$160,000 over the prior year.

Investment income for the year ended June 30, 2025, was just over \$35.7 million. On the deductions side the system had benefits paid out of just over \$18.8 million. Current year's benefits were about \$700,000 higher than the previous year. Ending net position was \$362, 276,521.

The Board acknowledged and agreed and expressed appreciation for how well the system is doing and the positive results for FY2025.

### **Legal**

Ms. Laura Gilson reported on legal activities through June 30, 2025. She noted that one appeal remains active, and a motion to dismiss was filed in June 2025. Ms. Gilson also reported on a rule promulgation in which AJRS is repealing Rule 24 CAR § 15-104. No public comments were received during the review period, and the rule will now proceed to the Retirement Subcommittee, the Rules Subcommittee, and then the full Arkansas Legislative Council for consideration.

### **Benefits Report**

Ms. Allison Woods reported on membership and benefit activity as of June 30, 2025. She noted that there were no new retirees during the quarter, with 145 active members and 179 retirees currently participating in the system.

For the special topic, Ms. Woods presented on employee contributions to public pension plans, noting that only 1–2% of public pension systems do not require employee contributions. Since 2009, forty states have increased employee contribution rates, and in many states, law enforcement officers and firefighters, in what are considered hazardous duty positions, pay higher employee contribution rates because they retire earlier due to the nature of their positions.

### **Executive Report**

Executive Director Fecher gave the executive report ending June 30, 2025. Mr. John Scott mentioned that APERS had been invited to present at the Bar Meeting in June and suggested scheduling an hour-long session. Mr. Earnest Brown added that the Board may consider alternating the location of future meetings between Little Rock and Jonesboro, noting that attendance varies by region and that some members may only attend one.

Ms. Fecher also discussed APERS' request for AJRS to participate in a Request for Qualifications (RFQ) process for investment consultant services, specifically for Callan, to promote transparency and evaluate proposals from multiple firms. She noted that Callan has served as AJRS's investment consultant for several years. Judge Raymond Abrahamson commented that Callan has extensive institutional knowledge of AJRS but agreed it would be beneficial to assess the broader market and ensure the Board remains well-informed of available options.

A motion to participate in the joint RFQ process with APERS was made by Mr. Earnest Brown, seconded by Mr. John Scott, and approved unanimously. The RFQ is expected to be posted in October, with additional information to be presented at the March Board meeting.

### **Upcoming Board Meetings**

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

March 5, 2026, at 1:30 p.m.

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

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

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

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

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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 25 Expenses	FY 26 Budget	Jul-25	Aug-25	Sep-25	Total YTD	Remaining Budget
<b>M &amp; O Expenses</b>							
Office Supplies/Printing	1,041.24	3,000.00	-	-	216.34	216.34	2,783.66
Board Member Expense Reimbursement	1,233.44	4,000.00			547.49	547.49	3,452.51
Bank Charges	2,741.62	5,000.00	297.54	316.73	291.05	905.32	4,094.68
<b>Total M &amp; O Expenses</b>	<b>5,016.30</b>	<b>12,000.00</b>	<b>297.54</b>	<b>316.73</b>	<b>1,054.88</b>	<b>1,669.15</b>	<b>10,330.85</b>
<b>Professional Fees</b>							
Gabriel Roeder Smith (1)	29,100.00	30,000.00				-	30,000.00
Aristotle Capital (2)	161,204.45	170,000.00			40,927.08	40,927.08	129,072.92
Conner, Clark, & Lunn (2)	65,212.39	125,000.00			31,585.07	31,585.07	93,414.93
Baillie Gifford (2)	37,356.27	-				-	-
Callan Associates (2)	81,364.84	85,000.00			21,154.86	21,154.86	63,845.14
Invesco Real Estate (2)	107,971.84	140,000.00			25,559.20	25,559.20	114,440.80
MacKay Shields (2)	412,047.42	425,000.00			107,223.27	107,223.27	317,776.73
Robeco (Boston Partners) (2)	342,966.20	365,000.00			92,719.80	92,719.80	272,280.20
BNY Mellon (2)	31,605.38	32,000.00			7,847.48	7,847.48	24,152.52
Mellon Capital Management (2)	21,384.01	25,000.00			6,483.01	6,483.01	18,516.99
<b>Total Professional Fees</b>	<b>1,290,212.80</b>	<b>1,397,000.00</b>	<b>-</b>	<b>-</b>	<b>333,499.77</b>	<b>333,499.77</b>	<b>1,063,500.23</b>
Transfers To APERS	115,000.00	118,000.00	118,000.00	-	-	118,000.00	-
<b>Total Administrative Expenses</b>	<b>1,410,229.10</b>	<b>1,527,000.00</b>	<b>118,297.54</b>	<b>316.73</b>	<b>334,554.65</b>	<b>453,168.92</b>	<b>1,073,831.08</b>

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*

# Benchmarks and Portfolio Performance

*Q1 FY 2026*

Benchmarks		AJRS Portfolio			
U.S. Equity		Q2 2026		Q3 2025	30-Sep-25
S&P 500	8.12%	<b>Domestic Equity</b>	<b>8.37%</b>	\$	167,772,898
Russell 2000 Index	12.39%	<b>International Equity</b>	<b>7.51%</b>	\$	43,592,791
Russell 3000	8.18%	<b>Fixed Income</b>	<b>2.08%</b>	\$	143,731,903
Russell 1000 Growth	10.51%	<b>Real Estate</b>	<b>-8.81%</b>	\$	23,471,826
Russell 1000 Value	5.33%	<b>AJRS Total Portfolio</b>	<b>4.55%</b>	\$	378,569,418
<b>International Equity</b>				\$	2,544,603
MSCI EAFE	4.77%			\$	381,114,021
MSCI ACWI xUS	6.89%				
<b>Fixed Income</b>					
Bloomberg Agg	2.03%				

# Economic and Market Overview

*Q1 FY 2026*

## **Global Markets**

Global equity markets delivered strong performance in the third quarter of 2025. Gains were driven by continued momentum in A.I. and technology-related sectors, healthy corporate earnings, and the Federal Reserve's decision to lower interest rates. A weaker U.S. dollar also provided a tailwind for emerging-market assets.

## **United States**

U.S. equities posted robust gains, with both the S&P 500 and NASDAQ reaching new record highs. Markets were supported by expectations for the September rate cut, the potential for additional easing by year-end, solid quarterly earnings, and sustained enthusiasm surrounding A.I.-enabled productivity growth.

The broader economy remained resilient. GDP data reflected steady expansion, and inflation continued to moderate. A revised estimate showed that second-quarter 2025 GDP grew at an annualized rate of 3.8%. Consumer spending held firm, although recent public-sector layoffs introduced some concern about future household demand.

## **United Kingdom**

The FTSE 100 recorded its strongest quarterly performance since late 2022. A broadly healthy global economic backdrop supported investor sentiment, while a weaker British pound benefited companies with significant international revenue exposure. Investor optimism around A.I. adoption and technology-driven productivity trends also helped lift the U.K. market.

# International Markets and Global Fixed Income

*Q1 FY 2026*

## **Eurozone**

Eurozone equities rose, led by financials and healthcare, while telecom and communication services lagged. Bank stocks were supported by strong earnings.

Services activity expanded in Germany, Italy, and Spain, but France underperformed amid political uncertainty. Foreign demand remained weak, with export orders declining for the twenty-eighth straight month.

ECB President Lagarde noted that the inflation spike has eased, and risks are now balanced. Inflation matched the ECB's 2% target in August, and the region has performed better than expected. In France, Prime Minister François Bayrou resigned after his economic package failed to pass parliament.

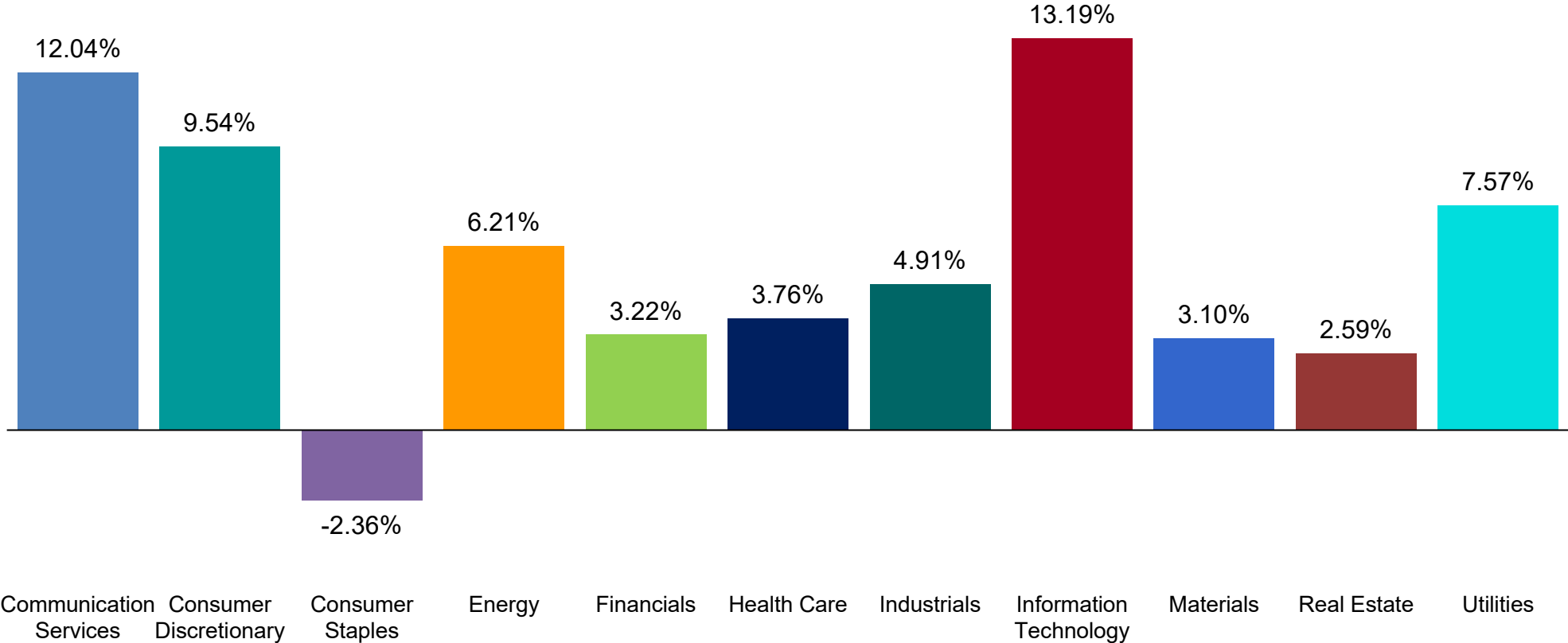
## **Global Bonds**

Government bond performance was mixed. U.S. Treasury yields fell, while yields in the U.K., Germany, and Japan moved higher.

Credit markets were strong. U.S. investment-grade spreads tightened to multi-decade lows, supported by solid consumer spending and continued corporate earnings strength, contributing to a positive outlook for corporate credit.

# S&P 500 Performance – Q1 FY 2026

Industry Sector Quarterly Performance (S&P 500) as of 09/30/2025



# U.S. Small-Cap Equity Performance

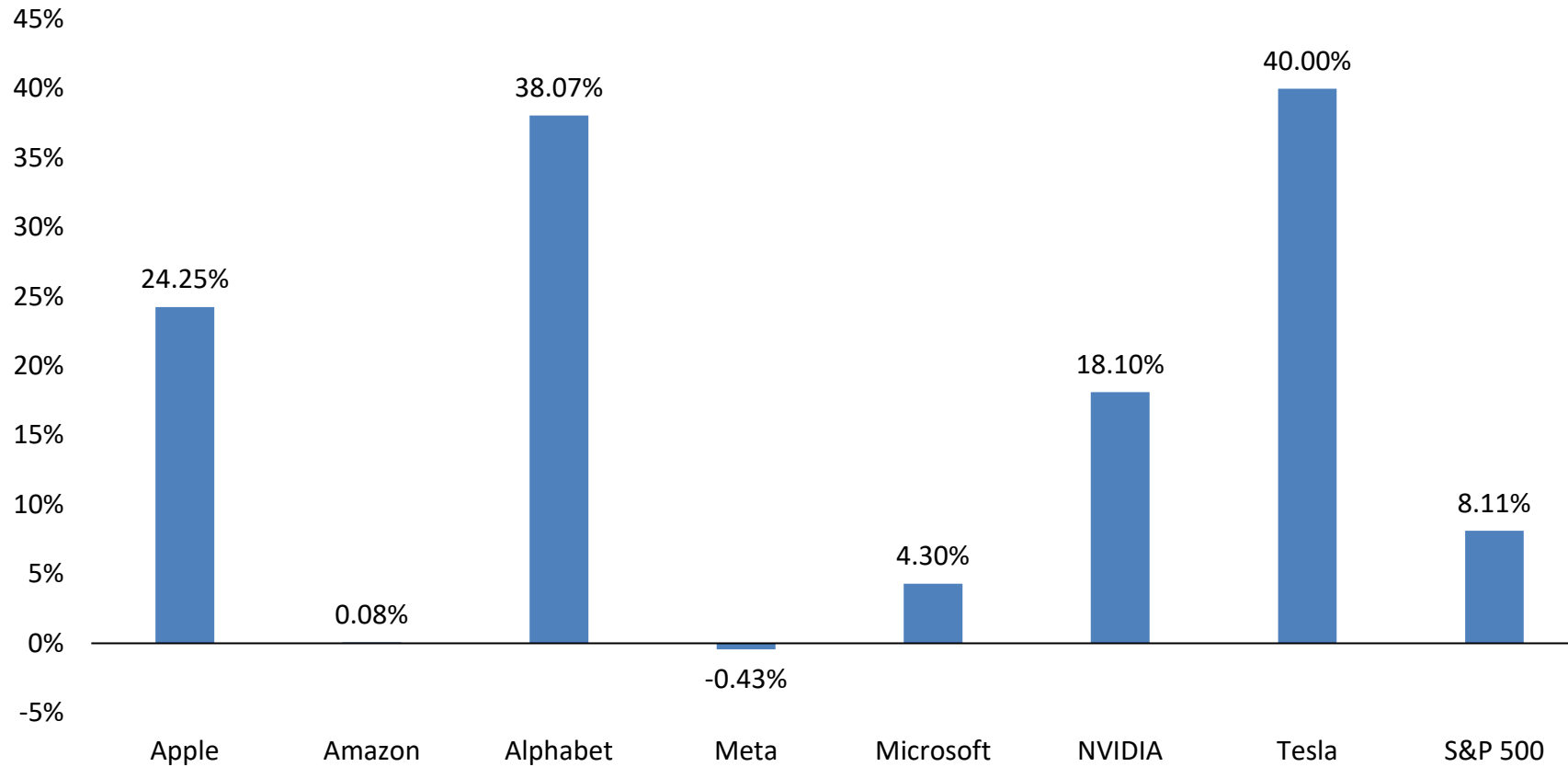
*Q1 FY 2026*

U.S. small-cap equities delivered positive returns as investor sentiment improved, and risk appetite increased. Companies with no current earnings were among the strongest performers, with three unprofitable computing stocks contributing 230 basis points to the index. The electrical equipment industry also posted solid gains, supported by increased investment to meet rising A.I.-driven power demand.

