



A PENSION TRUST FUND OF THE  
STATE OF ARKANSAS

*MARK WHITE, EXECUTIVE DIRECTOR*



# ANNUAL COMPREHENSIVE FINANCIAL REPORT 2025



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# OUR MISSION:

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

# 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.

# OUR VALUES:

## ***Accountability & 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 & 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 & Reliability***

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

## ***Security & 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



# LETTER OF TRANSMITTAL

FEBRUARY 2, 2026

## 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, 2024, and ended June 30, 2025.

The mission of ATRS is providing retirement security for Arkansas's past, present, and future public education professionals. 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 ATRS Board and staff are committed daily to 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 Arkansas's five state-supported retirement systems and provides retirement, disability, and survivor benefits to employees of Arkansas public schools and education-related agencies. The System serves 143,663 members and 337 participating employers.

For the second year in a row, the Public Pension Coordinating Council has awarded ATRS its Public Pension Standards Award for Funding and Administration. This award is given annually to public pension systems like ATRS that certify that they meet standards and best practices in the areas of funding adequacy, investments,

comprehensive benefits, actuarial valuations, audits, and member communications.

### Financial Condition

The System's net financial position as of June 30, 2025, was \$23.74 billion, an increase of more than \$1.38 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. The objective is for these three components 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 2025 were more than \$774 million (\$560 million from employers and \$214 million from members), approximately a 1.20% increase over FY 2024. Net investment income for the fiscal year was \$2.16 billion.

The System's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. 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 2025 fiscal year, ATRS generated a one-year total fund return of 9.4%. The System's 5-year return was 11.0% and the 10-year return was 8.5%, placing ATRS in the top 4th and 5th percentile (respectively) of similar public pension funds nationally.

The ATRS investment portfolio is a broadly diversified portfolio with allocations in 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". This means 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 professional investment counsel as investment advisors 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 84.4% funded position as of the end of the fiscal year, with a 21-year amortization period to fund the unfunded accrued actuarial liability (UAAL). ATRS has continued over the last decade to improve its actuarial health, even as it has made multiple changes to make its actuarial projections more conservative. 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 was the last year in which the large investment gains of FY 2021 were included in actuarial calculations, while the large investment loss of FY 2022 remains in this year's calculation. For this reason, the System's actuarially-recognized return for FY 2025 was 5.78%, compared to the assumed rate of 7.25% on which the actuarial projections are based. When the FY 2022 loss drops out of the calculation next year, we expect the actuarially-recognized return

to again exceed the assumed rate, the funded ratio to increase, and the amortization period to decrease.

### Major Initiatives During Fiscal Year 2025

- *IT Modernization:* ATRS relies for its daily operations on aging IT infrastructure and legacy systems. ATRS retained a competitively-procured vendor to conduct a comprehensive technology assessment of the System's current and future IT infrastructure capacity and needs, member self-service capabilities, and enhancements needed to improve customer service and operational efficiency. The assessment identified numerous gaps in policy, procedures, and systems, and it provided recommendations and a roadmap for future IT modernization. As of the end of the fiscal year, ATRS staff were completing the first stages of upgrades and improvements to the System's IT infrastructure. For FY 2026, ATRS expects to begin efforts to upgrade or replace the System's legacy in-house systems for membership, accounting, and investment management. This modernization effort will be a multi-year effort and a long-term key focus for leadership.
- *Operational Improvement:* ATRS staff revised Member Annual Statements to be more readable and easier to understand. For the first time in history, members were able to access electronic copies of their Annual Statements, and retirees able to access electronic copies of their IRS Form 1099s, through the ATRS online member portal. Staff also published a Member Handbook, the first Handbook that ATRS has published in more than two decades.
- *Legislative Session:* The 2025 Arkansas General Assembly passed, and the Governor signed into law, a number of Acts affecting ATRS and its members. In addition to the System's annual appropriation bill, the Legislature passed seven Acts requested by ATRS. These Acts made technical changes and corrections and minor changes to

benefits, such as allowing survivor benefits for children of members on disability retirement. In addition, the Legislature passed five Acts on which ATRS did not take a position. The Acts most significant to ATRS operations were Act 937, which requires divestment of certain investments in China; and Act 587, which allows certain early childhood employees to become members of the System on the same terms and contribution rates as other members. No bills were introduced or Acts passed that would have reduced any ATRS benefit or threatened the independence of the ATRS Board of Trustees.

### **Report Structure and Contents**

This 2025 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 2025 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 is the result of 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

# FISCAL YEAR OVERVIEW

for the fiscal years ended June 30, 2025 (FY2025) and June 30, 2024 (FY2024)

	FY2025	FY2024
<b>FINANCES</b>		
Net Position (in Millions)	\$23,741.1	\$22,359.2
Valuation Assets (in Millions)	\$22,806.6	\$22,309.3
Funding Value Funded Ratio	84.4%	84.6%
Amortization Period	21	20
Investment Rate of Return	9.4%	11.4%
Benefits Paid (in Millions)	\$1,531.9	\$1,486.0
<b>MEMBERS</b>		
Active	67,871	68,265
T-DROP	2,992	2,981
Retired	57,492	56,177
Inactive (Deferred Vested)	15,308	14,775
Total Membership	143,663	142,198
Average Age of Active Members	44.0 years	44.1 years
Average Salary of Active Members	\$48,135	\$47,551
Average Years of Service of Active Members	10.1 years	10.1 years
Member Contributions (in Millions)	\$214.67	\$211.04
Average Retirement Benefit	\$25,330	\$24,988
Number of Participating Employers	338	335
Employer Contributions (in Millions)	\$560.3	\$554.7



Public Pension Coordinating Council

***Public Pension Standards Award  
For Funding and Administration  
2025***

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 "Robert A. Wylie".

Robert A. Wylie  
Program Administrator

# BOARD OF TRUSTEES

## POSITION #1

**Active Member Trustee**  
**1st Congressional District**



**SUSAN FORD**

Cabot, 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 #3

**Active Member Trustee**  
**3rd Congressional District**



**ARTHUR "CHIP" MARTIN**

Fayetteville, AR  
Trustee Since 7/1/2019  
Term Expires 6/30/2031

## POSITION #4

**Active Member Trustee**  
**4th Congressional District**



**KERI HAMILTON**

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

## POSITION #5

**Active Member Trustee**  
**Administrator Trustee**



**DR. MIKE HERNANDEZ  
(CHAIR)**

Little Rock, AR  
Trustee Since 11/10/2020  
Term Expires 6/30/2027

## POSITION #6

**Active Member Trustee**  
**Administrator Trustee**



**JOHN WARD**

Magnolia, AR  
Trustee Since 7/1/2025  
Term Expires 6/30/2027

## POSITION #7

**Active Member Trustee**  
**Non-Certified Trustee**



**KELSEY BAILEY**

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

## POSITION #8

**Active Member Trustee**  
**At-Large Trustee**



**ANITA BELL**

North Little Rock, AR  
Trustee Since 7/1/2015  
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 #10

