

ARKANSAS TEACHER RETIREMENT SYSTEM

June 3, 2024

1400 West Third Street

BOARD ROOM

Little Rock, AR 72201

Board of Trustees Meeting

11:00 a.m.

Trustees

Danny Knight, Chair

Shawn Higginbotham, Vice Chair

Kelsey Bailey

Anita Bell

Susan Ford

Keri Hamilton

Dr. Mike Hernandez

Michael Johnson

Bobby G. Lester

Chip Martin

Jeff Stubblefield

Ex Officio Trustees

Susannah Marshall, State Bank Commissioner

Jacob Oliva, Secretary, Dept. of Education

Honorable Dennis Milligan, State Auditor

Honorable Larry Walther, State Treasurer

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

June 3, 2024

11:00 a.m.

1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Adoption of Agenda.** page 2.
- III. Executive Summary. (Attachment No. 1) page 6.
- IV. ***Approval of Prior Meeting Minutes.**
 - A. April 15, 2024, Minutes. (Attachment No. 2) page 13.
 - B. May 21, 2024, Minutes. (Attachment No. 3) page 20.
- V. ***2024 Board of Trustees Election Results.** (Attachment No. 4) page 23.
 - A. ***Resolution 2024-17.** (Attachment No. 5) page 26.
- VI. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. None.
- VII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 6) page 27.
- VIII. ***Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.**
 - A. In Re: Employer 00219. (Attachment No. 7) page 28.
- IX. Manifest Injustice Report. (Attachment No. 8) page 31.
- X. Audit Committee Report. *Jeff Stubblefield, Audit Committee Vice Chair*
 - A. ***Internal Audit Follow-Up Report: Implementation of Legislation Enacted by the 92nd General Assembly.** (Attachment No. 9) page 34.

* Action Item

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- B. ***Internal Audit Follow-Up Report: Application of IRS 415 Limit.** (Attachment No. 10) page 40.
- C. ***Internal Audit Follow- Up Report: History Adjustments.** (Attachment No. 11) page 44.
- D. ***2024-2025 Audit Plan.**
 - 1. ***Audit Plan for FY 2025.** (Attachment No. 12) page 48.
 - 2. FY2024 Summary of Work Completed. (Attachment No. 13) page 87.
 - 3. Conflict of Interest Statement(s). (Attachment No. 14) page 89.
 - 4. Code of Ethics Statement. (Attachment No. 15) page 90.
 - 5. ***Update Internal Audit Charter.** (Attachment No. 16) page 94.
- E. ***Appointment of ATRS Internal Auditor, Effective June 23, 2024.** (Attachment No. 17) page 101.
- F. ***Update on ATRS Board Policy 1 Board Governance.** (Attachment No. 18) page 103.

XI. Investment Committee Report. *Chip Martin, Investment Committee Chair*

- A. Arkansas Related and Investment Update.
 - 1. List of Fund Closings. None to report for this period.
 - 2. Board Policies Report. (Attachment No. 19) page 118.
 - 3. ***ESG Oversight Committe Established by Act 411 of 2023 Update and Recommendation.**
 - a. Executive Director Memo. (Attachment No. 20) page 121.
 - b. ***Resolution 2024-18.** (Attachment No. 21) page 123.
- B. ***Update to Board Policy 1 - Board Governance.** (Attachment No. 22) page 124.
- C. General Investment Consultant.
 - 1. Preliminary Performance Report for the Quarter Ended March 31, 2024. (Attachment No. 23) page 139.
 - 2. Preliminary Performance Report for the Month Ended April 30, 2024. (Attachment No. 24) page 291.
- D. Real Assets.
 - 1. Performance Report for the Quarter Ended December 31, 2023. (Attachment No. 25) page 316.
 - 2. ***Recommendation to approve for Board adoption Resolution 2024-19 authorizing an investment of up to \$50 million dollars in Kayne Anderson Real Estate Partners VII, LP. *Chae Hong of Aon Hewitt Investment Consulting*** (Attachment No. 26) page 367.

* Action Item

- a. ***Resolution 2024-19.** (Attachment No. 27) page 375.
- 3. ***Recommendation to approve for Board adoption Resolution 2024-20 authorizing an investment of up to \$50 million dollars in Macquarie GIG Energy and Climate Opportunities Fund, SCSp.** (Attachment No. 28) page 376.
 - a. ***Resolution 2024-20.** (Attachment No. 29) page 385.
- 4. ***Recommendation to approve for Board adoption Resolution 2024-21 authorizing an investment of up to \$50 million dollars in KKR Global Infrastructure Investors V, LP.** (Attachment No. 30) page 386.
 - a. ***Resolution 2024-21.** (Attachment No. 31) page 394.

E. Private Equity.

- 1. Private Equity Portfolio Review for the Quarter Ended December 31, 2023. (Attachment No. 32) page 395.
- 2. ***Recommendation to approve for Board adoption Resolution 2024-22 authorizing an investment of up to \$40 million dollars in Franklin Park Corporate Finance Access Fund III, L.P.** (Attachment No. 33) page 442.
 - a. ***Resolution 2024-22.** (Attachment No. 34) page 451.
- 3. ***Recommendation to approve for Board adoption Resolution 2024-23 authorizing an investment of up to \$40 million dollars to Franklin Park Venture Capital Opportunity Fund II, L.P.** (Attachment No. 35) page 452.
 - a. ***Resoultion 2024-23.** (Attachment No. 36) page 461.

XII. Operations Committee Report. *Bobby Lester, Operations Committee Chair*

- A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members in Attendance.
 - 1. Open Forum.
- B. Rule Promulgation Status Update.
- C. Preliminary ATRS 2025 Legislative Package. (Attachment No. 37) page 462.
- D. ***Update to ATRS Board Policy 1 - Board Governance.** (Attachment No. 38) page 467.
- E. Update to ATRS Board Policy 2 - Board Objectives. (Attachment No. 39) page 482.

XIII. ***Unreported Service: Employer Contributions Due.**

- A. ***In Re: ATRS ID #462613.** (Attachment No. 40) page 488.

* Action Item

1. ***Resolution 2024-24.** (Attachment No. 41) page 493.

XIV. ***Board of Trustees Disability Review.** *Jennifer Liwo, General Counsel*

A. ***In Re Disability Retiree - ATRS ID#146792.** (Attachment No. 42) page 495.

XV. ***Staff Reports.**

A. ***Medical Committee Report. A total of 10 Disability Applications were approved.** *Willie Kincade, Director of Operations* (Attachment No. 43) page 498.

B. ***Litigation Update.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

C. ***Recommendation to approve Resolution 2024-25 for Procurement of External Legal Counsel for Collections.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

1. ***Resolution 2024-25.** (Attachment No. 44) page 499.

XVI. Other Business.

XVII. ***Adjourn.**

EXECUTIVE SUMMARY

TO: Board of Trustees
FROM: ATRS Staff
RE: Executive Summary
DATE: June 3, 2024

IV. *Approval of Prior Meeting Minutes.

A. April 15, 2024, Minutes. [page 13.](#)

B. May 21, 2024, Minutes. [page 20.](#)

V. *2024 Board of Trustees Election Results. [page 23.](#)

A. *Resolution 2024-17. [page 26.](#)

VI. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. None.

VII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. [page 27.](#)

VIII. *Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.

A. In Re: Employer 00219. [page 28.](#)

IX. Manifest Injustice Report. [page 31.](#)

The rule on Manifest Injustice requires reports to the Board at least two times per year. This is the first report of 2024. This report is for information purposes only and is not an action item.

X. Audit Committee Report. *Jeff Stubblefield, Audit Committee Vice Chair*

A. *Internal Audit Follow-Up Report: Implementation of Legislation Enacted by the 92nd General Assembly. [page 34.](#)

B. *Internal Audit Follow-Up Report: Application of IRS 415 Limit. [page 40.](#)

C. *Internal Audit Follow- Up Report: History Adjustments. [page 44.](#)

D. *2024-2025 Audit Plan.

1. *Audit Plan for FY 2025. [page 48.](#)

2. FY2024 Summary of Work Completed. [page 87.](#)

3. **Conflict of Interest Statement(s).** page 89.
4. **Code of Ethics Statement.** page 90.
5. ***Update Internal Audit Charter.** page 94.
- E. ***Appointment of ATRS Internal Auditor, Effective June 23, 2024.** page 101.
- F. ***Update on ATRS Board Policy 1 Board Governance.** page 103.

XI. Investment Committee Report. *Chip Martin, Investment Committee Chair*

A. Arkansas Related and Investment Update.

1. **List of Fund Closings.** None to report for this period.
2. **Board Policies Report.** page 118.
3. ***ESG Oversight Committee Established by Act 411 of 2023 Update and Recommendation.**
 - a. **Executive Director Memo.** page 121.
 - b. ***Resolution 2024-18.** page 123.

B. *Update to Board Policy 1 - Board Governance. page 124.

The proposed changes to Board Policy 1 include non-substantive, stylistic changes and substantive changes recommended by ATRS staff. This is an action item.

C. General Investment Consultant.

1. **Preliminary Performance Report for the Quarter Ended March 31, 2024.** page 139.

P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting will provide the Board with a preliminary portfolio update for the quarter ending March 31, 2024.

2. **Preliminary Performance Report for the Month Ended April 30, 2024.** page 291.

P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting will provide the Board with a preliminary portfolio update for the month ending April 30, 2024.

D. Real Assets.

1. **Performance Report for the Quarter Ended December 31, 2023.** page 316.

Chae Hong of Aon Hewitt Investment Consulting will provide the Board with a performance report for the quarter ending December 31, 2023.

2. ***Recommendation to approve for Board adoption Resolution**

2024-19 authorizing an investment of up to \$50 million dollars in Kayne Anderson Real Estate Partners VII, LP. *Chae Hong of Aon Hewitt Investment Consulting* page 367.

Based in Los Angeles, Kayne Anderson Capital Advisors, L.P., was founded in 1984 by Rick Kayne and John Anderson and employs 330 employees in eight offices across the United States. The asset management firm is focused on investing in oil and gas companies, specialized real estate, energy infrastructure, middle market credit and growth private equity. Kayne manages approximately \$33 billion dollars in assets for institutional investors, family offices, high net worth individuals and retail clients.

Kayne Anderson Real Estate Fund VII (KAREP VII) is a closed-end, opportunistic fund targeting specialized real estate sectors including medical office, senior housing and student housing within the U.S. KAREP VII will focus on these specialized areas with strong operating partners and joint ventures through development, acquisition, and management of the properties. The fund is targeting a net IRR of 15% to 18%. ATRS invested in funds V and VI of this fund series. Fund V has a 12.7% IRR as of February 2024 and fund VI has a 6.5% IRR but is still in the relatively early stage. Aon Hewitt Investment Consulting recommends an investment of up to \$50 million dollars in KAREP VII and ATRS staff concurs.

a. ***Resolution 2024-19.** page 375.

3. ***Recommendation to approve for Board adoption Resolution 2024-20 authorizing an investment of up to \$50 million dollars in Macquarie GIG Energy and Climate Opportunities Fund, SCSp.** page 376.

Headquartered in Australia, Macquarie Infrastructure and Real Assets (MIRA) is one of the most experienced infrastructure managers in the world having invested in over 240 infrastructure assets across 32 countries. Over 140 of such infrastructure assets worth \$170 billion dollars are currently under MIRA's management. MIRA has over 2500 employees firmwide, 90 of which are devoted to this strategy providing deep sector knowledge and expertise.

MIRA has a history of investing in a diverse opportunity set of infrastructure assets in the traditional energy space including regulated electric and gas transmission, processing, and pipelines. ATRS has previously invested in Macquarie Infrastructure Fund III which currently has a 17.5% IRR and Macquarie Infrastructure Fund V that has a 9.5% net IRR. This strategy will focus on the renewable energy space and is led by Leigh Harrison, Head of Real Assets, senior investment professionals at MIP have on average over 27 years of infrastructure investment experience in

the industry and 15 years of average tenure at the firm. Aon Hewitt Investment Consulting recommends an investment of up to \$50 million dollars in Macquarie GIG Energy and Climate Opportunities Fund, SCSp and ATRS concurs.

a. ***Resolution 2024-20.** [page 385.](#)

4. ***Recommendation to approve for Board adoption Resolution 2024-21 authorizing an investment of up to \$50 million dollars in KKR Global Infrastructure Investors V, LP.** [page 386.](#)

Kohlberg Kravis Roberts and Company (KKR) has decades of investment experience since they began operations in 1976 as a private equity firm. KKR launched its first dedicated infrastructure fund in 2008 and launched Global Infrastructure Investors Fund I in 2011. KKR has raised over \$28 billion dollars across this fund series since inception and has 90 investment professionals dedicated to this strategy. KKR employs over 2500 people managing \$528 billion dollars firm wide.

Fund V will seek to pursue value-add investments across a diverse opportunity set including communications, renewable power, midstream energy, transportation, utilities, waste and social infrastructure assets and business with a focus on North America and Western Europe. The preceding funds in this series have averaged a net 13.6% IRR. ATRS invested in fund II in 2014 that has produced a 16.9% IRR. Aon Hewitt Investment Consulting recommends an investment of up to \$50 million dollars in KKR Global Infrastructure Fund V and ATRS staff concurs.

a. ***Resolution 2024-21.** [page 394.](#)

E. **Private Equity.**

1. **Private Equity Portfolio Review for the Quarter Ended December 31, 2023.** [page 395.](#)

Michael Bacine of Franklin Park will provide the Board with a portfolio review for the quarter ending December 31, 2023.

2. ***Recommendation to approve for Board adoption Resolution 2024-22 authorizing an investment of up to \$40 million dollars in Franklin Park Corporate Finance Access Fund III, L.P.** [page 442.](#)

Franklin Park Corporate Finance Access Fund III (Fund III) is a multi-year fund of funds that was formed to allow other investors to invest in smaller buyout, growth equity and turnaround funds with ATRS as an anchor. Though the fund sizes are smaller, the managers chosen for this fund are experienced investors, often having spun-out from larger successful firms. The managers are usually sector-focused with competitively advantaged domain

knowledge. They typically have an operationally intensive, value-add approach. Prior to 2019, ATRS invested in these smaller or "next generation" funds through the ATRS/FP Fund. Since 2019, ATRS has committed \$90 million in the first Franklin Park Corporate Finance Fund as well as \$90 million in Fund II. Fund I has generated a net IRR of 18.2%, and Fund II is on track to perform very well.

In Fund II, ATRS paid no management fee while all other limited partners were charged .9% of commitments. Beginning with Fund III, ATRS will pay a reduced management fee of .5% of commitments to help provide a source of incentive compensation for Franklin Park's investment staff and to align ATRS's interests with that of Franklin Park and its other investors. As in Fund II, ATRS will pay carried interest of 4% (for clients with total commitments of at least \$60 million over the 2-3 investment period) while all other partners will pay 5%. ATRS staff concurs with Franklin Park's recommendation to commit up to \$40 million dollars in Franklin Park Corporate Finance Access Fund III, L.P. and to the fee structure.

a. ***Resolution 2024-22.** page 451.

3. ***Recommendation to approve for Board adoption Resolution 2024-23 authorizing an investment of up to \$40 million dollars to Franklin Park Venture Capital Opportunity Fund II, L.P.** page 452.

This fund is a Franklin Park vehicle that invests in later stage venture capital funds. Some of these funds are managed by early stage venture firms that have insight into the most promising companies in their existing portfolios and may have greater access to deals at their later stages. Investments may also be made with firms that are successful with investing primarily in later stage venture and growth companies. Co-investments in later stage venture businesses alongside Franklin Park vetted venture managers will also be considered. The risk/return profile with later stage venture is lower than that of early stage; however, target returns for these investments are still high (25-30% IRR). Franklin Park has extensive experience in the area of venture capital and has long-standing relationships with top-tier managers. The aggregate net return generated by Franklin Park's early stage venture funds since 2008 is greater than 20%. ATRS has committed a total of \$60 million in the inaugural Franklin Park Venture Capital Opportunity Fund since 2022. This fund is young and on track to perform well.

Fund II will be structured like Franklin Park Venture Opportunity Fund (I) in which non-client investors will be required to pay a

management fee of .9% with carried interest of 5% after an 8% preferred return is achieved. Existing clients such as ATRS that invest \$60 million or more in the two to three year fund will not pay a management fee, and their carried interest is reduced to 4%. Franklin Park recommends a commitment of up to \$40 million dollars in Franklin Park Venture Capital Opportunity Fund II, L.P., and ATRS staff concurs with both the recommendation and the fee structure.

a. ***Resoultion 2024-23.** page 461.

XII. Operations Committee Report. *Bobby Lester, Operations Committee Chair*

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

1. Open Forum.

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

B. Rule Promulgation Status Update.

C. Preliminary ATRS 2025 Legislative Package. page 462.

Proposed legislative changes for the upcoming 2025 legislative session will be presented for consideration and discussion.

D. *Update to ATRS Board Policy 1 - Board Governance. page 467.

The proposed changes to Board Policy 1 include non-substantive, stylistic changes and substantive changes recommended by ATRS staff. This is an action item.

E. Update to ATRS Board Policy 2 - Board Objectives. page 482.

The proposed changes to Board Policy 2 include non-substantive, stylistic changes and substantive changes recommended by ATRS staff.

XIII. *Unreported Service: Employer Contributions Due.

A. *In Re: ATRS ID #462613. page 488.

ATRS Member submitted a claim of unreported/under-reported service from employer ID#00116 for the fiscal year ending 1995. The member initially began the process in 2022, however the member did not return the Member Statement for History Correction (Form 209). Member reinitiated the claim in February 2024. Member completed a Member Statement for History Correction dated 3-4-3034. Employer was notified originally on 9-27-2022 and again on 2-27-2023 of the Member's claim. Employer provided documentation verifying the claim.

ATRS should accept the member's claim of unreported or under-reported service on account as th employer has submitted credible documentation that corroborates the member's claim.

1. ***Resolution 2024-24.** page 493.

XIV. *Board of Trustees Disability Review. *Jennifer Liwo, General Counsel*

Under the Disability Review procedure described in A.C.A.24-7-704(b)(3)(D) the Board shall approve the recommendations of the Medical Committee.

A. ***In Re Disability Retiree - ATRS ID#146792.** page 495.

XV. *Staff Reports.

A. ***Medical Committee Report. A total of 10 Disability Applications were approved.** *Willie Kincade, Director of Operations* page 498.

The Medical Committee Report is a standard report made by staff on behalf of the Medical Committee approving disability cases. A total of 14 disability applications were received, 10 were approved, 1 was denied, and 3 needed more information. This is an action item.

B. ***Litigation Update.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

C. ***Recommendation to approve Resolution 2024-25 for Procurement of External Legal Counsel for Collections.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

1. ***Resolution 2024-25.** page 499.

XVI. Other Business.

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

**Monday, April 15, 2024
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Danny Knight, Chair
Shawn Higginbotham, Vice Chair
Anita Bell
Keri Hamilton
Dr. Mike Hernandez
Michael Johnson
Bobby G. Lester
Chip Martin
Jeff Stubblefield
Susannah Marshall, Bank Commissioner
Jason Brady, designee for Hon. Dennis Milligan
Kelly Griffin, designee for Sec. Jacob Oliva
Hon. Larry Walter, State Treasurer

Board Members Absent

Kelsey Bailey
Susan Ford

Reporters Present

Mike Wickline, AR Dem Gaz

ATRS Staff Present

Mark White, Executive Director
Rod Graves, Deputy Director
Sarah C. Linam, Deputy Director
Tammy Porter, Ex. Assistant/Board Secretary
Curtis Carter, Chief Financial Officer
Dena Dixson, Int. Audit/Risk Mgmt.*
Braeden, Duke, Software Support Analyst
Vicky Fowler, Manager, Human Resources
Willie Kincade, Director of Operations
Mike Lauro, Information System Manager*
Jennifer Liwo, General Counsel
Manju, Director, Information Technology
Jerry Meyer, Manager, Real Assets
Logan Penter, Staff Attorney*
Whitney Sommers, Administrative Analyst
Leslie Ward, Manager, Private Equity
Brenda West, Internal Audit/Risk Mgmt.
Misty Yant, Manager, Accounting/Reporting*

Guest Present

Donna Morey, ARTA
Katie Comstock, Aon Hewitt Investment Cons.
Jack Dowd, Aon Hewitt Investment Consulting*
PJ Kelly, Aon Hewitt Investment Consulting *
Michael Bacine, Franklin Park
Gar Chung – FIN News*

***ZOOM**

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:00 a.m. Roll call was taken. A

II. Motion to Excuse Absent Board Members.

Mr. Brady *moved* to excuse Mr. Kelsey Bailey and Ms. Susan Ford from the April 15, 2024, Board Meeting. Mr. Johnson *seconded* the *motion*, and the Board *unanimously approved the motion*.

III. Adoption of Agenda.

Mr. Stubblefield *moved* for *adoption* of the Agenda. Mr. Lester *seconded* the *motion*, and the Board *unanimously approved the motion*.

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

V. Approval of Prior Meeting Minutes.

A. February 5, 2024, Minutes.

Mr. Higginbotham *moved* for *approval* of the Minutes of the Board of Trustees meeting of February 5, 2024. Ms. Bell *seconded* the *motion*, and the Board *unanimously approved the motion*.

B. April 4, 2024, Minutes.

Mr. Johnson *moved* for *approval* of the Minutes of the Board of Trustees meeting of April 4, 2024. Ms. Marshall *seconded* the *motion*, and the Board *unanimously approved the motion*.

VI. Executive Director Report. Director Mark White gave his Director's report.

VII. Legislative Audit Report – June 30, 2023. Director Mark White gave the Legislative Audit Report from June 30, 2023.

Mr. Stubblefield *moved* to *approve* the Legislative Audit Report from June 30, 2023. Mr. Brady *seconded* the *motion*, and the Board *unanimously adopted the report*.

VIII. GASB Report – June 30, 2023. Director Mark White gave the GASB Report from June 30, 2023.

Mr. Brady moved to approve the GASB Report from June 30, 2023. Mr. Lester seconded the motion, and the Board unanimously adopted the report.

IX. Computation of Final Average Salary.

A. Resolution 2024-15.

Mr. Martin moved to adopt Resolution 2024-15, for the Computation of Final Average Salary. Mr. Higginbotham seconded the motion, and the Board unanimously adopted the Resolution.

X. Clarification on the Calculation of the Lump-Sum Death Benefit.

A. Resolution 2024-16.

Mr. Higginbotham moved to adopt Resolution 2024-16, for clarification on the Calculation of the Lump-Sum Death Benefit. Ms. Hamilton seconded the motion, and the Board unanimously adopted the resolution.

XI. Report of Member Interest Waived under A.C.A. Section 24-7-205. . Director White presented the member interest amount waived report. ATRS waives interest for members when there is a dispute between ATRS and the member as to whether ATRS made a mistake or otherwise did not do all that was required on the member's account. This was for information only. No action as taken.

XII. Report of Employer Penalties and Interest Waived Under A.C.A. Section 24-7-411. Director White presented the employer interest and penalties waived report. ATRS may also waive employer interest and penalties when reports or payments are late or have issues due to a new bookkeeper, inclement weather, sickness and other situations that justify a waiver. This was for information only. No action was taken.

XIII. Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.

A. In Re: Employer 00219

Mr. Lester moved to approve the Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year for Employer

00219. Mr. Martin seconded the motion, and the Board unanimously approved the motion.

B. In Re: Employer 00185

Ms. Marshall moved to approve the Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year for Employer 00185. Dr. Hernandez seconded the motion, and the Board unanimously approved the motion.

XIV. Audit Committee Report. Mr. Stubblefield gave a report on the Audit Committee Meeting.

- A. Update on ATRS Board Policy 1 – Board Governance.** Mr. Mark White, Executive Director gave the Committee a report on changes to ATRS Board Policy 1 – Board Governance. This was information only and no action was taken by the Audit Committee.
- B. Internal Audit Accounts Receivable.** Ms. Dena Dixson gave the Committee the Internal Audit report on Accounts Receivable
- C. Internal Audit: Qualified Domestic Relations Order Follow-up Report.** Ms. Dena Dixson gave the Committee the Internal Audit follow up report on Qualified Domestic Relations Orders.
- D. New Internal Audit Employee.** Ms. Brenda West introduced Kevin Chadwick to the Committee. Mr. Chadwick was hired as the new employee in the Internal Audit/Risk Management Department.
- E. Evaluation of Ms. Brenda West.** Executive Director Mark White told the Committee that after discussion with Office of Personnel Management (OPM) regarding Ms. West’s retirement in June, 2024, the Committee would not be required to complete a performance evaluation for Ms. Brenda West.

Mr. Stubblefield moved to suspend the performance evaluation of Ms. Brenda West per instructions from the Office of Personnel Management, and the Board unanimously approved the motion.

XV. Investment Committee Report. Chip Martin, Chair, gave a report on the Investment Committee Meeting.

A. Arkansas Related and Investment Update.

- 1. List of Fund Closings, Board Policies Report, and ESG Oversight Committee Update.** The Investment Committee heard reports from Investment Consultants and closings and updates from staff.

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

- 1. Preliminary Performance Report for the Month Ended February 29, 2024.** P.J. Kelly and Katie Comstock of Aon Hewitt Investment Consulting provided the Committee with a Preliminary Performance Report for the month ended February 29, 2024. The report was for information purposes and no action was taken.

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

- 1. Recommendation to approve for Board Adoption Resolution 2024-13 an investment of up to \$50 million dollars in Carlyle Realty Partners X, L.P.** Aon Hewitt Investment Consulting presented the Committee with the recommendation to authorize an investment of up to \$50 million dollars in Carlyle Realty Partners X, L.P.

Staff concurs with the recommendation.

Mr. Martin *moved to adopt* Resolution 2024-13, authorizing an investment of up to \$50 million dollars in Carlyle Realty Partners X, L.P., and the Board *unanimously approved the motion.*

D. Private Equity Consultant Report. *Franklin Park*

- 1. Recommendation to approve for Board adoption Resolution 2024-14, authorizing an investment of up to \$35 million dollars in Enlightenment Capital Solutions Fund V, L.P.** Michael Bacine provided the Committee with the Recommendation to approve for Board adoption Resolution 2024-14, authorizing an investment of up to \$35 million dollars in Enlightenment Capital Solutions Fund V, L.P.

Staff concurs with the recommendation.

Mr. Martin *moved to approve* Resolution 2024-14, authorizing an investment of up to \$35 million dollars in Enlightenment Capital Solutions Fund V, L.P. Dr. Hernandez *seconded the motion* and the Board *unanimously approved the motion*.

XVI. Operations Committee Report. Bobby Lester, Chair, gave a report on the Operations Committee meeting.

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

1. Open Forum. None.

B. Rule Promulgation Status Update. Jennifer Liwo, General Counsel gave the Committee a status update on the Rules Promulgation

Mr. Lester *moved to approve* Rules Promulgation as presented to the Board, and the Board *unanimously approved the motion*.

C. Update to ATRS Policy 1 - Board Governance. This was a discussion item and no action was taken.

XVII. Board of Trustees Disability Review.

A. In the Matter of Disability Review Applicant, ATRS ID#188998.

Mr. Lester *moved to approve* the Disability Order of the Medical Committee finding Disability Retiree ID#188998 unqualified to received disability benefits. Mr. Johnson *seconded the motion* and the Board *unanimously approved the motion*.

B. In the Matter of Disability Review Applicant, ATRS ID#257739.

Mr. Higginbotham *moved to approve* the Disability Order of the Medical Committee finding Disability Retiree ID#257739 unqualified to received disability benefits. Ms. Bell *seconded the motion* and the Board *unanimously approved the motion*.

C. In the Matter of Disability Review Applicant, ATRS ID#244277.

Ms. Marshall *moved to approve* the Disability Order of the Medical Committee finding Disability Retiree ID#244277 unqualified to receive disability benefits. Mr. Brady *seconded the motion* and the Board *unanimously approved the motion*.

XVIII. Staff Reports.

A. Medical Committee Report. Mr. Kincade reported that a total of Thirteen (13) Disability Retirement Applications were approved.

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

XIX. Other Business: Vicky Fowler, HR Manager presented information regarding Board Evaluations

XX. Adjourn.

Mr. Brady, *moved to adjourn* the Board of Trustees meeting. Ms. Hamilton *seconded the motion* and the meeting was adjourned.

Meeting adjourned at 11:00 a.m.

Mr. Mark White
Executive Director

Mr. Danny Knight, Chair
Board of Trustees

Tammy Porter,
Recorder

Date Approved

**ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEE MEETING – CALLED MEETING**

**Tuesday, May 21, 2024
4:15 p.m.
1400 West Third Street
Little Rock, AR 72201**

Board Members Present

Danny Knight, Chair
Shawn Higginbotham*
Kelsey Bailey*
Anita Bell*
Susan Ford*
Keri Hamilton*
Dr. Mike Hernandez*
Michael Johnson*
Bobby G. Lester*
Chip Martin*
Jeff Stubblefield*
Susannah Marshall, Bank Commissioner*
Jason Brady, designee for Dennis Milligan*
Hon. Larry Walther, State Treasurer*

ATRS Staff Present

Mark White Executive Director
Rod Graves, Deputy Director
Tammy Porter, Board Secretary
Braeden Duke, Software Support Analyst
Manju, Director, Information Technology*

Board Members Absent

Jacob Oliva, Secretary, Dept. of Education

* *via ZOOM*

I. Call to Order/Roll Call. Mr. Danny Knight, called the Board of Trustees Meeting to order at 4:15 p.m. Roll call was taken. Mr. Jacob Oliva was absent.

II. Motion to Excuse Absent Board Members.

Mr. Johnson *moved* to excuse Mr. Jacob Oliva from the May 21, 2024, Board Meeting. Mr. Martin *seconded* the *motion*, and the Board *unanimously approved the motion*.

III. Adoption of Agenda.

Mr. Lester *moved for adoption* of the Agenda. Ms. Marshall *seconded* the *motion*, and the Committee *unanimously approved the motion*.

IV. Executive Session to Discuss Executive Director’s Performance Evaluation.

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

Mr. Knight, Chair, called the Executive Session of the Board of Trustees to order at 4:18 p.m.

Mr. Knight, Chair reconvened the Board of Trustees meeting at 4:27 p.m.

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

Mr. Higginbotham, *moved to accept* the evaluation of the Executive Director, that the score be rounded up to reflect a four (4), and submitted to the Office of Personnel Management for processing. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion*.

V. Other Business. None.

VI. Adjourn.

Mr. Higginbotham *moved to adjourn* the Board meeting. Mr. Lester *seconded the motion* and the Board *unanimously approved the motion*.

Meeting adjourned at 4:29 p.m.

Mr. Mark White
Executive Director

Mr. Danny Knight Chair
Board of Trustees

Tammy Porter,
Board Secretary

Date Approved

STATEMENT AND CERTIFICATION OF DETERMINATION

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

S1 has completed the mailing, receiving, and tabulation for the election of Position #11 for the Arkansas Teacher Retirement System to the agreed upon procedures as outlined.

Certified Voting Results


Position #11: Retiree Trustee

Winner of Position #11 is Danny Knight.

This concludes the official voting process.

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

Certified and acknowledged this the 19th day of April, 2024 by:



Kelly Westerman, VP of Operations



Scott Calderera, CIO

State of Arkansas, County of Pulaski

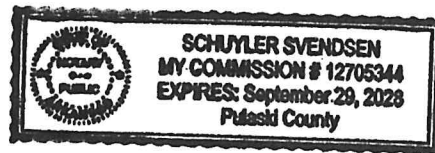
On this the 19th day of April, 2024, before me, Schuyler Svendsen, the undersigned notary, personally appeared (Kelly Westerman and Scott Calderera) known to me (or satisfactorily proven) to be the person whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

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



Signature of Notary Public

My Commission expires: 9-29-2028



Voting Procedures for ATRS Election.

The voting period shall run from March 15, 2024 through April, 15, 2024.

S1 will mail all ballots on March 15, 2024. Run-off ballots, if applicable, will mail on May 1, 2024.

S1 will pick up returned ballots from USPS with the final pickup to occur the afternoon of April 15, 2024 to receive all ballots for tabulation returned during the voting period.

S1 will destroy any ballots returned by the USPS postmarked after April 15, 2024.

S1 will perform NCOA/CASS on all addresses.

S1 will mail all records to original address for movers.

S1 will process for USPS acceptance

S1 will print two ballot types, one for each initiative

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

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

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

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

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

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

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

All received envelopes will be counted and batched by count.

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

All envelopes in a batch will be opened.

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

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

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

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

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

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

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

Scanned image batches are processed/graded electronically.

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

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

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

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

The results of the election and vote certification will be transmitted to ATRS as soon as certified, but no later than April 20, 2024.

Certified Voting results will be published on or before April 20, 2024. Certified Voting results for run-off election, if applicable, will be published on or before June 5, 2024.

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

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

Vote results will include:

A count of all ballots.

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

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

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

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

v231127

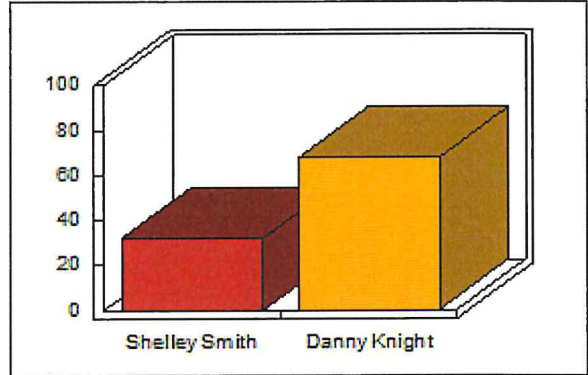
SourceOne Output Technologies requests that due to the proprietary and/or confidential information contained herein that this document not be used, disclosed or reproduced, in whole or in part, for any purpose other than to document and evaluate these procedures, without the prior written consent of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

Detailed Analysis Report

Position #11: Retiree Trustee

Response	Votes	Percent	Graphical Representation
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Shelley Smith	4,117	32.09
Danny Knight	8,667	67.56



Total Valid	12,784	99.65
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POSITION 11	QTY
VALID VOTES	
Shelley Smith	4117
Danny Knight	8667
Total Valid Votes	12,784

INVALID VOTES	
Duplicate Votes	0
Multiple Selections	16
Blanks	29
Missing Barcode	0
Total Invalid Votes	45

TOTAL RECEIVED	12,829
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TOTAL MAILED	55,503
% RETURNED	23.11%

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

**RESOLUTION
No. 2024-17**

2024 Board of Trustees Election Results

WHEREAS, The Board of Trustees of the Arkansas Teacher Retirement System (ATRS) entered into a contract with SourceOne Output Technologies (SourceOne) of Little Rock, Arkansas, to conduct an election in March 2024, to fill one (1) position on the ATRS Board: Position #11 – Member Trustee, Retiree and;

WHEREAS, Ms. Shelley Smith and Mr. Danny Knight ran for Position #11 – Member Trustee, Retiree. The election vendor, SourceOne, through its VP of Operations, Ms. Kelly Westerman, has given official notice that Mr. Danny Knight is the winner of the 2024 Board of Trustees election for Position #11;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the Arkansas Teacher Retirement System hereby declares mr. Danny Knight to be the winner for Position #11 as certified by the election vendor, SourceOne, through its VP of Operations, Kelly Westerman. This position will become effective July 1, 2024, with Position #11 expiring on June 30, 2030.

Adopted this 3rd day of June, 2024.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System Board

Waiver of Employer Report Penalties 2024

June 3, 2024 Board Meeting

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

Employer Penalties Waived	
Ozark School District Ozark, AR	\$900.00
TOTAL PENALTIES WAIVED	\$900.00
Employer Interest Waived	
Magnolia School District Magnolia, AR	\$800.86
Ozark School District Helena, AR	\$75.35
TOTAL INTEREST WAIVED	\$876.21
TOTAL PENALTIES AND INTEREST WAIVED	\$1,776.21

WAIVER OF EMPLOYER PENALTY
§24-7-411

Employer Name: Lavaca Public Schools

Empr #: 00219

Penalty issued in Fiscal Year(s): 2024

P#(s): 140

- Letter dated April 30, 2024 from Employer Requesting waiver attached
- Billing invoice dated March 14, 2024 for penalty attached
(Logged on spreadsheet)

<u>Month / Year</u>	<u>Type of Penalty</u>	<u>Month / Year</u>	<u>Type of Penalty</u>
_____	Active Monthly Web Portal	_____	Active Monthly Contributions
_____	T-Drop Monthly Web Portal	_____	T-Drop Monthly Contributions
_____	Retired Monthly Web Portal	_____	Retired Monthly Contributions
<u>02/2024</u>	Surcharge Monthly Web Portal	_____	Surcharge Monthly Contributions
_____	Active Monthly Electronic File	_____	Active Quarterly Electronic File
_____	T-Drop Monthly Electronic File	_____	T-Drop Quarterly Electronic File
_____	Retired Monthly Electronic File	_____	Retired Quarterly Electronic File
		_____	Quarterly Web Portal Totals

Requested Report Waiver Amt: \$150.00

Requested Interest Waiver Amt: \$0.00

Notes: _____

Last Penalty assessed: 02/22/2024

of Penalties this Fiscal Year: 10

Total Amount of Penalties Waived this Fiscal Year: \$1,013.45

Staff recommendation: Waive Report Penalty Waive Interest Penalty Don't Waive

Submitted by Staff Member: _____ Date: _____

Decision: Approve Report Penalty Waiver Approve Interest Penalty Waiver Not Approved

Executive Director: _____ Date: _____ **28**



PENALTY BILLING

March 14, 2024

P # 140

Brigitta Overbey, Bookkeeper
Lavaca Public Schools, EMPR #00219
P.O. Box 8
Lavaca, AR 72941

FROM: Accounting Department, ATRS

Due to failure to remit the required February 2024 reports and/or contributions by March 10, 2024, the following penalty(s) have been assessed.

Surcharge Monthly Web Portal Report..... \$150.00

Total Penalty Amount Due to ATRS \$150.00

All Penalty payments are due to the system within 30 days of billing. If the payment is not received within 30 days, the penalty amount will be transferred from the Treasurer of the State and the Department of Education. In order to avoid future penalties, reports and payments must be received in this office by the 10th day of the month in which the reports and money are due.

Should you have any questions, please do not hesitate to contact Cynthia Dickerson at 501-682-1517.

Penalty Waiver Request
00219 - LAVACA SCHOOL DIST

Date of Penalty Billing Letter: 3/14/2024
Total Amount of Penalty: \$150.00
Penalty Number: 140

Reason for Request:

We are still in the learning process here at Lavaca. I apologize for this getting overlooked. There are so many elements to this job, and being new, and not into a monthly routine yet, this was overlooked. I am asking for this fee to be waived.

Request submitted by: Brigitta Overbey
Contact Email: brigitta.overbey@lavacaschools.com

**MANIFEST INJUSTICE COMMITTEE
SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES
JUNE 3, 2024**

MIC Claim #	Claim Type	Facts and Circumstances	Findings and Recommendations of Committee	Executive Director Remedy	Board Action
2024-001	Service Credit	<p>Member applied for disability retirement on or about December 11, 2023, and was approved for disability retirement on January 3, 2024.</p> <p>Before the Member applied for disability retirement, two (2) years of service credit covering the 2023-2024 and 2024-2025 fiscal years was purchased for the Member. The Member cannot use the purchased service credit until June 30, 2025.</p> <p>A.C.A. § 24-7-704(c)(3) prohibits a disability retiree from earning or being given service credit while the disability retiree is receiving disability benefits. It is unclear whether A.C.A. § 24-7-704(c)(3) is intended to apply in situations similar to the Member’s. It is also unclear whether A.C.A. § 24-7-704(c)(3) is intended to apply irrespective of whether the Member could have foreseen that he or she would need to apply for disability retirement when the service credit was purchased.</p> <p>The ambiguity placed the Member in the position of having to either forfeit the purchased service credit or cancel the disability retirement application.</p> <p>A manifest injustice referral was filed to determine whether the Member should be permitted to maintain the purchased service credit and receive disability benefits during the 2023-2024 and 2024-2025 school years.</p>	<p>Manifest injustice exists. Recommended that the Executive Director:</p> <ol style="list-style-type: none"> 1. Direct ATRS staff to remove the purchased service credit from the Member’s account, so that the Member’s disability annuity can be calculated without using the purchased service credit. Thereafter, the purchased service credit should be immediately replaced, so that all reporting requirements are met by the System; 2. In order to prevent a manifest injustice to the Member, issue a written directive to ATRS staff stating that until the ambiguity in Ark. Code Ann. § 24-7-704(c)(3) is resolved, the statute should not be construed as applicable to the Member and the service credit purchased for the Member; and 3. Resolve the ambiguity in Ark. Code Ann. § 24-7-704(c)(3) through legislation, rule, or any other appropriate manner. 	Concurs with Committee findings and recommendation.	Not Required

**MANIFEST INJUSTICE COMMITTEE
SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES
JUNE 3, 2024**

2024-002	Service Credit	<p>During the 2015-2016 fiscal year (“FY16”), the Member was employed with two employers, one covered under APERS and the other covered under ATRS. As a result, the Member accrued a quarter year of concurrent service credit with APERS and ATRS during FY16.</p> <p>APERS and ATRS both notified the Member that she could not maintain the concurrent service credit in both retirement systems and provided her with her options.</p> <p>The Member waived her concurrent service credit in ATRS. However, APERS also removed the concurrent service credit from their system as well. This indicated that the Member did not understand her options with regard to the concurrent service credit, especially given that contributions are not refunded when concurrent service credit in ATRS is waived.</p> <p>A review of the Member’s record reflected that it would be more beneficial to the Member to have the concurrent service credit reinstated with ATRS than with APERS.</p> <p>A manifest injustice referral was filed to determine whether the Member should have the waived quarter year of concurrent service credit reinstated in ATRS.</p>	<p>Manifest injustice exists. Recommended that the Executive Director direct ATRS staff to reinstate the quarter year of concurrent service credit that the Member earned in ATRS during FY16 and waived on August 24, 2020.</p>	<p>Concurs with Committee finding and recommendation.</p>	<p>Not Required</p>
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**MANIFEST INJUSTICE COMMITTEE
SEMI-ANNUAL REPORT TO ATRS BOARD OF TRUSTEES
JUNE 3, 2024**

2024-003	T-DROP Distribution Election	<p>Member submitted a T-DROP distribution election form to ATRS electing to have 100% of her T-DROP account balance annuitized.</p> <p>On February 7, 2024, after her effective retirement date and before her first annuity distribution, the Member contacted ATRS about changing her T-DROP distribution election. The Member was advised that she could change her distribution form.</p> <p>On February 8, 2024, the Member e-mailed ATRS her second T-DROP distribution form electing to have 100% of her T-DROP balance paid to her in a lump-sum.</p> <p>The Member’s e-mail was mistakenly overlooked and found on or about March 28, 2024, resulting in the Member receiving a T-DROP annuity distribution in February and March of 2024, in the amount of \$148.57.</p> <p>All T-DROP distribution forms include the following statement, <i>“By my signature, I authorize ATRS to distribute my entire T-DROP balance as directed above. I have reviewed the distribution options above and understand that once submitted, the distribution request is irrevocable.”</i></p> <p>A manifest injustice referral was filed to determine whether the Member should be permitted to change her T-DROP distribution election.</p>	<p>Manifest injustice exists. Recommended that the Executive Director:</p> <ol style="list-style-type: none"> 1. Direct ATRS management to advise the necessary ATRS staff that under current procedures a T-DROP distribution election form is irrevocable once submitted; and 2. Direct ATRS staff to: (a) immediately cease T-DROP annuity payments to the Member; and (b) issue a lump-sum payment of the Member’s T-DROP account balance to the Member. 	Concurs with Committee finding and recommendation.	Not Required
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INTERNAL AUDIT FOLLOW-UP REPORT:
Implementation of Legislation Enacted by the 92nd General Assembly
July 1, 2020 – June 30, 2023

June 3, 2024

Introduction

The 92nd General Assembly met from January 14, 2019, through sine die adjournment on April 24, 2019. Ten acts were passed in 2019 that affected ATRS including its appropriation.

ATRS staff is responsible for developing and implementing policies and procedures for enacting new legislation.

Of the ten acts, Internal Audit (IA) reviewed the five acts that affected member benefits.

Act 85 allows a member who owes contributions to cancel their contributory service credit and receive non-contributory service credit. Any contributions paid will be refunded to the member without interest. A member elects to cancel their contributory service by submitting Forfeiture of Service form.

Act 209 allows a disability retiree under the age of 60 to work for a covered employer for 79 days in a fiscal year and continue to receive their disability benefit.

Act 210 defines a dependent child eligible for a survivor annuity as a child that is under age 18, and as a child that is eighteen (18) years of age but not older than twenty-three (23) years of age and stays continuously enrolled as a full-time student at an accredited secondary school, college, or university.

Act 595 removed stipulation that service credit used in the computation of benefits shall not include any service for partial quarters worked. It added that a member cannot retire before July 1st once they have accrued a full year of service credit.

Act 474 made it possible for a member to purchase service credit for state active duty with the National Guard.

Objectives

The objective of the follow-up audit is to assess if corrective measures implemented by the Agency have adequately addressed the issues noted in the findings of the original report. The original audit report was presented to the Board of Trustees Audit Committee on September 21, 2021.

Scope and Methodology

Our audit covered the period from July 1, 2020 through June 30, 2023. To accomplish the objective, IA reviewed agency documents, interviewed employees and analyzed sample data.

To determine if two members received non-contributory service credit under Act 85, IA reviewed the member's files. To determine if the current Forfeiture of Service form is being accepted and current members are being processed accurately under Act 85, IA reviewed member files who forfeited contributory service for non-contributory service during the audit period.

To determine if legislation is being implemented timely, IA reviewed the timeliness of implementing legislation enacted by the 94th General Assembly.

To determine if disability retirees who have return to work are being monitored and benefits are being paid correctly, IA reviewed disability retirees who return to work during audit period.

To determine if the correct cost was charged for purchased service credit, IA reviewed agency cost calculator and a sample of fifteen (15) out of one hundred and twenty-five (125) members who purchased service during the audit period. Sample was gathered by random number generator.

To determine if forms and procedures have been updated, IA reviewed current forms and procedures.

Findings and Recommendations

Finding 1 from Original Audit: Lack of consistency in treatment of members in application of Act 85. Two members did not receive non-contributory service credit for their forfeited service. Both members received the previous ATRS Forfeiture of Service form after Act 85 went into effect. This form stated members would receive no service credit for service being forfeited. Act 85 allows members to forfeit their contributory service for non-contributory service when they owed contributions. Act 85 was effective July 24, 2019, forms were received Sept 24 and Oct 14. Both members have retired. As of June 30, 2021, benefits are underpaid by \$2,574.81. The remaining ten members received non-contributory service for the years they forfeited.

Recommendation: Procedures, forms, and letters be updated prior to the effective date of the new legislation. If ATRS receives the previous Forfeiture of Service form, they inform the member of the law change and allow the member to complete a new form. Credit both member's account with non-contributory service credit for their forfeited service. Recalculate member's benefits with the non-contributory service credit. Pay members the underpayment of benefits.

IA Review: A legislative checklist has been established assigning task associated with the new legislation to specific staff for creating or updating. Management reviews the checklist items to ensure staff has complied and legislation is being implemented. Both members have been updated with non-contributory service and paid the correct benefit. All forfeiture of service forms

received during audit period are the new form and members have been accurately updated with non-contributory service.

Staff has adequately dealt with this finding. This finding is complete.

Finding 2 from Original Audit: ATRS five year look back policy was applied incorrectly to member's service credit. Member established unreported service for 2013-14 through 2017-18. Employer was billed and paid employer contributions for 2013-14 through 2017-18. A year passed from the time the employer was billed until they paid the employer contributions. Member was only billed for 2014-15 through 2017-18. ATRS did not bill member for 2013-14. Staff said because it was because of five year look back. ATRS guidelines for applying the five-year lookback period to a member's account is the look back period is determined by the initiation of the event. The initiation in this member's case is the receipt of the Salary Statement of Service forms and billing the employer for the employer contributions. Member was allowed to forfeit service credit for 2013-14 even though member was never billed contributions for 2013-14.

Recommendation: ATRS establish a form for applying five year look back to a member's account. The initiating event and the five year look back period be designated on the form. Management sign the form approving the five year look back period. A form was developed January 24, 2020.

IA Review: This finding was dealt with by staff with the development of the five year look back form. The form includes an explanation, date and management approval signature.

Staff has adequately dealt with this finding. This finding is complete.

Finding 3 from Original Audit: Implementing Act 85 was not done timely. Processing member's request to forfeit service credit under Act 85 was not done timely.

Act 85 was passed February 11, 2019 with an effective date of July 24, 2019. Forfeiture of Service form 117 was not changed from stating member would receive no service credit to member will receive non-contributory service credit until October 7, 2019. Staff took nine months from the passing of the act and two and a half months from the effective date to having an updated form available for members.

Eight out of the twelve members took over twenty-one days to process their Forfeiture of Service request. Two members retired prior to the request being processed.

Recommendation: Procedures developed for implementing legislation that includes who is responsible for designing or changing letters and forms. Member histories be updated within twenty-one days of receipt of request. A legislative checklist was created and used for implementing legislation enacted by the 93rd General Assembly.

IA Review: Legislative checklist assigning responsibility for updating forms, letters and procedures has been created. This form was used for implementing legislation enacted by the 94th General Assembly. Updates from legislation enacted by the 94th General Assembly was implemented timely. History adjustments are being updated timely.

Staff has adequately dealt with this finding. This finding is complete.

Finding 4 from Original Audit: Obtaining the days worked for a disability retiree who has returned to work for a covered employer is not being done timely. Disability retiree exceeded the allowable days worked in February 2019. ATRS became aware the member exceeded in November 2019. Member was overpaid \$12,452.00 in benefits.

Recommendation: Procedure set up to obtain and monitor monthly the days worked by a disability retiree who has return to covered employment.

IA Review: Procedures have been developed and adequately address obtaining and monitoring days worked by a disability retiree. Disability retirees who return to work during the audit period were monitored timely and benefits stopped before any overpayment.

Staff has adequately dealt with this finding. This finding is complete.

Finding 5 from Original Audit: Purchased service cost were incorrectly calculated including the purchase of military service under Act 474. Cost benefit projection had not been updated to reflect the increase in member and employer contributions. ATRS undercharged purchased cost from July 2020 through January 2021 of \$8,950.54.

Recommendation: ATRS has received an updated cost statement from Gabriel, Roeder, Smith and Company that charges the correct contribution rates. ATRS is currently charging the correct amount of contributions for purchasing service credit. ATRS has plans to program cost statement on Arkansas Teacher Retirement Member Information System (ATRMIS). This would allow ATRS the ability to keep the cost statement current. ATRS should present to the Board of Trustees the request to write-off the underpayment of \$8,950.64.

IA Review: We are charging members the correct contribution rate to purchase service. IA incorrectly calculated the cost benefit projections in the sample reviewed in the first audit. The members were charged the correct amount for purchased service.

Staff has adequately dealt with this finding. This finding is complete.

Finding 6 from Original Audit: Incomplete population provided to IA for Act 85 and Act 209. Twelve members forfeited service in fiscal year 2020. IA was provided a

population of six. After further research, IA found the other six members. Of the six members not given to IA, three had findings. (Finding 1 and 2)

Eight disability retirees worked for a covered employer in fiscal year 2020. IA was provided a population of six. After further research, IA found the other two members. One member not given to IA had a finding. (Finding 4)

Recommendation: Staff provide IA with a complete population for testing.

IA Review: IA was provided with a complete population for testing the disability retirees who return to work.

Staff has adequately dealt with this finding. This finding is complete.

Finding 7 from Original Audit: Two member's files lacked documentation on decision made in regards to members service and benefit.

Recommendation: ATRS establish procedures and forms for staff to use in documenting a member's file.

IA Review: Procedures have been established for updating a member's file.

Staff has adequately dealt with this finding. This finding is complete.

Conclusion

Staff has adequately addressed the issues in the original audit. This audit is complete.

**INTERNAL AUDIT FOLLOW-UP REPORT
APPLICATION OF IRS 415 LIMIT
FOR THE PERIOD July 1, 2023 to December 31, 2023**

June 3, 2024

Introduction

Benefits paid from the Arkansas Teacher Retirement System (ATRS) are subject to the Internal Revenue Code (IRC) §415 (b) limits on the maximum dollar benefit that can be paid from a retirement plan that is qualified under IRC §401 (a). IRC §415 (m) allows governmental plans defined in IRC §414 (d) to pay benefits in excess of the limit through a qualified excess benefit arrangement.

ATRS Board of Trustees Board Rule 15 established the Benefit Restoration Plan and Trust through which benefits in excess of the limit are to be paid. These benefits are paid through a third-party vendor, Complete Payroll.

Every month, ATRS test retirees who retired over the last year for exceeding the IRC §415 (b) limit. Anyone who fails ATRS test is sent to Gabriel, Roeder, Smith and Company (GRS) for testing. If a member's benefit does exceed the IRC §415 (b) limit, GRS determines the amount to be paid through the excess benefit arrangement.

Objectives

The objective of the follow-up audit is to assess if corrective measures implemented by the Agency have adequately addressed the issues noted in the findings of the follow up report. The original Application of 415 Limit audit was presented to the Board of Trustees Audit Committee on June 7, 2021, a follow up report was presented on April 3, 2023.

Scope and Methodology

This follow-up audit was conducted for the period July 1, 2023 to December 31, 2023. To accomplish our objective, Internal Audit (IA) reviewed agency documents, interviewed employees and analyzed sampled data.

To review the lack of internal controls over safeguarding cash funds and financial accounts, IA compared data from bank statements, general ledger and bank reconciliations.

To determine the timeliness of bank reconciliations, IA compared the signature date on the bank reconciliation with the last day of the month.

To determine the timeliness of journal entries associated with funding the excess benefit arrangement, IA compared the date of the transaction on the bank statements to the date the journal entry was made in ATRS general ledger.

To determine the funding of the excess benefit arrangement, IA reviewed the Active and Retiree Monthly Remittance forms associated with the warrants used to fund the excess benefit arrangement.

To review written procedures have been developed for management of cash, IA reviewed the agency procedures.

Findings and Follow Up Review

The objective of a system of internal controls is to provide management with reasonable, but not absolute, assurance that transactions are executed in accordance with policies and guidelines and are recorded properly. Our findings and recommendations are provided to assist management in implementing internal controls that ensure proper procedures are implemented and followed, and should not be used for any other purpose.

Finding 4 from Original Audit: Lack of internal controls over safeguarding cash funds associated with paying benefits from an excess benefit arrangement. ATRS lacks controls over the timeliness of bank deposits, bank reconciliations, check numbers and segregation of duties. Bank deposits and bank reconciliations were not done in a timely manner. ATRS lacks segregation of duties over bank accounts. ATRS could not account for two checks issued by Complete Payroll.

In the follow up audit, IA recommended timely bank reconciliations and ATRS follow the guidelines established in DF&A's Financial Management Guide (FMG) Subsection 8 Management of Cash.

Internal Audit Review: Bank reconciliations are being done timely. The responsibility for bank reconciliations has been moved to Senior Investment Manager. One of the three bank deposits took twelve days from receipt to deposit. The other two warrants were deposited the next day after warrant was received. Cash management procedures have recently been developed that include a deposit be made within ten days. IA was unable to account for one check. Check was skipped in Complete Payroll's system. IA was able to account for all funds processed through bank accounts associated with paying benefits.

Staff has adequately dealt with this finding. This finding is complete.

Finding 5 from Original Audit: ATRS lacks control over financial assets associated with paying benefits from an excess benefit arrangement. Journal entries were not made timely. Employee contributions were misclassified.

In the follow up audit, IA recommended ATRS follow the guidelines established in DF&A's Financial Management Guide Subsection 8 Management of Cash, journal entries be made within 30 days, and contributions used to fund the excess benefit arrangement be classified correctly in the general ledger.

Internal Audit Review: Journal entries were not made timely. For the audit period, thirty-five (35) transactions were processed through the benefit restoration bank accounts. Twenty-

nine of the thirty-five (35) took more than 30 days to record in the general ledger. IA reviewed the transactions from January through March 2024, all were updated timely.

Employee contributions are accurately classified in the general ledger.

Staff has adequately dealt with this finding. This finding is complete.

Finding 6 from Original Audit: Excess Benefit Arrangements are not funded according to ATRS outside legal counsel and Board Rule 15. Excess Benefit Arrangements are to be funded with employer contributions. ATRS outside legal counsel said the employer contributions must be subject to employer's creditors prior to the distribution to the plan's participants. ATRS is using both employee and employer contributions to fund the excess benefit arrangements.

IA recommended ATRS contact ATRS outside legal counsel to ensure the excess benefit arrangement is being funded according to IRC.

Internal Audit Review: In fiscal year 2025, warrants for employer contributions from the Department of Education for PSF billing was used to fund the excess benefit arrangement.

Staff has adequately dealt with this finding. This finding is complete.

Finding 8 from Original Audit: There are no written procedures for applying the \$415 limit to member's benefits or for paying benefits in excess of the \$415 limit through an excess benefit arrangement. IA recommend ATRS develop written procedures to cover all aspects of testing and applying \$415 limit test to member benefits. Develop written procedures for funding, accounting for, and paying benefits that exceed from an excess benefit arrangement. Develop written procedures for maintaining cash funds, giving timeliness of deposits, bank reconciliations, and journal entries.

IA received written procedures for identifying members who exceed the IRS \$415 limit in the first follow up review.

Internal Audit Review: IA received cash management procedures. The procedures cover timeliness of deposits, bank reconciliations and journal entries.

Staff has adequately dealt with this finding. This finding is complete.

Conclusion

Staff has adequately addressed the findings from the original audit. This audit is complete.

**INTERNAL AUDIT FOLLOW-UP REPORT
HISTORY ADJUSTMENTS
FOR THE PERIOD JULY 1, 2023 – DECEMBER 31, 2023**

June 3, 2024

Introduction

Arkansas Teacher Retirement System (ATRS) maintains a history of each member's salary, service, and contributions on the Arkansas Teacher Retirement Member Information System (ATRMIS). A member's history is an essential part of providing the member with accurate information in regards to their retirement choices. A member's history provides the staff with the information needed to counsel a member on their eligibility to retire, the amount of their benefit, the eligibility and cost of purchasing service, the eligibility and amount of a Cash and Savings Help Program (CASH) refund distribution or a refund of contributions. It is imperative that ATRS maintain an accurate member history for all our members and to facilitate this process any adjustment to the member's history needs to be made in a timely manner.

A member's history is established through salary and service reported by covered employers. Current salary and service is reported and updated quarterly. History adjustments are for changes made to the member's history. Most adjustments are made manually by ATRS staff. A few history adjustments are made through programming. A member's history can be changed through a member purchasing service or establishing free military service; correcting member information including salary, service, or social security number; any manually processed payment of contributions or deceased benefits; and the removal of overlapping service with a reciprocal system.

Objectives

The objective of the follow-up audit is to assess if corrective measures implemented by the Agency have adequately addressed the issues noted in the findings of the original report. The original History Adjustment audit was presented to the Board of Trustees Audit Committee on September 28, 2020.

Scope and Methodology

This follow-up audit was conducted for the period July 1, 2023 – December 31, 2023. To accomplish our objective, Internal Audit (IA) reviewed agency documents, interviewed employees and analyzed sampled data.

To review member documentation and timeliness of processing a history adjustment, IA reviewed a sample of forty (40) out of six hundred seventy-three (673) history adjustments. Sample was gathered by random number generator.

To review written procedures adequately cover history adjustment process, IA reviewed current agency procedures.

To determine if segregation of duties has been met, IA interviewed staff.

Findings and Follow Up Review

The objective of a system of internal controls is to provide management with reasonable, but not absolute, assurance that transactions are executed in accordance with policies and guidelines and are recorded properly. Our findings and recommendations are provided to assist management in implementing internal controls that ensure proper procedures are implemented and followed, and should not be used for any other purpose.

Finding 1 from Original Audit: Member files in ATRMIS are not properly documented and lack of an audit trail. Staff meetings determining member issues are not documented in member files.

IA Review: All member files were adequately documented in the reviewed sample.

Staff has adequately dealt with this finding. This finding is complete.

Finding 2 from Original Audit: Written procedures do not provide clear guidance for staff on how to process history adjustments. Procedure manuals are not kept up to date with changes in procedure or location of templates. Some procedures are only in handwritten form.

Internal Audit Review: Agency has written procedures with examples that fully cover history adjustment process.

Staff has adequately dealt with this finding. This finding is complete.

Finding 3 from Original Audit: Members histories are not updated in a timely manner. Twenty three percent of the thirty sampled took more than twenty-one days from the initiation of the history adjustment until the history was updated. Interviews with staff indicated there is a problem with members who are retiring or entering T-Drop and purchasing service or establishing military service. An additional review was performed on all members who met this criterion during fiscal year 2018. Forty seven percent of the fifteen reviewed took more than twenty-one days from the initiation of the history adjustment until the history was updated. The delay in processing the member's history request for most of these fourteen members is due to the wait time for the approval by the Reporting Manager.

Internal Audit Review: Internal Audit had recommended a twenty-one (21) day turnaround on history adjustments being updated to the member's history. All of the sample reviewed were processed within twenty-one (21) days.

Staff has adequately dealt with this finding. This is complete.

Finding 4 from Original Audit: Reporting staff who updated the member's history was on leave most of fiscal year 2018. Employee was terminated May, 2019. Beginning January 2019, the Reporting Manager begin to do the manual updates to the member's history. The Reporting Manager also continued to approve history adjustment request. There was no separation of

duties. January 2020, an employee in the Reporting Department started approving history adjustments.

Internal Audit Review: There is currently a segregation of duties in processing history adjustments.

Staff has adequately dealt with this finding. This is complete.

Conclusion

Staff has adequately addressed the issues in the original audit. This audit is complete.



2025

Annual Audit Plan



Published June 3, 2024

Internal Audit Department

For July 1, 2024 – June 30, 2025

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Internal Audit Department
ANNUAL AUDIT PLAN
July 1, 2024 – June 30, 2025



Executive Summary

The Internal Audit (“IA”) Department presents the following plan of internal audit activities for July 1, 2024, through June 30, 2025. The overall goal for these activities is to provide reasonable assurance that systems of risk management and control have been designed effectively and are operating as intended.

A risk-based approach was utilized to develop the plan which will enable the IA Department to properly align and focus its limited resources to produce insightful assurance and advice as well as provide value to Arkansas Teacher Retirement System (“ATRS” or “System”) management. This risk-based approach includes multiple methods for assessing risks, which are discussed in further detail in the following section titled *Policies and Processes*. The result of the risk assessment is further described in the section titled *Risk Assessment Summary*. In addition to using the risk-based approach, the following factors were considered in selecting audit activities for the year:

- Management input
- Review of previous audit reports (internal and external) and other reports
- Review of ATRS Board of Trustee (“Board”) meeting minutes
- Review of control self-assessments
- Review of the ATRS financial statements and other information

Projects selected for this plan are described in further detail in the section titled *Overview of Engagements and Other Activities*.

The plan includes spending approximately 60% of total hours on assurance activities (audits and reviews).

Projects were selected based upon general process risks which were ranked by certain criteria. The risks were then mapped to auditable units. The following assurance activities were selected based upon a risk analysis:

- Retiree Payroll
- Information Technology
- Benefits
- Membership

Other assurance activities are:

- Unplanned Requested Audits: Hours have been allocated for unplanned requested audits. If management does not request any unplanned audits, these hours will be assigned to other projects.

- Follow-up Audits: The IA Department will utilize Excel to list audit findings for audits occurring throughout ATRS (external and internal) and determine follow-up audits needed. Hours have been allocated to conduct these audits.

The plan includes spending approximately 15% of total hours on advisory activities. It should be noted that the IA Department is not limited to performing only assurance services but can perform advisory services as well. The nature and scope of advisory services may be subject to agreement with the Department requesting the services. It should be noted when performing advisory services, the IA Department must maintain objectivity and will not take on management responsibilities. Accepted engagements must be included in the annual audit plan. Consulting engagements included in the plan are:

- Control Self-Assessment (CSA) Facilitation: CSA is used to review the design of the internal control system within a Department by evaluating identified risks and the documented control activities.
- Other Management Requests: Hours have been allocated for other management requests. If management does not have requests which result in projects that exceed the hours allotted, the remaining hours will be assigned to other projects.

The plan includes spending approximately 25% of total hours on internal audit administrative activities. Hours allocated for expected employee leave, employees attending continuing professional education (CPE) classes or conferences, meetings, and other miscellaneous activities are considered as administrative activities. The number of hours displayed in the audit plan for administrative activities are estimates. Additionally, there are specific administrative projects planned which will be completed with two FTEs (including the ATRS Internal Auditor and Accounting Operations Manager positions) which are:

- Quality Assurance and Improvement Program (QAIP): Developing a QAIP is required by the Standards as well as undergoing an external quality assurance review. The requirement for an external quality assessment may also be met though a self-assessment with independent validation. Therefore, the IA Department plans to complete a comprehensive and fully documented internal assessment that emulates the external quality assessment process by May 2025 with an independent validation by a qualified, independent external quality assessor or assessment team by June 2025.

The funding resources needed for the audit plan year are discussed below:

Estimated Salaries	\$168,967
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(This estimate does not include payroll additives which are calculated to be \$51,129).

The following page displays two tables which are discussed further in the section titled Resource Plan. The table titled "Schedule of Available Hours for Audit Activities" notes the available hours for audit activities totals 2,760. The other table displays the audit projects discussed above by type (assurance, advisory, and administration) with hours allocated to each area.

Schedule of Available Hours for Audit Activities	
1 Position (52 Weeks @ 40 Hours)	2,080
1 Position (40 Weeks @ 40 Hours)*	1,600
Total Hours	3,680
Less:	
Specific Administrative Projects	
Quality Assessment (QAIP) Review	400
Audit Manual Update	120
Other Administrative Activities	
Estimated Leave	100
1 Position (12 Holidays @ 8 Hours)	96
1 Position (10 Holidays @ 8 Hours)	80
Anticipated CPE (1 Position @ 40 Hours)	40
Other (Estimated % by position)	84
ATRS Internal Auditor (70%)	
Accounting Operations Manager (100%)	
Total	920
Available Hours for Audit Activities	2,760

*Considers Vacancies and unplanned turnover

Internal Audit Activities by Type	
Assurance Engagements	
Retiree Payroll Department	500
Information Technology Department	500
Benefits Department	450
Membership Department	450
Unplanned Requested Audits	148
Follow-up Audits	160
60% Assurance	2,208
Control Self-Assessment Facilitation	432
Other Management Requests	120
15% Advisory	552
Budgeted Hours for Audit Activities	2,760
(Assurance plus Advisory)	2,760
Specific Administrative Projects	
Quality Assurance and Improvement Program (QAIP)	
Internal QAIP Setup	400
Independent Validation	130
Audit Manual Update	120
Other Administrative Activities	176
Estimated Leave (including Holidays)	40
Anticipated CPE	54
Other (timekeeping, meetings, etc.)	
25% Administration	920
100% Total	3,680

Policies and Processes

Purpose

The purpose of the IA Department is to strengthen Arkansas Teacher Retirement System's (ATRS) ability to create, protect, and sustain value by providing the Audit Committee of the Board of Trustees (the Committee) and senior management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Mission

The mission of the IA Department is to earn and preserve the trust of Arkansans by promoting accountability, integrity, and efficiency in the operation of the ATRS.

Objectives

The following objectives have been set forth to achieve the mission:

1. Conduct work to adhere to the IIA Global Internal Audit Standards;
2. Audit the control activities and the transactions of the ATRS to determine the level of compliance with established laws, standards, rules, and procedures, as well as the operational effectiveness and efficiency of the control activities;
3. Consult with ATRS personnel in establishing appropriate internal controls to prevent errors or irregularities;
4. Perform other functions as directed by the Committee or ATRS Executive Director.

Audit Planning Process

The following audit planning process was performed to establish an annual audit plan and associated audit activities to fulfill the purpose, achieve the mission, and obtain the objectives set forth for the IA Department.

Audit Plan Process Changes

The IA Department moved from following the Institute of Internal Auditors (The IIA) International Professional Practices Framework (IPPF) to the new Global Internal Audit Standards. A list of Standards utilized for audit planning can be found in Appendix A.

Establishing the Audit Universe and Assessing Risk

An audit universe was established to identify auditable units. The total number of auditable units identified was fourteen. IA Department staff identified key risks related to processes (for which control activities could be reasonably tested). The risks were then mapped to the related auditable unit(s) and ranked by potential impact effect and likelihood of occurrence to determine which of the risks were the highest risks to the agency. The following factors were used for this analysis:

- **Compliance Risk:** The compliance criterion is used to consider the potential negative impact on the ability of the ATRS to remain compliant in areas of policies, rules, regulations, laws, etc., if a risk were to be realized. Risks that should be rated higher are those which, if they were to occur, would have a greater impact on the ability of an agency to be compliant.
- **Financial Risk:** Financial risk considers the potential negative effect on the finances of ATRS if realized. While the accounting team is responsible for the bulk of these types of risks, financial vulnerabilities can occur at every unit. These vulnerabilities include consideration of specific types of revenues and expenditures which are most sensitive to fraud, such as the collection of receipts or disbursement of member benefits. This risk also includes the potential of incorrectly processing member benefits or benefits being paid to illegitimate members.
- **Operational Risk:** Operational risks are risks that include system errors, human errors, improper management, quality issues, and other operation-related errors. Employee errors, criminal activity such as fraud, and physical events are among the factors that can trigger operational risks.
- **Reputational Risk:** Reputational risk criterion is used to consider potential negative impact on the public trust of Arkansas citizens if the risk were realized. Measures for this criterion should relate to occurrences of fraud risks and should include consideration that the general public in Arkansas would be made aware of occurrences of fraud.
- **Strategic Risk:** The strategic risk criterion involves activities that threaten ATRS' ability to achieve its strategic goals and objectives to provide retirement, disability, and survivor benefits to employees of Arkansas public schools and educationally related public agencies.

Other Considerations

Other considerations in developing the audit plan included the analysis of the results of a survey sent in April 2024 to Department managers and staff, senior management input, review of previous audit findings, review of commission meeting minutes, control self-assessments performed by ATRS personnel, and ATRS' financial statements.

Coordinating Assurance Coverage

Coordinating assurance coverage for the audit plan included performance of the following:

- Reading reports issued by federal agencies, state agencies, legislative audit; and documenting the last date of the audit reports within each risk assessment conducted.
- Assessing that monitoring activities are in place and performed by ATRS personnel.
- Evaluating audit staff competencies and experience.

Staffing the Audit Plan

Audit activities and project were determined for the audit plan based on the analysis from identifying the audit universe, conducting risk assessments, and considering other factors, including coordinating audit coverage. The process used to estimate staffing the audit plan included estimating hours for activities and projects. Audit plan hours are estimates and may change throughout the audit plan year. When necessary, the Chief Auditor will notify the Executive Director and the Committee if it is anticipated that the hours will be significantly greater than estimated for a project or activity, as well as justification. If

hours are expected to be significantly lower than estimated for a project, the Chief Auditor will decide on other activities or projects where the remaining hours will be spent. The Chief Auditor will notify the Executive Director and the Committee if the decrease in hours is significant and if the reason for the decreased hours is due to a project or activity scope limitation which will keep the IA Department from performing the planned work.

Independence

The Chief Auditor confirms that the organizational independence of the IA Department is appropriate. Additionally, the Chief Auditor will ensure that the IA Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and reporting content. If the Chief Auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Communication

The frequency of reporting to the Committee will be based upon the importance of the information to be communicated and the urgency of the related actions to be taken by senior management and/or the Committee.

ATRS management will receive the results of audit activities related to their area of management. The Chief Auditor may also discuss specific audit findings or issues directly with senior management before an audit report is complete depending upon importance and urgency or the related actions to be taken by senior management.

All internal audit communications are solely intended for management and the Committee. Release of internal audit communications to external parties by the IA Department will only be given with expressed permission of management or the Committee.

To be responsive to organizational changes, risks will be continuously assessed, risk priorities will be reevaluated, and the plan will be adjusted accordingly by the Chief Auditor. Management and the Committee will be advised of significant changes to the plan as needed throughout the audit plan year.

Risk Assessment Summary

Summary

The risk assessment was performed using Microsoft Excel. A summary of the units scoring 10.0 and above is displayed in the following table. A detailed description of each risk rating can be found in Appendix B, pages 35-36. A more detailed list, which displays the rating given for each risk factor for each risk process and mapped to each auditable unit can be found in Appendix C, page 37. The highest four units were selected for audit. While the risk area displays a specific Department, note that the risk process could apply to other areas with ATRS. If the process reaches across multiple Department, then audit procedures which cross Departments will be applied as appropriate.

If hours become available during the year, the IA Department may select one or more audits of the auditable units which scored below 10.0. Further discussion of audit objectives for the selected units can be found in the section titled *Overview of Engagements and Other Activities*.

Risk Assessment Highest Results (Inherent Risk)

Risk Area	Risk Title	Total Rating of Inherent Risk
Retiree Payroll	Member does not receive the benefits owed due to benefit adjustments not being updated in ATRMIS.	16.56
Information Technology (aka. Data Processing)	Equipment and/or application software are not configured in a manner that ensures compliance with privacy and security laws, regulations, and standards.	15.20
Benefits	Rerouted applications that contain all required documents are not processed in a timely manner preventing member(s) from receiving expected benefits.	13.20
Membership	Eligible members are not entered into the Arkansas Teacher Retirement Member Information System (ARTMIS) or the member's status is incorrectly set.	10.92

Overview of Engagements and Other Activities

Using the IA Division resources currently available, the following list of activities have been determined to be the most efficient means to the achievement of the IA Department objectives.

Assurance Activities

The plan included spending approximately 60% of total hours on assurance activities (audits and reviews).

The following assurance activities were selected based upon a risk analysis:

Retiree Payroll Department

The Retiree Payroll Department is responsible for the processing and distribution of all member benefits on a monthly basis. Over the last three years, the Retiree Payroll Department has disbursed an average of approximately \$1.28 billion to ATRS members. Additionally, the Department is tasked with the preparation and distribution of annual 1099-R forms.

Audit Objective: *To assess policy and procedures for processing member disbursements.*

Information Technology Department

The Information Technology (IT) Department (otherwise known as Data Processing or DP) is responsible for ensuring ATRS information system resources are protected from physical and technological (cyber) threats and remain available to service ATRS programs. These systems include, but are not limited to, the Arkansas Teacher Retirement Member Information System (ATRMIS), Teacher Investment Management (TIM) program, JADE, Member and Employer Portals.

Audit Objective: *To assess the effectiveness of procedures in place to establish, implement, and actively manage network devices, in order to prevent attackers from exploiting vulnerable network services and access points.*

Benefits Department

The Benefits Department reviews all retirement applications and reconciling all retirement benefit calculations each quarter. Additionally, the Department is responsible for calculating benefits to be received by alternate payees recorded on an active members Qualified Domestic Relations Order (QDRO) as well as any survivor benefits to be paid upon a member's death. Finally, the Benefits Department provides information to members who inquire about any possible refunds to their contributions.

Audit Objective: *To assess the policies and procedures for processing retirement applications.*

Membership Department

The Membership Department is the main source of information regarding the Arkansas Teacher Retirement System for members and employers. The Department is responsible for providing training related to the different features available in the plan, such as explaining retirement

eligibility, annuity benefits, T-DROP, etc. Additionally, the Membership Department is responsible for maintaining the integrity of the member's history file in ATRMIS.

Audit Objective: *To assess the effectiveness and efficiency of procedures used in maintaining member history files in ATRMIS.*

Other assurance activities are:

- **Unplanned Requested Audits:** Hours have been allocated for unplanned requested audits. If management does not request any unplanned audits, these hours will be assigned to other projects.
- **Follow-up Audits:** An Excel file will be utilized to list audit findings for audits occurring throughout the ATRS (external and internal) and determine follow-up audits needed. Hours have been allocated to conduct these audits.

Advisory Activities

The plan includes spending approximately 15% of total hours on advisory (consulting) activities. It should be noted that the IA Department is not limited to performing only assurance services but can perform advisory services as well. According to the Standards of The IIA (Standard 9.4), the Chief Auditor must review and revise the internal audit plan as necessary and communicate timely to the board and senior management any conflicting demands involving high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements. Accepted engagements must be included in the plan. Advisory engagements included in the plan are:

Control Self-Assessment (CSA) Facilitation: CSA is used to review the design of the internal control system within a Department by evaluating identified risks and the documented control activities. Hours have been allocated to conduct this engagement.

Other Management Requests: Hours have been allocated for other management requests. If these hours are not completely utilized the remaining hours will be assigned to other projects.

Administrative Activities

The plan includes spending approximately 25% of total hours on internal audit administrative activities. Hours allocated for expected employee leave, employees attending continuing professional education (CPE) classes or conferences, timekeeping, meetings, and other miscellaneous activities are considered as administrative activities. The number of hours displayed in the audit plan for administrative activities are estimates. Additionally, there are specific administrative project planned which will be completed with two FTEs (including the Chief Auditor and Accounting Operations Manager) which are:

- **Quality Assurance and Improvement Program (QAIP):** Developing a QAIP is required by the Standards as well as undergoing an external quality assurance review. The requirement for an external quality assessment may also be met though a self-assessment with independent validation (Standard 8.4). Therefore, the IA Department plans to complete a comprehensive and fully documented internal assessment that emulates the external quality assessment process by May 2025 with an independent validation by a qualified, independent external quality assessor

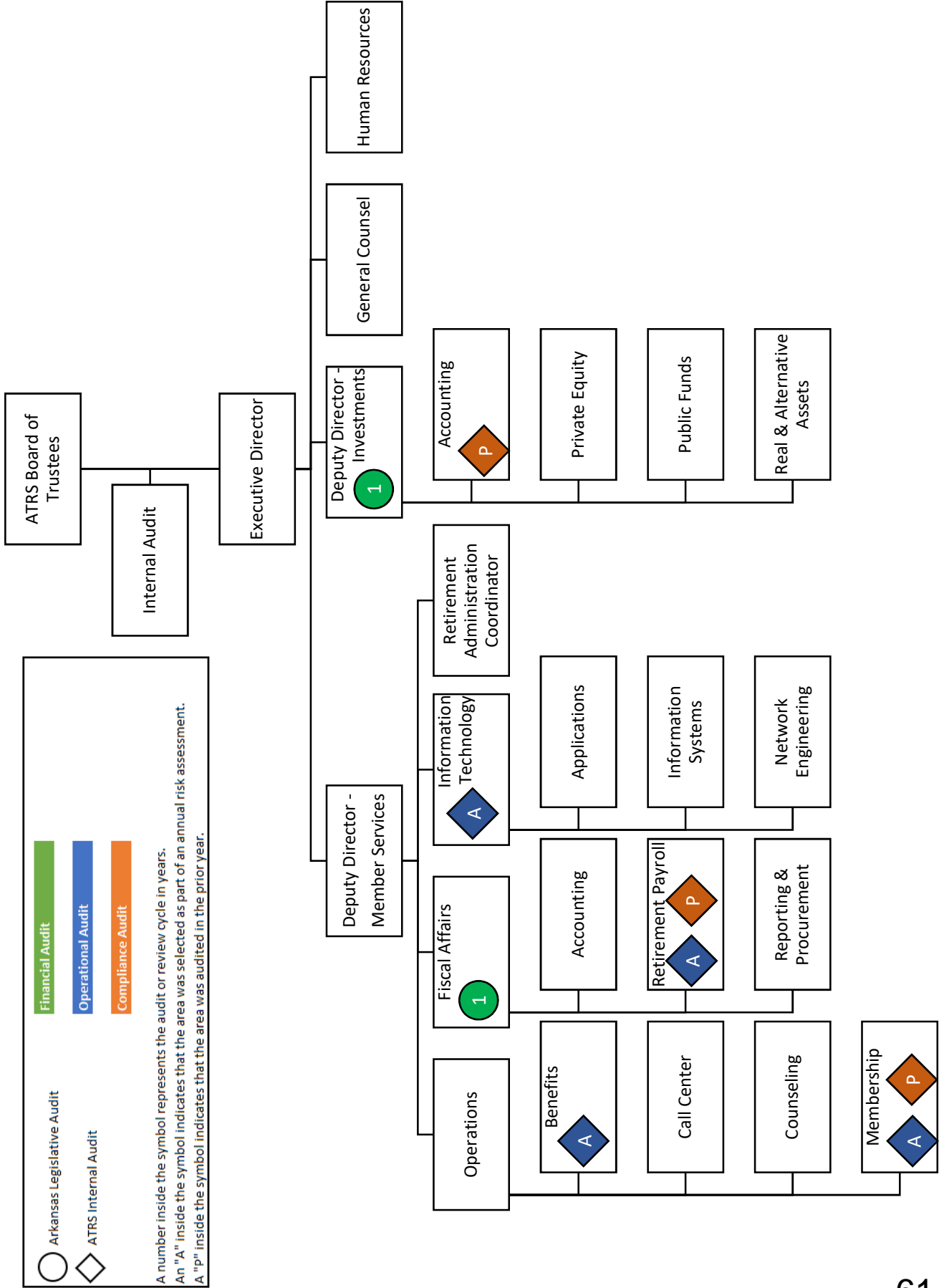
or assessment team by June 2025. Hours have been assigned to develop the internal quality assurance and improvement program.

- Audit Manual Update: The IA Department is transitioning from the IPPF to the Global Internal Audit Standards of The IIA. This transition requires updating the audit manual; therefore, hours have been allocated for this process.

Assurance Coverage

On the following page is a copy of the ATRS organizational chart by Department. Symbols are displayed to indicate potential or expected work to be completed by the IA Department and other audit assurance providers. The chart is provided as a general visualization of assurance coverage for the audit period and does not include all specific consideration. A list of reports which represent the symbols can be found in Appendix D.

Arkansas Teacher Retirement System Organizational Chart



Resource Plan

A calculation to determine available hours for audit activities was performed and a summary is shown in the following table. The total number of hours available for audit activities is estimated at 2,760.

Schedule of Available Hours for Audit Activities	
1 Position (52 Weeks @ 40 Hours)	2,080
1 Position (40 Weeks @ 40 Hours)*	1,600
Total Hours	3,680
Less:	
Specific Administrative Projects	
Quality Assessment (QAIP) Review	400
Audit Manual Update	120
Other Administrative Activities	
Estimated Leave	100
1 Position (12 Holidays @ 8 Hours)	96
1 Position (10 Holidays @ 8 Hours)	80
Anticipated CPE (1 Position @ 40 Hours)	40
Other (Estimated % by position)	84
ATRS Internal Auditor (70%)	
Accounting Operations Manager (100%)	
Total	920
Available Hours for Audit Activities	2,760

**Considers vacancies and unplanned turnover*

The projects and activities were also categorized by assurance, advisory, and administrative type and are displayed on the next table titled "Internal Audit Activities by Type." The IA Department plans to spend approximately 60% of hours on assurance activities, 15% on advisory activities, and 25% on administrative activities.

Internal Audit Activities by Type	
Assurance Engagements	
Retiree Payroll Department	500
Information Technology Department	500
Benefits Department	450
Membership Department	450
Unplanned Requested Audits	148
Follow-up Audits	160
<i>60% Assurance</i>	2,208
Control Self-Assessment Facilitation	432
Other Management Requests	120
<i>15% Advisory</i>	552
<i>Budgeted Hours for Audit Activities (Assurance plus Advisory)</i>	2,760
Specific Administrative projects	
Quality Assurance and Improvement Program (QAIP)	
Internal QAIP Setup	400
Independent Validation	130
Audit Manual Update	120
Other Administrative Activities	
Estimated Leave (including Holidays)	176
Anticipated CPE	40
Other (timekeeping, meetings, etc.)	54
<i>25% Administration</i>	920
100% Total	3,680

The funding resources needed for the audit plan year are discussed below:

Estimated Salaries \$168,967

(This estimate does not include payroll additives which are calculated to be \$51,129).

Estimated Expenditures \$6,000

(This estimate includes fees paid for membership fees and fees to be paid for a qualified independent validation.)

Conformance with the Code of Ethics and the Standards

The following statements or comments which relate to conformance with The IIA Global Internal Audit Standards regarding the organizational independence and code of ethics. References to the applicable Standard are show in parenthesis.

Organizational independence is appropriate for the IA Department. The chief auditor executive must confirm to the board the organizational independence of the internal audit function at least annually (Standard 7.1)

The IA Division began following the Standards on July 1, 2024, and will be developing and utilizing a quality assurance and improvement program. Hours have been dedicated to the establishment and execution of this program. A self-assessment with independent validation is planned for May and June 2025 (Standard 8.4)

Approval Signatures

Internal Auditor

Date

Executive Director

Date

ATRS Audit Committee Chair

Date

Appendix A

References to the Global Internal Audit Standards of The Institute of Internal Auditors (Standards)

Introduction

Global Internal Audit Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are 15 guiding principles that enable effective internal auditing. Each principle is supported by standards that contain requirements, considerations for implementation, and examples of evidence of conformance. Together, these elements help internal auditors achieve the principles and fulfill the Purpose of Internal Auditing.

In addition to the Standards, recommended supplemental guidance was used to develop the audit plan including, but not limited to:

- *Developing a Risk-based Internal Audit Plan*, IIA Internal Professional Practices Framework (IPPF) Supplemental Guidance Practice Guide, 2020
- *Engagement Planning: Assessing Fraud Risk*, IIA IPPF Supplemental Guidance Practice Guide, 2017
- *Coordination and Reliance Developing an Assurance Map*, IIA IPPF Supplemental Guidance Practice Guide, 2018

Appendix A

References to Specific Standards

Organizational Independence

Reference	Standard
6.3	<p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Demonstrate support by: <ul style="list-style-type: none"> ○ Specifying that the chief audit executive reports to a level within the organization that allows the internal audit function to fulfill the internal audit mandate. ○ Approving the internal audit charter, internal audit plan, budget, and resource plan. ○ Making appropriate inquiries of senior management and the chief audit executive to determine whether any restrictions on the internal audit function’s scope, access, authority, or resources limit the function’s ability to carry out its responsibilities effectively. ○ Meeting Periodically with the chief audit executive in sessions without senior management present. <p>Senior Management</p> <ul style="list-style-type: none"> • Work with the board and management throughout the organization to enable the internal audit function’s unrestricted access to the data, records, information, personnel, and physical properties necessary to fulfill the internal audit mandate.
Principle 7	<p>The internal audit function is only able to fulfill the Purpose of Internal Auditing when the chief audit executive reports directly to the board, is qualified, and is positioned at a level within the organization that enables the internal audit function to discharge its services and responsibilities without interference.</p>
7.1	<p>The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.</p> <p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Establish a direct reporting relationship with the chief audit executive and the internal audit function to enable the internal audit function to fulfill its mandate. • Authorize the appointment and removal of the chief audit executive. • Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive. • Require that the chief audit executive be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the board with necessary. • Engage with senior management to ensure that the internal audit function is free from interference when determining its scope, performing internal audit engagements, and communicating results.

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Reference	Standard
	<p>Senior Management</p> <ul style="list-style-type: none"> Position the internal audit function at a level within the organization that enables it to perform its services and responsibilities without interference, as directed by the board.
8.1	<p>The chief audit executive must report to the board and senior management:</p> <ul style="list-style-type: none"> Potential impairments to independence.
13.3	<p>Scope limitations must be discussed with management when identified, with a goal of achieving resolution. Scope limitations are assurance engagement conditions, such as resource constraints or restrictions on access to personnel, facilities, data, and information, that prevent internal auditors from performing the work as expected in the audit work program.</p> <p>Internal Auditors must have the flexibility to make changes to the engagement objectives and scope with audit work identifies the need to do so as the engagement progresses.</p> <p>If a resolution cannot be achieved with management, the chief audit executive must evaluate the scope limitation issue to the board according to an established methodology.</p>

Conformance of organizational independence is noted in the audit plan.

Quality Assurance and Improvement Program

Reference	Standard
Fundamentals	<p>The requirements, considerations for implementation, and examples of evidence of conformance are designed to help internal auditors conform with the Standards. While conformance with the requirements is expected, internal auditors occasionally may be unable to conform with a requirement yet still achieve the intent of the standard. Circumstances that may necessitate adjustments are often related to resource limitations or specific aspects of a sector, industry, and/or jurisdiction. In these exceptional circumstances, alternative actions should be implemented to meet the intent of the related standard. The chief audit executive is responsible for documenting and conveying the rationale for the deviation and the adopted alternative actions to the appropriate parties.</p>
3.1	<p>Internal auditors must possess or develop knowledge of The IIA's Global Internal Audit Standards.</p>
4.1	<p>Considerations:</p> <p><i>While conformance with the requirements is expected, internal auditors or the internal audit function may occasionally be unable to conform with a requirement yet may take alternative actions to achieve the related principle. Such circumstances are usually related to specific sectors, industries, and jurisdictions. By documenting the circumstance, alternative actions taken, the impact, and the rationale, the chief audit executive provides information to support the external quality assessment such that the internal audit function may be able to achieve conformance with a principle, even when conformance with a standard is not possible.</i></p>
8.1	<p>The chief audit executive must report to the board and senior management:</p> <ul style="list-style-type: none"> Results from the quality assurance and improvement program.

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Reference	Standard
8.3	<p>The chief audit executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments:</p> <ul style="list-style-type: none"> • External assessments (See Standard 8.4 External Quality Assessment). • Internal assessments (See Standard 12.1 Internal Quality Assessment). <p>At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:</p> <ul style="list-style-type: none"> • The internal audit function’s conformance with the Standard and achievement of performance objectives. • If applicable, compliance with laws and/or regulations relevant to internal auditing. • If applicable, plans to address the internal audit function’s deficiencies and opportunities for improvement. <p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Discuss with the chief audit executive the quality assurance and improvement program, as outlined in Domain IV: Managing the Internal Audit Function. • Approve the internal audit function’s performance objectives at least annually. • Assess the effectiveness and efficiency of the internal audit function. Such an assessment includes: <ul style="list-style-type: none"> ○ Reviewing the internal audit function’s performance objectives, including its conformance with the Standards, laws, and regulations; ability to meet the internal audit mandate; and progress toward completion of the internal audit plan. ○ Considering the results of the internal audit function’s quality assurance and improvement program. ○ Determining the extent to which the internal audit function’s performance objective are being met. <p>Considerations:</p> <p><i>The chief audit executive’s communications to the board and senior management regarding the internal audit function’s quality assurance and improvement program should include:</i></p> <ul style="list-style-type: none"> • <i>The scope, frequency, and results of internal and external quality assessments conducted under the direction of, or with the assistance of, the chief audit executive.</i> • <i>Action plans that address deficiencies and opportunities for improvement. Actions should be agreed upon with the board.</i>
8.4	<p>The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The</p>

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Reference	Standard
	<p>requirement for an external quality assessment may also be met through a self-assessment with independent validation.</p> <p>When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor designation.</p> <p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Discuss with the chief audit executive the plans to have an external quality assessment of the internal audit function conducted by an independent, qualified assessor or assessment team. • Collaborate with senior management and the chief audit executive to determine the scope and frequency of external quality assessment. • Consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope of the external quality assessment. • Review and approve the chief audit executive’s plan for the performance of an external quality assessment. Such approval should cover, at a minimum: <ul style="list-style-type: none"> ○ The scope and frequency of assessments. ○ The competencies and independence of the external assessor or assessment team. ○ The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment. • Require receipt of the complete results of the external quality assessment or self-assessment with independent validation directly from the assessor. • Review and approve the chief audit executive’s action plans to address identified deficiencies and opportunities for improvement, if applicable. • Approve a timeline for completion of the action plans and monitor the chief audit executive’s progress. <p>Senior Management</p> <ul style="list-style-type: none"> • Collaborate with the board and the chief audit executive to determine the scope and frequency of the external quality assessment. • Review the results of the external quality assessment, collaborate with the chief audit executive and board to agree on action plans that address identified deficiencies and opportunities for improvement, if applicable, and agree on a timeline for completion of the action plan. <p>Considerations:</p> <p><i>The external quality assessment should include a comprehensive review of the adequacy of the internal audit function’s</i></p> <ul style="list-style-type: none"> • <i>Conformance with the Global Internal Audit Standards.</i> • <i>Mandate, charter, strategy, methodologies, processes, risk assessment, and internal audit plan.</i> • <i>Compliance with applicable laws and/or regulations.</i>

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Reference	Standard
	<ul style="list-style-type: none"> • <i>Performance criteria and measures as well as assessment results.</i> • <i>Competencies and due professional care, including the sufficient use of tools and techniques, and focus on continual development.</i> • <i>Qualifications and competencies, including those of the chief audit executive role, as defined by the organization’s job description and hiring profile.</i> • <i>Integration into the organization’s governance processes, including the relationships among those involved in position their internal audit function to operate independently.</i> • <i>Contribution to the organization’s governance, risk management, and control processes.</i> • <i>Contribution to the improvement of the organization’s operations and ability to attain its objectives.</i> • <i>Ability to meet expectations articulated by the board, senior management, and stakeholders.</i> <p><i>In addition to the requirement that at least one member of the external assessment team be a Certified Internal Auditor, other important qualifications of the assessment team to consider include:</i></p> <ul style="list-style-type: none"> • <i>Experience with and knowledge of the Standards and leading internal audit practices.</i> • <i>Experience as a chief audit executive or comparable senior level of internal audit management.</i> • <i>Experience in the organization’s industry or sector.</i> • <i>Previous experience performing external quality assessments.</i> • <i>Completion of external quality assessment training recognized by The Institute of Internal Auditors.</i> • <i>Attestation by assessment team member that they have no conflicts of interest, in fact or appearance.</i> <p><i>The chief audit executive should consider potential impairments to the independence of assessors driven by past, present, or anticipated future relationships with the organization, its personnel, or its internal audit function. If a potential assessor is a former employee of the organization, the length of time the assessor has been independent should be evaluated.</i></p>
9.3	The chief audit executive must evaluate the effectiveness of the methodologies and update them as necessary to improve the internal audit function and respond to significant changes that affect the function.
Principle 12	Therefore, a quality assurance and improvement program is designed to evaluate and promote the internal audit function’s conformance with the Standards, achievement of performance objectives, and pursuit of continuous improvement.
12.1	The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes: <ul style="list-style-type: none"> • Ongoing monitoring of the internal audit function’s conformance with the Standards and progress toward performance objectives.

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Reference	Standard
	<ul style="list-style-type: none"> • Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards. • Communication with the board and senior management about the results of internal assessments. <p>Based on the results of periodic self-assessments, the chief audit executive must develop action plans to address instances of non-conformance with the Standards and opportunities for improvement, including a proposed timeline for actions. The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management.</p> <p>Internal assessments must be documented and include in the evaluation conducted by an independent third party as part of the organization’s external quality assessment.</p> <p>Considerations: <i>Ongoing monitoring involves the day-to-day supervision, review, and measurement of the internal audit function. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit function and includes the processes, tools, and information necessary to evaluate conformance with the standards.</i></p> <p><i>Periodic self-assessments provide a more holistic, comprehensive review of the Standards and the internal audit function. Periodic self-assessments address conformance with every standard, whereas ongoing monitoring focusses on the standards relevant to performing engagements. Periodic self-assessments may be conducted by senior members of the internal audit function, a dedicated quality assurance team, individuals within the internal audit function who have extensive experience with the Standards, Certified Internal Auditors, or other competent internal audit professionals from elsewhere in the organization. The chief audit executive should consider including internal auditors in the self-assessment process, which may improve their understanding of the Standards.</i></p>
12.2	The chief audit executive must develop a performance measurement methodology to assess progress toward achieving the function’s objectives and to promote the continuous improvement of the internal audit function.
15.1	<p>Considerations: <i>A statement that the engagement is conducted in conformance with the Global Internal Audit Standards should be included in the final engagement communication. Indicating that the internal audit engagement conformed with the Standards is appropriate only if supported by the results of engagement supervision and the quality assurance and improvement program.</i></p>

The IA Department began following the Standards on July 1, 2024, and will be developing and utilizing a quality assurance and improvement program. Hours have been dedicated to the establishment and execution of this program.

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Audit Planning

Reference	Standard
9.1	To develop an effective internal audit strategy and plan, the chief audit executive must understand the organization’s governance, risk management, and control processes.
9.2	<p>The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.</p> <p>An internal audit strategy is a plan of action designed to achieve a long-term or overall objective. The internal audit strategy must include a vision, strategic objectives, and supporting initiatives for the internal audit function. An internal audit strategy helps guide the internal audit function toward the fulfillment of the internal audit mandate.</p>
9.4	<p>The chief audit executive must create an internal audit plan that supports the achievement of the organization’s objectives.</p> <p>The chief audit executive must base the internal audit plan on a documented assessment of the organization’s strategies, objectives, and risks. The assessment must be informed by input from the board and senior management as well as the chief audit executive’s understanding of the organization’s governance, risk management, and control processes.</p> <p>The internal audit plan must:</p> <ul style="list-style-type: none"> • Consider the internal audit mandate and the full range of agreed-to audit services. • Specify internal audit services that support the evaluation and improvement of the organization’s governance, risk management, and control processes. • Be dynamic and updated timely in response to changes in the organization’s business, risks operations, programs, systems, controls, and organizational culture. <p>The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:</p> <ul style="list-style-type: none"> • Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
11.1	The chief audit executive must develop an approach for the internal audit function to build relationships and trust with key stakeholders, including the board, senior management, operational management, regulators, and internal and external assurance providers and other consultants.
11.3	<p>The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate. The chief audit executive must understand the expectations of the board and senior management regarding the nature and timing of communications.</p> <p>Conclusions at the Level of the Business Unit or Organization</p>

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Reference	Standard
	The chief audit executive may be required to make a conclusion at the level of the business unit or organization about the effectiveness of governance, risk management, and/or control processes, due to industry requirements, laws and/or regulations, or the expectations of the board, senior management, and/or other stakeholders.

A risk-based approach was used to compile the annual audit plan. See the Risk Assessment Summary section of the audit plan for more detailed information about the risk assessment performed. Discussions with senior management and a review of the ATRS control self-assessment was used to assist in identify risks. Consulting engagements have been considered and accepted engagement have been included in the annual audit plan.

Communication and Approval

Reference	Standard
8.2	The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.
9.4	<p>The chief audit executive must discuss the internal audit plan, including significant interim changes, with senior management and the board. The plan and significant changes to the plan must be approved by the board.</p> <p>The internal audit plan must:</p> <ul style="list-style-type: none"> • Identify the necessary human, financial, and technological resources necessary to complete the plan. <p>The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:</p> <ul style="list-style-type: none"> • The impact of any resource limitations on internal audit coverage.
10.1	The chief audit executive must seek budget approval from the board. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.
10.2	The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function’s human resources. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations.
10.3	The chief audit executive must communicate the impact of technology limitation on the effectiveness or efficiency of the internal audit function to the board and senior management.

Communication and approval is addressed in the annual audit plan in the following sections: *Policies and Processes* (under the heading “Communication”), *Resource Plan*, and *Approval Signatures*.

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Resource Management

Reference	Standard
10.1	The chief audit executive must develop a budget that enables the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function’s operation, including training and acquisition of technology and tools. The chief audit executive must manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.
10.2	<p>The chief audit executive must strive to ensure that human resources are appropriate, sufficient, and effectively deployed to achieve the approved internal audit plan. <i>Appropriate</i> refers to the mix of knowledge, skills, and abilities; <i>sufficient</i> refers to the quality of resources; and <i>effective deployment</i> refers to assigning resources in a way that optimizes the achievement of the internal audit plan.</p> <p>The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function’s human resources. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations. (See also Standard 8.2 Resources.)</p> <p>The chief audit executive must evaluate the competencies of individual internal auditors within the internal audit function and encourage professional development. The chief audit executive must collaborate with internal auditors to help them develop their individual competencies through training, supervisory feedback, and/or mentoring. (See also Standard 3.1 Competency.)</p>
10.3	<p>The chief audit executive must strive to ensure that the internal audit function has technology to support the internal audit process.</p> <p>When implementing new technology, the chief audit executive must implement appropriate training for internal auditors in the effective use of technological resources.</p>

Resource management has been considered in the development of the annual audit plan. Hours have been assigned by project.

Coordination and Reliance

Reference	Standard
9.3	<p>Considerations:</p> <p>Documented methodologies that are most likely to be necessary to implement the strategy, achieve the internal audit plan, and conform with Standards include the internal audit function’s approach to:</p> <ul style="list-style-type: none"> • Coordinating with internal and external assurance providers.
9.5	The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers.

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Reference	Standard
	<p>When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for the reliance and is still responsible for the conclusions reached by the internal audit function.</p> <p>Considerations: <i>The chief audit executive should develop a methodology for evaluating other providers of assurance and advisory services that includes a basis for relying upon their work. The evaluation should consider the providers' roles, responsibilities, organizational independence, competency, and objectivity, as well as the due professional care applied to their work. The chief audit executive should understand the objectives, scope, and results of the work performed.</i></p>

Coordination and reliance of other internal and external assurance and consulting service providers was considered in the annual audit plan. The section titled *Assurance Coverage* discusses specific reports which were given consideration.

Reporting to Senior Management and the Board

Reference	Standard
6.1	<p>Periodically, the chief audit executive must assess whether changes in circumstances justify a discussion with the board and senior management about the internal audit mandate. If so, the chief audit executive must discuss the internal audit mandate with the board and senior management to assess whether the authority, role, and responsibilities continue to enable the internal audit function to achieve its strategy and accomplish its objectives.</p> <p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Discuss with the chief audit executive and senior management the appropriate authority, role, and responsibilities of the internal audit function. <p>Senior Management</p> <ul style="list-style-type: none"> • Participate in discussions with the board and chief audit executive and provide input on expectations for the internal audit function that the board should consider when establishing the internal audit mandate.
6.2	<p>The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function.</p> <p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter to enable an effective internal audit function. <p>Senior Management</p>

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Reference	Standard
	<ul style="list-style-type: none"> Communicate with the board and chief audit executive about management's expectations that should be considered for inclusion in the internal audit charter.
7.1	The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and that actions or safeguards employed to address the impairment.
8.1	<p>The chief audit executive must provide the board with the information needed to conduct its oversight responsibilities. This information may be specifically requested by the board or may be, in the judgment of the chief audit executive, valuable for the board to exercise its oversight responsibilities.</p> <p>The chief audit executive must report to the board and senior management:</p> <ul style="list-style-type: none"> The internal audit plan and budget and subsequent significant revisions to them. (See also Standards 6.3 Board and Senior Management Support and 9.4 Internal Audit Plan.) Changes potentially affecting the mandate or charter. (See also Standards 6.1 Internal Audit Mandate and 6.2 Internal Audit Charter.) Results of internal audit services, including conclusions, themes, assurances, advice, insights, and monitoring results. (See also Standards 11.3 Communicating Results, 14.5 Engagement Conclusions, and 15.2 Confirming the Implementation of Recommendations or Action Plans.) Results from the quality assurance and improvement program. (See also Standards 8.3 Quality, 8.4 External Quality Assessment, 12.1 Internal Quality Assessment, and 12.2 Performance Measurement.) <p>There may be instances when the chief audit executive disagrees with senior management or other stakeholders on the scope, findings, or other aspects of an engagement that may affect the ability of the internal audit function to execute its responsibilities. In such cases, the chief audit executive must provide the board with the facts and circumstances to allow the board to consider whether, in its oversight role, it should intervene with senior management or other stakeholders.</p> <p>Essential Conditions Senior Management</p> <ul style="list-style-type: none"> Communicate senior management's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities. Assist the board in understanding the effectiveness of the organization's governance, risk management, and control processes. Work with the board and the chief audit executive on the process for escalating matters of importance to the board.
8.2	The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources

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Reference	Standard
	<p>and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.</p> <p>Essential Conditions</p> <p>Board</p> <ul style="list-style-type: none"> • Collaborate with senior management to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan. • Discuss with the chief audit executive, at least annually, the sufficiency, both in numbers and capabilities, of internal audit resources to fulfill the internal audit mandate and achieve the internal audit plan. • Consider the impact of insufficient resources on the internal audit mandate and plan. • Engage with senior management and the chief audit executive on remedying the situation if the resources are determined to be insufficient. <p>Senior Management</p> <ul style="list-style-type: none"> • Engage with the board to provide the internal audit function with sufficient resources to fulfill the internal audit mandate and achieve the internal audit plan. • Engage with the board and the chief audit executive on any issues of insufficient resources and how to remedy the situation.
8.3	<p>At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:</p> <ul style="list-style-type: none"> • The internal audit function’s conformance with the Standards and achievement of performance objectives. • If applicable, compliance with laws and/or regulations relevant to internal auditing. • If applicable, plans to address the internal audit function’s deficiencies and opportunities for improvement. • Plans to address the internal audit function’s deficiency and opportunities for improvement.
9.2	<p>The chief audit executive must review the internal audit strategy with the board and senior management periodically.</p>
9.4	<p>The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:</p> <ul style="list-style-type: none"> • The impact of any resource limitations on internal audit coverage. • The rationale for not including an assurance engagement in a high-risk area or activity in the plan. • Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements. • Limitation on scope or restrictions on access to information.

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Reference	Standard
	The chief audit executive must discuss the internal audit plan, including significant interim changes, with the board and senior management. The plan and significant changes to the plan must be approved by the board.
11.1	<p>The chief audit executive must promote formal and informal communication between the internal audit function and stakeholders, contributing to the mutual understanding of:</p> <ul style="list-style-type: none"> • Organizational interests and concerns. • Approaches for identifying and managing risks and providing assurance. • Roles and responsibilities of relevant parties and opportunities for collaboration. • Relevant regulatory requirements. • Significant organizational processes, including financial reporting.
11.3	<p>The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate. The chief audit executive must understand the expectations of senior management and the board regarding the nature and timing of communications.</p> <p>The results of internal audit services can include:</p> <ul style="list-style-type: none"> • Engagement conclusions. • Themes such as effective practices or root causes. • Conclusions at the level of the business unit or organization.
11.5	<p>The chief audit executive must communicate unacceptable levels of risk.</p> <p>When the chief audit executive concludes that management has accepted a level of risk that exceeds the organization’s risk appetite or tolerance, the matter must be discussed with senior management. If the chief audit executive determines that the matter has not been resolved by senior management, the matter must be escalated to the board. It is not the responsibility of the chief audit executive to resolve the risk.</p>
12.2	<p>The chief audit executive must consider the input and expectations of the board and senior management when developing the performance objectives.</p> <p>The chief audit executive must develop objectives to evaluate the internal audit function’s performance. The chief audit executive must develop a performance measurement methodology to assess progress toward achieving the function’s objectives and to promote the continuous improvement of the internal audit function.</p> <p>When assessing the internal audit function’s performance, the chief audit executive must solicit feedback from the board and senior management as appropriate.</p> <p>The chief audit executive must develop an action plan to address issues and opportunities for improvement.</p>

The frequency of communication is discussed in the section titled Policies and Processes under the heading “Communication.” Comments related to conformance with the Code of Ethics and the Standards can be found in the section titled *Conformance with the Code of Ethics and the Standards*.

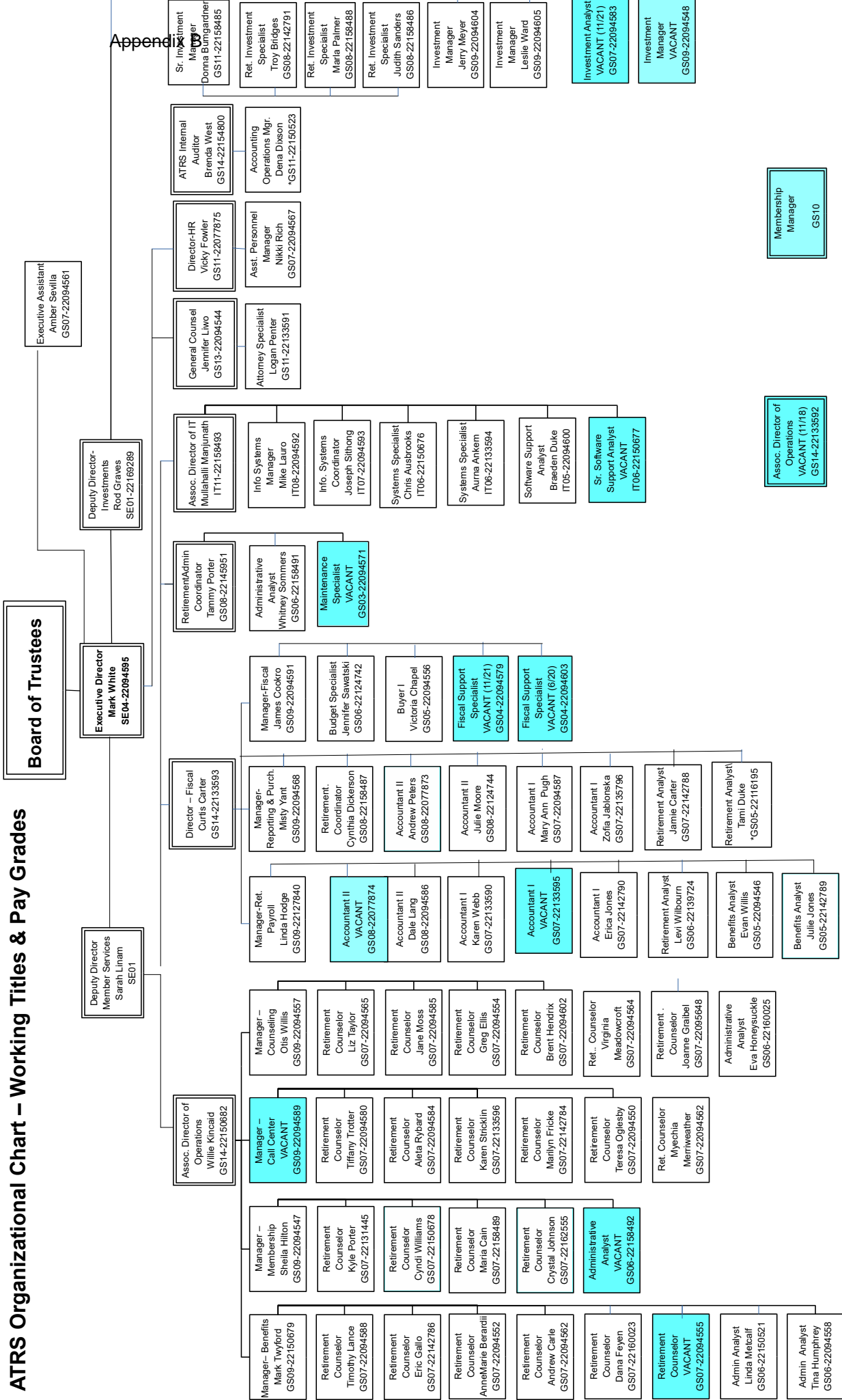
Appendix A

Governance

Reference	Standard
9.1	<p>To understand governance processes, the chief audit executive must consider how the organization:</p> <ul style="list-style-type: none"> • Establishes strategic objective and makes strategic and operational decisions. • Oversees risk management and control. • Promotes an ethical culture. • Delivers effective performance management and accountability. • Structures its management and operating functions. • Communicates risk and control information throughout the organization. • Coordinates activities and communications amount the board, internal and external providers of assurance services, and management.
9.4	<p>The internal audit plan must:</p> <ul style="list-style-type: none"> • Consider coverage of information technology governance, fraud risk, and the effectiveness of organization’s compliance and ethics programs.
14.4	<p>Internal Auditors must determine whether to develop recommendations, request action plans from management, or collaborate with management to agree on actions to:</p> <ul style="list-style-type: none"> • Resolve the differences between the established criteria and the existing condition. • Mitigate identified risks to an acceptable level. • Address the root cause of the finding. • Enhance or improve the activity under review.

Governance processes were considered in the development of the annual audit plan. Assessing and making appropriate recommendations to approve the organization’s governance processes will be incorporated within individual projects as appropriate.

ATRS Organizational Chart – Working Titles & Pay Grades



Updated 12/06/2023

Extra Help Positions

ADMIN <i>Tammy Porter</i>	Administrative Analyst Tom Peterson	PAYROLL <i>Linda Hodge</i>	Retirement Analyst Janice Brune 22094633	LEGAL <i>Jennifer Liwo</i>	Dept. Admin of Law Ann Faliz 22094696	BENEFITS SCANNING <i>Mark Twyford</i>	Retirement Sec. Manager Williana Prince 22094635	COUNSELOR <i>Otis Willis</i>	Retirement Counselor Daryl Wilkerson 22094642	MEMBERSHIP <i>Sheila Hilton</i>	Retirement Counselor Ruby Brown 22094632
	Administrative Analyst Paula Ferguson			Attorney Specialist Clementine Infante 22094698	Attorney Specialist Kevin Odum 22154798		Retirement Counselor Michael Ray 22154799				
				Dept. Admin of Law Arthur Bell							

Appendix C
Risk Assessment

Introduction

Risk have been identified, applied, and rated for each auditable unit within ATRS. For purposes of this risk assessment, the term unit refers to a group of employees that are assigned tasks to ensure the effective and efficient administration of the System’s objectives. This would include members of Department as stand-alone entities subject to IA review. The term entity could refer to units internal to the System, or those that are external (State or Federal Government).

Table 1: Risk Measurement Scale: Impact

Impact	Description	Severe 5	High 4	Medium 3	Low 2	Inconsequential 1
Compliance	Negative impact on ATRS’ ability to remain compliant	Affects compliance with all internal & external policies, rules, regulations, laws, etc.	Affects more than one, but not all , internal and external policies, rules, regulations, laws, etc.	Affects internal and external compliance with one area of policies, rules, regulations, laws, etc.	Affect internal compliance with one or more areas of policies, rules, regulations, laws, etc.	Inherently very small to non-existent due to this criterion.
Financial	\$ impact on ATRS finances	>\$25M	\$15M - \$24.9M	\$5M - \$14.9M	\$1M - \$4.9M	<\$1M
Operational	Compromise of operational efficiency and effectiveness	Prevent normal operations due to multiple senior leader exodus	Long-term negative effect on unit operations due to high turnover	Noticeable disruption to unit operations resulting in widespread morale issues	Minimal and localized affect on operations and staff morale	Inherently very small to non-existent
Reputational	Negative impact on the public trust	Historically appeared on news outlets and social media; adverse public reaction for over 6 months	Historically appeared or can appear on news outlets or social media; one-time adverse reaction	Historically appeared or can appear on news outlets or social media	Historically appeared our could appear on news outlets; discussed internally	Inherently very small to non-existent due to this criterion
Strategic	Impacts related to ATRS’ ability to achieve its strategic goals and objectives	Reverses progress on one or more ATRS strategic goal(s) or threatens strategic plan failure	Stops progress on more than one strategic goal	Stops progress on one ATRS strategic goal	Slows the progress on more than one ATRS strategic goal	Slows progress on one ATRS strategic goal.

Appendix C
Risk Assessment

Table 2: Risk Measurement Scale: Likelihood




Likelihood	Expected (90% - 100%) 5	Likely (60% - 89%) 4	Possible (35% - 59%) 3	Unlikely (10% - 34%) 2	Remote (0% - 9%) 1
Description	Event is expected to occur in most circumstances	Event will probably occur in most circumstances	Event is as likely to occur as not occur	Event could occur at some point in time	Event may occur in exceptional circumstances

Quantifying the Risk (Impact x Likelihood = Risk Score):

Appendix C
Risk Assessment

Risk Area	Process Risk Description	Inherent Impact (without Controls)					Inherent Likelihood (without Controls)					Total Risk Score	Risk Order Number		
		Compliance	Financial	Operational	Reputational	Strategic	Subtotal	Compliance	Financial	Operational	Reputational			Strategic	Subtotal
Retirement Payroll	Member does not receive the benefits owed due to benefit adjustments not being updated in ARTMIS.	4	5	5	4	5	4.60	4	4	3	3	4	3.60	16.56	1
Information Technology	Equipment and/or application software are not configured in a manner that ensures compliance with privacy and security laws, regulations, and standards.	5	1	5	3	5	3.80	4	3	4	4	5	4.00	15.20	2
Benefits	Rerouted applications that contain all required documents are not processed in a timely manner preventing member(s) from receiving expected benefits.	4	5	3	5	5	4.40	2	4	3	3	3	3.00	13.20	3
Memberships	Eligible members are not entered into the Arkansas Teacher Retirement Member Information System (ARTMIS) or the member's status is incorrectly set.	3	5	3	5	5	4.20	2	3	3	2	3	2.60	10.92	4
Accounting	Journal entries do not reflect accurate receipts and/or disbursements due to transactions being posted to the incorrect investment portfolio.	3	5	4	3	5	4.00	3	3	2	1	3	2.40	9.60	5
Public Funds	Incorrect or misrepresented information leading to inaccurate assumptions over the stability of the management team.	4	5	2	2	5	3.60	2	3	2	3	3	2.60	9.36	6
Legal Counsel (AKA General Counsel)	Incorrect legal analysis based on misinformation, fraud, or concealment, subjecting the agency to lawsuits/damages.	4	2	3	2	5	3.20	3	2	3	3	3	2.80	8.96	7
Private Equity	Investments are made without the approval of the Board of Trustees.	3	5	3	2	5	3.60	3	2	2	2	3	2.40	8.64	8
Counseling	Members receive a miscalculated benefit estimate due to the use of incorrect data entered on the member's history.	2	5	3	2	5	3.40	1	2	2	2	3	2.00	6.80	9
Human Resources	Positions remain vacant due to lack of qualified applicants applying for the position.	2	2	4	1	5	2.80	2	2	2	3	2	2.20	6.16	10
Real & Alternative Assets	Financial losses due to variations in property values.	4	5	2	2	5	3.60	1	3	1	1	2	1.60	5.76	11
Call Center	Employees provide incorrect or outdated information to members who call into ATRS.	2	2	2	3	5	2.80	2	1	2	1	3	1.80	5.04	12
Reporting & Purchasing	Contributions are over/under paid to the member causing staff to request reimbursement of contributions remitted in error or bill for contributions not received.	4	1	3	2	5	3.00	1	1	2	2	1	1.40	4.20	13
Accounting (AKA Fiscal Affairs)	Payables and receivables are not processed timely.	2	2	2	1	5	2.40	1	1	2	1	1	1.20	2.88	14

Appendix D
List of Reports

Program/Entity		Work Type	ATRS Area	Comments
ATRS Audit	Internal	2025 Annual Audit Plan	Operations Information Technology 	Audits scheduled per the 2024 audit plan: Retiree Payroll Department Information Technology Department Benefits Department Membership Department
ATRS Audit	Internal	2024 Annual Audit Plan	Fiscal Affairs Investments Operations 	Compliance Audits performed in 2024: Accounts Receivable History Adjustments (Follow-up) 2019 Legislation (Follow-up) IRS Section 415 Limit (Follow-up)
Arkansas Legislative Audit		Annual Audit	Fiscal Affairs 	Financial Audit

ATRS Internal Audit Department

FY2024 Summary of Work

Internal Audit Reports

Accounts Receivable

Arkansas Teacher Retirement System (ATRS) has accounts receivable accounts for retiree benefits, employee and employer contributions, and employer late report or payment penalties and interest.

The objectives of this audit are to verify that accounts receivables are complete and accurately reflected in the general ledger, bad debts are accessed and uncollectible amounts are written off, and ATRS has adequate controls and procedures to ensure that accounts receivables are properly recorded, related allowance for doubtful accounts are appropriately calculated and collection and write-off procedures are adequately managed.

Issued: April 15, 2024

Status: Follow-up in Fiscal Year 2025

Follow-Up Reports

Application of the IRS 415 Limit

Employee Retirement Income Security Act (ERISA) of 1974 added IRC §415 to the Internal Revenue Code (IRC). Section 415 (b) sets limits on the maximum dollar benefit that can be paid from a retirement plan that is qualified under IRC §401 (a). A trust is not a qualified trust under IRC §401 (a) if the plan provides benefits that exceed the IRC 415 limits. The last comprehensive regulations issued by the Treasury was issued on April 5, 2007. The limit was \$230,000 for 2021 and \$245,000 for 2022 for members that retired between the ages of 62 and 65. The limit is adjusted for members retiring prior to age 62 or after age 65. The limit applies to employer-provided straight life annuity benefits. IRC §415 (m) allows government plans defined in IRC §414 (d) to pay benefits in excess of the limit through a qualified excess benefit arrangement. Board Rule 15 established Benefit Restoration Plan and Trust as ATRS qualified excess benefit arrangement. Member benefits are tested for exceeding IRC §415 limits by Gabriel, Roeder, Smith and Company.

The objectives of the audit are to verify that the application of IRC §415 limit testing was done in accordance with IRC §415 and evaluate the internal controls surrounding the testing.

Original Audit Issued:	June 7, 2021
Follow Up Audit Issued:	April 3, 2023
Follow Up Audit Issued:	June 3, 2024
Status:	Complete

Implementation of Legislation Enacted by the 92nd General Assembly

Ten acts were passed in 2019 that affected ATRS including its appropriation. ATRS staff is responsible for developing and implementing policies and procedures for enacting new legislation. Of the ten acts, Internal Audit (IA) reviewed the five acts that affected member benefits.

The objectives of the audit are to verify legislation was enacted timely, accurately and evaluate internal controls over the implementation of legislation.

Original Audit Issued: September 27, 2021
Follow Up Audit Issued: June 3, 2024
Status: Complete

History Adjustments

Arkansas Teacher Retirement System (ATRS) maintains a history of each member's salary, service, and contributions on the Arkansas Teacher Retirement Member Information System (ATRMIS). A member's history is an essential part of providing the member with accurate information in regards to their retirement choices. A member's history provides the staff with the information needed to counsel a member on their eligibility to retire, the amount of their benefit, the eligibility and cost of purchasing service, the eligibility and amount of a Cash and Savings Help Program (CASH) refund distribution or a refund of contributions.

The objectives of this audit are to verify member's histories are updated accurately, timely and evaluate the internal controls surrounding the updating of a member's history.

Original Audit Issued: September 28, 2020
Follow Up Audit Issued: June 3, 2024
Status: Complete

Arkansas Teacher Retirement System Internal Audit Conflict of Interest Policy

The Internal Audit (IA) Department of the Arkansas Teacher Retirement System ("ATRS" or "System") is an independent appraiser of the System's activities, established within the organization to examine and evaluate all such operations. In order to maintain an independent, unbiased perspective and refrain from any actual or perceived conflicts of interest, the following will be adhered to by all IA Department Staff:

- All IA Staff must have an impartial or unbiased attitude and avoid conflicts of interest.
- All IA Staff must disclose to the IA Director any potential impairments to independence and objectivity relating to any assurance or advisory engagement prior to the start of the engagement or as soon as the impairment becomes known to the auditor.
- All assignments will be made so that potential and actual conflicts of interest and bias are avoided.
- Staff assignments will be rotated so that IA Staff do not perform the same audit more than three consecutive times, unless specific training or skill set is required to conduct the audit or consulting engagement for which no other IA Staff are qualified.
- All IA Staff will refrain from assessing operations for which they have been responsible in the previous 12 months.
- All IA Staff will refrain from assessing areas reporting to a supervisor for whom they previously reported to in the past 12 months.

Disclosure of impairments to independence: (Please list or indicate "None".)

None

I certify that I have disclosed any information of which I am aware that might be viewed as impairment to my objectivity in conducting FY 2025 Internal Audit activities. Any future impairment to my independence or objectivity that arises during the fiscal year will be immediately reported to the Internal Audit Director and/or the Audit Committee.

Kevin L. Chadwick
Signature

Kevin L. Chadwick
Print Name

5/20/2025
Date



Arkansas Teacher Retirement System Internal Audit Department Ethics and Professionalism Policy June 2024

These Internal Audit (IA) Department principles and standards of Ethics and Professionalism supplements the Arkansas Teacher Retirement System (ATRS) Code of Ethics, and addresses issues specific to internal auditing. Any apparent conflict between the Code of Ethics and these principles and standards should be brought to the attention of the Internal Audit Director for resolution.

Introduction

Conformance with these principles and standards instills trust in the profession of internal auditing, creates an ethical culture within the internal audit function, and provides the basis for reliance on internal auditors' work and judgment.

Internal auditing is an independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

An Ethics and Professionalism Policy is necessary and appropriate for the profession of internal auditing, founded as it is on the trust placed in its objective assurance about risk management, control, and governance. IA Department's *Ethics and Professionalism Policy* extends beyond the definition of internal auditing to include two essential components:

1. Principles that are relevant to the profession and practice of internal auditing;
2. Rules of Conduct that describe behavior norms expected of internal auditors. These rules are an aid to interpreting the Principles into practical applications and are intended to guide the ethical conduct of internal auditors.

The principles and standards in the Ethics and Professionalism domain of the Global Internal Audit Standard replaces The IIA's former *Code of Ethics* and outlines the behavioral expectations for professional internal auditors. "Internal auditors" refers to Institute members, recipients of or candidates for IIA professional certifications, and those who provide internal auditing services within the definition of internal auditing.

Applicability and Enforcement

For all IA Department employees, breaches of the *Ethics and Professionalism Policy* will be evaluated and administered accordingly. The fact that a particular behavior is not mentioned in these principles and standards does not preclude it from being considered unacceptable or discreditable, and therefore, the individual can be subject to disciplinary action.

Principles & Rules of Conduct

Internal auditors are expected to apply and uphold the following:

Integrity

Integrity is the foundation of the other principles of ethics and professionalism, including objectivity, competency, due professional care, and confidentiality. The integrity of internal auditors is essential to establishing trust and earning respect.

Internal auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization or that may harm the organization or its employees.

Objectivity

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by other in forming judgments.

Internal auditors:

- 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2. Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

Competency

Internal auditors apply the knowledge, skills, and abilities needed in the performance of internal auditing services. While the ATRS IA Department recruiting process includes controls to assure staff possess minimal professional education and experience, individual audits may demand specific technical skills (e.g., IT, treasury, or investment knowledge) that individual staff members may not possess. It is the responsibility of individual staff members and their Managers and Directors to raise these issues and ensure appropriate resolution.

Internal auditors:

- 3.1. Shall possess or obtain the competencies to perform their responsibilities successfully.
- 3.2. Shall engage only in those services for which they have or can attain the necessary knowledge, skills, and abilities.
- 3.3. Shall continually improve their proficiency and the effectiveness and quality of their services.

- 3.4 Who have attained professional internal audit certifications must follow the continuing professional education policies and fulfill the requirements applicable to their certifications.

Due Professional Care

Internal auditors are required to plan and perform internal audit services with the diligence, judgement, and skepticism possessed by prudent and competent internal auditors. When exercising due professional care, internal auditors perform in the best interest of those receiving internal audit services but are not expected to be infallible.

Internal auditors:

- 4.1 Shall plan and perform internal audit services in accordance with Global Internal Audit Standards.
- 4.2. Using the Standards in conjunction with requirements issued by other authoritative bodies must also cite the use of the other requirements, as appropriate.
- 4.3. Shall exercise due professional care by assessing the nature, circumstances, and requirements of the services to be provided.
- 4.4. Shall exercise professional skepticism when planning and performing internal audit services.

Confidentiality

Because internal auditors have unrestricted access to the data, records, and other information necessary to fulfill the internal audit mandate, they often receive information that is confidential, proprietary, and/or personally identifiable. Internal auditors must respect the value and ownership of information they receive by using it only for professional purposes and protecting it from unauthorized access or disclosure, internally and externally.

Internal auditors:

- 5.1. Shall follow the relevant policies, procedures, laws, and regulations when using information.
- 5.2. Shall not use information for personal gain or in a manner contrary or detrimental to the organization's legitimate and ethical objectives.
- 5.3. Shall be aware of their responsibilities for protecting information and demonstrate respect for the confidentiality, privacy, and ownership of information acquired when performing internal audit services or as the result of professional relationships.
- 5.4. Shall understand and abide by the laws, regulations, policies, and procedures related to confidentiality, information privacy, and information security that apply to the organization and internal audit function.
- 5.5. Shall not disclose confidential information to unauthorized parties unless there is a legal or professional responsibility to do so.
- 5.6. Shall manage the risk of exposing or disclosing information inadvertently.

**Acknowledgement of
Arkansas Teacher Retirement System
Internal Audit Department Ethics and Professionalism Policy**

By signing below, I certify that I have read and understand the Internal Audit Department's Ethics and Professionalism Policy. I agree to abide by the principles of the policy, which are Integrity, Objectivity, Competency, Due Professional Care, and Confidentiality. I further agree to act in accordance with the behavior expected of internal auditors as stated in the Policy

Kevin L. Chadwick

Signature

5/20/2024

Date

Kevin L. Chadwick

Print Name

All employees of ATRS Internal Audit are required to certify initially with the rollout of this policy, and annually thereafter. New hires must certify with their orientation to ATRS, and in any event within thirty days of hire.



Internal Audit Charter

PURPOSE

The purpose of the Internal Audit Department (IA Department) is to strengthen Arkansas Teacher Retirement System's (ATRS) ability to create, protect, and sustain value by providing the Audit Committee of the ATRS Board of Trustees (the Committee) and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The IA Department enhances ATRS's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

ARTS's IA Department is most effective when:

- Internal auditing is performed by competent professionals in conformance with The Institute of Internal Auditor's (The IIA's) *Global Internal Audit Standards* (Standards), which are set in the public interest.
- The IA Department is independently positioned with direct accountability to the Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

Commitment to Adhering to the Global Internal Audit Standards

The ATRS's IA Department will adhere to the mandatory elements of The Institute of Internal Auditor's Internal Professional Practices Framework, which are the Standards and Topical Requirements. The Chief Audit Executive (CAE) will report quarterly to the Committee and senior management regarding the IA Department's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

MANDATE

Authority

The IA Department's authority is created by its direct reporting relationship to the Committee. Such authority allows for unrestricted access to the Committee.

The Committee authorizes the IA Department to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the Department's objectives.
- Obtain assistance from the necessary personnel of ATRS and other specialized services from within or outside ATRS to complete internal audit services.

Independence, Organizational Position, and Reporting Relationships

The CAE will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the IA Department. The CAE will report functionally to the Committee and administratively (for example, day to day operations) to the ATRS Executive Director. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Committee, when necessary, without interference and supports the internal auditors' ability to maintain objectivity.

The CAE will confirm to the Committee, at least annually, the organizational independence of the IA Department. The CAE will disclose to the Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the IA Department's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the CAE, the Committee, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Standards.
- A significant reorganization within the organization.
- Significant changes in the CAE, the Committee, and/or senior management.
- Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

ATRS AUDIT COMMITTEE OVERSIGHT

To establish, maintain, and ensure that ATRS's IA Department has sufficient authority to fulfill its duties, the Committee will:

- Carry out the responsibilities outlined in the Audit Committee Charter as stated in ATRS Board Policy 1(XIII)(J)(1)(a) through (6)(d)
- Ensure the CAE has unrestricted access to and communicates and interacts directly with the Committee, including in private meetings without senior management present.
- Discuss with the CAE and senior management other topics that should be included in the internal audit charter.
- Approve the risk-based Internal Audit Plan.
- Approve the internal audit budget and resource plan.
- Receive communications from the CAE on the IA Department's performance relative to its plan and other matters.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Approve the recommendation of the ATRS Executive Director's annual evaluation of the CAE.
- Make appropriate inquiries of management and the CAE to determine whether there is inappropriate scope or resource limitations.

The CAE will communicate and interact directly with the Committee, including in executive sessions and between Committee meetings as appropriate.

CHIEF AUDIT EXECUTIVE ROLES AND RESPONSIBILITIES

Ethics and Professionalism

The CAE will ensure that internal auditors:

- Conform with the Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

The IA Director will ensure that the IA Department remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the CAE determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, they will not implement internal controls, develop procedures, install systems, or engage in any other activity that may impair their judgment including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for ATRS or its affiliates.
- Initiating or approving transactions external to the IA Department.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the CAE, the Committee, senior management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make a balanced assessment of all the available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the IA Department

The CAE has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Committee and senior management. Discuss the plan with the Committee and senior management and submit the plan to the Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in ATRS's business, risks, operations, programs, systems, and controls.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Standards and laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Committee and senior management quarterly and for each engagement as appropriate.
- Ensure the IA Department collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact ATRS and communicate to the Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the IA Department.
- Ensure adherence to ATRS's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the Committee and senior management.

- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the CAE cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Committee.

Communication with the Committee and Senior Management

The CAE will report quarterly to the Committee and senior management regarding:

- The IA Department's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the IA Department's conformance with The IIA's Global Internal Audit Standards and action plans to address the IA Department's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Committee that could interfere with the achievement of ATRS's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the IA Department determines may be unacceptable or acceptance of a risk that is beyond ATRS's risk appetite.

Quality Assurance and Improvement Program:

The IA Director will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the IA Department. The program will include external and internal assessments of the IA Department's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the IA Department's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the IA Department's deficiencies and opportunities for improvement.

Annually, the CAE will communicate with the Committee and senior management about the IA Department's quality assurance and improvement program, including results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least every five years by a qualified, independent assessor or assessment team from outside ATRS; qualifications must include at least one assessor holding an active Certified Internal Auditor credential.

SCOPE AND TYPES OF INTERNAL AUDIT SERVICES:

The scope of internal audit services covers the entire breadth of the organization, including all of ATRS's activities, assets, and personnel. The scope of internal audit services also encompasses, but is not limited to, objective examinations of evidence to provide independent assurance and advisory services to the Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for ATRS.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the IA Department does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to achievement of ATRS's strategic objectives are appropriately identified and managed.
- The actions of ATRS's officers, directors, management, employees, and contractors or other relevant parties comply with ATRS's policies, procedures, applicable laws, regulations, and government standards. The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact ATRS.
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Approved by the Committee at its meeting on [date].

Acknowledgments/Signatures

Chief Audit Executive

Date

ATRS Audit Committee Chair

Date

ATRS Executive Director

Date

Kevin Chadwick, CIA

1226 Lawrence Lane
Benton, AR 72019
kchadwick80@gmail.com
501-722-7769

Detail oriented and organized Auditing Professional with 13 years of leadership experience in multiple industries

RECORDS – INVENTORY – CUSTOMER SERVICE – REPORT REVIEWS

SUMMARY OF QUALIFICATIONS

- Certified Internal Auditor in good standing with 12 years internal audit experience.
- Knowledgeable in Government Auditing Standards, International Standards for the Professional Practice of Internal Auditing, and Standards for Internal Control in the Federal Government.
- Bachelor of Science Degree in Accounting in addition to current experience in internal auditing.
- Capable of gathering, analysis and recording of data, knowledgeable in tax preparation for individuals and small businesses with exceptional attention to detail and accuracy.
- Consistent history of accomplishment and promotions ahead of peers in retail, government, accounting, distribution, and education fields.
- Highly adaptable and resourceful—rapidly learns new procedures and processes, quickly adjusts to changes in schedule, environment, and organizational objectives.
- Demonstrates professionalism, tenacity, thoroughness, and dedication, with solid work ethic and friendly demeanor in executing professional responsibilities.
- Self-motivated and goal-oriented, thrives in both independent operations and team dynamics, builds alliances and engages in cross-functional activities.

PROFESSIONAL EXPERIENCE

REVIEWING AUDITOR

January 2012 – Present

ARKANSAS DEPARTMENT OF TRANSPORTATION

Little Rock, AR

Provider of a modern transportation system to enhance safety and quality of life in Arkansas.

- Plan and direct section activities by establishing goals, objectives, and short and long-range plans to ensure consistency with overall Internal Audit Division mission.
- Perform activities of a professional and administrative support staff including interviewing applicants, making hiring recommendations, and evaluating and reviewing work performance of subordinates.
- Gather data and research technical information for monthly reports and studies to present to appropriate authorities.
- Conduct and attend meetings, conferences, and/or workshops to disseminate technical and financial information.
- Instrumental in the implementation of TeamMate + Audit software utilized by 11 Internal Auditors.
- Assisted in the planning, development, and execution of the annual audit plan for the division.
- Spearheaded the facilitation of the biennial Control Self-Assessment for the Department prior to submission to Arkansas Department of Inspector General Office of Internal Audit.
- Assist in planning and execution of audits/reviews, in accordance with accepted professional standards.
- Determine audit objectives based on results of risk assessment and develop audit procedures sufficient to achieve those objectives.
- Provide training to new employees on documentation of audit/reviews.
- Lead, guide and direct the work of others on projects as necessary.
- Prepare audit/review programs to test costs and supporting documents for compliance with state and federal policies, regulations, and guidelines.

- Report audit/review findings of each examination in a clear, concise, and accurate manner, and make recommendations for the correction of unsatisfactory conditions, improvements in operations, and reductions in cost based on those findings.
- Active member of the Institute of Internal Auditors.

AREA MANAGER

December 2010 – January 2012

JACKSON HEWITT TAX SERVICE

Little Rock, AR

Full-service income tax preparation Franchise Company

- Ensure proper staffing of office spaces to provide excellent customer service to clients needing to prepare individual or small business income taxes.
- Conduct internal audits of area offices to ensure accurate accountability of funds received in the preparation of income taxes.
- Responsible for recruiting staff members, overseeing their induction, training, and monitoring their career development.
- Ensure that all stores have adequate stock levels to achieve company targets and that window displays and promotions conform to plan.
- Control all administration and ensure that cost parameters are understood and controlled by area stores.

SUPERVISOR

November 2007 – May 2011

UNITED STATES NAVY

Little Rock, AR

Civilian employee with the United States Navy Training Department

- Conduct safety inspections of work in progress, equipment and construction sites, coordinate activities and resolve issues in concert with managers and technical personnel.
- Record personnel, production and operational data and process payroll for 80 personnel as designated department payroll clerk
- Instrumental in achieving 100% accuracy with zero discrepancies within six months through assisting payroll administrator in discrepancy correction for annual inspection.
- Promoted to Construction Supervisor in two years from hire, supervising 10 personnel in ensuring on time project completion with zero safety related issues.
- Reached 100% compliance with training department annual training requirements when transferred to the department to assist in the training of 50 personnel.

EDUCATION AND TRAINING**BACHELOR OF SCIENCE DEGREE / ACCOUNTING**

September 2010

PRELUE UNIVERSITY (FORMALLY KAPLAN UNIVERSITY)

ADDITIONAL TRAINING AND SKILLS

- University of Arkansas at Little Rock Leadership Academy (16 hours)
- Proficient in Microsoft Office 365, TeamMate+ Audit, and Adobe Acrobat
- Knowledge of strategic planning and resource allocation
- Plan and direct activities through supervision

ATRS BOARD POLICY 1

BOARD GOVERNANCE

A.C.A. § 24-7-301 et seq., A.C.A. § 24-7-401 et seq., and A.C.A. § 25-16-901 et seq.

I. Definitions.

As used in this policy:

(1) “Benefit participant” means the same as defined in Arkansas Code § 24-7-202;

(2) “Member” means the same as defined in Arkansas Code § 24-7-202; and

(3) “Official board duties” means:

(A) Attending regular and called meetings of the Board of Trustees of the Arkansas Teacher Retirement System (“Board”);

(B) Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of trustees;

(C) Attending conferences as allowed by Board resolution;

(D) Attending legislative committee meetings when acting as the spokesperson for the Board; and

(E) Attending legislative sessions at the request of the Board or the Executive Director of the Arkansas Teacher Retirement System (“Executive Director”).

II. Board of Trustees - Plan Administration

(a)(1) The authority and responsibility for the administration, management, and control of the Arkansas Teacher Retirement System (“~~ATRS~~” or “~~System~~”)(“ATRS”, “the System”, or “the Plan”), and for the construing and carrying out the provisions of the plan Plan is vested in the Board of Trustees of the Arkansas Teacher Retirement System (“Board”).

(2)(A) The Board is responsible for the governance of ATRS.

(B) ~~It is~~ The Board is accountable for establishing policies and for supervising the implementation of those policies in compliance with all applicable legal mandates.

(b)(1) The function of the Board is to make certain contributions that lead the System ~~toward the desired performance and ensure that it occurs~~ towards achieving the objectives specified in Board Policy 2 – Board Objectives.

(2) The Board shall recommend and oversee the Board and the Executive Director evaluation process.

(3) The Board shall recommend and oversee training and conference schedules for the Board.

(4)(A) The Board’s specific contributions are unique to its trusteeship role and necessary for the appropriate governance and management of the System.

(B) Board decisions ~~are to~~ shall be based on facts and expert opinions.

(c) The Board ~~will~~ should approach its task ~~with a style~~ in a manner that:

(1) emphasizes Emphasizes outward vision rather than an internal preoccupation;

~~(2) encouragement of diversity of viewpoints~~ Encourages diverse viewpoints;

~~(3) strategic~~ Emphasizes strategic leadership ~~more~~ rather than administrative detail;

~~(4) Provides a~~ clear distinction of Board and staff roles;

~~(5) Focuses on the~~ future rather than past or present; and

~~(6) Encourages~~ proactive rather than reactive action.

~~(d) Consequently, the~~ The contributions of the Board shall be include:

~~(1) The Acting as the~~ link between the System and its members benefit participants of the System.⁴

~~(2) Written governing policies~~ Developing policies for the System that, at the broadest levels, address:

~~(A) Governance Process~~ The governance process, including Specification of how the Board conceives, carries out, and monitors its own task tasks;

~~(B) Board-Staff Relationship~~ The relationship between the Board and ATRS staff, including How how authority is delegated and its appropriate use is monitored.

~~e. Ends~~

~~- System products, impacts, benefits, costs, and outcomes.~~

~~(C) The Ends Policies of the Board as set forth in Board Policy~~ 2 – Board Objectives; and

~~(D)(i) Limitations~~ of the System.

~~(ii) Constraints on executive authority that establish the~~ prudence and ethics boundaries within which executive activity, decisions, and organizational matters shall be carried out by the Executive Director.

~~(3) The assurance of Executive Director performance against Ends and Limitations policies above.~~ Ensuring that the Executive Director's performance does not contravene the ends or limitations of the System.

III. Board of Trustees - Guiding Principles

~~(a) The Board is dedicated to the proposition that its paramount purpose is that of providing an adequate and equitable retirement plan for the members of the teaching profession, to protect this group in the event total and permanent disability causes them to be unable to continue employment in their profession, and to provide in part for their dependents in case of death.~~ The paramount purpose of the Board is to:

~~(1) Provide an adequate and equitable retirement plan for public school and education employees in Arkansas;~~

~~(2) Protect the membership of the System in the event that they should suffer a total and permanent disability that renders them unable to continue covered employment; and~~

~~(3) Provide, in-part, for the survivors and beneficiaries of deceased members of the System.~~

~~(b)(1) The Board is responsible for the prudent investment of System~~ the System's funds.

(2) The two (2) paramount considerations in fund investment are safety and yield, with yield being of first importance, provided such investments comply with legally mandated safeguards.

(c) ~~The Board should be fully informed of its financial liabilities, not only to the retirees and beneficiaries, but also to active members of the teaching profession, and to make those liabilities known to members of the state legislature, to other state officials, and to education-related organizations~~ the System's financial liabilities to benefit participants of the System. Information on the financial liabilities of the System should be made available to education-related organizations as well as the Arkansas General Assembly and other state officials.

(d) ~~The~~ To the extent that disclosure is not prohibited by law, the Board should provide ~~all interested citizens~~ the general public with information regarding the System's procedures for investing the System's funds, as well as the budgeting, control, and disbursement of those funds.

(e) The Board will actively promote the enactment of state and federal legislation that may improve the economic welfare of ATRS members.

(f) The Board endorses programs of counseling and information designed to assist members who are approaching retirement.

(g)(1) The Board should be knowledgeable of the most current information regarding effective, efficient governance and operation of state retirement systems that could augment prudent decisions for the benefit of members.

(2) To this end, ~~Board members~~ trustees are encouraged to participate actively in regional and national retirement organization programs that offer such information and training.

IV. Board of Trustees - Code of Conduct

(a) The Board expects of itself and its members ethical and business-like conduct.

(b)(1) ~~Board members~~ All trustees, as fiduciaries, shall discharge their duties solely in the best interest of ATRS members and for the exclusive purpose of providing optimum benefits.

(2)(A) ~~Board members must~~ Trustees should avoid any conflict of interest with respect to their fiduciary responsibility.

(B) ~~Board members must~~ Trustees shall not use their positions to obtain favorable treatment for themselves, family members, or close employees.

(c) ~~Board members~~ Trustees who desire specific information from firms employed by ATRS should make the request through the Executive Director.

(d) ~~Board members~~ Trustees shall not, directly or indirectly, solicit or accept any gift of value as defined by the Arkansas Ethics Commission.

(e) ~~Board members~~ Trustees shall decline any offer and shall not have any contact with an individual or anyone associated with a firm that the Board is considering employing ~~after requests for proposals (RFP's) or requests for qualifications (RFQ's) have been sent~~ through a competitive procurement until after the procurement process has concluded.

(f)(1) ~~Board members~~ Trustees shall not attempt to exercise individual authority over the operation of the System or ~~staff members except as explicitly set forth in Board policies~~ ATRS staff except as provided by law, rule, or policy applicable to the System.

~~(2) Board members' A trustee's~~ interaction with the ATRS staff, public, press, or other entities ~~must~~ should recognize the inability of ~~any Board member or Board members to speak for the Board~~ one (1) or more trustees to speak for the Board.

~~(g) Board members~~ All trustees shall report violations of any of these policies of conduct in writing to the Chair.

V. Board Member of Trustees - Development

(a) The Board is responsible for its own readiness for Board work and the performance of that work.

(b) The Board determines appropriate issues for Board work and appropriate issues to be addressed, as well as the education and data required to address those issues wisely.

~~(c)(1) The Board determines the need and mechanisms for Board development.~~

~~1. Among the mechanisms will be membership in the National Council on Teacher Retirement, Board-approved consultants, and seminars provided by employees of ATRS.~~

~~2. The Board's annual plan will include expected outcomes, costs, and scheduling of the Board development effort.~~

~~3. The Board will set forth the educational experiences it determines appropriate for a new Board member.~~

The Board determines the need and mechanisms for Board development, which may include:

(A) Membership in the National Council on Teacher Retirement or a similar organization;

(B) Engaging or employing Board-approved consultants;

(C) Educational development seminars provided by ATRS staff for the benefit of current and new trustees; and

(D) The development of a plan that may address the Board's expected outcomes, costs, and development schedule.

(2) The Board may enlist assistance from the Executive Director in determining the need and mechanisms for Board development.

VI. Board of Trustees - Meetings

The Board shall hold regular meetings at least quarterly. Additional meetings may be called by the Chair or scheduled by action of the Board in a regular meeting. The Board shall adopt its own rules of procedure, which shall be subject to the following:

(1)(A) The Board shall elect a Chair and Vice Chair from its own membership.

(B) The election will be in the odd numbered years at the first regular meeting after the beginning of the fiscal year.

(C) The Chair and Vice Chair shall be elected for a ~~term of two years~~ two-year term and may be reelected for two (2) additional two-year terms.

(D) The Chair and Vice Chair shall be either an active member or retiree ~~trustee~~ trustee.

~~(E)~~ A Board member trustee must have served at least one (1) full year as a member of the Board to be eligible for election to the position of Chair or Vice Chair.

~~(2)(A)~~ In the event of if a vacancy of the Chair or Vice Chair occurs for any reason other than completion of a term, the Board shall fill said vacancy by election from the existing Board members trustees for the remainder of the unexpired term at its next regular meeting.

~~(B)~~ A trustee trustee elected to fill an unexpired term of the Chair or Vice Chair shall be eligible for two (2) additional two-year terms.

~~(3)(A)~~ Quorum: Eight (8) trustees shall constitute a quorum at any meeting of the Board.

~~(B)~~ Each trustee trustee shall be entitled to one (1) vote on each question before the Board, and at least eight (8) affirmative votes shall be required for a decision by the Board at any meeting.

(4) *Robert's Rules of Order* shall be followed in the conduct of all meetings except when a departure from Robert's is authorized by action of the Board.

~~(5)(A)~~ Agenda The Board shall adopt an agenda at the beginning of each meeting.

~~(B)~~ By a majority vote of the Board, items An item may be added to the agenda before it is adopted.

~~(C)~~ The Executive Director shall prepare a tentative agenda and submit it to all trustees at least ten (10) days ~~prior to~~ before a regularly scheduled meeting. The meeting agenda and materials will be submitted to trustees no later than three (3) days before the regularly scheduled meeting.

~~D)(i)~~ Trustees who want ~~item(s)~~ one (1) or more items to be considered for the agenda should notify the Executive Director no later than seven (7) days ~~prior to~~ before a regularly scheduled meeting.

~~(ii)~~ Members or individuals who wish to have an item placed on the agenda at a regularly scheduled Board meeting should submit their request in writing to the Executive Director no later than twenty (20) days ~~prior to~~ before the meeting.

~~(E)(i)~~ Members or individuals who wish to make comments during a regularly scheduled Board meeting should indicate ~~on forms provided the subject on which they intend to speak.~~ the intended subject matter on a form provided by the System.

~~(ii)~~ A time limit of five (5) minutes will be allowed ~~members and individuals for presentation, unless extended by majority vote of the Board.~~ Members and individuals will be allowed a maximum of five (5) minutes to address the Board unless the time limit is extended by a majority vote of the Board.

~~(6)(A)~~ Minutes The Board shall keep an official record of the proceedings of each meeting of the Board, the final draft of which must be approved by the Board and signed by the Chair and the Executive Director.

~~(B)~~ The Board minutes are to contain only the action of the Board, information required by case law, and the vote thereon.

~~(7)(A) Public Meetings~~ All meetings of the Board shall be public and in compliance comply with the Freedom of Information Act, Arkansas Code § 25-19-101 et seq.

(B) All meetings of the Board shall be open public meetings and recorded in a manner that allows for the capture of sound. Representatives of the Little Rock news media shall be notified of each meeting of the Board.

(C) The agenda of the Board shall include only those items that, according to the law, rules, and policy applicable to the System, are within the Board's authority to consider or decide.

(D) Deliberations during the meetings of the Board must be timely, fair, orderly, thorough, efficient, limited in time, and germane to the issue being considered.

VII. Duties of the Chair and Vice Chair

~~(a)(1) Duties of the chair~~ The duty of the Chair is to ensure the integrity of the Board's process and to represent the Board to outside parties.

(2) The Chair will see is responsible for ensuring that the Board operates consistent with its own rules and those legitimately imposed on it from outside ATRS the law, rules, and policies applicable to the System.

a. ~~Meeting discussion content will be only those issues that, according to Board policy, clearly belong to the Board to decide.~~

b. ~~Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited in time, and kept to the point.~~

(3) The authority of the Chair consists only in making decisions on behalf of the Board that fall within and are consistent with Board policies the law, rules, and policy applicable to the System.

(4) The Chair is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing, etc.).

(5) The Chair may also:

(A) Convene meetings of the Board, or committees thereof, as prescribed by law;

(B) Certify actions taken by the Board;

(C) Serve as the official spokesperson for the Board;

(D) Appoint Board members trustees to committees; and

(E) Perform other duties specifically requested by the Board that are deemed necessary and appropriate for the Board to fulfill its duties and responsibilities under law.

~~(b) Duties of the Vice Chair~~ The duties of the Vice Chair are to act as temporary chair in the absence of the regular chair Chair.

VIII. Reimbursement of Expenses

~~(a) The Board, by majority vote of the total membership cast at the first regularly scheduled meeting of each calendar year, may authorize expense reimbursement for each trustee for performing~~ At the first regularly scheduled meeting of each calendar year, the Board may authorize the reimbursement of expenses for a trustee who performs official Board duties. Official Board duties are defined as follows:

1. ~~Attending regular and called Board meetings.~~

~~2. Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of Board members.~~

~~3. Attending conferences approved by the Board of Trustees.~~

~~4. Attending legislative committee meetings when acting as spokesperson for the Board.~~

~~5. Attending legislative sessions at the request of the Board or Executive Director.~~

~~B. Board members are subject to the same reimbursable expenses as state employees.~~

~~(b)(1) Board officers are authorized payment~~ A trustee may be reimbursed for personal expenses, not otherwise reimbursed, incurred in the performance of their ATRS related duties.

~~(2) Such reimbursement is to cover~~ Reimbursement for a trustee's personal expenses that are not otherwise reimbursed may cover:

~~(A) any~~ Any losses in salary or compensation that would otherwise result from their the trustee's attendance at Board or committee meetings, and will be paid to the ~~officer's~~ trustee's employer; and

~~(B) the~~ The costs of communication (long-distance telephone calls, postage, etc.) ~~with other trustees or staff members~~ with other trustees or ATRS staff via telephone, postage, etc.

IX. Procurement of Services

~~(a)(1) ATRS shall utilize an equitable and open method of awarding contracts to providers of all contractual, management, and consultant services, including, but not limited to: (1) construction architects, engineers, and contractors; (2) building managers; (3) real estate, legal, and investment consultants; and (4) actuaries and auditors~~ comply with Arkansas Procurement Law, Arkansas Code § 19-11-201 et seq., Arkansas Code § 24-2-618, and all other laws concerning state agency purchases and contracts that are applicable to the System.

~~(2)(A) The Executive Director shall seek Board approval of a new contract before it is executed if the new contract procures the services of:~~

~~(i) The Board's investment counsel per Arkansas Code § 24-7-303(e);~~

~~(ii) An investment manager;~~

~~(iii) An investment fund;~~

~~(iv) External legal counsel;~~

~~(v) A securities monitoring law firm; or~~

~~(vi) The Board's appointed actuary per Arkansas Code § 24-7-303(d).~~

~~(B) For all other new contracts and contract renewals executed in the normal course of operations, the Executive Director shall report all executed new contracts and contract renewals to the Board bi-annually.~~

~~(b)(1) The method of awarding contracts will assure that all bona fide providers of such services will have equal opportunity to submit competitive bids or competitive proposals for consideration. Consistent with the Prudent Investor Rule and pursuant to A.C.A. § 24-2-618~~ Arkansas Code § 24-2-618, ATRS has a statutory goal to recruit and hire emerging managers and emerging investment funds.

(2)(A) For purposes of this Rule policy, "emerging managers" and "emerging investment funds" means a managing group or fund that is predominately owned by black or African American, Hispanic American, American Indian or Native American, Asian, or Pacific Islander.

(B) Each investment consultant retained by ATRS to recommend investment managers or investment funds shall submit an annual report to ATRS consistent with the requirements in A.C.A. § 24-2-618 Arkansas Code § 24-2-618 that addresses the goal of ATRS to recruit and hire emerging managers and emerging investment funds.

~~C. The Executive Director shall develop procurement procedures and a plan for implementing the process of awarding contracts.~~

~~D. The Board shall approve all procedures and contracts related to the procurement of services.~~

X. Board of Trustees - Self-Evaluation

(a)(1) ~~The Board will regularly evaluate its own performance, taking whatever action is necessary to govern with excellence. The Board will review these policies of conduct at least annually and discuss the degree to which it complies. The Board may periodically evaluate its own compliance with the law, rules, or policies applicable to the System.~~

(2) The Board may enlist the assistance of the Executive Director in determining the appropriate evaluation matrix.

(b) The effective date for the start of any evaluation of the Board and the frequency of the evaluations will be determined by the Board.

XI. Board of Trustees - Committee Principles and Procedures

(a) ~~The Board may establish committees to help carry out its responsibilities.~~

~~A. Board committees may not speak or act for the Board except when formally given such authority.~~

~~B. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation.~~

~~C. Board committees may not exercise authority over staff.~~

~~D. All members of the Board shall be notified as to the time and place of all committee meetings. A Board member may attend any committee meeting, but only committee members may vote on committee matters.~~

~~E. Appointments to committees shall be made before the next regular meeting after the Board elects the Chair.~~

~~F. A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.~~

~~G. Board committees shall elect their own Chair and Vice Chair unless otherwise indicated by Board policy.~~

~~H. The Executive Director shall serve as secretary and ex officio nonvoting member of Board committees or shall delegate another member of the staff to serve in this capacity.~~

~~I. Committees shall report to the Board following each of their meetings.~~

(b) A committee established by the Board:

(1) Shall assist the Board by preparing policy alternatives and implications as necessary for deliberation by the Board;

(2) Shall adopt an agenda at the beginning of each meeting;

(3) Shall report to the Board following a meeting of the committee;

(4) Shall not act on behalf of the Board unless given the authority to do so by the Board; and

(5) Shall not exercise authority over ATRS staff. However, a committee may request assistance from ATRS staff that will enable the committee to perform its duties.

