

# **ARKANSAS TEACHER RETIREMENT SYSTEM**

**June 2, 2025**

1400 West Third Street

## **BOARD ROOM**

Little Rock, AR 72201

### **Board of Trustees Meeting**

**11:00 a.m.**

#### **Trustees**

Danny Knight, Chair

Shawn Higginbotham, Vice Chair

Kelsey Bailey

Anita Bell

Susan Ford

Keri Hamilton

Dr. Mike Hernandez

Michael Johnson

Bobby G. Lester

Chip Martin

Jeff Stubblefield

#### **Ex Officio Trustees**

Susannah Marshall, State Bank Commissioner

Jacob Oliva, Secretary, Dept. of Education

Honorable Dennis Milligan, State Auditor

Honorable John Thurston, State Treasurer

**AGENDA**  
**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES**

**June 2, 2025**

**11:00 a.m.**

**1400 West Third Street**

**Little Rock, AR 72201**

- I.       **\*Call to Order/Roll Call.** page 1.
- II.       **\*Motion to Excuse Absences.**
- III.      **\*Adoption of Agenda.** *Mr. Danny Knight, Board Chair* page 2.
- IV.      **\*Approval of April 7, 2025, Minutes.** *Mr. Danny Knight, Board Chair* (Attachment No. 1) page 6.
- V.       Executive Summary. (Attachment No. 2) page 14.
- VI.      Executive Director Report. *Mr. Mark White, Executive Director* (Attachment No. 3) page 21.
- VII.     **\*2025 Board Election Results.** *Mr. Mark White, Executive Director* (Attachment No. 4) page 24.
  - A.       **\*Resolution 2025-27.** (Attachment No. 5) page 27.
- VIII.    Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205.. *Mr. Mark White, Executive Director* (Attachment No. 6) page 28.
- IX.      Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 7) page 29.
- X.       Manifest Injustice Report. *Ms. Jennifer Liwo* (Attachment No. 8) page 30.
- XI.      **\*Board of Trustees Disability Review.** *Ms. Jennifer Liwo, General Counsel*
  - A.       **\*In Re: ID#XXX899.** (Attachment No. 9) page 35.

\* Action Item

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XII. Audit Committee Report.

- A. **\*Internal Audit Report: Membership Maintenance.** (Attachment No. 10) page 38.
- B. Update of the Audit Plan. (Attachment No. 11) page 47.
- C. Introduction of Demetrios Gulley.

XIII. Investment Committee Report.

- A. Arkansas Related and Investment Update.
  - 1. List of Fund Closings.
    - a. Riverside Value Fund II, LP, a private equity fund specializing in underperforming companies in the U.S., the Board authorized commitment of up to \$35 million dollars on December 2, 2024 was accepted and closed on May 14, 2025.
    - b. Peak Rock Capital IV, LP, a private equity fund that seeks investments in consumer, technology, healthcare, and industrial sectors, the Board authorized commitment of up to \$35 million dollars on December 2, 2024 was accepted and closed on March 28, 2025.
    - c. MML Capital Partnership VIII, SCSp, a private equity fund that seeks investments in middle-market companies in Europe and the U.S., the Board authorized commitment of up to \$40 million euros on April 7, 2025 was accepted and closed on May 15, 2025.
    - d. Franklin Park Venture Capital Fund XV, LP, the Board authorized additional commitment of up to \$40 million dollars on April 7, 2025 was accepted and closed on April 18, 2025.
    - e. Franklin Park Venture Capital Opportunity Fund II, LP, the Board authorized additional commitment of up to \$40 million dollars on April 7, 2025 was accepted and closed on April 18, 2025.
  - 2. Board Policies Report. (Attachment No. 12) page 48.
  - 3. Arkansas Related Update. (Attachment No. 13) page 51.
  - 4. **\*Update to ATRS Board Policy 4 - Investment Policy.** (Attachment No. 14) page 54.
  - 5. **\*Recommendation to approve for Board adoption Resolution 2025-21 authorizing the hiring of Egan-Jones Proxy Services to provide independent proxy vote management and advisory services.** (Attachment No. 15) page 82.

\* Action Item

- a. **\*Resolution 2025-21.** (Attachment No. 16) page 147.
6. **\*Consideration of an investment of up to \$50 million dollars in Israel Bonds to be managed by Scout Investments Inc., through its Reams Asset Management division (Reams).** (Attachment No. 17) page 149.
  - a. **\*Resolution 2025-22.** (Attachment No. 18) page 151.
- B. General Investment Consultant Report.
  1. Preliminary Performance Report for the Quarter Ended March 31, 2025. (Attachment No. 19) page 153.
  2. Private Debt Informational Presentation. (Attachment No. 20) page 308.
- C. Private Equity Consultant Report.
  1. Private Equity Portfolio Review for the Quarter Ended December 31, 2024. (Attachment No. 21) page 329.
  2. **\*Recommendation to approve for Board adoption Resolution 2025-23 authorizing an investment of up to \$40 million dollars in Arlington Capital Partners VII, L.P.** (Attachment No. 22) page 376.
    - a. **\*Resolution 2025-23.** (Attachment No. 23) page 380.
  3. **\*Recommendation to approve for Board adoption Resolution 2025-24 authorizing an investment of up to \$40 million dollars in Great Hill Equity Partners IX, L.P.** (Attachment No. 24) page 381.
    - a. **\*Resolution 2025-24.** (Attachment No. 25) page 385.
- D. Real Assets Consultant Report.
  1. Performance Report for the Quarter Ended December 31, 2024. (Attachment No. 26) page 386.
- XIV. Operations Committee Report.
  - A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members in Attendance.
    1. Open Forum.
  - B. **\*Rules Promulgation.** (Attachment No. 27) page 436.
    1. **\*Rule 4: Election of Board of Trustees.** (Attachment No. 28) page 439.
    2. **\*Rule 6: Membership and Employer Participation.** (Attachment No. 29) page 440.
    3. **\*Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts.** (Attachment No. 30) page 445.

\* Action Item



4. **\*Rule 9: Retirement and Benefits.** (Attachment No. 31) page 449.
5. **\*Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.** (Attachment No. 32) page 455.
6. **\*Rule 11: Survivors and Domestic Relations Orders.** (Attachment No. 33) page 458.
- C. **\*Update to ATRS Board Policy 1 Board Governance.** (Attachment No. 34) page 463.
- D. **\*Update to ATRS Board Policy 4 Investment Policy.** (Attachment No. 35) page 474.
- E. Communications Engagement Strategies. (Attachment No. 36) page 502.
- XV. **\*Staff Report.**
  - A. **\*Medical Committttee Report. 10 Applicants were approved.** *Mr. Willie Kincade, Director of Operations* (Attachment No. 37) page 515.
- XVI. **\*Litigation Update and Settlement Approval.** *Mr. Mark White, Executive Director and Mr. Dylan Potts, Gill, Ragon, Owen PA*
- XVII. **\*Executive Session - Appointment for Position #6.** *Mr. Danny Knight, Board Chair*
- XVIII. **\*Appointment of Position #6 Trustee.** *Mr. Danny Knight, Board Chair*
- XIX. **\*Election of Board Vice Chair.** *Mr. Danny Knight, Board Chair*
- XX. **\*Recognition of Mr. Willie Kincade.** *Mr. Mark White, Executive Director*
  - A. **\*Resolution 2025-25.** (Attachment No. 38) page 516.
- XXI. **\*Recognition of Mr. Curtis Carter.** *Mr. Mark White*
  - A. **\*Resolution 2025-26.** (Attachment No. 39) page 517.
- XXII. Other Business.
- XXIII. **\*Adjourn.**

**MINUTES  
ARKANSAS TEACHER RETIREMENT SYSTEM  
BOARD OF TRUSTEES**

**Monday, April 7, 2025  
11:00 a.m.  
1400 West Third Street  
Little Rock, AR 72201**

**ATTENDEES**

**Board Members Present**

Danny Knight, Chair  
Shawn Higginbotham, Vice Chair  
Kelsey Bailey  
Anita Bell  
Michael Johnson  
Chip Martin  
Jeff Stubblefield  
Susannah Marshall, Bank Commissioner  
Jason Brady, designee for Hon. Dennis  
Milligan, State Auditor  
Kelly Griffin, designee for Sec. Jacob Oliva,  
Department of Education  
Kenneth Burleson, designee for Hon. John  
Thurston, State Treasurer

**Board Members Absent**

Susan Ford  
Dr. Mike Hernandez

**ATRS Staff Present**

Mark White, Executive Director  
Sarah Linam, Deputy Director  
Rod Graves, Deputy Director  
Tammy Porter, Board Secretary  
Curtis Carter, Chief Financial Officer  
Braeden Duke, Software Support Analyst  
Annemarie Berardi, Dir. Outreach/Engagement  
Demetrios Gulley, Internatl Audit  
Willie Kincade, Director of Operations  
Jennifer Liwo, General Counsel  
Manju, Director, Information Systems  
Jerry Meyer, Manager, Real Assets  
Logan Penter, Staff Attorney\*  
Joe Sithong, Information Systems Coordinator\*  
Stephanie Lilly Palmer, Dir. Human Resources  
Logan Penter, Staff Attorney\*  
Amber Sevilla, Assistant to Ex. Director  
Joe Sithong, Information Systems Coordinator\*  
Whitney Sommers, Administrative Analyst  
Leslie Ward, Manager, Private Equity  
Misty Yant, Manager, Accounting/Reporting\*

**Guest Present**

Donna Morey, ARTA  
PJ Kelly, Aon Hewitt Consulting  
Katie Comstock, Aon Hewitt Consulting\*  
Chae Hong, Aon Hewitt Consulting\*  
Cyril Espanol\*  
Douglas Appell\*  
Georgi Korovski\*

**\*ZOOM**

I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 10:35 a.m. Roll call was taken. Ms. Susan Ford was absent.

II. **Motion to Excuse Absences.**

Mr. Stubblefield *moved to excuse Ms. Ford and Dr. Hernandez from the April 7, 2025, meeting. Ms. Hamilton seconded the motion, and the Board unanimously approved the Motion.*

III. **Adoption of Agenda.**

Mr. Martin *moved for adoption of the Agenda. Ms. Bell seconded the motion, and the Board unanimously approved the motion.*

IV. **Executive Summary.** The Executive Summary was provided for reference with no questions or expansions on the written summary.

V. **Approval of February 3, 2025, Minutes.**

Mr. Brady *moved for approval of the Minutes of the Board of Trustees meeting of February 3, 2025. Mr. Lester seconded the motion, and the Board unanimously approved the motion.*

VI. **Executive Director Report.** Director White provided with the Board with his Executive Director Report.

VII. **Legislative Audit Report – June 30, 2024.**

Mr. Martin *moved for approval of the Legislative Audit Report – June 30, 2024. Ms. Griffin seconded the motion, and the Board unanimously approved the motion.*

VIII. **GASB Report – June 30, 2024.**

Mr. Brady *moved for approval of the GASB Report – June 30, 2024. Mr. Johnson seconded the motion, and the Board unanimously approved the motion.*

IX. **Report of Member Interest Waived under A.C.A. Section 24-7-205.** None

X. **Report of Employer Penalties and Interest Waived Under A.C.A. Section 24-7-411.** Director White presented the employer interest and penalties waived

report. ATRS may also waive employer interest and penalties when reports or payments are late or have issues due to a new bookkeeper, inclement weather, sickness and other situations that justify a waiver. This was for information only. No action was taken.

**XI. Manifest Injustice.**

**A. In Re: MI# 2025-001**

**Ms. Bell *moved to approve* the Manifest Injustice Committee Recommendation for MI# 2025-001. Mr. Bailey *seconded the motion*, and the Board *unanimously approved the motion*.**

**B. In Re: MI# 2025-004**

**Mr. Brady *moved to approve* the Manifest Injustice Committee Recommendation for MI# 2025-004. Mr. Martin *seconded the motion*, and the Board *unanimously approved the motion*.**

**XII. Audit Committee Report. Ms. Maggie Garrett, Audit Committee Chair**

**A. Executive Session – Evaluation of Kevin Chadwick, Internal Auditor.**

**Mr. Stubblefield *moved* for Board approval of Evaluation of Kevin Chadwick, Internal Audit, and the Board *unanimously approved the motion*.**

**XIII. Investment Committee Report. Arthur “Chip” Martin, Investment Chair**

**A. Arkansas Related and Investment Update.**

- 1. List of Fund Closings.** The report was provided for reference with no questions or expansions on the written summary.
- 2. Board Policies Report.** The report was provided for reference with no questions or expansions on the written summary.
- 3. Arkansas Related Update.** Mr. Leslie Lane and Sam Walls of Arkansas Capital Corporation gave the Committee a report on Highland Pellets.
- 4. Update to Board Policy 4 – Investment Policy.** Executive Director Mark White provided the Committee with a potential

update to Board Policy 4 – Investment Policy for consideration with no action requested at this meeting.

**B. General Investment Consultant Report *Aon Hewitt Investment Consulting***

1. **Preliminary Performance Report for Month Ending February 28, 2025.** PJ Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a Preliminary Performance Report for Month ending February 28, 2025.

**C. Real Assets Consultant Report. *Aon Hewitt Investment Consulting.***

1. **Recommendation to approve for Board adoption Resolution 2025-14 authorizing an investment of up to \$100 million dollars in Ares Industrial Real Estate Fund, LP.**

**a. Resolution 2025-14.**

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-14, authorizing an investment of up to \$100 million dollars in Ares Industrial Real Estate Fund, LP, and the Board *unanimously approved* the motion.**

2. **Recommendation to approve for Board adoption Resolution 2025-15, authorizing an investment of up to \$100 million dollars in Carlyle Property Investors, LP.**

**a. Resolution 2025-15.**

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-15, authorizing an investment of up to \$100 million dollars in Carlyle Property Investors, LP, and the Board *unanimously approved* the motion.**

3. **Recommendation to approve for Board adoption Resolution 2025-16 authorizing an additional investment of up to \$50 million dollars in AxInfra NA II, LP.**

**a. Resolution 2025-16.**

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-16, authorizing an additional investment of up to \$50 million dollars in AxInfra NA II, LP, and the Board *unanimously approved* the motion.**

- 4, Recommendation to approve for Board adoption Resolution 2025-17, authorizing an additional investment of up to \$50 million dollars in KKR Diversified Core Infrastructure Fund, LP.

- a. Resolution 2025-17.

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-17 authorizing an additional investment of up to \$50 million dollars in KKR Diversified Core Infrastructure Fund, LP, and the Board *unanimously approved* the motion.**

**D. Private Equity Consultant Report. *Franklin Park***

1. Recommendation to approve for Board adoption Resolution 2025-18 authorizing an investment of up to €40 million euros (approximately the equivalent of \$43 million dollars) in MML Capital Partnership VIII, SCSp with Imminent Need.

- a. Resolution 2025-18

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-18 authorizing an investment of up to €40 million euros (approximately the equivalent of \$43 million dollars) in MML Capital Partnership VIII, SCSp with Imminent Need, and the Board *unanimously approved* the motion.**

2. Recommendation to approve for Board adoption Resolution 2025-19, authorizing an additional investment of up to \$40 million dollars in Franklin Park Venture Capital Fund XV, LP, with Imminent Need.

**a. Resolution 2025-19**

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-19 authorizing an additional investment of up to \$40 million dollars in Franklin Park Venture Capital Fund XV, LP, with Imminent Need, and the Board *unanimously approved* the motion.**

- 3. Recommendation to approve for Board adoption Resolution 2025-20, authorizing an additional investment of up to \$40 million dollars in Franklin Park Venture Capital Opportunity Fund II, LP, with Imminent Need.**

**a. Resolution 2025-20**

**Mr. Martin *moved to approve* the Recommendation to approve for Board adoption Resolution 2025-20 authorizing an additional investment of up to \$40 million dollars in Franklin Park Venture Capital Opportunity Fund II, LP, with Imminent Need, and the Board *unanimously approved* the motion.**

**XIV. Operations Committee Report. *Mr. Bobby Lester, Chair***

- A. Open Forum for potential Rule or Law Changes by Committee Members and Board Members in Attendance.**
1. Open Forum. None.
- B. ATRS 2025 Legislative Package.** Ex. Director White gave an update on the ATRS 2025 Legislative Package.
- C. Update to ATRS Board Policy 4 – Investment Policy.** Ex. Director White gave an update on ATRS Board Policy 4 – Investment Policy.

**XV. Staff Reports.**

- A. Medical Committee Report.** Mr. Kincade reported that a total of Three (3) Disability Retirement Applications were approved.

**Mr. Lester *moved to approve* the Medical Committee Report. Ms. Bell *seconded the motion* and the Board *unanimously approved the Motion*.**

**XVI. Securities Litigation Update.** Executive Director White gave the Board an update on the Securities Litigation.

**XVII. Executive Session to Discuss Executive Director’s Performance Evaluation.**

Mr. Martin *moved to convene* the Board of Trustees into Executive Session. Ms. Bell *seconded the motion* and the Board *unanimously approved the motion*.

Mr. Knight, Chair, called the Executive Session of the Board of Trustees to order at 10:57 a.m.

Mr. Knight, Chair, reconvened the Board of Trustees meeting at 11:03 a.m.

The members of the Board of Trustees have discussed the performance of Mr. White as Executive Director and the average rating received by him on the performance measures. The average rating was calculated using forms provided from each of the Board members to Ms. Stephanie Lilly-Palmer. The Chair would entertain a motion to accept the evaluation of the Executive Director and submit it to the Office of Personnel Management for processing.

Mr. Bailey *moved to accept* the recommendation of the Board on the evaluation of the Executive Director and be submitted to the Office of Personnel Management for processing. Mr. Brady *seconded the motion*, and the Board *unanimously approved the motion*.

**XVIII. Resignation of Mr. Shawn Higginbotham.** Mr. Higginbotham presented his resignation to the Board effective June 30, 2025.

**XIX. Fulfillment of Vacancy pursuant to A.C.A. 24-7-302(b)(d).**

**Mr. Stubblefield *moved* for Appointment for Position #6 – Administrator Trustee, for ATRS staff to advertise a vacancy for Position #6, and to accept applications and bring**



**applications to the June meeting for appointment. Ms. Bell seconded the motion and the Board unanimously approved the motion.**

**XX. Other Business.** None.

**XXI. Adjourn**

**Mr. Martin moved to adjourn the Board meeting. Ms. Hamilton seconded the motion and the Board unanimously approved the motion.**

**Meeting adjourned at 11:09 a.m.**

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Mr. Mark White  
Executive Director

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Mr. Danny Knight, Chair  
Board of Trustees

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Tammy Porter,  
Recorder

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Date Approved

## EXECUTIVE SUMMARY

TO: Board of Trustees  
FROM: ATRS Staff  
RE: Executive Summary  
DATE: June 2, 2025

**VI. Executive Director Report.** *Mr. Mark White, Executive Director* page 21.

**VII. \*2025 Board Election Results.** *Mr. Mark White, Executive Director* page 24.

**A. \*Resolution 2025-27.** page 27.

**VIII. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205..** *Mr. Mark White, Executive Director* page 28.

One (1) member interest was waived for this reporting period. This is a standard report for information and is not an action item.

**IX. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411.** page 29.

ATRS may also waive employer interest and penalties when reports or payments are late or have issues due to a new bookkeeper, inclement weather, sickness and other situations that justify a waiver. Eight (8) employer penalties and interest amounts were waived for this reporting period in the amount of \$2,527.35. This is a standard report for information and is not an action item

**X. Manifest Injustice Report.** *Ms. Jennifer Liwo* page 30.

The rule on Manifest Injustice requires reports to the Board at least two (2) times per year. This is the first report 2025. This report is for information purposes only and is not an action item.

**XI. \*Board of Trustees Disability Review.** *Ms. Jennifer Liwo, General Counsel*

The Member was approved for disability retirement with an effective date of June 1, 2022. The Member was required to submit a favorable Social Security Administration determination letter to ATRS by May 31, 2025. However, the Member received and submitted an unfavorable SSA determination letter to ATRS and, as a result, filed an application for disability review. After considering the Member's application for disability review, the Medical Committee recommended finding the Member qualified to receive disability retirement benefits from ATRS and continuing

disability retirement benefit payments to the Member.

A. \*In Re: ID#XXX899. page 35.

**XII. Audit Committee Report.**

A. \*Internal Audit Report: Membership Maintenance. page 38.

B. Update of the Audit Plan. page 47.

C. Introduction of Demetrios Gulley.

**XIII. Investment Committee Report.**

A. Arkansas Related and Investment Update.

**1. List of Fund Closings.**

- a. **Riverside Value Fund II, LP, a private equity fund specializing in underperforming companies in the U.S., the Board authorized commitment of up to \$35 million dollars on December 2, 2024 was accepted and closed on May 14, 2025.**

The ATRS full commitment of up to \$35 million dollars was negotiated, accepted, and closed on May 14, 2025.

- b. **Peak Rock Capital IV, LP, a private equity fund that seeks investments in consumer, technology, healthcare, and industrial sectors, the Board authorized commitment of up to \$35 million dollars on December 2, 2024 was accepted and closed on March 28, 2025.**

The ATRS full commitment of up to \$35 million dollars was negotiated, accepted, and closed on March 28, 2025.

- c. **MML Capital Partnership VIII, SCSp, a private equity fund that seeks investments in middle-market companies in Europe and the U.S., the Board authorized commitment of up to \$40 million euros on April 7, 2025 was accepted and closed on May 15, 2025.**

The ATRS full commitment of up to \$40 million euros was negotiated, accepted, and closed on May 15, 2025.

- d. **Franklin Park Venture Capital Fund XV, LP, the Board authorized additional commitment of up to \$40 million dollars on April 7, 2025 was accepted and closed on April 18, 2025.**

The ATRS full commitment of up to \$40 million dollars was negotiated, accepted, and closed on April 18, 2025.

- e. **Franklin Park Venture Capital Opportunity Fund II, LP, the Board authorized additional commitment of up to \$40 million dollars on April 7, 2025 was accepted and closed on April 18, 2025.**

The ATRS full commitment of up to \$40 million dollars was negotiated, accepted, and closed on April 18, 2025.

- 2. **Board Policies Report.** page 48.

- 3. **Arkansas Related Update.** page 51.

Representatives of Arkansas Capital Corporation will provide the Board an update on Arkansas related investments.

- 4. **\*Update to ATRS Board Policy 4 - Investment Policy.** page 54.

Board Policy 4 currently delegates proxy voting authority for ATRS-owned equities to the respective investment managers holding those stocks on the System's behalf. The proposed changes would authorize the Executive Director to retain an independent proxy vote management service to vote proxies on the System's behalf. The changes would also authorize the Executive Director in the alternative to vote proxies directly, provide binding voting instructions to investment managers, or delegate voting authority to investment managers. In every case, proxy votes must comply with the requirements of state law that the votes be based solely upon pecuniary factors. Other requested changes are designed to align Board Policy 4 with state law.

- 5. **\*Recommendation to approve for Board adoption Resolution 2025-21 authorizing the hiring of Egan-Jones Proxy Services to provide independent proxy vote management and advisory services.** page 82.

This recommendation is contingent on Board approval of updates to Board Policy 4. The proposed hiring of Egan-Jones to provide proxy vote management and advisory services to ATRS is intended to help ATRS ensure consistency in how proxies are voted and comply with state law including Act 498 of 2023.

- a. **\*Resolution 2025-21.** page 147.

- 6. **\*Consideration of an investment of up to \$50 million dollars in Israel Bonds to be managed by Scout Investments Inc., through its Reams Asset Management division (Reams).** page 149.

A member of the ATRS Board has requested the Board to consider an investment of up to \$50 million dollars in Israel Bonds. This agenda item includes a recommendation to hire Scout Investments, Inc., through its Reams Asset Management division as a third-party investment manager to implement and manage the mandate over

time.

a. **\*Resolution 2025-22.** page 151.

**B. General Investment Consultant Report.**

**1. Preliminary Performance Report for the Quarter Ended March 31, 2025.** page 153.

P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting will provide the Board with a preliminary portfolio update for the quarter ending March 31, 2025.

**2. Private Debt Informational Presentation.** page 308.

P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting will provide the Board with an informational presentation on the private debt asset class.

**C. Private Equity Consultant Report.**

**1. Private Equity Portfolio Review for the Quarter Ended December 31, 2024.** page 329.

Michael Bacine of Franklin Park will provide the Board with a portfolio review for the quarter ending December 31, 2024.

**2. \*Recommendation to approve for Board adoption Resolution 2025-23 authorizing an investment of up to \$40 million dollars in Arlington Capital Partners VII, L.P.** page 376.

Arlington is a private equity buyout fund that focuses on control investments in growing middle market companies in the U.S. Based in Bethesda, Maryland, Arlington was founded in 1999 and has raised six prior funds. The firm is led by Matthew Altman, Michael Lustbader, Peter Manos, David Wodlinger and C. Malcolm Little (principals) who have an average of 23 years of experience each in the private equity industry and 20 years with Arlington. The fund will aim to make "buy and build" investments in three government-related areas: (1) defense and aerospace (2) government services and technology and (3) healthcare. Arlington employs a top-down approach to identify market segments with tailwinds and to develop investment themes. The team focuses on core areas and themes in which it can add value and benefit from experience through repeat deals.

In its previous four funds, the general partner has generated an aggregate 2.3X cost and 44% gross IRR. ATRS invested in the firm's fourth, fifth and sixth funds that have each generated an approximate gross IRR of 30% or greater as of December 31, 2024. Franklin Park recommends an investment of up to \$40 million dollars in Arlington Capital Partners VII, L.P., and ATRS staff concurs.

a. **\*Resolution 2025-23.** page 380.

3. **\*Recommendation to approve for Board adoption Resolution 2025-24 authorizing an investment of up to \$40 million dollars in Great Hill Equity Partners IX, L.P.** page 381.

Based in Boston, Great Hill Partners was founded in 1998 as a spin-out from Media/Communications Partners. Today the firm is led by Christopher Gaffney, Mark Taber, Matthew Vettel and seven other principals. The fund will target both control and influential growth positions in rapidly growing companies in the technology, financial services and healthcare sectors in the U.S. and Western Europe. The investment team employs a proactive approach to deal origination that includes the identification and research of attractive market segments and companies and outreach by senior professionals to those companies that results in a targeted pipeline of investment opportunities and relationships with target companies. The research also leads to brand enhancement, idea generation for new investments, add-on acquisitions, executive recruitment and potential future exit strategies. In addition, the team has deep experience in the sectors in which they operate that aids in the formation of growth strategies post-investment.

In its previous four funds, the general partner has generated an aggregate 2.5X cost and 33.1% gross IRR. Franklin Park recommends an investment of up to \$40 million in Great Hill Equity Partners IX, L.P., and ATRS staff concurs.

a. **\*Resolution 2025-24.** page 385.

**D. Real Assets Consultant Report.**

1. **Performance Report for the Quarter Ended December 31, 2024.** page 386.

Jack Dowd of Aon Hewitt Investment Consulting will provide the Board with a performance report for the quarter ending December 31, 2024.

**XIV. Operations Committee Report.**

**A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members in Attendance.**

This is a standard part of the Committee agenda to allow Committee Members and Board Members in attendance to address topics and issues for consideration.

1. **Open Forum.**

This is a standard part of the Committee agenda to allow Committee Members and Board Members in attendance to address

topics and issues for consideration.

**B. \*Rules Promulgation. page 436.**

ATRS Staff will present proposed changes to the ATRS Rules based on enacted legislation from the 2025 legislative session and staff recommendations. The proposed rule changes affect the following ATRS Rules:

1. **\*Rule 4: Election of Board of Trustees. page 439.**
2. **\*Rule 6: Membership and Employer Participation. page 440.**
3. **\*Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts. page 445.**
4. **\*Rule 9: Retirement and Benefits. page 449.**
5. **\*Rule 10: Return to Service and Teacher Deferred Retirement Option Plan. page 455.**
6. **\*Rule 11: Survivors and Domestic Relations Orders. page 458.**

**C. \*Update to ATRS Board Policy 1 Board Governance. page 463.**

The proposed changes to Board Policy 1 address enacted legislation from the 2025 legislative session.

**D. \*Update to ATRS Board Policy 4 Investment Policy. page 474.**

Board Policy 4 currently delegates proxy voting authority for ATRS owned equities to the respective investment managers holding those stocks on the System's behalf. The proposed changes would authorize the Executive Director to retain an independent proxy vote management service to vote proxies on the System's behalf. The changes would also authorize the Executive Director in the alternative to vote proxies directly, provide binding voting instructions to investment managers, or delegate voting authority to investment managers. In every case, proxy votes must comply with the requirements of state law that the votes be based solely upon pecuniary factors. The changes also address enacted legislation from the 2025 legislative session. This is an action item.

**E. Communications Engagement Strategies. page 502.**

ATRS staff will present the Strategy of Engagement for ATRS members. Engagement objectives include the initiation of intentional points of contact with ATRS members throughout their careers and membership with the System in order to bolster the recruitment, retention, and rewarding of Arkansas educators

**XV. \*Staff Report.**

**A. \*Medical Committtee Report. 10 Applicants were approved. *Mr. Willie Kincade, Director of Operations* page 515.**

The Medical Committee Report is a standard report made by staff on behalf of the Medical Committee approving disability cases. A total of 15 disability applications were received, 10 were approved and 5 needed more information. This is not an action item.

- XVI. \*Litigation Update and Settlement Approval.** *Mr. Mark White, Executive Director and Mr. Dylan Potts, Gill, Ragon, Owen PA*
- XVII. \*Executive Session - Appointment for Position #6.** *Mr. Danny Knight, Board Chair*  
Executive Session for Appointment for Position #6
- XVIII. \*Appointment of Position #6 Trustee.** *Mr. Danny Knight, Board Chair*  
Board appointment of Position #6, Administrator Trustee.
- XIX. \*Election of Board Vice Chair.** *Mr. Danny Knight, Board Chair*  
Mr. Shawn Higginbotham is Vice Chair of the ATRS Board of Trustees. Due to his resignation effective June 30, 2025, the Board will need to elect a new Vice Chair of the Board.
- XX. \*Recognition of Mr. Willie Kincade.** *Mr. Mark White, Executive Director*  
Recognition of Mr. Willie Kincade  
**A. \*Resolution 2025-25.** page 516.
- XXI. \*Recognition of Mr. Curtis Carter.** *Mr. Mark White*  
Recognition of Mr. Curtis Carter  
**A. \*Resolution 2025-26.** page 517.
- XXII. Other Business.**



**Executive Director Board Report  
May 22, 2025**

To the ATRS Board of Trustees:

I am pleased to report to you the following highlights of the activities and achievements of your ATRS staff since my last Board Report:

**Operations Improvement**

- The deadline for July 1 retirements is rapidly approaching and staff continue to see a high rate of phone calls, emails, and in-person visits from members considering retirement. The numbers appear consistent with last year, so at this point I am not expecting a significant change in the number of members retiring or entering TDROP.
- In February we sent out this year's round of Benefit and Address Verification Affidavit (BAVA) letters to 5,531 out-of-state payees. We send these each year as one way to verify that retirees and beneficiaries receiving benefits are still alive and still eligible to receive payment, and that we have their correct contact information. After several notifications and much work by our staff to directly contact the 963 payees who did not respond to the initial letter, we have narrowed that list down to 50 individuals who have not provided a form. We are suspending benefit payments to these payees and will restore their benefits if and when they respond to us. Beginning next year, we plan to stagger the BAVA letters so that members receive them every other year, to reduce inconvenience on members.

**Member Engagement**

- Our social media presence has continued to be especially strong during this retirement season – ATRS posts on Facebook, Instagram, and LinkedIn have accumulated more than 114,700 views, and 8,600 individuals are actively following the ATRS Facebook page.
- With the end of the legislative session I have resumed my speaking schedule with appearances at the ARTA State Convention, an ARTA area meeting, one county retired teacher group, and one regional meeting for school bookkeepers. I have also conducted retirement seminars for three school districts.
- For the monthly Executive Director Update emails, the most recent Update was distributed to 47,987 subscribers, an increase of 600 over the previous month, and was opened by at least 49.3% of the recipients. The final Legislative Update email in April went out to 3,028 subscribers.
- In May we sent out our welcome letters to 1,067 new members who joined the System in the January-March quarter. The welcome letter includes a link and QR code directing the members to our new Member Handbook.

## Human Resources

- We are continuing work to implement the changes proposed by the Governor and approved by the Legislature in Act 426 to the pay scales, career ladders, and job titles for state employees. The state's Office of Personnel Management (OPM) has not yet given us a final list showing the job titles and grades that our employees will be moved to, but I still expect about half of our employees to receive a pay raise. We have raised and discussed several issues with OPM, some are being corrected while others will have to be addressed in next year's legislative fiscal session. The new pay plan is scheduled to take effect June 29.
- Managers have completed the annual performance evaluations for all ATRS employees, and every evaluation has been reviewed by myself and our deputy directors, Rod Graves and Sarah Linam. Employees will be notified of their evaluation scores by May 27. Employees who receive a 3 or 4 (on a 4-point scale) will be eligible to receive merit pay increases, but the Governor has not yet announced how much those increases will be.
- Starting this coming fiscal year, we will be requiring all employees to have a Professional Development plan and to obtain training in hard skills and soft skills each year. For this first year, all employees will have training in Microsoft Office 365 since we are making that transition now, and their soft skill training will be in Interpersonal Communications. We have also discovered that many of our supervisors are not up to date on supervisory training that is required by the state, so we will be getting that training caught up as well.

## Investments

- Last fall we discussed the possibility of hiring a vendor to manage all proxy votes for the public equities held by ATRS. We released a draft Scope of Work to interested vendors and received 2 bids. I am asking your approval this month of Egan-Jones Proxy Services to be the System's proxy vendor. They were the low bidder, and their proxy policy aligns more closely to state law than others we reviewed. By using a proxy service, we will ensure consistency in how our proxies are voted, and we will ensure that the votes are consistent with state law.
- Aon will be providing an informational presentation on private credit investments. These are similar to private equity in that they are often done through funds and are not publicly-traded, but these funds engage in debt investments rather than equity. Increasingly, corporations are looking to borrow funds and finance purchases through private debt rather than banks because it is a faster, more efficient process and can allow for more flexibility in terms. We currently have some private credit funds in our portfolio, but Aon is exploring whether it would make sense to add private credit as a separate category in our asset allocation targets.

## Finance & Reporting

- We have revised Form #300, the Federal and State Tax Election Form, to make it more understandable for members. The previous version of the Form had an option that was confusingly worded, and we discovered that members were sometimes mistakenly checking that option which resulted in more being withheld from their benefit than they had intended. The new form is easier to understand and should reduce these types of errors and mistakes.

### Progress on Strategic Plan Objectives and Initiatives

- **Outreach & Engagement:** We have now hired a second staff member for our Engagement Team, and work is now underway on a redesign of our website. Our lead for engagement, Anne Marie Berardi, will be presenting to you in this June meeting to provide further details.
- **Integrated Systems & Technology:** Our Microsoft Office 365 pilot project is going well, and in June we will be rolling it out to all staff. The staff who have been participating in the pilot have reported improvements in efficiency and time savings, so I expect that to continue with the full staff rollout. Later this summer we will be taking our next steps to upgrade our IT infrastructure and decide the future of our membership system.
- **Staff Development:** As noted above we have implemented a new professional development program for staff, and we are beginning a System-wide assessment of our organization and structure and staffing needs. I expect that to be completed by the end of the summer.

### Future Plans & Priorities

In the coming months, I will be focused on the following issues:

- **Pay Plan Implementation** – The changes that will come as a result of the Governor’s new pay plan proposal will have a significant impact on our staff. We will be working to appropriately communicate the changes to staff and then address the problems and issues that may result.
- **IT Modernization** – With the legislative session completed, IT modernization will be my key focus for the remainder of this year. We will be asking you in the coming months to make some significant decisions for the future of our IT systems, so I will be working to develop and document recommendations for your consideration.

Respectfully submitted,

Mark White  
Executive Director  
Arkansas Teacher Retirement System

## STATEMENT AND CERTIFICATION OF DETERMINATION

To Whom It May Concern: SourceOne Graphics, Inc. dba SourceOne Output Technologies (hereafter referred to as "S1") has conducted the comprehensive voting services for the Arkansas Teacher Retirement System pursuant to contract #4600053938.

S1 has completed the mailing, receiving, and tabulation for the election of Position #10 for the Arkansas Teacher Retirement System to the agreed upon procedures as outlined.

### Certified Voting Results

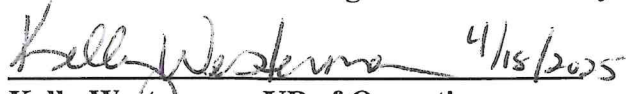
#### **Position #10: Retiree Trustee**

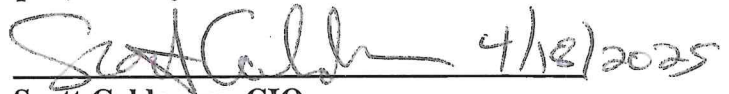
**Winner of Position #10 is Bobby Lester.**

This concludes the official voting process.

**Attached:** Agreed Upon Procedures & Detailed Analysis Results for each position.

**Certified and acknowledged this the 18<sup>th</sup> day of April, 2025 by:**

  
Kelly Westerman, VP of Operations

  
Scott Caldarera, CIO

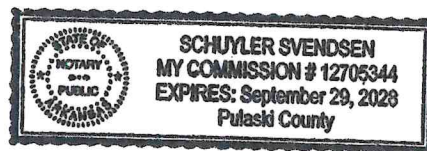
**State of Arkansas, County of Pulaski**

On this the 18<sup>th</sup> day of April, 2025, before me, Schuyler Svendsen, the undersigned notary, personally appeared (Kelly Westerman and Scott Caldarera) known to me (or satisfactorily proven) to be the person whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand and official seal.

  
Signature of Notary Public

My Commission expires: 9-29-2028





**Voting Procedures for ATRS Election.**

The voting period shall run from March 14, 2025 through April, 15, 2025.

S1 will mail all ballots on March 14, 2025. Run-off ballots, if applicable, will mail on May 1, 2025.

S1 will pick up returned ballots from USPS with the final pickup to occur the afternoon of April 15, 2025 to receive all ballots for tabulation returned during the voting period.

S1 will destroy any ballots returned by the USPS postmarked after April 15, 2025.

S1 will perform NCOA/CASS on all addresses.

S1 will mail all records to original address for movers.

S1 will process for USPS acceptance

S1 will print two ballot types, one for each initiative

Each ballot will contain two 2-D barcodes and one code 3 of 9 barcode.

The code 3 of 9 barcode will be used for intelligent insertion on inserters.

The first 2-D barcode, that shows through the window, will be used for end of inserter verification.

The second 2-D barcode will be used to insure no duplicate ballots are counted when returned.

S1 will pick up returned ballots from USPS Post Office Box.

Two S1 employees will retrieve all ballots in a secure receptacle.

Secure receptacle will be returned to S1 secure facility and stored in limited access area.

All received envelopes will be counted and batched by count.

Batches will be clearly labeled with counts and put into trays.

All envelopes in a batch will be opened.

All envelopes in a batch will be removed from the envelopes.

All envelopes in a batch will be faced and counted. Count will be verified against batch count.

Envelope and ballot counts will be performed by two separate individuals and matching counts verified by a third.

All batches will be clearly marked and stored separately from any ballots that are not counted and batched yet.

All ballots in a batch will be scanned and the scan counts verified against the batch counts.

Any batch not matching expected counts will be recounted and will be processed in a new batch.

Completed batches will be sealed in containers and stored separately from uncompleted batches.

Scanned image batches are processed/graded electronically.

Any ballot images that are determined to be unreadable will be manually reviewed.

Any ballot returned with a non-unique barcode will be invalidated. The first ballot scanned/counted will be the only one that counts in election totals.

Any ballot with extraneous markings or multiple markings will be invalidated.

Final voting and tabulation will be completed and Vote Certification Document generated.

The results of the election and vote certification will be transmitted to ATRS as soon as certified, but no later than April 18, 2025.

Certified Voting results will be published on or before April 18, 2024. Certified Voting results for run-off election, if applicable, will be published on or before June 5, 2025.

S1 will store all ballots and electronic scans for a period of 5 years.

When destroyed, the ballots will be shredded/depulped and destroyed to industry standard secure shredding procedures.

Vote results will include:

A count of all ballots.

A tally of total votes for each candidate in each election.

A percentage of the total vote for each candidate in each election.

A count of ballots rejected for any reason in each election.

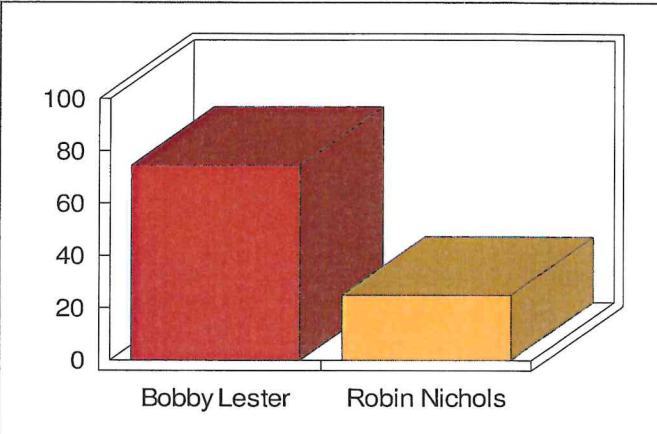
The ratio of total valid ballots returned versus ballots mailed for each position, expressed as a percentage.

v231127

SourceOne Output Technologies requests that due to the proprietary and/or confidential information contained herein that this document not be used, disclosed or reproduced, in whole or in part, for any purpose other than to document and evaluate these procedures, without the prior written consent of SourceOne Output Technologies, except as may be required by law.

## Detailed Analysis Report

### Position #10: Retiree Trustee

Response	Votes	Percent	Graphical Representation
Bobby Lester	8,524	74.57	 <p>A 3D bar chart comparing the vote percentages for Bobby Lester and Robin Nichols. The vertical axis represents the percentage from 0 to 100. Bobby Lester's bar is red and reaches approximately 75% on the scale. Robin Nichols' bar is yellow and reaches approximately 25% on the scale.</p>
Robin Nichols	2,857	24.99	
<b>Total Valid</b>	<b>11,381</b>	.	

POSITION 10	QTY
<b>VALID VOTES</b>	
Bobby Lester	8,524
Robin Nichols	2,857
<b>Total Valid Votes</b>	<b>11,381</b>

<b>INVALID VOTES</b>	
Duplicate Votes	0
Multiple Selections	25
Blanks	25
Missing Barcode	0
<b>Total Invalid Votes</b>	<b>50</b>

<b>TOTAL RECEIVED</b>	<b>11,431</b>
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<b>TOTAL MAILED</b>	<b>54,877</b>
<b>% RETURNED</b>	<b>20.83%</b>

**ARKANSAS TEACHER RETIREMENT SYSTEM  
1400 WEST THIRD STREET  
LITTLE ROCK, ARKANSAS 72201**

**RESOLUTION  
No. 2025-27**

**2025 Board of Trustees Election Results**

**WHEREAS**, The Board of Trustees of the Arkansas Teacher Retirement System (ATRS) entered into a contract with SourceOne Output Technologies (SourceOne) of Little Rock, Arkansas, to conduct an election in March 2025, to fill one (1) position on the ATRS Board: Position #10 – Member Trustee, Retiree and;

**WHEREAS**, Ms. Robin Nichols and Mr. Bobby Lester ran for Position #10 – Member Trustee, Retiree. The election vendor, SourceOne, through its VP of Operations, Ms. Kelly Westerman, has given official notice that Mr. Bobby Lester is the winner of the 2025 Board of Trustees election for Position #10;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees of the Arkansas Teacher Retirement System hereby declares Mr. Bobby Lester to be the winner for Position #11 as certified by the election vendor, SourceOne, through its VP of Operations, Kelly Westerman. This position will become effective July 1, 2025, with Position #10 expiring on June 30, 2031.

**Adopted this 2<sup>nd</sup> day of June, 2025**

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**Mr. Danny Knight, Chair**  
***Arkansas Teacher Retirement System Board***

**Waiver of Member Interest Report**  
*A.C.A. Sec. 24-7-411*

**Date:** May 16, 2025  
**Prepared By:** Misty Yant, Accounting Reporting Section Manager

ATRS Member #	Amount Waived
191557	\$ 15.42
<b>Total Member Interest Waived:</b>	<b>\$ 15.42</b>



## Waiver of Employer Penalties Report

A.C.A. Sec. 24-7-411

**Date:** May 16, 2025  
**Prepared By:** Misty Yant, Accounting Reporting Section Manager

### Employer Delinquent Report Penalties Waived

ATRS Employer #	Amount Waived
00123	\$ 450.00
00237	\$ 150.00
00351	\$ 450.00
00626	\$ 600.00
00863	\$ 150.00
<b>Total Employer Delinquent Report Penalties Waived:</b>	<b>\$ 1800.00</b>

### Employer Delinquent Contribution Interest Penalties Waived

ATRS Employer #	Amount Waived
00376	\$ 387.64
00715	\$ 131.86
02001	\$ 207.85
<b>Total Employer Delinquent Contribution Interest Penalties Waived:</b>	<b>\$ 727.35</b>

**MANIFEST INJUSTICE COMMITTEE**  
**SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES**  
**June 2, 2025**

<b>MIC Claim #</b>	<b>Claim Type</b>	<b>Facts and Circumstances</b>	<b>Findings and Recommendations of Committee</b>	<b>Executive Director Remedy</b>	<b>Board Action</b>
2025-001	Contributions	<p>On October 10, 2003, ATRS staff mailed the Member a letter advising her that an audit of her records showed that she had unpaid employee contributions for the 2001-2002 fiscal year (“FY02”).</p> <p>The letter went on to advise the Member that the unpaid contributions (“Underpayment”) would need to be paid in full by June 30, 2004, in order to avoid interest accruing. The Member was also informed that she could set up a payment account. Finally, the Member was advised that her service credit for FY02 had been removed and would be restored when the Underpayment was paid in full.</p> <p>An account receivable was established due to the Underpayment and several more letters were mailed to the Member concerning the Underpayment. The Member’s reported address was never changed with the System. There was no indication in the record that any of the Underpayment letters were returned.</p> <p>The Member never established an installment account to repay the Underpayment and her service credit for FY02 was never restored. The Member became a T-DROP participant on July 1, 2006, and later retired on July 1, 2017. The FY02 service credit was not used in the calculation of the Member’s retirement benefit.</p>	<p>Manifest injustice exists. Recommended that the Executive Director:</p> <ul style="list-style-type: none"> <li>• Confirm that ATRS is declining to pursue collection of the Underpayment totaling \$16,317.92; and</li> <li>• Direct ATRS staff to close the account receivable.</li> </ul>	Concurs with Committee findings and recommendation.	Previously Taken.

**MANIFEST INJUSTICE COMMITTEE**  
**SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES**  
**June 2, 2025**

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		As there was an outstanding account receivable, ATRS staff filed the claim referral on behalf of the Member.			
2025-002	Disability Retirement Eligibility	<p>On or about May 4, 2020, the Member, who was inactive, contacted ATRS to inquire about disability retirement. On May 6, 2020, a letter was sent to the Member providing her with information about disability retirement, including when her eligibility to apply for disability retirement would expire.</p> <p>The Member submitted a disability retirement application which was ultimately denied. The denial occurred before the Member's eligibility to apply for disability retirement expired. ATRS staff advised the member that she could submit a new application.</p> <p>After her eligibility period expired, the Member contacted ATRS to see if she could file a disability retirement application. ATRS staff advised the Member that she was no longer eligible to apply for disability retirement.</p> <p>The Member filed a claim referral requesting a review of her case.</p>	Manifest injustice does not exist.	Concurs with Committee finding and recommendation.	No Action Required

**MANIFEST INJUSTICE COMMITTEE**  
**SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES**  
**June 2, 2025**

2025-003	Survivor Application Deadline	<p>At the time of the Member's death, the Member was ineligible for age and service retirement. As such, MB, the Member's spouse, was eligible to begin receiving survivor benefits upon the later of the month following the date on which the Member would have been eligible for retirement benefits or the date on which MB filed a survivor application. MB later remarried.</p> <p>After the Member's death, ATRS staff mailed MB several letters containing information concerning his eligibility for survivor benefits, including when he could begin receiving and any necessary additional forms that would be required.</p> <p>While MB filed an application for deferred survivor benefits with the System, all other required documentation to complete the application process was not submitted to ATRS until after the deadline to complete the application process had expired.</p> <p>As MB had passed away, MB's spouse filed a claim referral on his behalf seeking payment of survivor benefits that may have been due to MB.</p>	Manifest injustice does not exist.	Concurs with Committee finding and recommendation.	No Action Required
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**MANIFEST INJUSTICE COMMITTEE**  
**SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES**  
**June 2, 2025**

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2025-004	Repayment of Retirement Contributions	<p>The Member filed an application for retirement on or about May 3, 2024, noting his last day of employment with his covered employer as June 28, 2024. As part of his retirement application, the Member signed the <i>Acknowledgement of Termination Requirements</i> in which he acknowledged understanding that he could not form any express or implied agreements, or take any action to entitle any ATRS covered employer to her services until after his termination separation period.</p> <p>In conjunction with his retirement application, ATRS received a <i>Certification of Service and Final Salary for Retirement</i> from the Member's covered employer that certified the Member's last day of employment as June 28, 2024.</p> <p>By letter dated May 10, 2024, ATRS notified the Member of his effective July 1, 2024, retirement date. In this letter, the Member was advised that he could not return to work for an ATRS covered employer until after October 31, 2024. Thereafter, the Member began receiving benefits from the System after July 1, 2024.</p> <p>On or about January 17, 2025, ATRS received information from the Member's covered employer indicating that on August 7, 2024, during the termination separation period, the Member attended bus driver training and was paid by the covered employer for his attendance. The Member's covered employer provided a concise check history report</p>	Manifest injustice exists. Recommendation that the Executive Director, subject to Board approval, waive the Member's obligation to repay ATRS \$12,019.20.	Concurs with Committee finding and recommendation.	Previously Taken
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**MANIFEST INJUSTICE COMMITTEE**  
**SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES**  
**June 2, 2025**

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		<p>showing that the Member was paid \$331 on December 19, 2024, for attending the August 7, 2024, bus driver training.</p> <p>Given the history surrounding bus driver trainings, a manifest injustice claim referral was filed on behalf of the Member to determine whether the Member should be required to repay the System retirement benefits paid to him.</p>			
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<sup>1</sup> This payment met the definition of “salary” under Ark. Code Ann. § 24-7-202(40).

**BEFORE THE  
BOARD OF TRUSTEES OF THE ARKANSAS TEACHER RETIREMENT SYSTEM**

**IN RE DISABILITY RETIREE – ATRS ID # XXX899  
DR Case No. 2025-03**

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**ORDER FINDING DISABILITY RETIREE QUALIFIED TO RECEIVE DISABILITY RETIREMENT  
BENEFITS**

At its meeting on April 2, 2025, the Board of Trustees of the Arkansas Teacher Retirement System (“Board”) considered the review application filed by disability retiree - ATRS ID # XXX899 (“Disability Retiree”) and the Medical Committee’s recommendation concerning the review application. In accordance with the Administrative Procedures Act, Ark. Code Ann. § 25-15-101 et seq., the Board finds as follows:

**I. FINDINGS OF FACT**

1. The Disability Retiree was approved for disability retirement under the Arkansas Teacher Retirement System (“ATRS”) on March 2, 2022.
2. The Disability Retiree was required to provide ATRS with a Social Security Administration determination letter (“SSA determination letter”) finding him unable to perform his work duties within thirty-six (36) months from the effective date of his effective date of disability retirement.
3. The Disability Retiree’s effective date of disability retirement was June 1, 2022.
4. As such, the Disability Retiree was required to provide ATRS with the SSA determination letter May 31, 2025.
5. On March 2, 2022 and March 22, 2023, ATRS notified the Disability Retiree that he was required to provide ATRS with a SSA determination letter finding him unable to perform his former work duties within thirty-six (36) months of the Disability Retiree’s effective date of disability retirement in order to continue receiving disability retirement benefits.
6. On March 29, 2023, ATRS received a SSA determination letter from the Disability Retiree. The SSA determination letter denied the Disability Retiree’s application for Social Security disability benefits.
7. On and February 13, 2025, ATRS sent a written reminder to the Disability Retiree advising that the SSA determination letter would need to be submitted to ATRS by May 31, 2025, in order for the Disability Retiree to continue receiving disability retirement benefits.

8. On March 4, 2025, the Disability Retiree applied for a review by the Medical Committee of his disability benefits ceasing due to the lack of a SSA determination letter finding the Disability Retiree unable to perform his former work duties.
9. On April 2, 2025, the Medical Committee met and considered the Disability Retiree's application for review.
10. After reviewing the Disability Retiree's application for review, the Medical Committee decided to recommend that the Board:
  - a. Find the Disability Retiree qualified to receive disability retirement benefits under ATRS;  
and
  - b. Continue disability retirement benefit payments to the Disability Retiree.

## **II. CONCLUSIONS OF LAW**

Ark. Code Ann. § 24-7-704 provides as follows:

1. In order to continue receiving disability retirement benefits under ATRS, a disability retiree is required to provide ATRS with a SSA determination letter finding the disability retiree unable to perform his or her work duties;
2. A disability retiree must provide ATRS with a SSA determination letter finding the disability retiree unable to perform his or her work duties within thirty-six (36) months of the applicable time period provided by Ark. Code Ann. § 24-7-704;
3. ATRS is required to terminate disability retirement benefit payments to a disability retiree who does not either:
  - a. Provide or receive an extension to provide ATRS with a SSA determination letter finding the disability retiree unable to perform his or her former work duties; or
  - b. Apply for a review by the Medical Committee;
4. The Medical Committee must hear all applications for review concerning the termination of disability retirement benefit payments to a disability retiree due to the lack of a SSA determination letter finding the disability retiree unable to perform his or her former work duties; and
5. The Medical Committee's recommendation to find a disability retiree qualified to continue receiving disability retirement benefits must be consistent with finding that the:



- a. Disability retiree is physically or mentally incapacitated;
- b. Disability retiree exhibits symptoms of physical or mental incapacitation while he or she was employed by a system employer as an active member;
- c. Disability retiree is unable to perform his or her work duties;
- d. Disability retiree's incapacity will most likely be permanent; and
- e. Disability retiree should be retired.

### **III. ORDER**

1. Upon consideration of Ark. Code Ann. § 24-7-701 et seq., applicable ATRS rules, and the evidence presented at the meeting, the Board voted to approve the Medical Committee's recommendation concerning the Disability Retiree's application for review.
2. The Board finds the Disability Retiree qualified to receive disability retirement benefits under ATRS and orders ATRS to continue disability retirement benefit payments to the Disability Retiree.

IT IS SO ORDERED

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Danny Knight, Chairman  
June 2, 2025



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# ARKANSAS TEACHER RETIREMENT SYSTEM INTERNAL AUDIT DIVISION

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## Audit Report

### AUDIT OF THE MEMBERSHIP MAINTENANCE PROCESS

Report Number 25-004

June 2, 2025



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## EXECUTIVE SUMMARY

### Audit of the Membership Maintenance Process

Report No. 25-004

June 2, 2025

#### Why Did We Conduct the Audit?

The principle aim of this audit was to (1) evaluate the effectiveness of internally generated reports used to monitor the workload of Membership Section staff, (2) determine the adequacy of training material in reducing the amount of employer errors in quarterly reporting, and (3) determine the adequacy of documents received from employers to allow new members access to the Member Portal.

#### What Did We Audit?

The scope of the audit included (1) an evaluation of the sufficiency of staff members assigned to the Membership Section during fiscal year 2024, (2) an evaluation of Employer training material provided between July 1, 2021, and June 30, 2024, and (3) an evaluation of new Member information received from Employers during fiscal year 2024.

The audit was conducted between November 4, 2024, and January 21, 2025.

#### What Did We Find?

It was determined that internally generated reports provide adequate information to management regarding staffing levels ensuring current workload is properly maintained to accomplish the objectives of ATRS.

It was also determined that the training provided to Bookkeepers of Covered Employers is adequate in reducing the number of errors found during quarterly reporting.

Finally, it was determined that some improvement to the process of entering key member information into the Arkansas Teacher Retirement Member Information System (ATRMIS) could be made which would allow members earlier access to their accounts via the Member Portal. It is recommended that Membership Section management coordinate with the Information Technology Unit to discuss options for improving the timely receipt of member addresses into the ATRMIS database to allow members to activate their Member Portal Account.

## STATUS OF OBSERVATIONS AND FINDINGS

Status	Type	Follow-Up Date	Section	Page #
Adequate	Sufficiency or Resources	N/A	A	4
Adequate	Adequacy of Training Material	N/A	B	5
Improvement Needed	Documentation Adequacy	10/31/2025	C	9

Status Definitions	
Adequate	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Improvement Needed	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met. Some control exceptions, either in design or effectiveness were noted for which opportunity exists to strengthen the design and/or effectiveness of internal controls and reduce risk to the objectives of the process, unit, and organization to a minimal level.
Significant Issue	Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met. Numerous specific control weaknesses were noted. Some additional monitoring may be required.
Critical Issue	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met. Failure to address deficiencies bears significant risk to the objectives of the process, unit, and organization. Immediate action is required.

## ***BACKGROUND***

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Membership Maintenance includes adding and maintaining basic Member information such as the Member's name, address, employer, beneficiary, and status. This information is entered and maintained by the Membership Section (Section) of the Arkansas Teacher Retirement System (ATRS or System). The Section is composed of five (5) full-time employees, including the Membership Manager, and one (1) part-time employee. The Section's responsibilities involve processing membership related document received in Docmage, developing training material to provide instruction and legislative updates to covered employers, and correcting errors found on quarterly reports submitted through the Arkansas Public School Computer Network (APSCN).

During fiscal year 2024 (July 1 – June 30), the Section processed a total of 42,279 documents, provided training to 328 covered employers, and corrected a total of 8,235 errors.

## ***OBJECTIVE, SCOPE, AND METHODOLOGY***

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### **Objective**

The principle aim of this audit was to (1) evaluate the effectiveness of internally generated reports used to monitor the workload of Membership Section staff, (2) determine the adequacy of training material in reducing the amount of employer errors in quarterly reporting, and (3) determine the adequacy of documents received from employers to allow new members access to the Member Portal.

### **Scope**

The scope of the audit included an evaluation of the sufficiency of staff members assigned to the Membership Section during fiscal year 2024, an evaluation of Employer training material provided between July 1, 2021, and June 30, 2024, and an evaluation of new Member information received from Employers during fiscal year 2024.

### **Methodology**

The audit approach used to complete the objectives of this audit included interviewing appropriate employees, examining supporting documentation, and testing transactions were applicable.

## OBSERVATIONS, FINDINGS, AND RECOMMENDATIONS

The sections below detail the results of our audit of the Membership Maintenance process.

### A. Sufficiency or Resources:

Adequate

The Daily Work Queue Report (R7602) was analyzed to determine the number of documents processed during fiscal year 2024, whether the workload was equally divided for each employee, and the average number of days each category of document was in the queue awaiting processing.

The Membership Section processed a total of 42,279 documents, with the majority of those documents being Member Information Sheets at 19,058 (45.08%) during the fiscal year. Of the total documents processed throughout the year, the workload was equally divided among Section employees as shown in **Table 1** below. It is noted, that employee 055204 provides support to the Section as needed and employee 002888 performs management activities rather than processing documents from the queue. Finally, employee 016194 works on a part-time basis.

**Table 1:** Membership (300) Workload by Employee

Employee Number	Total Documents Processed	% of Total
117499	12,084	28.58%
101831	10,673	25.24%
100516	9,806	23.19%
055204	4	0.01%
016194	6,687	15.82
002888	3,025	7.15%
<b>Total</b>	<b>42,279</b>	<b>100.00%</b>

The average length of time documents would remain in the queue did not exceed 20 days. Table 2 shows the average length of time each document was in the queue based on document route code.

**Table 2:** Average Days in the Queue

Document Route Code	Average Number of Days in Queue
PBENEF	20
PCRSME	4
PDATA	7
PELECT	4
PMIBC	2
PMIS	18
PMVRA	1
PN/ACH	4
PNEW	9

In addition to processing documents in the queue, the Membership Section was also responsible for correcting errors from quarterly reports submitted by Employers through the APSCN program. During the fiscal year, the Section corrected a total of 8,235 errors submitted by 309 Employers. Table 3

shows the number of errors reported for each quarter as well as the average number of days it took employees to resolve those issues.

**Table 3: Quarterly Errors**

Quarter	Number of Errors	Percentage	Average Age (in Days) of Rejects
Q1	3,717	45.14%	19
Q2	1,843	22.38%	21
Q3	1,276	15.49%	7
Q4	1,399	16.99%	4
<b>Total</b>	<b>8,235</b>	<b>100.00%</b>	

It is determined that internally generated reports provide adequate information to management regarding staffing levels ensuring current workload is properly maintained to accomplish the objectives of ATRS.

**B. Adequacy of Training Material:**

Adequate

The Membership Section creates PowerPoint presentations that are delivered by the Membership Manager during each fiscal year. The presentations are delivered to Employer via Zoom meetings as well as made available on the ATRS website at [www.arters.gov/bookkeeper-workshops](http://www.arters.gov/bookkeeper-workshops).

To determine the effectiveness of the training provided, an analysis of the Milestone Dates Report for the past three fiscal years was conducted. The Milestone Dates Report provides information such as the number of errors submitted by each Employer during a period, the date the errors are identified, and when the errors are resolved by ATRS staff. The total number of errors for the three years was 32,189.

Analysis shows that between fiscal years 2022 and 2023 the number of errors was reduced from 12,365 to 11,589, a reduction of 776 (6.28%). Errors were further reduced by 3,354 (28.94%) between fiscal years 2023 and 2024. It is important to note that the Bookkeeper Workshops were made available on the ATRS website during the 2024 fiscal year.

It is determined that the training provided to Bookkeepers is adequate in reducing the number of errors found during quarterly reporting.

**C. Documentation Adequacy:**

Improvement Needed

A New Member Audit Log (R7038) was downloaded for fiscal year 2024 from the Arkansas Teacher Retirement Member Information System (ATRMIS) database. The report provides a listing of all new Members added to ATRMIS for a given period. The report was reviewed to determine if any new Members added during the fiscal year were missing information.

Additionally, a review of the Form Maintenance screen in Docmage for the Membership line of business was conducted to determine if any documents used to collect Member information are coded using the same Route Code.



### ***Finding #1 Members Unable to Access Online Account***

During the fiscal year a total of 7,943 new Members were added to the ATRMIS database; however, 251 (3.16%) were missing physical addresses.

When a Member begins working for a covered Employer, they complete a Membership Data Form (MDF). This form collects key information such as the Member's social security number, name, physical address, date of birth, etc. Employer Bookkeepers are then responsible for entering this information into the Employer Portal. However, not all of the information contained on the MDF is populated to the Member Information Sheet (MIS) which is received by ATRS employees via the Docmage Queue.

If key Member information is not entered in the ATRMIS database, a Member is unable to access their account through the Member Portal. This limits a Member's ability to effectively use services provided by ATRS.

#### **Recommendation 1**

*It is recommended that the Membership Section coordinate with the Information Technology Unit to discuss options for improving the timely receipt of member addresses into the ATRMIS database to allow members to activate their Member Portal Account.*

#### ***Management Response 1***

Currently our new members are only able to access their online accounts quarterly when the APSCN reports are ran by our IT Unit. The APSCN report has the ability to release the member's physical address into the ATRS file. Once the address is made available the members can create an account online. We are considering running the APSCN report at least monthly. This will provide our new members the opportunity to create their member portal and have the accessibility to upload information, such as their birth certificates, update or change beneficiaries, and make changes to their addresses. They will also be able to upload form(s) and view their account information. This proposed shift will be brought before the Technology Steering Panel to be incorporated into the overall agency technology improvement plans and in addressing gaps that have been identified in the recent Gap Assessment. We concur with Internal Audit's recommendation and will try and incorporate this recommendation by October 25, 2025.

## ***DISTRIBUTION***

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All intended recipients of this report are listed below:

Mark White, ATRS Executive Director  
Sarah Linam, Deputy Director of Member Services  
Willie Kincade, Associate Director of Operations  
Mullahalli Manjunath, Associate Director of Information Technology

This report is intended solely for the information and use of the Arkansas Teacher Retirement System Board of Trustees Audit Committee and Arkansas Teacher Retirement System management and is not intended to be and should not be used by anyone other than these specified parties. However, the final audit report is a public record to the extent that it does not include information which has been made confidential and exempt from the provisions of A.C.A. §25-19-105, pursuant to law and upon request shall be made available for public inspection.

## ***CONCLUSION***

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In Internal Audit's opinion, the controls evaluated in the monitoring of Membership staff workload and the reduction of reporting errors are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives will continue to be met; however, some improvement is needed in the collection of information from employers to allow Members earlier access to their Member Portal account. We believe that the evidence obtained provides a reasonable basis for the findings and conclusions stated in this report.

Kevin L. Chadwick, CIA  
ATRS Internal Auditor

# Audit Plan for Fiscal Year 2025

## DASHBOARD



### Audit Plan Details

**7**

**Total Projects**

**91%**

**% Complete**

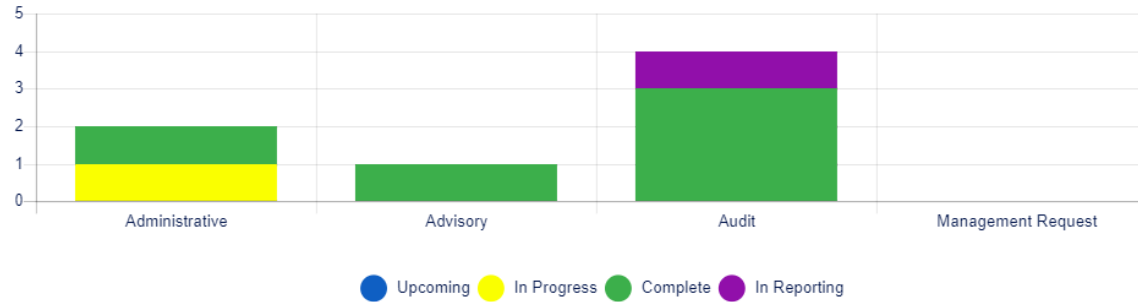
**07/01/24**

**Plan Start**

**06/30/25**

**Plan End**

### Projects By Type



- The quality assurance and improvement program (QAIP) project is In Progress.
- The audit of the Retiree Payroll Section is in the reporting phase and is expected to be issued by June 20, 2025.

## ATRS Private Equity Investment Guidelines - 4Q24

### 2025 Commitments

Investment	Strategy	Region	ATRS Board Approval	ATRS
MML Capital VIII	Structured Capital	Europe/U.S.	Apr-25	40,000,000
FP CF Access III	Buyout/Growth/Turnaround	U.S.	Feb-25	40,000,000
FP VC XV	Early Stage VC	U.S./non-U.S.	Apr-25	40,000,000
FP VC Opps II	Mid/Late Stage VC	U.S./non-U.S.	Apr-25	40,000,000
<b>2025 commitments previously approved by ATRS' board</b>				<b>\$160,000,000</b>
Arlington VII	Mid Market Buyout	U.S.	Jun-25	40,000,000
Great Hill IX	Mid Market Buyout/Growth	U.S.	Jun-25	40,000,000
<b>2025 commitments being considered during current board meeting</b>				<b>\$80,000,000</b>
Additional commitments to be completed in 2025				\$160,000,000
<b>Total targeted 2025 commitments</b>				<b>\$400,000,000</b>

Private Equity Allocation	Target	12/31/2024
Private Equity Value		\$2,929,540,499
Total Assets		\$22,710,800,338
<b>Private Equity Value as a % of Total Assets</b>	<b>12.0%</b>	<b>12.9%</b>

### Other Guidelines

The following sub-allocations shall be used as an overall target for commitment levels within the portfolio.

#### ATRS Strategy/Region Guidelines (% of Commitments)

Strategy	Target %	Post-2006 Portfolio Commitments (as of 12/31/24)	% of Total
Corporate Finance (buyout, growth and debt strategies)	80-100%	3,773,323,718	87%
Venture Capital	0-20%	565,000,000	13%
<b>Total (Post-2006 Portfolio)</b>		<b>4,338,323,718</b>	<b>100%</b>

Region	Target %	Post-2006 Portfolio Commitments (as of 12/31/24)	% of Total
U.S. and Western Europe	80-100%	4,051,477,035	93%
Other <sup>1</sup>	0-20%	286,846,683	7%
<b>Total (Post-2006 Portfolio)</b>		<b>4,338,323,718</b>	<b>100%</b>

<sup>1</sup> Other represents ATRS' % of commitments made outside of the U.S. and Western Europe in FP VC and FP International vehicles

**ATRS shall, in general, make commitments of at least \$10 million.**

100% of the commitments made to primary funds since 2006

**In general, ATRS shall not make commitments to primary funds which exceed an amount equal to 15% of the total amount raised for a proposed fund, but in no event shall investments exceed 35% of the amount raised for a primary fund.**

100% of the commitments made to primary funds since 2006

**ATRS shall limit aggregate new commitments to a single investment sponsor to 35% of total Program allocation.**

Manager	Aggregate 5 Commitments	Investment Sponsor Notes
MML Capital VIII	40,000,000	10.0%
FP CF Access III	40,000,000	< 3.0% Expected to include 4-6 investment sponsors
FP VC XV	40,000,000	< 2.0% Expected to include 7-10 investment sponsors
FP VC Opps II	40,000,000	< 2.0% Expected to include 7-10 investment sponsors
Arlington VII	40,000,000	10.0%
Great Hill IX	40,000,000	10.0%
Not yet identified	160,000,000	n/a
<b>Total</b>	<b>\$400,000,000</b>	

Note: % of 2025 Commitments for FP CF Access III, FP VC XV and FP VC Opps II represents ATRS' % of the estimated commitments to underlying

As of December 31, 2024	ATRS' Portfolio \$ in Millions
Number of Investments	94
Total Commitments	4,802.8
Unfunded Commitments	693.8
Total Paid-In Capital	4,397.8
Total Distributions	3,793.5
Net Asset Value	2,730.2
Gross Asset Value	4,067.7
DPI	0.9x
TVPI	1.5x
Since Inception IRR	6.7%
<i>*Active and Liquidated</i>	

PORTFOLIO COMPOSITION TARGETS (As of December 31, 2024)		
	Target	Actual Funded
Target Real Asset Allocation	15%	12.0%
<u>Portfolio Style Composition</u>		
Real Estate	8%	6.9%
Core*	50%-70%	51.8%
Non-Core	30%-50%	48.2%
Value-Added**	N/A	27.6%
Opportunistic**	N/A	20.6%
Agriculture	1%	1.1%
Timber	2%	1.7%
Infrastructure	4%	2.3%
Leverage	50%	32.9%

RISK MANAGEMENT						
Property Type - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Office	16.40	NFI-ODCE +/- 50%	8.20	24.60	15.52	Yes
Retail	11.00	NFI-ODCE +/- 50%	5.50	16.50	6.88	Yes
Industrial	34.10	NFI-ODCE +/- 50%	17.05	51.15	31.98	Yes
Apartment	29.40	NFI-ODCE +/- 50%	14.70	44.10	30.71	Yes
Other	9.00	20%	0.00	20.00	14.91	Yes
Geography - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
West	43.60	NFI-ODCE +/- 50%	21.80	65.40	31.95	Yes
East	29.00	NFI-ODCE +/- 50%	14.50	43.50	25.52	Yes
Midwest	5.60	NFI-ODCE +/- 50%	2.80	8.40	7.47	Yes
South	21.70	NFI-ODCE +/- 50%	10.85	32.55	25.67	Yes
Other2,3	0.00	n/a	n/a	n/a	2.65	Yes
Non-U.S.	0.00	40%	0.00	40.00	6.74	Yes
Geography - Timber	NCREIF Timberland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Lake States	3.84	0%-20%	0.00	20.00	0.00	Yes
Northeast	4.60	0%-20%	0.00	20.00	0.96	Yes
Northwest	26.20	0%-50%	0.00	50.00	15.11	Yes
South	64.58	40%-80%	40.00	80.00	70.47	Yes
Other	0.00	0%-20%	0.00	20.00	13.46	Yes
Geography - Agriculture	NCREIF Farmland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Appalachian	0.70		0.00	50.00	0.00	Yes
Corn Belt	10.93		0.00	50.00	10.05	Yes
Delta States	20.44		0.00	50.00	37.40	Yes
Lake States	2.77		0.00	50.00	16.58	Yes
Mountain	8.90		0.00	50.00	13.11	Yes
Northeast	0.00		0.00	50.00	0.00	Yes
Northern Plains	2.12		0.00	50.00	1.55	Yes
Pacific Northwest	8.45		0.00	50.00	4.32	Yes
Pacific West	37.96		0.00	50.00	8.00	Yes
Southeast	5.62		0.00	50.00	6.96	Yes
Southern Plains	1.98		0.00	50.00	2.03	Yes
Other	0.00		0.00	50.00	0.00	Yes
Non-U.S.	0.00		0.00	50.00	0.00	Yes
Geography - Infrastructure	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
U.S.		40.00	100.00	43.60	Yes	
Non-U.S.		0.00	60.00	56.40	Yes	
Asset Type - Infrastructure	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
Energy/Utilities		0.00	70.00	49.62	Yes	
Transportation		0.00	70.00	29.03	Yes	
Social		0.00	70.00	4.27	Yes	
Communications		0.00	70.00	12.07	Yes	
Other		0.00	70.00	5.00	Yes	
Manager	Target/Constraint	Minimum	Maximum	Max	Compliant?	
		0.00	30.00	14.22	Yes	
Style - Real Estate	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
Core		50.00	70.00	51.77	Yes	
Non-Core		30.00	50.00	48.23	Yes	

As of 3/31/2025 (12/31/24 for Illiquid Asset Classes)

	Actual	Interim Target**	Difference (Actual vs. Interim)	Long-Term Target	Difference* (Actual vs. Long-Term)	Range***
<b>Total Equity</b>	48.3%	51.1%	-2.8%	48.0%	0.3%	43 - 53%
<b>Fixed Income</b>	20.5%	20.0%	0.5%	20.0%	0.5%	18 - 22%
<b>Opportunistic/Alternatives</b>	5.2%	5.1%	0.2%	5.0%	0.2%	NA
<b>Real Assets</b>	12.4%	11.8%	0.5%	15.0%	-2.7%	NA
<i>Real Estate</i>	7.2%	6.3%	0.9%	8.0%	-0.8%	NA
<i>Core RE</i>	3.7%	3.8%	-0.1%	6.0%	-2.3%	5 - 7%
<i>Non-Core</i>	3.5%	2.5%	0.9%	4.0%	-0.5%	3 - 5%
<i>Agriculture</i>	1.1%	0.8%	0.3%	1.0%	0.1%	NA
<i>Timber</i>	1.7%	1.6%	0.1%	2.0%	-0.3%	NA
<i>Infrastructure</i>	2.4%	3.2%	-0.8%	4.0%	-1.6%	NA
<b>Private Equity</b>	13.1%	12.0%	1.1%	12.0%	1.1%	NA
<b>Cash</b>	0.5%	0.0%	0.5%	0.0%	0.5%	0 - 5%
	100.0%	100.0%	--	100.0%	--	--

\* Uninvested assets/commitments for the Opportunistic, Real Assets and Private Equity asset classes are invested in public equities.

\*\* The interim target reflects the beginning period actual allocation to this asset class

\*\*\* The actual allocation to equity may exceed the range to account for uninvested assets/commitments for the Opportunistic, Real Assets and Private Equity Asset Classes

Real Assets Breakdown	Absolute	%	2024 Pacing Commitment		Commitment Progress (\$M)	
			(\$M)		As of 12/31/2024	
Real Estate	8%	53.3%		\$400		\$150
<i>Core</i>	5-7%	50-70%		\$250		\$0
<i>Non-Core</i>	3-5%	30-50%		\$150		\$150
Ag	1%	6.7%		\$0		\$0
Timber	2%	13.3%		\$0		\$0
Infrastructure	4%	26.7%		\$50		\$100
Total Real Assets	15%	100.0%	\$	450	\$	200

May 15, 2025

Mr. Mark White  
Executive Director  
Arkansas Teacher Retirement System  
1400 West Third Street  
Little Rock, AR 72201

Re: Update for Highland LP Investment

Dear Mr. White:

As a consultant to Arkansas Teacher Retirement System ("ATRS"), Arkansas Capital Corporation ("ACC") delivers this letter as an update related to prior ATRS investments into Highland LP.

### **Background**

Highland LP (the "Fund") invests in biomass-related industries in the United States. The Fund owns, directly or through subsidiaries, Highland LLC, Highland Pellets Holdco LLC, Highland Pellets Subholdco LLC, Highland Pellets, LLC, Highland Port LLC, Highland Pellets South LLC, Highland FR LLC, Highland Grenada LLC and Highland Maine LLC.

- Highland Pellets, LLC and Highland FR LLC are the main operational assets of the Fund. They comprise two wood pellet production plants in Pine Bluff, Arkansas, which produce pellets under offtake agreements for a major UK utility customer (through 2026) and a major Danish utility customer (through 2027).
- Highland Port LLC owns approximately 54 acres of development property at the Port of Pine Bluff.
- Highland Pellets South LLC owns approximately 350 acres of development property in Ogemaw, Arkansas.
- Highland Grenada LLC, a wholly owned subsidiary of Highland LLC, owns a 120-acre brownfield former Georgia Pacific OSB plant in Grenada, MS, along with certain conditional development grants from the state of MS. The site continues to be actively marketed for both white pellets and biocarbon.

200 River Market Avenue, Suite 400 Little Rock, AR 72201 | (501) 374-9247 | [ACCcapital.com](https://acccapital.com)

- Highland Maine LLC, a wholly owned subsidiary of Highland LLC, is focused on developing the site for industrial applications as opposed to energy production. Ongoing development work continues.

From prior updates ATRS may recall that Highland is working with Barclays Capital to raise additional financing which would support the companies future growth and repay the most recent ATRS note. Barclays has previously advised the company that keys to obtaining additional financing include: 3 consecutive months of +50,000 tonnes of production at Highland Pellets, LLC, incremental reduction in the cost of goods and an extension of the offtake agreement for Highland Pellets, LLC.

ACC staff and ATRS staff held a zoom conference call with Highland leadership on Tuesday, May 13<sup>th</sup>. The ACC team focused on six (6) questions based on prior conversations.

- 1) Has production reached nameplate capacity in March and April? As noted above, the next capital raise, which is how Highland intends to pay the \$40 million ATRS note, is predicated in part on at minimum showing three (3) consecutive months of nameplate capacity. Highland reported that while not quite there yet, they are close at the main HP facility. The Fiber Resources facility is operating at nameplate. The belief was that the prior issues that held them back from hitting nameplate were addressed and that they should be reaching those production levels soon.
- 2) What is the status of the offtake agreement for future production? In previous conversations (March) they thought that it was 45-60 days away. Unfortunately, the offtake agreements are at the mercy of the renewal of energy credits in the markets they serve. Those have been delayed. It is expected that those will now be determined by mid-June but that could be delayed further. Once those credit extensions are confirmed, offtake agreements can then be finalized.
- 3) Have they achieved operational cost savings? This was another point bankers were interested in seeing when considering the next capital raise. Highland management said they had. Hiring the outside consultants and key management additions have contributed to cost savings for the company.
- 4) How are they managing their general cash position? It was noted that it was trending low. Highland management said yes, while it was trending low they believed they were managing it well and were in a position to cover their expenses.



- 5) What was their strategy on repaying the \$40 million ATRS loan which will come due late summer/early fall of 2025? Up to this point, Highland has answered this query by noting their strategy of obtaining additional financing. The two major obstacles to that at this moment are they need to demonstrate the ability to achieve nameplate capacity in consecutive months and they need the offtake agreements renewed. While the first obstacle is somewhat in their control the second is not. Highland is working diligently to resolve this issue, but timing is still uncertain. Highland management has begun to explore the carbon credit industry and sees the opportunity for a meaningful additional revenue source that could greatly enhance their ability to bring in additional capital. Highland management has assured us they will keep us updated on progress on all fronts.
- 6) At the last board meeting, it was asked by the board if Highland would release the name of their other debt provider who had agreed to forbearance. In an abundance of caution, ACC staff wanted to confirm that name could be noted publicly. Highland said it was not a problem and noted that they had been mentioned in earlier meetings. The other debt provider is Orion Infrastructure Capital. Highland management also offered to set up a meeting between ACC staff and Orion to hear their outlook on Highland. ACC staff intend to schedule that meeting in the near future.

### **Summary**

We previously reported that management believes they have a pathway for refinancing of debt and/or an equity raise targeting the 3<sup>rd</sup> quarter of 2025. While management still is working toward that goal, they acknowledge that certain things are outside their control and may push back their timeline. The company continues to work on the barriers to additional capital and the major debt provider appears to remain patient and has extended their forbearance agreement through 2025.

# **ATRS Board Policy 4**

## **STATEMENT OF INVESTMENT POLICY**

A.C.A. § 24-7-305

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### **I. Board - Investment Policies and Procedures**

#### **A. Statement of Investment Policy**

1. This Investment Policy has been prepared within the context of applicable Arkansas laws and is intended to allow for sufficient flexibility in the investment process to capture opportunities, yet ensure that both prudence and care are maintained in the execution of the investment program. While safety of principal is given primary consideration, the Arkansas Teacher Retirement System Board of Trustees ("Board") may take appropriate levels of risk to earn higher levels of investment return.
2. The Board has arrived at this policy through careful study of the rates of return and risks associated with various investment strategies in relation to the current and projected liabilities of the Arkansas Teacher Retirement System ("the System"). This policy has been chosen as the most appropriate for achieving the financial objectives of the System. The policy will be reviewed periodically as circumstances dictate.
3. The Board has adopted a long-term investment horizon so that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The assets of the System will be invested in a manner that provides the safeguards and diversity to which a prudent investor would adhere. All transactions undertaken on behalf of the System will be in the sole interest of the System's plan beneficiaries.
4. To achieve the overall investment goal of the System, one or more investment consultants may be retained by the Board as investment advisors. The scope of duties, together with the terms and conditions of engagement, of any investment consultant will be set forth in a contract approved by the Board. Throughout this document, investment advisors are referred to as investment consultants.
5. The System shall manage those assets not specifically allocated to investment managers. No investment shall be made without an investment consultant's [written advice or written](#) recommendation. The System shall not approve any material changes in any direct investment without first receiving written advice or a written recommendation from a third-party investment consultant and, if

needed, outside legal counsel, and, without thereafter receiving written approval by the Investment Committee and Board.

B. Divestment of Direct Holdings Held with Certain Financial Services Providers

1. The System shall divest from all direct holdings that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002. Divestment shall occur as soon as practicable, but no later than three hundred sixty-five (365) calendar days after the financial services provider's inclusion on the list published on the Treasurer of State's website.
2. However, in order to prevent financial harm to the System and to ensure that the System's fiduciary duty is met, the System shall not divest from an investment that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002 if the investment is locked into a maturity date and an early divestment would result in a financial penalty and cause a negative financial impact to the System.

C. Investments in Countries of Concern

1. In order to comply with Arkansas Code § 25-1-1201 and -Act 937 of 2025 et seq. and also to ensure that System funds are not invested in the development of technologies and products that may threaten the national security of the United States, the System shall not directly hold any equity interest or debt financing interest in any entity that is:
  - a. Owned in whole or with a majority ownership by the government of the People's Republic of China; or
  - b. Subject to any investment restrictions imposed by the United States Department of the Treasury because the entity is located in a country of concern and is engaged in activities that may contribute to a threat to the national security of the United States.
2. For any prohibited investment held by the System as of the adoption of this section, the Executive Director, in cooperation with the investment consultant and other necessary parties, shall divest the System of any excluded holdings as soon as divestment is practicable and would not result in a financial penalty or cause a material negative impact to the System.

#### D. Standard of Care

1. When investing and reinvesting trust assets and in acquiring, retaining, managing and disposing of investments of the trust assets, there shall be exercised the reasonable care, skill, and caution that a prudent investor would use after considering the purposes, terms, distribution requirements, and other circumstances of the trust. Investment and management decisions respecting individual assets shall be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust. The investments of the trust shall be diversified unless the Board reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying. The trust assets shall be invested and managed solely in the interest of the members and benefit recipients of the trust. The trust assets shall be invested in a manner to only incur costs that are appropriate and reasonable in relation to the assets and purposes of the investment. Compliance with the standard of care is determined in light of facts and circumstances at the time of action, not in hindsight.
2. Investment and management functions may be delegated to an investment agent that a prudent trustee of comparable skills could properly delegate under the circumstances. When making such delegation, the Board shall establish the scope and terms of the delegation, consistent with the purposes and terms of the trust, and shall monitor the investment agent performance and compliance with the terms of the delegation. In performing a delegated function, an investment agent owes a duty to the System and the trust to exercise reasonable care to comply with the terms of the delegation. The assets of the System allocated to the investment managers shall be diligently managed, which may include selling investments and realizing losses, if such action is considered advantageous to longer-term return maximization. In addition, the Executive Director may delegate certain duties to the System's investment staff without relieving the Executive Director from the ultimate responsibility.
3. Each party serving in a fiduciary capacity for the trust shall discharge his or her duties solely in the pecuniary interest of the participants and beneficiaries and in compliance with Arkansas Code § 24-2-801 et seq. A fiduciary's evaluation of an investment, or evaluation or exercise of any right appurtenant to an investment, shall take into account only pecuniary factors.
4. Each party serving in a fiduciary capacity for the trust shall apply the standard of care set forth herein.

## E. Asset Allocation

1. The Board is responsible for the prudent investment of funds and to maintain a proper allocation of the System's investment assets. The Board, in conjunction with its investment consultants, shall set and adjust the System's asset allocation ranges as necessary to provide an optimal allocation to obtain its target returns. The general investment consultant shall notify the Executive Director and the Board when an asset liability modeling study should be undertaken. It shall be the goal of the System to maintain the following asset allocation targets and ranges:

<b>Asset Category</b>	<b>Minimum*</b>	<b>Target</b>	<b>Maximum*</b>
Total Equity	43.0%	48.0%	53.0%**
Fixed Income	17.0%	20.0%	23.0%
Opportunistic/Alternatives	N/A	5.0%	N/A
Real Assets***	N/A	15.0%	N/A
Private Equity	N/A	12.0%	N/A
Cash Equivalents	0.0%	0.0%	5.0%

\* Due to the illiquid nature of opportunistic/alternatives, real assets, and private equity, it is not prudent to set rebalancing ranges for these asset classes.

\*\*Additional allocations to total equity may be made beyond the maximum range to serve as a placeholder for unfunded and uncommitted opportunistic/alternatives, real assets, and private equity.

\*\*\*Real assets includes real estate, timber, agriculture, and infrastructure.

## F. Rebalancing

1. The asset allocation ranges established by the Board represent the Board's judgment of a portfolio mix that provides the greatest risk/return value. Allowing the portfolio to exceed the Board limits strays from the financial discipline, which the Board believes will - over time - provide the appropriate risk-adjusted return to the System.
2. The Executive Director is responsible for rebalancing the allowable asset classes and the individual portfolios if any of the asset classes falls outside of the designated range. The general investment consultant shall provide guidance and advice to the Executive Director to best achieve the rebalancing.
3. Rebalancing among individual investment manager portfolios within asset classes may also be necessary to ensure the appropriate level of diversification is achieved by investment style, market capitalization or

risk levels (see total asset class guidelines) and/or to take advantage of market conditions, fund manager expertise, opportunities, or other circumstances that could be beneficial to ATRS.

4. The Executive Director may rebalance across all equity managers, all equity holdings, all fixed income managers, and all fixed income holdings. A Board approved transition manager may be used for rebalancing. Rebalancing including the use of a Board approved transition manager, as needed, may be initiated by the Executive Director after recommendation from the appropriate investment consultant and positive notice to the Board Chair. The Executive Director and general investment consultant will monitor the asset values by classification for each asset manager on a monthly basis, based on month-end data provided by the custodial bank. The Executive Director and general investment consultant shall regularly inform the Board on the rebalancing pacing and strategy.
5. Whenever the minimum or maximum range of total equity or fixed income has been exceeded, a transfer of funds or other appropriate action will occur to bring the actual allocation within the prescribed range within a time frame determined to be prudent by the Executive Director in consultation with the general investment consultant.
6. Normal plan cash flows should be used to the extent possible to rebalance. Interest, dividends, and plan contributions should be used to the extent possible to fund asset classes that are below their target. Withdrawals should be made from asset classes that are above their target.

#### G. Investment Manager Selection

1. The System may hire and retain individual investment managers to implement the System's investment strategy.
2. Arkansas Code § 24-2-610 et seq. requires ATRS to always operate under the prudent investor rule. The prudent investor rule requires all investment decisions to be made based on the experience of management, rates of return, appropriate risk, reasonable cost, and all other relevant factors that should be used by prudent investors.
3. It is the policy of the Board to include, whenever appropriate, qualified minority-owned and women-owned business enterprises in the System's investment manager selection process and to objectively evaluate all qualified investment manager candidates regardless of race, gender or disability.
4. The Board will evaluate all qualified investment manager candidates with emphasis on demonstrated professional performance,

organizational depth, institutional investment management capability, and reasonableness of fee structure regardless of the amount of investment assets under management or the age of the investment management firm.

5. The Board shall only hire and retain professional consultants that do not use discriminatory practices in the creation and maintenance of their investment manager databases and will require the investment consultants to affirm their use of non-discriminatory practices when recommending investment manager candidates to the Board.
6. The Board shall only hire and retain investment managers and professional consultants that agree to provide services to the System in a manner that complies with Arkansas Code § 24-2-601 et seq., 24-2-801 et seq., 25-1-1001 et seq., and 25-1-1201 et seq.

#### H. Goals

1. Recognizing the purpose of the System is to remain actuarially sound and pay member benefits, the overall investment goal is to achieve, over a period of years, the greatest rate of return for the System with due consideration given to preserving capital and its purchasing power, and to maintain an appropriate level of risk consistent with the obligations of a prudent investor. The return of the System should exceed, net of fees, a policy benchmark comprised of the respective asset class benchmarks weighted by the asset class policy targets over a full market cycle (approximately five years). During periods of transition to and from nonmarketable and illiquid asset classes such as private equity and real assets, actual allocations may be used over extended periods to reflect these changes in the policy targets. Periodic performance reports will provide a detailed description of the policy benchmark composition over time.
2. The System's actuary sets an expected return based on the Board's policy decisions. Market cycles may result in the System earning a return materially above or below the actuarial rate of return for extended periods of time. Therefore, the actuarial rate of return will not be used for performance comparison purposes.

#### I. Total Equity

1. The total equity exposure of the portfolio shall be well diversified with broad exposures to small, mid, and large capitalization companies and growth and value style sectors across U.S. and non-U.S. markets.

2. The goal for total equity shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the aggregate global equity market as measured by the Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) Investable Market Index (IMI) over a full market cycle (approximately five years). Because the total equity portfolio was previously segregated into domestic and global equity components, the total equity portfolio has a bias to domestic equity relative to the MSCI ACWI IMI. Therefore, to ensure appropriate performance measurement, the benchmark for total equity will be appropriately weighted between the Dow Jones U.S. Total Stock Market Index and the MSCI ACWI IMI Index to reflect the current domestic / global asset mix until the domestic allocation is in line with the global opportunity set as defined by the MSCI ACWI IMI. The manager structure of the total equity portfolio should resemble the weighted average of their respective benchmarks and avoid any material biases due to a concentration of managers or management styles. To achieve this goal, the Board may employ various actively managed and passive mandates. The structure of the equity component will be analyzed annually to ensure proper diversification is achieved.

J. Fixed Income

1. The manager structure of the aggregate fixed income portfolio's risk exposure should resemble the aggregate domestic fixed income market as measured by the Barclays U.S. Universal Bond Index. To help achieve this goal, the Board will employ investment managers that invest assets in a broad array of sectors (government, mortgage backed, credits, asset backed, and commercial mortgage backed bonds), maturities, and credit qualities so that the overall portfolio structure is not materially different from that of the domestic and global fixed income markets. To provide a broad base of low-cost diversification and readily available liquidity, the Board may allocate a portion of the fixed income assets to a passive investment portfolio that approximates the return of the broad fixed income market.
2. The goal for fixed income investments shall be to achieve a total rate of return that will exceed, net of all costs and fees, the return of the Barclays U.S. Universal Bond Index over a full market cycle (approximately five years).

K. Opportunistic/Alternative Investments

1. The Opportunistic/Alternatives asset class may include investments in direct hedge funds, hedge fund of funds, commodities, currency mandates, and other alternative strategies that are not closely correlated or related to the traditional asset classes (fixed income,



equities, private equity, and real assets). Unique investments that do not fit within the other asset class categories may also be included in the Opportunistic/Alternative category at the Board's discretion. Because this category may include illiquid investments made through closed end investment partnerships, it may take a period of time to reach and maintain the target allocation of 5%. Assets will be invested in the total equity asset class when the opportunity/alternative allocation is below its long-term target of 5%. The benchmark for the category will be a weighted average of the benchmarks of the underlying strategies.

2. The goal of the credit, global macro, and other liquid alternative investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the appropriate institutional quality hedge fund index over a full market cycle (approximately five years). Appropriate benchmarks will be determined as investments are added to the portfolio.

#### L. Real Assets

1. The Real Asset category may include real estate, timber, agriculture, and infrastructure. While no fixed targets are set, the following general parameters have been identified:

- 8% Real Estate
- 2% Timber
- 1% Agriculture
- 4% Infrastructure

The total target of the asset class will be 15%. Because this category may include illiquid investments made through closed end investment partnerships, it will take a period of time to reach these targets. Assets will be invested in the total equity asset class until the total target is attained.

The System may initiate investments in real estate as governed by the Real Asset Statement of Investment Policy. The System's goal for real estate is to not materially exceed the System's approved target asset allocation for total real estate investments as determined by the Board at the beginning of each fiscal year. Should the real estate target asset allocation be exceeded, the Executive Director, working with the Real Estate Consultant, shall develop a pacing and strategy plan to address the over allocation.

ATRS' Real Estate portfolio is benchmarked on a net of fee basis against the NCREIF Fund Index Open-end Diversified Core Equity

Index ("NFIODCE"). Once ATRS' Real Estate portfolio reaches its full target allocation for a five-year period, it is expected to meet or exceed the NFIODCE over rolling five-year periods.

The System may initiate direct ownership in timberland or indirect investments in fund of funds, partnerships, corporations, or real estate investment trusts ("REITs") investing in investment grade properties of like kind.

2. The goal of the timberland investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Timberland Property Index ("NTPI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the timber portfolio's performance compared to the opportunity cost of investing in timber.

The goal of the agriculture investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Farmland Index ("NFI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the agriculture portfolio's performance compared to the opportunity cost of investing in agriculture.

The goal of the infrastructure investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the Consumer Price Index (CPI) plus 5 percentage points over a full market cycle (approximately ten years). The Consumer Price Index plus 5 percentage points will be used as the benchmark to reflect the opportunity cost of investing in infrastructure. Similar infrastructure programs of institutional investors will also be used as a secondary benchmark to the extent such data is made available.

The ATRS Total Real Asset Benchmark is weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Estate benchmark, Timber benchmark, Agriculture benchmark and Infrastructure benchmark. The net of fee return for ATRS' Total Real Asset Portfolio is expected to meet or exceed the Total Real Asset Benchmark over rolling five year periods.

#### K. Private Equity

1. The System may initiate investments in private equity as governed by the Private Equity Statement of Investment Policy. Private equity investments may include domestic and foreign private equity partnerships, venture capital, and mezzanine financing partnerships that are intended to diversify the assets and reduce the likelihood of material losses in any individual investment classification. The

investment consultant responsible for private equity shall advise the Executive Director and Board on the Private Equity Statement of Investment Policy and the structure of private equity investments best suited for the System.

2. The System's goal for private equity investments is to achieve a total rate of return that will exceed, net of all costs and fees, the return of the public equity markets, as measured by the Dow Jones U.S. Total Stock Market Index, plus a liquidity premium of 2 percentage points per year over a full market cycle for private equity (approximately ten years).

#### L. Cash Equivalents

1. The System may hold direct ownership in short-term investments or may permit or require managers to hold cash or cash equivalents to meet liquidity needs of the investment manager or of the System.
2. The System's cash management goal shall be to preserve capital and maintain liquidity.

#### M. Arkansas-Related Investments

1. The System may initiate Arkansas-related mortgage loans, promissory notes, direct real estate investments, or purchase insured certificates of deposit or short-term securities of Arkansas financial institutions to meet the goals of the mandated requirements. Arkansas-related investments are categorized according to the appropriate asset class for each investment. In addition, Arkansas related investments include, but are not limited to, investments managed by an Arkansas related manager, Arkansas related investments held by other fund managers, Arkansas timberland, partnerships based in Arkansas, and partnerships holding Arkansas properties.

#### N. Commingled or Mutual Funds

1. If a commingled fund or mutual fund is utilized, the portfolio will be governed by the prospectus or similar document for the fund. In those cases, the System will utilize the prudent investor rule and advice of the investment consultant in selecting and evaluating funds initially and in monitoring them on an on-going basis.

#### O. Derivatives

1. Derivatives may be used to reduce the risk in a portfolio and provide desired market and security level positions as an alternative to purchasing cash securities. Excessive leverage shall not be created through the use of derivatives in a manner that substantially increases the System's portfolio risk. Each investment manager's derivative

usage shall be specified in the investment management agreement or specific guidelines.

2. The use of futures and options shall be matched by cash or cash equivalent securities, and all short futures positions shall be matched by equivalent long security positions, unless otherwise stated in the investment manager guidelines or authorizing fund documents.

P. Loaning of Securities

1. The lending agent will evaluate the credit-worthiness of potential borrowers of securities, and will loan securities only to financially sound borrowers. The lending agent will maintain a diversified list of such borrowers in order to mitigate the counterparty risk that is inherent in securities lending.
2. Collateral levels should be based on the nature of the loaned security and will generally be between 102% and 105% of the market value of the borrowed security. Marking to market will be performed every business day subject to de minimis rules of change in value, and borrowers will be required to deliver additional assets as necessary to maintain overcollateralization of securities loans.

Q. Securities Lending Reinvestment Guidelines

1. The cash collateral portfolio will be managed on an amortized cost basis (maintain a \$1 net asset value) and have investment guidelines that are 2a-7-like in nature (money market fund guidelines) to ensure that only a moderate amount of risk is taken on the reinvestment of the cash collateral. This will control the amount of credit and duration risk that can be taken by the short duration fixed income manager, which will help to mitigate losses due to insufficient collateral relative to the amount on loan. In addition, guidelines for the cash collateral portfolio will be created in conjunction with the lending strategy and with input from the securities lending agent.
2. The collateral pool should also maintain a reasonable level of overnight liquidity in order to allow for the smooth recall of securities over time.

R. Investment Manager Reporting

1. The System will require all investment managers, managing partners, and general partners to provide on at least a quarterly and an annual basis, reporting appropriate for the investment.

S. Roles

1. The Executive Director and investment consultant are jointly responsible for the initial selection of investment managers and any increase or decrease in an investment manager's funding. The

Executive Director and investment consultant are jointly responsible for monitoring existing investment managers on performance, stability, and compliance. The Executive Director and investment consultant may also recommend termination of an investment manager when circumstances justify termination. Reasons for termination include, but are not limited to, relative performance, relative stability, costs, strategic allocation of assets, or other relevant factors that a prudent investor would use.

#### T. Proxies

1. All shares held directly or indirectly by or on behalf of the System shall be voted on solely in the pecuniary interest of the System's plan beneficiaries, in compliance with Arkansas Code § 24-2-801 et seq.
2. Unless an economically practicable alternative is unavailable, the System shall not: (A) Follow the recommendations of a proxy advisory firm or other service provider unless the firm or service provider has a practice of and provides a written commitment to adhere to the practice of following proxy voting guidelines that are consistent with the System's obligation to act based only on pecuniary factors, or (B) Entrust the System's plan assets to a fiduciary unless the fiduciary has a practice of and provides a written commitment to adhere to the practice of following guideline when engaging with portfolio companies and voting shares or proxies that match the obligation of the System's obligation to act based only on pecuniary factors.

~~3. The System authorizes the investment manager to vote all proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast votes solely in the best interest of plan beneficiaries.~~

3. The Executive Director is authorized to vote all proxies related to stocks owned by the System and to provide binding voting instructions to the System's investment managers regarding proxies related to stocks in which they invest the System's assets. The Executive Director shall exercise this authority in compliance with Arkansas Code § 24-2-801 et seq. The Executive Director shall cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by the Executive Director must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the Executive Director must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

4. The Executive Director may retain an independent proxy vote management service to analyze proxy issues, make voting recommendations, vote proxies as the System's agent, and provide voting instructions to the System's investment managers. The System requires the proxy vote management service to act in a manner that complies with Arkansas Code § 24-2-801 et seq. Any vote, instruction, or recommendation made by the proxy vote management service must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the proxy vote management service must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).
5. The Executive Director may delegate voting authority to an investment manager to vote proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by an investment manager pursuant to a delegation must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the investment manager must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

#### U. Soft Dollars

1. Commissions paid by investment managers for the purchase of equity securities are System assets and must be used for the sole benefit of the System members. Whenever possible, investment managers should seek to execute trades at the lowest possible commission rate but not to the detriment of best execution, which can result in a higher cost to the System. So that the Board may fulfill its obligation to ensure that System assets are being used appropriately, relevant equity investment managers shall provide periodic reports to the general investment consultant on brokerage activity, commissions, services, and such other information as may be requested by the investment consultant or Board. The investment consultant shall provide a periodic report to the Board summarizing such equity investment managers' reports and highlighting any questionable or problem areas.

#### HISTORY

Amended: October 4, 2010

Amended: February 7, 2011  
Amended: June 3, 2013  
Amended: October 7, 2013  
Amended: February 17, 2014  
Amended: June 1, 2015  
Amended: April 21, 2016  
Amended: November 13, 2017  
Amended: April 1, 2019  
Amended: February 3, 2020 as Board Policy 4  
Amended: December 7, 2020  
Amended: June 7, 2021  
Amended: September 25, 2023  
Amended: February 5, 2024  
Amended: December 2, 2024  
Amended: April 7, 2025  
Amended June 2, 2025

# **ATRS Board Policy 4**

## **STATEMENT OF INVESTMENT POLICY**

A.C.A. § 24-7-305

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### **I. Board - Investment Policies and Procedures**

#### **A. Statement of Investment Policy**

1. This Investment Policy has been prepared within the context of applicable Arkansas laws and is intended to allow for sufficient flexibility in the investment process to capture opportunities, yet ensure that both prudence and care are maintained in the execution of the investment program. While safety of principal is given primary consideration, the Arkansas Teacher Retirement System Board of Trustees ("Board") may take appropriate levels of risk to earn higher levels of investment return.
2. The Board has arrived at this policy through careful study of the rates of return and risks associated with various investment strategies in relation to the current and projected liabilities of the Arkansas Teacher Retirement System ("the System"). This policy has been chosen as the most appropriate for achieving the financial objectives of the System. The policy will be reviewed periodically as circumstances dictate.
3. The Board has adopted a long-term investment horizon so that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The assets of the System will be invested in a manner that provides the safeguards and diversity to which a prudent investor would adhere. All transactions undertaken on behalf of the System will be in the sole interest of the System's plan beneficiaries.
4. To achieve the overall investment goal of the System, one or more investment consultants may be retained by the Board as investment advisors. The scope of duties, together with the terms and conditions of engagement, of any investment consultant will be set forth in a contract approved by the Board. Throughout this document, investment advisors are referred to as investment consultants.
5. The System shall manage those assets not specifically allocated to investment managers. No investment shall be made without an investment consultant's written advice or written recommendation. The System shall not approve any material changes in any direct investment without first receiving written advice or a written recommendation from a third-party investment consultant and, if



needed, outside legal counsel, and, without thereafter receiving written approval by the Investment Committee and Board.

B. Divestment of Direct Holdings Held with Certain Financial Services Providers

1. The System shall divest from all direct holdings that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002. Divestment shall occur as soon as practicable, but no later than three hundred sixty-five (365) calendar days after the financial services provider's inclusion on the list published on the Treasurer of State's website.
2. However, in order to prevent financial harm to the System and to ensure that the System's fiduciary duty is met, the System shall not divest from an investment that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002 if the investment is locked into a maturity date and an early divestment would result in a financial penalty and cause a negative financial impact to the System.

C. Investments in Countries of Concern

1. In order to comply with Arkansas Code § 25-1-1201 and Act 937 of 2025 et seq. and also to ensure that System funds are not invested in the development of technologies and products that may threaten the national security of the United States, the System shall not directly hold any equity interest or debt financing interest in any entity that is:
  - a. Owned in whole or with a majority ownership by the government of the People's Republic of China; or
  - b. Subject to any investment restrictions imposed by the United States Department of the Treasury because the entity is located in a country of concern and is engaged in activities that may contribute to a threat to the national security of the United States.
2. For any prohibited investment held by the System as of the adoption of this section, the Executive Director, in cooperation with the investment consultant and other necessary parties, shall divest the System of any excluded holdings as soon as divestment is practicable and would not result in a financial penalty or cause a material negative impact to the System.

#### D. Standard of Care

1. When investing and reinvesting trust assets and in acquiring, retaining, managing and disposing of investments of the trust assets, there shall be exercised the reasonable care, skill, and caution that a prudent investor would use after considering the purposes, terms, distribution requirements, and other circumstances of the trust. Investment and management decisions respecting individual assets shall be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust. The investments of the trust shall be diversified unless the Board reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying. The trust assets shall be invested and managed solely in the interest of the members and benefit recipients of the trust. The trust assets shall be invested in a manner to only incur costs that are appropriate and reasonable in relation to the assets and purposes of the investment. Compliance with the standard of care is determined in light of facts and circumstances at the time of action, not in hindsight.
2. Investment and management functions may be delegated to an investment agent that a prudent trustee of comparable skills could properly delegate under the circumstances. When making such delegation, the Board shall establish the scope and terms of the delegation, consistent with the purposes and terms of the trust, and shall monitor the investment agent performance and compliance with the terms of the delegation. In performing a delegated function, an investment agent owes a duty to the System and the trust to exercise reasonable care to comply with the terms of the delegation. The assets of the System allocated to the investment managers shall be diligently managed, which may include selling investments and realizing losses, if such action is considered advantageous to longer-term return maximization. In addition, the Executive Director may delegate certain duties to the System's investment staff without relieving the Executive Director from the ultimate responsibility.
3. Each party serving in a fiduciary capacity for the trust shall discharge his or her duties solely in the pecuniary interest of the participants and beneficiaries and in compliance with Arkansas Code § 24-2-801 et seq. A fiduciary's evaluation of an investment, or evaluation or exercise of any right appurtenant to an investment, shall take into account only pecuniary factors.
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## E. Asset Allocation

1. The Board is responsible for the prudent investment of funds and to maintain a proper allocation of the System's investment assets. The Board, in conjunction with its investment consultants, shall set and adjust the System's asset allocation ranges as necessary to provide an optimal allocation to obtain its target returns. The general investment consultant shall notify the Executive Director and the Board when an asset liability modeling study should be undertaken. It shall be the goal of the System to maintain the following asset allocation targets and ranges:

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## F. Rebalancing

1. The asset allocation ranges established by the Board represent the Board's judgment of a portfolio mix that provides the greatest risk/return value. Allowing the portfolio to exceed the Board limits strays from the financial discipline, which the Board believes will - over time - provide the appropriate risk-adjusted return to the System.
2. The Executive Director is responsible for rebalancing the allowable asset classes and the individual portfolios if any of the asset classes falls outside of the designated range. The general investment consultant shall provide guidance and advice to the Executive Director to best achieve the rebalancing.
3. Rebalancing among individual investment manager portfolios within asset classes may also be necessary to ensure the appropriate level of diversification is achieved by investment style, market capitalization or

risk levels (see total asset class guidelines) and/or to take advantage of market conditions, fund manager expertise, opportunities, or other circumstances that could be beneficial to ATRS.

4. The Executive Director may rebalance across all equity managers, all equity holdings, all fixed income managers, and all fixed income holdings. A Board approved transition manager may be used for rebalancing. Rebalancing including the use of a Board approved transition manager, as needed, may be initiated by the Executive Director after recommendation from the appropriate investment consultant and positive notice to the Board Chair. The Executive Director and general investment consultant will monitor the asset values by classification for each asset manager on a monthly basis, based on month-end data provided by the custodial bank. The Executive Director and general investment consultant shall regularly inform the Board on the rebalancing pacing and strategy.
5. Whenever the minimum or maximum range of total equity or fixed income has been exceeded, a transfer of funds or other appropriate action will occur to bring the actual allocation within the prescribed range within a time frame determined to be prudent by the Executive Director in consultation with the general investment consultant.
6. Normal plan cash flows should be used to the extent possible to rebalance. Interest, dividends, and plan contributions should be used to the extent possible to fund asset classes that are below their target. Withdrawals should be made from asset classes that are above their target.

#### G. Investment Manager Selection

1. The System may hire and retain individual investment managers to implement the System's investment strategy.
2. Arkansas Code § 24-2-610 et seq. requires ATRS to always operate under the prudent investor rule. The prudent investor rule requires all investment decisions to be made based on the experience of management, rates of return, appropriate risk, reasonable cost, and all other relevant factors that should be used by prudent investors.
3. It is the policy of the Board to include, whenever appropriate, qualified minority-owned and women-owned business enterprises in the System's investment manager selection process and to objectively evaluate all qualified investment manager candidates regardless of race, gender or disability.
4. The Board will evaluate all qualified investment manager candidates with emphasis on demonstrated professional performance,

organizational depth, institutional investment management capability, and reasonableness of fee structure regardless of the amount of investment assets under management or the age of the investment management firm.

5. The Board shall only hire and retain professional consultants that do not use discriminatory practices in the creation and maintenance of their investment manager databases and will require the investment consultants to affirm their use of non-discriminatory practices when recommending investment manager candidates to the Board.
6. The Board shall only hire and retain investment managers and professional consultants that agree to provide services to the System in a manner that complies with Arkansas Code § 24-2-601 et seq., 24-2-801 et seq., 25-1-1001 et seq., and 25-1-1201 et seq.

#### H. Goals

1. Recognizing the purpose of the System is to remain actuarially sound and pay member benefits, the overall investment goal is to achieve, over a period of years, the greatest rate of return for the System with due consideration given to preserving capital and its purchasing power, and to maintain an appropriate level of risk consistent with the obligations of a prudent investor. The return of the System should exceed, net of fees, a policy benchmark comprised of the respective asset class benchmarks weighted by the asset class policy targets over a full market cycle (approximately five years). During periods of transition to and from nonmarketable and illiquid asset classes such as private equity and real assets, actual allocations may be used over extended periods to reflect these changes in the policy targets. Periodic performance reports will provide a detailed description of the policy benchmark composition over time.
2. The System's actuary sets an expected return based on the Board's policy decisions. Market cycles may result in the System earning a return materially above or below the actuarial rate of return for extended periods of time. Therefore, the actuarial rate of return will not be used for performance comparison purposes.

#### I. Total Equity

1. The total equity exposure of the portfolio shall be well diversified with broad exposures to small, mid, and large capitalization companies and growth and value style sectors across U.S. and non-U.S. markets.

2. The goal for total equity shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the aggregate global equity market as measured by the Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) Investable Market Index (IMI) over a full market cycle (approximately five years). Because the total equity portfolio was previously segregated into domestic and global equity components, the total equity portfolio has a bias to domestic equity relative to the MSCI ACWI IMI. Therefore, to ensure appropriate performance measurement, the benchmark for total equity will be appropriately weighted between the Dow Jones U.S. Total Stock Market Index and the MSCI ACWI IMI Index to reflect the current domestic / global asset mix until the domestic allocation is in line with the global opportunity set as defined by the MSCI ACWI IMI. The manager structure of the total equity portfolio should resemble the weighted average of their respective benchmarks and avoid any material biases due to a concentration of managers or management styles. To achieve this goal, the Board may employ various actively managed and passive mandates. The structure of the equity component will be analyzed annually to ensure proper diversification is achieved.

J. Fixed Income

1. The manager structure of the aggregate fixed income portfolio's risk exposure should resemble the aggregate domestic fixed income market as measured by the Barclays U.S. Universal Bond Index. To help achieve this goal, the Board will employ investment managers that invest assets in a broad array of sectors (government, mortgage backed, credits, asset backed, and commercial mortgage backed bonds), maturities, and credit qualities so that the overall portfolio structure is not materially different from that of the domestic and global fixed income markets. To provide a broad base of low-cost diversification and readily available liquidity, the Board may allocate a portion of the fixed income assets to a passive investment portfolio that approximates the return of the broad fixed income market.
2. The goal for fixed income investments shall be to achieve a total rate of return that will exceed, net of all costs and fees, the return of the Barclays U.S. Universal Bond Index over a full market cycle (approximately five years).

K. Opportunistic/Alternative Investments

1. The Opportunistic/Alternatives asset class may include investments in direct hedge funds, hedge fund of funds, commodities, currency mandates, and other alternative strategies that are not closely correlated or related to the traditional asset classes (fixed income,

equities, private equity, and real assets). Unique investments that do not fit within the other asset class categories may also be included in the Opportunistic/Alternative category at the Board's discretion. Because this category may include illiquid investments made through closed end investment partnerships, it may take a period of time to reach and maintain the target allocation of 5%. Assets will be invested in the total equity asset class when the opportunity/alternative allocation is below its long-term target of 5%. The benchmark for the category will be a weighted average of the benchmarks of the underlying strategies.

2. The goal of the credit, global macro, and other liquid alternative investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the appropriate institutional quality hedge fund index over a full market cycle (approximately five years). Appropriate benchmarks will be determined as investments are added to the portfolio.

#### L. Real Assets

1. The Real Asset category may include real estate, timber, agriculture, and infrastructure. While no fixed targets are set, the following general parameters have been identified:

- 8% Real Estate
- 2% Timber
- 1% Agriculture
- 4% Infrastructure

The total target of the asset class will be 15%. Because this category may include illiquid investments made through closed end investment partnerships, it will take a period of time to reach these targets. Assets will be invested in the total equity asset class until the total target is attained.

The System may initiate investments in real estate as governed by the Real Asset Statement of Investment Policy. The System's goal for real estate is to not materially exceed the System's approved target asset allocation for total real estate investments as determined by the Board at the beginning of each fiscal year. Should the real estate target asset allocation be exceeded, the Executive Director, working with the Real Estate Consultant, shall develop a pacing and strategy plan to address the over allocation.

ATRS' Real Estate portfolio is benchmarked on a net of fee basis against the NCREIF Fund Index Open-end Diversified Core Equity

Index ("NFIODCE"). Once ATRS' Real Estate portfolio reaches its full target allocation for a five-year period, it is expected to meet or exceed the NFIODCE over rolling five-year periods.

The System may initiate direct ownership in timberland or indirect investments in fund of funds, partnerships, corporations, or real estate investment trusts ("REITs") investing in investment grade properties of like kind.

2. The goal of the timberland investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Timberland Property Index ("NTPI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the timber portfolio's performance compared to the opportunity cost of investing in timber.

The goal of the agriculture investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Farmland Index ("NFI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the agriculture portfolio's performance compared to the opportunity cost of investing in agriculture.

The goal of the infrastructure investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the Consumer Price Index (CPI) plus 5 percentage points over a full market cycle (approximately ten years). The Consumer Price Index plus 5 percentage points will be used as the benchmark to reflect the opportunity cost of investing in infrastructure. Similar infrastructure programs of institutional investors will also be used as a secondary benchmark to the extent such data is made available.

The ATRS Total Real Asset Benchmark is weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Estate benchmark, Timber benchmark, Agriculture benchmark and Infrastructure benchmark. The net of fee return for ATRS' Total Real Asset Portfolio is expected to meet or exceed the Total Real Asset Benchmark over rolling five year periods.

#### K. Private Equity

1. The System may initiate investments in private equity as governed by the Private Equity Statement of Investment Policy. Private equity investments may include domestic and foreign private equity partnerships, venture capital, and mezzanine financing partnerships that are intended to diversify the assets and reduce the likelihood of material losses in any individual investment classification. The



investment consultant responsible for private equity shall advise the Executive Director and Board on the Private Equity Statement of Investment Policy and the structure of private equity investments best suited for the System.

2. The System's goal for private equity investments is to achieve a total rate of return that will exceed, net of all costs and fees, the return of the public equity markets, as measured by the Dow Jones U.S. Total Stock Market Index, plus a liquidity premium of 2 percentage points per year over a full market cycle for private equity (approximately ten years).

#### L. Cash Equivalents

1. The System may hold direct ownership in short-term investments or may permit or require managers to hold cash or cash equivalents to meet liquidity needs of the investment manager or of the System.
2. The System's cash management goal shall be to preserve capital and maintain liquidity.

#### M. Arkansas-Related Investments

1. The System may initiate Arkansas-related mortgage loans, promissory notes, direct real estate investments, or purchase insured certificates of deposit or short-term securities of Arkansas financial institutions to meet the goals of the mandated requirements. Arkansas-related investments are categorized according to the appropriate asset class for each investment. In addition, Arkansas related investments include, but are not limited to, investments managed by an Arkansas related manager, Arkansas related investments held by other fund managers, Arkansas timberland, partnerships based in Arkansas, and partnerships holding Arkansas properties.

#### N. Commingled or Mutual Funds

1. If a commingled fund or mutual fund is utilized, the portfolio will be governed by the prospectus or similar document for the fund. In those cases, the System will utilize the prudent investor rule and advice of the investment consultant in selecting and evaluating funds initially and in monitoring them on an on-going basis.

#### O. Derivatives

1. Derivatives may be used to reduce the risk in a portfolio and provide desired market and security level positions as an alternative to purchasing cash securities. Excessive leverage shall not be created through the use of derivatives in a manner that substantially increases the System's portfolio risk. Each investment manager's derivative

usage shall be specified in the investment management agreement or specific guidelines.

2. The use of futures and options shall be matched by cash or cash equivalent securities, and all short futures positions shall be matched by equivalent long security positions, unless otherwise stated in the investment manager guidelines or authorizing fund documents.

P. Loaning of Securities

1. The lending agent will evaluate the credit-worthiness of potential borrowers of securities, and will loan securities only to financially sound borrowers. The lending agent will maintain a diversified list of such borrowers in order to mitigate the counterparty risk that is inherent in securities lending.
2. Collateral levels should be based on the nature of the loaned security and will generally be between 102% and 105% of the market value of the borrowed security. Marking to market will be performed every business day subject to de minimis rules of change in value, and borrowers will be required to deliver additional assets as necessary to maintain overcollateralization of securities loans.

Q. Securities Lending Reinvestment Guidelines

1. The cash collateral portfolio will be managed on an amortized cost basis (maintain a \$1 net asset value) and have investment guidelines that are 2a-7-like in nature (money market fund guidelines) to ensure that only a moderate amount of risk is taken on the reinvestment of the cash collateral. This will control the amount of credit and duration risk that can be taken by the short duration fixed income manager, which will help to mitigate losses due to insufficient collateral relative to the amount on loan. In addition, guidelines for the cash collateral portfolio will be created in conjunction with the lending strategy and with input from the securities lending agent.
2. The collateral pool should also maintain a reasonable level of overnight liquidity in order to allow for the smooth recall of securities over time.

R. Investment Manager Reporting

1. The System will require all investment managers, managing partners, and general partners to provide on at least a quarterly and an annual basis, reporting appropriate for the investment.

S. Roles

1. The Executive Director and investment consultant are jointly responsible for the initial selection of investment managers and any increase or decrease in an investment manager's funding. The

Executive Director and investment consultant are jointly responsible for monitoring existing investment managers on performance, stability, and compliance. The Executive Director and investment consultant may also recommend termination of an investment manager when circumstances justify termination. Reasons for termination include, but are not limited to, relative performance, relative stability, costs, strategic allocation of assets, or other relevant factors that a prudent investor would use.

#### T. Proxies

1. All shares held directly or indirectly by or on behalf of the System shall be voted on solely in the pecuniary interest of the System's plan beneficiaries, in compliance with Arkansas Code § 24-2-801 et seq.
2. Unless an economically practicable alternative is unavailable, the System shall not: (A) Follow the recommendations of a proxy advisory firm or other service provider unless the firm or service provider has a practice of and provides a written commitment to adhere to the practice of following proxy voting guidelines that are consistent with the System's obligation to act based only on pecuniary factors, or (B) Entrust the System's plan assets to a fiduciary unless the fiduciary has a practice of and provides a written commitment to adhere to the practice of following guideline when engaging with portfolio companies and voting shares or proxies that match the obligation of the System's obligation to act based only on pecuniary factors.
3. The Executive Director is authorized to vote all proxies related to stocks owned by the System and to provide binding voting instructions to the System's investment managers regarding proxies related to stocks in which they invest the System's assets. The Executive Director shall exercise this authority in compliance with Arkansas Code § 24-2-801 et seq. The Executive Director shall cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by the Executive Director must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the Executive Director must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).
4. The Executive Director may retain an independent proxy vote management service to analyze proxy issues, make voting recommendations, vote proxies as the System's agent, and provide voting instructions to the System's investment managers. The System requires the proxy vote management service to act in a manner that complies with Arkansas Code § 24-2-801 et seq. Any vote, instruction,

or recommendation made by the proxy vote management service must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the proxy vote management service must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

5. The Executive Director may delegate voting authority to an investment manager to vote proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by an investment manager pursuant to a delegation must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the investment manager must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

#### U. Soft Dollars

1. Commissions paid by investment managers for the purchase of equity securities are System assets and must be used for the sole benefit of the System members. Whenever possible, investment managers should seek to execute trades at the lowest possible commission rate but not to the detriment of best execution, which can result in a higher cost to the System. So that the Board may fulfill its obligation to ensure that System assets are being used appropriately, relevant equity investment managers shall provide periodic reports to the general investment consultant on brokerage activity, commissions, services, and such other information as may be requested by the investment consultant or Board. The investment consultant shall provide a periodic report to the Board summarizing such equity investment managers' reports and highlighting any questionable or problem areas.

#### **HISTORY**

Amended: October 4, 2010

Amended: February 7, 2011

Amended: June 3, 2013

Amended: October 7, 2013

Amended: February 17, 2014

Amended: June 1, 2015

Amended: April 21, 2016  
Amended: November 13, 2017  
Amended: April 1, 2019  
Amended: February 3, 2020 as Board Policy 4  
Amended: December 7, 2020  
Amended: June 7, 2021  
Amended: September 25, 2023  
Amended: February 5, 2024  
Amended: December 2, 2024  
Amended June 2, 2025

**DATE:** May 22, 2025  
**TO:** ATRS Board of Trustees  
**FROM:** Mark White, Executive Director  
**RE:** Selection of Independent Proxy Vote Management Service

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As a shareholder in thousands of publicly-traded companies around the world, ATRS has authority to vote on those companies' corporate matters through proxy votes. These include votes to elect members of corporate boards of directors; to approve mergers and acquisitions; to consider proposals offered by individual shareholders; and other business matters. As an asset owner, ATRS has a strong interest in these votes as they directly impact the financial health and stock performance of these companies.

Historically, ATRS has delegated proxy vote authority to its individual investment managers. In 2023, the Legislature passed Act 498 which requires ATRS to vote its proxies in a manner consistent with a fiduciary's obligation to act "based only upon pecuniary factors." The Act also imposes reporting requirements on our proxy votes and requires managers to sign written commitments to follow the Act.

I am recommending that ATRS use an independent proxy vote management service to manage proxy votes on our behalf. By doing so, we will ensure consistency across managers in how our proxies are voted, as well as provide greater assurance that our proxy votes are cast in compliance with state law including Act 498.

I am asking that the Board affirm my selection of Egan-Jones Proxy Services to provide proxy vote management and advisory services to ATRS. Assuming the Board also approves my recommended changes to our Investment Policy, I will begin the process of transitioning proxy vote oversight from our investment managers to Egan-Jones on a case-by-case basis.

To make this recommendation, I requested proposals from the three leading providers of proxy vote management services: Egan-Jones, Glass Lewis, and Institutional Shareholder Services (ISS). Two of the firms, Egan-Jones and Glass Lewis, submitted proposals. After reviewing both, I believe the proxy policy proposed by Egan-Jones most closely aligns with the requirements of Act 498, and Egan-Jones has a lower proposed price.

I am attaching the Egan-Jones proposal and the Wealth-Focused Policy that they would use to determine our proxy votes. I am also attaching the Scope of Work that was provided to the potential vendors.

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## **Overview and Scope of Work Proxy Management and Advisory Services**

### **Arkansas Teacher Retirement System – Background**

The Arkansas Teacher Retirement System (“ATRS” or “System”) is an approximately \$22 billion public pension plan created by the State of Arkansas pursuant to Acts 1937, No. 266, and governed in accordance with Ark. Code Ann. § 24-7-201 et seq. ATRS is a multi-employer, combination contributory and noncontributory, defined benefit pension plan qualified under §401(a) of the Internal Revenue Code. As a government public pension plan, ATRS is not subject to Title 1 of ERISA.

The System’s plan participants and annuitants include more than 140,000 members. ATRS administers a program of benefits for employees of Arkansas public schools and education-related agencies and their survivors or beneficiaries. ATRS invests employer and member contributions and administers the System for the exclusive benefit of the System’s members and their survivors or beneficiaries.

ATRS is governed by a fifteen-member board of trustees (“ATRS Board”), eleven of whom are elected by the System’s membership. The State Bank Commissioner, the State Treasurer, the State Auditor, and the Secretary of the Department of Education serve as ex-officio trustees. The ATRS Executive Director, appointed by the ATRS Board, is responsible for the overall administration of ATRS. ATRS employs a professional staff to administer the pension plan and to manage its investment program.

ATRS investments must comply with state laws regulating and limiting retirement system investments, including Ark. Code Ann. § 24-2-601 et seq.; the prudent investor rule; and [ATRS Board policies](#), including the Board’s [Statement of Investment Policy](#). To fund plan benefits, ATRS invests in public equities, fixed income securities, and alternative asset securities such as real estate, private equity limited partnership interests, and securities issued by private investment funds engaged in strategic trading. Current policy maintains an asset allocation target of 48.0% for total public equity.

The ATRS portfolio is externally managed. ATRS delegates investment discretion to external managers, with a mix of commingled funds and separately-managed accounts. Under current policy, each manager is delegated discretion to vote all shares under management. The ATRS Board will be considering revisions to the Statement of Investment Policy to return this voting authority back to ATRS and exercise it through the services of an external proxy management vendor. ATRS engages a custodian bank to hold its assets and clear and settle public securities trades through broker-dealers. The custodian is authorized to lend ATRS securities held by the custodian. The custodian appoints sub-custodians in foreign jurisdictions where ATRS managers invest in locally-traded securities of public issuers. ATRS engages expert consultants and advisors to assist the ATRS Board and ATRS staff regarding investment matters.

## **Proposed Scope of Work**

ATRS seeks an external vendor ("Vendor"), experienced in providing proxy vote management and advisory services, to provide the following services in connection with the publicly-traded securities in the System's portfolio:

1. Provide shareholder proxy advisory and voting management services to include without limitation proxy research, analysis, recommendation, and voting services.
2. Submit for ATRS approval and then implement a proxy voting Policy and Guidelines (whether off-the-shelf or custom) for domestic and international markets that are consistent with fiduciary responsibilities that seek to enhance long-term shareholder value, and that consider only pecuniary factors, as that term is defined by Ark. Code Ann. § 24-2-802.<sup>1</sup> The Policy and Guidelines and all proxy vote recommendations and actions must be made in compliance with federal law and Arkansas state law.
3. Provide timely, independent, objective proxy vote research report(s) with rationale(s) upon request for equity securities, both domestic and international.
4. Manage and coordinate proxy voting activity on behalf of ATRS, to include without limitation tracking and monitoring ATRS equity holdings, obtaining proxy voting information, and casting proxy votes in coordination with the ATRS custodial bank and investment managers for both domestic and international markets. The service provided should include the ability to act as agent for ATRS in foreign jurisdictions at the direction of ATRS.
5. Provide a web-based platform for ATRS use to monitor proxy vote activity, identify upcoming votes that are unresolved in the ATRS-adopted Policy and Guidelines, direct individual proxy votes, and otherwise automatically implement the ATRS-adopted Policy and Guidelines.
6. Provide record keeping of all shareholder proposals, proxy votes, vote recommendations, special instructions, and other information as directed by ATRS.
7. Tabulate all share and proxy votes and report the same to ATRS at least annually, or as often as directed by ATRS. Reports must contain information as requested by ATRS, to include at a minimum for each vote a vote caption, the ATRS vote, the recommendation of company management, and if applicable, the vote dictated by the ATRS-adopted Policy and Guidelines (or other recommendation made by the Vendor).
8. Ensure that ultimate authority to vote upon any shares on behalf of ATRS will remain in the hands of the ATRS Board of Trustees, and as delegated by the Board, in the hands of the ATRS Executive Director.

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<sup>1</sup> "'Pecuniary factor' means a factor that has a material effect on the financial risk or financial return, or both, of an investment based on appropriate investment horizons consistent with the pension benefit plan's investment objectives and the funding policy." Ark. Code Ann. § 24-2-802(4)(A).



## **ESG Considerations**

All policies, guidelines, or recommendations in connection with the evaluation or exercise of any right appurtenant to an investment, including without limitation regarding shareholder proxy votes, must satisfy the following criteria from Ark. Code Ann. § 24-2-804:

1. They must take into account only pecuniary factors.
2. They shall not promote a nonpecuniary benefit or any other nonpecuniary goals.
3. An environmental, social, corporate governance, or other similarly oriented consideration (“ESG Factor”) is a pecuniary factor only if it presents an economic risk or opportunity that a qualified investment professional would treat as a material economic consideration under generally accepted investment theories.
  - a. The weight given to any ESG Factor should reflect solely a prudent assessment of its impact on financial risk and financial return.
  - b. Any consideration of an ESG Factor as a pecuniary factor must provide for examination of the level of diversification, degree of liquidity, and the potential financial risk and financial return in comparison with other available alternative investments that would play a similar role in the ATRS portfolio.
  - c. Any pecuniary consideration of an ESG Factor must include an evaluation of whether a greater return can be achieved through investments that rank poorly on that Factor.

## **Legal Requirements**

In 2023, the Arkansas Legislature approved Act 498, known as the State Government Employee Retirement Protection Act (“the Act”), which is now codified at Ark. Code Ann. § 24-2-801 to 806. For purposes of the Act, the term “fiduciary” includes any person or entity who “[h]as any discretionary authority or discretionary responsibility in the administration of [a] pension benefit plan, including making recommendations or voting on or for a plan's shares or proxies.” Ark. Code Ann. § 24-2-802(1)(B). Vendor must comply with the requirements of the Act, must agree to act as a fiduciary within the meaning of the Act, and must certify its compliance in writing.

Specifically, per the Act, any firm or service provider that will provide proxy management and advisory services to ATRS must commit in writing that it “has a practice of following proxy voting guidelines that are consistent with the fiduciary's obligation to act based only upon pecuniary factors,” and that it “has a practice of following guidelines when engaging with portfolio companies and voting shares or proxies that match the obligation of the pension benefit plan to act based only upon pecuniary factors.” Ark. Code Ann. § 24-2-805(b).

As a state government agency, ATRS is subject to the Arkansas Freedom of Information Act, Ark. Code Ann. § 25-19-101 et seq. All public records in the custody or control of ATRS are subject to public release upon request. This specifically means that most if not all Vendor documents in the custody or control of ATRS will be available to the public, including without limitation the Policy and Guidelines provided by the Vendor for ATRS use.

April 28, 2025

Proposal Submitted For

# **Arkansas Teacher Retirement System**

**Service:** Proxy Management and Advisory Services

**Submitted by:** Egan-Jones Proxy Services

[sales@ejproxy.com](mailto:sales@ejproxy.com)

## I. Executive Summary

Egan-Jones Proxy Services is pleased to submit this proposal to provide proxy advisory services to the Arkansas Teacher Retirement System. With a proven track record of independent, unconflicted research and recommendations that prioritize shareholder returns, we aim to support ATRS in executing its fiduciary responsibilities.

## II. Services to be Provided

### 1. Onboarding

Egan-Jones Proxy Services will quickly onboard ATRS' custodian accounts.

### 2. Vote Recommendations

Egan-Jones Proxy Services will provide vote recommendations according to ATRS' policy for each proposal at each meeting requested by ATRS.

### 3. Research

Egan-Jones Proxy Services will provide research reports that provide background information on the company and meeting as well as justification for each of our recommendations.

### 4. Vote Execution

Egan-Jones Proxy Services will vote every ballot in a timely manner before the cut-off date. If ATRS chooses to override a recommendation provided by Egan-Jones, the ballot will be voted accordingly.

### 5. Vote Records

Egan-Jones proprietary ProVote platform will provide ATRS access to all vote records, with the ability to sort, filter, and download vote records at any time.

### 6. Analytics (*expected 9/1/25*)

Egan-Jones proprietary ProVote platform is expected to provide advanced analytics on all ATRS holdings, available for viewing at any time.

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## III. Methodology

Egan-Jones research process covers a broad universe of companies and is designed to be accurate, transparent, and consistent.

The basic process of creating a report is (1) the analysts categorize proposals, (2) the analysts enter data for analysis, (3) the manager checks analysis, (4) the manager performs a final review. More detailed information on our methodology can be found on our website: <https://www.eiproxy.com/methodology>

### Universal Coverage

Egan-Jones provides research reports for all meetings requested by clients, except for those in embargoed countries and for private companies. Proxy research is most fulsome if proxy filing materials are available in English. English proxy filings are typically available, even in countries where the primary language is not English. In 2024, Egan-Jones covered ~8,000 meetings.

### Transparency

Egan-Jones provides clear justifications for each of our recommendations, including the analysis run in our report and idiosyncratic considerations made for each recommendation. Egan-Jones considers quantitative (e.g., TSR) and qualitative (e.g., fairness opinion for M&A) metrics.

### Consistency

Egan-Jones methodology is designed to apply analysis consistently for a given proposal. When required, we perform case-by-case analysis (e.g., M&A or board contests). We also allow managers to override our default analysis if there are important unforeseen considerations (e.g., a board member appears qualified on paper but is found guilty of a serious crime).

### Accuracy

For our 2025 methodologies, our data gathering and double-entry verification methods are industry-leading. All data is either gathered by machine directly from the proxy statement, from data vendors, other company filings, or by hand by two separate analysts. If the analysts disagree, a manager checks the data for accuracy. All reports are checked again before being published.

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## IV. Egan-Jones Differentiation

Egan-Jones provides the best-in-class solution to easily meet all your proxy needs.

### **Policy alignment (Wealth-Focused)**

Egan-Jones is the only full-service proxy provider that offers an in-house policy which doesn't consider some form of ESG criteria. Egan-Jones' Wealth-Focused policy provides recommendations based purely on protecting and enhancing shareholder wealth. Our peers have been criticized for their inability to deliver recommendations that focus on wealth generation. Read more here:

[https://www.iowaattorneygeneral.gov/media/cms/Final\\_Debanking\\_Proxy\\_Advisor\\_Lette\\_738F6B3D5DF65.pdf](https://www.iowaattorneygeneral.gov/media/cms/Final_Debanking_Proxy_Advisor_Lette_738F6B3D5DF65.pdf)

### **Robust and transparent analysis**

All logic for our recommendations is clearly stated in our reports, along with the relevant metrics and other considerations. Rather than rely on vague language to describe our policies, customers can see down to the granular level what metrics we consider in each of our analyses on our website:

<https://www.ejproxy.com/methodology>

### **Unconflicted by consulting business**

Unlike our peers, Egan-Jones does not offer consulting services to corporate issuers. Therefore, our recommendations are free from conflict of interest. Our peers have faced significant criticism for this practice:

<https://www.wsj.com/opinion/jamie-dimon-proxy-advisory-firms-iss-glass-lewis-08694389>

### **Deep experience**

Egan-Jones understands proxy voting well as we have been providing proxy services to customers since 2002. The firm was founded in 1995.

### **American-owned**

Unlike our peers, Egan-Jones is American-owned.

### **Reports built from the ground up**

Rather than writing one report for a company and tweaking our research from that original mold, each policy has a report built from the ground up, entirely on its own. Thus, our research is not colored by any "Standard" policy, as is the case with other proxy advisors.

### **Economic pricing**

Egan-Jones offers a full-service solution at the most affordable pricing in the industry.

## V. About the Wealth-Focused Policy

Egan-Jones offers five ‘off-the-shelf’ policies, or frameworks through which we analyze proposals and issue recommendations. The Wealth-Focused Policy has recently been adopted by Blackrock, State Street, and Vanguard in their respective proxy voting choice programs.

Recommendations of the Wealth-Focused Policy *are based only on protecting and enhancing investor wealth*. The policy is not a "board aligned" policy because directors with poor impact on shareholder return will be opposed. Restrictive governance and environmental protection proposals are generally opposed. “Stakeholder capitalism” proposals are opposed, even if supported by management. Proposals promoting diversity, equity, inclusion are also opposed. Exceptions only exist when proposals are directly tailored to revenue generation.

Our Wealth-Focused Policy document is available on our website: <https://ejproxy.com/wealth-focused-overview>

## VI. Proposed Cost

**Total Initial Annual Fee:** \$20,000 for initial term (subject to overage charges)

# Wealth-Focused Policy Overview

February 2025



## **I. Wealth-Focused Policy Overview**

**Recommendations are based only on protecting and enhancing investor wealth.**

The policy is not a "board aligned" policy because directors with poor impact on shareholder return will be opposed.

Restrictive governance and environmental protection proposals are generally opposed.

"Stakeholder capitalism" proposals are opposed, even if supported by management. Proposals promoting diversity, equity, inclusion are also opposed. Exceptions only exist when proposals are directly tailored to revenue generation.

### **Director elections**

The Wealth-Focused Policy generally supports candidates with a record of responsible leadership, including adequately responding to say-on-pay votes and attending at least 75% of board and committee meetings. Additionally, the Policy does not support candidates who are inside directors or affiliated outside directors and sit on the Audit, Compensation, or Nominating committees.

### **Director and executive compensation**

The Wealth-Focused Policy supports compensation packages based on total shareholder returns. Higher compensation packages are supported if significant shareholder returns have also been delivered.

### **Governance**

The Wealth-Focused Policy generally supports removing board governance restrictions such as splitting CEO and chairman roles, term limits, and area expertise. Likewise, the Wealth-Focused Policy would generally oppose proposals for greater restrictions. The goal is to avoid excluding qualified board members who could drive shareholder returns.

### **Corporate operations (including human resources, health, safety, and environment)**

The Wealth-Focused Policy generally rejects proposals to restrict the operations of the company, including hiring practices, environmental reporting, or political contributions. The goal is to rely on management and the board to effectively run the company's operations. Poor shareholder returns due to operational failures will be considered during compensation votes and director elections.

### **Procedure**

The Wealth-Focused Policy generally supports routine and procedural proposals such as those to tabulate proxy voting, elect a clerk, or approve previous board's actions, so as to not be obstructive to standard practices.

### **Auditors**

The Wealth-Focused Policy generally supports management's proposed auditor, given that the auditor does not generate outsized non-audit fees from the company. The goal is to support independent auditors.



**Shareholder rights**

The Wealth-Focused Policy generally supports broader shareholder rights such as equal voting rights and requiring shareholder approval for bylaw amendments. However, the policy will generally oppose proposals that give shareholders the ability to request fundamental changes to the business operations of the company, such as restructuring. The goal is to allow management and the board to make key business decisions, while enabling shareholders to hold them accountable.

**Mergers, acquisitions, and restructuring**

The Wealth-Focused Policy supports proposals with a high probability of yielding outsized returns for investors. The fairness opinion by a qualified investment banker or advisor is carefully considered for these proposals.

**Capitalization**

The Wealth-Focused Policy generally supports managements' recommendations on the capitalization of the company. The goal is to rely on the expertise of the CEO and CFO. Poor shareholder returns due to capitalization failures will be considered during compensation votes and director elections.

## II. Notable Recommendations

View recommendations of the Wealth-Focused Policy from prior meetings.

### The Walt Disney Company

Annual Meeting

April 3, 2024

**Opposition Proposal:** Election of Directors

*Egan-Jones' Wealth-Focused policy recommends FOR the Trian Nominees as we believe it is in the best interest of the Company and its shareholders. The company's TSR has been far below that of the total market as it has struggled to address competition from new producers and distributors of entertainment, it has struggled to produce new intellectual property to complement its aging catalog, and it has struggled to capture sufficient revenue related to existing business, such as sports betting. Thus, we see significant upside to installing the Trian Nominees.*

### Tesla Inc.

Annual Meeting

June 13, 2024

**Management Proposal:** Ratification of the 100% Performance-Based Stock Option Award to Elon Musk That Was Proposed to and Approved by the Stockholders in 2018

*Egan-Jones' Wealth-Focused policy recommends FOR this Proposal. As this is a simple re-authorization of a plan already approved by shareholders but nullified by the Delaware Court of Chancery, we do not believe a re-visit to cost analysis is needed to recommend approval of this plan. Indeed, we believe that given the key-person risk the CEO of Tesla represents and the possible negative impacts if his pay for the last several years rescinded, it is imperative to fix this issue immediately by supporting this reauthorization of his pay package.*

### Alphabet Inc.

Annual Meeting

June 7, 2024

**Shareholder Proposal:** Regarding a Policy for Director Transparency on Political and Charitable Giving

*Egan-Jones' Wealth-Focused policy recommends AGAINST. Considering the Company's policies and oversight mechanisms related to its political contributions and charitable giving activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business.*

## General Motors Company

Annual Meeting

June 4, 2024

**Shareholder Proposal:** Requesting a Report on Sustainability Risk in the Company's Supply Chain

*Egan-Jones' Wealth-Focused policy recommends AGAINST this proposal because we believe that approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and would only provide reports with information that is already available to shareholders.*

## Nike

Annual Meeting

September 10, 2024

**Shareholder Proposal:** Environmental Targets

*Egan-Jones' Wealth-Focused policy recommends AGAINST because we believe that approval of the requested report is unnecessary and overly burdensome on the Company. It would significantly increase administrative costs and divert Company resources from the more relevant and meaningful corporate priorities.*

## Dollar Tree Inc.

Annual Meeting

March 10, 2023

**Shareholder Proposal:** Designate an Independent Chairman

*Egan-Jones' Wealth-Focused policy recommends AGAINST because we believe that having an independent chairman is not a one-size-fits-all principle. We believe that the Board should have the flexibility in determining the Board's leadership structure that is conducive for the Company's goal in achieving its long-term performance and maximizing shareholder value.*

## The Charles Schwab Corp.

Annual Meeting

May 23, 2024

**Shareholder Proposal:** Report on Racial and Gender Pay Gaps

*Egan-Jones' Wealth-Focused policy recommends AGAINST because we believe that the Company's existing compensation processes are guided by the fundamental principle that decisions are made based on the individual's capabilities and contributions to the Company and not on gender. Moreover, we believe that approval of this proposal will accrue unnecessary costs and administrative burden.*

## Exxon Mobil Corporation

Annual Meeting

May 29, 2024

**Management Proposal:** Ratify the Appointment of Independent Auditor

*Egan-Jones' Wealth-Focused policy recommends FOR the ratification of PricewaterhouseCoopers LLP as auditors, as we believe that neither the audit fees for the most recent fiscal year nor the disciplinary actions taken against the firm over the past decade raise concerns about the auditor's integrity, professionalism, or independence.*

## Eli Lilly and Company

Annual Meeting

May 1, 2023

**Management Proposal:** Eliminate Supermajority Voting Provisions

*Egan-Jones' Wealth-Focused policy recommends FOR the elimination of supermajority voting provisions in the Company's Articles of Incorporation, as they grant disproportionate power to a minority of shareholders. On the contrary, adopting a simple majority standard would ensure equal and fair representation for all shareholders and enabling more meaningful voting outcomes.*

## Hess Corporation

Special Meeting

May 28, 2024

**Management Proposal:** Approve Merger with Chevron

*Egan-Jones' Wealth-Focused policy recommends ABSTAIN from the Chevron-Hess merger due to concerns about the current structure of the deal. Our concerns include the size of the merger premium, the arbitration of the oil field dispute with Exxon, potential regulatory challenges due to market share implications, and overall fairness to shareholders. Given these issues, we recommend that Hess delay the final merger vote until there is greater clarity surrounding the transaction.*

## Chipotle Mexican Grill, Inc.

Annual Meeting

June 6, 2024

**Management Proposal:** Increase the Number of Authorized Shares of Common Stock

*Egan-Jones' Wealth-Focused policy recommends FOR the issuance of additional shares of common stock because we believe that it is necessary to implement the proposed fifty-for-one stock split in the form of a stock dividend distribution to its shareholders.*

### III. Detailed vote recommendations

View recommendations per category.

#### Proposals by management | Accounting

Proposal	Vote Recommendation
<b>Accept financial statements/statutory report</b>	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.
<b>Accept accounting irregularity</b>	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.
<b>Receive annual report and accounts</b>	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.

## Proposals by management | Auditor

Proposal	Vote Recommendation
<b>Remove auditor</b>	We generally recommend a vote FOR the removal of the auditors whenever the Company may deem it necessary to ensure auditor independence and integrity.
<b>Ratify auditor appointment</b>	We generally recommend FOR the auditor when the non-audit fees do not make up a substantial proportion of all fees the auditor is charging the company. The purpose is to maintain some independence for the auditor.
<b>Ratify auditor or director remuneration</b>	We generally recommend FOR because according to our policy, the proposed director and auditor emoluments are commensurate with their efforts, services rendered, and contribution to the Company.
<b>Ratify auditor appointment and remuneration</b>	We generally recommend FOR the auditor when the non-audit fees do not make up a substantial proportion of all fees the auditor is charging the company. The purpose is to maintain some independence for the auditor.
<b>Approve discharge of auditors</b>	We generally recommend FOR because after reviewing the auditor acts for the fiscal year that has ended, we find it advisable to grant discharge from liability to the auditors.

## Proposals by management | Capitalization

Proposal	Vote Recommendation
<b>Issue shares below NAV</b>	We generally recommend FOR because according to our policy, issuing shares below net asset value (NAV) would provide the Fund with flexibility in raising capital, reducing debt, preventing insolvency, and funding strategic acquisitions or growth opportunities. While it typically leads to dilution, a discounted issuance can be used in ways that may ultimately enhance shareholder value, improve financial stability, and position the company for long-term success.
<b>Repurchase bonds</b>	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.
<b>Split stock / reverse split</b>	We generally recommend FOR because according to our policy, the proposed reverse stock split would make the Company's common stock a more attractive and cost-effective investment for many investors, thereby enhancing the liquidity of current stockholders and potentially broadening the investor base.
<b>Decrease authorized shares</b>	We generally recommend FOR because according to our policy, the proposed decrease in authorized shares will provide the Company with greater strategic flexibility in managing dilution and its capital structure.
<b>Issue bonds</b>	We generally recommend FOR because according to our policy, approval of this proposal will give the Company greater flexibility in considering and planning for future corporate needs, including, but not limited to, stock dividends, grants under equity compensation plans, stock splits, financings, potential strategic transactions, including mergers, acquisitions, and business combinations, as well as other general corporate transactions.
<b>Increase authorized shares</b>	We generally recommend FOR except when one of the following conditions is met: 1) The new proposed stock is >50% of total authorized shares of common stock; 2) The increase is NOT tied to a specific transaction or financing proposal; and 3) The Share pool was NOT used up due to equity plans.
<b>Stock exchange listing</b>	We generally recommend FOR because according to our policy, approval of the stock exchange listing would create investment opportunities for the Company and provide greater liquidity while diversifying the risks associated with it.
<b>Exchange debt for equity</b>	We generally recommend FOR if the transaction is the best available option for current equity holders.

Proposal	Vote Recommendation
Re-price options	We generally recommend FOR when the company's current share price is below the original strike price and when the new option strike price divided by the current option strike price is less than 1.2.
Change share par value	We generally recommend FOR when the new par value is less than or equal to old par value.
Approve share repurchase plan	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.
Issue shares upon exercise of warrants	We generally recommend FOR because according to our policy, the proposed issuance of shares will provide the Company with a source of capital to fund its corporate endeavors and activities.
Approve dividends	We generally recommend FOR because according to our policy, the proposed dividend payout will not put the company's liquidity at risk.
Reclassify shares	We generally recommend FOR if the conversion would provide equal rights to shareholders.
Approve stock terms revision	This proposal is considered on a case-by-case basis by the guidelines committee.
Allot securities	We generally recommend FOR because according to our policy, the allotment of shares or securities will enable the Company to capitalize on future business opportunities. This flexibility provides the Company with the ability to act promptly and strategically to business decisions, ensuring it remains competitive and well-positioned for long-term success.
Issue shares	We generally recommend FOR except when one of the following conditions is met: 1) The new proposed stock is >50% of total authorized shares of common stock; 2) The increase is NOT tied to a specific transaction or financing proposal; and 3) The Share pool was NOT used up due to equity plans.
Convert shares	We generally recommend FOR if the conversion would provide equal rights to shareholders.



Proposals by management | Climate/Resources

Proposal	Vote Recommendation
Approve sustainability auditor	We generally recommend a vote AGAINST because according to our policy, the appointment of a separate sustainability auditor is unwarranted, given that the Company already integrates sustainability into its existing audit process. The Company’s current approach effectively addresses sustainability concerns without the need for additional oversight. Furthermore, approval of this proposal would impose unnecessary costs and administrative burdens, diverting resources from other critical business priorities.
Approve sustainability report	We generally recommend a vote AGAINST because, according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway.

## Proposals by management | Compensation

Proposal	Vote Recommendation
<b>Approve incentive stock option plan (SPAC)</b>	We recommend a vote AGAINST this proposal because according to our policy, this proposal would dilute shareholder value in this special purpose acquisition company and is therefore not in the shareholders' best interests. Because the company is a SPAC, management is already highly incentivized through founder shares and warrants, and an incentive stock option plan would be unnecessary and potentially excessive.
<b>Approve retirement plan / allowance</b>	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.
<b>Approve employee stock purchase plan</b>	We generally recommend FOR if the following conditions are met: 1) option exercise price / current fair market value of the stock is reasonable and 2) the plan qualifies under section 423(c).
<b>Distribute profit/dividend/etc according to plan</b>	We generally recommend FOR because according to our policy, the proposed distribution plan will not put the company's liquidity at risk.
<b>Approve employment/management/severance/partnership agreement</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Approve executive/director/related party transactions</b>	We generally recommend FOR because according to our policy, the related party transaction is advisable, substantively and procedurally fair to, and in the best interests of the Company and its shareholders.
<b>Approve other compensation</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Approve incentive stock option plan (non-SPAC)</b>	We generally recommend FOR when the plan results in dilution of less than 10%.
<b>Approve bonuses</b>	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.

## Proposals by management | Directors

Proposal	Vote Recommendation
<b>Adopt/amend board nomination procedure</b>	We generally recommend FOR if the following conditions are met: the candidate nominations can be submitted within 90 days of the annual meeting and the director information disclosure is required.
<b>Authorize board to fill vacancies</b>	We generally recommend FOR if the appointees will face a shareholder vote at the next annual meeting.
<b>Remove director without cause</b>	We generally recommend a vote FOR because according to our policy, allowing shareholders to remove a director without cause enhances accountability and strengthens shareholder rights. This provision empowers shareholders to take action if they believe a director is not acting in the best interests of the company, ensuring greater transparency and governance.
<b>Approve director indemnification</b>	We generally recommend FOR because according to our policy, approval of director indemnification would enable the Company to provide a greater scope of protection to directors in cases of litigations. Further, such a provision would also help the Company to attract, retain and motivate its directors whose efforts are essential to the Company's success.
<b>Change number of directors</b>	We generally recommend FOR if the board size is between 5 and 15.
<b>Approve director liability insurance</b>	We generally recommend FOR because according to our policy, approval of director liability insurance would enable the Company to provide a greater scope of protection to directors in cases of litigations. Further, such a provision would also help the Company to attract, retain and motivate its directors whose efforts are essential to the Company's success.
<b>Remove director only with cause</b>	We generally recommend AGAINST the proposal because according to our policy, directors should be removed with or without cause. This level of flexibility allows the Company to make necessary changes to its leadership when deemed appropriate. Allowing for the removal of directors with or without cause ensures that the Board can effectively address issues such as performance concerns and maintain the best interests of the Company and its shareholders.
<b>Approve spill resolution</b>	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.
<b>Authorize exculpation of officers (DGCL)</b>	We generally recommend a vote FOR because according to our policy, implementation of the exculpation provision pursuant to Delaware Law will enable the Company to attract, retain and motivate its officers whose efforts are essential to the Company's success. Additionally,

Proposal	Vote Recommendation
	Delaware's exculpation law strikes a balanced approach, offering protection to directors while ensuring accountability for significant breaches of their fiduciary duties.
<b>Change size of board of directors</b>	We generally recommend FOR if the board size is between 5 and 15.
<b>Decrease required director experience / expertise / diversity</b>	We generally recommend AGAINST because according to our policy, a diversified board would encourage good governance and enhance shareholder value. Bringing together a diverse range of skills and experience is necessary in building a constructive and challenging board.
<b>Eliminate retirement age requirement</b>	We generally recommend FOR this proposal because, in accordance with our policy, the Company and its shareholders are in the best position to determine the approach to corporate governance, particularly board composition. Imposing inflexible rules, such as age limits for outside directors, does not necessarily correlate with returns or benefits for shareholders. Similar to arbitrary term limits, age limits could force valuable directors off the board solely based on their age, potentially undermining the effectiveness of the board.
<b>Declassify the board</b>	We generally recommend FOR because according to our policy, staggered terms for directors increase the difficulty for shareholders to make fundamental changes to the composition and behavior of a board. We prefer that the entire board of a company be elected annually to provide appropriate responsiveness to shareholders.
<b>Classify the board</b>	We generally recommend AGAINST because according to our policy, staggered terms for directors increase the difficulty for shareholders to make fundamental changes to the composition and behavior of a board. We prefer that the entire board of a company be elected annually to provide appropriate responsiveness to shareholders.

## Proposals by management | M&A / Structure

Proposal	Vote Recommendation
Approve opt-out plan	This proposal is considered on a case-by-case basis by the guidelines committee.
Approve recapitalization plan	We generally recommend FOR unless the new shares will have superior voting rights to outstanding shares.
Change domicile / jurisdiction of incorporation	We generally recommend FOR because according to our policy, changing the Company's legal domicile is necessary to align the legal structure of the Company in a manner that is more consistent with their business objectives.
Proceed with bankruptcy	We generally recommend FOR because according to our policy, approval of the bankruptcy plan is the best available alternative in order for the Company to provide a reasonable value for its shareholders.
Approve M&A agreement (sale or purchase)	This proposal is considered on a case-by-case basis by the guidelines committee.
Approve anti-takeover measures	We generally recommend FOR if the following conditions are met: it is a family controlled entity, there is a change in ownership, and if the meeting is not contested.
Approve restructuring	This proposal is considered on a case-by-case basis by the guidelines committee.
Advise on merger related compensation	We generally recommend FOR if any of the following conditions are met: 1) The payout to the executive is reasonable (less than 3x severance package), 2) the payout is triggered after the transaction closes, 3) Payouts do not accelerate vesting of equity awards or 4) payouts only occur given the executive's termination.
Adopt greenmail provision	We generally recommend AGAINST because according to our policy, the adoption of greenmail provision will pave the way for a potential hostile takeover which could be detrimental to the shareholders' interests.
Approve liquidation plan	We generally recommend FOR if the following conditions are met: the transaction is the best strategic alternative for the company and the appraisal value is fair.
Approve joint venture agreement	This proposal is considered on a case-by-case basis by the guidelines committee.
Approve M&A share issuance	This proposal is considered on a case-by-case basis by the guidelines committee.
Remove antitakeover provision	We generally recommend FOR if the following conditions are met: it is a family controlled entity, there is a change in ownership, and if the meeting is not contested.

Proposal	Vote Recommendation
Ratify poison pill	We generally recommend a vote FOR because according to our policy, approval of the proposal will acknowledge both the advantages and inherent risks of implementing a shareholder rights plan, or poison pill. While these plans can deter hostile takeovers, they also carry the risk of management entrenchment in some cases. Ensuring that shareholders are given a voice on the advisability of such a plan is crucial to safeguarding the Company from these risks, promoting transparency, and maintaining a balance between protecting shareholder interests and preventing potential misuse of the plan.