**Retired Member Trustee**



**BOBBY G. LESTER**

Jacksonville, AR  
Trustee Since 7/1/2007  
Term Expires 6/30/2031

## POSITION #11

**Retired Member Trustee**



**DANNY KNIGHT**

Sherwood, AR  
Trustee Since 6/6/2011  
Term Expires 6/30/2030

# EX OFFICIO TRUSTEES

## Secretary of Education



**JACOB OLIVA**  
Little Rock, AR

## State Auditor



**DENNIS MILLIGAN**  
Little Rock, AR

## State Bank Commissioner



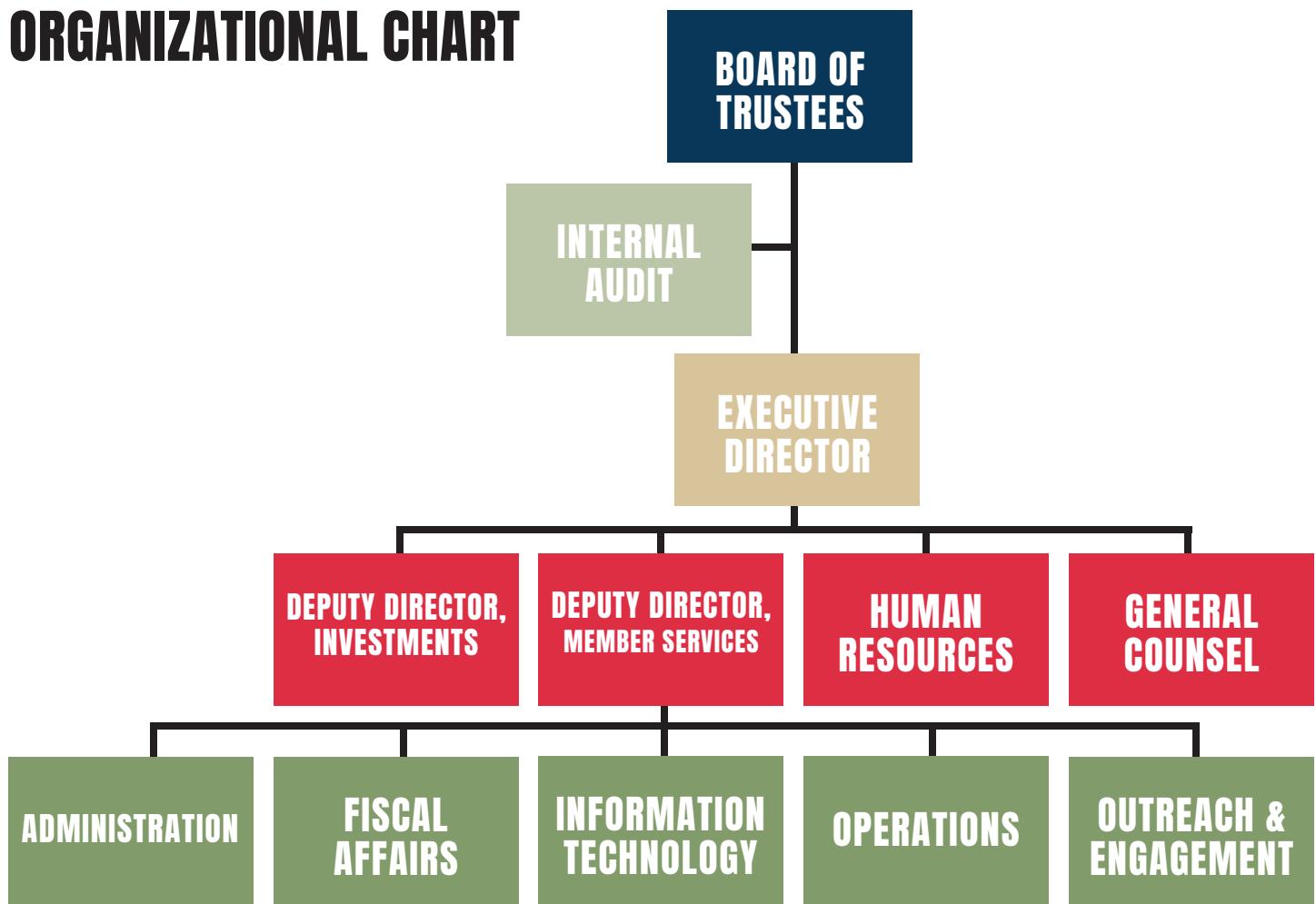
**SUSANNAH MARSHALL**  
Little Rock, AR

## State Treasurer



**JOHN THURSTON**  
Little Rock, AR

# ORGANIZATIONAL CHART



# ADMINISTRATIVE STAFF

**Mark White**  
Executive Director

**Rod Graves**  
Deputy Director, Investments

**Sarah Linam**  
Deputy Director, Member Services

**Jennifer Kelly**  
General Counsel

**Steve Parkinson**  
Director of Operation

**Misty Yant**  
Chief Fiscal Officer

**Mullahalli Manjunath**  
Director of Information Technology

**Stephanie Lilly-Palmer**  
Human Resources Manager

**Anne Marie Berardi**  
Director of Outreach and Engagement

**Tammy Porter**  
Board Secretary

**Kevin Chadwick, CIA**  
Internal Auditor

# PROFESSIONAL CONSULTANTS

## 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

Barrack, Rodos & Bacine | Philadelphia, PA

Berger Montague PC | Philadelphia, PA

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

Labaton Keller Sucharow LLP | New York, NY

Motley Rice LLC | Mount Pleasant, SC

The Rosen Law Firm, PA | New York, NY

**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

**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

**Trian 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

**Altaris Capital Partners, LLC** | New York, NY

**Alpine Investors** | San Francisco, CA

**Altus Capital Partners** | Westport, CT

**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

**Blackstone Mezzanine Partners** | New York, NY

## Investment Consultant

AON Hewitt Investment Consulting | Chicago, IL

ACC Capital | Little Rock, AR

Franklin Park | Bala Cynwyd, PA

## Custodian (Domestic and International)

State Street Bank & Trust Company | Quincy, MA

## Public Markets

Arrowstreet Capital | Boston, MA

Baird Advisors | Milwaukee, WI

# PROFESSIONAL CONSULTANTS CONTINUED

**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

**Enlightenment Capital** | Chevy Chase, MD

**GTLA** | Little Rock, AR

**Greyrock Capital Group, LLC** | Chicago, IL

**Grosvenor Capital Management** | New York, NY

**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

**LLR Equity Partners III** | Philadelphia, PA

**Levine Leichtman III** | Beverly Hills, CA

**Lime Rock Resources III** | Westport, CT

**Mason Wells** | Milwaukee, WI

**MML Capital Partners** | London, United Kingdom

**Natural Gas Partners** | Irving, TX

**One Rock Capital Partners, LLC** | New York, NY

**Peak Rock Capital, LLC** | Austin, TX

**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** | Plano, TX

## Real Assets

### Infrastructure

**Antin Infrastructure Partners** | London, England

**Axium Infrastructure** | New York, NY

**BlackRock Infrastructure** | Greenwich, CT

**DIF** | Amsterdam, Netherlands

**EnCap Investments** | Houston, TX

**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

**Ares** | Denver, CO

**Blackstone Real Estate Partners** | New York, NY

**Calmwater** | Los Angeles, CA

**Carlyle Group** | Washington, DC

**CB Richard Ellis Strategic Partners** | New York NY

**Cerberus** | New York, NY

**FPA Multifamily** | San Francisco, CA

**GLP Capital Partners** | Santa Monica, CA

**Harbert Management Corporation** | Dallas, TX

**Heitman** | Chicago, IL

# PROFESSIONAL CONSULTANTS CONTINUED

**J.P. Morgan Asset Management** | New York, NY

**Kayne Anderson** | Los Angeles, CA

**Kohlberg Kravis Roberts & Co.** | Houston, TX

**Landmark Partners** | Simsbury, CT

**LaSalle** | Chicago, IL

**LBA Realty** | 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** | Whippany, NJ

**Metropolitan Real Estate Partners Co-Investments Fund** |  
New York, NY

**Morgan Stanley** | New York, NY

**O'Connor North American Property Partners II** | New York, NY

**PGIM Real Estate** | New York, NY

**Rockwood Capital Real Estate Partners** | New York, NY

**Torchlight Investors** | New York, NY

**UBS Realty Investors** | Hartford, CT

**Westbrook Funds** | New York, NY

**Parametric** | Minneapolis, MN

**Prophet Asset Management** | Austin, TX

**Silverpoint Capital** | Greenwich, CT

**York Capital Management** | New York, NY

## Re-Insurance

**Aeolus** | 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

## Direct Real Estate Partnerships

**CRI – American Center** | Rogers, AR

## Alternative Investments

### Hedge Funds

**Anchorage Capital Group, L.L.C.** | New York, NY

**Capula Investment US LP** | Greenwich, CT

**CFM** | New York, NY

**Chatham Asset Management** | Chicago, IL

**Circumference Group** | Little Rock, AR

**Graham Capital Management, LP** | Rowayton, CT

**Man Group** | New York, NY

# FINANCIAL



# STATEMENT OF FIDUCIARY NET POSITION

June 30, 2025

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>Assets:</b>	
Cash and cash equivalents	393,679,535
<b>Receivables:</b>	
Member contributions	12,525,192
Employer contributions	29,697,952
Investment trades pending	37,227,305
Accrued investment income	39,593,358
Due from other state agencies	4,268,949
Other receivables	6,001,849
<b>Total Receivables</b>	<b>129,314,605</b>
<b>Investments:</b>	
Public equities	5,292,472,682
Fixed income	2,673,142,712
Real estate	106,460,187
Pooled investments	4,845,616,838
Alternative investments	10,202,627,473
State recycling tax credits	178,400,000
Investment derivatives	(47,439)
<b>Total Investments</b>	<b>23,298,672,453</b>
<b>Other Assets:</b>	
Securities lending collateral	797,010,518
Capital assets, net of accumulated depreciation	46,051
Prepaid expenses	174,210
<b>Total Other Assets</b>	<b>797,230,779</b>
<b>Total Assets</b>	<b>24,618,897,372</b>
<b>Deferred outflows of resources:</b>	
Other post employment benefits	579,352
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>24,619,476,724</b>

# STATEMENT OF FIDUCIARY NET POSITION CONTINUED

June 30, 2025

<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
<b>Liabilities:</b>	
Accrued expenses and other liabilities	517,942
Compensated absences	1,384,273
Post-employment benefit liability	3,200,876
Investment trades pending payable	57,276,756
Accrued investment expenses	15,481,710
Securities lending liability	796,929,236
Due to other state agencies	2,365,410
<b>Total Liabilities</b>	<b>877,156,203</b>
<b>Deferred inflows of resources:</b>	
Other post employment benefits	1,184,661
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>23,741,135,860</b>

# STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

June 30, 2025

<b>ADDITIONS</b>	
<b>Contributions:</b>	
Employer	560,279,520
Member	214,670,034
<b>Total Contributions</b>	<b>774,949,554</b>
<b>Investment income:</b>	
<b>From investing activities:</b>	
Net increase (decrease) in the fair value of investments	1,966,763,582
Interest and dividends	256,042,662
Real estate operating income (loss)	6,564,095
<b>Total Investment Income (Loss)</b>	<b>2,229,370,339</b>
Less investment expense	70,835,612
<b>Net Investment Income (Loss)</b>	<b>2,158,534,727</b>
<b>From securities lending activities:</b>	
Securities lending income	36,310,766
Less securities lending expense	33,044,195
<b>Net Securities Lending Income</b>	<b>3,266,571</b>
<b>Other additions:</b>	
	<b>171,755</b>
<b>TOTAL ADDITIONS (LOSSES)</b>	<b>2,936,922,607</b>
<b>DEDUCTIONS</b>	
Benefits	1,531,980,381
Refunds of contributions	13,518,657
Administrative expenses	9,519,093
<b>Total Deductions</b>	<b>1,555,018,131</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>1,381,904,476</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>22,359,231,384</b>
<b>NET POSITION - END OF YEAR</b>	<b>23,741,135,860</b>

# NOTES TO FINANCIAL STATEMENTS

June 30, 2025

## 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. 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, 2025, the number of employers participating in the plan was as follows:

Public schools	260
State colleges and universities	32
State agencies	14
Other/privatized	32
<b>Total</b>	<b>338</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.

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

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

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.

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 credits 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, 2025, membership in the plan consisted of the following:

Retirees and beneficiaries currently receiving benefits	57,492
T-DROP participants	2,992
Inactive plan members (not receiving benefits)	15,308
Active members	67,871
<b>Total</b>	<b>143,663</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,

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

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 Arkansas Teacher Retirement Pension Trust Fund.

## D. Basis of Accounting

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

## E. Federal Income Tax Status

During the year ended June 30, 2025, the plan qualified 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 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 an average weighted maturity of 90 days or less and the holdings are stated at fair value.

## G. Deposits and Investments

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

Note 1G	Cash and Cash Equivalents	Securities Lending Collateral	Investments	Total
<b>Deposits:</b>				
Cash in bank	32,476,754			32,476,754
Cash in State Treasury	1,948,264			1,948,264
Cash on deposit with investment managers	4,269,918			4,269,918
<b>Investments:</b>				
Investments measured at fair value	354,984,523		8,250,428,142	8,605,412,665
Investments measured at NAV		797,010,518	15,048,244,311	15,845,254,829
Petty Cash	75			75
<b>Total</b>	<b>393,679,534</b>	<b>797,010,518</b>	<b>23,298,672,453</b>	<b>24,489,362,505</b>

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## Deposits

Deposits are carried at cost and consist of cash in bank; cash in State Treasury, and cash on deposit with investment managers totaling \$32,476,754, \$1,948,264, and \$4,269,918, 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, 2025, none of the Agency's bank balance of \$32,520,140 was exposed to custodial credit risk as it was fully insured by the Federal Deposit Insurance Corporation (FDIC). However, \$4,269,918, consisting of 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:

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.

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## *G. Deposits and Investments*

### *Investments (continued)*

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 of inputs 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, 2025, was as follows:

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

<b>Investments Measured at Fair Value:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Public equity investments:				
Domestic equities	2,558,608,695	2,558,608,695		
International equities	1,314,885,814	1,314,885,814		
Preferred equities	203,828,377	193,712,357		10,116,020
Closed end funds	1,172,135,664	1,172,135,664		
Exchange traded funds	43,014,132	43,014,132		
Fixed income investments:				
US Government obligations	283,540,892		283,540,892	
Corporate obligations	1,613,715,292		1,613,715,292	
Term loans	37,935,910		37,935,910	
Asset and mortgage backed securities	310,150,099		310,150,099	
Fixed income funds	64,514,888		64,514,888	
Promissory notes	363,285,631			363,285,631
Real estate investments:				
Real estate	38,326,295			38,326,295
Real estate investment trusts	68,133,892	68,133,892		
State recycling tax credits	178,400,000			178,400,000
Derivative investments - forward contracts	-47,439		-47,439	
Short-term investment fund	354,984,523		354,984,523	
<b>Total Measured at Fair Value:</b>	<b>\$8,605,412,665</b>	<b>\$5,350,490,554</b>	<b>\$2,664,794,165</b>	<b>\$590,127,946</b>

## Investments Measured at Net Asset Value or Equivalent (NAV):

Pooled investments - collective investment trusts	4,845,616,838
Alternative investments:	
Private equity funds	3,344,956,891
Real estate funds	2,203,881,837
Hedge funds	1,392,525,360
Other private investments	3,261,263,385
Securities lending collateral - compass fund*	797,010,518
<b>Total Measured at NAV:</b>	<b>15,845,254,829</b>

\*Cash collateral received and invested in the compass fund totaled \$796,929,236. The amount reported above is the market value of this collateral at June 30, 2025.

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## *G. Deposits and Investments*

### *Investments (continued)*

#### **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 and State recycling tax credits 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 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, 2025

	Total	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
<b>Pooled investments:</b>				
Collective investment trusts	4,845,616,838		Daily	1-30 Days
<b>Alternative investments:</b>				
<b>Private equity funds:</b>				
Buyout funds	1,506,046,886	699,600,407	N/A	N/A
Distressed debt funds	12,478,403	37,369,879	N/A	N/A
Growth equity funds	34,819,102	37,135,999	N/A	N/A
Hard assets	45,575,565	10,050,633	N/A	N/A
Infrastructure funds	534,336,399	118,773,304	Quarterly-Annually	90 Days
Mezzanine funds	68,267,153	18,957,187	N/A	N/A
Multi-strategy funds	405,455,200	342,118,505	N/A	N/A
Structured capital funds	103,426,669	93,307,416	N/A	N/A
Turnaround funds	141,914,424	102,581,381	N/A	N/A
Value added funds	40,517,938	165,000,000	Quarterly	90 Days
Venture capital funds	452,119,152	243,785,355	N/A	N/A
<b>Real estate funds:</b>				
Core funds	726,865,541	100,000,000	Quarterly	30 - 90 Days
Debt funds	138,172,728	34,245,320	Quarterly	90 Days
Farmland funds	257,209,126	7,844,187	Quarterly	60 Days
Opportunistic funds	294,130,236	372,122,627	N/A	N/A
Timberland funds	385,939,391		Quarterly	90 Days
Value added funds	401,564,815	267,188,107	N/A	N/A
<b>Hedge funds:</b>				
Co-investment funds	80,491,402	22,036,074	Quarterly	65 Days
Credit funds	234,831,279		Quarterly-Annually	90 Days
Equity funds	43,941,530		Quarterly	60 Days
Event driven funds	101,902,069		Annually	90 Days
Global macro funds	240,541,278		Monthly	3 - 15 Days
Mortgage servicing funds	49,439,630		Semi-annually	90 Days
Reinsurance funds	137,286,130		Semi-annually-Annually	60 - 90 Days
Relative value funds	113,593,658		Quarterly	45 Days
Risk premia funds	390,498,384		Weekly - Monthly	3 - 5 Days
<b>Other:</b>				
Private investments	3,261,263,385		SemiMonthly-Monthly	3 - 7 Days
Securities lending collateral - compass fund	797,010,518		Daily	Daily
<b>Totals: \$15,845,254,829 \$2,672,116,381</b>				

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## *G. Deposits and Investments*

### *Investments (continued)*

#### **Pooled Investments Funds**

Pooled investment fund include 6 collective investment trusts. 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 73 buyout funds, 3 distressed debt funds, 4 growth equity funds, 14 hard asset funds, 12 infrastructure funds, 5 mezzanine funds, 5 multi- strategy funds, 7 structured capital funds, 11 turnaround funds, 3 value added funds, and 17 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 8 core funds, 9 debt funds, 2 farmland funds, 24 opportunistic funds, 2 timberland funds, and 25 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 reinsurance funds, 1 relative value fund, and 2 risk premia funds. 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. 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 3 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).

#### **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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.87%.

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## 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, 2025, 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 78% of the Agency's investment maturities are one year or longer.

### Investment Maturities (In Years)

Investment Type	Fair Value	Less than 1	1 - 5	More than 5 - 10	More than 10
Collective investment trusts	2,002,210,389		438,163,628	1,564,046,761	
Corporate obligations	1,613,715,292	81,760,833	910,999,301	488,498,304	132,456,854
Private investments	621,124,096			621,124,096	
Promissory notes	363,285,631	57,679,964		185,948,918	119,656,749
Short-term investment fund	354,984,523	354,984,523			
Asset- and mortgage-backed securities	310,150,099		15,214,259	26,765,052	268,170,788
U.S. Government obligations	283,540,892	140,557,018		26,626,164	116,357,710
State recycling tax credits	178,400,000	24,800,000	99,200,000	54,400,000	
Convertible preferred equities	148,464,770	4,701,242	115,629,246		28,134,282
Fixed income funds	64,514,888		64,514,888		
Term loans	37,935,910		7,425,229	30,510,681	
<hr/>					
<b>TOTALS</b>	<b>5,978,326,490</b>	<b>664,483,580</b>	<b>1,651,146,551</b>	<b>2,997,919,976</b>	<b>664,776,383</b>

## Securities Lending Collateral

Compass fund	797,010,518	797,010,518
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# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## *G. Deposits and Investments*

### *Investments (continued)*

#### **Asset-Backed Securities**

As of June 30, 2025, asset-backed securities had a fair value of \$219,056,151. 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, 2025, mortgage-backed securities had a fair value of \$91,093,948. 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, 2025, corporate bonds had a fair value of \$831,424,119. 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, 2025, convertible bonds had a fair value of \$782,291,173. 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, 2025, the Agency held five promissory notes, one being unsecured, with a fair value of \$363,285,631. Promissory notes can be secured with collateral as a safeguard against default or unsecured, and 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.

