



Arkansas State Police Retirement System
Quarterly Board Meeting
(Thursday, March 13, 2025 10:00 A.M.)
124 West Capitol Avenue, Suite 400, Little Rock 72201

The meeting will be held in the APERS conference room located on the 4th floor. The meeting will be a hybrid and can be attended via Zoom via the link on our website, www.apers.org.

AGENDA

1. Call to Order
2. Recognition of Notification of Meeting to News Media Pursuant to Act 93 of 1967 (AR Code 25-19-101) - Freedom of Information Act
3. Recognition of the Presence of a Quorum
4. **Action Item** – Approval of Minutes for the Board Meeting of December 5, 2024 (**Page 2**)
5. **Investments** - Mr. Carlos Borrromeo, Deputy Director of Investments and Finance
 - a. CIO Report (**Page 6**)
 - b. Quarterly Report for the Period Ending December 31, 2024 (**Page 15**)
6. **Finance** - Mr. Jason Willett, Chief Financial Officer
 - a. Financial Statements for the Quarter Ending December 31, 2024 (**Page 51**)
 - b. **Action Item** – Annual Approval for Board Travel Reimbursement (A.C.A. 25-16-902)
 - c. **Action Item** – Set the annual DROP Rate
7. **Legal** – Ms. Laura Gilson, General Counsel
 - a. Legal Report (**Page 53**)
8. **Benefits** - Ms. Allison Woods, Deputy Director of Benefits
 - a. Benefits Summary (**Page 54**)
9. **Executive Report** - Ms. Amy Fecher, Executive Director
 - a. Executive Report Review (**Page 56**)
10. Next Quarterly Board Meeting – June 12, 2025, 10:00 a.m.
11. Adjournment

Arkansas State Police Retirement System

Board of Trustees

December 5, 2024

The regular meeting of the Board of Trustees of the Arkansas State Police Retirement System was held on Thursday, December 5, 2024, at 10:00 a.m. This hybrid meeting was held via ZOOM remote conferencing in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Captain Kyle Drown presided.

Captain Drown recognized the presence of a quorum and called the meeting to order.

Board Members Present

Captain Kyle Drown, Chair, ASP Tier I
Captain Scott Joe, Vice Chair, ASP Tier II
Mr. John Allison, ASP Commissioner*
Mr. Donnie Underwood, Citizen at Large*
Mr. Andy Babbitt, Department of Finance and Administration

Absent

Ms. Denise Bugos, Citizen at Large

Visitors

Ms. Kelsi Hogg, Arkansas Legislative Audit
Mr. Cyril Espanol, With Intelligence*
Ms. Sherry Woods, Arkansas State Police*
Ms. Susan Tedford, Arkansas State Police*
Mr. Mita Drazilov, GRS

APERS Staff Present

Ms. Amy Fecher, Executive Director
Ms. Allison Woods, Deputy Director of Benefits
Mr. Carlos Borromeo, Deputy Director of Investments & Finance
Ms. Ashley Golleher, Deputy Director of Operations
Mr. Jason Willett, Chief Financial Officer
Mr. Phillip Norton, Director of IT
Ms. Laura Gilson, General Counsel
Mr. Richmond Giles, Staff Attorney
Ms. Patty Shipp, Assurance Officer
Ms. Jacobia Bates, Director of Public Affairs
Ms. Brooke Hollowoa, Director of Communications
Ms. Cheryl Wilburn, Benefits Operations Manager*
Ms. Kristi Brown, Retirement Coordinator*
Ms. Usha Doolabh, APERS Investment Manager*
Ms. Julianna Alamina, Retirement Counselor*
Ms. Linda McGrath, Administrative Specialist*

*Remote Attendees

News Media Notified

An e-mail with notification of the Arkansas State Police 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

A copy of the minutes from the meeting of August 22, 2024, was e-mailed to each Trustee prior to the meeting. Capt. Joe made a motion to accept the minutes as presented. Mr. Babbitt second. With no objection, the minutes were approved as presented.

Election of New Chairs

Captain Kyle Drown entertained a motion to elect a new chair. Captain Scott Joe nominated the current chair, Captain Drown, and Mr. Donnie Underwood seconded the motion, which passed unanimously. Mr. Andy Babbitt then nominated Captain Joe to be Vice Chair, with Mr. Underwood seconding the motion. This nomination also passed unanimously.

Investments

CIO Report

Mr. Borromeo presented the CIO Report for the quarter ending September 30, 2024. During this period, the APERS/ASPRS fund achieved a 5.13% return. Notably, value stocks outperformed growth stocks, which is an unusual trend. However, over the long term, growth stocks have significantly outperformed value stocks.

Callan Report

The asset allocation compared to the target shows an overweight position in international equity, which has not been detrimental. Over time, this overweight allocation will gradually shift into fixed income and real assets as additional calls come in. The focus includes real estate, private credit, and private infrastructure investments.

GRS

Mr. Mita Drazilov, GRS, presented the June 30, 2024, actuarial valuation. This valuation serves two key purposes: to determine the total employer contribution rate beginning July 1, 2024, and to assess the financial condition of the plan, specifically the portion of the total actuarially accrued liabilities that are funded. As of June 30, 2024, there were 561 active members, reflecting an increase of 44 members compared to previous counts. This growth in active membership for the ASPRS is noteworthy, as such growth has not been seen in recent years. He also noted that average annual pay for these active members was \$76,493 an increase from a year ago. GRS noted that the last two years the active members average pay has had a significant increase which has exceeded the percentage increases that the actuary had assumed would happen resulting in actuarial losses for the system. He also pointed out that if you look back to the period of 2012-2016 the average annual pay had remained very flat which resulted in actuarial gains for the system.

He briefly went over the participant data noting that there are now only seven remaining members left in Tier 1 with there being 520 active members in Tier 2. There are an additional 34 members participating in the DROP plan on June 30, 2024.

The number of retirees and beneficiaries have increased slightly from a year ago to 755 on June 30, 2024. The system has seen much larger growth over the period from 2015 to 2024 in the retirees and beneficiaries as compared to the number of active members which has stayed somewhat flat over that time.

The valuation report highlights that the market value is incorporated into the actuarial value of the plan. The difference between \$29 million which represents the investment income based upon the actuarially assumed investment rate of return of 7% and \$39 million which is the actual total investment return based upon market value earned for fiscal year ending June 30, 2024, of \$10 million is accounted for over four years, meaning \$2.5 million will be realized annually over this period. This spreading out of this actuarial gain is the actuarial smoothing that is utilized to try and even out the fluctuations that can happen from year to year with investment returns and helps bring stability to employer contribution rates for the system. Public employee retirement systems rely heavily on the markets, as investment income remains the most significant contributor to the system's revenue.

Mr. Drazilov noted the key figures showing an actuarial accrued liability of \$570 million, valuation assets totaling \$449 million, and an unfunded actuarial accrued liability of \$121 million. The ASPRS funded ratio is currently 79%, a significant improvement from 2012, when it was at 60.4%. The total actuarially computed employer contribution rate stands at 52% on June 30, 2024. He noted that tremendous progress has been made in the funded percentage and the Board should be very proud of that progress.

He then briefly went over the amortization period for the unfunded liabilities which is 15 years. Additionally, the ratio of assets to payroll is 10.4 times higher than the payroll amount. While this ratio may not be ideal, the plan benefits from consistent contributions every year regardless of market fluctuations.

The Board was asked to approve the recommended reserve transfer amounts for the year, which include \$413,543 to the deferred annuity account and \$19,000,967 to the retirement reserve account, both coming from the employer accumulation reserve account. Captain Scott Joe introduced the motion, Mr. Underwood seconded it, and all members voted unanimously in favor.

Finance

Mr. Willett reviewed the financial statements for the quarter ending September 30, 2024. He briefly walked through the Statement of Fiduciary Net Position. He noted the major item on this statement, as it always is, was total investment assets being just over \$448.3 million which was an increase of approximately \$68 million from this same period a year ago. Total ending net position at the end of September 30, 2024 was \$454.8 million which was substantially higher due to the good investment returns for the quarter. Mr. Willett then covered the Statement of Changes in Fiduciary Net Position. Total contributions made up of employer and employee contributions were just over \$3.2 million noting that the employee contributions were service purchases. The total investment income of \$21.9 million. This represented a \$13.3 million increase over the previous year. He discussed the deductions on this statement with the largest item being benefits expense being paid out to retirees and beneficiaries of just over \$9.1 million ending with a net position of \$454.8 million. He commented that this was a good report, and the system is doing very well financially. He asked if there were any questions on any of the information. Captain Drown asked how much was being paid out to retirees in benefits each month. Mr. Willett said the total year to date has been \$9.1 million so the average per month would be just over \$3 million.

Legal:

Ms. Gilson shared the legal report ending September 30, 2024. The Bureau of Legislative Research codified the rules, and the Board will be notified once the legislature decides to make them live. There are no member appeals and there are no new legislative updates.

Benefits

Ms. Allison Woods presented a comprehensive benefits summary that encompassed membership information, criteria for benefits, retirement benefits, and details pertinent to new retirees ending September 30, 2024. Historically, average pay and number of employees has increased each year. Total active members stayed consistent in Q3 with 44 new members in October. At the end of September, there were 729 retirees.

Executive Report

Executive Director Fecher gave the executive report ending September 30, 2024. The finalized Strategic Plan for APERS, AJRS, and ASPRS outlines goals and objectives for the next three years.

Each retirement system now has a distinct website to enhance user experience: www.apers.org, www.arjrs.org, and www.arsprs.org.

In preparation for the January 2025 Legislative Session, ASPRS completed budget meetings and finalized its legislative packet.

Captain Drown mentioned having APERS come to the Troop School next year so there is not a lapse in troopers who have had training from APERS on their retirement benefit.

Upcoming Board Meetings:

March 13, 2025, at 10:00 a.m.

June 12, 2025, at 10:00 a.m.

September 11, 2025, at 10:00 a.m.

December 4, 2025, at 10:00 a.m.

With no other business the meeting was adjourned.

Captain Kyle Drown
Chair

Ms. Amy Fecher
Executive Director



ASPRS

ARKANSAS STATE POLICE
RETIREMENT SYSTEM

DELIVERING SECURE RETIREMENT BENEFITS
AND EXCEPTIONAL SERVICE TO OUR MEMBERS.

Chief Investment Officer Report

For the Quarter Ending September 30, 2024

4th Quarter 2024 - Summary

- U.S. equities advanced following the election. Other global markets felt pressure amid concerns over trade tariffs.
- The Federal Reserve lowered interest rates by 25 basis points in both November and December. Inflation remains stubborn. In December the Fed scaled back the expectations regarding the number of interest rate cuts in 2025.
- In Europe, fears of a recession pushed the European markets lower, as well as political instability in France and Germany as the possibility of trade wars with the new U.S. administration became a concern.
- The European Central Bank (ECB) cut rates by 25 basis points in both October and December.
- The fixed income markets experienced considerable volatility in the last quarter of 2024. Geopolitical tensions, central bank decisions, fluctuating inflation data points.
- Digital assets are becoming headline news. There were two pivotal events in 2024 that may have shaped the landscape for cryptocurrency.
- Area to watch – DeepSeek. It unveiled the A.I. movement and the A.I. equity names reacted on the news.

4th Quarter 2024 – APERS/ASPRS Portfolio

Benchmarks					APERS/ASPRS Portfolio					
	Qtr	Calendar YTD	Last 1-yr	Fiscal Year		Q4 2024	Fiscal Year	Calendar Year	31-Dec-24	
U.S. Equity										
S&P 500	2.41%	25.02%	25.02%	22.19%	Domestic Equity	2.17%	7.51%	18.62%	\$	4,951,460,378
Russell 1000 Growth	7.07%	33.36%	33.36%	29.56%	International Equity	-7.84%	-0.44%	4.93%	\$	2,606,584,686
Russell 1000 Value	-1.98%	14.37%	14.37%	13.72%	Private Markets	4.30%	5.30%	25.44%	\$	427,605,442
Russell 2000 Index	0.33%	11.54%	11.54%	13.34%	Fixed Income	-2.51%	2.87%	3.82%	\$	2,042,343,213
Russell 2000 Growth	1.70%	15.15%	15.15%	13.13%	Real Assets	0.07%	0.71%	-1.01%	\$	1,580,351,239
Russell 2000 Value	-1.06%	8.05%	8.05%	13.46%	APERS Total Portfolio	-1.23%	3.84%	9.93%	\$	11,608,344,958
Russell 3000 Index	2.63%	2.63%	23.81%	21.69%					\$	144,578,878 Cash
International Equity									\$	11,752,923,836 TOTAL FUND
MSCI EAFE	-8.11%	3.82%	3.82%	6.52%					\$	442,192,185.19 ASPRS Plan
MSCI ACWI xUS	-7.60%	5.53%	5.53%	7.50%					\$	2,968,958.40 ASPRS Cash
Fixed Income									\$	445,161,143.59
Bloomberg Agg	-3.06%	1.25%	1.25%	3.08%						
Bloomberg High Yield	0.17%	8.19%		10.70%						

4th Quarter 2024 – Domestic Equities

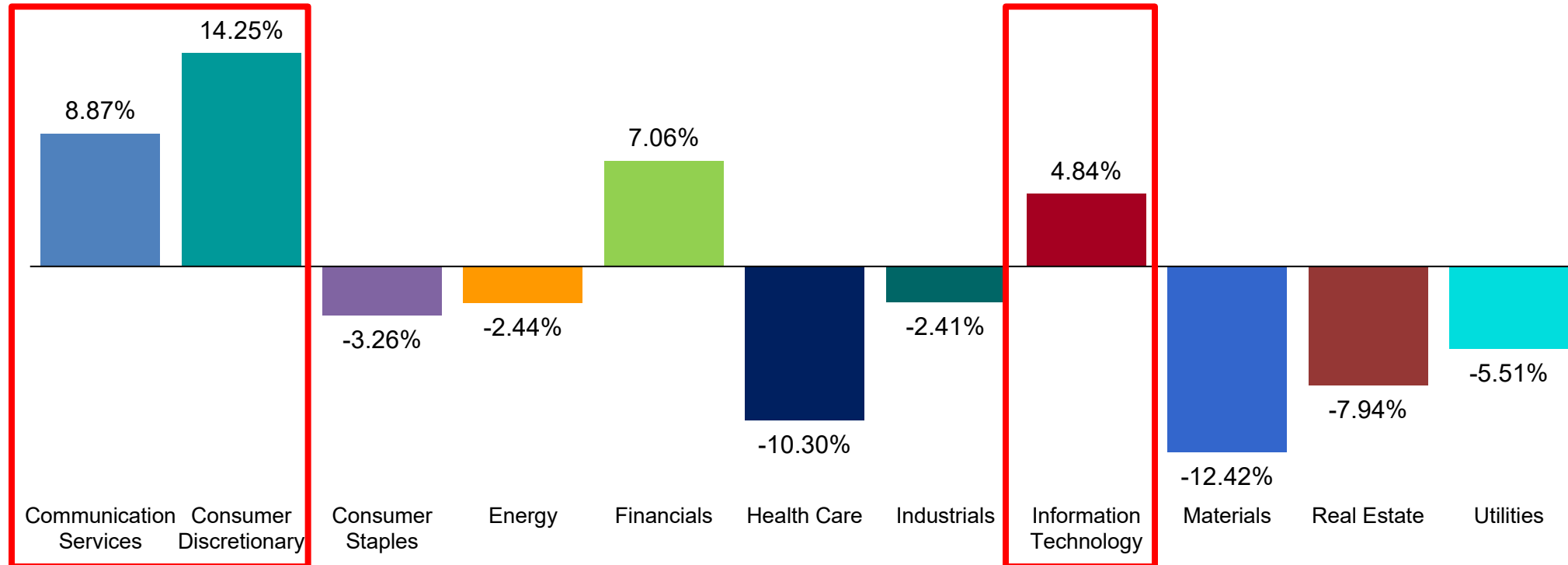
- After a slower 3rd quarter, growth stocks resumed their dominance in Q4.
- The large, mid, and small-cap growth cohorts each outperformed their value brethren.
- Mid-cap growth was the best performer in the quarter.
- For the full 2024 calendar year, each style and market cap posted positive returns.
- Large-cap growth was the 2024 leader.

