



**Arkansas Judicial Retirement System**  
**Board of Trustees Quarterly Meeting**  
**March 5, 2026**



## Arkansas Judicial Retirement System

Quarterly Board Meeting  
(Thursday, March 5, 2026, 1:30 P.M.)  
124 West Capitol Avenue, Suite 400, Little Rock 72201

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

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### AGENDA

1. Call to Order
2. Recognition of notification of meeting to news media pursuant to Act 93 of 1967 (AR Code 25-19-101) - Freedom of Information Act
3. Recognition of the Presence of a Quorum
4. **Action Item**: Approval of Minutes of the AJRS Board Meeting of December 4, 2025, and joint meetings with APERS Investment Finance Committee February 3, 2026, and February 27, 2026 **(Page 3)**
5. Administrative Expense Reports for October, November, and December 2025 **(Page 12)**
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 13)**
  - b. Quarterly Report for the Period Ending December 31, 2025 **(Page 27)**
  - c. RFQ Investment Consultant Recommendation  
**Action Item**: Approve or deny staff recommendation
7. **Finance** - Mr. Jason Willett, Chief Financial Officer
  - a. Financial Statements for the Quarter Ending December 31, 2025 **(Page 60)**
  - b. **Action Item**: Annual Approval for Board travel Reimbursement (A.C.A. 25-16-902)
8. **Legal** – Ms. Laura Gilson, General Counsel
  - a. Legal Report **(Page 62)**
9. **Benefits** - Ms. Allison Woods, Deputy Director of Benefits
  - a. Benefits Summary for the Quarter Ending December 31, 2025 **(Page 63)**
10. **Executive Report** – Ms. Amy Fecher, Executive Director
  - a. Executive Report Review **(Page 67)**
11. Next Quarterly Board Meeting: June 4, 2026, at 1:30 p.m.
12. Adjournment



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

The regular meeting of the Arkansas Judicial Retirement System Board of Trustees was held on Thursday, December 4, 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  
Hon. Marcia Hearnberger (Circuit Judge)  
Hon. Earnest Brown, Jr. (Circuit Judge)  
Hon. Raymond Abramson (Arkansas Court of Appeals)  
Hon. Mackie Pierce (Retired Circuit Judge)  
Hon. John Scott (Circuit Judge) \*

**Visitors Present**

Mr. Jon Jackson, Callan LLC  
Mr. Mita Drazilov, GRS  
Ms. Heidi Barry, GRS  
Ms. Kelsi Hogg, Arkansas Legislative Audit  
Mr. Logan Surdam, Arkansas Legislative Audit \*  
Ms. Lauren Albanese, Financial Investment News\*  
Mr. Clifton Perkins \*

**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. Rhonda Summers, Investment Analyst \*

\*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**

The Board considered the approval of the minutes from the meeting held on September 11, 2025. A correction was noted to reflect the proper name and title of Honorable Raymond Abramson. Upon a motion by Judge Marcia Hearnberger, the minutes were approved as corrected by unanimous vote.

### **Administrative Expense Reports**

The Board reviewed the Administrative Expense Reports for the quarter ending September 30, 2025, as presented. Upon motion by Judge Marcia Hearnberger and second by Judge Earnest Brown, Jr., the reports were approved.

### **Investments**

#### **CIO Report**

Mr. Carlos Borromeo presented the CIO report, ending September 30, 2025. As of the quarter, the total portfolio increased by 4.5 percent, with a market value of approximately \$381 million. Global markets posted positive performance during the quarter, supported by continued momentum in artificial intelligence and technology sectors and the Federal Reserve's decision to lower interest rates. Internationally, the United Kingdom's FTSE 100 recorded its strongest quarterly performance since late 2022, while government bond performance was mixed, with declining U.S. Treasury yields and rising yields in the United Kingdom, Germany, and Japan.

Within U.S. equity markets, the S&P 500 was led by Information Technology, and small-cap equities outperformed mid- and large-cap stocks as investor sentiment and risk appetite improved. International equity markets also generally performed well, with limited exceptions, while the U.S. dollar remained relatively stable. Staff further reported that cumulative class action settlement proceeds received since 2009 total approximately \$16.4 million.

#### **Callan Report**

Mr. Jon Jackson joined the table to give Callan report for the period ending September 30, 2025. The Callan report indicated that domestic equity is overweight by approximately 7 percent, while international equity, credit markets, and real estate are slightly underweight. The beginning market value for the quarter was \$362.6 million, with gains of \$16.7 million, resulting in an ending market value of \$381.1 million. Judge John Scott inquired whether the fund had reached a point requiring rebalancing, and Mr. Borromeo responded that staff continues to closely monitor allocations and will rebalance as necessary.

The benchmark return for the quarter was 4.91 percent, compared to the fund's return of 4.55 percent. It was noted that the fund's allocation includes approximately 4 percent less public equity than Callan's typical experience, which contributed to the relative underperformance for the quarter. However, over the past 10 years, AJRS has outperformed, largely driven by domestic equity exposure. Staff also noted that newly hired managers have been in place for approximately six months, and while real estate performance may improve, the asset class's limited liquidity requires a cautious approach.



### **CFO Report**

Mr. Jason Willett, Chief Financial Officer, presented the CFO report as of September 30, 2025. The Statement of Fiduciary Net Position reported cash and cash equivalents totaling \$2.5 million, with total assets of \$381.1 million, compared to \$352 million at the same time last year. Total net position was reported at \$380.7 million. Mr. Willett also reviewed the Statement of Changes in Fiduciary Net Position for the period ending September 30, 2025, noting contributions of \$7.1 million, investment income of \$16.3 million, which was slightly lower than the \$17.5 million reported last year, and total deductions of \$5.01 million, resulting in an ending net position of \$380.7 million at the close of the first quarter.

During discussion, Mr. Abramson inquired whether court fees had stabilized, and Mr. Willett responded that they have stabilized and are currently increasing.

### **GRS**

Mr. Mita Drazilov and Ms. Heidi Barry, from GRS, joined the table to present the results of the June 30, 2025, actuarial valuation for AJRS. They explained that the purpose of the valuation is twofold: to determine the employer contribution rate for the fiscal year ending June 30, 2027, and to measure the system's funding progress in relation to the actuarial cost method, specifically the portion of actuarial accrued liabilities covered by the funding value of assets. The Board was asked to take action to approve reserve transfers from the Employer Accumulation Account to both the Retirement Reserve Account and the Deferred Annuity Account.

GRS reported that AJRS has a total of 145 active members across Tier 1 and Tier 2, with an average annual pay of approximately \$204,000 to \$205,000. As of June 30, 2025, the system included 183 retirees and beneficiaries, with total annuity liabilities of \$229.1 million. The market value of assets at year-end was \$362.2 million, and non-investment net cash flow totaled negative \$6.9 million, excluding investment income. Based on the assumed rate of return of 5.50 percent, expected earnings were \$18.3 million, while actual earnings totaled \$34.4 million, resulting in a funding value of assets of \$341.7 million at year-end.

The total normal cost of contributions, representing the cost of an active judge accruing an additional year of service credit, was reported at 31.26 percent. The average member contribution rate is 4.98 percent, with the employer normal cost calculated at 26.28 percent, resulting in a total computed employer contribution rate of 37.07 percent. Liabilities to be covered by future contributions have a total present value of \$112,879,676, and actuarial accrued liabilities were reported at \$29.9 million. Funding levels improved during the year, with the actuarial value increasing from 92 percent in 2024 to 95 percent in 2025, and the market value increasing from 95 percent to 97 percent.

In summary, actuarial experience for the year ended June 30, 2025, was unfavorable due to lower-than-assumed investment returns on a funding value basis and aggregate demographic losses. AJRS is 91.9 percent funded based on the funding value of assets and 97.5 percent funded based on the market value of assets, which is favorable for the System. The employer contribution rate for the fiscal year ending June 30, 2027, was confirmed at 37.07 percent of payroll. Upon motion by Judge Raymond Abramson and second by Judge Marcia Hearnberger, the Board unanimously approved the transfer of \$2,402,142 to the Deferred Annuity Account and \$15,172,178 to the Retirement Reserve Account.

### **Legal**

Ms. Laura Gilson presented the legal report for the period ending September 30, 2025. She reported that there were no administrative member appeals during the period. She also noted an appeal arising from an administrative matter in the case of *Wendell Griffen v. AJRS*, for which a judge reassignment occurred on October 9, 2025.

Ms. Gilson further reported on rules promulgation activities, noting that the repeal of obsolete AJRS Board Rule 24 CAR 15-104, which previously set board meeting dates that are no longer applicable, was presented to the Joint Retirement Committee and the Arkansas Legislative Council Administrative Rules Subcommittee in September. The repeal of the rule is effective October 31, 2025.

### **Benefits Report**

Ms. Allison Woods reported on membership and benefit activity as of September 30, 2025. She reported that there were no new retirees during the quarter, noting that a total of six retirements occurred during the last fiscal year.

For the special topic, Ms. Woods presented active members by age and years of service. The average age of active members is 58.5 with 9.5 years of service. Around 18 individuals are age 70 and older, and 55 individuals (around 38%) have 20 plus years of service.

### **Executive Report**

Executive Director Fecher gave the executive report ending September 30, 2025. She reported continued progress across key operational and strategic initiatives, including expanded member outreach, investment consulting procurement, and finance and investment operations. Outreach efforts focused on increasing system visibility and delivering accessible retirement education through targeted trainings, employee appreciation events, and conference presentations statewide.

At the direction of the APERS Investment Finance Committee, staff issued a Request for Qualifications for investment consultant services and are currently evaluating submissions, with recommendations to be presented to the Board later this year. In addition, APERS staff are coordinating with U.S. Bank to transition retiree and beneficiary payment services, while also completing fiscal year-end closings and advancing preparation of the Annual Comprehensive Financial Reports for APERS, ASPRS, and AJRS.

### **Upcoming Board Meetings**

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 Mackie Pierce 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 Public Employees' Retirement System Board of Trustees  
Investments and Finance Committee  
February 3, 2026**

A meeting of the Investment Finance Committee (IFC) of the Arkansas Public Employees' Retirement System (APERS) was held on Tuesday February 3, 2026, at 3:00 p.m. This meeting was held jointly with members of the Arkansas Judicial Retirement System. This meeting was held via Zoom remote conferencing as well as in person in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Mr. Larry Walther presided.

**Quorum Present**

Judge Herbert Wright recognized a quorum for the Arkansas Judicial Retirement System (AJRS) and Mr. Larry Walther recognized a quorum for APERS and called the meeting to order.

**APERS Board Members Present**

Mr. Larry Walther, (Retired Member), Chair of Investment Finance Committee  
Secretary Jim Hudson, Department of Finance and Administration (State Employee)  
Mr. Jason Brady, (State Auditor's Office) proxy  
Commissioner Susannah Marshall, Arkansas State Bank and Securities Departments  
Mr. Gary Carnahan, (Municipal Employee Member)  
Mr. Gary Wallace, Retires Law Enforcement  
Mr. Richard Wilson, APERS Board Member \*

**AJRS Board Members Present**

Hon. Herbert Wright (District Judge)  
Hon. Mackie Pierce (Retired Circuit Judge)  
Hon. John Scott (Circuit Judge) \*  
Hon. Earnest Brown, Jr. (Circuit Judge) \*  
Hon. Raymond Abramson (Circuit Judge) \*

**APERS Staff Present**

Ms. Amy Fecher, Executive Director  
Mr. Phillip Norton, Director of Information Systems  
Mr. Carlos Borrromeo, Deputy Director of Investments & Finance  
Ms. Jacobia Bates, Director of Public Affairs  
Ms. Laura Gilson, General Counsel  
Ms. Ashley Golleher, Deputy Director of Operations  
Ms. Allison Woods, Deputy Director of Benefits  
Ms. Brooke Hollowoa, Marketing Director  
Mr. Richmond Giles, Legal Staff  
Ms. Bailey Hall, Assurance Analyst  
Ms. Patty Shipp, Assurance Officer\*  
Ms. Stacie Jackson, Administrative Specialist III\*

**Visitors Present**

Mr. Mike Wickline, Arkansas Democrat-Gazette  
Mr. Seth Middleton, Stephens Inc.

Mr. Bo Brister, Stephens Inc.  
Mr. Larry Middleton, Stephens Inc.  
Mr. Ted Stewart, Capitol Law Firm  
Mr. Michael Harry, Arkansas Treasury  
Mr. Ted Dickey, Lighthouse Asset Advisors  
Ms. Marsha Wallace, Guest  
Mr. Chris Villines, Association of Arkansas Counties\*  
Ms. Kelsi Hogg, Arkansas Legislative Audit\*  
Mr. Samuel Kauffman, Administrative Office of the Courts\*  
Ms. Lisa Giaffo, Osmosis\*  
Mr. John Martin, MTP\*  
Secretary Leslie Fiskien, Department of Shared Administrative Services\*  
Ms. Lauren Albanese, Financial Investment News\*  
Mr. Todd Stewar, MTP\*  
PJ Kelly, AON Investments\*  
Leon Mcbride\*  
Ms. Millie Mo, McKinsey\*  
Juawana Jackson, Sixth Division Circuit Court- Juvenile Division\*  
Spencer Witherspoon, Shenkman Capital Management\*  
Sami Fuller, Financial Times Specialist\*  
Mr. Matt Cortese, Wafra\*

\*Denotes remote attendees

#### **Investment Consultant RFQ:**

APERS Deputy Director of Investments Carlos Borrromeo and staff attorney Richmond Giles provided an update on the Investment Consultant RFQ, with Patty Shipp participating virtually. Director Fecher stated that APERS consulted with the Office of State Procurement (OSP) and conducted the RFQ in-house. Seven responses were received by the November 21 deadline.

An evaluation committee consisting of Mr. Borrromeo, Ms. Shipp, and Ms. Woods, facilitated by Mr. Giles, reviewed and scored the submissions. Mr. Borrromeo reported that the top three firms were tied and requested board approval to proceed with interviews, as permitted under the RFQ.

Director Fecher explained that staff would conduct interviews after completing required OSP training and then present a recommendation to the full board.

Mr. Brady made a motion for the APERS Finance Committee to certify Callan LLC, Meketa Investment Group Incorporated, and RVK Incorporated as the three finalists. The motion was seconded by Mr. Wallace and approved. Judge Mackie Pierce made a similar motion for AJRS for the same three firms, which was seconded by Judge Earnest Brown and approved.

#### **Project Green**

Mr. Carlos Borrromeo, and Mr. Larry Middleton, and Mr. Bo Brister of Stephens, Inc., joined the table to provide an update on Project Green. The project continues to be evaluated as an Arkansas-based investment involving both equity and debt components. Due diligence is ongoing, and there is no new information to report currently. There may be further updates if additional information becomes available, but for now the project will be considered on hold until more information is received.

## **Real Estate**

Mr. Ted Dickey of Lighthouse Asset Advisors joined Director Fecher to provide an update on real estate. Director Fecher reported that in December a list of fifteen properties considered since 2023 was provided to the board; several have since sold, leaving eight available properties. Mr. Dickey noted that board criteria include a target of approximately 40,000 square feet, a preference for ownership, and a downtown location.

Options under consideration include development or redevelopment, turnkey move-in-ready buildings, and intermediate properties requiring significant interior work. Since December, four additional properties, Heritage West, Union Plaza, the Tower Building, and the Pyramid Building, have been added to the list.

Mr. Wallace asked whether progress would be delayed pending completion of a formal real estate plan. Secretary Hudson responded that the plan remains in progress but emphasized the board's clear preference for ownership. Commissioner Susannah Marshall disclosed for transparency that she serves as a commissioner for First Security Bank and Crews and stated she would recuse herself if necessary. Secretary Hudson noted that recusal would be required if negotiations involved either entity.

Mr. Brady asked which properties best met the criteria, and Mr. Walther identified First Security/Crews as the closest match. Director Fecher agreed, noting it is a turnkey option. Commissioner Marshall added that development or major interior buildouts would likely be more expensive than redevelopment.

Director Fecher requested guidance on narrowing the list. Mr. Carnahan observed that five properties appeared reasonable, with only two, First Security and Heritage, meeting size requirements. Secretary Hudson noted that while the First Security/Crews property is a high-quality turnkey space, it is a condominium, limiting APERS' control and adding HOA costs due to residential and hotel units. He also expressed concern about market instability and whether delaying a purchase could allow for a larger development opportunity.

Mr. Carnahan asked whether APERS could occupy a state-owned building; Secretary Hudson responded that this was unlikely. Director Fecher added that state-owned space would still involve fees. Mr. Walther asked when Union Plaza was sold, and Director Fecher responded that it was sold in 2009, noting that APERS has spent over \$12 million on rent since that time.

Secretary Hudson stated that any purchase would require legislative appropriation and approval and recommended further staff analysis. Commissioner Marshall raised broader strategic considerations, including whether APERS wants to be a landlord or share space with another organization. Mr. Wallace stated he would be comfortable extending the lease for one year to allow additional clarity. Director Fecher explained that only the First Security/Crews option would avoid signing a new lease, as the current lease expires June 30, 2026.

Secretary Hudson made a motion directing staff to further evaluate developed properties and return to the IFC at the next or a called meeting with recommendations. Mr. Carnahan seconded the motion, requesting inclusion of analysis on landlord considerations. The motion was approved unanimously.

## **New Business**

There was no new business discussed.

With no further 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 Public Employees' Retirement System Board of Trustees  
Investments and Finance Committee  
February 27, 2026**

A meeting of the Investment Finance Committee (IFC) of the Arkansas Public Employees' Retirement System (APERS) was held on Friday February 27, 2026, at 9:00 a.m. This meeting was held jointly with members of the Arkansas Judicial Retirement System. The meeting was held via Zoom remote conferencing as well as in person in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Mr. Larry Walther presided.

**Quorum Present**

Judge Herbert Wright recognized a quorum for the Arkansas Judicial Retirement System (AJRS) and Mr. Larry Walther recognized a quorum for APERS and called the meeting to order.