#### **Term Loans**

As of June 30, 2025, term loans had a fair value of \$37,935,910. 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, 2025, as rated by Standard and Poor's and Moody's Investors Service is as follows:

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

Standard and Poor's		Moody's Investors Service	
Rating	Fair Value	Rating	Fair Value
AAA	22,862,949	Aaa	75,676,382
AA	280,219,088	Aa	288,620,540
A	111,729,481	A	145,325,240
BBB	580,832,352	Baa	491,150,835
BB	175,608,978	Baa	186,301,875
B	53,628,140	B	43,087,931
CCC or below	16,393,201	Caa or below	34,243,784
Not Rated	4,453,511,409	Not Rated	4,430,379,011
 Total	 <u>5,694,785,598</u>	 Total	 <u>5,694,785,598</u>
 Securities lending collateral	 <u>797,010,518</u>	 Not Rated	 <u>797,010,518</u>

## 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, 2025, 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, 2025, no investments in any one issuer represent more than 5% of total plan investments.

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## G. Deposits and Investments

### Investments (continued)

#### 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, 2025, the Agency's exposure to foreign currency risk in U.S. dollars is as follows:

Currency	Total Exposure	Cash Deposits	Public Equities and REIT	Fixed Income	Pooled/Alternative Measured at NAV	Investment Principal				
						Foreign Currency Contracts	Receivable	Payable	Accrued Income	
AUD	Australian Dollar	12,583,623		12,463,399					120,224	
BRL	Brazilian Real	16,295,502		10,622,035	5,673,467					
GBP	British Pound Sterling	697,918,477		218,719,580	9,292,100	464,994,838	2,152,142	2,915,468	(2,485,300)	2,329,649
CAD	Canadian Dollar	66,764,768	5,558	65,337,927		1,276,039	(13,454)	116,580		42,118
CLP	Chilean Peso	5,700,789		5,700,789						
CNY	Chinese Yuan Renminbi	3,266,327	19	3,266,308						
DKK	Danish Krone	19,978,378		19,838,098					140,280	
EUR	Euro	679,261,748		501,938,232	20,535,517	147,209,253	(1,885,471)	792,798	(657,004)	11,328,423
HKD	Hong Kong Dollar	82,866,707		75,045,273		7,545,745				275,689
INR	Indian Rupee	379,388	379,388							
IDR	Indonesian Rupiah	10,737,031		10,319,697		(617,236)	1,034,570			
JPY	Japanese Yen	240,864,453	1,133,778	239,545,363		1,721,857	996,316	(3,483,816)	950,955	
MXN	Mexican Peso	16,338,853		9,876,494	6,422,983	263,391		(263,391)	39,376	
TWD	New Taiwan Dollar	76,632,659		76,459,325					173,334	
SGD	Singapore Dollar	5,425,572		5,425,572						
ZAR	South African Rand	11,652,197			11,185,998	1,257,909		(1,257,909)	466,199	
KRW	South Korean Won	56,240,694	33,065	55,771,961		287,053	1,075,527	(926,912)		
SEK	Swedish Krona	26,290,408		26,290,408						
CHF	Swiss Franc	48,291,132		36,750,916		9,569,682			1,970,534	
TRY	Turkish Lira	8,101,137			7,117,416	707,204		(707,204)	983,721	
UYU	Uruguayan Peso	4,098,067			3,964,687				133,380	
<b>Totals</b>		<b>2,089,687,910</b>	<b>1,551,808</b>	<b>1,373,371,377</b>	<b>64,192,168</b>	<b>630,595,557</b>	<b>3,873,395</b>	<b>6,931,259</b>	<b>(9,781,536)</b>	<b>18,953,882</b>

For foreign 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.

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## 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, 2025, classified by type, and the changes in fair value for the year then ended, are as follows:

Changes in Fair Value			Fair Value at June 30, 2025		
Type	Classification	Amount	Classification	Amount	
Forwards	Net increase (decrease) in the fair value of investments	<u>(61,613)</u>	Investment derivatives	<u>(47,439)</u>	

## 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, 2025, the Agency held no outstanding forward exchange currency contracts to purchase foreign currencies. Outstanding forward exchange currency contracts to sell foreign currencies with contract amounts of \$1,702,239 had market values of \$1,749,678, resulting in a net loss of \$47,439.

The net fair value and net notional amounts of foreign currency forwards as of June 30, 2025, were as follows:

Foreign Currency Forwards	Fair Value	Net Notional
Euro	<u>(47,439)</u>	EUR 1,483,000

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## *G. Deposits and Investments*

### *Investments (continued)*

#### **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, 2025, 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 of at least 100% of the market value of the underlying securities. 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.

As of June 30, 2025, the investment fund had an average duration of 10.52 days and an average weighted final maturity of 92.19 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 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:	Years
Equipment	5-20

Capital assets activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Fiduciary Activities:				
Equipment	870,629			870,629
Less accumulated depreciation	809,889	14,689		824,578
 Fiduciary activities, net	 60,740	 (14,689)	 -	 46,051

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## 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, 2025 and 2024, amounted to \$1,384,273 and \$607,116, respectively. The net change to compensated absences payable during the year ended June 30, 2025, amounted to \$777,157.

## 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 DTSSEBD, 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 (GASB) Statement No. 75. The State's annual OPEB cost for the Plan is based on an actuarially-determined calculated amount made in accordance with GASB Statement No. 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, 2025, is \$3,200,876.

## 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, 2025

## 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, 2025, 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, 2025, 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, 2025, the reserve accounts were funded at a level that complied with the Code provisions.

ATRS Pension Trust Fund Reserves	
Members' deposit account reserve	16,414,309,197
Employers' accumulation account reserve	(7,455,001,415)
Retirement reserve	14,310,279,226
Teacher deferred retirement option plan account reserve	342,591,153
Survivor benefit account reserve	118,354,184
Income - expense account reserve	10,603,515
<b>Total</b>	<b>23,741,135,860</b>

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## NOTE 2: Net Pension Liability of Participating Employers

The components of the net pension liability of the participating employers at June 30, 2025, were as follows:

Total pension liability	27,320,590,433
Less plan net position	23,741,135,860
Employers' net pension liability	3,579,454,573
Plan net position as a percentage of the total pension liability	86.90%

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Wage inflation rate:	2.75%; includes 2.5% price inflation and 0.25% general economic improvement.
Salary increases:	2.75% to 5.75%
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.
<u>Scaling Factor</u>	
Table	Males Females
Healthy Annuitant	105% 105%
Disabled Annuitant	104% 104%
Employee Mortality	100% 100%

The actuarial assumptions used in the June 30, 2025, 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, 2025, these best estimates are summarized in the following table:

Long-Term Expected Real Rate of Return	Target	Long-Term Expected Real Rate of Return
Global equity	48.0%	4.4%
Fixed Income	20.0%	2.6%
Alternatives	5.0%	4.2%
Real assets	15.0%	5.2%
Private equity	12.0%	7.6%
Cash equivalents	0.0%	1.5%
	<u>100.0%</u>	

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## 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 2025 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 and 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	6,984,810,360	3,579,454,573	756,598,513

# NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 2025

## **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 1: Schedule of Changes in Net Pension Liability and Related Ratios for the Ten-Year Period ended June 30, 2025

Schedule 2: Schedule of Contributions for the Ten-Year Period ended June 30, 2025

Schedule 3: Schedule of Investment Returns for the Ten-Year Period ended June 30, 2025

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025**

TOTAL PENSION LIABILITY	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Service cost	441,409,944	426,391,125	395,700,338	379,267,685	340,401,007	331,035,218	325,464,527	315,864,318	307,786,503	305,086,337
Interest	1,891,325,772	1,836,744,684	1,772,097,027	1,720,782,101	1,655,575,883	1,608,463,162	1,551,511,422	1,504,613,059	1,485,759,965	1,433,768,167
Changes in benefit terms	5,551,183								(469,205,711)	
Differences between actual and expected experience	(111,493,998)	(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)
Changes in assumptions						887,447,380				1,374,950,899
Benefit payments	(1,531,980,381)	(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)
Refunds of contributions	(13,518,657)	(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)
NET CHANGE IN TOTAL PENSION LIABILITY	681,293,863	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
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	26,639,296,570	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
TOTAL PENSION LIABILITY - END OF YEAR (A)	27,320,590,433	26,639,296,570	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

PLAN NET POSITION	
Contributions - employer	560,279,520
Contributions - member	211,036,048
Net investment income, including securities lending activity	2,161,801,298
Benefit payments	(1,531,980,381)
Refunds of contributions	(13,518,657)
Administrative expense	(9,519,093)
Other	171,755
NET CHANGE IN PLAN NET POSITION	1,381,904,476
PLAN NET POSITION - BEGINNING OF YEAR	22,359,231,384
PLAN NET POSITION - END OF YEAR (B)	23,741,135,860
PARTICIPATING EMPLOYERS' NET PENSION LIABILITY (ASSET) END OF YEAR (A) - (B)	3,579,454,573
Plan net position as a percentage of total pension liability	86.90%
Covered employee payroll	3,643,883,478
Participating employers' net pension liability (asset) as a percentage of covered employee payroll	98.23%

# SCHEDULE OF CONTRIBUTIONS

FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

FY Ending June 30,	Actuarially Determined Contributions	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2025	536,006,904	560,285,962	(24,279,058)	3,643,883,478	15.38%
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%

# SCHEDULE OF INVESTMENT RETURNS

FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

FY Ending June 30,	Annual Money-Weighted Rate of Return, Net of Investment Expense
2025	9.87%
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%

# SCHEDULE OF SELECTED INFORMATION

FOR THE FIVE-YEAR PERIOD ENDED JUNE 30, 2025

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

### A. Changes in Benefit Terms

There were no significant changes in benefit terms for the year ended June 30, 2025.

### B. Changes in Assumptions

There were no significant changes in assumptions for the year ended June 30, 2025.

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

Valuation date:

June 30, 2023

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.

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

### D. Actuary Reports Supporting Net Pension Liability and Related Ratios and Contribution Amounts

All actuary reports are available through the Arkansas Teacher Retirement System website at [artrs.gov](http://artrs.gov); by writing to ATRS at 1400 West Third Street Little Rock, AR 72201; or by calling 501-682-1517.

# INVESTMENTS



# INVESTMENT LETTER

NOVEMBER 6, 2025

**BOARD OF TRUSTEES**  
**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**1400 WEST THIRD STREET**  
**LITTLE ROCK, AR 72201**

# AON

## Market Overview

Fiscal year 2025 was a strong year for total return investors, as global equity delivered just north of 16%. Most market drivers continued from the prior fiscal year, as inflation concerns lingered, geopolitical tensions continued, and focus remained on the actions of the U.S. Federal Reserve ("Fed"). However, the year was also wrought by election results across the globe, and most notably here in the United States. President Donald Trump won the U.S. Presidential election in November and was officially sworn into office in January 2025. His win initially sparked an equity market rally in the fourth quarter of 2024 due to expectations of lower corporate taxes and generally pro-business policies and less regulation. However, markets became uneasy in early 2025 for a time, as anticipated and eventually enacted tariff policies were announced. The year also brought the U.S. rate hiking cycle to a close, as the Fed cut rates by 50 basis points (bps) in September 2024, followed by two more 25 bp cuts in October and December to the current range of 4.25%-4.50%. The cuts initially led to a decrease in U.S. yields, though that reversed following President Trump's election and the suggested tariffs, which created uncertainty with foreign relations and possible persistence in inflation.

Despite all the activity, the U.S. economy and markets remained resilient and performed well through the end of calendar year 2024. Meanwhile, non-U.S. markets pulled back, in large part because of the strengthening of the U.S. dollar and some political instability amongst important members of the European Union ("EU"). The start of 2025, however, brought a reversal in market leadership. U.S. markets turned negative, with the S&P 500 falling 4.3% in 1Q'25, its worst quarter since 3Q'22. Several concerns weighed on U.S. markets for the period, including the global sell off in Artificial Intelligence ("A.I.") and the tech sector more broadly, concerns of potential tariff wars, and a downgraded U.S. growth outlook. On the other hand, non-U.S. equities performed well, mostly propped up by a weakening U.S. dollar and a substantial valuation disparity compared to

U.S. markets. The A.I. selloff in 1Q'25 was sparked by the release of Deepseek, a Chinese low-cost A.I. competitor to OpenAI and other U.S. A.I. companies. Adding to the sell off was President Trump's announcement of a series of higher-than-expected tariffs on U.S. trade partners on April 2nd, since termed "Liberation Day." What ensued has been multiple rounds of tariff announcements, negotiations, pauses, and suspensions with U.S. trading partners. The shifting tariffs and deadlines left much uncertainty across capital markets and investors.

Meanwhile, since the last rate hike in December 2024, the Fed held rates steady through the second quarter of 2025, while also reducing projections of future rate cuts due to fears of an uptick in inflation as a result of tariffs. Elsewhere, other central banks have been continuing to cut rates, including the European Central Bank and Bank of England. President Trump's "One Big Beautiful Bill ("OBBB")" also added to inflation and deficit fears, due to proposed major tax cuts, increased military spending, and significant reductions to healthcare and social programs. Moody's downgraded the U.S. government rating from Aaa to Aa1, similar to other rating agencies downgrades in the past, due to concerns of the growing deficit and interest costs. This downgrade drew little reaction from the global markets.