	QTD US Equity Returns as of 12/31/2024				YTD US Equity Returns as of 12/31/2024			
	Growth	Core	Value		Growth	Core	Value	
Large	7.07%	2.75%	-1.98%		Large	33.36%	24.51%	14.37%
Mid	8.14%	0.62%	-1.75%		Mid	22.10%	15.34%	13.07%
Small	1.70%	0.33%	-1.06%		Small	15.15%	11.54%	8.05%

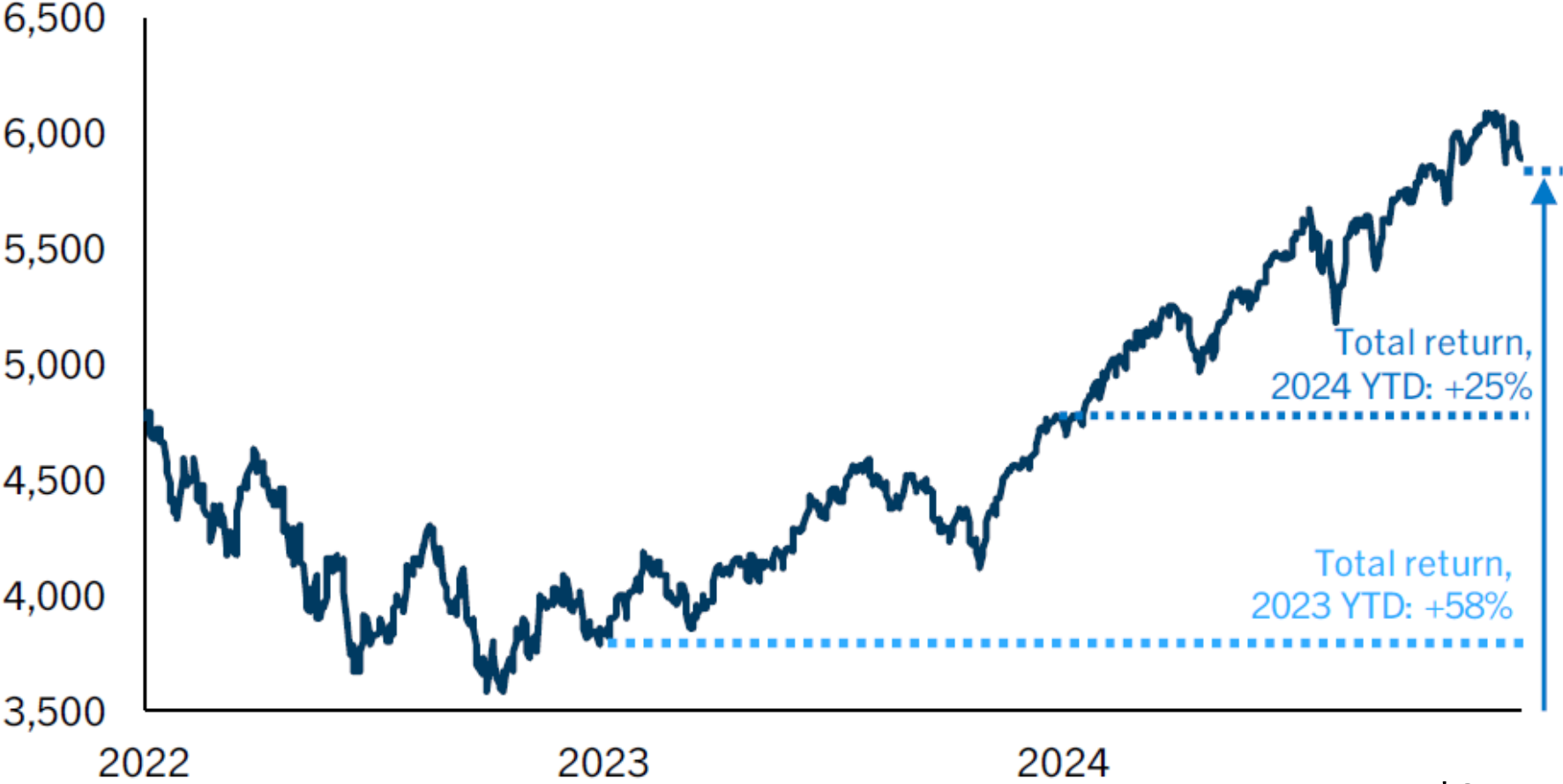
4th Quarter 2024 – S&P Quarter Performance

- The S&P 500 made gains in the final quarter of the year to round out a strong calendar year.

Industry Sector Quarterly Performance (S&P 500) as of 12/31/2024



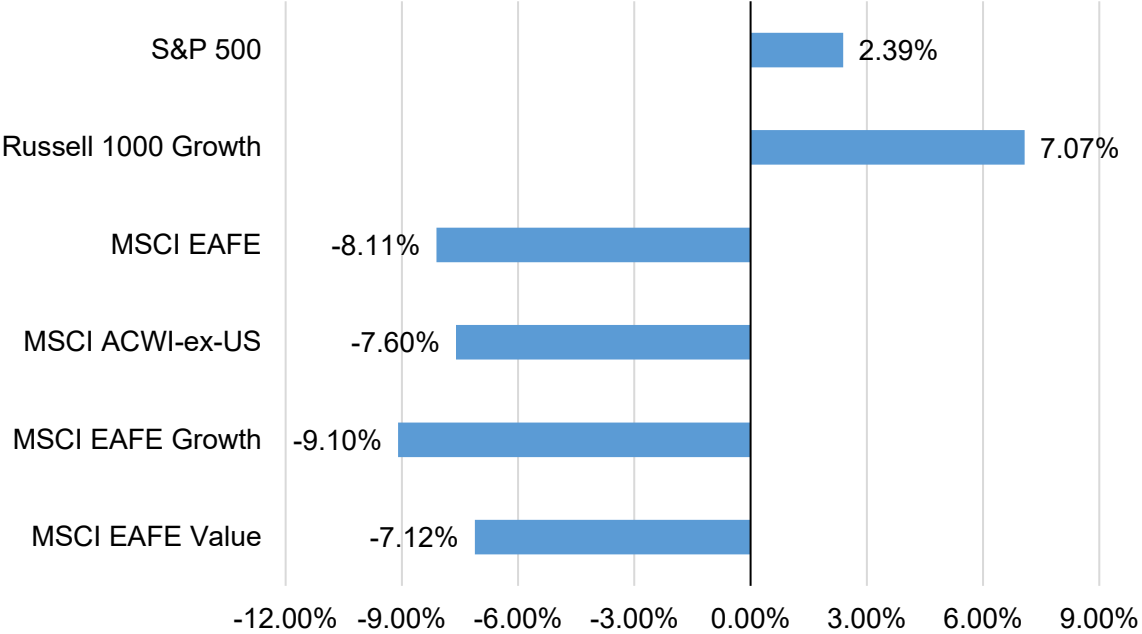
The S & P 500 Index had another great year



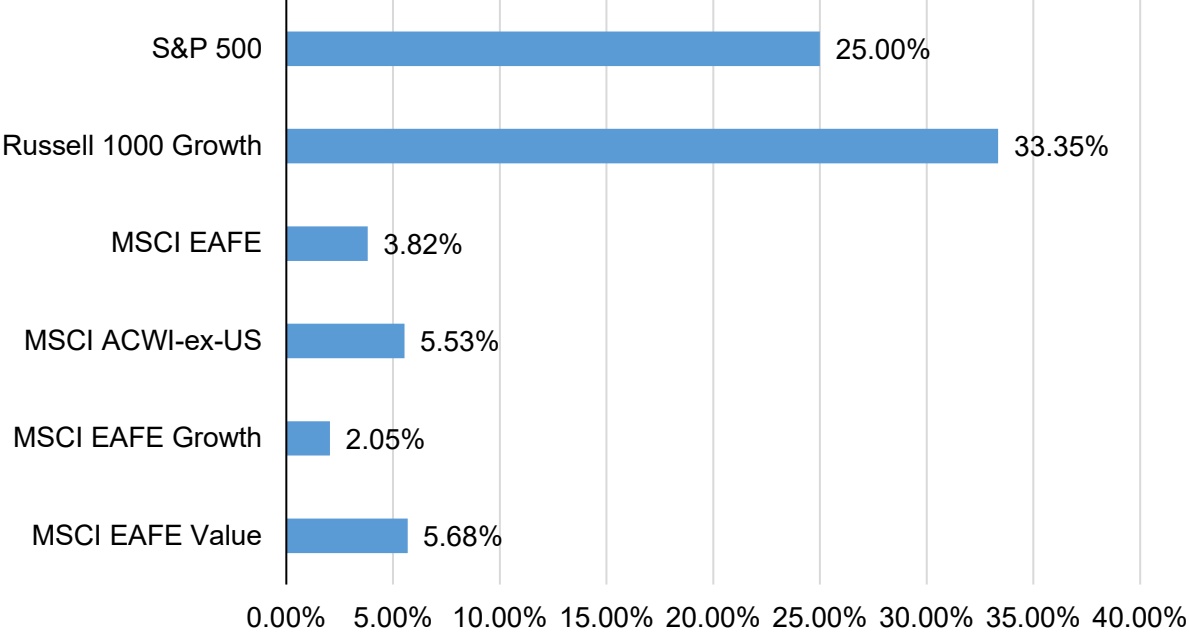
*Source: Bloomberg

4th Quarter 2024 – Global Markets

1-Quarter Return Ending 12/31/2024

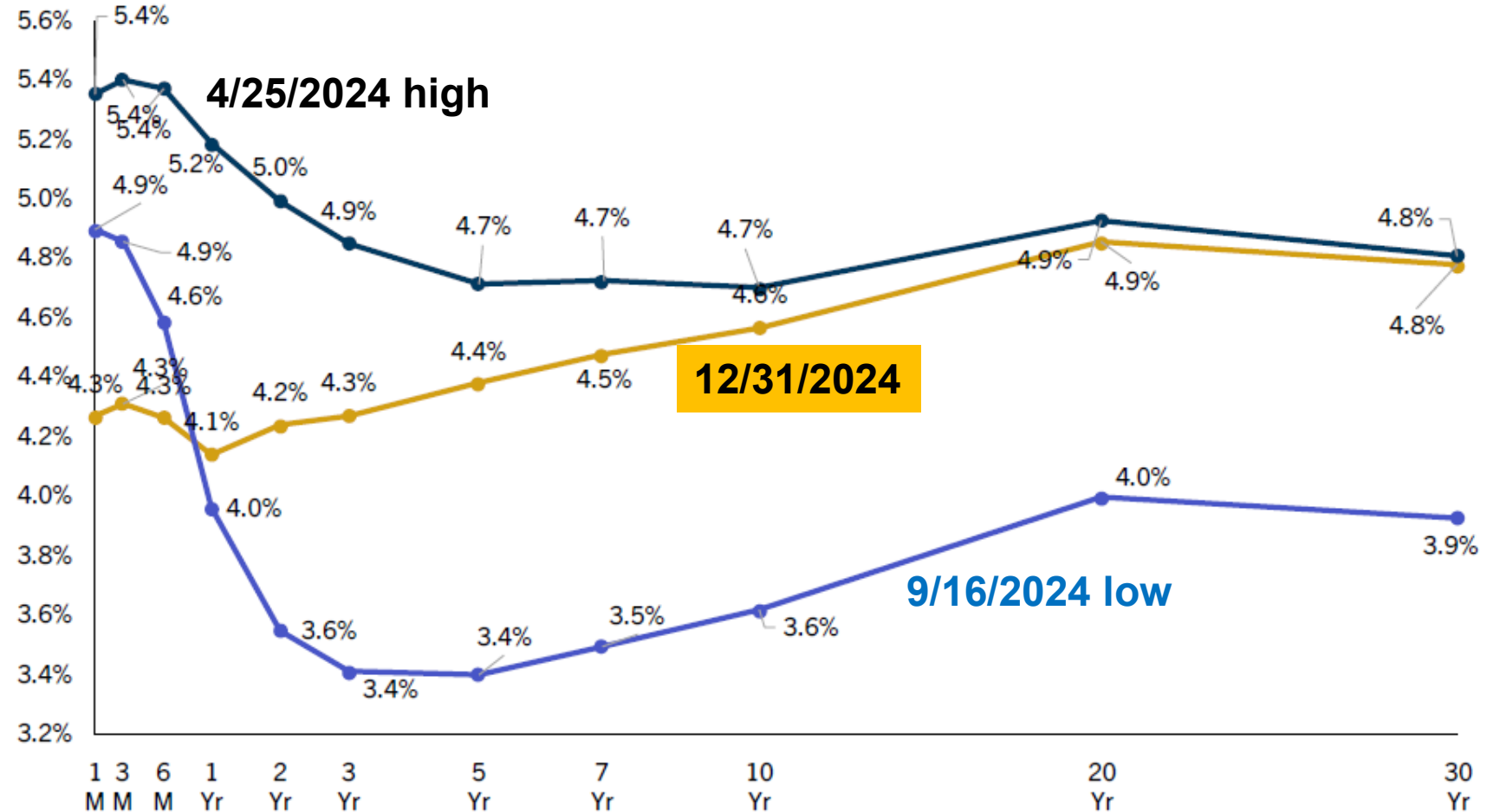


1-Year Return Ending 12/31/2024



4th Quarter 2024 – Fixed Income

US bond yields rose sharply higher in the quarter as economic resilience and higher inflation made their way into fixed income prices. Moves in both the short and long ends of the curve are notable. Short end reflects anticipated rate cuts. The 10-year has risen 95 basis points since the rate cuts began, which is unusual. It reflects outlooks for more growth, more inflation, and fewer interest rate cuts.