## Proposals by management | Meeting and Proxy Statement

Proposal	Vote Recommendation
<b>Allow virtual-only shareholder meetings</b>	We generally recommend FOR because according to our policy, virtual meetings will increase the likelihood of an improved attendance rate in meetings, not to mention the benefits of flexibility, reducing costs and improved accessibility.
<b>Restrict right to act by written consent</b>	We generally recommend AGAINST because according to our policy, the right to act on written consent allows an increased participation of shareholders in the voting process, thereby democratizing voting and giving the shareholders the right to act independently from the management.
<b>Adopt notice and access provisions</b>	We generally recommend FOR because according to our policy, approval of the notice and access provision would provide shareholders with sufficient disclosure and ample time to make informed decisions regarding the election of directors at shareholder meetings. This provision ensures that shareholders have the opportunity to review relevant information regarding the nominees, the Company's performance, and other important matters, therefore enabling the shareholders to participate meaningfully in the governance process.
<b>Elect chairman of the meeting</b>	We generally recommend FOR because electing a presiding person would allow the Company to facilitate the meeting in an organized manner.
<b>Adjourn meeting</b>	We generally recommend FOR because according to our policy, approval of the adjournment will enable the Company to solicit additional proxies if there are insufficient votes at the time of the meeting to approve a certain proposal.
<b>Change fiscal year end</b>	We generally recommend FOR because according to our policy, the proposal would enable the Company to optimize its financial reporting, improve the timeliness of business operations and strategic planning, and better align its fiscal year-end with that of its peers. This alignment will enhance comparability, improve operational efficiency, and support more effective decision-making.
<b>Approve previous meeting minutes</b>	We generally recommend FOR because according to our policy, approval of this proposal is in the best interests of the Company and its shareholders.
<b>Expand right to act by written consent</b>	We generally recommend FOR because according to our policy, the right to act on written consent allows an increased participation of shareholders in the voting process, thereby democratizing voting and

Proposal	Vote Recommendation
	giving shareholders the right to act independently from the management.
<b>Restrict right to call a special meeting</b>	We generally recommend AGAINST the proposal because according to our policy, the ability of shareholders to call special meetings is widely regarded as an important aspect of good corporate governance. We believe the Company's current threshold appropriately balances the rights of shareholders to call a special meeting with the broader interests of the Company and its shareholders.
<b>Create notice period of general meeting</b>	We generally recommend voting FOR this proposal because, in accordance with our policy, there may be situations where it is crucial for the Company to call meetings on short notice. This proposal would authorize the Company to convene general meetings (other than the annual general meeting) with a minimum of 14 clear days' notice, enabling timely action on matters that are urgent or time-sensitive for the Company.
<b>Appoint independent proxy</b>	We generally recommend a vote FOR because according to our policy, appointment of the independent proxy is necessary to convene the shareholders meeting.
<b>Change location / date / time</b>	We generally recommend FOR because according to our policy, the proposed change will increase the likelihood of increased attendance rate in meetings, not to mention the benefits of flexibility and improved accessibility to shareholders.



## Proposals by management | Mutual Fund

Proposal	Vote Recommendation
<b>Change fundamental restriction to non-fundamental</b>	We generally recommend AGAINST because according to our policy, approval of the proposal would increase the Fund's exposure to significant losses arising from investment in high-risk assets. Moreover, contrary to a fundamental investment restriction, non-fundamental investment restrictions are often focused on short-term investing which is subject to market volatility and fluctuations.
<b>Approve investment advisory agreement</b>	We generally recommend FOR if the following conditions are met: the investment fees are reasonable and the investment strategy is cogent.
<b>Approve management agreement</b>	We generally recommend FOR if the following conditions are met: the investment fees are reasonable and the investment strategy is cogent.
<b>Adopt investment policy</b>	We generally recommend FOR if the investment strategy is cogent.
<b>Issue/approve 12b-1 plan (distribution of funds through intermediaries)</b>	We generally recommend FOR because according to our policy, approval of the 12b-1 plan would enable the Fund to facilitate its distribution and sale through various intermediaries, which would be beneficial in improving its asset position.
<b>Approve non-fundamental investment objective</b>	We generally recommend AGAINST because according to our policy, a fundamental investment objective for funds will ensure that any revision or matter related to the fund's activities will be brought up for shareholder approval, thereby protecting their interests as shareowners.
<b>Convert to open-end fund</b>	We generally recommend FOR because according to our policy, the conversion to an open-end fund would provide for portfolio diversification hence reducing the Company's risk exposure, and at the same time providing greater liquidity to its shareholders.
<b>Approve sub-investment advisory agreement</b>	We generally recommend FOR if the following conditions are met: the investment fees are reasonable and the investment strategy is cogent.
<b>Approve fundamental investment objective</b>	We generally recommend FOR because according to our policy, a fundamental investment objective for funds will ensure that any revision or matter related to the fund's activities will be brought up for shareholder approval, thereby protecting their interests as shareowners. By involving shareholders in key decisions, the Company reinforces transparency, accountability, and the protection of shareholder value.
<b>Approve company as investment trust</b>	This proposal is considered on a case-by-case basis by the guidelines committee.

## Proposals by management | Routine - Compensation

Proposal	Vote Recommendation
<b>Advise on executive compensation (SAY-ON-PAY)</b>	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.
<b>Approve named executive officers' compensation</b>	We generally recommend FOR when the total compensation is reasonable considering the company's performance as measured by change in adjusted stock price.
<b>Decide frequency of executive compensation</b>	We generally recommend an annual frequency for the say-on-pay vote.
<b>Appropriate profits/surplus</b>	We generally recommend FOR because according to our policy, the proposed allocation of profits or earnings is commensurate with the Company's current financial position.
<b>Reduce of legal reserve</b>	We generally recommend FOR because according to our policy, the proposed reduction of legal reserves is commensurate with the Company's current financial position and would strengthen its cashflow.
<b>Approve directors' compensation</b>	We generally recommend FOR because according to our policy, the proposed director emoluments are commensurate with the directors' efforts and contributions, and approval of the proposal would enable the Company to attract, retain and motivate its directors who are essential to the Company's success.

## Proposals by management | Routine - Directors

Proposal	Vote Recommendation
<b>Delegate authority to a committee</b>	We generally recommend FOR because the delegation of authority to the committee is in the best interests of the Company and its shareholders.
<b>Approve previous board's actions</b>	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
<b>Approve discharge of supervisory board</b>	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
<b>Authorization to the board to execute legal formalities</b>	We generally recommend FOR because approval of the proposal is necessary in order to carry out the legal formalities related to the meeting.
<b>Elect company clerk/secretary</b>	We generally recommend FOR because according to our policy, the nominee appears qualified.
<b>Approve discharge of board and president</b>	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
<b>Approve discharge of management board</b>	We generally recommend FOR because according to our policy, we find no breach of fiduciary duty that compromised the Company and shareholders' interests for the fiscal year that has ended.
<b>Fix number of directors</b>	We generally recommend FOR if the board size is between 5 and 15.
<b>Approve directors' report</b>	We generally recommend FOR because approval of the directors' report is in the best interests of the Company and its shareholders.
<b>Elect director to committee</b>	We generally recommend FOR when the change in adjusted stock price over the director's tenure is poor (given that the director tenure is at least three years) and when the following governance requirements are met: 1) the candidate attended at least 75% of all board and committee meetings and 2) the candidate is not affiliated and a member of the audit, compensation, or nominating committees.
<b>Elect directors and fix the number of directors</b>	We generally recommend FOR when the change in adjusted stock price over the director's tenure is poor (given that the director tenure is at least three years) and when the following governance requirements are met: 1) the candidate attended at least 75% of all board and committee meetings and 2) the candidate is not affiliated and a member of the audit, compensation, or nominating committees.
<b>Receive directors' report</b>	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position

Proposal	Vote Recommendation
	of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year that has ended.
Approve financial statements and discharge directors	We generally recommend FOR because according to our policy, the financial statements give a true and fair view of the financial position of the Company for the recent fiscal year, and of its financial performance and its cash flows for the year then ended in accordance with the law.
Elect director to board	We generally recommend FOR when the change in adjusted stock price over the director's tenure is poor (given that the director tenure is at least three years) and when the following governance requirements are met: 1) the candidate attended at least 75% of all board and committee meetings and 2) the candidate is not affiliated and a member of the audit, compensation, or nominating committees.

## Proposals by management | Routine - Other

Proposal	Vote Recommendation
<b>Approve acts - ratify the decisions made in the prior fiscal year (e.g., distribution of initial dividend, discharge of liability)</b>	We generally recommend FOR if the following conditions are met: the act is specified OR the act is related to the distribution of dividends, release from liability, or decisions made in the fiscal year that has ended.
<b>Corporate assembly</b>	We generally recommend FOR because approval of the convening of the corporate assembly or shareholders' meeting is in the best interests of the Company and its shareholders.
<b>Appoint rating agency</b>	We generally recommend FOR because the appointment of the proposed rating agency is in the best interests of the Company and its shareholders.
<b>Appoint censor</b>	We generally recommend FOR because appointment of the censor would ensure the integrity of the voting process at the shareholders' meeting.

## Proposals by management | Shareholder Rights

Proposal	Vote Recommendation
<b>Adopt, renew, or amend shareholder rights plan</b>	We generally recommend FOR if the proposed plan expands rights for shareholders.
<b>Approve preemptive rights</b>	We generally recommend FOR because according to our policy, pre-emptive rights allow shareholders to maintain their proportional ownership in the Company in the event of new share issuance, protecting their interests and ensuring they are not diluted by future equity offerings.
<b>Eliminate preemptive rights</b>	We generally recommend FOR because according to our policy, the elimination of pre-emptive rights would provide the Company with greater flexibility to finance business opportunities and conduct a rights issue without being restricted by the stringent requirements of statutory pre-emption provisions.
<b>Redeem shareholder rights plan</b>	We generally recommend FOR when the additional shares for the beneficiaries of the poison pill are more attractive than takeover by a hostile party.

## Proposals by management | Voting

Proposal	Vote Recommendation
<b>Adopt advanced notice requirement</b>	We generally recommend FOR because according to our policy, advance notice requirement would protect the Company and its shareholders from ambush proxy solicitations thereby facilitating the nomination of individuals for election in an orderly process.
<b>Approve cumulative voting</b>	We generally recommend AGAINST because according to our policy cumulative voting could make it possible for an individual shareholder or group of shareholders with special interests to elect one or more directors to the Company's Board of directors to represent their particular interests. Such a shareholder or group of shareholders could have goals that are inconsistent, and could conflict with, the interests and goals of the majority of the Company's shareholders.
<b>Eliminate confidential voting</b>	We generally recommend AGAINST because approval of the proposal will compromise confidentiality and integrity of vote outcomes.
<b>Eliminate cumulative voting</b>	We generally recommend FOR because according to our policy cumulative voting could make it possible for an individual shareholder or group of shareholders with special interests to elect one or more directors to the Company's Board of directors to represent their particular interests. Such a shareholder or group of shareholders could have goals that are inconsistent, and could conflict with, the interests and goals of the majority of the Company's shareholders.
<b>Reimburse proxy contest expenses</b>	We generally recommend FOR when Egan-Jones recommends in favor of the dissidents.
<b>Adopt unequal voting rights</b>	We generally recommend AGAINST because according to our policy, in order to provide equal voting rights to all shareholders, companies should not utilize dual class capital structures.
<b>Amend quorum/voting requirement</b>	We generally recommend FOR when the proposed quorum is at least 33% of shares entitled to vote.
<b>Adopt majority vote for director elections</b>	We generally recommend FOR because according to our policy, a simple majority vote in director elections will strengthen the Company's corporate governance practice. Contrary to plurality voting, a simple majority standard will give the shareholders a meaningful way of electing directors by limiting the power of shareholders to elect poorly performing directors.
<b>Adopt exclusive forum for disputes</b>	We generally recommend FOR because according to our policy, having an exclusive forum will allow the Company to address disputes and litigations in an exclusive jurisdiction, with familiarity of the law, and reduce the administrative cost and burden related to settlement.

Proposal	Vote Recommendation
<b>Adopt confidential voting</b>	We generally recommend FOR because according to our policy, approval of the proposal will preserve the confidentiality and integrity of vote outcomes.
<b>Eliminate unequal voting rights</b>	We generally recommend FOR because according to our policy, companies should ensure that all shareholders are provided with equal voting rights, promoting fairness, accountability, and alignment between economic ownership and control. By adopting a one-share, one-vote structure, the Company can better uphold shareholder democracy and support long-term value creation for all investors.
<b>Establish right to call a special meeting</b>	We generally recommend FOR if at least 10% of voting shares are required to call a special meeting.
<b>Approve/increase supermajority voting</b>	We generally recommend AGAINST because according to our policy, a simple majority vote will strengthen the Company's corporate governance practice. Contrary to supermajority voting, a simple majority standard will give the shareholders equal and fair representation in the Company by limiting the power of shareholders who own a large stake in the entity, therefore, paving the way for a more meaningful voting outcome.
<b>Eliminate/reduce supermajority voting</b>	We generally recommend FOR because according to our policy, a simple majority vote will strengthen the Company's corporate governance practice. Contrary to supermajority voting, a simple majority standard will give the shareholders equal and fair representation in the Company by limiting the power of shareholders who own a large stake in the entity and paving the way for a more meaningful voting outcome.



## Proposals by management | Other

Proposal	Vote Recommendation
<b>Amend other articles/bylaws/charter</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Approve political &amp; charitable contributions</b>	We generally recommend FOR because according to our policy, it is necessary to allow the Company to fund charitable and political activities, which is in the best interests of shareholders. Such contributions can enhance the Company's reputation, strengthen stakeholder relationships, and support its broader social and corporate responsibility goals, ultimately benefiting long-term shareholder value.
<b>Approve continuance of company</b>	We generally recommend FOR because according to our policy, approval of this proposal is in the best interests of the Company and its shareholders.
<b>Approve company name change</b>	We generally recommend FOR because according to our policy, the proposed name change supports strategic changes that enhance the Company's business objectives. Furthermore, the proposed name change will more effectively reflect the Company's mission and vision, thereby strengthening its marketing and branding efforts and improving its overall market positioning.
<b>Attend to other business</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Establish power to execute legal formalities</b>	We generally recommend a vote FOR because according to our policy, approval of the proposal will authorize the Board or someone who is acting on the Company's behalf to legally and formally execute decisions made during the meeting, without the need for further shareholder approval or meetings.
<b>Adopt MacBride Principles, Sullivan Principles, or similar</b>	We generally recommend AGAINST because adoption of this proposal would be duplicative and would make the Company unnecessarily accountable to different sets of overlapping fair employment guidelines that are already covered in its policies.

Proposals by shareholders | Auditors

Proposal	Vote Recommendation
Limit auditor non-audit services	We generally recommend FOR because according to our policy, auditors should not provide non-audit services. This practice ensures the independence and integrity of the audit process, maintaining objectivity and minimizing any potential conflicts of interest that could undermine the reliability of the Company's financial reporting.
Rotate auditor	We generally recommend AGAINST because according to our policy, we have seen no evidence that the auditor's integrity, professionalism, or independence is in question
Appoint auditor	We generally recommend a vote AGAINST because according to our policy, the appointment of auditors is a responsibility entrusted to the board of directors, specifically the Audit Committee. In our view, the procedures governing the selection of auditors adhere to standard corporate governance and accounting practices. Unless there are significant concerns that could jeopardize the integrity and independence of the auditors, we believe that approving this proposal is neither necessary nor justified at this time.

## Proposals by shareholders | Board Report

Proposal	Vote Recommendation
<b>Report on board oversight</b>	We generally recommend AGAINST the proposal because according to our policy, robust board oversight is essential in the current rapidly changing business environment. This oversight enhances management's accountability and supports the exercise of sound judgment in making business decisions.
<b>Report on board member information</b>	We generally recommend AGAINST because according to our policy, the information being requested in the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders.
<b>Report on proxy voting review</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, the Company already provides a comprehensive review of how proxy voting is handled, along with suggestions for improving the process. As such, the requested proxy voting report would provide no incremental or meaningful information to the Company's shareholders.

## Proposals by shareholders | Capitalization

Proposal	Vote Recommendation
<b>Repurchase shares</b>	We generally recommend AGAINST because according to our policy, while share repurchases can be beneficial for companies in many cases, the repurchase suggested in this proposal is unnecessary and misaligned with the current needs of the Company. At this time, the Company's resources are better utilized elsewhere, and the proposed repurchase does not support the long-term strategy or financial objectives that would maximize value for shareholders.
<b>Issue dividend</b>	We recommend a vote AGAINST this proposal because according to our policy, the Company's dividend payout plan should be governed by the board of directors after taking into account relevant factors such as the Company's liquidity and financial position.
<b>Require shareholder approval to reclassify shares or conversion rights</b>	We generally recommend FOR because according to our policy, companies should ensure that all shareholders are provided with equal voting rights, promoting fairness, accountability, and alignment between economic ownership and control. By adopting a one-share, one-vote structure, the Company can better uphold shareholder democracy and support long-term value creation for all investors.
<b>Require shareholder approval to authorize issuance of bonds/debentures</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Issue shares</b>	We generally recommend a vote AGAINST this proposal because according to our policy, the approval could cause potential excessive dilution in the interests of the shareholders and could potentially overvalue the Company's stock price with such an excessive issuance that is disproportionate to its needs.
<b>Convert shares</b>	We generally recommend FOR if the conversion would provide equal rights to shareholders.

## Proposals by shareholders | Climate/Resources

Proposal	Vote Recommendation
<b>Report on GMO</b>	We generally recommend AGAINST because according to our policy, preparing a report regarding GMOs would provide no incremental and meaningful information to the Company's shareholders. Moreover, given the Company's current compliance with SEC reporting requirements and other government regulators of GMOs, we believe that approval of this proposal will accrue unnecessary costs and administrative burden to the Company.
<b>Adopt climate action plan / emissions reduction / resource restriction</b>	We generally recommend AGAINST the proposal, because, according to our policy, its approval would not provide additional benefits or value to shareholders, given the Company's existing robust policy and strategy on climate change.
<b>Report on costs and risks associated with climate plan or similar</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Report on climate plan / emissions / resource use</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Adopt GMO policy</b>	We generally recommend AGAINST because according to our policy, approval of the proposal would impose unnecessary burdens on the Company's operations.
<b>Reduce fossil fuel financing</b>	We generally recommend AGAINST because according to our policy, the Company is already committed to meeting its climate action goals related to sustainable financing. As businesses move to achieving their net zero goals, we believe that the Company's current policies in financing will bridge the transition to a low carbon economy.
<b>Report on animal welfare</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Adopt animal welfare standards</b>	We generally recommend AGAINST because according to our policy, the matters raised in the proposal have already been addressed by the Company. Moreover, the proposal advocates for impractical and

	imprudent actions that could negatively impact the business and its results.
Approve annual advisory vote on climate change	We generally recommend a vote AGAINST because according to our policy, adopting this proposal is unnecessary and unwarranted in light of the Company’s existing approach to climate change and sustainability. The Company already implements effective strategies in these areas, making the proposal redundant. Furthermore, approval would result in significant administrative costs and financial burdens, diverting resources from other critical initiatives.

## Proposals by shareholders | Compensation

Proposal	Vote Recommendation
<b>Adopt advisory vote on executive compensation</b>	We generally recommend a vote AGAINST this proposal because according to our policy, given that the Company already submits its compensation policy for shareholder approval at the annual meeting, there is no need to support this proposal. Implementing it would only lead to redundancy, unnecessary costs, and an increased administrative burden on the Company.
<b>Discontinue stock option and bonus programs</b>	We generally recommend AGAINST because according to our policy, approval of the proposal would impose arbitrary limits on the compensation committee and put the Company at a competitive disadvantage compared to peers.
<b>Use GAAP metrics for compensation</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, approval would impose rigid targets that could hinder the Company's ability to adapt to adjustments and fluctuations beyond its control. Additionally, using GAAP metrics in compensation could misalign the Company's short-term financial goals with its long-term success, and increase the complexity of measuring and rewarding performance. We believe that approval of the proposal could undermine the Compensation Committee's flexibility in determining the most appropriate metrics for the Company's financial circumstances.
<b>Approve retirement plan</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Amend clawback provision</b>	We generally recommend AGAINST because according to our policy, the determination as to whether clawback policies are satisfactory should be made by the Company in a manner consistent with its disclosure policies and procedures. We believe that the Company's existing policy strikes an appropriate balance and establishes standards for recoupment of incentive compensation while providing sufficient detail to appropriately inform and motivate employees.
<b>Exclude legal/compliance costs in adjustments</b>	We generally recommend AGAINST because according to our policy, adoption of the proposal will not enhance the Company's compensation decision-making process.
<b>Prohibit equity vesting for government service</b>	We generally recommend AGAINST the proposal, as, according to our policy, its implementation could hinder the Company's ability to attract key employees. Additionally, it could inadvertently penalize individuals who may wish to enter or return to governmental service.
<b>Expense stock options</b>	We generally recommend AGAINST because according to our policy, expensing stock options could either overstate or understate the

	company's expenses and therefore potentially affect the true value of its income and financial standing.
<b>Require executives retain shares</b>	We generally recommend AGAINST because according to our policy, the Company's current stock ownership requirement strikes an appropriate balance of encouraging focus on the long-term performance of the Company and the strong alignment with shareholder interests, while enabling the Company to attract and retain the best people in the industry.
<b>Include ESG metrics in compensation</b>	We generally recommend AGAINST because according to our policy, its adoption will not enhance the Company's compensation decision-making process. ESG targets are often viewed as subjective, and quantifying whether these goals are met can vary across companies based on their specific objectives. Additionally, we believe that linking compensation to ESG metrics could potentially divert executives' focus from achieving the Company's long-term financial goals in favor of short-term objectives.
<b>Deduct stock buybacks from pay</b>	We generally recommend AGAINST because according to our policy, adoption of the proposal will not enhance the Company's compensation decision-making process.
<b>Remove tax gross-ups</b>	We generally recommend AGAINST because according to our policy, it is the benefit of the Company to retain flexibility with respect to executive compensation, rather than commit to arbitrary principles which could place the Company at a competitive disadvantage in recruiting and retaining top talent. We believe that it is ultimately in the shareholders' best interests that discretionary responsibilities for this ongoing process continue to be vested in the Board.
<b>Discontinue professional services allowance</b>	We generally recommend AGAINST because according to our policy, it is the benefit of the Company to retain flexibility with respect to executive compensation, rather than commit to arbitrary principles which could place the Company at a competitive disadvantage in recruiting and retaining top talent.
<b>Implement double triggered vesting</b>	We generally recommend FOR because according to our policy, vesting of equity awards over a period of time is intended to promote long-term improvements in performance. The link between pay and long-term performance can be severed if awards pay out on an accelerated schedule. More importantly, a double trigger vesting provision would provide protection to the Company's employees in the event of transition or change of control.
<b>Use deferral period for compensation</b>	We generally recommend AGAINST because according to our policy, the existing compensation practice already reflects alignment with the long-term performance and goals of the Company.



<b>Cap executive gross pay</b>	We generally recommend AGAINST this proposal because according to our policy, implementing a cap on executive compensation gross pay, could negatively impact the hiring and retention of the Company's key executives and employees. Such a restriction would limit the Company's ability to fully capitalize on the skills, expertise, and experience that individual leaders bring to the organization.
<b>Include performance metrics in compensation</b>	We generally recommend AGAINST because according to our policy, its adoption will not enhance the Company's compensation decision-making process. We believe that linking executives' compensation to various performance metrics could divert executives' focus away from achieving the Company's long-term financial goals in favor of short-term objectives.
<b>Report on executive compensation</b>	We generally recommend a vote AGAINST this proposal because according to our policy, the Company's existing compensation disclosure has already addressed the matters raised in the resolution. As such, approval of this proposal would accrue unnecessary costs and administrative burden on the Company.
<b>Require shareholder vote to ratify executive or director severance pay</b>	We generally recommend FOR because according to our policy, excessive executive compensation packages has been an ongoing cause of concern among shareholders and investors. While the Company argues that its severance and termination payments are reasonable, we believe that it is in the best interests of the stockholders if they ratify executive compensation in such form. We believe that approval of this proposal will enable the stockholders to voice their views and opinions regarding the Company's executive severance payments and will ensure decisions are in their best interests.
<b>Discontinue executive perquisites</b>	We generally recommend a vote AGAINST because according to our policy, the absolute elimination of perquisites granted to executives could place the Company at a competitive disadvantage when it comes to hiring, retaining, and attracting top-tier leaders.

## Proposals by shareholders | Directors

Proposal	Vote Recommendation
<b>Eliminate retirement age requirement</b>	We generally recommend FOR this proposal because, in accordance with our policy, the Company and its shareholders are in the best position to determine the approach to corporate governance, particularly board composition. Imposing inflexible rules, such as age limits for outside directors, does not necessarily correlate with returns or benefits for shareholders. Similar to arbitrary term limits, age limits could force valuable directors off the board solely based on their age, potentially undermining the effectiveness of the board.
<b>Introduce term limits</b>	We generally recommend against this proposal because, in accordance with our policy, it would not serve a useful purpose. Having experienced directors on the board is crucial for the Company's long-term success and the enhancement of shareholder value.
<b>Amend indemnification/liability provisions</b>	We generally recommend FOR because according to our policy, approval of the indemnification and liability provisions will enable the Company to attract, retain, and motivate its directors, whose efforts are crucial to its long-term success. By providing directors with appropriate protection against personal liability, the Company ensures that directors can make decisions in the best interests of the Company without undue concern about personal financial risks.
<b>Decrease required director experience / expertise / diversity</b>	We generally recommend AGAINST because according to our policy, a diversified board would encourage good governance and enhance shareholder value. Bringing together a diverse range of skills and experience is necessary in building a constructive and challenging board.
<b>Establish stakeholder position to board</b>	We generally recommend AGAINST because according to our policy, the current selection process, composition and skillset of the board of directors already captures stakeholder representation in the board room. As such, approval of the proposal would be redundant and duplicative.
<b>Change size of board of directors</b>	We generally recommend FOR if the board size is between 5 and 15.
<b>Declassify the board</b>	We generally recommend FOR because according to our policy, staggered terms for directors increase the difficulty for shareholders to make fundamental changes to the composition and behavior of a board. We prefer that the entire board of a company be elected annually to provide appropriate responsiveness to shareholders.
<b>Create key committee</b>	We generally recommend FOR because according to our policy, the board of directors should establish key Board committees—namely Audit, Compensation, and Nominating committees—composed solely

	of independent outside directors. This structure ensures sound corporate governance practices, enhances objectivity, and strengthens the oversight of critical areas within the Company.
<b>Allow for removal of directors without cause</b>	We generally recommend FOR the proposal because according to our policy, allowing to remove directors without cause provides flexibility to the Company to make necessary changes to its leadership when deemed appropriate. Allowing for the removal of directors without cause ensures that the Board can effectively address issues such as performance concerns and maintain the best interests of the Company and its shareholders.
<b>Require stock ownership for directors</b>	We generally recommend AGAINST because according to our policy, imposing a mandatory requirement on stock ownership for directors could potentially put the Company in a competitive disadvantage in retaining the best directors. Such a requirement might limit the Company's ability to fully capitalize on an individual's skills, expertise, and contributions.
<b>Separate Chairman and CEO positions</b>	We generally recommend AGAINST because according to our policy, we believe that the current Board leadership structure has been effective in the Company's sustained long-term performance. Thus, we believe that the Board should have the flexibility in determining the Board's leadership structure rather than committing to a one-size-fits-all policy.
<b>Designate independent chairman</b>	We generally recommend AGAINST because according to our policy, we believe that the current Board leadership structure has been effective in the Company's sustained long-term performance. Thus, we believe that the Board should have the flexibility in determining the Board's leadership structure rather than committing to a one-size-fits-all policy.
<b>Ensure compensation advisor independence</b>	We generally recommend AGAINST because according to our policy, this proposal is unnecessary as existing SEC regulations already require sufficient disclosures regarding the Company's comprehensive recoupment policies and practices.
<b>Create non-key committee</b>	We generally recommend AGAINST because according to our policy, implementing the proposal would not justify the administrative costs and efforts, nor would it provide a corresponding meaningful benefit to the Company's shareholders. Moreover, we believe that the scope of committee responsibilities as requested in the proposal are already fulfilled by the board of directors.
<b>Classify the board</b>	We generally recommend AGAINST because according to our policy, staggered terms for directors increase the difficulty for shareholders to make fundamental changes to the composition and behavior of a

	board. We prefer that the entire board of a company be elected annually to provide appropriate responsiveness to shareholders.
<b>Eliminate term limits</b>	We generally recommend FOR because according to our policy, elimination of term limits will help the Company to attract, retain and motivate directors who can contribute valuable insights and long-term strategic guidance. This will also ensure continuity and strengthen the Company's governance by retaining knowledgeable and capable leadership of experienced directors.
<b>Require director experience / expertise / diversity or other limits on the board</b>	We generally recommend AGAINST because according to our policy, the director requirement has already been addressed with current composition and qualifications of the board.
<b>Introduce retirement age requirement</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, the Company and its shareholders are in the best position to determine the approach to corporate governance, particularly board composition. Imposing inflexible rules, such as age limits for outside directors, does not necessarily correlate with returns or benefits for shareholders. Similar to arbitrary term limits, age limits could force valuable directors off the board solely based on their age, potentially undermining the effectiveness of the board.
<b>Allow for removal of directors only with cause</b>	We generally recommend AGAINST the proposal because according to our policy, directors should be able to be removed with or without cause. This level of flexibility allows the Company to make necessary changes to its leadership when deemed appropriate. Allowing for the removal of directors with or without cause ensures that the Board can effectively address issues such as performance concerns and maintain the best interests of the Company and its shareholders.
<b>Plan CEO succession</b>	We generally recommend FOR because according to our policy, a CEO succession plan would safeguard a smooth transition and alignment into a new leadership whenever the need arises, thereby ensuring continuity and shareholder confidence in the Company.

## Proposals by shareholders | Health, Safety, and Operations

Proposal	Vote Recommendation
Reduce sales/marketing of other products/services	We generally recommend AGAINST because according to our policy, approval of the proposal is unnecessary as the Company already complies with the applicable federal laws and regulations and given the Company's nature of business, we believe that approval of the proposal would significantly impact its operations.
Reduce sales/marketing of tobacco/vape products/services	We generally recommend AGAINST because according to our policy, approval of the proposal is unnecessary as the Company already complies with the applicable federal laws and regulations and given the Company's nature of business, we believe that approval of the proposal would significantly impact its operations.
Reduce sales/marketing of unhealthy foods/beverages	We generally recommend AGAINST because according to our policy, the Company is already addressing the issues related to the consumption of its products through its sustainability and current marketing initiatives.
Reduce sales/marketing of gambling products/services	We generally recommend AGAINST because according to our policy, approval of the proposal is unnecessary as the Company already complies with the applicable federal laws and regulations and given the Company's nature of business, we believe that approval of the proposal would significantly impact its operations.
Report on content management	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
Report on data privacy	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
Report on suppliers / partners / customers / sales	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
Report on intellectual property transfers	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.

	underway and providing additional reports with information that is already available to shareholders.
<b>Report on product information / production</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Reduce sales/marketing of pornography products/services</b>	We generally recommend AGAINST because according to our policy, approval of the proposal would significantly impact the Company's business operations.
<b>Report on public health risks</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Reduce sales/marketing of weapon products/services</b>	We generally recommend AGAINST because according to our policy, the Company has in place extensive procedures to ensure that weapon sales are made in strict compliance with all applicable United States laws and regulations.
<b>Report on cybersecurity</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Report on product pricing/distribution</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Reduce sales/marketing of drug products/services</b>	We generally recommend AGAINST because according to our policy, approval of the proposal is unnecessary as the Company already complies with the applicable federal laws and regulations and given the Company's nature of business, we believe that approval of the proposal would significantly impact its operations.
<b>Reduce sales/marketing of alcohol products/services</b>	We generally recommend AGAINST because according to our policy, approval of the proposal is unnecessary as the Company already complies with the applicable federal laws and regulations and given the Company's nature of business, we believe that approval of the proposal would significantly impact its operations.
<b>Modify business operations with high-risk country, entity, region, etc.</b>	We generally recommend AGAINST because according to our policy, the company's existing operational protocols in conflict-affected and high-risk areas already address the concerns raised in the proposal. In

	our view, reducing or ceasing operations in these areas could negatively impact the company's profitability and long-term sustainability.
<b>Report on high-risk country operations</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Report on plant closure impacts on communities</b>	We generally recommend a vote AGAINST because, according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway.
<b>Adopt paid sick leave policy</b>	We generally recommend a vote AGAINST because according to our policy, approving this proposal would lead to unnecessary costs and expenses by duplicating efforts that are already in progress. Additionally, this policy is not universally applicable, as it would only affect the Company's non-unionized employees who already receive similar benefits. In contrast, unionized employees are typically governed by collective bargaining agreements, which already address such matters.
<b>Report on maternal health outcomes</b>	We generally recommend a vote AGAINST because, according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway.
<b>Report on artificial intelligence</b>	We generally recommend a vote AGAINST because according to our policy, the proposed report on artificial intelligence would be duplicative of the Company's existing efforts in AI reporting. Also, approval of the proposal would pose significant administrative costs and financial burden to the Company.



## Proposals by shareholders | Human Resources and Rights

Proposal	Vote Recommendation
<b>Report on human trafficking</b>	We generally recommend AGAINST because according to our policy and given the Company's current policies which effectively articulate their long-standing support for, and continued commitment to, human rights, the proposal would be duplicative and unnecessary.
<b>Address fair lending</b>	We generally recommend AGAINST the proposal because, according to our policy, it would not meaningfully improve the Company's existing robust policies and risk oversight structure, nor enhance the current disclosures that already provide shareholders with meaningful information on how the Company addresses and oversees risks related to discrimination. Additionally, we are concerned that such an evaluation could, in today's highly litigious environment, inadvertently provide a roadmap for lawsuits against the Company, potentially leading to significant legal costs for shareholders in the long term.
<b>Report on prison/slave/child labor</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Adopt diversity-based hiring</b>	We generally recommend AGAINST because according to our policy, this could put the Company in an uncompetitive position in terms of hiring prospective talents due to the rigid requirements of the proposal.
<b>Adopt anti-discrimination policy</b>	We generally recommend AGAINST because according to our policy, this could put the Company in an uncompetitive position in terms of hiring prospective talents due to the rigid requirements of the proposal.
<b>Address labor disputes</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, the Company has already addressed the labor concerns raised in the proposal. As such, approval of the requested report is unnecessary and would result in significant administrative costs, diverting Company resources from more relevant and meaningful priorities.
<b>Report on sexual harassment complaints</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.



<b>Address sexual harassment complaints</b>	We generally recommend AGAINST because according to our policy, adoption of the proposal is unnecessarily duplicative of the Company's efforts to deter incidents of sexual harassment through its own policies and practices.
<b>Report on in vitro fertilization</b>	We generally recommend AGAINST because according to our policy, providing a report on a highly sensitive topic could cause divisiveness among the Company, its employees, customers and shareholders. The complexity of views drawn from reporting the policies on abortion or something similar could pose significant reputational and legal risks for the Company which could subsequently affect its operations and performance.
<b>Become public benefit corporation</b>	We generally recommend AGAINST because according to our policy, the proposal is not necessary and is not in the best long-term interest of the Company and its shareholders.
<b>Report to discourage DEI practices (costs/risks)</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, conducting a stand-alone DEI audit by the Company or a group acting on its behalf could potentially reveal violations of employee regulations and laws, which could be legally and reputationally problematic. Additionally, we are concerned that such an audit could, in our highly litigious society, provide a roadmap for lawsuits against the Company, which could result in significant costs for shareholders over the long term.
<b>Report on collective bargaining/union relations</b>	We generally recommend AGAINST this proposal because, in line with our policy and given the Company's compliance with applicable laws regarding freedom of association, we believe its approval would not provide additional benefits to employees or create further value for shareholders.
<b>Adopt merit-based hiring</b>	We generally recommend AGAINST because according to our policy, this could put the Company in an uncompetitive position in terms of hiring prospective talents due to the rigid requirements of the proposal.
<b>Report to promote DEI practices</b>	We generally recommend AGAINST this proposal because, in accordance with our policy and considering the Company's ongoing efforts toward equal employment opportunity, we believe its approval would impose unnecessary costs and administrative burdens on the Company.
<b>Report on abortion policy</b>	We generally recommend AGAINST because according to our policy, providing a report on a highly sensitive topic could cause divisiveness among the Company, its employees, customers and shareholders. The complexity of views drawn from reporting the policies on abortion or something similar could pose significant reputational and legal risks for

	the Company which could subsequently affect its operations and performance.
<b>Report on worker misclassification</b>	We generally recommend AGAINST because according to our policy, the Company already provides the industry standard approach in classifying its employees. As such, approval of the proposal would not create additional benefits to the employees or value for the shareholders.
<b>Address income inequality</b>	We generally recommend AGAINST because according to our policy, the Company's existing compensation processes are guided by the fundamental principle that decisions are made on the basis of the individual's personal capabilities, qualifications and contributions to the Company's needs and not on gender. Moreover, given the Company's current efforts to equal employment opportunity, we believe that approval of this proposal will accrue unnecessary costs and administrative burden to the Company.
<b>Report on fetal tissue use</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Rescind the racial equity audit</b>	We generally recommend a vote AGAINST because, according to our policy, the proposed rescinding of the racial audit undermines efforts to assess the impacts of the Company's diversity, equity, and inclusion (DEI) practices. Racial audits are essential in identifying and addressing disparities, and reversing this initiative would limit shareholders' ability to evaluate the materiality and effectiveness of the Company's DEI efforts.

## Proposals by shareholders | Legal and Compliance

Proposal	Vote Recommendation
<b>Report on arbitration claims</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, it presents a one-size-fits-all approach that could adversely impact the Company's employee retention. We believe the rigid imposition of mandatory arbitration for claims could undermine the fairness of decision-making related to employee grievances, as there is a high likelihood that the outcomes could potentially favor employers.
<b>Report on patent process</b>	We generally recommend AGAINST because according to our policy the proposal would not meaningfully improve the Company's disclosure and reporting policies in place but is rather duplicative of its current efforts in addressing issues with product access and pricing.
<b>Report on whistleblowers</b>	We generally recommend AGAINST because according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway and providing additional reports with information that is already available to shareholders.
<b>Report on concealment clauses</b>	We generally recommend AGAINST because according to our policy and given the Company's existing anti-discrimination and anti-harassment policies, we do not believe that the requested report would add meaningful value to the policies, processes, practices, and resources that are already in place.
<b>Relinquish intellectual property</b>	We generally recommend AGAINST because according to our policy the proposal would not meaningfully improve the Company's disclosure and reporting policies in place but is rather duplicative of its current efforts in addressing issues with product access and pricing.

## Proposals by shareholders | M&A / Structure

Proposal	Vote Recommendation
<b>Request M&amp;A / restructure</b>	We generally recommend AGAINST because given the current circumstances of the Company, we believe that the requested restructuring is unwarranted and unnecessary.
<b>Remove antitakeover provision</b>	We generally recommend AGAINST because according to our policy, removal of the Company's antitakeover provisions may leave the Company vulnerable to a hostile takeover. Additionally, the current antitakeover provisions provide more time for management to consider offers and negotiate better terms.
<b>Make self-tender offer</b>	We generally recommend AGAINST because according to our policy, the proposal is not necessary and is not in the best long-term interest of the Company and its shareholders.
<b>Ratify poison pill</b>	We generally recommend a vote FOR because according to our policy, approval of the proposal will acknowledge both the advantages and inherent risks of implementing a shareholder rights plan, or poison pill. While these plans can deter hostile takeovers, they also carry the risk of management entrenchment in some cases. Ensuring that shareholders are given a voice on the advisability of such a plan is crucial to safeguarding the Company from these risks, promoting transparency, and maintaining a balance between protecting shareholder interests and preventing potential misuse of the plan.

Proposals by shareholders | Meeting and Proxy Statement

Proposal	Vote Recommendation
Change location / date / time	We generally recommend FOR because according to our policy, the proposed change will increase the likelihood of increased attendance rate in meetings, not to mention the benefits of flexibility and improved accessibility to shareholders.

Proposals by shareholders | Mutual Fund

Proposal	Vote Recommendation
Convert close-end fund to open-end fund	We generally recommend FOR because according to our policy, the conversion to an open-end fund would provide for portfolio diversification hence reducing the Company's risk exposure, and at the same time providing greater liquidity to its shareholders.

## Proposals by shareholders | Politics

Proposal	Vote Recommendation
<b>Report on lobbying expenditures</b>	We generally recommend AGAINST because according to our policy and given the Company's policies and oversight mechanisms related to its lobbying expenditures and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business and results.
<b>Support public policy endorsement</b>	We generally recommend AGAINST because according to our policy, although regulations are already in place as required by federal, state, and local campaign finance and lobbying regulations, we believe that political endorsements, often in the form of contributions, increases the possibility of misalignment with corporate values which in turn could lead to reputational risks.
<b>Report on political contributions</b>	We generally recommend AGAINST because according to our policy and given the Company's policies and oversight mechanisms related to its political contributions and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business and results.
<b>Report on charitable contributions</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, the Company already carefully evaluates and reviews its charitable activities, and makes information about its corporate giving publicly available. We do not believe that implementing the proposal would justify the administrative costs and efforts, nor would it provide a meaningful benefit to the Company's shareholders.
<b>Revoke public policy endorsement</b>	We generally recommend AGAINST because according to our policy, political endorsement and spending is an integral part of a business, as Companies should have a voice on policies affecting them. As such, approval of this proposal will strictly limit the Company's flexibility in supporting the advocacies that are congruent with its business.
<b>Report on public policy advocacy</b>	We generally recommend AGAINST because according to our policy and given the Company's policies and oversight mechanisms related to its political contributions and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes

	impractical and imprudent actions that would negatively affect the business and results.
Report on government financial support	We generally recommend AGAINST because according to our policy and given the Company’s policies and oversight mechanisms related to its political contributions and activities, we believe that the shareholder proposal is unnecessary and will not result in any additional benefit to the shareholders. Rather, the proposal promotes impractical and imprudent actions that would negatively affect the business and results.
Report on partnerships with political (or globalist) organizations	We generally recommend a vote AGAINST because, according to our policy, approval of this proposal would result in the Company incurring unnecessary costs and expenses by duplicating efforts that are already underway.



Proposals by shareholders | Routine - Directors

Proposal	Vote Recommendation
Elect director to board	We generally recommend AGAINST because according to our policy, allowing a shareholder to elect a director to a board is not in the best interests of the Company. Instead, the board should continue to nominate directors for shareholder approval, as they possess the expertise and resources to find the most qualified candidates.

## Proposals by shareholders | Voting

Proposal	Vote Recommendation
<b>Introduce right to act by written consent</b>	We generally recommend FOR because according to our policy, the right to act on written consent allows an increased participation of shareholders in the voting process, thereby democratizing voting and giving shareholders the right to act independently from the management.
<b>Ensure transparent voting on executive pay</b>	We generally recommend FOR the proposal because according to our policy, increased pay transparency is material to shareholders. Providing greater visibility into executive compensation practices allows shareholders to make more informed decisions when evaluating and voting on executive pay and Say-on-Pay proxy proposals. This level of transparency is crucial for aligning executive compensation with long-term company performance, ensuring that pay structures are both fair and tied to shareholder value.
<b>Approve/increase supermajority voting</b>	We generally recommend AGAINST because according to our policy, a simple majority vote will strengthen the Company's corporate governance practice. Contrary to supermajority voting, a simple majority standard will give the shareholders equal and fair representation in the Company by limiting the power of shareholders who own a large stake in the entity, therefore, paving the way for a more meaningful voting outcome.
<b>Implement cumulative voting</b>	We generally recommend AGAINST because according to our policy cumulative voting could make it possible for an individual shareholder or group of shareholders with special interests to elect one or more directors to the Company's Board of directors to represent their particular interests. Such a shareholder or group of shareholders could have goals that are inconsistent, and could conflict with, the interests and goals of the majority of the Company's shareholders.
<b>Eliminate/reduce supermajority voting</b>	We generally recommend FOR because according to our policy, a simple majority vote will strengthen the Company's corporate governance practice. Contrary to supermajority voting, a simple majority standard will give the shareholders equal and fair representation in the Company by limiting the power of shareholders who own a large stake in the entity and paving the way for a more meaningful voting outcome.
<b>Require shareholder approval for bylaws</b>	We generally recommend FOR because according to our policy, approval of the proposal will ensure that shareholders have a voice in revising or adopting the bylaws which could compromise their interests.

<b>Tabulate proxy voting</b>	We generally recommend FOR because according to our policy, adoption of proxy tabulation simplifies the voting process without compromising transparency or shareholder participation. This streamlined approach ensures that shareholder votes are accurately counted and reported, making it easier for investors to engage in the decision-making process. At the same time, it preserves the integrity and transparency of the voting process, ensuring that all shareholders have an equal opportunity to influence key decisions while promoting efficient governance practices.
<b>Increase proxy access</b>	We generally recommend AGAINST because according to our policy, the current provisions of the Company's proxy access policy strikes an appropriate balance between maintaining shareholder rights and company discretion.
<b>Adopt exclusive forum bylaws</b>	We generally recommend FOR because according to our policy, having an exclusive forum will allow the Company to address disputes and litigations in an exclusive jurisdiction, with familiarity of the law, and reduce the administrative cost and burden related to settlement.
<b>Establish right to call a special meeting</b>	We generally recommend FOR if at least 10% of voting shares are required to call a special meeting.
<b>Promote equal voting rights</b>	We generally recommend FOR because according to our policy, a differential in voting power may have the effect of denying shareholders the opportunity to vote on matters of critical economic importance to them. In order to provide equal voting right to all shareholders, we prefer that companies do not utilize multiple class capital structures.
<b>Require non-cumulative voting</b>	We generally recommend FOR because according to our policy cumulative voting could make it possible for an individual shareholder or group of shareholders with special interests to elect one or more directors to the Company's Board of directors to represent their particular interests. Such a shareholder or group of shareholders could have goals that are inconsistent, and could conflict with, the interests and goals of the majority of the Company's shareholders.
<b>Adopt fair elections/advance notice bylaw</b>	We generally recommend AGAINST adopting a fair elections bylaw, as, according to our policy, it could raise significant issues for certain stakeholder groups, potentially affecting the election results and undermining its integrity. Additionally, the stringent rules associated with such a bylaw may limit the Company's flexibility in adapting to changing circumstances.
<b>Ensure confidential voting on executive pay</b>	We generally recommend FOR because according to our policy, approval of the proposal will preserve the confidentiality and integrity of vote outcomes regarding executive pay, which will ensure that the

	Company's executive compensation policies and procedures are aligned with the best interests of the Company and its shareholders.
<b>Oppose right to act by written consent</b>	We generally recommend AGAINST because according to our policy, the right to act on written consent allows an increased participation of shareholders in the voting process, thereby democratizing voting and giving the shareholders the right to act independently from the management.
<b>Adopt proxy access</b>	We generally recommend a vote AGAINST because according to our policy, , the adoption of a "proxy access" bylaw is not a universal solution to allegations of unresponsiveness to shareholder concerns. We believe that voting decisions should be based on the governance practices and performance of individual companies. We believe that implementing this bylaw could undermine the integrity of the director election process.
<b>Restrict nomination of directors</b>	We generally recommend a vote FOR because, according to our policy, a simple majority requirement in director elections, combined with a mandatory resignation policy and prohibition on the renomination of directors, ensures that the election results accurately reflect shareholder sentiment. Specifically, this approach addresses situations where a director receives less than a majority of votes, aligning the election outcome with shareholder expectations and maintaining effective governance.
<b>Adopt majority vote for director election</b>	We generally recommend a vote FOR because according to our policy, a majority vote requirement in boardroom elections enhance director accountability to shareholders. This standard ensures that shareholder dissatisfaction with director performance has tangible consequences, transforming the election process from a mere formality into one that truly reflects shareholders' voices.

## Proposals by shareholders | Other

Proposal	Vote Recommendation
<b>Disassociate from industry associations</b>	We generally recommend AGAINST because according to our policy, companies benefit from industry associations, especially when it comes to influential policies that can directly affect businesses. As such, disassociation from such groups could potentially pose potential reputational and systemic risks that could be detrimental to the Company's business in the long-run.
<b>Report on other</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Issue other policy</b>	This proposal is considered on a case-by-case basis by the guidelines committee.
<b>Report on key-person risk</b>	We generally recommend AGAINST the proposal, because according to our policy, its approval would put the Company at a competitive disadvantage. The disclosure requested would make sensitive information publicly available, potentially undermining the execution of the Company's business strategy and hindering the recruitment and retention of top management talent.
<b>Adopt MacBride Principles, Sullivan Principles, or similar</b>	We generally recommend AGAINST because adoption of this proposal would be duplicative and would make the Company unnecessarily accountable to different sets of overlapping fair employment guidelines that are already covered in its policies.
<b>Prepare an independent third-party audit</b>	We generally recommend AGAINST this proposal because, in accordance with our policy, conducting a stand-alone audit by the Company or a group acting on its behalf could potentially reveal violations of regulations and laws, which could be legally and reputationally problematic. Additionally, we are concerned that such an audit could, in our highly litigious society, provide a roadmap for lawsuits against the Company, which could result in significant costs for shareholders over the long term.

## IV. Legal Disclaimer

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**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**RESOLUTION**  
**No. 2025-21**

**Approving Egan-Jones Proxy Services to Provide Proxy Vote  
Management and Advisory Services**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

**WHEREAS**, the Board has reviewed the recommendation of the ATRS Executive Director regarding the need to hire an independent proxy vote management service to manage proxy vote services on behalf of ATRS; and

**WHEREAS**, the Board has determined the need to hire an independent proxy vote management service to ensure consistency across managers in how ATRS proxies are voted; and

**WHEREAS**, the Board has determined consistency across managers in how ATRS proxies are voted will provide greater assurance that ATRS proxy votes are cast in compliance with state law including the obligation to act based only on pecuniary factors; and

**WHEREAS**, the Board has reviewed the recommendation of the ATRS Executive Director to hire **Egan-Jones Proxy Services** to provide proxy vote management and advisory services to ATRS.

**THEREFORE, BE IT RESOLVED**, that the ATRS Board approves hiring **Egan-Jones Proxy Services** to provide proxy vote management and advisory services to ATRS; and

**FURTHER, BE IT RESOLVED**, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement the hiring of **Egan-Jones Proxy Services**, if acceptable terms are reached.

**Adopted this 2nd day of June, 2025.**

---

**Mr. Danny Knight, *Chair***  
***Arkansas Teacher Retirement System***



## Memo

### Discussion on Investing in Israel Bonds

Date: June 2, 2025  
 To: Arkansas Teacher Retirement System (ATRS)  
 From: PJ Kelly, Katie Comstock

### Background and Summary

ATRS Board has expressed an interest in investing in State of Israel bonds. ATRs and Aon discussed ways in which to implement this mandate. Aon advised ATRs to use an investment manager to implement and manage the portfolio on an ongoing basis. Given ATRs currently has a sizable roster of bond managers with the requisite experience and resources to implement such a mandate, Aon further recommended leveraging these current relationships. Aon and ATRs staff conducted calls with each of the ATRs managers and solicited proposals from the investment managers that expressed interest in managing this mandate. The table below is a summary of those findings:

Manager	Blackrock	Reams
Experience with similar mandates	Yes	No
Experience buying Israel sovereign debt	Yes	Yes
Emerging Market Debt capabilities, resources and research	Yes	Yes
Securities to be used in proposed mandate	State of Israel Private and Publicly Traded Debt, U.S. Dollar and Local based, U.S. Treasury securities	State of Israel Private and Publicly Traded Debt, U.S. Dollar and Local based, U.S. Treasury securities
Proposed Fee (bps)	8	3

### Conclusion

Aon and the ATRs team found both proposals compelling; however, given the more attractive fee proposal from Reams, we recommend ATRs hire Reams for this mandate. Provided that these bonds are primarily bought directly and not able to be sold in the market, there is little traditional active management that is needed. If approved, Aon and the ATRs Team will work with the manager to finalize guidelines for the mandate and report back to the Board with any specific recommendations.



## APPENDIX: Disclaimers

**Note:** This memo does not serve as a recommendation to invest or not to invest in Israel Bonds. Aon does not make recommendations on the purchase or sale of individual securities.

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**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**RESOLUTION**  
**No. 2025-22**

**Approving Investment in Israel Bonds managed by Scout Investments, Inc., through its Reams Asset Management Division**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

**WHEREAS**, the Board has reviewed the advice of its general investment consultant, Aon Hewitt Investment Consulting, Inc, along with the recommendation of the Investment Committee and ATRS staff regarding the use of a qualified third-party investment manager for a potential investment in **Israel Bonds**.

**NOW, THEREFORE, BE IT RESOLVED**, that the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000.00)** in **Israel Bonds**. The total investment amount is to be determined by the Executive Director based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

**FURTHER, BE IT RESOLVED**, that the ATRS Board approves **Scout Investments, Inc., through its Reams Asset Management division**, as the third-party investment manager for this mandate; and

**FURTHER, BE IT RESOLVED**, that **Scout Investments, Inc., through its Reams Asset Management division**, may utilize various investment vehicles and strategies including public and private issues of **Israel Bonds**, U.S. Treasuries, U.S. dollar, Israeli shekel, foreign currency hedging, and other investment vehicles deemed appropriate by **Scout Investments, Inc., through its Reams Asset Management division**, to implement and manage this mandate over time; and

**FURTHER, BE IT RESOLVED**, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

**Adopted this 2nd day of June, 2025.**

---

**Mr. Danny Knight, *Chair***  
***Arkansas Teacher Retirement System***

**AON**

# Quarterly Investment Review

## Arkansas Teacher Retirement System

First Quarter 2025

Investment advice and consulting services provided by Aon Investments USA Inc.

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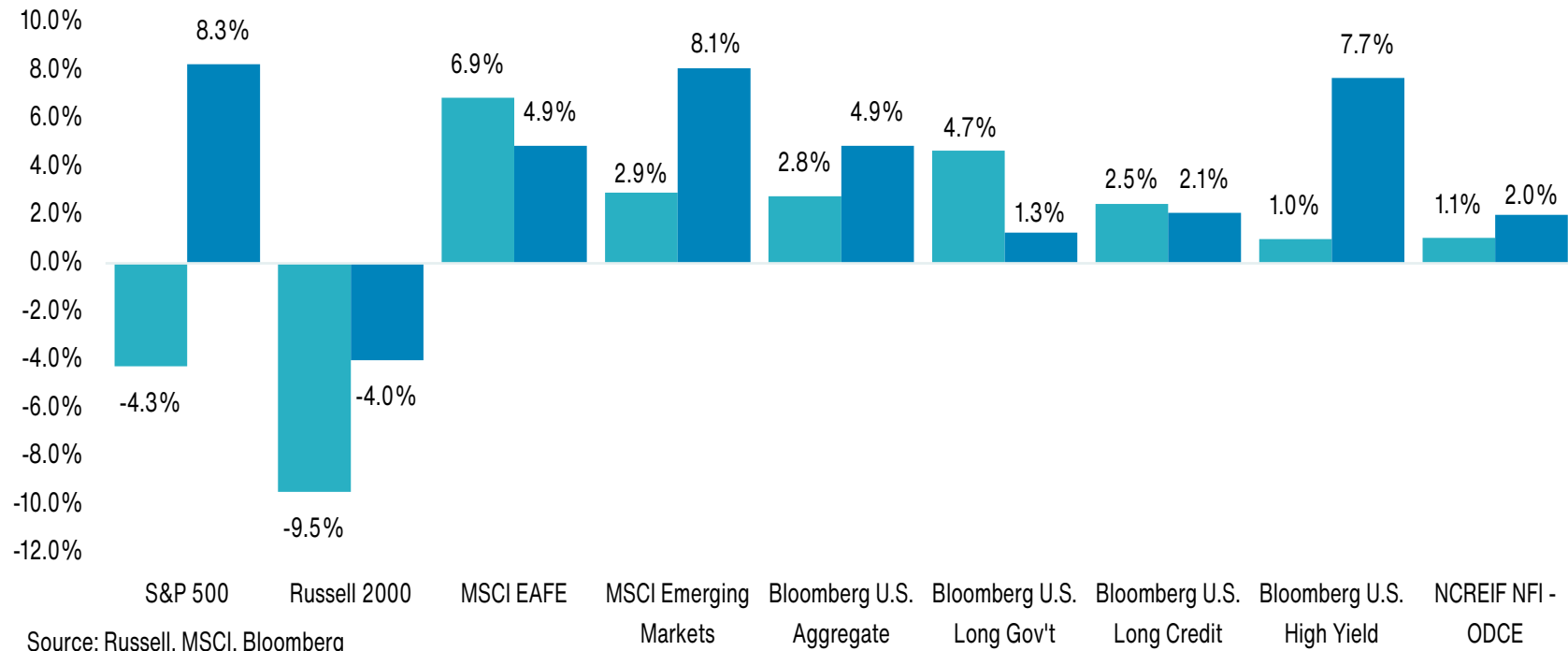
## Executive Summary



# Market Highlights

## SHORT TERM RETURNS AS OF 03/31/2025

■ First Quarter 2025 ■ One-Year



MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

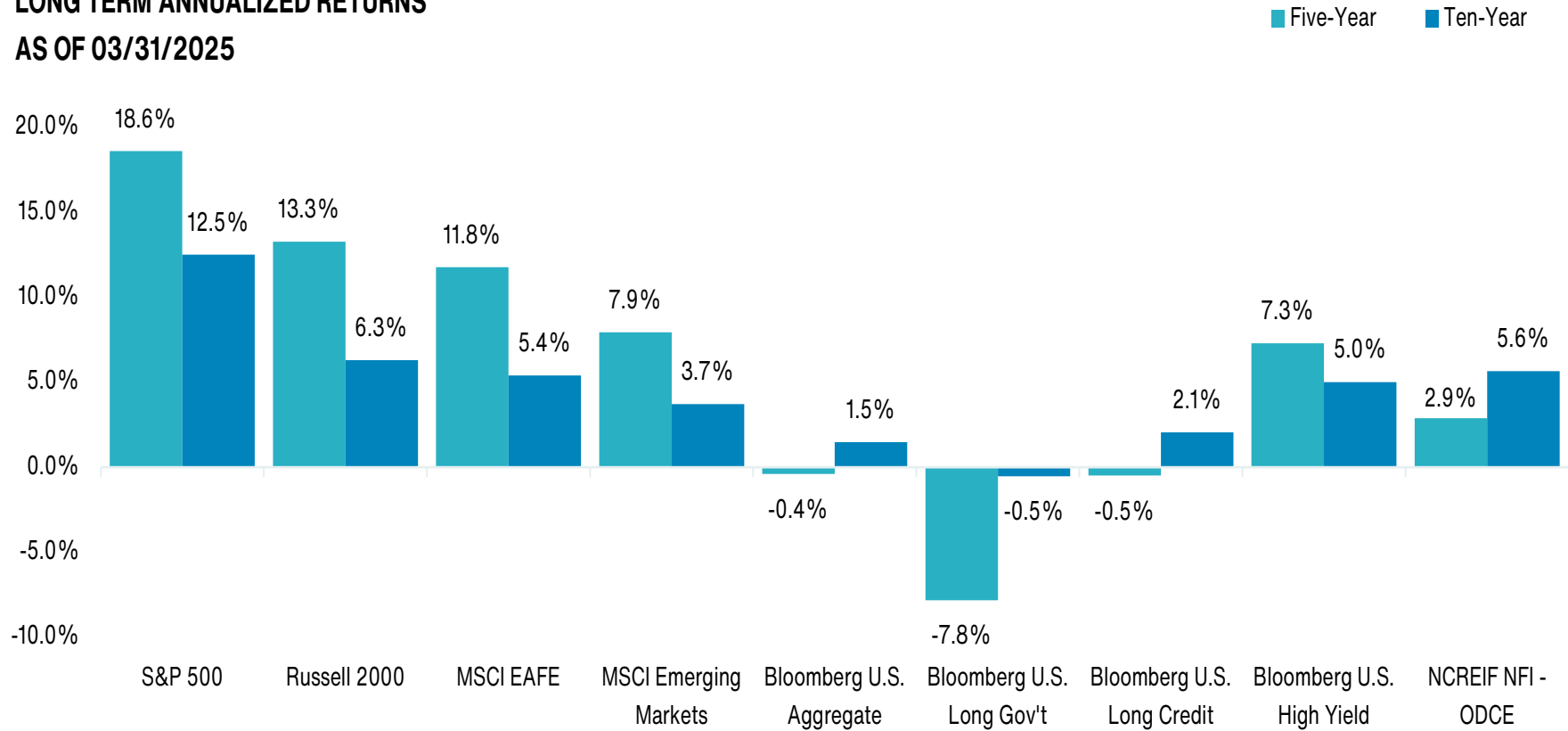
**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.



# Market Highlights

## LONG TERM ANNUALIZED RETURNS AS OF 03/31/2025



Source: Russell, MSCI, Bloomberg

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

# Market Highlights

Returns of the Major Capital Markets					
	Period Ending 03/31/2025				
	First Quarter	1-Year	3-Year <sup>1</sup>	5-Year <sup>1</sup>	10-Year <sup>1</sup>
<b>Equity</b>					
MSCI All Country World IMI	-1.61%	6.30%	6.31%	15.02%	8.55%
MSCI All Country World	-1.32%	7.15%	6.91%	15.18%	8.84%
Dow Jones U.S. Total Stock Market	-4.87%	7.09%	8.11%	18.08%	11.72%
Russell 3000	-4.72%	7.22%	8.22%	18.18%	11.80%
S&P 500	-4.27%	8.25%	9.06%	18.59%	12.50%
Russell 2000	-9.48%	-4.01%	0.52%	13.27%	6.30%
MSCI All Country World ex-U.S. IMI	4.59%	5.50%	3.99%	11.02%	5.02%
MSCI All Country World ex-U.S.	5.23%	6.09%	4.48%	10.92%	4.98%
MSCI EAFE	6.86%	4.88%	6.05%	11.77%	5.40%
MSCI EAFE (Local Currency)	2.89%	4.13%	8.71%	13.26%	6.34%
MSCI Emerging Markets	2.93%	8.09%	1.44%	7.94%	3.71%
<b>Equity Factors</b>					
MSCI World Minimum Volatility (USD)	8.05%	13.89%	6.74%	10.63%	8.33%
MSCI World High Dividend Yield	6.83%	9.99%	7.01%	13.11%	7.96%
MSCI World Quality	-2.69%	3.54%	9.46%	16.99%	12.62%
MSCI World Momentum	-0.78%	7.76%	8.39%	15.73%	11.98%
MSCI World Enhanced Value	6.95%	5.83%	7.73%	14.50%	6.57%
MSCI World Equal Weighted	2.79%	5.87%	4.79%	13.33%	6.97%
MSCI World Index Growth	-7.71%	5.57%	7.86%	16.83%	11.78%
MSCI USA Minimum Volatility (USD)	5.86%	14.02%	8.35%	13.59%	10.72%
MSCI USA High Dividend Yield	4.53%	7.93%	6.80%	13.58%	9.76%
MSCI USA Quality	-2.91%	6.65%	11.67%	18.56%	14.36%
MSCI USA Momentum	-1.88%	7.93%	8.23%	15.09%	12.71%
MSCI USA Enhanced Value	1.71%	1.25%	3.74%	14.36%	7.70%
MSCI USA Equal Weighted	-1.32%	4.64%	5.16%	16.85%	9.49%
MSCI USA Growth	-10.94%	8.41%	9.93%	20.37%	15.03%

Returns of the Major Capital Markets					
	Period Ending 03/31/2025				
	First Quarter	1-Year	3-Year <sup>1</sup>	5-Year <sup>1</sup>	10-Year <sup>1</sup>
<b>Fixed Income</b>					
Bloomberg Global Aggregate	2.64%	3.05%	-1.63%	-1.38%	0.61%
Bloomberg U.S. Aggregate	2.78%	4.88%	0.52%	-0.40%	1.46%
Bloomberg U.S. Long Gov't	4.67%	1.28%	-7.17%	-7.83%	-0.54%
Bloomberg U.S. Long Credit	2.47%	2.09%	-2.19%	-0.50%	2.05%
Bloomberg U.S. Long Gov't/Credit	3.57%	1.72%	-4.51%	-3.74%	1.01%
Bloomberg U.S. TIPS	4.17%	6.17%	0.06%	2.36%	2.51%
Bloomberg U.S. High Yield	1.00%	7.69%	4.98%	7.29%	5.01%
Bloomberg Global Treasury ex U.S.	2.41%	0.52%	-4.64%	-3.70%	-0.68%
JP Morgan EMBI Global (Emerging Markets)	2.35%	6.72%	3.24%	3.37%	3.11%
<b>Commodities</b>					
Bloomberg Commodity Index	8.88%	12.28%	-0.77%	14.51%	2.77%
Goldman Sachs Commodity Index	4.89%	3.83%	1.25%	20.74%	2.60%
<b>Hedge Funds</b>					
HFRI Fund-Weighted Composite <sup>2</sup>	-0.38%	4.68%	4.59%	9.55%	4.99%
HFRI Fund of Funds <sup>2</sup>	-0.21%	4.56%	4.01%	7.15%	3.51%
<b>Real Estate</b>					
NAREIT U.S. Equity REITS	0.91%	9.94%	-0.61%	11.34%	5.33%
NCREIF NFI - ODCE	1.05%	2.02%	-4.28%	2.89%	5.64%
FTSE Global Core Infrastructure Index	5.64%	13.95%	2.34%	9.62%	7.04%
<b>Private Equity</b>					
Burgiss Private iQ Global Private Equity <sup>3</sup>		5.14%	4.60%	13.68%	12.67%

MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

<sup>1</sup> Periods are annualized.

<sup>2</sup> Latest 5 months of HFR data are estimated by HFR and may change in the future.

<sup>3</sup> Burgiss Private iQ Global Private Equity data is as at June 30, 2024

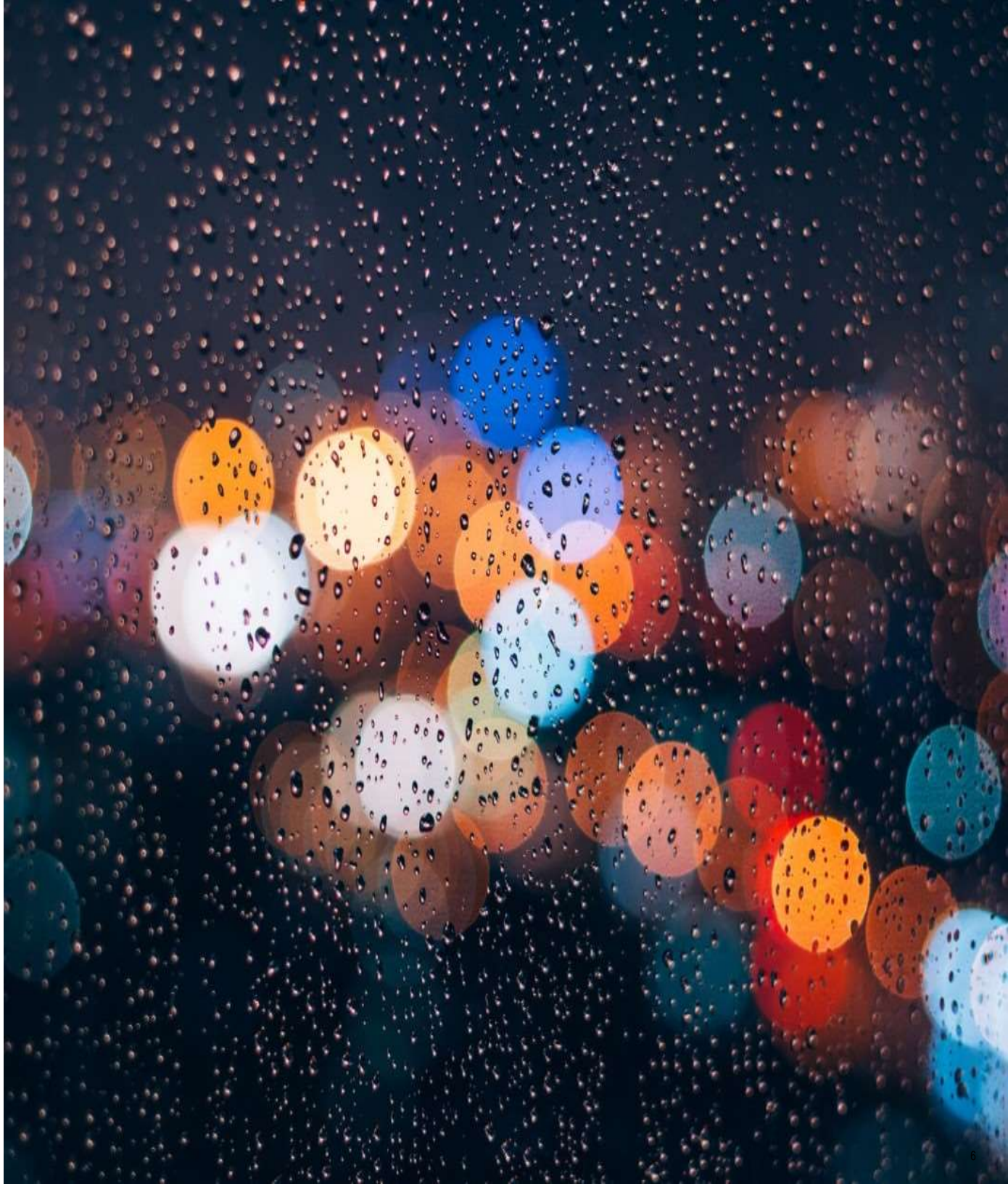
Source: Russell, MSCI, Bloomberg

**Past performance is no guarantee of future results.** Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect fees and expenses. Please see appendix for index definitions and other general disclosures.

**MSCI net return:** deducts assumed foreign tax withholding rate from dividends before investing.

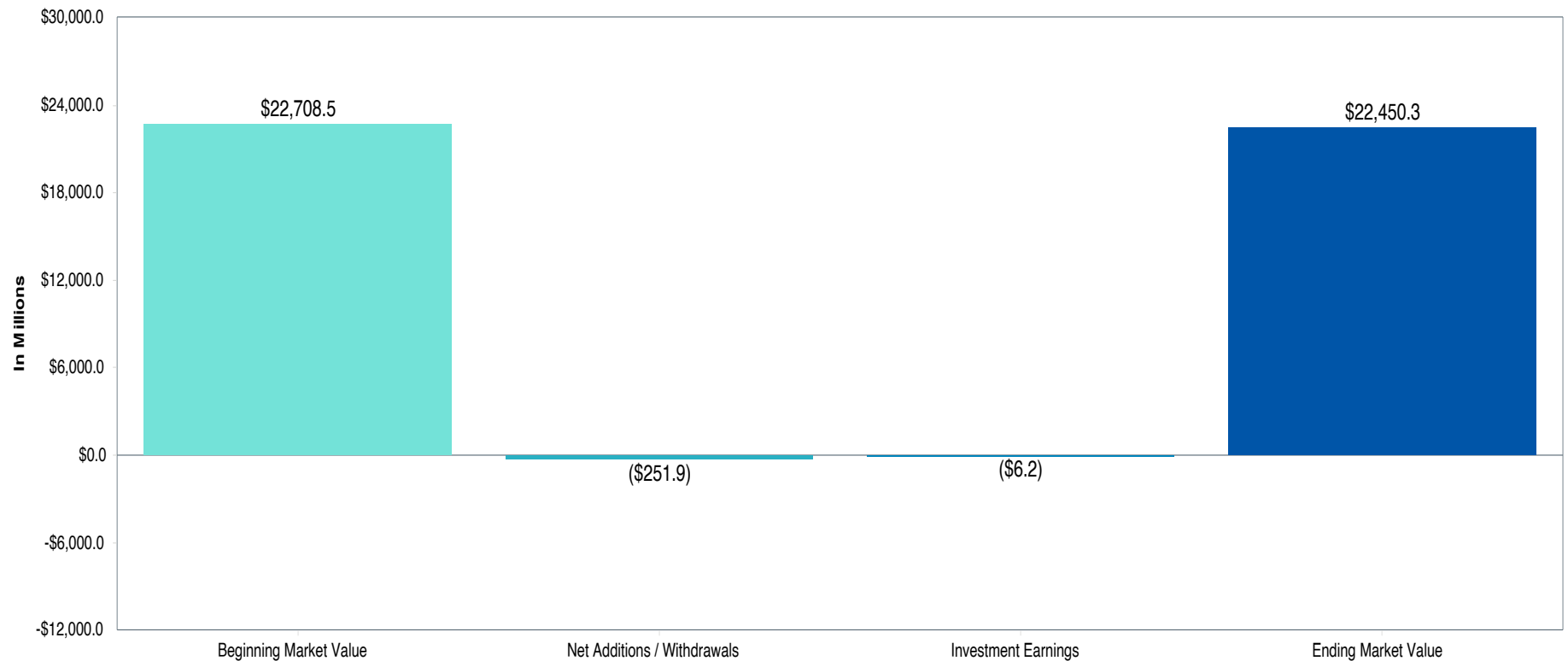
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Total Fund



# Total Plan Asset Summary

As of March 31, 2025



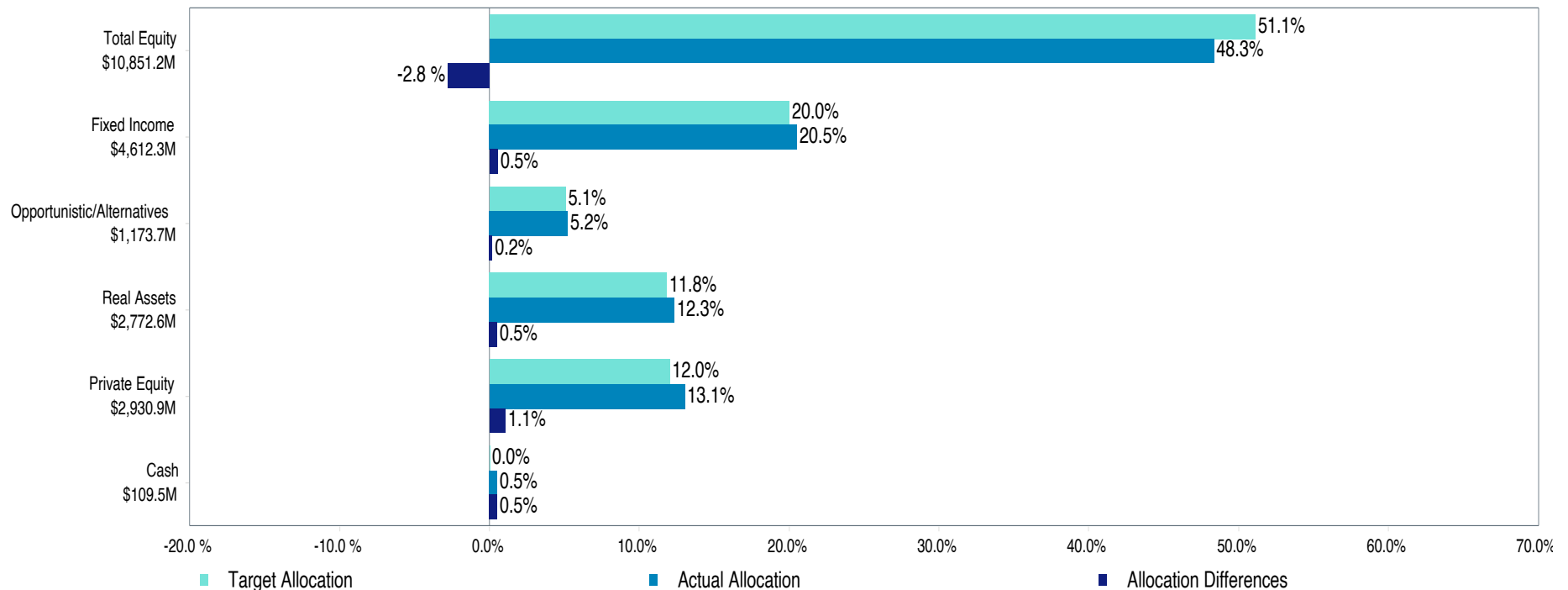
## Summary of Cash Flows

	1 Quarter	FYTD	1 Year
<b>Total Fund</b>			
Beginning Market Value	22,708,471,404	22,387,955,711	22,272,643,922
+ Additions / Withdrawals	-251,928,012	-688,888,031	-761,434,299
+ Investment Earnings	-6,225,048	751,250,664	939,108,721
<b>= Ending Market Value</b>	<b>22,450,318,344</b>	<b>22,450,318,344</b>	<b>22,450,318,344</b>

# Asset Allocation Compliance

As of March 31, 2025

	Market Value \$M	ATRS Current Allocation %	ATRS Benchmark Policy %	ATRS Long-Term Target Allocation %	Minimum Allocation %	Maximum Allocation %
<b>Total Fund</b>	<b>22,450.3</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
Total Equity	10,851.2	48.33	51.11	48.00	43.00	53.00
Fixed Income	4,612.3	20.54	20.00	20.00	18.00	22.00
Opportunistic/Alternatives	1,173.7	5.23	5.07	5.00	0.00	100.00
Real Assets	2,772.6	12.35	11.83	15.00	0.00	100.00
Private Equity	2,930.9	13.06	12.00	12.00	0.00	100.00
Cash	109.5	0.49	0.00	-	0.00	5.00

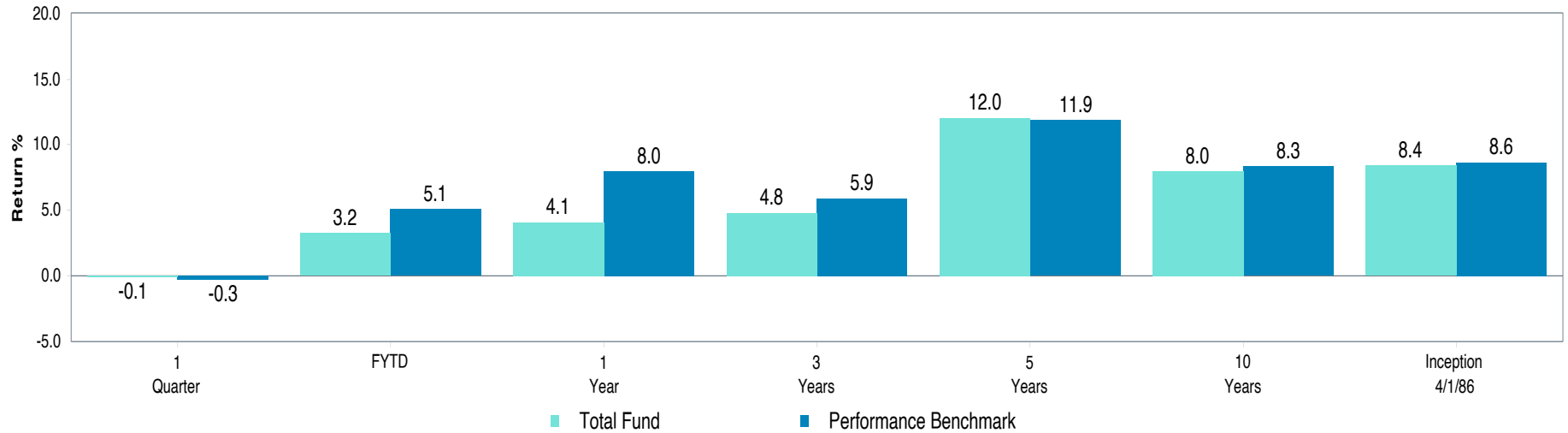


\*Market values and allocation percentages may not add to the sum total due to rounding.

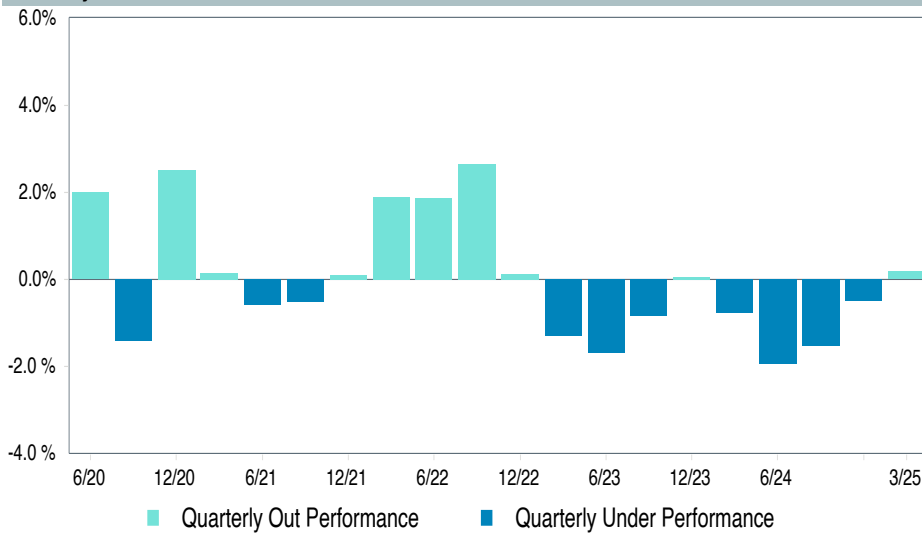
# Total Plan Performance Summary

As of March 31, 2025

## Return Summary



## Quarterly Excess Performance

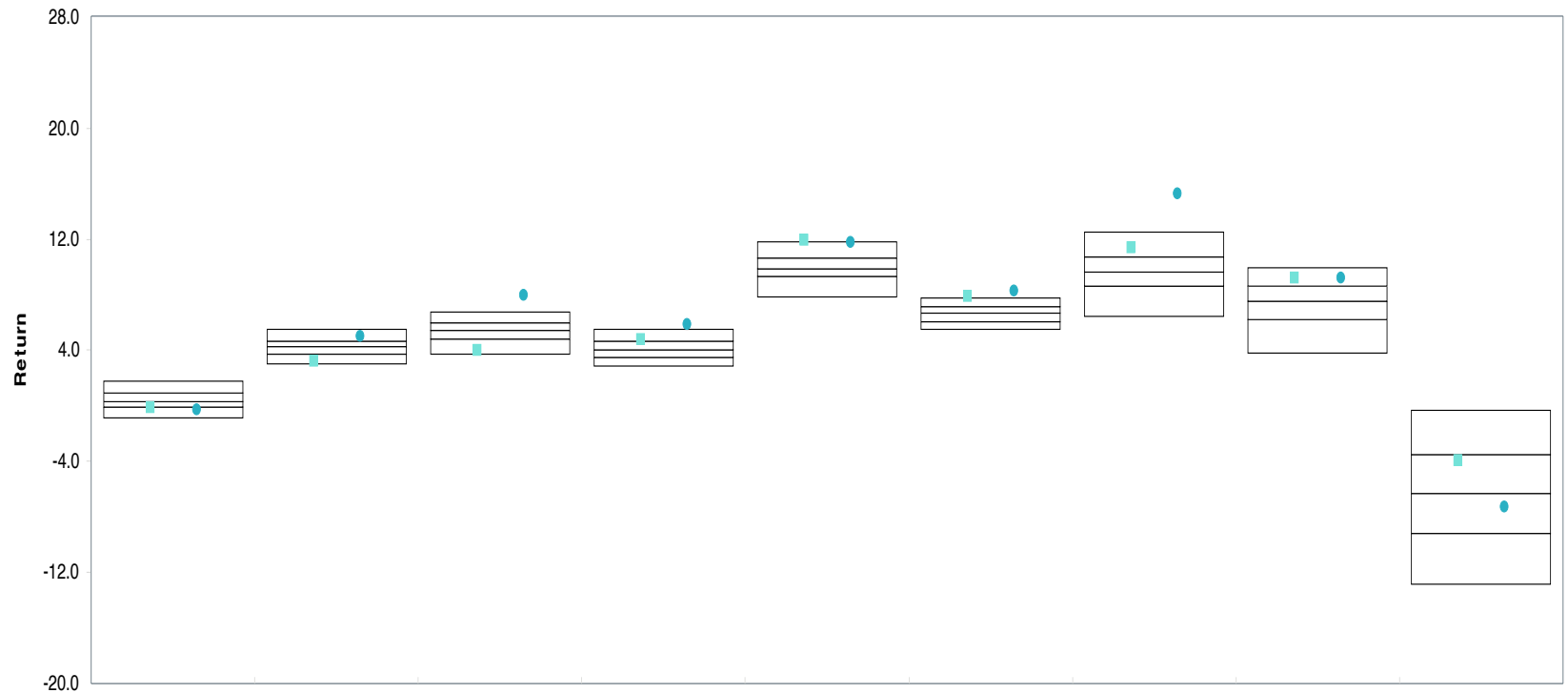


## Ratio of Cumulative Wealth - Since Inception



# Total Fund

As of March 31, 2025



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Total Fund	-0.1 (76)	3.2 (92)	4.1 (94)	4.8 (22)	12.0 (3)	8.0 (3)	11.4 (16)	9.2 (16)	-3.9 (30)
Performance Benchmark	-0.3 (81)	5.1 (9)	8.0 (1)	5.9 (3)	11.9 (4)	8.3 (2)	15.3 (1)	9.2 (16)	-7.2 (58)
5th Percentile	1.8	5.5	6.8	5.5	11.8	7.8	12.6	10.0	-0.3
1st Quartile	0.9	4.7	6.0	4.6	10.6	7.2	10.7	8.6	-3.5
Median	0.3	4.3	5.5	4.0	9.9	6.7	9.7	7.6	-6.3
3rd Quartile	-0.1	3.7	4.8	3.5	9.3	6.1	8.6	6.2	-9.2
95th Percentile	-0.9	3.0	3.8	2.9	7.9	5.5	6.4	3.8	-12.8
Population	106	106	106	104	99	93	190	201	194

Parentheses contain percentile rankings.



# Asset Allocation & Performance

As of March 31, 2025

	Allocation			Performance %							
	Market Value \$ (\$)	%	Policy %	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Total Fund</b>	22,450,318,344	100.0	100.0	-0.1	3.2	4.1	4.8	12.0	8.0	8.4	04/01/1986
<i>Performance Benchmark</i>				-0.3	5.1	8.0	5.9	11.9	8.3	8.6	
<b>Total Equity</b>	10,851,225,231	48.3	50.8	-1.6	3.3	4.3	6.4	17.5		9.1	07/01/2015
<i>Total Equity Performance Benchmark</i>				-2.7	3.8	6.5	6.9	16.0		9.8	
<b>Fixed Income</b>	4,612,323,080	20.5	20.0	2.3	5.1	5.6	2.1	2.0	2.7	4.8	07/01/1992
<i>Performance Benchmark</i>				2.7	5.0	5.2	1.0	0.3	1.8	4.8	
<b>Opportunistic/Alternatives</b>	1,173,728,320	5.2	5.1	0.6	5.4	7.8	8.9	7.5	3.5	4.3	05/01/2011
<i>Custom Alternatives Benchmark</i>				0.4	3.0	3.7	5.0	6.0	2.7	2.8	
<b>Real Assets</b>	2,772,597,553	12.3	12.1	0.7	1.7	1.3	1.6	4.1	5.9	6.5	07/01/2013
<i>Total Real Assets Benchmark</i>				0.9	1.6	1.1	1.5	4.4	5.7	6.5	
<b>Real Estate</b>	1,607,637,905	7.2		0.2	-0.4	-2.0	-2.4	1.6	4.8	7.4	12/01/1998
<i>NFI-ODCE (Net)</i>				1.0	0.3	-2.3	-3.1	1.6	4.7	7.5	
<b>Timber</b>	388,440,004	1.7		3.2	8.3	9.6	7.3	7.7	6.1	7.3	06/01/1998
<i>Timberland Property Benchmark</i>				1.4	4.8	7.0	9.7	7.9	5.3		
<b>Agriculture</b>	247,482,046	1.1		0.0	-0.8	1.6	5.8	6.2	5.6	5.8	09/01/2011
<i>Agriculture Benchmark</i>				-1.3	-1.8	-1.0	4.4	4.9	4.8		
<b>Infrastructure</b>	529,037,598	2.4		0.7	4.4	5.3	9.0	11.9		12.2	07/01/2018
<i>Infrastructure Benchmark</i>				1.3	4.8	8.0	8.9	8.7		8.4	
<b>Private Equity</b>	2,930,925,046	13.1	12.0	0.9	0.5	1.5	2.0	9.1	11.7	11.8	03/01/1997
<i>Private Equity Policy</i>				3.2	14.3	26.4	10.1	16.1	14.7	11.8	
<b>Cash</b>	109,519,114	0.5	0.0								

\*The Real Assets and Private Equity market values, returns and their benchmark returns are shown on a one-quarter lag. Market values have been adjusted for current quarter cash flows.

\*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 145 of this report.

\*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in

July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

Total Equity and Total Fund Performance includes investment earnings from Allianz Security Litigation Income received on February 28, 2022

\*Market values and allocation percentages may not add to the sum total due to rounding.

# Asset Allocation & Performance

As of March 31, 2025

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>22,450,318,344</b>	<b>100.0</b>	<b>-0.1 (76)</b>	<b>3.2 (92)</b>	<b>4.1 (94)</b>	<b>4.8 (22)</b>	<b>12.0 (3)</b>	<b>8.0 (3)</b>	<b>8.4</b>	<b>04/01/1986</b>
<i>Performance Benchmark</i>			-0.3 (81)	5.1 (9)	8.0 (1)	5.9 (3)	11.9 (4)	8.3 (2)	8.6	
<b>Total Equity</b>	<b>10,851,225,231</b>	<b>48.3</b>	<b>-1.6 (60)</b>	<b>3.3 (52)</b>	<b>4.3 (53)</b>	<b>6.4 (43)</b>	<b>17.5 (16)</b>		<b>9.1 (40)</b>	<b>07/01/2015</b>
<i>Total Equity Performance Benchmark</i>			-2.7 (71)	3.8 (49)	6.5 (35)	6.9 (38)	16.0 (30)		9.8 (26)	
<b>Jacobs Levy 130/30</b>	<b>1,239,700,611</b>	<b>5.5</b>	<b>-4.8 (44)</b>	<b>3.9 (34)</b>	<b>3.3 (46)</b>	<b>13.4 (3)</b>	<b>25.8 (3)</b>	<b>16.5 (1)</b>	<b>12.8 (2)</b>	<b>01/01/2008</b>
<i>Russell 3000 Index</i>			-4.7 (44)	3.9 (34)	7.2 (21)	8.2 (27)	18.2 (31)	11.8 (21)	10.0 (28)	
<b>Kennedy Capital Management</b>	<b>408,676,434</b>	<b>1.8</b>	<b>-9.4 (79)</b>	<b>-2.2 (74)</b>	<b>-4.9 (66)</b>	<b>-0.8 (92)</b>	<b>16.0 (65)</b>	<b>5.9 (81)</b>	<b>11.1 (27)</b>	<b>01/01/1994</b>
<i>Russell 2000 Value Index</i>			-7.7 (60)	0.5 (46)	-3.1 (55)	0.0 (84)	15.3 (73)	6.1 (80)	8.9 (100)	
<b>Stephens</b>	<b>403,557,410</b>	<b>1.8</b>	<b>-8.1 (16)</b>	<b>-0.6 (31)</b>	<b>-3.1 (33)</b>	<b>1.6 (29)</b>	<b>12.9 (40)</b>	<b>8.5 (45)</b>	<b>9.1 (54)</b>	<b>08/01/2006</b>
<i>Russell 2000 Growth Index</i>			-11.1 (55)	-2.0 (43)	-4.9 (48)	0.8 (41)	10.8 (69)	6.1 (94)	8.0 (82)	
<b>Voya Absolute Return</b>	<b>1,003,848,752</b>	<b>4.5</b>	<b>-0.6 (50)</b>	<b>4.5 (43)</b>	<b>9.1 (20)</b>	<b>8.2 (23)</b>	<b>17.1 (18)</b>	<b>9.6 (25)</b>	<b>10.5 (13)</b>	<b>10/01/2008</b>
<i>Performance Benchmark</i>			-1.3 (56)	4.2 (45)	7.2 (29)	6.9 (39)	15.2 (37)	9.4 (32)	10.3 (19)	
<b>Voya U.S. Convertibles</b>	<b>856,608,253</b>	<b>3.8</b>	<b>-3.1 (30)</b>	<b>7.0 (18)</b>	<b>7.3 (21)</b>	<b>1.9 (77)</b>	<b>13.1 (82)</b>	<b>9.7 (44)</b>	<b>10.0 (27)</b>	<b>12/01/1998</b>
<i>Performance Benchmark</i>			-2.1 (25)	6.5 (20)	6.3 (29)	1.8 (78)	12.4 (87)	8.5 (60)	8.0 (83)	
<b>Pershing Square Holdings</b>	<b>350,733,066</b>	<b>1.6</b>	<b>3.0 (7)</b>	<b>-6.9 (97)</b>	<b>-4.3 (82)</b>	<b>8.6 (23)</b>	<b>23.3 (4)</b>	<b>7.3 (79)</b>	<b>9.7 (74)</b>	<b>01/01/2013</b>
<i>Dow Jones U.S. Total Stock Market Index</i>			-4.9 (45)	3.7 (37)	7.1 (22)	8.1 (29)	18.1 (32)	11.7 (22)	13.3 (23)	
<b>Triar Partners</b>	<b>102,821,001</b>	<b>0.5</b>	<b>-1.5</b>	<b>9.5</b>	<b>6.4</b>	<b>8.2</b>	<b>12.8</b>		<b>8.0</b>	<b>11/01/2015</b>
<i>S&amp;P 500 Index</i>			-4.3	3.8	8.3	9.1	18.6		13.1	
<b>Triar Co-Investments</b>	<b>78,875,418</b>	<b>0.4</b>	<b>4.8</b>	<b>10.7</b>	<b>12.1</b>	<b>16.5</b>	<b>18.2</b>		<b>9.5</b>	<b>01/01/2017</b>
<i>S&amp;P 500 Index</i>			-4.3	3.8	8.3	9.1	18.6		13.7	
<b>SSgA Global Index</b>	<b>874,385,833</b>	<b>3.9</b>	<b>-1.5 (59)</b>	<b>4.0 (46)</b>	<b>6.5 (35)</b>	<b>6.5 (42)</b>	<b>15.3 (36)</b>	<b>8.9 (41)</b>	<b>7.4 (46)</b>	<b>04/01/2008</b>
<i>MSCI AC World IMI (Net)</i>			-1.6 (59)	3.8 (48)	6.3 (38)	6.3 (44)	15.0 (39)	8.6 (47)	7.0 (54)	
<b>BlackRock MSCI ACWI IMI Fund</b>	<b>759,626,928</b>	<b>3.4</b>	<b>-1.4 (58)</b>	<b>4.0 (46)</b>	<b>6.6 (33)</b>	<b>6.7 (40)</b>	<b>15.4 (35)</b>	<b>8.9 (42)</b>	<b>8.8 (49)</b>	<b>07/01/2011</b>
<i>MSCI AC World IMI (Net)</i>			-1.6 (59)	3.8 (48)	6.3 (38)	6.3 (44)	15.0 (39)	8.6 (47)	8.5 (57)	
<b>Wellington Global Perspectives</b>	<b>719,991,016</b>	<b>3.2</b>	<b>-1.8 (62)</b>	<b>1.1 (67)</b>	<b>-1.1 (84)</b>	<b>2.3 (83)</b>	<b>15.6 (34)</b>	<b>7.0 (75)</b>	<b>11.4 (26)</b>	<b>07/01/2009</b>
<i>Performance Benchmark</i>			-4.0 (83)	1.1 (67)	-0.5 (80)	1.6 (86)	13.7 (53)	6.4 (84)	9.5 (69)	

# Asset Allocation & Performance

As of March 31, 2025

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>T. Rowe Price Global Equity</b>	1,212,608,001	5.4	-4.0 (83)	-2.6 (84)	0.7 (74)	4.7 (62)	15.4 (35)	12.6 (4)	12.6 (8)	09/01/2009
MSCI AC World Index (Net)			-1.3 (56)	4.2 (45)	7.2 (29)	6.9 (39)	15.2 (37)	8.8 (42)	9.4 (57)	
MSCI AC World Index Growth (net)			-6.8 (93)	-0.5 (75)	5.7 (43)	6.8 (40)	15.4 (35)	10.6 (12)	11.1 (21)	
<b>Lazard</b>	876,993,733	3.9	-0.6 (50)	2.5 (57)	6.6 (34)	4.8 (61)	12.8 (63)	7.0 (76)	8.5 (73)	09/01/2009
MSCI AC World Index (Net)			-1.3 (56)	4.2 (45)	7.2 (29)	6.9 (39)	15.2 (37)	8.8 (42)	9.4 (57)	
<b>Harris Global Equity</b>	747,775,578	3.3	4.4 (23)	8.5 (20)	5.0 (48)	4.7 (62)	16.8 (21)	7.5 (66)	7.0 (67)	06/01/2014
MSCI World Index (Net)			-1.8 (62)	4.3 (44)	7.0 (30)	7.6 (31)	16.1 (29)	9.5 (28)	9.0 (32)	
MSCI World Value (Net)			4.8 (21)	10.0 (16)	8.7 (22)	7.0 (37)	15.0 (39)	7.1 (73)	6.5 (76)	
<b>Arrowstreet Global Equity - Alpha Extension Fund</b>	1,196,973,197	5.3	3.7 (28)	9.6 (22)	11.0 (18)				24.2 (5)	04/01/2023
MSCI AC World IMI Index (Net)			-1.6 (56)	3.8 (46)	6.3 (39)				14.1 (34)	
<b>Westrock Equity Fund</b>	18,050,000	0.1	12.5	-29.4	-30.1				-18.8	09/01/2023
Total Equity Performance Benchmark			-2.7	3.8	6.5				14.1	
<b>Fixed Income</b>	4,612,323,080	20.5	2.3	5.1	5.6	2.1	2.0	2.7	4.8	07/01/1992
Performance Benchmark			2.7	5.0	5.2	1.0	0.3	1.8	4.8	
<b>BlackRock</b>	272,583,643	1.2	2.8 (18)	4.9 (43)	5.2 (58)	0.8 (75)	0.3 (80)	1.8 (70)	3.6 (43)	10/01/2003
Performance Benchmark			2.7 (27)	5.0 (33)	5.2 (57)	1.0 (70)	0.3 (80)	1.8 (68)	3.5 (46)	
<b>Loomis Sayles</b>	737,333,278	3.3	2.4 (39)	7.0 (3)	7.6 (6)	3.1 (32)	4.3 (24)	3.8 (19)	6.6 (7)	09/01/2008
Performance Benchmark			2.1 (51)	5.3 (21)	5.7 (36)	2.0 (50)	2.3 (40)	2.8 (29)	4.5 (30)	
<b>SSgA Aggregate Bond Index</b>	1,363,263,853	6.1	2.8 (20)	4.8 (50)	5.0 (68)	0.5 (82)	-0.4 (91)	1.5 (86)	2.3 (70)	06/01/2010
Barclays Aggregate Index			2.8 (19)	4.8 (50)	4.9 (70)	0.5 (82)	-0.4 (91)	1.5 (86)	2.3 (70)	
<b>Wellington Global Total Return</b>	436,676,126	1.9	0.8 (56)	5.5 (28)	7.7 (21)	6.3 (22)	4.6 (72)	3.4 (56)	3.2 (54)	05/01/2014
BofA Merrill Lynch 3 Month US T-Bill			1.0 (49)	3.6 (45)	5.0 (41)	4.2 (50)	2.6 (89)	1.9 (82)	1.7 (69)	
<b>Reams Core Plus Bond Fund</b>	608,574,138	2.7	3.1 (10)	5.1 (31)	5.2 (59)	1.3 (64)	1.9 (47)	2.9 (27)	2.9 (33)	05/01/2014
Barclays Aggregate Index			2.8 (19)	4.8 (50)	4.9 (70)	0.5 (82)	-0.4 (91)	1.5 (86)	1.8 (80)	
<b>Baird Core Plus Bond</b>	834,072,276	3.7	2.7						1.4	09/01/2024
Blmbg. U.S. Universal Index			2.7						1.2	
<b>BRS Recycling Tax Credit</b>	186,500,000	0.8								
<b>BRS Recycling Tax Credit Phase 2</b>	91,200,000	0.4								
<b>BRS Recycling Tax Credit Phase 3</b>	82,119,766	0.4								

# Asset Allocation & Performance

As of March 31, 2025

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Opportunistic/Alternatives</b>	1,173,728,320	5.2	0.6	5.4	7.8	8.9	7.5	3.5	4.3	05/01/2011
Custom Alternatives Benchmark			0.4	3.0	3.7	5.0	6.0	2.7	2.8	
<b>Anchorage</b>	16,781,881	0.1	-9.1	-5.6	-5.3	2.3	7.3	3.5	4.9	05/01/2011
Credit Suisse Event Driven			0.7	7.6	9.3	5.8	10.7	3.9	3.8	
<b>York</b>	315,886	0.0	6.0	44.7	93.0	29.1	13.9	2.6	3.9	05/01/2011
Credit Suisse Event Driven			0.7	7.6	9.3	5.8	10.7	3.9	3.8	
<b>Capula</b>	111,696,344	0.5	2.5	7.8	9.6	10.0	7.8	7.1	6.9	05/01/2011
HFRI Macro (Total) Index			0.1	0.1	-0.7	2.4	5.7	2.8	2.1	
<b>Graham</b>	114,122,042	0.5	5.6	6.4	6.9	11.1	16.6	6.5	6.0	05/01/2011
HFRI Macro (Total) Index			0.1	0.1	-0.7	2.4	5.7	2.8	2.1	
<b>Circumference Group Core Value</b>	41,064,630	0.2	-8.4	-1.7	-2.3	3.0	8.7		7.6	08/01/2015
Russell 2000 Index			-9.5	-0.8	-4.0	0.5	13.3		6.6	
<b>Aeolus Keystone Fund</b>	19,542,974	0.1	2.3	11.3	13.7	10.3	3.2		1.1	12/01/2015
FTSE 3 Month T-Bill			1.1	3.7	5.2	4.4	2.7		2.0	
Eurekahedge ILS Advisers Index			-0.9	7.5	8.9	7.6	5.5		2.5	
<b>Parametric Global Defensive Equity Fund</b>	242,998,786	1.1	0.3	4.1	6.8	6.9	10.8		6.3	05/01/2017
Performance Benchmark			-0.1	4.0	6.3	6.0	9.1		6.2	
MSCI AC World Index			-1.2	4.5	7.6	7.4	15.7		10.3	
<b>Man Alternative Risk Premia</b>	130,553,079	0.6	2.0	-0.7	3.3	8.1	6.8		4.0	06/01/2018
SG Multi Alternative Risk Premia Index			3.8	5.2	5.7	8.3	4.9		2.3	
<b>CFM Systematic Global Macro Fund</b>	120,001,397	0.5	-1.9	14.2	14.3	9.4			9.6	12/01/2021
HFRI Macro: Systematic Diversified Index			-3.0	-6.5	-8.1	-0.3			2.6	
<b>Pillar Opportunity</b>	117,191,801	0.5	-3.7	5.3	8.2	6.9			6.5	12/01/2021
FTSE 3 Month T-Bill			1.1	3.7	5.2	4.4			4.0	
Eurekahedge ILS Advisers Index			-0.9	7.5	8.9	7.6			7.0	
<b>Chatham PDSC III</b>	77,364,993	0.3	2.0	3.1	5.7	14.8			13.7	11/01/2021
HFRI Event-Driven (Total) Index			-0.7	6.0	6.5	5.1			4.0	
<b>Silver Point Capital Fund</b>	59,913,372	0.3	1.1	5.7	9.4	6.5			6.5	04/01/2022
HFRI ED: Distressed/Restructuring Index			0.3	7.4	9.6	4.6			4.6	
<b>Prophet Mtg. Servicing Opportunities</b>	51,252,115	0.2	1.2	11.0	15.1				17.0	05/01/2023
HedgeIndex Main Index			2.1	4.9	6.5				9.1	
<b>Chatham PDSC IV</b>	70,929,020	0.3	5.6	8.0	8.7				21.0	06/01/2023
HFRI Event-Driven (Total) Index			-0.7	6.0	6.5				10.5	

# Asset Allocation & Performance

As of March 31, 2025

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
<b>Real Assets</b>	2,772,597,553	12.3	0.7	1.7	1.3	1.6	4.1	5.9	6.5	07/01/2013
<i>Total Real Assets Benchmark</i>			0.9	1.6	1.1	1.5	4.4	5.7	6.5	
<b>Real Estate</b>	1,607,637,905	7.2	0.2	-0.4	-2.0	-2.4	1.6	4.8	7.4	12/01/1998
<i>NFI-ODCE (Net)</i>			1.0	0.3	-2.3	-3.1	1.6	4.7	7.5	
<b>Timber</b>	388,440,004	1.7	3.2	8.3	9.6	7.3	7.7	6.1	7.3	06/01/1998
<i>Timberland Property Benchmark</i>			1.4	4.8	7.0	9.7	7.9	5.3		
<b>BTG Timber Separate Account</b>	120,293,710	0.5								
<b>BTG U.S. Timberland Fund, L.P.</b>	268,146,294	1.2								
<b>Agriculture</b>	247,482,046	1.1	0.0	-0.8	1.6	5.8	6.2	5.6	5.8	09/01/2011
<i>Agriculture Benchmark</i>			-1.3	-1.8	-1.0	4.4	4.9	4.8		
<b>HFMS Farmland</b>	183,072,066	0.8	-0.1	-1.4	0.9	5.9	6.5	5.7	5.9	09/01/2011
<i>HFMS custom NCREIF Farmland Index</i>			-1.3	-1.8	-1.0	4.4	5.2	4.6		
<b>UBS Agrivest Core Farmland Fund</b>	64,409,980	0.3	0.3	1.2	3.4	5.4	5.7		5.1	07/01/2015
<i>UBS Agrivest custom NCREIF Farmland Index</i>			-1.3	-1.8	-1.0	4.4	5.2		5.5	
<b>Infrastructure</b>	529,037,598	2.4	0.7	4.4	5.3	9.0	11.9		12.2	07/01/2018
<i>Infrastructure Benchmark</i>			1.3	4.8	8.0	8.9	8.7		8.4	
<b>Private Equity</b>	2,930,925,046	13.1	0.9	0.5	1.5	2.0	9.1	11.7	11.9	04/01/1997
<i>Private Equity Policy</i>			3.2	14.3	26.4	10.1	16.1	14.7	11.8	
<b>Cash</b>	109,519,114	0.5								

\*The Real Assets and Private Equity market values, returns and their benchmark returns are shown on a one-quarter lag. Market values have been adjusted for current quarter cash flows.

\*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 145 of this report.

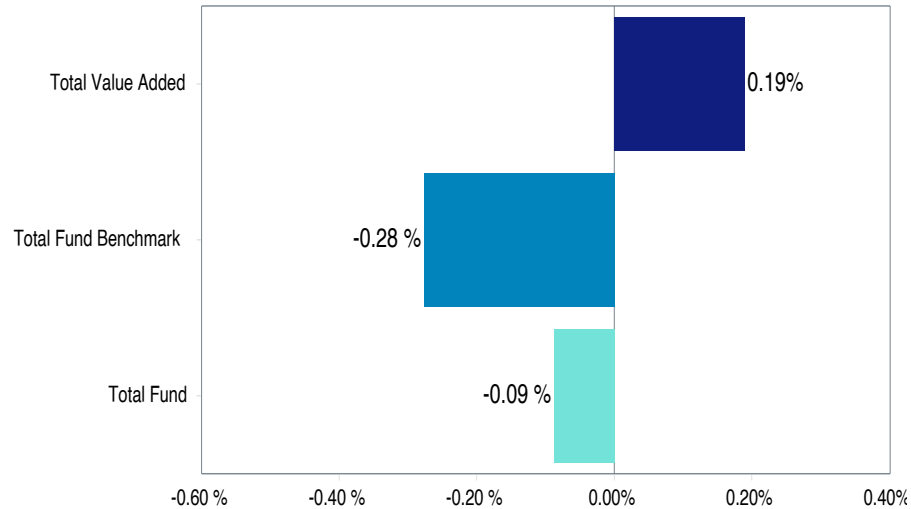
\*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

\*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

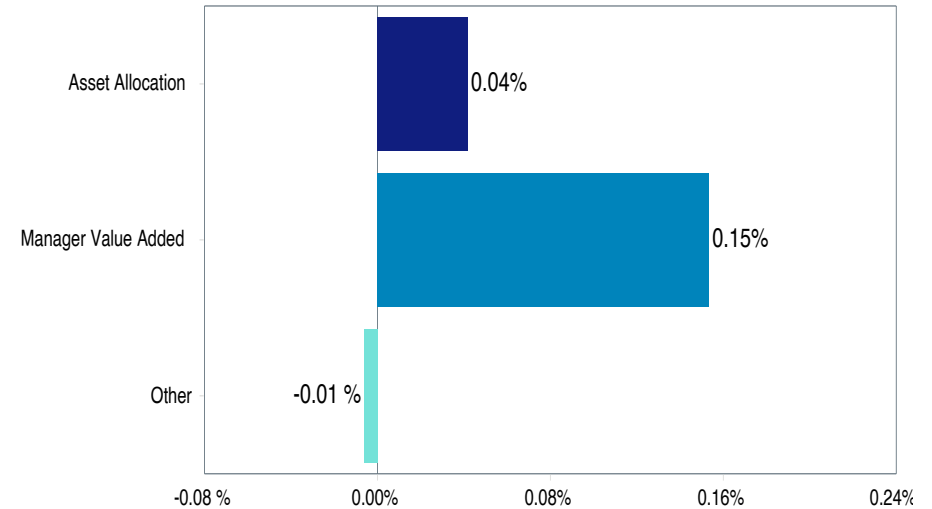
# Total Fund Attribution

1 Quarter Ending March 31, 2025

## Total Fund Performance

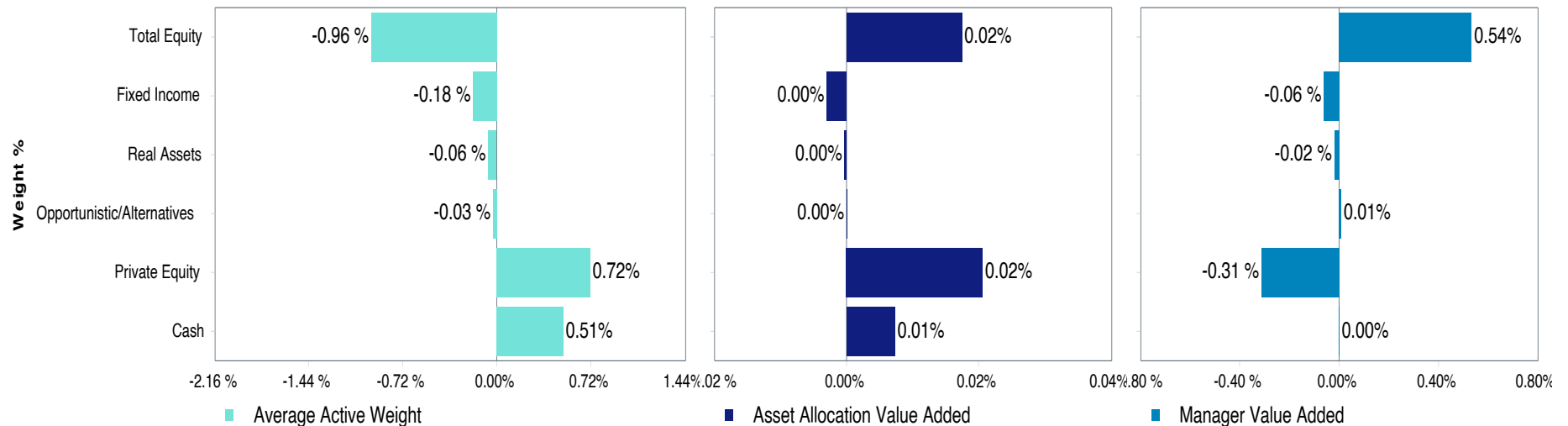


## Total Value Added: 0.19%



## Total Asset Allocation: 0.04%

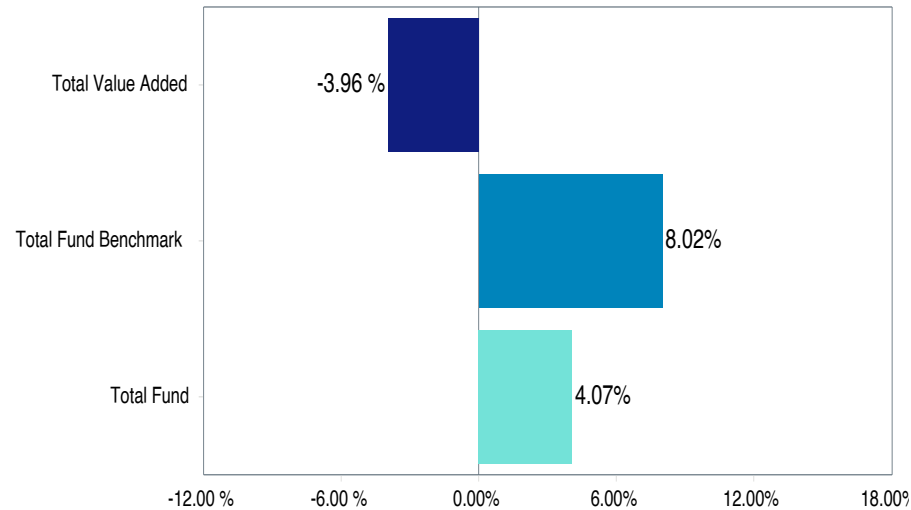
## Total Manager Value Added: 0.15%



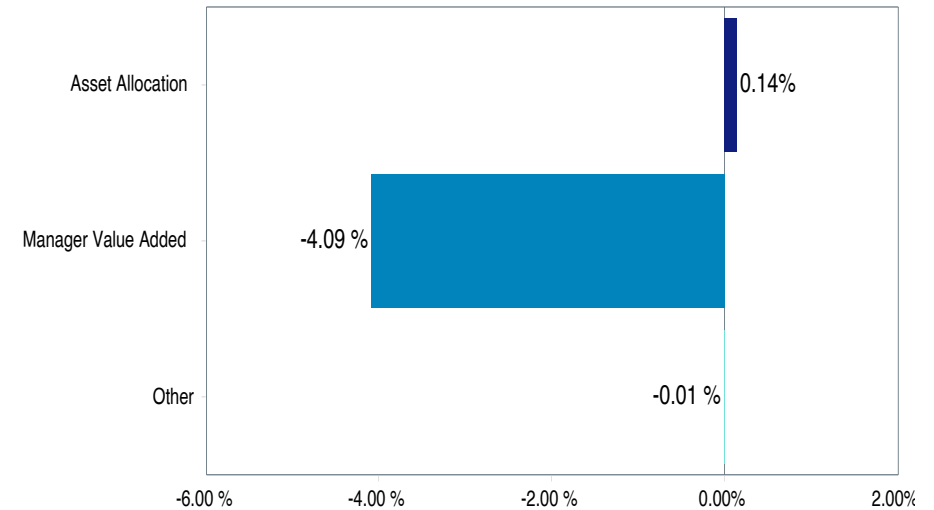
# Total Fund Attribution

1 Year Ending March 31, 2025

## Total Fund Performance

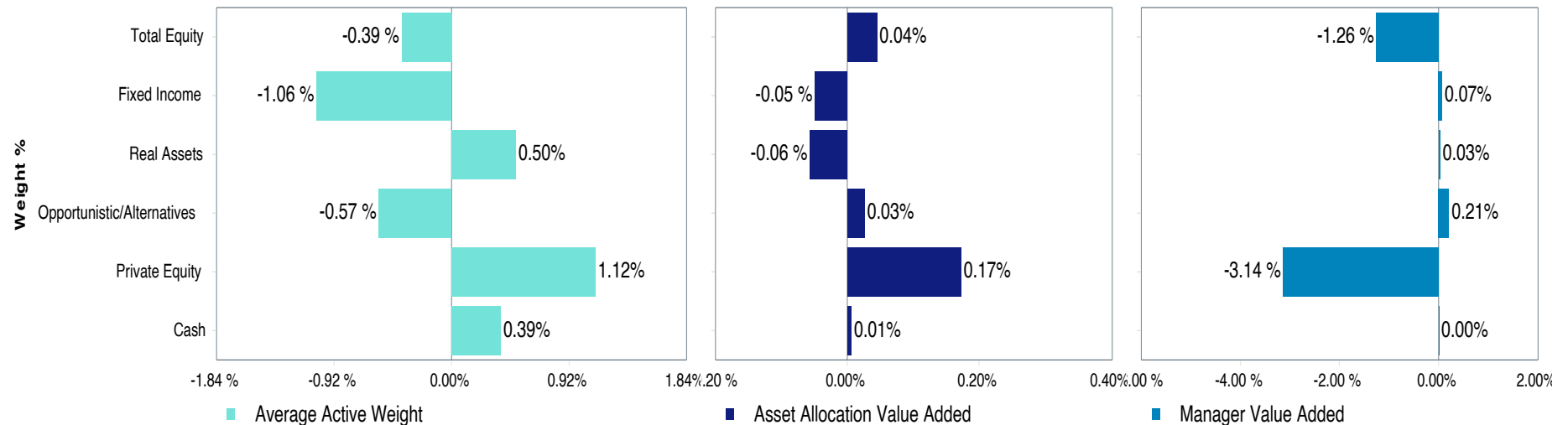


## Total Value Added: -3.96 %



## Total Asset Allocation: 0.14%

## Total Manager Value Added: -4.09 %



# Asset Allocation & Performance

## Calendar Year Performance

	Performance %									
	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
<b>Total Fund</b>	3.2 (92)	11.4 (16)	9.2 (16)	-3.9 (30)	31.9 (10)	-1.4 (94)	5.3 (68)	11.7 (2)	16.1 (2)	-0.5 (70)
Performance Benchmark	5.1 (9)	15.3 (1)	9.2 (16)	-7.2 (58)	31.2 (14)	2.3 (37)	7.1 (13)	9.2 (24)	13.2 (34)	1.8 (11)
<b>Total Equity</b>	3.3 (52)	19.5 (31)	15.7 (55)	-13.4 (37)	47.4 (24)	-6.4 (78)	4.1 (59)	13.4 (30)	22.1 (27)	-4.8 (57)
Total Equity Performance Benchmark	3.8 (49)	20.1 (29)	17.0 (44)	-15.8 (48)	42.0 (43)	2.7 (44)	5.9 (49)	12.2 (35)	19.0 (46)	-1.5 (38)
<b>Jacobs Levy 130/30</b>	3.9 (34)	28.7 (13)	18.0 (38)	12.1 (1)	50.3 (42)	0.2 (47)	5.5 (51)	19.9 (23)	24.6 (18)	8.3 (4)
Russell 3000 Index	3.9 (34)	23.1 (26)	19.0 (31)	-13.9 (52)	44.2 (57)	6.5 (32)	9.0 (32)	14.8 (45)	18.5 (56)	2.1 (23)
<b>Kennedy Capital Management</b>	-2.2 (74)	10.8 (59)	6.6 (87)	-11.9 (56)	72.4 (30)	-16.2 (52)	-7.8 (68)	12.2 (49)	24.2 (37)	-4.9 (66)
Russell 2000 Value Index	0.5 (46)	10.9 (58)	6.0 (88)	-16.3 (83)	73.3 (28)	-17.5 (60)	-6.2 (59)	13.1 (41)	24.9 (30)	-2.6 (43)
<b>Stephens</b>	-0.6 (31)	14.5 (22)	13.6 (73)	-25.8 (31)	40.2 (87)	7.8 (53)	8.4 (39)	29.5 (26)	18.3 (84)	-7.8 (42)
Russell 2000 Growth Index	-2.0 (43)	9.1 (50)	18.5 (36)	-33.4 (64)	51.4 (59)	3.5 (63)	-0.5 (79)	21.9 (65)	24.4 (43)	-10.8 (60)
<b>Voya Absolute Return</b>	4.5 (43)	22.2 (20)	15.6 (55)	-14.1 (41)	41.9 (43)	0.1 (56)	4.0 (59)	9.9 (53)	20.3 (37)	1.9 (22)
Performance Benchmark	4.2 (45)	19.4 (31)	16.5 (47)	-15.8 (48)	39.3 (54)	2.1 (47)	5.7 (50)	10.7 (48)	18.8 (48)	1.1 (24)
<b>Voya U.S. Convertibles</b>	7.0 (18)	5.9 (91)	9.5 (84)	-19.8 (70)	47.3 (49)	20.1 (10)	12.5 (15)	16.4 (36)	15.9 (75)	-7.1 (79)
Performance Benchmark	6.5 (20)	6.2 (90)	10.6 (79)	-20.6 (71)	45.7 (53)	15.3 (16)	7.8 (39)	12.0 (64)	16.8 (69)	-4.7 (66)
<b>Pershing Square Holdings</b>	-6.9 (97)	47.9 (1)	23.5 (14)	-17.9 (66)	57.0 (26)	36.5 (1)	21.7 (1)	-2.7 (100)	8.3 (95)	-49.1 (100)
Dow Jones U.S. Total Stock Market Index	3.7 (37)	23.2 (25)	18.9 (32)	-14.2 (54)	44.3 (56)	6.4 (33)	8.9 (33)	14.8 (45)	18.5 (56)	2.0 (23)
<b>Triar Partners</b>	9.5	12.2	18.5	-19.0	33.4	-2.3	13.1	2.8	9.5	
S&P 500 Index	3.8	24.6	19.6	-10.6	40.8	7.5	10.4	14.4	17.9	
<b>Triar Co-Investments</b>	10.7	25.2	22.6	-10.9	34.5	-3.4	14.4	-5.6		
S&P 500 Index	3.8	24.6	19.6	-10.6	40.8	7.5	10.4	14.4	17.9	
<b>SSgA Global Index</b>	4.0 (46)	18.5 (34)	16.5 (48)	-16.2 (51)	41.3 (45)	1.6 (49)	4.8 (54)	11.4 (42)	19.4 (42)	-3.4 (49)
MSCI AC World IMI (Net)	3.8 (48)	18.4 (35)	16.1 (50)	-16.5 (52)	40.9 (47)	1.2 (51)	4.6 (56)	11.1 (45)	19.0 (45)	-3.9 (51)
<b>BlackRock MSCI ACWI IMI Fund</b>	4.0 (46)	18.8 (33)	16.6 (46)	-16.2 (51)	41.4 (45)	1.5 (49)	4.5 (56)	11.4 (42)	19.1 (45)	-3.4 (48)
MSCI AC World IMI (Net)	3.8 (48)	18.4 (35)	16.1 (50)	-16.5 (52)	40.9 (47)	1.2 (51)	4.6 (56)	11.1 (45)	19.0 (45)	-3.9 (51)
<b>Wellington Global Perspectives</b>	1.1 (67)	11.8 (63)	13.4 (69)	-17.1 (56)	60.0 (9)	-11.7 (91)	-3.8 (90)	15.7 (20)	24.8 (15)	-4.2 (52)
Performance Benchmark	1.1 (67)	10.6 (70)	13.0 (70)	-21.8 (77)	54.1 (14)	-5.5 (76)	-3.0 (88)	13.8 (27)	20.5 (36)	-4.7 (56)



# Asset Allocation & Performance

## Calendar Year Performance

	Performance %									
	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
<b>T. Rowe Price Global Equity</b>	-2.6 (84)	24.0 (15)	20.0 (22)	-28.7 (91)	52.0 (15)	22.8 (6)	8.0 (35)	21.3 (8)	28.8 (9)	-0.6 (33)
MSCI AC World Index (Net)	4.2 (45)	19.4 (31)	16.5 (47)	-15.8 (48)	39.3 (54)	2.1 (47)	5.7 (50)	10.7 (48)	18.8 (48)	-3.7 (50)
MSCI AC World Index Growth (net)	-0.5 (75)	24.7 (13)	23.1 (12)	-23.5 (81)	39.7 (52)	16.6 (10)	7.2 (41)	16.1 (20)	18.6 (49)	-2.7 (44)
<b>Lazard</b>	2.5 (57)	20.0 (29)	10.4 (79)	-25.6 (85)	47.5 (24)	1.6 (49)	2.7 (69)	9.8 (54)	26.2 (13)	-10.7 (88)
MSCI AC World Index (Net)	4.2 (45)	19.4 (31)	16.5 (47)	-15.8 (48)	39.3 (54)	2.1 (47)	5.7 (50)	10.7 (48)	18.8 (48)	-3.7 (50)
<b>Harris Global Equity</b>	8.5	5.9	18.4	-17.0	56.6	-6.6	-2.0	5.0	38.9	-12.8
MSCI World Index (Net)	4.3	20.2	18.5	-14.3	39.0	2.8	6.3	11.1	18.2	-2.8
MSCI World Value (Net)	10.0	13.9	10.7	-6.6	37.9	-11.3	4.2	5.6	18.7	-3.7
<b>Arrowstreet Global Equity - Alpha Extension Fund</b>	9.6 (22)	31.4 (7)								
MSCI AC World IMI Index (Net)	3.8 (46)	18.4 (31)								
<b>Westrock Equity Fund</b>										
Total Equity Performance Benchmark										
<b>Fixed Income</b>	5.1	3.9	1.4	-7.5	3.1	6.4	6.4	1.3	5.2	3.5
Performance Benchmark	5.0	3.5	0.0	-10.9	1.1	7.9	8.1	-0.3	0.9	5.8
<b>BlackRock</b>	4.9 (43)	3.4 (66)	-0.4 (75)	-10.9 (69)	0.9 (72)	9.0 (18)	8.0 (26)	-0.3 (76)	0.3 (69)	6.0 (22)
Performance Benchmark	5.0 (33)	3.5 (65)	0.0 (70)	-10.9 (69)	1.1 (69)	7.9 (29)	8.1 (24)	-0.3 (73)	0.9 (55)	5.8 (25)
<b>Loomis Sayles</b>	7.0 (3)	7.1 (23)	3.3 (26)	-12.5 (82)	9.3 (21)	7.6 (31)	7.4 (37)	1.8 (26)	8.1 (16)	1.9 (69)
Performance Benchmark	5.3 (21)	5.4 (36)	2.7 (31)	-11.5 (75)	4.9 (33)	6.6 (39)	8.2 (21)	0.5 (48)	4.0 (26)	5.0 (35)
<b>SSgA Aggregate Bond Index</b>	4.8 (50)	2.7 (79)	-1.0 (85)	-10.4 (62)	-0.3 (92)	8.7 (21)	7.9 (28)	-0.4 (77)	-0.3 (83)	6.0 (22)
Barclays Aggregate Index	4.8 (50)	2.6 (80)	-0.9 (85)	-10.3 (61)	-0.3 (93)	8.7 (21)	7.9 (28)	-0.4 (77)	-0.3 (84)	6.0 (22)
<b>Wellington Global Total Return</b>	5.5 (28)	6.2 (81)	4.8 (50)	3.8 (6)	1.7 (88)	2.1 (43)	5.3 (28)	5.1 (46)	-0.7 (88)	1.3 (41)
BofA Merrill Lynch 3 Month US T-Bill	3.6 (45)	5.4 (83)	3.6 (62)	0.2 (15)	0.1 (90)	1.6 (47)	2.3 (58)	1.4 (78)	0.5 (86)	0.2 (46)
<b>Reams Core Plus Bond Fund</b>	5.1	2.6	2.6	-10.7	2.1	15.3	8.6	0.0	0.0	6.1
Barclays Aggregate Index	4.8	2.6	-0.9	-10.3	-0.3	8.7	7.9	-0.4	-0.3	6.0
<b>Baird Core Plus Bond</b>										
Bmbg. U.S. Universal Index										
<b>BRS Recycling Tax Credit</b>										
<b>BRS Recycling Tax Credit Phase 2</b>										
<b>BRS Recycling Tax Credit Phase 3</b>										

# Asset Allocation & Performance

## Calendar Year Performance

	Performance %									
	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
<b>Opportunistic/Alternatives</b>	5.4	12.7	7.9	0.2	10.4	-5.3	-0.2	0.6	6.8	-1.7
Custom Alternatives Benchmark	3.0	8.7	4.9	-0.2	11.5	-2.8	2.4	3.4	2.8	-3.7
<b>Anchorage</b>	-5.6	6.1	6.9	0.1	23.9	-5.4	1.4	6.2	5.9	-3.9
Credit Suisse Event Driven	7.6	11.0	5.2	-5.4	27.5	-6.9	1.9	3.8	9.3	-10.4
<b>York</b>	44.7	19.6	35.5	-9.1	5.3	-45.2	-5.9	12.2	14.3	-12.9
Credit Suisse Event Driven	7.6	11.0	5.2	-5.4	27.5	-6.9	1.9	3.8	9.3	-10.4
<b>Capula</b>	7.8	8.2	11.8	6.6	2.5	9.8	6.3	3.8	7.8	6.1
HFRI Macro (Total) Index	0.1	5.9	-0.4	7.9	15.0	0.8	2.4	1.1	-2.4	1.8
<b>Graham</b>	6.4	14.9	3.7	23.6	27.4	-5.6	2.1	6.5	-3.2	-1.0
HFRI Macro (Total) Index	0.1	5.9	-0.4	7.9	15.0	0.8	2.4	1.1	-2.4	1.8
<b>Circumference Group Core Value</b>	-1.7	4.7	16.4	-10.1	27.9	5.0	2.7	15.9	14.0	
Russell 2000 Index	-0.8	10.1	12.3	-25.2	62.0	-6.6	-3.3	17.6	24.6	
<b>Aeolus Keystone Fund</b>	11.3	4.4	11.3	-8.2	-0.2	5.1	-5.8	-17.9	11.2	
FTSE 3 Month T-Bill	3.7	5.6	3.7	0.2	0.1	1.6	2.3	1.3	0.5	
Eurekahedge ILS Advisers Index	7.5	11.2	4.2	0.4	3.6	2.9	-5.5	-6.6	5.0	
<b>Parametric Global Defensive Equity Fund</b>	4.1	12.7	12.6	-5.5	22.6	-4.2	3.9	5.8		
Performance Benchmark	4.0	12.6	10.4	-7.8	18.5	2.4	4.4	6.0		
MSCI AC World Index	4.5	19.9	17.1	-15.4	39.9	2.6	6.3	11.3		
<b>Man Alternative Risk Premia</b>	-0.7	15.3	8.5	12.1	2.8	-7.9	1.8			
SG Multi Alternative Risk Premia Index	5.2	10.9	6.1	4.0	3.1	-11.6	0.4			
<b>CFM Systematic Global Macro Fund</b>	14.2	7.4	-4.8							
HFRI Macro: Systematic Diversified Index	-6.5	4.4	-3.4							
<b>Pillar Opportunity</b>	5.3	17.9	-3.0							
FTSE 3 Month T-Bill	3.7	5.6	3.7							
Eurekahedge ILS Advisers Index	7.5	11.2	4.2							
<b>Chatham PDSC III</b>	3.1	17.7	18.8							
HFRI Event-Driven (Total) Index	6.0	10.8	5.3							
<b>Silver Point Capital Fund</b>	5.7	10.3	8.0							
HFRI ED: Distressed/Restructuring Index	7.4	10.3	1.6							
<b>Prophet Mtg. Servicing Opportunities</b>	11.0	19.3								
HedgeIndex Main Index	4.9	11.0								
<b>Chatham PDSC IV</b>	8.0	19.3								
HFRI Event-Driven (Total) Index	6.0	10.8								

# Asset Allocation & Performance

## Calendar Year Performance

	Performance %									
	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016
<b>Real Assets</b>	1.7	-2.4	1.5	16.0	4.7	3.9	5.6	9.4	7.5	9.5
<i>Total Real Assets Benchmark</i>	1.6	-3.9	1.7	21.0	2.6	4.1	5.7	6.2	6.6	10.1
<b>Real Estate</b>	-0.4	-7.8	-3.5	21.7	0.8	2.0	5.7	11.1	6.9	12.0
<i>NFI-ODCE (Net)</i>	0.3	-12.0	-3.9	27.3	-0.7	3.9	6.5	7.1	7.4	12.6
<b>Timber</b>	8.3	4.5	7.1	13.2	4.9	12.2	-0.3	1.2	8.0	0.4
<i>Timberland Property Benchmark</i>	4.8	9.8	11.3	11.8	1.6	3.1	0.1	2.6	3.7	2.5
<b>BTG Timber Separate Account</b>										
<b>BTG U.S. Timberland Fund, L.P.</b>										
<b>Agriculture</b>	-0.8	4.3	10.1	12.8	6.0	1.8	3.5	3.3	4.3	9.8
<i>Agriculture Benchmark</i>	-1.8	3.6	9.1	9.7	4.1	3.3	5.4	3.5	4.5	5.6
<b>HFMS Farmland</b>	-1.4	3.5	11.4	14.1	7.0	1.4	3.4	2.9	3.9	10.7
<i>HFMS custom NCREIF Farmland Index</i>	-1.8	3.6	9.1	9.7	4.4	4.6	4.9	2.0	4.0	4.8
<b>UBS Agrivest Core Farmland Fund</b>	1.2	6.4	6.9	9.4	3.5	3.1	4.0	4.5	5.0	6.2
<i>UBS Agrivest custom NCREIF Farmland Index</i>	-1.8	3.6	9.1	9.7	4.2	4.7	6.2	5.0	5.5	8.4
<b>Infrastructure</b>	4.4	6.7	12.6	16.3	21.2	7.2	14.6			
<i>Infrastructure Benchmark</i>	4.8	8.6	10.2	12.3	6.4	7.4	7.0			
<b>Private Equity</b>	0.5	1.5	2.1	16.6	33.3	4.9	12.8	22.3	16.7	7.7
<i>Private Equity Policy</i>	14.3	31.9	-6.9	13.9	65.9	-7.5	10.8	16.1	20.4	1.6
<b>Cash</b>	7.7	19.5	7.8	2.1	0.8	3.8	6.5	1.2	5.0	3.2

\*The Real Assets and Private Equity returns and their benchmark returns are shown on a one-quarter lag.

\*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 145 of this report.

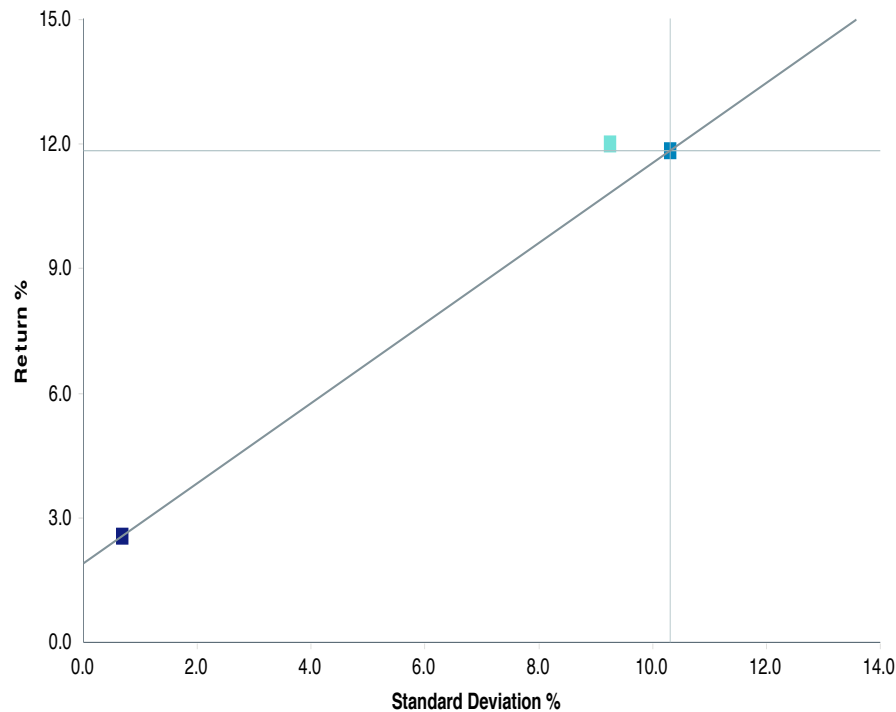
\*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

\*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

# Risk Profile Total Fund

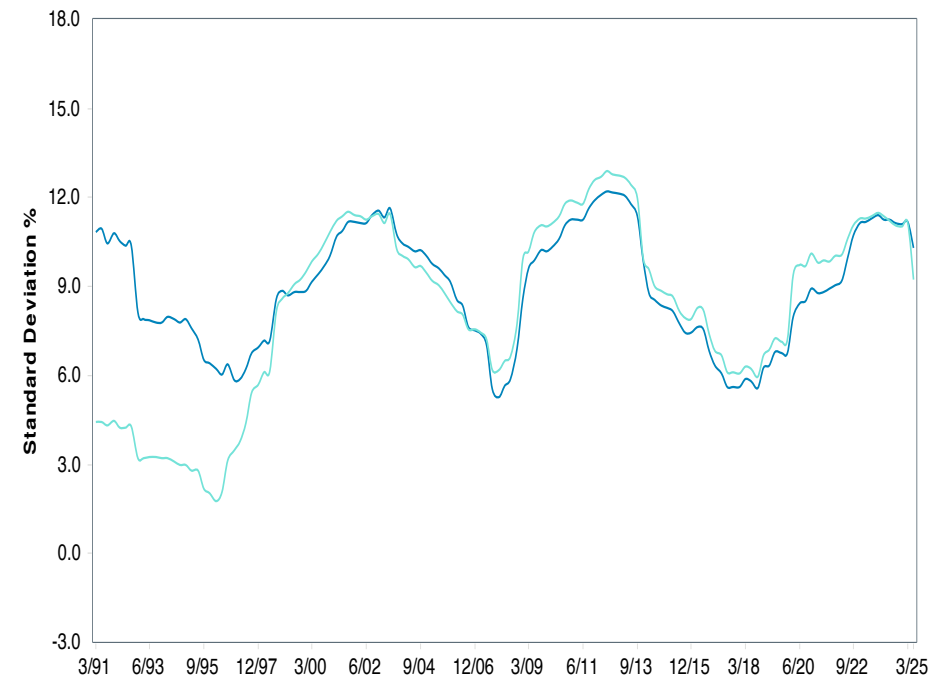
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Total Fund ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



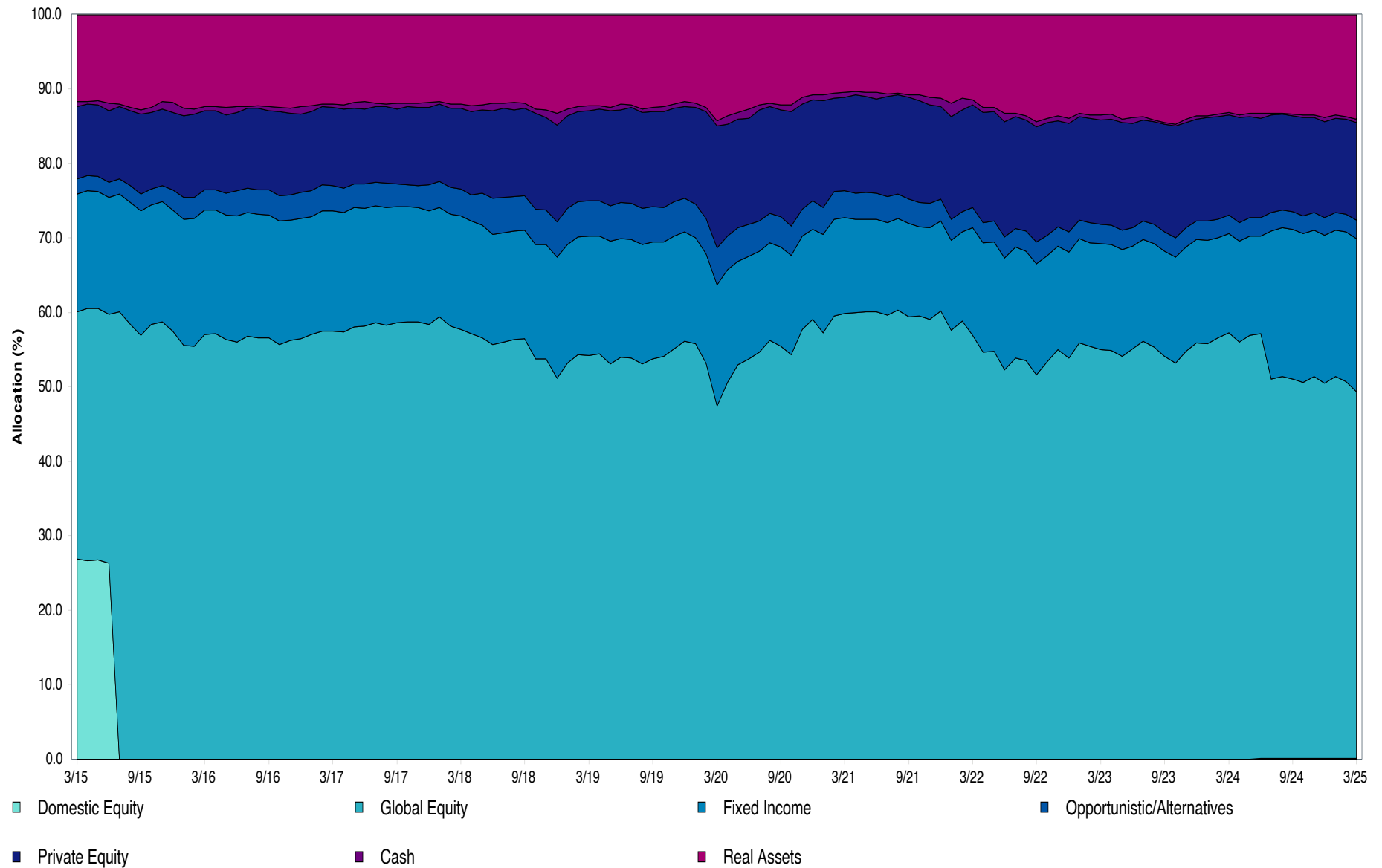
— Total Fund — Performance Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
<b>Total Fund</b>	<b>0.04</b>	<b>3.24</b>	<b>0.01</b>	<b>0.90</b>	<b>0.99</b>	<b>1.79</b>	<b>0.85</b>	<b>12.01</b>	<b>9.25</b>	<b>0.95</b>
Performance Benchmark	0.00	0.00	-	1.00	0.89	0.00	1.00	11.85	10.31	1.00
90 Day U.S. Treasury Bill	-9.25	10.36	-0.89	0.00	-	2.58	0.00	2.56	0.68	-0.03

# Historical Asset Allocation by Segment

10 Years Ending March 31, 2025



# Total Fund Asset Allocation

Asset Allocation as of 3/31/2025							Values in \$1,000		
	Total Equity	U.S. Bond	Real Estate	Private Equity	Cash	Total	Percent of Total	Interim Policy	Long-Term Target
Jacobs Levy 130/30	\$1,239,700.6	--	--	--	--	\$1,239,700.6	5.52%		
Kennedy Capital Management	\$408,676.4	--	--	--	--	\$408,676.4	1.82%		
Stephens	\$403,557.4	--	--	--	--	\$403,557.4	1.80%		
Voya Absolute Return	\$1,003,848.8	--	--	--	--	\$1,003,848.8	4.47%		
Voya U.S. Convertibles	\$856,608.3	--	--	--	--	\$856,608.3	3.82%		
Pershing Square Holdings	\$350,733.1	--	--	--	--	\$350,733.1	1.56%		
SSgA Global Index	\$874,385.8	--	--	--	--	\$874,385.8	3.89%		
BlackRock MSCI ACWI IMI Fund	\$759,626.9	--	--	--	--	\$759,626.9	3.38%		
Wellington Global Perspectives	\$719,991.0	--	--	--	--	\$719,991.0	3.21%		
T. Rowe Price Global Equity	\$1,212,608.0	--	--	--	--	\$1,212,608.0	5.40%		
Lazard	\$876,993.7	--	--	--	--	\$876,993.7	3.91%		
Harris Global Equity	\$747,775.6	--	--	--	--	\$747,775.6	3.33%		
Triar Partners	\$102,821.0	--	--	--	--	\$102,821.0	0.46%		
Triar Partners Co-Investments	\$78,875.4	--	--	--	--	\$78,875.4	0.35%		
Global Equity Transition Account	\$0.0	--	--	--	--	\$0.0	0.00%		
Arrowstreet	\$1,196,973.2	--	--	--	--	\$1,196,973.2	5.33%		
Westrock Equity Fund	\$18,050.0	--	--	--	--	\$18,050.0	0.08%		
<b>Total Equity</b>						<b>\$10,851,225.2</b>	<b>48.33%</b>	<b>54.84%</b>	<b>53.00%</b>
BlackRock	--	\$272,583.6	--	--	--	\$272,583.6	1.21%		
Loomis Sayles	--	\$737,333.3	--	--	--	\$737,333.3	3.28%		
SSgA Aggregate Bond Index	--	\$1,363,263.9	--	--	--	\$1,363,263.9	6.07%		
Wellington Global Total Return	--	\$436,676.1	--	--	--	\$436,676.1	1.95%		
Reams Core Plus Bond Fund	--	\$608,574.1	--	--	--	\$608,574.1	2.71%		
Baird Core Plus Bond Fund	--	\$834,072.3	--	--	--	\$834,072.3	3.72%		
BRS Recycling Tax Credit	--	\$186,500.0	--	--	--	\$186,500.0	0.83%		
BRS Recycling Tax Credit Phase 2	--	\$91,200.0	--	--	--	\$91,200.0	0.41%		
BRS Recycling Tax Credit Phase 3	--	\$82,119.8	--	--	--	\$82,119.8	0.37%		
<b>Total Fixed Income</b>						<b>\$4,612,323.1</b>	<b>20.54%</b>	<b>15.00%</b>	<b>15.00%</b>
Anchorage	--	--	--	\$16,781.9	--	\$16,781.9	0.07%		
Capula	--	--	--	\$111,696.3	--	\$111,696.3	0.50%		
Graham	--	--	--	\$114,122.0	--	\$114,122.0	0.51%		
York	--	--	--	\$315.9	--	\$315.9	0.00%		
Circumference Group Core Value	--	--	--	\$41,064.6	--	\$41,064.6	0.18%		
Aeolus Keystone Fund	--	--	--	\$19,543.0	--	\$19,543.0	0.09%		
Nephila Rubik Holdings	--	--	--	\$0.0	--	\$0.0	0.00%		
Parametric Global Defensive Equity	--	--	--	\$242,998.8	--	\$242,998.8	1.08%		
Man Alternative Risk Premia	--	--	--	\$130,553.1	--	\$130,553.1	0.58%		
CFM Systematic Global Macro	--	--	--	\$120,001.4	--	\$120,001.4	0.53%		
Juniperus	--	--	--	\$117,191.8	--	\$117,191.8	0.52%		
Chatham PDSC III	--	--	--	\$77,365.0	--	\$77,365.0	0.34%		
Silver Point Capital	--	--	--	\$59,913.4	--	\$59,913.4	0.27%		
Chatham PDSC IV	--	--	--	\$70,929.0	--	\$70,929.0	0.32%		
Prophet	--	--	--	\$51,252.1	--	\$51,252.1	0.23%		
<b>Total Opportunistic/Alternatives</b>						<b>\$1,173,728.3</b>	<b>5.23%</b>	<b>5.23%</b>	<b>5.00%</b>
<b>Real Estate</b>			\$1,607,637.9			\$1,607,637.9	7.16%		
<b>Timber</b>			\$388,440.0			\$388,440.0	1.73%		
<b>Agriculture</b>			\$247,482.0			\$247,482.0	1.10%		
<b>Infrastructure</b>			\$529,037.6			\$529,037.6	2.36%		
<b>Total Real Assets</b>						<b>\$2,772,597.6</b>	<b>12.35%</b>	<b>12.92%</b>	<b>15.00%</b>
<b>Total Private Equity</b>				\$2,930,925.0		\$2,930,925.0	13.06%	12.00%	12.00%
<b>Total Cash</b>					\$109,519.1	\$109,519.1	0.49%	0.00%	0.00%
<b>Total Fund</b>	<b>\$10,851,225.2</b>	<b>\$4,612,323.1</b>	<b>\$2,772,597.6</b>	<b>\$4,104,653.4</b>	<b>\$109,519.1</b>	<b>\$22,450,318.3</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.  
Market values and allocation percentages may not add to the total due to rounding.

# Real Estate Asset Allocation

Asset Allocation as of 3/31/2025				Values in \$1,000			
	Real Estate	Percent of Real Estate	Percent of Total Fund		Real Estate	Percent of Real Estate	Percent of Total Fund
Almanac Realty Securities Fund V	\$42.5	0.00%	0.00%	LaSalle Asia Opportunity Fund VI	\$13,098.0	0.81%	0.06%
Almanac Realty Securities Fund VI	\$2,822.3	0.18%	0.01%	LaSalle Income & Growth Fund VI	\$2,192.2	0.14%	0.01%
Almanac Realty Securities Fund VII	\$15,332.2	0.95%	0.07%	LaSalle Income & Growth Fund VII	\$5,009.7	0.31%	0.02%
Almanac Realty Securities Fund VIII	\$25,043.6	1.56%	0.11%	LaSalle Income & Growth Fund VIII	\$32,567.9	2.03%	0.15%
Almanac Realty Securities Fund IX	\$11,902.8	0.74%	0.05%	LaSalle US Value Partners IX	\$8,056.0	0.50%	0.04%
American Center	\$31,656.2	1.97%	0.14%	LBA Logistics Value Fund	\$46,288.9	2.88%	0.21%
AR Insurance	\$2,389.8	0.15%	0.01%	Lone Star Real Estate Fund IV	\$6,778.7	0.42%	0.03%
AR Teachers Retirement Building	\$4,899.7	0.30%	0.02%	Lone Star Real Estate Fund VII	-\$1,711.0	-0.11%	-0.01%
Blackstone Real Estate Partners VII	\$6,178.7	0.38%	0.03%	Long Wharf Real Estate Partners V	\$14,098.6	0.88%	0.06%
Blackstone RE Europe VI	\$37,709.9	2.35%	0.17%	Long Wharf Real Estate Partners VI	\$32,906.1	2.05%	0.15%
Blackstone RE Europe VII	\$9,159.8	0.57%	0.04%	Long Wharf Real Estate Partners VII	\$45,741.6	2.85%	0.20%
Blackston RE X	\$28,448.7	1.77%	0.13%	Mesa West Income Fund V	\$22,090.9	1.37%	0.10%
Carlyle Realty Partners VII	\$6,060.2	0.38%	0.03%	Metropolitan RE Co-Investments	\$4,922.1	0.31%	0.02%
Carlyle Realty VIII	\$10,334.2	0.64%	0.05%	Met Life Commercial Mtg Inc Fund	\$42,189.8	2.62%	0.19%
Carlyle Realty IX	\$18,788.2	1.17%	0.08%	Morgan Stanley Prime Property Fund	\$56,706.8	3.53%	0.25%
CBREI SP U.S. Opportunity V	\$102.5	0.01%	0.00%	New Boston Fund VII	\$17,882.0	1.11%	0.08%
CBREI SP VIII	\$10,889.1	0.68%	0.05%	O'Connor NAPP II	\$2,412.0	0.15%	0.01%
CBREI SP IX	\$42,372.0	2.64%	0.19%	PRISA	\$262,124.9	16.30%	1.17%
Cerberus Institutional RE Partners III	\$7,518.5	0.47%	0.03%	Recoveries Land	\$0.0	0.00%	0.00%
Calmwater	\$8,671.6	0.54%	0.04%	Rockwood Capital RE Partners IX	\$375.6	0.02%	0.00%
Fletcher Properties	\$1,080.9	0.07%	0.00%	Rockwood Capital RE XI	\$26,791.6	1.67%	0.12%
FPA Core Plus IV	\$35,078.6	2.18%	0.16%	Rose Law Firm	\$4,594.1	0.29%	0.02%
GCP GLP IV	\$34,755.6	2.16%	0.15%	RREEF Core Plus Industrial Fund	\$64,127.2	3.99%	0.29%
Harbert European Real Estate	\$993.7	0.06%	0.00%	Torchlight Debt Opportunity Fund IV	\$333.5	0.02%	0.00%
Heitman European Property IV	\$283.6	0.02%	0.00%	Torchlight Debt Opportunity Fund V	\$2,421.5	0.15%	0.01%
JP Morgan Strategic Property Fund	\$146,925.0	9.14%	0.65%	Torchlight Debt Opportunity Fund VI	\$20,133.2	1.25%	0.09%
Kayne Anderson V	\$16,453.4	1.02%	0.07%	Torchlight Debt Opportunity Fund VII	\$50,929.8	3.17%	0.23%
Kayne Anderson VI	\$53,105.8	3.30%	0.24%	UBS Trumbull Property Fund	\$102,444.6	6.37%	0.46%
Kayne Anderson VII	\$0.0	0.00%	0.00%	UBS Trumbull Property Income Fund	\$49,877.3	3.10%	0.22%
Landmark Fund VI	\$11.2	0.00%	0.00%	Victory	\$33,955.5	2.11%	0.15%
Landmark Real Estate IX	\$11,428.9	0.71%	0.05%	Walton Street Real Estate Debt II	\$21,904.7	1.36%	0.10%
Landmark Real Estate VIII	\$13,524.8	0.84%	0.06%	West Mphs. DHS	\$0.0	0.00%	0.00%
LaSalle Asia Opportunity Fund IV	\$1,206.4	0.08%	0.01%	Westbrook IX	\$3,211.1	0.20%	0.01%
LaSalle Asia Opportunity Fund V	\$12,482.8	0.78%	0.06%	Westbrook Real Estate Fund X	\$5,529.7	0.34%	0.02%
Total Real Estate					\$1,607,637.9	100.00%	7.16%

\*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows. Market values and allocation percentages may not add to the total due to rounding.