	QTD US Equity Returns as of 09/30/2025		
	Growth	Core	Value
Large	10.51%	7.99%	5.33%
Mid	2.78%	5.33%	6.18%
Small	12.19%	12.39%	12.60%

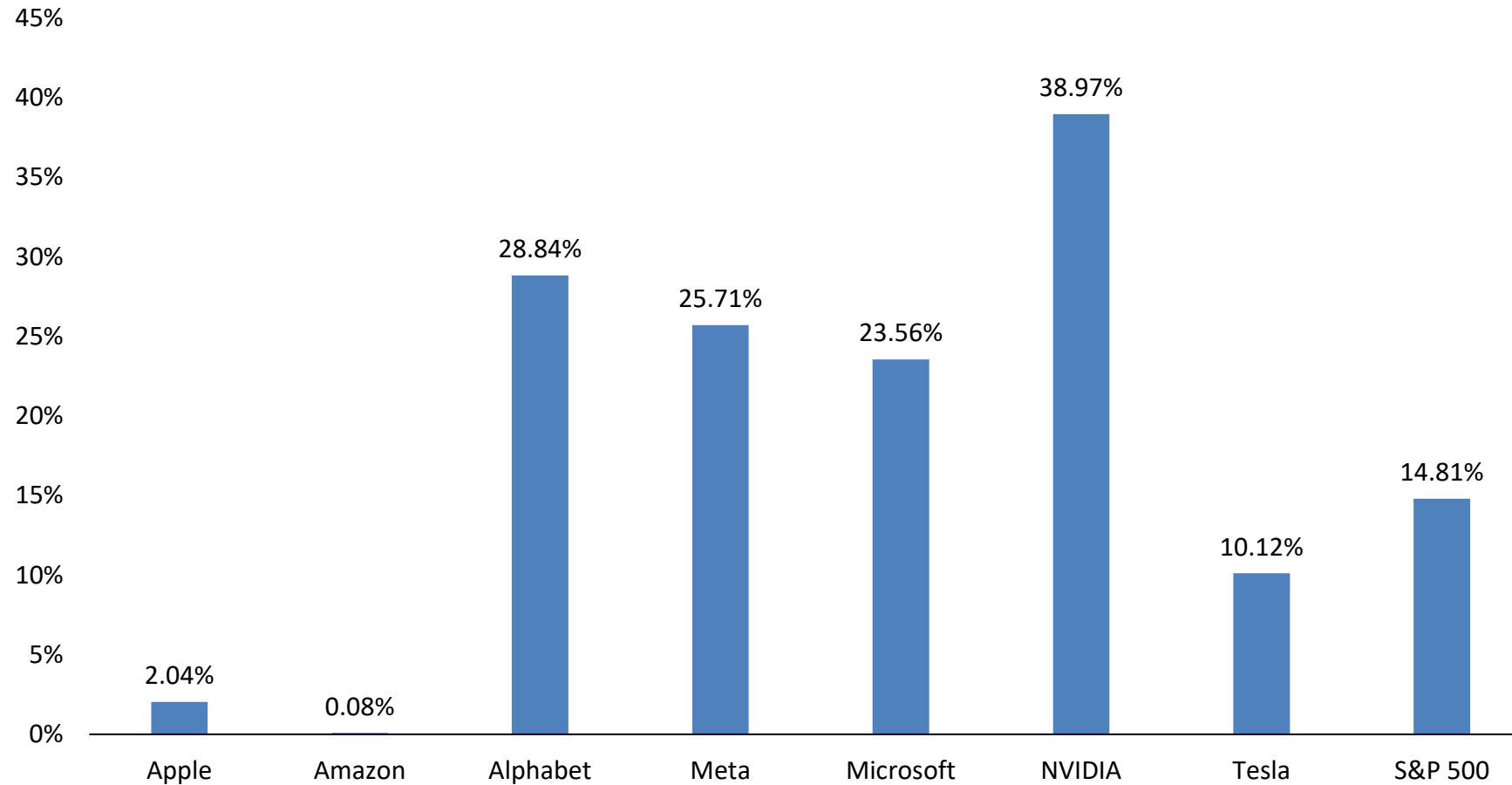
# “Magnificent 7” Performance

1-Quarter Performance Ended 9/30/2025: "Magnificent 7" Stocks vs. S&P 500 Index



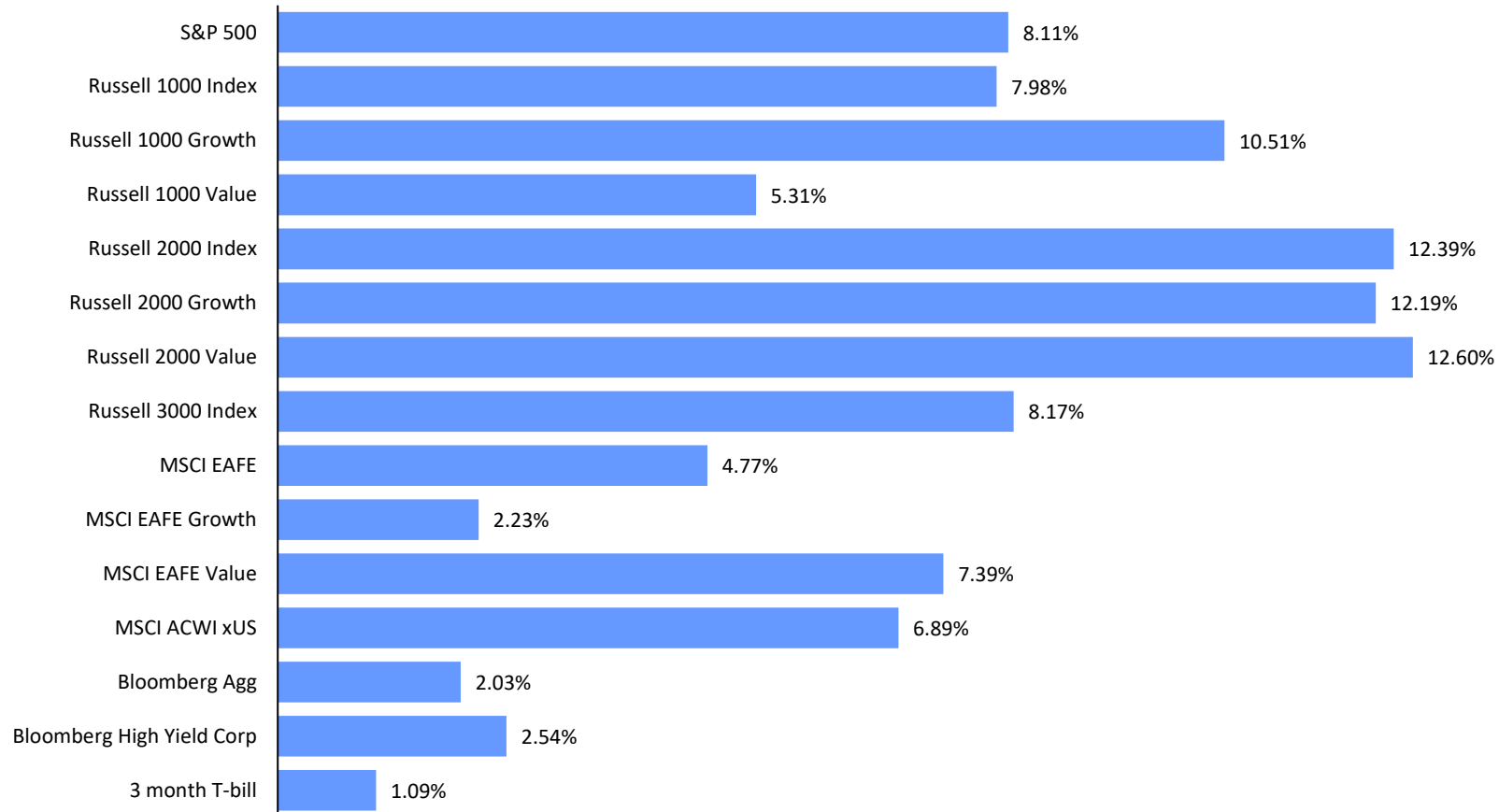
# “Magnificent 7” Performance - Year-to-date