*Source: Bloomberg

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

Q4 = Fourth 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 12, 2025



Executive Summary Fourth Quarter 2024

Arkansas Public Employees
Retirement System

Brianne Weymouth, CAIA
Senior Vice President

John Jackson, CFA
Senior Vice President

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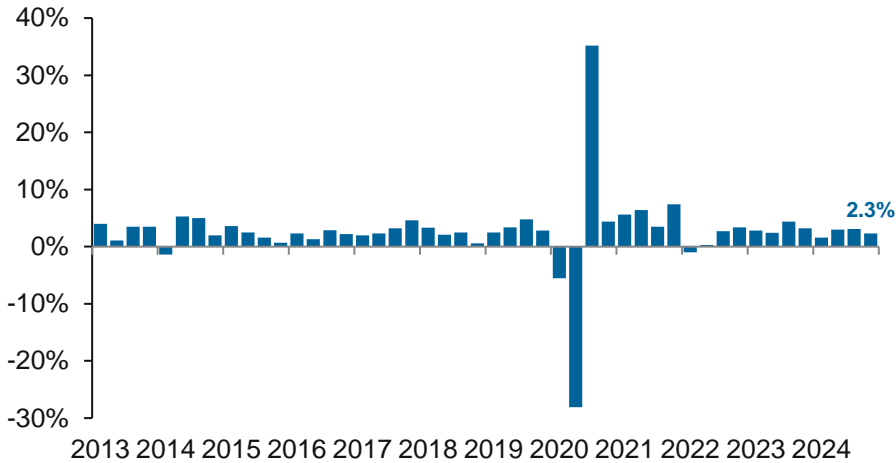


Economic Overview

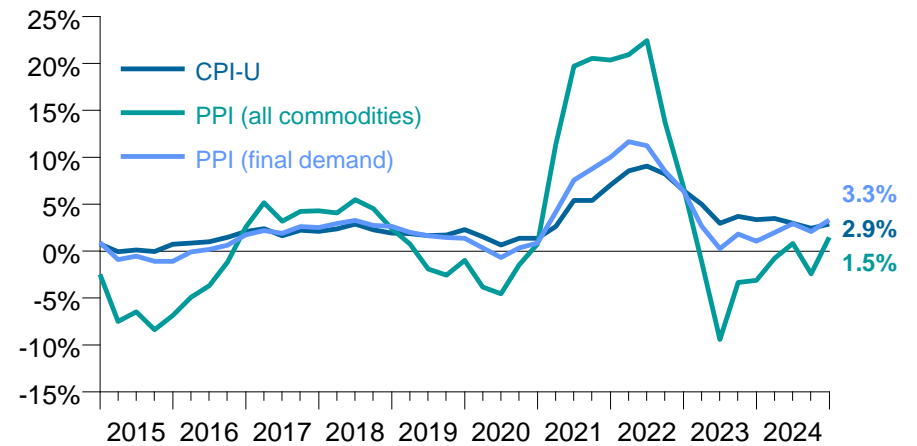
U.S. Economy—Summary

For periods ended 12/31/24

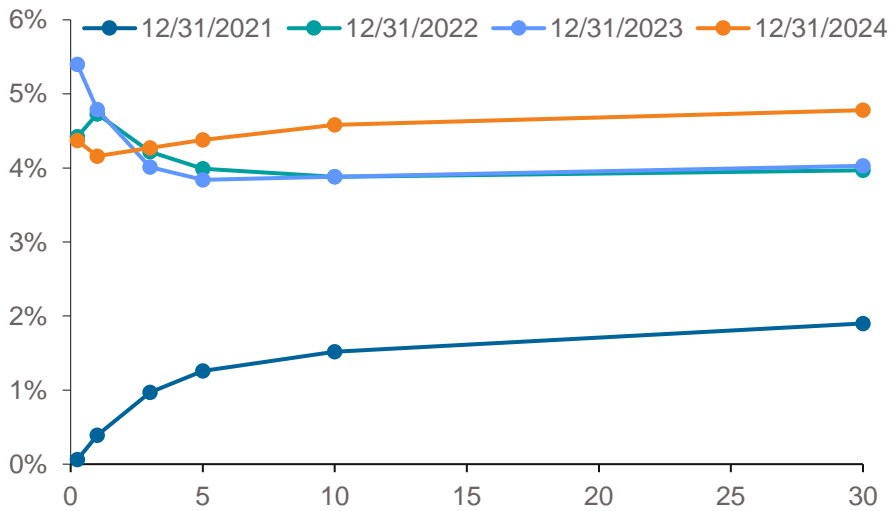
Quarterly Real GDP Growth



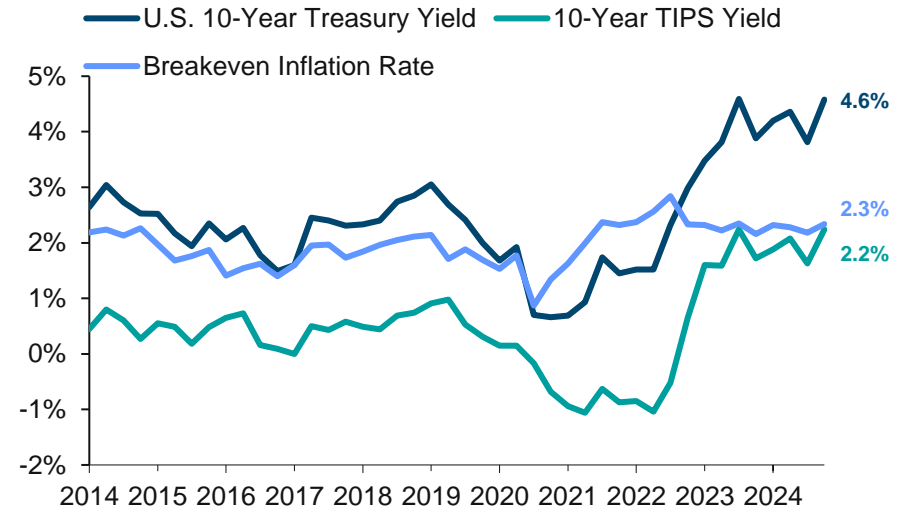
Inflation Year-Over-Year



U.S. Treasury Yield Curves



Historical 10-Year Yields



Sources: Bureau of Labor Statistics, Callan, Federal Reserve



Global Markets Snapshot

Returns for Periods ended 12/31/24

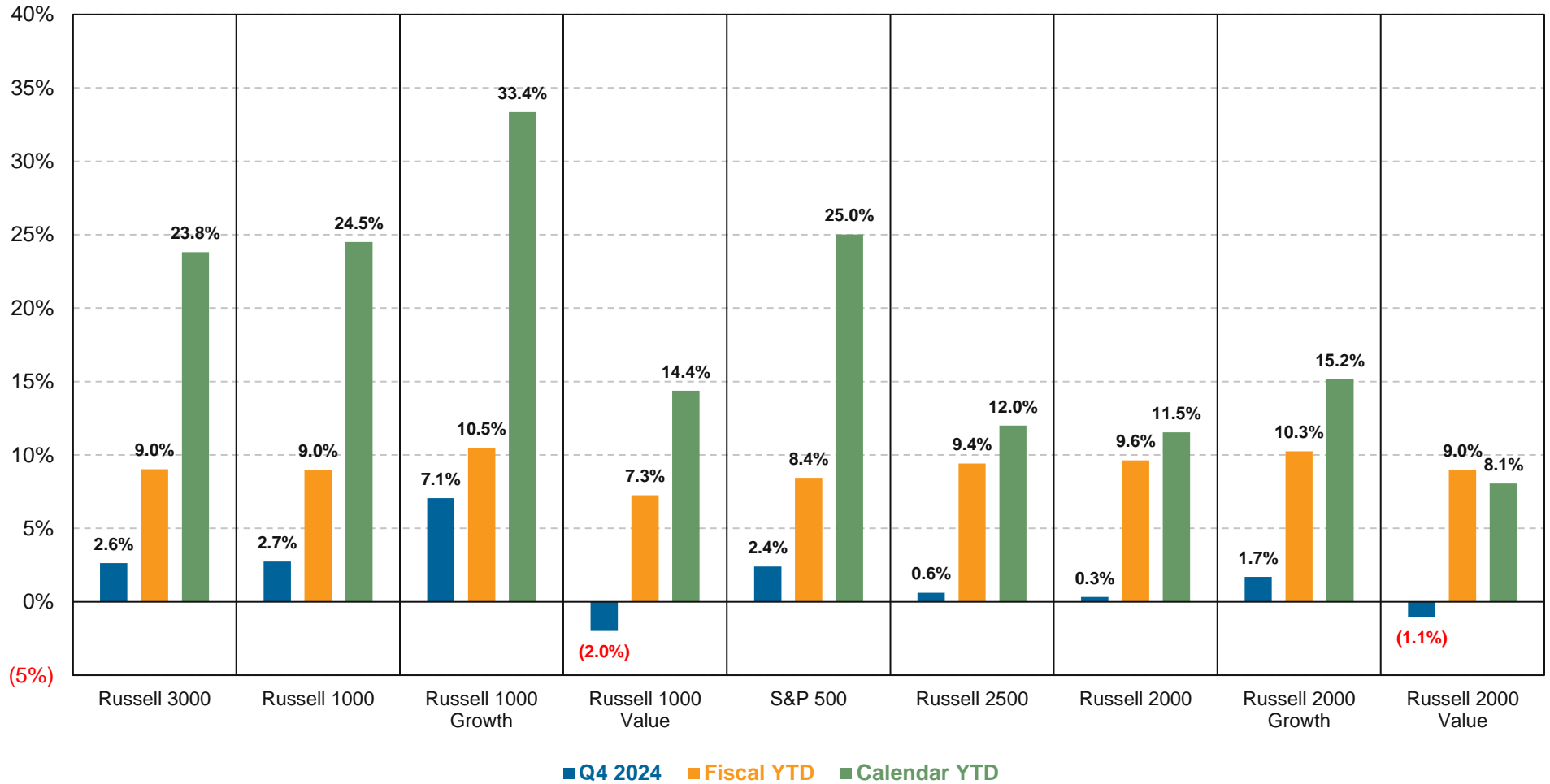
	Q4 2024	FYTD	1 Year	5 Years	10 Years	25 Years
U.S. Equity						
S&P 500	2.41	8.44	25.02	14.53	13.10	7.70
Russell 1000 Growth	7.07	10.49	33.36	18.96	16.78	7.80
Russell 1000 Value	-1.98	7.26	14.37	8.68	8.49	7.36
Russell 2000	0.33	9.64	11.54	7.40	7.82	7.55
Russell 2000 Growth	1.70	10.26	15.15	6.86	8.09	5.83
Russell 2000 Value	-1.06	8.98	8.05	7.29	7.14	8.98
Russell 3000	2.63	9.03	23.81	13.86	12.55	7.84
Global ex-U.S. Equity						
MSCI World ex USA	-7.43	-0.24	4.70	5.10	5.26	3.78
MSCI:EAFE	-8.11	-1.44	3.82	4.73	5.20	3.60
MSCI Emerging Markets	-8.01	0.02	7.50	1.70	3.64	--
MSCI ACWI ex USA Small Cap	-7.66	0.56	3.36	4.30	5.66	6.23
Fixed Income						
Bloomberg Aggregate	-3.06	1.98	1.25	-0.33	1.35	3.94
90-day T-Bill	1.17	2.55	5.25	2.46	1.77	1.91
Bloomberg Long Gov/Credit	-7.42	-0.06	-4.15	-3.26	0.99	5.36
Bloomberg Global Agg ex-US	-6.84	1.09	-4.22	-3.37	-0.90	2.45
Real Estate						
NCREIF Property	0.90	1.69	0.43	3.13	5.66	7.58
NCREIF NFI ODCE Eq Wt Net	0.85	0.78	-2.43	2.24	5.25	6.04
FTSE Nareit Equity	-6.21	8.88	8.73	4.27	5.73	9.84
Alternatives						
HFRI Fund Weighted	1.42	4.38	9.75	6.98	5.26	5.57
Cambridge Private Equity*	2.68	3.71	7.93	14.27	13.40	12.39
Inflation - CPI-U						
	0.10	0.46	2.89	4.20	3.00	2.54

