



A PENSION TRUST FUND OF  
THE STATE OF ARKANSAS  
MARK WHITE, EXECUTIVE DIRECTOR

# Annual Comprehensive Financial Report **2024**





Prepared by the Staff of  
**ARKANSAS TEACHER RETIREMENT SYSTEM**

1400 West Third Street • Little Rock, AR 72201  
501.682.1517 • artrs.gov

# Table of Contents



Mission, Vision, and Values .....	4
<b>INTRODUCTION</b>	
Letter of Transmittal .....	6
Fiscal Year Overview .....	8
PPCC Public Pension Standards Awards .....	9
Board of Trustees .....	10
Organizational Chart and Administrative Staff .....	11
Professional Consultants.....	12
<b>FINANCIAL</b>	
Financial Statements:	
Statement of Fiduciary Net Position.....	16
Statement of Changes in Fiduciary Net Position.....	17
Notes to Financial Statements .....	18
Schedule of Changes in Net Pension Liability and Related Ratios .....	34
Schedule of Contributions.....	35
Notes to Required Supplementary Information .....	36
Schedule of Selected Information .....	37
<b>INVESTMENTS</b>	
Investment Consultant's Report .....	39
Investment Policies and Procedures .....	42
Schedule of Investment Results .....	51
Description of Benchmarks .....	58
Description of Universes.....	61
<b>ACTUARIAL</b>	
Actuary's Certification Letter.....	63
Exhibit 1 – Computed Actuarial Liabilities .....	65
Exhibit 2 – Determination of Amortization Period.....	66
Schedule of Active Member Valuation Data .....	67
Schedule of Retirees and Beneficiaries Added To and Removed From Rolls .....	67
Short Condition Test .....	68
Actuarial Gain (Loss) by Risk Area .....	69
Summary of Actuarial Assumptions and Methods .....	70
Table I – Single Life Retirement Values .....	72
Table II – Probabilities of Retirement for Members.....	73
Table III – Probabilities of Reduced Retirement for Members.....	74
Table IV – Duration of T-DROP for Members.....	74
Table V – Teachers Separations From Active Employment Before Age and Service Retirement .....	75
Table VI – Support Employees Separations From Active Employment Before Age and Service Retirement .....	76
Table VII – Individual Pay Increases.....	77
Comments .....	78
Schedule of Retired Members by Type of Benefit .....	79
Schedule of Average Benefit Payments.....	80
<b>STATISTICAL</b>	
Schedule of Revenue by Source .....	82
Schedule of Expense by Type .....	82
Schedule of Benefit Expenses by Type.....	83
Participating Employers .....	84

**Mission** Providing retirement security for Arkansas's past, present, and future public education professionals.

**Vision** To be a model retirement system that sustains the trust of its members and the people of Arkansas through prudent financial stewardship and exceptional customer service.

## Values

**ACCOUNTABILITY AND ACCESSIBILITY:**  
We act in our members' best interests, knowing that we answer to them and the public. We meet our members where they are, empowering them to understand and effectively use our services.

**TRUST AND TRANSPARENCY:**  
We earn and sustain the trust of our members, our board, elected officials, and the public by being open, honest, and straightforward in every interaction and by providing timely, accurate information.

**RESPONSIVENESS AND RELIABILITY:**  
We pursue excellence, timeliness, and consistency in every customer interaction, always evolving to meet our members' needs and exceed their expectations.

**SECURITY AND STABILITY:**  
We protect our members' financial futures through trusted stewardship of their assets to ensure that they will have a secure and stable income in retirement.

# Introduction



January 15, 2025

**To the members and employers of the Arkansas Teacher Retirement System:**

On behalf of the ATRS Board of Trustees, I am pleased to submit this Annual Comprehensive Financial Report (ACFR) for the fiscal year that began July 1, 2023, and ended June 30, 2024.

As fiduciaries, we are obligated to discharge our duties solely in the best interest of ATRS members and for the exclusive purpose of providing optimum benefits. The mission of ATRS is providing retirement security for Arkansas's past, present, and future public education professionals. The ATRS Board and staff are committed to daily pursuing our vision, to be a model retirement system that sustains the trust of its members and the people of Arkansas through prudent financial stewardship and exceptional customer service.

### System Overview

The Arkansas General Assembly created the Arkansas Teacher Retirement System on March 17, 1937, with the passage of Act 266 of 1937. ATRS is a defined benefit retirement system governed by Arkansas retirement law, Title 24 of the Arkansas Code. It is governed by a 15-member Board of Trustees, 11 of whom are elected directly by ATRS members.

ATRS is the largest of five state-supported retirement systems in Arkansas and provides retirement, disability, and survivor benefits to employees of Arkansas public schools and educationally-related agencies. The System serves 142,198 members and 335 participating employers.

### Financial Condition

The System's net financial position as of June 30, 2024, was \$22.36 billion, an increase of more than \$1.68 billion over the prior fiscal year. As a mature defined benefit retirement plan, ATRS relies on a combination of employer and member contributions and investment income to fully fund retirement benefits and operating costs while preserving sufficient assets to pay future liabilities for members still in the workforce. Total contributions for FY 2024 were more than \$765 million (\$554 million from employers and \$211 million from members), approximately a 3.87% increase over FY2023. Net investment income for the fiscal year was \$2.41 billion.

The System's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and audited by Arkansas Legislative Audit. Responsibility for both the accuracy of the data and the completeness and fairness of presentation rests with the System. To the best of the System's knowledge and belief, the enclosed data is accurate in all material respects and presents

fairly the System's financial status and changes in the financial condition.

### Investment Performance

Over the 2024 fiscal year, ATRS generated a one-year total fund return of 11.4%, placing ATRS in the top 18th percentile of similar public pension funds nationally. The System's 5-year return was 8.8% and the 10-year return was 8.1%.

The ATRS investment portfolio is a broadly diversified portfolio with allocations to equity markets, fixed income, private equity, real assets, and alternative investments. Investing in multiple asset classes allows the System to benefit from equity advances while offering protection during down markets. Asset allocation targets stabilize the portfolio and match the System's assets to its liabilities.

All investments made by ATRS must conform to the "prudent investor rule," meaning that the Board of Trustees must invest and manage trust assets as a prudent investor would, while exercising reasonable care, skill, and caution. State law requires the Board to appoint a professional investment counsel to be investment advisor to the Board. The Board may not make any investment without the advice of an investment advisor or other outside expert.

### Actuarial Status

The System's actuaries report an 84.6% funded position as of the end of the fiscal year, with a 20-year amortization period to fund the unfunded accrued actuarial liability (UAAL). ATRS continues to improve its actuarial health, even as it has made multiple changes in the last decade to make its actuarial projections more conservative. The System's actuarially-recognized return for FY2024 was 9.75%, compared to the assumed rate of 7.25% on which the actuarial projections are based. ATRS is 100% funded as to future benefit payments for all current retirees and beneficiaries, a goal the System has consistently met every year since 1980.

To minimize the impact of financial market ups and downs on the System's actuarial projections, annual investment gains and losses are spread over a four-year period. This "smoothing" process reduces volatility and is a best practice for public pension systems, but it does mean that the System's funded position and amortization period will not necessarily correlate with investment performance in any given year. The 2024 fiscal year is the last year in which the large investment gains of FY2021 will be included in actuarial calculations. While that

gain is dropping out of the calculations, the large investment loss of FY2022 will remain for one more year. For this reason, it is highly likely that the System's funded position will slightly decrease and the amortization period slightly increase at the end of FY2025.

### Major Initiatives During Fiscal Year 2024

- **Strategic Planning:** ATRS staff completed a six-month effort to produce a five-year strategic plan, the first in System history. The plan identifies 20 initiatives that staff will implement to maintain and improve the System's internal operations, divided between three focus areas:
  - Outreach & Engagement, with an objective of increasing and enhancing customer touchpoints;
  - Integrated Systems & Technology, with an objective of modernizing operations; and
  - Staff Development, with an objective of strengthening organizational structures and efficiency.
- **Operational Improvement:** ATRS staff are engaged in an intensive effort to consistently improve the quality of member-facing operations and customer service. These efforts include mapping processes, documenting procedures, removing duplicative or inefficient process steps, and improving staff communication.
- **Investment Legislation:** The 2023 Arkansas General Assembly passed a number of Acts relating to retirement system investments, particularly around ESG (Environmental, Social, Governance) practices. The intent of the legislation is to ensure that all investments are made on the basis of pecuniary motivations rather than political or ideological goals. The ESG Oversight Committee created by Act 411 of 2023 completed its work during the 2024 fiscal year, restricting state investments in twelve entities. ATRS staff recommended and the Board of Trustees approved policy changes and directives to ensure that ATRS remains in compliance with these legal requirements. ATRS will complete any required disinvestments by December 31, 2024.
- **Asset Allocation Change:** During the fiscal year, the Board of Trustees approved a shift of 5% of the Board's portfolio from equity markets to fixed income investments, with a goal of modestly reducing the portfolio's volatility while maintaining similar expected returns. ATRS staff worked with the System's investment consultant and transition manager to plan how assets would be rebalanced in line with the new targets. Full implementation was completed after the end of FY 2024.

### Report Structure and Contents

This 2024 ACFR satisfies the requirement of Ark. Code Ann. § 24-7-305(e) that the Board "...annually render a report to

each employer showing the condition of the system as of the preceding June 30." It is presented in five sections:

- **Introductory Section:** This section contains the membership of the Board of Trustees, an organizational chart, and a list of the System's professional advisors and managers.
- **Financial Section:** This section provides the System's financial balance sheet, statement of income and disbursements, and other financial statements; required supplementary information; and supporting schedules with additional information about the System's expenses.
- **Investment Section:** This section includes the investment consultant's report, investment policies, asset allocation targets, and a detailed statement of investments acquired and disposed of during the year, together with a detailed statement of the annual rates of investment income from all assets and from each type of investment.
- **Actuarial Section:** This section provides the certification letter from the independent actuary, the actuarial balance sheet from the last valuation of the System, supporting schedules, and a summary of plan provisions.
- **Statistical Section:** This section presents schedules and tables of comparative data related to the membership, active and retired, of the System.

### Acknowledgements

This 2024 Annual Comprehensive Financial Report demonstrates the commitment of the Board of Trustees and ATRS staff to the financial and retirement security of the employees who have dedicated themselves to serving Arkansas's future generations through public education. It is intended to provide complete and reliable information as a foundation for management decisions, determining compliance with legal provisions, and determining conscientious administration of the System's funds. Compilation of this report symbolizes the collective efforts of the ATRS staff and professional advisors, under the direction of the Board of Trustees.

This report is posted on the ATRS website ([www.artrs.gov/publications](http://www.artrs.gov/publications)) and hard copies are available upon request. As directed by Ark. Code Ann. § 24-7-305(e), ATRS will furnish copies of this report to the Governor and to the Arkansas Legislative Council.

Respectfully submitted,



Mark White  
Executive Director

For the fiscal years ended June 30, 2024 (FY2024) and June 30, 2023 (FY2023)

	FY2024	FY2023
<b>Finances</b>		
Valuation Assets (in Millions)	\$22,309.3	\$21,014.9
Funding Value Funded Ratio	85%	82%
Amortization Period	20	26
Investment Rate of Return	11.4%	9.2%
Benefits Paid (in Millions)	\$1,486.0	\$1,413.5
<b>Members</b>		
Active	68,265	68,249
T-DROP	2,981	3,138
Retired	56,177	54,646
Inactive (Deferred Vested)	14,775	14,355
Total Membership	142,198	140,388
Average Age of Active Members	44.1 years	44.0 years
Average Salary of Active Members	\$47,551	\$45,897
Average Years of Service of Active Members	10.1 years	10.2 years
Member Contributions (in Millions)	\$211.04	\$200.6
Average Retirement Benefit	\$24,988	\$24,643
Number of Participating Employers	335	338
Employer Contributions (in Millions)	\$554.7	\$536.6





Public Pension Coordinating Council

## Public Pension Standards Award For Funding and Administration 2024

Presented to

### Arkansas Teacher Retirement System

In recognition of meeting professional standards for  
plan funding and administration as  
set forth in the Public Pension Standards.

*Presented by the Public Pension Coordinating Council, a confederation of*

National Association of State Retirement Administrators (NASRA)  
National Conference on Public Employee Retirement Systems (NCPERS)  
National Council on Teacher Retirement (NCTR)



A handwritten signature in black ink that reads 'Alan H. Winkle'.

Alan H. Winkle  
Program Administrator

## Member and Retired Trustees

POSITION # 1

**Active Member Trustee**  
1st Congressional District



**Susan Ford**  
Cabot, AR  
Trustee Since 7/1/2022  
Term Expires 6/30/2028

POSITION # 5

**Active Member Trustee**  
Administrator Trustee



**Dr. Mike Hernandez**  
Little Rock, AR  
Trustee Since 11/10/2020  
Term Expires 6/30/2027

POSITION # 9

**Retired Member Trustee**



**Jeff Stubblefield**  
Charleston, AR  
Trustee Since 7/1/2022  
Term Expires 6/30/2028

POSITION # 2

**Active Member Trustee**  
2nd Congressional District



**Michael Johnson**  
Sherwood, AR  
Trustee Since 11/10/2020  
Term Expires 6/30/2027

POSITION # 6

**Active Member Trustee**  
Administrator Trustee



**Shawn Higginbotham**  
Hot Springs, AR  
Trustee Since 9/12/2019  
Term Expires 6/30/2027

POSITION # 10

**Retired Member Trustee**



**Bobby G. Lester**  
Jacksonville, AR  
Trustee Since 7/1/2007  
Term Expires 6/30/2025

POSITION # 3

**Active Member Trustee**  
3rd Congressional District



**Arthur "Chip" Martin**  
Fayetteville, AR  
Trustee Since 7/1/2019  
Term Expires 6/30/2025

POSITION # 7

**Active Member Trustee**  
Non-Certified Trustee



**Kelsey Bailey**  
Little Rock, AR  
Trustee Since 09/25/2023  
Term Expires 6/30/2030

POSITION # 11

**Retired Member Trustee**



**Danny Knight (Chair)**  
Sherwood, AR  
Trustee Since 6/6/2011  
Term Expires 6/30/2030

POSITION # 4

**Active Member Trustee**  
4th Congressional District



**Keri Hamilton**  
Magnolia AR  
Trustee Since 12/04/2023  
Term Expires 6/30/2030

POSITION # 8

**Member Trustee**  
Minority Trustee



**Anita Bell**  
North Little Rock, AR  
Trustee Since 7/1/2015  
Term Expires 6/30/2027

## Ex Officio Trustees

**Secretary of Education**



**Jacob Oliva**  
Little Rock, AR

**State Bank Commissioner**



**Susannah Marshall**  
Little Rock, AR

**State Auditor**

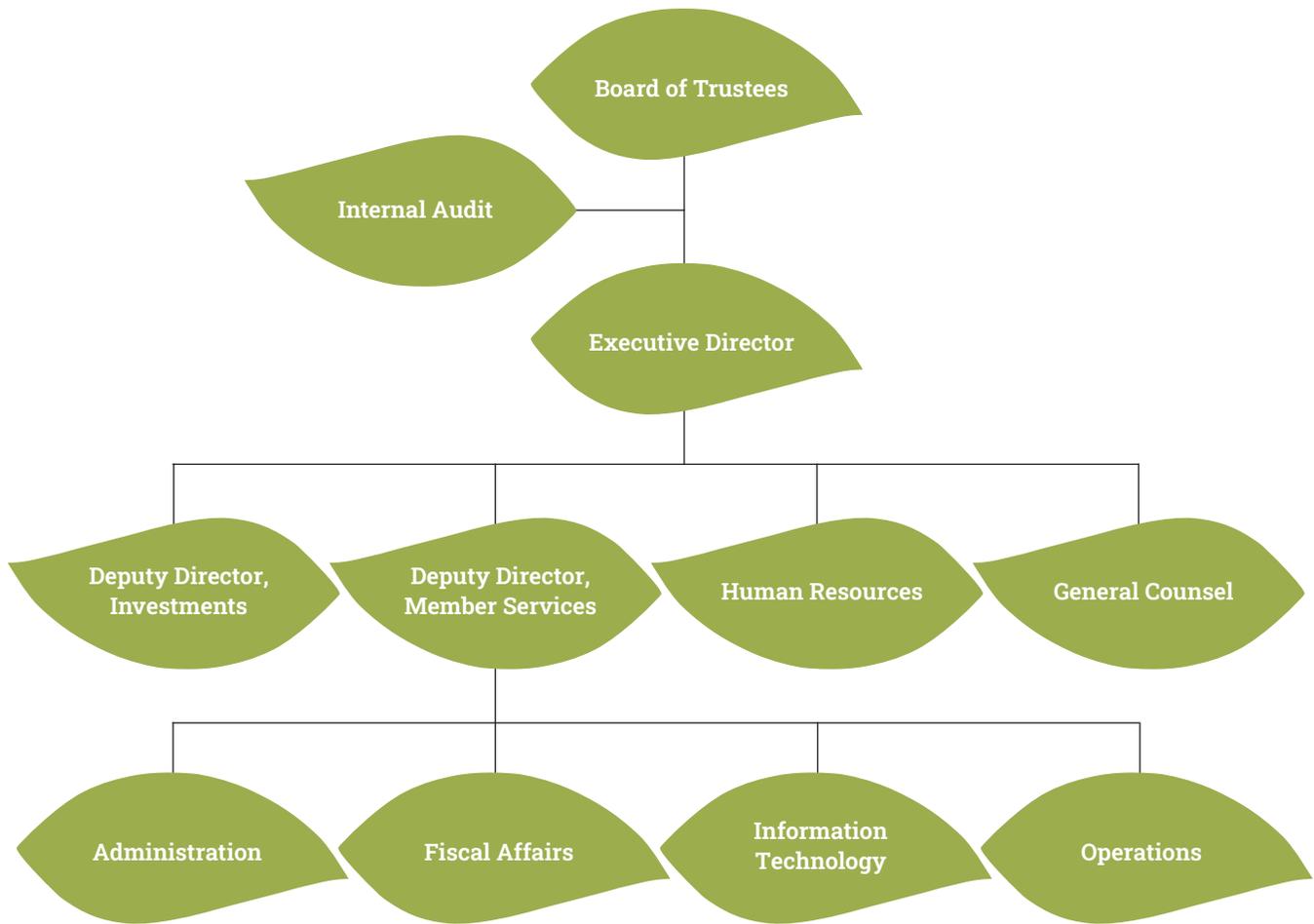


**Dennis Milligan**  
Little Rock, AR

**State Treasurer**



**Larry Walther**  
Little Rock, AR



## Administrative Staff

Mark White  
**Executive Director**

Rod Graves  
**Deputy Director, Investments**

Sarah Linam  
**Deputy Director, Member Services**

Jennifer Liwo  
**General Counsel**

Willie Kincade  
**Associate Director of Operations**

Curtis Carter, CPA  
**Associate Director of Fiscal Affairs**

Mullahalli Manjunath  
**Associate Director of Information Technology**

Stephanie Lilly-Palmer  
**Human Resources Manager**

Tammy Porter  
**Board Secretary**

Kevin Chadwick, CIA  
**Internal Auditor**

### Actuary

Gabriel Roeder Smith & Company | Southfield, MI

### Legal Counsel

Gill, Ragon, Owen PA | Little Rock, AR

Kutak Rock, LLP | Scottsdale, AZ

Rose Law Firm, PA | Little Rock, AR

### Securities Monitoring Counsel

Bernstein Litowitz Berger & Grossman, LLP | New York, NY

Bleichmar Fonti & Auld, LLP | New York, NY

Cohen Milstein Sellers & Toll, PLLC | New York, NY

Kaplan Fox & Kilsheimer LLP | New York, NY

Kessler, Topaz, Meltzer and Check LLP | Radnor, PA

Labaton Keller Sucharow, LLP | New York, NY

### Investment Consultant

AON Hewitt Investment Consulting | Chicago, IL

Franklin Park | Bala Cynwyd, PA

Arkansas Capital Corporation | Little Rock, AR

### Custodian (Domestic and International)

State Street Bank & Trust Company | Quincy, MA

### Public Markets

Arrowstreet Capital | Boston, MA

Baird Advisors | Milwaukee, WI

BlackRock | San Francisco, CA

Harris Associates, L.P. | Chicago, IL

Jacobs Levy Equity Management, Inc. | Florham Park, NJ

Kennedy Capital Management | St. Louis, MO

Lazard Asset Management, LLC | New York, NY

Loomis Sayles & Company, L.P. | Boston, MA

Pershing Square Holdings | Saint Peter Port, Guernsey

Putnam Investments Management | Boston, MA

Reams Asset Management | Columbus, IN

Russell Implementation Services | Seattle, WA

State Street Global Advisors | Boston, MA

State Street Global Markets, LLC | Boston, MA

State Street - Securities Lending | Boston, MA

Stephens Investment Management | Houston, TX

Triam Partners | New York, NY

T. Rowe Price Associates, Inc. | Baltimore, MD

Voya Investment Management | Chicago, IL

Wellington Management Co. LLP | Boston, MA

Westrock Coffee Company | Little Rock, AR

### Private Equity

Franklin Park | Bala Cynwyd, PA

Advent International Corporation | Boston, MA

Alpine Investors | San Francisco, CA

Altaris Capital Partners, LLC | New York, NY

Altus Capital Partners | Westport, CT

American Industrial Partners | New York, NY

Arlington Capital Partners | Chevy Chase, MD

Atlas Holdings LLC | Greenwich, CT

Audax | New York, NY

The Beekman Group | New York, NY

Big River Steel | Osceola, AR

Bison Capital Asset Management, LLC | Santa Monica, CA

BV Investment Partners | Boston, MA

Castlelake | Minneapolis, MN

Clearlake Capitol Group | Santa Monica, CA

Court Square Capital Partners III, L.P. | New York, NY

The Cypress Group | New York, NY

Diamond State Ventures | Little Rock, AR

D W Healthcare | Park City, UT

EnCap Investments L.P. | Houston, TX

Greenbriar Equity Group | Rye, NY

Greyrock Capital Group, LLC | Chicago, IL

Grosvenor Capital Management | New York, NY

GTLA | Pine Bluff, AR

Highland, LP | Pine Bluff, AR

Hybar | Osceola, AR

Insight Equity | Insight Mezzanine | Southlake, TX

J.F. Lehman & Company | New York, NY

KPS Capital Partners | New York, NY

Levine Leichtman III | Beverly Hills, CA

Lime Rock Resources III | Westport, CT

LLR Equity Partners III | Philadelphia, PA

Mason Wells | Milwaukee, WI

Natural Gas Partners | Irving, TX

One Rock Capital Partners, LLC | New York, NY

Pine Bridge Investments | New York, NY

Post Road Group | Stamford, CT

Revelstoke Capital Partners | Denver, CO

The Riverside Company | Cleveland, OH

Riverside Partners | Boston, MA

Siris Capital Group | New York, NY

SK Capital Partners | New York, NY

Sycamore Partners III | New York, NY

TA XI | Boston, MA

Tennenbaum | Santa Monica, CA

Thoma Bravo LLC | San Francisco, CA

VISTA Equity Partners | San Francisco, CA

Wellspring Capital Management, L.L.C. | New York, NY

The Wicks Group of Companies, L.L.C. | New York, NY

WNG Capital | Dallas, TX

### **Real Assets**

#### **Infrastructure**

Antin Infrastructure Partners | London, England

Axiom Infrastructure | New York, NY

BlackRock Infrastructure | Greenwich, CT

DIF | Amsterdam, Netherlands

EnCap Investments | Houston, TX

Global Energy & Power Infrastructure Fund | Greenwich, CT

Global Infrastructure Partners | New York, NY

IFM Investors (US), LLC | New York, NY

I Squared Capital | Miami, FL

Kohlberg Kravis Roberts & Co. | New York, NY

Macquarie Infrastructure and Real Assets | Chicago, IL

#### **Real Estate**

Almanac Realty Securities | New York, NY

Blackstone Real Estate Partners | New York, NY

Calmwater | Los Angeles, CA

The Carlyle Group | New York, NY

CB Richard Ellis Strategic Partners | Los Angeles, CA

Cerberus | New York, NY

FPA Core Plus | Irvine, CA  
GLP Capital Partners | Santa Monica, CA  
Harbert Management Corporation | Dallas, TX  
Heitman | Chicago, IL  
J.P. Morgan Asset Management | New York, NY  
Kayne Anderson | Los Angeles, CA  
KKR | New York, NY  
Landmark Partners | Simsbury, CT  
LaSalle | Chicago, IL  
LBA Logistics | Irvine, CA  
Lone Star Real Estate Partners Fund IV, LP | Dallas, TX  
Long Wharf Real Estate Partners LLC | Boston, MA  
Mesa West Capital | Los Angeles, CA  
MetLife Commercial | Morristown, NJ  
Metropolitan Real Estate Partners Co-Investments Fund | New York, NY  
Morgan Stanley | New York, NY  
New Boston Fund VII | Boston, MA  
O'Connor North American Property Partners II | New York, NY  
PGIM Real Estate | New York, NY  
Rockwood Capital Real Estate Partners | New York, NY  
RREEF | New York, NY  
Torchlight Investors | New York, NY  
UBS Realty Investors | Hartford, CT  
Walton Street Capital | Chicago, IL  
Westbrook Funds | New York, NY