YTD Performance Ended 9/30/2025: "Magnificent 7" Stocks vs. S&P 500 Index



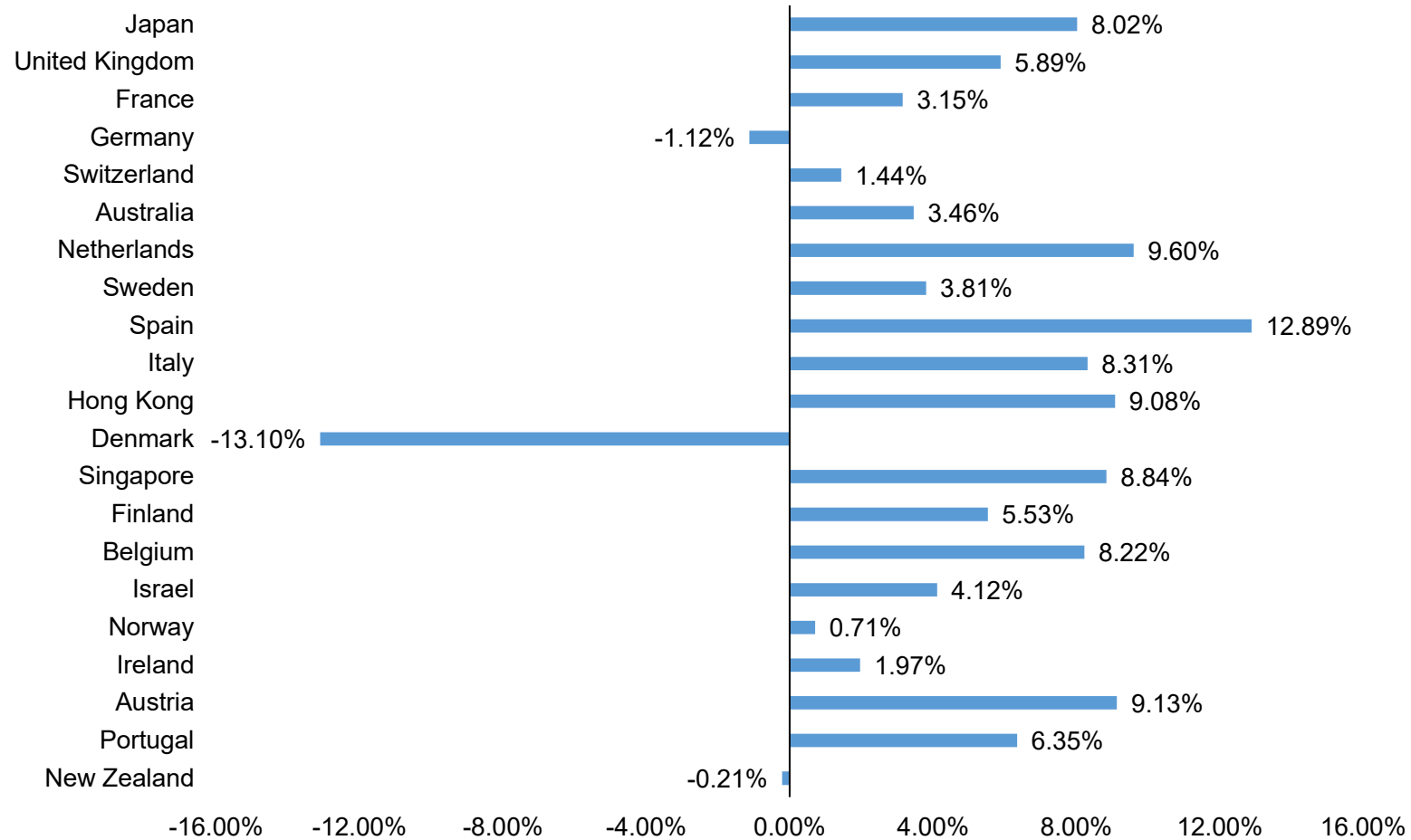
# Global Markets – Q1 FY 2026

## Performance by Asset Class: Quarter Ended 09/30/25



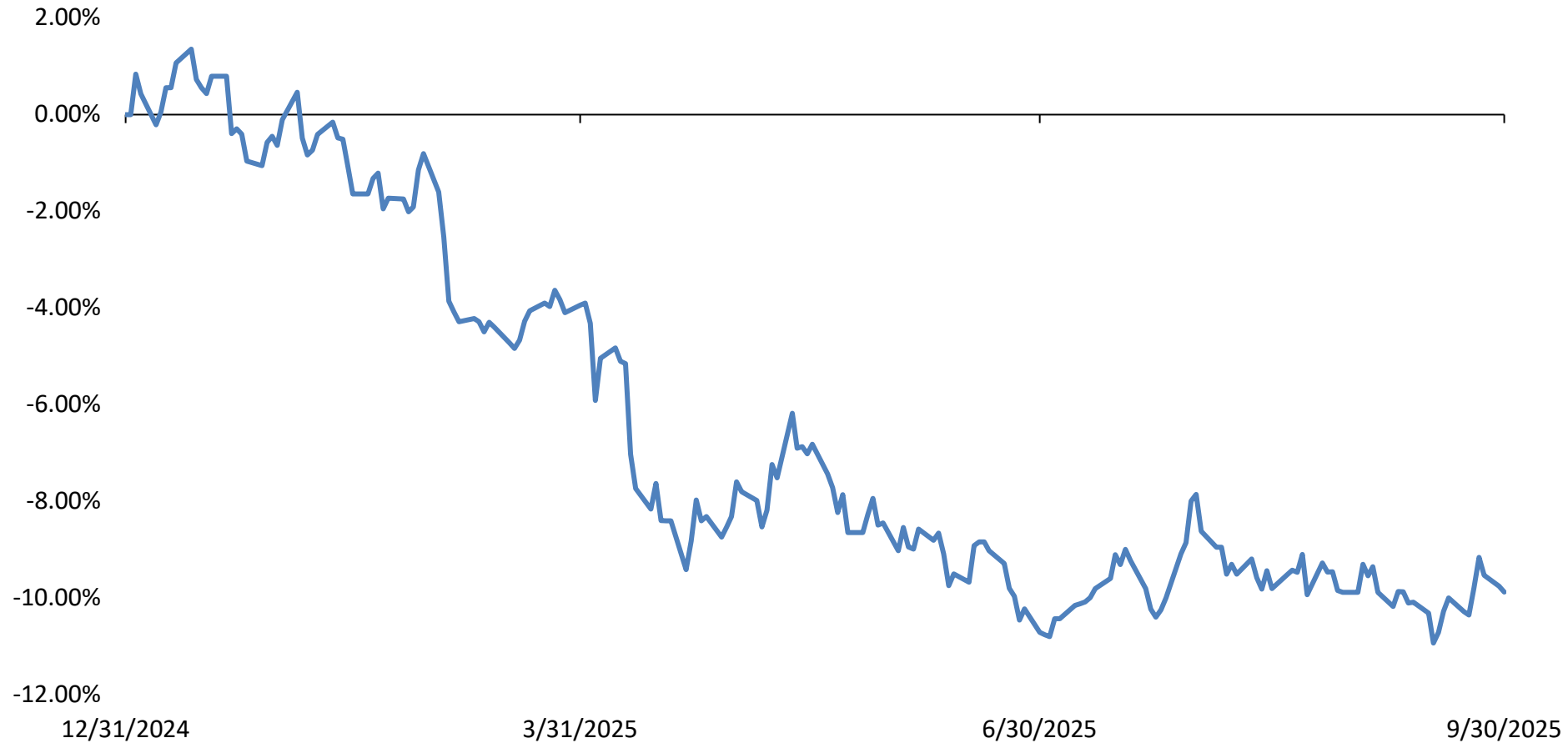
# International Markets – Q1 FY 2026

Countries in the MSCI EAFE Index: 1-Quarter Return Ending 09/30/2025



# Monitoring the U.S. Dollar

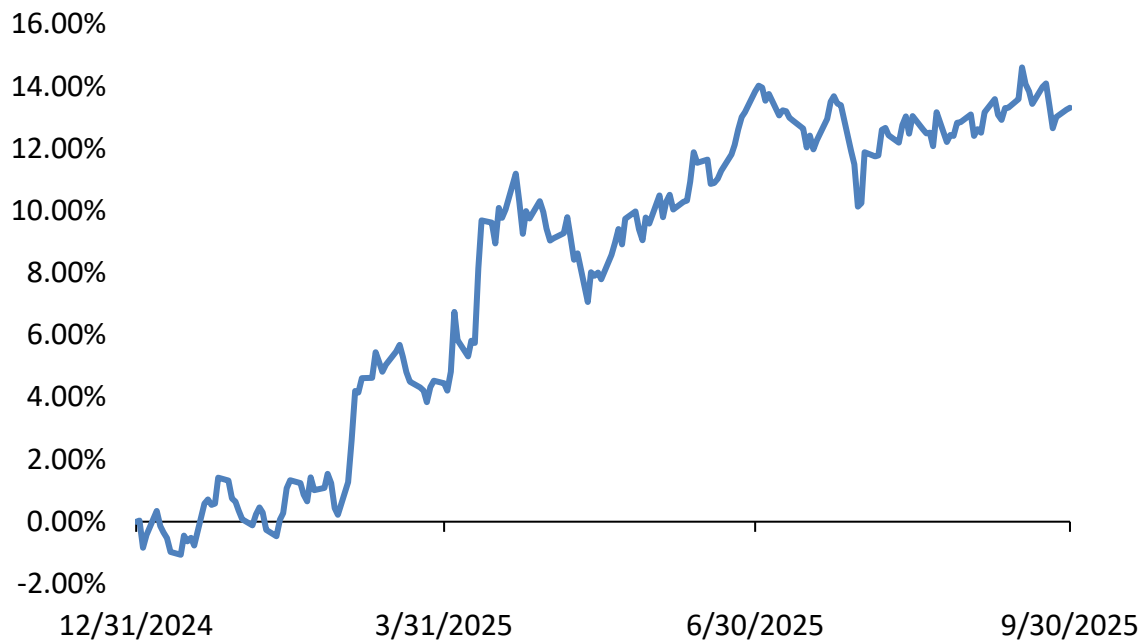
U.S. Dollar Index (YTD 2025 Cumulative Return, %)



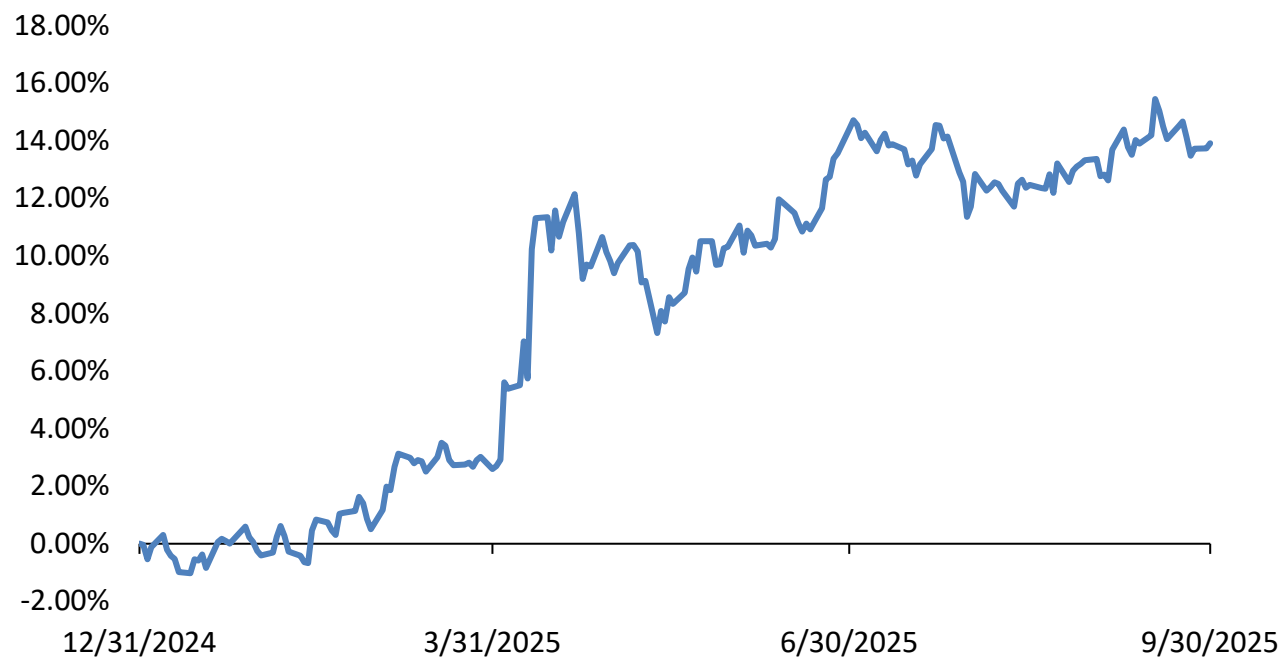
# Monitoring the U.S. Dollar

*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

December 4, 2025



## **Executive Summary Second 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.

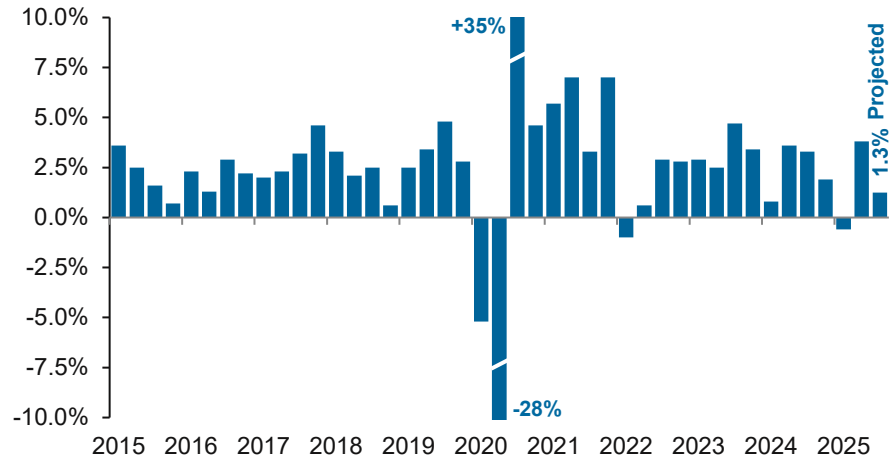


## Economic Overview

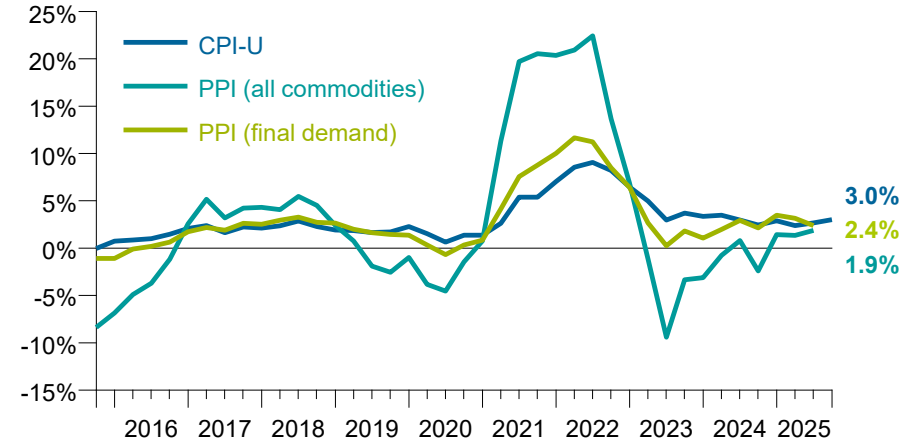
# U.S. Economy—Summary

For periods ended 9/30/25

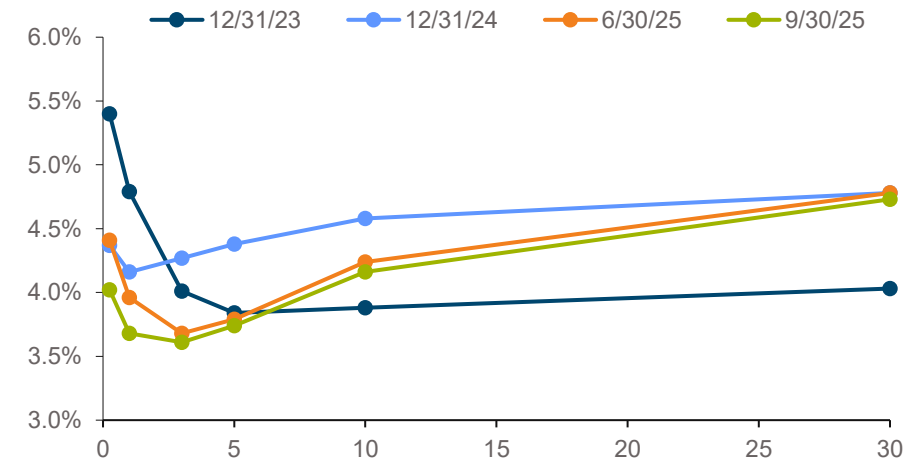
## Quarterly Real GDP Growth



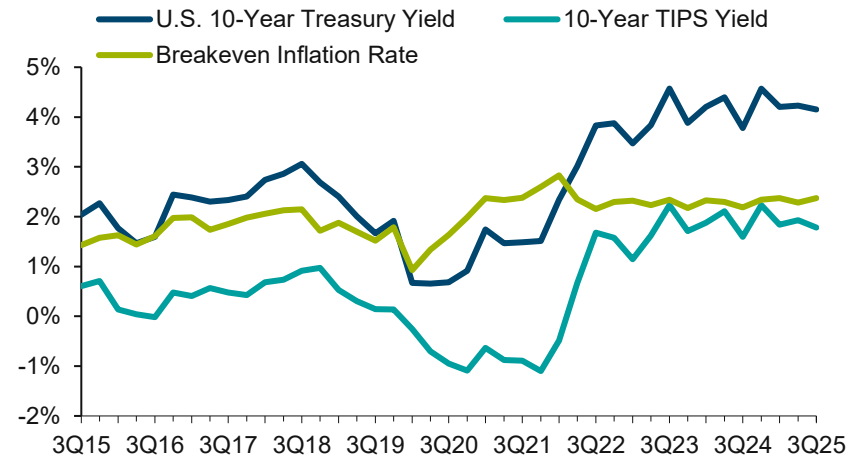
## Inflation Year-Over-Year\*



## U.S. Treasury Yield Curves



## Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve, Blue Chip consensus for projected GDP; \*PPI data for 3Q25 not available.