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

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

U.S. Equity Market Snapshot: Q4 2024

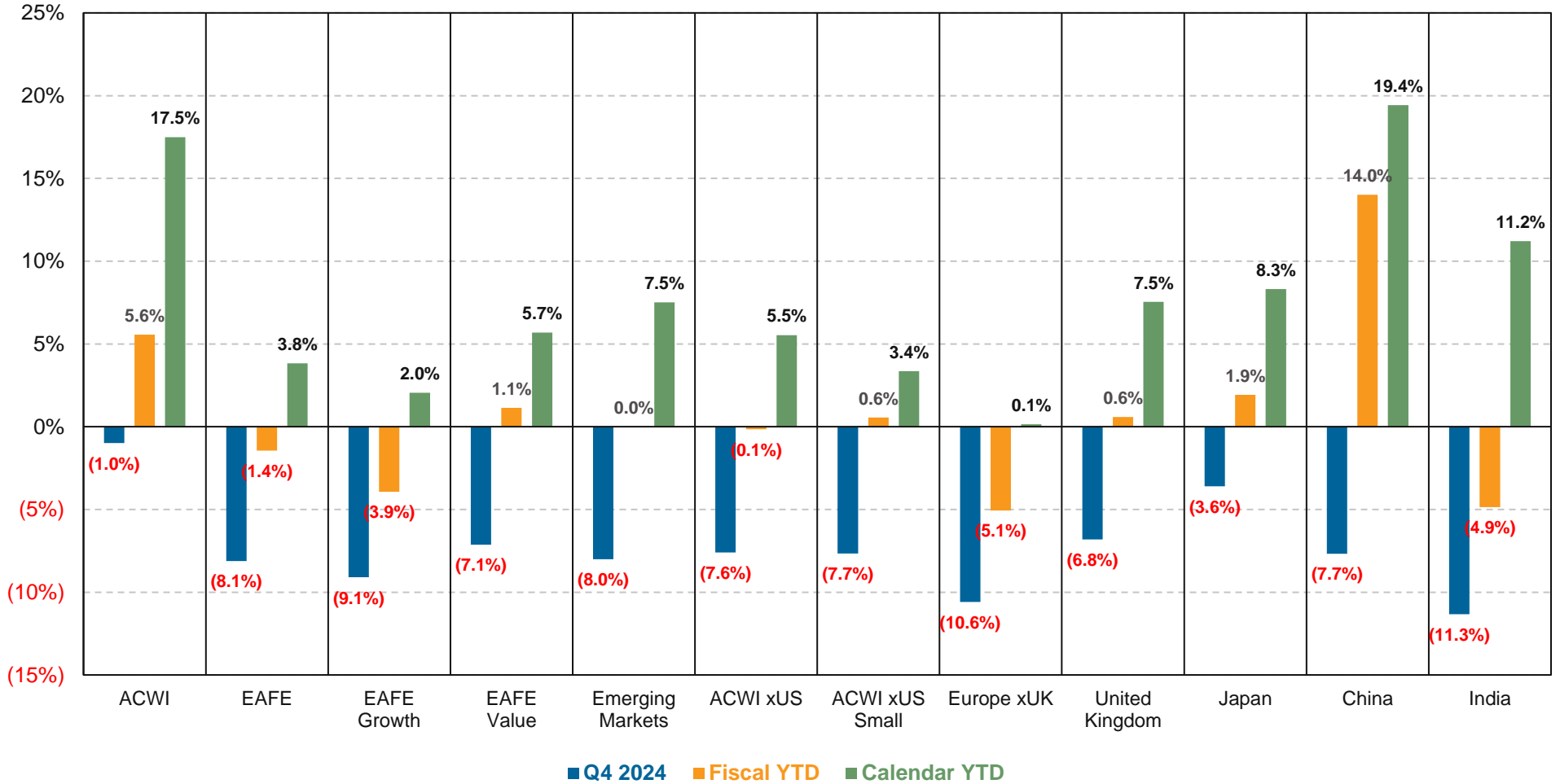
Returns for Periods Ended December 31, 2024



Sources: FTSE Russell, S&P Dow Jones Indices

Global Equity Market Snapshot: Q4 2024

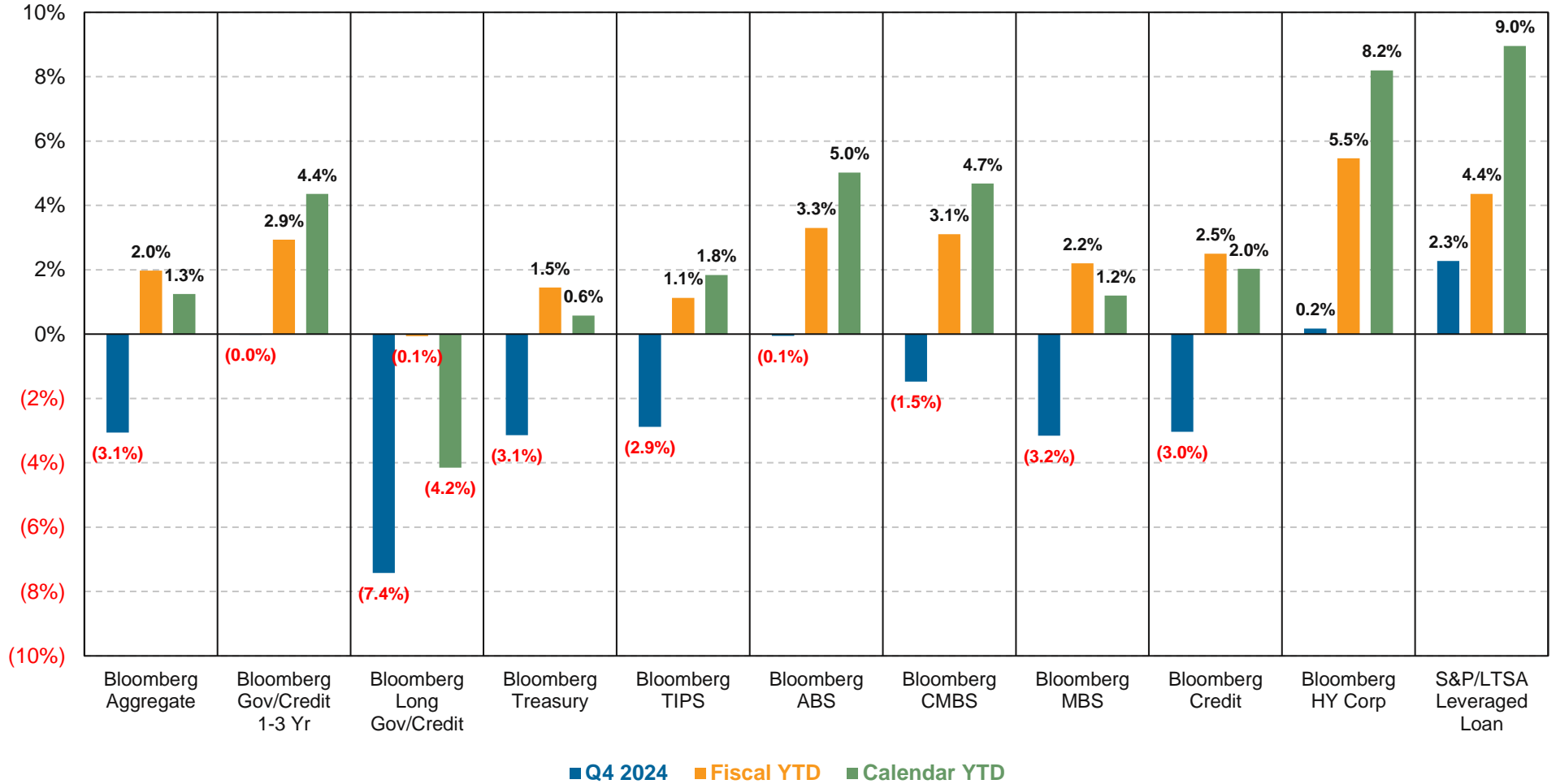
Returns for Periods Ended December 31, 2024



Source: MSCI

U.S. Fixed Income Market Snapshot: Q4 2024

Returns for Periods Ended December 31, 2024



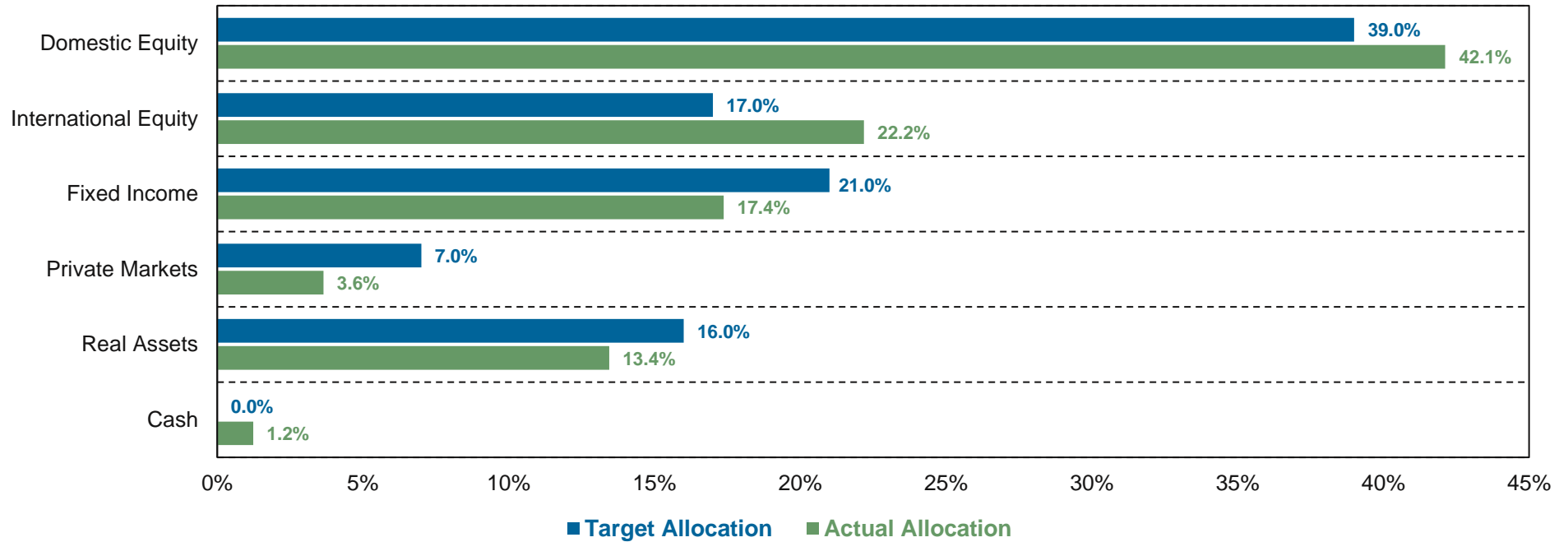
Sources: Bloomberg, Callan, S&P Dow Jones Indices



APERS Portfolio Review

Actual vs. Target Asset Allocation*

December 31, 2024

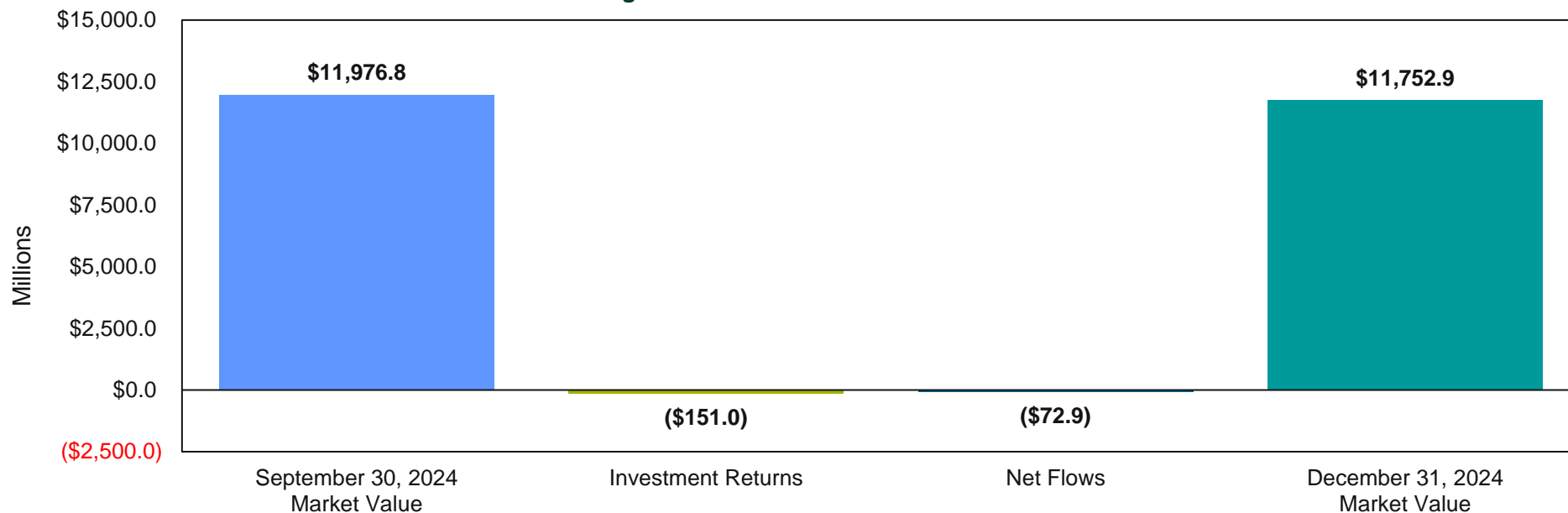


Asset Class	\$Millions Actual	Weight Actual	Min. Target	Target	Max. Target
Domestic Equity	4,951	42.1%	34.0%	39.0%	44.0%
International Equity	2,607	22.2%	12.0%	17.0%	22.0%
Fixed Income	2,042	17.4%	16.0%	21.0%	26.0%
Private Markets	428	3.6%	2.0%	7.0%	12.0%
Real Assets	1,580	13.4%	11.0%	16.0%	21.0%
Cash	145	1.2%	0.0%	0.0%	5.0%
Total	11,753	100.0%		100.0%	

*The target asset allocation was approved in February 2023. The benchmark will be modified to reflect the new long-term targets when the Private Equity allocation has been fully implemented. Benchmark definitions can be found in the appendix.