**APERS Board Members Present**

Mr. Larry Walther, (Retired Member), Chair of Investment Finance Committee  
Secretary Jim Hudson, Department of Finance and Administration (State Employee)  
Mr. Jason Brady, (State Auditor's Office) proxy  
Commissioner Susannah Marshall, Arkansas State Bank and Securities Departments  
Mr. Gary Carnahan, (Municipal Employee Member)  
Mr. Gary Wallace, Retires Law Enforcement  
Secretary Daryl Bassett, State Employee

**AJRS Board Members Present**

Hon. Herbert Wright (District Judge)  
Hon. John Scott (Circuit Judge) \*  
Hon. Earnest Brown, Jr. (Circuit Judge) \*  
Hon. Raymond Abramson (Circuit Judge) \*

**APERS Staff Present**

Ms. Amy Fecher, Executive Director  
Mr. Phillip Norton, Director of Information Systems  
Mr. Carlos Borromeo, Deputy Director of Investments & Finance  
Ms. Jacobia Bates, Director of Public Affairs  
Ms. Laura Gilson, General Counsel  
Ms. Allison Woods, Deputy Director of Benefits  
Mr. Richmond Giles, Legal Staff  
Ms. Bailey Hall, Assurance Analyst  
Ms. Ashley Golleher, Deputy Director of Operations\*  
Ms. Stacie Jackson, Administrative Specialist III\*  
Ms. Jennifer Taylor, Director of Benefits Administration\*

**Visitors Present**

Ms. Mika Malone, Meketa Capital\*  
Ms. Erika Olsen, Meketa Capital\*

Ms. Lisa Rubin, Meketa Capital\*  
Mr. Christian McCormick, Meketa Capital\*  
Ms. Kelsi Hogg, Arkansas Legislative Audit\*  
Ms. Lauren Albanese, Financial Investment News\*  
Ms. Maxine Hawkins\*  
Nate Weinstein, Osmosis\*  
Jospeth Ebisa\*

\*Denotes remote attendees

### **Investment Consultant RFQ – Recommendation**

Mr. Carlos Borromeo, Deputy Director of Investments and Finance, presented staff’s recommendation following completion of the Investment Consultant Request for Qualifications (RFQ) evaluation and interview process. Staff interviewed the three certified finalists — Callan LLC, Meketa Investment Group, Inc., and RVK, Inc. and reviewed results in accordance with established RFQ criteria. Staff recommended selection of Meketa Investment Group as the investment consultant.

Representatives from Meketa Investment Group, including Christian McCormick, Mika Malone, and Erika Olsen, introduced their team and presented their consulting approach. The Board engaged in discussion regarding transition timing and cost, investment strategy, investment manager oversight, reporting structure, governance support, communications, performance expectations, and compliance with Arkansas law.

Staff advised that the transition from Callan would follow contractual notice requirements, with no additional transition costs anticipated. Meketa outlined plans for an initial portfolio and manager review within the first year and emphasized strategic asset allocation, governance, and board education as priorities.

Director Amy Fecher noted that Meketa submitted the most competitive proposal, resulting in estimated savings of approximately \$81,000 compared to the current contract.

Following discussion, Mr. Jason Brady made a motion to approve the staff recommendation and forward the selection of Meketa Investment Group to the full Board for consideration and final approval. The Investment Finance Committee approved the motion.

AJRS members participated in the joint discussion but took no action, indicating the item would be considered at their next board meeting.

Chairman Walther thanked the Meketa representatives for their participation.

With no further business, the joint 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 25 Expenses	FY 26 Budget	Oct-25	Nov-25	Dec-25	Total YTD	Remaining Budget
<b>M &amp; O Expenses</b>							
Office Supplies/Printing	1,041.24	3,000.00	-	-		216.34	2,783.66
Board Member Expense Reimbursement	1,233.44	4,000.00			192.40	739.89	3,260.11
Bank Charges	2,741.62	5,000.00	289.42	309.95	304.38	1,809.07	3,190.93
<b>Total M &amp; O Expenses</b>	<b>5,016.30</b>	<b>12,000.00</b>	<b>289.42</b>	<b>309.95</b>	<b>496.78</b>	<b>2,765.30</b>	<b>9,234.70</b>
<b>Professional Fees</b>							
Gabriel Roeder Smith (1)	29,100.00	30,000.00		30,000.00		30,000.00	-
Aristotle Capital (2)	161,204.45	170,000.00			41,672.29	82,599.37	87,400.63
Conner, Clark, & Lunn (2)	65,212.39	125,000.00			35,872.79	67,457.86	57,542.14
Baillie Gifford (2)	37,356.27	-				-	-
Callan Associates (2)	81,364.84	85,000.00			21,154.86	42,309.72	42,690.28
Invesco Real Estate (2)	107,971.84	140,000.00			25,008.98	50,568.18	89,431.82
MacKay Shields (2)	412,047.42	425,000.00			108,464.63	215,687.90	209,312.10
Robeco (Boston Partners) (2)	342,966.20	365,000.00			94,679.22	187,399.02	177,600.98
BNY Mellon (2)	31,605.38	32,000.00			8,005.49	15,852.97	16,147.03
Mellon Capital Management (2)	21,384.01	25,000.00			6,535.26	13,018.27	11,981.73
<b>Total Professional Fees</b>	<b>1,290,212.80</b>	<b>1,397,000.00</b>	<b>-</b>	<b>30,000.00</b>	<b>341,393.52</b>	<b>704,893.29</b>	<b>692,106.71</b>
Transfers To APERS	115,000.00	118,000.00		-	-	118,000.00	-
<b>Total Administrative Expenses</b>	<b>1,410,229.10</b>	<b>1,527,000.00</b>	<b>289.42</b>	<b>30,309.95</b>	<b>341,890.30</b>	<b>825,658.59</b>	<b>701,341.41</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 December 31, 2025*

# Benchmarks and Portfolio Performance - Q2 FY 2026

Benchmarks				AJRS Portfolio				
	Fiscal	Calendar		Fiscal	Calendar			
U.S. Equity	Qtr	Year	Year 2025	Q4 2025	Year	Year 2025	31-Dec-25	
S&P 500	2.66%	17.88%	11.00%	Domestic Equity	1.93%	10.46%	15.51%	\$ 167,398,244
Russell 2000 Index	1.12%	18.56%	11.75%	International Equity	6.39%	14.38%	40.42%	\$ 46,346,720
Russell 3000	3.81%	15.91%	9.34%	Fixed Income	1.27%	3.38%	8.24%	\$ 145,447,631
Russell 1000 Growth	2.19%	12.81%	14.86%	Real Estate	0.34%	-8.50%	-8.57%	\$ 23,353,316
Russell 1000 Value	1.22%	13.01%	13.56%	<b>AJRS Total Portfolio</b>	<b>2.10%</b>	<b>6.75%</b>	<b>13.15%</b>	\$ 382,545,911
<b>International Equity</b>								\$ 2,633,476
MSCI EAFE	4.86%	31.22%	9.86%					\$ 385,179,387
MSCI ACWI xUS	5.05%	32.39%	12.29%					
<b>Fixed Income</b>								
Bloomberg Agg	1.10%	7.30%	3.15%					

# Economic and Market Overview - Q2 FY 2026

## Global Markets – FY26 and 2025 Calendar Year

- Global markets posted steady gains during the fourth quarter of 2025.
- Several equity indices closed the year near record or multi-year highs.
- Risk assets performed strongly across regions.
- Non-US equities significantly outperformed US markets for the first time in several years.

## United States

- US equities generated positive returns during 4Q 205 despite political and economic headwinds.
- Market outperformance occurred amid the longest federal government shutdown on record.
- Following an April selloff, the S&P 500 recovered to finish 2025 up ~18%.
- Two “Magnificent 7” firms remained key drivers of performance. Google (Alphabet) rose by 65%. Nvidia rose by ~39%.

## United Kingdom

- UK equities performed strongly in the fourth quarter of 2025, extending gains from earlier in the year.
- Markets closed 2025 near multi-year highs.
- Performance was led by globally focused names. Particularly in financials, mining, and defense.
- The FTSE All-Share Index rose by 33% for the year (in US dollars).

## Eurozone

- European markets performed well in 4Q 2025.
- Major benchmarks finished near multi-year highs.
- The MSCI EMU Index delivered ~40% annual return (in US dollars).

# Economic and Market Overview - Q2 FY 2026

## Global Bonds

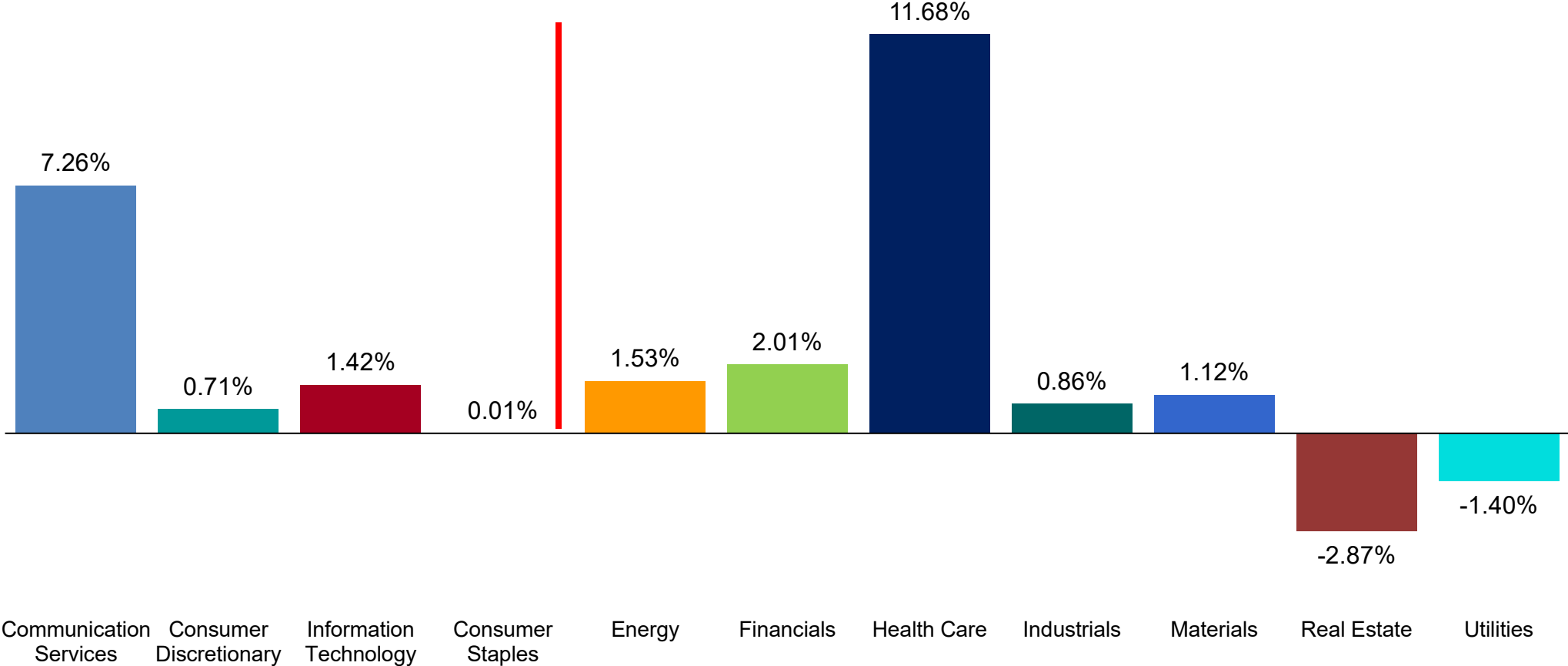
- Government bond markets displayed significant regional divergence in 4Q 2025.
- UK gilts outperformed following a favorable market response to the November budget.
- US Treasury returns were more muted as the yield curve steepened.
- Japanese government bonds sold off sharply. Yields rose to highest levels since 1999.
- The Eurozone markets diverged.
  - The peripheral markets, particularly Italy, outperformed.
  - German yields rose following forecast upgrades by the European Central Bank (ECB).
- Investment-grade credit produced positive returns. US credit spreads compressed in 4Q 2025.

## Other Asset Classes – 2025 Highlights

- Precious metals were the strongest performers within commodities. Gold rose by ~63%. Silver gained ~140%.
- Both metals are considered “safe-haven” assets.
- Both supported by geopolitical risk, a weaker US dollar, still elevated global inflation, and possible slower global growth.
- Silver’s gains driven by tight supply and its critical role in technology, EVs, and AI.
- Copper benefitted by persistent supply constraints, a softer US dollar, and rising demand.
- Lithium finished the year higher on EV and battery demand.
- Energy markets underperformed. WTI crude declined ~20%, the sharpest decline in oil prices since 2020.

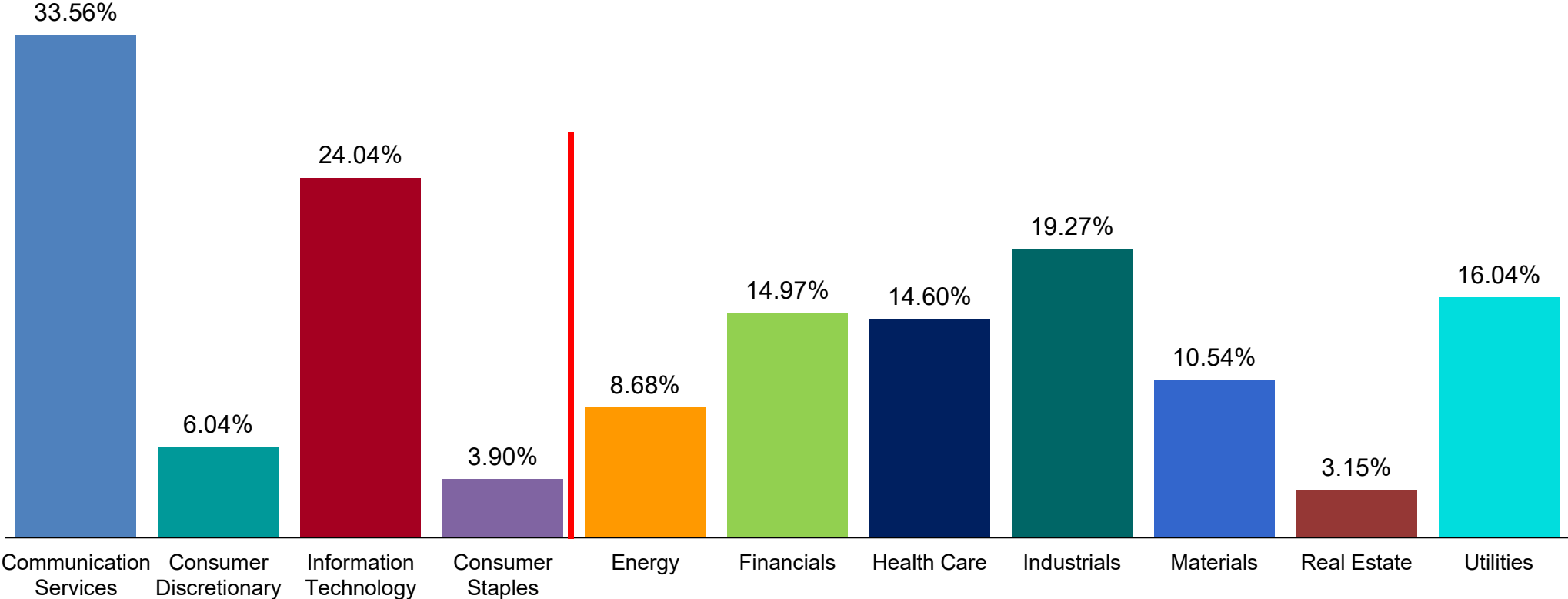
# S&P 500 Performance – Q2 FY 2026

Industry Sector Quarterly Performance (S&P 500) as of 12/31/2025



# S&P 500 Performance – 2025 Calendar Year

Industry Sector YTD Performance (S&P 500) as of 12/31/2025



# U.S. Equity Markets Performance

Value strategies performed better than growth strategies in 4Q 2025.

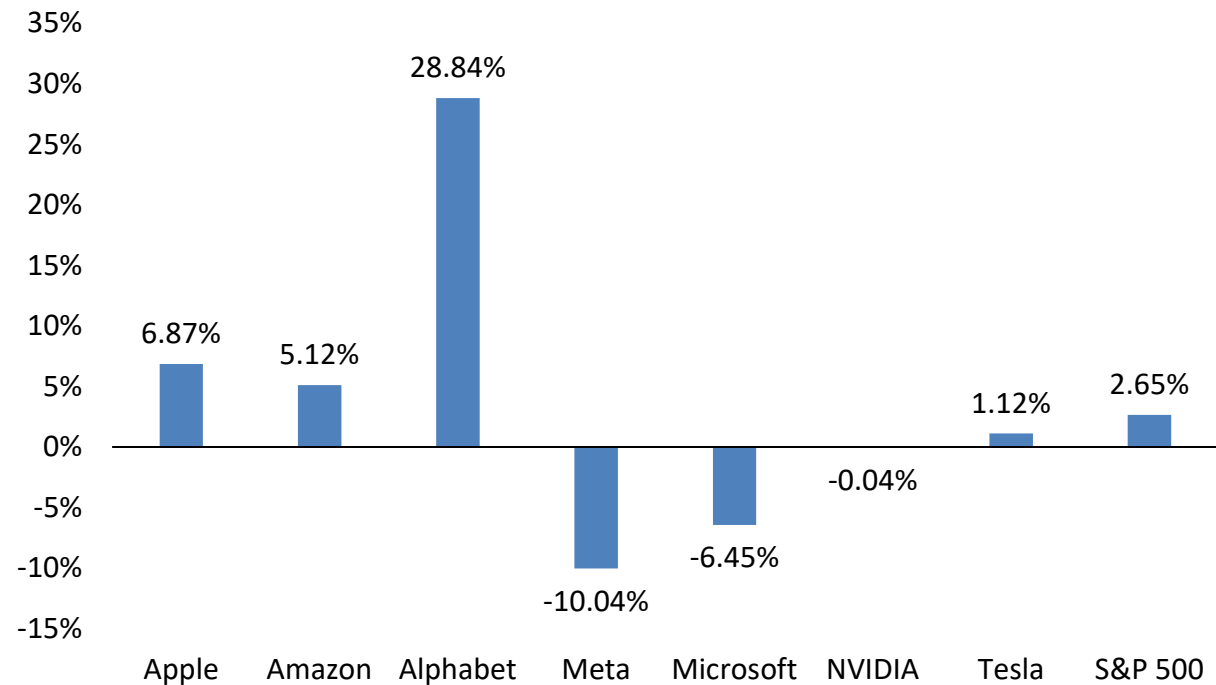
The healthcare sector's performance may be attributed to demand for GLP-1 therapies as well as improved capital access for biotech and life science firms.