(c)(1) ATRS staff shall notify all trustees of the time and place of each committee meeting and shall provide all trustees with the agenda of each committee as soon as reasonably possible.

(2)(A) A Trustee may attend a committee meeting

(B) Only committee members shall vote on committee matters.

(d) A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.

(e) Committees shall elect their own Chair and Vice Chair unless otherwise provided by the law, rules, and policies applicable to the System.

(f)(1) The Executive Director shall serve as the Secretary of the Board unless the Executive Director delegates another member of the ATRS staff to serve as Secretary of the Board.

(2) The Executive Director may delegate all or a part of the functions of the Secretary of the Board to another member of the ATRS staff.

(g) Appointments to committees shall be made before the next regular meeting after the Board elects the Chair of the Board.

(h) The minutes of each committee meeting shall be prepared and, at the committee's next scheduled meeting, shall be presented to the appropriate committee for review and approval.

(i)(A) All committees are subject to the same public disclosure and ethics laws, rules, and policies that are applicable to the System and the Board.

(B) All committee are subject to public disclosure and ethics laws, rules, and policies that are applicable to them by virtue of their position as a trustee or committee member.

XII. Investment Committee Charter

(a)(1) There shall be is established an Investment Committee composed of eight members that shall be composed of eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Investment Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members of the Investment Committee shall be the State Treasurer and the State Bank Commissioner upon their respective acceptance of the position their appointment as State Treasurer or State Bank Commissioner.

(b) The committee Investment Committee shall meet on call by the committee chair and/or the Executive Director Chair of the Investment Committee or the Executive Director, but not less than on a quarterly basis.

(c) The purposes of the committee Investment Committee shall be:

(1) To consider proposals for the adoption, amendment, and repeal of investment policies and procedures for recommendation to the Board for adoption, and to make recommendations to the Board concerning the same;

(2) To consider asset allocations for recommendation to the Board for adoption, and make recommendations to the Board concerning the adoption of asset allocations;

(3) To consider all investment proposals for approval or rejection, unless the Board assigns the proposals to other committees, and make recommendations to the Board concerning the approval or rejection of an investment proposal unless the investment proposal is assigned to another committee; and

(4) To monitor all phases of the investment program and to recommend any changes that may need to be made to the full Board.

(d) Unless related to a stated purpose of the Investment Committee, all matters that are a stated purpose of the Operations Committee or Audit Committee shall not be within the purview of the Investment Committee.

(e) The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical. ATRS staff shall furnish the Investment Committee agenda to the Board in advance of the Investment Committee meeting.

D. The committee may act by majority consent of all the committee members.

E. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.

F. All public Board disclosures and the Code of Ethics are applicable to all members of this committee.

XIII. Operations Committee Charter

(a)(1) There shall be is established an Operations Committee that shall be composed of up to eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Operations Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members shall be the State Auditor and the Commission of Education Secretary of Education upon their respective acceptance of the position their appointments as State Auditor or Secretary of Education.

(b) The committee Operations Committee shall meet on call by the committee chair and/or the Executive Director Chair of the Operations Committee or the Executive Director.

(c) The purposes of the committee Operations Committee shall be:

(1) To receive and suggest and consider proposals for the adoption of new or revised policy to recommend to the Board for adoption amendment, and repeal of the laws, rules, and policies applicable to the System and to make recommendations to the Board concerning the same;

(2) To receive and suggest and consider legislative proposals to recommend to the Board for adoption and to make recommendations to the Board concerning the same; and

~~(3) To suggest and develop legislative proposals for the benefit of ATRS and its members to recommend to the Board for adoption. To make recommendations to the Board for initiating, supporting, or opposing legislation.~~

~~(4) To recommend and oversee the Board and Executive Director evaluation process; and~~

~~(5) To recommend and oversee the Board's training and conference schedules.~~

(d) All Unless related to a stated purpose of the Operations Committee, all matters that are not within the jurisdiction/purposes a stated purpose of the Investment Committee or Audit Committees Committee shall be within the jurisdiction/purposes shall not be within the purview of the Operations Committee.

(e) The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical. ATRS staff shall furnish the Operations Committee agenda to the Board in advance of the Operations Committee meeting.

~~E. The committee may act by majority consent of all the committee members.~~

~~F. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.~~

~~G. All public Board disclosures and the Code of Ethics are applicable to all members of this committee.~~

XIV. Audit Committee Charter

(a)(1) There shall be is established an Audit Committee that shall be composed of three (3) five (5) members of the Board appointed by the Chair and two at-large members from the public with extensive auditing experience approved by the Board.

(2) The Board Chair shall appoint three (3) members of Board to serve as members of the Audit Committee.

(3)(A) The Board shall approve two (2) people who are from the public and have extensive auditing experience to serve as at-large members of the Audit Committee.

(B) The at-large members must be independent and have no affiliation with ATRS.

(C)(i) At-large members may serve two (2) four-year terms.

(ii) If the initial term of an at-large member is for less than four (4) years they, then the at-large member may serve two (2) more four-year terms.

(iii) An at-large member's four-year term shall begin on the first of the month immediately following the Board's approval and appointment of the at-large member.

(b)(1) The committee Audit Committee shall meet as needed on call by either the committee chair the call of the Chair or the Audit Committee or the ATRS Internal Auditor. Actions taken by the committee shall be reported to the ATRS Board of Trustees.

(2) ATRS staff shall furnish the Audit Committee agenda along with appropriate briefing material to the Audit Committee and the Board in advance of the Audit Committee meeting.

(3) The Audit Committee may invite members of management, auditors, employees, or others to attend Audit Committee meetings and provide pertinent information as necessary.

(c)(1) The Audit Committee shall assist the Board in fulfilling the oversight responsibilities of the Board relating to financial reporting processes, the system of internal controls, the internal audit process, and the System's compliance with the law, rules, and policies, including ethical policies, applicable to the System.

(2) The purposes of the Audit Committee shall be:

(A) With regard to financial statements, to review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions;

(B) With regard to internal controls, to:

(i) Review the risk assessment to consider the effectiveness of the System's internal controls; and

(ii) Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses;

(C) With regard to internal audits, to

(i) Review with management and the ATRS Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function;

(ii) Review and approve the audit plan and all major changes to the plan; and

(iii) Review reports prepared by Internal Audit and follow up on any findings and recommendations;

(D) With regard to compliance, to review the findings of any examinations by regulatory agencies and any auditor observations;

(E) With regard to reporting, to regularly report to the Board on the Audit Committee's activities and issues that arise with respect to the quality or integrity of the System's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function;

(F) To perform other activities related to Audit Committee Charter or the audit functions as requested by the Board;

(G) To resolve any disagreements between management and the ATRS Internal Auditor regarding financial reporting;

(H) To review and assess the adequacy of the Audit Committee Charter and make recommendations to the Board concerning the same;

(I)(a) To approve administrative decisions regarding the appointment and removal of the ATRS Internal Auditor.

(b) The approval of the appointment or termination of the ATRS Internal Auditor by the Audit Committee shall not be final until confirmed by the Board; and

(J)(i) To perform an annual employee evaluation of the ATRS Internal Auditor.

(ii) The Audit Committee shall:

(a) Meet in executive session, with or without the ATRS Internal Auditor, for the purpose of conducting, reviewing, and discussing an evaluation of the ATRS Internal Auditor;

(b) Gather information as it deems necessary, including without limitation input from the Executive Director or other persons with direct knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough evaluation of the ATRS Internal Auditor;

(c)(1) Upon the completion of the evaluation of the ATRS Internal Auditor, report the completion of the evaluation to the Board.

(2) If by motion and second, a Trustee requests information concerning the specific results of the evaluation of the ATRS Internal Auditor and the majority of the Board votes in favor of such motion, the Board may meet in executive session to hear the Audit Committee's findings and recommendation on the evaluation of the ATRS Internal Auditor.

(4)(A) The Audit Committee is authorized to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information that it may require from ATRS staff, all of whom are directed to cooperate with the Audit Committee's request.

(B) In the event the Audit Committee has difficulty obtaining the necessary information from ATRS staff, the Audit Committee may seek assistance from the Executive Director or the Board as the circumstances dictate.

~~D.— The committee has authority to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information it requires from employees, all of who are directed to cooperate with the committee's request. In the event the committee has difficulty obtaining the necessary information from an employee or employees, the committee may seek assistance from the Executive Director or the Board of Trustees as the circumstances dictate.~~

~~E.— The committee may invite members of management, auditors, employees, or others to attend meetings and provide pertinent information as necessary.~~

~~F.— The committee will assist the Board of Trustees in fulfilling the Board's oversight responsibility relating to:~~

- ~~1. The financial reporting processes~~
- ~~2. The system of internal controls~~
- ~~3. The internal audit process~~
- ~~4. ATRS's compliance with laws and regulatory requirements and ethics policies~~

~~G.— Meeting agendas will be prepared and provided in advance to committee members, along with appropriate briefing material when practical.~~

~~H.— The committee may act by majority consent of all the members of the committee.~~

~~I.— Minutes of the meeting will be prepared and presented at the next scheduled Audit Committee meeting for review and approval.~~

- J. ~~The committee will carry out the following responsibilities:~~
1. ~~**Financial Statements**~~
 - a. ~~Review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions.~~
 2. ~~**Internal Control**~~
 - a. ~~Review the risk assessment to consider the effectiveness of ATRS's internal controls.~~
 - b. ~~Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses.~~
 3. ~~**Internal Audit**~~
 - a. ~~Review with management and the Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function.~~
 - b. ~~Review and approve the audit plan and all major changes to the plan.~~
 - c. ~~Review Internal Audit's reports and follow up on findings and recommendations.~~
 4. ~~**Compliance**~~
 - a. ~~Review the findings of any examinations by regulatory agencies, and any auditor observations.~~
 5. ~~**Reporting Responsibilities**~~
 - a. ~~Regularly report to the Board of Trustees on the committee's activities and issues that arise with respect to the quality or integrity of ATRS's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function.~~
 6. ~~**Other Responsibilities**~~
 - a. ~~Perform other activities related to this charter or the audit functions as requested by the Board of Trustees.~~
 - b. ~~Resolve any disagreements between management and the Internal Auditor regarding financial reporting.~~
 - c. ~~Review and assess the adequacy of the committee charter, and propose recommended changes as needed, and request Board of Trustees approval for recommended changes.~~
 - d. ~~Approve administrative decisions regarding the appointment and removal of the Internal Auditor. Approval of appointment or termination of the Internal Auditor by the Audit Committee is not final until confirmed by the Board of Trustees.~~
 - e. ~~Perform an annual employee evaluation of the Internal Auditor of ATRS. The audit committee shall:~~
 - i. ~~Meet in executive session, with or without the Internal Auditor,~~
~~for the purpose of conducting, reviewing, and discussing an employee evaluation of the internal auditor;~~
 - ii. ~~Gather information as it deems necessary, including input from the Executive director or other persons with direct~~

~~knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough annual employee evaluation of the Internal Auditor;~~

- ~~iii. Report to the Board of Trustees when the Committee has completed the annual evaluation that the evaluation has been completed. If a Trustee requests by motion and second to learn the specific results of the Internal Auditor evaluation, and the majority of the Board votes in favor of such motion, the Board of Trustees may meet in executive session to hear the Committee's findings and recommendation on the employee evaluation.~~

(d)(1) The Audit Committee may periodically evaluate itself and report the results to the Board.

(2) The effective date for the start of any evaluation process and the frequency of evaluations shall be determined by the Audit Committee.

HISTORY

Adopted: June 12, 2002 as Rule 1-1 through 1-19

Amended: October 7, 2003

Amended: December 3, 2007

Amended: June 16, 2009

Amended: September 12, 2012

Amended: March 6, 2013

Amended: April 1, 2013

Amended: July 1, 2018

Amended: October 7, 2019 as Board Policy 1

Amended: September 27, 2021

Amended: September 25, 2023

Amended: TBD

~~1 "Members" as used in the Board policies means plan participants of the Arkansas Teacher Retirement System.~~

ATRS Private Equity Investment Guidelines - 4Q23

2024 Commitments

Investment	Strategy	Region	ATRS Board Approval	ATRS Commitment
FP Co-Invest VI	Small/Mid Market Corporate Finance	U.S.	Dec-23	\$60,000,000
FP Venture XV	Early Stage Venture	U.S./non-U.S.	Dec-23	40,000,000
Enlightenment III	Private Debt	U.S.	Apr-24	35,000,000
2024 commitments previously approved by ATRS' board				\$135,000,000
FP CF Access III	Buyout/Growth/Turnaround	U.S.	Jun-24	40,000,000
FP VC Opps II	Mid/Late State VC	U.S./non-U.S.	Jun-24	40,000,000
2024 commitments being considered during current board meeting				\$80,000,000
2024 commitments to be considered in future board meetings				\$170,000,000
Total targeted 2024 commitments (approved by the board in December 2023)				\$385,000,000

Private Equity Allocation	Target	12/31/2023
Private Equity Value		\$2,980,661,071
Total Assets		\$21,290,051,071
Private Equity Value as a % of Total Assets	12.0%	14.0%

Other Guidelines

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

ATRS Strategy/Region Guidelines (% of Commitments)

Strategy	Target %	Post-2006 Portfolio Commitments (as of 12/31/23)	% of Total
Corporate Finance (buyout, growth and debt strategies)	80-100%	3,568,323,718	88%
Venture Capital	0-20%	485,000,000	12%
Total (Post-2006 Portfolio)		4,053,323,718	100%

Region	Target %	Post-2006 Portfolio Commitments (as of 12/31/23)	% of Total
U.S. and Western Europe	80-100%	3,766,497,427	93%
Other ¹	0-20%	286,826,291	7%
Total (Post-2006 Portfolio)		4,053,323,718	100%

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

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

100% of the commitments made to primary funds since 2006

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

100% of the commitments made to primary funds since 2006

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

Manager	Aggregate 4 Commitments	
	Commitment	to Sponsor Notes
Enlightenment III	35,000,000	9%
FP Co-Invest VI	60,000,000	16%
FP Venture XV	40,000,000	< 3.0% Expected to include 7-10 investment sponsors
FP CF Access III	40,000,000	< 3.0% Expected to include 4-6 investment sponsors
FP VC Opps II	40,000,000	< 3.0% Expected to include 5-8 investment sponsors
Not yet identified	170,000,000	n/a
Total	\$385,000,000	

Note: % of 2024 Commitments for FP Venture XV, FP CF Access III and FP VC Opps II represents ATRS' % of the estimated commitments to underlying investment sponsors within the portfolio.

As of December 31, 2023	ATRS' Portfolio \$ in Millions
Number of Investments	88
Total Commitments	4,652.8
Unfunded Commitments	808.6
Total Paid-In Capital	4,135.3
Total Distributions	3,673.1
Net Asset Value	2,552.5
Gross Asset Value	3,814.8
DPI	0.9x
TVPI	1.5x
Since Inception IRR	6.9%
<i>*Active and Liquidated</i>	

PORTFOLIO COMPOSITION TARGETS (As of December 31, 2023)		
	Target	Actual Funded
Target Real Asset Allocation	15%	12.0%
Portfolio Style Composition		
Real Estate	10%	6.8%
Core*	50%-70%	58.1%
Non-Core	30%-50%	41.9%
Value-Added**	N/A	26.1%
Opportunistic**	N/A	15.8%
Agriculture	1%	1.2%
Timber	2%	1.7%
Infrastructure	2%	2.3%
Leverage	50%	33.1%

RISK MANAGEMENT						
Property Type - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Office	18.10	NFI-ODCE +/- 50%	9.05	27.15	18.70	Yes
Retail	10.50	NFI-ODCE +/- 50%	5.25	15.75	7.26	Yes
Industrial	33.10	NFI-ODCE +/- 50%	16.55	49.65	30.31	Yes
Apartment	29.10	NFI-ODCE +/- 50%	14.55	43.65	29.75	Yes
Other	9.20	n/a	0.00	20.00	13.97	Yes
Geography - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
West	43.90	NFI-ODCE +/- 50%	21.95	65.85	45.74	Yes
East	28.80	NFI-ODCE +/- 50%	14.40	43.20	24.16	Yes
Midwest	5.90	NFI-ODCE +/- 50%	2.95	8.85	6.94	Yes
South	21.40	NFI-ODCE +/- 50%	10.70	32.10	11.57	Yes
Other2,3	0.00	n/a	n/a	n/a	2.97	Yes
Non-U.S.	0.00	n/a	0.00	40.00	8.62	Yes
Geography - Timber	NCREIF Timberland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Lake States	3.94	0%-20%	0.00	20.00	0.00	Yes
Northeast	4.93	0%-20%	0.00	20.00	0.98	Yes
Northwest	25.70	0%-50%	0.00	50.00	15.96	Yes
South	64.81	40%-80%	40.00	80.00	72.30	Yes
Other	0.00	0%-20%	0.00	20.00	10.75	Yes
Geography - Agriculture	NCREIF Farmland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Appalachian	0.66		0.00	50.00	0.00	Yes
Corn Belt	13.57		0.00	50.00	9.78	Yes
Delta States	19.02		0.00	50.00	36.05	Yes
Lake States	4.19		0.00	50.00	17.74	Yes
Mountain	7.72		0.00	50.00	12.35	Yes
Northeast	0.22		0.00	50.00	0.00	Yes
Northern Plains	2.65		0.00	50.00	1.56	Yes
Pacific Northwest	7.53		0.00	50.00	4.22	Yes
Pacific West	37.42		0.00	50.00	8.16	Yes
Southeast	5.24		0.00	50.00	8.06	Yes
Southern Plains	1.87		0.00	50.00	2.07	Yes
Other	0.00		0.00	50.00	0.00	Yes
Non-U.S.	0.00		0.00	50.00	0.00	Yes
Geography - Infrastructure	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
U.S.		n/a	n/a	49.05	Yes	
Non-U.S.		0.00	50.00	50.95	Yes	
Asset Type - Infrastructure	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
Energy/Utilities		0.00	70.00	48.90	Yes	
Transportation		0.00	70.00	32.00	Yes	
Social		0.00	70.00	3.92	Yes	
Communications		0.00	70.00	12.49	Yes	
Other		0.00	70.00	2.69	Yes	
Manager	Target/Constraint	Minimum	Maximum	Max	Compliant?	
		0.00	30.00	13.97	Yes	
Style - Real Estate	Target/Constraint	Minimum	Maximum	Actual	Compliant?	
Core		50.00	70.00	58.06	Yes	
Non-Core		30.00	50.00	41.94	Yes	

As of 3/31/2024 (12/31/23 for Illiquid Asset Classes)

	Actual	Interim Target**	Difference (Actual vs. Interim)	Long-Term Target	Difference* (Actual vs. Long-Term)	Range***
Total Equity	56.3%	55.3%	1.0%	53.0%	3.3%	48 - 58%
Fixed Income	13.3%	15.0%	-1.7%	15.0%	-1.7%	13 - 17%
Opportunistic/Alternatives	5.0%	5.2%	-0.2%	5.0%	0.0%	NA
Real Assets	11.5%	12.5%	-1.0%	15.0%	-3.5%	NA
<i>Real Estate</i>	6.6%	8.3%	-1.7%	10.0%	-3.4%	NA
<i>Core RE</i>	4.2%	5.0%	-0.7%	6.0%	-1.8%	5 - 7%
<i>Non-Core</i>	2.4%	3.3%	-1.0%	4.0%	-1.6%	3 - 5%
<i>Agriculture</i>	1.1%	1.7%	-0.6%	1.0%	0.1%	NA
<i>Timber</i>	1.6%	0.8%	0.8%	2.0%	-0.4%	NA
<i>Infrastructure</i>	2.2%	1.7%	0.5%	2.0%	0.2%	NA
Private Equity	13.5%	12.0%	1.5%	12.0%	1.5%	NA
Cash	0.3%	0.0%	0.3%	0.0%	0.3%	0 - 5%
	100.0%	100.0%	--	100.0%	--	--

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

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

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

Real Assets Breakdown	Absolute	%	2023 Pacing Commitment	Commitment Progress (\$M)
			(\$M)	As of 12/31/2023
Real Estate	10%	66.7%	\$400	\$150
<i>Core</i>	5-7%	50-70%	\$200	\$0
<i>Non-Core</i>	3-5%	30-50%	\$200	\$150
Ag	1%	6.7%	\$0	\$0
Timber	2%	13.3%	\$0	\$0
Infrastructure	2%	13.3%	\$75	\$50
Total Real Assets	15%	100.0%	\$ 475	\$ 200

Update on ESG Oversight Committee June 3, 2024

Act 411 of 2023 established the ESG Oversight Committee, made up of individuals appointed by the Governor, Attorney General, State Treasurer, Senate President Pro Tempore, and Speaker of the House of Representatives. The function of this Committee was to identify financial services providers that discriminate against energy, fossil fuel, firearm, or ammunition companies or otherwise refuse to deal based on environmental, social justice, and other governance-related factors.

The Committee has met several times over the past weeks and has finalized its list of financial services companies discriminating in violation of Act 411. The list as published on the State Treasurer's website is attached.

The financial service companies on the ESG Oversight Committee Restricted Financial Institution List are:

- Credit Suisse Group AG
- Credit Suisse Securities LLC
- Goldman Sachs & Co., LLC
- The Goldman Sachs Group Inc.
- Nomura Asset Management, Inc.
- Nomura Securities International, Inc.
- Royal Bank of Canada
- RBC Capital Markets
- TD Bank
- TD Securities, LLC
- UBS Group AG
- UBS Securities LLC

As of April 30 2024, ATRS owned publicly-traded investment products issued by three of the companies, with combined market value and received income totaling approximately \$5.6 million with an initial purchase price of \$5.2 million. ATRS holdings in these types of securities can change on a daily basis as ATRS investment managers use their discretion to make buy and sell decisions based on market conditions.

ATRS staff recommend that the ATRS Board of Trustees adopt a resolution that (1) instructs external investment managers not to purchase or recommend for ATRS purchase any security issued by a financial services provider that is included on the list; and (2) directs the ATRS Executive Director to identify any such holdings with the identified financial services providers and take all necessary steps to divest ATRS of such by December 31, 2024.



Overview

94th General Assembly passed **HB 1307** in 2023, which became **Act 411** an act concerning the regulation of environmental, social justice, or governance scores; to authorize the Treasurer of State to divest certain investments or obligations due to the use of environmental, social justice, or governance related metrics; and for other purposes.

HB 1875 Act 760

Restricted Financial Institution List

Pursuant to Ark. Code Ann. § 25-1-1006(b)(1), the ESG Oversight Committee hereby gives notice, to all public entities identified by the Committee, that it has determined a list of financial service providers that discriminate against energy, fossil fuel, firearms, or ammunition companies or otherwise refuse to deal based on environmental, social justice, and other governance-related factors. The Treasurer of the State shall maintain on its website a list of those entities as follows:

- Credit Suisse Group AG
- Credit Suisse Securities LLC
- Goldman Sachs & Company LLC
- The Goldman Sachs Group, Inc.
- Nomura Asset Management, Inc.
- Nomura Securities International, Inc.
- Royal Bank of Canada
- RBC Capital Markets
- UBS Group AG
- UBS Securities LLC
- TD Bank
- TD Securities LLC

E.S.G. Oversight Committee

- David Scott-Chairman, Legal Counsel, Arkansas State Treasury
- Tom Lundstrum, Governor Appointment
- John Sinclair, Speaker of the House Appointment
- Steve Cook, Attorney General Appointment
- Mike Frost, President Pro Tem Appointment

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

RESOLUTION
No. 2024-18

ESG Oversight Committee Identification and Divestment

WHEREAS, A.C.A. § 25-1-1006 created an ESG Oversight Committee charged with identifying financial services providers that discriminate against energy, fossil fuel, firearms, or ammunition companies or refuse to deal based on environmental, social justice, and other governance-related factors; and

WHEREAS, A.C.A. § 25-1-1002 directs the Treasurer of State to publish a list of financial services providers identified by the ESG Oversight Committee, and A.C.A. § 25-1-1003 directs state retirement systems to divest themselves of all direct holdings with such financial services providers within 365 calendar days after the provider's identification by the ESG Oversight Committee; and

WHEREAS, the ATRS Board of Trustees is committed to managing ATRS assets in the pecuniary interest of ATRS members and beneficiaries, to complying with state law, and to ensuring that all investment decisions are made solely on the basis of pecuniary factors and benefits.

NOW, THEREFORE, BE IT RESOLVED, that the ATRS Board of Trustees instructs ATRS investment managers to follow the instructions of the ATRS Executive Director prohibiting purchases on behalf of ATRS, or recommendations for ATRS purchase, of securities or other holdings issued by a financial services provider that is included on the list of financial services providers identified by the ESG Oversight Committee as being in violation of A.C.A. § 25-1-1001 et seq.;

FURTHER BE IT RESOLVED, that the ATRS Board of Trustees directs the ATRS Executive Director to identify any ATRS holdings with the financial services providers identified by the ESG Oversight Committee and take all necessary steps to divest ATRS of such holdings by December 31, 2024; and

FUTHER BE IT RESOLVED, that the ATRS Board of Trustees directs the ATRS Executive Director to conduct such divestment in a time and manner as is reasonably practicable, financially beneficial, and in the pecuniary interest of ATRS members and beneficiaries.

Adopted this 3rd day of June, 2024

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System Board

ATRS BOARD POLICY 1

BOARD GOVERNANCE

A.C.A. § 24-7-301 et seq., A.C.A. § 24-7-401 et seq., and A.C.A. § 25-16-901 et seq.

I. Definitions.

As used in this policy:

(1) “Benefit participant” means the same as defined in Arkansas Code § 24-7-202;

(2) “Member” means the same as defined in Arkansas Code § 24-7-202; and

(3) “Official board duties” means:

(A) Attending regular and called meetings of the Board of Trustees of the Arkansas Teacher Retirement System (“Board”);

(B) Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of trustees;

(C) Attending conferences as allowed by Board resolution;

(D) Attending legislative committee meetings when acting as the spokesperson for the Board; and

(E) Attending legislative sessions at the request of the Board or the Executive Director of the Arkansas Teacher Retirement System (“Executive Director”).

II. Board of Trustees - Plan Administration

(a)(1) The authority and responsibility for the administration, management, and control of the Arkansas Teacher Retirement System (“~~ATRS~~” or “~~System~~”)(“ATRS”, “the System”, or “the Plan”), and for the construing and carrying out the provisions of the plan Plan is vested in the Board of Trustees of the Arkansas Teacher Retirement System (“Board”).

(2)(A) The Board is responsible for the governance of ATRS.

(B) ~~It is~~ The Board is accountable for establishing policies and for supervising the implementation of those policies in compliance with all applicable legal mandates.

(b)(1) The function of the Board is to make certain contributions that lead the System ~~toward the desired performance and ensure that it occurs~~ towards achieving the objectives specified in Board Policy 2 – Board Objectives.

(2) The Board shall recommend and oversee the Board and the Executive Director evaluation process.

(3) The Board shall recommend and oversee training and conference schedules for the Board.

(4)(A) The Board’s specific contributions are unique to its trusteeship role and necessary for the appropriate governance and management of the System.

(B) Board decisions ~~are to~~ shall be based on facts and expert opinions.

(c) The Board ~~will~~ should approach its task ~~with a style~~ in a manner that:

(1) emphasizes Emphasizes outward vision rather than an internal preoccupation;

~~(2) encouragement of diversity of viewpoints~~ Encourages diverse viewpoints;

~~(3) strategic~~ Emphasizes strategic leadership ~~more~~ rather than administrative detail;

~~(4) Provides a~~ clear distinction of Board and staff roles;

~~(5) Focuses on the~~ future rather than past or present; and

~~(6) Encourages~~ proactive rather than reactive action.

~~(d) Consequently, the~~ The contributions of the Board shall be include:

~~(1) The Acting as the~~ link between the System and its members benefit participants of the System.⁴

~~(2) Written governing policies~~ Developing policies for the System that, at the broadest levels, address:

~~(A) Governance Process~~ The governance process, including Specification of how the Board conceives, carries out, and monitors its own task tasks;

~~(B) Board-Staff Relationship~~ The relationship between the Board and ATRS staff, including ~~How~~ how authority is delegated and its appropriate use is monitored.

~~e. Ends~~

~~- System products, impacts, benefits, costs, and outcomes.~~

~~(C) The Ends Policies of the Board as set forth in Board Policy~~ 2 – Board Objectives; and

~~(D)(i) Limitations~~ of the System.

~~(ii) Constraints on executive authority that establish the prudence and ethics boundaries within which executive activity, decisions, and organizational matters shall be carried out~~ by the Executive Director.

~~(3) The assurance of Executive Director performance against Ends and Limitations policies above.~~ Ensuring that the Executive Director's performance does not contravene the ends or limitations of the System.

III. Board of Trustees - Guiding Principles

~~(a) The Board is dedicated to the proposition that its paramount purpose is that of providing an adequate and equitable retirement plan for the members of the teaching profession, to protect this group in the event total and permanent disability causes them to be unable to continue employment in their profession, and to provide in part for their dependents in case of death.~~ The paramount purpose of the Board is to:

~~(1) Provide an adequate and equitable retirement plan for public school and education employees in Arkansas;~~

~~(2) Protect the membership of the System in the event that they should suffer a total and permanent disability that renders them unable to continue covered employment; and~~

~~(3) Provide, in-part, for the survivors and beneficiaries of deceased members of the System.~~

~~(b)(1) The Board is responsible for the prudent investment of System~~ the System's funds.

(2) The two (2) paramount considerations in fund investment are safety and yield, with yield being of first importance, provided such investments comply with legally mandated safeguards.

(c) ~~The Board should be fully informed of its financial liabilities, not only to the retirees and beneficiaries, but also to active members of the teaching profession, and to make those liabilities known to members of the state legislature, to other state officials, and to education-related organizations~~ the System's financial liabilities to benefit participants of the System. Information on the financial liabilities of the System should be made available to education-related organizations as well as the Arkansas General Assembly and other state officials.

(d) ~~The~~ To the extent that disclosure is not prohibited by law, the Board should provide ~~all interested citizens~~ the general public with information regarding the System's procedures for investing the System's funds, as well as the budgeting, control, and disbursement of those funds.

(e) The Board will actively promote the enactment of state and federal legislation that may improve the economic welfare of ATRS members.

(f) The Board endorses programs of counseling and information designed to assist members who are approaching retirement.

(g)(1) The Board should be knowledgeable of the most current information regarding effective, efficient governance and operation of state retirement systems that could augment prudent decisions for the benefit of members.

(2) To this end, ~~Board members~~ trustees are encouraged to participate actively in regional and national retirement organization programs that offer such information and training.

IV. Board of Trustees - Code of Conduct

(a) The Board expects of itself and its members ethical and business-like conduct.

(b)(1) ~~Board members~~ All trustees, as fiduciaries, shall discharge their duties solely in the best interest of ATRS members and for the exclusive purpose of providing optimum benefits.

(2)(A) ~~Board members must~~ Trustees should avoid any conflict of interest with respect to their fiduciary responsibility.

(B) ~~Board members must~~ Trustees shall not use their positions to obtain favorable treatment for themselves, family members, or close employees.

(c) ~~Board members~~ Trustees who desire specific information from firms employed by ATRS should make the request through the Executive Director.

(d) ~~Board members~~ Trustees shall not, directly or indirectly, solicit or accept any gift of value as defined by the Arkansas Ethics Commission.

(e) ~~Board members~~ Trustees shall decline any offer and shall not have any contact with an individual or anyone associated with a firm that the Board is considering employing ~~after requests for proposals (RFP's) or requests for qualifications (RFQ's) have been sent~~ through a competitive procurement until after the procurement process has concluded.

(f)(1) ~~Board members~~ Trustees shall not attempt to exercise individual authority over the operation of the System or ~~staff members except as explicitly set forth in Board policies~~ ATRS staff except as provided by law, rule, or policy applicable to the System.

~~(2) Board members' A trustee's~~ interaction with the ATRS staff, public, press, or other entities ~~must~~ should recognize the inability of ~~any Board member or Board members to speak for the Board~~ one (1) or more trustees to speak for the Board.

~~(g) Board members~~ All trustees shall report violations of any of these policies of conduct in writing to the Chair.

V. Board Member of Trustees - Development

(a) The Board is responsible for its own readiness for Board work and the performance of that work.

(b) The Board determines appropriate issues for Board work and appropriate issues to be addressed, as well as the education and data required to address those issues wisely.

~~(c)(1) The Board determines the need and mechanisms for Board development.~~

~~1. Among the mechanisms will be membership in the National Council on Teacher Retirement, Board-approved consultants, and seminars provided by employees of ATRS.~~

~~2. The Board's annual plan will include expected outcomes, costs, and scheduling of the Board development effort.~~

~~3. The Board will set forth the educational experiences it determines appropriate for a new Board member.~~

The Board determines the need and mechanisms for Board development, which may include:

(A) Membership in the National Council on Teacher Retirement or a similar organization;

(B) Engaging or employing Board-approved consultants;

(C) Educational development seminars provided by ATRS staff for the benefit of current and new trustees; and

(D) The development of a plan that may address the Board's expected outcomes, costs, and development schedule.

(2) The Board may enlist assistance from the Executive Director in determining the need and mechanisms for Board development.

VI. Board of Trustees - Meetings

The Board shall hold regular meetings at least quarterly. Additional meetings may be called by the Chair or scheduled by action of the Board in a regular meeting. The Board shall adopt its own rules of procedure, which shall be subject to the following:

(1)(A) The Board shall elect a Chair and Vice Chair from its own membership.

(B) The election will be in the odd numbered years at the first regular meeting after the beginning of the fiscal year.

(C) The Chair and Vice Chair shall be elected for a ~~term of two years~~ two-year term and may be reelected for two (2) additional two-year terms.

(D) The Chair and Vice Chair shall be either an active member or retiree ~~trustee~~ trustee.

~~(E)~~ A Board member trustee must have served at least one (1) full year as a member of the Board to be eligible for election to the position of Chair or Vice Chair.

~~(2)(A)~~ In the event of if a vacancy of the Chair or Vice Chair occurs for any reason other than completion of a term, the Board shall fill said vacancy by election from the existing Board members trustees for the remainder of the unexpired term at its next regular meeting.

~~(B)~~ A trustee trustee elected to fill an unexpired term of the Chair or Vice Chair shall be eligible for two (2) additional two-year terms.

~~(3)(A)~~ Quorum: Eight (8) trustees shall constitute a quorum at any meeting of the Board.

~~(B)~~ Each trustee trustee shall be entitled to one (1) vote on each question before the Board, and at least eight (8) affirmative votes shall be required for a decision by the Board at any meeting.

(4) *Robert's Rules of Order* shall be followed in the conduct of all meetings except when a departure from Robert's is authorized by action of the Board.

~~(5)(A)~~ Agenda The Board shall adopt an agenda at the beginning of each meeting.

~~(B)~~ By a majority vote of the Board, items An item may be added to the agenda before it is adopted.

~~(C)~~ The Executive Director shall prepare a tentative agenda and submit it to all trustees at least ten (10) days ~~prior to~~ before a regularly scheduled meeting. The meeting agenda and materials will be submitted to trustees no later than three (3) days before the regularly scheduled meeting.

~~D)(i)~~ Trustees who want ~~item(s)~~ one (1) or more items to be considered for the agenda should notify the Executive Director no later than seven (7) days ~~prior to~~ before a regularly scheduled meeting.

~~(ii)~~ Members or individuals who wish to have an item placed on the agenda at a regularly scheduled Board meeting should submit their request in writing to the Executive Director no later than twenty (20) days ~~prior to~~ before the meeting.

~~(E)(i)~~ Members or individuals who wish to make comments during a regularly scheduled Board meeting should indicate ~~on forms provided the subject on which they intend to speak.~~ the intended subject matter on a form provided by the System.

~~(ii)~~ A time limit of five (5) minutes will be allowed ~~members and individuals for presentation, unless extended by majority vote of the Board.~~ Members and individuals will be allowed a maximum of five (5) minutes to address the Board unless the time limit is extended by a majority vote of the Board.

~~(6)(A)~~ Minutes The Board shall keep an official record of the proceedings of each meeting of the Board, the final draft of which must be approved by the Board and signed by the Chair and the Executive Director.

~~(B)~~ The Board minutes are to contain only the action of the Board, information required by case law, and the vote thereon.

~~(7)(A) Public Meetings~~ All meetings of the Board shall be public and in compliance comply with the Freedom of Information Act, Arkansas Code § 25-19-101 et seq.

(B) All meetings of the Board shall be open public meetings and recorded in a manner that allows for the capture of sound. Representatives of the Little Rock news media shall be notified of each meeting of the Board.

(C) The agenda of the Board shall include only those items that, according to the law, rules, and policy applicable to the System, are within the Board's authority to consider or decide.

(D) Deliberations during the meetings of the Board must be timely, fair, orderly, thorough, efficient, limited in time, and germane to the issue being considered.

VII. Duties of the Chair and Vice Chair

~~(a)(1) Duties of the chair~~ The duty of the Chair is to ensure the integrity of the Board's process and to represent the Board to outside parties.

(2) The Chair will see is responsible for ensuring that the Board operates consistent with its own rules and those legitimately imposed on it from outside ATRS the law, rules, and policies applicable to the System.

a. ~~Meeting discussion content will be only those issues that, according to Board policy, clearly belong to the Board to decide.~~

b. ~~Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited in time, and kept to the point.~~

(3) The authority of the Chair consists only in making decisions on behalf of the Board that fall within and are consistent with Board policies the law, rules, and policy applicable to the System.

(4) The Chair is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing, etc.).

(5) The Chair may also:

(A) Convene meetings of the Board, or committees thereof, as prescribed by law.;

(B) Certify actions taken by the Board.;

(C) Serve as the official spokesperson for the Board.;

(D) Appoint Board members trustees to committees.; and

(E) Perform other duties specifically requested by the Board that are deemed necessary and appropriate for the Board to fulfill its duties and responsibilities under law.

~~(b) Duties of the Vice Chair~~ The duties of the Vice Chair are to act as temporary chair in the absence of the regular chair Chair.

VIII. Reimbursement of Expenses

~~(a) The Board, by majority vote of the total membership cast at the first regularly scheduled meeting of each calendar year, may authorize expense reimbursement for each trustee for performing~~ At the first regularly scheduled meeting of each calendar year, the Board may authorize the reimbursement of expenses for a trustee who performs official Board duties. Official Board duties are defined as follows:

1. ~~Attending regular and called Board meetings.~~

~~2. Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of Board members.~~

~~3. Attending conferences approved by the Board of Trustees.~~

~~4. Attending legislative committee meetings when acting as spokesperson for the Board.~~

~~5. Attending legislative sessions at the request of the Board or Executive Director.~~

~~B. Board members are subject to the same reimbursable expenses as state employees.~~

~~(b)(1) Board officers are authorized payment~~ A trustee may be reimbursed for personal expenses, not otherwise reimbursed, incurred in the performance of their ATRS related duties.

~~(2) Such reimbursement is to cover~~ Reimbursement for a trustee's personal expenses that are not otherwise reimbursed may cover:

~~(A) any~~ Any losses in salary or compensation that would otherwise result from their ~~the trustee's~~ attendance at Board or committee meetings, and will be paid to the ~~officer's~~ trustee's employer; and

~~(B) the~~ The costs of communication (~~long-distance telephone calls, postage, etc.~~) ~~with other trustees or staff members~~ with other trustees or ATRS staff via telephone, postage, etc.

IX. Procurement of Services

~~(a)(1) ATRS shall utilize an equitable and open method of awarding contracts to providers of all contractual, management, and consultant services, including, but not limited to: (1) construction architects, engineers, and contractors; (2) building managers; (3) real estate, legal, and investment consultants; and (4) actuaries and auditors~~ comply with Arkansas Procurement Law, Arkansas Code § 19-11-201 et seq., Arkansas Code § 24-2-618, and all other laws concerning state agency purchases and contracts that are applicable to the System.

~~(2)(A) The Executive Director shall seek Board approval of a new contract before it is executed if the new contract procures the services of:~~

~~(i) The Board's investment counsel per Arkansas Code § 24-7-303(e);~~

~~(ii) An investment manager;~~

~~(iii) An investment fund;~~

~~(iv) External legal counsel;~~

~~(v) A securities monitoring law firm; or~~

~~(vi) The Board's appointed actuary per Arkansas Code § 24-7-303(d).~~

~~(B) For all other new contracts and contract renewals executed in the normal course of operations, the Executive Director shall report all executed new contracts and contract renewals to the Board bi-annually.~~

~~(b)(1) The method of awarding contracts will assure that all bona fide providers of such services will have equal opportunity to submit competitive bids or competitive proposals for consideration. Consistent with the Prudent Investor Rule and pursuant to A.C.A. § 24-2-618~~ Arkansas Code § 24-2-618, ATRS has a statutory goal to recruit and hire emerging managers and emerging investment funds.

~~(2)(A) For purposes of this Rule policy, "emerging managers" and "emerging investment funds" means a managing group or fund that is predominately owned by black or African American, Hispanic American, American Indian or Native American, Asian, or Pacific Islander.~~

~~(B) Each investment consultant retained by ATRS to recommend investment managers or investment funds shall submit an annual report to ATRS consistent with the requirements in A.C.A. § 24-2-618 Arkansas Code § 24-2-618 that addresses the goal of ATRS to recruit and hire emerging managers and emerging investment funds.~~

~~C. The Executive Director shall develop procurement procedures and a plan for implementing the process of awarding contracts.~~

~~D. The Board shall approve all procedures and contracts related to the procurement of services.~~

X. Board of Trustees - Self-Evaluation

~~(a)(1) The Board will regularly evaluate its own performance, taking whatever action is necessary to govern with excellence. The Board will review these policies of conduct at least annually and discuss the degree to which it complies. The Board may periodically evaluate its own compliance with the law, rules, or policies applicable to the System.~~

~~(2) The Board may enlist the assistance of the Executive Director in determining the appropriate evaluation matrix.~~

~~(b) The effective date for the start of any evaluation of the Board and the frequency of the evaluations will be determined by the Board.~~

XI. Board of Trustees - Committee Principles and Procedures

~~(a) The Board may establish committees to help carry out its responsibilities.~~

~~A. Board committees may not speak or act for the Board except when formally given such authority.~~

~~B. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation.~~

~~C. Board committees may not exercise authority over staff.~~

~~D. All members of the Board shall be notified as to the time and place of all committee meetings. A Board member may attend any committee meeting, but only committee members may vote on committee matters.~~

~~E. Appointments to committees shall be made before the next regular meeting after the Board elects the Chair.~~

~~F. A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.~~

~~G. Board committees shall elect their own Chair and Vice Chair unless otherwise indicated by Board policy.~~

~~H. The Executive Director shall serve as secretary and ex officio nonvoting member of Board committees or shall delegate another member of the staff to serve in this capacity.~~

~~I. Committees shall report to the Board following each of their meetings.~~

~~(b) A committee established by the Board:~~

(1) Shall assist the Board by preparing policy alternatives and implications as necessary for deliberation by the Board;

(2) Shall adopt an agenda at the beginning of each meeting;

(3) Shall report to the Board following a meeting of the committee;

(4) Shall not act on behalf of the Board unless given the authority to do so by the Board; and

(5) Shall not exercise authority over ATRS staff. However, a committee may request assistance from ATRS staff that will enable the committee to perform its duties.

(c)(1) ATRS staff shall notify all trustees of the time and place of each committee meeting and shall provide all trustees with the agenda of each committee as soon as reasonably possible.

(2)(A) A Trustee may attend a committee meeting

(B) Only committee members shall vote on committee matters.

(d) A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.

(e) Committees shall elect their own Chair and Vice Chair unless otherwise provided by the law, rules, and policies applicable to the System.

(f)(1) The Executive Director shall serve as the Secretary of the Board unless the Executive Director delegates another member of the ATRS staff to serve as Secretary of the Board.

(2) The Executive Director may delegate all or a part of the functions of the Secretary of the Board to another member of the ATRS staff.

(g) Appointments to committees shall be made before the next regular meeting after the Board elects the Chair of the Board.

(h) The minutes of each committee meeting shall be prepared and, at the committee's next scheduled meeting, shall be presented to the appropriate committee for review and approval.

(i)(A) All committees are subject to the same public disclosure and ethics laws, rules, and policies that are applicable to the System and the Board.

(B) All committee are subject to public disclosure and ethics laws, rules, and policies that are applicable to them by virtue of their position as a trustee or committee member.

XII. Investment Committee Charter

(a)(1) There shall be is established an Investment Committee composed of eight members that shall be composed of eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Investment Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members of the Investment Committee shall be the State Treasurer and the State Bank Commissioner upon their respective acceptance of the position their appointment as State Treasurer or State Bank Commissioner.

(b) The committee Investment Committee shall meet on call by the committee chair and/or the Executive Director Chair of the Investment Committee or the Executive Director, but not less than on a quarterly basis.

(c) The purposes of the committee Investment Committee shall be:

(1) To consider proposals for the adoption, amendment, and repeal of investment policies and procedures for recommendation to the Board for adoption, and to make recommendations to the Board concerning the same;

(2) To consider asset allocations for recommendation to the Board for adoption, and make recommendations to the Board concerning the adoption of asset allocations;

(3) To consider all investment proposals for approval or rejection, unless the Board assigns the proposals to other committees, and make recommendations to the Board concerning the approval or rejection of an investment proposal unless the investment proposal is assigned to another committee; and

(4) To monitor all phases of the investment program and to recommend any changes that may need to be made to the full Board.

(d) Unless related to a stated purpose of the Investment Committee, all matters that are a stated purpose of the Operations Committee or Audit Committee shall not be within the purview of the Investment Committee.

(e) The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical. ATRS staff shall furnish the Investment Committee agenda to the Board in advance of the Investment Committee meeting.

D. The committee may act by majority consent of all the committee members.

E. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.

F. All public Board disclosures and the Code of Ethics are applicable to all members of this committee.

XIII. Operations Committee Charter

(a)(1) There shall be is established an Operations Committee that shall be composed of up to eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Operations Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members shall be the State Auditor and the Commission of Education Secretary of Education upon their respective acceptance of the position their appointments as State Auditor or Secretary of Education.

(b) The committee Operations Committee shall meet on call by the committee chair and/or the Executive Director Chair of the Operations Committee or the Executive Director.

(c) The purposes of the committee Operations Committee shall be:

(1) To receive and suggest and consider proposals for the adoption of new or revised policy to recommend to the Board for adoption amendment, and repeal of the laws, rules, and policies applicable to the System and to make recommendations to the Board concerning the same;

(2) To receive and suggest and consider legislative proposals to recommend to the Board for adoption and to make recommendations to the Board concerning the same; and

~~(3) To suggest and develop legislative proposals for the benefit of ATRS and its members to recommend to the Board for adoption. To make recommendations to the Board for initiating, supporting, or opposing legislation.~~

~~(4) To recommend and oversee the Board and Executive Director evaluation process; and~~

~~(5) To recommend and oversee the Board's training and conference schedules.~~

(d) All Unless related to a stated purpose of the Operations Committee, all matters that are not within the jurisdiction/purposes a stated purpose of the Investment Committee or Audit Committees Committee shall be within the jurisdiction/purposes shall not be within the purview of the Operations Committee.

(e) The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical. ATRS staff shall furnish the Operations Committee agenda to the Board in advance of the Operations Committee meeting.

~~E. The committee may act by majority consent of all the committee members.~~

~~F. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.~~

~~G. All public Board disclosures and the Code of Ethics are applicable to all members of this committee.~~

XIV. Audit Committee Charter

(a)(1) There shall be is established an Audit Committee that shall be composed of three (3) five (5) members of the Board appointed by the Chair and two at-large members from the public with extensive auditing experience approved by the Board.

(2) The Board Chair shall appoint three (3) members of Board to serve as members of the Audit Committee.

(3)(A) The Board shall approve two (2) people who are from the public and have extensive auditing experience to serve as at-large members of the Audit Committee.

(B) The at-large members must be independent and have no affiliation with ATRS.

(C)(i) At-large members may serve two (2) four-year terms.

(ii) If the initial term of an at-large member is for less than four (4) years they, then the at-large member may serve two (2) more four-year terms.

(iii) An at-large member's four-year term shall begin on the first of the month immediately following the Board's approval and appointment of the at-large member.

(b)(1) The committee Audit Committee shall meet as needed on call by either the committee chair the call of the Chair or the Audit Committee or the ATRS Internal Auditor. Actions taken by the committee shall be reported to the ATRS Board of Trustees.

(2) ATRS staff shall furnish the Audit Committee agenda along with appropriate briefing material to the Audit Committee and the Board in advance of the Audit Committee meeting.

(3) The Audit Committee may invite members of management, auditors, employees, or others to attend Audit Committee meetings and provide pertinent information as necessary.

(c)(1) The Audit Committee shall assist the Board in fulfilling the oversight responsibilities of the Board relating to financial reporting processes, the system of internal controls, the internal audit process, and the System's compliance with the law, rules, and policies, including ethical policies, applicable to the System.

(2) The purposes of the Audit Committee shall be:

(A) With regard to financial statements, to review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions;

(B) With regard to internal controls, to:

(i) Review the risk assessment to consider the effectiveness of the System's internal controls; and

(ii) Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses;

(C) With regard to internal audits, to

(i) Review with management and the ATRS Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function;

(ii) Review and approve the audit plan and all major changes to the plan; and

(iii) Review reports prepared by Internal Audit and follow up on any findings and recommendations;

(D) With regard to compliance, to review the findings of any examinations by regulatory agencies and any auditor observations;

(E) With regard to reporting, to regularly report to the Board on the Audit Committee's activities and issues that arise with respect to the quality or integrity of the System's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function;

(F) To perform other activities related to Audit Committee Charter or the audit functions as requested by the Board;

(G) To resolve any disagreements between management and the ATRS Internal Auditor regarding financial reporting;

(H) To review and assess the adequacy of the Audit Committee Charter and make recommendations to the Board concerning the same;

(I)(a) To approve administrative decisions regarding the appointment and removal of the ATRS Internal Auditor.

(b) The approval of the appointment or termination of the ATRS Internal Auditor by the Audit Committee shall not be final until confirmed by the Board; and

(J)(i) To perform an annual employee evaluation of the ATRS Internal Auditor.

(ii) The Audit Committee shall:

(a) Meet in executive session, with or without the ATRS Internal Auditor, for the purpose of conducting, reviewing, and discussing an evaluation of the ATRS Internal Auditor;

(b) Gather information as it deems necessary, including without limitation input from the Executive Director or other persons with direct knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough evaluation of the ATRS Internal Auditor;

(c)(1) Upon the completion of the evaluation of the ATRS Internal Auditor, report the completion of the evaluation to the Board.

(2) If by motion and second, a Trustee requests information concerning the specific results of the evaluation of the ATRS Internal Auditor and the majority of the Board votes in favor of such motion, the Board may meet in executive session to hear the Audit Committee's findings and recommendation on the evaluation of the ATRS Internal Auditor.

(4)(A) The Audit Committee is authorized to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information that it may require from ATRS staff, all of whom are directed to cooperate with the Audit Committee's request.

(B) In the event the Audit Committee has difficulty obtaining the necessary information from ATRS staff, the Audit Committee may seek assistance from the Executive Director or the Board as the circumstances dictate.

~~D.— The committee has authority to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information it requires from employees, all of who are directed to cooperate with the committee's request. In the event the committee has difficulty obtaining the necessary information from an employee or employees, the committee may seek assistance from the Executive Director or the Board of Trustees as the circumstances dictate.~~

~~E.— The committee may invite members of management, auditors, employees, or others to attend meetings and provide pertinent information as necessary.~~

~~F.— The committee will assist the Board of Trustees in fulfilling the Board's oversight responsibility relating to:~~

- ~~1. The financial reporting processes~~
- ~~2. The system of internal controls~~
- ~~3. The internal audit process~~
- ~~4. ATRS's compliance with laws and regulatory requirements and ethics policies~~

~~G.— Meeting agendas will be prepared and provided in advance to committee members, along with appropriate briefing material when practical.~~

~~H.— The committee may act by majority consent of all the members of the committee.~~

~~I.— Minutes of the meeting will be prepared and presented at the next scheduled Audit Committee meeting for review and approval.~~

- J. ~~The committee will carry out the following responsibilities:~~
1. ~~**Financial Statements**~~
 - a. ~~Review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions.~~
 2. ~~**Internal Control**~~
 - a. ~~Review the risk assessment to consider the effectiveness of ATRS's internal controls.~~
 - b. ~~Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses.~~
 3. ~~**Internal Audit**~~
 - a. ~~Review with management and the Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function.~~
 - b. ~~Review and approve the audit plan and all major changes to the plan.~~
 - c. ~~Review Internal Audit's reports and follow up on findings and recommendations.~~
 4. ~~**Compliance**~~
 - a. ~~Review the findings of any examinations by regulatory agencies, and any auditor observations.~~
 5. ~~**Reporting Responsibilities**~~
 - a. ~~Regularly report to the Board of Trustees on the committee's activities and issues that arise with respect to the quality or integrity of ATRS's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function.~~
 6. ~~**Other Responsibilities**~~
 - a. ~~Perform other activities related to this charter or the audit functions as requested by the Board of Trustees.~~
 - b. ~~Resolve any disagreements between management and the Internal Auditor regarding financial reporting.~~
 - c. ~~Review and assess the adequacy of the committee charter, and propose recommended changes as needed, and request Board of Trustees approval for recommended changes.~~
 - d. ~~Approve administrative decisions regarding the appointment and removal of the Internal Auditor. Approval of appointment or termination of the Internal Auditor by the Audit Committee is not final until confirmed by the Board of Trustees.~~
 - e. ~~Perform an annual employee evaluation of the Internal Auditor of ATRS. The audit committee shall:~~
 - i. ~~Meet in executive session, with or without the Internal Auditor,~~
~~for the purpose of conducting, reviewing, and discussing an employee evaluation of the internal auditor;~~
 - ii. ~~Gather information as it deems necessary, including input from the Executive director or other persons with direct~~

~~knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough annual employee evaluation of the Internal Auditor;~~

- ~~iii. Report to the Board of Trustees when the Committee has completed the annual evaluation that the evaluation has been completed. If a Trustee requests by motion and second to learn the specific results of the Internal Auditor evaluation, and the majority of the Board votes in favor of such motion, the Board of Trustees may meet in executive session to hear the Committee's findings and recommendation on the employee evaluation.~~

(d)(1) The Audit Committee may periodically evaluate itself and report the results to the Board.

(2) The effective date for the start of any evaluation process and the frequency of evaluations shall be determined by the Audit Committee.

HISTORY

Adopted: June 12, 2002 as Rule 1-1 through 1-19

Amended: October 7, 2003

Amended: December 3, 2007

Amended: June 16, 2009

Amended: September 12, 2012

Amended: March 6, 2013

Amended: April 1, 2013

Amended: July 1, 2018

Amended: October 7, 2019 as Board Policy 1

Amended: September 27, 2021

Amended: September 25, 2023

Amended: TBD

~~1 "Members" as used in the Board policies means plan participants of the Arkansas Teacher Retirement System.~~

AON

Quarterly Investment Review

Arkansas Teacher Retirement System

First Quarter 2024

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

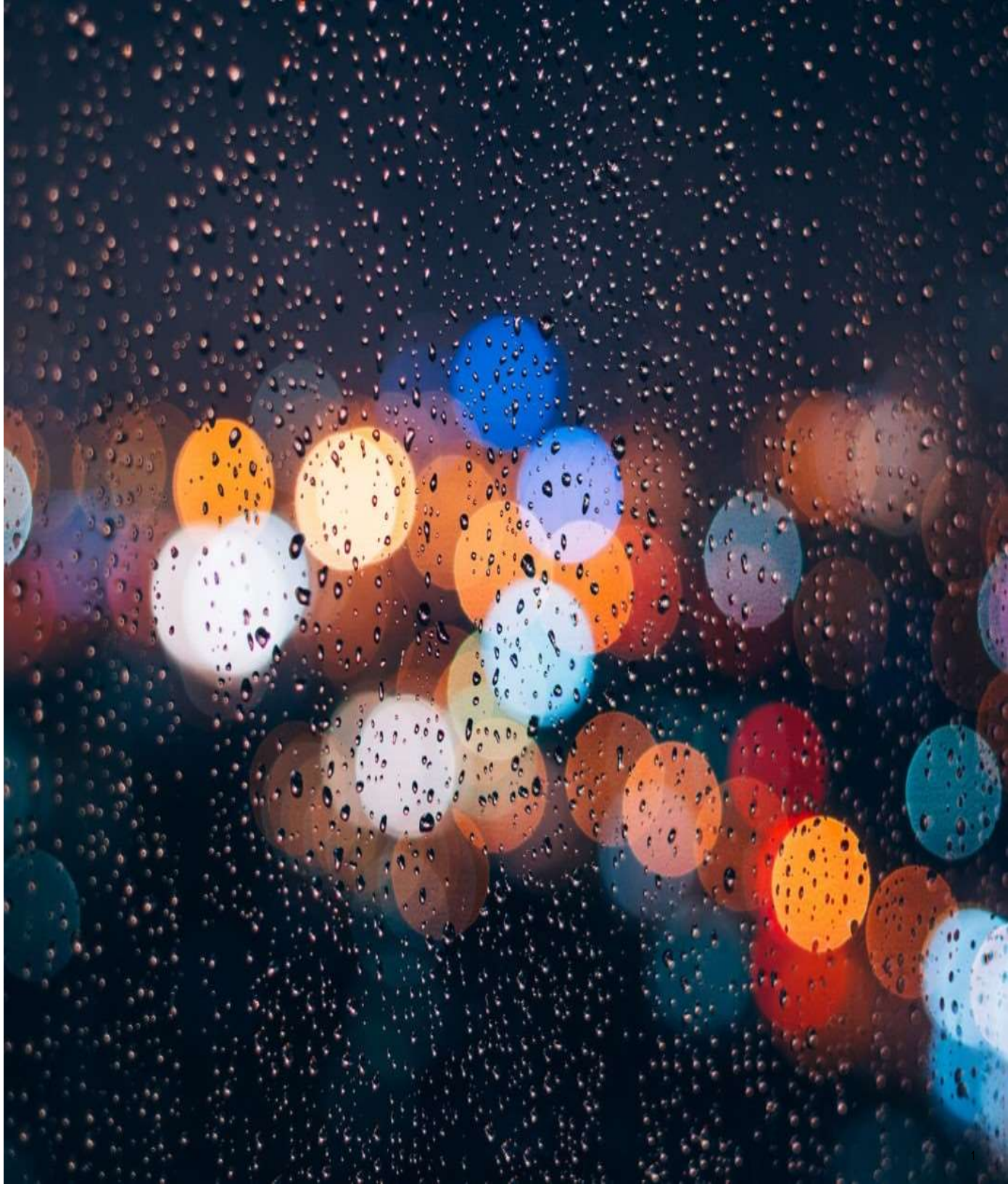
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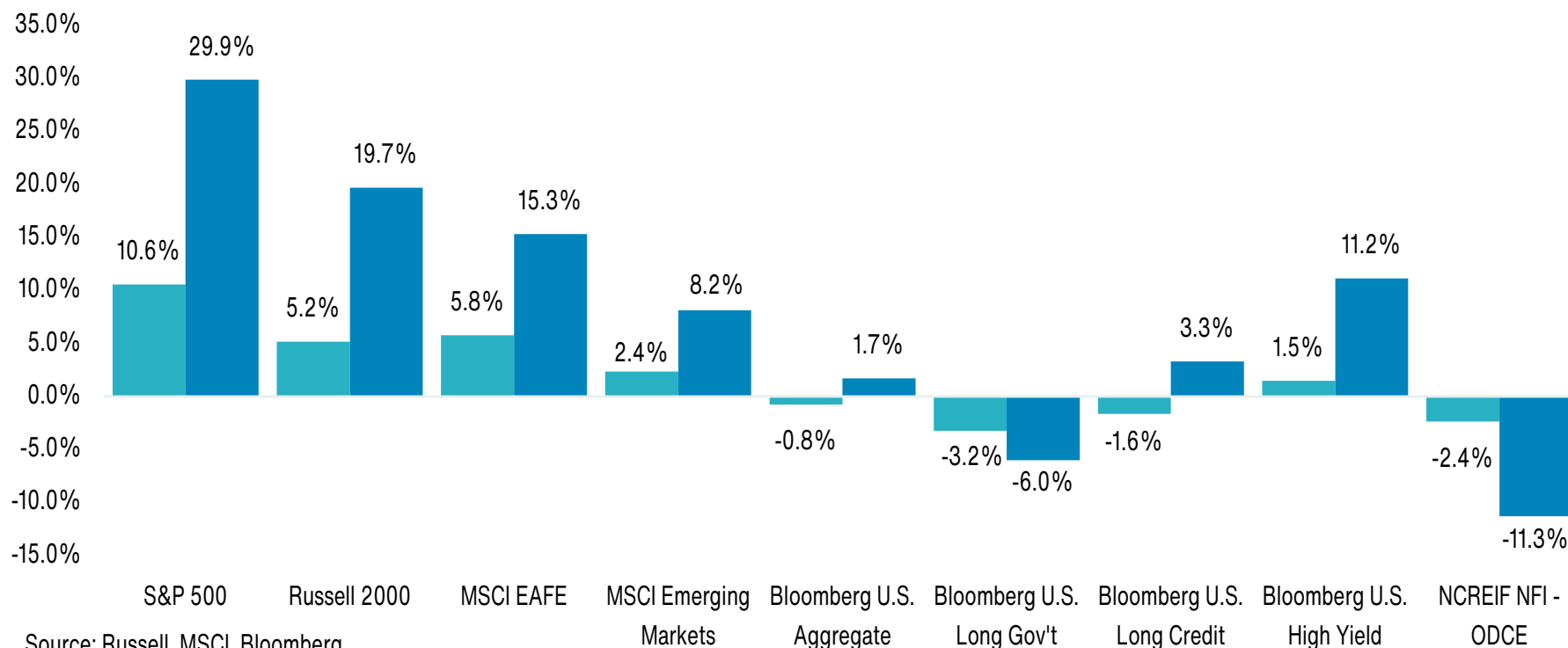
Executive Summary



Market Highlights

SHORT TERM RETURNS AS OF 03/31/2024

■ First Quarter 2024 ■ One-Year



Source: Russell, MSCI, Bloomberg

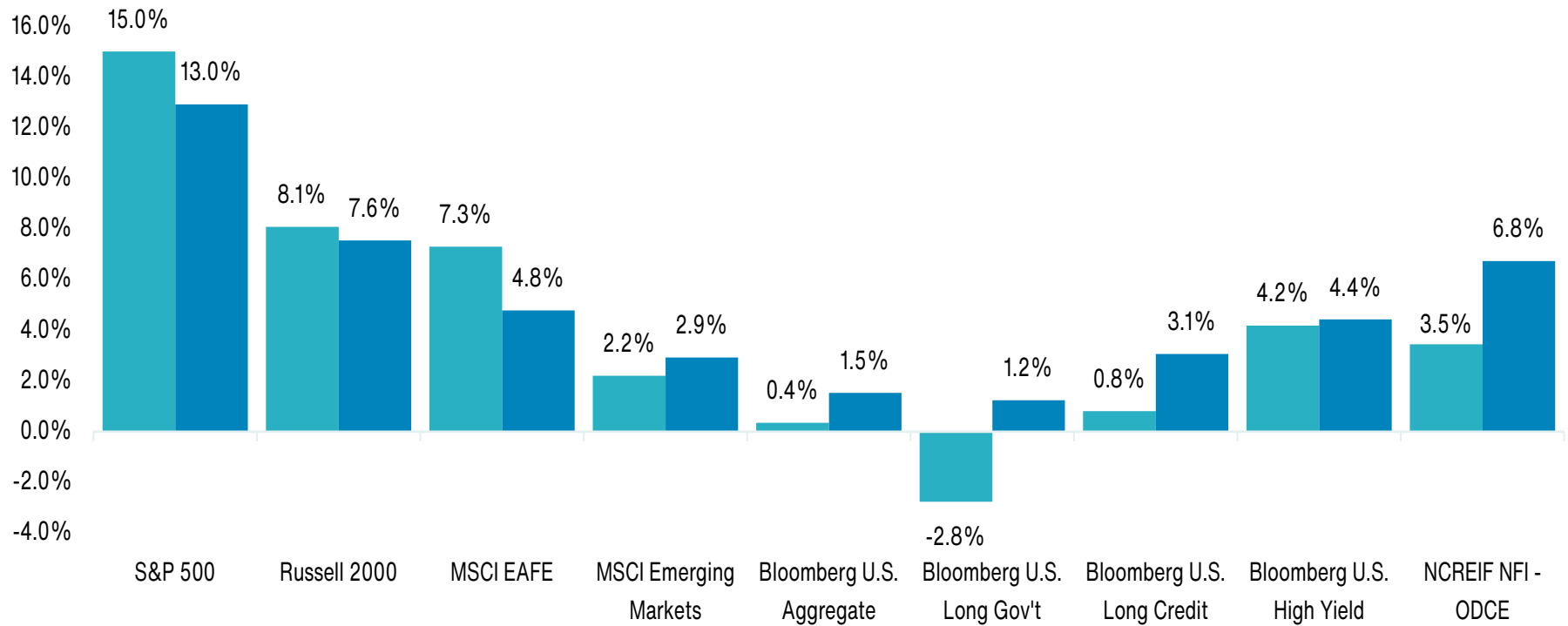
MSCI Indices show net total returns throughout this report. All other indices show gross total returns.

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

Market Highlights

LONG TERM ANNUALIZED RETURNS AS OF 03/31/2024

■ Five-Year ■ Ten-Year



Source: Russell, MSCI, Bloomberg

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

Market Highlights

Returns of the Major Capital Markets

	Period Ending 03/31/2024					
	First Quarter	YTD	1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Equity						
MSCI All Country World IMI	7.72%	7.72%	22.45%	6.31%	10.57%	8.43%
MSCI All Country World	8.20%	8.20%	23.22%	6.96%	10.92%	8.66%
Dow Jones U.S. Total Stock Market	10.05%	10.05%	29.35%	9.63%	14.23%	12.24%
Russell 3000	10.02%	10.02%	29.29%	9.78%	14.34%	12.33%
S&P 500	10.56%	10.56%	29.88%	11.49%	15.05%	12.96%
Russell 2000	5.18%	5.18%	19.71%	-0.10%	8.10%	7.58%
MSCI All Country World ex-U.S. IMI	4.33%	4.33%	13.20%	1.72%	6.00%	4.32%
MSCI All Country World ex-U.S.	4.69%	4.69%	13.26%	1.94%	5.97%	4.25%
MSCI EAFE	5.78%	5.78%	15.32%	4.78%	7.33%	4.80%
MSCI EAFE (Local Currency)	9.96%	9.96%	18.82%	9.43%	9.36%	7.66%
MSCI Emerging Markets	2.37%	2.37%	8.15%	-5.05%	2.22%	2.95%
Equity Factors						
MSCI World Minimum Volatility (USD)	5.81%	5.81%	11.85%	5.54%	6.61%	8.33%
MSCI World High Dividend Yield	5.79%	5.79%	14.31%	7.11%	8.21%	7.04%
MSCI World Quality	11.70%	11.70%	34.17%	12.41%	16.20%	13.33%
MSCI World Momentum	20.21%	20.21%	36.51%	8.46%	13.31%	12.37%
MSCI World Enhanced Value	7.03%	7.03%	21.67%	7.47%	8.42%	6.48%
MSCI World Index Growth	10.28%	10.28%	31.48%	9.15%	15.36%	12.31%
MSCI USA Minimum Volatility (USD)	7.69%	7.69%	16.72%	8.29%	9.30%	11.00%
MSCI USA High Dividend Yield	8.14%	8.14%	16.36%	7.95%	8.82%	9.99%
MSCI USA Quality	12.92%	12.92%	39.31%	13.51%	17.32%	15.20%
MSCI USA Momentum	20.31%	20.31%	37.54%	7.16%	12.56%	13.72%
MSCI USA Enhanced Value	7.84%	7.84%	20.36%	4.99%	9.48%	8.93%
MSCI USA Equal Weighted	8.23%	8.23%	22.39%	6.90%	11.58%	10.34%
MSCI USA Growth	11.72%	11.72%	39.63%	11.86%	18.96%	16.04%

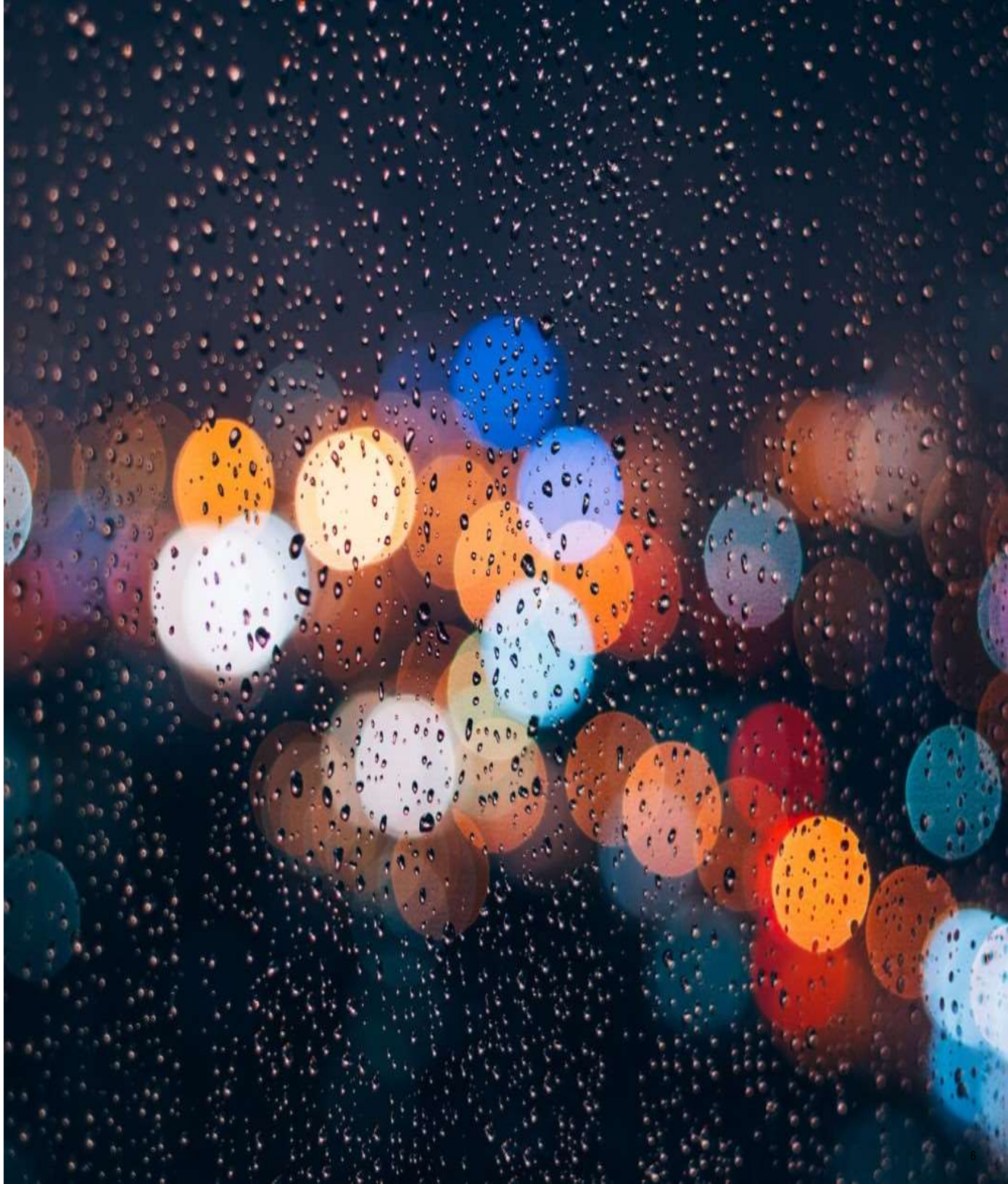
Returns of the Major Capital Markets

	Period Ending 03/31/2024					
	First Quarter	YTD	1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Fixed Income						
Bloomberg Global Aggregate	-2.08%	-2.08%	0.49%	-4.73%	-1.17%	-0.07%
Bloomberg U.S. Aggregate	-0.78%	-0.78%	1.70%	-2.46%	0.36%	1.54%
Bloomberg U.S. Long Gov't	-3.24%	-3.24%	-6.03%	-8.01%	-2.77%	1.25%
Bloomberg U.S. Long Credit	-1.65%	-1.65%	3.31%	-4.26%	0.83%	3.08%
Bloomberg U.S. Long Gov't/Credit	-2.41%	-2.41%	-1.15%	-6.04%	-0.62%	2.32%
Bloomberg U.S. TIPS	-0.08%	-0.08%	0.45%	-0.53%	2.49%	2.21%
Bloomberg U.S. High Yield	1.47%	1.47%	11.15%	2.19%	4.21%	4.44%
Bloomberg Global Treasury ex U.S.	-3.81%	-3.81%	-2.75%	-7.65%	-3.41%	-1.68%
JP Morgan EMBI Global (Emerging Market)	1.40%	1.40%	9.53%	-1.10%	0.93%	2.85%
Commodities						
Bloomberg Commodity Index	2.19%	2.19%	-0.56%	9.11%	6.38%	-1.56%
Goldman Sachs Commodity Index	10.36%	10.36%	11.14%	18.05%	7.83%	-2.93%
Hedge Funds						
HFRI Fund-Weighted Composite ²	4.52%	4.52%	11.68%	4.11%	6.92%	4.93%
HFRI Fund of Funds ²	4.17%	4.17%	9.68%	2.88%	5.00%	3.59%
Real Estate						
NAREIT U.S. Equity REITS	-0.20%	-0.20%	10.54%	4.14%	4.15%	6.61%
NCREIF NFI - ODCE	-2.37%	-2.37%	-11.29%	3.37%	3.46%	6.76%
FTSE Global Core Infrastructure Index	1.80%	1.80%	4.50%	2.88%	4.73%	6.69%
Private Equity						
Burgiss Private IQ Global Private Equity ³			2.47%	19.41%	15.14%	14.53%
MSCI Indices show net total returns throughout this report. All other indices show gross total returns.						
¹ Periods are annualized.						
² Latest 5 months of HFR data are estimated by HFR and may change in the future.						
³ Burgiss Private IQ Global Private Equity data is as at June 30, 2023						
Source: Russell, MSCI, Bloomberg						

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

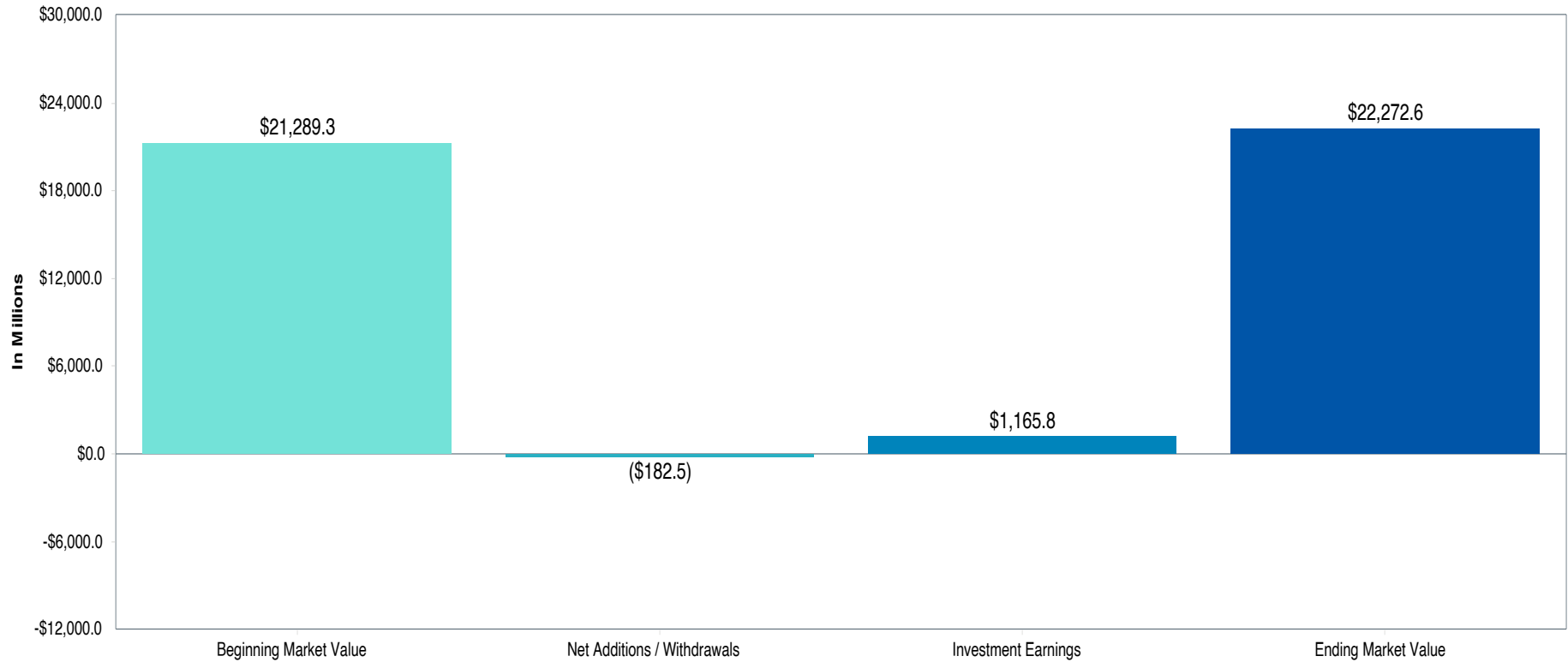
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Total Fund



Total Plan Asset Summary

As of March 31, 2024



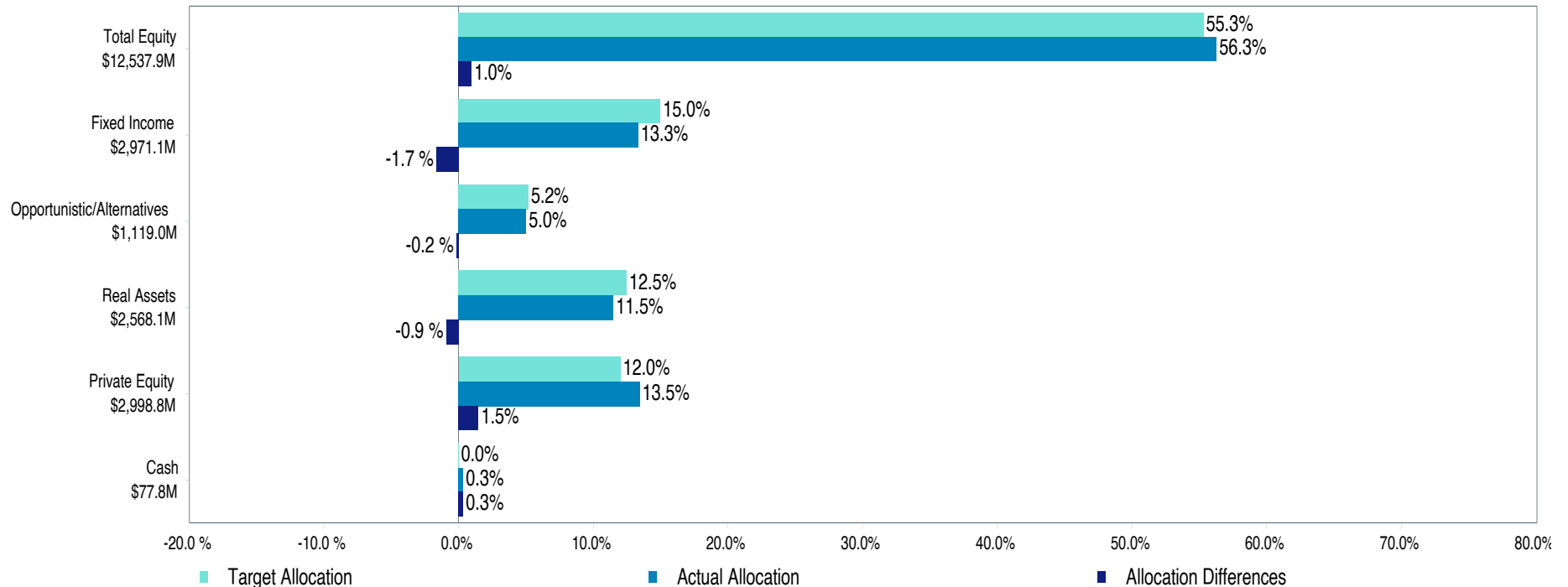
Summary of Cash Flows

	1 Quarter	Fiscal Year 2024	1 Year
Total Fund			
Beginning Market Value	21,289,300,596	20,745,857,372	20,253,828,688
+ Additions / Withdrawals	-182,503,751	-640,501,205	-740,662,624
+ Investment Earnings	1,165,847,076	2,167,287,754	2,759,477,857
= Ending Market Value	22,272,643,922	22,272,643,922	22,272,643,922

Asset Allocation Compliance

As of March 31, 2024

	Market Value \$M	ATRS Current Allocation %	ATRS Benchmark Policy %	ATRS Long-Term Target Allocation %	Minimum Allocation %	Maximum Allocation %
Total Fund	22,272.6	100.00	100.00	100.00	-	-
Total Equity	12,537.9	56.29	55.34	53.00	48.00	58.00
Fixed Income	2,971.1	13.34	15.00	15.00	13.00	17.00
Opportunistic/Alternatives	1,119.0	5.02	5.20	5.00	0.00	100.00
Real Assets	2,568.1	11.53	12.46	15.00	0.00	100.00
Private Equity	2,998.8	13.46	12.00	12.00	0.00	100.00
Cash	77.8	0.35	0.00	0.00	0.00	5.00

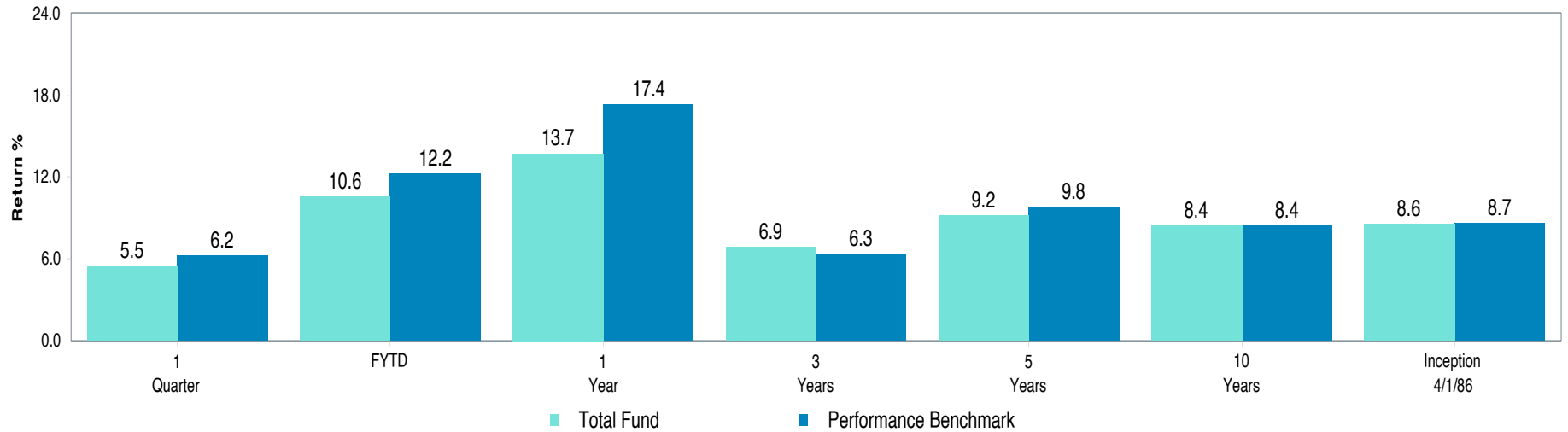


*Market values and allocation percentages may not add to the sum total due to rounding.

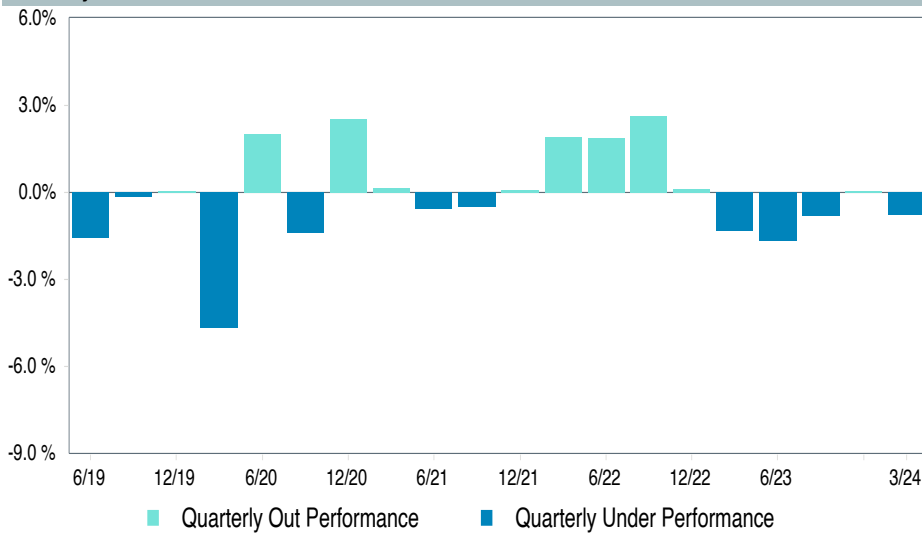
Total Plan Performance Summary

As of March 31, 2024

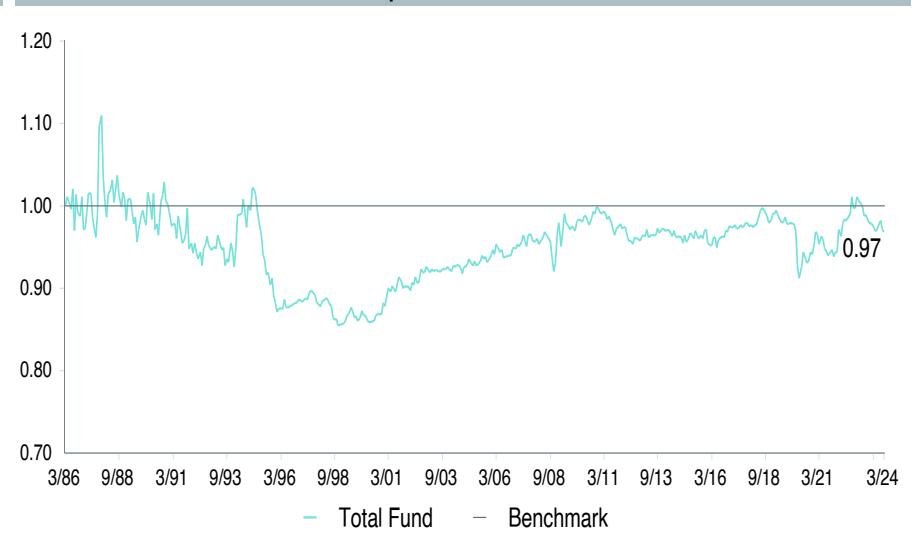
Return Summary



Quarterly Excess Performance

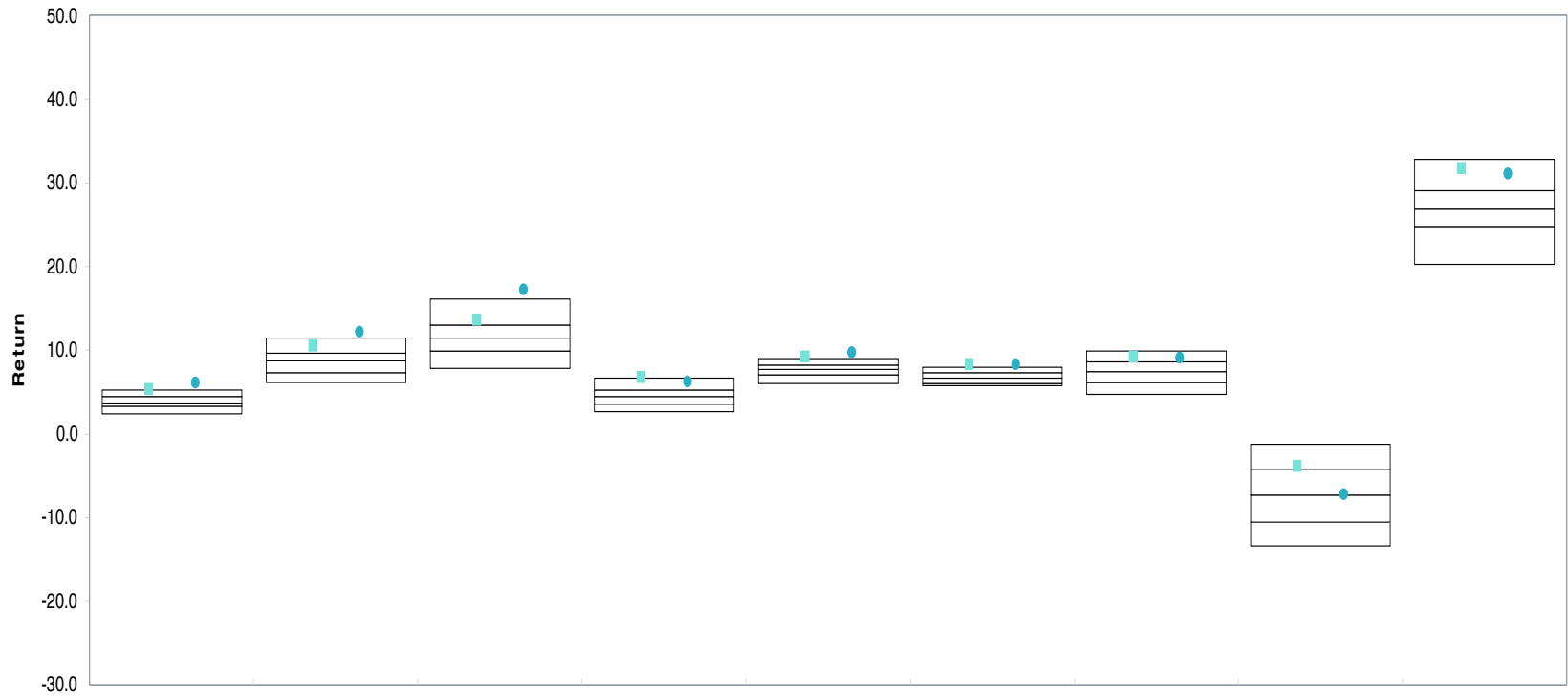


Ratio of Cumulative Wealth - Since Inception



Total Fund

As of March 31, 2024



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Total Fund	5.5 (4)	10.6 (17)	13.7 (18)	6.9 (5)	9.2 (4)	8.4 (3)	9.2 (16)	-3.9 (22)	31.9 (10)
● Performance Benchmark	6.2 (1)	12.2 (2)	17.4 (1)	6.3 (7)	9.8 (3)	8.4 (3)	9.2 (16)	-7.2 (50)	31.2 (16)
5th Percentile	5.3	11.4	16.2	6.7	9.1	8.0	10.0	-1.2	32.9
1st Quartile	4.5	9.6	13.0	5.2	8.3	7.3	8.7	-4.2	29.1
Median	3.7	8.8	11.5	4.5	7.7	6.7	7.5	-7.3	27.0
3rd Quartile	3.3	7.4	10.0	3.6	7.0	6.1	6.2	-10.5	24.8
95th Percentile	2.5	6.2	7.9	2.7	6.1	5.8	4.7	-13.5	20.3
Population	91	55	48	42	40	35	72	82	127

Parentheses contain percentile rankings.



Asset Allocation & Performance

As of March 31, 2024

	Allocation			Performance %							
	Market Value \$ (\$)	%	Policy %	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Fund	22,272,643,922	100.0	100.0	5.5	10.6	13.7	6.9	9.2	8.4	8.6	04/01/1986
<i>Performance Benchmark</i>				6.2	12.2	17.4	6.3	9.8	8.4	8.7	
Total Equity	12,537,879,777	56.3	56.2	9.2	18.3	24.5	7.9	11.1		9.7	07/01/2015
<i>Total Equity Performance Benchmark</i>				8.5	16.9	24.8	7.4	11.7		10.2	
Fixed Income	2,971,115,883	13.3	15.0	0.1	3.4	2.9	-0.7	1.7	2.5	4.8	07/01/1992
<i>Performance Benchmark</i>				-0.5	3.3	2.7	-2.1	0.7	1.8	4.8	
Opportunistic/Alternatives	1,119,015,638	5.0	5.1	4.4	10.2	13.6	7.2	4.9	3.6	4.1	05/01/2011
<i>Custom Alternatives Benchmark</i>				4.9	7.9	10.8	4.9	4.4	2.9	2.7	
Real Assets	2,568,093,911	11.5	11.8	-0.4	-2.1	-3.1	5.7	4.9	6.8	7.0	07/01/2013
<i>Total Real Assets Benchmark</i>				-1.8	-3.4	-4.5	6.5	5.1	6.7	7.1	
Real Estate	1,477,715,666	6.6		-3.2	-6.3	-9.0	3.8	2.7	6.2	7.8	12/01/1998
<i>NFI-ODCE (Net)</i>				-5.0	-9.7	-12.7	3.3	2.9	6.1	7.9	
Timber	356,623,981	1.6		5.1	3.2	3.1	8.5	7.6	5.7	7.2	06/01/1998
<i>Timberland Property Benchmark</i>				4.3	7.6	9.5	10.5	7.0	5.6		
Agriculture	244,714,767	1.1		0.9	1.9	5.5	9.3	6.6	5.6	6.2	09/01/2011
<i>Agriculture Benchmark</i>				2.3	2.8	5.0	7.5	6.1	5.6		
Infrastructure	489,039,497	2.2		3.5	5.9	8.6	13.1	13.8		13.4	07/01/2018
<i>Infrastructure Benchmark</i>				0.9	5.4	8.5	9.7	8.5		8.5	
Private Equity	2,998,769,689	13.5	12.0	1.5	0.5	1.4	8.5	11.5	12.9	12.2	03/01/1997
<i>Private Equity Policy</i>				12.7	19.3	28.6	10.6	17.3	13.6	11.3	
Cash	77,769,024	0.3	0.0								

*The Real Assets and Private Equity market values, returns and their benchmark returns are shown on a one-quarter lag. Market values have been adjusted for current quarter cash flows.
 *The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 151 of this report.
 *The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.
 Total Equity and Total Fund Performance includes investment earnings from Allianz Security Litigation Income received on February 28, 2022.
 *Market values and allocation percentages may not add to the sum total due to rounding.

Asset Allocation & Performance

As of March 31, 2024

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Fund	22,272,643,922	100.0	5.5 (4)	10.6 (17)	13.7 (18)	6.9 (5)	9.2 (4)	8.4 (3)	8.6	04/01/1986
<i>Performance Benchmark</i>			6.2 (1)	12.2 (2)	17.4 (1)	6.3 (7)	9.8 (3)	8.4 (3)	8.7	
Total Equity	12,537,879,777	56.3	9.2 (30)	18.3 (24)	24.5 (30)	7.9 (25)	11.1 (40)		9.7 (37)	07/01/2015
<i>Total Equity Performance Benchmark</i>			8.5 (35)	16.9 (32)	24.8 (29)	7.4 (30)	11.7 (31)		10.2 (26)	
Jacobs Levy 130/30	1,597,014,856	7.2	13.6 (9)	29.4 (3)	36.6 (12)	22.4 (1)	21.4 (1)	18.1 (1)	13.5 (2)	01/01/2008
<i>Russell 3000 Index</i>			10.0 (38)	19.3 (35)	29.3 (28)	9.8 (31)	14.3 (23)	12.3 (23)	10.2 (34)	
Kennedy Capital Management	674,413,357	3.0	5.2 (48)	13.9 (62)	19.0 (58)	4.1 (72)	9.6 (60)	7.4 (64)	11.7 (27)	01/01/1994
<i>Russell 2000 Value Index</i>			2.9 (89)	15.1 (53)	18.8 (60)	2.2 (86)	8.2 (84)	6.9 (81)	9.3 (100)	
Stephens	664,564,904	3.0	9.8 (32)	17.4 (17)	23.5 (26)	1.8 (25)	9.8 (48)	9.1 (65)	9.9 (59)	08/01/2006
<i>Russell 2000 Growth Index</i>			7.6 (44)	12.4 (40)	20.3 (36)	-2.7 (63)	7.4 (81)	7.9 (92)	8.8 (86)	
Voya Absolute Return	916,357,981	4.1	8.1 (40)	17.1 (30)	25.4 (26)	7.5 (30)	11.4 (37)	10.2 (16)	10.6 (17)	10/01/2008
<i>Performance Benchmark</i>			8.2 (38)	16.0 (37)	23.2 (35)	7.0 (37)	10.9 (42)	9.9 (20)	10.5 (18)	
Voya U.S. Convertibles	990,304,167	4.4	3.3 (95)	5.6 (97)	9.2 (96)	-1.2 (92)	11.6 (54)	9.6 (54)	10.1 (33)	12/01/1998
<i>Performance Benchmark</i>			2.3 (97)	6.4 (96)	11.3 (94)	-1.0 (92)	10.3 (68)	8.7 (69)	8.1 (82)	
Pershing Square Holdings	369,522,309	1.7	11.5 (22)	43.9 (1)	50.0 (1)	14.5 (3)	26.3 (1)	10.3 (44)	11.1 (67)	01/01/2013
<i>Dow Jones U.S. Total Stock Market Index</i>			10.0 (38)	19.3 (35)	29.4 (28)	9.6 (32)	14.2 (25)	12.2 (24)	13.9 (25)	
Trian Partners	96,632,140	0.4	11.1	15.5	17.7	5.8	8.4		8.1	11/01/2015
<i>S&P 500 Index</i>			10.6	19.4	29.9	11.5	15.0		13.7	
Trian Co-Investments	101,336,410	0.5	16.2	23.7	24.2	11.9	13.1		9.2	01/01/2017
<i>S&P 500 Index</i>			10.6	19.4	29.9	11.5	15.0		14.5	
SSgA Global Index	1,246,198,712	5.6	7.7 (44)	15.7 (38)	22.6 (37)	6.6 (42)	10.9 (42)	8.8 (43)	7.4 (47)	04/01/2008
<i>MSCI AC World IMI (Net)</i>			7.7 (44)	15.6 (38)	22.5 (37)	6.3 (45)	10.6 (46)	8.4 (47)	7.1 (55)	
BlackRock MSCI ACWI IMI Fund	1,073,939,013	4.8	7.8 (44)	15.9 (38)	22.9 (35)	6.7 (40)	10.9 (43)	8.7 (44)	9.0 (50)	07/01/2011
<i>MSCI AC World IMI (Net)</i>			7.7 (44)	15.6 (38)	22.5 (37)	6.3 (45)	10.6 (46)	8.4 (47)	8.7 (56)	
Wellington Global Perspectives	721,852,429	3.2	5.8 (66)	14.3 (48)	14.1 (74)	4.1 (68)	9.4 (62)	7.6 (60)	12.3 (18)	07/01/2009
<i>Performance Benchmark</i>			3.9 (84)	12.4 (64)	16.5 (66)	1.6 (86)	8.0 (78)	6.8 (75)	10.2 (61)	

Asset Allocation & Performance

As of March 31, 2024

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
T. Rowe Price Global Equity	1,480,943,729	6.6	11.9 (12)	19.9 (19)	29.7 (12)	2.9 (79)	14.6 (7)	13.6 (3)	13.4 (6)	09/01/2009
MSCI AC World Index (Net)			8.2 (38)	16.0 (37)	23.2 (35)	7.0 (37)	10.9 (42)	8.7 (46)	9.5 (60)	
MSCI AC World Index Growth (net)			9.5 (27)	17.4 (29)	28.2 (15)	6.7 (39)	13.6 (11)	11.0 (12)	11.5 (19)	
Lazard	817,306,996	3.7	7.0 (51)	15.4 (39)	18.5 (56)	-0.6 (93)	7.9 (79)	7.3 (63)	8.6 (76)	09/01/2009
MSCI AC World Index (Net)			8.2 (38)	16.0 (37)	23.2 (35)	7.0 (37)	10.9 (42)	8.7 (46)	9.5 (60)	
Harris Global Equity	709,093,644	3.2	4.6 (78)	9.5 (77)	14.0 (74)	4.4 (66)	10.5 (47)		7.2 (64)	06/01/2014
MSCI World Index (Net)			8.9 (33)	17.1 (30)	25.1 (27)	8.6 (19)	12.1 (27)		9.2 (32)	
MSCI World Value (Net)			7.5 (46)	15.3 (40)	18.8 (54)	7.6 (28)	8.3 (75)		6.2 (79)	
Arrowstreet Global Equity - Alpha Extension Fund	1,078,399,131	4.8	18.0 (2)	29.8 (4)	39.0 (6)				39.0 (6)	04/01/2023
MSCI AC World IMI Index (Net)			7.7 (42)	15.6 (40)	22.5 (37)				22.5 (37)	
Fixed Income	2,971,115,883	13.3	0.1	3.4	2.9	-0.7	1.7	2.5	4.8	07/01/1992
Performance Benchmark			-0.5	3.3	2.7	-2.1	0.7	1.8	4.8	
BlackRock	258,623,603	1.2	-0.5 (78)	3.1 (66)	2.3 (72)	-2.3 (80)	0.7 (80)	1.8 (60)	3.5 (42)	10/01/2003
Performance Benchmark			-0.5 (78)	3.3 (63)	2.7 (64)	-2.1 (76)	0.7 (81)	1.8 (61)	3.4 (47)	
Loomis Sayles	683,296,082	3.1	1.2 (25)	6.6 (20)	6.6 (24)	-0.3 (46)	3.1 (20)	3.7 (17)	6.5 (7)	09/01/2008
Performance Benchmark			0.0 (55)	4.9 (30)	5.0 (32)	-0.8 (53)	1.9 (39)	2.7 (33)	4.4 (30)	
SSgA Aggregate Bond Index	712,553,315	3.2	-0.7 (86)	2.5 (79)	1.7 (83)	-2.5 (85)	0.3 (90)	1.5 (78)	2.1 (70)	06/01/2010
Barclays Aggregate Index			-0.8 (88)	2.6 (79)	1.7 (83)	-2.5 (84)	0.4 (90)	1.5 (77)	2.2 (70)	
Wellington Global Total Return	404,172,759	1.8	1.6 (77)	4.0 (86)	3.9 (92)	4.0 (44)	3.6 (71)		2.8 (50)	05/01/2014
BofA Merrill Lynch 3 Month US T-Bill			1.3 (78)	4.0 (86)	5.2 (87)	2.6 (62)	2.0 (86)		1.4 (71)	
Reams Core Plus Bond Fund	577,393,750	2.6	-0.6 (83)	2.5 (80)	1.6 (84)	-1.4 (64)	2.6 (25)		2.6 (33)	05/01/2014
Barclays Aggregate Index			-0.8 (88)	2.6 (79)	1.7 (83)	-2.5 (84)	0.4 (90)		1.5 (80)	
BRS Recycling Tax Credit	175,975,000	0.8								
BRS Recycling Tax Credit Phase 2	77,031,608	0.3								
BRS Recycling Tax Credit Phase 3	82,069,766	0.4								

Asset Allocation & Performance

As of March 31, 2024

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Opportunistic/Alternatives	1,119,015,638	5.0	4.4	10.2	13.6	7.2	4.9	3.6	4.1	05/01/2011
<i>Custom Alternatives Benchmark</i>			4.9	7.9	10.8	4.9	4.4	2.9	2.7	
Anchorage	27,833,560	0.1	1.9	5.7	7.9	7.7	6.4	4.5	5.8	05/01/2011
<i>Credit Suisse Event Driven</i>			4.2	9.3	12.4	4.1	5.7	3.0	3.4	
York	7,332,049	0.0	20.9	-10.3	30.0	8.5	-8.3	-4.1	-1.0	05/01/2011
<i>Credit Suisse Event Driven</i>			4.2	9.3	12.4	4.1	5.7	3.0	3.4	
Capula	101,952,066	0.5	0.9	6.5	9.2	8.3	7.8	7.2	6.6	05/01/2011
<i>HFRI Macro (Total) Index</i>			6.3	6.8	8.6	6.1	6.4	3.8	2.3	
Graham	106,612,016	0.5	10.5	14.3	15.2	13.6	13.5	8.9	5.9	05/01/2011
<i>HFRI Macro (Total) Index</i>			6.3	6.8	8.6	6.1	6.4	3.8	2.3	
Circumference Group Core Value	42,683,771	0.2	1.7	5.4	7.6	5.1	7.9		8.8	08/01/2015
<i>Russell 2000 Index</i>			5.2	13.8	19.7	-0.1	8.1		7.9	
Aeolus Keystone Fund	26,090,687	0.1	2.7	2.2	8.7	1.7	2.0		-0.3	12/01/2015
<i>FTSE 3 Month T-Bill</i>			1.4	4.2	5.5	2.7	2.1		1.7	
<i>Eurekahedge ILS Advisers Index</i>			3.1	9.8	13.8	5.1	3.8		1.8	
Parametric Global Defensive Equity Fund	227,464,790	1.0	5.5	9.9	14.8	6.7	6.9		6.2	05/01/2017
<i>Performance Benchmark</i>			4.8	10.2	14.3	5.2	6.8		6.1	
<i>MSCI AC World Index</i>			8.3	16.4	23.8	7.5	11.5		10.7	
Man Alternative Risk Premia	126,208,138	0.6	7.0	10.8	13.8	12.2	5.4		4.2	06/01/2018
<i>SG Multi Alternative Risk Premia Index</i>			7.4	10.3	13.0	7.5	2.0		1.8	
CFM Systematic Global Macro Fund	104,991,403	0.5	-0.2	7.2	3.7				7.6	12/01/2021
<i>HFRI Macro: Systematic Diversified Index</i>			9.7	6.2	10.3				7.6	
Pillar Opportunity	108,289,644	0.5	2.4	14.7	18.8				5.8	12/01/2021
<i>FTSE 3 Month T-Bill</i>			1.4	4.2	5.5				3.5	
<i>Eurekahedge ILS Advisers Index</i>			3.1	9.8	13.8				6.2	
Chatham PDSC III	73,184,246	0.3	5.8	14.7	16.4				17.2	11/01/2021
<i>HFRI Event-Driven (Total) Index</i>			2.3	10.3	11.5				2.9	
Silver Point Capital Fund	54,781,687	0.2	3.9	6.6	9.2				5.2	04/01/2022
<i>HFRI ED: Distressed/Restructuring Index</i>			2.6	8.2	9.7				2.3	
Prophet Mtg. Servicing Opportunities	46,344,189	0.2	4.8	15.0					17.3	05/01/2023
<i>Credit Suisse Hedge Fund Index</i>			5.3	9.4					10.9	
Chatham PDSC IV	65,247,392	0.3	4.3	18.4					30.5	06/01/2023
<i>HFRI Event-Driven (Total) Index</i>			2.3	10.3					12.8	

Asset Allocation & Performance

As of March 31, 2024

	Allocation		Performance %							
	Market Value \$	%	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Real Assets	2,568,093,911	11.5	-0.4	-2.1	-3.1	5.7	4.9	6.8	7.0	07/01/2013
<i>Total Real Assets Benchmark</i>			-1.8	-3.4	-4.5	6.5	5.1	6.7	7.1	
Real Estate	1,477,715,666	6.6	-3.2	-6.3	-9.0	3.8	2.7	6.2	7.8	12/01/1998
<i>NFI-ODCE (Net)</i>			-5.0	-9.7	-12.7	3.3	2.9	6.1	7.9	
Timber	356,623,981	1.6	5.1	3.2	3.1	8.5	7.6	5.7	7.2	06/01/1998
<i>Timberland Property Benchmark</i>			4.3	7.6	9.5	10.5	7.0	5.6		
BTG Timber Separate Account	109,906,656	0.5								
BTG U.S. Timberland Fund, L.P.	246,717,325	1.1								
Agriculture	244,714,767	1.1	0.9	1.9	5.5	9.3	6.6	5.6	6.2	09/01/2011
<i>Agriculture Benchmark</i>			2.3	2.8	5.0	7.5	6.1	5.6		
HFMS Farmland	181,364,839	0.8	0.5	1.1	5.0	10.2	7.1	5.8	6.3	09/01/2011
<i>HFMS custom NCREIF Farmland Index</i>			2.3	2.8	5.0	7.5	6.4	5.5		
UBS Agrivest Core Farmland Fund	63,349,928	0.3	2.1	4.2	6.8	7.1	5.5		5.3	07/01/2015
<i>UBS Agrivest custom NCREIF Farmland Index</i>			2.3	2.8	5.0	7.5	6.4		6.3	
Infrastructure	489,039,497	2.2	3.5	5.9	8.6	13.1	13.8		13.4	07/01/2018
<i>Infrastructure Benchmark</i>			0.9	5.4	8.5	9.7	8.5		8.5	
Private Equity	2,998,769,689	13.5	1.5	0.5	1.4	8.5	11.5	12.9	12.3	04/01/1997
<i>Private Equity Policy</i>			12.7	19.3	28.6	10.6	17.3	13.6	11.3	
Cash	77,769,024	0.3								

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

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 151 of this report.

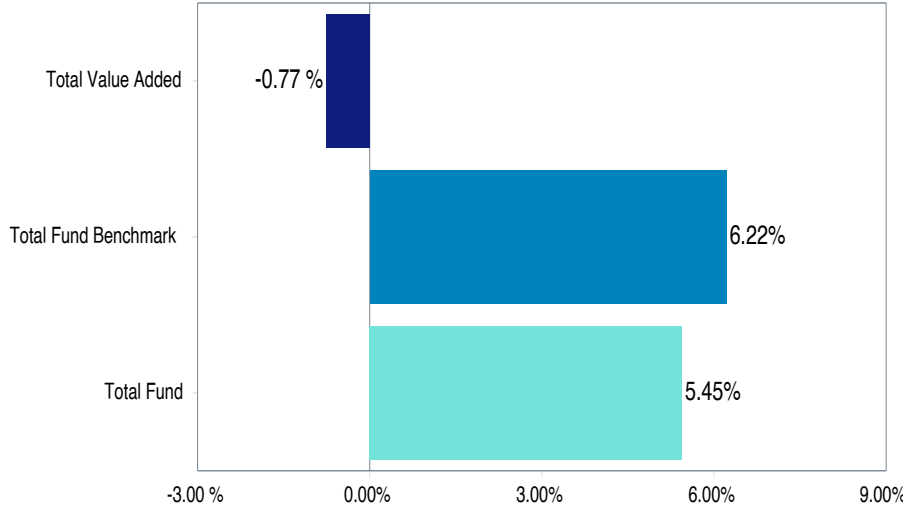
*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

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

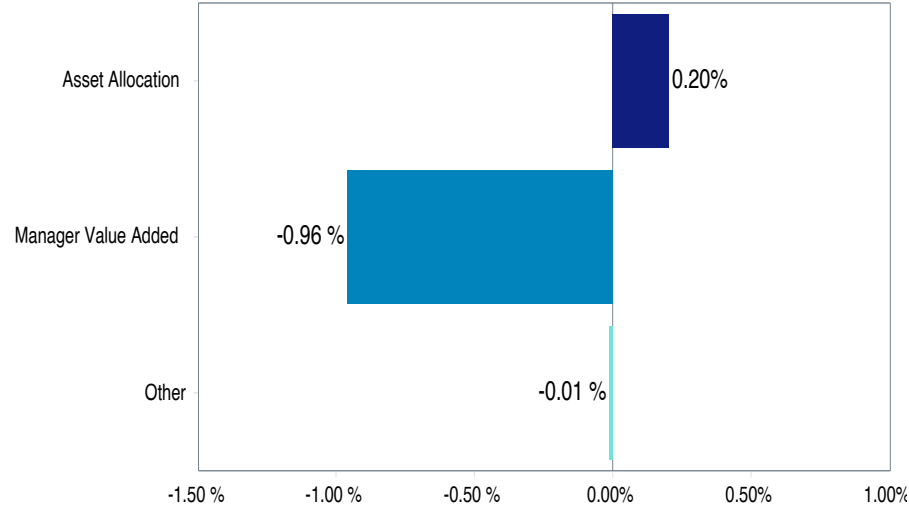
Total Fund Attribution

1 Quarter Ending March 31, 2024

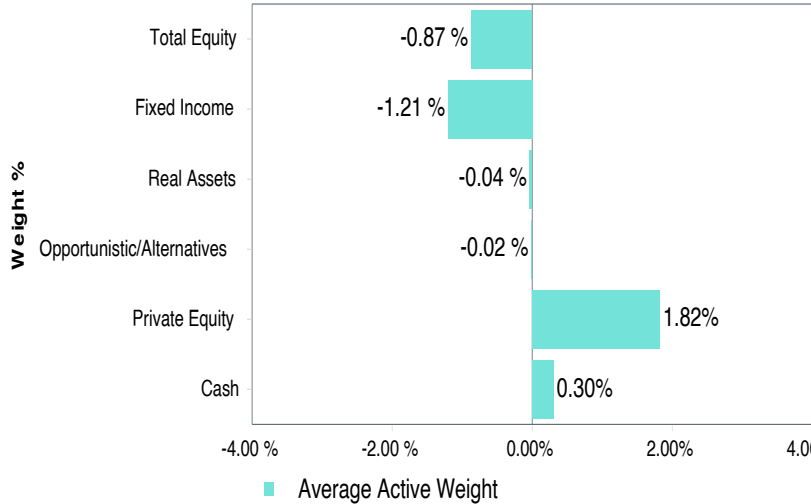
Total Fund Performance



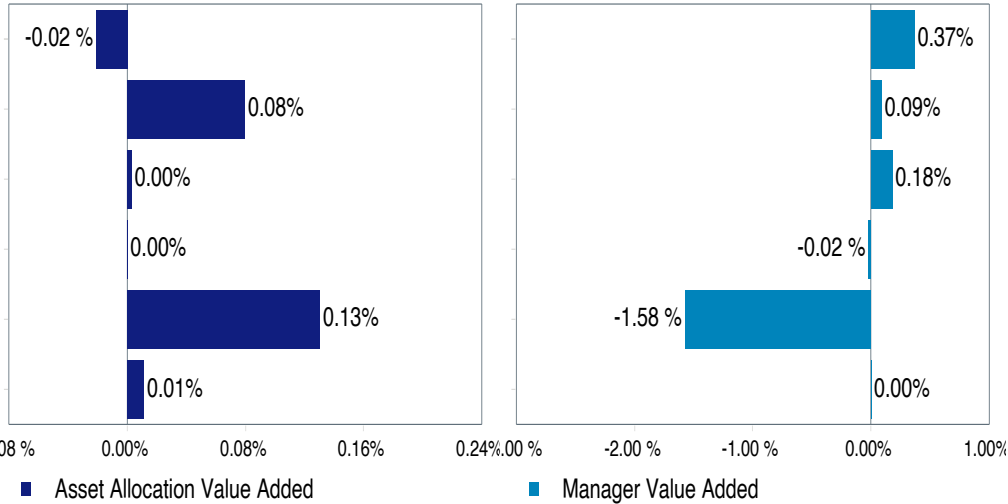
Total Value Added: -0.77%



Total Asset Allocation: 0.20%



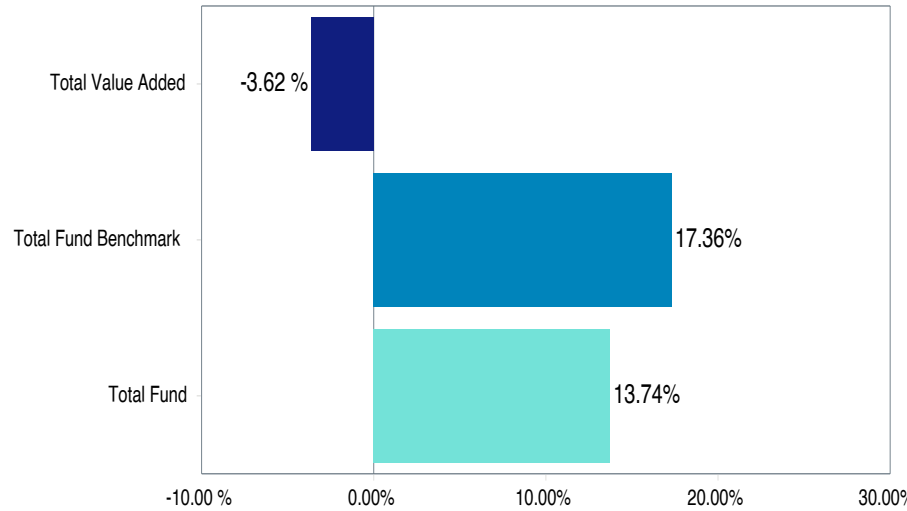
Total Manager Value Added: -0.96%



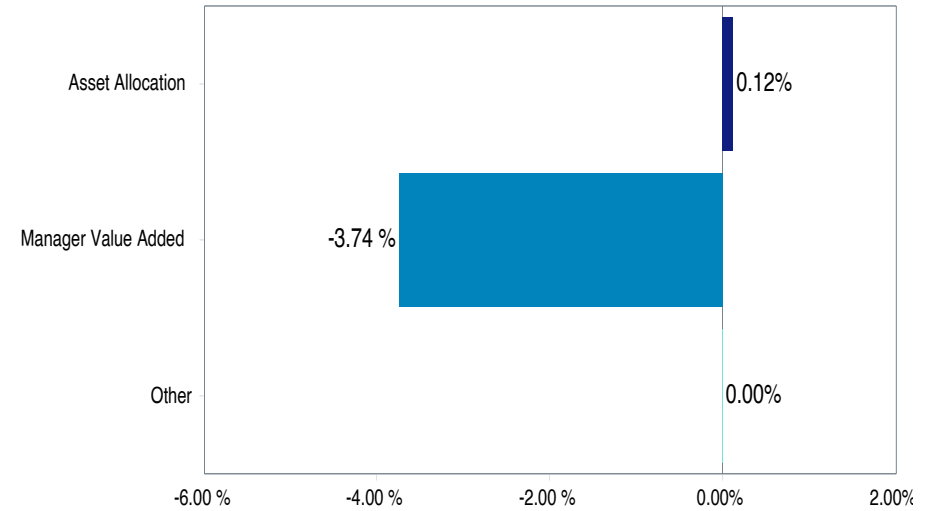
Total Fund Attribution

1 Year Ending March 31, 2024

Total Fund Performance

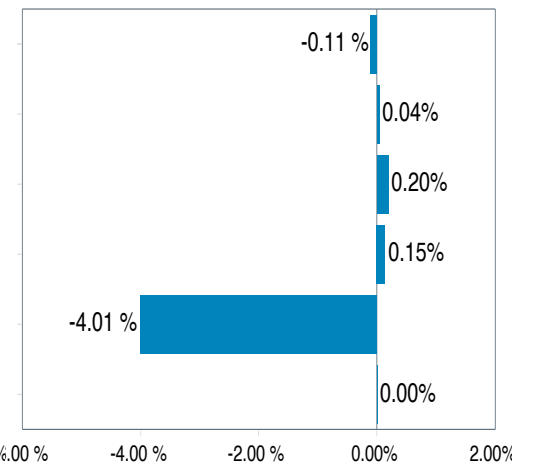
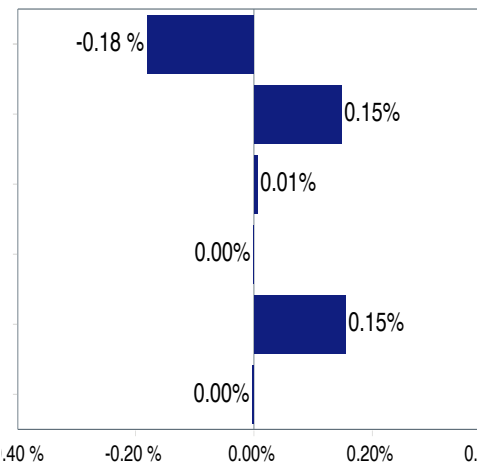
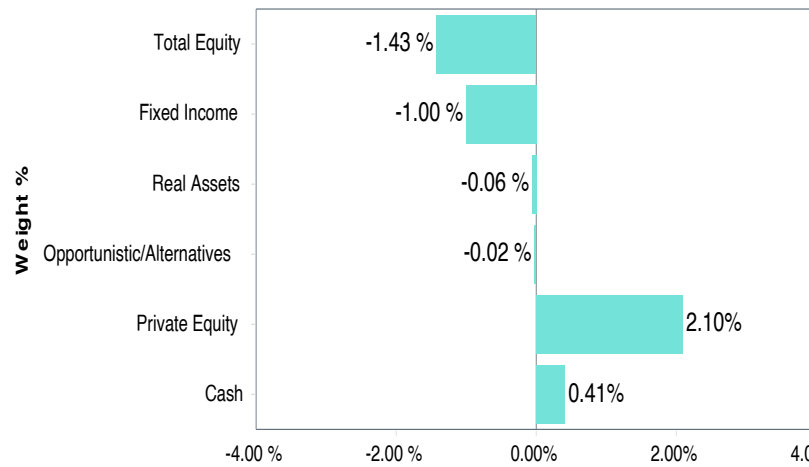


Total Value Added: -3.62%



Total Asset Allocation: 0.12%

Total Manager Value Added: -3.74%



Average Active Weight

Asset Allocation Value Added

Manager Value Added

Asset Allocation & Performance

Calendar Year Performance

	Performance %									
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Total Fund	9.2 (16)	-3.9 (22)	31.9 (10)	-1.4 (95)	5.3 (67)	11.7 (1)	16.1 (1)	-0.5 (80)	5.2 (9)	19.0 (7)
<i>Performance Benchmark</i>	9.2 (16)	-7.2 (50)	31.2 (16)	2.3 (38)	7.1 (11)	9.2 (21)	13.2 (29)	1.8 (10)	5.2 (9)	18.3 (17)
Total Equity	15.7 (53)	-13.4 (37)	47.4 (24)	-6.4 (78)	4.1 (59)	13.4 (29)	22.1 (27)	-4.8 (57)		
<i>Total Equity Performance Benchmark</i>	17.0 (43)	-15.8 (48)	42.0 (42)	2.7 (44)	5.9 (48)	12.2 (35)	19.0 (46)	-1.5 (38)		
Jacobs Levy 130/30	18.0 (38)	12.1 (1)	50.3 (42)	0.2 (47)	5.5 (51)	19.9 (23)	24.6 (18)	8.3 (4)	14.2 (7)	24.3 (54)
<i>Russell 3000 Index</i>	19.0 (32)	-13.9 (52)	44.2 (56)	6.5 (32)	9.0 (32)	14.8 (45)	18.5 (56)	2.1 (23)	7.3 (44)	25.2 (44)
Kennedy Capital Management	6.6 (87)	-11.9 (56)	72.4 (30)	-16.2 (51)	-7.8 (68)	12.2 (49)	24.2 (36)	-4.9 (66)	2.7 (54)	29.4 (10)
<i>Russell 2000 Value Index</i>	6.0 (88)	-16.3 (83)	73.3 (28)	-17.5 (60)	-6.2 (59)	13.1 (41)	24.9 (30)	-2.6 (43)	0.8 (67)	22.5 (74)
Stephens	13.6 (72)	-25.8 (32)	40.2 (87)	7.8 (53)	8.4 (37)	29.5 (26)	18.3 (83)	-7.8 (43)	5.1 (89)	18.4 (79)
<i>Russell 2000 Growth Index</i>	18.5 (36)	-33.4 (64)	51.4 (58)	3.5 (63)	-0.5 (79)	21.9 (64)	24.4 (44)	-10.8 (60)	12.3 (40)	24.7 (38)
Voya Absolute Return	15.6 (53)	-14.1 (42)	41.9 (42)	0.1 (55)	4.0 (59)	9.9 (53)	20.3 (37)	1.9 (22)	7.8 (10)	26.9 (26)
<i>Performance Benchmark</i>	16.5 (46)	-15.8 (48)	39.3 (54)	2.1 (46)	5.7 (49)	10.7 (47)	18.8 (48)	1.1 (23)	7.4 (11)	24.6 (40)
Voya U.S. Convertibles	9.5 (84)	-19.8 (70)	47.3 (48)	20.1 (10)	12.5 (14)	16.4 (36)	15.9 (75)	-7.1 (79)	4.4 (68)	23.1 (66)
<i>Performance Benchmark</i>	10.6 (80)	-20.6 (71)	45.7 (52)	15.3 (16)	7.8 (39)	12.0 (64)	16.8 (69)	-4.7 (66)	3.5 (74)	24.4 (53)
Pershing Square Holdings	23.5 (14)	-17.9 (66)	57.0 (26)	36.5 (2)	21.7 (1)	-2.7 (100)	8.3 (96)	-49.1 (100)	15.2 (4)	30.4 (10)
<i>Dow Jones U.S. Total Stock Market Index</i>	18.9 (32)	-14.2 (54)	44.3 (56)	6.4 (32)	8.9 (33)	14.8 (45)	18.5 (56)	2.0 (24)	7.2 (46)	25.0 (47)
Triar Partners	18.5	-19.0	33.4	-2.3	13.1	2.8	9.5			
<i>S&P 500 Index</i>	19.6	-10.6	40.8	7.5	10.4	14.4	17.9			
Triar Co-Investments	22.6	-10.9	34.5	-3.4	14.4	-5.6				
<i>S&P 500 Index</i>	19.6	-10.6	40.8	7.5	10.4	14.4	17.9			
SSgA Global Index	16.5 (46)	-16.2 (51)	41.3 (45)	1.6 (48)	4.8 (54)	11.4 (41)	19.4 (42)	-3.4 (49)	1.2 (54)	23.8 (49)
<i>MSCI AC World IMI (Net)</i>	16.1 (48)	-16.5 (52)	40.9 (46)	1.2 (50)	4.6 (55)	11.1 (44)	19.0 (45)	-3.9 (51)	0.8 (57)	23.4 (52)
BlackRock MSCI ACWI IMI Fund	16.6 (45)	-16.2 (51)	41.4 (45)	1.5 (48)	4.5 (56)	11.4 (41)	19.1 (45)	-3.4 (49)	1.2 (54)	23.9 (49)
<i>MSCI AC World IMI (Net)</i>	16.1 (48)	-16.5 (52)	40.9 (46)	1.2 (50)	4.6 (55)	11.1 (44)	19.0 (45)	-3.9 (51)	0.8 (57)	23.4 (52)
Wellington Global Perspectives	13.4 (68)	-17.1 (55)	60.0 (9)	-11.7 (91)	-3.8 (90)	15.7 (19)	24.8 (15)	-4.2 (52)	-1.4 (70)	33.1 (5)
<i>Performance Benchmark</i>	13.0 (70)	-21.8 (77)	54.1 (13)	-5.5 (76)	-3.0 (88)	13.8 (27)	20.5 (36)	-4.7 (56)	1.5 (52)	26.0 (31)

Asset Allocation & Performance

Calendar Year Performance

	Performance %									
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
T. Rowe Price Global Equity	20.0 (21)	-28.7 (91)	52.0 (15)	22.8 (6)	8.0 (35)	21.3 (7)	28.8 (8)	-0.6 (33)	7.5 (10)	32.0 (7)
MSCI AC World Index (Net)	16.5 (46)	-15.8 (48)	39.3 (54)	2.1 (46)	5.7 (49)	10.7 (47)	18.8 (48)	-3.7 (50)	0.7 (57)	22.9 (55)
MSCI AC World Index Growth (net)	23.1 (11)	-23.5 (82)	39.7 (51)	16.6 (10)	7.2 (41)	16.1 (19)	18.6 (49)	-2.7 (44)	4.9 (25)	23.1 (54)
Lazard	10.4 (78)	-25.6 (86)	47.5 (24)	1.6 (48)	2.7 (69)	9.8 (53)	26.2 (12)	-10.7 (88)	7.3 (11)	23.3 (52)
MSCI AC World Index (Net)	16.5 (46)	-15.8 (48)	39.3 (54)	2.1 (46)	5.7 (49)	10.7 (47)	18.8 (48)	-3.7 (50)	0.7 (57)	22.9 (55)
Harris Global Equity	18.4	-17.0	56.6	-6.6	-2.0	5.0	38.9	-12.8	0.7	
MSCI World Index (Net)	18.5	-14.3	39.0	2.8	6.3	11.1	18.2	-2.8	1.4	
MSCI World Value (Net)	10.7	-6.6	37.9	-11.3	4.2	5.6	18.7	-3.7	-2.9	
Arrowstreet Global Equity - Alpha Extension Fund										
MSCI AC World IMI Index (Net)										
Fixed Income	1.4	-7.5	3.1	6.4	6.4	1.3	5.2	3.5	1.0	6.1
Performance Benchmark	0.0	-10.9	1.1	7.9	8.1	-0.3	0.9	5.8	1.6	5.2
BlackRock	-0.4 (75)	-10.9 (69)	0.9 (73)	9.0 (18)	8.0 (26)	-0.3 (76)	0.3 (69)	6.0 (22)	2.4 (15)	5.2 (49)
Performance Benchmark	0.0 (69)	-10.9 (68)	1.1 (69)	7.9 (29)	8.1 (24)	-0.3 (73)	0.9 (55)	5.8 (25)	1.6 (37)	5.2 (49)
Loomis Sayles	3.3 (25)	-12.5 (82)	9.3 (21)	7.6 (31)	7.4 (37)	1.8 (26)	8.1 (16)	1.9 (69)	1.1 (56)	12.0 (9)
Performance Benchmark	2.7 (30)	-11.5 (74)	4.9 (33)	6.6 (40)	8.2 (21)	0.5 (48)	4.0 (26)	5.0 (36)	1.0 (60)	6.8 (34)
Putnam	2.4 (70)	-5.1 (41)	4.0 (84)	0.1 (63)	3.7 (42)	4.1 (54)	7.9 (30)	-3.6 (78)	-0.7 (60)	3.7 (85)
LIBOR	3.6 (62)	0.0 (18)	0.2 (90)	2.1 (43)	2.6 (54)	1.5 (77)	0.8 (86)	0.4 (46)	0.2 (40)	0.3 (94)
SSgA Aggregate Bond Index	-1.0 (85)	-10.4 (62)	-0.3 (92)	8.7 (21)	7.9 (28)	-0.4 (77)	-0.3 (83)	6.0 (22)	1.9 (27)	4.3 (61)
Barclays Aggregate Index	-0.9 (84)	-10.3 (61)	-0.3 (93)	8.7 (21)	7.9 (28)	-0.4 (77)	-0.3 (84)	6.0 (22)	1.9 (28)	4.4 (60)
Wellington Global Total Return	4.8 (50)	3.8 (6)	1.7 (88)	2.1 (43)	5.3 (28)	5.1 (46)	-0.7 (88)	1.3 (41)	0.5 (32)	
BofA Merrill Lynch 3 Month US T-Bill	3.6 (62)	0.2 (15)	0.1 (90)	1.6 (47)	2.3 (58)	1.4 (78)	0.5 (86)	0.2 (46)	0.0 (42)	
Reams Core Plus Bond Fund	2.6	-10.7	2.1	15.3	8.6	0.0	0.0	6.1	1.5	
Barclays Aggregate Index	-0.9	-10.3	-0.3	8.7	7.9	-0.4	-0.3	6.0	1.9	
BRS Recycling Tax Credit										
BRS Recycling Tax Credit Phase 2										
BRS Recycling Tax Credit Phase 3										

Asset Allocation & Performance

Calendar Year Performance

	Performance %									
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Opportunistic/Alternatives	7.9	0.2	10.4	-5.3	-0.2	0.6	6.8	-1.7	5.8	10.2
<i>Custom Alternatives Benchmark</i>	4.9	-0.2	11.5	-2.8	2.4	3.4	2.8	-3.7	1.7	6.3
Anchorage	6.9	0.1	23.9	-5.4	1.4	6.2	5.9	-3.9	3.8	18.9
<i>Credit Suisse Event Driven</i>	5.2	-5.4	27.5	-6.9	1.9	3.8	9.3	-10.4	-2.0	14.1
York	35.5	-9.1	5.3	-45.2	-5.9	12.2	14.3	-12.9	-7.2	22.4
<i>Credit Suisse Event Driven</i>	5.2	-5.4	27.5	-6.9	1.9	3.8	9.3	-10.4	-2.0	14.1
Capula	11.8	6.6	2.5	9.8	6.3	3.8	7.8	6.1	8.9	7.9
<i>HFRI Macro (Total) Index</i>	-0.4	7.9	15.0	0.8	2.4	1.1	-2.4	1.8	4.2	1.5
Graham	3.7	23.6	27.4	-5.6	2.1	6.5	-3.2	-1.0	23.9	2.7
<i>HFRI Macro (Total) Index</i>	-0.4	7.9	15.0	0.8	2.4	1.1	-2.4	1.8	4.2	1.5
Circumference Group Core Value	16.4	-10.1	27.9	5.0	2.7	15.9	14.0			
<i>Russell 2000 Index</i>	12.3	-25.2	62.0	-6.6	-3.3	17.6	24.6			
Aeolus Keystone Fund	11.3	-8.2	-0.2	5.1	-5.8	-17.9	11.2			
<i>FTSE 3 Month T-Bill</i>	3.7	0.2	0.1	1.6	2.3	1.3	0.5			
<i>Eurekahedge ILS Advisers Index</i>	4.2	0.4	3.6	2.9	-5.5	-6.6	5.0			
Nephila Rubik Holdings	2.2	-15.1	-9.6	3.1	-6.9	-7.7	2.2			
<i>FTSE 3 Month T-Bill</i>	3.7	0.2	0.1	1.6	2.3	1.3	0.5			
<i>Eurekahedge ILS Advisers Index</i>	4.2	0.4	3.6	2.9	-5.5	-6.6	5.0			
Parametric Global Defensive Equity Fund	12.6	-5.5	22.6	-4.2	3.9	5.8				
<i>Performance Benchmark</i>	10.4	-7.8	18.5	2.4	4.4	6.0				
<i>MSCI AC World Index</i>	17.1	-15.4	39.9	2.6	6.3	11.3				
Man Alternative Risk Premia	8.5	12.1	2.8	-7.9	1.8					
<i>SG Multi Alternative Risk Premia Index</i>	6.1	4.0	3.1	-11.6	0.4					
CFM Systematic Global Macro Fund	-4.8									
<i>HFRI Macro: Systematic Diversified Index</i>	-3.4									
Pillar Opportunity	-3.0									
<i>FTSE 3 Month T-Bill</i>	3.7									
<i>Eurekahedge ILS Advisers Index</i>	4.2									
Chatham PDSC III	18.8									
<i>HFRI Event-Driven (Total) Index</i>	5.3									
Silver Point Capital Fund	8.0									
<i>HFRI ED: Distressed/Restructuring Index</i>	1.6									
Prophet Mtg. Servicing Opportunities										
<i>Credit Suisse Hedge Fund Index</i>										
Chatham PDSC IV										
<i>HFRI Event-Driven (Total) Index</i>										

Asset Allocation & Performance

Calendar Year Performance

	Performance %									
	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015	Fiscal Year 2014
Real Assets	1.5	16.0	4.7	3.9	5.6	9.4	7.5	9.5	11.7	9.0
<i>Total Real Assets Benchmark</i>	1.7	21.0	2.6	4.1	5.7	6.2	6.6	10.1	11.6	11.7
Real Estate	-3.5	21.7	0.8	2.0	5.7	11.1	6.9	12.0	13.4	12.1
<i>NFI-ODCE (Net)</i>	-3.9	27.3	-0.7	3.9	6.5	7.1	7.4	12.6	12.4	12.7
Timber	7.1	13.2	4.9	12.2	-0.3	1.2	8.0	0.4	9.4	-1.1
<i>Timberland Property Benchmark</i>	11.3	11.8	1.6	3.1	0.1	2.6	3.7	2.5	10.5	7.7
BTG Timber Separate Account										
BTG U.S. Timberland Fund, L.P.										
Agriculture	10.1	12.8	6.0	1.8	3.5	3.3	4.3	9.8	2.5	11.0
<i>Agriculture Benchmark</i>	9.1	9.7	4.1	3.3	5.4	3.5	4.5	5.6	6.5	12.8
HFMS Farmland	11.4	14.1	7.0	1.4	3.4	2.9	3.9	10.7	2.5	11.0
<i>HFMS custom NCREIF Farmland Index</i>	9.1	9.7	4.4	4.6	4.9	2.0	4.0	4.8	6.5	12.8
UBS Agrivest Core Farmland Fund	6.9	9.4	3.5	3.1	4.0	4.5	5.0	6.2		
<i>UBS Agrivest custom NCREIF Farmland Index</i>	9.1	9.7	4.2	4.7	6.2	5.0	5.5	8.4		
Infrastructure	12.6	16.3	21.2	7.2	14.6					
<i>Infrastructure Benchmark</i>	10.2	12.3	6.4	7.4	7.0					
Private Equity	2.1	16.6	33.3	4.9	12.8	22.3	16.7	7.7	11.9	20.6
<i>Private Equity Policy</i>	-6.9	13.9	65.9	-7.5	10.8	16.1	20.4	1.6	14.5	25.0
Cash	7.8	2.1	0.8	3.8	6.5	1.2	5.0	3.2		

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

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 151 of this report.

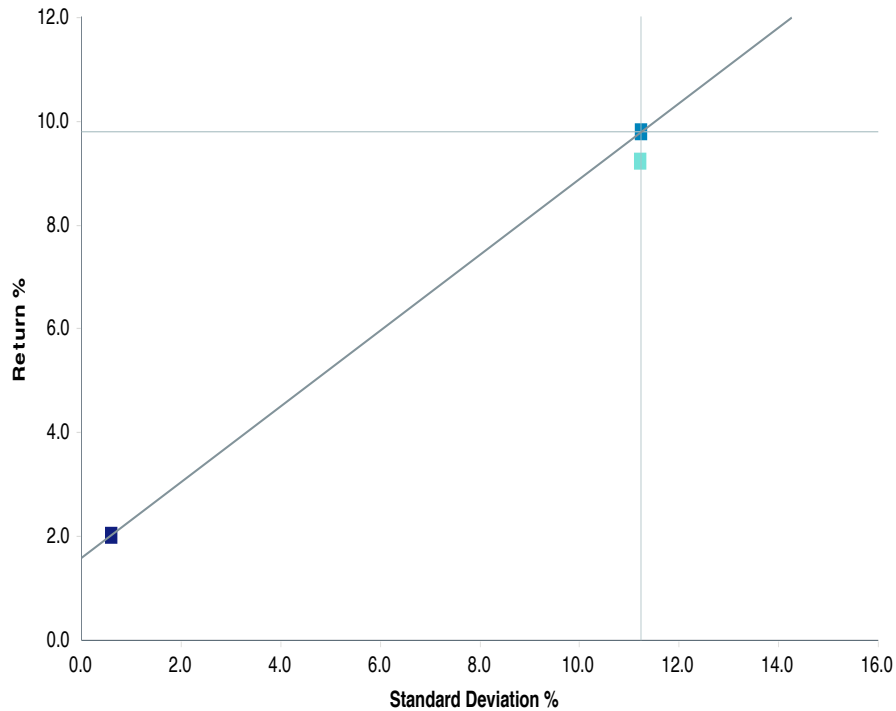
*The inception date above for infrastructure reflects the inception date for the calculation and reporting of time-weighted returns. The Infrastructure program began in July 2014 and the full history of Infrastructure returns are included in Total Real Assets and Total Fund performance.

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

Risk Profile Total Fund

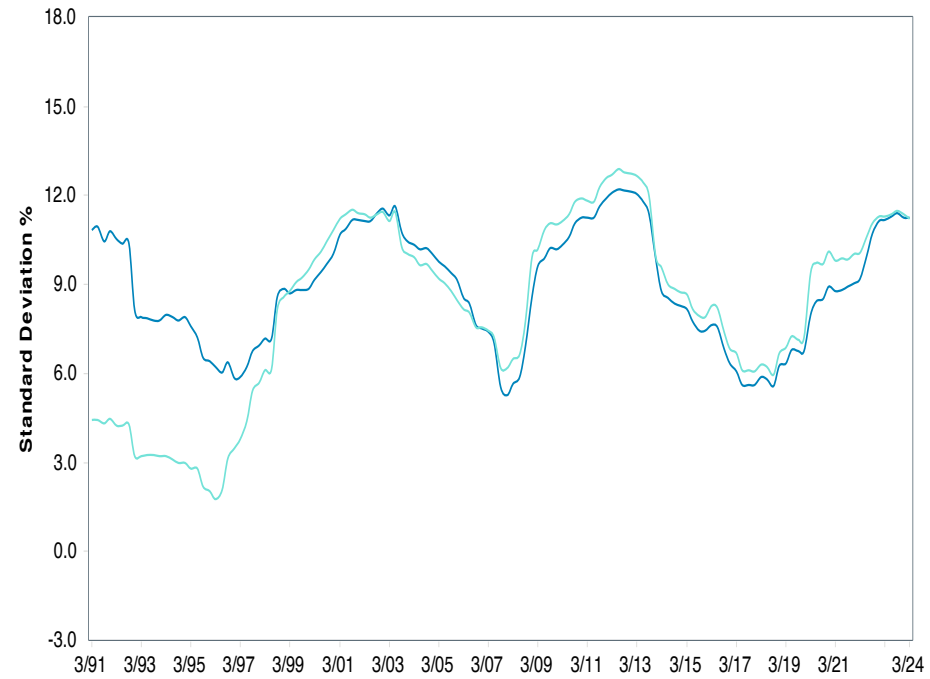
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



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

**Standard Deviation
Rolling 5 Years**



— Total Fund — Performance Benchmark

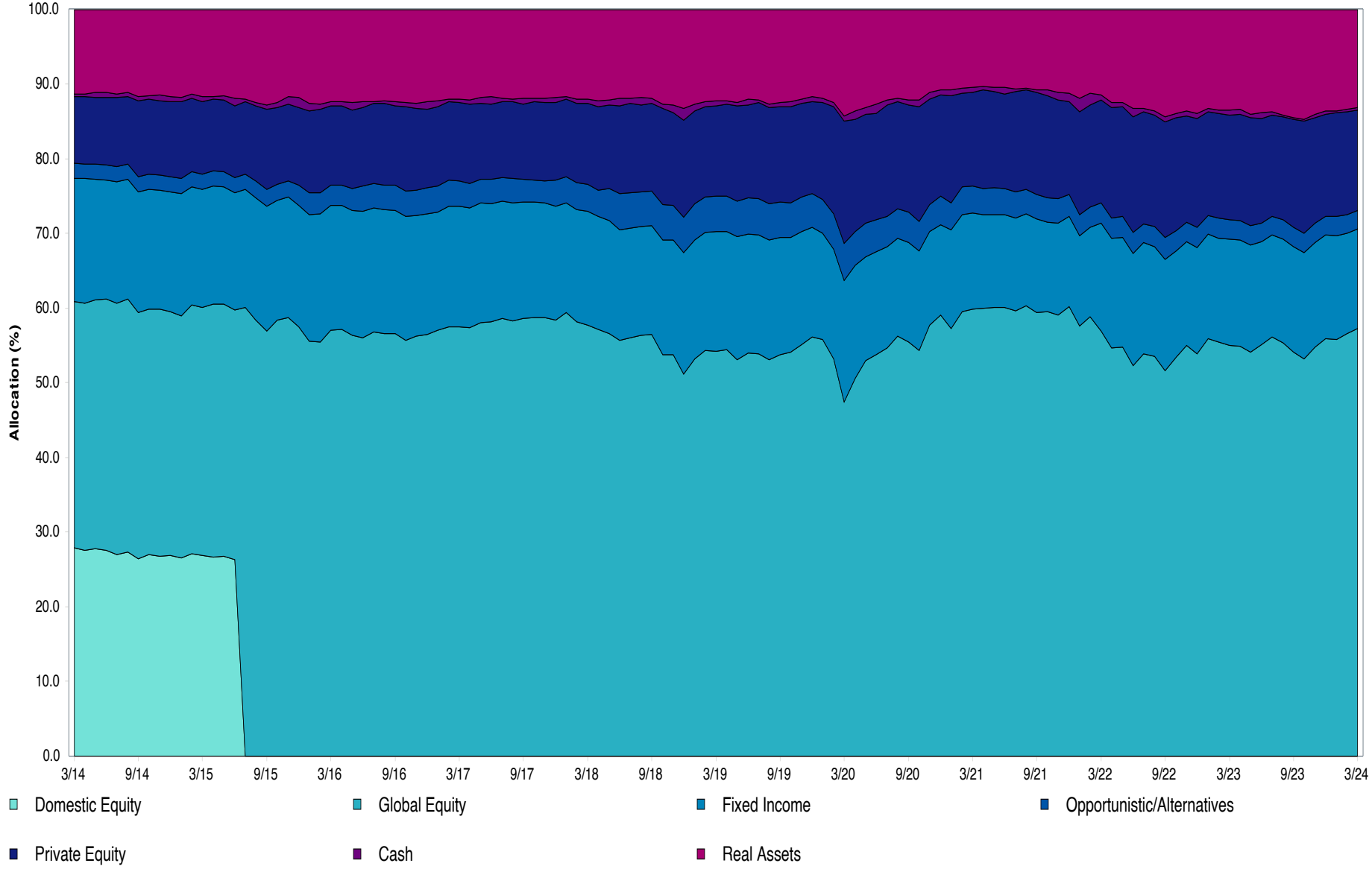
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Fund	-0.52	3.65	-0.14	0.90	0.66	0.03	0.95	9.22	11.22	0.95
Performance Benchmark	0.00	0.00	-	1.00	0.71	0.00	1.00	9.80	11.24	1.00
90 Day U.S. Treasury Bill	-8.01	11.29	-0.71	0.00	-	2.05	0.00	2.02	0.59	-0.05



Historical Asset Allocation by Segment

10 Years Ending March 31, 2024



Total Fund Asset Allocation

Asset Allocation as of 3/31/2024										Values in \$1,000	
	Total Equity	U.S. Bond	Real Estate	Private Equity	Cash	Total	Percent of Total	Interim Policy	Long-Term Target		
Jacobs Levy 130/30	\$1,597,014.9	--	--	--	--	\$1,597,014.9	7.17%				
Kennedy Capital Management	\$674,413.4	--	--	--	--	\$674,413.4	3.03%				
Stephens	\$664,564.9	--	--	--	--	\$664,564.9	2.98%				
Voya Absolute Return	\$916,358.0	--	--	--	--	\$916,358.0	4.11%				
Voya U.S. Convertibles	\$990,304.2	--	--	--	--	\$990,304.2	4.45%				
Pershing Square Holdings	\$369,522.3	--	--	--	--	\$369,522.3	1.66%				
SSgA Global Index	\$1,246,198.7	--	--	--	--	\$1,246,198.7	5.60%				
BlackRock MSCI ACWI IMI Fund	\$1,073,939.0	--	--	--	--	\$1,073,939.0	4.82%				
Wellington Global Perspectives	\$721,852.4	--	--	--	--	\$721,852.4	3.24%				
T. Rowe Price Global Equity	\$1,480,943.7	--	--	--	--	\$1,480,943.7	6.65%				
Lazard	\$817,307.0	--	--	--	--	\$817,307.0	3.67%				
Harris Global Equity	\$709,093.6	--	--	--	--	\$709,093.6	3.18%				
Triam Partners	\$96,632.1	--	--	--	--	\$96,632.1	0.43%				
Triam Partners Co-Investments	\$101,336.4	--	--	--	--	\$101,336.4	0.45%				
Global Equity Transition Account	\$0.0	--	--	--	--	\$0.0	0.00%				
Arrowstreet	\$1,078,399.1	--	--	--	--	\$1,078,399.1	4.84%				
Total Equity						\$12,537,879.8	56.29%	54.84%	53.00%		
BlackRock	--	\$258,623.6	--	--	--	\$258,623.6	1.16%				
Loomis Sayles	--	\$683,296.1	--	--	--	\$683,296.1	3.07%				
SSgA Aggregate Bond Index	--	\$712,553.3	--	--	--	\$712,553.3	3.20%				
Wellington Global Total Return	--	\$404,172.8	--	--	--	\$404,172.8	1.81%				
Reams Core Plus Bond Fund	--	\$577,393.7	--	--	--	\$577,393.7	2.59%				
BRS Recycling Tax Credit	--	\$175,975.0	--	--	--	\$175,975.0	0.79%				
BRS Recycling Tax Credit Phase 2	--	\$77,031.6	--	--	--	\$77,031.6	0.35%				
BRS Recycling Tax Credit Phase 3	--	\$82,069.8	--	--	--	\$82,069.8	0.37%				
Total Fixed Income						\$2,971,115.9	13.34%	15.00%	15.00%		
Anchorage	--	--	--	\$27,833.6	--	\$27,833.6	0.12%				
Capula	--	--	--	\$101,952.1	--	\$101,952.1	0.46%				
Graham	--	--	--	\$106,612.0	--	\$106,612.0	0.48%				
York	--	--	--	\$7,332.0	--	\$7,332.0	0.03%				
Circumference Group Core Value	--	--	--	\$42,683.8	--	\$42,683.8	0.19%				
Aeolus Keystone Fund	--	--	--	\$26,090.7	--	\$26,090.7	0.12%				
Nephila Rubik Holdings	--	--	--	\$0.0	--	\$0.0	0.00%				
Parametric Global Defensive Equity	--	--	--	\$227,464.8	--	\$227,464.8	1.02%				
Man Alternative Risk Premia	--	--	--	\$126,208.1	--	\$126,208.1	0.57%				
CFM Systematic Global Macro	--	--	--	\$104,991.4	--	\$104,991.4	0.47%				
Juniperus	--	--	--	\$108,289.6	--	\$108,289.6	0.49%				
Chatham PDSC III	--	--	--	\$73,184.2	--	\$73,184.2	0.33%				
Silver Point Capital	--	--	--	\$54,781.7	--	\$54,781.7	0.25%				
Chatham PDSC IV	--	--	--	\$65,247.4	--	\$65,247.4	0.29%				
Prophet	--	--	--	\$46,344.2	--	\$46,344.2	0.21%				
Total Opportunistic/Alternatives						\$1,119,015.6	5.02%	5.23%	5.00%		
Real Estate			\$1,477,715.7			\$1,477,715.7	6.63%				
Timber			\$356,624.0			\$356,624.0	1.60%				
Agriculture			\$244,714.8			\$244,714.8	1.10%				
Infrastructure			\$489,039.5			\$489,039.5	2.20%				
Total Real Assets						\$2,568,093.9	11.53%	12.92%	15.00%		
Total Private Equity				\$2,998,769.7		\$2,998,769.7	13.46%	12.00%	12.00%		
Total Cash					\$77,769.0	\$77,769.0	0.35%	0.00%	0.00%		
Total Fund	\$12,537,879.8	\$2,971,115.9	\$2,568,093.9	\$4,117,785.3	\$77,769.0	\$22,272,643.9	100.00%	100.00%	100.00%		

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

Real Estate Asset Allocation

Asset Allocation as of 3/31/2024				Values in \$1,000			
	Real Estate	Percent of Real Estate	Percent of Total Fund		Real Estate	Percent of Real Estate	Percent of Total Fund
Almanac Realty Securities Fund V	\$63.5	0.00%	0.00%	LaSalle Income & Growth Fund VI	\$3,338.8	0.23%	0.01%
Almanac Realty Securities Fund VI	\$3,202.9	0.22%	0.01%	LaSalle Income & Growth Fund VII	\$6,215.3	0.42%	0.03%
Almanac Realty Securities Fund VII	\$17,343.0	1.17%	0.08%	LaSalle Income & Growth Fund VIII	\$35,770.5	2.42%	0.16%
Almanac Realty Securities Fund VIII	\$20,688.9	1.40%	0.09%	LaSalle US Value Partners IX	-\$2,373.9	-0.16%	-0.01%
Almanac Realty Securities Fund IX	\$7,138.8	0.48%	0.03%	LBA Logistics Value Fund	\$29,426.7	1.99%	0.13%
American Center	\$27,375.5	1.85%	0.12%	Lone Star Real Estate Fund IV	\$8,251.3	0.56%	0.04%
AR Insurance	\$2,387.8	0.16%	0.01%	Lone Star Real Estate Fund VII	-\$757.7	-0.05%	0.00%
AR Teachers Retirement Building	\$4,846.5	0.33%	0.02%	Long Wharf Real Estate Partners V	\$17,255.0	1.17%	0.08%
Blackstone Real Estate Partners VII	\$7,368.0	0.50%	0.03%	Long Wharf Real Estate Partners VI	\$34,319.0	2.32%	0.15%
Blackstone RE Europe VI	\$37,360.9	2.53%	0.17%	Mesa West Income Fund V	\$15,153.0	1.03%	0.07%
Blackston RE X	\$4,151.3	0.28%	0.02%	Metropolitan RE Co-Investments	\$8,305.0	0.56%	0.04%
Carlyle Realty Partners VII	\$6,547.6	0.44%	0.03%	Met Life Commercial Mtg Inc Fund	\$45,015.9	3.05%	0.20%
Carlyle Realty VIII	\$12,026.1	0.81%	0.05%	Morgan Stanley Prime Property Fund	\$59,464.0	4.02%	0.27%
Carlyle Realty IX	\$9,593.7	0.65%	0.04%	New Boston Fund VII	\$16,857.7	1.14%	0.08%
CBREI SP U.S. Opportunity V	\$123.2	0.01%	0.00%	O'Connor NAPP II	\$2,934.9	0.20%	0.01%
CBREI SP VIII	\$15,542.7	1.05%	0.07%	PRISA	\$278,429.8	18.84%	1.25%
CBREI SP IX	\$27,331.0	1.85%	0.12%	Recoveries Land	\$70.0	0.00%	0.00%
Cerberus Institutional RE Partners III	\$9,937.9	0.67%	0.04%	Rockwood Capital RE Partners IX	\$2,706.2	0.18%	0.01%
Calmwater	\$11,147.6	0.75%	0.05%	Rockwood Capital RE XI	\$30,224.1	2.05%	0.14%
Fletcher Properties	\$1,072.6	0.07%	0.00%	Rose Law Firm	\$4,599.3	0.31%	0.02%
FPA Core Plus IV	\$34,563.4	2.34%	0.16%	RREEF Core Plus Industrial Fund	\$56,883.7	3.85%	0.26%
GCP GLP IV	\$40,054.5	2.71%	0.18%	Texarkana DHS	\$0.0	0.00%	0.00%
Harbert European Real Estate	\$1,294.6	0.09%	0.01%	Torchlight Debt Opportunity Fund IV	\$1,618.0	0.11%	0.01%
Heitman European Property IV	\$283.6	0.02%	0.00%	Torchlight Debt Opportunity Fund V	\$2,496.8	0.17%	0.01%
JP Morgan Strategic Property Fund	\$155,689.6	10.54%	0.70%	Torchlight Debt Opportunity Fund VI	\$18,888.1	1.28%	0.08%
Kayne Anderson V	\$19,335.2	1.31%	0.09%	Torchlight Debt Opportunity Fund VII	\$29,527.4	2.00%	0.13%
Kayne Anderson VI	\$33,841.1	2.29%	0.15%	UBS Trumbull Property Fund	\$120,218.5	8.14%	0.54%
Landmark Fund VI	\$114.4	0.01%	0.00%	UBS Trumbull Property Income Fund	\$51,481.2	3.48%	0.23%
Landmark Real Estate IX	\$631.7	0.04%	0.00%	Victory	\$33,606.9	2.27%	0.15%
Landmark Real Estate VIII	\$13,638.0	0.92%	0.06%	Walton Street Real Estate Debt II	\$14,800.9	1.00%	0.07%
LaSalle Asia Opportunity Fund IV	\$1,785.2	0.12%	0.01%	West Mphs. DHS	\$0.0	0.00%	0.00%
LaSalle Asia Opportunity Fund V	\$15,342.4	1.04%	0.07%	Westbrook IX	\$5,510.9	0.37%	0.02%
LaSalle Asia Opportunity Fund VI	-\$81.6	-0.01%	0.00%	Westbrook Real Estate Fund X	\$5,736.5	0.39%	0.03%
Total Real Estate				\$1,477,715.7	100.00%	6.63%	

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

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Private Equity Asset Allocation

Asset Allocation as of 3/31/2024				Values in \$1,000			
	Private Equity	Percent of Private Equity	Percent of Total Fund		Private Equity	Percent of Private Equity	Percent of Total Fund
Alpine IX	\$2,415.4	0.08%	0.01%	Insight Mezzanine I	\$1,976.8	0.07%	0.01%
Alpine VIII	\$24,679.2	0.82%	0.11%	JF Lehman III	\$24,804.1	0.83%	0.11%
Arlington Capital IV	\$33,962.6	1.13%	0.15%	JF Lehman IV	\$14,166.6	0.47%	0.06%
Arlington Capital V	\$36,132.8	1.20%	0.16%	JF Lehman V	\$41,218.9	1.37%	0.19%
Arlington Capital VI	\$14,455.7	0.48%	0.06%	JF Lehman VI	\$8,452.5	0.28%	0.04%
Advent GPE VI	\$3,209.2	0.11%	0.01%	KPS III	\$0.0	0.00%	0.00%
Altus Capital II	\$3,951.1	0.13%	0.02%	KPS IV	\$10,714.6	0.36%	0.05%
American Industrial Partners VI	\$33,880.4	1.13%	0.15%	KPS V	\$21,044.8	0.70%	0.09%
American Industrial Partners VII	\$38,196.2	1.27%	0.17%	KPS Mid-Cap	\$16,221.6	0.54%	0.07%
Altaris Constellation Partners	\$21,845.8	0.73%	0.10%	Levine Leichtman V	\$808.7	0.03%	0.00%
Altaris Health Partners IV	\$23,569.4	0.79%	0.11%	Lime Rock III	\$18,234.8	0.61%	0.08%
Atlas Capital II	\$12,910.9	0.43%	0.06%	LLR III	\$799.5	0.03%	0.00%
Audax Mezzanine III	\$1,394.9	0.05%	0.01%	LLR VI	\$26,768.0	0.89%	0.12%
Big River - Equity	\$1,770.4	0.06%	0.01%	LLR VII	-\$71.4	0.00%	0.00%
Big River - Holdings Note 2023	\$0.0	0.00%	0.00%	Mason Wells III	\$0.0	0.00%	0.00%
Big River - Holdings Note 3/16/23	\$0.0	0.00%	0.00%	NGP IX	\$35.2	0.00%	0.00%
Bison V	\$24,753.3	0.83%	0.11%	NGP X	\$2,925.9	0.10%	0.01%
Bison VI	\$11,937.1	0.40%	0.05%	NGP XI	\$15,929.2	0.53%	0.07%
Boston Ventures VII	\$1,352.5	0.05%	0.01%	NGP XII	\$16,533.5	0.55%	0.07%
Boston Ventures IX	\$41,142.3	1.37%	0.18%	One Rock Capital Partners II	\$33,518.8	1.12%	0.15%
Boston Ventures X	\$38,569.7	1.29%	0.17%	PineBridge	\$9,049.5	0.30%	0.04%
Boston Ventures XI	\$9,695.8	0.32%	0.04%	Revelstoke	\$13,378.4	0.45%	0.06%
BV VIII	\$14,695.6	0.49%	0.07%	Post Road	\$17,272.6	0.58%	0.08%
Castlelake II	\$7,340.2	0.24%	0.03%	Riverside Value Fund I	\$20,906.0	0.70%	0.09%
Castlelake III	\$8,910.1	0.30%	0.04%	Riverside V	\$22,658.5	0.76%	0.10%
Clearlake V	\$34,910.9	1.16%	0.16%	Riverside VI	\$30,648.1	1.02%	0.14%
Clearlake VI	\$47,707.5	1.59%	0.21%	Siris III	\$21,301.1	0.71%	0.10%
Clearlake VII	\$19,399.9	0.65%	0.09%	Siris IV	\$38,364.6	1.28%	0.17%
Court Square III	\$29,273.3	0.98%	0.13%	SK Capital V	\$34,666.8	1.16%	0.16%
CSFB-ATRS 2005-1 Series	\$16,585.5	0.55%	0.07%	Sk Capital VI	\$34,503.3	1.15%	0.15%
CSFB-ATRS 2006-1 Series	\$19,508.0	0.65%	0.09%	Sycamore Partners II	\$15,537.3	0.52%	0.07%
Diamond State Ventures II	\$229.9	0.01%	0.00%	Sycamore Partners III	\$25,302.9	0.84%	0.11%
DW Healthcare III	\$5,758.0	0.19%	0.03%	TA XI	\$4,538.7	0.15%	0.02%
DW Healthcare IV	\$23,493.3	0.78%	0.11%	Tennenbaum VI	\$162.6	0.01%	0.00%
DW Healthcare V	\$37,466.7	1.25%	0.17%	Thoma Bravo Discover	\$6,686.9	0.22%	0.03%
EnCap Energy Transition II	\$9,108.5	0.30%	0.04%	Thoma Bravo Discover II	\$24,133.9	0.80%	0.11%
EnCap IX	\$4,607.6	0.15%	0.02%	Thoma Bravo Discover III	\$23,082.5	0.77%	0.10%
EnCap VIII	\$17,506.4	0.58%	0.08%	Thomas Bravo Discover IV	\$9,341.7	0.31%	0.04%
EnCap X	\$17,014.8	0.57%	0.08%	Thoma Bravo Explore I	\$25,035.9	0.83%	0.11%
EnCap XI	\$34,528.8	1.15%	0.16%	Thoma Bravo XI	\$16,709.1	0.56%	0.08%
Franklin Park Series	\$1,172,228.5	39.09%	5.26%	Thoma Bravo XII	\$36,648.6	1.22%	0.16%
Greenbriar V	\$35,317.1	1.18%	0.16%	Thoma Bravo XIII	\$44,312.9	1.48%	0.20%
Greenbriar VI	\$7,323.8	0.24%	0.03%	Thoma Bravo XIV	\$20,538.2	0.68%	0.09%
GCG IV	\$13,887.1	0.46%	0.06%	Thoma Bravo XV	\$11,920.0	0.40%	0.05%
GCG V	\$30,312.3	1.01%	0.14%	Vista Equity III	\$2,277.8	0.08%	0.01%
GCG VI	\$6,347.7	0.21%	0.03%	Vista Foundation II	\$6,578.8	0.22%	0.03%
GTLA Holdings	\$70,700.0	2.36%	0.32%	Vista Foundation III	\$30,336.3	1.01%	0.14%
Highland	\$82,750.0	2.76%	0.37%	Wellspring V	\$14,161.8	0.47%	0.06%
Hybar LLC	\$147.0	0.00%	0.00%	Wicks IV	\$7,757.0	0.26%	0.03%
Insight Equity II	\$6,520.2	0.22%	0.03%	WNG II	\$23,472.7	0.78%	0.11%
				Total Private Equity	\$2,998,769.7	100.00%	13.46%

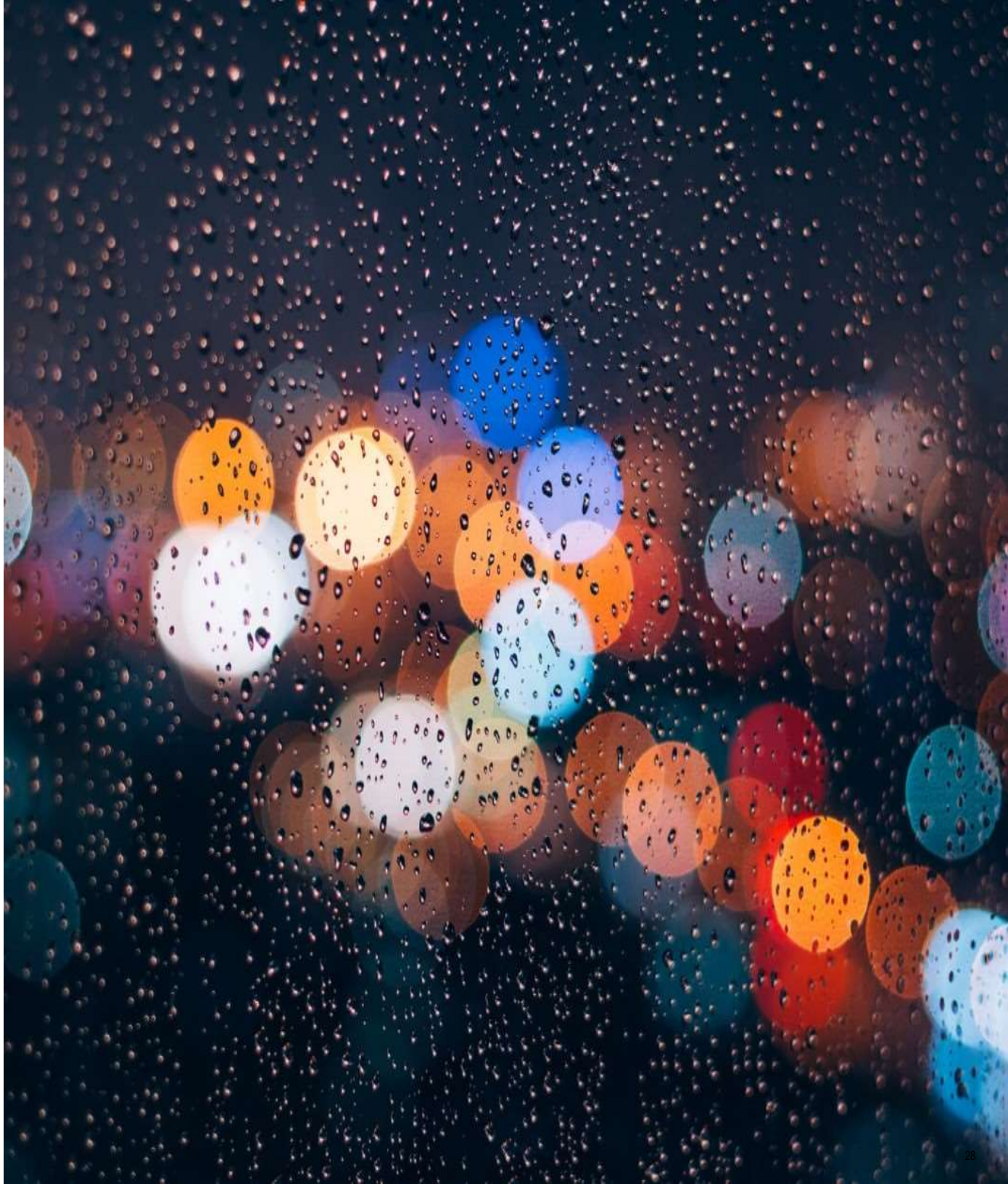
*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.