### **Direct Real Estate Partnerships**

CRI – American Center | Rogers, AR

### **Alternative Investments**

#### **Hedge Funds**

Anchorage Capital Group, L.L.C. | New York, NY  
Capital Fund Management | Paris, France  
Capula Investment US LP | Greenwich, CT  
Chatham Asset Management | Chatham, NJ  
Circumference Group | Little Rock, AR  
Graham Capital Management, L.P. | Rowayton, CT  
Man Group | New York, NY  
Parametric | Minneapolis, MN  
Prophet Asset Management | Austin, TX  
York Capital Management | New York, NY  
Silverpoint Capital | Greenwich, CT

#### **Re-Insurance**

Aeolus | Hamilton, Bermuda  
Nephila Capital Rubik Holdings | Hamilton, Bermuda  
Pillar Capital Management | Hamilton, Bermuda

#### **Farm Manager**

US Agriculture | Wabash, IN  
UBS Agrivest | Dallas, TX

#### **Timberland**

BTG Pactual Timberland Investment Group | Atlanta, GA

# Financial



## Statement of Fiduciary Net Position

June 30, 2024

### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

<b>Assets</b>	
Cash and cash equivalents	\$382,291,377
<b>Receivables</b>	
Member contributions	11,440,916
Employer contributions	27,147,042
Investment trades pending	24,089,275
Accrued investment income	28,237,558
Due from other funds	4,278,604
Other receivables	5,271,495
Total Receivables	100,464,890
<b>Investments</b>	
Public equities	4,294,178,731
Fixed income	1,842,669,015
Real estate	167,593,445
Pooled investments	5,654,476,103
Alternative investments	9,851,978,884
State recycling tax credits	203,200,000
Investment derivatives	14,174
Total Investments	22,014,110,352
Securities lending collateral	427,158,820
Capital assets, net of accumulated depreciation	60,740
Other assets	134,684
<b>Total Assets</b>	<b>22,924,220,863</b>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to OPEB	262,602
<b>Total Assets and Deferred Outflows of Resources</b>	<b>22,924,483,465</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
<b>Liabilities</b>	
Accrued expenses and other liabilities	489,298
Compensated absences	607,116
Post-employment benefit liability	3,028,728
Investment trades pending payable	115,302,262
Accrued investment expenses	14,946,956
Securities lending liability	427,105,534
Due to other funds	2,296,649
<b>Total Liabilities</b>	<b>563,776,543</b>
<b>Deferred Inflows of Resources</b>	
Related to other post employment benefits	1,475,538
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>565,252,081</b>
<b>Net Position Restricted for Pension Benefits</b>	<b>\$22,359,231,384</b>

The accompanying notes are an integral part of these financial statements.

## Statement of Changes in Fiduciary Net Position

June 30, 2024

	<b>Totals</b>
<b>Additions</b>	
<b>Contributions</b>	
Employer	\$ 554,738,036
Member	211,036,048
Total contributions	<u>765,774,084</u>
<b>Investment income</b>	
<b>From investing activities</b>	
Net increase (decrease) in the fair value of investments	2,276,418,789
Interest and dividends	185,055,402
Real estate operating income (loss)	6,369,111
Total investment income (loss)	2,467,843,302
Less investment expense	57,645,258
Net investment income (loss)	<u>2,410,198,044</u>
<b>From securities lending activities</b>	
Securities lending income	23,019,193
Less: securities lending expense	20,517,401
Net securities lending income	<u>2,501,792</u>
<b>Other additions</b>	<u>120,741</u>
<b>Total Additions (Losses)</b>	<u>3,178,594,661</u>
<b>Deductions</b>	
Benefits	1,473,871,266
Refunds of contributions	12,116,533
Administrative expenses	8,427,396
<b>Total Deductions</b>	<u>1,494,415,195</u>
<b>Net Increase (Decrease) in Net Position</b>	<u>1,684,179,466</u>
<b>Net Position - Beginning of Year</b>	<u>20,675,051,918</u>
<b>Net Position - End of Year</b>	<u>\$ 22,359,231,384</u>

The accompanying notes are an integral part of these financial statements.

# Notes to Financial Statements

June 30, 2024

## NOTE 1: Summary of Significant Accounting Policies

### A. Reporting Entity/History

Act 266 of 1937, as amended, established the Arkansas Teacher Retirement System (ATRS) as an office of Arkansas state government for the purpose of providing retirement benefits for public school and other public education employees. Act 427 of 1973, as amended, provided that the general administration of ATRS, responsibility for its proper operation, and responsibility for making effective the provisions of the Teacher Retirement law are vested in a 15-member Board of Trustees. The State Bank Commissioner, Treasurer of State, Auditor of State, and Commissioner of Elementary and Secondary Education are ex-officio trustees. The remaining 11 trustees are elected and consist of seven active members with at least five years of actual service, three retired members receiving an annuity, and one active or retired member from a minority racial ethnic group. The seven active trustees consist of one member from each of the four congressional districts; two employed in positions requiring an administrator’s license, of which one must be a superintendent or an educational cooperative director; and

one member employed in a position that does not require state licensure. The trustees are elected in accordance with rules adopted by the Board. Board members serve without compensation but may receive reimbursement for reasonable expenses incurred while performing their duties as trustee.

### B. Plan Description

The teacher retirement plan (the “plan”), is a cost-sharing, multiple-employer defined benefit pension plan that covers employees of public schools and education-related agencies, including Arkansas School for the Blind, Arkansas School for the Deaf, Arkansas Activities Association, State Board of Education, regional education service cooperatives, ATRS, Arkansas Educational Television Division, area vocational-technical schools, Arkansas Rehabilitation Services, enterprises privatized by a public school district, and educational nonprofit organizations licensed and regulated by Division of Developmental Disabilities Services of the Department of Human Services.

On June 30, 2024, the number of employers participating in the plan was as follows:

Public schools	257
State colleges and universities	37
State agencies	15
Other/privatized	26
<b>Total</b>	<b>335</b>

Members are eligible for full retirement benefits at age 60 with five or more years of actual and reciprocal service or at any age with 28 or more years of credited service. Members with 25 years of actual and reciprocal service who have not attained age 60 may receive an annuity reduced by 10/12 of 1% multiplied by the number of months by which the early retirement precedes the earlier of (1) completion of 28 years of credited service or (2) attainment of age 60. The normal retirement benefit, paid monthly, is determined based on (1) the member’s final average salary (FAS) (effective July 1, 2018, computed using the average of the annual salaries paid during the period of 5 years of credited service producing the highest annual average) and (2) the number of years of service. For active members as of June 30, 2018, a benchmark 3-year FAS was established as a minimum FAS.

The noncontributory plan became available July 1, 1986. Act 907 of 1999, effective July 1, 1999, requires all new members under contract for 181 or more days to be contributory. Act 443 of 2021, effective July 1, 2021, increased the required number of contract days to 185 or more days. Act 385 of 2005 allows noncontributory members to make an irrevocable election to become contributory on July 1 of each fiscal year.

A cost of living adjustment (COLA) is payable on July 1 of each year to retirees, certain survivors, and annuity beneficiaries who received monthly benefits for the previous 12 months. The COLA is calculated by multiplying 100% of the member’s base retirement annuity times 3%. Act 780 of 2017 allows the Board of Trustees to evaluate any future COLA adjustments on an annual basis to determine if a simple or compound COLA increase will be given based on the financial condition of the system.

ATRS has contributory and noncontributory plans. The contributory plan has been in effect since the beginning of ATRS.

## Notes to Financial Statements (Continued)

June 30, 2024

Act 1096 of 1995 created a teacher deferred retirement option plan (T-DROP) for members with 30 or more years of service credit. Effective September 1, 2003, Act 992 of 2003 requires employers to make contributions on behalf of all members participating in T-DROP at rates established by the Board of Trustees. Member contributions and accumulation of service credit will cease once a member enters T-DROP. During participation in T-DROP, ATRS will credit the member account with plan deposits and interest. The plan deposits will be calculated beginning with the member’s plan benefit reduced by 1% for each year of credited service. The Board of Trustees may authorize early participation in T-DROP for members with at least 28 years but less than 30 years of credited service. The plan deposit for early participation will be calculated the same as the regular T-DROP deposit with a further reduction of at least .5% but not more than 1% for each month of credited service under 30 years. The T-DROP account accrues interest at a variable rate that is set annually by the ATRS Board of Trustees. T-DROP deposits into member accounts cease at the completion of 10 years of participation in the program; however, a member may continue employment and will continue to receive interest on the account balance at the 10-year plus interest rate that is also set annually by the Board of Trustees. When T-DROP participation ceases, the member may receive a distribution as a

lump-sum cash payment or monthly annuity, roll it into another tax-deferred account, or defer the distribution into a T-DROP cash balance account held by ATRS.

Disability retirement benefits are payable to members who are vested and demonstrate total and permanent incapacity to perform the duties of their position while in active employment. The disability annuity is computed in the same manner as the age and service annuity.

Survivor benefits are payable to qualified survivors upon the death of an active, vested member. Eligible spouse survivors receive a survivor annuity that is based on the member’s years of service credit prior to their death, and minor child survivors receive a percentage of the member’s highest salary earned. ATRS also provides a lump sum death benefit for active and retired members with 10 or more years of actual service. The minimum benefit amount is \$6,667 and an additional amount is provided based on the member’s retirement date and years of contributory service up to a \$10,000 maximum.

On June 30, 2024, membership in the plan consisted of the following:

Retirees or beneficiaries currently receiving benefits	56,177
T-DROP participants	2,981
Inactive plan members (not receiving benefits)	14,775
Active members	68,265
<b>Total</b>	<b>142,198</b>

### C. Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds, if applicable to this Agency, are recognized in the accompanying financial statements.

#### Fiduciary Funds

**Trust and Custodial Funds** – Trust and Custodial Funds are used to report resources held by the Agency in a trustee capacity or

as an agent for individuals, other governmental units, and other funds. These include Pension Trust Funds, Employee Health Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Custodial Funds. The specific activity accounted for at this Agency includes the following:

*Arkansas Teacher Retirement System Pension Trust Fund*

### D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized and reported in the financial statements. The economic resources measurement focus and accrual basis of accounting are used in Fiduciary Fund financial statements. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when incurred.

## Notes to Financial Statements (Continued)

June 30, 2024

### E. Federal Income Tax Status

During the year ended June 30, 2024, ATRS was a qualified plan under 26 USC § 401(a) and was exempt from federal income taxes under 26 USC § 501(a).

### F. Cash and Cash Equivalents

Cash and cash equivalents include demand accounts, imprest accounts, cash on hand, cash in State Treasury, cash on deposit with investment managers, and short-term investment funds (STIF). The STIF accounts are created through daily sweeps

of excess cash by the custodial bank into bank-sponsored commingled funds that are invested in U.S. Government and agency securities and other short-term investments. The STIF accounts have a weighted average maturity of 90 days or less and the holdings are stated a fair value.

### G. Deposits and Investments

Exhibit A presents all highly liquid investments with maturity of three months or less when purchased as cash equivalents. As such, the amounts presented in the exhibit may not agree with amounts shown in this note. Below is a reconciliation from this note to the amounts presented in the exhibit:

Note 1G	Cash and Cash Equivalents	Securities Lending Collateral	Investments	Total
<b>Deposits:</b>				
Cash in bank	\$ 28,154,105		\$	28,154,105
Foreign currency held in non-U.S. bank		\$ 20,347,478		20,347,478
Cash in State Treasury	4,481,561			4,481,561
Cash on deposit with investment managers	5,209,292			5,209,292
<b>Investments:</b>				
Investments measured at fair value			\$ 6,507,655,365	6,507,655,365
Investments measured at NAV	344,446,344	406,811,342	15,506,454,987	16,257,712,673
Petty cash	75			75
<b>Total Exhibit A</b>	<b>\$ 382,291,377</b>	<b>\$ 427,158,820</b>	<b>\$ 22,014,110,352</b>	<b>\$ 22,823,560,549</b>

### Deposits

Deposits are carried at cost and consist of cash in bank; cash in foreign currency held as securities lending collateral, cash in State Treasury, and cash on deposit with investment managers totaling \$28,154,105, \$20,347,478, \$4,481,561, and \$5,209,292, respectively. State Treasury Management Law governs the management of funds held in the State Treasury, and the Treasurer of State is responsible for ensuring these funds are adequately insured and collateralized.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Agency has adopted the State Board of Finance Policy requiring the use of depository insurance and collateralization procedures to manage the risk that deposits may not be returned.

As of June 30, 2024, none of the Agency's bank balance of \$28,173,368 was exposed to custodial credit risk as it was fully insured by the Federal Deposit Insurance Corporation. However, \$25,556,769, consisting of cash in foreign currency held as securities lending collateral and cash on deposit with investment managers was exposed to custodial credit risk as it was uninsured and uncollateralized.

### Investments

Ark. Code Ann. §§ 24-2-601 – 24-2-619 authorizes the plan's Board of Trustees to have full power to invest and reinvest monies of ATRS and to hold, purchase, sell, assign, transfer or dispose of any of the investments or investment proceeds in accordance with the prudent investor rule.

Each investment manager is required to invest within the specific guidelines and parameters set by the Board of Trustees. Asset allocation guidelines have been established as follows:

## Notes to Financial Statements (Continued)

June 30, 2024

Asset Allocation	Minimum	Target	Maximum
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 alternatives, real assets, and private equity.

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

The fair value measurement of investments is categorized within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. In instances where inputs used to measure fair value fall into different levels, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The hierarchy is defined as follows:

**Level 1:** Unadjusted quoted prices for identical instruments in active markets.

**Level 2:** Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

**Level 3:** Valuations derived from valuation techniques in which significant inputs are unobservable.

Assets classified in Level 1 are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3 are valued using an internal fair value as provided by the investment manager due to lack of an independent pricing source. Investments that are valued using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument(s) and should not be perceived as the particular investment's risk. The fair value measurement of plan investments and securities lending collateral as of June 30, 2024, was as follows:

## Notes to Financial Statements (Continued)

June 30, 2024

Investments measured at fair value	Total	Level 1	Level 2	Level 3
<b>Public equity investments:</b>				
Domestic equities	\$ 3,058,323,991	\$ 3,058,323,991		
International equities	1,119,977,193	1,119,977,193		
Preferred equities	115,877,547	106,924,132		\$ 8,953,415
<b>Fixed income investments:</b>				
U.S. Government obligations	63,752,318		\$ 63,752,318	
Corporate obligations	1,361,437,265		1,361,437,265	
Term loans	15,921,706		15,921,706	
Asset- and mortgage-backed securities	47,296,381		47,296,381	
Fixed income funds	54,676,137		54,676,137	
Promissory notes	299,585,208			299,585,208
<b>Real estate investments:</b>				
Real estate	77,677,205			77,677,205
Real estate investment trusts	89,916,240	89,916,240		
<b>State recycling tax credits:</b>				
	203,200,000		203,200,000	
<b>Derivative investments:</b>				
Forward contracts	14,174		14,174	
<b>Total measured at fair value</b>	<b>\$ 6,507,655,365</b>	<b>\$ 4,375,141,556</b>	<b>\$ 1,746,297,981</b>	<b>\$ 386,215,828</b>

### Investments measured at Net Asset Value or Equivalent (NAV)

<b>Pooled investments:</b>				
Collective investment trusts	\$ 4,607,501,683			
Closed end funds	1,015,539,061			
Exchange traded funds	31,435,359			
<b>Alternative investments:</b>				
Private equity funds	3,229,358,249			
Real estate funds	2,037,106,413			
Hedge funds	1,327,175,832			
Other private investments	3,258,338,390			
Securities lending collateral - compass fund*	406,811,342			
Short-term investment fund	344,446,344			
<b>Total measured at NAV</b>	<b>\$ 16,257,712,673</b>			

\*Cash collateral received and invested in the compass fund totaled \$406,758,056. The amount reported above is the market value of this collateral at June 30, 2024.

**Investments Classified as Level 1** – Level 1 investments in the preceding table are exchange-traded securities whose values are based on published market prices and quotations from either national security exchanges or active markets for those securities.

**Investments Classified as Level 2** – Level 2 investments in the preceding table include publicly-traded debt securities and other investments in inactive markets. Investments in this category are sourced from reputable pricing vendors using pricing matrix models and techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

**Investments Classified as Level 3** – Level 3 investments in the preceding table are unobservable, meaning the assets lack an independent pricing source. Values for the preferred equities are provided by the investment manager using cash flow or market comparable techniques. The promissory notes are made directly with the other entities and valued using expected cash flow. Real estate investments are comprised of ATRS owned properties leased to commercial enterprises. The properties are

## Notes to Financial Statements (Continued)

June 30, 2024

valued using professional valuations or appraisals, net of debt borrowed against the related assets. Appraisals and valuations are updated every 3 years.

**Investments Measured at the Net Asset Value or Equivalent (NAV)** – Investments measured at NAV have no readily ascertainable fair value. The value is determined by using the net asset value per share or its equivalent. Pooled or commingled fund values are based on each investor's proportionate share of the total underlying assets in the fund, less any liabilities for client withdrawals, investment purchases, or other accrued expenses. Limited partnership values are based on the capital

account balance the general partner reports at the end of each reporting period, adjusted by subsequent contributions, distributions, management fees, and changes in values of assets held in the partnership. There are inherent uncertainties in estimating fair values for these types of investments, and it is possible that the estimates will change in the near-term, or the subsequent sale of assets will be different from the reported net asset value. These investments come with redemption restrictions and rely on the liquidation of the underlying assets or net operating cash flows for distributions. The redemption terms and unfunded commitments are presented in the following table:

## Notes to Financial Statements (Continued)

June 30, 2024

	Total	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>Pooled investments:</b>				
Collective investment trusts	\$ 4,607,501,683		Daily	1-30 days
Closed end funds	1,015,539,061		Daily	Daily
Exchange traded funds	31,435,359		Daily	Daily
<b>Alternative investments:</b>				
Private equity funds				
Buyout funds	1,486,255,661	\$ 1,813,241,493	N/A	N/A
Distressed debt funds	16,344,994	37,207,326	N/A	N/A
Growth equity funds	33,975,543	39,457,033	N/A	N/A
Hard assets	44,826,362	14,770,786	N/A	N/A
Infrastructure funds	495,413,205	90,523,445	Quarterly - Annually	90 days
Mezzanine funds	61,539,274	22,833,764	N/A	N/A
Multi-strategy funds	477,029,060	285,310,197	N/A	N/A
Structured capital funds	67,714,397	44,494,464	N/A	N/A
Turnaround funds	137,374,539	87,250,755	N/A	N/A
Value added funds		50,000,000	N/A	N/A
Venture capital funds	408,885,214	174,756,310	N/A	N/A
Real estate funds				
Core funds	733,084,046		Quarterly	30-90 days
Debt funds	133,789,791	56,050,809	Quarterly	90 days
Farmland funds	249,525,748	14,240,587	Quarterly	60 days
Opportunistic funds	212,526,613	415,683,239	N/A	N/A
Timberland funds	363,943,337		Quarterly	90 days
Value added funds	344,236,878	310,022,313	N/A	N/A
Hedge funds				
Co-investment funds	91,456,393	22,036,074	Quarterly	65 days
Credit funds	231,716,297		Quarterly - Annually	90 days
Equity funds	42,398,038		Quarterly	60 days
Event driven funds	93,890,484		Annually	90 days
Global macro funds	212,285,791		Monthly	3-15 days
Mortgage servicing fund	48,059,441		Semi-annually	90 days
Reinsurance funds	139,050,680		Semi-annually - Annually	60-90 days
Relative value funds	103,575,614		Quarterly	45 days
Risk premia funds	364,743,094		Weekly - Monthly	3-5 days
Value added funds		50,000,000	N/A	N/A
Other				
Private investments	3,258,338,390		Semi-monthly - Monthly	3-7 days
Securities lending collateral - compass fund	406,811,342		Daily	Daily
Short-term investment fund	344,446,344		Daily	Daily
<b>Totals</b>	<b>\$ 16,257,712,673</b>	<b>\$ 3,527,878,595</b>		

## Notes to Financial Statements (Continued)

June 30, 2024

**Pooled Investments Funds** – Pooled investment fund include 7 collective investment trusts, 5 closed end funds, and 3 exchange traded or mutual funds. The value of the investments in this type have been determined using the NAV per share (or its equivalent) calculated as assets less liabilities divided by the number of units owned.