Though equity market resiliency was tested at times throughout the fiscal year 2025, they continued to outperform long-term expectations. Global equities, defined by the MSCI World IMI Index, rose 16.1% for the year ending June 30, 2025. Both the U.S. and non-U.S. equity markets generated strong results, 15.3% and 17.7%, respectively, as measured by the Russell 3000 Index and the MSCI ACWI ex USA Index. Emerging Markets equity underperformed developed international markets, though still posted a strong 15.3% in USD terms. Fixed income yields experienced notable volatility, despite the 10-year Treasury yield ending where it started the year at approximately 4.3%. U.S. fixed income broadly, as defined by the Bloomberg Aggregate Bond Index, returned 6.1% for the fiscal

year. High yield bonds performed well, returning 10.3%, as measured by Bloomberg U.S. High Yield Index. Alternative markets, in general, lagged the public markets for the fiscal year period, including private equity, private debt and most real assets. Overall, the strong gains across equity markets and respectable contributions from fixed income drove strong fiscal year asset growth.

#### 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 2025 fiscal year, there were no changes to the Board approved asset allocation. As a reminder, in the prior 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. At the beginning of fiscal year 2025, ATRS hired a new fixed income manager and completed the asset allocation shift, bringing the Total Equity target to 48% and Fixed Income target to 20%. As a reminder, 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.

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

Periods Ending 6/30/2025	1 Year		3 Years		5 Years	
	Return	Rank	Return	Rank	Return	Rank
<b>Total Fund</b>	<b>9.4%</b>	<b>77</b>	<b>10%</b>	<b>25</b>	<b>11.0%</b>	<b>4</b>
Performance Benchmark	11.0	27	11.8	3	11.2	3
<b>Total Equity</b>	<b>14.0</b>	<b>50</b>	<b>16.4</b>	<b>39</b>	<b>15.0</b>	<b>22</b>
Performance Benchmark	15.6	37	17.6	30	14.2	28
<b>Total Fixed Income</b>	<b>6.6</b>	<b>--</b>	<b>3.9</b>	<b>--</b>	<b>1.4</b>	<b>--</b>
Performance Benchmark	6.5	--	3.3	--	-0.1	--
<b>Total Opportunistic/ Alternatives</b>	<b>9.5</b>	<b>--</b>	<b>10.0</b>	<b>--</b>	<b>8.1</b>	<b>--</b>
Custom Alternatives Benchmark	3.7	--	5.8	--	5.7	--
<b>Total Real Assets</b>	<b>2.9</b>	<b>--</b>	<b>0.6</b>	<b>--</b>	<b>4.4</b>	<b>--</b>
Total Real Assets Benchmark	2.7	--	0.1	--	4.5	--
<b>Total Private Equity</b>	<b>0.5</b>	<b>--</b>	<b>1.4</b>	<b>--</b>	<b>10.1</b>	<b>--</b>
Private Equity Policy	9.2	--	10.3	--	20.4	--

\*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 2025 fiscal year with approximately \$23.6 billion, representing an increase of approximately \$1.2 billion over the year. Investment gains of approximately \$2.1 billion drove the strong increase in assets. The year brought strong returns across public equity markets, which drove returns for the Total Fund to 9.4%, net-of-fees. Total Equity returned 14.0% and the Opportunistic/Alternatives portfolio returned 9.5%, 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 below the median of its peer group. Longer-term performance remains positive, as the Total Fund returned an annualized 11.0% over the five-year period and 8.5% over the ten-year period, and ranked in the top decile of the peer universe over both time periods.

The Total Equity portfolio, which provides exposure to U.S. and International equity markets, returned 14.0% 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 15.6%, primarily due to a bias to small cap securities which continued to trail their medium and larger cap counterparts in fiscal year 2025. Longer-term absolute performance remains strong, as Total Equity returned an annualized 15.0% and 10.0% return over the trailing 5-year and since inception (7/2015) periods, respectively.

The ATRS Fixed Income portfolio returned 6.6% over the fiscal year and outperformed its benchmark, the Bloomberg Universal Index, by approximately 10 bps. The ATRS portfolio benefitted from interest rate sensitivity as interest rates ended the year slightly lower than they began, and from exposure to return-seeking sectors (example, high yield) in the mostly risk-on environment. Despite muted longer-term performance of 1.4% and 2.9% over the trailing 5- and 10-year periods, respectively, ATRS's fixed income portfolio added an annualized 1.3 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 9.5% for the fiscal year, while also outperforming its benchmark by 5.8 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, eight out of fourteen strategies outperformed

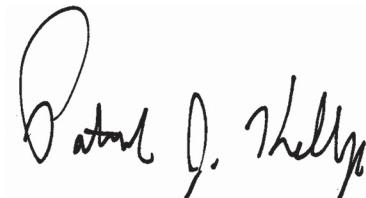
their respective benchmarks. It is also important to note that this portfolio has many strategies early in their investment lives as there have been several enhancements made to this portfolio over recent years. Longer-term performance is positive, as the portfolio has outperformed its benchmark over the trailing 3-, 5-,10-year and since inception (5/2011) time periods.

The Real Assets portfolio, which includes real estate, timber, agriculture, and infrastructure, returned 2.9% during the fiscal year, modestly outperforming its performance benchmark return of 2.7%. The real estate allocation, which is approximately 57% of the portfolio, returned a modest 0.3%, trailing its benchmark return of 1.2%. The infrastructure portfolio, still relatively young, returned 8.5% over the year and outperformed its benchmark return of 7.5%. Timber returned 8.5%, outperforming its benchmark return of 5.6%, while Agriculture declined 1.4% but outperformed its benchmark return of -1.7%. Over the long-term, the real assets portfolio has been additive from both an absolute and relative perspective.

The ATRS private equity portfolio returned 0.5% 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 9.2% for the 2025 fiscal year. The strong performance from public equity markets has served as an immense headwind to short-term performance comparison. Over the more appropriate long-term time periods, the private equity portfolio has exceeded this performance benchmark by an annualized 0.6 percentage points, earning 11.8% 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

## 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 ("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 ("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 System's plan beneficiaries.

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 written advice or written recommendation. The System shall not approve any material changes in any direct investment without first receiving written advice or a written recommendation from a third-party investment consultant and, if needed, outside legal counsel, and, without thereafter receiving written approval by the Investment Committee and Board.

## 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 Act 937 of 2025 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

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

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.

## Standard of Care

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. The assets of the System allocated to the investment managers shall be diligently managed, which may include selling investments and realizing losses, if such action is considered advantageous to longer-term return maximization. In addition, the Executive Director may delegate certain duties to the System's investment staff without relieving the Executive Director from the ultimate responsibility.

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.

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

## 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.

## 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 POLICIES AND PROCEDURES CONTINUED

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 nonmarketable and illiquid asset classes such as private equity and real assets, actual allocations may be used over extended periods to reflect these changes in the policy targets. Periodic performance reports will provide a detailed description of the policy benchmark composition over time.

The System's actuary sets an expected return

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

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 Barclays U.S. Universal Bond Index. To help achieve this goal, the Board will employ investment managers that invest assets in a broad array of sectors (government, mortgage backed, credits, asset backed, and commercial mortgage backed bonds), maturities, and credit qualities so that the overall portfolio structure is not materially different from that of the domestic and global fixed income markets. To provide a broad base of low-cost diversification and readily available liquidity, the Board may allocate a portion of the fixed income assets to a passive investment portfolio that approximates the return of the broad fixed income market.

The goal for fixed income investments shall be to achieve a total rate of return that will exceed, net of all costs and fees, the return of the Barclays U.S. Universal Bond Index over a full market cycle (approximately five years).

## 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

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

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:

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

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

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

ATRS' Real Estate portfolio is benchmarked on a net of fee basis against the NCREIF Fund Index Open-end Diversified Core Equity Index ("NFIODCE"). Once ATRS' Real Estate portfolio reaches its full target allocation for a five-year period, it is expected to meet or exceed the NFIODCE over rolling five-year periods.

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

grade properties of like kind.

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

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

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, 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 overcollateralization of

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

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 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 Executive Director is authorized to vote all proxies related to stocks owned by the System and to provide binding voting instructions to the System's investment managers regarding proxies related to stocks in which they invest the System's assets. The Executive Director shall exercise this authority in compliance with Arkansas Code § 24-2-801 et seq.

The Executive Director shall cast votes solely in the best interest of plan beneficiaries. Any vote, instruction, or recommendation made by the Executive Director must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the Executive Director must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

The Executive Director may retain an independent proxy vote management service to analyze proxy issues, make voting recommendations, vote proxies as the System's agent, and provide voting instructions to the System's investment

# INVESTMENT POLICIES AND PROCEDURES CONTINUED

managers. The System requires the proxy vote management service to act in a manner that complies with Arkansas Code § 24-2-801 et seq. Any vote, instruction, or recommendation made by the proxy vote management service must be consistent with the fiduciary obligation to act based only upon pecuniary factors, and the proxy vote management service must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

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

the investment manager must make a written commitment to do so in compliance with Arkansas Code § 24-2-805(b)(2).

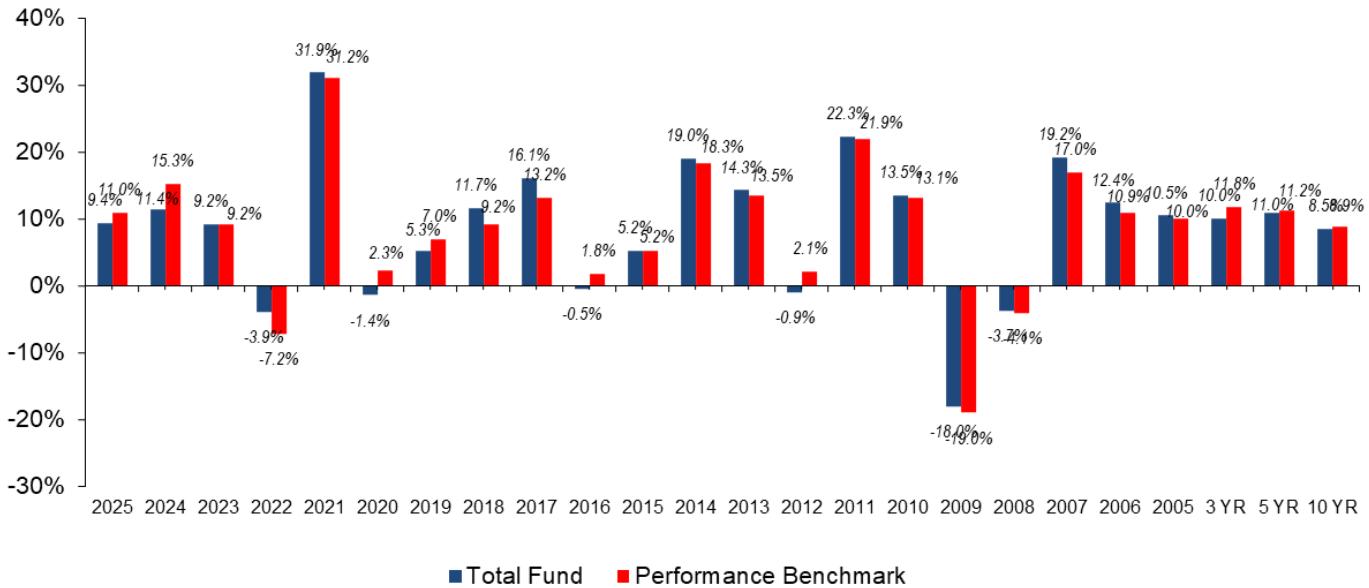
## Soft Dollars

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.

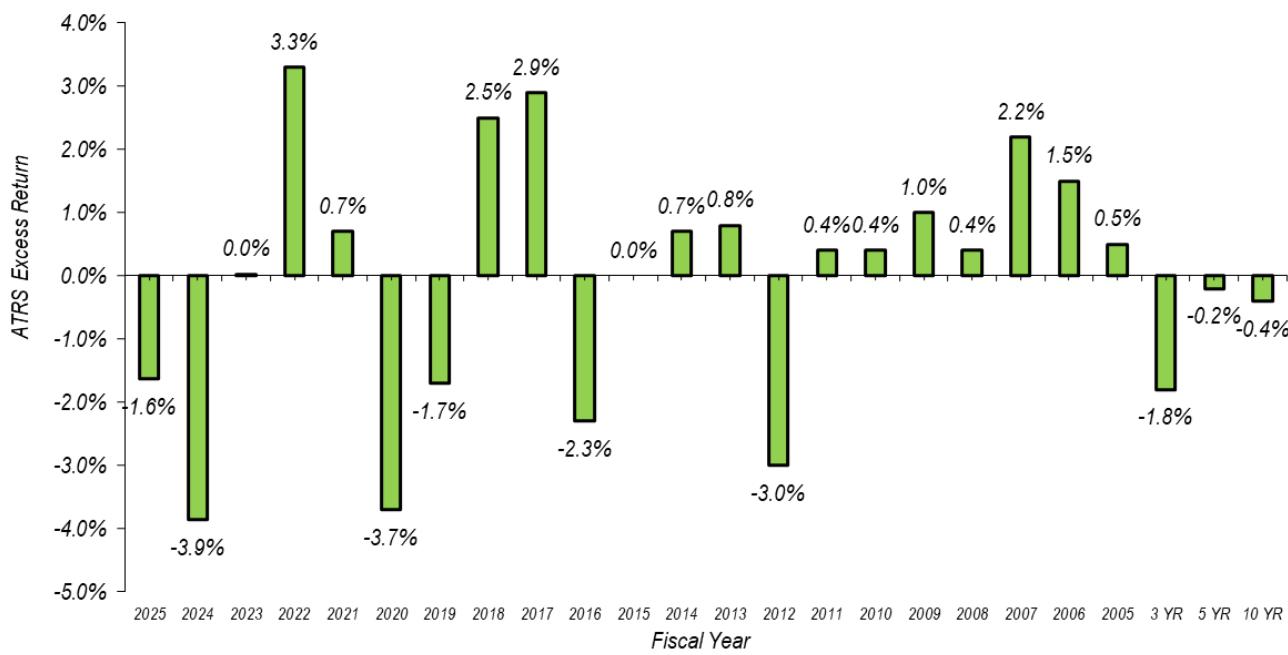
## HISTORY

Amended: October 4, 2010  
Amended: February 7, 2011  
Amended: June 3, 2013  
Amended: October 7, 2013  
Amended: February 17, 2014  
Amended: June 1, 2015  
Amended: April 21, 2016  
Amended: November 13, 2017  
Amended: April 1, 2019  
Amended: February 3, 2020 as Board Policy 4  
Amended: December 7, 2020  
Amended: June 7, 2021  
Amended: September 25, 2023  
Amended: February 5, 2024  
Amended: December 2, 2024  
Amended June 2, 2025