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Total Equity

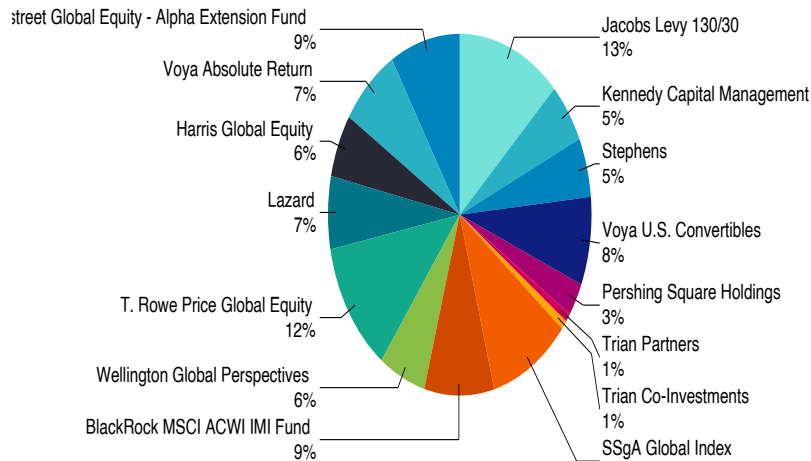


Composite Portfolio Overview Total Equity

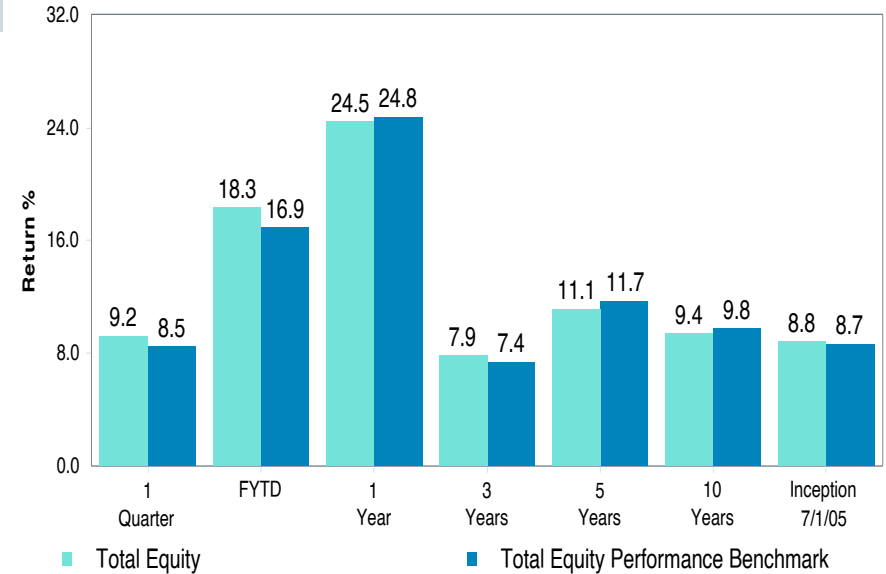
As of March 31, 2024

Current Allocation

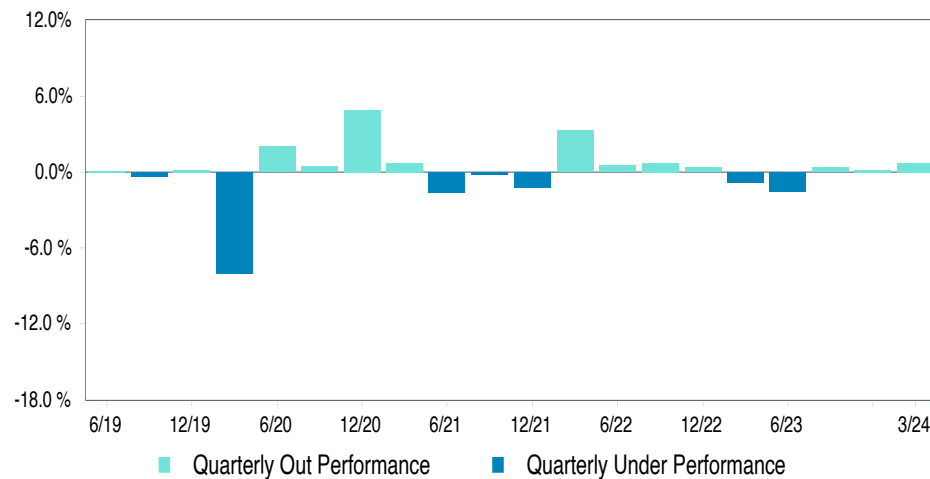
March 31, 2024 : \$12,537,879,777



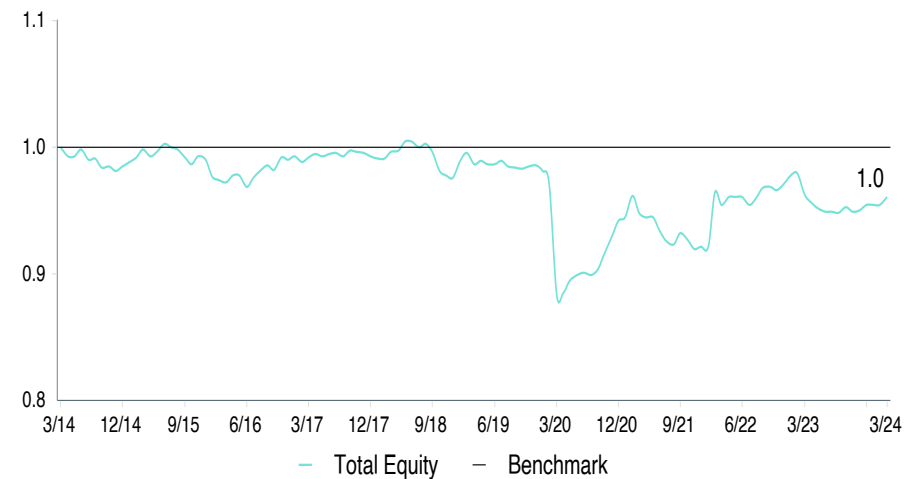
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



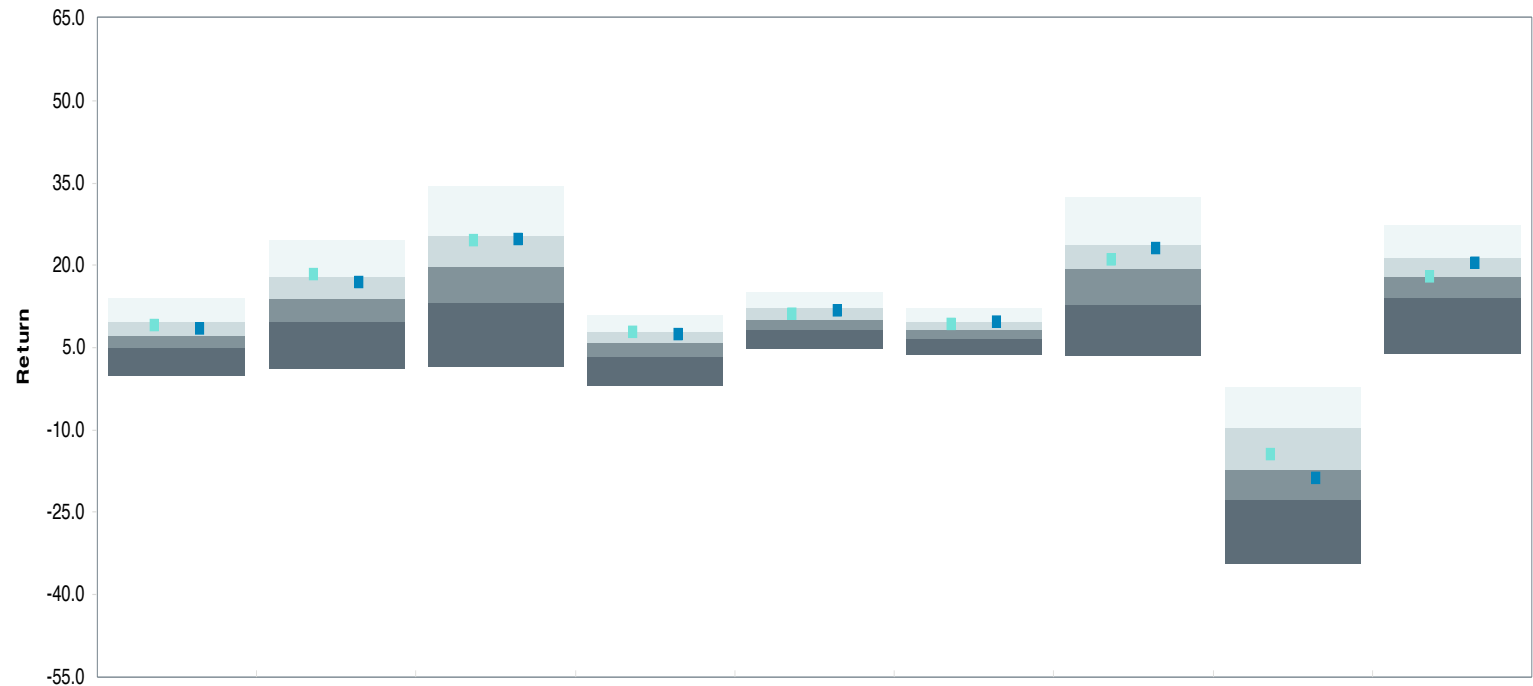
Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.



Peer Group Analysis

As of March 31, 2024

IM Global Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Total Equity	9.2 (29)	18.3 (24)	24.5 (30)	7.9 (25)	11.1 (40)	9.4 (31)	21.1 (41)	-14.4 (37)	17.9 (52)
Total Equity Performance Benchmark	8.5 (36)	16.9 (32)	24.8 (29)	7.4 (30)	11.7 (31)	9.8 (23)	23.1 (30)	-18.7 (57)	20.5 (30)
5th Percentile	14.1	24.6	34.4	11.0	15.0	12.2	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	9.7	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	8.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	6.7	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.8	3.5	-34.4	3.9
Population	463	459	459	431	395	283	504	521	524

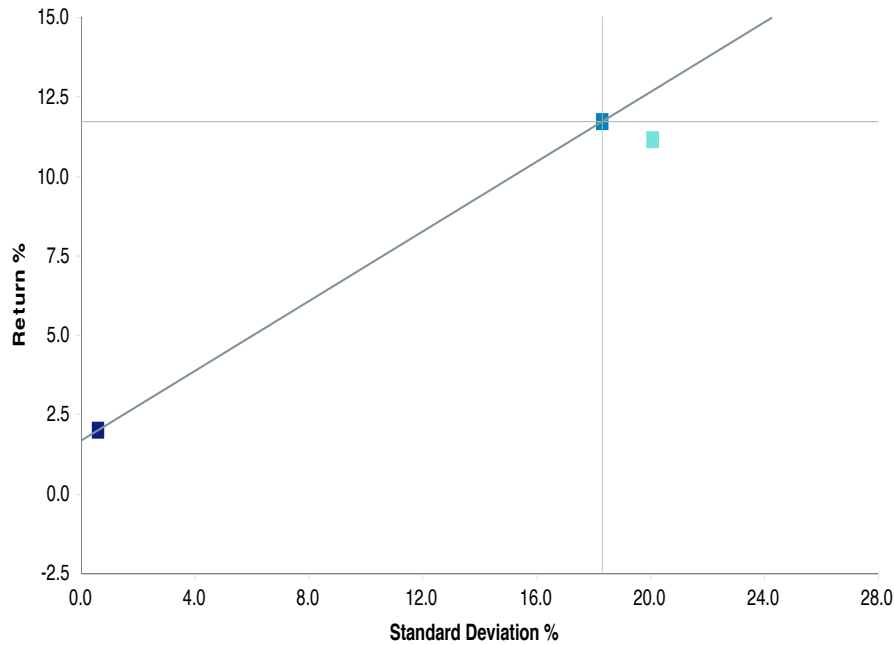
Parentheses contain percentile rankings.



Risk Profile Total Equity

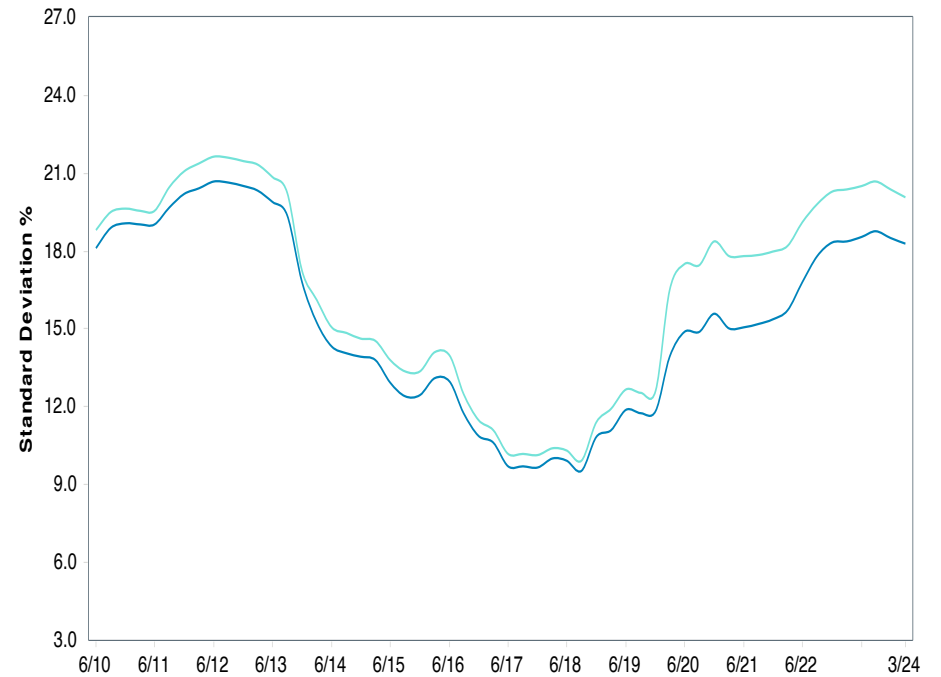
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



- Total Equity
- Total Equity Performance Benchmark
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Total Equity
- Total Equity Performance Benchmark

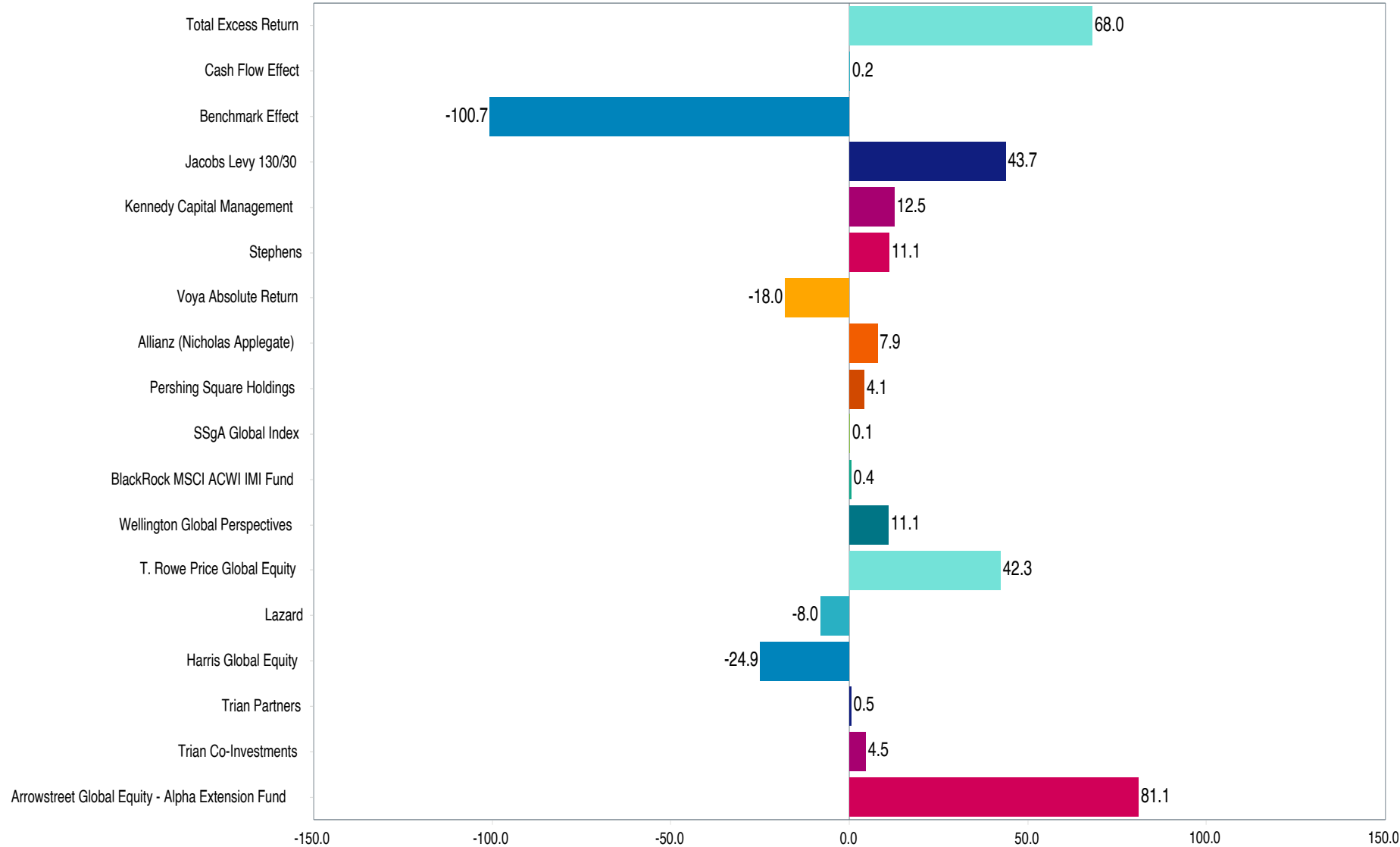
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Total Equity	-0.14	4.69	-0.03	0.95	0.53	-1.01	1.07	11.15	20.06	0.97
Total Equity Performance Benchmark	0.00	0.00	-	1.00	0.59	0.00	1.00	11.73	18.30	1.00
90 Day U.S. Treasury Bill	-10.80	18.34	-0.59	0.00	-	2.04	0.00	2.02	0.59	-0.04

Asset Class Attribution

1 Quarter Ending March 31, 2024

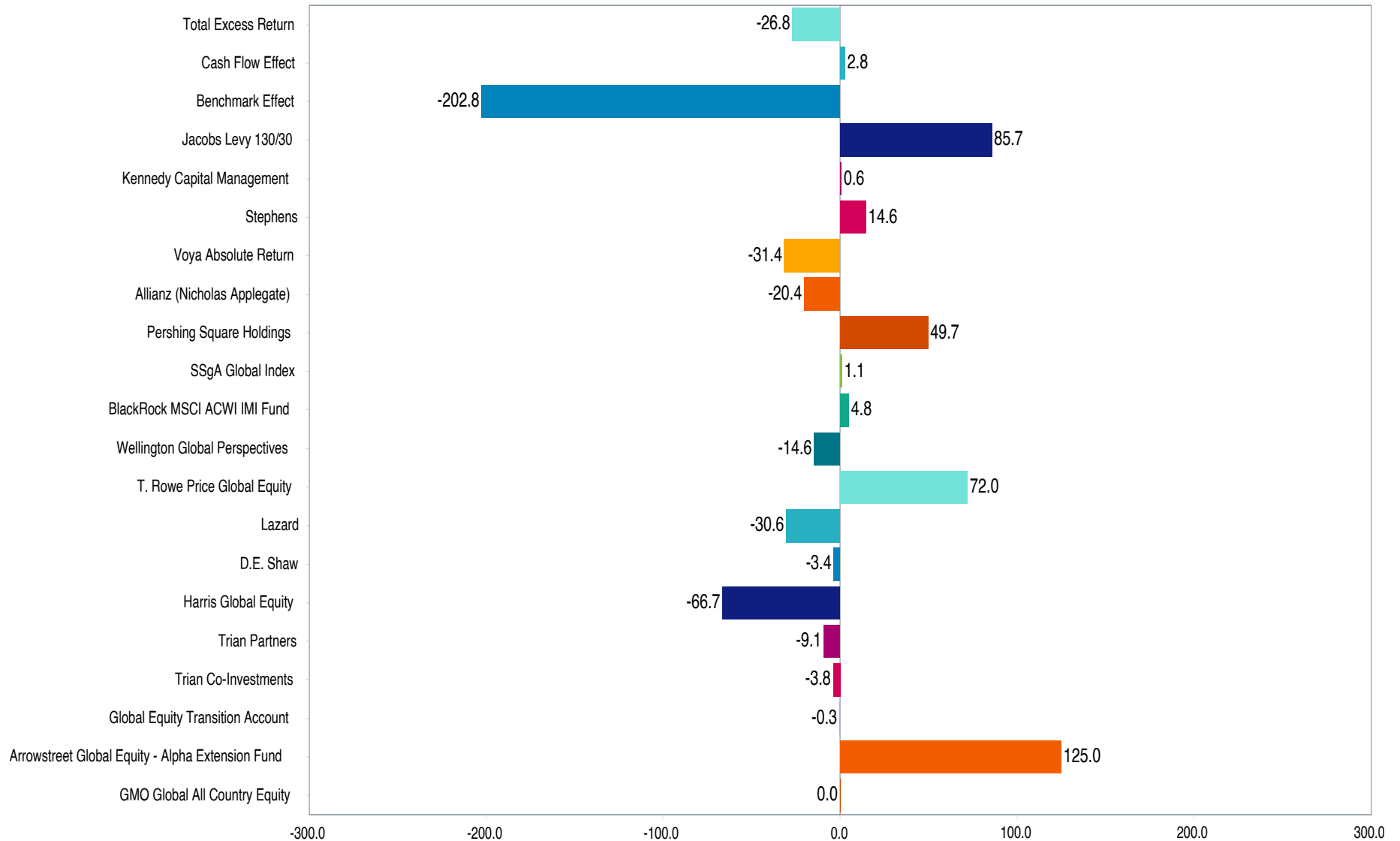
1 Quarter



Asset Class Attribution

1 Year Ending March 31, 2024

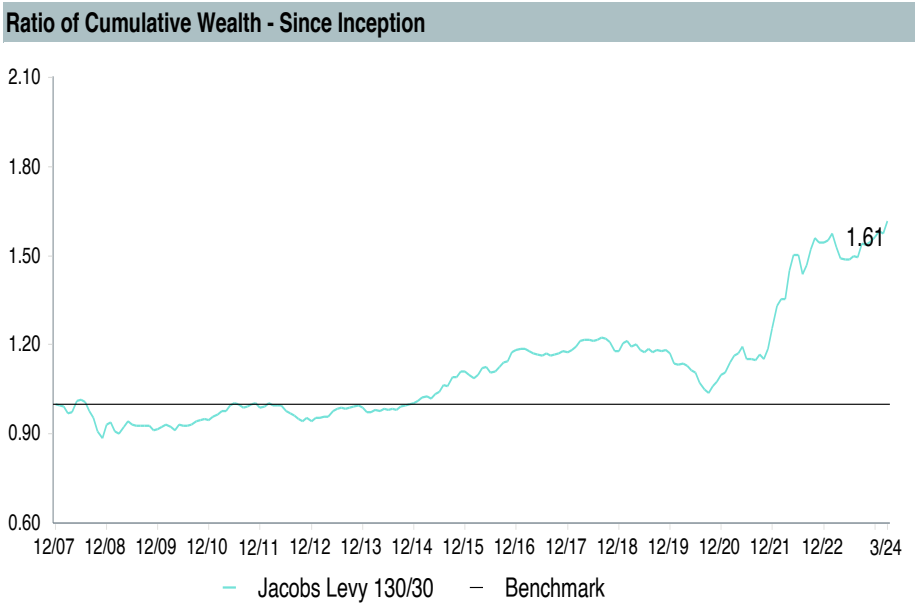
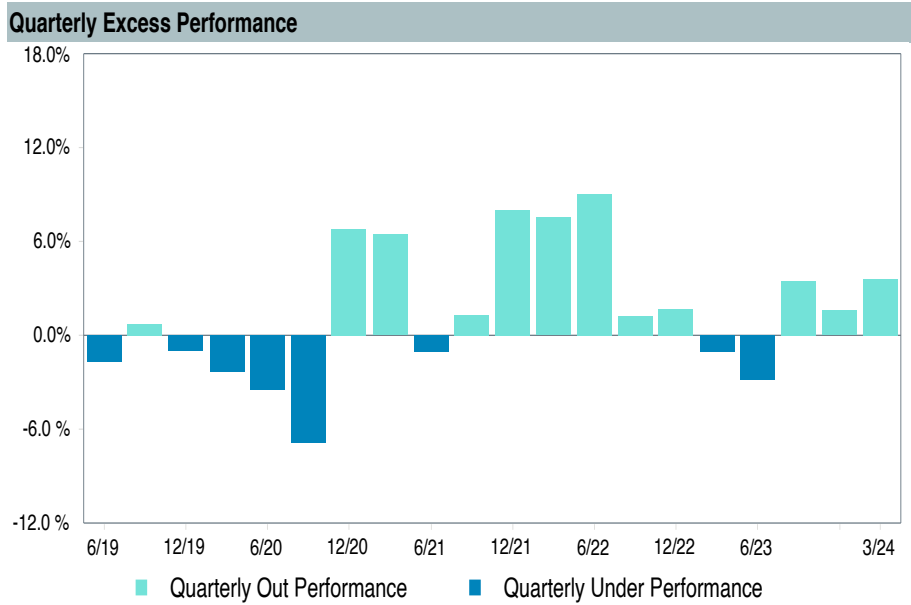
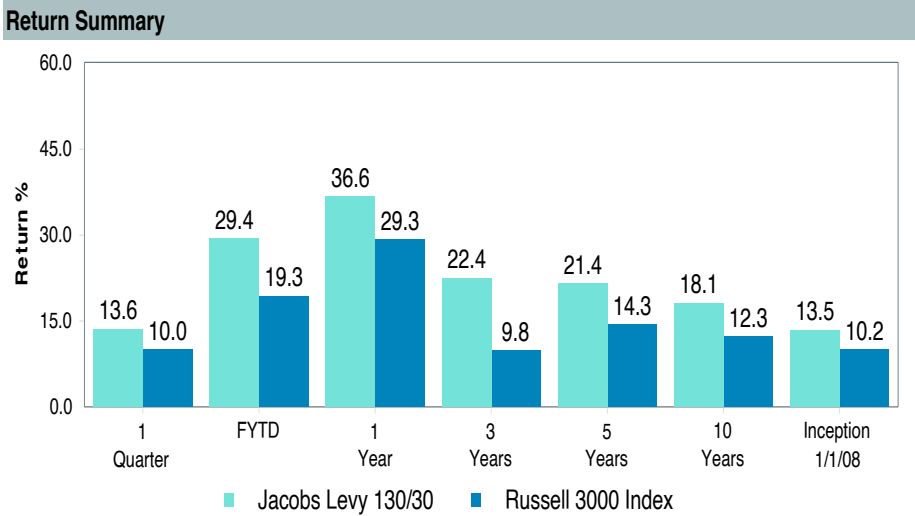
1 Year



Manager Performance Summary Jacobs Levy 130/30

As of March 31, 2024

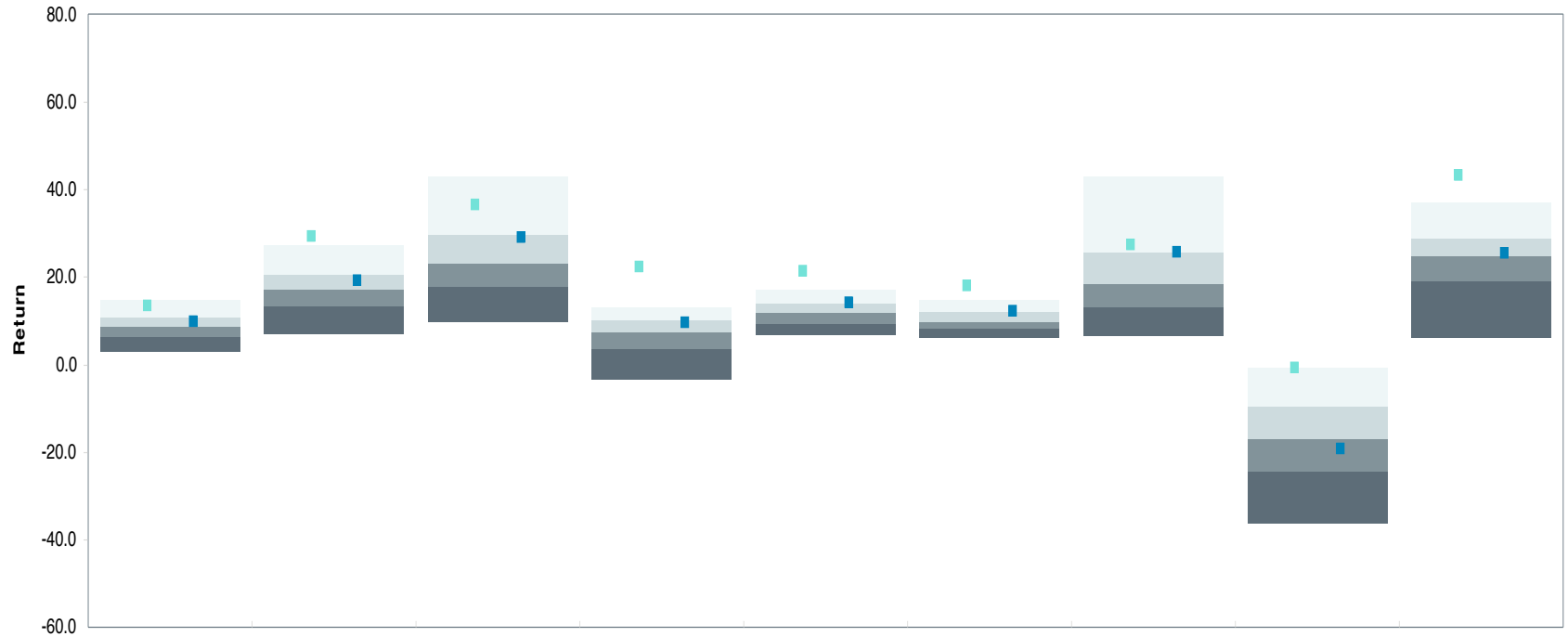
Account Information	
Account Name	Jacobs Levy 130/30
Inception Date	12/31/2007
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	Russell 3000 Index
Peer Group	IM U.S. Equity (SA+CF)



Jacobs Levy 130/30

As of March 31, 2024

IM U.S. Equity (SA+CF)



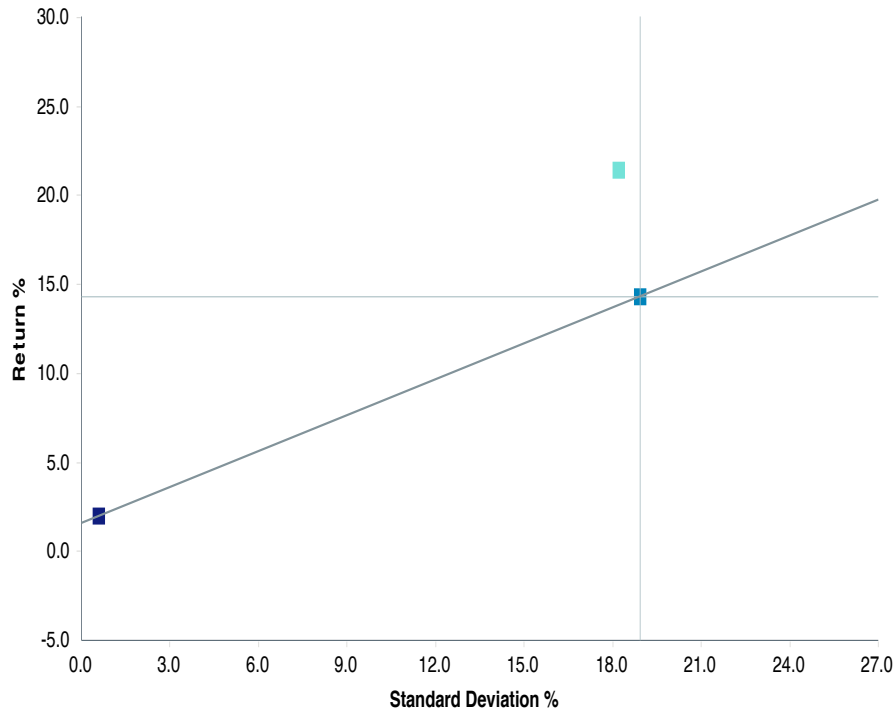
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Jacobs Levy 130/30	13.6 (9)	29.4 (3)	36.6 (12)	22.4 (1)	21.4 (1)	18.1 (1)	27.6 (19)	-0.5 (5)	43.5 (2)
Russell 3000 Index	10.0 (38)	19.3 (35)	29.3 (28)	9.8 (31)	14.3 (23)	12.3 (23)	26.0 (24)	-19.2 (62)	25.7 (46)
5th Percentile	14.9	27.3	43.0	13.2	17.2	14.9	42.9	-0.7	37.2
1st Quartile	11.1	20.6	29.8	10.3	14.1	12.1	25.6	-9.6	28.9
Median	8.9	17.2	23.3	7.7	11.9	9.8	18.5	-17.0	25.0
3rd Quartile	6.5	13.4	18.0	3.7	9.6	8.3	13.1	-24.4	19.1
95th Percentile	2.9	7.1	9.9	-3.5	6.8	6.2	6.5	-36.2	6.2
Population	1,773	1,762	1,762	1,704	1,637	1,374	1,932	2,036	2,079

Parentheses contain percentile rankings.

Risk Profile Jacobs Levy 130/30

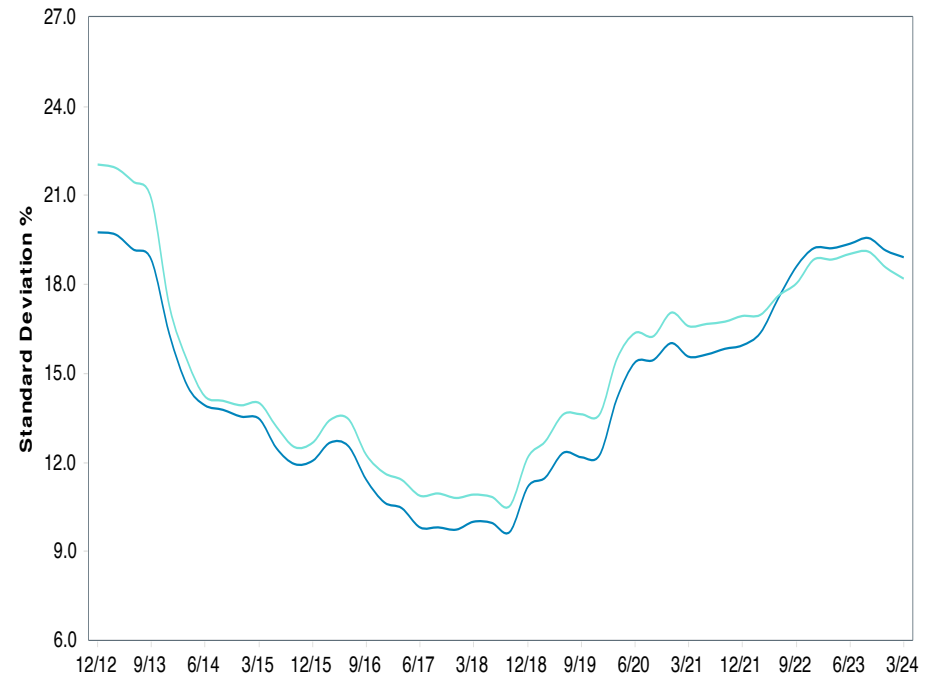
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



■ Jacobs Levy 130/30 ■ Russell 3000 Index ■ 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 5 Years**



— Jacobs Levy 130/30 — Russell 3000 Index

5 Years Historical Statistics

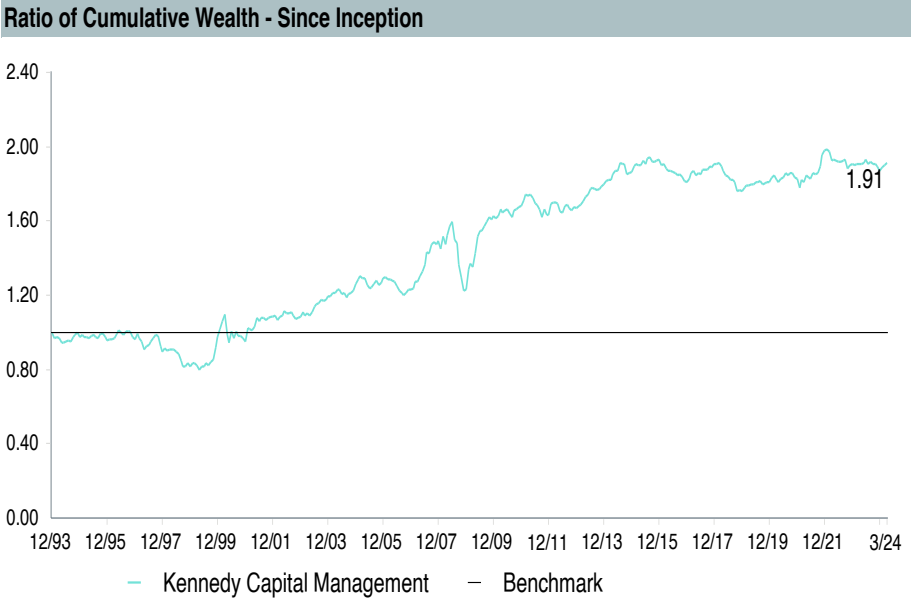
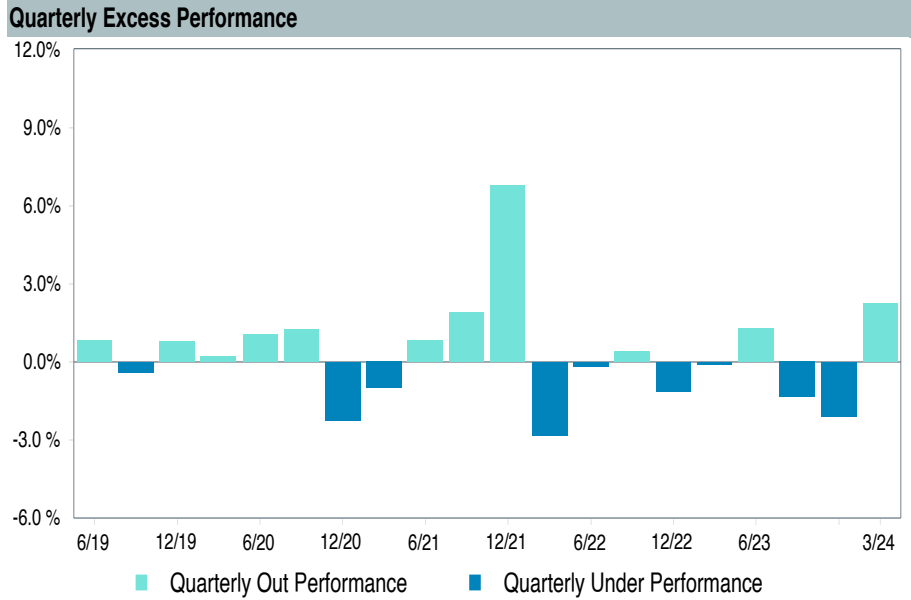
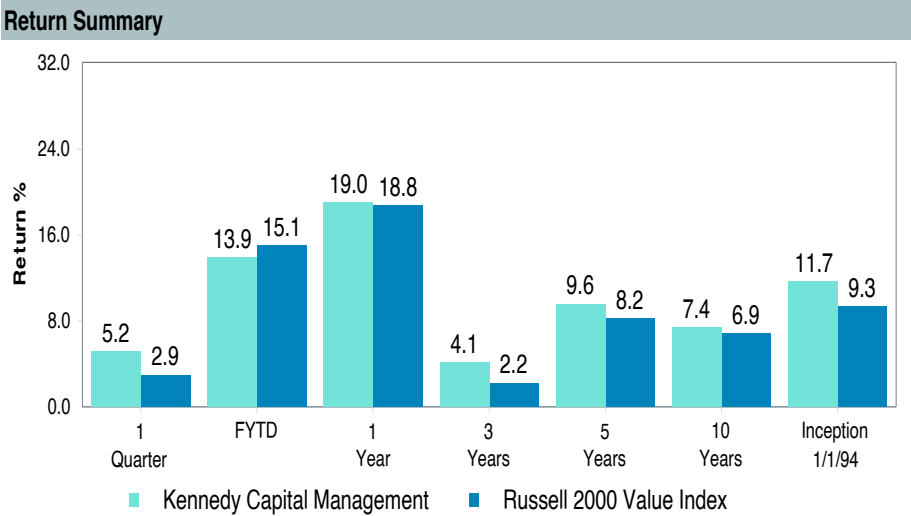
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Jacobs Levy 130/30	5.96	7.66	0.78	0.84	1.05	8.06	0.88	21.43	18.21	0.92
Russell 3000 Index	0.00	0.00	-	1.00	0.70	0.00	1.00	14.34	18.94	1.00
90 Day U.S. Treasury Bill	-13.24	18.98	-0.70	0.00	-	2.05	0.00	2.02	0.59	-0.05



Manager Performance Summary Kennedy Capital Management

As of March 31, 2024

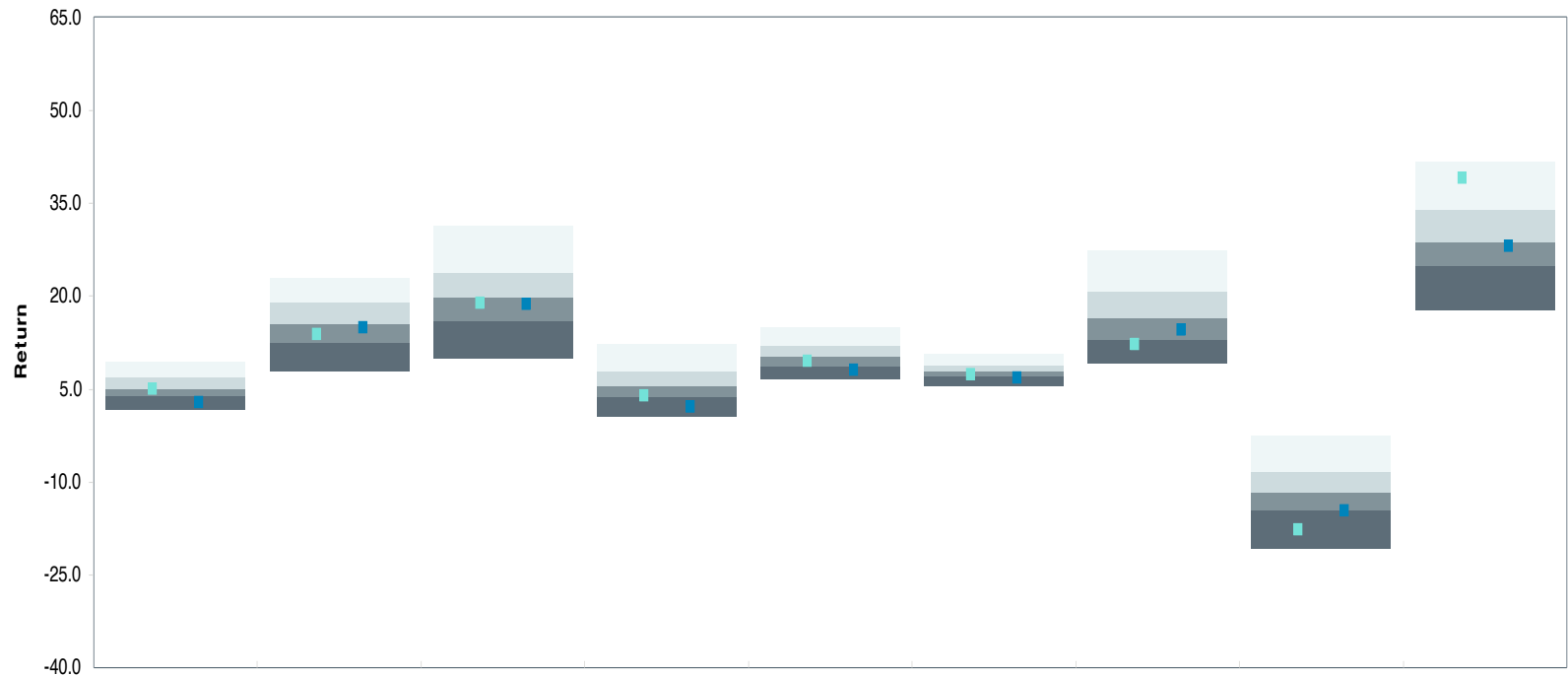
Account Information	
Account Name	Kennedy Capital Management
Inception Date	12/31/1993
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Russell 2000 Value Index
Peer Group	IM U.S. Small Cap Value Equity (SA+CF)



Kennedy Capital Management

As of March 31, 2024

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



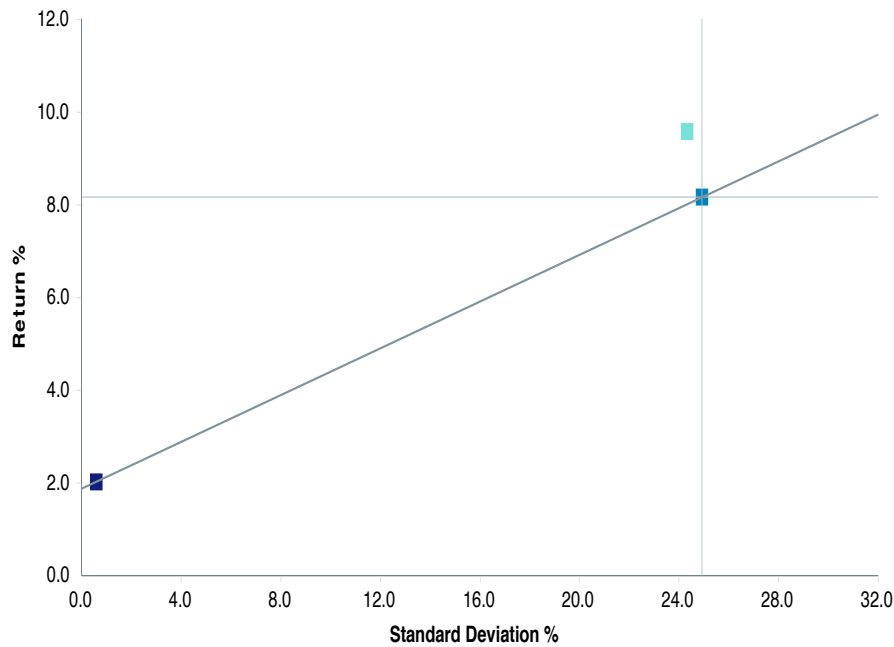
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Kennedy Capital Management	5.2 (48)	13.9 (62)	19.0 (58)	4.1 (72)	9.6 (60)	7.4 (64)	12.3 (82)	-17.6 (89)	39.2 (11)
Russell 2000 Value Index	2.9 (89)	15.1 (53)	18.8 (60)	2.2 (86)	8.2 (84)	6.9 (81)	14.6 (64)	-14.5 (76)	28.3 (53)
5th Percentile	9.4	23.0	31.5	12.3	15.0	10.7	27.5	-2.4	41.8
1st Quartile	7.0	18.9	23.9	8.1	12.1	8.9	20.8	-8.2	34.0
Median	5.0	15.5	19.9	5.5	10.3	7.9	16.4	-11.6	28.8
3rd Quartile	3.8	12.6	15.9	3.8	8.7	7.0	13.1	-14.5	25.0
95th Percentile	1.7	8.0	10.0	0.5	6.6	5.4	9.0	-20.7	17.7
Population	159	159	159	153	150	133	168	176	178

Parentheses contain percentile rankings.

Risk Profile Kennedy Capital Management

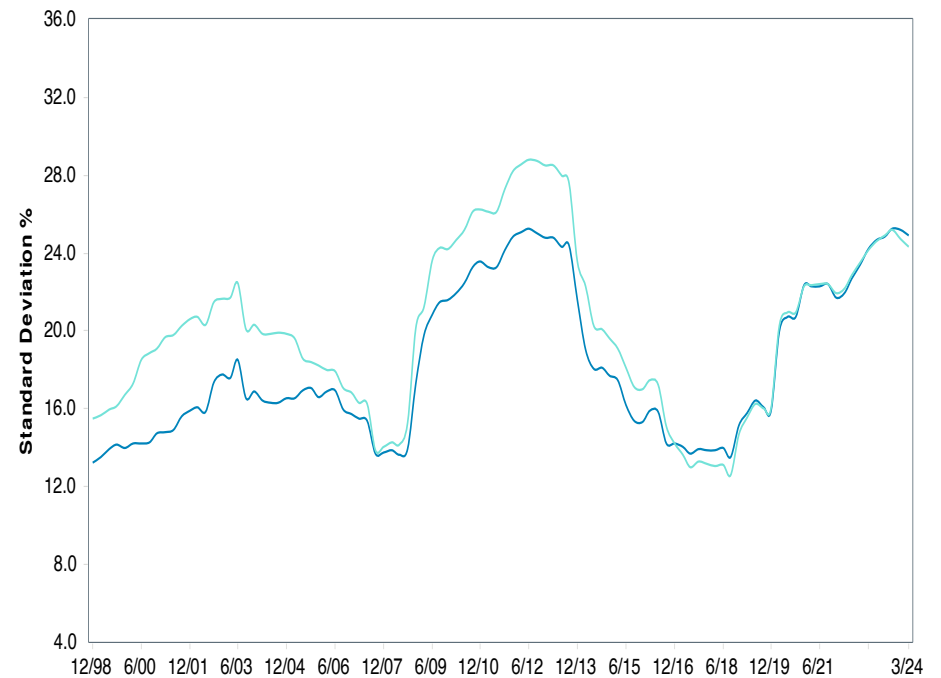
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



- Kennedy Capital Management
- Russell 2000 Value Index
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Kennedy Capital Management
- Russell 2000 Value Index

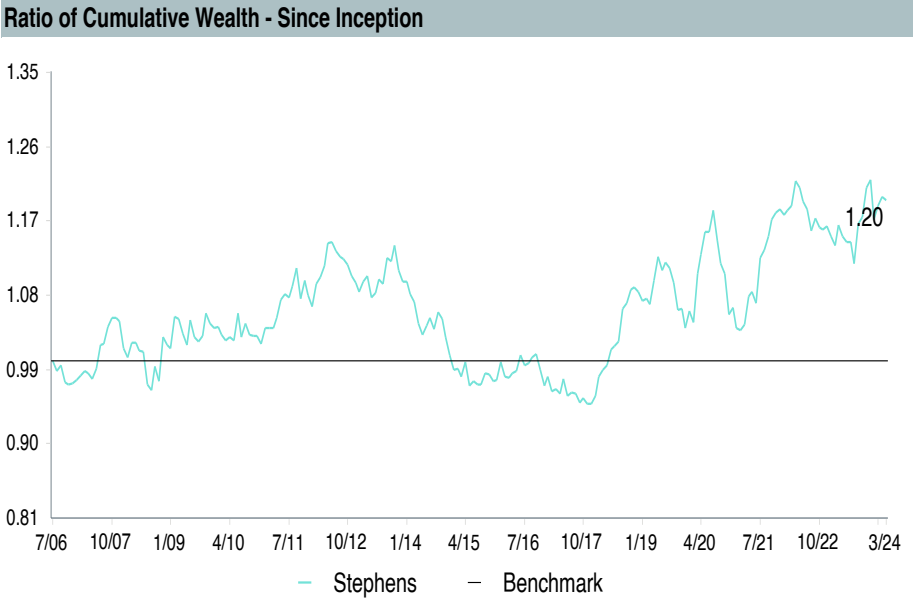
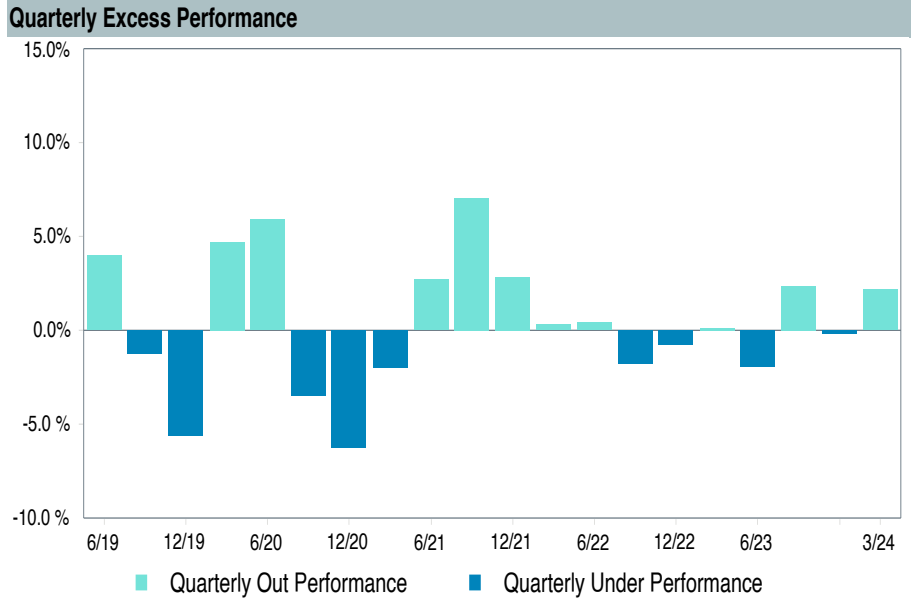
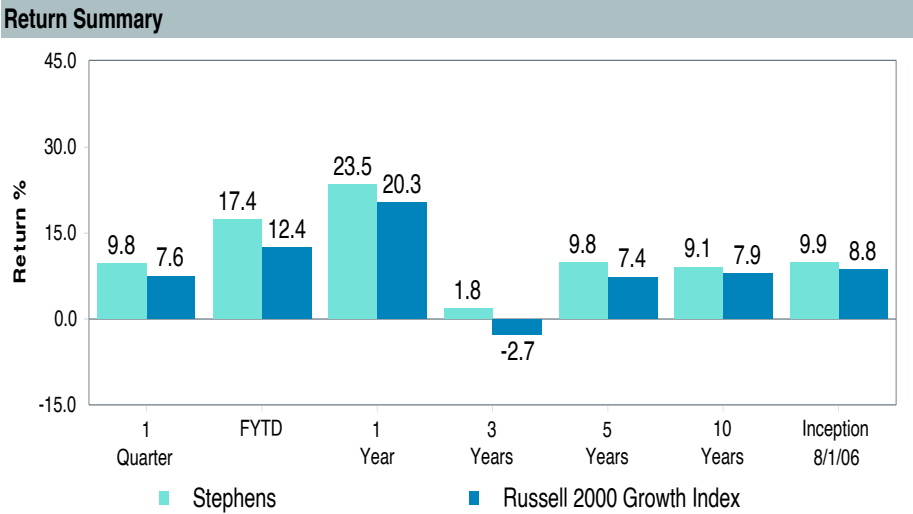
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Kennedy Capital Management	1.19	3.86	0.31	0.98	0.42	1.60	0.96	9.57	24.32	0.99
Russell 2000 Value Index	0.00	0.00	-	1.00	0.36	0.00	1.00	8.17	24.91	1.00
90 Day U.S. Treasury Bill	-9.00	25.01	-0.36	0.02	-	2.06	0.00	2.02	0.59	-0.14

Manager Performance Summary Stephens

As of March 31, 2024

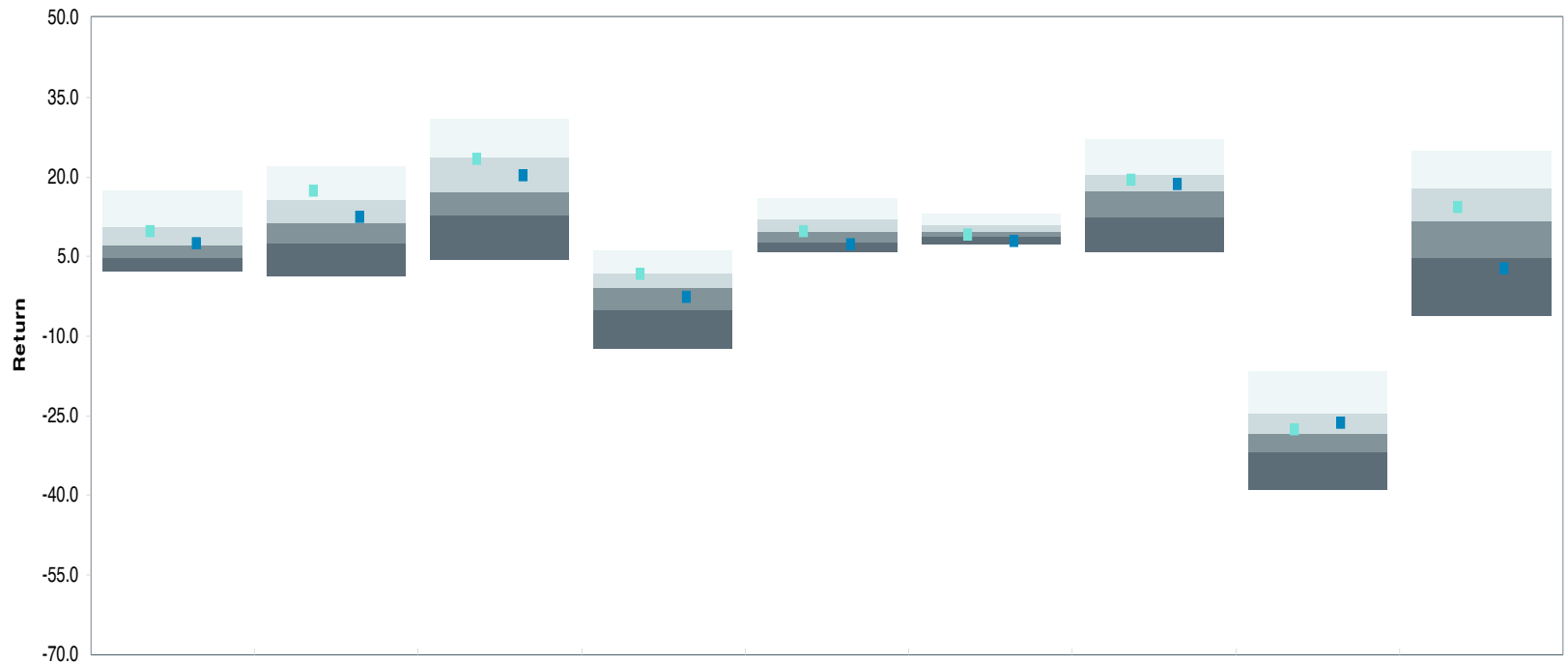
Account Information	
Account Name	Stephens
Inception Date	07/31/2006
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Russell 2000 Growth Index
Peer Group	IM U.S. Small Cap Growth Equity (SA+CF)



Stephens

As of March 31, 2024

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



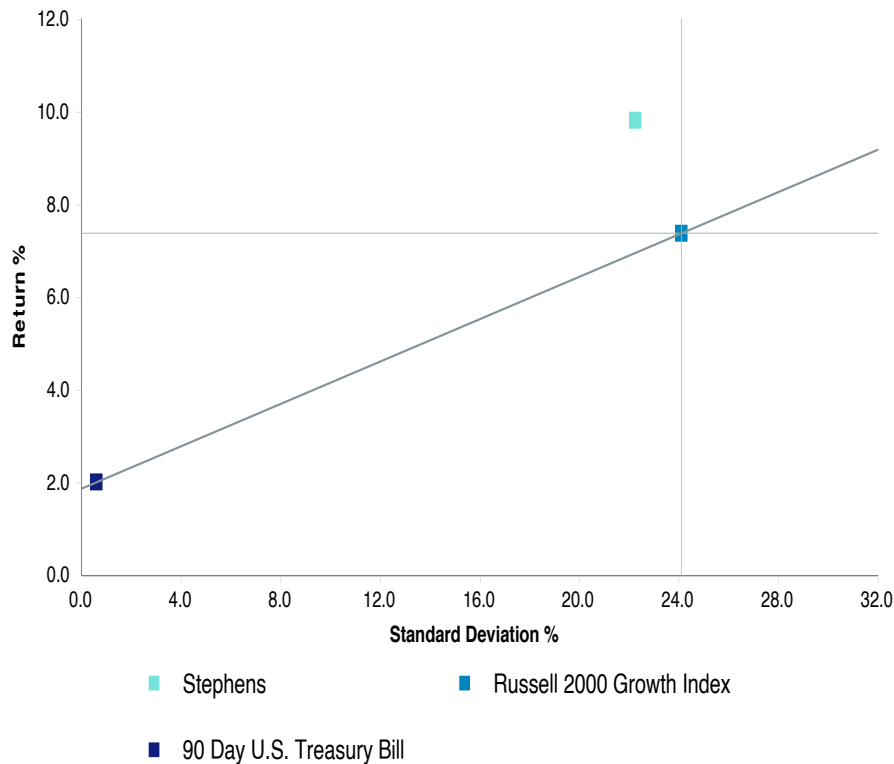
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Stephens	9.8 (32)	17.4 (17)	23.5 (26)	1.8 (25)	9.8 (48)	9.1 (65)	19.4 (34)	-27.6 (44)	14.3 (44)
Russell 2000 Growth Index	7.6 (44)	12.4 (40)	20.3 (36)	-2.7 (63)	7.4 (81)	7.9 (92)	18.7 (40)	-26.4 (36)	2.8 (83)
5th Percentile	17.4	22.0	30.8	6.0	16.0	13.2	27.0	-16.6	24.9
1st Quartile	10.7	15.9	23.7	1.8	12.1	11.0	20.5	-24.4	17.9
Median	7.1	11.2	17.3	-1.0	9.5	9.6	17.4	-28.4	11.6
3rd Quartile	4.9	7.6	12.6	-5.1	7.7	8.8	12.5	-31.9	4.9
95th Percentile	2.2	1.4	4.4	-12.4	5.9	7.3	5.8	-38.9	-6.1
Population	121	121	121	118	111	101	129	136	138

Parentheses contain percentile rankings.

Risk Profile Stephens

As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



Standard Deviation
Rolling 5 Years



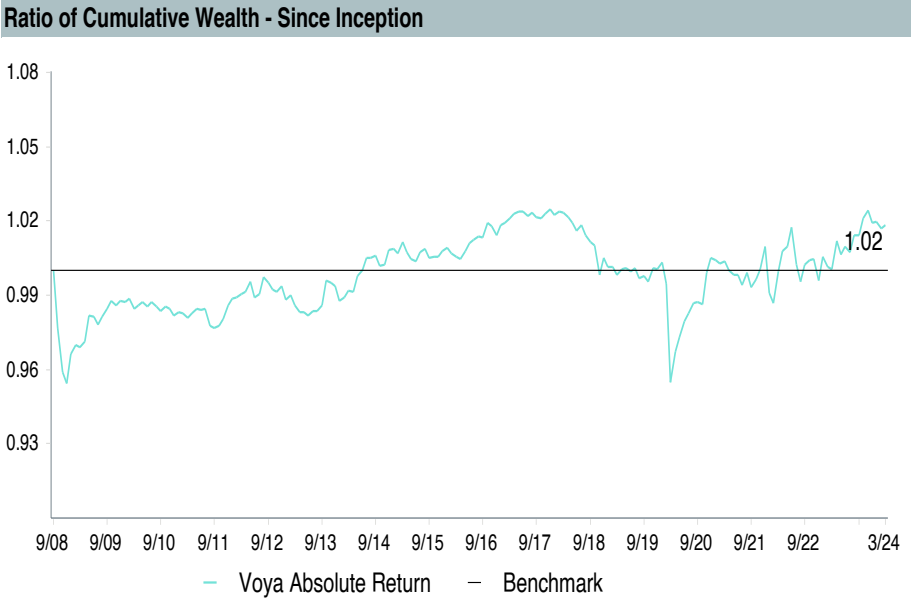
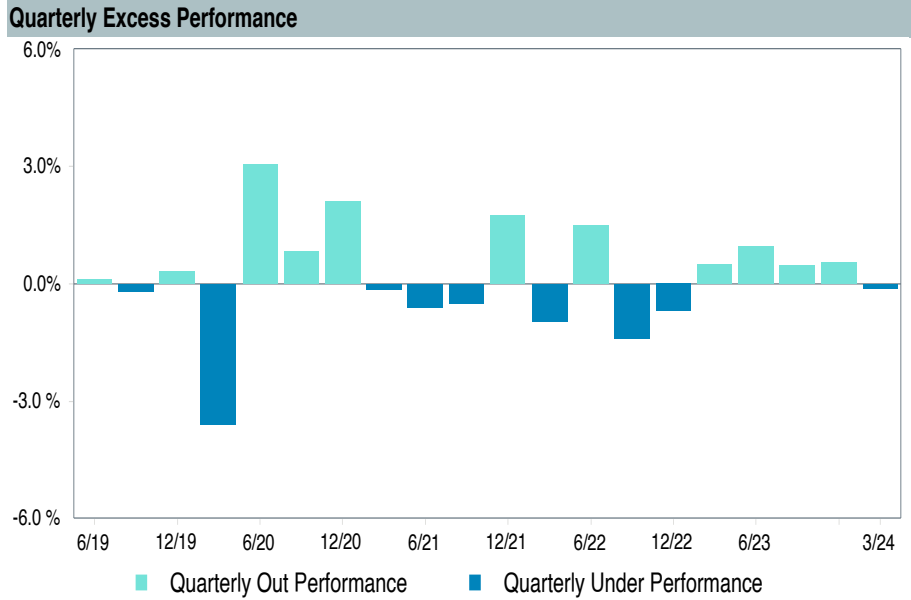
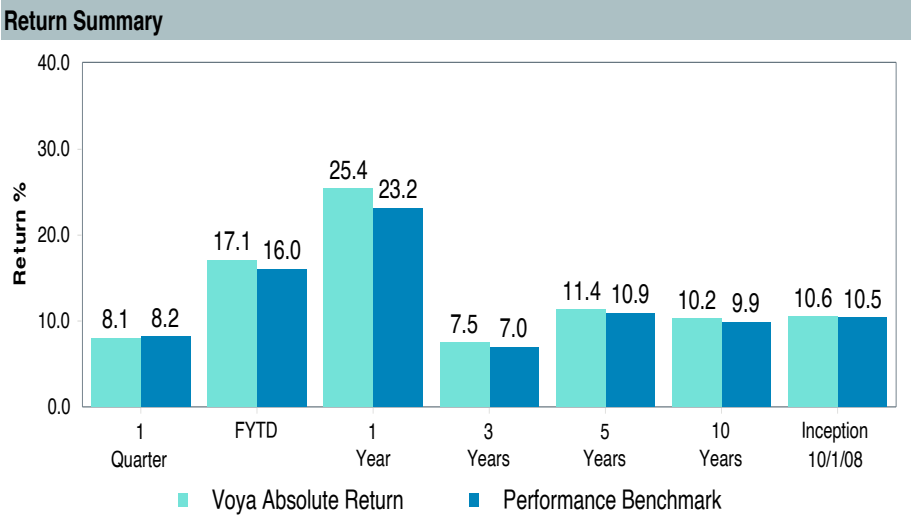
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Stephens	1.81	7.12	0.25	0.91	0.44	3.03	0.88	9.82	22.23	0.96
Russell 2000 Growth Index	0.00	0.00	-	1.00	0.33	0.00	1.00	7.38	24.09	1.00
90 Day U.S. Treasury Bill	-8.01	24.13	-0.33	0.00	-	2.04	0.00	2.02	0.59	-0.07

Manager Performance Summary Voya Absolute Return

As of March 31, 2024

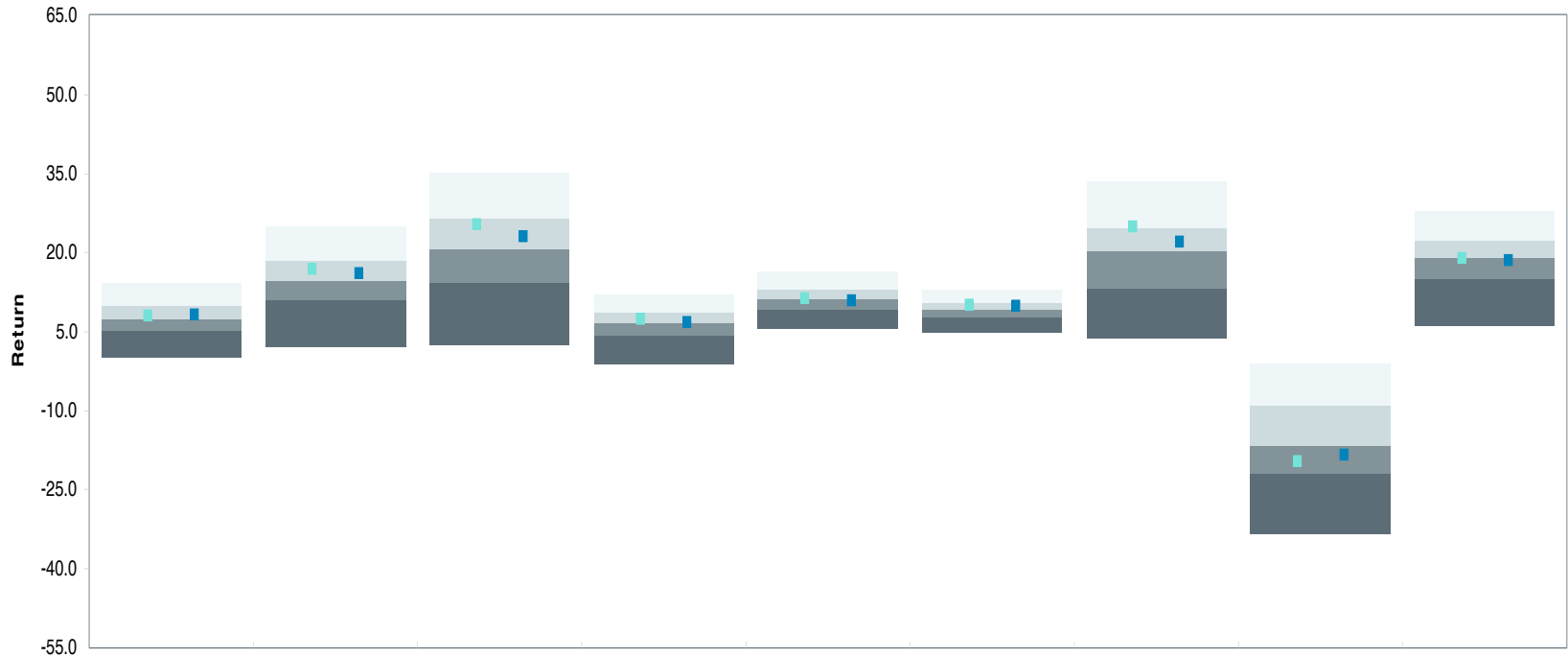
Account Information	
Account Name	Voya Absolute Return
Inception Date	09/30/2008
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	Performance Benchmark
Peer Group	IM Global Equity (MF)



Voya Absolute Return

As of March 31, 2024

IM Global Equity (SA+CF)



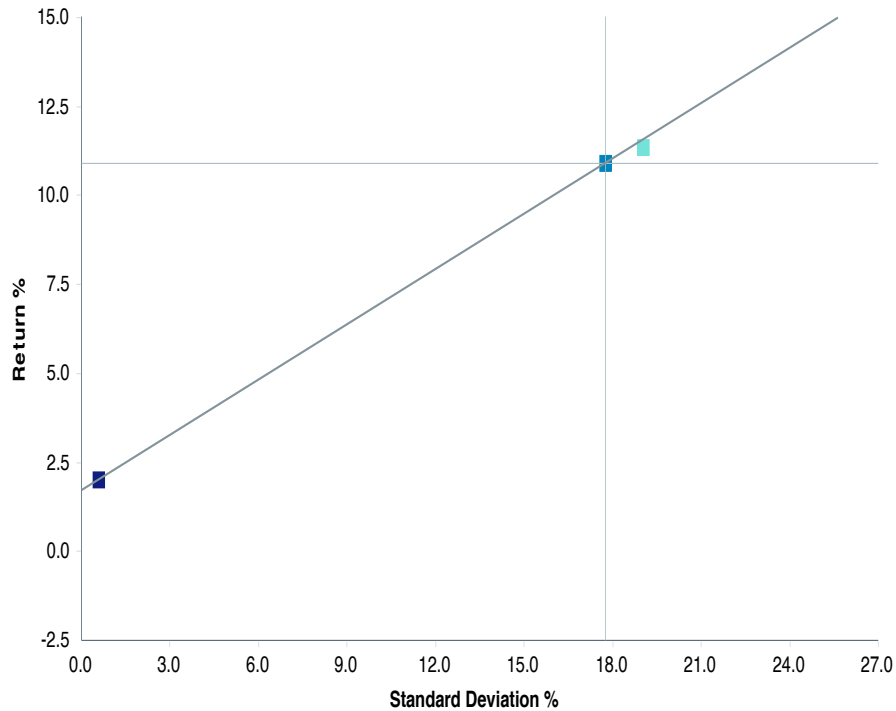
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Voya Absolute Return	8.1 (42)	17.1 (36)	25.4 (30)	7.5 (42)	11.4 (49)	10.2 (30)	25.1 (24)	-19.5 (66)	19.0 (51)
Performance Benchmark	8.2 (41)	16.0 (41)	23.2 (38)	7.0 (47)	10.9 (55)	9.9 (36)	22.2 (41)	-18.4 (60)	18.5 (55)
5th Percentile	14.3	25.1	35.1	11.9	16.3	13.1	33.5	-1.2	27.9
1st Quartile	10.0	18.6	26.4	8.6	13.0	10.5	24.6	-9.1	22.3
Median	7.4	14.7	20.7	6.7	11.3	9.1	20.2	-16.6	19.1
3rd Quartile	5.2	10.9	14.2	4.3	9.3	7.6	13.3	-21.8	15.1
95th Percentile	0.0	2.1	2.6	-1.2	5.6	4.8	3.7	-33.3	6.1
Population	488	485	485	464	431	327	538	562	564

Parentheses contain percentile rankings.

Risk Profile Voya Absolute Return

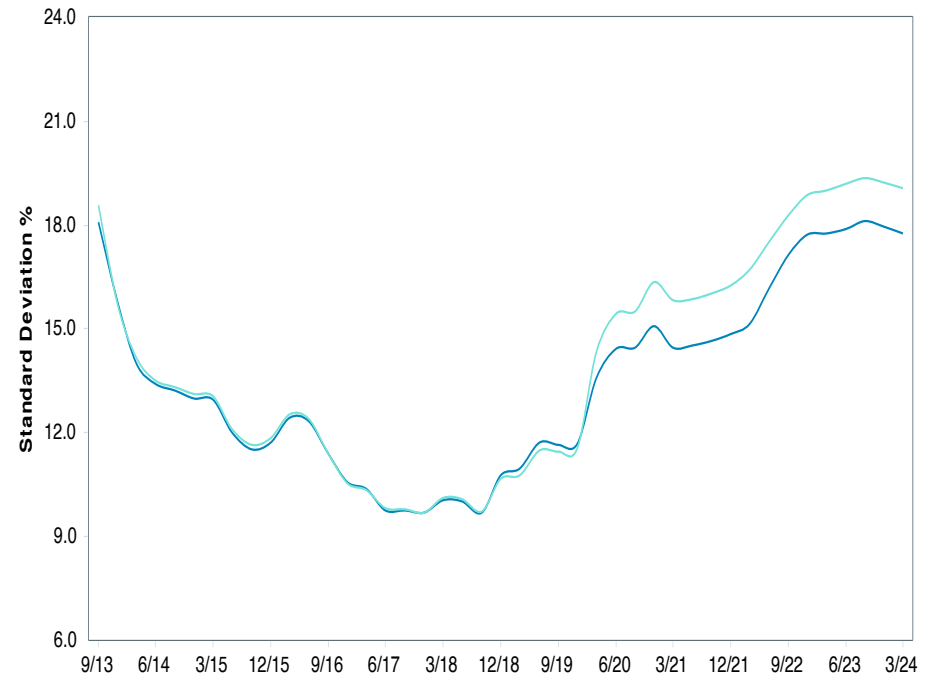
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



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

**Standard Deviation
Rolling 5 Years**



— Voya Absolute Return — Performance Benchmark

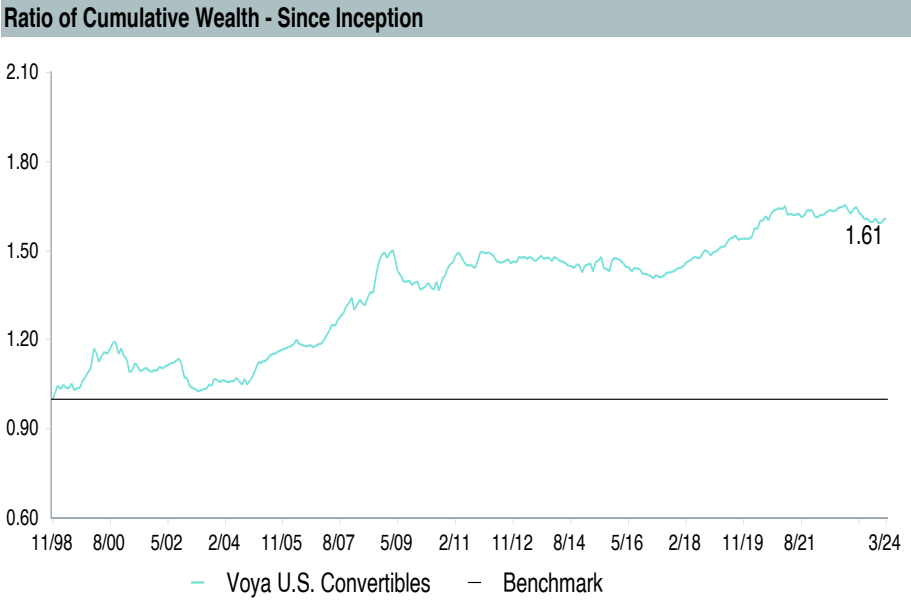
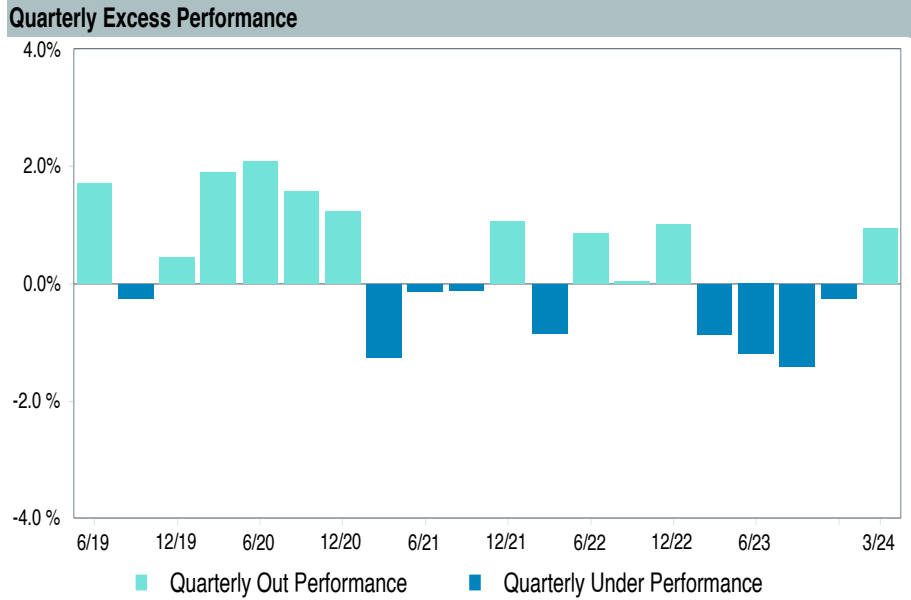
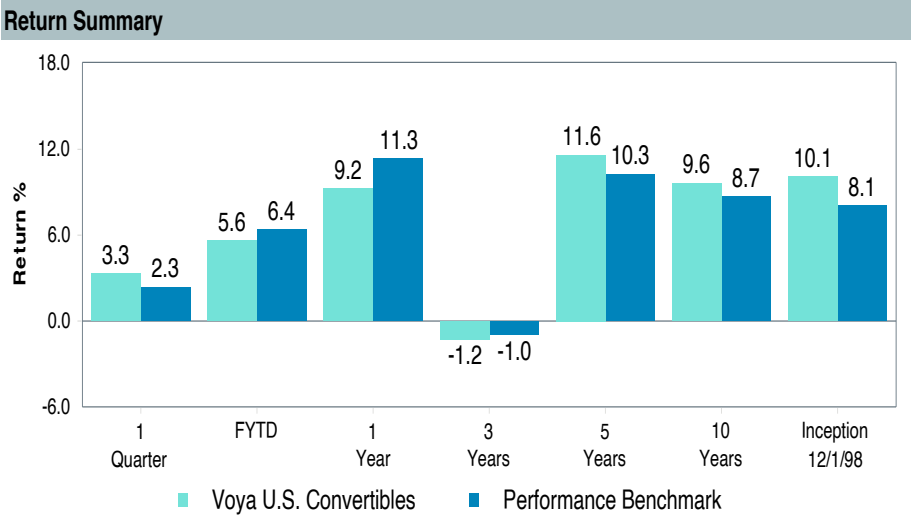
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Voya Absolute Return	0.65	2.68	0.24	0.98	0.56	-0.13	1.07	11.36	19.06	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.56	0.00	1.00	10.92	17.74	1.00
90 Day U.S. Treasury Bill	-9.96	17.77	-0.56	0.00	-	2.03	0.00	2.02	0.59	-0.03

Manager Performance Summary Voya U.S. Convertibles

As of March 31, 2024

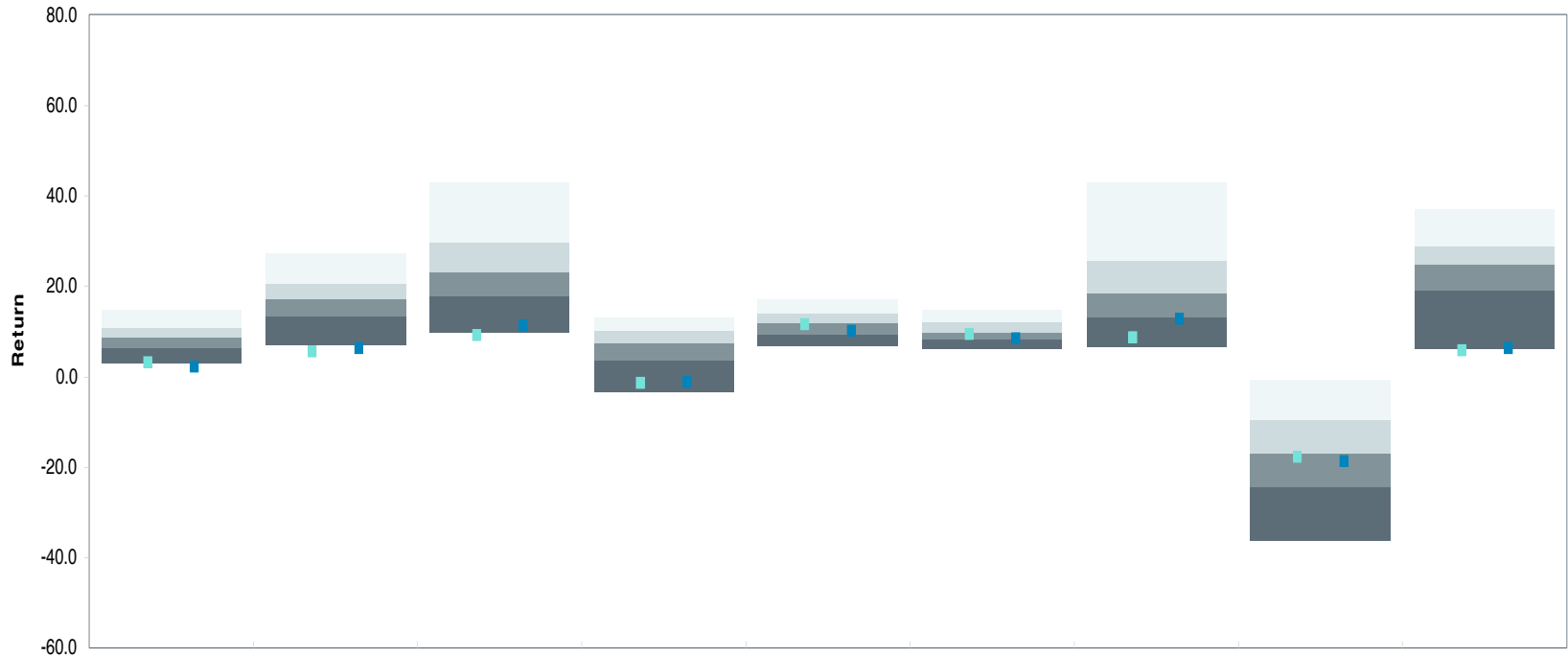
Account Information	
Account Name	Voya U.S. Convertibles
Inception Date	11/30/1998
Account Structure	Separate Account
Asset Class	US Equity
Benchmark	Performance Benchmark
Peer Group	IM U.S. Equity (SA+CF)



Voya U.S. Convertibles

As of March 31, 2024

IM U.S. Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Voya U.S. Convertibles	3.3 (95)	5.6 (97)	9.2 (96)	-1.2 (92)	11.6 (54)	9.6 (54)	8.8 (91)	-17.7 (54)	5.9 (96)
Performance Benchmark	2.3 (97)	6.4 (96)	11.3 (94)	-1.0 (92)	10.3 (68)	8.7 (69)	12.9 (77)	-18.7 (59)	6.3 (95)
5th Percentile	14.9	27.3	43.0	13.2	17.2	14.9	42.9	-0.7	37.2
1st Quartile	11.1	20.6	29.8	10.3	14.1	12.1	25.6	-9.6	28.9
Median	8.9	17.2	23.3	7.7	11.9	9.8	18.5	-17.0	25.0
3rd Quartile	6.5	13.4	18.0	3.7	9.6	8.3	13.1	-24.4	19.1
95th Percentile	2.9	7.1	9.9	-3.5	6.8	6.2	6.5	-36.2	6.2
Population	1,773	1,762	1,762	1,704	1,637	1,374	1,932	2,036	2,079

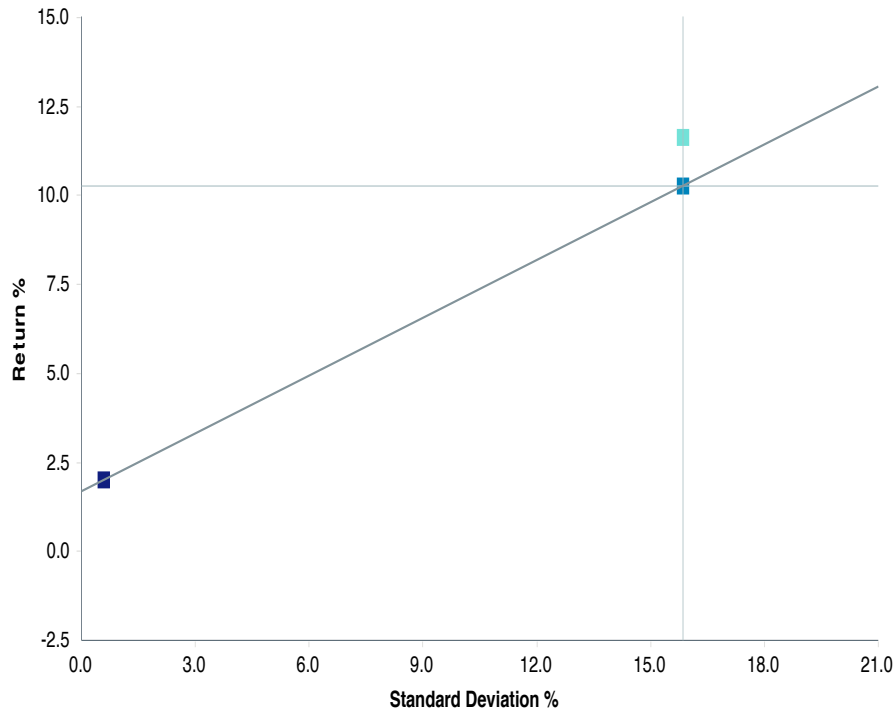
Parentheses contain percentile rankings.



Risk Profile Voya U.S. Convertibles

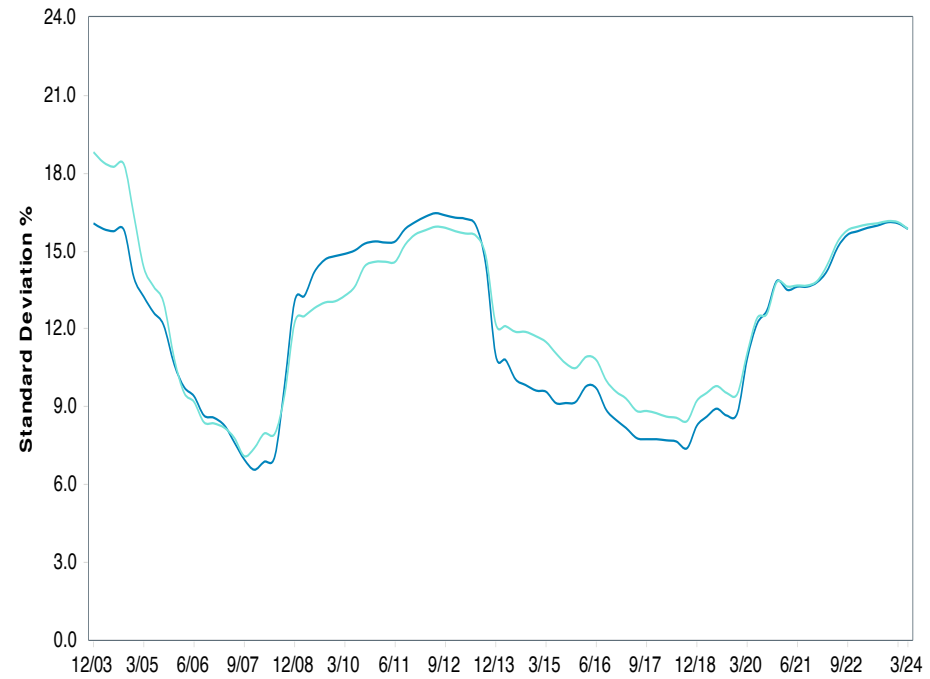
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation 5 Years



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

Standard Deviation Rolling 5 Years



— Voya U.S. Convertibles — Performance Benchmark

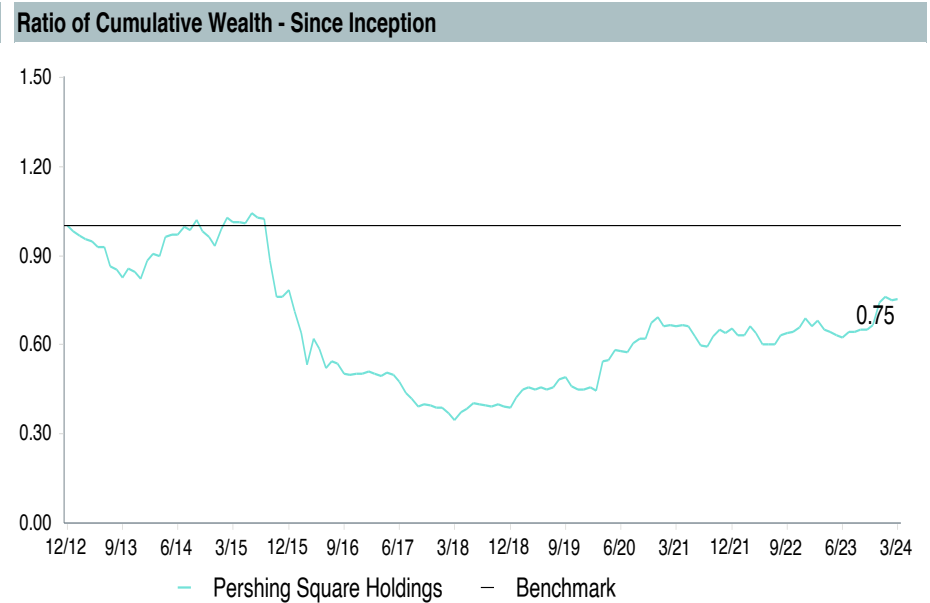
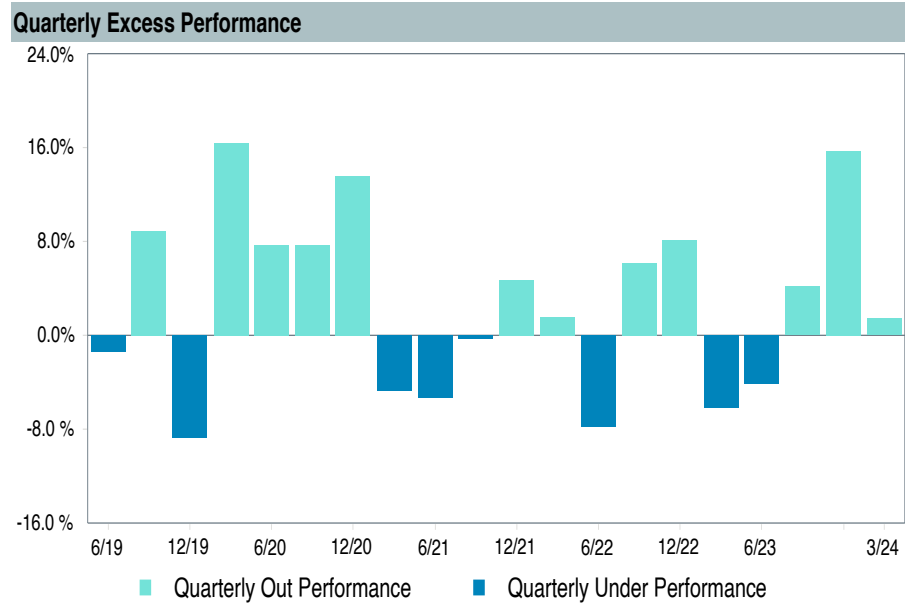
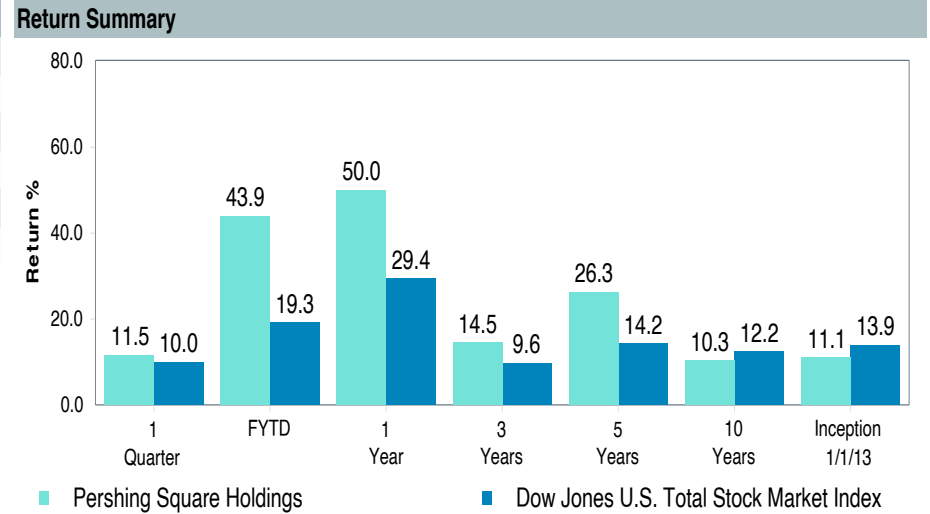
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Voya U.S. Convertibles	1.23	2.45	0.50	0.98	0.64	1.37	0.99	11.63	15.86	0.99
Performance Benchmark	0.00	0.00	-	1.00	0.57	0.00	1.00	10.28	15.85	1.00
90 Day U.S. Treasury Bill	-9.06	15.94	-0.57	0.02	-	2.08	0.00	2.02	0.59	-0.13

Manager Performance Summary Pershing Square Holdings

As of March 31, 2024

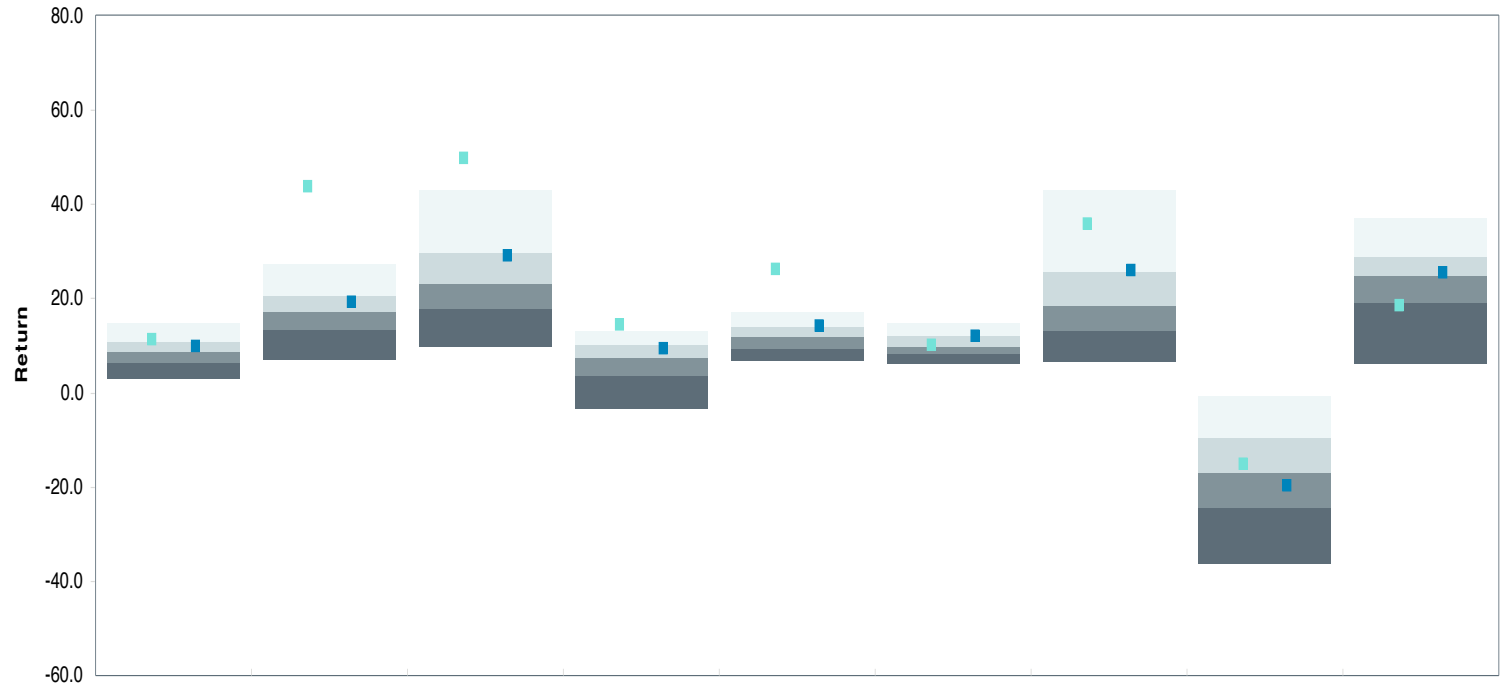
Account Information	
Account Name	Pershing Square Holdings
Inception Date	12/31/2012
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	Dow Jones U.S. Total Stock Market Index
Peer Group	IM U.S. Equity (SA+CF)



Pershing Square Holdings

As of March 31, 2024

IM U.S. Equity (SA+CF)



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Pershing Square Holdings	11.5 (22)	43.9 (1)	50.0 (1)	14.5 (3)	26.3 (1)	10.3 (44)	36.0 (11)	-15.1 (44)	18.7 (77)
Dow Jones U.S. Total Stock Market Index	10.0 (38)	19.3 (35)	29.4 (28)	9.6 (32)	14.2 (25)	12.2 (24)	26.1 (23)	-19.5 (63)	25.7 (46)
5th Percentile	14.9	27.3	43.0	13.2	17.2	14.9	42.9	-0.7	37.2
1st Quartile	11.1	20.6	29.8	10.3	14.1	12.1	25.6	-9.6	28.9
Median	8.9	17.2	23.3	7.7	11.9	9.8	18.5	-17.0	25.0
3rd Quartile	6.5	13.4	18.0	3.7	9.6	8.3	13.1	-24.4	19.1
95th Percentile	2.9	7.1	9.9	-3.5	6.8	6.2	6.5	-36.2	6.2
Population	1,773	1,762	1,762	1,704	1,637	1,374	1,932	2,036	2,079

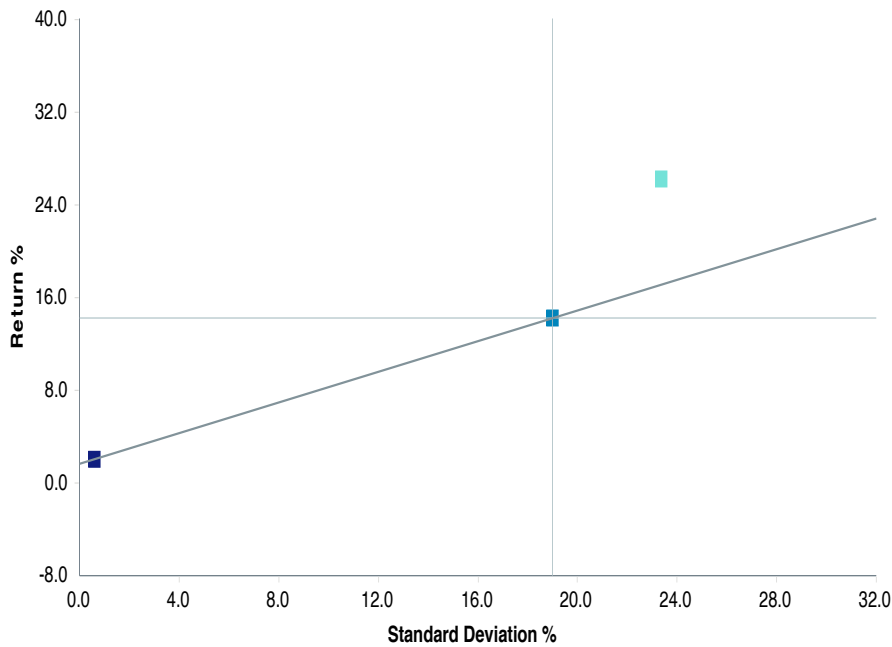
Parentheses contain percentile rankings.



Risk Profile Pershing Square Holdings

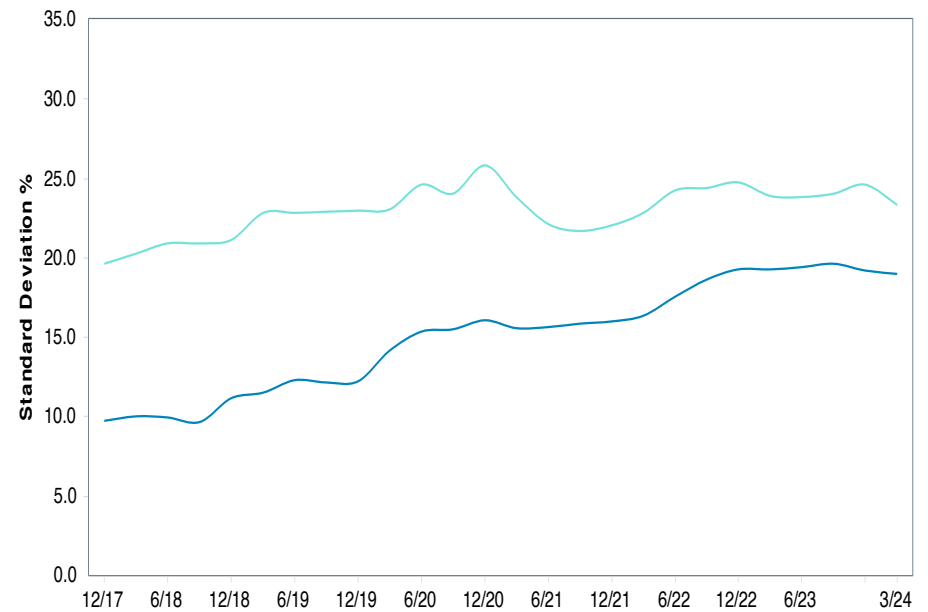
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



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

Standard Deviation
Rolling 5 Years



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

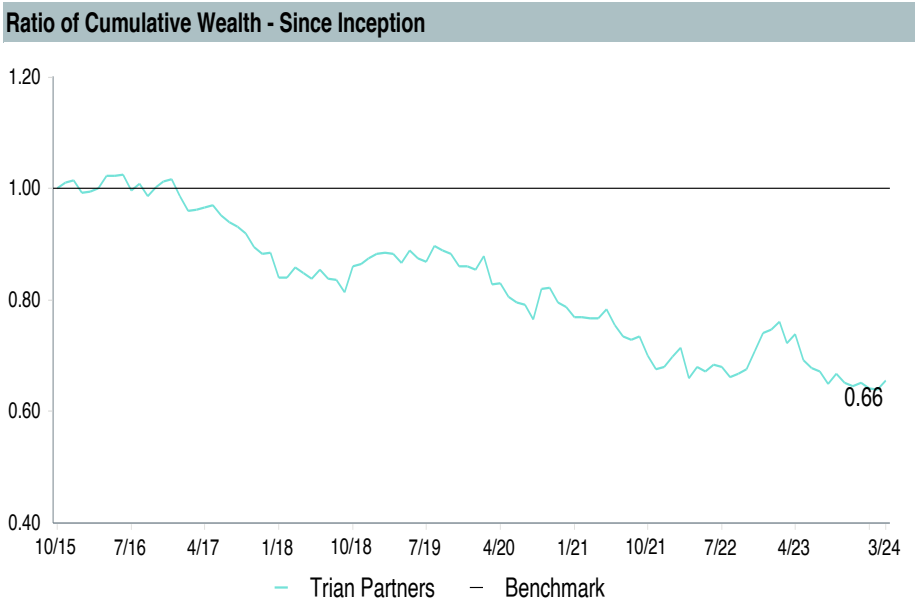
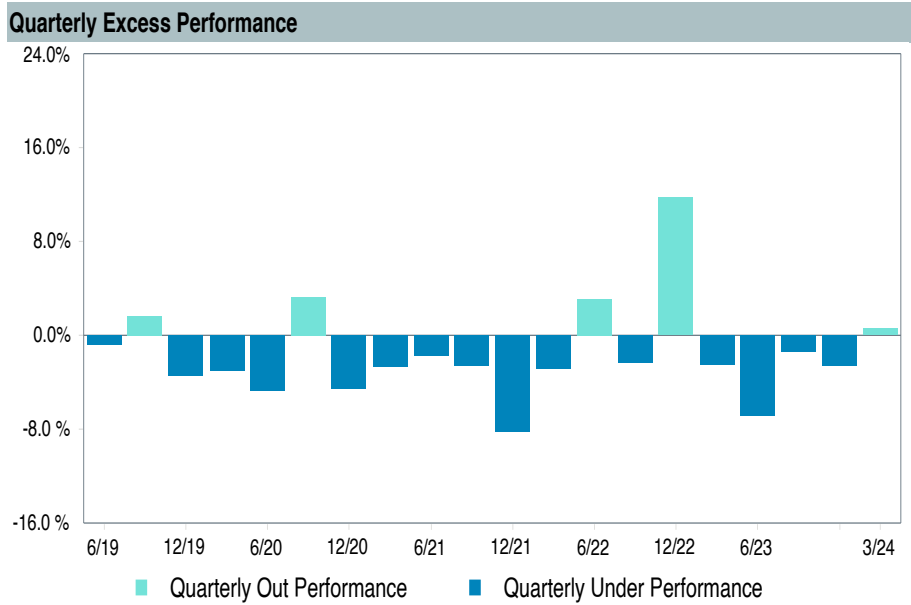
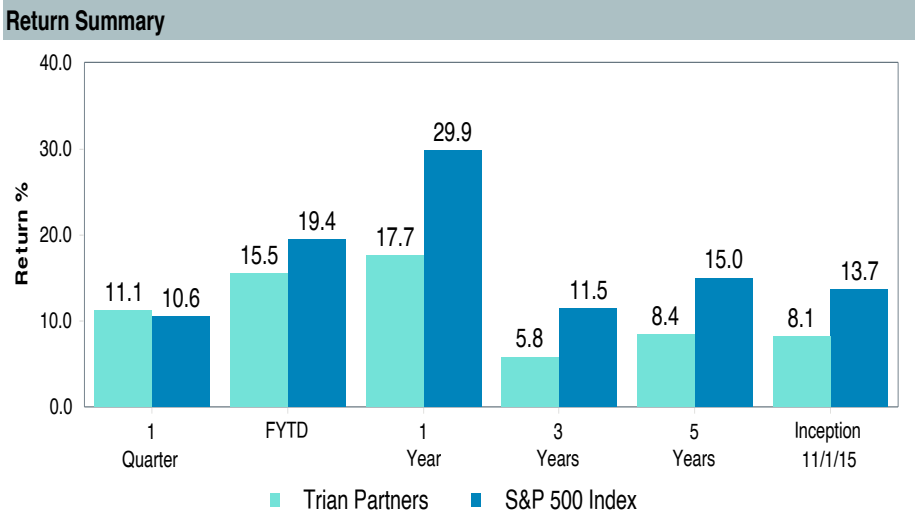
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Pershing Square Holdings	11.00	14.85	0.74	0.60	1.04	12.41	0.95	26.29	23.35	0.77
Dow Jones U.S. Total Stock Market Index	0.00	0.00	-	1.00	0.69	0.00	1.00	14.23	18.98	1.00
90 Day U.S. Treasury Bill	-13.16	19.02	-0.69	0.00	-	2.05	0.00	2.02	0.59	-0.05

Manager Performance Summary Trian Partners

As of March 31, 2024

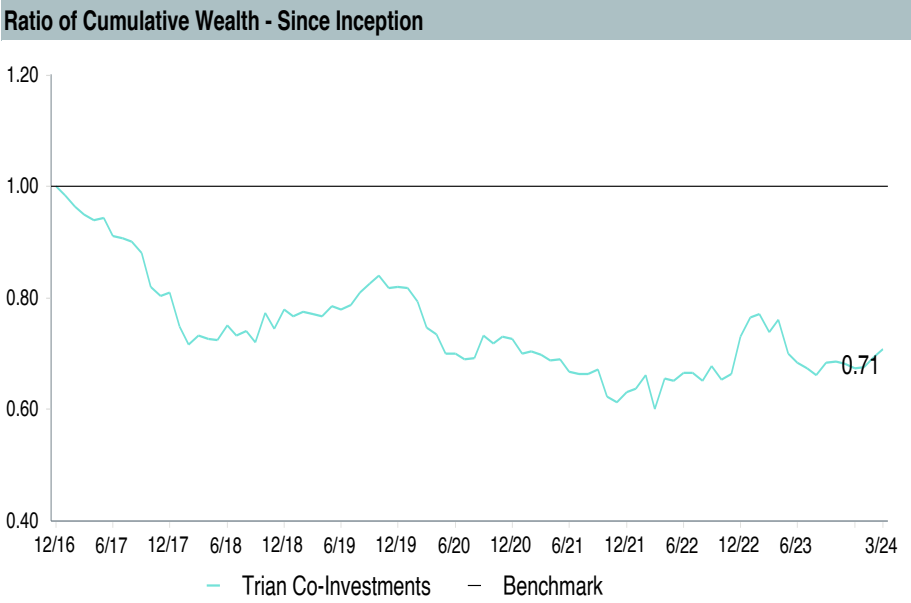
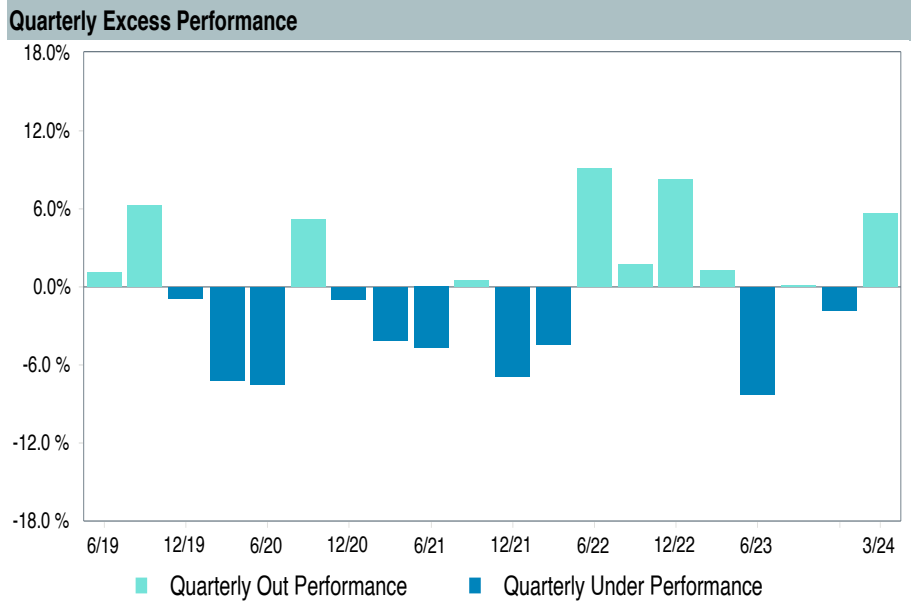
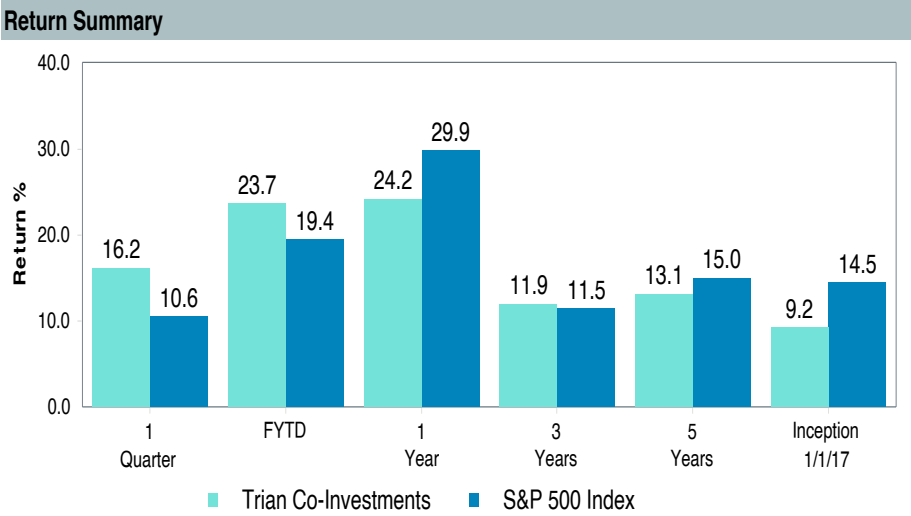
Account Information	
Account Name	Trian Partners
Inception Date	11/01/2015
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	



Manager Performance Summary Trian Co-Investments

As of March 31, 2024

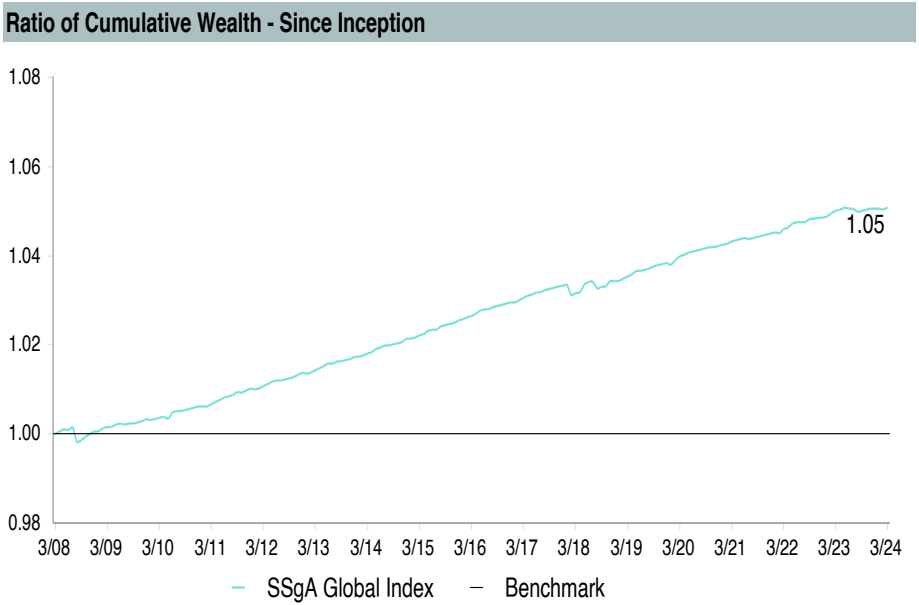
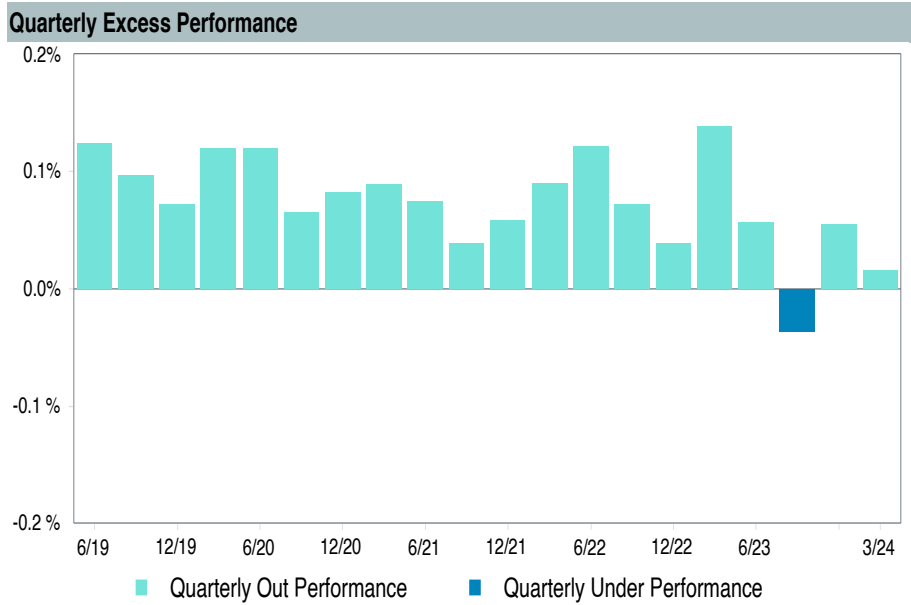
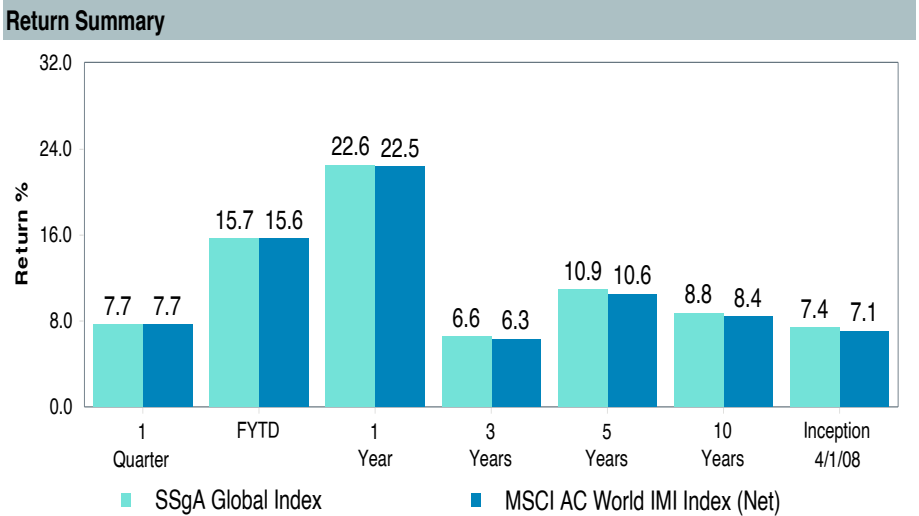
Account Information	
Account Name	Trian Co-Investments
Inception Date	01/01/2017
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	S&P 500 Index
Peer Group	



Manager Performance Summary SSgA Global Index

As of March 31, 2024

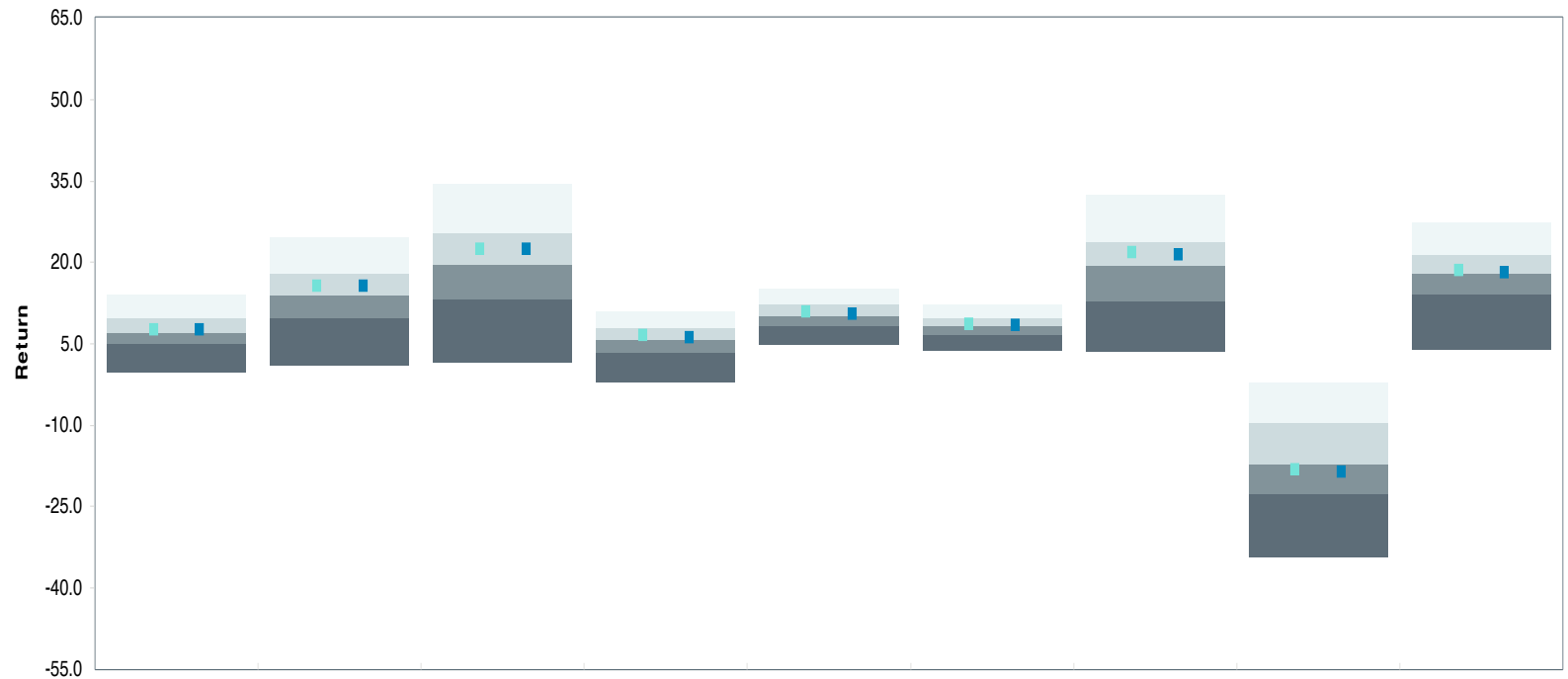
Account Information	
Account Name	SSgA Global Index
Inception Date	03/31/2008
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	MSCI AC World IMI Index (Net)
Peer Group	IM Global Equity (SA+CF)



SSgA Global Index

As of March 31, 2024

IM Global Equity (SA+CF)



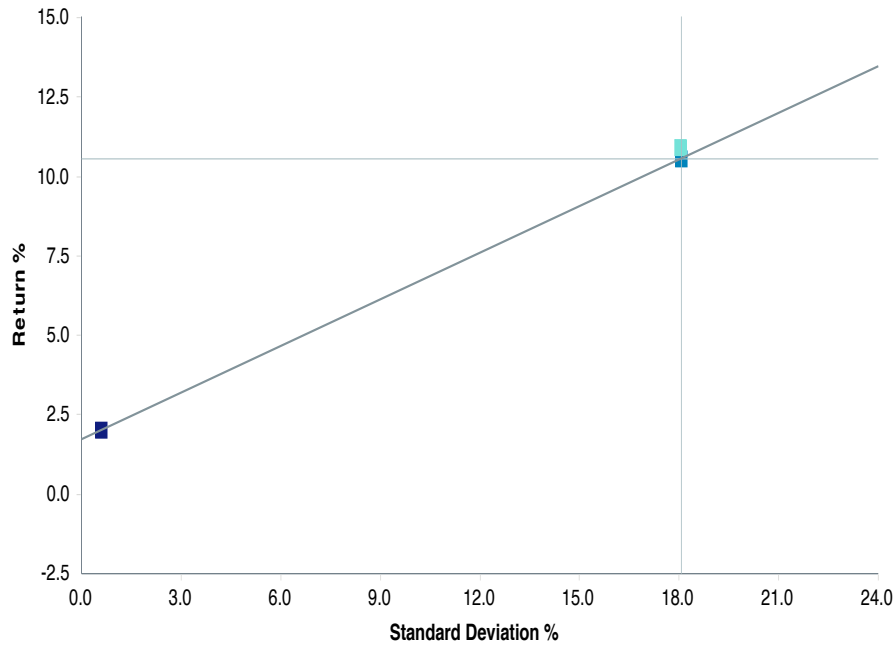
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
SSgA Global Index	7.7 (44)	15.7 (38)	22.6 (37)	6.6 (42)	10.9 (42)	8.8 (43)	21.8 (37)	-18.1 (53)	18.5 (47)
MSCI AC World IMI Index (Net)	7.7 (44)	15.6 (38)	22.5 (37)	6.3 (45)	10.6 (46)	8.4 (47)	21.6 (39)	-18.4 (54)	18.2 (49)
5th Percentile	14.1	24.6	34.4	11.0	15.0	12.2	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	9.7	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	8.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	6.7	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.8	3.5	-34.4	3.9
Population	463	459	459	431	395	283	504	521	524

Parentheses contain percentile rankings.

Risk Profile SSgA Global Index

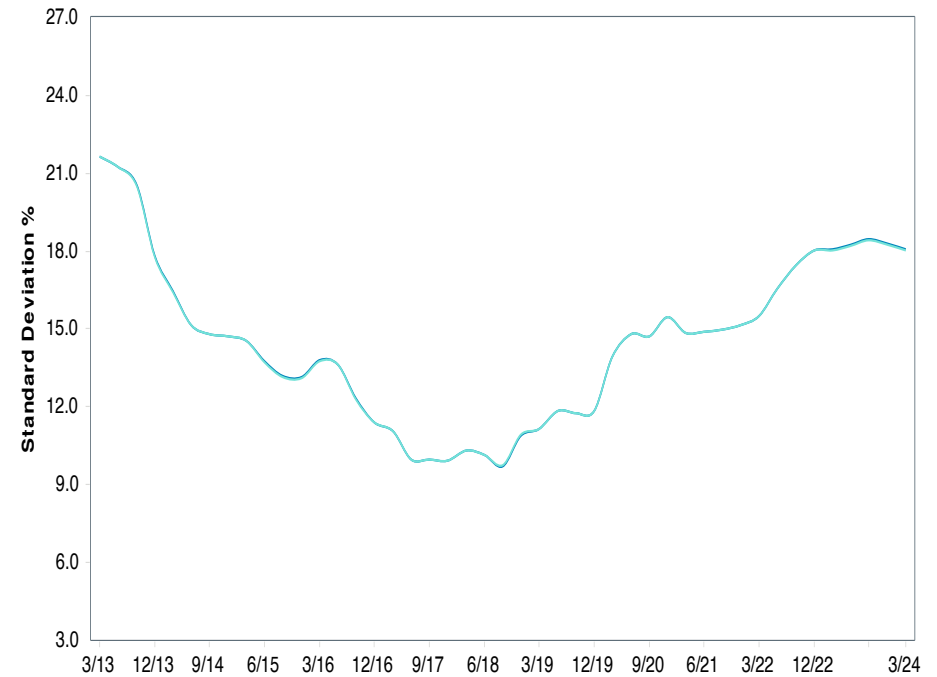
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



- SSgA Global Index
- MSCI AC World IMI Index (Net)
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- SSgA Global Index
- MSCI AC World IMI Index (Net)

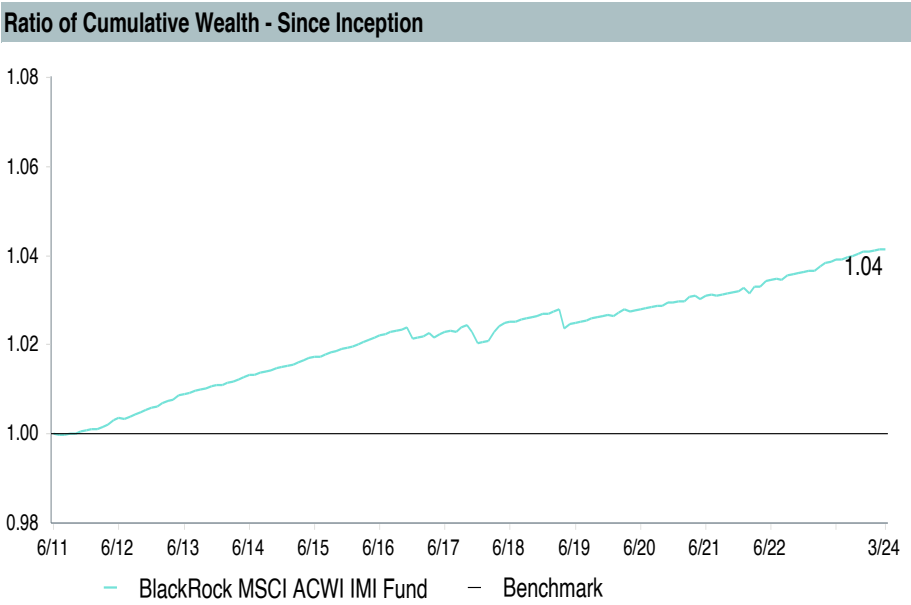
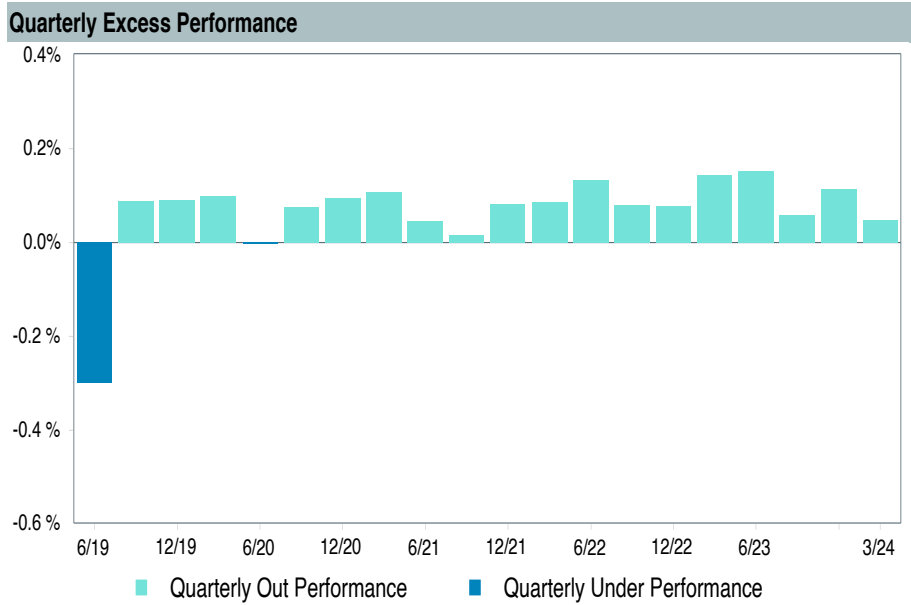
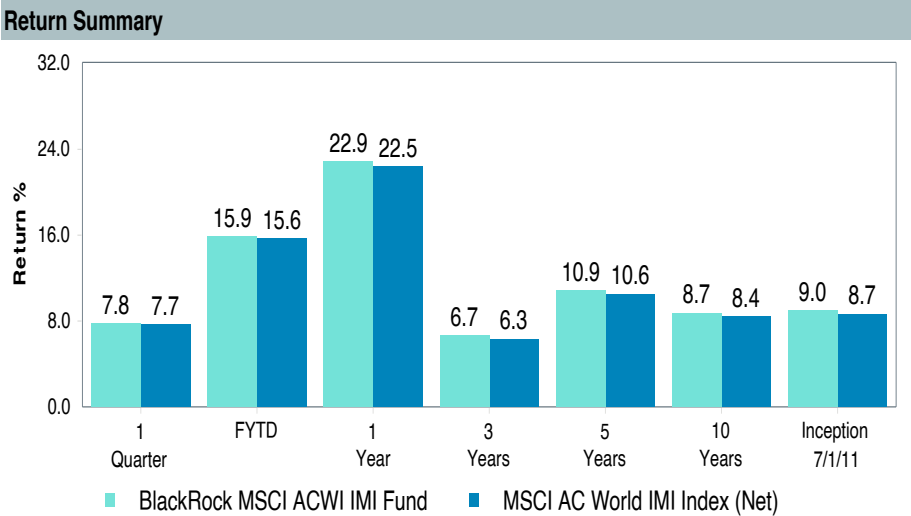
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
SSgA Global Index	0.29	0.10	3.01	1.00	0.55	0.31	1.00	10.90	18.03	1.00
MSCI AC World IMI Index (Net)	0.00	0.00	-	1.00	0.54	0.00	1.00	10.57	18.06	1.00
90 Day U.S. Treasury Bill	-9.70	18.09	-0.54	0.00	-	2.04	0.00	2.02	0.59	-0.04

Manager Performance Summary BlackRock MSCI ACWI IMI Fund

As of March 31, 2024

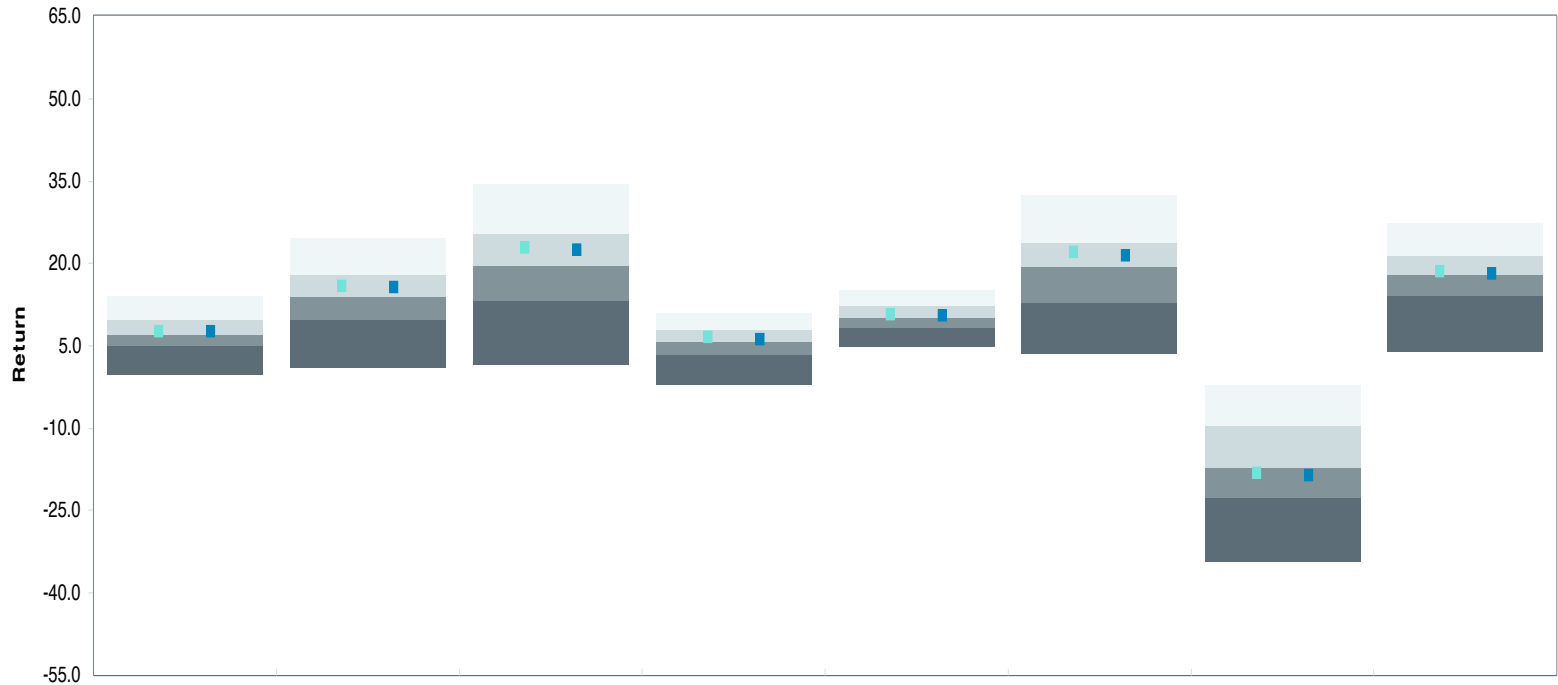
Account Information	
Account Name	BlackRock MSCI ACWI IMI Fund
Inception Date	06/30/2011
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	MSCI AC World IMI Index (Net)
Peer Group	IM Global Equity (SA+CF)



BlackRock MSCI ACWI IMI Fund

As of March 31, 2024

IM Global Equity (SA+CF)



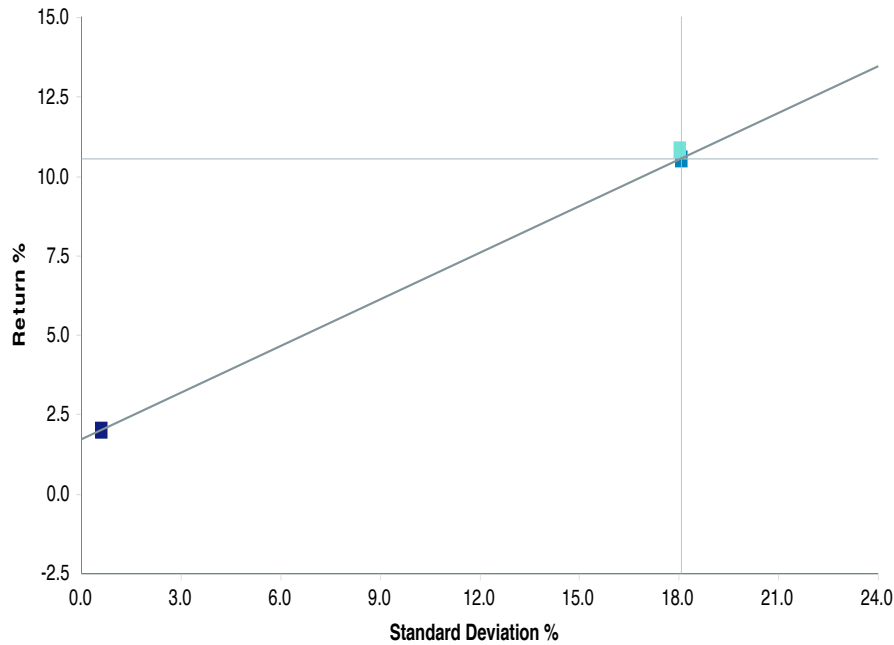
	1 Quarter	FYTD	1 Year	3 Years	5 Years	2023	2022	2021
BlackRock MSCI ACWI IMI Fund	7.8 (43)	15.9 (38)	22.9 (35)	6.7 (40)	10.9 (43)	22.1 (36)	-18.1 (53)	18.5 (47)
MSCI AC World IMI Index (Net)	7.7 (44)	15.6 (38)	22.5 (37)	6.3 (45)	10.6 (46)	21.6 (39)	-18.4 (54)	18.2 (49)
5th Percentile	14.1	24.6	34.4	11.0	15.0	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.5	-34.4	3.9
Population	463	459	459	431	395	504	521	524

Parentheses contain percentile rankings.