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# Private Equity Asset Allocation

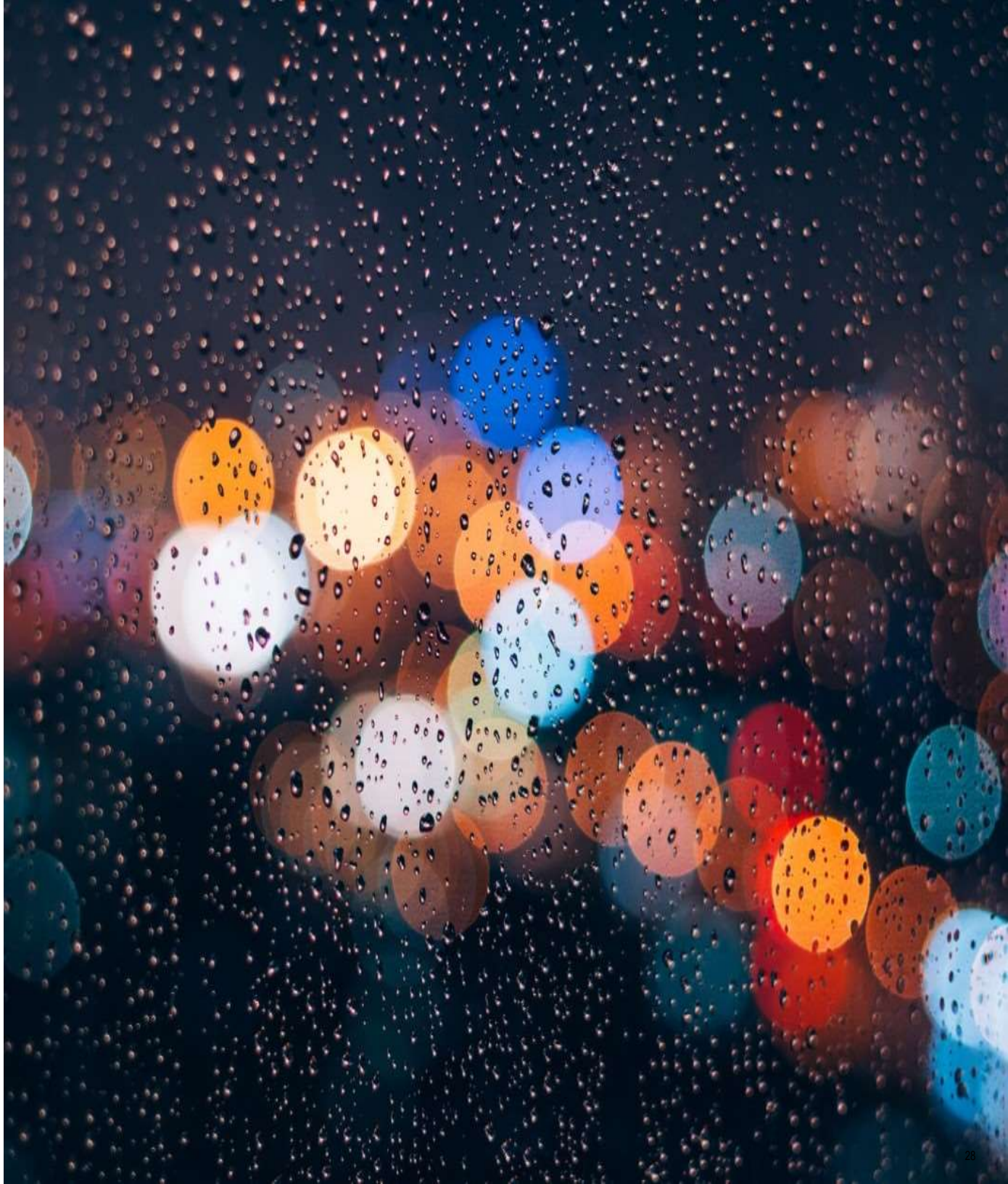
Asset Allocation as of 3/31/2025				Values in \$1,000			
	Private Equity	Percent of Private Equity	Percent of Total Fund		Private Equity	Percent of Private Equity	Percent of Total Fund
Alpine IX	\$9,683.2	0.33%	0.04%	Insight Equity II	\$4,560.1	0.16%	0.02%
Alpine VIII	\$30,746.7	1.05%	0.14%	Insight Mezzanine I	\$2,078.9	0.07%	0.01%
Arlington Capital IV	\$38,095.7	1.30%	0.17%	JF Lehman III	\$21,284.4	0.73%	0.09%
Arlington Capital V	\$44,416.2	1.52%	0.20%	JF Lehman IV	\$4,478.6	0.15%	0.02%
Arlington Capital VI	\$23,126.9	0.79%	0.10%	JF Lehman V	\$44,666.9	1.52%	0.20%
Advent GPE VI	\$3,027.1	0.10%	0.01%	JF Lehman VI	\$13,688.3	0.47%	0.06%
Altus Capital II	\$5,452.7	0.19%	0.02%	KPS III	\$0.0	0.00%	0.00%
American Industrial Partners VI	\$26,494.5	0.90%	0.12%	KPS IV	\$9,728.8	0.33%	0.04%
American Industrial Partners VII	\$48,956.5	1.67%	0.22%	KPS V	\$26,674.8	0.91%	0.12%
Altaris Constellation Partners	\$22,612.5	0.77%	0.10%	KPS Mid-Cap	\$19,460.9	0.66%	0.09%
Altaris Health Partners IV	\$23,823.0	0.81%	0.11%	Levine Leichtman V	\$805.3	0.03%	0.00%
Atlas Capital II	\$5,908.7	0.20%	0.03%	Lime Rock III	\$16,129.2	0.55%	0.07%
Audax Mezzanine III	\$1,264.8	0.04%	0.01%	LLR III	\$243.1	0.01%	0.00%
Big River - Equity	\$1,788.0	0.06%	0.01%	LLR VI	\$26,542.2	0.91%	0.12%
Big River - Holdings Note 2023	\$0.0	0.00%	0.00%	LLR VII	\$2,523.6	0.09%	0.01%
Big River - Holdings Note 3/16/23	\$0.0	0.00%	0.00%	Mason Wells III	\$0.0	0.00%	0.00%
Bison V	\$19,828.8	0.68%	0.09%	NGP X	\$2,830.7	0.10%	0.01%
Bison VI	\$20,430.6	0.70%	0.09%	NGP XI	\$8,696.7	0.30%	0.04%
Boston Ventures VII	\$776.6	0.03%	0.00%	NGP XII	\$16,977.0	0.58%	0.08%
Boston Ventures IX	\$25,015.5	0.85%	0.11%	One Rock Capital Partners II	\$28,302.8	0.97%	0.13%
Boston Ventures X	\$35,971.4	1.23%	0.16%	PineBridge	\$10,209.4	0.35%	0.05%
Boston Ventures XI	\$18,229.0	0.62%	0.08%	Revelstoke	\$26,369.9	0.90%	0.12%
BV VIII	\$7,027.6	0.24%	0.03%	Post Road	\$23,957.5	0.82%	0.11%
Castlelake II	\$5,332.4	0.18%	0.02%	Riverside Value Fund I	\$28,412.1	0.97%	0.13%
Castlelake III	\$7,888.3	0.27%	0.04%	Riverside V	\$24,978.9	0.85%	0.11%
Clearlake V	\$32,042.7	1.09%	0.14%	Riverside VI	\$34,510.1	1.18%	0.15%
Clearlake VI	\$43,948.0	1.50%	0.20%	Siris III	\$9,344.5	0.32%	0.04%
Clearlake VII	\$22,259.6	0.76%	0.10%	Siris IV	\$33,130.8	1.13%	0.15%
Clearlake VIII	\$1,495.5	0.05%	0.01%	SK Capital V	\$29,106.7	0.99%	0.13%
Court Square III	\$21,516.5	0.73%	0.10%	Sk Capital VI	\$21,477.6	0.73%	0.10%
CSFB-ATRS 2005-1 Series	\$12,371.3	0.42%	0.06%	South Harbor Note	\$16,491.3	0.56%	0.07%
CSFB-ATRS 2006-1 Series	\$12,277.8	0.42%	0.05%	Sycamore Partners II	\$14,896.7	0.51%	0.07%
Diamond State Ventures II	\$480.1	0.02%	0.00%	Sycamore Partners III	\$29,048.3	0.99%	0.13%
DW Healthcare III	\$1,305.2	0.04%	0.01%	TA XI	\$4,697.3	0.16%	0.02%
DW Healthcare IV	\$19,674.3	0.67%	0.09%	Thoma Bravo Discover	\$5,398.7	0.18%	0.02%
DW Healthcare V	\$39,231.2	1.34%	0.17%	Thoma Bravo Discover II	\$19,498.3	0.67%	0.09%
EnCap IX	\$5,881.3	0.20%	0.03%	Thoma Bravo Discover III	\$27,015.0	0.92%	0.12%
EnCap VIII	\$18,461.2	0.63%	0.08%	Thomas Bravo Discover IV	\$13,054.8	0.45%	0.06%
EnCap X	\$14,519.9	0.50%	0.06%	Thoma Bravo Explore I	\$31,867.9	1.09%	0.14%
EnCap XI	\$27,113.7	0.93%	0.12%	Thoma Bravo Explore II	\$2,287.8	0.08%	0.01%
Enlightenment Capital Solutions V	\$5,479.4	0.19%	0.02%	Thoma Bravo XI	\$16,277.1	0.56%	0.07%
Franklin Park Series	\$1,177,638.8	40.18%	5.25%	Thoma Bravo XII	\$31,996.5	1.09%	0.14%
Greenbriar V	\$34,319.3	1.17%	0.15%	Thoma Bravo XIII	\$36,825.1	1.26%	0.16%
Greenbriar VI	\$12,071.2	0.41%	0.05%	Thoma Bravo XIV	\$21,931.2	0.75%	0.10%
Green & Clean Power	-\$50.0	0.00%	0.00%	Thoma Bravo XV	\$16,194.9	0.55%	0.07%
GCG IV	\$16,542.9	0.56%	0.07%	Vista Equity III	\$2,535.7	0.09%	0.01%
GCG V	\$30,780.6	1.05%	0.14%	Vista Foundation II	\$6,070.0	0.21%	0.03%
GCG VI	\$13,452.5	0.46%	0.06%	Vista Foundation III	\$25,993.3	0.89%	0.12%
GTLA Holdings	\$70,000.0	2.39%	0.31%	Wellspring V	\$10,237.5	0.35%	0.05%
Highland	\$13,474.1	0.46%	0.06%	Wicks IV	\$7,668.0	0.26%	0.03%
Hybar LLC	\$200.5	0.01%	0.00%	WNG II	\$27,385.7	0.93%	0.12%
Total Private Equity					\$2,930,925.0	100.00%	13.06%

\*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.  
Market values and allocation percentages may not add to the total due to rounding.



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Total Equity

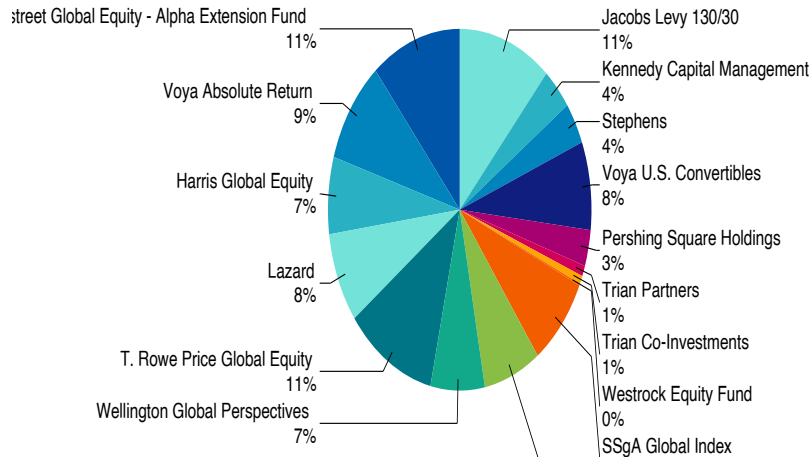


# Composite Portfolio Overview Total Equity

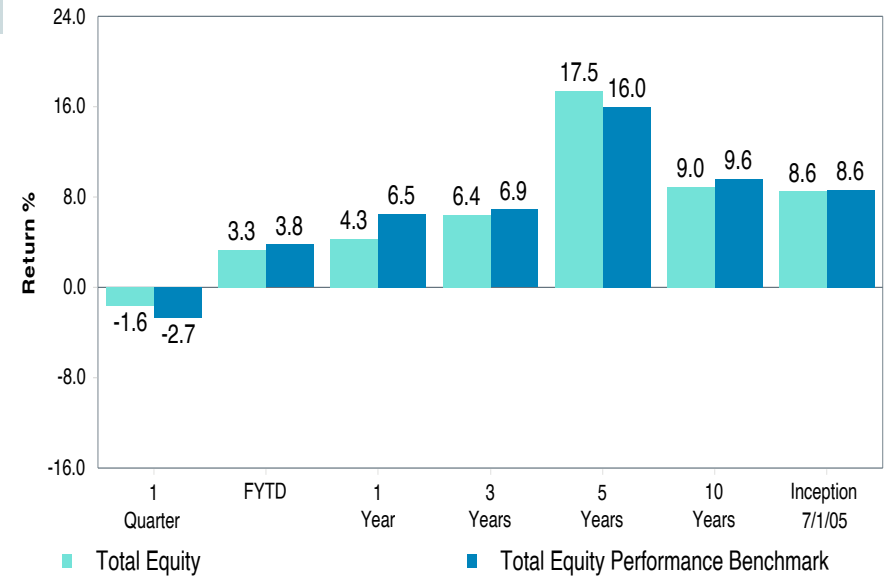
As of March 31, 2025

## Current Allocation

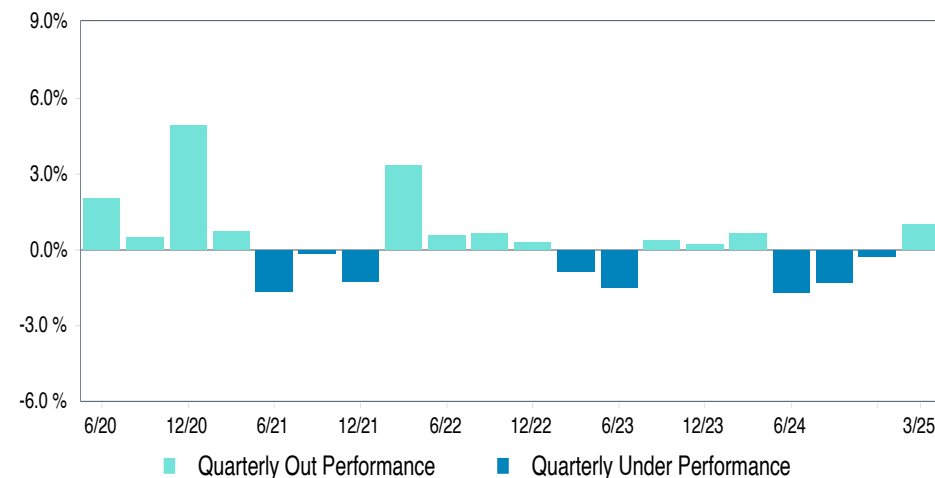
March 31, 2025 : \$10,851,225,231



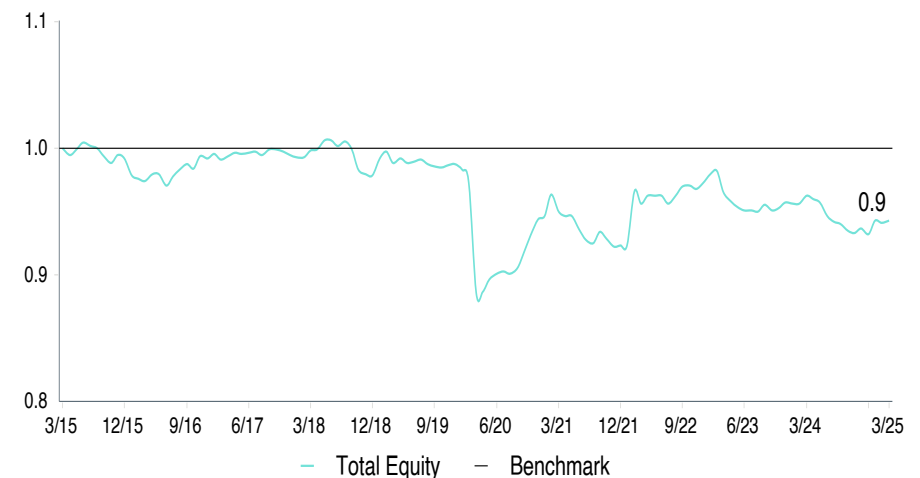
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years

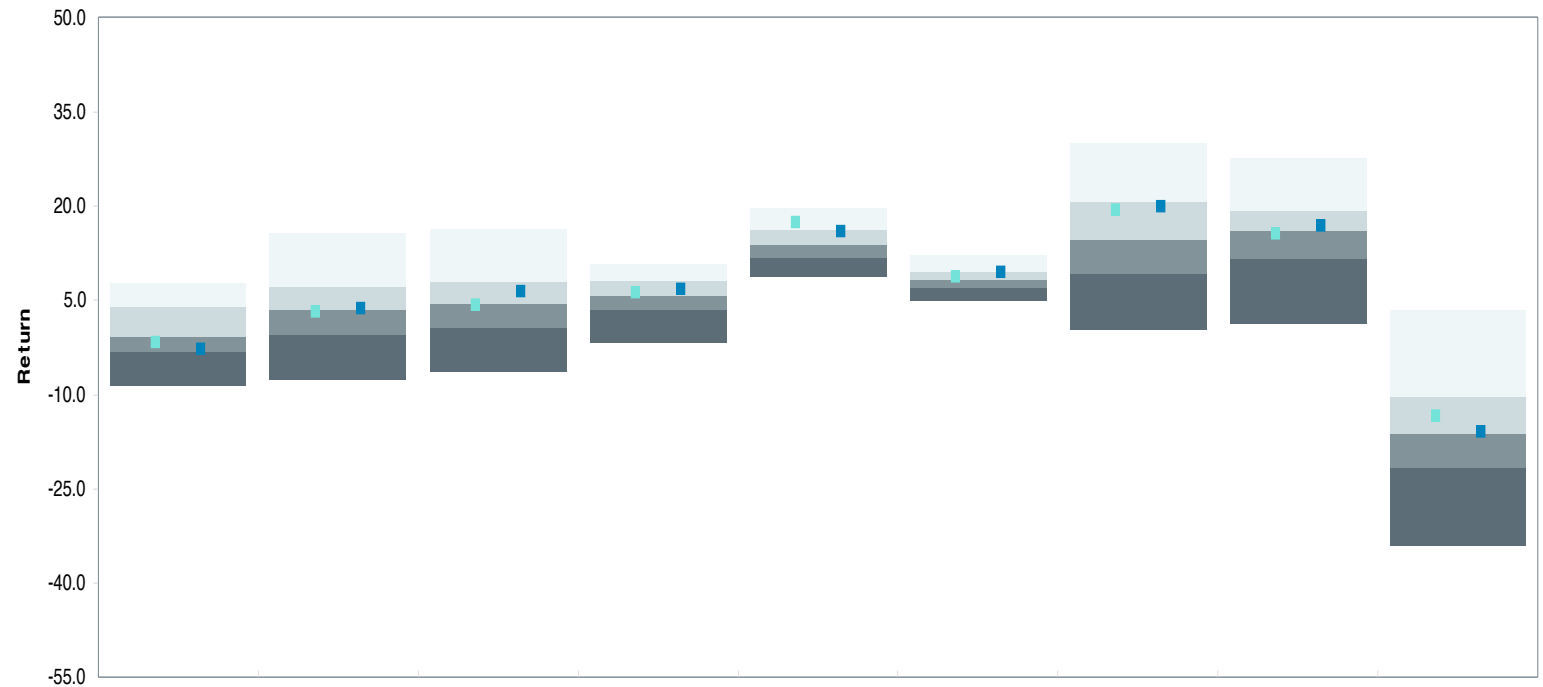


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

# Peer Group Analysis

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Total Equity	-1.6 (60)	3.3 (52)	4.3 (53)	6.4 (43)	17.5 (16)	9.0 (40)	19.5 (31)	15.7 (55)	-13.4 (37)
Total Equity Performance Benchmark	-2.7 (71)	3.8 (49)	6.5 (35)	6.9 (38)	16.0 (30)	9.6 (26)	20.1 (29)	17.0 (44)	-15.8 (48)
5th Percentile	7.8	15.8	16.4	10.9	19.8	12.2	30.2	27.6	3.4
1st Quartile	3.9	7.2	8.0	8.1	16.3	9.6	20.7	19.3	-10.3
Median	-0.7	3.4	4.6	5.7	13.9	8.4	14.7	16.1	-16.2
3rd Quartile	-3.2	-0.6	0.5	3.4	11.8	7.0	9.3	11.8	-21.5
95th Percentile	-8.7	-7.6	-6.2	-1.8	8.8	4.9	0.3	1.2	-34.1

Population

483

482

482

456

420

315

523

543

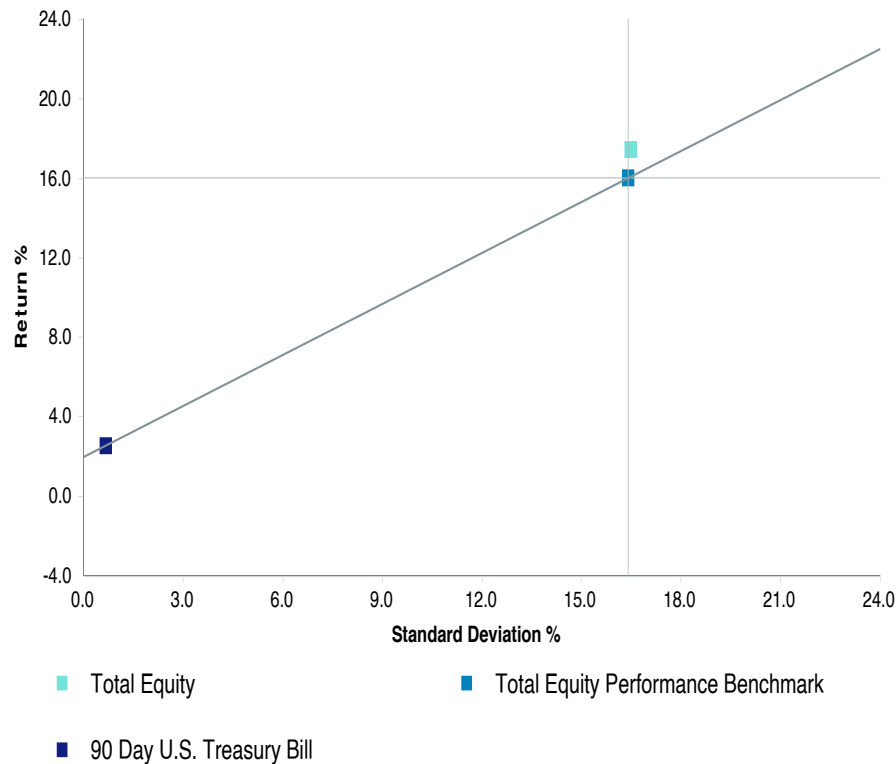
540

Parentheses contain percentile rankings.

# Risk Profile Total Equity

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



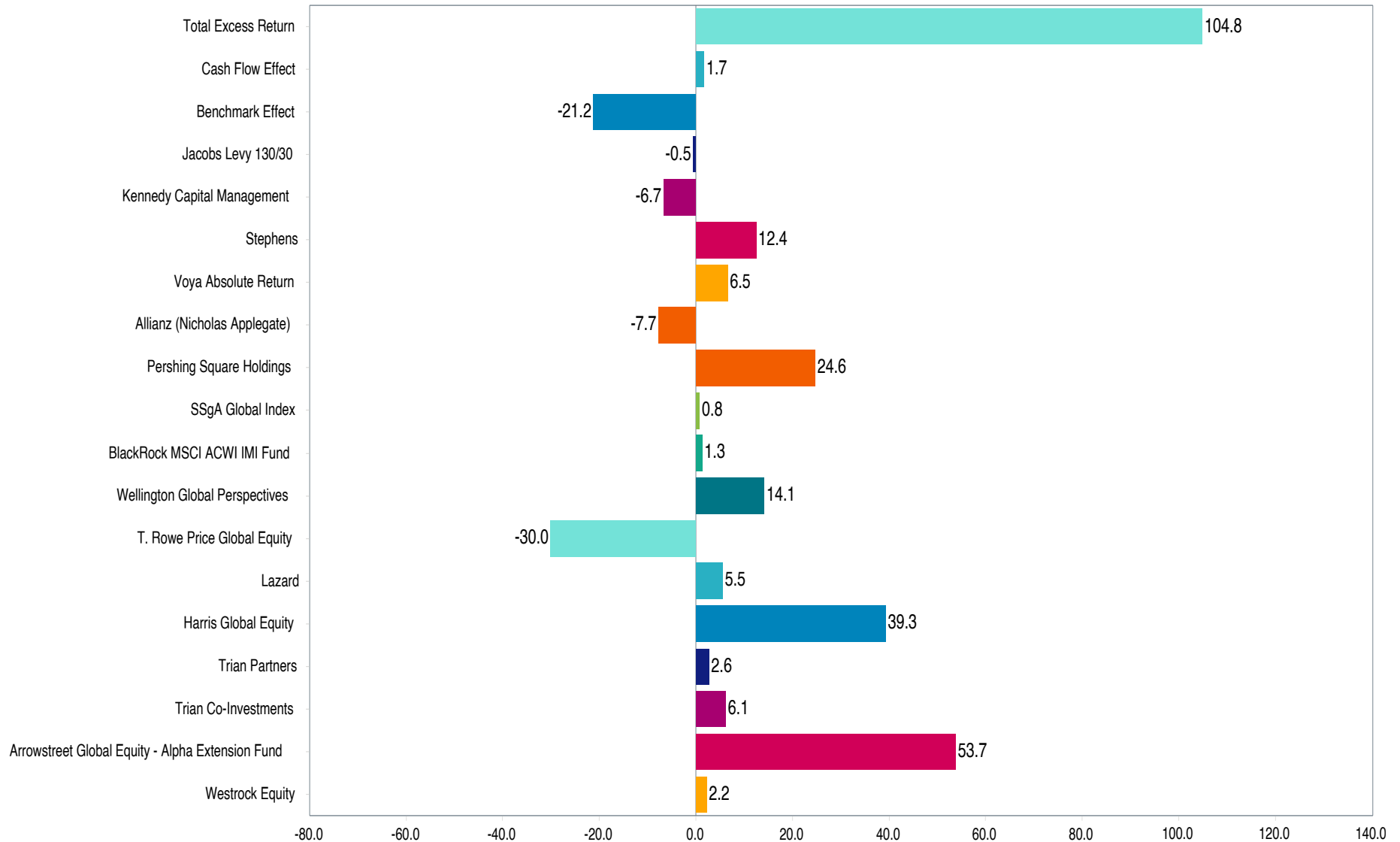
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Equity	1.26	3.22	0.39	0.96	0.91	1.50	0.99	17.46	16.49	0.98
Total Equity Performance Benchmark	0.00	0.00	-	1.00	0.84	0.00	1.00	16.02	16.40	1.00
90 Day U.S. Treasury Bill	-13.73	16.44	-0.84	0.00	-	2.58	0.00	2.56	0.68	-0.03

# Asset Class Attribution

1 Quarter Ending March 31, 2025

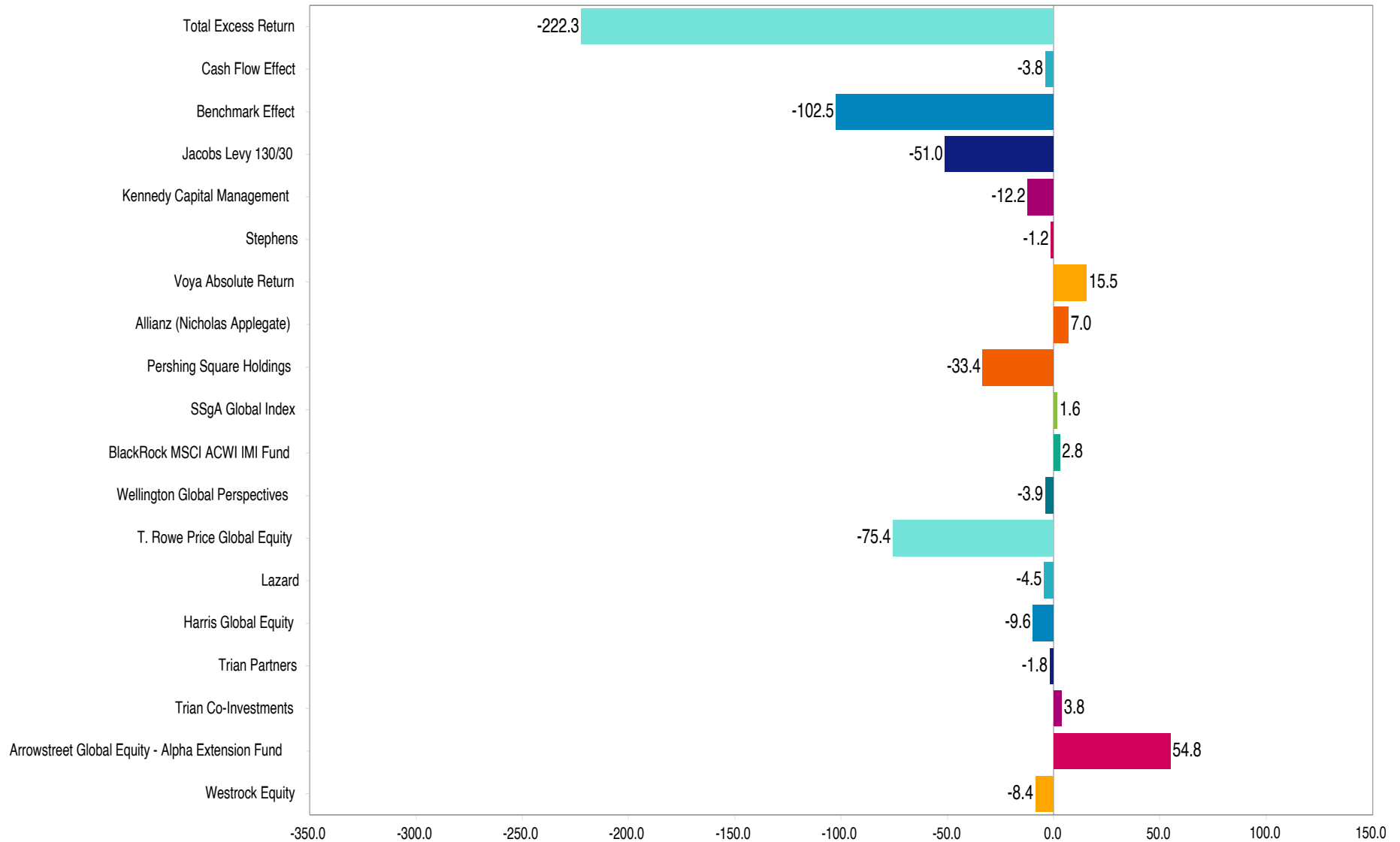
1 Quarter



# Asset Class Attribution

1 Year Ending March 31, 2025

1 Year



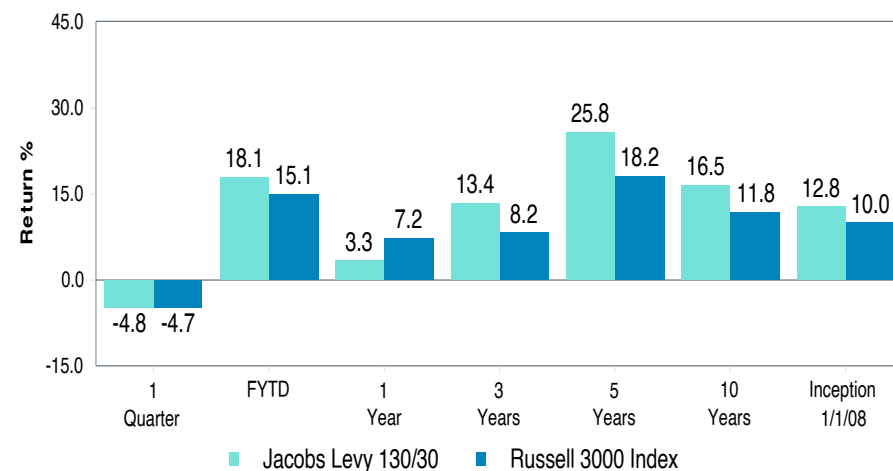
# Manager Performance Summary Jacobs Levy 130/30

As of March 31, 2025

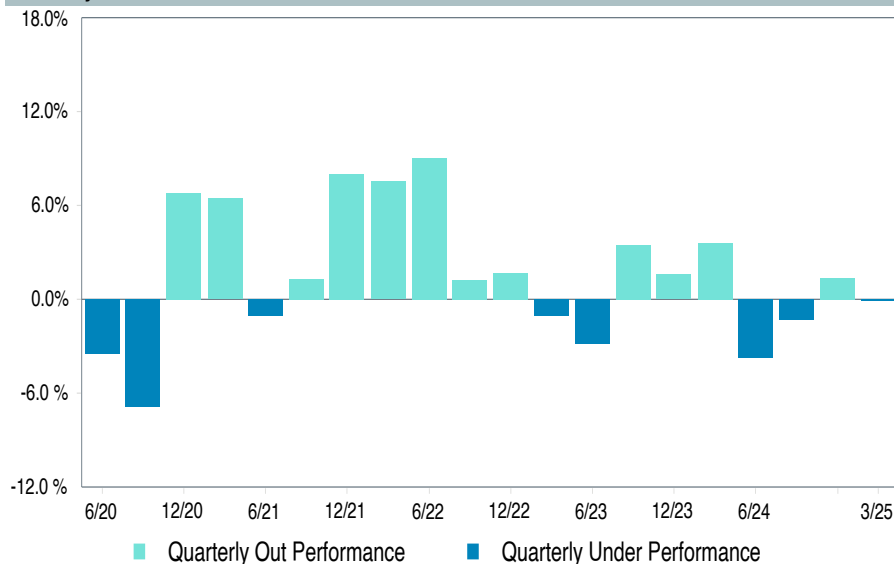
## Account Information

Account Name	Jacobs Levy 130/30
Inception Date	12/31/2007
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	Russell 3000 Index
Peer Group	IM U.S. Equity (SA+CF)

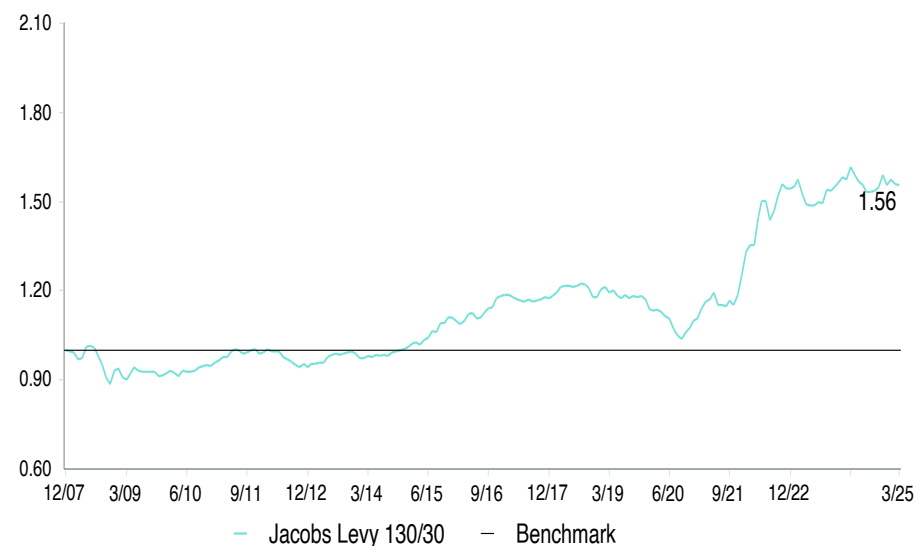
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception

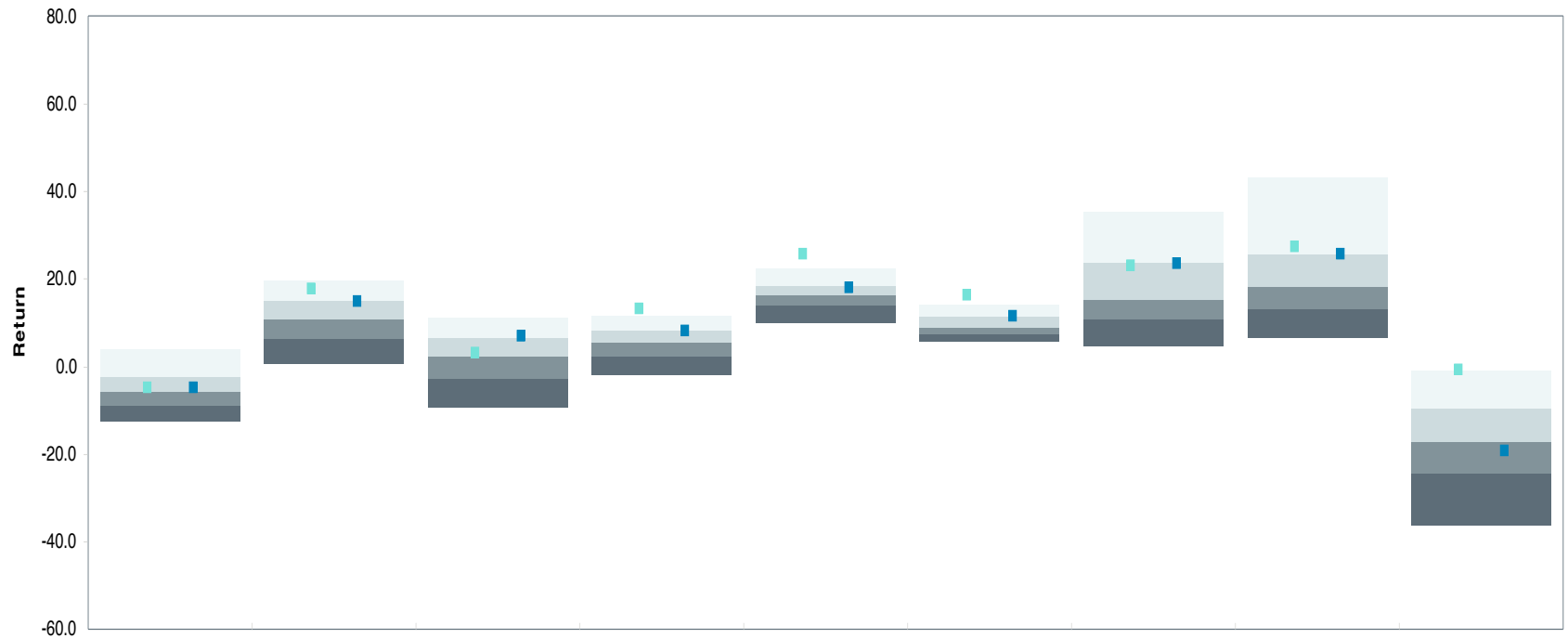




# Jacobs Levy 130/30

As of March 31, 2025

IM U.S. Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Jacobs Levy 130/30	-4.8 (44)	18.1 (10)	3.3 (46)	13.4 (3)	25.8 (3)	16.5 (1)	23.3 (27)	27.6 (19)	-0.5 (5)
Russell 3000 Index	-4.7 (44)	15.1 (26)	7.2 (21)	8.2 (27)	18.2 (31)	11.8 (21)	23.8 (26)	26.0 (25)	-19.2 (62)
5th Percentile	3.9	19.7	11.2	11.6	22.5	14.2	35.4	43.1	-0.8
1st Quartile	-2.2	15.1	6.7	8.4	18.6	11.4	23.8	25.7	-9.6
Median	-5.6	11.0	2.4	5.6	16.6	9.1	15.4	18.5	-17.1
3rd Quartile	-8.9	6.3	-2.9	2.2	14.0	7.5	11.0	13.1	-24.4
95th Percentile	-12.6	0.7	-9.1	-1.8	10.0	5.6	4.7	6.6	-36.2

Population

1,925

1,880

1,920

1,845

1,773

1,499

1,967

2,043

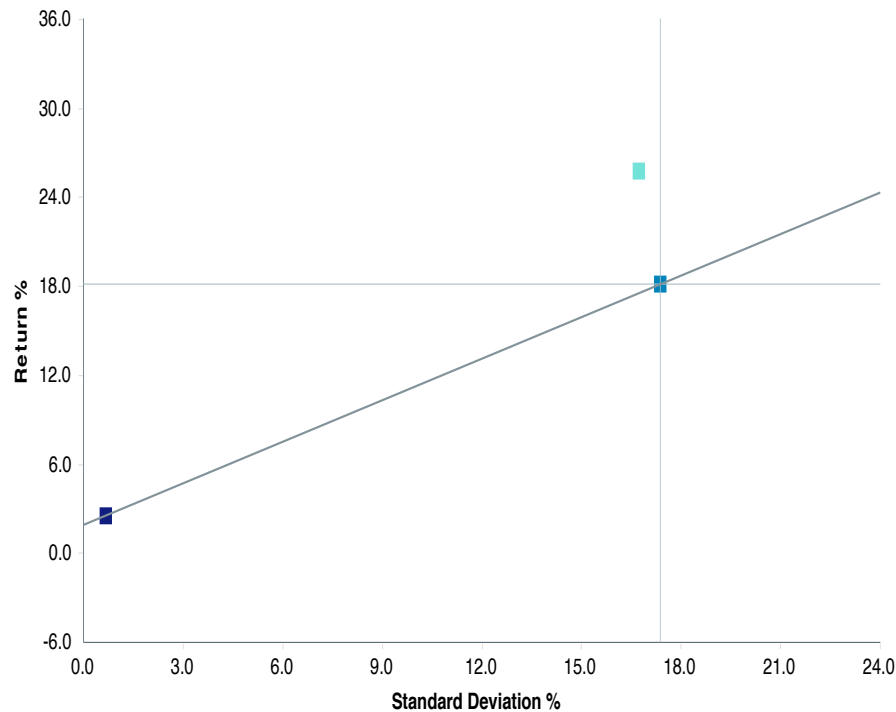
2,106

Parentheses contain percentile rankings.

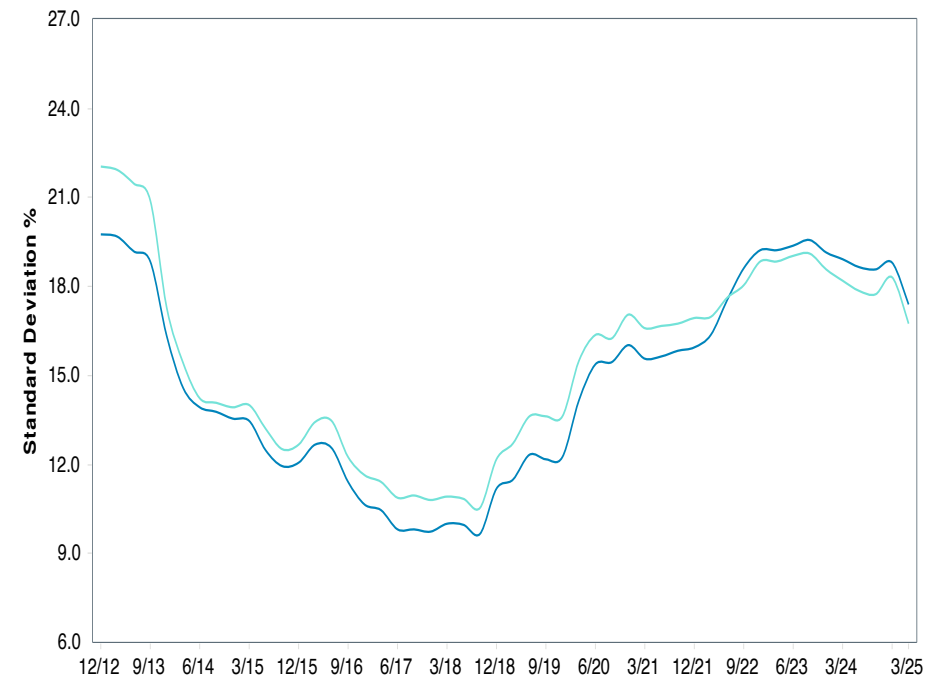
# Risk Profile Jacobs Levy 130/30

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Jacobs Levy 130/30	6.23	7.73	0.81	0.81	1.31	9.06	0.86	25.81	16.74	0.90
Russell 3000 Index	0.00	0.00	-	1.00	0.90	0.00	1.00	18.18	17.38	1.00
90 Day U.S. Treasury Bill	-15.77	17.42	-0.90	0.00	-	2.59	0.00	2.56	0.68	-0.04

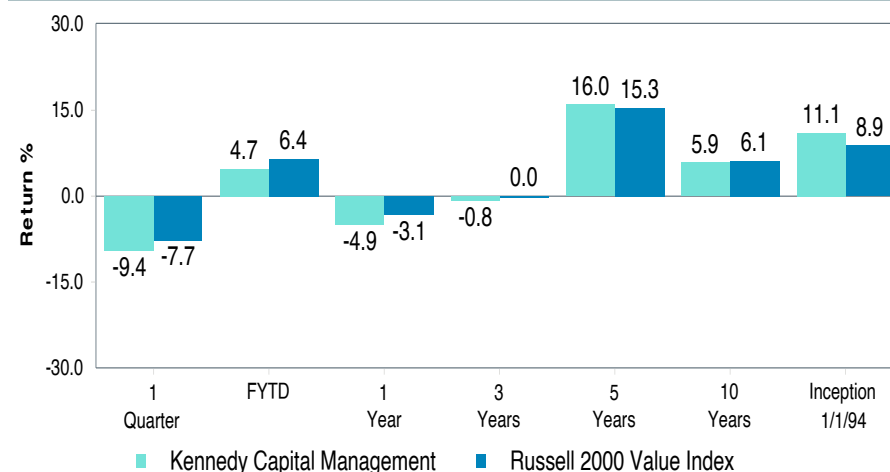
# Manager Performance Summary Kennedy Capital Management

As of March 31, 2025

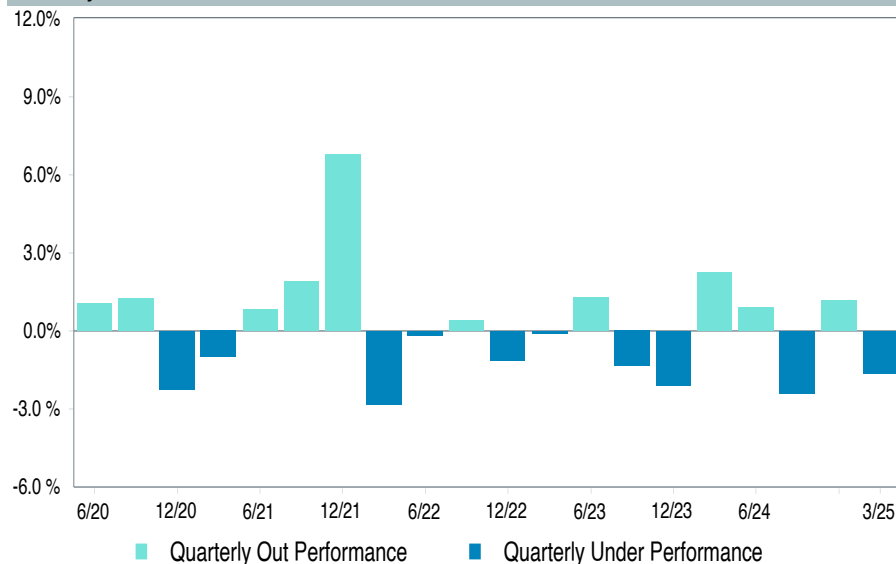
## Account Information

Account Name	Kennedy Capital Management
Inception Date	12/31/1993
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Russell 2000 Value Index
Peer Group	IM U.S. Small Cap Value Equity (SA+CF)

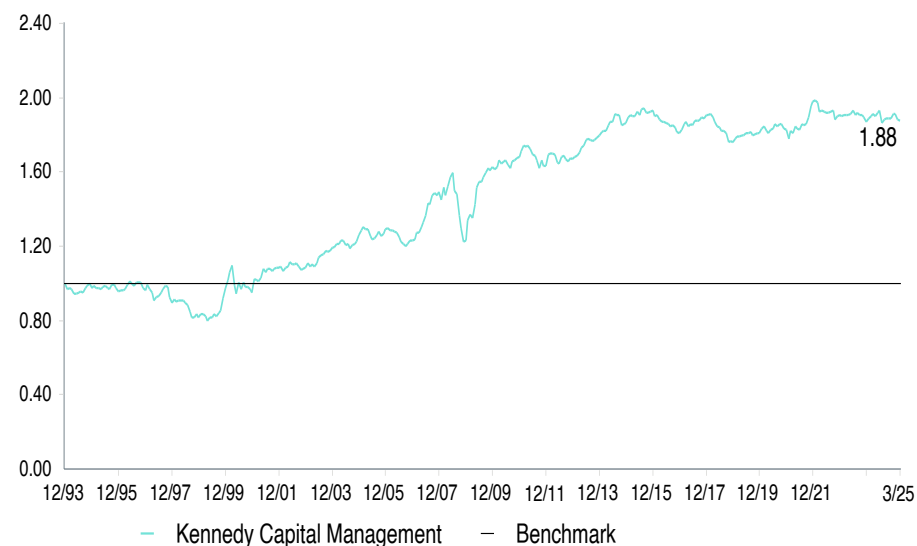
## Return Summary



## Quarterly Excess Performance



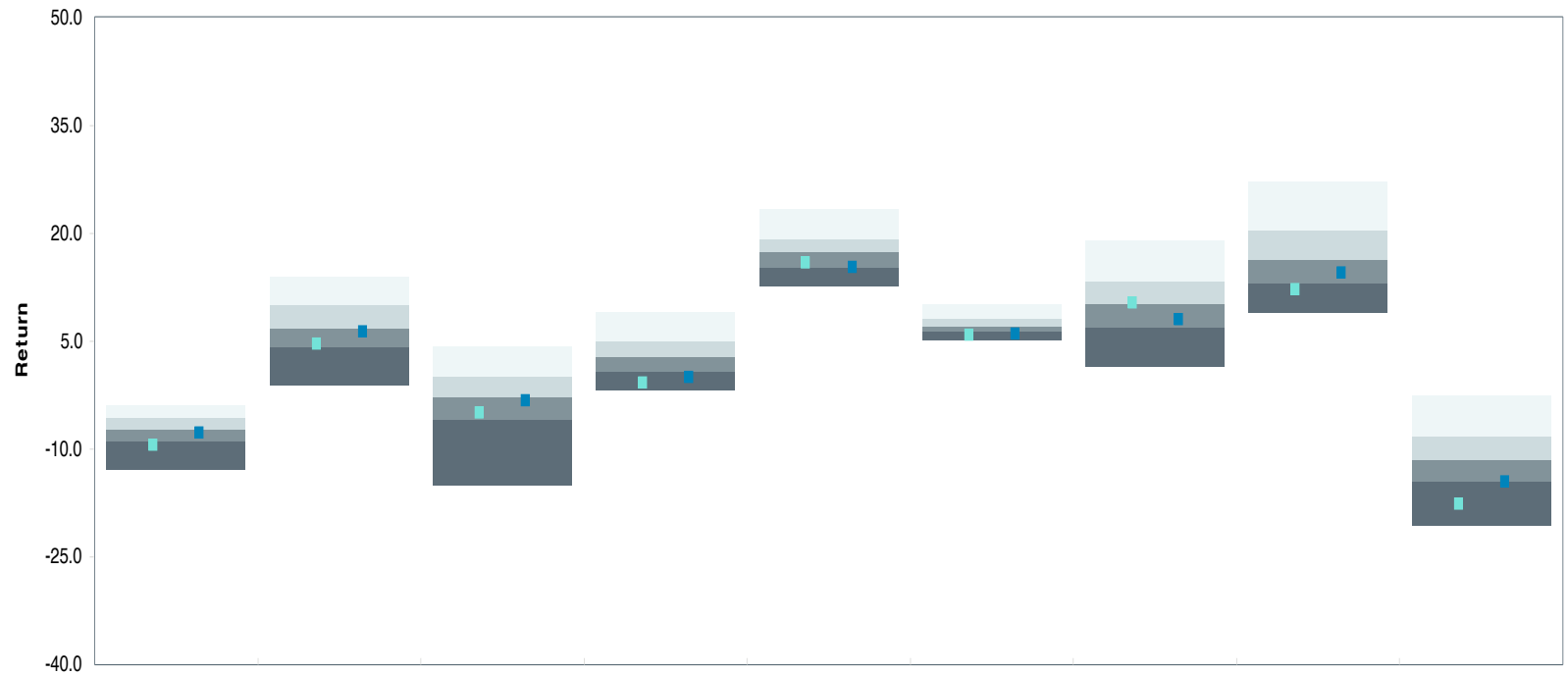
## Ratio of Cumulative Wealth - Since Inception



# Kennedy Capital Management

As of March 31, 2025

IM U.S. Small Cap Value Equity (SA+CF)



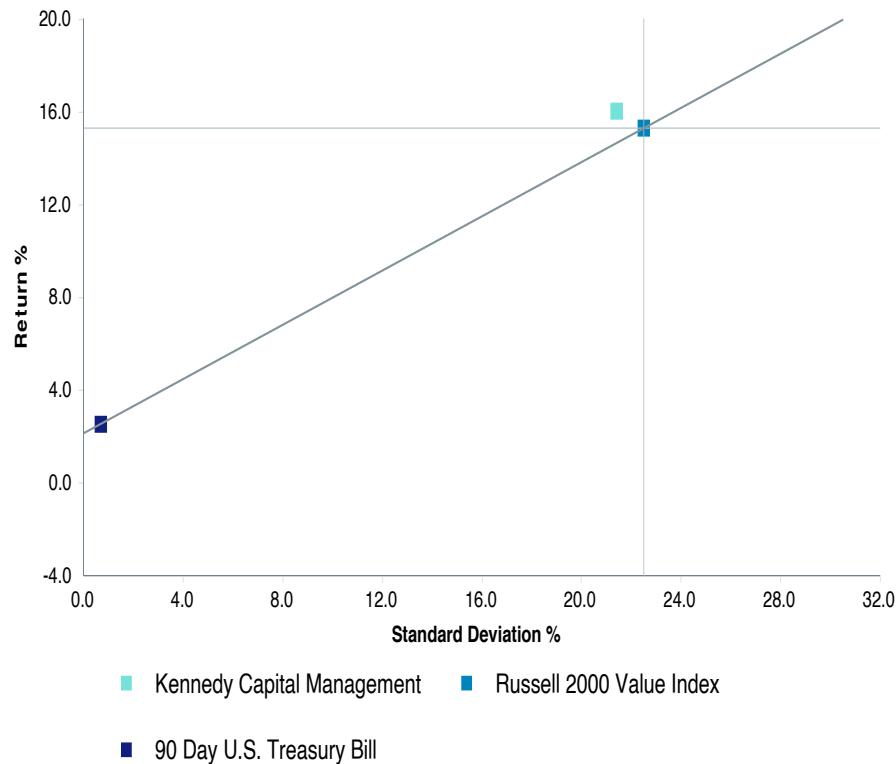
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Kennedy Capital Management	-9.4 (79)	4.7 (73)	-4.9 (66)	-0.8 (92)	16.0 (65)	5.9 (81)	10.4 (50)	12.3 (83)	-17.6 (88)
Russell 2000 Value Index	-7.7 (60)	6.4 (53)	-3.1 (55)	0.0 (84)	15.3 (73)	6.1 (80)	8.1 (70)	14.6 (66)	-14.5 (75)
5th Percentile	-3.9	14.0	4.3	8.9	23.3	10.1	19.1	27.3	-2.5
1st Quartile	-5.7	10.1	0.1	5.0	19.3	8.1	13.4	20.5	-8.3
Median	-7.3	6.7	-2.7	2.9	17.3	6.9	10.3	16.4	-11.6
3rd Quartile	-8.9	4.3	-6.0	0.9	15.2	6.3	6.9	13.1	-14.5
95th Percentile	-12.7	-1.1	-15.1	-1.8	12.8	5.1	1.4	9.0	-20.6
Population	155	155	155	153	146	130	159	173	178

Parentheses contain percentile rankings.

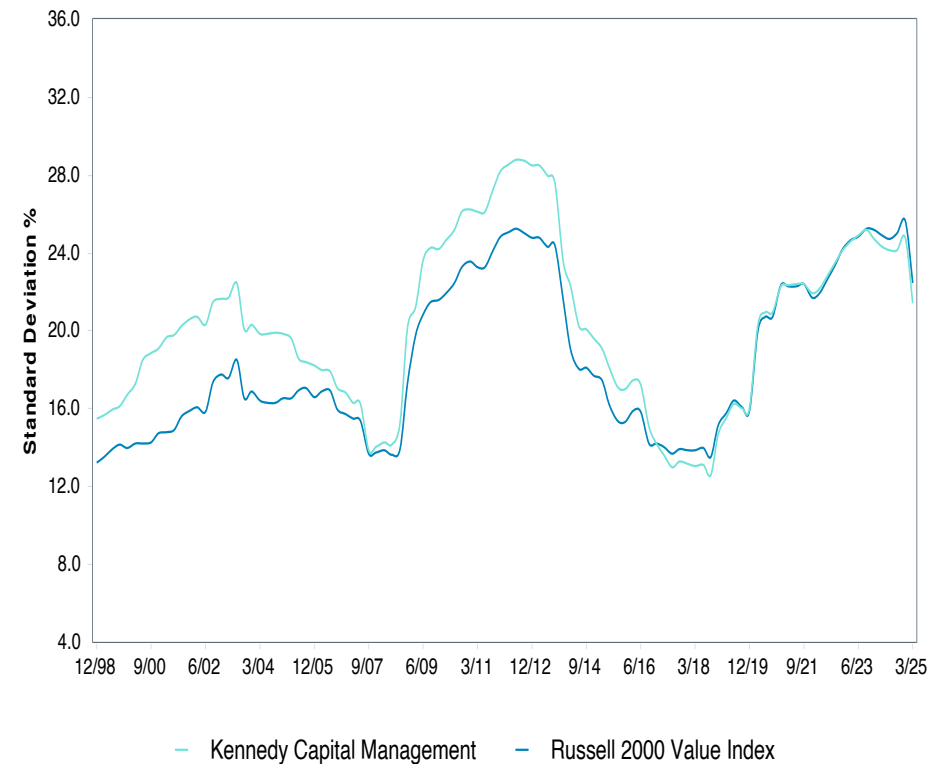
# Risk Profile Kennedy Capital Management

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Kennedy Capital Management	0.42	4.24	0.10	0.97	0.68	1.52	0.94	16.04	21.40	0.98
Russell 2000 Value Index	0.00	0.00	-	1.00	0.63	0.00	1.00	15.31	22.49	1.00
90 Day U.S. Treasury Bill	-14.23	22.59	-0.63	0.02	-	2.63	0.00	2.56	0.68	-0.14

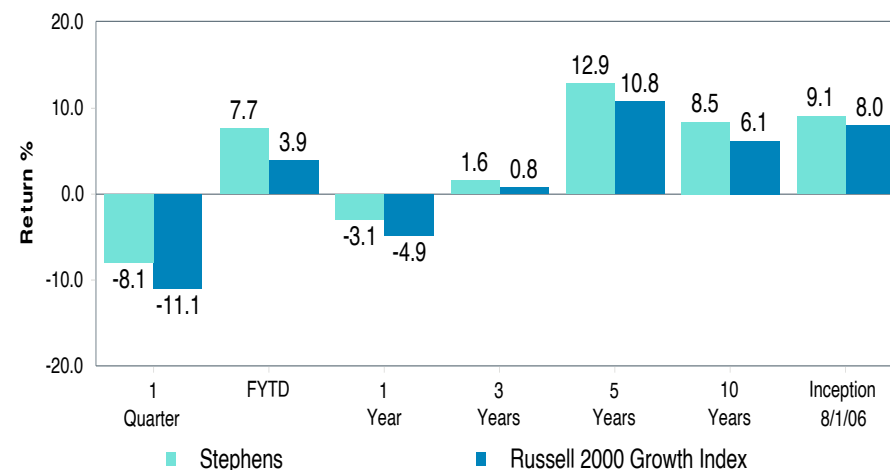
# Manager Performance Summary Stephens

As of March 31, 2025

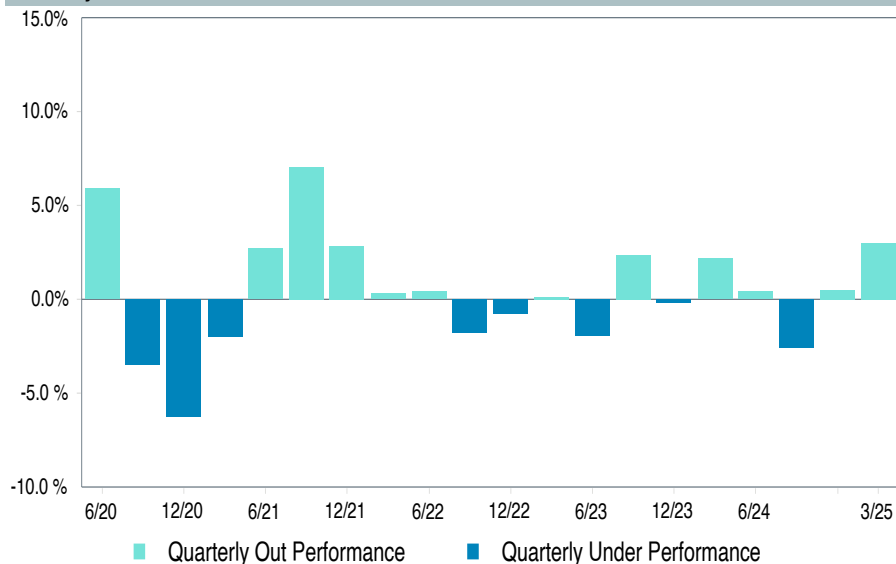
## Account Information

Account Name	Stephens
Inception Date	07/31/2006
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Russell 2000 Growth Index
Peer Group	IM U.S. Small Cap Growth Equity (SA+CF)

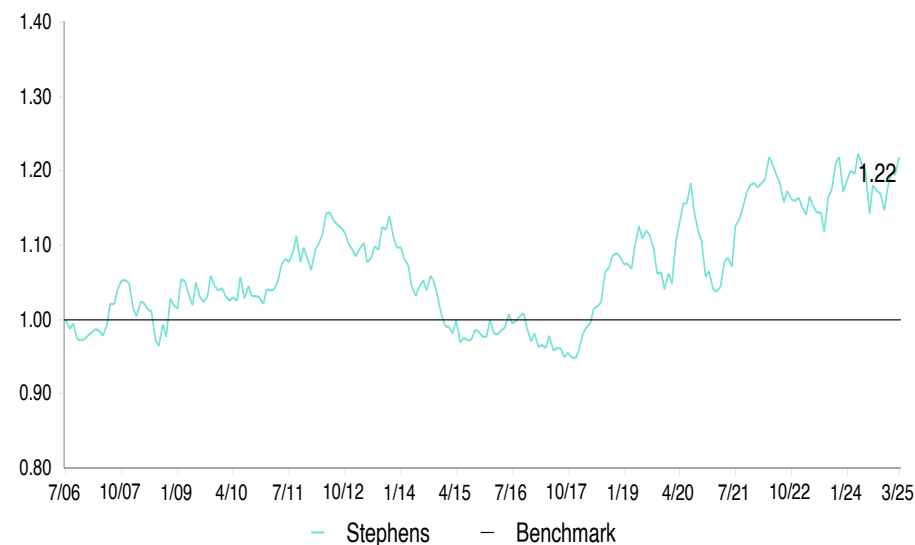
## Return Summary



## Quarterly Excess Performance



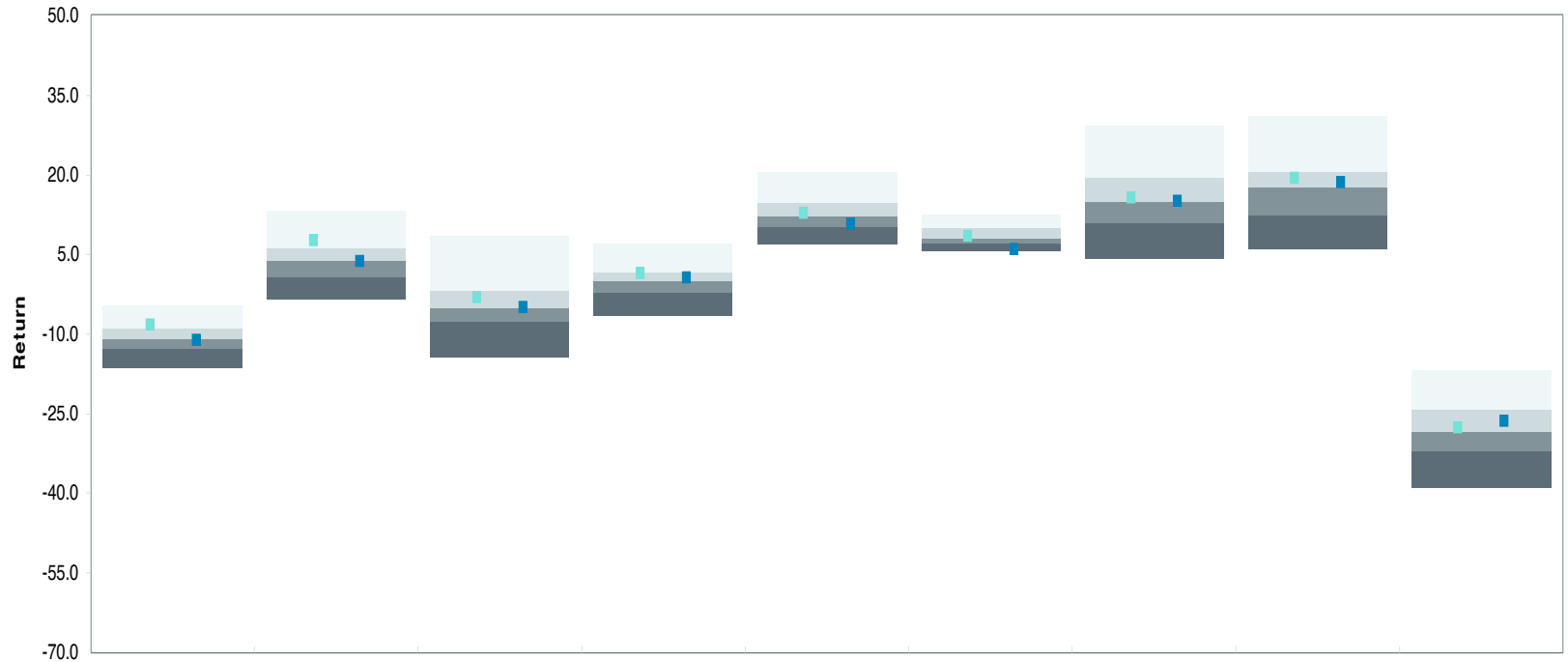
## Ratio of Cumulative Wealth - Since Inception



# Stephens

As of March 31, 2025

IM U.S. Small Cap Growth Equity (SA+CF)



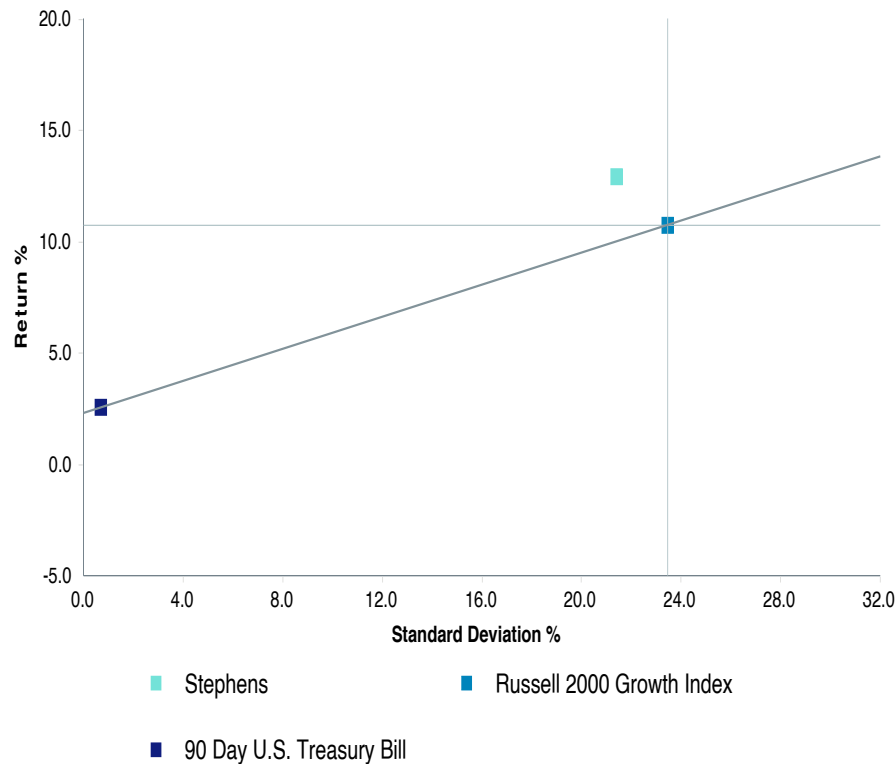
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Stephens	-8.1 (16)	7.7 (17)	-3.1 (33)	1.6 (29)	12.9 (40)	8.5 (45)	15.8 (43)	19.4 (35)	-27.6 (43)
Russell 2000 Growth Index	-11.1 (55)	3.9 (49)	-4.9 (48)	0.8 (41)	10.8 (69)	6.1 (94)	15.2 (48)	18.7 (42)	-26.4 (36)
5th Percentile	-4.7	13.2	8.6	7.0	20.5	12.5	29.2	31.0	-16.8
1st Quartile	-9.0	6.2	-1.8	1.8	14.7	9.9	19.6	20.6	-24.3
Median	-10.8	3.8	-5.1	0.0	12.2	8.2	14.9	17.6	-28.4
3rd Quartile	-12.6	0.8	-7.6	-2.1	10.2	7.2	11.0	12.5	-32.0
95th Percentile	-16.3	-3.5	-14.3	-6.5	6.9	5.7	4.2	6.2	-38.9
Population	126	126	126	125	120	111	129	136	140

Parentheses contain percentile rankings.

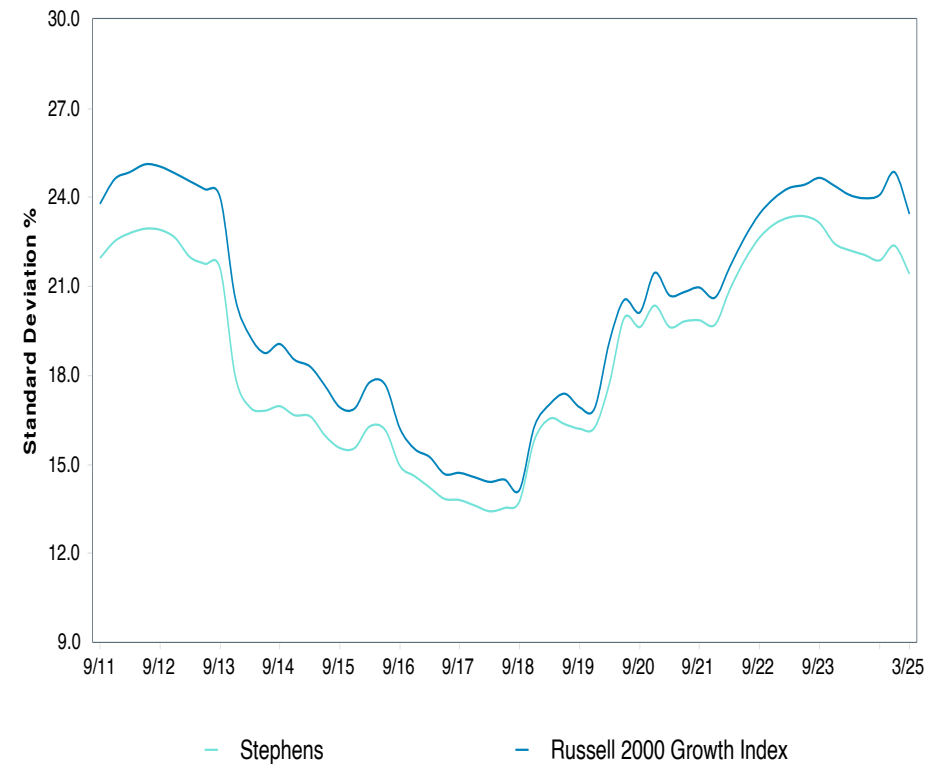
# Risk Profile Stephens

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Stephens	1.51	7.18	0.21	0.91	0.56	3.24	0.87	12.94	21.42	0.95
Russell 2000 Growth Index	0.00	0.00	-	1.00	0.44	0.00	1.00	10.78	23.45	1.00
90 Day U.S. Treasury Bill	-10.41	23.50	-0.44	0.00	-	2.58	0.00	2.56	0.68	-0.05



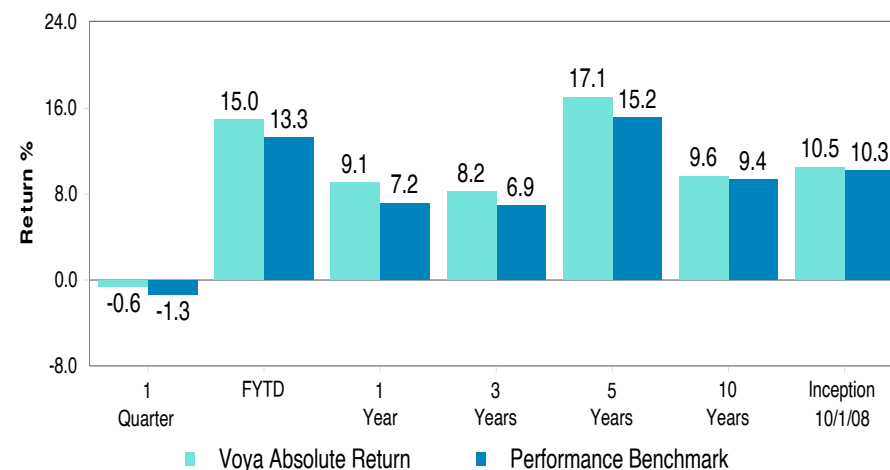
# Manager Performance Summary Voya Absolute Return

As of March 31, 2025

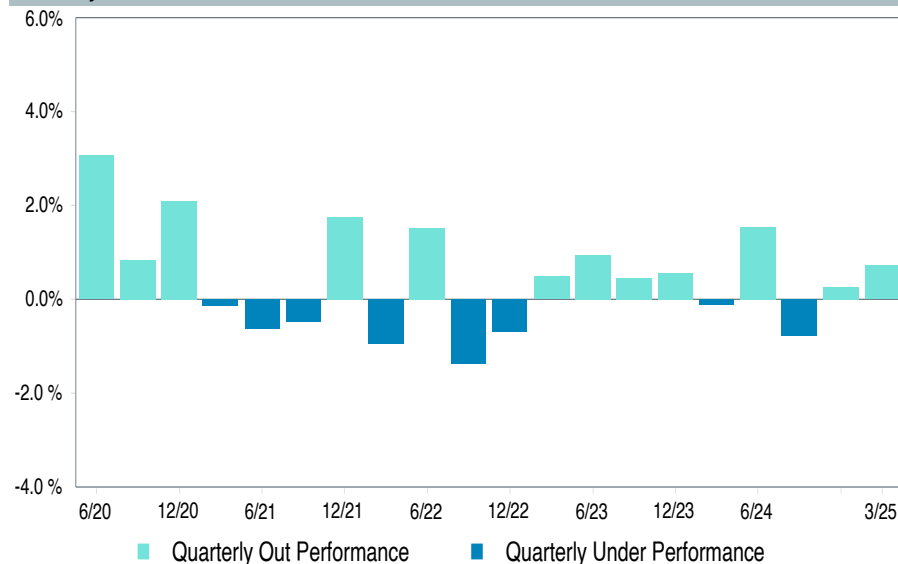
## Account Information

Account Name	Voya Absolute Return
Inception Date	09/30/2008
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	Performance Benchmark
Peer Group	IM Global Equity (MF)

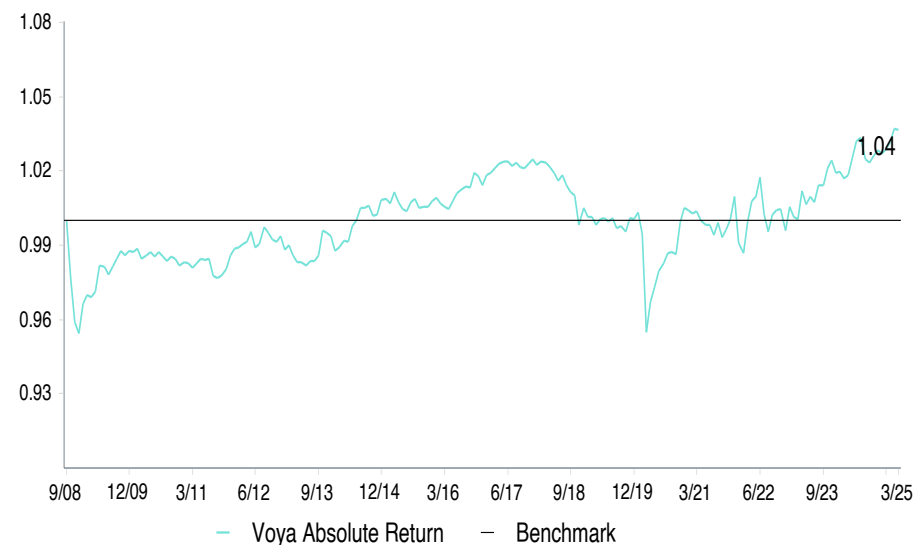
## Return Summary



## Quarterly Excess Performance



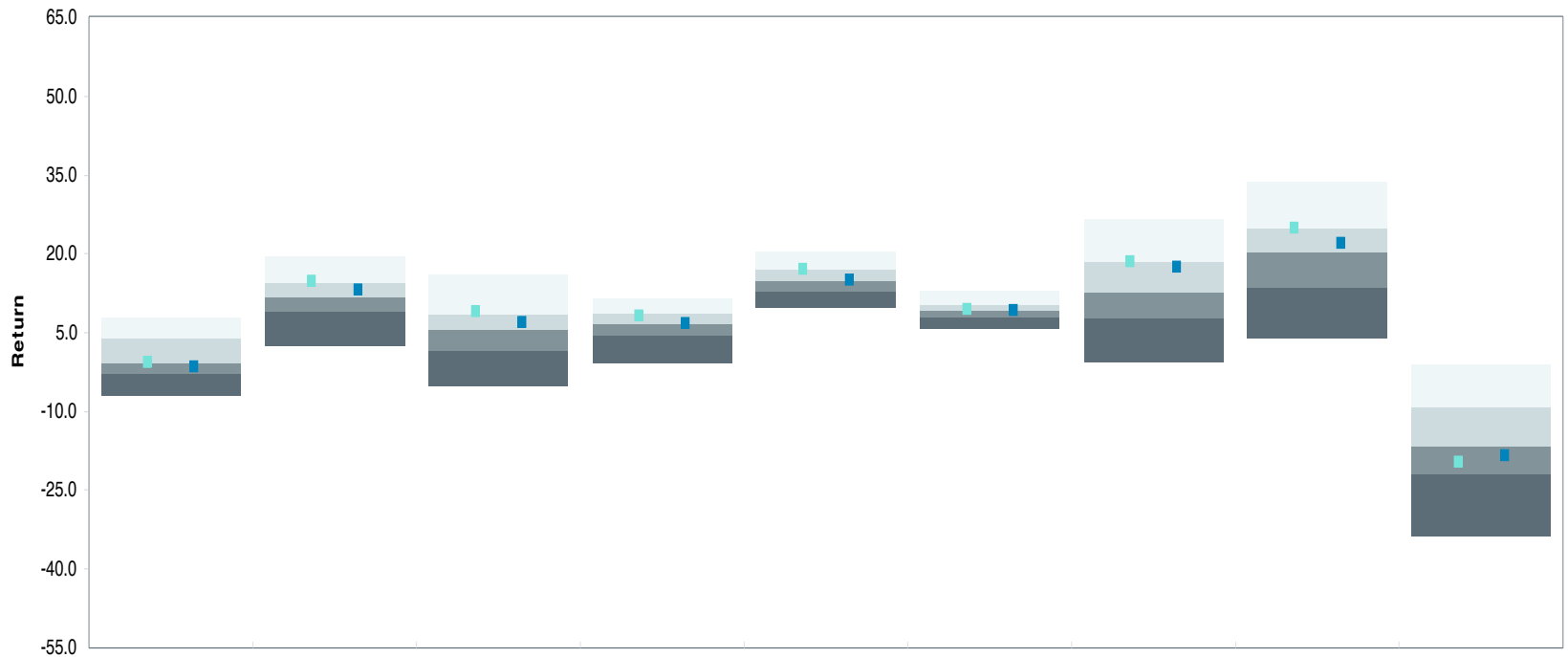
## Ratio of Cumulative Wealth - Since Inception



# Voya Absolute Return

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Voya Absolute Return	-0.6 (49)	15.0 (23)	9.1 (23)	8.2 (32)	17.1 (27)	9.6 (41)	18.6 (25)	25.1 (24)	-19.5 (66)
Performance Benchmark	-1.3 (59)	13.3 (37)	7.2 (36)	6.9 (46)	15.2 (48)	9.4 (44)	17.5 (31)	22.2 (40)	-18.4 (60)
5th Percentile	7.9	19.3	16.2	11.6	20.5	13.0	26.7	33.6	-1.2
1st Quartile	4.1	14.6	8.4	8.7	17.2	10.3	18.5	24.7	-9.2
Median	-0.7	11.9	5.7	6.6	14.9	9.2	12.6	20.2	-16.7
3rd Quartile	-2.9	8.8	1.5	4.5	12.7	7.9	7.8	13.6	-21.8
95th Percentile	-7.0	2.6	-5.2	-0.8	9.7	5.9	-0.7	4.0	-33.7

Population

496

492

495

485

453

350

525

565

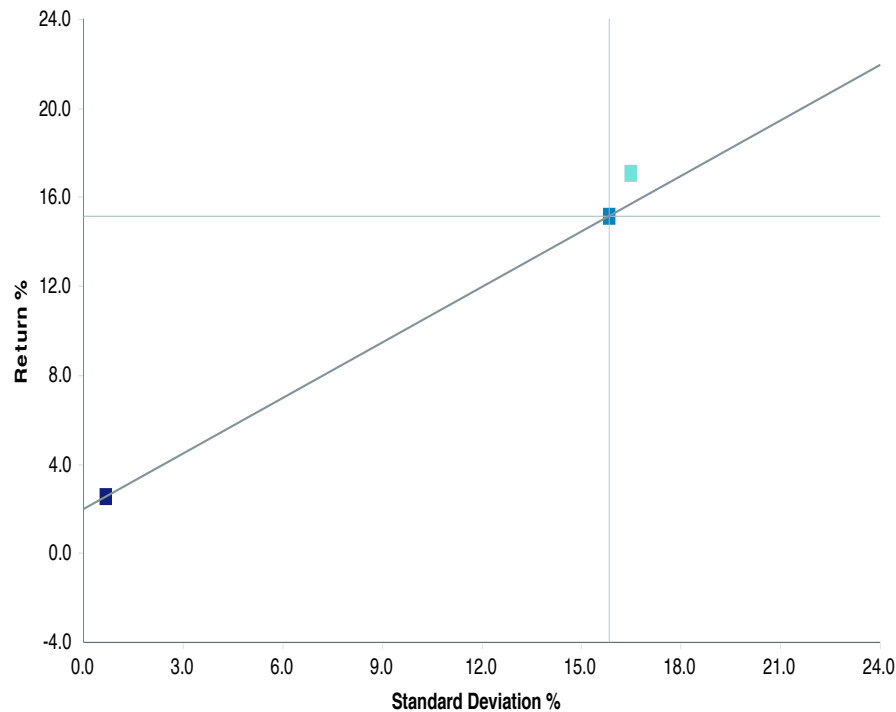
580

Parentheses contain percentile rankings.

# Risk Profile Voya Absolute Return

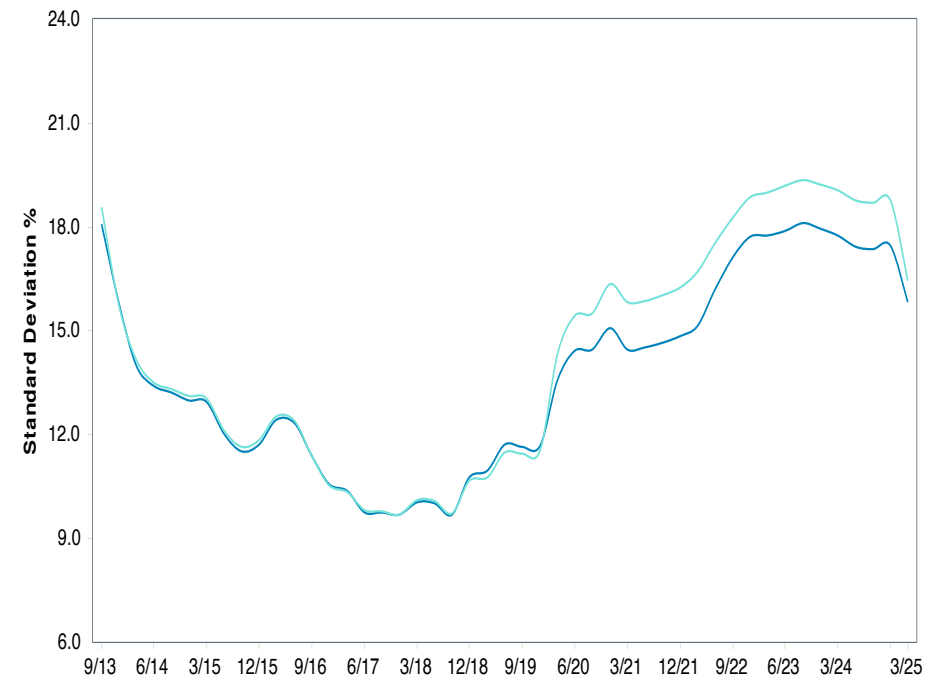
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Voya Absolute Return   ■ Performance Benchmark   ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Voya Absolute Return   — Performance Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Voya Absolute Return	1.75	2.17	0.81	0.98	0.89	1.27	1.03	17.08	16.47	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.81	0.00	1.00	15.18	15.84	1.00
90 Day U.S. Treasury Bill	-12.91	15.86	-0.81	0.00	-	2.57	0.00	2.56	0.68	-0.02

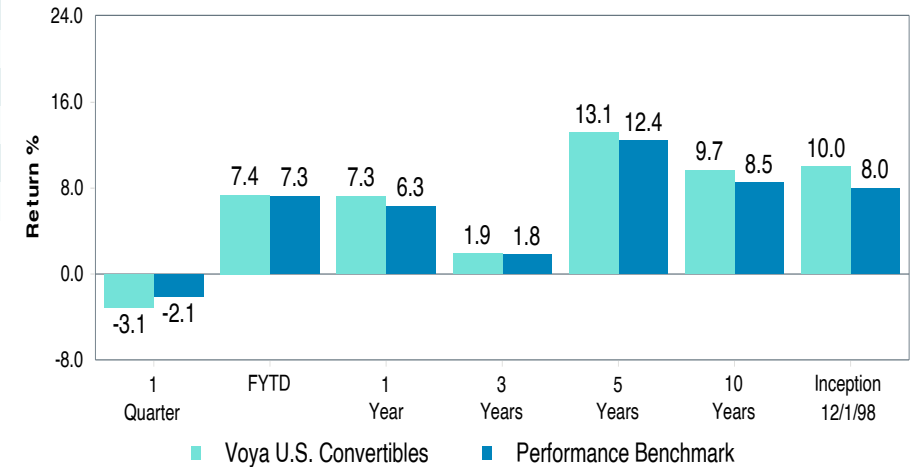
# Manager Performance Summary Voya U.S. Convertibles

As of March 31, 2025

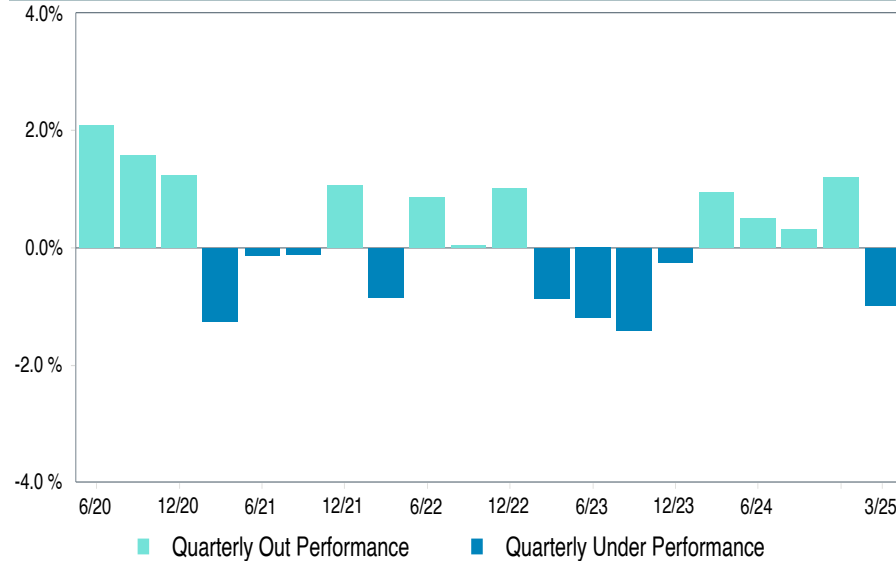
## Account Information

Account Name	Voya U.S. Convertibles
Inception Date	11/30/1998
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Performance Benchmark
Peer Group	IM U.S. Equity (SA+CF)

## Return Summary



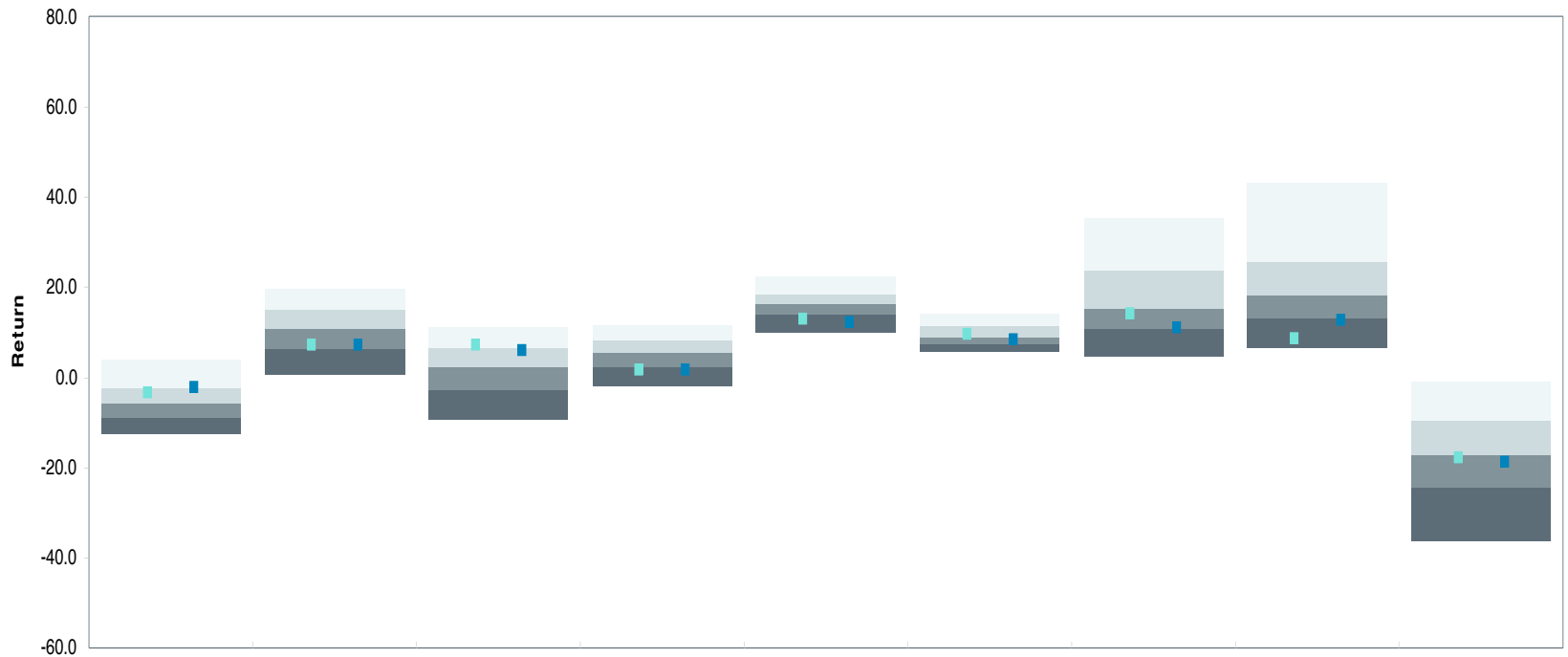
## Quarterly Excess Performance



# Voya U.S. Convertibles

As of March 31, 2025

IM U.S. Equity (SA+CF)



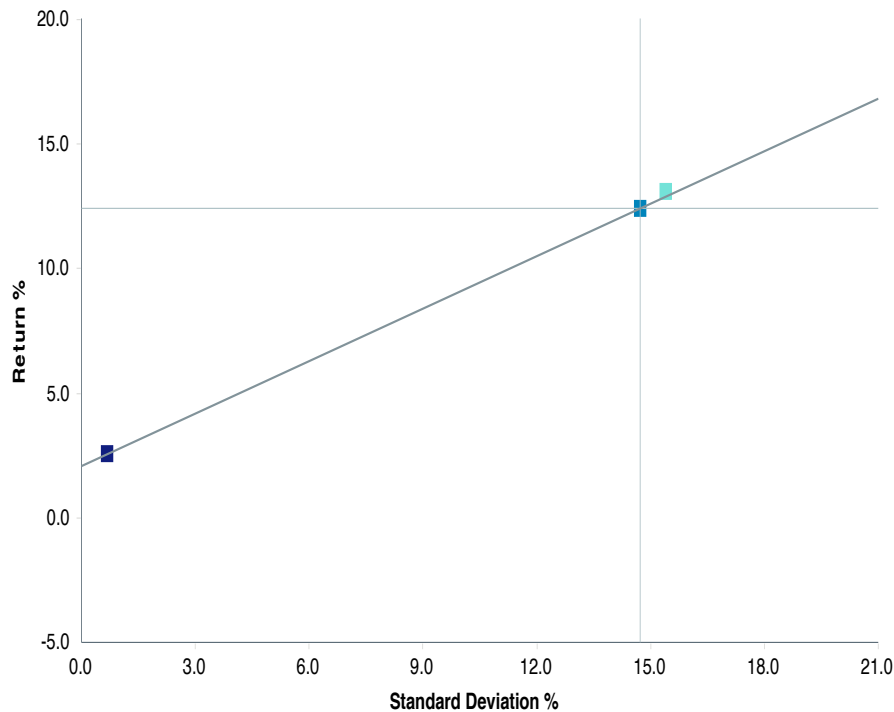
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Voya U.S. Convertibles	-3.1 (30)	7.4 (70)	7.3 (21)	1.9 (77)	13.1 (82)	9.7 (44)	14.4 (57)	8.8 (91)	-17.7 (54)
Performance Benchmark	-2.1 (25)	7.3 (71)	6.3 (29)	1.8 (78)	12.4 (87)	8.5 (60)	11.1 (75)	12.9 (76)	-18.7 (59)
5th Percentile	3.9	19.7	11.2	11.6	22.5	14.2	35.4	43.1	-0.8
1st Quartile	-2.2	15.1	6.7	8.4	18.6	11.4	23.8	25.7	-9.6
Median	-5.6	11.0	2.4	5.6	16.6	9.1	15.4	18.5	-17.1
3rd Quartile	-8.9	6.3	-2.9	2.2	14.0	7.5	11.0	13.1	-24.4
95th Percentile	-12.6	0.7	-9.1	-1.8	10.0	5.6	4.7	6.6	-36.2
Population	1,925	1,880	1,920	1,845	1,773	1,499	1,967	2,043	2,106

Parentheses contain percentile rankings.

# Risk Profile Voya U.S. Convertibles

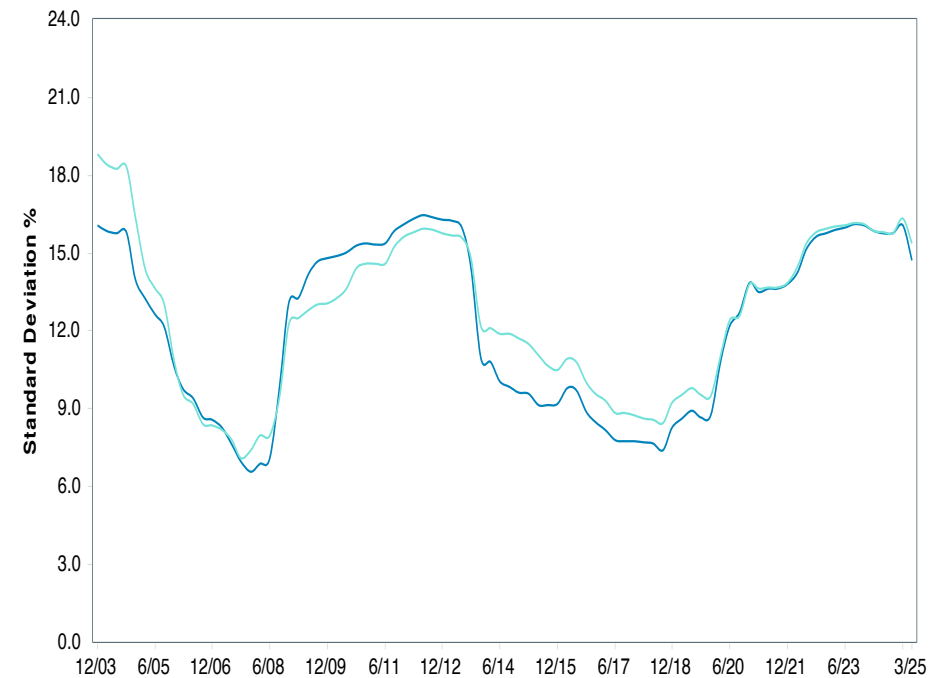
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Voya U.S. Convertibles ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Voya U.S. Convertibles — Performance Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Voya U.S. Convertibles	0.71	2.60	0.27	0.97	0.71	0.31	1.03	13.11	15.40	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.69	0.00	1.00	12.43	14.73	1.00
90 Day U.S. Treasury Bill	-10.29	14.81	-0.69	0.01	-	2.62	0.00	2.56	0.68	-0.10

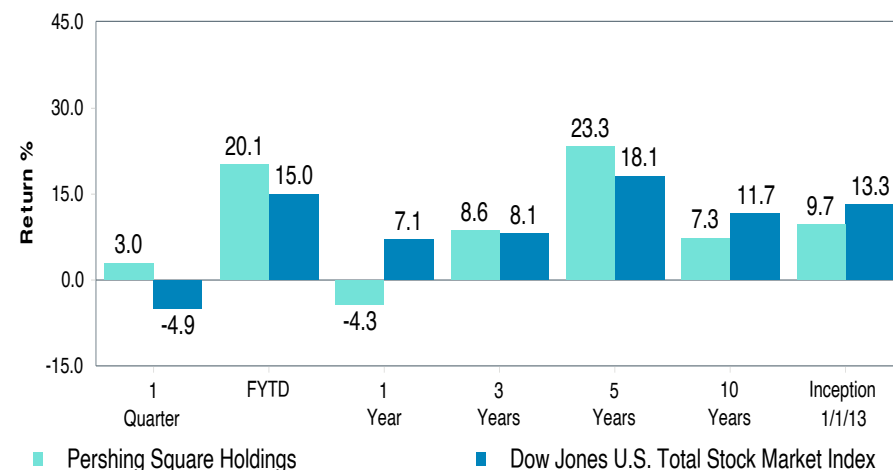
# Manager Performance Summary Pershing Square Holdings

As of March 31, 2025

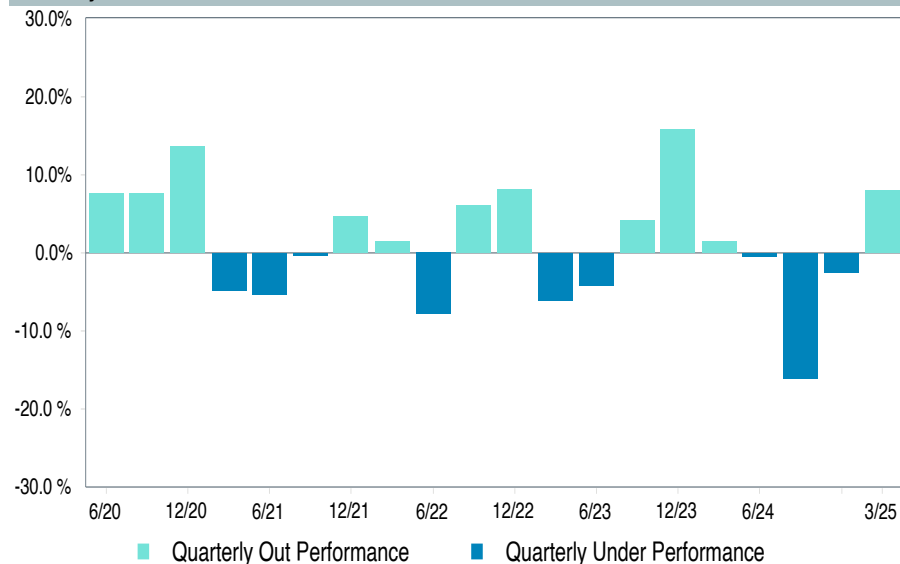
## Account Information

Account Name	Pershing Square Holdings
Inception Date	12/31/2012
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	Dow Jones U.S. Total Stock Market Index
Peer Group	IM U.S. Equity (SA+CF)

## Return Summary



## Quarterly Excess Performance



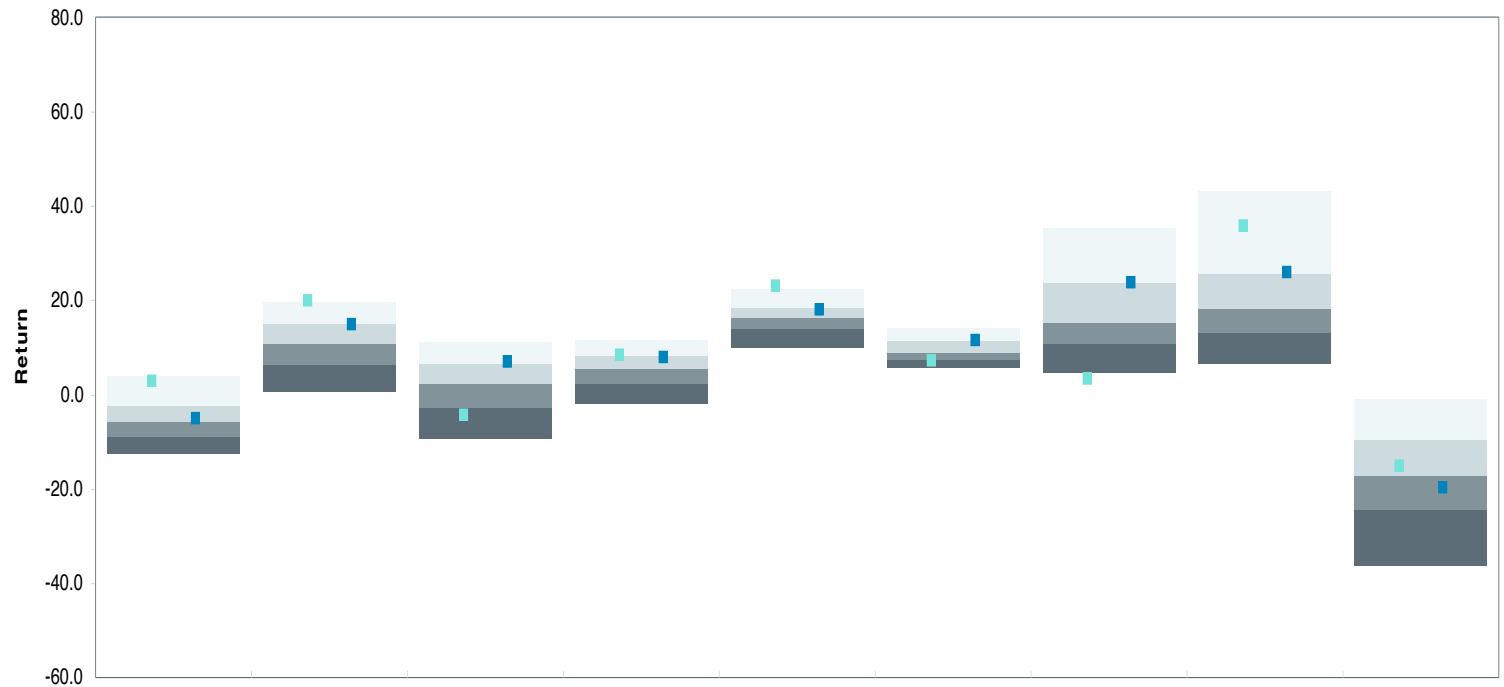
## Ratio of Cumulative Wealth - Since Inception



# Pershing Square Holdings

As of March 31, 2025

IM U.S. Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Pershing Square Holdings	3.0 (7)	20.1 (5)	-4.3 (82)	8.6 (23)	23.3 (4)	7.3 (79)	3.6 (97)	36.0 (11)	-15.1 (44)
Dow Jones U.S. Total Stock Market Index	-4.9 (45)	15.0 (26)	7.1 (22)	8.1 (29)	18.1 (32)	11.7 (22)	23.9 (25)	26.1 (24)	-19.5 (63)
5th Percentile	3.9	19.7	11.2	11.6	22.5	14.2	35.4	43.1	-0.8
1st Quartile	-2.2	15.1	6.7	8.4	18.6	11.4	23.8	25.7	-9.6
Median	-5.6	11.0	2.4	5.6	16.6	9.1	15.4	18.5	-17.1
3rd Quartile	-8.9	6.3	-2.9	2.2	14.0	7.5	11.0	13.1	-24.4
95th Percentile	-12.6	0.7	-9.1	-1.8	10.0	5.6	4.7	6.6	-36.2

Population	1,925	1,880	1,920	1,845	1,773	1,499	1,967	2,043	2,106
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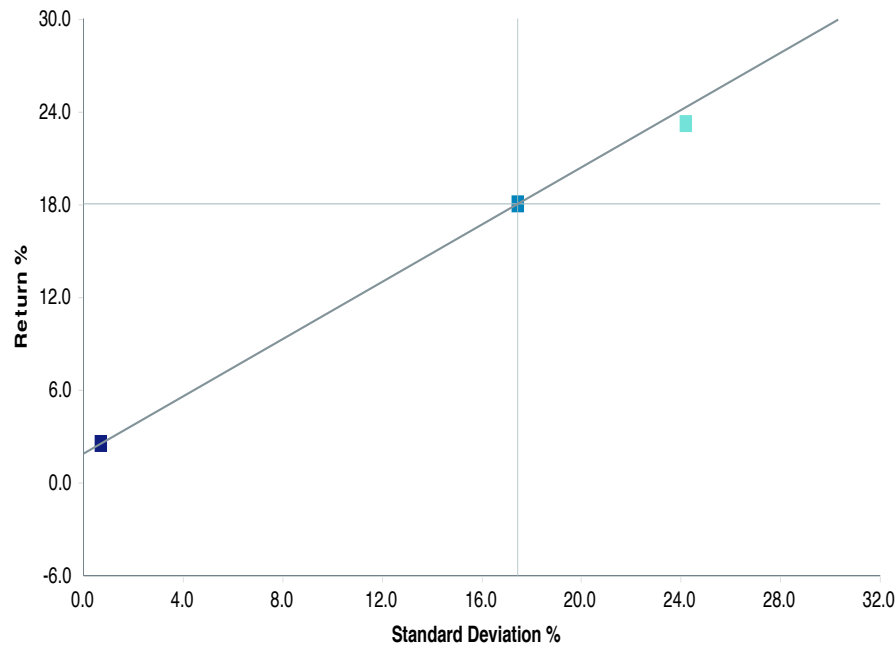
Parentheses contain percentile rankings.



# Risk Profile Pershing Square Holdings

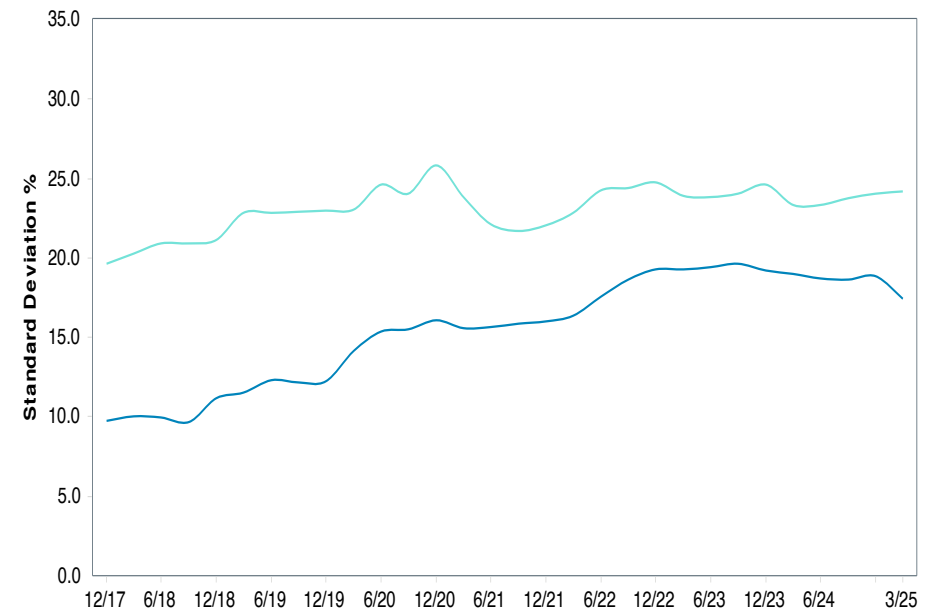
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Pershing Square Holdings  
■ Dow Jones U.S. Total Stock Market Index  
■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Pershing Square Holdings  
— Dow Jones U.S. Total Stock Market Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Pershing Square Holdings	5.66	13.50	0.42	0.70	0.88	2.74	1.16	23.27	24.19	0.84
Dow Jones U.S. Total Stock Market Index	0.00	0.00	-	1.00	0.90	0.00	1.00	18.08	17.44	1.00
90 Day U.S. Treasury Bill	-15.69	17.48	-0.90	0.00	-	2.59	0.00	2.56	0.68	-0.04

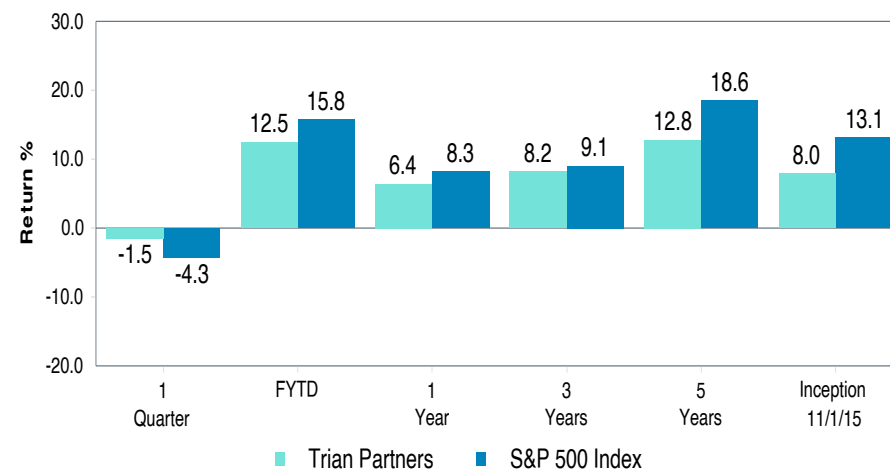
# Manager Performance Summary Trian Partners

As of March 31, 2025

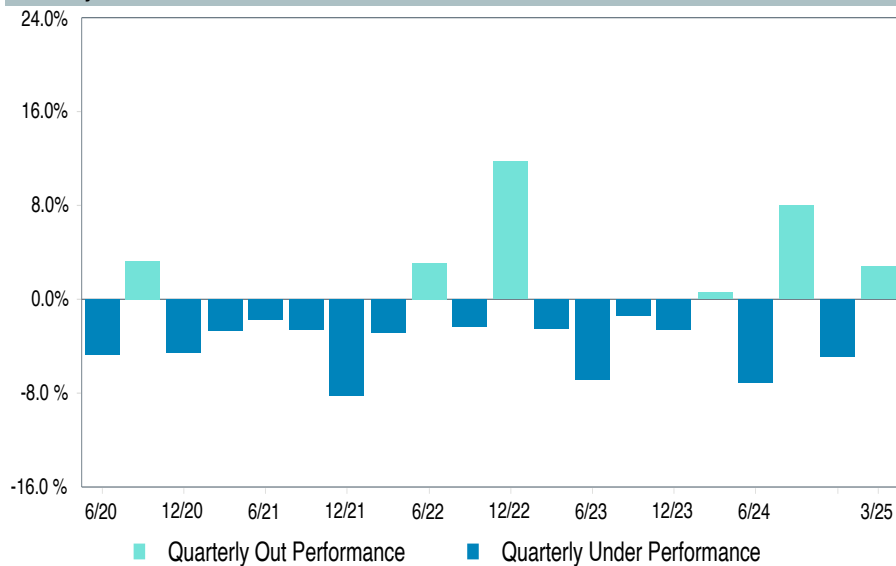
## Account Information

Account Name	Trian Partners
Inception Date	11/01/2015
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	IM U.S. Equity (SA+CF)

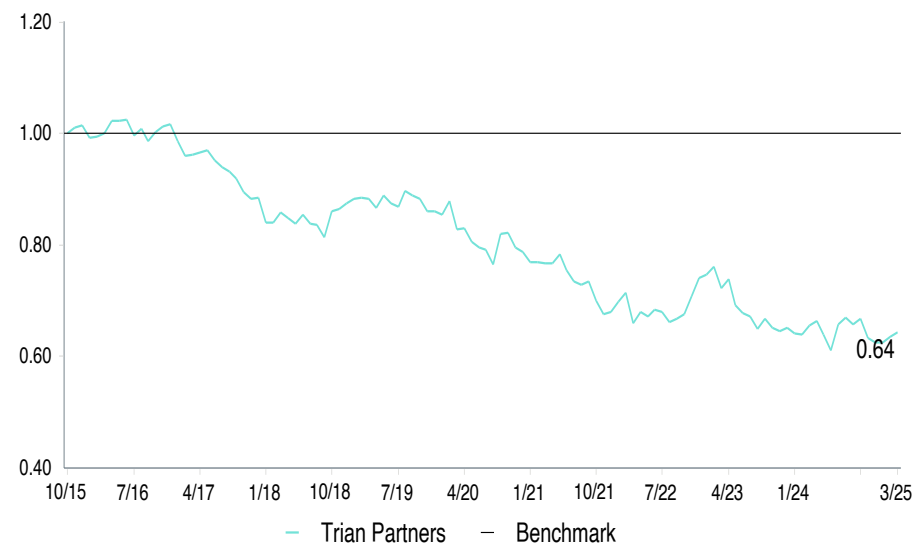
## Return Summary



## Quarterly Excess Performance



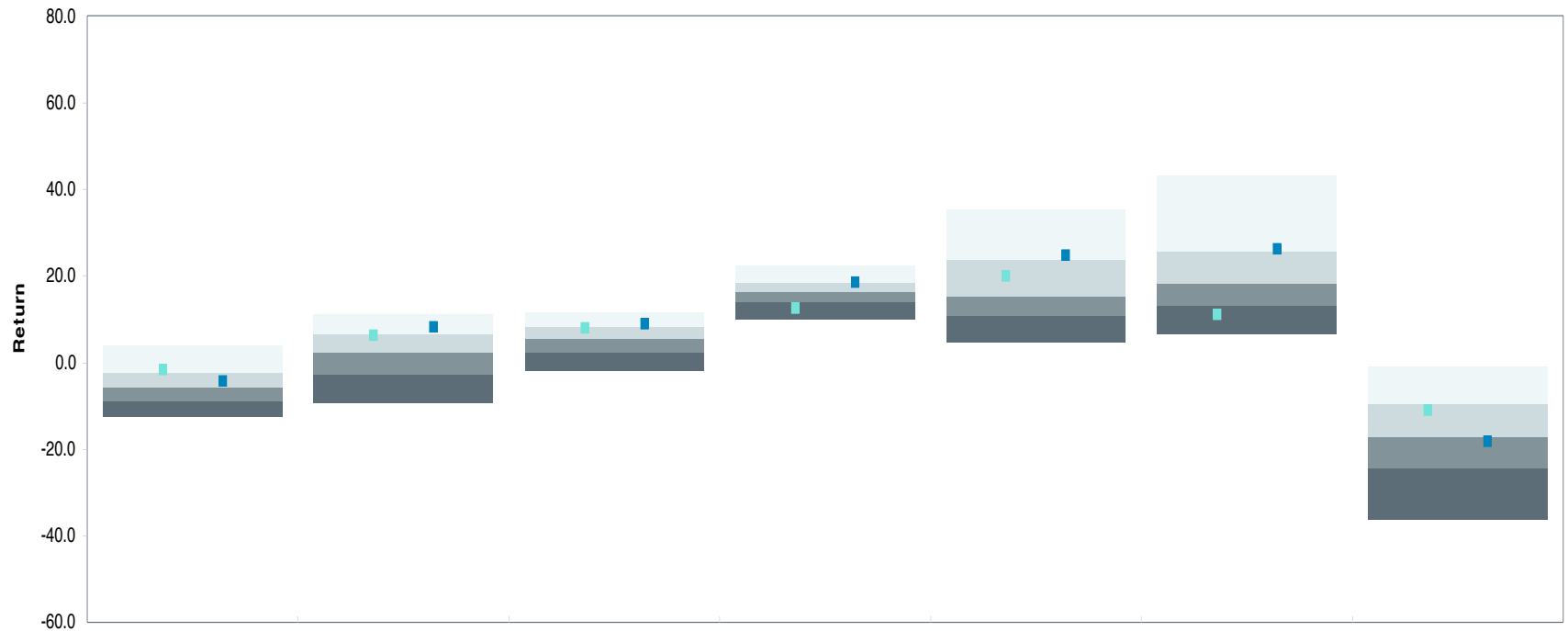
## Ratio of Cumulative Wealth - Since Inception



# Trian Partners

As of March 31, 2025

## IM U.S. Equity (SA+CF)



	1 Quarter	1 Year	3 Years	5 Years	2024	2023	2022
Trian Partners	-1.5 (22)	6.4 (28)	8.2 (27)	12.8 (85)	20.0 (34)	11.2 (83)	-10.9 (29)
S&P 500 Index	-4.3 (38)	8.3 (14)	9.1 (19)	18.6 (26)	25.0 (20)	26.3 (22)	-18.1 (55)
5th Percentile	3.9	11.2	11.6	22.5	35.4	43.1	-0.8
1st Quartile	-2.2	6.7	8.4	18.6	23.8	25.7	-9.6
Median	-5.6	2.4	5.6	16.6	15.4	18.5	-17.1
3rd Quartile	-8.9	-2.9	2.2	14.0	11.0	13.1	-24.4
95th Percentile	-12.6	-9.1	-1.8	10.0	4.7	6.6	-36.2

Population

1,925

1,920

1,845

1,773

1,967

2,043

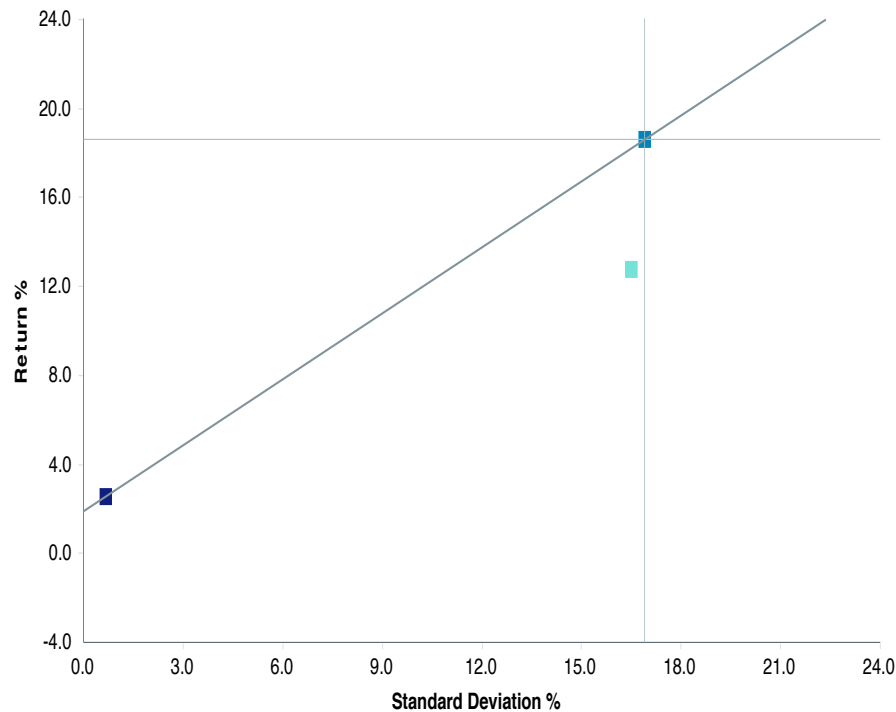
2,106

Parentheses contain percentile rankings.

# Risk Profile Trian Partners

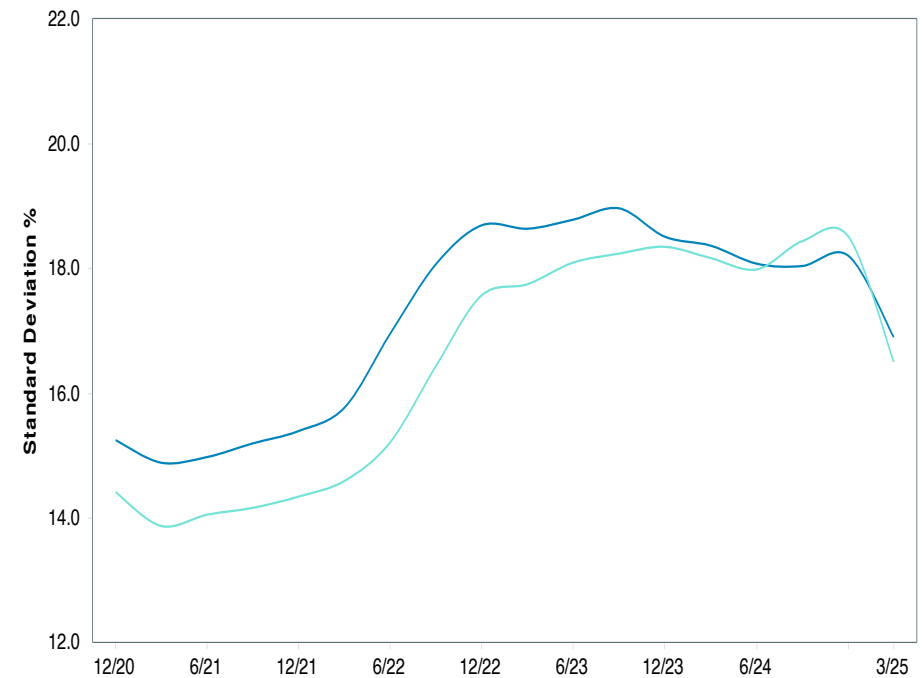
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Trian Partners ■ S&P 500 Index ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Trian Partners — S&P 500 Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Trian Partners	-5.19	10.43	-0.50	0.65	0.66	-1.21	0.79	12.75	16.50	0.81
S&P 500 Index	0.00	0.00	-	1.00	0.95	0.00	1.00	18.59	16.90	1.00
90 Day U.S. Treasury Bill	-16.04	16.94	-0.95	0.00	-	2.58	0.00	2.56	0.68	-0.04

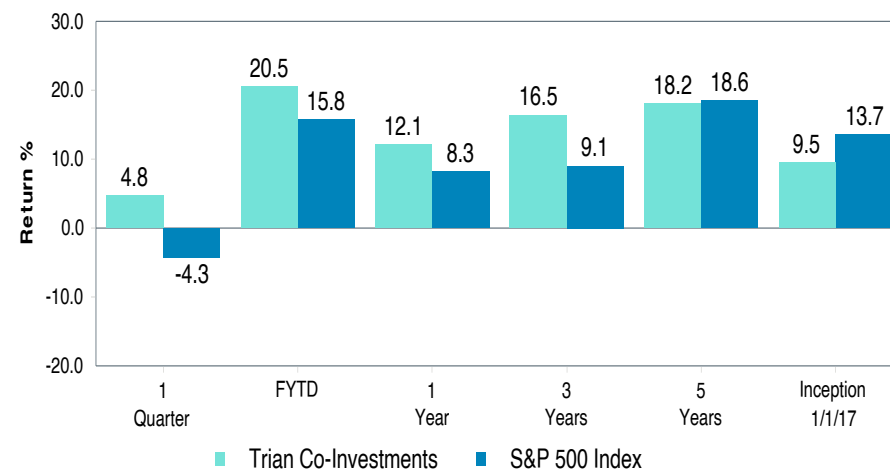
# Manager Performance Summary Trian Co-Investments

As of March 31, 2025

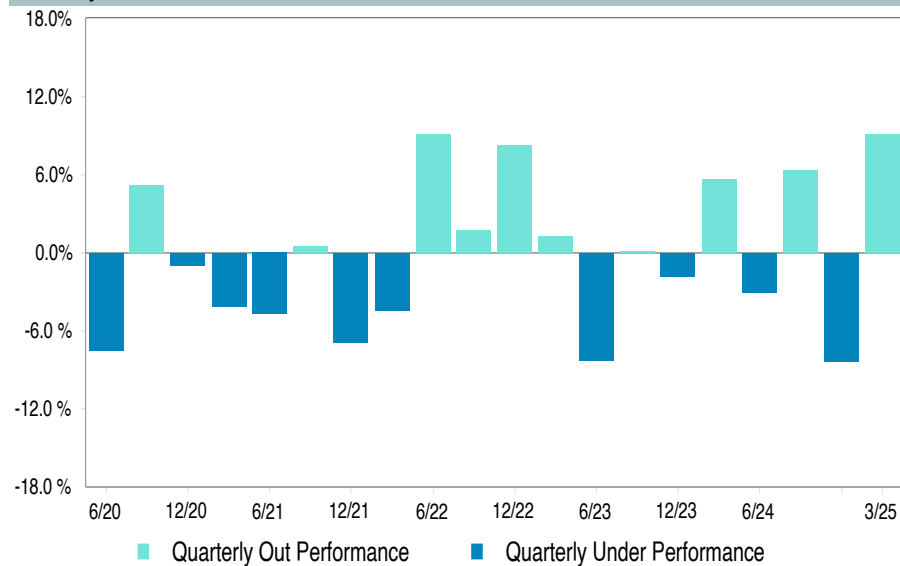
## Account Information

Account Name	Trian Co-Investments
Inception Date	01/01/2017
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	IM U.S. Equity (SA+CF)

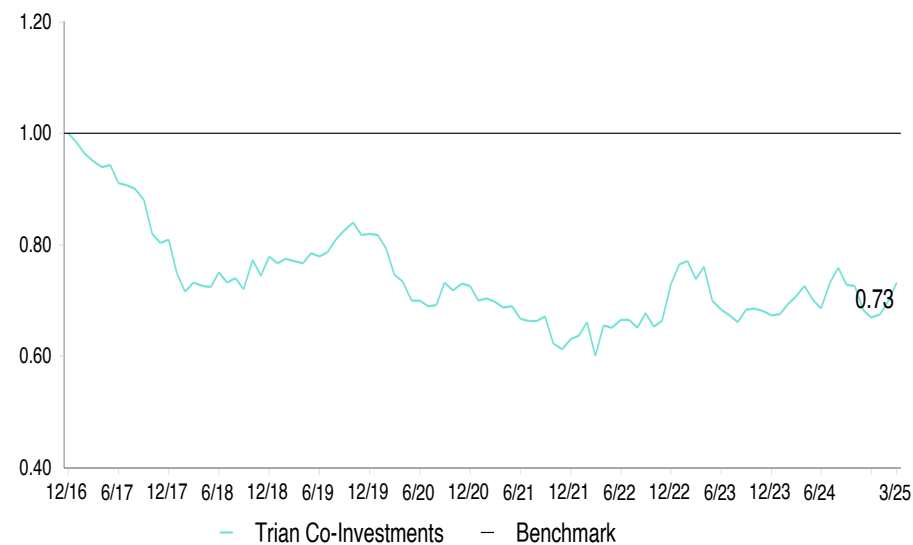
## Return Summary



## Quarterly Excess Performance



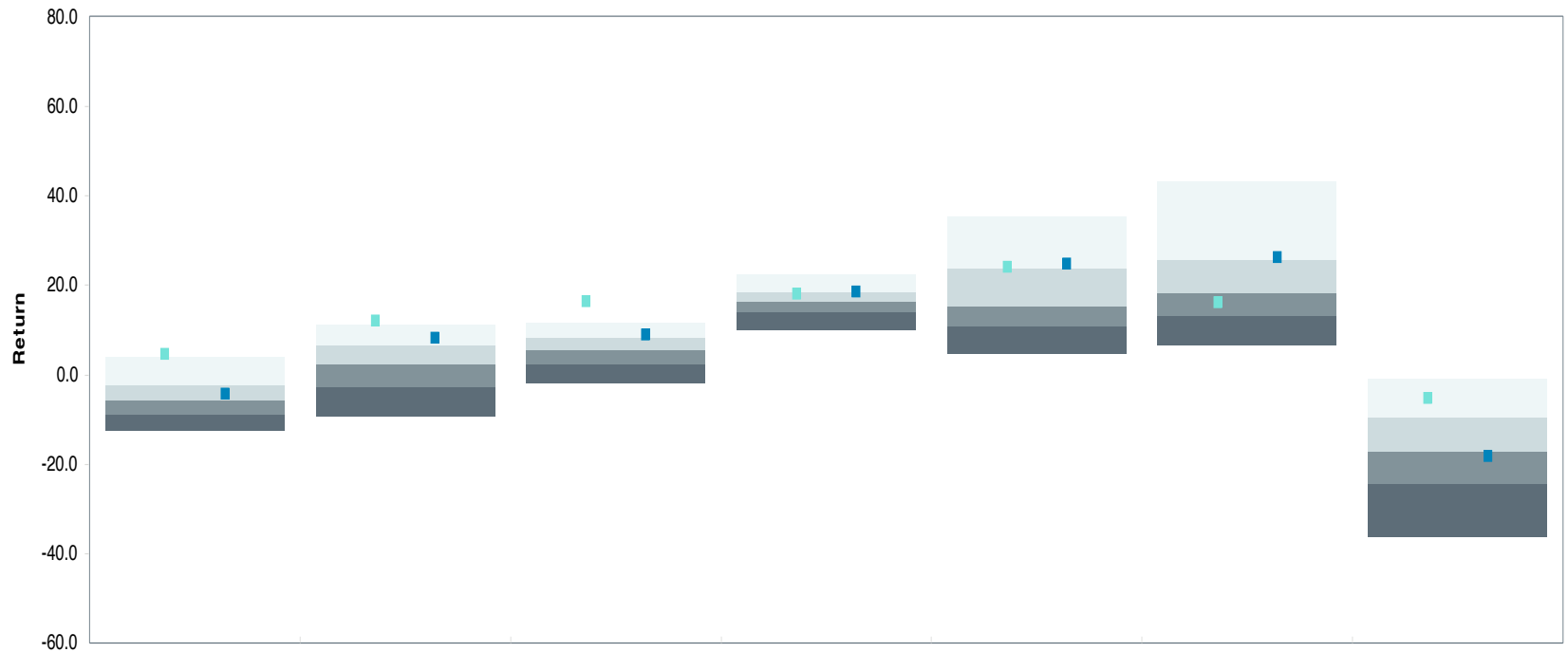
## Ratio of Cumulative Wealth - Since Inception



# Trian Co-Investments

As of March 31, 2025

IM U.S. Equity (SA+CF)



	1 Quarter	1 Year	3 Years	5 Years	2024	2023	2022
Trian Co-Investments	4.8 (4)	12.1 (5)	16.5 (2)	18.2 (32)	24.3 (24)	16.3 (62)	-5.1 (15)
S&P 500 Index	-4.3 (38)	8.3 (14)	9.1 (19)	18.6 (26)	25.0 (20)	26.3 (22)	-18.1 (55)
5th Percentile	3.9	11.2	11.6	22.5	35.4	43.1	-0.8
1st Quartile	-2.2	6.7	8.4	18.6	23.8	25.7	-9.6
Median	-5.6	2.4	5.6	16.6	15.4	18.5	-17.1
3rd Quartile	-8.9	-2.9	2.2	14.0	11.0	13.1	-24.4
95th Percentile	-12.6	-9.1	-1.8	10.0	4.7	6.6	-36.2

Population

1,925

1,920

1,845

1,773

1,967

2,043

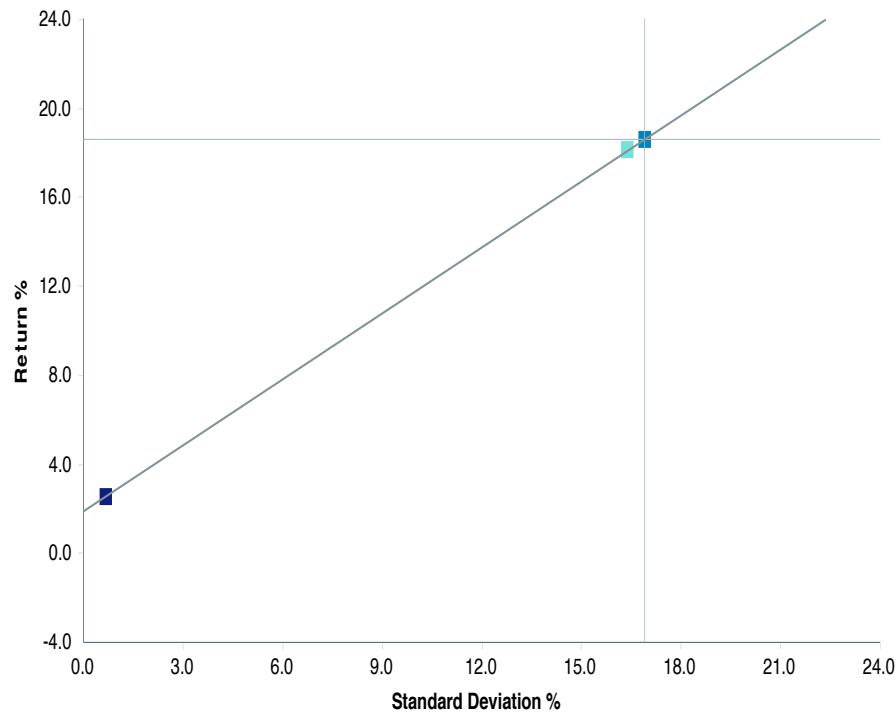
2,106

Parentheses contain percentile rankings.

# Risk Profile Trian Co-Investments

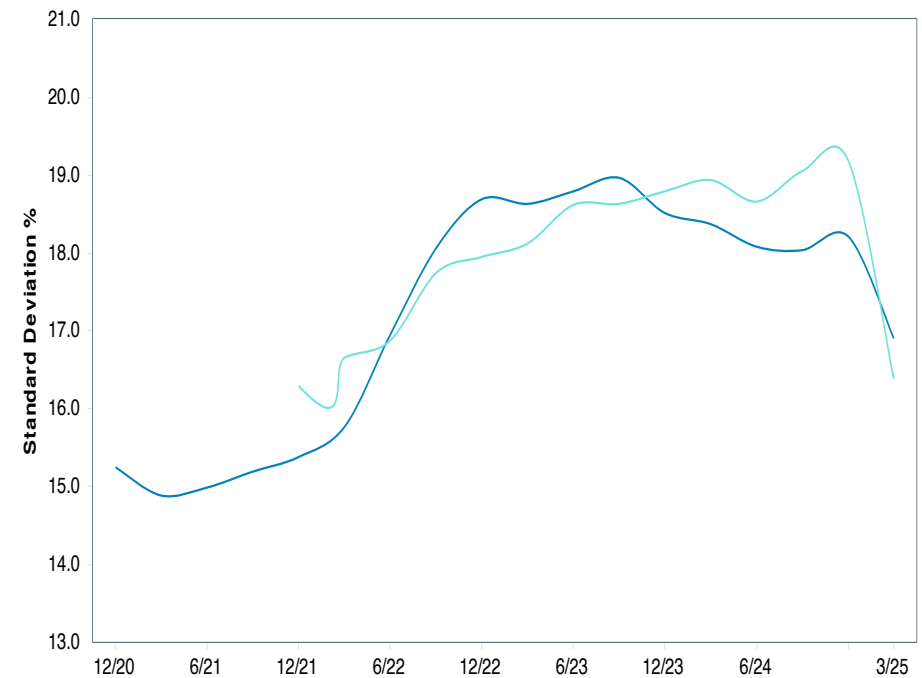
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Trian Co-Investments ■ S&P 500 Index ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Trian Co-Investments — S&P 500 Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Trian Co-Investments	-0.48	12.81	-0.04	0.50	0.95	5.56	0.68	18.16	16.39	0.70
S&P 500 Index	0.00	0.00	-	1.00	0.95	0.00	1.00	18.59	16.90	1.00
90 Day U.S. Treasury Bill	-16.04	16.94	-0.95	0.00	-	2.58	0.00	2.56	0.68	-0.04

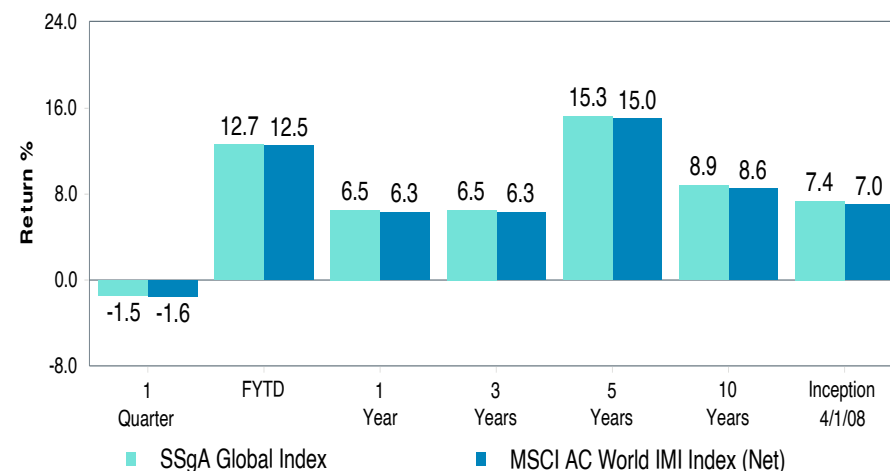
# Manager Performance Summary SSgA Global Index

As of March 31, 2025

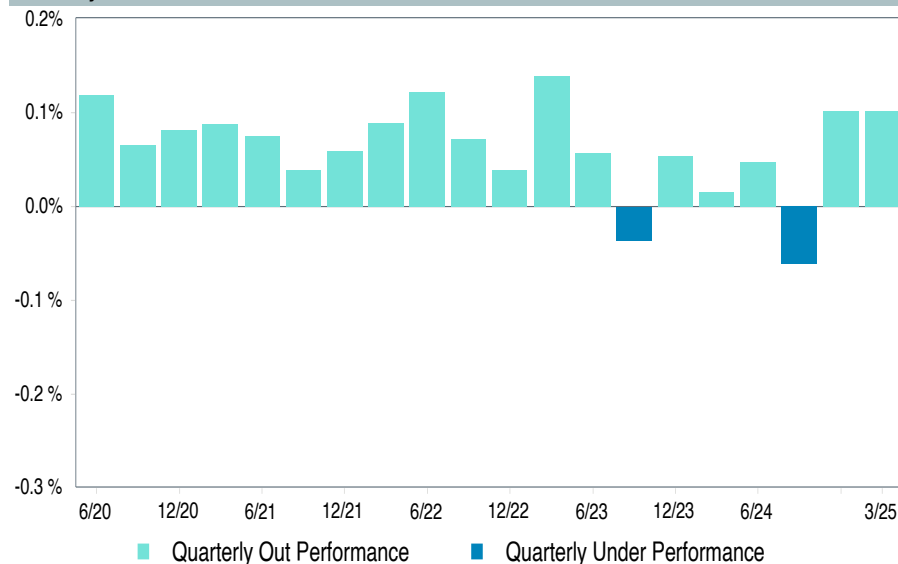
## Account Information

Account Name	SSgA Global Index
Inception Date	03/31/2008
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	MSCI AC World IMI Index (Net)
Peer Group	IM Global Equity (SA+CF)

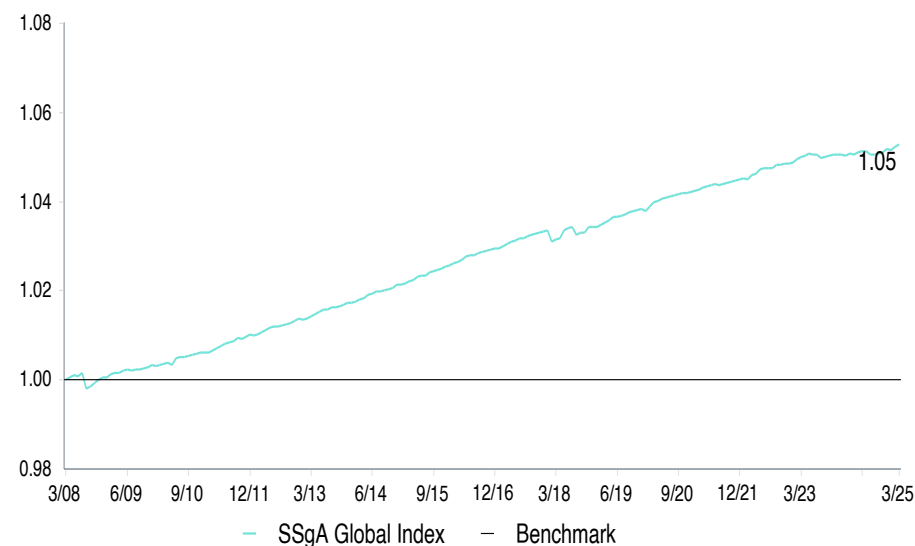
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception

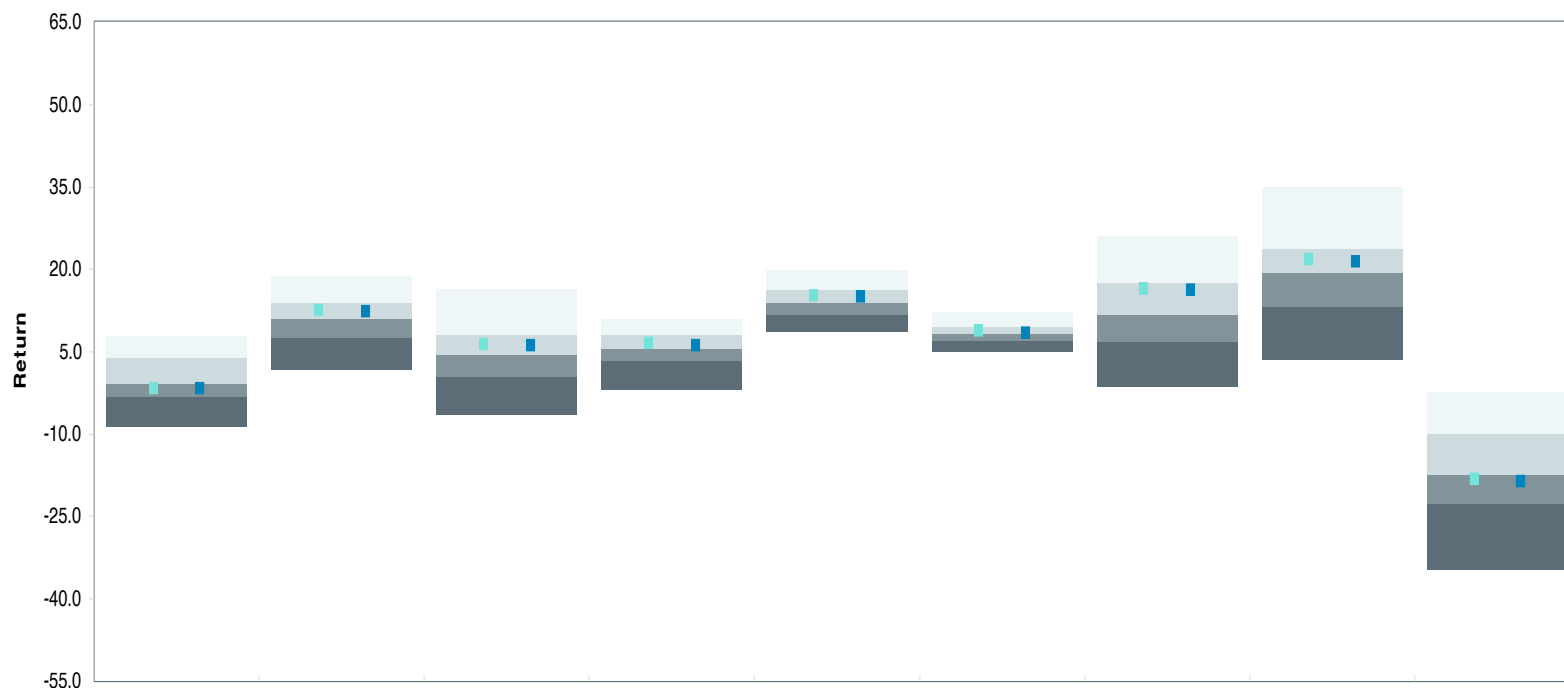




# SSgA Global Index

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
SSgA Global Index	-1.5 (59)	12.7 (36)	6.5 (35)	6.5 (42)	15.3 (36)	8.9 (41)	16.5 (30)	21.8 (38)	-18.1 (53)
MSCI AC World IMI Index (Net)	-1.6 (59)	12.5 (37)	6.3 (38)	6.3 (44)	15.0 (39)	8.6 (47)	16.4 (31)	21.6 (39)	-18.4 (54)
5th Percentile	7.8	18.8	16.4	10.9	19.8	12.2	26.0	34.9	-2.3
1st Quartile	3.9	14.0	8.0	8.1	16.3	9.6	17.6	23.9	-9.9
Median	-0.7	11.0	4.6	5.7	13.9	8.4	11.8	19.4	-17.4
3rd Quartile	-3.2	7.7	0.5	3.4	11.8	7.0	6.9	13.1	-22.7
95th Percentile	-8.7	1.7	-6.2	-1.8	8.8	4.9	-1.3	3.5	-34.6

Population

483

472

482

456

420

315

512

537

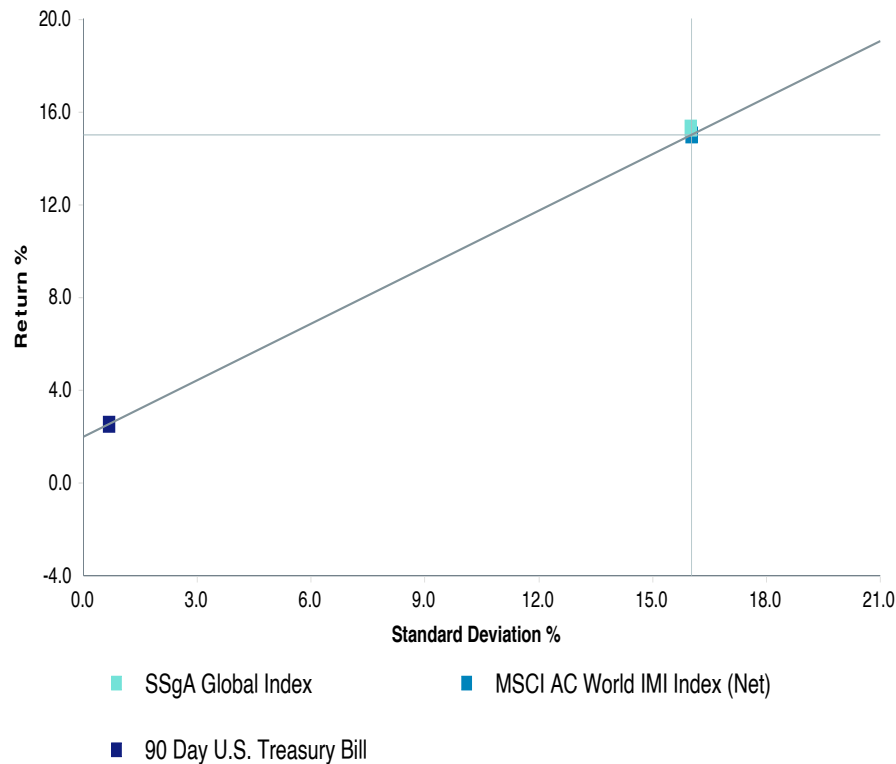
539

Parentheses contain percentile rankings.

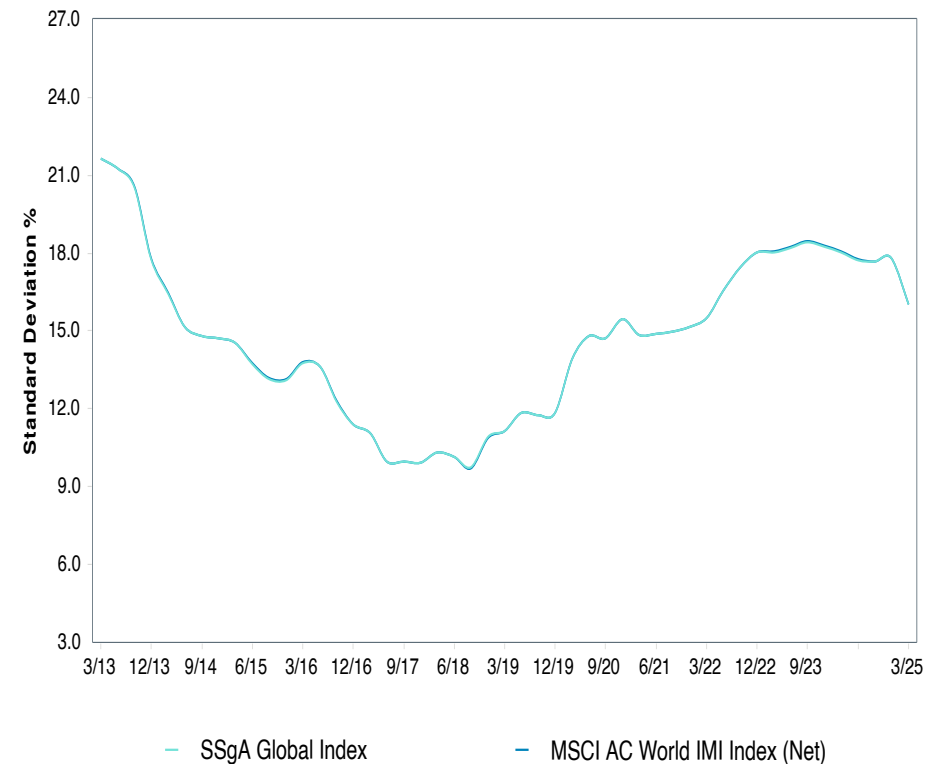
# Risk Profile SSgA Global Index

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
SSgA Global Index	0.25	0.10	2.40	1.00	0.81	0.26	1.00	15.30	16.01	1.00
MSCI AC World IMI Index (Net)	0.00	0.00	-	1.00	0.80	0.00	1.00	15.02	16.02	1.00
90 Day U.S. Treasury Bill	-12.80	16.05	-0.80	0.00	-	2.58	0.00	2.56	0.68	-0.03

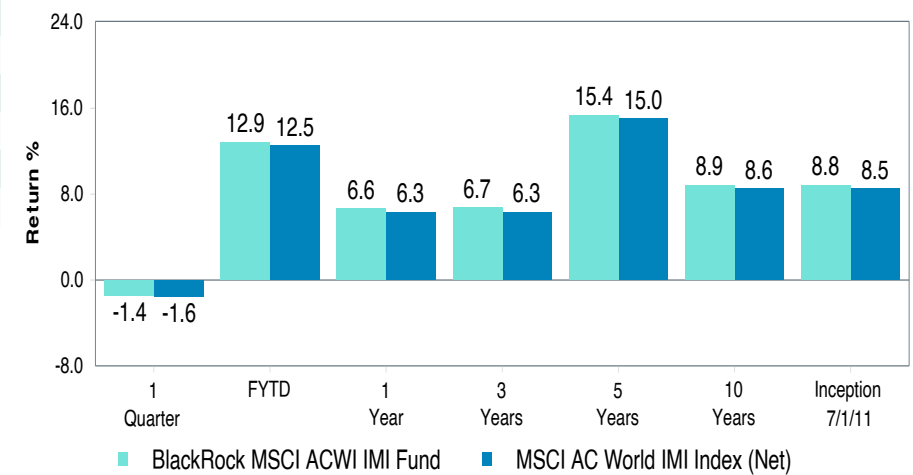
# Manager Performance Summary BlackRock MSCI ACWI IMI Fund

As of March 31, 2025

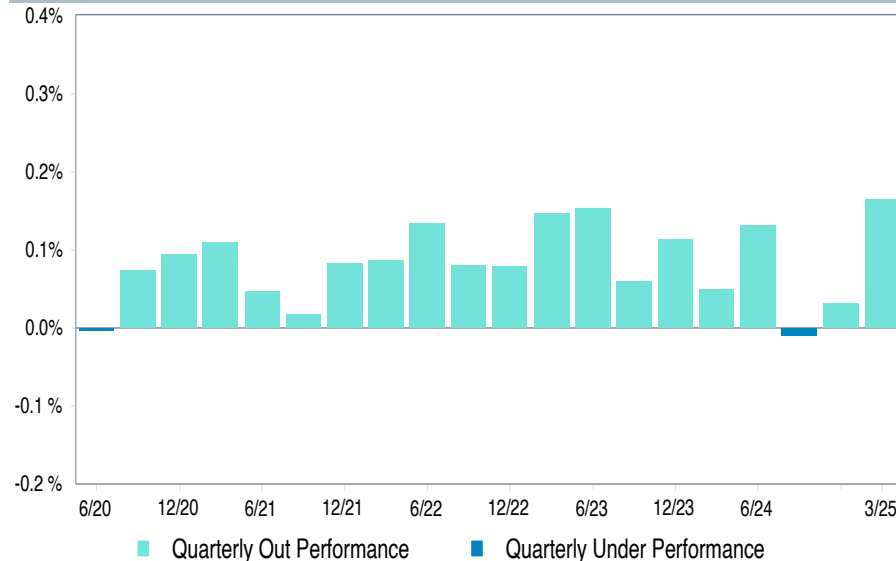
## Account Information

Account Name	BlackRock MSCI ACWI IMI Fund
Inception Date	06/30/2011
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	MSCI AC World IMI Index (Net)
Peer Group	IM Global Equity (SA+CF)

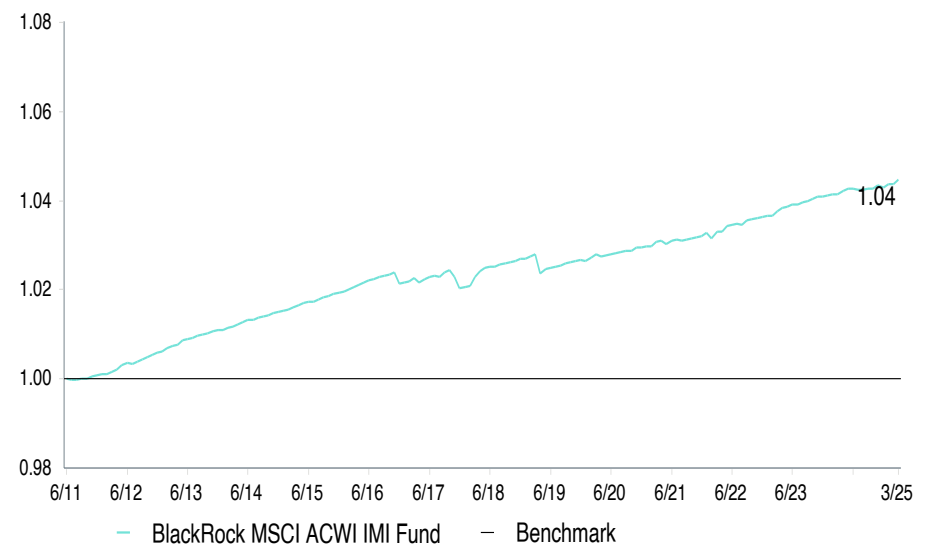
## Return Summary



## Quarterly Excess Performance



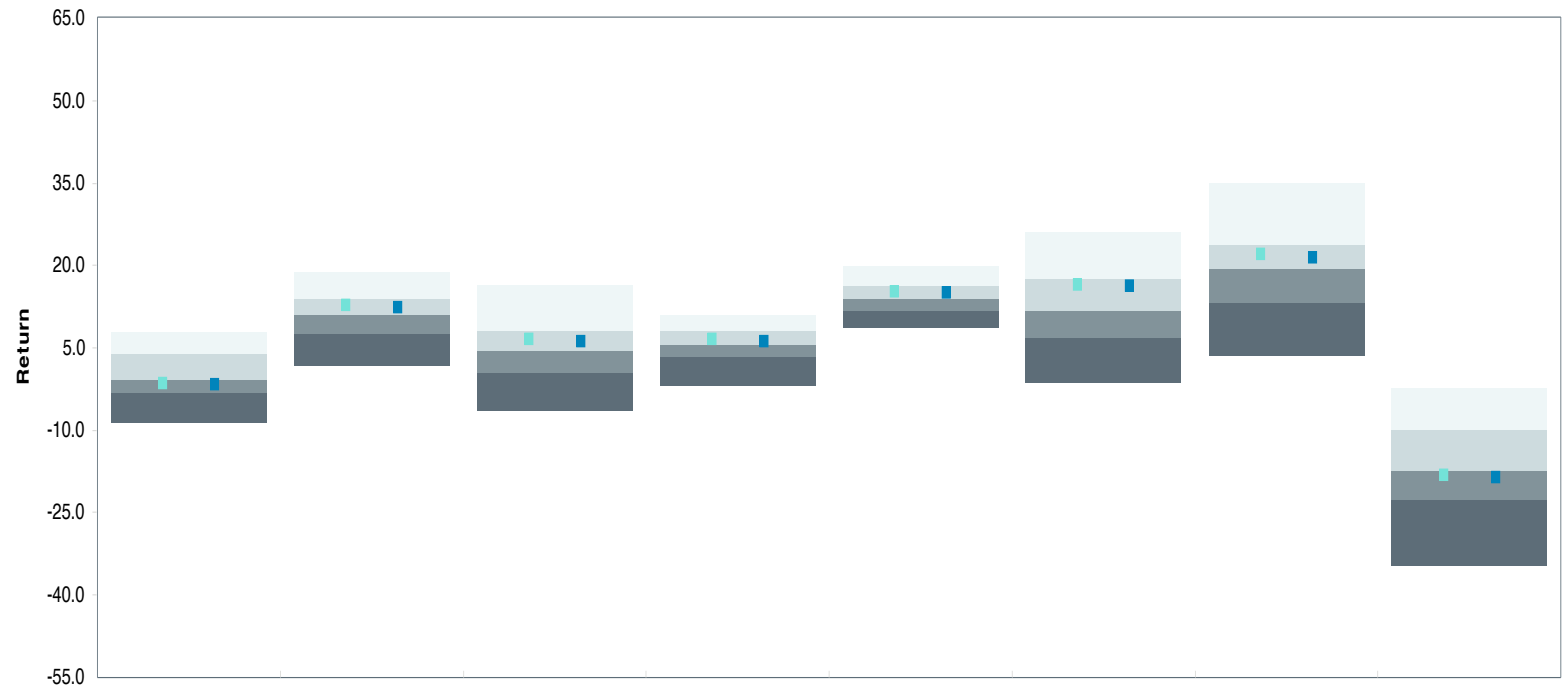
## Ratio of Cumulative Wealth - Since Inception



# BlackRock MSCI ACWI IMI Fund

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2024	2023	2022
BlackRock MSCI ACWI IMI Fund	-1.4 (58)	12.9 (34)	6.6 (33)	6.7 (40)	15.4 (35)	16.6 (30)	22.1 (36)	-18.1 (52)
MSCI AC World IMI Index (Net)	-1.6 (59)	12.5 (37)	6.3 (38)	6.3 (44)	15.0 (39)	16.4 (31)	21.6 (39)	-18.4 (54)
5th Percentile	7.8	18.8	16.4	10.9	19.8	26.0	34.9	-2.3
1st Quartile	3.9	14.0	8.0	8.1	16.3	17.6	23.9	-9.9
Median	-0.7	11.0	4.6	5.7	13.9	11.8	19.4	-17.4
3rd Quartile	-3.2	7.7	0.5	3.4	11.8	6.9	13.1	-22.7
95th Percentile	-8.7	1.7	-6.2	-1.8	8.8	-1.3	3.5	-34.6

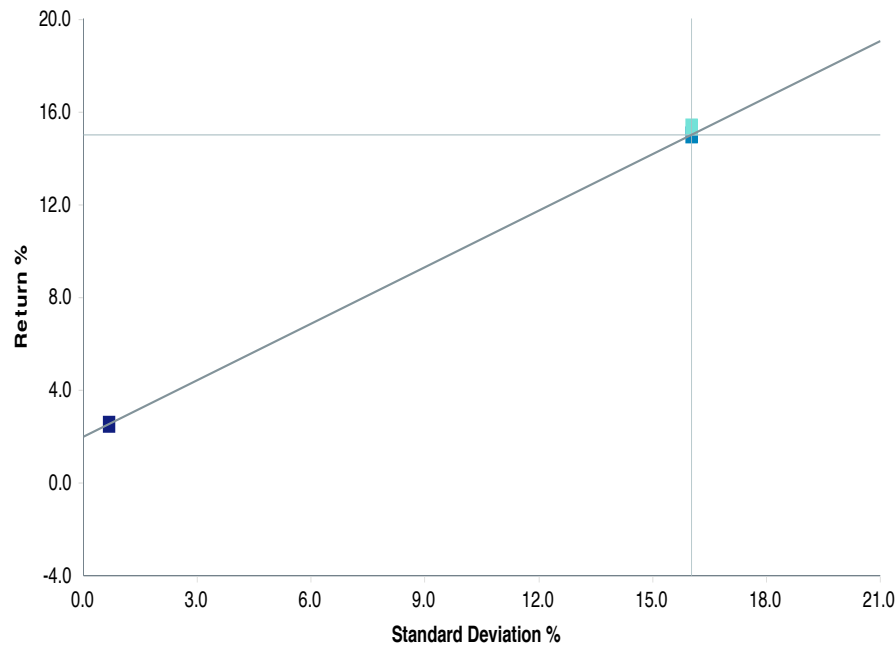
Population 483 472 482 456 420 512 537 539

Parentheses contain percentile rankings.