**Private Equity Funds** – Private equity funds include 69 buyout funds, 3 distressed debt funds, 4 growth equity funds, 14 hard asset funds, 12 infrastructure funds, 5 mezzanine funds, 5 multi-strategy funds, 5 structured capital funds, 10 turnaround funds, 1 value added fund, and 16 venture capital funds that invest mostly in private companies across a variety of industries. The value of the investments in this type have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These investments cannot be easily redeemed. The nature of private equity investments is that distributions are received through the liquidation of the underlying assets of the fund. The expected holding period of a private equity portfolio company is 2 to 10 years.

**Real Estate Funds** – Real estate funds include 7 core funds, 9 debt funds, 2 farmland funds, 23 opportunistic funds, 2 timberland funds, and 24 value added funds that invest primarily in the United States, Europe, and Asia. Fund investments can be made in the debt, equity, or a combination of both in real estate property ventures. The value of the investments in this asset class have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. These investments can be redeemed with proper notification to the fund manager. Distributions from each fund may be received as cash flows from operations or return of capital from sales of assets. The expected holding period of underlying assets in the real estate funds is 2 to 10 years.

**Hedge Funds** – Hedge funds consist of 1 co-investment fund, 5 credit funds, 1 equity fund, 1 event driven fund, 2 global macro funds, 1 mortgage servicing fund, 9 re-insurance funds, 1 relative value fund, 2 risk premia funds, and 1 value added fund. The value of the investments in this asset class have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. Redemption ranges from monthly to annually depending on the manager, except for the value added fund which has a 5-year lockup until the end of the initial fund raising period. Distributions are received through liquidation of the underlying assets. The expected holding period is dependent on the discretion of the fund manager.

**Other Private Investments** – Consist of three funds each with a different strategy or objective including fixed income, U.S. equities, and global equities. The value of the investments in this asset class have been determined using the NAV per share (or its equivalent) of the System's ownership interest in partners' capital. The redemption frequency is once or twice per month depending on the manager. Distributions are received through liquidation of the underlying assets. The expected holding period is dependent on the discretion of the fund manager.

**Securities Lending Collateral** – Cash collateral received from borrowers in the securities lending program is invested in a collective investment fund comprised of a liquidity pool. The value of this fund has been determined by the fund administrator using the NAV per share (or its equivalent).

**Short-term Investment Fund** – The net cash activity is swept into the STIF account daily with the fund maintaining an average dollar-weighted portfolio maturity of 90 days or less. The value of this fund has been determined by the custodial bank, the fund administrator, using the NAV per share (or its equivalent) based on the plan's proportionate share of the units of participation.

**Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.92%.

**Concentration of Investments** – Generally accepted accounting principles require each pension plan to disclose investments (other than those issued or explicitly guaranteed by the U.S. Government) in any one organization that represent 5% or more of the pension plan's fiduciary net position. As of June 30, 2024, no investments in any one organization represented 5% or more of the pension plan's fiduciary net position.

**Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The summary shown below indicates that 81% of the Agency's investment maturities are one year or longer.

## Notes to Financial Statements (Continued)

June 30, 2024

Investment Type	Total	Investment Maturities (In Years)			
		Less than 1	1 - 5	6 - 10	More than 10
Collective investment trusts	\$ 1,385,957,216		\$ 412,956,402	\$ 973,000,814	
Corporate obligations	1,361,437,265	\$ 126,273,005	836,073,157	314,502,669	\$ 84,588,434
Private investments	578,356,405		866,137,542	578,356,405	
Short-term investment fund	344,446,344	344,446,344			
Promissory notes	299,585,208		45,976,617	171,488,825	82,119,766
State recycling tax credits	203,200,000	24,800,000	99,200,000	76,000,000	3,200,000
U.S. Government obligations	63,752,318				63,752,318
Convertible preferred equities	63,671,783	1,852,694	31,501,052		30,318,037
Fixed income funds	54,676,137		54,676,137		
Asset- and mortgage-backed securities	47,296,381		4,784,505	11,114,767	31,397,109
Term loans	15,921,706		844,817	15,076,889	
<b>Totals</b>	<b>\$ 4,418,300,763</b>	<b>\$ 497,372,043</b>	<b>\$ 1,486,012,687</b>	<b>\$ 2,139,540,369</b>	<b>\$ 295,375,664</b>
<b>Securities Lending Collateral</b>					
Compass fund	\$ 406,811,342	\$ 406,811,342			

**Asset-Backed Securities** – As of June 30, 2024, asset-backed securities had a fair value of \$38,186,848. These securities represent interests in various trusts consisting of pooled financial assets other than mortgage loans conveyed by the issuing parties. ATRS's ability to recover the amount of principal invested in these securities depends on the performance and quality of the trust assets.

**Mortgage-Backed Securities** – As of June 30, 2024, mortgage-backed securities had a fair value of \$9,109,533. The yields and maturities of mortgage-backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. Although the full amount of principal will be received if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment, is lost.

**Corporate Bonds** – As of June 30, 2024, corporate bonds had a fair value of \$459,122,612. Corporate bonds are debt instruments that are issued by private corporations. These bonds have a term maturity and can have either a fixed or variable interest rate. Variable interest rate bonds have adjustments that are made periodically and vary directly with movements in interest rates.

**Convertible Corporate Bonds** – As of June 30, 2024, convertible bonds had a fair value of \$902,314,653. Convertible bonds convey an option to the bondholder to exchange each bond for a specified number of shares of common stock of the corporation. Convertible bonds generally offer lower coupon rates and promised yields to maturity in exchange for the value of the

option to exchange the bond into stock. Interest rates can be fixed or variable.

**Promissory Notes** – As of June 30, 2024, promissory notes had a fair value of \$299,585,208. Promissory notes are a form of debt that companies use to raise money in exchange for payment of a fixed amount of periodic income at a specified date or on demand. One unsecured promissory note was issued to Big River Steel Holdings, LLC and two secured notes were issued to Highland LP.

**Term Loans** – As of June 30, 2024, term loans had a fair value of \$15,921,706. Term loans are debt financing similar to a mortgage where the borrower pays in regular installments, which include principal and interest over the agreed upon term. Rates can be fixed or floating and is often based on the borrower's credit. Floating rate term loans have adjustments that are made periodically and vary directly with movements in interest rates.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is measured by the credit quality of investments in debt securities as described by nationally recognized statistical rating organizations. A formal investment policy that limits investment in debt based on their statistical rating as a means of managing exposure to credit risk has not been adopted by the Board of Trustees. The Agency's exposure to credit risk as of June 30, 2024, as rated by Standard and Poor's and Moody's Investors Service is as follows:

## Notes to Financial Statements (Continued)

June 30, 2024

Standard and Poor's	
Rating	Fair Value
AAA	\$ 4,012,984
AA	261,697,991
A	31,370,649
BBB	353,886,281
BB	172,590,383
B	26,096,758
CCC or below	25,599,429
Not rated	3,479,293,969
<b>Total</b>	<b>\$ 4,354,548,444</b>
<b>Securities Lending Collateral</b>	
Not rated	<b>\$ 406,811,342</b>

Moody's Investors Service	
Rating	Fair Value
Aaa	\$ 6,753,581
Aa	270,969,055
A	49,229,041
Baa	317,187,921
Ba	156,667,077
B	35,869,260
Caa or below	29,992,115
Not rated	3,487,880,394
<b>Total</b>	<b>\$ 4,354,548,444</b>
<b>Securities Lending Collateral</b>	
Not rated	<b>\$ 406,811,342</b>

**Custodial Credit Risk** – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Agency, and are held by either the counterparty or the counterparty's trust department or agent but not in the Agency's name. A formal investment policy for custodial credit risk has not been adopted by the Board of Trustees. The Agency has adopted the State Board of Finance Policy requiring the use of depository insurance and collateralization procedures to manage the risk that investments may not be returned. As of June 30, 2024, none of the Agency's investments were exposed to custodial credit risk.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the Agency's investment in a single issuer (not including investments issued or explicitly guaranteed by the U.S. Government, investments in mutual funds, external investment pools, or other pooled investments). A formal investment policy to limit the amount it may invest in any one issuer to manage the concentration of credit risk has not been adopted by the Board of Trustees. As of June 30, 2024, no investments in any one issuer represent more than 5% of total plan investments.

**Foreign Currency Risk** – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. A formal investment policy that limits investment in foreign currency has not been adopted the Board of Trustees. As of June 30, 2024, the Agency's exposure to foreign currency risk in U.S. dollars is as follows:

## Notes to Financial Statements (Continued)

June 30, 2024

Currency		Total Exposure	Cash Deposits	Equities	Fixed Income	Pooled/Alternatives and Real Estate Measured at NAV	Foreign Currency Contracts	Investment Principal		Accrued Income
								Receivable	Payable	
Brazilian Real	BRL	\$ 13,064,444	\$ 82,131	\$ 9,087,696	\$ 3,894,617					
British Pound Sterling	GBP	468,300,907	72,990	130,699,520	4,821,687	\$ 330,047,638	\$ -27,853			\$ 2,686,925
Canadian Dollar	CAD	23,148,042	139	19,358,070		3,780,372				9,461
Chilean Peso	CLP	4,778,611		4,778,611						
Chinese Yuan Renminbi	CNY	5,222,773	32,277	5,190,496						
Danish Krone	DKK	58,618,493	21	58,549,717			590,048		\$ -590,048	68,755
Euro	EUR	539,018,881	207,266	415,607,807	\$5,604,195	110,272,035	(1,639,074)		(468,893)	8,922,904
Hong Kong Dollar	HKD	53,335,199		45,613,422		7,196,792		\$512,641		524,985
Indian Rupee	INR	390,183	390,183							
Indonesian Rupiah	IDR	28,247,250		24,908,628	3,295,613					43,009
Japanese Yen	JPY	247,895,106	21,345,392	226,101,019			2,453,961		(2,453,961)	448,695
Mexican Peso	MXN	7,532,183		4,939,097	2,577,487					15,599
New Taiwan Dollar	TWD	55,595,651		55,458,721						136,930
New Zealand Dollar	NZD	3,397,307			3,369,945					27,362
Norwegian Krone	NOK	3,323,660			3,305,900					17,760
Polish Zloty	PLN	6,447								6,447
South African Rand	ZAR	13,825,284	67	11,491,488	2,253,242					80,487
South Korean Won	KRW	58,126,557		58,126,541						16
Swedish Krona	SEK	20,849,329	25	20,849,304						
Swiss Franc	CHF	73,925,808	293	72,469,407			912,546		(912,546)	1,456,108
Uruguayan Peso	UYU	1,552,000			1,536,837					15,163
<b>Totals</b>		<b>\$1,680,154,115</b>	<b>\$22,130,784</b>	<b>\$1,163,229,544</b>	<b>\$30,659,523</b>	<b>\$ 451,296,837</b>	<b>\$2,289,628</b>	<b>\$ 512,641</b>	<b>\$ (4,425,448)</b>	<b>\$14,460,606</b>

For Forward Currency Contracts in the schedule above, a positive number represents the market value of contracts to purchase that currency in excess of the market value of contracts to sell that currency. A negative number, therefore, represents the market value of contracts to sell foreign currency in excess of contracts to purchase that currency.

**Derivatives** – Derivative instruments are financial contracts or agreements whose value is derived from one or more underlying assets, reference rates, and/or financial indexes. Derivative instruments include futures contracts, forward contracts, swap contracts, options contracts, forward foreign currency exchange and rights. Investment guidelines state that derivatives may be used to reduce the risk in a portfolio but should not be used to create a position of leverage or substantially increase the risk of the overall portfolio. Futures and options should be matched by cash or cash equivalent securities, and all short futures positions should be matched by equivalent long security positions. Each

investment manager's derivative usage is specified in the investment management agreement or specific guidelines. There is a risk that the counterparties to the contracts will not be able to meet the contract terms. The external investment managers seek to control this risk through counterparty credit evaluations and approvals, credit limits, and exposure monitoring procedures.

The fair value balances of derivative instruments outstanding at June 30, 2024, classified by type, and the changes in fair value for the year then ended, are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2024	
	Classification	Amount	Classification	Amount
Forwards	Net increase (decrease) in the fair value of investments	\$ 31,797	Investment derivatives	\$ 14,174

## Notes to Financial Statements (Continued)

June 30, 2024

**Foreign Currency Forwards** – A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated forward rate. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. The contracts are valued at forward exchange rates, and the changes in value of open contracts are recognized as net increase (decrease) in fair value of investments, a component of net investment income (loss), in the statement of changes in plan net position. The realized gain or loss on closed forward currency contracts represents the difference between the value of the original contracts and the closing value of such contracts

and is included in net increase (decrease) in fair value of investments, a component of net investment income (loss), in the statement of changes in plan net position. As of June 30, 2024, outstanding forward exchange currency contracts to purchase foreign currencies with contract amounts of \$4,429,033 and market values of \$4,425,448, resulting in a net loss of \$3,585. Outstanding forward exchange currency contracts to sell foreign currencies with contract amounts of \$2,153,580 had market values of \$2,135,821, resulting in a net gain of \$17,759.

The net fair value and net notional amounts of foreign currency forwards as of June 30, 2024 were as follows:

Foreign Currency Forwards	Fair Value	Net Notional
British Pound Sterling	\$ (18)	GBP 22,034
Euro	17,777	EUR 1,961,321
United States Dollar	(3,585)	USD 4,429,033
<b>Totals</b>	<b>\$ 14,174</b>	

**Securities Lending Transactions** – Arkansas Code Annotated and Board policy permit ATRS to participate in a securities lending program, whereby securities are lent to broker-dealers or other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The securities lending program is administered by State Street Bank and Trust (the "Custodian"). The contractual authorization for the securities lending program is contained in the Securities Lending Authorization Agreement between the Agency and the Custodian. There were no restrictions on the dollar amount of securities loaned, and for the year-ended June 30, 2024, there were no violations of the Securities Lending Authorization Agreement. Brokers who borrow the securities must provide collateral in the form of cash, other securities, or irrevocable bank letters of credit. Securities on loan (underlying securities) at year-end include U.S. Government securities, corporate securities, and international securities. ATRS cannot pledge or sell collateral securities received unless the borrower defaults. The cash collateral received on each loan is invested in a collective investment fund comprised of a liquidity pool.

As of June 30, 2024, the liquidity pool had an average duration of 15.86 days and an average weighted final maturity of 103.88 days for USD collateral. Because the loans are terminable at will, their duration generally will not match the duration of the investments made with cash collateral.

At year-end, there was no credit risk exposure to borrowers as

due to the custodian's indemnification agreement to purchase replacement securities or return cash collateral in the event a borrower fails to return a loaned security or fails to pay the Agency for income of the securities while on loan. No borrowers failed to return loaned securities or pay distributions during the year. Investments made with cash collateral appear as an asset on the Statement of Fiduciary Net Position. Corresponding liabilities are recorded, as the cash collateral must be returned to the borrower upon expiration of the loan.

### H. Capital Assets

Capital assets purchased (or leased) with costs exceeding \$5,000 and an estimated useful life exceeding one year are reported at historical cost, including ancillary costs (such as professional fees and costs, freight costs, preparation or setup costs, and installation costs). Gifts or contributions are generally recorded in the accounts at acquisition value at the time received. Acquisition value is the market value if the Agency would have purchased the item. Depreciation is reported based on a straight-line method, with no salvage value. Estimated useful lives generally assigned are as follows:

Assets: Equipment  
Years: 5-20

Capital assets activity for the year ended June 30, 2024, was as follows:

## Notes to Financial Statements (Continued)

June 30, 2024

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Fiduciary activities:</b>				
Equipment	\$ 921,936	\$ 12,374	\$ 63,681	\$ 870,629
Less: Accumulated depreciation	848,440	15,460	54,011	809,889
<b>Fiduciary activities, net</b>	<b>\$ 73,496</b>	<b>\$ (3,086)</b>	<b>\$ 9,670</b>	<b>\$ 60,740</b>

### I. Compensated Absences – Employee Leave

Annual leave is earned by all full-time employees. Upon termination, employees are entitled to receive compensation for their unused accrued annual leave up to 30 days. Liabilities for compensated absences are determined at the end of the year based on current salary rates.

Sick leave is earned by all full-time employees and may be accrued up to 120 days. Compensation up to a maximum of \$7,500 for unused sick leave is payable to employees upon retirement.

Compensated absences payable attributable to this Agency’s employee annual and sick leave as of June 30, 2024 and 2023, amounted to \$607,116 and \$554,664, respectively. The net changes to compensated absences payable during the year ended June 30, 2024 amounted to \$52,452.

### J. Postemployment Benefits Other Than Pensions (OPEB)

#### Arkansas State Employee Health Insurance Plan (Plan)

**Plan Description** – The Department of Transformation and Shared Services – Employee Benefits Division (DTSS-EBD) provides medical and prescription drug benefits for eligible state employees and retirees. Policies for DTSS-EBD related to medical and prescription drug plans are established by the State Board of Finance (Board) and may include ad hoc benefit changes or annual cost redeterminations. For the current year, no ad hoc or cost redetermination changes occurred. The Constitution of Arkansas, Article 5, vests the General Assembly with legislative power to enact and amend duties of and benefit provisions of the Board and DTSS-EBD, respectively, as published in Subchapter 4, Chapter 5 of Title 21 of the Arkansas Code Annotated. DTSS-EBD is included in the State of Arkansas’s Annual Comprehensive Financial Report (ACFR), which includes all applicable financial information, notes, and required supplementary information.

That report may be obtained by writing to Department of Transformation and Shared Services, 501 Woodlane, Suite 201, Little Rock, Arkansas 72201 or by calling 501-319-6565.

The Agency contributes to the Plan, a single employer defined benefit OPEB plan administered by DTSS-EBD, on a monthly basis. The Board establishes medical and prescription drug benefits for three classes of covered individuals: active employees, terminated employees with accumulated benefits, and retirees and beneficiaries. The Plan is established on the basis of a pay-as-you-go financing requirement, and no assets are accumulated in a trust, as defined by Governmental Accounting Standards Board Statement (GASBS) Number 75. The State’s annual OPEB cost for the Plan is based on an actuarially-determined calculated amount made in accordance with GASBS Number 75.

**Funding Policy** – Employer contributions to the Plan are established by Ark. Code Ann. § 21-5-414 and may not exceed \$550 per budgeted position. Employees, retirees, and beneficiaries contribute varying amounts based on the type of coverage and inclusion of family members. Benefits for Medicare-eligible retirees are coordinated with Medicare Parts A and B, and the Plan is the secondary payer. The portion of the State’s annual OPEB liability attributable to ATRS as of June 30, 2024, is \$3,028,728.

### K. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a decrease of net position that applies to future periods. Thus, these items will not be recognized as an outflow of resources (a deduction) until a future period.

Deferred inflows of resources represent an increase of net position that applies to future periods. These items will not be recognized as an inflow of resources (addition) until a future period.

## Notes to Financial Statements (Continued)

June 30, 2024

### L. Contributions

The contribution rate for participating employers, subject to a statutory ceiling of 15%, is established by the Board of Trustees based on an independent actuary’s determination of the rate required to adequately fund the plan. For the fiscal year ended June 30, 2024, the employer contribution rate was 15% of active member payroll.

The contribution rate for contributory members (employee contributions), subject to a statutory floor of 6%, is established by the Board of Trustees and may be amended to maintain actuarial soundness of the plan. For the fiscal year ended June 30, 2024, the employee contribution rate was 7%. Employee contributions

are refundable if covered employment terminates before a monthly benefit is payable, and any contributions remaining on deposit for a period of one or more years earn interest credits, which are included in the refund amount.

### M. Reserves

The reserve accounts are an allocation of the net position restricted for pensions and do not limit the availability of assets to be used for existing pensions or pension administration. They are made to comply with the provisions of Ark. Code Ann. § 24-7-405. At June 30, 2024, the reserve accounts were funded at a level that complied with the code provisions.

	<b>Total</b>
Members’ deposit account reserve	\$ 15,084,287,261
Employers’ accumulation account reserve	(7,498,703,380)
Retirement reserve	14,294,170,799
Teacher deferred retirement option plan account reserve	349,812,712
Survivor benefit account reserve	119,259,431
Income - expense account reserve	10,404,561
<b>Total</b>	<b><u>\$ 22,359,231,384</u></b>

## Notes to Financial Statements (Continued)

June 30, 2024

### NOTE 2: Net Pension Liability of Participating Employers

The components of the net pension liability of the participating employers at June 30, 2024, was as follows:

Total pension liability	\$ 26,639,296,570
Less: plan net position	22,359,231,384
<b>Employers' net pension liability</b>	<b><u>\$ 4,280,065,186</u></b>
 Plan net position as a percentage of the total pension liability	 83.93%

**Actuarial Assumptions** – The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Wage inflation rate	2.75%; includes 2.50% price inflation and 0.25% general economic improvement.
Salary increases	2.75 - 5.75%
Investment rate of return	7.25%
 Mortality table	 Pub-2010 General Healthy Retired, General Disabled Retiree, and General Employee Mortality amount weighted tables were used for males and females. Mortality rates were adjusted for future mortality improvements using projection scale MP-2020 from 2010.

Table	Scaling Factor	
	Males	Females
Healthy Retirees	105%	105%
Disabled Retirees	104%	104%
Active Members	100%	100%

The actuarial assumptions used in the June 30, 2024 valuation was based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class. These ranges are

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2024, these best estimates are summarized in the following table:

## Notes to Financial Statements (Continued)

June 30, 2024

Asset Allocation	Target	Long-Term Expected Real Rate of Return
Global equity	48.0%	4.7%
Fixed income	20.0%	2.4%
Alternatives	5.0%	4.5%
Real assets	15.0%	4.6%
Private equity	12.0%	6.9%
Cash equivalents	0.0%	1.8%
	100%	

**Single Discount Rate** – A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments or 7.25%. Although not all members contribute, the fiscal year 2024 employer and member contribution rates are 15.00% and 7.00%, respectively. The projection of cash flows used to determine this single discount rate assumed that member and employer contributions will follow this schedule. This includes payroll for current T-DROP participants and return to work retirees. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the

long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability** - Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the participating employers’ net pension liability, calculated using the current discount rate, as well as what the participating employers’ net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher than the current rate:

	Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
	1% Lower than Current Rate	Current Rate 7.25%	1% Higher than Current Rate
Net pension liability	\$ 7,611,770,086	\$ 4,280,065,186	\$ 1,518,115,441

### NOTE 3: Required Supplementary Schedules

Detailed historical information about the pension liabilities for which the pension plan’s assets are being held and managed and the significant assumptions used to measure these liabilities are required supplementary information. This required supplementary information, prepared in accordance with the parameters of GASB Statement No. 67, as amended, is included immediately following the notes to the financial statements.