Risk Profile BlackRock MSCI ACWI IMI Fund

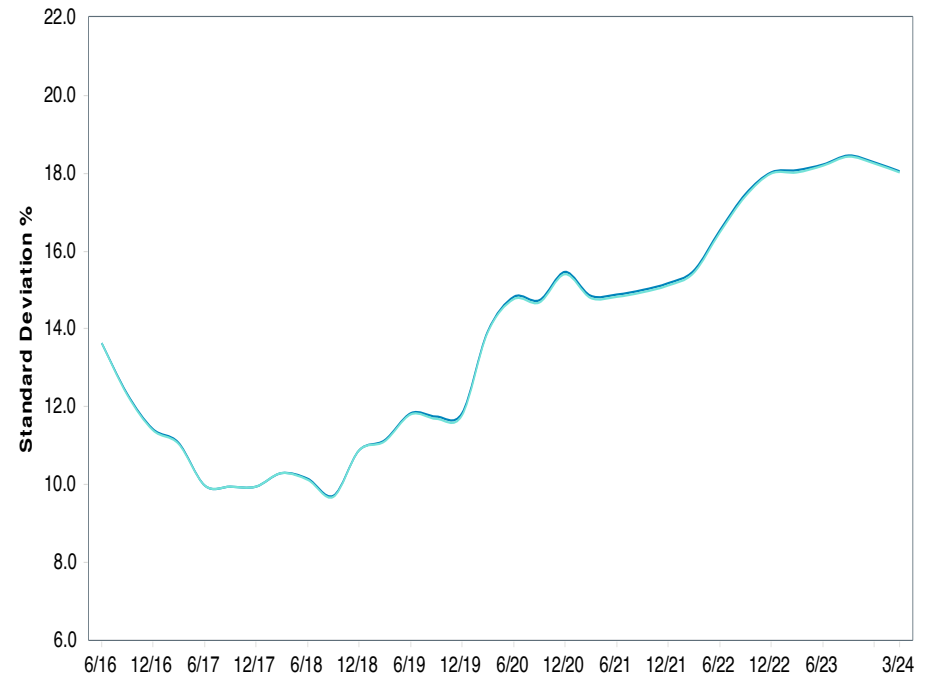
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



- BlackRock MSCI ACWI IMI Fund
- MSCI AC World IMI Index (Net)
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 5 Years**



- BlackRock MSCI ACWI IMI Fund
- MSCI AC World IMI Index (Net)

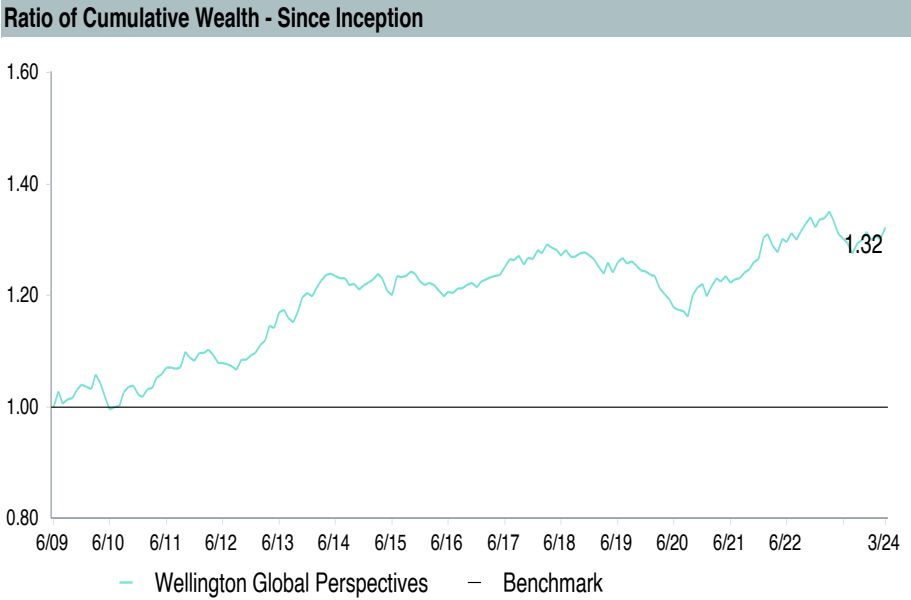
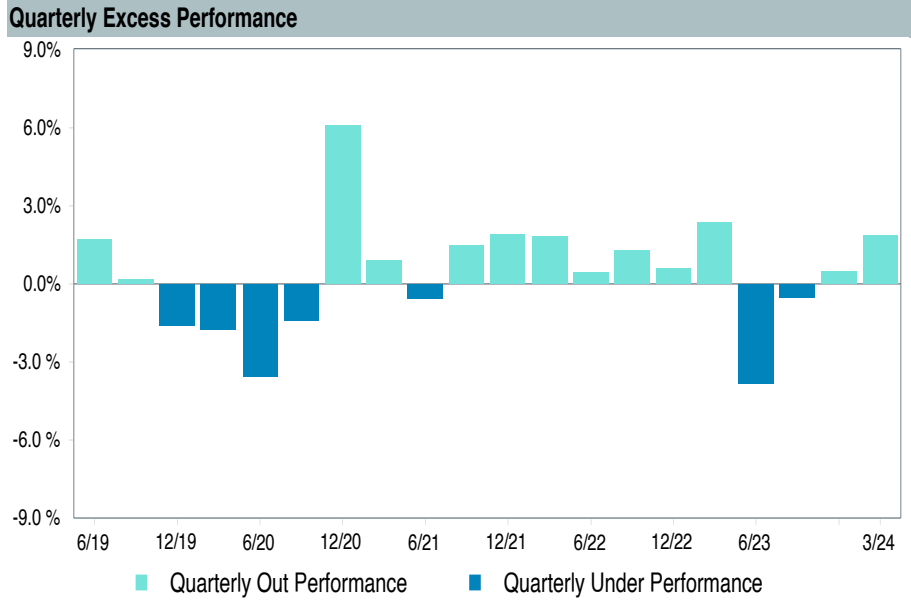
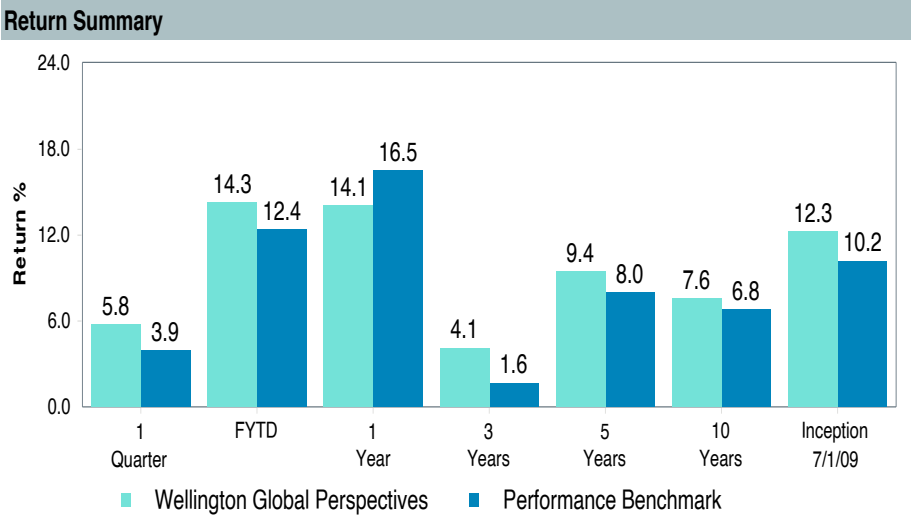
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
BlackRock MSCI ACWI IMI Fund	0.26	0.25	1.03	1.00	0.55	0.28	1.00	10.86	18.03	1.00
MSCI AC World IMI Index (Net)	0.00	0.00	-	1.00	0.54	0.00	1.00	10.57	18.06	1.00
90 Day U.S. Treasury Bill	-9.70	18.09	-0.54	0.00	-	2.04	0.00	2.02	0.59	-0.04

Manager Performance Summary Wellington Global Perspectives

As of March 31, 2024

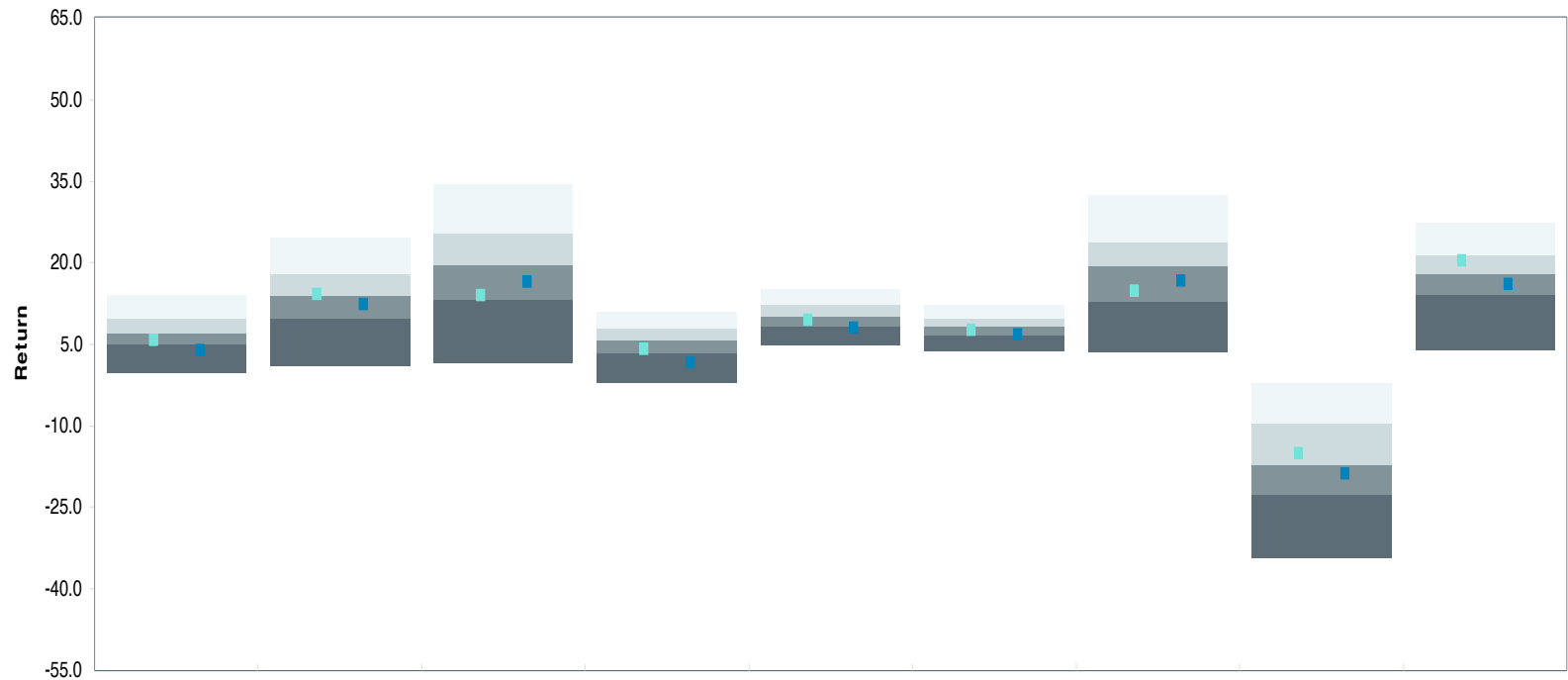
Account Information	
Account Name	Wellington Global Perspectives
Inception Date	06/30/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	Performance Benchmark
Peer Group	IM Global Equity (SA+CF)



Wellington Global Perspectives

As of March 31, 2024

IM Global Equity (SA+CF)



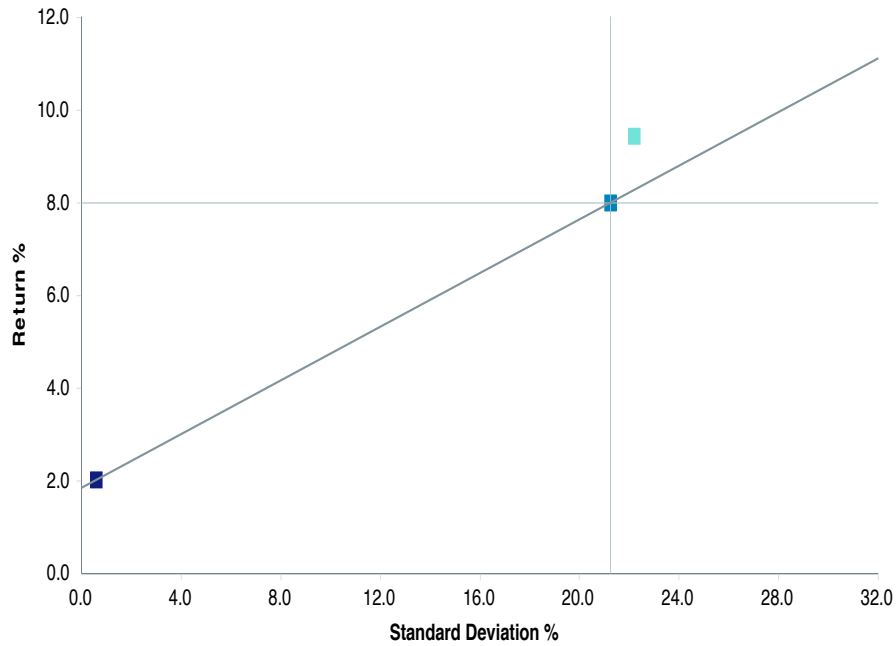
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Wellington Global Perspectives	5.8 (66)	14.3 (48)	14.1 (74)	4.1 (68)	9.4 (62)	7.6 (60)	14.9 (68)	-15.0 (39)	20.4 (31)
Performance Benchmark	3.9 (84)	12.4 (64)	16.5 (66)	1.6 (86)	8.0 (78)	6.8 (75)	16.8 (61)	-18.7 (56)	16.1 (63)
5th Percentile	14.1	24.6	34.4	11.0	15.0	12.2	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	9.7	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	8.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	6.7	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.8	3.5	-34.4	3.9
Population	463	459	459	431	395	283	504	521	524

Parentheses contain percentile rankings.

Risk Profile Wellington Global Perspectives

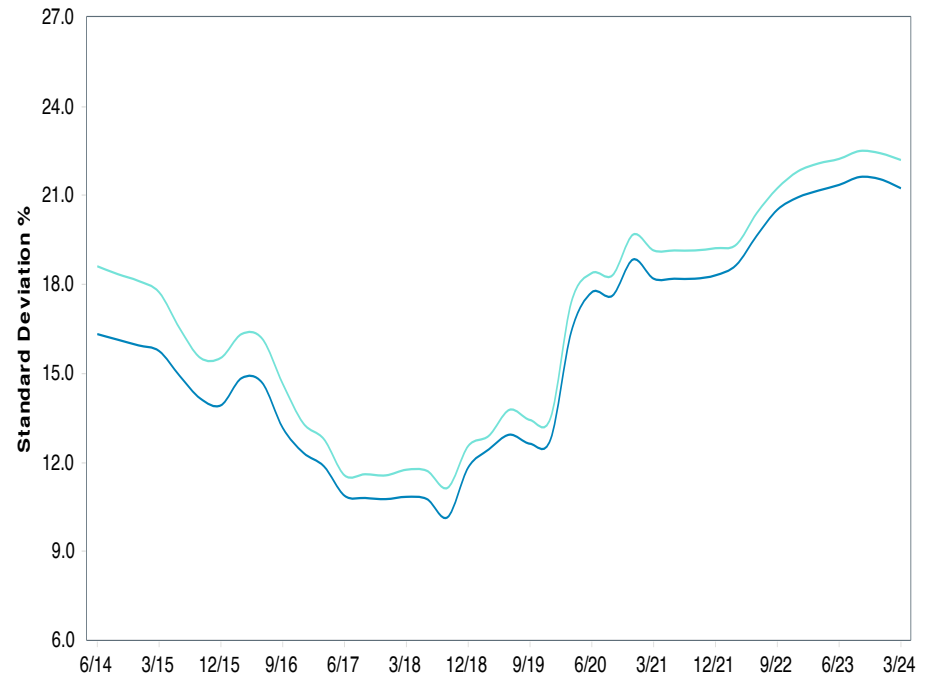
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



- Wellington Global Perspectives
- Performance Benchmark
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 5 Years**



- Wellington Global Perspectives
- Performance Benchmark

5 Years Historical Statistics

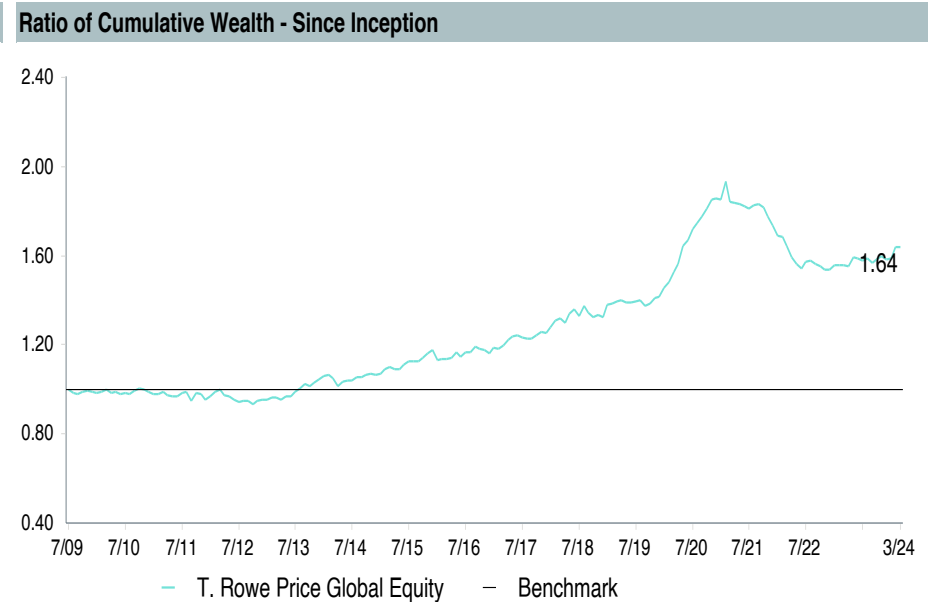
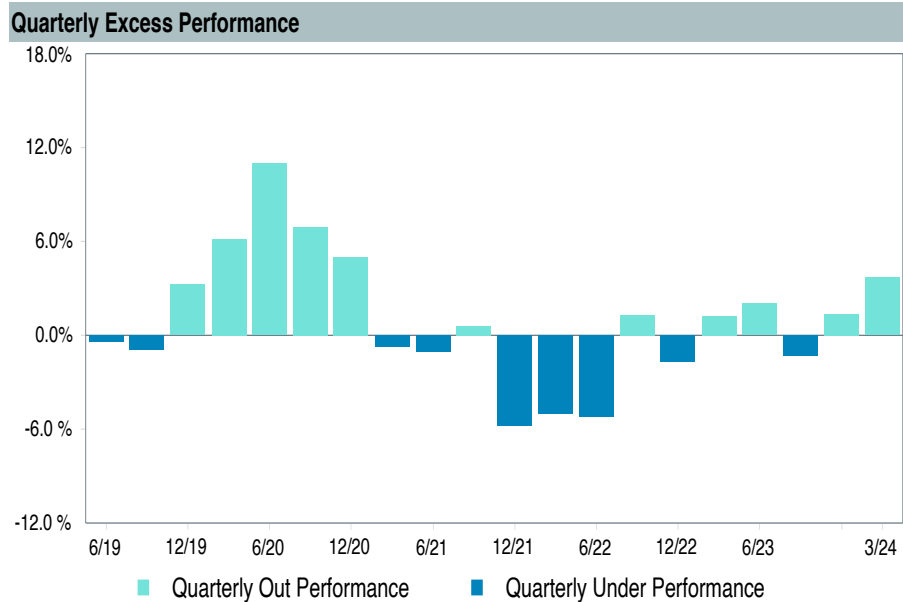
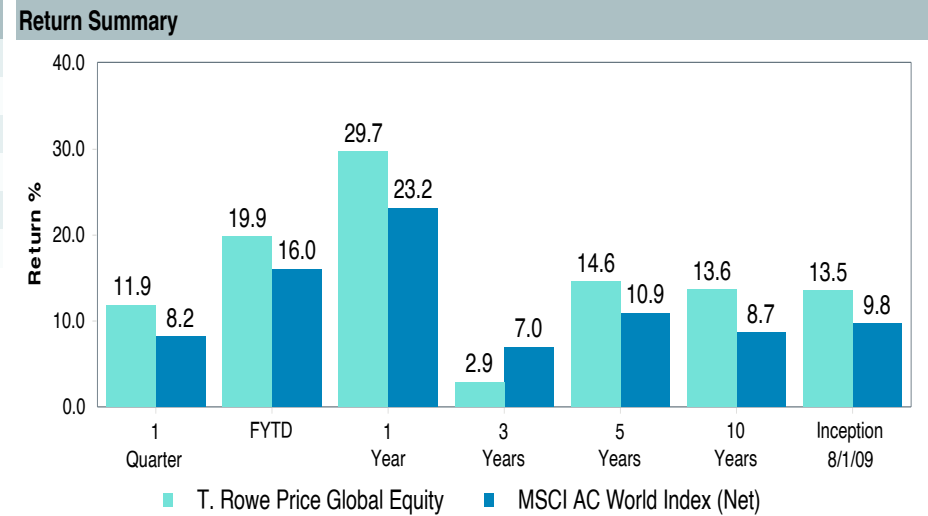
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Wellington Global Perspectives	1.54	3.96	0.39	0.97	0.43	1.26	1.03	9.44	22.21	0.98
Performance Benchmark	0.00	0.00	-	1.00	0.38	0.00	1.00	8.00	21.25	1.00
90 Day U.S. Treasury Bill	-8.00	21.32	-0.38	0.01	-	2.05	0.00	2.02	0.59	-0.10



Manager Performance Summary T. Rowe Price Global Equity

As of March 31, 2024

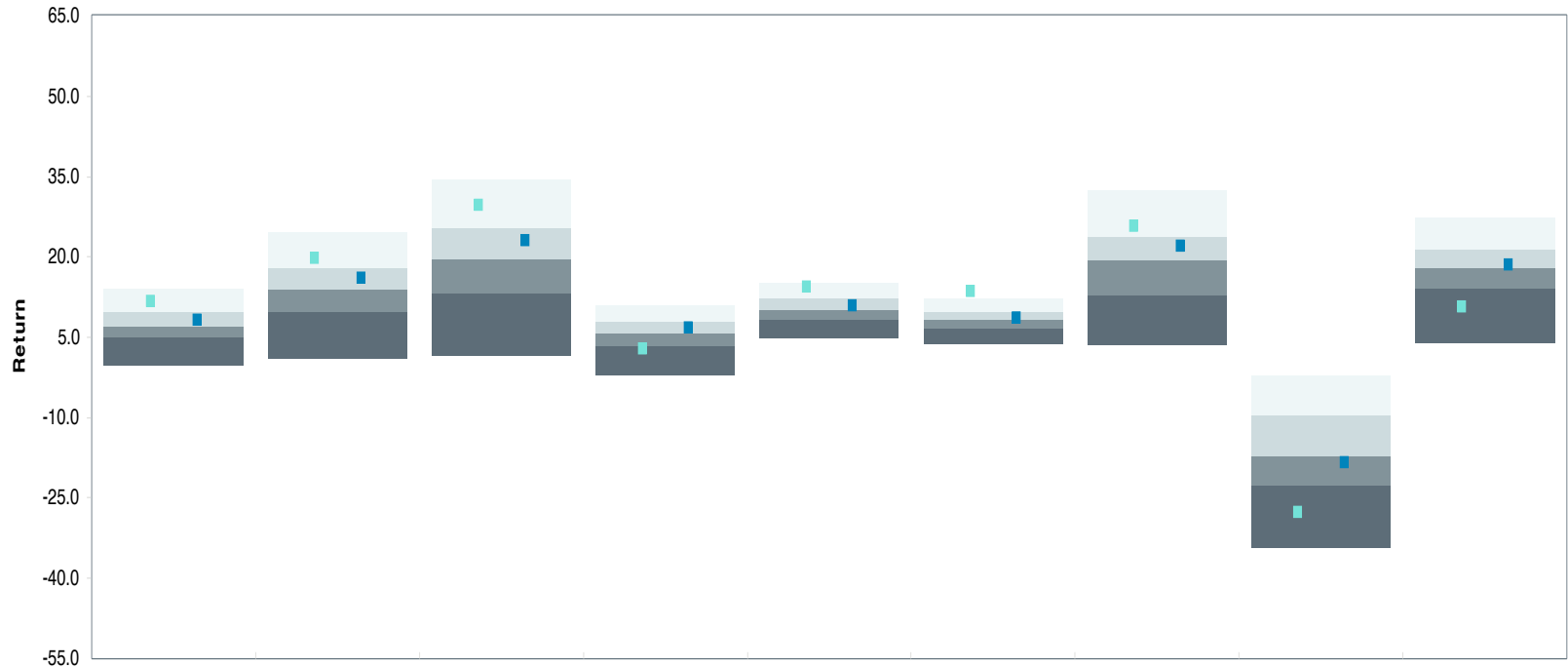
Account Information	
Account Name	T. Rowe Price Global Equity
Inception Date	08/31/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World Index (Net)
Peer Group	IM Global Equity (SA+CF)



T. Rowe Price Global Equity

As of March 31, 2024

IM Global Equity (SA+CF)



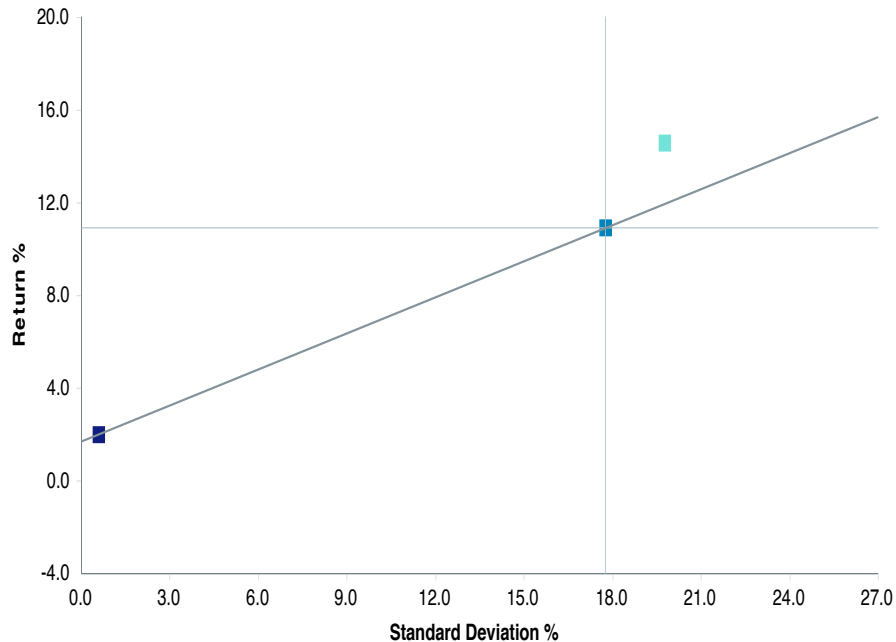
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
T. Rowe Price Global Equity	11.9 (12)	19.9 (19)	29.7 (12)	2.9 (79)	14.6 (7)	13.6 (3)	25.8 (18)	-27.5 (87)	10.8 (88)
MSCI AC World Index (Net)	8.2 (38)	16.0 (37)	23.2 (35)	7.0 (37)	10.9 (42)	8.7 (46)	22.2 (36)	-18.4 (54)	18.5 (47)
5th Percentile	14.1	24.6	34.4	11.0	15.0	12.2	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	9.7	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	8.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	6.7	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.8	3.5	-34.4	3.9
Population	463	459	459	431	395	283	504	521	524

Parentheses contain percentile rankings.

Risk Profile T. Rowe Price Global Equity

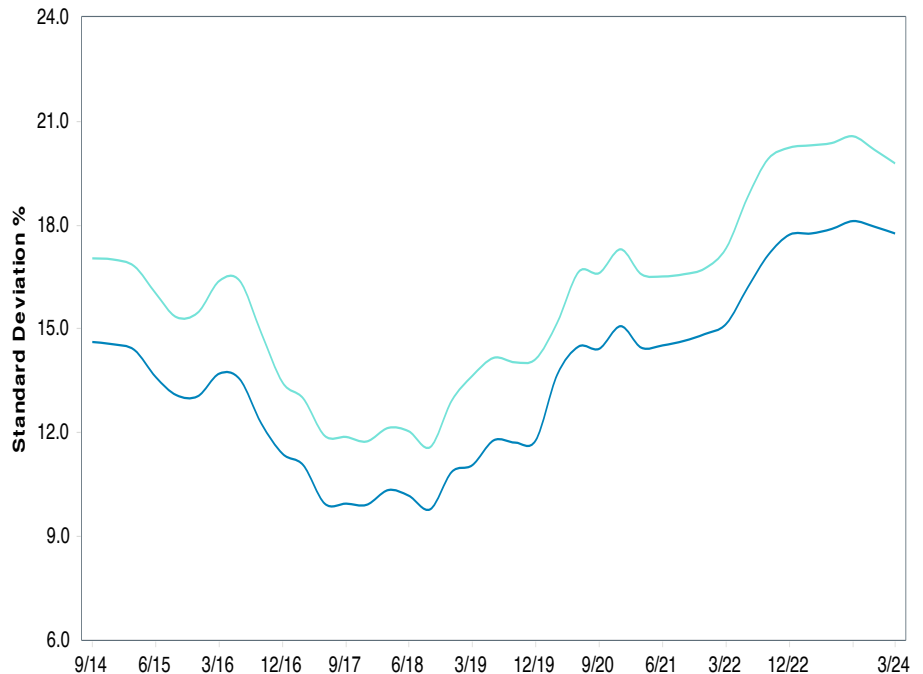
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



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

**Standard Deviation
Rolling 5 Years**



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

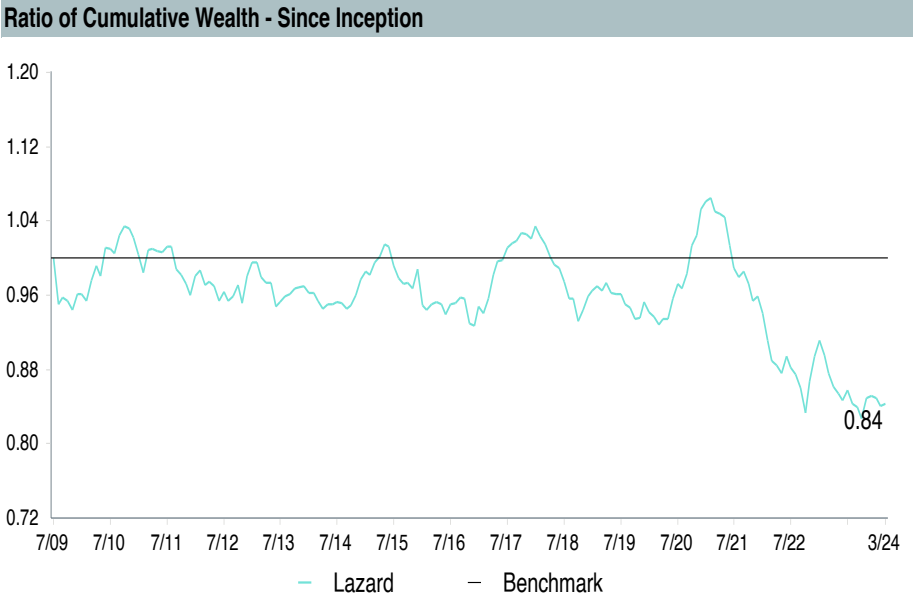
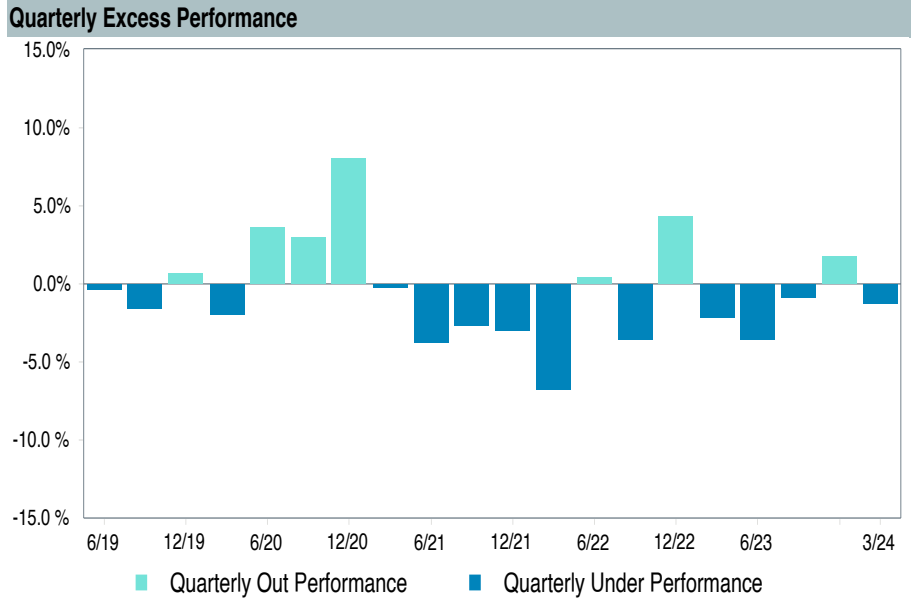
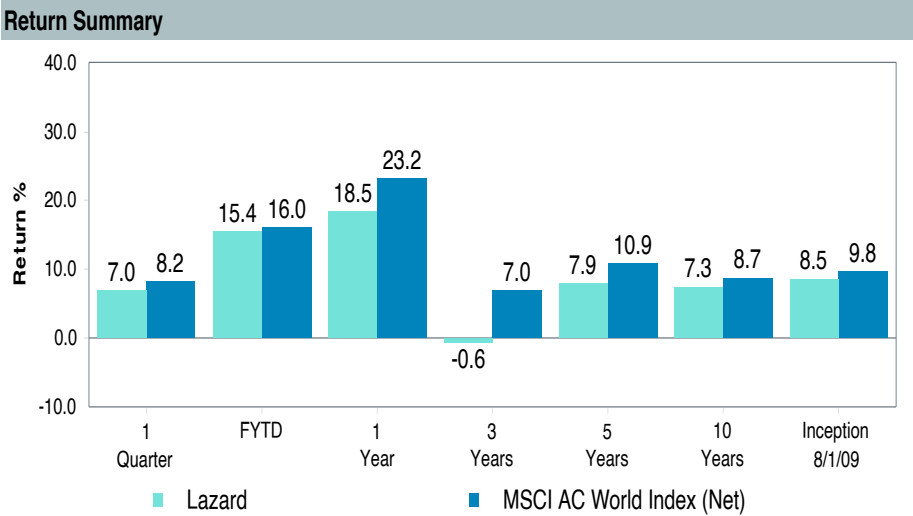
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
T. Rowe Price Global Equity	3.63	6.39	0.57	0.90	0.69	2.99	1.06	14.57	19.78	0.95
MSCI AC World Index (Net)	0.00	0.00	-	1.00	0.56	0.00	1.00	10.92	17.74	1.00
90 Day U.S. Treasury Bill	-9.96	17.77	-0.56	0.00	-	2.03	0.00	2.02	0.59	-0.03

Manager Performance Summary Lazard

As of March 31, 2024

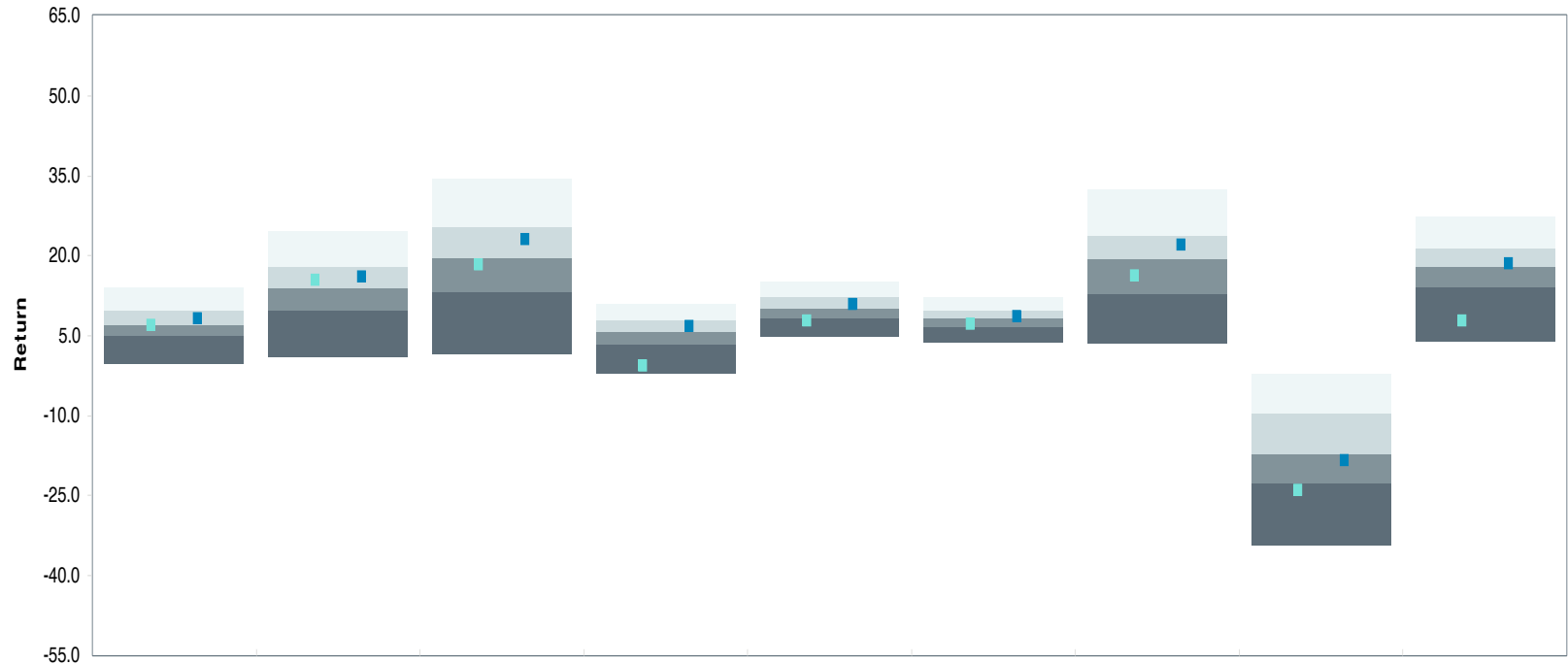
Account Information	
Account Name	Lazard
Inception Date	08/31/2009
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World Index (Net)
Peer Group	IM Global Equity (SA+CF)



Lazard

As of March 31, 2024

IM Global Equity (SA+CF)



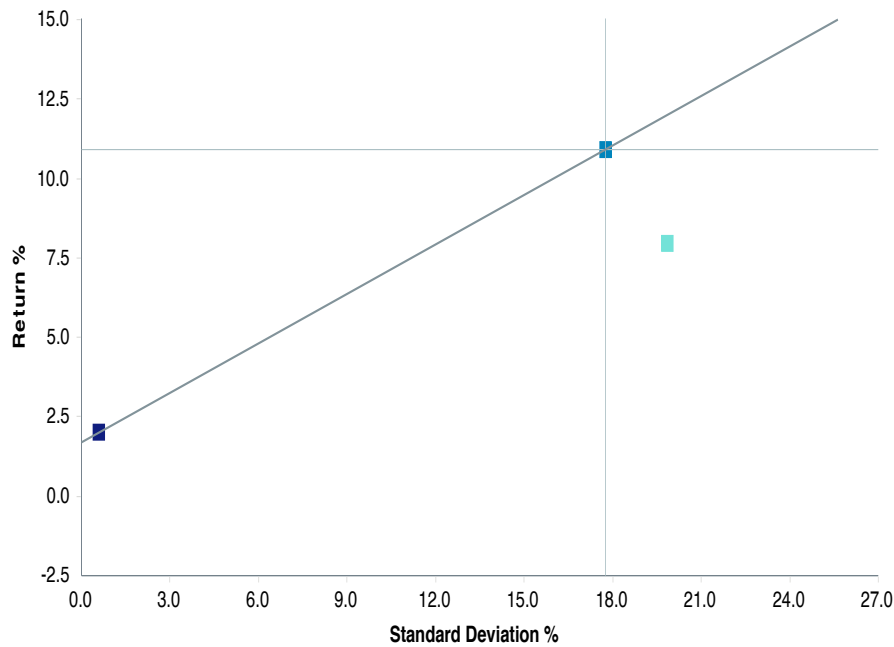
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Lazard	7.0 (51)	15.4 (39)	18.5 (56)	-0.6 (93)	7.9 (79)	7.3 (63)	16.4 (62)	-23.8 (79)	8.0 (92)
MSCI AC World Index (Net)	8.2 (38)	16.0 (37)	23.2 (35)	7.0 (37)	10.9 (42)	8.7 (46)	22.2 (36)	-18.4 (54)	18.5 (47)
5th Percentile	14.1	24.6	34.4	11.0	15.0	12.2	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	9.7	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	8.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	6.7	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.8	3.5	-34.4	3.9
Population	463	459	459	431	395	283	504	521	524

Parentheses contain percentile rankings.

Risk Profile Lazard

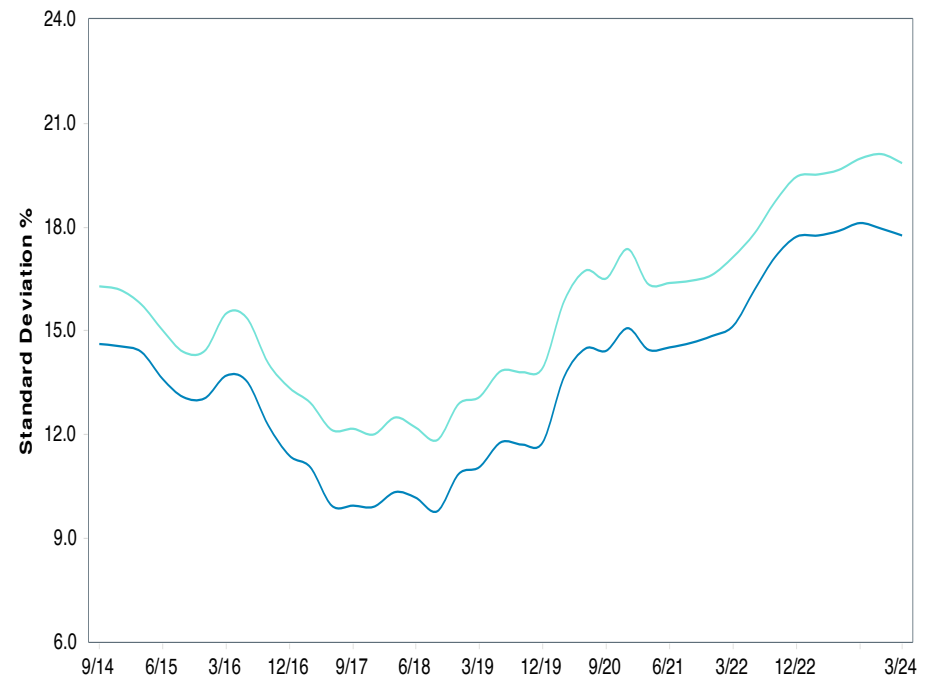
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



- Lazard
- MSCI AC World Index (Net)
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



- Lazard
- MSCI AC World Index (Net)

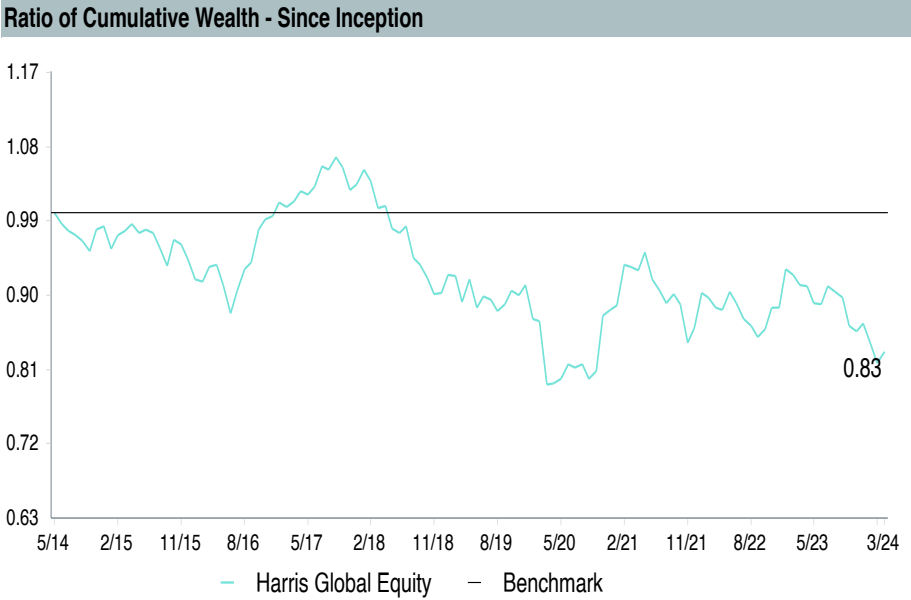
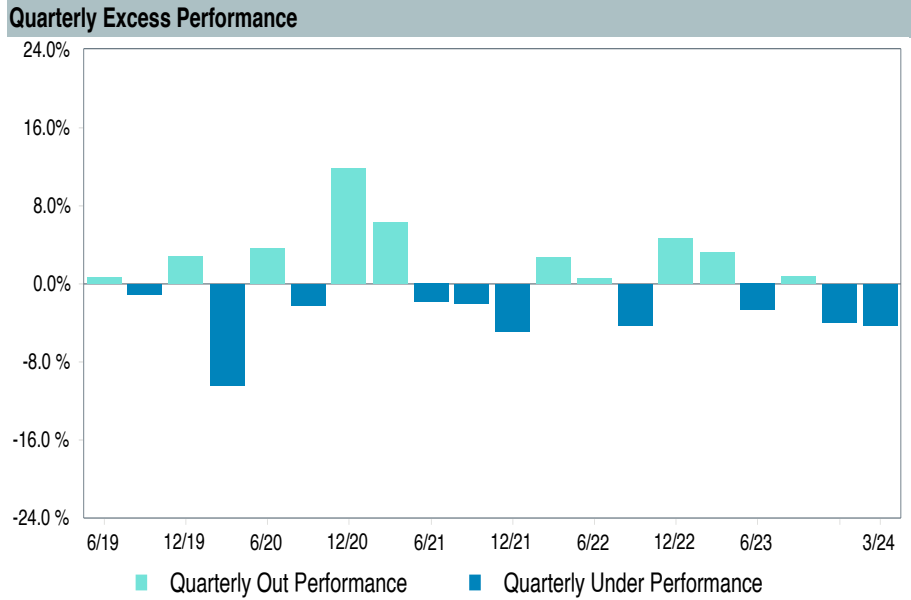
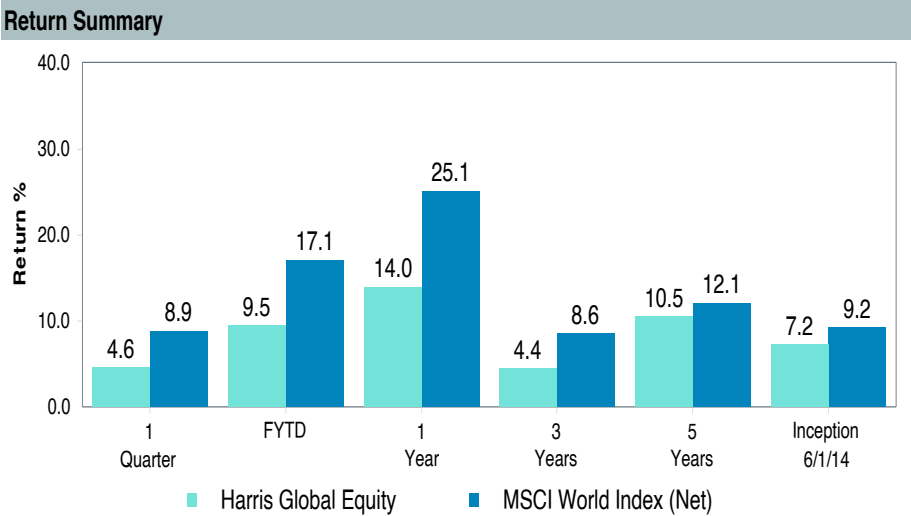
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Lazard	-2.36	5.77	-0.41	0.92	0.38	-3.18	1.07	7.95	19.85	0.96
MSCI AC World Index (Net)	0.00	0.00	-	1.00	0.56	0.00	1.00	10.92	17.74	1.00
90 Day U.S. Treasury Bill	-9.96	17.77	-0.56	0.00	-	2.03	0.00	2.02	0.59	-0.03

Manager Performance Summary Harris Global Equity

As of March 31, 2024

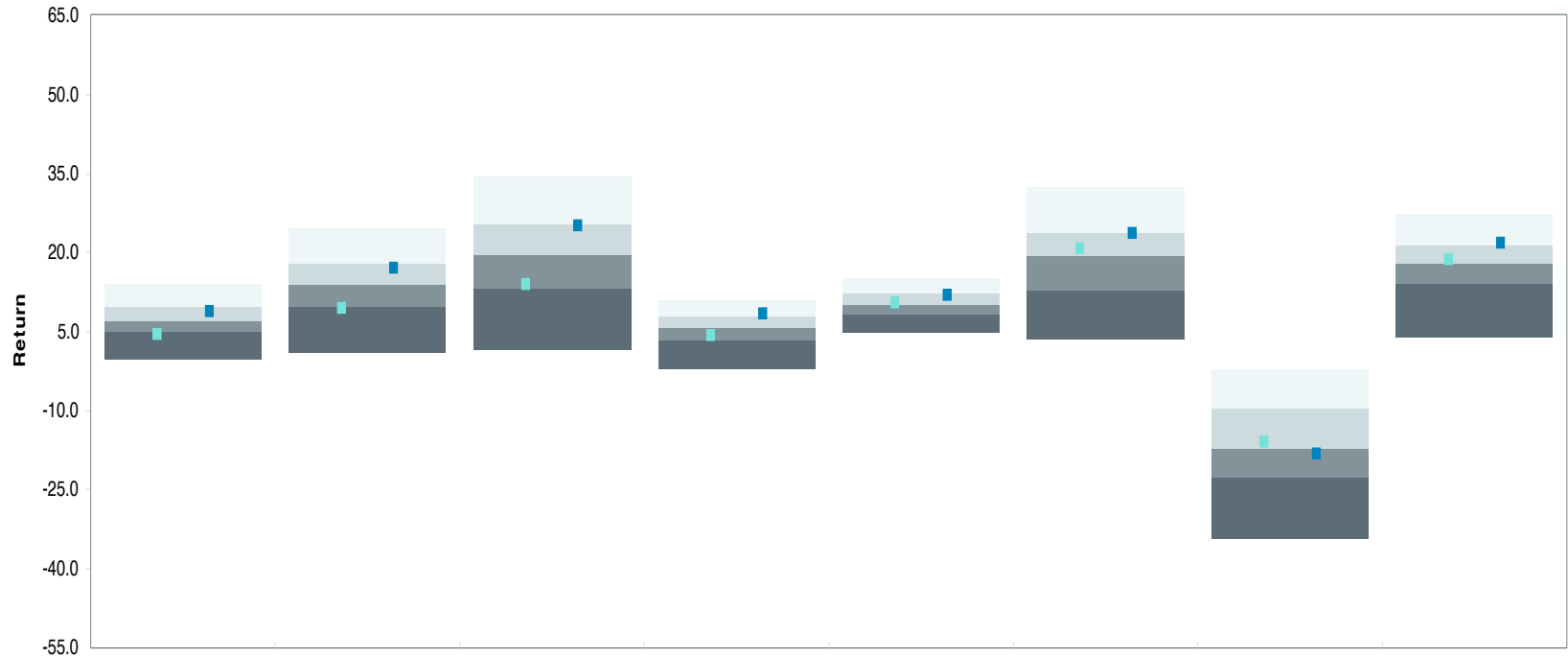
Account Information	
Account Name	Harris Global Equity
Inception Date	06/01/2014
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI World Index (Net)
Peer Group	IM Global Equity (SA+CF)



Harris Global Equity

As of March 31, 2024

IM Global Equity (SA+CF)



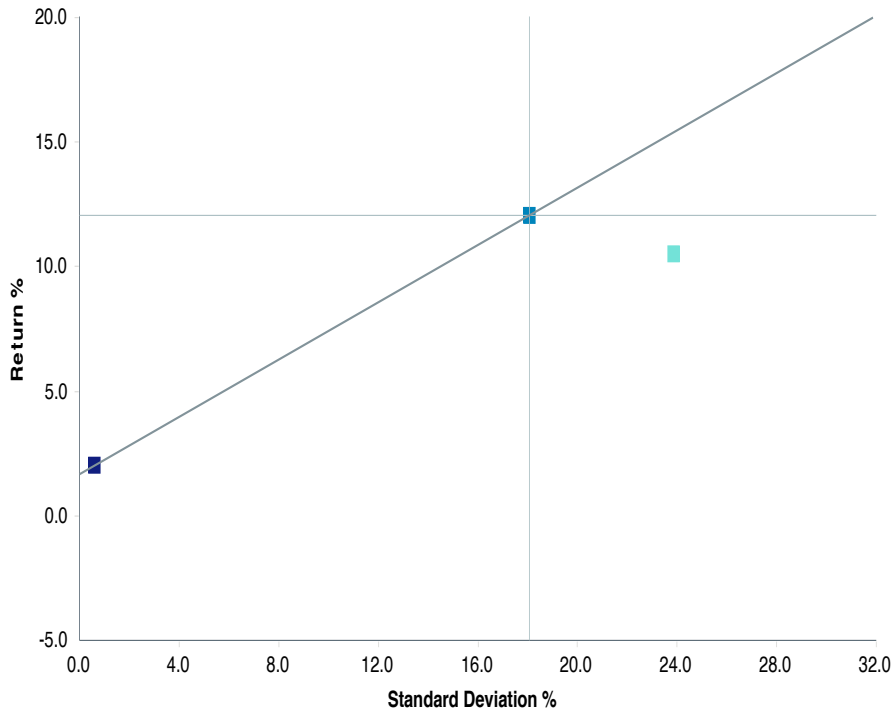
	1 Quarter	FYTD	1 Year	3 Years	5 Years	2023	2022	2021
Harris Global Equity	4.6 (78)	9.5 (77)	14.0 (74)	4.4 (66)	10.5 (47)	20.9 (42)	-15.7 (42)	18.8 (44)
MSCI World Index (Net)	8.9 (33)	17.1 (30)	25.1 (27)	8.6 (19)	12.1 (27)	23.8 (25)	-18.1 (54)	21.8 (23)
5th Percentile	14.1	24.6	34.4	11.0	15.0	32.5	-2.3	27.4
1st Quartile	9.8	18.0	25.4	7.8	12.2	23.8	-9.6	21.3
Median	7.0	13.8	19.6	5.9	10.2	19.3	-17.3	18.0
3rd Quartile	5.0	9.7	13.3	3.4	8.3	12.8	-22.7	14.1
95th Percentile	-0.2	1.1	1.5	-2.0	4.8	3.5	-34.4	3.9
Population	463	459	459	431	395	504	521	524

Parentheses contain percentile rankings.

Risk Profile Harris Global Equity

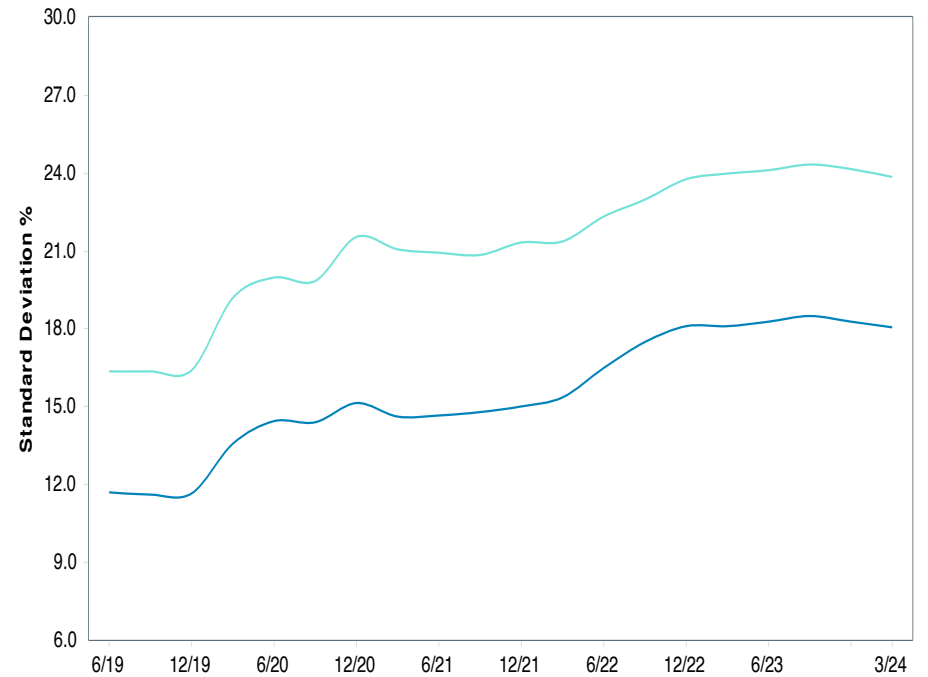
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



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

Standard Deviation
Rolling 5 Years



— Harris Global Equity — MSCI World Index (Net)

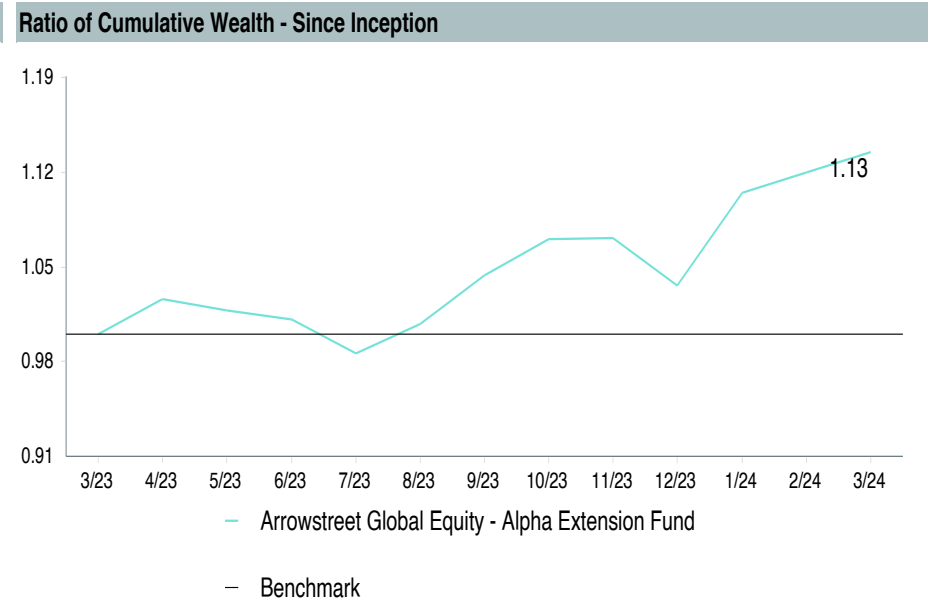
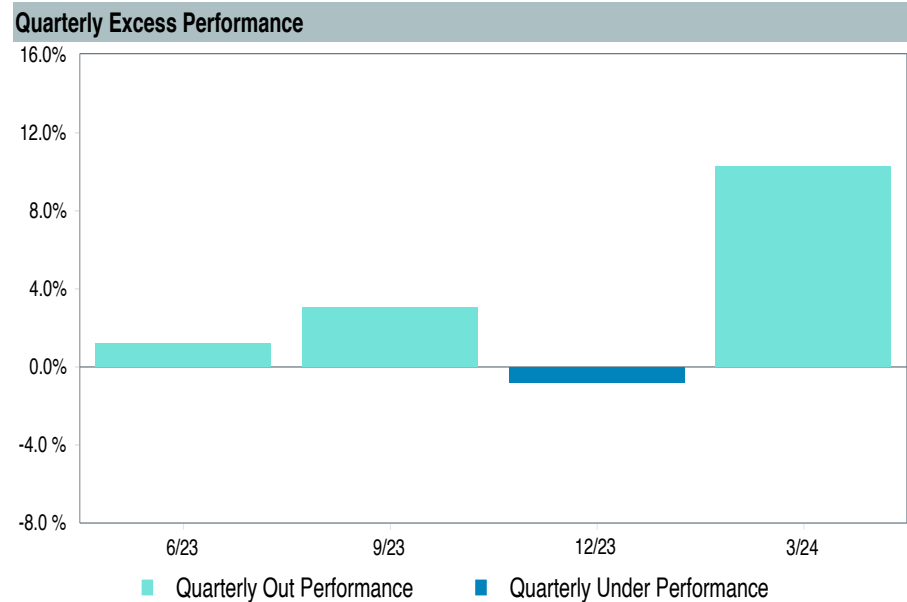
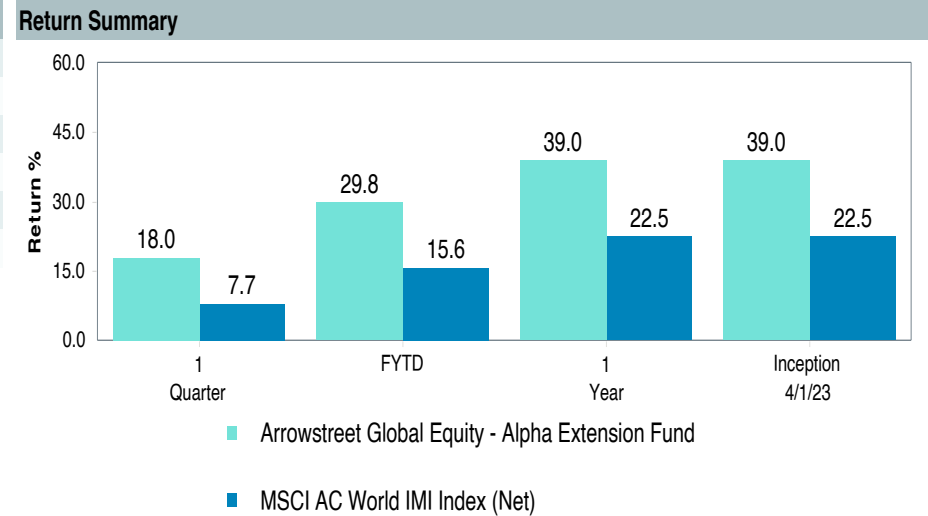
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Harris Global Equity	-0.23	9.43	-0.02	0.88	0.45	-3.25	1.23	10.50	23.85	0.94
MSCI World Index (Net)	0.00	0.00	-	1.00	0.61	0.00	1.00	12.07	18.07	1.00
90 Day U.S. Treasury Bill	-11.07	18.10	-0.61	0.00	-	2.03	0.00	2.02	0.59	-0.03

Manager Performance Summary Arrowstreet Global Equity - Alpha I

As of March 31, 2024

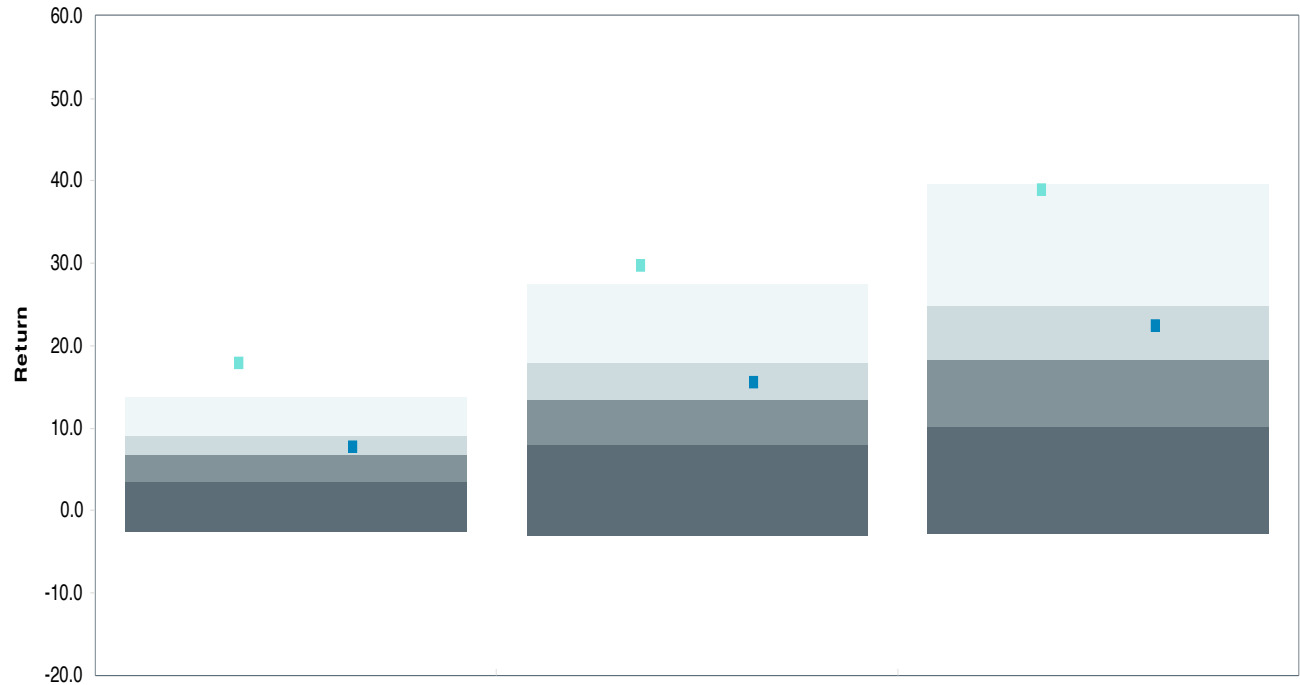
Account Information	
Account Name	Arrowstreet Global Equity - Alpha Extension Fund
Inception Date	03/01/2023
Account Structure	Separate Account
Asset Class	Global Equity
Benchmark	MSCI AC World IMI Index (Net)
Peer Group	IM Global Equity (MF)



Arrowstreet Global Equity - Alpha Extension Fund

As of March 31, 2024

IM Global Equity (MF)



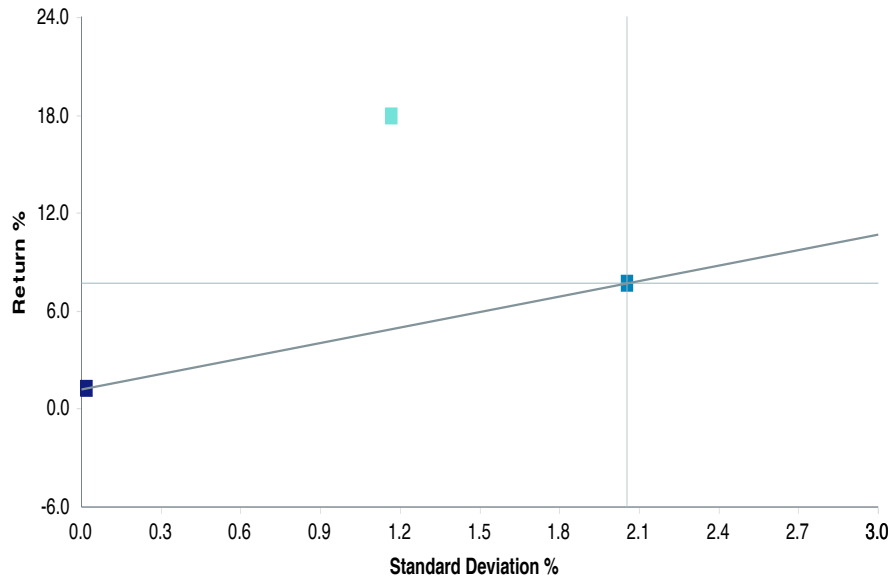
	1 Quarter	FYTD	1 Year
Arrowstreet Global Equity - Alpha Extension Fund	18.0 (2)	29.8 (4)	39.0 (6)
MSCI AC World IMI Index (Net)	7.7 (42)	15.6 (40)	22.5 (37)
5th Percentile	13.9	27.4	39.7
1st Quartile	9.1	17.9	24.9
Median	6.9	13.5	18.3
3rd Quartile	3.5	8.1	10.1
95th Percentile	-2.6	-3.1	-2.9
Population	486	486	486

Parentheses contain percentile rankings.

Risk Profile Arrowstreet Global Equity - Alpha Extension

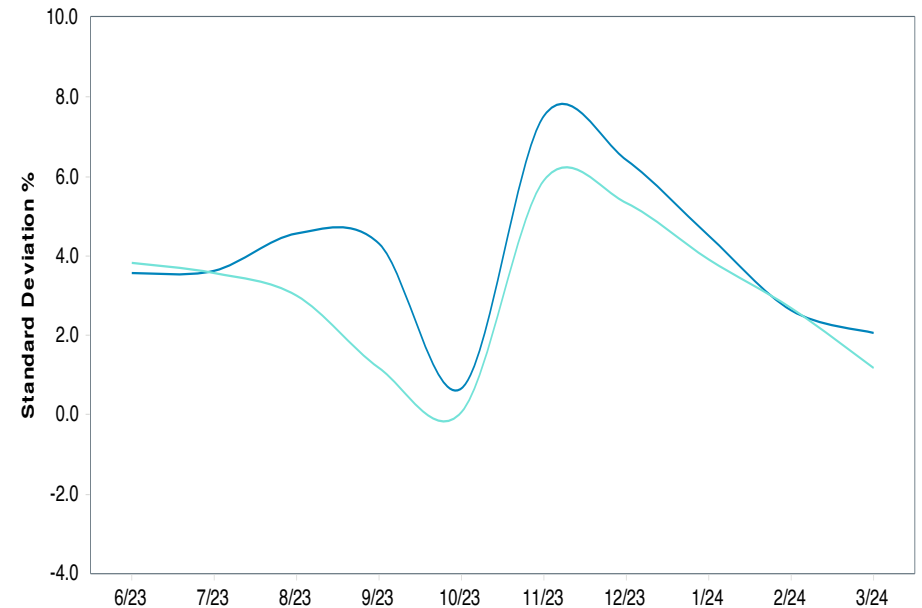
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
1 Quarter



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

Standard Deviation
Rolling 0.25 Year



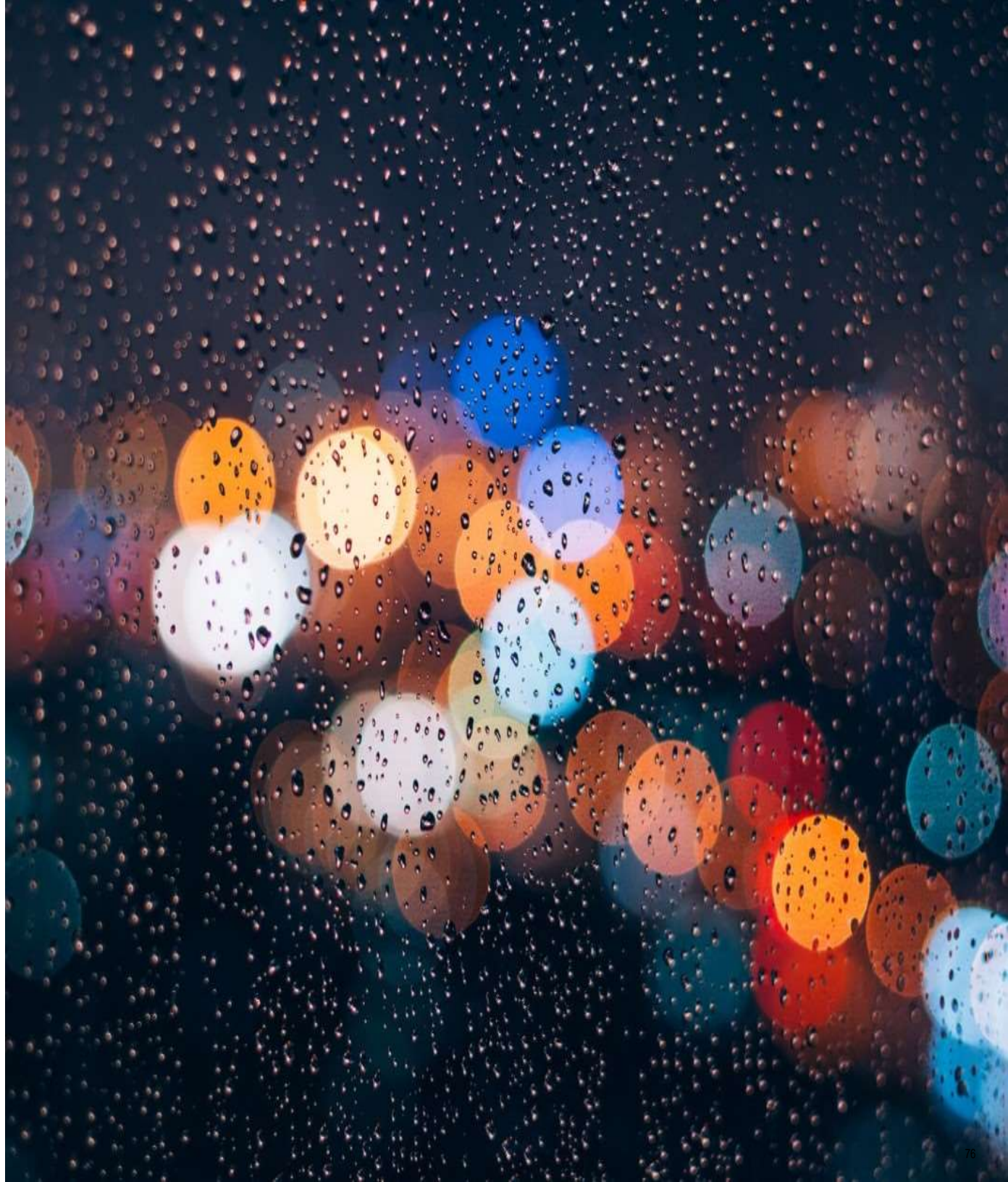
- Arrowstreet Global Equity - Alpha Extension Fund
- MSCI AC World IMI Index (Net)

1 Quarter Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Arrowstreet Global Equity - Alpha Extension Fund	3.15	3.04	1.04	0.59	4.45	6.78	-0.44	18.00	1.17	-0.77
MSCI AC World IMI Index (Net)	0.00	0.00	-	1.00	1.02	0.00	1.00	7.72	2.05	1.00
90 Day U.S. Treasury Bill	-2.09	2.06	-1.02	0.03	-	0.43	0.00	1.29	0.02	-0.18

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Fixed Income

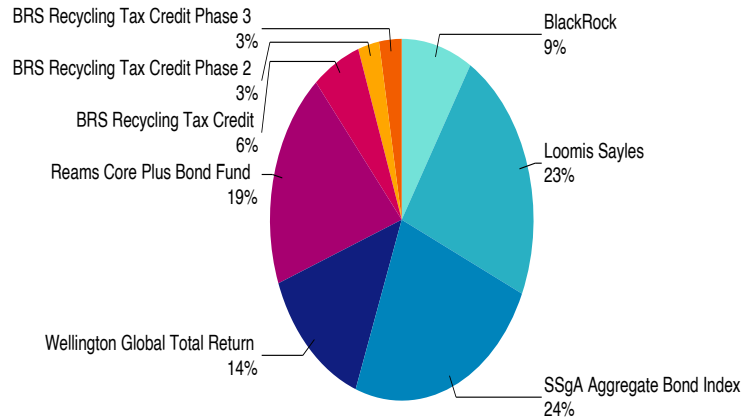


Composite Portfolio Overview Fixed Income

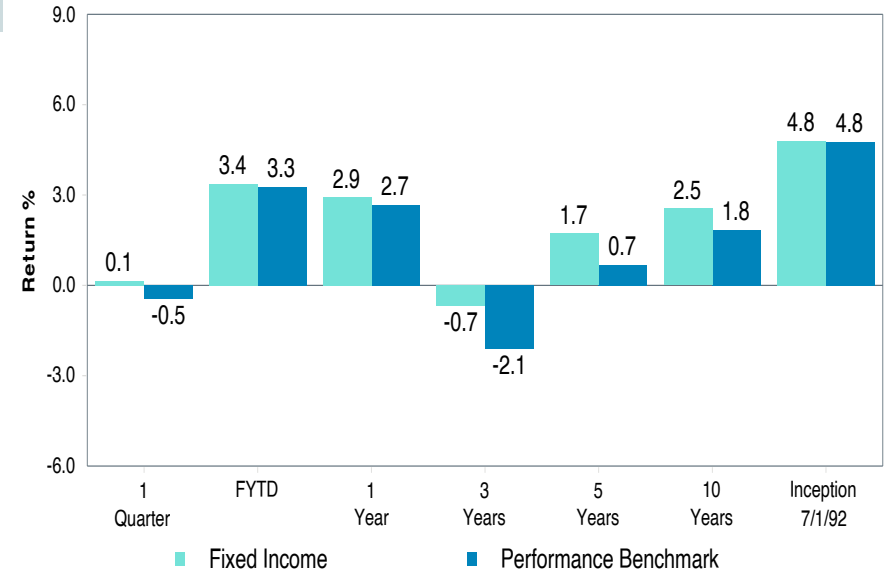
As of March 31, 2024

Current Allocation

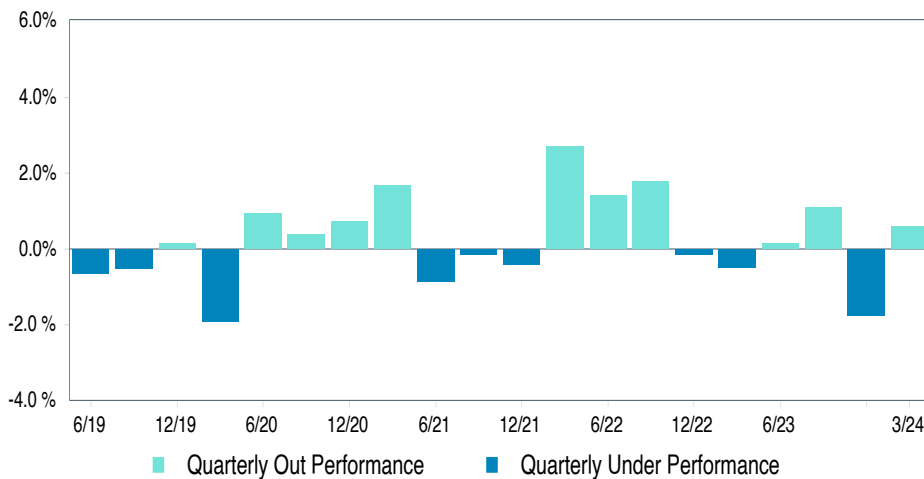
March 31, 2024 : \$2,971,115,883



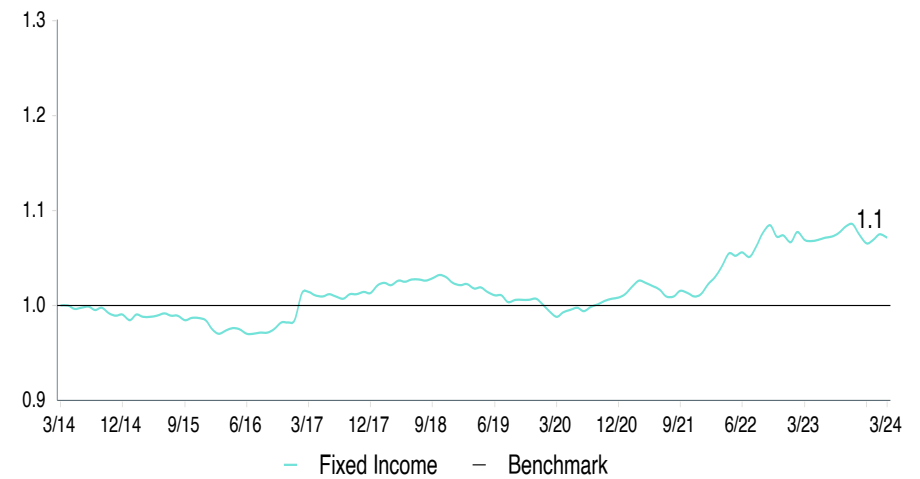
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

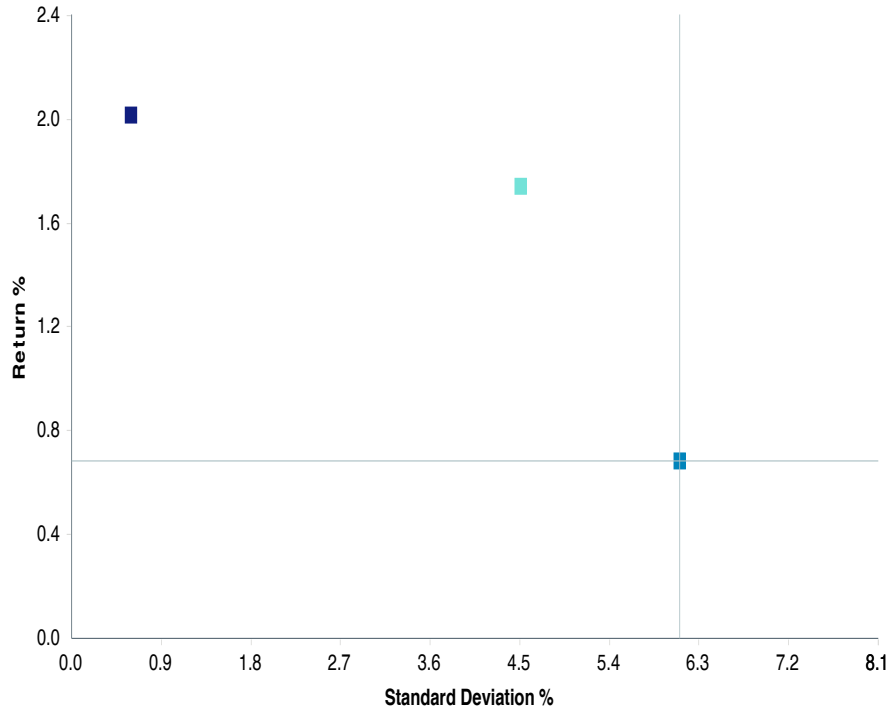


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

Risk Profile Fixed Income

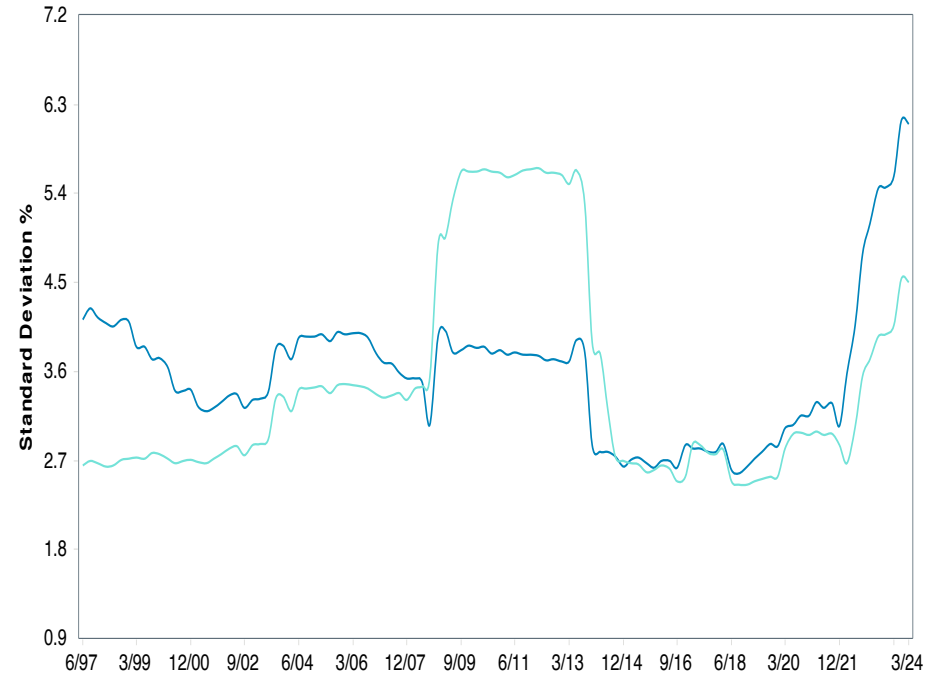
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



■ Fixed Income ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 5 Years



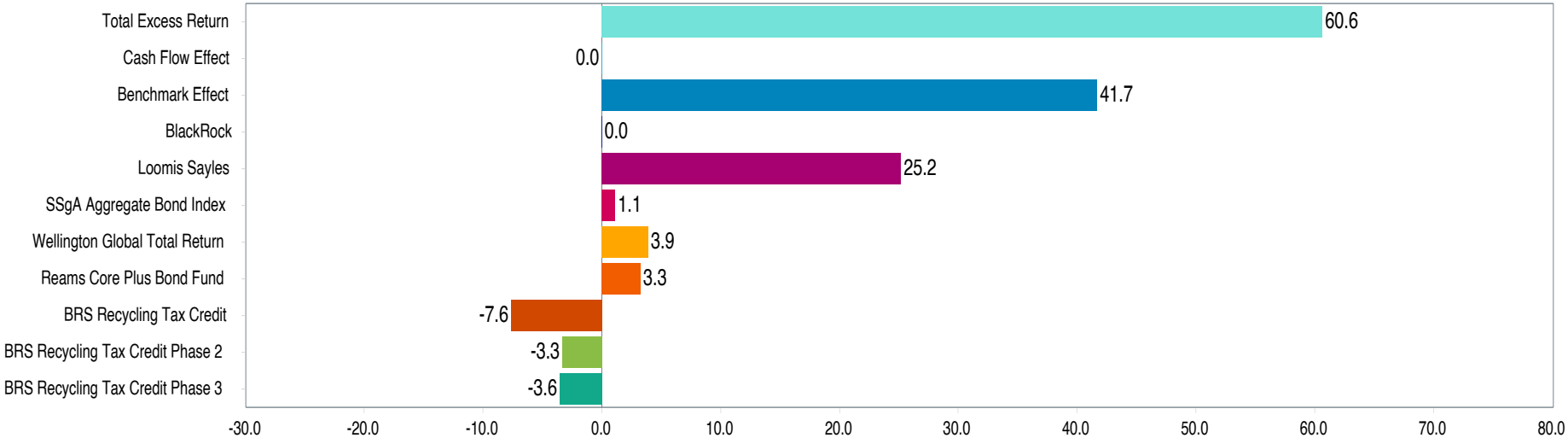
— Fixed Income — Performance Benchmark

5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Fixed Income	0.96	2.00	0.48	0.95	-0.04	1.21	0.72	1.74	4.51	0.97
Performance Benchmark	0.00	0.00	-	1.00	-0.19	0.00	1.00	0.69	6.11	1.00
90 Day U.S. Treasury Bill	1.14	6.06	0.19	0.02	-	2.01	0.01	2.02	0.59	0.13

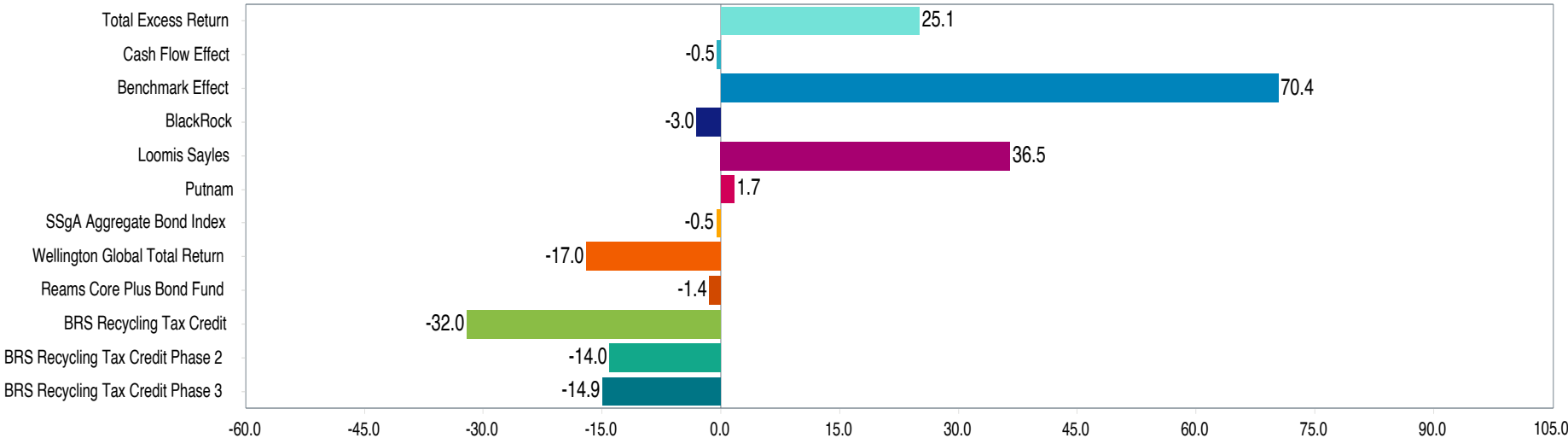
Asset Class Attribution

As of March 31, 2024

1 Quarter



1 Year



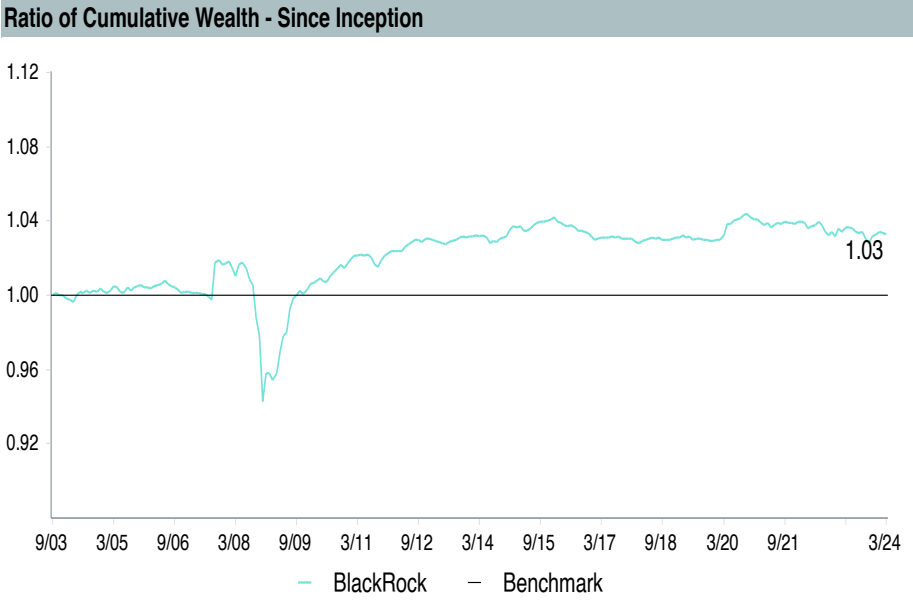
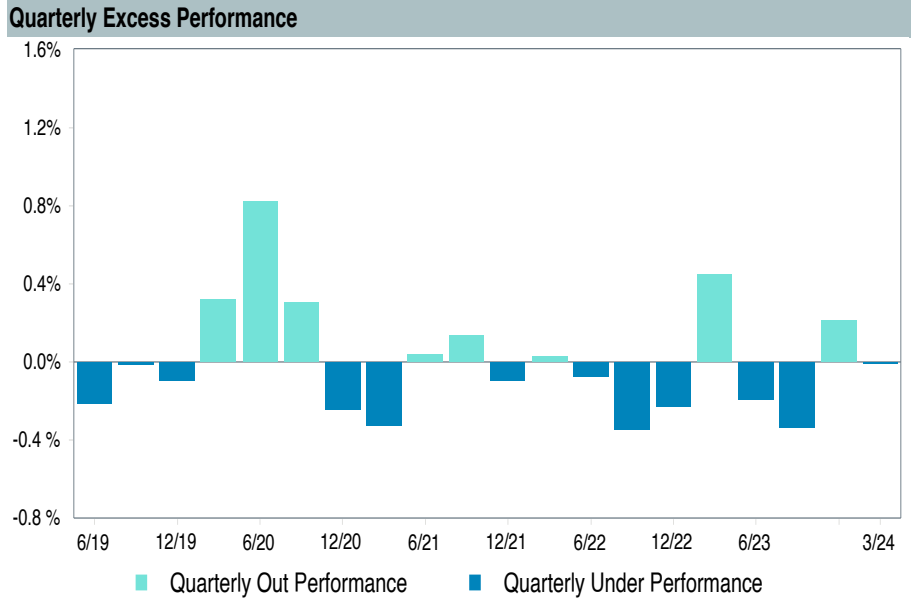
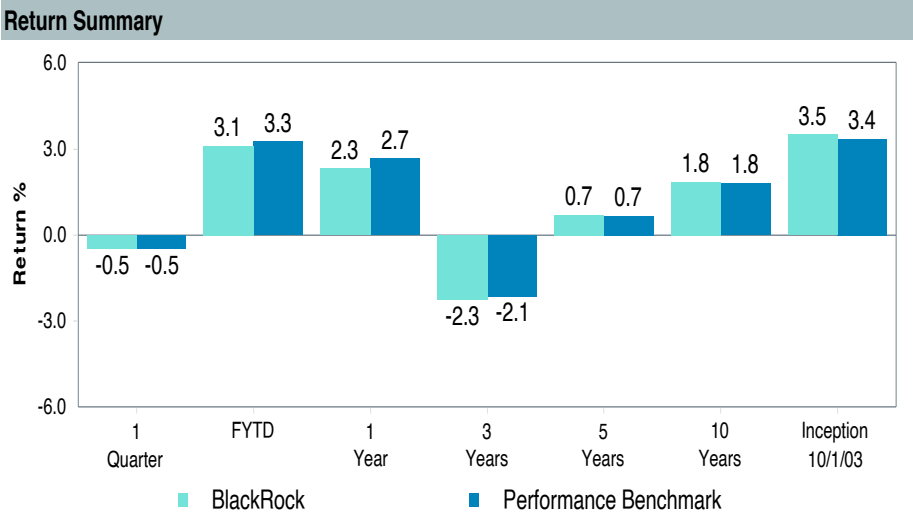
*The BRS Recycling Tax Credit represents an annual income stream of \$16 million dollars over the next 14 years, which ATRS purchased for approximately \$162 million. This represents an approximate 9.9% yield for the 2017 fiscal year. The value shown above represents the year-end market value in accordance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



Manager Performance Summary BlackRock

As of March 31, 2024

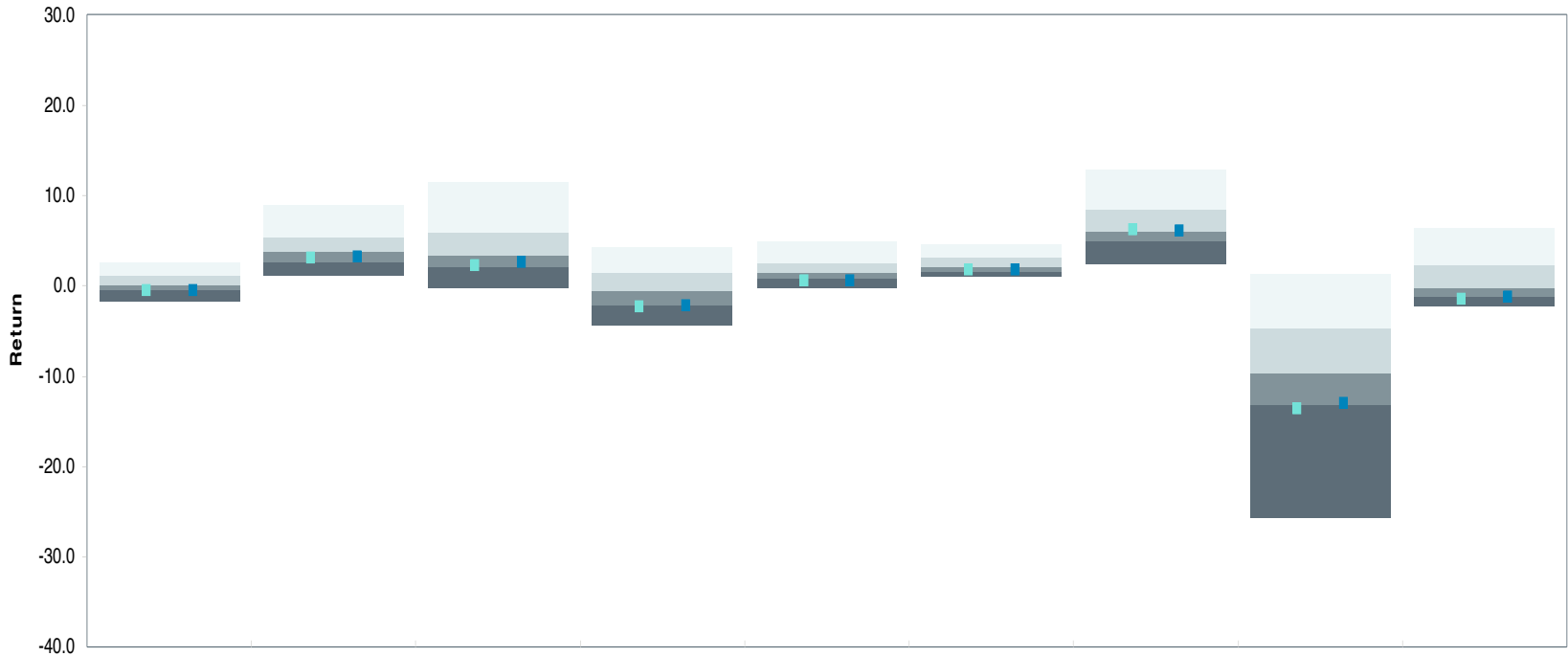
Account Information	
Account Name	BlackRock
Inception Date	09/30/2003
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Performance Benchmark
Peer Group	IM U.S. Fixed Income (SA+CF)



BlackRock

As of March 31, 2024

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



	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
BlackRock	-0.5 (78)	3.1 (66)	2.3 (72)	-2.3 (80)	0.7 (80)	1.8 (60)	6.3 (46)	-13.5 (79)	-1.4 (81)
Performance Benchmark	-0.5 (78)	3.3 (63)	2.7 (64)	-2.1 (76)	0.7 (81)	1.8 (61)	6.2 (47)	-13.0 (72)	-1.1 (74)
5th Percentile	2.5	9.0	11.4	4.2	5.0	4.6	12.9	1.4	6.4
1st Quartile	1.1	5.4	6.0	1.5	2.6	3.2	8.5	-4.7	2.3
Median	0.1	3.8	3.4	-0.6	1.5	2.1	6.0	-9.7	-0.1
3rd Quartile	-0.4	2.7	2.1	-2.1	0.9	1.6	5.0	-13.2	-1.1
95th Percentile	-1.6	1.1	-0.2	-4.5	-0.2	1.1	2.5	-25.6	-2.2
Population	1,156	1,150	1,150	1,090	1,059	917	1,264	1,329	1,360

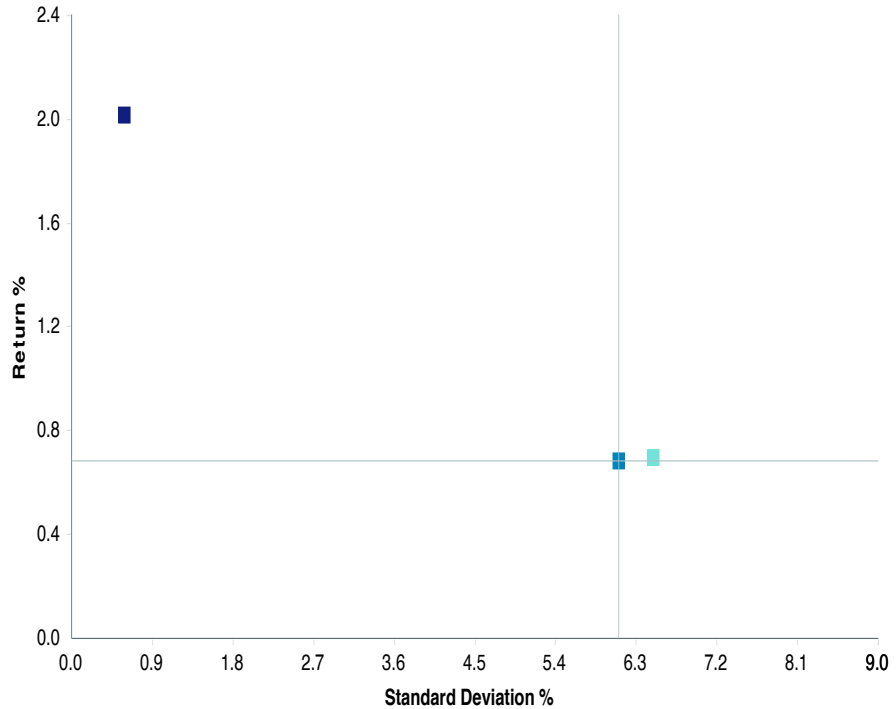
Parentheses contain percentile rankings.



Risk Profile BlackRock

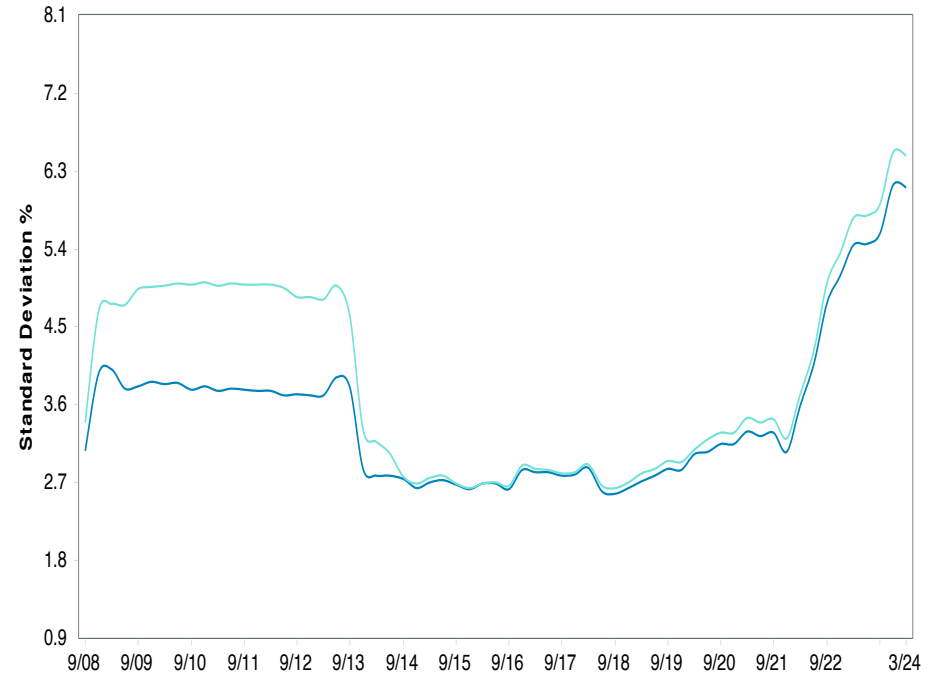
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



■ BlackRock ■ Performance Benchmark ■ 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 5 Years**



— BlackRock — Performance Benchmark

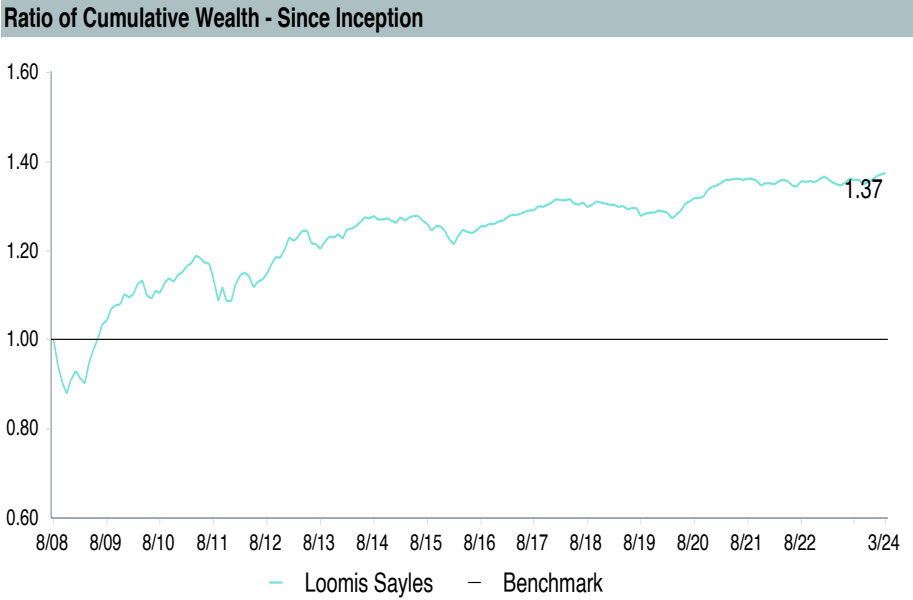
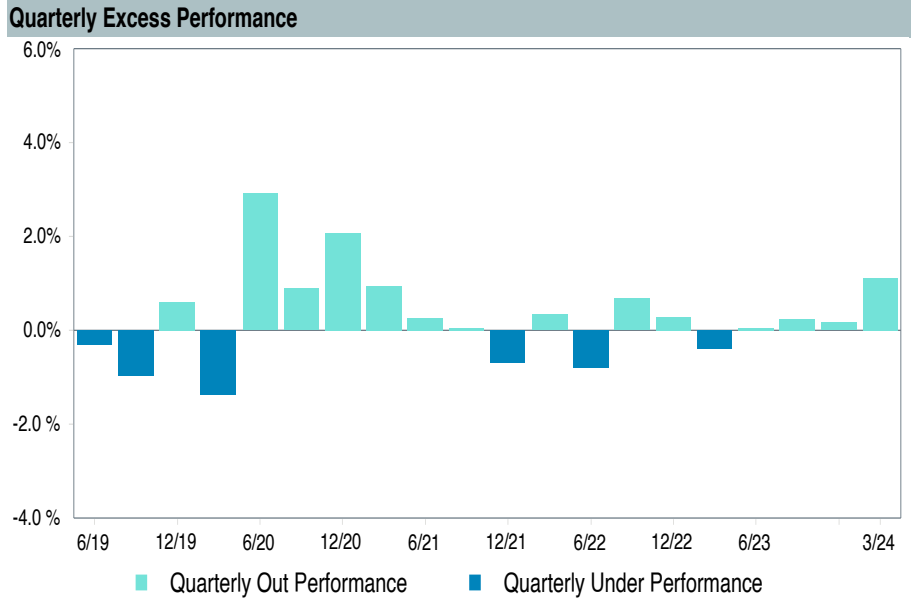
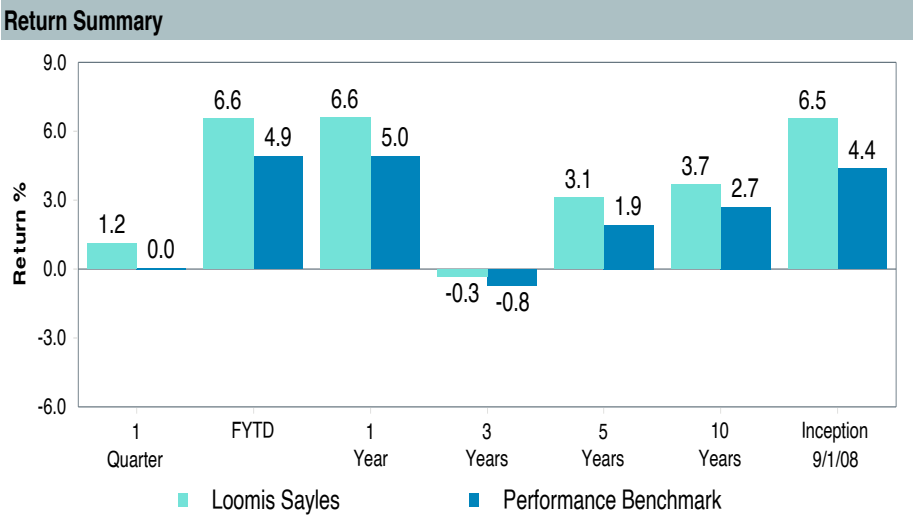
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
BlackRock	0.03	0.59	0.06	0.99	-0.17	-0.02	1.06	0.70	6.49	1.00
Performance Benchmark	0.00	0.00	-	1.00	-0.19	0.00	1.00	0.69	6.11	1.00
90 Day U.S. Treasury Bill	1.14	6.06	0.19	0.02	-	2.01	0.01	2.02	0.59	0.13

Manager Performance Summary Loomis Sayles

As of March 31, 2024

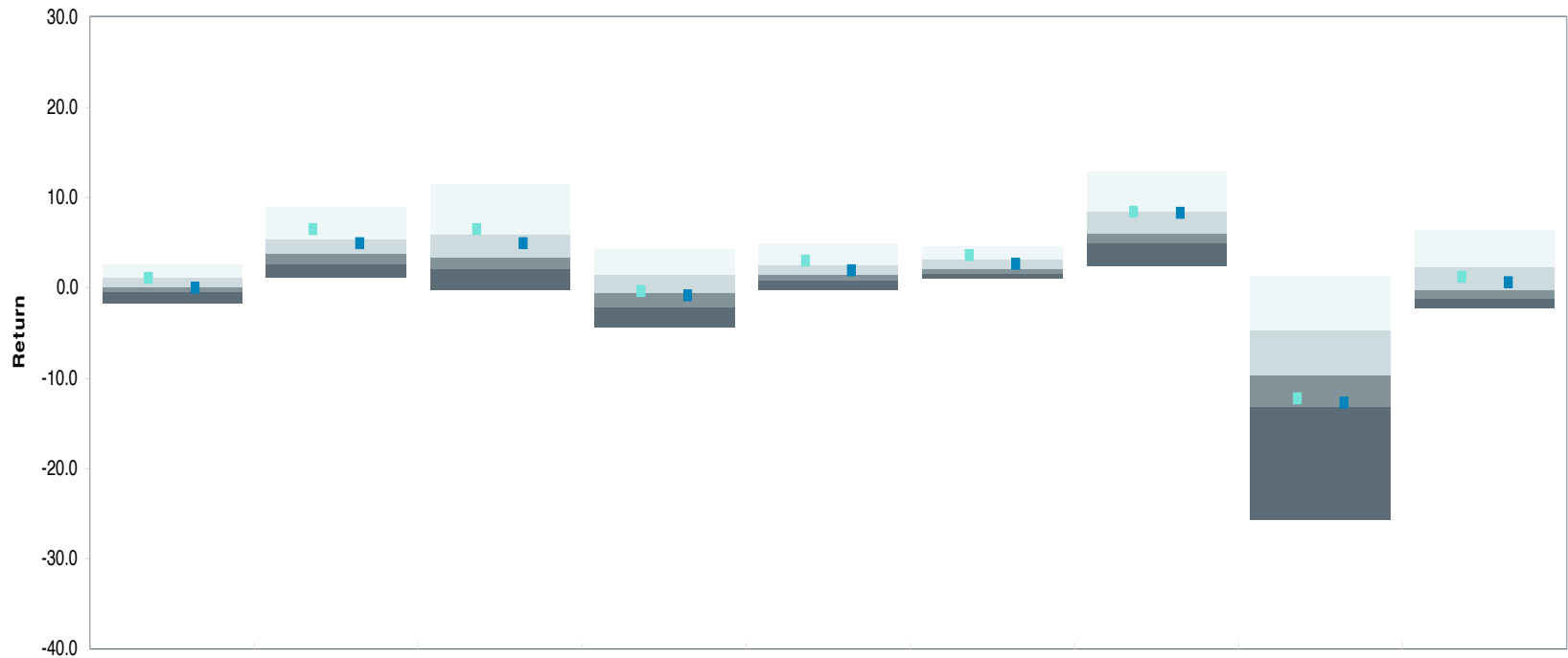
Account Information	
Account Name	Loomis Sayles
Inception Date	06/30/2008
Account Structure	Separate Account
Asset Class	US Fixed Income
Benchmark	Performance Benchmark
Peer Group	IM U.S. Fixed Income (SA+CF)



Loomis Sayles

As of March 31, 2024

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



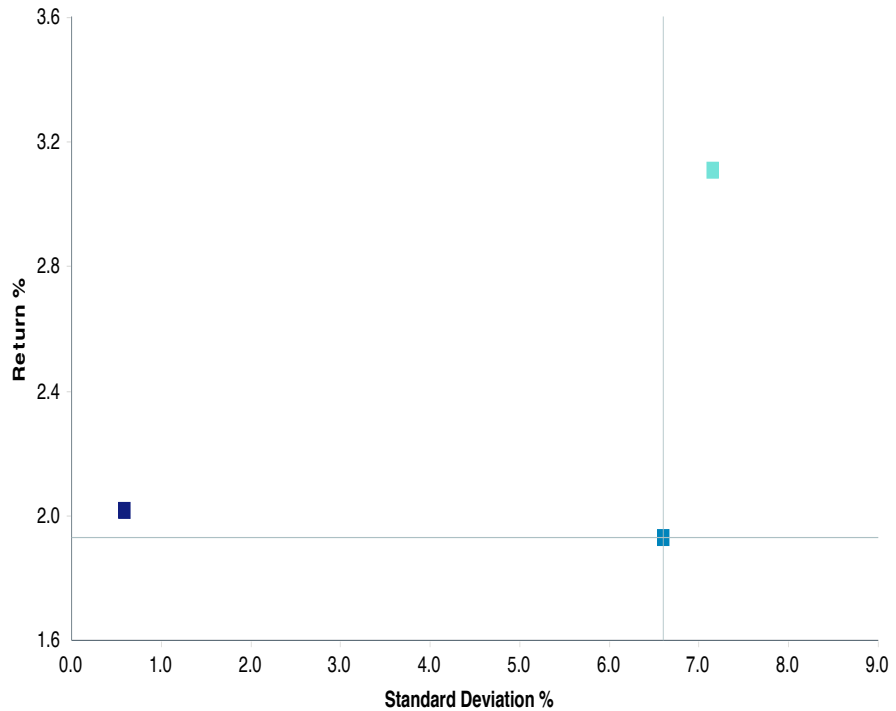
	1 Quarter	FYTD	1 Year	3 Years	5 Years	10 Years	2023	2022	2021
Loomis Sayles	1.2 (25)	6.6 (20)	6.6 (24)	-0.3 (46)	3.1 (20)	3.7 (17)	8.5 (26)	-12.3 (65)	1.2 (33)
Performance Benchmark	0.0 (55)	4.9 (30)	5.0 (32)	-0.8 (53)	1.9 (39)	2.7 (33)	8.4 (26)	-12.7 (69)	0.7 (37)
5th Percentile	2.5	9.0	11.4	4.2	5.0	4.6	12.9	1.4	6.4
1st Quartile	1.1	5.4	6.0	1.5	2.6	3.2	8.5	-4.7	2.3
Median	0.1	3.8	3.4	-0.6	1.5	2.1	6.0	-9.7	-0.1
3rd Quartile	-0.4	2.7	2.1	-2.1	0.9	1.6	5.0	-13.2	-1.1
95th Percentile	-1.6	1.1	-0.2	-4.5	-0.2	1.1	2.5	-25.6	-2.2
Population	1,156	1,150	1,150	1,090	1,059	917	1,264	1,329	1,360

Parentheses contain percentile rankings.

Risk Profile Loomis Sayles

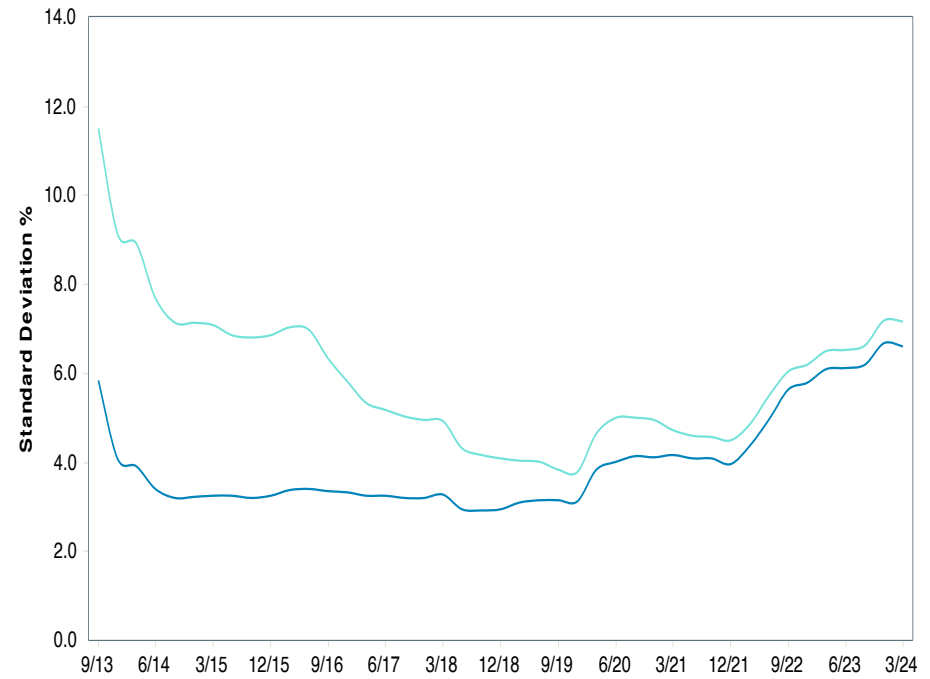
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



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

**Standard Deviation
Rolling 5 Years**



— Loomis Sayles — Performance Benchmark

5 Years Historical Statistics

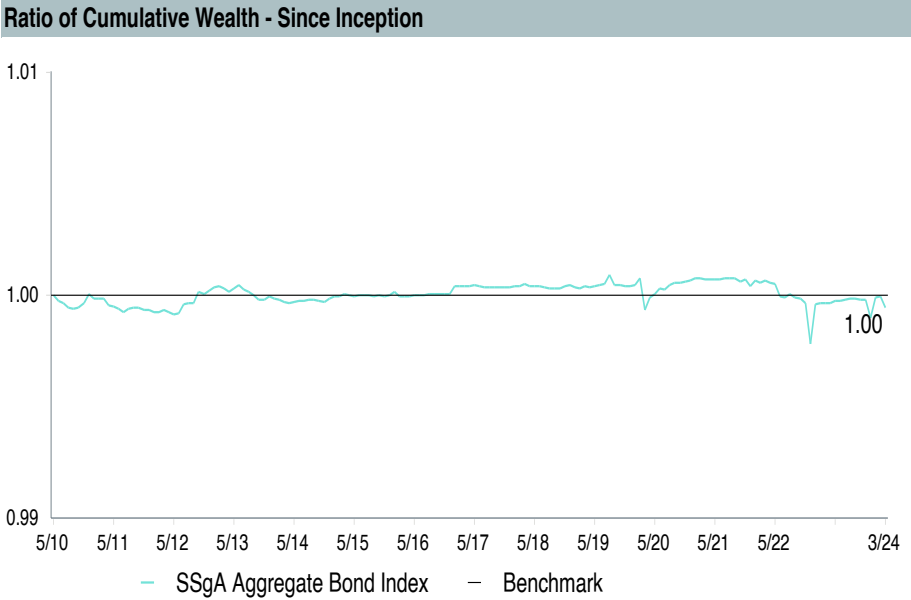
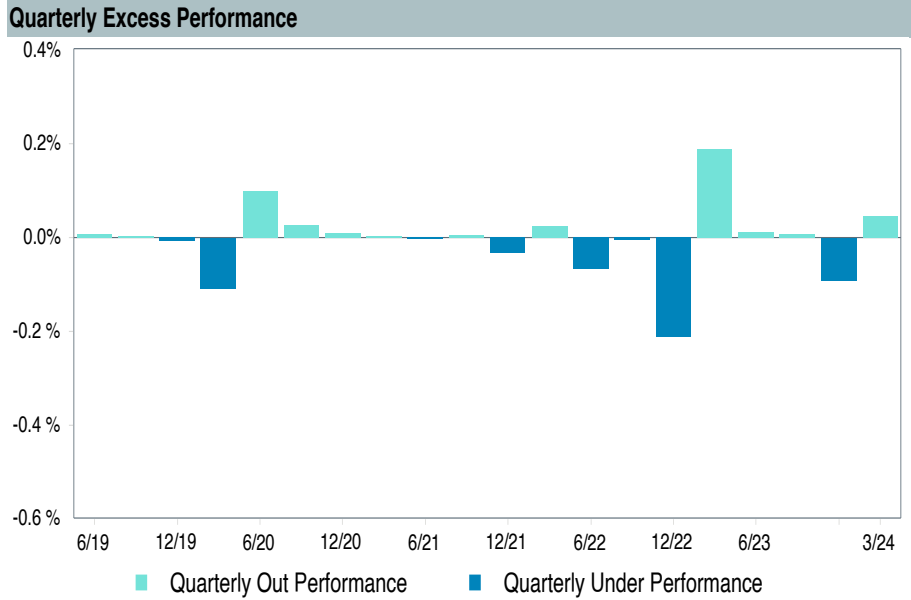
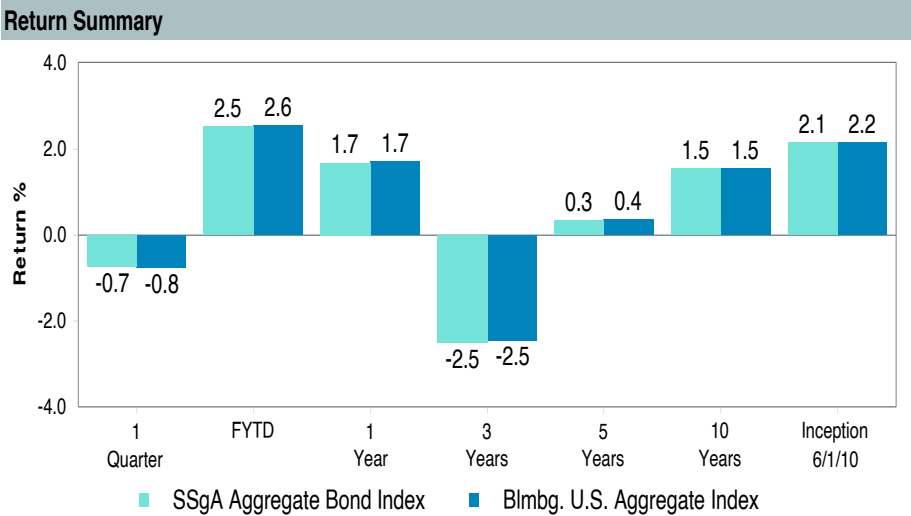
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Loomis Sayles	1.19	1.67	0.71	0.95	0.18	1.08	1.06	3.11	7.15	0.97
Performance Benchmark	0.00	0.00	-	1.00	0.02	0.00	1.00	1.93	6.60	1.00
90 Day U.S. Treasury Bill	-0.13	6.58	-0.02	0.01	-	2.00	0.01	2.02	0.59	0.08



Manager Performance Summary SSgA Aggregate Bond Index

As of March 31, 2024

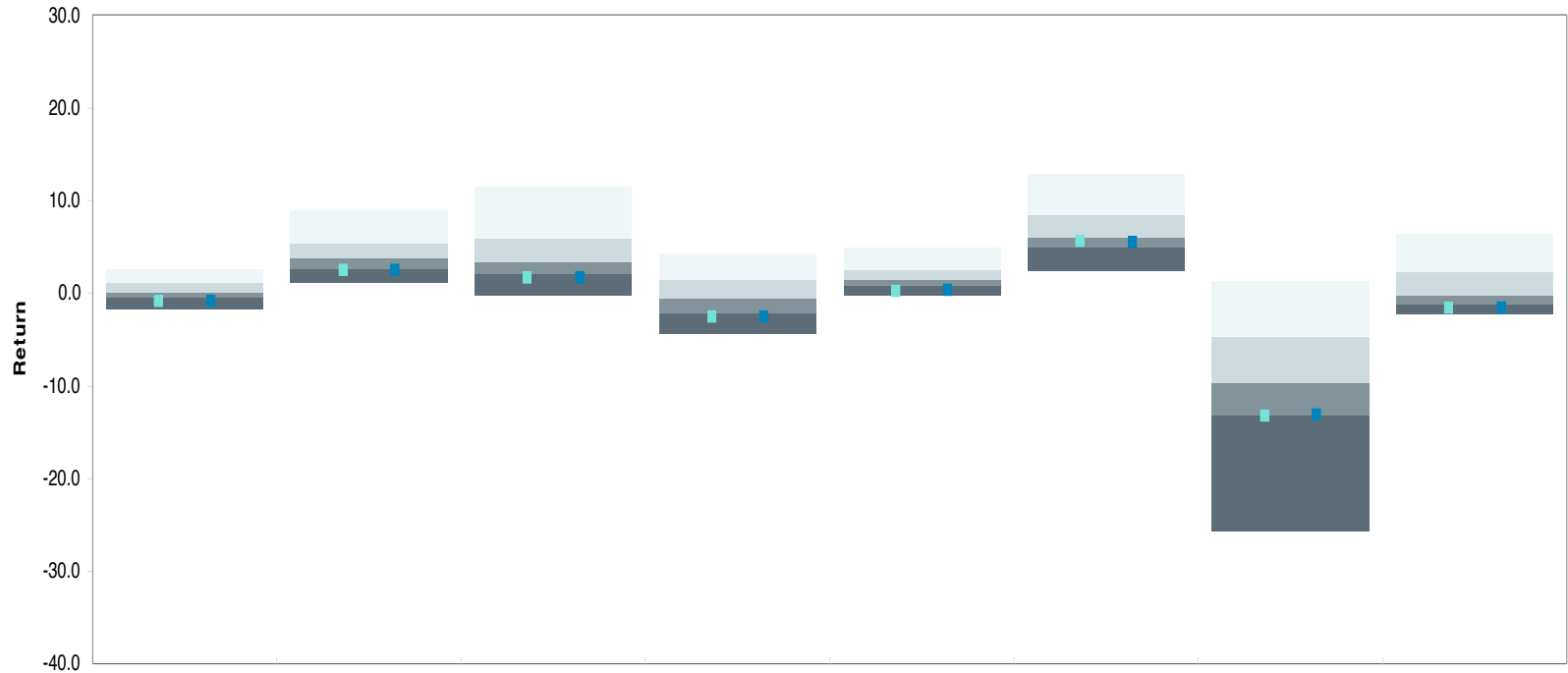
Account Information	
Account Name	SSgA Aggregate Bond Index
Inception Date	01/01/1901
Account Structure	Commingled Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	IM U.S. Fixed Income (SA+CF)



SSgA Aggregate Bond Index

As of March 31, 2024

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



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2023	2022	2021
SSgA Aggregate Bond Index	-0.7 (86)	2.5 (79)	1.7 (83)	-2.5 (85)	0.3 (90)	5.7 (59)	-13.2 (76)	-1.6 (86)
Blmbg. U.S. Aggregate Index	-0.8 (88)	2.6 (79)	1.7 (83)	-2.5 (84)	0.4 (90)	5.5 (62)	-13.0 (72)	-1.5 (85)
5th Percentile	2.5	9.0	11.4	4.2	5.0	12.9	1.4	6.4
1st Quartile	1.1	5.4	6.0	1.5	2.6	8.5	-4.7	2.3
Median	0.1	3.8	3.4	-0.6	1.5	6.0	-9.7	-0.1
3rd Quartile	-0.4	2.7	2.1	-2.1	0.9	5.0	-13.2	-1.1
95th Percentile	-1.6	1.1	-0.2	-4.5	-0.2	2.5	-25.6	-2.2

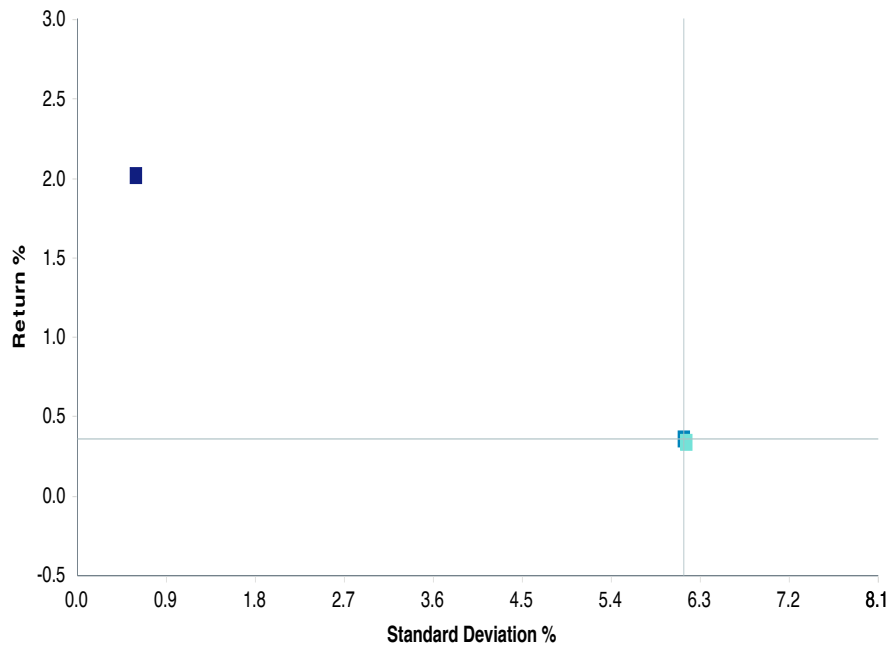
Population	1,156	1,150	1,150	1,090	1,059	1,264	1,329	1,360
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Parentheses contain percentile rankings.

Risk Profile SSgA Aggregate Bond Index

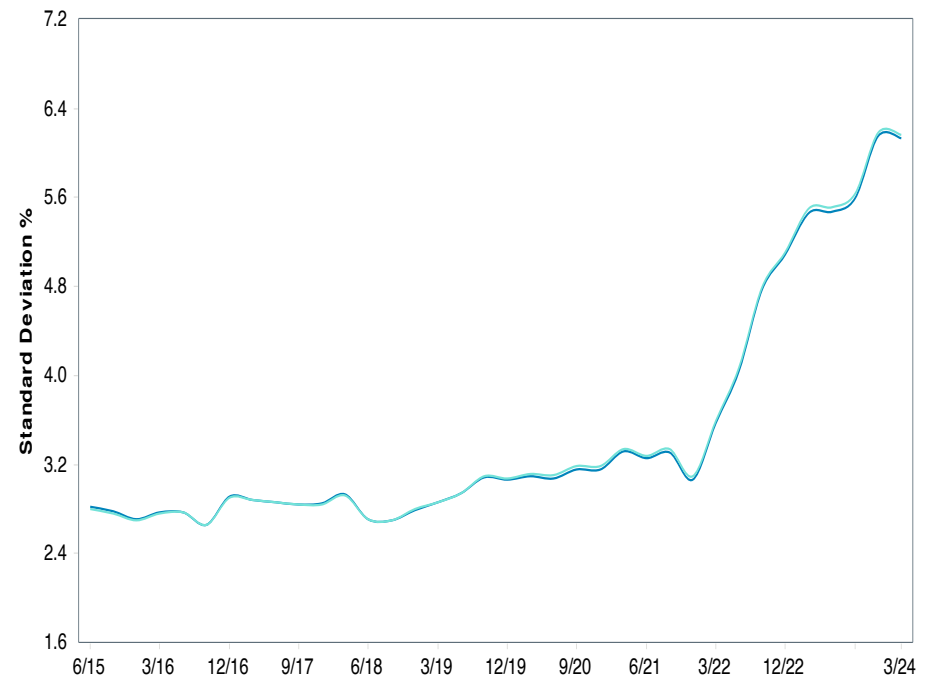
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



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

Standard Deviation
Rolling 5 Years



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

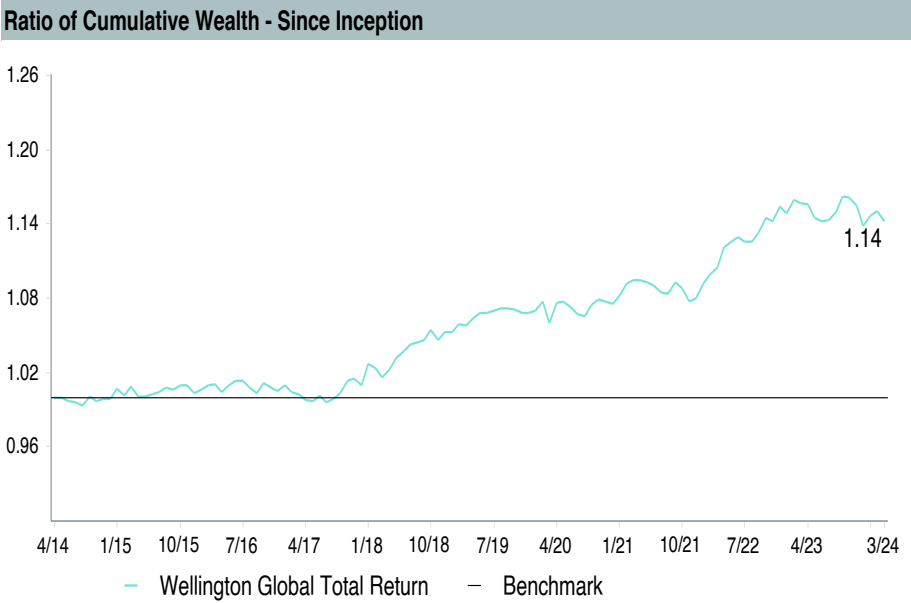
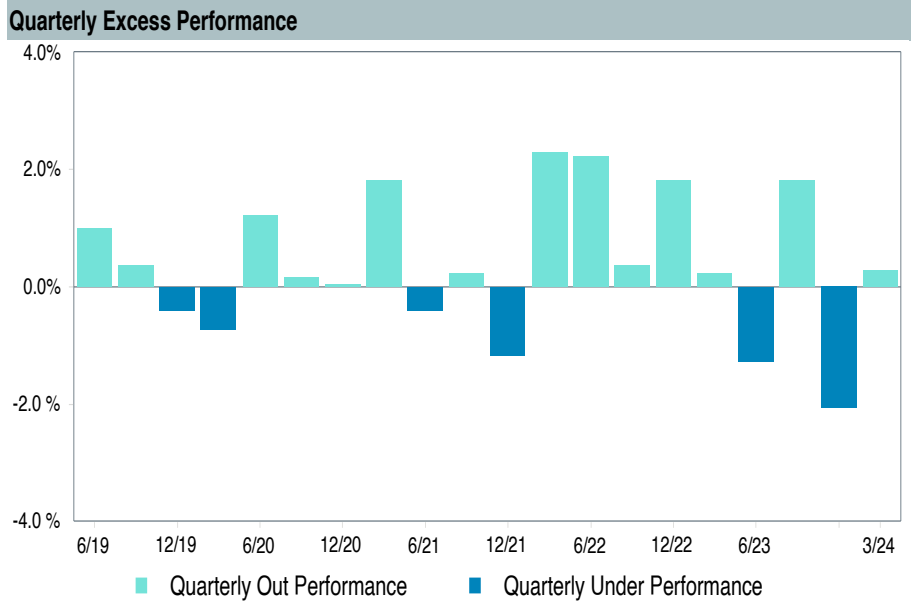
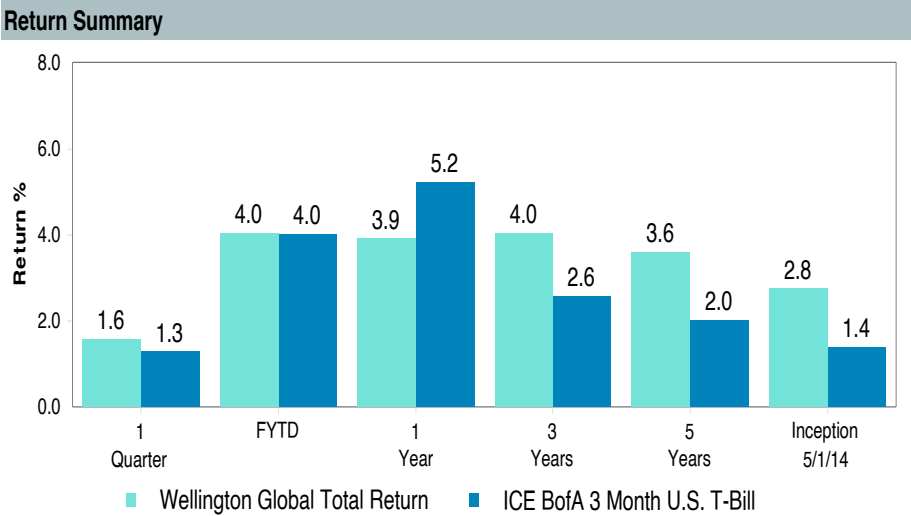
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
SSgA Aggregate Bond Index	-0.02	0.16	-0.12	1.00	-0.24	-0.02	1.00	0.34	6.16	1.00
Blmbg. U.S. Aggregate Index	0.00	0.00	-	1.00	-0.24	0.00	1.00	0.36	6.14	1.00
90 Day U.S. Treasury Bill	1.46	6.08	0.24	0.02	-	2.01	0.01	2.02	0.59	0.14

Manager Performance Summary Wellington Global Total Return

As of March 31, 2024

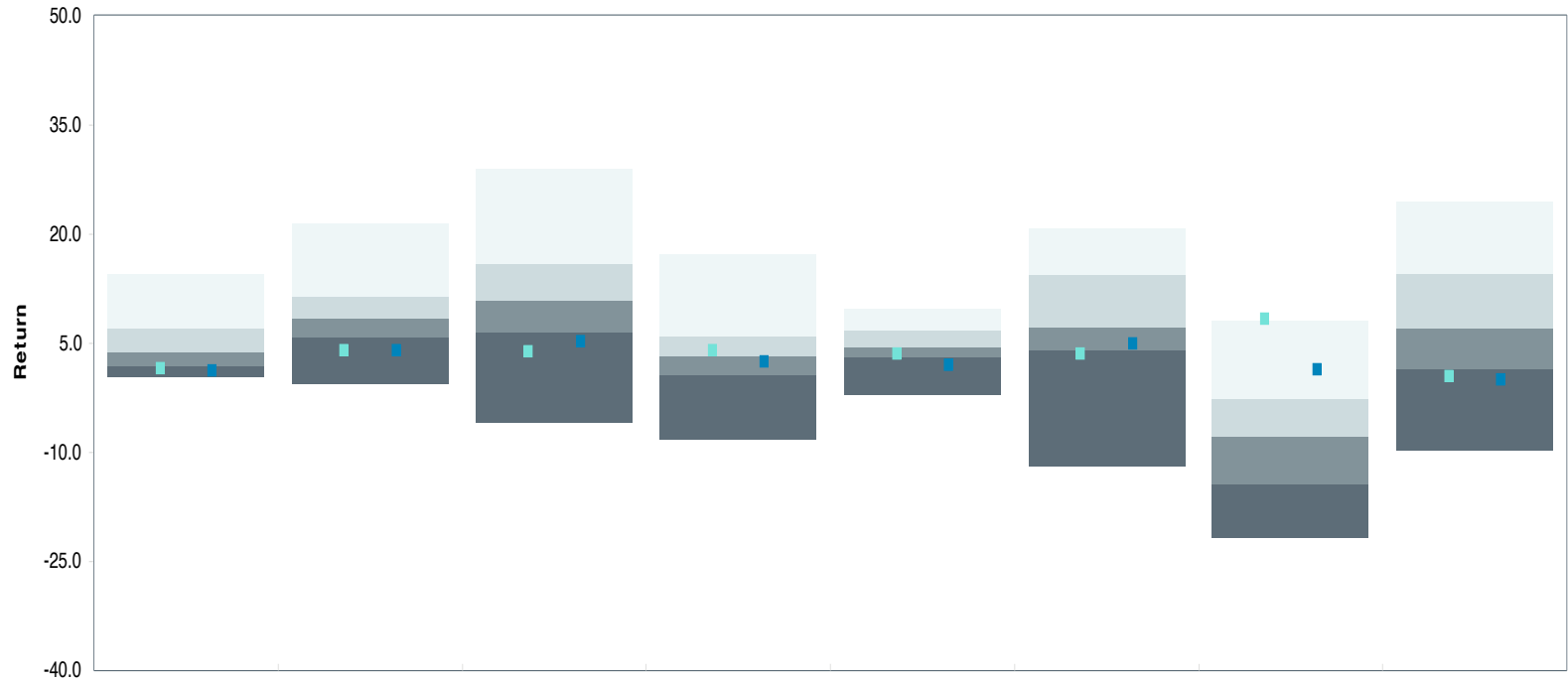
Account Information	
Account Name	Wellington Global Total Return
Inception Date	05/13/2014
Account Structure	Commingled Fund
Asset Class	Global Fixed Income
Benchmark	ICE BofA 3 Month U.S. T-Bill
Peer Group	IM Absolute Return (MF)



Wellington Global Total Return

As of March 31, 2024

IM Absolute Return (MF)



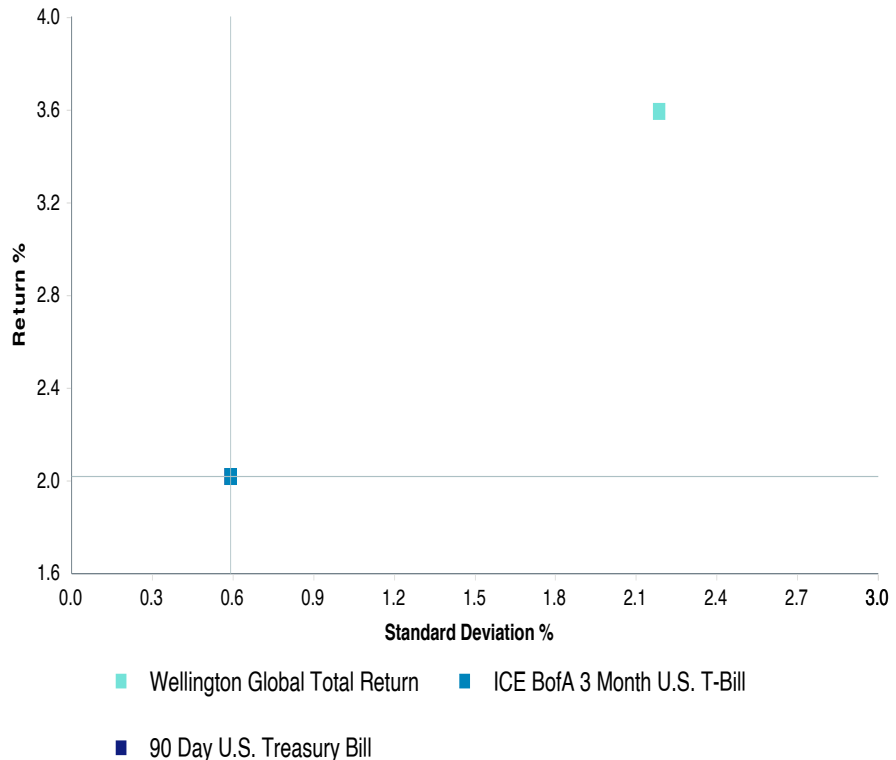
	1 Quarter	FYTD	1 Year	3 Years	5 Years	2023	2022	2021
Wellington Global Total Return	1.6 (77)	4.0 (86)	3.9 (92)	4.0 (44)	3.6 (71)	3.6 (77)	8.4 (5)	0.5 (82)
ICE BofA 3 Month U.S. T-Bill	1.3 (78)	4.0 (86)	5.2 (87)	2.6 (62)	2.0 (86)	5.0 (65)	1.5 (13)	0.0 (82)
5th Percentile	14.4	21.5	29.0	17.2	9.7	20.7	8.2	24.4
1st Quartile	7.1	11.5	16.0	6.0	6.9	14.4	-2.5	14.6
Median	3.7	8.4	10.9	3.4	4.6	7.2	-7.9	7.1
3rd Quartile	1.8	6.0	6.6	0.6	3.1	4.1	-14.3	1.5
95th Percentile	0.3	-0.6	-6.0	-8.3	-2.1	-11.8	-21.8	-9.7
Population	37	37	37	36	34	39	45	48

Parentheses contain percentile rankings.

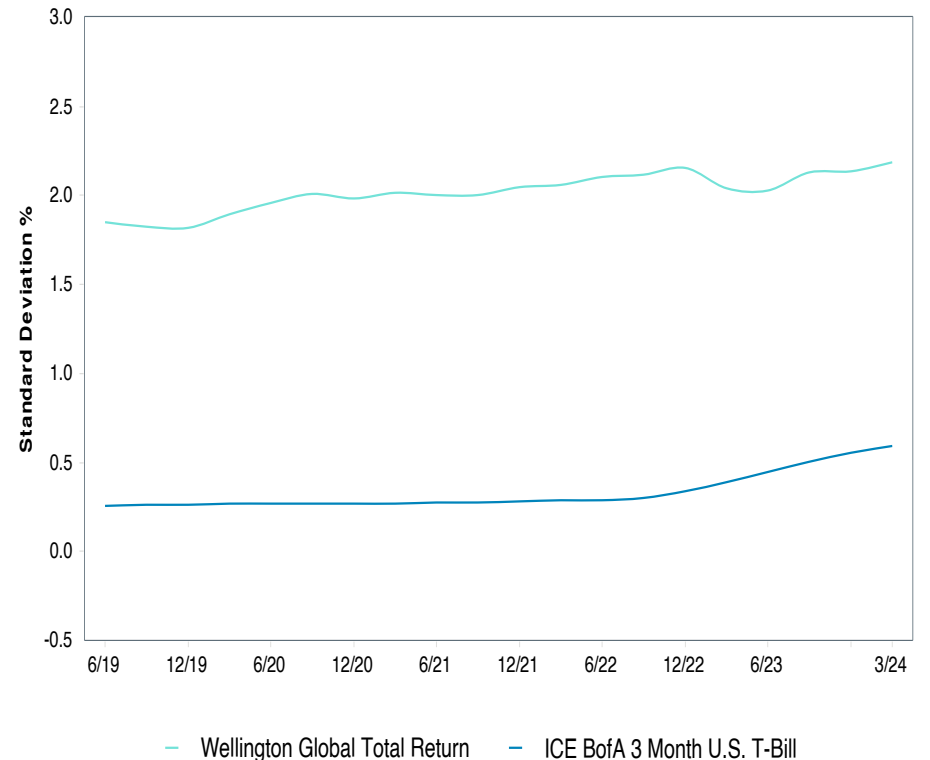
Risk Profile Wellington Global Total Return

As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



**Standard Deviation
Rolling 5 Years**



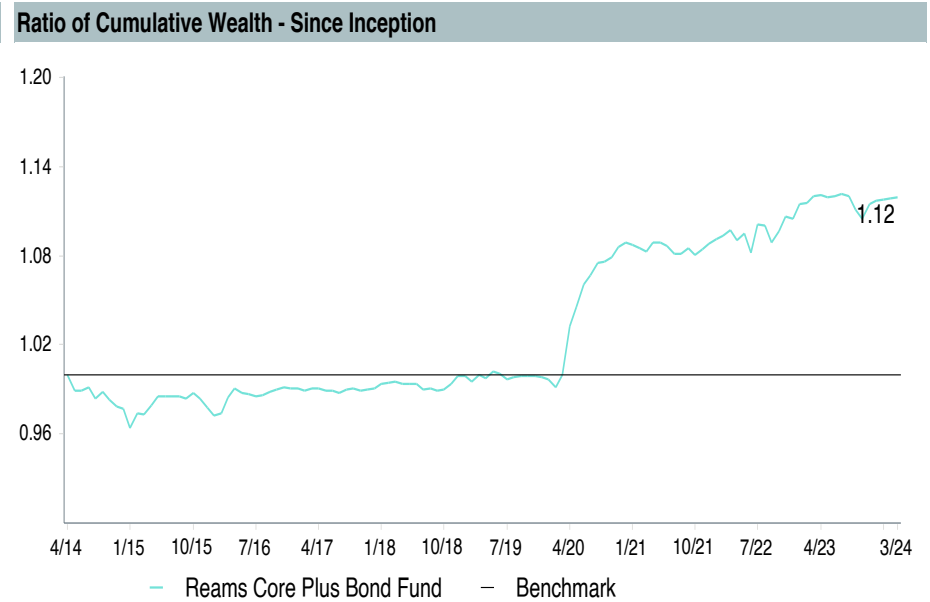
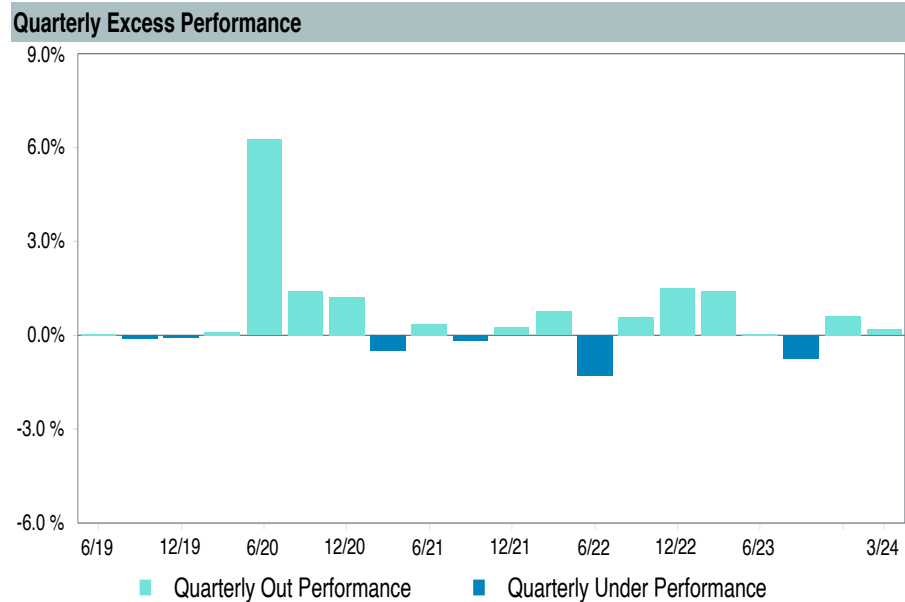
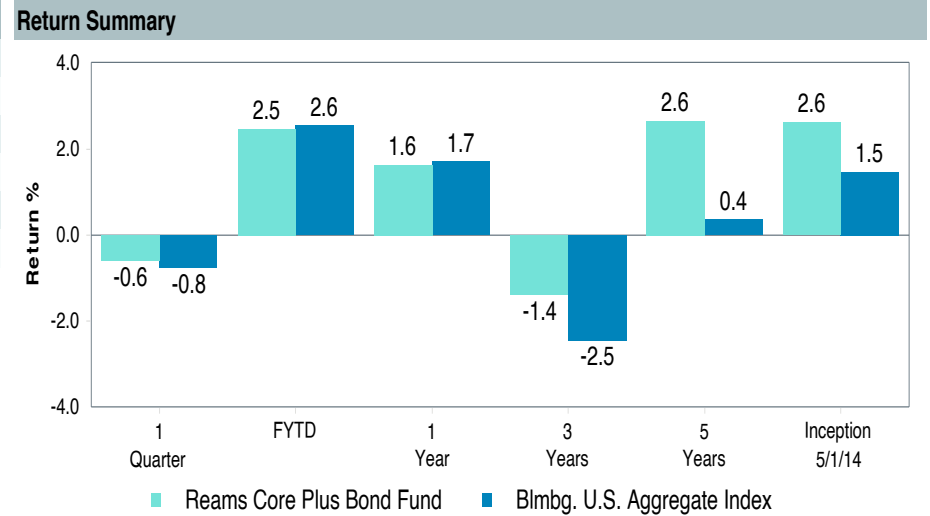
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Wellington Global Total Return	1.56	2.22	0.70	0.01	0.70	3.00	0.30	3.60	2.18	0.08
ICE BofA 3 Month U.S. T-Bill	0.00	0.00	-	1.00	-	0.00	1.00	2.02	0.59	1.00
90 Day U.S. Treasury Bill	0.00	0.00	-	1.00	-	0.00	1.00	2.02	0.59	1.00

Manager Performance Summary Reams Core Plus Bond Fund

As of March 31, 2024

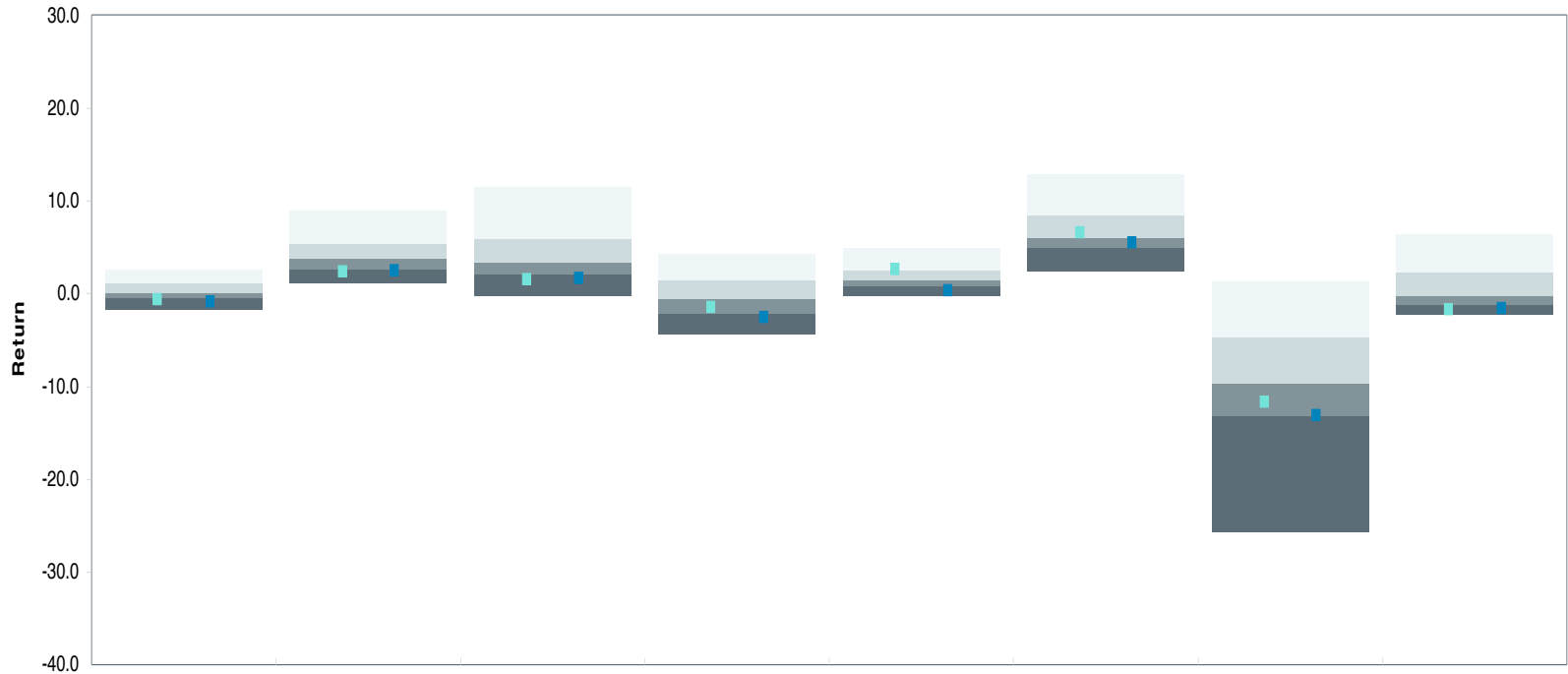
Account Information	
Account Name	Reams Core Plus Bond Fund
Inception Date	05/08/2014
Account Structure	Commingled Fund
Asset Class	US Fixed Income
Benchmark	Blmbg. U.S. Aggregate Index
Peer Group	IM U.S. Fixed Income (SA+CF)



Reams Core Plus Bond Fund

As of March 31, 2024

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



	1 Quarter	FYTD	1 Year	3 Years	5 Years	2023	2022	2021
Reams Core Plus Bond Fund	-0.6 (83)	2.5 (80)	1.6 (84)	-1.4 (64)	2.6 (25)	6.7 (41)	-11.7 (61)	-1.6 (88)
Blmbg. U.S. Aggregate Index	-0.8 (88)	2.6 (79)	1.7 (83)	-2.5 (84)	0.4 (90)	5.5 (62)	-13.0 (72)	-1.5 (85)
5th Percentile	2.5	9.0	11.4	4.2	5.0	12.9	1.4	6.4
1st Quartile	1.1	5.4	6.0	1.5	2.6	8.5	-4.7	2.3
Median	0.1	3.8	3.4	-0.6	1.5	6.0	-9.7	-0.1
3rd Quartile	-0.4	2.7	2.1	-2.1	0.9	5.0	-13.2	-1.1
95th Percentile	-1.6	1.1	-0.2	-4.5	-0.2	2.5	-25.6	-2.2

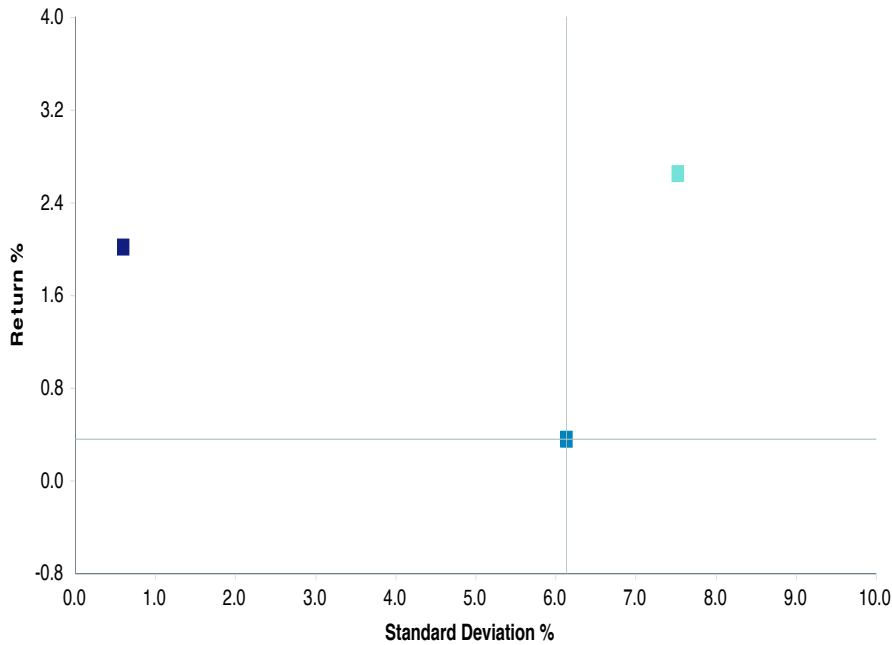
Population	1,156	1,150	1,150	1,090	1,059	1,264	1,329	1,360
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Parentheses contain percentile rankings.