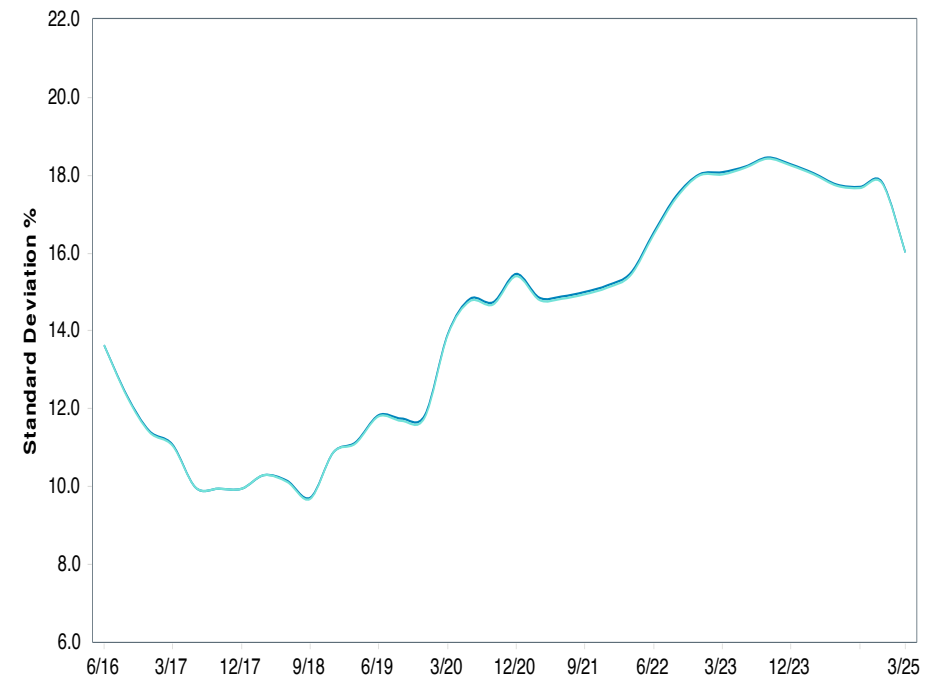
# Risk Profile BlackRock MSCI ACWI IMI Fund

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
BlackRock MSCI ACWI IMI Fund	0.32	0.15	2.17	1.00	0.82	0.33	1.00	15.39	16.02	1.00
MSCI AC World IMI Index (Net)	0.00	0.00	-	1.00	0.80	0.00	1.00	15.02	16.02	1.00
90 Day U.S. Treasury Bill	-12.80	16.05	-0.80	0.00	-	2.58	0.00	2.56	0.68	-0.03

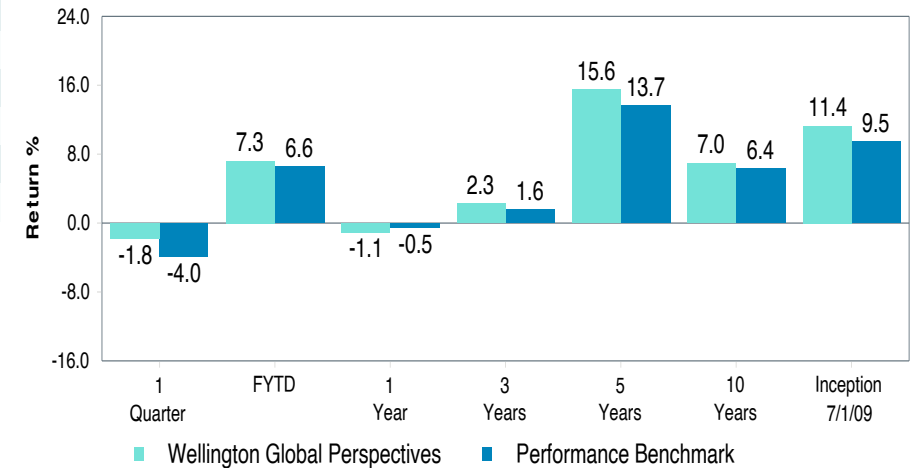
# Manager Performance Summary Wellington Global Perspectives

As of March 31, 2025

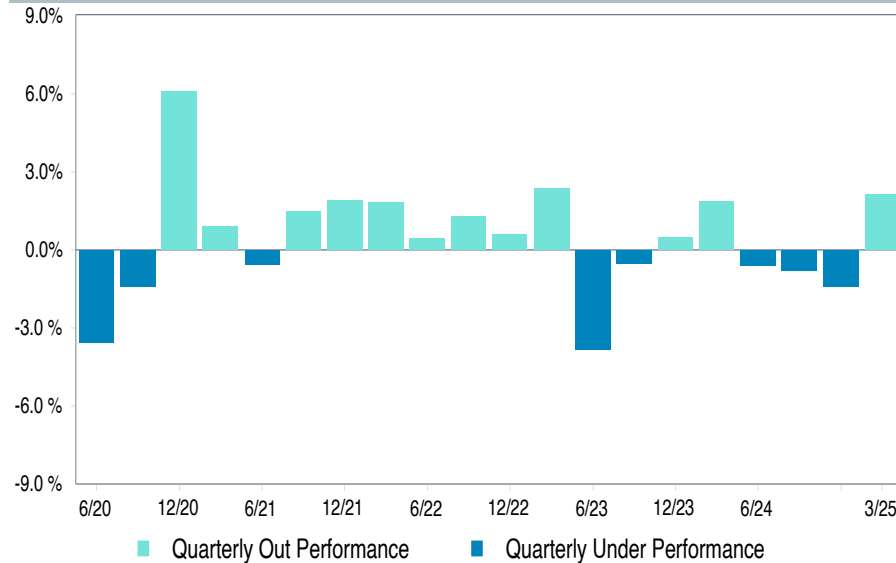
## Account Information

Account Name	Wellington Global Perspectives
Inception Date	06/30/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	Performance Benchmark
Peer Group	IM Global Equity (SA+CF)

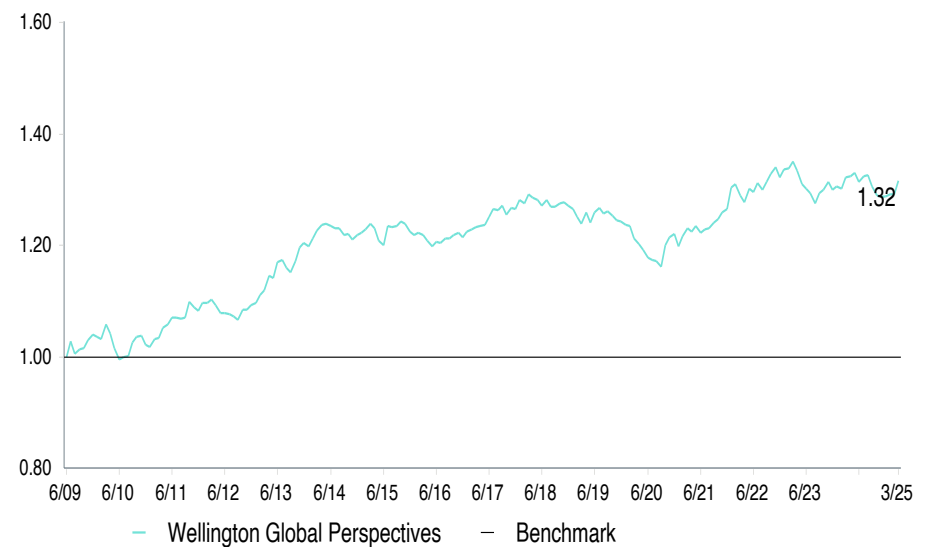
## Return Summary



## Quarterly Excess Performance



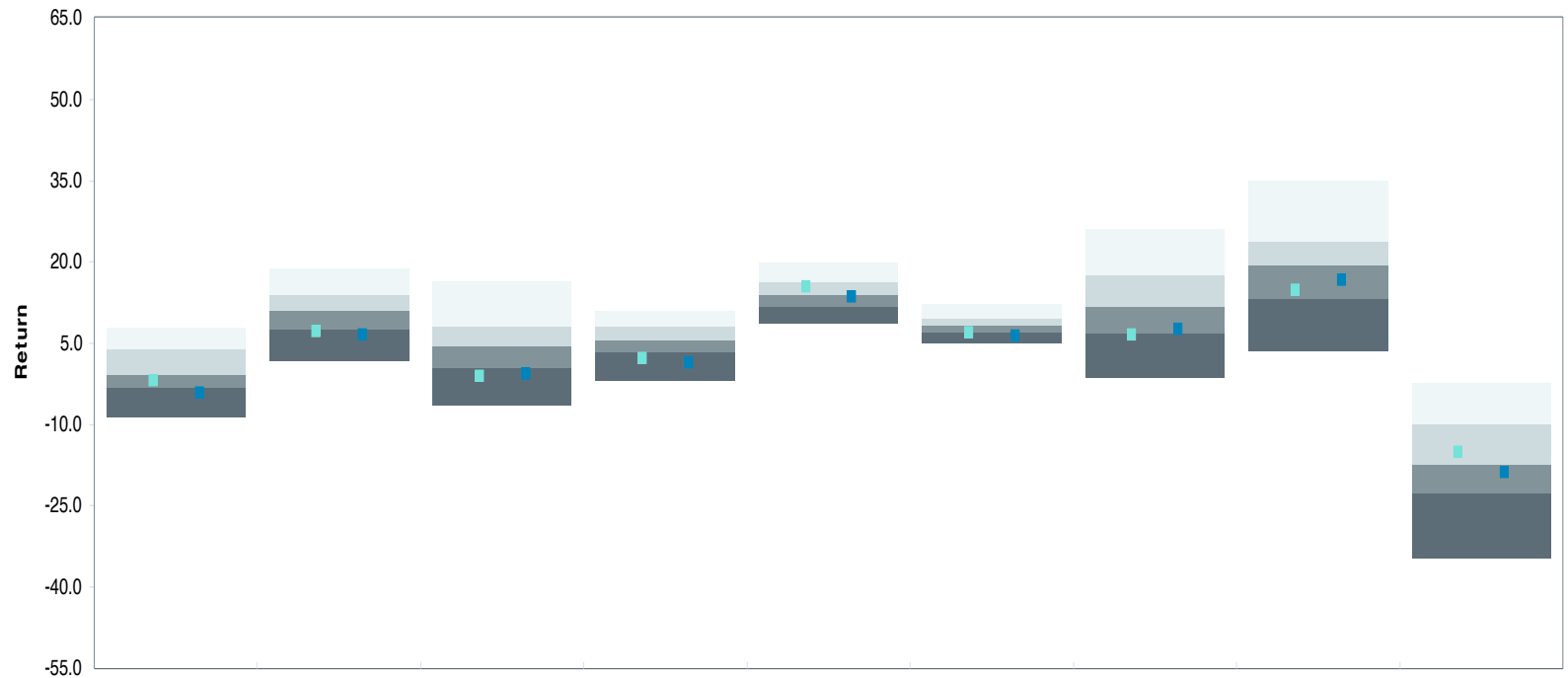
## Ratio of Cumulative Wealth - Since Inception



# Wellington Global Perspectives

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Wellington Global Perspectives	-1.8 (62)	7.3 (78)	-1.1 (84)	2.3 (83)	15.6 (34)	7.0 (75)	6.6 (77)	14.9 (69)	-15.0 (39)
Performance Benchmark	-4.0 (83)	6.6 (81)	-0.5 (80)	1.6 (86)	13.7 (53)	6.4 (84)	7.7 (72)	16.8 (62)	-18.7 (56)
5th Percentile	7.8	18.8	16.4	10.9	19.8	12.2	26.0	34.9	-2.3
1st Quartile	3.9	14.0	8.0	8.1	16.3	9.6	17.6	23.9	-9.9
Median	-0.7	11.0	4.6	5.7	13.9	8.4	11.8	19.4	-17.4
3rd Quartile	-3.2	7.7	0.5	3.4	11.8	7.0	6.9	13.1	-22.7
95th Percentile	-8.7	1.7	-6.2	-1.8	8.8	4.9	-1.3	3.5	-34.6

Population

483

472

482

456

420

315

512

537

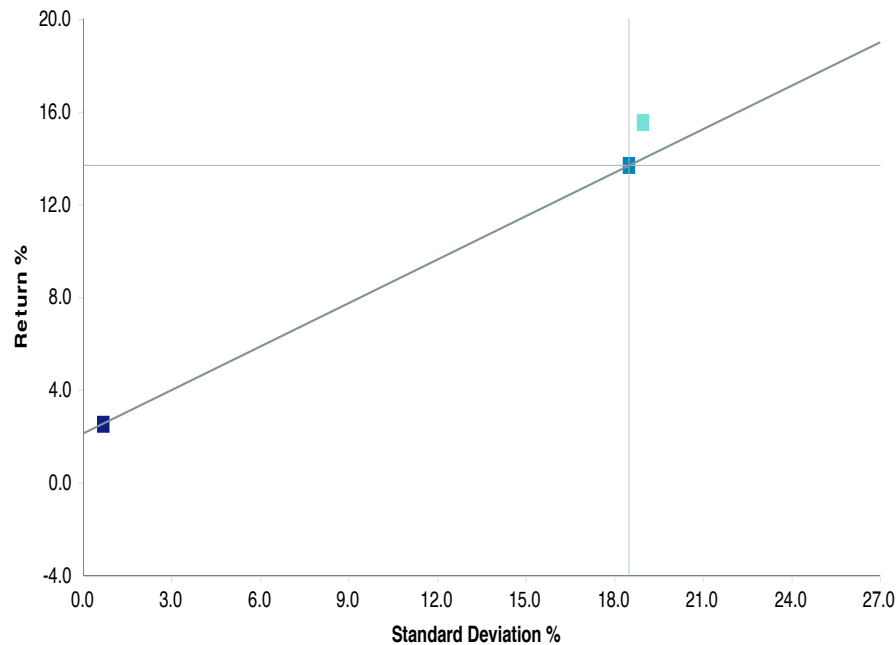
539

Parentheses contain percentile rankings.

# Risk Profile Wellington Global Perspectives

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Wellington Global Perspectives Performance Benchmark

90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



Wellington Global Perspectives Performance Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Wellington Global Perspectives	1.73	3.88	0.45	0.96	0.72	1.70	1.00	15.58	18.95	0.98
Performance Benchmark	0.00	0.00	-	1.00	0.65	0.00	1.00	13.70	18.48	1.00
90 Day U.S. Treasury Bill	-12.04	18.56	-0.65	0.01	-	2.61	0.00	2.56	0.68	-0.09



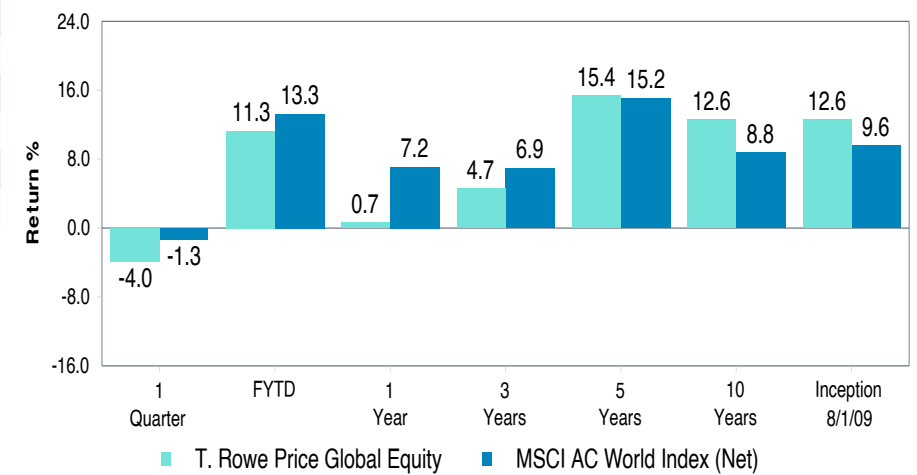
# Manager Performance Summary T. Rowe Price Global Equity

As of March 31, 2025

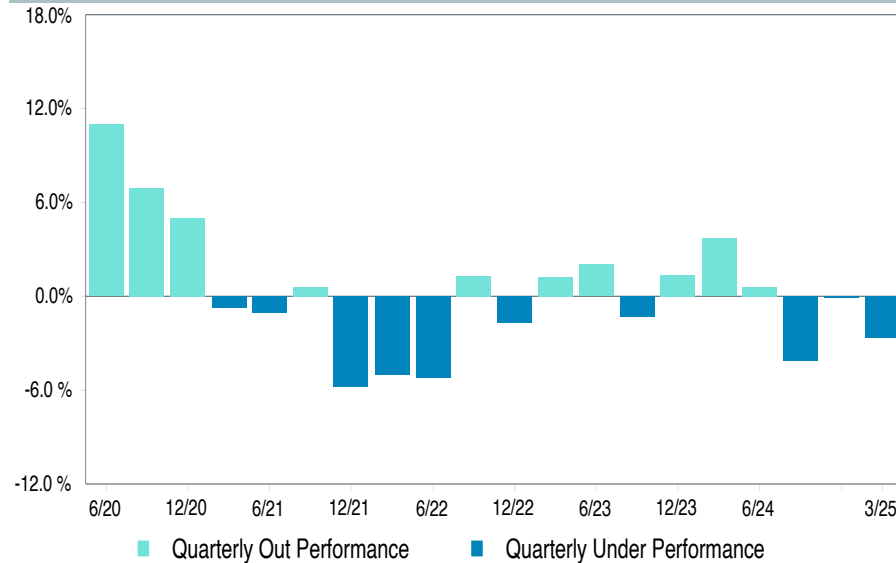
## Account Information

Account Name	T. Rowe Price Global Equity
Inception Date	08/31/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World Index (Net)
Peer Group	IM Global Equity (SA+CF)

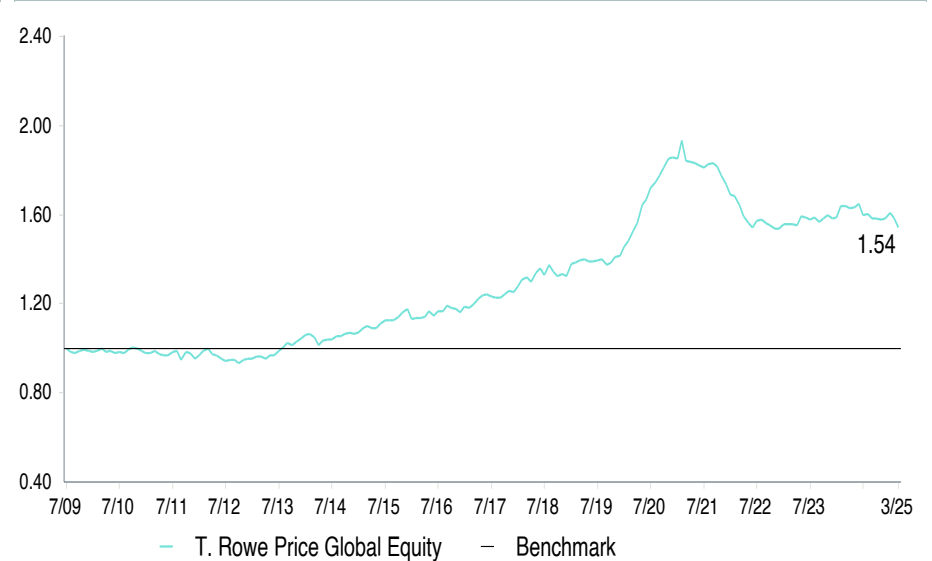
## Return Summary



## Quarterly Excess Performance



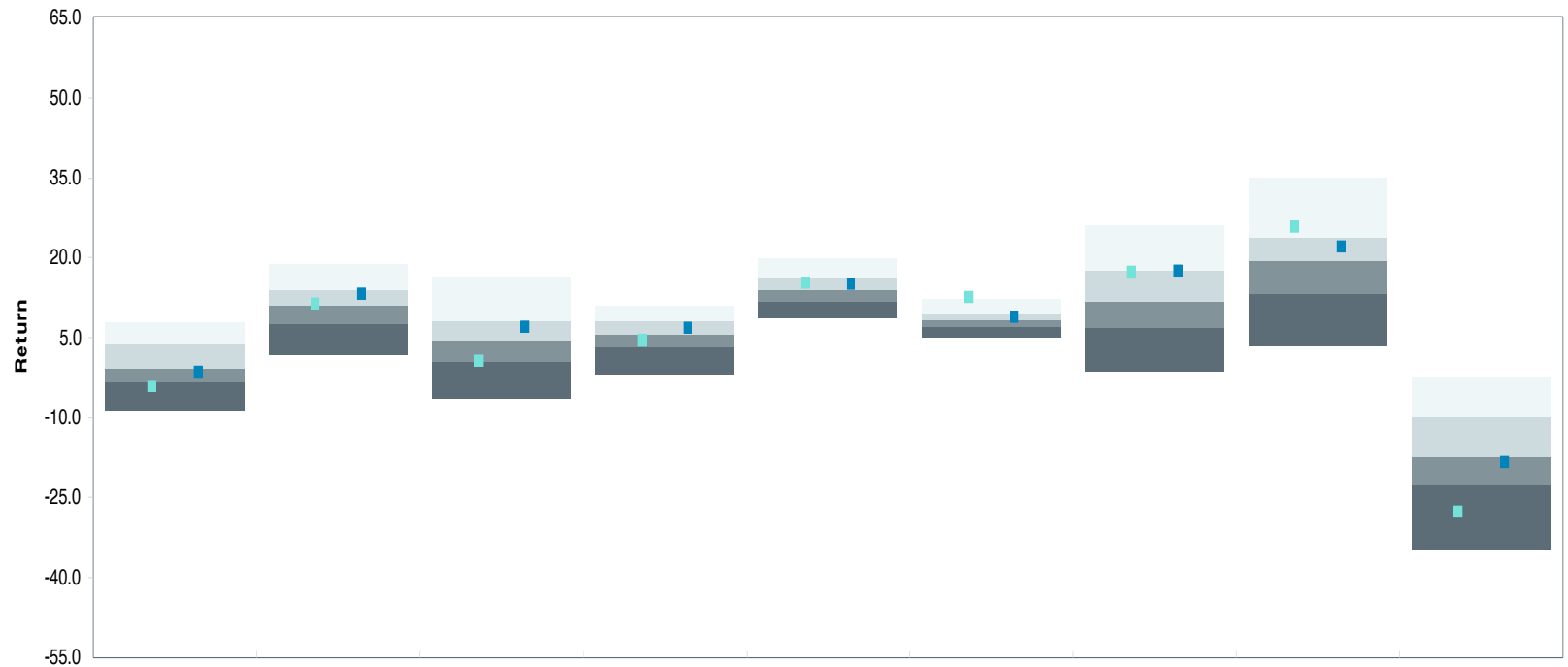
## Ratio of Cumulative Wealth - Since Inception



# T. Rowe Price Global Equity

As of March 31, 2025

IM Global Equity (SA+CF)



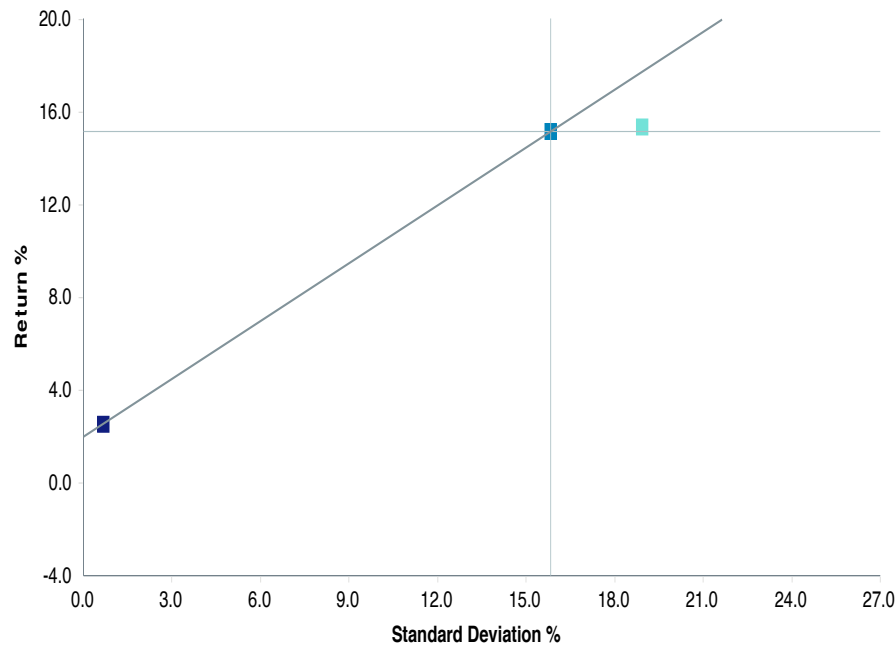
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
T. Rowe Price Global Equity	-4.0 (83)	11.3 (48)	0.7 (74)	4.7 (62)	15.4 (35)	12.6 (4)	17.3 (27)	25.8 (19)	-27.5 (87)
MSCI AC World Index (Net)	-1.3 (56)	13.3 (31)	7.2 (29)	6.9 (39)	15.2 (37)	8.8 (42)	17.5 (26)	22.2 (36)	-18.4 (54)
5th Percentile	7.8	18.8	16.4	10.9	19.8	12.2	26.0	34.9	-2.3
1st Quartile	3.9	14.0	8.0	8.1	16.3	9.6	17.6	23.9	-9.9
Median	-0.7	11.0	4.6	5.7	13.9	8.4	11.8	19.4	-17.4
3rd Quartile	-3.2	7.7	0.5	3.4	11.8	7.0	6.9	13.1	-22.7
95th Percentile	-8.7	1.7	-6.2	-1.8	8.8	4.9	-1.3	3.5	-34.6
Population	483	472	482	456	420	315	512	537	539

Parentheses contain percentile rankings.

# Risk Profile T. Rowe Price Global Equity

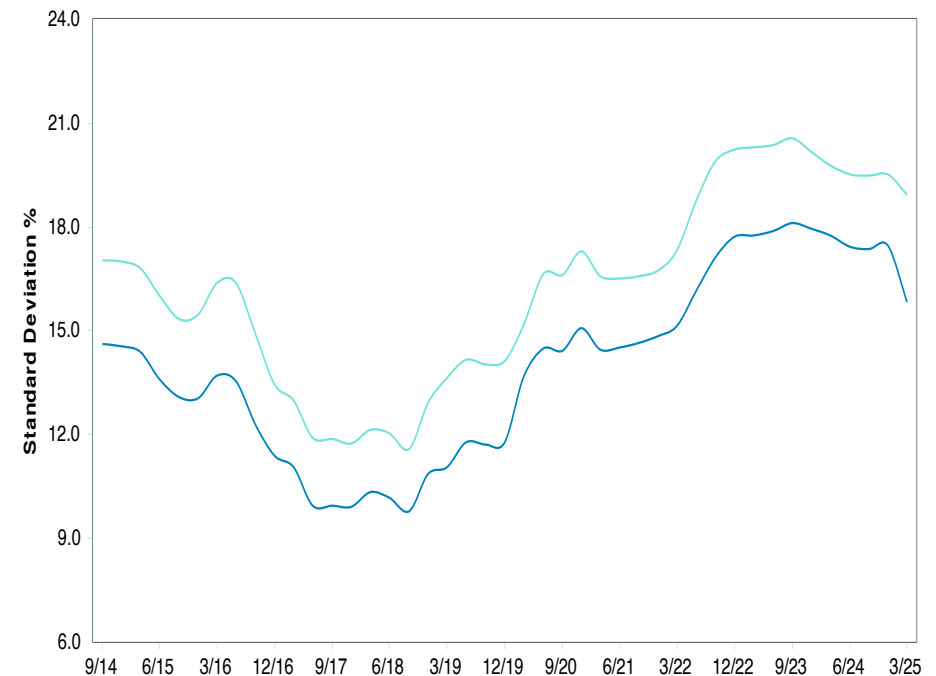
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ T. Rowe Price Global Equity ■ MSCI AC World Index (Net)  
■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— T. Rowe Price Global Equity — MSCI AC World Index (Net)

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
T. Rowe Price Global Equity	0.68	6.47	0.11	0.89	0.72	-1.32	1.13	15.37	18.92	0.95
MSCI AC World Index (Net)	0.00	0.00	-	1.00	0.81	0.00	1.00	15.18	15.84	1.00
90 Day U.S. Treasury Bill	-12.91	15.86	-0.81	0.00	-	2.57	0.00	2.56	0.68	-0.02

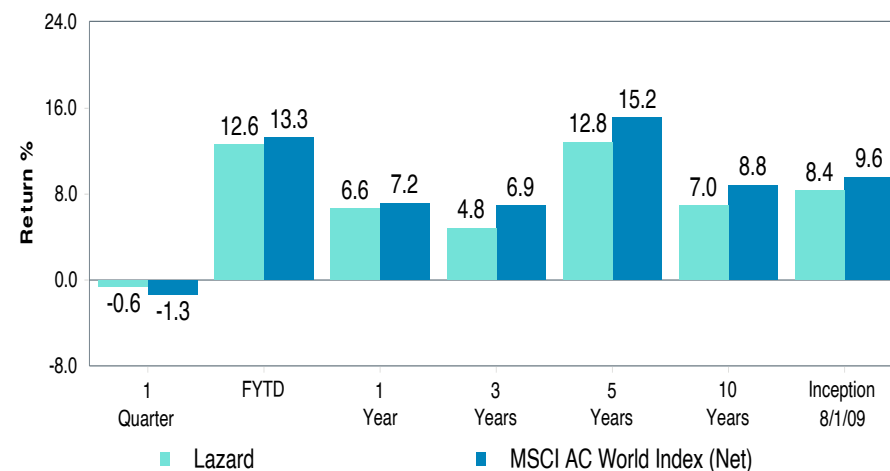
# Manager Performance Summary Lazard

As of March 31, 2025

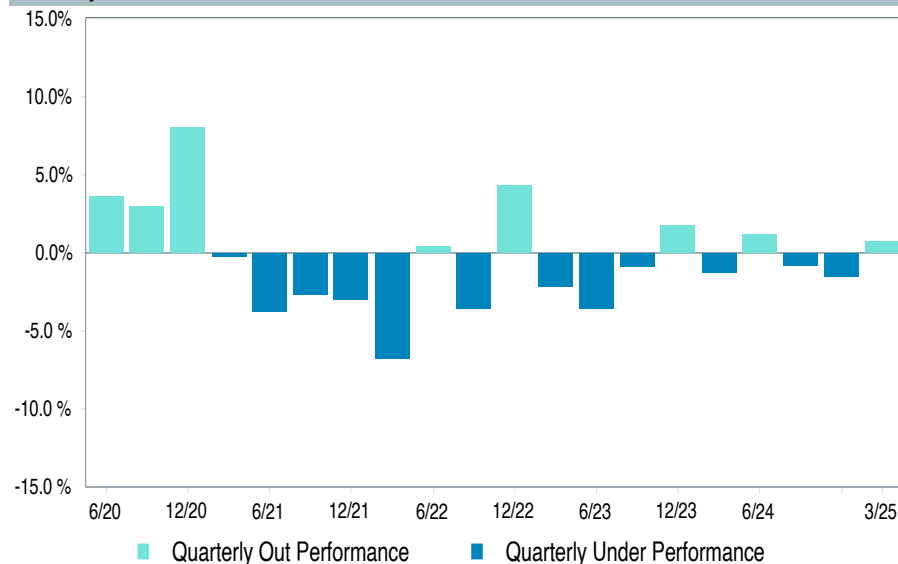
## Account Information

Account Name	Lazard
Inception Date	08/31/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World Index (Net)
Peer Group	IM Global Equity (SA+CF)

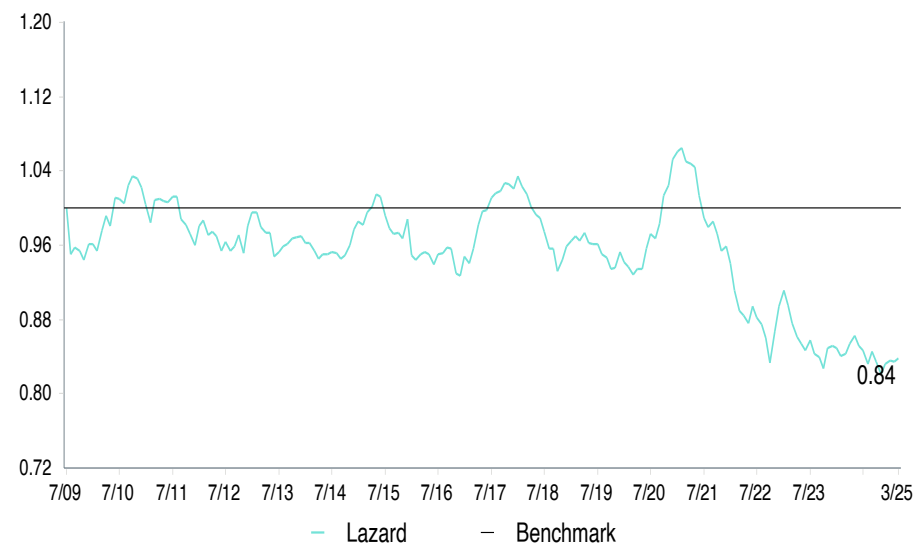
## Return Summary



## Quarterly Excess Performance



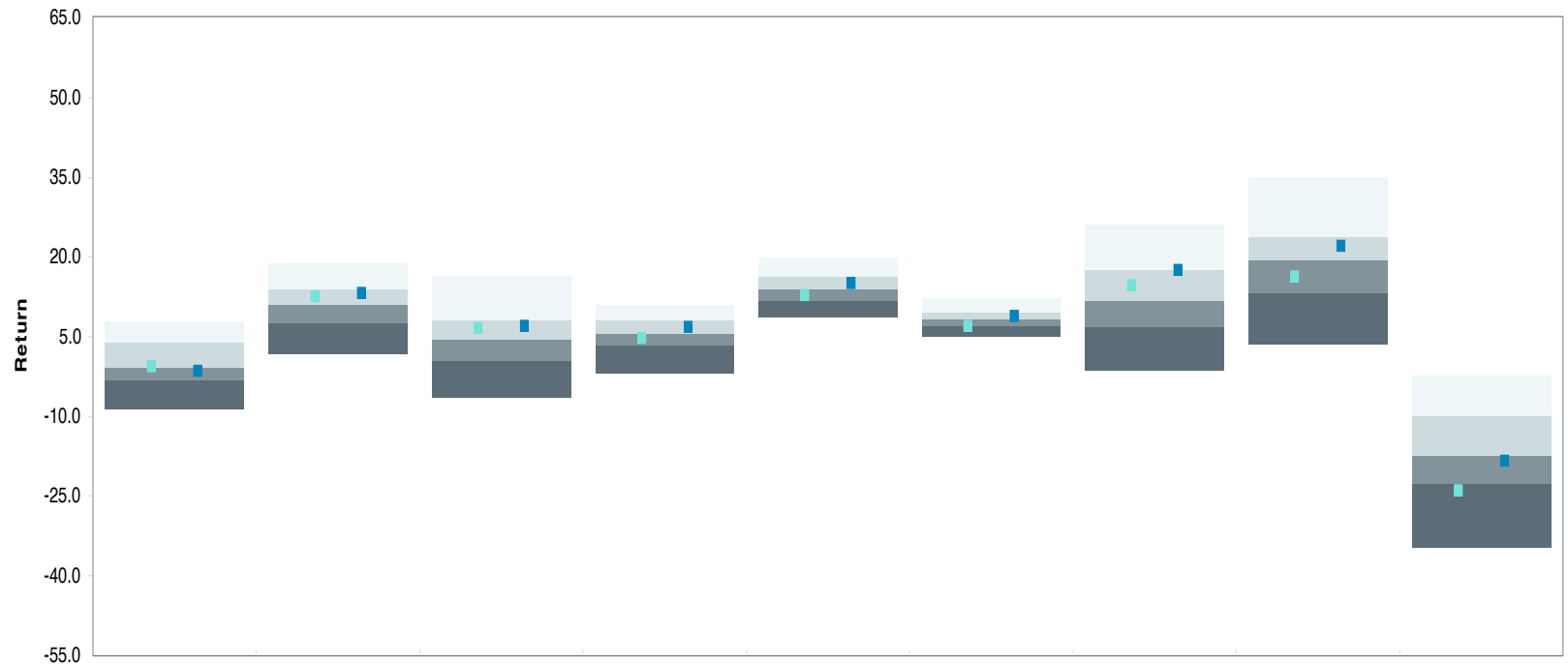
## Ratio of Cumulative Wealth - Since Inception



# Lazard

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Lazard	-0.6 (50)	12.6 (37)	6.6 (34)	4.8 (61)	12.8 (63)	7.0 (76)	14.7 (37)	16.4 (63)	-23.8 (79)
MSCI AC World Index (Net)	-1.3 (56)	13.3 (31)	7.2 (29)	6.9 (39)	15.2 (37)	8.8 (42)	17.5 (26)	22.2 (36)	-18.4 (54)
5th Percentile	7.8	18.8	16.4	10.9	19.8	12.2	26.0	34.9	-2.3
1st Quartile	3.9	14.0	8.0	8.1	16.3	9.6	17.6	23.9	-9.9
Median	-0.7	11.0	4.6	5.7	13.9	8.4	11.8	19.4	-17.4
3rd Quartile	-3.2	7.7	0.5	3.4	11.8	7.0	6.9	13.1	-22.7
95th Percentile	-8.7	1.7	-6.2	-1.8	8.8	4.9	-1.3	3.5	-34.6

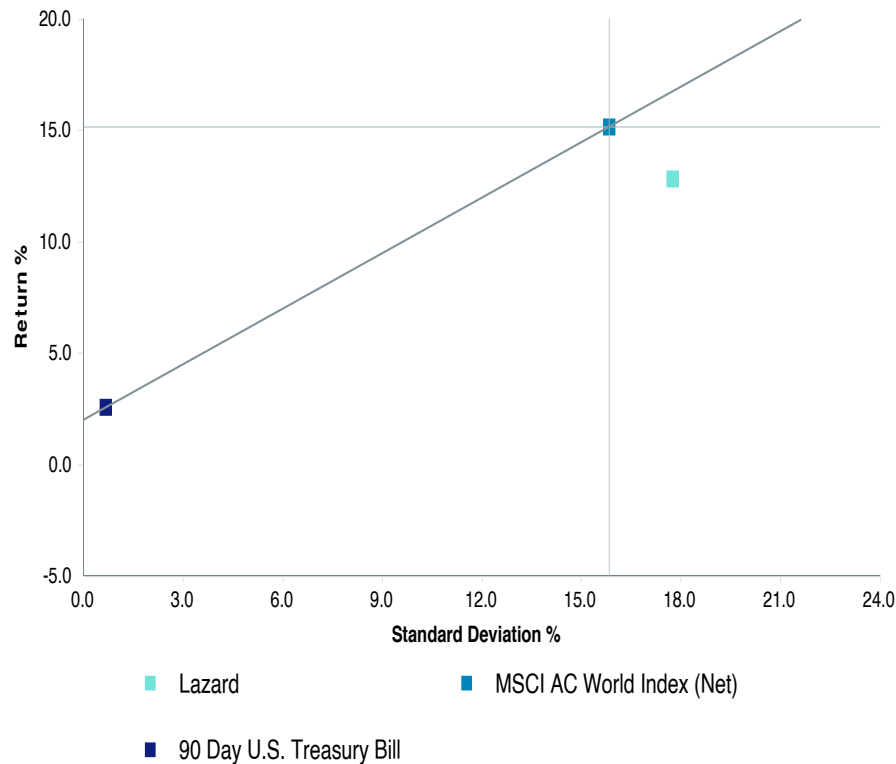
Population 483 472 482 456 420 315 512 537 539

Parentheses contain percentile rankings.

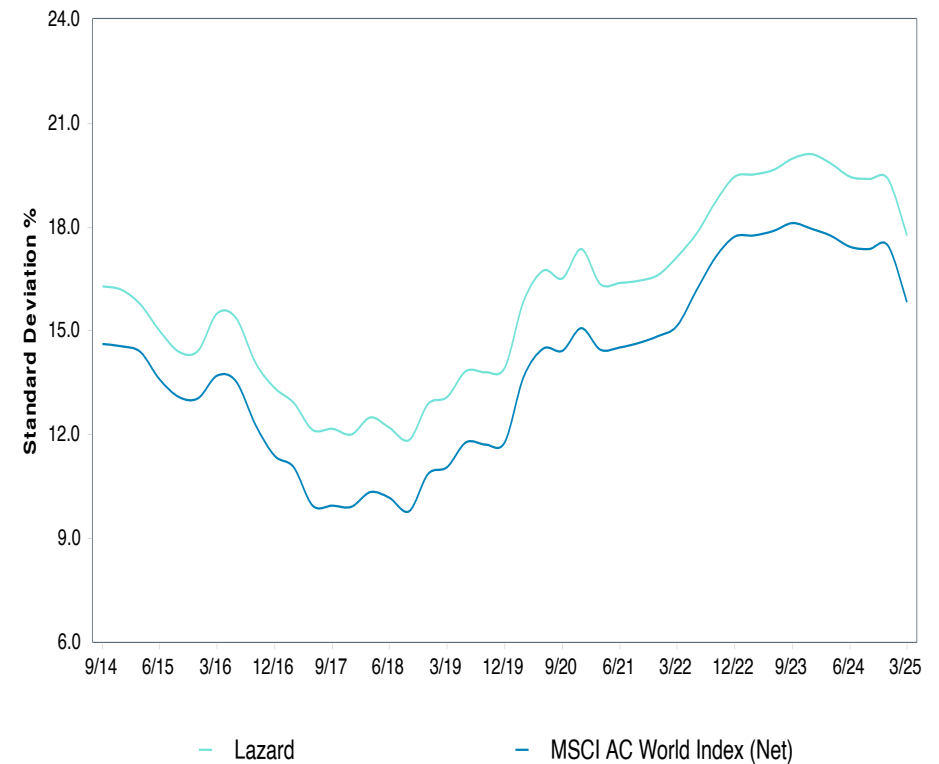
# Risk Profile Lazard

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Lazard	-1.77	5.90	-0.30	0.89	0.63	-2.65	1.06	12.84	17.75	0.94
MSCI AC World Index (Net)	0.00	0.00	-	1.00	0.81	0.00	1.00	15.18	15.84	1.00
90 Day U.S. Treasury Bill	-12.91	15.86	-0.81	0.00	-	2.57	0.00	2.56	0.68	-0.02

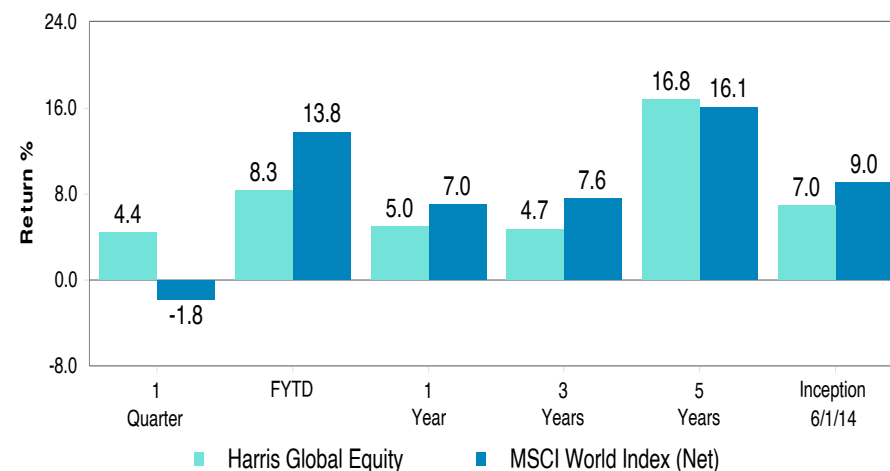
# Manager Performance Summary Harris Global Equity

As of March 31, 2025

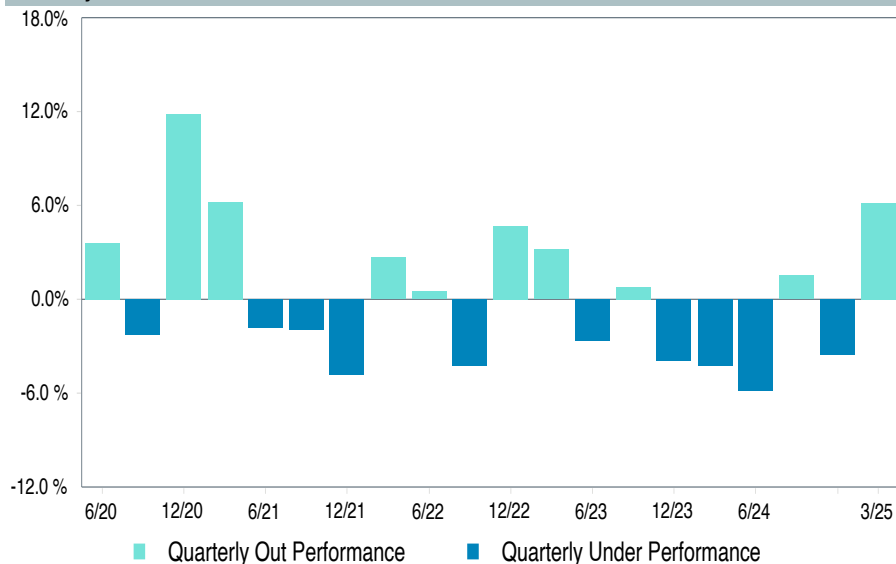
## Account Information

Account Name	Harris Global Equity
Inception Date	06/01/2014
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI World Index (Net)
Peer Group	IM Global Equity (SA+CF)

## Return Summary



## Quarterly Excess Performance



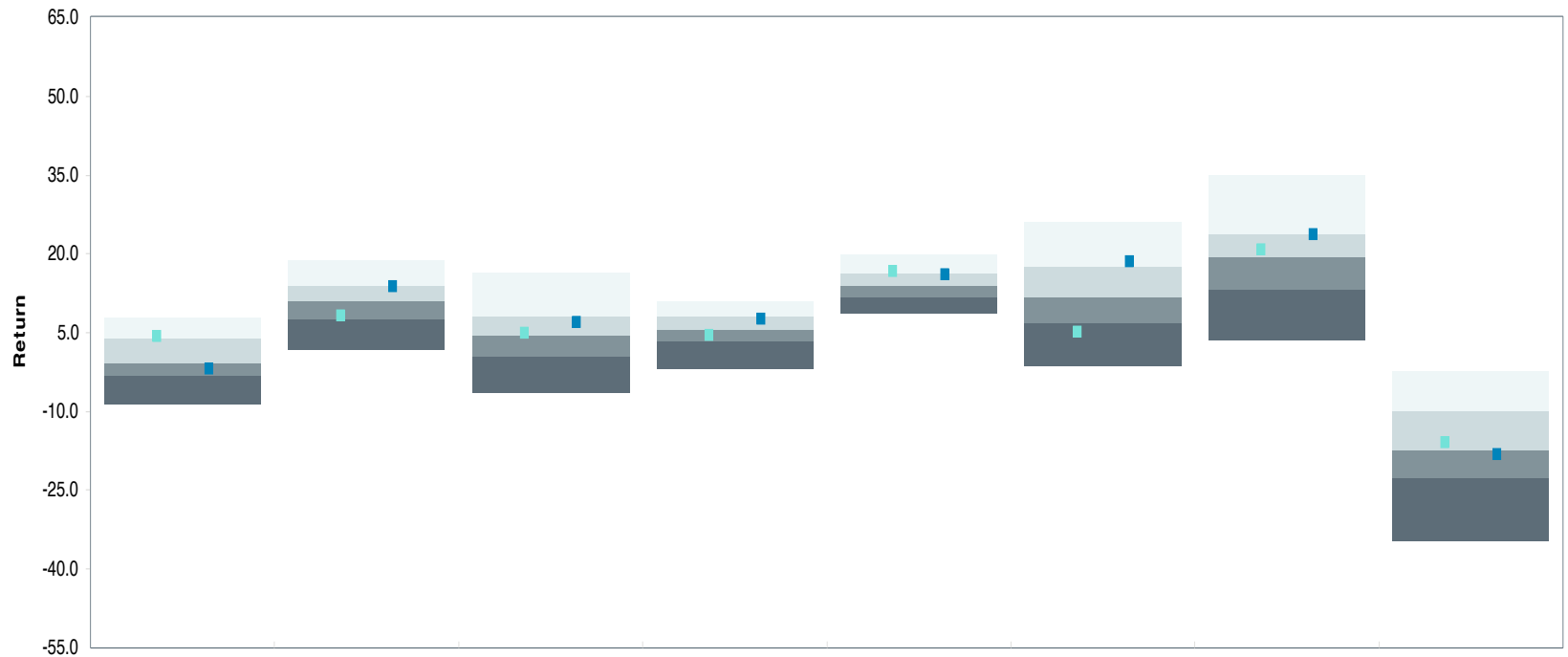
## Ratio of Cumulative Wealth - Since Inception



# Harris Global Equity

As of March 31, 2025

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2024	2023	2022
Harris Global Equity	4.4 (23)	8.3 (73)	5.0 (48)	4.7 (62)	16.8 (21)	5.2 (82)	20.9 (43)	-15.7 (41)
MSCI World Index (Net)	-1.8 (62)	13.8 (27)	7.0 (30)	7.6 (31)	16.1 (29)	18.7 (22)	23.8 (26)	-18.1 (53)
5th Percentile	7.8	18.8	16.4	10.9	19.8	26.0	34.9	-2.3
1st Quartile	3.9	14.0	8.0	8.1	16.3	17.6	23.9	-9.9
Median	-0.7	11.0	4.6	5.7	13.9	11.8	19.4	-17.4
3rd Quartile	-3.2	7.7	0.5	3.4	11.8	6.9	13.1	-22.7
95th Percentile	-8.7	1.7	-6.2	-1.8	8.8	-1.3	3.5	-34.6

Population

483

472

482

456

420

512

537

539

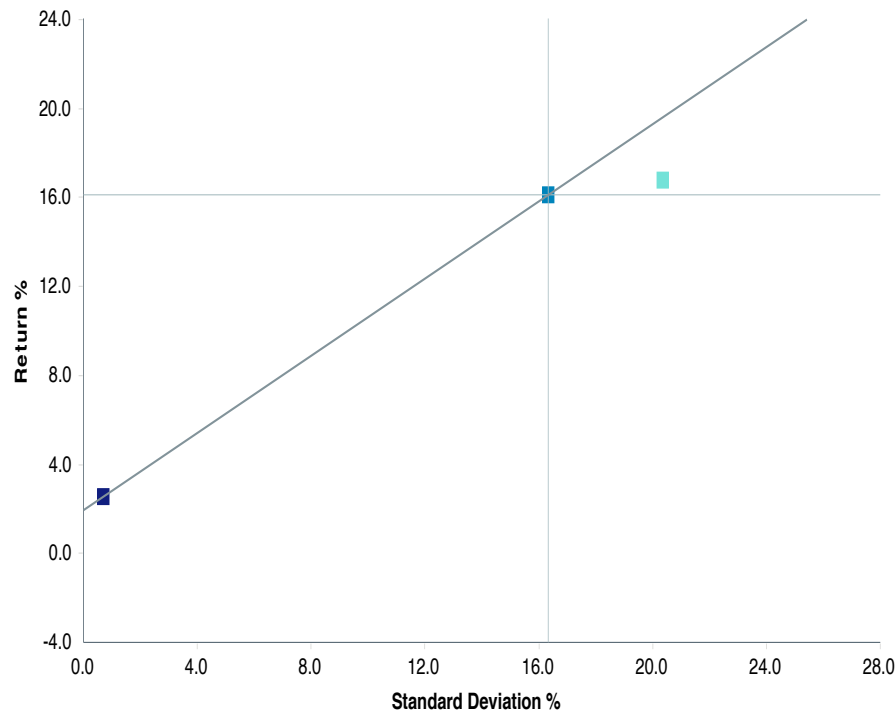
Parentheses contain percentile rankings.



# Risk Profile Harris Global Equity

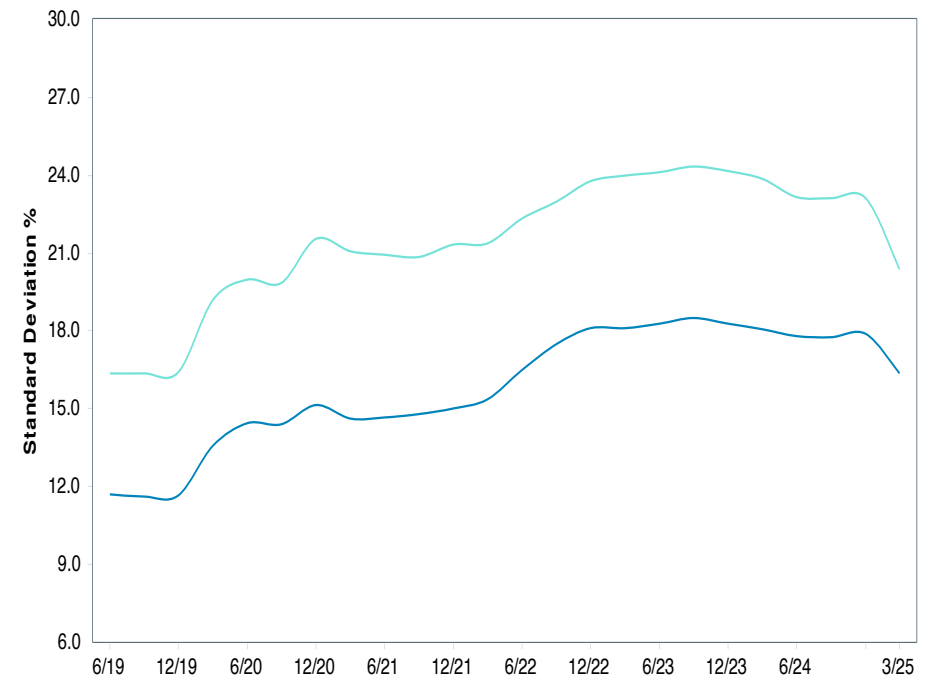
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Harris Global Equity ■ MSCI World Index (Net) ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Harris Global Equity — MSCI World Index (Net)

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Harris Global Equity	1.26	8.78	0.14	0.83	0.74	-0.90	1.13	16.80	20.37	0.91
MSCI World Index (Net)	0.00	0.00	-	1.00	0.84	0.00	1.00	16.13	16.34	1.00
90 Day U.S. Treasury Bill	-13.82	16.37	-0.84	0.00	-	2.57	0.00	2.56	0.68	-0.02

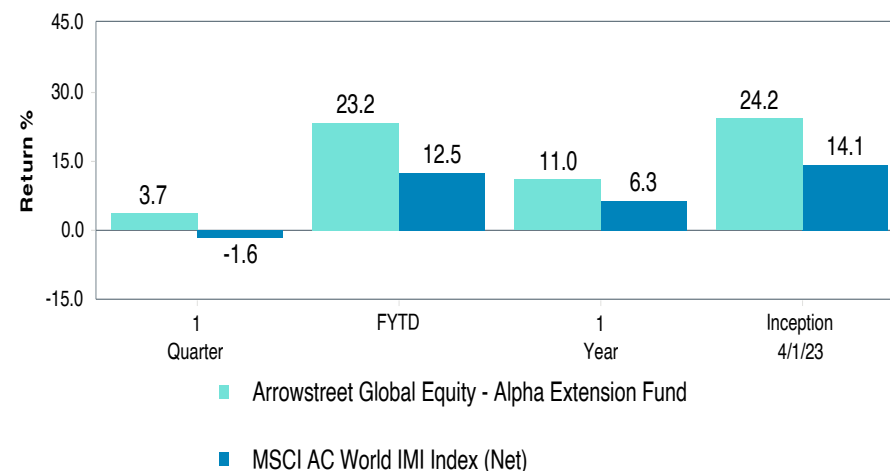
# Manager Performance Summary Arrowstreet Global Equity - Alpha I

As of March 31, 2025

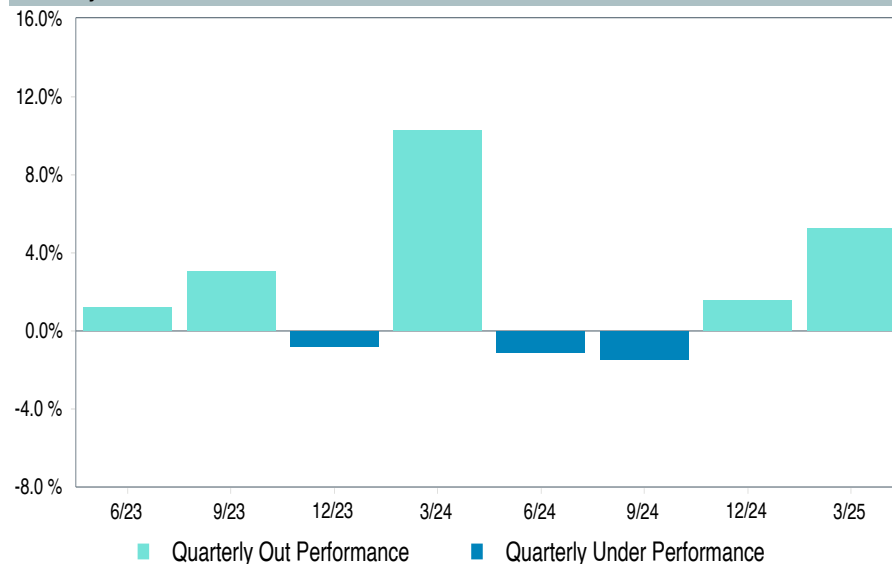
## Account Information

Account Name	Arrowstreet Global Equity - Alpha Extension Fund
Inception Date	03/01/2023
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World IMI Index (Net)
Peer Group	IM Global Equity (MF)

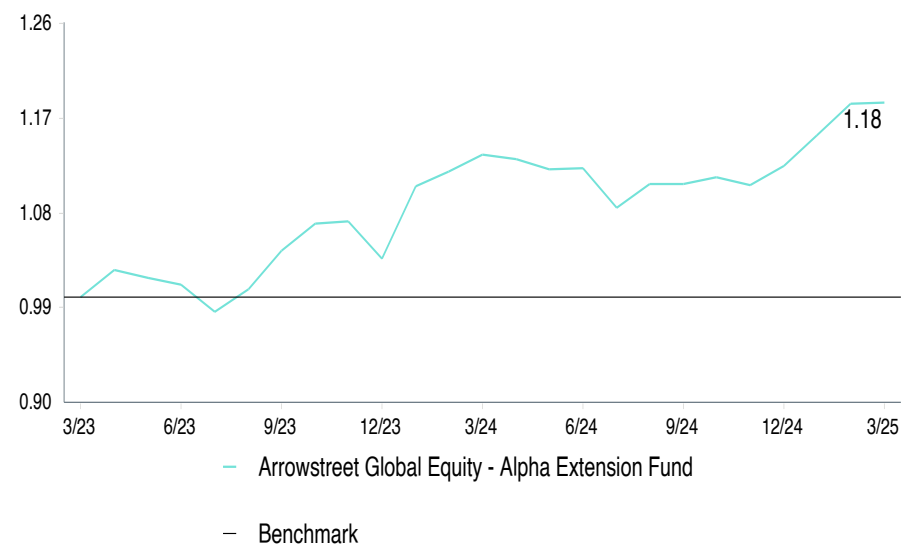
## Return Summary



## Quarterly Excess Performance



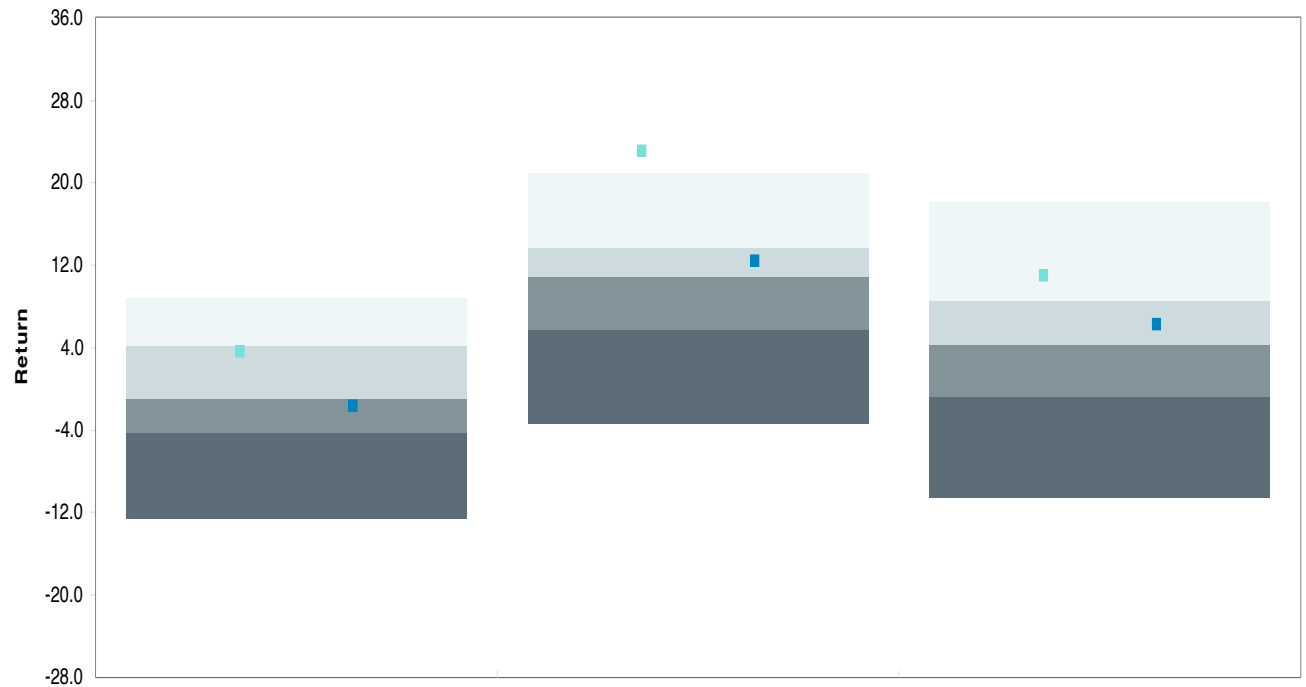
## Ratio of Cumulative Wealth - Since Inception



# Arrowstreet Global Equity - Alpha Extension Fund

As of March 31, 2025

IM Global Equity (MF)



	1 Quarter	FYTD	1 Year
Arrowstreet Global Equity - Alpha Extension Fund	3.7 (28)	23.2 (4)	11.0 (18)
MSCI AC World IMI Index (Net)	-1.6 (56)	12.5 (38)	6.3 (39)
5th Percentile	8.9	21.0	18.2
1st Quartile	4.2	13.7	8.6
Median	-0.9	11.0	4.3
3rd Quartile	-4.3	5.8	-0.7
95th Percentile	-12.6	-3.4	-10.5

Population

441

441

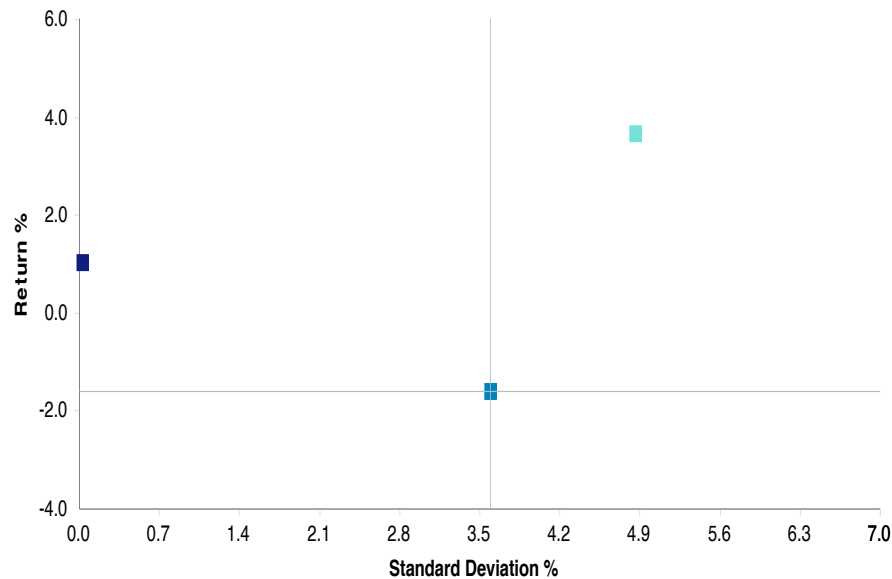
441

Parentheses contain percentile rankings.

# Risk Profile Arrowstreet Global Equity - Alpha Extension

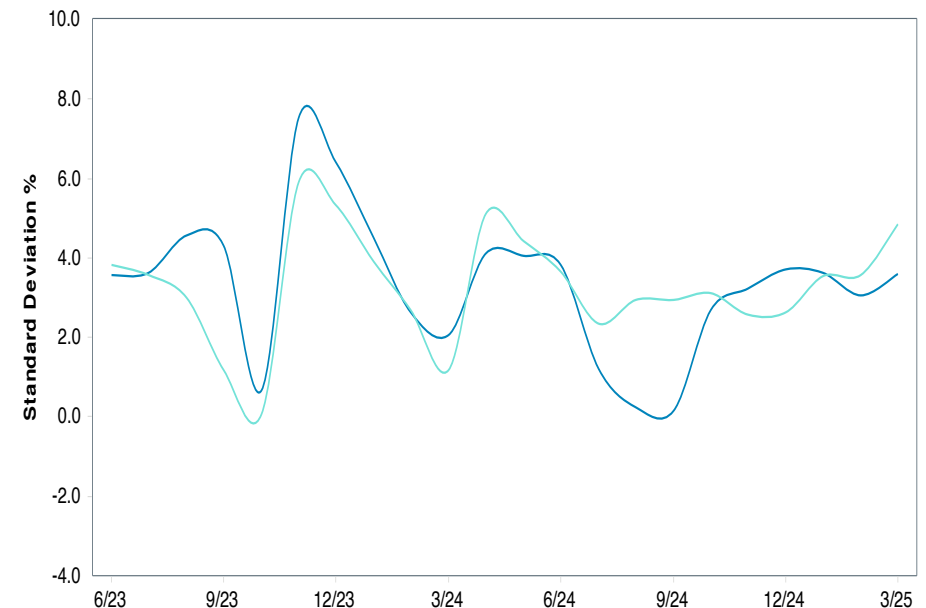
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
1 Quarter



- Arrowstreet Global Equity - Alpha Extension Fund
- MSCI AC World IMI Index (Net)
- 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 0.25 Year



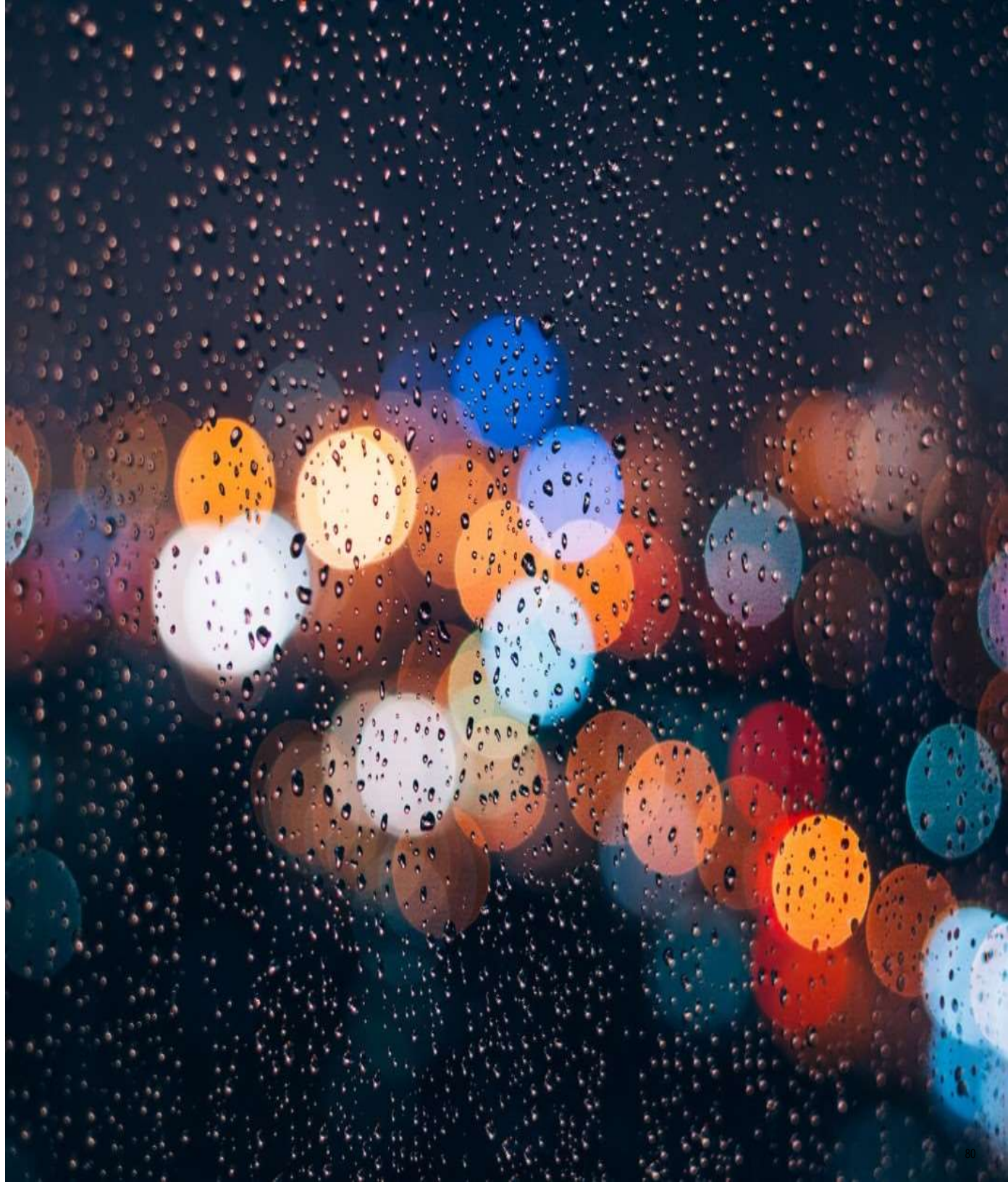
- Arrowstreet Global Equity - Alpha Extension Fund
- MSCI AC World IMI Index (Net)

1 Quarter Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Arrowstreet Global Equity - Alpha Extension Fund	1.78	1.42	1.25	0.98	0.20	1.95	1.34	3.67	4.86	0.99
MSCI AC World IMI Index (Net)	0.00	0.00	-	1.00	-0.23	0.00	1.00	-1.61	3.59	1.00
90 Day U.S. Treasury Bill	0.83	3.57	0.23	0.54	-	0.34	0.01	1.02	0.03	0.74

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## Fixed Income

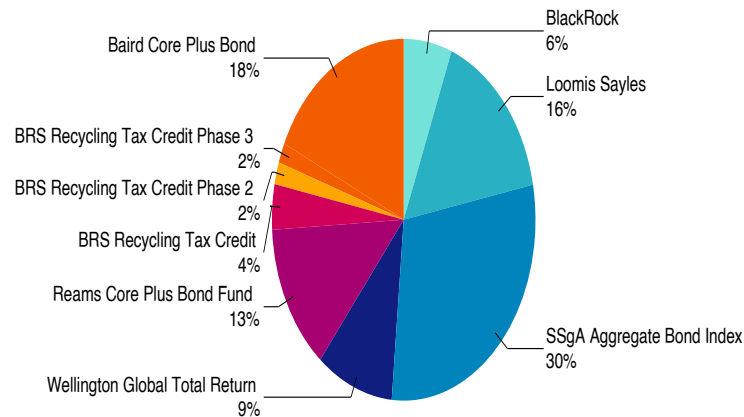


# Composite Portfolio Overview Fixed Income

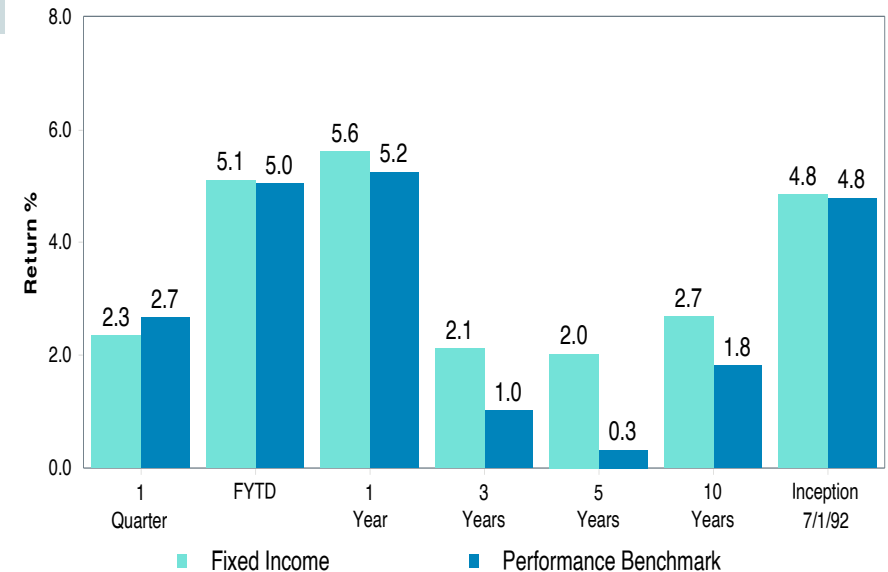
As of March 31, 2025

## Current Allocation

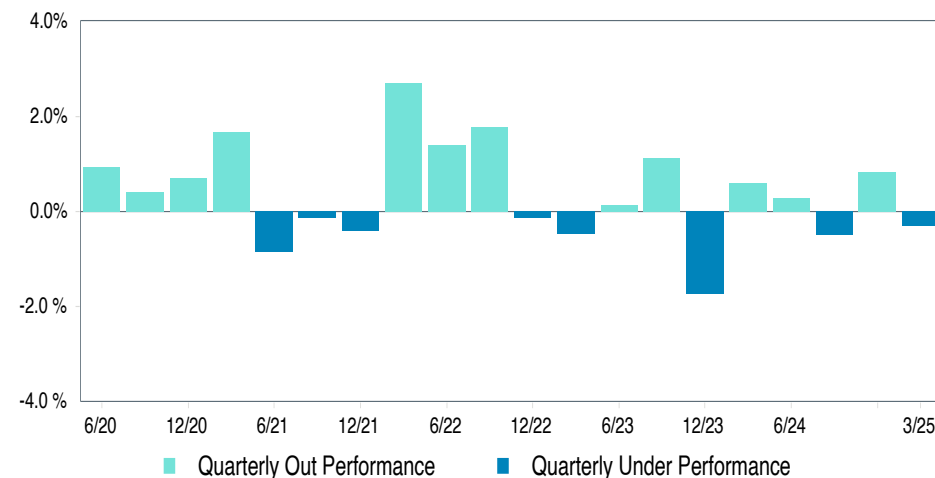
March 31, 2025 : \$4,612,323,080



## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years

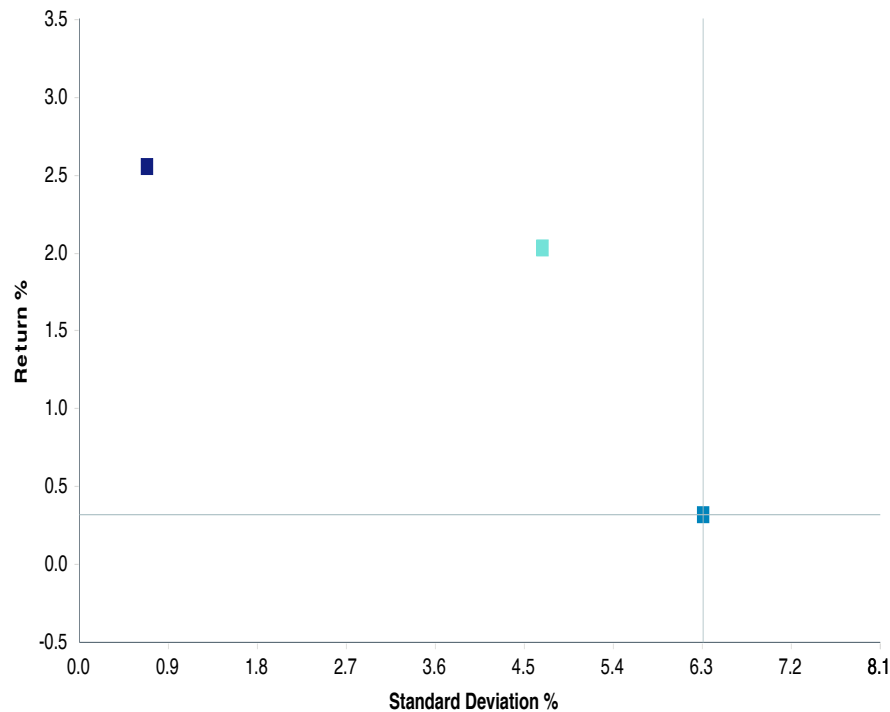


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

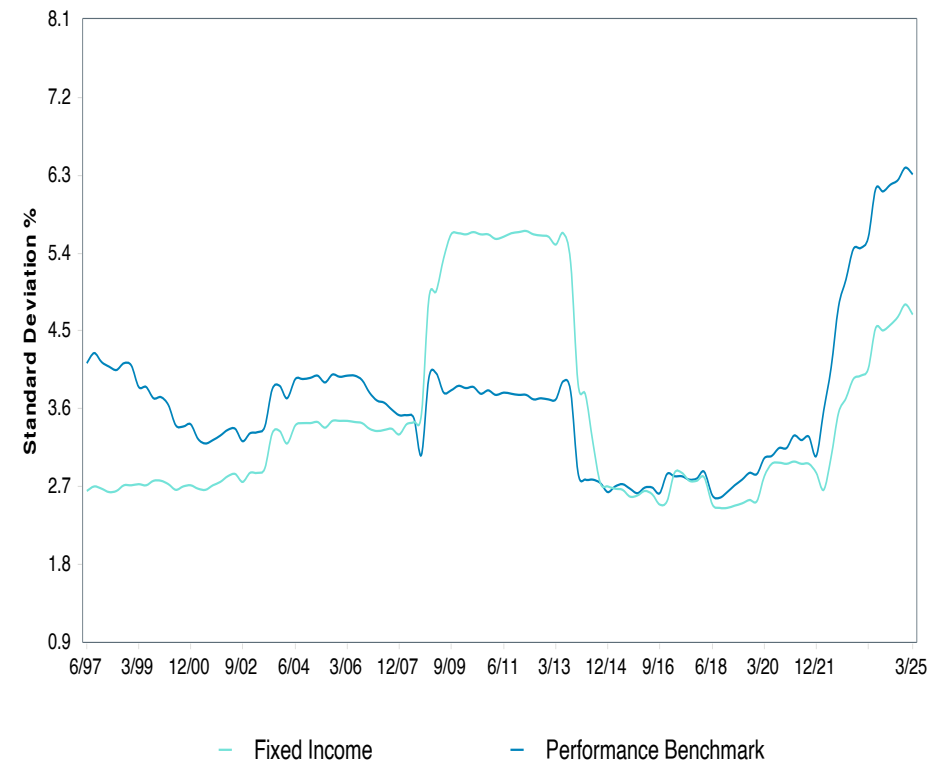
# Risk Profile Fixed Income

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

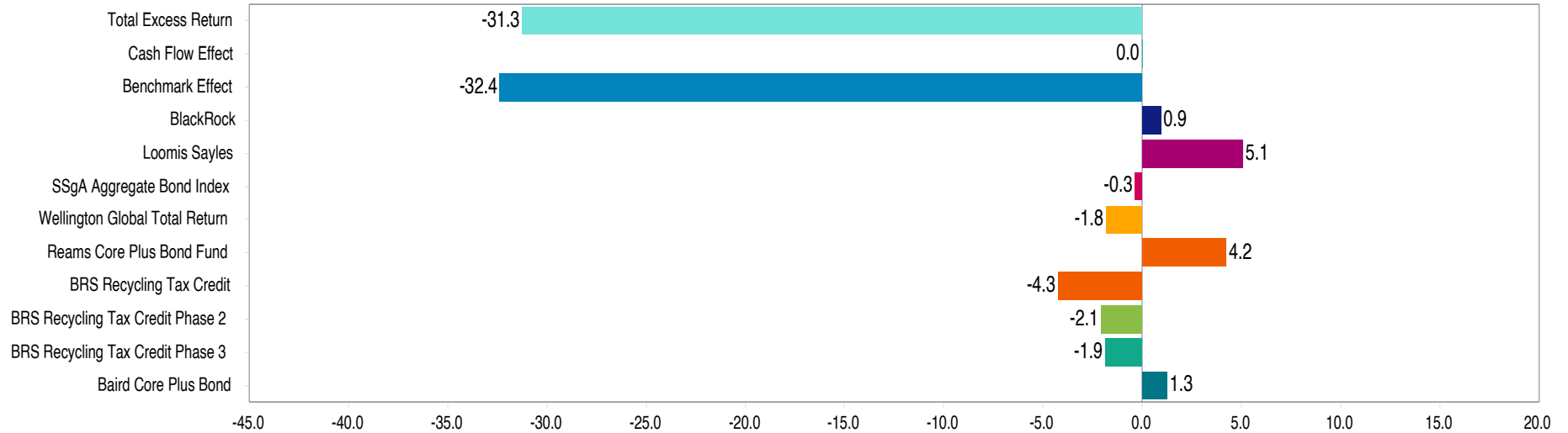
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	1.60	1.91	0.84	0.97	-0.09	1.76	0.73	2.03	4.68	0.98
Performance Benchmark	0.00	0.00	-	1.00	-0.32	0.00	1.00	0.32	6.31	1.00
90 Day U.S. Treasury Bill	2.01	6.23	0.32	0.03	-	2.55	0.02	2.56	0.68	0.17



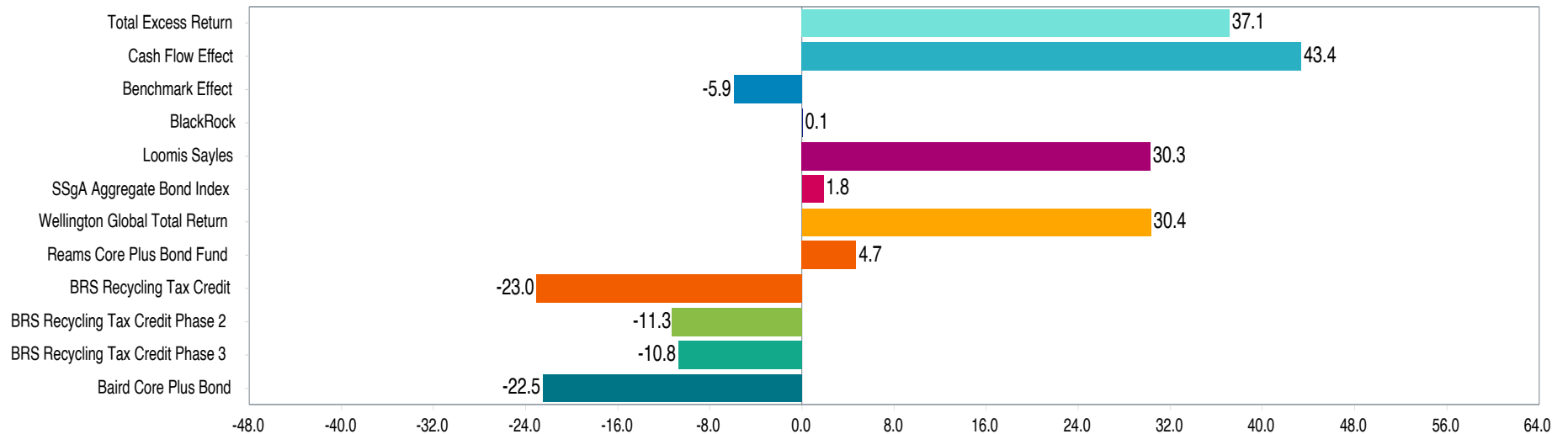
# Asset Class Attribution

As of March 31, 2025

## 1 Quarter



## 1 Year



\*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance with GASB Statement 72, representing the 14 years of annual income, and has been incorporated into Total Fixed Income and Total Fund performance.

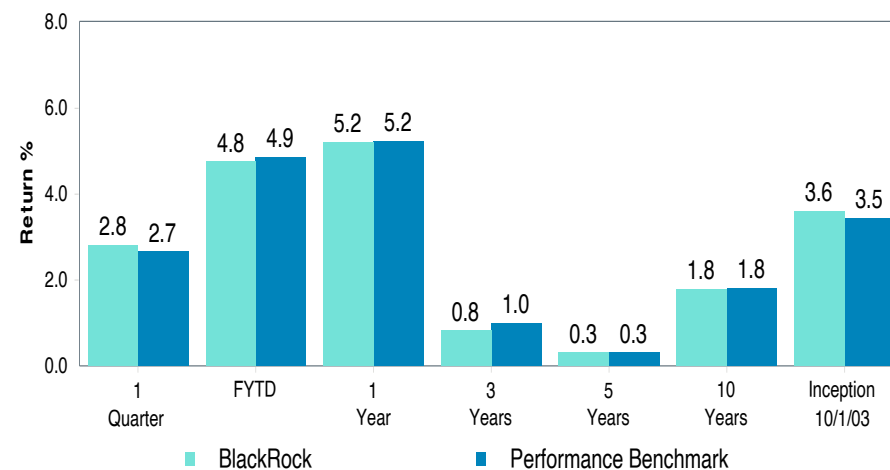
# Manager Performance Summary BlackRock

As of March 31, 2025

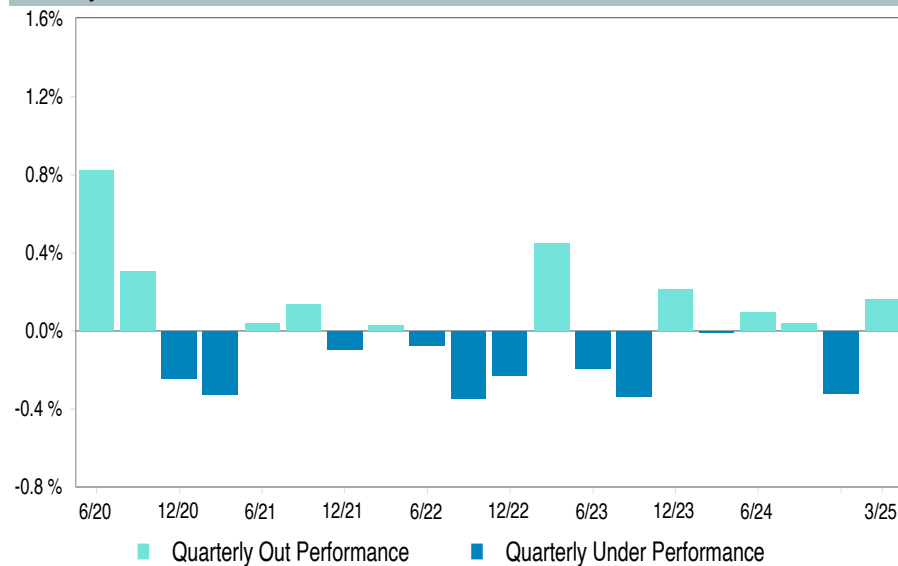
## Account Information

Account Name	BlackRock
Inception Date	09/30/2003
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Performance Benchmark
Peer Group	IM U.S. Fixed Income (SA+CF)

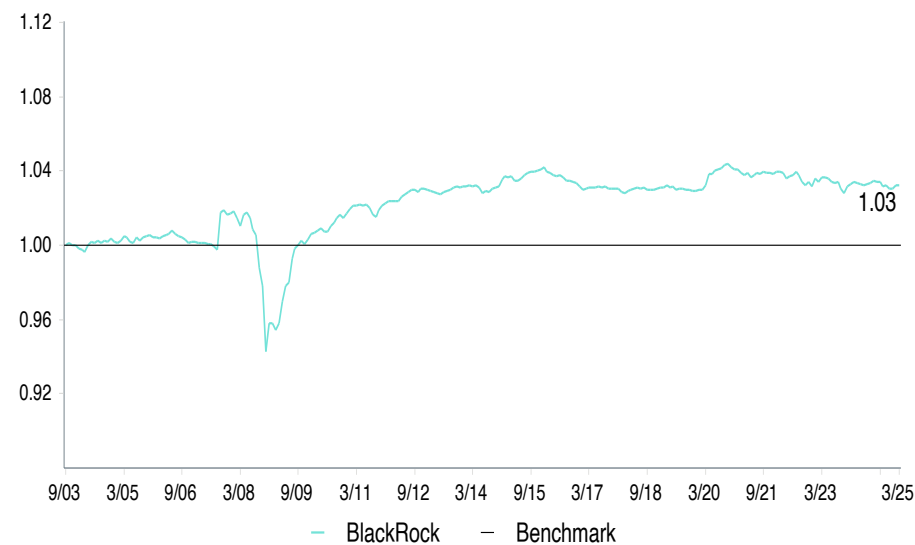
## Return Summary



## Quarterly Excess Performance



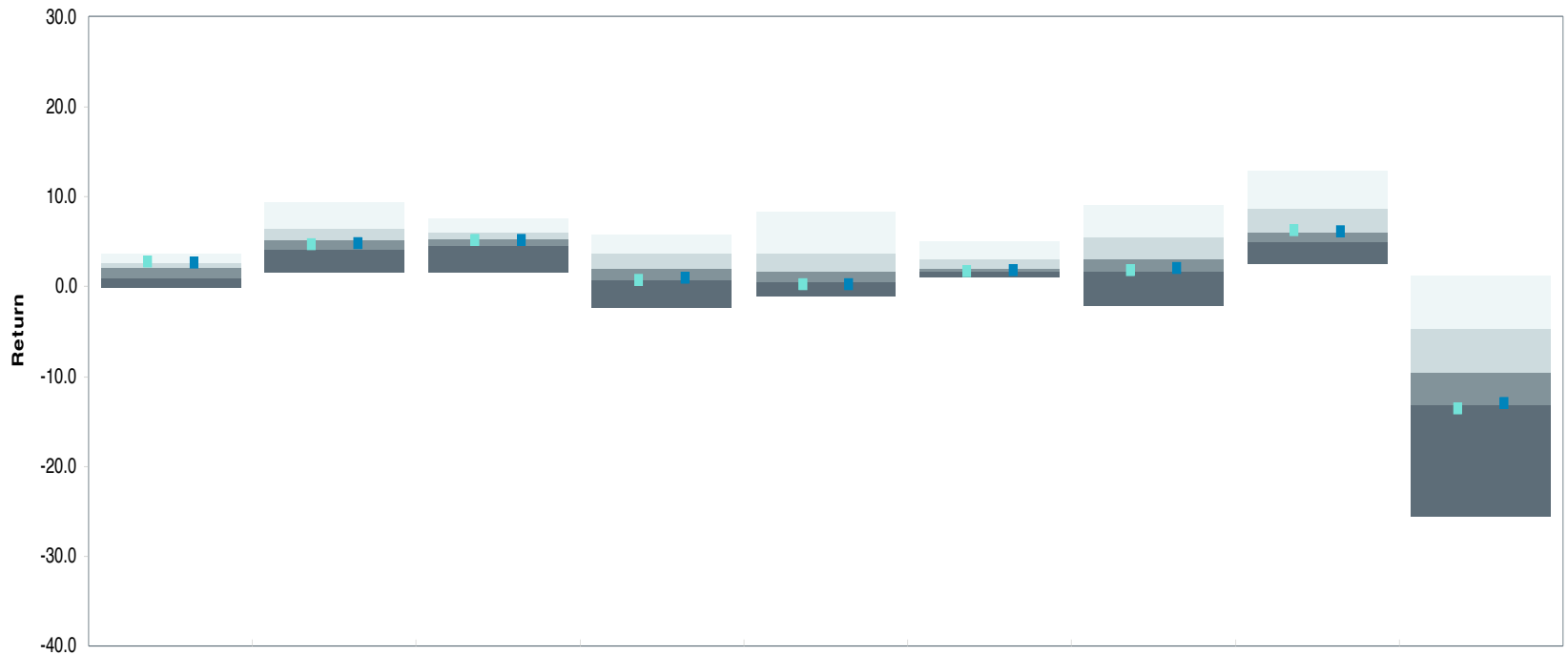
## Ratio of Cumulative Wealth - Since Inception



# BlackRock

As of March 31, 2025

## IM U.S. Fixed Income (SA+CF)



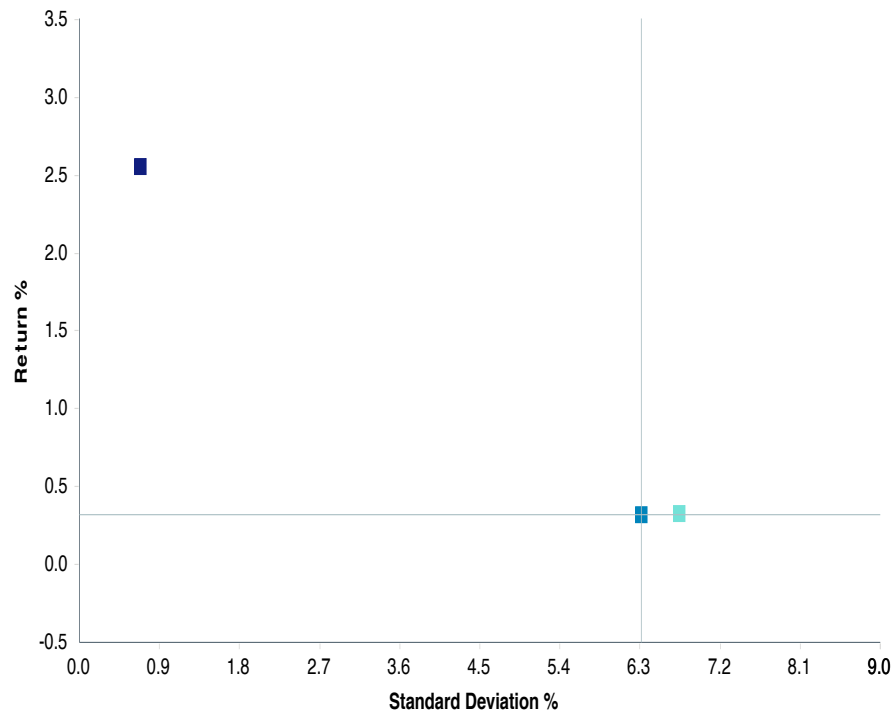
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
BlackRock	2.8 (18)	4.8 (63)	5.2 (58)	0.8 (75)	0.3 (80)	1.8 (70)	1.8 (73)	6.3 (46)	-13.5 (79)
Performance Benchmark	2.7 (27)	4.9 (61)	5.2 (57)	1.0 (70)	0.3 (80)	1.8 (68)	2.0 (70)	6.2 (48)	-13.0 (72)
5th Percentile	3.7	9.4	7.6	5.9	8.4	5.0	9.1	13.0	1.3
1st Quartile	2.7	6.6	6.1	3.7	3.8	3.1	5.4	8.7	-4.7
Median	2.2	5.3	5.4	2.0	1.8	2.1	3.0	6.0	-9.5
3rd Quartile	1.0	4.1	4.5	0.8	0.6	1.7	1.7	5.0	-13.2
95th Percentile	-0.1	1.6	1.6	-2.3	-1.1	1.1	-2.1	2.5	-25.6
Population	1,225	1,191	1,214	1,162	1,120	981	1,279	1,364	1,397

Parentheses contain percentile rankings.

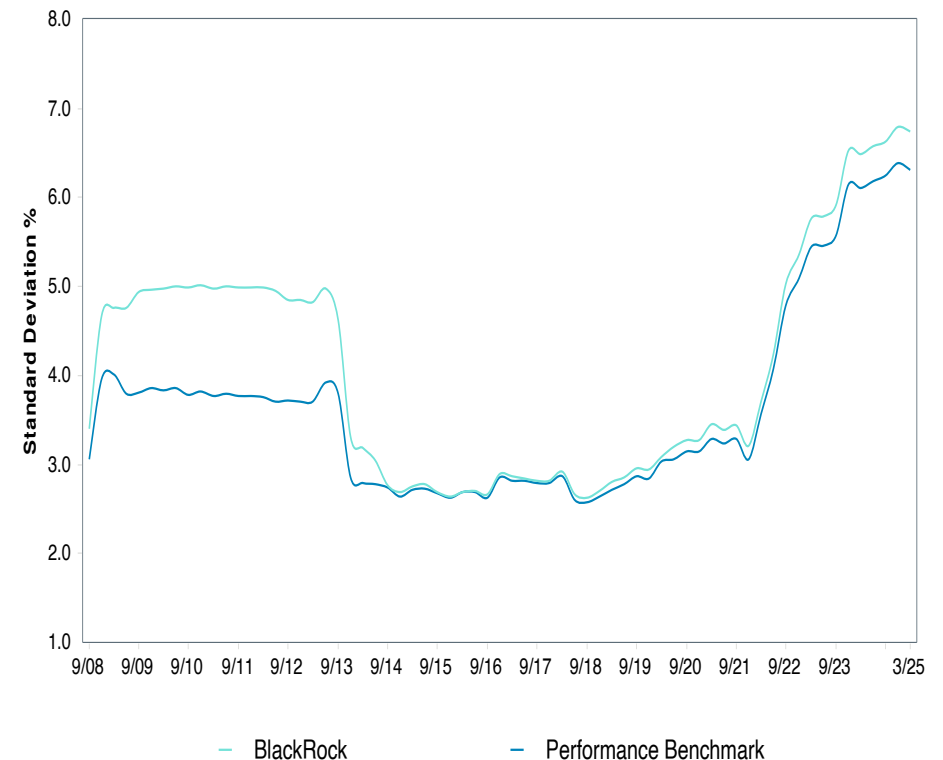
# Risk Profile BlackRock

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
BlackRock	0.03	0.60	0.05	1.00	-0.30	0.00	1.07	0.33	6.74	1.00
Performance Benchmark	0.00	0.00	-	1.00	-0.32	0.00	1.00	0.32	6.31	1.00
90 Day U.S. Treasury Bill	2.01	6.23	0.32	0.03	-	2.55	0.02	2.56	0.68	0.17

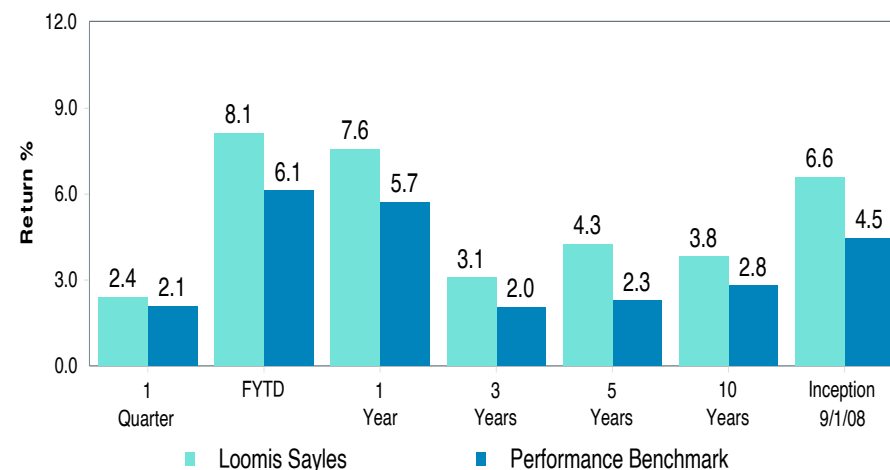
# Manager Performance Summary Loomis Sayles

As of March 31, 2025

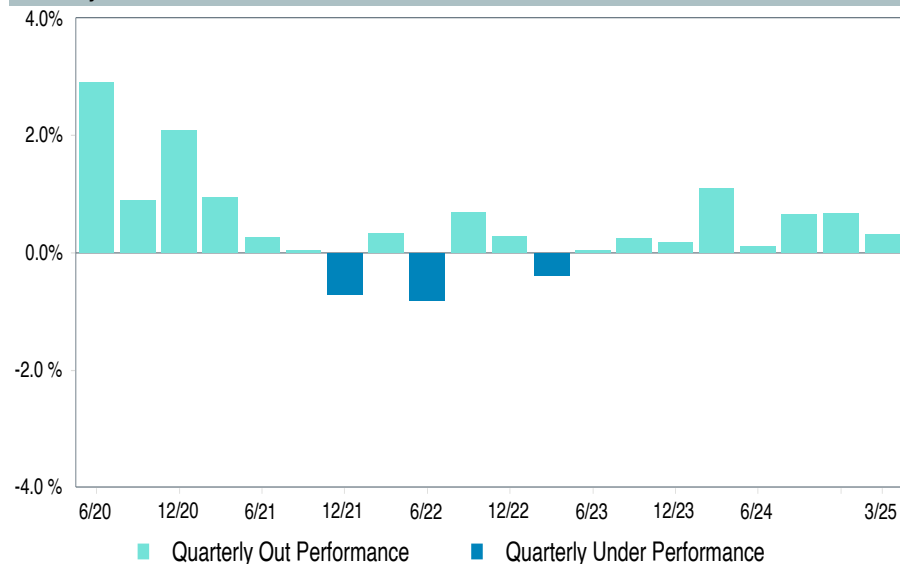
## Account Information

Account Name	Loomis Sayles
Inception Date	06/30/2008
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Performance Benchmark
Peer Group	IM U.S. Fixed Income (SA+CF)

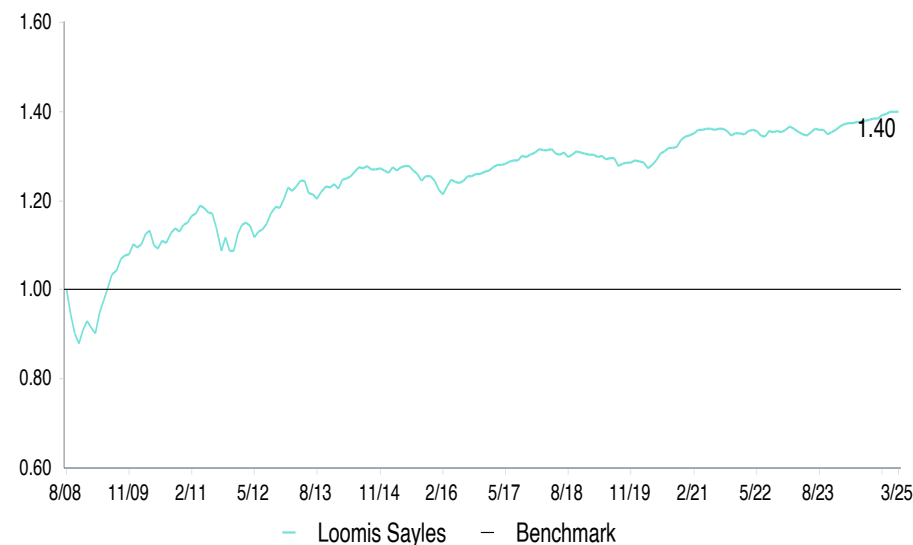
## Return Summary



## Quarterly Excess Performance



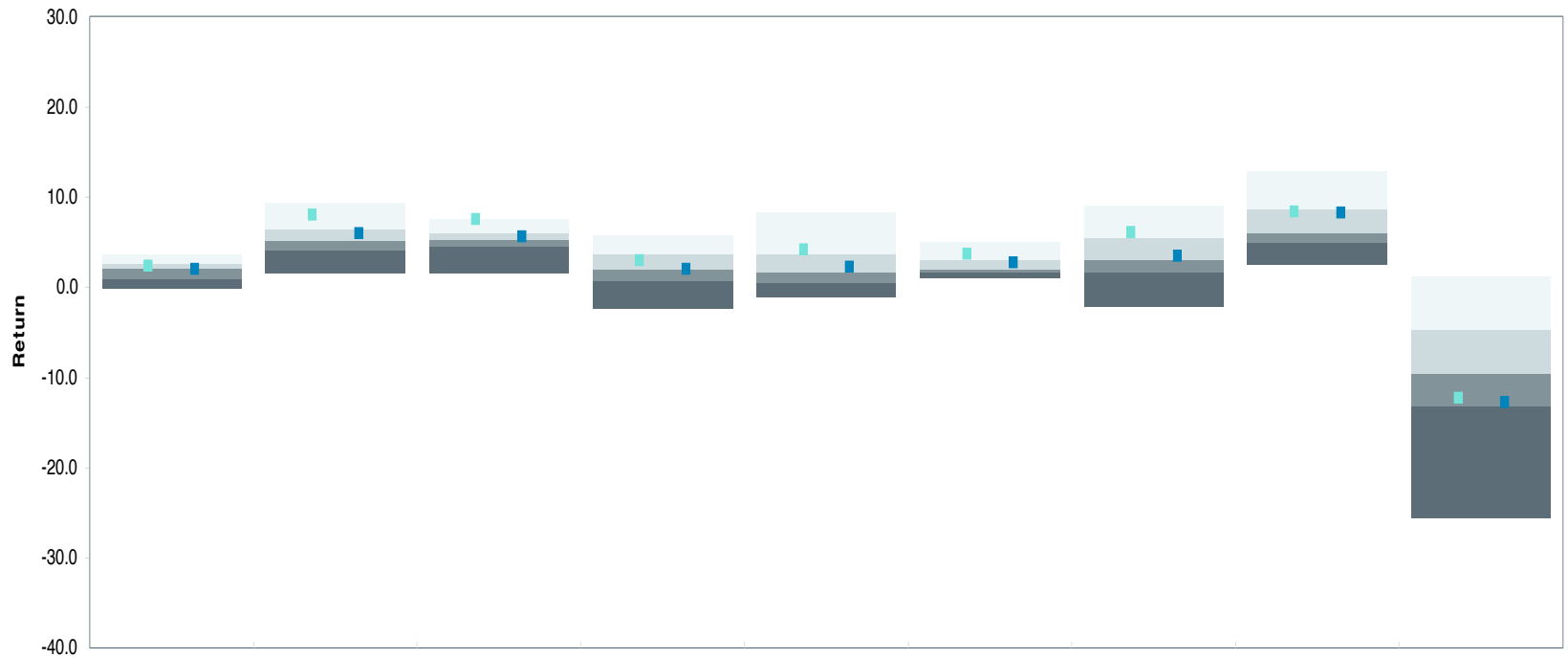
## Ratio of Cumulative Wealth - Since Inception



# Loomis Sayles

As of March 31, 2025

## IM U.S. Fixed Income (SA+CF)



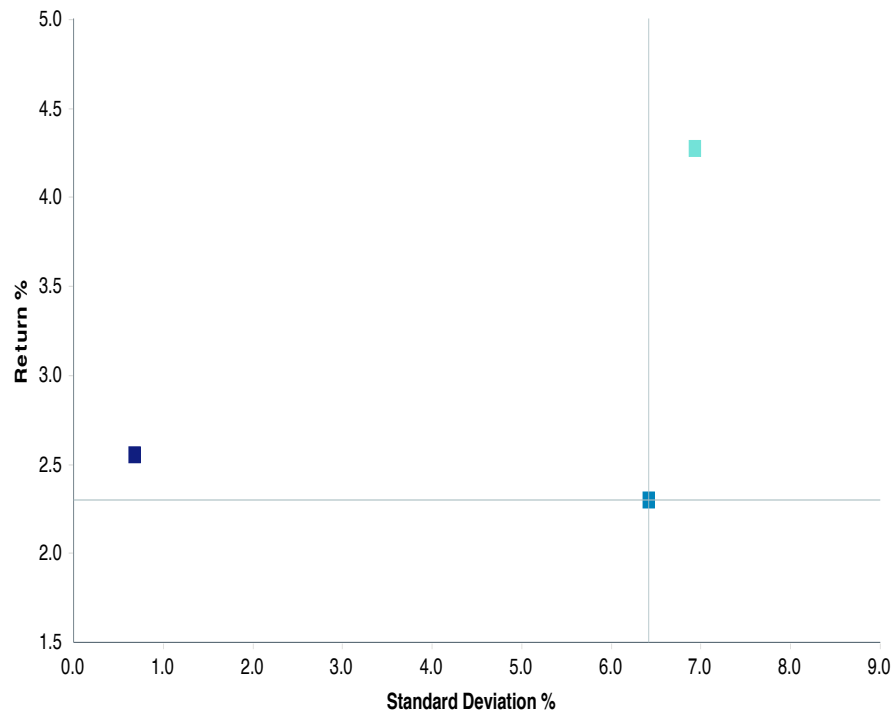
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2024	2023	2022
Loomis Sayles	2.4 (39)	8.1 (16)	7.6 (6)	3.1 (32)	4.3 (24)	3.8 (19)	6.2 (21)	8.5 (26)	-12.3 (65)
Performance Benchmark	2.1 (51)	6.1 (30)	5.7 (36)	2.0 (50)	2.3 (40)	2.8 (29)	3.6 (42)	8.4 (27)	-12.7 (69)
5th Percentile	3.7	9.4	7.6	5.9	8.4	5.0	9.1	13.0	1.3
1st Quartile	2.7	6.6	6.1	3.7	3.8	3.1	5.4	8.7	-4.7
Median	2.2	5.3	5.4	2.0	1.8	2.1	3.0	6.0	-9.5
3rd Quartile	1.0	4.1	4.5	0.8	0.6	1.7	1.7	5.0	-13.2
95th Percentile	-0.1	1.6	1.6	-2.3	-1.1	1.1	-2.1	2.5	-25.6
Population	1,225	1,191	1,214	1,162	1,120	981	1,279	1,364	1,397

Parentheses contain percentile rankings.

# Risk Profile Loomis Sayles

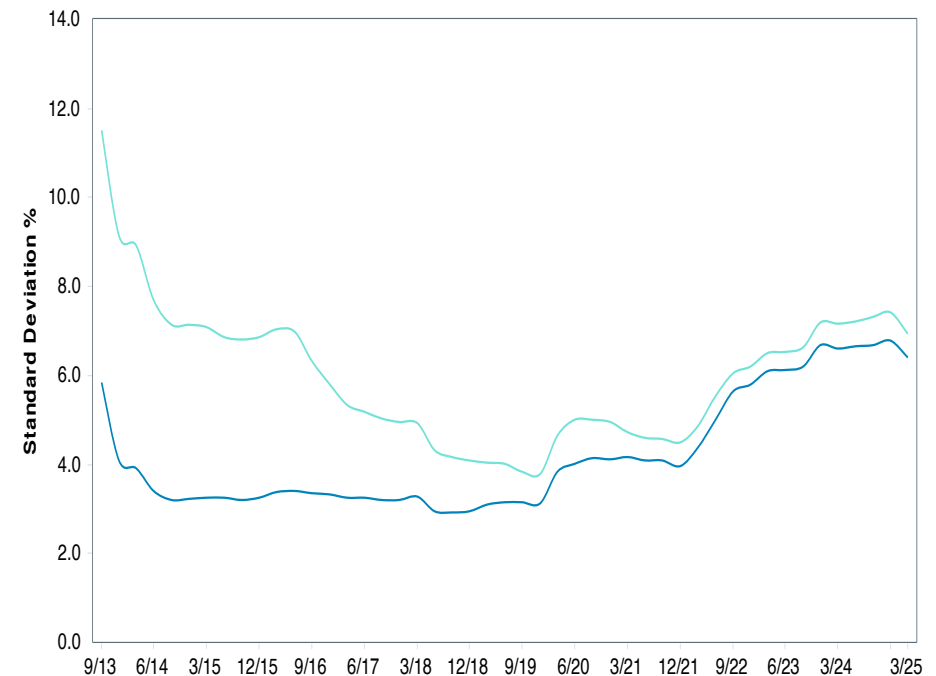
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Loomis Sayles ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Loomis Sayles — Performance Benchmark

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Loomis Sayles	1.95	1.44	1.35	0.96	0.28	1.82	1.06	4.27	6.93	0.98
Performance Benchmark	0.00	0.00	-	1.00	-0.01	0.00	1.00	2.30	6.41	1.00
90 Day U.S. Treasury Bill	0.05	6.36	0.01	0.02	-	2.52	0.01	2.56	0.68	0.14

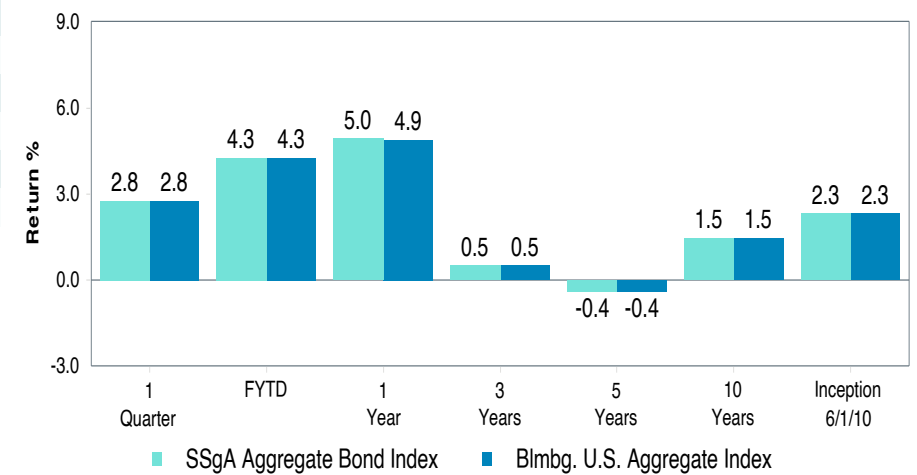
# Manager Performance Summary SSgA Aggregate Bond Index

As of March 31, 2025

## Account Information

Account Name	SSgA Aggregate Bond Index
Inception Date	01/01/1901
Account Structure	Commingled Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	IM U.S. Fixed Income (SA+CF)

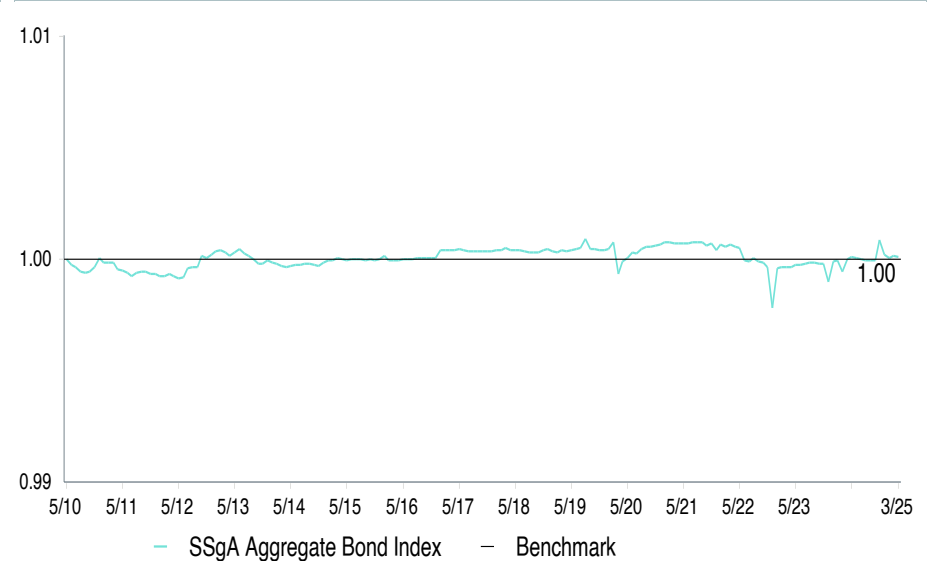
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception

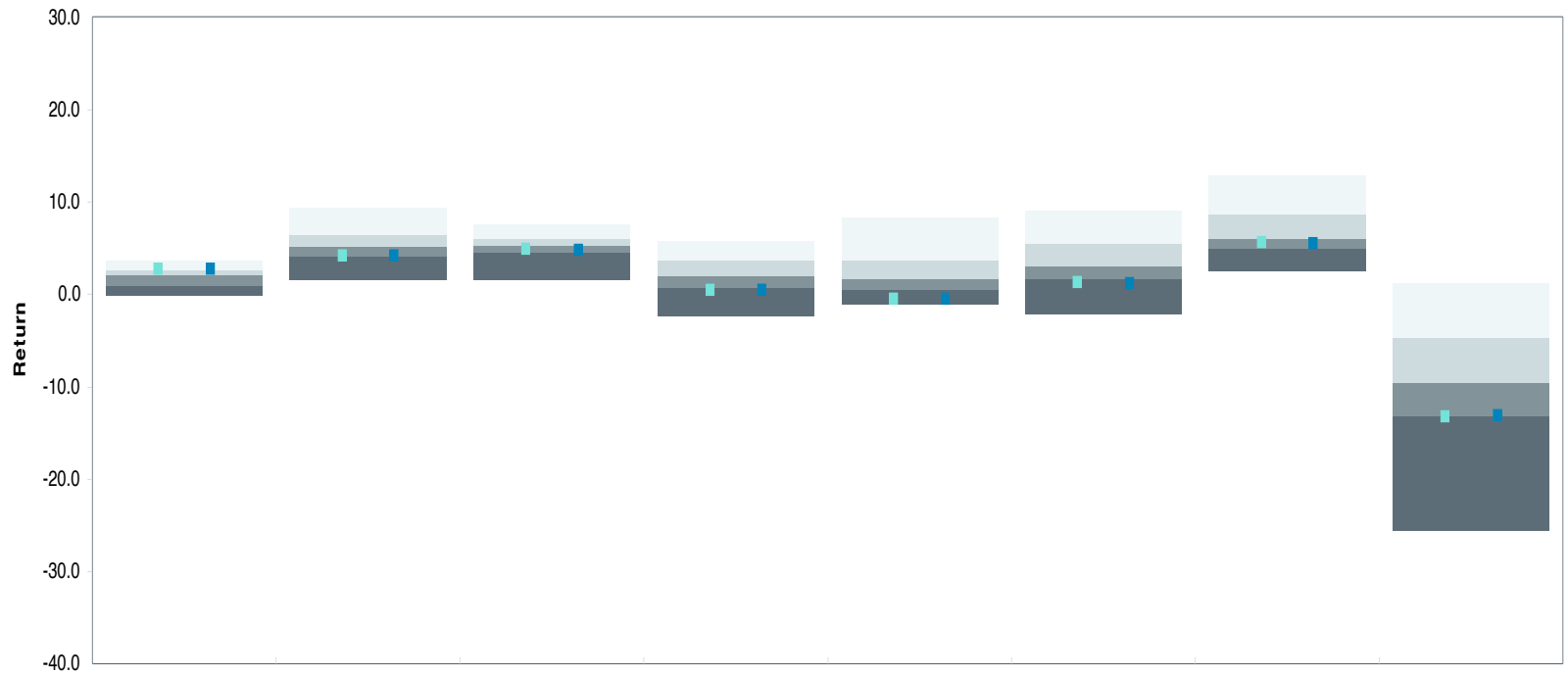




# SSgA Aggregate Bond Index

As of March 31, 2025

IM U.S. Fixed Income (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2024	2023	2022
SSgA Aggregate Bond Index	2.8 (20)	4.3 (73)	5.0 (68)	0.5 (82)	-0.4 (91)	1.4 (82)	5.7 (59)	-13.2 (76)
Blmbg. U.S. Aggregate Index	2.8 (19)	4.3 (73)	4.9 (70)	0.5 (82)	-0.4 (91)	1.3 (84)	5.5 (63)	-13.0 (72)
5th Percentile	3.7	9.4	7.6	5.9	8.4	9.1	13.0	1.3
1st Quartile	2.7	6.6	6.1	3.7	3.8	5.4	8.7	-4.7
Median	2.2	5.3	5.4	2.0	1.8	3.0	6.0	-9.5
3rd Quartile	1.0	4.1	4.5	0.8	0.6	1.7	5.0	-13.2
95th Percentile	-0.1	1.6	1.6	-2.3	-1.1	-2.1	2.5	-25.6

Population

1,225

1,191

1,214

1,162

1,120

1,279

1,364

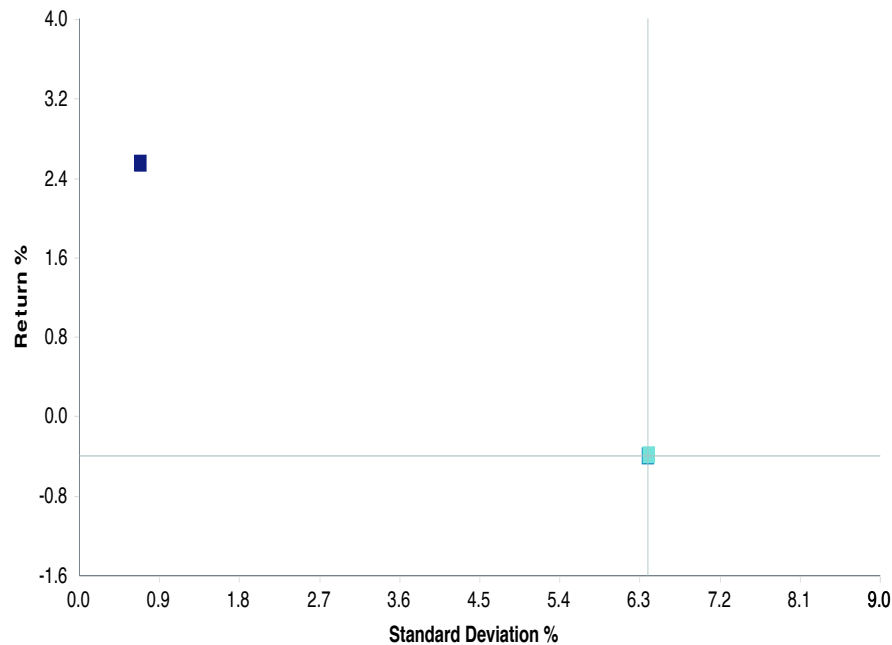
1,397

Parentheses contain percentile rankings.

# Risk Profile SSgA Aggregate Bond Index

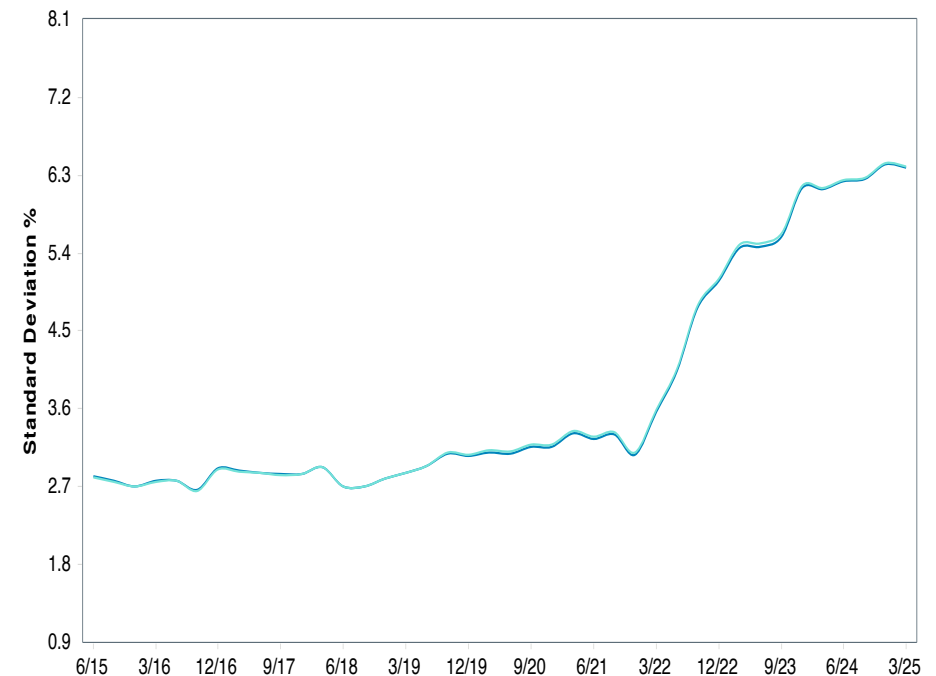
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ SSgA Aggregate Bond Index ■ Blmbg. U.S. Aggregate Index  
■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— SSgA Aggregate Bond Index — Blmbg. U.S. Aggregate Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
SSgA Aggregate Bond Index	0.02	0.15	0.11	1.00	-0.43	0.02	1.00	-0.38	6.40	1.00
Blmbg. U.S. Aggregate Index	0.00	0.00	-	1.00	-0.43	0.00	1.00	-0.40	6.39	1.00
90 Day U.S. Treasury Bill	2.73	6.30	0.43	0.03	-	2.56	0.02	2.56	0.68	0.18

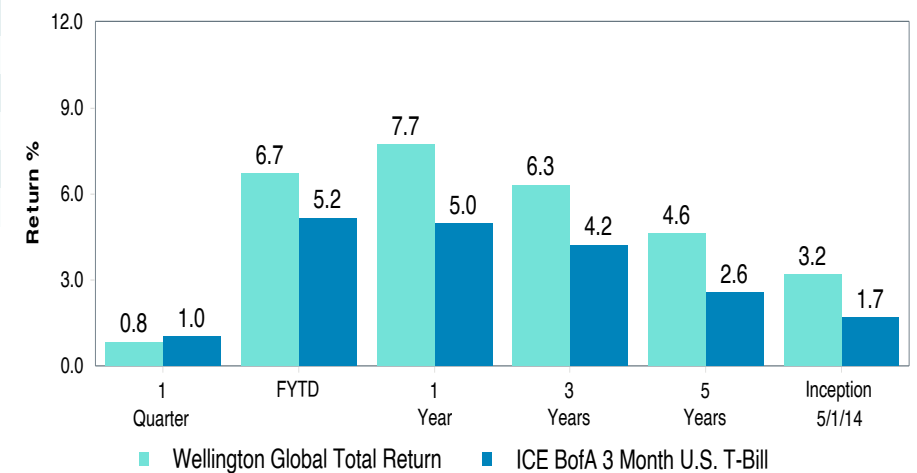
# Manager Performance Summary Wellington Global Total Return

As of March 31, 2025

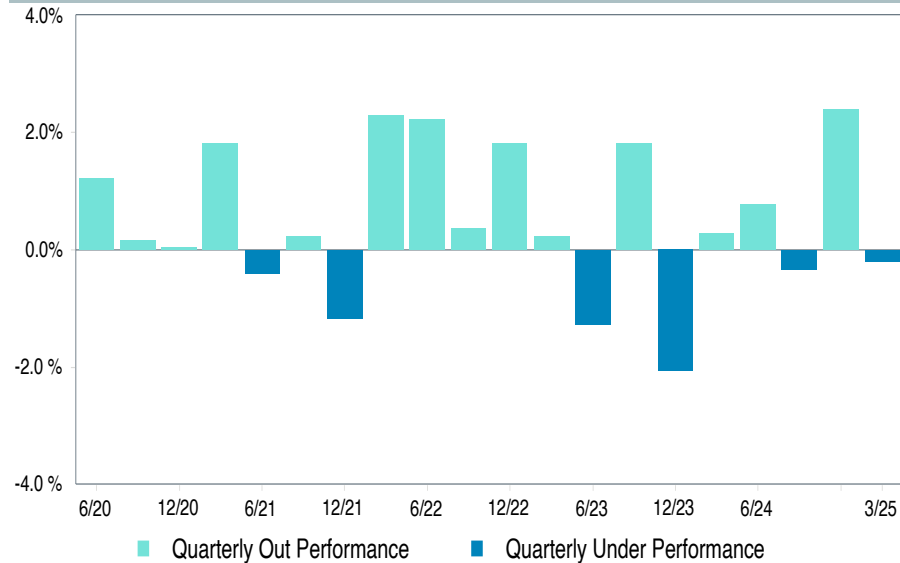
## Account Information

Account Name	Wellington Global Total Return
Inception Date	05/13/2014
Account Structure	Commingled Fund
Asset Class	Global Fixed Income
Benchmark	ICE BofA 3 Month U.S. T-Bill
Peer Group	IM Absolute Return (MF)

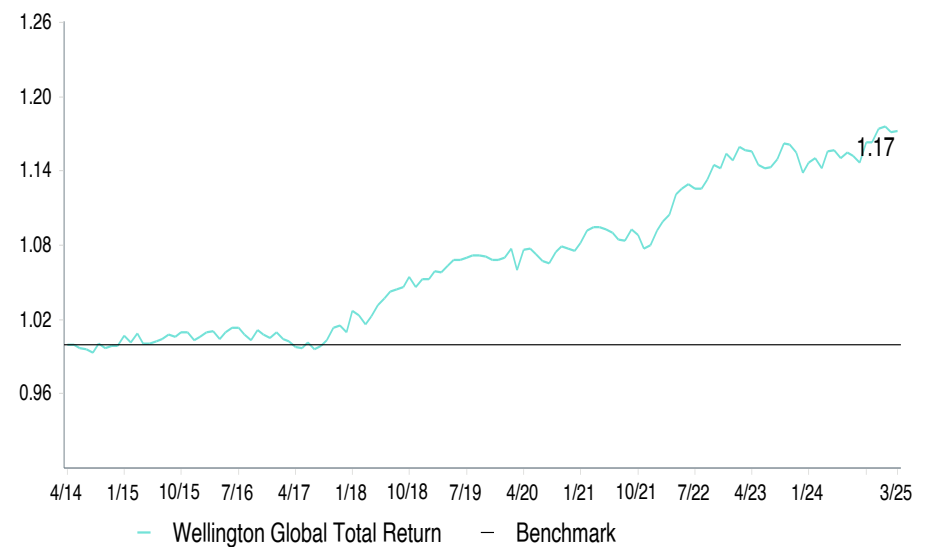
## Return Summary



## Quarterly Excess Performance



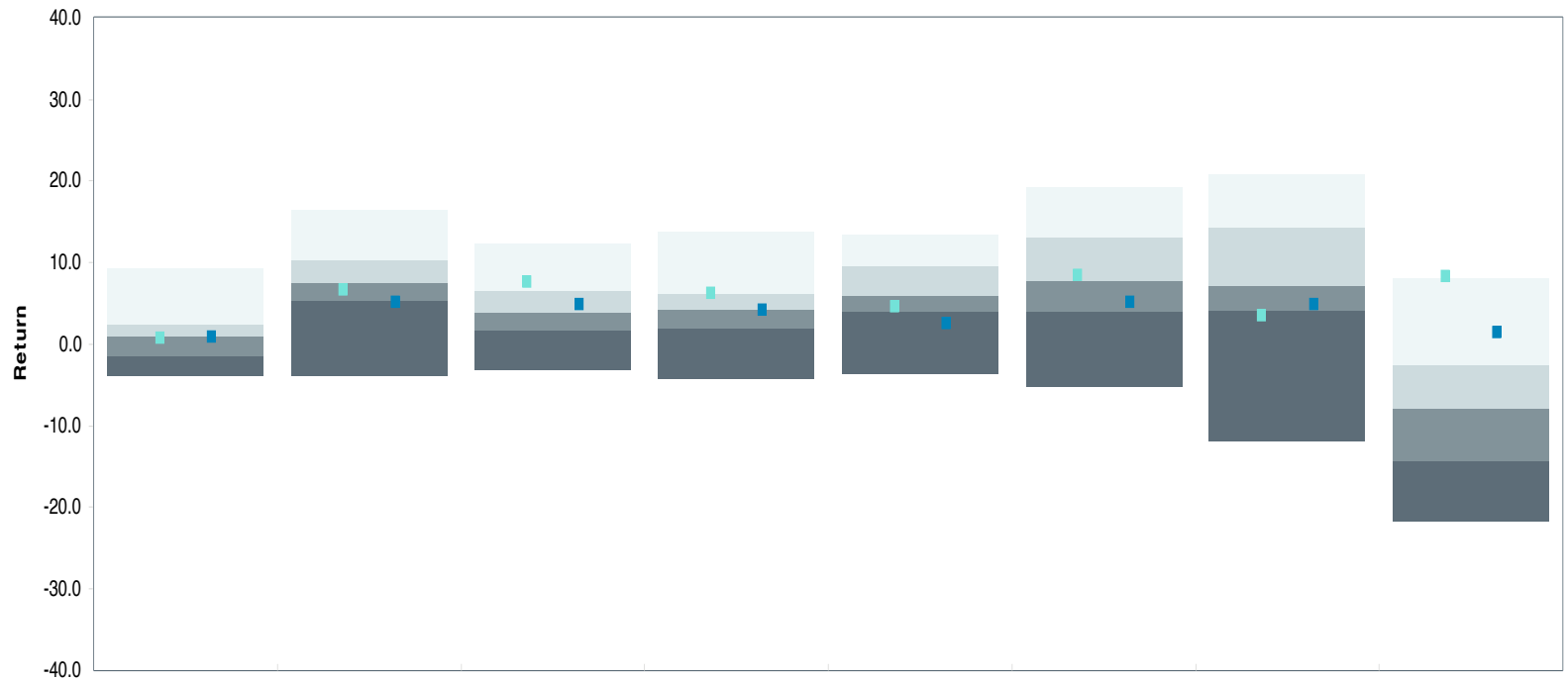
## Ratio of Cumulative Wealth - Since Inception



# Wellington Global Total Return

As of March 31, 2025

IM Absolute Return (MF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2024	2023	2022
Wellington Global Total Return	0.8 (56)	6.7 (64)	7.7 (21)	6.3 (22)	4.6 (72)	8.5 (43)	3.6 (77)	8.4 (5)
ICE BofA 3 Month U.S. T-Bill	1.0 (49)	5.2 (77)	5.0 (41)	4.2 (50)	2.6 (89)	5.3 (69)	5.0 (65)	1.5 (13)
5th Percentile	9.4	16.5	12.3	13.7	13.5	19.2	20.7	8.2
1st Quartile	2.4	10.3	6.7	6.2	9.7	13.1	14.4	-2.5
Median	1.0	7.6	3.9	4.2	5.9	7.8	7.2	-7.9
3rd Quartile	-1.4	5.3	1.8	1.9	4.0	3.9	4.1	-14.3
95th Percentile	-3.9	-3.9	-3.2	-4.2	-3.6	-5.2	-11.8	-21.8

Population

34

34

34

34

33

36

39

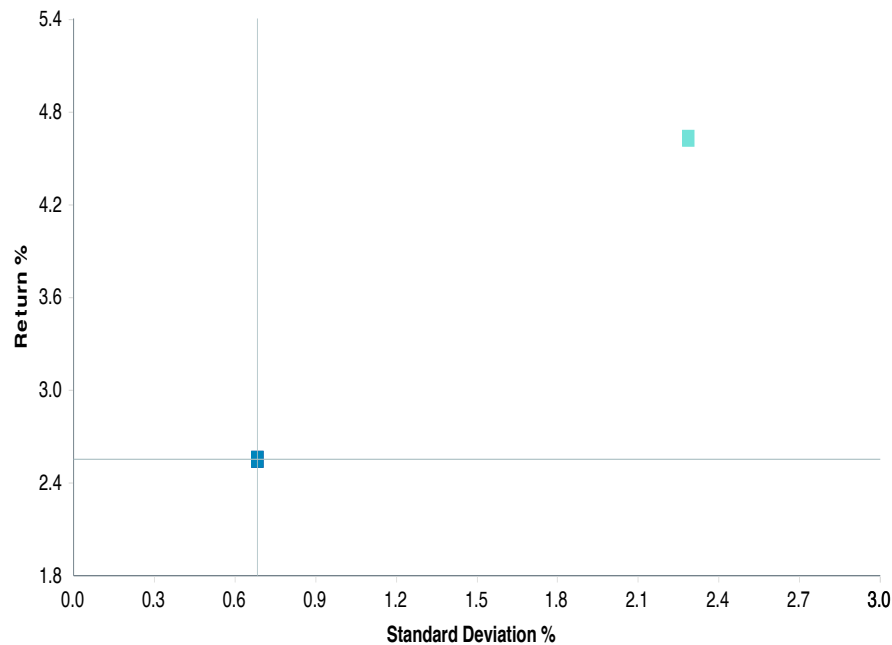
45

Parentheses contain percentile rankings.

# Risk Profile Wellington Global Total Return

As of March 31, 2025

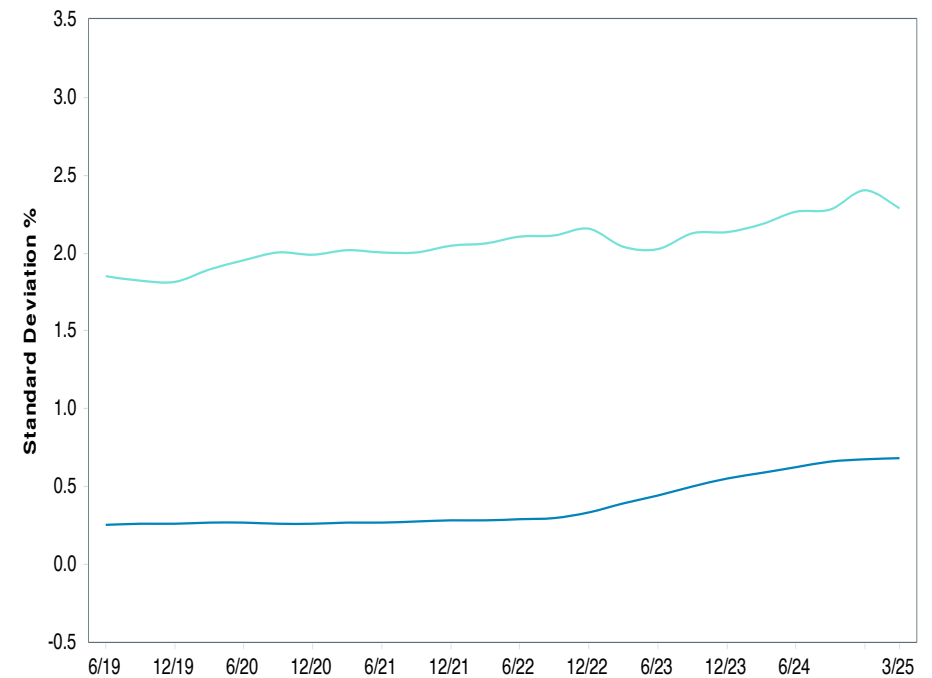
Annualized Return vs. Annualized Standard Deviation  
5 Years



Wellington Global Total Return ICE BofA 3 Month U.S. T-Bill

90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



Wellington Global Total Return ICE BofA 3 Month U.S. T-Bill

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Wellington Global Total Return	2.04	2.26	0.90	0.03	0.90	3.02	0.63	4.63	2.29	0.19
ICE BofA 3 Month U.S. T-Bill	0.00	0.00	-	1.00	-	0.00	1.00	2.56	0.68	1.00
90 Day U.S. Treasury Bill	0.00	0.00	-	1.00	-	0.00	1.00	2.56	0.68	1.00

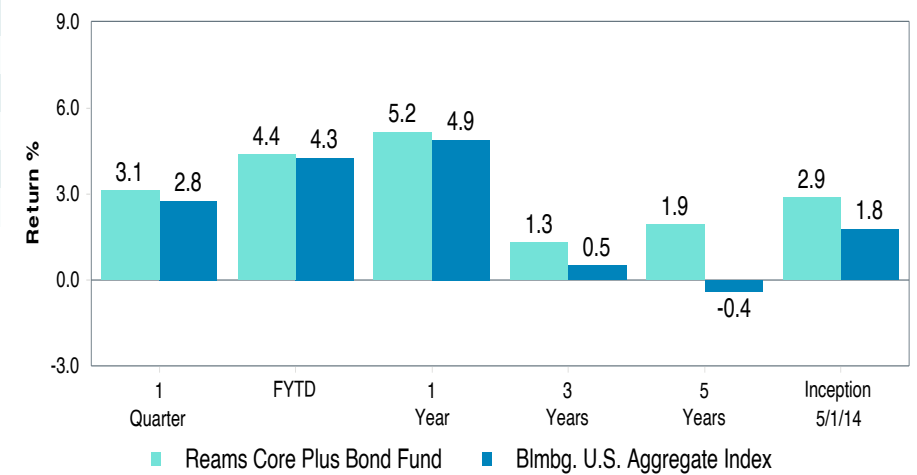
# Manager Performance Summary Reams Core Plus Bond Fund

As of March 31, 2025

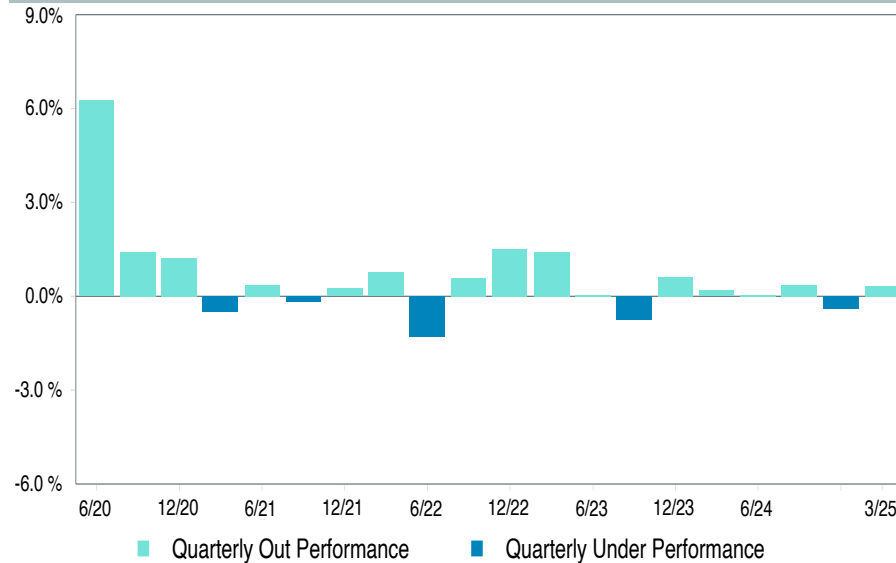
## Account Information

Account Name	Reams Core Plus Bond Fund
Inception Date	05/08/2014
Account Structure	Commingled Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	IM U.S. Fixed Income (SA+CF)

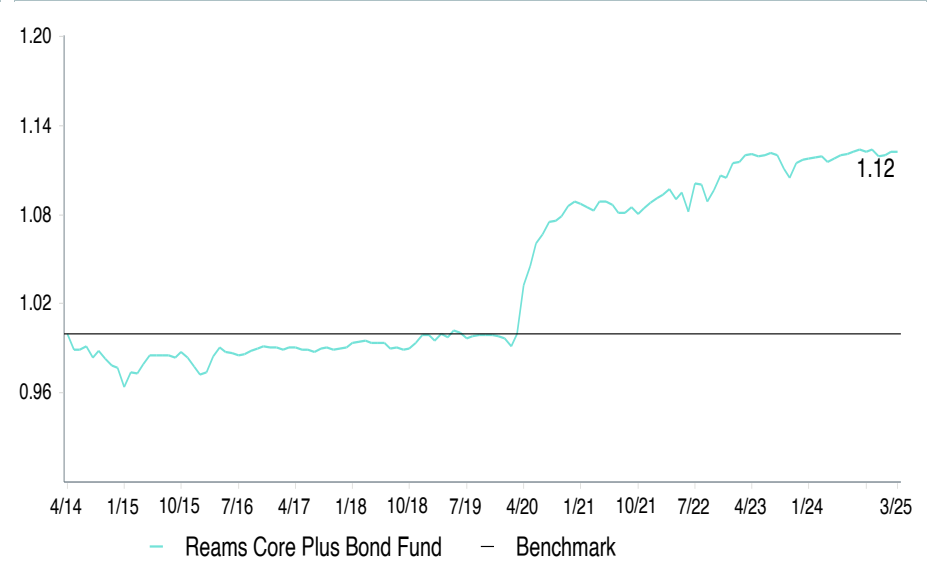
## Return Summary



## Quarterly Excess Performance



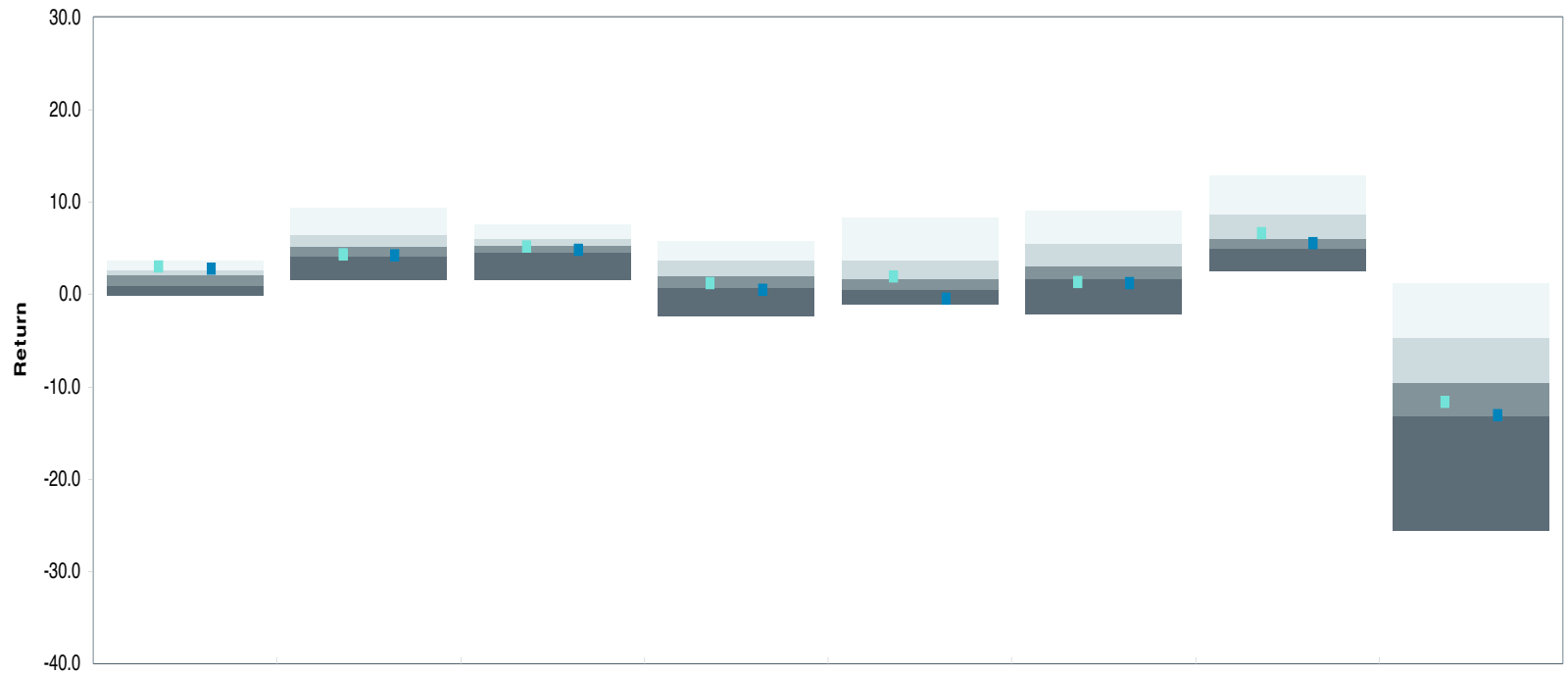
## Ratio of Cumulative Wealth - Since Inception



# Reams Core Plus Bond Fund

As of March 31, 2025

IM U.S. Fixed Income (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2024	2023	2022
Reams Core Plus Bond Fund	3.1 (10)	4.4 (70)	5.2 (59)	1.3 (64)	1.9 (47)	1.4 (82)	6.7 (41)	-11.7 (61)
Blmbg. U.S. Aggregate Index	2.8 (19)	4.3 (73)	4.9 (70)	0.5 (82)	-0.4 (91)	1.3 (84)	5.5 (63)	-13.0 (72)
5th Percentile	3.7	9.4	7.6	5.9	8.4	9.1	13.0	1.3
1st Quartile	2.7	6.6	6.1	3.7	3.8	5.4	8.7	-4.7
Median	2.2	5.3	5.4	2.0	1.8	3.0	6.0	-9.5
3rd Quartile	1.0	4.1	4.5	0.8	0.6	1.7	5.0	-13.2
95th Percentile	-0.1	1.6	1.6	-2.3	-1.1	-2.1	2.5	-25.6

Population

1,225

1,191

1,214

1,162

1,120

1,279

1,364

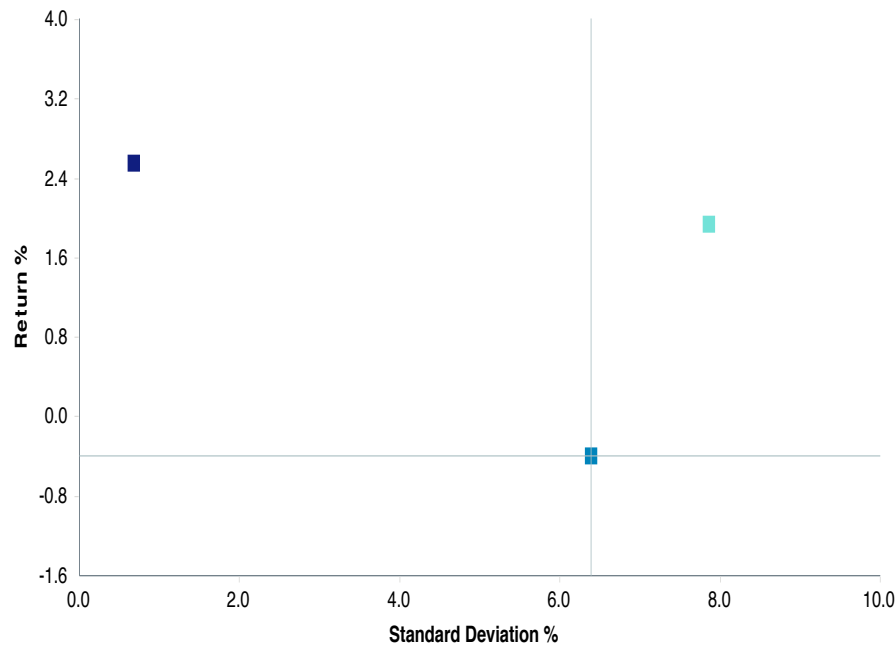
1,397

Parentheses contain percentile rankings.