## Global Markets Snapshot

# Global Markets Snapshot

## Returns for Periods ended 9/30/25

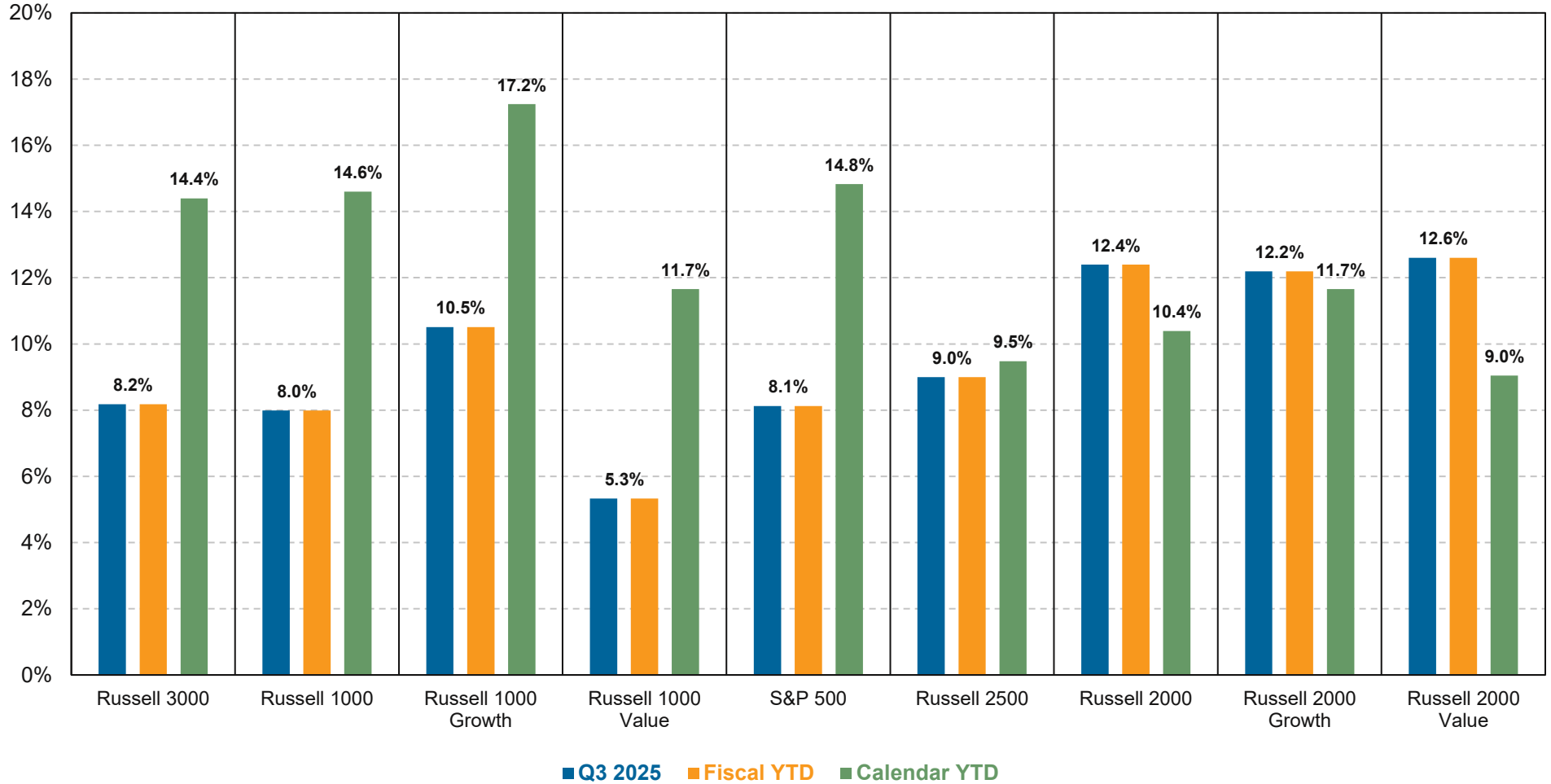
	Q3 2025	FYTD	1 Year	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
S&P 500	8.12	8.12	17.60	16.47	15.30	8.36
Russell 1000 Growth	10.51	10.51	25.53	17.58	18.83	8.55
Russell 1000 Value	5.33	5.33	9.44	13.88	10.72	7.70
Russell 2000	12.39	12.39	10.76	11.56	9.77	7.80
Russell 2000 Growth	12.19	12.19	13.56	8.41	9.91	6.42
Russell 2000 Value	12.60	12.60	7.88	14.59	9.23	8.81
Russell 3000	8.18	8.18	17.41	15.74	14.71	8.35
<b>Global ex-U.S. Equity</b>						
MSCI ACWI ex USA	6.89	6.89	16.45	10.26	8.23	--
MSCI EAFE	4.77	4.77	14.99	11.15	8.17	5.06
MSCI Emerging Markets	10.64	10.64	17.32	7.02	7.99	--
MSCI ACWI ex USA Small Cap	6.68	6.68	15.93	9.97	8.37	7.62
<b>Fixed Income</b>						
Bloomberg Aggregate	2.03	2.03	2.88	-0.45	1.84	3.90
90-day T-Bill	1.08	1.08	4.38	2.98	2.08	1.86
Bloomberg Long Gov/Credit	3.16	3.16	-1.28	-4.57	1.88	5.25
Bloomberg Global Agg ex-US	-0.59	-0.59	1.87	-2.54	0.48	3.12
<b>Real Estate</b>						
NCREIF Property	1.19	1.19	4.65	3.79	5.03	7.39
NCREIF NFI ODCE Eq Wt Net	0.46	0.46	3.01	2.75	4.41	5.76
FTSE Nareit Equity	4.77	4.77	-1.98	9.33	6.61	9.17
<b>Alternatives</b>						
HFRI Fund Weighted	5.41	5.41	11.05	8.76	6.41	5.61
Cambridge Private Equity*	3.86	3.86	9.29	14.24	12.80	10.45
<b>Inflation - CPI-U</b>	0.69	0.69	3.01	4.53	3.16	2.54

Cambridge Private Equity data as of 6/30/25. 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: Q3 2025

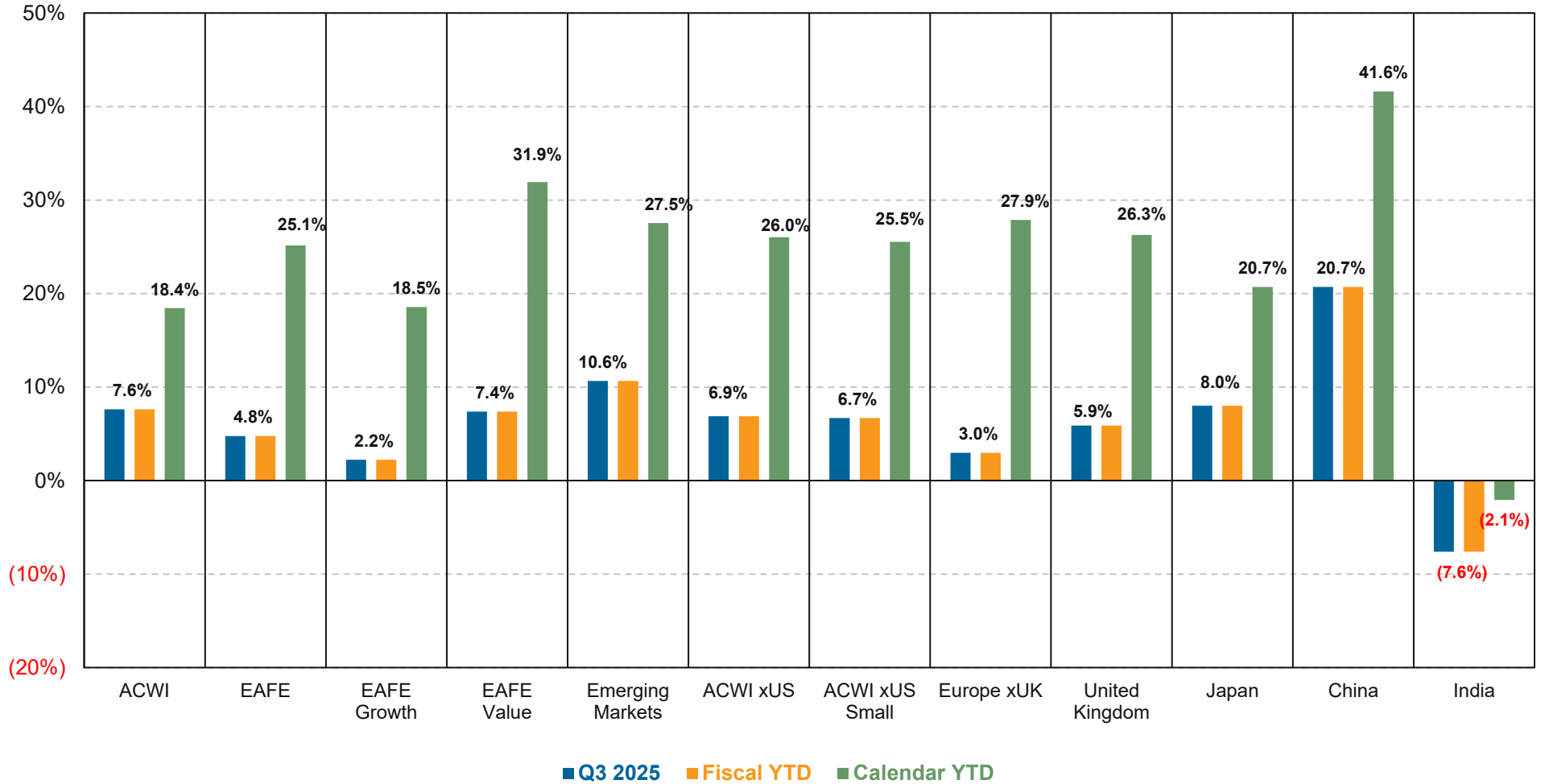
Returns for Periods Ended September 30, 2025



Sources: FTSE Russell, S&P Dow Jones Indices

# Global Equity Market Snapshot: Q3 2025

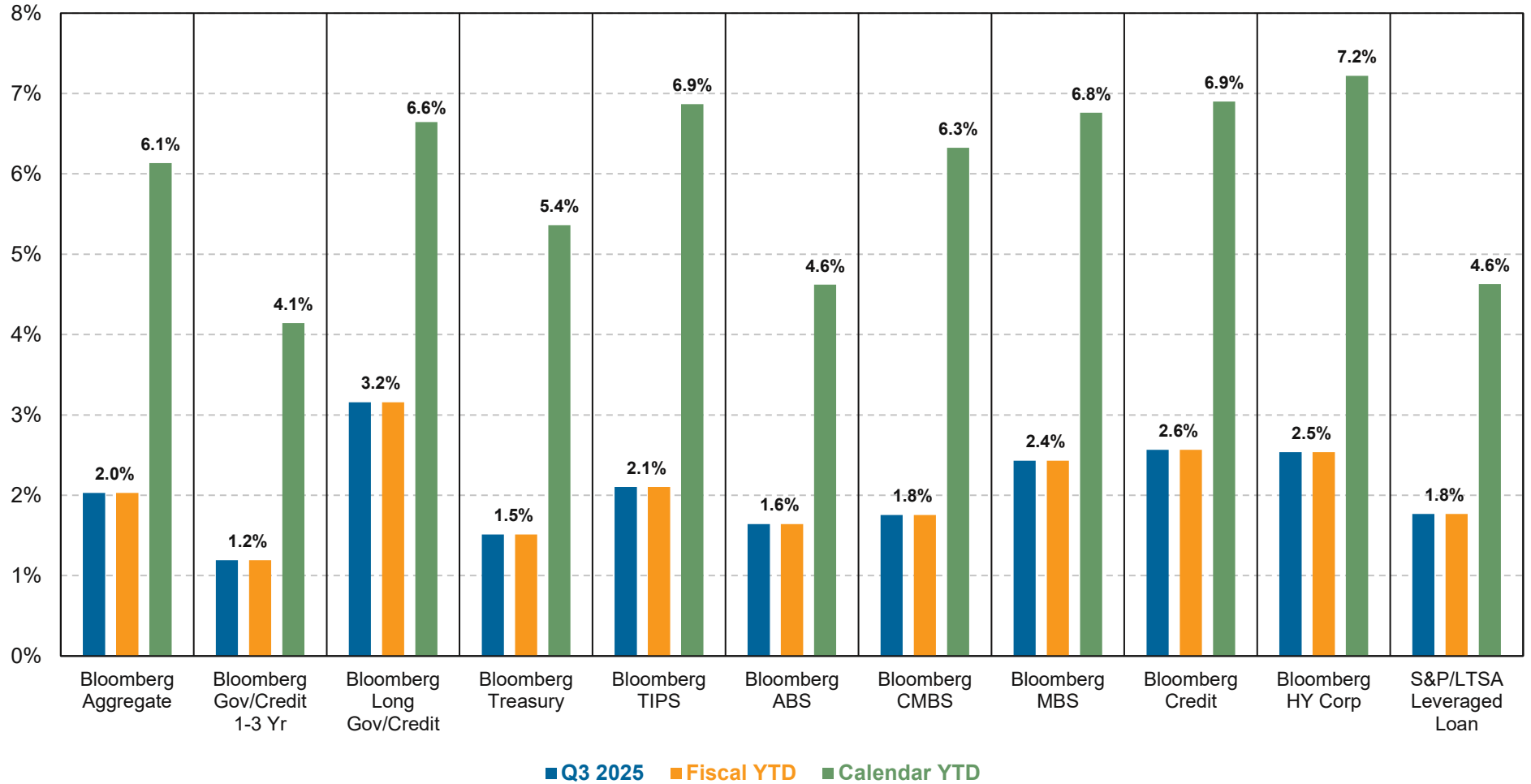
Returns for Periods Ended September 30, 2025