Risk Profile Reams Core Plus Bond Fund

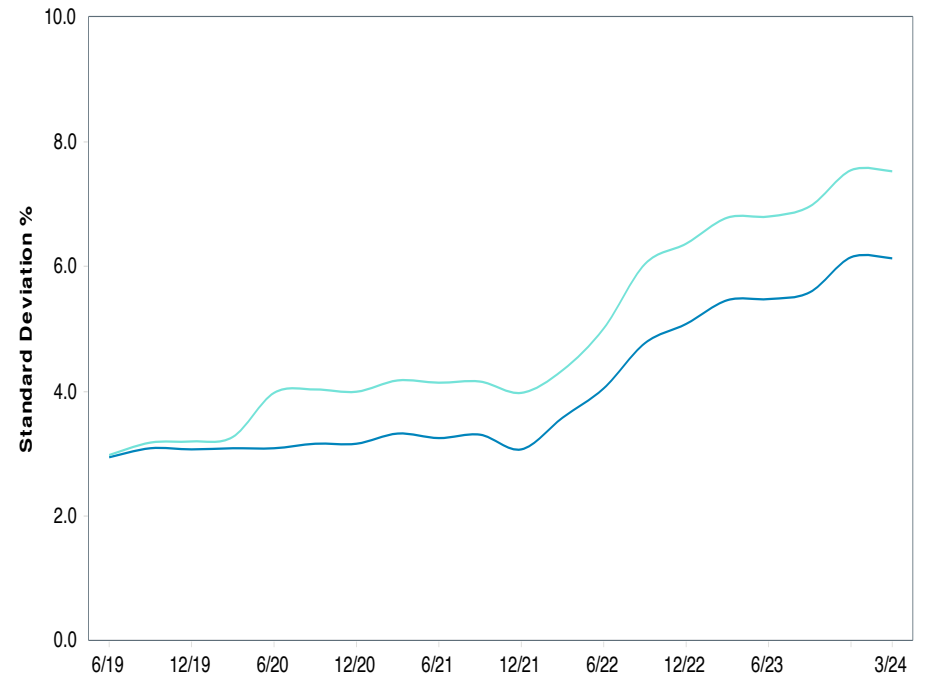
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



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

Standard Deviation
Rolling 5 Years



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

5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Reams Core Plus Bond Fund	2.35	2.36	0.99	0.92	0.12	2.28	1.18	2.65	7.52	0.96
Blmbg. U.S. Aggregate Index	0.00	0.00	-	1.00	-0.24	0.00	1.00	0.36	6.14	1.00
90 Day U.S. Treasury Bill	1.46	6.08	0.24	0.02	-	2.01	0.01	2.02	0.59	0.14

Opportunistic/Alternatives

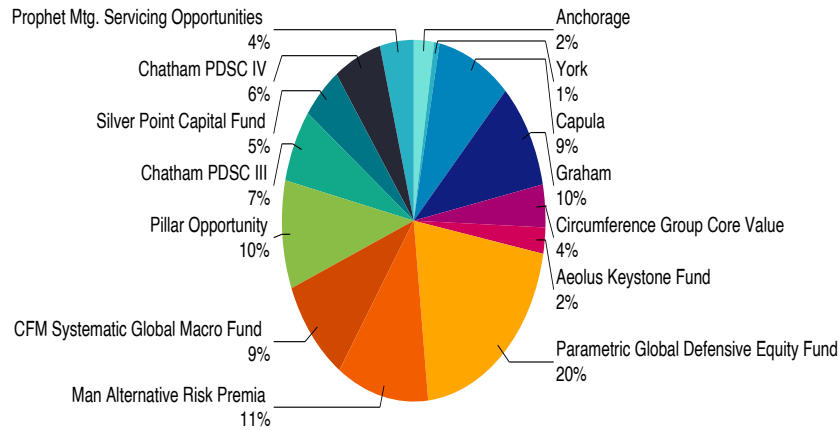


Composite Portfolio Overview Opportunistic/Alternatives

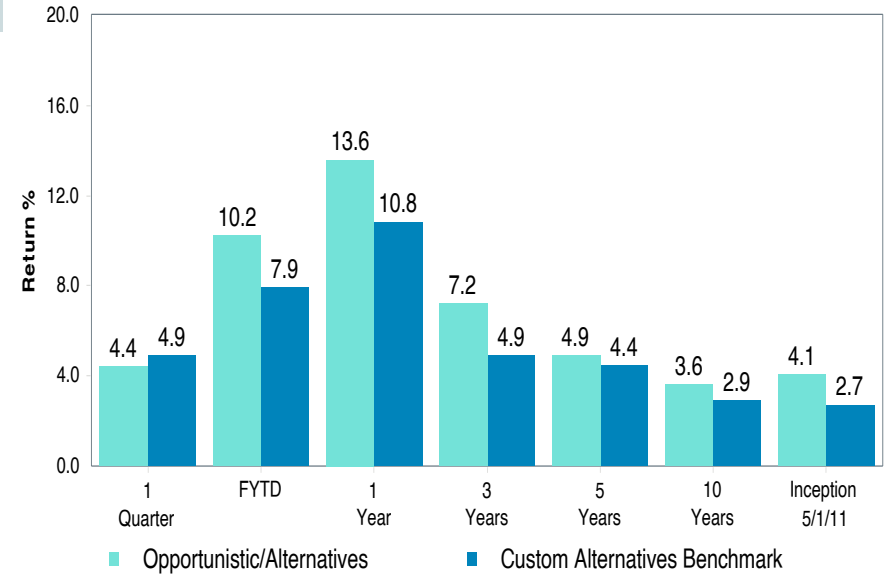
As of March 31, 2024

Current Allocation

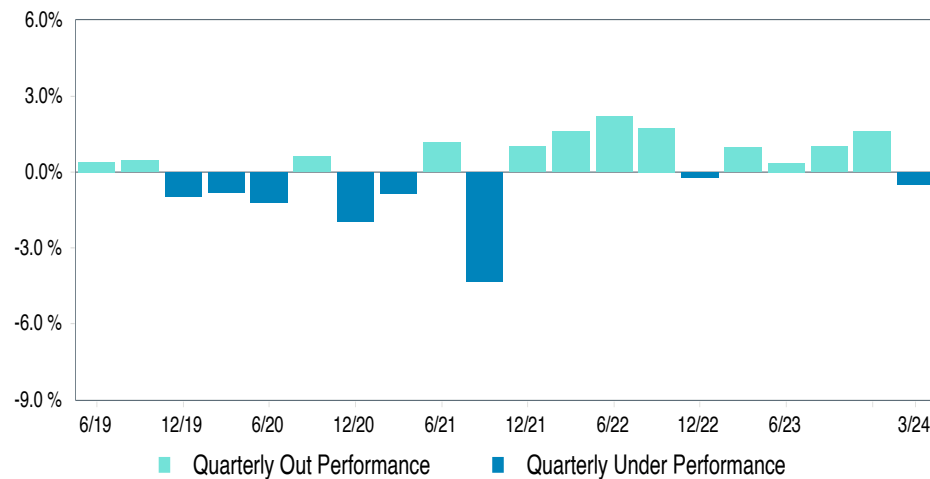
March 31, 2024 : \$1,119,015,638



Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years

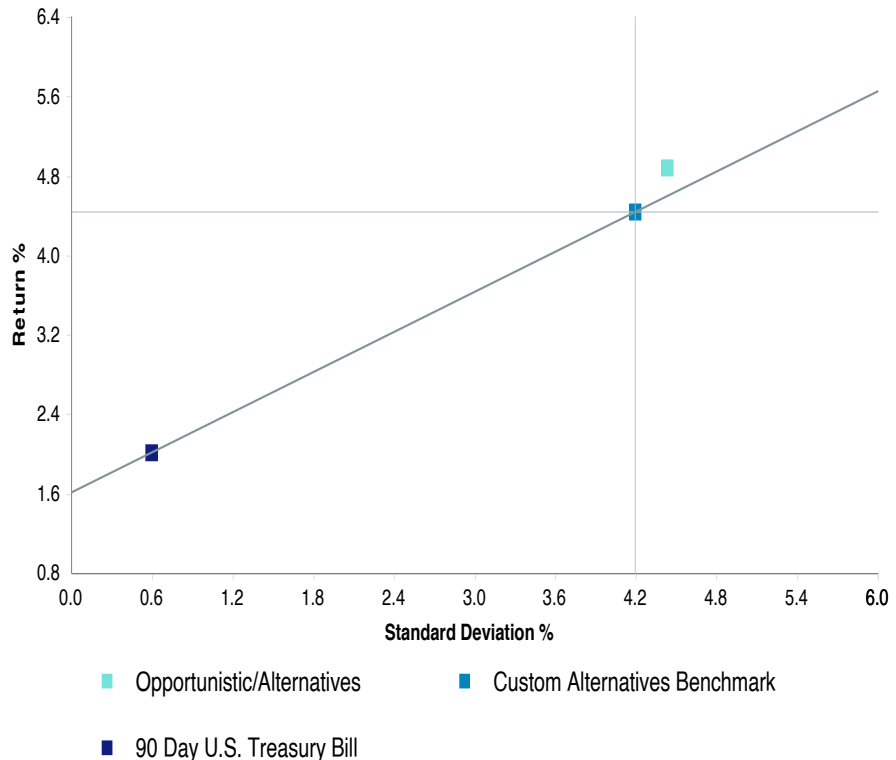


Note: April 1, 2004 represents the inception of the Global Equity Custom Benchmark as the primary performance objective for the Global Equity portfolio.

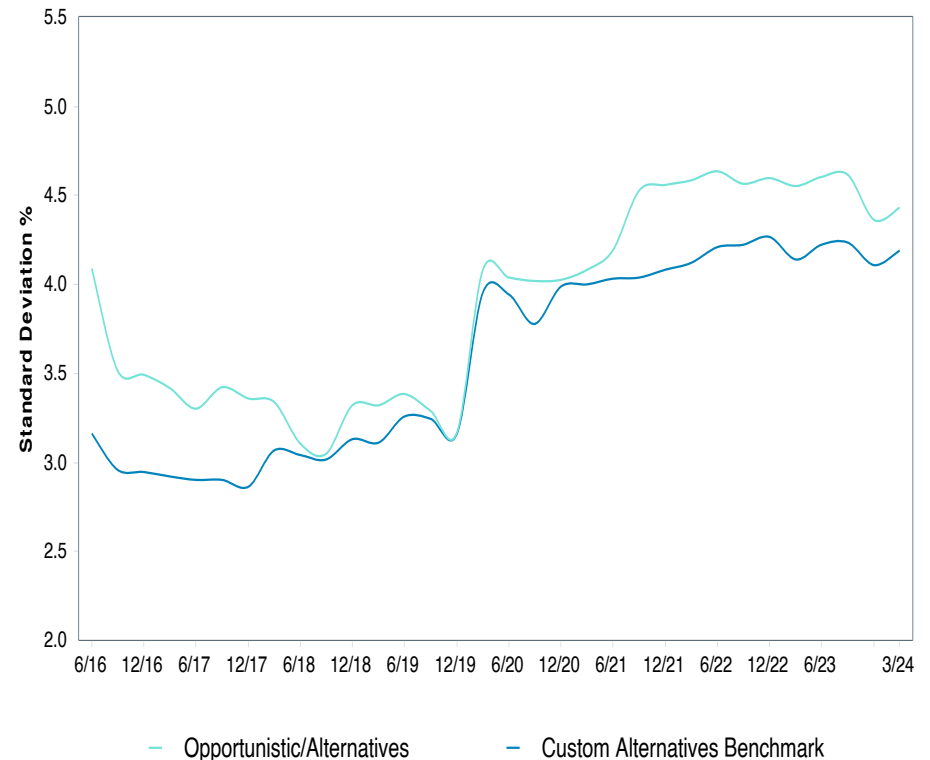
Risk Profile Opportunistic/Alternatives

As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



**Standard Deviation
Rolling 5 Years**

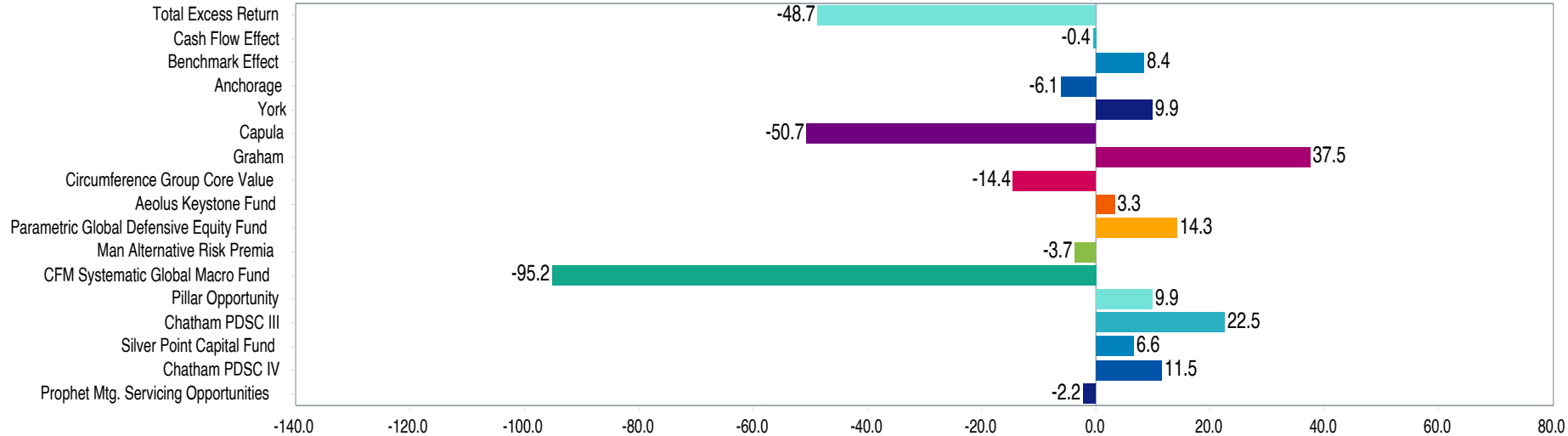


5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Opportunistic/Alternatives	0.44	2.96	0.15	0.59	0.65	1.29	0.81	4.89	4.43	0.77
Custom Alternatives Benchmark	0.00	0.00	-	1.00	0.57	0.00	1.00	4.44	4.19	1.00
90 Day U.S. Treasury Bill	-2.44	4.24	-0.57	0.00	-	2.03	0.00	2.02	0.59	-0.01

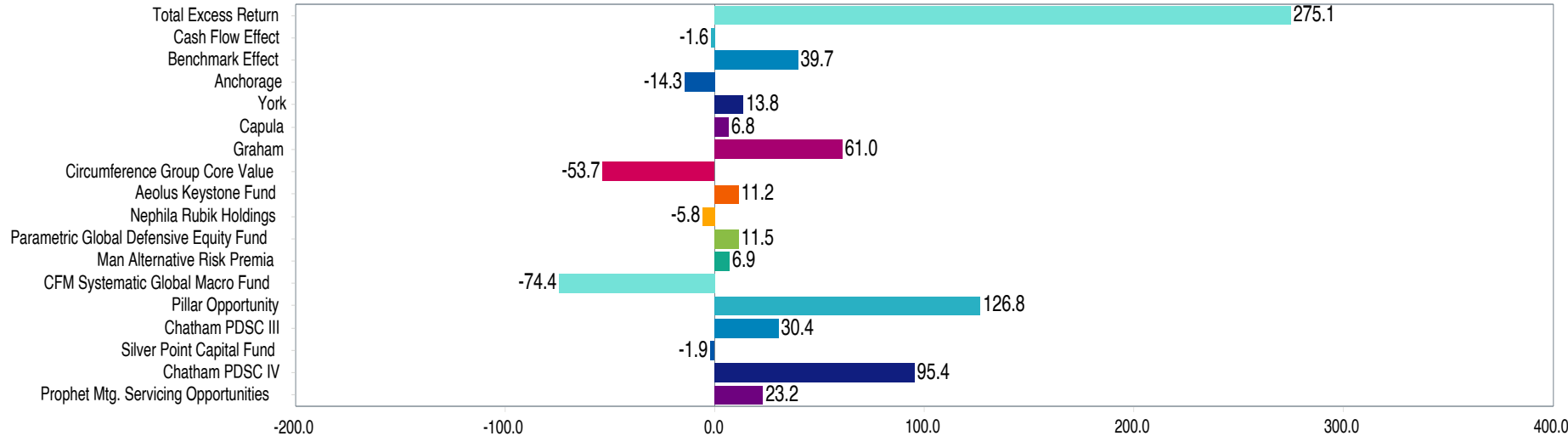
Asset Class Attribution

As of March 31, 2024

1 Quarter



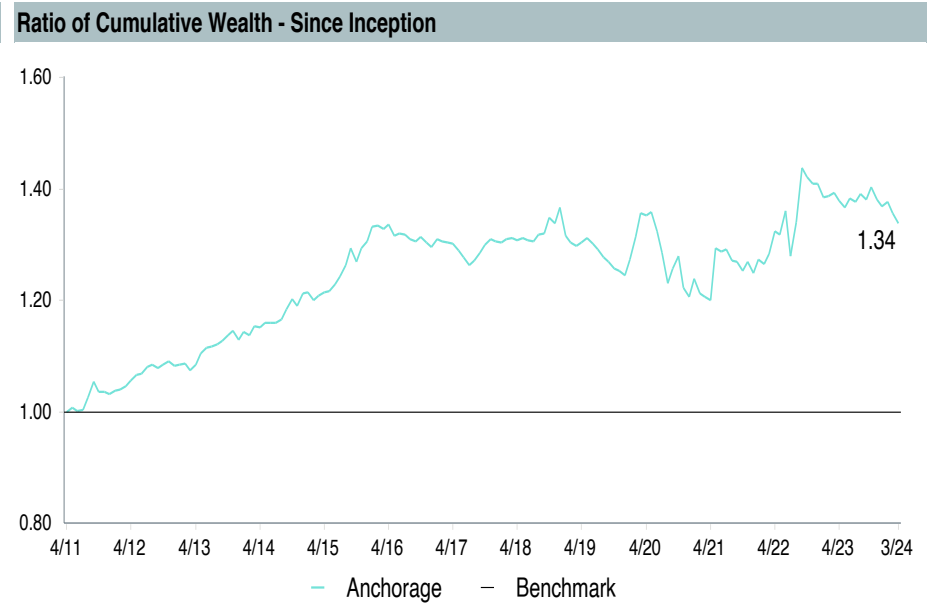
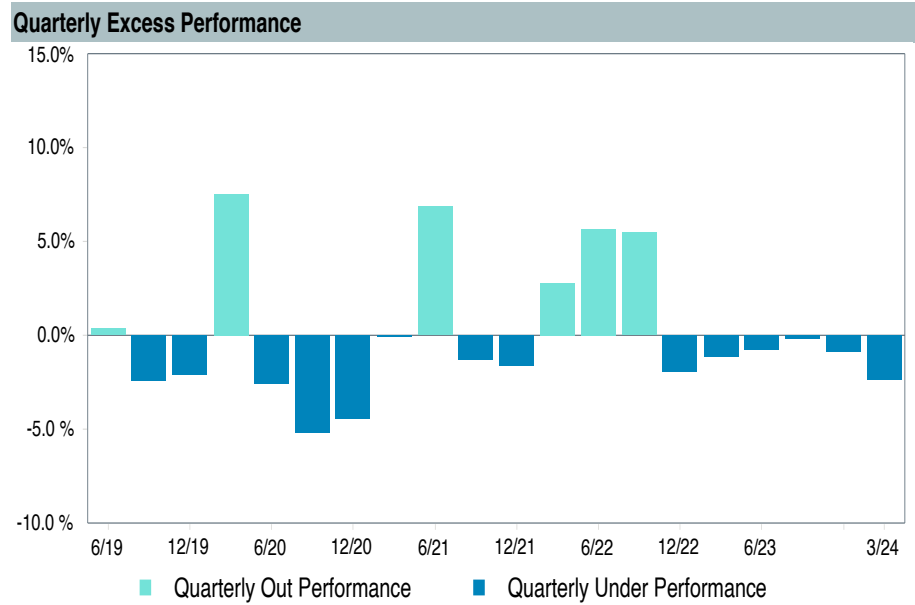
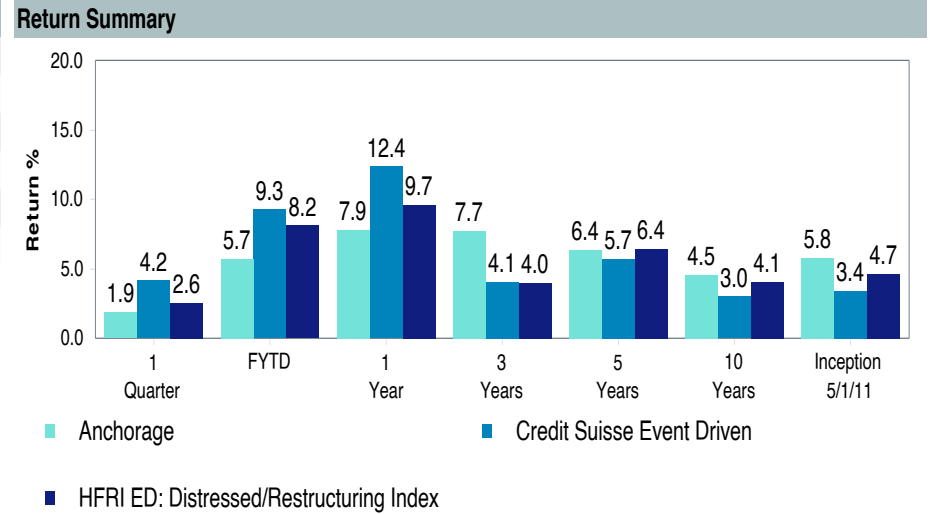
1 Year



Manager Performance Summary Anchorage

As of March 31, 2024

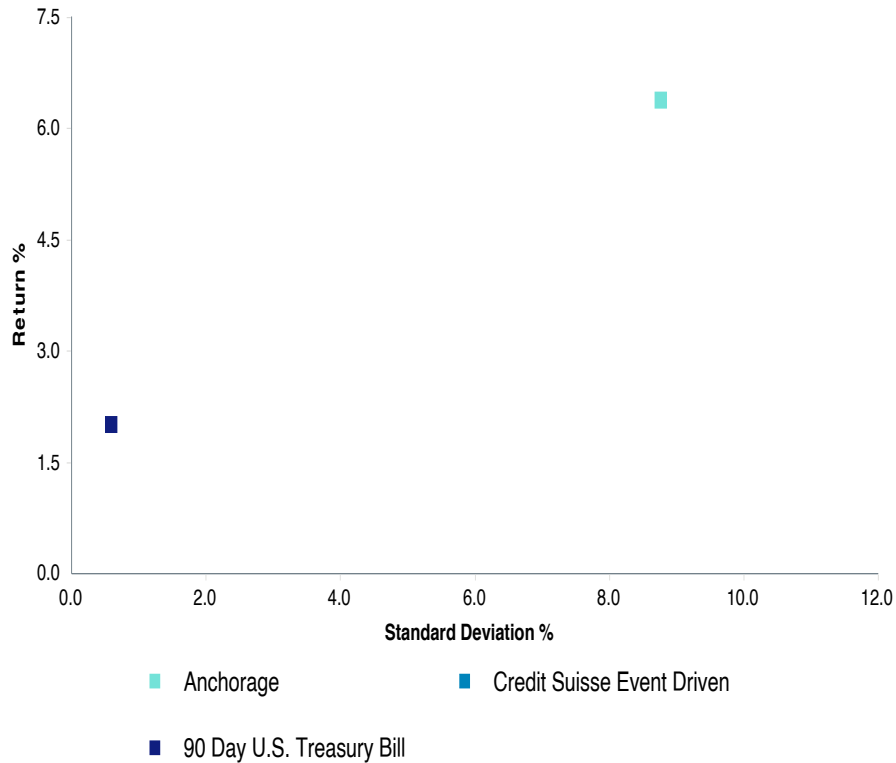
Account Information	
Account Name	Anchorage
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Credit Suisse Event Driven
Peer Group	



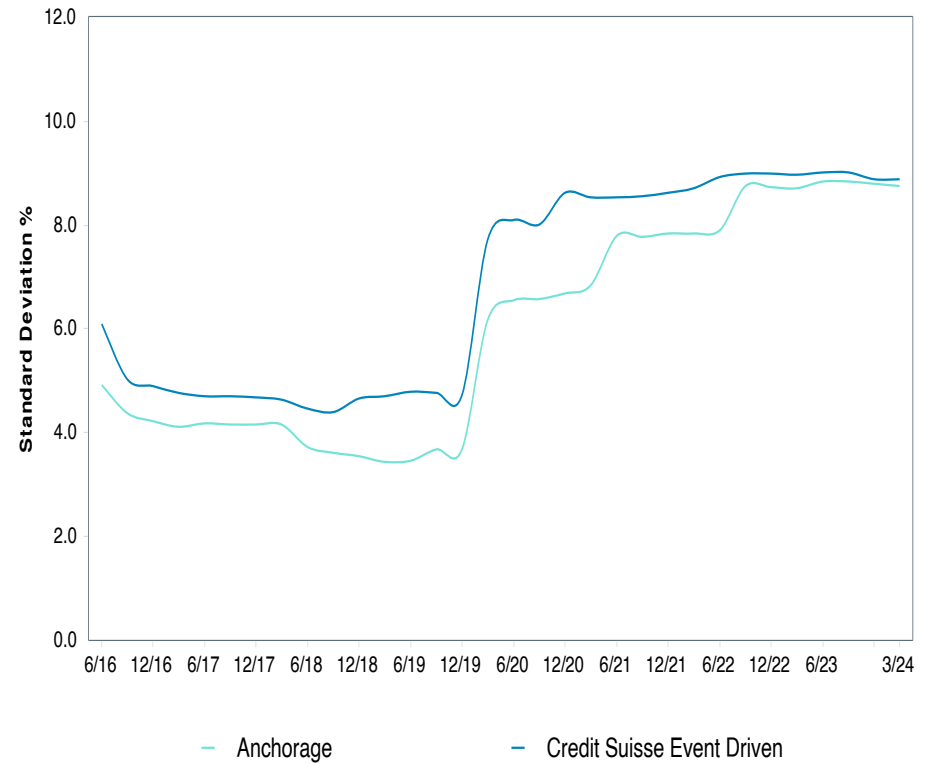
Risk Profile Anchorage

As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



**Standard Deviation
Rolling 5 Years**

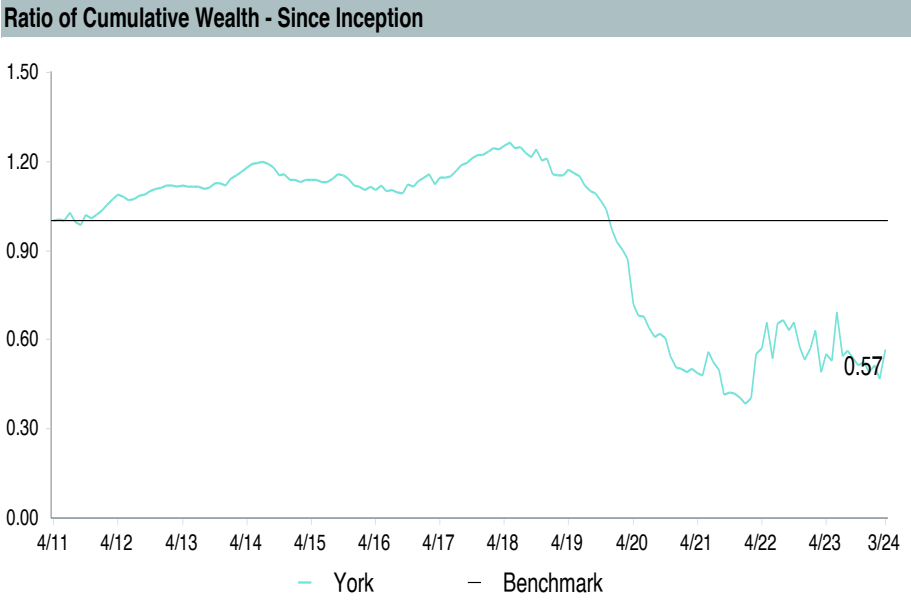
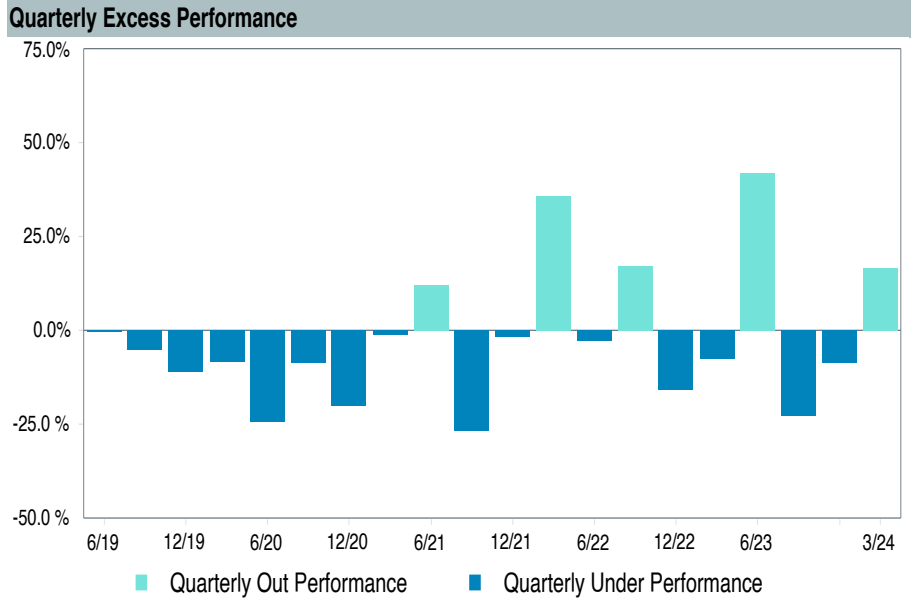
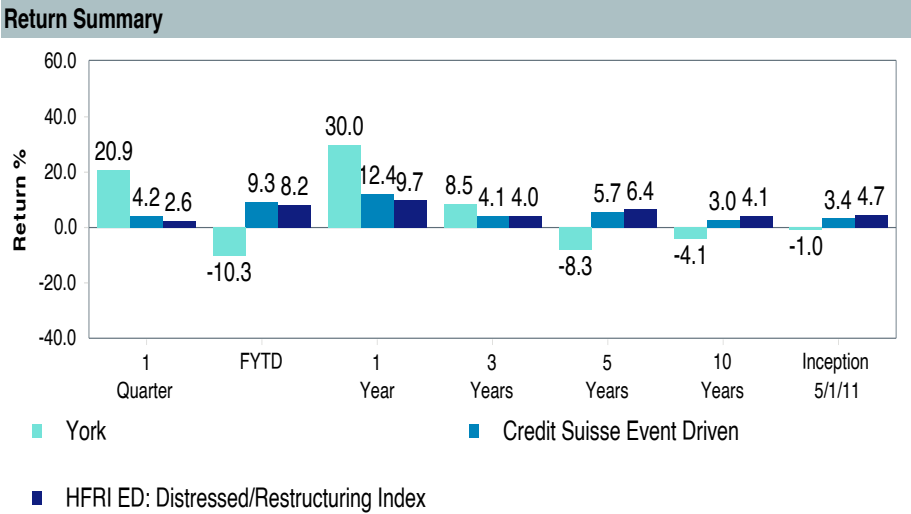


5 Years Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Anchorage	-	-	-	-	0.52	-	-	6.39	8.76	-
Credit Suisse Event Driven	-	-	-	-	0.45	-	-	5.74	8.88	-
90 Day U.S. Treasury Bill	-	-	-	-	-	-	-	2.02	0.59	-

Manager Performance Summary York

As of March 31, 2024

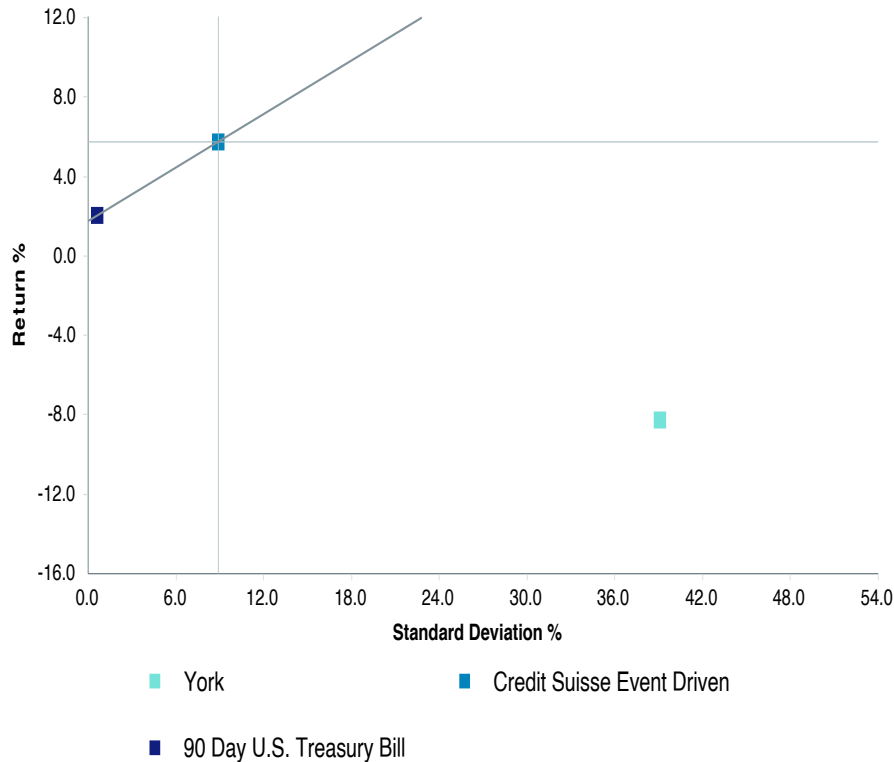
Account Information	
Account Name	York
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Credit Suisse Event Driven
Peer Group	



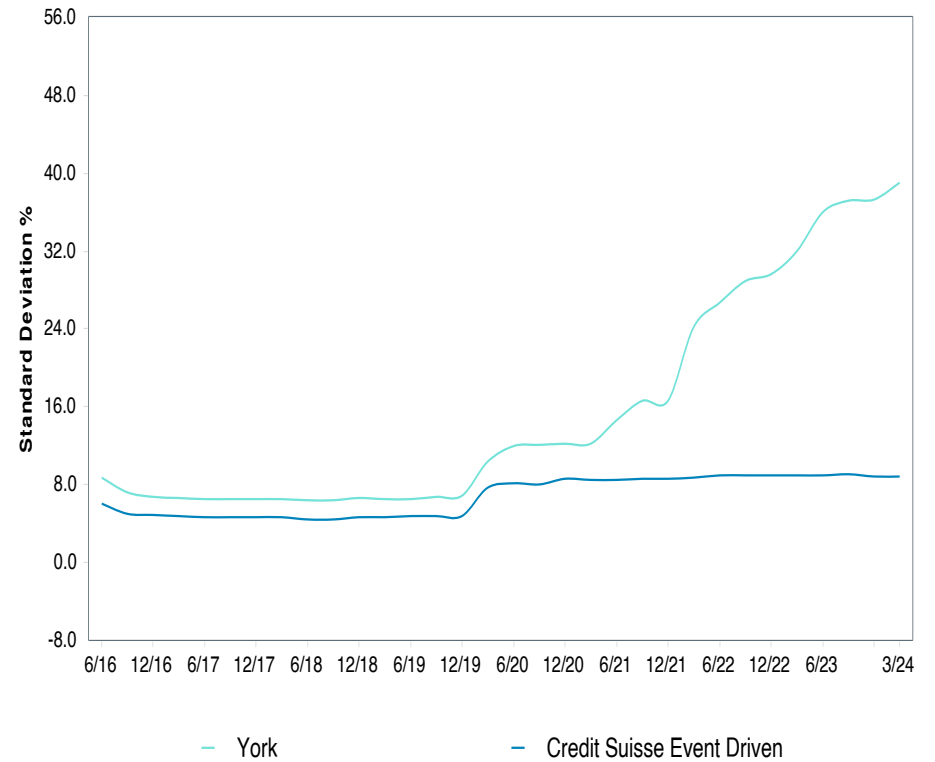
Risk Profile York

As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



Standard Deviation
Rolling 5 Years



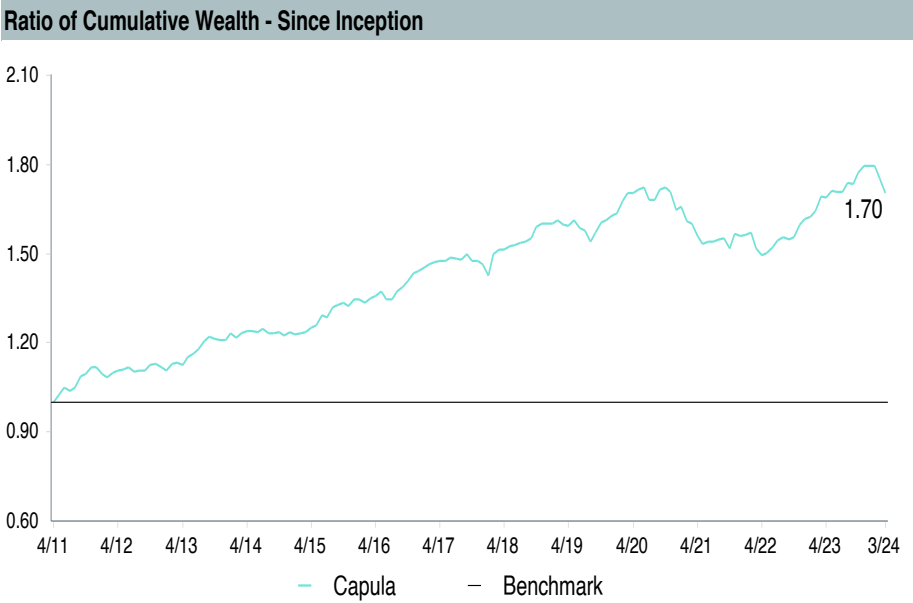
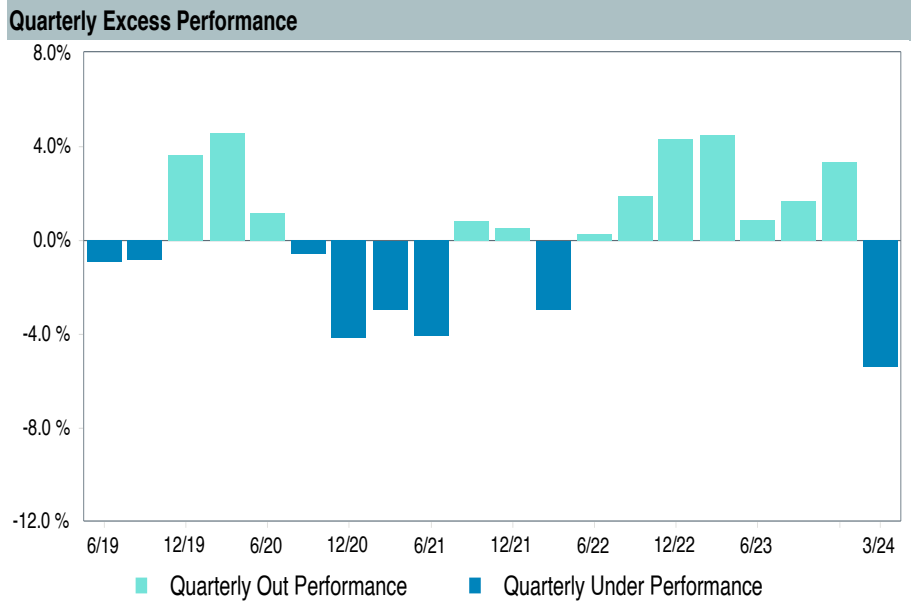
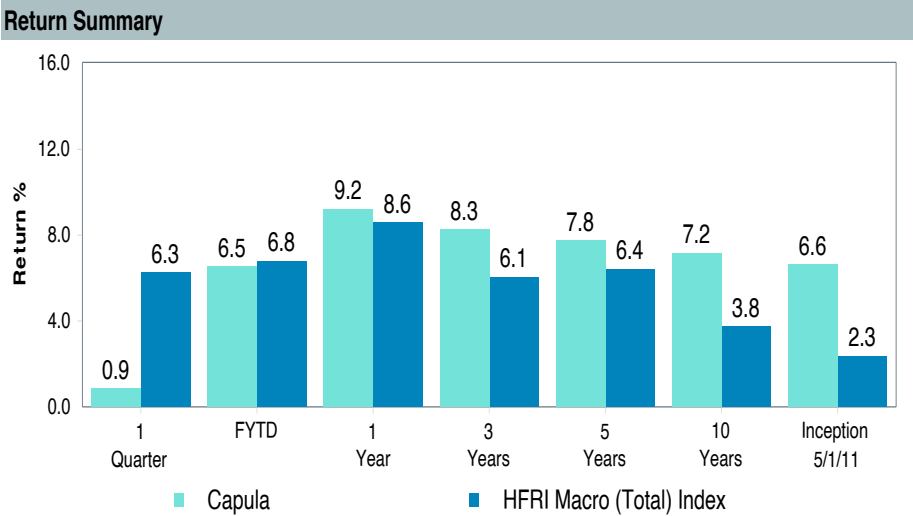
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
York	-7.44	38.12	-0.20	0.05	-0.09	-7.07	0.98	-8.25	39.10	0.22
Credit Suisse Event Driven	0.00	0.00	-	1.00	0.45	0.00	1.00	5.74	8.88	1.00
90 Day U.S. Treasury Bill	-4.00	8.97	-0.45	0.02	-	2.07	-0.01	2.02	0.59	-0.13

Manager Performance Summary Capula

As of March 31, 2024

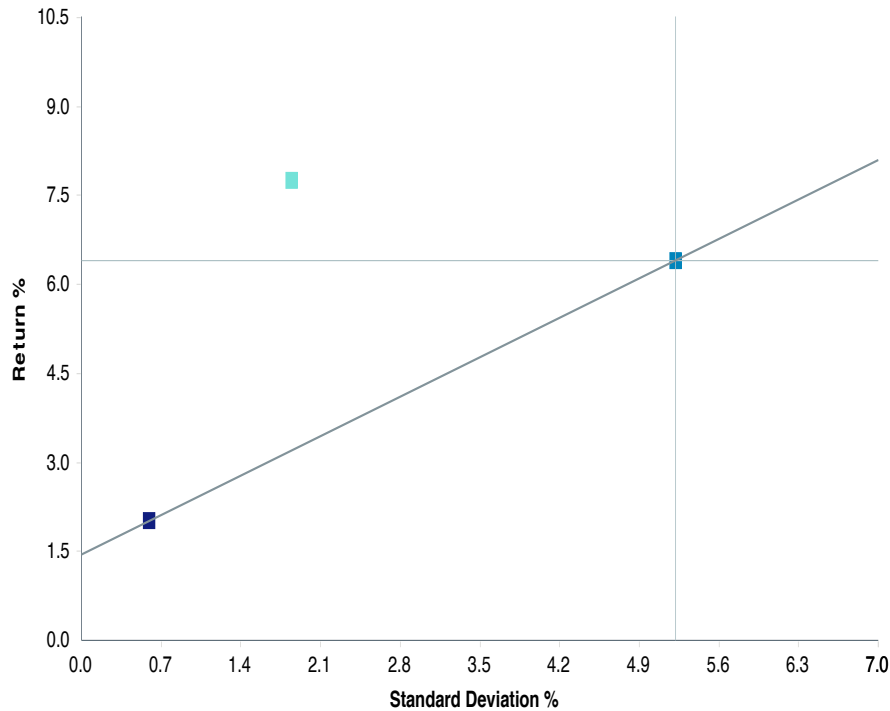
Account Information	
Account Name	Capula
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	HFRI Macro (Total) Index
Peer Group	



Risk Profile Capula

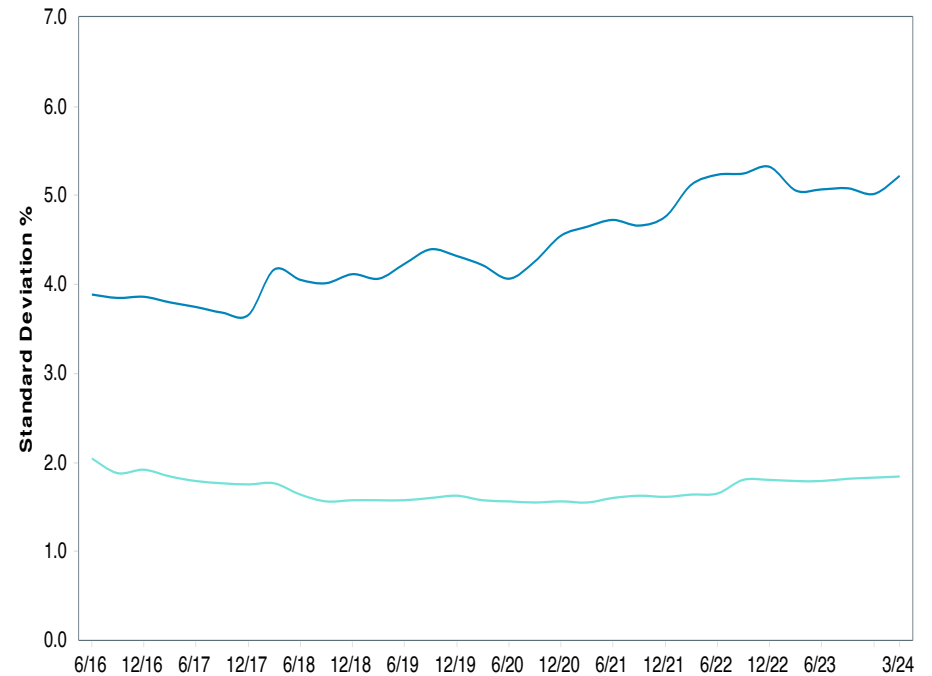
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



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

Standard Deviation
Rolling 5 Years



— Capula — HFRI Macro (Total) Index

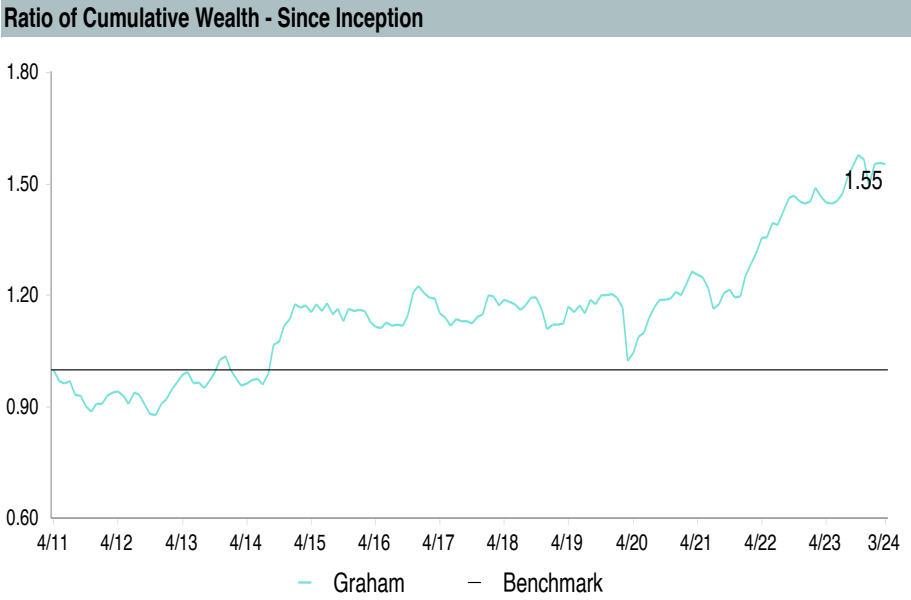
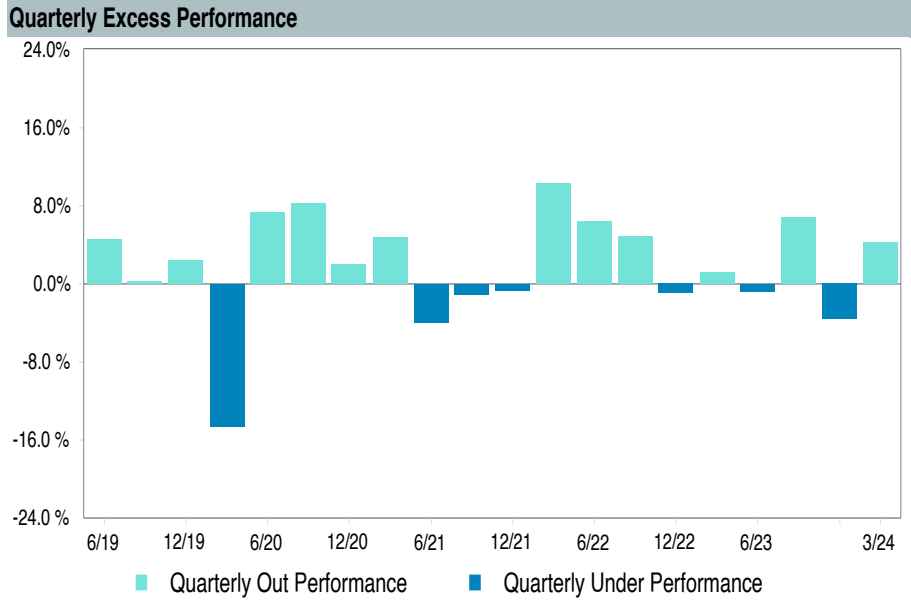
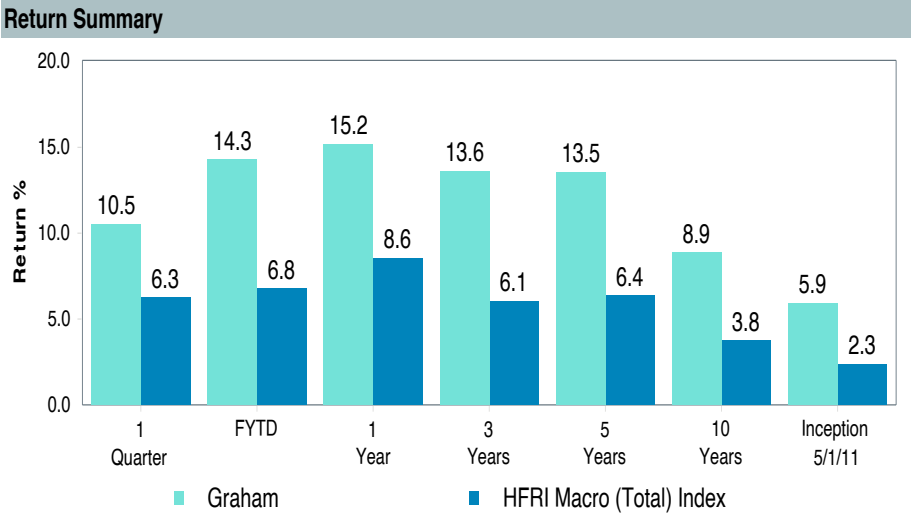
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Capula	1.14	5.61	0.20	0.00	3.09	7.87	-0.02	7.75	1.85	-0.04
HFRI Macro (Total) Index	0.00	0.00	-	1.00	0.82	0.00	1.00	6.41	5.22	1.00
90 Day U.S. Treasury Bill	-4.36	5.33	-0.82	0.02	-	2.12	-0.02	2.02	0.59	-0.14

Manager Performance Summary Graham

As of March 31, 2024

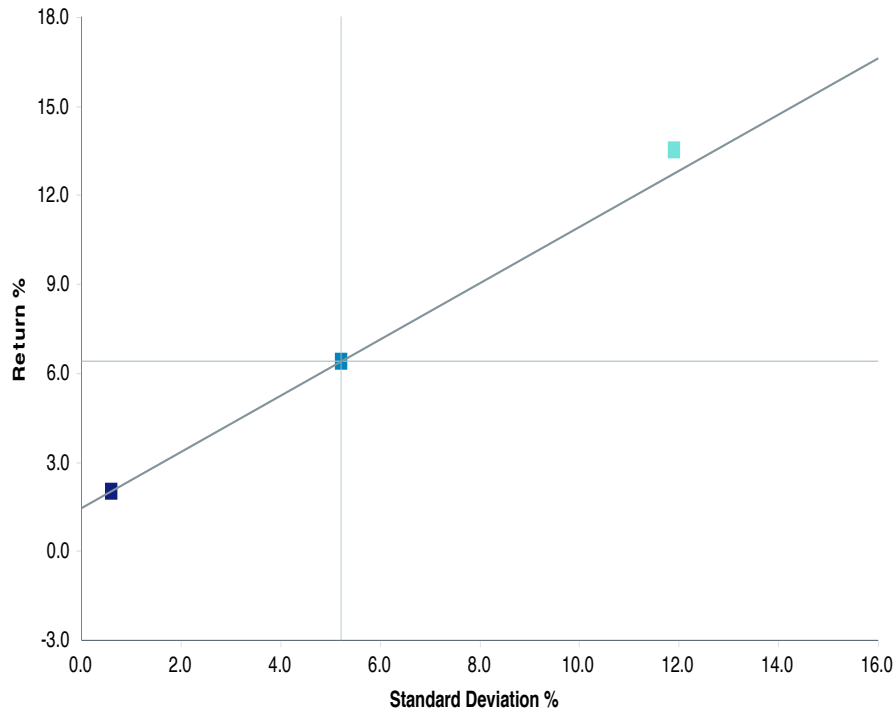
Account Information	
Account Name	Graham
Inception Date	05/01/2011
Account Structure	Hedge Fund
Asset Class	Hedge Fund
Benchmark	HFRI Macro (Total) Index
Peer Group	



Risk Profile Graham

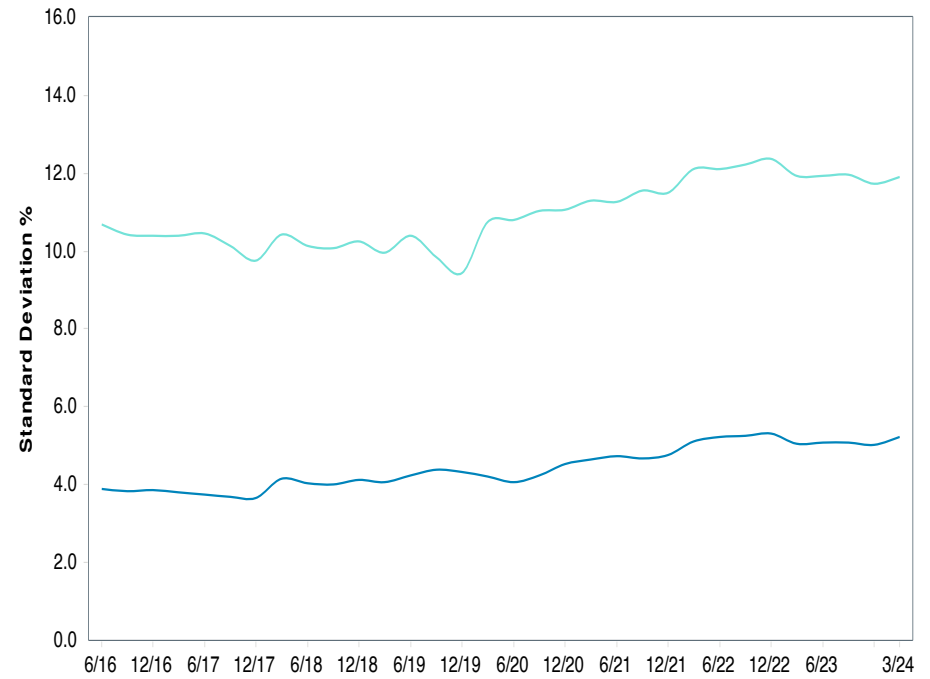
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



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

**Standard Deviation
Rolling 5 Years**



— Graham — HFRI Macro (Total) Index

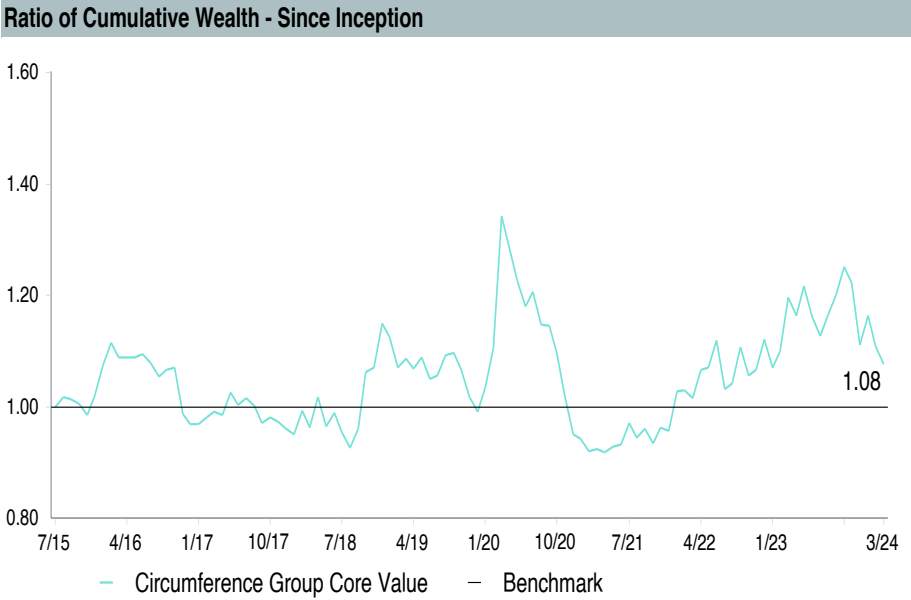
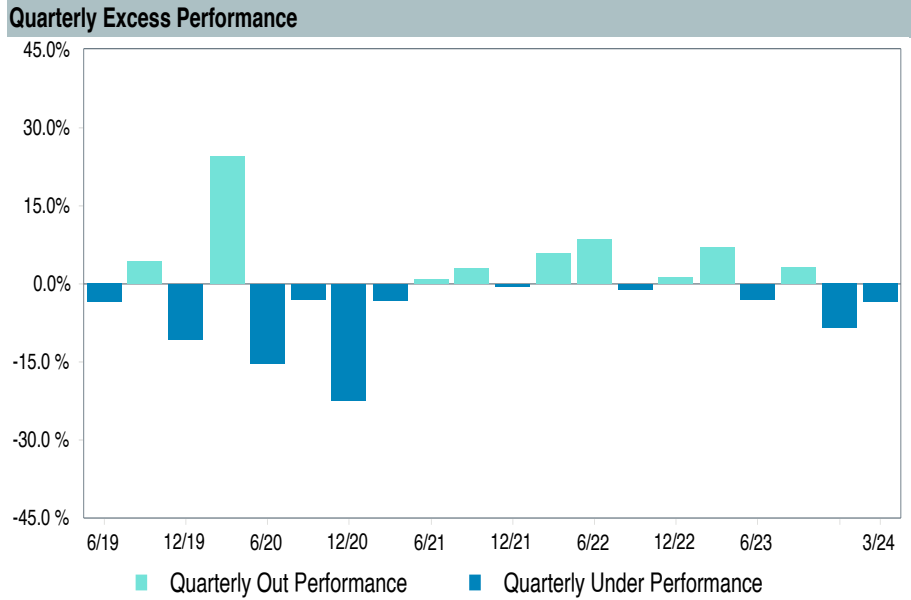
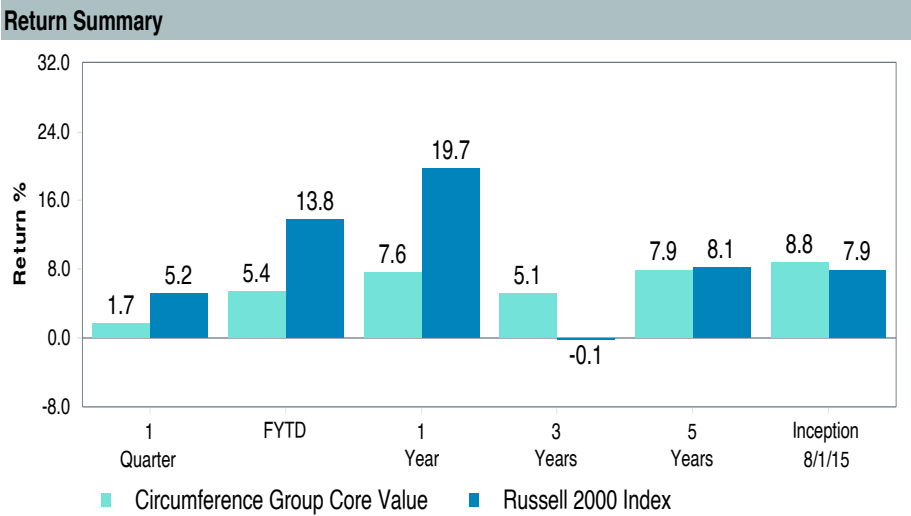
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Graham	7.11	9.10	0.78	0.48	0.95	3.50	1.58	13.54	11.89	0.69
HFRI Macro (Total) Index	0.00	0.00	-	1.00	0.82	0.00	1.00	6.41	5.22	1.00
90 Day U.S. Treasury Bill	-4.36	5.33	-0.82	0.02	-	2.12	-0.02	2.02	0.59	-0.14

Manager Performance Summary Circumference Group Core Value

As of March 31, 2024

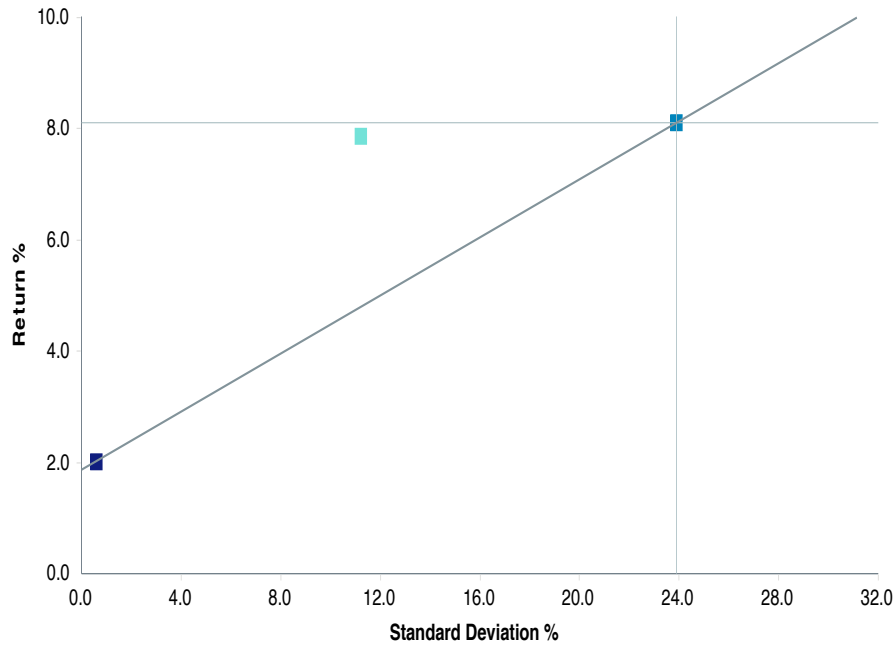
Account Information	
Account Name	Circumference Group Core Value
Inception Date	08/31/2015
Account Structure	Hedge Fund
Asset Class	US Hedge Fund
Benchmark	Russell 2000 Index
Peer Group	



Risk Profile Circumference Group Core Value

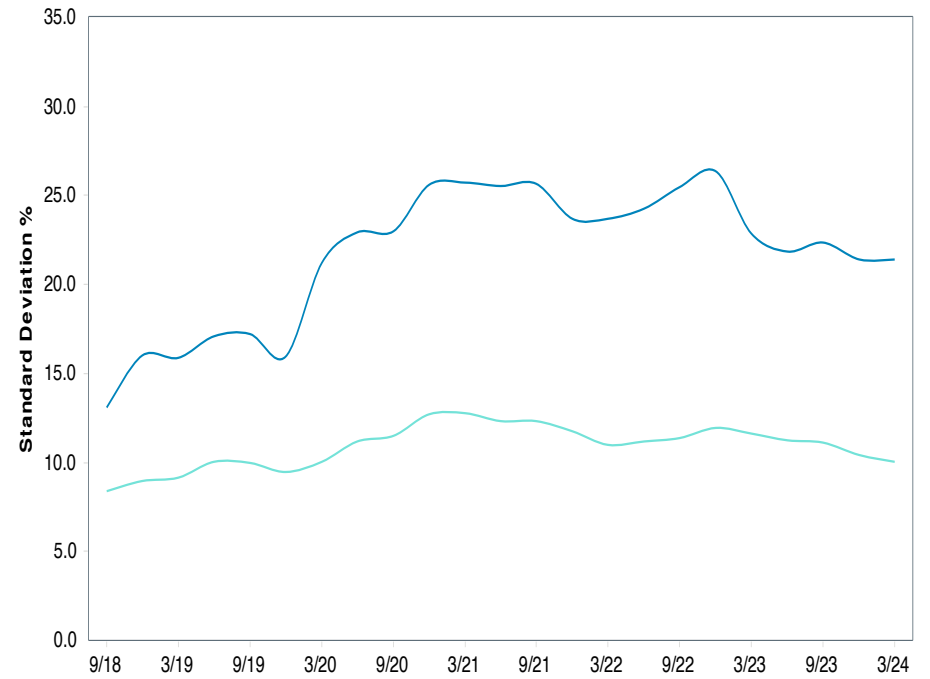
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
5 Years**



- Circumference Group Core Value
- Russell 2000 Index
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 3 Years**



- Circumference Group Core Value
- Russell 2000 Index

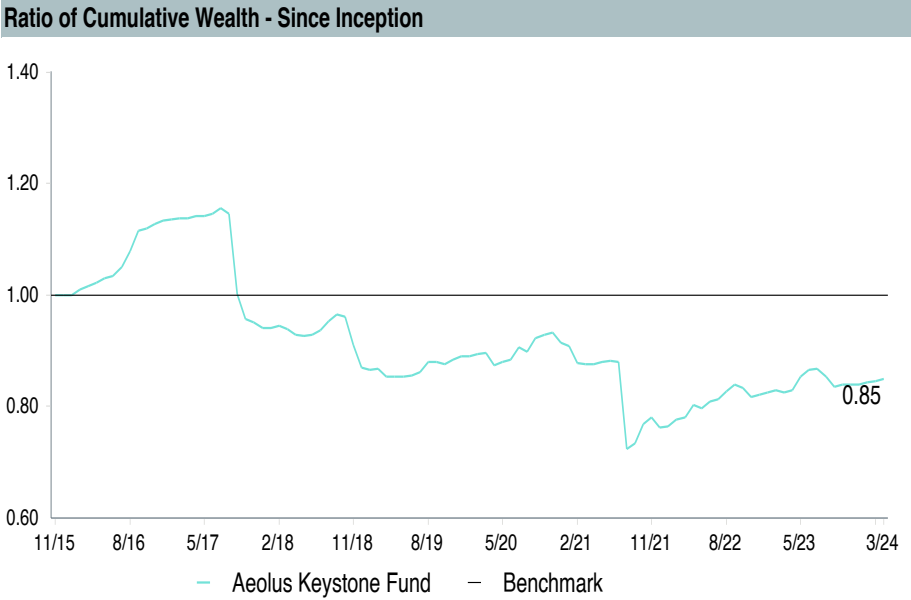
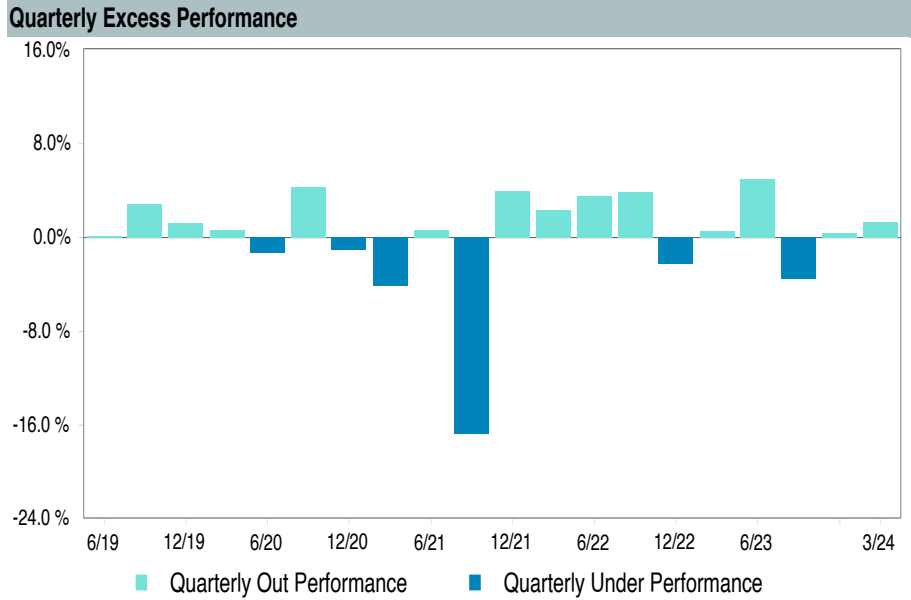
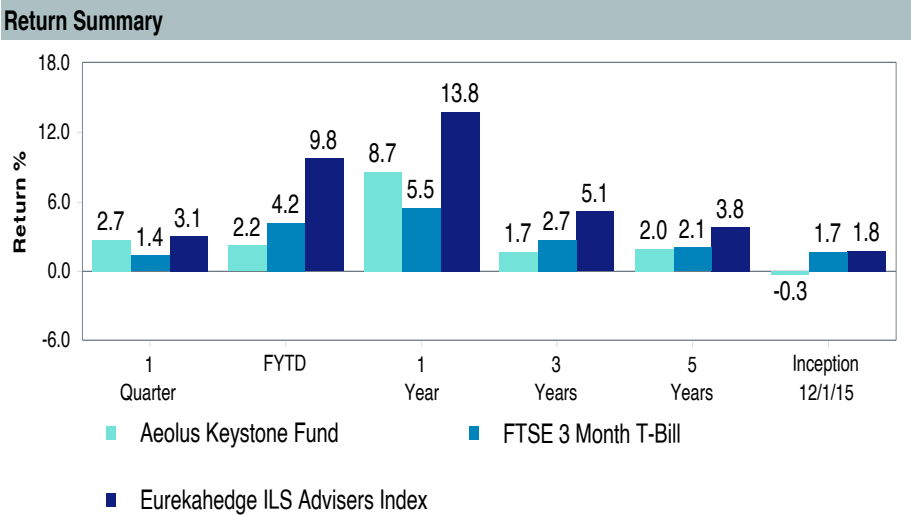
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Circumference Group Core Value	-2.44	16.29	-0.15	0.65	0.55	4.27	0.38	7.87	11.23	0.80
Russell 2000 Index	0.00	0.00	-	1.00	0.36	0.00	1.00	8.10	23.88	1.00
90 Day U.S. Treasury Bill	-8.66	23.95	-0.36	0.01	-	2.05	0.00	2.02	0.59	-0.11

Manager Performance Summary Aeolus Keystone Fund

As of March 31, 2024

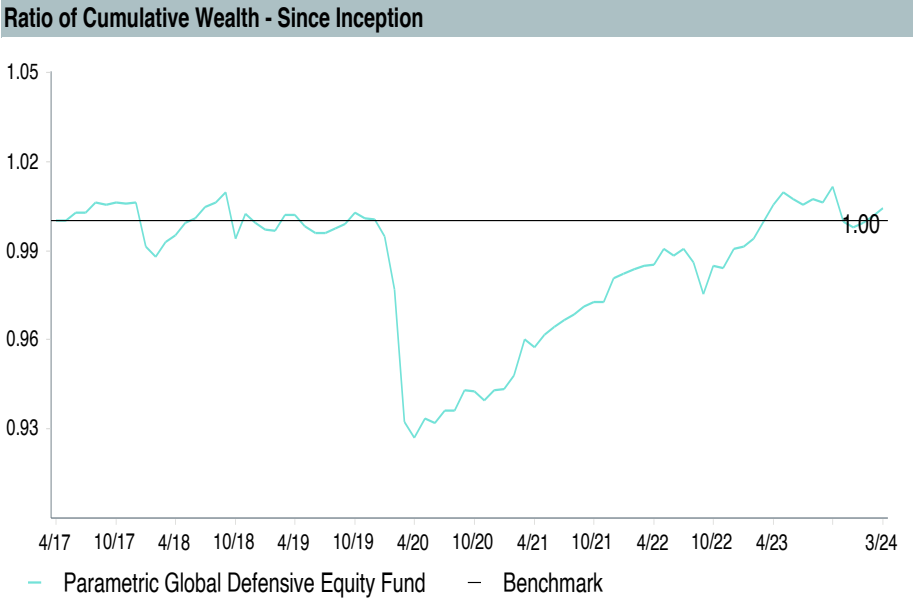
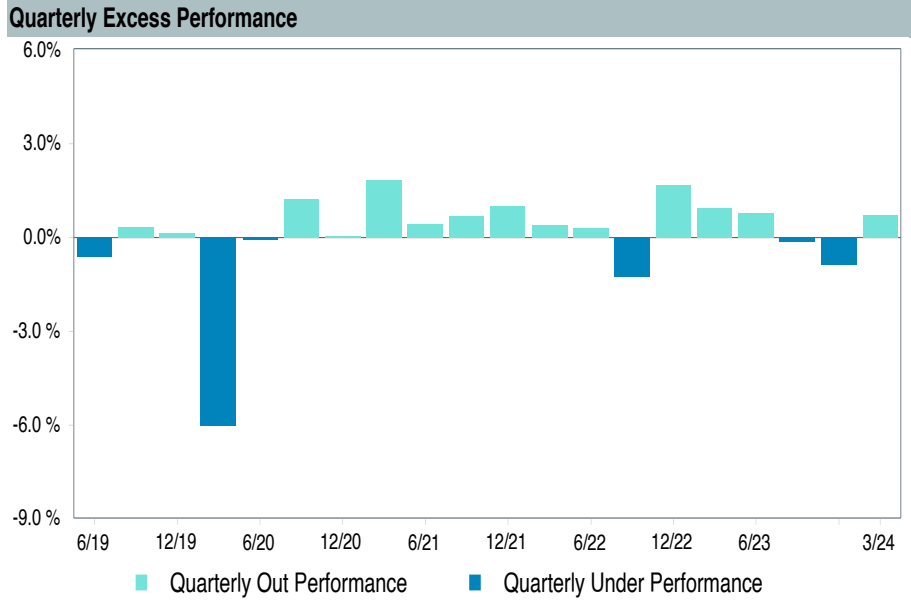
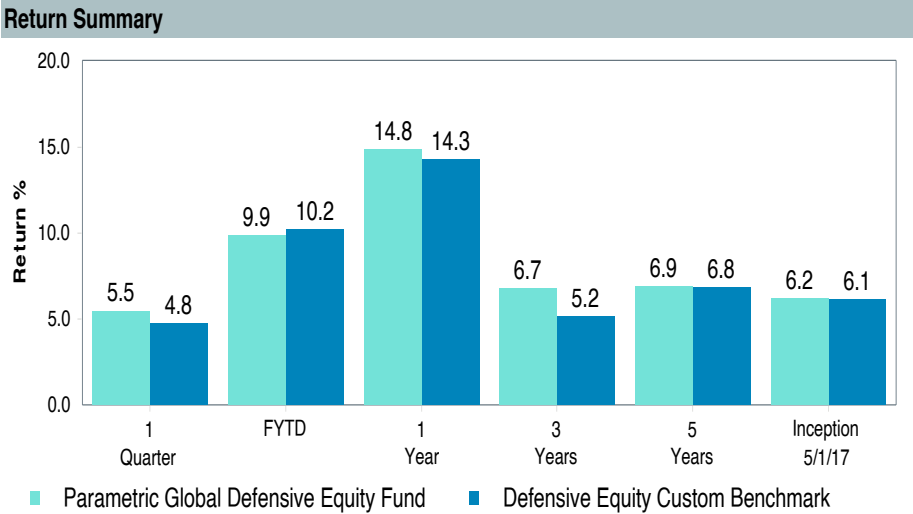
Account Information	
Account Name	Aeolus Keystone Fund
Inception Date	12/01/2015
Account Structure	Hedge Fund
Asset Class	Hedge Fund
Benchmark	FTSE 3 Month T-Bill
Peer Group	



Manager Performance Summary Parametric Global Defensive Equity

As of March 31, 2024

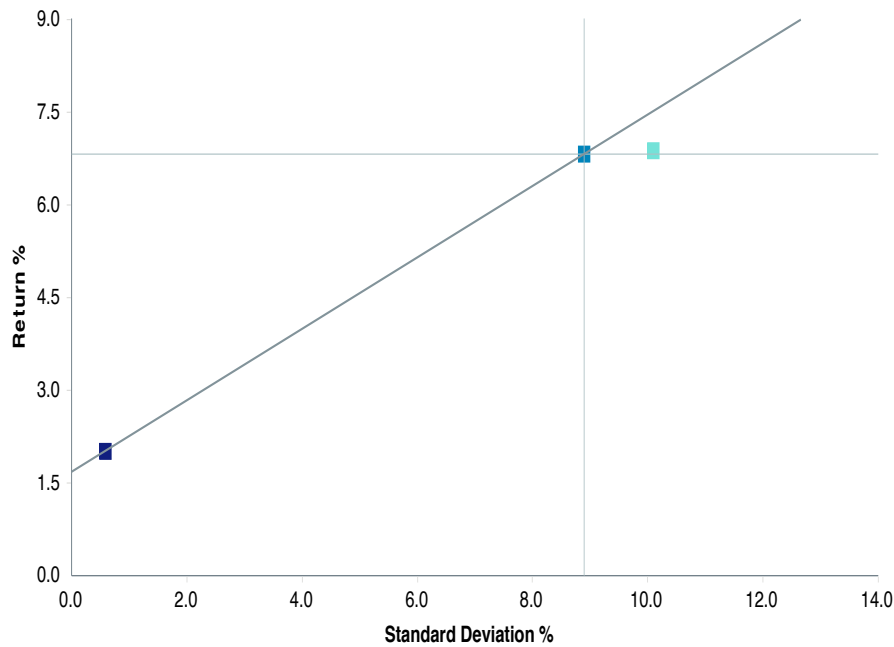
Account Information	
Account Name	Parametric Global Defensive Equity Fund
Inception Date	06/01/2017
Account Structure	Commingled Fund
Asset Class	Global Equity
Benchmark	Defensive Equity Custom Benchmark
Peer Group	



Risk Profile Parametric Global Defensive Equity Fund

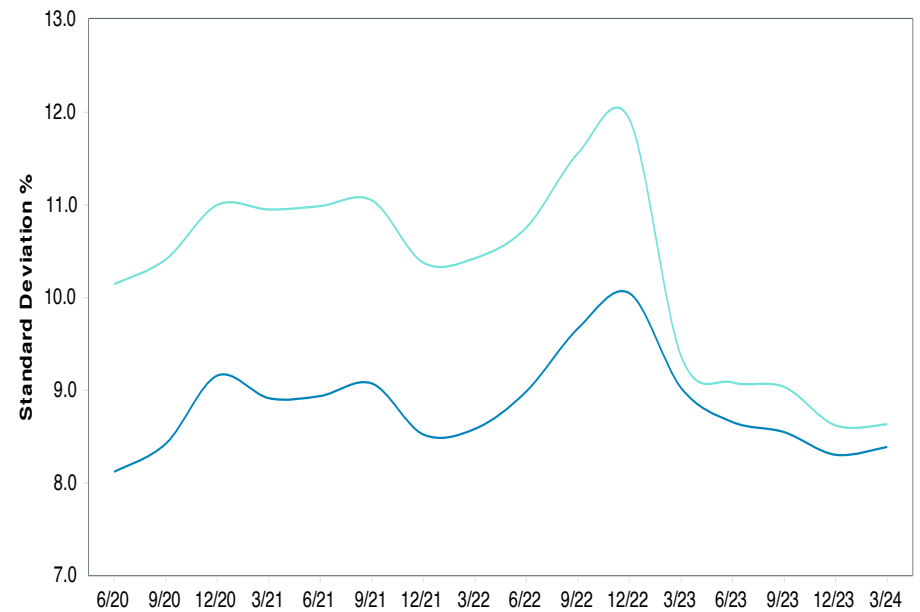
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
5 Years



- Parametric Global Defensive Equity Fund
- Defensive Equity Custom Benchmark
- 90 Day U.S. Treasury Bill

Standard Deviation
Rolling 3 Years



- Parametric Global Defensive Equity Fund
- Defensive Equity Custom Benchmark

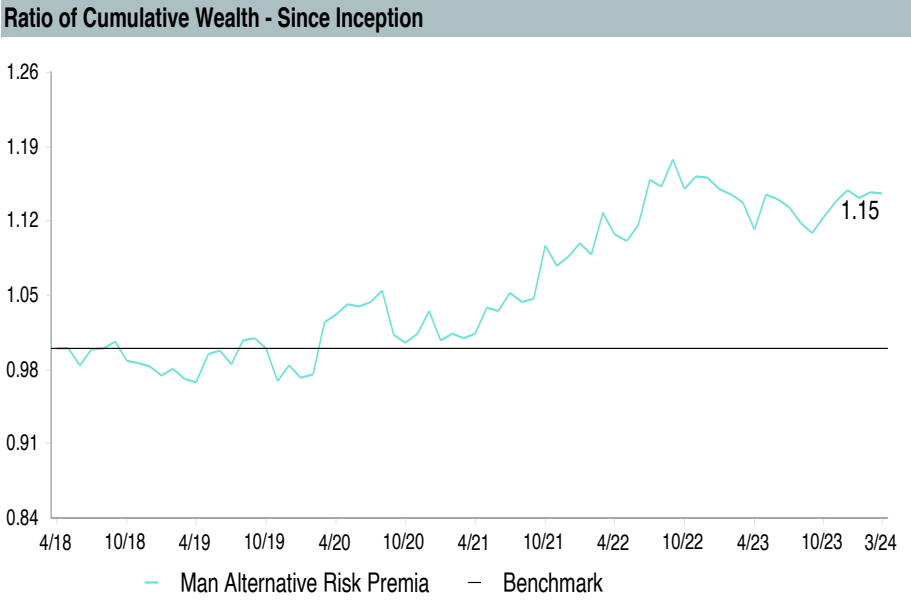
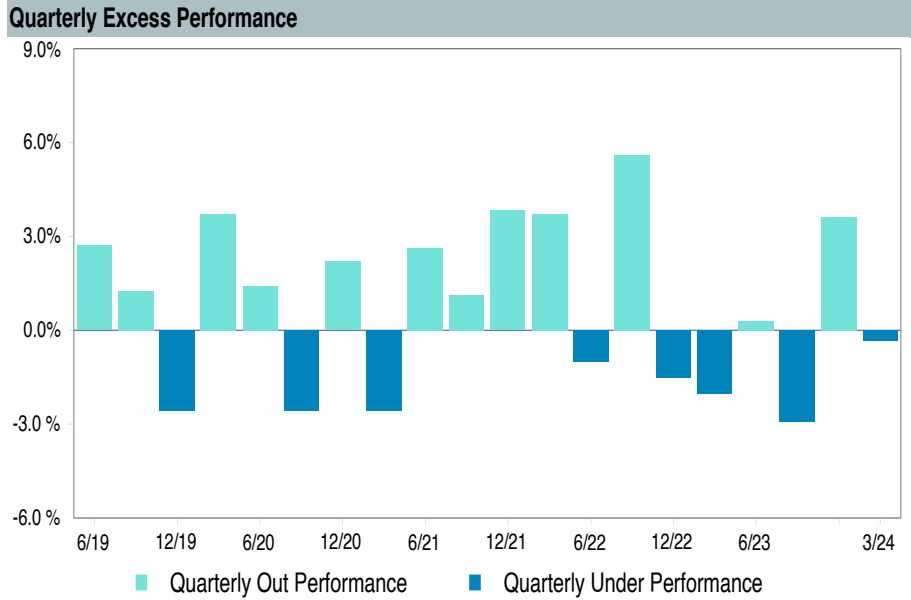
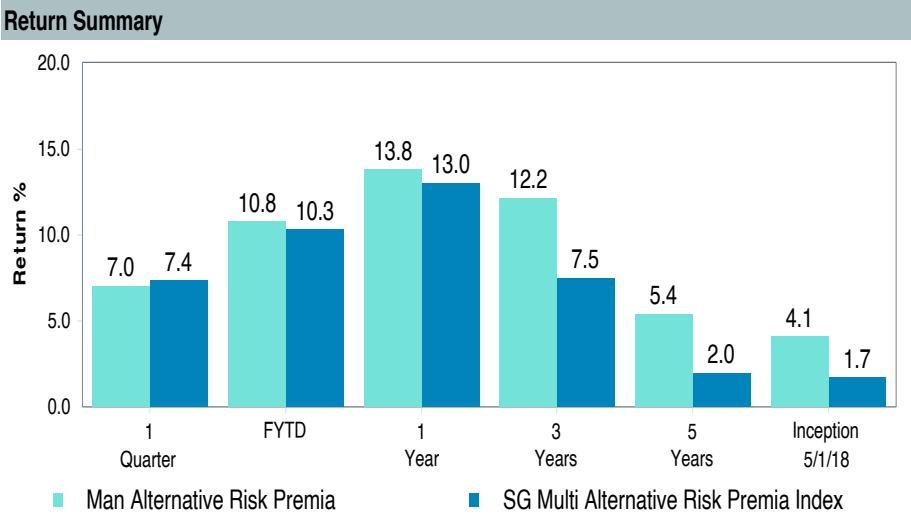
5 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Parametric Global Defensive Equity Fund	0.17	2.60	0.07	0.94	0.51	-0.54	1.10	6.88	10.09	0.97
Defensive Equity Custom Benchmark	0.00	0.00	-	1.00	0.56	0.00	1.00	6.82	8.89	1.00
90 Day U.S. Treasury Bill	-5.01	8.91	-0.56	0.00	-	2.02	0.00	2.02	0.59	0.00

Manager Performance Summary Man Alternative Risk Premia

As of March 31, 2024

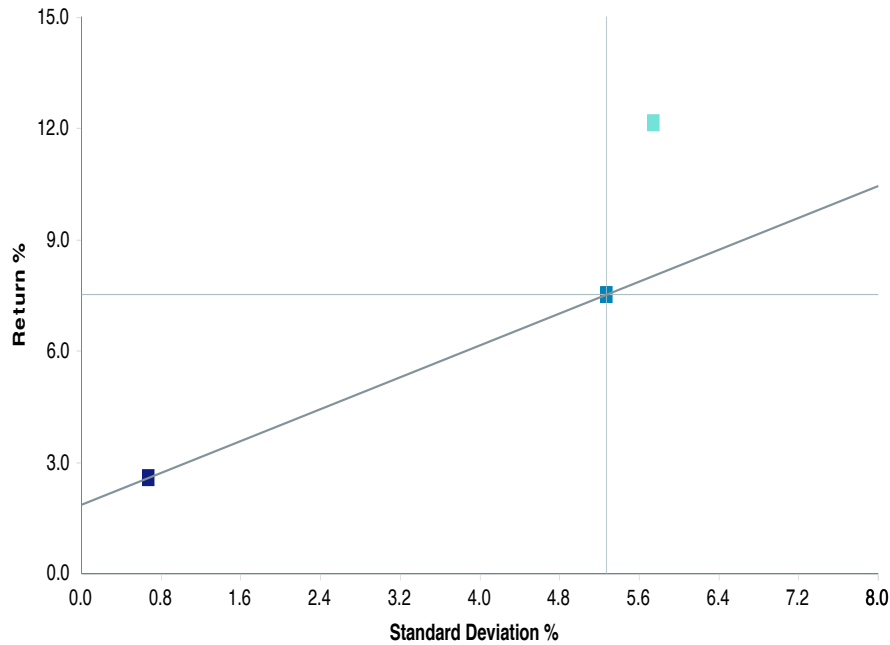
Account Information	
Account Name	Man Alternative Risk Premia
Inception Date	06/01/2018
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	SG Multi Alternative Risk Premia Index
Peer Group	



Risk Profile Man Alternative Risk Premia

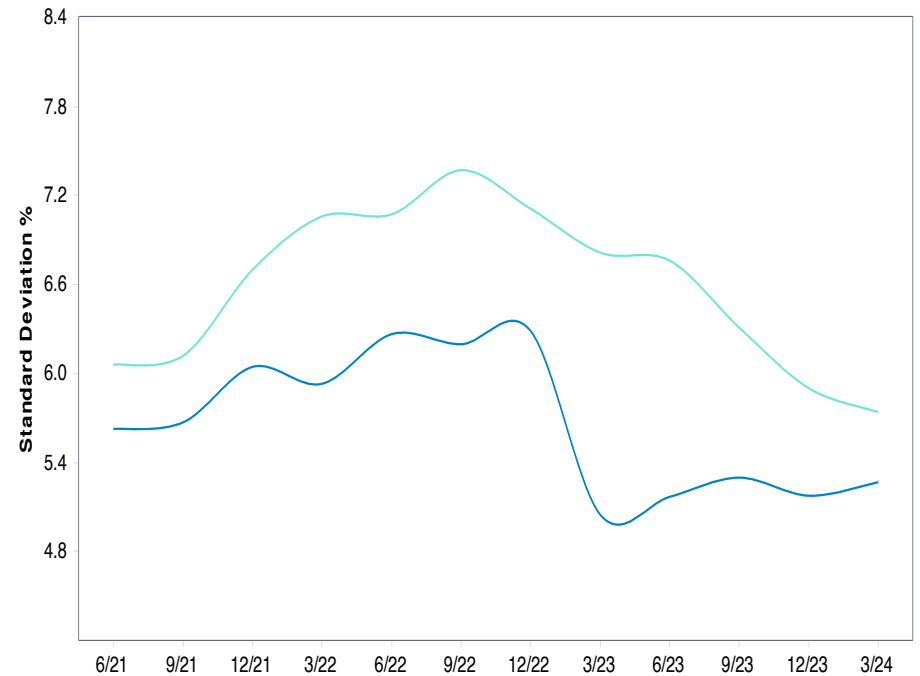
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
3 Years**



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

**Standard Deviation
Rolling 3 Years**



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

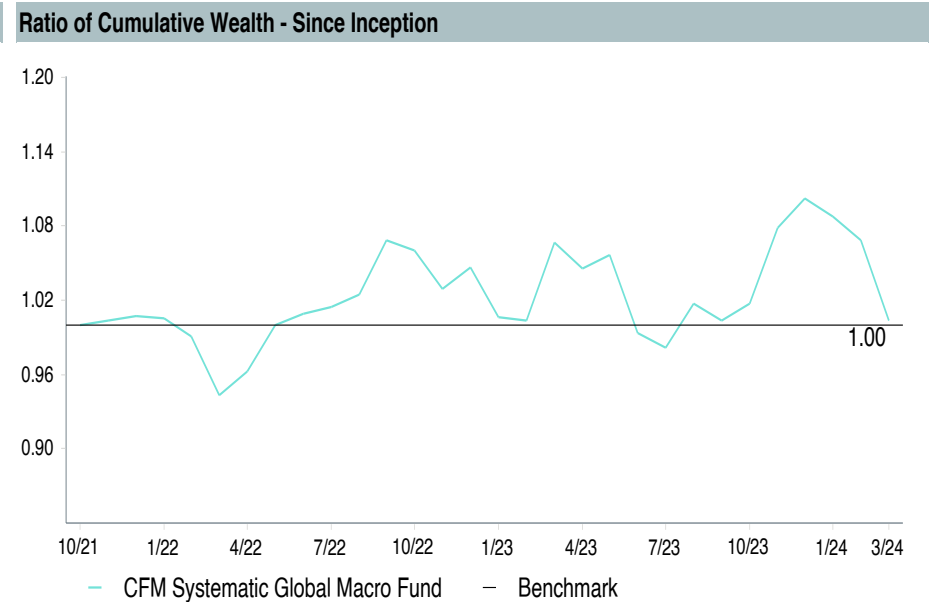
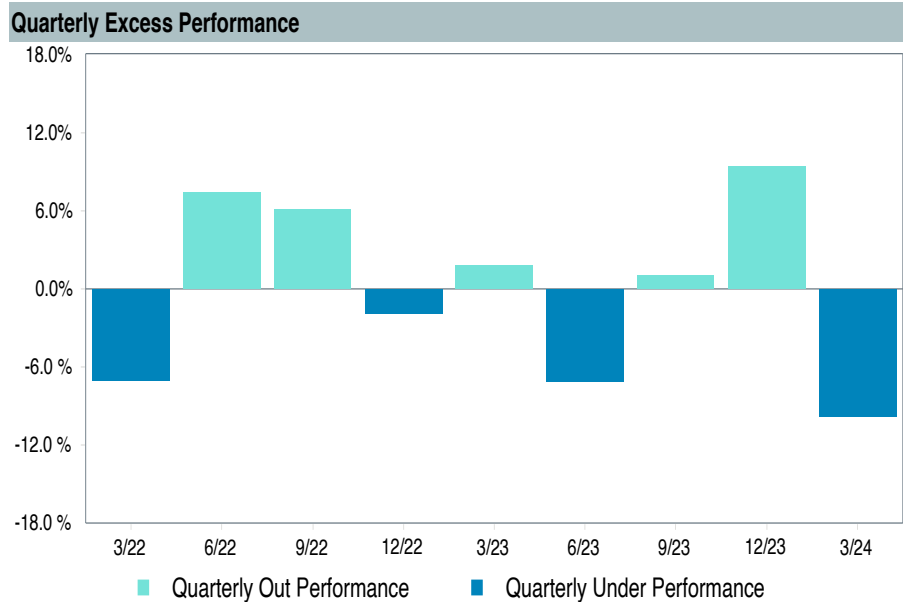
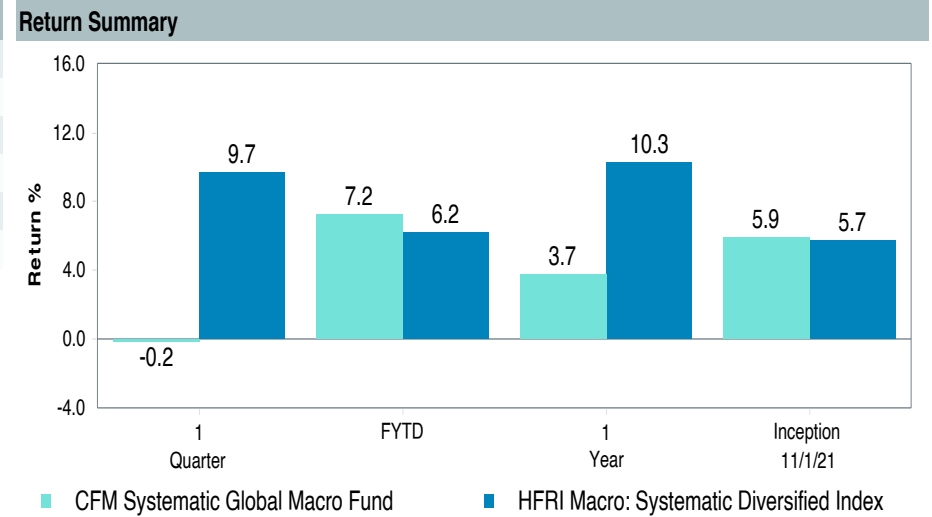
3 Years Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Man Alternative Risk Premia	4.28	5.91	0.72	0.18	1.57	8.57	0.46	12.16	5.74	0.43
SG Multi Alternative Risk Premia Index	0.00	0.00	0.58	1.00	0.93	0.00	1.00	7.52	5.27	1.00
90 Day U.S. Treasury Bill	-4.86	5.21	-0.93	0.02	-	2.44	0.02	2.58	0.67	0.15

Manager Performance Summary CFM Systematic Global Macro Fund

As of March 31, 2024

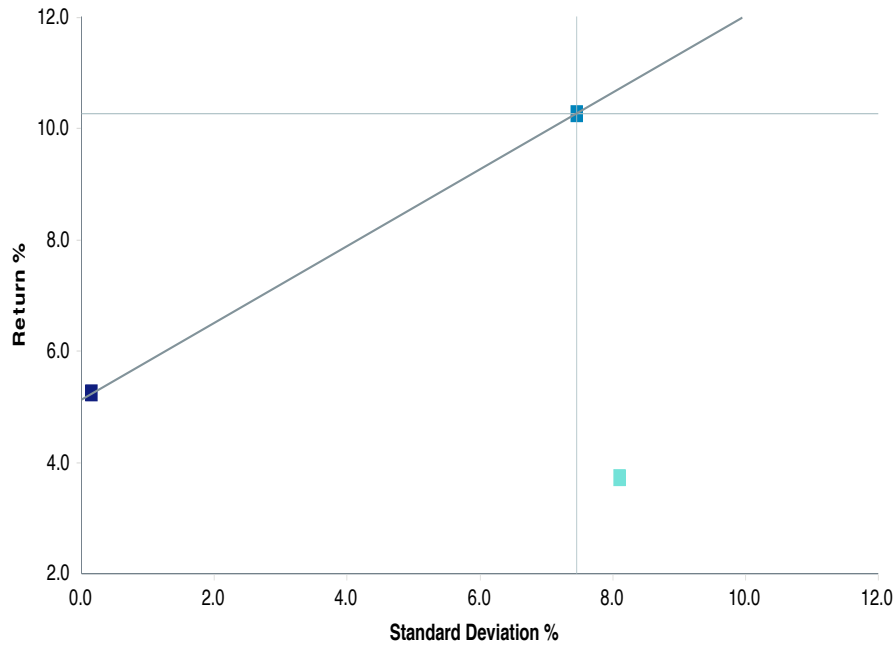
Account Information	
Account Name	CFM Systematic Global Macro Fund
Inception Date	11/01/2021
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	HFRI Macro: Systematic Diversified Index
Peer Group	



Risk Profile CFM Systematic Global Macro Fund

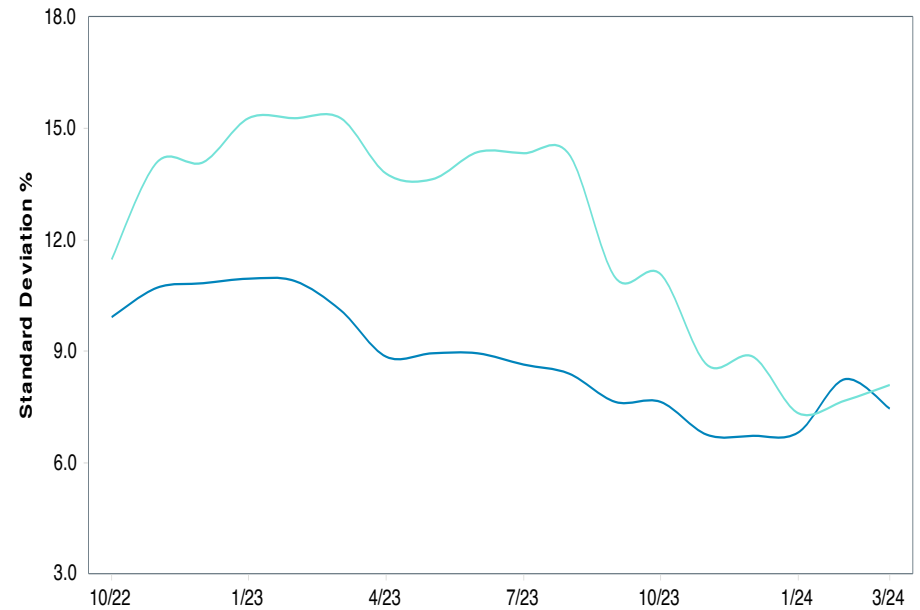
As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
1 Year



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

Standard Deviation
Rolling 1 Year



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

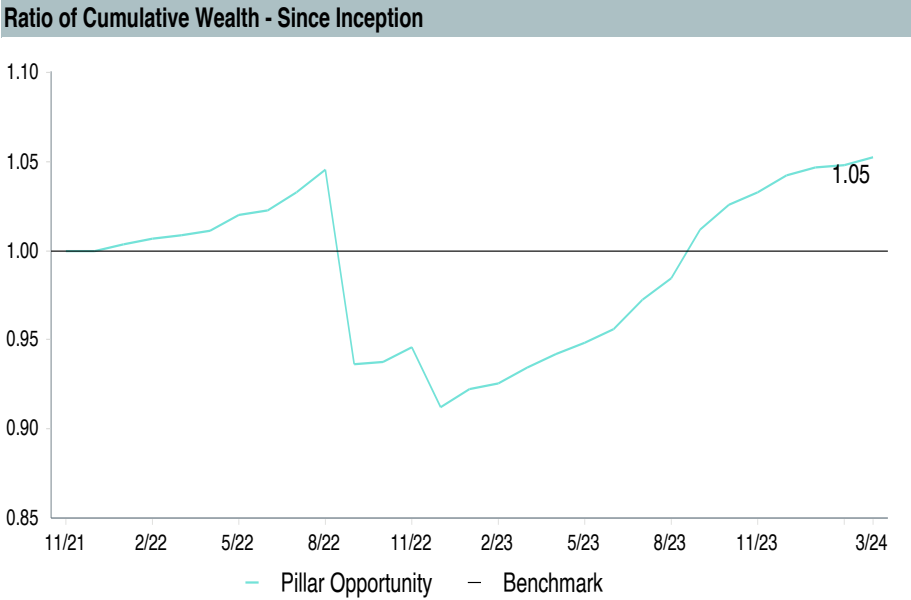
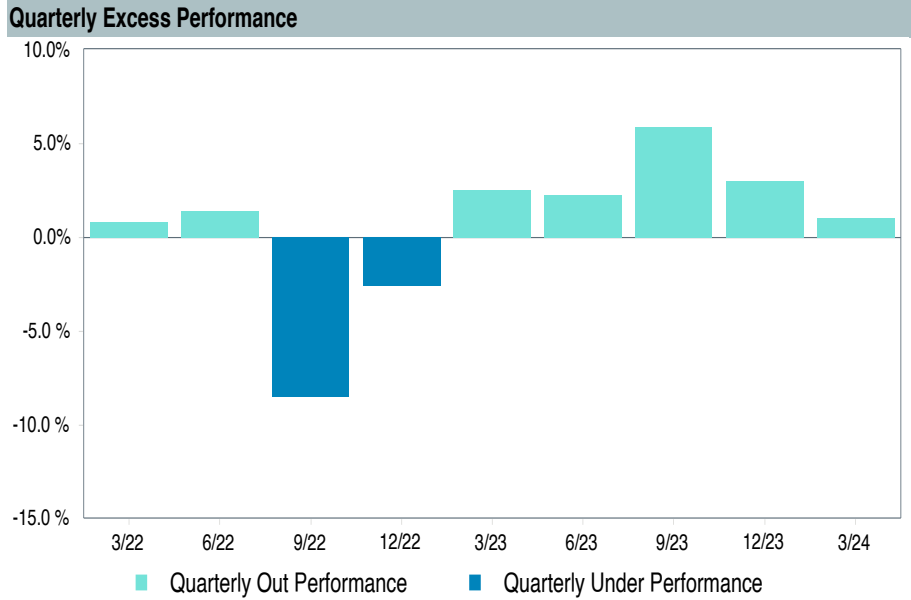
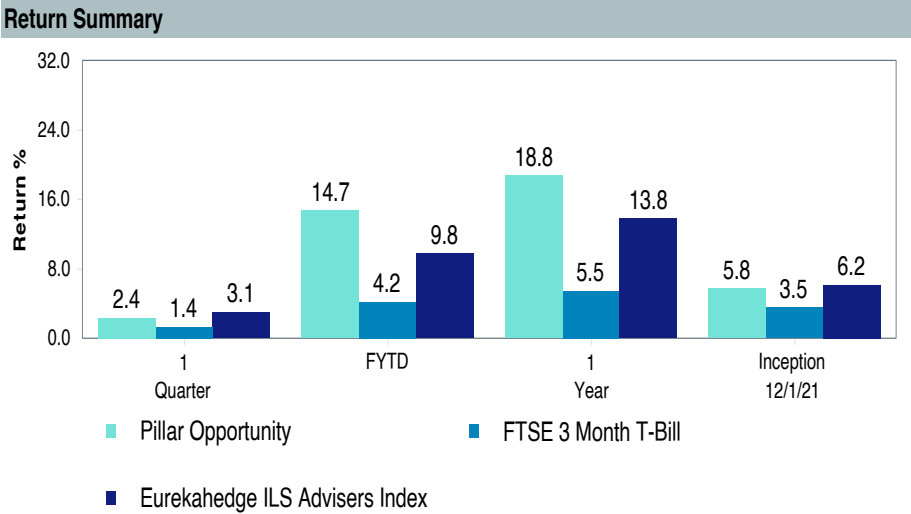
1 Year Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
CFM Systematic Global Macro Fund	-6.11	12.43	-0.49	0.08	-0.14	7.21	-0.30	3.72	8.10	-0.28
HFRI Macro: Systematic Diversified Index	0.00	0.00	-	1.00	0.66	0.00	1.00	10.28	7.45	1.00
90 Day U.S. Treasury Bill	-4.96	7.49	-0.66	0.05	-	5.29	0.00	5.24	0.15	-0.22

Manager Performance Summary Pillar Opportunity

As of March 31, 2024

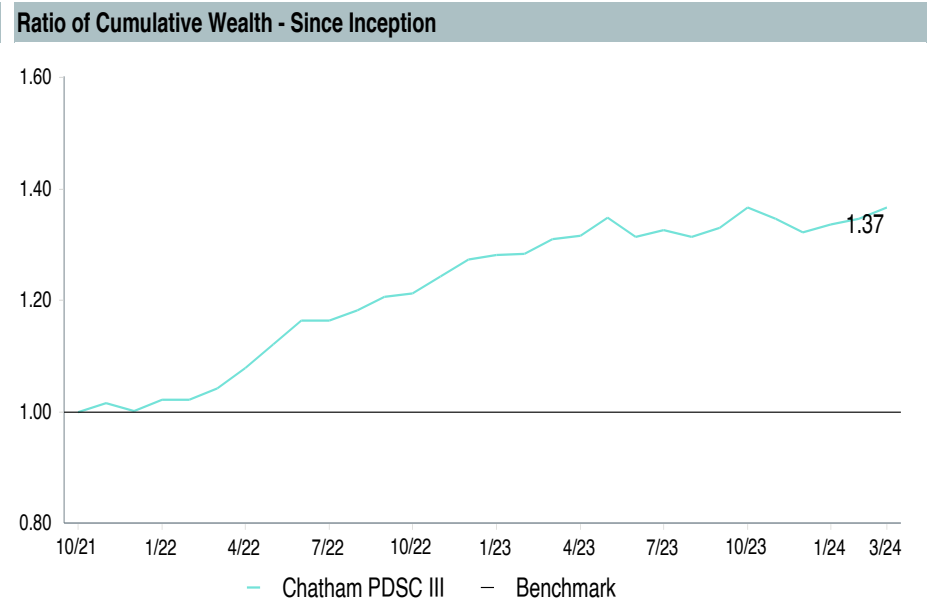
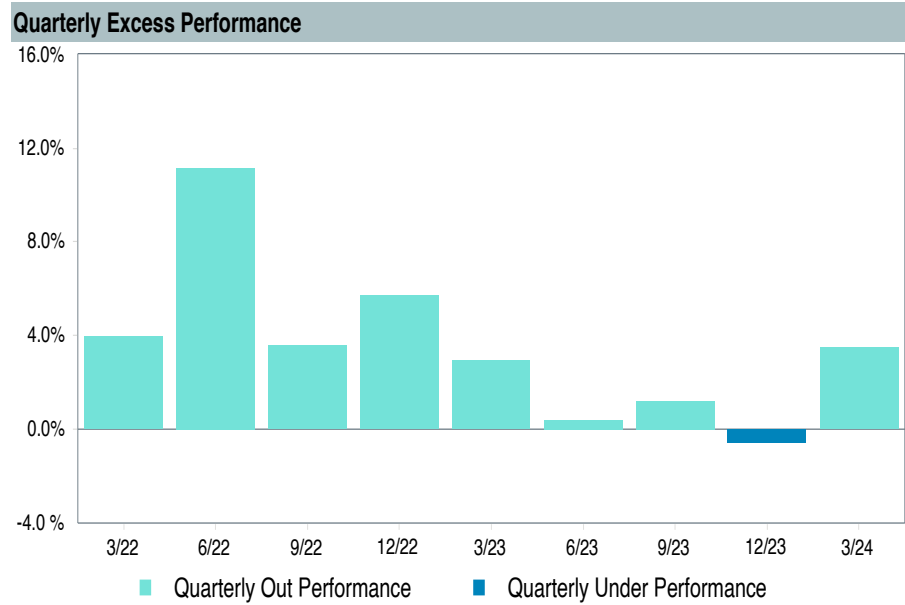
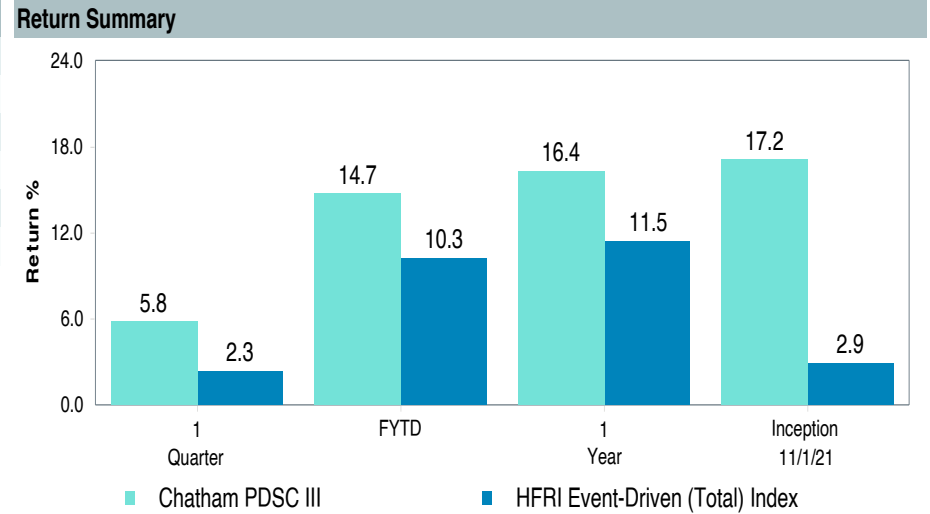
Account Information	
Account Name	Pillar Opportunity
Inception Date	12/01/2021
Account Structure	Commingled Fund
Asset Class	US Equity
Benchmark	FTSE 3 Month T-Bill
Peer Group	



Manager Performance Summary Chatham PDSC III

As of March 31, 2024

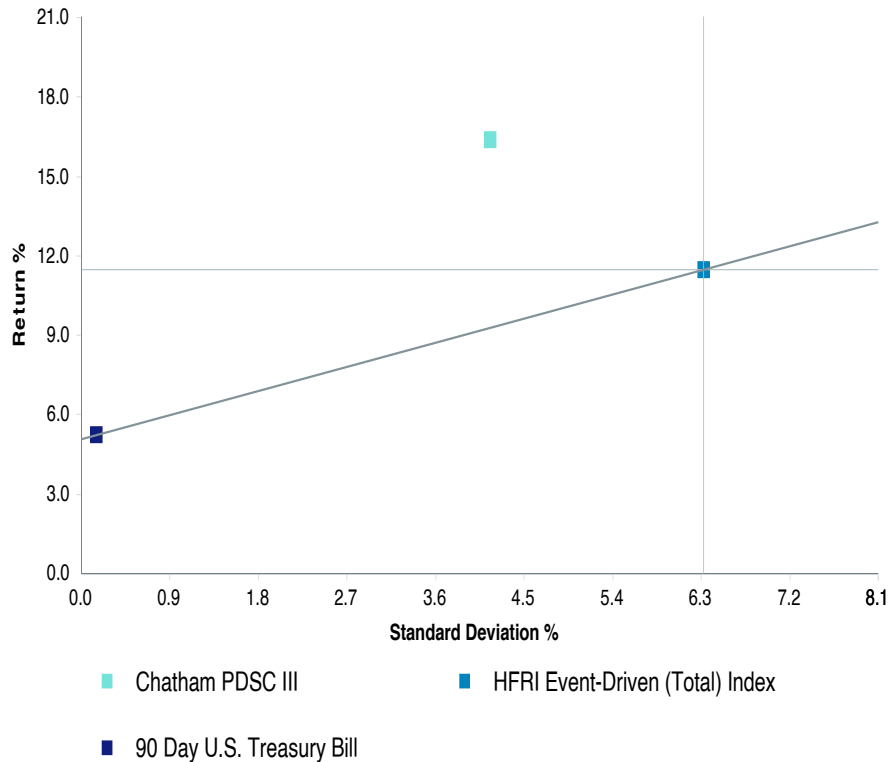
Account Information	
Account Name	Chatham PDSC III
Inception Date	11/01/2021
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI Event-Driven (Total) Index
Peer Group	



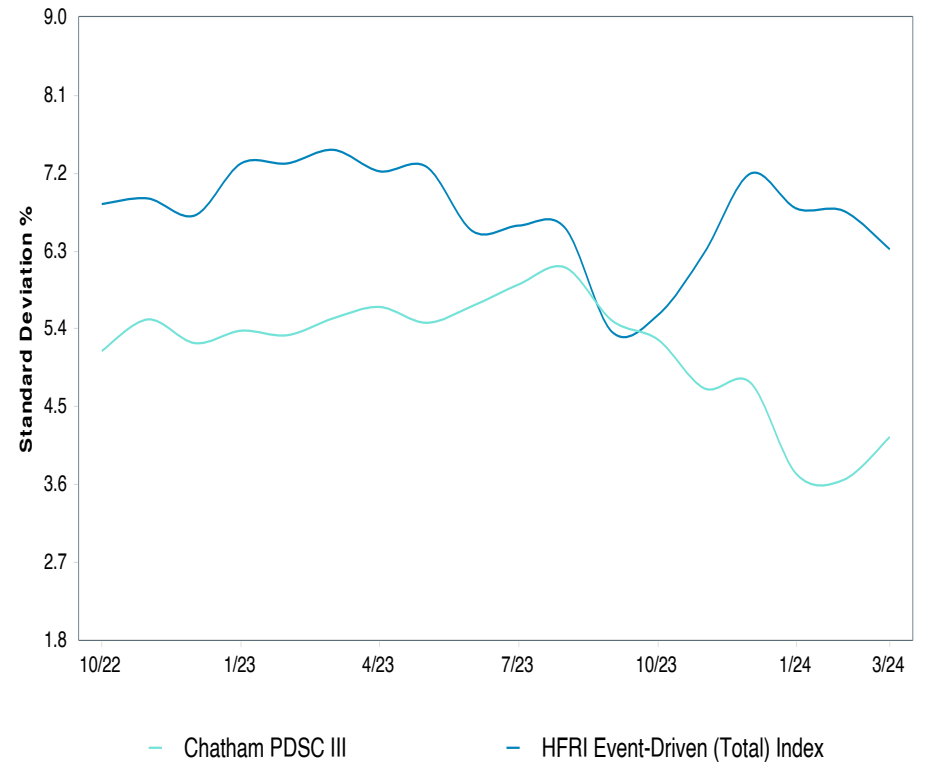
Risk Profile Chatham PDSC III

As of March 31, 2024

Annualized Return vs. Annualized Standard Deviation
1 Year



Standard Deviation
Rolling 1 Year



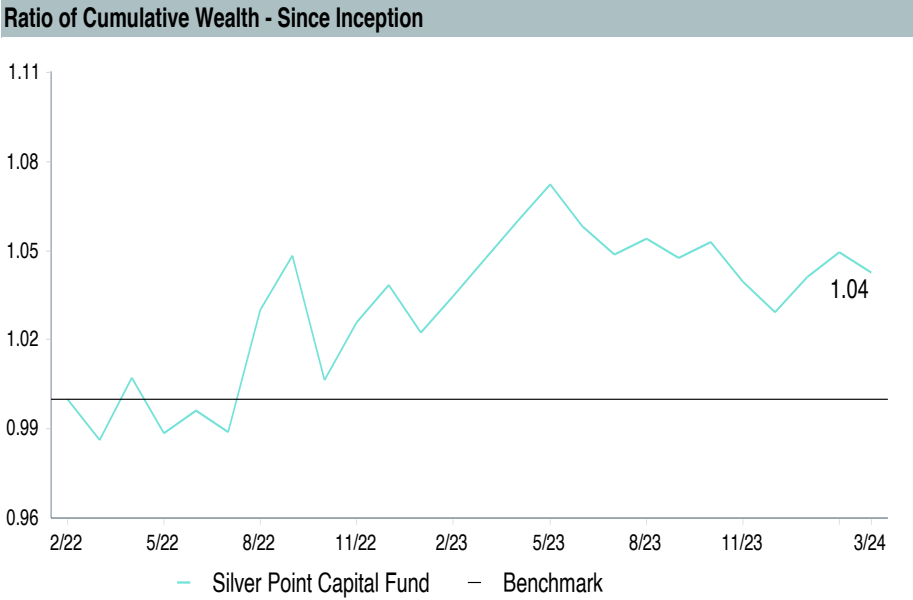
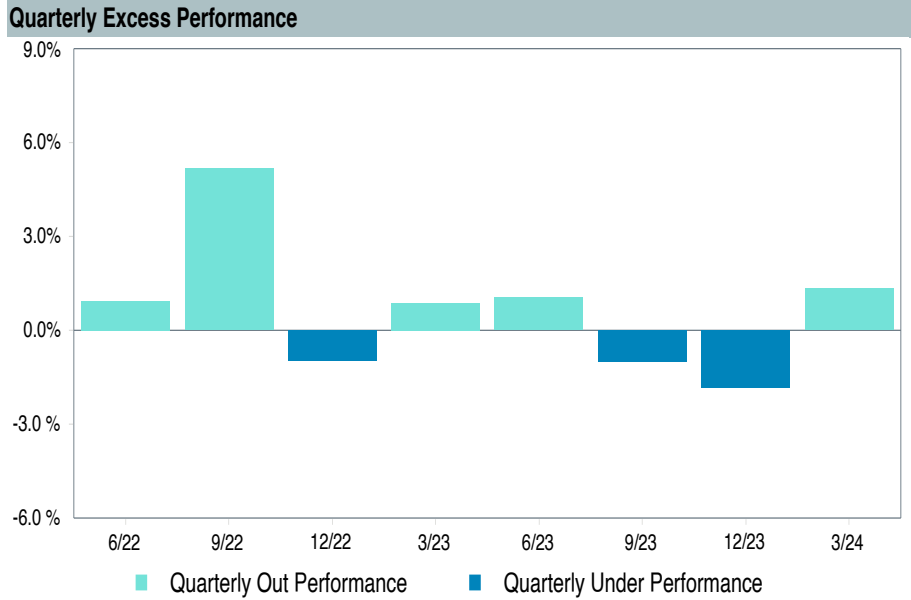
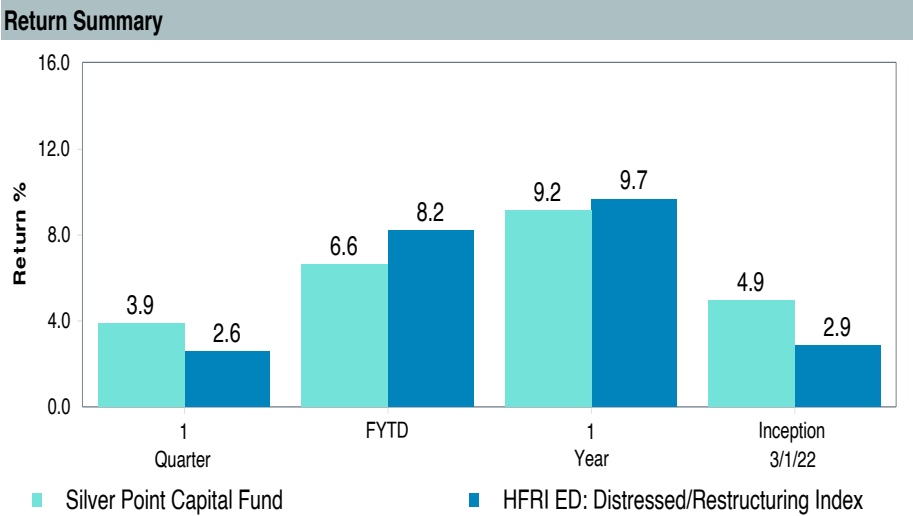
1 Year Historical Statistics

	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Chatham PDSC III	4.26	5.87	0.73	0.19	2.46	12.89	0.28	16.38	4.15	0.43
HFRI Event-Driven (Total) Index	0.00	0.00	-	1.00	0.95	0.00	1.00	11.46	6.32	1.00
90 Day U.S. Treasury Bill	-5.96	6.28	-0.95	0.09	-	5.16	0.01	5.24	0.15	0.30

Manager Performance Summary Silver Point Capital Fund

As of March 31, 2024

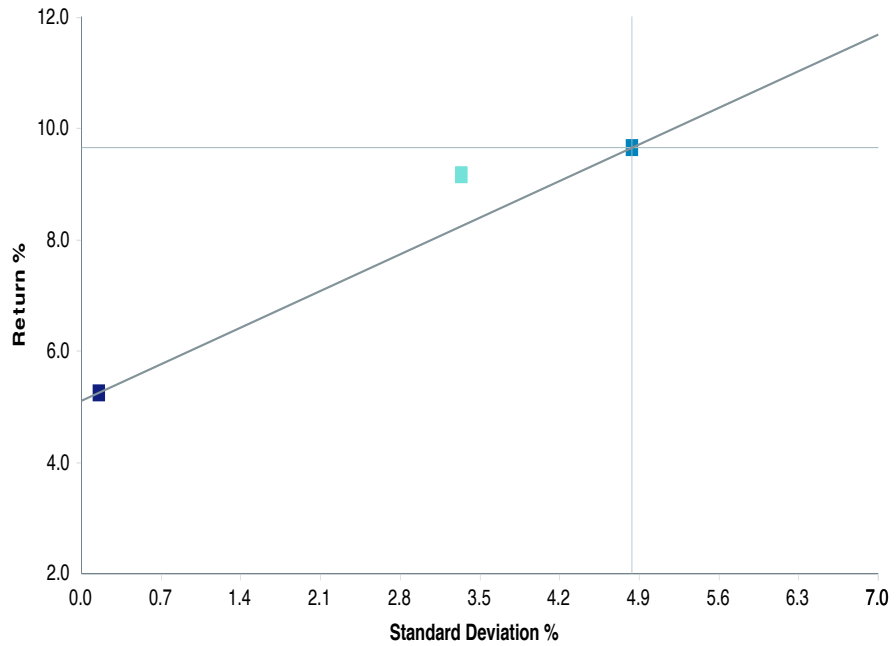
Account Information	
Account Name	Silver Point Capital Fund
Inception Date	03/01/2022
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI ED: Distressed/Restructuring Index
Peer Group	



Risk Profile Silver Point Capital Fund

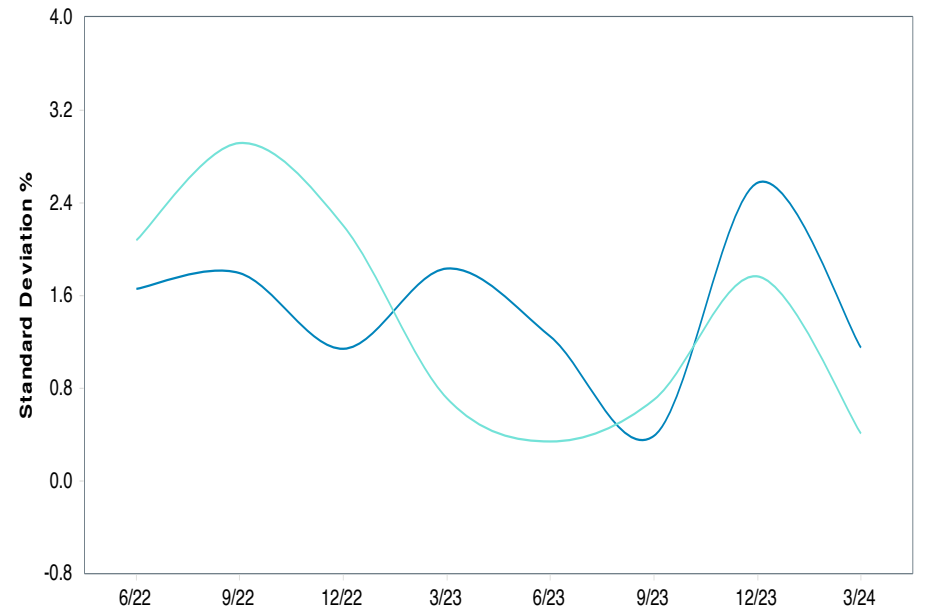
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
1 Year**



- Silver Point Capital Fund
- HFRI ED: Distressed/Restructuring Index
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 0.25 Year**



- Silver Point Capital Fund
- HFRI ED: Distressed/Restructuring Index

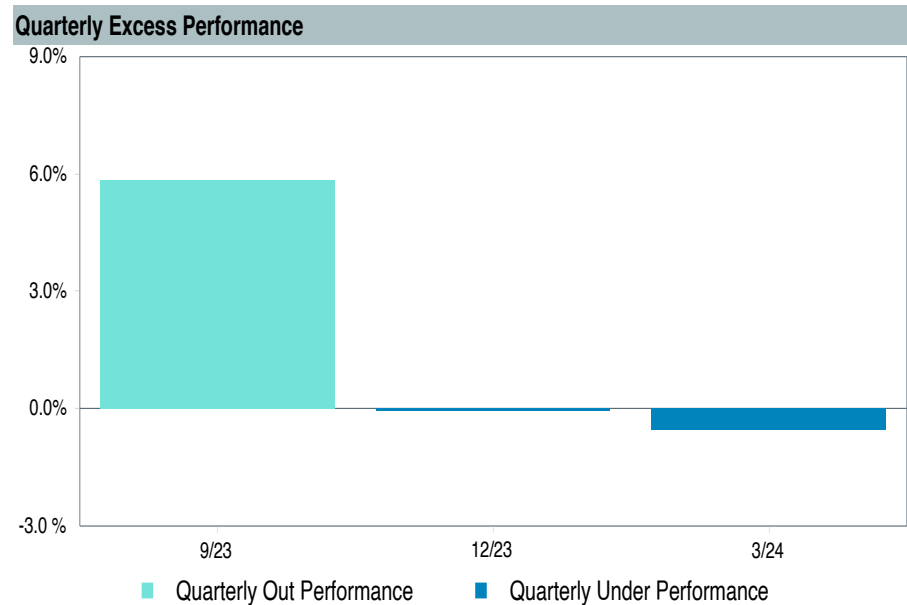
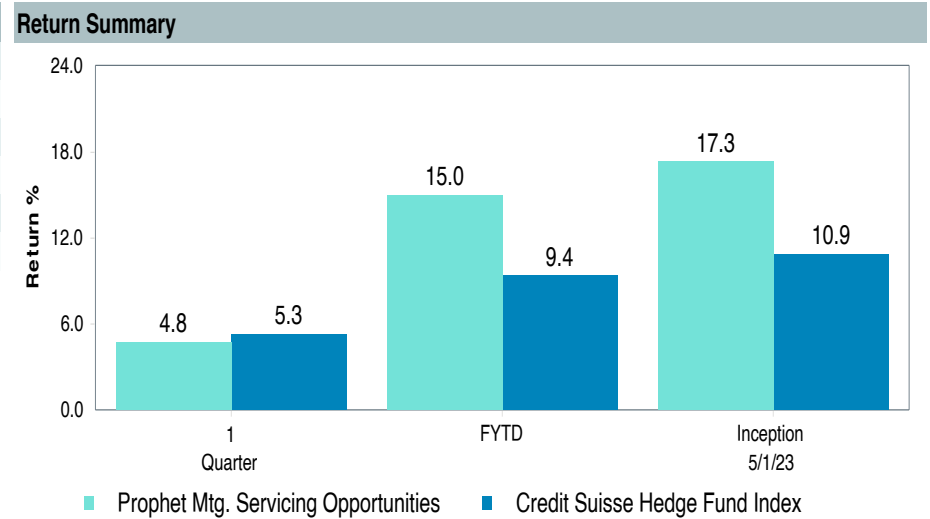
1 Year Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Silver Point Capital Fund	-0.51	3.53	-0.14	0.47	1.12	4.54	0.47	9.17	3.33	0.68
HFRI ED: Distressed/Restructuring Index	0.00	0.00	-	1.00	0.89	0.00	1.00	9.66	4.83	1.00
90 Day U.S. Treasury Bill	-4.24	4.78	-0.89	0.15	-	5.13	0.01	5.24	0.15	0.38



Manager Performance Summary Prophet Mtg. Servicing Opportunit

As of March 31, 2024

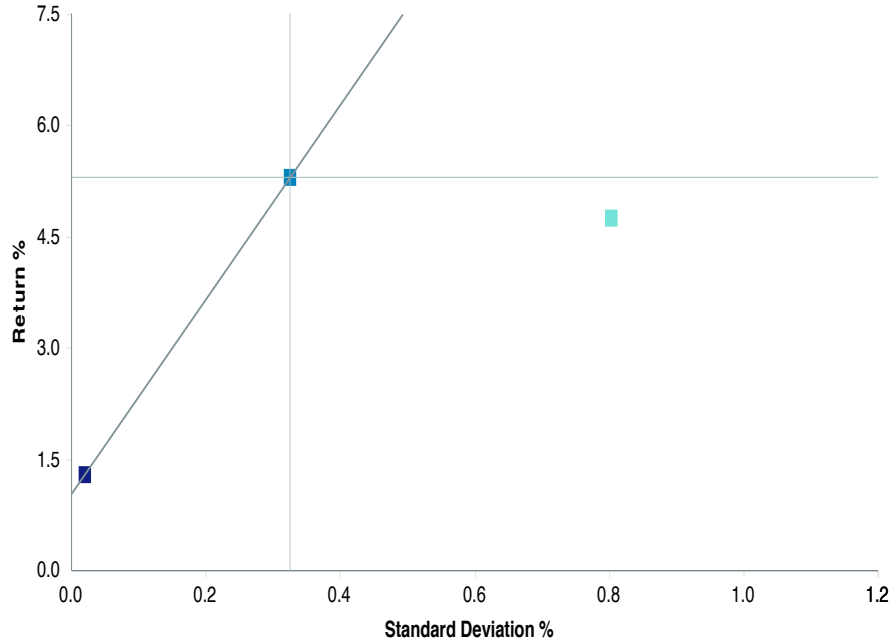
Account Information	
Account Name	Prophet Mtg. Servicing Opportunities
Inception Date	04/01/2023
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	Credit Suisse Hedge Fund Index
Peer Group	



Risk Profile Prophet Mtg. Servicing Opportunities

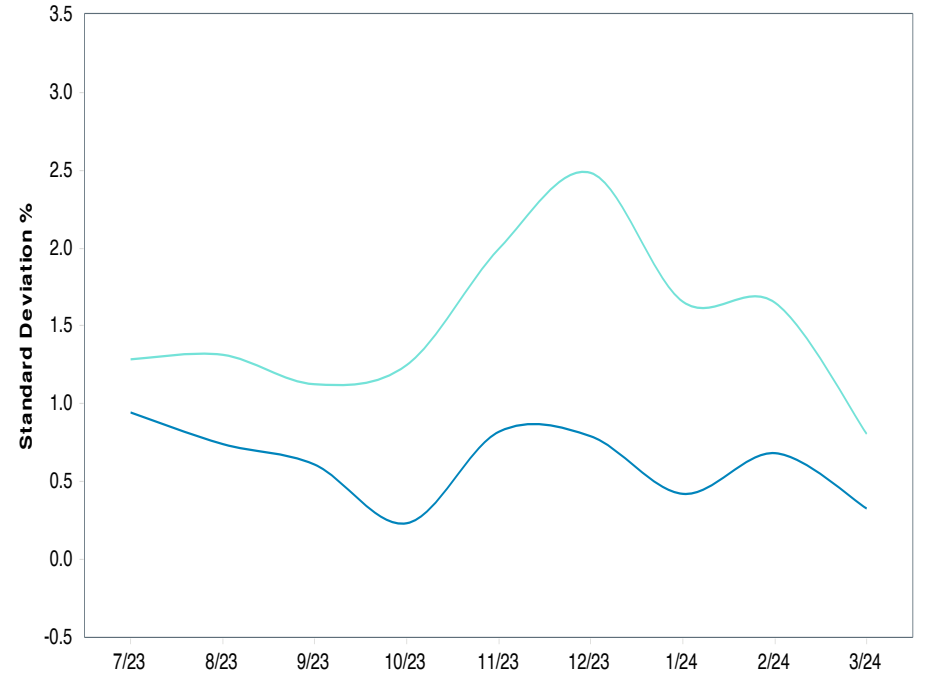
As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
1 Quarter**



- Prophet Mtg. Servicing Opportunities
- Credit Suisse Hedge Fund Index
- 90 Day U.S. Treasury Bill

**Standard Deviation
Rolling 0.25 Year**



- Prophet Mtg. Servicing Opportunities
- Credit Suisse Hedge Fund Index

1 Quarter Historical Statistics

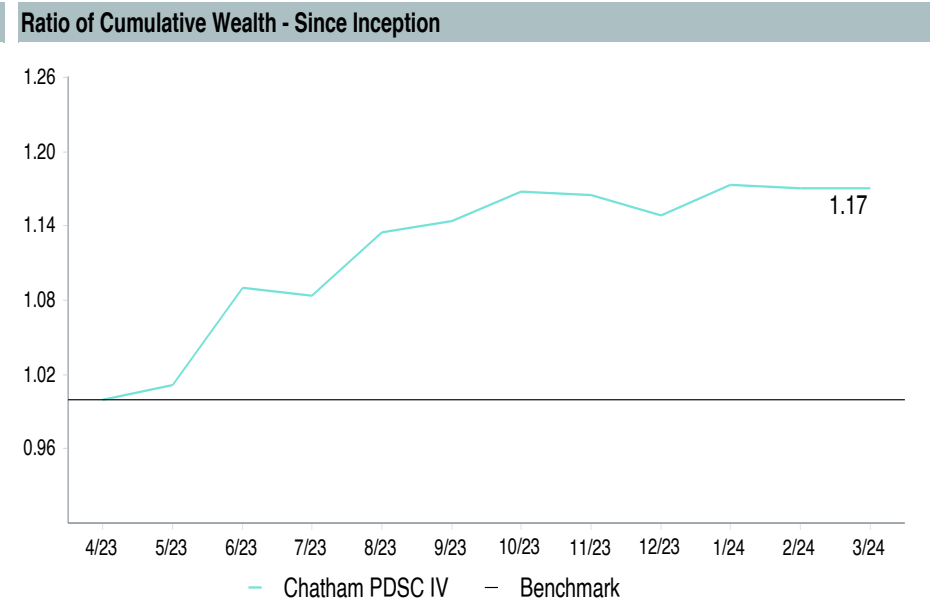
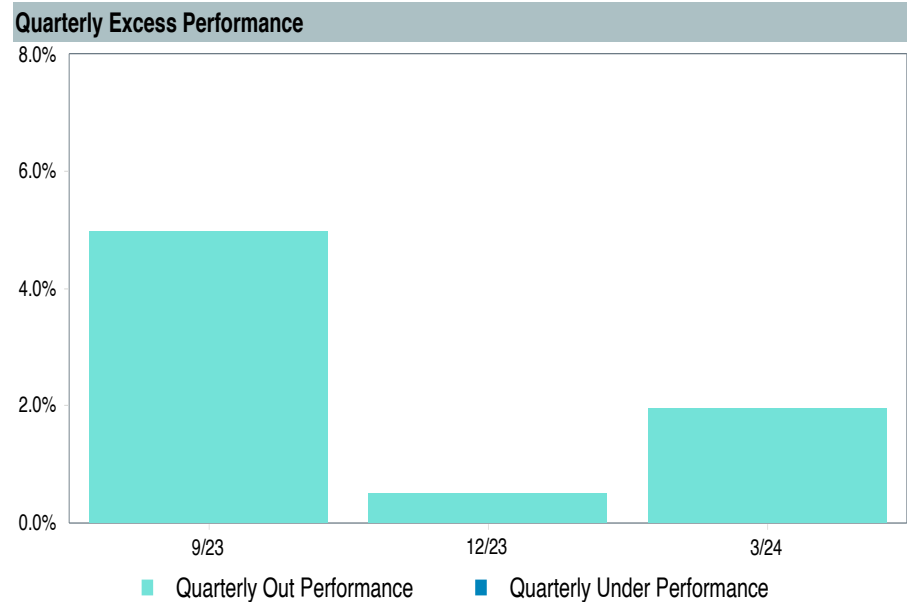
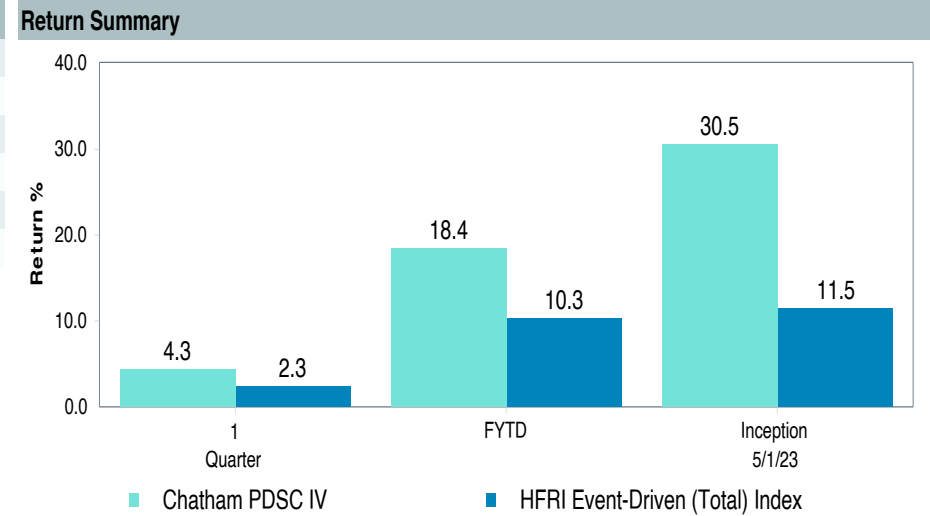
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Prophet Mtg. Servicing Opportunities	-0.17	1.08	-0.16	0.64	1.44	5.00	-1.98	4.76	0.80	-0.80
Credit Suisse Hedge Fund Index	0.00	0.00	-	1.00	3.92	0.00	1.00	5.30	0.33	1.00
90 Day U.S. Treasury Bill	-1.31	0.33	-3.92	0.18	-	0.47	-0.03	1.29	0.02	-0.43



Manager Performance Summary Chatham PDSC IV

As of March 31, 2024

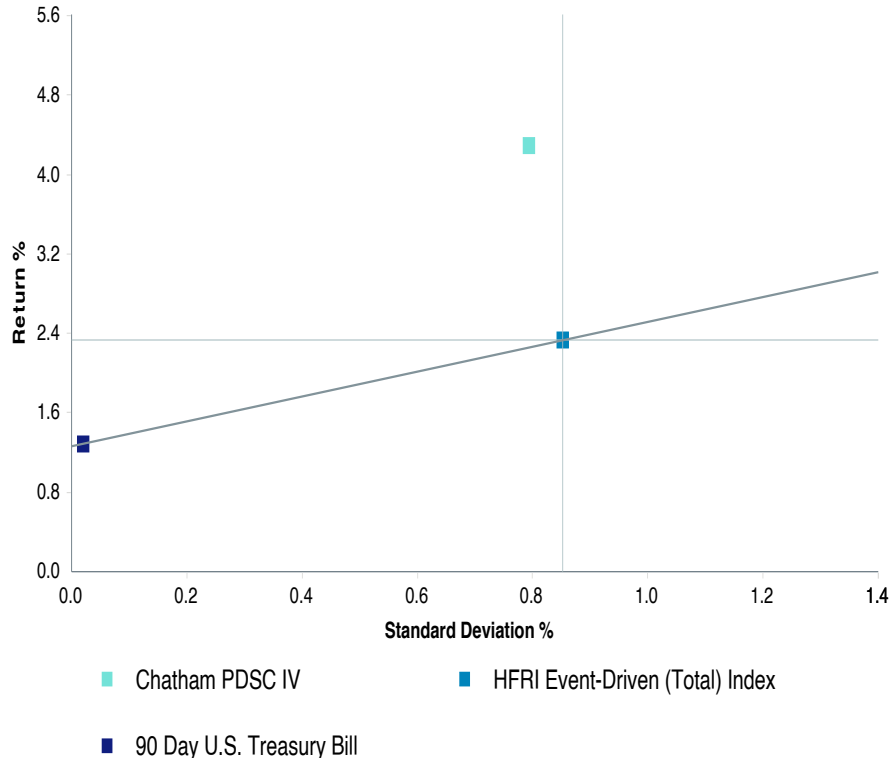
Account Information	
Account Name	Chatham PDSC IV
Inception Date	05/01/2023
Account Structure	Separate Account
Asset Class	Hedge Fund
Benchmark	HFRI Event-Driven (Total) Index
Peer Group	



Risk Profile Chatham PDSC IV

As of March 31, 2024

**Annualized Return vs. Annualized Standard Deviation
1 Quarter**

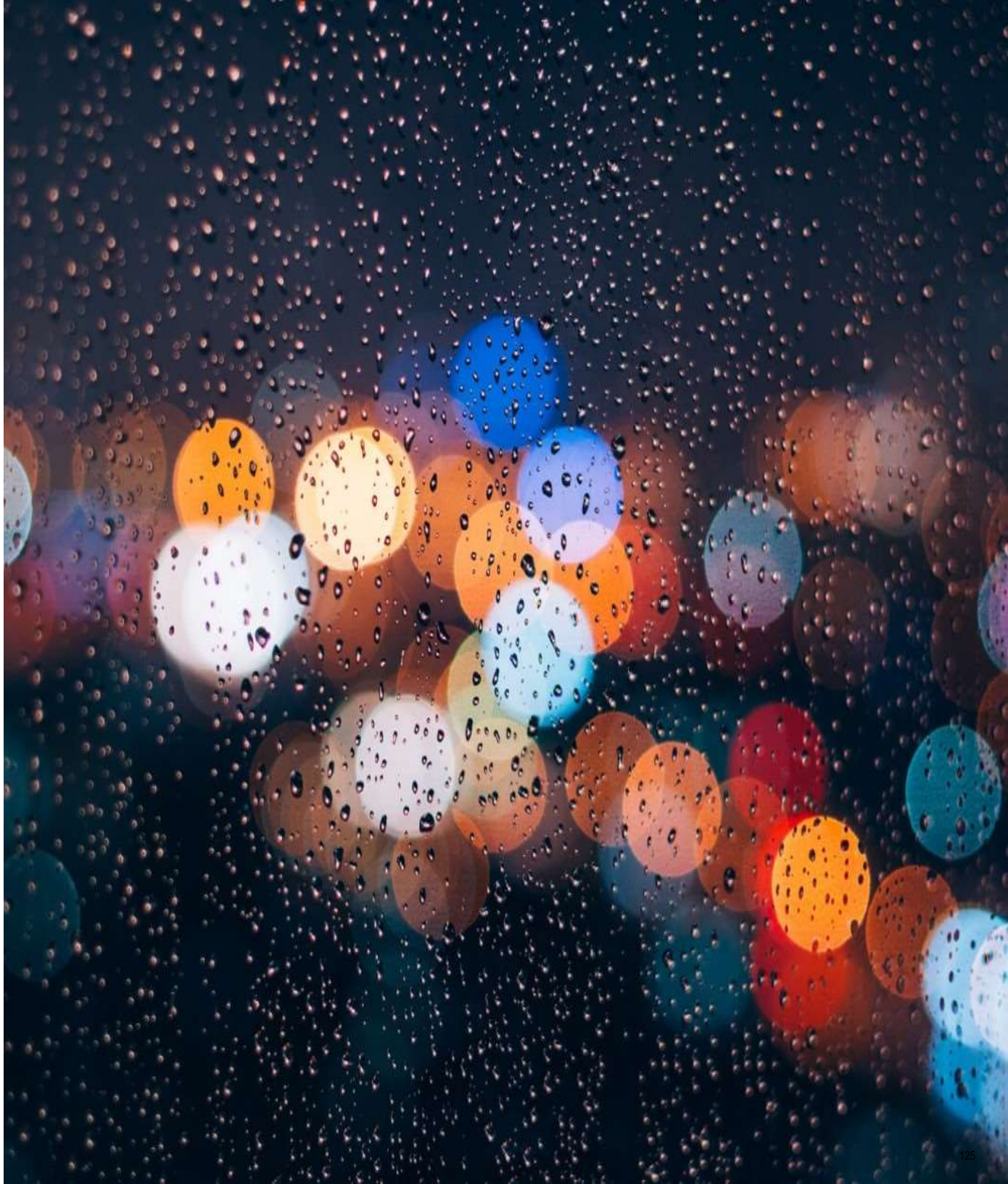


**Standard Deviation
Rolling 0.25 Year**



1 Quarter Historical Statistics										
	Active Return	Tracking Error	Information Ratio	R-Squared	Sharpe Ratio	Alpha	Beta	Return	Standard Deviation	Actual Correlation
Chatham PDSC IV	0.64	1.29	0.49	0.05	1.26	1.58	-0.21	4.29	0.79	-0.23
HFRI Event-Driven (Total) Index	0.00	0.00	-	1.00	0.41	0.00	1.00	2.33	0.85	1.00
90 Day U.S. Treasury Bill	-0.35	0.84	-0.41	0.35	-	0.42	0.01	1.29	0.02	0.59

Private Equity

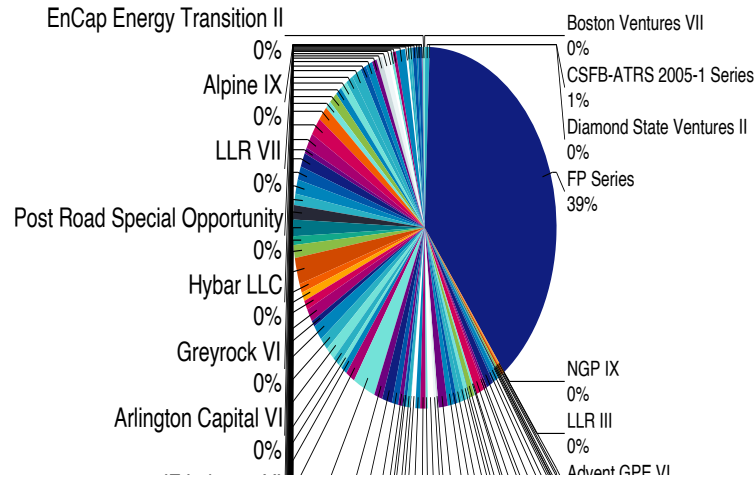


Composite Portfolio Overview Private Equity

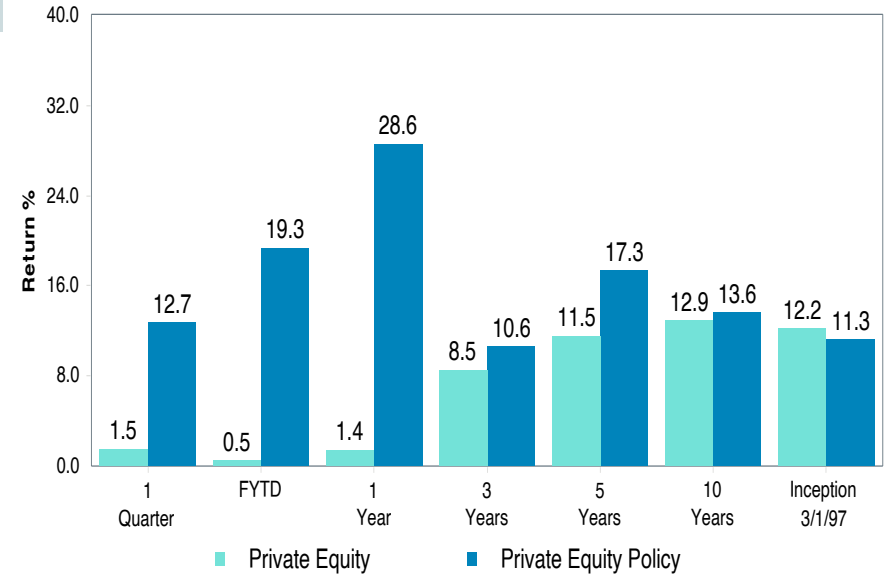
As of March 31, 2024

Current Allocation

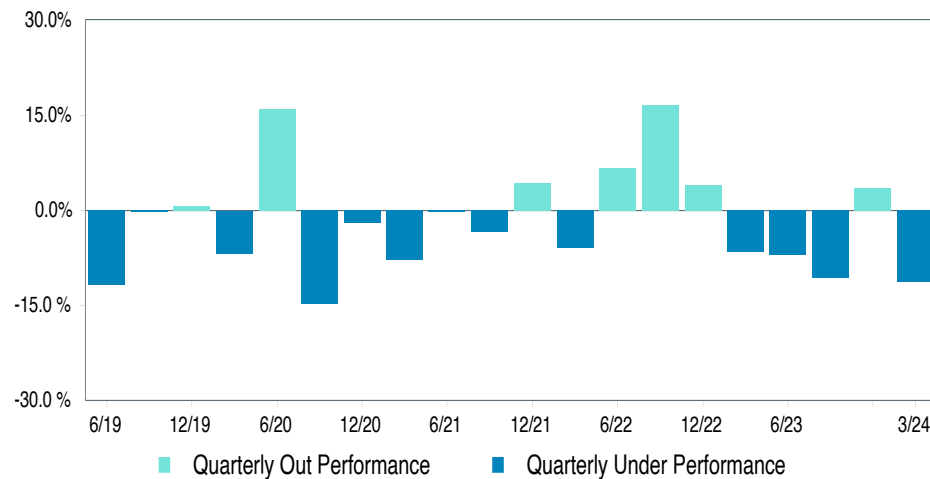
March 31, 2024 : \$2,998,769,689



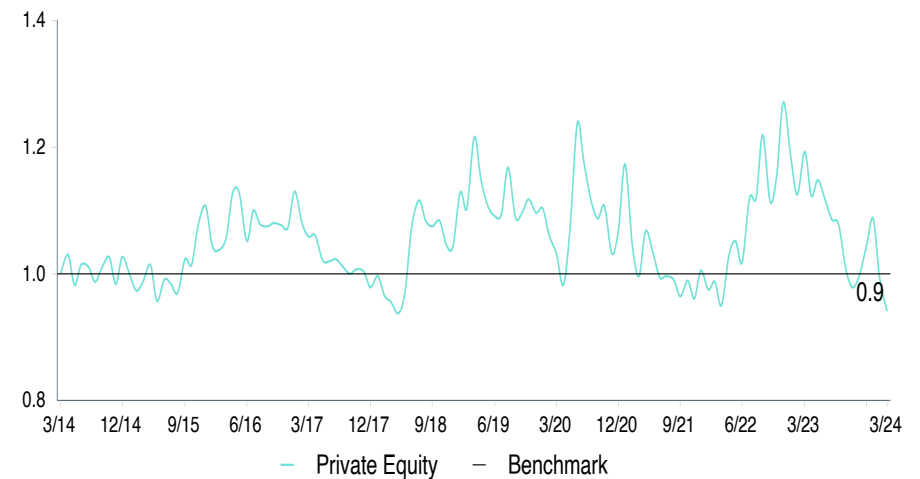
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



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

Real Assets

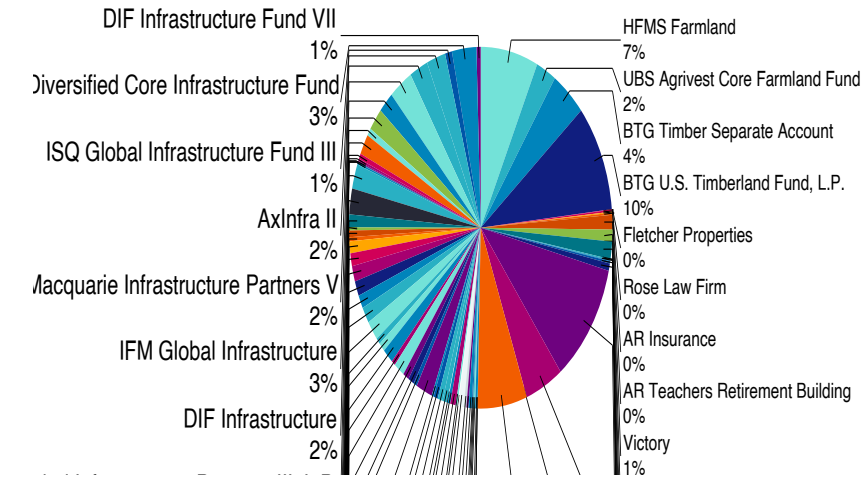


Composite Portfolio Overview Real Assets

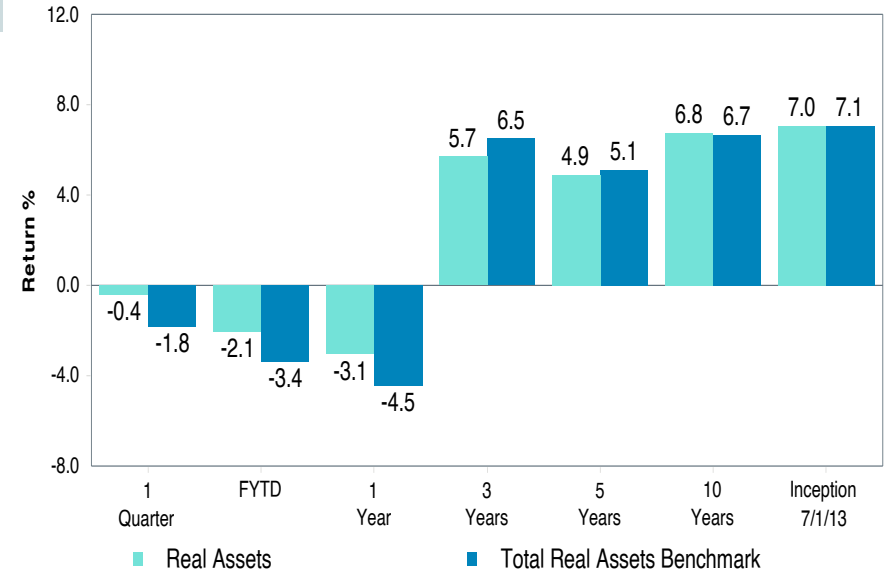
As of March 31, 2024

Current Allocation

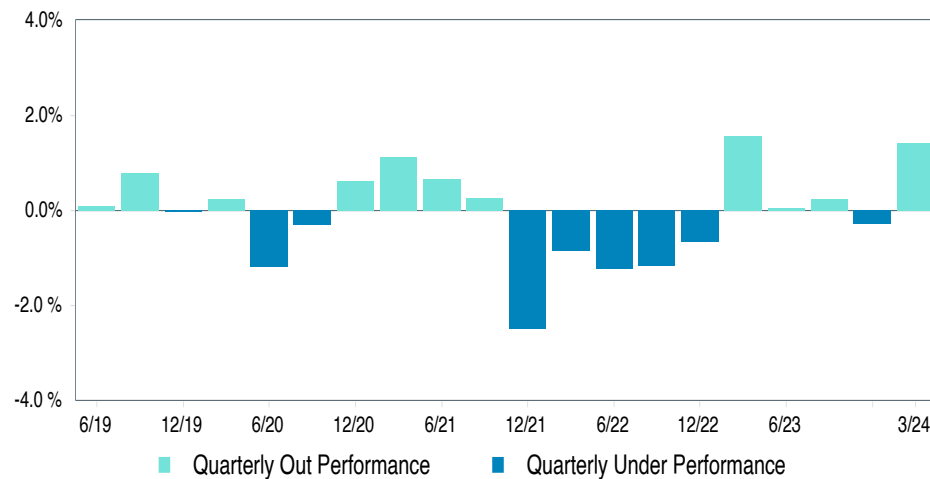
March 31, 2024 : \$2,568,093,911



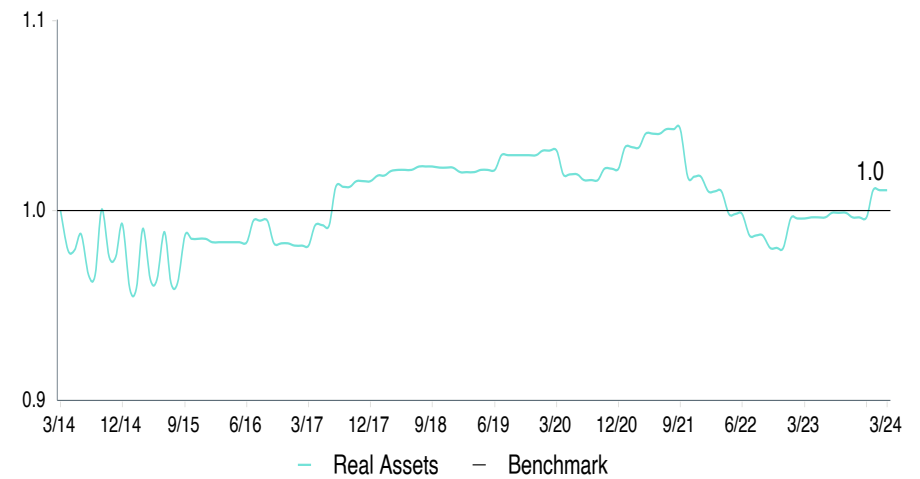
Return Summary



Quarterly Excess Performance

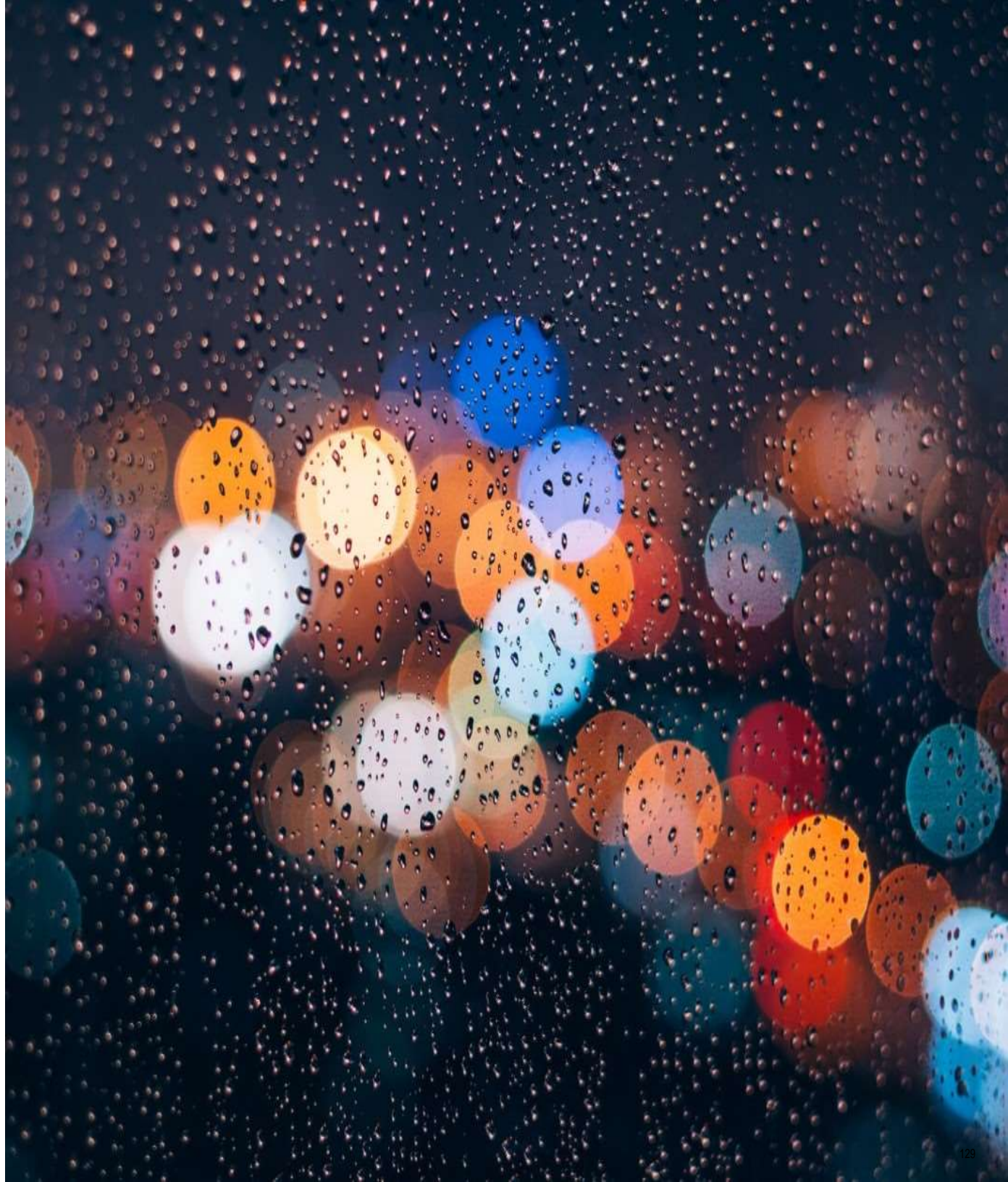


Ratio of Cumulative Wealth - 10 Years



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

Fee Schedule



Fee Schedule

As of March 31, 2024

	Fee Schedule	Market Value \$000	Estimated Annual Fee \$000	Estimated Annual Fee %
Total Equity		12,537,880	51,205	0.41
Jacobs Levy 130/30	0.60 % of First \$200 M 0.35 % of Next \$300 M 0.30 % Thereafter	1,597,015	5,541	0.35
Kennedy Capital Management	0.60 % of First \$100 M 0.50 % Thereafter	674,413	3,472	0.51
Stephens	0.75 % of First \$150 M 0.70 % of Next \$50 M 0.65 % Thereafter	664,565	4,495	0.68
Voya Absolute Return	0.60 % of First \$250 M 0.40 % Thereafter	916,358	4,165	0.45
Voya U.S. Convertibles	0.40 % of First \$100 M 0.30 % of Next \$100 M 0.25 % of Next \$100 M 0.20 % Thereafter	990,304	2,331	0.24
Pershing Square Holdings	1.50 % of Assets	369,522	5,543	1.50
Triam Partners	1.50 % of Assets	96,632	1,449	1.50
Triam Co-Investments	0.50 % of Assets	101,336	507	0.50
SSgA Global Index	0.04 % of First \$1000 M 0.03 % Thereafter	1,246,199	474	0.04
BlackRock MSCI ACWI IMI Fund	0.05 % of First \$250 M 0.04 % Thereafter	1,073,939	455	0.04
Wellington Global Perspectives	0.80 % of Assets	721,852	5,775	0.80
T. Rowe Price Global Equity	0.43 % of First \$500 M 0.40 % Thereafter	1,480,944	6,049	0.41
Lazard	0.68 % of First \$300 M 0.65 % Thereafter	817,307	5,402	0.66
Harris Global Equity	0.60 % of First \$100 M 0.50 % of Next \$100 M 0.45 % Thereafter	709,094	3,391	0.48
Arrowstreet Global Equity - Alpha Extension Fund	Performance Based 0.20 % and 20.00 %	1,078,399	2,157	0.20

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

Fee Schedule

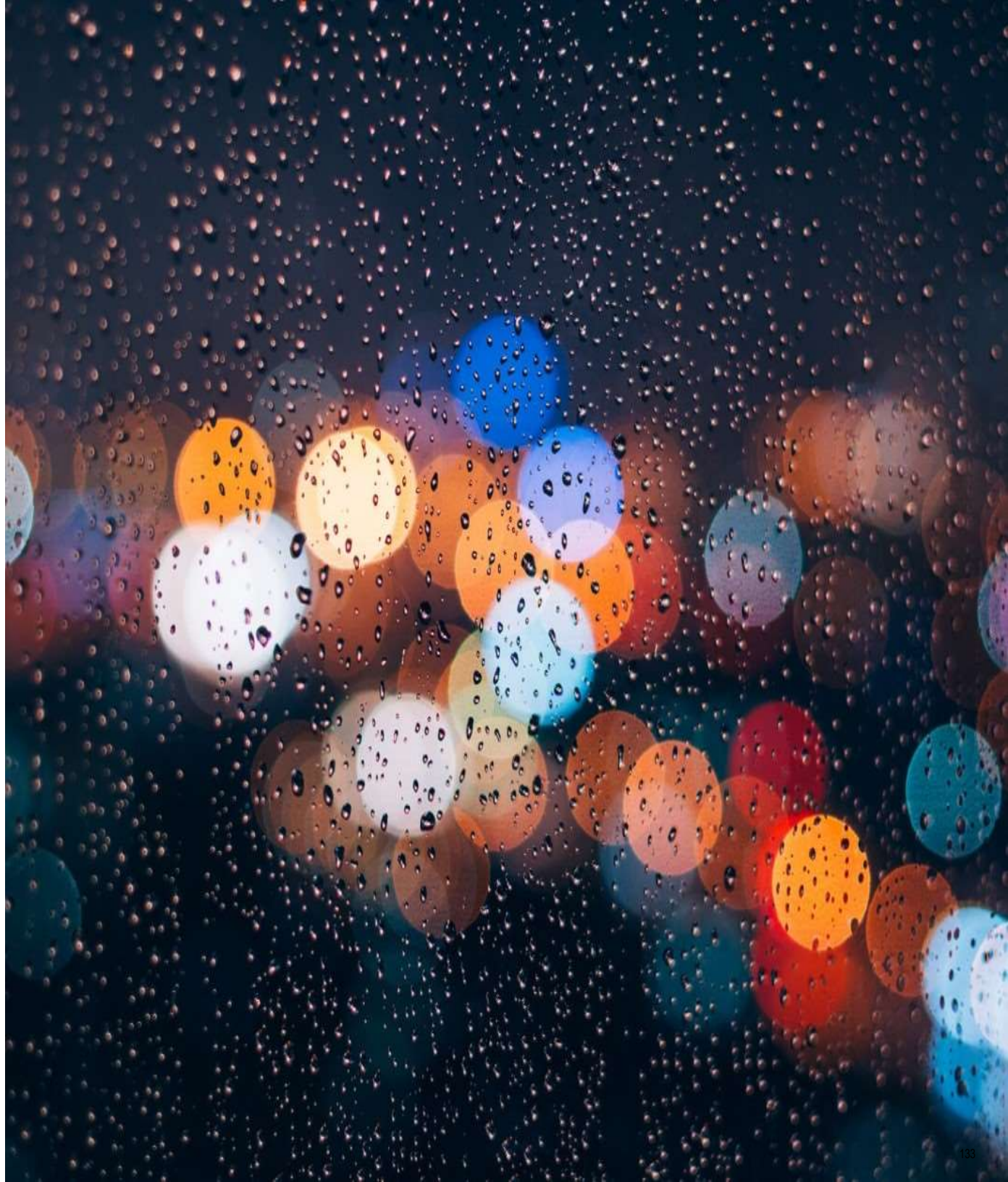
As of March 31, 2024

	Fee Schedule	Market Value \$000	Estimated Annual Fee \$000	Estimated Annual Fee %
Fixed Income		2,971,116	5,133	0.17
BlackRock	0.20 % of First \$200 M 0.15 % of Next \$200 M 0.10 % of Next \$400 M 0.08 % Thereafter	258,624	488	0.19
Loomis Sayles	0.50 % of First \$20 M 0.40 % of Next \$30 M 0.30 % Thereafter	683,296	2,120	0.31
SSgA Aggregate Bond Index	0.04 % of First \$100 M 0.02 % Thereafter	712,553	158	0.02
Wellington Global Total Return	0.30 % of Assets	404,173	1,213	0.30
Reams Core Plus Bond Fund	0.20 % of Assets	577,394	1,155	0.20
BRS Recycling Tax Credit		175,975	-	-
BRS Recycling Tax Credit Phase 2		77,032	-	-
BRS Recycling Tax Credit Phase 3		82,070	-	-
Opportunistic/Alternatives		1,119,016	11,014	0.98
Anchorage	2.00 % of Assets	27,834	557	2.00
York	1.50 % of Assets	7,332	110	1.50
Capula	2.00 % of Assets	101,952	2,039	2.00
Graham	2.00 % of Assets	106,612	2,132	2.00
Circumference Group Core Value	1.50 % of Assets	42,684	640	1.50
Aeolus Keystone Fund	2.00 % of Assets	26,091	522	2.00
Parametric Global Defensive Equity Fund	0.40 % of First \$150 M 0.35 % Thereafter	227,465	871	0.38
Man Alternative Risk Premia	0.85 % of Assets	126,208	1,073	0.85
CFM Systematic Global Macro Fund	0.36 % of Assets	104,991	378	0.36
Pillar Opportunity	1.30 % of Assets	108,290	1,408	1.30
Chatham PDSC III	0.33 % of Assets	73,184	242	0.33
Prophet Mtg. Servicing Opportunities	0.84 % of Assets	46,344	389	0.84
Chatham PDSC IV	0.33 % of Assets	65,247	215	0.33

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

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Disclaimers and Notes



Arkansas Teacher Retirement System

Description of Benchmarks

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

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

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

Benchmark Descriptions

Total Equity - A weighted average of the Dow Jones U.S. Total Stock Market Index and the MSCI All Country World IMI Index based on weights of the underlying investment manager allocations. As of March 1, 2024, the Total Equity Performance Benchmark was comprised of 35.8% DJ U.S. Total Stock Market Index and 64.2% MSCI ACWI IMI.