# Schedule of Changes in Net Pension Liability and Related Ratios

for the Ten-Year Period Ended June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 426,391,125	\$ 395,700,338	\$ 379,267,685	\$ 340,401,007	\$ 331,035,218	\$ 325,464,537	\$ 315,864,318	\$ 307,785,503	\$ 305,086,337	\$ 298,134,477
Interest	1,836,744,684	1,772,097,027	1,720,782,101	1,656,575,883	1,608,463,162	1,551,511,422	1,504,613,059	1,485,759,965	1,433,768,167	1,371,168,271
Changes in benefit terms								(469,205,711)		
Difference between actual and expected experience	(2,059,205)	164,573,721	4,880,583	108,860,237	(24,869,157)	119,427,343	(7,365,993)	(76,812,667)	(15,341,738)	123,519,055
Changes in assumptions				887,447,380						
Benefit payments	(1,473,871,266)	(1,413,477,760)	(1,374,220,915)	(1,308,163,750)	(1,255,065,793)	(1,205,326,555)	(1,160,738,238)	(1,092,952,357)	(1,035,958,950)	(970,719,484)
Refunds of contributions	(12,116,533)	(12,583,767)	(10,426,792)	(9,463,375)	(9,592,091)	(9,679,783)	(9,455,405)	(10,874,003)	(10,145,471)	(10,774,122)
<b>Net Change in Total Pension Liability</b>	775,088,805	906,309,559	720,282,662	1,674,657,382	649,971,339	781,396,964	642,917,741	1,518,652,629	677,408,345	811,328,197
<b>Total Pension Liability - Beginning of Year</b>	25,864,207,765	24,957,898,206	24,237,615,544	22,562,958,162	21,912,986,823	21,131,589,859	20,488,672,118	18,970,019,489	18,292,611,144	17,481,282,947
<b>Total Pension Liability - End of Year (A)</b>	<b>\$ 26,639,296,570</b>	<b>\$ 25,864,207,765</b>	<b>\$ 24,957,898,206</b>	<b>\$ 24,237,615,544</b>	<b>\$ 22,562,958,162</b>	<b>\$ 21,912,986,823</b>	<b>\$ 21,131,589,859</b>	<b>\$ 20,488,672,118</b>	<b>\$ 18,970,019,489</b>	<b>\$ 18,292,611,144</b>
<b>Plan Net Position</b>										
Contributions - employer	\$ 554,738,036	\$ 536,619,031	\$ 501,522,604	\$ 472,567,147	\$ 446,228,128	\$ 430,864,656	\$ 424,488,126	\$ 414,954,939	\$ 410,358,229	\$ 408,230,472
Contributions - member	211,036,048	200,610,721	183,315,252	168,129,972	153,105,134	141,885,632	138,766,747	133,109,939	131,100,983	128,555,684
Net investment income, including securities lending activity	2,412,699,836	1,692,309,263	(1,590,291,257)	5,250,963,451	(1,657,666,491)	898,384,867	1,824,094,695	2,289,818,591	35,579,657	632,166,951
Benefit payments	(1,473,871,266)	(1,413,477,760)	(1,374,220,915)	(1,308,163,750)	(1,255,065,793)	(1,205,326,555)	(1,160,738,237)	(1,092,952,357)	(1,035,958,950)	(970,719,484)
Refunds of contributions	(12,116,533)	(12,583,767)	(10,426,792)	(9,463,375)	(9,592,091)	(9,679,783)	(9,455,405)	(10,874,003)	(10,145,471)	(10,774,122)
Administrative expense	(8,427,396)	(7,892,822)	(6,650,604)	(7,326,797)	(8,454,436)	(7,134,784)	(9,336,430)	(7,825,595)	(8,059,030)	(8,034,857)
Other	120,741		507,446,092							
<b>Net Change in Plan Net Position</b>	1,684,179,466	995,584,666	(1,789,305,620)	4,566,696,648	(839,545,549)	248,994,033	1,207,819,496	1,726,231,514	(4,771,244,582)	179,424,644
<b>Plan Net Position - Beginning of Year</b>	20,675,051,918	19,679,467,252	21,468,772,872	16,902,076,224	17,741,621,773	17,492,627,740	16,284,808,244	14,558,576,730	15,035,701,312	14,856,276,668
<b>Plan Net Position - End of Year (B)</b>	<b>\$ 22,359,231,384</b>	<b>\$ 20,675,051,918</b>	<b>\$ 19,679,467,252</b>	<b>\$ 21,468,772,872</b>	<b>\$ 16,902,076,224</b>	<b>\$ 17,741,621,773</b>	<b>\$ 17,492,627,740</b>	<b>\$ 16,284,808,244</b>	<b>\$ 14,558,576,730</b>	<b>\$ 15,035,701,312</b>
<b>Participating Employers' Net Pension Liability (Asset) End of Year (A) - (B)</b>	<b>\$ 4,280,065,186</b>	<b>\$ 5,189,155,847</b>	<b>\$ 5,278,430,954</b>	<b>\$ 2,768,842,672</b>	<b>\$ 5,660,881,938</b>	<b>\$ 4,171,365,050</b>	<b>\$ 3,638,962,119</b>	<b>\$ 4,203,863,874</b>	<b>\$ 4,411,442,759</b>	<b>\$ 3,256,909,832</b>
Plan net position as a percentage of total pension liability	83.93%	79.94%	78.85%	88.68%	74.91%	80.96%	82.78%	79.48%	76.76%	82.20%
Covered employee payroll	\$ 3,611,533,918	\$ 3,492,029,158	\$ 3,320,346,417	\$ 3,204,720,806	\$ 3,077,568,814	\$ 3,027,154,131	\$ 2,986,026,715	\$ 2,921,955,125	\$ 2,888,392,668	\$ 2,873,988,053
Participating employers' net pension liability (asset) as a percentage of covered employee payroll	118.51%	148.60%	158.97%	86.40%	183.94%	137.80%	121.87%	143.87%	152.73%	113.32%

\*ATRS is only required to present those years for which information is available until the full 10-year trend is completed.

## Schedule of Contributions

for the Ten-Year Period Ended June 30, 2024

FY Ending June 30	Actuarially Determined Contributions	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contributions as a % of Covered Employee Payroll
2024	\$ 534,397,641	\$ 554,738,036	\$ (20,340,395)	\$ 3,611,533,918	15.36%
2023	547,709,158	536,619,031	11,090,127	3,492,029,158	15.37%
2022	493,022,221	501,522,604	(8,500,383)	3,320,346,417	15.10%
2021	474,196,689	472,567,147	1,629,542	3,204,720,806	14.75%
2020	450,612,124	446,228,128	4,383,996	3,077,558,814	14.50%
2019	447,791,482	430,864,656	16,926,826	3,027,154,131	14.23%
2018	422,365,685	424,488,126	(2,122,441)	2,986,026,715	14.22%
2017	423,846,831	414,954,939	8,891,892	2,921,965,125	14.20%
2016	437,434,470	410,358,229	27,076,241	2,888,392,668	14.21%
2015	474,773,530	408,230,472	66,543,058	2,873,988,053	14.20%

## Schedule of Investment Returns

for the Ten-Year Period Ended June 30, 2024

FY Ending June 30	Annual Money-Weighted Rate of Return, Net of Investment Expense
2024	11.92%
2023	8.78%
2022	-5.15%
2021	31.82%
2020	-0.96%
2019	5.25%
2018	11.46%
2017	16.09%
2016	0.24%
2015	4.34%

# Notes to Required Supplementary Information

June 30, 2024

## NOTE 1: Summary of Significant Information Related to Required Supplementary Schedules

### A. Schedule of Contributions

#### 1. Changes in Benefit Terms

There were no significant changes in benefit terms for the year ended June 30, 2024.

#### 2. Changes in Assumptions

There were no significant changes in assumptions for the year ended June 30, 2024.

#### 3. Methods and Assumptions Used in Calculations of Actuarially-Determined Contributions

Valuation date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30 in the year which is one year prior to the beginning of the fiscal year in which contributions are reported.

The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule of contributions:

Actuarial cost method	Entry age normal; funding to retirement
Amortization method	Level percentage of payroll
Amortization period	30 years
Asset valuation method	4-year smoothed market for funding purposes ; 20% corridor
Payroll growth	2.75%
Salary increases	2.75 to 5.75% including inflation
Investment rate of return	7.25%

Mortality table Pub-2010 General Healthy Retiree, General Disabled Retiree, and General Employee Mortality tables were used for males and females. Mortality rates were adjusted for future mortality improvements using projection scale MP-2020 from 2010.

Table	Scaling Factor	
	Males	Females
Healthy Annuitant	105%	105%
Disabled Annuitant	104%	104%
Employee Mortality	100%	100%

## Schedule of Selected Information

for the Five-Year Period Ended June 30, 2024

	2024	2023	2022	2021	2020
Total Assets	\$ 22,924,220,863	\$ 21,177,931,966	\$ 20,501,229,577	\$ 22,005,819,561	\$ 17,272,901,062
Total Deferred Outflows of Resources	262,602	493,831	685,899	1,034,149	1,310,404
Total Liabilities	563,776,543	501,713,964	820,378,162	537,941,055	371,416,146
Total Deferred Inflows of Resources	1,475,538	1,659,915	2,070,062	139,784	719,096
Net Position Restricted for Pension Benefits	22,359,231,384	20,675,051,918	19,679,467,252	21,468,772,871	16,902,076,224
Total Additions (Losses)	3,178,594,661	2,429,539,015	(398,007,308)	5,891,652,600	433,570,198
Total Deductions	1,494,415,195	1,433,954,349	1,391,298,311	1,324,955,953	1,273,115,747



# Investments



November 4, 2024

Board of Trustees  
Arkansas Teacher Retirement System  
1400 West Third Avenue  
Little Rock, AR 72201

### Market Overview

Fiscal Year 2024 generally resulted in a strong year for risk assets, though it kicked off with downward pressure on both equities and bonds. The year began with the U.S. Congress narrowly avoiding a government shutdown with a last-minute deal to extend the government funding until mid-November. This prompted credit rating agency Fitch to downgrade the U.S. debt rating from AAA to AA+ in August 2023. Continued monetary policy tightening across the globe was perhaps the single most impactful market mover however to start Fiscal Year 2024. The U.S. Federal Reserve ("Fed"), along with other central banks, continued to raise rates to try and combat rising inflation. July saw the last rise in the current rate hike cycle by the Fed, increasing the interest rate by 25 basis points (bps) to a range of 5.25% - 5.50%, marking the highest level in more than 22 years. The last rate hike in July initially put pressure on markets, but ultimately remained unchanged throughout the remainder of the fiscal year as the Fed adopted a "wait and see" approach to the movement of inflation. In November, Moody's downgraded their U.S. credit outlook to "negative" as a response to higher rates and increasing pressure mounted on U.S. debt affordability. On a global scale, volatility increased as geopolitical unrest continued in the middle east with the surprise attack in October from Hamas in Israel, forcing the Israeli Prime Minister to declare the nation "at war".

Headline U.S. inflation continued to show a downward trajectory from the highs set in late 2022 (fiscal year 2023) but spent all fiscal year 2024 range bound between 3 and 4 percent, which was above the Fed's stated target of 2 percent in order to enact monetary policy changes. However, backed by signs of slowing labor market growth towards the end of the fiscal year, markets began to increase expectations of a rate cut for September 2024. This was primarily driven by a decrease in the number of jobs being added, as well as the unemployment rate ending fiscal year 2024 at 4.1%, marking the highest unemployment rate since November 2021.

Despite an initial quarter of negative returns across equities and bonds to start the fiscal year, markets rebounded in the fourth quarter of 2023 as the U.S. economy continued to show signs of

resiliency. The Artificial Intelligence ("A.I.") hype boosted the U.S. tech giants, also referred to as the "Magnificent 7" (Microsoft, Apple, Meta, Alphabet, NVIDIA, Amazon, Tesla) and drove the S&P 500 Index to exceed the 5000 level for the first time in the Index's history in early 2024. The U.S. government passed a \$1.2 trillion spending bill in March 2024, helping to keep the government funded through fiscal year 2024 and providing support for U.S. defense and infrastructure. Market sentiment on the number of rate cuts began to diminish as 2024 progressed, as the Fed maintained its stance on continuing to monitor inflation and showed no signs of haste to cut interest rates.

Although there was increased volatility throughout fiscal year 2024, equities continued to perform strong and persistent. Global equities, defined by the MSCI All Country World IMI Index, rose 18.4% for the year ending June 30, 2024. Growth continued its rally as it outperformed Value over the year, 25.0% vs 14.8%, measured by MSCI All Country World Growth and Value Indices, respectively. Developed markets, both the U.S. and non-U.S. performed strongly as they generated returns of 20.2% and 11.2%, as measured by the MSCI World Index and the MSCI World ex USA Index. Emerging Markets slightly outperformed developed int'l markets returning 12.5% in USD terms. With expectations of rate cuts soon, yields began to decline near the end of the fiscal year having a slightly positive impact on investment grade returns. The Bloomberg Aggregate Bond Index returned 2.6% for the fiscal year, while high yield bonds performed well in a mostly risk-on environment and returned 10.4%, as measured by Bloomberg U.S. High Yield Index. Alternative markets generated mixed results over the year, as core real estate generated negative results, broadly private equity started to see greater activity and other areas, such as infrastructure and private debt, generally produced favorable returns. Overall, it was a strong year for total return investors.

### Overview of ATRS Fund Structure

The ATRS portfolio is well-diversified across several asset classes, including global public equities, fixed income, alternative investments, real assets, and private equity. The asset allocation is a long-term Policy determined through periodic asset-liability studies and assessments of risk and liquidity needs. Within

these asset classes, the investments are diversified across investment types, styles, regions and vintage years. A variety of investment firms are employed within each category to minimize manager- and firm-specific risks. We continue to believe the diversification and overall risk level of the portfolio is appropriate given the goals and objectives of the ATRS.

During the 2024 fiscal year, the Board approved a five-percentage point shift from public equity to fixed income with the goal of modestly improving the portfolio's efficiency. The approval included shifting from 15% to 20% exposure to Fixed Income with

a corresponding shift of 53% to 48% exposure to Total Equity. Due to the current and expected higher interest rate environment, the move is expected to modestly reduce the Total Fund's volatility while maintaining similar expected returns over the long term. Implementation of the newly approved policy was completed after fiscal year-end during the third quarter of 2024.

Aon and the ATRS Investment Team continue to regularly review the portfolio allocation, structure and manager line-up, and evaluate additional types of strategies in order to best position the fund to achieve its investment objectives.

**ATRS Performance Overview (annualized returns)**

Periods ending 6/30/2024	1 Year		3 Year		5 Year	
	Return	Rank	Return	Rank	Return	Rank
<b>Total Fund</b>	<b>11.4%</b>	<b>18</b>	<b>5.4%</b>	<b>7</b>	<b>8.8%</b>	<b>7</b>
Performance Benchmark	15.3	1	5.3	7	9.4	1
<b>Total Equity</b>	<b>19.5</b>	<b>31</b>	<b>6.2</b>	<b>25</b>	<b>10.6</b>	<b>39</b>
Performance Benchmark	20.1	29	5.8	28	11.5	28
<b>Total Fixed Income</b>	<b>3.9</b>	<b>--</b>	<b>-0.9</b>	<b>--</b>	<b>1.3</b>	<b>--</b>
Performance Benchmark	3.5	--	-2.7	--	0.1	--
<b>Total Opportunistic/Alternatives</b>	<b>12.7</b>	<b>--</b>	<b>6.8</b>	<b>--</b>	<b>5.0</b>	<b>--</b>
Custom Alternatives Benchmark	8.7	--	4.4	--	4.3	--
<b>Total Real Assets<sup>1</sup></b>	<b>-2.4</b>	<b>--</b>	<b>4.8</b>	<b>--</b>	<b>4.6</b>	<b>--</b>
Total Real Assets Benchmark	-3.9	--	5.7	--	4.8	--
<b>Total Private Equity<sup>1</sup></b>	<b>1.5</b>	<b>--</b>	<b>6.5</b>	<b>--</b>	<b>11.1</b>	<b>--</b>
Private Equity Policy	31.9	--	11.8	--	16.5	--

<sup>1</sup>Returns for Private Markets are calculated using Time-Weighted Rate of Returns (TWRs) and are reported on a one-quarter lag.

The Total Fund ended the 2024 fiscal year with approximately \$22.4 billion, representing an increase of approximately \$1.6 billion over the year. Investment gains of approximately \$2.4 billion drove the strong increase in assets. The year brought strong returns across public equity markets, driving returns for the Total Fund to 11.4%, net-of-fees. Total Equity returned 19.5% and the Opportunistic/Alternatives portfolio returned 12.7%, both of which buoyed more modest results across the rest of the portfolio. On a relative basis, the Total Fund trailed its performance benchmark as Private Equity, which is reported on a one quarter lag, fared worse than its public market benchmark during the period as public equities posted robust returns for the fiscal year. Fixed Income, Real Assets and the Opportunistic/Alternatives portfolios each outperformed their respective

benchmarks over the year. Relative to a peer group of U.S. Public Pension Plans with assets over \$1 billion, the ATRS portfolio ended the year ranking in the top quartile of its peer group. Longer-term performance also remains positive, as the Total Fund returned an annualized 8.8% over the five-year period and 8.1% over the ten-year period, and ranked in the top decile of the peer universe over the three-, five- and ten-year periods.

The Total Equity portfolio, which provides exposure to U.S. and International equity markets, returned 19.5% over the year and drove the strong absolute performance of the Total Fund. On a relative basis, the ATRS Total Equity portfolio trailed its benchmark return of 20.1%, primarily due to a bias to small cap securities which continued to trail their medium and larger



cap counterparts in fiscal year 2024. Longer-term absolute performance remains strong, as Total Equity returned an annualized 10.6% and 9.5% return over the trailing 5-year and since inception (7/2015) periods, respectively.

The ATRS Fixed Income portfolio returned 3.9% over the fiscal year and outperformed its benchmark, the Bloomberg Universal Index, by approximately 40 bps. The ATRS portfolio benefitted from both less interest rate sensitivity as interest rates remained volatile and ended the year slightly higher than where they began, and from exposure to return-seeking sectors (example, high yield) in the mostly risk-on environment. Despite muted longer-term performance of 1.3% and 2.4% over the trailing 5- and 10-year periods, respectively, ATRS's fixed income portfolio added an annualized 1.2 and 0.8 percentage points of value-add above its benchmark over each respective time period.

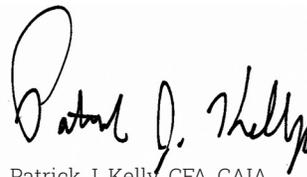
The opportunistic/alternatives portfolio produced a strong absolute return of 12.7% for the fiscal year, while also outperforming its benchmark by 4.0 percentage points. Strong returns were widespread across activist, equity insurance risk premium, global macro, and opportunistic and distressed credit strategies, and on both an absolute and relative basis. During the year, ten out of fourteen strategies outperformed their respective benchmarks. It is also important to note that this portfolio has many strategies early in their investment lives as there have been several enhancements made to this portfolio over recent years. Longer-term performance is positive, as the portfolio has outperformed its benchmark over the trailing 3-, 5-, 10-year and since inception (5/2011) time periods.

The real assets category, which includes real estate, timber, agriculture, and infrastructure, declined by 2.4% during the fiscal year, modestly outperforming its performance benchmark which was down 3.9%. The real estate allocation, which is approximately 57% of the portfolio, declined 7.8%, outperforming its benchmark return of -12.0%. The infrastructure portfolio, still relatively young, returned 6.7% over the year and underperformed its benchmark return of 8.6%. Timber returned 4.5%, trailing its benchmark return of 9.8%, while Agriculture returned 4.3% and outperformed its benchmark return of 3.6%. Over the long-term, the real assets portfolio has been additive from both an absolute and relative perspective.

The ATRS private equity portfolio returned 1.5% on a time-weighted return basis during the fiscal year. The portfolio notably underperformed its public equity benchmark (U.S. equity stock market plus 2% annually on a one quarter lag), which returned 31.9% for the 2024 fiscal year. Over the long-term, the private equity portfolio has exceeded this performance benchmark by an annualized 0.6 percentage points, earning 12.2% since inception (4/1997).

We are pleased to report on the great success of the ATRS portfolio and feel it is well positioned going-forward to achieve its long-term goals.

Sincerely,



Patrick J. Kelly, CFA, CAIA  
Partner



Katie Comstock  
Partner

## Investment Policies and Procedures

Amended: October 4, 2010 | February 7, 2011 | June 3, 2013 | October 7, 2013 | February 17, 2014 | June 1, 2015  
 April 21, 2016 | November 13, 2017 | April 1, 2019 | February 3, 2020 | December 7, 2020 | June 7, 2021 | September 25, 2023 | February 5, 2024

### Statement Of Investment Policy

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, hereinafter "Board" may take appropriate levels of risk to earn higher levels of investment return.

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, hereinafter, "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.

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 members of the System.

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.

The System shall manage those assets not specifically allocated to investment managers. No investment shall be made without an investment consultant's 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.

### Divestment of Direct Holdings Held with Certain Financial Services Providers

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.

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.

### Investments in Countries of Concern

In order to comply with Arkansas Code § 25-1-1201 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:

- Owned in whole or with a majority ownership by the government of the People's Republic of China; or
- 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.

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.

## Investment Policies and Procedures (Continued)

### Standard of Care

The standard of care for the Board and Executive Director of the assets of the System is: 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.

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. In addition, the Executive Director may delegate certain duties to the System's investment staff without relieving the Executive Director from the ultimate responsibility.

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.

Each party serving in a fiduciary capacity for the trust shall apply the standard of care set forth herein.

### Asset Allocation

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:

Asset Category	Minimum*	Target	Maximum*
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

## Investment Policies and Procedures (Continued)

### Rebalancing

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.

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.

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.

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.

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.

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.

### Investment Manager Selection

The System may hire and retain individual investment

managers to implement the System's investment strategy. 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.

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.

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.

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.

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.

### Goals

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 non-marketable 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.

## Investment Policies and Procedures (Continued)

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.

### Total Equity

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. 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.

### Fixed Income

The manager structure of the aggregate fixed income portfolio's risk exposure should resemble the aggregate domestic fixed income market as measured by the 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.

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 U.S. Universal Bond Index over a full market cycle (approximately five years).

### Opportunistic/Alternative Investments

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.

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.

### Real Assets

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:

- 10% Real Estate
- 2% Timber
- 1% Agriculture
- 2% Infrastructure

The total target of the asset class will be 15%. Because this category may include illiquid investments made through closed

## Investment Policies and Procedures (Continued)

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

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.

### Private Equity

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.

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).

### Cash Equivalents

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.

The System's cash management goal shall be to preserve capital and maintain liquidity.

### Arkansas-Related Investments

The System may initiate Arkansas-related mortgage loans,

## Investment Policies and Procedures (Continued)

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.

### Commingled or Mutual Funds

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.

### Derivatives

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.

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.

### Loaning of Securities

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.

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 over-collateralization of securities loans.

### Securities Lending Reinvestment Guidelines

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.

The collateral pool should also maintain a reasonable level of overnight liquidity in order to allow for the smooth recall of securities over time.

### Investment Manager Reporting

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.

### Roles

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.

### Proxies

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.

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

## Investment Policies and Procedures (Continued)

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.