Source: MSCI

# U.S. Fixed Income Market Snapshot: Q3 2025

Returns for Periods Ended September 30, 2025



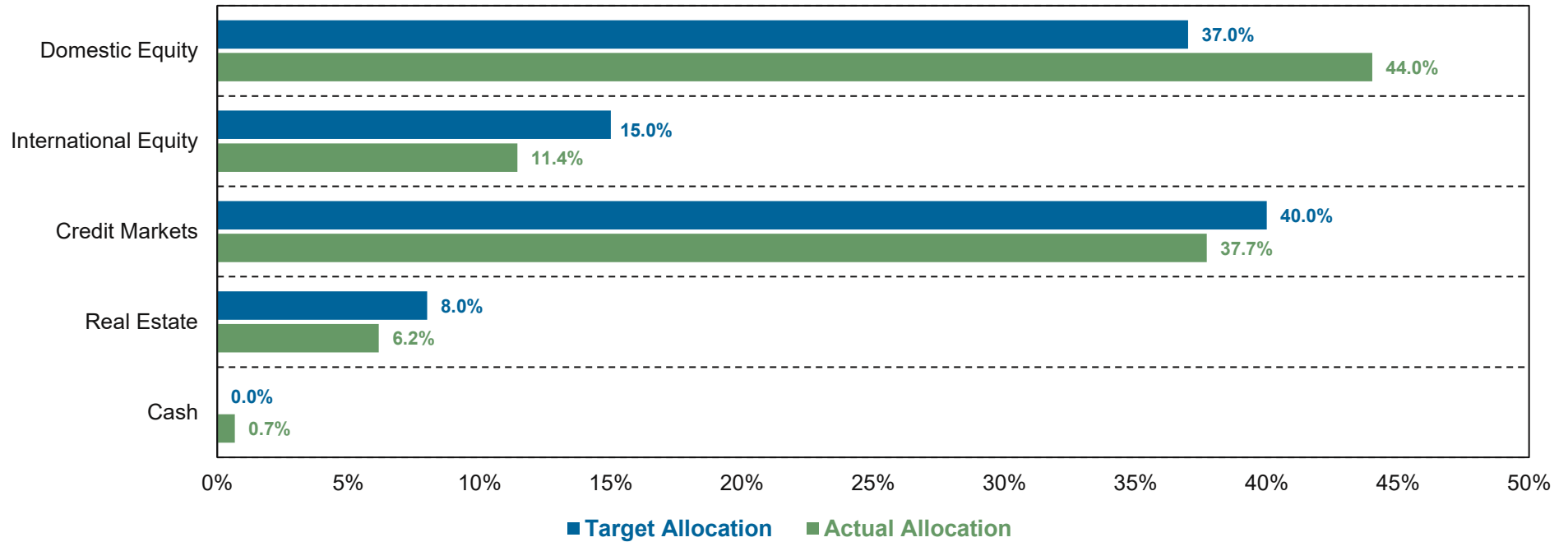
Sources: Bloomberg, Callan, S&P Dow Jones Indices



## AJRS Portfolio Review

# Actual vs. Target Asset Allocation

September 30, 2025

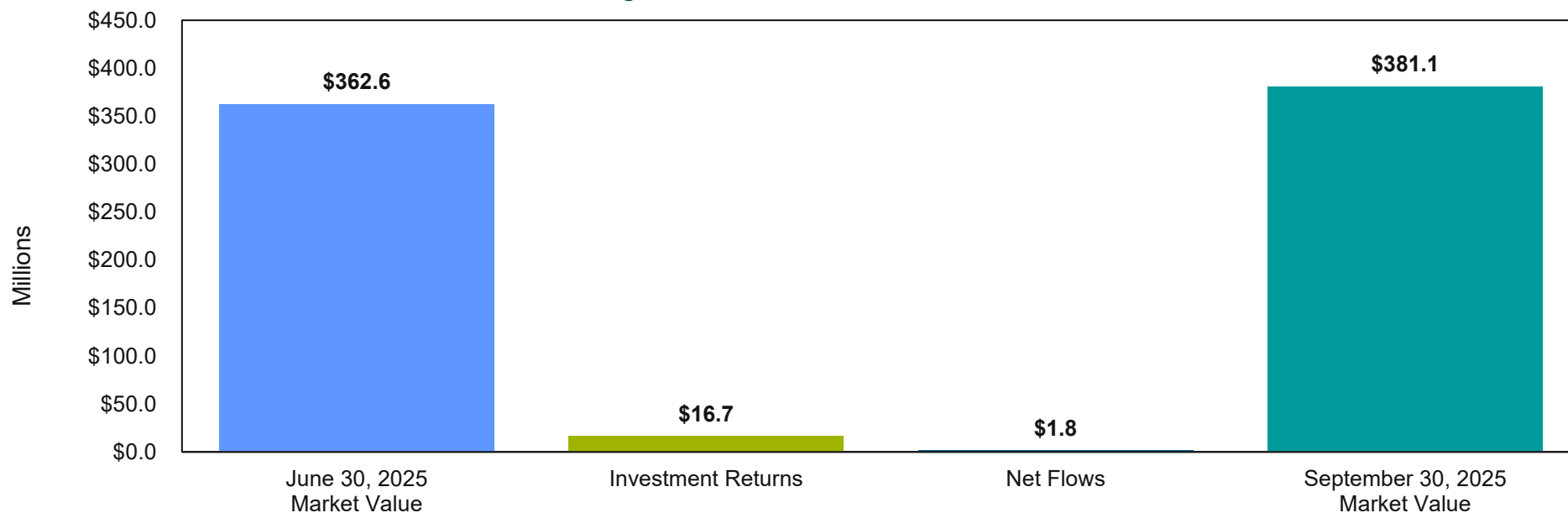


Asset Class	\$000s Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	167,773	44.0%	32.0%	37.0%	42.0%
International Equity	43,593	11.4%	10.0%	15.0%	20.0%
Credit Markets	143,732	37.7%	35.0%	40.0%	45.0%
Real Estate	23,472	6.2%	3.0%	8.0%	13.0%
Cash	2,555	0.7%	0.0%	0.0%	5.0%
<b>Total</b>	<b>381,124</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 – Q3 2025



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q3 2025 / Fiscal YTD (6/30/25 – 9/30/25)	\$362,619,862	+	\$16,707,367	+	\$1,786,792	=	\$381,114,021

# Total Fund Performance

September 30, 2025

Returns for Periods Ended September 30, 2025

Group: Callan Public Fd Mid DB

	Q3 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	5.45%	12.07%	16.88%	10.10%	9.64%	7.78%
25th Percentile	5.05%	11.42%	14.96%	9.57%	9.26%	7.52%
Median	4.72%	10.48%	14.01%	8.92%	8.77%	7.26%
75th Percentile	4.20%	9.43%	12.50%	8.04%	8.19%	6.90%
90th Percentile	3.95%	8.72%	11.36%	7.20%	7.46%	6.55%
<b>Total Fund</b>	<b>4.55% (57)</b>	<b>9.93% (62)</b>	<b>12.90% (68)</b>	<b>7.49% (87)</b>	<b>8.32% (70)</b>	<b>7.10% (67)</b>
<b>Benchmark</b>	<b>4.91 (36)</b>	<b>10.42 (51)</b>	<b>13.35 (60)</b>	<b>7.58 (85)</b>	<b>8.05 (81)</b>	<b>6.99 (71)</b>
Peer Universe Constituents	107	107	105	105	101	70

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

# Asset Class Performance and Market Values

September 30, 2025

	Market Value \$(Dollars)	Ending Weight	Q3 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b> Russell:3000 Index	\$167,772,898	44.02%	8.37% 8.18%	8.37% 8.18%	15.98% 17.41%	22.68% 24.12%	16.21% 15.74%	14.20% 14.71%
<b>International Equity</b> Intl Equity Benchmark*	\$43,592,791	11.44%	7.51% 6.89%	7.51% 6.89%	22.72% 16.56%	20.19% 21.12%	4.47% 10.71%	8.22% 8.37%
<b>Credit Markets</b> Blmbg:Aggregate	\$143,731,903	37.71%	2.08% 2.03%	2.08% 2.03%	4.17% 2.88%	7.57% 4.93%	1.35% (0.45%)	3.41% 1.84%
<b>Real Estate</b> NCREIF:NFI-ODCE Eq Wt Net	\$23,471,826	6.16%	(8.81%) 0.46%	(8.81%) 0.46%	(9.79%) 3.01%	(10.43%) (6.41%)	0.04% 2.75%	3.21% 4.41%
<b>Cash &amp; Equivalents</b> 3 Month T-Bill	\$2,544,603	0.67%	1.05% 1.08%	1.05% 1.08%	4.05% 4.38%	4.63% 4.77%	2.92% 2.98%	2.05% 2.08%
<b>Total Fund</b> Total Fund Benchmark	\$381,114,021	100.0%	4.55% 4.91%	4.55% 4.91%	9.93% 10.42%	12.90% 13.35%	7.49% 7.58%	8.32% 8.05%

\* Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

September 30, 2025

	Q3 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b>	<b>8.37%</b>	<b>8.37%</b>	<b>15.98%</b>	<b>22.68%</b>	<b>16.21%</b>	<b>14.20%</b>
Russell 3000 Index	8.18%	8.18%	17.41%	24.12%	15.74%	14.71%
S&P 500 Index	8.12%	8.12%	17.60%	24.94%	16.47%	15.30%
<b>Mellon Russell 1000 Growth Idx</b>	<b>10.49% (9)</b>	<b>10.49% (9)</b>	<b>25.62% (18)</b>	<b>31.58% (27)</b>	<b>17.53% (11)</b>	--
Russell:1000 Growth	10.51% (9)	10.51% (9)	25.53% (19)	31.61% (27)	17.58% (11)	18.83% (11)
Callan Large Cap Growth	7.29%	7.29%	21.65%	30.16%	14.84%	17.10%
<b>Boston Partners</b>	<b>7.95% (11)</b>	<b>7.95% (11)</b>	<b>13.52% (21)</b>	<b>20.00% (27)</b>	<b>18.13% (20)</b>	<b>12.61% (17)</b>
Russell:1000 Value	5.33% (64)	5.33% (64)	9.44% (61)	16.96% (68)	13.88% (80)	10.72% (80)
Callan Large Cap Value	5.84%	5.84%	10.92%	18.00%	16.44%	11.71%
<b>Aristotle Capital Boston</b>	<b>3.43% (90)</b>	<b>3.43% (90)</b>	<b>(1.00%) (87)</b>	<b>9.64% (97)</b>	<b>10.59% (90)</b>	--
Russell:2000 Index	12.39% (17)	12.39% (17)	10.76% (26)	15.21% (47)	11.56% (75)	9.77% (82)
Callan Small Cap Core	8.01%	8.01%	7.38%	14.86%	13.24%	10.52%
<b>International Equity</b>	<b>7.51%</b>	<b>7.51%</b>	<b>22.72%</b>	<b>20.19%</b>	<b>4.47%</b>	<b>8.22%</b>
Intl Equity Benchmark	6.89%	6.89%	16.56%	21.12%	10.71%	8.37%
<b>CC&amp;L Q Intl Equity</b>	<b>7.56% (13)</b>	<b>7.56% (13)</b>	--	--	--	--
MSCI ACWI xUS (Net)	6.89% (21)	6.89% (21)	16.45% (50)	20.67% (66)	10.26% (61)	8.23% (73)
Callan NonUS Eq	5.18%	5.18%	16.43%	22.02%	11.24%	8.93%
<b>Mellon ACWI ex US Fund</b>	<b>7.06% (18)</b>	<b>7.06% (18)</b>	<b>17.07% (44)</b>	--	--	--
MSCI ACWI xUS (Net)	6.89% (21)	6.89% (21)	16.45% (50)	20.67% (66)	10.26% (61)	8.23% (73)
Callan NonUS Eq	5.18%	5.18%	16.43%	22.02%	11.24%	8.93%

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

# Investment Manager Returns and Peer Group Rankings

September 30, 2025

	Q3 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Credit Markets</b>	<b>2.08%</b>	<b>2.08%</b>	<b>4.17%</b>	<b>7.57%</b>	<b>1.35%</b>	<b>3.41%</b>
Blmbg:Aggregate	2.03%	2.03%	2.88%	4.93%	(0.45%)	1.84%
<b>MacKay Shields LLC</b>	<b>2.08%</b> (89)	<b>2.08%</b> (89)	<b>4.17%</b> (22)	<b>7.57%</b> (1)	<b>1.35%</b> (16)	<b>3.41%</b> (15)
Blmbg:Aggregate	2.03% (90)	2.03% (90)	2.88% (99)	4.93% (97)	(0.45%) (98)	1.84% (100)
Callan Core Plus FI	2.30%	2.30%	3.88%	6.30%	0.76%	2.96%
<b>Real Estate</b>	<b>(8.81%)</b>	<b>(8.81%)</b>	<b>(9.79%)</b>	<b>(10.43%)</b>	<b>0.04%</b>	<b>3.21%</b>
NCREIF:NFI-ODCE Eq Wt Net	0.46%	0.46%	3.01%	(6.41%)	2.75%	4.41%
<b>Invesco Core Real Estate</b>	<b>(8.81%)</b> (100)	<b>(8.81%)</b> (100)	<b>(9.79%)</b> (100)	<b>(10.43%)</b> (91)	<b>0.04%</b> (94)	<b>3.21%</b> (83)
NCREIF NFI ODCE Eq Wt Net	0.46% (94)	0.46% (94)	3.01% (77)	(6.41%) (62)	2.75% (62)	4.41% (62)
Callan OE Core Cmngld RE	1.08%	1.08%	4.53%	(5.09%)	3.26%	4.71%
<b>Total Fund</b>	<b>4.55%</b> (57)	<b>4.55%</b> (57)	<b>9.93%</b> (62)	<b>12.90%</b> (68)	<b>7.49%</b> (87)	<b>8.32%</b> (70)
Total Fund Benchmark	4.91% (36)	4.91% (36)	10.42% (51)	13.35% (60)	7.58% (85)	8.05% (81)
Callan Public Fd Mid DB	4.72%	4.72%	10.48%	14.01%	8.92%	8.77%

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

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## Organizational Developments

### *3<sup>rd</sup> Quarter 2025*

#### **Invesco Real Estate – Core Real Estate**

September 2025 – Invesco Real Estate (IRE) has announced that Justin Shanahan will be joining as the Co-Lead Portfolio Manager of US Invesco Core Real Estate (ICRE) strategy. Mr. Shanahan has more than a decade of experience in real estate investment management, having spent 12 years at CBRE Investment Management where he most recently served as Deputy Fund Manager of the firm's \$12 billion open-ended US Core Fund. Mr. Shanahan will report to Kim Hourihan, Head of Global Strategy, who he previously worked with on CBRE's flagship core fund.

October 2025 – IRE announced that Bert Crouch, Head of North America at IRE, will depart the firm in December to pursue another career opportunity. Invesco named Chase Bolding as Head of North America, Invesco Real Estate, and Charlie Rose, currently Global Head of Real Estate Credit, as CEO of Invesco Commercial Real Estate Finance Trust, Inc. (INCREF) and a member of its Board of Directors.

No action required.