	QTD US Equity Returns as of 12/31/2025				Fiscal YTD US Equity Returns as of 12/31/2025				Calendar Year Equity Returns 12/31/2025		
	Growth	Core	Value		Growth	Core	Value		Growth	Core	Value
<b>Large</b>	1.12%	2.41%	3.81%	<b>Large</b>	11.75%	10.60%	9.34%	<b>Large</b>	18.56%	17.37%	15.91%
<b>Mid</b>	-3.70%	0.16%	1.42%	<b>Mid</b>	-1.03%	5.49%	7.69%	<b>Mid</b>	8.66%	10.60%	11.05%
<b>Small</b>	1.22%	2.19%	3.26%	<b>Small</b>	13.56%	14.86%	16.27%	<b>Small</b>	13.01%	12.81%	12.59%

# "Magnificent 7" Performance

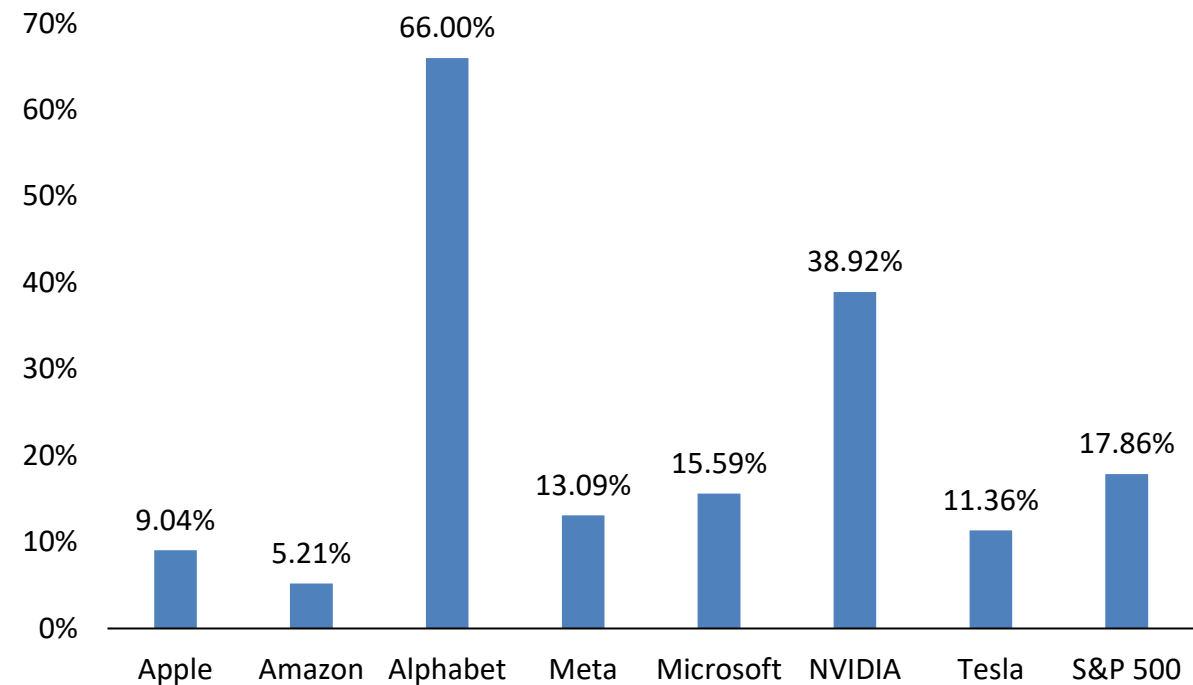
## 4Q 2025

1-Quarter Performance Ended 12/31/2025:  
"Magnificent 7" Stocks vs. S&P 500 Index



## 2025 Calendar Year

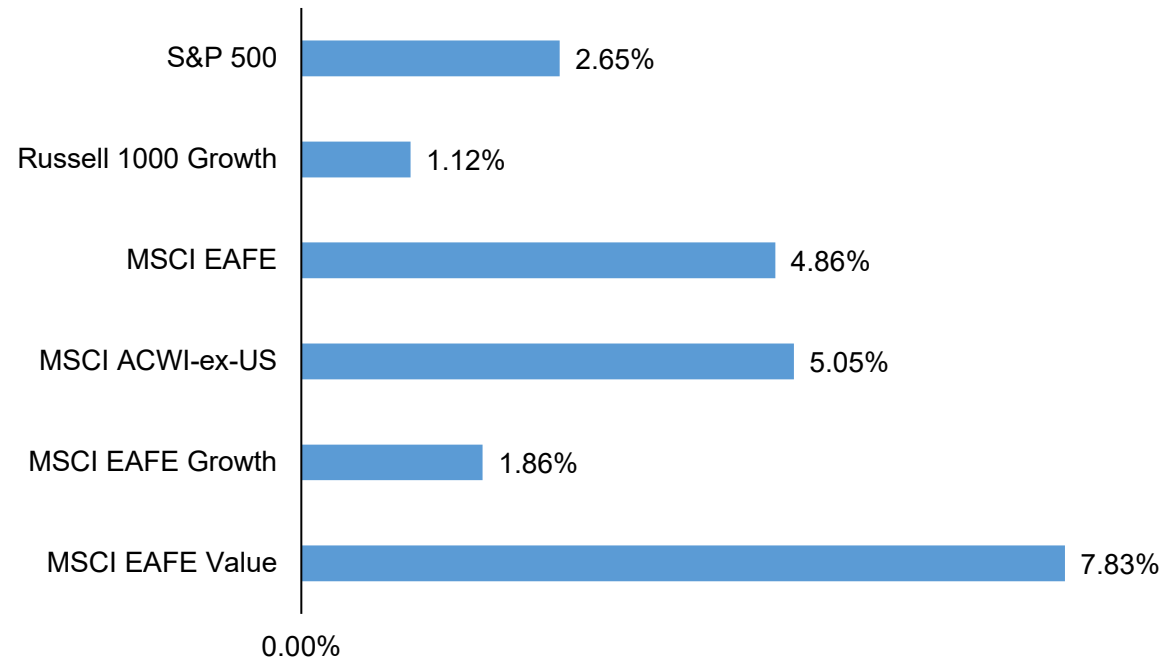
YTD Performance Ended 12/31/2025: "Magnificent 7"  
Stocks vs. S&P 500 Index



# Global Markets - Q2 FY 2026

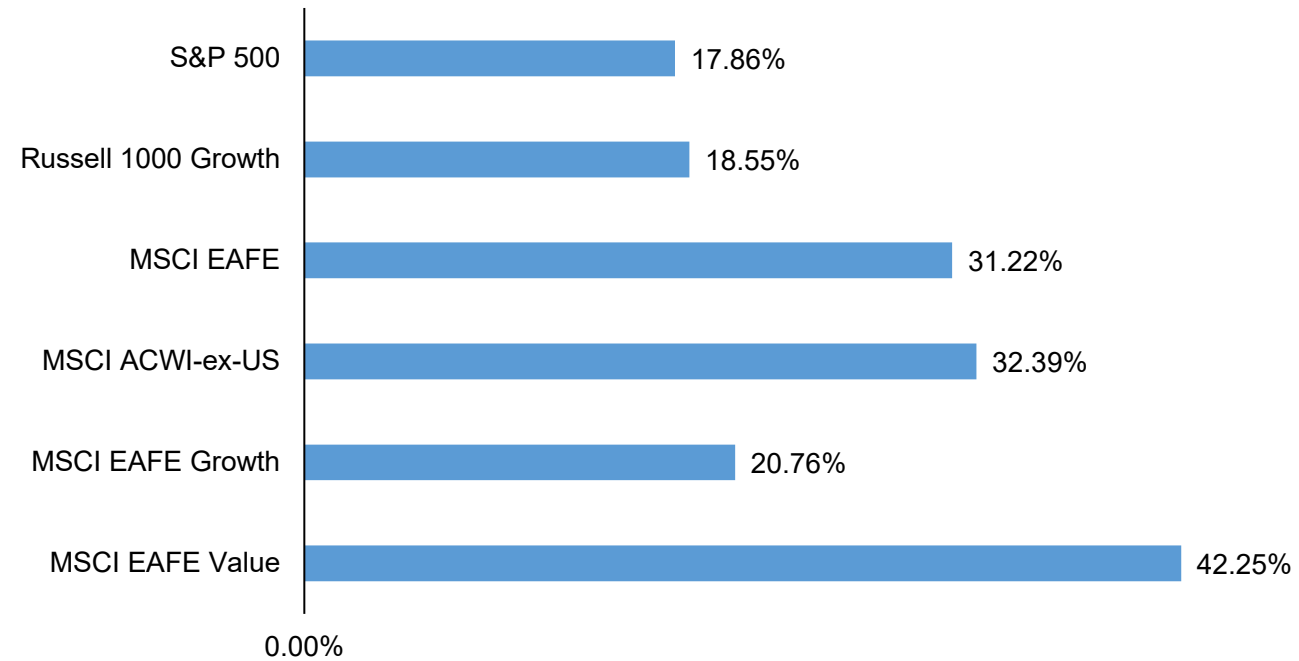
## 4Q 2025

1-Quarter Return Ending 12/31/2025



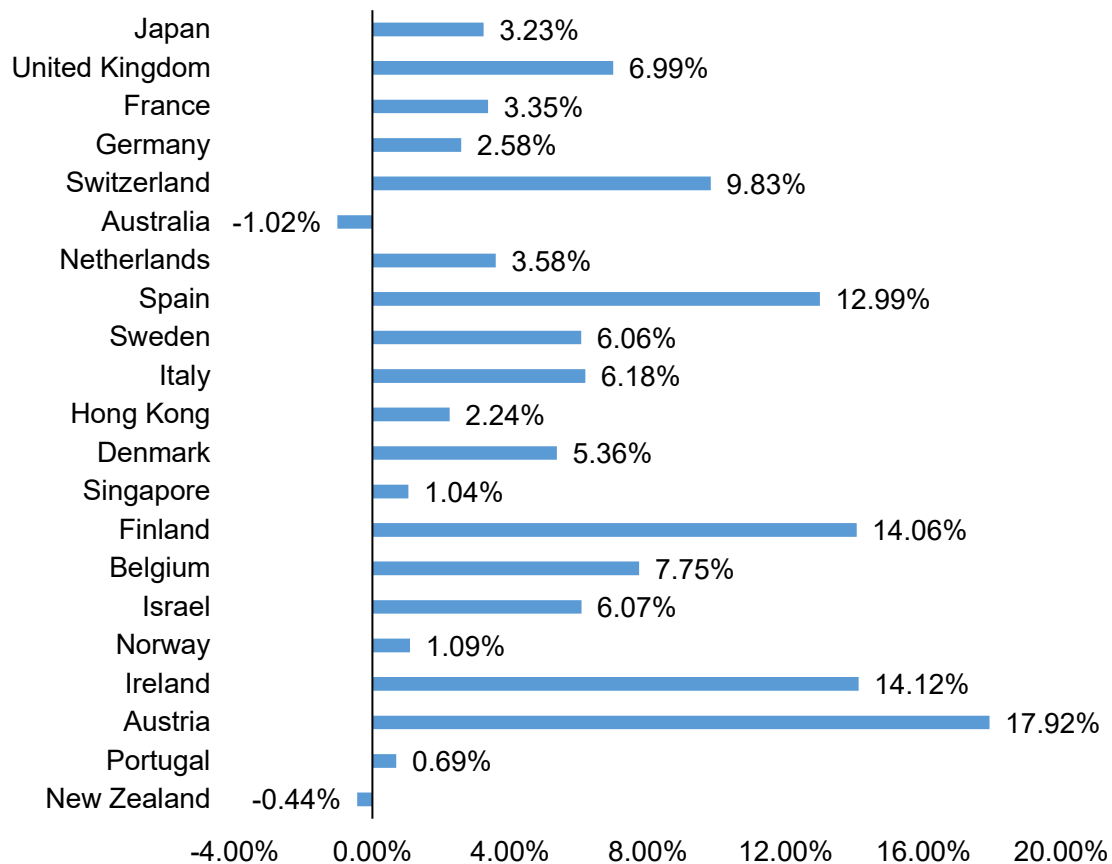
## 2025 Calendar Year

1-Year Return Ending 12/31/2025

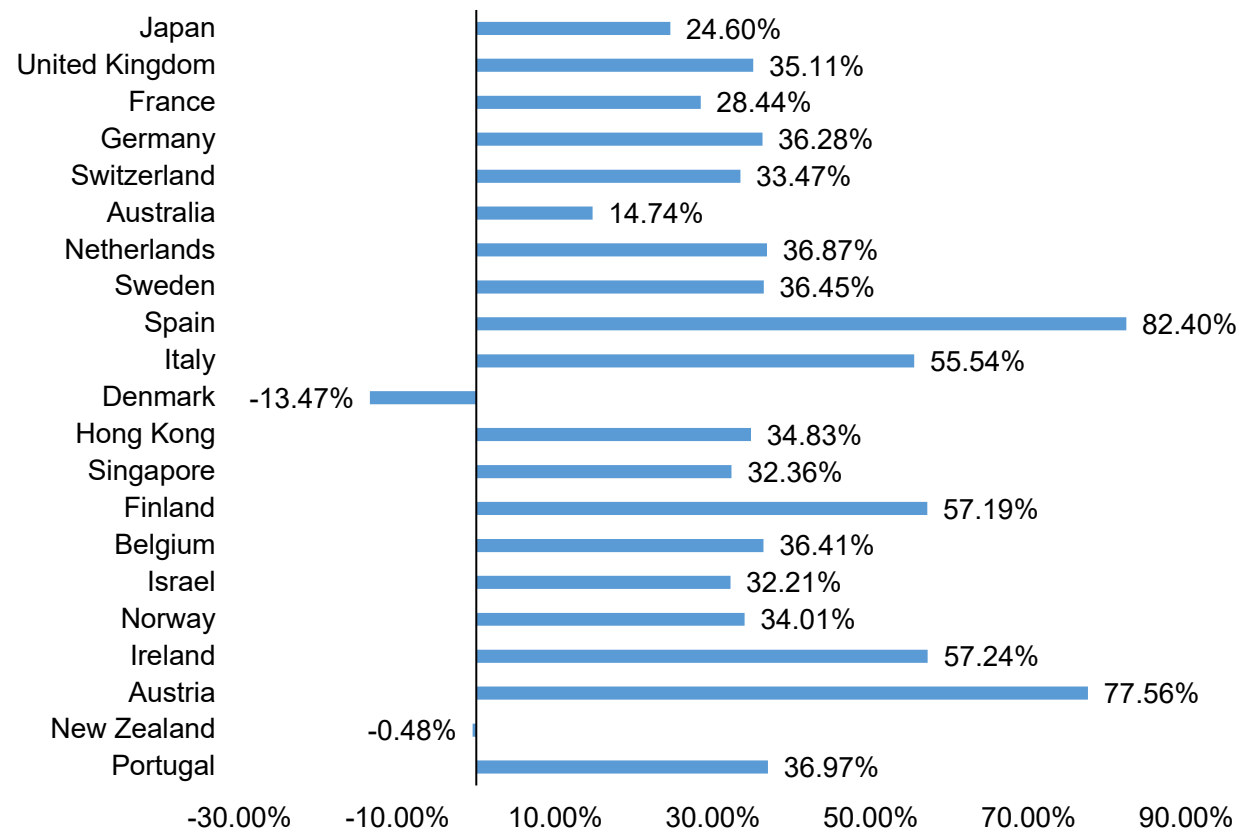


# EAFE Index - Q2 FY 2026

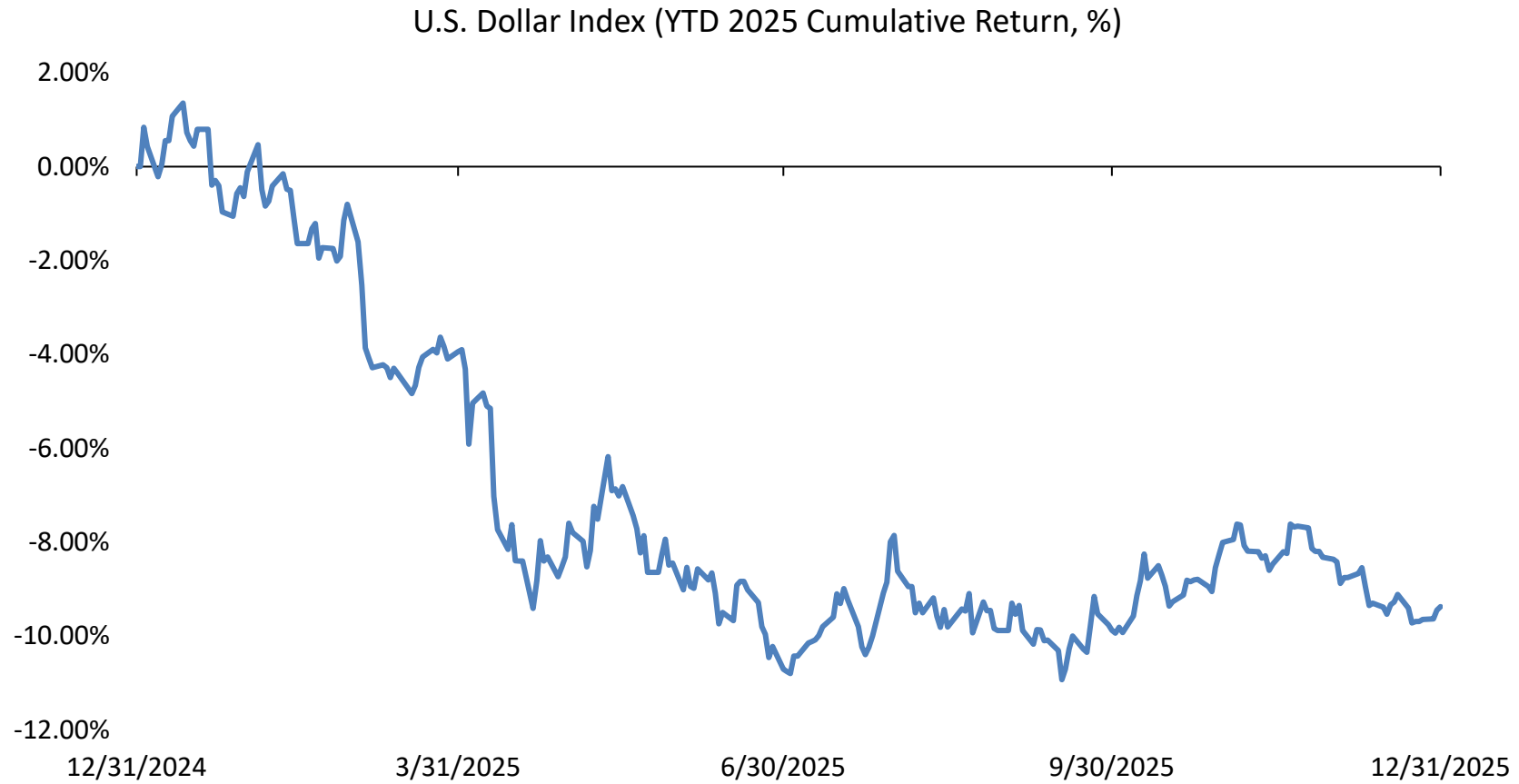
Countries in the MSCI EAFE Index: 1-Quarter Return Ending 12/31/2025