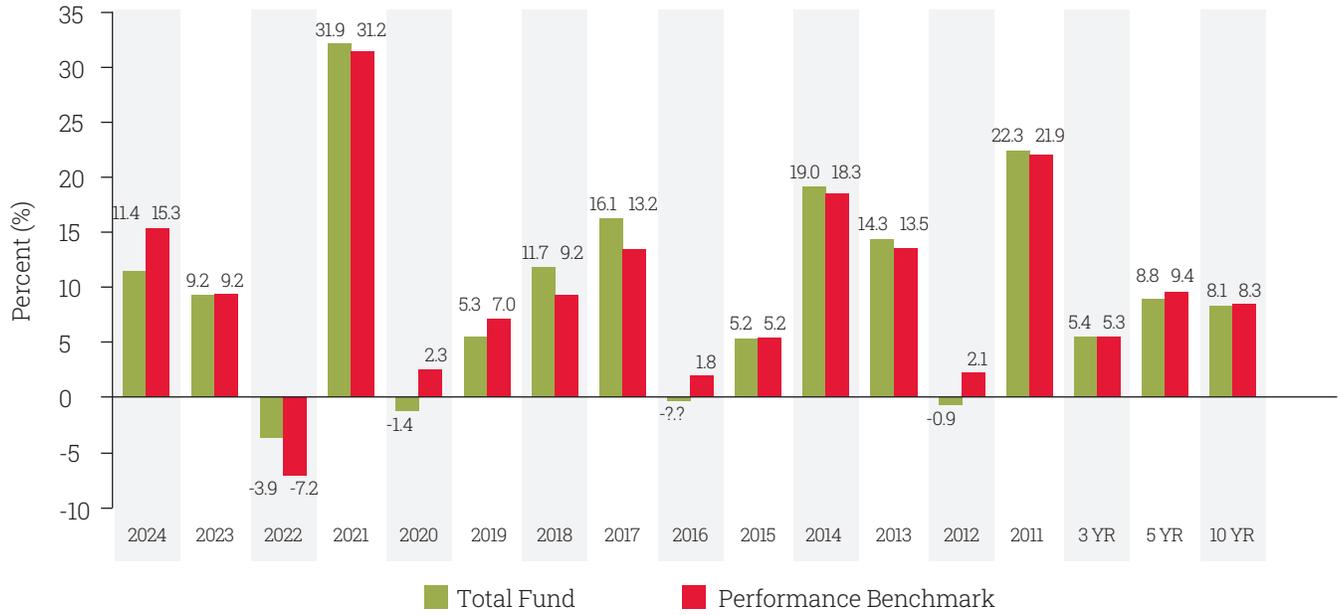
The System authorizes the investment manager to vote all proxies related to stocks in which it invests the System's assets. The System requires the investment manager to vote all proxies in a manner that complies with Arkansas Code § 24-2-801 et seq. The System requires the investment manager to cast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

### Soft Dollars

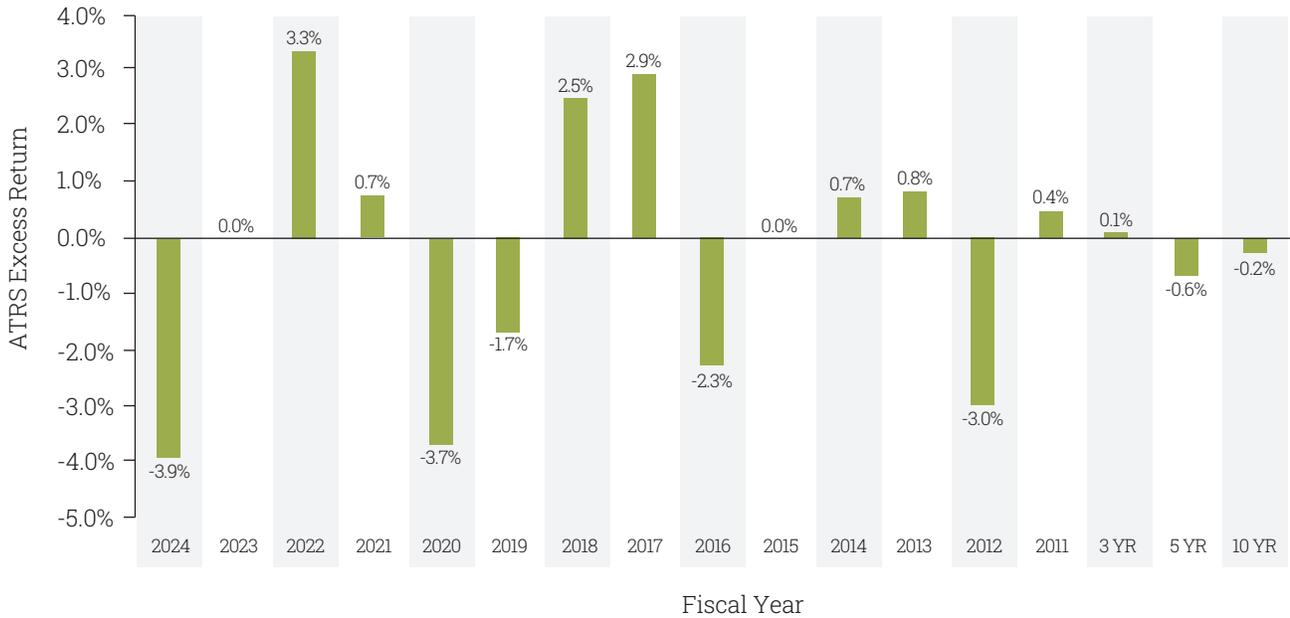
Commissions paid by investment managers for the purchase of

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.

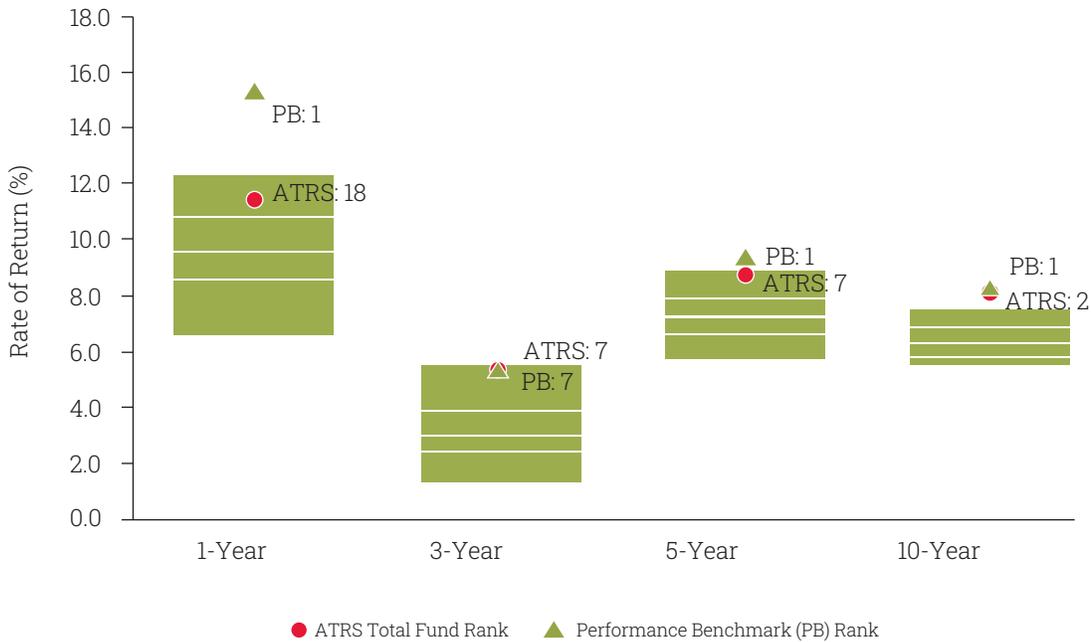
**ATRS Total Fund Fiscal Year Returns vs. Performance Benchmark: Periods Ending June 30th**



**ATRS Total Fund Returns Relative to Performance Benchmark: Periods Ending June 30th**



**ATRS Total Fund Ranks: Periods Ending June 30, 2023**  
**Universe of U.S. Public Defined Benefit Plan with over \$1 billion in AUM**



## Traditional Assets | Schedule of Investment Results

Returns for Period Ending June 30, 2024

The table below details the rates of return for the System's investment managers over various time periods ending June 30, 2024. The Appendix at the end of this document provides a description of the benchmarks used for each manager as of the end of the fiscal year.

Public Equity	1-Year	3-Years	5-Years
Pershing Square Holdings	47.9	14.5	26.3
<i>Dow Jones U.S. Total Stock Market Index</i>	<i>23.2</i>	<i>7.9</i>	<i>14.0</i>
Trian Partners	12.2	2.5	7.0
Trian Co-Investments	25.2	11.0	12.2
<i>S&amp;P 500 Index</i>	<i>24.6</i>	<i>10.0</i>	<i>15.0</i>
Jacobs Levy 130/30	28.7	19.4	20.7
<i>Russell 3000 Index</i>	<i>23.1</i>	<i>8.1</i>	<i>14.1</i>
Kennedy Capital Management	10.8	1.3	8.5
<i>Russell 2000 Value Index</i>	<i>10.9</i>	<i>-0.5</i>	<i>7.1</i>
Stephens	14.5	-1.2	7.9
<i>Russell 2000 Growth Index</i>	<i>9.1</i>	<i>-4.9</i>	<i>6.2</i>
Voya Convertibles	5.9	-2.4	10.5
<i>Performance Benchmark</i>	<i>6.2</i>	<i>-2.3</i>	<i>9.4</i>
Voya Absolute Return	22.2	6.7	11.5
<i>Performance Benchmark</i>	<i>19.4</i>	<i>5.4</i>	<i>10.8</i>
Arrowstreet	31.4	--	--
SSgA Global Index	18.5	4.9	10.7
BlackRock MSCI ACWI IMI Fund	18.8	5.1	10.7
<i>MSCI AC World IMI (Net)</i>	<i>18.4</i>	<i>4.7</i>	<i>10.4</i>
T. Rowe Price Global Equity	24.0	2.0	14.6
Lazard	20.0	-0.5	8.1
<i>MSCI ACWI Index (Net)</i>	<i>19.4</i>	<i>5.4</i>	<i>10.8</i>
Harris Global Equity	5.9	1.3	8.8
<i>MSCI World Index (Net)</i>	<i>20.2</i>	<i>6.9</i>	<i>11.8</i>
Wellington Global Perspectives	11.8	1.7	8.2
<i>Performance Benchmark</i>	<i>10.6</i>	<i>-0.8</i>	<i>7.3</i>

## Traditional Assets | Schedule of Investment Results (Continued)

The table that follows details the rates of return for the System's investment managers over various time periods ending June 30, 2024.

<b>Fixed Income</b>	<b>1-Year</b>	<b>3-Years</b>	<b>5-Years</b>
BlackRock	3.4	-2.8	0.2
<i>Performance Benchmark</i>	<i>3.5</i>	<i>-2.7</i>	<i>0.1</i>
Reams Core Plus Bond Fund	2.6	-2.0	2.0
SSgA Aggregate Bond Index	2.7	-3.0	-0.2
<i>Barclays Aggregate Index</i>	<i>2.6</i>	<i>-3.0</i>	<i>-0.2</i>
Loomis Sayles	7.1	-1.1	2.6
<i>Performance Benchmark</i>	<i>5.4</i>	<i>-1.4</i>	<i>1.4</i>
Wellington Global Total Return	6.2	4.9	3.7
<i>BofA Merrill Lynch 3 Month US T-Bill</i>	<i>5.4</i>	<i>3.0</i>	<i>2.2</i>

## Alternatives | Schedule of Investment Results

The table that follows details the rates of return for the System's investment managers over various time periods ending June 30, 2024.

Opportunistic/Alternatives	1-Year	3-Years	5-Years
Anchorage	6.1	4.3	5.9
York	19.6	13.8	-3.2
<i>Credit Suisse Event Driven</i>	<i>11.0</i>	<i>3.4</i>	<i>5.6</i>
Capula	8.2	8.8	7.7
Graham	14.9	13.8	12.1
<i>HFRI Macro (Total) Index</i>	<i>5.9</i>	<i>4.4</i>	<i>5.7</i>
Circumference Group Core Value	4.7	3.1	8.0
<i>Russell 2000 Index</i>	<i>10.1</i>	<i>-2.6</i>	<i>6.9</i>
Aelous Keystone Fund	4.4	2.2	2.3
Pillar Opportunity	17.9	--	--
<i>FTSE 3 Month T-Bill</i>	<i>5.6</i>	<i>3.2</i>	<i>2.2</i>
Parametric Global Defensive Equity	12.7	6.2	7.1
<i>Performance Benchmark</i>	<i>12.6</i>	<i>4.6</i>	<i>6.8</i>
Man Alternative Risk Premia	15.3	11.9	5.8
<i>SG Multi Alternative Risk Premia Index</i>	<i>10.9</i>	<i>7.0</i>	<i>2.2</i>
CFM Systematic Global Macro Fund	7.4	--	--
<i>HFRI Macro: Systematic Diversified Index</i>	<i>4.4</i>	--	--
Chatham PDSC III	17.7	--	--
Chatham PDSC IV	19.3	--	--
<i>HFRI Event Driven (Total) Index</i>	<i>10.8</i>	--	--
Silver Point Capital Fund	10.3	--	--
<i>HFRI ED: Distressed/Restructuring Index</i>	<i>10.3</i>	--	--
Prophet Mtg. Service Opportunities	19.3	--	--
<i>Credit Suisse Hedge Fund Index</i>	<i>11.0</i>	--	--

## Real Assets | Schedule of Investment Results

The table that follows details the rates of return for the System's investment active managers for the period ending June 30, 2024.

Real Estate Manager	Since-Inception IRR	Inception Date	Real Estate Manager (Continued)	Since-Inception IRR	Inception Date
<b>Core &amp; Open End Funds</b>			<b>Closed End Funds (Continued)</b>		
Arkansas Investments	8.0%	12/31/2007	Kayne Anderson Real Estate Partners V	10.0%	6/15/2018
JP Morgan Strategic Property Fund	6.1%	2/5/2007	Kayne Anderson Real Estate Partners VI	10.7%	6/4/2021
MetLife Commercial Mortgage Income Fund, LP	2.7%	7/1/2019	Landmark Real Estate Fund VI	18.5%	6/30/2010
Prime Property Fund	-5.5%	3/31/2022	Landmark Real Estate Fund VIII	12.1%	8/2/2017
Prudential PRISA	5.8%	6/30/2005	Landmark Real Estate Fund IX	N/M	12/31/2021
RREEF Core Plus Industrial Fund	-3.3%	9/30/2021	LaSalle Asia Opportunity Fund IV	31.8%	7/22/2014
UBS Trumbull Property Fund	4.9%	3/31/2006	LaSalle Asia Opportunity V	6.1%	9/30/2017
UBS Trumbull Property Income Fund	3.6%	7/3/2017	LaSalle Asia Opportunity VI	-99.2%	3/31/2022
<b>Close End Funds</b>			LaSalle Income & Growth Fund VI	8.1%	7/16/2013
Almanac Realty Securities V, LP	11.9%	5/12/2008	LaSalle Income & Growth Fund VII	-1.3%	6/30/2017
Almanac Realty Securities VI	8.2%	11/20/2012	LaSalle Income & Growth Fund VIII	9.1%	2/26/2020
Almanac Realty Securities VII	10.2%	4/24/2015	LaSalle Value Partners U.S. IX	NM	7/1/2023
Almanac Realty Securities VIII	8.4%	12/21/2018	LBA Logistics Value Fund IX	-7.3%	2/22/2022
Almanac Realty Securities IX	-7.5%	6/13/2022	Lone Star Real Estate Fund IV	7.5%	10/1/2015
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	12.0%	11/20/2019	Lone Star Real Estate Fund VII	N/M	4/30/2023
Blackstone Real Estate Partners VII	14.5%	2/6/2012	Long Wharf Real Estate Partners V	6.3%	11/20/2015
Blackstone Real Estate Partners X	-23.8%	6/30/2022	Long Wharf Real Estate Partners VI, L.P.	15.9%	3/30/2020
Calmwater Real Estate Credit Fund III	6.8%	12/27/2017	Mesa West Real Estate Income Fund V	4.4%	11/8/2021
Carlyle Realty Partners IX	-19.4%	6/30/2021	Metropolitan Real Estate Partners Co-Investments Fund, L.P.	8.1%	12/30/2015
Carlyle Realty Partners VII	13.2%	7/15/2014	O'Connor North American Property Partners II, L.P.	-3.6%	4/10/2008
Carlyle Realty Partners VIII	25.0%	6/29/2018	PGIM Real Estate Capital VII (USD Feeder)	9.7%	1/28/2021
CBRE Strategic Partners U.S. Opportunity 5	5.4%	8/13/2008	Rockwood Capital Real Estate Partners Fund IX	9.4%	12/27/2012
CBRE Strategic Partners U.S. Value 8	1.3%	9/30/2016	Rockwood Capital Real Estate Partners Fund XI	-3.5%	12/18/2019
CBRE Strategic Partners U.S. Value 9	-8.4%	7/20/2020	Torchlight Debt Opportunity Fund IV	8.9%	7/19/2013
Cerberus Institutional Real Estate Partners III	13.0%	10/3/2013	Torchlight Debt Opportunity Fund V	10.0%	6/29/2015
FPA Core Plus Fund IV	7.3%	9/10/2018	Torchlight Debt Opportunity Fund VI	7.6%	2/12/2018
GLP Capital Partners IV	4.4%	9/28/2021	Torchlight Debt Opportunity Fund VII	4.3%	7/16/2020
Harbert European Real Estate Fund IV	-1.9%	6/30/2016	Walton Street Real Estate Debt Fund II, L.P.	7.0%	6/28/2019
Heitman European Property Partners IV	-3.9%	12/15/2008	Westbrook Real Estate Fund IX	5.2%	6/11/2013
			Westbrook Real Estate Fund X	4.0%	7/18/2016
			<b>Total Real Estate</b>	<b>7.1%</b>	<b>5/28/1997</b>

## Real Assets | Schedule of Investment Results (Continued)

The table that follows details the rates of return for the System's investment active managers for the period ending June 30, 2024.

<b>Timber &amp; Agriculture</b>	<b>Since-Inception IRR</b>	<b>Inception Date</b>
BTG Timber Separate Account	5.2%	2/18/1998
BTG Pactual Open Ended Core U.S. Timberland Fund	9.2%	12/30/2019
HFMS Farmland Separate Account	6.5%	4/22/2011
UBS Agrivest Core Farmland Fund	5.4%	4/1/2015

<b>Infrastructure</b>	<b>Since-Inception IRR</b>	<b>Inception Date</b>
Antin Infrastructure Partners II, L.P.	13.1%	7/3/2014
AxInfra NA II LP	9.2%	3/1/2021
DIF Infrastructure Fund V, L.P.	7.1%	6/5/2018
DIF Infrastructure Fund VII, L.P.	-1.6%	12/31/22
EnCap Energy Transition Fund	-14.3%	2/1/2024
Global Energy & Power Infrastructure Fund II	10.1%	12/23/2014
Global Infrastructure Partners III, L.P.	9.4%	5/18/2016
IFM Global Infrastructure Fund (US), L.P.	9.6%	10/1/2018
ISQ Global Infrastructure Fund III	12.7%	12/30/2021
KKR Global Infrastructure Investors II, L.P.	16.9%	12/18/2014
KKR Diversified Core Infrastructure Fund	7.1%	4/1/2022
Macquarie Infrastructure Partners III, L.P.	18.7%	2/13/2015
Macquarie Infrastructure Partners V, L.P.	11.2%	12/16/2020

## Private Equity | Schedule of Investment Results

The table that follows details the rates of return for the System's investment active managers for the period ending June 30, 2024.

	Annualized Internal Rate of Return*	Inception Date		Annualized Internal Rate of Return*	Inception Date
<b>Individual Partnerships</b>			<b>Private Equity (Continued)</b>		
Audax Mezzanine III	9.7%	5/10/2010	Clearlake VIII	1/30/2024	NMF
Big River - Mezzanine	17.3%	6/27/2014	Court Square III	7/17/2012	20.9%
Blackstone Mezzanine I	10.2%	12/22/1999	CSFB-ATRS 2005-1 Series	5/1/2005	7.5%
DLJ Investment II	10.4%	11/10/1999	CSFB-ATRS 2006-1 Series	8/1/2006	10.1%
Greyrock IV	12.4%	12/30/2016	Cypress MBP II	6/18/1999	-0.5%
Greyrock V	8.8%	4/15/2020	DH Tech I	1/12/2000	-16.5%
Greyrock VI	NMF	3/8/2023	Diamond State	4/15/2000	5.5%
Insight Mezzanine I	6.5%	7/13/2009	Diamond State II	1/4/2007	12.2%
			DLJ MBP III	7/19/2000	19.4%
<b>Private Equity</b>			Doughty Hanson III	10/20/1997	13.5%
21st Century Group I	4/6/2000	-3.8%	DW Healthcare III	12/21/2011	18.8%
Advent GPE VI-A	3/12/2008	16.4%	DW Healthcare IV	12/21/2015	17.6%
Alpine Investors IX	12/20/2022	NMF	DW Healthcare V	7/22/2019	15.8%
Alpine Investors VIII	8/13/2021	22.9%	EnCap IX	12/19/2012	11.0%
Altaris Constellation	7/20/2016	24.7%	EnCap VIII	1/31/2011	0.5%
Altaris IV	6/30/2017	26.8%	EnCap X	4/7/2015	15.7%
Altus Capital II	6/3/2011	13.3%	EnCap XI	3/6/2017	20.6%
American Industrial VI	9/30/2015	24.3%	Enlightenment Capital Solutions V	7/25/2024	NMF
American Industrial VII	3/29/2019	21.5%	FP CF Access	7/31/2019	21.1%
Arlington IV	7/29/2016	22.5%	FP CF Access II	2/4/2022	5.0%
Arlington V	5/3/2019	28.2%	FP Co-Invest VI	2/24/2023	NMF
Arlington VI	4/29/2022	NMF	FP Intl 2011	2/16/2011	9.1%
Atlas Capital II	12/13/2013	19.3%	FP Intl 2012	1/31/2012	7.1%
ATRS-FP PE	4/1/2012	19.4%	FP Intl 2013	2/7/2013	8.1%
Big River - Equity	6/27/2014	15.0%	FP Intl 2014	1/23/2014	12.8%
Big River - Funding	1/31/2017	4.3%	FP Intl 2015	1/23/2015	9.3%
Big River - Holdings Note	8/23/2017	11.0%	FP Intl 2016	1/21/2016	6.6%
Big River - Holdings Note 2023	3/13/2018	5.6%	FP Intl 2017	3/1/2017	15.7%
Big River - Holdings Note 2023-2	9/14/2018	6.5%	FP Intl 2018	2/15/2018	9.2%
Big River - Preferred Equity	8/23/2017	12.5%	FP Intl 2019	3/27/2019	37.1%
Big River - Sr Secured Debt	6/27/2014	14.7%	FP Intl X	3/27/2020	10.8%
Bison V	6/30/2016	13.0%	FP Intl XI	1/14/2022	-42.9%
Bison VI	12/23/2021	10.4%	FP Venture Opp	1/7/2022	-2.8%
Blue Oak Arkansas	3/26/2014	-34.8%	FP Venture XIII	2/7/2020	8.3%
Boston Ventures VII	12/14/2007	2.8%	FP Venture XIV	1/7/2022	-8.9%
BV IX	4/7/2017	29.2%	FP Venture XV	2/19/2024	NMF
BV VIII	8/15/2014	44.4%	FP Venture 2008	1/18/2008	17.9%
BV X	2/28/2020	41.0%	FP Venture 2009	1/16/2009	16.7%
BV XI	7/1/2022	NMF	FP Venture 2010	1/29/2010	15.2%
Beekman V	1/11/2024	NMF	FP Venture 2011	2/16/2011	34.3%
Castlelake II	5/4/2012	5.9%	FP Venture 2012	1/31/2012	19.7%
Castlelake III	2/28/2014	6.4%	FP Venture 2013	2/7/2013	22.8%
Clearlake V	1/12/2018	38.6%	FP Venture 2014	1/23/2014	18.6%
Clearlake VI	12/10/2019	21.7%	FP Venture 2015	1/23/2015	10.2%
Clearlake VII	10/29/2021	6.9%	FP Venture 2016	1/21/2016	17.7%

## Private Equity | Schedule of Investment Results (Continued)

The table that follows details the rates of return for the System's investment active managers for the period ending June 30, 2024.