## ATRS TOTAL FUND FISCAL YEAR RETURNS VS. PERFORMANCE BENCHMARK: Periods Ending June 30th

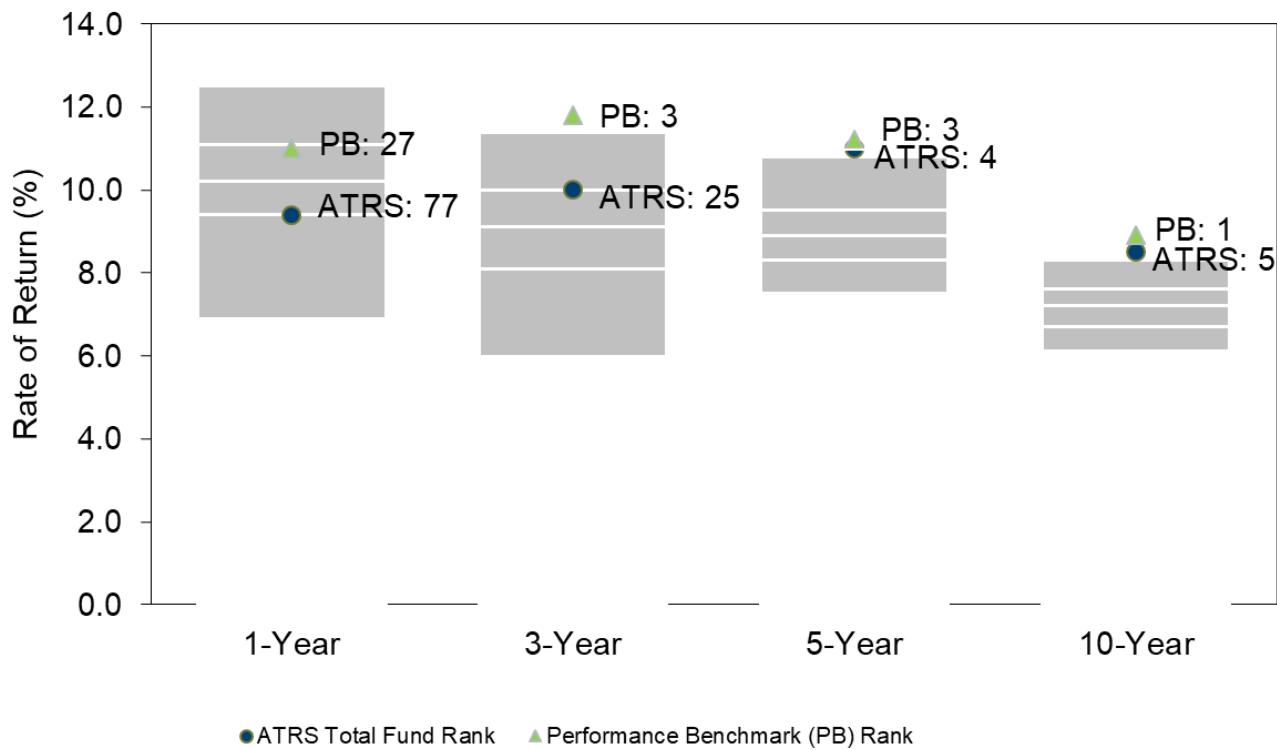


## ATRS TOTAL FUND RETURNS RELATIVE TO PERFORMANCE BENCHMARK: Periods ending June 30th



## ATRS TOTAL FUND RANKS: PERIODS ENDING JUNE 30, 2025

### 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, 2025

The table below details the rates of return for the System's investment managers over various time periods ending June 30, 2025. 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 <i>Dow Jones U.S. Total Stock Market Index</i>	1.9 15.2	23.0 19.1	19.1 15.9
Trian Partners Trian Co-Investments <i>S&amp;P 500 Index</i>	8.5 13.2 15.2	13.0 20.2 19.7	9.3 15.8 16.6
Jacobs Levy 130/30 <i>Russell 3000 Index</i>	12.3 15.3	19.5 19.1	23.5 16.0
Kennedy Capital Management <i>Russell 2000 Value Index</i>	5.0 5.5	7.4 7.5	13.5 12.5
Stephens <i>Russell 2000 Growth Index</i>	12.0 9.7	13.3 12.4	8.7 7.4
Voya Convertibles <i>Performance Benchmark</i>	17.7 15.9	10.9 10.8	10.0 9.5
Voya Absolute Return <i>Performance Benchmark</i>	14.1 16.2	17.3 17.3	14.5 13.7
Arrowstreet SSgA Global Index BlackRock MSCI ACWI IMI Fund <i>MSCI AC World IMI (Net)</i>	19.1 16.1 16.2 15.9	-- 17.0 17.2 16.8	-- 13.7 13.8 13.4
T. Rowe Price Global Equity Lazard <i>MSCI ACWI Index (Net)</i>	10.7 19.7 16.2	18.1 16.6 17.3	12.3 11.7 13.7
Harris Global Equity <i>MSCI World Index (Net)</i>	15.2 16.3	13.0 18.3	13.4 14.6
Wellington Global Perspectives <i>Performance Benchmark</i>	12.5 13.6	12.6 12.4	13.6 11.3

# 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, 2025.

FIXED INCOME	1-Year	3-Years	5-Years
BlackRock <i>Performance Benchmark</i>	6.3 6.5	3.1 3.3	-0.3 -0.1
Reams Core Plus Bond Fund SSgA Aggregate Bond Index <i>Bloomberg Aggregate Index</i>	7.2 6.1 6.7	4.1 2.6 2.5	0.6 -0.7 -0.7
Loomis Sayles <i>Performance Benchmark</i>	10.2 7.4	6.8 5.1	3.1 1.5
Wellington Global Total Return <i>BofA Merrill Lynch 3 Month US T-Bill</i>	5.8 4.7	5.6 4.6	4.4 2.8

# 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, 2025.

OPPORTUNISTIC/ALTERNATIVES	1-Year	3-Years	5-Years
Anchorage	-5.5	2.3	5.9
York	68.5	39.8	21.2
<i>Credit Suisse Event Driven</i>	10.8	9.0	9.3
Capula	9.7	9.9	7.7
Graham	6.1	8.1	14.8
<i>HFRI Macro (Total) Index</i>	-1.2	1.4	5.3
Circumference Group Core Value	5.2	8.7	8.1
<i>Russell 2000 Index</i>	7.7	10.0	10.0
Aelous Keystone Fund	31.9	15.3	7.0
Pillar Opportunity	8.7	7.5	--
<i>FTSE 3 Month T-Bill</i>	4.9	4.8	2.9
Parametric Global Defensive Equity	10.2	11.8	10.1
<i>Performance Benchmark</i>	10.5	11.2	8.5
Man Alternative Risk Premia	1.4	8.3	7.9
<i>SG Multi Alternative Risk Premia Index</i>	2.3	6.4	5.3
CFM Systematic Global Macro Fund	20.6	7.2	--
<i>HFRI Macro: Systematic Diversified Index</i>	-11.2	-3.6	--
Chatham PDSC III	7.1	14.4	--
Chatham PDSC IV	16.3	--	--
<i>HFRI Event Driven (Total) Index</i>	11.3	9.1	--
Silver Point Capital Fund	7.4	8.5	--
<i>HFRI ED: Distressed/Restructuring Index</i>	9.8	7.2	--
Prophet Mtg. Service Opportunities	13.6	--	--
<i>Credit Suisse Hedge Fund Index</i>	7.2	--	--

# 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, 2025.

REAL ESTATE MANAGER	SINCE- INCEPTION IRR	INCEPTION DATE	REAL ESTATE MANAGER (CON.)	SINCE- INCEPTION IRR	INCEPTION DATE
<b>Core &amp; Open End Funds</b>					
Arkansas Investments	7.6%	12/31/2007	Landmark Real Estate Fund IX	9.9%	12/31/2021
JP Morgan Strategic Property Fund	6.1%	2/5/2007	LaSalle Asia Opportunity Fund IV	31.4%	7/22/2014
MetLife Commercial Mortgage Income Fund, LP	3.4%	7/1/2019	LaSalle Asia Opportunity V	-3.7%	9/30/2017
Prime Property Fund	-2.8%	3/31/2022	LaSalle Asia Opportunity VI	-7.4%	3/31/2022
Prudential PRISA	5.7%	6/30/2005	LaSalle Income & Growth Fund VI	7.3%	7/16/2013
RREEF Core Plus Industrial Fund	-1.3%	9/30/2021	LaSalle Income & Growth Fund VII	-3.8%	6/30/2017
UBS Trumbull Property Fund	4.8%	3/31/2006	LaSalle Income & Growth Fund VIII	-0.8%	2/26/2020
UBS Trumbull Property Income Fund	3.5%	7/3/2017	LaSalle Value Partners U.S. IX	-33.0%	7/1/2023
<b>Closed End Funds</b>					
Almanac Realty Securities V, LP	11.9%	5/12/2008	LBA Logistics Value Fund IX	-2.6%	2/22/2022
Almanac Realty Securities VI	7.7%	11/20/2012	Lone Star Real Estate Fund IV	6.0%	10/1/2015
Almanac Realty Securities VII	9.2%	4/24/2015	Lone Star Real Estate Fund VII	N/M	4/30/2023
Almanac Realty Securities VIII	8.3%	12/21/2018	Long Wharf Real Estate Partners V	4.3%	11/20/2015
Almanac Realty Securities IX	3.8%	6/13/2022	Long Wharf Real Estate Partners VI, L.P.	11.5%	3/30/2020
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	8.5%	11/20/2019	Long Wharf Real Estate Partners VII	-2.0%	1/01/2025
Blackstone Real Estate Partners Europe VI (USD Vehicle)	31.8%	6/17/2024	Mesa West Real Estate Income Fund V	5.1%	11/8/2021
Blackstone Real Estate Partners VII	14.2%	2/6/2012	Metropolitan Real Estate Partners Co-Investments Fund, L.P.	5.6%	12/30/2015
Blackstone Real Estate Partners X	9.6%	6/30/2022	O'Connor North American Property Partners II, L.P.	-4.5%	4/10/2008
Calmwater Real Estate Credit Fund III	4.4%	12/27/2017	PGIM Real Estate Capital VII (USD Feeder)	9.5%	1/28/2021
Carlyle Realty Partners IX	1.9%	6/30/2021	Rockwood Capital Real Estate Partners Fund IX	8.5%	12/27/2012
Carlyle Realty Partners VII	12.9%	7/15/2014	Rockwood Capital Real Estate Partners Fund XI	-12.9%	12/18/2019
Carlyle Realty Partners VIII	21.3%	6/29/2018	Torchlight Debt Opportunity Fund IV	8.7%	7/19/2013
CBRE Strategic Partners U.S. Opportunity 5	5.4%	8/13/2008	Torchlight Debt Opportunity Fund V	9.7%	6/29/2015
CBRE Strategic Partners U.S. Value 8	-3.1%	9/30/2016	Torchlight Debt Opportunity Fund VI	7.7%	2/12/2018
CBRE Strategic Partners U.S. Value 9	-3.2%	7/20/2020	Torchlight Debt Opportunity Fund VII	4.1%	7/16/2020
Cerberus Institutional Real Estate Partners III	12.6%	10/3/2013	Walton Street Real Estate Debt Fund II, L.P.	7.5%	6/28/2019
FPA Core Plus Fund IV	7.1%	9/10/2018	Westbrook Real Estate Fund IX	4.0%	6/11/2013
GLP Capital Partners IV	-1.6%	9/28/2021	Westbrook Real Estate Fund X	0.2%	7/18/2016
Harbert European Real Estate Fund IV	-2.1%	6/30/2016	<b>Total Real Estate</b>		6.7%
Heitman European Property Partners IV	-3.8%	12/15/2008			5/28/1997
Kayne Anderson Real Estate Partners V	8.3%	6/15/2018			
Kayne Anderson Real Estate Partners VI	14.5%	6/4/2021			
Landmark Real Estate Fund VI	8.4%	6/30/2010			
Landmark Real Estate Fund VIII	8.4%	8/2/2017			

# REAL ASSETS | SCHEDULE OF INVESTMENT RESULTS (CON.)

The table that follows details the rates of return for the System's investment active managers for the period ending June 30, 2025.