# Risk Profile Reams Core Plus Bond Fund

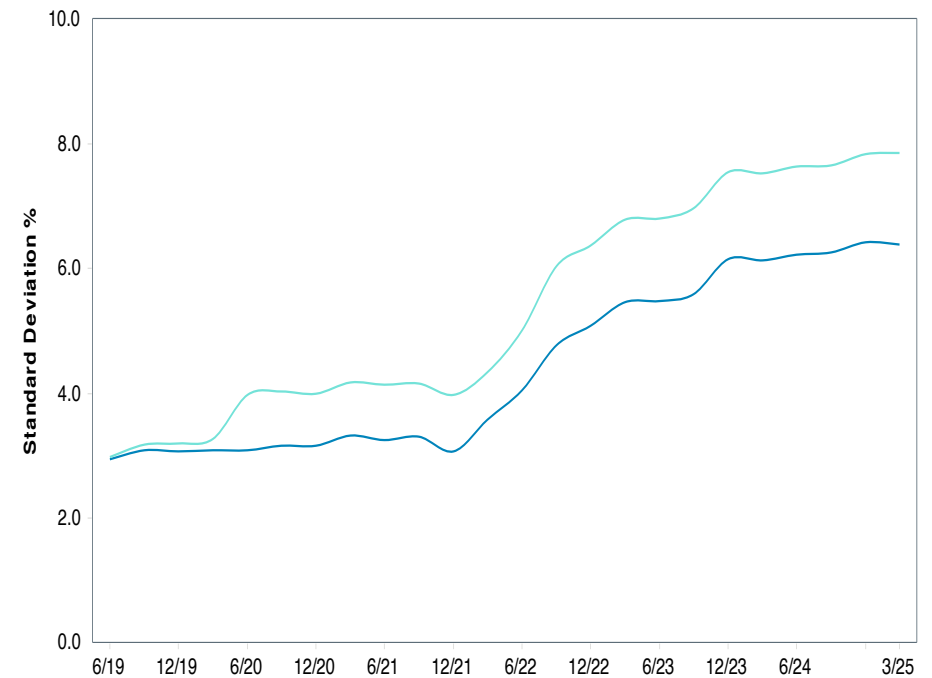
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Reams Core Plus Bond Fund ■ Blmbg. U.S. Aggregate Index  
■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



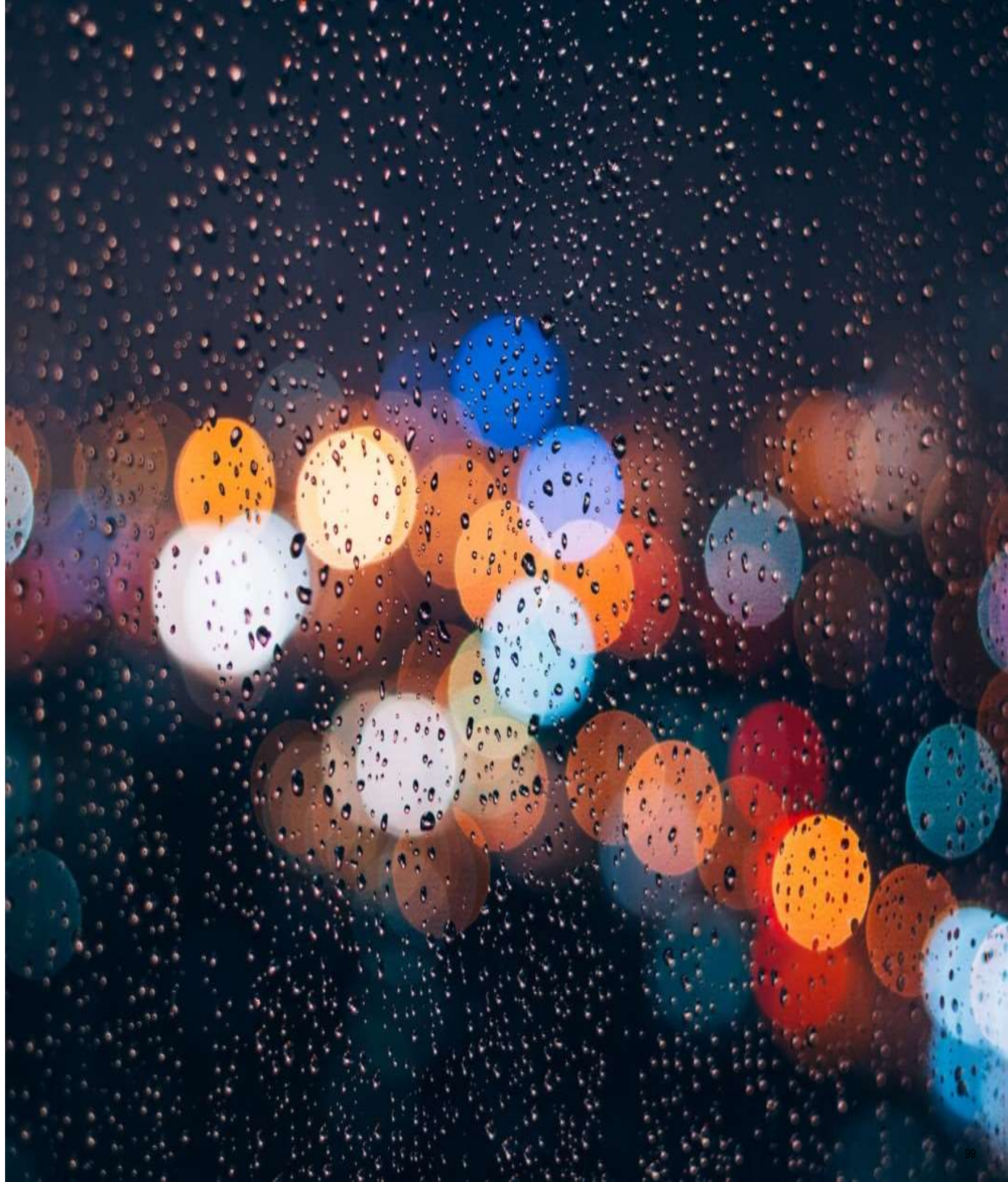
— Reams Core Plus Bond Fund — Blmbg. U.S. Aggregate Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Reams Core Plus Bond Fund	2.42	2.31	1.05	0.94	-0.04	2.49	1.19	1.94	7.86	0.97
Blmbg. U.S. Aggregate Index	0.00	0.00	-	1.00	-0.43	0.00	1.00	-0.40	6.39	1.00
90 Day U.S. Treasury Bill	2.73	6.30	0.43	0.03	-	2.56	0.02	2.56	0.68	0.18



## Opportunistic/ Alternatives

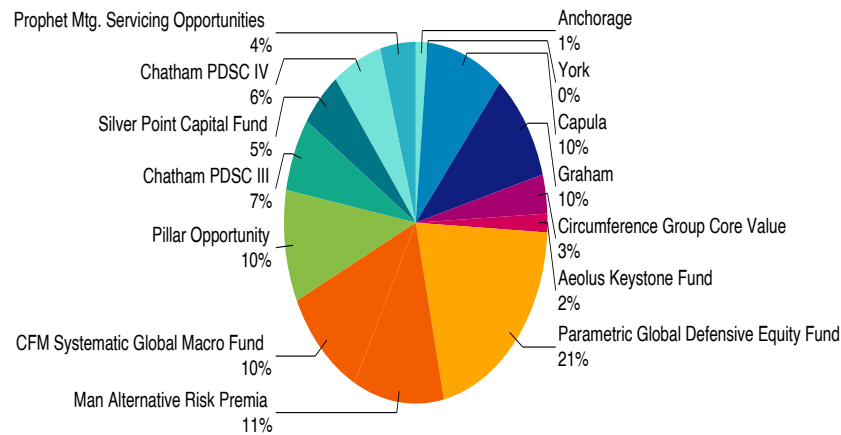


# Composite Portfolio Overview Opportunistic/Alternatives

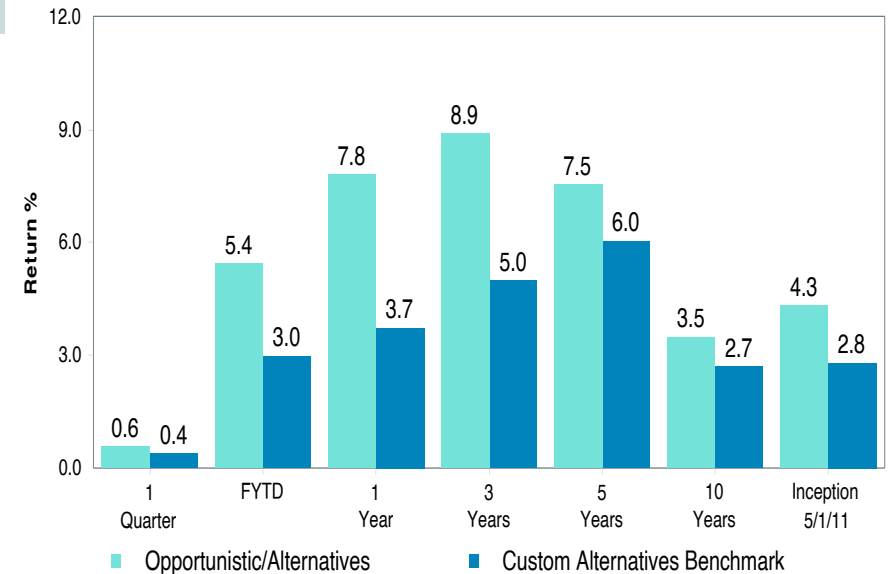
As of March 31, 2025

## Current Allocation

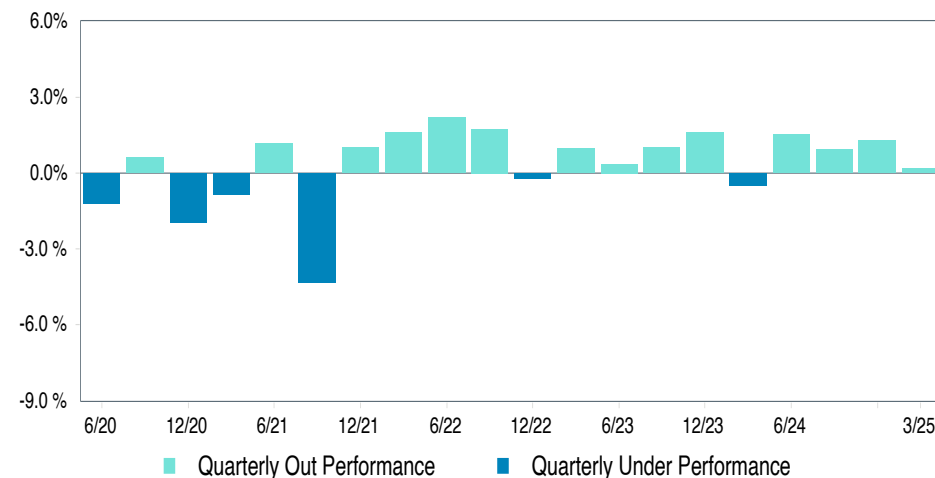
March 31, 2025 : \$1,173,728,320



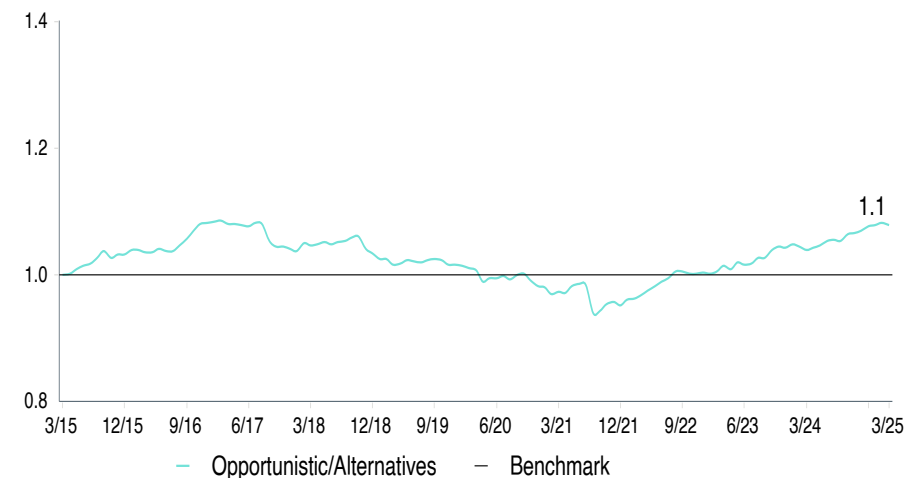
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - 10 Years

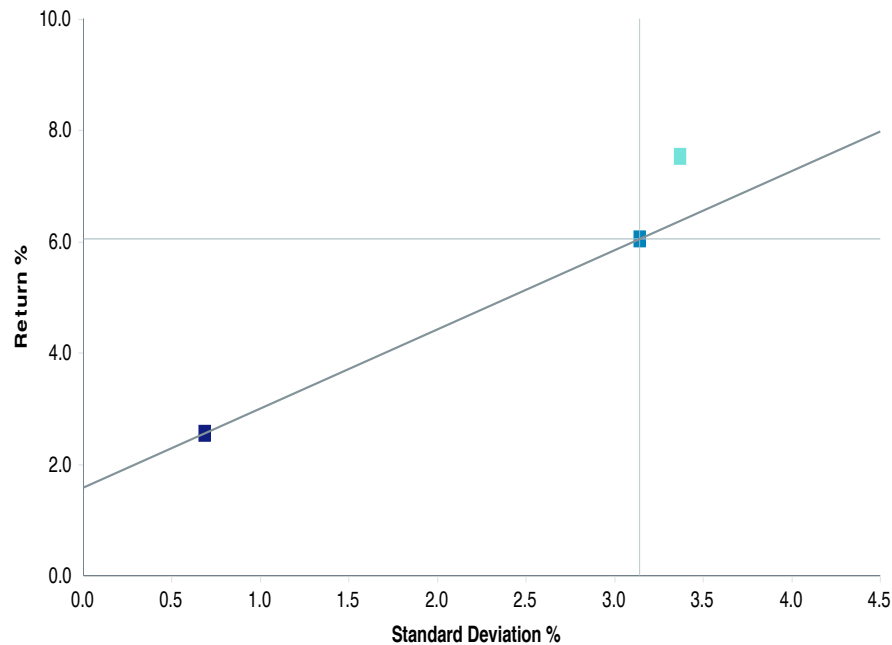


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

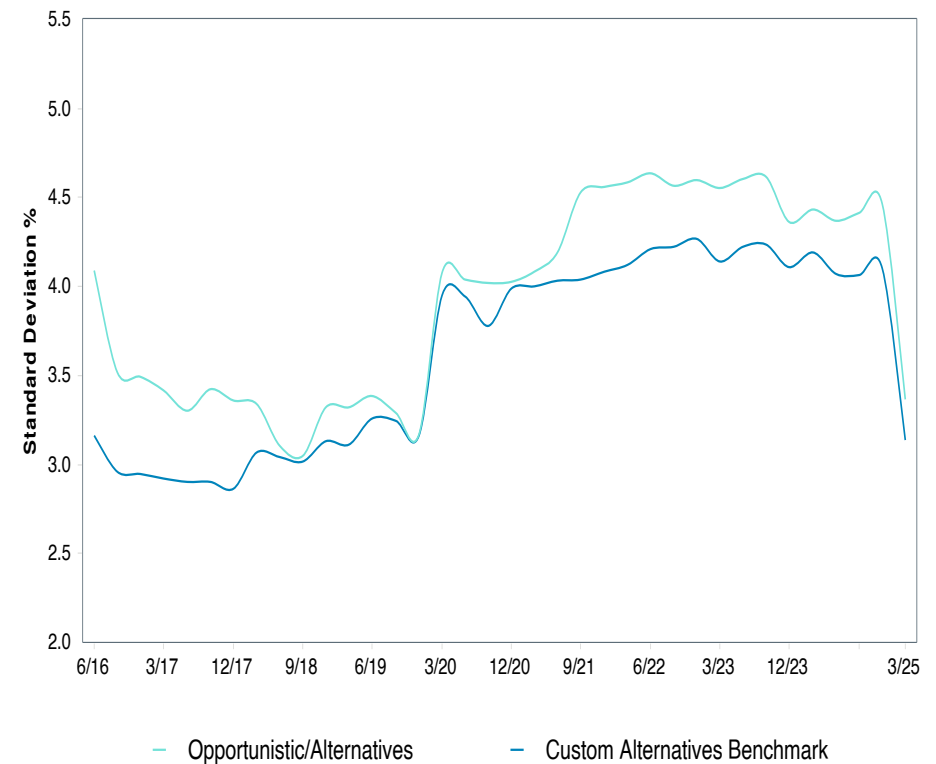
# Risk Profile Opportunistic/Alternatives

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



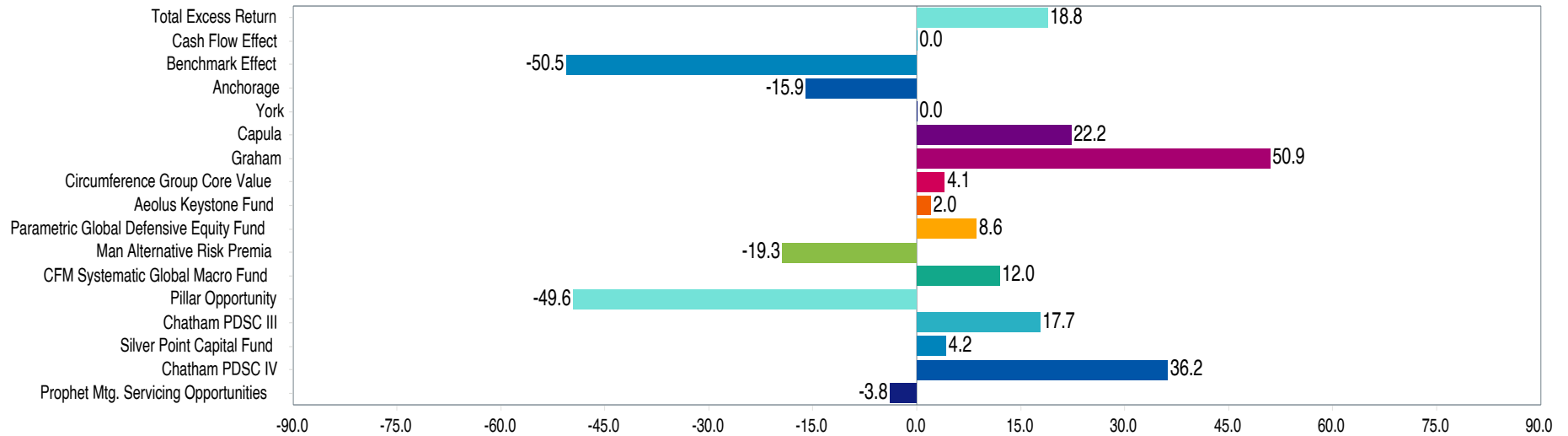
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Opportunistic/Alternatives	1.41	2.98	0.47	0.34	1.45	3.70	0.63	7.54	3.37	0.58
Custom Alternatives Benchmark	0.00	0.00	-	1.00	1.06	0.00	1.00	6.05	3.14	1.00
90 Day U.S. Treasury Bill	-3.41	3.21	-1.06	0.00	-	2.54	0.00	2.56	0.68	0.01

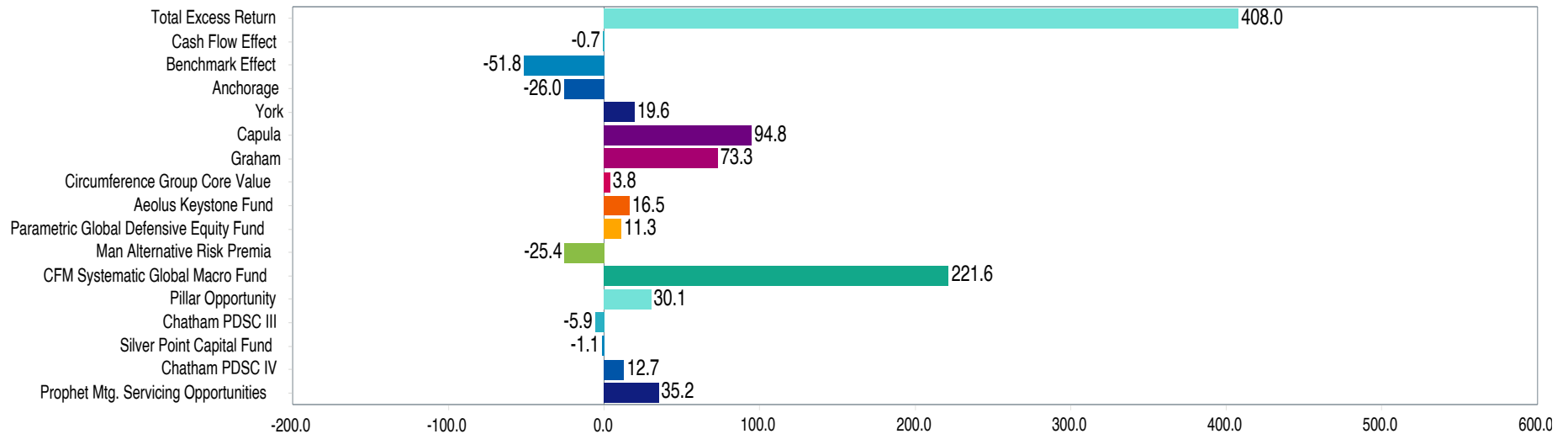
# Asset Class Attribution

As of March 31, 2025

1 Quarter



1 Year



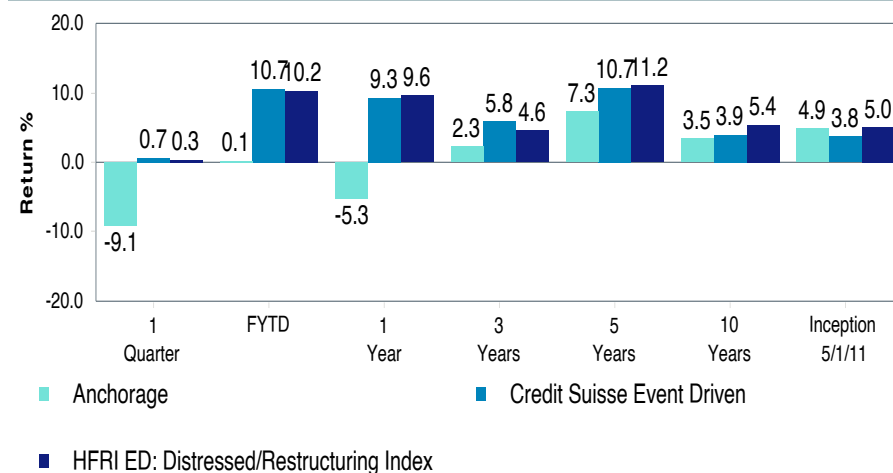
# Manager Performance Summary Anchorage

As of March 31, 2025

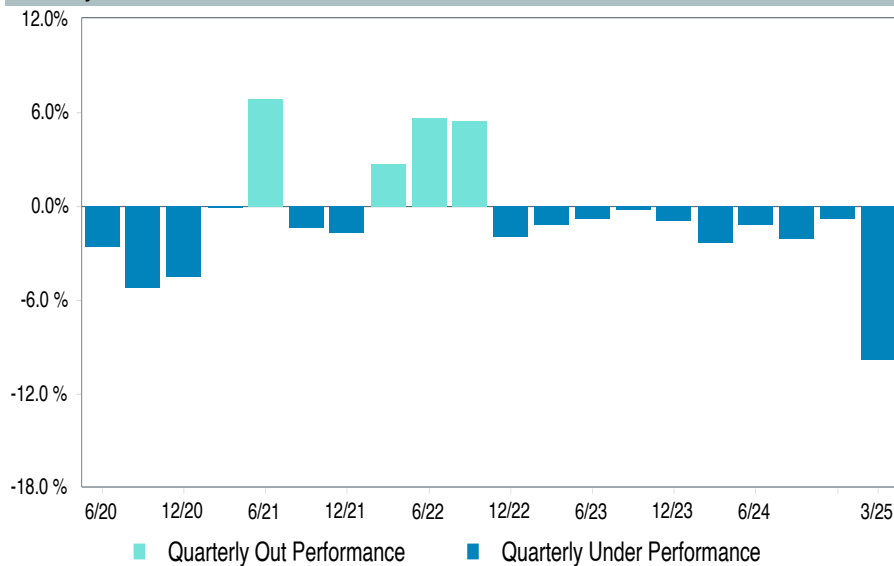
## Account Information

Account Name	Anchorage
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Credit Suisse Event Driven
Peer Group	

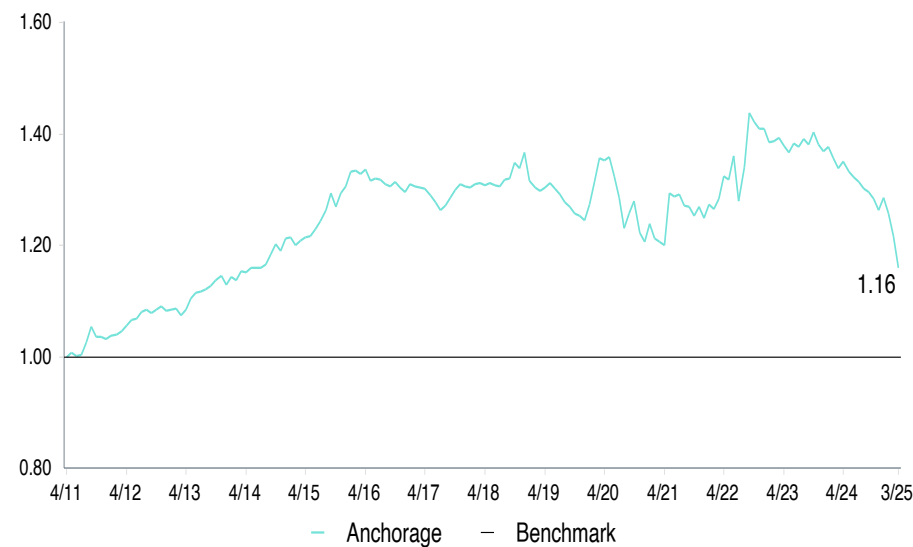
## Return Summary



## Quarterly Excess Performance



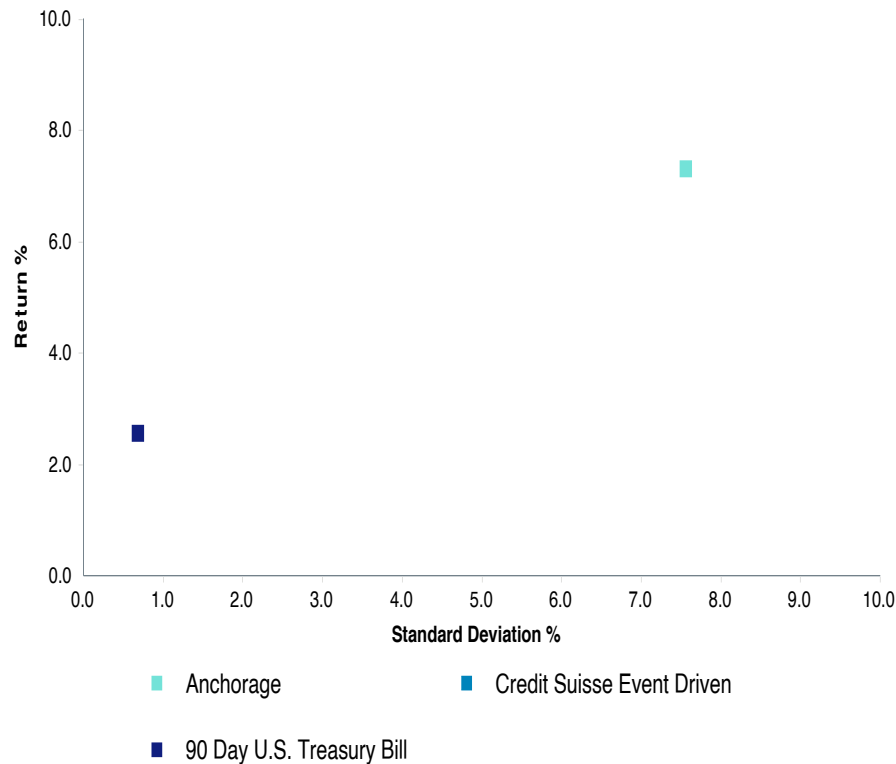
## Ratio of Cumulative Wealth - Since Inception



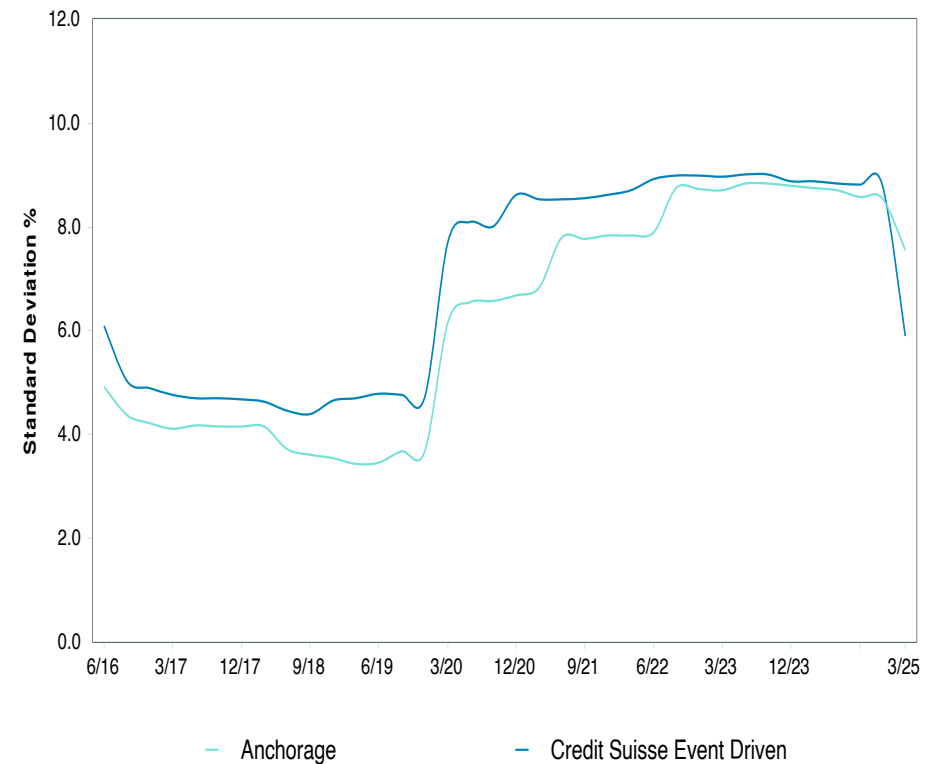
# Risk Profile Anchorage

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Anchorage	-	-	-	-	0.63	-	-	7.33	7.56	-
Credit Suisse Event Driven	-	-	-	-	1.31	-	-	10.73	5.91	-
90 Day U.S. Treasury Bill	-	-	-	-	-	-	-	2.56	0.68	-

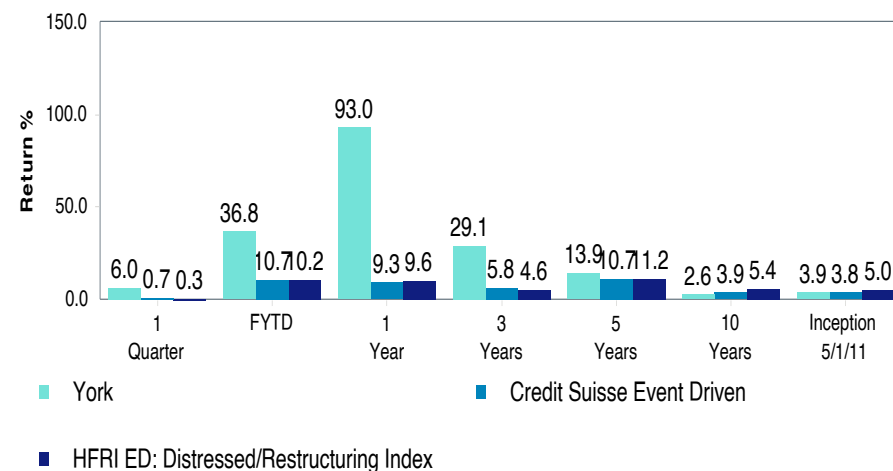
# Manager Performance Summary York

As of March 31, 2025

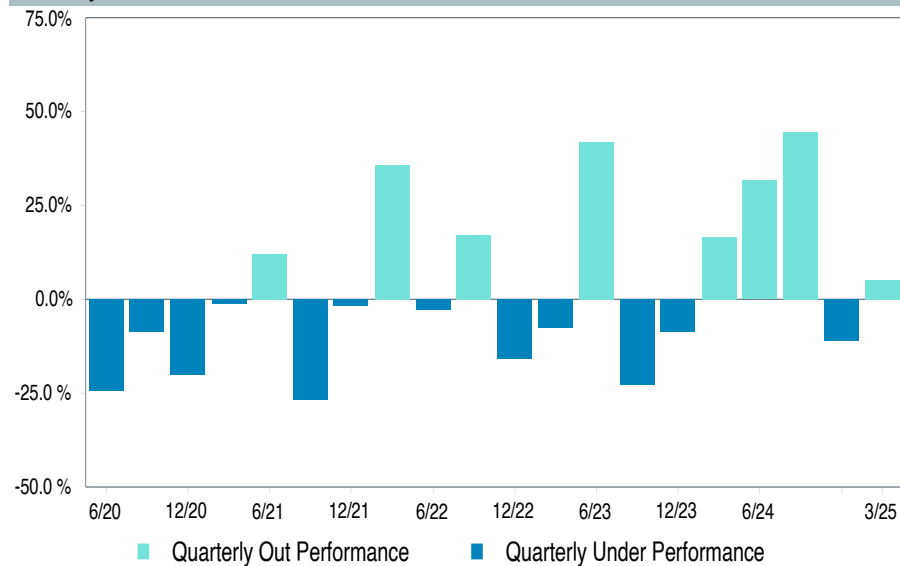
## Account Information

Account Name	York
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Credit Suisse Event Driven
Peer Group	

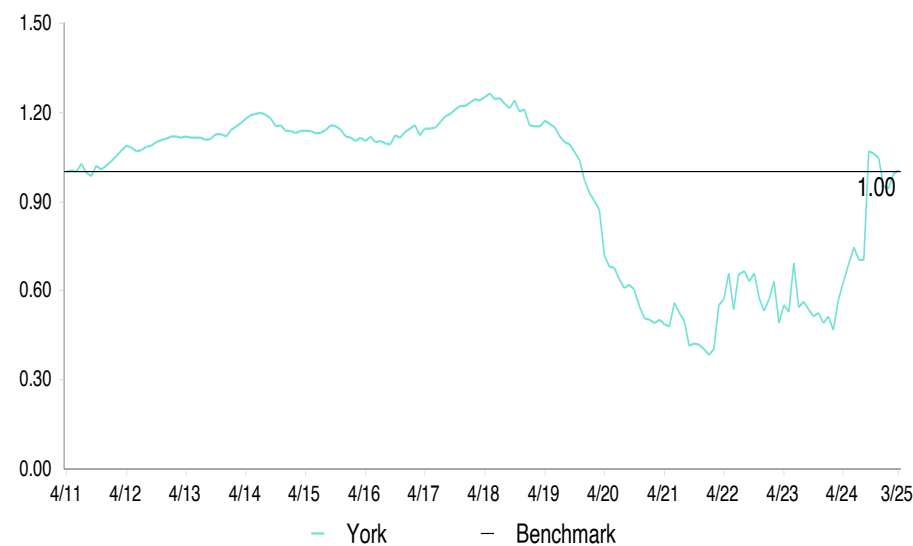
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception

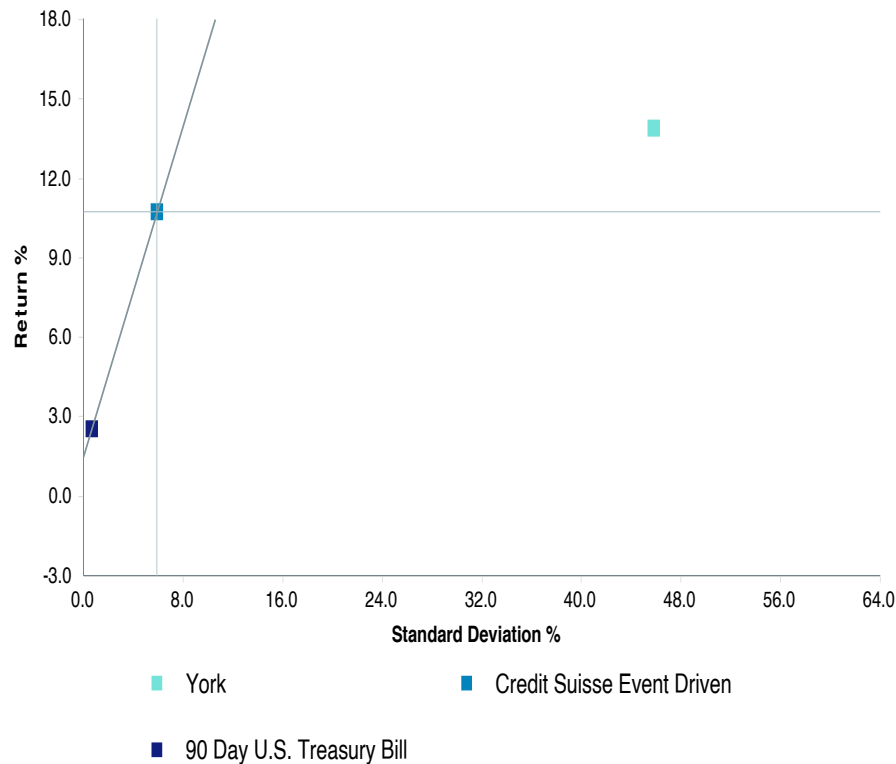




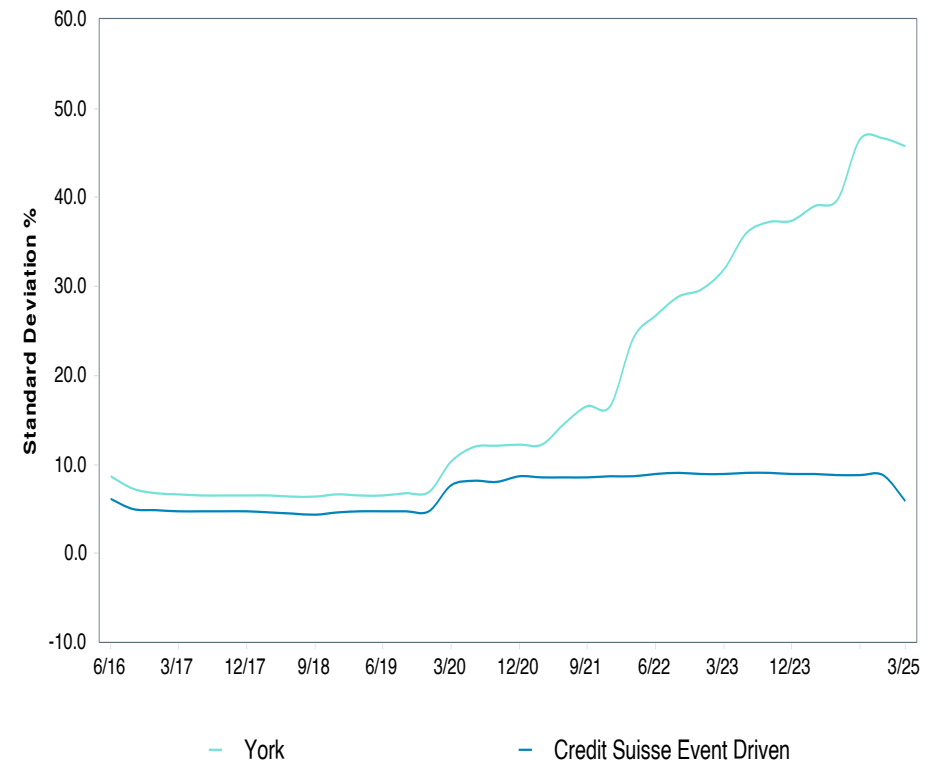
# Risk Profile York

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 5 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
York	11.96	45.54	0.26	0.01	0.43	14.56	0.84	13.89	45.79	0.11
Credit Suisse Event Driven	0.00	0.00	-	1.00	1.31	0.00	1.00	10.73	5.91	1.00
90 Day U.S. Treasury Bill	-7.88	6.01	-1.31	0.01	-	2.66	-0.01	2.56	0.68	-0.08



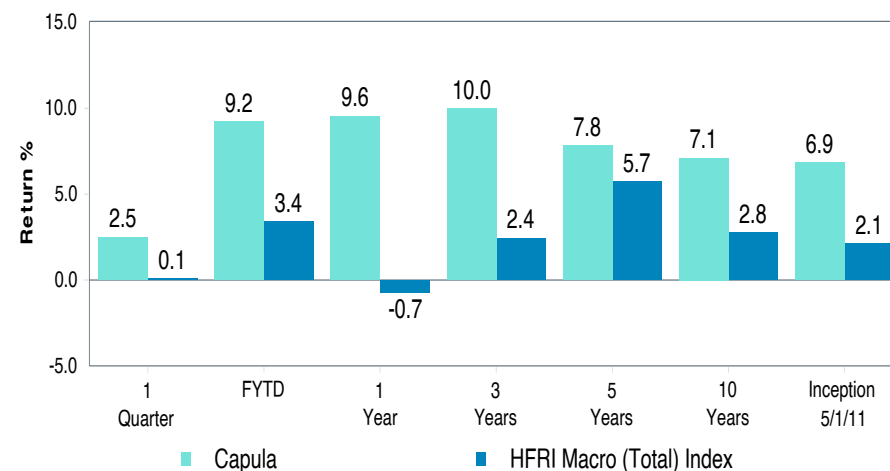
# Manager Performance Summary Capula

As of March 31, 2025

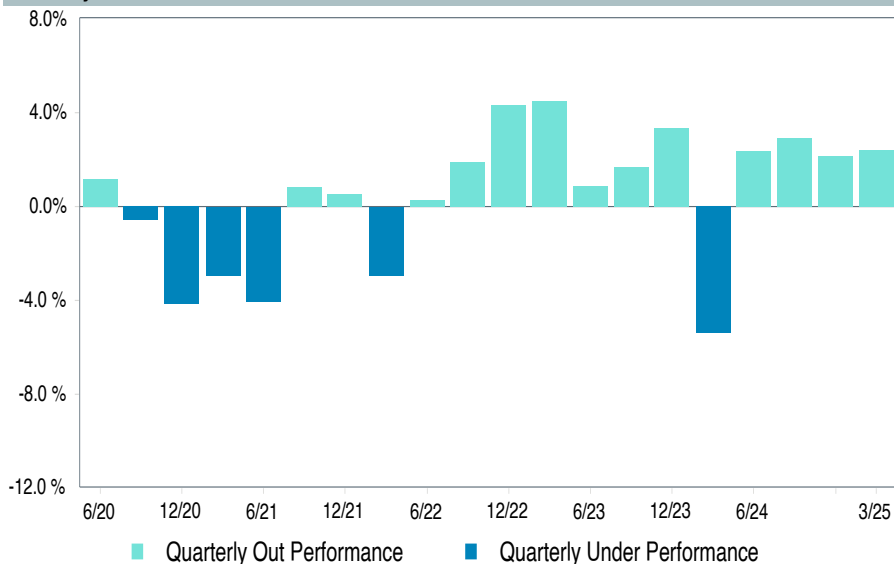
## Account Information

Account Name	Capula
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	HFRI Macro (Total) Index
Peer Group	

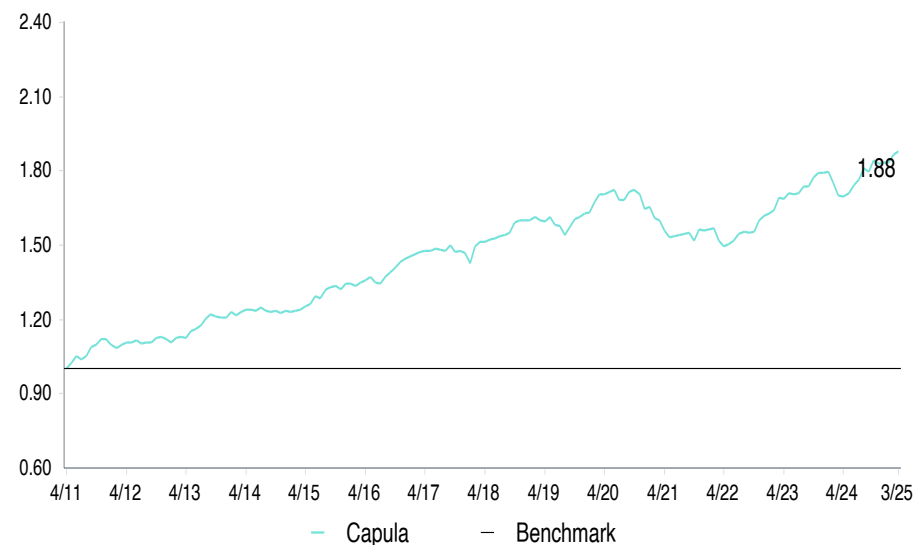
## Return Summary



## Quarterly Excess Performance



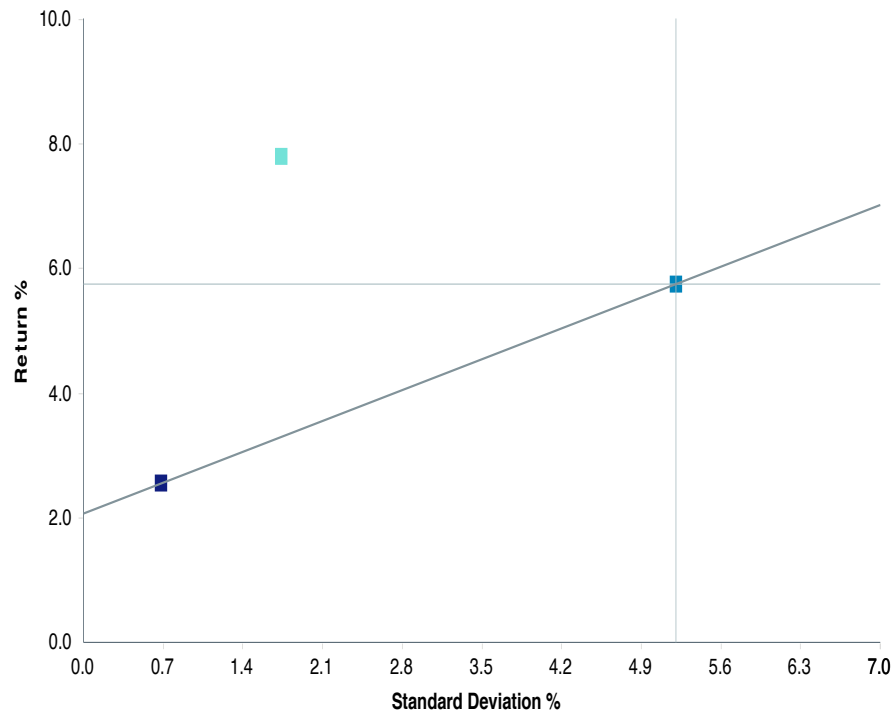
## Ratio of Cumulative Wealth - Since Inception



# Risk Profile Capula

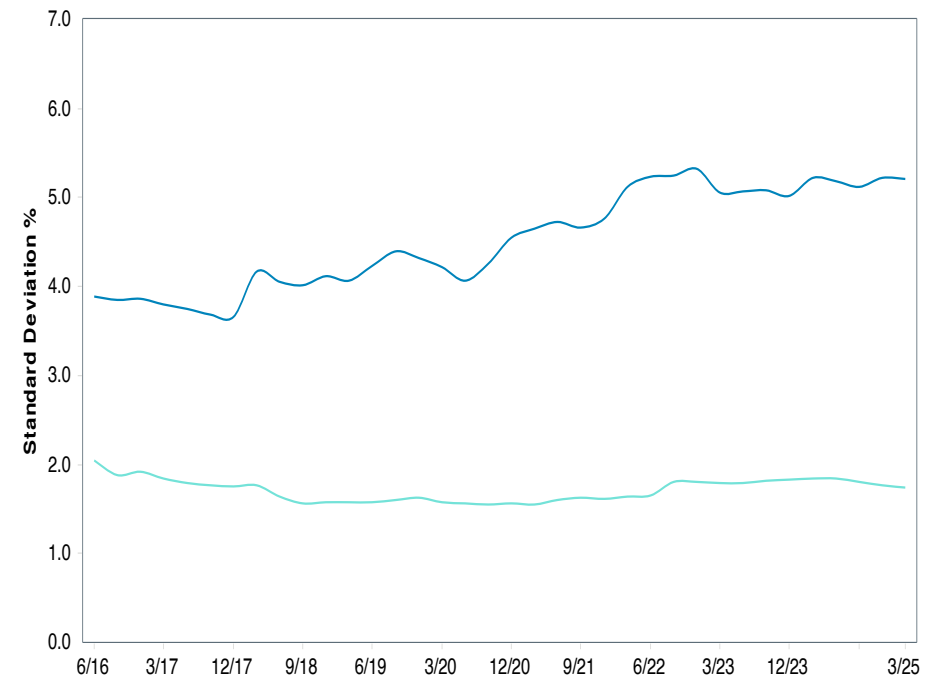
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Capula ■ HFRI Macro (Total) Index ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Capula — HFRI Macro (Total) Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Capula	1.82	5.50	0.33	0.00	3.04	7.85	0.00	7.81	1.74	-0.01
HFRI Macro (Total) Index	0.00	0.00	-	1.00	0.60	0.00	1.00	5.75	5.20	1.00
90 Day U.S. Treasury Bill	-3.21	5.39	-0.60	0.04	-	2.72	-0.03	2.56	0.68	-0.21

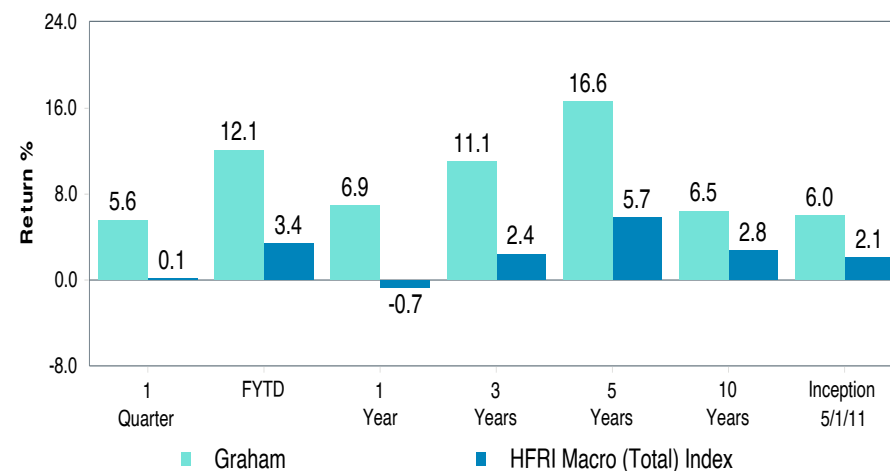
# Manager Performance Summary Graham

As of March 31, 2025

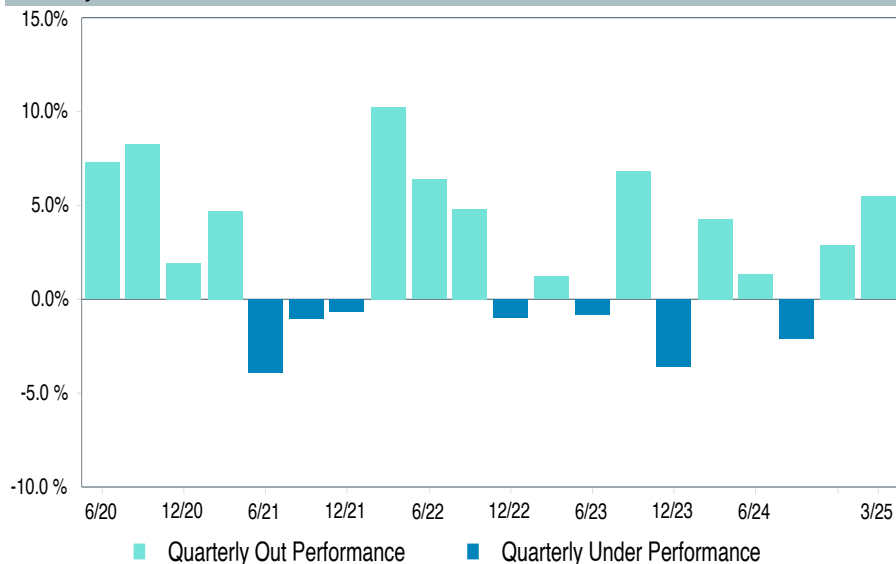
## Account Information

Account Name	Graham
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	Hedge Fund
Benchmark	HFRI Macro (Total) Index
Peer Group	

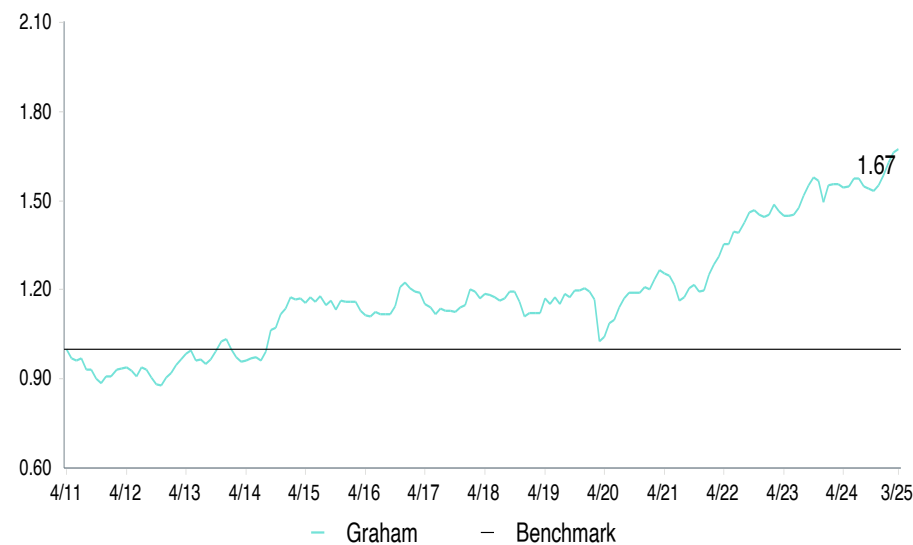
## Return Summary



## Quarterly Excess Performance



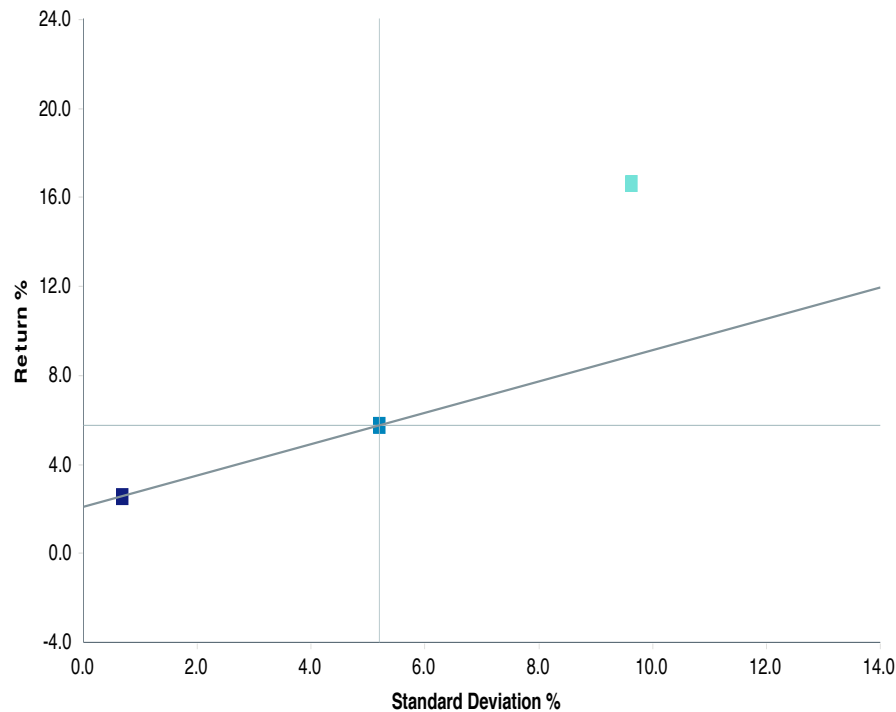
## Ratio of Cumulative Wealth - Since Inception



# Risk Profile Graham

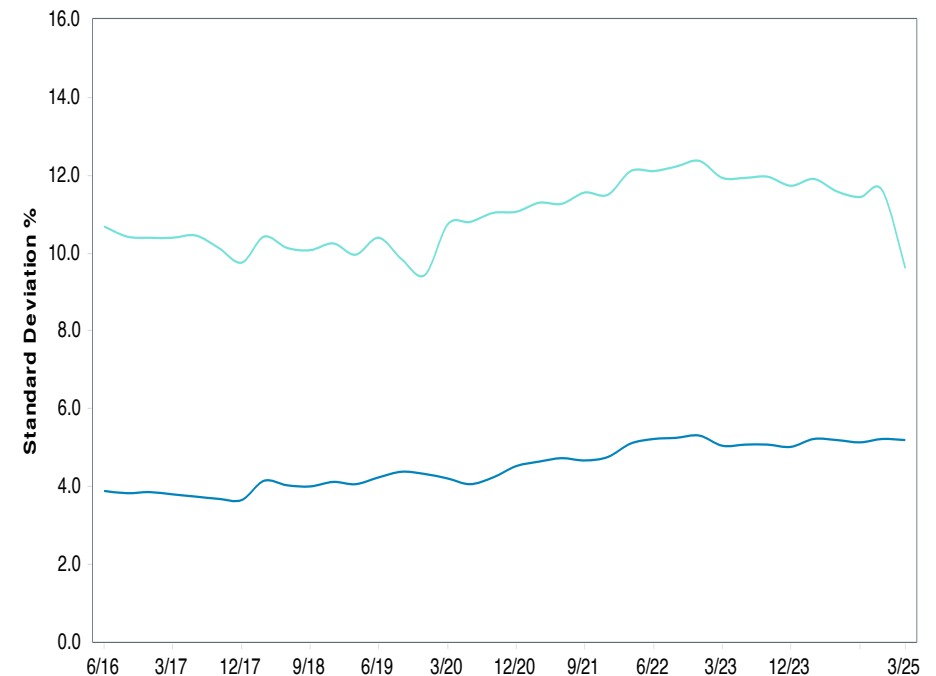
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Graham ■ HFRI Macro (Total) Index ■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 5 Years



— Graham — HFRI Macro (Total) Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Graham	10.21	6.66	1.53	0.57	1.37	8.27	1.39	16.65	9.62	0.75
HFRI Macro (Total) Index	0.00	0.00	-	1.00	0.60	0.00	1.00	5.75	5.20	1.00
90 Day U.S. Treasury Bill	-3.21	5.39	-0.60	0.04	-	2.72	-0.03	2.56	0.68	-0.21

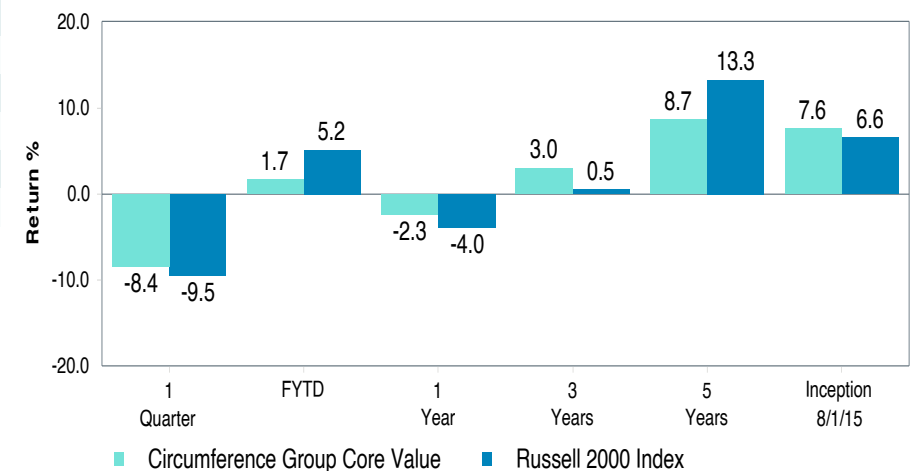
# Manager Performance Summary Circumference Group Core Value

As of March 31, 2025

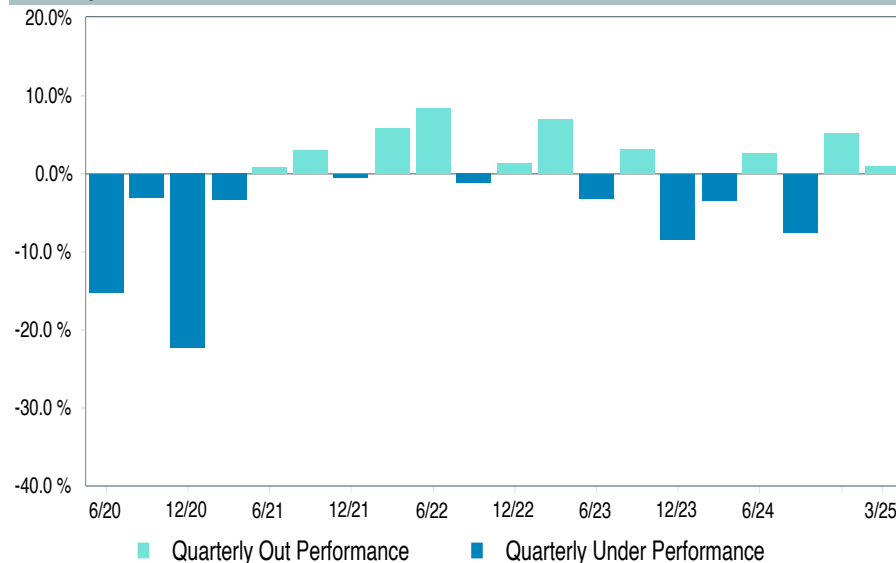
## Account Information

Account Name	Circumference Group Core Value
Inception Date	08/31/2015
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Russell 2000 Index
Peer Group	

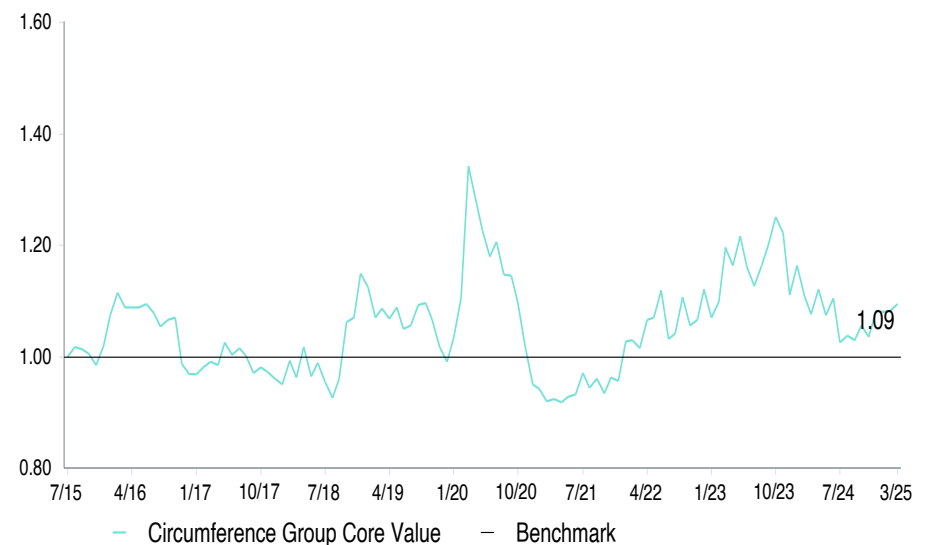
## Return Summary



## Quarterly Excess Performance



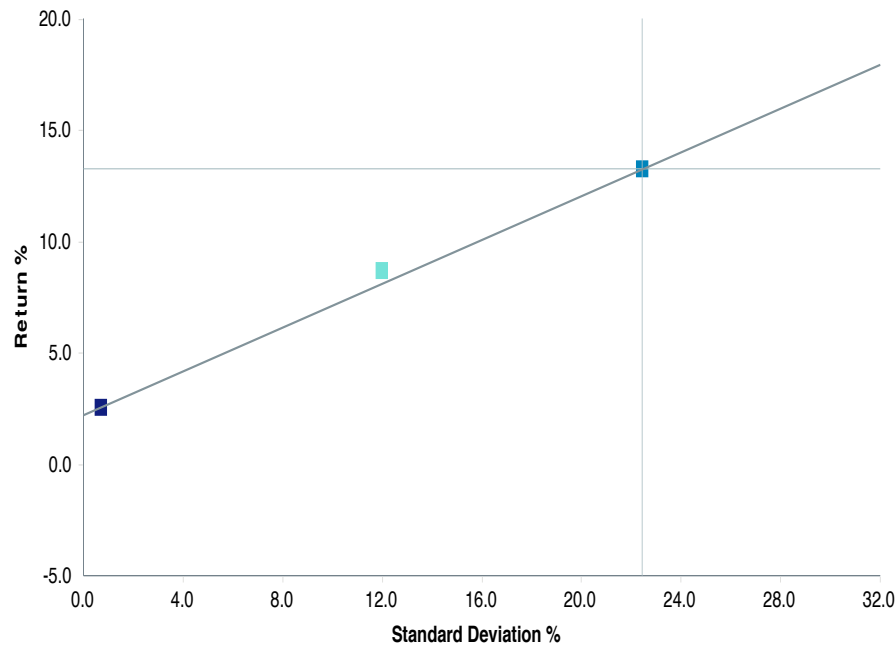
## Ratio of Cumulative Wealth - Since Inception



# Risk Profile Circumference Group Core Value

As of March 31, 2025

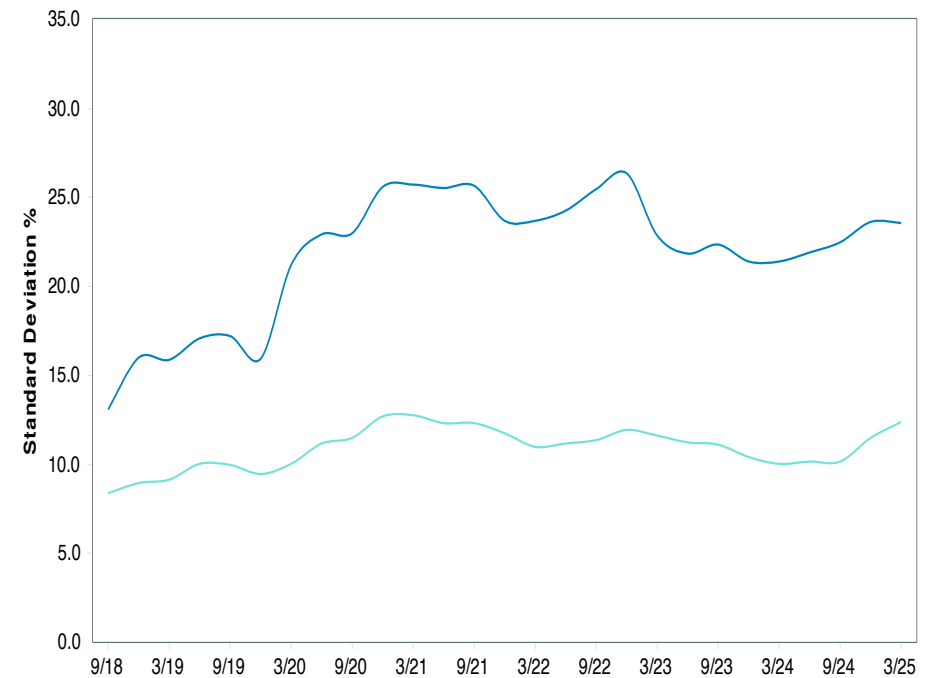
Annualized Return vs. Annualized Standard Deviation  
5 Years



■ Circumference Group Core Value ■ Russell 2000 Index

■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 3 Years



— Circumference Group Core Value — Russell 2000 Index

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Circumference Group Core Value	-5.85	14.42	-0.41	0.67	0.55	2.62	0.44	8.74	11.96	0.82
Russell 2000 Index	0.00	0.00	-	1.00	0.55	0.00	1.00	13.27	22.44	1.00
90 Day U.S. Treasury Bill	-12.42	22.51	-0.55	0.01	-	2.60	0.00	2.56	0.68	-0.10

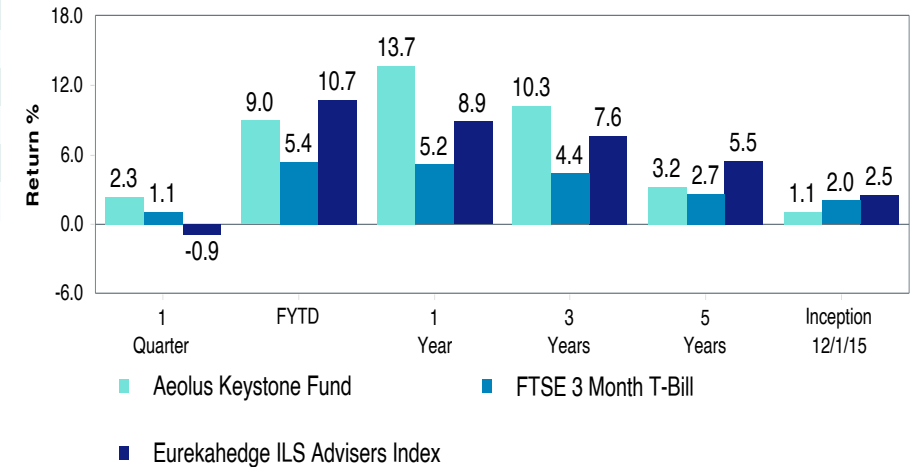
# Manager Performance Summary Aeolus Keystone Fund

As of March 31, 2025

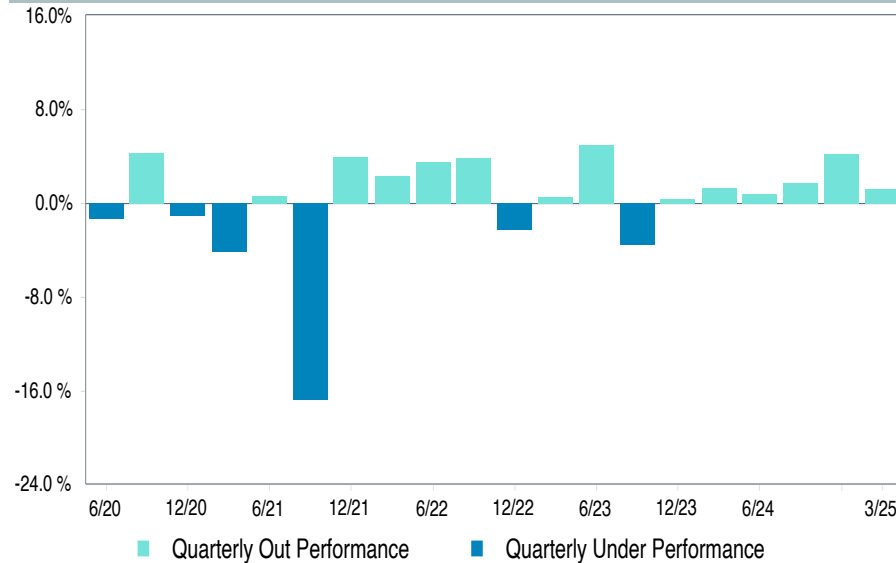
## Account Information

Account Name	Aeolus Keystone Fund
Inception Date	12/01/2015
Account Structure	Hedge Fund
Asset Class	Hedge Fund
Benchmark	FTSE 3 Month T-Bill
Peer Group	

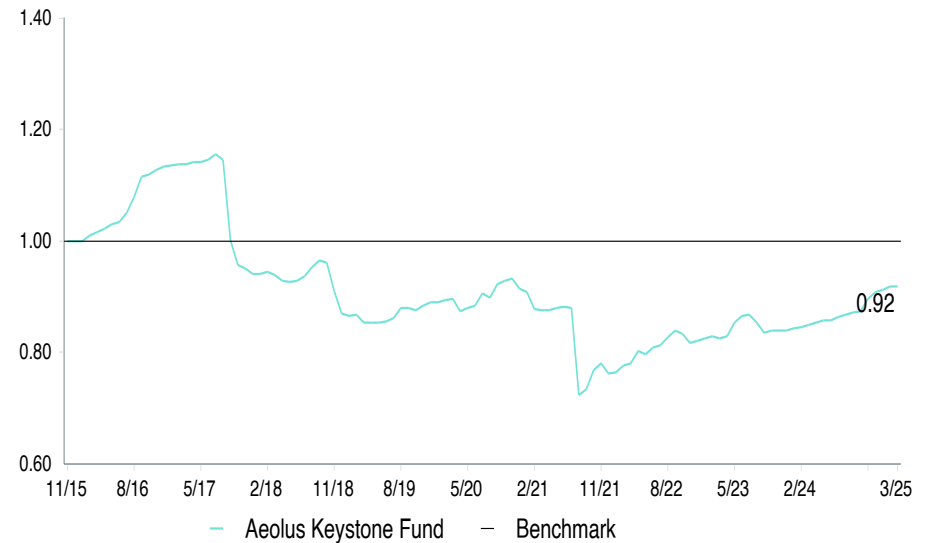
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception



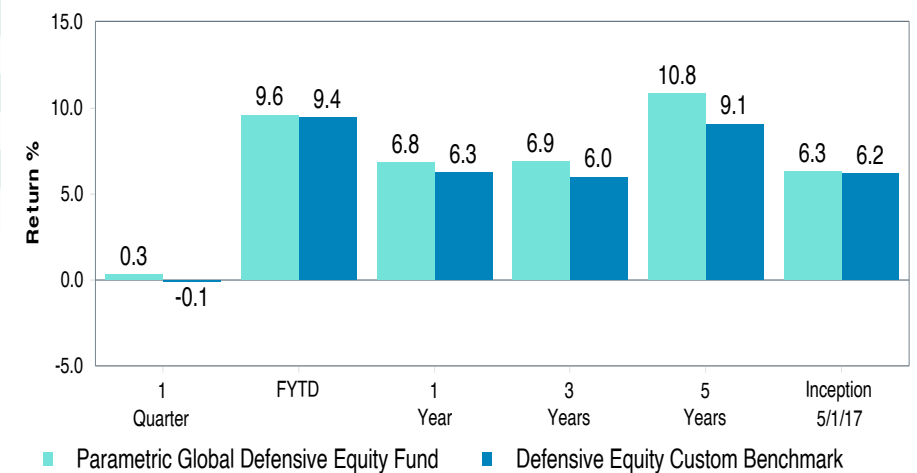
# Manager Performance Summary Parametric Global Defensive Equity

As of March 31, 2025

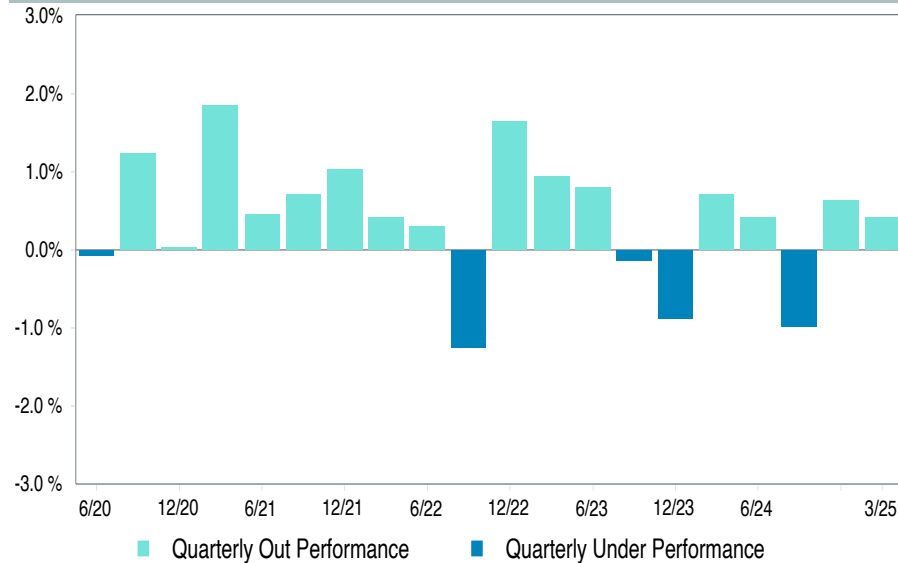
## Account Information

Account Name	Parametric Global Defensive Equity Fund
Inception Date	06/01/2017
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	Defensive Equity Custom Benchmark
Peer Group	

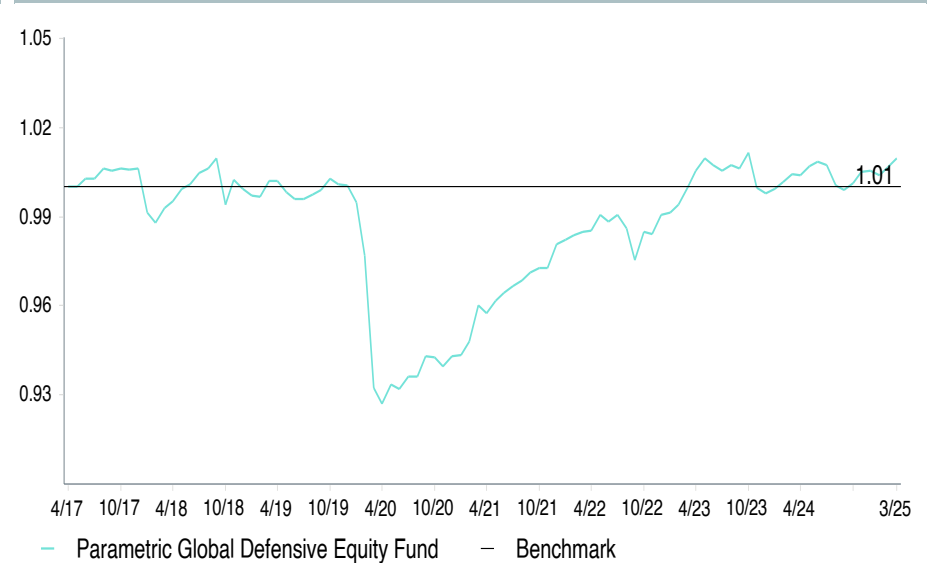
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception

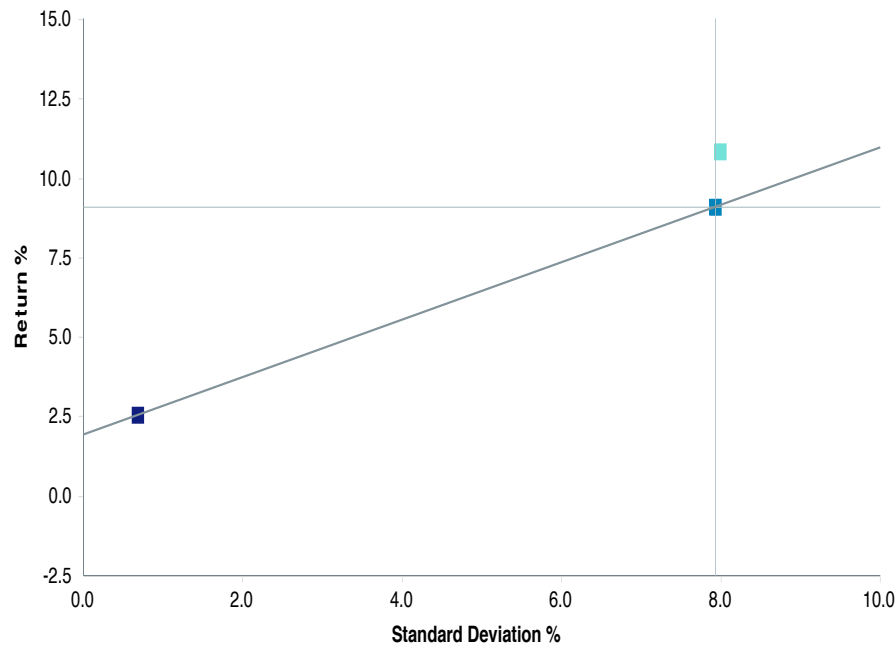




# Risk Profile Parametric Global Defensive Equity Fund

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
5 Years



Standard Deviation  
Rolling 3 Years



5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Parametric Global Defensive Equity Fund	1.61	1.51	1.06	0.96	1.01	1.71	0.99	10.85	8.00	0.98
Defensive Equity Custom Benchmark	0.00	0.00	-	1.00	0.82	0.00	1.00	9.10	7.93	1.00
90 Day U.S. Treasury Bill	-6.52	7.94	-0.82	0.00	-	2.54	0.00	2.56	0.68	0.03

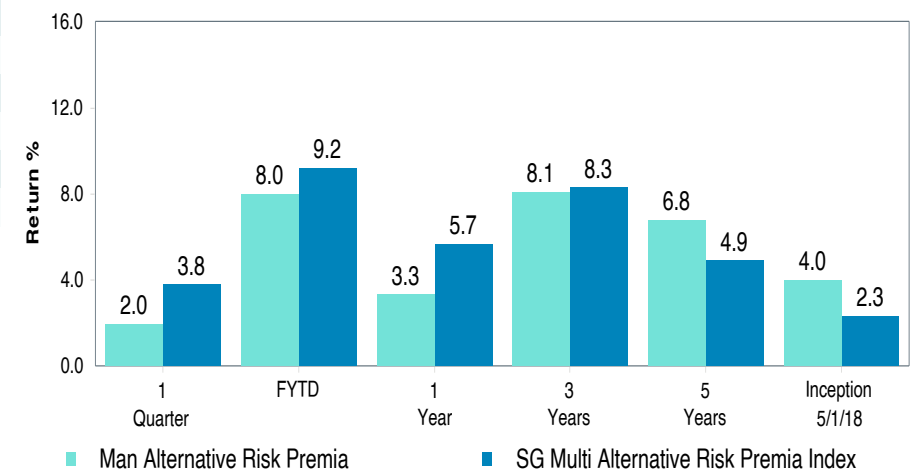
# Manager Performance Summary Man Alternative Risk Premia

As of March 31, 2025

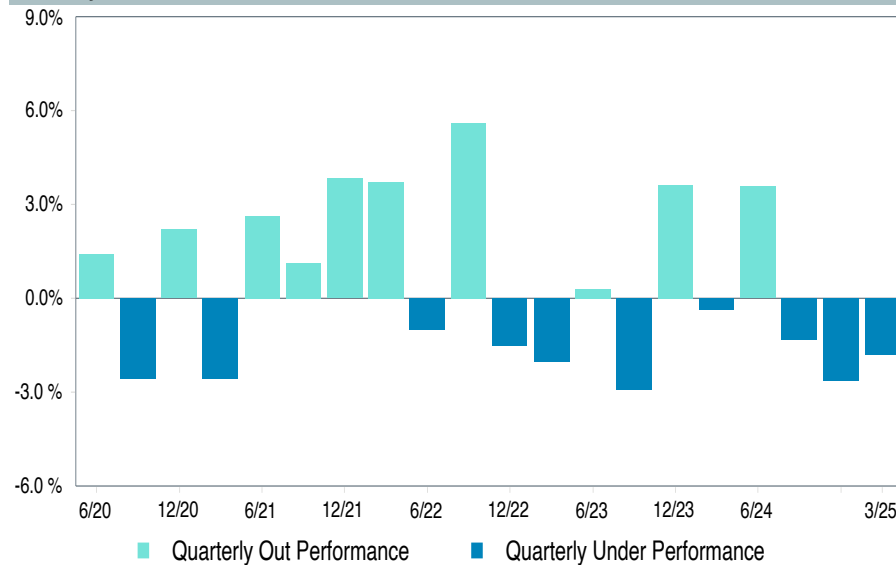
## Account Information

Account Name	Man Alternative Risk Premia
Inception Date	06/01/2018
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	SG Multi Alternative Risk Premia Index
Peer Group	

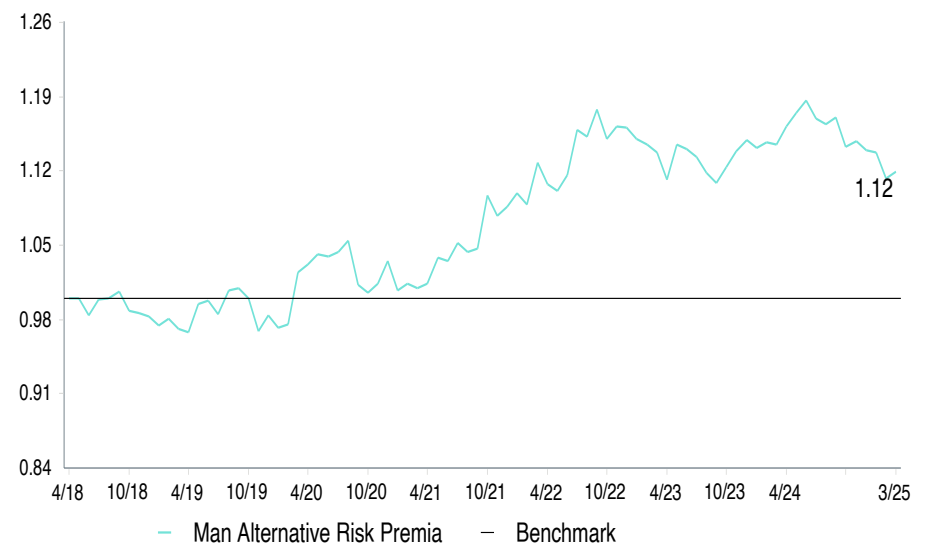
## Return Summary



## Quarterly Excess Performance



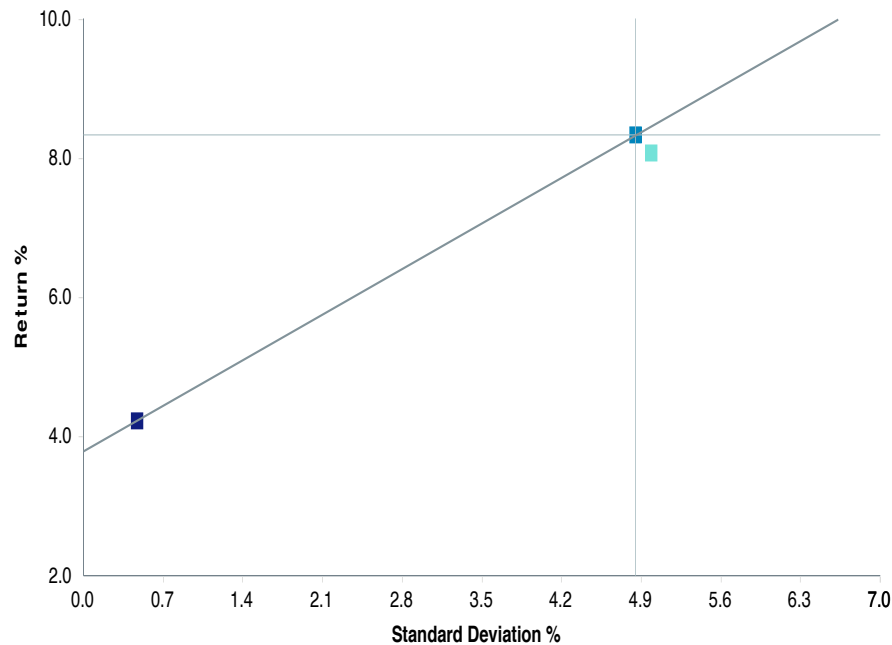
## Ratio of Cumulative Wealth - Since Inception



# Risk Profile Man Alternative Risk Premia

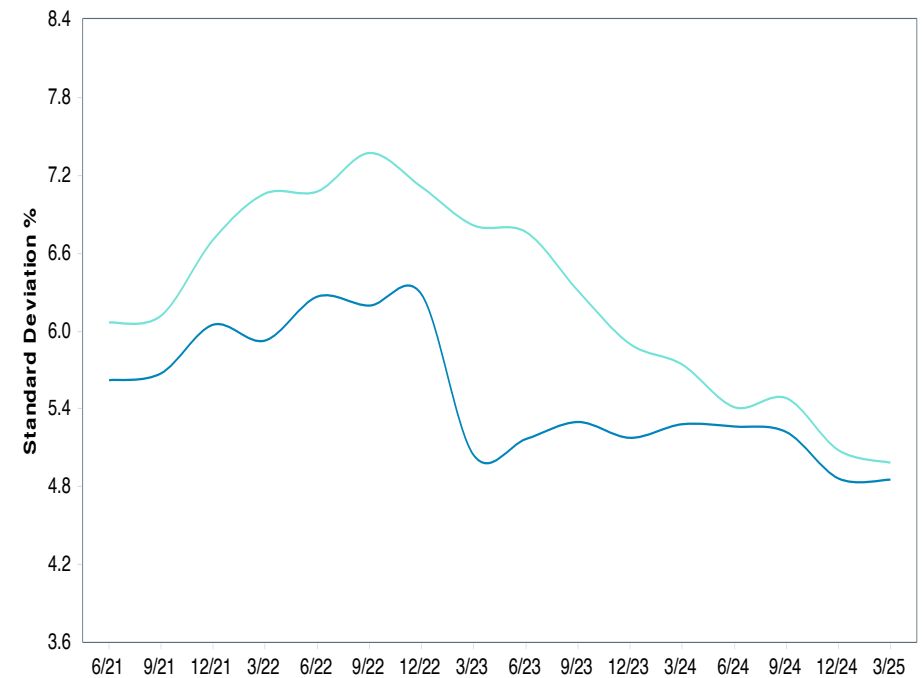
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
3 Years



- Man Alternative Risk Premia
- SG Multi Alternative Risk Premia Index
- 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 3 Years



- Man Alternative Risk Premia
- SG Multi Alternative Risk Premia Index

3 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Man Alternative Risk Premia	-0.23	5.04	-0.05	0.23	0.75	4.01	0.49	8.09	4.99	0.48
SG Multi Alternative Risk Premia Index	0.00	0.00	-	1.00	0.82	0.00	1.00	8.34	4.85	1.00
90 Day U.S. Treasury Bill	-4.00	4.88	-0.82	0.00	-	4.25	0.00	4.23	0.47	-0.02

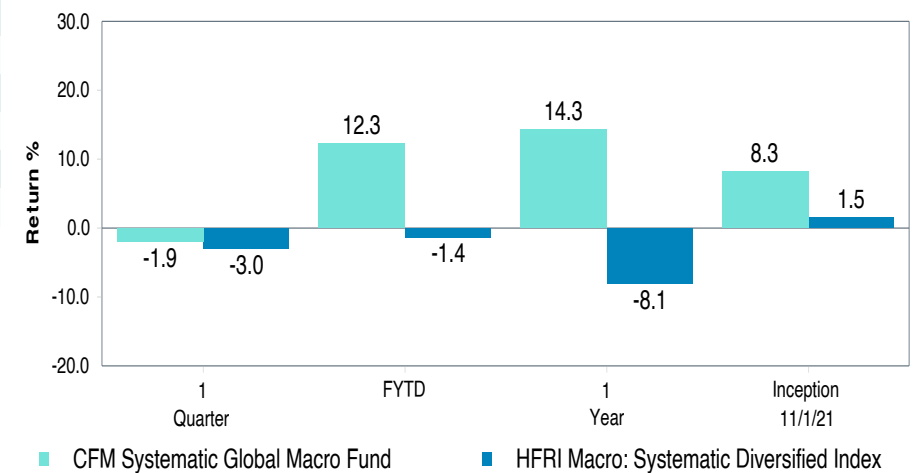
# Manager Performance Summary CFM Systematic Global Macro Fund

As of March 31, 2025

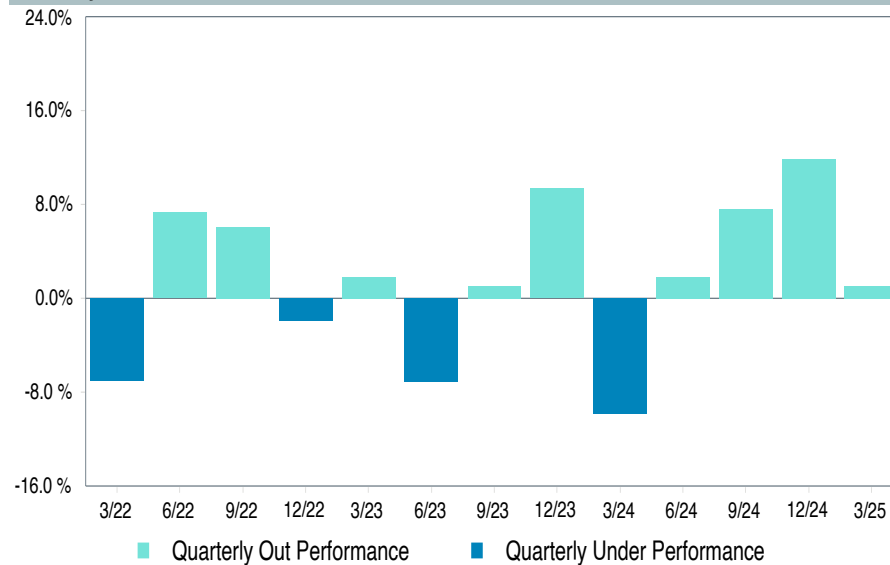
## Account Information

Account Name	CFM Systematic Global Macro Fund
Inception Date	11/01/2021
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	HFRI Macro: Systematic Diversified Index
Peer Group	

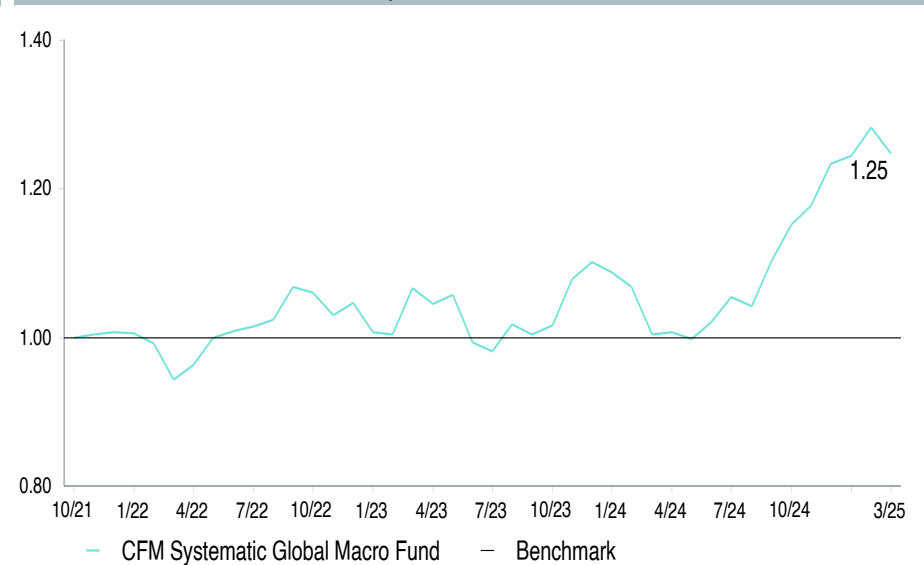
## Return Summary



## Quarterly Excess Performance



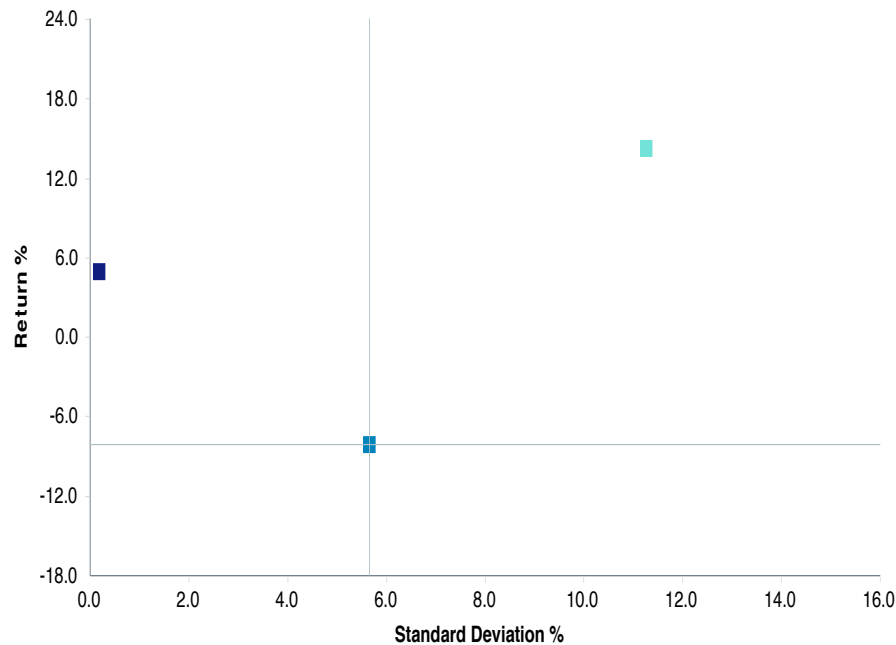
## Ratio of Cumulative Wealth - Since Inception



# Risk Profile CFM Systematic Global Macro Fund

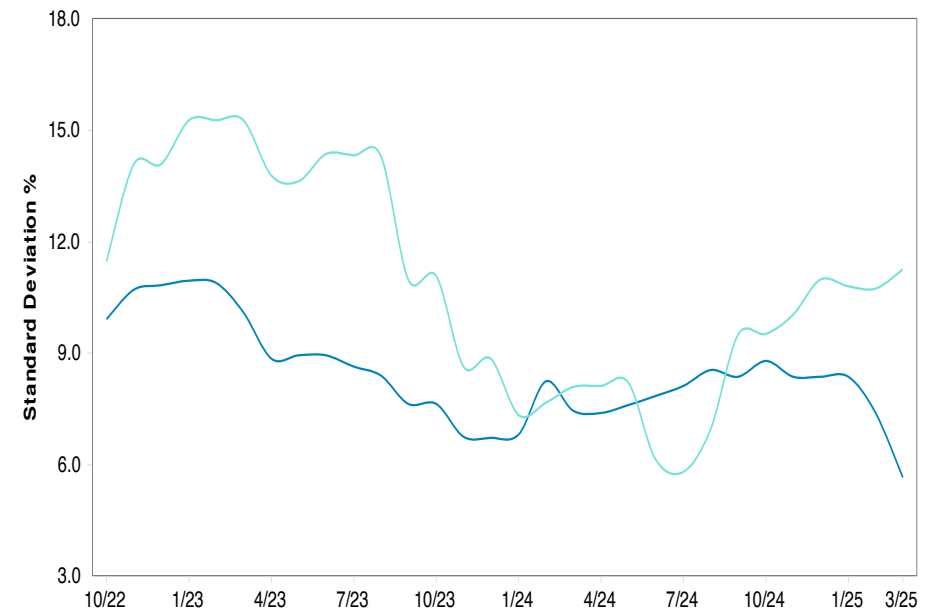
As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
1 Year



■ CFM Systematic Global Macro Fund    ■ HFRI Macro: Systematic Diversified Index  
■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 1 Year



— CFM Systematic Global Macro Fund  
— HFRI Macro: Systematic Diversified Index

1 Year Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
CFM Systematic Global Macro Fund	22.28	8.98	2.48	0.38	0.81	26.98	1.22	14.30	11.27	0.61
HFRI Macro: Systematic Diversified Index	0.00	0.00	-	1.00	-2.32	0.00	1.00	-8.10	5.65	1.00
90 Day U.S. Treasury Bill	13.14	5.66	2.32	0.00	-	4.97	0.00	4.97	0.18	-0.02

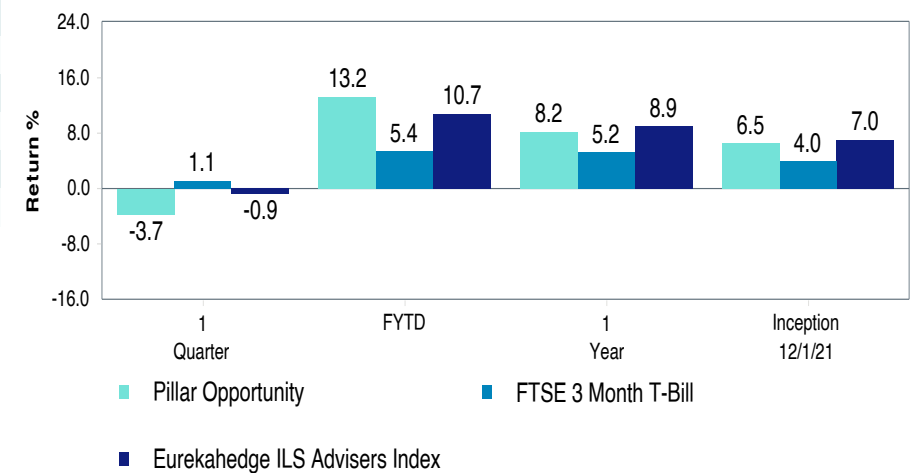
# Manager Performance Summary Pillar Opportunity

As of March 31, 2025

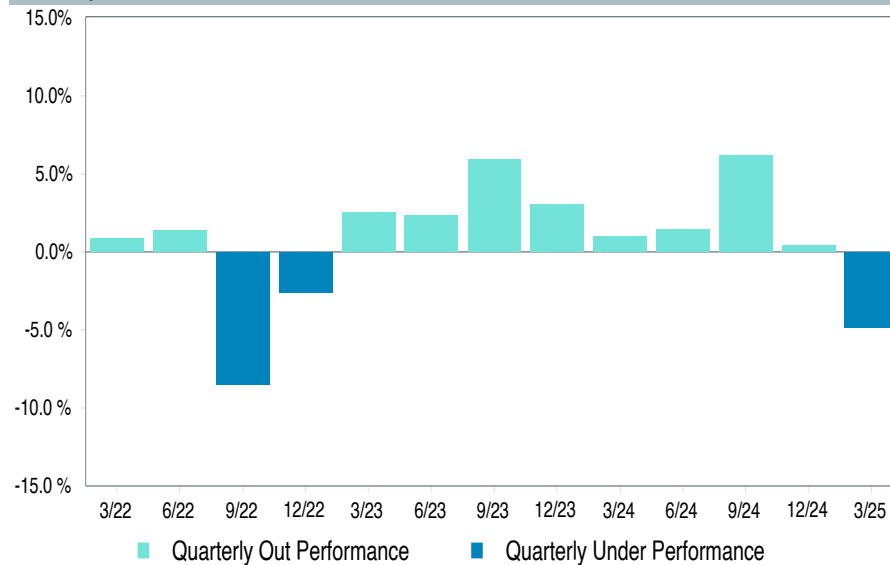
## Account Information

Account Name	Pillar Opportunity
Inception Date	12/01/2021
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	FTSE 3 Month T-Bill
Peer Group	

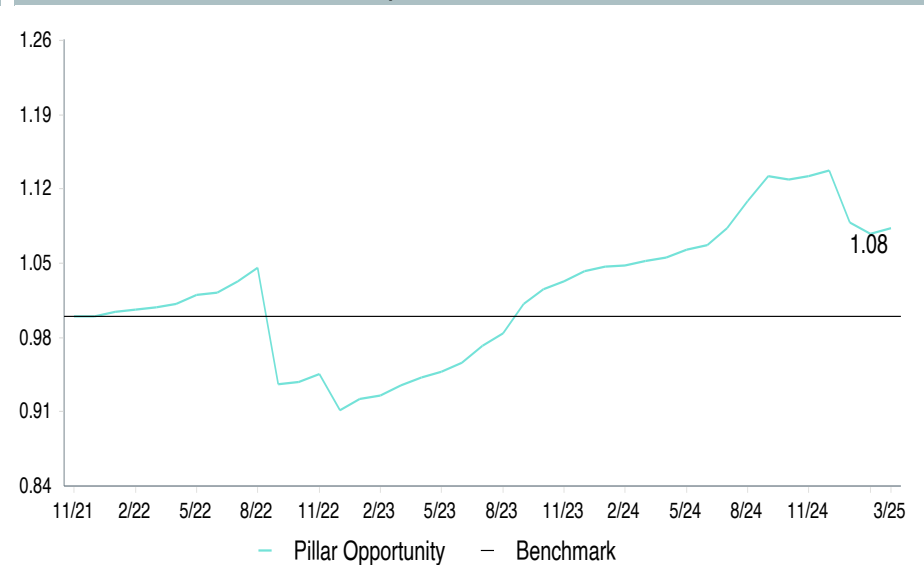
## Return Summary



## Quarterly Excess Performance



## Ratio of Cumulative Wealth - Since Inception



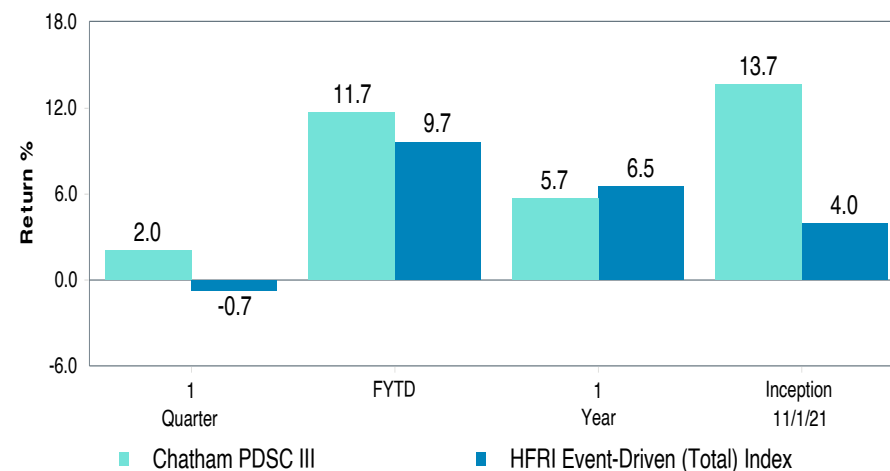
# Manager Performance Summary Chatham PDSC III

As of March 31, 2025

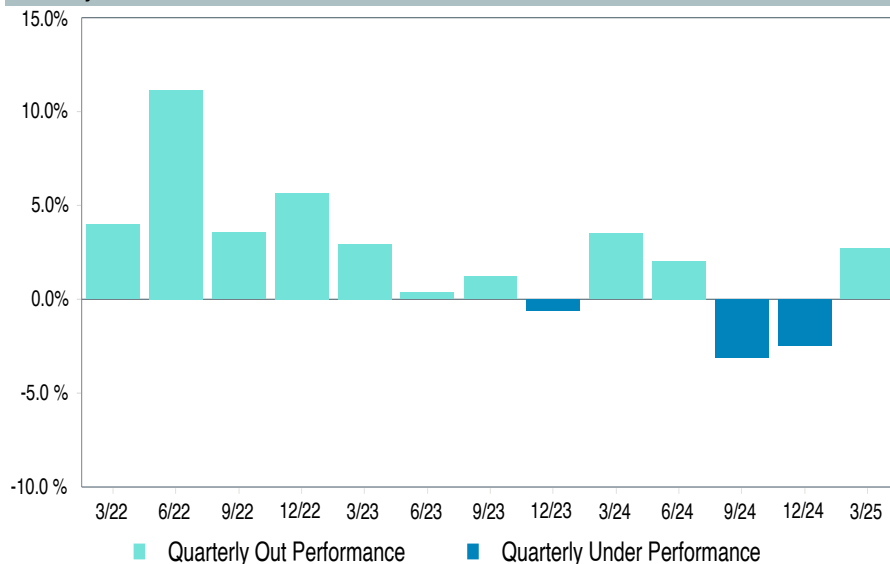
## Account Information

Account Name	Chatham PDSC III
Inception Date	11/01/2021
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI Event-Driven (Total) Index
Peer Group	

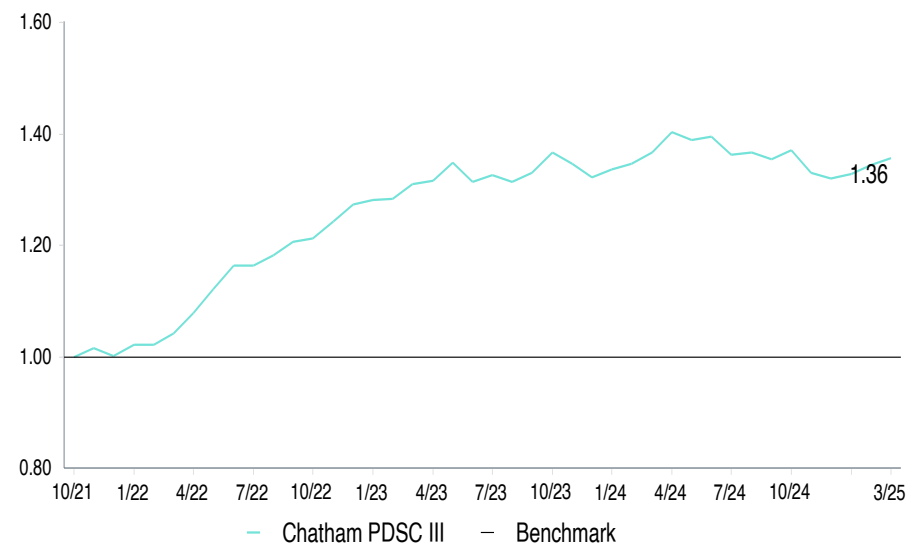
## Return Summary



## Quarterly Excess Performance



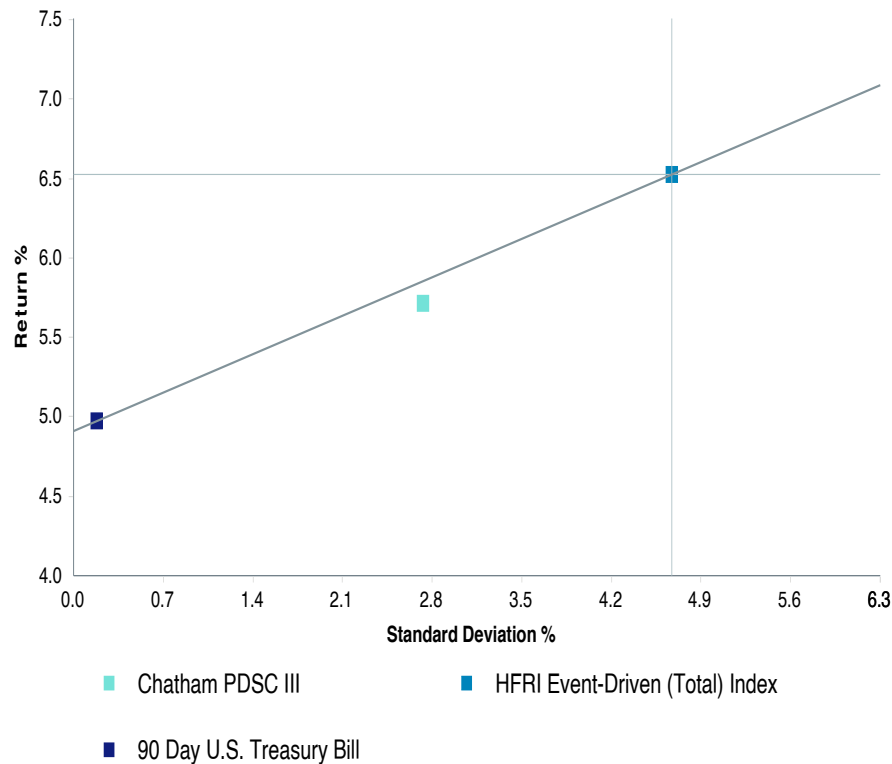
## Ratio of Cumulative Wealth - Since Inception



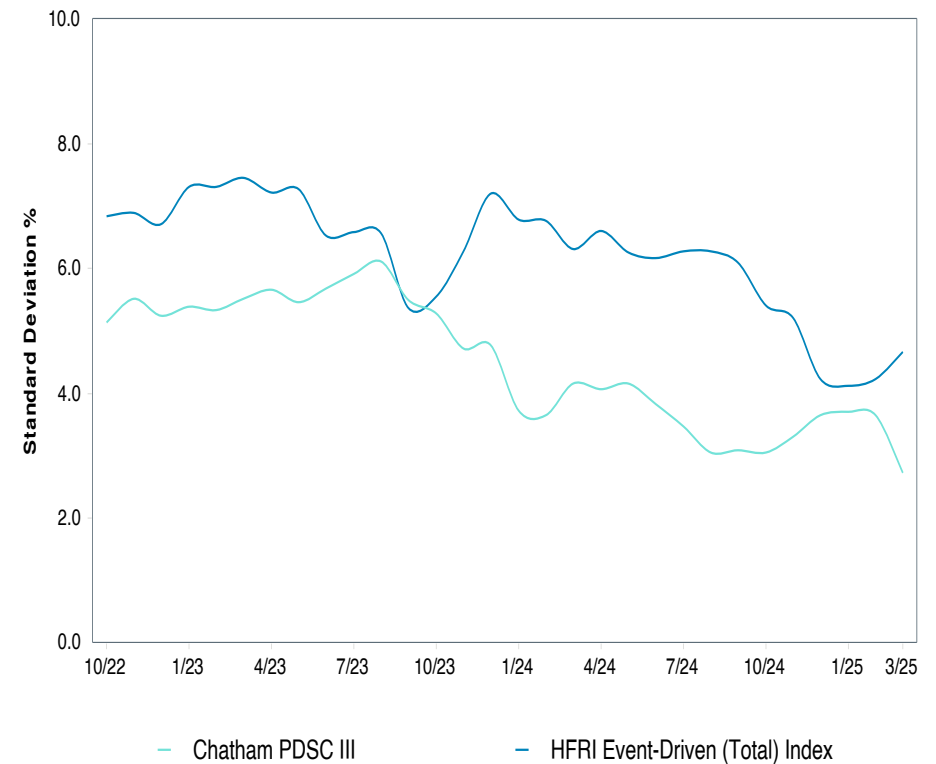
# Risk Profile Chatham PDSC III

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
1 Year



Standard Deviation  
Rolling 1 Year



1 Year Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Chatham PDSC III	-0.84	5.55	-0.15	0.00	0.27	5.98	-0.03	5.71	2.73	-0.06
HFRI Event-Driven (Total) Index	0.00	0.00	-	1.00	0.34	0.00	1.00	6.53	4.67	1.00
90 Day U.S. Treasury Bill	-1.58	4.60	-0.34	0.15	-	4.87	0.01	4.97	0.18	0.39



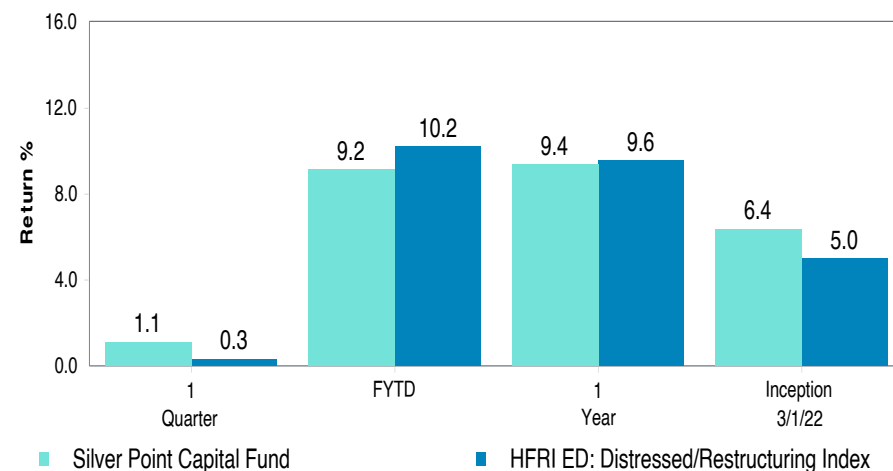
# Manager Performance Summary Silver Point Capital Fund

As of March 31, 2025

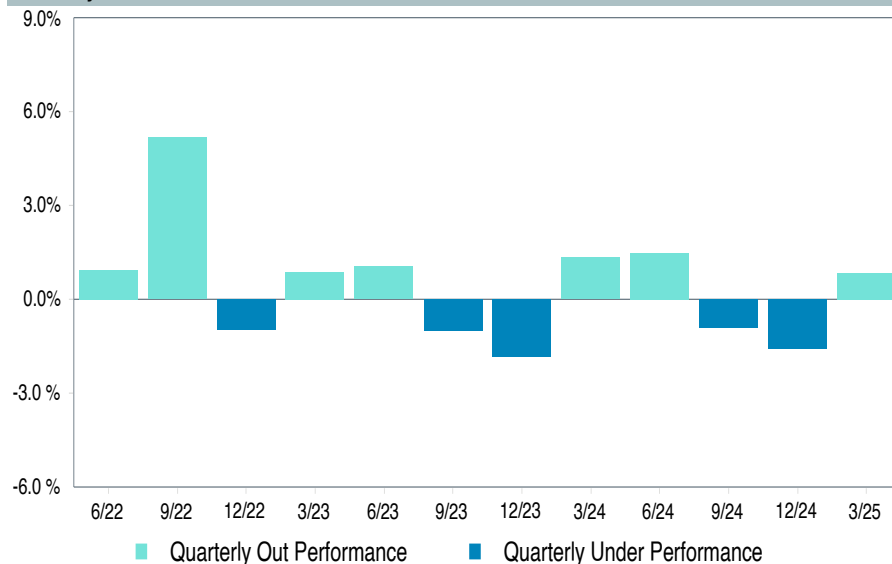
## Account Information

Account Name	Silver Point Capital Fund
Inception Date	03/01/2022
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI ED: Distressed/Restructuring Index
Peer Group	

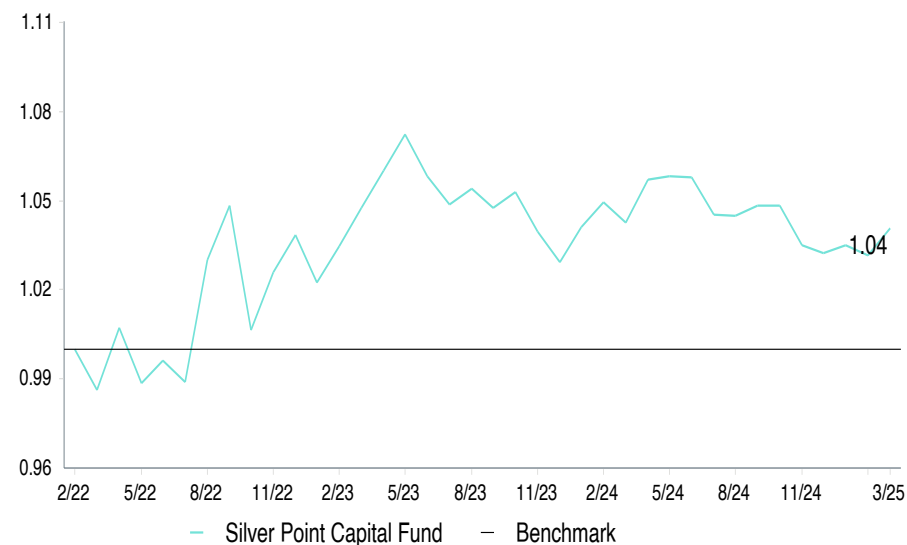
## Return Summary



## Quarterly Excess Performance



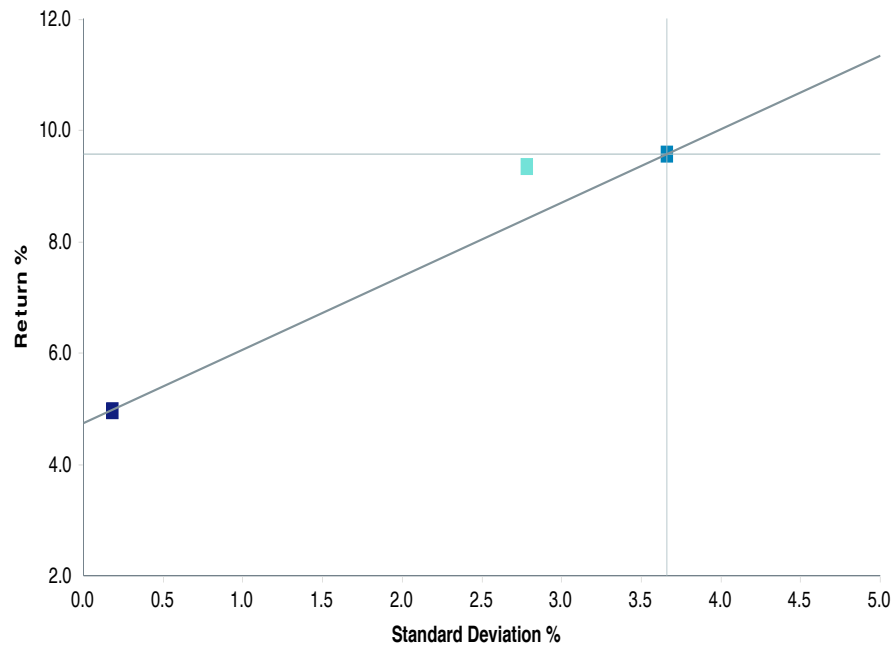
## Ratio of Cumulative Wealth - Since Inception



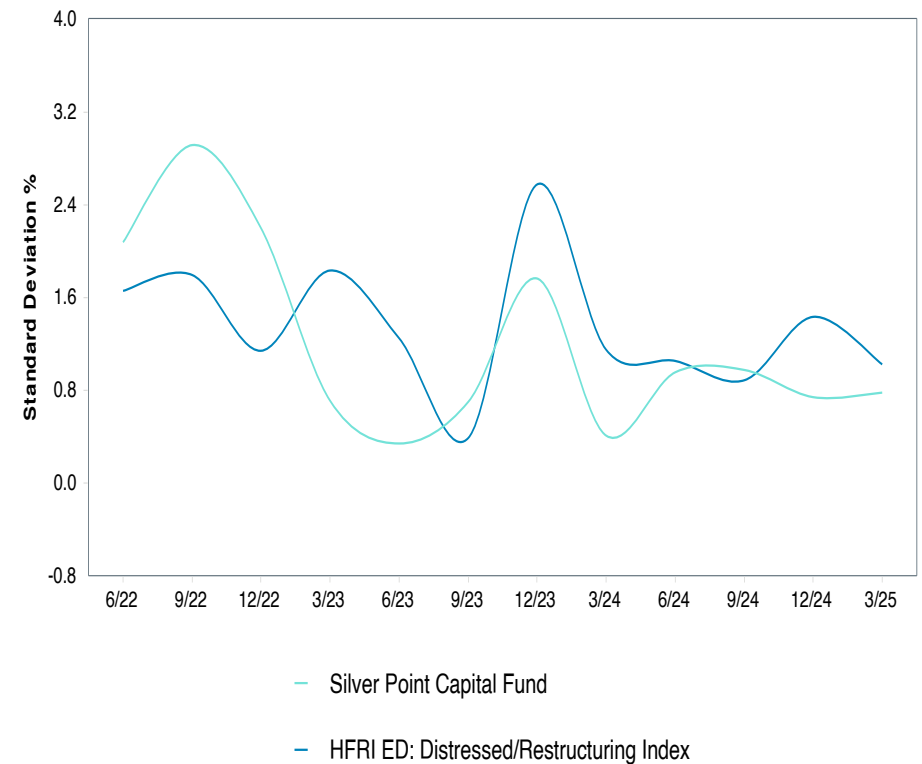
# Risk Profile Silver Point Capital Fund

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
1 Year



Standard Deviation  
Rolling 0.25 Year



1 Year Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Silver Point Capital Fund	-0.21	2.61	-0.08	0.50	1.54	4.16	0.54	9.37	2.78	0.70
HFRI ED: Distressed/Restructuring Index	0.00	0.00	-	1.00	1.22	0.00	1.00	9.57	3.66	1.00
90 Day U.S. Treasury Bill	-4.37	3.60	-1.22	0.14	-	4.80	0.02	4.97	0.18	0.37

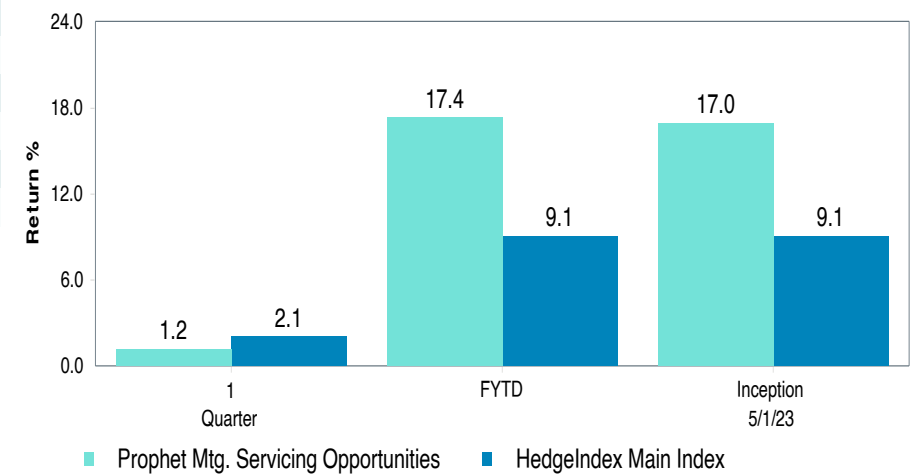
# Manager Performance Summary Prophet Mtg. Servicing Opportuniti

## As of March 31, 2025

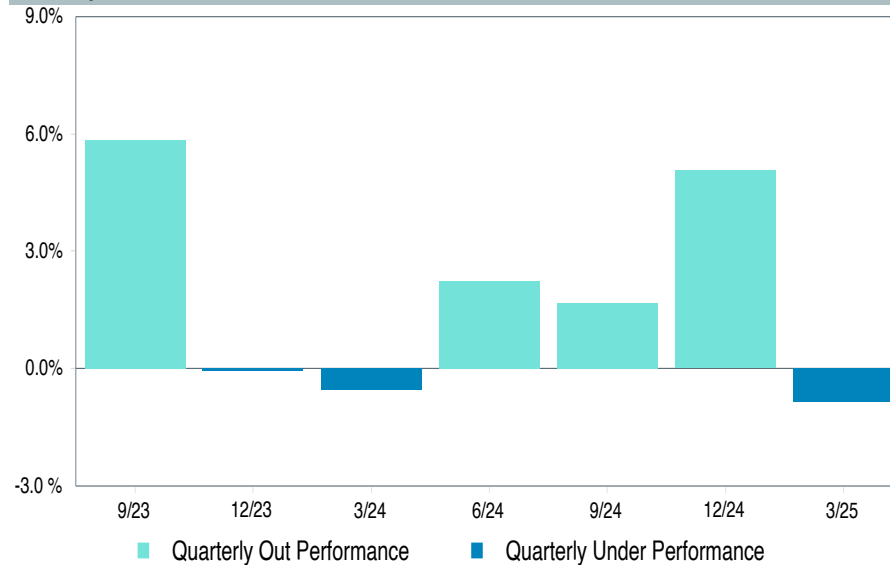
### Account Information

Account Name	Prophet Mtg. Servicing Opportunities
Inception Date	04/01/2023
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HedgeIndex Main Index
Peer Group	

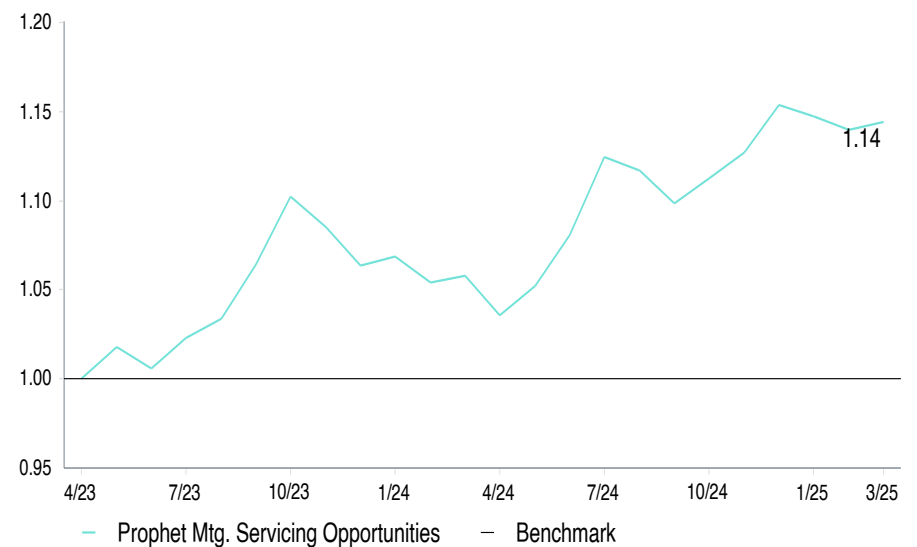
### Return Summary



### Quarterly Excess Performance



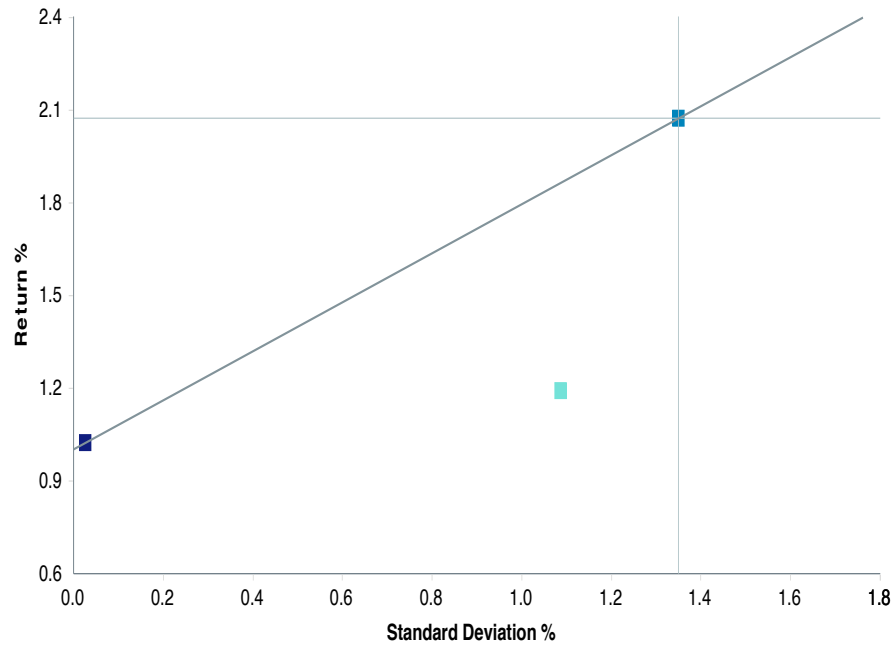
### Ratio of Cumulative Wealth - Since Inception



# Risk Profile Prophet Mtg. Servicing Opportunities

As of March 31, 2025

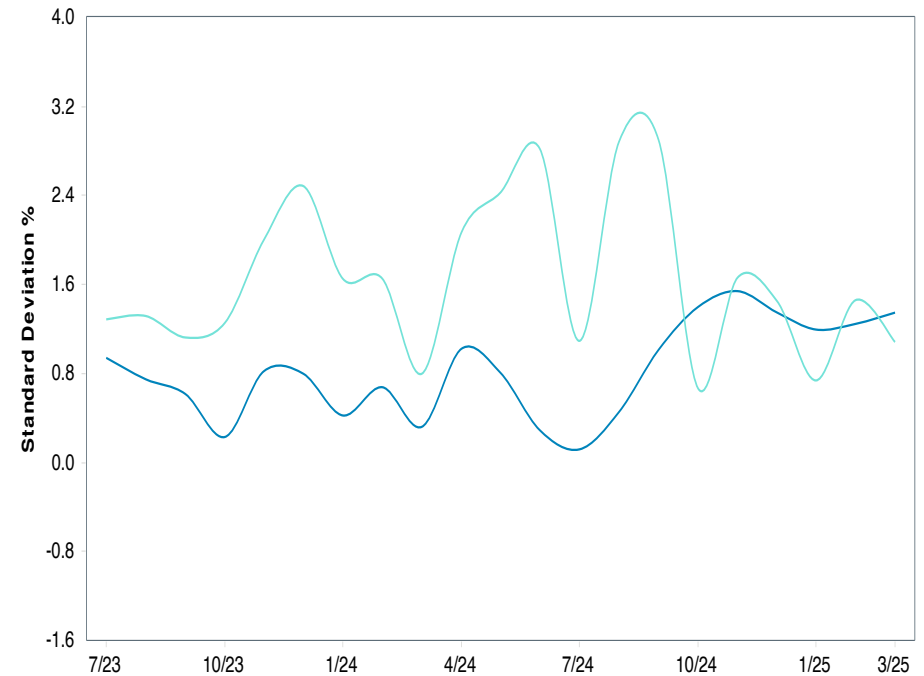
Annualized Return vs. Annualized Standard Deviation  
1 Quarter



■ Prophet Mtg. Servicing Opportunities ■ HedgeIndex Main Index

■ 90 Day U.S. Treasury Bill

Standard Deviation  
Rolling 0.25 Year



— Prophet Mtg. Servicing Opportunities — HedgeIndex Main Index

1 Quarter Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Prophet Mtg. Servicing Opportunities	-0.29	0.58	-0.50	0.82	0.06	-0.11	0.73	1.19	1.09	0.91
HedgeIndex Main Index	0.00	0.00	-	1.00	0.27	0.00	1.00	2.07	1.35	1.00
90 Day U.S. Treasury Bill	-0.35	1.33	-0.27	0.77	-	0.33	0.02	1.02	0.03	0.87

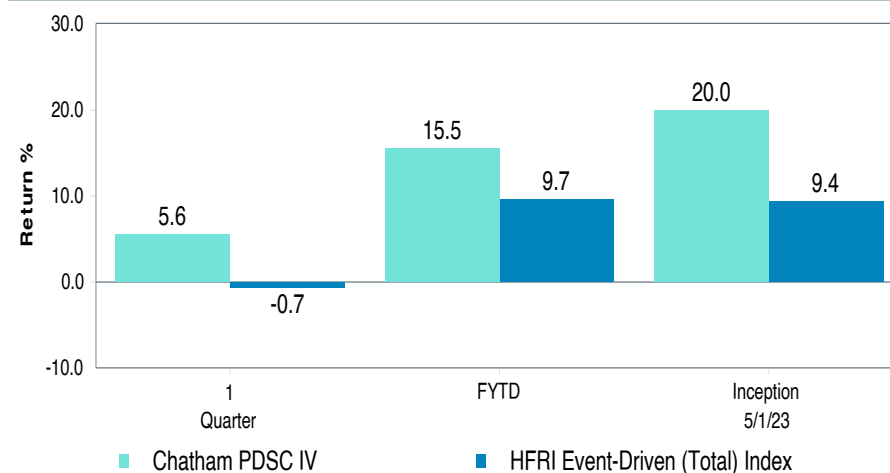
# Manager Performance Summary Chatham PDSC IV

As of March 31, 2025

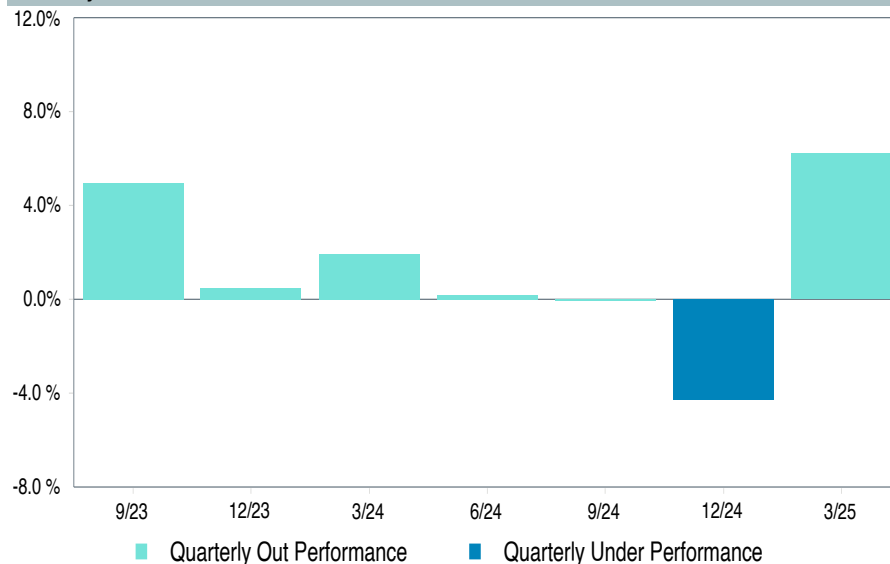
## Account Information

Account Name	Chatham PDSC IV
Inception Date	05/01/2023
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI Event-Driven (Total) Index
Peer Group	

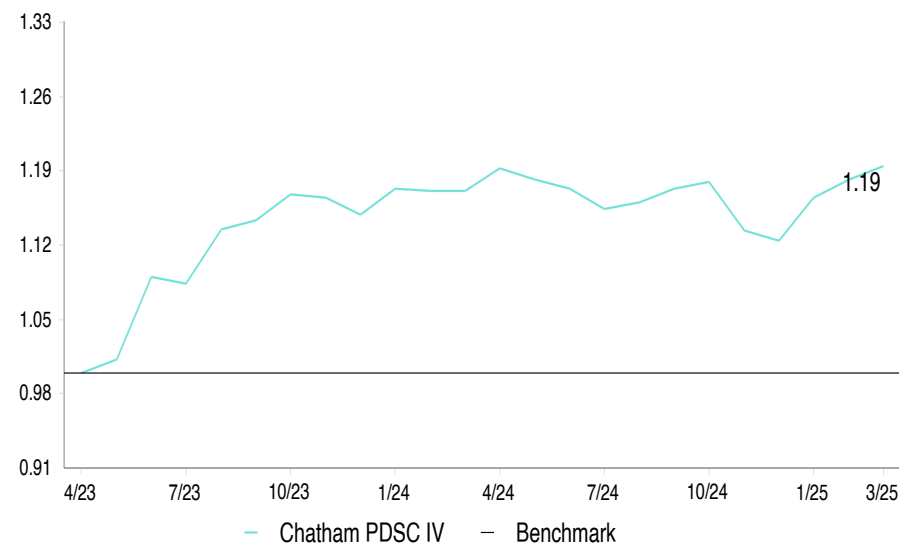
## Return Summary



## Quarterly Excess Performance



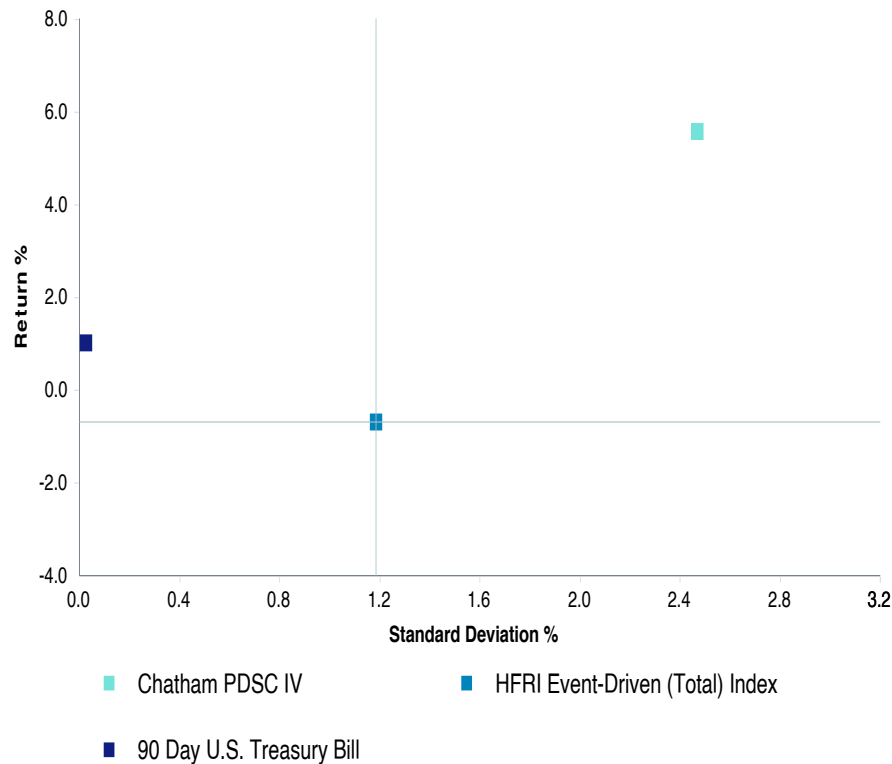
## Ratio of Cumulative Wealth - Since Inception



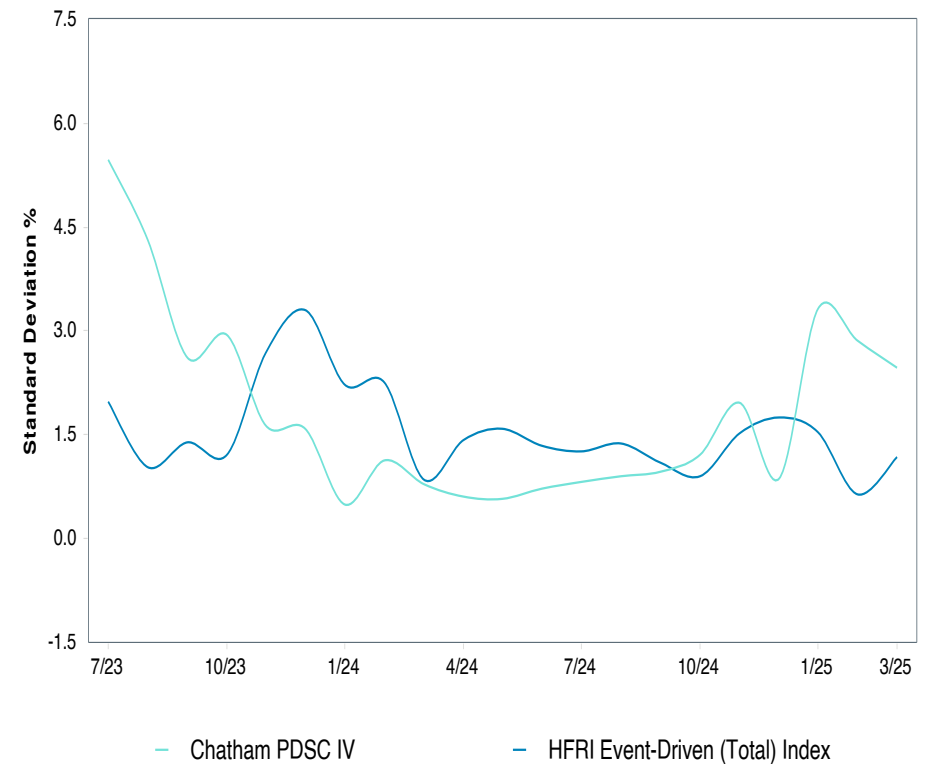
# Risk Profile Chatham PDSC IV

As of March 31, 2025

Annualized Return vs. Annualized Standard Deviation  
1 Quarter



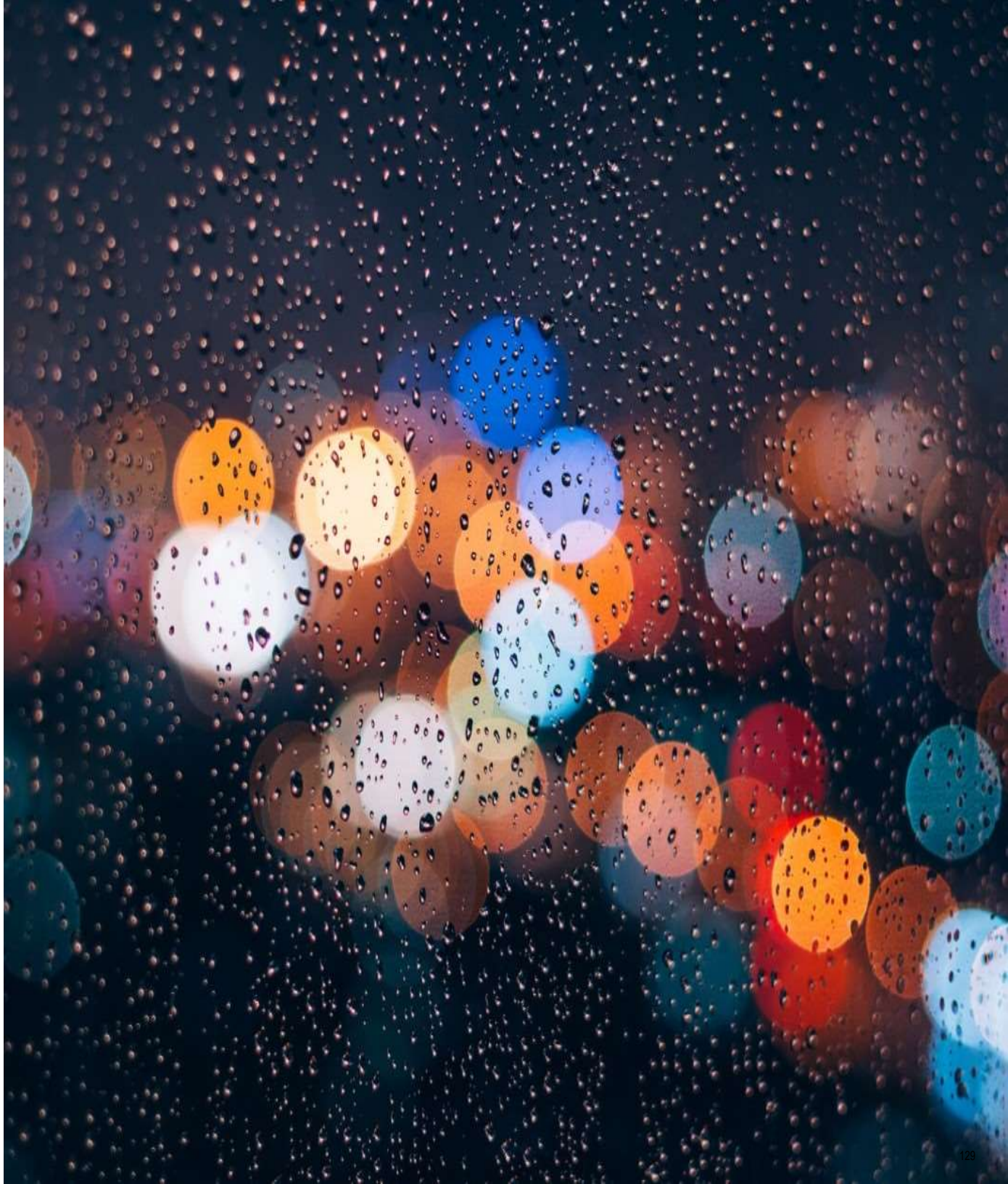
Standard Deviation  
Rolling 0.25 Year



1 Quarter Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Chatham PDSC IV	2.07	1.35	1.53	0.94	0.61	2.29	2.02	5.57	2.47	0.97
HFRI Event-Driven (Total) Index	0.00	0.00	-	1.00	-0.48	0.00	1.00	-0.68	1.18	1.00
90 Day U.S. Treasury Bill	0.56	1.17	0.48	0.34	-	0.34	0.01	1.02	0.03	0.59

Private Equity



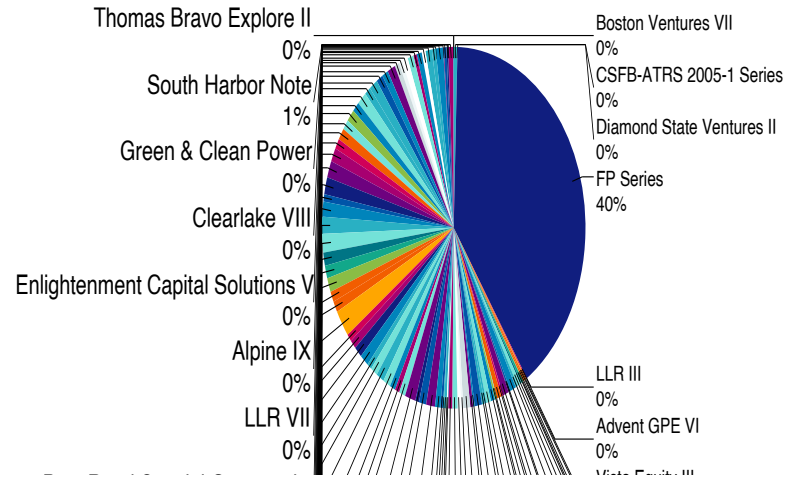


# Composite Portfolio Overview Private Equity

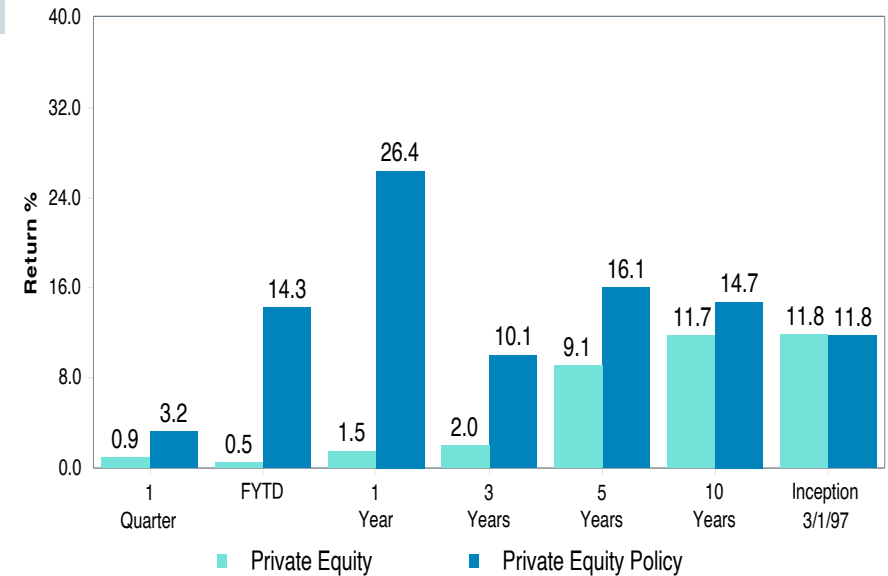
As of March 31, 2025

## Current Allocation

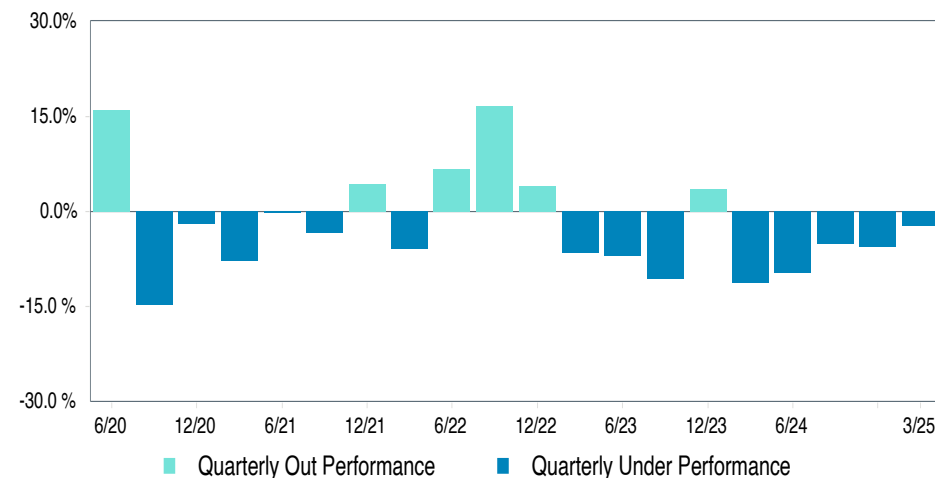
March 31, 2025 : \$2,930,925,046



## Return Summary



## Quarterly Excess Performance



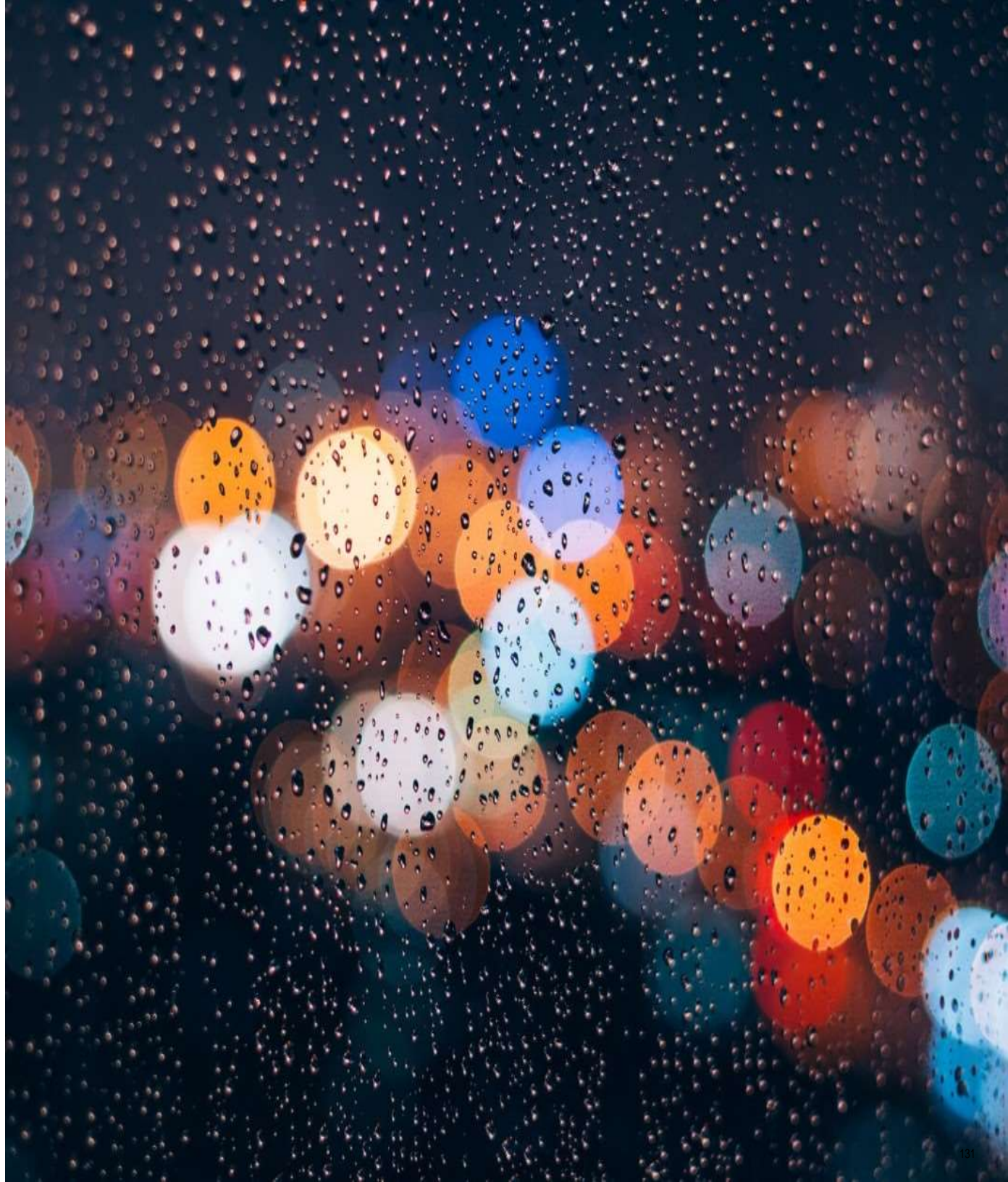
## Ratio of Cumulative Wealth - 10 Years



Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.



## Real Assets

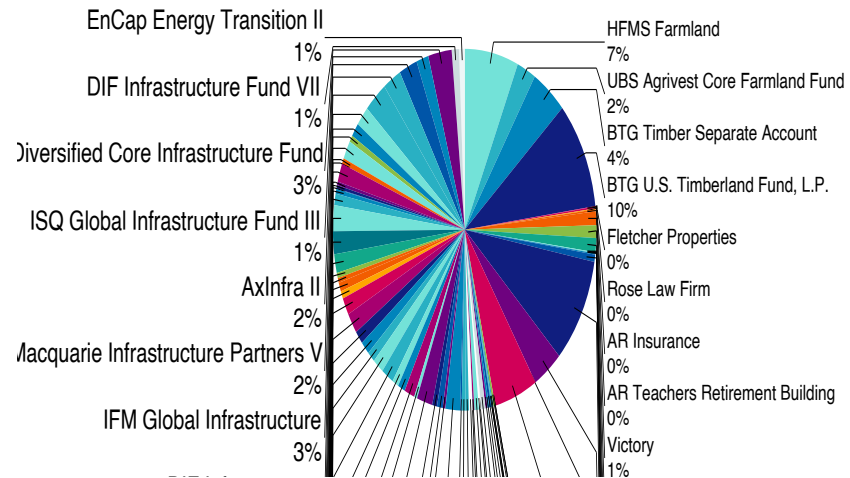


# Composite Portfolio Overview Real Assets

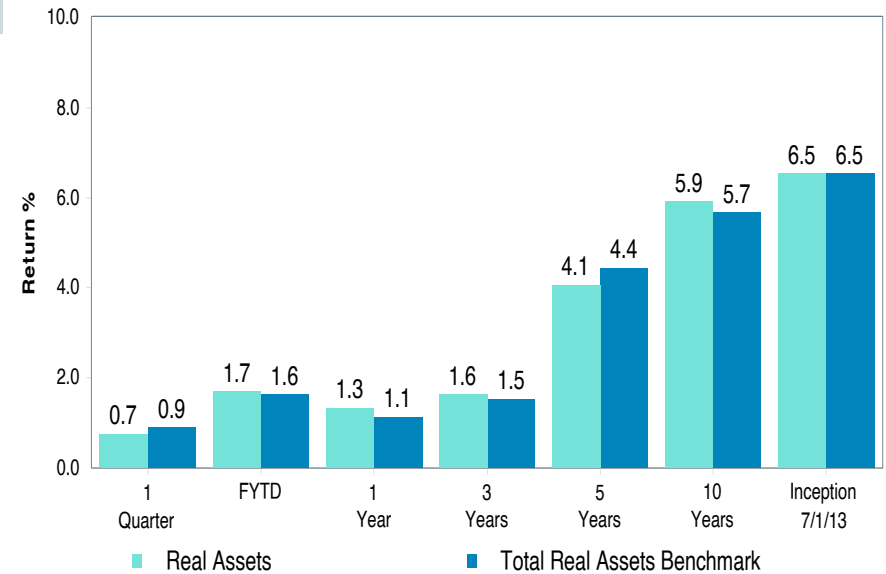
As of March 31, 2025

## Current Allocation

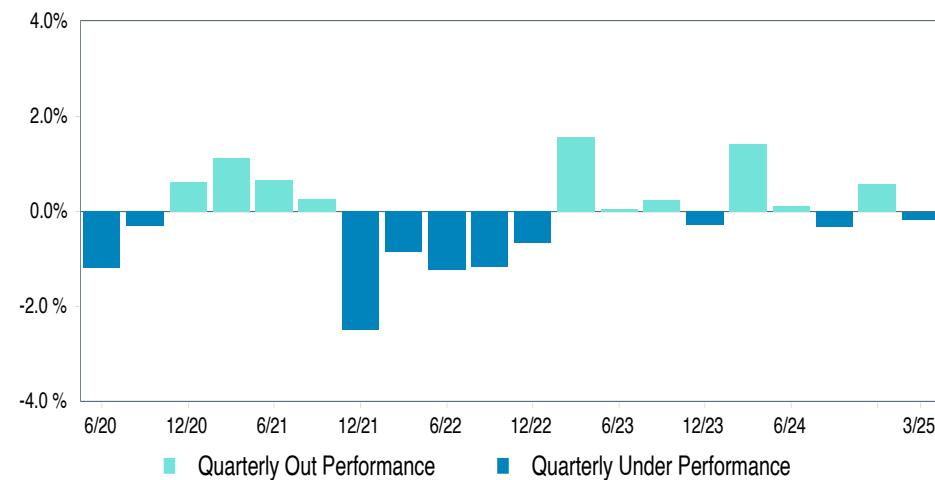
March 31, 2025 : \$2,772,597,553



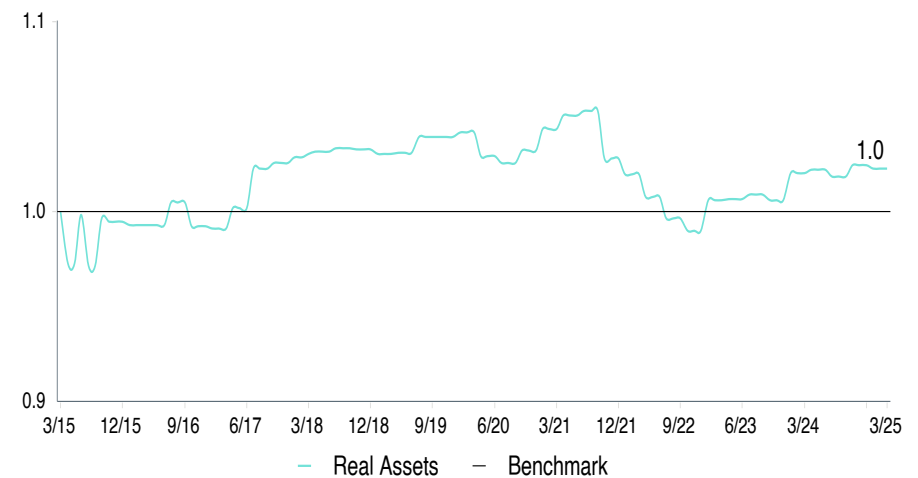
## Return Summary



## Quarterly Excess Performance



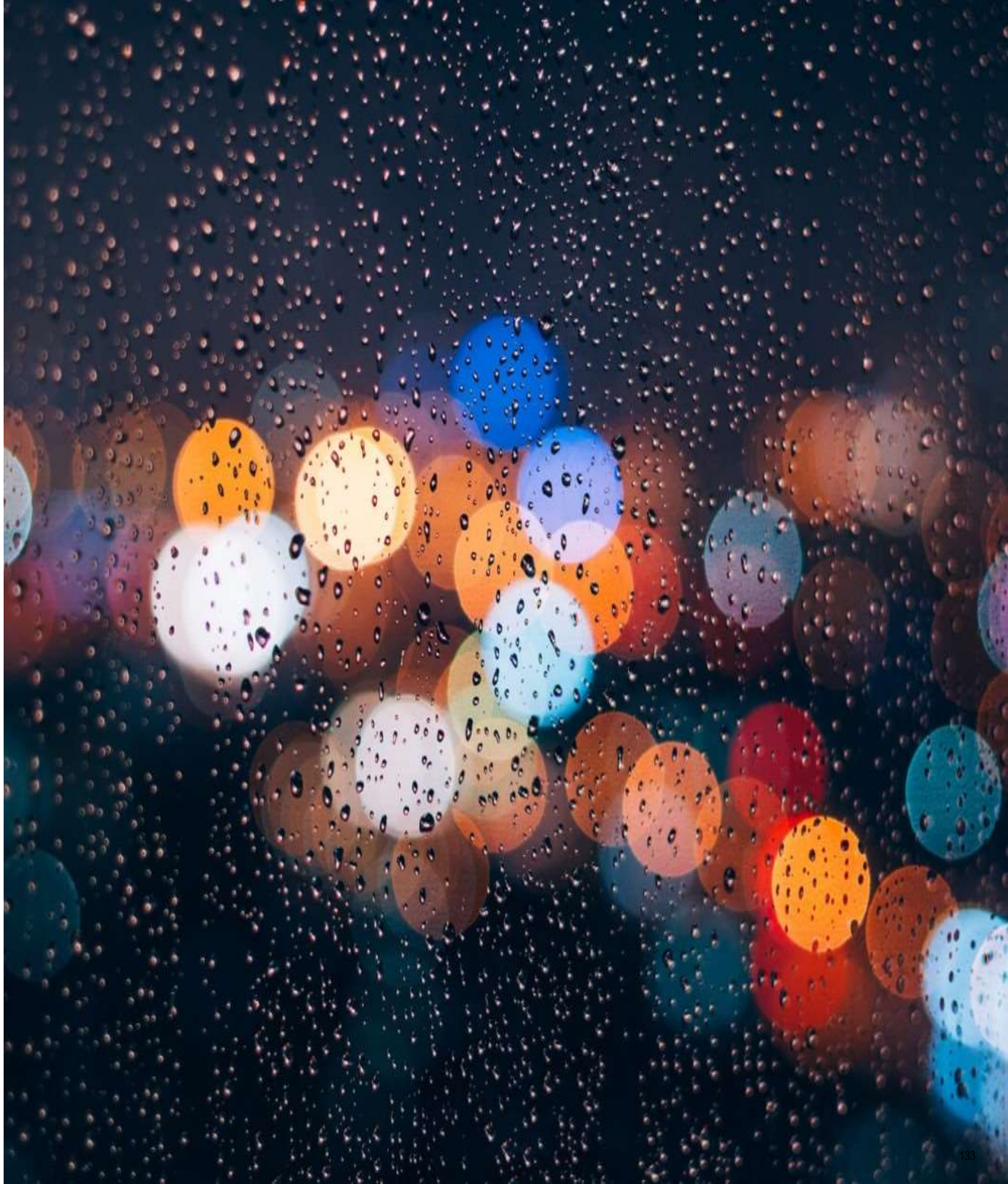
## Ratio of Cumulative Wealth - 10 Years



Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.