	Annualized Internal Rate of Return*	Inception Date		Annualized Internal Rate of Return*	Inception Date
<b>Private Equity (Continued)</b>			<b>Private Equity (Continued)</b>		
FP Venture 2017	3/1/2017	17.3%	One Rock II	3/31/2017	10.0%
FP Venture 2018	3/23/2018	15.5%	PineBridge Structured III	12/31/2015	-3.3%
FP Venture 2019	6/25/2019	13.7%	Post Road III	10/3/2023	NMF
Greenbriar V	2/22/2021	10.3%	Revelstoke III	10/1/2021	0.7%
Greenbriar VI	10/17/2022	NMF	Riverside IV	12/4/2009	21.3%
GTLA Holdings	8/30/2018	25.1%	Riverside V	5/11/2012	12.2%
Highland Contingent Note	7/20/2018	5.1%	Riverside VI	7/3/2018	8.3%
Highland Equity	7/28/2016	0.0%	Riverside Value Fund I	3/14/2022	84.2%
Highland Note 2025	9/27/2023	NMF	Siris III	12/11/2014	8.9%
HMTF III	3/4/1997	1.8%	Siris IV	12/22/2017	11.6%
HMTF IV	6/18/1998	-6.1%	SK Capital V	7/5/2018	8.0%
HMTF V	11/28/2000	17.6%	SK Capital VI	3/3/2022	NMF
Hybar LLC	7/31/2023	NMF	Sycamore Partners II	4/7/2014	4.8%
Insight Equity II	7/13/2009	8.3%	Sycamore Partners III	12/21/2017	20.3%
JF Lehman III	8/8/2011	10.8%	TA XI	4/30/2009	26.7%
JF Lehman IV	10/23/2015	35.4%	Tennenbaum VI	2/15/2011	7.3%
JF Lehman V	6/28/2019	19.7%	Thoma Bravo Discover	1/29/2016	35.3%
JF Lehman VI	10/27/2022	NMF	Thoma Bravo Discover II	12/20/2017	24.1%
KPS III Supplemental	8/14/2009	22.8%	Thoma Bravo Discover III	5/29/2020	9.7%
KPS IV	4/12/2013	23.7%	Thoma Bravo Discover IV	4/13/2022	18.6%
KPS Mid Cap II	6/30/2023	NMF	Thoma Bravo Explore I	1/23/2020	24.6%
KPS Mid-Market I	10/15/2019	21.0%	Thoma Bravo Explore II	5/2/2022	NMF
KPS V	10/15/2019	20.1%	Thoma Bravo XI	5/1/2014	26.6%
Levine Leichtman V	4/30/2013	17.2%	Thoma Bravo XII	4/27/2016	16.7%
Lime Rock Resources III	7/16/2013	4.5%	Thoma Bravo XIII	9/24/2018	26.0%
LLR III	5/9/2008	16.5%	Thoma Bravo XIV	5/29/2020	7.0%
LLR VI	9/25/2020	3.9%	Thoma Bravo XV	4/13/2022	12.1%
LLR VII	7/19/2023	NMF	Vista Equity III	7/11/2008	28.5%
Mason Wells III	5/13/2010	20.6%	Vista Foundation II	10/31/2013	14.4%
NGP IX	2/27/2008	10.8%	Vista Foundation III	5/19/2016	20.7%
NGP X	4/20/2012	-0.3%	Wellspring V	7/28/2010	16.1%
NGP XI	9/30/2014	10.4%	Wicks IV	4/29/2011	21.0%
NGP XII	10/2/2017	15.2%	WNG II	6/26/2018	8.6%
Oak Hill I	4/1/1999	10.6%			

\*2022, 2023, and 2024 vintage year funds' performance is deemed not meaningful (NMF).

## 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 and Private Equity at their long-term Policy Targets of 15% and 12%, respectively, and Total Equity at its long-term Policy Target of 53% plus the balance of the unfunded or uncommitted assets of the Opportunistic/Alternatives and Real Assets categories. 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 ATRS portfolio over time. The historical benchmarks used for each asset class are noted below.

Date	DJ U.S. Total Stock Market Index	Russell 3000 Index	MSCI ACW ex-US Index	MSCI ACWI	Bloomberg Barclays U.S. Universal Bond Index	Bloomberg Barclays Aggregate Bond Index	Alternative Policy <sup>1</sup>
03/31/2004 – 09/30/2007	40.0%	--	17.5%	--	25.0%	--	17.5%
07/31/2003 – 02/29/2004	40.0%	--	17.5%	--	--	25.0%	17.5%
10/31/2001 – 06/30/2003	--	40.0%	17.5%	--	--	25.0%	17.5%
08/31/1998 – 09/30/2001	--	40.0%	17.0%	--	--	28.0%	15.0%
10/31/1996 – 07/31/1998	--	40.0%	20.0%	--	--	28.0%	12.0%

<sup>1</sup>Currently, the benchmarks for Real Assets and Opportunistic/Alternatives are included in the Total Fund Performance Benchmark at their actual beginning quarter weights. Prior October 1, 2007, private equity, real estate, and other alternatives (timber) were grouped together in one "Alternatives Asset Class." The Alternative Policy for this asset class was comprised of the weighted average of the Real Estate, Private Equity, and Other 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 South Timberland Index, 28.5% of the Real Estate Index, 6% of the EnnisKnupp STIF Index. After this date, real estate and private equity benchmarks started to report on a one-quarter lag to align with the returns of their asset classes.

**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 June 1, 2024, the Total Equity Performance Benchmark was comprised of 35.4% DJ U.S. Total Stock Market Index and 64.6% MSCI ACWI IMI.

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

**Total Opportunistic/Alternatives** – A custom benchmark consisting of 25% DJ/CS Event-DriveA 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% HFR Macro Index and 40% DJ/CS Event-Driven Index until July 31, 2015; 56% HFR Macro Index, 38% DJ/CS Event-Driven Index, and 6% Russell 2000 Index until March 31, 2016; 45% HFR Macro Index, 30% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 20% Citigroup 3 Month T-bill until May 31, 2016; 37% HFR Macro Index, 25% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 33% Citigroup 3 Month T-bill until May 31, 2017; 28% HFR Macro Index, 20% DJ/CS Event-Driven

Index, 4% Russell 2000 Index, 25% Citigroup 3 Month T-bill, and 23% Parametric Performance Benchmark until May 31, 2018. 22% HFR Macro Index, 18% DJ/CS Event-Driven Index, 3% Russell 2000 Index, 27% FTSE 3 Month T-bill, 18.50% Parametric Performance Benchmark, and 11.5% SG Multi-Alternative Risk Premia Until June 30, 2018. 20% HFR Macro Index, 15% DJ/CS Event-Driven Index, 3.5% Russell 2000 Index, 25% FTSE 3 Month T-bill, 16.5% Parametric Performance Benchmark, and 20% SG Multi-Alternative Risk Premia Until August 31, 2018. 17% HFR Macro Index, 15% DJ/CS Event -Driven Index, 3.5% Russell 2000 Index, 28% FTSE 3 Month T-bill, 16.5% Parametric Performance Benchmark, and 20% SG Multi-Alternative Risk Premia Until November 30, 2018. 15% HFR Macro Index, 15% DJ/CS Event-Driven Index, 3.5% Russell 2000 Index, 30% FTSE 3 Month T-bill, 16.5% Parametric Performance Benchmark, and 20% SG Multi-Alternative Risk Premia thereafter.

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

## Description of Benchmarks (Continued)

**Real Estate** – NFI-ODCE - NCREIF Fund Index Open-end Diversified Core Equity Index.

**Timber 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.

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

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

**Voya 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 (previously Nicholas Applegate) 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.

**BlackRock Performance Benchmark** – The Bloomberg Barclays U.S. Universal Bond Index as of March 1, 2004. Previously it was the Bloomberg 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 Bloomberg Barclays Capital Government/Credit Index and 35% Bloomberg Barclays Capital High Yield Index.

**PIMCO Performance Benchmark** – The Bloomberg Barclays U.S. Universal Bond Index as of March 1, 2004. Previously it was the Bloomberg Barclays Capital Aggregate Bond Index.

**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.

**Bloomberg Aggregate Bond Index** – A market-value weighted index consisting of the Bloomberg 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.

**Bloomberg Government/Credit Index** – The Bloomberg 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.

**Bloomberg High Yield Index** – The Bloomberg 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.

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

**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.

**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.

**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.

## Description of Benchmarks (Continued)

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

**HFR Macro Index** – An index representing 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.

**HFR Distressed/Restructuring Index** – An index representing distressed restructuring strategies which 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.

**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.

**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 Index** – A capitalization-weighted index of stocks representing 46 developed and emerging country markets.

**MSCI Europe, Australasia, Far East (EAFE) Non-U.S. Stock Index** – A capitalization-weighted index of stocks representing 23 developed and emerging country markets in Europe, Australia, Asia and the Far East.

**MSCI World Index** – A capitalization-weighted index of stocks representing 23 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.

**Russell 3000 Index** – An index that measures the performance of the 3000 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 2000 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.

**S&P 500 Stock Index** – A capitalization-weighted stock index consisting of the 500 largest publicly traded U.S. stocks.

**SG Multi Alternative Risk Premia Index** – An equally-weighted peer index representing risk premia managers who employ investment programs diversified across multiple asset classes while utilizing multiple risk premia factors.

**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.

## Description of Universes

**Total Fund** – The Total Fund and its benchmark are ranked in our Public Fund Universe. The universe is calculated based on data provided by BNY Mellon Performance & Risk Analytics, LLC, and includes roughly 90 public pension plans each with assets greater than \$1 billion.

**Total Equity** – The total equity component and its benchmark are ranked in our global equity component universe. The universe is calculated based on data provided by BNY Mellon Performance & Risk Analytics, LLC, and includes over 450 global equity portfolios

**Total Fixed Income** – The total fixed income component and its benchmark are ranked in our fixed income component universe. The universe is calculated based on data provided by BNY Mellon Performance & Risk Analytics, LLC, and includes the fixed income asset class returns of approximately 50 public pension plans each with assets greater than \$1 billion.

# Actuarial





December 10, 2024

Board of Trustees  
 Arkansas Teacher Retirement System  
 1400 West Third Street  
 Little Rock, Arkansas 72201

Dear Board Members:

The basic funding objective of the Arkansas Teacher Retirement System (ATRS) is to establish and receive contributions which:

- When expressed in terms of the percentage of active member payroll, will remain approximately level from generation to generation; and
- When combined with present assets and future investment return, will be sufficient to meet the financial obligations of ATRS to present and future retirees and beneficiaries.

The progress being made toward the realization of the financing objectives of the System through June 30, 2024 is illustrated in the attached Exhibits 1 and 2. Actuarial funding valuations are performed each year and the most recent funding valuations were completed based upon census data, asset data, and plan provisions as of June 30, 2024. In addition to the funding valuation reports, the actuary produces separate financial reporting information in accordance with Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68.

The System’s administrative staff provides the actuary with data for the actuarial valuations. The actuary relies on the census data after reviewing it for internal and year-to-year consistency. The actuary does not audit census data. The actuary summarizes and tabulates population data in order to analyze longer term trends. Asset information was also accepted without audit. The actuary is not responsible for the accuracy or completeness of any information provided by ATRS.

The figures disclosed in the Supplementary Schedules to the Financial Section were provided by Gabriel, Roeder, Smith & Company, as were the Notes to Trend Data. In addition, Gabriel, Roeder, Smith & Company was responsible for the following schedules found in the Actuarial Section:

- Computed Actuarial Liabilities
- Determination of Amortization Period as of June 30, 2024
- Active Members in Valuation Data
- Retirees and Beneficiaries Added to and Removed from Rolls
- Short Condition Test

- Actuarial Gain (Loss) by Risk Area during the Period June 30, 2023 to June 30, 2024
- Summary of Actuarial Assumptions and Methods
- Single Life Retirement Values
- Probabilities of Retirement for Members
- Assumed Duration in T-DROP for Members
- Teachers Separations and Individual Pay Increases
- Support Employees Separations and Individual Pay Increases
- Comments
- Schedule of Retired Members by Benefit Type
- Schedule of Average Benefit Payments

Assets are valued on a market related basis that recognizes each year’s difference between actual and assumed investment return over a closed four-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary and other professionals. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). The assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area. The June 30, 2024 valuations were based upon assumptions that were adopted by the ATRS Board in connection with a study of experience covering the 2015-2020 period.

The Arkansas Teacher Retirement System remains stable with an 84.6% funded position (based on the actuarial value of assets) and an 84.8% funded position based upon the market value of



assets as of June 30, 2024. The amortization period as of June 30, 2024 is 20 years

**Based upon the results of the June 30, 2024 valuations, we are pleased to report to the Board of Trustees that the Arkansas Teacher Retirement System is meeting its basic financial objective of level percent-of-payroll financing.**

Readers desiring a more complete understanding of the actuarial condition of ATRS are encouraged to obtain and read the complete actuarial valuation reports. The complete reports also contain certain very important disclosures mandated by Actuarial Standards of Practice. The material in the Actuarial Section and Financial Sections of this Annual Report contains some, but not all, of the information in the actuarial reports.

Future actuarial measurements may differ significantly from the current measurements presented in this information due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions;

changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law. This information does not contain an analysis of the potential range of such future measurements.

This information was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the information and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This information has been prepared by actuaries who have substantial experience valuing public employee retirement systems. Judith A. Kermans, Heidi G. Barry and Derek Henning are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



Judith A. Kermans, EA, FCA, MAAA



Heidi G. Barry, ASA, FCA, MAAA



Derek Henning, ASA, EA, FCA, MAAA

## Exhibit 1 | Computed Actuarial Liabilities

as of June 30, 2024

Actuarial Present Value of	(1) Total Present Value	Entry Age Actuarial Cost Method	
		(2) Portion Covered by Future Normal Cost Contributions	(3) Accuarial Accrued Liabilities (1)-(2)
Age and service retirement allowances based on total service likely to be rendered by present active members.	\$ 11,391,881,106	\$ 3,002,705,363	\$ 8,389,175,743
Age and service retirement allowances based on total service likely to be rendered by present T-DROP members.	1,835,540,468	38,416,417	1,797,124,051
Vested deferred benefits likely to be paid present active and inactive members.	1,609,061,513	502,563,006	1,106,498,507
Survivor benefits expected to be paid on behalf of present active members.	191,190,410	73,520,558	117,669,852
Disability benefits expected to be paid on behalf of present active members.	228,152,502	115,281,856	112,870,646
Refunds of member contributions expected to be paid on behalf of present active members.	31,261,606	190,740,077	(159,478,471)
Benefits payable to present retirees and beneficiaries.	14,992,397,409	-	14,992,397,409
<b>Total</b>	<b>\$ 30,279,485,014</b>	<b>\$ 3,923,227,277</b>	<b>\$ 26,356,257,737</b>
Funding Value of Assets	22,309,329,958	-	22,309,329,958
<b>Liabilities to be covered by future contributions</b>	<b>\$ 7,970,155,056</b>	<b>\$ 3,923,227,277</b>	<b>\$ 4,046,927,779</b>

## Exhibit 2 | Determination of Amortization Period

Computed as of June 30, 2024 and June 30, 2023

Computed Contributions for	Percents of Active Member Payroll			June 30, 2023 Combined
	June 30, 2024 Teachers	June 30, 2024 Support	June 30, 2024 Combined	
Normal Cost				
Age & Service Annuities	11.33%	7.61%	<b>10.34%</b>	10.24%
Deferred Annuities	1.49%	2.32%	<b>1.71%</b>	1.71%
Survivor Benefits	0.27%	0.19%	<b>0.25%</b>	0.25%
Disability Benefits	0.41%	0.39%	<b>0.40%</b>	0.40%
Refunds of Member Contributions	0.49%	1.25%	<b>0.69%</b>	0.68%
<b>Total</b>	<b>13.99%</b>	<b>11.76%</b>	<b>13.39%</b>	<b>13.28%</b>
Average Member Contributions	6.71%	5.28%	<b>6.33%</b>	6.23%
Net Employer Normal Cost	7.28%	6.48%	<b>7.06%</b>	7.05%
Unfunded Actuarial Accrued Liabilities			<b>7.94%</b>	7.95%
Employer Contribution Rate			<b>15.00%</b>	15.00%
Amortization Years			<b>20</b>	26

The amortization period is the number of years it will take to pay off the unfunded liability of \$4.0 billion, assuming contributions remain at the Fiscal 2025 level. Since 2000, the period has varied from a low of 19 years to a high of over 100 years. If experience in Fiscal Year 2025 is reasonably in line with expectations, the amortization period is likely to increase in the next valuation due to the phase-in of net investment losses.

## Schedule of Active Member Valuation Data

Valuation Date June 30	Active Members in Valuation		Average Annual Pay	
	Number	Annual Payroll (Millions)	Amount	% Change
<b>2024</b>	<b>71,246</b>	<b>\$3,459</b>	<b>\$48,555</b>	<b>3.4%</b>
2023	71,387	3,353	46,963	4.8%
2022	71,378	3,199	44,811	1.8%
2021	70,098	3,086	44,030	5.1%
2020	70,539	2,954	41,884	4.0%
2019	72,164	2,907	40,285	1.5%
2018	72,341	2,872	39,702	1.8%
2017	72,148	2,814	38,997	1.1%
2016	72,232	2,785	38,557	1.2%
2015	72,919	2,777	38,088	2.7%

The information above includes members in T-DROP. The schedule does not include retirees who return to work.

## Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

Year	Estimated Number		Total Retirees	Annual Allowance (Millions)	% Increase in Annual Allowance	Average Annual Allowances
	Added	Removed				
<b>2024</b>	<b>2,879</b>	<b>1,348</b>	<b>56,177</b>	<b>\$1,403.75</b>	<b>4.2%</b>	<b>\$24,988</b>
2023	3,389	1,491	54,646	1,346.62	4.1%	24,643
2022	2,788	1,445	52,748	1,293.75	4.1%	24,527
2021	2,852	1,580	51,405	1,242.70	4.0%	24,175
2020	2,811	1,355	50,133	1,194.82	4.2%	23,833
2019	2,849	996	48,677	1,146.74	4.3%	23,558
2018	2,927	1,195	46,824	1,099.35	5.2%	23,478
2017	2,996	999	45,092	1,044.74	6.2%	23,169
2016	3,272	925	43,095	983.87	7.3%	22,830
2015	3,326	1,056	40,748	916.62	11.5%*	22,495

\* Increased percent due to T-DROP annuities included in 2015..

## Short Condition Test

ATRS' funding objective is to meet long-term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the System will **pay all promised benefits when due -- the ultimate test of financial soundness**. Testing for level contribution rates is the long-term test.

A **short condition test** is one means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with: 1) member contributions on deposit; 2) the liabilities for future benefits to present retired lives; and 3) the liabilities for service already rendered by members. In a system that has been

following the discipline of level percent-of-payroll financing, the liabilities for member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. The larger the funded portion of liability 3, the stronger the condition of the system. Liability 3 being fully funded is unusual, but highly desired.

The schedule below illustrates the history of Liability 3 of the System and is indicative of the ATRS' objective of following the discipline of level percent-of-payroll financing.

Val. Date June 30	(1) Member Contrb.	(2) Retirees and Benef.	(3) Active and Inactive Members (Employer Financed Portion)	Present Valuation Assets	Portion of Present Values Covered by Present Assets			
					(1)	(2)	(3)	Total
\$ Millions								
2015	1,128	9,778	7,230	14,434	100%	100%	49%	80%
2016	1,184	10,430	7,198	15,239	100%	100%	50%	81%
2017#*	1,254	11,337	7,707	16,131	100%	100%	46%	79%
2018#	1,312	11,851	7,772	16,756	100%	100%	46%	80%
2019#	1,377	12,460	7,872	17,413	100%	100%	45%	80%
2020#	1,455	12,890	8,007	18,007	100%	100%	46%	81%
2021#*	1,544	13,596	8,847	19,343	100%	100%	48%	81%
2022#	1,648	14,044	9,005	20,328	100%	100%	51%	82%
2023#	1,751	14,511	9,330	21,015	100%	100%	51%	82%
<b>2024</b>	<b>1,863</b>	<b>14,992</b>	<b>9,501</b>	<b>22,309</b>	<b>100%</b>	<b>100%</b>	<b>57%</b>	<b>85%</b>

\* Revised actuarial assumptions or methods.  
# Legislated benefit or contribution rate change.

## Actuarial Gain (Loss) by Risk Area

During the Period July 1, 2023 to June 30, 2024

Type of Risk Area	Gain (Loss) in Period	
	\$ Millions	Percent of Liabilities
<b>Economic Risk Areas</b>		
Pay increases. <b>If there are smaller pay increases</b> than assumed, there is a gain. If greater increases, a loss.	\$ 8.1	0.03%
Gross Investment Return. <b>If there is greater investment</b> return recognition than assumed, there is a gain. If less return recognition, a loss.	517.2	2.02%
<b>Non-Economic Risk Areas</b>		
Retirements. <b>If members retire at older</b> ages, there is a gain. If younger ages, a loss.	(5.4)	(0.02)%
Disability Retirements. <b>If there are fewer disabilities</b> than assumed, there is a gain. If more, a loss.	(0.3)	0.00 %
Death-in-Service Benefits. <b>If there are fewer</b> than assumed, there is a gain. If more, a loss.	(0.5)	0.00 %
Withdrawal. <b>If more liabilities are released by other</b> separations than assumed, there is a gain. If smaller releases, a loss.	39.4	0.15 %
Death After Retirement. <b>If there are more deaths</b> than assumed, there is a gain. If fewer, a loss.	(8.3)	(0.03) %
<b>Actuarial Gain (Loss) During Period</b>	<b>\$ 550.2</b>	<b>2.15%</b>
<b>Beginning of Year Accrued Liabilities</b>	<b>\$ 25,592.0</b>	<b>100.0 %</b>

## Summary of Actuarial Assumptions and Methods

An actuarial valuation is based upon an actuarial cost method, an asset valuation method, and actuarial assumptions. These methods and assumptions are chosen by the Board of Trustees after consultation with the Actuary and other advisors.