TIMBER & AGRICULTURE	SINCE-INCEPTION IRR	INCEPTION DATE
BTG Timber Separate Account	5.2%	2/18/1998
BTG Pactual Open Ended Core U.S. Timberland Fund	8.0%	12/30/2019
HFMS Farmland Separate Account	5.8%	4/22/2011
UBS Agrivest Core Farmland Fund	4.9%	4/1/2015

INFRASTRUCTURE	SINCE-INCEPTION IRR	INCEPTION DATE
Antin Infrastructure Partners II, L.P.	14.5%	7/3/2014
AxInfra NA II LP	9.2%	3/1/2021
DIF Infrastructure Fund V, L.P.	8.2%	6/5/2018
DIF Infrastructure Fund VII, L.P.	14.7%	12/31/22
EnCap Energy Transition Fund	-5.9%	2/1/2024
Global Energy & Power Infrastructure Fund II	10.3%	12/23/2014
Global Infrastructure Partners III, L.P.	9.3%	5/18/2016
IFM Global Infrastructure Fund (US), L.P.	9.7%	10/1/2018
ISQ Global Infrastructure Fund III	13.4%	12/30/2021
KKR Global Infrastructure Investors II, L.P.	16.7%	12/18/2014
KKR Diversified Core Infrastructure Fund	7.9%	4/1/2022
Macquarie Infrastructure Partners III, L.P.	17.1%	2/13/2015
Macquarie Infrastructure Partners V, L.P.	11.1%	12/16/2020

# PRIVATE EQUITY | SCHEDULE OF INVESTMENT RESULTS

The table that follows details the rates of return for the System's investment managers for the period ending June 30, 2025.

PRIVATE EQUITY	INCEPTION DATE	ANNUALIZED INTERNAL RATE OF RETURN*	PRIVATE EQUITY (CON.)	INCEPTION DATE	ANNUALIZED INTERNAL RATE OF RETURN*
<b>Individual Partnerships</b>					
Audax Mezzanine III	5/10/2010	9.5%	CSFB-ATRS 2006-1 Series	8/1/2006	10.0%
Big River - Mezzanine	6/27/2014	17.3%	Cypress MBP II	6/18/1999	-0.5%
Blackstone Mezzanine I	12/22/1999	10.2%	DH Tech I	1/12/2000	-16.5%
DLJ Investment II	11/10/1999	10.4%	Diamond State	4/15/2000	5.5%
Greyrock IV	12/30/2016	13.4%	Diamond State II	1/4/2007	12.6%
Greyrock V	4/15/2020	8.0%	DLJ MBP III	7/19/2000	19.4%
Greyrock VI	3/8/2023	-0.1%	Doughty Hanson III	10/20/1997	13.5%
Insight Mezzanine I	7/13/2009	6.5%	DW Healthcare III	12/21/2011	19.0%
<b>Private Equity</b>					
Arlington VII	6/26/2025	NMF	DW Healthcare IV	12/21/2015	14.5%
Atlas Capital II	12/13/2013	19.9%	DW Healthcare V	7/22/2019	18.2%
ATRS-FP PE	4/1/2012	17.5%	EnCap IX	12/19/2012	10.9%
Beekman V	1/11/2024	NMF	EnCap VIII	1/31/2011	1.2%
Big River - Equity	6/27/2014	15.0%	EnCap X	4/7/2015	16.2%
Big River - Funding	1/31/2017	4.3%	EnCap XI	3/6/2017	21.3%
Big River - Holdings Note	8/23/2017	11.0%	Enlightenment Capital Solutions V	7/25/2024	NMF
Big River - Holdings Note 2023	3/13/2018	5.6%	FP CF Access	7/31/2019	18.8%
Big River - Holdings Note 2023-2	9/14/2018	6.5%	FP CF Access II	2/4/2022	5.9%
Big River - Preferred Equity	8/23/2017	12.5%	FP CF Access III	7/26/2024	NMF
Big River - Sr Secured Debt	6/27/2014	14.7%	FP Co-Invest VI	2/24/2023	17.2%
Bison V	6/30/2016	13.0%	FP Intl 2011	2/16/2011	9.3%
Bison VI	12/23/2021	27.5%	FP Intl 2012	1/31/2012	5.1%
Blue Oak Arkansas	3/26/2014	-34.8%	FP Intl 2013	2/7/2013	6.3%
Boston Ventures VII	12/14/2007	2.5%	FP Intl 2014	1/23/2014	10.2%
BV IX	4/7/2017	27.7%	FP Intl 2015	1/23/2015	6.2%
BV VIII	8/15/2014	43.6%	FP Intl 2016	1/21/2016	4.0%
BV X	2/28/2020	28.5%	FP Intl 2017	3/1/2017	12.9%
BV XI	7/1/2022	22.3%	FP Intl 2018	2/15/2018	8.3%
Castlelake II	5/4/2012	5.7%	FP Intl 2019	3/27/2019	33.7%
Castlelake III	2/28/2014	6.0%	FP Intl 201X	3/27/2020	14.1%
Clearlake V	1/12/2018	33.5%	FP Intl XI	1/14/2022	13.2%
Clearlake VI	12/10/2019	12.0%	FP Venture 2008	1/18/2008	17.3%
Clearlake VII	10/29/2021	5.0%	FP Venture 2009	1/16/2009	16.6%
Clearlake VIII	1/30/2024	NMF	FP Venture 2010	1/29/2010	13.6%
Court Square III	7/17/2012	20.2%	FP Venture 2011	2/16/2011	34.1%
CSFB-ATRS 2005-1 Series	5/1/2005	7.3%	FP Venture 2012	1/31/2012	19.0%
			FP Venture 2013	2/7/2013	21.4%

# PRIVATE EQUITY | SCHEDULE OF INVESTMENT RESULTS CON.

The table that follows details the rates of return for the System's investment managers for the period ending June 30, 2025.

PRIVATE EQUITY (CON.)	INCEPTION DATE	ANNUALIZED INTERNAL RATE OF RETURN*	PRIVATE EQUITY (CON.)	INCEPTION DATE	ANNUALIZED INTERNAL RATE OF RETURN*
<b>Private Equity (Continued)</b>					<b>Private Equity (Continued)</b>
FP Venture 2014	1/23/2014	17.4%	LLR VI	9/25/2020	6.7%
FP Venture 2015	1/23/2015	8.9%	LLR VII	7/19/2023	NMF
FP Venture 2016	1/21/2016	13.8%	Mason Wells III	5/13/2010	20.6%
FP Venture 2017	3/1/2017	11.8%	MML Capital VIII	5/15/2025	820.1%
FP Venture 2018	3/23/2018	11.3%	NGP IX	2/27/2008	10.8%
FP Venture 2019	6/25/2019	9.7%	NGP X	4/20/2012	-0.1%
FP Venture Opp	1/7/2022	2.3%	NGP XI	9/30/2014	9.8%
FP Venture Opp II	12/20/2024	NMF	NGP XII	10/2/2017	14.8%
FP Venture XIII	2/7/2020	7.3%	Oak Hill I	4/1/1999	10.6%
FP Venture XIV	1/7/2022	4.8%	One Rock II	3/31/2017	5.1%
FP Venture XV	2/19/2024	NMF	Peak Rock IV	3/28/2025	NMF
Green and Clean Power Note	9/30/2024	NMF	PineBridge Structured III	12/31/2015	-4.5%
Greenbriar V	2/22/2021	8.0%	Post Road III	10/3/2023	12.1%
Greenbriar VI	10/17/2022	10.4%	Revelstoke III	10/1/2021	8.2%
GTLA Holdings	8/30/2018	19.8%	Riverside IV	12/4/2009	21.3%
Highland Contingent Note	7/20/2018	4.8%	Riverside V	5/11/2012	11.7%
Highland Equity	7/28/2016	0.0%	Riverside Value Fund I	3/14/2022	55.3%
Highland Note 2025	9/27/2023	23.2%	Riverside Value Fund II	5/14/2025	NMF
HMTF III	3/4/1997	1.8%	Riverside VI	7/3/2018	1.7%
HMTF IV	6/18/1998	-6.1%	Second Cinven	4/30/1998	9.3%
HMTF V	11/28/2000	17.6%	Siris III	12/11/2014	1.1%
Hybar LLC	7/31/2023	29.2%	Siris IV	12/22/2017	8.0%
Hybar LLC - Note	7/31/2023	0.0%	SK Capital V	7/5/2018	-0.5%
Insight Equity II	7/13/2009	7.6%	SK Capital VI	3/3/2022	29.5%
JF Lehman III	8/8/2011	9.1%	South Harbor Note	11/7/2024	NMF
JF Lehman IV	10/23/2015	34.5%	Sycamore Partners II	4/7/2014	3.8%
JF Lehman V	6/28/2019	17.9%	Sycamore Partners III	12/21/2017	15.2%
JF Lehman VI	10/27/2022	24.2%	TA XI	4/30/2009	26.7%
KPS III Supplemental	8/14/2009	22.8%	Tennenbaum VI	2/15/2011	7.3%
KPS IV	4/12/2013	22.0%	Thoma Bravo Discover	1/29/2016	34.4%
KPS Mid Cap II	6/30/2023	NMF	Thoma Bravo Discover II	12/20/2017	21.9%
KPS Mid-Market I	10/15/2019	16.0%	Thoma Bravo Discover III	5/29/2020	11.4%
KPS V	10/15/2019	12.6%	Thoma Bravo Discover IV	4/13/2022	21.3%
Levine Leichtman V	4/30/2013	17.2%	Thoma Bravo Explore I	1/23/2020	23.4%
Lime Rock Resources III	7/16/2013	3.7%	Thoma Bravo Explore II	5/2/2022	NMF
LLR III	5/9/2008	16.4%	Thoma Bravo XI	5/1/2014	26.1%

# PRIVATE EQUITY | SCHEDULE OF INVESTMENT RESULTS CON.

The table that follows details the rates of return for the System's investment managers for the period ending June 30, 2025.

PRIVATE EQUITY (CON.)	INCEPTION DATE	ANNUALIZED INTERNAL RATE OF RETURN*
<b>Private Equity (Continued)</b>		
Thoma Bravo XII	4/27/2016	15.1%
Thoma Bravo XIII	9/24/2018	22.6%
Thoma Bravo XIV	5/29/2020	6.8%
Thoma Bravo XV	4/13/2022	15.0%
Veritas IX	1/29/2025	NMF
Vista Equity III	7/11/2008	28.5%
Vista Foundation II	10/31/2013	13.4%
Vista Foundation III	5/19/2016	18.7%
Wellspring V	7/28/2010	15.5%
Wicks IV	4/29/2011	20.6%
WNG II	6/26/2018	11.0%

\*2022, 2023, 2024, and 2025 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: Fixed Income, Private Equity, and Opportunistic/Alternatives at their long-term Policy Targets of 20%, 12% and 5%, respectively, and Total Equity at its long-term Policy Target of 48% plus the balance of the unfunded or uncommitted assets of Real Assets and Real Assets at the weight of the previous month's ending values. 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 3 000 Index	MSCI ACW ex-US Index	MSCI ACWI	Bloomberg U.S. Universal Bond Index	Bloomberg 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 EnnisKnapp 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, 2025, the Total Equity Performance Benchmark was comprised of 31.5% DJ U.S. Total Stock Market Index and 66.5% MSCI ACWI IMI

## Total Fixed Income

The Bloomberg U.S. Universal Bond Index as of March 1, 2004.

## Total Opportunistic/Alternatives

A custom benchmark consisting of 25% DJ/CS Event-Driven Index, 25% HFR Macro Index, and 50% South

# DESCRIPTION OF BENCHMARKS CONTINUED

Timberland NCREIF Index until June 30, 2013; 60% HFRI Macro Index and 40% DJ/CS Event-Driven Index until July 31, 2015; 56% HFRI Macro Index, 38% DJ/CS Event-Driven Index, and 6% Russell 2000 Index until March 31, 2016; 45% HFRI Macro Index, 30% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 20% Citigroup 3 Month T-bill until May 31, 2016; 37% HFRI Macro Index, 25% DJ/CS Event-Driven Index, 5% Russell 2000 Index, and 33% Citigroup 3 Month T-bill until May 31, 2017; 28% HFRI Macro Index, 20% DJ/CS Event-Driven Index, 4% Russell 2000 Index, 25% Citigroup 3 Month T-bill, and 23% Parametric Performance Benchmark until May 31, 2018. 22% HFRI 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% HFRI 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% HFRI 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% HFRI 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.

## 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 Allianz (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 U.S. Universal Bond Index as of March 1, 2004. Previously it was the Bloomberg 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 Capital Government/Credit Index and 35% Bloomberg Capital High Yield Index.

## PIMCO Performance Benchmark

The Bloomberg U.S. Universal Bond Index as of March 1, 2004. Previously it was the Bloomberg 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 Corporate, Government and Mortgage-

# DESCRIPTION OF BENCHMARKS CONTINUED

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 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 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 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.

## 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 & Canada.

# DESCRIPTION OF BENCHMARKS CONTINUED

## **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 113 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 504 global equity portfolios.

# ACTUARIAL



# ACTUARIAL LETTER

DECEMBER 22, 2025

**BOARD OF TRUSTEES  
ARKANSAS TEACHER RETIREMENT SYSTEM  
1400 WEST THIRD STREET  
LITTLE ROCK, AR 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, 2025 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, 2025. 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, 2025 and 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, 2024 to June 30, 2025  
Summary of Actuarial Assumptions and Methods  
Single Life Retirement Values  
Probabilities of Retirement for Members  
Duration of 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, 2025 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 84.4% funded position (based on the actuarial value of assets) and an 87.8% funded position based upon the market value of assets as of June 30, 2025. The amortization period as of June 30, 2025 is 21 years.