# Work Plan Update

## Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	12/2025	02/2026
Quarterly Board Meetings	Quarterly	12/2025	02/2026
Customized Board Education Sessions	As Needed		
Investment Policy Statement Review	Annual	02/2025	2026

## 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

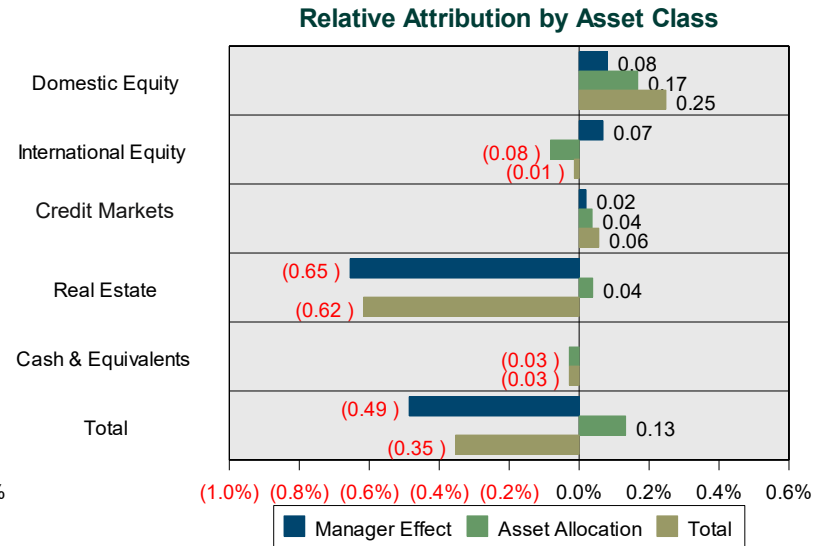
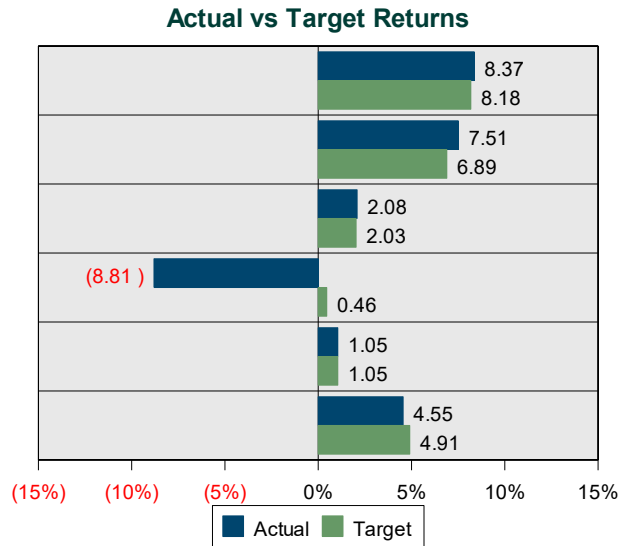
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights.

	<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 – Q3 2025

September 30, 2025



## Relative Attribution Effects for Quarter ended September 30, 2025

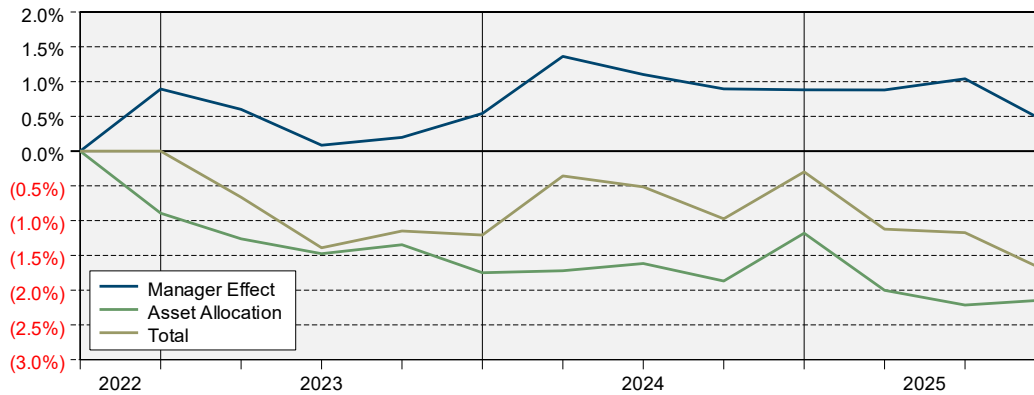
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	37%	8.37%	8.18%	0.08%	0.17%	0.25%
International Equity	11%	15%	7.51%	6.89%	0.07%	(0.08)%	(0.01)%
Fixed Income	39%	40%	2.08%	2.03%	0.02%	0.04%	0.06%
Real Estate	7%	8%	(8.81)%	0.46%	(0.65)%	0.04%	(0.62)%
Cash & Equivalents	1%	0%	1.05%	1.05%	0.00%	(0.03)%	(0.03)%
<b>Total</b>			<b>4.55%</b>	<b>4.91%</b>	<b>(0.49)%</b>	<b>0.13%</b>	<b>(0.35)%</b>

Benchmark definitions included in the Appendix.

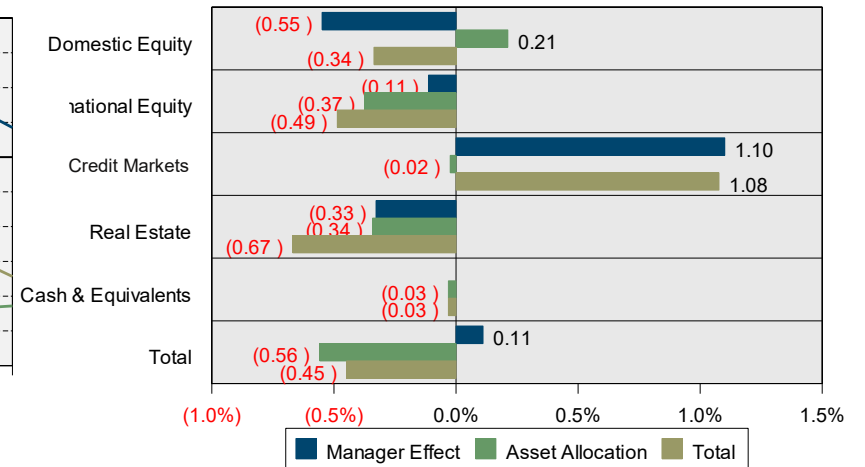
# Total Fund Relative Attribution – 3 Years

September 30, 2025

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



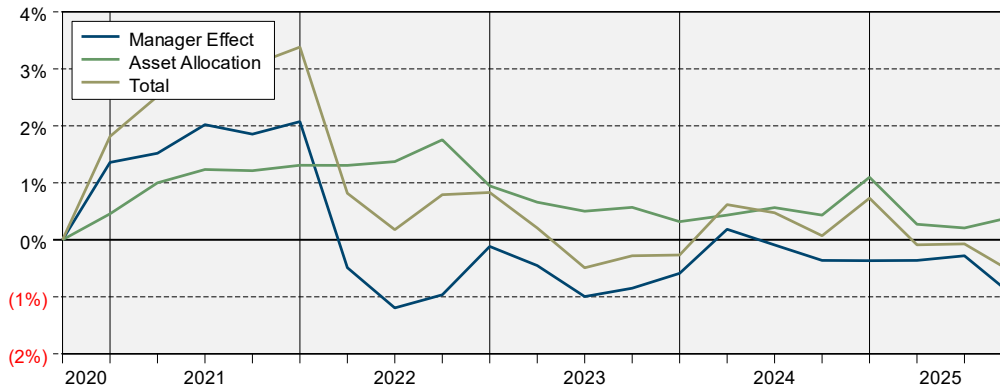
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	40%	37%	22.68%	24.12%	(0.55%)	0.21%	(0.34%)
International Equity	11%	15%	20.19%	21.12%	(0.11%)	(0.37%)	(0.49%)
Fixed Income	40%	40%	7.57%	4.93%	1.10%	(0.02%)	1.08%
Real Estate	9%	8%	(10.43%)	(6.41%)	(0.33%)	(0.34%)	(0.67%)
Cash & Equivalents	1%	0%	4.63%	4.63%	0.00%	(0.03%)	(0.03%)
<b>Total</b>			<b>12.90%</b>	<b>13.35%</b>	<b>+ 0.11%</b>	<b>+ (0.56%)</b>	<b>(0.45%)</b>

Benchmark definitions included in the Appendix.

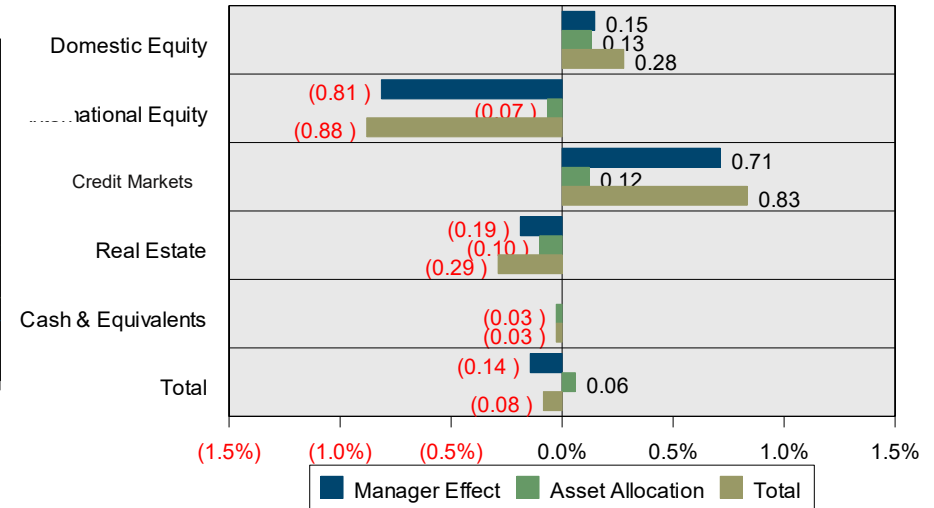
# Total Fund Relative Attribution – 5 Years

September 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%)
<b>Total</b>			<b>7.78%</b>	<b>7.52%</b>	<b>+ 0.22%</b>	<b>+ 0.03%</b>	<b>0.26%</b>

Benchmark definitions included in the Appendix.

# Asset Distribution Across Investment Managers

September 30, 2025

	September 30, 2025			Inv. Return	June 30, 2025	
	Market Value	Weight	Net New Inv.		Market Value	Weight
<b>Domestic Equity</b>	<b>\$167,772,898</b>	<b>44.02%</b>	<b>\$(132,143)</b>	<b>\$12,955,887</b>	<b>\$154,949,154</b>	<b>42.73%</b>
Mellon Russell 1000 Growth Index	66,998,427	17.58%	(5,607)	6,363,292	60,640,742	16.72%
Boston Partners	80,296,018	21.07%	(86,886)	5,912,771	74,470,134	20.54%
Aristotle Capital Boston	20,478,453	5.37%	(39,650)	679,825	19,838,277	5.47%
<b>International Equity</b>	<b>\$43,592,791</b>	<b>11.44%</b>	<b>\$(28,879)</b>	<b>\$3,043,860</b>	<b>\$40,577,810</b>	<b>11.19%</b>
CC&L Q Intl Equity	38,951,755	10.22%	(28,338)	2,738,003	36,242,090	9.99%
Mellon ACWI ex US Fund	4,641,036	1.22%	(540)	305,857	4,335,720	1.20%
<b>Credit Markets</b>	<b>\$143,731,903</b>	<b>37.71%</b>	<b>\$(105,101)</b>	<b>\$2,929,315</b>	<b>\$140,907,688</b>	<b>38.86%</b>
MacKay Shields LLC	143,731,903	37.71%	(105,101)	2,929,315	140,907,688	38.86%
<b>Real Estate</b>	<b>\$23,471,826</b>	<b>6.16%</b>	<b>\$(187,916)</b>	<b>\$(2,268,868)</b>	<b>\$25,928,610</b>	<b>7.15%</b>
Invesco Core Real Estate	23,471,826	6.16%	(187,916)	(2,268,868)	25,928,610	7.15%
<b>Cash &amp; Equivalents</b>	<b>\$2,544,603</b>	<b>0.67%</b>	<b>\$2,240,831</b>	<b>\$47,172</b>	<b>\$256,600</b>	<b>0.07%</b>
AJRS General Fund	2,544,603	0.67%	2,240,831	47,172	256,600	0.07%
<b>Total Fund</b>	<b>\$381,114,021</b>	<b>100.00%</b>	<b>\$1,786,793</b>	<b>\$16,707,367</b>	<b>\$362,619,862</b>	<b>100.00%</b>

# Investment Manager Returns – Net of Fees

September 30, 2025

	Q2 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	10.48%	25.57%	31.53%	17.49%	-
Russell 1000 Growth Index	10.51%	25.53%	31.61%	17.58%	18.83%
Boston Partners	7.82%	12.98%	19.40%	17.52%	12.01%
Russell 1000 Value Index	5.33%	9.44%	16.96%	13.88%	10.72%
Aristotle Capital Boston	3.23%	(1.79%)	8.76%	9.70%	-
Russell 2000 Index	12.39%	10.76%	15.21%	11.56%	9.77%
<b>International Equity</b>					
CC&L Q Intl Equity	7.48%	-	-	-	-
MSCI ACWI xUS (Net)	6.89%	16.45%	20.67%	10.26%	8.23%
Mellon ACWI ex US Fund	7.04%	17.01%	-	-	-
MSCI ACWI xUS (Net)	6.89%	16.45%	20.67%	10.26%	8.23%

Benchmark definitions included in the Appendix.

## Investment Manager Returns – Net of Fees

September 30, 2025

	Q2 2025	FY 2025	Last 3 Years	Last 5 Years	Last 10 Years
<b>NET OF FEE RETURNS</b>					
<b>Credit Markets</b>					
MacKay Shields LLC	2.00%	3.86%	7.24%	1.05%	3.10%
Blmbg Aggregate Index	2.03%	2.88%	4.93%	(0.45%)	1.84%
<b>Real Estate</b>					
Invesco Core Real Estate	(8.90%)	(10.25%)	(10.76%)	(0.29%)	2.73%
NFI-ODCE Equal Weight Net	0.46%	3.01%	(6.41%)	2.75%	4.41%
<b>Total Fund</b>	<b>4.47%</b>	<b>9.58%</b>	<b>12.53%</b>	<b>7.13%</b>	<b>7.89%</b>
<b>Total Fund ex Cash</b>	<b>4.52%</b>	<b>9.61%</b>	<b>12.56%</b>	<b>7.16%</b>	<b>7.94%</b>
Target Benchmark*	4.91%	10.42%	13.35%	7.58%	8.05%

Benchmark definitions included in the Appendix.