Countries in the MSCI EAFE Index: 1-Year Return Ending 12/31/2025



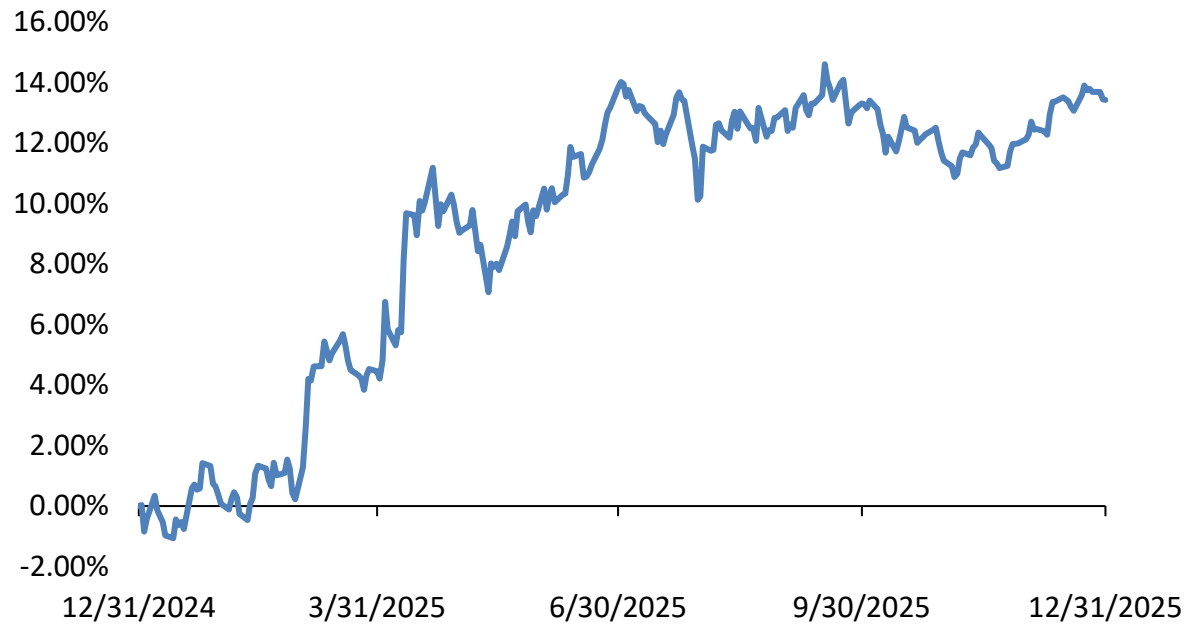
# Monitoring the U.S. Dollar



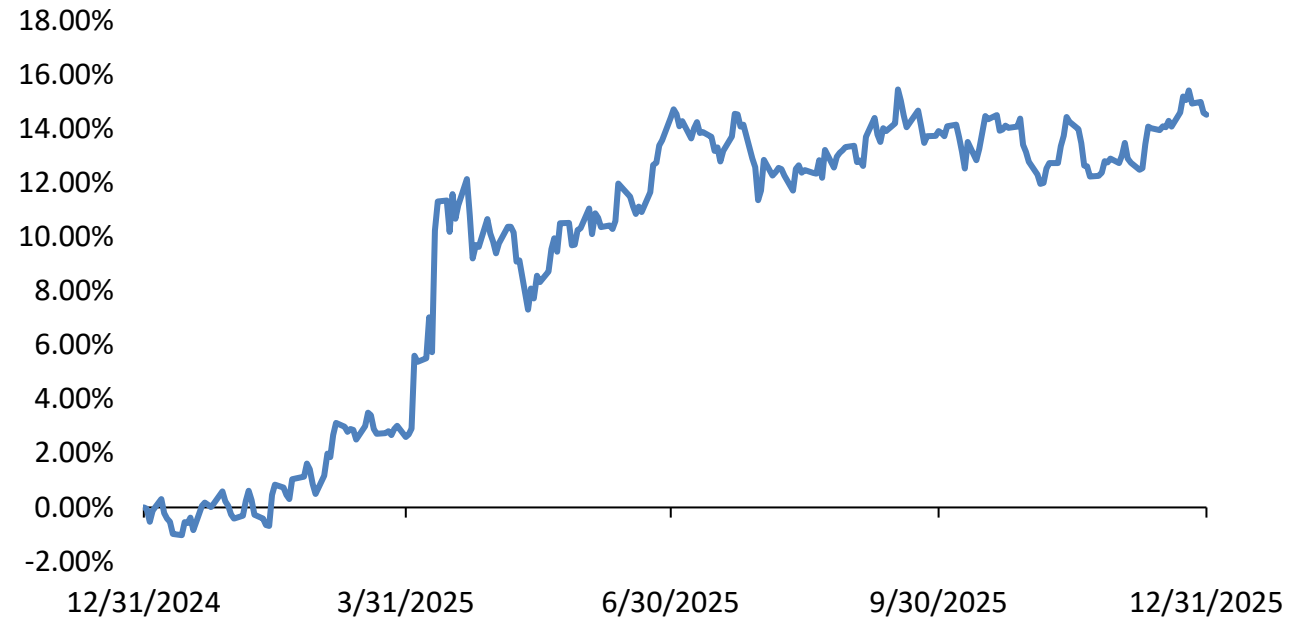
# Monitoring the U.S. Dollar

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

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

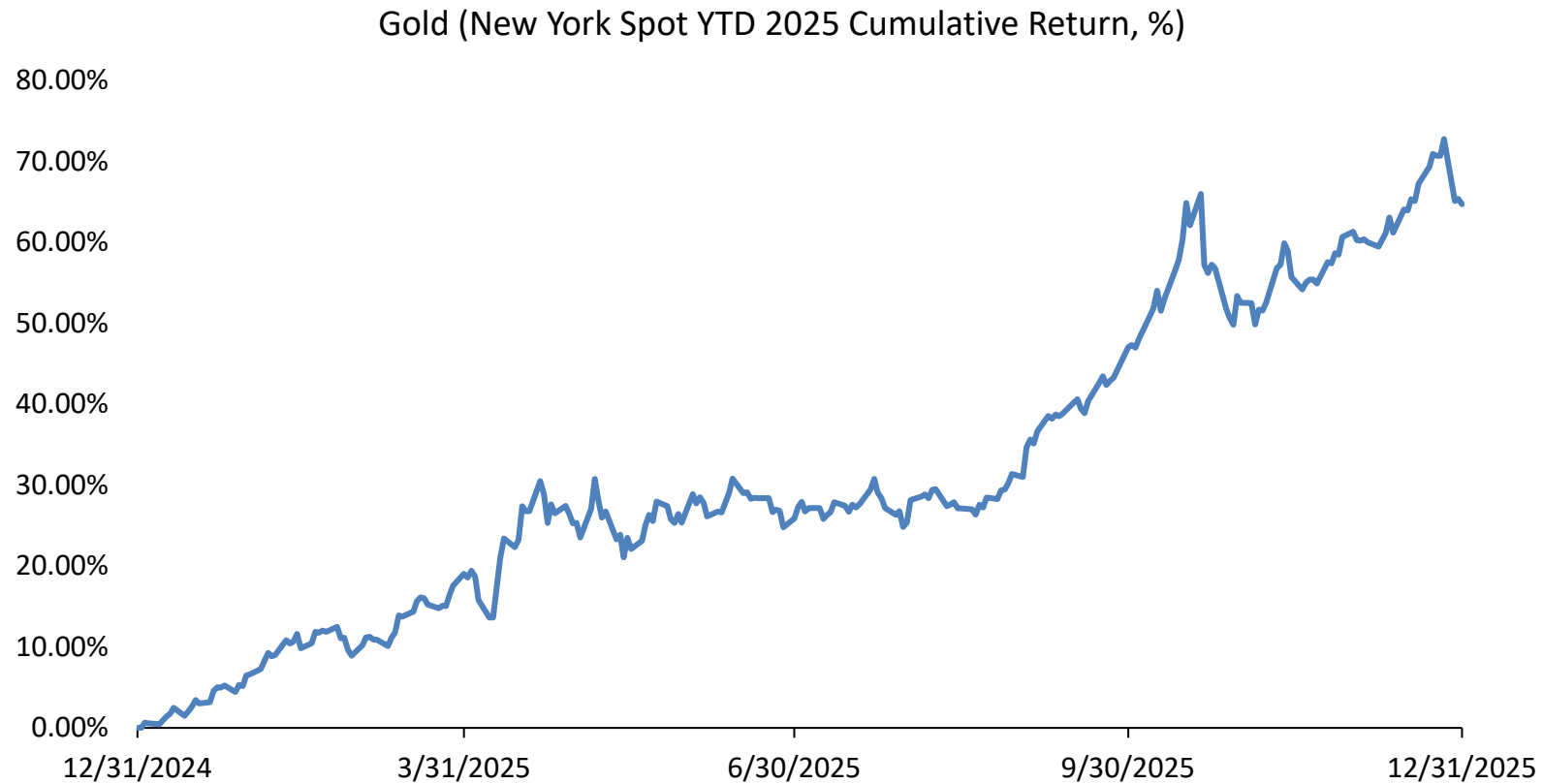


U.S. Dollar per Swiss Franc (YTD 2025 Cumulative Return, %)



# Monitoring Gold

*Gold is “safe-haven” asset. The price appreciation has been a reaction to concerns regarding geopolitical uncertainty, a weaker US dollar, moderate but still elevated global inflation, and expectations of slower growth globally.*



# 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

March 5, 2026



## **Executive Summary Fourth Quarter 2025**

Arkansas Judicial Retirement  
System

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**Brianne Weymouth, CAIA**  
Senior Vice President