**Based upon the results of the June 30, 2025 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

JAK/HGB/DH:rmn  
Enclosure

# EXHIBIT 1 | COMPUTED ACTUARIAL LIABILITIES

as of June 30, 2025

Actuarial Present Value of	(1) Total Present Value	Entry Age Actuarial Cost Method	
		(2) Portion Covered by Future Normal Cost Contributions	(3) Actuarial Accrued Liabilities (1) - (2)
Age and service retirement allowances based on total service likely to be rendered by present active members.	\$11,510,693,703	\$3,016,871,048	\$ 8,493,822,655
Age and service retirement allowances based on total service likely to be rendered by present T-DROP members.	1,875,473,454	41,742,600	1,833,730,854
Vested deferred benefits likely to be paid present active and inactive members	1,684,821,463	506,170,561	1,178,650,902
Survivor benefits expected to be paid on behalf of present active members.	191,723,521	73,609,114	118,114,407
Disability benefits expected to be paid on behalf of present active members.	230,168,994	115,725,807	114,443,187
Refunds of member contributions expected to be paid on behalf of present active members.	32,939,974	194,215,945	(161,275,971)
Benefits payable to present retirees and beneficiaries.	15,449,226,757	--	15,449,226,757
<b>Total</b>	<b>\$ 30,975,047,866</b>	<b>\$ 3,948,335,075</b>	<b>\$ 27,026,712,791</b>
Funding Value of Assets	22,806,564,333	--	22,806,564,333
<b>Liabilities to be covered by future contributions.</b>	<b>\$ 8,168,483,533</b>	<b>\$ 3,948,335,075</b>	<b>\$ 4,220,148,458</b>

## EXHIBIT 2 | DETERMINATION OF AMORTIZATION PERIOD

Computed as of June 30, 2025 and June 30, 2024

Computed Contributions for	Percents of Active Member Payroll			
	June 30, 2025			June 30, 2024
	Teachers	Support	Combined	Combined
Normal Cost				
Age & Service Annuities	11.40%	7.64%	<b>10.39%</b>	10.34%
Deferred Annuities	1.50%	2.32%	<b>1.72%</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 Contribution	0.50%	1.27%	<b>0.71%</b>	0.69%
<b>Total</b>	<b>14.08%</b>	<b>11.81%</b>	<b>13.47%</b>	<b>13.39%</b>
Average Member Contributions	6.78%	5.36%	<b>6.40%</b>	6.33%
Net Employer Normal Cost	7.30%	6.45%	<b>7.07%</b>	7.06%
Unfunded Actuarial Accrued Liabilities			<b>7.93%</b>	7.94%
<b>Employer Contribution Rate</b>			<b>15.00%</b>	15.00%
<b>Amortization Years</b>			<b>21</b>	20

The amortization period is the number of years it will take to pay off the unfunded liability of \$4.2 billion, assuming contributions remain at the Fiscal Year 2026 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 2026 is reasonably in line with expectations, the amortization period is likely to decrease in the next valuation due to the phase-in of net investment gains.

# SCHEDULE OF ACTIVE MEMBERS VALUATION DATA

Valuation Date June 30	Active Members in Valuation		Average Annual Pay	
	Number	Annual Payroll (Millions)	Amount	% Charge
<b>2025</b>	<b>70,863</b>	<b>\$3,484</b>	<b>\$49,167</b>	<b>1.3%</b>
2024	71,246	3,459	48,555	3.4%
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%

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 Allowances (Millions)	% Increase in Annual Allowances	Average Annual Allowances
	Added	Removed				
<b>2025</b>	<b>2,891</b>	<b>1,576</b>	<b>57,492</b>	<b>\$1,456.26</b>	<b>3.7%</b>	<b>\$25,330</b>
2024	2,879	1,348	56,177	1,403.75	4.2%	24,988
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

# 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-----								
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%
2024	1,863	14,992	9,501	22,309	100%	100%	57%	85%
<b>2025#</b>	<b>2,031</b>	<b>15,449</b>	<b>9,547</b>	<b>22,807</b>	<b>100%</b>	<b>100%</b>	<b>56%</b>	<b>84%</b>

\* Revised actuarial assumptions or methods.

# Legislated benefit or contribution rate change.

# ACTUARIAL GAIN (LOSS) BY RISK AREA

During the Period July 1, 2024 to June 30, 2025

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.	\$55.7	0.21%
Gross Investment Return. <b>If there is greater investment</b> return recognition than assumed, there is a gain. If less return recognition, a loss.	(321.7)	(1.22)%
<b>NON-ECONOMIC RISK AREAS</b> Retirements. <b>If members retire at older</b> ages, there is a gain. If younger ages, a loss.	(10.9)	(0.04)%
Disability Retirements. <b>If there are fewer disabilities</b> than assumed, there is a gain. If more, a loss.	0.4	0.00%
Death-in-Service Benefits. <b>If there are fewer</b> than assumed, there is a gain. If more, a loss.	0.4	0.00%
Withdrawal. <b>If more liabilities are released by other</b> separations than assumed, there is a gain. If smaller releases, a loss.	53.7	0.20%
Death After Retirement. <b>If there are more deaths</b> than assumed, there is a gain. If fewer, a loss.	31.2	0.12%
<b>ACTUARIAL GAIN (LOSS) DURING PERIOD</b>	<b>\$(191.2)</b>	<b>(0.73)%</b>
<b>BEGINNING OF YEAR ACCRUED LIABILITIES</b>	<b>\$26,356.3</b>	<b>100%</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.

# SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

## 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%

***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 2025	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	\$160.10	\$162.61	\$213.76	\$218.53	45.54	48.53	0.10 %	0.05 %
45	155.76	158.96	205.40	211.26	40.30	43.24	0.13 %	0.07 %
50	150.11	154.18	195.06	202.18	35.19	38.07	0.30 %	0.22 %
55	143.26	148.43	182.96	191.53	30.31	33.11	0.43 %	0.30 %
60	134.54	140.82	168.37	178.25	25.61	28.26	0.65 %	0.41 %
65	123.64	130.85	151.15	161.94	21.11	23.54	0.95 %	0.61 %
70	110.13	118.14	131.14	142.51	16.85	19.01	1.47 %	0.98 %
75	94.16	102.65	108.98	120.37	12.94	14.78	2.47 %	1.72 %
80	76.53	84.93	86.01	96.66	9.50	11.00	4.43 %	3.18 %
85	59.02	66.43	64.52	73.42	6.69	7.80	8.18 %	6.08 %
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	74%	81%
Ref		2705 x 1.05	2706 x 1.05

## TABLE II | PROBABILITIES OF RETIREMENT FOR MEMBERS

Retirement Ages	% of Active Participants Retiring with Unreduced Benefits			
	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	3254	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

Sample Ages in 2025	Percent of Active Members Separating within the Next Year						
	Years of Service	Death *		Disability		Other	
		Male	Female	Male	Female	Male	Female
25	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%
	5 & Up	0.03%	0.01%	0.02%	0.02%	5.80%	
		0.05%	0.02%	0.02%	0.02%	4.20%	4.80%
		0.07%	0.03%	0.02%	0.03%	2.90%	3.20%
		0.09%	0.04%	0.04%	0.07%	2.00%	2.10%
		0.11%	0.06%	0.13%	0.17%	1.70%	1.70%
30	45	0.14%	0.08%	0.31%	0.37%	1.60%	1.70%
		0.21%	0.12%	0.61%	0.63%	1.60%	1.70%
		0.32%	0.19%	0.82%	0.89%	1.50%	1.60%
		0.46%	0.28%	0.82%	0.89%	1.20%	1.30%
	50	2723 x 1.00	2724 x 1.00	1217 x 1	1218 x 1	1364	1365
						1574	1575
Ref:							

\* 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

Sample Ages in 2025	Percent of Active Members Separating within the Next Year						
	Years of Service	Death *		Disability		Other	
		Male	Female	Male	Female	Male	Female
25	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%
	5 & Up	0.03%	0.01%	0.02%	0.01%	10.60%	9.90%
		0.05%	0.02%	0.05%	0.03%	7.80%	7.00%
		0.07%	0.03%	0.10%	0.04%	5.70%	5.10%
		0.09%	0.04%	0.13%	0.08%	4.40%	4.30%
		0.11%	0.06%	0.21%	0.16%	3.70%	4.00%
	30	0.14%	0.08%	0.45%	0.33%	3.50%	3.90%
	35	0.21%	0.12%	0.88%	0.61%	3.50%	3.70%
	40	0.32%	0.19%	1.36%	0.79%	3.40%	3.20%
	45	0.46%	0.28%	1.36%	0.79%	2.70%	2.50%
	60						
	65						
Ref:		2723 x 1.00	2724 x 1.00	1219 x 1	1220 x 1	1366	1367
						1576	1577

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

## TABLE VII | INDIVIDUAL PAY INCREASES

Education				Support			
Years of Service	Pay Increase Assumptions for an Individual Member			Years of Service	Pay Increase Assumptions for an Individual Member		
	Merit & Seniority	Base (Economic)	Increase Next Year		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, 2025 actuarial valuations, **ATRS is satisfying the financial objective of level-contribution-percent financing.**

**The amortization period this year is 21 years,** an increase from last year's period of 20 years. On a market value basis, the amortization period is 14 years. The amortization period is calculated assuming 7.93% 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 would remain

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, 2025 valuation, the contribution rate based upon an amortization period of 18 years would be approximately 15.9% 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 Employer Contribution (ADEC) based on the results of the June 30, 2025 valuation.**

**The Arkansas Teacher Retirement System remains stable with an 84.4% funded position** as of June 30, 2025. If experience is reasonably in line with expectations in Fiscal Year 2026, the amortization period is likely to decrease in the next valuation due to the scheduled phase-in of net investment gains.

**The rate of investment return on a market value basis was 9.80%\*** this year. As of June 30, 2025, the market value of assets exceeded the actuarial value of assets by approximately \$935 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 5.78%, compared to an assumed 7.25% return for Fiscal Year 2025.

*\*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	5,750	5,279	175	112	170	14	4,896	718	48	88
251-500	6,273	5,544	171	126	405	27	5,224	843	109	97
501-750	4,853	4,261	116	105	342	29	4,006	634	135	78
751-1,000	3,833	3,325	78	129	262	39	3,125	500	151	57
1,001-1,250	3,048	2,668	83	80	192	25	2,396	444	145	63
1,251-1,500	2,613	2,238	95	38	215	27	1,995	402	181	35
1,501-1,750	2,227	1,900	102	37	164	24	1,670	351	158	48
1,751-2,000	2,193	1,887	86	37	162	21	1,627	342	177	47
Over \$2,000	26,569	24,914	717	195	663	80	20,066	3,801	2,273	429
<b>Total</b>	<b>57,359</b>	<b>52,016</b>	<b>1,623</b>	<b>859</b>	<b>2,575</b>	<b>286</b>	<b>45,005</b>	<b>8,035</b>	<b>3,377</b>	<b>942</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+	
07/01/15 - 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	1,012	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
07/01/24 - 06/30/25	Average Monthly Benefit	\$ 200	\$ 294	\$ 730	\$ 1,195	\$ 1,836	\$ 2,869	\$ 3,077
	Average Final Salary	\$ 49,343	\$ 29,618	\$ 36,871	\$ 41,394	\$ 49,513	\$ 59,878	\$ 59,330
	Number of Active Retirees	51	527	402	336	334	1,038	139

# 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
2025	560,279,520	15.38%	214,670,034	2,161,973,053	2,936,922,607

# 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
2025	1,531,980,381	13,518,657	9,519,093	1,555,018,131

## SCHEDULE OF BENEFIT BY TYPE

Type of Benefit	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Age and Service</b>	1,278,294,869	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
<b>Disability</b>	41,410,024	41,027,658	40,457,469	40,637,115	40,710,587	40,420,225	40,330,710	39,770,821	38,833,696	37,812,689	36,188,748
<b>Option</b>	44,535,937	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
<b>Survivor</b>	13,713,294	13,191,438	12,949,173	12,527,408	12,129,985	11,555,653	11,267,137	10,848,118	10,470,562	9,946,290	9,626,726
<b>Reciprocity</b>	73,693,895	70,173,668	67,375,786	64,615,316	61,382,530	58,429,113	55,891,519	52,914,204	49,175,662	45,746,432	41,958,663
<b>Active Members</b>											
<b>Death Benefits</b>	328,837	379,839	396,423	681,421	487,669	338,189	278,972	304,927	474,719	357,921	404,248
<b>T-DROP</b>	53,960,320	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
<b>Act 808</b>	1,267,220	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
<b>Cash Balance Disbursements</b>	20,702,459	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
<b>Cash and Savings Help Program</b>	4,073,525	3,752,161	2,653,041	1,999,048	2,213,146	2,722,804	2,144,429	11,010,987	4,260,278	400,673	1,246,632
<b>Total</b>	1,531,980,381	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	1,035,958,951	970,719,485	