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

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

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

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

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

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

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

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

Cash Equivalents - The Citigroup 90 day T-bill.

Benchmark Descriptions

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

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

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

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

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

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

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

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

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

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

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

Benchmark Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

Benchmark Descriptions

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

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

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

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

Russell 2000 Index - An index that measures the performance of the smallest 2,000 companies contained in the Russell 3000 Index.

Russell 2000 Growth Index - An index that measures the performance of those Russell 2000 companies with greater price-to-book ratios and greater I/B/E/S growth forecasts.

Russell 2000 Value Index - An index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower I/B/E/S growth forecasts.

Russell Mid Cap Value Index - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

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

South Timberland Index - The largest regional subindex of the NCREIF Timberland Index, consisting of timberland properties held in the U.S. South. This includes close to 300 properties with more than 10 million cumulative acres of timberland in the following states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. Calculations are based on quarterly returns at the individual property level. Performance is reported on an all-cash, unlevered basis, gross of investment management fees.

HFR Macro Index - Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Primary investment thesis is predicated on predicted or future movements in the underlying instruments.

HFR Distressed/Restructuring Index - Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. Distressed Strategies employ primarily debt (greater than 60%) but also may maintain related equity exposure. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFR Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe.

Arkansas Teacher Retirement System

Historical U.S. Equity and Global Equity composite returns

As of June 30, 2015	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
U.S. Equity	6.7	18.1	16.4	9.4	10.5	04/01/1986
Dow Jones U.S. Total Stock Market Index	7.2	17.6	17.5	8.3	-	
Global Equity	1.8	14.6	12.1	-	2.5	11/01/2007
MSCI AC World Index (Net)	0.7	13.0	11.9	6.4	2.1	

In June 2015, the ATRS Board approved the combination of the U.S. and Global equity asset classes to a single Total Equity asset class. Total Equity performance reporting began in July 2015. In the table above, we show the historical returns for the U.S. Equity and Global Equity asset classes since inception through June 2015. Performance for the Total Equity asset class prior to July 2015 represents a weighted average of the U.S. Equity and Global Equity historical performance.

Index Definitions

Name	Description
Bloomberg U.S. Corporate High Yield Bond Index	An index that covers the USD-dominated, non-investment grade, fixed rate, taxable corporate bond market. Debt issues from emerging market countries are excluded. Securities are classified as high-yield if the middle rating is Ba1/BB+ or below.
Bloomberg Emerging Markets Index	An unmanaged index that tracks total returns for external-currency-denominated debt instruments of the emerging markets.
Bloomberg Global Aggregate	Provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment grade 144A securities.
Bloomberg Global Treasury Ex-US	The Global Treasury ex US Index is a subset of the flagship Global Treasury Index that does not have any exposure to US debt. This multi-currency benchmark includes investment grade, fixed-rate bonds issued by governments in their native currencies.
Bloomberg Universal Index	A market value-weighted index which is the union of the U.S. Aggregate Index, U.S. High Yield Corporate Index, Eurodollar Index, U.S. Emerging Markets Index and the CMBS High Yield Index. The Index is appropriate for core plus fixed income mandates.
Bloomberg U.S. Government Index	A market value weighted index of U.S. government and government agency securities (other than mortgage securities) with maturities of one year or more.
Bloomberg U.S. Government/Credit Index	A subcomponent of the Capital Aggregate Index, this benchmark includes treasury securities, government related issues, and high-quality corporate bonds with an outstanding par value of \$250 million or greater and at least one year of maturity remaining.
Bloomberg U.S. High Yield Index	An index composed of non-investment grade corporate debt denominated in U.S. dollars. The issues have to have an outstanding par value of \$150 million or greater and at least one year of maturity remaining.
Bloomberg U.S. Inflation Index	Measures the performance of the U.S. Treasury Inflation Protected Securities ("TIPS") market.
Bloomberg U.S. Intermediate Aggregate Bond Index	A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of \$250 million or greater
Bloomberg U.S. Intermediate Government/Credit Index	A market-value weighted index consisting of government bonds and SEC-registered corporate bonds with one to ten years to maturity and an outstanding par value of \$150 million or greater.
Bloomberg U.S. Intermediate Government Bond Index	An unmanaged index considered representative of intermediate- term fixed-income obligations issued by the U.S. treasury, government agencies and quasi-federal corporations.

Index Definitions

Name	Description
Bloomberg U.S. Intermediate Treasury	An unmanaged index considered representative of intermediate-term fixed- income obligations issued by the U.S. treasury.
Bloomberg U.S. Aggregate Bond Index	A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of \$250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.
Bloomberg U.S. Long Credit Bond Index	An unmanaged index considered representative of long-term fixed-income obligations issued by U.S. corporate, specified foreign debentures, and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.
Bloomberg U.S. Long Government/Credit Index	The Capital U.S. Government/ Credit Bond Index measures performance of U.S. dollar denominated U.S. treasuries, government-related, and investment grade U.S. corporate securities that have a remaining maturity of greater than or equal to 1 year. In addition, the securities have \$250 million or more of outstanding face value, and must be fixed rate and non-convertible.
Bloomberg U.S. Long-Term Government Bond Index	An unmanaged index considered representative of long-term fixed- income obligations issued by the U.S. treasury, government agencies and quasi-federal corporations.
Bloomberg U.S. TIPS	A market value-weighted index consisting of U.S. Treasury Inflation Protected Securities with one or more years remaining until maturity with total outstanding issue size of \$500m or more.
Bloomberg U.S. Treasury 20-30 Year STRIPS Index	A subcomponent of the Aggregate Index, this benchmark includes long-term treasury STRIPS.
Bloomberg Commodity Index	Consists of 22 exchange-traded futures on physical commodities, which are weighted to account for economic significance and market liquidity. Performance is calculated on an excess return basis and reflects commodity future price movements.
BofA Merrill Lynch 3 Month Treasury Bill	An index that measures the average return of the last three-month U.S. Treasury Bill issues .
BofA Merrill Lynch High Yield Master	A market capitalization-weighted index that tracks the performance of U.S. dollar- denominated, below investment grade corporate debt publicly issued in the U.S. domestic market.

Index Definitions

Name	Description
Citigroup 90-Day T-Bill Index	An index that measures the average return of the last three-month U.S. Treasury Bill issues
CRSP US Large Growth Cap Index	An index comprised of nearly 330 US large cap growth companies and includes securities traded on NYSE, NYSEMarket, NASDAQ, or ARCA, representing nearly 45% of the U.S. investable equity market. The index is reconstituted quarterly after the market close on the third Fridays of March, June, September, and December. CRSP classifies growth securities using the following factors: future long-term growth in earnings per share (EPS), future short-term growth in EPS, 3-year historical growth in EPS, 3-year historical growth in sales per share, current investment-to-assets ratio, and return on assets.
CRSP US Total Market Index	An index comprised of nearly 4,000 constituents across mega, large, small, and micro capitalizations and includes securities traded on NYSE, NYSE Market, NASDAQ, or ARCA, representing nearly 100% of the U.S. investable equity market. The index is reconstituted quarterly after the market close on the third Fridays of March, June, September, and December.
Credit Suisse Leveraged Loan Index	Designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market.
DJ U.S. Completion Total Stock Market Index	A capitalization-weighted index that consists of the stocks in the Dow Jones U.S. Total Stock Market Index less the stocks in the S&P 500 Stock Index.
DJ U.S. Total Stock Market Index	A capitalization-weighted stock index representing all domestic common stocks traded regularly on the organized exchanges. The index is the broadest measure of the aggregate domestic stock market and includes approximately 5,000 stocks.
FTSE 4Good U.S. Select Index	A socially responsible investment (SRI) index of US stocks that excludes companies with certain business activities such as weapons, tobacco, gambling, alcohol, nuclear power, and adult entertainment
FTSE All-World ex-U.S. Index	A capitalization-weighted stock index representing 46 developed market countries and emerging market countries excluding the U.S.
FTSE EPRA NAREIT Global ex-U.S. Index	Designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposal and development of income-producing real estate.
FTSE Global All Cap ex US Index	A market-capitalization weighted index representing the performance of roughly 5350 large, mid and small cap companies in 46 Developed and Emerging markets worldwide, excluding the USA.
FTSE Global Core Infrastructure Index	Represents the performance of infrastructure and infrastructure-related securities companies in a set of industries that FTSE defines as being involved in infrastructure. The series is based on the FTSE Global Equity Index Series and both developed and emerging markets are included.

Index Definitions

Name	Description
FTSE NAREIT U.S. Equity REITS	Free float adjusted, market capitalization weighted index of US based equity real estate investment trusts (REITs).
Goldman Sachs Commodity Index	A composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures.
HFR Fund-of-Fund Index.	This index is equity-weighted including 800 constituents. It includes both domestic and offshore accounts and is valued in U.S. dollars. Only fund-of-fund products are included in the index that have at least \$50 million under managements and have been actively trading for at least one year. All funds report net returns on a monthly basis.
HFRI Fund Weighted Composite Index	The HFRI Fund Weighted Composite Index is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. Constituent funds report monthly net of all fees performance in US Dollar and have a minimum of \$50 Million under management or a twelve (12) month track record of active performance. The HFRI Fund Weighted Composite Index does not include Funds of Hedge Funds.
Hueler Stable Value Index	The Hueler Analytics Stable Value Pooled Fund Comparative Universe represents investment strategies of \$96 billion in stable value assets, across 24 pooled funds, invested in contracts universe across a universe of 16 general account issuers and 14 synthetic wrap providers. The allocation of pooled fund assets is dominated by synthetic contracts issued by insurance companies and banks.
J.P. Morgan EMBI Global Diversified	Comprised of dollar-denominated Brady bonds, traded loans and Eurobonds issued by emerging market sovereign and quasi-sovereign entities. The Diversified version limits the weights of the index countries by only including a specified portion of those countries' eligible current face amounts of debt outstanding, providing for a more even distribution of weights within the countries in the index.
iMoneyNet All Taxable Money Funds Index	An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.
iMoneyNet Money Fund Average.	An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.
MSCI All Country World ex-U.S. Index	A capitalization-weighted index of stocks representing 44 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America. Index consists of 23 developed and 21 emerging countries, but excludes the U.S.
MSCI All Country World ex-U.S. Index IMI-.	A capitalization-weighted index of large, mid and small cap stocks representing 22 developed (excluding the United States) and 24 emerging market countries. The index is the broadest measure of the aggregate non-US stock market, covering approximately 99% of the global equity investment opportunity set outside of the United States.

Index Definitions

Name	Description
MSCI All Country World ex-U.S. Small Cap Index	Covers all investable small cap securities with a market capitalization below that of the companies in the MSCI Standard Indices (excluding U.S.), and target approximately 14% of each market's free-float adjusted market capitalization.
MSCI All Country World Index IMI	A capitalization-weighted index of large, mid and small cap stocks representing 23 developed and 24 emerging market countries. The index is the broadest measure of the aggregate global stock market, covering approximately 99% of the global equity investment opportunity set.
MSCI All Country World Index	A capitalization-weighted index of stocks representing 46 stock markets in Europe, Australia, the Far East, the Middle East, Latin America and North America.
MSCI EAFE Growth Index	A capitalization-weighted index of 21 stock markets in Europe, Australia, Asia and the Far East designed to capture the growth-oriented companies.
MSCI EAFE Small Cap Index	A capitalization-weighted index of small cap stocks representing 23 developed country markets in Europe, Australia, Asia, and the Far East.
MSCI EAFE Value Index	A capitalization-weighted index of 21 stock markets in Europe, Australia, Asia and the Far East designed to capture the value-oriented companies.
MSCI Emerging Markets Index	A capitalization-weighted index of stocks representing 22 emerging country markets.
MSCI U.S. Broad Market Index	A capitalization-weighted stock index that aggregates the MSCI U.S. Large Cap 300, Mid Cap 450, Small Cap 1,750 and Micro-Cap Indices. This index represents approximately 99.5% of the capitalization of the U.S. Equity market and includes approximately 3,562 companies.
MSCI U.S. REIT Index	A broad index that fairly represents the equity REIT opportunity set with proper invest ability screens to ensure that the index is investable and replicable. The index represents approximately 85% of the U.S. REIT universe
MSCI World Index	A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, representing 24 developed market country indices.
NCREIF Property Index	NCREIF Property Index - A capitalization-weighted index of privately owned investment grade income-producing properties representing approximately \$269 billion in assets.

Index Definitions

Name	Description
NFI ODCE Index	NFI ODCE Index - A capitalization weighted index comprised of open-end, Core funds investing in commercial real estate properties. The funds that constitute the index are subject to certain geographic and property type diversification requirements as well as leverage restrictions. The index reflects the impact of leverage on investment results. The returns shown in this report are net of management fees of the respective funds included in the index.
Rolling 3-year Constant Maturity Treasury Index	An index published by the Federal Reserve Board based on the monthly average yield of a range of Treasury securities, all adjusted to the equivalent of a three-year maturity.
Russell 1000 Growth Index	An index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher I/B/E/S growth forecasts.
Russell 1000 Index	A capitalization-weighted index of the 1,000 largest publicly traded U.S. stocks by capitalization.
Russell 1000 Value Index.	An index that measures the performance of those stocks included in the Russell 1000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
Russell 2000 Growth Index	A capitalization-weighted index of those stocks in the Russell 2000 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell 2000 Index	A capitalization-weighted index of the smallest 2,000 stocks in the Russell 3000 Index. The index excludes the largest- and smallest-capitalization issues in the domestic stock market.
Russell 2000 Value Index	An index that measures the performance of those stocks included in the Russell 2000 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
Russell 2500 Growth Index	A capitalization-weighted index representing those companies within the Russell 2500 Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell 2500 Index	The Index is constructed by first identifying the 3,000 largest-capitalization U.S. stocks and ranking them by market capitalizations, choosing the bottom 2,500 names on the list.
Russell 2500 Value Index.	an index that measures the performance of those stocks included in the Russell 2500 Index with lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.

Index Definitions

Name	Description
Russell 3000 Growth Index	A capitalization-weighted index consisting of those Russell 3000 Index stocks that have higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell 3000 Index	A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.
Russell 3000 Value Index	A capitalization-weighted index consisting of those Russell 3000 Index stocks that have lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
Russell Mid Cap Growth Index	A capitalization-weighted index representing those stocks in the Russell MidCap Index with higher price-to-book ratios and higher I/B/E/S earnings growth forecasts.
Russell Mid Cap Value Index	A capitalization-weighted index consisting of those Russell MidCap Index stocks that have lower price-to-book ratios and lower I/B/E/S earnings growth forecasts.
S&P 500 Index	A capitalization-weighted index representing stocks chosen by Standard & Poor's, Inc. for their size, liquidity, stability and industry group representation. The companies in the S&P 500 Index are generally among the largest in their industries.
S&P Completion Index	The S&P Completion Index is a sub-index of the S&P Total Market Index, including all stocks eligible for the S&P TMI and excluding all current constituents of the S&P 500. The index covers approximately 4,000 constituents, offering investors broad exposure to mid, small, and micro-cap companies.
S&P GSCI®	Both the first major investable commodity index and one of the most widely recognized benchmarks, the S&P GSCI® is broad-based, production weighted, and meant to be representative of the global commodity market beta.
S&P Leverage Loan Index	A daily total return index that uses LSTA/LPC Mark-to-Market Pricing to calculate market value change.
S&P Midcap 400 Index	A market-capitalization-weighted index of stocks in all major industries in the mid-range of the U.S. stock market.
Wilshire REIT	A measure of the types of U.S. real estate securities that represent the ownership and operation of commercial or residential real estate. To be included in the index, a company must have a market capitalization of \$200 million and have at least 75% of the total revenue derived from the ownership and operation of the real estate assets.

- Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.
- Past performance is no guarantee of future results.

Thought Leadership Highlights

Public Funds

Topic	Article	Link
Annual Themes	2024 Key Investment Themes for Public Funds (video passcode 'aon!')	Link to Article Link to Video
Oversight	Unlock the Potential of Alternative Investments with an Outsourced Chief Investment Officer	Link
	How an Outsourced Chief Investment Officer Can Help Improve Governance and Manage Complexity	Link
Market View	Quarterly Market Review and Outlook Video (access code 'aon!')	Link to Article Link to Video
P&I Conference	Video Public Funds in 2023: Challenges and Opportunities	Link to Video
Asset Allocation	How Public Pensions Should Assess Illiquidity from Alts: 3 Questions with Eric Friedman & John Sullivan	Link
	Client Video: US vs non-US Equity (access code 'aon!')	Link to Video
	The Strength of the U.S. Equity Market and its Impact on Equity Allocations	Link
	Expected Rates of Return: A Whipsaw Effect?	Link
	Managing Through Today's Environment for Illiquid Assets: 3 Questions with Eric Friedman	Link
Strategy Review	How Investors are Making Better Decisions Amid a Changing Climate	Link
	Investing in Infrastructure: 3 Questions With Iftikhar Ahmed	Link
	Aon Podcast: What Climate Risk Means for the Future of Responsible Investing	Link
	Everything Everywhere All at Once: 5 Insights on Climate Change within Investments	Link
	Aon's Environmental Social and Governance (ESG) Manager Ratings: 3 Questions With Daniel Ingram	Link
	Private Credit: 3 Questions with Galina Kalcheva	Link
	Private Credit 101 (access code 'aon!')	Link to Video

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Save the Date: 2024 Wealth Insights Series

An exclusive forum for the exchange of investment insights and ideas



Date

December 9-11

Pre-conference welcome reception and two days of conference sessions



Content

Robust agenda

Investment topics, industry perspectives, breakout sessions



Location

Fontainebleau

4441 Collins Avenue
Miami Beach, Florida



Networking Opportunities

Asset owners, asset managers, Aon colleagues, 1:1 meetings

Invitations and registration opportunity coming soon. Ready to travel? Wealth Insights London is November 6 & 7!

Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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Aon Investments USA Inc.
200 East Randolph Street
Suite 700
Chicago, IL 60601
ATTN: Aon Investments Compliance Officer

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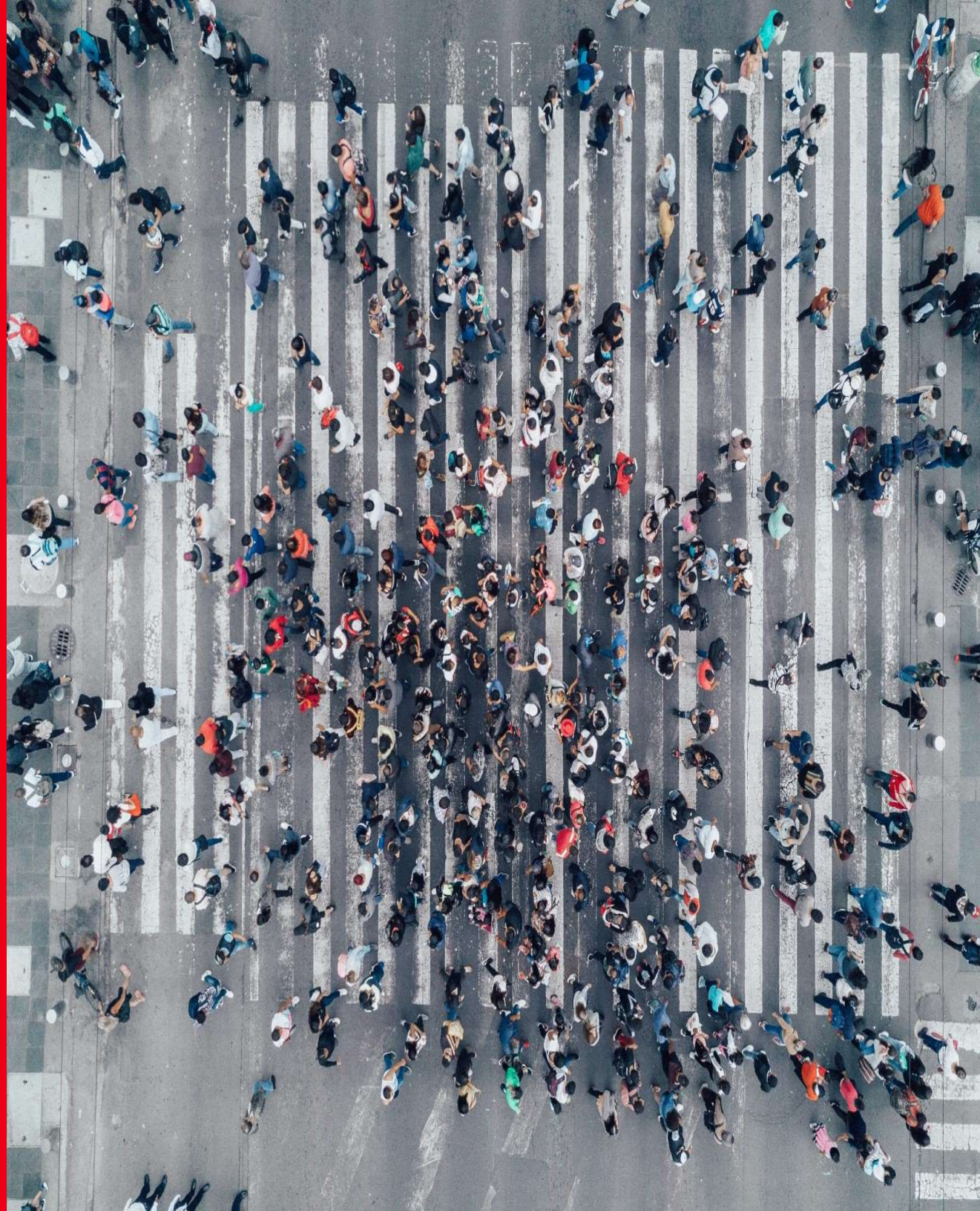
Preliminary Monthly Investment Review

Arkansas Teacher Retirement System |
April 30, 2024

All information presented in this report should be considered preliminary.
Finalized data will be available on the next Quarterly Investment Report after the close of the quarter.

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

Nothing in this document should be construed as legal or investment advice. Please consult with your independent professional for any such advice. To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon.



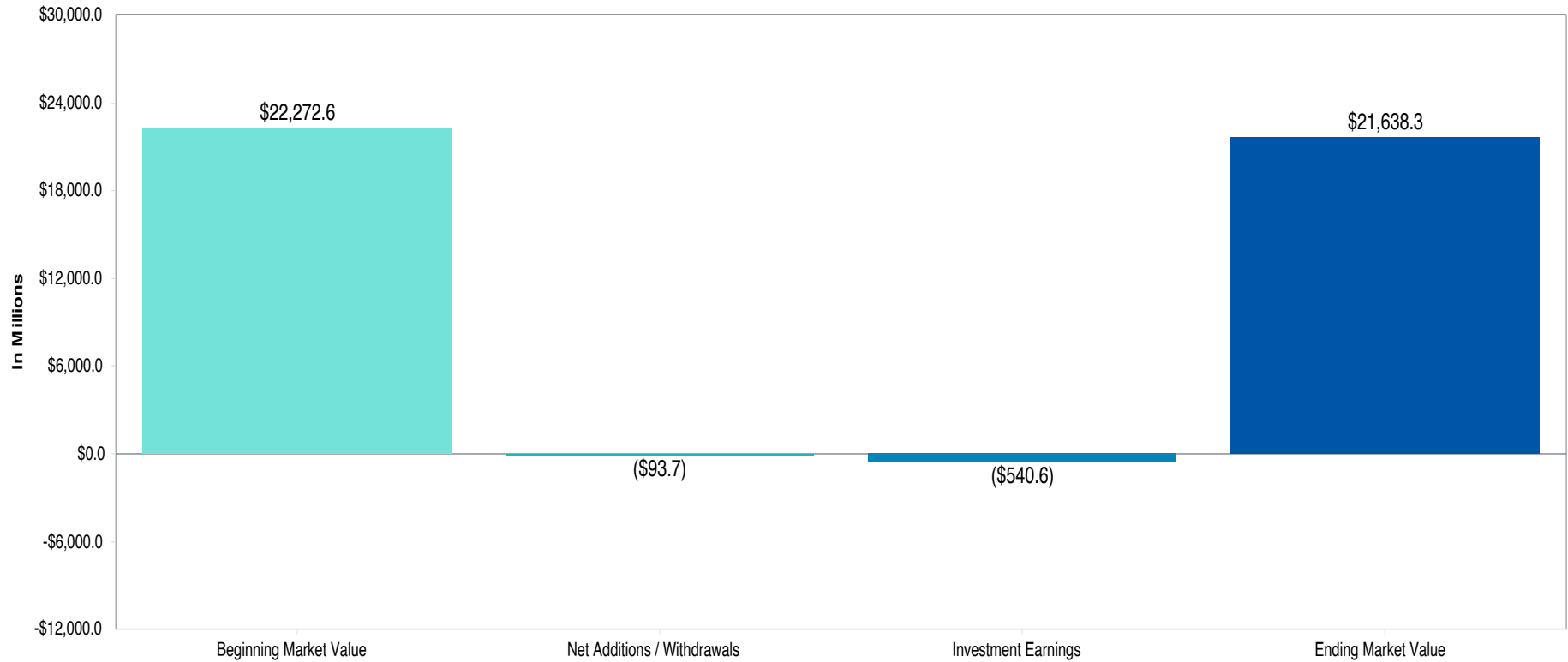
Asset Allocation & Performance

Market Environment

	Performance %						
	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Dow Jones U.S. Total Stock Market Index	-4.4	5.2	14.1	22.4	6.2	12.3	11.7
S&P 500 Index	-4.1	6.0	14.6	22.7	8.1	13.2	12.4
Russell 1000 Index	-4.3	5.6	14.5	22.8	7.0	12.9	12.1
Russell 1000 Value Index	-4.3	4.3	10.6	13.4	5.2	8.6	8.4
Russell 1000 Growth Index	-4.2	6.7	18.0	31.8	8.5	16.5	15.5
Russell 2000 Index	-7.0	-2.2	5.8	13.3	-3.2	5.8	7.2
Russell 2000 Value Index	-6.4	-3.7	7.8	14.0	-0.7	6.0	6.4
Russell 2000 Growth Index	-7.7	-0.7	3.8	12.4	-5.9	5.0	7.6
MSCI AC World IMI Index (Net)	-3.4	4.1	11.7	16.8	3.6	9.1	8.0
MSCI AC World ex USA IMI (Net)	-1.7	2.5	8.6	9.4	0.1	5.1	4.0
MSCI EAFE (Net)	-2.6	3.1	9.1	9.3	2.9	6.2	4.4
MSCI Emerging Markets (Net)	0.4	2.8	7.7	9.9	-5.7	1.9	3.0
BImbg. U.S. Universal Index	-2.3	-2.8	0.9	-0.3	-3.2	0.2	1.5
BImbg. U.S. Aggregate Index	-2.5	-3.3	0.0	-1.5	-3.5	-0.2	1.2
BImbg. U.S. Government Index	-2.3	-3.2	-0.8	-2.7	-3.7	-0.5	0.8
BImbg. Barc. Credit Bond Index	-	-	-	-	-	-	-
BImbg. U.S. Mortgage Backed Securities	-3.0	-4.0	-1.0	-2.2	-4.0	-1.0	0.7
BImbg. U.S. Corp: High Yield Index	-0.9	0.5	8.2	9.0	1.5	3.7	4.3
Citigroup 90-Day T-Bill	0.5	1.8	4.7	5.6	2.9	2.1	1.4

Total Plan Asset Summary

As of April 30, 2024



Summary of Cash Flows

	1 Month	Year to Date	Fiscal YTD	1 Year
Total Fund				
Beginning Market Value	22,272,643,922	21,289,300,596	20,745,857,372	20,263,131,382
+ Additions / Withdrawals	-93,741,288	-276,245,039	-734,242,493	-767,623,046
+ Investment Earnings	-540,621,703	625,225,374	1,626,666,052	2,142,772,595
= Ending Market Value	21,638,280,931	21,638,280,931	21,638,280,931	21,638,280,931

Asset Allocation & Performance

As of April 30, 2024

	Allocation			Performance %								
	Market Value \$ (\$)	%	Policy %	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Total Fund*	21,638,280,931	100.0	100.0	-2.4	2.9	7.8	10.6	4.6	8.1	8.1	8.5	04/01/1986
<i>Performance Benchmark</i>				-2.3	3.7	9.6	12.9	4.5	8.6	8.1	8.6	
Total Equity	11,947,427,376	55.2	56.4	-4.0	4.8	13.6	19.0	5.0	9.4	8.9	9.1	07/01/2015
<i>Total Equity Performance Benchmark</i>				-3.8	4.5	12.5	18.7	4.5	10.1	9.3	9.6	
Fixed Income	2,924,307,841	13.5	15.0	-1.6	-1.5	1.7	0.8	-1.4	1.4	2.3	4.8	07/01/1992
<i>Performance Benchmark</i>				-2.3	-2.8	0.9	-0.3	-3.2	0.2	1.5	4.7	
Opportunistic/Alternatives	1,121,851,393	5.2	5.0	0.4	4.8	10.6	13.5	7.0	4.7	3.6	4.1	05/01/2011
<i>Custom Alternatives Benchmark</i>				-0.2	4.7	7.7	9.7	4.4	4.2	2.9	2.7	
Real Assets	2,568,093,911	11.9	11.6									
Real Estate	1,477,715,666	6.8										
Timber	356,623,981	1.6										
Agriculture	244,714,767	1.1										
Infrastructure	489,039,497	2.3										
Private Equity	2,998,769,689	13.9	12.0									
Cash	77,830,721	0.4	0.0									

*Preliminary Results

*Policy % is the interim target used for benchmarking purposes. See page 15 for long-term targets. Beginning July 1, 2013, an updated Investment Policy was adopted which includes the new Real Assets category, which includes Real Estate, Timber, Agriculture and Infrastructure.

*Real Assets and Private Equity are valued on a quarterly basis and reported on a quarter lag. Market values have been adjusted for the current month's cash flows. Updated results for these portfolios are not yet available and will be included in the quarterly performance report.

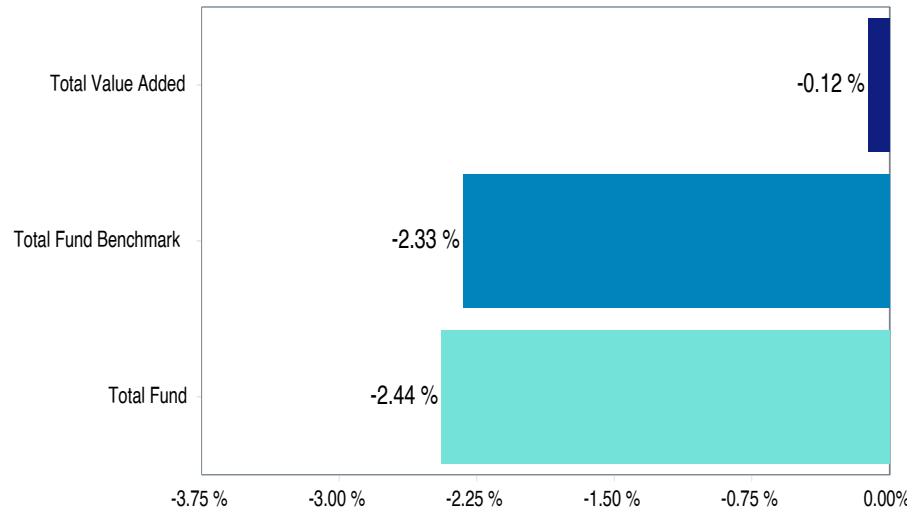
*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 22 of this report.

*Includes investment gains from Allianz litigation income received on 2/28/2022.

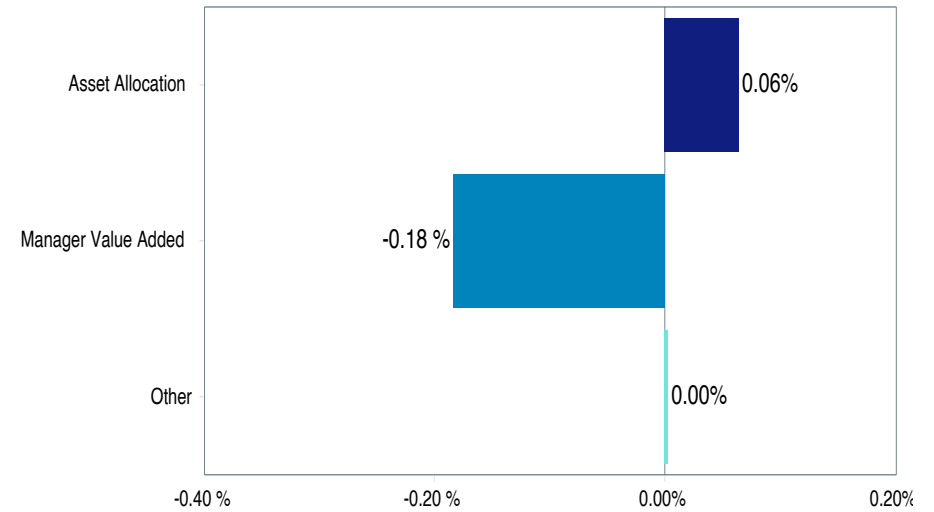
Total Fund Attribution

1 Month Ending April 30, 2024

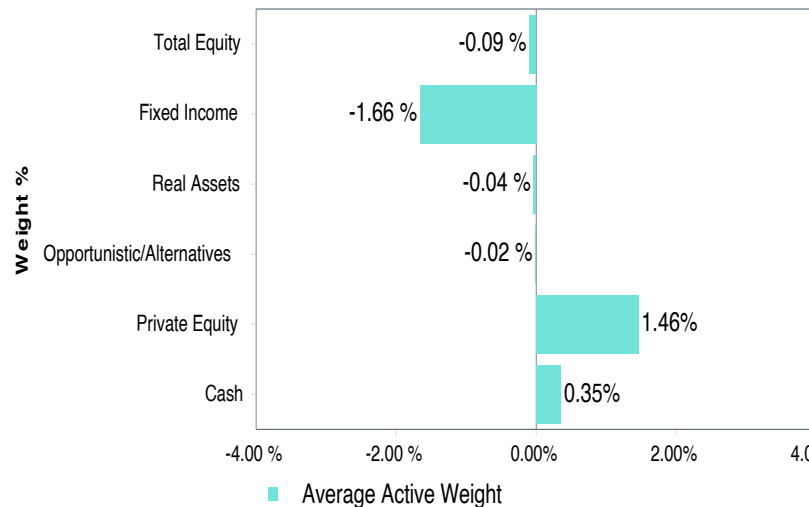
Total Fund Performance



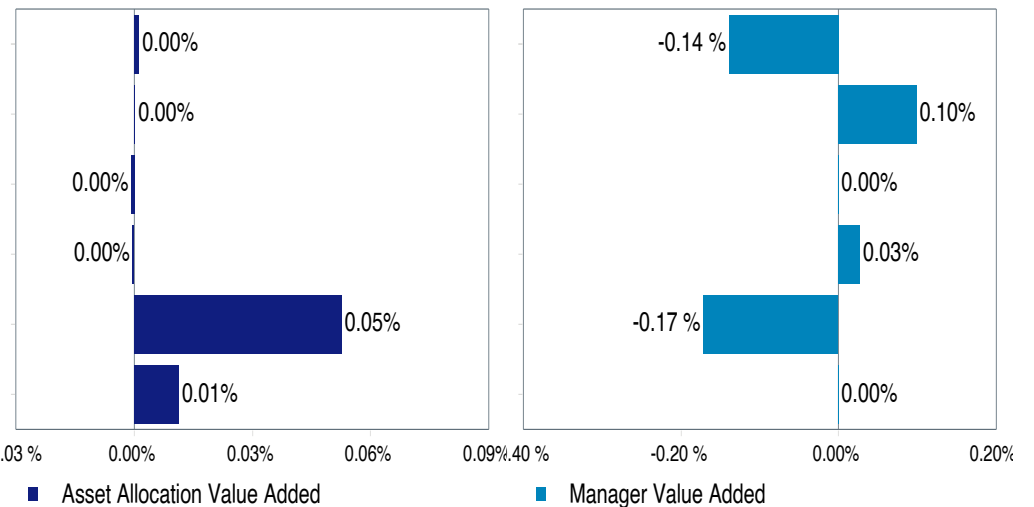
Total Value Added: -0.12 %



Total Asset Allocation: 0.06%



Total Manager Value Added: -0.18 %

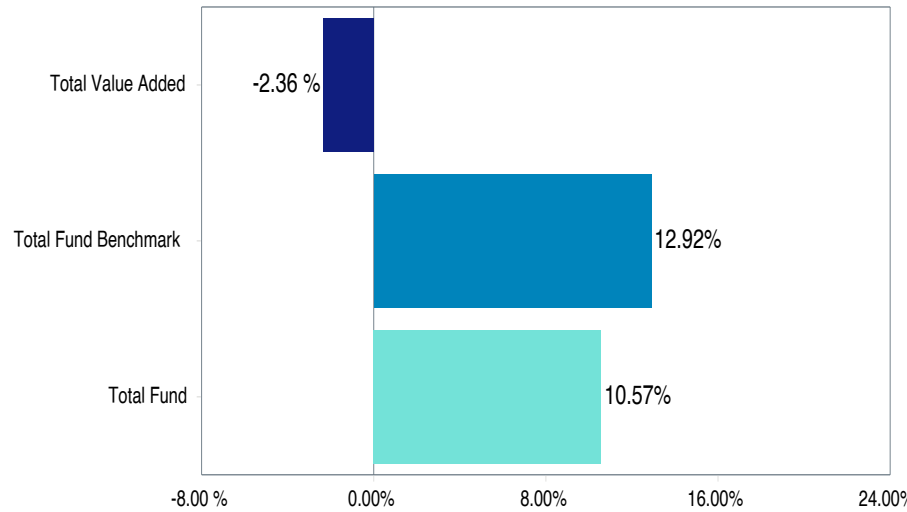


*Preliminary Results

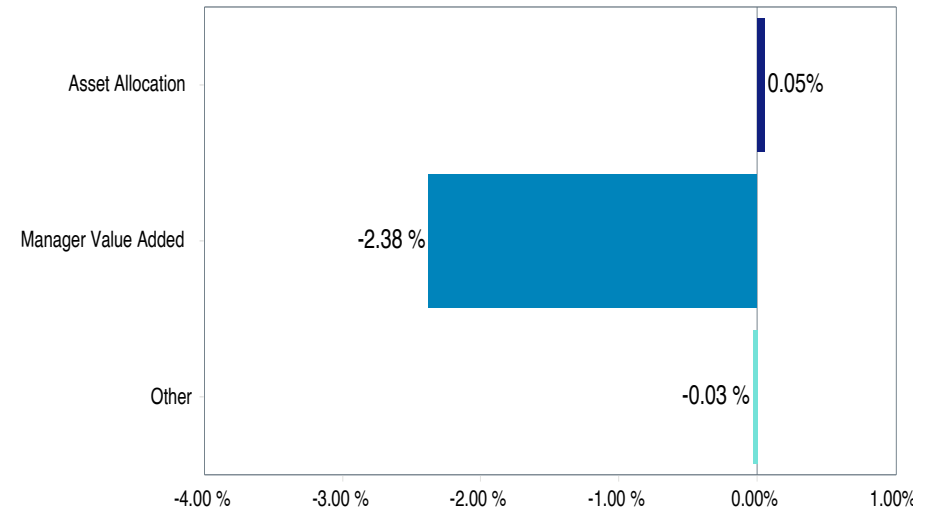
Total Fund Attribution

1 Year Ending April 30, 2024

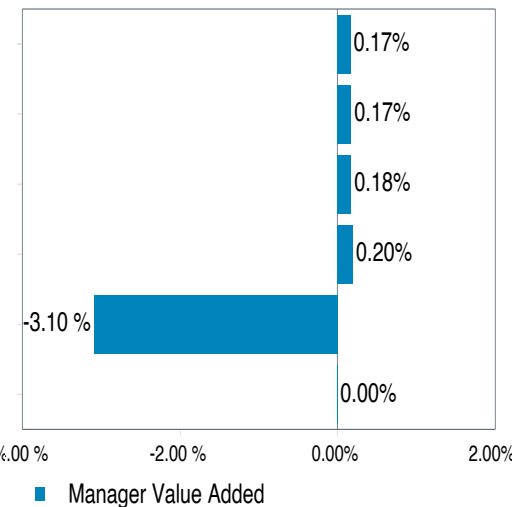
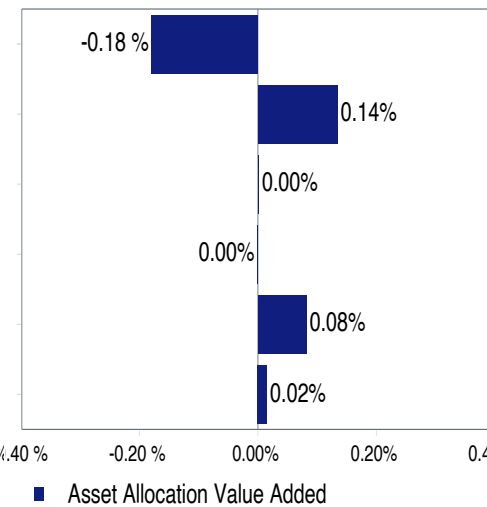
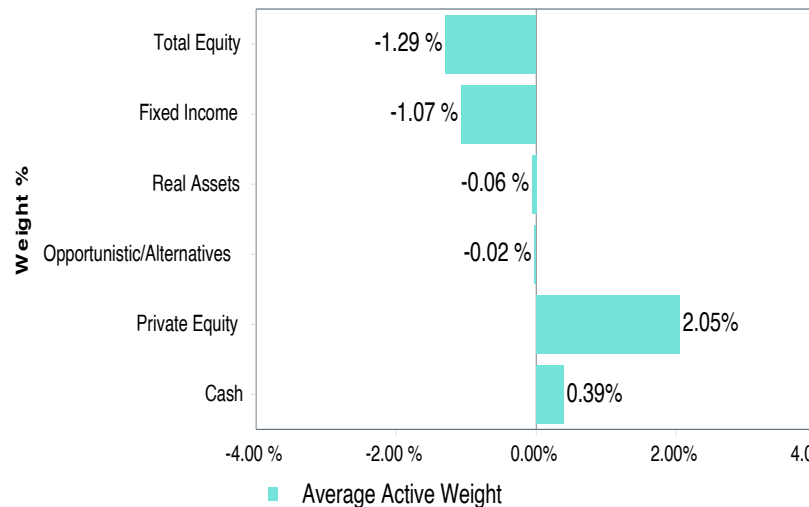
Total Fund Performance



Total Value Added: -2.36 %



Total Asset Allocation: 0.05% Total Manager Value Added: -2.38 %



Average Active Weight

Asset Allocation Value Added

Manager Value Added

*Preliminary Results



Asset Allocation & Performance

As of April 30, 2024

	Allocation		Performance %								
	Market Value \$	%	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	
Total Equity	11,947,427,376	100.0	-4.0	4.8	13.6	19.0	5.0	9.4	9.1	07/01/2015	
<i>Total Equity Performance Benchmark</i>			-3.8	4.5	12.5	18.7	4.5	10.1	9.6		
Jacobs Levy 130/30	1,502,790,980	12.6	-5.9	6.9	21.8	30.3	17.8	18.9	13.0	01/01/2008	
<i>Russell 3000 Index</i>			-4.4	5.2	14.0	22.3	6.3	12.4	9.8		
Kennedy Capital Management	628,892,409	5.3	-6.8	-2.0	6.2	13.9	0.4	7.2	11.4	01/01/1994	
<i>Russell 2000 Value Index</i>			-6.4	-3.7	7.8	14.0	-0.7	6.0	9.1		
Stephens	628,295,431	5.3	-5.5	3.7	11.0	19.5	-1.9	7.3	9.5	08/01/2006	
<i>Russell 2000 Growth Index</i>			-7.7	-0.7	3.8	12.4	-5.9	5.0	8.2		
Voya Absolute Return	892,315,526	7.5	-2.7	5.2	13.9	19.0	5.1	10.0	10.3	10/01/2008	
<i>Performance Benchmark Voya Absolute Return</i>			-3.3	4.6	12.2	17.5	4.3	9.4	10.2		
Voya U.S. Convertibles	957,934,553	8.0	-3.3	-0.1	2.1	6.7	-3.2	10.3	9.9	12/01/1998	
<i>Performance Benchmark</i>			-3.5	-1.2	2.7	9.0	-3.0	8.9	7.9		
Pershing Square Holdings	351,344,097	2.9	-4.6	6.3	37.2	43.4	10.6	24.5	10.5	01/01/2013	
<i>Dow Jones U.S. Total Stock Market Index</i>			-4.4	5.2	14.1	22.4	6.2	12.3	13.3		
SSgA Global Index	1,143,707,441	9.6	-3.4	4.1	11.7	16.8	3.9	9.4	7.1	04/01/2008	
<i>MSCI AC World IMI Index (Net)</i>			-3.4	4.1	11.7	16.8	3.6	9.1	6.8		
BlackRock MSCI ACWI IMI Fund	1,038,318,268	8.7	-3.3	4.2	12.0	17.2	4.0	9.5	8.7	07/01/2011	
<i>MSCI AC World IMI (Net)</i>			-3.4	4.1	11.7	16.8	3.6	9.1	8.3		

*Preliminary Results

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 22 of this report.

Asset Allocation & Performance

As of April 30, 2024

	Allocation		Performance %							
	Market Value \$	%	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Wellington Global Perspectives	693,277,891	5.8	-4.0	1.5	9.7	10.8	1.5	7.6	11.9	07/01/2009
<i>Performance Benchmark</i>			-4.2	-0.4	7.7	11.6	-1.1	6.5	9.8	
T. Rowe Price Global Equity	1,423,104,684	11.9	-3.9	7.5	15.1	23.4	0.2	12.8	13.1	08/01/2009
<i>MSCI AC World Index (Net)</i>			-3.3	4.6	12.2	17.5	4.3	9.4	9.4	
<i>MSCI AC World Index Growth (Net)</i>			-3.6	5.6	13.2	22.2	3.5	11.9	11.2	
Lazard	801,224,993	6.7	-2.0	4.8	13.1	16.5	-2.6	6.6	8.3	08/01/2009
<i>MSCI AC World Index (Net)</i>			-3.3	4.6	12.2	17.5	4.3	9.4	9.4	
Harris Global Equity	684,706,392	5.7	-3.5	1.0	5.7	8.3	1.8	8.3	6.7	06/01/2014
<i>MSCI World Index (Net)</i>			-3.7	4.8	12.8	18.4	5.6	10.5	8.7	
<i>MSCI World Value (Net)</i>			-3.4	3.8	11.4	12.6	5.3	7.0	5.8	
Arrowstreet Global Equity - Alpha Extension Fund	1,038,352,868	8.7	-3.7	13.6	24.9	28.8			30.8	04/01/2023
<i>MSCI AC World IMI Index (Net)</i>			-3.4	4.1	11.7	16.8			16.8	
Triam Partners	93,901,487	0.8	-2.8	8.0	12.2	10.3	3.0	7.3	7.7	11/01/2015
<i>S&P 500 Index</i>			-4.1	6.0	14.6	22.7	8.1	13.2	13.0	
Triam Co-Investments	69,260,354	0.6	-1.4	14.5	21.9	17.0	10.1	12.0	8.8	01/01/2017
<i>S&P 500 Index</i>			-4.1	6.0	14.6	22.7	8.1	13.2	13.7	

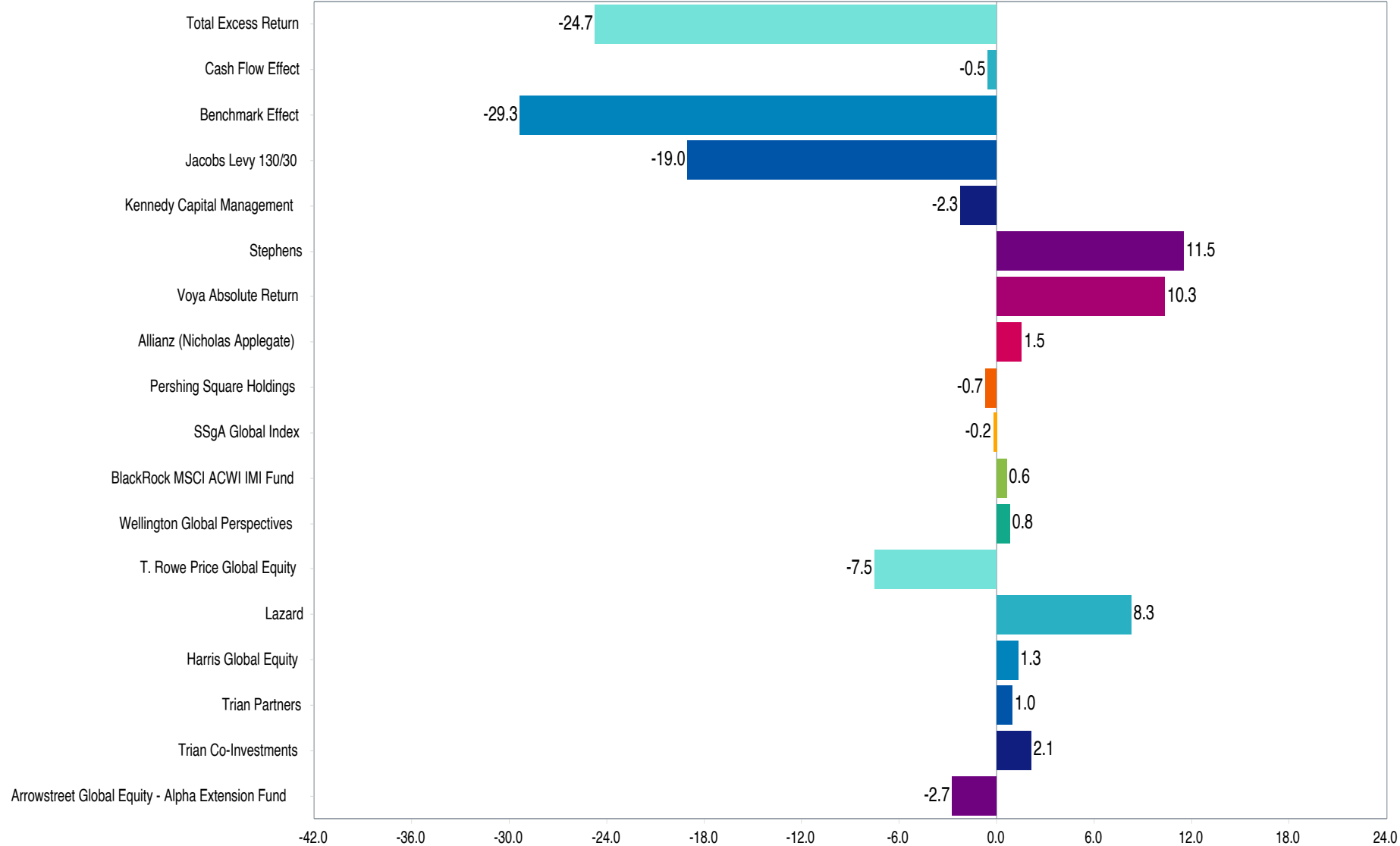
*Preliminary Results

*The inception of the Total Equity asset class was July 1, 2015. Performance prior to July 2015 represents the weighted average of the U.S. Equity and Global Equity asset class monthly returns. For historical performance of the U.S. Equity and Global Equity asset classes please see page 22 of this report.

Asset Class Attribution

1 Month Ending April 30, 2024

1 Month



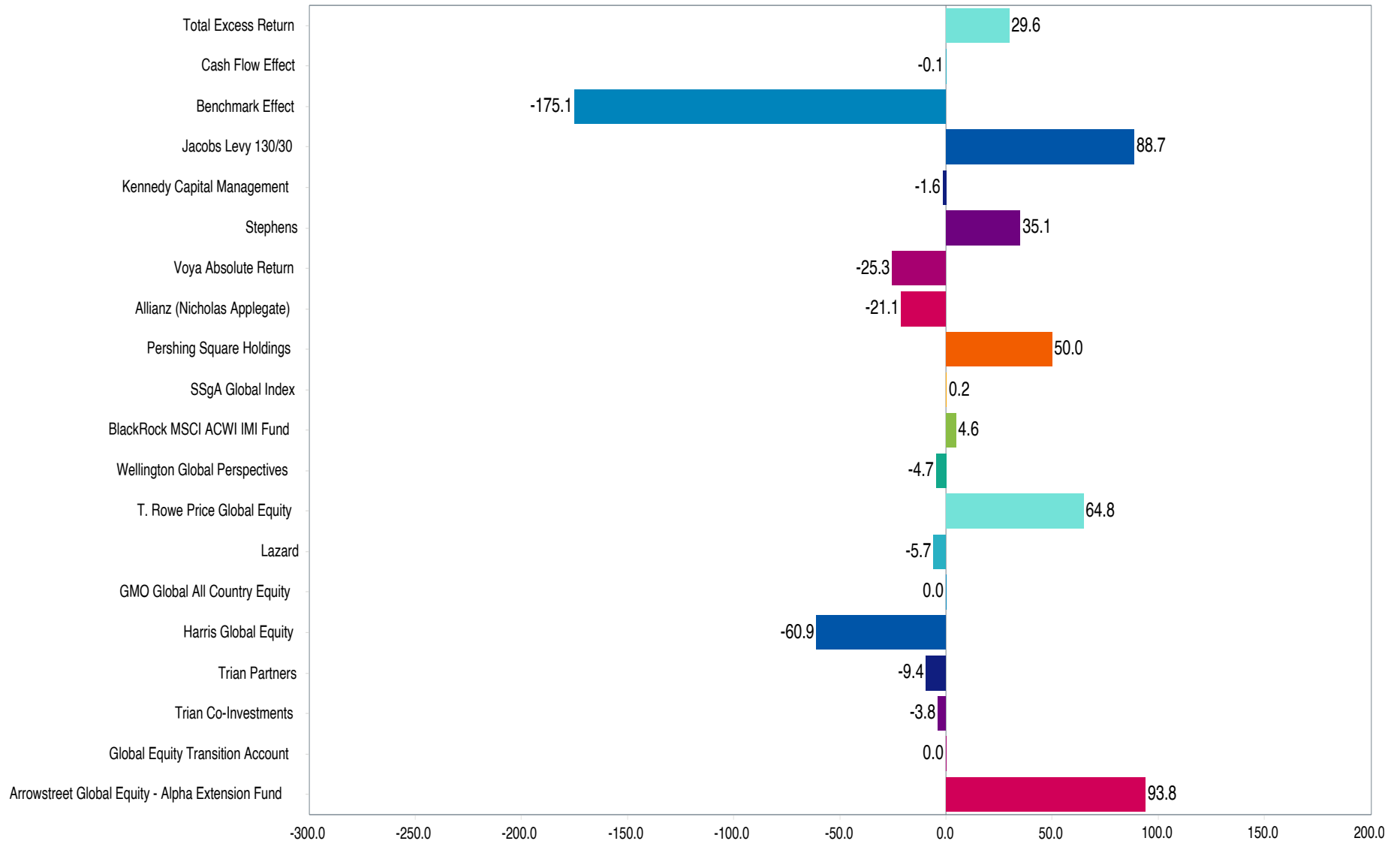
*Preliminary Results



Asset Class Attribution

1 Year Ending April 30, 2024

1 Year



*Preliminary Results



Asset Allocation & Performance

As of April 30, 2024

	Allocation		Performance %							
	Market Value \$	%	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	2,924,307,841	100.0	-1.6	-1.5	1.7	0.8	-1.4	1.4	4.8	07/01/1992
<i>Performance Benchmark</i>			-2.3	-2.8	0.9	-0.3	-3.2	0.2	4.7	
BlackRock	252,438,760	8.6	-2.4	-2.9	0.6	-0.8	-3.4	0.2	3.4	10/01/2003
<i>Performance Benchmark</i>			-2.3	-2.8	0.9	-0.3	-3.2	0.2	3.2	
Loomis Sayles	669,979,668	22.9	-2.0	-0.8	4.4	4.1	-1.3	2.6	6.4	09/01/2008
<i>Performance Benchmark</i>			-1.9	-1.8	3.0	2.2	-1.7	1.4	4.2	
SSgA Aggregate Bond Index	694,972,207	23.8	-2.5	-3.2	0.0	-1.4	-3.6	-0.2	2.0	06/01/2010
<i>Blmbg. U.S. Aggregate Index</i>			-2.5	-3.3	0.0	-1.5	-3.5	-0.2	2.0	
Wellington Global Total Return	410,947,191	14.1	1.7	3.3	5.8	5.4	4.6	3.8	2.9	06/01/2014
<i>ICE BofA 3 Month U.S. T-Bill</i>			0.4	1.7	4.5	5.4	2.7	2.1	1.4	
Reams Core Plus Bond Fund	560,893,642	19.2	-2.9	-3.5	-0.5	-1.9	-2.8	2.1	2.3	06/01/2014
<i>Blmbg. U.S. Aggregate Index</i>			-2.5	-3.3	0.0	-1.5	-3.5	-0.2	1.1	
BRS Recycling Tax Credit	175,975,000	6.0								
BRS Recycling Tax Credit Phase 2	77,031,608	2.6								
BRS Recycling Tax Credit Phase 2	77,031,608	2.6								

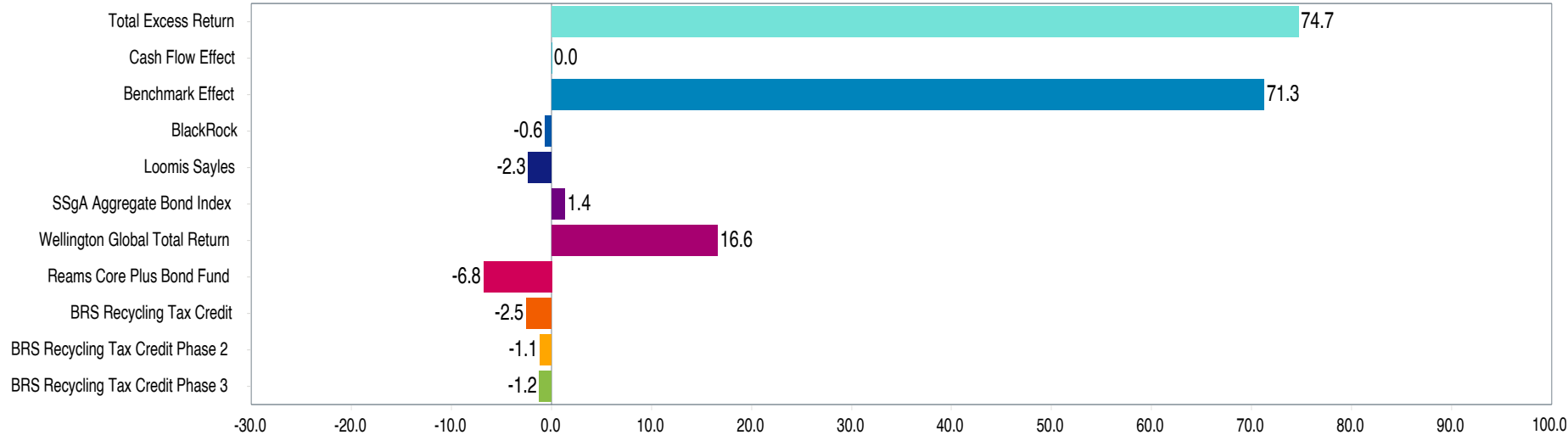
*Preliminary Results

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

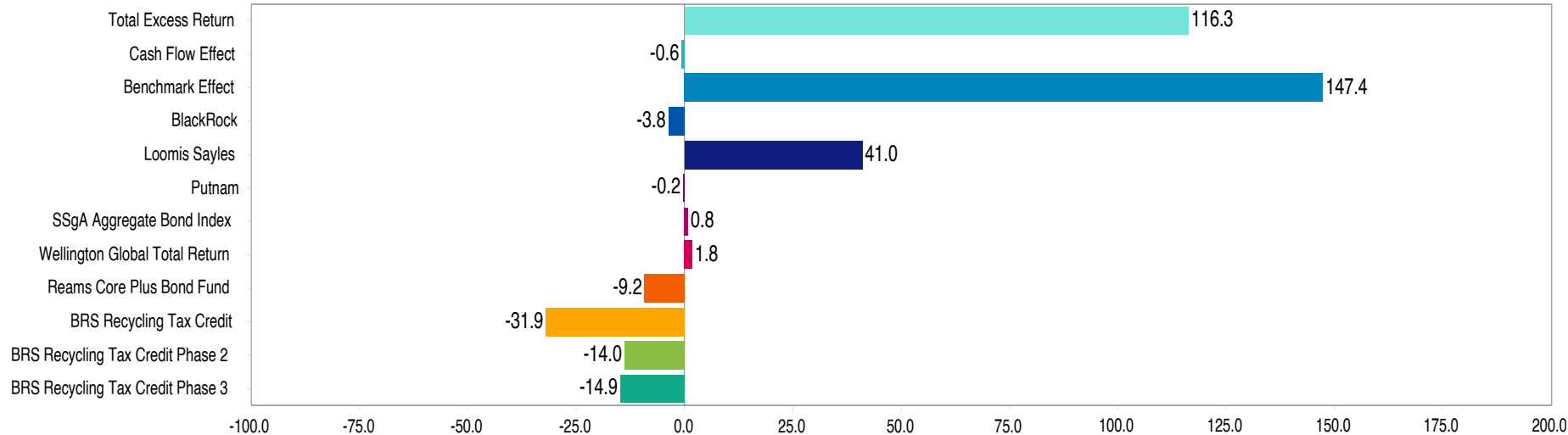
Asset Class Attribution

As of April 30, 2024

1 Month



1 Year



*Preliminary Results



Asset Allocation & Performance

As of April 30, 2024

	Allocation		Performance %								
	Market Value \$ (\$)	%	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Opportunistic/Alternatives	1,121,851,393	100.0	0.4	4.8	10.6	13.5	7.0	4.7	3.6	4.1	05/01/2011
<i>Custom Alternatives Benchmark</i>			-0.2	4.7	7.7	9.7	4.4	4.2	2.9	2.7	
Anchorage	27,925,411	2.5	0.3	2.2	6.1	8.7	7.4	5.9	4.6	5.8	05/01/2011
<i>Credit Suisse Event Driven</i>			-0.6	3.6	8.6	11.0	3.2	5.2	2.9	3.3	
<i>HFRI ED: Distressed/Restructuring Index</i>			0.1	2.7	8.3	9.8	3.5	6.2	4.1	4.6	
York	8,094,582	0.7	10.4	33.5	-1.0	26.9	12.4	-7.0	-3.3	-0.2	05/01/2011
<i>Credit Suisse Event Driven</i>			-0.6	3.6	8.6	11.0	3.2	5.2	2.9	3.3	
<i>HFRI ED: Distressed/Restructuring Index</i>			0.1	2.7	8.3	9.8	3.5	6.2	4.1	4.6	
Capula	102,359,874	9.1	0.4	1.3	6.9	9.0	8.5	7.7	7.1	6.6	05/01/2011
<i>HFRI Macro (Total) Index</i>			0.9	7.2	7.7	8.6	5.5	6.4	3.8	2.4	
Graham	106,889,207	9.5	0.3	10.8	14.6	15.7	13.1	12.4	8.9	5.9	05/01/2011
<i>HFRI Macro (Total) Index</i>			0.9	7.2	7.7	8.6	5.5	6.4	3.8	2.4	
Circumference Group Core Value	41,367,618	3.7	-3.1	-1.4	2.2	9.2	3.5	6.9	8.3	8.3	08/01/2015
<i>Russell 2000 Index</i>			-7.0	-2.2	5.8	13.3	-3.2	5.8	6.9	6.9	
Aeolus Keystone Fund	25,151,879	2.2	0.9	3.6	3.1	8.7	2.0	2.1		-0.2	12/01/2015
<i>FTSE 3 Month T-Bill</i>			0.4	1.8	4.7	5.6	2.9	2.1		1.7	
<i>Eureka hedge ILS Advisers Index</i>			0.5	3.6	10.3	13.1	5.2	4.1		1.8	
Parametric Global Defensive Equity Fund	224,125,436	20.0	-1.5	3.9	8.3	11.5	5.6	6.2		6.0	06/01/2017
<i>Performance Benchmark</i>			-1.4	3.3	8.6	11.6	3.9	6.1		5.9	
<i>MSCI AC World Index</i>			-3.3	4.8	12.6	18.0	4.8	10.0		9.8	
Man Alternative Risk Premia	128,869,770	11.5	2.1	9.3	13.1	17.2	12.5	5.8		4.5	06/01/2018
<i>SG Multi Alternative Risk Premia Index</i>			0.6	8.0	11.0	12.1	7.5	2.0		1.8	
CFM Systematic Global Macro Fund	106,221,236	9.5	1.2	1.0	8.5	5.3				6.2	11/01/2021
<i>HFRI Macro: Systematic Diversified Index</i>			0.9	10.6	7.1	9.3				5.9	

*Preliminary Results



Asset Allocation & Performance

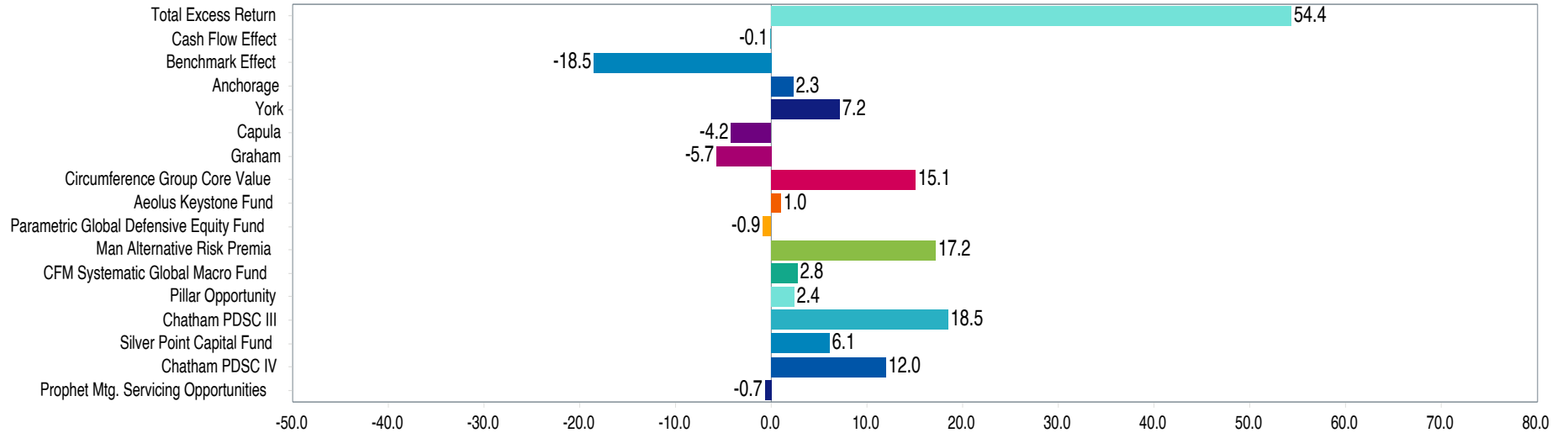
As of April 30, 2024

	Allocation		Performance %								
	Market Value \$ (\$)	%	1 Month	Year to Date	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Pillar Opportunity	109,047,086	9.7	0.7	3.1	15.5	18.2				5.9	12/01/2021
<i>FTSE 3 Month T-Bill</i>			0.4	1.8	4.7	5.6				3.5	
<i>Eurekahedge ILS Advisers Index</i>			0.5	3.6	10.3	13.1				6.2	
Chatham PDSC III	74,242,934	6.6	1.4	7.3	16.4	17.5				17.2	11/01/2021
<i>HFRI Event-Driven (Total) Index</i>			-1.4	0.9	8.8	9.9				2.3	
Silver Point Capital Fund	55,521,240	4.9	1.4	5.3	8.0	9.3				5.4	03/01/2022
<i>HFRI ED: Distressed/Restructuring Index</i>			0.1	2.7	8.3	9.8				2.8	
Prophet Mtg. Servicing Opportunities	46,344,189	4.1	0.0	4.8	15.0	17.3				17.3	05/01/2023
<i>Credit Suisse Hedge Fund Index</i>			0.2	5.5	9.6	11.1				11.1	
Chatham PDSC IV	65,690,931	5.9	0.7	5.0	19.2	31.4				31.4	05/01/2023
<i>HFRI Event-Driven (Total) Index</i>			-1.4	0.9	8.8	9.9				9.9	

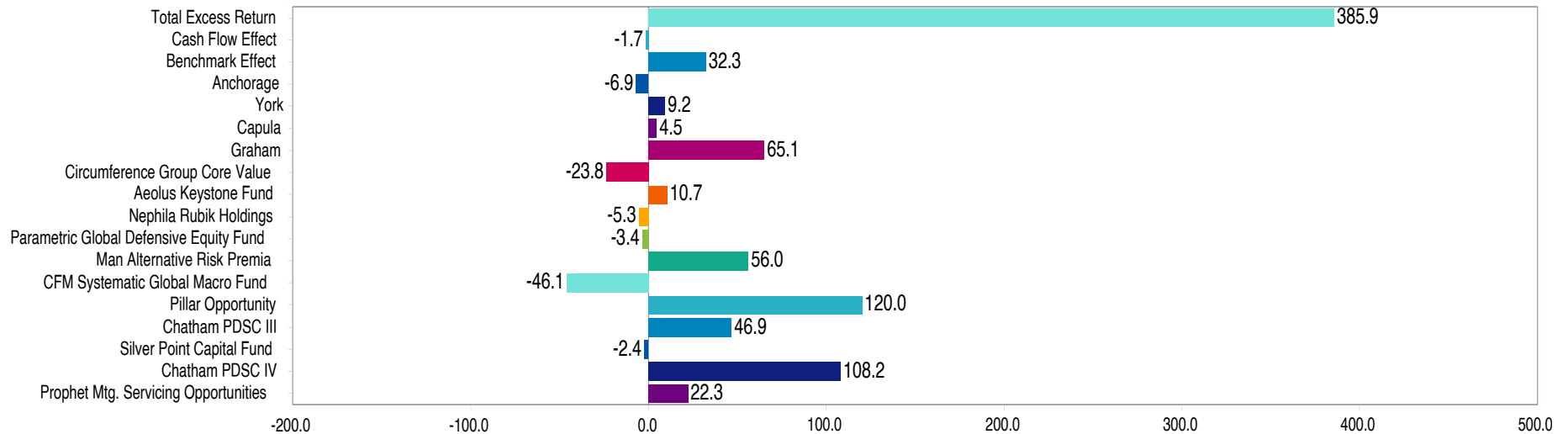
Asset Class Attribution

As of April 30, 2024

1 Month



1 Year



Total Fund Asset Allocation

Asset Allocation as of 4/30/2024										Values in \$1,000	
	Total Equity	U.S. Bond	Real Estate	Private Equity	Cash	Total	Percent of Total	Interim Policy	Long-Term Target		
Jacobs Levy 130/30	\$1,502,791.0	--	--	--	--	\$1,502,791.0	6.94%				
Kennedy Capital Management	\$628,892.4	--	--	--	--	\$628,892.4	2.91%				
Stephens	\$628,295.4	--	--	--	--	\$628,295.4	2.90%				
Voya Absolute Return	\$892,315.5	--	--	--	--	\$892,315.5	4.12%				
Voya U.S. Convertibles	\$957,934.6	--	--	--	--	\$957,934.6	4.43%				
Pershing Square Holdings	\$351,344.1	--	--	--	--	\$351,344.1	1.62%				
SSgA Global Index	\$1,143,707.4	--	--	--	--	\$1,143,707.4	5.28%				
BlackRock MSCI ACWI IMI Fund	\$1,038,318.3	--	--	--	--	\$1,038,318.3	4.80%				
Wellington Global Perspectives	\$693,277.9	--	--	--	--	\$693,277.9	3.20%				
T. Rowe Price Global Equity	\$1,423,104.7	--	--	--	--	\$1,423,104.7	6.57%				
Lazard	\$801,225.0	--	--	--	--	\$801,225.0	3.70%				
Harris Global Equity	\$684,706.4	--	--	--	--	\$684,706.4	3.16%				
Triar Partners	\$93,901.5	--	--	--	--	\$93,901.5	0.43%				
Triar Partners Co-Investments	\$69,260.4	--	--	--	--	\$69,260.4	0.32%				
Global Equity Transition Account	\$0.0	--	--	--	--	\$0.0	0.00%				
Arrowstreet	\$1,038,352.9	--	--	--	--	\$1,038,352.9	4.80%				
Total Equity						\$11,947,427.4	55.19%	54.84%	53.00%		
BlackRock	--	\$252,438.8	--	--	--	\$252,438.8	1.17%				
Loomis Sayles	--	\$669,979.7	--	--	--	\$669,979.7	3.10%				
SSgA Aggregate Bond Index	--	\$694,972.2	--	--	--	\$694,972.2	3.21%				
Wellington Global Total Return	--	\$410,947.2	--	--	--	\$410,947.2	1.90%				
Reams Core Plus Bond Fund	--	\$560,893.6	--	--	--	\$560,893.6	2.59%				
BRS Recycling Tax Credit	--	\$175,975.0	--	--	--	\$175,975.0	0.81%				
BRS Recycling Tax Credit Phase 2	--	\$77,031.6	--	--	--	\$77,031.6	0.36%				
BRS Recycling Tax Credit Phase 3	--	\$82,069.8	--	--	--	\$82,069.8	0.38%				
Total Fixed Income						\$2,924,307.8	13.51%	15.00%	15.00%		
Anchorage	--	--	--	\$27,925.4	--	\$27,925.4	0.13%				
Capula	--	--	--	\$102,359.9	--	\$102,359.9	0.47%				
Graham	--	--	--	\$106,889.2	--	\$106,889.2	0.49%				
York	--	--	--	\$8,094.6	--	\$8,094.6	0.04%				
Circumference Group Core Value	--	--	--	\$41,367.6	--	\$41,367.6	0.19%				
Aeolus Keystone Fund	--	--	--	\$25,151.9	--	\$25,151.9	0.12%				
Nephila Rubik Holdings	--	--	--	\$0.0	--	\$0.0	0.00%				
Parametric Global Defensive Equity	--	--	--	\$224,125.4	--	\$224,125.4	1.04%				
Man Alternative Risk Premia	--	--	--	\$128,869.8	--	\$128,869.8	0.60%				
CFM Systematic Global Macro	--	--	--	\$106,221.2	--	\$106,221.2	0.49%				
Juniperus	--	--	--	\$109,047.1	--	\$109,047.1	0.50%				
Chatham PDSC III	--	--	--	\$74,242.9	--	\$74,242.9	0.34%				
Silver Point Capital	--	--	--	\$55,521.2	--	\$55,521.2	0.26%				
Chatham PDSC IV	--	--	--	\$65,690.9	--	\$65,690.9	0.30%				
Prophet	--	--	--	\$54,344.2	--	\$54,344.2	0.25%				
Total Opportunistic/Alternatives						\$1,129,851.4	5.22%	5.23%	5.00%		
Real Estate			\$1,477,715.7			\$1,477,715.7	6.83%				
Timber			\$356,624.0			\$356,624.0	1.65%				
Agriculture			\$244,714.8			\$244,714.8	1.13%				
Infrastructure			\$489,039.5			\$489,039.5	2.26%				
Total Real Assets						\$2,568,093.9	11.86%	12.92%	15.00%		
Total Private Equity				\$2,998,769.7		\$2,998,769.7	13.85%	12.00%	12.00%		
Total Cash					\$77,830.7	\$77,830.7	0.36%	0.00%	0.00%		
Total Fund	\$11,947,427.4	\$2,924,307.8	\$2,568,093.9	\$4,128,621.1	\$77,830.7	\$21,646,280.9	100.00%	100.00%	100.00%		

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

Real Estate Asset Allocation

Asset Allocation as of 4/30/2024				Values in \$1,000			
	Real Estate	Percent of Real Estate	Percent of Total Fund		Real Estate	Percent of Real Estate	Percent of Total Fund
Almanac Realty Securities Fund V	\$63.5	0.00%	0.00%	LaSalle Income & Growth Fund VI	\$3,338.8	0.23%	0.01%
Almanac Realty Securities Fund VI	\$3,202.9	0.22%	0.01%	LaSalle Income & Growth Fund VII	\$6,215.3	0.42%	0.03%
Almanac Realty Securities Fund VII	\$17,343.0	1.17%	0.08%	LaSalle Income & Growth Fund VIII	\$35,770.5	2.42%	0.16%
Almanac Realty Securities Fund VIII	\$20,688.9	1.40%	0.09%	LaSalle US Value Partners IX	-\$2,373.9	-0.16%	-0.01%
Almanac Realty Securities Fund IX	\$7,138.8	0.48%	0.03%	LBA Logistics Value Fund	\$29,426.7	1.99%	0.13%
American Center	\$27,375.5	1.85%	0.12%	Lone Star Real Estate Fund IV	\$8,251.3	0.56%	0.04%
AR Insurance	\$2,387.8	0.16%	0.01%	Lone Star Real Estate Fund VII	-\$757.7	-0.05%	0.00%
AR Teachers Retirement Building	\$4,846.5	0.33%	0.02%	Long Wharf Real Estate Partners V	\$17,255.0	1.17%	0.08%
Blackstone Real Estate Partners VII	\$7,368.0	0.50%	0.03%	Long Wharf Real Estate Partners VI	\$34,319.0	2.32%	0.15%
Blackstone RE Europe VI	\$37,360.9	2.53%	0.17%	Mesa West Income Fund V	\$15,153.0	1.03%	0.07%
Blackston RE X	\$4,151.3	0.28%	0.02%	Metropolitan RE Co-Investments	\$8,305.0	0.56%	0.04%
Carlyle Realty Partners VII	\$6,547.6	0.44%	0.03%	Met Life Commercial Mtg Inc Fund	\$45,015.9	3.05%	0.20%
Carlyle Realty VIII	\$12,026.1	0.81%	0.05%	Morgan Stanley Prime Property Fund	\$59,464.0	4.02%	0.27%
Carlyle Realty IX	\$9,593.7	0.65%	0.04%	New Boston Fund VII	\$16,857.7	1.14%	0.08%
CBREI SP U.S. Opportunity V	\$123.2	0.01%	0.00%	O'Connor NAPP II	\$2,934.9	0.20%	0.01%
CBREI SP VIII	\$15,542.7	1.05%	0.07%	PRISA	\$278,429.8	18.84%	1.25%
CBREI SP IX	\$27,331.0	1.85%	0.12%	Recoveries Land	\$70.0	0.00%	0.00%
Cerberus Institutional RE Partners III	\$9,937.9	0.67%	0.04%	Rockwood Capital RE Partners IX	\$2,706.2	0.18%	0.01%
Calmwater	\$11,147.6	0.75%	0.05%	Rockwood Capital RE XI	\$30,224.1	2.05%	0.14%
Fletcher Properties	\$1,072.6	0.07%	0.00%	Rose Law Firm	\$4,599.3	0.31%	0.02%
FPA Core Plus IV	\$34,563.4	2.34%	0.16%	RREEF Core Plus Industrial Fund	\$56,883.7	3.85%	0.26%
GCP GLP IV	\$40,054.5	2.71%	0.18%	Texarkana DHS	\$0.0	0.00%	0.00%
Harbert European Real Estate	\$1,294.6	0.09%	0.01%	Torchlight Debt Opportunity Fund IV	\$1,618.0	0.11%	0.01%
Heitman European Property IV	\$283.6	0.02%	0.00%	Torchlight Debt Opportunity Fund V	\$2,496.8	0.17%	0.01%
JP Morgan Strategic Property Fund	\$155,689.6	10.54%	0.70%	Torchlight Debt Opportunity Fund VI	\$18,888.1	1.28%	0.08%
Kayne Anderson V	\$19,335.2	1.31%	0.09%	Torchlight Debt Opportunity Fund VII	\$29,527.4	2.00%	0.13%
Kayne Anderson VI	\$33,841.1	2.29%	0.15%	UBS Trumbull Property Fund	\$120,218.5	8.14%	0.54%
Landmark Fund VI	\$114.4	0.01%	0.00%	UBS Trumbull Property Income Fund	\$51,481.2	3.48%	0.23%
Landmark Real Estate IX	\$631.7	0.04%	0.00%	Victory	\$33,606.9	2.27%	0.15%
Landmark Real Estate VIII	\$13,638.0	0.92%	0.06%	Walton Street Real Estate Debt II	\$14,800.9	1.00%	0.07%
LaSalle Asia Opportunity Fund IV	\$1,785.2	0.12%	0.01%	West Mphs. DHS	\$0.0	0.00%	0.00%
LaSalle Asia Opportunity Fund V	\$15,342.4	1.04%	0.07%	Westbrook IX	\$5,510.9	0.37%	0.02%
LaSalle Asia Opportunity Fund VI	-\$81.6	-0.01%	0.00%	Westbrook Real Estate Fund X	\$5,736.5	0.39%	0.03%
Total Real Estate				\$1,477,715.7	100.00%	6.63%	

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

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Private Equity Asset Allocation

Asset Allocation as of 4/30/2024				Values in \$1,000			
	Private Equity	Percent of Private Equity	Percent of Total Fund		Private Equity	Percent of Private Equity	Percent of Total Fund
Alpine IX	\$2,415.4	0.08%	0.01%	Insight Mezzanine I	\$1,976.8	0.07%	0.01%
Alpine VIII	\$24,679.2	0.82%	0.11%	JF Lehman III	\$24,804.1	0.83%	0.11%
Arlington Capital IV	\$33,962.6	1.13%	0.15%	JF Lehman IV	\$14,166.6	0.47%	0.06%
Arlington Capital V	\$36,132.8	1.20%	0.16%	JF Lehman V	\$41,218.9	1.37%	0.19%
Arlington Capital VI	\$14,455.7	0.48%	0.06%	JF Lehman VI	\$8,452.5	0.28%	0.04%
Advent GPE VI	\$3,209.2	0.11%	0.01%	KPS III	\$0.0	0.00%	0.00%
Altus Capital II	\$3,951.1	0.13%	0.02%	KPS IV	\$10,714.6	0.36%	0.05%
American Industrial Partners VI	\$33,880.4	1.13%	0.15%	KPS V	\$21,044.8	0.70%	0.09%
American Industrial Partners VII	\$38,196.2	1.27%	0.17%	KPS Mid-Cap	\$16,221.6	0.54%	0.07%
Altaris Constellation Partners	\$21,845.8	0.73%	0.10%	Levine Leichtman V	\$808.7	0.03%	0.00%
Altaris Health Partners IV	\$23,569.4	0.79%	0.11%	Lime Rock III	\$18,234.8	0.61%	0.08%
Atlas Capital II	\$12,910.9	0.43%	0.06%	LLR III	\$799.5	0.03%	0.00%
Audax Mezzanine III	\$1,394.9	0.05%	0.01%	LLR VI	\$26,768.0	0.89%	0.12%
Big River - Equity	\$1,770.4	0.06%	0.01%	LLR VII	-\$71.4	0.00%	0.00%
Big River - Holdings Note 2023	\$0.0	0.00%	0.00%	Mason Wells III	\$0.0	0.00%	0.00%
Big River - Holdings Note 3/16/23	\$0.0	0.00%	0.00%	NGP IX	\$35.2	0.00%	0.00%
Bison V	\$24,753.3	0.83%	0.11%	NGP X	\$2,925.9	0.10%	0.01%
Bison VI	\$11,937.1	0.40%	0.05%	NGP XI	\$15,929.2	0.53%	0.07%
Boston Ventures VII	\$1,352.5	0.05%	0.01%	NGP XII	\$16,533.5	0.55%	0.07%
Boston Ventures IX	\$41,142.3	1.37%	0.18%	One Rock Capital Partners II	\$33,518.8	1.12%	0.15%
Boston Ventures X	\$38,569.7	1.29%	0.17%	PineBridge	\$9,049.5	0.30%	0.04%
Boston Ventures XI	\$9,695.8	0.32%	0.04%	Revelstoke	\$13,378.4	0.45%	0.06%
BV VIII	\$14,695.6	0.49%	0.07%	Post Road	\$17,272.6	0.58%	0.08%
Castlelake II	\$7,340.2	0.24%	0.03%	Riverside Value Fund I	\$20,906.0	0.70%	0.09%
Castlelake III	\$8,910.1	0.30%	0.04%	Riverside V	\$22,658.5	0.76%	0.10%
Clearlake V	\$34,910.9	1.16%	0.16%	Riverside VI	\$30,648.1	1.02%	0.14%
Clearlake VI	\$47,707.5	1.59%	0.21%	Siris III	\$21,301.1	0.71%	0.10%
Clearlake VII	\$19,399.9	0.65%	0.09%	Siris IV	\$38,364.6	1.28%	0.17%
Court Square III	\$29,273.3	0.98%	0.13%	SK Capital V	\$34,666.8	1.16%	0.16%
CSFB-ATRS 2005-1 Series	\$16,585.5	0.55%	0.07%	Sk Capital VI	\$34,503.3	1.15%	0.15%
CSFB-ATRS 2006-1 Series	\$19,508.0	0.65%	0.09%	Sycamore Partners II	\$15,537.3	0.52%	0.07%
Diamond State Ventures II	\$229.9	0.01%	0.00%	Sycamore Partners III	\$25,302.9	0.84%	0.11%
DW Healthcare III	\$5,758.0	0.19%	0.03%	TA XI	\$4,538.7	0.15%	0.02%
DW Healthcare IV	\$23,493.3	0.78%	0.11%	Tennenbaum VI	\$162.6	0.01%	0.00%
DW Healthcare V	\$37,466.7	1.25%	0.17%	Thoma Bravo Discover	\$6,686.9	0.22%	0.03%
EnCap Energy Transition II	\$9,108.5	0.30%	0.04%	Thoma Bravo Discover II	\$24,133.9	0.80%	0.11%
EnCap IX	\$4,607.6	0.15%	0.02%	Thoma Bravo Discover III	\$23,082.5	0.77%	0.10%
EnCap VIII	\$17,506.4	0.58%	0.08%	Thomas Bravo Discover IV	\$9,341.7	0.31%	0.04%
EnCap X	\$17,014.8	0.57%	0.08%	Thoma Bravo Explore I	\$25,035.9	0.83%	0.11%
EnCap XI	\$34,528.8	1.15%	0.16%	Thoma Bravo XI	\$16,709.1	0.56%	0.08%
Franklin Park Series	\$1,172,228.5	39.09%	5.26%	Thoma Bravo XII	\$36,648.6	1.22%	0.16%
Greenbriar V	\$35,317.1	1.18%	0.16%	Thoma Bravo XIII	\$44,312.9	1.48%	0.20%
Greenbriar VI	\$7,323.8	0.24%	0.03%	Thoma Bravo XIV	\$20,538.2	0.68%	0.09%
GCG IV	\$13,887.1	0.46%	0.06%	Thoma Bravo XV	\$11,920.0	0.40%	0.05%
GCG V	\$30,312.3	1.01%	0.14%	Vista Equity III	\$2,277.8	0.08%	0.01%
GCG VI	\$6,347.7	0.21%	0.03%	Vista Foundation II	\$6,578.8	0.22%	0.03%
GTLA Holdings	\$70,700.0	2.36%	0.32%	Vista Foundation III	\$30,336.3	1.01%	0.14%
Highland	\$82,750.0	2.76%	0.37%	Wellspring V	\$14,161.8	0.47%	0.06%
Hybar LLC	\$147.0	0.00%	0.00%	Wicks IV	\$7,757.0	0.26%	0.03%
Insight Equity II	\$6,520.2	0.22%	0.03%	WNG II	\$23,472.7	0.78%	0.11%
				Total Private Equity	\$2,998,769.7	100.00%	13.46%

*Note: The market values for the Real Assets and Private Equity investments shown above are lagged one quarter and adjusted for the current quarter's cash flows.

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

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Arkansas Teacher Retirement System

Description of Benchmarks

Total Fund - The Performance Benchmark for the Total Fund reflects a weighted average of the underlying asset class benchmarks, weighted as follows: Opportunistic/Alternatives and Real Assets at the weight of the previous month's ending market values, Fixed Income and Private Equity at their long-term Policy Targets of 15% and 12%, respectively, and Total Equity at its long-term Policy Target of 50% plus the balance of the unfunded or uncommitted assets of the Opportunistic/Alternatives and Real Assets categories. These targets can be found on page 15 of the this report. From October 2007 to July 2013, the Performance Benchmark was the performance of the asset class benchmarks as a weighted average of the previous month's ending market values. The historical components of the benchmark are shown in the table below. Returns prior to September 30, 1996, consist of the actual allocations to the seven different asset classes included in the Arkansas Teacher Retirement System over time. The historical benchmarks used for each asset class are noted below.

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

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

Arkansas Teacher Retirement System

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 April 1, 2024, the Total Equity Performance Benchmark was comprised of 35.8% DJ U.S. Total Stock Market Index and 64.2% MSCI ACWI IMI.

Fixed Income - The Barclays Capital Universal Bond Index as of March 1, 2004.

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

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

Real Estate-The NCREIF Index.

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

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

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

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

Cash Equivalents - The Citigroup 90 day T-bill.

Arkansas Teacher Retirement System

Description of Benchmarks

FTSE 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.

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

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

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

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

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

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

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

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

NCREIF Index - The National Council of Real Estate Investment Fiduciaries (NCREIF) Net Property Index is an unlevered, market-value weighted Index consisting of \$128 billion in domestic institutional real estate assets. The Index is representative of the national real estate market, across all property types and regions.

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

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.

BlackRock Performance Benchmark - The Barclays Capital Universal Bond Index as of March 1, 2004.

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

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

Russell 3000 Index - An index that measures the performance of the 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.

Russell Mid Cap Value Index - An index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

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

HFR Macro Index - Macro: Investment Managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables and the impact these have on equity, fixed income, hard currency and commodity markets. Managers employ a variety of techniques, both discretionary and systematic analysis, combinations of top down and bottom up theses, quantitative and fundamental approaches and long and short term holding periods. Primary investment thesis is predicated on predicted or future movements in the underlying instruments.

HFR Distressed/Restructuring Index - Distressed Restructuring Strategies employ an investment process focused on corporate fixed income instruments, primarily on corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy proceeding or financial market perception of near term proceedings. Distressed Strategies employ primarily debt (greater than 60%) but also may maintain related equity exposure.

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

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

Arkansas Teacher Retirement System

Historical U.S. Equity and Global Equity composite returns

As of June 30, 2015	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
U.S. Equity	6.7	18.1	16.4	9.4	10.5	04/01/1986
Dow Jones U.S. Total Stock Market Index	7.2	17.6	17.5	8.3	-	
Global Equity	1.8	14.6	12.1	-	2.5	11/01/2007
MSCI AC World Index (Net)	0.7	13.0	11.9	6.4	2.1	

In June 2015, the ATRS Board approved the combination of the U.S. and Global equity asset classes to a single Total Equity asset class. Total Equity performance reporting began in July 2015. In the table above, we show the historical returns for the U.S. Equity and Global Equity asset classes since inception through June 2015. Performance for the Total Equity asset class prior to July 2015 represents a weighted average of the U.S. Equity and Global Equity historical performance.

Notes

- The rates of return contained in this report are shown on an after-fees basis unless otherwise noted. They are geometric and time-weighted. Returns for periods longer than one year are annualized.
- Universe percentiles are based upon an ordering system in which 1 is the best ranking and 100 is the worst ranking.
- Due to rounding throughout the report, percentage totals displayed may not sum to 100%. Additionally, individual fund totals in dollar terms may not sum to the plan total.

All information presented in this report should be considered preliminary. Finalized data will be available on next Quarterly Investment Report after the close of the quarter.

Disclaimer

Past performance is not necessarily indicative of future results.

Unless otherwise noted, performance returns presented reflect the respective fund's performance as indicated. Returns may be presented on a before-fees basis (gross) or after-fees basis (net). After-fee performance is net of each respective sub-advisors' investment management fees and include the reinvestment of dividends and interest as indicated on the notes page within this report or on the asset allocation and performance summary pages. Actual returns may be reduced by Aon Investments' investment advisory fees or other trust payable expenses you may incur as a client. Aon Investments' advisory fees are described in Form ADV Part 2A. Portfolio performance, characteristics and volatility also may differ from the benchmark(s) shown.

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Refer to Hedge Fund Research, Inc. www.hedgefundresearch.com for information on HFR indices.

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Aon Investments USA Inc.
200 East Randolph Street
Suite 700
Chicago, IL 60601
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Arkansas Teachers Retirement System Fourth Quarter 2023 Real Assets Performance Review

PROPRIETARY & CONFIDENTIAL

June 2024

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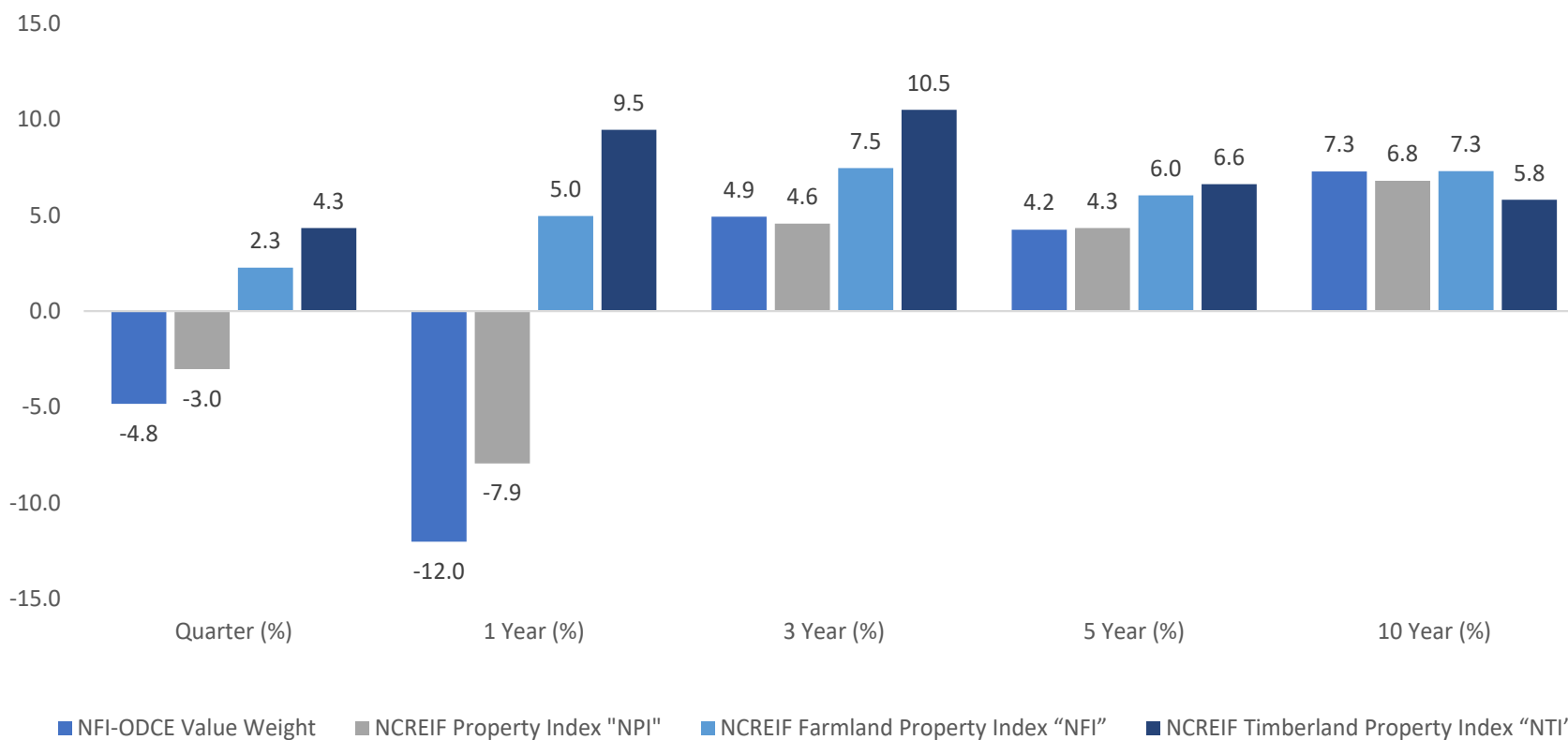
Agenda

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Real Assets Markets Performance and Overview

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
NFI-ODCE Value Weight	-4.8	-5.0	-12.0	-12.7	4.9	4.0	4.2	3.3	7.3	6.3
NCREIF Property Index "NPI"	-3.0		-7.9		4.6		4.3		6.8	
NCREIF Farmland Property Index "NFI"	2.3		5.0		7.5		6.0		7.3	
NCREIF Timberland Property Index "NTI"	4.3		9.5		10.5		6.6		5.8	



Portfolio Funding Status and Composition

As of December 31, 2023	ATRS' Portfolio \$ in Millions
Number of Investments	88
Total Commitments	4,652.8
Unfunded Commitments	808.6
Total Paid-In Capital	4,135.3
Total Distributions	3,673.1
Net Asset Value	2,552.5
Gross Asset Value	3,814.8
DPI	0.9x
TVPI	1.5x
Since Inception IRR	6.9%
<i>*Active and Liquidated</i>	

PORTFOLIO COMPOSITION TO TARGETS (As of 12/31/2023)		
	Target	Actual Funded
Target Real Asset Allocation	15%	12.0%
Portfolio Style Composition		
Real Estate	10%	6.8%
Core*	50%-70%	58.1%
Non-Core	30%-50%	41.9%
Value-Added**	N/A	26.1%
Opportunistic**	N/A	15.8%
Agriculture	1%	1.2%
Timber	2%	1.7%
Infrastructure	2%	2.3%
Leverage	50%	33.1%

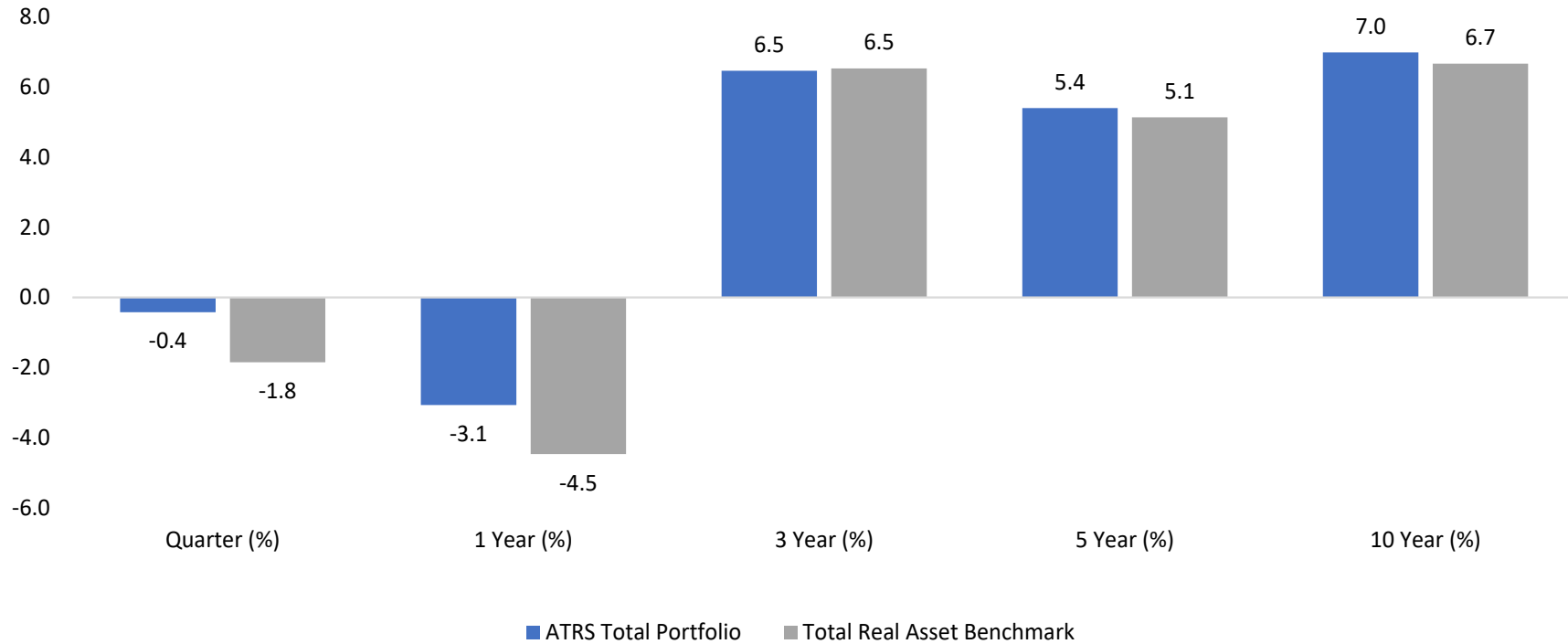
* Includes Arkansas Investments

** No stated targets

- The portfolio is in compliance with its Statement of Investment Policy.

ATRS' Real Assets Performance

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
ATRS Total Portfolio	-0.1	-0.4	-1.9	-3.1	8.1	6.5	6.9	5.4	8.5	7.0	6.9	1.5
Total Real Assets Benchmark		-1.8		-4.5		6.5		5.1		6.7		



*The ATRS Total Real Assets Benchmark was comprised of the NFI-ODCE returns, the NCREIF Timberland returns, the NCREIF Agriculture returns, and CPI plus 500 weighted by the allocations based on Net Asset Values across the various sub-categories, and thus defined as Real Assets benchmark, Timber benchmark, Agriculture benchmark, and Infrastructure benchmarks prior to 3Q2020. As of 3Q2020, the Timberland and Agriculture benchmarks going forward will no longer be weighted and are just the NCREIF Timberland and NCREIF Farmland returns, gross of fees.

ATRS' Real Asset Performance Summary

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Real Estate	-2.9	-3.2	-8.1	-9.0	5.3	3.8	4.1	2.7	7.7	6.2	7.2	1.4
NFI-ODCE Value Weight	-4.8	-5.0	-12.0	-12.7	4.9	4.0	4.2	3.3	7.3	6.3		

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Timberland	5.3	5.1	4.0	3.1	9.4	8.5	8.6	7.6	6.6	5.7	5.5	2.0
Timberland Property Benchmark*	4.3		9.5		10.5		7.0		5.6			

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Agriculture	1.2	0.9	6.6	5.5	10.5	9.3	7.8	6.6	6.7	5.6	6.1	1.5
Agriculture Benchmark*	2.3		5.0		7.5		6.3		5.7			

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)		10 Year (%)		Net IRR	Equity Multiple
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET		
Infrastructure	4.2	3.5	10.8	8.6	15.6	12.8	16.3	13.6	N/A	N/A	12.9	1.5
Infrastructure Benchmark	0.9		8.5		9.7		8.5		N/A			

ATRS' Real Assets Portfolio Highlights

- Commitment activity update
 - ATRS made the following commitments during, or subsequent to quarter end:
 - KKR Real Estate Partners Americas IV: \$50 million
 - Carlyle Realty Partners X: \$50 million
 - ATRS is in the queue with a partial redemption of UBS TPF
 - As of December 31, 2023, the TPF redemption queue is \$6.1 billion and expect full repayment by YE26

Significant Events

- In Q4 of 2023, J.P. Morgan announced that Kim Adams, Portfolio Manager of the Strategic Property Fund has departed effective immediately. She will be succeeded by a team of three portfolio managers, Brian Nottage, Sue Kolasa, and Caitlin Simon who will share one vote on the investment committee.
- In Q1 of 2024, LaSalle Value Partners U.S. announced that Joe Munoz, President of LaSalle Value Partners has departed the firm effective immediately. He will be succeeded by Jeff Shuster, the former Head of Investments for LaSalle Value Partners.

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United States Real Estate Market Update (4Q23)

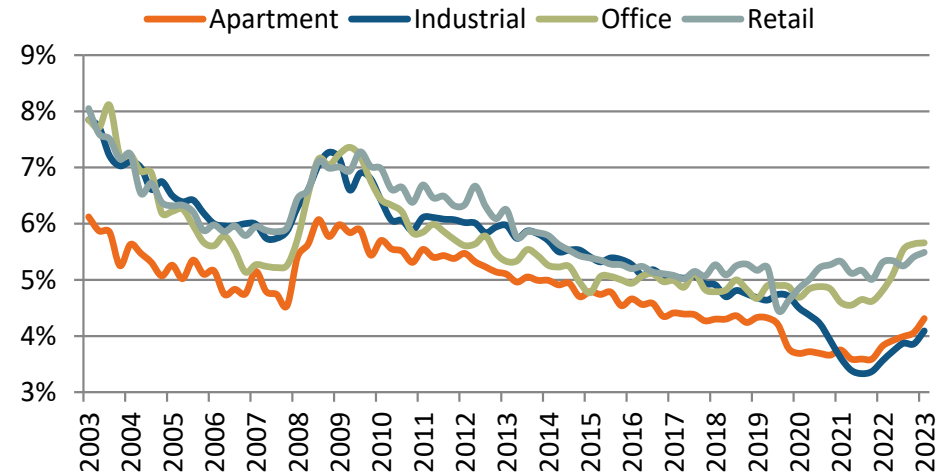
General

- The economy continues to face headwinds stemming from an increasingly aggressive federal funds rate, continuous inflation, and geopolitical events. The S&P 500 rebounded after a difficult third quarter, returning 11.7% to close out 2023. The MSCI US REIT index also rebounded from its challenging year coming in at 16% for the fourth quarter.
- During the fourth quarter, GDP increased at an annualized rate of 3.3%. This positive growth was primarily due to government spending, consumer spending, and strong job market growth. Inflation has tamed over previous quarters due to the Fed reducing the central bank's balance sheet and the Federal Open Market Committee's dramatic rate hikes spanning from March 2022 until mid-2023.
- 10-year treasury bond yields increased, ending the quarter at 3.9%. As economists expected, rates moved significantly higher throughout 2023, but have since plateaued after the Fed paused its dramatic rate increases spanning from early 2022 until mid 2023.

Commercial Real Estate

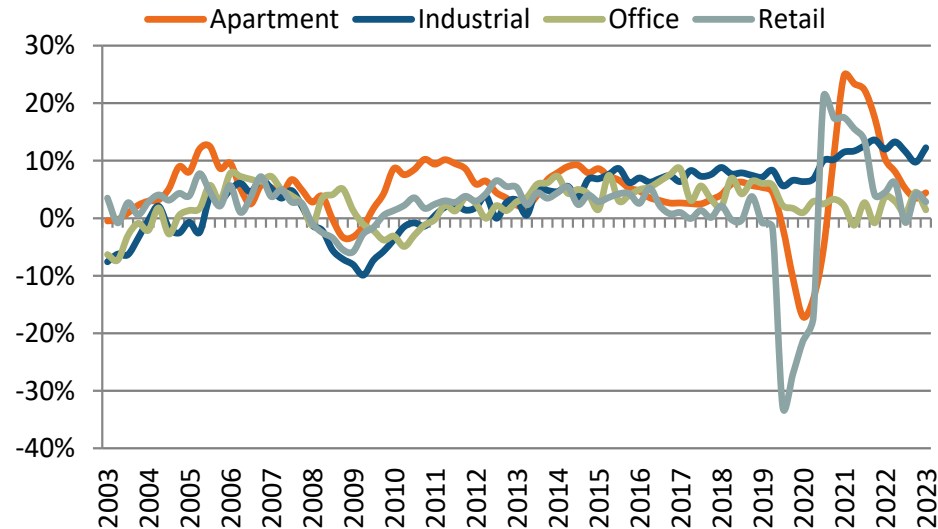
- The fourth quarter of 2023 saw total CRE transaction activity decrease by 51% YOY. The apartment sector transaction volumes in the U.S. have dropped dramatically due to a large amount of transaction volume during and post-pandemic. Although apartment fundamentals remain intact, the increase in cost of debt has contributed to a YoY decrease in transaction volume of 61%.
- Transaction cap rates (5.7%) expanded, moving out 53 bps during the quarter. This increase continues the upward trend on cap rates beginning in 4Q21. Current valuation cap rates expanded for all major property sectors, led by apartment (+23 bps), and followed by industrial (+23 bps), retail (+7 bps), and office (+2 bps).
- NOI growth has continued to diverge between property sectors. Apartment sector struggles due to near-term supply of new deliveries; however, fundamentals over the longer-term continue to show strength. With the cost of debt for homes continuing to become more expensive, Apartment NOI expanded (4%) YoY. Industrial NOI continued to expand (12%) YoY with the continued investments into direct-to-customer distribution by companies.
- Commercial Real Estate fundraising activity rebounded after seeing a slow year. In the fourth quarter, the number of funds in the market increased (22%) as well as a (5%) increase in aggregate capital raised over the previous quarter, albeit aggregate capital raised has declined by 53% YoY.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Qtr Rolling NOI Growth



Source: NCREIF

United States Property Matrix (4Q23)



INDUSTRIAL

- In 4Q23, industrial properties returned -2.29% and outperformed the NPI by 73 bps.
- Transaction volumes decreased to \$21 billion in the fourth quarter of the year, resulting in an 43% decrease year-over-year. Individual asset sales decreased 70% year-over-year, while portfolio purchases turned in a year-over-year volume increase of 20%. At \$21 billion, the industrial sector slightly decreased by \$2 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 12.25% over the past year. NOI continues to reach all time highs for the sector.
- Vacancy increased by 81 bps year-over-year to 2.3%. Vacancy in the sector increased 24 bps from the prior quarter. E-commerce continues to drive demand across the sector.
- Industrial cap rates expanded approximately 53 bps from a year ago, to 4.09%. Industrial overall fundamentals still top all property sectors.

MULTIFAMILY

- The apartment sector delivered a -2.98% return during the quarter, outperforming the NPI by 4 bps.
- Transaction volume in the fourth quarter of 2023 slightly decreased to \$27 billion, resulting in a decrease of 50% year-over-year. Transaction volume for the sector slightly decreased from the third quarter by nearly 20%. This volume continues to make multifamily the most actively traded sector for the twenty third straight quarter.
- Cap rates increased to 4.31% quarter-over-quarter, increasing 49 bps year-over-year. Multifamily cap rates remain at low levels relative to prior years, driven by continued increases in valuation.
- The multifamily sector saw increasing vacancy rates throughout the entirety of 2020 due to the global pandemic. Throughout 2021 and 2022, the sector appeared to have shaken that trend although vacancy rates remained steady. Vacancy rates increased during fourth quarter of 2022 and have increased to 6.73% as of the fourth quarter of 2023. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

OFFICE

- The office sector returned -5.40% in 4Q23, 238 bps below the NPI return over the period.
- Transaction volumes decreased by 32% year-over-year in the fourth quarter. Transaction volume equated to \$14 billion for the quarter, slightly increasing quarter-over-quarter. Office transaction levels have regressed since 4Q21 and are at levels seen during the COVID-19 pandemic.
- Office sector vacancy rates have expanded since the beginning of the pandemic due to work from home orders and uncertainty revolving around the future of office space. Office continues to be the highest vacancy property type at 14.13%, increasing by 54 bps from last quarter.
- NOI growth in the office sector decreased quarter-over-quarter by 200 bps to -2.00% and is still experiencing volatility given the current market environment.
- Office cap rates expanded from a year ago, sitting at approximately 5.7%. Office-using job growth was stunted significantly through out 2020 due to work from home orders. Though we are observing a slow but steady flow back to in-office work, there is still uncertainty in the sector.

RETAIL

- As of 4Q23, the retail sector delivered a quarterly return of -1.12%, outperforming 190 bps compared to the NPI.
- Transaction volumes totaled \$12 billion in the fourth quarter, decreasing 31% year-over-year. Single asset transactions accounted for just over 91% of all sales volume for the quarter.
- Cap rates have remained fairly steady within the sector over the last year at 5.5%. Current valuation cap rates expanded quarter-over-quarter by 7 bps due to valuation adjustments made across the sector in general.
- NOI growth increased from the prior quarter to 3.50% as of the fourth quarter. Retail has begun its slow recovery but has continued to experience volatility due to the current market environment.
- Retail vacancy rates remained steady over the quarter at 7.0%, down 14 bps over the past year. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis, which has had a significant negative impact on this sector.

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Global Real Estate Market Update (4Q23)

- This past year in the global real estate market proved to be an uphill battle for buyers and sellers alike as high volatility, low inventory, and elevated interest rates were persistent throughout. While commercial interest rates quelled transaction activity in the fourth quarter, they have begun to stabilize and cuts by the Federal Reserve expected in the second half of 2024. Year over year, deal volumes have contracted by 37% YOY with buyers and sellers far apart on pricing.

- US markets have exhibited pronounced deterioration with transaction volumes decreasing 53% since the third quarter of last year. This drawback in activity has outgrown the period in decline at the onset of the pandemic. Significant distress, up to \$42 billion in office alone, is expected to materialize in the coming months. The refinancing and discounted sales to offset these losses should compound as the year progresses.

- China emerged as the top performing market in the Asia Pacific this year, seeing distressed office and retail properties begin to trade following a stagnant period midyear. Singapore doubled its activity in the quarter, leaning into cross border investment in value-added hotel and logistics prospects. Japan deal making waned in the quarter, as concerns over the Bank of Japan's (BOJ) cessation of its negative interest rate policy impacted investor interest in office assets.

- The fourth quarter confirmed a decade low in real estate transaction volumes across major European markets. Despite these themes, there is increased optimism that favorable funding conditions are on the horizon as interest rates are expected to decline in the second half of 2024. Investors in Italy and the UK have gravitated to alternative property types, namely student housing, for their counter cyclical components and a shortage of supply in the region. Overall, there is belief of a gradual recovery over the coming quarters in markets with stable economic conditions, inflation has subdued, and repricing has taken shape (ie. The UK, Netherlands, Spain).

- US logistics and industrial markets saw supply nearly triple net absorption for the year as developers completed 607 million square feet of new product. This was reflected in the average vacancy rate reaching 5.5%, the highest since 2016. These elevated level of vacancies, along with the rising cost of debt have led to concessions in construction starts. As construction starts remain limited, new supply will fall off during each quarter of 2024, positioning supply and demand to reach equilibrium by the end of the year.

- US housing construction was robust over the year, particularly for single-family housing. Forecasts point towards US home starts tracking below the rate of household formations, forming a gap in supply. Europe's largest economies (Germany, France, & the UK) have been hamstrung by a steep decline in housebuilding due to rising build and debt costs and developer insolvencies. These hurdles are consistent across the Asia Pacific among chronic undersupply, rapid urban population growth, and the least affordable ownership rates. This has resulted in the surge of interest in institutional multifamily in the region, while boosting demand for nice sectors in senior and student housing.

Global Total Commercial Real Estate Volume - 2022 - 2023

\$ US Billions	Q4 2023	Q4 2022	% Change		% Change Full	
			Q4 23 - Q4 22	2023	2022	Year
Americas	79	131	-40%	329	701	-53%
EMEA	44	68	-35%	173	339	-49%
Asia Pacific	268	266	1%	688	860	-20%
Total	391	465	-16%	1191	1900	-37%

Source: Real Capital Analytics, Inc., Q4' 23

Global Outlook - GDP (Real) Growth % pa, 2023-2025

	2023	2024	2025
Global	3.1	3.1	3.2
Asia Pacific	4.0	4.1	4.0
Australia	1.9	1.4	2.2
China	5.2	4.6	4.4
India	7.2	6.8	6.3
Japan	2.0	0.8	1
North America	2.5	1.6	1.7
US	2.5	1.6	1.7
Middle East	1.0	2.0	4.0
European Union	0.5	0.9	1.7
France	0.8	0.7	1.3
Germany	-0.3	0.2	1.2
UK	0.3	0.4	1.2

Source: Bloomberg

Infrastructure – Fourth Quarter 2023 Market Update

General

- Infrastructure managers completed 2,067 deals for an aggregate deal value of \$308.2 billion in 2023 compared to 2,652 deals totaling \$420.4 billion in 2022. By region, Europe saw the largest number of deals, with 43.8% of deals being completed in the region, followed by North America at 28.1%. APAC amassed 11.4% of activity through the end of 2023.

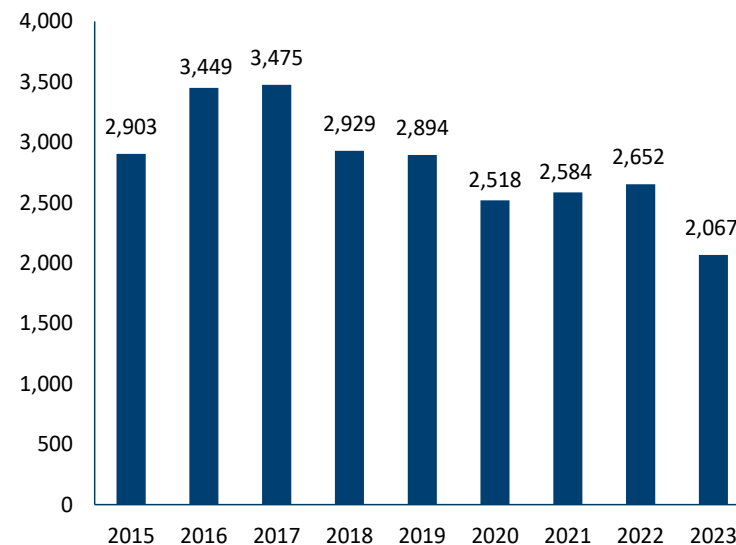
Opportunity

- Mid-market core+ and value-add infrastructure as well as a platform investing approach continue to offer the best relative value.
- Assess funds with pre-specified assets with caution due to possible lag in and uncertainty around valuation impact.
- Blind-pool funds may be better positioned to take advantage of the market dislocation in certain sub-sectors, however careful review of such strategies is required.
- Build-to-core greenfield strategies particularly in the social / PPP infrastructure space offer a premium for investors willing to take on construction / development risk.

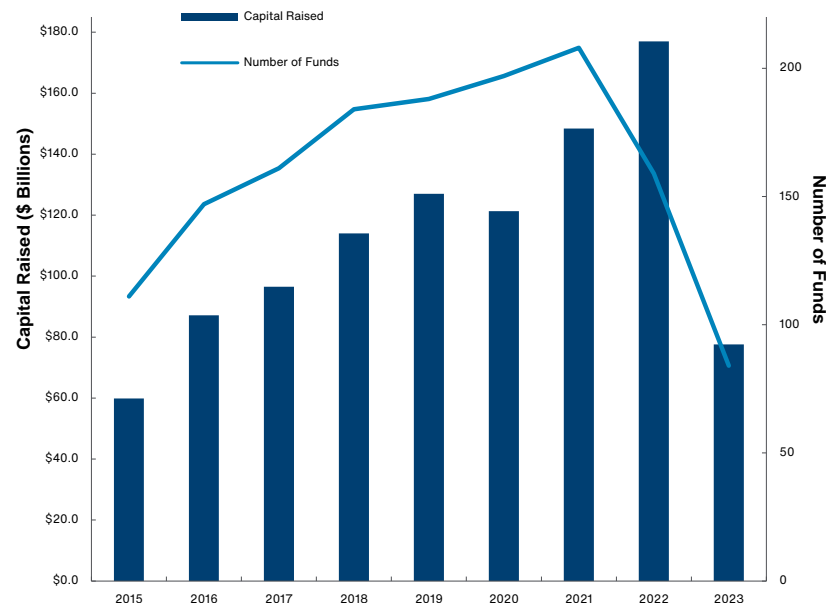
Fundraising

- \$77.6 billion of capital was raised by 84 funds in 2023 compared to \$177.0 billion of capital raised by 159 partnerships in 2022. This was a decline of 43.6% compared to the five-year average of \$137.6 billion. Infrastructure funds are staying in market longer, with 55.2% of closed funds fundraising for two years or more.
 - Brookfield Infrastructure Fund V was the largest fund closed at \$28.0 billion of commitments.
- As of the end of Q4 2023, there were an estimated 413 funds in the market seeking roughly \$545.2 billion.
 - The largest funds in market, Global Infrastructure Partners V and ALTERRA Acceleration, each had target fund sizes of \$25.0 billion.
 - The ten largest funds are each seeking \$10.0 billion or more of LP commitments.
- Concerns surrounding the relative availability and pricing of assets remain. Although fundraising has slowed it remains competitive given the number of funds and aggregate target level of funds in market. Investor appetite for the asset class persists despite the strong levels of dry powder and increased investment activity from strategic and corporate buyers as well as institutional investors.

Number of Infrastructure Deals Completed



Global Infrastructure Fundraising



Farmland – Fourth Quarter 2023 Market Update

FARMLAND MARKETS

- Agriculture markets remained pressured during the quarter as near record global crop production in 2023, a strong U.S. dollar, higher interest rates and lower exports volumes continued to drive ag commodity price declines off peak levels reached in 2022; although overall price levels remain higher than historical averages. Wheat and corn prices have been most impacted by record production levels, whereas soybean prices remained elevated driven by an uptick in renewable fuel demand. **(Fig. 1)**
- By historical measures though, grain and oilseed stock inventories remain relatively tight providing some price stability over the near-term, but farmers have begun to feel the impact. U.S. farm sector profits decreased by ~18% in 2023 and an expected ~24% in 2024 largely driven by the broad decline in ag commodity prices over the past 18-months. **(Fig. 2)**
- However, the decline is not uniform across all producers, as fruit and tree nut revenues are forecast to increase by 3% in 2024, with export demand picking up significantly over the last 6-months of the year helping drive the improvement.
- Land values in the U.S. have remained strong during the year reaching record levels in some U.S. regions; however, a broader *slowdown* in land value was apparent and most pronounced in comparing 2023 gains to 2022.
- We expect continued moderation of values in 2024 and notably across row crops coming off record levels and as pressure from crop price declines and higher borrowing costs persist.

FIG 1: Major Global Crop Price Index

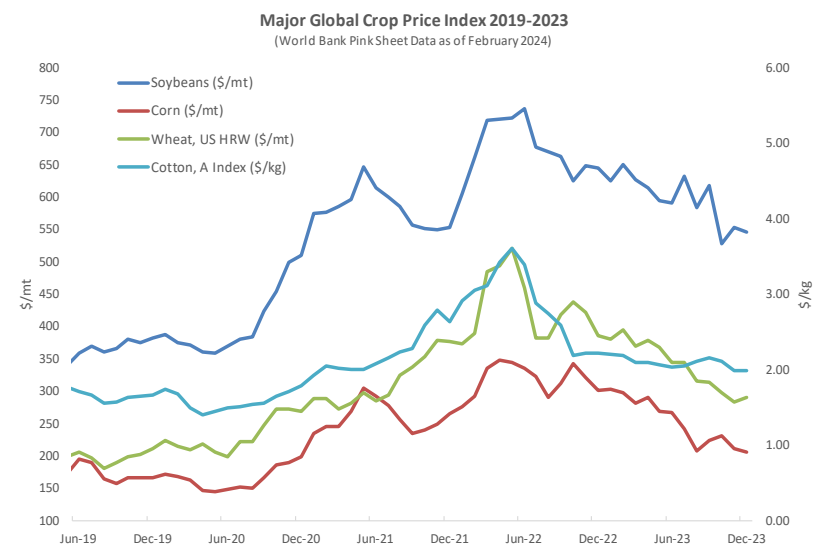
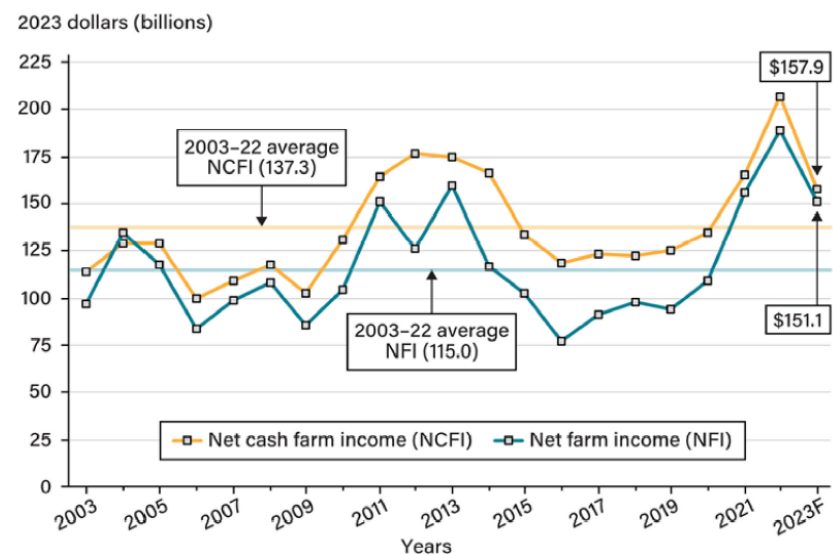


FIG 2: U.S. Farm Sector Profitability

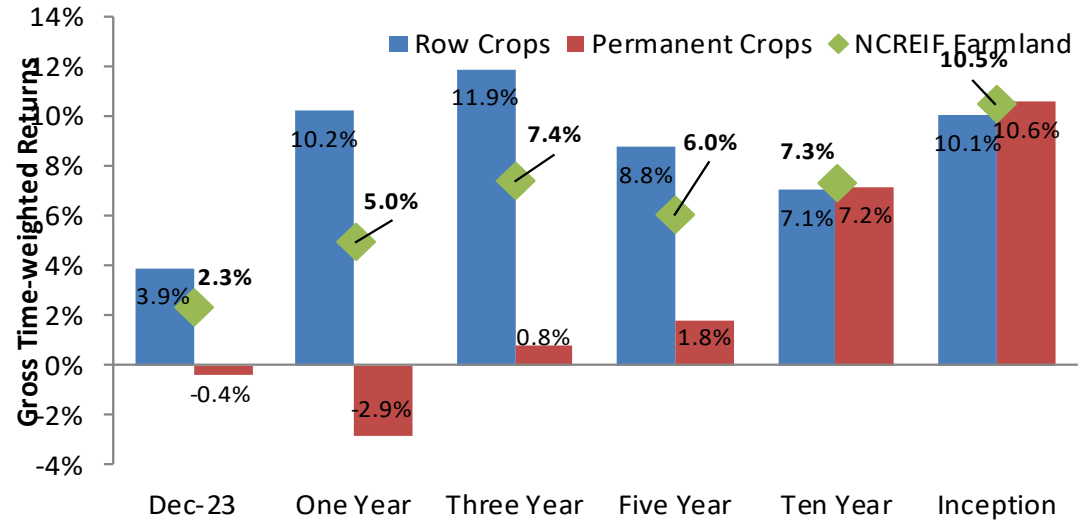


Farmland – Fourth Quarter 2023 Performance Update

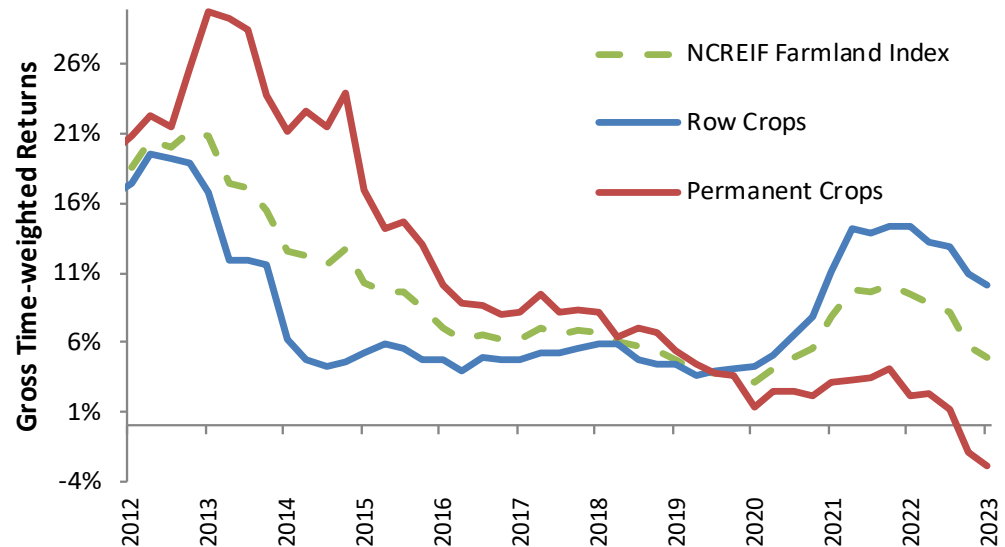
NCREIF FARMLAND INDEX 4Q23

- The NCREIF Farmland Index (“NFI”) returned 2.3% in 4Q23, a 250-basis point improvement over last quarter’s negative return of -0.3%. The return included 1.5% income and 0.8% appreciation.
- For 2023, the NFI generated a 5.0% total return comprised of 3.3% of income and 1.6% appreciation.
- Row crops remained the top performing farm-type during the quarter and over the year but returns continued to moderate from recent-peak levels reached at the end of 2022 and driven by the broader ag commodity market’s softening and rebalancing.
- For the quarter, row crops generated 3.9% with 2.8% of appreciation and 1.2% of income. Permanent crops remained in negative territory with a -0.4% return comprised of -2.5% appreciation and 2.1% of income.
- Row crops return for the year was 10.3% and save for the prior two-years was the highest annual return since the peak of the last super-cycle in 2013.
- Permanent crops generated its first negative calendar-year return since 2001 with a -2.9% total return, driven substantially by the continued underperformance of almonds.

NCREIF Farmland Index Farm Type Returns December 2023



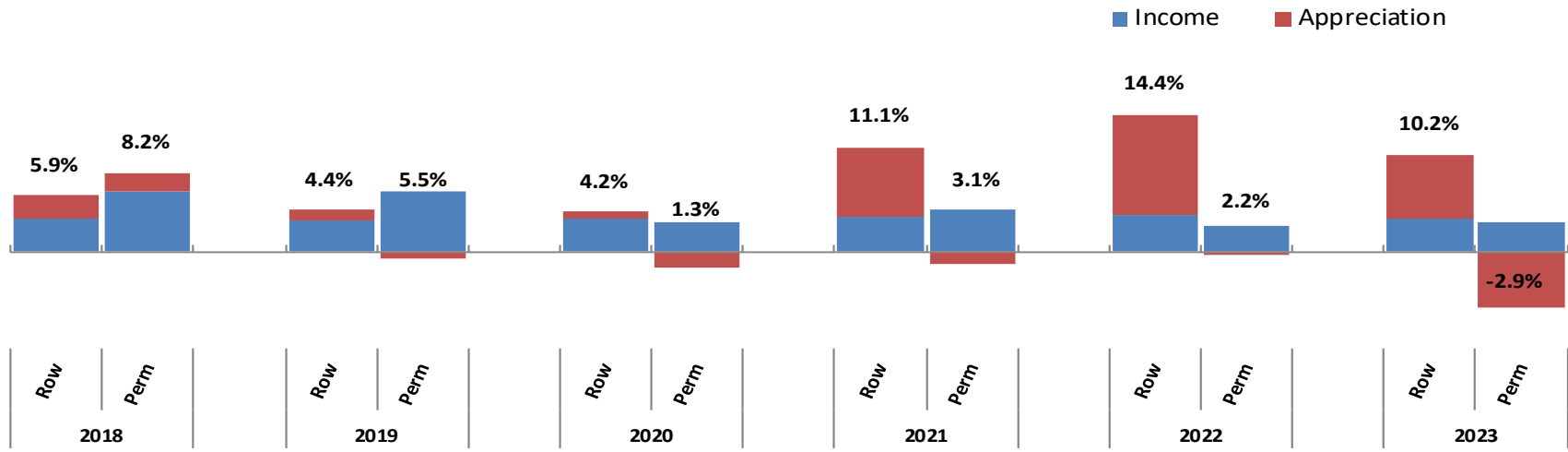
NCREIF Farm Type Performance (Rolling 1-year total returns through 4Q 2023)



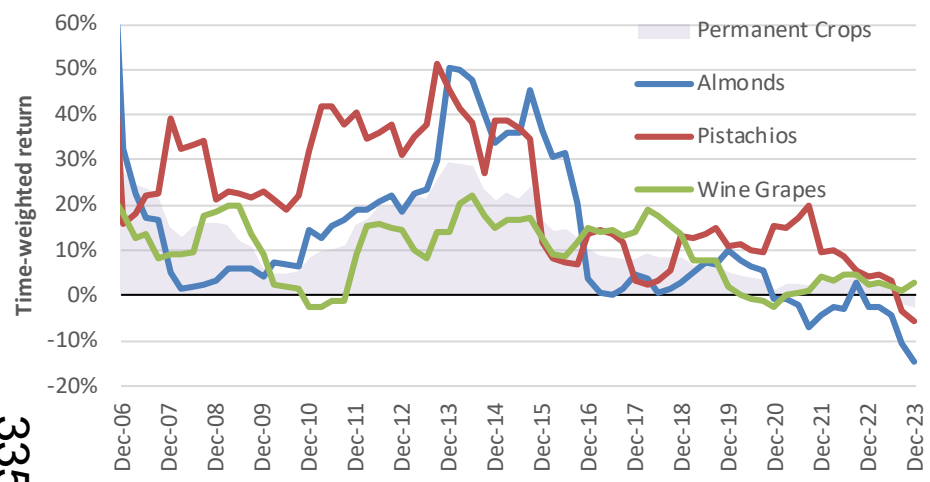
Farmland – Fourth Quarter 2023 Performance Update

NCREIF FARMLAND INDEX 4Q23

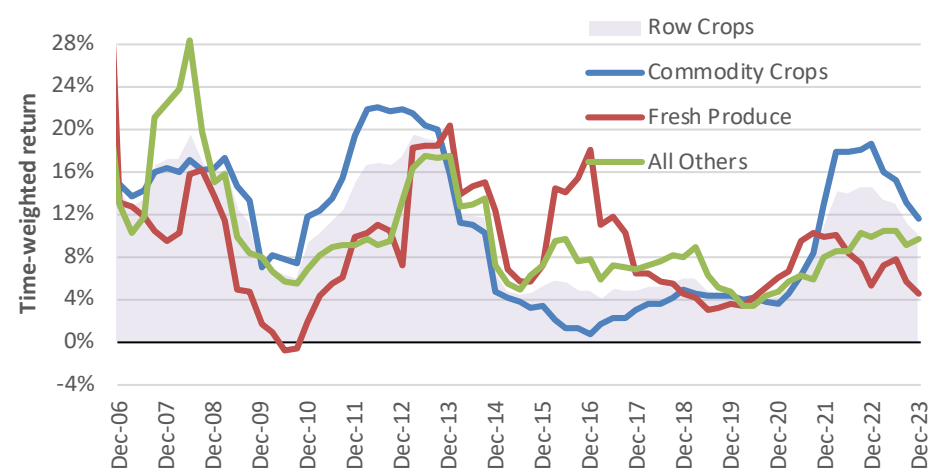
NCREIF Farm Type Performance Attribution
(Trailing Twelve Month Gross time-weighted returns 4Q 2023)



NCREIF Permanent Crop Performance by Crop Type
(Rolling 1-year total returns through 4Q 2023)



NCREIF Row Crop Performance by Crop Category
(Rolling 1-year total returns through 4Q 2023)





Timberland – Fourth Quarter 2023 Market Update

TIMBERLAND MARKETS

- Global timberland market conditions remained stable but began exhibiting signs of weakening during the quarter with sustained inflation, slower manufacturing activity, and improving but relatively uncertain housing markets.
- Housing starts ended the year at 1.46 million (SAAR*)- up 7.7% vs. the prior quarter and up 7.6% versus year-end 2022. While U.S. housing starts improved homebuilder/buyer sentiment remained muted. (Fig. 1)
- China’s softened market activity and weakened property sector continued to impact global lumber markets. Global sawtimber demand slowed during the year and broadly driven by softer economic activity in China as well as rising U.S. interest rates and related home affordability challenges.
- Timber prices in the U.S. were mixed but saw a general decline across the South and Northwest during the quarter (Fig. 2/3), while prices in Brazil and other major S. American regions were relatively more favorable.
- Oceania’s timber markets were mixed but generally followed the same path as the Americas with declining prices. Australia & New Zealand remained China’s largest source of imported logs, although Russia continues to take market share and remained the primary softwood lumber exporter to China during the year. (Fig. 4)

FIGURE 1: U.S. housing starts & 30-year mortgage rate

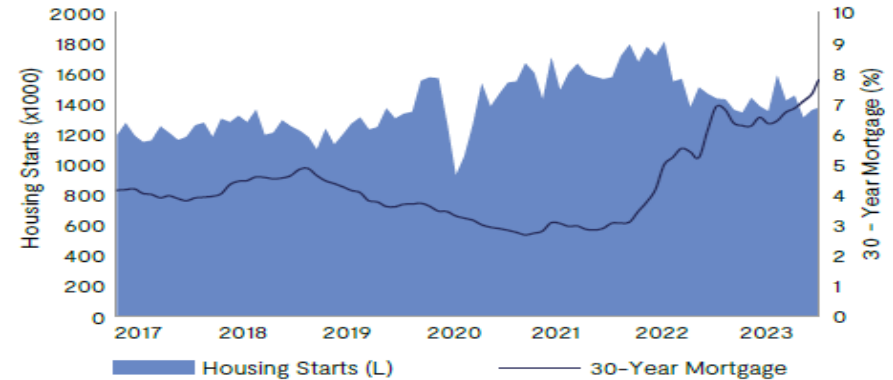


FIGURE 2/3: U.S. South/Northwest Timber Prices

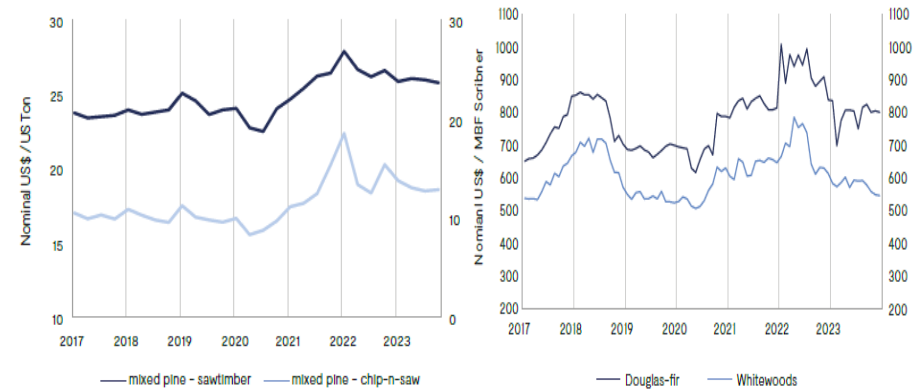
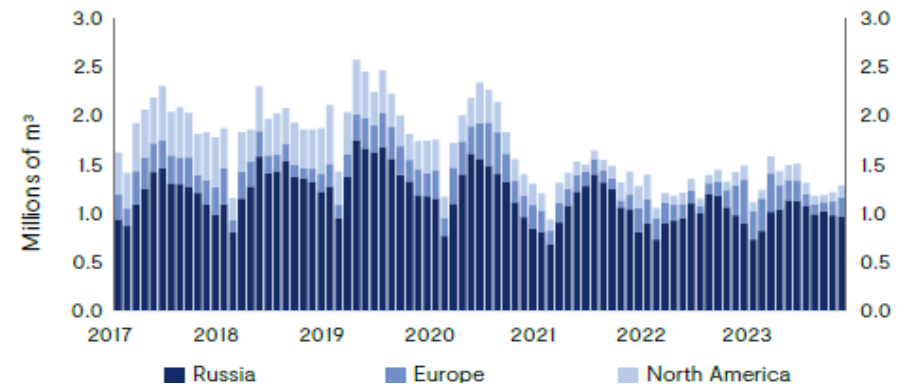


FIGURE 4: Chinese softwood lumber imports



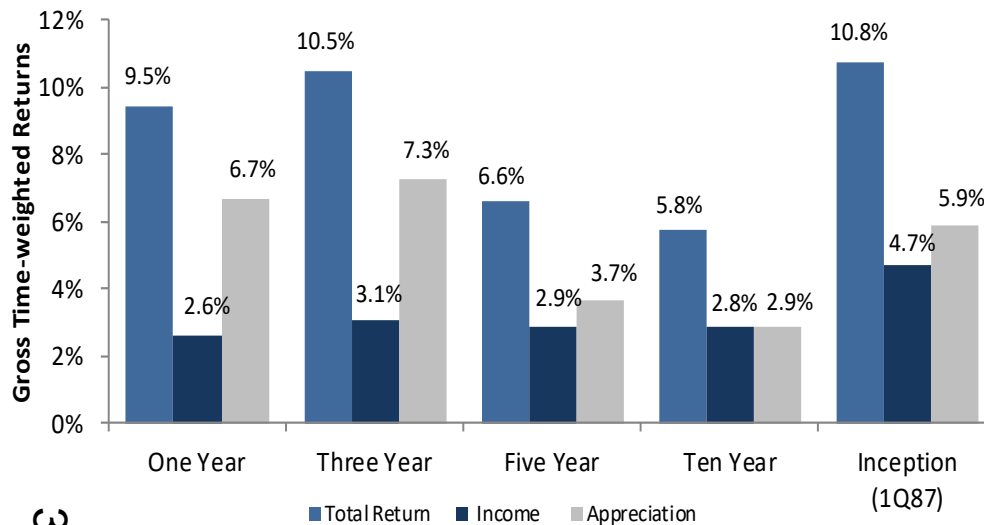
Timberland – Fourth Quarter 2023 Performance Update

TIMBERLAND PERFORMANCE

- The NCREIF Timberland Index (“NTI”) ended 2023 with strong performance generating a 9.5% total return for the twelve-month period.
- The NTI returned 4.3% for the quarter, a notable increase from last quarter’s 1.4% return; however, the NTI historically shows the largest return movement at year-end driven by appraisal/valuation policies. The return was comprised of 0.8% income and 2.6% appreciation. The NTI’s calendar-year return of 9.5% was driven by an appreciation return of 6.7% and an income return of 2.6% - down from last year’s strong performance (12.9%), but significantly above returns generated over the last decade.
- The U.S. South and Northwest, the NTI’s two largest regions by MV (c. 90%) – had quarterly returns of 5.4% and 3.1%, respectively, relative to last quarter’s corresponding returns of 1.8% and 0.7%. The South’s return was comprised of 0.8% income and 4.6% appreciation, while the Northwest consisted of a 0.6% income return and 3.6% appreciation.