**Brad Penter, CFA, CAIA**  
Vice President

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

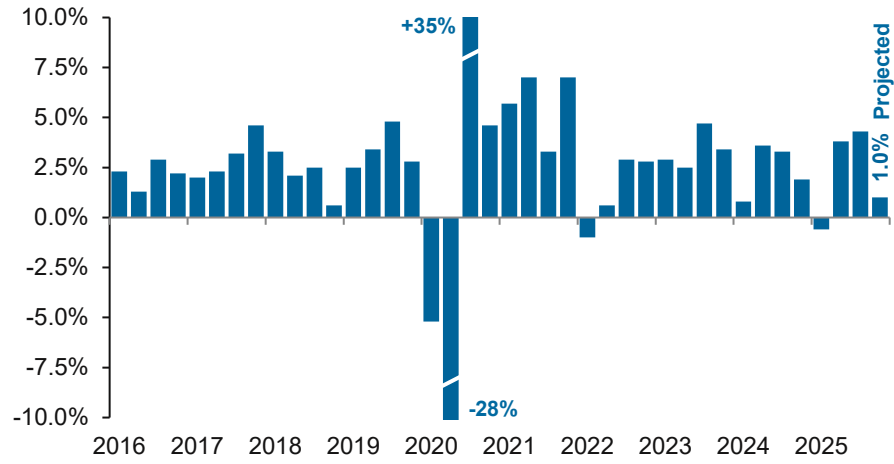


## Economic Overview

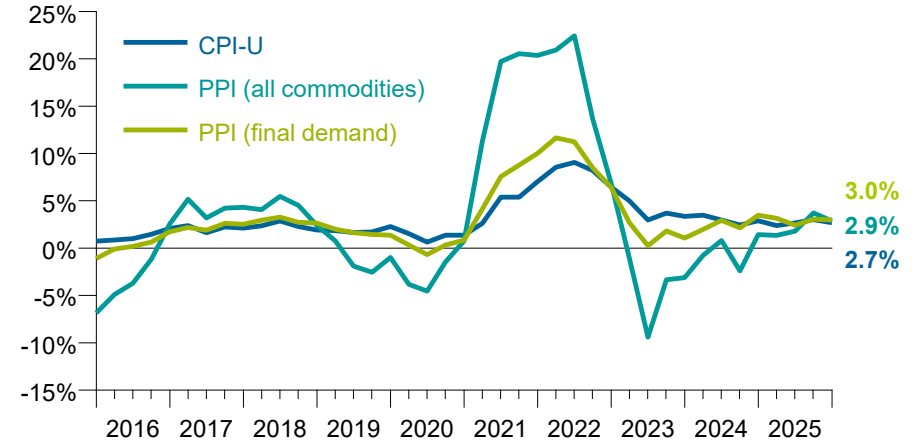
# U.S. Economy—Summary

For periods ended 12/31/25

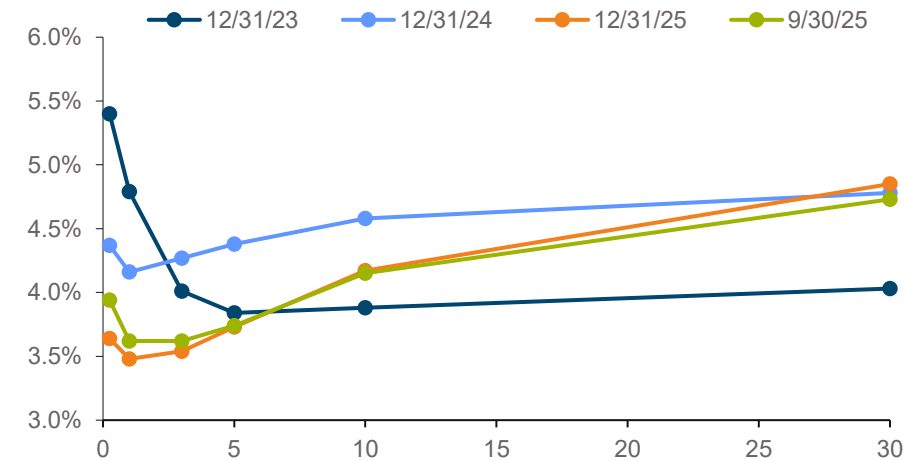
## Quarterly Real GDP Growth



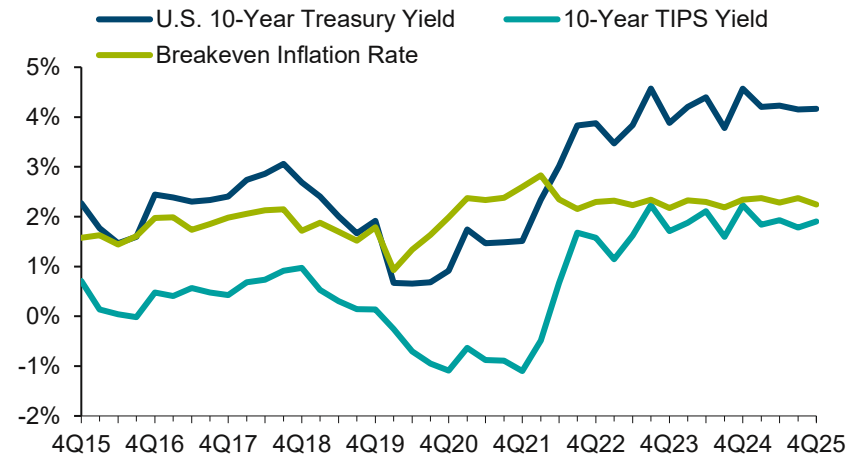
## Inflation Year-Over-Year\*



## 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 4Q25 not yet available.



## Global Markets Snapshot

# Global Markets Snapshot

## Returns for Periods ended 12/31/25

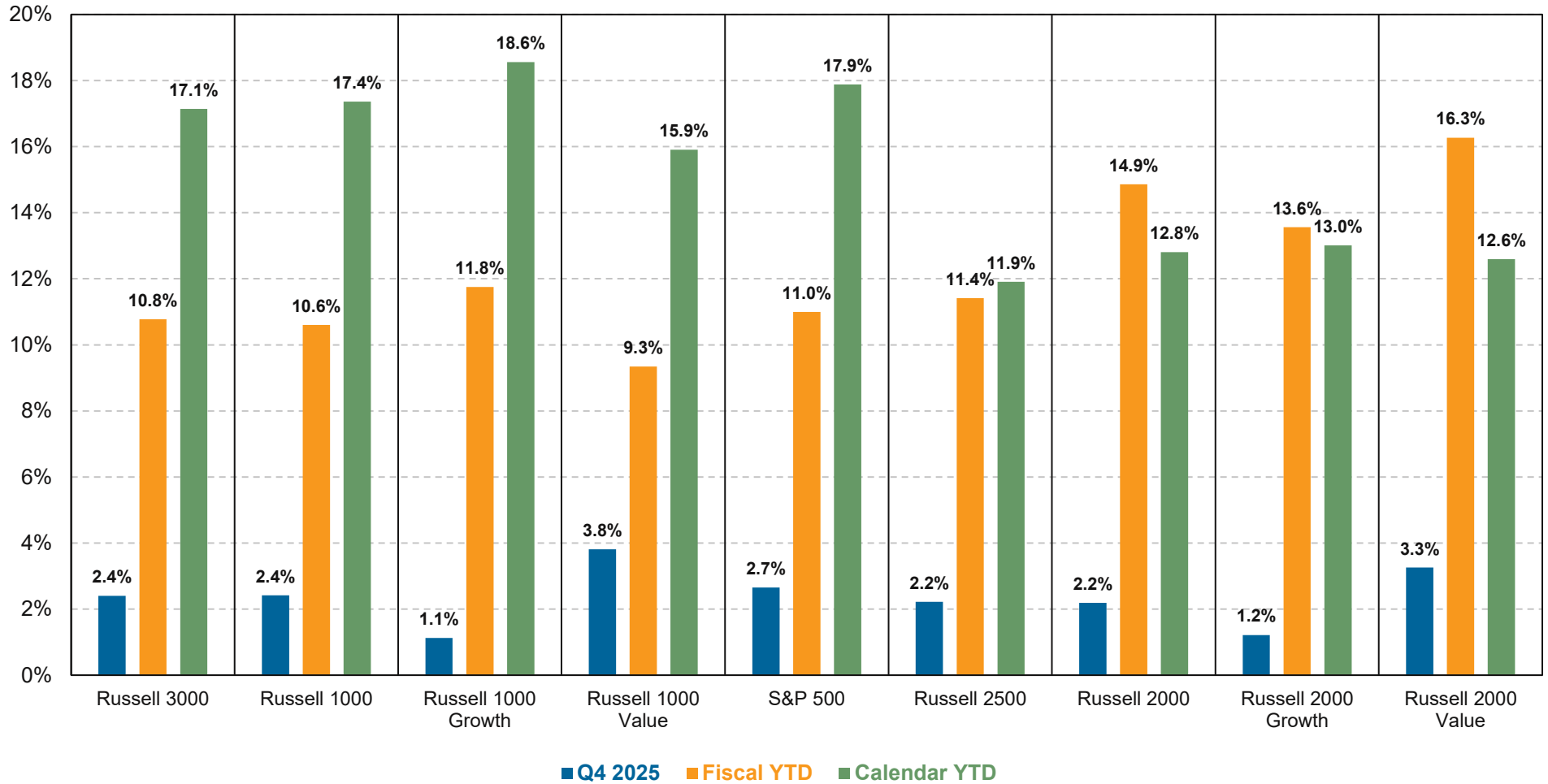
	Q4 2025	FYTD	1 Year	3 Years	5 Years	10 Years	25 Years
<b>U.S. Equity</b>							
S&P 500	2.66	11.00	17.88	23.01	14.42	14.82	8.83
Russell 1000 Growth	1.12	11.75	18.56	31.15	15.32	18.13	9.65
Russell 1000 Value	3.81	9.34	15.91	13.90	11.33	10.53	7.71
Russell 2000	2.19	14.86	12.81	13.73	6.09	9.62	8.21
Russell 2000 Growth	1.22	13.56	13.01	15.59	3.18	9.57	7.43
Russell 2000 Value	3.26	16.27	12.59	11.73	8.88	9.27	8.61
Russell 3000	2.40	10.78	17.15	22.25	13.15	14.29	8.86
<b>Global ex-U.S. Equity</b>							
MSCI ACWI ex USA	5.05	12.29	32.39	17.33	7.91	8.41	5.76
MSCI EAFE	4.86	9.86	31.22	17.22	8.92	8.18	5.37
MSCI Emerging Markets	4.73	15.88	33.57	16.40	4.20	8.42	8.49
MSCI ACWI ex USA Small Cap	2.96	9.84	29.26	15.61	6.91	8.13	8.19
<b>Fixed Income</b>							
Bloomberg Aggregate	1.10	3.15	7.30	4.66	-0.36	2.01	3.77
90-day T-Bill	0.97	2.06	4.18	4.81	3.17	2.18	1.84
Bloomberg Long Gov/Credit	-0.02	3.14	6.62	3.06	-4.89	1.98	5.00
Bloomberg Global Agg ex-US	-0.47	-1.06	8.85	3.29	-3.59	0.56	2.96
<b>Real Estate</b>							
NCREIF Property	1.15	2.35	4.91	-1.01	3.79	4.85	7.29
NCREIF NFI ODCE Eq Wt Net	0.77	1.23	2.93	-4.52	2.67	4.16	5.67
FTSE Nareit Equity	-1.56	3.14	2.88	8.36	6.63	5.70	8.94
<b>Alternatives</b>							
HFRI Fund Weighted	2.66	8.21	12.41	10.08	7.09	6.61	5.86
Cambridge Private Equity*	2.63	6.76	9.51	7.21	12.58	13.36	10.45
<b>Inflation - CPI-U</b>	-0.23	0.46	2.68	2.97	4.46	3.20	2.52

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: Q4 2025

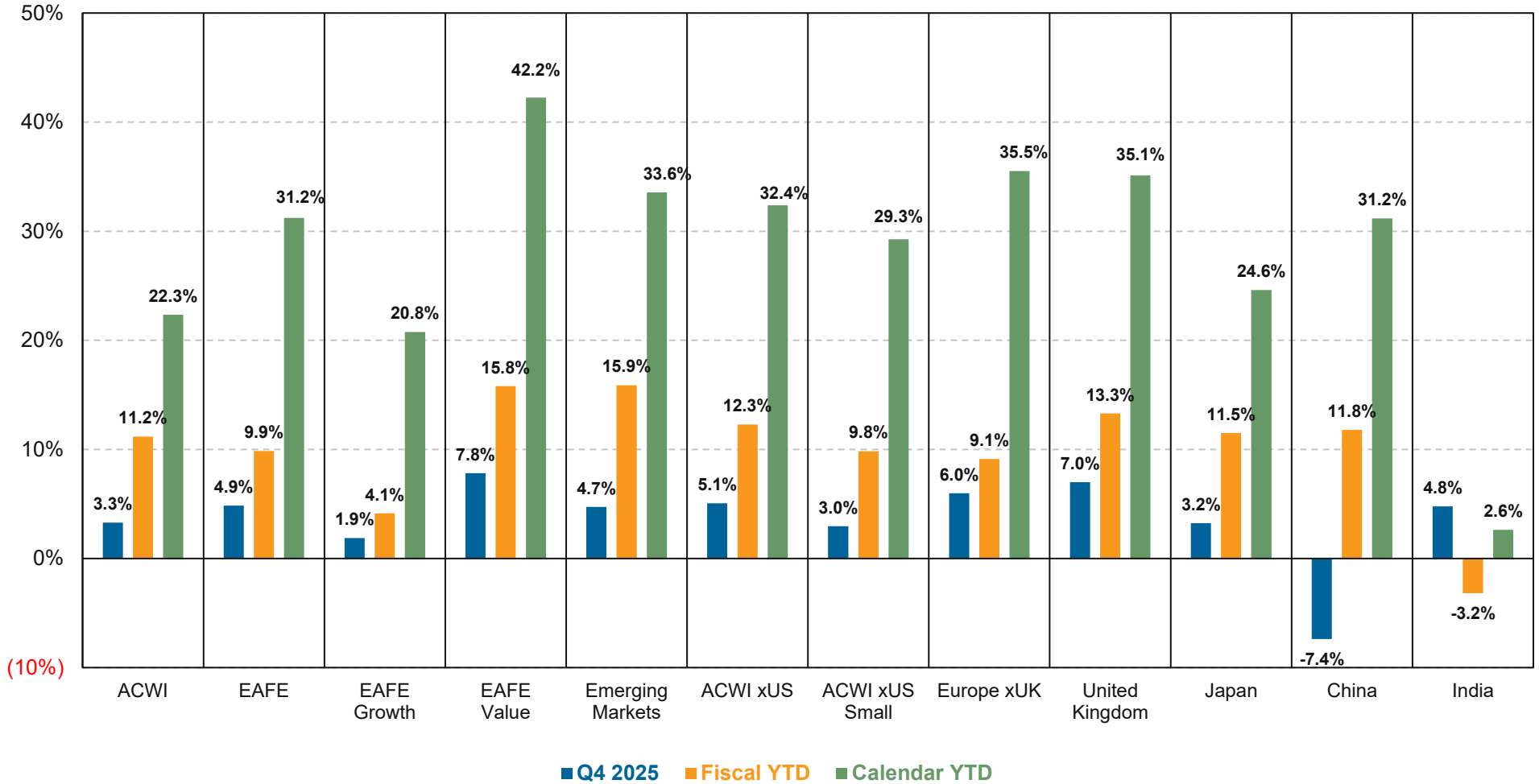
Returns for Periods Ended December 31, 2025



Sources: FTSE Russell, S&P Dow Jones Indices

# Global Equity Market Snapshot: Q4 2025

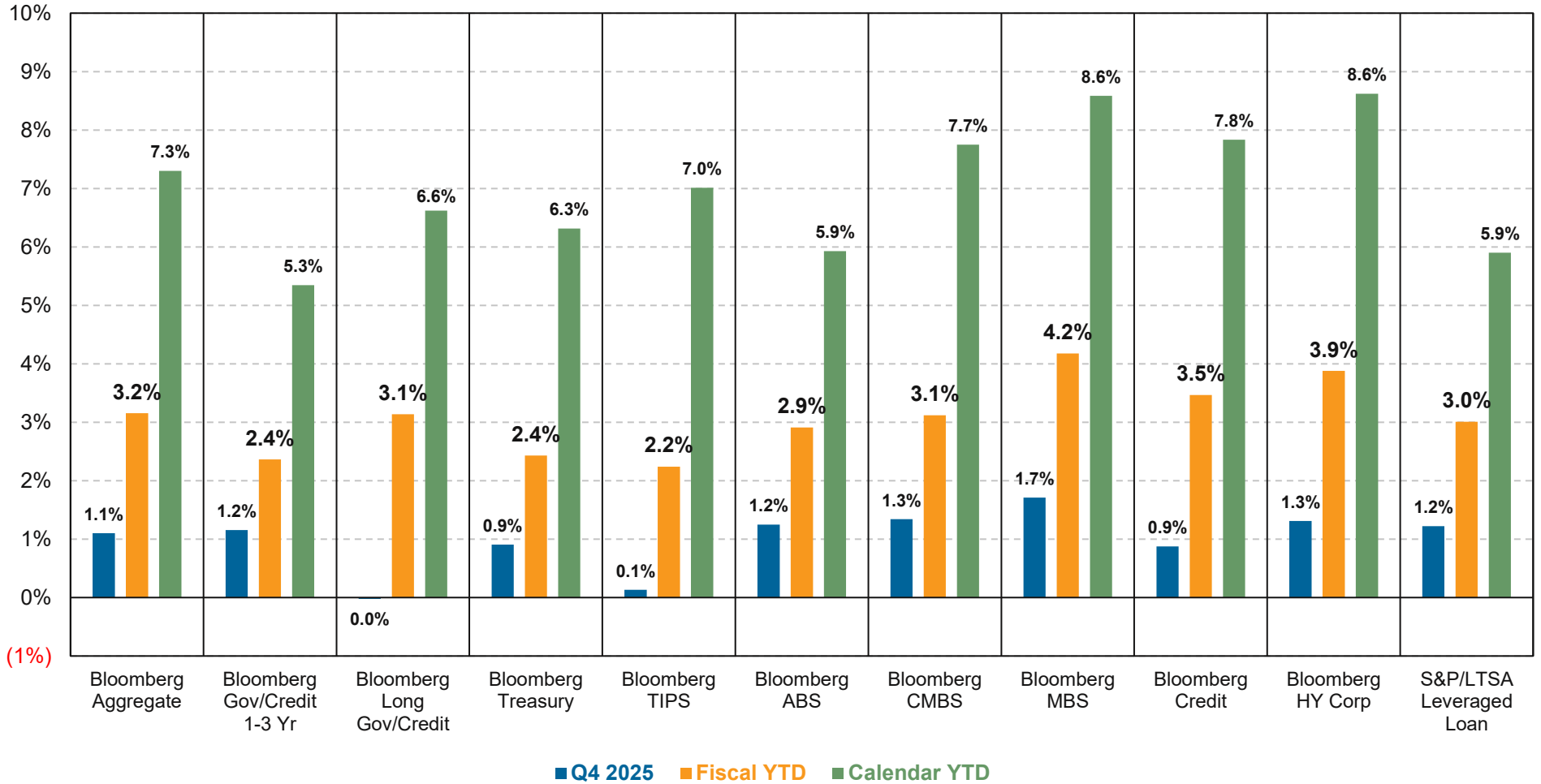
Returns for Periods Ended December 31, 2025



Source: MSCI

# U.S. Fixed Income Market Snapshot: Q4 2025

Returns for Periods Ended December 31, 2025



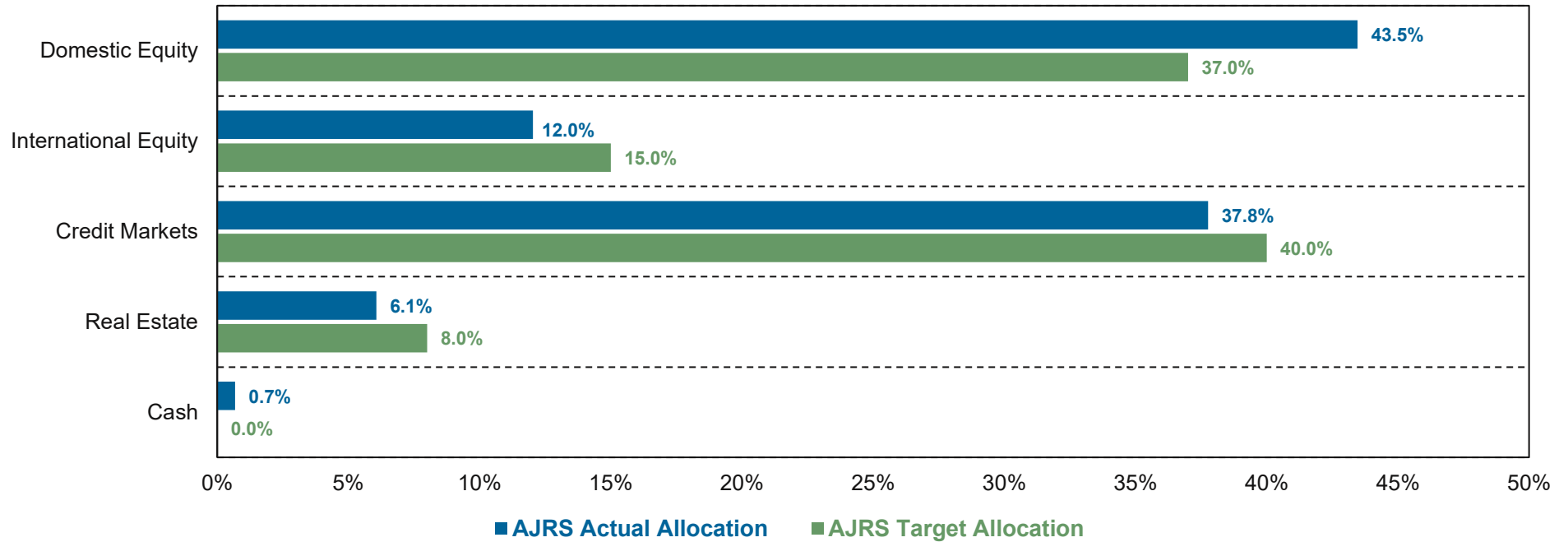
Sources: Bloomberg, Callan, S&P Dow Jones Indices