## Fee Schedule



# Fee Schedule

As of March 31, 2025

	Fee Schedule	Market Value \$000	Estimated Annual Fee \$000	Estimated Annual Fee %
<b>Total Equity</b>		<b>10,851,225</b>	<b>44,105</b>	<b>0.41</b>
Jacobs Levy 130/30	0.60 % of First \$200 M 0.35 % of Next \$300 M 0.30 % Thereafter	1,239,701	4,469	0.36
Kennedy Capital Management	0.30 % of Assets	408,676	1,226	0.30
Stephens	0.75 % of First \$150 M 0.70 % of Next \$50 M 0.65 % Thereafter	403,557	2,798	0.69
Voya Absolute Return	0.60 % of First \$250 M 0.40 % Thereafter	1,003,849	4,515	0.45
Voya U.S. Convertibles	0.40 % of First \$100 M 0.30 % of Next \$100 M 0.25 % of Next \$100 M 0.20 % Thereafter	856,608	2,063	0.24
Pershing Square Holdings	1.50 % of Assets	350,733	5,261	1.50
Triar Partners	1.50 % of Assets	102,821	1,542	1.50
Triar Co-Investments	0.50 % of Assets	78,875	394	0.50
SSgA Global Index	0.04 % of First \$1000 M 0.03 % Thereafter	874,386	350	0.04
BlackRock MSCI ACWI IMI Fund	0.04 % of First \$250 M 0.03 % Thereafter	759,627	227	0.03
Wellington Global Perspectives	0.80 % of Assets	719,991	5,760	0.80
T. Rowe Price Global Equity	0.43 % of First \$500 M 0.40 % Thereafter	1,212,608	4,975	0.41
Lazard	0.68 % of First \$300 M 0.65 % Thereafter	876,994	5,790	0.66
Harris Global Equity	0.60 % of First \$100 M 0.50 % of Next \$100 M 0.45 % Thereafter	747,776	3,565	0.48
Arrowstreet Global Equity - Alpha Extension Fund	Performance Based 0.20 % and 20.00 %	1,196,973	2,394	0.20

Above fees reflect only the current base management fee and excludes any performance fee arrangement.

# Fee Schedule

As of March 31, 2025

	Fee Schedule	Market Value \$000	Estimated Annual Fee \$000	Estimated Annual Fee %
<b>Fixed Income</b>		<b>4,612,323</b>	<b>7,057</b>	<b>0.15</b>
BlackRock	0.20 % of First \$200 M 0.15 % of Next \$200 M 0.10 % of Next \$400 M 0.08 % Thereafter	272,584	509	0.19
Loomis Sayles	0.50 % of First \$20 M 0.40 % of Next \$30 M 0.30 % Thereafter	737,333	2,282	0.31
SSgA Aggregate Bond Index	0.04 % of First \$100 M 0.02 % Thereafter	1,363,264	288	0.02
Wellington Global Total Return	0.30 % of Assets	436,676	1,310	0.30
Reams Core Plus Bond Fund	0.20 % of Assets	608,574	1,217	0.20
Baird Core Plus Bond	0.30 % of First \$100 M 0.20 % of Next \$100 M 0.15 % Thereafter	834,072	1,451	0.17
BRS Recycling Tax Credit		186,500	-	-
BRS Recycling Tax Credit Phase 2		91,200	-	-
BRS Recycling Tax Credit Phase 3		82,120	-	-
<b>Opportunistic/Alternatives</b>		<b>1,173,728</b>	<b>11,253</b>	<b>0.96</b>
Anchorage	2.00 % of Assets	16,782	336	2.00
York	1.50 % of Assets	316	5	1.50
Capula	2.00 % of Assets	111,696	2,234	2.00
Graham	2.00 % of Assets	114,122	2,282	2.00
Circumference Group Core Value	1.50 % of Assets	41,065	616	1.50
Aeolus Keystone Fund	2.00 % of Assets	19,543	391	2.00
Parametric Global Defensive Equity Fund	0.40 % of First \$150 M 0.35 % Thereafter	242,999	925	0.38
Man Alternative Risk Premia	0.85 % of Assets	130,553	1,110	0.85
CFM Systematic Global Macro Fund	0.36 % of Assets	120,001	432	0.36
Pillar Opportunity	1.30 % of Assets	117,192	1,523	1.30
Chatham PDSC III	0.33 % of Assets	77,365	255	0.33
Prophet Mtg. Servicing Opportunities	0.84 % of Assets	51,252	431	0.84
Chatham PDSC IV	0.33 % of Assets	70,929	234	0.33

Above fees reflect only the current base management fee and excludes any performance fee arrangement.

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## Disclaimers and Notes



# Arkansas Teacher Retirement System

## Description of Benchmarks

**Total Fund** - The Performance Benchmark for the Total Fund reflects a weighted average of the underlying asset class benchmarks, weighted as follows:

Opportunistic/Alternatives and Real Assets at the weight of the previous month's ending market values, Fixed Income at its long-term Policy Target of 15%, and Total Equity at its long-term Policy Target of 55% plus the balance of the unfunded or uncommitted assets of the Opportunistic/Alternatives and Real Assets categories. These targets can be found on page 21 of the this report. From October 2007 to July 2013, the Performance Benchmark was the performance of the asset class benchmarks as a weighted average of the previous month's ending market values. The historical components of the benchmark are shown in the table below. Returns prior to September 30, 1996, consist of the actual allocations to the seven different asset classes included in the Arkansas Teacher Retirement System over time. The historical benchmarks used for each asset class are noted below.

Date	DJ Total Stock Market Index	Russell 3000 Index	MSCI ACW ex-U.S. Index	MSCI All Country World Index	BC Universal Bond Index	BC Aggregate Bond Index	Alternative Policy*
03/2004-9/2007	40.0 %	--	17.5 %	--	25.0 %	--	17.5 %
06/2003-02/2004	40.0	--	17.5	--	--	25.0 %	17.5
10/2001-07/2003	--	40.0 %	17.5	--	--	25.0	17.5
08/1998-09/2001	--	40.0	17.0	--	--	28.0	15.0
10/1996-07/1998	--	40.0	20.0	--	--	28.0	12.0

\*Historically, the Alternative Policy was comprised of the weighted averages of the Private Equity, Real Estate, and Alternatives policy benchmarks. Prior to July 31, 2003 the alternative benchmark consisted of 57.0% of the Russell 3000 + a 2% Premium per year, 8.5% of the NCREIF Southeast Timberland Index, 28.5% of the Real Estate Index, 6% of the EnnisKnupp STIF Index.



# Benchmark Descriptions

**Total Equity** - A weighted average of the Dow Jones U.S. Total Stock Market Index and the MSCI All Country World IMI Index based on weights of the underlying investment manager allocations. As of March 1, 2024, the Total Equity Performance Benchmark was comprised of 32.0% DJ U.S. Total Stock Market Index and 68.0% MSCI ACWI IMI.

**Fixed Income** - The Barclays U.S. Universal Bond Index as of March 1, 2004.

**Opportunistic/Alternatives** - A custom benchmark consisting of 25% DJ/CS Event-Driven Index, 25% HFR Macro Index, and 50% South Timberland NCREIF Index until June 30, 2013; 60% HFRI Macro Index and 40% DJ/CS Event-Driven Index until July 31, 2015; 56% HFRI Macro Index, 38% DJ/CS Event-Driven Index, and 6% Russell 2000 Index until March 31, 2016; 45% HFRI Macro Index, 30% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 20% Citigroup 3 Month T-bill until May 31, 2016; 37% HFRI Macro Index, 25% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 33% Citigroup 3 Month T-bill until May 31, 2017; 28% HFRI Macro Index, 20% DJ/CS Event-Driven Index, 4% Russell 2000 Index, 25% Citigroup 3 Month T-bill, and 23% Parametric Performance Benchmark thereafter.

**Real Assets** - A custom benchmark consisting of a weighted average of the net asset values at previous month's end of the sub-categories' benchmarks, defined as Real Estate Benchmark, Timber Benchmark, Agriculture Benchmark and Infrastructure Benchmark.

**Real Estate**- NFI-ODCE - NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available.

**Timber Property Benchmark** - NCREIF Timberland Property Index (NTPI) weighted according to ATRS' regional exposure based on net asset value.

**Agriculture Benchmark** - NCREIF Farmland Index (NFI) weighted according to ATRS' regional and crop type exposure based on net asset value.

**Infrastructure Benchmark** - Consumer Price Index (CPI) plus 500 basis points annually.

**Private Equity** - The Dow Jones U.S. Total Stock Market Index + a 2% premium per year.

**Cash Equivalents** - The Citigroup 90 day T-bill.

# Benchmark Descriptions

**BlackRock Performance Benchmark** - The Barclays Universal Bond Index as of March 1, 2004. Previously it was the Barclays Aggregate Bond Index.

**Jacobs Levy Performance Benchmark** - On January 1, 2008, the benchmark for the portfolio was changed to the Russell 3000 Index. Prior to January 1, 2008, the portfolio benchmark was the Russell 1000 Growth Index.

**Loomis Sayles Performance Benchmark** - An Index that splices 65% of the Barclays Government/Credit Index and 35% Barclays High Yield Index.

**Voya U.S. Convertibles Performance Benchmark** - On January 1, 2005, the benchmark for the portfolio was changed to the Merrill Lynch Convertible Bond (All Quality) Index. Prior to January 1, 2005, the performance benchmark for the Voya U.S. Convertibles portfolio was the CSFB Convertible Securities Index. Prior to May 1, 2004, the performance benchmark consisted of 90% CSFB Convertible Securities Index and 10% Salomon High Yield Index.

**Parametric Performance Benchmark** - 50% MSCI All Country World Index (net) and 50% Citigroup 90 day T-Bill Index as of June 1, 2017.

**Wellington Global Performance Benchmark** - As of July 1, 2012 the benchmark was changed to MSCI All Country World Small Cap Index. Prior to July 1, 2012, the benchmark was MSCI All Country World Small/Mid Cap Index.

**Voya Absolute Return Performance Benchmark** - As of December 1, 2015 the benchmark was changed to MSCI All Country World Index. Prior to December 1, 2015, the benchmark was the S&P 500 Stock Index.

**Barclays Aggregate Bond Index** - A market-value weighted index consisting of the Barclays Corporate, Government and Mortgage-Backed Securities Indices. The Index also includes credit card-, auto- and home equity loan-backed securities, and is the broadest available measure of the aggregate U.S. fixed income market.

**Barclays Government/Credit Index** - The Barclays Government/Credit Index measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds.

**Barclays High Yield Index** - The Barclays High Yield Index covers the universe of fixed rate, non-investment grade debt. Pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

**Barclays U.S. Universal Bond Index** - A market-value weighted index consisting of the components of the Barclays Aggregate Bond Index, plus EuroDollar bonds, emerging markets bonds, 144A fixed income securities, and U.S. corporate high yield securities.

# Benchmark Descriptions

**Barclays Mortgage Index** - A market value-weighted index consisting of the mortgage pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC).

**Citigroup 90 day T-bill Index** - Treasury bill rates of return, as reported by Citigroup (Salomon Smith Barney), for bills with a maximum time remaining to maturity of 90 days.

**Dow Jones U.S. Total Stock Market Index** - A capitalization-weighted stock index representing all U.S. common stocks traded regularly on the organized exchanges. The Index is the broadest measure of the aggregate U.S. stock market.

**FTSE Europe** - A tradable index, designed to represent the performance of the 100 most highly capitalized blue chip companies in Europe.

**Merrill Lynch Convertible Bond (All Quality) Index** - The Merrill Lynch All Convertibles All Qualities Index is a widely used index that measures convertible securities' performance. It measures the performance of U.S. dollar-denominated convertible securities not currently in bankruptcy with a total market value greater than \$50 million at issuance.

**MSCI All Country World ex-U.S. Index** - A capitalization-weighted index consisting of 22 developed and 23 emerging countries, but excluding the U.S. Covers approximately 85% of global equity opportunity set outside of the U.S.

**MSCI All Country World Index** - A capitalization-weighted index of stocks representing 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.

**MSCI All Country World IMI Index** - A capitalization-weighted index representing large and small cap stock from 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.

**MSCI Europe, Australasia, Far East (EAFE) Non-U.S. Stock Index** - A capitalization-weighted index of stocks representing 21 developed and emerging country markets in Europe, Australia, Asia and the Far East.

**MSCI World Index** - A capitalization-weighted index of stocks representing 22 developed stock markets in Europe, Asia and Canada.

**NFI-ODCE Index** - NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available

**DJ/CS Event-Driven Index** - Event driven funds typically invest in various asset classes and seek to profit from potential mispricing of securities related to a specific corporate or market event. Such events can include: mergers, bankruptcies, financial or operational stress, restructurings, asset sales, recapitalizations, spin-offs, litigation, regulatory and legislative changes as well as other types of corporate events. Event driven funds can invest in equities, fixed income instruments (investment grade, high yield, bank debt, convertible debt and distressed), options and various other derivatives. Many event driven fund managers use a combination of strategies and adjust exposures based on the opportunity sets in each subsector.

# Benchmark Descriptions

**LIBOR Index** - London Interbank Offered Rate. A filtered average of the world's most creditworthy banks' interbank deposit rates with maturities between overnight and one full year.

**Russell 3000 Index** - An index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices.

**Russell 1000 Index** - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

**Russell 1000 Value Index** - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

**Russell 2000 Index** - An index that measures the performance of the smallest 2,000 companies contained in the Russell 3000 Index.

**Russell 2000 Growth Index** - An index that measures the performance of those Russell 2000 companies with greater price-to-book ratios and greater I/B/E/S growth forecasts.

**Russell 2000 Value Index** - An index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

**Russell Mid Cap Value Index** - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

**S&P 500 Stock Index** - A capitalization-weighted stock index consisting of the 500 largest publicly traded U.S. stocks.

**South Timberland Index** - The largest regional subindex of the NCREIF Timberland Index, consisting of timberland properties held in the U.S. South. This includes close to 300 properties with more than 10 million cumulative acres of timberland in the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Calculations are based on quarterly returns at the individual property level. Performance is reported on an all-cash, unlevered basis, gross of investment management fees.

**HFR Macro Index** - Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Primary investment thesis is predicated on predicted or future movements in the underlying instruments.

**HFR Distressed/Restructuring Index** - Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. Distressed Strategies employ primarily debt (greater than 60%) but also may maintain related equity exposure. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFR Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe.

# Arkansas Teacher Retirement System

## Historical U.S. Equity and Global Equity composite returns

As of June 30, 2015	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
U.S. Equity	6.7	18.1	16.4	9.4	10.5	04/01/1986
Dow Jones U.S. Total Stock Market Index	7.2	17.6	17.5	8.3	-	
Global Equity	1.8	14.6	12.1	-	2.5	11/01/2007
MSCI AC World Index (Net)	0.7	13.0	11.9	6.4	2.1	

In June 2015, the ATRS Board approved the combination of the U.S. and Global equity asset classes to a single Total Equity asset class. Total Equity performance reporting began in July 2015. In the table above, we show the historical returns for the U.S. Equity and Global Equity asset classes since inception through June 2015. Performance for the Total Equity asset class prior to July 2015 represents a weighted average of the U.S. Equity and Global Equity historical performance.

# Index Definitions

Name	Description
<b>Bloomberg U.S. Corporate High Yield Bond Index</b>	An index that covers the USD-dominated, non-investment grade, fixed rate, taxable corporate bond market. Debt issues from emerging market countries are excluded. Securities are classified as high-yield if the middle rating is Ba1/BB+ or below.
<b>Bloomberg Emerging Markets Index</b>	An unmanaged index that tracks total returns for external-currency-denominated debt instruments of the emerging markets.
<b>Bloomberg Global Aggregate</b>	Provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.
<b>Bloomberg Global Treasury Ex-US</b>	The Global Treasury ex US Index is a subset of the flagship Global Treasury Index that does not have any exposure to US debt. This multi-currency benchmark includes investment grade, fixed-rate bonds issued by governments in their native currencies.
<b>Bloomberg Universal Index</b>	A market value-weighted index which is the union of the U.S. Aggregate Index, U.S. High Yield Corporate Index, Eurodollar Index, U.S. Emerging Markets Index and the CMBS High Yield Index. The Index is appropriate for core plus fixed income mandates.
<b>Bloomberg U.S. Government Index</b>	A market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more.
<b>Bloomberg U.S. Government/Credit Index</b>	A subcomponent of the Capital Aggregate Index, this benchmark includes treasury securities, government related issues, and high-quality corporate bonds with an outstanding par value of \$250 million or greater and at least one year of maturity remaining.
<b>Bloomberg U.S. High Yield Index</b>	An index composed of non-investment grade corporate debt denominated in U.S. dollars. The issues have to have an outstanding par value of \$150 million or greater and at least one year of maturity remaining.
<b>Bloomberg U.S. Inflation Index</b>	Measures the performance of the U.S. Treasury Inflation Protected Securities ("TIPS") market.
<b>Bloomberg U.S. Intermediate Aggregate Bond Index</b>	A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater
<b>Bloomberg U.S. Intermediate Government/Credit Index</b>	A market-value weighted index consisting of government bonds and SEC-registered corporate bonds with one to ten years to maturity and an outstanding par value of \$150 million or greater.
<b>Bloomberg U.S. Intermediate Government Bond Index</b>	An unmanaged index considered representative of intermediate- term fixed-income obligations issued by the U.S. treasury, government agencies and quasi-federal corporations.

# Index Definitions

Name	Description
<b>Bloomberg U.S. Intermediate Treasury</b>	An unmanaged index considered representative of intermediate-term fixed- income obligations issued by the U.S. treasury.
<b>Bloomberg U.S. Aggregate Bond Index</b>	A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.
<b>Bloomberg U.S. Long Credit Bond Index</b>	An unmanaged index considered representative of long-term fixed-income obligations issued by U.S. corporate, specified foreign debentures, and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.
<b>Bloomberg U.S. Long Government/Credit Index</b>	The Capital U.S. Government/ Credit Bond Index measures performance of U.S. dollar denominated U.S. treasuries, government-related, and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to 1 year. In addition, the securities have \$250 million or more of outstanding face value, and must be fixed rate and non-convertible.
<b>Bloomberg U.S. Long-Term Government Bond Index</b>	An unmanaged index considered representative of long-term fixed- income obligations issued by the U.S. treasury, government agencies and quasi-federal corporations.
<b>Bloomberg U.S. TIPS</b>	A market value-weighted index consisting of U.S. Treasury Inflation Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500m or more.
<b>Bloomberg U.S. Treasury 20-30 Year STRIPS Index</b>	A subcomponent of the Aggregate Index, this benchmark includes long-term treasury STRIPS.
<b>Bloomberg Commodity Index</b>	Consists of 22 exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity. Performance is calculated on an excess return basis and reflects commodity future price movements.
<b>BofA Merrill Lynch 3 Month Treasury Bill</b>	An index that measures the average return of the last three-month U.S. Treasury Bill issues .
<b>BofA Merrill Lynch High Yield Master</b>	A market capitalization-weighted index that tracks the performance of U.S. dollar- denominated, below investment grade corporate debt publicly issued in the U.S. domestic market.

# Index Definitions

Name	Description
<b>Citigroup 90-Day T-Bill Index</b>	An index that measures the average return of the last three-month U.S. Treasury Bill issues
<b>CRSP US Large Growth Cap Index</b>	An index comprised of nearly 330 US large cap growth companies and includes securities traded on NYSE, NYSEMarket, NASDAQ, or ARCA, representing nearly 45% of the U.S. investable equity market. The index is reconstituted quarterly after the market close on the third Fridays of March, June, September, and December. CRSP classifies growth securities using the following factors: future long-term growth in earnings per share (EPS), future short-term growth in EPS, 3-year historical growth in EPS, 3-year historical growth in sales per share, current investment-to-assets ratio, and return on assets.
<b>CRSP US Total Market Index</b>	An index comprised of nearly 4,000 constituents across mega, large, small, and micro capitalizations and includes securities traded on NYSE, NYSE Market, NASDAQ, or ARCA, representing nearly 100% of the U.S. investable equity market. The index is reconstituted quarterly after the market close on the third Fridays of March, June, September, and December.
<b>Credit Suisse Leveraged Loan Index</b>	Designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market.
<b>DJ U.S. Completion Total Stock Market Index</b>	A capitalization-weighted index that consists of the stocks in the Dow Jones U.S. Total Stock Market Index less the stocks in the S&P 500 Stock Index.
<b>DJ U.S. Total Stock Market Index</b>	A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The index is the broadest measure of the aggregate domestic stock market and includes approximately 5,000 stocks.
<b>FTSE 4Good U.S. Select Index</b>	A socially responsible investment (SRI) index of US stocks that excludes companies with certain business activities such as weapons, tobacco, gambling, alcohol, nuclear power, and adult entertainment
<b>FTSE All-World ex-U.S. Index</b>	A capitalization-weighted stock index representing 46 developed market countries and emerging market countries excluding the U.S.
<b>FTSE EPRA NAREIT Global ex-U.S. Index</b>	Designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate.
<b>FTSE Global All Cap ex US Index</b>	A market-capitalization weighted index representing the performance of roughly 5350 large, mid and small cap companies in 46 Developed and Emerging markets worldwide, excluding the USA.
<b>FTSE Global Core Infrastructure Index</b>	Represents the performance of infrastructure and infrastructure-related securities companies in a set of industries that FTSE defines as being involved in infrastructure. The series is based on the FTSE Global Equity Index Series and both developed and emerging markets are included.



# Index Definitions

Name	Description
<b>FTSE NAREIT U.S. Equity REITS</b>	Free float adjusted, market capitalization weighted index of US based equity real estate investment trusts (REITs).
<b>Goldman Sachs Commodity Index</b>	A composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures.
<b>HFR Fund-of-Fund Index.</b>	This index is equity-weighted including 800 constituents. It includes both domestic and offshore accounts and is valued in U.S. dollars. Only fund-of-fund products are included in the index that have at least \$50 million under managements and have been actively trading for at least one year. All funds report net returns on a monthly basis.
<b>HFRI Fund Weighted Composite Index</b>	The HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
<b>Hueler Stable Value Index</b>	The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents investment strategies of \$96 billion in stable value assets, across 24 pooled funds, invested in contracts universe across a universe of 16 general account issuers and 14 synthetic wrap providers. The allocation of pooled fund assets is dominated by synthetic contracts issued by insurance companies and banks.
<b>J.P. Morgan EMBI Global Diversified</b>	Comprised of dollar-denominated Brady bonds, traded loans and Eurobonds issued by emerging market sovereign and quasi-sovereign entities. The Diversified version limits the weights of the index countries by only including a specified portion of those countries' eligible current face amounts of debt outstanding, providing for a more even distribution of weights within the countries in the index.
<b>iMoneyNet All Taxable Money Funds Index</b>	An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.
<b>iMoneyNet Money Fund Average.</b>	An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.
<b>MSCI All Country World ex-U.S. Index</b>	A capitalization-weighted index of stocks representing 44 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America. Index consists of 23 developed and 21 emerging countries, but excludes the U.S.
<b>MSCI All Country World ex-U.S. Index IMI-.</b>	A capitalization-weighted index of large, mid and small cap stocks representing 22 developed (excluding the United States) and 24 emerging market countries. The index is the broadest measure of the aggregate non-US stock market, covering approximately 99% of the global equity investment opportunity set outside of the United States.

# Index Definitions

Name	Description
<b>MSCI All Country World ex-U.S. Small Cap Index</b>	Covers all investable small cap securities with a market capitalization below that of the companies in the MSCI Standard Indices (excluding U.S.), and target approximately 14% of each market's free-float adjusted market capitalization.
<b>MSCI All Country World Index IMI</b>	A capitalization-weighted index of large, mid and small cap stocks representing 23 developed and 24 emerging market countries. The index is the broadest measure of the aggregate global stock market, covering approximately 99% of the global equity investment opportunity set.
<b>MSCI All Country World Index</b>	A capitalization-weighted index of stocks representing 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.
<b>MSCI EAFE Growth Index</b>	A capitalization-weighted index of 21 stock markets in Europe, Australia, Asia and the Far East designed to capture the growth-oriented companies.
<b>MSCI EAFE Small Cap Index</b>	A capitalization-weighted index of small cap stocks representing 23 developed country markets in Europe, Australia, Asia, and the Far East.
<b>MSCI EAFE Value Index</b>	A capitalization-weighted index of 21 stock markets in Europe, Australia, Asia and the Far East designed to capture the value-oriented companies.
<b>MSCI Emerging Markets Index</b>	A capitalization-weighted index of stocks representing 22 emerging country markets.
<b>MSCI U.S. Broad Market Index</b>	A capitalization-weighted stock index that aggregates the MSCI U.S. Large Cap 300, Mid Cap 450, Small Cap 1,750 and Micro-Cap Indices. This index represents approximately 99.5% of the capitalization of the U.S. Equity market and includes approximately 3,562 companies.
<b>MSCI U.S. REIT Index</b>	A broad index that fairly represents the equity REIT opportunity set with proper invest ability screens to ensure that the index is investable and replicable. The index represents approximately 85% of the U.S. REIT universe
<b>MSCI World Index</b>	A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, representing 24 developed market country indices.
<b>NCREIF Property Index</b>	NCREIF Property Index - A capitalization-weighted index of privately owned investment grade income-producing properties representing approximately \$269 billion in assets.

# Index Definitions

Name	Description
<b>NFI ODCE Index</b>	NFI ODCE Index - A capitalization weighted index comprised of open-end, Core funds investing in commercial real estate properties. The funds that constitute the index are subject to certain geographic and property type diversification requirements as well as leverage restrictions. The index reflects the impact of leverage on investment results. The returns shown in this report are net of management fees of the respective funds included in the index.
<b>Rolling 3-year Constant Maturity Treasury Index</b>	An index published by the Federal Reserve Board based on the monthly average yield of a range of Treasury securities, all adjusted to the equivalent of a three-year maturity.
<b>Russell 1000 Growth Index</b>	An index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.
<b>Russell 1000 Index</b>	A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.
<b>Russell 1000 Value Index.</b>	An index that measures the performance of those stocks included in the Russell 1000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
<b>Russell 2000 Growth Index</b>	A capitalization-weighted index of those stocks in the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
<b>Russell 2000 Index</b>	A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The index excludes the largest- and smallest-capitalization issues in the domestic stock market.
<b>Russell 2000 Value Index</b>	An index that measures the performance of those stocks included in the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
<b>Russell 2500 Growth Index</b>	A capitalization-weighted index representing those companies within the Russell 2500 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
<b>Russell 2500 Index</b>	The Index is constructed by first identifying the 3,000 largest-capitalization U.S. stocks and ranking them by market capitalizations, choosing the bottom 2,500 names on the list.
<b>Russell 2500 Value Index.</b>	an index that measures the performance of those stocks included in the Russell 2500 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

# Index Definitions

Name	Description
<b>Russell 3000 Growth Index</b>	A capitalization-weighted index consisting of those Russell 3000 Index stocks that have higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
<b>Russell 3000 Index</b>	A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
<b>Russell 3000 Value Index</b>	A capitalization-weighted index consisting of those Russell 3000 Index stocks that have lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
<b>Russell Mid Cap Growth Index</b>	A capitalization-weighted index representing those stocks in the Russell MidCap Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
<b>Russell Mid Cap Value Index</b>	A capitalization-weighted index consisting of those Russell MidCap Index stocks that have lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
<b>S&amp;P 500 Index</b>	A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries.
<b>S&amp;P Completion Index</b>	The S&P Completion Index is a sub-index of the S&P Total Market Index, including all stocks eligible for the S&P TMI and excluding all current constituents of the S&P 500. The index covers approximately 4,000 constituents, offering investors broad exposure to mid, small, and micro-cap companies.
<b>S&amp;P GSCI®</b>	Both the first major investable commodity index and one of the most widely recognized benchmarks, the S&P GSCI® is broad-based, production weighted, and meant to be representative of the global commodity market beta.
<b>S&amp;P Leverage Loan Index</b>	A daily total return index that uses LSTA/LPC Mark-to-Market Pricing to calculate market value change.
<b>S&amp;P Midcap 400 Index</b>	A market-capitalization-weighted index of stocks in all major industries in the mid-range of the U.S. stock market.
<b>Wilshire REIT</b>	A measure of the types of U.S. real estate securities that represent the ownership and operation of commercial or residential real estate. To be included in the index, a company must have a market capitalization of \$200 million and have at least 75% of the total revenue derived from the ownership and operation of the real estate assets.

- Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.
- Past performance is no guarantee of future results.

# Thought Leadership Highlights

Topic	What is It?
<u>Annual Themes – Public Funds</u>	<b>The four key themes are:</b> <ul style="list-style-type: none"> <li>• Review portfolio construction for fixed income</li> <li>• Analyze Liquidity</li> <li>• Reevaluate Opportunities in Private Markets</li> <li>• Evaluate governance</li> </ul>
<u>Navigating Today's Real Estate Market: 3 Questions with Chae Hong</u>	<ul style="list-style-type: none"> <li>• What is the current investment landscape across global real estate?</li> <li>• What are the biggest concerns in real estate today?</li> <li>• What are the opportunities for investors?</li> </ul>
<u>Why Not Share the Risk? Introducing Credit Risk-Sharing</u>	<b>The key features which make Credit Risk-Sharing investment strategies attractive to investors include:</b> <ul style="list-style-type: none"> <li>• Potential for a relatively high and sustainable income for investors willing to lock up capital for 5 years or more.</li> <li>• Low performance volatility.</li> <li>• Low correlation with other illiquid credit opportunities.</li> <li>• Economic rationale for the strategy supports sustainable excess returns versus risk</li> </ul>
<u>How Public Pensions Should Assess Illiquidity from Alternative Assets: 3 Questions With Eric Friedman and John Sullivan</u>	<b>This piece addresses three questions that would interest clients:</b> <ul style="list-style-type: none"> <li>• What factors affect a public pension plan's ability to invest in illiquid assets over a full market cycle (i.e., over 10 years?)</li> <li>• How do you assess the ability for a public pension plan to invest in illiquid assets?</li> <li>• How should public pensions approach investing in illiquid assets?</li> </ul>

The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

## Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

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## **Past performance is not necessarily indicative of future results.**

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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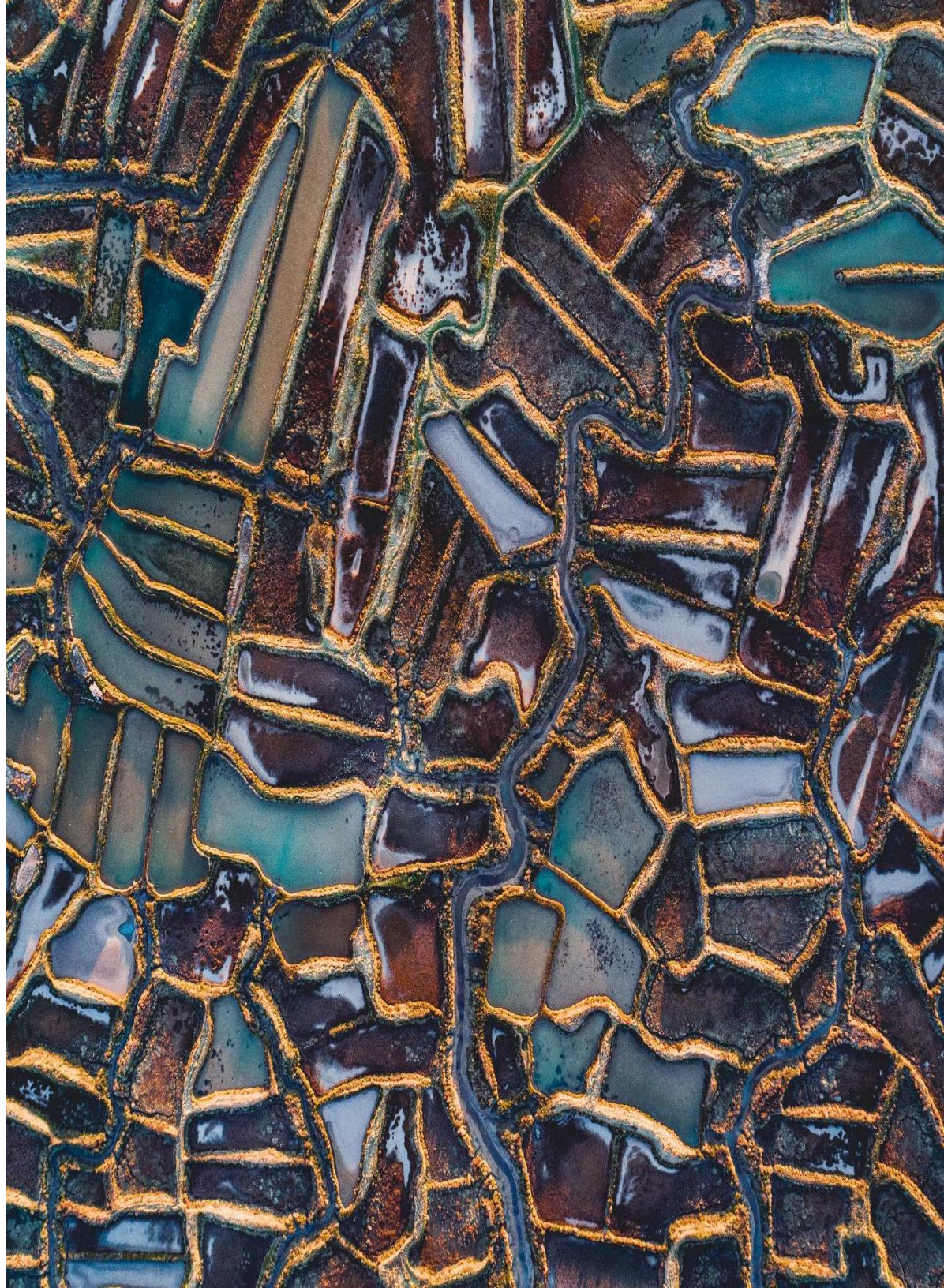




# Private Debt Introduction & Discussion

Arkansas Teacher Retirement  
System

June 2, 2025





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**Private Debt Overview**

2

**ATRS Private Debt Consideration**

3

**Appendix**

# 1

## Private Debt Overview

# What is Private Debt?

## Description

- Debt that is not traded on the public debt markets and, as a result, it is more difficult to acquire and generally requires arranging the terms of the loan directly with the borrower
- Private Debt includes a wide range of forms
  - Senior secured and unsecured loans to mid-market companies
  - Infrastructure project financing
  - Investments secured by real estate assets
  - Securitized lease / loan obligations supported by a pool of assets

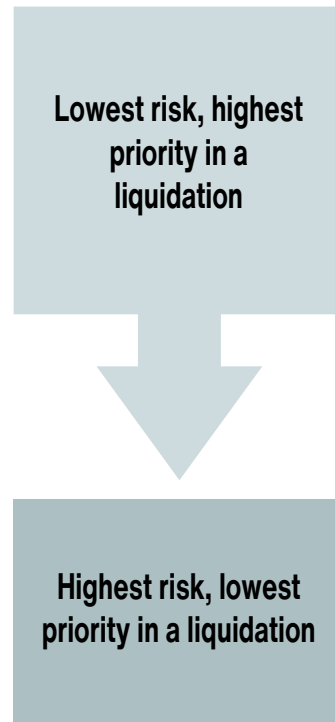
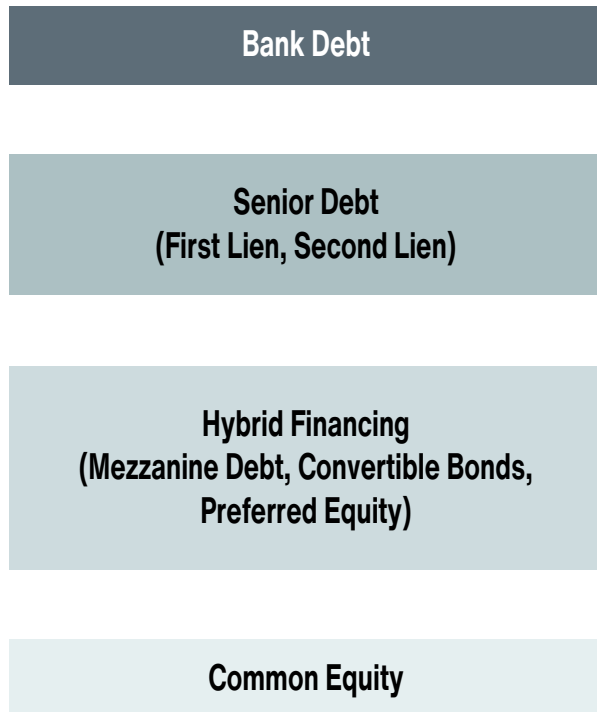
## Return Opportunity

- Higher credit spread than traditional credit, well above corporate bonds
- Spreads differ for investment grade and non-investment grade
- Private Debt is more difficult to access, so yield spreads have not been compressed to the extent of liquid corporate bonds

## Diversification

- Opportunity to diversify traditional return sources

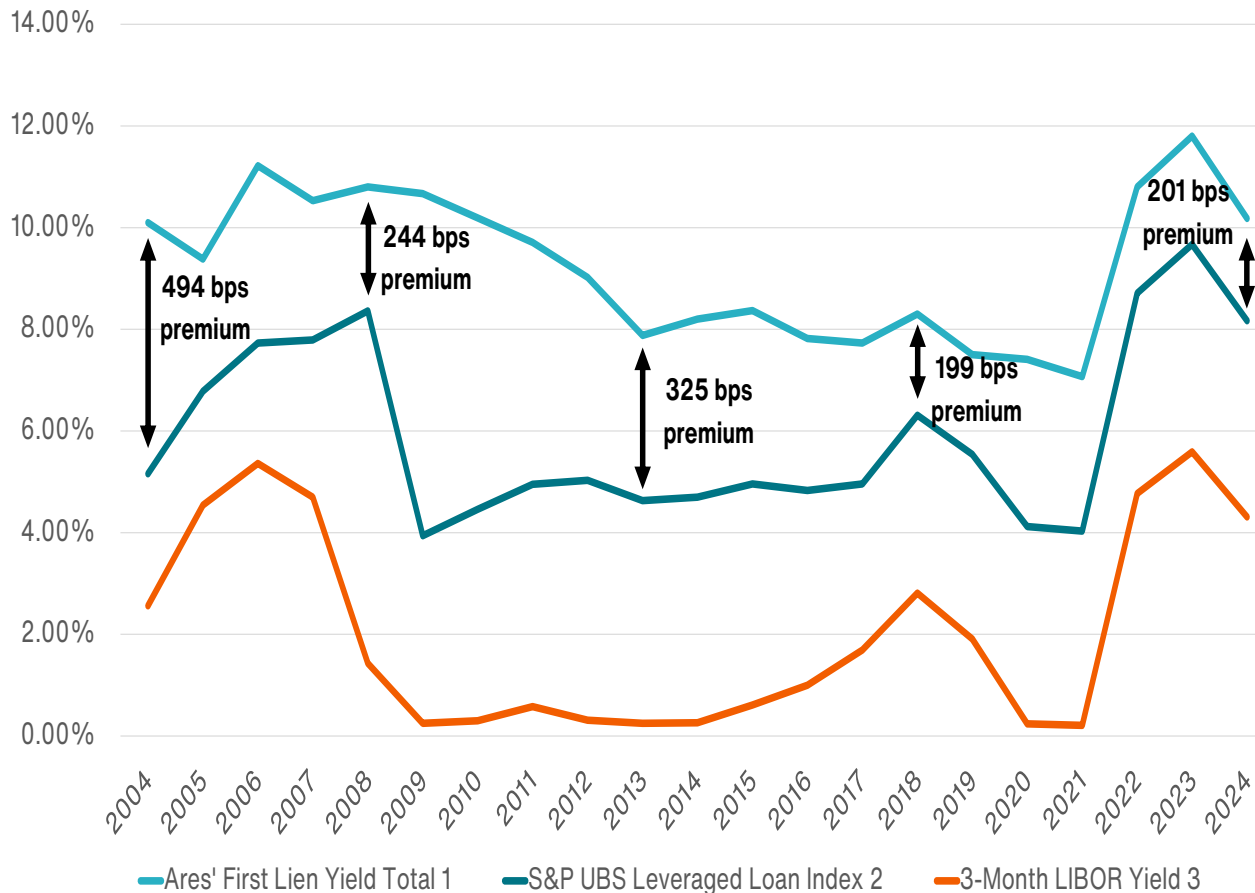
# Capital Structure



- How a company manages their capital structure is unique to each company
- Purpose is to prioritize and differentiate risk premia
- The lower an investor is in the capital structure, the greater the volatility and required risk premia
- Capital structure does not equate to credit rating

# Direct Lending Offers an Attractive Yield

Ares' Private Middle-Market First Lien Yield Premium Over Bank Loans



- Private middle-market loans, with comparable risk to broadly syndicated loans, display an average illiquidity premium of more than 200 bps historically with current levels around 200 bps.
- The illiquidity premium helps boost portfolio returns in a low-rate environment.
- Private middle-market loans are typically structured as floating rate and therefore as interest rates rise the yields will increase.
- Modest leverage applied can increase expected yield advantages further.

Source: Ares Management

1 Includes all unrealized first lien investments of the Ares Credit Group's U.S. direct lending team, including investments made through Ares Capital Corporation (NASDAQ: ARCC) and from separately managed accounts and other funds. Yield reflects the weighted average yield on debt and other income producing securities and is computed as (a) annual stated interest rate of yield earned plus the net annual amortization of original issue discount and market discount of premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at fair value.

2 Reflects annual current yield of first lien assets in the S&P UBS Leveraged Loan Index.

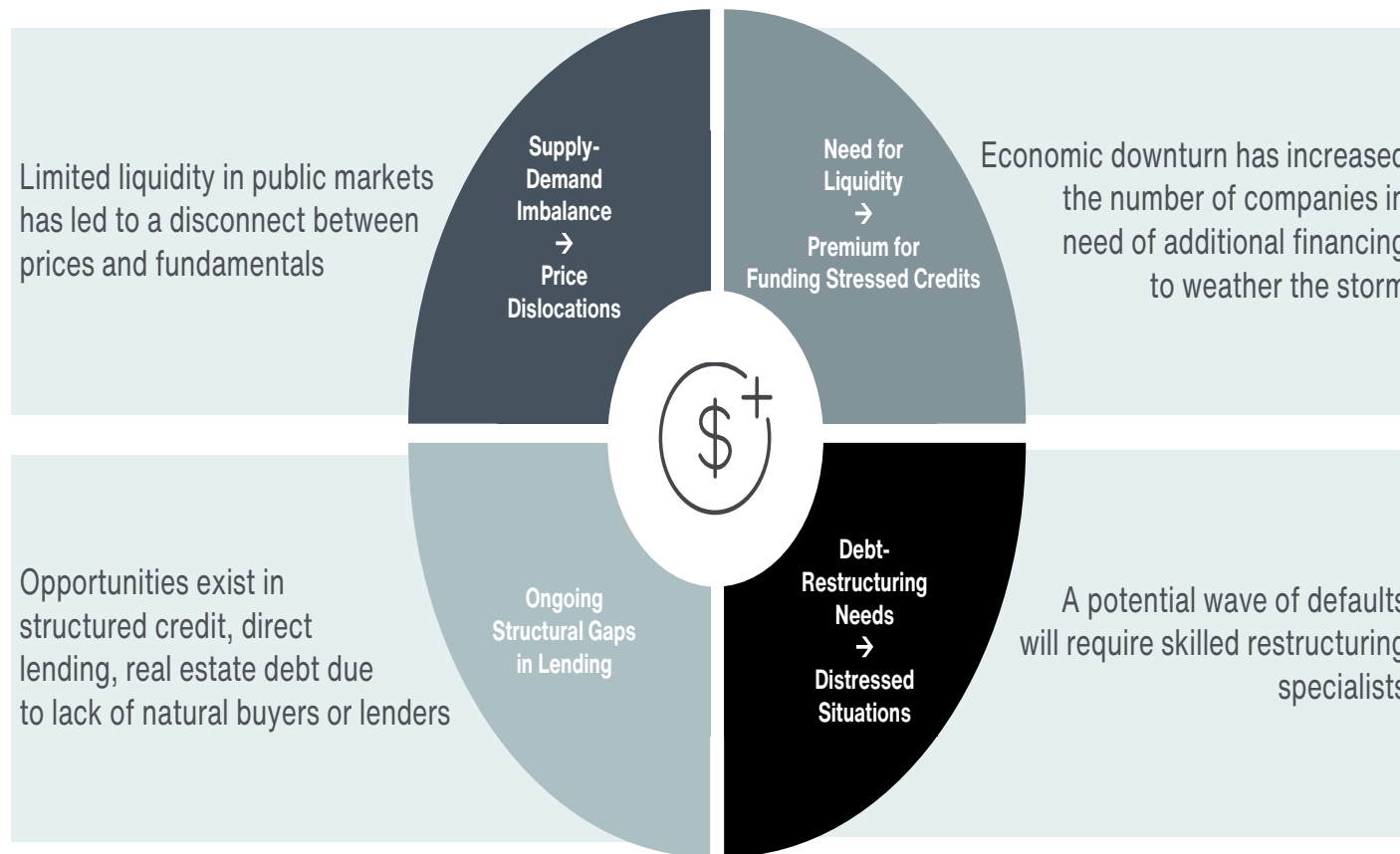
3 Reflects the 3-Month Yield as of the last day of each year for LIBOR (2004-2023) and SOFR (2024).

# Private Debt Is a Diverse and Growing Market

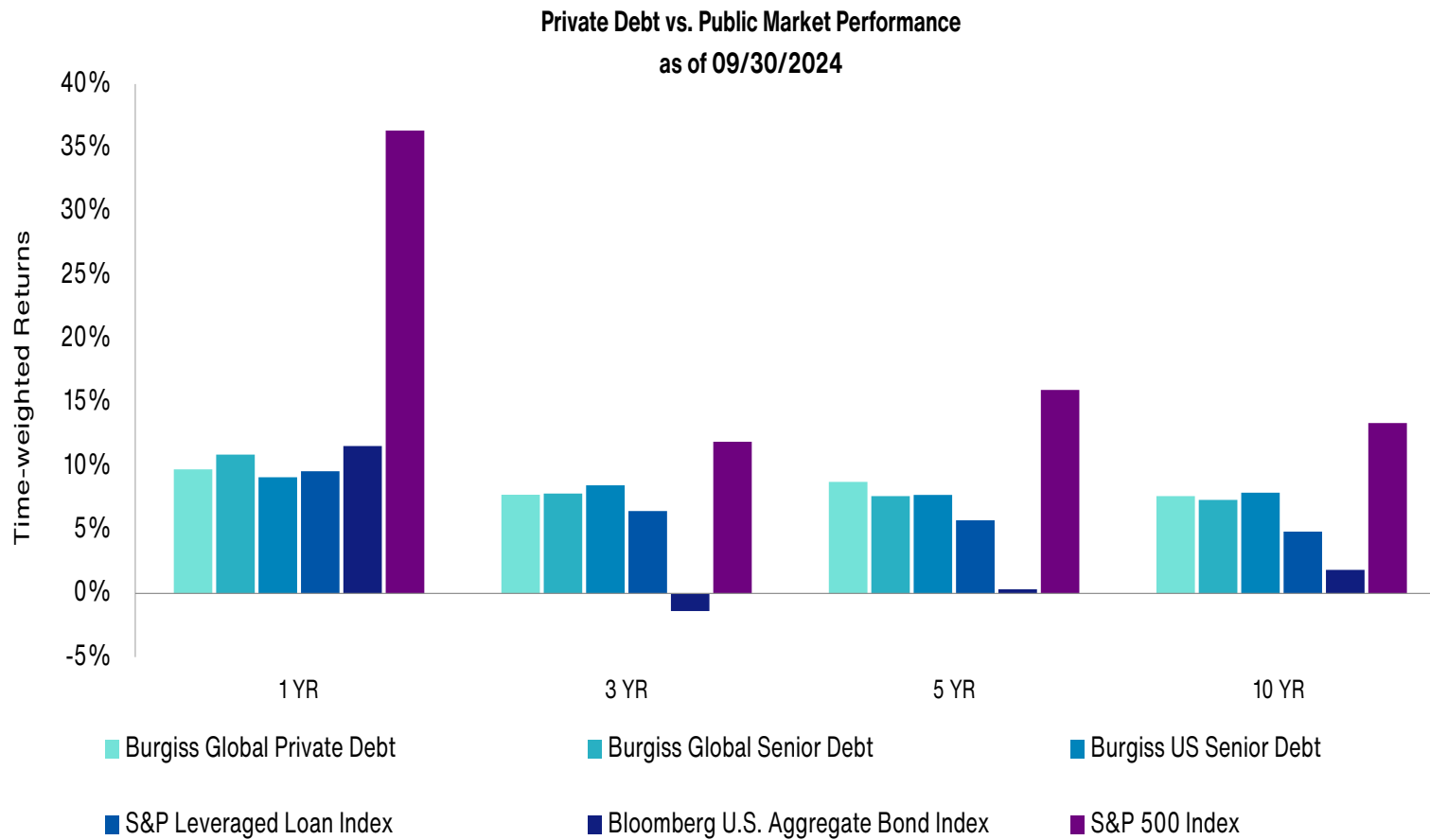
	Low Return/Risk	Moderate Return/Risk	High Return/Risk
<b>Cash Flow Lending</b>	Direct lending (senior and unitranche); Private placement debt	Subordinated loans; Mezzanine debt; Capital solutions (rescue finance, recapitalizations); Private loan securitization	Distressed debt; Venture debt; Secondaries
<b>Asset-based Lending</b>	Asset-based finance: asset-based lending, purchase order financing; Factoring; Aircraft or ship leases; Commercial real estate senior loans; Infrastructure debt; Timber/Ag	Commercial real estate loans on transitional/development properties; RE Mezzanine CRE loans; Participating mortgages; Brownfield investing	Real estate preferred equity; Distressed RE debt; Greenfield investing
<b>Specialty Finance</b>	Litigation finance; IP Royalties; Life settlements		
	Residential mortgage loans; Credit card loans; Auto loans; Student loans; Other consumer loans; Warehouse finance		

# Conditions Exist for Attractive Returns

**Excess Supply + Lack of Demand + Liquidity Premium + Debt Restructuring Needs**  
**=**  
**Higher Risk-Adjusted Returns**



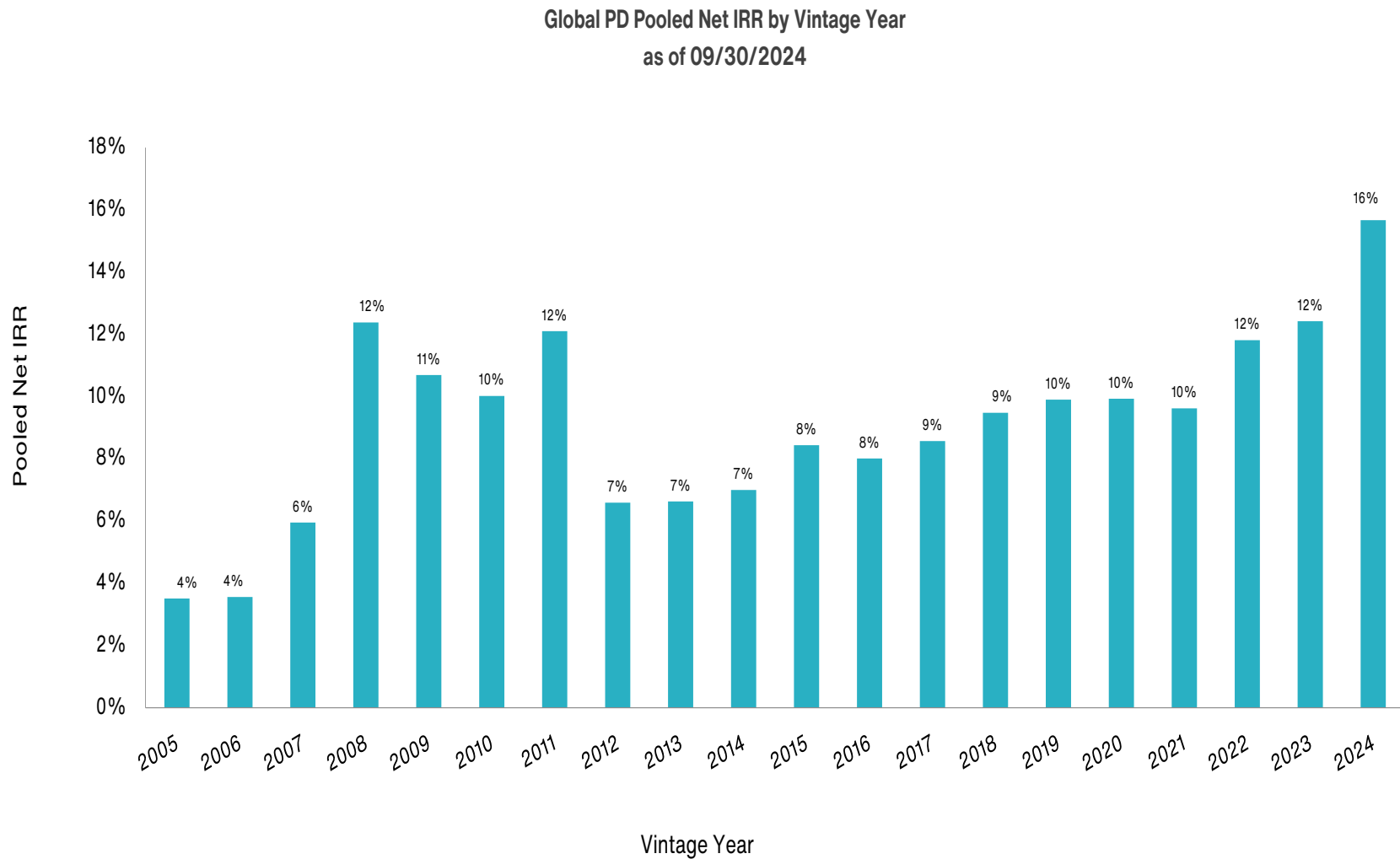
# Private Debt vs. Public Market Performance Comparison



Source: Bloomberg, MSCI Private Capital Solutions, and Investment Metrics.



# Private Debt Pooled Net IRR by Vintage Year as of 09/30/2024



Source: MSCI Private Capital Solutions

# Sample Private Credit Program

## Example

	<b>Direct Corporate Lending (40-70%)</b>	<b>Real Estate Debt (asset-based lending) (10-30%)</b>	<b>Opportunistic Credit (20-40%)</b>
<b>Underlying Investments</b>	<ul style="list-style-type: none"> <li>• Sponsor-backed senior US and European corporate loans (EBITDA \$10-\$100MM)</li> <li>• Unitranche corporate loans</li> </ul>	<ul style="list-style-type: none"> <li>• Senior whole loans backed by stabilized assets</li> <li>• Whole and mezzanine loans backed by transitional assets</li> <li>• Alternative sectors</li> </ul>	<ul style="list-style-type: none"> <li>• Bank capital relief</li> <li>• Shipping/aircraft finance</li> <li>• Consumer loans</li> <li>• Stressed/distressed credit</li> <li>• Capital solutions</li> </ul>
<b>Target Net Returns from Managers</b>	High single digits, with predominantly floating rate coupon	High single/low teen digits; a mix of floating-rate and fixed coupon, with a small capital appreciation component	Mid-teen digits, contractual payments or capital appreciation
<b>Risk Management</b>	Senior secured position, contractual payments	Loans secured by commercial real estate, or debt acquired at steep discounts	Backed by hard assets or acquired at low valuations, with asymmetrical return profile
<b>Performance in Different Economic Environments</b>	Defensive performance in market downturns. Stable returns in most environments due to majority return coming from contractual coupons and low historical credit loss	Stable returns in most environments due to high coupon and large equity cushions	Strong performance in rising risk-seeking markets

Target net returns sourced from various managers. Diversification does not ensure a profit nor does it protect against loss of principal. Diversification among investment options and asset classes may help to reduce overall volatility.

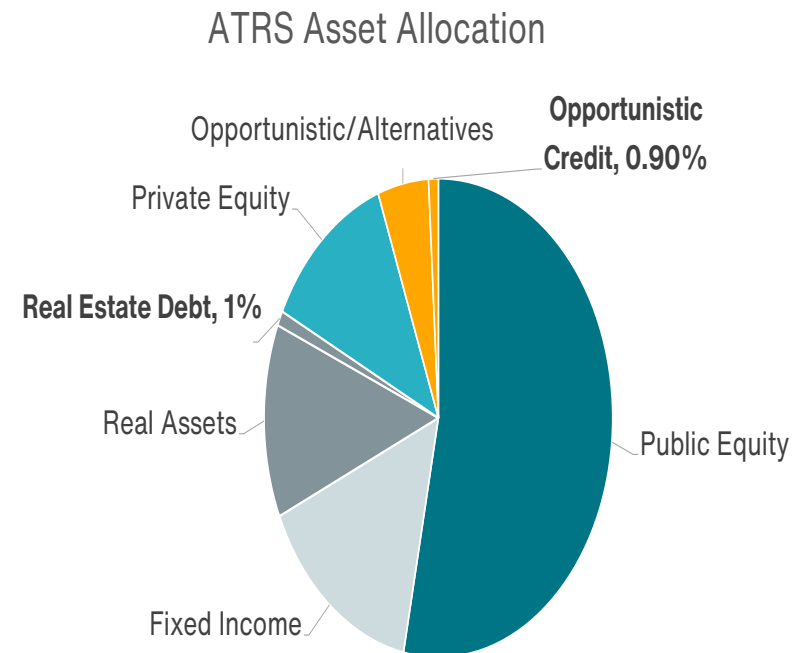
# 2

## ATRS Private Debt Consideration

# ATRS Current Private Debt Exposure

- Currently, ATRS has approximately 2% exposure to subsections of private debt, currently housed within Real Estate and Alternatives/Opportunistic, as shown below
- Opportunity exists to add a dedicated private debt asset class that would incorporate the below strategies; should this be of interest, Aon suggests considering:
  - A 5% Policy target to make allocation meaningful enough to have an impact on Total Fund risk/return
  - Structure of approximately 50% direct lending, 30% Opportunistic Credit, 20% Asset-based Lending
  - Approach for portfolio construction, including build out of corporate direct lending space (middle market direct lending)

Existing Asset Class	% of Total Fund	Current Managers	Potential Private Debt Category
Alternatives/Opportunistic	0.9%	<ul style="list-style-type: none"> <li>• Chatham PDSC III</li> <li>• Chatham PDSC IV</li> <li>• Silver Point Capital Fund</li> </ul>	Opportunistic Credit
Real Estate	1.0%	<ul style="list-style-type: none"> <li>• UBS TPI</li> <li>• Metlife</li> <li>• Calmwater</li> <li>• Mesa West</li> <li>• PGIM</li> <li>• Walton Street</li> <li>• Torchlight (Funds IV- VII)</li> </ul>	Asset-based Lending



# ATRS Current vs. Alternate Asset Allocation Expectations

## Long-term (10-year) Expected Returns

Asset Class	Capital Market Assumptions <sup>1</sup>		Policy Target (%)	
	Expected Return	Expected Risk	Current	Alternate - Private Debt
Public Equity	7.1%	17.7%	<b>48.0%</b>	<b>46.0%</b>
Private Equity	10.2%	20.0%	12.0	12.0
Real Assets <sup>2</sup>	7.5%	11.0%	<b>15.0</b>	<b>14.0</b>
Opportunistic / Alternatives <sup>3</sup>	6.6%	5.9%	5.0	5.0
Private Debt	7.2%	7.1%	--	<b>5.0</b>
Fixed Income <sup>4</sup>	5.4%	5.2%	<b>20.0</b>	<b>18.0</b>
<b>Total ATRS Expected Return</b>			<b>7.55%</b>	<b>7.60%</b>
<b>Total ATRS Expected Risk</b>			<b>11.67%</b>	<b>11.42%</b>
<b>Expected Sharpe Ratio</b>			<b>0.330</b>	<b>0.341</b>

- Table highlights 10-year expected risk and return impact of adding a 5% allocation to private debt, sourced:
  - 1% from Real Estate
  - 2% from Public Equity
  - 2% from Core Fixed Income
- Favorable private debt risk/reward expectations are expected to modestly improve the Total Fund risk/reward profile
- Allocation to illiquid assets expected to modestly increase (+4%)
- Portfolio continues to be well-diversified and expected to exceed its actuarial assumed rate of return



1. Based on Aon's 10-year Capital Market Assumptions as of 3/31/2025

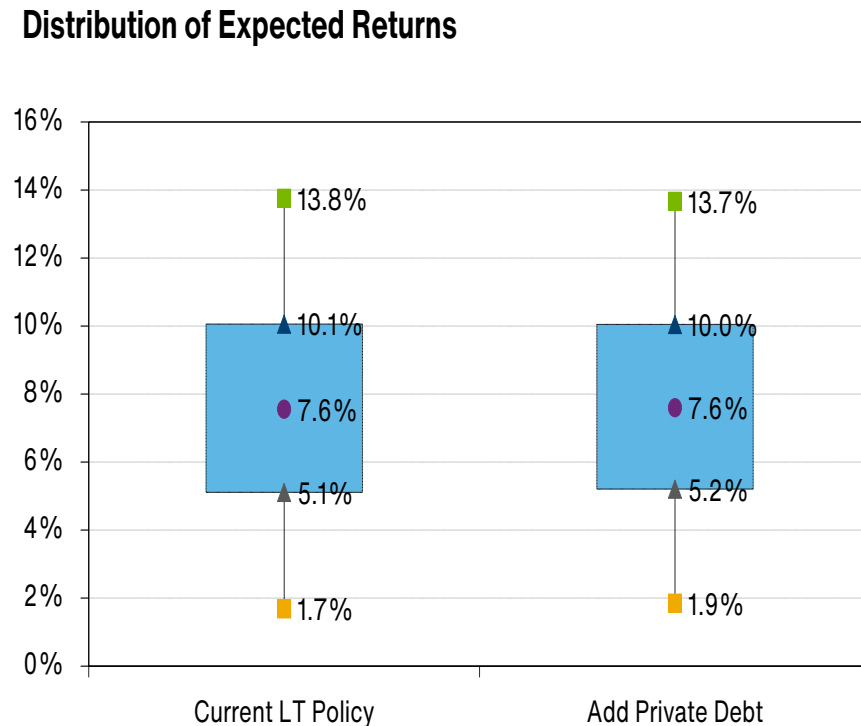
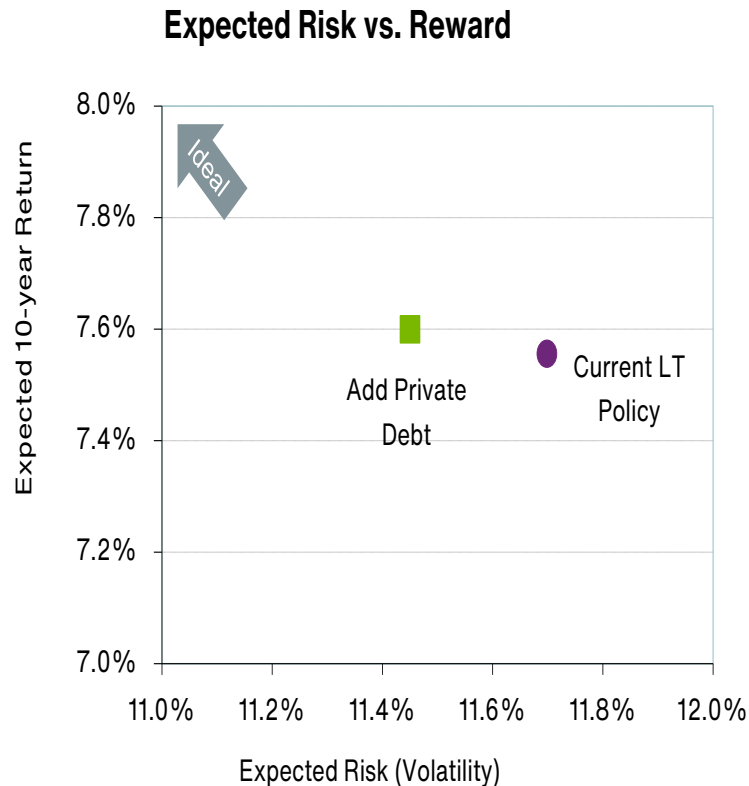
2. Represents core and non-core real estate, core and non-core infrastructure, timber and agriculture

3. Represents current mix between global macro, event-driven/credit, alternative risk premia, activist, equity risk premia, and insurance risk premia and mortgage servicing rights

4. Represents blend between core fixed income and multi-asset credit used as a proxy for non-core allocations

# Asset Allocation Expectations: Risk/Reward Spectrum

## Adding Private Debt Modestly Improves Expected Risk/Reward Profile



### Observations:

- Shifting assets to private debt from public equity, fixed income and real estate is expected to improve the long-term risk/reward ratio as well as improve expected downside scenarios



<sup>1</sup> Expected returns are using AIUSA Q1 2025 10-Year Capital Market Assumptions (CMAs) as of 3/31/2025. CMAs contain projections about future returns on asset classes. Our CMA projections are designed to reflect the typical cost of implementing an investment program. Expected returns are calculated using weighted allocations of the underlying CMAs. Expected Returns are geometric (long-term compounded; rounded to the nearest decimal) assuming portfolio weights are rebalanced annually. Expected returns presented are models and do not represent the returns of an actual client account. Your actual returns may differ from model returns presented based on your plan's individual fees/expenses. Aon's advisory fees are described in Part 2A of Aon's Form ADV. Not a guarantee of future results. See appendix for capital market assumptions disclosure pages. Percentages may not sum to 100% due to rounding.

# Summary Conclusions and Considerations

- Private Debt is a diverse and growing area of the investment landscape
- ATRS currently has modest exposure to opportunistic and asset-backed private credit (specifically, real estate debt)
- Opportunity exists for ATRS to gain exposure to the direct lending (cash flow/middle market) part of the market and continue to expand exposure across the broad private debt market
- A dedicated private debt allocation has the potential to modestly improve the expected risk/return profile of the total fund
- Should ATRS be interested in adding a dedicated private debt allocation to its portfolio, Aon would recommend considering:
  - No less than a 5% policy allocation
  - Re-locating the existing private debt exposure from opportunistic/alternatives and real estate
  - Ensuring a diversified portfolio across the full private debt opportunity set

# 3

## Appendix



# Private Debt Considerations

## Terms and Structure

	Private Debt Characteristics
<b>Liquidity</b>	Very limited liquidity to trade these types of loans
<b>Fees</b>	<ul style="list-style-type: none"><li>• Fees varying widely depending on vehicle, strategy and return target</li><li>• Range from 0.50% to 1.50% plus a performance fee</li></ul>
<b>Structure</b>	<ul style="list-style-type: none"><li>• Pooled structure is recommended for ease of implementation</li><li>• Two types of structures:<ul style="list-style-type: none"><li>◦ Closed-ended fund with no ability to redeem before end of term</li><li>◦ Open-ended fund with redemption at the discretion of the manager</li></ul></li><li>• Limited # of Buy-rated managers</li></ul>
<b>Cash Flows</b>	<ul style="list-style-type: none"><li>• Produces regular cash flows</li></ul>
<b>Volatility / Downside Risk</b>	<ul style="list-style-type: none"><li>• Portfolio is likely to experience a small # of defaults or restructuring</li><li>• Recovery has been high historically</li></ul>

# Summary of Strategy Opportunities

	Target Yield	Liquidity	Term	Risk	Diversification / Correlation	Cost
<b>Direct Lending</b>	5.0–9.0%	Open or Closed-End	Evergreen / 5-10 Years	Low	Low to Moderate Correlation	0.5%–1.5% plus performance fee
<b>Opportunistic Credit</b>	6.0–10.0%	Open or Closed-End	Evergreen / 5-7 Years	Low to High	Low to Moderate Correlation	0.75%–2.00% plus performance fee, typically over a hurdle rate
<b>Mezzanine Debt</b>	8.0–12.0%	Closed-End	10+ Years	Moderate	Moderate Correlation	1.0%–2.0% plus performance fee
<b>Distressed Debt</b>	n/a	Closed-End	7-10 Years	High	Moderate Correlation	1.5%–2.0% plus performance fee
<b>Real Estate Debt</b>	5.0–9.0%	Open or Closed-End	Evergreen / 8-10 years	Low	Low Correlation	0.5%–1.5% plus performance fee
<b>Infrastructure Core Debt</b>	1.0–5.0%	Open or Closed-End	Evergreen / 10-12 Years	Low	Low Correlation	0.6%–1.5% plus performance fee

# Implementation Examples

	Cash Flow Lending		Asset-based Lending		Specialty Finance	
<b>Sub-Strategy</b>	Direct Lending	Capital Solutions	Commercial Real Estate Lending	Asset-based lending	Bank capital relief	Litigation Finance
<b>Purpose</b>	Financing for small- and mid-sized corporations	Shorter-term financing to bridge liquidity	Loans to commercial real estate developers or operators	Funding of operations, collateralized by short-term assets or equipment	Regulatory equity optimization	Funding for law firms unable to access traditional finance
<b>Typical Structure</b>	Senior, unitranche, mezzanine loans	First and second lien loans	Senior or stretch senior whole loans, mezzanine loans, participating mortgages	Loans backed by receivables, property, equipment, aircraft, machinery	"Insurance" premia on corporate exposures, SME lending, trade finance	Loans to law firms secured by case inventory
<b>Average Fund Term</b>	7-8 years	5-7 years	7-10	5-7 years	5-7 years	5-7 years
<b>Income Distributed?</b>	Yes	Yes		Yes	Yes	Yes
<b>Volatility</b>	Low NAV volatility expected		Low NAV volatility expected		Low NAV volatility expected	
<b>Capital Impairment Risk at Asset Level</b>	Low	Medium	Low	Low	Low	Medium
<b>Credit Rating</b>	BB equivalent	Sub-investment grade	Sub-investment grade	Varies	Primarily investment grade	Sub-investment grade
<b>Rate Sensitivity</b>	Low - Floating rate		Low - Floating rate		Low - Floating rate	
<b>Leverage</b>	Unlevered or levered options	Unlevered	Senior loan strategies may be levered, mezzanine typically not levered	Unlevered	Unlevered	Unlevered

Source: Aon Manager Research.

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# Arkansas Teacher Retirement System Private Equity Portfolio Review Fourth Quarter 2024

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# Portfolio Overview

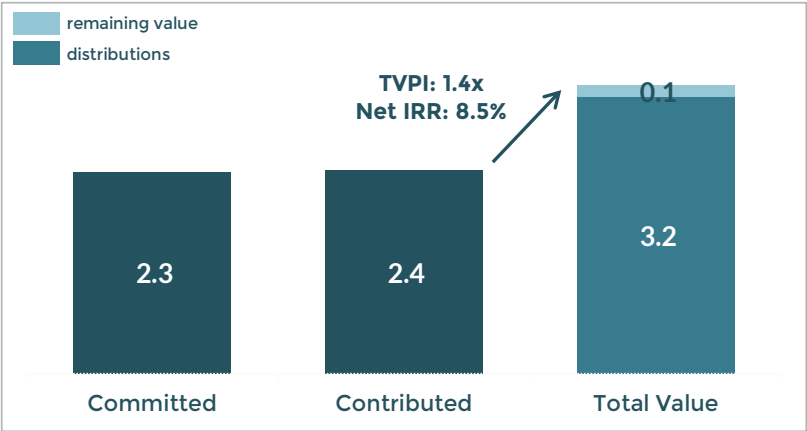
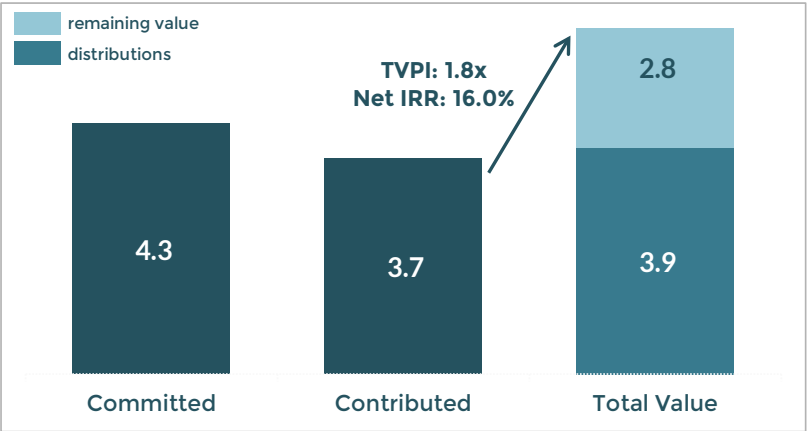
The Post 2006 Fund Portfolio has generated a net IRR of 16.0% as of December 31, 2024

## Post 2006 Fund Portfolio

Inception	2007
Total Commitments	\$4.3 billion
Number of Funds	129
% Contributed/Committed	86%
% Distributed/Contributed	105%

## Rest of Portfolio

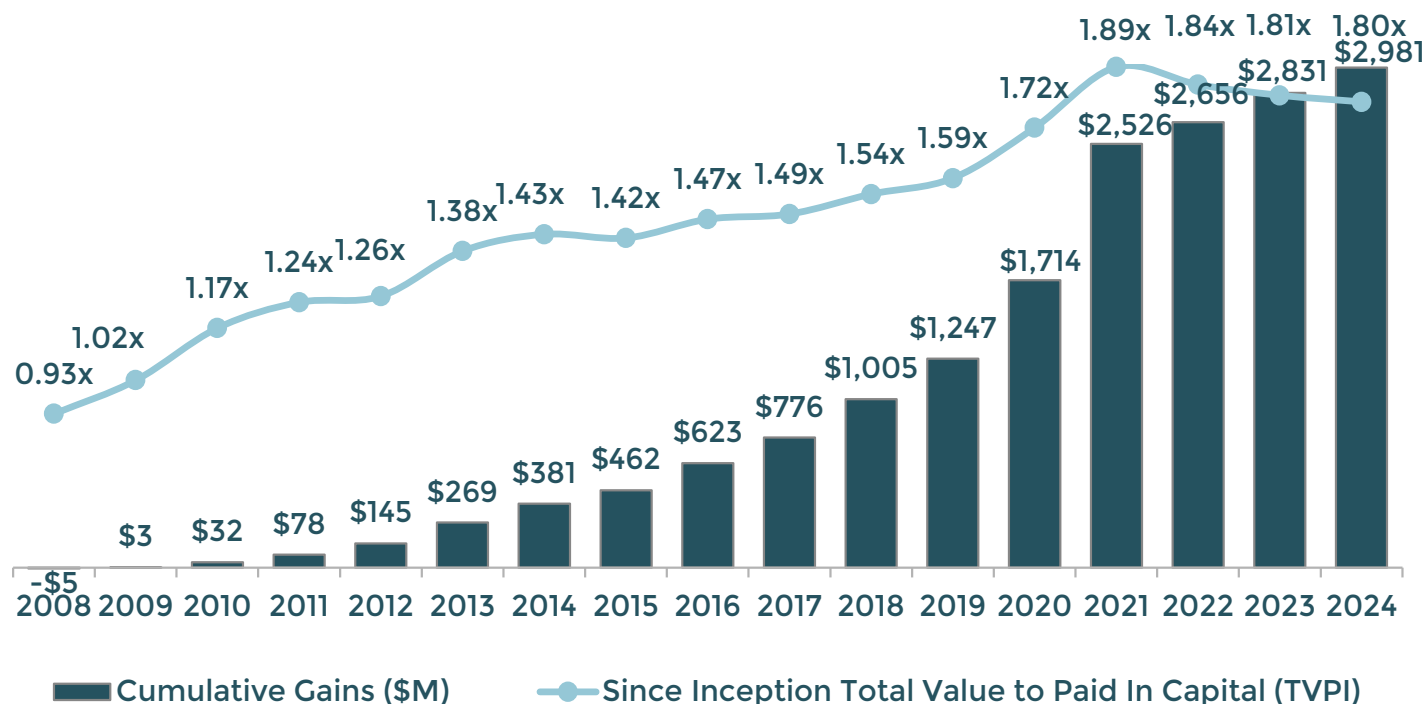
Inception	1996
Total Commitments	\$2.3 billion
Number of Investments	31
% Contributed/Committed	101%
% Distributed/Contributed	136%



Notes:  
(1) Data as of December 31, 2024. \$Billions  
(2) Performance information is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.  
(3) TVPI = total value to paid-in multiple, or remaining value plus distributions divided by contributed capital.

## Post 2006 Fund Portfolio Performance Summary

The portfolio since 2006 has generated cumulative gains of \$2.98 billion since inception



**Notes:**

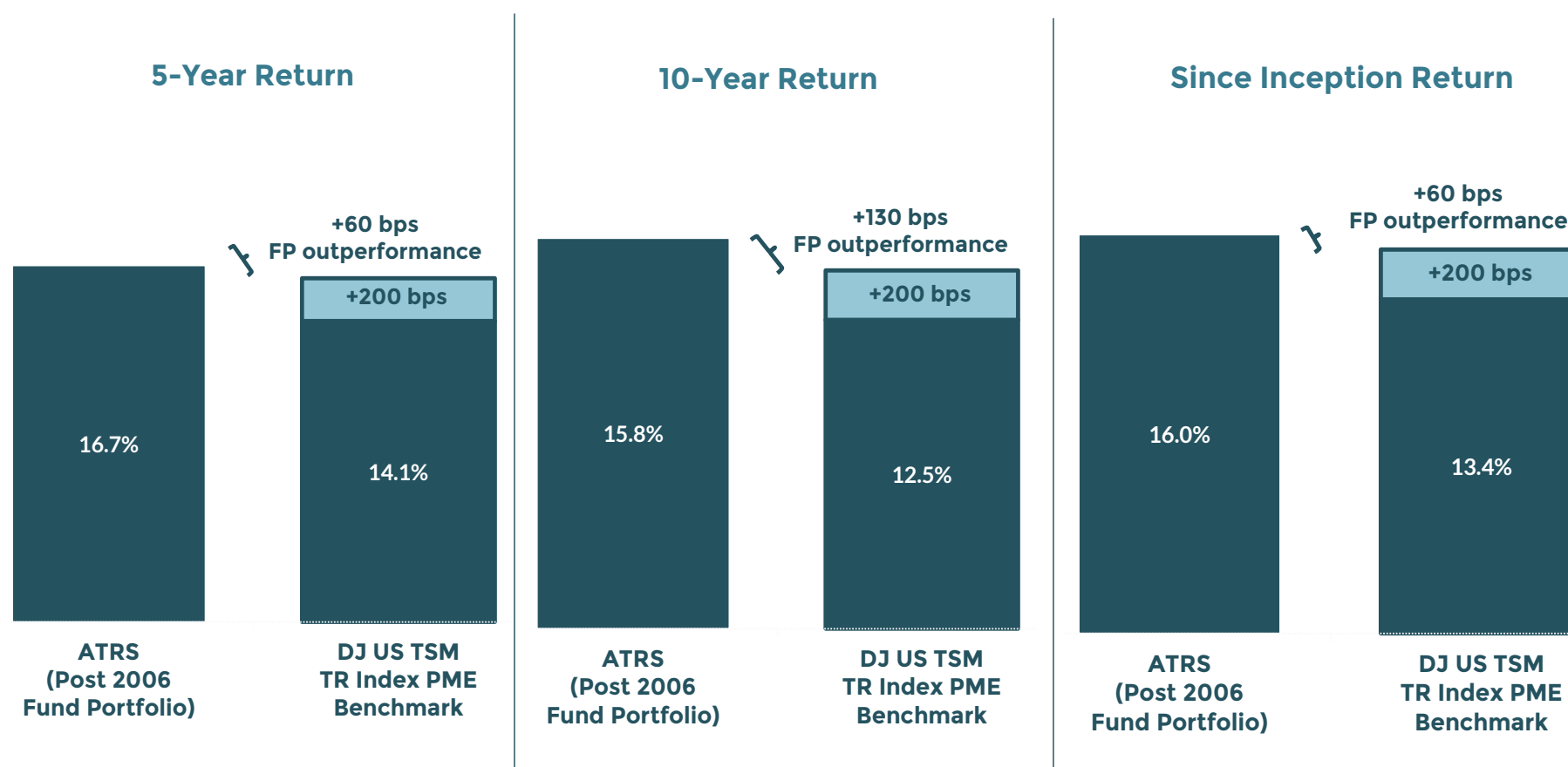
(1) Performance data is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.

(2) Cumulative gains represent total distributions plus remaining value less total contributions. \$ Millions.



## Post 2006 Fund Portfolio Benchmarking

The portfolio since 2006 has exceeded the benchmark in the 5-Year, 10-Year and Since Inception periods



### Notes:

(1) Data as of December 31, 2024

(2) Performance data is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.

(3) The public market equivalent (PME) represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor's investment activity in private equity; the PME serves as a proxy for the return ATRS could have achieved by investing in the public market. The PME return assumes cash flows are invested at the end of each day.

## Post 2006 Fund Portfolio Breakdown

ATRS makes commitments directly to funds as well as through specialized vehicles managed by Franklin Park

Strategy	Method of Access	% of Post-2006 Portfolio Exposure	ATRS Net IRR 12/31/24
U.S. corporate finance (core funds)	Direct Commitments	56.3%	15.6%
U.S. corporate finance (smaller funds)	Franklin Park Corporate Finance Access Funds	5.4%	18.6%
Corporate finance (co-investments)	Franklin Park Co-Investment Funds & ATRS/FP	15.6%	18.1%
Non-U.S. corporate finance	Franklin Park International Funds	7.6%	9.8%
Global Venture Capital (all stage)	Franklin Park Venture Capital Funds	15.2%	19.0%
<b>Total</b>		<b>100.0%</b>	<b>16.0%</b>

Notes:

(1) Data as of December 31, 2024

(2) Performance data for all Franklin Park-managed funds are net of portfolio funds' management fees, expenses and carried interest, as well as fees and expenses paid to Franklin Park by the managed funds.

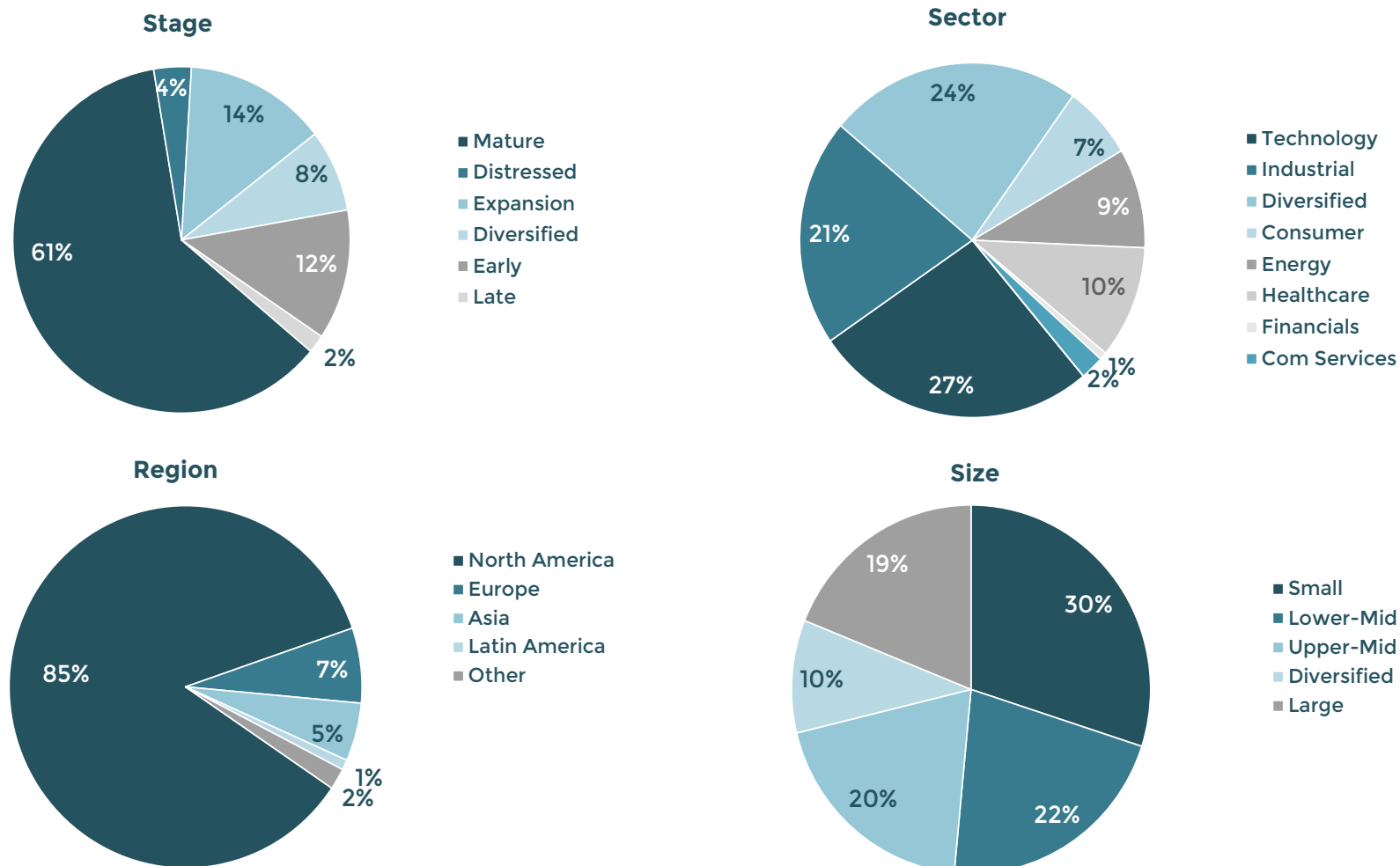
(3) Performance data for core funds (Direct Commitments) is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.



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## Portfolio Composition

The aggregate portfolio is diversified by stage, sector, region and size as expected



Note: Data is as of December 31, 2024, and based on unrealized value of holdings as reported by portfolio fund managers. Values are estimated based on the investor's percent interest in each fund's portfolio holdings. Values are converted to USD where applicable, as of December 31, 2024.

## 2025 Commitment Plan

Progress of commitment plan to date

Investment	Strategy	Region	ATRS Commitment	Board Approval
Fund 1	Buyout, Growth, Turnaround	U.S.	\$40m	TBD
Fund 2	Buyout, Growth, Turnaround	U.S.	\$40m	TBD
Fund 3	Buyout, Growth, Turnaround	U.S.	\$40m	TBD
Fund 4	Buyout, Growth, Turnaround	U.S.	\$40m	TBD
Arlington VII	MM Buyout (defense, gov't services)	U.S.	\$40m	Jun 2025*
Great Hill IX	Buyout/Growth (tech, fin, healthcare)	U.S.	\$40m	Jun 2025*
MML Capital VIII	Structured Capital	Europe/U.S.	€40m	Apr 2025
FP CF Access III	Buyout/Growth/Turnaround	U.S.	\$40m	Feb 2025
FP Venture XV	Early Stage VC	U.S./Non-U.S.	\$40m	Apr 2025
FP Venture Opps II	Mid/Late Stage VC	U.S./Non-U.S.	\$40m	Apr 2025
<b>Total</b>			<b>\$400m</b>	

\* Arlington VII and Great Hill IX are being presented for approval at the June 2025 ATRS IC and board meetings.

# Arkansas Teacher Retirement System Private Equity Portfolio Review

December 31, 2024

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## Portfolio Overview

## Portfolio Summary



Group	Num.	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	Remaining Value (%)	Exposure (\$)	DPI	TVPI	Net IRR
<b>By Vehicle</b>											
1996-2000: Legacy Portfolio	13	1,106,390,461	1,070,676,238	0	1,641,243,527	0	0.0%	0	1.5 x	1.5 x	9.2%
2005-2006: CSFB Portfolio	2	654,300,000	690,141,014	63,148,476	1,089,100,513	29,313,017	1.0%	92,461,493	1.6 x	1.6 x	8.9%
Post 2006 Fund Portfolio	129	4,338,323,718	3,742,493,829	1,276,398,701	3,924,340,467	2,799,584,106	95.6%	4,075,982,807	1.0 x	1.8 x	16.0%
Big River Steel	8	257,880,449	257,940,356	0	430,039,782	1,863,004	0.1%	1,863,004	1.7 x	1.7 x	14.4%
Blue Oak Arkansas	1	18,000,000	19,740,000	0	5,385,136	0	0.0%	0	0.3 x	0.3 x	-34.8%
Highland LLC	3	258,244,727	274,114,727	0	31,674,525	12,088,610	0.4%	12,088,610	0.1 x	0.2 x	-64.0%
GTLA Holdings	1	20,700,000	20,700,000	0	0	70,000,000	2.4%	70,000,000	0.0 x	3.4 x	21.6%
Hybar LLC	1	206,200	206,200	0	129,200	200,500	0.0%	200,500	0.6 x	1.6 x	57.5%
South Harbor LLC	1	16,491,262	16,491,262	0	0	16,491,262	0.6%	16,491,262	0.0 x	1.0 x	0.0%
Green and Clean Power LL	1	0	0	0	1,000,000	0	0.0%	0	N/A	N/A	NMF
<b>Total</b>	<b>160</b>	<b>6,670,536,817</b>	<b>6,092,503,627</b>	<b>1,339,547,177</b>	<b>7,122,913,149</b>	<b>2,929,540,499</b>	<b>100.0%</b>	<b>4,269,087,676</b>	<b>1.2 x</b>	<b>1.6 x</b>	<b>11.1%</b>
<b>By Fund Type</b>											
Co-Investment Fund	2	388,823,718	484,805,315	217,015,178	465,971,306	417,938,491	14.3%	634,953,669	1.0 x	1.8 x	18.1%
Fund-of-Funds	33	1,784,300,000	1,402,886,466	503,492,591	1,719,819,635	776,669,656	26.5%	1,280,162,247	1.2 x	1.8 x	11.1%
Operating Company	16	571,522,638	589,192,546	0	468,228,642	100,643,376	3.4%	100,643,376	0.8 x	1.0 x	-1.4%
Primary Fund	109	3,925,890,461	3,615,619,301	619,039,408	4,468,893,566	1,634,288,976	55.8%	2,253,328,384	1.2 x	1.7 x	11.2%
<b>Total</b>	<b>160</b>	<b>6,670,536,817</b>	<b>6,092,503,627</b>	<b>1,339,547,177</b>	<b>7,122,913,149</b>	<b>2,929,540,499</b>	<b>100.0%</b>	<b>4,269,087,676</b>	<b>1.2 x</b>	<b>1.6 x</b>	<b>11.1%</b>



## Portfolio Summary



Group	Num.	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	Remaining Value (%)	Exposure (\$)	DPI	TVPI	Net IRR
<b>By Strategy</b>											
Buyout	82	3,242,390,461	2,819,649,461	682,818,665	3,284,805,824	1,565,579,919	53.4%	2,248,398,585	1.2 x	1.7 x	11.7%
Distressed Debt	3	100,000,000	93,881,464	37,369,879	120,901,286	13,323,794	0.5%	50,693,673	1.3 x	1.4 x	6.4%
Growth Equity	4	150,000,000	114,904,590	39,086,844	259,454,201	30,519,683	1.0%	69,606,527	2.3 x	2.5 x	20.5%
Hard Assets	15	602,935,989	632,761,221	11,125,512	388,428,110	218,864,325	7.5%	229,989,837	0.6 x	1.0 x	-1.2%
Infrastructure	9	271,086,649	272,882,870	0	427,328,827	2,063,504	0.1%	2,063,504	1.6 x	1.6 x	12.3%
Mezzanine	8	315,000,000	235,216,707	27,166,128	249,205,377	65,583,357	2.2%	92,749,485	1.1 x	1.3 x	10.2%
Multi-Strategy	6	974,123,718	1,184,633,850	212,850,473	1,590,590,366	384,108,177	13.1%	596,958,650	1.3 x	1.7 x	9.0%
Special Assets	1	30,000,000	31,905,954	2,090,420	12,539,410	30,123,219	1.0%	32,213,639	0.4 x	1.3 x	11.5%
Structured Capital	6	180,000,000	140,710,178	66,618,236	103,662,097	89,180,436	3.0%	155,798,672	0.7 x	1.4 x	12.1%
Turnaround	9	240,000,000	203,689,561	61,332,201	236,748,134	108,730,502	3.7%	170,062,703	1.2 x	1.7 x	15.5%
Venture Capital	17	565,000,000	362,267,771	199,088,819	449,249,518	421,463,582	14.4%	620,552,401	1.2 x	2.4 x	19.0%
<b>Total</b>	<b>160</b>	<b>6,670,536,817</b>	<b>6,092,503,627</b>	<b>1,339,547,177</b>	<b>7,122,913,149</b>	<b>2,929,540,499</b>	<b>100.0%</b>	<b>4,269,087,676</b>	<b>1.2 x</b>	<b>1.6 x</b>	<b>11.1%</b>
<b>By Sub-Asset Class</b>											
Corporate Finance	127	5,534,014,179	5,141,043,311	1,140,458,358	6,205,434,989	2,407,433,541	82.2%	3,547,891,899	1.2 x	1.7 x	11.1%
Direct Investments	16	571,522,638	589,192,546	0	468,228,642	100,643,376	3.4%	100,643,376	0.8 x	1.0 x	-1.4%
Venture Capital	17	565,000,000	362,267,771	199,088,819	449,249,518	421,463,582	14.4%	620,552,401	1.2 x	2.4 x	19.0%
<b>Total</b>	<b>160</b>	<b>6,670,536,817</b>	<b>6,092,503,627</b>	<b>1,339,547,177</b>	<b>7,122,913,149</b>	<b>2,929,540,499</b>	<b>100.0%</b>	<b>4,269,087,676</b>	<b>1.2 x</b>	<b>1.6 x</b>	<b>11.1%</b>

- Remaining Value is defined as the investor's value as reported by the fund's manager.
- Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.
- DPI is the ratio of Distributed Capital to Contributed Capital.
- TVPI is the ratio of Distributed Capital plus Remaining Value to Contributed Capital.
- Net IRR is defined as the annualized, compound rate of return using daily draws, distributions and Remaining Value as of the Report Date, net of fees and expenses, including late closing interest.
- Results include fully liquidated investments (if applicable).
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date.

## Performance Analysis

## Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>1996</b>								
HMTF III *	Buyout	76,743,018	76,799,039	0	87,834,289	0	1.1 x	1.8%
<b>Total 1996</b>		<b>76,743,018</b>	<b>76,799,039</b>	<b>0</b>	<b>87,834,289</b>	<b>0</b>	<b>1.1 x</b>	<b>1.8%</b>
<b>1997</b>								
Doughty Hanson III *	Buyout	100,000,000	99,374,207	0	197,482,184	0	2.0 x	13.5%
<b>Total 1997</b>		<b>100,000,000</b>	<b>99,374,207</b>	<b>0</b>	<b>197,482,184</b>	<b>0</b>	<b>2.0 x</b>	<b>13.5%</b>
<b>1998</b>								
HMTF IV *	Buyout	100,000,000	98,010,015	0	67,130,479	0	0.7 x	-6.1%
Second Cinven *	Buyout	65,281,010	65,281,010	0	104,700,661	0	1.6 x	9.3%
<b>Total 1998</b>		<b>165,281,010</b>	<b>163,291,025</b>	<b>0</b>	<b>171,831,140</b>	<b>0</b>	<b>1.1 x</b>	<b>0.9%</b>
<b>1999</b>								
Blackstone Mezzanine I *	Mezzanine	100,000,000	73,353,517	0	96,729,026	0	1.3 x	10.2%
Cypress MBP II *	Buyout	50,000,000	52,304,562	0	50,857,200	0	1.0 x	-0.5%
Diamond State *	Multi-Strategy	2,000,000	2,000,000	0	3,097,200	0	1.5 x	5.5%
DLJ Investment II *	Mezzanine	80,000,000	43,611,022	0	60,468,989	0	1.4 x	10.4%
Oak Hill I *	Buyout	50,000,000	50,786,497	0	91,264,962	0	1.8 x	10.6%
<b>Total 1999</b>		<b>282,000,000</b>	<b>222,055,598</b>	<b>0</b>	<b>302,417,377</b>	<b>0</b>	<b>1.4 x</b>	<b>7.7%</b>
<b>2000</b>								
21st Century Group I *	Buyout	25,000,000	27,141,173	0	22,841,928	0	0.8 x	-3.8%
DH Tech I *	Multi-Strategy	50,000,000	61,471,034	0	21,987,447	0	0.4 x	-16.5%
DLJ MBP III *	Buyout	200,000,000	215,345,711	0	458,746,671	0	2.1 x	19.4%
HMTF V *	Buyout	207,366,433	205,198,451	0	378,102,491	0	1.8 x	17.6%
<b>Total 2000</b>		<b>482,366,433</b>	<b>509,156,369</b>	<b>0</b>	<b>881,678,537</b>	<b>0</b>	<b>1.7 x</b>	<b>14.8%</b>
<b>2005</b>								
CSFB-ATRS 2005-1 Series	Multi-Strategy	250,000,000	277,794,577	10,748,347	414,968,564	13,939,257	1.5 x	7.4%
<b>Total 2005</b>		<b>250,000,000</b>	<b>277,794,577</b>	<b>10,748,347</b>	<b>414,968,564</b>	<b>13,939,257</b>	<b>1.5 x</b>	<b>7.4%</b>

## Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2006</b>								
Boston Ventures VII	Buyout	50,000,000	43,016,769	8,258,947	48,914,085	776,602	1.2 x	2.6%
CSFB-ATRS 2006-1 Series	Multi-Strategy	404,300,000	412,346,437	52,400,129	674,131,949	15,373,760	1.7 x	10.0%
<b>Total 2006</b>		<b>454,300,000</b>	<b>455,363,206</b>	<b>60,659,076</b>	<b>723,046,034</b>	<b>16,150,362</b>	<b>1.6 x</b>	<b>9.4%</b>
<b>2007</b>								
Diamond State II	Multi-Strategy	4,000,000	3,517,000	483,000	12,192,000	480,058	3.6 x	12.5%
NGP IX	Hard Assets	50,000,000	54,229,094	0	77,666,332	0	1.4 x	10.8%
Vista Equity III	Buyout	50,000,000	54,395,135	3,835,547	131,285,918	2,522,914	2.5 x	28.5%
<b>Total 2007</b>		<b>104,000,000</b>	<b>112,141,229</b>	<b>4,318,547</b>	<b>221,144,250</b>	<b>3,002,972</b>	<b>2.0 x</b>	<b>20.4%</b>
<b>2008</b>								
Advent GPE VI-A	Buyout	40,000,000	40,167,228	0	80,492,730	3,027,094	2.1 x	16.3%
FP Venture 2008	Venture Capital	30,000,000	30,029,411	274,312	79,704,140	13,452,779	3.1 x	17.4%
LLR III	Growth Equity	50,000,000	48,504,590	4,357,033	108,900,578	243,065	2.3 x	16.5%
<b>Total 2008</b>		<b>120,000,000</b>	<b>118,701,229</b>	<b>4,631,345</b>	<b>269,097,448</b>	<b>16,722,938</b>	<b>2.4 x</b>	<b>16.7%</b>
<b>2009</b>								
FP Venture 2009	Venture Capital	25,000,000	24,650,862	728,929	54,669,359	7,567,344	2.5 x	16.6%
Insight Equity II	Turnaround	30,000,000	31,028,312	884,343	42,854,623	4,560,085	1.5 x	7.7%
Insight Mezzanine I	Mezzanine	10,000,000	9,971,470	479,507	11,860,178	2,078,899	1.4 x	6.5%
KPS III Supplemental *	Turnaround	40,000,000	37,785,704	0	80,540,979	0	2.1 x	22.8%
Riverside IV *	Buyout	40,000,000	31,433,665	0	74,838,992	0	2.4 x	21.3%
<b>Total 2009</b>		<b>145,000,000</b>	<b>134,870,013</b>	<b>2,092,779</b>	<b>264,764,131</b>	<b>14,206,328</b>	<b>2.1 x</b>	<b>16.7%</b>
<b>2010</b>								
Altus Capital II	Buyout	20,000,000	20,579,531	2,571,496	31,904,309	5,309,755	1.8 x	13.5%
EnCap VIII	Hard Assets	47,500,000	54,152,031	0	39,263,349	18,749,632	1.1 x	1.3%
FP Venture 2010	Venture Capital	25,000,000	16,187,500	1,570,933	24,813,446	23,352,178	3.0 x	14.6%
Mason Wells III *	Buyout	30,000,000	28,553,580	0	86,225,697	0	3.0 x	20.6%
TA XI	Growth Equity	40,000,000	39,400,000	600,000	144,553,499	4,697,324	3.8 x	26.7%
Tennenbaum VI	Distressed Debt	40,000,000	38,075,687	32,879,534	54,161,844	0	1.4 x	7.3%
<b>Total 2010</b>		<b>202,500,000</b>	<b>196,948,328</b>	<b>37,621,963</b>	<b>380,922,144</b>	<b>52,108,889</b>	<b>2.2 x</b>	<b>15.4%</b>

## Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2011</b>								
Audax Mezzanine III	Mezzanine	25,000,000	25,962,085	6,675,000	33,085,160	1,420,422	1.3 x	9.7%
Castlelake II	Distressed Debt	35,000,000	32,656,036	2,625,461	40,957,806	5,386,267	1.4 x	5.7%
FP Intl 2011	Buyout	25,000,000	23,611,111	1,932,053	35,863,948	4,871,327	1.7 x	9.4%
FP Venture 2011	Venture Capital	25,000,000	25,196,429	155,496	139,310,254	29,050,655	6.7 x	34.1%
JF Lehman III	Buyout	39,000,000	49,474,799	204,884	52,405,737	21,284,362	1.5 x	9.5%
Wellspring V	Buyout	40,000,000	46,519,845	2,511,752	69,973,801	10,237,539	1.7 x	15.8%
Wicks IV	Buyout	40,000,000	43,050,453	3,757,221	88,101,911	7,514,286	2.2 x	20.8%
<b>Total 2011</b>		<b>229,000,000</b>	<b>246,470,758</b>	<b>17,861,867</b>	<b>459,698,617</b>	<b>79,764,858</b>	<b>2.2 x</b>	<b>16.6%</b>
<b>2012</b>								
ATRS-FP PE	Multi-Strategy	263,823,718	427,504,802	149,218,997	464,213,206	354,315,102	1.9 x	18.1%
BV VIII	Buyout	30,000,000	27,933,054	2,348,133	54,778,564	6,925,934	2.2 x	43.7%
Court Square III	Buyout	40,000,000	45,081,781	1,140,613	87,479,219	21,516,518	2.4 x	20.7%
DW Healthcare III	Buyout	40,000,000	37,138,408	2,861,592	77,701,910	1,305,216	2.1 x	19.0%
FP Intl 2012	Buyout	25,000,000	17,607,143	7,727,055	18,408,702	3,998,867	1.3 x	5.4%
FP Venture 2012	Venture Capital	25,000,000	22,593,750	2,685,469	46,306,836	28,012,258	3.3 x	19.3%
NGP X	Hard Assets	35,000,000	36,636,272	57,458	33,464,973	2,830,692	1.0 x	-0.3%
<b>Total 2012</b>		<b>458,823,718</b>	<b>614,495,210</b>	<b>166,039,317</b>	<b>782,353,410</b>	<b>418,904,587</b>	<b>2.0 x</b>	<b>17.5%</b>
<b>2013</b>								
EnCap IX	Hard Assets	25,000,000	28,785,857	0	38,077,766	5,910,476	1.5 x	10.9%
FP Intl 2013	Buyout	20,000,000	14,515,464	5,702,960	9,498,340	12,481,343	1.5 x	6.4%
FP Venture 2013	Venture Capital	20,000,000	18,632,184	1,556,795	34,920,572	28,916,415	3.4 x	21.9%
Levine Leichtman V	Structured Capital	20,000,000	28,041,672	2,968,199	53,758,393	805,265	1.9 x	17.2%
Riverside V	Buyout	35,000,000	37,683,353	1,294,033	46,385,036	24,978,917	1.9 x	12.2%
Vista Foundation II	Buyout	15,000,000	17,140,578	5,994,058	25,854,133	6,051,148	1.9 x	13.6%
<b>Total 2013</b>		<b>135,000,000</b>	<b>144,799,108</b>	<b>17,516,045</b>	<b>208,494,239</b>	<b>79,143,564</b>	<b>2.0 x</b>	<b>14.1%</b>

## Investment Performance by Vintage Year

Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2014</b>								
Atlas Capital II	Turnaround	15,000,000	22,313,168	4,282,425	35,760,938	7,620,614	1.9 x	20.1%
Big River - Equity	Infrastructure	151,090,000	151,090,000	0	296,427,836	1,863,004	2.0 x	15.0%
Big River - Mezzanine *	Mezzanine	5,000,000	5,003,686	0	8,225,290	0	1.6 x	17.3%
Blue Oak Arkansas *	Infrastructure	18,000,000	19,740,000	0	5,385,136	0	0.3 x	-34.8%
Castlelake III	Distressed Debt	25,000,000	23,149,741	1,864,884	25,781,636	7,937,527	1.5 x	6.1%
FP Intl 2014	Buyout	25,000,000	18,543,814	6,688,085	17,622,474	11,229,859	1.6 x	10.4%
FP Venture 2014	Venture Capital	25,000,000	24,059,140	1,158,279	29,385,717	43,998,033	3.1 x	17.8%
KPS IV	Turnaround	25,000,000	22,169,590	4,170,800	35,525,659	9,789,896	2.0 x	22.2%
Lime Rock Resources III	Hard Assets	25,000,000	25,886,917	9,703	18,322,261	16,774,359	1.4 x	3.8%
NGP XI	Hard Assets	30,000,000	30,908,097	947,387	37,986,038	11,180,117	1.6 x	9.8%
Sycamore Partners II	Turnaround	25,000,000	23,853,852	2,272,890	13,705,544	14,831,096	1.2 x	4.1%
Thoma Bravo XI	Buyout	20,000,000	20,785,558	2,135,646	58,204,339	16,277,083	3.6 x	26.2%
<b>Total 2014</b>		<b>389,090,000</b>	<b>387,503,563</b>	<b>23,530,099</b>	<b>582,332,867</b>	<b>141,501,588</b>	<b>1.9 x</b>	<b>12.8%</b>
<b>2015</b>								
Big River - Sr Secured Debt *	Infrastructure	26,910,000	26,966,221	0	35,699,565	0	1.3 x	14.7%
EnCap X	Hard Assets	30,000,000	31,421,401	1,160,892	49,810,793	15,526,336	2.1 x	16.3%
FP Intl 2015	Buyout	25,000,000	21,703,540	3,478,560	13,303,611	16,031,256	1.4 x	6.8%
FP Venture 2015	Venture Capital	25,000,000	24,015,487	1,180,328	13,253,703	27,551,610	1.7 x	9.1%
Siris III	Buyout	25,000,000	33,858,982	1,313,743	25,586,430	9,344,480	1.0 x	1.1%
<b>Total 2015</b>		<b>131,910,000</b>	<b>137,965,632</b>	<b>7,133,523</b>	<b>137,654,102</b>	<b>68,453,682</b>	<b>1.5 x</b>	<b>10.5%</b>
<b>2016</b>								
American Industrial VI	Buyout	20,000,000	25,589,544	3,099,340	38,632,585	26,494,477	2.5 x	22.1%
Arlington IV	Buyout	23,000,000	25,449,465	766,655	25,617,601	38,042,036	2.5 x	22.1%
DW Healthcare IV	Buyout	30,000,000	30,628,235	900,731	28,157,299	19,674,268	1.6 x	14.2%
FP Intl 2016	Buyout	25,000,000	20,850,515	4,366,435	10,457,868	13,843,727	1.2 x	3.3%
FP Venture 2016	Venture Capital	25,000,000	22,911,585	2,327,025	12,523,429	33,810,042	2.0 x	15.0%
Highland Equity	Hard Assets	66,000,000	81,870,000	0	16,674,525	-205,376,833	-2.3 x	N/A
JF Lehman IV	Buyout	30,000,000	30,125,891	2,400,593	76,720,645	4,272,462	2.7 x	34.8%
PineBridge Structured III	Structured Capital	30,000,000	28,724,946	9,545,478	16,912,151	10,209,425	0.9 x	-1.7%
Thoma Bravo Discover	Buyout	10,000,000	11,411,862	1,705,917	30,125,181	5,398,686	3.1 x	34.8%
Thoma Bravo XII	Buyout	30,000,000	32,733,395	7,380,854	37,556,556	34,733,940	2.2 x	15.8%
Vista Foundation III	Buyout	30,000,000	35,831,228	5,612,970	40,034,009	25,896,252	1.8 x	19.0%
<b>Total 2016</b>		<b>319,000,000</b>	<b>346,126,666</b>	<b>38,105,998</b>	<b>333,411,849</b>	<b>6,998,482</b>	<b>1.0 x</b>	<b>-0.6%</b>

## Investment Performance by Vintage Year

Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2017</b>								
Altaris Constellation	Buyout	20,000,000	16,329,789	5,543,214	25,996,773	22,612,460	3.0 x	23.4%
Big River - Funding *	Infrastructure	3,750,000	3,750,000	0	3,812,795	0	1.0 x	4.3%
Big River - Holdings Note *	Infrastructure	12,000,000	12,000,000	0	13,343,726	0	1.1 x	11.0%
Big River - Preferred Equity *	Infrastructure	41,980,449	41,980,449	0	51,702,368	0	1.2 x	12.5%
Bison V	Structured Capital	35,000,000	41,115,911	1,736,522	31,989,767	28,236,343	1.5 x	13.2%
BV IX	Buyout	30,000,000	30,651,433	5,348,568	43,245,429	29,130,180	2.4 x	28.1%
EnCap XI	Hard Assets	35,000,000	34,304,859	4,080,776	36,268,716	31,553,404	2.0 x	22.7%
FP Intl 2017	Buyout	25,000,000	24,043,368	1,188,702	15,196,481	22,748,273	1.6 x	12.8%
FP Venture 2017	Venture Capital	25,000,000	17,621,681	7,531,956	5,475,476	25,103,157	1.7 x	13.6%
Greyrock IV	Mezzanine	30,000,000	28,928,951	2,207,035	29,898,514	16,883,687	1.6 x	13.6%
NGP XII	Hard Assets	30,000,000	25,130,704	4,869,296	24,893,358	17,759,437	1.7 x	15.0%
One Rock II	Buyout	30,000,000	27,472,878	7,268,879	12,281,791	28,302,792	1.5 x	8.0%
<b>Total 2017</b>		<b>317,730,449</b>	<b>303,330,023</b>	<b>39,774,948</b>	<b>294,105,194</b>	<b>222,329,733</b>	<b>1.7 x</b>	<b>16.3%</b>
<b>2018</b>								
Altaris IV	Buyout	24,000,000	23,814,600	1,907,548	24,433,179	23,823,007	2.0 x	24.8%
Big River - Holdings Note 2023 *	Infrastructure	12,000,000	12,000,000	0	14,582,469	0	1.2 x	5.6%
Big River - Holdings Note 2023-2 *	Infrastructure	5,150,000	5,150,000	0	6,245,733	0	1.2 x	6.5%
Clearlake V	Buyout	30,000,000	45,018,248	4,761,369	62,157,269	32,042,696	2.1 x	35.5%
FP Intl 2018	Buyout	25,000,000	23,549,618	1,761,903	4,197,581	28,106,682	1.4 x	8.3%
FP Venture 2018	Venture Capital	25,000,000	24,021,739	1,212,094	4,343,491	33,835,000	1.6 x	12.4%
GTLA Holdings	Hard Assets	20,700,000	20,700,000	0	0	70,000,000	3.4 x	21.6%
Highland Contingent Note	Hard Assets	152,244,727	152,244,727	0	15,000,000	171,488,825	1.2 x	4.8%
SK Capital V	Buyout	30,000,000	33,609,488	5,267,796	9,145,758	28,625,834	1.1 x	3.6%
Sycamore Partners III	Turnaround	25,000,000	25,317,037	11,386,041	11,703,078	28,931,152	1.6 x	18.6%
Thoma Bravo Discover II	Buyout	17,000,000	18,204,665	4,866,268	20,263,094	19,498,321	2.2 x	23.2%
<b>Total 2018</b>		<b>366,094,727</b>	<b>383,630,122</b>	<b>31,163,019</b>	<b>172,071,651</b>	<b>436,351,517</b>	<b>1.6 x</b>	<b>13.0%</b>

## Investment Performance by Vintage Year

Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2019</b>								
American Industrial VII	Buyout	30,000,000	37,861,125	4,323,498	13,532,319	49,757,146	1.7 x	23.5%
Arlington V	Buyout	25,000,000	24,873,755	2,995,291	7,858,995	44,349,519	2.1 x	28.3%
DW Healthcare V	Buyout	30,000,000	27,496,663	3,779,934	6,163,352	38,759,833	1.6 x	16.3%
FP Intl 2019	Buyout	30,000,000	25,914,894	4,457,699	24,346,776	33,017,916	2.2 x	34.4%
FP Venture 2019	Venture Capital	30,000,000	19,788,820	10,440,981	2,425,138	27,291,676	1.5 x	11.4%
KPS Mid-Market I	Turnaround	20,000,000	16,605,926	1,429,934	4,630,655	19,862,533	1.5 x	16.8%
Riverside VI	Buyout	30,000,000	28,106,055	1,893,945	472,055	34,510,122	1.2 x	6.9%
Siris IV	Buyout	30,000,000	34,032,724	3,495,268	11,855,962	33,141,644	1.3 x	9.0%
Thoma Bravo XIII	Buyout	30,000,000	36,897,098	2,197,334	34,012,692	37,921,439	1.9 x	23.8%
WNG II	Special Assets	30,000,000	31,905,954	2,090,420	12,539,410	30,123,219	1.3 x	11.5%
<b>Total 2019</b>		<b>285,000,000</b>	<b>283,483,013</b>	<b>37,104,304</b>	<b>117,837,354</b>	<b>348,735,047</b>	<b>1.6 x</b>	<b>18.1%</b>
<b>2020</b>								
BV X	Buyout	30,000,000	29,252,962	6,747,037	15,882,238	35,971,440	1.8 x	32.7%
Clearlake VI	Buyout	30,000,000	31,327,201	1,487,323	4,787,600	43,947,959	1.6 x	14.5%
FP CF Access	Buyout	90,000,000	83,586,356	29,263,036	28,314,103	97,703,300	1.5 x	20.7%
FP Venture XIII	Venture Capital	60,000,000	45,457,314	14,951,167	1,983,806	53,128,304	1.2 x	7.7%
Greyrock V	Mezzanine	35,000,000	33,069,133	3,121,429	8,913,751	31,004,683	1.2 x	8.2%
JF Lehman V	Buyout	30,000,000	28,167,965	1,832,035	697,813	44,251,402	1.6 x	15.6%
KPS V	Turnaround	30,000,000	24,615,972	6,905,768	12,026,658	23,135,126	1.4 x	16.6%
Thoma Bravo Explore I	Buyout	20,000,000	22,023,006	2,861,258	4,884,264	31,744,689	1.7 x	23.9%
<b>Total 2020</b>		<b>325,000,000</b>	<b>297,499,909</b>	<b>67,169,053</b>	<b>77,490,233</b>	<b>360,886,903</b>	<b>1.5 x</b>	<b>16.8%</b>
<b>2021</b>								
Alpine Investors VIII	Buyout	30,000,000	19,827,983	10,172,017	0	29,808,351	1.5 x	22.4%
FP Intl X	Buyout	60,000,000	38,158,273	22,123,383	3,058,554	43,406,195	1.2 x	11.4%
Greenbriar V	Buyout	30,000,000	30,685,778	1,959,101	2,648,719	34,116,789	1.2 x	8.0%
LLR VI	Growth Equity	30,000,000	27,000,000	4,129,811	6,000,124	26,542,238	1.2 x	8.0%
Revelstoke III	Buyout	30,000,000	21,601,456	11,028,118	2,782,796	20,136,940	1.1 x	3.4%
Riverside Value Fund I	Buyout	30,000,000	25,000,451	10,188,140	11,587,047	28,412,120	1.6 x	59.8%
Thoma Bravo Discover III	Buyout	20,000,000	20,136,476	779,357	915,833	27,014,979	1.4 x	11.2%
Thoma Bravo XIV	Buyout	20,000,000	21,447,212	3,116,909	4,564,126	22,126,693	1.2 x	7.7%
<b>Total 2021</b>		<b>250,000,000</b>	<b>203,857,629</b>	<b>63,496,836</b>	<b>31,557,199</b>	<b>231,564,305</b>	<b>1.3 x</b>	<b>12.5%</b>



## Investment Performance by Vintage Year

Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2022</b>								
Bison VI	Structured Capital	30,000,000	16,221,063	13,910,226	150,937	20,323,577	1.3 x	23.7%
Clearlake VII	Buyout	30,000,000	19,986,078	10,061,416	80,684	22,259,603	1.1 x	5.7%
FP CF Access II	Buyout	90,000,000	27,230,588	63,484,352	941,758	28,200,102	1.1 x	5.5%
FP Intl XI	Buyout	60,000,000	11,162,997	49,081,073	259,408	10,254,210	0.9 x	-6.4%
FP Venture Opp	Venture Capital	60,000,000	27,825,000	32,335,849	0	27,979,917	1.0 x	0.3%
FP Venture XIV	Venture Capital	60,000,000	17,268,224	42,935,262	121,725	16,477,544	1.0 x	-3.5%
Thoma Bravo Discover IV	Buyout	15,000,000	10,839,785	4,160,215	0	13,716,981	1.3 x	19.1%
Thoma Bravo XV	Buyout	15,000,000	11,994,790	3,005,210	3,250	16,194,899	1.4 x	16.8%
<b>Total 2022</b>		<b>360,000,000</b>	<b>142,528,525</b>	<b>218,973,603</b>	<b>1,557,763</b>	<b>155,406,833</b>	<b>1.1 x</b>	<b>6.9%</b>
<b>2023</b>								
Alpine Investors IX	Buyout	30,000,000	7,015,764	22,984,236	0	7,740,686	1.1 x	NMF
Arlington VI	Buyout	30,000,000	18,614,832	11,385,168	51,222	22,467,093	1.2 x	NMF
BV XI	Buyout	30,000,000	14,912,504	15,087,496	0	18,228,972	1.2 x	NMF
FP Co-Invest VI	Buyout	125,000,000	57,300,513	67,796,181	1,758,100	63,623,389	1.1 x	NMF
Greenbriar VI	Buyout	30,000,000	10,648,115	19,351,885	2,059	11,612,526	1.1 x	NMF
Greyrock VI	Mezzanine	30,000,000	15,316,843	14,683,157	24,468	14,195,666	0.9 x	NMF
Highland Note 2025	Hard Assets	40,000,000	40,000,000	0	0	45,976,617	1.1 x	NMF
Hybar LLC	Infrastructure	206,200	206,200	0	129,200	200,500	1.6 x	NMF
JF Lehman VI	Buyout	30,000,000	10,623,168	19,382,467	607,925	12,399,146	1.2 x	NMF
Post Road III	Structured Capital	30,000,000	21,055,310	8,944,691	779,153	24,126,392	1.2 x	NMF
SK Capital VI	Buyout	30,000,000	12,838,305	21,170,073	4,726,324	18,372,512	1.8 x	NMF
<b>Total 2023</b>		<b>405,206,200</b>	<b>208,531,555</b>	<b>200,785,354</b>	<b>8,078,452</b>	<b>238,943,499</b>	<b>1.2 x</b>	<b>NMF</b>
<b>2024</b>								
Clearlake VIII	Buyout	35,000,000	1,735,910	33,264,090	0	1,480,732	0.9 x	NMF
Enlightenment Capital Solutions V	Structured Capital	35,000,000	5,551,275	29,513,120	71,696	5,479,434	1.0 x	NMF
FP Venture XV	Venture Capital	40,000,000	2,008,645	38,043,944	12,426	1,936,670	1.0 x	NMF
Green and Clean Power Note	Hard Assets	0	0	0	1,000,000	0	N/A	NMF
South Harbor Note	Hard Assets	16,491,262	16,491,262	0	0	16,491,262	1.0 x	NMF
<b>Total 2024</b>		<b>126,491,262</b>	<b>25,787,092</b>	<b>100,821,154</b>	<b>1,084,122</b>	<b>25,388,098</b>	<b>1.0 x</b>	<b>NMF</b>

## Investment Performance by Vintage Year

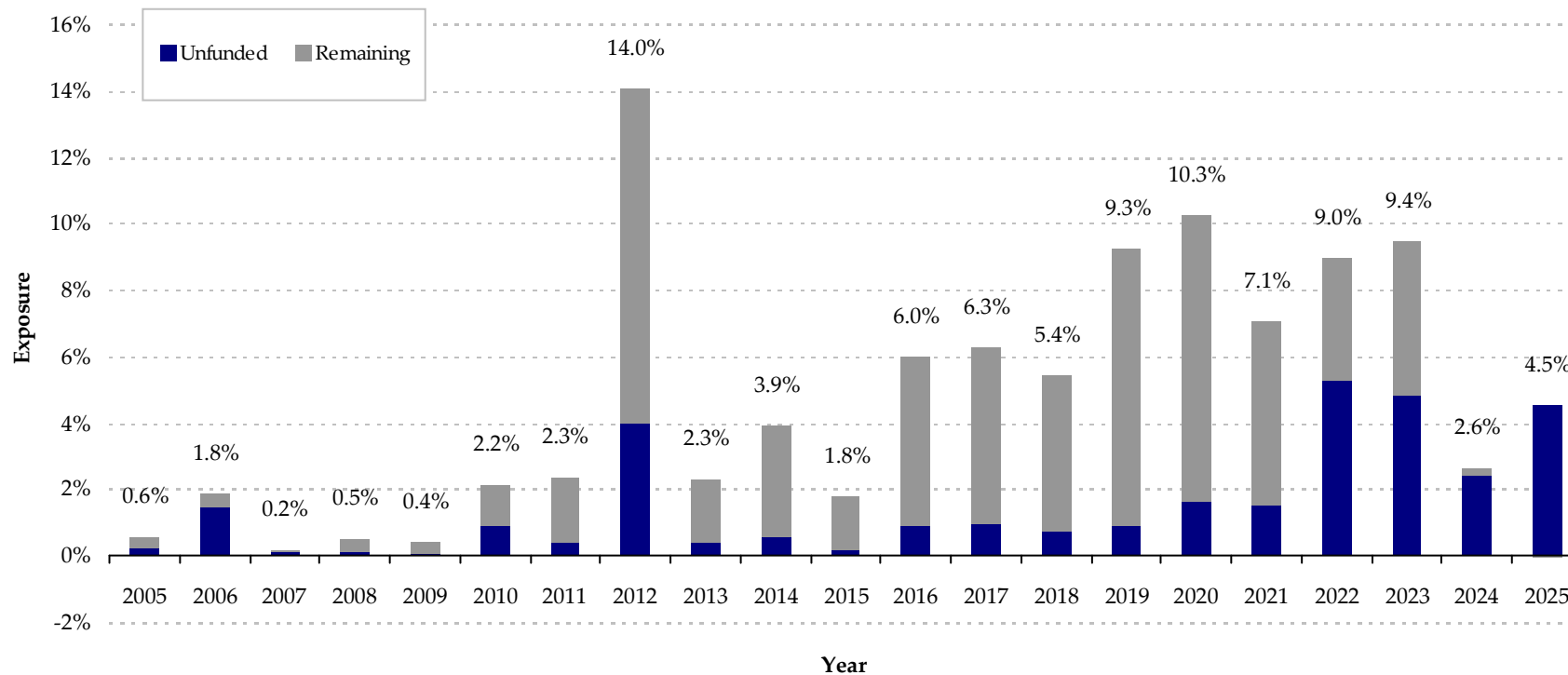


Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
<b>2025</b>								
Beekman V	Buyout	35,000,000	0	35,000,000	0	0	N/A	NMF
FP CF Access III	Buyout	40,000,000	0	40,000,000	0	0	N/A	NMF
FP Venture Opp II	Venture Capital	40,000,000	0	40,000,000	0	0	N/A	NMF
KPS Mid Cap II	Turnaround	30,000,000	0	30,000,000	0	0	N/A	NMF
LLR VII	Growth Equity	30,000,000	0	30,000,000	0	-962,944	N/A	NMF
Thoma Bravo Explore II	Buyout	15,000,000	0	15,000,000	0	0	N/A	NMF
<b>Total 2025</b>		<b>190,000,000</b>	<b>0</b>	<b>190,000,000</b>	<b>0</b>	<b>-962,944</b>	<b>N/A</b>	<b>NMF</b>
<b>Total Portfolio</b>		<b>6,670,536,817</b>	<b>6,092,503,627</b>	<b>1,339,547,177</b>	<b>7,122,913,149</b>	<b>2,929,540,499</b>	<b>1.6 x</b>	<b>11.1%</b>

- Remaining Value is defined as the investor's value as reported by the fund's manager.
- TVPI is the ratio of Distributed Capital plus Remaining Value to Contributed Capital.
- Net IRR is defined as the annualized, compound rate of return using daily draws, distributions and Remaining Value as of the Report Date, net of fees and expenses, including late closing interest.
- An asterisk indicates an investment that is fully liquidated, if applicable.
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- Returns calculated for funds in the early years of their lives are particularly not meaningful given the J-curve effect. During these early years, due to illiquidity, stagnant valuations, fees and expenses, fund performance tends to be negative (the bottom of the "J").

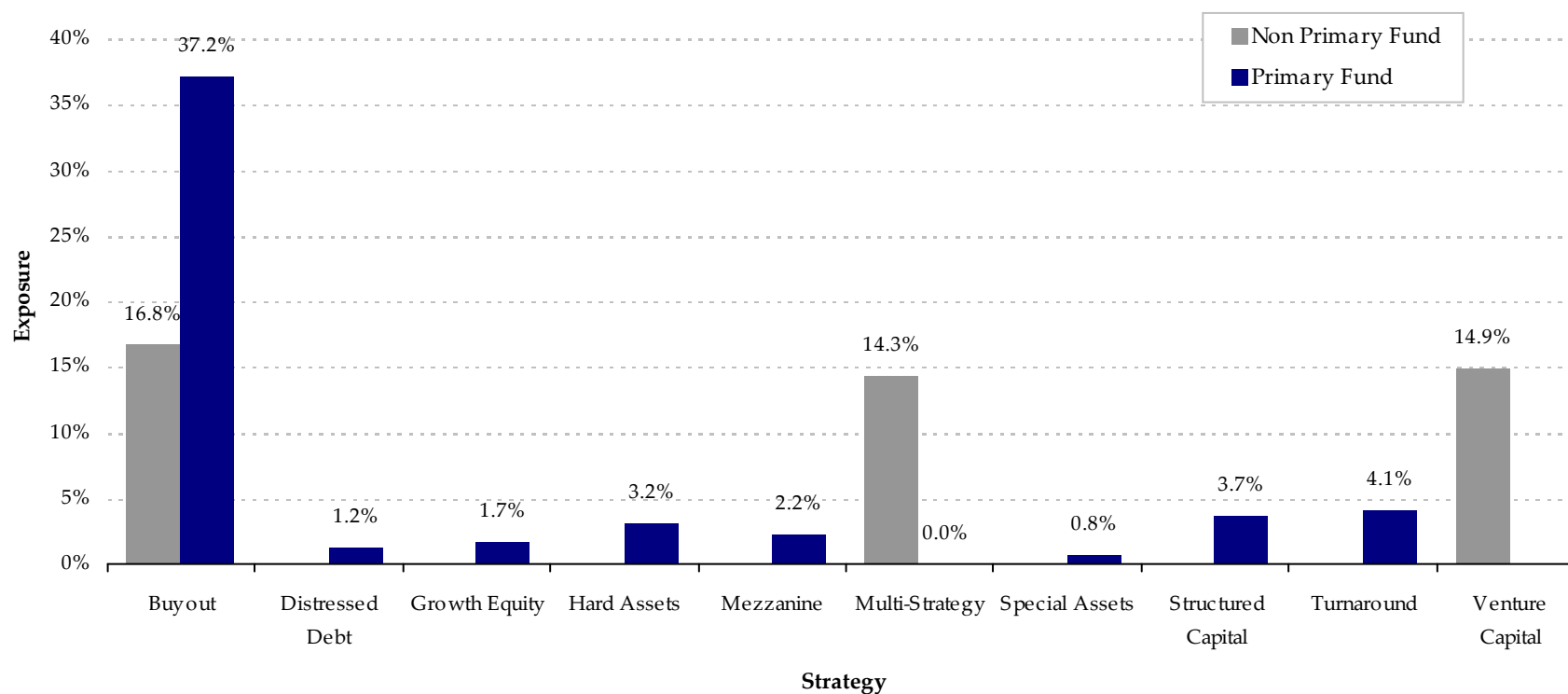
## Diversification Analysis

## Exposure By Vintage Year



- Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.
- Data includes commitments through the Report Date.

## Exposure By Strategy and Type

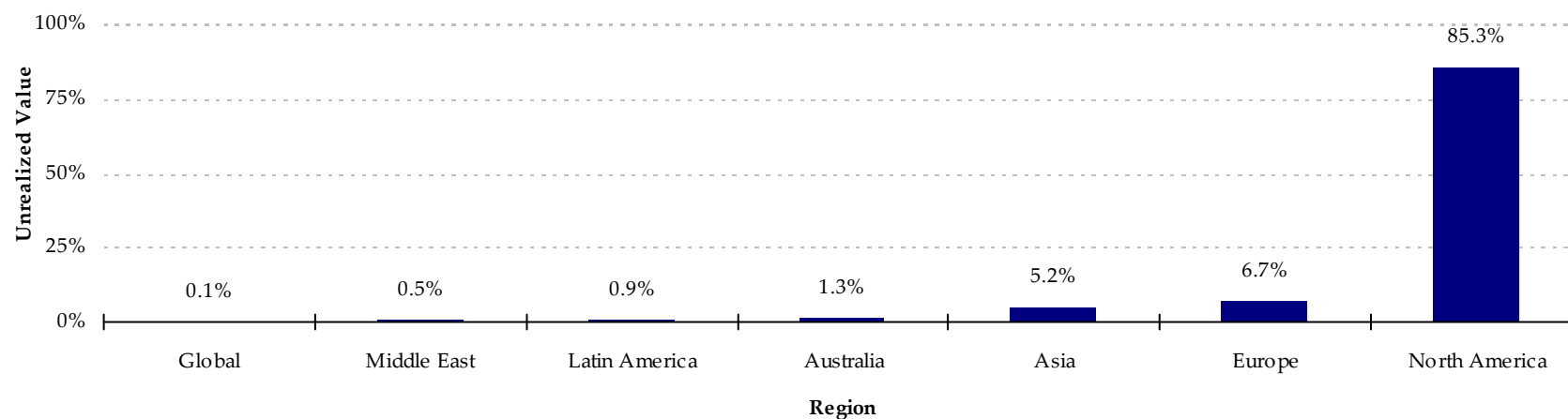


▫ Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.

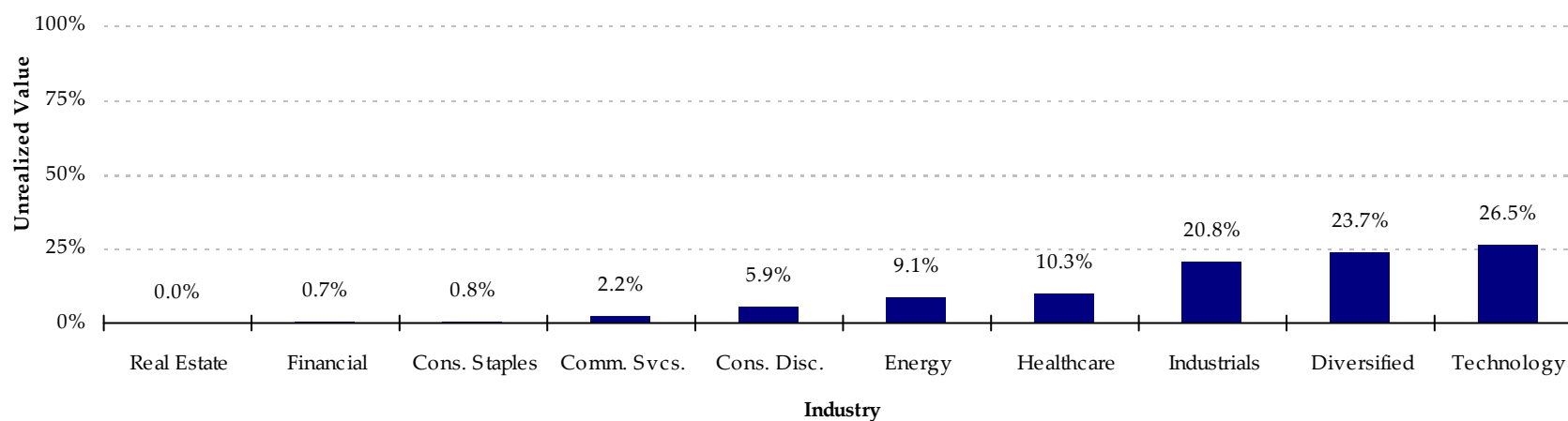
▫ Primary Fund represents interests in private equity funds acquired directly from the seller (i.e. fund manager). Non Primary Fund represents interests in private equity funds acquired through a commitment to a fund-of-funds or secondary fund-of-funds.

## Holdings by Region and Industry

### Region

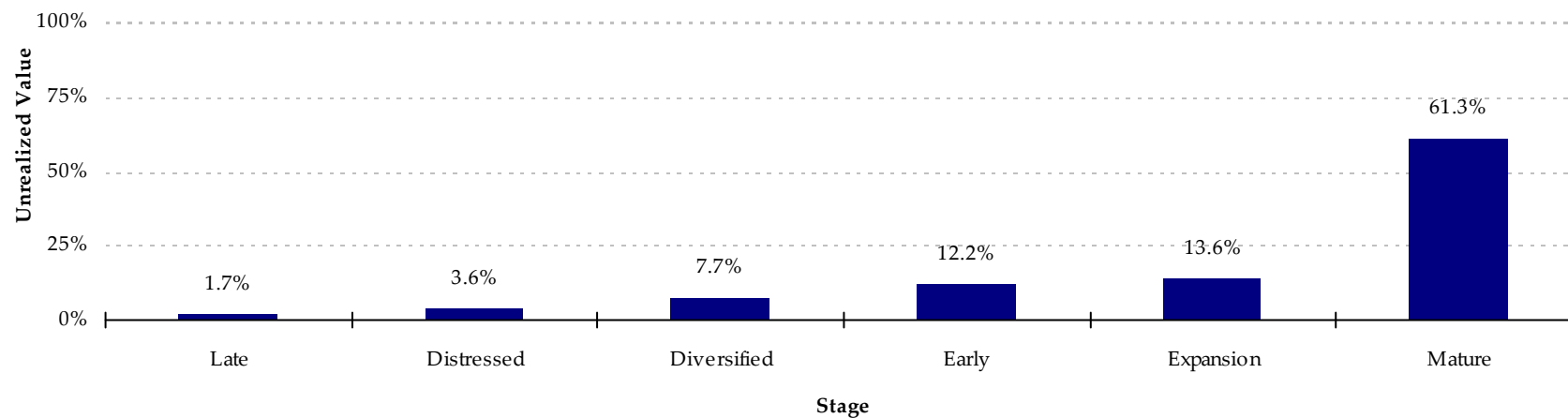


### Industry

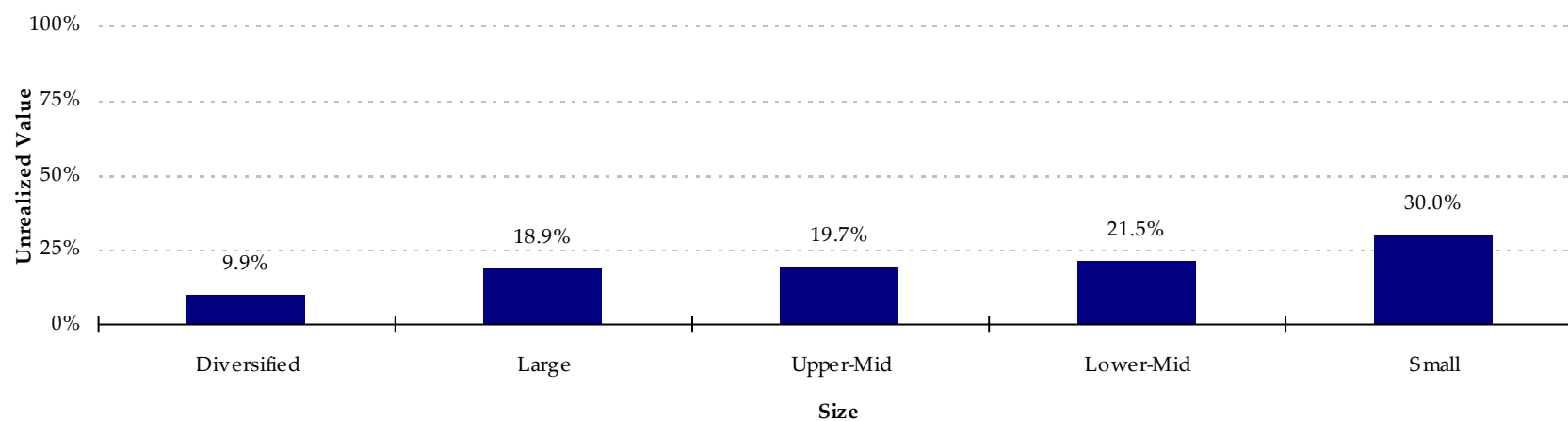


- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

## Stage



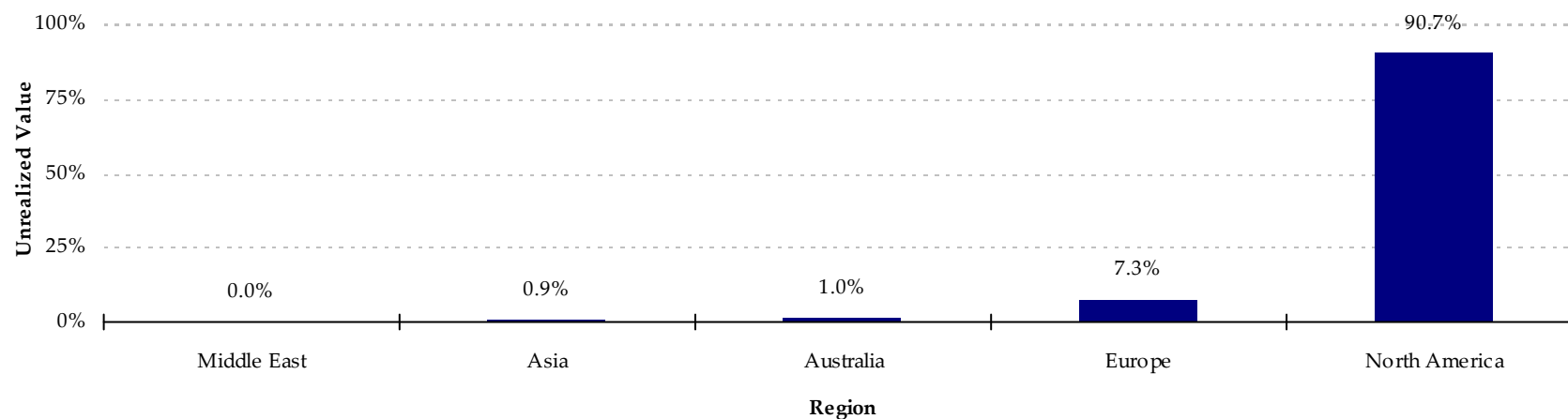
## Size



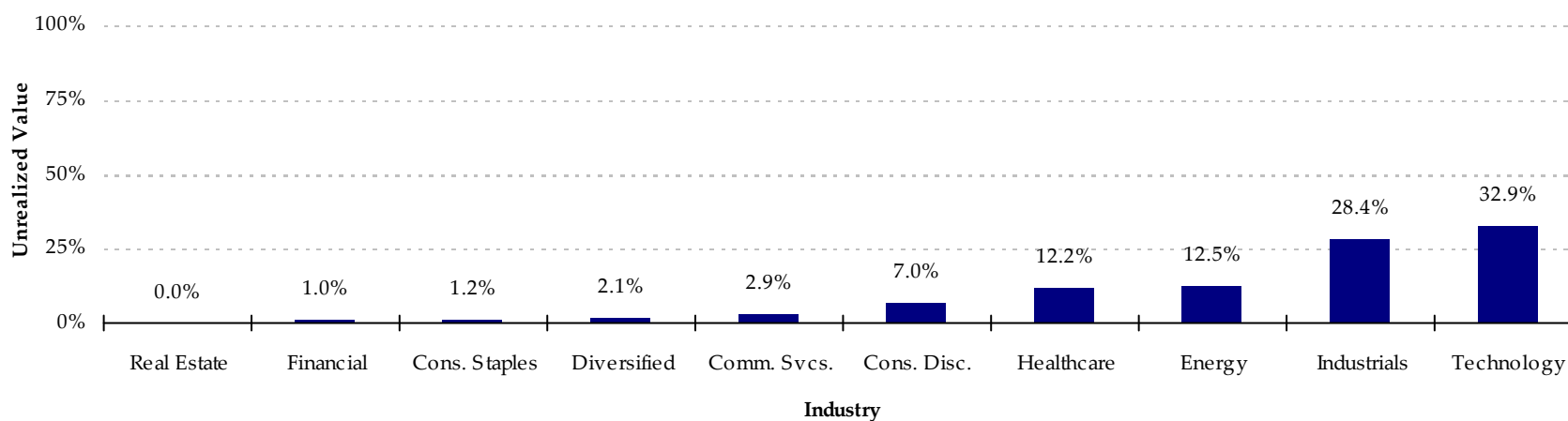
- Unrealized Value is the value of portfolio holdings as reported by the fund manager.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values converted to the investor's currency, when applicable, as of the Report Date.

## Holdings by Region and Industry (ex Fund Holdings)

### Region



### Industry

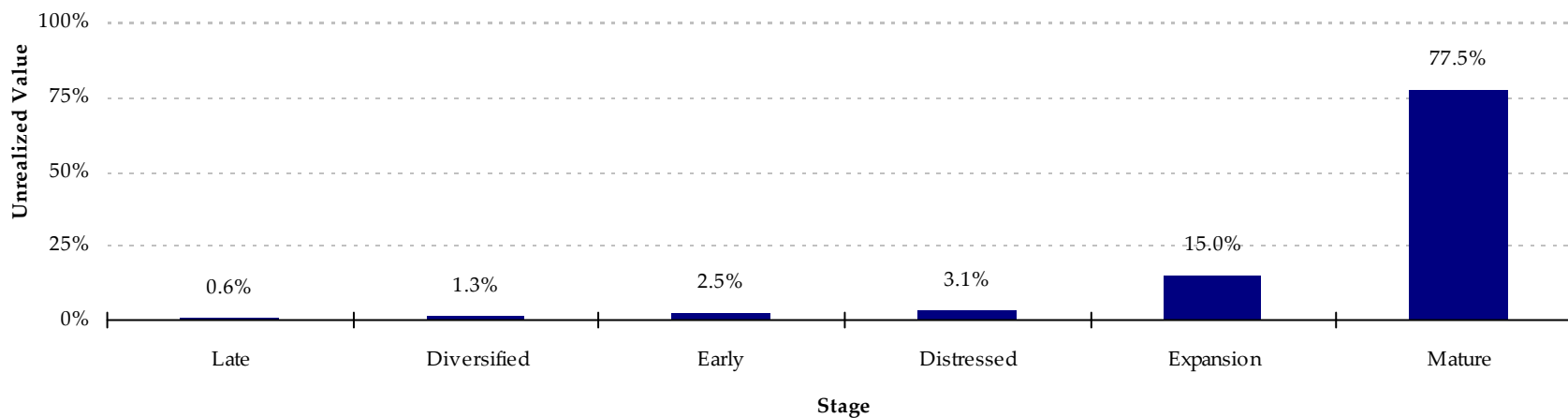


- Fund investments in other funds were excluded from this analysis.
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

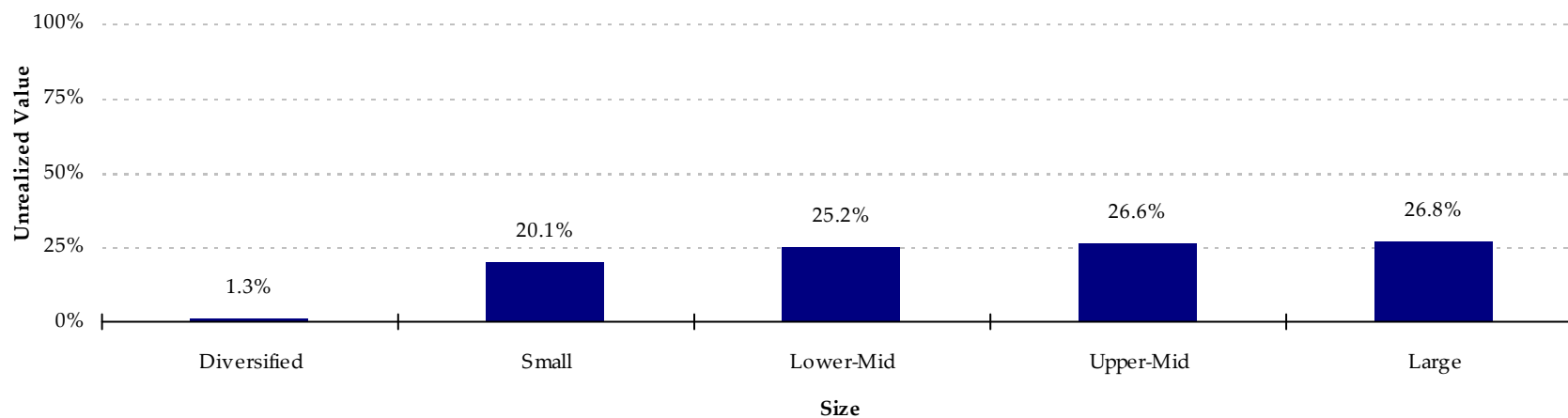


## Holdings by Stage and Size (ex Fund Holdings)

### Stage

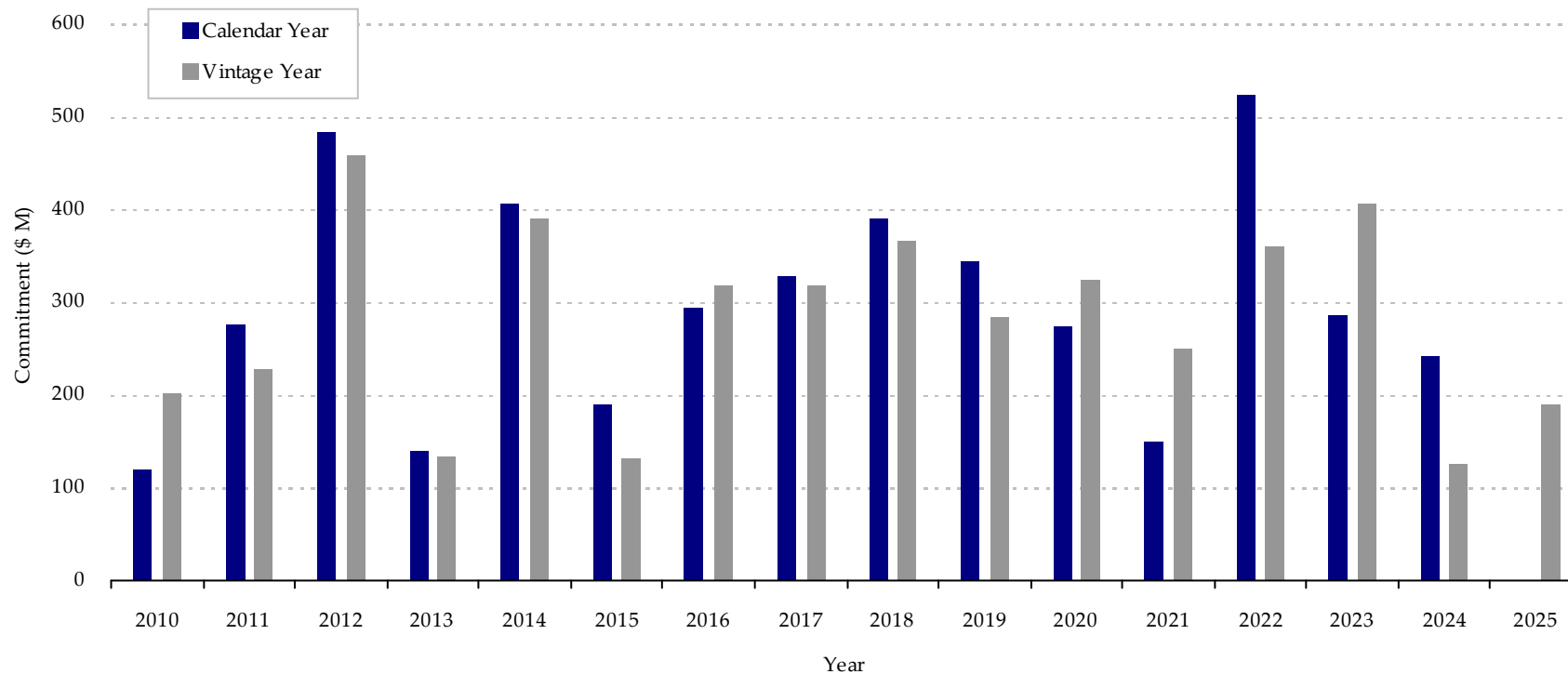


### Size



- Fund investments in other funds were excluded from this analysis.
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

## Recent Activity



- Vintage Year represents the year in which investors first contribute capital to a fund.
- Calendar Year represents the year in which a commitment to a fund formally closed.
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- Commitments were compiled through the Report Date.

## Recent Commitments



### Commitments for Year Ended December 31, 2024

Fund	Strategy	Date	Commitment (\$)
Beekman V	Buyout	Jan 2024	35,000,000
Clearlake VIII	Buyout	Jan 2024	35,000,000
FP Venture XV	Venture Capital	Feb 2024	40,000,000
Enlightenment Capital Solutions V	Structured Capital	Jul 2024	35,000,000
FP CF Access III	Buyout	Jul 2024	40,000,000
Green and Clean Power Note	Hard Assets	Sep 2024	0
South Harbor Note	Hard Assets	Nov 2024	16,491,262
FP Venture Opp II	Venture Capital	Dec 2024	40,000,000
<b>Total</b>			<b>241,491,262</b>

### Year to Date Commitments as of May 16, 2025

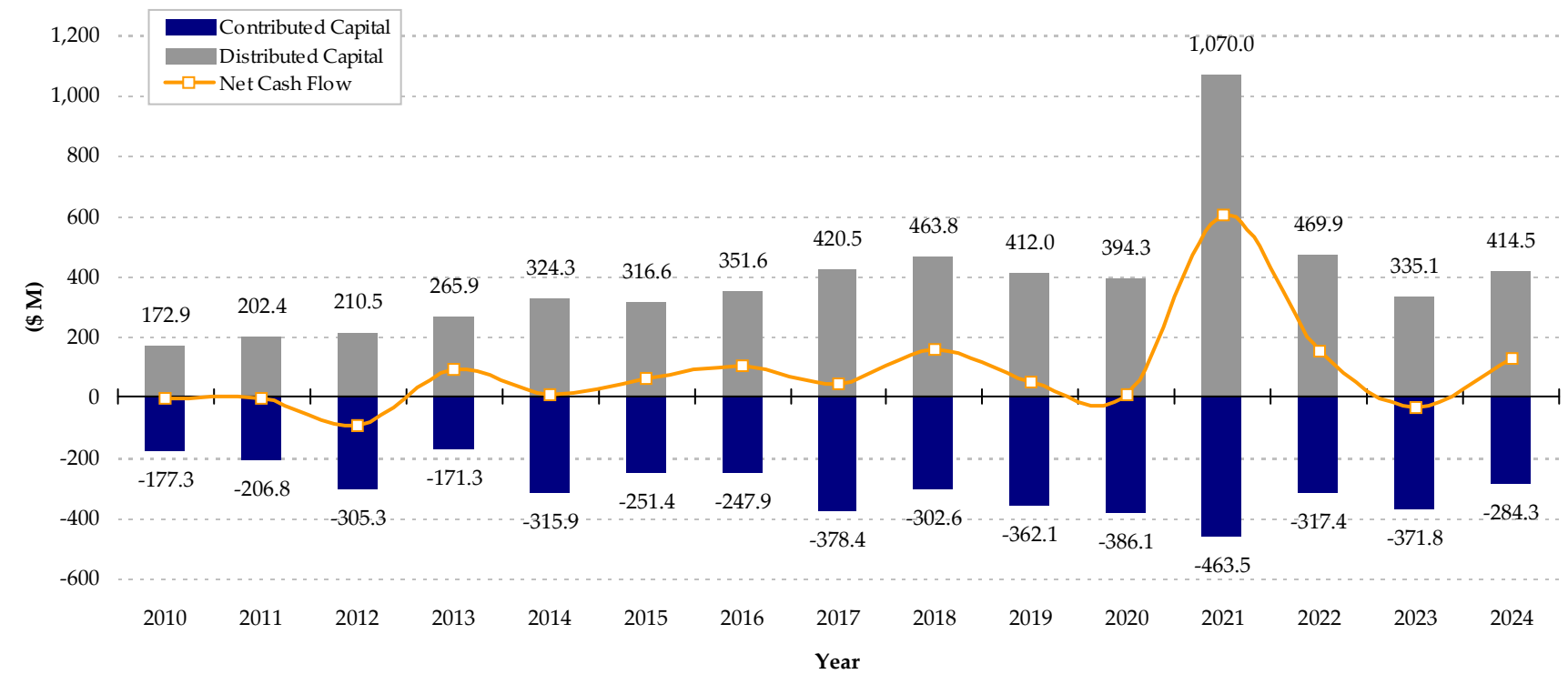
Fund	Strategy	Date	Commitment (\$)
Veritas IX	Buyout	Jan 2025	35,000,000
Peak Rock IV	Turnaround	Mar 2025	35,000,000
Riverside Value Fund II	Buyout	May 2025	35,000,000
MML Capital VIII	Structured Capital	May 2025	40,000,000
<b>Total</b>			<b>145,000,000</b>

### Approved and Pending Commitments as of May 16, 2025

Fund	Strategy	Date	Target Commitment (\$)
Revelstoke IV	Buyout	N/A	35,000,000
Novacap Technologies VII	Buyout	N/A	35,000,000

- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- In January 2024, ATRS closed on an additional \$60.0 million commitment to FP Co-Invest VI, bringing total commitments to the Fund to \$125.0 million.
- In February 2025, ATRS closed on an additional \$40.0 million commitment to FP CF Access III, bringing total commitments to the Fund to \$80.0 million.
- In April 2025, ATRS closed on an additional \$40.0 million commitment to FP Venture Opp II, bringing total commitments to the Fund to \$80.0 million.
- In April 2025, ATRS closed on an additional \$40.0 million commitment to FP Venture XV, bringing total commitments to the Fund to \$80.0 million.