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Unless Callan has been specifically engaged to do so, Callan does not conduct background checks or in-depth due diligence of the operations of any investment manager search candidate or investment vehicle, as may be typically performed in an operational due diligence evaluation assignment and in no event does Callan conduct due diligence beyond what is described in its report to the client.

Any decision made on the basis of this document is sole responsibility of the client, as the intended recipient, and it is incumbent upon the client to make an independent determination of the suitability and consequences of such a decision.

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

Past performance is no guarantee of future results.



# Arkansas Judicial Retirement System

## June 30, 2025 Annual Actuarial Valuation Results

December 4, 2025

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# Overview (Cover Letter)

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- This presentation provides the results of the June 30, 2025 Arkansas Judicial Retirement System (AJRS) actuarial valuation
- Purpose of the valuation is twofold
  - Determine the employer contribution rate for the fiscal year ending June 30, 2027
  - Measure the funding progress in relation to the actuarial cost method (i.e., what portion of the actuarial accrued liabilities are covered by the funding value of assets)
- Board action today
  - Approve the reserve transfers from the Employer Accumulation Account to the Retirement Reserve Account and the Deferred Annuity Account

# General Financial Objective (Page A-7)

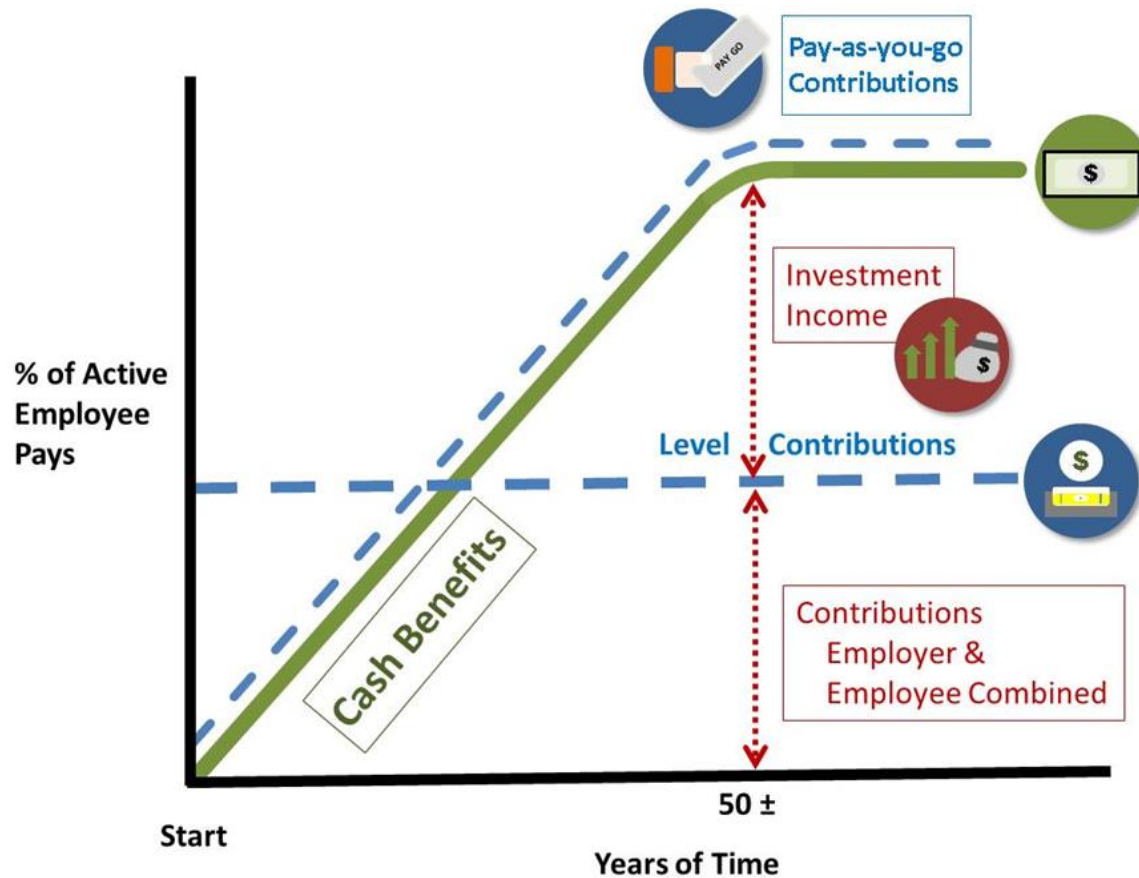
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Section 24-2-701 of the Arkansas Code provided as follows (emphasis added):

The general financial objective of each Arkansas public employee retirement plan shall be to ***establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Arkansas citizens.*** More specifically, contributions received each year shall be sufficient both to:

- (i) Fully cover the costs of benefit commitments being made to members for their service being rendered in that year; and
- (ii) Make a level payment that if paid annually over a reasonable period of future years will fully cover the unfunded costs of benefit commitments for service previously rendered.

# Financing Increasing Benefit Obligations (Page E-3)



# Actuarial Valuation Process (Page E-4)

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- The actuarial valuation is the mathematical process by which the level contribution rate is determined, and the flow of activity constituting the valuation may be summarized as follows:
  - **Census Data**, furnished by the plan administrator
    - Retired lives now receiving benefits
    - Former members with vested benefits not yet payable
    - Active members
  - **Asset Data**, furnished by the plan administrator
  - **Benefit Provisions**
  - **Actuarial Assumptions**
  - **Actuarial Funding Method**

# Active Members (Pages B-8 and B-9)

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Group	No.	Age	Averages		Annual Pay
			Benefit Service	Eligibility Service	
Tier One	2	67.6	26.5	29.9	\$204,493

Group	No.	Age	Averages		Annual Pay
			Benefit Service	Eligibility Service	
Tier Two	143	58.5	9.5	15.9	\$205,487

# Retirees and Beneficiaries (Page B-7)

Type of Annuity	Number	Annual Annuities	Annuity Liabilities
Age & Service Retirees			
Life	27	\$ 2,572,956	\$ 25,044,969
Life Continuing to Survivor	104	12,496,488	159,923,387
Totals	131	15,069,444	184,968,356
Beneficiaries of Age & Service Retirees	45	3,948,972	37,440,557
Total Age & Service Retirees & Beneficiaries	176	19,018,416	222,408,913
Disability Retirees			
Life	1	113,292	801,239
Life Continuing to Survivor	1	54,336	661,259
Totals	2	167,628	1,462,498
Beneficiaries of Disability Retirees	0	0	0
Total Disability Retirees & Beneficiaries	2	167,628	1,462,498
Death-in-Service Beneficiaries	5	345,456	5,246,221
<b>Total Retirees &amp; Beneficiaries</b>	<b>183</b>	<b>\$ 19,531,500</b>	<b>\$ 229,117,632</b>

# Development of Funding Value of Assets

## (Page B-5)

Valuation Date June 30:	2025
A. Funding Value Beginning of Year	\$336,812,167
B. Market Value End of Year	362,276,521
C. Market Value Beginning of Year	334,690,053
D. Non-Investment Net Cash Flow	(6,902,578)
E. Investment Return	
E1. Market Total: B-C-D	34,489,046
E2. Assumed Rate	5.50%
E3. Amount for Immediate Recognition	18,336,542
E4. Amount for Phased-In Recognition	16,152,504
F. Phased-In Recognition of Investment Return	
F1. Current Year: 0.25xE4	4,038,126
F2. First Prior Year	3,932,020
F3. Second Prior Year	579,290
F4. Third Prior Year	(15,076,752)
F5. Total Recognized Investment Gain	(6,527,316)
G. Funding Value End of Year	
G1. Preliminary Funding Value End of Year: A+D+E3+F5	341,718,815
G2. Upper Corridor Limit: 125% x B	452,845,651
G3. Lower Corridor Limit: 75% x B	271,707,391
<b>G4. Funding Value End of Year</b>	<b>341,718,815</b>
H. Difference Between Market & Funding Values	20,557,706
I. Recognized Rate of Return	3.5%
J. Market Value Rate of Return	10.4%
K. Ratio of Funding Value to Market Value	94.3%

- Funding Value of Assets (FVA) as of June 30, 2024 was \$336.8M (row A)
- Non-Investment net cash flow (i.e., dollars in less dollars out) for the System during the calendar year was -\$6.9M (row D)
- The System earned \$34.5M (row E1) in investment income during the year versus \$18.3M (row E3) expected
- This additional investment income of \$16.2M (row E4) is then recognized into the FVA over the next 4 years
- 25% of the current year's investment income above expectations and 25% of the prior 3 years' unrecognized investment income (totaling -\$6.5M; row F5) are then recognized in the June 30, 2025 FVA
- The sum of the above (rows A+D+E3+F5) equals the Preliminary FVA (row G1). The 25% corridor is then applied, if necessary, resulting in the final June 30, 2025 FVA equal to \$341.7M (row G4)
- As of June 30, 2025, the FVA is 5.7% lower than the Market Value of Assets (MVA) (row K)

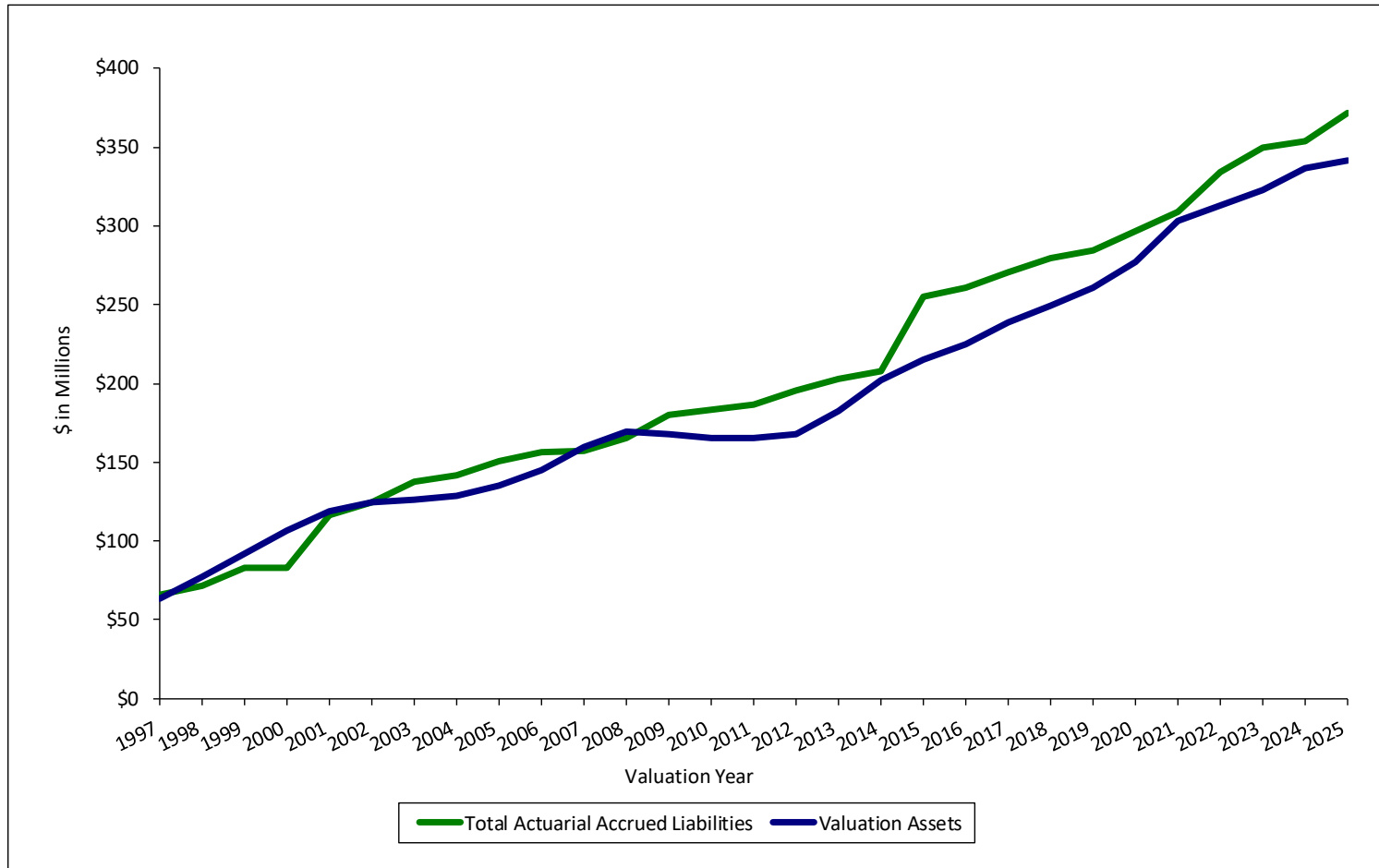


# AJRS Funded Ratio

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- Funding value of assets total \$341.7M
- Actuarial accrued liabilities total \$371.7M
- Unfunded actuarial accrued liabilities total \$30.0M
- The AJRS funded ratio on a funding value of assets basis is 92%
  - On a market value of assets basis, the funded ratio is 98%
- The funded ratios were 95% and 95%, respectively, in the previous valuation

# AJRS Funded Ratio (Concluded)



# Computed Employer Contribution Rate (Page A-2)

Contributions for	Contributions Expressed as Percents of Active Payroll
Normal Cost	
Age and service annuities	26.18 %
Separation benefits	1.97 %
Disability annuities	0.91 %
Death-in-service annuities	1.50 %
Administrative expenses	0.70 %
<b>Total</b>	<b>31.26 %</b>
Member Contributions (average)	4.98 %
Employer Normal Cost	26.28 %
Unfunded Actuarial Accrued Liabilities*	10.79 %
<b>TOTAL COMPUTED EMPLOYER CONTRIBUTION RATE</b>	<b>37.07 %</b>

\* Amortized over periods ranging from 7 to 20 years based upon Board's adopted funding policy.