## AJRS Portfolio Review

# Actual vs. Target Asset Allocation

December 31, 2025



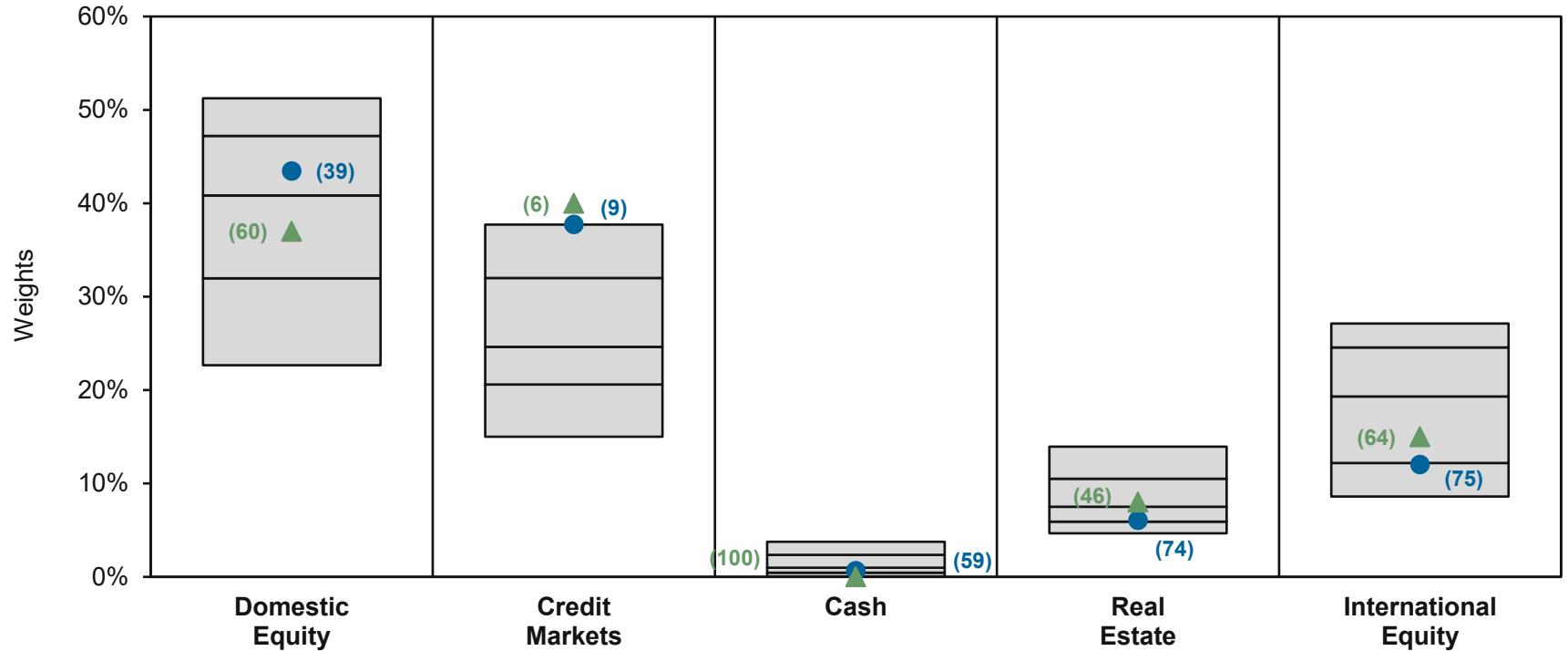
Asset Class	\$000s Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	167,398	43.5%	32.0%	37.0%	42.0%
International Equity	46,347	12.0%	10.0%	15.0%	20.0%
Credit Markets	145,448	37.8%	35.0%	40.0%	45.0%
Real Estate	23,353	6.1%	3.0%	8.0%	13.0%
Cash	2,633	0.7%	0.0%	0.0%	5.0%
<b>Total</b>	<b>385,179</b>	<b>100.0%</b>		<b>100.0%</b>	

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

# Asset Allocation vs Peers

December 31, 2025

Asset Class Weights vs Callan Public Fund Sponsor Mid DB (100M-1B)

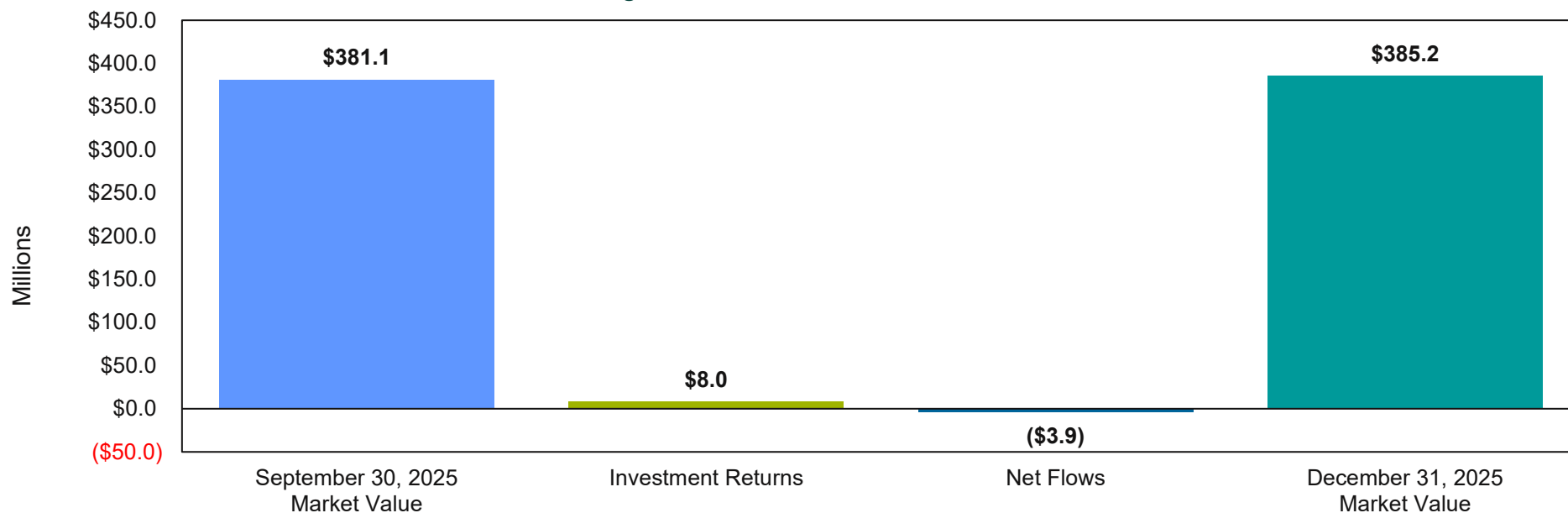


	Domestic Equity	Credit Markets	Cash	Real Estate	International Equity
10th Percentile	51.25	37.73	3.76	13.93	27.14
25th Percentile	47.20	32.01	2.37	10.51	24.56
Median	40.83	24.63	0.98	7.51	19.31
75th Percentile	31.97	20.60	0.46	5.93	12.19
90th Percentile	22.66	15.00	0.05	4.68	8.59

<b>AJRS Actual Allocation</b>	●	<b>43.46</b>	<b>37.76</b>	<b>0.68</b>	<b>6.06</b>	<b>12.03</b>
Total Fund Benchmark	●	37.00	40.00	0.00	8.00	15.00
% of Group Invested		100.00%	100.00%	88.06%	71.64%	98.51%

# Total Fund Asset Summary

Changes in Total Fund Assets – Q4 2025



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
<b>Q4 2025</b> (9/30/25 – 12/31/25)	\$381,114,021	+	\$7,970,468	+	(\$3,905,102)	=	\$385,179,387
<b>Fiscal YTD</b> (6/30/25 – 12/31/25)	\$362,619,862		\$24,677,835		(\$2,118,310)		\$381,114,021

# Total Fund Performance

December 31, 2025

Returns for Periods Ended December 31, 2025

Group: Callan Public Fd Mid DB

	Q4 2025	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile	2.66%	16.56%	15.10%	8.46%	9.57%	7.82%
25th Percentile	2.44%	15.48%	13.68%	7.92%	9.08%	7.46%
Median	2.16%	13.89%	12.54%	7.08%	8.62%	7.24%
75th Percentile	1.87%	12.62%	11.35%	6.15%	8.04%	6.90%
90th Percentile	1.37%	11.43%	9.95%	5.17%	7.34%	6.38%
<b>Total Fund</b>	<b>2.10% (58)</b>	<b>13.15% (65)</b>	<b>11.80% (64)</b>	<b>5.87% (80)</b>	<b>8.24% (66)</b>	<b>7.04% (65)</b>
<b>Benchmark</b>	<b>2.15% (53)</b>	<b>14.29% (43)</b>	<b>12.26% (53)</b>	<b>6.32% (72)</b>	<b>7.95% (76)</b>	<b>7.01% (66)</b>
Peer Universe Constituents	101	100	100	100	97	69

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

# Asset Class Performance and Market Values

December 31, 2025

	Market Value \$(Dollars)	Ending Weight	Q4 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b> Russell:3000 Index	\$167,398,244	43.46%	1.93% 2.40%	10.46% 10.78%	15.51% 17.15%	20.11% 22.25%	13.19% 13.15%	13.79% 14.29%
<b>International Equity</b> Intl Equity Benchmark*	\$46,346,720	12.03%	6.39% 5.05%	14.38% 12.29%	40.42% 32.39%	17.38% 17.74%	2.54% 8.34%	8.37% 8.40%
<b>Credit Markets</b> Blmbg:Aggregate	\$145,447,631	37.76%	1.27% 1.10%	3.38% 3.15%	8.24% 7.30%	7.04% 4.66%	1.05% (0.36%)	3.62% 2.01%
<b>Real Estate</b> NCREIF:NFI-ODCE Eq Wt Net	\$23,353,316	6.06%	0.34% 0.77%	(8.50%) 1.23%	(8.57%) 2.93%	(8.81%) (4.52%)	(0.22%) 2.67%	2.99% 4.16%
<b>Cash &amp; Equivalents</b> 3 Month T-Bill	\$2,633,476	0.68%	1.04% 0.97%	2.11% 2.06%	4.28% 4.18%	4.71% 4.81%	3.13% 3.17%	2.15% 2.18%
<b>Total Fund</b> Total Fund Benchmark	\$385,179,387	100.0%	2.10% 2.15%	6.75% 7.16%	13.15% 14.29%	11.80% 12.26%	5.87% 6.32%	8.24% 7.95%

\* Benchmark definitions included in the Appendix.

# Investment Manager Returns and Peer Group Rankings

December 31, 2025

	Q4 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b>	<b>1.93%</b>	<b>10.46%</b>	<b>15.51%</b>	<b>20.11%</b>	<b>13.19%</b>	<b>13.79%</b>
Russell 3000 Index	2.40%	10.78%	17.15%	22.25%	13.15%	14.29%
S&P 500 Index	2.66%	11.00%	17.88%	23.01%	14.42%	14.82%
<b>Mellon Russell 1000 Growth Idx</b>	<b>1.15% (41)</b>	<b>11.77% (13)</b>	<b>18.67% (18)</b>	<b>31.14% (26)</b>	<b>15.29% (15)</b>	--
Russell:1000 Growth	1.12% (42)	11.75% (13)	18.56% (19)	31.15% (26)	15.32% (15)	18.13% (10)
Callan Large Cap Growth	0.97%	7.72%	15.79%	29.01%	12.80%	16.48%
<b>Boston Partners</b>	<b>2.55% (82)</b>	<b>10.70% (44)</b>	<b>17.12% (43)</b>	<b>16.26% (29)</b>	<b>14.68% (23)</b>	<b>12.37% (22)</b>
Russell:1000 Value	3.81% (61)	9.34% (64)	15.91% (56)	13.90% (60)	11.33% (82)	10.53% (82)
Callan Large Cap Value	4.46%	10.41%	16.42%	14.93%	13.09%	11.53%
<b>Aristotle Capital Boston</b>	<b>2.06% (63)</b>	<b>5.57% (87)</b>	<b>1.34% (83)</b>	<b>6.18% (97)</b>	<b>5.38% (95)</b>	--
Russell:2000 Index	2.19% (61)	14.86% (20)	12.81% (28)	13.73% (34)	6.09% (81)	9.62% (81)
Callan Small Cap Core	2.43%	10.72%	8.72%	12.84%	8.26%	10.35%
<b>International Equity</b>	<b>6.39%</b>	<b>14.38%</b>	<b>40.42%</b>	<b>17.38%</b>	<b>2.54%</b>	<b>8.37%</b>
Intl Equity Benchmark	5.05%	12.29%	32.39%	17.74%	8.34%	8.40%
<b>CC&amp;L Q Intl Equity</b>	<b>6.55% (20)</b>	<b>14.60% (13)</b>	<b>41.36% (10)</b>	--	--	--
MSCI ACWI xUS (Net)	5.05% (38)	12.29% (30)	32.39% (51)	17.33% (58)	7.91% (60)	8.41% (65)
Callan NonUS Eq	4.60%	10.07%	32.59%	17.98%	8.75%	8.92%
<b>Mellon ACWI ex US Fund</b>	<b>5.09% (38)</b>	<b>12.51% (27)</b>	<b>32.91% (48)</b>	--	--	--
MSCI ACWI xUS (Net)	5.05% (38)	12.29% (30)	32.39% (51)	17.33% (58)	7.91% (60)	8.41% (65)
Callan NonUS Eq	4.60%	10.07%	32.59%	17.98%	8.75%	8.92%

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

# Investment Manager Returns and Peer Group Rankings

December 31, 2025

	Q4 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Credit Markets</b>	<b>1.27%</b>	<b>3.38%</b>	<b>8.24%</b>	<b>7.04%</b>	<b>1.05%</b>	<b>3.62%</b>
Blmbg:Aggregate	1.10%	3.15%	7.30%	4.66%	(0.36%)	2.01%
<b>MacKay Shields LLC</b>	<b>1.27% (26)</b>	<b>3.38% (73)</b>	<b>8.24% (38)</b>	<b>7.04% (4)</b>	<b>1.05% (17)</b>	<b>3.62% (15)</b>
Blmbg:Aggregate	1.10% (78)	3.15% (91)	7.30% (98)	4.66% (97)	(0.36%) (97)	2.01% (100)
Callan Core Plus FI	1.18%	3.52%	8.06%	5.92%	0.56%	3.12%
<b>Real Estate</b>	<b>0.34%</b>	<b>(8.50%)</b>	<b>(8.57%)</b>	<b>(8.81%)</b>	<b>(0.22%)</b>	<b>2.99%</b>
NCREIF:NFI-ODCE Eq Wt Net	0.77%	1.23%	2.93%	(4.52%)	2.67%	4.16%
<b>Invesco Core Real Estate</b>	<b>0.34% (88)</b>	<b>(8.50%) (89)</b>	<b>(8.57%) (89)</b>	<b>(8.81%) (89)</b>	<b>(0.22%) (89)</b>	<b>2.99% (87)</b>
NCREIF NFI ODCE Eq Wt Net	0.77% (59)	1.23% (80)	2.93% (73)	(4.52%) (62)	2.67% (61)	4.16% (59)
Callan OE Core Cmngld RE	0.87%	1.91%	4.06%	(3.66%)	3.08%	4.47%
<b>Total Fund</b>	<b>2.10% (58)</b>	<b>6.75% (59)</b>	<b>13.15% (65)</b>	<b>11.80% (64)</b>	<b>5.87% (80)</b>	<b>8.24% (66)</b>
Total Fund Benchmark	2.15% (53)	7.16% (45)	14.29% (43)	12.26% (53)	6.32% (72)	7.95% (76)
Callan Public Fd Mid DB	2.16%	7.03%	13.89%	12.54%	7.08%	8.62%

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	03/2026	06/2026
Quarterly Board Meetings	Quarterly	03/2026	06/2026
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	



## Domestic Equity Trends

# Early Signals of Increasing Market Breadth

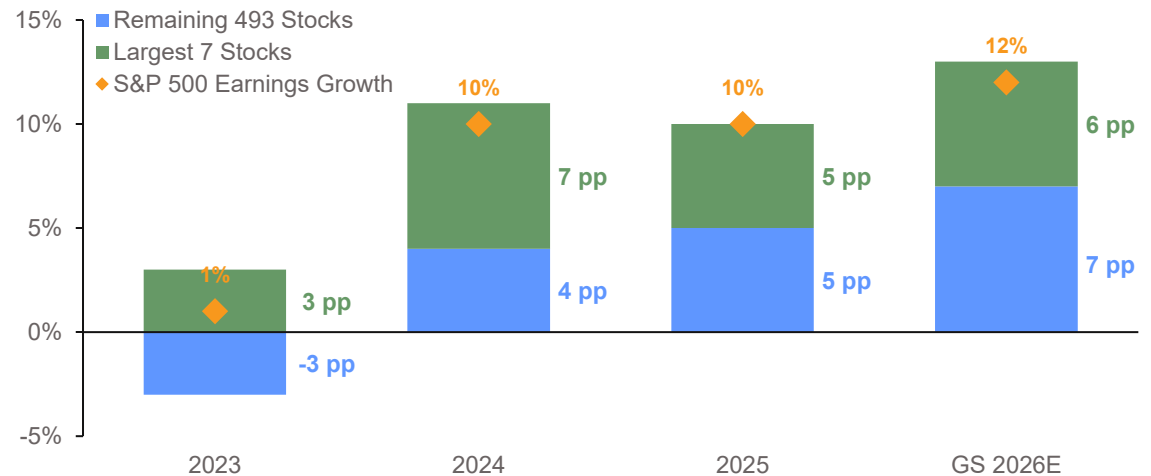
## Artificial intelligence remains the dominant theme

- Concentration risk remains elevated, with the top 10 companies in the S&P 500 Index representing over 40% of the index’s total market capitalization.
- Market leadership has begun to broaden beyond the hyper-scalers; for example, only two of the Magnificent Seven stocks outperformed the S&P 500 Index in 2025.
- Earnings growth outside the Magnificent Seven has increased as a share of total S&P 500 Index EPS growth, which may position active managers that employ a more diversified approach in both holdings and alpha generation more favorably.