Total Fund Asset Summary

Changes in Total Fund Assets – Q4 2024



	Beginning Market Value	+	Investment Gain/(Loss)	+	Net Flows	=	Ending Market Value
Q4 2024 (9/30/24 - 12/31/24)	\$11,976,802,837	+	(\$150,955,374)	+	(\$72,923,627)	=	\$11,752,923,835
Fiscal YTD (6/30/24 - 12/31/24)	\$11,479,176,077	+	\$430,955,420	+	(\$157,207,662)	=	\$11,752,923,835

Total Fund Performance

December 31, 2024

Returns for Periods Ended December 31, 2024

Group: Callan Public Fund Spr DB

	Q4 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	0.56%	12.93%	4.70%	8.50%	8.21%	7.55%
25th Percentile:	(0.46%)	11.65%	→ 3.80%	→ 7.90%	→ 7.72%	→ 7.24%
Median	→ (1.12%) ←	← 10.00%	← 2.97%	← 7.19%	← 7.32%	← 6.90%
75th Percentile:	(1.62%)	8.54%	← 2.16%	← 6.40%	← 6.70%	← 6.53%
90th Percentile:	(2.11%)	7.26%	1.20%	5.56%	6.07%	6.10%
Peer Universe Constituents	324	324	313	312	296	210
Total Fund	(1.23%) (54)	9.93% (50)	2.12% (77)	7.13% (52)	7.36% (49)	7.15% (34)
Benchmark	(1.19%) (52)	10.80% (33)	3.65% (27)	7.52% (39)	7.50% (39)	7.16% (32)

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

Total Fund Performance

December 31, 2024

Returns for Periods Ended December 31, 2024

Group: Callan Public Fd V Lg DB (>\$10B)

	Q4 2024	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years
10th Percentile:	0.35%	10.83%	5.10%	8.80%	8.31%	7.60%
25th Percentile:	(0.15%)	10.17%	4.03%	8.25%	8.03%	7.43%
Median	(0.77%)	9.35%	3.18%	7.73%	7.63%	7.16%
75th Percentile:	(1.41%)	7.95%	2.33%	6.98%	7.22%	6.89%
90th Percentile:	(2.12%)	6.95%	1.88%	6.20%	6.49%	6.32%
Peer Universe Constituents	56	56	56	56	54	49
Total Fund	(1.23%) (61)	9.93% (32)	2.12% (82)	7.13% (69)	7.36% (69)	7.15% (54)
Benchmark	(1.19%) (61)	10.80% (11)	3.65% (35)	7.52% (61)	7.50% (57)	7.16% (50)

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

Asset Class Performance and Market Values

December 31, 2024

	Market Value \$(Dollars)	Ending Weight	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity <i>Russell:3000 Index</i>	\$4,951,460,378	42.13%	2.17% 2.63%	7.51% 9.03%	18.62% 23.81%	5.05% 8.01%	12.17% 13.86%	11.25% 12.55%
International Equity <i>Int'l Equity Benchmark</i>	\$2,606,584,686	22.18%	(7.84%) (7.61%)	(0.44%) (0.05%)	4.93% 5.23%	0.62% 0.50%	5.25% 3.50%	6.01% 4.58%
Private Markets	\$427,605,442	3.64%	4.30%	5.30%	25.44%	8.72%	7.91%	7.05%
Private Equity <i>PE Benchmark</i>	\$171,770,298	1.46%	5.79% 6.85%	4.13% 11.10%	62.30% 38.22%	-- --	-- --	-- --
Hedge Funds <i>HFRI FOF Index</i>	\$255,835,144	2.18%	3.35% 2.49%	5.92% 4.03%	12.94% 9.12%	8.34% 7.42%	7.17% 6.18%	6.65% 5.63%
Fixed Income <i>Blmbg:Aggregate</i>	\$2,042,343,213	17.38%	(2.51%) (3.06%)	2.87% 1.98%	3.82% 1.25%	(1.17%) (2.41%)	0.97% (0.33%)	2.51% 1.35%
Real Assets <i>Real Assets Benchmark</i>	\$1,580,351,239	13.45%	0.07% 0.90%	0.71% 1.69%	(1.01%) 0.43%	(0.39%) 3.58%	4.40% 5.39%	5.27% 5.61%
REITS <i>S&P DJ US Select REIT</i>	\$28,777,852	0.24%	(5.95%) (5.93%)	8.68% 8.70%	8.07% 8.10%	(3.17%) (3.02%)	3.12% 3.40%	-- 4.89%
Core/Core Plus RE <i>NFI-ODCE Eq Wt Net</i>	\$1,056,438,117	8.99%	0.35% 0.85%	(0.14%) 0.78%	(3.12%) (2.43%)	(1.23%) (3.11%)	2.47% 2.24%	5.22% 5.25%
Non-Core Real Estate <i>NCREIF Total Index</i>	\$295,460,934	2.51%	(0.75%) 0.90%	3.93% 1.69%	3.68% 0.43%	2.28% (0.82%)	8.90% 3.13%	11.14% 5.66%
Farmland <i>NCREIF Farmland Index</i>	\$98,934,833	0.84%	0.25% (1.32%)	(0.96%) (1.55%)	(0.10%) (1.03%)	-- 4.38%	-- 4.80%	-- 5.90%
Timber <i>NCREIF Timberland Index</i>	\$100,739,502	0.86%	1.19% 1.44%	1.37% 3.00%	6.63% 6.97%	12.79% 9.75%	8.62% 7.78%	3.87% 5.43%
Cash	\$144,578,878	1.23%	1.05%	2.65%	5.24%	3.92%	2.49%	1.77%
Total Fund <i>Total Fund Benchmark</i>	\$11,752,923,835	100.00%	(1.23%) (1.19%)	3.84% 4.28%	9.93% 10.80%	2.12% 3.65%	7.13% 7.52%	7.36% 7.50%

Benchmark definitions included in the Appendix.

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity	2.17%	7.51%	18.62%	5.05%	12.17%	11.25%
Russell 3000 Index	2.63%	9.03%	23.81%	8.01%	13.86%	12.55%
Lazard Asset Mgmt.	3.78% (34)	14.63% (6)	18.61% (70)	3.95% (85)	9.45% (90)	9.85% (79)
Russell 3000 Index	2.63% (48)	9.03% (43)	23.81% (31)	8.01% (45)	13.86% (43)	12.55% (29)
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%	11.41%
CastleArk	2.41% (49)	2.13% (91)	25.26% (27)	8.46% (35)	17.39% (13)	14.86% (12)
Russell 3000 Growth Idx	6.82% (10)	10.48% (28)	32.46% (14)	9.93% (30)	18.25% (12)	16.22% (2)
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%	11.41%
Mellon S&P 500 Index Fd	2.41% (46)	8.43% (25)	25.01% (49)	8.94% (67)	14.20% (54)	12.94% (50)
S&P 500 Index	2.41% (46)	8.44% (25)	25.02% (48)	8.94% (67)	14.53% (51)	13.10% (46)
Callan Large Cap Core	2.29%	6.94%	24.87%	9.32%	14.58%	12.94%
Horrell Capital - Passive	(0.16%) (70)	5.67% (79)	10.64% (89)	5.29% (80)	11.77% (72)	9.95% (78)
Blmbg Arkansas Index	3.67% (35)	2.50% (90)	0.79% (100)	5.88% (75)	14.40% (37)	8.94% (85)
S&P 500 Index	2.41% (49)	8.44% (56)	25.02% (28)	8.94% (34)	14.53% (36)	13.10% (24)
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%	11.41%
Mellon Large Cap Growth	7.07% (16)	10.49% (14)	33.34% (25)	--	--	--
Russell 1000 Growth Idx	7.07% (16)	10.49% (14)	33.36% (24)	10.47% (17)	18.96% (9)	16.78% (10)
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%	15.41%
Wellington Management	(1.71%) (67)	5.95% (60)	14.59% (55)	6.88% (57)	9.92% (61)	9.12% (63)
Russell 1000 Value Idx	(1.98%) (72)	7.26% (35)	14.37% (55)	5.63% (77)	8.68% (85)	8.49% (87)
Callan Large Cap Value	(1.25%)	6.66%	15.41%	7.24%	10.45%	9.46%
William Blair LCG	3.39% (74)	4.82% (85)	--	--	--	--
Russell 1000 Growth Idx	7.07% (16)	10.49% (14)	33.36% (24)	10.47% (17)	18.96% (9)	16.78% (10)
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%	15.41%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Stephens Mid Cap Growth	4.02% (61)	8.66% (60)	--	--	--	--
Russell Mid Cap Growth Index	8.14% (19)	15.22% (15)	22.10% (19)	4.04% (6)	11.47% (19)	11.54% (30)
Callan Mid Cap Growth	4.77%	9.85%	14.95%	(0.16%)	9.88%	10.82%
LSV Asset Management	0.50% (32)	8.41% (48)	8.73% (56)	7.41% (17)	10.45% (33)	--
Russell 2000 Value Idx	(1.06%) (64)	8.98% (39)	8.05% (63)	1.94% (89)	7.29% (84)	7.14% (96)
Callan Small Cap Value	(0.32%)	8.25%	9.03%	4.33%	9.51%	8.68%
Stephens Investment Mgmt.	2.37% (44)	8.99% (51)	17.09% (39)	0.86% (33)	10.39% (35)	10.61% (48)
Russell 2000 Growth Idx	1.70% (52)	10.26% (38)	15.15% (57)	0.21% (48)	6.86% (87)	8.09% (97)
Callan Small Cap Growth	1.80%	9.09%	15.94%	(0.25%)	9.10%	10.57%
Froley Revy Investment	2.96% (12)	8.31% (22)	12.46% (13)	(0.59%) (94)	8.79% (28)	8.48% (27)
ML All Conv. Index	3.38% (10)	8.82% (15)	11.14% (32)	0.65% (67)	9.66% (15)	9.07% (16)
Callan Convert Bonds DB	1.53%	6.23%	9.94%	1.16%	6.79%	6.82%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
International Equity	(7.84%)	(0.44%)	4.93%	0.62%	5.25%	6.01%
Intl Equity Benchmark*	(7.61%)	(0.05%)	5.23%	0.50%	3.50%	4.58%
Artisan Partners	(8.42%) (80)	(1.02%) (66)	5.64% (53)	7.49% (3)	9.85% (2)	8.66% (4)
MSCI EAFE Index	(8.11%) (70)	(1.44%) (71)	3.82% (69)	1.65% (51)	4.73% (68)	5.20% (80)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Mellon ACWI ex US Fund	(7.43%) (51)	(0.01%) (49)	5.85% (52)	1.09% (59)	4.42% (77)	--
MSCI ACWI xUS Index	(7.50%) (53)	0.05% (48)	6.09% (47)	1.35% (57)	4.61% (70)	5.31% (78)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Baillie Gifford Overseas	(8.30%) (74)	0.24% (45)	3.59% (71)	(7.71%) (99)	1.78% (97)	5.30% (78)
MSCI ACWI xUS Index	(7.50%) (53)	0.05% (48)	6.09% (47)	1.35% (57)	4.61% (70)	5.31% (78)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Lazard Asset Mgmt.	(9.49%) (94)	(3.22%) (90)	1.75% (83)	0.86% (62)	3.83% (87)	5.40% (74)
MSCI ACWI xUS Index	(7.50%) (53)	0.05% (48)	6.09% (47)	1.35% (57)	4.61% (70)	5.31% (78)
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%	6.08%
Acadian ACW ex US SmallCap	(4.23%) (6)	3.59% (25)	13.08% (9)	4.18% (14)	--	--
MSCI ACWI xUS Small	(7.66%) (54)	0.56% (48)	3.36% (49)	(1.47%) (44)	4.30% (54)	5.66% (72)
Callan Intl Small Cap	(7.47%)	0.38%	3.06%	(1.97%)	4.62%	6.84%
Franklin Templeton Intl SmallCap	(9.13%) (73)	(1.56%) (72)	(1.20%) (80)	(3.47%) (60)	--	--
MSCI ACWI xUS Small	(7.66%) (54)	0.56% (48)	3.36% (49)	(1.47%) (44)	4.30% (54)	5.66% (72)
Callan Intl Small Cap	(7.47%)	0.38%	3.06%	(1.97%)	4.62%	6.84%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Fixed Income	(2.51%)	2.87%	3.82%	(1.17%)	0.97%	2.51%
Blmbg Aggregate Index	(3.06%)	1.98%	1.25%	(2.41%)	(0.33%)	1.35%
DoubleLine Capital	(2.51%) (18)	3.02% (5)	3.54% (13)	(0.98%) (14)	0.57% (69)	--
Mackay Shields	(2.46%) (14)	3.05% (5)	4.66% (2)	(1.06%) (15)	1.54% (12)	2.73% (18)
PGIM Fixed Inc	(2.57%) (24)	2.55% (40)	3.25% (23)	(1.44%) (40)	0.76% (53)	2.81% (13)
Blmbg Aggregate Index	(3.06%) (80)	1.98% (91)	1.25% (95)	(2.41%) (88)	(0.33%) (98)	1.35% (100)
Callan Core Plus Fixed Income	(2.76%)	2.44%	2.74%	(1.59%)	0.78%	2.31%
Private Markets	4.30%	5.30%	25.44%	8.72%	7.91%	7.05%
Private Equity	5.79%	4.13%	62.30%	--	--	--
Pvt. Equity Benchmark	6.85%	11.01%	38.22%			
HarbourVest Dover XI	6.52%	3.55%	59.57%	--	--	--
Neuberger Berman Fund of One	4.03%	5.35%	--	--	--	--
Pvt. Equity Benchmark	6.85%	11.01%	38.22%			
Hedge Funds	3.35%	5.92%	12.94%	8.34%	7.17%	6.65%
HFRI FOF Diversified Index*	2.49%	4.03%	9.12%	1.37%	5.89%	6.25%
APERS - Blackstone	3.35% (37)	5.92% (34)	12.94% (20)	8.34% (9)	7.17% (27)	6.65% (5)
HFRI FOF Diversified Index**	2.49% (55)	4.03% (71)	9.12% (73)	7.42% (11)	6.18% (55)	5.63% (17)
Callan Core Div. FoF	2.95%	4.88%	10.92%	4.73%	6.42%	4.69%

* Benchmark definitions included in the Appendix.

** 3-month Treasury Bill +4% through 6/30/2023; HFRI FOF Diversified Index thereafter.

Peer Group ranking in parentheses.