# Financing of Unfunded Actuarial Accrued Liabilities (Page A-3)

Source of Unfunded Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability		6/30/2026 UAAL Amount	Remaining Period Beginning 7/1/2026	Amortization Factor	FY 2027 Contribution as a % of Payroll
	Initial	Financing				
	Amount	Period				
Initial Unfunded Actuarial Accrued Liability.						
	N/A	N/A	\$ 18,040,183	7 yrs.	6.394993	8.88%
Changes from experience deviations.						
6/30/2018	\$ (382,766)	20	(326,679)	13	11.158517	(0.09)%
6/30/2019	(5,577,710)	20	(4,931,161)	14	11.894241	(1.31)%
6/30/2020	(3,153,650)	20	(2,871,621)	15	12.614273	(0.72)%
6/30/2021	(12,557,813)	20	(11,722,290)	16	13.318949	(2.77)%
6/30/2022	380,562	20	362,599	17	14.008597	0.08%
6/30/2023	6,530,086	20	6,333,364	18	14.683536	1.36%
6/30/2024	(9,223,731)	20	(10,049,321)	19	15.344081	(2.06)%
6/30/2025	15,653,413	20	16,450,041	20	15.990539	3.24%
Changes from actuarial assumptions and actuarial cost method revisions.						
6/30/2017	2,369,244	20	1,939,340	12	10.406761	0.59%
6/30/2022	16,744,946	20	15,954,508	17	14.008597	3.59%
<b>Totals</b>			<b><u>\$ 29,178,963</u></b>			<b><u>10.79%</u></b>

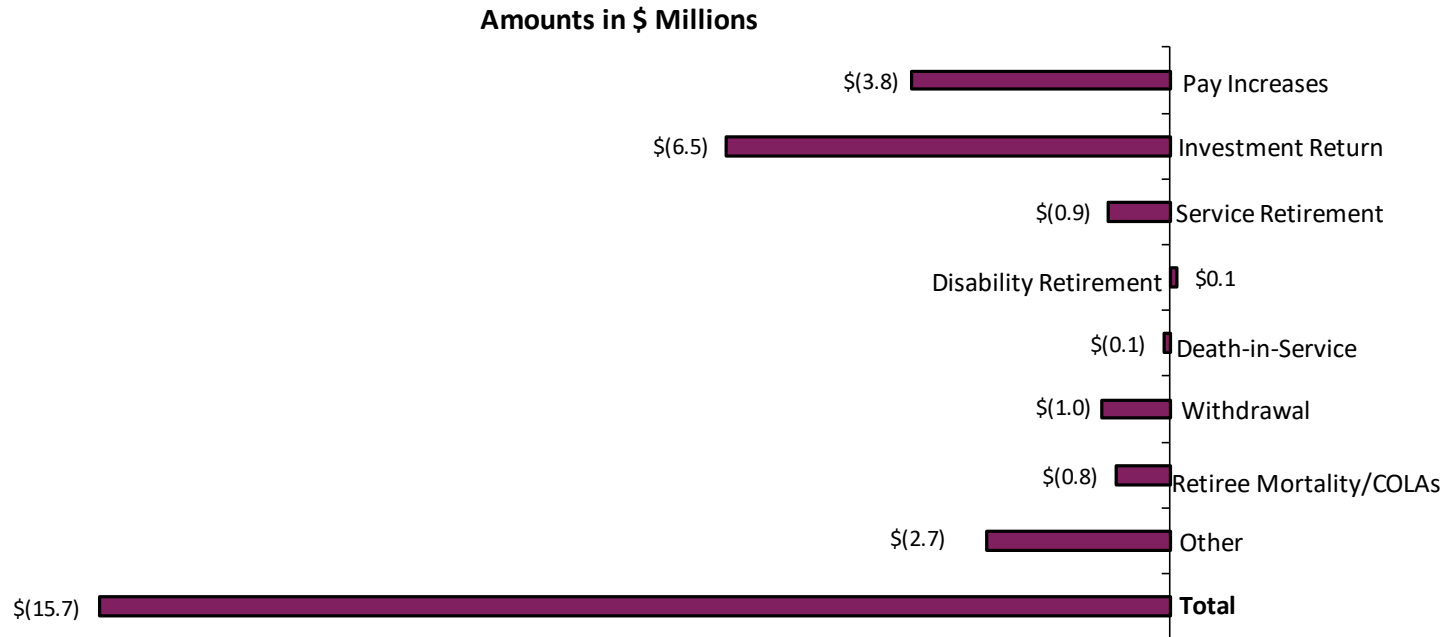


# Computed Actuarial Accrued Liabilities (Page A-1)

Actuarial Present Value of	(1) Total Present Value	(2) Portion Covered by Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1) - (2)
Benefits to be paid to current retirees, beneficiaries, and future beneficiaries of current retirees	\$ 229,117,632	\$ 0	\$ 229,117,632
Age and service allowances based on total service likely to be rendered by present active members	202,091,209	70,577,017	131,514,192
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active and inactive members	13,050,188	5,747,175	7,303,013
Disability benefits likely to be paid to present active members	2,023,470	2,593,081	(569,611)
Death-in-service benefits likely to be paid on behalf of present active members	8,315,992	3,983,268	4,332,724
Total	\$454,598,491	\$82,900,541	\$ 371,697,950
Applicable assets (Funding Value)	341,718,815	0	341,718,815
Liabilities to be covered by future contributions	\$ 112,879,676	\$82,900,541	\$ 29,979,135



# Gain/(Loss) Experience (Page C-4)



# Summary of Risk Measures (Page A-13)

Valuation Date June 30,	Funded Ratio		UAAL	Total UAAL / Total Payroll	Total Actuarial Value of Assets / Total Payroll	Total AAL/ Total Payroll	Standard Deviation of Investment Return / Total Payroll
	Based on AVA	Based on MVA	Amortization Period				
2016	86%	83%	27	1.6	10.1	11.7	**
2017	88%	89%	15/20	1.4	10.4	11.8	115.6%
2018	89%	92%	*	1.3	10.6	11.9	120.4%
2019	92%	94%	*	1.0	11.0	12.1	124.6%
2020	93%	95%	*	0.8	11.3	12.1	125.6%
2021	98%	112%	*	0.2	11.9	12.1	136.1%
2022	94%	89%	*	0.8	11.9	12.7	113.0%
2023	92%	88%	*	1.0	11.7	12.7	117.5%
2024	95%	95%	*	0.6	12.0	12.6	125.0%
2025	92%	97%	*	1.0	11.5	12.5	127.7%

\* Multiple amortization periods based upon Board's adopted funding policy.

\*\* Unavailable.

# Summary (Page A-7)

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- Actuarial experience for the year ended June 30, 2025 was unfavorable
  - Lower than assumed investment return on a funding value of assets basis as well as aggregate demographic losses
- AJRS is 91.9% funded based on the funding value of assets
  - 97.5% funded based upon the market value of assets
- Employer contribution rate for the fiscal year ending June 30, 2027 is 37.07% of payroll

# Reserve Transfers (Page A-8)

- Each year reserve transfers are recommended so that there will be a balance between assets and actuarial accrued liabilities in the Retirement Reserve Account and the Deferred Annuity Account
  - The Retirement Reserve Account is responsible for future annuity payments to present retired lives
  - The Deferred Annuity Account is responsible for future annuity payments to present inactive members
- This year's recommended transfer amounts are as follows:

Employer Accum. Account Before Transfers	Transfers as of July 1, 2025 (from) to:		Employer Accum. Account After Transfers
	Deferred Annuity Account	Retirement Reserve Account	
\$126,077,047	\$2,402,142	\$15,172,178	\$108,502,727





# THANK YOU

**QUESTIONS**

# Disclaimers

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- This presentation is intended to be used in conjunction with the June 30, 2025 actuarial valuation report dated October 31, 2025.
- This presentation should not be relied on for any purpose other than the purpose described in the presentation.
- Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- Readers are cautioned to examine original source materials and to consult with subject matter experts before making decisions related to the subject matter of this presentation.
- This presentation expresses the views of the authors and does not necessarily express the views of Gabriel, Roeder, Smith & Company.



Quarterly Board Meeting

**Statement of Fiduciary Net Position as of (September 30, 2025)**

ASSETS

Cash and Cash Equivalents	\$	2,538,292
Receivables		
Contributions Receivable	\$	-
Overpayment Receivable		58,510
Allowance for Doubtful Accounts		<u>(58,510)</u>
Total Receivables		-
Investment Assets		<u>378,582,373</u>
TOTAL ASSETS		<u>381,120,664</u>

LIABILITIES

Accrued Expenses and Other Liabilities		<u>367,502</u>
TOTAL LIABILITIES		<u>367,502</u>

NET POSITION RESTRICTED FOR PENSION BENEFITS	\$	<u><u>380,753,163</u></u>
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Quarterly Board Meeting

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

ADDITIONS

Contributions		
Employer	\$	6,660,275
Employee		334,149
Court Fees		<u>124,135</u>
Total Contributions		7,118,559
Investment Income		16,706,422
Less: Investment Expense		<u>(333,500)</u>
Net Investment Income		16,372,922
Other Additions		
Miscellaneous Additions		<u>51</u>
<b>TOTAL ADDITIONS</b>		<u><b>23,491,532</b></u>

DEDUCTIONS

Benefits		4,898,823
Refunds of Contributions		-
Administrative Expenses		<u>116,068</u>
<b>TOTAL DEDUCTIONS</b>		<u><b>5,014,890</b></u>
<b>NET CHANGE IN NET POSITION</b>		<b>18,476,642</b>

NET POSITION RESTRICTED FOR PENSION BENEFITS

Beginning of Fiscal Year		<u>362,276,521</u>
End of 1st Quarter	\$	<u><u>380,753,163</u></u>



Quarterly Board Meeting

December 4, 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, 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. Judge Cathleen Compton recused and **October 9, 2025, the case was reassigned to Judge Patricia James 11<sup>th</sup> Division, 6<sup>th</sup> District.**

**RULES PROMULGATION**

The repeal of obsolete AJRS Board Rule 24 CAR 15-104, which set AJRS board meeting dates no longer applicable, were presented to the Joint Retirement Committee and the ALC Administrative Rules Subcommittee Meeting in September. **The repeal of the rule is effective October 31, 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**

	<b>1 year</b>	<b>5 years</b>	<b>10 years</b>	<b>20 years</b>
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**

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

\* Includes refunds of contributions

**Retirees - Historical**

	<b>1 year</b>	<b>5 years</b>	<b>10 years</b>	<b>20 years</b>
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**

<b>Time</b>	<b>Fiscal Year Ending</b>
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: Active Members by Age and Years of Service**

In the “Valuation Data” section of the annual actuarial valuation report, GRS provides a few pages of data on retired members and active members. The section includes a table for data on active members by attained age and years of service. This topic provides that table and highlights of the table to understand the distribution of the active member population for the fiscal year ending June 30, 2025.

<b>Active Members as of June 30, 2025 by Attained Age and Years of Service Tier Two</b>									
Attained Age	Years of Benefit Service to Valuation Date							Totals	
	0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	No.	Valuation Payroll
35-39		1	1					2	\$ 408,986
40-44	7	1	1					9	1,851,786
45-49	6	4	1	3	1			15	3,067,395
50-54	4		4	1	9	1		19	3,934,291
55-59	8	4	5	6	3	5	3	34	6,978,988
60							1	1	204,493
61	4		1		1	1		7	1,431,451
62			2		2	2	2	8	1,647,293
63				2		1	1	4	817,972
64	1				1		1	3	613,479
65			2	1		1	2	6	1,236,876
66						1		1	212,647
67			1		1		1	3	613,479
68	2	1			2			5	1,033,814
69	1		2	1		2	2	8	1,645,862
70					1	1		2	408,986
71					1		2	3	613,479
72	1	2						3	613,479
73		1	2	1				4	817,972
74		1			1		1	3	618,438
75	1							1	204,493
76				1				1	204,493
77									
78						1		1	204,493
<b>Totals</b>	<b>35</b>	<b>15</b>	<b>22</b>	<b>16</b>	<b>23</b>	<b>16</b>	<b>16</b>	<b>143</b>	<b>\$ 29,384,645</b>



Quarterly Board Meeting  
**Benefits Summary**

**Special Topic: Active Members by Age and Years of Service** *cont.*

**Active Member Highlights (Tier Two)**

Group	Number	Percent
Average age	58.5	n/a
Average years of service	9.5	n/a
Age 62-64	15	10%
Age 65-69	23	16%
Age 70 and over	18	13%
20 plus years of service	55	38%
Terminated with normal retirement*	6	4%
Terminated with a deferred or no benefit payable*	4	2%

*\* includes Tier One*

**GRS Insights on the Development of the Current Active Membership**

- Within 11 years, over 50% of the active membership will consist of new hires.
- Eventually, 6% of active members will terminate employment before becoming vested.
- Approximately 88% of active members will receive monthly retirement benefits.
- About 6% of active members will receive disability or death-in-service benefits.



## **Quarterly Board Meeting Executive Report**

### **Member Outreach**

APERS continues to expand its member outreach efforts through on-site education sessions and conference presentations across the state. Recent engagements included delivering a full-staff training session for Central Arkansas Water, reaching approximately 150 employees; participating in Pulaski County’s Employee Appreciation event with a turnout of roughly 400 employees; and hosting educational presentations for the Arkansas Municipal League and Shared Administrative Services. These activities reflect APERS’ commitment to increasing visibility and providing members with timely and accessible retirement information.

### **Investment Consultant RFQ**

At the direction of the Investment Finance Committee, APERS staff developed and issued a Request for Qualifications (RFQ) for Investment Consultant Services. The RFQ was posted on October 20, 2025, and responses were due by November 21, 2025. Staff will complete the evaluation of submitted proposals by December 31, 2025. Findings and recommendations will be prepared for future board review.

### **Finance and Investments**

APERS staff is collaborating with U.S. Bank to transition retiree and beneficiary payment services from Bank of America, with a planned go-live date in March 2026. The Finance and Investments teams have finalized the fiscal year-end closing for APERS, ASPRS, and AJRS for the period covering July 1, 2024, through June 30, 2025. Work is now underway to complete the Annual Comprehensive Financial Reports for all three systems. These reports will be presented for board review at the next quarterly meeting.