Annual Cash Flow

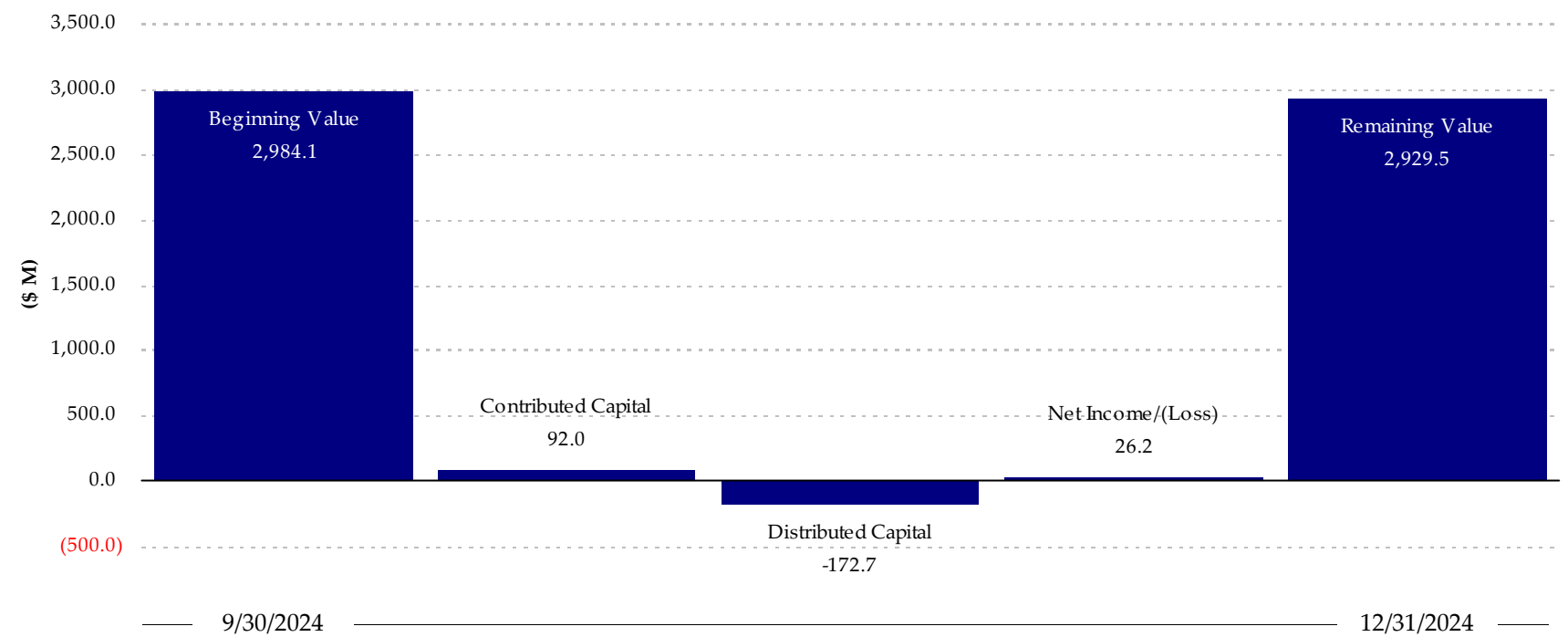


2024 (\$)		
Distributed	Contributed	Net Cash Flow
414,515,623	-284,257,590	130,258,033

▫ Cash flow data was compiled through the Report Date.

Capital Account Change Since Prior Quarter

Quarterly Portfolio Activity

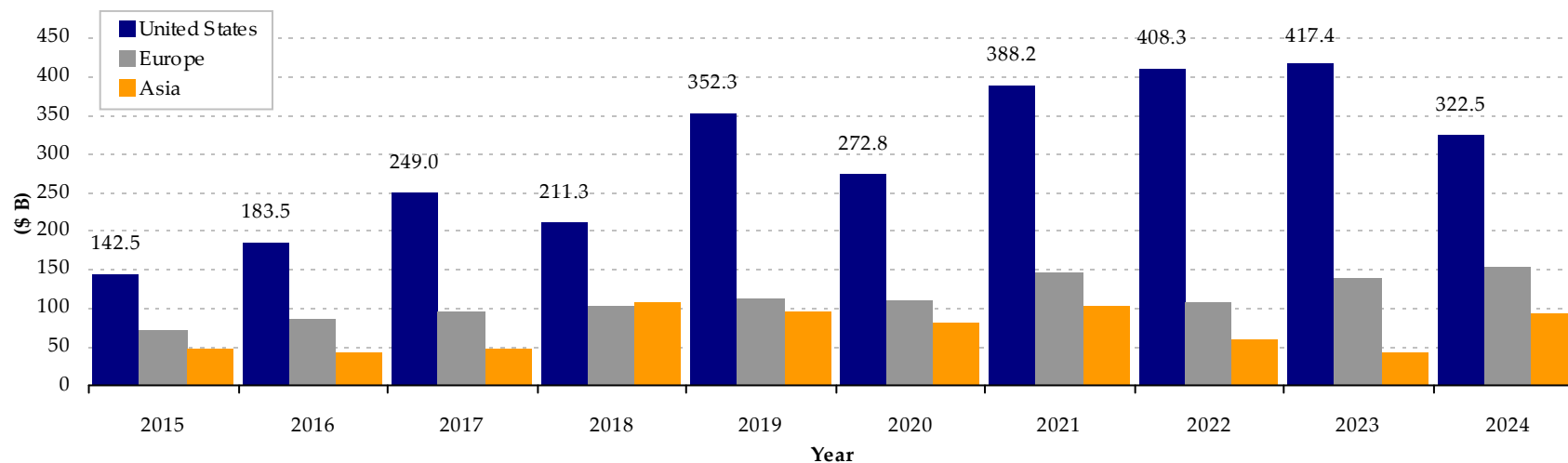


Percent Change in Value	0.9%
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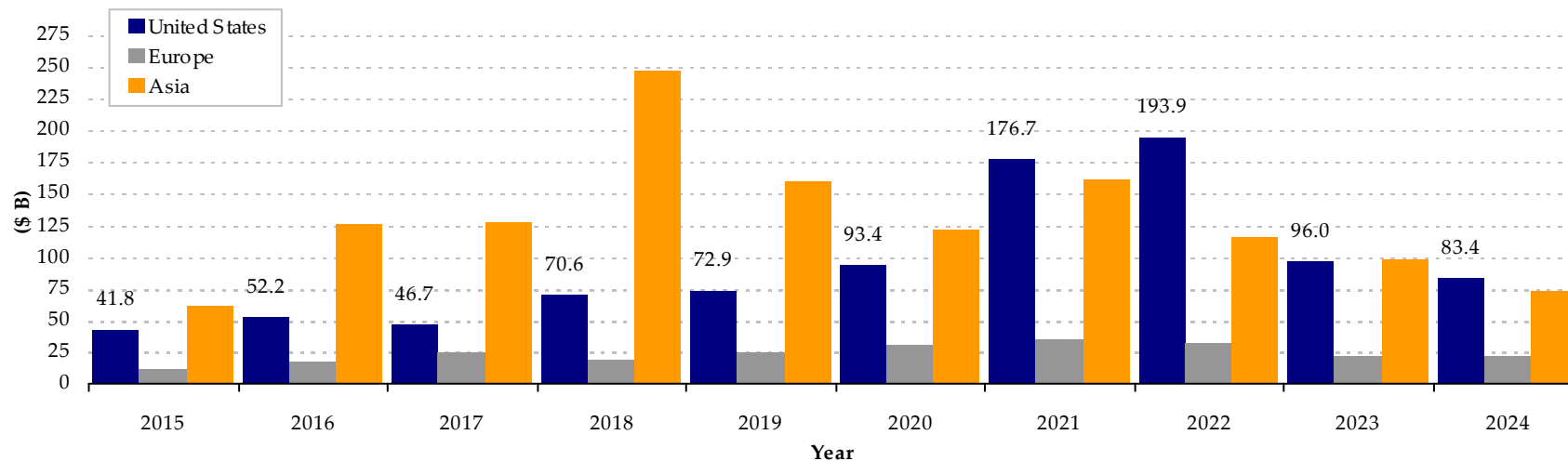
Beginning Value represents the aggregate Remaining Value of the portfolio as of the prior quarter-end.  
Percent Change in Value is calculated by dividing Net Income / (Loss) by Beginning Value.

## Market Update

## Buyout Funds



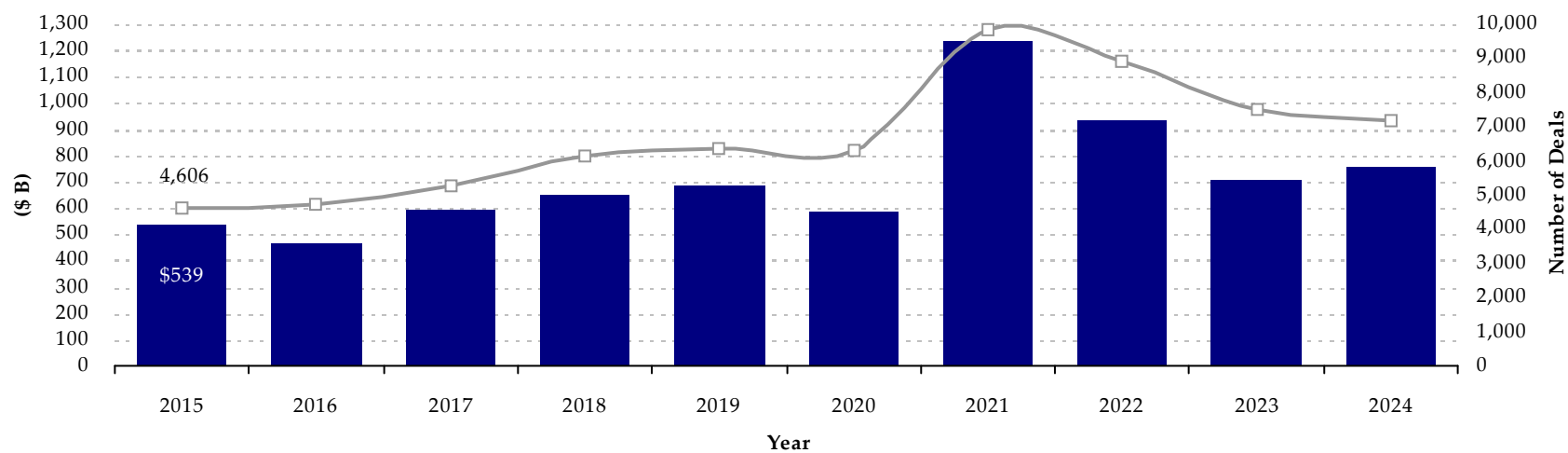
## Venture Funds



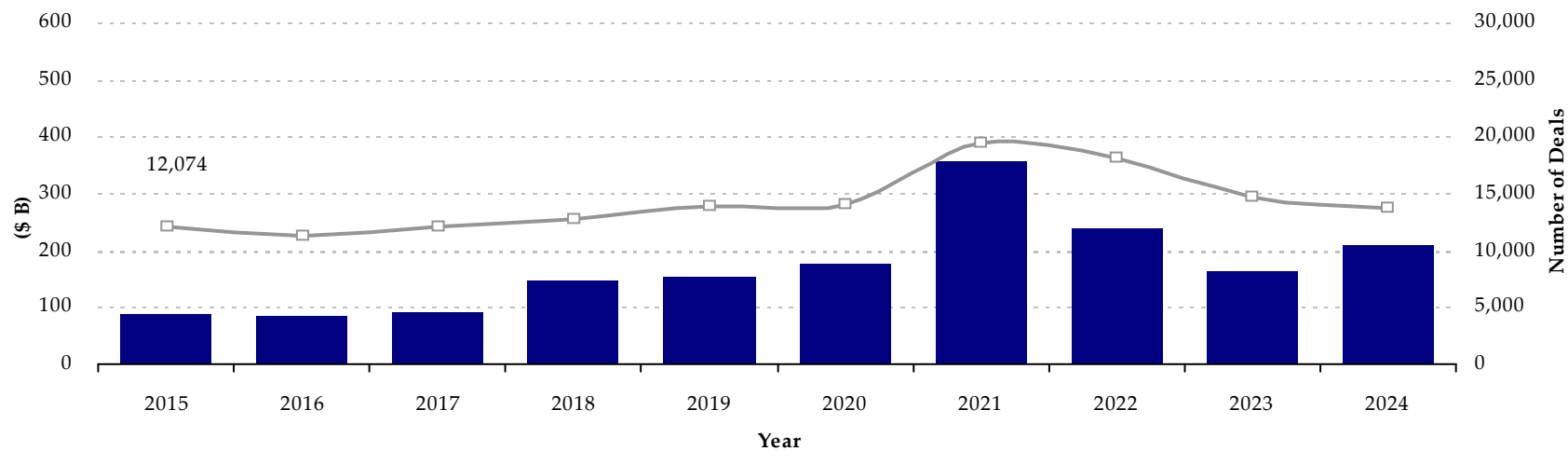
- Source: Pitchbook.
- Data compiled through Q4 2024.



## U.S. Buyout

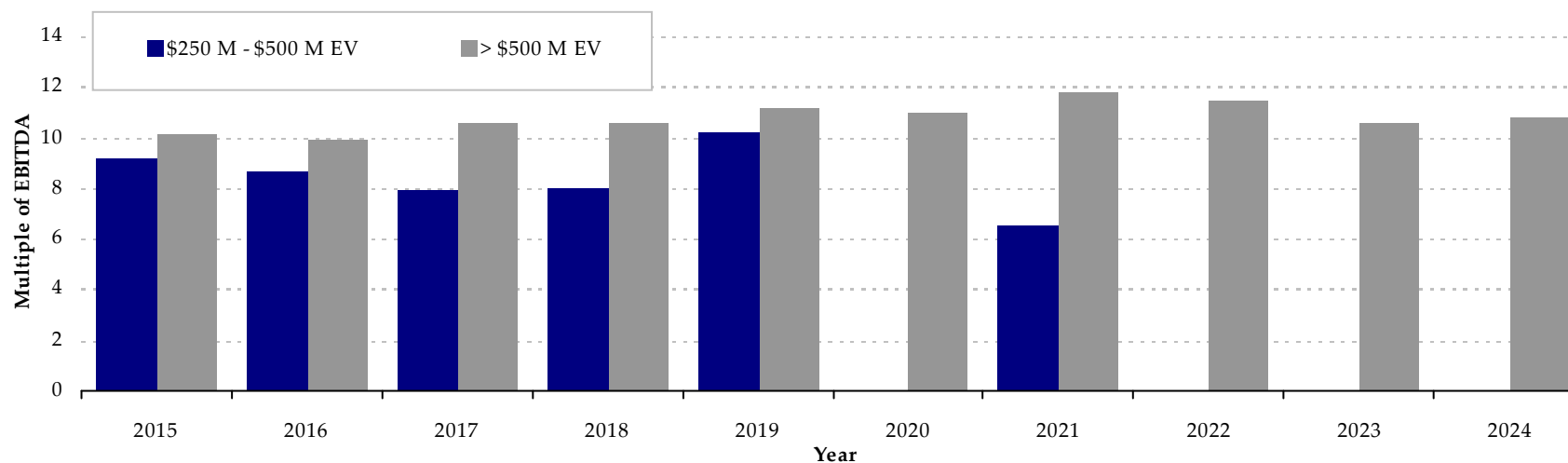


## U.S. Venture

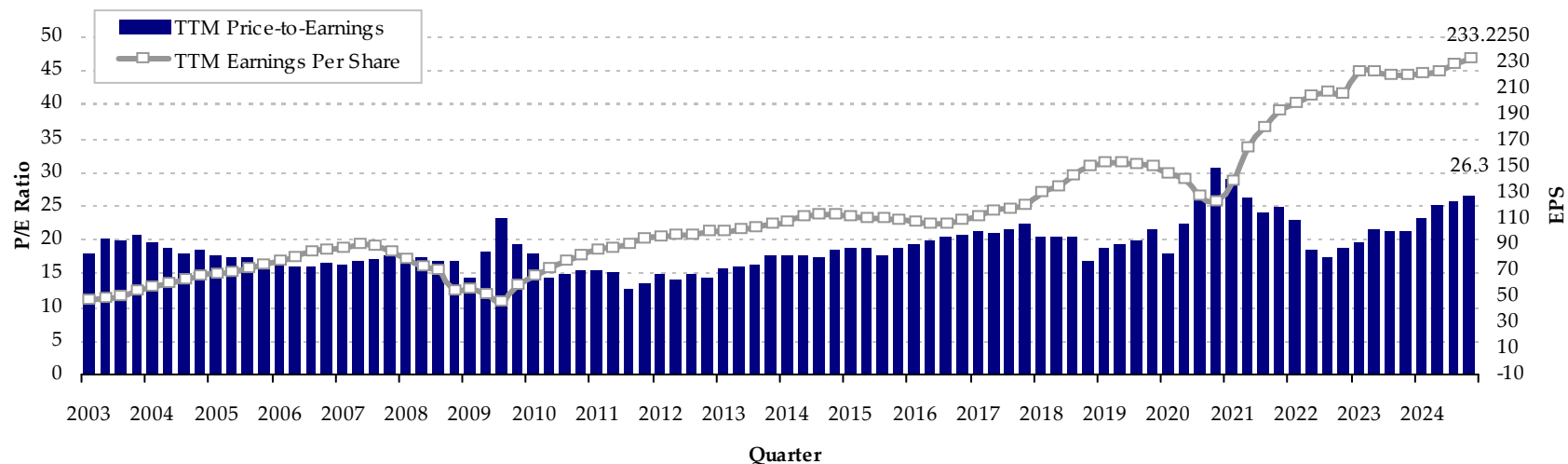


- Source: Pitchbook.
- Data compiled through Q4 2024.

## U.S. LBO Pricing Multiples

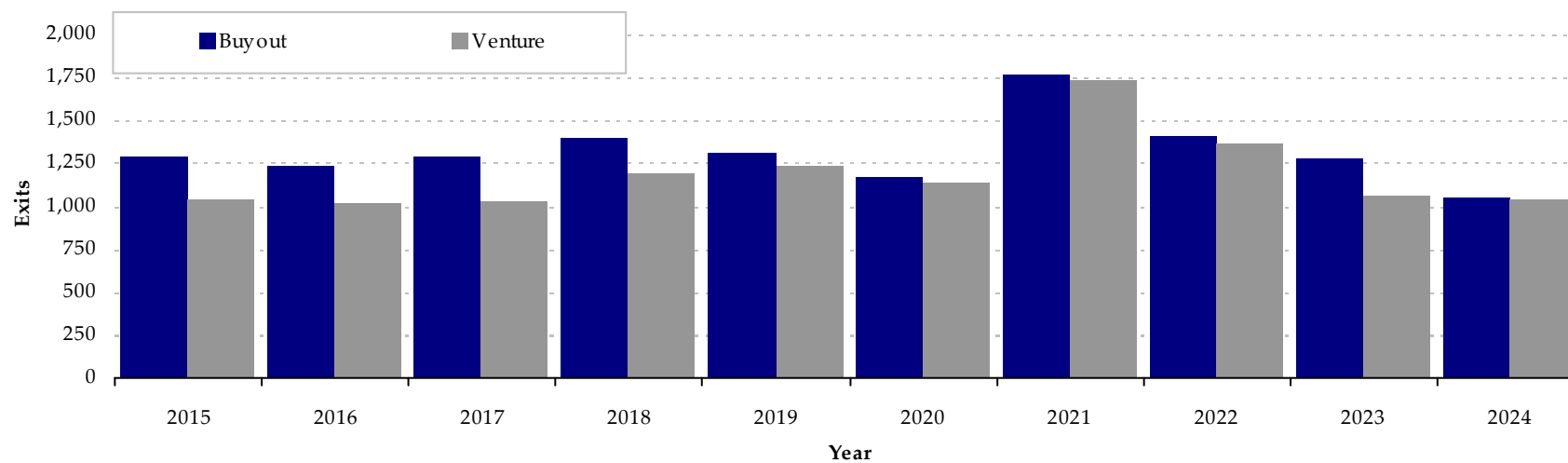


## S&amp;P 500 Valuation and Earnings

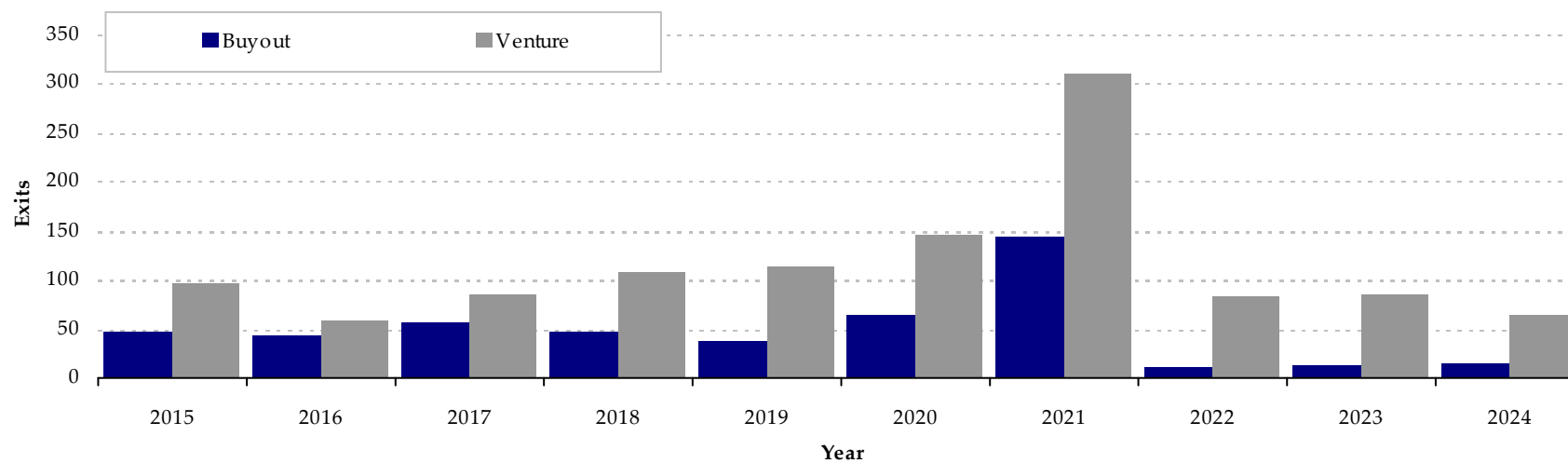


Source: Pitchbook's Leveraged Commentary; Bloomberg.

## U.S. Mergers and Acquisitions



## U.S. Initial Public Offerings



- Source: Pitchbook.
- Data compiled through Q4 2024.

## Vintage Returns

Group	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
U.S. ALL PD Median	8.5%	7.1%	9.1%	9.0%	9.7%	10.0%	11.8%	10.4%	11.3%	12.2%
U.S. ALL PD Top Quartile	10.6%	8.6%	11.7%	10.5%	13.3%	12.0%	15.1%	12.4%	14.0%	13.0%
U.S. All PE Median	12.8%	15.5%	15.4%	16.0%	16.9%	14.9%	13.3%	9.4%	4.3%	4.5%
U.S. All PE Top Quartile	18.6%	21.7%	20.7%	20.6%	23.6%	20.1%	18.7%	15.0%	11.8%	15.3%
U.S. Buyout Median	14.5%	18.4%	17.9%	18.9%	22.9%	16.9%	15.0%	13.0%	8.4%	8.3%
U.S. Buyout Top Quartile	26.0%	23.4%	24.6%	24.9%	28.7%	23.2%	22.1%	20.1%	13.9%	16.4%
U.S. Energy Median	6.7%	9.1%	8.1%	8.2%	14.6%	9.7%	16.3%	13.7%	N/A	N/A
U.S. Energy Top Quartile	14.8%	12.0%	17.6%	8.7%	20.1%	19.4%	22.3%	28.2%	N/A	N/A
U.S. Real Assets Median	9.5%	9.3%	9.5%	9.3%	10.1%	10.2%	9.5%	10.3%	3.7%	6.3%
U.S. Real Assets Top Quartile	16.5%	12.9%	14.2%	14.3%	17.7%	15.6%	15.3%	12.8%	8.4%	12.7%
U.S. Real Estate Median	10.6%	10.2%	9.9%	10.3%	8.8%	10.2%	8.1%	9.5%	3.6%	0.7%
U.S. Real Estate Top Quartile	17.4%	13.9%	13.9%	14.5%	16.1%	15.5%	11.3%	11.9%	8.0%	11.7%
U.S. Venture Median	13.4%	15.4%	13.5%	16.0%	17.5%	13.9%	11.1%	6.1%	-0.2%	-1.1%
U.S. Venture Top Quartile	22.1%	25.2%	19.1%	20.3%	23.5%	20.0%	17.3%	11.5%	5.7%	13.6%

▫ Source: Cambridge Associates.

▫ Data compiled through September 30, 2024.

▫ Benchmark data is not available for 2021 and 2022 U.S. Energy

## Glossary

Term	Definition	Term	Definition
Barclays US Corporate High Yield Index	The Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.	Dow Jones US Total Stock Market Total Return Index	The Dow Jones US Total Stock Market Total Return Index measures all U.S. equity securities with readily available prices. It is a free float-adjusted market capitalization weighted index and is calculated with dividend reinvestment.
Bridge Financing	Temporary funding that will eventually be replaced by permanent capital from equity investors or debt lenders	DPI	Ratio of Distributed Capital to Contributed Capital
Buyout	Fund whose strategy is to acquire controlling interests in companies	Early Stage	A company's first Stage of development. Company is generally generating modest or no revenues
Co/Direct Investment	Investment made directly into a company, rather than indirectly through a fund	Equity	Security type that signifies ownership of a company (e.g. common stock, preferred stock, warrants, etc.)
Committed Capital	Total dollar amount of capital pledged to a fund	Expansion Stage	A company's third Stage of development. Company is generally experiencing high growth and nearing profitability
Contributed Capital	Total capital contributed to a fund for investments, fees and expenses, including late closing interest paid, less returns of excess capital called	Exposure	Sum of Remaining Value plus Unfunded Commitment
Cost Basis	Remaining amount of invested capital	Fund-of-Funds	Fund whose strategy is to make investments in other funds
Debt	Security type that signifies a repayment obligation by a company (e.g. senior debt, subordinated debt, bridge loan etc.)	Geographic Region	Market location of a company: North America, Western Europe, Africa/Middle East, Latin America, Asia/Pacific Rim
Distressed	A company's final Stage of development. Company is generally experiencing operational or financial distress	Growth Equity	Fund whose strategy is to invest in companies to expand or restructure operations, enter new markets or finance an acquisition without a change of control of the business
Distressed Debt	<ul style="list-style-type: none"> <li>Distressed Trading – Fund whose strategy is to invest and trade debt of financially stressed companies</li> <li>Distressed Restructuring – Fund whose strategy is to acquire and restructure debt of financially stressed companies</li> <li>Opportunistic Credit – Fund whose strategy is to flexibly invest in debt securities and income-producing assets of any kind, where the issuer or holder is financially stressed</li> <li>Structured Capital – Fund whose strategy is to issue hybrid debt and equity securities to mature companies</li> </ul>	Hard Assets	Fund whose strategy is to invest in natural resources or infrastructure
Distributed Capital	Capital distributed to the limited partners, including late closing interest earned	Infrastructure	Fund whose strategy is to acquire interests in physical structures and networks that provide the essential services for society's economic and social needs (e.g. roads, tunnels, communication networks, etc.)
		Internal Rate of Return (IRR)	The discount rate that results in a net present value of zero of a series of cash flows. The IRR considers both cash flow timing and amount and is the preferred performance measure for private market funds
		Invested Capital	Capital invested by a fund in portfolio holdings
		Investment Type	Classification of an investment vehicle: Primary Fund, Secondary Fund, Fund-of-Funds

Term	Definition	Term	Definition
J-Curve	Refers to the shape of the curve illustrating a fund's performance over time. During the initial years of a fund's life, as a result of illiquidity, stagnant valuations, fees and expenses, a fund's performance tends to be negative (the bottom of the "J"). Eventually, as portfolio companies are realized or increase in value and fees become a smaller percentage of overall contributions, performance improves and investors' returns move up the "J" shaped curve	Net IRR	Annualized effective compound rate of return using daily contributions, distributions and Remaining Value as of the Report Date, net of all fees and expenses, including late closing interest
Large	Company with a Size greater than \$1 billion	Percent Interest	Represents an investor's economic interest in a fund based upon the investor's commitment divided by total fund commitments
Late Stage	A company's second Stage of development. Company is generally generating high revenue growth and high losses	Primary Investment	An interest in a private equity fund acquired directly from the fund manager during the fundraising period
Lower-Mid	Company with a Size greater than \$100 million, but less than \$250 million	Public Market Equivalent (PME)	A private equity benchmark that represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor's investment activity in private equity. The PME serves as a proxy for the return the investor could have achieved by investing in the public market. The PME benchmark return assumes cash flows are invested at the end of each day
Mature	A company's fourth Stage of development. Company is generally generating modest to no growth and operating profitably	Publication Date	Refers to the date this report was created as reflected in the Executive Summary
Mezzanine	<ul style="list-style-type: none"> <li>• Sponsored Mezzanine – Fund whose strategy is to issue subordinated loans to companies owned by private equity fund sponsors</li> <li>• Non-Sponsored Mezzanine – Fund whose strategy is to issue subordinated loans to companies not owned by private equity fund sponsors</li> </ul>	Real Assets	Fund whose strategy is to invest in assets that are tangible or physical in nature such as land, machinery, and livestock
MSCI ACWI Index - Total Return	The MSCI ACWI Total Return is a reflection of the performance of the MSCI ACWI Index, including dividend reinvestment, as calculated by Bloomberg. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.	Real Estate	Fund whose strategy is to acquire interests in real estate property
Natural Resources	Fund whose strategy is to acquire interests in naturally-occurring, economically valuable raw materials and all physical facilities and capabilities required for the extraction, refinement, and delivery to end users (e.g. oil and gas properties, timberland, etc.)	Realized Capital	Capital distributed to a fund from portfolio holdings
NCREIF Property Index	The NCREIF Property Index is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only.	Recallable / Recyclable Capital	Capital that has been previously distributed by a fund to investors but may be called again for investment purposes. It is generally associated with realizations that have occurred in the early years of a fund or refers to uninvested capital that has been temporarily returned (i.e. returns of excess capital)
		Recapitalization	The reorganization of a company's capital structure
		Remaining Value	Capital account balance as reported by the General Partner, generally on a fair value basis
		Report Date	Refers to the end date of the reporting period as reflected on the cover page
		Return on Investment (ROI)	Ratio of Realized Capital plus Unrealized Value to Invested Capital

Term	Definition	Term	Definition
Russell 1000® Total Return Index	The Russell 1000® Total Return Index measures the performance, including dividend reinvestment, of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.	Size	Capitalization size of a company: Large, Upper-Mid, Lower-Mid, Small
Russell 3000® Total Return Index	The Russell 3000® Total Return Index measures the performance, including dividend reinvestment, of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.	Small	Company with a Size of less than \$100 million
S&P 500 Price Index	The S&P 500 Price Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.	Small Business Investment Company (SBIC)	Lending and investment firms that are licensed and regulated by the Small Business Administration (SBA). The licensing enables them to borrow from the federal government to supplement the private funds of their investors
S&P 500 Total Return Index	The S&P 500 Total Return Index is a reflection of the performance of the S&P 500 Index, including dividend reinvestment. All regular cash dividends are assumed to be reinvested in the S&P 500 Index on the ex-date. Special cash dividends trigger a price adjustment in the price return index.	Small Buyout	Fund whose strategy is to acquire or recapitalize Small businesses
Secondary Investment	Investments that involve the purchase of private equity fund interests or portfolios of direct investments in privately held companies from existing institutional investors	Special Assets	<ul style="list-style-type: none"> <li>• Healthcare Royalties – Fund whose strategy is to acquire royalty or revenue interests, or issue loans, backed by approved life science products</li> <li>• Music Royalties – Fund whose strategy is to acquire royalty or revenue interests, or issue loans, backed by music copyright assets</li> <li>• Aircraft Leasing – Fund whose strategy is to acquire and lease commercial aircraft</li> <li>• Life Settlement - Fund whose strategy is to acquire life insurance policies</li> <li>• Shipping – Fund whose strategy is to acquire and charter commercial shipping vessels</li> <li>• Asset Backed Securities – Fund whose strategy is to acquire or structure securities that are backed by income-producing assets</li> </ul>
Sector	Industry in which the company operates: technology, telecommunications, healthcare, financial services, diversified, industrial, consumer, energy, etc.	Stage	The course of development through which a company passes from its inception to its termination: Early, Late, Expansion, Mature, Distressed
Senior Debt	<ul style="list-style-type: none"> <li>• Direct Lending – Fund whose strategy is to issue senior loans to mature companies</li> <li>• Unitranche – Fund whose strategy is to issue hybrid senior and subordinated loans to mature companies</li> <li>• Venture Debt – Fund whose strategy is to issue loans to venture stage companies</li> <li>• Asset Based Lending – Fund whose strategy is to issue loans to companies where the amount of allowable borrowing outstanding is based on asset collateral value</li> <li>• Rescue Financing – Fund whose strategy is to issue loans to financially stressed companies</li> </ul>	Sub-Asset Class	Private equity investments are generally classified as Buyout, Venture Capital, Mezzanine, Distressed/Turnaround, and Fund-of-Funds
		TVPI	Ratio of Distributed Capital plus Remaining Value to Contributed Capital
		Unfunded Commitment	Amount of capital that remains to be contributed to a fund as defined in a fund's limited partnership agreement
		Unrealized Value	Holding value of a portfolio company assigned by the General Partner, which generally represents fair value
		Upper-Mid	Company with a Size greater than \$250 million but less than \$1 billion
		Venture Capital	Fund whose strategy is to make investments in Early Stage and/or Late Stage companies



Term	Definition
Vintage Year	The calendar year in which an investor first contributes capital to a fund

## End Notes

The information contained in this report is confidential and may contain proprietary information and trade secret information. The information contained herein is prepared by Franklin Park and is not reviewed or approved by the general partners or affiliates of underlying portfolio fund investments and is strictly for the use of Arkansas Teacher Retirement System and, subject to applicable law, may not be reproduced, transmitted or used in whole or in part for any other purpose without the expressed written consent of Franklin Park. Franklin Park requests that investors maintain this information in confidence and that this report is not disclosed to any person other than affiliates, advisers, and accountants, who agree to maintain this information in similar confidence, without the prior written consent of Franklin Park.

Information regarding the Arkansas Teacher Retirement System portfolio, trends and performance returns are based on or derived from information and data provided by third-party sources, including Arkansas Teacher Retirement System's historical records. Franklin Park assumes that such information is accurate and that the sources from which it has been obtained are reliable. For example, the performance figures contained within this report are calculated by Franklin Park based on information provided by the managers of Arkansas Teacher Retirement System's private equity fund investments (General Partners). The General Partners have not verified the performance figures presented by Franklin Park and such figures may differ from those calculated by General Partners or other investors.

Franklin Park presents Net IRR performance as recommended by the CFA Institute. The IRR calculation is a dollar-weighted return measurement, which considers both cash flow timing and amount, and is net of fees, expenses and carried interest. The total portfolio Net IRR presented herein is net of fees, expenses and carried interest paid by underlying private equity fund investments, but is gross of fees and expenses paid to Franklin Park. The IRR is most commonly used for measuring the performance of private equity funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. An IRR is particularly not meaningful in the first two years of a fund's life given the J-curve effect (see footnote). The actual IRR of any private equity fund investment is not known until final liquidation.

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• The J-curve refers to the shape of the curve that illustrates a private equity fund's performance over time. During the initial years of a fund's life, due to fees and expenses, a fund's performance tends to be negative (the bottom of the "J"). Eventually, as portfolio company investments increase in value, fund performance improves and returns move up the "J" shaped curve.



## Executive Summary Arlington Capital Partners VII, L.P.

## Executive Summary

Fund	Arlington Capital Partners VII, L.P. (the “Fund”)																								
General Partner	Arlington Capital Partners (the “General Partner” or “Arlington”)																								
Report Date	May 2025																								
Fundraising	The General Partner is targeting limited partner capital commitments of \$4.75 billion. The General Partner expects to hold an initial closing for the Fund on June 26, 2025.																								
Source	Franklin Park sourced the offering directly from the General Partner. The General Partner has retained Evercore to assist with fundraising.																								
Investment Strategy	<p>The Fund is being formed to primarily make buy &amp; build investments in mid-market companies based in the U.S. The General Partner targets companies operating in three government-related verticals: (1) defense &amp; aerospace, (2) government services &amp; technology, and (3) healthcare.</p> <p>The Fund will target companies with enterprise values of between \$50 million and \$1 billion and total equity checks of \$200 million to \$500 million. The Fund will seek companies with i) high barriers-to-entry or substitution; ii) deeply rooted customer relationships, iii) regulator protection, and iv) defensible or enduring cost structure advantages</p> <p>The General Partner will make control buyout investments where it will acquire companies and add-value through operational improvements to promote EBITDA growth as well as an add-on acquisition strategy designed to gain market share, scale and diversity product offerings, services, and client bases.</p>																								
Management Team	<p>Based in Bethesda, MD, the General Partner was founded in 1999. The Fund will be managed by five senior professionals (the “Principals”). The Principals are supported by eight mid-level and twelve junior level investment professionals, and twelve finance and operations professionals. The backgrounds of the Principals are summarized in the table below:</p> <table><tr><th>Principals</th><th>Yrs. GP</th><th>Yrs. PE</th><th>Background</th></tr><tr><td>Matthew Altman</td><td>24</td><td>27</td><td>Stonington Partners, Merrill Lynch</td></tr><tr><td>Michael Lustbader</td><td>25</td><td>25</td><td>Lazard Freres</td></tr><tr><td>Peter Manos</td><td>23</td><td>28</td><td>Carlyle, Capitol Partners, Fayez Sarofim, DFJ</td></tr><tr><td>David Wodlinger</td><td>18</td><td>18</td><td>Deutsche Bank, BearingPoint</td></tr><tr><td>C. Malcolm Little</td><td>11</td><td>18</td><td>Avista, Oak Hill, Bear Sterns</td></tr></table>	Principals	Yrs. GP	Yrs. PE	Background	Matthew Altman	24	27	Stonington Partners, Merrill Lynch	Michael Lustbader	25	25	Lazard Freres	Peter Manos	23	28	Carlyle, Capitol Partners, Fayez Sarofim, DFJ	David Wodlinger	18	18	Deutsche Bank, BearingPoint	C. Malcolm Little	11	18	Avista, Oak Hill, Bear Sterns
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C. Malcolm Little	11	18	Avista, Oak Hill, Bear Sterns																						
Track Record	The General Partner has raised six prior funds. The following chart summarizes the performance of the prior funds, as of December 31, 2024.																								

**Aggregate Performance Summary** <sup>1</sup>

(USD 000)

Fund (Vintage)	Fund Size	Realized Deals / # Deals	Invested	Realized	Unrealized	Gross ROI	Gross IRR
Fund I (2000)	452,000	10 / 10	324,865	530,766	0	1.6x	20.3%
Fund II (2005)	585,000	11 / 11	493,774	1,139,664	0	2.3x	16.2%
Fund III (2012)	415,000	9 / 9	422,120	1,861,168	658	4.4x	53.7%
Fund IV (2016)	700,000	4 / 9	676,668	894,971	1,328,672	3.3x	29.3%
Fund V (2019)	1,692,000	1 / 10	1,488,736	606,368	3,383,744	2.7x	32.0%
Fund VI (2022)	3,810,000	0 / 11	2,127,109	259	2,970,696	1.4x	34.4%
<b>Total</b>		<b>35 / 60</b>	<b>5,533,271</b>	<b>5,033,196</b>	<b>7,683,770</b>	<b>2.3x</b>	<b>23.1%</b>

<sup>1</sup> Gross of fees and carried interest expenses. The unrealized investments were valued by the General Partner.

**Investment  
Evaluation**

- The Fund's strategy is compelling.** The General Partner seeks to make acquisitions of growing mid-market companies. The General Partner generally targets founder recapitalizations and corporate carve-outs that often attract less attention from larger strategic and financial buyers, and consequently can be purchased at more attractive prices, often on a non-auctioned basis. Further, the General Partner typically acquires a platform company, and then makes subsequent add-on investments as a strategic buyer to gain consolidation benefits and economies of scale. Arlington will also make additions to the management team and identify an industry executive from its network to join the General Partner on the board in order to drive operational improvements.
- The General Partner has an experienced and cohesive team.** The Principals average 23 years of private equity experience and four of the five Principals have been working together for 18 years.

**Further, the General Partner is well-positioned competitively in its target market.**

The General Partner has been focused on investing in regulated industries and adjacent markets since 2008 and has developed a brand reputation as a skilled and proven investor within its target sectors. The General Partner has established relationships within its target segments that provide access to deal flow, idea generation, diligence capabilities and strategic value-add. Further, the General Partner's relationships with senior regulators, military personnel, government officials and policy advisors also provide the General Partner with an information advantage when developing investment themes and conducting due diligence.

- The General Partner has an impressive track record.** Since 2000, the General Partner has invested \$5.5 billion in 60 deals and has generated a 2.3x gross ROI and 23% gross IRR. Excluding Fund I and II, which include non-core investments<sup>1</sup>, the General Partner has made 39 investments since the formation of Fund III that have generated an aggregate 2.3x gross ROI and 44% gross IRR, including 14 realized investments that have generated a 4.5x gross ROI.

**However, the General Partner has had limited exits in the last two funds.** Fund V has achieved two exits and Fund VI has one exit with the recent sale of Blue Halo, a Fund V and VI holding. This concern is partially mitigated given Fund VI is early in its life and has an average holding period of approximately one year while Fund V has an average holding period of four years. Further, the General Partner expects to achieve an additional six exits over the next 12-24 months.

<sup>1</sup> Fund I and II made investments in early stage technology and media companies. The General Partner ceased that strategy beginning with Fund III.

4. **The target Fund size is 25% larger than the prior fund** and nearly three times the size of Fund V. Further, the General Partner's investment pacing has more than doubled over the past five years. However, the General Partner does not anticipate a change in strategy nor a move up market to larger companies. Rather, it plans to complete a couple more platform investments and complete more add-on investments in the same size companies it has traditionally targeted. In addition, the General Partner has a deep team and feels it is adequately staffed to manage the portfolio.

**Recommendation** Franklin Park recommends a commitment of up to \$40 million to the Fund, subject to satisfactory completion of investment, operational and legal due diligence, based on the following:

- The General Partner is competitively well positioned;
- The General Partner is led by a seasoned and cohesive team; and
- The General Partner has an impressive track record.

**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**RESOLUTION**  
**No. 2025-23**

**Approving Investment in Arlington Capital  
Partners VII, L.P.**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

**WHEREAS**, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Arlington Capital Partners VII, L.P.**, a buyout fund specializing in middle market companies in the U.S.

**THEREFORE, BE IT RESOLVED**, that the ATRS Board approves an investment of up to **\$40 million dollars (\$40,000,000.00)** in **Arlington Capital Partners VII, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

**FURTHER, BE IT RESOLVED**, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

**Adopted this 2nd day of June 2025.**

---

**Mr. Danny Knight, *Chair***  
**Arkansas Teacher Retirement System**





## Executive Summary Great Hill Equity Partners IX, L.P.

## Executive Summary

Fund	Great Hill Equity Partners IX, L.P. (the “Fund”)																																												
General Partner	Great Hill Partners (“GHP” or the “General Partner”)																																												
Report Date	May 2025																																												
Fundraising	The General Partner is targeting capital commitments of \$5 billion with a cap of \$6 billion. The General Partner is targeting a first close in July 2025 and a final close in October 2025.																																												
Source	Franklin Park sourced the fund offering directly from the General Partner.																																												
Investment Strategy	<p>The Fund will make private equity investments generally ranging in size from \$150 million to \$400 million to finance the acquisition, recapitalization, or expansion of rapidly growing middle market companies in the technology, financial services and healthcare sectors in the U.S. and Western Europe. The Fund will target both control transactions and influential minority stakes.</p> <p>Within the target sectors, GHP conducts research and targeted outbound calling efforts to identify and to build relationships with companies that are positioned to grow rapidly and have the potential to be strategically important to larger enterprises. Through building relationships with target companies, the General Partner seeks to track company growth and development over several years, and be in a position to move aggressively to win the most attractive opportunities.</p> <p>Post-investment, GHP seeks to partner with management to pursue growth initiatives and transform businesses into enterprise-class companies growing at attractive rates. The General Partner’s value creation initiatives focus on go-to-market strategies to accelerate revenue growth, as well as management team development, product innovation, IT and infrastructure enhancement and geographic expansion.</p>																																												
Management Team	<p>Based in Boston, GHP was founded in 1998 as a spin-out from Media/Communications Partners, a private equity firm established in the 1980s. GHP’s team is led by ten Managing Directors (the “Principals”) who are supported by 39 mid and junior investment professionals, seven Growth Partners, and a team of finance and administrative professionals. The backgrounds of the Principals are summarized in the table below:</p> <table><tr><th>Principals</th><th>Yrs. GP</th><th>Yrs. PE</th><th>Background</th></tr><tr><td>Christopher Gaffney</td><td>27</td><td>38</td><td>M/C Partners</td></tr><tr><td>Mark Taber</td><td>25</td><td>27</td><td>Boston Consulting Group</td></tr><tr><td>Matthew Vettel</td><td>27</td><td>32</td><td>GTCR, Accenture</td></tr><tr><td>Nicholas Cayer</td><td>19</td><td>22</td><td>CCP Equity</td></tr><tr><td>Rafael Cofiño</td><td>13</td><td>21</td><td>Battery Ventures</td></tr><tr><td>Christopher Busby</td><td>23</td><td>25</td><td>JPMorgan</td></tr><tr><td>Drew Loucks</td><td>15</td><td>18</td><td>Tudor Investment Corp.</td></tr><tr><td>Craig Byrnes</td><td>12</td><td>16</td><td>Frontenac</td></tr><tr><td>Joseph Germanese</td><td>14</td><td>14</td><td>Bank of America Merrill Lynch</td></tr><tr><td>David Roberts</td><td>2</td><td>13</td><td>Advent International</td></tr></table>	Principals	Yrs. GP	Yrs. PE	Background	Christopher Gaffney	27	38	M/C Partners	Mark Taber	25	27	Boston Consulting Group	Matthew Vettel	27	32	GTCR, Accenture	Nicholas Cayer	19	22	CCP Equity	Rafael Cofiño	13	21	Battery Ventures	Christopher Busby	23	25	JPMorgan	Drew Loucks	15	18	Tudor Investment Corp.	Craig Byrnes	12	16	Frontenac	Joseph Germanese	14	14	Bank of America Merrill Lynch	David Roberts	2	13	Advent International
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Track Record	The General Partner has raised eight prior funds. Performance for the most recent four funds is summarized in the table below as of September 30, 2024.																																												

Aggregate Performance Summary <sup>1</sup>				(USD 000)		
Fund (Vintage)	Rlzd Deals / # Deals	Invested	Realized	Unrealized	Gross ROI	Gross IRR
Fund V (2014)	16 / 18	1,224,509	3,003,388	1,057,443	3.3x	31.2%
Fund VI (2017)	11 / 20	1,596,890	3,057,530	2,942,423	3.8x	41.0%
Fund VII (2019)	5 / 19	2,279,984	2,013,616	2,610,519	2.0x	31.0%
Fund VIII (2021)	0 / 7	1,543,793	639	1,713,444	1.1x	6.2%
Total	32 / 64	6,645,176	8,075,173	8,323,829	2.5x	33.1%

<sup>1</sup> Gross of fees and carried interest expenses. The unrealized investments were valued by the General Partner.

## Investment Evaluation

- GHP is led by a seasoned and cohesive senior team.** The Principals have an average of 23 years of private equity experience and average 18 years of tenure at GHP. Further, the team is stable. Since inception, only three Managing Directors have retired from the firm.

**Additionally, the Growth Partners provide leverage to the investment team.** The Growth Partners include four executives who served in CEO roles at prior portfolio companies and three functional experts in IT and human resources/recruiting. The Growth Partners bring complementary experience to the team and work closely with portfolio company management to advise and assist in executing growth initiatives.

- The team's domain expertise in the target sectors provides advantages.** Each of the Principals leads research and deal origination in certain verticals within the target sectors. This focus has led to deep understanding of the dynamics and competitive landscape within target markets and helps (1) to establish relationships with target company management, (2) to position GHP favorably when companies seek outside capital, and (3) in the formation of growth strategies post-investment.

**Further, GHP employs a proactive approach to deal origination.** The investment team conducts research projects (referred to as "Initiatives"), which begin with the identification of an attractive market segment and companies competing within that segment, followed by proactive outreach from senior professionals. The process culminates with an informed investment thesis about the return prospects of the segment, a targeted pipeline of investment opportunities and relationships with target companies, which may help to differentiate the firm in competitive processes. In addition, GHP's research process leads to brand enhancement, idea generation for new investments, add-on acquisitions, executive recruitment and potential future exit strategies.

- The General Partner's track record is attractive.**
  - Since 2014, the General Partner has invested \$6.6 billion in 64 transactions across four funds that have generated an aggregate gross IRR of 33%.
  - 32 investments have been realized in the last four funds for aggregate gross returns of 4.5x and 42.6%.
  - Three of the last four funds have generated first quartile net IRRs compared to U.S. buyout funds formed in the same vintages.

**However, Fund VIII, while relatively young, has underperformed to date.** Fund VIII's early investments were completed during a relatively high valuation environment in 2021 and 1H2022. Three investments made during this window of time have been written down below cost. However, the General Partner expects to recover cost or better in these three underperforming investments. Further, Fund VIII has nearly 50% of capital remaining that will be deployed in a more attractive valuation environment.

4. **The Fund will target a highly competitive market segment.** High growth technology, healthcare and fintech companies attract significant private equity and strategic interest given the attractive financial profile and growth prospects. While the General Partner's research process can help to establish a dialog with companies, target companies typically run competitive processes to raise capital and entry valuations are high compared to other strategies.

However, GHP targets fast growing businesses, which may warrant higher valuations. Target companies will typically have historical revenue growth rates in excess of 20% with high gross margins. Further, although median entry pricing has risen in recent funds, portfolio companies in the mature funds have generated attractive revenue growth.

5. **GHP's fund sizes have grown substantially over the last several years.** However, despite larger fund sizes, the General Partner will continue to focus predominantly on middle market businesses. At a \$5-\$6 billion Fund size, the General Partner expects to invest in 4-6 additional portfolio companies, for a total of 26-28.

**Recommendation** Franklin Park recommends a commitment of up to \$40 million to the Fund, subject to completion of investment, legal and operational due diligence, based on the following:

- The General Partner's strategy is compelling;
- The team is highly experienced and possesses complementary skills; and
- The General Partner's prior track record is impressive.

**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**RESOLUTION**  
**No. 2025-24**

**Approving Investment in Great Hill Equity  
Partners IX, L.P.**

**WHEREAS**, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

**WHEREAS**, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Great Hill Equity Partners IX, L.P.**, a buyout and growth fund specializing in middle market companies in the U.S. and Western Europe.

**THEREFORE, BE IT RESOLVED**, that the ATRS Board approves an investment of up to **\$40 million dollars (\$40,000,000.00)** in **Great Hill Equity Partners IX, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

**FURTHER, BE IT RESOLVED**, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment, if acceptable terms are reached.

**Adopted this 2nd day of June 2025.**

---

**Mr. Danny Knight, *Chair***  
**Arkansas Teacher Retirement System**

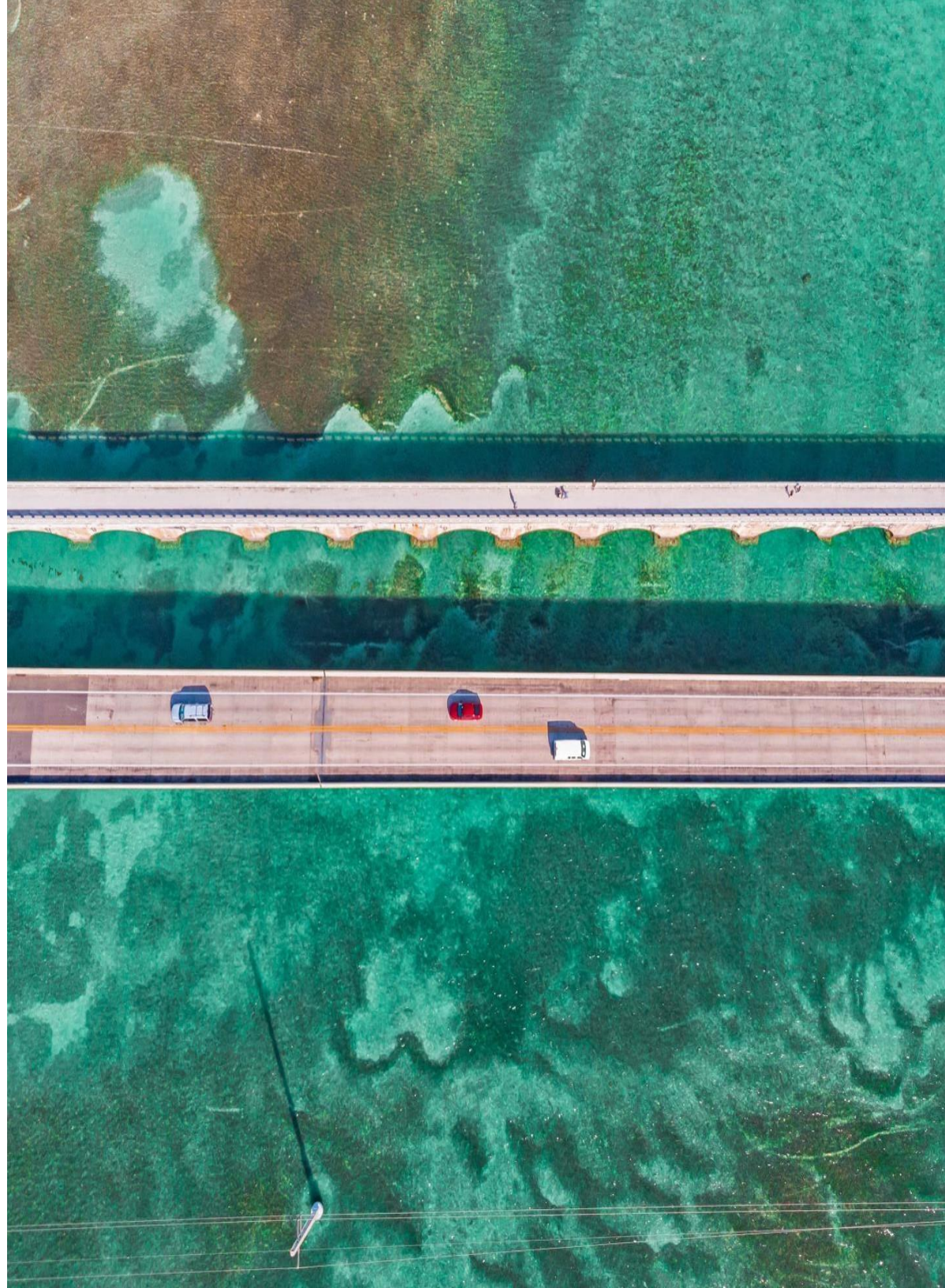




# 4Q 2024 Real Assets Performance Review

## Arkansas Teacher Retirement System

June 2025





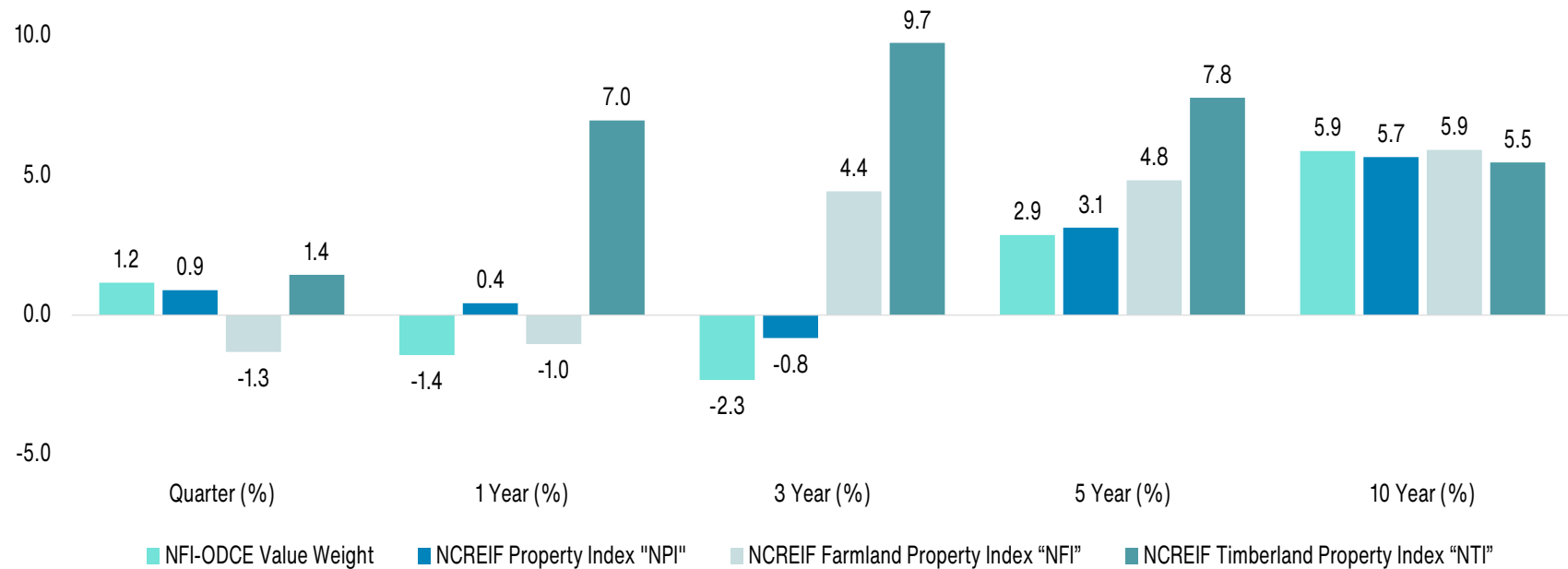
# 1

## Executive Summary



# Real Assets Markets Performance and Overview

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
NFI-ODCE Value Weight	1.2	1.0	-1.4	-2.3	-2.3	-3.1	2.9	2.0	5.9	4.9
NCREIF Property Index "NPI"	0.9		0.4		-0.8		3.1		5.7	
NCREIF Farmland Property Index "NFI"	-1.3		-1.0		4.4		4.8		5.9	
NCREIF Timberland Property Index "NTI"	1.4		7.0		9.7		7.8		5.5	





# Portfolio Funding Status and Composition

As of December 31, 2024

ATRS' Portfolio <sup>1</sup> (\$ in Millions)	
Number of Investments	94
Total Commitments	4,802.8
Unfunded Commitments	693.8
Total Paid-In Capital	4,397.8
Total Distributions	3,793.5
Net Asset Value	2,730.2
Gross Asset Value	4,067.7
DPI	0.9x
TVPI	1.5x
Since Inception IRR	6.7%

Portfolio Composition to Targets		
	Target	Actual Funded
Target Real Asset Allocation	15%	12.0%
Portfolio Style Composition		
Real Estate <sup>4</sup>	8%	6.9%
Core <sup>2</sup>	50%-70%	51.8%
Non-Core	30%-50%	48.2%
Value-Added <sup>3</sup>	N/A	27.6%
Opportunistic <sup>3</sup>	N/A	20.6%
Agriculture	1%	1.1%
Timber	2%	1.7%
Infrastructure <sup>4</sup>	4%	2.3%
Leverage	50%	32.9%

The portfolio is in compliance with its Statement of Investment Policy.

<sup>1</sup> Active and liquidated

<sup>2</sup> Includes Arkansas Investments

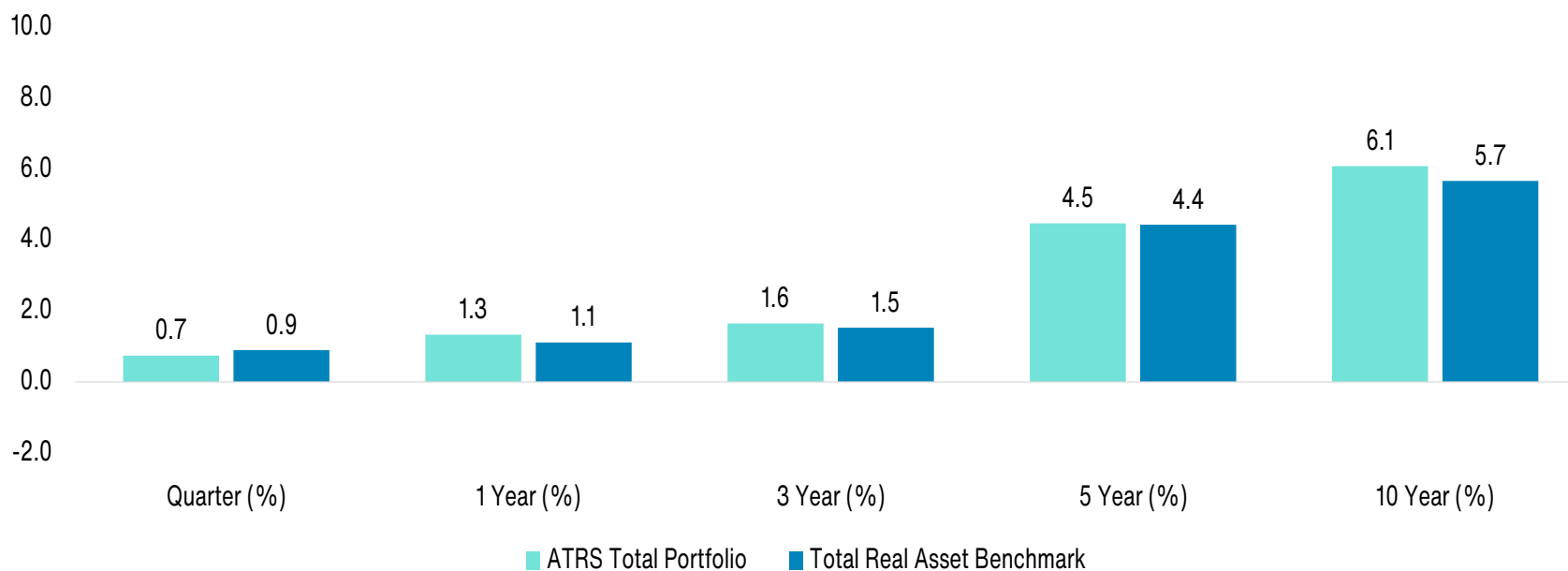
<sup>3</sup> No stated targets

<sup>4</sup> Approved December 2, 2024, revised targets from 10% Real Estate and 2% Infrastructure

# ATRS' Real Assets Performance

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
ATRS Total Portfolio	1.1	0.7	2.8	1.3	3.0	1.6	5.9	4.5	7.6	6.1	6.7	1.5
Total Real Assets Benchmark <sup>1</sup>		0.9		1.1		1.5		4.4		5.7		

## Gross Time Weighted Returns



<sup>1</sup> The ATRS Total Real Assets Benchmark was comprised of the NFI-ODCE returns, the NCREIF Timberland returns, the NCREIF Agriculture returns, and CPI plus 500 weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Assets benchmark, Timber benchmark, Agriculture benchmark, and Infrastructure benchmarks prior to 3Q2020. As of 3Q2020, the Timberland and Agriculture benchmarks going forward will no longer be weighted and are just the NCREIF Timberland and NCREIF Farmland returns, gross of fees.

# ATRS' Real Asset Performance Summary

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Real Estate	0.6	0.2	-0.6	-2.0	-1.2	-2.4	2.9	1.6	6.2	4.8	6.8	1.4
NFI-ODCE Value Weight	1.2	1.0	-1.4	-2.3	-2.3	-3.1	2.9	2.0	5.9	4.9		
Timberland	3.4	3.2	10.6	9.6	8.2	7.3	8.6	7.7	7.0	6.1	5.6	2.1
Timberland Benchmark <sup>1</sup>	1.4		7.0		9.7		7.9		5.3			
Agriculture	0.3	0.0	2.7	1.6	6.9	5.8	7.4	6.2	6.7	5.5	5.7	1.5
Agriculture Benchmark <sup>1</sup>	-1.3		-1.0		4.4		5.1		4.9			
Infrastructure	1.2	0.7	7.5	5.3	11.5	9.0	14.3	11.7	15.1	11.7	11.9	1.5
Infrastructure Benchmark <sup>1</sup>	1.3		8.0		8.9		8.7		7.6			

<sup>1</sup> The ATRS Total Real Assets Benchmark was comprised of the NFI-ODCE returns, the NCREIF Timberland returns, the NCREIF Agriculture returns, and CPI plus 500 weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Assets benchmark, Timber benchmark, Agriculture benchmark, and Infrastructure benchmarks prior to 3Q2020. As of 3Q2020, the Timberland and Agriculture benchmarks going forward will no longer be weighted and are just the NCREIF Timberland and NCREIF Farmland returns, gross of fees.

# ATRS' Real Assets Portfolio Highlights

## Commitment activity update

- ATRS made the following commitments during, or subsequent to quarter end:
  - Blackstone Strategic Partners Infrastructure IV: \$100 million
  - Axiom Infrastructure Partners North America II: \$50 million
  - KKR Diversified Core Infrastructure Fund: \$50 million
  - Ares Industrial Real Estate Fund: \$100 million
  - Carlyle Property Investors: \$100 million
- ATRS is in the queue with a partial redemption of UBS TPF
  - As of December 31, 2024, the TPF redemption queue is \$4.7 billion and expect full repayment by YE27

# Significant Events

- In Q1 of 2025, UBS announced the hiring of a new Chief Investment Officer responsible for the UBS Trumbull Funds. Larissa Belova, has joined the UBS team as the new Chief Investment Officer of the UBS U.S. Real Estate business, coming from her former role as Portfolio Manager of CBRE's flagship core real estate fund.
- In Q1 of 2025, UBS announced the retirement of Jim McCandless, Head of Farmland and Co-Chief Investment officer at the end of April 2024. Daniel Murray has been elected to succeed Mr. McCandless as Head of Farmland and the sole Chief Investment Officer.
- In Q1 of 2025, KKR was part of an investigation led by the SEC intended to audit the use of off-channel communications. As part of this investigation, KKR was issued a fine with eleven other firms that were in violation of the off-channel communications policy.
- In Q1 of 2025, Cerberus Capital Management notified investors of Stephen Feinberg's departure from the firm after accepting a nomination to serve as U.S. Deputy Secretary of Defense. Mr. Feinberg co-founded Cerberus in 1992 and his departure is not expected to impact day-to-day investing activities.

# 2

## Market Overview



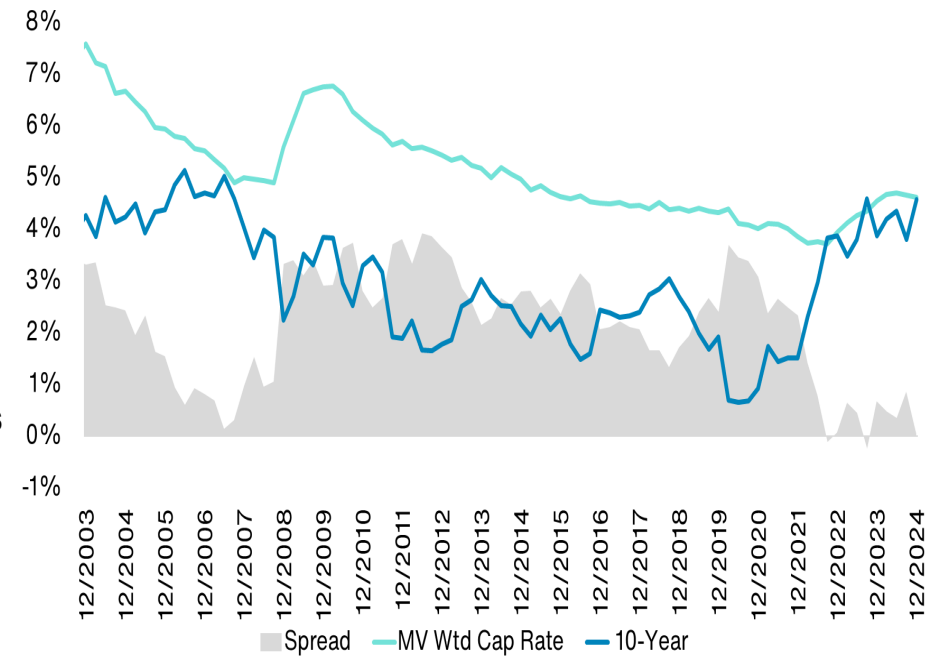
# United States Real Estate Market Update

4Q 2024

## General

- The economy remained resilient in the third quarter while inflation continued to moderate from its June 2022 high; however, remains above the Fed's 2% target largely due to high services and shelter inflation. The Fed has slowed its pace to cut interest rates, citing uncertainty related to tariff sentiment, keeping interest rates within the 4.50%-4.25% target.
- During the fourth quarter, GDP increased at an annualized rate of 2.3%, slightly lower than the third quarter. Growth was led by increases in consumer spending and government spending that were partly offset by a decrease in investment. Investors will continue to monitor economic growth, coupled with headline inflation and tariff sentiment, as an indication of a soft landing out of the current cycle.

NPI Current Value Cap Rate versus 10yr Treasury



Sources: Bureau of Economic Analysis, U.S. Census Bureau, St. Louis Fed, NCREIF, Real Capital Analytics, Bloomberg LP., Preqin.

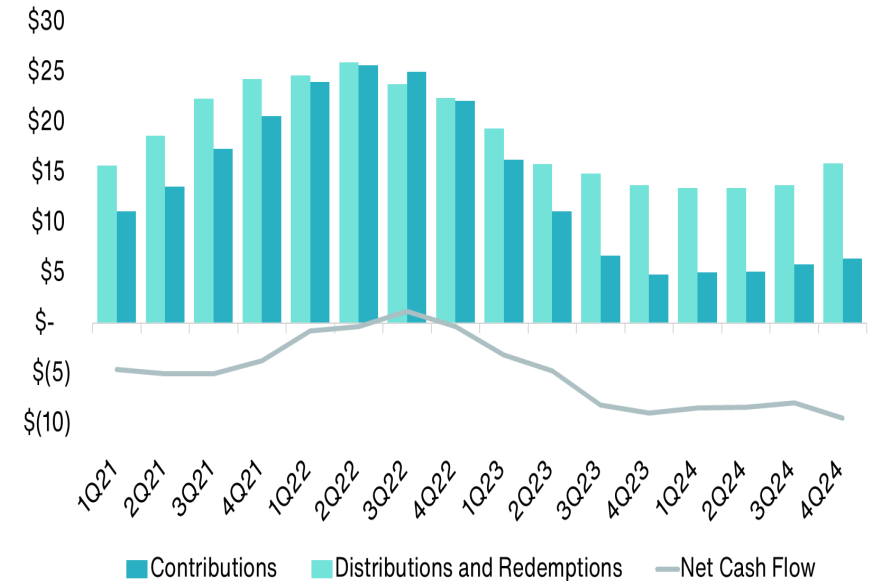
# United States Real Estate Market Update

4Q 2024

## Commercial Real Estate

- 10yr Treasury bond yields have increased from prior quarter, ending the quarter at 4.6%. Recent hawkish sentiment from the Fed could indicate a potentially protracted plateau, and subsequent recovery, from a multi-year high. Additionally, the spread between the 10yr Treasury and current value cap rates remain relatively tight, indicating minimal risk premium for commercial real estate investors.
- Capital flows in and out of US stabilized commercial real estate remain negative. Contributions are showing signs of growth; however, distributions and redemptions growth currently outpaces contribution growth. Current investor redemption queues remain elevated at around \$30 billion (or 14% of the index), manager payouts remain the range of 5-10% of a given funds' redemption queue.

NFI-ODCE: Rolling 4 Quarter Cash Flows (\$ in Billions)



Sources: Bureau of Economic Analysis, U.S. Census Bureau, St. Louis Fed, NCREIF, Real Capital Analytics, Bloomberg LP., Preqin.



# United States Property Detail

4Q 2024

## Industrial

Strong NOI growth continues to support capital values despite cap rates moving out. Oversupplied markets continue to revise rental rate assumptions, impacting valuations.

## Residential

Expanded NPI now includes manufactured housing, single-family rental, and student housing along with apartments. Outsized deliveries continue to forecast weak rental growth for multifamily properties; however, positive appreciation from the new property subtypes helped support overall returns.

## Office

Expanded NPI now includes life sciences and medical office along with traditional office. Medical Office is the only subtype printing positive appreciation.

## Retail

Malls entered this cycle at depressed values, offering investors a value proposition which supported property valuations. NOI growth has also been strong at select properties. Necessity based retail (i.e., grocery and pharmacy anchored) also performed well.

## Other Property Types

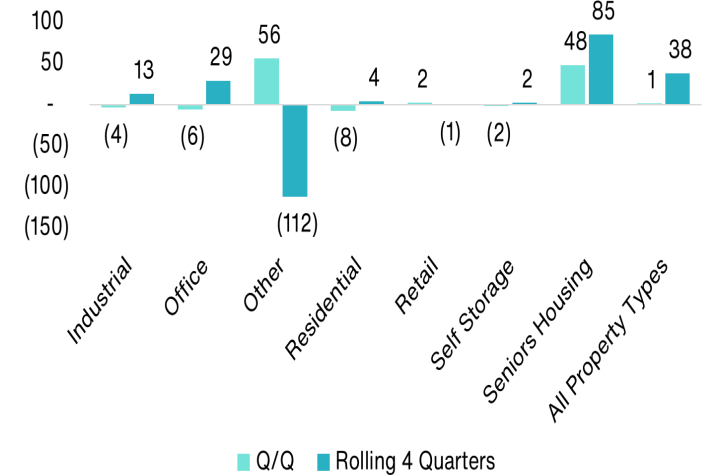
Seniors Housing: as seniors delay assisted living, independent living outperforms due to relative demand

Self-Storage: tends to do well in down cycles when tenants require more storage space

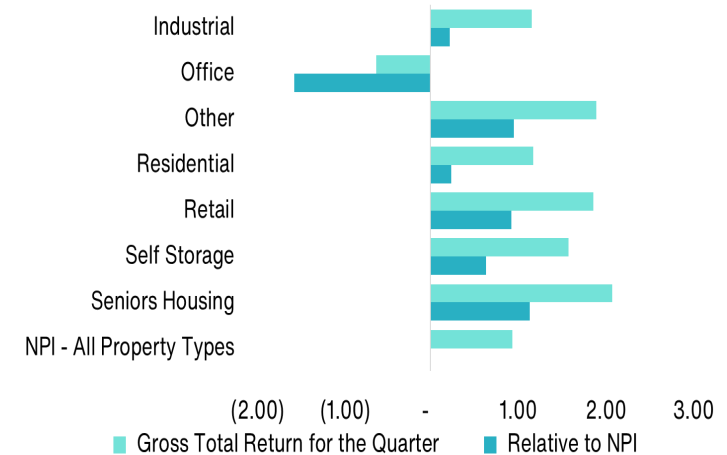
Other: roughly 1.5% of NPI and is made up of data centers, land, parking, and other

Source: NCREIF

Current Value Cap Rate Change by Property Type (in basis points)



NPI - Property Type Returns



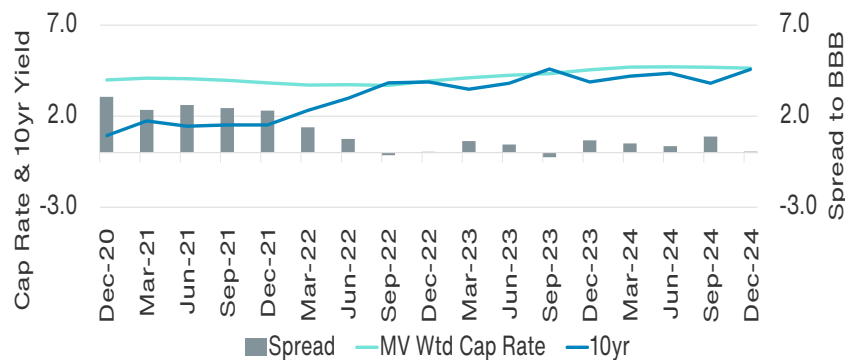
# U.S. Real Estate Market Conditions

## Real Estate spreads and supply declining

### Private Real Estate Spreads

Private Real Estate valuations have narrowed the spread towards 10yr Treasury

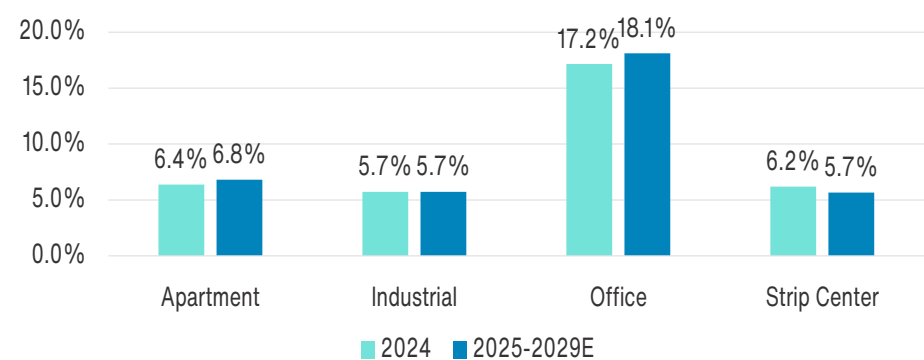
NPI Current Value Cap Rate versus 10yr Treasury



### Real Estate Vacancy

Vacancy remains elevated in Office

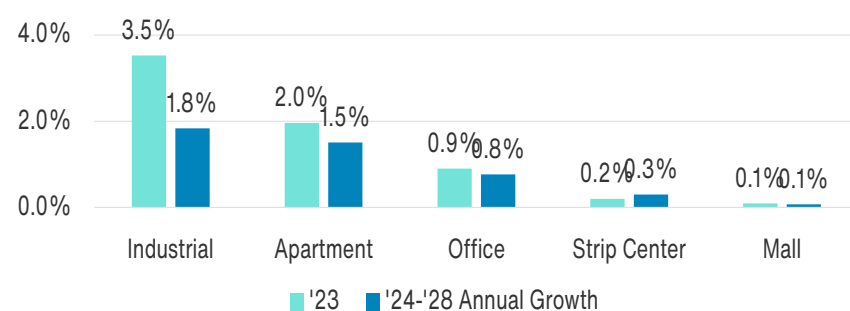
Sector Vacancy Forecasts



### Supply Growth

Supply is forecasted to moderate across major property types

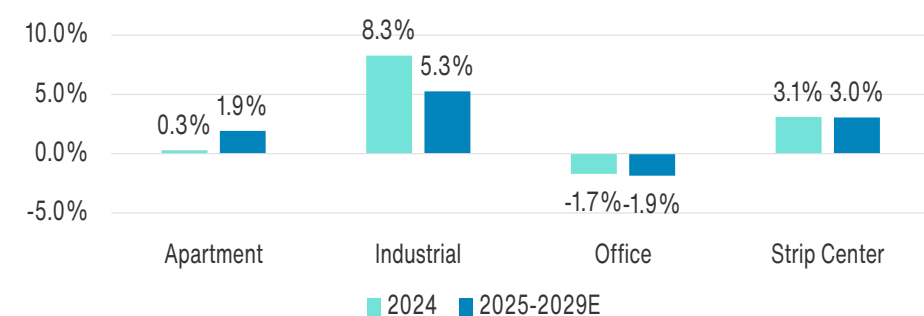
Annual Completions as % of Existing Stock



### NOI Growth

Remains strong in Industrial, while Apartment is forecasted to increase with supply decline

Sector NOI Growth Forecasts



Source: NCREIF, St. Louis Fed, Green Street, the Townsend Group (December 2024).

# Global Economic Conditions

## Growth outlook remains positive

### Economic Growth Outlook

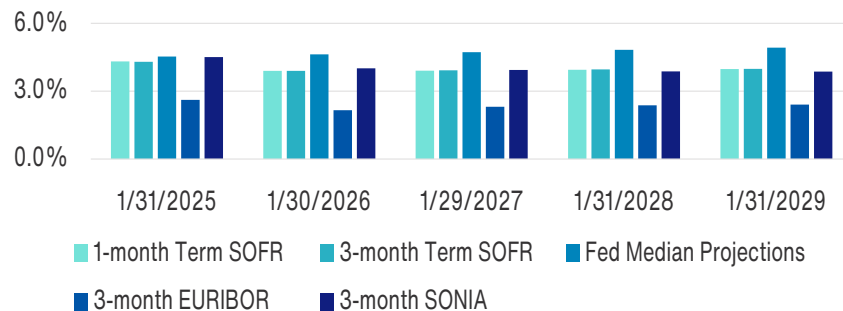
GDP growth remains positive

Real GDP Forecasts (YoY %)	2023	2024	2025	2026
<b>Major Regions</b>				
North America	2.8	2.6	1.7	1.8
European Union	0.5	1.0	1.3	1.6
Asia Pacific	4.5	4.5	4.0	3.9
<b>Selected Markets</b>				
United States	2.9	2.8	1.8	1.9
United Kingdom	0.4	1.1	1.0	1.4
Germany	-0.3	-0.2	0.2	1.2
China	5.4	5.0	4.5	4.2
Japan	1.5	0.1	1.1	0.9
Australia	2.1	1.1	2.0	2.4

### Forward Curves

Curves indicating decline in rates

#### Forward Curves

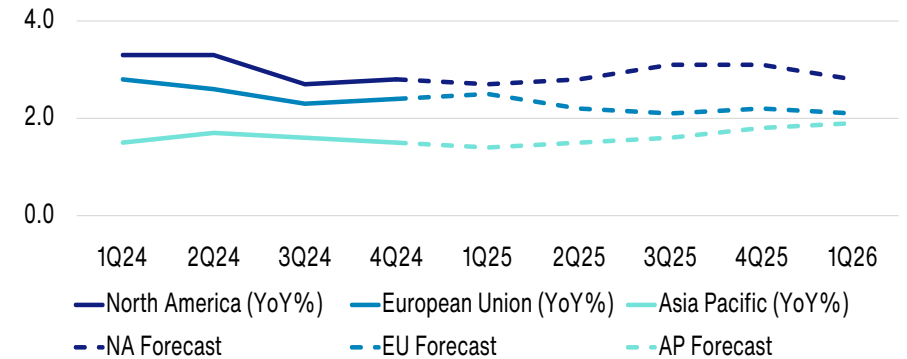


Source: the Townsend Group (December 2024), Bloomberg (April 2025), Chatham Financial (February 2025).

### Consumer Price Index

Inflation is projected to stabilize

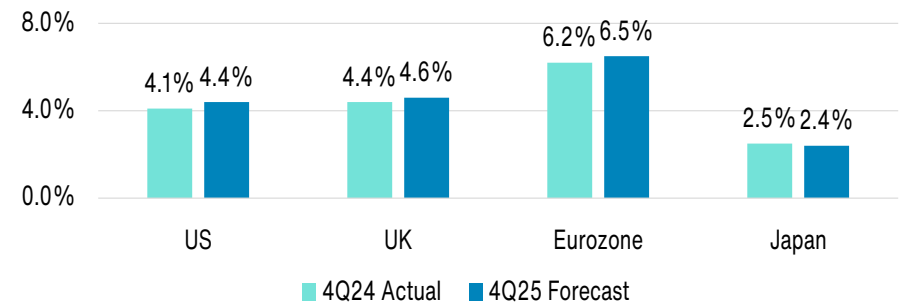
#### CPI Quarterly



### Unemployment

Unemployment rates remains low

#### Unemployment Rate (%)



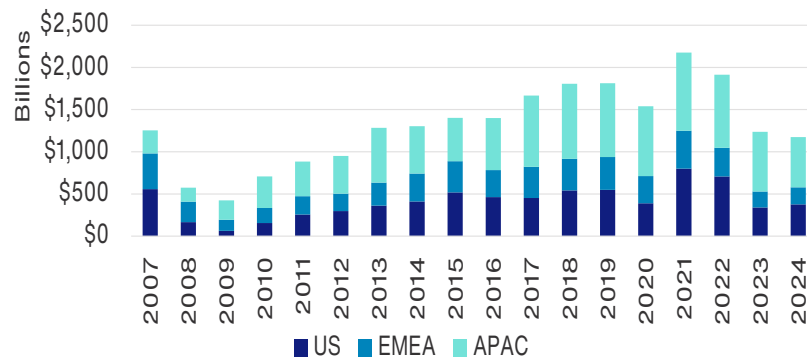
# Global Real Estate Market Conditions

## Valuations nearing bottom

### Global Commercial Real Estate Transactions

Transaction volume muted in 2024 as interest rates remain elevated

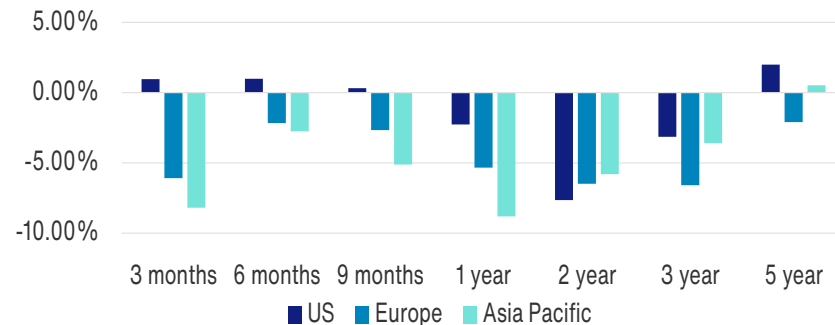
#### Global Commercial Real Estate Transaction Volume



### Real Estate Performance

Valuations nearing bottom as mid-2024 performance flat to slightly positive

#### Regional Net Returns Annualized (as of 9/30/24)

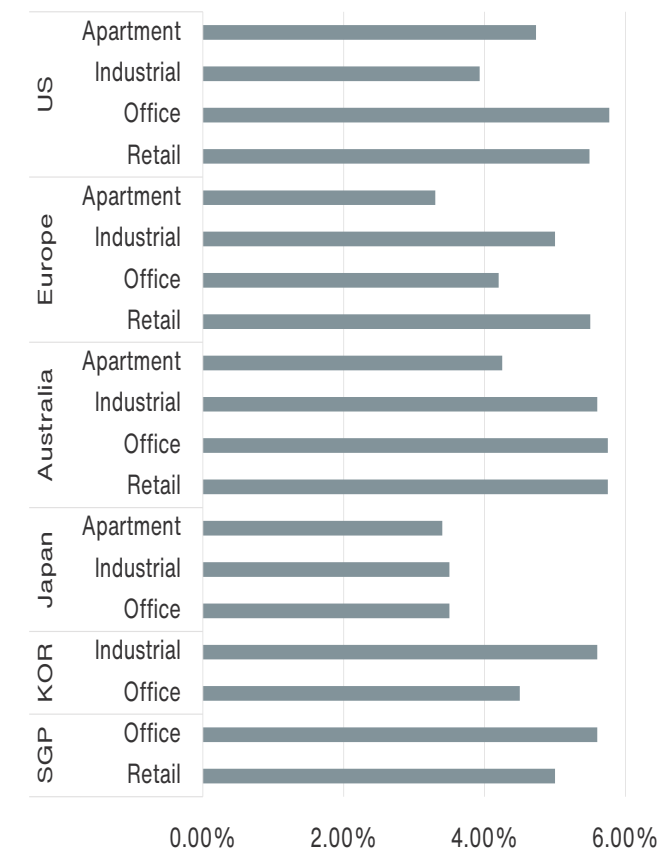


Source: MSCI Real Assets (February 2025). NCREIF, INREV Global Real Estate Fund Index (GREFI), Townsend Group (December 2024).

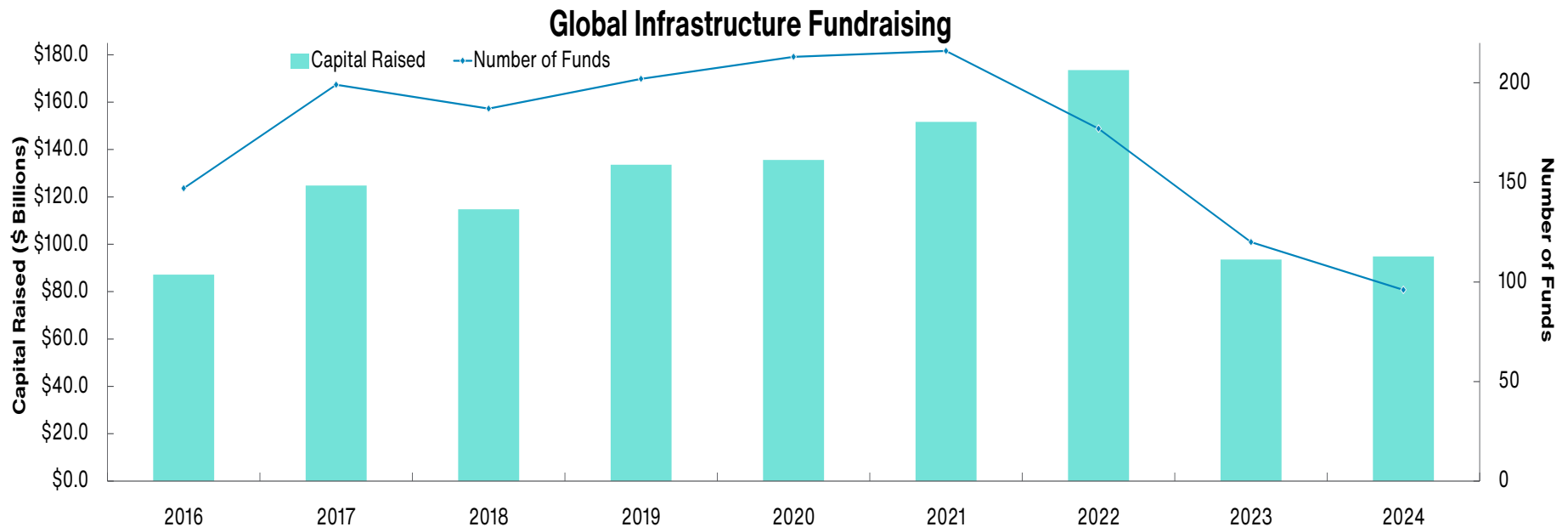
### Real Estate Valuations

Global Valuations (December 2024)

#### Regional/Sector Going-In Yields



# Infrastructure

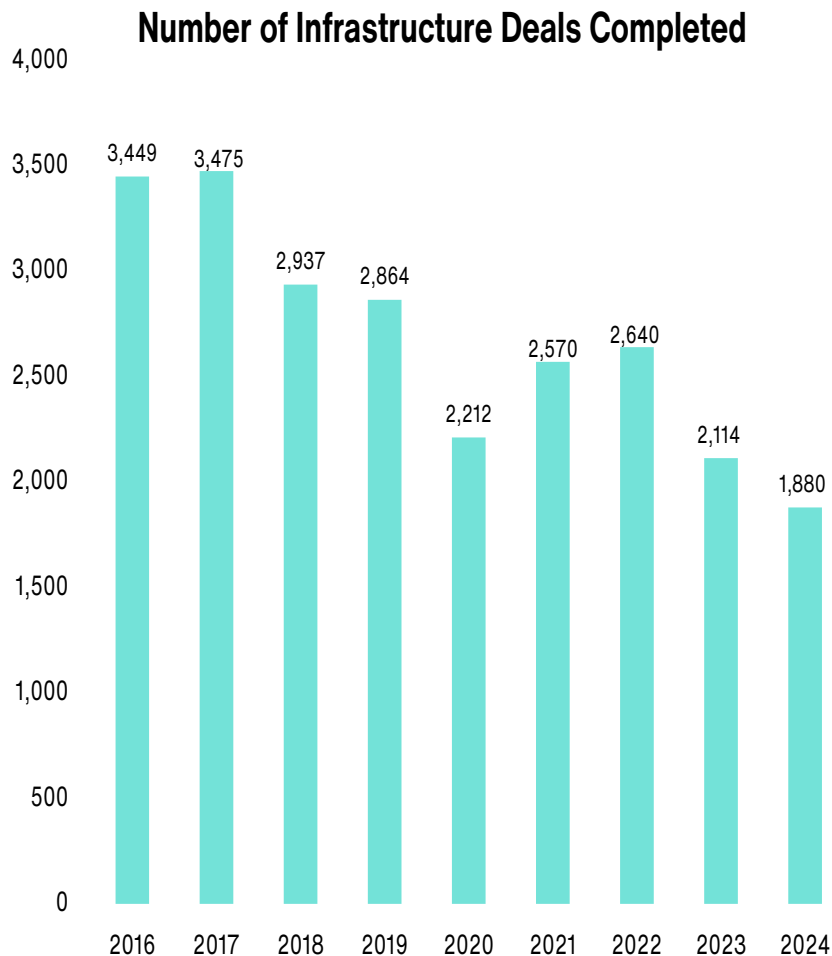


Source: Preqin

## Fundraising

- \$18.9 billion of capital was raised by 17 funds in Q4 2024 compared to \$18.1 billion of capital raised by 20 funds in Q3 2024. This was a decrease of 44.5% compared to the five-year quarterly average of \$34.1 billion. In 2024, \$94.9 billion of capital was raised, representing a slight increase of 1.4% compared to 2023's total, however this was still a decrease of 31.0% compared to the five-year average.
  - Antin Infrastructure Partners V was the largest fund closed during the quarter with aggregate commitments of \$10.7 billion.
- As of the end of Q4 2024, there were an estimated 696 unlisted infrastructure funds in the market seeking roughly \$552.7 billion.
  - The largest funds in market, Global Infrastructure Partners V and ALTÉRRRA Acceleration, each had target fund sizes of \$25.0 billion.
  - The 10 largest funds in market are currently seeking a combined \$176.0 billion in capital.
- Concerns surrounding the relative availability and pricing of assets remain. Although fundraising has slowed it remains competitive given the number of funds and aggregate target level of funds in market. Investor appetite for the asset class persists despite the strong levels of dry powder and increased investment activity from strategic and corporate buyers as well as institutional investors.

# Infrastructure



Source: Preqin

## Activity

- Infrastructure managers completed 416 deals for an aggregate deal value of \$74.1 billion in Q4 2024, a decrease compared to 540 deals totaling \$105.5 billion completed in Q3 2024.
  - By region, Europe produced the largest value of completed deals, with 40.2% of deal value being completed in the region, followed by North America at 29.7%. APAC amassed 22.9% of value during Q4 2024.
  - On an annual basis, deals completed in North America account for the highest proportion of deal value, comprising 36.4% of the 2024's total, followed by Europe with 32.8% and APAC with 20.0%.

## Opportunity

- Mid-market core+ and value-add infrastructure as well as a platform investing approach continue to offer the best relative value.
- Assess funds with pre-specified assets with caution due to possible lag in and uncertainty around valuation impact.
- Blind-pool funds may be better positioned to take advantage of the market dislocation in certain sub-sectors, however careful review of such strategies is required.
- Build-to-core greenfield strategies particularly in the social / PPP infrastructure space offer a premium for investors willing to take on construction / development risk.

# Farmland – Fourth Quarter 2024 Market Update

## Farmland Markets

- The farmland market showed signs of stabilization and even slight strengthening through the fourth quarter of 2024, following the headwinds experienced earlier in the year.
- Despite continued challenges from lower commodity prices, elevated input costs, and higher-for-longer interest rates, buyer interest remained resilient, especially for high-quality properties in attractive regions.
- Throughout much of 2024, cropland values were under pressure due to a combination of declining commodity prices, high input costs, and elevated interest rates. However, the last months of the year brought a degree of stabilization, as post-harvest sales activity revealed pockets of resilience.
- Data from the Federal Reserve Districts indicated that the year-over-year gains seen earlier in the cycle continued to moderate, with price changes reflecting a mix of small increases, flat pricing, and slight declines.
- Looking ahead, key uncertainties loom for 2025. The market will be digesting the impacts of persistently high input costs, subdued crop incomes, potential tax policy changes, and geopolitical developments including tariff dynamics and global trade flows.

FIG 1: Major Global Crop Price Indices Monthly % Change

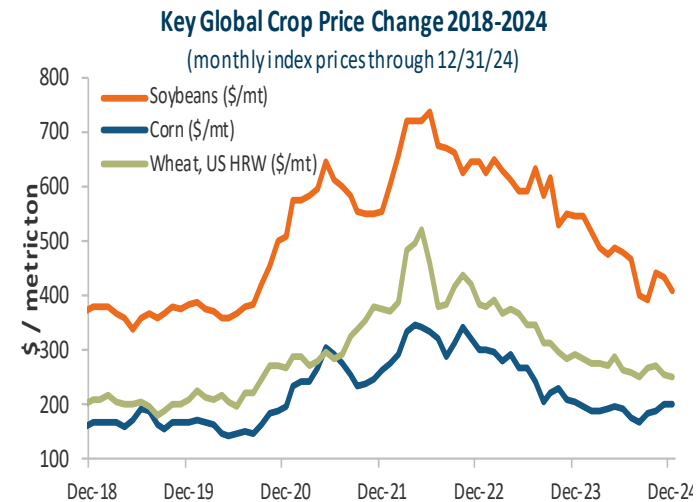
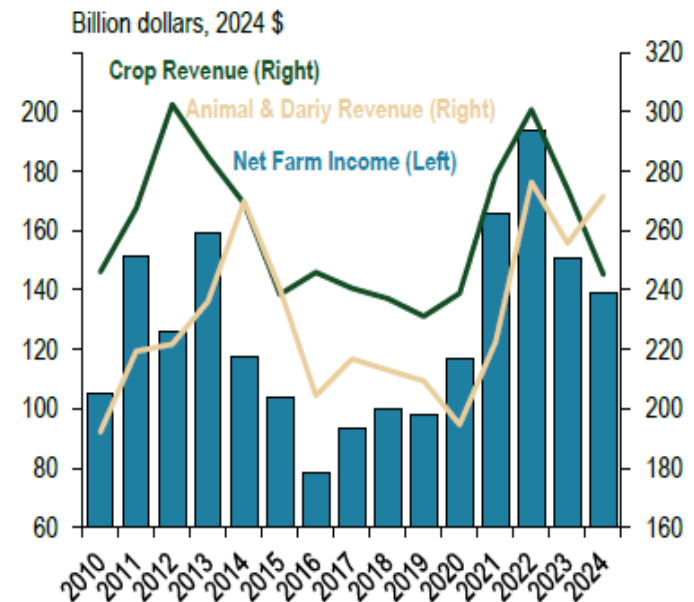


FIG 2: U.S. Farm Income & Revenue



# Farmland – Fourth Quarter 2024 Market Update

## Farmland Markets – Outlook & Policy Watch

As the farmland market turns toward 2025, several macro and policy factors warrant close attention.

### Macro Policy

- The Federal Reserve has begun easing monetary policy, with the first rate cut delivered at the September 2024 FOMC meeting; however, underlying inflationary pressures and a structurally tighter labor market could limit the pace of future cuts.
- This environment suggests that borrowing costs will remain elevated relative to recent history, continuing to influence farm operating costs and land financing dynamics.

### Global Trade & Political Landscape

- On the trade front, the re-escalation of tensions between the U.S. and China is injecting new uncertainty into global agricultural markets. While the immediate impact on corn and wheat prices may be limited, soybean markets are particularly exposed.
- China's reduced imports of U.S. soybeans have led to price adjustments aimed at attracting alternative buyers. However, global supply and demand fundamentals remain a balancing force: if China sources soybeans from South America, those traditional buyers must in turn seek U.S. supply.

### Planting Trends

- From a planting perspective, early signals point to corn reclaiming acreage from a range of other crops. Corn's price competitiveness, coupled with strong demand drivers such as record ethanol production and healthy export flows (notably to Mexico), supports this trend.
- U.S. corn planted acreage for 2025 is projected at 94.55 million acres, up 4.2% year-over-year, while soybeans, spring wheat, cotton, and grain sorghum are all expected to see acreage reductions.

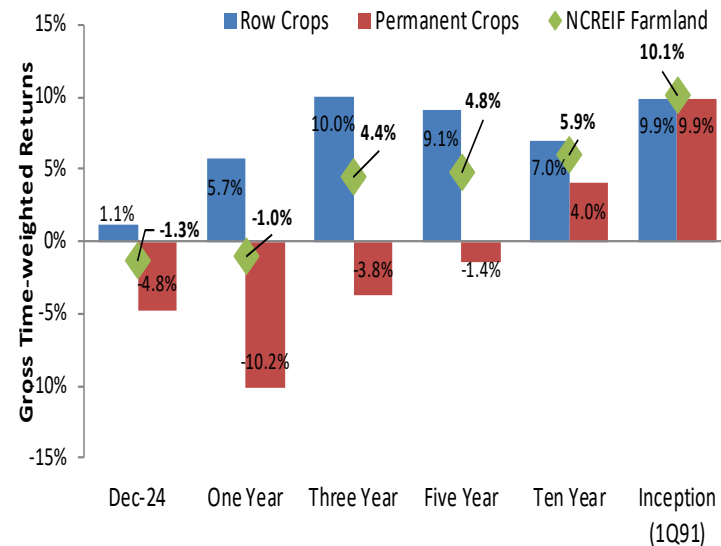


# Farmland – Fourth Quarter 2024 Performance Update

## Farmland Index Commentary 4Q24

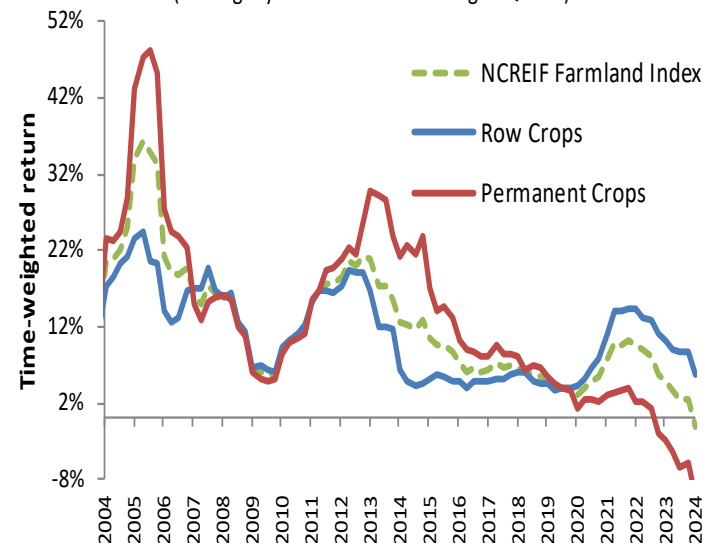
- Performance data for the fourth quarter of 2024 reflected the market's dual nature: resilience in certain cropland sectors, while permanent cropland values continued to face pressure.
- According to the NCREIF Farmland Property Index, total farmland returns for 4Q 2024 posted a decline of -1.32%, driven primarily by negative capital appreciation (-2.30%), partially offset by positive income return (+0.99%).
- The performance divergence between row crops (annual cropland) and permanent crops deepened during the quarter, reflecting structural differences in market dynamics, short-term demand, and pricing power.
- Row crops generated a total return of 1.10% for the quarter, supported by steady income and modest appreciation. For the full year, row crops delivered a positive total return of 5.66%, underscoring the relative strength of row crop properties, particularly in regions with solid yields and stable rental structures.
- Permanent cropland continued its downward trend, with a 4Q total return of -4.80%, as weak commodity pricing (notably in almonds and other specialty crops) and softening valuations weighed on results. For the full year, permanent cropland posted a total return of -10.18%, a stark contrast to the positive momentum seen in row crops.

NCREIF Farmland Index Farm Type Returns December 2024



NCREIF Farm Type Performance

(Rolling 1-year total returns through 4Q 2024)

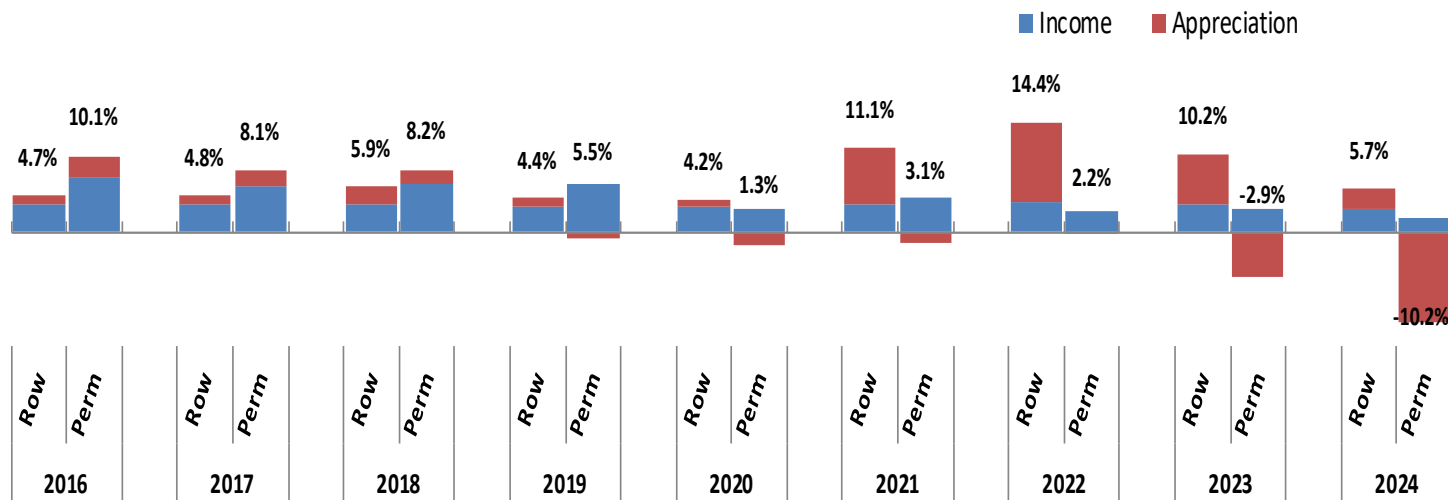


# Farmland – Fourth Quarter 2024 Performance Update

## NCREIF Farmland Index 4Q24

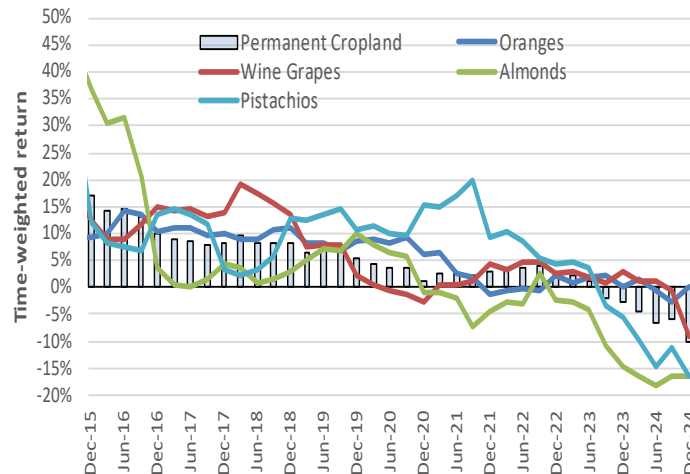
NCREIF Farm Type Performance Attribution 2016 - 2024

(Calendar year total returns through 4Q 2024)



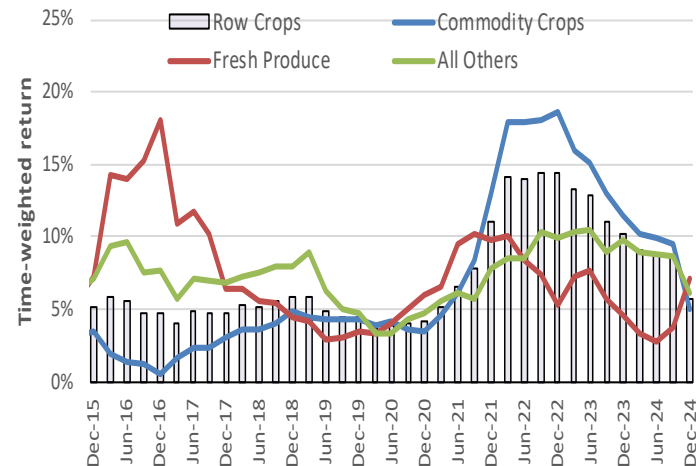
NCREIF Permanent Crop Performance by Crop Type

(Rolling 1-year total returns through 4Q 2024)



NCREIF Row Crop Performance by Crop Category

(Rolling 1-year total returns through 4Q 2024)



# Timberland

## Fourth Quarter 2024 Market Update

### Timberland Markets

- Global market pressures persisted during the quarter, particularly with softwood log and pulp prices under pressure in export markets and shifting macro policy landscapes.
- The U.S. timberland market demonstrated resilience through the fourth quarter of 2024, even as global macroeconomic conditions and housing sector softness continued to weigh on near-term demand.
- U.S. housing starts improved modestly in 4Q, rising 10.6% quarter-over-quarter to 1.50 million units (SAAR), though affordability constraints persist.
- Regional dynamics remained mixed. The U.S. South benefited from stable pricing and ongoing mill demand, while Pacific Northwest markets experienced modest pricing declines alongside softer export demand.
- Hardwood markets in the Northeast and Lake States continued to grapple with lower grade inventory challenges but select veneer and sawtimber species found firmer footing.
- Major timberland transactions provided a notable lift to overall market volume, with year-end deal activity ramping up and finishing the year with total U.S. timberland sales at over \$2 billion, slightly below the \$2.2 billion recorded in 2023 but still reflective of healthy institutional appetite.

FIG 1: U.S. Housing Starts, SAAR (x1000) & 30-year Mortgage

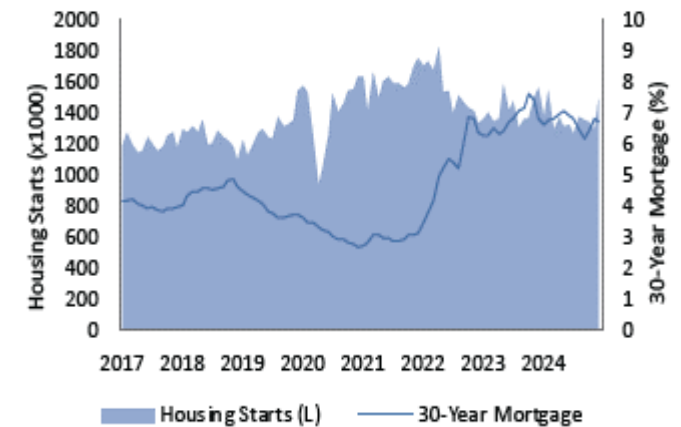


FIG 2: U.S. Southeastern Timber Prices



Fourth Quarter 2024

Sources by Figure: (1) Federal Reserve Bank of St. Louis, US Census Bureau; TIG (2) Forest2Market; FIA

# Timberland

## Fourth Quarter 2024 Performance Update

### Timberland Performance

As we look toward 2025, timberland investors face a complex but increasingly constructive environment.

#### Macro Policy & Housing

- The Federal Reserve began easing monetary policy in late 2024, lowering the federal funds rate to a range of 4.25–4.50%. While further cuts remain data-dependent, this shift should provide incremental relief to housing affordability and construction financing.

#### Political Landscape

- With the election of President Trump and Republican control of both chambers of Congress, timberland stakeholders are watching closely for potential policy shifts. Early proposals include reduced regulatory burdens and favorable tax treatments for extractive industries, which could positively influence the forestry sector.
- Trade policy remains a wildcard, as tariffs and retaliatory measures could affect export markets, particularly in Asia.

#### Global Trade & Export Markets

- Chinese demand for logs and lumber softened through late 2024, but potential infrastructure stimulus in China could re-energize import volumes later this year.

#### Carbon Markets & Natural Climate Solutions

- Carbon market frameworks continue to mature, offering future upside for timberland returns with positive steps made across Brazil and the European Union to further support the growth of carbon removal and related climate solutions.

Fourth Quarter 2024

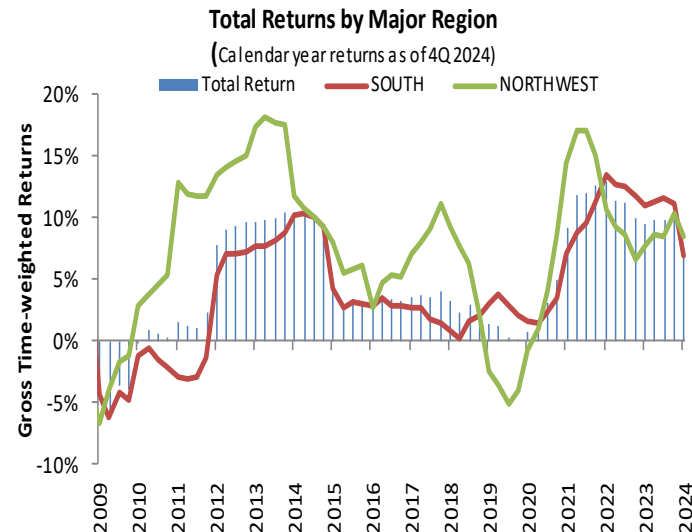
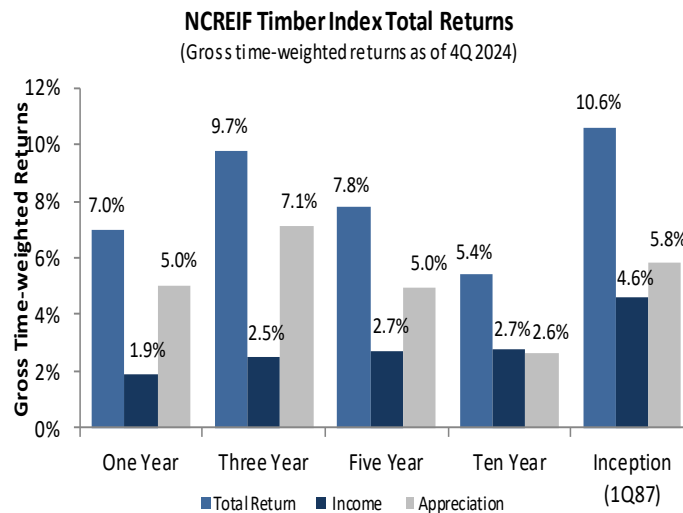
Source: Sources: Townsend; Federal Reserve Bank of St. Louis; US Census Bureau.

# Timberland

## Fourth Quarter 2024 Performance Update

### Timberland Performance

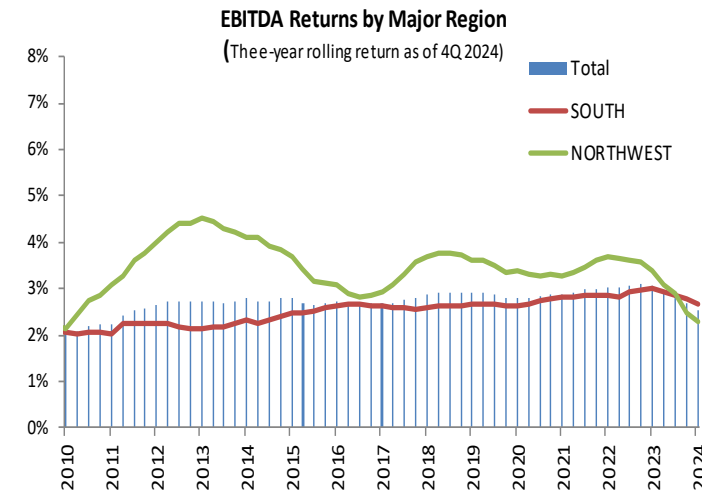
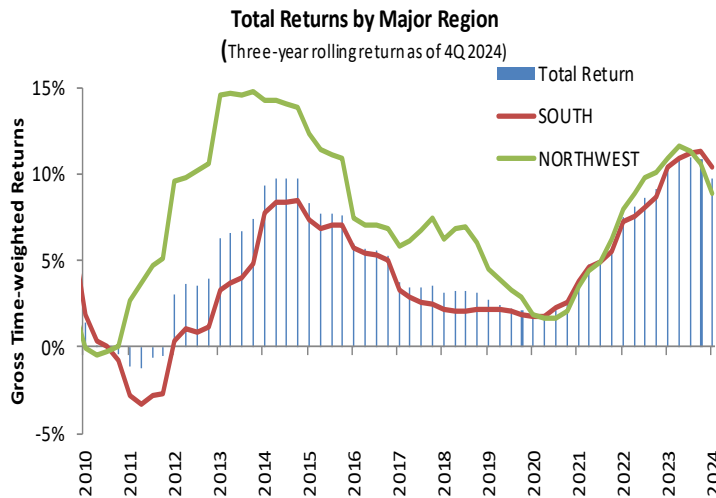
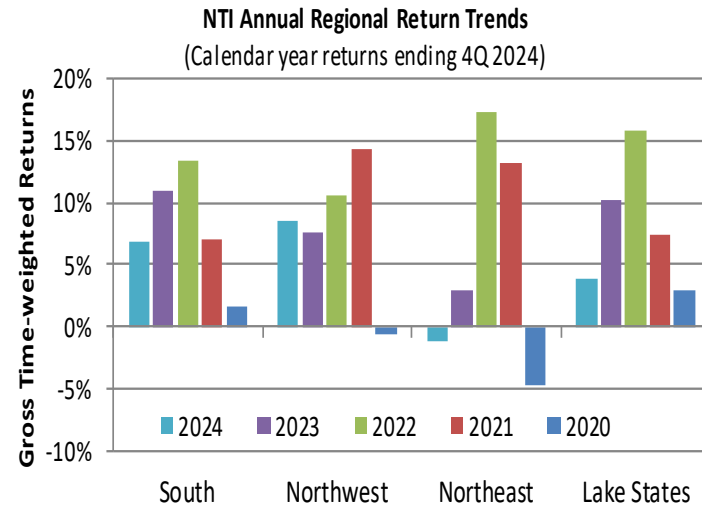
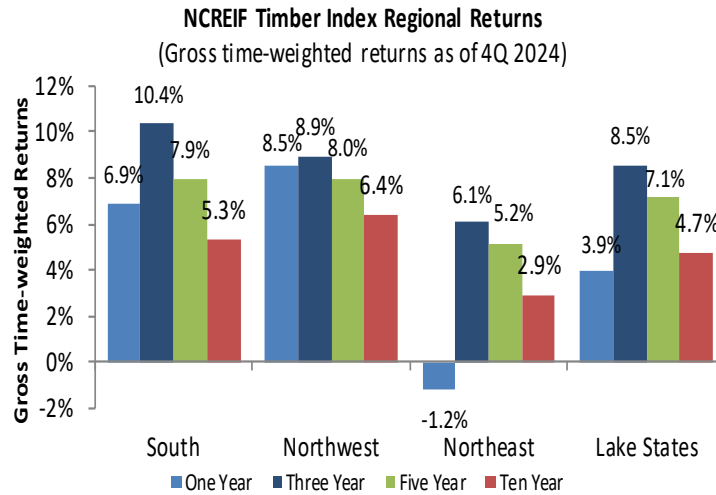
- Fourth quarter performance for timberland investments reflected the market's underlying resilience, with stable income returns and positive appreciation, as reported by the NCREIF Timberland Property Index. For 4Q 2024, the NTI posted a total return of 1.44%, including appreciation of 1.04% and income of 0.40%. For the year, total returns reached 6.97%, with appreciation accounting for the majority at 5.04% and income contributing 1.86%.
- The South delivered 1.41% for the quarter and 6.91% for the year, reflecting steady biological growth, operational cost efficiency, and resilient demand for southern yellow pine products.
- The Northwest outperformed, with a quarterly return of 1.38% and a strong annual total return of 8.49%, supported by capital value growth and stable income generation.
- The Northeast continued to struggle with a -0.90% quarterly return, and an annual return of -1.20%, weighed down by soft hardwood markets and limited pulp demand. The Lake States recorded a quarterly gain of 1.30% and a modest 3.95% return for the year, with mixed hardwood sawtimber demand and recreational lease income providing steady support.



Fourth Quarter 2024  
Source: NCREIF

# Timberland

## Fourth Quarter 2024 Performance Update



Fourth Quarter 2024  
Source: NCREIF



# 3

## Real Assets Portfolio Update



# ATRS' Real Estate Performance: Core Portfolio

## As of December 31, 2024

Partnership Name	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Arkansas Investments	2007	142,694,200	144,624,546	0	212,542,482	78,576,236	2.9	2.3
JP Morgan Strategic Property Fund	2007	170,000,000	170,000,000	0	234,356,801	148,200,529	5.4	4.3
Metlife Commercial Mortgage Income Fund	2019	50,000,000	50,000,000	0	15,001,999	43,068,563	1.6	1.3
Prime Property Fund	2022	70,000,000	70,000,000	0	6,394,063	57,270,523	2.1	1.7
PRISA SA	2005	170,000,000	184,182,196	0	148,609,154	264,368,336	9.7	7.7
RREEF Core Plus Industrial Fund L.P.	2022	70,000,000	70,000,000	0	3,006,657	64,443,802	2.4	1.9
UBS Trumbull Property Fund	2006	170,000,000	190,587,980	0	236,588,273	106,837,803	3.9	3.1
UBS Trumbull Property Income Fund	2017	50,000,000	50,000,000	0	12,159,263	50,211,593	1.8	1.5
<b>Total Core</b>	<b>2005</b>	<b>892,694,200</b>	<b>929,394,723</b>	<b>0</b>	<b>868,658,692</b>	<b>812,977,386</b>	<b>29.8</b>	<b>23.7</b>

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Arkansas Investments	0.0	2.6	2.6	2.6	0.0	11.1	11.1	11.1	0.0	7.7	7.7	7.7	0.0	2.5	2.5	2.5	0.0	7.2	7.2	7.2	7.2	7.2	1Q08	8.1	2.0
JP Morgan Strategic Property Fund	1.0	0.8	1.8	1.6	3.9	-5.5	-1.7	-2.6	3.4	-7.5	-4.3	-5.2	3.5	-2.0	1.5	0.6	3.9	1.1	5.0	4.1	5.0	4.1	2Q07	6.1	2.3
Metlife Commercial Mortgage Income Fund	2.2	-0.1	2.1	1.9	9.1	-6.8	1.9	1.0	8.0	-4.5	3.2	2.3	7.0	-3.1	3.7	2.9					3.9	3.1	3Q19	3.1	1.2
Prime Property Fund	1.0	-0.2	0.7	0.5	4.0	-3.6	0.3	-0.8													-1.7	-2.7	2Q22	-3.8	0.9
PRISA SA	1.1	0.9	1.9	1.7	4.6	-5.9	-1.5	-2.3	4.0	-6.0	-2.2	-3.0	4.0	-0.8	3.1	2.3	4.3	1.8	6.2	5.4	6.1	5.3	3Q05	5.7	2.2
RREEF Core Plus Industrial Fund L.P.	0.6	-0.6	0.1	-0.1	3.0	-0.6	2.3	1.6													-1.4	-2.1	3Q22	-1.9	1.0
UBS Trumbull Property Fund	1.1	-0.2	1.0	0.8	4.0	-5.4	-1.6	-2.3	3.7	-7.5	-4.0	-4.7	3.8	-4.0	-0.3	-1.0	4.3	-1.3	2.9	2.1	4.3	3.5	2Q06	4.8	1.8
UBS Trumbull Property Income Fund	1.0	0.9	1.8	1.6	4.0	-2.9	0.9	0.1	3.9	-4.4	-0.6	-1.5	3.8	-1.0	2.7	1.9					4.0	3.2	3Q17	3.4	1.2
<b>Total Core</b>	<b>1.0</b>	<b>0.6</b>	<b>1.6</b>	<b>1.4</b>	<b>4.0</b>	<b>-3.6</b>	<b>0.2</b>	<b>-0.5</b>	<b>3.6</b>	<b>-4.7</b>	<b>-1.2</b>	<b>-2.0</b>	<b>3.6</b>	<b>-1.2</b>	<b>2.4</b>	<b>1.6</b>	<b>3.8</b>	<b>1.6</b>	<b>5.4</b>	<b>4.7</b>	<b>6.8</b>	<b>6.0</b>	<b>3Q05</b>	<b>5.7</b>	<b>1.8</b>

Note: Arkansas Investments are included in Core portfolio



# ATRS' Real Estate Funding: Value-Add Portfolio

As of December 31, 2024

Partnership Name	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Almanac Realty Securities IX, L.P.	2022	40,000,000	9,936,690	30,164,413	101,103	9,723,676	0.4	1.2
Almanac Realty Securities V, LP	2008	50,000,000	21,787,314	0	48,380,466	42,494	0.0	0.0
Almanac Realty Securities VI	2012	30,000,000	19,102,008	0	21,152,797	2,822,269	0.1	0.1
Almanac Realty Securities VII	2015	30,000,000	31,833,819	4,091,199	27,933,321	15,414,026	0.6	0.6
Almanac Realty Securities VIII	2018	30,000,000	24,769,895	6,793,677	5,391,203	25,212,859	0.9	0.9
Calmwater Real Estate Credit Fund III	2017	30,000,000	23,113,383	7,427,676	18,697,713	9,850,225	0.4	0.5
CBRE Strategic Partners U.S. Value 8	2017	25,000,000	24,252,597	747,403	10,377,578	10,889,128	0.4	0.3
CBRE Strategic Partners U.S. Value 9	2020	50,000,000	52,961,816	2,545,913	5,879,589	42,371,975	1.6	1.3
FPA Core Plus Fund IV	2018	30,000,000	30,000,000	0	6,177,076	35,411,521	1.3	1.0
GLP Capital Partners IV	2021	50,000,000	42,131,915	11,890,795	4,022,710	38,325,901	1.4	1.5
Harbert European Real Estate Fund IV	2016	25,011,918	23,920,550	1,575,400	20,809,457	993,652	0.0	0.1
LaSalle Income & Growth Fund VI	2013	20,000,000	19,047,619	0	22,379,425	2,192,183	0.1	0.1
LaSalle Income & Growth Fund VII	2017	20,000,000	20,307,423	0	13,704,683	5,009,721	0.2	0.1
LaSalle Income & Growth Fund VIII	2020	50,000,000	44,095,378	5,904,622	12,932,416	32,567,888	1.2	1.1
LaSalle Value Partners U.S. IX		75,000,000	0	75,000,000	0	-3,206,445	-0.1	2.1
LBA Logistics Value Fund IX	2022	55,000,000	43,717,949	11,282,051	0	42,340,212	1.6	1.6
Long Wharf Real Estate Partners V	2015	30,000,000	29,828,371	0	22,620,031	14,098,596	0.5	0.4
Long Wharf Real Estate Partners VI, L.P.	2020	50,000,000	49,958,652	0	28,543,112	32,906,083	1.2	1.0
Long Wharf Real Estate Partners VII, L.P.	2024	50,000,000	22,399,812	27,600,188	0	21,451,944	0.8	1.4
Mesa West Real Estate Income Fund V	2021	40,000,000	20,150,859	19,949,311	1,715,251	20,229,569	0.7	1.2
PGIM Real Estate Capital VII (USD Feeder) SCSp	2021	40,000,000	23,667,388	16,332,612	8,904,799	18,282,339	0.7	1.0
Rockwood Capital Real Estate Partners Fund IX	2012	30,000,000	27,422,960	0	34,675,540	375,645	0.0	0.0
Rockwood Capital Real Estate Partners Fund XI	2019	40,000,000	35,955,928	5,037,421	1,623,581	26,791,562	1.0	0.9
Walton Street Real Estate Debt Fund II, L.P.	2019	40,000,000	38,484,194	22,605,451	21,100,961	21,814,381	0.8	1.3
Westbrook Real Estate Fund IX	2013	40,000,000	46,622,701	3,603,488	48,361,088	3,191,695	0.1	0.2
Westbrook Real Estate Fund X	2016	25,000,000	25,895,789	613,257	21,324,570	4,894,901	0.2	0.2
<b>Total Value Added</b>	<b>2007</b>	<b>995,011,918</b>	<b>751,365,009</b>	<b>253,164,878</b>	<b>406,808,469</b>	<b>433,998,003</b>	<b>15.9</b>	<b>20.1</b>

# ATRS' Real Estate Performance: Value-Add Portfolio

## As of December 31, 2024

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Almanac Realty Securities IX, L.P.	0.8	3.4	4.2	3.0	2.6	11.8	14.6	8.3									7.4	-1.3	3Q22	-0.7	1.0
Almanac Realty Securities V, LP	-4.4	0.9	-3.5	-3.5	-40.0	9.8	-33.1	-33.1	-25.3	5.4	-20.8	-20.8	-25.0	4.4	-21.1	-21.2	0.4	-0.7	4Q09	11.9	2.2
Almanac Realty Securities VI	-0.1	-3.8	-3.9	-4.2	-0.4	-10.2	-10.6	-11.9	0.1	-9.9	-9.8	-10.9	0.5	-10.8	-10.2	-11.3	1.5	0.1	1Q13	7.6	1.3
Almanac Realty Securities VII	1.2	-5.6	-4.4	-4.7	5.7	-9.3	-4.0	-5.1	6.4	-4.0	2.2	1.0	6.9	-1.8	5.0	3.8	10.9	8.6	3Q15	9.5	1.4
Almanac Realty Securities VIII	1.6	1.5	3.0	2.8	4.7	5.6	10.5	9.3	5.9	2.0	8.1	6.9	6.0	5.9	12.1	8.4	12.9	6.8	3Q19	8.7	1.2
Calmwater Real Estate Credit Fund III	-8.8	0.0	-8.8	-9.1	-14.3	0.0	-14.3	-11.6	-2.8	0.0	-2.8	-0.9	2.2	0.0	2.2	2.3	4.9	3.8	1Q18	5.3	1.2
CBRE Strategic Partners U.S. Value 8	0.3	-0.7	-0.3	-0.7	1.9	-30.4	-29.0	-29.9	3.1	-25.0	-22.5	-22.7	4.9	-14.4	-10.1	-10.7	-2.2	-3.3	2Q17	-2.9	0.9
CBRE Strategic Partners U.S. Value 9	0.0	1.3	1.3	1.0	-1.1	2.9	1.8	0.0	-1.7	-2.0	-3.8	-6.2					1.8	-1.6	4Q20	-4.8	0.9
FPA Core Plus Fund IV	2.1	0.4	2.4	2.2	5.9	0.2	6.1	5.4	5.2	1.0	6.2	5.6	4.8	3.4	8.3	7.6	7.3	6.6	4Q18	7.1	1.4
GLP Capital Partners IV	0.3	-0.9	-0.6	-0.8	0.9	-1.5	-0.6	-3.3	0.8	0.6	1.4	0.2					5.6	4.1	4Q21	0.2	1.0
Harbert European Real Estate Fund IV	3.1	-16.5	-13.4	-15.6	3.0	-18.5	-15.5	-23.2	8.8	-44.6	-39.0	-41.9	9.1	-33.6	-26.8	-28.0	-12.4	-14.6	3Q16	-2.2	0.9
LaSalle Income & Growth Fund VI	0.9	-2.9	-2.0	-2.0	4.3	-37.4	-34.3	-34.3	6.1	-32.9	-28.6	-26.0	5.3	-24.5	-20.3	-18.0	-3.7	-3.4	4Q13	7.3	1.3
LaSalle Income & Growth Fund VII	-3.4	3.6	0.2	-0.4	-11.0	-2.1	-12.9	-14.9	-6.9	-23.7	-29.3	-29.6	-4.0	-10.2	-14.0	-15.0	-5.9	-7.2	3Q17	-2.4	0.9
LaSalle Income & Growth Fund VIII	-1.3	-4.1	-5.4	-5.7	-6.1	-7.0	-12.8	-13.1	-5.4	8.0	2.3	0.7					13.9	9.0	2Q20	1.7	1.0
LaSalle Value Partners U.S. IX																			2Q25	N/M	N/M
LBA Logistics Value Fund IX	-0.1	1.3	1.2	1.6	-1.5	5.1	3.6	2.5									-1.1	-4.7	2Q22	-2.1	1.0
Long Wharf Real Estate Partners V	-0.1	-0.9	-1.0	-1.4	-0.1	-15.5	-15.6	-16.8	0.5	-5.5	-5.0	-6.2	0.9	-1.9	-1.1	-1.3	5.6	3.2	1Q16	5.0	1.2
Long Wharf Real Estate Partners VI, L.P.	0.7	-1.0	-0.4	-0.6	2.8	-1.1	1.7	0.2	2.7	8.0	10.9	7.1					28.9	19.3	2Q20	12.3	1.2
Long Wharf Real Estate Partners VII, L.P.																	N/M	N/M	4Q24	N/M	N/M
Mesa West Real Estate Income Fund V	2.6	0.0	2.6	1.8	11.3	-3.0	8.1	4.5	12.5	0.4	12.9	6.7					12.9	6.8	1Q22	5.2	1.1
PGIM Real Estate Capital VII (USD Feeder)	0.0	2.7	2.6	2.6	-0.1	9.1	8.9	8.9	0.8	9.1	10.0	10.0					11.2	10.9	2Q21	9.8	1.1
Rockwood Capital Real Estate Partners Fund IX	-36.0	-8.1	-44.2	-44.5	-36.8	-23.7	-54.2	-55.1	-13.5	-13.6	-26.5	-28.2	-7.0	-12.7	-19.7	-21.8	-1.3	-3.9	4Q13	8.5	1.3
Rockwood Capital Real Estate Partners Fund XI	0.0	-5.6	-5.5	-6.0	-0.2	-18.5	-18.7	-20.1	0.8	-10.5	-9.8	-11.4					-0.6	-3.4	4Q20	-8.7	0.8
Walton Street Real Estate Debt Fund II, L.P.	2.5	0.0	2.4	2.1	11.0	0.0	11.0	9.4	12.2	-3.3	8.7	7.0	11.5	-2.9	8.4	6.8	8.7	7.0	3Q19	7.4	1.1
Westbrook Real Estate Fund IX	-0.5	-18.3	-18.8	-19.4	-5.6	-37.9	-41.8	-43.2	-2.1	-24.8	-26.6	-27.8	-1.6	-18.6	-20.0	-21.2	-3.4	-5.7	3Q13	4.0	1.1
Westbrook Real Estate Fund X	-0.4	-15.1	-15.6	-16.0	-0.8	-31.4	-32.0	-33.3	-0.2	-23.3	-23.5	-24.7	0.4	-11.9	-11.6	-12.9	-0.2	-4.1	4Q16	0.6	1.0
<b>Total Value Added</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.4</b>	<b>-1.2</b>	<b>0.5</b>	<b>-4.1</b>	<b>-3.6</b>	<b>-5.6</b>	<b>1.7</b>	<b>-3.9</b>	<b>-2.3</b>	<b>-3.9</b>	<b>2.9</b>	<b>-0.6</b>	<b>2.3</b>	<b>0.3</b>	<b>5.8</b>	<b>3.4</b>	<b>2Q07</b>	<b>4.2</b>	<b>1.1</b>

# ATRS' Real Estate Funding: Opportunistic Portfolio

As of December 31, 2024

Partnership Name	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	2019	49,096,184	44,281,258	13,806,893	14,474,663	37,682,322	1.4	1.5
Blackstone Real Estate Partners Europe VII (USD Vehicle)	2024	50,000,000	8,662,237	41,781,531	0	9,129,916	0.3	1.5
Blackstone Real Estate Partners VII	2012	50,000,000	66,638,931	3,804,804	100,966,916	6,178,658	0.2	0.3
Blackstone Real Estate Partners X	2023	75,000,000	22,870,915	55,716,642	1,510,069	22,441,619	0.8	2.3
Carlyle Realty Partners IX	2022	35,000,000	18,194,349	17,684,495	878,844	17,207,173	0.6	1.0
Carlyle Realty Partners VII	2014	30,000,000	29,864,374	8,650,485	38,341,376	6,060,220	0.2	0.4
Carlyle Realty Partners VIII	2018	25,000,000	22,403,234	16,033,323	23,538,337	10,523,042	0.4	0.8
CBRE Strategic Partners U.S. Opportunity 5	2008	50,000,000	48,619,365	1,380,660	67,848,535	102,516	0.0	0.0
Cerberus Institutional Real Estate Partners III	2013	30,000,000	37,777,980	4,573,199	51,622,406	7,518,542	0.3	0.4
Heitman European Property Partners IV	2008	44,089,700	34,546,944	0	26,841,177	283,591	0.0	0.0
Kayne Anderson Real Estate Partners V	2018	25,000,000	26,184,595	0	18,428,664	16,578,443	0.6	0.5
Kayne Anderson Real Estate Partners VI	2021	50,000,000	44,000,000	7,516,393	1,516,393	51,562,368	1.9	1.7
Landmark Real Estate Fund VI	2010	40,000,000	35,090,608	70,225	53,488,103	116,548	0.0	0.0
Landmark Real Estate Fund VIII	2017	25,000,000	19,816,344	8,305,520	11,229,641	13,765,986	0.5	0.6
Landmark Real Estate Partners IX, L.P.	2024	50,000,000	12,179,984	37,820,016	0	11,428,934	0.4	1.4
LaSalle Asia Opportunity Fund IV	2014	30,000,000	28,823,325	466,781	39,655,278	1,206,402	0.0	0.0
LaSalle Asia Opportunity V	2016	30,000,000	33,386,243	4,000,371	20,870,330	12,482,833	0.5	0.5
LaSalle Asia Opportunity VI	2023	50,000,000	16,005,308	35,349,583	1,354,891	12,000,966	0.4	1.4
Lone Star Real Estate Fund IV	2015	24,260,817	23,568,500	692,317	20,412,801	6,778,718	0.2	0.2
Lone Star Real Estate Fund VII		50,000,000	0	50,000,000	0	-1,710,990	-0.1	1.4
Metropolitan Real Estate Partners Co-Investments Fund, L.P.	2015	20,000,000	19,132,876	867,124	18,774,454	4,922,127	0.2	0.2
O'Connor North American Property Partners II, L.P.	2008	50,000,000	58,426,718	5,000,000	44,583,423	2,412,009	0.1	0.2
Torchlight Debt Fund VII, LP	2020	50,000,000	47,500,000	2,500,000	388,117	50,929,807	1.9	1.6
Torchlight Debt Opportunity Fund IV	2013	30,000,000	29,369,211	0	39,667,838	1,164,121	0.0	0.0
Torchlight Debt Opportunity Fund V	2015	25,000,000	20,001,024	5,000,000	23,787,472	2,421,527	0.1	0.2
Torchlight Debt Opportunity Fund VI	2018	25,000,000	22,479,558	2,500,000	10,710,743	20,133,189	0.7	0.7
<b>Total Opportunistic</b>	<b>1998</b>	<b>1,012,446,701</b>	<b>769,823,882</b>	<b>323,520,361</b>	<b>630,890,470</b>	<b>323,320,587</b>	<b>11.8</b>	<b>18.9</b>

# ATRS' Real Estate Performance: Opportunistic Portfolio

As of December 31, 2024

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	-0.1	-6.2	-6.3	-6.6	-0.1	-3.7	-3.8	-5.2	-0.2	2.7	2.5	-0.5	-2.18	13.7	11.1	5.1	11.1	5.1	1Q20	7.9	1.2
Blackstone Real Estate Partners Europe VII (USD Vehicle)	1.6	-5.7	-4.1	-7.3													10.6	2.0	3Q24	12.0	1.1
Blackstone Real Estate Partners VII	0.0	-5.7	-5.6	-4.5	-0.2	-19.1	-19.2	-15.5	0.7	-20.2	-19.6	-16.0	1.7	-11.2	-9.6	-7.9	8.1	5.5	2Q12	14.3	1.6
Blackstone Real Estate Partners X	-0.2	2.1	1.9	1.1	1.7	25.5	27.8	11.0									34.0	-6.3	2Q23	7.2	1.0
Carlyle Realty Partners IX	-0.9	3.7	2.7	1.5	-6.3	26.6	19.0	14.1									-18.1	-37.6	4Q22	-0.6	1.0
Carlyle Realty Partners VII	-6.5	4.2	-2.3	4.1	-9.5	3.2	-6.3	3.5	-0.9	-5.7	-6.5	-2.9	6.0	-5.1	0.8	3.0	10.3	8.4	1Q15	13.1	1.5
Carlyle Realty Partners VIII	1.4	-1.9	-0.5	-0.6	7.9	-5.5	2.2	1.4	13.2	0.4	13.7	11.8	19.5	9.0	29.5	22.8	27.6	18.6	4Q18	22.8	1.5
CBRE Strategic Partners U.S. Opportunity 5	-1.6	-9.4	-11.0	-11.0	-8.2	-9.0	-16.6	-16.6	-4.8	-8.8	-13.2	-13.2	-3.4	4.1	0.6	0.6	-8.5	-9.8	4Q08	5.4	1.4
Cerberus Institutional Real Estate Partners III	0.0	7.8	7.7	6.2	-22.7	-6.2	-27.4	-22.4	-8.3	-1.4	-9.6	-7.3	-5.3	14.8	8.8	7.6	13.4	10.1	4Q13	12.5	1.6
Heitman European Property Partners IV	0.4	-1.8	-1.3	-1.3	2.1	-2.0	0.0	0.0	-10.2	-3.8	-13.4	-13.4	-8.1	-1.4	-9.3	-9.3	-6.5	-7.6	1Q11	-3.8	0.8
Kayne Anderson Real Estate Partners V	-8.5	5.9	-2.6	0.2	-17.7	12.4	-6.8	-4.0	-17.1	19.5	0.2	-0.1	-9.5	19.9	9.4	6.4	10.8	7.3	3Q18	8.6	1.3
Kayne Anderson Real Estate Partners VI	0.4	6.4	6.8	5.1	1.4	25.0	26.6	18.0	2.5	18.5	21.3	14.4					21.9	8.7	3Q21	13.2	1.2
Landmark Real Estate Fund VI	0.1	0.4	0.6	0.6	-0.2	2.1	1.9	1.9	N/M	55.5	-7.2	-7.4	N/M	37.2	-14.9	-15.4	14.2	12.3	3Q10	18.5	1.5
Landmark Real Estate Fund VIII	-0.5	0.0	-0.5	-0.7	-5.9	2.4	-3.6	-4.4	8.3	-9.0	-0.9	-2.2	12.2	-1.3	10.7	7.5	18.4	12.8	3Q17	9.7	1.3
Landmark Real Estate Partners IX, L.P.	-2.5	7.1	4.5	3.0													48.9	-56.5	2Q24	-18.2	0.9
LaSalle Asia Opportunity Fund IV	1.6	-35.4	-33.9	-33.9	4.0	-35.4	-32.2	-32.4	-2.5	-10.3	-11.9	-12.4	-3.3	-2.5	-5.2	-5.7	8.4	3.2	4Q14	31.5	1.4
LaSalle Asia Opportunity V	0.4	-14.5	-14.0	-14.4	0.7	-17.8	-17.2	-18.6	-6.6	-4.8	-11.0	-13.3	-6.2	3.6	-2.4	-4.9	5.2	0.6	4Q16	-0.1	1.0
LaSalle Asia Opportunity VI	-11.5	21.8	10.3	8.7	76.1	-462.7	-230.6	-127.5									N/M	N/M	3Q23	-27.9	0.8
Lone Star Real Estate Fund IV	-0.3	-1.8	-2.1	-2.2	0.4	-10.9	-10.5	-11.0	-8.2	-16.7	-24.3	-19.2	-5.5	-11.7	-17.0	-13.9	-2.9	-1.9	4Q15	6.2	1.2
Lone Star Real Estate Fund VII	10.5	0.0	10.5	15.0													N/M	N/M	2Q24	N/M	N/M
Metropolitan Real Estate Partners Co-Investments Fund	-0.2	-22.7	-22.8	-23.1	-0.5	-33.3	-33.7	-30.2	-0.6	-16.7	-16.7	-14.5	0.2	-12.3	-11.7	-10.5	-0.3	-0.7	1Q16	5.9	1.2
O'Connor North American Property Partners II, L.P.	0.0	-17.7	-17.7	-17.7	0.4	-17.6	-17.3	-17.8	0.0	-18.6	-18.6	-19.2	0.2	-13.7	-13.5	-14.2	-7.7	-10.0	2Q08	-3.8	0.8
Torchlight Debt Fund VII, LP	1.6	-0.4	1.2	1.0	7.0	-1.6	5.3	3.8	6.9	0.4	7.3	5.0					9.3	5.3	4Q20	4.1	1.1
Torchlight Debt Opportunity Fund IV	-0.2	-1.1	-1.3	-1.8	-0.4	-26.6	-26.9	-28.3	2.2	-27.5	-25.7	-20.8	2.2	-18.8	-16.9	-12.5	-2.1	-0.8	4Q13	8.7	1.4
Torchlight Debt Opportunity Fund V	0.4	-11.8	-11.3	-5.1	2.4	-12.6	-10.5	-3.0	2.5	-9.6	-7.3	-1.6	3.4	-4.4	-1.2	1.9	7.9	6.0	3Q15	9.7	1.3
Torchlight Debt Opportunity Fund VI	1.0	2.9	3.9	3.7	4.4	4.6	9.1	8.1	4.8	2.4	7.2	6.7	5.6	1.8	7.4	6.4	11.6	7.1	2Q18	7.7	1.4
<b>Total Opportunistic</b>	<b>-0.7</b>	<b>0.1</b>	<b>-0.6</b>	<b>-0.9</b>	<b>-2.5</b>	<b>4.5</b>	<b>1.9</b>	<b>-0.4</b>	<b>-1.0</b>	<b>2.6</b>	<b>1.5</b>	<b>-0.8</b>	<b>1.1</b>	<b>5.6</b>	<b>6.7</b>	<b>3.7</b>	<b>8.9</b>	<b>6.5</b>	<b>1Q98</b>	<b>10.0</b>	<b>1.3</b>

# ATRS' Agriculture, Timber, & Infrastructure Funding:

## As of December 31, 2024

Partnership Name	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Agrivest Farmland Fund	2015	50,000,000	50,000,000	0	11,534,685	64,875,199	2.4	1.9
HFMS Farmland Separate Account	2011	125,000,000	178,054,470	14,240,587	87,664,318	183,072,066	6.7	5.8
<b>Agriculture</b>	<b>2011</b>	<b>175,000,000</b>	<b>228,054,470</b>	<b>14,240,587</b>	<b>99,199,003</b>	<b>247,947,265</b>	<b>9.1</b>	<b>7.7</b>
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	2019	182,930,629	182,930,628	0	12,449,182	267,982,655	9.8	7.8
BTG Timber Separate Account	1998	133,069,371	158,488,514	0	331,750,000	120,293,710	4.4	3.5
<b>Timber</b>	<b>1998</b>	<b>316,000,000</b>	<b>341,419,142</b>	<b>0</b>	<b>344,199,182</b>	<b>388,276,365</b>	<b>14.2</b>	<b>11.3</b>
AxInfra NA II LP	2021	50,000,000	52,539,268	0	7,583,931	62,712,138	2.3	1.8
DIF Infrastructure Fund VII	2023	53,140,610	24,243,702	28,633,015	350,174	24,672,870	0.9	1.6
DIF Infrastructure V	2018	47,762,784	44,210,456	5,564,419	7,939,438	48,798,151	1.8	1.6
IFM Global Infrastructure	2018	50,000,000	50,000,000	0	6,922,324	79,277,281	2.9	2.3
KKR Diversified Core Infrastructure Fund	2022	75,000,000	75,075,604	0	7,128,889	81,052,036	3.0	2.4
Macquarie Infrastructure Partners III	2013	50,000,000	51,865,316	5,415,680	75,883,957	45,835,126	1.7	1.5
Macquarie Infrastructure Partners V	2020	50,000,000	49,969,507	1,409,289	1,378,796	62,543,244	2.3	1.9
<b>Infrastructure - Core</b>	<b>2015</b>	<b>375,903,394</b>	<b>347,903,853</b>	<b>41,022,403</b>	<b>107,187,510</b>	<b>404,890,846</b>	<b>14.8</b>	<b>13.0</b>
Antin Infrastructure Partners Fund II	2014	47,696,920	35,953,565	0	71,345,847	86,713	0.0	0.0
EnCap Energy Transition Fund II	2024	50,000,000	18,517,263	31,482,737	0	16,446,151	0.6	1.4
Global Energy & Power Infrastructure Fund II	2014	50,000,000	55,784,510	1,491,773	55,275,165	14,221,768	0.5	0.5
Global Infrastructure Partners III	2016	50,000,000	52,442,378	5,427,140	45,862,059	34,853,227	1.3	1.2
ISQ Global Infrastructure Fund III	2021	50,000,000	29,045,573	21,350,186	395,759	35,121,573	1.3	1.6
KKR Global Infrastructure Investors II	2014	50,000,000	55,531,179	2,144,629	86,237,699	18,024,946	0.7	0.6
<b>Infrastructure - Non-Core</b>	<b>2014</b>	<b>297,696,920</b>	<b>247,274,467</b>	<b>61,896,465</b>	<b>259,116,529</b>	<b>118,754,378</b>	<b>4.3</b>	<b>5.3</b>
<b>Infrastructure</b>	<b>2014</b>	<b>673,600,314</b>	<b>595,178,321</b>	<b>102,918,868</b>	<b>366,304,039</b>	<b>523,645,224</b>	<b>19.2</b>	<b>18.3</b>

# ATRS' Agriculture, Timber, & Infrastructure Performance

## As of December 31, 2024

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Agrivest Farmland Fund	0.7	-0.2	0.5	0.3	2.9	1.5	4.4	3.4	3.1	3.2	6.4	5.4	3.1	3.5	6.7	5.6					6.2	5.1	2Q15	5.1	1.5
HFMS Farmland Separate Account	0.9	-0.7	0.2	-0.1	1.8	0.2	2.1	0.9	2.9	4.1	7.1	5.9	3.1	4.5	7.7	6.4	3.4	3.3	6.8	5.6	7.2	5.9	3Q11	5.9	1.5
<b>Agriculture</b>	<b>0.9</b>	<b>-0.5</b>	<b>0.3</b>	<b>0.0</b>	<b>2.1</b>	<b>0.5</b>	<b>2.7</b>	<b>1.6</b>	<b>2.9</b>	<b>3.9</b>	<b>6.9</b>	<b>5.8</b>	<b>3.1</b>	<b>4.2</b>	<b>7.4</b>	<b>6.2</b>	<b>3.4</b>	<b>3.1</b>	<b>6.7</b>	<b>5.5</b>	<b>7.1</b>	<b>5.9</b>	<b>3Q11</b>	<b>5.7</b>	<b>1.5</b>
Agriculture Benchmark*		-1.3				-1.0				4.4				5.1				4.9			7.4		3Q11		
BTG Pactual Open Ended Core U.S. Timberland Fund	-1.1	6.4	5.2	5.0	-1.4	11.3	9.8	8.7	0.1	9.4	9.5	8.4	2.24	7.6	10.3	9.2					10.3	9.2	1Q20	9.2	1.5
BTG Timber Separate Account	0.4	-0.8	-0.3	-0.5	-0.1	12.5	12.4	11.8	1.0	4.4	5.6	5.0	2.2	3.2	5.5	4.9	6.6	-4.2	5.5	4.7	7.3	6.6	2Q98	5.2	2.9
<b>Timber</b>	<b>-0.6</b>	<b>4.1</b>	<b>3.4</b>	<b>3.2</b>	<b>-1.0</b>	<b>11.6</b>	<b>10.6</b>	<b>9.6</b>	<b>0.4</b>	<b>7.8</b>	<b>8.2</b>	<b>7.3</b>	<b>2.3</b>	<b>6.1</b>	<b>8.6</b>	<b>7.7</b>	<b>6.6</b>	<b>-2.7</b>	<b>7.0</b>	<b>6.1</b>	<b>7.9</b>	<b>7.1</b>	<b>2Q98</b>	<b>5.6</b>	<b>2.1</b>
Timberland Property Benchmark*		1.4				7.0				9.7				7.9				5.3			5.9		2Q98		
AxInfra NA II LP	1.2	1.5	2.7	2.1	5.3	5.7	11.2	8.8	3.1	7.9	11.2	8.6									13.4	10.8	2Q21	9.2	1.3
DIF Infrastructure Fund VII	1.2	-2.9	-1.6	-3.9	1.9	11.9	14.1	6.5													14.3	6.4	3Q23	3.5	1.0
DIF Infrastructure V	1.2	-6.9	-5.8	-5.8	3.3	-3.3	0.0	-2.5	2.9	1.7	4.7	2.9	3.7	4.2	8.0	6.1					8.5	6.1	3Q18	5.8	1.3
IFM Global Infrastructure	0.6	2.1	2.7	2.3	2.3	4.7	7.1	6.0	2.2	6.7	9.0	7.5	3.0	7.1	10.2	8.5					11.5	9.6	4Q18	9.6	1.7
KKR Diversified Core Infrastructure Fund	1.2	1.7	3.0	2.8	3.4	6.5	10.1	9.6													8.2	7.7	2Q22	8.0	1.2
Macquarie Infrastructure Partners III	3.1	-2.1	1.0	0.7	5.4	-2.8	2.5	1.4	10.7	16.6	28.2	21.6	6.6	21.6	29.0	22.1					23.4	17.6	2Q15	17.5	2.3
Macquarie Infrastructure Partners V	-0.1	4.6	4.5	4.3	0.6	3.7	4.3	3.1	0.7	10.8	11.5	10.0									13.6	11.3	1Q21	9.4	1.3
<b>Infrastructure - Core</b>	<b>1.1</b>	<b>0.3</b>	<b>1.5</b>	<b>1.1</b>	<b>3.2</b>	<b>3.3</b>	<b>6.6</b>	<b>5.0</b>	<b>3.9</b>	<b>8.4</b>	<b>12.4</b>	<b>9.9</b>	<b>3.5</b>	<b>10.7</b>	<b>14.4</b>	<b>11.4</b>					<b>15.7</b>	<b>11.9</b>	<b>2Q15</b>	<b>11.3</b>	<b>1.5</b>
Antin Infrastructure Partners Fund II	64.2	-72.9	-8.7	-8.9	64.4	-69.4	3.2	2.4	18.0	-29.6	5.6	4.7	12.7	-12.5	13.8	12.9	7.0	-1.1	13.8	12.5	13.7	12.3	4Q14	13.0	2.0
EnCap Energy Transition Fund II	-0.5	-2.0	-2.6	-3.9																	-2.5	-6.9	2Q24	-17.5	0.9
Global Energy & Power Infrastructure Fund II	0.2	1.4	1.6	1.0	0.8	15.3	16.2	11.8	2.3	-8.6	-6.5	-7.2	3.2	-7.9	-4.8	-5.9	8.6	-3.4	9.3	2.9	9.3	3.0	1Q15	10.5	1.2
Global Infrastructure Partners III	2.8	-4.6	-1.8	-2.2	7.0	-2.1	4.8	3.4	5.9	2.0	8.1	6.6	5.3	5.6	11.2	9.6					11.5	8.2	4Q16	9.1	1.5
ISQ Global Infrastructure Fund III	-0.3	6.9	6.6	4.9	-1.0	22.7	21.5	14.5	-3.9	36.9	32.2	18.7									32.2	18.7	1Q22	14.3	1.2
KKR Global Infrastructure Investors II	4.1	-5.8	-1.7	-1.7	2.7	10.7	14.1	11.8	14.0	-0.8	14.1	13.0	21.1	-4.2	19.8	19.1	9.5	5.5	17.6	14.5	17.6	14.5	1Q15	16.8	1.9
<b>Infrastructure - Non-Core</b>	<b>4.2</b>	<b>-3.7</b>	<b>0.5</b>	<b>-0.3</b>	<b>5.5</b>	<b>4.3</b>	<b>10.2</b>	<b>6.0</b>	<b>6.5</b>	<b>2.3</b>	<b>9.0</b>	<b>6.5</b>	<b>9.5</b>	<b>3.0</b>	<b>13.0</b>	<b>10.9</b>	<b>7.2</b>	<b>6.6</b>	<b>14.5</b>	<b>11.4</b>	<b>14.2</b>	<b>10.8</b>	<b>4Q14</b>	<b>12.6</b>	<b>1.5</b>
<b>Infrastructure</b>	<b>1.9</b>	<b>-0.6</b>	<b>1.2</b>	<b>0.7</b>	<b>3.8</b>	<b>3.6</b>	<b>7.5</b>	<b>5.3</b>	<b>4.5</b>	<b>6.8</b>	<b>11.5</b>	<b>9.0</b>	<b>6.0</b>	<b>7.9</b>	<b>14.3</b>	<b>11.7</b>	<b>5.0</b>	<b>9.7</b>	<b>15.1</b>	<b>11.7</b>	<b>14.8</b>	<b>11.0</b>	<b>4Q14</b>	<b>11.9</b>	<b>1.5</b>
Infrastructure Benchmark		1.3				8.0				8.9				8.7				7.6			7.5				

\*The Timberland Property Benchmark was comprised of the NCREIF Timberland returns weighted according to ATRS' regional exposure based on Net Asset Value prior to 3Q20, gross of fees. The Agriculture Benchmark was comprised of the NCREIF Farmland returns weighted according to ATRS' regional and crop type exposure based on Net Asset Value prior to 3Q20, gross of fees. As of 3Q20, the Timberland and Agriculture benchmarks going forward will no longer be weighted and are just the NCREIF Timberland and NCREIF Farmland returns, gross of fees.