### Only Two Mag 7 Stocks Have Outperformed the Broad Market

Mag 7	2025 Returns
GOOGL	66.0%
NVDA	38.9%
SPX	16.4%
MSFT	15.6%
META	13.1%
TSLA	11.4%
AAPL	9.0%
AMZN	5.2%

### Earnings Growth Contributions to the S&P 500 Index



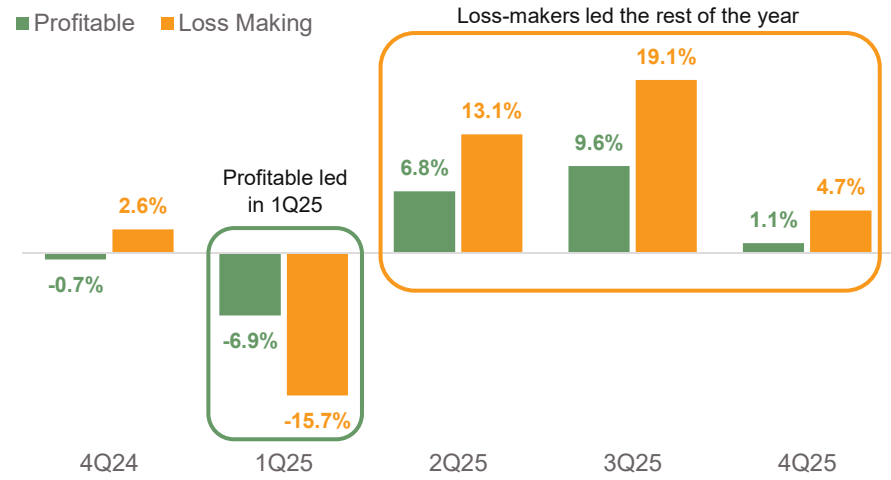
Source: Goldman Sachs

# Quality Factor Headwinds Persist, Particularly With Small Cap Managers

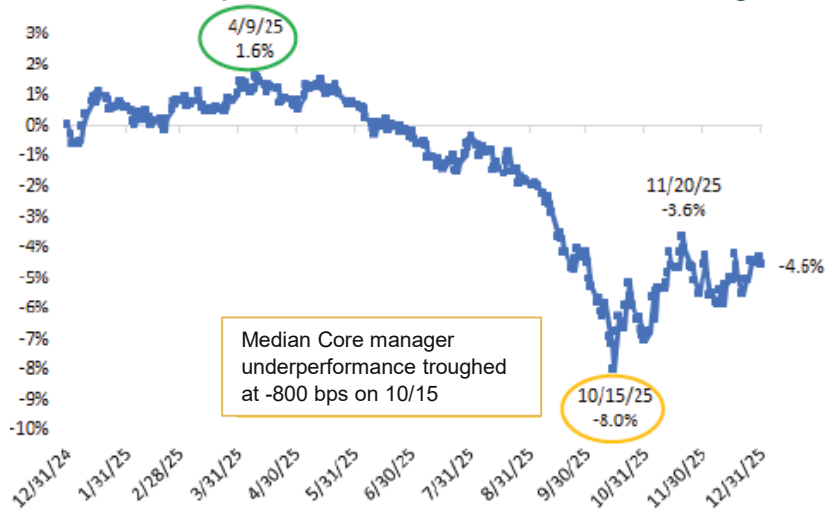
Low-quality stocks, including non-earners, outperformed high-quality equities

- Lower-quality stocks including unprofitable companies—those with low return on equity, high short interest, and negative free cash flow—outperformed in 2025.
- Most small-cap active managers were underweight non-earners, resulting in significant relative underperformance.
- Biopharma accounted for nearly one-third of the Russell 2000's annual return. Many managers held little to no exposure due to reluctance to invest in binary outcomes or a lack of in-house biopharma expertise.

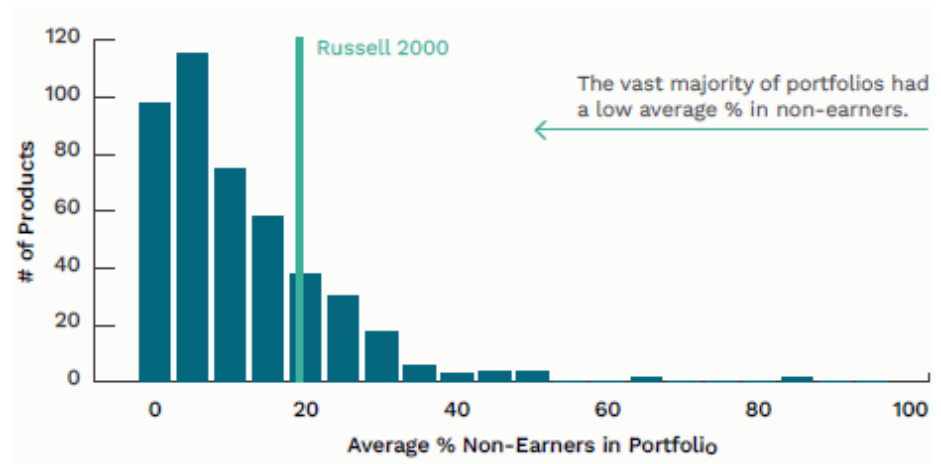
Russell 2000 Index Profitable vs. Loss-Making Companies



Median Small Cap Core Fund Relative Performance During 2025



Average Non-Earner Exposure Among Small Cap Managers



Sources: Furey Research Partners, Morningstar, FactSet, PanAgora

# Large Cap Growth Equity Style vs. Russell 1000 Growth

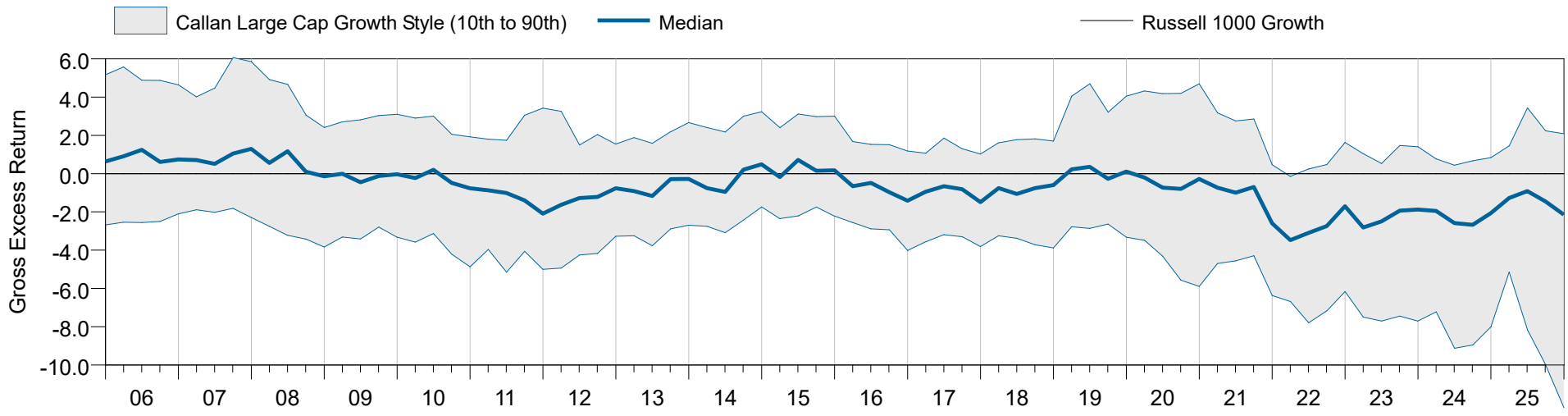
## How Often Manager Beat Benchmark by More Than Fee Hurdle in Rolling 3-Year Periods Over Last 20 Years

Fee Hurdle	0.25%	0.30%	0.35%	0.40%	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%
Median	16%	16%	16%	15%	15%	14%	13%	11%	10%	10%
45th Percentile	29%	25%	21%	20%	19%	18%	16%	16%	16%	15%
40th Percentile	40%	36%	36%	34%	34%	31%	30%	29%	24%	21%
35th Percentile	46%	44%	43%	41%	41%	40%	39%	36%	36%	36%
30th Percentile	60%	59%	53%	51%	49%	46%	46%	44%	44%	44%
25th Percentile	71%	70%	68%	68%	61%	61%	60%	58%	56%	56%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

-0.73%

## Rolling 3-Year Gross Excess Return relative to Russell 1000 Growth for 20 Years ended December 31, 2025



# Large Cap Value Equity Style vs. Russell 1000 Value

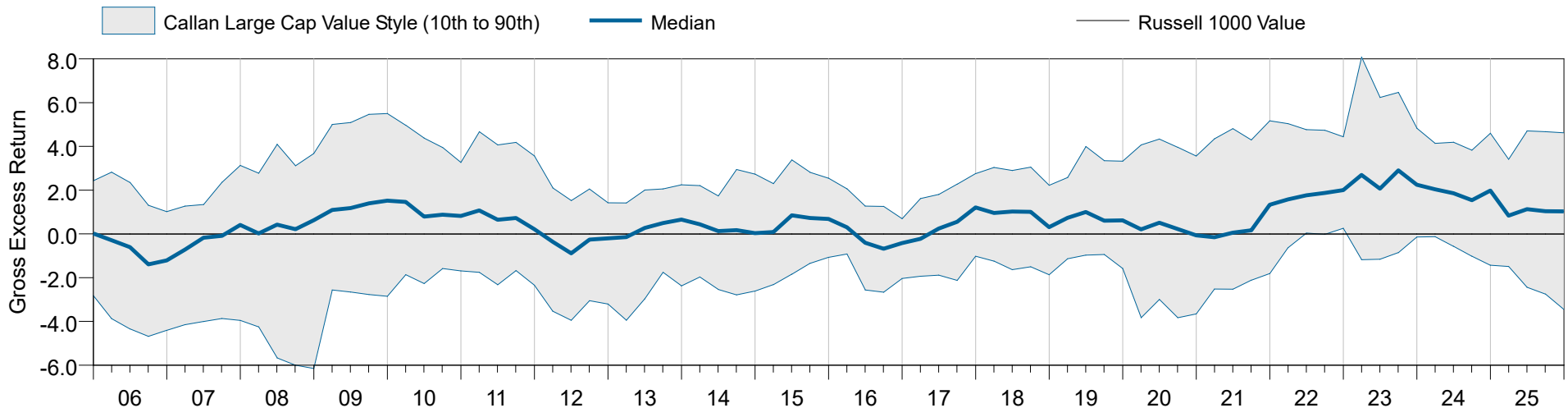
## How Often Manager Beat Benchmark by More Than Fee Hurdle in Rolling 3-Year Periods Over Last 20 Years

Fee Hurdle	0.25%	0.30%	0.35%	0.40%	0.45%	0.50%	0.55%	0.60%	0.65%	0.70%
Median	63%	60%	59%	59%	55%	54%	53%	51%	46%	44%
45th Percentile	76%	76%	74%	70%	69%	65%	64%	59%	59%	55%
40th Percentile	84%	81%	81%	79%	76%	76%	76%	73%	70%	65%
35th Percentile	89%	89%	88%	85%	84%	83%	80%	80%	80%	80%
30th Percentile	94%	91%	91%	90%	90%	90%	89%	88%	85%	84%
25th Percentile	98%	96%	96%	95%	94%	91%	90%	90%	90%	90%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

0.62%

## Rolling 3-Year Gross Excess Return relative to Russell 1000 Value for 20 Years ended December 31, 2025



# Small Cap Core Equity Style vs. Russell 2000

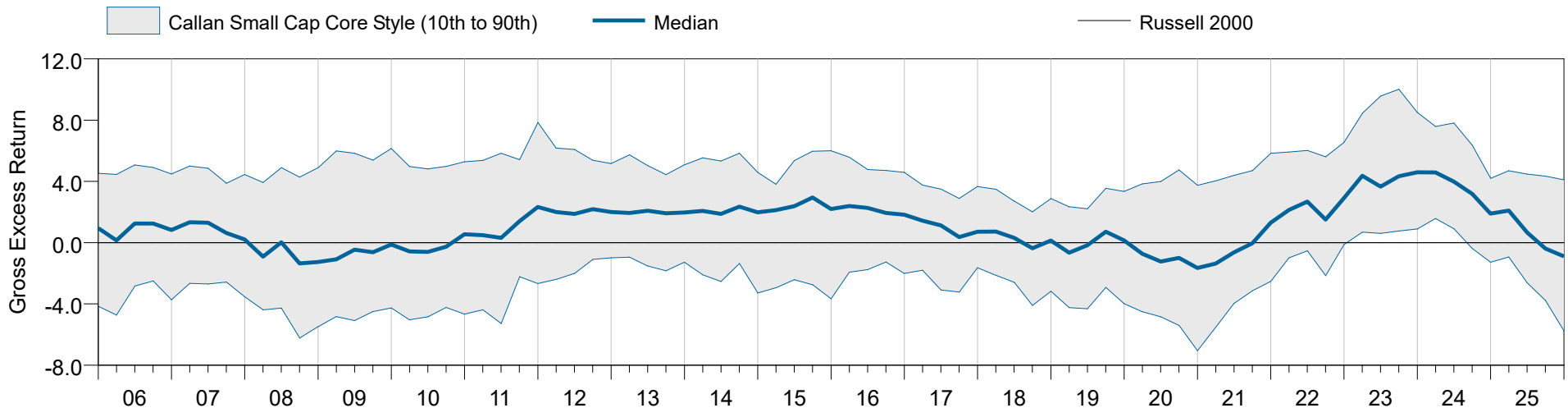
## How Often Manager Beat Benchmark by More Than Fee Hurdle in Rolling 3-Year Periods Over Last 20 Years

Fee Hurdle	0.50%	0.55%	0.60%	0.65%	0.70%	0.75%	0.80%	0.85%	0.90%	0.95%
Median	61%	60%	60%	59%	58%	54%	54%	53%	53%	53%
45th Percentile	68%	65%	64%	63%	63%	63%	63%	61%	59%	58%
40th Percentile	71%	71%	71%	71%	68%	68%	65%	65%	65%	65%
35th Percentile	84%	81%	80%	79%	76%	75%	74%	73%	73%	73%
30th Percentile	95%	94%	93%	90%	89%	89%	86%	84%	84%	84%
25th Percentile	99%	98%	98%	98%	96%	96%	96%	96%	96%	95%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.09%

## Rolling 3-Year Gross Excess Return relative to Russell 2000 for 20 Years ended December 31, 2025





## Appendix

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## Benchmark Definitions

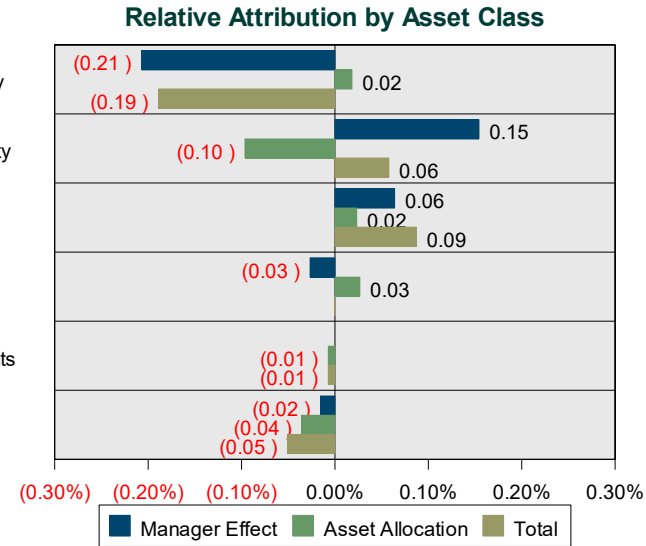
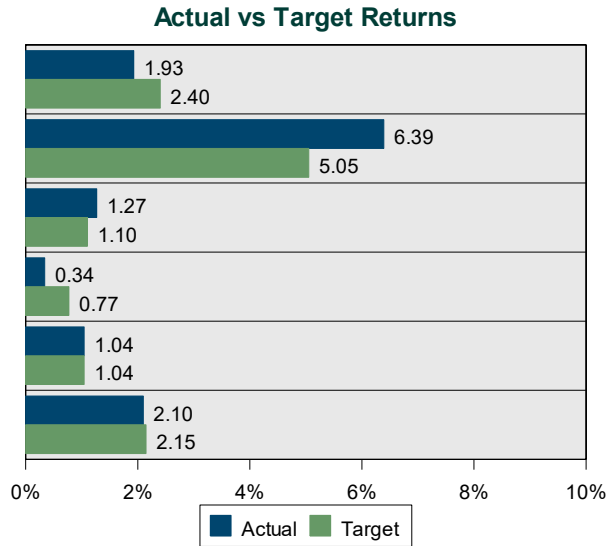
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights.

	<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 – Q4 2025

December 31, 2025



## One Quarter Annualized Relative Attribution Effects

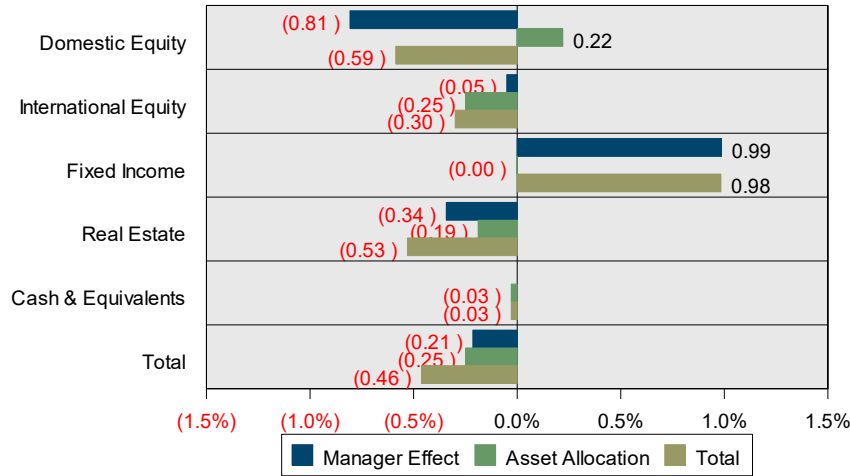
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	44%	37%	1.93%	2.40%	(0.21%)	0.02%	(0.19%)
International Equity	11%	15%	6.39%	5.05%	0.15%	(0.10%)	0.06%
Fixed Income	38%	40%	1.27%	1.10%	0.06%	0.02%	0.09%
Real Estate	6%	8%	0.34%	0.77%	(0.03%)	0.03%	0.00%
Cash & Equivalents	1%	0%	1.04%	1.04%	0.00%	(0.01%)	(0.01%)
<b>Total</b>			<b>2.10%</b>	<b>2.15%</b>	<b>(0.02%)</b>	<b>(0.04%)</b>	<b>(0.05%)</b>

Benchmark definitions included in the Appendix.