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Real Assets	0.07%	0.71%	(1.01%)	(0.39%)	4.40%	5.27%
NCREIF Total Index*	0.90%	1.69%	0.43%	3.58%	5.39%	5.61%
REITS	(5.95%)	8.68%	8.07%	(3.17%)	3.12%	--
S&P DJ U.S. Select REIT	(5.93%)	8.70%	8.10%	(3.02%)	3.40%	4.89%
MCM EB DV Non-SL REIT Fd	(5.95%) (34)	8.68% (42)	8.07% (48)	(3.17%) (71)	3.12% (89)	--
S&P DJ U.S. Select REIT	(5.93%) (33)	8.70% (40)	8.10% (47)	(3.02%) (69)	3.40% (80)	4.89% (86)
Callan Real Estate REIT	(6.57%)	8.35%	8.01%	(2.52%)	5.01%	6.37%
Core Real Estate	0.35%	(0.14%)	(3.12%)	(1.23%)	2.47%	5.22%
NCREIF NFI-ODCE Eq Wt Net	0.85%	0.78%	(2.43%)	(3.11%)	2.24%	5.25%
Carlyle Property Investors	0.26% (75)	0.26% (61)	(3.17%) (73)	--	--	--
Clarion Lion Industrial Trust	(0.90%) (95)	(0.90%) (84)	(2.12%) (55)	--	--	--
Invesco Real Estate	(0.05%) (91)	(1.00%) (86)	(5.60%) (89)	(3.68%) (68)	1.26% (77)	5.36% (59)
Heitman Real Estate Trust LP	0.31% (71)	0.71% (47)	(0.22%) (31)	2.02% (11)	3.92% (28)	--
Principal Enhanced Property Fd	4.17% (1)	2.17% (7)	--	--	--	--
NCREIF NFI-ODCE Eq Wt Net	0.85% (33)	0.78% (41)	(2.43%) (64)	(3.11%) (67)	2.24% (56)	5.25% (61)
Callan OE Core Cmngld RE	0.72%	0.48%	(1.72%)	(1.95%)	2.55%	5.49%

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

Investment Manager Returns and Peer Group Rankings

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Value Add Real Estate	(0.75%)	3.93%	3.68%	2.28%	8.90%	11.14%
NCREIF Total Index	0.90%	1.69%	0.43%	(0.82%)	3.13%	5.66%
Harrison Street Fund VIII	(1.75%)	(1.98%)	(1.93%)	5.83%	--	--
Harrison Street Fund IX	(1.97%)	(1.97%)	--	--	--	--
Heitman Value Partners IV	(2.86%)	1.61%	1.76%	8.89%	11.72%	--
LaSalle Inc & Growth VI LP	0.04%	(27.08%)	(38.36%)	(25.03%)	(17.11%)	(4.29%)
LaSalle Inc & Growth VII LP	(4.73%)	(11.21%)	(23.77%)	(26.88%)	(12.32%)	--
Starwood SOF XII	4.98%	7.97%	21.34%	--	--	--
TA Realty XII	(1.71%)	(2.36%)	(3.24%)	4.60%	--	--
TA Realty XIII	(1.12%)	39.54%	28.12%	--	--	--
NCREIF Total Index	0.90%	1.69%	0.43%	(0.82%)	3.13%	5.66%
Farmland	0.25%	(0.96%)	(0.10%)	--	--	--
IFC Core Farmland Fund	1.86%	3.64%	6.45%	--	--	--
PGIM Agriculture	(1.60%)	(5.94%)	(7.11%)	--	--	--
NCREIF Farmland Index	(1.32%)	(1.55%)	(1.03%)	4.38%	4.80%	5.90%
Timber	1.19%	1.37%	6.63%	12.79%	8.62%	3.87%
Pinnacle	1.19%	1.37%	6.63%	12.79%	8.62%	3.87%
NCREIF Timberland Index	1.44%	3.00%	6.97%	9.75%	7.78%	5.43%
Cash	1.05%	2.65%	5.24%	3.92%	2.49%	1.77%
Total Fund	(1.23%) (54)	3.84% (60)	9.93% (50)	2.12% (77)	7.13% (52)	7.36% (49)
Total Fund Benchmark	(1.19%) (52)	4.28% (41)	10.80% (33)	3.65% (27)	7.52% (39)	7.50% (39)
Callan Public Fund Spr DB	(1.12%)	4.07%	10.00%	2.97%	7.19%	7.32%

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

Organizational Developments

4th Quarter 2024

Mellon Investments Corporation – Passive Large Cap Growth Equity

January 2025 – Mellon Investments Corporation informed Callan of its plan to close the San Francisco office, which has housed passive index investment professionals. Employees may relocate to Mellon's Pittsburgh office and must decide by the end of February. Those accepting the offer have until Q3 2026 to move. Head of Index Stephanie Hill has accepted and will relocate. The remaining 16 team members have not disclosed their plans. Callan will monitor the decisions of remaining team members.

No action required.

William Blair – Large Cap Growth Equity

January 2025 – William Blair announced that Stephanie Braming, Head of Investment Management, will retire at the end of 2025. William Blair's CEO and COO will lead a full search for her replacement, with input from senior members of the Investment Management team. No additional personnel or structural changes are anticipated within the Investment Management division because of this announcement.

No action required.

Work Plan Update

Annual Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Performance Measurement Reports	Quarterly	03/2025	06/2025
Quarterly Board Meetings	Quarterly	03/2025	06/2025
Customized Board Education Sessions	As Needed	05/2023	As Needed
Investment Policy Statement Review	Annual	11/2023	2025

Multi-Year Work Plan

Agenda Item	Frequency	Last Completed	Scheduled Review
Asset/Liability Study	5-7 years	02/2019	2024 – 2026
Asset Allocation Analysis	3 years	12/2023	2026 – 2029
Domestic Equity Structure Review	3-5 years	08/2022	2025 – 2027
Non-U.S. Equity Structure Review	3-5 years	11/2020	2023 – 2025
Fixed Income Structure Review	3-5 years	11/2023	2026 – 2028
Real Assets Structure & Pacing Analysis	1-3 years	05/2021	2022 – 2024
Private Equity Structure & Pacing Analysis	1-3 years	05/2023	2024 – 2026



Appendix

Benchmark Definitions

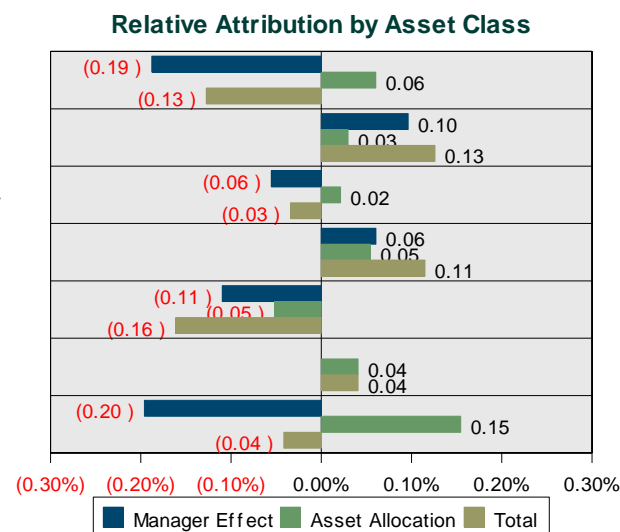
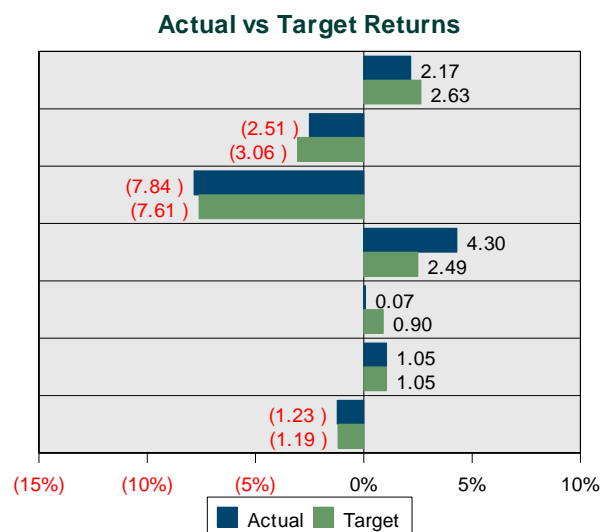
1. **Total Fund Benchmark (Target):** Blend of asset class benchmarks at policy weights. The Long-Term Target was established in February 2023; however, the benchmark will be modified in accordance with the actual implementation. This process reflects the practical implementation of the strategic long-term asset allocation.

	Long-Term Target	4Q 2024 Target
Domestic Equity	39.0%	39.0%
International Equity	17.0	24.0
Fixed Income	21.0	19.0
Real Assets	16.0	16.0
Private Markets	7.0	2.0
- Private Equity	5.0	0.0
- Hedge Funds	2.0	2.0
Total Target	100.0%	100.0%

2. **Domestic Equity Benchmark:** Russell 3000 Index
3. **International Equity Benchmark:** MSCI ACWI xUS IMI Index; Prior to 12/31/2020 MSCI EAFE Index
4. **Fixed Income Benchmark:** Bloomberg Aggregate Index
5. **Real Assets Benchmark:** NCREIF Total Index; Prior to 7/1/2023 CPI All Urban Consumers + 4%
6. **Private Equity Benchmark:** Russell 3000 Index +3%, lagged one quarter.
7. **Hedge Funds Benchmark:** HFRI Diversified Index; Prior to 7/1/2023 60% MSCI World and 40% Bloomberg Aggregate.

Total Fund Relative Attribution – Q4 2024

December 31, 2024



Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	40%	39%	2.17%	2.63%	(0.19%)	0.06%	(0.13%)
Fixed Income	18%	19%	(2.51%)	(3.06%)	0.10%	0.03%	0.13%
International Equity	24%	24%	(7.84%)	(7.61%)	(0.06%)	0.02%	(0.03%)
Private Markets	3%	2%	4.30%	2.49%	0.06%	0.05%	0.11%
Real Assets	13%	16%	0.07%	0.90%	(0.11%)	(0.05%)	(0.16%)
Cash	2%	0%	1.05%	1.05%	0.00%	0.04%	0.04%
Total					(1.23%)	(1.19%)	(0.04%)

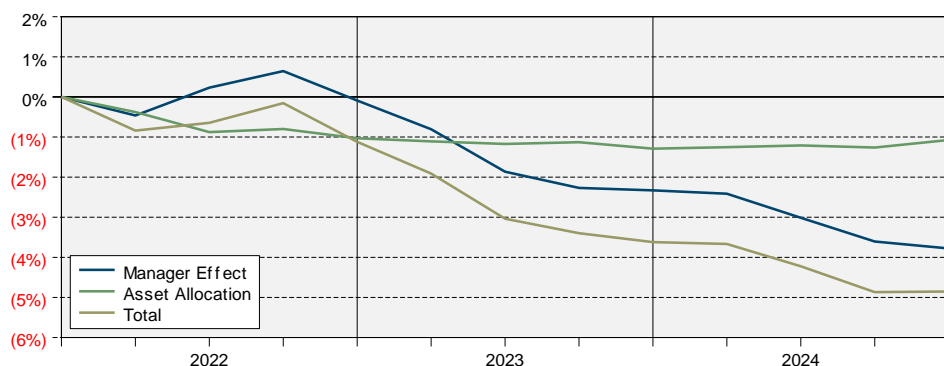
(1.23%) = (1.19%) + (0.20%) + 0.15%

Benchmark definitions included in the Appendix.

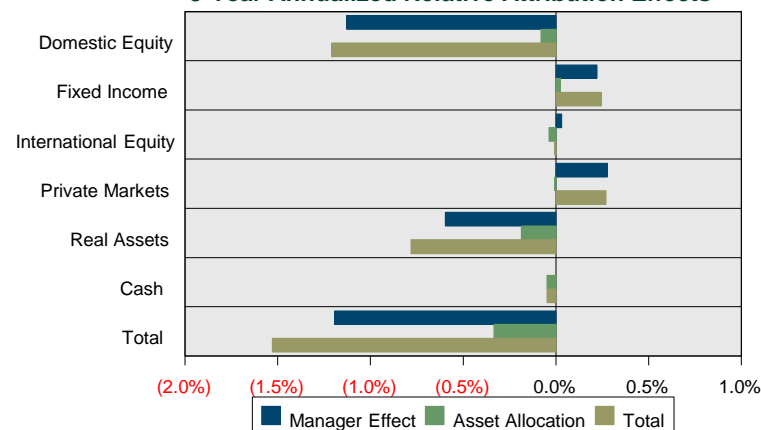
Total Fund Relative Attribution – 3 Years

December 31, 2024

Cumulative Relative Attribution Effects



3-Year Annualized Relative Attribution Effects



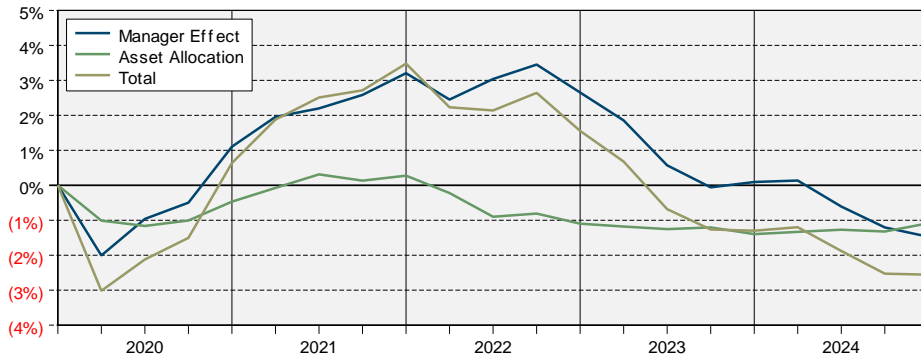
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	38%	38%	5.05%	8.01%	(1.13%)	(0.08%)	(1.21%)
Fixed Income	18%	19%	(1.17%)	(2.41%)	0.22%	0.02%	0.25%
International Equity	25%	24%	0.62%	0.50%	0.03%	(0.04%)	(0.01%)
Private Markets	4%	4%	8.72%	1.35%	0.28%	(0.01%)	0.27%
Real Assets	14%	16%	(0.39%)	3.58%	(0.60%)	(0.19%)	(0.78%)
Cash	1%	0%	3.92%	3.92%	0.00%	(0.05%)	(0.05%)
Total			2.12%	3.65%	(1.19%)	(0.33%)	(1.53%)

Benchmark definitions included in the Appendix.