# ATRS' Portfolio Funding Detail: By Vintage Year

## As of December 31, 2024

Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
1997	75,000,000	80,737,536	0	120,795,230	0	0.0	0.0
1998	233,069,371	271,351,163	0	479,689,777	120,293,710	4.4	3.5
1999	178,794,401	189,842,518	0	316,052,650	0	0.0	0.0
2000	209,242,960	228,396,220	0	289,773,858	0	0.0	0.0
2005	170,000,000	184,182,196	0	148,609,154	264,368,336	9.7	7.7
2006	170,000,000	190,587,980	0	236,588,273	106,837,803	3.9	3.1
2007	417,694,200	418,942,712	0	559,824,994	226,776,765	8.3	6.6
2008	264,089,700	229,825,118	6,380,660	277,558,564	2,840,611	0.1	0.3
2010	40,000,000	35,090,608	70,225	53,488,103	116,548	0.0	0.0
2011	125,000,000	178,054,470	14,240,587	87,664,318	183,072,066	6.7	5.8
2012	110,000,000	113,163,899	3,804,804	156,795,253	9,376,572	0.3	0.4
2013	170,000,000	184,682,827	13,592,367	237,914,714	59,901,666	2.2	2.1
2014	207,696,920	205,956,953	12,753,668	290,855,365	39,600,049	1.5	1.5
2015	179,260,817	174,364,590	10,650,640	125,062,765	108,510,193	4.0	3.5
2016	130,011,918	135,644,959	11,616,168	108,866,416	53,224,613	1.9	1.9
2017	150,000,000	137,489,747	16,480,599	66,168,878	89,726,654	3.3	3.1
2018	232,762,784	220,047,739	30,891,418	79,107,786	235,934,486	8.6	7.8
2019	362,026,813	351,652,007	41,449,764	64,650,385	397,339,483	14.6	12.8
2020	250,000,000	244,485,353	12,359,824	49,122,030	221,318,998	8.1	6.8
2021	280,000,000	211,535,003	77,039,297	24,138,843	226,233,889	8.3	8.9
2022	345,000,000	286,924,592	59,130,959	17,509,556	272,037,423	9.9	10.0
2023	178,140,610	63,119,925	119,699,240	3,215,134	59,115,455	2.2	5.4
2024	200,000,000	61,759,295	138,684,473	0	58,456,945	2.1	6.0
	<b>4,802,790,494</b>	<b>4,397,837,412</b>	<b>693,844,694</b>	<b>3,793,452,044</b>	<b>2,730,164,829</b>	<b>100</b>	<b>100</b>

\*In the event a fund has not called capital, and thus does not have a vintage year, the data table may not tie to the summary total

# ATRS' Portfolio Performance Detail: By Vintage Year

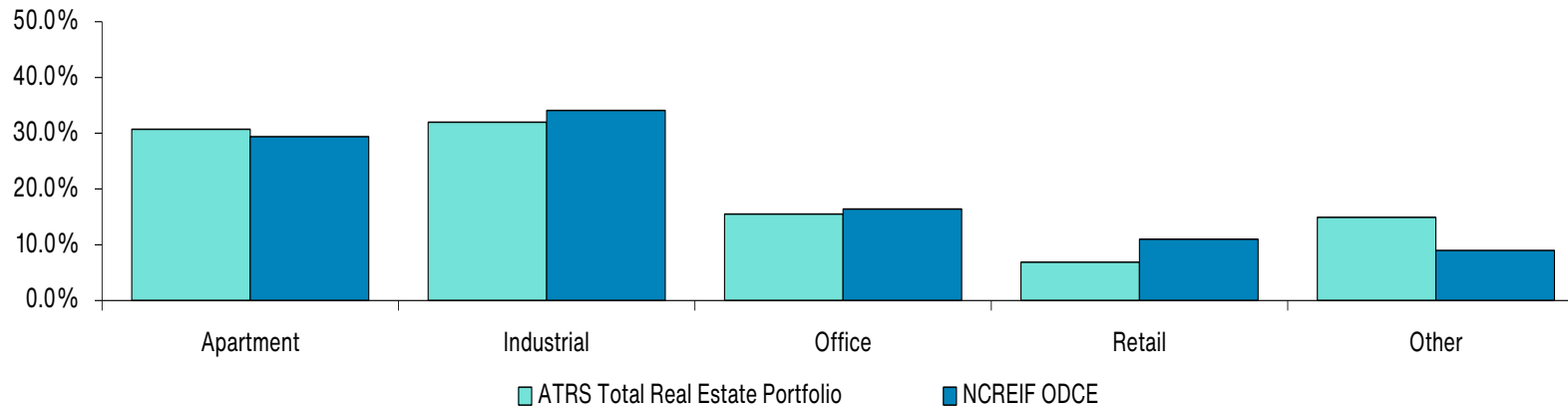
As of December 31, 2024

Investment Vintage Year	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
1997																			1Q98	13.4	1.5
1998	0.4	-0.8	-0.3	-0.5	-0.1	12.5	12.4	11.8	1.0	4.4	5.6	5.0	2.2	3.2	5.5	4.9	7.3	6.4	2Q98	5.6	2.2
1999																			4Q99	15.9	1.7
2000																			4Q00	8.5	1.3
2005	1.1	0.9	1.9	1.7	4.6	-5.9	-1.5	-2.3	4.0	-6.0	-2.2	-3.0	4.0	-0.8	3.1	2.3	6.1	5.3	3Q05	5.7	2.2
2006	1.1	-0.2	1.0	0.8	4.0	-5.4	-1.6	-2.3	3.7	-7.5	-4.0	-4.7	3.8	-4.0	-0.3	-1.0	4.3	3.5	2Q06	4.8	1.8
2007	0.6	1.4	2.1	1.9	2.6	-0.2	2.4	1.8	2.4	-3.0	-0.7	-1.3	2.5	-0.2	2.4	1.7	6.0	5.3	2Q07	5.8	1.9
2008	-0.1	-15.8	-15.9	-15.9	-0.6	-15.6	-16.1	-16.6	-1.3	-16.8	-17.9	-18.4	-1.2	-9.8	-10.8	-11.3	-4.3	-6.6	2Q08	3.8	1.2
2010	0.1	0.4	0.6	0.6	-0.2	2.1	1.9	1.9	0.1	55.5	-7.2	-7.4	0.01	37.2	-14.9	-15.4	14.2	12.3	3Q10	18.5	1.5
2011	0.9	-0.7	0.2	-0.1	1.8	0.2	2.1	0.9	2.9	4.1	7.1	5.9	3.1	4.5	7.7	6.4	7.2	5.9	3Q11	5.9	1.5
2012	-6.5	-5.6	-12.1	-11.6	-6.8	-17.9	-23.9	-22.4	-1.6	-15.9	-17.4	-16.2	0.2	-10.2	-10.1	-10.0	7.0	4.1	2Q12	12.1	1.5
2013	2.3	-1.9	0.4	-0.1	0.4	-8.3	-7.9	-8.2	6.1	5.1	11.2	7.7	3.9	11.3	15.4	11.2	15.2	10.8	3Q13	11.8	1.6
2014	8.3	-11.1	-2.9	-2.2	7.5	0.0	8.4	7.7	9.1	-5.5	3.6	3.4	12.3	-3.6	9.1	8.6	14.0	11.3	4Q14	14.9	1.6
2015	0.6	-2.7	-2.2	-2.3	2.5	-6.0	-3.6	-4.0	2.4	-1.9	0.4	0.1	2.7	-0.4	2.2	1.9	6.8	5.3	2Q15	6.1	1.3
2016	2.0	-8.0	-6.0	-6.5	4.9	-8.9	-4.4	-5.9	4.1	-6.6	-2.7	-4.2	3.9	-1.6	2.3	1.1	6.4	3.6	3Q16	4.9	1.2
2017	-0.8	0.6	-0.2	-0.4	-1.0	-6.2	-7.1	-7.6	2.5	-9.9	-7.6	-7.9	4.0	-4.0	-0.2	-1.1	4.3	2.6	2Q17	2.6	1.1
2018	0.5	-0.1	0.4	0.3	2.1	2.4	4.5	3.5	2.3	4.7	7.1	5.8	3.7	6.6	10.4	8.4	9.4	2.0	2Q18	8.8	1.4
2019	-0.4	3.2	2.8	2.5	0.6	4.5	5.2	4.0	1.6	4.8	6.5	5.2	3.0	5.5	8.7	7.2	8.4	6.9	3Q19	7.1	1.3
2020	0.3	0.6	0.8	0.6	0.7	-0.1	0.5	-0.7	0.7	6.0	6.7	4.5					12.6	6.9	2Q20	5.0	1.1
2021	0.6	2.9	3.5	2.7	2.7	9.7	12.7	8.6	2.3	9.1	11.6	8.2					13.3	8.9	2Q21	8.0	1.2
2022	0.7	0.8	1.5	1.4	2.3	3.0	5.4	4.3									1.8	0.2	2Q22	0.5	1.0
2023	-2.1	4.3	2.3	0.8	-5.1	27.1	21.1	9.6									26.8	-8.9	2Q23	-1.7	1.0
2024	-0.7	2.7	2.0	-6.1													15.4	-1.7	2Q24	-17.9	

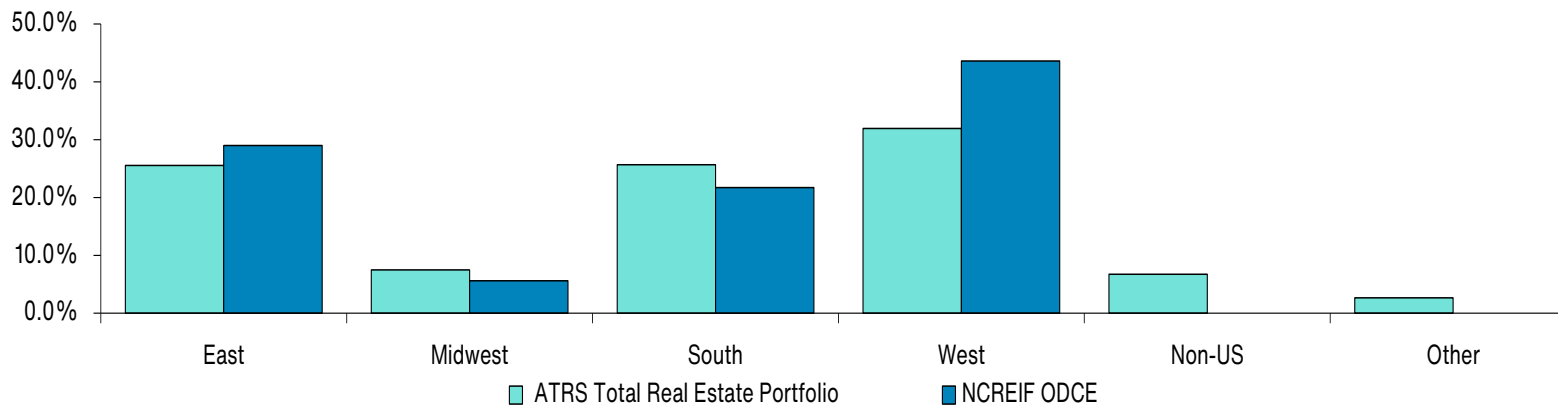


# Portfolio Diversification: Real Estate

## Property Type Diversification (As of 12/31/2024)

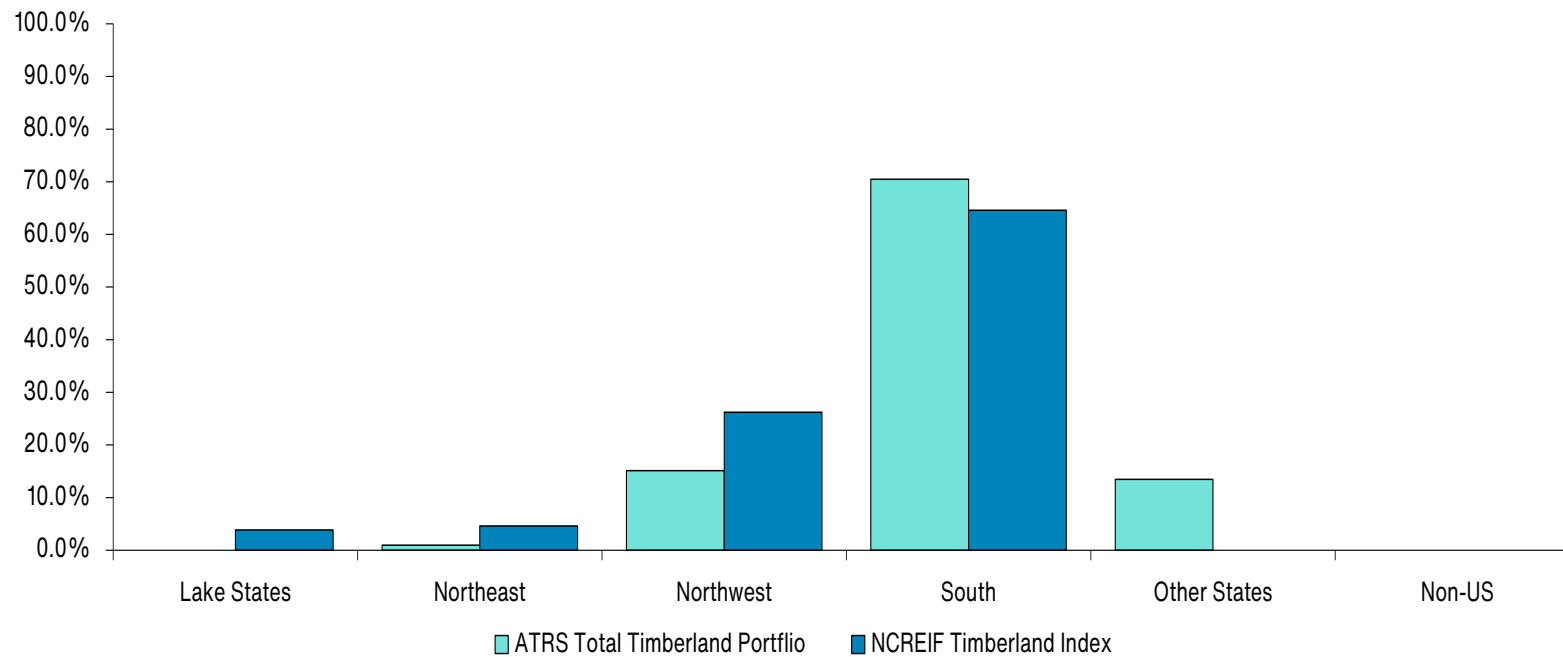


## Geographic Type Diversification (As of 12/31/2024)



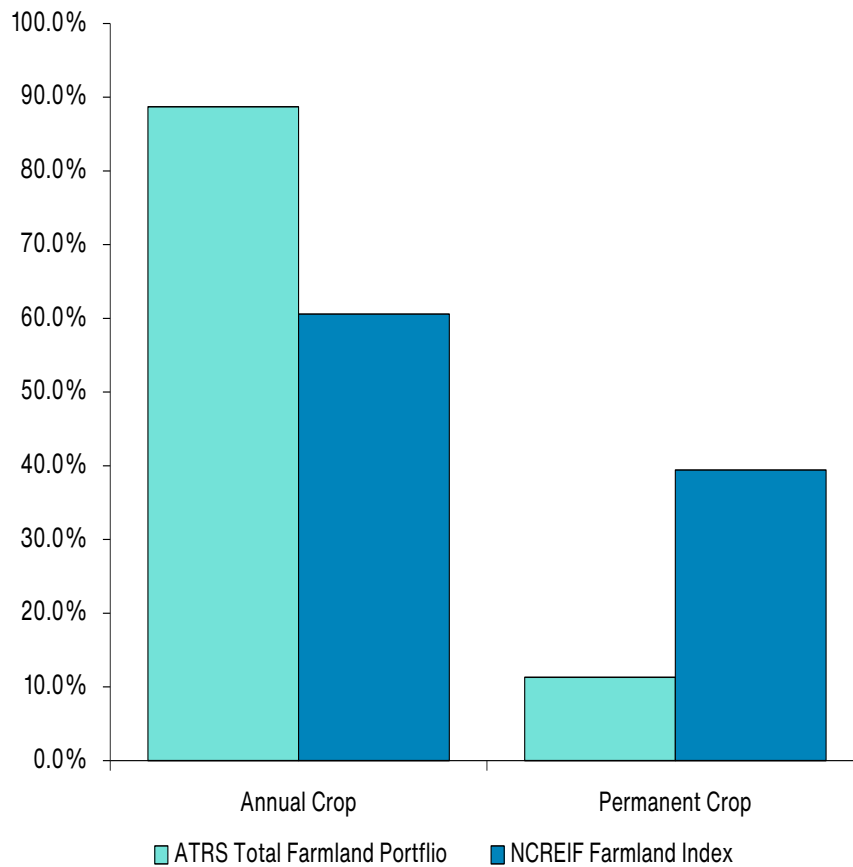
# Portfolio Diversification: Timberland

**Geographic Type Diversification**  
**(As of 12/31/2024)**

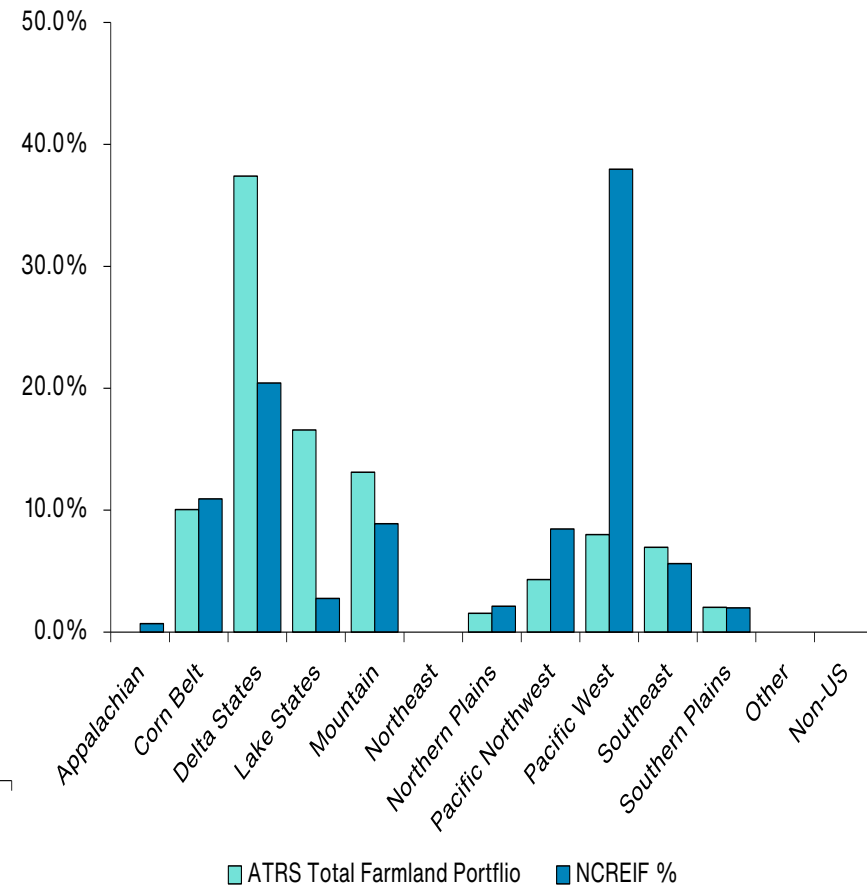


# Portfolio Diversification: Agriculture

**Crop Type Diversification**  
(As of 12/31/2024)



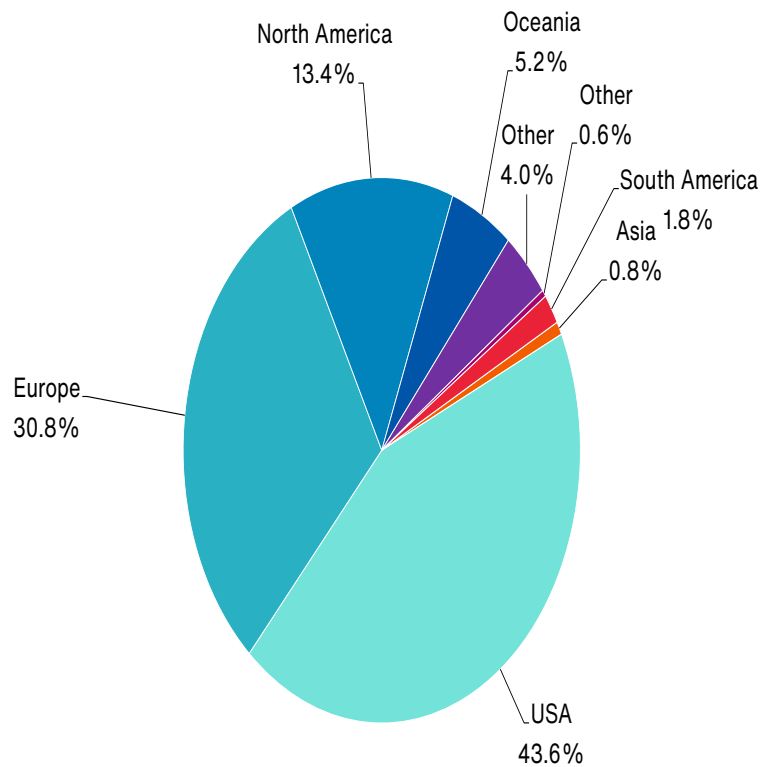
**Geographic Type Diversification**  
(As of 12/31/2024)



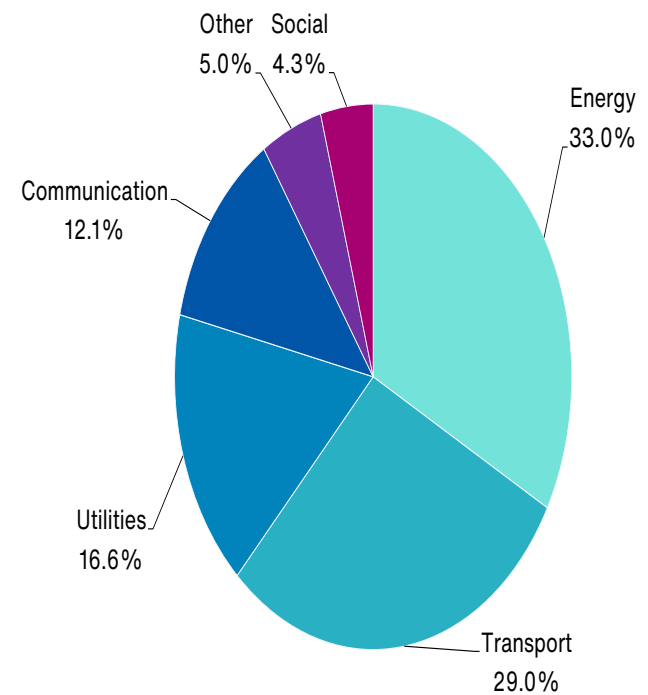
# Portfolio Diversification: Infrastructure

As of December 31, 2024

**Geographic Diversification**  
as % of Portfolio Company Value

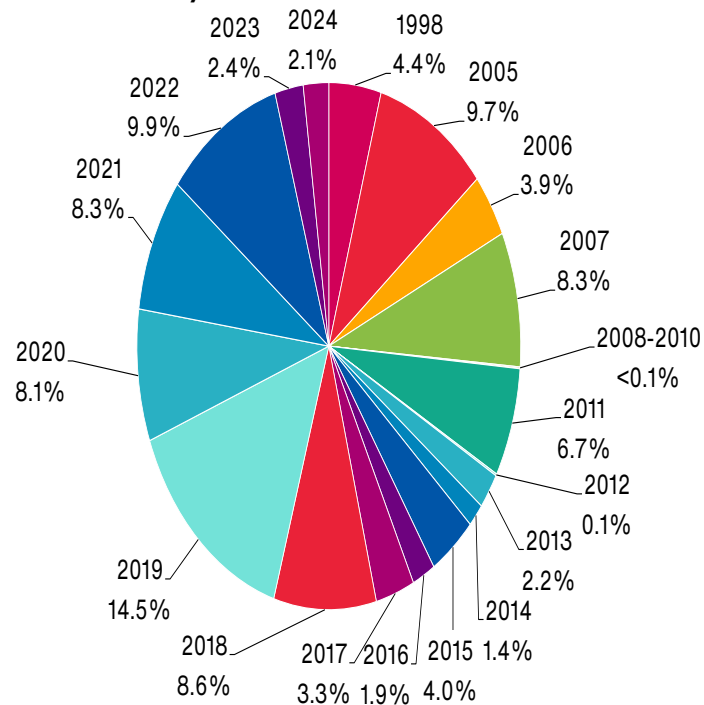


**Industry Diversification**  
as % of Portfolio Company Value

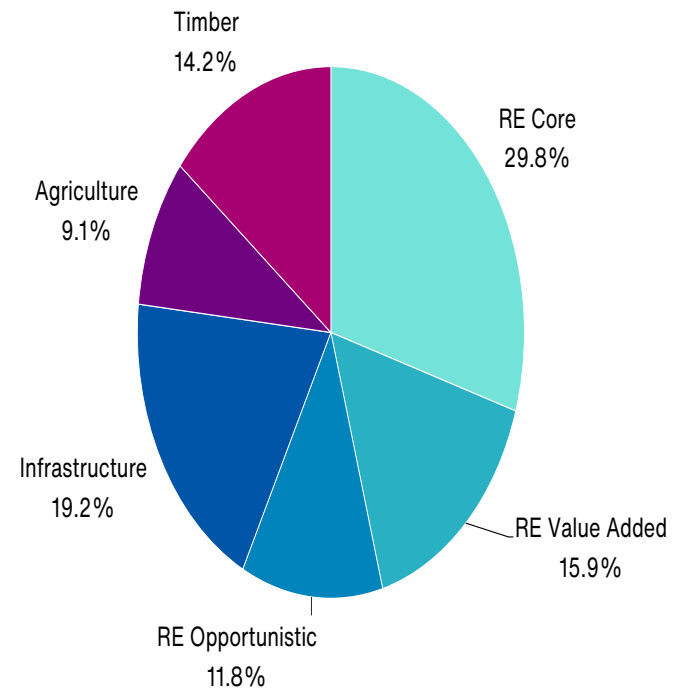


# Portfolio Diversification: Real Assets

**Vintage Year Diversification by Net Asset Value  
(As of 12/31/2024)**



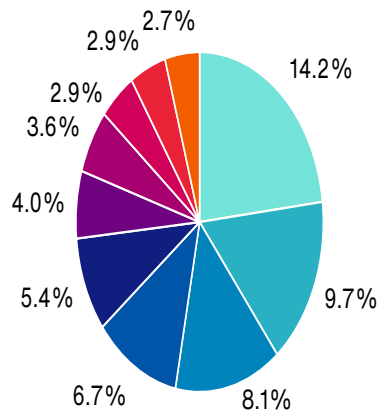
**Style Diversification by Net Asset Value  
(As of 12/31/2024)**



Note: Arkansas Investments are included in Core portfolio

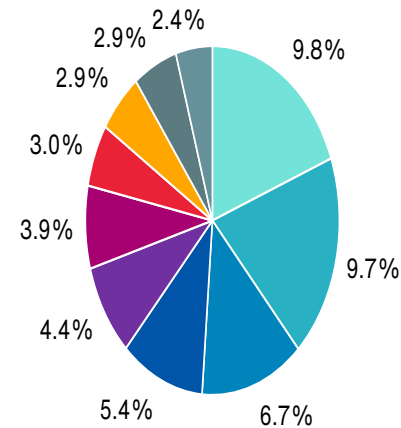
# Manager Diversification: Real Assets

**Largest 10 Managers by Net Asset Value  
(As of 12/31/2024)**



BTG  
Prudential  
UBS  
US AG  
J.P. Morgan  
Macquarie  
KKR  
IFM  
Arkansas  
Torchlight

**Largest 10 Investments  
(As of 12/31/2024)**



BTG Pactual Open Ended Core U.S. Timberland Fund, LP  
PRISA SA  
HFMS Farmland Separate Account  
JP Morgan Strategic Property Fund  
BTG Timber Separate Account  
UBS Trumbull Property Fund  
KKR Diversified Core Infrastructure Fund  
IFM Global Infrastructure  
Arkansas Investments

# Management Fees

## As of December 31, 2024

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Arkansas Investments	0	0
JP Morgan Strategic Property Fund	-299,808	-1,264,986
Metlife Commercial Mortgage Income Fund	-100,000	-400,000
Prime Property Fund	-120,805	-491,849
PRISA SA	-524,411	-2,146,506
RREEF Core Plus Industrial Fund L.P.	-113,805	-443,447
UBS Trumbull Property Fund	-207,001	-861,801
UBS Trumbull Property Income Fund	-101,262	-412,109
<b>Core</b>	<b>-1,467,092</b>	<b>-6,020,697</b>
Almanac Realty Securities IX, L.P.	-115,628	-460,000
Almanac Realty Securities V, LP	0	0
Almanac Realty Securities VI	-10,960	-43,602
Almanac Realty Securities VII	-48,843	-197,275
Almanac Realty Securities VIII	-69,064	-256,204
Calmwater Real Estate Credit Fund III	-41,442	-174,698
CBRE Strategic Partners U.S. Value 8	-40,326	-166,666
CBRE Strategic Partners U.S. Value 9	-147,537	-610,896
FPA Core Plus Fund IV	-73,330	-230,659
GLP Capital Partners IV	-59,973	-236,383
Harbert European Real Estate Fund IV	-26,453	-110,783
LaSalle Income & Growth Fund VI	0	0
LaSalle Income & Growth Fund VII	-28,626	-130,962
LaSalle Income & Growth Fund VIII	-89,801	-363,179
LaSalle Value Partners U.S. IX	-205,893	-776,994
LBA Logistics Value Fund IX	158,125	-316,250
Long Wharf Real Estate Partners V	-54,027	-212,733
Long Wharf Real Estate Partners VI, L.P.	-119,154	-477,733
Long Wharf Real Estate Partners VII, L.P.	0	0
Mesa West Real Estate Income Fund V	-135,957	-540,438
PGIM Real Estate Capital VII (USD Feeder) SCSp	-340	-1,360
Rockwood Capital Real Estate Partners Fund IX	-6,974	-38,029
Rockwood Capital Real Estate Partners Fund XI	-120,869	-472,624
Walton Street Real Estate Debt Fund II, L.P.	-74,077	-278,333
Westbrook Real Estate Fund IX	-22,960	-96,859
Westbrook Real Estate Fund X	-26,500	-105,917
<b>Value Added</b>	<b>-1,485,608</b>	<b>-6,798,577</b>

# Management Fees

## As of December 31, 2024

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	-111,603	-463,421
Blackstone Real Estate Partners Europe VII (USD Vehicle)	-187,500	-443,992
Blackstone Real Estate Partners VII	0	0
Blackstone Real Estate Partners X	-281,250	-1,125,000
Carlyle Realty Partners IX	-182,769	-367,585
Carlyle Realty Partners VII	-24,563	-98,721
Carlyle Realty Partners VIII	-47,220	-193,808
CBRE Strategic Partners U.S. Opportunity 5	0	0
Cerberus Institutional Real Estate Partners III	-3,137	-13,015
Heitman European Property Partners IV	0	0
Kayne Anderson Real Estate Partners V	-74,627	-274,043
Kayne Anderson Real Estate Partners VI	-156,250	-625,000
Landmark Real Estate Fund VI	0	0
Landmark Real Estate Fund VIII	-44,951	-181,298
Landmark Real Estate Partners IX, L.P.	-125,000	-500,000
LaSalle Asia Opportunity Fund IV	0	-5,151
LaSalle Asia Opportunity V	-58,005	-244,972
LaSalle Asia Opportunity VI	-175,956	-700,000
Lone Star Real Estate Fund IV	-8,590	-33,793
Lone Star Real Estate Fund VII	-66,875	-610,625
Metropolitan Real Estate Partners Co-Investments Fund, L.P.	-18,933	-75,246
O'Connor North American Property Partners II, L.P.	0	-19,410
Torchlight Debt Fund VII, LP	-101,766	-514,266
Torchlight Debt Opportunity Fund IV	-6,628	-26,169
Torchlight Debt Opportunity Fund V	-6,049	-23,816
Torchlight Debt Opportunity Fund VI	-46,289	-186,685
<b>Opportunistic</b>	<b>-1,602,961</b>	<b>-6,226,016</b>
<b>Real Estate</b>	<b>-4,555,661</b>	<b>-19,045,290</b>



# Management Fees

## As of December 31, 2024

Partnership Name	Current Quarter Management Fees	YTD Management Fees
AxInfra NA II LP	-186,123	-721,923
DIF Infrastructure Fund VII	-194,119	-806,081
DIF Infrastructure V	-173,708	-596,901
IFM Global Infrastructure	-150,773	-582,298
KKR Diversified Core Infrastructure Fund	-97,591	-381,113
Macquarie Infrastructure Partners III	-64,578	-314,771
Macquarie Infrastructure Partners V	-156,104	-694,698
<b>Infrastructure - Core</b>	<b>-1,022,998</b>	<b>-4,097,784</b>
Antin Infrastructure Partners Fund II	-10,268	-41,527
EnCap Energy Transition Fund II	-162,500	-1,356,986
Global Energy & Power Infrastructure Fund II	-60,974	-270,018
Global Infrastructure Partners III	-169,927	-679,871
ISQ Global Infrastructure Fund III	-163,102	-730,095
KKR Global Infrastructure Investors II	-45,251	-171,585
<b>Infrastructure - Non-Core</b>	<b>-612,022</b>	<b>-3,250,083</b>
<b>Infrastructure</b>	<b>-1,635,019</b>	<b>-7,347,867</b>
Agrivest Farmland Fund	-162,190	-644,813
HFMS Farmland Separate Account	-518,113	-2,070,286
<b>Agriculture</b>	<b>-680,303</b>	<b>-2,715,099</b>
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	-672,012	-2,570,399
BTG Timber Separate Account	-163,639	-640,098
<b>Timber</b>	<b>-835,651</b>	<b>-3,210,497</b>
<b>Total Real Assets</b>	<b>-3,150,974</b>	<b>-13,273,462</b>
<b>Arkansas Teachers Retirement System</b>	<b>-7,706,635</b>	<b>-32,318,752</b>

# Compliance Matrix

Risk Management						
Property Type - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Office	16.40	NFI-ODCE +/- 50%	8.20	24.60	15.52	Yes
Retail	11.00	NFI-ODCE +/- 50%	5.50	16.50	6.88	Yes
Industrial	34.10	NFI-ODCE +/- 50%	17.05	51.15	31.98	Yes
Apartment	29.40	NFI-ODCE +/- 50%	14.70	44.10	30.71	Yes
Other	9.00	20%	0.00	20.00	14.91	Yes
Geography - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
West	43.60	NFI-ODCE +/- 50%	21.80	65.40	31.95	Yes
East	29.00	NFI-ODCE +/- 50%	14.50	43.50	25.52	Yes
Midwest	5.60	NFI-ODCE +/- 50%	2.80	8.40	7.47	Yes
South	21.70	NFI-ODCE +/- 50%	10.85	32.55	25.67	Yes
Other	0.00	NA	NA	NA	2.65	Yes
Non-U.S.	0.00	40%	0.00	40.00	6.74	Yes
Geography - Timber	NCREIF Timberland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Lake States	3.84	0%-20%	0.00	20.00	0.00	Yes
Northeast	4.60	0%-20%	0.00	20.00	0.96	Yes
Northwest	26.20	0%-50%	0.00	50.00	15.11	Yes
South	64.58	40%-80%	40.00	80.00	70.47	Yes
Other	0.00	0%-20%	0.00	20.00	13.46	Yes

\*Due to a rounding error on behalf of NCREIF, the Timberland amounts will not sum to 100%.

# Compliance Matrix: Continued

Risk Management						
Geography - Agriculture	NCREIF Farmland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Appalachian	0.70		0.00	50.00	0.00	Yes
Corn Belt	10.93		0.00	50.00	10.05	Yes
Delta States	20.44		0.00	50.00	37.40	Yes
Lake States	2.77		0.00	50.00	16.58	Yes
Mountain	8.90		0.00	50.00	13.11	Yes
Northeast	0.00		0.00	50.00	0.00	Yes
Northern Plains	2.12		0.00	50.00	1.55	Yes
Pacific Northwest	8.45		0.00	50.00	4.32	Yes
Pacific West	37.96		0.00	50.00	8.00	Yes
Southeast	5.62		0.00	50.00	6.96	Yes
Southern Plains	1.98		0.00	50.00	2.03	Yes
Other	0.00		0.00	50.00	0.00	Yes
Non-U.S.	0.00		0.00	50.00	0.00	Yes
Geography - Infrastructure	Target/Constraint		Minimum	Maximum	Actual	Compliant?
U.S.			40.00	100.00	43.60	Yes
Non-U.S.			0.00	60.00	56.40	Yes
Asset Type - Infrastructure	Target/Constraint		Minimum	Maximum	Actual	Compliant?
Energy/Utilities			0.00	70.00	49.62	Yes
Transportation			0.00	70.00	29.03	Yes
Social			0.00	70.00	4.27	Yes
Communications			0.00	70.00	12.07	Yes
Other			0.00	70.00	5.00	Yes
Manager	Target/Constraint		Minimum	Maximum	Max	Compliant?
			0.00	30.00	14.22	Yes
Style - Real Estate	Target/Constraint		Minimum	Maximum	Actual	Compliant?
Core			50.00	70.00	51.76	Yes
Non-Core			30.00	50.00	48.24	Yes

# 4

## Glossary



# Glossary of Terms

<b>Catch-up</b>	The provision that dictates how cash flows from the fund will be allocated between the investors and the manager in order for the manager to receive their performance fee. This allocation of cash flows occurs once the investors have collected their capital and preferred return.
<b>Core</b>	The most conservative institutional real estate investing style.
<b>Core Plus</b>	A style whereby investments have a slightly higher level of risk and expected return than Core, primarily through use of leverage.
<b>Development</b>	The construction of buildings from breaking the ground through building completion. This may also include entitlement of the land and the pursuit of permits prior to construction.
<b>DPI</b>	Distributions to Paid In; the ratio of distributions from investments to total invested capital.
<b>First Closing</b>	The point at which a manager receives and executes the subscription documents and can begin drawing capital from investors.
<b>Final Closing</b>	The final date at which new investors can subscribe to a fund.
<b>Internal Rate of Return (IRR)</b>	A method of measuring the performance of a portfolio from inception through a particular point in time. This method weights returns according to the dollars invested at each point in time. Hence, this is known as dollar-weighted return. This is a better measure when the manager controls when dollars must be invested and is the most commonly used method of real estate performance evaluation; Gross IRR is gross of fee and Net IRR is net of fee.
<b>NFI-ODCE</b>	NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available NCREIF changed the basis of diversification for the NFI ODCE from NREA to GRE effective 1Q20.
<b>NPI</b>	NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only; it is reported unlevered and gross of fee.
<b>FTSE-NAREIT Equity REIT</b>	An unmanaged capitalization-weighted index of all equity real estate investment trusts.
<b>FTSE EPRA/NAREIT Global REIT</b>	An unmanaged market-weighted total return index, which consists of many companies from Global markets whose floats are larger than \$100 million and derive more than half of their revenue from property-related activities.

# Glossary of Terms

<b>Opportunistic</b>	A style that is the riskiest form of real estate investing. The name derives from when such funds were formed after the early 1990s real estate market crash to take advantage of opportunities in unwanted properties. Such investments include ground-up development, highly-leveraged purchases, or transactions involving highly complicated legal or environmental situations.
<b>Pre-Specified Deals</b>	Investments that are purchased for a fund before its final close. The assets are typically warehoused on a line of credit\.
<b>Promote (Carrier Interest)</b>	The performance fee a manager receives once the investors have received their return of capital and the preferred return (return promised by the manager).
<b>RVPI</b>	Residual Value to Paid In; the ratio of the residual value of an investment to total invested capital.
<b>Time-Weighted Return</b>	A method of measuring the performance of a portfolio over a particular period of time. Effectively, it is the return of one dollar invested in the portfolio at the beginning of the measurement period. This is a better return measure when the manager does not control when the dollars must be invested.
<b>TVPI</b>	Total value to paid-in ratio; the ratio of total value from an investment, including distributions, to total invested capital.
<b>Value-Added</b>	A style that represents moderate-risk real estate. A manager typically increases the future value of the investment by undertaking activities such as leasing, improving an existing building, or taking some risk through operating intensive assets, such as hotels or self-storage.
<b>Vintage Year</b>	The year in which a fund has its final closing. Typically coincides with the year a fund begins making investments.
<b>NCREIF Timberland Index</b>	The National Council of Real Estate Investment Fiduciaries (NCREIF) Timberland Index is a quarterly time series composite return measure of investment performance of a large pool of individual timber properties acquired in the private market for investment purposes only.
<b>NCREIF Farmland Index</b>	The National Council of Real Estate Investment Fiduciaries (NCREIF) Farmland Index is a quarterly time series composite return measure of investment performance of a large pool of individual agricultural properties acquired in the private market for investment purposes only.

# Disclosures

## **Past performance is not necessarily indicative of future results.**

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

The information contained herein is confidential and proprietary and provided for informational purposes only. It is not complete and does not contain certain material information about making investments in securities including important disclosures and risk factors. All securities transactions involve substantial risk of loss. Under no circumstances does the information in this report represent a recommendation to buy or sell stocks, limited partnership interests, or other investment instruments.

The data contained in these reports is compiled from statements provided by custodian(s), record-keeper(s), and/or other third-party data provider(s). This document is not intended to provide, and shall not be relied upon for, accounting and legal or tax advice. Aon Investments has not conducted additional audits and cannot warrant its accuracy or completeness. We urge you to carefully review all custodial statements and notify Aon Investments with any issues or questions you may have with respect to investment performance or any other matter set forth herein. Aon Investments USA Inc. ("Aon Investments") is a federally registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). Aon Investments is also registered with the Commodity Futures Trade Commission as a commodity pool operator and a commodity trading advisor and is a member of the National Futures Association. The Aon Investments ADV Form Part 2A disclosure statement is available upon written request to:

Aon Investments USA Inc.  
200 East Randolph Street  
Suite 600  
Chicago, IL 60601  
ATTN: Aon Investments Compliance Officer

Investment performance is comprised of data submitted by investment managers into a proprietary system owned and operated by The Townsend Group. The Townsend Investment Performance System ("TIPS") collects investment performance data on a quarterly basis via investment managers including, but not limited to, returns, diversification, management and performance fees, as well as market indices.

In late April 2024, Aon plc signed a definitive agreement for The Riverside Company to acquire The Townsend Group (Townsend). Please reference the information contained on the Aon Media page for additional details, <https://aon.mediaroom.com/Aon-Signs-Agreement-for-The-Townsend-Group-to-be-Acquired-by-The-Riverside-Company>. Following the close of the transaction, which is subject to final regulatory approvals, Aon will maintain a team dedicated to serving its clients' real estate investment programs, while collaborating with specialists like Townsend to support specific client needs.

Post-close, Aon and Riverside will have a services agreement in place, including a sub-advisory agreement directly between Aon Investments and Townsend. The sub-advisory agreement enables us to provide seamless support and continued resources to our clients to ensure a smooth and successful transition. Aon is committed to preserving its own private real asset investment consulting practice, which is led by a team of nine investment professionals averaging 20 years of industry experience between the seven senior members of the team. The team's leadership is comprised of private and public real asset investment professionals and is currently staffed in San Francisco, New York, Toronto, Chicago, and London.



**SUMMARY OF PROPOSED RULE CHANGES**  
**June 2, 2025**

Amendment Color Code	<ul style="list-style-type: none"> <li>• Blue – Non-substantive changes by ATRS staff.</li> <li>• Green – Substantive changes by ATRS staff.</li> <li>• Red – Required legislative changes.</li> </ul>
24 CAR § 10-207 (ATRS Rule 4, § 4-107)	<ul style="list-style-type: none"> <li>• This section has been amended to repeal “minority” from the description of trustee position number eight. This amendment is required by Acts 2025, No. 938.</li> </ul>
24 CAR §§ 10-302 and 329 (ATRS Rule 6, § 6-102)	<ul style="list-style-type: none"> <li>• 24 CAR § 10-302(b). The section has been amended to clarify that confidential information may be disclosed when the disclosure is necessary for the proper operation and administration of the System. The section has also been amended to clarify that the ATRS ID, which is used internally by the System, is not confidential information.</li> <li>• 24 CAR § 10-329(c). This a new section adds rules concerning the participation of early childhood workers as members in the System. This new rule is required by Acts 2025, No. 587.</li> </ul>
24 CAR §§ 10-501, 10-512, and 10-513 (ATRS Rule 8, §§ 8-101, 8-112, and 8-113)	<ul style="list-style-type: none"> <li>• 24 CAR § 10-501. This section has been amended to change “gap year” to “gap period” and to define gap period. This amendment is required by Acts 2025, No. 227.</li> <li>• 24 CAR § 10-512. This section has been amended to change all references to “gap year” to “gap period”. The section has also been amended to repeal the rule requiring gap year service to be purchased in an amount that equals one (1) fiscal year. These amendments are required by Acts 2025, No. 227.</li> <li>• 24 CAR § 10-513. This section has been non-substantively redrafted to correct a spelling error in the title.</li> </ul>
24 CAR §§ 10-613 and 616 (ATRS Rule 9, §§ 9-113 and 9-116)	<ul style="list-style-type: none"> <li>• 24 CAR § 10-613(c)(1). This section has been amended to permit the surviving spouse of a retiree who elected a straight life annuity to elect an Option A annuity by the end of the fourth full calendar month following the death of the retiree. This amendment is required by Acts 2025, No. 222.</li> </ul>



	<ul style="list-style-type: none"> <li>• 24 CAR § 10-613(g)(4)(C). This section has been amended to address the conflict between A.C.A. § 24-7-709(a)(3) and (4) by clarifying that residue will be paid to a retiree's estate if all residue beneficiaries predecease the retiree. This amendment is required by Acts 2025, No. 222.</li> <li>• 24 CAR § 10-613(h). This section has been amended to address when an annuity or benefit payments may be redirected to a special needs trust. This amendment is required by Acts 2025, No. 363.</li> <li>• 24 CAR § 10-616(d)(2). This section has been non-substantively redrafted to correct an issue with renumbering.</li> </ul>
24 CAR §§ 10-701-712 (ATRS Rule 10, §§ 10-110 and 10-112)	<ul style="list-style-type: none"> <li>• 24 CAR § 10-710. This section has been amended to repeal the previous rule concerning the irrevocability of a T-DROP distribution election. This section has also been amended to address when a member may change their T-DROP distribution election. These amendments are required by Acts 2025, No. 226.</li> <li>• 24 CAR § 10-712. This section has been non-substantively redrafted to correct a typographical error.</li> </ul>
24 CAR §§ 10-801-829 (ATRS Rule 11, §§ 11-104, 11-107, 11-108, 11-109, 11-111, and 11-126)	<ul style="list-style-type: none"> <li>• 24 CAR § 10-804(b)(2). This section has been amended to provide that surviving spouse must have been married to the member for at least one (1) year immediately preceding the member's death in order to be eligible for survivor benefits. This change is required by Acts 2025, No. 224.</li> <li>• 24 CAR § 10-804(d)(3). This section has been amended to clarify that surviving spouse must submit any additional documentation required by the System before survivor annuity benefit payments may begin. This amendment aligns with A.C.A. § 24-7-710(b)(1)(C).</li> <li>• 24 CAR § 10-807. This section has been amended to provide that a dependent child may receive a dependent child annuity through twenty-two (22) years of age. This section has also been amended to repeal the requirement that a dependent child must remain enrolled as a full-time student in order to continue receiving a dependent child annuity. These changes are required by Acts 2025, No. 225.</li> <li>• 24 CAR § 10-808. This section, which contains rules concerning the full-time student requirement for dependent children, has been repealed. This change is required by Acts 2025, 225.</li> </ul>

	<ul style="list-style-type: none"> <li>• 24 CAR § 10-809. This section, which contains rules requiring dependent children to submit proof of active military duty or training in order to remain eligible for a dependent child annuity, has been repealed. This change is required by Acts 2025, 225.</li> <li>• 24 CAR § 10-811. This section has been amended to provide that a child of a disability retiree may qualify for a dependent child annuity. The section has also been amended to clarify when a child of a disability retiree or retiree who does after returning to work is eligible for a dependent child annuity. These changes are required by Acts 2025, No. 225.</li> <li>• 24 CAR § 10-826(c). This section of the rule is amended to clarify that the System is not responsible for payments made to a member following a divorce, but prior to the System receiving and accepting a file-marked QDRO.</li> </ul>
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**24 CAR § 10-207. Qualifications and voter eligibility for elected trustee positions — Minority At-large active or retired trustee position eight.**

(a) There shall be one (1) at-large member trustee of a minority racial ethnic group who is an active or retired member of the Arkansas Teacher Retirement System.

(b) A person is qualified to become a candidate for the minority trustee position if the person is a member of a minority racial or ethnic group and either a retired member or an active member of the system with at least five (5) years of actual service credit in the ~~Arkansas Teacher Retirement System~~ system.

(c) A member is eligible to vote in an election for the minority at-large active or retired trustee position if the member is a retired member or an active member, regardless of the amount of credited service that the member has in the system.

#### **24 CAR § 10-302. Confidentiality of member accounts.**

(a) As provided by the Arkansas Teacher Retirement System's Code of Ethics, the system shall keep each member's salary, employment history, retirement account, and other personal data or other information compiled by the system for purposes of establishing and maintaining the member's retirement account confidential.

(b) All member information compiled by the system for the purpose of establishing and maintaining the member's retirement account shall not be disclosed to a third party unless:

(1) The member provides the system with his or her written consent;

(2) A valid legal process requires the disclosure of the member's information;

(3) Disclosure is necessary for the proper operation and administration of the system and a confidentiality agreement authorizing the disclosure has been executed by the system and the person or entity that will receive the information; or

(4) A confidentiality agreement authorizing disclosure to a third-party vendor or other entity needing the information for purposes related to the proper operation and administration of the system has been executed by the system and the third-party vendor or entity that will receive the information; or

(5) Disclosure of the member's information is authorized by statute.

(c) Individual member records that are kept for the purpose of compiling information for a member's retirement or Social Security records shall not be open to the public under Arkansas Code § 24-4-1003.

#### **24 CAR § 10-329. Employer Participation – Employers of early childhood workers.**

(a) A person who is employed as an early childhood worker may elect to become a member of the Arkansas Teacher Retirement System if:

(1)(A) The person is an employee of a childcare facility described in subdivision (a)(2) of this section and the person provides teaching, early childhood education, or supervision for one (1) or more children enrolled in the childcare facility.

(B) A person who elects to become a member of the system shall be a contributory member of the system and shall have his or her service credit computed in accordance with the laws and rules applicable to the system;

(2)(A) The childcare provider that employs the person:

(i) Is a childcare facility licensed and regulated under the Childcare Facility Licensing Act, Arkansas Code § 20-78-201 et seq.;

(ii) Is a childcare facility accredited by the department as an appropriate early childhood program as defined under Arkansas Code § 6-45-103;

(iii)(a) Receives state or federal child care funding from the Department of Education under Arkansas Code § 6-87-101.

(b) A childcare provider that does not receive state or federal funding through the department does not meet the requirements of subdivision (2)(A)(ii)(a) of this rule.

(iv) Elects to participate in the system;

(v) Assumes responsibility for employer contributions;

(vi) Assumes responsibility for fees for obtaining Internal Revenue Service rulings or Employee Retirement Income Security Act of 1974 opinions;

(vii) Is approved by the pass-through fiscal agent as eligible for participation in the system; and

(viii) Agrees to reasonably cooperate with the pass-through fiscal agent for the purpose of:

(a) Remitting all required contributions and reports to the system; and

(b) Retaining all records pertaining to the participation of the childcare provider in the system and all records pertaining to an early childhood worker who is employed by the childcare provider and who elects to participate in the system for at least seven (7) years from the effective date of the childcare provider's participation in the system or as otherwise advised in writing by the system.

(B) A childcare provider with an active voucher or subsidy agreement with the department to provide childcare services to children may meet the requirements of subdivision (a)(2)(A)(iii) of this section even if the childcare provider does not currently have enrolled children whose childcare services are partially or wholly paid for through a voucher or subsidy agreement with the department.

(C)(i) A childcare provider shall not be eligible for participation or continued participation in the system if the childcare provider fails to meet the requirements of subdivision (a)(2)(A)(i), (ii), or (iii) of this section or, if applicable, has their voucher or subsidy agreement with the department terminated; or

(ii)(a) An early childhood worker who is employed by a childcare provider that is not eligible for participation or continued participation in the system shall cease to be a member of the system.

(b) Subdivision (a)(2)(C)(ii)(a) of this section shall not prevent an early childhood worker from becoming a member of the system again if the early childhood worker is later employed by a childcare provider that meets the requirements of subdivision (a)(2)(A)(i)-(iii) of this section and, if applicable, has an active voucher or subsidy agreement with the department.

(D) A childcare provider shall:

(i) Become a covered employer at the time that an employee elects to become or remain a member of the system; and

(ii) Be considered a covered employer only for each employee who elects to become a member of the system; and

(3) The Board of Trustees of the Arkansas Teacher Retirement System:

(A) Approves a single nonprofit fiscal agent to act as a pass-through fiscal agent to facilitate the voluntary participation of an early childhood worker in the system; and

(B) Determines as a general matter that the participation of early childhood workers who meet the requirements of subdivision (a)(1)(A) of this section will not:

(i) Impair the system's tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.;

(ii) Impair the system's governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.;

(iii) Subject the system to additional federal requirements or otherwise impair any legal status of the System; or

(iv) Have a substantial adverse impact on the system's actuarial soundness.

(b) The Board may approve a pass-through fiscal agent that agrees to:

(1) Implement an application process for childcare providers that:

(A) Ensures the childcare provider meets the requirements of subdivision (a)(2)(A) of this section;

(B) Requires the childcare provider to submit for review by the pass-through fiscal agent an application that includes the following information:

(i) A proposed effective date for participation in the system;

(ii) A certified copy of the articles of incorporation, bylaws, and other organizational documents of the childcare provider;

(iii)(a) A copy of the childcare provider's:

(1) Most recent three (3) years' annual audited financial statements, including balance sheets, financial statements, and statements of cash flows; or

(2) If the childcare provider does not have audited financial statements, the year-end compilation reports or internal balance sheets and income statements for the childcare provider;

(iv) A copy of the childcare provider 's most recent three (3) years' federal and state income tax returns;

(v) Certification that the childcare provider has an active voucher or subsidy agreement with the department;

(vi) A statement acknowledging that the childcare provider shall not be eligible for participation or continued participation in the system if their voucher or subsidy agreement with the department is terminated;

(vii) A description of how the childcare provider's board of directors or board of trustees, if any, is selected and whether any governmental agency has input in the selection of the board members; and

(viii) A description of the types of services provided by the childcare provider.

(2)(A) Assume responsibility for approving childcare providers as eligible for participation in the system.

(B) The board, in its sole discretion, may deny the participation of a childcare care provider approved by the pass-through fiscal agent as eligible for participation in the system;

(3)(A) Assume responsibility for approving for participation in the system only those childcare providers that will not jeopardize:

(i) The system's tax-qualified and governmental plan status under the Internal Revenue Code, 26 U.S.C. § 1 et seq.;

(ii) The system's governmental plan status under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; or

(iii) Subject the system to additional federal requirements.

(4) Assume responsibility for remitting contributions and submitting reports and any other documentation that the system requires an employer to provide to the system;

(5) Assumes responsibility for verifying with the department annually that each childcare provider approved for participation in the system is licensed, accredited, and has an active voucher or subsidy agreement with the department;

(6) Use reasonable and generally acceptable accounting standards to manage and account for contributions required from childcare providers;

(7) Upon the request of the system, submit to the system financial records pertaining to the management and accounting of contributions required from childcare providers;

(8) (A) Submit to the Executive Director of the Arkansas Teacher Retirement System reports providing concise explanations of the pass-through fiscal agent's determination finding a new or current childcare provider eligible for initial or continued participation in the system.

(B) Effective January 1, 2026, the reports required under subdivision (b)(8)(A) of this section shall be submitted at least on a quarterly basis or as otherwise directed by the executive director or his or her designee;

(9) Retain and reasonably ensure that a childcare provider retains all records pertaining to the participation of the childcare provider in the system for at least seven (7) years from the effective date of their participation in the system or as otherwise advised in writing by the system;

(10) Retain and reasonably ensure that a childcare provider retains all records pertaining to an early childhood worker who is employed by the childcare

provider and who elects to participate in the system for at least seven (7) years from the effective date of the childcare provider's participation in the system or as otherwise advised in writing by the system;

(11) Maintain a policy requiring any information pertaining to an early childhood worker who is employed by the childcare provider and who elects to participate in the system to be treated as confidential information and subject to disclosure in a manner that aligns with the laws, rules, and policies applicable to the system;

(12) (A) Ensure that at least every five (5) years from the effective start date of a childcare provider's participation in the system, the pass-through fiscal agent shall review the childcare provider's participation in the system to ensure that the childcare provider meets both federal and state requirements, including the provisions of Arkansas Code § 24-7-212 and this section, for participation and continued participation in the system.

(B) The pass-through fiscal agent shall comply with subdivision (b)(11)(A) of this section by at a minimum:

(i) Verifying, by attestation of the childcare provider or other reasonably reliable means, that the childcare provider meets the requirements of subdivision (a)(2)(A)(i)-(iii) of this section; and

(ii) Obtaining and reviewing the childcare provider's:

(a) Most recent three (3) years' annual audited financial statements, including balance sheets, financial statements, and statements of cash flows; or

(b) If the childcare provider does not have audited financial statements, the year-end compilation reports or internal balance sheets and income statements for the employer;

(13) Certify that during the past five (5) years there have been no actions, proceedings, or investigations pending against the pass-through fiscal agent that may reasonably be expected to have a material adverse impact on the pass-through fiscal agent or that has resulted in the pass-through fiscal agent or its agents, employees, subsidiaries or affiliates being convicted or found civilly liable for a breach of fiduciary duty or financial crimes; and

(14) Promptly notify the system of any future action, proceeding, or investigation involving the pass-through fiscal agent that meets the description of subdivision (b)(13) of this section.



## **24 CAR § 10-501. Definitions.**

As used in this subpart:

(1) "Armed forces reserve" means one (1) of the reserve components of the United States Armed Forces;

(2) "Domestic federal service" means service rendered as a teacher or administrator in a school or similar institution located on a military base or installation that is administered by the United States Department of Defense;

(3) ~~"Gap year"~~ "Gap period" means ~~a period of time~~ one-quarter (1/4) of a fiscal year:

(A) In which a member was an inactive member and either:

(i) Unemployed; or

(ii) Did not provide qualified service; and

(B) For which the Arkansas Teacher Retirement System may grant the member permissive service credit;

(4) "Out-of-state service" means service performed in a state other than Arkansas and in a position that would have been covered by the Arkansas Teacher Retirement System if the service had been actual service performed in Arkansas and covered by the Arkansas Teacher Retirement System;

(5) "Overseas service" means service in:

(A) An American-related overseas school that is sponsored and approved by either the United States Department of State or the United States Department of Defense; or

(B) The Peace Corps or AmeriCorps VISTA (Volunteers in Service to America);

(6) "Permissive service credit" means service:

(A) That is credited under the Arkansas Teacher Retirement System for the purpose of calculating a member's benefit;

(B) That has not previously been credited under the Arkansas Teacher Retirement System; and

(C) For which a member contributes or pays the amount necessary to fund the benefit attributable to the service as required by the Arkansas Teacher Retirement System;

(7) "Private school service" means service rendered in a private school or agency that would have been covered by the Arkansas Teacher Retirement System if the:

(A) Service had been rendered in a public school;

(B) Private school or agency;

(C) Has positions that would require the issuance of a teaching license in a public school based on a determination by the Arkansas Teacher Retirement System; or

(D) Is recognized as a private education-related entity by resolution adopted by the Board of Trustees of the Arkansas Teacher Retirement System;

- (8) "Qualified service" means the service described in 26 U.S.C. § 415(n)(3)(C)(i) – (iv), as it existed on January 1, 2023; and
- (9) "Uniformed services of the United States" means service in the:
  - (A) United States Armed Forces;
  - (B) Army National Guard;
  - (C) Air National Guard when engaged in active duty for:
    - (i) Training;
    - (ii) State active duty;
    - (iii) Inactive duty training; or
    - (iv) Full-time National Guard duty;
  - (D) United States Commissioned Corps of the Public Health Service; and
  - (E) Any other category of persons designated by the President of the United States in time of war or emergency.

**24 CAR § 10-512. Purchasable service credit — ~~Gap-year~~ Gap period service.**

(a) A member may purchase permissive service credit for one (1) or more consecutive or nonconsecutive gap years periods if the member:

~~(1) The member:~~

~~(A) (1)~~ Has five (5) years of actual service in the Arkansas Teacher Retirement System;

~~(B) (2)~~ Has left his or her position as a classroom teacher immediately before each nonconsecutive gap year period or the initial gap year period of consecutive gap years periods;

~~(C) (3)~~ Returns to his or her position as a classroom teacher after one (1) or more gap years periods;

~~(D) (4)~~ Accrues at least one-half (1/2) year of service credit after returning to his or her position as a classroom teacher;

~~(E) (5)~~ Was inactive during the gap year period or gap years periods; and

~~(F) (6)~~ Is ineligible to receive free service credit for each gap year period under another provision of the law applicable to the system; ~~and.~~

~~(2) Each gap year amounts to an entire fiscal year.~~

(b)(1) A member shall not:

~~(A) Be permitted to purchase permissive service credit unless the total gap year service for which permissive service credit is being purchased amounts to one (1) fiscal year;~~

~~(B) (A)~~ Purchase more than five (5) years of permissive service credit; or

~~(C) (B)~~ Purchase one (1) or more gap years periods after the member retires from the system.

(2) A member's purchased permissive service credit shall be credited in accordance with Arkansas Code § 24-7-601.

(c)(1) A member shall purchase permissive service credit for one (1) or more gap years periods at the actuarial cost.

(2) At the member's request, a member's payment for permissive service credit shall be refunded by the system if the:

(A) Member ceased to be an active member before the permissive service is established as credited service in the system; or

(B) Permissive service credit is not otherwise used to establish the member's eligibility for retirement under the system.

**24 CAR § 10-513. Purchasable service credit — ~~Contact~~ Contract buyouts, settlements, and court-ordered payments.**

(a)(1) A member shall only earn service credit for actual, on-site work performed for a covered employer for the period specified in a contract buyout, settlement, or court-ordered payment unless the member purchases service or salary that would have been received by the member if the member had been successful in his or her legal claim.

(2)(A) If a member is on call with a covered employer and not subject to either a contract buyout, settlement, or court-ordered payment, the salary paid to the member as a regular employee shall be credited to the member.

(B) On-call credit shall not be added to a member's salary with another covered employer.

(c) The Arkansas Teacher Retirement System shall not adjust a member's service history until the:

(1) Member or the member's covered employer provides a copy of the settlement, a file-marked court order, or a certified copy of the contract buyout to the system; and

(2)(A) Actuarial cost to purchase the service has been paid in full to the system.

(B) A member shall purchase service or salary at the actuarial cost for service and salary that the member would have earned if the member had not been terminated.

(d)(1) Service credit purchased under a settlement agreement or court order shall offset service credit that is earned through covered employment with another covered employer during the same period of time covered by the service credit purchased under the settlement agreement or court order.

(2) Service credit purchased under a settlement agreement or court order shall not be applied in a manner that allows a member to earn more than one (1) year of service credit in a fiscal year.

(e)(1) The system shall credit a member with additional salary credit purchased through a settlement agreement or court order only if the:

(A) Additional salary being purchased is being paid to the member in order to resolve a claim of wrongful termination or employment discrimination that culminated in a settlement agreement or court order; and

(B) Additional salary is salary that the member would have been paid but for the employment discrimination.

(2) Only qualifying additional salary credit purchased through a contract buyout may be used in the final average salary calculation.

(f) The system shall not permit a member to use unearned future service credit or nonqualified service credit purchased through a contract buyout settlement agreement with a school district to retire under age and service retirement or disability retirement before the member's employment contract with the school district would naturally have terminated.

## **24 CAR § 10-613. Annuity options.**

(a) Before the date the first benefit payment of an annuity becomes due, a member retiring with age or service may elect one (1) of the following annuity options:

(1) Option 1 – straight life annuity, which is a straight life annuity payable monthly for the life of the retiree; or

(2)(A) Option 2 – reduced straight life annuity with option beneficiaries, under which a retiree shall receive the actuarial equivalent of his or her straight life annuity in a reduced annuity payable for the retiree's lifetime.

(B) Under Option 2, at the time of his or her retirement, a member may designate one (1) or more beneficiaries to receive one (1) of the following annuity options:

(i)(a) Option A – one hundred percent (100%) survivor annuity.

(b) Upon the death of the retiree, the retiree's reduced annuity shall be continued and paid throughout the life of the retiree's designated beneficiary.

(c) A member's eligible spouse, one (1) or more of the member's children who qualify as a dependent child, or both may be designated as an Option A beneficiary.

(d) If both a spouse and one (1) dependent child are designated as Option A beneficiaries, the retiree's reduced annuity shall be paid in equal shares to the spouse and the dependent child.

(e) If both a spouse and more than one (1) dependent child are designated as Option A beneficiaries, the spouse shall receive fifty percent (50%) of the retiree's reduced annuity and the remaining fifty percent (50%) shall be paid in equal shares to the dependent children.

(f) If more than one (1) dependent child is designated as an Option A beneficiary and a spouse is not designated as an Option A beneficiary, the retiree's reduced annuity shall be paid in equal shares to each dependent child.

(g) A dependent child's portion of the annuity shall not revert to the spouse or any other dependent children if the dependent child becomes ineligible to continue receiving annuity payments or predeceases the spouse or any other dependent children.

(h) A spouse's portion of the annuity shall not revert to any dependent child if the spouse becomes ineligible to continue receiving annuity payments or predeceases one (1) or more dependent children;

(ii)(a) Option B – fifty percent (50%) survivor annuity.

(b) Upon the death of the retiree, one-half (1/2) of the retiree's reduced annuity shall be continued and paid throughout the life of the retiree's designated beneficiary.

(c) A member's eligible spouse, one (1) or more of the member's children who qualify as a dependent child, or both may be designated as an Option B beneficiary.

(d) If both a spouse and one (1) dependent child are designated as Option B beneficiaries, one-half (1/2) of the retiree's reduced annuity shall be paid in equal shares to the spouse and the dependent child.

(e) If both a spouse and more than one (1) dependent child are designated as Option B beneficiaries, the spouse shall receive fifty percent (50%) of one-half (1/2) of the retiree's reduced annuity and the remaining fifty percent (50%) of one-half (1/2) of the retiree's reduced annuity shall be paid in equal shares to the dependent children.

(f) If more than one (1) dependent child is designated as an Option A beneficiary and a spouse is not designated as an Option B beneficiary, one-half (1/2) of the retiree's reduced annuity shall be paid in equal shares to each dependent child.

(g) A dependent child's portion of the annuity shall not revert to the spouse or any other dependent children if the dependent child becomes ineligible to continue receiving annuity payments or predeceases the spouse or any other dependent children.

(h) A spouse's portion of the annuity shall not revert to any dependent child if the spouse becomes ineligible to continue receiving annuity payments or predeceases one (1) or more dependent children; or

(iii)(a) Option C – annuity for ten (10) years certain and life thereafter.

(b) The retiree shall receive a reduced annuity payable throughout the retiree's life.

(c) If the retiree dies before receiving one hundred twenty (120) monthly annuity payments, the payments shall be continued for the remainder of the period of one hundred twenty (120) months and paid to one (1) or more of the retiree's designated beneficiaries in equal shares.

(d) A member may designate one (1) or more beneficiaries under Option C.

(b) The following persons are eligible to be designated as an Option A or Option B beneficiary:

(1) The retiree's spouse if the retiree and his or her spouse have been married to each other for at least one (1) year before the first annuity benefit payment to the retiree; and

(2) A retiree's dependent child who has been adjudged physically or mentally incapacitated by a court of competent jurisdiction, regardless of the age of the dependent child.

(c)(1) If an Option 1 retiree dies within one (1) year of retirement, and his or her spouse qualifies for Option A benefits, the spouse may elect to cancel the Option 1 annuity in effect and elect Option A, one hundred percent (100%) survivor annuity, at that time by the end of the fourth full calendar month following the retiree's death.

(2) The election shall be effective the first day of the month following receipt of the election form by the Arkansas Teacher Retirement System.

(3) If the spouse elects Option A benefits, the residue, if any, shall not be paid until the Option A beneficiary's death.

(4) A spouse who is eligible to elect Option A benefits may elect to receive a lump-sum distribution of the retiree's residue in lieu of the spousal annuity if:

(A) The spouse waives his or her right to the spousal annuity; and

(B) The retiree did not designate one (1) or more dependent children as a beneficiary.

(d)(1) After his or her retirement, a retiree may designate his or her spouse as an Option A or Option B beneficiary if the retiree:

(A) Has been married to his or her spouse for one (1) year; and

(B) Either:

(i) Was married to his or her spouse for less than one (1) year upon his or her effective retirement date; or

(ii) Marries his or her spouse after his or her effective retirement date.

(2)(A) Upon meeting the one-year marriage requirement, the retiree shall have six (6) months to file a written nomination designating his or her spouse as either an Option A or Option B beneficiary.

(B) The designation shall be filed on a form approved by the system.

(e) After a retiree's effective retirement date, the retiree may designate an Option A or Option B dependent child beneficiary if the:

(1) Retiree previously designated his or her spouse as the Option A or Option B beneficiary;

(2) Spouse designated as the retiree's Option A or Option B beneficiary predeceases the retiree; and

(3) Dependent child has been adjudged physically or mentally incapacitated by a court of competent jurisdiction.

(f)(1) A member may request that the system remove an incapacitated child as his or her Option A or Option B beneficiary if:

(A) The member designated the incapacitated child as his or her Option A or Option B dependent child beneficiary; and

(B) One (1) of the following applies:

(i) A court finds that the incapacitated child is no longer incapacitated;

(ii) The incapacitated child is emancipated through marriage; or

(iii) The incapacitated child dies.

(2) The following forms of proof shall be submitted, as appropriate, with the member's request to remove an incapacitated child as his or her Option A or Option B:

(A) A file-marked copy of the court's order finding that the incapacitated child is no longer incapacitated;

(B) A copy of the incapacitated child's marriage license or equivalent, marriage license recording document, or other legally acceptable proof of the existence of the marriage; or

(C) A copy of the incapacitated child's death certificate.

(3) Once the proof required to remove an incapacitated child as the member's Option A or Option B beneficiary is submitted to the system, the member may:

(A) Elect to return to an Option 1; or

(B)(i) If the member is married, designate his or her spouse as the Option A or Option B beneficiary within six (6) months of the date on which the system receives the proof required under this section.

(ii) The member's election shall be effective on the first day of the month following the date on which the system receives the election form.

(g)(1) A member may designate any person as a residue beneficiary.

(2) A retiree's residue, if any, shall be paid to the retiree's residue beneficiary if the:

(A) Retiree dies before receiving annuity benefit payments equal to the residue amount; and

(B) Option beneficiary dies before receiving annuity benefit payments equal to the residue amount.

(3) If a residue beneficiary is not nominated or does not survive the death of the option beneficiary, the residue shall be paid to the retiree's estate.

(4)(A) If a residue beneficiary survives the death of the retiree and the option beneficiary, but dies before payment of the residue can be issued by the system, the residue shall be paid to the residue beneficiary's estate.

(B) If more than one (1) residue beneficiary survives the death of the retiree and option beneficiary, but all the residue beneficiaries die before payment of the residue can be issued by the system, the residue shall be paid to the estate of the most recently deceased residue beneficiary.

(C) If all residue beneficiaries predecease the retiree, the residue shall be paid to either the retiree's estate or the estate of the most recently deceased designated beneficiary the retiree's estate.

(h)(1) (h)(1) A member who designates a person or the parent or legal guardian of a person who is designated as a beneficiary of an annuity or benefit under Arkansas Code §§ 24-7-706, 24-7-709, 24-7-711, or 24-7-720 may elect to have the annuity or benefit paid to a special needs trust that meets the requirements of Arkansas Code § 24-7-739(a).

(2) The parent or legal guardian of a person who is eligible to receive an annuity under Arkansas Code § 24-7-710 may elect to have the annuity paid to a special needs trust that meets the requirements of meets the requirements of Arkansas Code § 24-7-739(b).

(3) The Arkansas Teacher Retirement System shall pay an annuity or benefit directly to a person if at the time that the person is entitled to receive an annuity



or a benefit payment a special needs trust that meets the requirements of Arkansas Code § 24-7-739(a) or Arkansas Code § 24-7-739(b) has not been established for the benefit of the person or cannot be identified by the system or ceases to exist.

**24 CAR § 10-616. Correction of errors and collection of overpayments.**

(a)(1) If a change or error in the records of the Arkansas Teacher Retirement System is discovered during the look-back period and results in either an overpayment or underpayment to the system, the Board of Trustees of the Arkansas Teacher Retirement System shall authorize the system's staff to:

- (A) Correct the error in the records;
- (B) Adjust a benefit or any other amount payable to the corrected amount as far as practicable; and
- (C) Take all necessary and appropriate action, including without limitation the options allowed under Arkansas Code § 24-7-205(b).

(2)(A) The board or its designee may adjust the records of the system, a covered employer, and a member beyond the look-back period if the board determines that the time limitation imposed by the look-back period will result in a manifest injustice in a specific case.

(B) Before making an adjustment of benefits that causes a reduction of the benefits or pursuing any other collection action, the system shall provide notice to the person who is the subject of the adjustment and the notice shall:

- (i) State the amount determined to be a receivable;
- (ii) State the reasons underlying the determination;
- (iii) Describe the process for disputing an adjustment of benefits; and
- (iv) Suggest alternate methods for payment of the receivable.

(b)(1) The manifest injustice process shall not be used to address a change, omission, or error in the records of the system that may be corrected within the look-back period.

(2) The manifest injustice process may be used to correct a change, omission, or error in the records of the system discovered after the look-back period if the board determines that the time limitation imposed by the look-back period would cause a manifest injustice.

(c) If a member is subject to a qualified domestic relations order and is paid a benefit or payment by the system to which the member is not entitled, and it is discovered during the look-back period, then a receivable is created and the board or its designee, may collect the amount due to the system.

(d)(1) Appeals to dispute collections shall be made according to the procedures in 24 CAR § 10-1001 et seq.

(2)(A) During the appeal process, retirement benefits may continue to be paid.

~~(B) Correction and Adjustment Limitations.~~ (3) Actions that affect benefit rights shall not be corrected or adjusted further than a five-year look-back period

unless a manifest injustice has occurred or an exception exists under Arkansas Code § 24-7-205(c).

(4) A determination by the system of a manifest injustice in a particular instance due to a technical error or error in judgment is discretionary and governed by Arkansas Code § 24-7-205.

(e)(1) The Executive Director of the Arkansas Teacher Retirement System may waive interest on required contributions in an amount not to exceed five thousand dollars (\$5,000).

(2) A request to excuse an interest amount exceeding five thousand dollars (\$5,000) shall be submitted to the board for review.

(3) The executive director shall report any amounts excused under this section to the board.

(f)(1) The executive director may approve the correction of a change, omission, or error in the records of the system and implement a resolution that has a direct financial impact to the system of up to five thousand dollars (\$5,000) without obtaining board approval.

(2) Board approval shall be required to implement a resolution that has a direct financial impact to the system in excess of five thousand dollars (\$5,000).

(g) If required, a receivable under this section that is found by the board or its designee to be uncollectible or for which adjustment or payment has been waived shall be submitted to the Chief Fiscal Officer of the State for abatement pursuant to Arkansas Code §§ 19-2-301 — 19-2-307.

**24 CAR § 10-710. Teacher Deferred Retirement Option Plan — Distribution election.**

~~A member's T-DROP distribution election shall be irrevocable if:~~

~~(1) The member submits his or her T-DROP distribution election on a form approved by the Arkansas Teacher Retirement System; and~~

~~(2) The system accepts the form submitted by the member.~~

A member may cancel his or her original T-DROP distribution election and elect another distribution option if the member:

(1) Did not elect to receive all or a part of his or her T-DROP account balance rolled over into a qualified retirement plan;

(2) Has not previously changed his or her election;

(3) Cancels his or her election before the end of the second full calendar month immediately following his or her effective retirement date;

(4) Files a new distribution election form with the Arkansas Teacher Retirement System; and

(5) Repays the system any amount that he or she is no longer entitled to have received as a result of changing his or her election.

**24 CAR § 10-712. T-DROP Cash Balance Account Program — Internal Revenue Code.**

(a)(1) In lieu of electing a lump-sum distribution of his or her T-DROP account balance, a plan participant may elect to transfer all or a part of his or her T-DROP account balance into a CBA.

(2) If a plan participant elects to have only a part of his or her T-DROP account balance transferred into a CBA, the remaining balance of the T-DROP account shall be annuitized under the Arkansas Teacher Retirement System or paid as a lump-sum distribution.

(3) A CBA shall be credited monthly with T-DROP Cash Balance Account interest and debited monthly for withdrawals and distributions beginning on the month immediately following the establishment of the CBA.

(b) A CBA established on or after July 1, 2021, shall be credited with T-DROP Cash Balance Account interest as follows:

T-DROP Cash Balance Account Program Years of Participation	Interest Rate
First fiscal year of participation	Two and one-half percent (2.5%)
Two (2) fiscal years of participation	Two and seventy-five hundredths percent (2.75%)
Three (3) fiscal years of participation	Three percent (3.00%)
Four (4) fiscal years of participation	Three and twenty-five hundredths percent (3.25%)
Five (5) fiscal years of participation	Three and one-half percent (3.50%)

Six (6) or more fiscal years of participation	Four percent (4.00%)
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- (c) The Board of Trustees of the Arkansas Teacher Retirement System may:
- (1) Increase the T-DROP Cash ~~Account~~ Balance [Account](#) interest rate for future fiscal years and on an ad hoc basis;
  - (2) Consider current market conditions, competing financial offerings to plan participants, bank rates for certificates of deposits, the status of the system's return on investments, and the current state of participation in the T-DROP Cash Balance Account program when determining the T-DROP Cash Balance Account interest rate;
  - (3) By resolution periodically authorize a special ad hoc incentive payment for CBAs if the board determines that payment of the special ad hoc incentive is likely to encourage continued participation and increase future participation in the T-DROP Cash Balance Account program; and
  - (4) By resolution adopt a new T-DROP Cash Balance Account Interest Schedule (schedule) for future CBAs.
- (d) An ad hoc increase may be:
- (1) Set as a single amount to be applied to each CBA; or
  - (2) Computed as a graduated amount based on the length of time the CBA has existed.
- (e)(1) The T-DROP Cash Balance Account interest rate shall remain in effect until the board adopts a new schedule with lower interest rates for future CBA accounts established by the end of the first quarter of the fiscal year in which the interest rate shall apply.
- (2) A CBA established before the effective date of a board resolution adopting a new schedule for future CBAs shall not be subject to the provisions of the new schedule.
- (f) If a plan participant dies with a CBA balance, the CBA balance shall be paid as provided under Arkansas Code § 24-7-1310.
- (g)(1) If a plan participant's CBA has a balance, a plan participant may withdraw funds from his or her CBA up to six (6) times per quarter by using forms approved by the system.
- (2) A plan participant may make more than six (6) withdrawals in a quarter with the approval of the Executive Director of the Arkansas Teacher Retirement System.
- (3) A plan participant may request a recurring monthly distribution of a set amount from his or her CBA until the CBA balance is depleted or the plan participant withdraws his or her request.
- (4)(A) Minimum distributions made to a plan participant shall comply with Arkansas Code § 24-7-730 and the Internal Revenue Code of 1986, 26 U.S.C. § 1 et seq.

(B) A retiree who attains the required minimum distribution age and does not cease to be active in the system shall not have required minimum distributions deducted from his or her CBA if the retiree:

(i) Either is a rehired retiree or has continued to work for a covered employer without a break in service; and

(ii) The retiree's covered employer reports the retiree to the system and pays employer contributions for the retiree.

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## **24 CAR § 10-804. Survivors — Surviving spouse.**

(a) An eligible survivor of a qualifying member may receive survivor annuity benefits after the death of the qualifying member.

(b) Unless a qualifying member designates one (1) or more alternative residue beneficiaries by written form approved by the Arkansas Teacher Retirement System, the survivor annuity benefits provided for in Arkansas Code § 24-7-710 shall be paid to the spouse of the qualifying member if the spouse:

(1) Survives the qualifying member; and

(2) Was married to the qualifying member for at least ~~two (2) years~~ one (1) year immediately before the qualifying member's death.

(c)(1) A surviving spouse who is eligible to receive surviving spouse annuity benefits may file a waiver of his or her right to the surviving spouse annuity benefits with the system if, at the time of the qualifying member's death, the qualifying member does not have children who are eligible to receive dependent child survivor annuity benefits.

(2) If the surviving spouse files a waiver of his or her right to receive surviving spouse annuity benefits, then the surviving spouse may receive the qualifying member's accumulated contributions plus interest, if any, in a lump-sum distribution.

(d)(1) Pursuant to Arkansas Code § 24-7-710, surviving spouse annuity benefits are payable for the surviving spouse's lifetime, regardless of the remarriage of the surviving spouse.

(2) The surviving spouse may defer receipt of the surviving spouse annuity benefits, if applicable, under the deferred retirement provisions of Arkansas Code § 24-7-707.

(3) A surviving spouse shall submit the following documents to the system before a surviving spouse annuity benefit payment is issued to the surviving spouse:

(A) Proof of the qualifying member's death and date of death from the qualifying member's death certificate or another legally acceptable document;

(B) Proof of the surviving spouse's taxpayer identification number from a Social Security card or another authenticating document;

(C) Proof of the surviving spouse's date of birth from a birth certificate or another authenticating document; ~~and~~

(D) Proof of the marriage between the qualifying member and surviving spouse from:

(i) A marriage license or equivalent;

(ii) A marriage license recording document; or

(iii) Another legally acceptable proof of the existence of the marriage; ~~and~~

(E) Any additional documentation required by the system.

(4) A surviving spouse who is immediately eligible to receive a monthly survivor annuity benefit after the death of the qualifying member shall receive monthly survivor annuity benefits:

(A) Beginning the month after the death of the qualifying member if the survivor application is filed by the end of the sixth full calendar month following the date of the qualifying member's death; or

(B) Beginning the month in which the survivor application is filed with the system if at the time of the qualifying member's death the qualifying member:

(i) Accumulated at least twenty-five (25) years of credited service and was eligible to receive a voluntary retirement or early retirement annuity; or

(ii) Reached sixty (60) years of age and was eligible to receive a deferred retirement annuity.

(5) A surviving spouse who is not immediately eligible to receive a monthly survivor annuity benefit shall receive monthly survivor annuity benefits beginning the later of either the:

(A) Month following the date on which the qualifying member would have been eligible to receive retirement benefits had the qualifying member survived; or

(B) Date on which a survivor application is filed with the system.

#### **24 CAR § 10-807. Survivors — Dependent children.**

(a)(1) A child of a qualifying member is eligible to receive a survivor annuity benefit under Arkansas Code § 24-7-710 if the child qualifies as a dependent child.

(2) A qualifying member's child shall be eligible to qualify as a dependent child or maintain his or her status as a dependent child if:

(A) The qualifying member was the legal parent of the child at the time of the qualifying member's death; and

(B) The child meets all other requirements to qualify as a dependent child or maintains his or her status as a dependent child.

(b)(1) A child of a qualifying member qualifies as a dependent child if the child is:

~~(A)(1) Younger than eighteen (18) years of age;~~ Not older than twenty-two (22) years of age; or

~~(B) At least eighteen (18) years of age and not older than twenty-two (22) years of age and continuously enrolled as a full-time student in an accredited secondary school, college, university, or vocational-technical school; or~~

~~(C)(2) Has been adjudged physically or mentally incapacitated by a court of competent jurisdiction.~~

~~(2) A dependent child who enrolls in an accredited college, university, or vocational-technical school shall remain eligible to receive a dependent child annuity during his or her period of deferred enrollment if the dependent child:~~

~~(A) Is not older than twenty-two (22) years of age; and~~

~~(B) Submits proof of his or her deferred enrollment to the Arkansas Teacher Retirement System in the manner required by the system.~~

(c) A qualifying member's dependent child shall not be eligible to qualify as a dependent child again and shall have his or her dependent child annuity terminated by the system if the dependent child dies or ceases to qualify as a dependent child of the qualifying member.

**~~24 CAR § 10-808. Survivors — Dependent children — Full-time students.~~**

- ~~— (a) To be considered a full-time student, a dependent child shall:~~
  - ~~— (1) Take twelve (12) semester hours or eight (8) trimester hours in college;~~
  - ~~— (2) Take four (4) hours per day in a secondary or postsecondary school; or~~
  - ~~— (3) Engage full-time in a curriculum or field of study based upon verifiable indices from an accredited institution.~~
- ~~— (b) After a dependent child reaches eighteen (18) years of age, in the absence of a parent or legal guardian, the dependent child may self-report his or her Certification of Attendance to the Arkansas Teacher Retirement System.~~
- ~~— (c)(1) A qualifying member's child who is at least eighteen (18) years of age and not older than twenty-two (22) years of age and not a full-time student may continue to qualify as a dependent child and receive a survivor annuity benefit if a doctor certifies that the child is:~~
  - ~~— (A) Temporarily physically or mentally incapacitated; and~~
  - ~~— (B) Unable to attend school as a full-time student for the current semester or term due to the temporary physical or mental incapacitation.~~
- ~~— (2) If a doctor does not certify the child as temporarily physically or mentally incapacitated and unable to attend school as a full-time student for the current semester or term due to the temporary physical or mental incapacitation and the child does not attend school as a full-time student in the following semester, the child shall:~~
  - ~~— (A) No longer qualify as a dependent child; and~~
  - ~~— (B) Be ineligible to receive survivor annuity benefits.~~

**~~24 CAR § 10-809. Survivors — Dependent children — Active military duty or training.~~**

- ~~— (a) A dependent child who qualifies under Arkansas Code § 24-7-710(c)(2)(B)(i) to receive survivor annuity benefit payments may have his or her payments temporarily suspended if he or she:~~
  - ~~— (1) Is called to active military duty or active military training; and~~
  - ~~— (2) Submits a copy of his or her military orders to the Arkansas Teacher Retirement System.~~
- ~~— (b)(1) Survivor annuity benefit payments to a dependent child shall be temporarily suspended for the duration of the dependent child's participation in active military duty or active military training.~~
- ~~— (2) Survivor annuity benefit payments to the dependent child shall be reinstated if the dependent child:~~
  - ~~— (A) Is at least eighteen (18) years of age and not older than twenty-two (22) years of age;~~
  - ~~— (B) Immediately re-enrolls as a full-time student at an accredited secondary school, college, university, or vocational technical school upon his or her return from active military duty or active military training; and~~



~~——(C) Submits documentation of his or her re-enrollment as a full-time student to the system.~~

**24 CAR § 10-811. Survivors — Dependent children — Return to work and disability retirees.**

(a) A dependent child annuity shall be payable to a surviving child of a retiree who dies after returning to work or a disability retiree if the child ~~qualifies as a dependent child and is eligible for a dependent child annuity under the law and rules applicable to the Arkansas Teacher Retirement System.~~

(1) Qualifies as a dependent child and is eligible for a dependent child annuity under the law and rules applicable to the Arkansas Teacher Retirement System; and

(2) Has not been designated as an option beneficiary of the retiree who dies after returning to work or the disability retiree.

(b) The same rules applicable to the surviving child of qualifying member shall apply to the surviving child of a retiree who dies after returning to work.

**24 CAR § 10-826. Qualified domestic relations order — Benefit payments — Overpayments.**

(a) The Arkansas Teacher Retirement System shall have the right to:

(1) Make any necessary correction to the monthly annuity benefit paid under a QDRO accepted by the system; and

(2) Recover any overpayments owed to the system from either the member or the alternate payee.

(b) If an amount that should not have been distributed to the member or alternate payee under the QDRO accepted by the system is received by the member or alternate payee, the member or alternate payee shall:

(1) Be responsible for holding the amount as a constructive trustee; and

(2) Notify the system immediately that he or she received the amount.

(c) The system shall not make restitution for:

(1) A payment that is issued to the alternate payee before the system receives notice of the alternate payee's change of address;

(2) A distributed amount that:

(A) The alternate payee is entitled to receive under the terms of a QDRO accepted by the system; and

(B) Is received by the member as constructive trustee;

(3) A distributed amount that:

(A) The member is entitled to receive under the terms of a QDRO accepted by the system; and

(B) Is received by the alternate payee as constructive trustee; ~~or~~

(4) An amount that was distributed before the system receives a court order voiding the QDRO accepted by the system; or

(5) An amount that is distributed before the system receives a filemarked QDRO that has been approved by the system and entered by a court of competent jurisdiction.

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# ATRS BOARD POLICY 1

## BOARD GOVERNANCE

A.C.A. § 24-7-301 et seq., A.C.A. § 24-7-401 et seq., and A.C.A. § 25-16-901 et seq.

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### I. Definitions.

As used in this policy:

- (1) "Benefit participant" means the same as defined in Arkansas Code § 24-7-202;
- (2) "Member" means the same as defined in Arkansas Code § 24-7-202; and
- (3) "Official board duties" means:
  - (A) Attending regular and called meetings of the Board of Trustees of the Arkansas Teacher Retirement System ("Board");
  - (B) Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of trustees;
  - (C) Attending conferences as allowed by Board resolution;
  - (D) Attending legislative committee meetings when acting as the spokesperson for the Board; and
  - (E) Attending legislative sessions at the request of the Board or the Executive Director of the Arkansas Teacher Retirement System ("Executive Director").

### II. Board of Trustees - Plan Administration

(a)(1) The authority and responsibility for the administration, management, and control of the Arkansas Teacher Retirement System ("ATRS", "the System", or "the Plan"), and for the construing and carrying out the provisions of the Plan is vested in the Board.

(2)(A) The Board is responsible for the governance of ATRS.

(B) The Board is accountable for establishing policies and for supervising the implementation of those policies in compliance with all applicable legal mandates.

(b)(1) The function of the Board is to make certain contributions that lead the System towards achieving the objectives specified in Board Policy 2 – Board Objectives.

(2) The Board shall recommend and oversee the Board and the Executive Director evaluation process.

(3) The Board shall recommend and oversee training and conference schedules for the Board.

(4)(A) The Board's specific contributions are unique to its trusteeship role and necessary for the appropriate governance and management of the System.

(B) Board decisions shall be based on facts and expert opinions.

(c) The Board should approach its task in a manner that:

- (1) Emphasizes outward vision rather than an internal preoccupation;
- (2) Encourages diverse viewpoints;
- (3) Emphasizes strategic leadership ~~more~~ rather than administrative detail;

- (4) Provides a clear distinction of Board and staff roles;
- (5) Focuses on the future rather than past or present; and
- (6) Encourages proactive rather than reactive action.
- (d) The contributions of the Board include:
  - (1) Acting as the link between the System and benefit participants of the System.
  - (2) Developing policies for the System that, at the broadest levels, address:
    - (A) The governance process, including how the Board conceives, carries out, and monitors its own tasks;
    - (B) The relationship between the Board and ATRS staff, including how authority is delegated and monitored.
    - (C) The Ends Policies of the Board as set forth in Board Policy 2 – Board Objectives; and
    - (D)(i) Limitations of the System.
    - (ii) Constraints on executive authority that establish the prudence and ethics boundaries within which executive activity, decisions, and organizational matters shall be carried out by the Executive Director.
  - (3) Ensuring that the Executive Director's performance does not contravene the ends or limitations of the System.

### **III. Board of Trustees - Guiding Principles**

- (a) The paramount purpose of the Board is to:
  - (1) Provide an adequate and equitable retirement plan for public school and education employees in Arkansas;
  - (2) Protect the membership of the System in the event that they should suffer a total and permanent disability that renders them unable to continue covered employment; and
  - (3) Provide, in-part, for the survivors and beneficiaries of deceased members of the System.
- (b)(1) The Board is responsible for the prudent investment of the System's funds.
  - (2) The two (2) paramount considerations in fund investment are safety and yield, with yield being of first importance, provided such investments comply with legally mandated safeguards.
- (c) The Board should be fully informed of the System's financial liabilities to benefit participants of the System. Information on the financial liabilities of the System should be made available to education-related organizations as well as the Arkansas General Assembly and other state officials.
- (d) To the extent that disclosure is not prohibited by law, the Board should provide the general public with information regarding the System's procedures for investing the System's funds, as well as the budgeting, control, and disbursement of those funds.
- (e) The Board will actively promote the enactment of state and federal legislation that may improve the economic welfare of ATRS members.
- (f) The Board endorses programs of counseling and information designed to assist members who are approaching retirement.

(g)(1) The Board should be knowledgeable of the most current information regarding effective, efficient governance and operation of state retirement systems that could augment prudent decisions for the benefit of members.

(2) To this end, trustees are encouraged to participate actively in regional and national retirement organization programs that offer such information and training.

#### **IV. Board of Trustees - Code of Conduct**

(a) The Board expects of itself and its members ethical and business-like conduct.

(b)(1) All trustees, as fiduciaries, shall discharge their duties solely in the best interest of ATRS members and for the exclusive purpose of providing optimum benefits.

(2)(A) Trustees should avoid any conflict of interest with respect to their fiduciary responsibility.

(B) Trustees shall not use their positions to obtain favorable treatment for themselves, family members, or close employees.

(c) Trustees who desire specific information from firms employed by ATRS should make the request through the Executive Director.

(d) Trustees shall not, directly or indirectly, solicit or accept any gift of value as defined by the Arkansas Ethics Commission.

(e) Trustees shall decline any offer and shall not have any contact with an individual or anyone associated with a firm that the Board is considering employing through a competitive procurement until after the procurement process has concluded.

(f)(1) Trustees shall not attempt to exercise individual authority over the operation of the System or ATRS staff except as provided by law, rule, or policy applicable to the System.

(2) A trustee's interaction with the ATRS staff, public, press, or other entities should recognize the inability of one (1) or more trustees to speak for the Board.

(g) All trustees shall report violations of any of these policies of conduct in writing to the Chair.

#### **V. Board of Trustees - Development**

(a) The Board is responsible for its own readiness for Board work and the performance of that work.

(b) The Board determines appropriate issues for Board work and appropriate issues to be addressed, as well as the education and data required to address those issues wisely.

(c)(1) The Board determines the need and mechanisms for Board development, which may include:

(A) Membership in the National Council on Teacher Retirement or a similar organization;

(B) Engaging or employing Board-approved consultants;

(C) Educational development seminars provided by ATRS staff for the benefit of current and new trustees; and

(D) The development of a plan that may address the Board's expected outcomes, costs, and development schedule.

(2) The Board may enlist assistance from the Executive Director in determining the need and mechanisms for Board development.

## **VI. Board of Trustees - Meetings**

The Board shall hold regular meetings at least quarterly. Additional meetings may be called by the Chair or scheduled by action of the Board in a regular meeting. The Board shall adopt its own rules of procedure, which shall be subject to the following:

(1)(A) The Board shall elect a Chair and Vice Chair from its own membership.

(B) The election will be in the odd numbered years at the first regular meeting after the beginning of the fiscal year.

(C) The Chair and Vice Chair shall be elected for a two-year term and may be reelected for two (2) additional two-year terms.

(D) The Chair and Vice Chair shall be either an active member or retiree trustee.

(E) A trustee must have served at least one (1) full year as a member of the Board to be eligible for election to the position of Chair or Vice Chair.

(2)(A) If a vacancy of the Chair or Vice Chair occurs for any reason other than completion of a term, the Board shall fill said vacancy by election from the existing trustees for the remainder of the unexpired term at its next regular meeting.

(B) A trustee elected to fill an unexpired term of the Chair or Vice Chair shall be eligible for two (2) additional two-year terms.

(3)(A) Quorum: Eight (8) trustees shall constitute a quorum at any meeting of the Board.

(B) Each trustee shall be entitled to one (1) vote on each question before the Board, and at least eight (8) affirmative votes shall be required for a decision by the Board at any meeting.

(4) *Robert's Rules of Order* shall be followed in the conduct of all meetings except when a departure from Robert's is authorized by action of the Board.

(5)(A) The Board shall adopt an agenda at the beginning of each meeting.

(B) An item may be added to the agenda before it is adopted.

(C) The Executive Director shall prepare a tentative agenda and submit it to all trustees at least ten (10) days before a regularly scheduled meeting. The meeting agenda and materials will be submitted to trustees no later than three (3) days before the regularly scheduled meeting.

D)(i) Trustees who want one (1) or more items to be considered for the agenda should notify the Executive Director no later than seven (7) days before a regularly scheduled meeting.

(ii) Members or individuals who wish to have an item placed on the agenda at a regularly scheduled Board meeting should submit their request in writing to the Executive Director no later than twenty (20) days before the meeting.

(E)(i) Members or individuals who wish to make comments during a regularly scheduled Board meeting should indicate the intended subject matter on a form provided by the System.

(ii) Members and individuals will be allowed a maximum of five (5) minutes to address the Board unless the time limit is extended by a majority vote of the Board.

(6)(A) The Board shall keep an official record of the proceedings of each meeting of the Board, the final draft of which must be approved by the Board and signed by the Chair and the Executive Director.

(B) The Board minutes are to contain only the action of the Board, information required by case law, and the vote thereon.

(7)(A) All meetings of the Board shall comply with the Arkansas Freedom of Information Act, Arkansas Code § 25-19-101 et seq.

(B)(i) All meetings of the Board shall be open public meetings and recorded in a manner that allows for the capture of sound.

(ii) A member of the Board or of a committee established by the Board may attend a public meeting remotely.

(iii)(a) A member of the Board or of a committee established by the Board may be counted for a quorum or to vote if the method used to permit a member of the Board or a member of a committee established by the Board to attend a public meeting remotely complies with Acts 2025, No. 505.

(b) ATRS staff shall ensure that the method used to permit a member of the Board or a member of a committee established by the Board to attend a public meeting remotely complies with Acts 2025, No. 505.

(iv) Representatives of the Little Rock news media shall be notified of each meeting of the Board.

(C) The agenda of the Board shall include only those items that, according to the law, rules, and policy applicable to the System, are within the Board's authority to consider or decide.

(D) Deliberations during the meetings of the Board must be timely, fair, orderly, thorough, efficient, limited in time, and germane to the issue being considered.

## **VII. Duties of the Chair and Vice Chair**

(a)(1) The duty of the Chair is to ensure the integrity of the Board's process and to represent the Board to outside parties.

(2) The Chair is responsible for ensuring that the Board operates consistent with the law, rules, and policies applicable to the System.

(3) The authority of the Chair consists only in making decisions on behalf of the Board that fall within and are consistent with the law, rules, and policy applicable to the System.

(4) The Chair is empowered to chair Board meetings with all the commonly accepted power of that position.

(5) The Chair may:

(A) Convene meetings of the Board, or committees thereof, as prescribed by law;

(B) Certify actions taken by the Board;

(C) Serve as the official spokesperson for the Board;



(D) Appoint trustees to committees; and  
(E) Perform other duties specifically requested by the Board that are deemed necessary and appropriate for the Board to fulfill its duties and responsibilities under law.

(b) The duties of the Vice Chair are to act as temporary chair in the absence of the Chair.

## **VIII. Reimbursement of Expenses**

(a) At the first regularly scheduled meeting of each calendar year, the Board may authorize the reimbursement of expenses for a trustee who performs official Board duties.

(b)(1) A trustee may be reimbursed for personal expenses, not otherwise reimbursed, incurred in the performance of their ATRS related duties.

(2) Reimbursement for a trustee's personal expenses that are not otherwise reimbursed may cover:

(A) Any losses in salary or compensation that would result from the trustee's attendance at Board or committee meetings, and will be paid to the trustee's employer; and

(B) The costs of communication with other trustees or ATRS staff via telephone, postage, etc.

(3) A member of the Board or of a committee established by the Board who attends a public meeting remotely shall not receive mileage or per diem for attending the public meeting.

## **IX. Procurement**

(a)(1) ATRS shall comply with Arkansas Procurement Law, Arkansas Code § 19-11-201 et seq., Arkansas Code § 24-2-618, and all other laws concerning state agency purchases and contracts that are applicable to the System.

(2)(A) The Executive Director shall seek Board approval of a new contract before it is executed if the new contract procures the services of:

(i) The Board's investment counsel per Arkansas Code § 24-7-303(e);

(ii) An investment manager;

(iii) An investment fund;

(iv) External legal counsel;

(v) A securities monitoring law firm; or

(vi) The Board's appointed actuary per Arkansas Code § 24-7-303(d).

(B) For all other new contracts and contract renewals executed in the normal course of operations, the Executive Director shall report all executed new contracts and contract renewals to the Board bi-annually.

(b)(1) Consistent with the Prudent Investor Rule and pursuant to Arkansas Code § 24-2-618, ATRS has a statutory goal to recruit and hire emerging managers and emerging investment funds.

(2)(A) For purposes of this policy, "emerging managers" and "emerging investment funds" means a managing group or fund that is predominately owned by black or African American, Hispanic American, American Indian or Native American, Asian, or Pacific Islander.



(B) Each investment consultant retained by ATRS to recommend investment managers or investment funds shall submit an annual report to ATRS consistent with the requirements in Arkansas Code § 24-2-618.

#### **X. Board of Trustees - Self-Evaluation**

(a)(1) The Board may periodically evaluate its own compliance with the law, rules, or policies applicable to the System.

(2) The Board may enlist the assistance of the Executive Director in determining the appropriate evaluation matrix.

(b) The effective date for the start of any evaluation of the Board and the frequency of the evaluations will be determined by the Board.

#### **XI. Board of Trustees - Committee Principles and Procedures**

(a) The Board may establish committees to help carry out its responsibilities.

(b) A committee established by the Board:

(1) Shall assist the Board by preparing policy alternatives and implications as necessary for deliberation by the Board;

(2) Shall adopt an agenda at the beginning of each meeting;

(3) Shall report to the Board following a meeting of the committee;

(4) Shall not act on behalf of the Board unless given the authority to do so by the Board; and

(5) Shall not exercise authority over ATRS staff. However, a committee may request assistance from ATRS staff that will enable the committee to perform its duties.

(c)(1) ATRS staff shall notify all trustees of the time and place of each committee meeting and shall provide all trustees with the agenda of each committee as soon as reasonably possible.

(2)(A) A Trustee may attend a committee meeting

(B) Only committee members shall vote on committee matters.

(d) A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.

(e) Committees shall elect their own Chair and Vice Chair unless otherwise provided by the law, rules, and policies applicable to the System.

(f)(1) The Executive Director shall serve as the Secretary of the Board unless the Executive Director delegates another member of the ATRS staff to serve as Secretary of the Board.

(2) The Executive Director may delegate all or a part of the functions of the Secretary of the Board to another member of the ATRS staff.

(g) Appointments to committees shall be made before the next regular meeting after the Board elects the Chair of the Board.

(h) The minutes of each committee meeting shall be prepared and, at the committee's next scheduled meeting, shall be presented to the appropriate committee for review and approval.

(i)(A) All committees are subject to the same public disclosure and ethics laws, rules, and policies that are applicable to the System and the Board.

(B) All committee are subject to public disclosure and ethics laws, rules, and policies that are applicable to them by virtue of their position as a trustee or committee member.

## **XII. Investment Committee Charter**

(a)(1) There is established an Investment Committee that shall be composed of eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Investment Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members of the Investment Committee shall be the State Treasurer and the State Bank Commissioner upon their respective acceptance of their appointment as State Treasurer or State Bank Commissioner.

(b) The Investment Committee shall meet on call by the Chair of the Investment Committee or the Executive Director, but not less than on a quarterly basis.

(c) The purposes of the Investment Committee shall be:

(1) To consider proposals for the adoption, amendment, and repeal of investment policies and procedures and to make recommendations to the Board concerning the same;

(2) To consider asset allocations and make recommendations to the Board concerning the adoption of asset allocations;

(3) To consider all investment proposals and make recommendations to the Board concerning the approval or rejection of an investment proposal unless the investment proposal is assigned to another committee; and

(4) To monitor all phases of the investment program and to recommend any changes that may need to be made to the full Board.

(d) Unless related to a stated purpose of the Investment Committee, all matters that are a stated purpose of the Operations Committee or Audit Committee shall not be within the purview of the Investment Committee.

(e) ATRS staff shall furnish the Investment Committee agenda to the Board in advance of the Investment Committee meeting.

## **XIII. Operations Committee Charter**

(a)(1) There is established an Operations Committee that shall be composed of up to eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Operations Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members shall be the State Auditor and the Secretary of Education upon their respective acceptance of their appointments as State Auditor or Secretary of Education.

(b) The Operations Committee shall meet on call by the Chair of the Operations Committee or the Executive Director.

(c) The purposes of the Operations Committee shall be:

(1) To suggest and consider proposals for the adoption amendment, and repeal of the laws, rules, and policies applicable to the System and to make recommendations to the Board concerning the same;

(2) To suggest and consider legislative proposals to and to make recommendations to the Board concerning the same; and

(3) To make recommendations to the Board for initiating, supporting, or opposing legislation.

(d) Unless related to a stated purpose of the Operations Committee, all matters that are a stated purpose of the Investment Committee or Audit Committee shall not be within the purview of the Operations Committee.

(e) ATRS staff shall furnish the Operations Committee agenda to the Board in advance of the Investment Committee meeting.

#### **XIV. Audit Committee Charter**

(a)(1) There is established an Audit Committee that shall be composed of five (5) members.

(2) The Board Chair shall appoint three (3) members of Board to serve as members of the Audit Committee.

(3)(A) The Board shall approve two (2) people who are from the public and have extensive auditing experience to serve as at-large members of the Audit Committee.

(B) The at-large members must be independent and have no affiliation with ATRS.

(C)(i) At-large members may serve two (2) four-year terms.

(ii) If the initial term of an at-large member is for less than four (4) years, then the at-large member may serve two (2) more four-year terms.

(iii) An at-large member's four-year term shall begin on the first of the month immediately following the Board's approval and appointment of the at-large member.

(b)(1) The Audit Committee shall meet as needed on the call of the Chair or the Audit Committee or the ATRS Internal Auditor.

(2) ATRS staff shall furnish the Audit Committee agenda along with appropriate briefing material to the Audit Committee and the Board in advance of the Audit Committee meeting.

(3) The Audit Committee may invite members of management, auditors, employees, or others to attend Audit Committee meetings and provide pertinent information as necessary.

(c)(1) The Audit Committee shall assist the Board in fulfilling the oversight responsibilities of the Board relating to financial reporting processes, the system of internal controls, the internal audit process, and the System's compliance with the law, rules, and policies, including ethical policies, applicable to the System.

(2) The purposes of the Audit Committee shall be:

(A) With regard to financial statements, to review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions;

(B) With regard to internal controls, to:

(i) Review the risk assessment to consider the effectiveness of the System's internal controls; and

(ii) Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses;

(C) With regard to internal audits, to

(i) Review with management and the ATRS Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function;

(ii) Review and approve the audit plan and all major changes to the plan; and

(iii) Review reports prepared by Internal Audit and follow up on any findings and recommendations;

(D) With regard to compliance, to review the findings of any examinations by regulatory agencies and any auditor observations;

(E) With regard to reporting, to regularly report to the Board on the Audit Committee's activities and issues that arise with respect to the quality or integrity of the System's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function;

(F) To perform other activities related to Audit Committee Charter or the audit functions as requested by the Board;

(G) To resolve any disagreements between management and the ATRS Internal Auditor regarding financial reporting;

(H) To review and assess the adequacy of the Audit Committee Charter and make recommendations to the Board concerning the same;

(I)(a) To approve administrative decisions regarding the appointment and removal of the ATRS Internal Auditor.

(b) The approval of the appointment or termination of the ATRS Internal Auditor by the Audit Committee shall not be final until confirmed by the Board; and

(J)(i) To perform an annual employee evaluation of the ATRS Internal Auditor.

(ii) The Audit Committee shall:

(a) Meet in executive session, with or without the ATRS Internal Auditor, for the purpose of conducting, reviewing, and discussing an evaluation of the ATRS Internal Auditor;

(b) Gather information as it deems necessary, including without limitation input from the Executive Director or other persons with direct knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough evaluation of the ATRS Internal Auditor;

(c)(1) Upon the completion of the evaluation of the ATRS Internal Auditor, report the completion of the evaluation to the Board.

(2) If by motion and second, a Trustee requests information concerning the specific results of the evaluation of the ATRS Internal Auditor and the majority of the Board votes in favor of such motion, the Board may meet in executive session to hear the Audit Committee's findings and recommendation on the evaluation of the ATRS Internal Auditor.

(4)(A) The Audit Committee is authorized to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information that it may require from ATRS staff, all of whom are directed to cooperate with the Audit Committee's request.

(B) In the event the Audit Committee has difficulty obtaining the necessary information from ATRS staff, the Audit Committee may seek assistance from the Executive Director or the Board as the circumstances dictate.

(d)(1) The Audit Committee may periodically evaluate itself and report the results to the Board.

(2) The effective date for the start of any evaluation process and the frequency of evaluations shall be determined by the Audit Committee.

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## **HISTORY**

Adopted: June 12, 2002 as Rule 1-1 through 1-19

Amended: October 7, 2003

Amended: December 3, 2007

Amended: June 16, 2009

Amended: September 12, 2012

Amended: March 6, 2013

Amended: April 1, 2013

Amended: July 1, 2018

Amended: October 7, 2019 as Board Policy 1

Amended: September 27, 2021

Amended: September 25, 2023

Amended: June 3, 2024

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# ATRS Board Policy 4

## STATEMENT OF INVESTMENT POLICY

A.C.A. § 24-7-305

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### I. Board - Investment Policies and Procedures

#### A. Statement of Investment Policy

1. This Investment Policy has been prepared within the context of applicable Arkansas laws and is intended to allow for sufficient flexibility in the investment process to capture opportunities, yet ensure that both prudence and care are maintained in the execution of the investment program. While safety of principal is given primary consideration, the Arkansas Teacher Retirement System Board of Trustees ("Board") may take appropriate levels of risk to earn higher levels of investment return.
2. The Board has arrived at this policy through careful study of the rates of return and risks associated with various investment strategies in relation to the current and projected liabilities of the Arkansas Teacher Retirement System ("the System"). This policy has been chosen as the most appropriate for achieving the financial objectives of the System. The policy will be reviewed periodically as circumstances dictate.
3. The Board has adopted a long-term investment horizon so that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The assets of the System will be invested in a manner that provides the safeguards and diversity to which a prudent investor would adhere. All transactions undertaken on behalf of the System will be in the sole interest of the System's plan beneficiaries.
4. To achieve the overall investment goal of the System, one or more investment consultants may be retained by the Board as investment advisors. The scope of duties, together with the terms and conditions of engagement, of any investment consultant will be set forth in a contract approved by the Board. Throughout this document, investment advisors are referred to as investment consultants.
5. The System shall manage those assets not specifically allocated to investment managers. No investment shall be made without an investment consultant's [written advice or written](#) recommendation. The System shall not approve any material changes in any direct investment without first receiving written advice or a written recommendation from a third-party investment consultant and, if

needed, outside legal counsel, and, without thereafter receiving written approval by the Investment Committee and Board.

B. Divestment of Direct Holdings Held with Certain Financial Services Providers

1. The System shall divest from all direct holdings that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002. Divestment shall occur as soon as practicable, but no later than three hundred sixty-five (365) calendar days after the financial services provider's inclusion on the list published on the Treasurer of State's website.
2. However, in order to prevent financial harm to the System and to ensure that the System's fiduciary duty is met, the System shall not divest from an investment that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002 if the investment is locked into a maturity date and an early divestment would result in a financial penalty and cause a negative financial impact to the System.

C. Investments in Countries of Concern

1. In order to comply with Arkansas Code § 25-1-1201 and -Act 937 of 2025 et seq. and also to ensure that System funds are not invested in the development of technologies and products that may threaten the national security of the United States, the System shall not directly hold any equity interest or debt financing interest in any entity that is:
  - a. Owned in whole or with a majority ownership by the government of the People's Republic of China; or
  - b. Subject to any investment restrictions imposed by the United States Department of the Treasury because the entity is located in a country of concern and is engaged in activities that may contribute to a threat to the national security of the United States.
2. For any prohibited investment held by the System as of the adoption of this section, the Executive Director, in cooperation with the investment consultant and other necessary parties, shall divest the System of any excluded holdings as soon as divestment is practicable and would not result in a financial penalty or cause a material negative impact to the System.

#### D. Standard of Care

1. When investing and reinvesting trust assets and in acquiring, retaining, managing and disposing of investments of the trust assets, there shall be exercised the reasonable care, skill, and caution that a prudent investor would use after considering the purposes, terms, distribution requirements, and other circumstances of the trust. Investment and management decisions respecting individual assets shall be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust. The investments of the trust shall be diversified unless the Board reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying. The trust assets shall be invested and managed solely in the interest of the members and benefit recipients of the trust. The trust assets shall be invested in a manner to only incur costs that are appropriate and reasonable in relation to the assets and purposes of the investment. Compliance with the standard of care is determined in light of facts and circumstances at the time of action, not in hindsight.
2. Investment and management functions may be delegated to an investment agent that a prudent trustee of comparable skills could properly delegate under the circumstances. When making such delegation, the Board shall establish the scope and terms of the delegation, consistent with the purposes and terms of the trust, and shall monitor the investment agent performance and compliance with the terms of the delegation. In performing a delegated function, an investment agent owes a duty to the System and the trust to exercise reasonable care to comply with the terms of the delegation. The assets of the System allocated to the investment managers shall be diligently managed, which may include selling investments and realizing losses, if such action is considered advantageous to longer-term return maximization. In addition, the Executive Director may delegate certain duties to the System's investment staff without relieving the Executive Director from the ultimate responsibility.
3. Each party serving in a fiduciary capacity for the trust shall discharge his or her duties solely in the pecuniary interest of the participants and beneficiaries and in compliance with Arkansas Code § 24-2-801 et seq. A fiduciary's evaluation of an investment, or evaluation or exercise of any right appurtenant to an investment, shall take into account only pecuniary factors.
4. Each party serving in a fiduciary capacity for the trust shall apply the standard of care set forth herein.



## E. Asset Allocation

1. The Board is responsible for the prudent investment of funds and to maintain a proper allocation of the System's investment assets. The Board, in conjunction with its investment consultants, shall set and adjust the System's asset allocation ranges as necessary to provide an optimal allocation to obtain its target returns. The general investment consultant shall notify the Executive Director and the Board when an asset liability modeling study should be undertaken. It shall be the goal of the System to maintain the following asset allocation targets and ranges:

<b>Asset Category</b>	<b>Minimum*</b>	<b>Target</b>	<b>Maximum*</b>
Total Equity	43.0%	48.0%	53.0%**
Fixed Income	17.0%	20.0%	23.0%
Opportunistic/Alternatives	N/A	5.0%	N/A
Real Assets***	N/A	15.0%	N/A
Private Equity	N/A	12.0%	N/A
Cash Equivalents	0.0%	0.0%	5.0%

\* Due to the illiquid nature of opportunistic/alternatives, real assets, and private equity, it is not prudent to set rebalancing ranges for these asset classes.

\*\*Additional allocations to total equity may be made beyond the maximum range to serve as a placeholder for unfunded and uncommitted opportunistic/alternatives, real assets, and private equity.

\*\*\*Real assets includes real estate, timber, agriculture, and infrastructure.

## F. Rebalancing

1. The asset allocation ranges established by the Board represent the Board's judgment of a portfolio mix that provides the greatest risk/return value. Allowing the portfolio to exceed the Board limits strays from the financial discipline, which the Board believes will - over time - provide the appropriate risk-adjusted return to the System.
2. The Executive Director is responsible for rebalancing the allowable asset classes and the individual portfolios if any of the asset classes falls outside of the designated range. The general investment consultant shall provide guidance and advice to the Executive Director to best achieve the rebalancing.
3. Rebalancing among individual investment manager portfolios within asset classes may also be necessary to ensure the appropriate level of diversification is achieved by investment style, market capitalization or

risk levels (see total asset class guidelines) and/or to take advantage of market conditions, fund manager expertise, opportunities, or other circumstances that could be beneficial to ATRS.

4. The Executive Director may rebalance across all equity managers, all equity holdings, all fixed income managers, and all fixed income holdings. A Board approved transition manager may be used for rebalancing. Rebalancing including the use of a Board approved transition manager, as needed, may be initiated by the Executive Director after recommendation from the appropriate investment consultant and positive notice to the Board Chair. The Executive Director and general investment consultant will monitor the asset values by classification for each asset manager on a monthly basis, based on month-end data provided by the custodial bank. The Executive Director and general investment consultant shall regularly inform the Board on the rebalancing pacing and strategy.
5. Whenever the minimum or maximum range of total equity or fixed income has been exceeded, a transfer of funds or other appropriate action will occur to bring the actual allocation within the prescribed range within a time frame determined to be prudent by the Executive Director in consultation with the general investment consultant.
6. Normal plan cash flows should be used to the extent possible to rebalance. Interest, dividends, and plan contributions should be used to the extent possible to fund asset classes that are below their target. Withdrawals should be made from asset classes that are above their target.

#### G. Investment Manager Selection

1. The System may hire and retain individual investment managers to implement the System's investment strategy.
2. Arkansas Code § 24-2-610 et seq. requires ATRS to always operate under the prudent investor rule. The prudent investor rule requires all investment decisions to be made based on the experience of management, rates of return, appropriate risk, reasonable cost, and all other relevant factors that should be used by prudent investors.
3. It is the policy of the Board to include, whenever appropriate, qualified minority-owned and women-owned business enterprises in the System's investment manager selection process and to objectively evaluate all qualified investment manager candidates regardless of race, gender or disability.
4. The Board will evaluate all qualified investment manager candidates with emphasis on demonstrated professional performance,

organizational depth, institutional investment management capability, and reasonableness of fee structure regardless of the amount of investment assets under management or the age of the investment management firm.

5. The Board shall only hire and retain professional consultants that do not use discriminatory practices in the creation and maintenance of their investment manager databases and will require the investment consultants to affirm their use of non-discriminatory practices when recommending investment manager candidates to the Board.
6. The Board shall only hire and retain investment managers and professional consultants that agree to provide services to the System in a manner that complies with Arkansas Code § 24-2-601 et seq., 24-2-801 et seq., 25-1-1001 et seq., and 25-1-1201 et seq.

#### H. Goals

1. Recognizing the purpose of the System is to remain actuarially sound and pay member benefits, the overall investment goal is to achieve, over a period of years, the greatest rate of return for the System with due consideration given to preserving capital and its purchasing power, and to maintain an appropriate level of risk consistent with the obligations of a prudent investor. The return of the System should exceed, net of fees, a policy benchmark comprised of the respective asset class benchmarks weighted by the asset class policy targets over a full market cycle (approximately five years). During periods of transition to and from nonmarketable and illiquid asset classes such as private equity and real assets, actual allocations may be used over extended periods to reflect these changes in the policy targets. Periodic performance reports will provide a detailed description of the policy benchmark composition over time.
2. The System's actuary sets an expected return based on the Board's policy decisions. Market cycles may result in the System earning a return materially above or below the actuarial rate of return for extended periods of time. Therefore, the actuarial rate of return will not be used for performance comparison purposes.

#### I. Total Equity

1. The total equity exposure of the portfolio shall be well diversified with broad exposures to small, mid, and large capitalization companies and growth and value style sectors across U.S. and non-U.S. markets.

2. The goal for total equity shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the aggregate global equity market as measured by the Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) Investable Market Index (IMI) over a full market cycle (approximately five years). Because the total equity portfolio was previously segregated into domestic and global equity components, the total equity portfolio has a bias to domestic equity relative to the MSCI ACWI IMI. Therefore, to ensure appropriate performance measurement, the benchmark for total equity will be appropriately weighted between the Dow Jones U.S. Total Stock Market Index and the MSCI ACWI IMI Index to reflect the current domestic / global asset mix until the domestic allocation is in line with the global opportunity set as defined by the MSCI ACWI IMI. The manager structure of the total equity portfolio should resemble the weighted average of their respective benchmarks and avoid any material biases due to a concentration of managers or management styles. To achieve this goal, the Board may employ various actively managed and passive mandates. The structure of the equity component will be analyzed annually to ensure proper diversification is achieved.

J. Fixed Income

1. The manager structure of the aggregate fixed income portfolio's risk exposure should resemble the aggregate domestic fixed income market as measured by the Barclays U.S. Universal Bond Index. To help achieve this goal, the Board will employ investment managers that invest assets in a broad array of sectors (government, mortgage backed, credits, asset backed, and commercial mortgage backed bonds), maturities, and credit qualities so that the overall portfolio structure is not materially different from that of the domestic and global fixed income markets. To provide a broad base of low-cost diversification and readily available liquidity, the Board may allocate a portion of the fixed income assets to a passive investment portfolio that approximates the return of the broad fixed income market.
2. The goal for fixed income investments shall be to achieve a total rate of return that will exceed, net of all costs and fees, the return of the Barclays U.S. Universal Bond Index over a full market cycle (approximately five years).

K. Opportunistic/Alternative Investments

1. The Opportunistic/Alternatives asset class may include investments in direct hedge funds, hedge fund of funds, commodities, currency mandates, and other alternative strategies that are not closely correlated or related to the traditional asset classes (fixed income,

equities, private equity, and real assets). Unique investments that do not fit within the other asset class categories may also be included in the Opportunistic/Alternative category at the Board's discretion. Because this category may include illiquid investments made through closed end investment partnerships, it may take a period of time to reach and maintain the target allocation of 5%. Assets will be invested in the total equity asset class when the opportunity/alternative allocation is below its long-term target of 5%. The benchmark for the category will be a weighted average of the benchmarks of the underlying strategies.

2. The goal of the credit, global macro, and other liquid alternative investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the appropriate institutional quality hedge fund index over a full market cycle (approximately five years). Appropriate benchmarks will be determined as investments are added to the portfolio.

#### L. Real Assets

1. The Real Asset category may include real estate, timber, agriculture, and infrastructure. While no fixed targets are set, the following general parameters have been identified:

- 8% Real Estate
- 2% Timber
- 1% Agriculture
- 4% Infrastructure

The total target of the asset class will be 15%. Because this category may include illiquid investments made through closed end investment partnerships, it will take a period of time to reach these targets. Assets will be invested in the total equity asset class until the total target is attained.

The System may initiate investments in real estate as governed by the Real Asset Statement of Investment Policy. The System's goal for real estate is to not materially exceed the System's approved target asset allocation for total real estate investments as determined by the Board at the beginning of each fiscal year. Should the real estate target asset allocation be exceeded, the Executive Director, working with the Real Estate Consultant, shall develop a pacing and strategy plan to address the over allocation.

ATRS' Real Estate portfolio is benchmarked on a net of fee basis against the NCREIF Fund Index Open-end Diversified Core Equity

Index ("NFIODCE"). Once ATRS' Real Estate portfolio reaches its full target allocation for a five-year period, it is expected to meet or exceed the NFIODCE over rolling five-year periods.

The System may initiate direct ownership in timberland or indirect investments in fund of funds, partnerships, corporations, or real estate investment trusts ("REITs") investing in investment grade properties of like kind.

2. The goal of the timberland investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Timberland Property Index ("NTPI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the timber portfolio's performance compared to the opportunity cost of investing in timber.

The goal of the agriculture investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Farmland Index ("NFI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the agriculture portfolio's performance compared to the opportunity cost of investing in agriculture.

The goal of the infrastructure investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the Consumer Price Index (CPI) plus 5 percentage points over a full market cycle (approximately ten years). The Consumer Price Index plus 5 percentage points will be used as the benchmark to reflect the opportunity cost of investing in infrastructure. Similar infrastructure programs of institutional investors will also be used as a secondary benchmark to the extent such data is made available.

The ATRS Total Real Asset Benchmark is weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Estate benchmark, Timber benchmark, Agriculture benchmark and Infrastructure benchmark. The net of fee return for ATRS' Total Real Asset Portfolio is expected to meet or exceed the Total Real Asset Benchmark over rolling five year periods.

#### K. Private Equity

1. The System may initiate investments in private equity as governed by the Private Equity Statement of Investment Policy. Private equity investments may include domestic and foreign private equity partnerships, venture capital, and mezzanine financing partnerships that are intended to diversify the assets and reduce the likelihood of material losses in any individual investment classification. The

investment consultant responsible for private equity shall advise the Executive Director and Board on the Private Equity Statement of Investment Policy and the structure of private equity investments best suited for the System.

2. The System's goal for private equity investments is to achieve a total rate of return that will exceed, net of all costs and fees, the return of the public equity markets, as measured by the Dow Jones U.S. Total Stock Market Index, plus a liquidity premium of 2 percentage points per year over a full market cycle for private equity (approximately ten years).

#### L. Cash Equivalents

1. The System may hold direct ownership in short-term investments or may permit or require managers to hold cash or cash equivalents to meet liquidity needs of the investment manager or of the System.
2. The System's cash management goal shall be to preserve capital and maintain liquidity.

#### M. Arkansas-Related Investments

1. The System may initiate Arkansas-related mortgage loans, promissory notes, direct real estate investments, or purchase insured certificates of deposit or short-term securities of Arkansas financial institutions to meet the goals of the mandated requirements. Arkansas-related investments are categorized according to the appropriate asset class for each investment. In addition, Arkansas related investments include, but are not limited to, investments managed by an Arkansas related manager, Arkansas related investments held by other fund managers, Arkansas timberland, partnerships based in Arkansas, and partnerships holding Arkansas properties.

#### N. Commingled or Mutual Funds

1. If a commingled fund or mutual fund is utilized, the portfolio will be governed by the prospectus or similar document for the fund. In those cases, the System will utilize the prudent investor rule and advice of the investment consultant in selecting and evaluating funds initially and in monitoring them on an on-going basis.

#### O. Derivatives

1. Derivatives may be used to reduce the risk in a portfolio and provide desired market and security level positions as an alternative to purchasing cash securities. Excessive leverage shall not be created through the use of derivatives in a manner that substantially increases the System's portfolio risk. Each investment manager's derivative

usage shall be specified in the investment management agreement or specific guidelines.

2. The use of futures and options shall be matched by cash or cash equivalent securities, and all short futures positions shall be matched by equivalent long security positions, unless otherwise stated in the investment manager guidelines or authorizing fund documents.

#### P. Loaning of Securities

1. The lending agent will evaluate the credit-worthiness of potential borrowers of securities, and will loan securities only to financially sound borrowers. The lending agent will maintain a diversified list of such borrowers in order to mitigate the counterparty risk that is inherent in securities lending.
2. Collateral levels should be based on the nature of the loaned security and will generally be between 102% and 105% of the market value of the borrowed security. Marking to market will be performed every business day subject to de minimis rules of change in value, and borrowers will be required to deliver additional assets as necessary to maintain overcollateralization of securities loans.

#### Q. Securities Lending Reinvestment Guidelines

1. The cash collateral portfolio will be managed on an amortized cost basis (maintain a \$1 net asset value) and have investment guidelines that are 2a-7-like in nature (money market fund guidelines) to ensure that only a moderate amount of risk is taken on the reinvestment of the cash collateral. This will control the amount of credit and duration risk that can be taken by the short duration fixed income manager, which will help to mitigate losses due to insufficient collateral relative to the amount on loan. In addition, guidelines for the cash collateral portfolio will be created in conjunction with the lending strategy and with input from the securities lending agent.
2. The collateral pool should also maintain a reasonable level of overnight liquidity in order to allow for the smooth recall of securities over time.

#### R. Investment Manager Reporting

1. The System will require all investment managers, managing partners, and general partners to provide on at least a quarterly and an annual basis, reporting appropriate for the investment.

#### S. Roles

1. The Executive Director and investment consultant are jointly responsible for the initial selection of investment managers and any increase or decrease in an investment manager's funding. The



Executive Director and investment consultant are jointly responsible for monitoring existing investment managers on performance, stability, and compliance. The Executive Director and investment consultant may also recommend termination of an investment manager when circumstances justify termination. Reasons for termination include, but are not limited to, relative performance, relative stability, costs, strategic allocation of assets, or other relevant factors that a prudent investor would use.

#### T. Proxies

1. All shares held directly or indirectly by or on behalf of the System shall be voted on solely in the pecuniary interest of the System's plan beneficiaries, in compliance with Arkansas Code § 24-2-801 et seq.
2. Unless an economically practicable alternative is unavailable, the System shall not: (A) Follow the recommendations of a proxy advisory firm or other service provider unless the firm or service provider has a practice of and provides a written commitment to adhere to the practice of following proxy voting guidelines that are consistent with the System's obligation to act based only on pecuniary factors, or (B) Entrust the System's plan assets to a fiduciary unless the fiduciary has a practice of and provides a written commitment to adhere to the practice of following guideline when engaging with portfolio companies and voting shares or proxies that match the obligation of the System's obligation to act based only on pecuniary factors.

~~3. The System authorizes the investment manager to vote all proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast votes solely in the best interest of plan beneficiaries.~~

3. The Executive Director is authorized to vote all proxies related to stocks owned by the System and to provide binding voting instructions to the System's investment managers regarding proxies related to stocks in which they invest the System's assets. The Executive Director shall exercise this authority in compliance with Arkansas Code § 24-2-801 et seq. The Executive Director shall cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by the Executive Director must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the Executive Director must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

4. The Executive Director may retain an independent proxy vote management service to analyze proxy issues, make voting recommendations, vote proxies as the System's agent, and provide voting instructions to the System's investment managers. The System requires the proxy vote management service to act in a manner that complies with Arkansas Code § 24-2-801 et seq. Any vote, instruction, or recommendation made by the proxy vote management service must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the proxy vote management service must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).
5. The Executive Director may delegate voting authority to an investment manager to vote proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by an investment manager pursuant to a delegation must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the investment manager must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

#### U. Soft Dollars

1. Commissions paid by investment managers for the purchase of equity securities are System assets and must be used for the sole benefit of the System members. Whenever possible, investment managers should seek to execute trades at the lowest possible commission rate but not to the detriment of best execution, which can result in a higher cost to the System. So that the Board may fulfill its obligation to ensure that System assets are being used appropriately, relevant equity investment managers shall provide periodic reports to the general investment consultant on brokerage activity, commissions, services, and such other information as may be requested by the investment consultant or Board. The investment consultant shall provide a periodic report to the Board summarizing such equity investment managers' reports and highlighting any questionable or problem areas.

#### HISTORY

Amended: October 4, 2010

Amended: February 7, 2011  
Amended: June 3, 2013  
Amended: October 7, 2013  
Amended: February 17, 2014  
Amended: June 1, 2015  
Amended: April 21, 2016  
Amended: November 13, 2017  
Amended: April 1, 2019  
Amended: February 3, 2020 as Board Policy 4  
Amended: December 7, 2020  
Amended: June 7, 2021  
Amended: September 25, 2023  
Amended: February 5, 2024  
Amended: December 2, 2024  
Amended: April 7, 2025  
Amended June 2, 2025

# **ATRS Board Policy 4**

## **STATEMENT OF INVESTMENT POLICY**

A.C.A. § 24-7-305

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2. The Board has arrived at this policy through careful study of the rates of return and risks associated with various investment strategies in relation to the current and projected liabilities of the Arkansas Teacher Retirement System ("the System"). This policy has been chosen as the most appropriate for achieving the financial objectives of the System. The policy will be reviewed periodically as circumstances dictate.
3. The Board has adopted a long-term investment horizon so that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets. The assets of the System will be invested in a manner that provides the safeguards and diversity to which a prudent investor would adhere. All transactions undertaken on behalf of the System will be in the sole interest of the System's plan beneficiaries.
4. To achieve the overall investment goal of the System, one or more investment consultants may be retained by the Board as investment advisors. The scope of duties, together with the terms and conditions of engagement, of any investment consultant will be set forth in a contract approved by the Board. Throughout this document, investment advisors are referred to as investment consultants.
5. The System shall manage those assets not specifically allocated to investment managers. No investment shall be made without an investment consultant's written advice or written recommendation. The System shall not approve any material changes in any direct investment without first receiving written advice or a written recommendation from a third-party investment consultant and, if

needed, outside legal counsel, and, without thereafter receiving written approval by the Investment Committee and Board.

B. Divestment of Direct Holdings Held with Certain Financial Services Providers

1. The System shall divest from all direct holdings that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002. Divestment shall occur as soon as practicable, but no later than three hundred sixty-five (365) calendar days after the financial services provider's inclusion on the list published on the Treasurer of State's website.
2. However, in order to prevent financial harm to the System and to ensure that the System's fiduciary duty is met, the System shall not divest from an investment that it has with a financial services provider included on the list published on the Treasurer of State's website under § 25-1-1002 if the investment is locked into a maturity date and an early divestment would result in a financial penalty and cause a negative financial impact to the System.

C. Investments in Countries of Concern

1. In order to comply with Arkansas Code § 25-1-1201 and Act 937 of 2025 et seq. and also to ensure that System funds are not invested in the development of technologies and products that may threaten the national security of the United States, the System shall not directly hold any equity interest or debt financing interest in any entity that is:
  - a. Owned in whole or with a majority ownership by the government of the People's Republic of China; or
  - b. Subject to any investment restrictions imposed by the United States Department of the Treasury because the entity is located in a country of concern and is engaged in activities that may contribute to a threat to the national security of the United States.
2. For any prohibited investment held by the System as of the adoption of this section, the Executive Director, in cooperation with the investment consultant and other necessary parties, shall divest the System of any excluded holdings as soon as divestment is practicable and would not result in a financial penalty or cause a material negative impact to the System.

#### D. Standard of Care

1. When investing and reinvesting trust assets and in acquiring, retaining, managing and disposing of investments of the trust assets, there shall be exercised the reasonable care, skill, and caution that a prudent investor would use after considering the purposes, terms, distribution requirements, and other circumstances of the trust. Investment and management decisions respecting individual assets shall be evaluated not in isolation, but in the context of the trust portfolio as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the trust. The investments of the trust shall be diversified unless the Board reasonably determines that, because of special circumstances, the purposes of the trust are better served without diversifying. The trust assets shall be invested and managed solely in the interest of the members and benefit recipients of the trust. The trust assets shall be invested in a manner to only incur costs that are appropriate and reasonable in relation to the assets and purposes of the investment. Compliance with the standard of care is determined in light of facts and circumstances at the time of action, not in hindsight.
2. Investment and management functions may be delegated to an investment agent that a prudent trustee of comparable skills could properly delegate under the circumstances. When making such delegation, the Board shall establish the scope and terms of the delegation, consistent with the purposes and terms of the trust, and shall monitor the investment agent performance and compliance with the terms of the delegation. In performing a delegated function, an investment agent owes a duty to the System and the trust to exercise reasonable care to comply with the terms of the delegation. The assets of the System allocated to the investment managers shall be diligently managed, which may include selling investments and realizing losses, if such action is considered advantageous to longer-term return maximization. In addition, the Executive Director may delegate certain duties to the System's investment staff without relieving the Executive Director from the ultimate responsibility.
3. Each party serving in a fiduciary capacity for the trust shall discharge his or her duties solely in the pecuniary interest of the participants and beneficiaries and in compliance with Arkansas Code § 24-2-801 et seq. A fiduciary's evaluation of an investment, or evaluation or exercise of any right appurtenant to an investment, shall take into account only pecuniary factors.
4. Each party serving in a fiduciary capacity for the trust shall apply the standard of care set forth herein.

## E. Asset Allocation

1. The Board is responsible for the prudent investment of funds and to maintain a proper allocation of the System's investment assets. The Board, in conjunction with its investment consultants, shall set and adjust the System's asset allocation ranges as necessary to provide an optimal allocation to obtain its target returns. The general investment consultant shall notify the Executive Director and the Board when an asset liability modeling study should be undertaken. It shall be the goal of the System to maintain the following asset allocation targets and ranges:

<b>Asset Category</b>	<b>Minimum*</b>	<b>Target</b>	<b>Maximum*</b>
Total Equity	43.0%	48.0%	53.0%**
Fixed Income	17.0%	20.0%	23.0%
Opportunistic/Alternatives	N/A	5.0%	N/A
Real Assets***	N/A	15.0%	N/A
Private Equity	N/A	12.0%	N/A
Cash Equivalents	0.0%	0.0%	5.0%

\* Due to the illiquid nature of opportunistic/alternatives, real assets, and private equity, it is not prudent to set rebalancing ranges for these asset classes.

\*\*Additional allocations to total equity may be made beyond the maximum range to serve as a placeholder for unfunded and uncommitted opportunistic/alternatives, real assets, and private equity.

\*\*\*Real assets includes real estate, timber, agriculture, and infrastructure.

## F. Rebalancing

1. The asset allocation ranges established by the Board represent the Board's judgment of a portfolio mix that provides the greatest risk/return value. Allowing the portfolio to exceed the Board limits strays from the financial discipline, which the Board believes will - over time - provide the appropriate risk-adjusted return to the System.
2. The Executive Director is responsible for rebalancing the allowable asset classes and the individual portfolios if any of the asset classes falls outside of the designated range. The general investment consultant shall provide guidance and advice to the Executive Director to best achieve the rebalancing.
3. Rebalancing among individual investment manager portfolios within asset classes may also be necessary to ensure the appropriate level of diversification is achieved by investment style, market capitalization or

risk levels (see total asset class guidelines) and/or to take advantage of market conditions, fund manager expertise, opportunities, or other circumstances that could be beneficial to ATRS.

4. The Executive Director may rebalance across all equity managers, all equity holdings, all fixed income managers, and all fixed income holdings. A Board approved transition manager may be used for rebalancing. Rebalancing including the use of a Board approved transition manager, as needed, may be initiated by the Executive Director after recommendation from the appropriate investment consultant and positive notice to the Board Chair. The Executive Director and general investment consultant will monitor the asset values by classification for each asset manager on a monthly basis, based on month-end data provided by the custodial bank. The Executive Director and general investment consultant shall regularly inform the Board on the rebalancing pacing and strategy.
5. Whenever the minimum or maximum range of total equity or fixed income has been exceeded, a transfer of funds or other appropriate action will occur to bring the actual allocation within the prescribed range within a time frame determined to be prudent by the Executive Director in consultation with the general investment consultant.
6. Normal plan cash flows should be used to the extent possible to rebalance. Interest, dividends, and plan contributions should be used to the extent possible to fund asset classes that are below their target. Withdrawals should be made from asset classes that are above their target.

#### G. Investment Manager Selection

1. The System may hire and retain individual investment managers to implement the System's investment strategy.
2. Arkansas Code § 24-2-610 et seq. requires ATRS to always operate under the prudent investor rule. The prudent investor rule requires all investment decisions to be made based on the experience of management, rates of return, appropriate risk, reasonable cost, and all other relevant factors that should be used by prudent investors.
3. It is the policy of the Board to include, whenever appropriate, qualified minority-owned and women-owned business enterprises in the System's investment manager selection process and to objectively evaluate all qualified investment manager candidates regardless of race, gender or disability.
4. The Board will evaluate all qualified investment manager candidates with emphasis on demonstrated professional performance,



organizational depth, institutional investment management capability, and reasonableness of fee structure regardless of the amount of investment assets under management or the age of the investment management firm.

5. The Board shall only hire and retain professional consultants that do not use discriminatory practices in the creation and maintenance of their investment manager databases and will require the investment consultants to affirm their use of non-discriminatory practices when recommending investment manager candidates to the Board.
6. The Board shall only hire and retain investment managers and professional consultants that agree to provide services to the System in a manner that complies with Arkansas Code § 24-2-601 et seq., 24-2-801 et seq., 25-1-1001 et seq., and 25-1-1201 et seq.

#### H. Goals

1. Recognizing the purpose of the System is to remain actuarially sound and pay member benefits, the overall investment goal is to achieve, over a period of years, the greatest rate of return for the System with due consideration given to preserving capital and its purchasing power, and to maintain an appropriate level of risk consistent with the obligations of a prudent investor. The return of the System should exceed, net of fees, a policy benchmark comprised of the respective asset class benchmarks weighted by the asset class policy targets over a full market cycle (approximately five years). During periods of transition to and from nonmarketable and illiquid asset classes such as private equity and real assets, actual allocations may be used over extended periods to reflect these changes in the policy targets. Periodic performance reports will provide a detailed description of the policy benchmark composition over time.
2. The System's actuary sets an expected return based on the Board's policy decisions. Market cycles may result in the System earning a return materially above or below the actuarial rate of return for extended periods of time. Therefore, the actuarial rate of return will not be used for performance comparison purposes.

#### I. Total Equity

1. The total equity exposure of the portfolio shall be well diversified with broad exposures to small, mid, and large capitalization companies and growth and value style sectors across U.S. and non-U.S. markets.

2. The goal for total equity shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the aggregate global equity market as measured by the Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) Investable Market Index (IMI) over a full market cycle (approximately five years). Because the total equity portfolio was previously segregated into domestic and global equity components, the total equity portfolio has a bias to domestic equity relative to the MSCI ACWI IMI. Therefore, to ensure appropriate performance measurement, the benchmark for total equity will be appropriately weighted between the Dow Jones U.S. Total Stock Market Index and the MSCI ACWI IMI Index to reflect the current domestic / global asset mix until the domestic allocation is in line with the global opportunity set as defined by the MSCI ACWI IMI. The manager structure of the total equity portfolio should resemble the weighted average of their respective benchmarks and avoid any material biases due to a concentration of managers or management styles. To achieve this goal, the Board may employ various actively managed and passive mandates. The structure of the equity component will be analyzed annually to ensure proper diversification is achieved.

J. Fixed Income

1. The manager structure of the aggregate fixed income portfolio's risk exposure should resemble the aggregate domestic fixed income market as measured by the Barclays U.S. Universal Bond Index. To help achieve this goal, the Board will employ investment managers that invest assets in a broad array of sectors (government, mortgage backed, credits, asset backed, and commercial mortgage backed bonds), maturities, and credit qualities so that the overall portfolio structure is not materially different from that of the domestic and global fixed income markets. To provide a broad base of low-cost diversification and readily available liquidity, the Board may allocate a portion of the fixed income assets to a passive investment portfolio that approximates the return of the broad fixed income market.
2. The goal for fixed income investments shall be to achieve a total rate of return that will exceed, net of all costs and fees, the return of the Barclays U.S. Universal Bond Index over a full market cycle (approximately five years).

K. Opportunistic/Alternative Investments

1. The Opportunistic/Alternatives asset class may include investments in direct hedge funds, hedge fund of funds, commodities, currency mandates, and other alternative strategies that are not closely correlated or related to the traditional asset classes (fixed income,

equities, private equity, and real assets). Unique investments that do not fit within the other asset class categories may also be included in the Opportunistic/Alternative category at the Board's discretion. Because this category may include illiquid investments made through closed end investment partnerships, it may take a period of time to reach and maintain the target allocation of 5%. Assets will be invested in the total equity asset class when the opportunity/alternative allocation is below its long-term target of 5%. The benchmark for the category will be a weighted average of the benchmarks of the underlying strategies.

2. The goal of the credit, global macro, and other liquid alternative investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the appropriate institutional quality hedge fund index over a full market cycle (approximately five years). Appropriate benchmarks will be determined as investments are added to the portfolio.

#### L. Real Assets

1. The Real Asset category may include real estate, timber, agriculture, and infrastructure. While no fixed targets are set, the following general parameters have been identified:

- 8% Real Estate
- 2% Timber
- 1% Agriculture
- 4% Infrastructure

The total target of the asset class will be 15%. Because this category may include illiquid investments made through closed end investment partnerships, it will take a period of time to reach these targets. Assets will be invested in the total equity asset class until the total target is attained.

The System may initiate investments in real estate as governed by the Real Asset Statement of Investment Policy. The System's goal for real estate is to not materially exceed the System's approved target asset allocation for total real estate investments as determined by the Board at the beginning of each fiscal year. Should the real estate target asset allocation be exceeded, the Executive Director, working with the Real Estate Consultant, shall develop a pacing and strategy plan to address the over allocation.

ATRS' Real Estate portfolio is benchmarked on a net of fee basis against the NCREIF Fund Index Open-end Diversified Core Equity

Index ("NFIODCE"). Once ATRS' Real Estate portfolio reaches its full target allocation for a five-year period, it is expected to meet or exceed the NFIODCE over rolling five-year periods.

The System may initiate direct ownership in timberland or indirect investments in fund of funds, partnerships, corporations, or real estate investment trusts ("REITs") investing in investment grade properties of like kind.

2. The goal of the timberland investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Timberland Property Index ("NTPI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the timber portfolio's performance compared to the opportunity cost of investing in timber.

The goal of the agriculture investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the NCREIF Farmland Index ("NFI") over a five-year rolling period. The Consumer Price Index plus 300 basis points will be used as a secondary measurement to gauge the agriculture portfolio's performance compared to the opportunity cost of investing in agriculture.

The goal of the infrastructure investments shall be to achieve a total rate of return that will exceed, net of all fees and costs, the return of the Consumer Price Index (CPI) plus 5 percentage points over a full market cycle (approximately ten years). The Consumer Price Index plus 5 percentage points will be used as the benchmark to reflect the opportunity cost of investing in infrastructure. Similar infrastructure programs of institutional investors will also be used as a secondary benchmark to the extent such data is made available.

The ATRS Total Real Asset Benchmark is weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Estate benchmark, Timber benchmark, Agriculture benchmark and Infrastructure benchmark. The net of fee return for ATRS' Total Real Asset Portfolio is expected to meet or exceed the Total Real Asset Benchmark over rolling five year periods.

#### K. Private Equity

1. The System may initiate investments in private equity as governed by the Private Equity Statement of Investment Policy. Private equity investments may include domestic and foreign private equity partnerships, venture capital, and mezzanine financing partnerships that are intended to diversify the assets and reduce the likelihood of material losses in any individual investment classification. The

investment consultant responsible for private equity shall advise the Executive Director and Board on the Private Equity Statement of Investment Policy and the structure of private equity investments best suited for the System.

2. The System's goal for private equity investments is to achieve a total rate of return that will exceed, net of all costs and fees, the return of the public equity markets, as measured by the Dow Jones U.S. Total Stock Market Index, plus a liquidity premium of 2 percentage points per year over a full market cycle for private equity (approximately ten years).

#### L. Cash Equivalents

1. The System may hold direct ownership in short-term investments or may permit or require managers to hold cash or cash equivalents to meet liquidity needs of the investment manager or of the System.
2. The System's cash management goal shall be to preserve capital and maintain liquidity.

#### M. Arkansas-Related Investments

1. The System may initiate Arkansas-related mortgage loans, promissory notes, direct real estate investments, or purchase insured certificates of deposit or short-term securities of Arkansas financial institutions to meet the goals of the mandated requirements. Arkansas-related investments are categorized according to the appropriate asset class for each investment. In addition, Arkansas related investments include, but are not limited to, investments managed by an Arkansas related manager, Arkansas related investments held by other fund managers, Arkansas timberland, partnerships based in Arkansas, and partnerships holding Arkansas properties.

#### N. Commingled or Mutual Funds

1. If a commingled fund or mutual fund is utilized, the portfolio will be governed by the prospectus or similar document for the fund. In those cases, the System will utilize the prudent investor rule and advice of the investment consultant in selecting and evaluating funds initially and in monitoring them on an on-going basis.

#### O. Derivatives

1. Derivatives may be used to reduce the risk in a portfolio and provide desired market and security level positions as an alternative to purchasing cash securities. Excessive leverage shall not be created through the use of derivatives in a manner that substantially increases the System's portfolio risk. Each investment manager's derivative

usage shall be specified in the investment management agreement or specific guidelines.

2. The use of futures and options shall be matched by cash or cash equivalent securities, and all short futures positions shall be matched by equivalent long security positions, unless otherwise stated in the investment manager guidelines or authorizing fund documents.

#### P. Loaning of Securities

1. The lending agent will evaluate the credit-worthiness of potential borrowers of securities, and will loan securities only to financially sound borrowers. The lending agent will maintain a diversified list of such borrowers in order to mitigate the counterparty risk that is inherent in securities lending.
2. Collateral levels should be based on the nature of the loaned security and will generally be between 102% and 105% of the market value of the borrowed security. Marking to market will be performed every business day subject to de minimis rules of change in value, and borrowers will be required to deliver additional assets as necessary to maintain overcollateralization of securities loans.

#### Q. Securities Lending Reinvestment Guidelines

1. The cash collateral portfolio will be managed on an amortized cost basis (maintain a \$1 net asset value) and have investment guidelines that are 2a-7-like in nature (money market fund guidelines) to ensure that only a moderate amount of risk is taken on the reinvestment of the cash collateral. This will control the amount of credit and duration risk that can be taken by the short duration fixed income manager, which will help to mitigate losses due to insufficient collateral relative to the amount on loan. In addition, guidelines for the cash collateral portfolio will be created in conjunction with the lending strategy and with input from the securities lending agent.
2. The collateral pool should also maintain a reasonable level of overnight liquidity in order to allow for the smooth recall of securities over time.

#### R. Investment Manager Reporting

1. The System will require all investment managers, managing partners, and general partners to provide on at least a quarterly and an annual basis, reporting appropriate for the investment.

#### S. Roles

1. The Executive Director and investment consultant are jointly responsible for the initial selection of investment managers and any increase or decrease in an investment manager's funding. The

Executive Director and investment consultant are jointly responsible for monitoring existing investment managers on performance, stability, and compliance. The Executive Director and investment consultant may also recommend termination of an investment manager when circumstances justify termination. Reasons for termination include, but are not limited to, relative performance, relative stability, costs, strategic allocation of assets, or other relevant factors that a prudent investor would use.

#### T. Proxies

1. All shares held directly or indirectly by or on behalf of the System shall be voted on solely in the pecuniary interest of the System's plan beneficiaries, in compliance with Arkansas Code § 24-2-801 et seq.
2. Unless an economically practicable alternative is unavailable, the System shall not: (A) Follow the recommendations of a proxy advisory firm or other service provider unless the firm or service provider has a practice of and provides a written commitment to adhere to the practice of following proxy voting guidelines that are consistent with the System's obligation to act based only on pecuniary factors, or (B) Entrust the System's plan assets to a fiduciary unless the fiduciary has a practice of and provides a written commitment to adhere to the practice of following guideline when engaging with portfolio companies and voting shares or proxies that match the obligation of the System's obligation to act based only on pecuniary factors.
3. The Executive Director is authorized to vote all proxies related to stocks owned by the System and to provide binding voting instructions to the System's investment managers regarding proxies related to stocks in which they invest the System's assets. The Executive Director shall exercise this authority in compliance with Arkansas Code § 24-2-801 et seq. The Executive Director shall cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by the Executive Director must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the Executive Director must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).
4. The Executive Director may retain an independent proxy vote management service to analyze proxy issues, make voting recommendations, vote proxies as the System's agent, and provide voting instructions to the System's investment managers. The System requires the proxy vote management service to act in a manner that complies with Arkansas Code § 24-2-801 et seq. Any vote, instruction,

or recommendation made by the proxy vote management service must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the proxy vote management service must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

5. The Executive Director may delegate voting authority to an investment manager to vote proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by an investment manager pursuant to a delegation must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the investment manager must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

#### U. Soft Dollars

1. Commissions paid by investment managers for the purchase of equity securities are System assets and must be used for the sole benefit of the System members. Whenever possible, investment managers should seek to execute trades at the lowest possible commission rate but not to the detriment of best execution, which can result in a higher cost to the System. So that the Board may fulfill its obligation to ensure that System assets are being used appropriately, relevant equity investment managers shall provide periodic reports to the general investment consultant on brokerage activity, commissions, services, and such other information as may be requested by the investment consultant or Board. The investment consultant shall provide a periodic report to the Board summarizing such equity investment managers' reports and highlighting any questionable or problem areas.

#### **HISTORY**

Amended: October 4, 2010

Amended: February 7, 2011

Amended: June 3, 2013

Amended: October 7, 2013

Amended: February 17, 2014

Amended: June 1, 2015



Amended: April 21, 2016

Amended: November 13, 2017

Amended: April 1, 2019

Amended: February 3, 2020 as Board Policy 4

Amended: December 7, 2020

Amended: June 7, 2021

Amended: September 25, 2023

Amended: February 5, 2024

Amended: December 2, 2024

Amended June 2, 2025



# **Member Communications: Engagement Strategy**

**June 2, 2025**

# ATRS Communications Team



Communications Director  
Anne Marie Berardi  
[AnneMarieB@artts.gov](mailto:AnneMarieB@artts.gov)  
501-682-2175 x1715



Communications Coordinator  
Whitney Sommers  
[WhitneyS@artts.gov](mailto:WhitneyS@artts.gov)  
501-682-2175 x1710

# ATR Member Groups

- Active Members: 76,443
- Retired Members: 57,762
- New Members to ATRS: 6,790
- Current Members in T-DROP: 2,865
- Retired Members currently in 2024-2025 fiscal year (July 1 - April 1): 2,658

Approximately 144,000 ATRS members to engage with:  
How does ATRS captivate this audience?

# Focus our Engagement Initiatives by Member Group

- Members drive our system
- Want to be intentional with how we interact with each member group
  - What do they want from us?
  - How do they want to hear from us?
  - When do they want to hear from us?
- Goal is to increase member knowledge of system, expanding their awareness of their future benefit, thus increasing member retention in the system

# **New Members to ATRS: 1-4 years in ATRS**

- Welcome Letter
- Member Handbook
- Member Portal Account
- New Member presentations
- Increase Social Media engagement
- Recognize new Arkansas Teacher of the Year

# Mid-Career Members with ATRS: 5-24 years in ATRS

- 5 & 10 year Milestone Postcard Program
- Video Bank
- Presentations geared toward those in their mid-careers with ATRS
- Town Hall Meetings
- ATRS Newsletter
- Lunch and Learn Webinars
- Surveys
- Financial Wellness

# Nearing Retirement & T-DROP: 25-28 years in ATRS

- Retirement Planner for members getting ready to retire or enter T-DROP
- Retirement & T-DROP specific member presentations
- Future online counselor scheduling
- Zoom meetings
- Survey on how retirement process went



# Retired Members

- Amplified planned giving and estate planning
- Retiree presentations - ARTA engagement
- Postcards acknowledging their length of time retired with ATRS
- Birthday cards to recognize those turning 90, 95, and 100!
- Retiree of the Year
- Surveys: Reaching this ever-changing generation

# Financial Wellness: Potential New Benefit for our Members

- Arkansas ranks last in financial literacy
- 78% of employees live paycheck to paycheck
- 90% of employees are stressed about finances
- ATRS will collaborate with a Financial Wellness company
  - Offer holistic approach to finances
  - One-on-One coaching
  - Financial education courses
  - Help reduce debt, increase savings, while gaining better understanding on *their* finances
  - Reaches our entire member base in their current ATRS journey, assists where member specifically needs it

# Financial Wellness: Benefit to ATRS

Increase financial knowledge, assistance with debt, coaching on personal finances

- Leads to members taking off fewer days from the classroom
- Financially stable members results in overall job satisfaction, thus leading to higher retention rates
- Overall education to all member groups on how to better prepare for retirement
- Allows for members to be more fiscally well-rounded in all of their life decisions

# Financial Wellness: Where we Start

- Launch with pilot group in Northwest Arkansas Co-Op in Farmington
- 17 Schools
- Total of 13,549 members: Active, T-DROP, and Working Retirees
- Partner with a Financial Wellness company, integrate their platform with ATRS
  - Onboarding process by the company in our pilot group

# ATRS Moving Forward

ATRS's mission is to provide retirement security for Arkansas's past, present, and future public education professionals

- Communication strategic plan for next 3-5 years
- Reach all member groups
- Overall mission to increase member awareness
- Launching new website that will be more member-friendly and engaging for all member groups

# ATRS Moving Forward

ATRS strives to provide best the retirement system by supporting 3 R's for Arkansas Educators: Recruit, Retain and Reward

- We are pursuing a pilot group in Northwest Arkansas for Financial Wellness benefit
- Want to see if this is a viable, promising program with pilot group
- Launch to pilot group in 2025-2026 fiscal year
- If successful, will bring to the Board for approval to expand statewide

SUMMARY OF DISABILITY APPLICATIONS SUBMITTED  
FOR CONSIDERATION BY THE MEDICAL COMMITTEE

The Medical Committee met in executive session in the first floor conference room at 9:30 a.m. on May 7, 2025. Those members present were Dr. Eddie Phillips, Dr. Hoyte Pyle, and Dr. Jim Morse. Andrew Carle & Logan Penter of the Teacher Retirement System were also in attendance.

A total of fifteen (15) disability applications were considered. Of the fifteen (15) applicants, Ten (10) were approved: ATRS ID 130844, 252885, 179019, 116302, 296683, 310467, 141241, 308453, 242002 and 252979. Five (5) had more info requested: ATRS ID 387130, 398270, 314799, 432213, and 313887.

Respectfully Submitted,



Eddie Phillips, M.D.  
Medical Committee Chairman

Respectfully Submitted,



Andrew Carle  
Retirement Benefits Counselor

**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**RESOLUTION**  
**No. 2025-25**

**Commending Mr. Willie Kincade for his Service  
to the Arkansas Teacher Retirement System**

**WHEREAS**, Mr. Willie Kincade has served the Arkansas Teacher Retirement System for 16 years; and

**WHEREAS**, Mr. Kincade served faithfully through the years in many roles including Manager for the Call Center and Director of Operations; and

**WHEREAS**, Mr. Kincade's service to the Arkansas Teacher Retirement System provided valuable service to the System by means of his knowledge, integrity, wisdom, and dedication; and

**WHEREAS**, Mr. Kincade's guidance, leadership, and vision will be missed by the System.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Arkansas Teacher Retirement System to adopt this Resolution and authorize the transmittal of the Resolution to Mr. Kincade as an expression of sincere appreciation for his leadership, wisdom, and dedicated service to the State of Arkansas and the members of the Arkansas Teacher Retirement System.

**Adopted this 2nd day of June, 2025**

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**MR. DANNY KNIGHT, *Chair***  
***Arkansas Teacher Retirement System Board***



**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 West Third Street**  
**Little Rock, Arkansas 72201**

**RESOLUTION**  
**No. 2025-26**

**Commending Mr. Curtis Carter for his Service  
to the Arkansas Teacher Retirement System**

**WHEREAS**, Mr. Curtis Carter has served the Arkansas Teacher Retirement System for 10 years and the State of Arkansas for a total of 32 year; and

**WHEREAS**, Mr. Carter has served faithfully in his role at Arkansas Teacher Retirement System as Chief Financial Officer; and

**WHEREAS**, Mr. Carter's service to the Arkansas Teacher Retirement System provided valuable service to the System by means of his knowledge, integrity, wisdom, and dedication; and

**WHEREAS**, Mr. Carter's guidance, leadership, and vision will be missed by the System.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Arkansas Teacher Retirement System to adopt this Resolution and authorize the transmittal of the Resolution to Mr. Carter as an expression of sincere appreciation for his leadership, wisdom, and dedicated service to the State of Arkansas and the members of the Arkansas Teacher Retirement System.

**Adopted this 2nd day of June, 2025**

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**MR. DANNY KNIGHT, *Chair***  
***Arkansas Teacher Retirement System Board***