The Entry Age Actuarial Cost Method of the valuation was used in determining accrued liabilities and normal cost. This method is consistent with the Board’s level percent-of-payroll funding objective. With this method, the level percent-of-payroll is determined that will fund a member’s retirement benefit over the member’s entire working lifetime, from date of hire (Entry Age) to date of exit from the active member population. T-DROP members are treated as active members. Normal cost runs from the date of entry to the date of retirement. Differences in the past between assumed and actual experience become part of unfunded actuarial accrued liabilities and are amortized with level percent-of-payroll contributions. This cost method was first used in the **June 30, 1986** valuation.

The asset valuation method is a four-year smoothed market value method in which assumed investment return is recognized immediately each year and differences between actual and assumed investment return are phased-in over a closed four-year period. This asset valuation method is intended to give recognition to the long-term accuracy of market values while filtering out and dampening short-term market swings. This method was first used in the **June 30, 1995** valuation. It was modified following the 1997-2002 Experience Study to include an 80% - 120% market value corridor.

The actuarial assumptions used in producing the valuation fall into two broad classes: economic assumptions and demographic assumptions. Economic assumptions refer to long-term rates of investment return, wage growth, covered population growth, and inflation. Demographic assumptions refer to retirement rates, turnover rates, disability rates and mortality rates. The current assumptions are based upon a 2015-2020 study of experience of the Arkansas Teacher Retirement System. The assumptions are reviewed from time to time to keep them reasonably current with expected experience.

### Economic Assumptions

The **price inflation** assumption is 2.50%, although no specific Price Inflation is needed for this valuation. It is assumed that the 3% COLA will always be paid.

The **investment return rate** used in the valuation was 7.25% per year, compounded annually (net after administrative expenses). This rate was first used for the **June 30, 2021** valuation. The

assumed real rate of return over price inflation is 4.75%.

The **wage inflation** assumption is 2.75%. This consists of 2.50% related to pure price inflation and 0.25% related to general economic improvements. This assumption was first used for the **June 30, 2017** valuation.

**Pay increase assumptions** for individual active members are shown in Table VII. Part of the assumption for each service year is for a merit and/or seniority increase, and the other 2.75% recognizes wage inflation. These rates were first used for the **June 30, 2021** valuation.

The Active Member Group (Active, T-DROP, RTW) size is assumed to remain constant at its present level.

**Total active member payroll** is assumed to increase 2.75% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation. This rate was first used for the **June 30, 2017** valuation.

### Non-Economic Assumptions

The mortality tables used were the Pub-2010 General Healthy Retired, General Disabled Retiree and General Employee Mortality amount weighted tables for males and females. Mortality rates were adjusted for future mortality improvements using projection scale MP-2020 from 2010. Related values are shown in Table I. These tables were first used for the **June 30, 2021** valuation.

A limited fluctuation credibility procedure was used to determine the appropriate scaling factor of each gender and each member classification (see the 2015-2020 Experience Study), and are shown below:

	Scaling Factor
Healthy Male Retirees	105%
Healthy Female Retirees	105%
Disabled Male Retirees	104%
Disabled Female Retirees	104%
Male Active Members	100%
Female Active Members	100%

## Summary of Actuarial Assumptions and Methods (Continued)

**The probabilities of retirement** for members eligible to retire are shown in Tables II and III. The rates for full retirement and reduced retirement were first used in the **June 30, 2021** valuation.

**The assumed duration of T-DROP** for present T-DROP members is shown in Table IV.

**The probabilities of withdrawal from service, death-in-service and disability** are shown for sample ages in Tables V and VI. These rates were first used in the **June 30, 2021** valuation.

**The data about persons now covered and about present assets** was furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the actuary. Members whose dates of birth were not supplied were assumed to be 40 years old on the valuation date. Members whose salaries were not supplied and that entered T-DROP were assumed to have the group average pay of those with salary data as of the valuation date that entered T-DROP.

## Table I | Single Life Retirement Values

Sample Attained Ages in 2024	Present Value of \$1.00 Monthly for Life		Present Value of \$1 Monthly for Life Increasing 3.0% Simple Annually		Future Life Expectancy (Years)		Percent Dying within Next Year	
	Male	Female	Male	Female	Male	Female	Male	Female
	40	\$160.03	\$162.55	\$213.61	\$218.42	\$45.45	\$48.45	0.09%
45	155.66	158.89	205.22	211.11	40.21	43.16	0.13%	0.07%
50	149.99	154.08	194.84	202.00	35.10	37.99	0.29%	0.22%
55	143.10	148.30	182.69	191.30	30.23	33.04	0.43%	0.30%
60	134.34	140.66	168.05	177.99	25.52	28.19	0.66%	0.42%
65	123.42	130.67	150.82	161.67	21.04	23.47	0.96%	0.61%
70	109.91	117.95	130.82	142.23	16.79	18.95	1.48%	0.98%
75	93.95	102.44	108.69	120.08	12.89	14.74	2.49%	1.74%
80	76.31	84.72	85.74	96.39	9.46	10.96	4.47%	3.21%
85	58.84	66.25	64.31	73.21	6.67	7.77	8.24%	6.13%
Base	2705 x 1.05	2706 x 1.05	2705 x 1.05	2706 x 1.05				
Projection	964	965	964	965				

\*Rates and life expectancies in future years are determined by the MP-2020 projection scale.

Age	Benefit Increasing 3.0% Simple Annually	Portion of Age 60 Lives Still Alive	
		Male	Female
60	\$100.00	100%	100%
65	115.00	96%	98%
70	130.00	91%	94%
75	145.00	84%	89%
80	160.00	73%	81%
Ref		2705 x 1.05	2706 x 1.05

## Table II | Probabilities of Retirement for Members

**% of Active Participants Retiring with Unreduced Benefits**

Retirement Ages	Education		Support	
	Male	Female	Male	Female
48	8%	7%	8%	8%
49	8%	7%	8%	8%
50	8%	7%	8%	8%
51	8%	7%	8%	8%
52	8%	7%	8%	8%
53	8%	7%	8%	8%
54	8%	7%	8%	8%
55	8%	8%	8%	8%
56	10%	8%	8%	8%
57	10%	10%	8%	11%
58	10%	12%	8%	11%
59	14%	15%	8%	15%
60	17%	18%	13%	15%
61	24%	20%	13%	16%
62	27%	29%	28%	26%
63	27%	26%	25%	20%
64	27%	28%	25%	24%
65	60%	57%	57%	59%
66	60%	57%	47%	49%
67	50%	42%	44%	40%
68	45%	42%	44%	40%
69	45%	42%	44%	40%
70	45%	42%	44%	40%
71	45%	42%	44%	40%
72	45%	42%	44%	40%
73	45%	42%	44%	40%
74	45%	42%	44%	40%
75	100%	100%	100%	100%
Ref	3245	3246	3247	3248

## Table III | Probabilities of Reduced Retirement for Members

Retirement Ages	% of Active Participants Retiring with Reduced Benefits			
	Education		Support	
	Male	Female	Male	Female
45	1.0%	1.0%	2.0%	3.0%
46	1.0%	1.0%	2.0%	3.0%
47	1.0%	1.0%	2.0%	3.0%
48	1.0%	1.0%	2.0%	3.0%
49	1.0%	1.0%	2.0%	3.0%
50	2.0%	2.0%	3.0%	4.0%
51	3.0%	2.0%	3.0%	4.0%
52	3.0%	3.0%	4.0%	4.0%
53	4.0%	4.0%	4.0%	4.0%
54	5.0%	4.0%	5.0%	4.0%
55	6.0%	5.0%	6.0%	4.0%
56	6.0%	5.0%	7.0%	6.0%
57	8.0%	5.0%	7.0%	6.0%
58	9.0%	6.0%	7.0%	6.0%
59	6.0%	6.0%	7.0%	6.0%
Ref	3249	3250	3251	3252

## Table IV | Duration of T-DROP for Members

Present T-DROP members are assumed to remain in T-DROP according to the following table:

Entry Age	Assumed Duration Years
50-56	7
57	6
58	5
59+	4

### T-DROP Participation

It was assumed that active members who are not currently in the T-DROP will participate in the T-DROP to the extent that participating in the T-DROP would provide the highest value of benefits. Members are eligible to participate in the T-DROP for up to 10 years.

## Table V | Teachers Separations from Active Employment Before Age and Service Retirement

		Percent of Active Members Separating within the Next Year					
Sample Ages in 2024	Years of Service	Death*		Disability		Other	
		Male	Female	Male	Female	Male	Female
	0					17.00%	13.00%
	1					13.80%	11.30%
	2					11.30%	10.50%
	3					8.90%	8.30%
	4					6.30%	6.50%
25	5 & up	0.03%	0.01%	0.02%	0.02%	5.80%	6.50%
30		0.05%	0.02%	0.02%	0.02%	4.20%	4.80%
35		0.07%	0.03%	0.02%	0.03%	2.90%	3.20%
40		0.09%	0.04%	0.04%	0.07%	2.00%	2.10%
45		0.11%	0.06%	0.13%	0.17%	1.70%	1.70%
50		0.14%	0.08%	0.31%	0.37%	1.60%	1.70%
55		0.21%	0.12%	0.61%	0.63%	1.60%	1.70%
60		0.32%	0.19%	0.82%	0.89%	1.50%	1.60%
65		0.47%	0.28%	0.82%	0.89%	1.20%	1.30%
Ref		2723 x 1.00	2724 x 1.00	1217 x 1	1218 x 1	1364 1574	1365 1575

\*Rates and life expectancies in future years are determined by the MP-2020 projection scale.

## Table VI | Support Employees Separations from Active Employment Before Age and Service Retirement

		Percent of Active Members Separating within the Next Year					
Sample Ages in 2024	Years of Service	Death*		Disability		Other	
		Male	Female	Male	Female	Male	Female
	0					54.50%	48.50%
	1					29.90%	27.20%
	2					19.80%	19.00%
	3					15.50%	15.30%
	4					12.00%	12.80%
25	5 & up	0.03%	0.01%	0.02%	0.01%	10.60%	9.90%
30		0.05%	0.02%	0.05%	0.03%	7.80%	7.00%
35		0.07%	0.03%	0.10%	0.04%	5.70%	5.10%
40		0.09%	0.04%	0.13%	0.08%	4.40%	4.30%
45		0.11%	0.06%	0.21%	0.16%	3.70%	4.00%
50		0.14%	0.08%	0.45%	0.33%	3.50%	3.90%
55		0.21%	0.12%	0.88%	0.61%	3.50%	3.70%
60		0.32%	0.19%	1.36%	0.79%	3.40%	3.20%
65		0.47%	0.28%	1.36%	0.79%	2.70%	2.50%
Ref		2723 x 1.00	2724 x 1.00	1219 x 1	1220 x 1	1366 1576	1367 1577

\*Rates and life expectancies in future years are determined by the MP-2020 projection scale.

## Table VII | Individual Pay Increases

Education				Support			
Pay Increase Assumptions for an Individual Member				Pay Increase Assumptions for an Individual Member			
Years of Service	Merit & Seniority	Base (Economic)	Increase Next Year	Years of Service	Merit & Seniority	Base (Economic)	Increase Next Year
1	2.50%	2.75%	5.25%	1	3.00%	2.75%	5.75%
2	2.20%	2.75%	4.95%	2	2.60%	2.75%	5.35%
3	1.90%	2.75%	4.65%	3	1.60%	2.75%	4.35%
4	1.80%	2.75%	4.55%	4	1.45%	2.75%	4.20%
5	1.70%	2.75%	4.45%	5	1.35%	2.75%	4.10%
6	1.60%	2.75%	4.35%	6	1.25%	2.75%	4.00%
7	1.50%	2.75%	4.25%	7	1.20%	2.75%	3.95%
8	1.40%	2.75%	4.15%	8	1.15%	2.75%	3.90%
9	1.30%	2.75%	4.05%	9	1.10%	2.75%	3.85%
10	1.25%	2.75%	4.00%	10	1.05%	2.75%	3.80%
11	1.20%	2.75%	3.95%	11	1.00%	2.75%	3.75%
12	1.15%	2.75%	3.90%	12	0.95%	2.75%	3.70%
13	1.10%	2.75%	3.85%	13	0.90%	2.75%	3.65%
14	1.05%	2.75%	3.80%	14	0.80%	2.75%	3.55%
15	1.00%	2.75%	3.75%	15	0.75%	2.75%	3.50%
16	0.95%	2.75%	3.70%	16	0.70%	2.75%	3.45%
17	0.85%	2.75%	3.60%	17	0.65%	2.75%	3.40%
18	0.75%	2.75%	3.50%	18	0.60%	2.75%	3.35%
19	0.65%	2.75%	3.40%	19	0.50%	2.75%	3.25%
20	0.55%	2.75%	3.30%	20	0.45%	2.75%	3.20%
21	0.50%	2.75%	3.25%	21	0.40%	2.75%	3.15%
22	0.45%	2.75%	3.20%	22	0.35%	2.75%	3.10%
23	0.40%	2.75%	3.15%	23	0.30%	2.75%	3.05%
24	0.30%	2.75%	3.05%	24	0.25%	2.75%	3.00%
25	0.20%	2.75%	2.95%	25	0.25%	2.75%	3.00%
26	0.15%	2.75%	2.90%	26	0.25%	2.75%	3.00%
27	0.10%	2.75%	2.85%	27	0.25%	2.75%	3.00%
28	0.25%	2.75%	3.00%	28	0.40%	2.75%	3.15%
29+	0.00%	2.75%	2.75%	29+	0.00%	2.75%	2.75%
Ref	931			Ref	932		

## Comments

**General Financial Objective.** Section 24-7-401(a) of the Arkansas Code provides as follows (emphasis added):

"6.01. (1) The general financial objective of each Arkansas public employee retirement plan shall be to **establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Arkansas citizens.**

More specifically, contributions received each year shall be sufficient both to (i) fully cover the costs of benefit commitments being made to members for their service being rendered in such year and (ii) make a level payment which if paid annually over a reasonable period of future years will fully cover the unfunded costs of benefit commitments for service previously rendered....."

**Arkansas Teacher Retirement System Status:** Based upon the results of the June 30, 2024 actuarial valuations, **ATRS is satisfying the financial objective of level-contribution-percent financing.**

**The amortization period this year is 20 years**, a decrease from last year's period of 26 years. On a market value basis, the amortization period is also 20 years. The amortization period is calculated assuming 7.94% of payroll contributions to finance the unfunded actuarially accrued liability.

**The statutory employer contribution rate is 15%.** Statute dictates that the employer contribution rate shall not exceed 14% if the actuarial valuation shows that the amortization period is 18 years or less with a 14% employer contribution rate (A.C.A. § 24-7-401(c)(5)(B)(ii)). The statute does not address the contributory member rate of 7%. As of the June 30, 2024 valuation, the contribution rate based upon an amortization period of 18 years would be approximately 15.6% of payroll. Therefore, no changes

in the rate are required at this time. A reduction in contributions would be unfortunate if ATRS is not 100% funded. A careful review of assumptions would be warranted if this situation were to occur in between experience studies. **The statutory employer contribution rate of 15% of payroll is a reasonable actuarially determined contribution rate based on the results of the June 30, 2024 valuation.**

**The Arkansas Teacher Retirement System remains stable with an 84.6% funded position** as of June 30, 2024. If experience is reasonably in line with expectations in Fiscal Year 2025, the amortization period is likely to increase in the next valuation due to the scheduled phase-in of net investment losses.

**The rate of investment return on a market value basis was 11.84%\*** this year. As of June 30, 2024, the market value of assets exceeded the actuarial value of assets by approximately \$50 million. Investment gains and losses that occur each year are smoothed in over a 4-year period. After considering smoothing, the recognized return this year was 9.75%, compared to an assumed 7.25% return for Fiscal Year 2024.

*\*This investment return figure was calculated by the actuary and may not exactly match your investment consultant's figure.*

## Statistics | Schedule of Retired Members by Type of Benefit

Monthly Benefit	No. of Retirees	Type of Retirement*					Option Selected#			
		1	2	3	4	5	Life	Opt. A	Opt. B	Opt. C
\$1-250	5,681	5,211	169	110	175	16	4,832	712	51	86
251-500	6,309	5,544	175	133	427	30	5,242	856	104	107
501-750	4,729	4,133	113	109	344	30	3,917	613	128	71
751-1,000	3,751	3,257	73	117	266	38	3,047	490	157	57
1,001-1,250	2,928	2,542	83	77	204	22	2,306	427	138	57
1,251-1,500	2,511	2,127	100	40	214	30	1,906	397	177	31
1,501-1,750	2,226	1,900	98	38	168	22	1,671	351	160	44
1,751-2,000	2,171	1,854	90	32	175	20	1,592	354	180	45
Over \$2,000	25,725	24,135	675	192	644	78	19,415	3,703	2,227	380
<b>Total</b>	<b>56,031</b>	<b>50,703</b>	<b>1,577</b>	<b>848</b>	<b>2,617</b>	<b>286</b>	<b>43,928</b>	<b>7,479</b>	<b>3,322</b>	<b>878</b>

\* Type of Retirement

1. Normal retirement for age and service
2. Survivor payment - normal or early retirement
3. Survivor payment - death-in-service
4. Disability retirement
5. Survivor payment - disability retirement

# Option Selected at Retirement

- Life - Straight life annuity
- Opt. A - 100% survivor annuity
- Opt. B - 50% survivor annuity
- Opt. C - annuity for 10 years certain and life thereafter

Excludes Act 793 and Act 808 retirees.

## Statistics | Schedule of Average Benefit Payments

Retirement Effective Dates		Service at Retirement						
		0-4#	5-9	10-14	15-19	20-24	25-29	30+
07/01/14 - 06/30/15	Average Monthly Benefit	\$ 144	\$ 306	\$ 684	\$ 1,069	\$ 1,518	\$ 2,540	\$ 3,270
	Average Final Salary	\$ 40,803	\$ 27,540	\$ 32,878	\$ 38,857	\$ 44,433	\$ 52,059	\$ 56,908
	Number of Active Retirees	64	564	529	375	375	1,106	138
07/01/15 - 06/30/16	Average Monthly Benefit	\$ 112	\$ 293	\$ 669	\$ 1,064	\$ 1,466	\$ 2,522	\$ 3,490
	Average Final Salary	\$ 38,048	\$ 25,892	\$ 31,763	\$ 37,947	\$ 43,044	\$ 51,671	\$ 60,041
	Number of Active Retirees	48	494	600	389	387	1,122	109
07/01/16 - 06/30/17	Average Monthly Benefit	\$ 133	\$ 282	\$ 682	\$ 1,011	\$ 1,448	\$ 2,530	\$ 3,289
	Average Final Salary	\$ 38,412	\$ 25,606	\$ 31,940	\$ 36,516	\$ 42,814	\$ 52,510	\$ 57,847
	Number of Active Retirees	53	468	499	393	368	965	107
07/01/17 - 06/30/18	Average Monthly Benefit	\$ 150	\$ 284	\$ 681	\$ 1,099	\$ 1,587	\$ 2,548	\$ 3,105
	Average Final Salary	\$ 38,321	\$ 26,581	\$ 31,995	\$ 39,389	\$ 46,070	\$ 53,642	\$ 52,835
	Number of Active Retirees	62	496	486	375	346	965	113
07/01/18 - 06/30/19	Average Monthly Benefit	\$ 145	\$ 310	\$ 690	\$ 1,172	\$ 1,564	\$ 2,571	\$ 3,372
	Average Final Salary	\$ 38,105	\$ 29,390	\$ 32,619	\$ 40,560	\$ 45,151	\$ 53,701	\$ 60,369
	Number of Active Retirees	53	482	501	379	366	900	114
07/01/19 - 06/30/20	Average Monthly Benefit	\$ 120	\$ 284	\$ 637	\$ 1,104	\$ 1,533	\$ 2,577	\$ 3,108
	Average Final Salary	\$ 33,918	\$ 27,032	\$ 31,591	\$ 39,704	\$ 44,837	\$ 55,241	\$ 59,056
	Number of Active Retirees	47	464	496	365	320	882	139
07/01/20 - 06/30/21	Average Monthly Benefit	\$ 123	\$ 293	\$ 656	\$ 1,138	\$ 1,569	\$ 2,642	\$ 3,179
	Average Final Salary	\$ 33,575	\$ 27,101	\$ 31,717	\$ 39,886	\$ 44,936	\$ 55,249	\$ 58,864
	Number of Active Retirees	48	456	494	364	320	875	139
07/01/21 - 06/30/22	Average Monthly Benefit	\$ 126	\$ 306	\$ 708	\$ 1,060	\$ 1,565	\$ 2,638	\$ 3,287
	Average Final Salary	\$ 39,879	\$ 29,082	\$ 33,869	\$ 37,765	\$ 44,268	\$ 55,462	\$ 61,593
	Number of Active Retirees	53	438	398	352	342	1,001	131
07/01/22 - 06/30/23	Average Monthly Benefit	\$ 138	\$ 258	\$ 668	\$ 1,073	\$ 1,719	\$ 2,570	\$ 2,838
	Average Final Salary	\$ 42,352	\$ 25,857	\$ 33,325	\$ 37,730	\$ 47,389	\$ 56,197	\$ 55,728
	Number of Active Retirees	44	706	547	486	353	1,022	133
07/01/23 - 06/30/24	Average Monthly Benefit	\$ 114	\$ 293	\$ 694	\$ 1,206	\$ 1,770	\$ 2,722	\$ 3,248
	Average Final Salary	\$ 38,906	\$ 29,324	\$ 34,530	\$ 41,341	\$ 48,255	\$ 57,797	\$ 62,382
	Number of Active Retirees	47	536	385	361	341	1,019	115

# May include cases where the service was not reported.

The figures in this chart are as of the year of retirement. They have not been updated for changes that occurred after retirement.