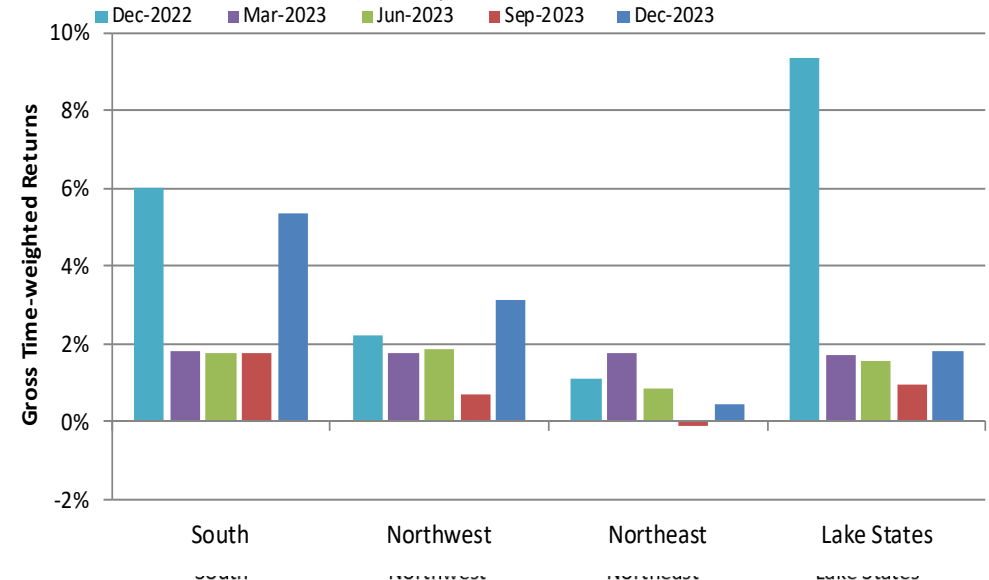
NCREIF Timber Index Total Returns

Gross time-weighted returns as of 4Q 2023



NTI Quarterly Regional Return Trends

(Quarterly total returns 4Q22-4Q23)

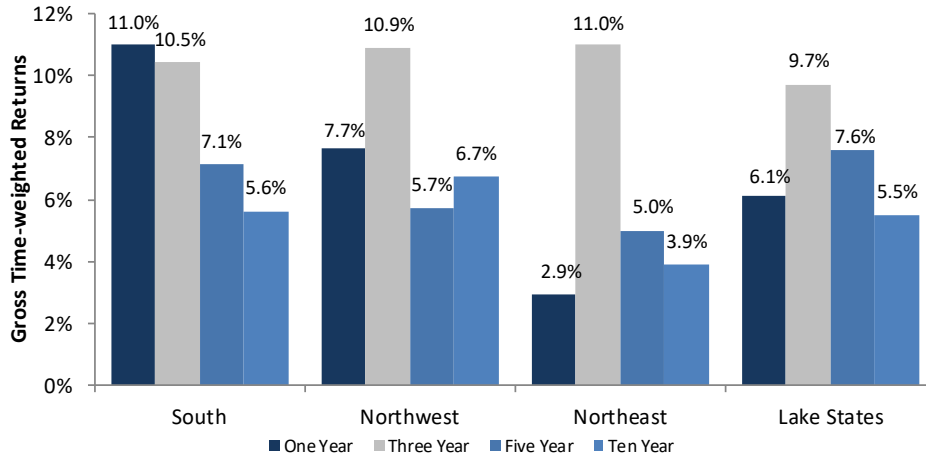


Timberland – Fourth Quarter 2023 Performance Update

TIMBERLAND PERFORMANCE

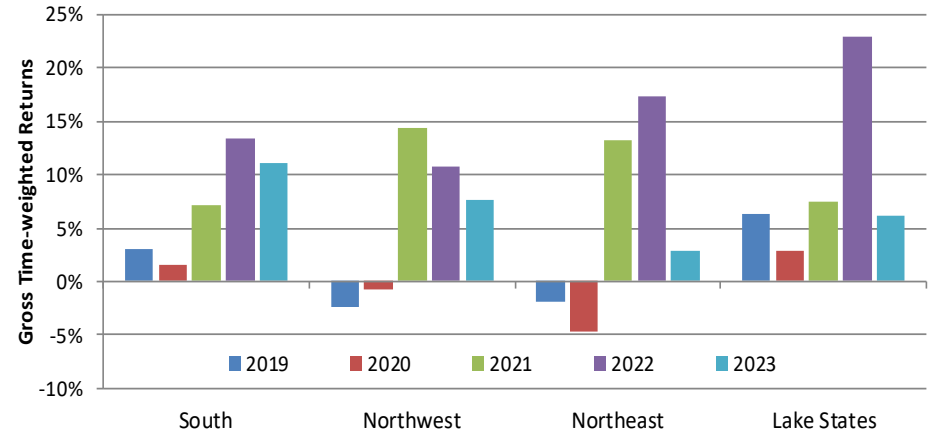
NCREIF Timber Index Regional Returns

Gross time-weighted returns as of 4Q 2023



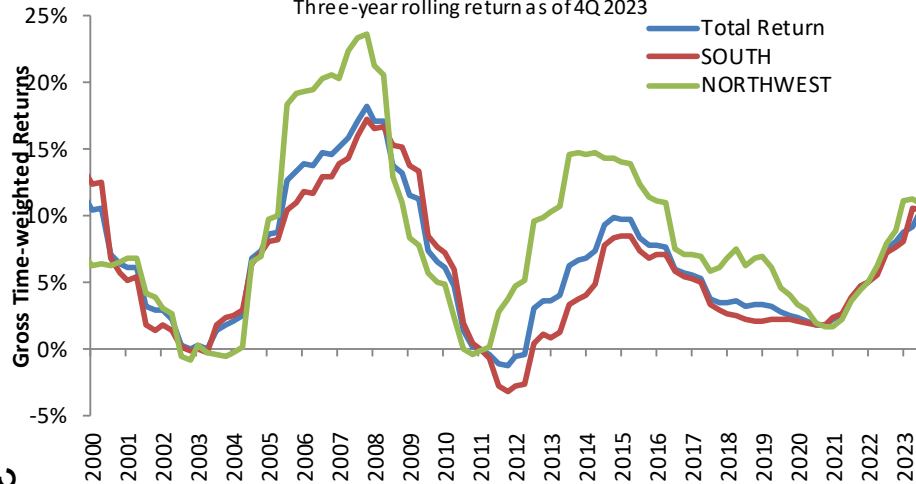
NTI Annual Regional Return Trends

(Calendar year total returns ending 4Q 2023)



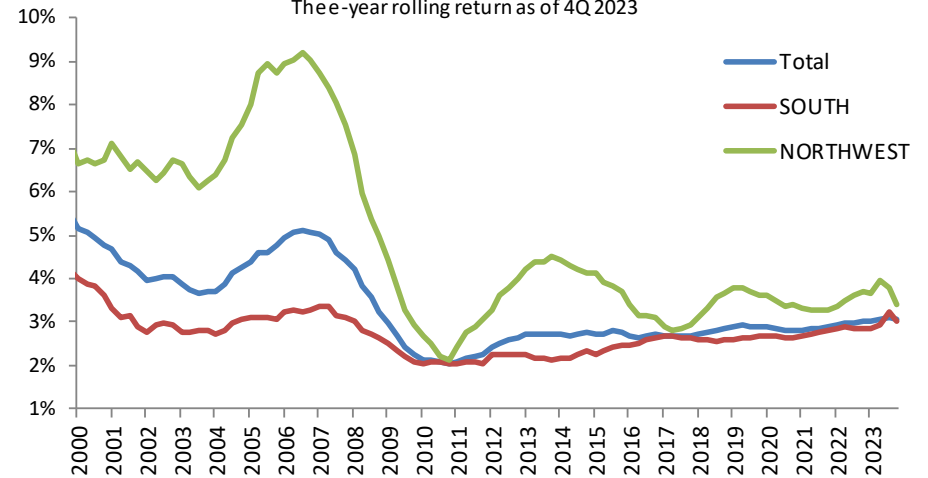
Total Returns by Region

Three-year rolling returns as of 4Q 2023



EBITDA Returns by Region

Three-year rolling returns as of 4Q 2023



Agenda

Section 1	Executive Summary
Section 2	Market Overview
Section 3	Real Assets Portfolio Update
Section 4	Glossary

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ATRS' Real Estate Performance: Core Portfolio

As of 12/31/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Core								
Arkansas Investments	2007	142,694,200	144,624,546	0	208,764,070	74,354,145	2.9	2.2
JP Morgan Strategic Property Fund	2007	170,000,000	170,000,000	0	229,760,457	156,854,610	6.1	4.7
Metlife Commercial Mortgage Income Fund	2019	50,000,000	50,000,000	0	11,638,694	46,070,208	1.8	1.4
Prime Property Fund	2022	70,000,000	70,000,000	0	4,082,844	60,057,367	2.4	1.8
PRISA SA	2005	170,000,000	184,182,196	0	138,872,566	280,772,756	11.0	8.4
RREEF Core Plus Industrial Fund L.P.	2022	70,000,000	58,800,000	11,200,000	1,571,399	53,725,712	2.1	1.9
UBS Trumbull Property Fund	2006	170,000,000	190,587,980	0	225,106,694	121,180,152	4.7	3.6
UBS Trumbull Property Income Fund	2017	50,000,000	50,000,000	0	10,413,584	51,913,931	2.0	1.5
Core	2005	892,694,200	918,194,723	11,200,000	830,210,308	844,928,880	33.1	25.5

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Core																									
Arkansas Investments	0.0	3.1	3.1	3.1	0.0	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	0.2	0.2	0.2	0.0	6.9	6.9	6.9	7.0	7.0	1Q08	8.0	2.0
JP Morgan Strategic Property Fund	0.9	-8.3	-7.4	-7.6	3.3	-17.2	-14.3	-15.1	3.3	-0.7	2.6	1.7	3.5	-0.8	2.7	1.8	4.0	2.2	6.3	5.3	5.5	4.6	2Q07	6.3	2.3
Metlife Commercial Mortgage Income Fund	2.5	-1.1	1.4	1.2	9.0	-4.5	4.2	3.3	6.8	-2.3	4.4	3.6									4.4	3.6	3Q19	3.6	1.2
Prime Property Fund	1.0	-2.9	-1.9	-2.2	3.7	-8.2	-4.7	-5.8													-2.8	-3.9	2Q22	-5.6	0.9
PRISA SA	1.0	-5.5	-4.5	-4.7	3.8	-14.1	-10.7	-11.4	3.8	1.1	5.0	4.2	4.0	0.8	4.7	3.9	4.3	3.2	7.7	6.9	6.6	5.7	3Q05	6.0	2.3
RREEF Core Plus Industrial Fund L.P.	0.8	-2.3	-1.6	-1.7	3.1	-6.8	-3.9	-4.6													-3.8	-4.5	3Q22	-4.9	0.9
UBS Trumbull Property Fund	0.9	-4.9	-4.0	-4.2	3.7	-18.1	-14.9	-15.6	3.8	-2.2	1.5	0.7	4.0	-4.2	-0.4	-1.1	4.4	-0.2	4.2	3.4	4.7	3.8	2Q06	4.9	1.8
UBS Trumbull Property Income Fund	1.0	-2.8	-1.8	-2.0	4.0	-10.8	-7.2	-8.0	3.8	0.1	4.0	3.1	3.8	-0.1	3.7	2.9					4.5	3.7	3Q17	3.9	1.2
Core	1.0	-4.5	-3.5	-3.7	3.6	-12.4	-9.1	-9.8	3.5	0.6	4.2	3.4	3.6	-0.7	2.9	2.1	3.8	2.6	6.5	5.8	7.1	6.4	3Q05	5.9	1.8

Note: Arkansas Investments are included in Core portfolio

ATRS' Real Estate Performance: Value-Add Portfolio

As of 12/31/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Value Added								
Almanac Realty Securities IX, L.P.	2022	40,000,000	7,745,393	32,254,607	0	6,977,946	0.3	1.2
Almanac Realty Securities V, LP	2008	50,000,000	21,787,314	0	48,380,466	63,548	0.0	0.0
Almanac Realty Securities VI	2012	30,000,000	19,102,008	0	21,152,797	3,202,874	0.1	0.1
Almanac Realty Securities VII	2015	30,000,000	31,709,827	4,215,191	26,600,193	17,482,029	0.7	0.6
Almanac Realty Securities VIII	2018	30,000,000	19,989,884	11,573,688	4,380,783	19,363,188	0.8	0.9
Calmwater Real Estate Credit Fund III	2017	30,000,000	23,113,383	7,427,676	18,697,713	11,147,595	0.4	0.6
CBRE Strategic Partners U.S. Value 8	2017	25,000,000	24,252,597	747,403	10,377,578	15,542,728	0.6	0.5
CBRE Strategic Partners U.S. Value 9	2020	50,000,000	35,301,926	20,205,803	5,879,589	24,453,107	1.0	1.3
FPA Core Plus Fund IV	2018	30,000,000	30,000,000	0	4,823,378	34,899,953	1.4	1.0
GLP Capital Partners IV	2021	50,000,000	40,652,308	10,966,226	1,618,534	40,559,545	1.6	1.5
Harbert European Real Estate Fund IV	2016	25,011,918	23,920,550	1,679,743	20,809,457	1,294,647	0.1	0.1
LaSalle Income & Growth Fund VI	2013	20,000,000	19,047,619	0	22,379,425	3,338,763	0.1	0.1
LaSalle Income & Growth Fund VII	2017	20,000,000	20,307,423	0	13,425,555	6,215,293	0.2	0.2
LaSalle Income & Growth Fund VIII	2020	50,000,000	40,069,226	9,930,774	12,932,416	33,246,635	1.3	1.3
LaSalle Value Partners US IX		75,000,000	0	75,000,000	0	-2,373,894	-0.1	2.2
LBA Logistics Value Fund IX	2022	55,000,000	31,730,769	23,269,231	0	29,426,721	1.2	1.6
Long Wharf Real Estate Partners V	2015	30,000,000	29,828,371	0	22,345,840	17,254,983	0.7	0.5
Long Wharf Real Estate Partners VI, L.P.	2020	50,000,000	49,958,652	0	27,056,492	34,319,023	1.3	1.0
Mesa West Real Estate Income Fund V	2021	40,000,000	12,119,720	27,880,280	786,057	12,403,086	0.5	1.2
PGIM Real Estate Capital VII (USD Feeder) SCSp	2021	40,000,000	16,829,147	28,083,731	5,712,165	13,198,717	0.5	1.2
Rockwood Capital Real Estate Partners Fund IX	2012	30,000,000	27,422,960	1,692,085	33,814,339	2,706,155	0.1	0.1
Rockwood Capital Real Estate Partners Fund XI	2019	40,000,000	31,698,721	9,294,627	1,623,581	28,805,061	1.1	1.1
Walton Street Real Estate Debt Fund II, L.P.	2019	40,000,000	29,269,436	27,111,425	16,392,177	15,609,172	0.6	1.3
Westbrook Real Estate Fund IX	2013	40,000,000	46,525,842	3,603,488	48,361,088	5,486,349	0.2	0.3
Westbrook Real Estate Fund X	2016	25,000,000	24,386,363	2,016,766	21,324,570	5,710,011	0.2	0.2
Value Added	2007	945,011,918	656,769,439	296,952,744	388,874,191	380,333,235	14.9	20.2

ATRS' Real Estate Performance: Value-Add Portfolio (Cont.)

Time Weighted Returns:

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Value Added																					
Almanac Realty Securities IX, L.P.	0.0	3.2	3.2	1.5	1.4	-1.1	0.3	-8.0									2.8	-7.2	3Q22	-9.5	0.9
Almanac Realty Securities V, LP	-11.3	2.3	-9.0	-9.0	-21.2	4.6	-17.2	-17.2	-16.7	3.3	-13.7	-13.7	-15.4	1.9	-13.2	-13.6	3.3	2.1	4Q09	11.9	2.2
Almanac Realty Securities VI	-0.1	-6.4	-6.5	-6.8	-0.2	-17.7	-17.9	-18.8	0.3	-1.6	-1.3	-2.4	2.7	-11.2	-8.7	-9.6	2.7	1.3	1Q13	8.2	1.3
Almanac Realty Securities VII	1.4	1.2	2.6	2.3	6.6	-3.7	2.7	1.5	6.9	0.7	7.7	6.5	7.5	1.9	9.5	8.3	12.8	10.3	3Q15	10.9	1.4
Almanac Realty Securities VIII	1.3	0.0	1.3	1.1	5.6	-4.1	1.3	0.2	6.8	5.8	13.0	10.9					13.5	6.3	3Q19	8.4	1.2
Calmwater Real Estate Credit Fund III	-0.5	0.0	-0.5	0.8	0.3	0.0	0.3	3.8	5.5	0.0	5.5	5.7	7.7	0.0	7.7	6.5	8.4	6.6	1Q18	6.8	1.3
CBRE Strategic Partners U.S. Value 8	0.2	-10.0	-9.8	-10.1	2.5	-25.4	-23.4	-24.2	5.2	-12.3	-7.7	-8.3	5.8	-6.7	-1.3	-2.0	2.6	1.5	2Q17	1.6	1.1
CBRE Strategic Partners U.S. Value 9	-1.0	-7.4	-8.4	-8.9	-3.2	-11.4	-14.4	-16.4	0.1	2.1	2.0	-1.6					1.8	-2.0	4Q20	-8.4	0.9
FPA Core Plus Fund IV	1.1	-0.3	0.8	0.6	4.9	-2.4	2.4	1.8	4.5	5.6	10.2	9.6	4.4	3.3	7.8	7.1	7.5	6.8	4Q18	7.5	1.3
GLP Capital Partners IV	2.1	-1.5	0.6	0.6	0.1	3.0	3.3	2.6									8.4	7.7	4Q21	2.2	1.0
Harbert European Real Estate Fund IV	-3.5	-13.9	-17.5	-18.5	7.0	-65.8	-63.1	-64.4	11.1	-43.5	-36.5	-37.8	10.1	-29.4	-21.6	-22.5	-12.0	-13.3	3Q16	-1.9	0.9
LaSalle Income & Growth Fund VI	0.2	-8.2	-8.0	-8.0	11.0	-18.5	-9.4	-9.4	6.1	-21.7	-16.8	-13.9	5.0	-17.4	-13.2	-10.7	0.0	0.3	4Q13	8.3	1.4
LaSalle Income & Growth Fund VII	-4.3	-8.1	-12.4	-13.0	-7.6	-51.2	-55.4	-56.0	-2.9	-14.4	-17.2	-18.1	-1.7	-8.3	-10.2	-11.0	-4.7	-5.9	3Q17	-1.0	1.0
LaSalle Income & Growth Fund VIII	-1.4	-0.3	-1.7	-1.2	-6.4	1.4	-5.0	-1.9	-3.3	30.6	26.5	20.3					22.2	15.8	2Q20	10.4	1.2
LaSalle Value Partners US IX																	N/M	N/M	4Q23	N/M	N/M
LBA Logistics Value Fund IX	-0.6	0.1	-0.5	-1.1	-3.6	-1.2	-4.7	-7.9									-3.7	-8.6	2Q22	-8.1	0.9
Long Wharf Real Estate Partners V	0.1	-1.4	-1.3	-1.6	0.5	-6.0	-5.5	-6.7	1.1	4.1	5.3	4.0	1.2	4.4	5.6	4.8	8.6	6.0	1Q16	7.2	1.3
Long Wharf Real Estate Partners VI, L.P.	0.7	0.5	1.1	0.6	2.6	1.6	4.3	2.1	3.5	30.6	34.7	23.5					37.3	25.0	2Q20	17.3	1.2
Mesa West Real Estate Income Fund V	2.7	-0.6	2.1	1.1	8.8	-2.8	5.8	1.9									15.4	8.0	1Q22	5.4	1.1
PGIM Real Estate Capital VII (USD Feeder) SCSp	0.0	3.1	3.1	3.1	-0.1	6.7	6.6	6.6									12.0	11.6	2Q21	10.3	1.1
Rockwood Capital Real Estate Partners Fund IX	-0.1	-2.7	-2.9	-3.7	-0.3	-14.3	-14.6	-16.9	2.5	-2.3	0.0	-2.5	2.5	-7.3	-5.0	-7.6	6.4	3.5	4Q13	9.5	1.3
Rockwood Capital Real Estate Partners Fund XI	-0.6	-5.4	-6.1	-6.5	0.0	-15.9	-15.8	-17.3	2.5	3.3	5.7	3.3					5.8	2.4	4Q20	-2.0	1.0
Walton Street Real Estate Debt Fund II, L.P.	3.0	0.0	2.9	2.6	15.2	-9.2	5.1	3.4	12.0	-4.1	7.6	6.0					8.3	6.5	3Q19	6.7	1.1
Westbrook Real Estate Fund IX	-0.2	-17.2	-17.5	-17.8	-0.3	-29.0	-29.3	-30.4	-0.4	-10.3	-10.7	-11.8	-0.6	-11.5	-12.0	-13.1	1.4	-1.0	3Q13	5.5	1.2
Westbrook Real Estate Fund X	-0.4	-24.6	-25.0	-25.4	-0.6	-34.7	-35.2	-36.2	0.7	-9.4	-8.8	-10.1	0.4	-1.8	-1.4	-2.8	5.3	0.9	4Q16	4.7	1.1
Value Added	0.2	-2.6	-2.4	-2.7	1.1	-8.9	-7.9	-9.0	3.2	2.1	5.3	3.0	3.8	1.4	5.2	3.0	6.4	4.0	2Q07	5.3	1.2



ATRS' Real Estate Performance: Opportunistic Portfolio

As of 12/31/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Opportunistic								
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	2019	49,096,184	41,570,134	16,993,336	14,384,609	37,138,718	1.5	1.6
Blackstone Real Estate Partners VII	2012	50,000,000	65,679,029	4,764,706	99,793,484	7,596,545	0.3	0.4
Blackstone Real Estate Partners X	2023	75,000,000	4,101,487	71,892,354	0	3,397,565	0.1	2.2
Carlyle Realty Partners IX	2022	35,000,000	9,062,367	25,937,633	0	7,489,635	0.3	1.0
Carlyle Realty Partners VII	2014	30,000,000	29,358,765	8,650,485	37,116,180	6,547,609	0.3	0.5
Carlyle Realty Partners VIII	2018	25,000,000	21,699,988	16,033,323	20,904,829	12,276,839	0.5	0.8
CBRE Strategic Partners U.S. Opportunity 5	2008	50,000,000	48,619,365	1,380,660	67,686,544	285,206	0.0	0.0
Cerberus Institutional Real Estate Partners III	2013	30,000,000	37,777,980	7,307,395	51,425,610	9,937,905	0.4	0.5
Heitman European Property Partners IV	2008	44,089,700	34,546,944	0	26,841,177	283,556	0.0	0.0
Kayne Anderson Real Estate Partners V	2018	25,000,000	26,184,595	0	16,428,664	19,335,236	0.8	0.6
Kayne Anderson Real Estate Partners VI	2021	50,000,000	27,000,000	23,766,393	766,393	28,841,104	1.1	1.6
Landmark Real Estate Fund VI	2010	40,000,000	35,090,608	4,909,392	53,488,103	114,370	0.0	0.1
Landmark Real Estate Fund VIII	2017	25,000,000	18,804,354	9,916,804	11,643,212	13,186,364	0.5	0.7
Landmark Real Estate Partners IX, L.P.		50,000,000	0	50,000,000	0	-820,916	0.0	1.5
LaSalle Asia Opportunity Fund IV	2014	30,000,000	28,823,325	2,013,173	39,655,278	1,785,212	0.1	0.1
LaSalle Asia Opportunity V	2016	30,000,000	33,386,243	4,000,371	20,870,330	15,342,395	0.6	0.6
LaSalle Asia Opportunity VI	2023	50,000,000	4,365,084	45,634,916	392,308	662,747	0.0	1.4
Lone Star Real Estate Fund IV	2015	24,260,817	21,578,323	2,682,494	19,779,413	6,118,807	0.2	0.3
Lone Star Real Estate Fund VII		50,000,000	0	50,000,000	0	-757,692	0.0	1.5
Metropolitan Real Estate Partners Co-Investments Fund, L.P.	2015	20,000,000	19,132,876	867,124	17,632,804	8,304,980	0.3	0.3
O'Connor North American Property Partners II, L.P.	2008	50,000,000	58,407,308	5,000,000	44,564,013	2,934,947	0.1	0.2
Torchlight Debt Fund VII, LP	2020	50,000,000	25,000,000	25,000,000	388,117	27,027,434	1.1	1.5
Torchlight Debt Opportunity Fund IV	2013	30,000,000	29,369,211	0	39,667,838	1,624,256	0.1	0.0
Torchlight Debt Opportunity Fund V	2015	25,000,000	20,001,024	5,000,000	23,787,472	2,496,826	0.1	0.2
Torchlight Debt Opportunity Fund VI	2018	25,000,000	22,479,558	2,500,000	10,439,738	18,888,068	0.7	0.6
Opportunistic	1998	962,446,701	662,038,568	384,250,559	617,656,115	230,037,716	9.0	18.3



ATRS' Real Estate Performance: Opportunistic Portfolio (Cont.)

Time Weighted Returns:

Returns (%)	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
Opportunistic																					
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	0.1	3.9	4.0	3.7	-0.1	14.0	13.9	9.6	0.0	20.2	20.2	12.6					15.2	7.9	1Q20	14.0	1.2
Blackstone Real Estate Partners VII	-0.1	-12.4	-12.5	-10.5	0.2	-33.7	-33.5	-27.7	2.2	-2.9	-0.8	-0.8	2.4	-5.3	-3.1	-2.8	10.8	7.5	2Q12	14.6	1.6
Blackstone Real Estate Partners X	-1.0	10.1	9.1	-0.1													30.7	-19.6	2Q23	-24.2	0.8
Carlyle Realty Partners IX	-3.3	-6.2	-9.5	-11.5	-27.3	27.8	-4.9	-22.7									-39.2	-61.5	4Q22	-32.1	0.8
Carlyle Realty Partners VII	-0.7	-5.6	-6.3	-5.6	-2.7	-14.4	-16.8	-15.6	10.4	-6.5	3.5	3.6	14.4	-7.7	6.2	6.5	12.4	9.0	1Q15	13.4	1.5
Carlyle Realty Partners VIII	2.5	-6.3	-3.8	-3.0	9.4	-7.9	1.0	1.2	26.1	14.5	43.0	33.5	16.8	16.9	35.8	25.7	33.1	22.2	4Q18	25.9	1.5
CBRE Strategic Partners U.S. Opportunity 5	-0.6	-2.7	-3.3	-3.3	-3.1	-2.7	-5.8	-5.8	-2.5	6.3	3.6	3.6	-1.8	7.8	5.9	5.9	-7.9	-9.3	4Q08	5.4	1.4
Cerberus Institutional Real Estate Partners III	0.0	-1.4	-1.3	-1.1	0.2	8.6	8.8	7.0	-0.4	23.6	23.1	19.1	-0.3	19.1	18.8	15.2	18.4	13.9	4Q13	13.4	1.6
Heitman European Property Partners IV	0.0	2.3	2.3	2.3	0.0	1.8	1.8	1.8	-11.0	-5.3	-15.5	-15.5	-6.6	-10.6	-16.2	-16.7	-7.0	-8.1	1Q11	-3.9	0.8
Kayne Anderson Real Estate Partners V	-7.1	6.1	-1.0	-1.1	-19.6	12.8	-8.2	-7.7	-11.1	23.3	11.0	7.4	-5.1	21.3	15.9	11.2	14.4	9.5	3Q18	10.6	1.4
Kayne Anderson Real Estate Partners VI	0.7	4.0	4.7	3.5	1.4	9.2	10.8	7.4									20.0	5.2	3Q21	8.5	1.1
Landmark Real Estate Fund VI	-1.5	-3.6	-5.1	-5.1	-2.1	-3.6	-5.6	-5.6	N/A	78.9	-20.6	-21.1	N/A	35.6	-17.6	-18.3	15.2	13.1	3Q10	18.5	1.5
Landmark Real Estate Fund VIII	-0.6	-0.2	-0.8	-1.0	14.4	-17.3	-4.3	-5.1	17.1	1.0	18.1	14.1	13.6	2.1	15.9	11.4	22.6	16.1	3Q17	13.4	1.3
Landmark Real Estate Partners IX, L.P.																			2Q24	N/M	N/M
LaSalle Asia Opportunity Fund IV	-0.8	15.9	15.1	15.0	-2.5	18.2	15.5	14.8	-4.0	4.5	0.6	0.0	-6.2	5.2	0.4	-3.5	14.0	8.0	4Q14	31.9	1.4
LaSalle Asia Opportunity V	0.0	0.5	0.5	-0.1	-4.7	-8.7	-13.2	-15.6	-6.1	5.2	-1.0	-3.8	-6.5	16.2	9.4	6.1	8.8	3.6	4Q16	5.4	1.1
LaSalle Asia Opportunity VI	N/M	N/M	N/M	N/M													N/M	N/M	3Q23	N/M	N/M
Lone Star Real Estate Fund IV	-19.0	-11.6	-30.6	-26.3	-19.1	-36.0	-49.8	-38.8	-10.2	-12.0	-21.7	-15.8	-1.7	-11.8	-13.6	-11.2	-1.9	-0.8	4Q15	7.6	1.2
Lone Star Real Estate Fund VII																			2Q24	N/M	N/M
Metropolitan Real Estate Partners Co-Investments Fund	-11.7	7.4	-4.3	-1.4	-3.3	-15.5	-16.7	-13.4	-0.2	-0.4	0.0	0.1	0.5	-2.1	-1.2	-1.2	4.9	3.7	1Q16	8.4	1.4
O'Connor North American Property Partners II, L.P.	0.0	-34.1	-34.2	-34.4	0.0	-33.5	-33.5	-34.2	0.3	-12.1	-11.8	-12.5	0.1	-11.1	-11.1	-11.8	-7.0	-9.5	2Q08	-3.6	0.8
Torchlight Debt Fund VII, LP	1.6	-0.4	1.2	0.7	6.5	-2.6	3.8	1.7	6.8	2.3	9.2	5.2					10.5	5.8	4Q20	4.3	1.1
Torchlight Debt Opportunity Fund IV	1.6	-19.7	-18.1	0.5	4.4	-37.0	-33.8	-23.3	3.1	-17.2	-14.5	-9.2	3.5	-15.0	-11.9	-6.2	0.8	2.4	4Q13	9.0	1.4
Torchlight Debt Opportunity Fund V	0.7	3.0	3.7	2.4	4.1	-14.4	-10.9	-3.3	3.6	0.3	3.8	4.4	4.6	-1.1	3.5	4.3	10.3	7.1	3Q15	10.0	1.3
Torchlight Debt Opportunity Fund VI	1.1	-0.1	0.9	0.7	4.5	-2.9	1.4	3.3	5.3	4.9	10.4	9.4	7.3	3.0	10.5	7.5	12.1	6.9	2Q18	7.6	1.3
Opportunistic	-1.4	-0.1	-1.5	-1.7	-1.2	-2.8	-3.9	-5.3	1.7	9.2	11.0	7.0	3.0	5.8	8.9	5.6	9.2	6.8	1Q98	10.1	1.3

ATRS' Timberland, Agriculture, and Infrastructure Performance

As of 12/31/2023

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Agriculture								
Agrivest Farmland Fund	2015	50,000,000	50,000,000	0	10,193,759	64,061,440	2.5	1.9
HFMS Farmland Separate Account	2011	125,000,000	178,054,470	14,240,587	87,664,318	181,364,839	7.1	5.8
Agriculture	2011	175,000,000	228,054,470	14,240,587	97,858,077	245,426,279	9.6	7.7
Timber								
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	2019	182,930,629	182,930,628	0	12,449,182	246,562,003	9.7	7.3
BTG Timber Separate Account	1998	133,069,371	157,848,416	0	328,750,000	109,906,656	4.3	3.3
Timber	1998	316,000,000	340,779,045	0	341,199,182	356,468,659	14.0	10.6

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
Infrastructure – Core								
AxInfra NA II LP	2021	50,000,000	51,817,346	0	4,357,303	60,038,215	2.4	1.8
DIF Infrastructure Fund VII	2023	53,140,610	12,769,514	42,141,982	6,785	12,659,341	0.5	1.6
DIF Infrastructure V	2018	47,762,784	40,746,250	9,314,310	6,889,642	47,648,846	1.9	1.7
IFM Global Infrastructure	2018	50,000,000	50,000,000	0	6,922,324	74,805,476	2.9	2.2
KKR Diversified Core Infrastructure Fund	2022	75,000,000	75,075,604	0	3,243,696	77,665,711	3.0	2.3
Macquarie Infrastructure Partners III	2013	50,000,000	51,452,526	5,418,501	67,459,069	53,157,083	2.1	1.7
Macquarie Infrastructure Partners V	2020	50,000,000	46,832,828	3,668,543	501,371	58,474,482	2.3	1.8
Infrastructure - Core	2015	375,903,394	328,694,069	60,543,337	89,380,191	384,449,154	15.1	13.2
Infrastructure - Non-Core								
Antin Infrastructure Partners Fund II	2014	47,696,920	35,953,565	1,931,781	65,524,367	5,712,509	0.2	0.2
Global Energy & Power Infrastructure Fund II	2014	50,000,000	55,496,016	1,491,773	55,200,128	12,524,387	0.5	0.4
Global Infrastructure Partners III	2016	50,000,000	51,700,787	5,427,140	26,070,692	52,270,663	2.0	1.7
ISQ Global Infrastructure Fund III	2021	50,000,000	19,701,641	30,417,079	118,720	22,059,333	0.9	1.6
KKR Global Infrastructure Investors II	2014	50,000,000	55,341,378	2,162,845	83,662,837	18,321,939	0.7	0.6
Infrastructure - Non-Core	2014	247,696,920	218,193,387	41,430,618	230,576,743	110,888,831	4.3	4.5
Infrastructure	2014	623,600,314	546,887,456	101,973,954	319,956,935	495,337,985	19.4	17.8

ATRS' Timberland, Agriculture, and Infrastructure Performance (Cont.)

Time Weighted Returns:

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple			
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET						
Agriculture																												
Agrivest Farmland Fund	1.0	1.4	2.3	2.1	3.3	4.4	7.8	6.8	3.2	4.7	8.1	7.0	3.2	3.2	6.5	5.5					6.4	5.3	2Q15		5.3	1.5		
HFMS Farmland Separate Account	0.8	-0.1	0.8	0.5	3.2	2.9	6.3	5.0	3.2	7.9	11.3	10.1	3.4	4.7	8.2	7.0	3.6	3.2	6.9	5.7	7.6	6.3	3Q11		6.4	1.5		
Agriculture	0.9	0.3	1.2	0.9	3.2	3.3	6.6	5.5	3.2	7.1	10.5	9.3	3.4	4.3	7.8	6.6	3.6	3.0	6.7	5.6	7.5	6.2	3Q11		6.1	1.5		
Agriculture Benchmark*			2.3				5.0				7.5				6.3				5.7		8.1		3Q11					
Timber																												
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	0.7	3.3	4.0	3.7	1.5	2.6	4.1	3.1	4.2	6.5	11.3	10.2									10.4	9.4	1Q20		9.4	1.4		
BTG Timber Separate Account	-0.2	8.7	8.4	8.3	0.1	3.4	3.6	3.0	2.7	2.9	5.6	5.0	10.8	-11.1	5.1	4.4	6.9	-5.0	4.9	4.2	7.1	6.4	2Q98		5.2	2.8		
Timber	0.4	4.9	5.3	5.1	1.1	2.9	4.0	3.1	3.7	5.4	9.4	8.5	10.9	-8.1	8.6	7.6	7.0	-3.4	6.6	5.7	7.8	7.0	2Q98		5.5	2.0		
Timberland Property Benchmark*			4.3				9.5				10.5				7.0				5.6		5.9		2Q98					

Returns (%)	Quarter				1 Year				3 Year				5 Year				10 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple			
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET						
Infrastructure – Core																												
AxInfra NA II LP	0.7	3.0	3.7	2.7	1.7	9.5	11.3	8.7													14.2	11.5	2Q21		9.4	1.2		
DIF Infrastructure Fund VII	0.0	7.6	7.6	5.6																	7.2	3.1	3Q23		-1.0	1.0		
DIF Infrastructure V	0.9	4.4	5.3	5.0	3.2	6.6	9.9	8.5	2.4	4.5	6.9	5.4	3.7	7.3	11.2	9.1					10.1	7.7	3Q18		7.9	1.3		
IFM Global Infrastructure	0.6	2.6	3.2	2.7	2.2	7.8	10.2	8.4	3.2	10.0	13.5	11.2	3.2	8.8	12.2	10.2					12.3	10.3	4Q18		10.3	1.6		
KKR Diversified Core Infrastructure Fund	1.5	-0.5	1.0	0.9	4.9	2.1	7.1	6.6													7.1	6.6	2Q22		6.8	1.1		
Macquarie Infrastructure Partners III	5.4	5.6	11.0	8.6	7.5	19.4	27.9	21.3	9.1	28.8	39.6	30.2	5.7	26.1	32.7	24.9					26.0	19.6	2Q15		18.5	2.3		
Macquarie Infrastructure Partners V	0.4	3.0	3.4	3.1	0.8	8.1	9.0	7.5	0.6	16.2	16.9	14.1									16.9	14.1	1Q21		12.7	1.3		
Infrastructure - Core	1.4	2.8	4.3	3.5	3.3	8.9	12.4	10.0	3.7	12.7	16.7	13.3	3.4	12.9	16.6	13.2					16.8	12.7	2Q15		12.8	1.4		
Infrastructure - Non-Core																												
Antin Infrastructure Partners Fund II	0.0	4.4	4.4	4.2	0.1	-10.6	-10.5	-11.3	2.4	13.2	15.9	15.0	2.3	15.0	17.7	16.7					14.9	13.4	4Q14		13.1	2.0		
Global Energy & Power Infrastructure Fund II	0.2	-6.2	-6.0	-5.8	2.1	-28.0	-26.3	-24.3	3.3	-15.1	-12.2	-12.3	6.7	-11.5	-5.1	-6.2					8.6	2.0	1Q15		10.4	1.2		
Global Infrastructure Partners III	1.4	2.4	3.8	3.4	5.9	0.5	6.5	5.1	5.2	9.5	15.1	13.5	5.3	8.2	13.9	12.0					12.5	8.9	4Q16		9.8	1.5		
ISQ Global Infrastructure Fund III	-0.3	11.0	10.7	7.7	-2.8	29.3	25.8	14.9													37.9	20.9	1Q22		13.5	1.1		
KKR Global Infrastructure Investors II	18.1	-13.9	4.3	5.3	29.4	-9.0	20.2	19.9	22.2	-7.0	15.8	15.5	21.7	-4.5	19.8	19.1					18.0	14.8	1Q15		16.9	1.8		
Infrastructure - Non-Core	4.1	-0.2	3.9	3.4	8.5	-2.4	5.9	4.1	8.5	3.3	12.1	10.4	9.9	3.9	14.4	12.7					14.7	11.4	4Q14		13.1	1.6		
Infrastructure	2.1	2.1	4.2	3.5	4.5	6.1	10.8	8.6	5.3	9.9	15.6	12.8	6.4	9.4	16.3	13.6					15.6	11.7	4Q14		12.9	1.5		
Infrastructure Benchmark			0.9				8.5				9.7				8.5				7.4		7.4							

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*The Timberland Property Benchmark was comprised of the NCREIF Timberland returns weighted according to ATRS' regional exposure based on Net Asset Value prior to 3Q20, gross of fees. The Agriculture Benchmark was comprised of the NCREIF Farmland returns weighted according to ATRS' regional and crop type exposure based on Net Asset Value prior to 3Q20, gross of fees. As of 3Q20, the Timberland and Agriculture benchmarks going forward will no longer be weighted and are just the NCREIF Timberland and NCREIF Farmland returns, gross of fees.



Portfolio Performance Detail: By Vintage Year

As of 12/31/2023

Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
1997	75,000,000	80,737,536	0	120,795,230	0	0.0	0.0
1998	233,069,371	270,711,065	0	476,689,777	109,906,656	4.3	3.3
1999	178,794,401	189,842,518	0	316,052,650	0	0.0	0.0
2000	209,242,960	228,396,220	0	289,773,858	0	0.0	0.0
2005	170,000,000	184,182,196	0	138,872,566	280,772,756	11.0	8.4
2006	170,000,000	190,587,980	0	225,106,694	121,180,152	4.7	3.6
2007	417,694,200	418,942,712	0	551,450,237	231,208,754	9.1	6.9
2008	264,089,700	229,805,708	6,380,660	277,377,163	3,567,256	0.1	0.3
2010	40,000,000	35,090,608	4,909,392	53,488,103	114,370	0.0	0.1
2011	125,000,000	178,054,470	14,240,587	87,664,318	181,364,839	7.1	5.8
2012	110,000,000	112,203,997	6,456,791	154,760,620	13,505,574	0.5	0.6
2013	170,000,000	184,173,178	16,329,384	229,293,031	73,544,357	2.9	2.7
2014	207,696,920	204,973,049	16,250,056	281,158,789	44,891,656	1.8	1.8
2015	179,260,817	172,250,420	12,764,810	120,339,480	115,719,065	4.5	3.8
2016	130,011,918	133,393,943	13,124,020	89,075,049	74,617,716	2.9	2.6
2017	150,000,000	136,477,757	18,091,883	64,557,642	98,005,910	3.8	3.5
2018	232,762,784	211,100,275	39,421,321	70,789,358	227,217,606	8.9	7.9
2019	362,026,813	335,468,919	53,399,387	56,488,243	374,185,162	14.7	12.7
2020	250,000,000	197,162,632	58,805,120	46,757,985	177,520,682	7.0	7.0
2021	280,000,000	168,120,162	121,113,709	13,359,172	177,099,999	6.9	8.9
2022	345,000,000	252,414,134	92,661,470	8,897,939	235,343,091	9.2	9.8
2023	353,140,610	21,236,085	334,669,252	399,093	12,767,152	0.5	10.3
Total Portfolio (Including Current & Historical Activity)							
	4,652,790,494	4,135,325,564	808,617,842	3,673,146,997	2,552,532,753	100	100

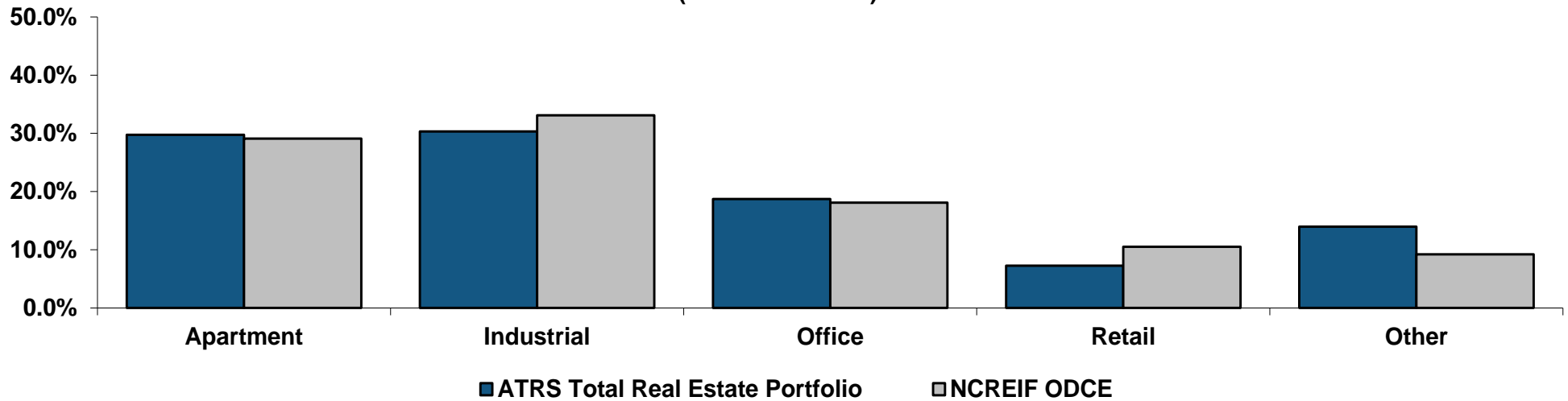
Portfolio Performance Detail: By Vintage Year (Cont.)

Time Weighted Returns:

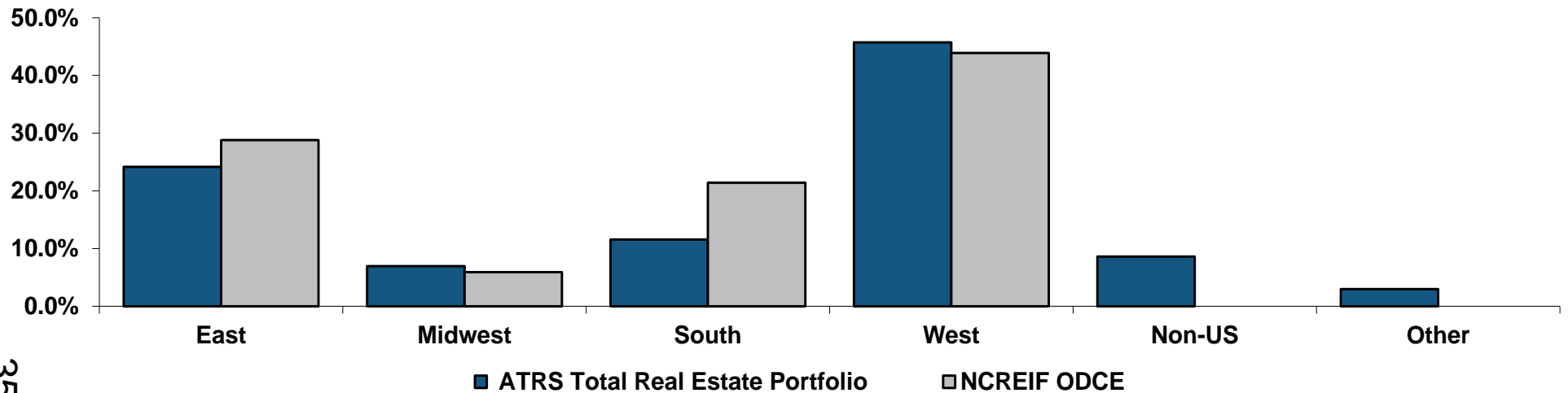
Investment Vintage Year	Quarter				1 Year				3 Year				5 Year				Inception		TWR Calculation Inception	Net IRR	Equity Multiple
	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	TGRS	TNET			
1997																			1Q98	13.4	1.5
1998	-0.2	8.7	8.4	8.3	0.1	3.4	3.6	3.0	2.7	2.9	5.6	5.0	10.8	-11.1	5.1	4.4	7.2	6.2	2Q98	5.5	2.2
1999																			4Q99	15.9	1.7
2000																			4Q00	8.5	1.3
2005	1.0	-5.5	-4.5	-4.7	3.8	-14.1	-10.7	-11.4	3.8	1.1	5.0	4.2	4.0	0.8	4.7	3.9	6.6	5.7	3Q05	6.0	2.3
2006	0.9	-4.9	-4.0	-4.2	3.7	-18.1	-14.9	-15.6	3.8	-2.2	1.5	0.7	4.0	-4.2	-0.4	-1.1	4.7	3.8	2Q06	4.9	1.8
2007	0.6	-4.9	-4.3	-4.4	2.4	-11.0	-8.9	-9.4	2.4	1.4	3.8	3.2	2.6	-0.1	2.5	1.8	6.2	5.5	2Q07	5.9	1.9
2008	-0.2	-29.7	-30.0	-30.2	-0.5	-29.1	-29.6	-30.1	-0.9	-10.6	-11.4	-12.0	-0.7	-7.6	-8.3	-8.9	-3.5	-6.0	2Q08	3.8	1.2
2010	-1.5	-3.6	-5.1	-5.1	-2.1	-3.6	-5.6	-5.6		78.9	-20.6	-21.1		35.6	-17.6	-18.3	15.2	13.1	3Q10	18.5	1.5
2011	0.8	-0.1	0.8	0.5	3.2	2.9	6.3	5.0	3.2	7.9	11.3	10.1	3.4	4.7	8.2	7.0	7.6	6.3	3Q11	6.4	1.5
2012	-0.1	-8.8	-8.9	-8.1	0.0	-25.7	-25.7	-23.2	2.1	-0.7	1.3	-0.1	2.5	-5.5	-3.2	-4.1	10.1	6.7	2Q12	12.6	1.5
2013	3.8	1.3	5.1	3.9	5.8	9.0	15.2	10.7	6.2	18.5	25.6	19.4	4.0	15.0	19.5	14.6	17.7	12.8	3Q13	12.5	1.6
2014	7.9	-7.6	0.3	0.9	12.6	-14.4	-3.0	-2.4	11.9	-5.7	6.0	5.7	12.9	-2.5	10.8	10.0	14.6	11.7	4Q14	15.1	1.6
2015	-1.0	0.8	-0.2	-0.1	1.9	-3.0	-1.1	-0.8	2.5	2.8	5.4	4.7	3.3	1.8	5.1	4.3	8.1	6.4	2Q15	7.0	1.4
2016	0.7	-1.3	-0.6	-1.0	3.6	-10.9	-7.6	-9.2	4.1	-0.1	4.0	2.3	4.0	2.9	7.2	5.4	8.0	5.0	3Q16	6.2	1.2
2017	0.1	-3.8	-3.6	-3.7	3.6	-17.8	-14.7	-15.1	5.0	-3.6	1.2	0.2	5.2	-1.9	3.2	2.0	6.1	4.3	2Q17	4.1	1.2
2018	0.3	1.8	2.1	1.9	1.7	3.4	5.1	4.3	3.6	8.8	12.7	10.4	4.0	8.5	12.8	10.2	10.3	1.7	2Q18	9.9	1.4
2019	0.8	1.9	2.8	2.5	2.7	0.4	3.1	1.8	4.3	5.6	10.3	8.6					9.2	7.6	3Q19	7.9	1.3
2020	0.1	-0.2	-0.1	-0.4	0.1	0.8	0.8	-0.1	1.5	16.9	18.6	13.3					16.0	9.0	2Q20	8.1	1.1
2021	1.0	2.8	3.8	2.8	1.3	8.5	9.9	7.0									13.6	9.0	2Q21	7.6	1.1
2022	0.8	-1.5	-0.7	-1.1	2.8	-3.4	-0.7	-2.0									-0.2	-2.1	2Q22	-2.7	1.0
2023	-9.6	13.3	3.7	-9.2													34.3	-38.4	2Q23	N/M	

Portfolio Diversification – Real Estate

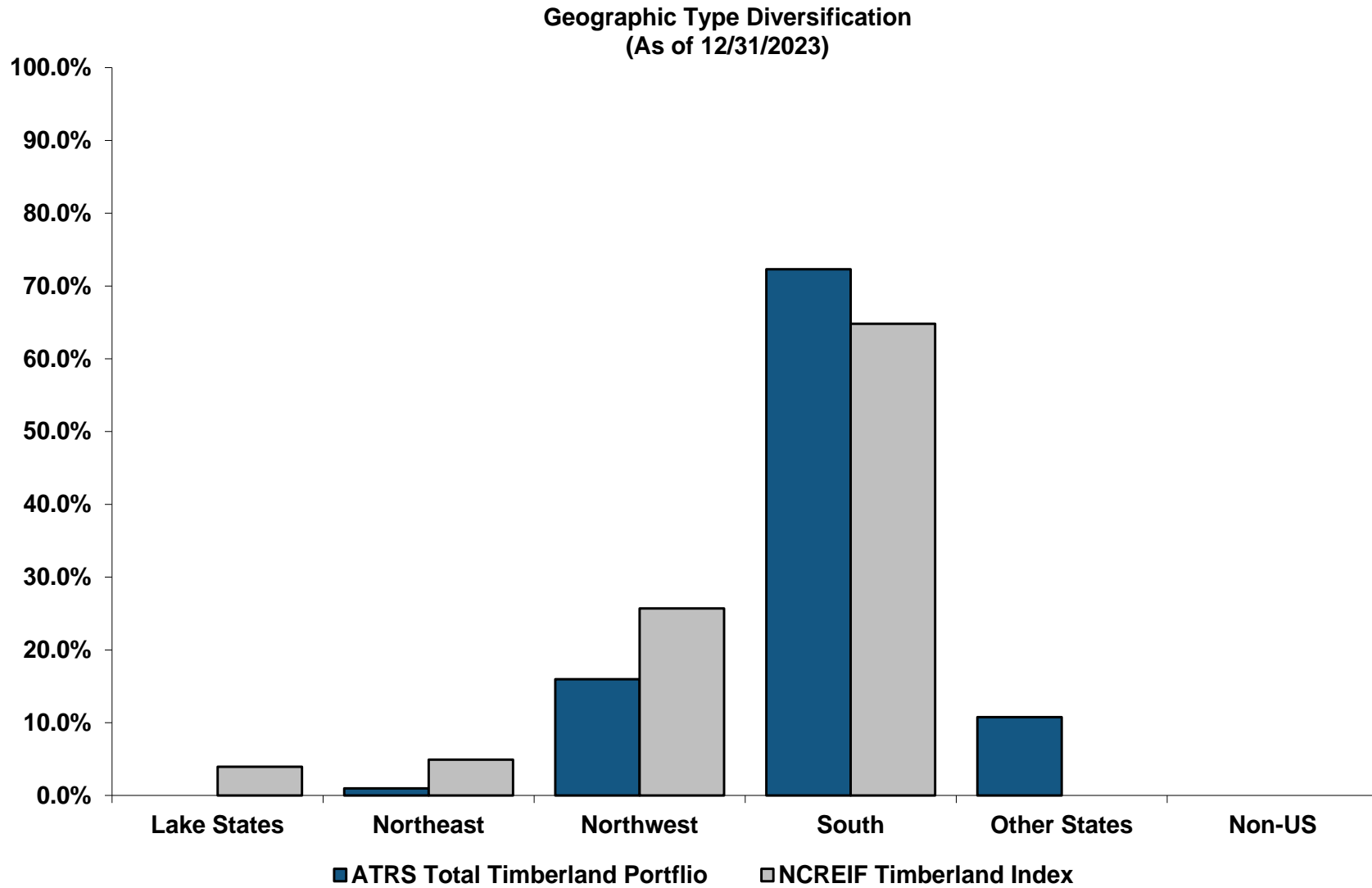
Property Type Diversification
(As of 12/31/2023)



Geographic Type Diversification
(As of 12/31/2023)

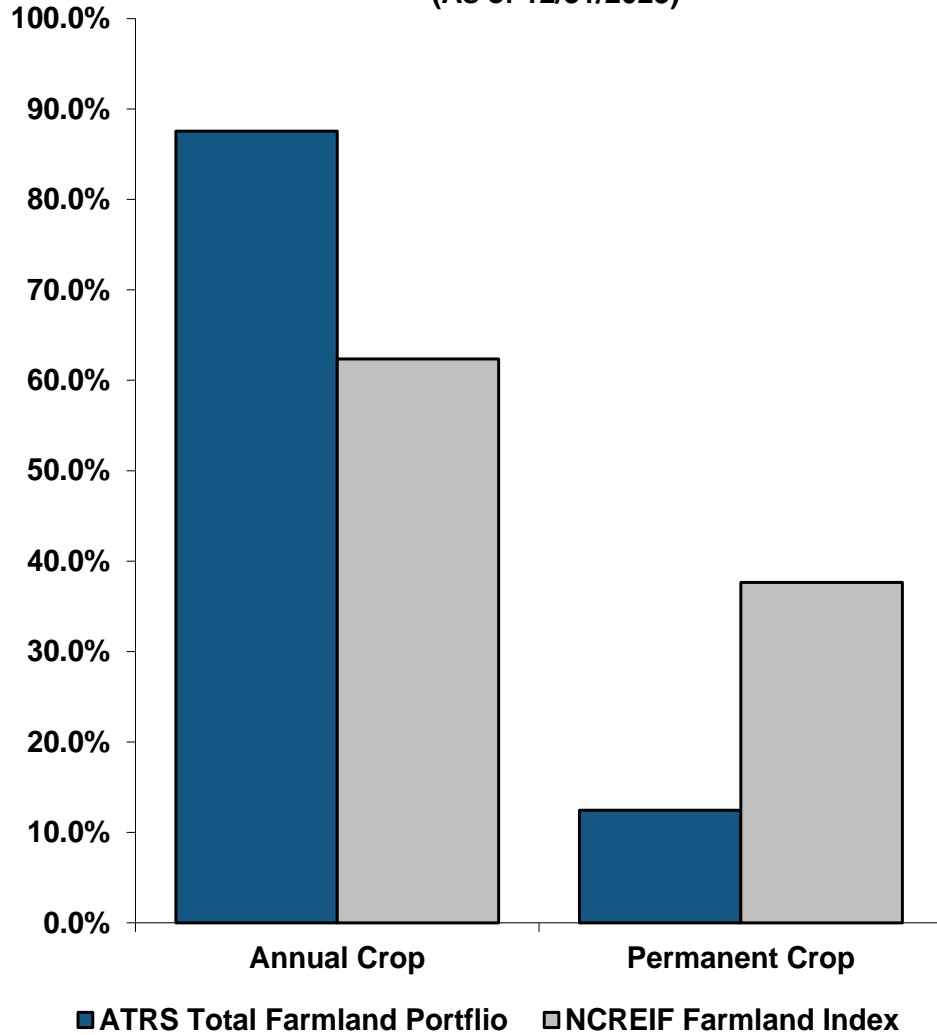


Portfolio Diversification – Timberland

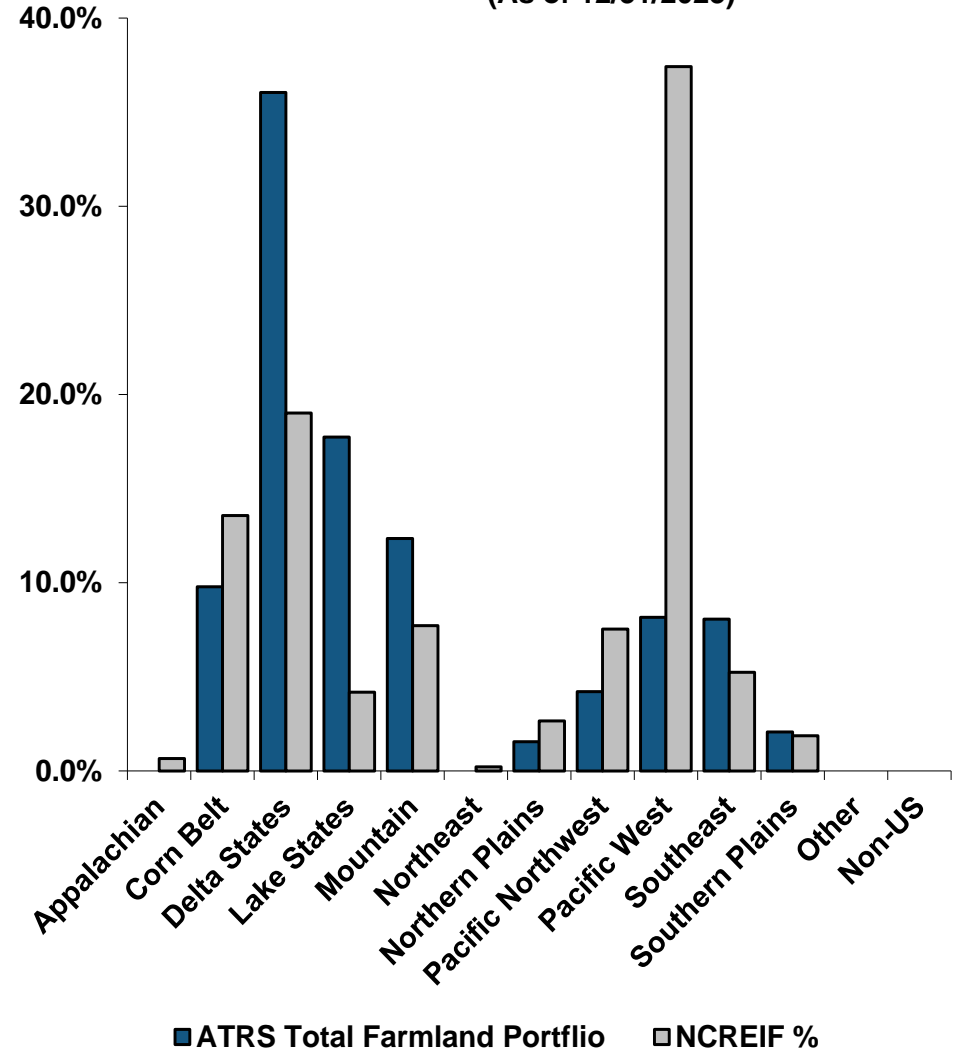


Portfolio Diversification – Agriculture

Crop Type Diversification
(As of 12/31/2023)

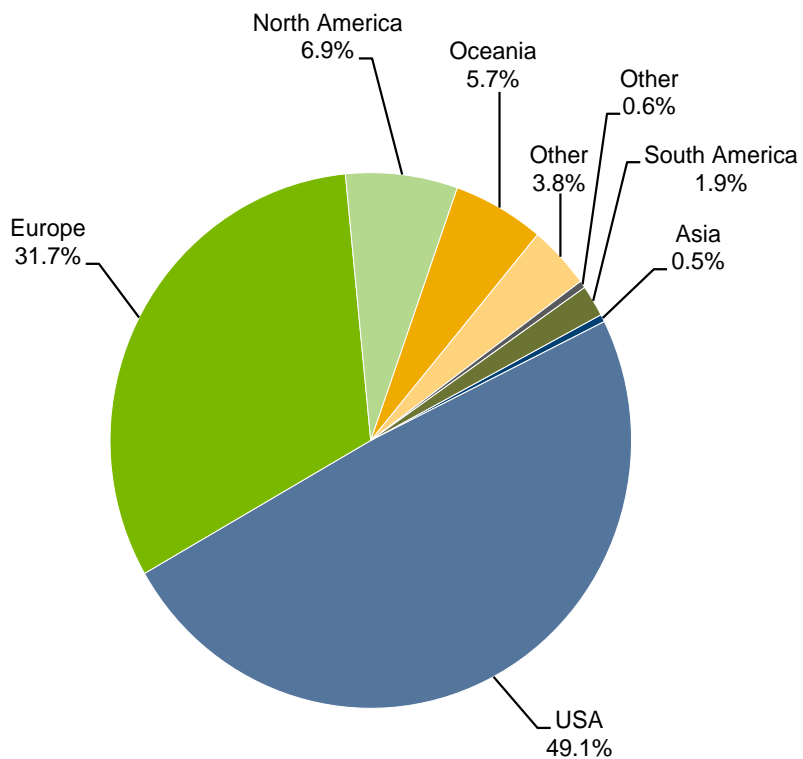


Geographic Type Diversification
(As of 12/31/2023)

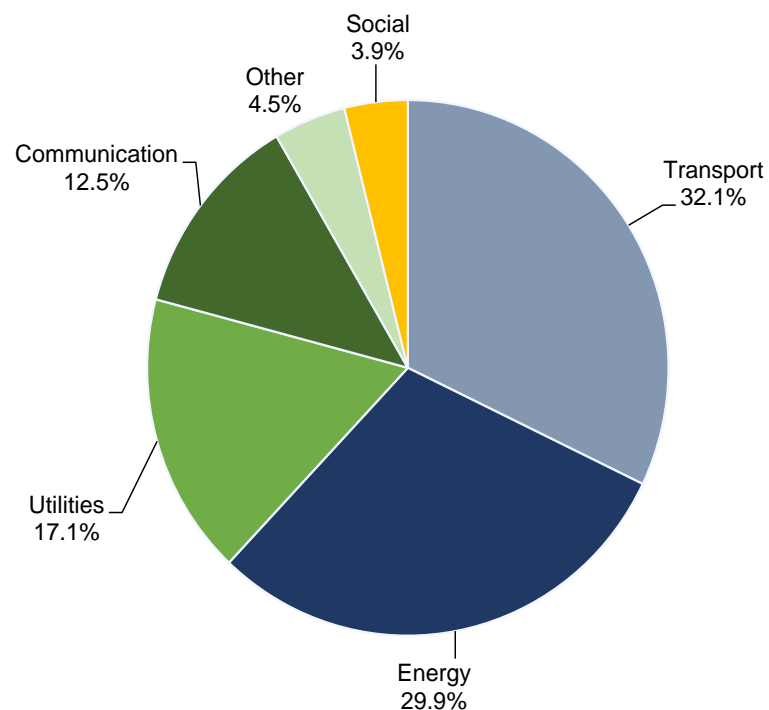


Portfolio Diversification – Infrastructure

**Geographic Diversification
as % of Portfolio Company Value**

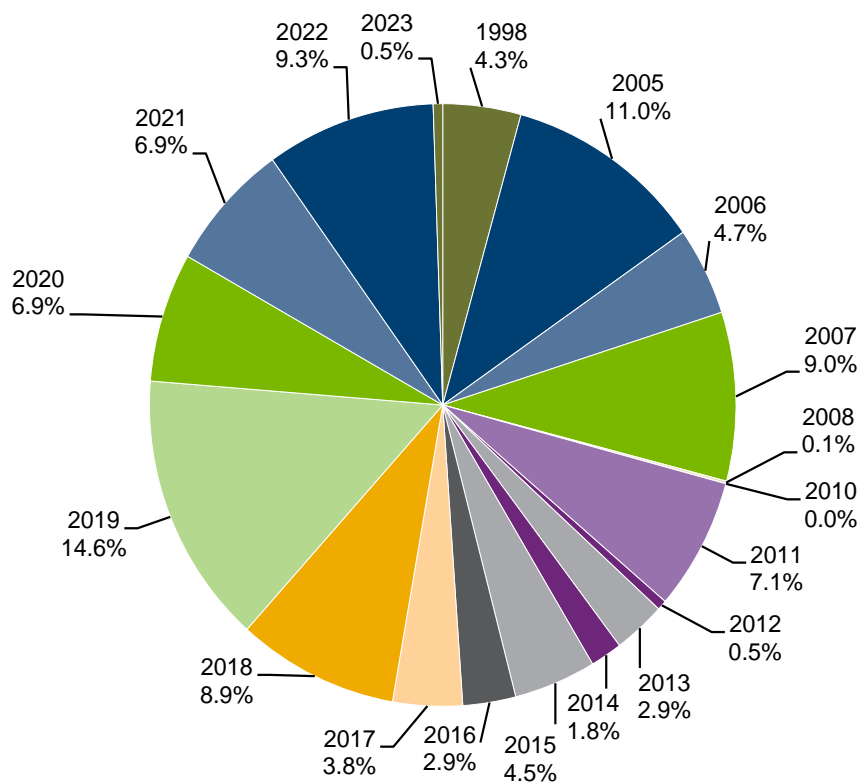


**Industry Diversification
as % of Portfolio Company Value**

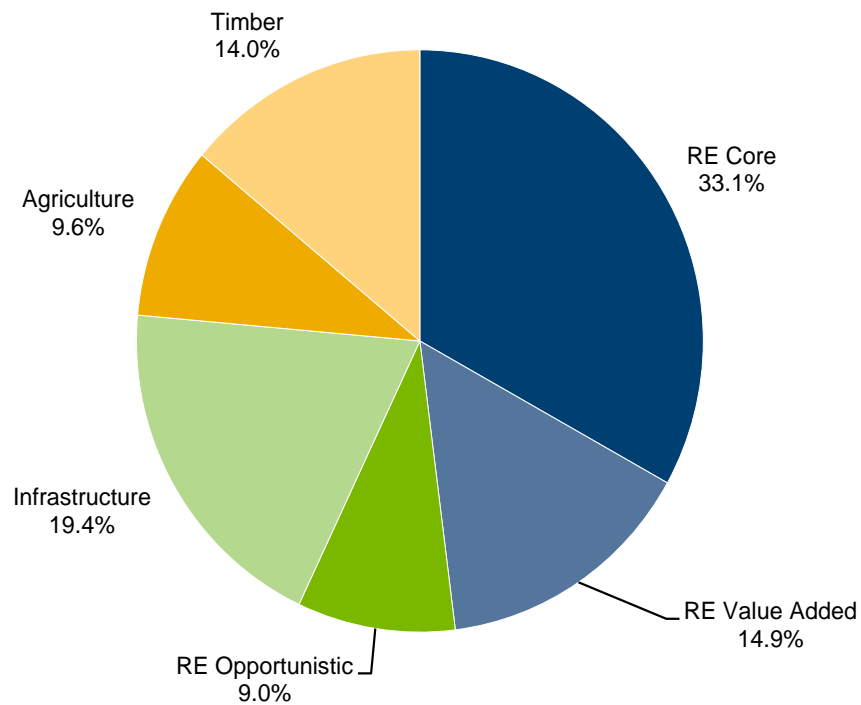


Portfolio Diversification (cont'd)

**Vintage Year Diversification by Net Asset Value
(As of 12/31/2023)**



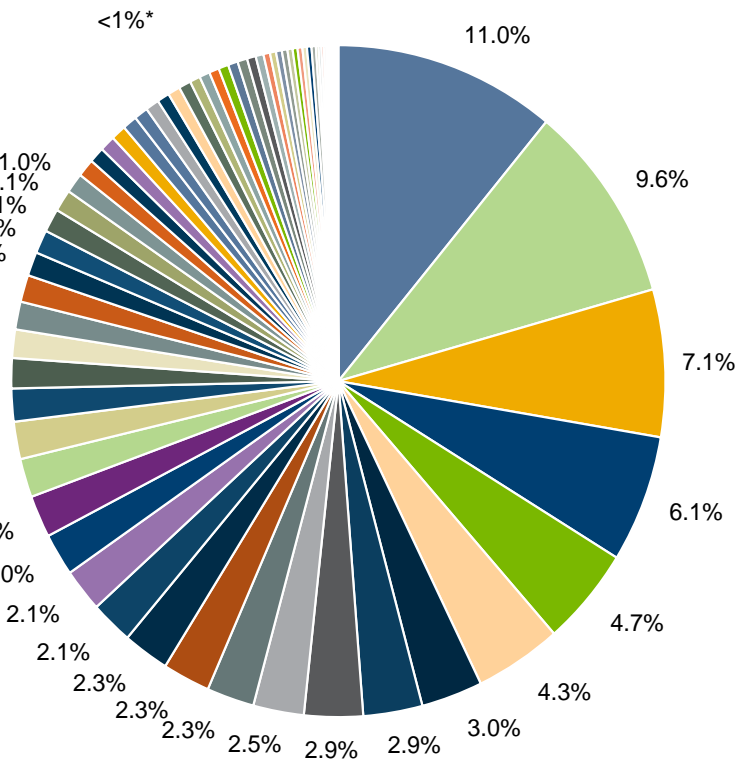
**Style Diversification by Net Asset Value
(As of 12/31/2023)**



Note: Arkansas Investments are included in Core portfolio

Manager Diversification

- PRISA SA
- HFMS Farmland Separate Account
- UBS Trumbull Property Fund
- KKR Diversified Core Infrastructure Fund
- Arkansas Investments
- Prime Property Fund
- Macquarie Infrastructure Partners V
- Macquarie Infrastructure Partners III
- UBS Trumbull Property Income Fund
- Metlife Commercial Mortgage Income Fund
- Blackstone Real Estate Partners Europe VI (EURO Vehicle)
- Long Wharf Real Estate Partners VI, L.P.
- LBA Logistics Value Fund IX
- Rockwood Capital Real Estate Partners Fund XI
- CBRE Strategic Partners U.S. Value 9
- Almanac Realty Securities VIII
- Torchlight Debt Opportunity Fund VI
- Almanac Realty Securities VII
- Walton Street Real Estate Debt Fund II, L.P.
- LaSalle Asia Opportunity V
- Landmark Real Estate Fund VIII
- Global Energy & Power Infrastructure Fund II
- Carlyle Realty Partners VIII
- Cerberus Institutional Real Estate Partners III
- Blackstone Real Estate Partners VII
- Almanac Realty Securities IX, L.P.
- LaSalle Income & Growth Fund VII
- Antin Infrastructure Partners Fund II
- Westbrook Real Estate Fund IX
- LaSalle Income & Growth Fund VI
- O'Connor North American Property Partners II, L.P.
- Torchlight Debt Opportunity Fund V
- Torchlight Debt Opportunity Fund IV
- LaSalle Asia Opportunity VI
- Heitman European Property Partners IV
- Almanac Realty Securities V, LP
- Landmark Real Estate Partners IX, L.P.
- BTG Pactual Open Ended Core U.S. Timberland Fund, LP
- JP Morgan Strategic Property Fund
- BTG Timber Separate Account
- IFM Global Infrastructure
- Agrivest Farmland Fund
- AxInfra NA II LP
- RREEF Core Plus Industrial Fund L.P.
- Global Infrastructure Partners III
- DIF Infrastructure V
- GLP Capital Partners IV
- FPA Core Plus Fund IV
- LaSalle Income & Growth Fund VIII
- Kayne Anderson Real Estate Partners VI
- Torchlight Debt Fund VII, LP
- ISQ Global Infrastructure Fund III
- Kayne Anderson Real Estate Partners V
- KKR Global Infrastructure Investors II
- Long Wharf Real Estate Partners V
- CBRE Strategic Partners U.S. Value 8
- PGIM Real Estate Capital VII (USD Feeder) SCSp
- DIF Infrastructure Fund VII
- Mesa West Real Estate Income Fund V
- Calmwater Real Estate Credit Fund III
- Metropolitan Real Estate Partners Co-Investments Fund, L.P.
- Carlyle Realty Partners IX
- Carlyle Realty Partners VII
- Lone Star Real Estate Fund IV
- Westbrook Real Estate Fund X
- Blackstone Real Estate Partners X
- Almanac Realty Securities VI
- Rockwood Capital Real Estate Partners Fund IX
- LaSalle Asia Opportunity Fund IV
- Harbert European Real Estate Fund IV
- CBRE Strategic Partners U.S. Opportunity 5
- Landmark Real Estate Fund VI
- Lone Star Real Estate Fund VII
- LaSalle Value Partners US IX



*each manager represents less than 1% of NAV

Management Fees

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Core		
Arkansas Investments	0	0
JP Morgan Strategic Property Fund	-361,596	-1,522,438
Metlife Commercial Mortgage Income Fund	-100,000	-400,000
Prime Property Fund	-130,277	-537,782
PRISA SA	-585,989	-2,448,065
RREEF Core Plus Industrial Fund L.P.	-95,301	-346,675
UBS Trumbull Property Fund	-238,894	-1,025,717
UBS Trumbull Property Income Fund	-110,196	-454,673
Core	-1,622,252	-6,735,350
Value Added		
Almanac Realty Securities IX, L.P.	-115,945	-460,000
Almanac Realty Securities V, LP	0	0
Almanac Realty Securities VI	-10,990	-43,601
Almanac Realty Securities VII	-49,999	-199,967
Almanac Realty Securities VIII	-54,135	-200,759
Calmwater Real Estate Credit Fund III	-45,035	-194,882
CBRE Strategic Partners U.S. Value 8	-46,113	-185,366
CBRE Strategic Partners U.S. Value 9	-156,249	-624,996
FPA Core Plus Fund IV	-49,874	-208,553
GLP Capital Partners IV	-12,169	-214,908
Harbert European Real Estate Fund IV	-30,097	-120,336
LaSalle Income & Growth Fund VI	0	0
LaSalle Income & Growth Fund VII	-40,485	-181,628
LaSalle Income & Growth Fund VIII	-96,683	-446,724
LaSalle Value Partners US IX	-207,945	-621,575
LBA Logistics Value Fund IX	-158,125	-632,500
Long Wharf Real Estate Partners V	-51,621	-225,548
Long Wharf Real Estate Partners VI, L.P.	-121,918	-525,927
Mesa West Real Estate Income Fund V	-136,329	-540,220
PGIM Real Estate Capital VII (USD Feeder) SCSp	-340	-1,020
Rockwood Capital Real Estate Partners Fund IX	-27,818	-118,205
Rockwood Capital Real Estate Partners Fund XI	-115,218	-492,164
Walton Street Real Estate Debt Fund II, L.P.	-57,880	-239,960
Westbrook Real Estate Fund IX	-24,881	-99,434
Westbrook Real Estate Fund X	-28,710	-114,580
Value Added	-1,763,559	-7,192,854

Management Fees (cont'd)

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Opportunistic		
Blackstone Real Estate Partners Europe VI (EURO Vehicle)	-179,878	-713,169
Blackstone Real Estate Partners VII	0	0
Blackstone Real Estate Partners X	-281,250	-962,500
Carlyle Realty Partners IX	-122,867	-485,215
Carlyle Realty Partners VII	-27,407	-104,956
Carlyle Realty Partners VIII	-52,686	-216,577
CBRE Strategic Partners U.S. Opportunity 5	0	0
Cerberus Institutional Real Estate Partners III	-1,580	-16,090
Heitman European Property Partners IV	0	0
Kayne Anderson Real Estate Partners V	-73,850	-292,132
Kayne Anderson Real Estate Partners VI	-156,250	-625,000
Landmark Real Estate Fund VI	0	0
Landmark Real Estate Fund VIII	-46,730	-191,158
Landmark Real Estate Partners IX, L.P.	-125,000	-500,000
LaSalle Asia Opportunity Fund IV	-2,662	-10,564
LaSalle Asia Opportunity V	-81,318	-326,209
LaSalle Asia Opportunity VI	-176,438	-700,000
Lone Star Real Estate Fund IV	-5,698	-21,193
Lone Star Real Estate Fund VII	-181,250	-380,625
Metropolitan Real Estate Partners Co-Investments Fund, L.P.	-18,887	-88,050
O'Connor North American Property Partners II, L.P.	-9,702	-38,820
Torchlight Debt Fund VII, LP	-137,500	-550,000
Torchlight Debt Opportunity Fund IV	-6,256	-22,536
Torchlight Debt Opportunity Fund V	-5,867	-27,280
Torchlight Debt Opportunity Fund VI	-46,890	-186,426
Opportunistic	-1,614,965	-5,958,501
Real Estate	-5,000,776	-19,886,705

Management Fees (cont'd)

Partnership Name	Current Quarter Management Fees	YTD Management Fees
Infrastructure - Core		
AxInfra NA II LP	-189,670	-652,386
DIF Infrastructure Fund VII	-206,976	-849,820
DIF Infrastructure V	-141,583	-573,794
IFM Global Infrastructure	-143,312	-557,044
KKR Diversified Core Infrastructure Fund	-93,779	-330,860
Macquarie Infrastructure Partners III	-101,147	-415,938
Macquarie Infrastructure Partners V	-182,156	-707,822
Infrastructure - Core	-1,058,624	-4,087,664
Infrastructure - Non-Core		
Antin Infrastructure Partners Fund II	-10,987	-50,185
Global Energy & Power Infrastructure Fund II	-98,728	-369,601
Global Infrastructure Partners III	-169,958	-678,812
ISQ Global Infrastructure Fund III	-194,278	-779,912
KKR Global Infrastructure Investors II	-61,113	-243,058
Infrastructure - Non-Core	-535,064	-2,121,568
Infrastructure	-1,593,687	-6,209,233
Agriculture		
Agrivest Farmland Fund	-158,215	-621,391
HFMS Farmland Separate Account	-498,897	-1,989,368
Agriculture	-657,112	-2,610,759
Timber		
BTG Pactual Open Ended Core U.S. Timberland Fund, LP	-618,042	-2,366,160
BTG Timber Separate Account	-155,322	-605,524
Timber	-773,364	-2,971,684
Total Real Assets	-3,024,163	-11,791,675
Total Portfolio		
Arkansas Teachers Retirement System	-8,024,939	-31,678,380

Compliance Matrix

RISK MANAGEMENT						
Property Type - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Office	18.10	NFI-ODCE +/- 50%	9.05	27.15	18.70	Yes
Retail	10.50	NFI-ODCE +/- 50%	5.25	15.75	7.26	Yes
Industrial	33.10	NFI-ODCE +/- 50%	16.55	49.65	30.31	Yes
Apartment	29.10	NFI-ODCE +/- 50%	14.55	43.65	29.75	Yes
Other	9.20	n/a	0.00	20.00	13.97	Yes
Geography - Real Estate	NFI-ODCE	Target/Constraint	Minimum	Maximum	Actual	Compliant?
West	43.90	NFI-ODCE +/- 50%	21.95	65.85	45.74	Yes
East	28.80	NFI-ODCE +/- 50%	14.40	43.20	24.16	Yes
Midwest	5.90	NFI-ODCE +/- 50%	2.95	8.85	6.94	Yes
South	21.40	NFI-ODCE +/- 50%	10.70	32.10	11.57	Yes
Other	0.00	n/a	n/a	n/a	2.97	Yes
Non-U.S.	0.00	n/a	0.00	40.00	8.62	Yes
Geography – Timber	NCREIF Timberland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Lake States	3.94	0%-20%	0.00	20.00	0.00	Yes
Northeast	4.93	0%-20%	0.00	20.00	0.98	Yes
Northwest	25.70	0%-50%	0.00	50.00	15.96	Yes
South	64.81	40%-80%	40.00	80.00	72.30	Yes
Other	0.00	0%-20%	0.00	20.00	10.75	Yes

Compliance Matrix (cont'd)

RISK MANAGEMENT						
Geography - Agriculture	NCREIF Farmland	Target/Constraint	Minimum	Maximum	Actual	Compliant?
Appalachian	0.66		0.00	50.00	0.00	Yes
Corn Belt	13.57		0.00	50.00	9.78	Yes
Delta States	19.02		0.00	50.00	36.05	Yes
Lake States	4.19		0.00	50.00	17.74	Yes
Mountain	7.72		0.00	50.00	12.35	Yes
Northeast	0.22		0.00	50.00	0.00	Yes
Northern Plains	2.65		0.00	50.00	1.56	Yes
Pacific Northwest	7.53		0.00	50.00	4.22	Yes
Pacific West	37.42		0.00	50.00	8.16	Yes
Southeast	5.24		0.00	50.00	8.06	Yes
Southern Plains	1.87		0.00	50.00	2.07	Yes
Other	0.00		0.00	50.00	0.00	Yes
Non-U.S.	0.00		0.00	50.00	0.00	Yes
Geography - Infrastructure	Target/Constraint		Minimum	Maximum	Actual	Compliant?
U.S.			40.0	100.0	49.05	Yes
Non-U.S.			0.00	60.00	50.95	Yes
Asset Type - Infrastructure	Target/Constraint		Minimum	Maximum	Actual	Compliant?
Energy/Utilities			0.00	70.00	48.90	Yes
Transportation			0.00	70.00	32.00	Yes
Social			0.00	70.00	3.92	Yes
Communications			0.00	70.00	12.49	Yes
Other			0.00	70.00	2.69	Yes
Manager	Target/Constraint		Minimum	Maximum	Max	Compliant?
			0.00	30.00	13.97	Yes
Style - Real Estate	Target/Constraint		Minimum	Maximum	Actual	Compliant?
Core			50.00	70.00	58.06	Yes
Non-Core			30.00	50.00	41.94	Yes

Agenda

Section 1	Executive Summary
Section 2	Market Overview
Section 3	Real Assets Portfolio Update
Section 4	Glossary

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Glossary of Terms

- Catch-up - The provision that dictates how cash flows from the fund will be allocated between the investors and the manager in order for the manager to receive their performance fee. This allocation of cash flows occurs once the investors have collected their capital and preferred return
- Core - The most conservative institutional real estate investing style
- Core-Plus - A style whereby investments have a slightly higher level of risk and expected return than Core, primarily through use of leverage
- Development - The construction of buildings from breaking the ground through building completion. This may also include entitlement of the land and the pursuit of permits prior to construction
- DPI – Distributions to Paid In; the ratio of distributions from investments to total invested capital
- First Closing - The point at which a manager receives and executes the subscription documents and can begin drawing capital from investors
- Final Closing - The final date at which new investors can subscribe to a fund
- Internal Rate of Return (IRR) - A method of measuring the performance of a portfolio from inception through a particular point in time. This method weights returns according to the dollars invested at each point in time. Hence, this is known as dollar-weighted return. This is a better measure when the manager controls when dollars must be invested and is the most commonly used method of real estate performance evaluation; Gross IRR is gross of fee and Net IRR is net of fee
- NFI-ODCE – NCREIF Fund Index Open-end Diversified Core Equity Index is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy; underlying funds are leveraged with gross and net returns available
 - NCREIF changed the basis of diversification for the NFI ODCE from NREA to GRE effective 1Q20
- NPI – NCREIF Property Index is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only; it is reported unlevered and gross of fee

Glossary of Terms (Cont'd)

- FTSE-NAREIT Equity REIT – An unmanaged capitalization-weighted index of all equity real estate investment trusts
- FTSE EPRA/NAREIT Global REIT – An unmanaged market-weighted total return index, which consists of many companies from Global markets whose floats are larger than \$100 million and derive more than half of their revenue from property-related activities
- Opportunistic - A style that is the riskiest form of real estate investing. The name derives from when such funds were formed after the early 1990s real estate market crash to take advantage of opportunities in unwanted properties. Such investments include ground-up development, highly-leveraged purchases, or transactions involving highly complicated legal or environmental situations
- Pre-Specified Deals – Investments that are purchased for a fund before its final close. The assets are typically warehoused on a line of credit
- Promote (Carried Interest) -The performance fee a manager receives once the investors have received their return of capital and the preferred return (return promised by the manager)
- RVPI – Residual Value to Paid In; the ratio of the residual value of an investment to total invested capital
- Time-Weighted Return - A method of measuring the performance of a portfolio over a particular period of time. Effectively, it is the return of one dollar invested in the portfolio at the beginning of the measurement period. This is a better return measure when the manager does not control when the dollars must be invested
- TVPI – Total value to paid-in ratio; the ratio of total value from an investment, including distributions, to total invested capital
- Value-Added - A style that represents moderate-risk real estate. A manager typically increases the future value of the investment by undertaking activities such as leasing, improving an existing building, or taking some risk through operating intensive assets, such as hotels or self-storage
- Vintage Year - The year in which a fund has its final closing. Typically coincides with the year a fund begins making investments

Glossary of Terms (Cont'd)

- NCREIF Timberland Index- The National Council of Real Estate Investment Fiduciaries (NCREIF) Timberland Index is a quarterly time series composite return measure of investment performance of a large pool of individual timber properties acquired in the private market for investment purposes only.
- NCREIF Farmland Index- The National Council of Real Estate Investment Fiduciaries (NCREIF) Farmland Index is a quarterly time series composite return measure of investment performance of a large pool of individual agricultural properties acquired in the private market for investment purposes only.

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There can be no assurance that any account will achieve results comparable to those presented. Past performance is not indicative of future results.

Memorandum

To: Arkansas Teacher Retirement System (“ATRS”)
From: Chae Hong; Jack Dowd, CFA
CC: PJ Kelly; Matthew Hooker
Date: June 03, 2024
Re: Kayne Anderson Real Estate Partners VII – \$50 million Commitment Recommendation

Background and Recommendation

Kayne Anderson Real Estate (the “Manager” or KA Real Estate”) is forming Kayne Anderson Real Estate Partners VII, L.P. (“KAREP VII” or the “Fund”), the next vehicle in its series of funds opportunistically investing in alternative property types across the U.S. The \$3.0 billion Fund will target a 15-18% net IRR using approximately 65% leverage over an 8-year life. Consistent with prior funds in the series, the Fund will primarily acquire and develop a portfolio of specialized property types; the primary focus being on healthcare related real estate (medical office and senior housing) and student housing. Acquisition targets may include undermanaged and undercapitalized properties where operational improvements and renovations enable NOI growth as well as motivated sellers of higher quality assets that may have stressed or distressed capital stacks. Speculative development is typically targeted within the student housing segment of the strategy while medical office development is usually build-to-suit. Senior housing will primarily be an acquisition strategy in this vintage.

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. A Fund VII Investment Summary is attached as **Exhibit A**. We recommend that ATRS invest \$50 million in the Fund to fulfill ATRS’ 2024 real estate allocation, in accordance with the previously approved 2024 ATRS Real Asset Pacing Schedule. Additionally, Fund VII may provide investors with various investment vehicles. Townsend recommends ATRS consult with its tax and legal counsel to determine the most appropriate vehicle for the Plan.

Exhibit A



INVESTMENT SUMMARY

KAYNE ANDERSON REAL ESTATE PARTNERS VII, LP

An Opportunistic Student Housing, Medical Office, and Senior Housing Fund

June 2024



EXECUTIVE SUMMARY

OVERVIEW

Review Date	Rating	Prior Fund Rating
February 2024	Buy	Buy

Kayne Anderson Real Estate (the “Manager” or KA Real Estate”) is forming Kayne Anderson Real Estate Partners VII, L.P. (“KAREP VII” or the “Fund”), the next vehicle in its series of funds opportunistically investing in alternative property types across the U.S. The \$3.0 billion Fund will target a 15-18% net IRR using approximately 65% leverage over an 8-year life.

The Townsend Group, an Aon Company (“Townsend”) has reviewed and performed an in-depth analysis of the above categories which includes, but is not limited to:

- Retention of Limited Partners
- Institutional Investor Representation
- Management Company Ownership
- Consistency/ Volatility of Returns
- Write-offs
- Transaction Experience in Strategy
- Organization Expenses
- Management Fee
- Incentive Fees/ Waterfall Distribution
- Fund Size
- Sponsor Commitment
- Ability to Create Value in Deals
- Valuation Discipline
- Reporting Transparency
- Back-Office Resources
- Investment Period
- Fund Term
- Key Person Provision
- Turnover/Tenure
- GP Attribution Concentration
- Fault Provisions
- Advisory Board
- Priority of Distributions
- Alignment of Partner Interest
- Firm Leadership

In addition, Aon Investments, USA’s Operational Due Diligence team has reviewed the Firm from an operating perspective and has given Kayne Anderson a pass rating.

RECOMMENDATION

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. We recommend that ATRS invest \$50 million in the Fund to fulfill ATRS’ 2024 real estate allocation, in accordance with the previously approved 2024 ATRS Real Asset Pacing Schedule.

Sponsor:

HQ Location	Parent: Los Angeles / RE: Boca Raton	Parent	Kayne Anderson Capital Advisors, LP
Ownership	Privately-owned	Founded	1984 (Parent) / 2007 (Real Estate)
Employees	330 (Total, Parent) / 86 (Real Estate)	Net AUM	\$33 billion (Parent) / \$15 billion (RE)

Organization Parent is an alternative investment management firm with a real estate team amongst other teams investing in energy & infrastructure, private market credit, and growth private equity. All the teams including Kayne Anderson Real Estate are supported by shared resources in finance, accounting, legal, and compliance.

Portfolio Characteristics:

Vehicle Structure	Closed End Commingled Fund	Risk Segment	High Return/ Opportunistic
--------------------------	----------------------------	---------------------	----------------------------



Expected Fund Size	\$3 billion; uncapped	Sponsor Commitment	\$50 Million
Commitment Period	4 years from Final Closing	Base Fund Term	Ends 5 years from Com. Period end
Avg. Investment Size	\$30 million equity (ranges \$10-\$150M)	Typical Business Plan	Three to Five Years
Fees:	Base fee of 1.75% on Committed then Invested; expected to be reduced by aggregation and First Close Discount	Incentive Fee Waterfall	8% preferred return; return of capital 20% LP / 80% GP catch-up* 80% LP / 20% GP thereafter *May be reduced by commitment size
Management Fee			

Background/Status: First Close is scheduled for April 2024 with \$1.5 billion soft circled. Expected Final Close by year end potentially stretching into 1Q25.

Strategy: Consistent with prior funds in the series, the Fund will primarily acquire and develop a portfolio of specialized property types; the primary focus being on healthcare related real estate (medical office and senior housing) and student housing. Acquisition targets may include undermanaged and undercapitalized properties where operational improvements and renovations enable NOI growth as well as motivated sellers of higher quality assets that may have stressed or distressed capital stacks. Speculative development is typically targeted within the student housing segment of the strategy while medical office development is usually build-to-suit. Senior housing will primarily be an acquisition strategy in this vintage.

Track Record (as of 6/30/23)

Vehicle	Fund Size (\$M)	Vintage	Assets	Projected Life-of-Fund Net IRR	Fair Market Value			Realizations		DPI
					Net IRR	Net EM	IRR/EM Quartile	% of Projection	% of Transactions	
KAREP I	\$136	2007	15	8.2%	8.2%	1.3x	2Q / 2Q	100%	100%	1.3x
KAREP II	\$575	2010	32	15.1%	15.1%	1.3x	3Q / 4Q	100%	100%	1.3x
KAREP III	\$750	2013	54	18.1%	18.1%	1.6x	1Q / 2Q	99%	94%	1.6x
KAREP IV	\$1,030	2015	42	10-12%	11.8%	1.5x	3Q / 3Q	65%	71%	1.0x
KAREP V	\$1,850	2017	106	11-13%	12.7%	1.4x	3Q / 3Q	46%	50%	0.7x
KAREP VI	\$2,750	2021	42	15-18%	6.5%	1.1x	2Q / 2Q	1%	0%	0.0x



SPONSOR

OVERVIEW

The roots of Kayne Anderson Capital Advisors, L.P. trace back to 1984 when the firm was founded by Richard Kayne (with the support of John Anderson) to manage the capital of its principals and select clients. The firm focuses on alternative investment management; currently investing across a variety of strategies, which include energy & infrastructure and related marketable securities, and private market growth capital, real estate, and middle market corporate credit.

Kayne Anderson Real Estate was established in 2007 by Ric Kayne and Albert Rabil, who has served as the Managing Partner and Chief Executive Officer of KA Real Estate and took over the role of CEO of Kayne Anderson Capital Advisors in 2021. The first Kayne Anderson real estate fund in the series was launched in 2007 to focus on the off-campus student housing sector. Since 2007, KA Real Estate has raised six commingled closed-end opportunistic funds in this series, totaling \$7 billion. While the early funds in the series focused primarily on off-campus student housing, the strategy expanded to include healthcare related real estate (medical office and senior housing). Organizational charts for both the parent company and Kayne Anderson Real Estate are included in **Exhibit C**.

Parent: Kayne Anderson Capital Partners, L.P.

- Ownership: The firm's founders (largely Ric Kayne) own 45% of the parent company, 10% is held by former Partners, and 45% is held by a group of 49 current Partners, of which Al Rabil and Paul Blank hold the largest percentage. There is a long-term path to dilute founders down to 20% over ten years.
- Staffing: 335 total employees with 140 investment professionals
- Headquarters in Los Angeles with six other offices including Boca Raton, New York, Houston, Chicago, and London, with client relations satellites in Dallas and Atlanta.
- AUM: \$33 billion equity (including unfunded commitments)
 - Energy infrastructure (\$3.9 billion): Listed infra companies (equity, credit, renewables)
 - Energy Private Equity (\$6.7 billion): Private investments in mature producing oil and gas companies
 - Private Credit (\$6.4 billion): Direct lending to middle market companies
 - Real Estate (\$14.6 billion): High return/opportunity funds; open-end core fund; debt funds;
 - Tech-Enabled Growth (\$1.2 billion): PE and debt funds focused on middle market/high growth technology-enabled services.

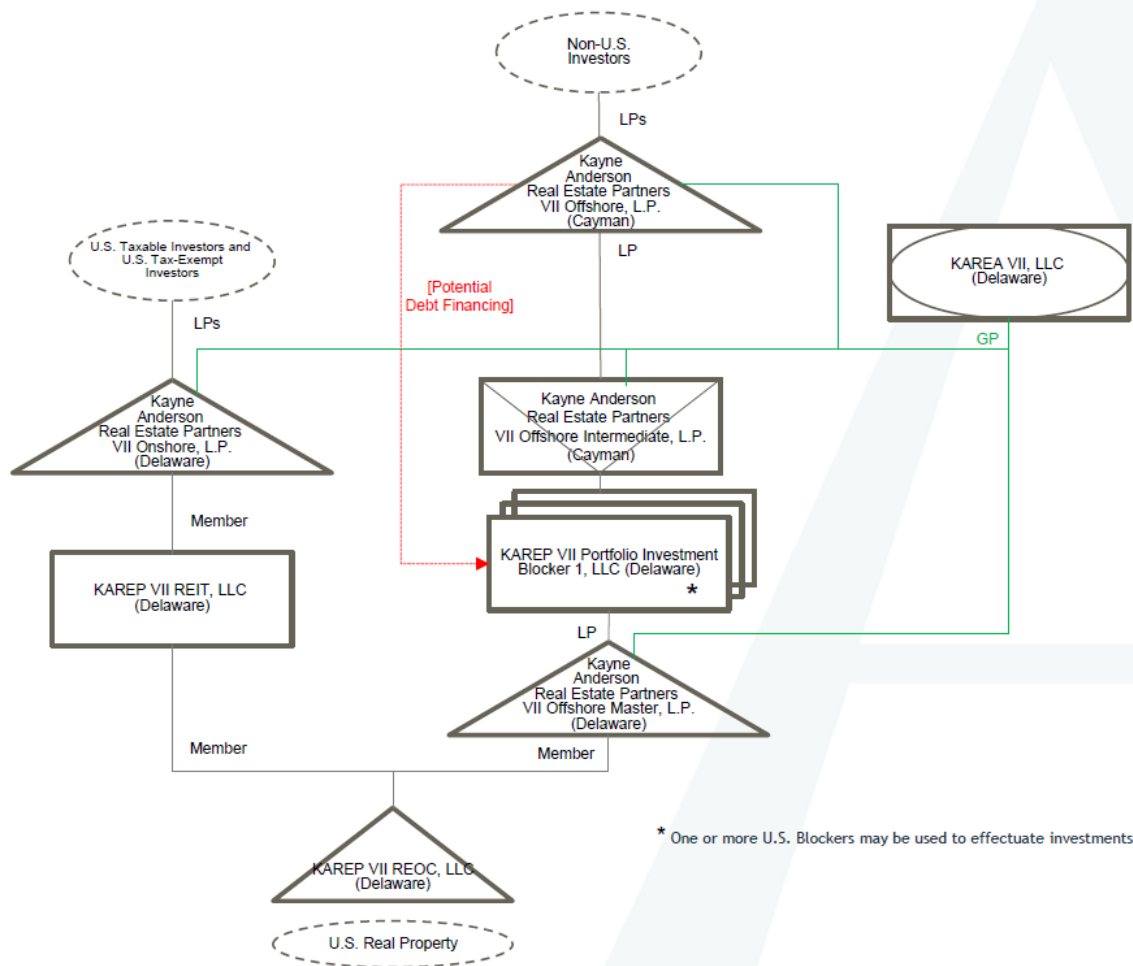
Manager: Kayne Anderson Real Estate

- Ownership: Ownership is split between management fee share and carried interest. Petershill owns 37% of management fee rights and the balance is held by Al Rabil, David Selznick, and KACALP in roughly equal proportion (21%, 21%, 21%). Petershill is entitled to 31% of carried interest, Messrs. Rabil and Selznick collectively 47%, and a group of roughly 26 team members share in the remaining 22%.
 - In January 2020, Goldman Sachs Asset Management through its Petershill Program purchased a passive 20% minority interest in the KA Real Estate platform which sized up to 37% in 2022. It does not require any board seats and KA Real Estate continues to operate under the direction of Al Rabil and David Selznick. There are no additional upsizes to their ownership expected.

- Staffing: 86 employees, which include 3 partners, 20 professionals in acquisitions, 14 in asset management, 3 in capital markets, 8 in design/construction, 12 in legal, 2 in ESG, 6 in investor relations, 5 in FP&A, 6 in accounting, and 7 in HR and administrative roles.
- AUM: \$14.6 billion equity (including unfunded commitments)
 - By Strategy: Opportunistic equity (\$5.3 billion), real estate debt (\$4.0) billion, core/core-plus equity (\$3.2 billion), specialized vehicles (\$2.0 billion).
 - Within Opportunistic Equity: Senior housing (55%), medical office (16%), student housing (20%), and multifamily (8%).

Fund Structure:

KAREP VII





About Townsend Group – An Aon Company

Founded in 1983, The Townsend Group, an Aon Company (“Townsend”) provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of September 30, 2023, Townsend had assets under management of approximately \$22.1 billion. As of September 30, 2023, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$122.9 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

Disclaimer

This document has been prepared by Townsend Holdings LLC (“Townsend”), a division of Aon plc., and is appropriate solely for qualified investors. Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. The information contained herein is given as of the date hereof and does not purport to give information as of any other date. The delivery at any time shall not, under any circumstances, create any implication that there has been a change in the information set forth herein since the date hereof or any obligation to update or provide amendments hereto. The information contained herein is derived from proprietary and non-proprietary sources deemed by Townsend to be reliable and are not necessarily all inclusive. Reliance upon information in this material is at the sole discretion of the reader. This document does not constitute an offer of securities or solicitation of any kind and may not be treated as such, i) in any jurisdiction where such an offer or solicitation is against the law; ii) to anyone to whom it is unlawful to make such an offer or solicitation; or iii) if the person making the offer or solicitation is not qualified to do so. Townsend is a registered investment adviser with the Securities and Exchange Commission and is a wholly owned, indirect subsidiary of Aon plc. Employees of Townsend may hold securities in affiliates of investment fund managers that are currently managing funds in which Townsend clients may invest or which Townsend may recommend. Employees of Townsend must report their holdings pursuant to applicable law and clear any conflicts of interest with Townsend’s compliance department.

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

**RESOLUTION
No. 2024-19**

**Approving Investment in Kayne Anderson Real Estate Partners
VII, LP**

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

WHEREAS, the ATRS Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Kayne Anderson Real Estate Partners VII, LP**, a closed-ended, opportunistic fund targeting specialized real estate sectors including medical office, senior housing and student housing within the United States.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000.00)** in **Kayne Anderson Real Estate Partners VII, LP**; The total investment amount is to be determined by the real assets consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

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

Adopted this 3rd day of June, 2024.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

Memorandum

To: Arkansas Teacher Retirement System (“ATRS”)
From: Chae Hong, Jack Dowd, CFA
CC: PJ Kelly; Matthew Hooker
Date: June 03, 2024
Re: Macquarie GIG Energy & Climate Opportunities Fund – \$50 million Commitment Recommendation

Background and Recommendation

Macquarie GIG Energy and Climate Opportunities (“MGECO” or the “Fund”) is an open-ended infrastructure fund sponsored by Macquarie Infrastructure and Real Assets (“MIRA”) that is wholly owned by Macquarie Asset Management (“MAM”) and ultimately by Macquarie Group (“Macquarie”) which is listed on the Australian Securities Exchange (ASX: MQG¹). The Fund will primarily be managed by Macquarie’s Green Investment Group (“GIG” or the “Team”), a specialist green investment team within MIRA. MGECO will initially target investment opportunities across solar, onshore wind, offshore wind. Other technologies such as hydro and geothermal, bioenergy and energy storage, or natural climate solutions, will also be considered to the extent commercial scale can be achieved. While the overall focus on renewable energy generation assets will remain, the strategy has evolved from buying into brownfield and fully operational assets (for MGREF 1) with some construction stage assets (for MGREF 2) to more focused on development stage assets at entry (initially for MGECO). However, as the portfolio scales and gets built up, it is expected to have a balanced mix of operational and development assets to provide total returns from a combination of cash yield and greenfield / development premium. While MGECO will pursue build and hold approach for majority of its portfolio assets, it will opportunistically rotate / realize 20-25% of the portfolio over longer term.

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. A Fund Investment Summary is attached as **Exhibit A**. We recommend that ATRS invest \$50 million in the Fund to fulfill ATRS’ 2024 Infrastructure allocation, in accordance with the previously approved 2024 ATRS Real Asset Pacing Schedule. Additionally, the Fund may provide investors with various investment vehicles. Townsend recommends ATRS consult with its tax and legal counsel to determine the most appropriate vehicle for the Plan.

¹ Select Aon / Townsend employees may have personal interest in this investment/fund or affiliates of this investment/fund. All Townsend employees are subject to an investment pre-clearance process for such investments under Townsend's Code of Ethics. To assess any conflict of interest/perceived conflict of interest and to avoid any opportunity of beneficial treatment, all employee investments that may create a conflict/or perceived conflict are monitored by Townsend Compliance and the Townsend Compliance Committee.

Exhibit A



INVESTMENT SUMMARY

MACQUARIE GIG ENERGY & CLIMATE OPPORTUNITIES FUND

June 2024

EXECUTIVE SUMMARY

OVERVIEW

Review Date	Rating	Previous Rating
March 2024	Buy	N/A

Macquarie GIG Energy and Climate Opportunities (“MGECO” or the “Fund”) is an open-ended infrastructure fund sponsored by Macquarie Infrastructure and Real Assets (“MIRA”) that is wholly owned by Macquarie Asset Management (“MAM”) and ultimately by Macquarie Group (“Macquarie”) which is listed on the Australian Securities Exchange (ASX: MQG). The Fund will primarily be managed by Macquarie’s Green Investment Group (“GIG” or the “Team”), a specialist green investment team within MIRA. MGECO is an evolution of Macquarie’s renewable fund series that primarily invested across solar, onshore, and offshore wind renewable energy generation assets. The series previously launched Macquarie GIG Renewable Energy Fund 1 (“MGREF 1” or “Fund 1”), 2015 vintage, GBP denominated, closed-end fund that raised equal to \$989.4 million in aggregate commitments and Macquarie GIG Renewable Energy Fund 2 (“MGREF 2” or “Fund 2”), 2019 vintage, EUR denominated, closed-end fund that raised equal to \$1.0 billion in aggregate commitments. While third fund in the series, MGECO has been launched as an open-ended fund vehicle as opposed to closed-end structure for the two previous funds.

The Townsend Group, an Aon Company (“Townsend”) has reviewed and performed an in-depth analysis of the above categories which includes, but is not limited to:

- Retention of Limited Partners
- Institutional Investor Representation
- Management Company Ownership
- Organization Expenses
- Management Fee
- Incentive Fees/ Waterfall Distribution
- Fund Size
- Sponsor Commitment
- Investment Period
- Fund Term
- Key Person Provision
- Turnover/Tenure
- GP Attribution Concentration
- Consistency/ Volatility of Returns
- Write-offs
- Transaction Experience in Strategy
- Ability to Create Value in Deals
- Valuation Discipline
- Reporting Transparency
- Back-Office Resources
- Fault Provisions
- Advisory Board
- Priority of Distributions
- Alignment of Partner Interest
- Firm Leadership

In addition, Aon Investments, USA’s Operational Due Diligence team has reviewed the Firm from an operating perspective and has given Macquarie a pass rating.

RECOMMENDATION

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. We recommend that ATRS invest \$50 million in the Fund to fulfill ATRS’ 2024 infrastructure allocation, in accordance with the previously approved 2024 ATRS Real Asset Pacing Schedule.

Sponsor:

HQ Location	Sydney, Australia	Parent	Macquarie Asset Management
Ownership	Owned by Macquarie Group	Founded	1969
Employees	20,509	Team	400 Infrastructure, 90+ GIG
AUM (March 31, 2023)	\$581.8 billion total		

Portfolio Characteristics and Terms:

Structure	Open ended	Risk Segment	Build-to-Core / Opportunistic
Size	\$5.0 billion (Initial)	Sponsor Commitment	Lesser of 10% of aggregate commitments and \$500 million
Target Sectors	Solar, Onshore wind, Offshore wind	Target Geography	Global (developed OECF) Primarily North America, Europe, and Asia Pacific
Target Return (USD)	10% - 12% net returns including 3-5% net yield following initial ramp-up	Leverage	Up to lesser of the 20% of NAV and unfunded commitments
Fund Term	Open-ended (evergreen)	Investment Period	Open-ended (evergreen)

Fees and Timing:

Management Fee	0.90% p.a. on NAV	Carried Interest	10%
Hurdle Rate	8.0%	GP Catch-Up	33.3%
Organization Expenses	Up to 0.15% of commitments	Fee Income	100% offset against management fee for all monitoring, consulting, break-up, and other fees
Status/Timing	Commencement/Transfer Date: March 31, 2024, First Close: June 30, 2024, Initial Fund-Raising Period: 12 months from the Commencement Date		

Strategy: MGECO will initially target investment opportunities across solar, onshore wind, offshore wind. Other technologies such as hydro and geothermal, bioenergy and energy storage, or natural climate solutions, will also be considered to the extent commercial scale can be achieved. While the overall focus on renewable energy generation assets will remain, the strategy has evolved from buying into brownfield and fully operational assets (for MGRES 1) with some construction stage assets (for MGRES 2) to more focused on development stage assets at entry (initially for MGECO). However, as the portfolio scales and gets built up, it is expected to have a balanced mix of operational and development assets to provide total returns from a combination of cash yield and greenfield / development premium. While MGECO will pursue build and hold approach for majority of its portfolio assets, it will opportunistically rotate / realize 20-25% of the portfolio over longer term. The Fund will target net IRR of 10% to 12% over the life of the Fund including a 3-5% target net yield following initial ramp up.

Performance as of June 30, 2023, for MGREF1 and MGREF2 and as of March 31, 2023, for Other Fiduciary Accounts and Balance Sheet Investments.

Fund	Vintage Year	Fund Size	Capital Invested	# of Inv.	Inv. Realized	Realized Value	Unrealized Value	Total Value	Loss Ratio	Ave. Hold Period	Gross TVPI	Net TVPI	Gross IRR	Net IRR
MGREF1	2015	\$989.4	\$1,313.0	5	0	\$953.2	\$994.2	\$1,947.4	0.0%	N/A	1.5x	1.4x	7.2%	6.2%
MGREF2	2019	1,045.8	1,151.9	7	0	79.1	1,296.5	1,375.7	0.2%	N/A	1.2	1.1	13.9%	9.9%
Sub Total (Prior Funds)		\$2,035.2	\$2,464.9	12	0	\$1,032.4	\$2,290.7	\$3,323.1	0.1%	N/A	1.3x	1.3x	8.1%	6.6%
Other Fiduciary Accounts	2005	N/A	\$6,234.2	34	17	\$5,610.9	\$5,134.6	\$10,745.6	2.9%	6.8	1.7x	N/A	14.4%	N/A
Balance Sheet Investments	2008	N/A	\$4,007.0	40	24	\$3,895.1	\$2,208.6	\$6,103.7	0.0%	3.3	1.5x	N/A	88.0%	N/A
Total	N/A	N/A	\$12,706.0	86	41	\$10,538.4	\$9,633.9	\$20,172.3	N/A	N/A	1.6x	N/A	N/A	N/A

SPONSOR

OVERVIEW

Macquarie’s history dates to 1969 when a merchant bank, Hill Samuel Australia Limited was created as a wholly owned subsidiary of Hill Samuel & Co. Limited, that acquired Australian banking license as Macquarie Bank Limited (“MBL”) in 1985 which was listed on Australian Securities Exchange (“ASX”) in 1996. Following a restructure in 2007, MBL became an indirect subsidiary of Macquarie Group, a new ASX listed company (ASX: MQG).

ASX-listed Macquarie Group is owned by over 232,019 registered shareholders as at March 31, 2023. Approximately 3% of Macquarie Group is owned by Macquarie Group employees. As per Macquarie’s annual report, five largest shareholders include HSBC Custody Nominees (Australia) Limited (~28%), JP Morgan Nominees Australia Limited (~17%), Citicorp Nominees Pty Limited (~8%), National Nominees Limited (~3%), and Bond Street Custodians Limited (~3%).

As of 31 March 2023, Macquarie Group had 20,509 employees with offices in 34 markets around the world. The Group operates across four distinct operating businesses, supported by shared services across four central functions (Risk Management, Legal and Governance, Financial Management and Corporate Operations):

1. MAM is a global asset manager, providing access to specialist investment expertise across fixed income, equities, multi-asset solutions, private credit, infrastructure, renewables, natural assets, real estate, and transportation finance. As of 31 March 2023, it had US\$581.8 billion of AuM.
2. Macquarie Capital provides advisory and capital raising services, investing alongside partners and clients across the capital structure and a range of sectors. It also has a capability in development and investment in infrastructure and energy projects and offering green energy solutions to its corporate clients.
3. Commodities and Global Markets offers its clients access to global markets including equities, fixed income, foreign exchange, commodities, technology, media, and telecommunications. The platform provides financing, financial hedging, physical execution, and research and market analysis.
4. Banking and Financial Services comprises the Group’s retail banking and financial services businesses, providing personal banking, wealth management, business banking products and services to retail clients, advisers, brokers, and business clients in the Australian market.

With over 2,500 permanent staff across 32 countries worldwide, Macquarie Asset Management (“MAM”) manages assets on behalf of institutions, pension funds, governments, and individuals operating across four divisions: Real Assets with US\$184.8 billion of AuM, Real Estate with ~ US\$20.2 billion of AuM, Private Credit and Asset Finance with US\$12.4 billion of AuM, and Public Investments with more than US\$357.2 billion of AuM. Today, MAM is the

world's largest infrastructure asset manager employing ~400 investment professionals (supported by a further ~400 support staff and ~150 client solutions professionals) across 29 offices worldwide.

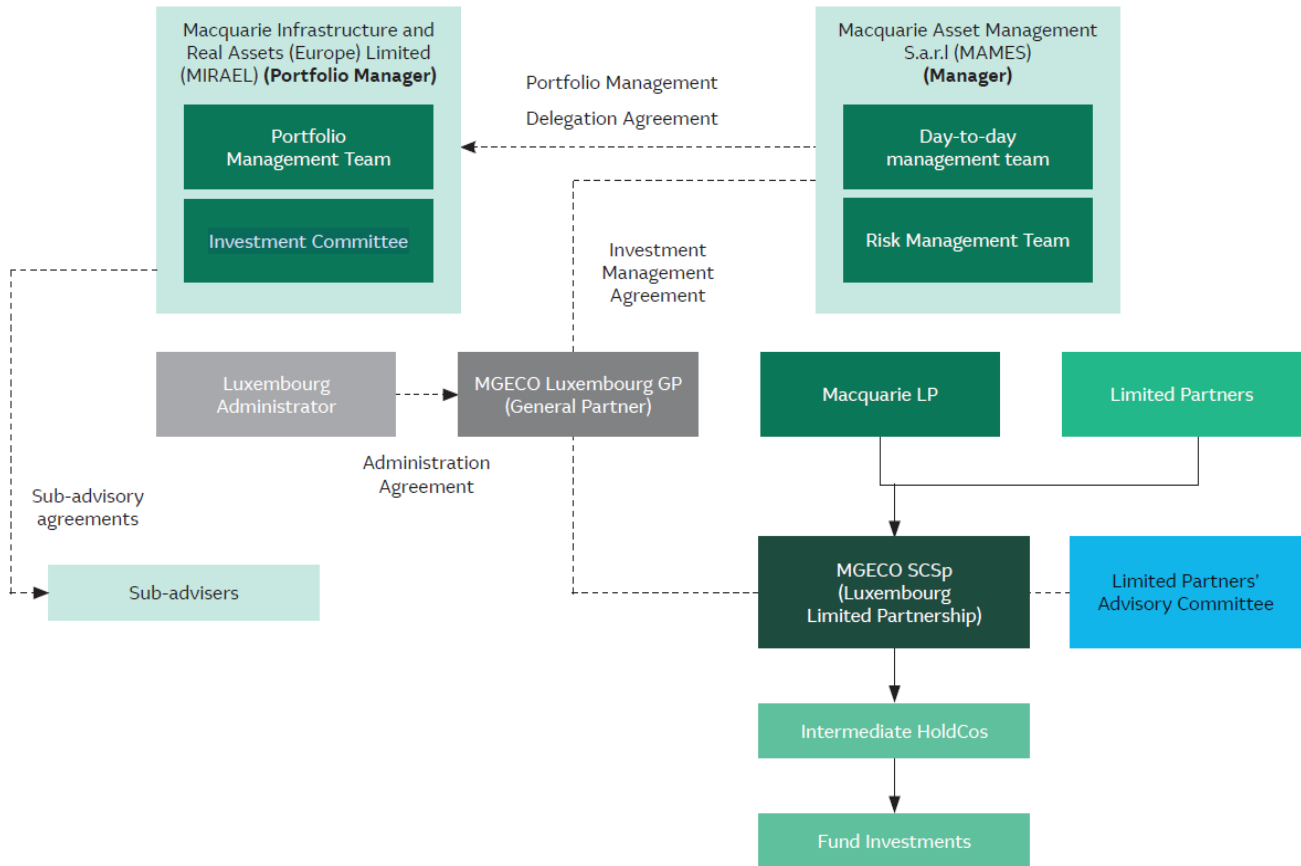
The team's background combines MAM's track record of renewables investment from MAM's Renewables sector team, and the track record of the MAM Green Investments itself (formerly known as GIG), which was acquired as part of the Green Investment Bank ("GIB") acquisition by Macquarie from the UK Government in 2017. Launched in 2012, GIB was the first publicly funded institution of its type designed to mobilise private finance into the green energy sector. GIB supported £12 billion of UK green infrastructure projects, committed £3.4 billion to over 100 investments and created the world's first dedicated offshore wind fund. When Macquarie acquired GIB in 2017, it established the GIG to be Macquarie's primary vehicle for principal investment in green energy projects globally in Macquarie Capital. The GIG teams across MAM and Macquarie Capital were merged into MAM on 1 April 2022. To date, the MAM Green Investments platform has committed and arranged to support over £25 billion in green energy projects with 17+ GW of operational green energy capacity managed globally. Moreover, it has 85+ GW renewable energy projects in development globally, having gained experience in developing and operating assets across sub-sectors including solar, onshore, and offshore wind.

Led by Mark Dooley and Ed Northam, MGECO team consists of ~90 dedicated green investment specialists (including 16 managing directors or above) across London, New York, Sydney, and Singapore. The Team is supported by 400+ investment professionals across infrastructure and real assets. Additionally, the Team will leverage Macquarie's broader platform expertise with dedicated capital markets, risk management, ESG, and technical professionals. The technical professionals provide critical inhouse expertise around energy markets and customer solutions, engineering and asset operations, and growth and performance optimization. These technical professionals have a track record of delivering 20+ GW renewable projects, executed 4.5 GW of power purchase agreements ("PPAs") with 25+ corporates and 11 utilities, created 7 new successful renewable energy platforms since 2017.

The following members make the senior most leadership of MGECO.

Name	Title	Location	Years in Infrastructure Experience	Years with MAM	Member of Investment Committee
Leigh Harrison	Head of Real Assets	Asia-Pacific	25	21	Yes
Mark Dooley	Global Head of GIG	EMEA	37	18	Yes
Edward Northam	Head of Asia Pacific & Head of Core Renewables, GIG	Asia-Pacific	30	11	Yes
Elizabeth O'Leary	Head of Agriculture and Natural Assets	Asia-Pacific	29	20	Yes
William Demas	Head of Americas, GIG	Americas	17	7	Yes
Christopher Leslie	Senior Managing Director, GIG	Americas	36	31	Yes
Lachlan Creswell	Senior Managing Director, GIG	Asia-Pacific	23	23	No
Maksymillian Dadej	Senior Managing Director, GIG	EMEA	14	14	No
Matt Edgar	Senior Managing Director, GIG	EMEA	14	9	No
Oliver Lewis	Senior Managing Director, GIG	Asia-Pacific	19	19	No
Kristina Klobberdanz	Senior Managing Director, Global Chief Sustainability Officer	EMEA	30	1	No
David Tilstone	Managing Director, GIG	EMEA	32	18	No
Penny Wang	Managing Director, GIG	Asia-Pacific	14	14	No
Eric Bjonerud	Managing Director, GIG	EMEA	15	7	No
Kirsten Hannan	Managing Director, GIG	Asia-Pacific	27	25	No
Joanne Rhee	Managing Director, Korea, Real Assets	Asia-Pacific	23	17	No

FUND STRUCTURE:



About Townsend Group – An Aon Company

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Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of September 30, 2023, Townsend had assets under management of approximately \$22.1 billion. As of September 30, 2023, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$122.9 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

Disclaimer

This document has been prepared by Townsend Holdings LLC (“Townsend”), a division of Aon plc., and is appropriate solely for qualified investors. Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. The information contained herein is given as of the date hereof and does not purport to give information as of any other date. The delivery at any time shall not, under any circumstances, create any implication that there has been a change in the information set forth herein since the date hereof or any obligation to update or provide amendments hereto. The information contained herein is derived from proprietary and non-proprietary sources deemed by Townsend to be reliable and are not necessarily all inclusive. Reliance upon information in this material is at the sole discretion of the reader. This document does not constitute an offer of securities or solicitation of any kind and may not be treated as such, i) in any jurisdiction where such an offer or solicitation is against the law; ii) to anyone to whom it is unlawful to make such an offer or solicitation; or iii) if the person making the offer or solicitation is not qualified to do so. Townsend is a registered investment adviser with the Securities and Exchange Commission and is a wholly owned, indirect subsidiary of Aon plc. Employees of Townsend may hold securities in affiliates of investment fund managers that are currently managing funds in which Townsend clients may invest or which Townsend may recommend. Employees of Townsend must report their holdings pursuant to applicable law and clear any conflicts of interest with Townsend’s compliance department.

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

**RESOLUTION
No. 2024-20**

**Approving Investment in Macquarie GIG Energy and Climate
Opportunities Fund, SCSp.**

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

WHEREAS, the Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Macquarie GIG Energy and Climate Opportunities Fund, SCSp**, a specialized fund focused on renewable energy including wind and solar power.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000.00)** in **Macquarie GIG Energy and Climate Opportunities Fund, SCSp**. The total investment amount is to be determined by the real assets consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

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

Adopted this 3rd day of June, 2024.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

Memorandum

To: Arkansas Teacher Retirement System (“ATRS”)
From: Chae Hong, Jack Dowd, CFA
CC: PJ Kelly; Matthew Hooker
Date: June 03, 2024
Re: KKR Global Infrastructure Investors V – \$50 million Commitment Recommendation

Background and Recommendation

KKR Global Infrastructure Investors V (“KKR V” or the “Fund”) is closed-end value-add infrastructure fund sponsored by KKR & Co. L.P. (“KKR”, the “Firm” or the “Manager”) which is listed on the New York Stock Exchange (NYSE: KKR¹). KKR is a global investment firm that manages multiple asset classes, including private equity, energy, infrastructure, real estate, credit, and hedge funds through its strategic partners. Since the establishment of its infrastructure team in 2008, KKR has been actively pursuing core+ and value-add infrastructure investments across the Organization for Economic Co-operation and Development (“OECD”) countries. KKR V is a closed-end infrastructure fund that seeks to pursue value-add investments across communications, power and renewable, midstream energy, transportation, utilities, waste and social infrastructure assets and businesses located primarily in the member countries of the Organization for Economic Co-operation and Development (“OECD”) with a focus on North America and Western Europe and an ability to invest up to 15% of the Fund’s aggregate capital commitments outside OECD countries. The Fund’s strategy involves acquiring control or significant minority stake in critical infrastructure businesses that offer low volatility in revenues and strong downside protection due to their market position and / or structural / contractual framework, where KKR can create value through complexity in sourcing, structuring, operational improvements, and execution. However, KKR retains a flexible approach to sector, geography and asset type diversification. The Fund will target 10-12% net annual returns including a strong annual cash yield post investment period.

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. A Fund V Investment Summary is attached as **Exhibit A**. In accordance with the previously approved 2024 ATRS Real Asset Pacing Schedule, we recommend that ATRS invest \$50 million in the Fund and borrow from ATRS’ 2025 infrastructure budget. The Fund intends to call capital in 2025, aligning the investment within the 2025 vintage year. Additionally, Fund V may provide investors with various investment vehicles. Townsend recommends ATRS consult with its tax and legal counsel to determine the most appropriate vehicle for the Plan.

¹ Select Aon / Townsend employees may have personal interest in this investment/fund or affiliates of this investment/fund. All Townsend employees are subject to an investment pre-clearance process for such investments under Townsend's Code of Ethics. To assess any conflict of interest/perceived conflict of interest and to avoid any opportunity of beneficial treatment, all employee investments that may create a conflict/or perceived conflict are monitored by Townsend Compliance and the Townsend Compliance Committee.

Exhibit A



Investment Summary

KKR GLOBAL INFRASTRUCTURE INVESTORS V

June 2024

EXECUTIVE SUMMARY

OVERVIEW

Review Date	Rating	Previous Rating
April 2024	Buy	Buy

KKR Global Infrastructure Investors V (“KKR V” or the “Fund”) is closed-end value-add infrastructure fund sponsored by KKR & Co. L.P. (“KKR”, the “Firm” or the “Manager”) which is listed on the New York Stock Exchange (NYSE: KKR). KKR is a global investment firm that manages multiple asset classes, including private equity, energy, infrastructure, real estate, credit, and hedge funds through its strategic partners. Since the establishment of its infrastructure team in 2008, KKR has been actively pursuing core+ and value-add infrastructure investments across the Organization for Economic Co-operation and Development (“OECD”) countries.

The Townsend Group, an Aon Company (“Townsend”) has reviewed and performed an in-depth analysis of the above categories which includes, but is not limited to:

- Retention of Limited Partners
- Institutional Investor Representation
- Management Company Ownership
- Consistency/ Volatility of Returns
- Write-offs
- Transaction Experience in Strategy
- Organization Expenses
- Management Fee
- Incentive Fees/ Waterfall Distribution
- Fund Size
- Sponsor Commitment
- Ability to Create Value in Deals
- Valuation Discipline
- Reporting Transparency
- Back-Office Resources
- Investment Period
- Fund Term
- Key Person Provision
- Turnover/Tenure
- GP Attribution Concentration
- Fault Provisions
- Advisory Board
- Priority of Distributions
- Alignment of Partner Interest
- Firm Leadership

In addition, Aon Investments, USA’s Operational Due Diligence team has reviewed the Firm from an operating perspective and has given KKR a pass rating.

RECOMMENDATION

Aon Investments, USA is satisfied with the strategy of the Fund and its appropriateness for ATRS. Additionally, we believe that the merits of this offering outweigh its risks. We recommend that ATRS invest \$50 million in the Fund and borrow from ATRS’ 2025 infrastructure allocation. The Fund intends to call capital in 2025, aligning the investment within the 2025 vintage year. Additionally, Fund V may provide investors with various investment vehicles. Townsend recommends ATRS consult with its tax and legal counsel to determine the most appropriate vehicle for the Plan.

Sponsor:

HQ Location	New York	Parent	Kohlberg Kravis Roberts & Co. L.P.
Ownership	Publicly listed company	Founded	1976
Employees	2,500 total employees	Team	90 investment professionals
AUM	\$527.7 billion		

Portfolio Characteristics:

Structure	Closed end	Risk Segment	Moderate / Value-add
Size	\$20 billion	Sponsor Commitment	\$600 million

Target Sectors	Communications, power and renewable, midstream energy, transportation, utilities, waste and social infrastructure	Target Geography	Global (OECD)
Target Stage	Mainly Brownfield	Investment Limitations	<ul style="list-style-type: none"> • 20% for a single investment • 15% outside OECD countries • 10% in publicly traded companies
Target Return (USD)	10-12% net IRR	Partnership Level Leverage	Lesser of the 30% of aggregate commitments or unfunded commitments
Fund Term	12 years	Investment Period	6 years
<i>Fees and Timing:</i>			
Management Fees	1.5% p.a.	Carried Interest	20.0% (deal by deal basis)
Hurdle Rate	8.0% p.a.	Catch-Up	100% GP catch up
Organization Expenses	Up to 0.1% of aggregate commitments	Fee Income	100% offset against management fee for all transaction, break-up, directors', monitoring, financing and other fees
Status/Timing	First Close: May 22, 2024 Final Close: Q1 2025 (Estimated)		

Strategy: KKR V is a closed-end infrastructure fund that seeks to pursue value-add investments across communications, power and renewable, midstream energy, transportation, utilities, waste and social infrastructure assets and businesses located primarily in the member countries of the Organization for Economic Co-operation and Development (“OECD”) with a focus on North America and Western Europe and an ability to invest up to 15% of the Fund’s aggregate capital commitments outside OECD countries. The Fund’s strategy involves acquiring control or significant minority stake in critical infrastructure businesses that offer low volatility in revenues and strong downside protection due to their market position and / or structural / contractual framework, where KKR can create value through complexity in sourcing, structuring, operational improvements, and execution. However, KKR retains a flexible approach to sector, geography and asset type diversification. The Fund will target 10-12% net annual returns including a strong annual cash yield post investment period.

Performance as of 9/30/23:

Fund	Vintage Year	Fund Size	Capital Invested	# of Inv.	Inv. Realized	Realized Value	Unrealized Value	Total Value	Loss Ratio	Ave. Hold Period	Gross TVPI	Net TVPI	Gross IRR	Net IRR
KKR I	2011	\$1,045.0	\$1,042.7	13	13	\$2,229.0	\$0.0	\$2,229.0	3.1%	5.7	2.1x	1.9x	17.6%	15.6%
KKR II	2014	3,098.0	3,164.1	12	7	4,784.0	1,601.5	6,385.4	1.1%	5.1	2.0x	1.8x	19.6%	16.9%
KKR III	2018	7,358.0	6,333.5	15	1	1,835.9	6,945.9	8,781.8	0.8%	2.9	1.4x	1.3x	13.8%	10.6%
KKR IV	2021	17,000.0	9,665.7	12	0	292.0	10,307.5	10,599.6	0.0%	N/A	1.1x	1.1x	10.7%	8.0%
Total			\$20,206.0	52	21	\$9,140.9	\$18,854.8	\$27,995.8	0.6%	5.4	1.4x	1.3x	16.5%	13.6%

SPONSOR

OVERVIEW

Established in 1976 and headquartered in New York, KKR is a global investment firm with over \$528 billion in assets under management as of September 30, 2023 across alternative asset classes, including private equity, energy, infrastructure, real estate, credit, and through its strategic partners, hedge funds. The Firm has offices across 4 continents, 16 countries and 20 cities and approximately 2,500 employees.

KKR is a publicly traded company listed on New York Stock Exchange (NYSE: KKR). Based on information available as of Sep 30, 2023, KKR employees and former employees beneficially own approximately 39.9% of KKR through the ownership or control of units of KKR Holdings L.P.

In 2008, KKR established its dedicated infrastructure team. Since then, KKR has been actively pursuing core+ and value-add infrastructure investments in OECD countries. Across all its prior funds, the Firm has raised approximately \$28.5 billion in total commitments, invested \$20.2 billion across 52 individual transactions, realized \$9.1 billion. In addition, KKR has deployed approximately \$29 billion of co-investment capital alongside its prior infrastructure funds. In 2018, KKR also established an Asia Pacific infrastructure team to pursue infrastructure investments in the Asia Pacific region and launched KKR Asia Infrastructure Investors (“KKR Asia”), its first dedicated Asia Pacific infrastructure fund, in 2019.

KKR’s infrastructure investment team (“Investment Team”) is composed of 90 members including 15 partners, 11 managing directors, 15 directors, 19 principals, 19 associates and 6 analysts. The Investment Team is led by Raj Agrawal and is organized by geography with presence across New York, Menlo Park, Houston, London, Singapore, Seoul, Hong Kong, Tokyo, and Mumbai. In addition, the Investment Team has access to KKR’s broader platform resources including KKR Capstone, Global Macro and Asset Allocation, KKR Capital Markets, KKR Global Institute and KKR Global Public Affairs. Following is the list of key senior members of the infrastructure team;

Name	Title	Years of Experience	Years at KKR
Joe Bae	Partner, Co-Chief Executive Officer	29	17
Raj Agrawal	Partner & Global Head of Infrastructure	25	17
Brandon Freiman	Partner & Head of North American Infrastructure	19	16
Vincent Policard	Partner & Co-Head of European Infrastructure	26	11
Tara Davies	Partner, Global Head of Core Infrastructure, Co-Head of European Infrastructure & CEO of K-Infra	24	7
David Luboff	Partner, Head of Asia Pacific Infrastructure and Co-Head of Australia & New Zealand	22	4
James Cunningham	Partner, Infrastructure	-	6
Dash Lane	Partner, Infrastructure	18	12
Alberto Signori	Partner, Infrastructure	26	4
Waldemar Szlezak	Partner, Infrastructure	20	4
Emmanuel Lagarrigue	Partner, Co-Head of Global Climate	-	1
Charlie Gailliot	Partner, Co-Head of Global Climate	-	1
Neil Arora	Partner, Head of Asia Climate	-	10
Hardik Shah	Partner, Infrastructure	-	-
Cristina Gonzalez	Managing Director, Infrastructure	-	10
James Gordon	Managing Director	-	6
Ryan Miller	Managing Director	-	8
Andrew Peisch	Managing Director	-	10
Cecilio Velasco	Managing Director	-	12
Keith Kim	Managing Director	-	-
Zhen Ji	Managing Director	-	-

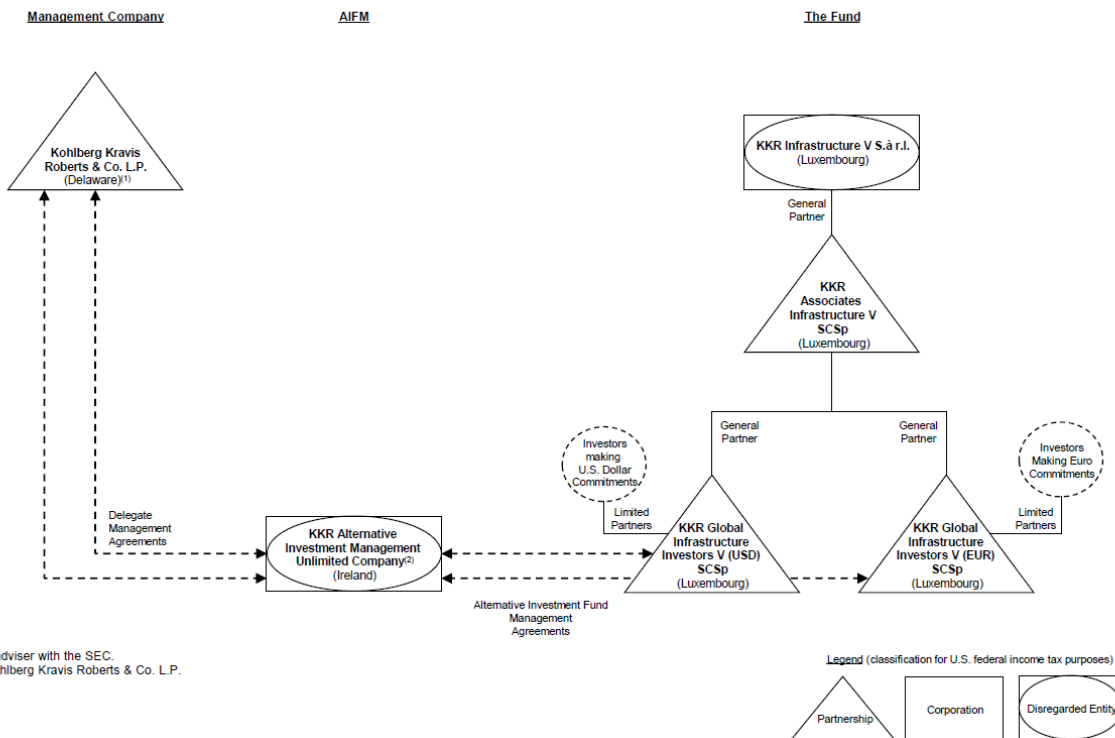
FUND STRUCTURE:

KKR Global Infrastructure Investors V as of November 2023

CONFIDENTIAL

KKR & Co. Inc.
(NYSE: KKR)
(Delaware)

KKR & Co. Inc., together with entities owned by current and former employees and associated persons of KKR and their designees, owns 100% of Kohlberg Kravis Roberts & Co. L.P. and KKR Infrastructure V S.à r.l.



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About Townsend Group – An Aon Company

Founded in 1983, The Townsend Group, an Aon Company (“Townsend”) provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of September 30, 2023, Townsend had assets under management of approximately \$22.1 billion. As of September 30, 2023, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$122.9 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

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

RESOLUTION
No. 2024- 21

**Approving Investment in KKR Global Infrastructure Investors V,
LP**

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

WHEREAS, the ATRS Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding an investment in **KKR Global Infrastructure Investors V, LP**, a fund specializing in infrastructure investment opportunities including communication, power, energy, transportation, and utility assets primarily in North America and Western Europe.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000.00)** in **KKR Global Infrastructure Investors V, LP**. The total investment amount is to be determined by the real assets consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

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

Adopted this 3rd day of June, 2024.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System



Arkansas Teacher Retirement System
Private Equity Portfolio Review
Fourth Quarter 2023

Disclaimer

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By accepting this Presentation the Recipient agrees to be bound by the foregoing obligations and limitations.

Portfolio Overview

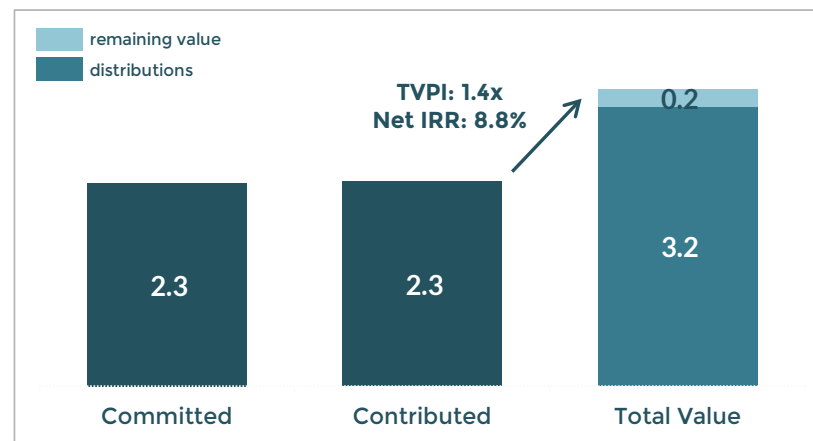
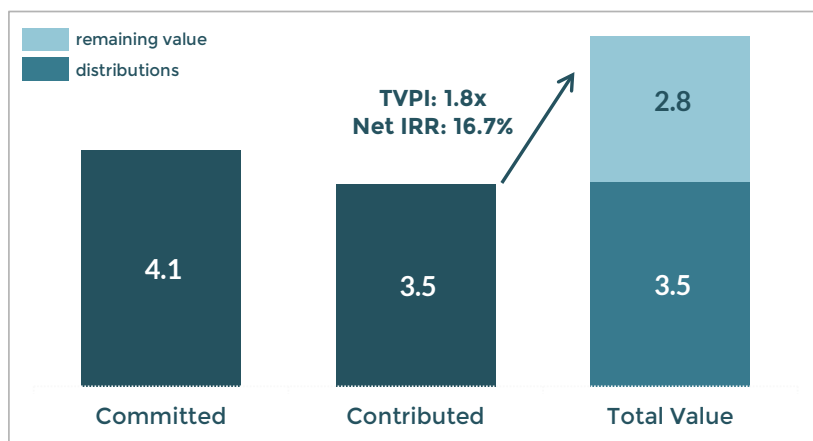
The Post 2006 Fund Portfolio has generated a net IRR of 16.7% as of December 31, 2023

Post 2006 Fund Portfolio

Inception	2007
Total Commitments	\$4.1 billion
Number of Funds	123
% Contributed/Committed	86%
% Distributed/Contributed	101%

Rest of Portfolio

Inception	1996
Total Commitments	\$2.3 billion
Number of Investments	29
% Contributed/Committed	101%
% Distributed/Contributed	137%



Notes:

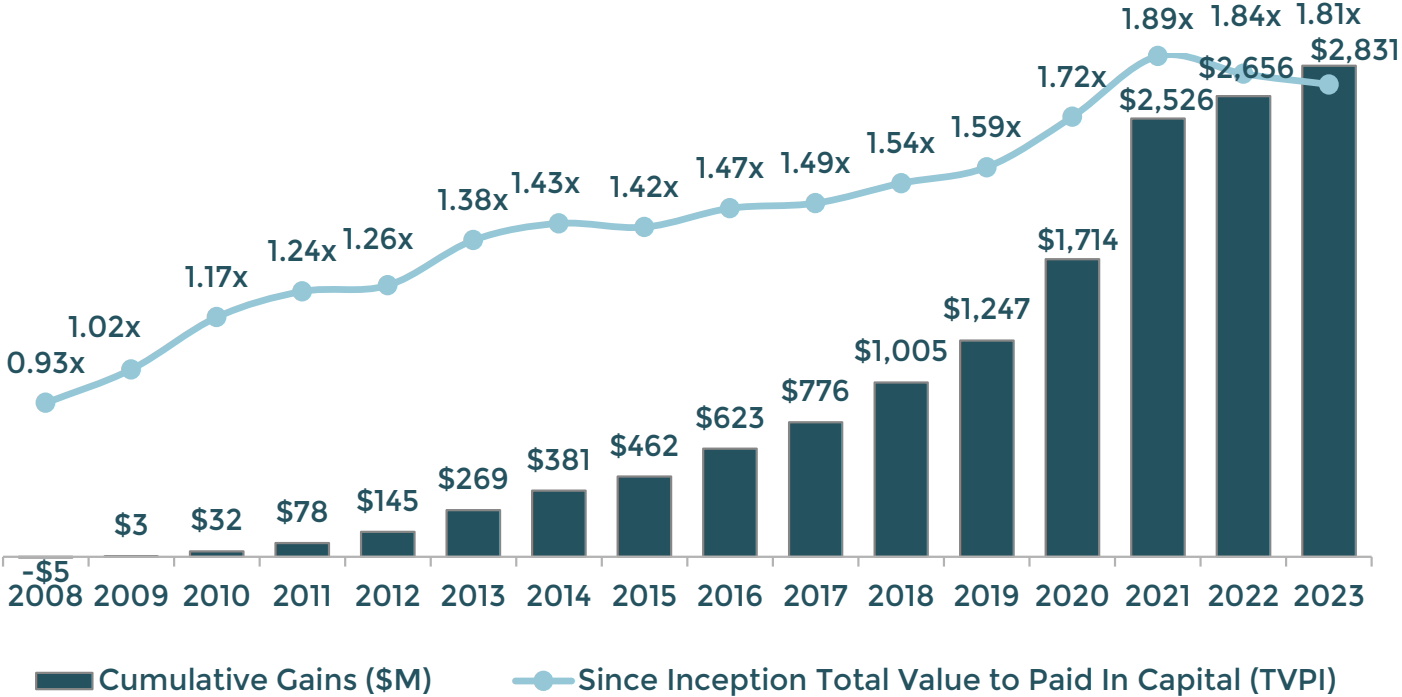
(1) Data as of December 31, 2023

(2) Performance information is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.

(3) TVPI = total value to paid-in multiple, or remaining value plus distributions divided by contributed capital.

Post 2006 Fund Portfolio Performance Summary

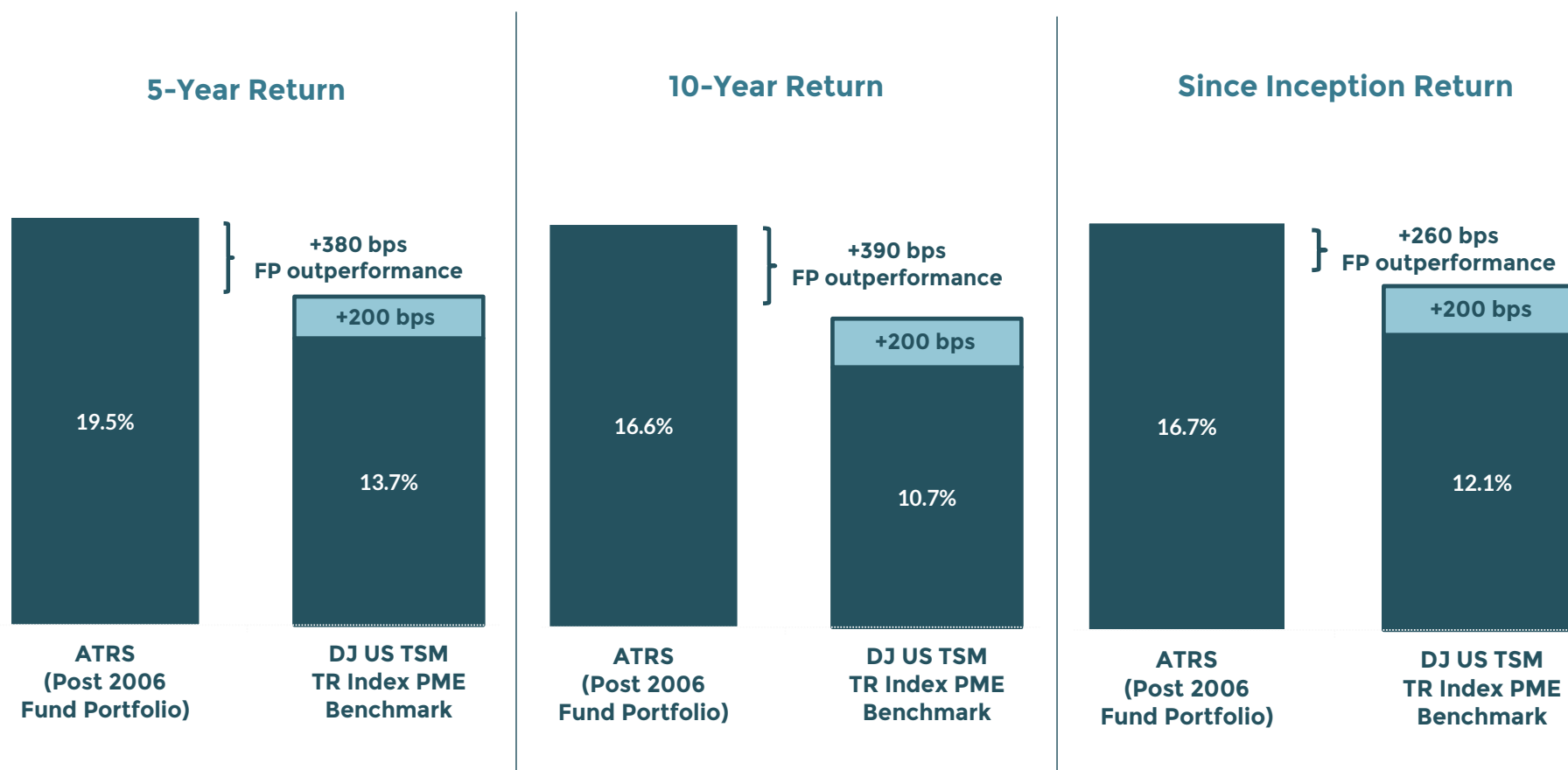
The portfolio since 2006 has generated cumulative gains of \$2.8 billion since inception



Notes:
 (1) Performance data is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.
 (2) Cumulative gains represent total distributions plus remaining value less total contributions

Post 2006 Fund Portfolio Benchmarking

The portfolio since 2006 has exceeded the benchmark in the 5-Year, 10-Year and Since Inception periods



Notes:

(1) Data as of December 31, 2023

(2) Performance data is net of portfolio funds' management fees, expenses and carried interest; but gross of fees and expenses paid to Franklin Park.

(3) The public market equivalent (PME) represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor's investment activity in private equity; the PME serves as a proxy for the return ATRS could have achieved by investing in the public market. The PME return assumes cash flows are invested at the end of each day.

Post 2006 Fund Portfolio Breakdown

ATRS makes commitments directly to funds as well as through specialized vehicles managed by Franklin Park

Strategy	Method of Access	% of Post-2006 Portfolio Exposure	ATRS Net IRR 12/31/23
U.S. corporate finance (core funds)	Direct Commitments	55.9%	16.1%
U.S. corporate finance (smaller funds)	Franklin Park Corporate Finance Access Funds	5.1%	20.8%
Corporate finance (co-investments)	Franklin Park Co-Investment Funds & ATRS/FP	16.2%	19.0%
Non-U.S. corporate finance	Franklin Park International Funds	8.7%	11.3%
Global Venture Capital (all stage)	Franklin Park Venture Capital Funds	14.0%	20.2%
Total		100.0%	16.7%

Notes:

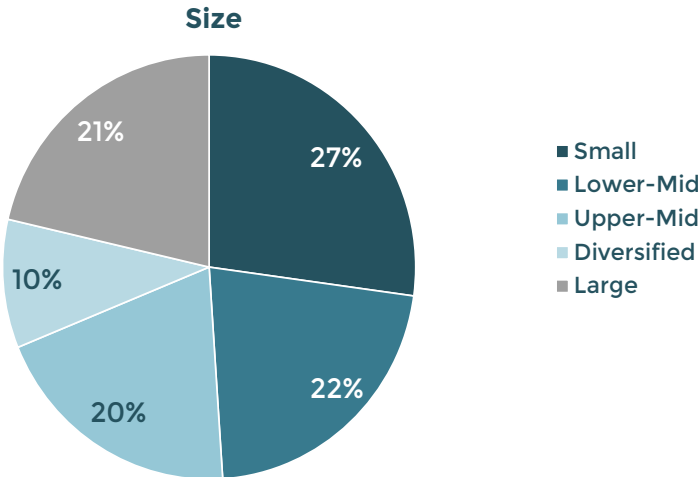
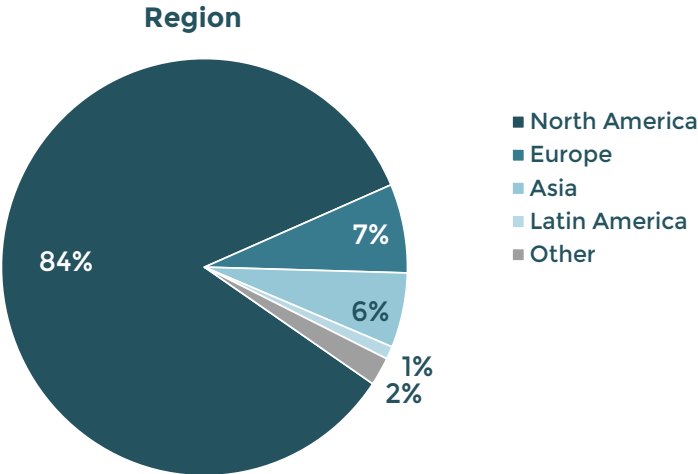
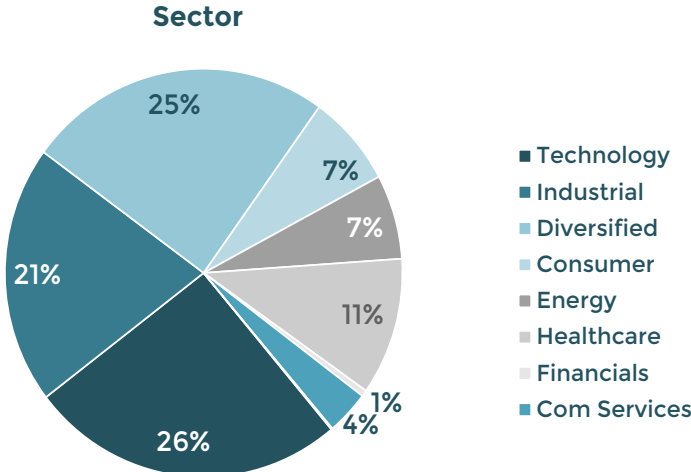
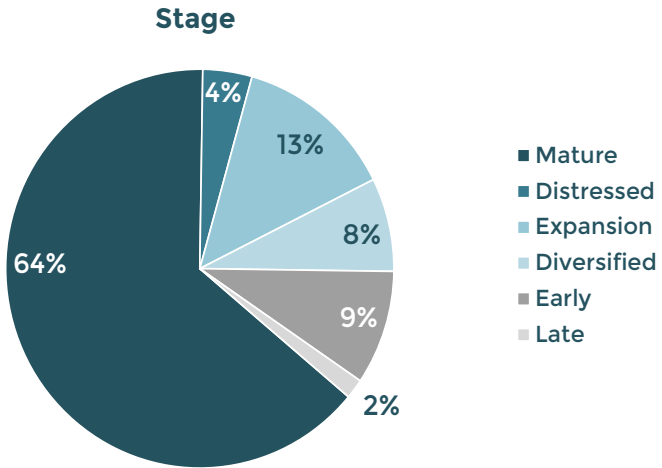
(1) Data as of December 31, 2023

(2) Performance data for all Franklin Park-managed funds are net of portfolio funds' management fees, expenses and carried interest, as well as fees and expenses paid to Franklin Park by the managed funds.

(3) Performance data for core funds (Direct Commitments) is net of portfolio funds' management fees, expenses and carried interest, but gross of fees and expenses paid to Franklin Park.

Portfolio Composition

The aggregate portfolio is diversified by stage, sector, region and size as expected



Note: Data is as of December 31, 2023 and based on unrealized value of holdings as reported by portfolio fund managers. Values are estimated based on the investor's percent interest in each fund's portfolio holdings. Values are converted to USD where applicable, as of December 31, 2023.

2024 Commitment Plan

Progress of commitment plan to date

Investment	Strategy	Region	ATRS Commitment	Board Approval
Enlightenment III	Private Debt – Structured Capital	U.S.	\$35m	Apr 2024
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround	U.S.	\$35m	TBD
Direct Fund	Buyout/Growth/Turnaround/Debt	U.S.	\$30m	TBD
FP CF Access III	Buyout/Growth/Turnaround	U.S.	\$40m ¹	Apr 2024
FP Venture Opps II	Mid/Late Stage VC	U.S./Non-U.S.	\$40m ¹	Apr 2024
FP Venture XV	Early Stage VC	U.S./Non-U.S.	\$40m	Dec 2023
FP Co-Invest VI	Buyout/Growth/Turnaround	U.S./Non-U.S.	\$60m	Dec 2023
Total			\$385m	

¹ Proposed commitment to a Franklin Park-managed private fund. See additional information in the included presentation for each respective private fund.

Arkansas Teacher Retirement System Private Equity Portfolio Review

December 31, 2023

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Portfolio Overview

Portfolio Summary



Group	Num.	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	Remaining Value (%)	Exposure (\$)	DPI	TVPI	Net IRR
By Vehicle											
1996-2000: Legacy Portfolio	13	1,106,390,461	1,070,676,238	0	1,641,243,527	0	0.0%	0	1.5 x	1.5 x	9.2%
2005-2006: CSFB Portfolio	2	654,300,000	690,072,081	63,154,507	1,076,833,035	42,367,416	1.4%	105,521,923	1.6 x	1.6 x	8.9%
Post 2006 Fund Portfolio	123	4,053,323,718	3,474,796,434	1,275,705,488	3,523,162,322	2,782,901,261	93.4%	4,058,606,749	1.0 x	1.8 x	16.7%
Big River Steel	8	257,880,449	257,940,356	0	430,039,782	1,770,433	0.1%	1,770,433	1.7 x	1.7 x	14.4%
Blue Oak Arkansas	1	18,000,000	19,740,000	0	5,385,136	0	0.0%	0	0.3 x	0.3 x	-34.8%
Highland LLC	3	258,244,727	274,114,727	0	31,674,525	82,774,961	2.8%	82,774,961	0.1 x	0.4 x	-28.9%
GTLA Holdings	1	20,700,000	20,700,000	0	0	70,700,000	2.4%	70,700,000	0.0 x	3.4 x	26.4%
Hybar LLC	1	206,200	206,200	0	59,200	147,000	0.0%	147,000	0.3 x	1.0 x	0.0%
Total	152	6,369,045,555	5,808,246,037	1,338,859,995	6,708,397,526	2,980,661,071	100.0%	4,319,521,066	1.2 x	1.7 x	11.3%
By Fund Type											
Co-Investment Fund	2	328,823,718	455,026,434	239,085,931	396,543,697	420,239,333	14.1%	659,325,264	0.9 x	1.8 x	19.0%
Fund-of-Funds	30	1,664,300,000	1,325,841,667	450,041,843	1,625,644,230	785,279,598	26.3%	1,235,321,441	1.2 x	1.8 x	11.4%
Operating Company	14	555,031,376	572,701,284	0	467,158,642	155,392,394	5.2%	155,392,394	0.8 x	1.1 x	2.9%
Primary Fund	106	3,820,890,461	3,454,676,653	649,732,221	4,219,050,956	1,619,749,746	54.3%	2,269,481,967	1.2 x	1.7 x	11.3%
Total	152	6,369,045,555	5,808,246,037	1,338,859,995	6,708,397,526	2,980,661,071	100.0%	4,319,521,066	1.2 x	1.7 x	11.3%

Portfolio Summary



Group	Num.	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	Remaining Value (%)	Exposure (\$)	DPI	TVPI	Net IRR
By Strategy											
Buyout	546	21,051,733,226	18,355,046,196	4,306,579,048	21,449,827,046	10,651,024,025	51.0%	14,957,603,073	1.2 x	1.7 x	11.8%
Distressed Debt	21	700,000,000	657,170,247	260,451,282	811,449,242	129,279,234	0.6%	389,730,516	1.2 x	1.4 x	6.5%
Growth Equity	28	1,050,000,000	779,132,131	290,899,231	1,757,626,535	226,921,842	1.1%	517,821,073	2.3 x	2.5 x	20.6%
Hard Assets	91	4,105,113,090	4,289,462,060	102,015,205	2,399,347,464	2,021,954,925	9.7%	2,123,970,130	0.6 x	1.0 x	0.9%
Infrastructure	63	1,897,606,543	1,910,180,093	0	2,990,811,790	13,422,031	0.1%	13,422,031	1.6 x	1.6 x	12.3%
Mezzanine	56	2,205,000,000	1,559,257,773	276,934,945	1,728,505,402	352,898,882	1.7%	629,833,827	1.1 x	1.3 x	10.2%
Multi-Strategy	49	7,273,866,026	8,484,605,841	2,119,064,066	10,560,048,651	3,248,956,340	15.6%	5,368,020,406	1.2 x	1.6 x	9.1%
Special Assets	7	210,000,000	223,341,677	14,632,938	40,827,086	183,471,741	0.9%	198,104,679	0.2 x	1.0 x	0.2%
Structured Capital	35	1,015,000,000	773,109,406	430,783,220	721,968,770	350,736,225	1.7%	781,519,445	0.9 x	1.4 x	11.9%
Turnaround	63	1,680,000,000	1,299,430,081	533,176,798	1,519,145,793	741,187,818	3.6%	1,274,364,616	1.2 x	1.7 x	16.0%
Venture Capital	105	3,395,000,000	2,326,986,753	1,037,483,230	2,979,224,905	2,944,774,434	14.1%	3,982,257,664	1.3 x	2.5 x	20.2%
Total	1,064	44,583,318,885	40,657,722,258	9,372,019,963	46,958,782,684	20,864,627,497	100.0%	30,236,647,460	1.2 x	1.7 x	11.3%
By Sub-Asset Class											
Corporate Finance	123	5,329,014,179	4,903,118,074	1,190,648,105	5,815,635,326	2,404,586,615	80.7%	3,595,234,720	1.2 x	1.7 x	11.2%
Direct Investments	14	555,031,376	572,701,284	0	467,158,642	155,392,394	5.2%	155,392,394	0.8 x	1.1 x	2.9%
Venture Capital	15	485,000,000	332,426,679	148,211,890	425,603,558	420,682,062	14.1%	568,893,952	1.3 x	2.5 x	20.2%
Total	152	6,369,045,555	5,808,246,037	1,338,859,995	6,708,397,526	2,980,661,071	100.0%	4,319,521,066	1.2 x	1.7 x	11.3%

- Remaining Value is defined as the investor's value as reported by the fund's manager.
- Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.
- DPI is the ratio of Distributed Capital to Contributed Capital.
- TVPI is the ratio of Distributed Capital plus Remaining Value to Contributed Capital.
- Net IRR is defined as the annualized, compound rate of return using daily draws, distributions and Remaining Value as of the Report Date, net of fees and expenses, including late closing interest.
- Results include fully liquidated investments (if applicable).
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date.