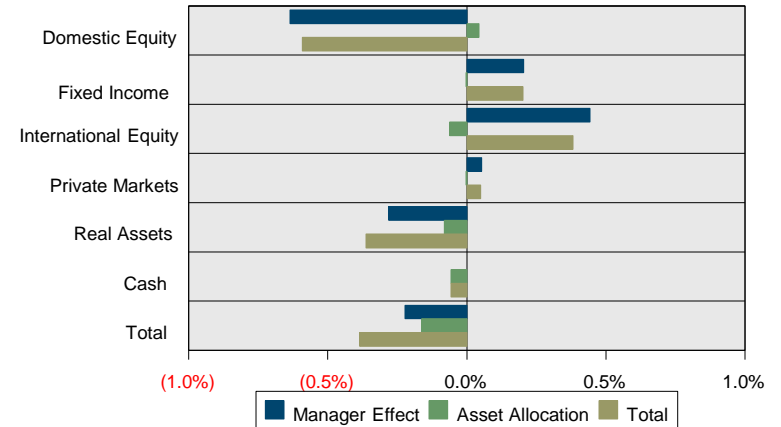
Total Fund Relative Attribution – 5 Years

December 31, 2024

Cumulative Relative Attribution Effects



5-Year Annualized Relative Attribution Effects



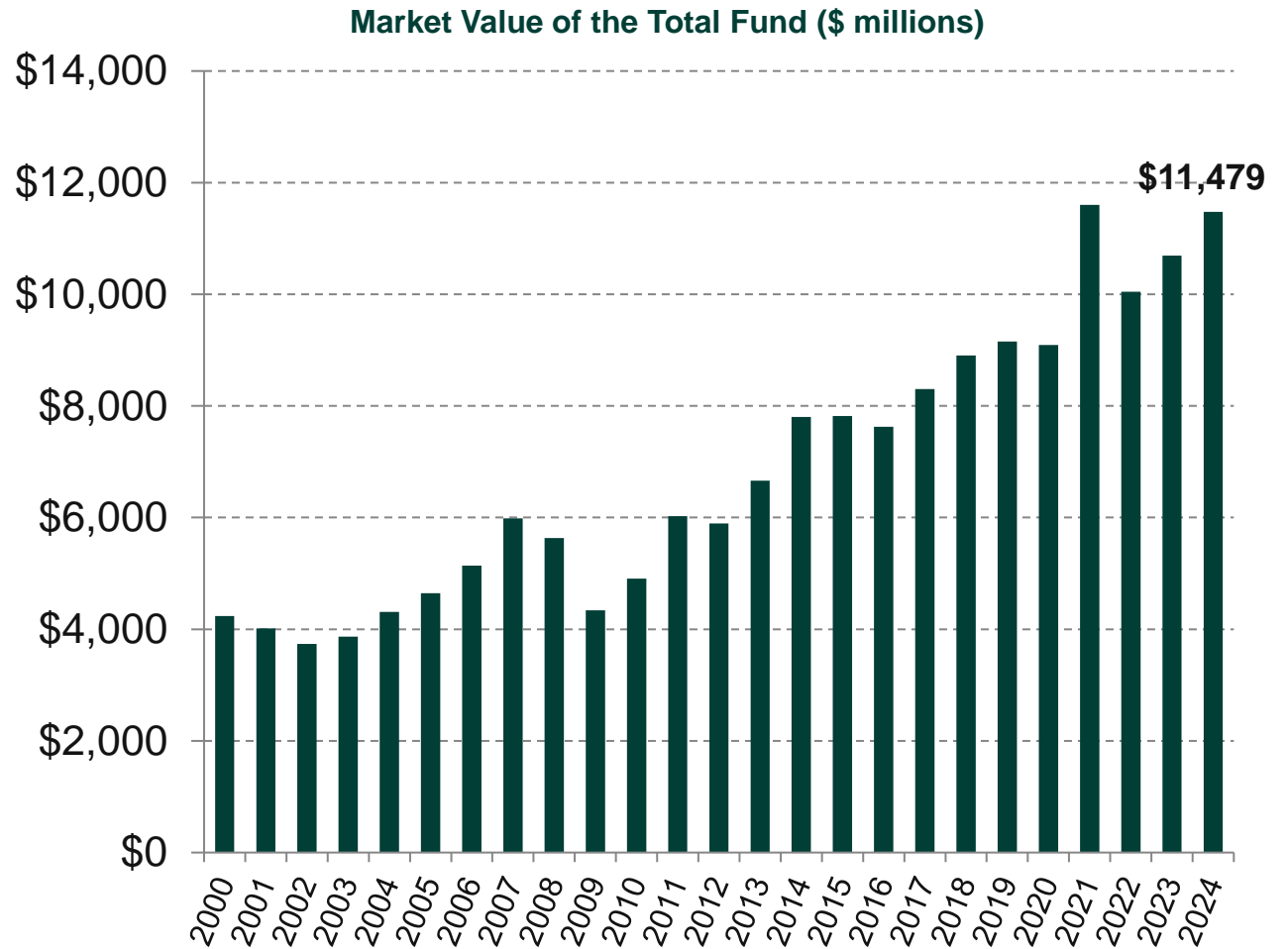
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	39%	38%	12.17%	13.86%	(0.64%)	0.04%	(0.59%)
Fixed Income	17%	18%	0.97%	(0.33%)	0.20%	(0.00%)	0.20%
International Equity	25%	24%	5.25%	3.50%	0.44%	(0.06%)	0.38%
Private Markets	4%	4%	7.91%	5.87%	0.05%	(0.00%)	0.05%
Real Assets	14%	16%	4.40%	5.39%	(0.28%)	(0.08%)	(0.36%)
Cash	1%	0%	2.49%	2.49%	0.00%	(0.06%)	(0.06%)
Total			7.13%	7.52%	(0.22%)	(0.16%)	(0.39%)

Benchmark definitions included in the Appendix.

Historical Market Values of the Total Fund

Fiscal Year-End Market Values

Fiscal Year Ending	Market Value
2000	\$4,236,749,732
2001	\$4,012,745,608
2002	\$3,739,381,695
2003	\$3,869,787,673
2004	\$4,307,589,827
2005	\$4,642,924,118
2006	\$5,136,985,259
2007	\$5,985,111,493
2008	\$5,633,155,289
2009	\$4,341,419,711
2010	\$4,907,734,835
2011	\$6,022,965,592
2012	\$5,896,862,618
2013	\$6,662,631,673
2014	\$7,800,291,923
2015	\$7,820,289,128
2016	\$7,624,665,446
2017	\$8,301,352,120
2018	\$8,904,393,859
2019	\$9,153,121,783
2020	\$9,093,497,703
2021	\$11,602,695,185
2022	\$10,042,629,672
2023	\$10,691,261,784
2024	\$11,479,176,077



Asset Distribution Across Investment Managers

December 31, 2024

	December 31, 2024			September 30, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	\$4,951,460,378	42.13%	\$35,286,145	\$103,668,325	\$4,812,505,908	40.18%
Lazard Asset Mgmt.	0	0.00%	(276,310,240)	7,460,993	268,849,248	2.24%
CastleArk Mgmt. LLC	746,750,855	6.35%	(872,945)	17,550,167	730,073,632	6.10%
Mellon S&P 500 Index Fd	674,604,721	5.74%	(50,021,142)	17,242,078	707,383,785	5.91%
Horrell Capital - Passive	220,765,451	1.88%	(89,165)	(360,333)	221,214,949	1.85%
Mellon Large Cap Value	169,426,060	1.44%	(130,002,531)	(5,432,232)	304,860,824	2.55%
Boston Partners LCV	391,201,473	3.33%	400,000,000	(8,798,527)	-	-
Mellon Large Cap Growth	415,544,105	3.54%	99,993,700	28,841,430	286,708,975	2.39%
CastleArk LCG	75,956,977	0.65%	75,000,000	956,977	-	-
Wellington Management	401,030,583	3.41%	(80,388,145)	(5,515,180)	486,933,908	4.07%
William Blair LCG	506,267,196	4.31%	(338,035)	16,629,482	489,975,749	4.09%
Stephens Mid Cap Growth	445,816,399	3.79%	(473,182)	17,239,119	429,050,462	3.58%
LSV Asset Management	297,937,131	2.54%	(471,616)	1,471,485	296,937,263	2.48%
Stephens Investment Mgmt.	184,736,881	1.57%	(332,120)	4,283,979	180,785,022	1.51%
Froley Revy Investment	421,422,546	3.59%	(408,433)	12,098,887	409,732,091	3.42%
International Equity	\$2,606,584,686	22.18%	\$(1,629,768)	\$(221,334,772)	\$2,829,549,226	23.63%
Artisan Partners	4,468,232	0.04%	(765,860,353)	(15,373,937)	785,702,522	6.56%
Artisan Intl Value CIT	723,421,374	6.16%	765,860,353	(42,438,980)	-	-
Mellon ACWI ex US Fund	576,887,190	4.91%	(77,794)	(46,303,723)	623,268,707	5.20%
Baillie Gifford Overseas	358,461,246	3.05%	(490,559)	(32,450,932)	391,402,736	3.27%
Lazard Asset Mgmt.	559,542,649	4.76%	(439,980)	(58,707,294)	618,689,924	5.17%
Acadian ACW ex US SmallCap	222,403,090	1.89%	(342,011)	(9,834,266)	232,579,367	1.94%
Franklin Templeton Intl SmallCap	161,400,907	1.37%	(279,423)	(16,225,641)	177,905,971	1.49%
Fixed Income	\$2,042,343,213	17.38%	\$(1,026,846)	\$(52,658,922)	\$2,096,028,980	17.50%
DoubleLine Capital	643,042,444	5.47%	(314,615)	(16,556,052)	659,913,111	5.51%
MacKay Shields	699,913,410	5.96%	(356,735)	(17,643,390)	717,913,535	5.99%
PGIM	699,387,359	5.95%	(355,496)	(18,459,480)	718,202,334	6.00%
Private Markets						
Private Equity	\$171,770,298	1.46%	\$20,089,670	\$8,676,899	\$143,003,729	1.19%
HarbourVest Dover XI	125,779,647	1.07%	20,211,545	6,893,580	98,674,522	0.82%
Neuberger Berman Fund of One	45,990,651	0.39%	(121,875)	1,783,319	44,329,207	0.37%
Hedge Funds	\$255,835,144	2.18%	\$(641,429)	\$8,314,508	\$248,162,065	2.07%
Blackstone Alt. Asset Mgmt	255,835,144	2.18%	(641,429)	8,314,508	248,162,065	2.07%

Asset Distribution Across Investment Managers

December 31, 2024

	December 31, 2024			September 30, 2024		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Real Assets	\$1,580,351,239	13.45%	\$(11,963,284)	\$1,145,056	\$1,591,169,467	13.29%
REITS	\$28,777,852	0.24%	\$15,975,293	\$(1,575,377)	\$14,377,937	0.12%
MCM EB DV Non-SL REIT Fd	28,777,852	0.24%	15,975,293	(1,575,377)	14,377,937	0.12%
Core/Core-Plus Real Estate	\$1,056,438,117	8.99%	\$(22,392,852)	\$3,667,957	\$1,075,163,012	8.98%
Carlyle Property Investors	81,031,726	0.69%	(663,732)	209,438	81,486,019	0.68%
Clarion Lion Industrial Trust	77,078,235	0.66%	(232,106)	(700,931)	78,011,272	0.65%
Invesco Real Estate	494,058,328	4.20%	(16,513,396)	(262,813)	510,834,537	4.27%
Heitman Real Estate Tr LP	319,059,030	2.71%	(3,434,102)	966,376	321,526,756	2.68%
Principal Enh. Property Fd	85,210,799	0.73%	(1,549,516)	3,455,887	83,304,428	0.70%
Non-Core Real Estate	\$295,460,934	2.51%	\$(4,509,262)	\$(2,385,941)	\$302,356,136	2.52%
Harrison Street Fund VIII	45,350,703	0.39%	(2,325,841)	(834,637)	48,511,181	0.41%
Harrison Street Fund IX	28,962,160	0.25%	(1,078,499)	(582,205)	30,622,864	0.26%
Heitman Value Partners IV	35,219,324	0.30%	(6,652,866)	(1,364,198)	43,236,388	0.36%
LaSalle Inc & Growth VI LP	3,355,276	0.03%	0	1,381	3,353,895	0.03%
LaSalle Inc & Growth VII LP	12,574,538	0.11%	(1,007,471)	(647,706)	14,229,715	0.12%
Starwood SOF XII	59,883,660	0.51%	14,764,183	2,841,536	42,277,941	0.35%
TA Realty XI	52,942	0.00%	(112,508)	13,006	152,444	0.00%
TA Realty XII	62,080,066	0.53%	(15,654,541)	(1,270,931)	79,005,538	0.66%
TA Realty XIII	47,982,265	0.41%	7,558,282	(542,187)	40,966,170	0.34%
Farmland	\$98,934,833	0.84%	\$(516,993)	\$248,803	\$99,203,023	0.83%
IFC Core Farmland Fund	53,765,674	0.46%	(376,609)	982,280	53,160,003	0.44%
PGIM Agriculture	45,169,159	0.38%	(140,384)	(733,477)	46,043,020	0.38%
Timber	\$100,739,502	0.86%	\$(519,471)	\$1,189,613	\$100,069,359	0.84%
Pinnacle	100,739,502	0.86%	(519,471)	1,189,613	100,069,359	0.84%
Cash	\$144,578,878	1.23%	\$(113,038,116)	\$1,233,532	\$256,383,461	2.14%
Composite Fund	\$11,752,923,835	100.00%	\$(72,923,627)	\$(150,955,374)	\$11,976,802,837	100.00%