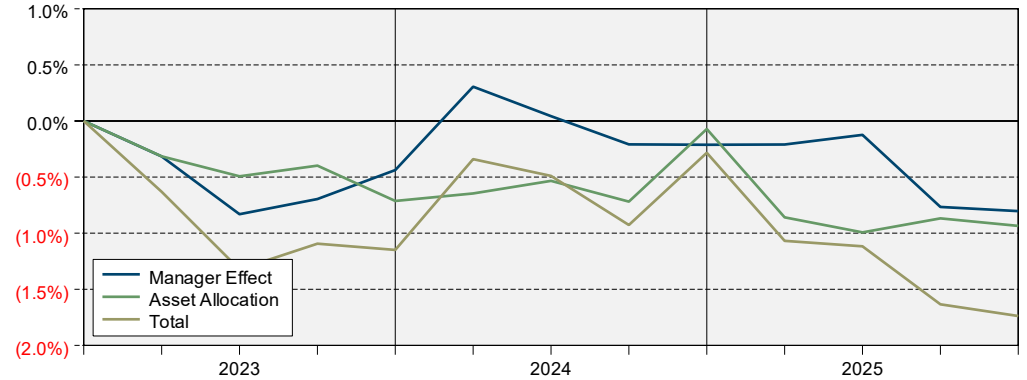
# Total Fund Relative Attribution – 3 Years

December 31, 2025

3-Year Annualized Relative Attribution Effects



3-Year Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects

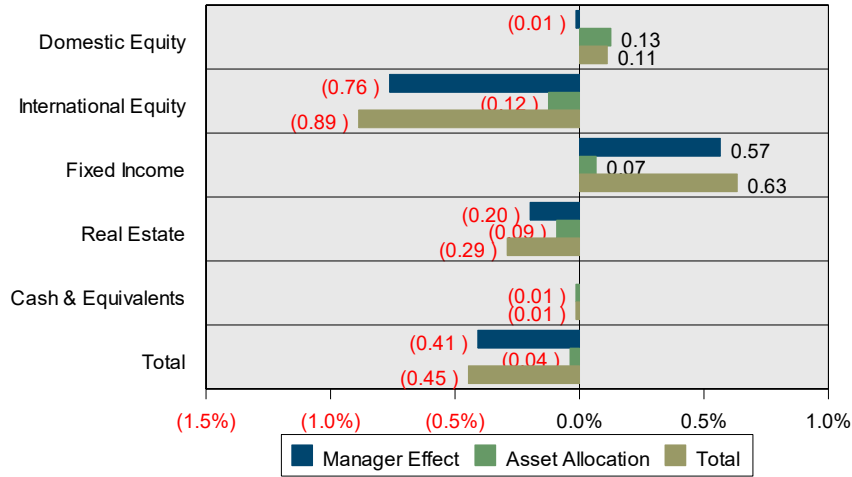
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	41%	37%	20.11%	22.25%	(0.81%)	0.22%	(0.59%)
International Equity	11%	15%	17.38%	17.74%	(0.05%)	(0.25%)	(0.30%)
Fixed Income	39%	40%	7.04%	4.66%	0.99%	(0.00%)	0.98%
Real Estate	8%	8%	(8.81%)	(4.52%)	(0.34%)	(0.19%)	(0.53%)
Cash & Equivalents	1%	0%	4.71%	4.71%	0.00%	(0.03%)	(0.03%)
<b>Total</b>			<b>11.80%</b>	<b>12.26%</b>	<b>(0.21%)</b>	<b>(0.25%)</b>	<b>(0.46%)</b>

Benchmark definitions included in the Appendix.

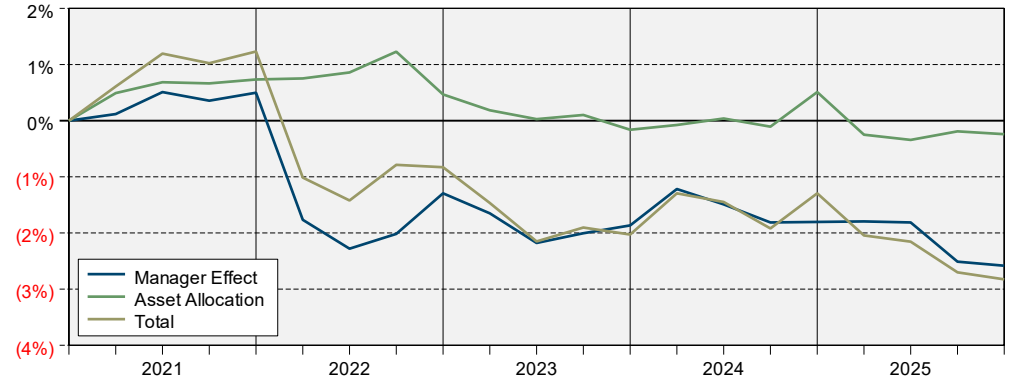
# Total Fund Relative Attribution – 5 Years

December 31, 2025

5-Year Annualized Relative Attribution Effects



5-Year 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	40%	37%	13.19%	13.15%	(0.01%)	0.13%	0.11%
International Equity	12%	15%	2.54%	8.34%	(0.76%)	(0.12%)	(0.89%)
Fixed Income	39%	40%	1.05%	(0.36%)	0.57%	0.07%	0.63%
Real Estate	9%	8%	(0.22%)	2.67%	(0.20%)	(0.09%)	(0.29%)
Cash & Equivalents	0%	0%	3.13%	3.13%	0.00%	(0.01%)	(0.01%)
<b>Total</b>			<b>5.87%</b>	<b>6.32%</b>	<b>(0.41%)</b>	<b>(0.04%)</b>	<b>(0.45%)</b>

Benchmark definitions included in the Appendix.

# Asset Distribution Across Investment Managers

December 31, 2025

	December 31, 2025				September 30, 2025	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
<b>Domestic Equity</b>	<b>\$167,398,244</b>	<b>43.46%</b>	<b>\$(3,639,545)</b>	<b>\$3,264,891</b>	<b>\$167,772,898</b>	<b>44.02%</b>
Mellon Russell 1000 Growth Index	64,287,886	16.69%	(3,505,898)	795,357	66,998,427	17.58%
Boston Partners	82,251,762	21.35%	(92,720)	2,048,463	80,296,018	21.07%
Aristotle Capital Boston	20,858,596	5.42%	(40,927)	421,070	20,478,453	5.37%
<b>International Equity</b>	<b>\$46,346,720</b>	<b>12.03%</b>	<b>\$(32,170)</b>	<b>\$2,786,099</b>	<b>\$43,592,791</b>	<b>11.44%</b>
CC&L Q Intl Equity	41,469,934	10.77%	(31,585)	2,549,764	38,951,755	10.22%
Mellon ACWI ex US Fund	4,876,786	1.27%	(585)	236,335	4,641,036	1.22%
<b>Credit Markets</b>	<b>\$145,447,631</b>	<b>37.76%</b>	<b>\$(107,223)</b>	<b>\$1,822,952</b>	<b>\$143,731,903</b>	<b>37.71%</b>
MacKay Shields LLC	145,447,631	37.76%	(107,223)	1,822,952	143,731,903	37.71%
<b>Real Estate</b>	<b>\$23,353,316</b>	<b>6.06%</b>	<b>\$(196,385)</b>	<b>\$77,875</b>	<b>\$23,471,826</b>	<b>6.16%</b>
Invesco Core Real Estate	23,353,316	6.06%	(196,385)	77,875	23,471,826	6.16%
<b>Cash &amp; Equivalents</b>	<b>\$2,633,476</b>	<b>0.68%</b>	<b>\$70,222</b>	<b>\$18,651</b>	<b>\$2,544,603</b>	<b>0.67%</b>
AJRS General Fund	2,633,476	0.68%	70,222	18,651	2,544,603	0.67%
<b>Total Fund</b>	<b>\$385,179,387</b>	<b>100.00%</b>	<b>\$(3,905,102)</b>	<b>\$7,970,468</b>	<b>\$381,114,021</b>	<b>100.00%</b>

# Investment Manager Returns – Net of Fees

December 31, 2025

	Q4 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Domestic Equity</b>	<b>1.85%</b>	<b>10.28%</b>	<b>15.12%</b>	<b>19.67%</b>	<b>12.78%</b>	<b>13.27%</b>
Russell 3000 Index	2.40%	10.78%	17.15%	22.25%	13.15%	14.29%
S&P 500 Index	2.66%	11.00%	17.88%	23.01%	14.42%	14.82%
<b>Mellon Russell 1000 Growth Idx</b>	<b>1.14%</b>	<b>11.75%</b>	<b>18.63%</b>	<b>31.09%</b>	<b>15.24%</b>	--
Russell:1000 Growth	1.12%	11.75%	18.56%	31.15%	15.32%	18.13%
<b>Boston Partners</b>	<b>2.44%</b>	<b>10.45%</b>	<b>16.58%</b>	<b>15.68%</b>	<b>14.09%</b>	<b>11.77%</b>
Russell:1000 Value	3.81%	9.34%	15.91%	13.90%	11.33%	10.53%
<b>Aristotle Capital Boston</b>	<b>1.86%</b>	<b>5.14%</b>	<b>0.53%</b>	<b>5.33%</b>	<b>4.53%</b>	--
Russell:2000 Index	2.19%	14.86%	12.81%	13.73%	6.09%	9.62%
<b>International Equity</b>	<b>6.32%</b>	<b>14.22%</b>	<b>40.07%</b>	<b>16.99%</b>	<b>2.13%</b>	<b>7.90%</b>
Intl Equity Benchmark	5.05%	12.29%	32.39%	17.74%	8.34%	8.40%
<b>CC&amp;L Q Intl Equity</b>	<b>6.46%</b>	<b>14.42%</b>	<b>40.98%</b>	--	--	--
MSCI ACWI xUS (Net)	5.05%	12.29%	32.39%	17.33%	7.91%	8.41%
<b>Mellon ACWI ex US Fund</b>	<b>5.08%</b>	<b>12.48%</b>	<b>32.82%</b>	--	--	--
MSCI ACWI xUS (Net)	5.05%	12.29%	32.39%	17.33%	7.91%	8.41%

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

# Investment Manager Returns – Net of Fees

December 31, 2025

	Q4 2025	FYTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>Credit Markets</b>	<b>1.19%</b>	<b>3.22%</b>	<b>7.91%</b>	<b>6.72%</b>	<b>0.75%</b>	<b>3.31%</b>
Blmbg:Aggregate	1.10%	3.15%	7.30%	4.66%	(0.36%)	2.01%
<b>MacKay Shields LLC</b>	<b>1.19%</b>	<b>3.22%</b>	<b>7.91%</b>	<b>6.72%</b>	<b>0.75%</b>	<b>3.31%</b>
Blmbg:Aggregate	1.10%	3.15%	7.30%	4.66%	(0.36%)	2.01%
<b>Real Estate</b>	<b>0.23%</b>	<b>(8.69%)</b>	<b>(8.94%)</b>	<b>(9.15%)</b>	<b>(0.56%)</b>	<b>2.52%</b>
NCREIF:NFI-ODCE Eq Wt Net	0.77%	1.23%	2.93%	(4.52%)	2.67%	4.16%
<b>Invesco Core Real Estate</b>	<b>0.23%</b>	<b>(8.69%)</b>	<b>(8.94%)</b>	<b>(9.15%)</b>	<b>(0.56%)</b>	<b>2.52%</b>
NCREIF:NFI-ODCE Eq Wt Net	0.77%	1.23%	2.93%	(4.52%)	2.67%	4.16%
<b>Total Fund</b>	<b>2.02%</b>	<b>6.58%</b>	<b>12.79%</b>	<b>11.43%</b>	<b>5.51%</b>	<b>7.82%</b>
Total Fund Benchmark	2.15%	7.16%	14.29%	12.26%	6.32%	7.95%

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

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Past performance is no guarantee of future results.



Quarterly Board Meeting

**Statement of Fiduciary Net Position as of (December 31, 2025)**

ASSETS	
Cash and Cash Equivalents	\$ 2,635,767
Receivables	
Contributions Receivable	\$ 193,183
Overpayment Receivable	54,909
Allowance for Doubtful Accounts	<u>(54,909)</u>
Total Receivables	193,183
Investment Assets	<u>382,550,360</u>
TOTAL ASSETS	<u>385,379,310</u>
LIABILITIES	
Accrued Expenses and Other Liabilities	<u>518,346</u>
TOTAL LIABILITIES	<u>518,346</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 384,860,963</u>



Quarterly Board Meeting

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

ADDITIONS

Contributions		
Employer	\$	7,624,237
Employee		725,511
Court Fees		<u>248,269</u>
Total Contributions		8,598,017
Investment Income		24,677,337
Less: Investment Expense		<u>(674,893)</u>
Net Investment Income		24,002,444
Other Additions		
Miscellaneous Additions		<u>99</u>
<b>TOTAL ADDITIONS</b>		<u><b>32,600,559</b></u>

DEDUCTIONS

Benefits		9,872,555
Refunds of Contributions		-
Administrative Expenses		<u>143,562</u>
<b>TOTAL DEDUCTIONS</b>		<u><b>10,016,117</b></u>

NET CHANGE IN NET POSITION 22,584,442

NET POSITION RESTRICTED FOR PENSION BENEFITS

Beginning of Fiscal Year		<u>362,276,521</u>
End of 2nd Quarter	\$	<u><u>384,860,963</u></u>



Quarterly Board Meeting

March 5, 2026

**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**

*None*



## 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  
$$\$205,473 \times 3.2\% \times 15.9 \text{ yrs.} = \$ 104,545 \text{ annually/ } \$8,712 \text{ monthly}$$
- **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	142	139	134
Average Age	58.5	60.5	57.1	54.3
Average Service*	15.9	16.1	14.4	9.6
Average Pay	\$205,473	\$173,141	\$160,489	\$124,161

\* Includes reciprocal service

**Inactive Members - Historical**

	1 year	5 years	10 years	20 years
Number	12	8	4	0
Total Accrued Liabilities*	\$13.0m	\$6.7m	\$2.9m	\$0.0m

\* Includes refunds of contributions

**Retirees - Historical**

	1 year	5 years	10 years	20 years
Number	183	148	137	105
Total Annual Benefits	\$19.5m	\$13.7m	\$11.8m	\$7.1m
Average Age*	71.3	67.3	69.5	n/a
Average Service*	28.4	21.0	n/a	n/a
Avg. Annual Benefit*	\$148,310	\$107,544	\$85,542	n/a

\* New retirees

**Legend – Historical Periods**

Time	Fiscal Year Ending
1 year	June 30, 2025
5 years	June 30, 2020
10 years	June 30, 2015
20 years	June 30, 2005



Quarterly Board Meeting  
Benefits Summary

**Special Topic: Early Retirement Eligibility**

Public pension plans set a normal retirement age – based on age, service, or both – when members are eligible to receive their full accrued benefit. To provide workforce flexibility, most plans also offer early retirement, but with a reduction from the normal retirement age benefit. This permanent reduction, typically expressed as a specific percentage, offsets the potentially longer period that members will draw benefits.

**AJRS Reduction**

Below are the AJRS reductions for early retirement.

Eligibility Type	Reduction Amount
<b>Age</b>	One-half of one percent (0.5%) for each month a member is younger than normal retirement age (or 6% for one year)
<b>Service</b>	N/A. Early retirement eligibility is based on age only.

**Quick Facts<sup>1</sup>**

- The average age and service of all new retirees was 71.3 and 28.4.
- Four percent (4%) of the 131 total age and service retirees elected early retirement.
- Five (5) of all retirees (excluding survivors) are below age 65.

**Early Reduction Example**

Below are examples of the effect of early retirement on a member’s monthly benefit. Note that no reduction in a member’s benefit is required to provide continuing benefits to a survivor. For APERS and ASPRS, members whose benefits are reduced for early retirement also have a reduction to provide continuing benefits.

**Normal Retirement Age Benefit:** \$8,900 mo.

Age	Reduction Percent	Member	Survivor
<b>62</b>	18%	<b>\$7,298</b>	\$7,298
<b>63</b>	12%	<b>\$7,832</b>	\$7,832
<b>64</b>	6%	<b>\$8,366</b>	\$8,366

<sup>1</sup> As of the mostly recently completed fiscal year ending June 30, 2025



Quarterly Board Meeting  
**Benefits Summary**

**Early Retirement Eligibility and Reduction Factors for Neighboring States**

State	Plan	Eligibility	Reduction Factor
LA	Louisiana SERS (group 4)	Any age with 20 years	Actuarial reduction based on the number of months away from normal retirement
MO	Missouri State Employees	Age 57 with 5 years	Reduced by 6% per year for each year below age 67
MS	Mississippi PERS	Age 60 with 8 years	Actuarial reduction for each year below 30 years or age 65 whichever is less
TN	Tennessee Public Employees	Age 60 with 5 years or Rule of 80	Actuarial reduction depending on how far member is from service retirement eligibility
TX	Texas ERS (group 3)	Younger than age 62 with Rule of 80	Reduced by 5% for each year below age 62

Source: NASRA Early Retirement Eligibility & Actuarial Reduction Factors  
<https://www.nasra.org/content.asp?admin=Y&contentid=287>



## **Quarterly Board Meeting Executive Report**

### **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 completed the evaluation of submitted proposals by December 31, 2025. The Investment Finance Committee chose three semi-finalists for interviews. Staff interviewed these semi-finalists February 18<sup>th</sup> and 19<sup>th</sup>. Findings and recommendations will be prepared for the March Board Meeting.

### **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 April 2026. The Finance and Investments teams have finalized the fiscal year-end closing for APERS for the period covering July 1, 2024, through June 30, 2025, and completed the Annual Comprehensive Financial Reports for all three systems.

### **Strategic Plan Year One Review**

APERS has completed Year One of its three-year Strategic Plan, achieving substantive progress across all strategic objectives. During this initial implementation phase, the System strengthened funding governance and investment oversight, enhanced member engagement and service delivery, formalized workforce development and succession planning efforts, and advanced foundational system modernization initiatives. The controls, performance measures, and operational frameworks established in Year One provide a structured platform for continued execution and accountability in Years Two and Three.