# Statistical



## Schedule of Revenue by Source

Year -Ending June 30,	Employer Contributions	% of Annual Covered Payroll	Member Contributions	Investment and Miscellaneous Income	Total
2011	\$ 400,330,902	14.70%	\$ 139,460,601	\$ 2,219,833,337	\$ 2,759,624,840
2012	398,822,946	16.30%	117,662,465	(118,654,190)	397,831,221
2013	400,933,872	14.30%	113,900,872	1,695,899,517	2,210,734,261
2014	404,920,441	14.20%	125,225,906	2,429,334,098	2,959,480,445
2015	408,230,472	14.21%	128,555,684	632,166,951	1,168,953,107
2016	410,358,229	14.21%	131,100,983	35,579,657	577,038,869
2017	414,954,939	14.20%	133,109,939	2,289,818,591	2,837,883,469
2018	424,488,126	14.22%	138,766,747	1,824,094,695	2,387,349,568
2019	430,864,656	14.23%	141,885,632	898,384,866	1,471,135,154
2020	446,228,128	14.50%	153,105,134	(165,763,064)	433,570,198
2021	472,567,147	14.75%	168,129,972	5,250,955,481	5,891,652,600
2022	501,522,604	15.10%	183,315,252	(1,082,845,164)	(398,007,308)
2023	536,619,031	15.37%	200,610,721	1,692,312,263	2,429,542,015
2024	554,738,036	15.36%	211,036,048	2,412,820,577	3,178,594,661

## Schedule of Expense by Type

Year -Ending June 30,	Benefit Payments	Refunds	Administrative and Other Expenses	Total
2011	\$ 731,866,100	\$ 8,906,441	\$ 7,548,959	\$ 748,321,500
2012	791,844,923	9,225,151	7,752,975	808,823,049
2013	846,210,946	11,087,596	7,755,004	865,053,546
2014	914,250,015	10,485,103	8,034,235	932,769,353
2015	970,719,484	10,774,122	8,034,857	989,528,463
2016	1,035,958,950	10,145,471	8,059,030	1,054,163,451
2017	1,092,952,357	10,874,003	7,825,595	1,111,651,955
2018	1,160,738,237	9,455,405	9,336,430	1,179,530,072
2019	1,205,326,555	9,679,783	7,134,783	1,222,141,121
2020	1,255,065,794	9,592,091	8,457,862	1,273,115,747
2021	1,308,163,748	9,463,375	7,328,830	1,324,955,953
2022	1,374,220,915	10,426,792	6,650,448	1,391,298,155
2023	1,413,477,760	12,583,767	7,892,822	1,433,954,349
2024	1,473,871,266	12,116,533	8,427,396	1,494,415,195

## Schedule of Benefit Expenses by Type

Type of Benefit	For The Year Ended June 30,										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Age and Service Disability	\$1,228,650,953	\$ 1,183,189,280	\$ 1,135,131,535	\$1,092,814,070	\$ 1,046,397,991	\$1,008,092,044	\$ 958,281,765	\$ 907,314,702	\$ 852,695,640	\$ 795,518,171	
Option	41,027,658	40,457,469	40,631,115	40,710,587	40,420,225	40,330,710	39,770,821	38,833,696	37,812,689	36,188,748	
Survivor	42,609,573	39,659,615	36,681,111	34,124,252	31,767,042	30,013,681	28,756,398	26,843,481	24,637,113	23,056,130	
Reciprocity	13,191,438	12,949,173	12,527,408	12,129,985	11,555,653	11,267,137	10,848,118	10,470,552	9,946,290	9,626,726	
Active Members Death Benefits	70,173,668	67,375,786	64,615,316	61,382,530	58,429,113	55,891,519	52,914,304	49,175,662	45,746,432	41,958,663	
T-DROP	379,839	396,423	681,421	487,669	338,189	278,972	304,927	474,719	357,921	404,248	
Act 808	46,757,375	47,464,578	64,370,804	48,309,780	47,978,202	41,550,591	44,827,681	42,969,143	52,760,622	50,656,897	
Cash Balance Disbursements	1,421,578	1,605,876	1,953,045	2,013,072	2,215,262	2,439,111	2,725,690	2,874,444	3,000,785	3,139,880	
Cash and Savings Help Program	25,927,023	17,726,519	15,630,112	13,978,659	13,241,312	13,318,361	11,297,546	9,735,670	8,600,786	8,923,390	
	3,732,161	2,653,041	1,999,048	2,213,146	2,722,804	2,144,429	1,010,987	4,260,278	400,673	1,246,632	
<b>Total</b>	<b>\$1,473,871,266</b>	<b>\$1,413,477,760</b>	<b>\$1,374,220,915</b>	<b>\$1,308,163,750</b>	<b>\$1,255,065,793</b>	<b>\$1,205,326,555</b>	<b>\$1,160,738,237</b>	<b>\$1,092,952,357</b>	<b>\$1,035,958,951</b>	<b>\$970,719,485</b>	



## Participating Employers

ACADEMICS PLUS CHARTER SCHOOL	HOME	CHARLESTON PUBLIC SCHOOLS
ALMA SCHOOL DISTRICT	ARKANSAS STATE UNIVERSITY - NEWPORT	CLARENDON SCHOOL DISTRICT
ALPENA SCHOOL DISTRICT	ARKANSAS TEACHER RETIREMENT SYSTEM	CLARKSVILLE SCHOOL DISTRICT
APARTMENT DEPARTMENT OF WORKFORCE SERVICES	ARKANSAS TECH UNIVERSITY	CLEVELAND COUNTY SCHOOL DISTRICT
ARCH FORD EDUCATION SERVICE CO-OP	ARKANSAS VIRTUAL ACADEMY CHARTER	CLINTON PUBLIC SCHOOLS
ARKADELPHIA PUBLIC SCHOOLS	ARMOREL SCHOOL DISTRICT	CONCORD SCHOOL DISTRICT
ARKANSAS DEPARTMENT OF HIGHER EDUCATION	ASHDOWN SCHOOL DISTRICT	CONWAY PUBLIC SCHOOLS
ARKANSAS ACTIVITIES ASSOCIATION	ASU - THREE RIVERS	CONWAY VOCATIONAL CENTER
ARKANSAS ARTS ACADEMY CHARTER	ATKINS PUBLIC SCHOOLS	CORNING SCHOOL DISTRICT
ARKANSAS ASSOCIATION EDUCATIONAL ADMINISTRATORS	AUGUSTA PUBLIC SCHOOLS	COSSATOT COMMUNITY COLLEGE - U OF A
ARKANSAS CONNECTIONS ACADEMY CHARTER	BALD KNOB PUBLIC SCHOOLS	COSSATOT RIVER SCHOOL DISTRICT
ARKANSAS CORRECTIONAL SCHOOL	BARTON-LEXA SCHOOL DISTRICT	COTTER PUBLIC SCHOOLS
ARKANSAS DEPARTMENT OF CAREER EDUCATION (REHAB)	BATESVILLE SCHOOL DISTRICT	COUNTY LINE PUBLIC SCHOOLS
ARKANSAS DEPARTMENT OF CAREER EDUCATION (WORKFORCE)	BAUXITE SCHOOL DISTRICT	CROSS COUNTY SCHOOL DISTRICT
ARKANSAS DEPARTMENT OF COMMERCE	BAY SCHOOL DISTRICT	CROSSETT SCHOOL DISTRICT
ARKANSAS DEPARTMENT OF EDUCATION	BEARDEN SCHOOL DISTRICT	CROWLEY'S RIDGE EDUCATIONAL SERVICE CO-OP
ARKANSAS DEPARTMENT OF EDUCATION	BEEBE PUBLIC SCHOOL DISTRICT	CUTTER MORNING STAR PUBLIC SCHOOLS
ARKANSAS DEPARTMENT OF EDUCATION	BENTON SCHOOL DISTRICT	DANVILLE PUBLIC SCHOOLS
ARKANSAS DEPARTMENT OF HEALTH	BENTONVILLE PUBLIC SCHOOLS	DARDANELLE PUBLIC SCHOOLS
ARKANSAS DEPARTMENT OF PUBLIC SAFETY	BERGMAN PUBLIC SCHOOLS	DAWSON EDUCATION SERVICE CO-OP
ARKANSAS EASTER SEALS	BERRYVILLE PUBLIC SCHOOLS	DECATUR PUBLIC SCHOOLS
ARKANSAS EDUCATIONAL TV NETWORK	BISMARCK SCHOOL DISTRICT	DEER/ MT. JUDEA SCHOOL DISTRICT
ARKANSAS MILITARY AND FIRST RESPONDERS ACADEMY	BLACK RIVER TECHNICAL COLLEGE	DEQUEEN PUBLIC SCHOOLS
ARKANSAS NORTHEASTERN COLLEGE	BLEVINS SCHOOL DISTRICT	DEQUEEN-MENA EDUCATION SERVICE
ARKANSAS RIVER EDUCATION SERVICE CO-OP	BLYTHEVILLE PUBLIC SCHOOLS	DERMOTT SCHOOL DISTRICT
ARKANSAS SCHOOL BOARDS ASSOCIATION	BOONEVILLE SCHOOL DISTRICT	DES ARC SCHOOL DISTRICT
ARKANSAS SCHOOL FOR MATH, SCIENCES & ARTS	BOSTON MOUNTAIN EDUCATIONAL CO-OP	DEWITT SCHOOL DISTRICT
ARKANSAS SCHOOL FOR THE BLIND	BRADFORD SCHOOL DISTRICT	DHS-DIVISION OF YOUTH SERVICES
ARKANSAS SCHOOL FOR THE DEAF	BRINKLEY PUBLIC SCHOOLS	DIERKS PUBLIC SCHOOLS
ARKANSAS STATE UNIVERSITY	BROOKLAND PUBLIC SCHOOLS	DOVER SCHOOL DISTRICT
ARKANSAS STATE UNIVERSITY - BEEBE	BRYANT PUBLIC SCHOOLS	DREW CENTRAL SCHOOL DISTRICT
ARKANSAS STATE UNIVERSITY - MID SOUTH CC	BUFFALO ISLAND CENTRAL SCHOOL DISTRICT	DUMAS PUBLIC SCHOOLS
ARKANSAS STATE UNIVERSITY - MT.	CABOT PUBLIC SCHOOLS	EARLE SCHOOL DISTRICT
	CADDO HILLS SCHOOL DISTRICT	EAST ARKANSAS COMMUNITY COLLEGE
	CALICO ROCK SCHOOL DISTRICT	EAST END SCHOOL DISTRICT
	CAMDEN-FAIRVIEW SCHOOL DISTRICT	EAST POINSETT COUNTY SCHOOL DISTRICT
	CARLISLE SCHOOL DISTRICT	ECONOMICS ARKANSAS
	CAVE CITY SCHOOL DISTRICT	EL DORADO PUBLIC SCHOOLS
	CEDAR RIDGE SCHOOL DISTRICT	ELKINS SCHOOL DISTRICT
	CEDARVILLE PUBLIC SCHOOL DISTRICT	EMERSON-TAYLOR-BRADLEY SCHOOL
	CENTERPOINT SCHOOL DISTRICT	ENGLAND PUBLIC SCHOOL DISTRICT

## Participating Employers (Continued)

E-STEM PUBLIC CHARTER SCHOOL	HENDERSON STATE UNIVERSITY	MANILA PUBLIC SCHOOLS
EUREKA SPRINGS PUBLIC SCHOOLS	HERMITAGE PUBLIC SCHOOL DISTRICT	MANSFIELD SCHOOL DISTRICT
EXALT ACADEMY CHARTER SCHOOL	HIGHLAND PUBLIC SCHOOL DISTRICT	MARION SCHOOL DISTRICT
FARMINGTON PUBLIC SCHOOLS	HILLCREST SCHOOL DISTRICT	MARKED TREE SCHOOL DISTRICT
FAYETTEVILLE PUBLIC SCHOOLS	HOPE ACADEMY OF NORTHWEST ARKANSAS	MARMADUKE SCHOOL DISTRICT
FLIPPIN SCHOOL DISTRICT	HOPE PUBLIC SCHOOLS	MARVELL - ELAINE SCHOOL DISTRICT
FORDYCE PUBLIC SCHOOLS	HORATIO SCHOOL DISTRICT	MAYFLOWER SCHOOL DISTRICT
FOREMAN PUBLIC SCHOOLS	HOT SPRINGS SCHOOL DISTRICT	MAYNARD SCHOOL DISTRICT
FORREST CITY SCHOOL DISTRICT	HOXIE PUBLIC SCHOOLS	MC CRORY SCHOOL DISTRICT
FORT SMITH PUBLIC SCHOOLS	HUNTSVILLE SCHOOL DISTRICT	MCGEHEE PUBLIC SCHOOLS
FOUKE SCHOOL DISTRICT	IMBODEN AREA CHARTER SCHOOL	MELBOURNE PUBLIC SCHOOL DISTRICT
FOUNTAIN LAKE SCHOOL DISTRICT	IZARD COUNTY CONSOLIDATED SCHOOL DISTRICT	MENA PUBLIC SCHOOLS
FRIENDSHIP ASPIRE ACADEMY - PINE BLUFF	JACKSON COUNTY SCHOOL DISTRICT	METROPOLITAN VOCATIONAL CENTER
FUTURE SCHOOL OF FT. SMITH CHARTER	JACKSONVILLE LIGHTHOUSE CHARTER SCHOOL	MIDLAND SCHOOL DISTRICT
GENOA CENTRAL SCHOOL DISTRICT	JACKSONVILLE NORTH PULASKI SCHOOL DISTRICT	MINERAL SPRINGS SCHOOL DISTRICT
GENTRY PUBLIC SCHOOLS	JASPER SCHOOL DISTRICT	MONTICELLO SCHOOL DISTRICT
GLEN ROSE SCHOOL DISTRICT	JESSIEVILLE PUBLIC SCHOOL DISTRICT	MONTICELLO VOCATIONAL CENTER
GOSNELL PUBLIC SCHOOLS	JONESBORO PUBLIC SCHOOLS	MOUNT IDA PUBLIC SCHOOLS
GRAVETTE SCHOOL DISTRICT	JONESBORO VOCATIONAL CENTER	MOUNTAIN HOME PUBLIC SCHOOLS
GREAT RIVERS EDUCATION SERVICE CO-OP	JUNCTION CITY SCHOOL DISTRICT	MOUNTAIN PINE SCHOOL DISTRICT
GREEN FOREST PUBLIC SCHOOLS	KIPP DELTA COLLEGE PREPARATORY CHARTER	MOUNTAIN VIEW SCHOOL DISTRICT
GREENBRIER PUBLIC SCHOOLS	KIRBY SCHOOL DISTRICT	MOUNTAINBURG PUBLIC SCHOOLS
GREENE COUNTY TECH SCHOOL DISTRICT	LAFAYETTE COUNTY SCHOOL DISTRICT	MT. VERNON-ENOLA SCHOOL DISTRICT
GREENLAND SCHOOL DISTRICT	LAKE HAMILTON SCHOOL DISTRICT	MULBERRY-PLEASANT VIEW BI-COUNTY PUBLIC SCHOOLS
GREENWOOD SCHOOL DISTRICT	LAKESIDE SCHOOL DISTRICT	NASHVILLE SCHOOL DISTRICT
GURDON PUBLIC SCHOOLS	LAKESIDE SCHOOL DISTRICT	NATIONAL PARK COMMUNITY COLLEGE
GUY FENTER EDUCATION SERVICE CO-OP	LAMAR SCHOOL DISTRICT	NEMO VISTA SCHOOL DISTRICT
GUY-PERKINS SCHOOL DISTRICT	LAVACA PUBLIC SCHOOLS	NETTLETON PUBLIC SCHOOLS
HAAS HALL ACADEMY CHARTER - FAYETTEVILLE	LAWRENCE COUNTY SCHOOL DISTRICT	NEVADA SCHOOL DISTRICT
HACKETT SCHOOL DISTRICT	LEAD HILL SCHOOL DISTRICT	NEWPORT SPECIAL SCHOOL DISTRICT
HAMBURG SCHOOL DISTRICT	LEE COUNTY SCHOOL DISTRICT	NORFORK SCHOOL DISTRICT
HAMPTON SCHOOL DISTRICT	LINCOLN CONSOLIDATED SCHOOL DISTRICT	NORTH ARKANSAS COLLEGE
HARMONY GROVE SCHOOL DISTRICT	LISA ACADEMY CHARTER	NORTH CENTRAL CAREER CENTER
HARMONY GROVE SCHOOL DISTRICT	LITTLE ROCK SCHOOL DISTRICT	NORTH LITTLE ROCK SCHOOL DISTRICT
HARRISBURG SCHOOL DISTRICT	LONOKE SCHOOL DISTRICT	NORTHCENTRAL ARKANSAS EDUCATION SERVICE CO-OP
HARRISON SCHOOL DISTRICT	MAGAZINE SCHOOL DISTRICT	NORTHEAST ARKANSAS EDUCATION CO-OP
HAZEN SCHOOL DISTRICT	MAGNET COVE SCHOOL DISTRICT	NORTHWEST ARKANSAS CLASSICAL ACADEMY CHARTER
HEBER SPRINGS SCHOOL DISTRICT	MAGNOLIA SCHOOL DISTRICT	NORTHWEST ARKANSAS COMMUNITY COLLEGE
HECTOR SCHOOL DISTRICT	MALVERN SCHOOL DISTRICT	NORTHWEST ARKANSAS EDUCATION SERVICE CO-OP
HELENA-WEST HELENA SCHOOLS	MAMMOTH SPRING SCHOOL DISTRICT	NORTHWEST TECHNICAL INSTITUTE

## Participating Employers (Continued)

OMAHA SCHOOL DISTRICT	SCRANTON SCHOOL DISTRICT	SMITH
OSCEOLA SCHOOL DISTRICT	SEARCY COUNTY SCHOOL DISTRICT	UNIVERSITY OF ARKANSAS - MONTICELLO
OUACHITA PUBLIC SCHOOLS	SEARCY SCHOOL DISTRICT	UNIVERSITY OF ARKANSAS - PINE BLUFF
OUACHITA RIVER SCHOOL DISTRICT	SHERIDAN SCHOOL DISTRICT	UNIVERSITY OF ARKANSAS COOPERATIVE EXTENSION
OZARK MOUNTAIN SCHOOL DISTRICT	SHIRLEY SCHOOL DISTRICT	UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES
OZARK PUBLIC SCHOOLS	SIA TECH LITTLE ROCK CHARTER	UNIVERSITY OF CENTRAL ARKANSAS VALLEY SPRINGS PUBLIC SCHOOLS
OZARKA COLLEGE	SILOAM SPRINGS SCHOOL DISTRICT	VALLEY VIEW PUBLIC SCHOOLS
OZARKS UNLIMITED RESOURCE EDUCATIONAL SERVICE CO-OP	SLOAN-HENDRIX SCHOOL DISTRICT	VAN BUREN SCHOOL DISTRICT
PALESTINE-WHEATLEY SCHOOL DISTRICT	SMACKOVER-NORPHLET SCHOOL DISTRICT	VILONIA SCHOOL DISTRICT
PANGBURN SCHOOL DISTRICT	SOUTH ARKANSAS COMMUNITY COLLEGE	VIOLA SCHOOL DISTRICT
PARAGOULD SCHOOL DISTRICT	SOUTH ARKANSAS DEVELOPMENTAL CENTER	WALDRON PUBLIC SCHOOLS
PARIS SCHOOL DISTRICT	SOUTH CENTRAL SERVICE CO-OP	WARREN SCHOOL DISTRICT
PARKERS CHAPEL SCHOOL DISTRICT	SOUTH CONWAY COUNTY SCHOOL DISTRICT	WARREN VOCATIONAL CENTER
PEA RIDGE SCHOOL DISTRICT	SOUTH PIKE COUNTY SCHOOL DISTRICT	WATSON CHAPEL SCHOOL DISTRICT
PERRYVILLE SCHOOL DISTRICT	SOUTHEAST ARKANSAS COLLEGE	WEST FORK SCHOOL DISTRICT
PHILLIPS COMMUNITY COLLEGE - DEWITT	SOUTHEAST ARKANSAS EDUCATION SERVICE CO-OP	WEST MEMPHIS SCHOOL DISTRICT
PHILLIPS COMMUNITY COLLEGE - U OF A	SOUTHERN ARKANSAS UNIVERSITY	WEST SIDE SCHOOL DISTRICT
PIGGOTT SCHOOL DISTRICT	SOUTHERN ARKANSAS UNIVERSITY TECH	WESTERN YELL COUNTY SCHOOL DISTRICT
PINE BLUFF SCHOOL DISTRICT	SOUTHSIDE BEE BRANCH SCHOOL DISTRICT	WESTSIDE CONSOLIDATED SCHOOL DISTRICT
POCAHONTAS PUBLIC SCHOOLS	SOUTHSIDE SCHOOL DISTRICT	WESTSIDE SCHOOL DISTRICT
POTTSVILLE SCHOOL DISTRICT	SOUTHWEST ARKANSAS EDUCATION CO-OP	WESTWIND SCHOOL FOR PERFORMING ARTS
POYEN SCHOOL DISTRICT	SPRING HILL SCHOOL DISTRICT	WHITE COUNTY CENTRAL SCHOOLS
PRAIRIE GROVE SCHOOL DISTRICT	SPRINGDALE PUBLIC SCHOOLS	WHITE HALL SCHOOL DISTRICT
PREMIER HIGH SCHOOL OF LITTLE ROCK CHARTER	STAR CITY SCHOOL DISTRICT	WILBUR D MILLS EDUCATION SERVICE CO-OP
PREMIER HIGH SCHOOL OF NORTH LITTLE ROCK CHARTER	STRONG-HUTTIG SCHOOL DISTRICT	WONDERVIEW SCHOOL DISTRICT
PREMIER HIGH SCHOOL OF SPRINGDALE	STUTTGART SCHOOL DISTRICT	WOODLAWN SCHOOL DISTRICT
PRESCOTT PUBLIC SCHOOLS	TEXARKANA SCHOOL DISTRICT	WYNNE PUBLIC SCHOOLS
PULASKI COUNTY SPECIAL SCHOOL DISTRICT	THE EXCEL CENTER CHARTER AT GOODWILL	YELLVILLE-SUMMIT PUBLIC SCHOOL
PULASKI TECHNICAL COLLEGE	TRUMANN SCHOOL DISTRICT	
QUITMAN PUBLIC SCHOOLS	TWO RIVERS SCHOOL DISTRICT	
RECTOR SCHOOL DISTRICT	U OF A COMMUNITY COLLEGE - BATESVILLE	
RICH MOUNTAIN COMMUNITY COLLEGE	U OF A COMMUNITY COLLEGE - HOPE	
RIVERCREST SCHOOL DISTRICT	U OF A COMMUNITY COLLEGE - MORRILTON	
RIVERSIDE SCHOOL DISTRICT	UNIVERSITY OF ARKANSAS - FAYETTEVILLE	
RIVERVIEW SCHOOL DISTRICT	UNIVERSITY OF ARKANSAS - FORT	
ROGERS PUBLIC SCHOOLS		
ROSE BUD SCHOOL DISTRICT		
RUSSELLVILLE SCHOOL DISTRICT		
SALEM SCHOOL DISTRICT		
SCHOLARMADE ACHIEVEMENT PLACE		



Prepared by the Staff of

**ARKANSAS TEACHER RETIREMENT SYSTEM**

1400 West Third Street • Little Rock, AR 72201  
501.682.1517 • artrs.gov