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Domestic Equity	2.09%	7.35%	18.26%	4.71%	11.81%
Russell 3000 Index	2.63%	9.03%	23.81%	8.01%	13.86%
Pub Pln- Dom Equity	1.88%	8.41%	21.55%	7.45%	13.12%
CastleArk	2.28%	1.92%	24.76%	8.06%	16.98%
Russell 3000 Growth Index	6.82%	10.48%	32.46%	9.93%	18.25%
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%
Mellon S&P 500 Index Fd	2.40%	8.43%	24.99%	8.92%	14.18%
S&P 500 Index	2.41%	8.44%	25.02%	8.94%	14.53%
Callan Large Cap Core	2.29%	6.94%	24.87%	9.32%	14.58%
Horrell Capital - Passive	(0.20%)	5.59%	10.46%	5.12%	11.59%
Bloomberg Arkansas Index	3.67%	2.50%	0.79%	5.88%	14.40%
S&P 500 Index	2.41%	8.44%	25.02%	8.94%	14.53%
Callan All Cap Broad	2.01%	8.70%	21.02%	7.51%	13.23%
Mellon Large Cap Value	(1.98%)	-	-	-	-
Russell 1000 Value Index	(1.98%)	7.26%	14.37%	5.63%	8.68%
Callan Large Cap Value	(1.25%)	6.66%	15.41%	7.24%	10.45%
Mellon Large Cap Growth	7.07%	10.48%	33.27%	-	-
Russell 1000 Growth Index	7.07%	10.49%	33.36%	10.47%	18.96%
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%
Wellington Management	(1.78%)	5.79%	14.23%	6.56%	9.60%
Russell 1000 Value Index	(1.98%)	7.26%	14.37%	5.63%	8.68%
Callan Large Cap Value	(1.25%)	6.66%	15.41%	7.24%	10.45%
William Blair LCG	3.32%	4.68%	-	-	-
Russell 1000 Growth Index	7.07%	10.49%	33.36%	10.47%	18.96%
Callan Large Cap Growth	5.32%	8.20%	29.91%	8.42%	16.43%
Stephens Mid Cap Growth	3.91%	8.44%	-	-	-
Russell MidCap Growth Idx	8.14%	15.22%	22.10%	4.04%	11.47%
Callan Mid Cap Growth	4.77%	9.85%	14.95%	(0.16%)	9.88%
LSV Asset Management	0.34%	8.09%	8.08%	6.80%	9.82%
Russell 2000 Value Index	(1.06%)	8.98%	8.05%	1.94%	7.29%
Callan Small Cap Value	(0.32%)	8.25%	9.03%	4.33%	9.51%
Stephens Investment Mgmt.	2.19%	8.57%	16.13%	0.15%	9.66%
Russell 2000 Growth Index	1.70%	10.26%	15.15%	0.21%	6.86%
Callan Small Cap Growth	1.80%	9.09%	15.94%	(0.25%)	9.10%
Froley Revy Investment	2.85%	8.09%	12.01%	(0.99%)	8.36%
ML All Conv	3.38%	8.82%	11.14%	0.65%	9.66%
Callan Convert Bonds DB	1.53%	6.23%	9.94%	1.16%	6.79%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
International Equity	(7.90%)	(0.59%)	4.58%	0.26%	4.89%
Benchmark*	(7.61%)	(0.05%)	5.23%	0.50%	3.50%
Pub Pln- Intl Equity	(7.70%)	(0.44%)	4.95%	1.05%	4.90%
Mellon ACWI ex US Fund	(7.44%)	(0.03%)	5.80%	1.04%	4.36%
MSCI ACWI ex US	(7.60%)	(0.15%)	5.53%	0.82%	4.10%
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%
Baillie Gifford Overseas	(8.42%)	0.01%	3.14%	(8.09%)	1.38%
MSCI ACWIxUS Gross	(7.50%)	0.05%	6.09%	1.35%	4.61%
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%
Lazard Asset Mgmt.	(9.56%)	(3.36%)	1.44%	0.55%	3.51%
MSCI ACWIxUS Gross	(7.50%)	0.05%	6.09%	1.35%	4.61%
Callan NonUS Eq	(7.35%)	(0.07%)	5.96%	1.72%	5.49%
Acadian ACW ex US SmallCap	(4.38%)	3.28%	12.42%	3.54%	-
MSCI ACWI ex US Small Cap	(7.66%)	0.56%	3.36%	(1.47%)	4.30%
Callan Intl Small Cap	(7.47%)	0.38%	3.06%	(1.97%)	4.62%
Franklin Templeton Intl SmallCap	(9.28%)	(1.88%)	(1.85%)	(4.11%)	-
MSCI ACWI ex US Small Cap	(7.66%)	0.56%	3.36%	(1.47%)	4.30%
Callan Intl Small Cap	(7.47%)	0.38%	3.06%	(1.97%)	4.62%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Fixed Income					
Blmbg Aggregate Index	(2.56%)	2.77%	3.62%	(1.36%)	0.78%
Pub Pln- Dom Fixed	(3.06%)	1.98%	1.25%	(2.41%)	(0.33%)
	(2.40%)	2.47%	2.69%	(1.19%)	0.92%
DoubleLine Capital	(2.56%)	2.92%	3.35%	(1.17%)	0.38%
MacKay Shields	(2.51%)	2.94%	4.45%	(1.26%)	1.34%
PGIM	(2.62%)	2.44%	3.04%	(1.64%)	0.56%
Blmbg Aggregate Index	(3.06%)	1.98%	1.25%	(2.41%)	(0.33%)
Callan Core Plus FI	(2.76%)	2.44%	2.74%	(1.59%)	0.78%
Private Markets	3.78%	4.42%	21.99%	7.10%	6.61%
Private Equity	4.84%	2.69%	51.08%	-	-
Benchmark**	6.85%	11.01%	38.22%	-	-
HarbourVest Dover XI	5.29%	1.65%	46.60%	-	-
Neuberger Berman Fund of One	3.75%	5.06%	-	-	-
Benchmark**	6.85%	11.01%	38.22%	-	-
Hedge Funds of Funds	3.09%	5.39%	11.80%	7.25%	6.10%
HFRI FOF: Diversified Index***	2.49%	4.03%	9.12%	1.37%	5.89%
Blackstone Alt. Asset Mgmt.	3.09%	5.39%	11.80%	7.25%	6.10%
HFRI FOF: Diversified Index****	2.49%	4.03%	9.12%	7.42%	6.18%
Callan Core Diversif FoF	2.95%	4.88%	10.92%	4.73%	6.42%

Benchmark definitions included in the Appendix.

Investment Manager Returns – Net of Fees

December 31, 2024

	Q4 2024	Fiscal YTD	Last Year	Last 3 Years	Last 5 Years
NET OF FEE RETURNS					
Real Assets	(0.14%)	0.26%	(1.77%)	(1.18%)	3.50%
NCREIF Total Index*****	0.90%	1.69%	0.43%	3.58%	5.39%
REITS	(5.96%)	8.66%	8.02%	(3.23%)	3.06%
S&P DJ US Select REIT	(5.93%)	8.70%	8.10%	(3.02%)	3.40%
MCM EB DV Non-SL REIT Fd	(5.95%)	8.68%	8.07%	(3.17%)	3.12%
S&P DJ US Select REIT	(5.93%)	8.70%	8.10%	(3.02%)	3.40%
Callan Real Estate REIT	(6.57%)	8.35%	8.01%	(2.52%)	5.01%
Core/Core-Plus Real Estate	0.14%	(0.45%)	(3.74%)	(1.76%)	1.96%
NCREIF NFI-ODCE Eq Wt Net	0.85%	0.78%	(2.43%)	(3.11%)	2.24%
Invesco Real Estate	(0.16%)	(1.21%)	(5.99%)	(4.05%)	0.90%
Heitman Real Estate Trust LP	0.13%	0.36%	(0.92%)	1.30%	3.23%
Carlyle Property Investors	0.00%	0.00%	(4.13%)	-	-
Clarion Lion Industrial Trust	(1.20%)	(1.20%)	(3.29%)	-	-
Principal Enhanced Property Fd	3.31%	1.32%	-	-	-
NFI-ODCE Equal Weight Net	0.85%	0.78%	(2.43%)	(3.11%)	2.24%
Callan OE Core Cmngld RE	0.72%	0.48%	(1.72%)	(1.95%)	2.55%
Non-Core Real Estate	(0.86%)	3.23%	3.03%	0.96%	6.53%
NCREIF Total Index	0.90%	1.69%	0.43%	(0.82%)	3.13%
Harrison Street Fund VIII	(2.07%)	(2.61%)	(0.31%)	3.51%	-
Heitman Value Partners IV	(3.08%)	1.19%	0.95%	8.03%	10.78%
LaSalle Inc & Growth VI LP	0.04%	(27.08%)	(38.36%)	(25.17%)	(17.48%)
LaSalle Inc & Growth VII LP	(5.17%)	(11.98%)	(25.06%)	(27.81%)	(13.33%)
Starwood SOF XII	4.55%	6.92%	18.71%	-	-
TA Realty XII	(1.54%)	(2.17%)	(2.82%)	3.72%	-
TA Realty XIII	(1.00%)	35.89%	21.91%	-	-
NCREIF Total Index	0.90%	1.69%	0.43%	(0.82%)	3.13%
Farmland	(0.27%)	(2.06%)	(2.56%)	-	-
IFC Core Farmland Fund	1.14%	1.99%	2.55%	-	-
PGIM Agriculture	(1.90%)	(6.48%)	(8.10%)	-	-
NCREIF Farmland Index	(1.32%)	(1.55%)	(1.03%)	4.38%	4.80%
Timber	0.92%	0.88%	5.63%	11.76%	7.64%
Pinnacle	0.92%	0.88%	5.63%	11.76%	7.64%
NCREIF Timberland Index	1.44%	3.00%	6.97%	9.75%	7.78%
Cash	1.05%	2.65%	5.24%	3.92%	2.49%
Total Fund	(1.33%)	3.63%	9.46%	1.70%	6.70%
Callan Public Fund Spr DB	(1.12%)	4.07%	10.00%	2.97%	7.19%
Total Fund ex Cash	(1.36%)	3.64%	9.48%	1.72%	6.73%
Benchmark*	(1.19%)	4.28%	10.80%	3.65%	7.52%
Callan Public Fund Spr DB	(1.12%)	4.07%	10.00%	2.97%	7.19%

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.

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

Past performance is no guarantee of future results.



Quarterly Board Meeting

Statement of Fiduciary Net Position as of (December 31, 2024)

ASSETS	
Cash and Cash Equivalents	\$ 3,873,671
Receivables	
Contributions Receivable	1,944
Overpayment Receivable	269,982
Allowance for Doubtful Accounts	<u>(269,982)</u>
Total Receivables	1,944
Investments at Fair Value	
Investment Assets	442,192,185
Securities Lending Collateral	<u>25,330,373</u>
Total Investments	467,522,558
TOTAL ASSETS	<u>471,398,173</u>
LIABILITIES	
Securities Lending Liability	25,334,078
Accrued Expense and Other Liabilities	<u>530,487</u>
TOTAL LIABILITIES	<u>25,864,565</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 445,533,609</u>



Quarterly Board Meeting

Statement of Changes in Fiduciary Net Position for the Period Ending (December 31, 2024)

ADDITIONS	
Contributions	
Employer	\$ 7,804,733
Employee	<u>52,256</u>
Total Contributions	7,856,989
Investment Income	
Investment Income	16,336,019
Less: Investment Expense	<u>(961,440)</u>
Net Investment Income	15,374,579
TOTAL ADDITIONS	23,231,568
DEDUCTIONS	
Benefits	16,983,162
Administrative Expense	<u>219,469</u>
TOTAL DEDUCTIONS	17,202,631
NET INCREASE/(DECREASE)	6,028,937
NET POSITION RESTRICTED FOR PENSION BENEFITS	
Beginning of Year	<u>439,504,672</u>
End of 2nd Quarter	<u>\$ 445,533,609</u>



Quarterly Board Meeting

March 13, 2025

Legal Report

ADMINISTRATIVE MEMBER APPEALS

None

APPEAL FROM ADMINISTRATIVE MEMBER APPEAL - LITIGATION

None

RULES PROMULGATION

Administrative staff will review the Acts after the 2025 legislative session to determine if rule promulgation is needed to conform to the new laws.

LEGISLATION (2025 SESSION) ASPRS Bills

- Act 127 (HB1207) Removed obsolete language for calculating COLA; corrected child age to 23
- Act 128 (HB1208) Adds ASPRS to the list of claimant agencies allowed an offset of member's tax refund
- Act 130 (HB1210) ASPRS Administrative Costs Allocated to APERS (Codifying "Special Language")
- Act 112 (HB1317) Designates fraud of a state supported retirement system as a Class D felony
- HB1304 Statute of Limitations and Lost Payees



Quarterly Board Meeting
Benefits Summary

Membership

- **Tier One:** All state police officers on March 19, 1951, and all persons who become state police officers after that date become members of State Police Retirement System.
- **Tier Two:** All state police officers first hired on or after April 3, 1997, are covered by the tier two benefit plan.

Members – New This Quarter

	Oct 2024	Nov 2024	Dec 2024
Number	51	0	0
Total Members	558	555	552

Members - Historical

	1 year	5 years	10 years	20 years
Number	561	529	530	477
Average Pay	\$76,493	\$57,255	\$53,866	\$ 44,700

Eligibility for Benefits

- **Normal retirement:** Members may voluntarily retire once they attain normal retirement age, which is the youngest of the following ages:
 - Any age with 28 years of credited service
 - Age 65 with at least five (5) years of credited service
 - Age 65 reduced by 0.75 of a month for each month of service, but no younger than age 55.
- **Early retirement:** Members who have not attained normal retirement age may retire with an early annuity. Early retirement can begin under the following conditions:
 - Within 10 years of normal retirement age
 - A reduction of one-half percent (0.5%) multiplied by the number of months the early retirement age is younger than normal retirement age
- **Disability retirement:** Members with at least five (5) years of actual service who become totally and permanently incapacitated for duty with the division due to personal injury or disease can be retired by the board after a medical examination.
- **Survivor retirement:** Survivors of members with at least five (5) years of actual service who die before retirement may receive a survivor annuity. Eligible survivors include a spouse, dependent children, and in some cases, dependent parents.



Quarterly Board Meeting
Benefits Summary

Inactive Members – New This Quarter

	Oct 2024	Nov 2024	Dec 2024
Number	2	0	2
Total Members	121	121	122

Inactive Members - Historical

	1 year	5 years	10 years	20 years
Number	121	102	69	41
Total Benefits	\$1.4m	\$946k	\$706k	\$348k

Benefits

- **Straight life annuity:** Members who retire receive a straight life annuity equal to 2.65% of their final average compensation (FAC) multiplied by the number of years of credited service.
- **Benefit calculation example:** Final Average Compensation X 2.65% X Credited Service
 $\$76,493 \times 2.65\% \times 21.62 \text{ yrs.} = \$43,825 \text{ annually} / \$3,652 \text{ monthly}$
- **Annuity options:** Before members receive their first payment, they can elect to receive the straight life annuity or elect to have their annuity reduced under one of four options that provide continuing benefits to a designated beneficiary.
- **Cost-of-living adjustments:** Each July 1, the system redetermines the amount of each monthly benefit that has been 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%).

Retirees – New This Quarter

	Oct 2024	Nov 2024	Dec 2024
Number	1	4	3
Total Retirees	726	728	729

Retirees - Historical

	1 year	5 years	10 years	20 years
Number	789	735	666	509
Total Benefits	\$32.3m	\$28.76m	\$24.2m	\$14.4m



Quarterly Board Meeting

Executive Report

Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024 are available for APERS, ASPRS, and AJRS. The ACFR reflects the system's overall financial health, investment performance, and long-term sustainability.

APERS Legislative Audit

APERS FY24 Legislative Audit has been completed, and Trustees will be receiving it in the mail shortly.

Pension Administration System Upgrade

Upgrading our pension administration system remains a top priority. Our goal is to implement a modern, secure, and efficient platform that improves the accuracy of member data, streamlines benefit processing, and enhances overall service delivery and security. Planning activities are well underway, and project work is scheduled to fully commence in July 2025. The complete upgrade is expected to take up to two years to finalize.

Multi-Factor Authentication

APERS is implementing a multi-factor authentication process to begin in May for our current pension administration system for a greater security and protection of data.

Membership Outreach and Education

We are enhancing our outreach efforts to ensure all members remain well-informed about their benefits. Key initiatives include:

- **Employer Webinars:** Organizing educational sessions that focus on employer reporting requirements and system navigation.
- **Social Media Engagement:** Utilizing social media channels to share essential information on retirement planning and benefits.
- **Member/Retiree Webinars and On-Site Training:** The public affairs team conducted several training sessions during the last quarter to further educate and engage our members.

Legislative Session Update

APERS staff is actively monitoring the legislative session with an emphasis on proposals that could impact pension funding, benefit formulas, and administrative processes. We are collaborating closely with legislators to ensure that our members' interests are effectively represented.