# PARTICIPATING EMPLOYERS

ACADEMICS PLUS CHARTER SCHOOL  
ALMA SCHOOL DISTRICT  
ALPENA SCHOOL DISTRICT  
ARKANSAS DEPARTMENT OF WORKFORCE SERVICES  
AR SCHOOL BAND & ORCHESTRA ASSOCIATION  
ARCH FORD EDUCATION SERVICE CO-OP  
ARKADELPHIA PUBLIC SCHOOLS  
ARKANSAS DEPARTMENT OF HIGHER EDUCATION  
ARKANSAS ACTIVITIES ASSOCIATION  
ARKANSAS ARTS ACADEMY CHARTER  
ARKANSAS ASSOCIATION EDUCATIONAL ADMINISTRATORS  
ARKANSAS CONNECTIONS ACADEMY CHARTER  
ARKANSAS CORRECTIONAL SCHOOL  
ARKANSAS DEPARTMENT OF CAREER EDUCATION (REHAB)  
ARKANSAS DEPARTMENT OF CAREER EDUCATION (WORKFORCE)  
ARKANSAS DEPARTMENT OF COMMERCE  
ARKANSAS DEPARTMENT OF EDUCATION  
ARKANSAS DEPARTMENT OF EDUCATION  
ARKANSAS DEPARTMENT OF HEALTH  
ARKANSAS DEPARTMENT OF PUBLIC SAFETY  
ARKANSAS EDUCATIONAL TV NETWORK  
ARKANSAS MILITARY AND FIRST RESPONDERS ACADEMY  
ARKANSAS NORTHEASTERN COLLEGE  
ARKANSAS RIVER EDUCATION SERVICE CO-OP  
ARKANSAS SCHOOL BOARDS ASSOCIATION  
ARKANSAS SCHOOL FOR MATH, SCIENCES & ARTS  
ARKANSAS SCHOOL FOR THE BLIND  
ARKANSAS SCHOOL FOR THE DEAF  
ARKANSAS STATE UNIVERSITY  
ARKANSAS STATE UNIVERSITY- BEEBE  
ARKANSAS STATE UNIVERSITY- MID SOUTH CC  
ARKANSAS STATE UNIVERSITY- MT. HOME  
ARKANSAS STATE UNIVERSITY- NEWPORT  
ARKANSAS TEACHER RETIREMENT SYSTEM  
ARKANSAS TECH UNIVERSITY  
ARKANSAS VIRTUAL ACADEMY CHARTER  
ARMOREL SCHOOL DISTRICT  
ASHDOWN SCHOOL DISTRICT  
ASU - THREE RIVERS

ATKINS PUBLIC SCHOOLS  
AUGUSTA PUBLIC SCHOOLS  
BALD KNOB PUBLIC SCHOOLS  
BARTON-LEXA SCHOOL DISTRICT  
BATESVILLE SCHOOL DISTRICT  
BAUXITE SCHOOL DISTRICT  
BAY SCHOOL DISTRICT  
BEARDEN SCHOOL DISTRICT  
BEEBE PUBLIC SCHOOL DISTRICT  
BENTON SCHOOL DISTRICT  
BENTONVILLE PUBLIC SCHOOLS  
BERGMAN PUBLIC SCHOOLS  
BERRYVILLE PUBLIC SCHOOLS  
BISMARCK SCHOOL DISTRICT  
BLACK RIVER TECHNICAL COLLEGE  
BLEVINS SCHOOL DISTRICT  
BLYTHEVILLE PUBLIC SCHOOLS  
BOONEVILLE SCHOOL DISTRICT  
BOSTON MOUNTAIN EDUCATIONAL CO-OP  
BRADFORD SCHOOL DISTRICT  
BRINKLEY PUBLIC SCHOOLS  
BROOKLAND PUBLIC SCHOOLS  
BRYANT PUBLIC SCHOOLS  
BUFFALO ISLAND CENTRAL SCHOOL DISTRICT  
CABOT PUBLIC SCHOOLS  
CADDY HILLS SCHOOL DISTRICT  
CALICO ROCK SCHOOL DISTRICT  
CAMDEN-FAIRVIEW SCHOOL DISTRICT  
CARLISLE SCHOOL DISTRICT  
CAVE CITY SCHOOL DISTRICT  
CEDAR RIDGE SCHOOL DISTRICT  
CEDARVILLE PUBLIC SCHOOL DISTRICT  
CENTERPOINT SCHOOL DISTRICT  
CHARLESTON PUBLIC SCHOOLS  
CLARENDON SCHOOL DISTRICT  
CLARKSVILLE SCHOOL DISTRICT  
CLEVELAND COUNTY SCHOOL DISTRICT  
CLINTON PUBLIC SCHOOLS  
CONCORD SCHOOL DISTRICT  
CONWAY PUBLIC SCHOOLS  
CONWAY VOCATIONAL CENTER  
CORNING SCHOOL DISTRICT  
COSSATOT COMMUNITY COLLEGE - U OF A  
COSSATOT RIVER SCHOOL DISTRICT

# PARTICIPATING EMPLOYERS CONTINUED

COTTER PUBLIC SCHOOLS  
 COUNTY LINE PUBLIC SCHOOLS  
 CROSS COUNTY SCHOOL DISTRICT  
 CROSSETT SCHOOL DISTRICT  
 CROWLEY'S RIDGE EDUCATIONAL SERVICE CO-OP  
 CUTTER MORNING STAR PUBLIC SCHOOLS  
 DANVILLE PUBLIC SCHOOLS  
 DARDANELLE PUBLIC SCHOOLS  
 DAWSON EDUCATION SERVICE CO-OP  
 DECATUR PUBLIC SCHOOLS  
 DEER/ MT. JUDEA SCHOOL DISTRICT  
 DEQUEEN PUBLIC SCHOOLS  
 DEQUEEN-MENA EDUCATION SERVICE  
 DERMOTT SCHOOL DISTRICT  
 DES ARC SCHOOL DISTRICT  
 DEWITT SCHOOL DISTRICT  
 DHS-DIVISION OF YOUTH SERVICES  
 DIERKS PUBLIC SCHOOLS  
 DOVER SCHOOL DISTRICT  
 DREW CENTRAL SCHOOL DISTRICT  
 DUMAS PUBLIC SCHOOLS  
 EARLE SCHOOL DISTRICT  
 EAST ARKANSAS COMMUNITY COLLEGE  
 EAST END SCHOOL DISTRICT  
 EAST POINSETT COUNTY SCHOOL DISTRICT  
 ECONOMICS ARKANSAS  
 EL DORADO PUBLIC SCHOOLS  
 ELKINS SCHOOL DISTRICT  
 EMERSON-TAYLOR-BRADLEY SCHOOL  
 ENGLAND PUBLIC SCHOOL DISTRICT  
 E-STEM PUBLIC CHARTER SCHOOL  
 EUREKA SPRINGS PUBLIC SCHOOLS  
 EXALT ACADEMY CHARTER SCHOOL  
 FARMINGTON PUBLIC SCHOOLS  
 FAYETTEVILLE PUBLIC SCHOOLS  
 FLIPPIN SCHOOL DISTRICT  
 FORDYCE PUBLIC SCHOOLS  
 FOREMAN PUBLIC SCHOOLS  
 FORREST CITY SCHOOL DISTRICT  
 FORT SMITH PUBLIC SCHOOLS  
 FOUKE SCHOOL DISTRICT  
 FOUNTAIN LAKE SCHOOL DISTRICT  
 FRIENDSHIP ASPIRE ACADEMY - PINE BLUFF  
 FUTURE SCHOOL OF FT. SMITH CHARTER

GARFIELD SCHOLARS ACADEMY CHARTER  
 GENOA CENTRAL SCHOOL DISTRICT  
 GENTRY PUBLIC SCHOOLS  
 GLEN ROSE SCHOOL DISTRICT  
 GOSNELL PUBLIC SCHOOLS  
 GRAVETTE SCHOOL DISTRICT  
 GREAT RIVERS EDUCATION SERVICE CO-OP  
 GREEN FOREST PUBLIC SCHOOLS  
 GREENBRIER PUBLIC SCHOOLS  
 GREENE COUNTY TECH SCHOOL DISTRICT  
 GREENLAND SCHOOL DISTRICT  
 GREENWOOD SCHOOL DISTRICT  
 GURDON PUBLIC SCHOOLS  
 GUY FENTER EDUCATION SERVICE CO-OP  
 GUY-PERKINS SCHOOL DISTRICT  
 HAAS HALL ACADEMY CHARTER - FAYETTEVILLE  
 HACKETT SCHOOL DISTRICT  
 HAMBURG SCHOOL DISTRICT  
 HAMPTON SCHOOL DISTRICT  
 HARMONY GROVE SCHOOL DISTRICT  
 HARMONY GROVE SCHOOL DISTRICT  
 HARRISBURG SCHOOL DISTRICT  
 HARRISON SCHOOL DISTRICT  
 HAZEN SCHOOL DISTRICT  
 HEBER SPRINGS SCHOOL DISTRICT  
 HECTOR SCHOOL DISTRICT  
 HELENA-WEST HELENA SCHOOLS  
 HENDERSON STATE UNIVERSITY  
 HERMITAGE PUBLIC SCHOOL DISTRICT  
 HIGHLAND PUBLIC SCHOOL DISTRICT  
 HILLCREST SCHOOL DISTRICT  
 HOPE ACADEMY OF NORTHWEST ARKANSAS  
 HOPE PUBLIC SCHOOLS  
 HORATIO SCHOOL DISTRICT  
 HOT SPRINGS SCHOOL DISTRICT  
 HOXIE PUBLIC SCHOOLS  
 HUNTSVILLE SCHOOL DISTRICT  
 IMBODEN AREA CHARTER SCHOOL  
 INSTITUTE FOR THE CREATIVE ARTS CHARTER  
 IZARD COUNTY CONSOLIDATED SCHOOL DISTRICT  
 JACKSON COUNTY SCHOOL DISTRICT  
 JACKSONVILLE LIGHTHOUSE CHARTER SCHOOL  
 JACKSONVILLE NORTH PULASKI SCHOOL DISTRICT  
 JASPER SCHOOL DISTRICT

# PARTICIPATING EMPLOYERS CONTINUED

JESSIEVILLE PUBLIC SCHOOL DISTRICT  
JONESBORO PUBLIC SCHOOLS  
JONESBORO VOCATIONAL CENTER  
JUNCTION CITY SCHOOL DISTRICT  
KIPP DELTA COLLEGE PREPARATORY CHARTER  
KIRBY SCHOOL DISTRICT  
LAFAYETTE COUNTY SCHOOL DISTRICT  
LAKE HAMILTON SCHOOL DISTRICT  
LAKESIDE SCHOOL DISTRICT  
LAKESIDE SCHOOL DISTRICT  
LAMAR SCHOOL DISTRICT  
LAVACA PUBLIC SCHOOLS  
LAWRENCE COUNTY SCHOOL DISTRICT  
LEAD HILL SCHOOL DISTRICT  
LEE COUNTY SCHOOL DISTRICT  
LINCOLN CONSOLIDATED SCHOOL DISTRICT  
LISA ACADEMY CHARTER  
LITTLE ROCK SCHOOL DISTRICT  
LONOKE SCHOOL DISTRICT  
MAGAZINE SCHOOL DISTRICT  
MAGNET COVE SCHOOL DISTRICT  
MAGNOLIA SCHOOL DISTRICT  
MALVERN SCHOOL DISTRICT  
MAMMOTH SPRING SCHOOL DISTRICT  
MANILA PUBLIC SCHOOLS  
MANSFIELD SCHOOL DISTRICT  
MARION SCHOOL DISTRICT  
MARKED TREE SCHOOL DISTRICT  
MARMADUKE SCHOOL DISTRICT  
MARVELL - ELAINE SCHOOL DISTRICT  
MAYFLOWER SCHOOL DISTRICT  
MAYNARD SCHOOL DISTRICT  
MC CRORY SCHOOL DISTRICT  
MCGEHEE PUBLIC SCHOOLS  
MELBOURNE PUBLIC SCHOOL DISTRICT  
MENA PUBLIC SCHOOLS  
METROPOLITAN VOCATIONAL CENTER  
MIDLAND SCHOOL DISTRICT  
MINERAL SPRINGS SCHOOL DISTRICT  
MONTICELLO SCHOOL DISTRICT  
MONTICELLO VOCATIONAL CENTER  
MOUNT IDA PUBLIC SCHOOLS  
MOUNTAIN HOME PUBLIC SCHOOLS  
MOUNTAIN PINE SCHOOL DISTRICT

MOUNTAIN VIEW SCHOOL DISTRICT  
MOUNTAINBURG PUBLIC SCHOOLS  
MT. VERNON-ENOLA SCHOOL DISTRICT  
MULBERRY-PLEASANT VIEW BI-COUNTY PUBLIC SCHOOLS  
NASHVILLE SCHOOL DISTRICT  
NATIONAL PARK COMMUNITY COLLEGE  
NEMO VISTA SCHOOL DISTRICT  
NETTLETON PUBLIC SCHOOLS  
NEVADA SCHOOL DISTRICT  
NEWPORT SPECIAL SCHOOL DISTRICT  
NORFORK SCHOOL DISTRICT  
NORTH ARKANSAS COLLEGE  
NORTH CENTRAL CAREER CENTER  
NORTH LITTLE ROCK SCHOOL DISTRICT  
NORTHCENTRAL ARKANSAS EDUCATION SERVICE CO-OP  
NORTHEAST ARKANSAS EDUCATION CO-OP  
NORTHWEST ARKANSAS CLASSICAL ACADEMY CHARTER  
NORTHWEST ARKANSAS COMMUNITY COLLEGE  
NORTHWEST ARKANSAS EDUCATION SERVICE CO-OP  
NORTHWEST TECHNICAL INSTITUTE  
OMAHA SCHOOL DISTRICT  
OSCEOLA SCHOOL DISTRICT  
OUACHITA PUBLIC SCHOOLS  
OUACHITA RIVER SCHOOL DISTRICT  
OZARK MOUNTAIN SCHOOL DISTRICT  
OZARK PUBLIC SCHOOLS  
OZARKA COLLEGE  
OZARKS UNLIMITED RESOURCE EDUCATIONAL SERVICE CO-OP  
PALESTINE-WHEATLEY SCHOOL DISTRICT  
PANGBURN SCHOOL DISTRICT  
PARAGOULD SCHOOL DISTRICT  
PARIS SCHOOL DISTRICT  
PARKERS CHAPEL SCHOOL DISTRICT  
PEA RIDGE SCHOOL DISTRICT  
PERRYVILLE SCHOOL DISTRICT  
PHILLIPS COMMUNITY COLLEGE - DEWITT  
PIGGOTT SCHOOL DISTRICT  
PINE BLUFF SCHOOL DISTRICT  
POCAHONTAS PUBLIC SCHOOLS

# PARTICIPATING EMPLOYERS CONTINUED

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



Prepared by the Staff of  
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