Performance Analysis

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
1996								
HMTF III *	Buyout	76,743,018	76,799,039	0	87,834,289	0	1.1 x	1.8%
Total 1996		76,743,018	76,799,039	0	87,834,289	0	1.1 x	1.8%
1997								
Doughty Hanson III *	Buyout	100,000,000	99,374,207	0	197,482,184	0	2.0 x	13.5%
Total 1997		100,000,000	99,374,207	0	197,482,184	0	2.0 x	13.5%
1998								
HMTF IV *	Buyout	100,000,000	98,010,015	0	67,130,479	0	0.7 x	-6.1%
Second Cinven *	Buyout	65,281,010	65,281,010	0	104,700,661	0	1.6 x	9.3%
Total 1998		165,281,010	163,291,025	0	171,831,140	0	1.1 x	0.9%
1999								
Blackstone Mezzanine I *	Mezzanine	100,000,000	73,353,517	0	96,729,026	0	1.3 x	10.2%
Cypress MBP II *	Buyout	50,000,000	52,304,562	0	50,857,200	0	1.0 x	-0.5%
Diamond State *	Multi-Strategy	2,000,000	2,000,000	0	3,097,200	0	1.5 x	5.5%
DLJ Investment II *	Mezzanine	80,000,000	43,611,022	0	60,468,989	0	1.4 x	10.4%
Oak Hill I *	Buyout	50,000,000	50,786,497	0	91,264,962	0	1.8 x	10.6%
Total 1999		282,000,000	222,055,598	0	302,417,377	0	1.4 x	7.7%
2000								
21st Century Group I *	Buyout	25,000,000	27,141,173	0	22,841,928	0	0.8 x	-3.8%
DH Tech I *	Multi-Strategy	50,000,000	61,471,034	0	21,987,447	0	0.4 x	-16.5%
DLJ MBP III *	Buyout	200,000,000	215,345,711	0	458,746,671	0	2.1 x	19.4%
HMTF V *	Buyout	207,366,433	205,198,451	0	378,102,491	0	1.8 x	17.6%
Total 2000		482,366,433	509,156,369	0	881,678,537	0	1.7 x	14.8%
2005								
CSFB-ATRS 2005-1 Series	Multi-Strategy	250,000,000	277,750,644	10,789,614	412,304,860	17,995,576	1.5 x	7.5%
Total 2005		250,000,000	277,750,644	10,789,614	412,304,860	17,995,576	1.5 x	7.5%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2006								
Boston Ventures VII	Buyout	50,000,000	43,016,769	8,258,947	48,914,085	1,352,514	1.2 x	2.8%
CSFB-ATRS 2006-1 Series	Multi-Strategy	404,300,000	412,321,437	52,364,893	664,528,175	24,371,840	1.7 x	10.1%
Total 2006		454,300,000	455,338,206	60,623,840	713,442,260	25,724,354	1.6 x	9.4%
2007								
Diamond State II	Multi-Strategy	4,000,000	3,517,000	483,000	10,117,000	1,529,871	3.3 x	12.0%
NGP IX	Hard Assets	50,000,000	54,229,094	201,825	77,660,463	35,226	1.4 x	10.8%
Vista Equity III	Buyout	50,000,000	54,392,542	3,838,140	131,285,918	2,277,785	2.5 x	28.5%
Total 2007		104,000,000	112,138,636	4,522,965	219,063,381	3,842,882	2.0 x	20.4%
2008								
Advent GPE VI-A	Buyout	40,000,000	40,167,228	0	80,492,730	3,209,211	2.1 x	16.4%
FP Venture 2008	Venture Capital	30,000,000	30,000,000	267,330	78,036,060	19,341,877	3.2 x	18.0%
LLR III	Growth Equity	50,000,000	48,504,590	4,357,033	108,800,951	799,465	2.3 x	16.5%
Total 2008		120,000,000	118,671,818	4,624,363	267,329,741	23,350,553	2.4 x	16.9%
2009								
FP Venture 2009	Venture Capital	25,000,000	24,564,655	767,715	54,137,010	8,156,539	2.5 x	16.8%
Insight Equity II	Turnaround	30,000,000	31,028,312	884,343	42,854,623	6,520,244	1.6 x	8.3%
Insight Mezzanine I	Mezzanine	10,000,000	9,971,470	479,507	11,860,178	1,976,752	1.4 x	6.5%
KPS III Supplemental *	Turnaround	40,000,000	37,785,704	0	80,540,979	0	2.1 x	22.8%
Riverside IV *	Buyout	40,000,000	31,433,665	0	74,838,992	0	2.4 x	21.3%
Total 2009		145,000,000	134,783,806	2,131,565	264,231,782	16,653,535	2.1 x	16.8%
2010								
Altus Capital II	Buyout	20,000,000	20,248,734	2,865,445	31,867,461	3,951,125	1.8 x	13.3%
EnCap VIII	Hard Assets	47,500,000	54,132,700	0	37,627,884	17,506,408	1.0 x	0.4%
FP Venture 2010	Venture Capital	25,000,000	16,156,250	1,567,842	24,813,446	25,028,062	3.1 x	15.6%
Mason Wells III	Buyout	30,000,000	28,553,580	0	86,225,697	0	3.0 x	20.6%
TA XI	Growth Equity	40,000,000	39,400,000	600,000	142,043,581	7,021,346	3.8 x	26.7%
Tennenbaum VI	Distressed Debt	40,000,000	38,075,687	32,716,981	53,999,291	162,551	1.4 x	7.3%
Total 2010		202,500,000	196,566,951	37,750,268	376,577,360	53,669,492	2.2 x	15.5%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2011								
Audax Mezzanine III	Mezzanine	25,000,000	25,892,496	6,675,000	33,085,160	1,325,275	1.3 x	9.7%
Castlelake II	Distressed Debt	35,000,000	32,656,036	2,625,461	37,976,951	8,424,620	1.4 x	5.9%
FP Intl 2011	Buyout	25,000,000	23,222,222	2,262,940	30,182,220	8,997,341	1.7 x	9.3%
FP Venture 2011	Venture Capital	25,000,000	24,875,000	433,414	136,378,318	30,726,173	6.7 x	34.4%
JF Lehman III	Buyout	39,000,000	48,566,430	1,113,253	52,405,737	24,804,067	1.6 x	10.9%
Wellspring V	Buyout	40,000,000	46,519,845	13,745,308	66,642,433	14,161,833	1.7 x	16.2%
Wicks IV	Buyout	40,000,000	42,880,404	3,927,270	88,101,911	7,756,998	2.2 x	21.0%
Total 2011		229,000,000	244,612,432	30,782,646	444,772,730	96,196,307	2.2 x	17.0%
2012								
ATRS-FP PE	Multi-Strategy	263,823,718	417,576,434	211,502,238	396,543,697	381,210,214	1.9 x	19.0%
BV VIII	Buyout	30,000,000	27,779,906	2,501,280	49,632,864	14,695,558	2.3 x	45.0%
Court Square III	Buyout	40,000,000	44,817,365	1,405,029	67,612,847	37,362,580	2.3 x	21.0%
DW Healthcare III	Buyout	40,000,000	37,138,408	2,861,592	71,497,419	5,758,046	2.1 x	18.9%
FP Intl 2012	Buyout	25,000,000	17,607,143	7,691,231	18,271,314	6,563,891	1.4 x	7.5%
FP Venture 2012	Venture Capital	25,000,000	22,468,750	2,773,049	41,300,408	31,445,482	3.2 x	19.9%
NGP X	Hard Assets	35,000,000	36,623,245	70,485	33,257,383	2,925,851	1.0 x	-0.3%
Total 2012		458,823,718	604,011,251	228,804,904	678,115,932	479,961,622	1.9 x	18.2%
2013								
EnCap IX	Hard Assets	25,000,000	28,785,857	972,514	34,809,420	7,635,377	1.5 x	10.5%
FP Intl 2013	Buyout	20,000,000	14,226,804	5,970,289	6,598,375	17,290,166	1.7 x	8.5%
FP Venture 2013	Venture Capital	20,000,000	18,505,747	1,656,832	32,746,934	31,280,944	3.5 x	23.2%
Levine Leichtman V	Structured Capital	20,000,000	28,041,672	2,968,199	53,739,686	809,168	1.9 x	17.2%
Riverside V	Buyout	35,000,000	37,460,691	1,516,696	45,981,555	22,843,992	1.8 x	12.3%
Vista Foundation II	Buyout	15,000,000	16,144,193	6,990,443	25,854,133	6,527,246	2.0 x	14.6%
Total 2013		135,000,000	143,164,964	20,074,973	199,730,103	86,386,893	2.0 x	14.7%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2014								
Atlas Capital II	Turnaround	15,000,000	22,131,480	4,464,113	27,289,285	12,910,947	1.8 x	19.7%
Big River - Equity	Infrastructure	151,090,000	151,090,000	0	296,427,836	1,770,433	2.0 x	15.0%
Big River - Mezzanine *	Mezzanine	5,000,000	5,003,686	0	8,225,290	0	1.6 x	17.3%
Blue Oak Arkansas *	Infrastructure	18,000,000	19,740,000	0	5,385,136	0	0.3 x	-34.8%
Castlelake III	Distressed Debt	25,000,000	23,149,741	1,864,884	23,945,078	9,881,291	1.5 x	6.4%
FP Intl 2014	Buyout	25,000,000	18,144,330	7,058,422	16,787,182	15,563,352	1.8 x	13.9%
FP Venture 2014	Venture Capital	25,000,000	23,965,054	1,220,213	27,915,539	43,671,073	3.0 x	18.9%
KPS IV	Turnaround	25,000,000	22,164,363	3,532,140	35,279,916	10,714,557	2.1 x	23.5%
Lime Rock Resources III	Hard Assets	25,000,000	25,812,886	83,734	14,346,329	19,209,938	1.3 x	3.5%
NGP XI	Hard Assets	30,000,000	30,908,097	947,387	32,102,090	17,214,223	1.6 x	10.4%
Sycamore Partners II	Turnaround	25,000,000	23,698,470	2,428,272	13,705,544	15,456,419	1.2 x	5.2%
Thoma Bravo XI	Buyout	20,000,000	20,785,558	2,135,646	53,771,007	19,842,961	3.5 x	26.7%
Total 2014		389,090,000	386,593,665	23,734,811	555,180,232	166,235,194	1.9 x	13.2%
2015								
Big River - Sr Secured Debt *	Infrastructure	26,910,000	26,966,221	0	35,699,565	0	1.3 x	14.7%
EnCap X	Hard Assets	30,000,000	31,244,115	1,183,973	42,259,169	17,456,625	1.9 x	15.5%
FP Intl 2015	Buyout	25,000,000	21,128,319	4,030,992	11,448,958	19,916,275	1.5 x	9.8%
FP Venture 2015	Venture Capital	25,000,000	23,938,053	1,230,696	11,269,841	31,025,583	1.8 x	10.9%
Siris III	Buyout	25,000,000	34,279,660	866,273	25,559,638	21,301,124	1.4 x	10.4%
Total 2015		131,910,000	137,556,369	7,311,934	126,237,171	89,699,607	1.6 x	12.5%
2016								
American Industrial VI	Buyout	20,000,000	25,212,865	3,099,340	33,043,154	34,225,752	2.7 x	24.9%
Arlington IV	Buyout	23,000,000	25,052,061	930,941	25,065,382	33,892,605	2.4 x	23.2%
DW Healthcare IV	Buyout	30,000,000	30,628,235	900,731	28,157,299	23,493,327	1.7 x	17.8%
FP Intl 2016	Buyout	25,000,000	20,541,237	4,648,460	6,294,417	21,360,563	1.3 x	7.2%
FP Venture 2016	Venture Capital	25,000,000	22,621,951	2,575,723	9,913,701	38,977,099	2.2 x	19.0%
Highland Equity	Hard Assets	66,000,000	81,870,000	0	16,674,525	-124,487,080	-1.3 x	N/A
JF Lehman IV	Buyout	30,000,000	29,868,817	131,183	68,072,378	14,166,644	2.8 x	35.6%
PineBridge Structured III	Structured Capital	30,000,000	28,724,946	9,545,478	16,912,151	9,049,499	0.9 x	-3.4%
Thoma Bravo Discover	Buyout	10,000,000	11,350,409	1,767,370	29,239,213	7,009,951	3.2 x	35.9%
Thoma Bravo XII	Buyout	30,000,000	32,733,395	7,380,854	33,981,416	36,648,630	2.2 x	16.8%
Vista Foundation III	Buyout	30,000,000	34,574,699	6,865,934	35,340,972	30,147,807	1.9 x	21.3%
Total 2016		319,000,000	343,178,615	37,846,014	302,694,608	124,484,797	1.2 x	6.6%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2017								
Altaris Constellation	Buyout	20,000,000	16,329,789	5,543,214	25,996,773	21,845,818	2.9 x	24.9%
Big River - Funding *	Infrastructure	3,750,000	3,750,000	0	3,812,795	0	1.0 x	4.3%
Big River - Holdings Note *	Infrastructure	12,000,000	12,000,000	0	13,343,726	0	1.1 x	11.0%
Big River - Preferred Equity *	Infrastructure	41,980,449	41,980,449	0	51,702,368	0	1.2 x	12.5%
Bison V	Structured Capital	35,000,000	39,239,166	3,447,746	32,335,583	24,118,830	1.4 x	14.0%
BV IX	Buyout	30,000,000	30,303,661	5,696,340	27,115,390	40,632,323	2.2 x	30.2%
EnCap XI	Hard Assets	35,000,000	32,876,942	4,466,314	17,118,183	36,327,699	1.6 x	19.4%
FP Intl 2017	Buyout	25,000,000	23,290,816	1,907,228	11,471,834	26,160,016	1.6 x	15.7%
FP Venture 2017	Venture Capital	25,000,000	17,599,557	7,531,494	3,930,303	27,691,266	1.8 x	17.9%
Greyrock IV	Mezzanine	30,000,000	28,384,306	2,751,680	29,171,225	13,396,226	1.5 x	12.6%
NGP XII	Hard Assets	30,000,000	23,352,631	6,647,369	21,908,478	17,064,396	1.7 x	15.4%
One Rock II	Buyout	30,000,000	27,180,676	7,236,844	11,260,894	33,518,786	1.6 x	11.8%
Total 2017		317,730,449	296,287,993	45,228,229	249,167,552	240,755,360	1.7 x	17.3%
2018								
Altaris IV	Buyout	24,000,000	23,510,290	2,160,929	24,006,953	23,569,389	2.0 x	28.0%
Big River - Holdings Note 2023 *	Infrastructure	12,000,000	12,000,000	0	14,582,469	0	1.2 x	5.6%
Big River - Holdings Note 2023-2 *	Infrastructure	5,150,000	5,150,000	0	6,245,733	0	1.2 x	6.5%
Clearlake V	Buyout	30,000,000	43,367,002	6,412,616	57,939,901	34,910,942	2.1 x	39.2%
FP Intl 2018	Buyout	25,000,000	23,549,618	1,723,477	2,866,724	29,012,432	1.4 x	10.3%
FP Venture 2018	Venture Capital	25,000,000	23,307,454	1,884,249	3,186,421	36,515,418	1.7 x	18.1%
GTLA Holdings	Hard Assets	20,700,000	20,700,000	0	0	70,700,000	3.4 x	26.4%
Highland Contingent Note	Hard Assets	152,244,727	152,244,727	0	15,000,000	167,262,041	1.2 x	5.4%
SK Capital V	Buyout	30,000,000	31,313,309	2,484,358	4,038,776	34,659,629	1.2 x	8.0%
Sycamore Partners III	Turnaround	25,000,000	20,201,120	13,443,521	8,644,641	23,015,375	1.6 x	19.7%
Thoma Bravo Discover II	Buyout	17,000,000	18,184,658	4,726,837	11,877,676	24,485,195	2.0 x	24.8%
Total 2018		366,094,727	373,528,178	32,835,987	148,389,293	444,130,421	1.6 x	15.7%

Investment Performance by Vintage Year



Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2019								
American Industrial VII	Buyout	30,000,000	29,701,881	8,748,720	8,443,708	36,968,888	1.5 x	22.9%
Arlington V	Buyout	25,000,000	23,360,766	1,639,228	891,984	42,047,278	1.8 x	31.2%
DW Healthcare V	Buyout	30,000,000	24,760,715	5,239,285	0	36,719,847	1.5 x	16.9%
FP Intrnl 2019	Buyout	30,000,000	21,276,596	9,043,615	4,902,884	39,968,945	2.1 x	37.8%
FP Venture 2019	Venture Capital	30,000,000	19,416,149	10,773,294	1,280,655	27,814,455	1.5 x	15.0%
KPS Mid-Market I	Turnaround	20,000,000	11,695,407	6,893,648	2,894,727	16,221,641	1.6 x	21.3%
Riverside VI	Buyout	30,000,000	23,653,633	6,346,367	422,727	30,648,110	1.3 x	10.3%
Siris IV	Buyout	30,000,000	28,254,805	5,254,608	4,988,580	34,218,246	1.4 x	11.8%
Thoma Bravo XIII	Buyout	30,000,000	36,599,355	2,495,077	25,266,442	44,312,949	1.9 x	27.8%
WNG II	Special Assets	30,000,000	31,905,954	2,090,420	5,832,441	26,210,249	1.0 x	0.2%
Total 2019		285,000,000	250,625,261	58,524,262	54,924,148	335,130,608	1.6 x	19.6%
2020								
BV X	Buyout	30,000,000	27,416,954	8,583,045	7,568,151	38,569,673	1.7 x	44.6%
Clearlake VI	Buyout	30,000,000	31,327,201	1,487,323	4,787,600	47,707,479	1.7 x	23.9%
FP CF Access	Buyout	90,000,000	72,644,367	31,659,658	14,313,092	85,853,409	1.4 x	22.3%
FP Venture XIII	Venture Capital	60,000,000	38,568,425	21,742,851	573,197	44,243,764	1.2 x	7.9%
Greyrock V	Mezzanine	35,000,000	32,691,349	3,499,213	7,383,001	30,312,321	1.2 x	9.1%
JF Lehman V	Buyout	30,000,000	26,885,559	3,114,441	0	41,582,651	1.5 x	20.3%
KPS V	Turnaround	30,000,000	16,928,013	14,522,077	5,811,112	21,044,791	1.6 x	22.0%
Thoma Bravo Explore I	Buyout	20,000,000	19,353,801	5,530,463	4,884,264	24,753,817	1.5 x	27.0%
Total 2020		325,000,000	265,815,669	90,139,071	45,320,417	334,067,905	1.4 x	20.9%
2021								
Alpine Investors VIII	Buyout	30,000,000	17,463,731	12,536,269	0	23,117,533	1.3 x	26.8%
FP Intrnl X	Buyout	60,000,000	26,589,928	33,613,185	0	31,035,503	1.2 x	11.4%
Greenbriar V	Buyout	30,000,000	30,010,099	1,264,630	1,277,373	34,891,474	1.2 x	13.9%
LLR VI	Growth Equity	30,000,000	23,400,000	6,600,000	244,973	24,668,036	1.1 x	3.7%
Revelstoke III	Buyout	30,000,000	16,521,932	15,910,999	2,586,152	14,270,395	1.0 x	1.6%
Riverside Value Fund I	Buyout	30,000,000	11,856,704	20,988,628	2,404,140	18,167,927	1.7 x	118.4%
Thoma Bravo Discover III	Buyout	20,000,000	19,960,776	39,224	0	23,822,664	1.2 x	8.7%
Thoma Bravo XIV	Buyout	20,000,000	19,701,244	2,903,403	2,604,652	19,990,602	1.1 x	6.2%
Total 2021		250,000,000	165,504,414	93,856,338	9,117,290	189,964,134	1.2 x	12.4%

Investment Performance by Vintage Year

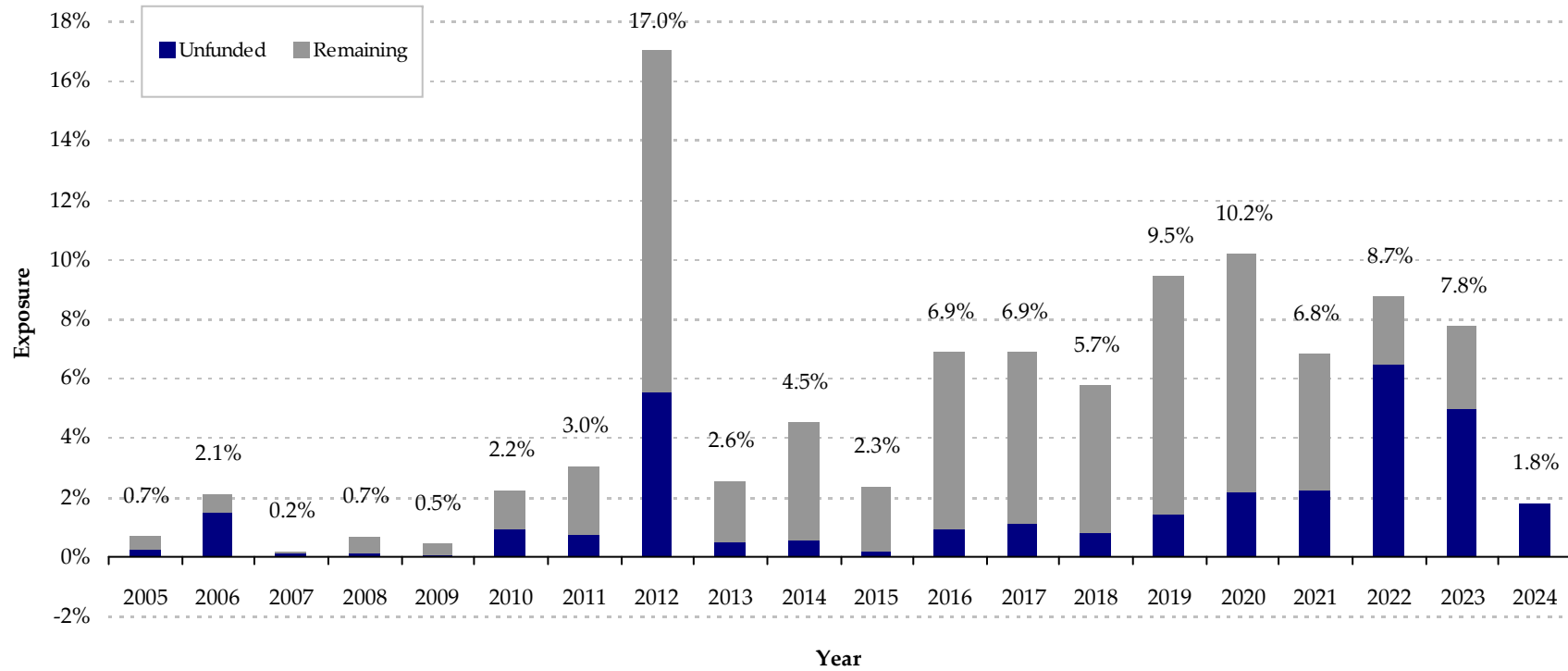


Investment	Strategy	Committed Capital (\$)	Contributed Capital (\$)	Unfunded Commitment (\$)	Distributed Capital (\$)	Remaining Value (\$)	TVPI	Net IRR
2022								
Bison VI	Structured Capital	30,000,000	7,281,677	22,735,777	37,102	8,022,635	1.1 x	NMF
Clearlake VII	Buyout	30,000,000	17,354,956	12,692,538	80,684	19,399,859	1.1 x	NMF
FP CF Access II	Buyout	90,000,000	14,139,381	75,860,619	69,462	15,362,459	1.1 x	NMF
FP Intl XI	Buyout	60,000,000	6,982,146	53,205,330	1,176	5,145,768	0.7 x	NMF
FP Venture Opp	Venture Capital	60,000,000	18,937,500	41,160,978	0	18,205,768	1.0 x	NMF
FP Venture XIV	Venture Capital	60,000,000	7,502,134	52,626,210	121,725	6,558,559	0.9 x	NMF
Thoma Bravo Discover IV	Buyout	15,000,000	8,577,024	6,422,976	0	9,341,725	1.1 x	NMF
Thoma Bravo XV	Buyout	15,000,000	10,697,712	4,302,288	3,250	11,919,987	1.1 x	NMF
Total 2022		360,000,000	91,472,530	269,006,716	313,399	93,956,759	1.0 x	NMF
2023								
Alpine Investors IX	Buyout	30,000,000	2,814,040	27,185,960	0	2,415,406	0.9 x	NMF
Arlington VI	Buyout	30,000,000	12,383,220	17,616,780	20,361	13,403,638	1.1 x	NMF
BV XI	Buyout	30,000,000	8,587,534	21,412,466	0	8,047,094	0.9 x	NMF
FP Co-Invest VI	Multi-Strategy	65,000,000	37,450,000	27,583,693	0	39,029,119	1.0 x	NMF
Greenbriar VI	Buyout	30,000,000	4,357,410	25,642,590	1,787	4,090,031	0.9 x	NMF
Greyrock VI	Mezzanine	30,000,000	3,843,265	26,156,735	6,474	3,403,552	0.9 x	NMF
Highland Note 2025	Hard Assets	40,000,000	40,000,000	0	0	40,000,000	1.0 x	NMF
Hybar LLC	Infrastructure	206,200	206,200	0	59,200	147,000	1.0 x	NMF
JF Lehman VI	Buyout	30,000,000	4,467,770	25,532,230	3,739	5,382,295	1.2 x	NMF
Post Road III	Structured Capital	30,000,000	7,156,740	22,843,260	113,874	8,105,043	1.1 x	NMF
SK Capital VI	Buyout	30,000,000	18,702,219	11,297,781	36,305	34,503,335	1.8 x	NMF
Total 2023		345,206,200	139,968,398	205,271,495	241,740	158,526,513	1.1 x	NMF
2024								
KPS Mid Cap II	Turnaround	30,000,000	0	30,000,000	0	0	N/A	NMF
LLR VII	Growth Equity	30,000,000	0	30,000,000	0	-71,441	N/A	NMF
Thoma Bravo Explore II	Buyout	15,000,000	0	15,000,000	0	0	N/A	NMF
Total 2024		75,000,000	0	75,000,000	0	-71,441	N/A	NMF
Total Portfolio		6,369,045,555	5,808,246,037	1,338,859,995	6,708,397,526	2,980,661,071	1.7 x	11.3%

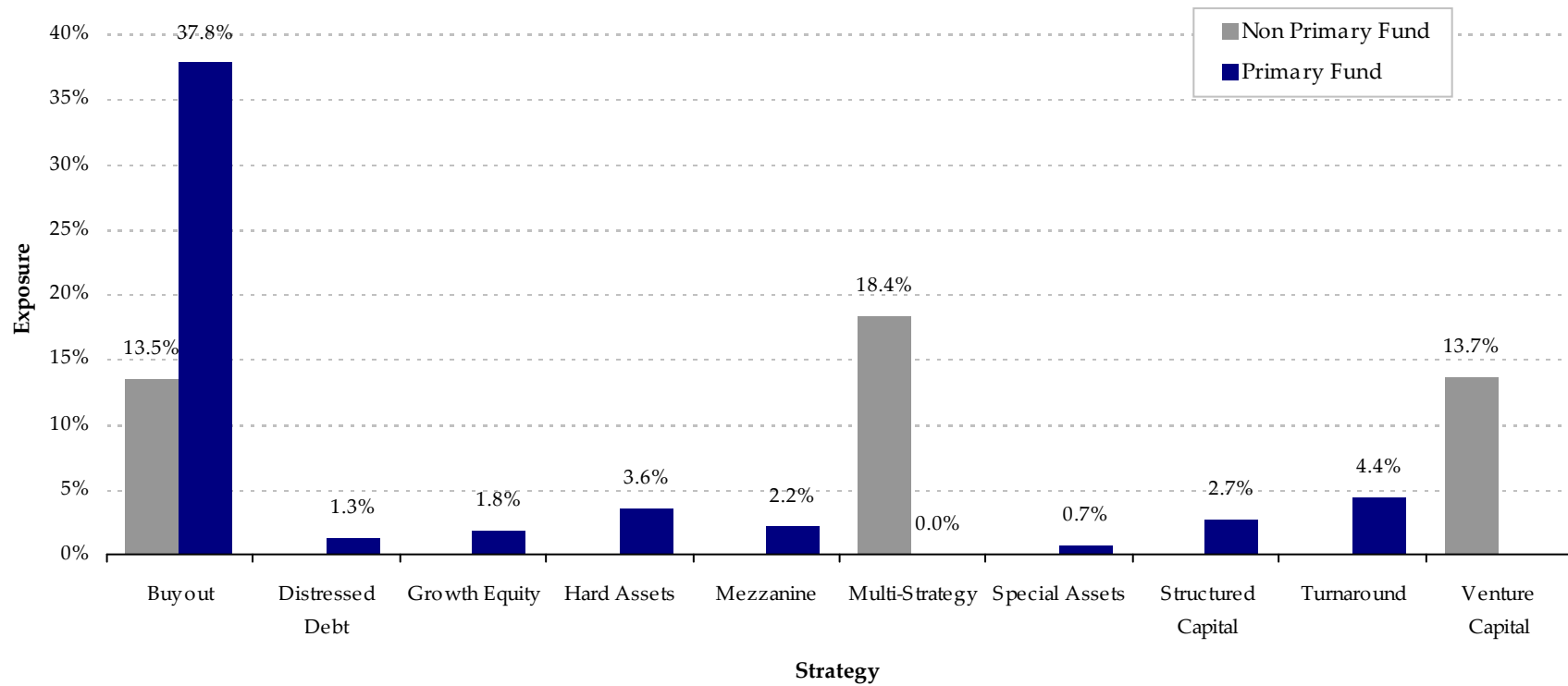
- Remaining Value is defined as the investor's value as reported by the fund's manager.
- TVPI is the ratio of Distributed Capital plus Remaining Value to Contributed Capital.
- Net IRR is defined as the annualized, compound rate of return using daily draws, distributions and Remaining Value as of the Report Date, net of fees and expenses, including late closing interest.
- An asterisk indicates an investment that is fully liquidated, if applicable.
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- Returns calculated for funds in the early years of their lives are particularly not meaningful given the J-curve effect. During these early years, due to illiquidity, stagnant valuations, fees and expenses, fund performance tends to be negative (the bottom of the "J").

Diversification Analysis

Exposure By Vintage Year

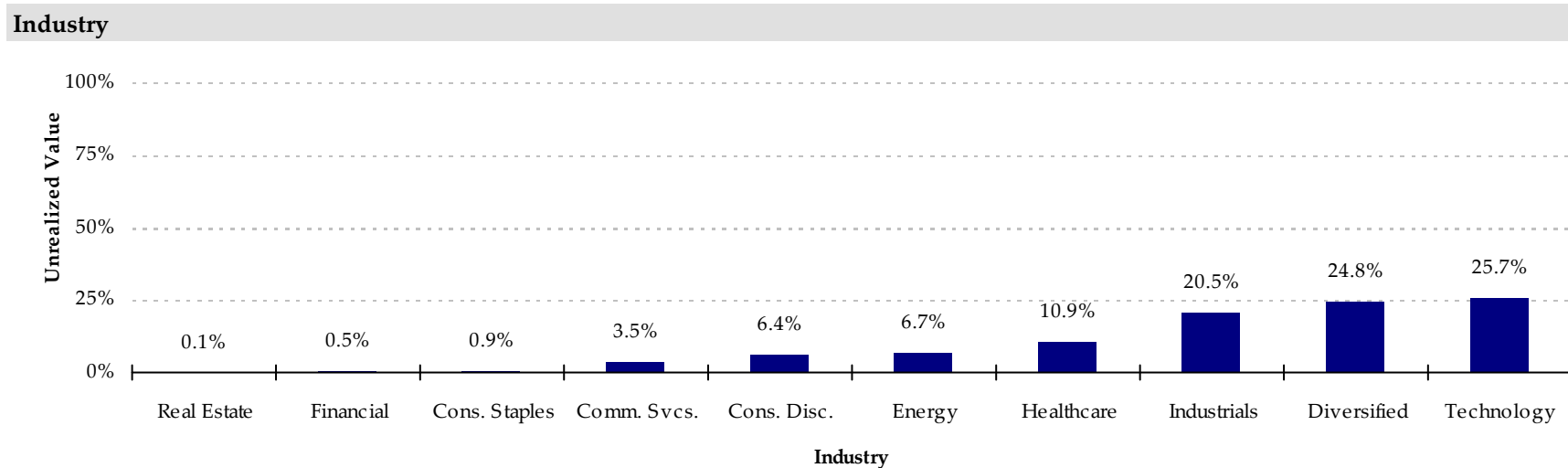
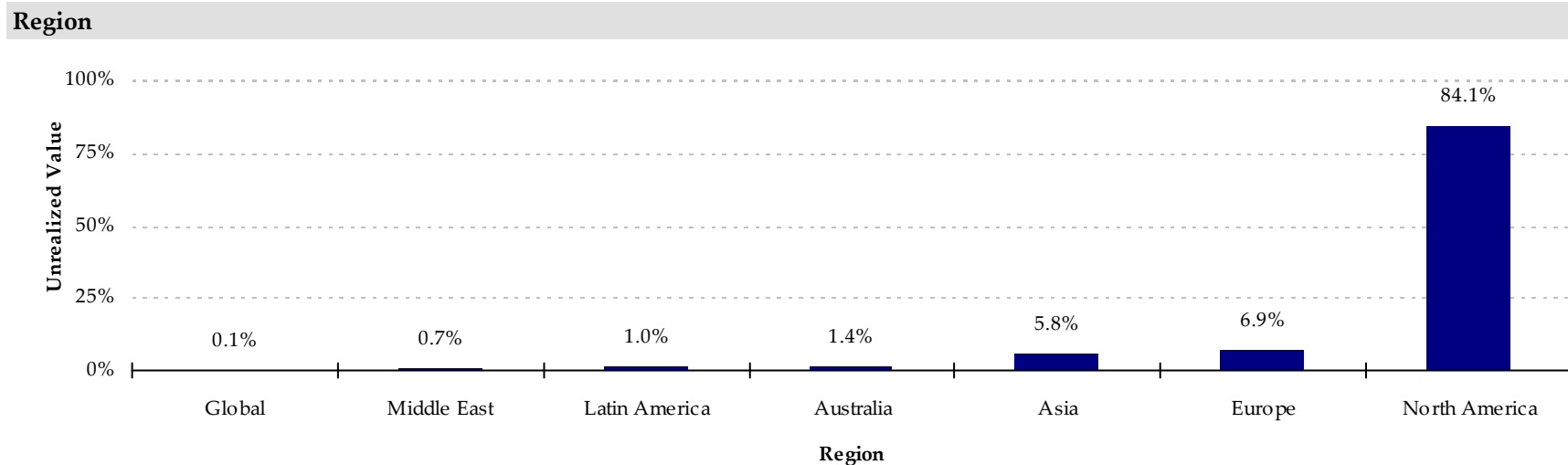


- Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.
- Data includes commitments through the Report Date.

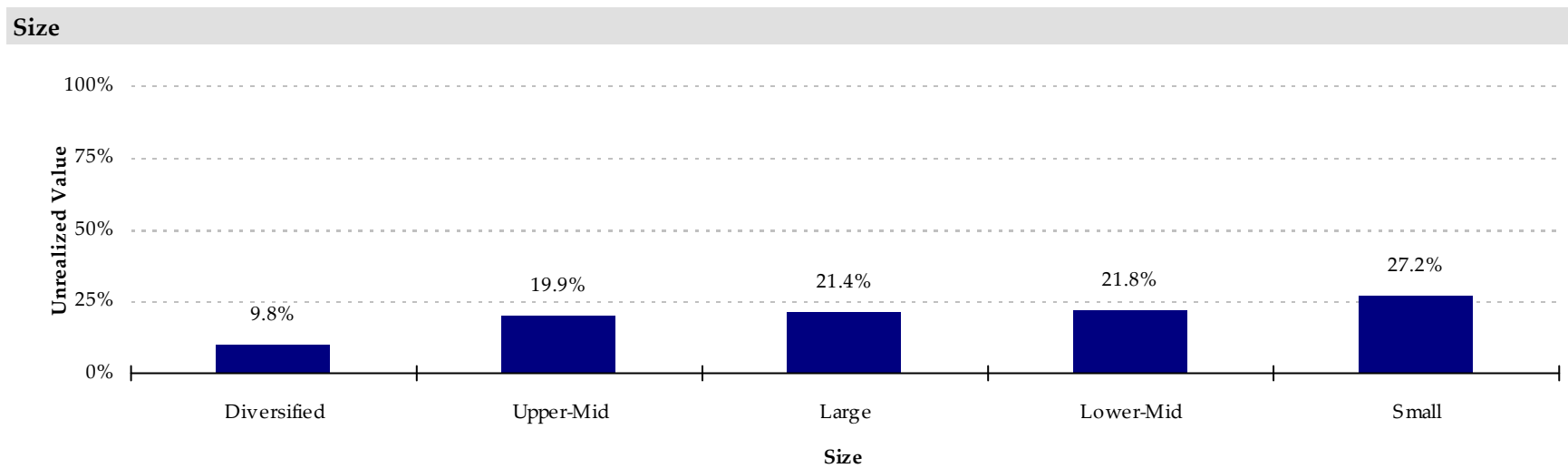
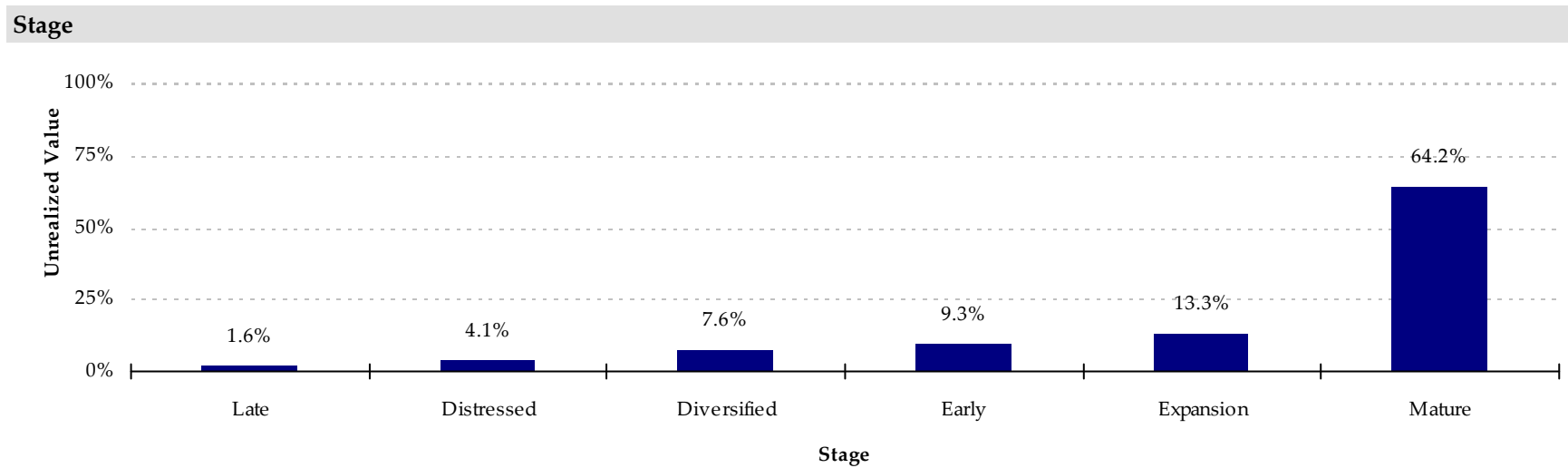


◦ Exposure is defined as the sum of the investor's Remaining Value plus Unfunded Commitment.

◦ Primary Fund represents interests in private equity funds acquired directly from the seller (i.e. fund manager). Non Primary Fund represents interests in private equity funds acquired through a commitment to a fund-of-funds or secondary fund-of-funds.

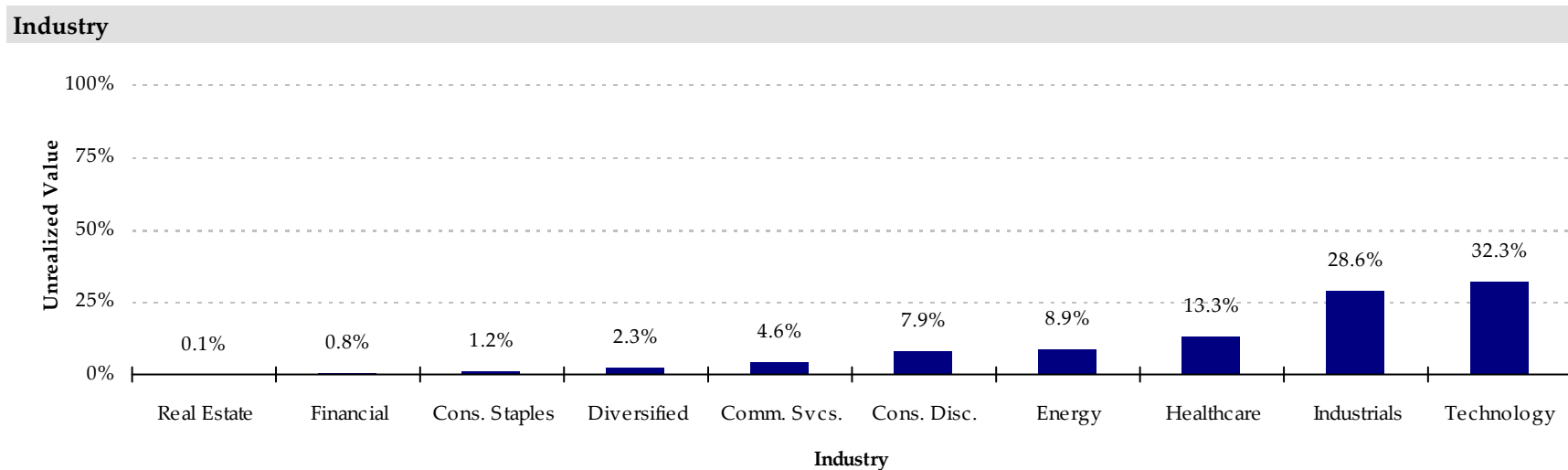
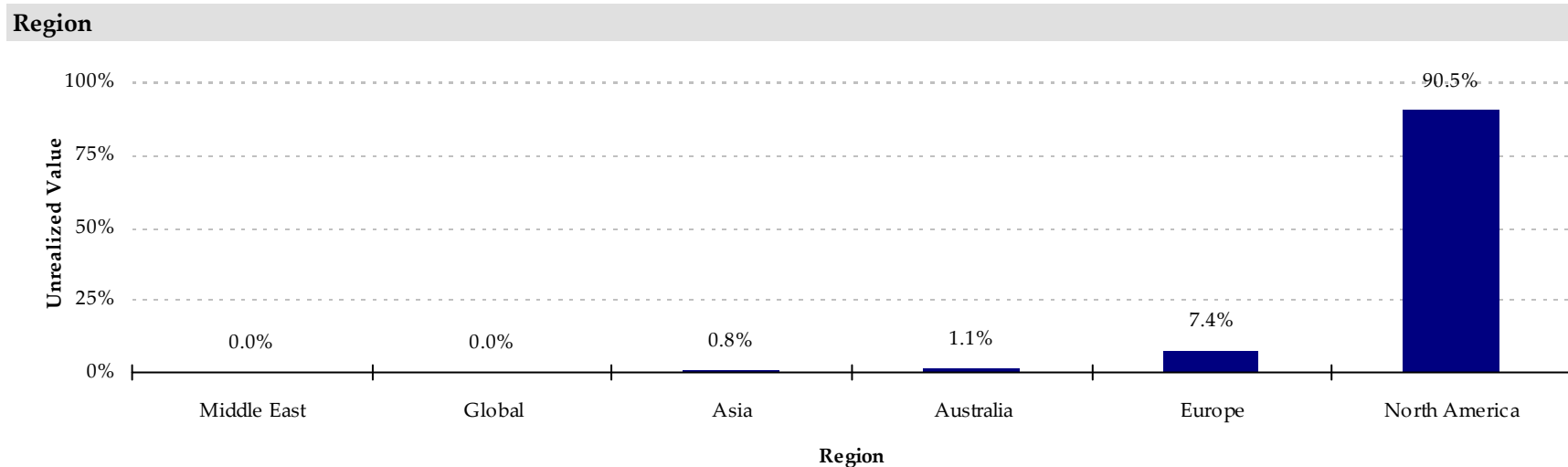


- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.



- Unrealized Value is the value of portfolio holdings as reported by the fund manager.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values converted to the investor's currency, when applicable, as of the Report Date.

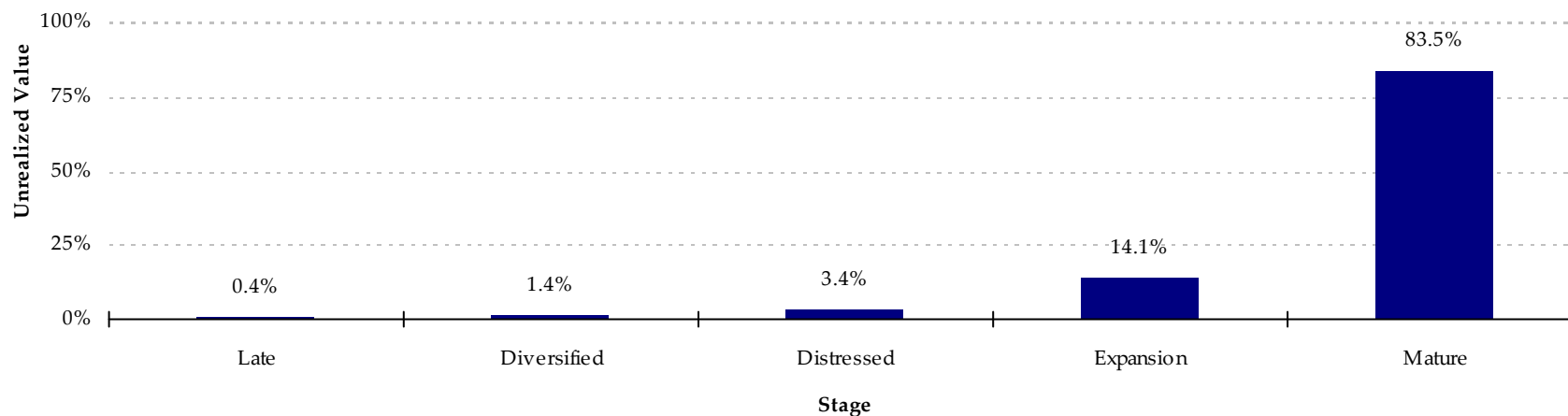
Holdings by Region and Industry (ex Fund Holdings)



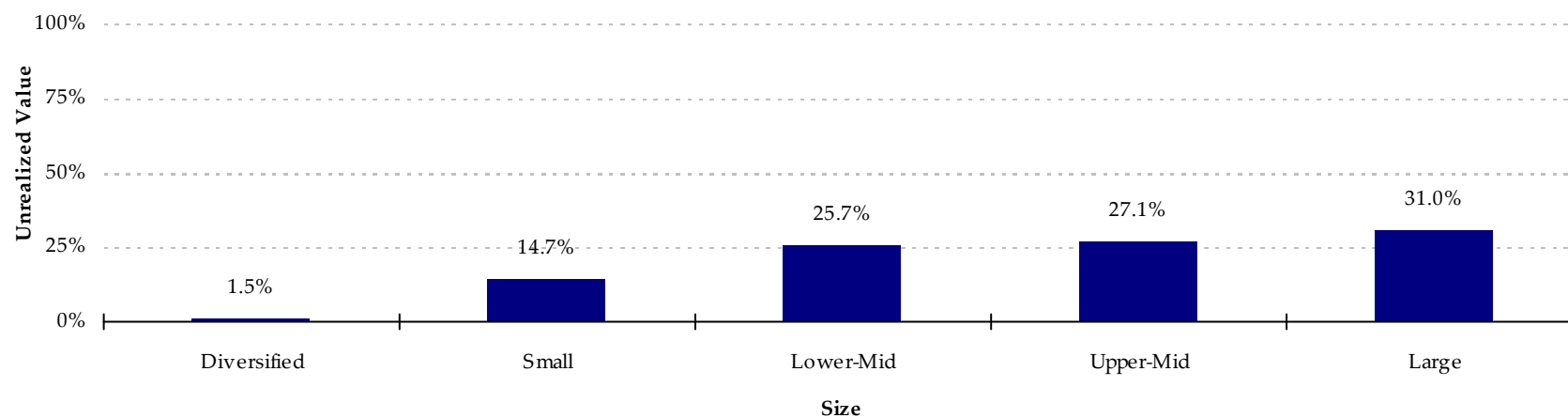
- Fund investments in other funds were excluded from this analysis.
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

Holdings by Stage and Size (ex Fund Holdings)

Stage

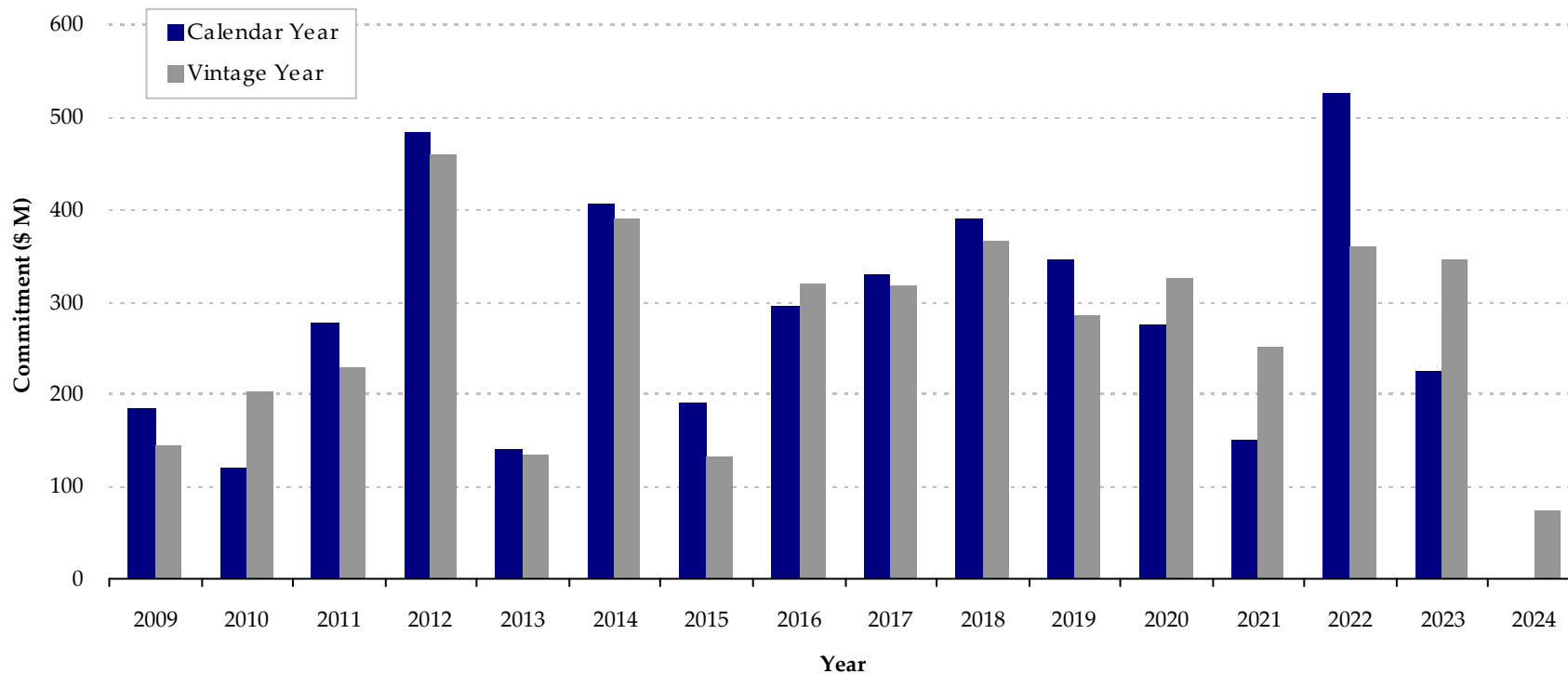


Size



- Fund investments in other funds were excluded from this analysis.
- Unrealized Value represents the value of portfolio holdings as reported by fund managers.
- Values are estimated based on the investor's percent interest in each fund's portfolio holdings.
- Values are converted to the investor's currency, when applicable, as of the Report Date.

Recent Activity



- Vintage Year represents the year in which investors first contribute capital to a fund.
- Calendar Year represents the year in which a commitment to a fund formally closed.
- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- Commitments were compiled through the Report Date.

Recent Commitments



Commitments for Year Ended December 31, 2023

Fund	Strategy	Date	Commitment (\$)
FP Co-Invest VI	Multi-Strategy	Feb 2023	65,000,000
Greyrock VI	Mezzanine	Mar 2023	30,000,000
KPS Mid Cap II	Turnaround	Jun 2023	30,000,000
LLR VII	Growth Equity	Jul 2023	30,000,000
Hybar LLC	Infrastructure	Jul 2023	206,200
Highland Note 2025	Hard Assets	Sep 2023	40,000,000
Post Road III	Structured Capital	Oct 2023	30,000,000
Total			225,206,200

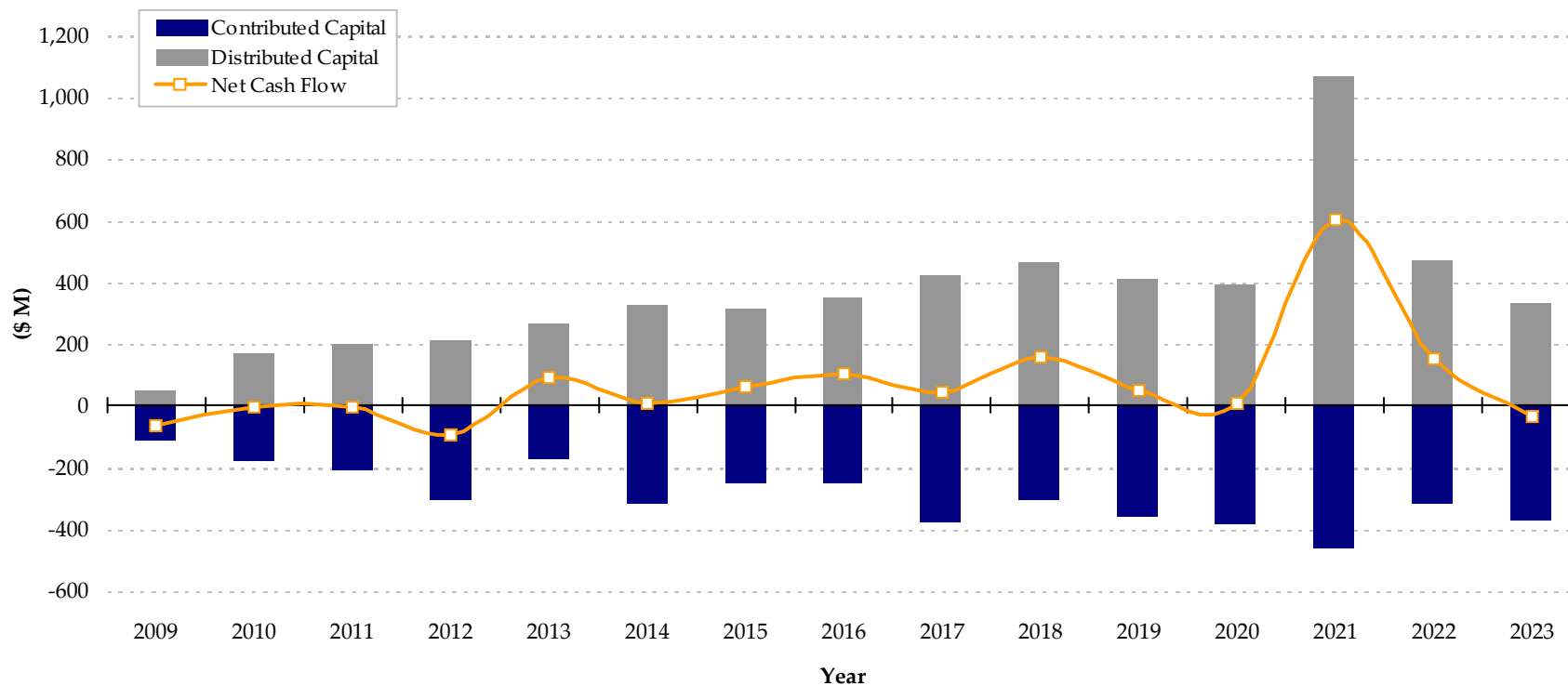
Year to Date Commitments as of May 14, 2024

Fund	Strategy	Date	Commitment (\$)
Beekman V	Buyout	Jan 2024	35,000,000
Clearlake VIII	Buyout	Jan 2024	35,000,000
FP Venture XV	Venture Capital	Feb 2024	40,000,000
Total			110,000,000

Approved and Pending Commitments as of May 14, 2024

Fund	Strategy	Date	Commitment (\$)	Target
Enlightenment Capital Solutions V	Structured Capital	N/A	35,000,000	

- Commitments made in a foreign currency have been converted into U.S. dollars using an exchange rate as of the Report Date, if applicable.
- In February 2023, ATRS closed on additional \$30.0 million commitments to both FP International XI and FP VC Opps, bringing total commitments to each Fund to \$60.0 million.

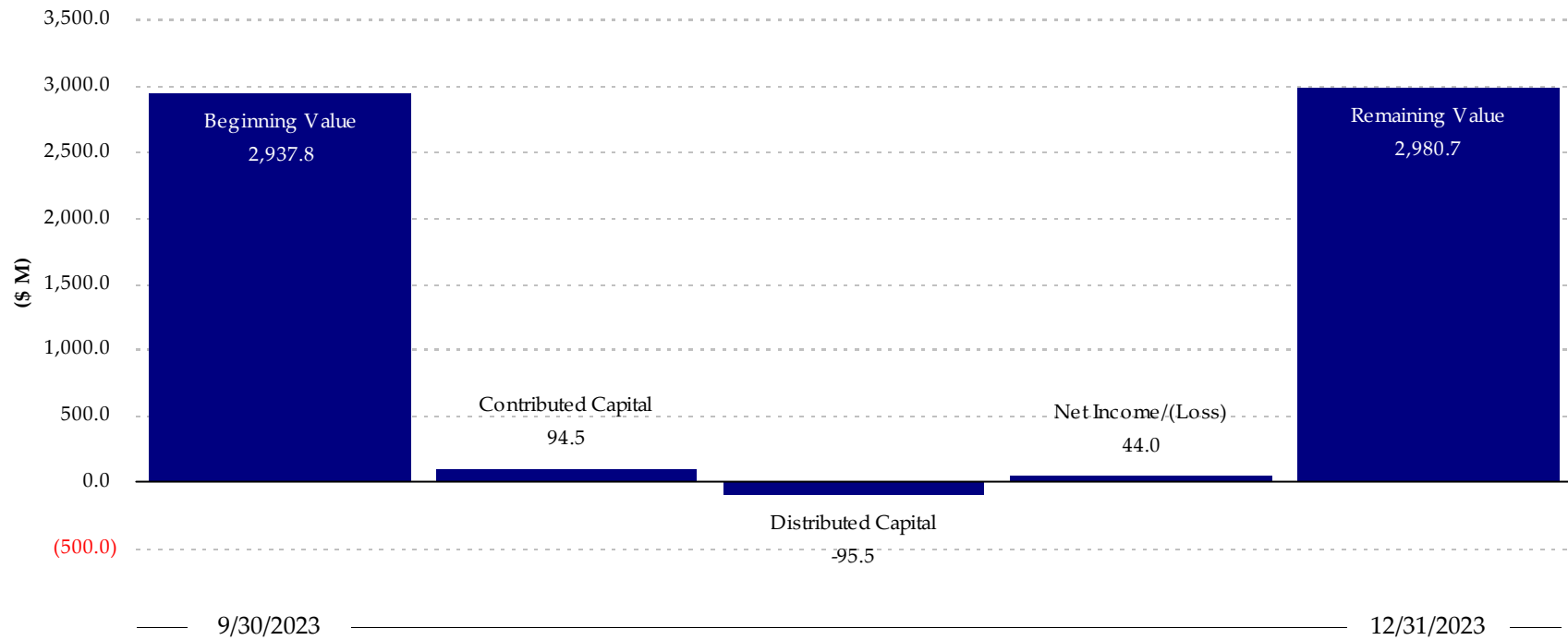


2023 (\$)		
Distributed	Contributed	Net Cash Flow
335,108,529	-371,764,281	-36,655,752

▫ Cash flow data was compiled through the Report Date.

Capital Account Change Since Prior Quarter

Quarterly Portfolio Activity

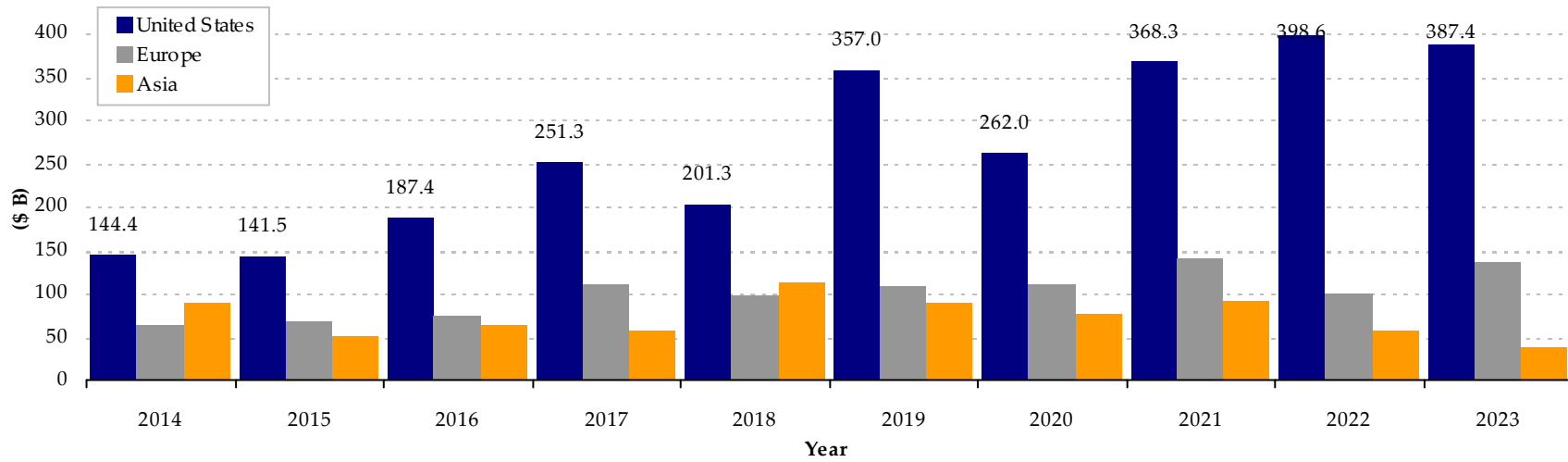


Percent Change in Value	1.5%
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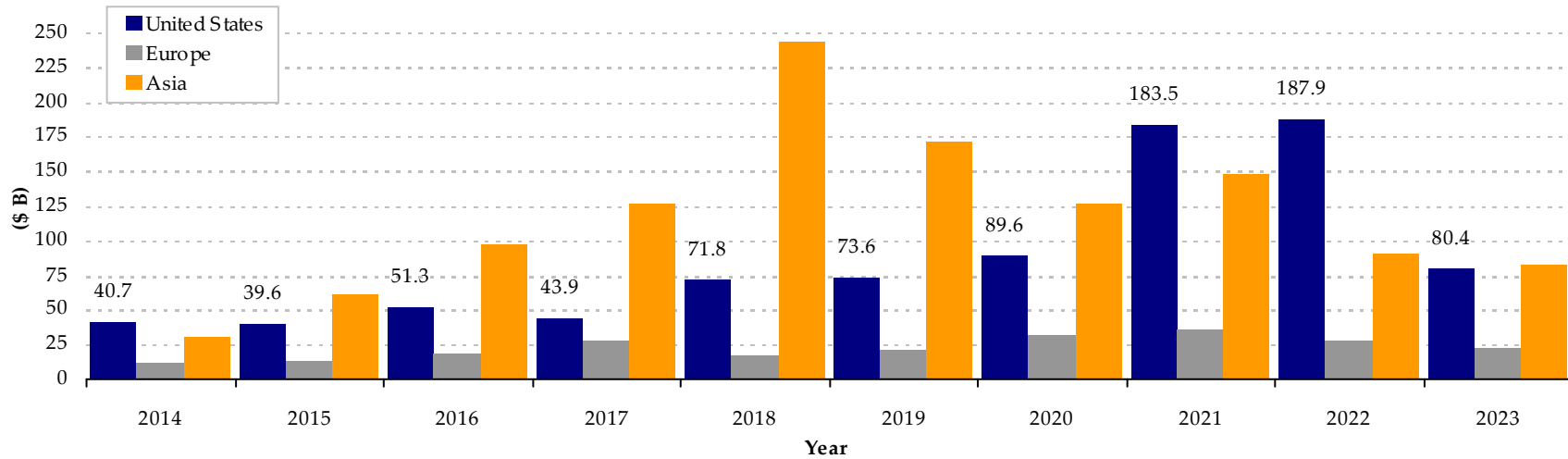
- Beginning Value represents the aggregate Remaining Value of the portfolio as of the prior quarter-end.
- Percent Change in Value is calculated by dividing Net Income / (Loss) by Beginning Value.

Market Update

Buyout Funds

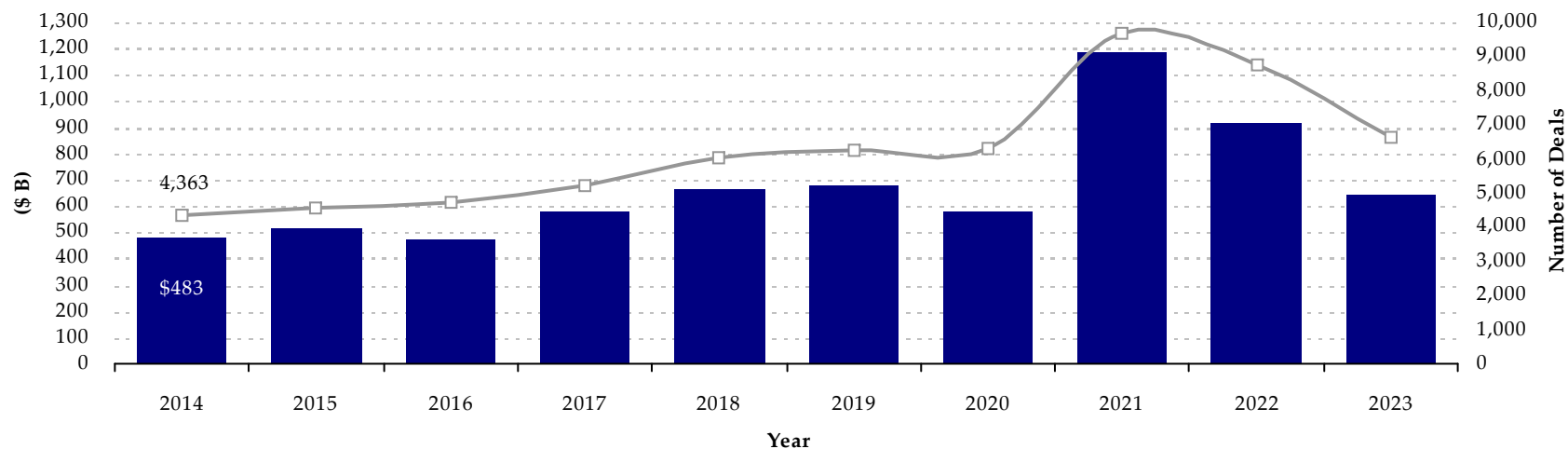


Venture Funds

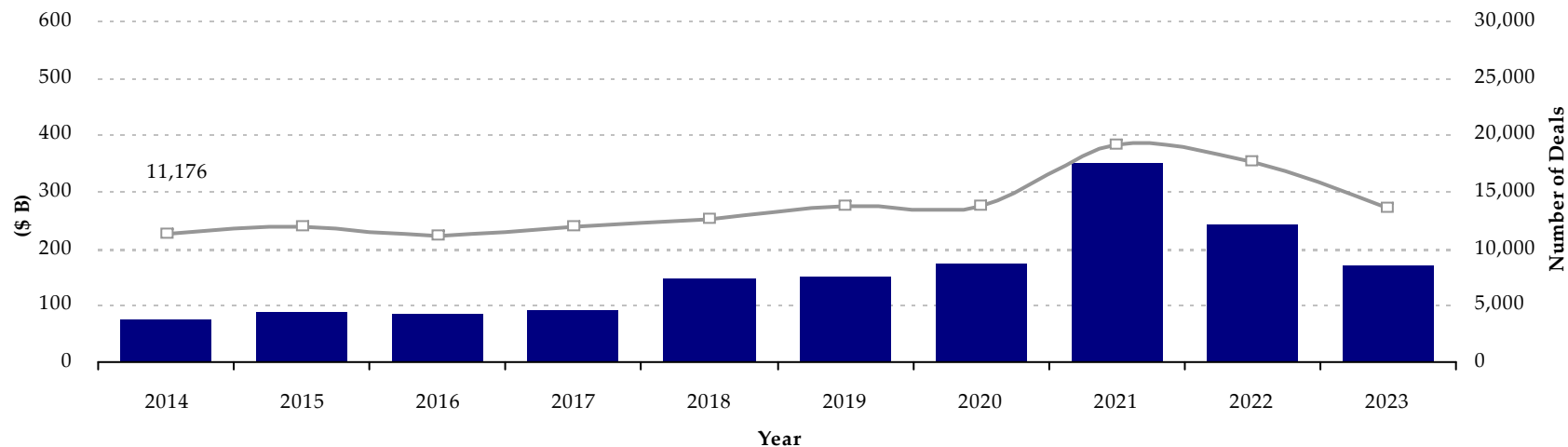


Source: Pitchbook.
Data compiled through Q4 2023.

U.S. Buyout

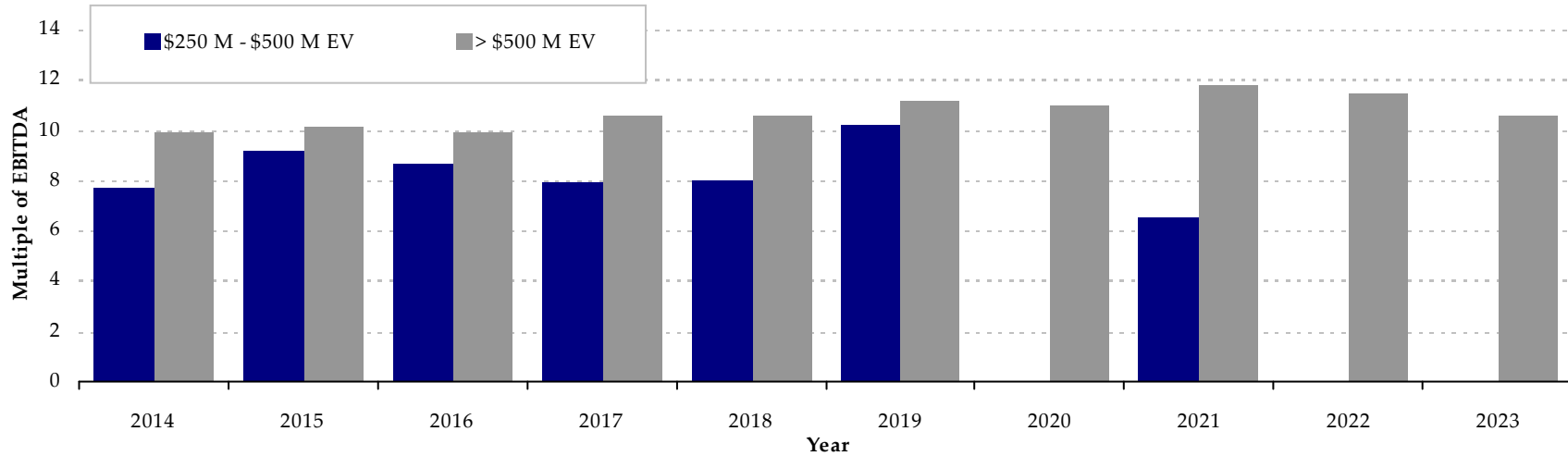


U.S. Venture

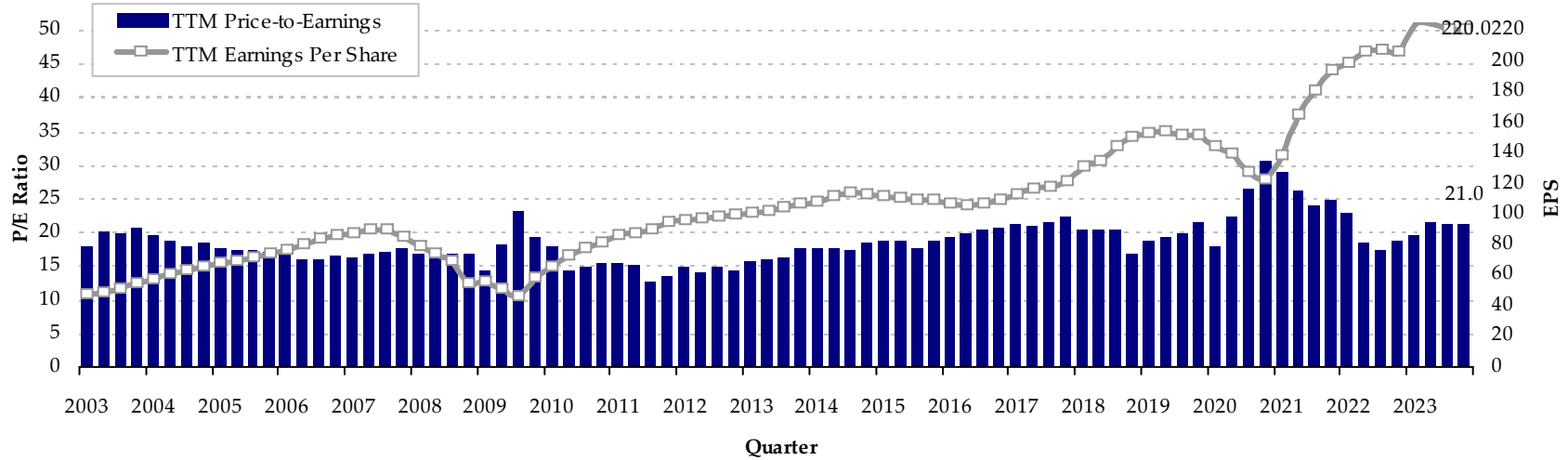


- Source: Pitchbook.
- Data compiled through Q4 2023.

U.S. LBO Pricing Multiples

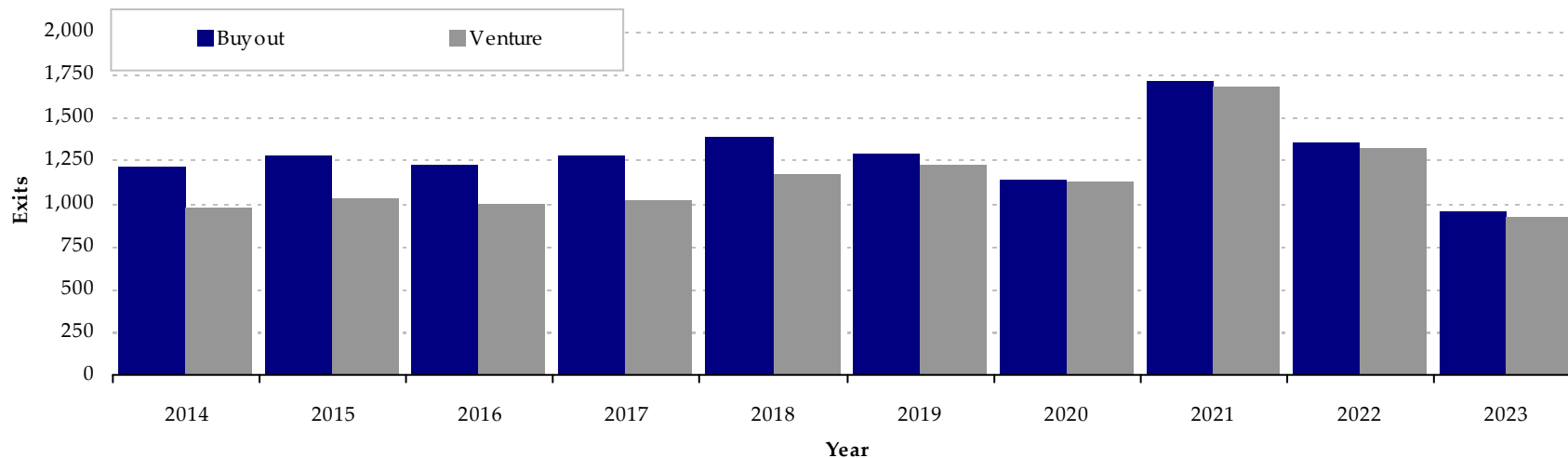


S&P 500 Valuation and Earnings

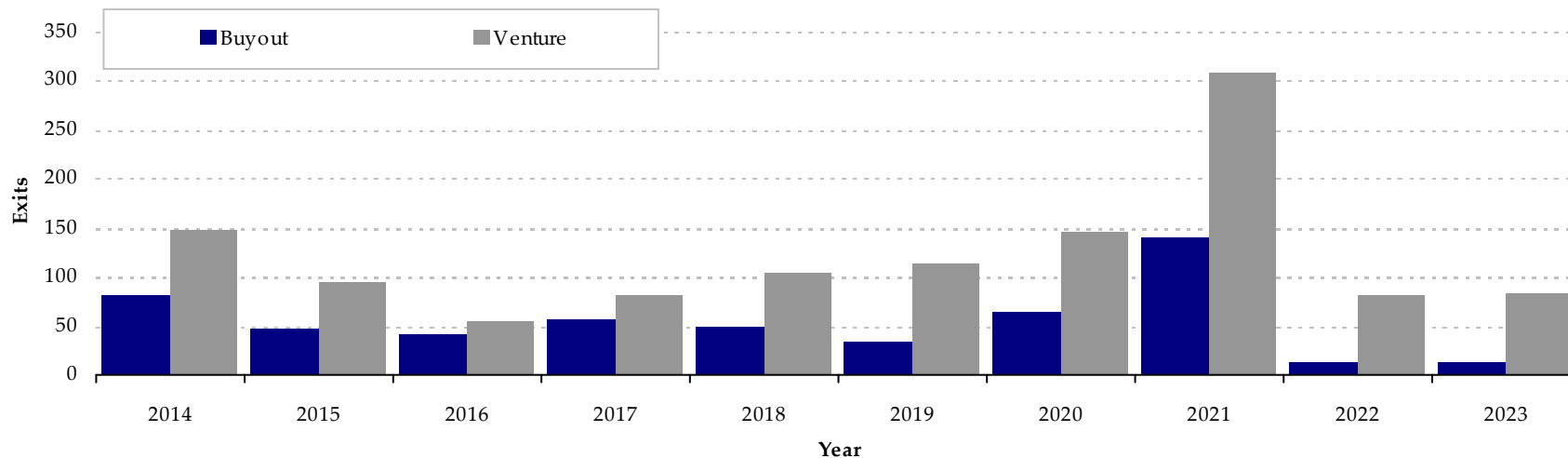


Source: Pitchbook's Leveraged Commentary; Bloomberg.

U.S. Mergers and Acquisitions



U.S. Initial Public Offerings



- Source: Pitchbook.
- Data compiled through Q4 2023.

Vintage Returns

Group	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
U.S. All PE Median	15.0%	14.0%	17.0%	16.0%	17.0%	19.0%	18.0%	15.0%	10.0%	1.0%
U.S. All PE Top Quartile	20.0%	20.0%	23.0%	22.0%	24.0%	28.0%	24.0%	24.0%	17.0%	9.0%
U.S. Buyout Median	15.0%	15.0%	20.0%	19.0%	21.0%	24.0%	19.0%	17.0%	14.0%	6.0%
U.S. Buyout Top Quartile	23.0%	23.0%	24.0%	27.0%	27.0%	31.0%	27.0%	25.0%	19.0%	13.0%
U.S. Energy Median	-2.0%	5.0%	10.0%	9.0%	9.0%	16.0%	18.0%	14.0%	16.0%	
U.S. Energy Top Quartile	4.0%	14.0%	12.0%	15.0%	11.0%	21.0%	24.0%	24.0%	29.0%	
U.S. Real Assets Median	10.0%	10.0%	10.0%	10.0%	10.0%	12.0%	12.0%	13.0%	12.0%	5.0%
U.S. Real Assets Top Quartile	15.0%	17.0%	14.0%	15.0%	15.0%	19.0%	18.0%	18.0%	18.0%	9.0%
U.S. Real Estate Median	11.0%	11.0%	10.0%	10.0%	11.0%	12.0%	11.0%	11.0%	11.0%	4.0%
U.S. Real Estate Top Quartile	16.0%	18.0%	14.0%	15.0%	15.0%	19.0%	18.0%	17.0%	16.0%	8.0%
U.S. Venture Median	15.0%	15.0%	18.0%	15.0%	17.0%	21.0%	18.0%	12.0%	7.0%	-2.0%
U.S. Venture Top Quartile	22.0%	23.0%	26.0%	23.0%	24.0%	28.0%	24.0%	24.0%	16.0%	3.0%

◦ Source: Cambridge Associates.
 ◦ Data compiled through September 30, 2023.
 ◦ Benchmark data is not available for 2021 U.S. Energy

Glossary

Term	Definition	Term	Definition
Barclays US Corporate High Yield Index	The Barclays US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.	Dow Jones US Total Stock Market Total Return Index	The Dow Jones US Total Stock Market Total Return Index measures all U.S. equity securities with readily available prices. It is a free float-adjusted market capitalization weighted index and is calculated with dividend reinvestment.
Bridge Financing	Temporary funding that will eventually be replaced by permanent capital from equity investors or debt lenders	DPI	Ratio of Distributed Capital to Contributed Capital
Buyout	Fund whose strategy is to acquire controlling interests in companies	Early Stage	A company's first Stage of development. Company is generally generating modest or no revenues
Co/Direct Investment	Investment made directly into a company, rather than indirectly through a fund	Equity	Security type that signifies ownership of a company (e.g. common stock, preferred stock, warrants, etc.)
Committed Capital	Total dollar amount of capital pledged to a fund	Expansion Stage	A company's third Stage of development. Company is generally experiencing high growth and nearing profitability
Contributed Capital	Total capital contributed to a fund for investments, fees and expenses, including late closing interest paid, less returns of excess capital called	Exposure	Sum of Remaining Value plus Unfunded Commitment
Cost Basis	Remaining amount of invested capital	Fund-of-Funds	Fund whose strategy is to make investments in other funds
Debt	Security type that signifies a repayment obligation by a company (e.g. senior debt, subordinated debt, bridge loan etc.)	Geographic Region	Market location of a company: North America, Western Europe, Africa/Middle East, Latin America, Asia/Pacific Rim
Distressed	A company's final Stage of development. Company is generally experiencing operational or financial distress	Growth Equity	Fund whose strategy is to invest in companies to expand or restructure operations, enter new markets or finance an acquisition without a change of control of the business
Distressed Debt	<ul style="list-style-type: none"> • Distressed Trading – Fund whose strategy is to invest and trade debt of financially stressed companies • Distressed Restructuring – Fund whose strategy is to acquire and restructure debt of financially stressed companies • Opportunistic Credit – Fund whose strategy is to flexibly invest in debt securities and income-producing assets of any kind, where the issuer or holder is financially stressed • Structured Capital – Fund whose strategy is to issue hybrid debt and equity securities to mature companies 	Hard Assets	Fund whose strategy is to invest in natural resources or infrastructure
Distributed Capital	Capital distributed to the limited partners, including late closing interest earned	Infrastructure	Fund whose strategy is to acquire interests in physical structures and networks that provide the essential services for society's economic and social needs (e.g. roads, tunnels, communication networks, etc.)
		Internal Rate of Return (IRR)	The discount rate that results in a net present value of zero of a series of cash flows. The IRR considers both cash flow timing and amount and is the preferred performance measure for private market funds
		Invested Capital	Capital invested by a fund in portfolio holdings
		Investment Type	Classification of an investment vehicle: Primary Fund, Secondary Fund, Fund-of-Funds

Term	Definition	Term	Definition
J-Curve	Refers to the shape of the curve illustrating a fund's performance over time. During the initial years of a fund's life, as a result of illiquidity, stagnant valuations, fees and expenses, a fund's performance tends to be negative (the bottom of the "J"). Eventually, as portfolio companies are realized or increase in value and fees become a smaller percentage of overall contributions, performance improves and investors' returns move up the "J" shaped curve	Net IRR	Annualized effective compound rate of return using daily contributions, distributions and Remaining Value as of the Report Date, net of all fees and expenses, including late closing interest
Large	Company with a Size greater than \$1 billion	Percent Interest	Represents an investor's economic interest in a fund based upon the investor's commitment divided by total fund commitments
Late Stage	A company's second Stage of development. Company is generally generating high revenue growth and high losses	Primary Investment	An interest in a private equity fund acquired directly from the fund manager during the fundraising period
Lower-Mid	Company with a Size greater than \$100 million, but less than \$250 million	Public Market Equivalent (PME)	A private equity benchmark that represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor's investment activity in private equity. The PME serves as a proxy for the return the investor could have achieved by investing in the public market. The PME benchmark return assumes cash flows are invested at the end of each day
Mature	A company's fourth Stage of development. Company is generally generating modest to no growth and operating profitably	Publication Date	Refers to the date this report was created as reflected in the Executive Summary
Mezzanine	<ul style="list-style-type: none"> • Sponsored Mezzanine – Fund whose strategy is to issue subordinated loans to companies owned by private equity fund sponsors • Non-Sponsored Mezzanine – Fund whose strategy is to issue subordinated loans to companies not owned by private equity fund sponsors 	Real Assets	Fund whose strategy is to invest in assets that are tangible or physical in nature such as land, machinery, and livestock
MSCI ACWI Index - Total Return	The MSCI ACWI Total Return is a reflection of the performance of the MSCI ACWI Index, including dividend reinvestment, as calculated by Bloomberg. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.	Real Estate	Fund whose strategy is to acquire interests in real estate property
Natural Resources	Fund whose strategy is to acquire interests in naturally-occurring, economically valuable raw materials and all physical facilities and capabilities required for the extraction, refinement, and delivery to end users (e.g. oil and gas properties, timberland, etc.)	Realized Capital	Capital distributed to a fund from portfolio holdings
NCREIF Property Index	The NCREIF Property Index is a quarterly, unleveraged composite total return for private commercial real estate properties held for investment purposes only.	Recallable / Recyclable Capital	Capital that has been previously distributed by a fund to investors but may be called again for investment purposes. It is generally associated with realizations that have occurred in the early years of a fund or refers to uninvested capital that has been temporarily returned (i.e. returns of excess capital)
		Recapitalization	The reorganization of a company's capital structure
		Remaining Value	Capital account balance as reported by the General Partner, generally on a fair value basis
		Report Date	Refers to the end date of the reporting period as reflected on the cover page
		Return on Investment (ROI)	Ratio of Realized Capital plus Unrealized Value to Invested Capital

Term	Definition	Term	Definition
Russell 1000® Total Return Index	The Russell 1000® Total Return Index measures the performance, including dividend reinvestment, of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.	Size	Capitalization size of a company: Large, Upper-Mid, Lower-Mid, Small
Russell 3000® Total Return Index	The Russell 3000® Total Return Index measures the performance, including dividend reinvestment, of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.	Small	Company with a Size of less than \$100 million
S&P 500 Price Index	The S&P 500 Price Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.	Small Business Investment Company (SBIC)	Lending and investment firms that are licensed and regulated by the Small Business Administration (SBA). The licensing enables them to borrow from the federal government to supplement the private funds of their investors
S&P 500 Total Return Index	The S&P 500 Total Return Index is a reflection of the performance of the S&P 500 Index, including dividend reinvestment. All regular cash dividends are assumed to be reinvested in the S&P 500 Index on the ex-date. Special cash dividends trigger a price adjustment in the price return index.	Small Buyout	Fund whose strategy is to acquire or recapitalize Small businesses
Secondary Investment	Investments that involve the purchase of private equity fund interests or portfolios of direct investments in privately held companies from existing institutional investors	Special Assets	<ul style="list-style-type: none"> • Healthcare Royalties – Fund whose strategy is to acquire royalty or revenue interests, or issue loans, backed by approved life science products • Music Royalties – Fund whose strategy is to acquire royalty or revenue interests, or issue loans, backed by music copyright assets • Aircraft Leasing – Fund whose strategy is to acquire and lease commercial aircraft • Life Settlement - Fund whose strategy is to acquire life insurance policies • Shipping – Fund whose strategy is to acquire and charter commercial shipping vessels • Asset Backed Securities – Fund whose strategy is to acquire or structure securities that are backed by income-producing assets
Sector	Industry in which the company operates: technology, telecommunications, healthcare, financial services, diversified, industrial, consumer, energy, etc.	Stage	The course of development through which a company passes from its inception to its termination: Early, Late, Expansion, Mature, Distressed
Senior Debt	<ul style="list-style-type: none"> • Direct Lending – Fund whose strategy is to issue senior loans to mature companies • Unitranche – Fund whose strategy is to issue hybrid senior and subordinated loans to mature companies • Venture Debt – Fund whose strategy is to issue loans to venture stage companies • Asset Based Lending – Fund whose strategy is to issue loans to companies where the amount of allowable borrowing outstanding is based on asset collateral value • Rescue Financing – Fund whose strategy is to issue loans to financially stressed companies 	Sub-Asset Class	Private equity investments are generally classified as Buyout, Venture Capital, Mezzanine, Distressed/Turnaround, and Fund-of-Funds
		TVPI	Ratio of Distributed Capital plus Remaining Value to Contributed Capital
		Unfunded Commitment	Amount of capital that remains to be contributed to a fund as defined in a fund's limited partnership agreement
		Unrealized Value	Holding value of a portfolio company assigned by the General Partner, which generally represents fair value
		Upper-Mid	Company with a Size greater than \$250 million but less than \$1 billion
		Venture Capital	Fund whose strategy is to make investments in Early Stage and/or Late Stage companies

Term	Definition
Vintage Year	The calendar year in which an investor first contributes capital to a fund

End Notes

The information contained in this report is confidential and may contain proprietary information and trade secret information. The information contained herein is prepared by Franklin Park and is not reviewed or approved by the general partners or affiliates of underlying portfolio fund investments and is strictly for the use of Arkansas Teacher Retirement System and, subject to applicable law, may not be reproduced, transmitted or used in whole or in part for any other purpose without the expressed written consent of Franklin Park. Franklin Park requests that investors maintain this information in confidence and that this report is not disclosed to any person other than affiliates, advisers, and accountants, who agree to maintain this information in similar confidence, without the prior written consent of Franklin Park.

Information regarding the Arkansas Teacher Retirement System portfolio, trends and performance returns are based on or derived from information and data provided by third-party sources, including Arkansas Teacher Retirement System's historical records. Franklin Park assumes that such information is accurate and that the sources from which it has been obtained are reliable. For example, the performance figures contained within this report are calculated by Franklin Park based on information provided by the managers of Arkansas Teacher Retirement System's private equity fund investments (General Partners). The General Partners have not verified the performance figures presented by Franklin Park and such figures may differ from those calculated by General Partners or other investors.

Franklin Park presents Net IRR performance as recommended by the CFA Institute. The IRR calculation is a dollar-weighted return measurement, which considers both cash flow timing and amount, and is net of fees, expenses and carried interest. The total portfolio Net IRR presented herein is net of fees, expenses and carried interest paid by underlying private equity fund investments, but is gross of fees and expenses paid to Franklin Park. The IRR is most commonly used for measuring the performance of private equity funds. Until a fund is liquidated, typically over 10 to 12 years, the IRR is only an interim estimated return. An IRR is particularly not meaningful in the first two years of a fund's life given the J-curve effect (see footnote). The actual IRR of any private equity fund investment is not known until final liquidation.

▫ The J-curve refers to the shape of the curve that illustrates a private equity fund's performance over time. During the initial years of a fund's life, due to fees and expenses, a fund's performance tends to be negative (the bottom of the "J"). Eventually, as portfolio company investments increase in value, fund performance improves and returns move up the "J" shaped curve.



Arkansas Teacher Retirement System
Franklin Park
Corporate Finance Access III, L.P.

June 2024

Disclaimer

This Presentation (this “Presentation”) has been prepared by Franklin Park Associates, LLC (“Franklin Park”) solely for informational purposes for the exclusive use of the party to whom Franklin Park delivers this Presentation (the “Recipient”). This Presentation is not to be construed as a solicitation, invitation or an offer by Franklin Park or any of its members, officers, employees or agents to buy or sell any securities or related financial instruments. This Presentation is furnished on a confidential and limited basis for the sole and exclusive purpose of providing general and background information concerning Franklin Park Corporate Finance Access Fund III, L.P. (“CF Access Fund III” or the “Fund”) as well as Franklin Park and its activities. This Presentation is not an offer or sale of, or a solicitation to any person to buy, any security or investment product or investment advice. Any such offer, sale or solicitation of interests in the Fund will be made only pursuant to the Fund’s definitive documents, and will be subject to the terms and conditions contained in such documents. This Presentation is qualified in its entirety by reference to the Fund’s definitive documents.

This Presentation is as of May 8, 2024 (unless an earlier date is otherwise indicated). The information in this Presentation has been obtained from Franklin Park’s proprietary research and other publicly available sources and has not been independently verified by Franklin Park or any of its members, officers, employees, agents, representatives or advisers or any other person. Any valuations, projections, estimates, forecasts, targets, prospects, returns and/or opinions contained herein involve elements of subjective judgment and analysis. Any opinions expressed in this material are subject to change without notice. This Presentation may contain forward-looking statements. Any estimates or projections as to events that may occur in the future are based upon the reasonable expectation of Franklin Park as of May 8, 2024. No obligation is undertaken by Franklin Park or any other person to provide the Recipient with additional information or to update, revise or reaffirm the information contained in

this Presentation or to correct any inaccuracies therein which may become apparent.

Past or projected performance information contained in this Presentation is not necessarily indicative of future results. There can be no assurance that the Fund will ultimately achieve comparable performance results.

This Presentation is not intended to be relied upon as legal, tax, accounting or investment advice or a recommendation and is not, and should not be assumed to be, complete. The Recipient agrees that Franklin Park and its affiliates, members, partners, stockholders, managers, directors, officers, employees and agents shall have no liability for any misstatement or omission of fact or any opinion expressed herein. The contents herein are not to be construed as legal, business or tax advice, and the Recipient should consult its own attorney, business advisor and tax advisor as to legal, business and tax advice. Recipient is expected to rely on its own due diligence if it wishes to proceed further.

The Recipient further agrees that it will (i) not copy, reproduce or distribute the Presentation, in whole or in part, to any person or party without the prior written consent of Franklin Park, (ii) keep permanently confidential all information contained herein not already public and (iii) use the Presentation solely for the purpose set forth in the first paragraph above, and (iv) to return the Presentation to Franklin Park promptly upon request.

By accepting this Presentation the Recipient agrees to be bound by the foregoing obligations and limitations.

Strategy Overview

CF Access Fund III is a fund of funds providing investors with exposure to corporate finance funds sized \$1 billion and less¹

Less Efficient Market

- Small and lower mid market funds (generally ≤\$1B in size) pursuing growth capital, buyouts or turnarounds where incentives are aligned
- Smaller companies (typically <\$250M in value) where a financial partner can drive performance
- Conservative entry multiples and use of leverage

Experience & Aligned Teams

- Experienced private equity investors, including spin-outs, first institutional capital, re-starts
- Team is aligned and incentivized

Competitive Advantages

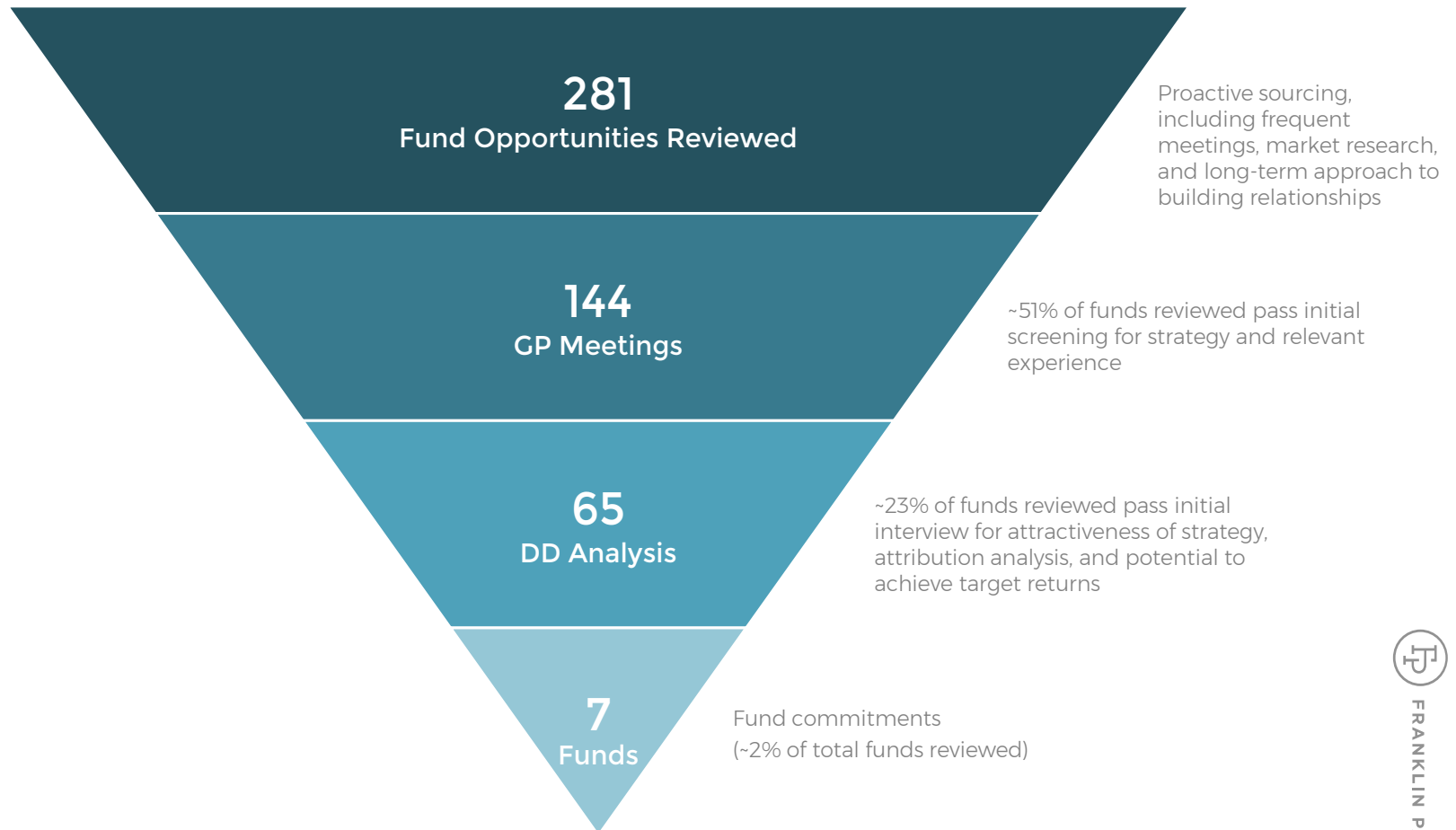
- Sector-focused with competitively advantaged domain knowledge and relationships
 - Deep value with operationally intensive value add approach
 - Small buyout with differentiated deal sourcing and growth strategy
-

The information and descriptions provided are for illustrative purposes only and is designed to provide an overview of Franklin Park's philosophy and investment processes; however, there may be deviations based on a particular investment and Franklin Park may change its process in its discretion. Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes beginning on page 7.

¹The Fund targets investments of funds of \$1B or less in size, however fund investments may ultimately have a fund size larger than \$1B.

Deal Flow (LTM 3/31/24, Corporate Finance Funds <\$1 billion in size)

Broad market coverage with highly selective decision making



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Corporate Finance Track Record

Franklin Park's discretionary track record for U.S. focused small and lower middle market corporate finance funds

Fund	Vintage Year	Fund Investments	Committed Capital	Invested Capital	Distributed Capital	Remaining Value	ROI	TVPI	Gross IRR	Net IRR
Other Relevant Portfolio	2010-2023	66	1163.0	843.4	951.8	741.8	2.0x	1.8x	20.2%	17.4%
CF Access Fund I	2019	16	147.0	108.9	14.5	136.0	1.4x	1.3x	24.6%	18.2%
CF Access Fund II	2022	10	80.9	18.1	0.3	20.5	1.1x	1.1x	NMF	NMF
Total		92	1,390.9	970.5	966.6	898.3	1.9x	1.7x	20.3%	17.4%

Data in the table is as of September 30, 2023.. \$ in millions.

Other Relevant Portfolio (the "OR Portfolio") represents a composite portfolio of U.S. private fund commitments made by discretionary separate accounts that are consistent with the Fund's strategy. No individual investor received the performance presented. Additional details on the OR Portfolio are provided in the Footnotes beginning on page 7.. "CF Access Fund I" represents Franklin Park Corporate Finance Access Fund, L.P. and "CF Access Fund II" represents Franklin Park Corporate Finance Access Fund II, L.P.

ROI and Gross IRR performance is presented net of underlying private fund manager fees, portfolio fund expenses and carried interest charges, but calculated excluding Franklin Park's investment advisory fees, carried interest and vehicle expenses.

TVPI and Net IRR are net performance calculations based on the highest expected fee structure of the Fund applied to the OR Portfolio, CF Access Fund I and CF Access Fund II investment activity ("Model Performance"). No individual investor received the performance returns presented. Hypothetical performance results have inherent limitations and no representation is being made that any Franklin Park investor, fund, or investment portfolio will or is likely to achieve profits similar to those shown. There will be differences between hypothetical performance and actual results achieved. Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Franklin Park investor, fund, or investment portfolio. Hypothetical performance as presented is from more than one portfolio and may not be a meaningful comparison for a single investment fund due to a variety of reasons including vehicle specific investment criteria, diversification, investment allocation, risk, time horizon, leverage, certain commingled fund expenses and market conditions. The performance information is for illustrative purposes only and may not be a meaningful indicator of FP CF Access III's performance.

See additional important definitions, disclosures and information regarding returns and performance calculation methodologies, including Model Performance in the Footnotes section following. Investments in private funds such as the Fund are illiquid, high-risk investments and involve substantial risk of loss. Past results are not necessarily indicative of future performance. Wherever there is the potential for profit, there is the potential for loss. There can be no assurance that investments made by Franklin Park will realize the rates of returns indicated in this Presentation.

Proposal

CF Access Fund III will provide ATRS with continued exposure to smaller corporate finance funds

ATRS to consider an initial \$40 million commitment as part of the 2024 pacing plan approved by the board in December 2023 with a closing planned in 3Q24

Additional commitments to be considered at future board meetings as part of the 2025 and 2026 pacing plans

Terms:

- **Management Fees: 0.5% for ATRS (0.9% of commitments for all other LPs)**
- **Carried Interest: 4% for \$60m+ commitment (5% for all other LPs)**

Based on the proposed terms for CF Access Fund III, ATRS' Net IRR for CF Access Fund I would be 20.2%¹ (vs. ATRS' 23.0% actual Net IRR²) as of September 30, 2023

The Fund terms are subject to change. Refer to the Fund's governing documents for a complete listing of terms.

¹The performance calculation is based on the expected fee structure noted above applied to CF Access Fund I investment activity ("Model Performance") as of September 30, 2023. No individual investor received the performance returns presented. Hypothetical performance results have inherent limitations and no representation is being made that any Franklin Park investor, fund, or investment portfolio will or is likely to achieve profits similar to those shown. There will be differences between hypothetical performance and actual results achieved. Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Franklin Park investor, fund, or investment portfolio. See additional important definitions, disclosures and information regarding returns and performance calculation methodologies, including Model Performance in the Footnotes section beginning on page 7. Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes.

²Actual net IRR represents ATRS' net IRR in CF Access Fund I calculated net of vehicle expenses as of September 30, 2023.

Footnotes

Based in Bala Cynwyd, Pennsylvania, Franklin Park was formed in April 2003. Franklin Park is an independent, registered investment adviser with the U.S. Securities and Exchange Commission. Franklin Park assists its clients in building and managing customized investment portfolios of private market investments.

Vintage Year represents the year in which a private fund first called capital.

Fund Investments represents the number of underlying portfolio fund investments (the "Portfolio Funds")

Committed Capital represents the aggregate commitments to Portfolio Funds.

Invested Capital represents the amount of capital contributed to Portfolio Funds.

Distributed Capital represents the amount of capital distributed from Portfolio Funds.

Remaining Value represents the remaining unrealized value of Portfolio Funds.

ROI is the ratio of Distributed Capital plus Remaining Value to Invested Capital.

TVPI is the ratio of distributions plus remaining value to contributed capital.

IRR is the discount rate that results in a net present value of zero of a series of cash flows and considers both cash flow timing and amount.

Liquidity Risk:

Private fund investments such as the Fund are long-term, illiquid investments. Private funds such as the Fund generally have a term of ten years or more, and investors are generally not able to redeem their interests in private funds. Please refer to the Fund's governing documents for complete terms and conditions.

Valuation Risk:

There can be no assurance that investments with an unrealized value will be realized at the valuations shown, as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

Risk of Loss:

Past performance is not a guarantee. Investments in private equity funds such as the Fund are speculative and involve a substantial risk of loss. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. Information about other investments made by Franklin Park, including the past performance of other Franklin Park vehicles and investments, is provided solely to illustrate Franklin Park's investment experience, and processes and strategies used by

Franklin Park in the past with respect to other Franklin Park vehicles and investments. The performance information relating to Franklin Park's previous investments is not intended to be indicative of the Fund's future results. Past performance is not necessarily indicative, or a guarantee, of future results. There can be no assurance that the Fund will achieve comparable results as those presented or that investors in the Fund will not lose any of their invested capital.

Please refer to the Fund's Private Placement Memorandum and other governing documents for discussion of additional risk factors.

Model Performance:

In order to approximate the impact on performance utilizing the applicable fee structure of the Fund, had it been charged to other Franklin Park- managed vehicles, a model is utilized to calculate performance. The model is based on the investment activity of Franklin Park-managed vehicles (the "Gross Activity").

Gross Activity represents the cash flows and capital account balances of the Portfolio Funds as reported by the Portfolio Fund managers, and is net of the Portfolio Fund expenses, management fees and carried interest.

The model applies the expected management fee and carried interest rates of the Fund, and estimated annual expenses, to Gross Activity to produce a resulting stream of cash flows net of estimated expenses, and anticipated investment advisory fees and carried interest (the "Net Activity"). The Net Activity is utilized to calculate TVPI and Net IRR performance returns ("Model Performance") approximating the impact of the Fund's fee structure to Franklin Park-managed vehicles. Model Performance is measured in U.S. dollars on an inception to date basis through September 30, 2023.

Model Performance does not consider such terms as may be applicable to the Fund such as management fee offsets, capital recycling, use of credit facilities, or other terms and conditions which may have an impact on performance results.

Model Performance is hypothetical performance. Hypothetical performance results have inherent limitations and no representation is being made that any Franklin Park investor, fund, or investment portfolio will or is likely to achieve profits similar to those shown. There will be differences between hypothetical performance and actual results achieved. Hypothetical performance is for illustrative purposes only and does not reflect the actual returns of any Franklin Park investor, fund, or investment portfolio. Additional information on the risks and limitations of using model performance calculations in making investment decisions is available upon request.

Footnotes

Corporate Finance Track Record (p.5):

Other Relevant Portfolio (the "OR Portfolio") represents a hypothetical composite portfolio of U.S. private equity fund commitments made by discretionary separate accounts (the "Separate Accounts"), to private funds with fund sizes of \$1.0 billion or less with corporate finance strategies and Vintage Years 2010-2023. The OR Portfolio represents seven Separate Accounts that are structured like private funds and managed by Franklin Park with varying investment strategies and fee and expense terms. The investments in the OR Portfolio are all of the investments from the Separate Accounts meeting the criteria above, however the Separate Accounts made other investments that are not included. Franklin Park manages other accounts that make investments meeting the criteria, however, only investments made by Separate Accounts structured like private funds are included. The OR Portfolio performance information is provided to illustrate Franklin Park's experience investing in funds that are consistent with the Fund's strategy.

ROI and Gross IRR of the OR Portfolio are based on the actual Gross Activity of the Separate Accounts in U.S. Dollars since inception (December 23, 2010) through September 30, 2023. TVPI and Net IRR of the OR Portfolio are calculated using Model Performance as described above. No individual investor received the performance results presented. Additional information on the use of hypothetical performance calculations in making investment decisions is available upon request.

Vintage Years for the OR Portfolio represent the Vintage Years of the underlying Portfolio Funds.

CF Access Fund I and CF Access Fund II invest in U.S. corporate finance focused private funds of about \$1 billion in size or less. ROI and Gross IRR are based on FP CF Access I's and FP CF Access II's Gross Activity in U.S. Dollars since inception (October 15, 2019, and March 1, 2022, respectively) through September 30, 2023.

TVPI and Net IRR of CF Access Fund I and CF Access Fund II are Model Performance as described above. No individual investor received the performance results presented.

The OR Portfolio performance and Total performance are hypothetical performance as presented from more than one portfolio and may not be a meaningful comparison for a single investment fund due to a variety of reasons including vehicle specific investment criteria, diversification, investment allocation, risk, time horizon, leverage, certain commingled fund expenses and market conditions. The performance information is for illustrative purposes only and may not be a meaningful indicator of FP CF Access III's performance.

Franklin Park Associates, LLC

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Bala Cynwyd, PA 19004

For more information, please contact us at info@franklinparkllc.com

Franklin Park Associates, LLC is an SEC registered investment advisor pursuant to the Investment Advisers Act of 1940

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

**RESOLUTION
No. 2024-22**

**Approving Investment in Franklin Park Corporate Finance
Access Fund III, L.P.**

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

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Franklin Park Corporate Finance Access Fund III, L.P.**, a fund of funds managed by Franklin Park investing in smaller buyout, growth and turnaround private equity funds.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$40 million dollars (\$40,000,000.00)** in **Franklin Park Corporate Finance Access Fund III, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

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

Adopted this 3rd day of June 2024.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System



Arkansas Teacher Retirement System
Franklin Park
Venture Capital Opportunity Fund, L.P.

June 2024

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this Presentation or to correct any inaccuracies therein which may become apparent.

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By accepting this Presentation the Recipient agrees to be bound by the foregoing obligations and limitations.

Strategy Overview

VC Opps II is a fund of funds providing investors with exposure to later stage venture capital and growth opportunities

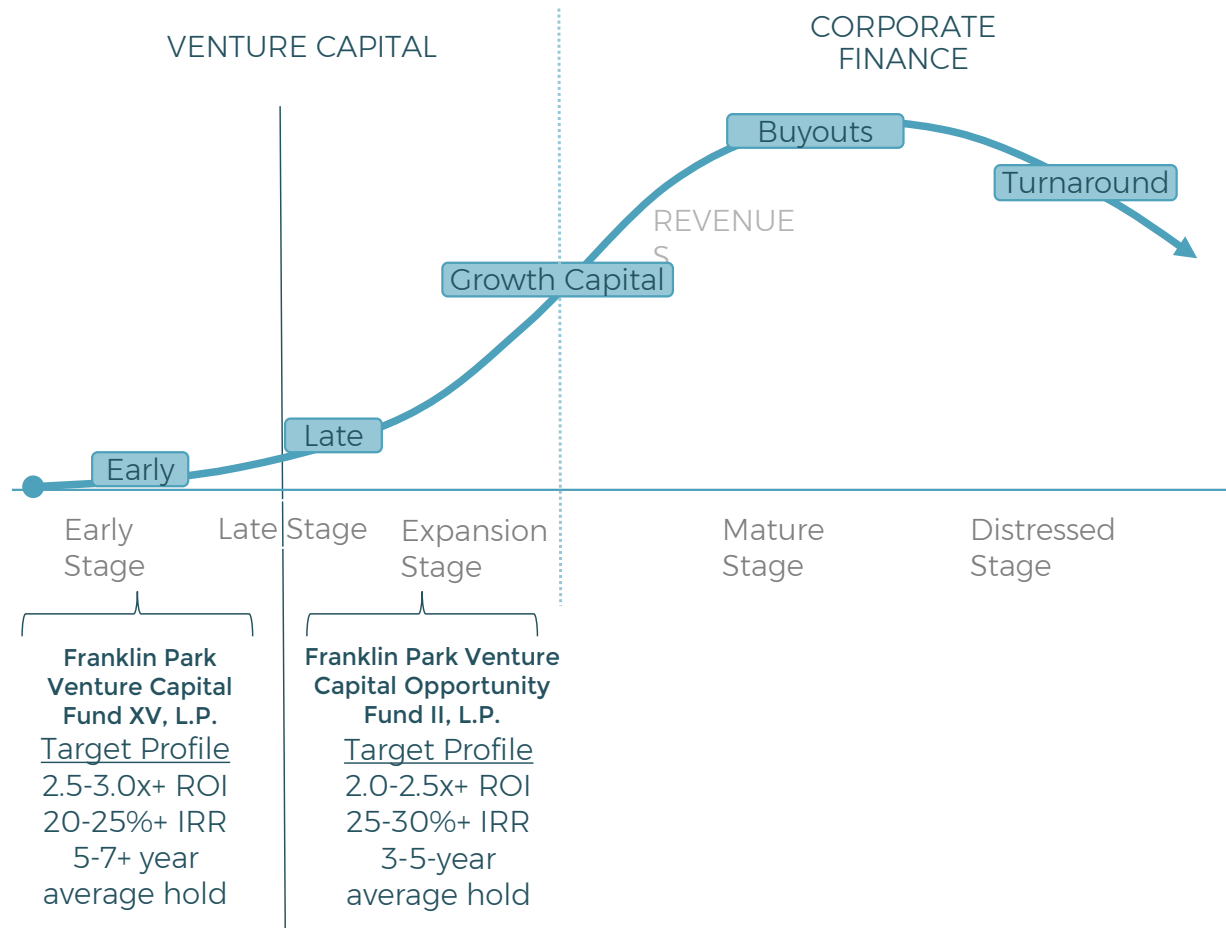
The fund will provide exposure to three types of investments:

-
- Commitments to later stage funds raised by early-stage venture firms where Franklin Park has a commitment
-
- Commitments to other later stage funds raised by firms with a primary focus on making investments in later stage venture or growth companies
-
- Co-investments (directly or through an SPV) in later stage venture businesses alongside of Franklin Park vetted venture managers
-

The information and descriptions provided are for illustrative purposes only and is designed to provide an overview of Franklin Park's philosophy and investment processes; however, there may be deviations based on a particular investment and Franklin Park may change its process in its discretion. Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes beginning on page 8.

Late Stage Venture Capital Overview

Late-stage venture typically has a lower risk/return profile and shorter holding period relative to early-stage venture



The information and descriptions provided are for illustrative purposes only and is designed to provide an overview of Franklin Park's philosophy and investment processes; however, there may be deviations based on a particular investment and Franklin Park may change its process in its discretion. The views and opinions expressed herein are based on Franklin Park's experience and research. Other market participants may have differing views and opinions. Target Profiles are for illustrative purposes only. Criteria and assumptions were not used in developing the target profile returns, and there can be no assurance that the Fund or Franklin Park Venture Capital Fund XV, L.P. can achieve the target profile returns. The actual years portfolio investments are held, and portfolio returns cannot be known and may vary from the target profile parameters. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. Investments in private funds, such as the Fund, are illiquid, high-risk investments and involve a substantial risk of loss. See additional discussion of risks and limitations in the Footnotes beginning on page 8.

ATRS' Early Stage Venture Exposure

ATRS has committed \$425 million to 14 Franklin Park early stage venture capital vehicles raised since 2008

VEHICLE	VINTAGE	ATRS COMMITMENT	CONTRIBUTED	DISTRIBUTED	REMAINING	TVPI	NET IRR
FPV 2008	2008	\$30.0	\$30.0	\$78.0	\$19.3	3.2x	18.0%
FPV 2009	2009	25.0	24.6	54.1	8.2	2.5x	16.8%
FPV 2010	2010	25.0	16.2	24.8	25.0	3.1x	15.6%
FPV 2011	2011	25.0	24.9	136.4	30.7	6.7x	34.4%
FPV 2012	2012	25.0	22.5	41.3	31.4	3.2x	19.9%
FPV 2013	2013	20.0	18.5	32.7	31.3	3.5x	23.2%
FPV 2014	2014	25.0	24.0	27.9	43.7	3.0x	18.9%
FPV 2015	2015	25.0	23.9	11.3	31.0	1.8x	10.9%
FPV 2016	2016	25.0	22.6	9.9	39.0	2.2x	19.0%
FPV 2017	2017	25.0	17.6	3.9	27.7	1.8x	17.9%
FPV 2018	2018	25.0	23.3	3.2	36.5	1.7x	18.1%
FPV 2019	2019	30.0	19.4	1.3	27.8	1.5x	15.0%
FPV XIII	2020	60.0	38.6	0.6	44.2	1.2x	7.9%
FPV XIV	2022	60.0	7.5	0.1	6.6	0.9x	NMF
Total		\$425.0	\$313.5	\$425.6	\$402.5	2.6x	20.3%

Data in the table is as of December 31, 2023 and represents only ATRS's interests in each vehicle; \$ in millions. FPV 2008 - FPV 2019 represent the Franklin Park Venture Capital Fund Series 2008, LP. through Franklin Park Venture Capital Fund Series 2019, L.P. raised annually, and FPV XIII and FPV XIV represent Franklin Park Venture Capital Fund XIII, L.P. and Franklin Park Venture Capital Fund XIV, L.P., respectively (collectively, the "FPV Vehicles").

The returns presented are net of underlying private fund manager fees, transaction expenses and carried interest charges, as well as expenses and carried interest incurred by the FPV Vehicles, as applicable. Returns presented for FPV 2016 and FPV 2018 are based on estimated remaining values as of December 31, 2023, as the funds have not yet issued audited financial reports and are subject to change. The IRR return of FPV XIV is considered not yet meaningful ("NMF") given the young age of the underlying portfolio and is therefore not presented. Past results are not necessarily indicative of future performance. There can be no assurance that investments recommended by Franklin Park will realize the rates of return indicated in this presentation. Wherever there is potential for profit, there is also potential for loss. See additional information in the Footnotes beginning on page 8.

Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes beginning on page 8.

ATRS' Later Stage Venture Exposure

ATRS committed \$60 million to FP Venture Opps, which is young and performance is not yet meaningful

VEHICLE	VINTAGE	ATRS COMMITMENT	CONTRIBUTED	DISTRIBUTED	REMAINING	TVPI	NET IRR
FP Venture Opps	2022	60.0	18.9	0.0	18.2	1.0x	NMF

Data in the table is as of December 31, 2023 and represents only ATRS's interests in the vehicle; \$ in millions. "FP Venture Opps" represents Franklin Park Venture Capital Opportunity Fund, L.P.

The returns presented are net of underlying private fund manager fees, transaction expenses and carried interest charges, as well as expenses and carried interest incurred by FP Venture Opps. Past results are not necessarily indicative of future performance. The IRR return of FP Venture Opps is considered not yet meaningful ("NMF") given the young age of the underlying portfolio and is therefore not presented. There can be no assurance that investments recommended by Franklin Park will realize the rates of return indicated in this presentation. Wherever there is potential for profit, there is also potential for loss. See additional information in the Footnotes beginning on page 8.

Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes beginning on page 8.

Proposal

VC Opps II will provide ATRS with continued exposure to later stage venture funds and co-investments

ATRS to consider an initial \$40 million commitment as part of the 2024 pacing plan approved by the board in December 2023 with a closing planned in 3Q24

Additional commitments to be considered at future board meetings as part of the 2025 and 2026 pacing plans

Terms (same as Franklin Park Venture Capital Fund XV, L.P.):

- **Management Fees: None**
 - **Carried Interest: 4% for \$60m+ commitment (5% for all other LPs)**
-

The Fund terms are subject to change. Refer to the Fund's governing documents for a complete listing of terms.

Investments in private funds such as the Fund are illiquid, high-risk investments. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. See additional discussion of risks and limitations in the Footnotes. Please refer to the Fund's governing documents for a complete listing of terms..

Footnotes

Based in Bala Cynwyd, Pennsylvania, Franklin Park was formed in April 2003. Franklin Park is an independent, registered investment adviser with the U.S. Securities and Exchange Commission. Franklin Park assists its clients in building and managing customized investment portfolios of private market investments.

Vintage Year represents the year in which a private fund first called capital.

Remaining Value represents ATRS' remaining unrealized value in the Vehicles.

TVPI is the ratio of distributions plus remaining value to contributed capital.

IRR is the discount rate that results in a net present value of zero of a series of cash flows and considers both cash flow timing and amount.

Liquidity Risk:

Private fund investments such as the Fund are long-term, illiquid investments. Private funds such as the Fund generally have a term of ten years or more, and investors are generally not able to redeem their interests in private funds. Please refer to the Fund's governing documents for complete terms and conditions.

Valuation Risk:

There can be no assurance that investments with an unrealized value will be realized at the valuations shown, as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

Risk of Loss:

Past performance is not a guarantee. Investments in private equity funds such as the Fund are speculative and involve a substantial risk of loss. No assurance can be given that the Fund will achieve its investment objectives or avoid substantial losses. Information about other investments made by Franklin Park, including the past performance of other Franklin Park vehicles and investments, is provided solely to illustrate Franklin Park's investment experience, and processes and strategies used by Franklin Park in the past with respect to other Franklin Park vehicles and investments. The performance information relating to Franklin Park's previous investments is not intended to be indicative of the Fund's future results. Past performance is not necessarily indicative, or a guarantee, of future results. There can be no assurance that the Fund will achieve comparable results as those presented or that investors in the Fund will not lose any of their invested capital.

Please refer to the Fund's Private Placement Memorandum and other governing documents for discussion of additional risk factors.

ATRS' Early Stage Venture Exposure (p.5):

The FPV 2008 – 2019 represents a series of limited partnerships raised annually and offered only to client accounts to provide portfolio diversification on a no-fee, no-carry basis. Additionally, ATRS does not pay advisory fees or carried interest to FPV XIII and does not pay advisory fees to FPV XIV.

Franklin Park Associates, LLC

251 St. Asaphs Road
Three Bala Plaza, Suite 500 West
Bala Cynwyd, PA 19004

For more information, please contact us at info@franklinparkllc.com

Franklin Park Associates, LLC is an SEC registered investment advisor pursuant to the Investment Advisers Act of 1940

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

**RESOLUTION
No. 2024-23**

**Approving Investment in Franklin Park
Venture Capital Opportunity Fund II, L.P.**

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

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Franklin Park Venture Capital Opportunity Fund II, L.P.**, a fund of funds managed by Franklin Park investing in later stage venture capital private equity funds.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$40 million dollars (\$40,000,000.00)** in **Franklin Park Venture Capital Opportunity Fund II, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS Board; and

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

Adopted this 3rd day of June 2024.

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

PROPOSED LEGISLATION
95TH GENERAL ASSEMBLY, 2025 REGULAR SESSION

No.	Description	Code Section
1	<p><u>Proposal:</u> Amend the law to provide that the cost of service to purchase federal retirement system service credit shall be the actuarial equivalent of the member’s benefits.</p> <p><u>Brief Explanation:</u> A.C.A. § 24-1-107(b)(1)(B) states that the cost of service to purchase federal retirement system service credit should be calculated in accordance with A.C.A. § 24-7-502(b). The cost of service language was codified in A.C.A. § 24-7-502(b)(4), which was repealed by BLR’s technical corrections bill, Act 436 of 2023. Therefore, the Arkansas Code does not currently address how the cost of federal retirement system service credit should be determined. The proposed legislation will clarify how the cost of federal retirement system service credit will be determined.</p>	<p>24-1-107(b)(1)(B)</p> <p>Omnibus Bill</p>
2	<p><u>Proposal:</u> Repeal A.C.A. § 24-7-411(f).</p> <p><u>Brief Explanation:</u> A.C.A. § 24-7-411(f) was intended to address the transition towards requiring all covered employers to submit reports electronically and remit contributions by electronic fund transfers. A.C.A. § 24-7-411(f) allowed covered employers to request a waiver from this requirement. By law, the waiver had to be requested by July 1, 2022. Currently, all covered employers are electronically submitting reports and paying contributions by electronic fund transfers. Therefore, A.C.A. § 24-7-411(f) is obsolete.</p>	<p>24-7-411(f)</p> <p>Omnibus Bill</p>
3	<p><u>Proposal:</u> Amend A.C.A. § 24-7-706(a)(4)(B)(iii) to read “<u>one-half (1/2) of the retiree’s reduced annuity</u>” instead of “<u>the retiree’s reduced annuity</u>”.</p> <p><u>Brief Explanation:</u> When a retiree elects an Option B annuity, the retiree’s designated beneficiary or beneficiaries are entitled to receive 1/2 of the retiree’s reduced annuity for their lifetime when the retiree passes away. As currently written, A.C.A. § 24-7-706(a)(4)(B)(iii) erroneously states that a retiree’s Option B beneficiaries are entitled to equal shares of the retiree’s reduced annuity instead of equal shares of 1/2 of the retiree’s reduced annuity. The proposed legislation corrects this error in the law.</p>	<p>24-7-706(a)(4)(B)(iii)</p> <p>Omnibus Bill</p>

4	<p><u>Proposal:</u> Repeal A.C.A. § 24-7-706(g) and replace in A.C.A. § 24-7-710.</p> <p><u>Brief Explanation:</u> A.C.A. § 24-7-706(g) provides, “<i>A retiree’s effective retirement date and the date when survivor benefits under this section are payable shall be determined by the law in effect at the time of the retiree’s death.</i>”</p> <p>A.C.A. § 24-7-706(g) was not intended to apply to retirees. Rather, A.C.A. § 24-7-706(g) was intended to apply in the case of a deceased active member with a surviving spouse. As such, the statutory provision should have been codified in A.C.A. § 24-7-710, which addresses benefits for survivors of deceased active members.</p> <p>Currently, if an active member was not eligible for retirement when he or she died, the active member’s surviving spouse can only begin receiving benefits when the active member could have retired from ATRS had the active member lived. A question arose as to what law should be used to determine when the active member could have retired from ATRS. Should it be the law in effect at the time of the active member’s death, at the time the active member first became an ATRS member, or at the time the surviving spouse applied for survivor benefits? The proposed legislation will clarify that the law in effect at the time of the active member’s death shall be used to determine when the active member could have retired from ATRS.</p> <p>A similar question arose with regard to what law should be used to determine when survivor benefits should begin. The proposed legislation will clarify that the law in effect at the time of the active member’s death shall be used to determine when survivor benefits will begin.</p>	24-7-706 and 24-7-710 Omnibus Bill
5	<p><u>Proposal:</u> Repeal A.C.A. § 24-7-709(a)(4).</p> <p><u>Brief Explanation:</u> In cases where a retiree has more than one (1) residue beneficiary, A.C.A. § 24-7-709(a)(4) requires ATRS to pay the residue to the restate of the most recently deceased beneficiary if all the designated beneficiaries died before the retiree. However, for this same situation, A.C.A. § 24-7-709(a)(3), also requires ATRS to pay the residue to the retiree’s estate. The proposed legislation will correct the conflict in the law.</p>	24-7-709(a)(4) Omnibus Bill

6	<p>Proposal: Amend the law to allow a surviving spouse who is a residue beneficiary to submit an Option A benefit election by the end of the 4th full calendar month following the retiree’s death.</p> <p>Brief Explanation: Currently, if a retiree who was receiving a straight life annuity passes away and his or her surviving spouse was designated as the only residue beneficiary, the spouse can elect to forgo receiving a lump-sum payment of the residue and receive an Option A benefit. The spouse must make the election within 120 days of the retiree’s death. The proposed legislation would give the spouse more time to make an Option A election.</p>	<p>24-7-706(d)(3)</p> <p>Omnibus Bill</p>
7	<p>Proposal: Amend A.C.A. § 24-7-710(b)(1)(B)(i)(a) to read “<u>24-7-701 or 24-7-702</u>” instead of “<u>24-7-701 and 24-7-702</u>”.</p> <p>Brief Explanation: As currently written, the law provides that survivor benefits for an immediately eligible surviving spouse may begin the month following the filing of the survivor application if the deceased active member could have retired under voluntary retirement <u>and</u> early voluntary retirement. A member who is eligible for early voluntary retirement cannot also be eligible for voluntary retirement at the same time. The proposed legislation will correct the error in the law.</p>	<p>24-7-710(b)(1)(B)(i)(a)</p> <p>Omnibus Bill</p>
8	<p>Proposal: Amend the law to clarify that a new employee of a PSHE employer is eligible to participate in a PSHE plan if the employee is either a vested member of ATRS or a nonvested member of ATRS who meets the requirements of a PSHE plan adopted by a PSHE employer.</p> <p>Brief Explanation: Currently, the law contains conflicting language that requires a new employee of a PSHE employer to be both a vested <u>and</u> a nonvested ATRS member at the same time in order to be eligible to participate in a PSHE plan. The proposed legislation will correct the conflict in the law.</p>	<p>24-7-1605</p> <p>Omnibus Bill</p>
9	<p>Proposal: Amend the law to allow members to purchase partial years of gap year service credit.</p> <p>Brief Explanation: Currently, a member must purchase 1 fiscal year worth of gap year service credit at a time. The proposed legislation will allow members to purchase partial years of gap year service credit.</p>	<p>24-7-613</p> <p>Separate Bill</p>

10	<p>Proposal: Amend the definition of "<i>employment with a school</i>" to allow ATRS membership for employees of private schools that are "participating schools" in the Arkansas Children's Educational Freedom Account Program under A.C.A. § 6-18-2503 and elect to participate in ATRS.</p> <p>Brief Explanation: The proposed legislation will allow employees of private schools that are participating schools in the Arkansas Children's Education Freedom Account Program to become ATRS members if the private school elects to participate as a covered employer of the System.</p>	24-7-202(21) Separate Bill
11	<p>Proposal: Amend the law to allow children of deceased disability retirees who do not qualify as a dependent child to receive benefits from the System.</p> <p>Brief Explanation: All retirees, including disability retirees, can designate one or more of their children as an Option A or B beneficiary if the child has been found by a court to be physically or mentally incapacitated.</p> <p>However, unlike disability retirees, regular retirees also have the option to designate an Option C beneficiary who can be any person, including a child who is not determined by a court to be physically or mentally incapacitated.</p> <p>This means that a child of a disability retiree who has not been determined by a court to be physically or mentally incapacitated cannot receive benefits from the System if the disability retiree dies. The proposed legislation would allow the children of disability retirees who do not have a court order finding them physically or mentally incapacitated to also receive benefits from the System if the disability dies.</p>	24-7-704, 24-7-706, or 24-7-710 Separate Bill
12	<p>Proposal: Amend the law to add a rebuttable presumption that a member qualifies for disability retirement benefits if the member has a 100% total and permanent VA disability rating.</p> <p>Brief Explanation: The proposed legislation will allow members who are disabled veterans with a 100% total and permanent VA disability rating to be in a position that makes them more likely to qualify for disability benefits under ATRS.</p>	24-7-704 Separate Bill

13	<p>Proposal: Amend the law to allow a deceased active member's spouse to qualify for survivor benefits if the member and the spouse were married for at least 1 year immediately preceding the members death.</p> <p>Brief Explanation: Currently, a deceased active member's spouse qualifies to receive survivor benefits if the member and the spouse were married for at least 2 years immediately preceding the member's death. The proposed legislation would allow more members, including T-DROP participants, to provide for their surviving spouses if they pass away before being able to retire from the System. Under current law for this situation, both the Arkansas State Highway Employees' Retirement System and LOPFI require a one-year period preceding death. APERS requires only a six-month period preceding death.</p>	24-7-710(b)(1)(A)(i) Separate Bill
14	<p>Proposal: Repeal the requirement that a dependent child must be enrolled as a full-time student in order to continue receiving survivor benefits.</p> <p>Brief Explanation: Currently, a deceased active member's dependent child may continue receiving survivor benefits only if the dependent child remains continuously enrolled as a full-time student. The proposed legislation would allow dependent children to continue receiving survivor benefits regardless of whether they are enrolled as a student.</p>	24-7-710(c)(2)(B)(i)(b) Separate Bill
15	<p>Proposal: Amend the law to provide that a member may cancel his or her T-DROP distribution election before the end of the second full calendar month following his or her effective retirement date in accordance with rules promulgated by the ATRS Board.</p> <p>Brief Explanation: Currently, the System treats a member's election on a T-DROP distribution election form as irrevocable once a member submits the form to the System. However, it is not uncommon for members to change their minds or misunderstand their election. The proposed legislation will give members a reasonable opportunity to revise their election to an option that better suits their personal needs, in a time period consistent with the amount of time allowed for members to revoke an election to enter T-DROP.</p>	24-7-1308(b) Separate Bill

ATRS BOARD POLICY 1

BOARD GOVERNANCE

A.C.A. § 24-7-301 et seq., A.C.A. § 24-7-401 et seq., and A.C.A. § 25-16-901 et seq.

I. Definitions.

As used in this policy:

(1) "Benefit participant" means the same as defined in Arkansas Code § 24-7-202;

(2) "Member" means the same as defined in Arkansas Code § 24-7-202; and

(3) "Official board duties" means:

(A) Attending regular and called meetings of the Board of Trustees of the Arkansas Teacher Retirement System ("Board");

(B) Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of trustees;

(C) Attending conferences as allowed by Board resolution;

(D) Attending legislative committee meetings when acting as the spokesperson for the Board; and

(E) Attending legislative sessions at the request of the Board or the Executive Director of the Arkansas Teacher Retirement System ("Executive Director").

II. Board of Trustees - Plan Administration

(a)(1) The authority and responsibility for the administration, management, and control of the Arkansas Teacher Retirement System (~~"ATRS" or "System"~~) ("ATRS", "the System", or "the Plan"), and for the construing and carrying out the provisions of the plan Plan is vested in the Board of Trustees of the Arkansas Teacher Retirement System ("Board").

(2)(A) The Board is responsible for the governance of ATRS.

(B) It is The Board is accountable for establishing policies and for supervising the implementation of those policies in compliance with all applicable legal mandates.

(b)(1) The function of the Board is to make certain contributions that lead the System ~~toward the desired performance and ensure that it occurs~~ towards achieving the objectives specified in Board Policy 2 – Board Objectives.

(2) The Board shall recommend and oversee the Board and the Executive Director evaluation process.

(3) The Board shall recommend and oversee training and conference schedules for the Board.

(4)(A) The Board's specific contributions are unique to its trusteeship role and necessary for the appropriate governance and management of the System.

(B) Board decisions ~~are to~~ shall be based on facts and expert opinions.

(c) The Board ~~will~~ should approach its task ~~with a style~~ in a manner that:

(1) emphasizes Emphasizes outward vision rather than an internal preoccupation;

~~(2) encouragement of diversity of viewpoints~~ Encourages diverse viewpoints;

~~(3) strategic~~ Emphasizes strategic leadership ~~more~~ rather than administrative detail;

~~(4) Provides a~~ clear distinction of Board and staff roles;

~~(5) Focuses on the~~ future rather than past or present; and

~~(6) Encourages~~ proactive rather than reactive action.

~~(d) Consequently, the~~ The contributions of the Board shall be include:

~~(1) The~~ Acting as the link between the System and its members benefit participants of the System.⁴

~~(2) Written governing policies~~ Developing policies for the System that, at the broadest levels, address:

~~(A) Governance Process~~ The governance process, including Specification of how the Board conceives, carries out, and monitors its own task tasks;

~~(B) Board-Staff Relationship~~ The relationship between the Board and ATRS staff, including How how authority is delegated and its appropriate use is monitored.

~~e. Ends~~

~~- System products, impacts, benefits, costs, and outcomes.~~

~~(C) The Ends Policies of the Board as set forth in Board Policy~~ 2 – Board Objectives; and

~~(D)(i) Limitations~~ of the System.

~~(ii) Constraints on executive authority that establish the prudence and ethics boundaries within which executive activity, decisions, and organizational matters shall be carried out~~ by the Executive Director.

~~(3) The assurance of Executive Director performance against Ends and Limitations policies above.~~ Ensuring that the Executive Director's performance does not contravene the ends or limitations of the System.

III. Board of Trustees - Guiding Principles

~~(a) The Board is dedicated to the proposition that its paramount purpose is that of providing an adequate and equitable retirement plan for the members of the teaching profession, to protect this group in the event total and permanent disability causes them to be unable to continue employment in their profession, and to provide in part for their dependents in case of death.~~ The paramount purpose of the Board is to:

~~(1) Provide an adequate and equitable retirement plan for public school and education employees in Arkansas;~~

~~(2) Protect the membership of the System in the event that they should suffer a total and permanent disability that renders them unable to continue covered employment; and~~

~~(3) Provide, in-part, for the survivors and beneficiaries of deceased members of the System.~~

~~(b)(1) The Board is responsible for the prudent investment of System~~ the System's funds.

(2) The two (2) paramount considerations in fund investment are safety and yield, with yield being of first importance, provided such investments comply with legally mandated safeguards.

(c) The Board should be fully informed of its financial liabilities, not only to the retirees and beneficiaries, but also to active members of the teaching profession, and to make those liabilities known to members of the state legislature, to other state officials, and to education-related organizations the System's financial liabilities to benefit participants of the System. Information on the financial liabilities of the System should be made available to education-related organizations as well as the Arkansas General Assembly and other state officials.

(d) ~~The~~ To the extent that disclosure is not prohibited by law, the Board should provide ~~all interested citizens~~ the general public with information regarding the System's procedures for investing the System's funds, as well as the budgeting, control, and disbursement of those funds.

(e) The Board will actively promote the enactment of state and federal legislation that may improve the economic welfare of ATRS members.

(f) The Board endorses programs of counseling and information designed to assist members who are approaching retirement.

(g)(1) The Board should be knowledgeable of the most current information regarding effective, efficient governance and operation of state retirement systems that could augment prudent decisions for the benefit of members.

(2) To this end, ~~Board members~~ trustees are encouraged to participate actively in regional and national retirement organization programs that offer such information and training.

IV. Board of Trustees - Code of Conduct

(a) The Board expects of itself and its members ethical and business-like conduct.

(b)(1) ~~Board members~~ All trustees, as fiduciaries, shall discharge their duties solely in the best interest of ATRS members and for the exclusive purpose of providing optimum benefits.

(2)(A) ~~Board members must~~ Trustees should avoid any conflict of interest with respect to their fiduciary responsibility.

(B) ~~Board members must~~ Trustees shall not use their positions to obtain favorable treatment for themselves, family members, or close employees.

(c) ~~Board members~~ Trustees who desire specific information from firms employed by ATRS should make the request through the Executive Director.

(d) ~~Board members~~ Trustees shall not, directly or indirectly, solicit or accept any gift of value as defined by the Arkansas Ethics Commission.

(e) ~~Board members~~ Trustees shall decline any offer and shall not have any contact with an individual or anyone associated with a firm that the Board is considering employing ~~after requests for proposals (RFP's) or requests for qualifications (RFQ's) have been sent~~ through a competitive procurement until after the procurement process has concluded.

(f)(1) ~~Board members~~ Trustees shall not attempt to exercise individual authority over the operation of the System or ~~staff members except as explicitly set forth in Board policies~~ ATRS staff except as provided by law, rule, or policy applicable to the System.

~~(2) Board members' A trustee's~~ interaction with the ATRS staff, public, press, or other entities ~~must~~ should recognize the inability of ~~any Board member or Board members to speak for the Board~~ one (1) or more trustees to speak for the Board.

~~(g) Board members~~ All trustees shall report violations of any of these policies of conduct in writing to the Chair.

V. Board Member of Trustees - Development

(a) The Board is responsible for its own readiness for Board work and the performance of that work.

(b) The Board determines appropriate issues for Board work and appropriate issues to be addressed, as well as the education and data required to address those issues wisely.

~~(c)(1) The Board determines the need and mechanisms for Board development.~~

~~1. Among the mechanisms will be membership in the National Council on Teacher Retirement, Board-approved consultants, and seminars provided by employees of ATRS.~~

~~2. The Board's annual plan will include expected outcomes, costs, and scheduling of the Board development effort.~~

~~3. The Board will set forth the educational experiences it determines appropriate for a new Board member.~~

The Board determines the need and mechanisms for Board development, which may include:

(A) Membership in the National Council on Teacher Retirement or a similar organization;

(B) Engaging or employing Board-approved consultants;

(C) Educational development seminars provided by ATRS staff for the benefit of current and new trustees; and

(D) The development of a plan that may address the Board's expected outcomes, costs, and development schedule.

(2) The Board may enlist assistance from the Executive Director in determining the need and mechanisms for Board development.

VI. Board of Trustees - Meetings

The Board shall hold regular meetings at least quarterly. Additional meetings may be called by the Chair or scheduled by action of the Board in a regular meeting. The Board shall adopt its own rules of procedure, which shall be subject to the following:

(1)(A) The Board shall elect a Chair and Vice Chair from its own membership.

(B) The election will be in the odd numbered years at the first regular meeting after the beginning of the fiscal year.

(C) The Chair and Vice Chair shall be elected for a ~~term of two years~~ two-year term and may be reelected for two (2) additional two-year terms.

(D) The Chair and Vice Chair shall be either an active member or retiree ~~trustee~~ trustee.

~~(E)~~ A Board member trustee must have served at least one (1) full year as a member of the Board to be eligible for election to the position of Chair or Vice Chair.

~~(2)(A)~~ In the event of if a vacancy of the Chair or Vice Chair occurs for any reason other than completion of a term, the Board shall fill said vacancy by election from the existing Board members trustees for the remainder of the unexpired term at its next regular meeting.

~~(B)~~ A trustee trustee elected to fill an unexpired term of the Chair or Vice Chair shall be eligible for two (2) additional two-year terms.

~~(3)(A)~~ Quorum: Eight (8) trustees shall constitute a quorum at any meeting of the Board.

~~(B)~~ Each trustee trustee shall be entitled to one (1) vote on each question before the Board, and at least eight (8) affirmative votes shall be required for a decision by the Board at any meeting.

(4) *Robert's Rules of Order* shall be followed in the conduct of all meetings except when a departure from Robert's is authorized by action of the Board.

~~(5)(A)~~ Agenda The Board shall adopt an agenda at the beginning of each meeting.

~~(B)~~ By a majority vote of the Board, items An item may be added to the agenda before it is adopted.

~~(C)~~ The Executive Director shall prepare a tentative agenda and submit it to all trustees at least ten (10) days ~~prior to~~ before a regularly scheduled meeting. The meeting agenda and materials will be submitted to trustees no later than three (3) days before the regularly scheduled meeting.

~~D)(i)~~ Trustees who want ~~item(s)~~ one (1) or more items to be considered for the agenda should notify the Executive Director no later than seven (7) days ~~prior to~~ before a regularly scheduled meeting.

~~(ii)~~ Members or individuals who wish to have an item placed on the agenda at a regularly scheduled Board meeting should submit their request in writing to the Executive Director no later than twenty (20) days ~~prior to~~ before the meeting.

~~(E)(i)~~ Members or individuals who wish to make comments during a regularly scheduled Board meeting should indicate ~~on forms provided the subject on which they intend to speak.~~ the intended subject matter on a form provided by the System.

~~(ii)~~ A time limit of five (5) minutes will be allowed ~~members and individuals for presentation, unless extended by majority vote of the Board.~~ Members and individuals will be allowed a maximum of five (5) minutes to address the Board unless the time limit is extended by a majority vote of the Board.

~~(6)(A)~~ Minutes The Board shall keep an official record of the proceedings of each meeting of the Board, the final draft of which must be approved by the Board and signed by the Chair and the Executive Director.

~~(B)~~ The Board minutes are to contain only the action of the Board, information required by case law, and the vote thereon.

~~(7)(A) Public Meetings~~ All meetings of the Board shall be public and in compliance comply with the Freedom of Information Act, Arkansas Code § 25-19-101 et seq.

(B) All meetings of the Board shall be open public meetings and recorded in a manner that allows for the capture of sound. Representatives of the Little Rock news media shall be notified of each meeting of the Board.

(C) The agenda of the Board shall include only those items that, according to the law, rules, and policy applicable to the System, are within the Board's authority to consider or decide.

(D) Deliberations during the meetings of the Board must be timely, fair, orderly, thorough, efficient, limited in time, and germane to the issue being considered.

VII. Duties of the Chair and Vice Chair

~~(a)(1) Duties of the chair~~ The duty of the Chair is to ensure the integrity of the Board's process and to represent the Board to outside parties.

(2) The Chair will see is responsible for ensuring that the Board operates consistent with its own rules and those legitimately imposed on it from outside ATRS the law, rules, and policies applicable to the System.

a. ~~Meeting discussion content will be only those issues that, according to Board policy, clearly belong to the Board to decide.~~

b. ~~Deliberation will be timely, fair, orderly, and thorough, but also efficient, limited in time, and kept to the point.~~

(3) The authority of the Chair consists only in making decisions on behalf of the Board that fall within and are consistent with Board policies the law, rules, and policy applicable to the System.

(4) The Chair is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing, etc.).

(5) The Chair may also:

(A) Convene meetings of the Board, or committees thereof, as prescribed by law;

(B) Certify actions taken by the Board;

(C) Serve as the official spokesperson for the Board;

(D) Appoint Board members trustees to committees; and

(E) Perform other duties specifically requested by the Board that are deemed necessary and appropriate for the Board to fulfill its duties and responsibilities under law.

~~(b) Duties of the Vice Chair~~ The duties of the Vice Chair are to act as temporary chair in the absence of the regular chair Chair.

VIII. Reimbursement of Expenses

~~(a) The Board, by majority vote of the total membership cast at the first regularly scheduled meeting of each calendar year, may authorize expense reimbursement for each trustee for performing~~ At the first regularly scheduled meeting of each calendar year, the Board may authorize the reimbursement of expenses for a trustee who performs official Board duties. Official Board duties are defined as follows:

1. ~~Attending regular and called Board meetings.~~

~~2. Attending committee meetings of the Board or any specially appointed committee comprised in whole or in part of Board members.~~

~~3. Attending conferences approved by the Board of Trustees.~~

~~4. Attending legislative committee meetings when acting as spokesperson for the Board.~~

~~5. Attending legislative sessions at the request of the Board or Executive Director.~~

~~B. Board members are subject to the same reimbursable expenses as state employees.~~

~~(b)(1) Board officers are authorized payment~~ A trustee may be reimbursed for personal expenses, not otherwise reimbursed, incurred in the performance of their ATRS related duties.

~~(2) Such reimbursement is to cover~~ Reimbursement for a trustee's personal expenses that are not otherwise reimbursed may cover:

~~(A) any~~ Any losses in salary or compensation that would otherwise result from their the trustee's attendance at Board or committee meetings, and will be paid to the ~~officer's~~ trustee's employer; and

~~(B) the~~ The costs of communication (long-distance telephone calls, postage, etc.) ~~with other trustees or staff members~~ with other trustees or ATRS staff via telephone, postage, etc.

IX. Procurement of Services

~~(a)(1) ATRS shall utilize an equitable and open method of awarding contracts to providers of all contractual, management, and consultant services, including, but not limited to: (1) construction architects, engineers, and contractors; (2) building managers; (3) real estate, legal, and investment consultants; and (4) actuaries and auditors~~ comply with Arkansas Procurement Law, Arkansas Code § 19-11-201 et seq., Arkansas Code § 24-2-618, and all other laws concerning state agency purchases and contracts that are applicable to the System.

~~(2)(A) The Executive Director shall seek Board approval of a new contract before it is executed if the new contract procures the services of:~~

~~(i) The Board's investment counsel per Arkansas Code § 24-7-303(e);~~

~~(ii) An investment manager;~~

~~(iii) An investment fund;~~

~~(iv) External legal counsel;~~

~~(v) A securities monitoring law firm; or~~

~~(vi) The Board's appointed actuary per Arkansas Code § 24-7-303(d).~~

~~(B) For all other new contracts and contract renewals executed in the normal course of operations, the Executive Director shall report all executed new contracts and contract renewals to the Board bi-annually.~~

~~(b)(1) The method of awarding contracts will assure that all bona fide providers of such services will have equal opportunity to submit competitive bids or competitive proposals for consideration. Consistent with the Prudent Investor Rule and pursuant to A.C.A. § 24-2-618~~ Arkansas Code § 24-2-618, ATRS has a statutory goal to recruit and hire emerging managers and emerging investment funds.

~~(2)(A) For purposes of this Rule policy, "emerging managers" and "emerging investment funds" means a managing group or fund that is predominately owned by black or African American, Hispanic American, American Indian or Native American, Asian, or Pacific Islander.~~

~~(B) Each investment consultant retained by ATRS to recommend investment managers or investment funds shall submit an annual report to ATRS consistent with the requirements in A.C.A. § 24-2-618 Arkansas Code § 24-2-618 that addresses the goal of ATRS to recruit and hire emerging managers and emerging investment funds.~~

~~C. The Executive Director shall develop procurement procedures and a plan for implementing the process of awarding contracts.~~

~~D. The Board shall approve all procedures and contracts related to the procurement of services.~~

X. Board of Trustees - Self-Evaluation

~~(a)(1) The Board will regularly evaluate its own performance, taking whatever action is necessary to govern with excellence. The Board will review these policies of conduct at least annually and discuss the degree to which it complies. The Board may periodically evaluate its own compliance with the law, rules, or policies applicable to the System.~~

~~(2) The Board may enlist the assistance of the Executive Director in determining the appropriate evaluation matrix.~~

~~(b) The effective date for the start of any evaluation of the Board and the frequency of the evaluations will be determined by the Board.~~

XI. Board of Trustees - Committee Principles and Procedures

~~(a) The Board may establish committees to help carry out its responsibilities.~~

~~A. Board committees may not speak or act for the Board except when formally given such authority.~~

~~B. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation.~~

~~C. Board committees may not exercise authority over staff.~~

~~D. All members of the Board shall be notified as to the time and place of all committee meetings. A Board member may attend any committee meeting, but only committee members may vote on committee matters.~~

~~E. Appointments to committees shall be made before the next regular meeting after the Board elects the Chair.~~

~~F. A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.~~

~~G. Board committees shall elect their own Chair and Vice Chair unless otherwise indicated by Board policy.~~

~~H. The Executive Director shall serve as secretary and ex officio nonvoting member of Board committees or shall delegate another member of the staff to serve in this capacity.~~

~~I. Committees shall report to the Board following each of their meetings.~~

~~(b) A committee established by the Board:~~

(1) Shall assist the Board by preparing policy alternatives and implications as necessary for deliberation by the Board;

(2) Shall adopt an agenda at the beginning of each meeting;

(3) Shall report to the Board following a meeting of the committee;

(4) Shall not act on behalf of the Board unless given the authority to do so by the Board; and

(5) Shall not exercise authority over ATRS staff. However, a committee may request assistance from ATRS staff that will enable the committee to perform its duties.

(c)(1) ATRS staff shall notify all trustees of the time and place of each committee meeting and shall provide all trustees with the agenda of each committee as soon as reasonably possible.

(2)(A) A Trustee may attend a committee meeting

(B) Only committee members shall vote on committee matters.

(d) A quorum of each committee and the number of affirmative votes needed for a motion to carry shall be a majority of the designated size of the committee.

(e) Committees shall elect their own Chair and Vice Chair unless otherwise provided by the law, rules, and policies applicable to the System.

(f)(1) The Executive Director shall serve as the Secretary of the Board unless the Executive Director delegates another member of the ATRS staff to serve as Secretary of the Board.

(2) The Executive Director may delegate all or a part of the functions of the Secretary of the Board to another member of the ATRS staff.

(g) Appointments to committees shall be made before the next regular meeting after the Board elects the Chair of the Board.

(h) The minutes of each committee meeting shall be prepared and, at the committee's next scheduled meeting, shall be presented to the appropriate committee for review and approval.

(i)(A) All committees are subject to the same public disclosure and ethics laws, rules, and policies that are applicable to the System and the Board.

(B) All committee are subject to public disclosure and ethics laws, rules, and policies that are applicable to them by virtue of their position as a trustee or committee member.

XII. Investment Committee Charter

(a)(1) There shall be is established an Investment Committee composed of eight members that shall be composed of eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Investment Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members of the Investment Committee shall be the State Treasurer and the State Bank Commissioner upon their respective acceptance of the position their appointment as State Treasurer or State Bank Commissioner.

(b) The committee Investment Committee shall meet on call by the committee chair and/or the Executive Director Chair of the Investment Committee or the Executive Director, but not less than on a quarterly basis.

(c) The purposes of the committee Investment Committee shall be:

(1) To consider proposals for the adoption, amendment, and repeal of investment policies and procedures for recommendation to the Board for adoption, and to make recommendations to the Board concerning the same;

(2) To consider asset allocations for recommendation to the Board for adoption, and make recommendations to the Board concerning the adoption of asset allocations;

(3) To consider all investment proposals for approval or rejection, unless the Board assigns the proposals to other committees, and make recommendations to the Board concerning the approval or rejection of an investment proposal unless the investment proposal is assigned to another committee; and

(4) To monitor all phases of the investment program and to recommend any changes that may need to be made to the full Board.

(d) Unless related to a stated purpose of the Investment Committee, all matters that are a stated purpose of the Operations Committee or Audit Committee shall not be within the purview of the Investment Committee.

(e) The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical. ATRS staff shall furnish the Investment Committee agenda to the Board in advance of the Investment Committee meeting.

D. The committee may act by majority consent of all the committee members.

E. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.

F. All public Board disclosures and the Code of Ethics are applicable to all members of this committee.

XIII. Operations Committee Charter

(a)(1) There shall be is established an Operations Committee that shall be composed of up to eight (8) members.

(2) The Board Chair shall appoint five (5) members from the Board to serve on the Operations Committee, and the Board Chair shall serve as an ex officio voting member.

(3) The remaining two (2) members shall be the State Auditor and the Commission of Education Secretary of Education upon their respective acceptance of the position their appointments as State Auditor or Secretary of Education.

(b) The committee Operations Committee shall meet on call by the committee chair and/or the Executive Director Chair of the Operations Committee or the Executive Director.

(c) The purposes of the committee Operations Committee shall be:

(1) To receive and suggest and consider proposals for the adoption of new or revised policy to recommend to the Board for adoption amendment, and repeal of the laws, rules, and policies applicable to the System and to make recommendations to the Board concerning the same;

(2) To receive and suggest and consider legislative proposals to recommend to the Board for adoption and to make recommendations to the Board concerning the same; and

~~(3) To suggest and develop legislative proposals for the benefit of ATRS and its members to recommend to the Board for adoption. To make recommendations to the Board for initiating, supporting, or opposing legislation.~~

~~(4) To recommend and oversee the Board and Executive Director evaluation process; and~~

~~(5) To recommend and oversee the Board's training and conference schedules.~~

(d) All Unless related to a stated purpose of the Operations Committee, all matters that are not within the jurisdiction/purposes a stated purpose of the Investment Committee or Audit Committees Committee shall be within the jurisdiction/purposes shall not be within the purview of the Operations Committee.

(e) The agenda will be set by the committee chair after conferring with the Executive Director and will be furnished in advance when practical. ATRS staff shall furnish the Operations Committee agenda to the Board in advance of the Operations Committee meeting.

~~E. The committee may act by majority consent of all the committee members.~~

~~F. The actions taken by the committee shall be reported at the next regularly scheduled meeting of the Board.~~

~~G. All public Board disclosures and the Code of Ethics are applicable to all members of this committee.~~

XIV. Audit Committee Charter

(a)(1) There shall be is established an Audit Committee that shall be composed of three (3) five (5) members of the Board appointed by the Chair and two at-large members from the public with extensive auditing experience approved by the Board.

(2) The Board Chair shall appoint three (3) members of Board to serve as members of the Audit Committee.

(3)(A) The Board shall approve two (2) people who are from the public and have extensive auditing experience to serve as at-large members of the Audit Committee.

(B) The at-large members must be independent and have no affiliation with ATRS.

(C)(i) At-large members may serve two (2) four-year terms.

(ii) If the initial term of an at-large member is for less than four (4) years they, then the at-large member may serve two (2) more four-year terms.

(iii) An at-large member's four-year term shall begin on the first of the month immediately following the Board's approval and appointment of the at-large member.

(b)(1) The committee Audit Committee shall meet as needed on call by either the committee chair the call of the Chair or the Audit Committee or the ATRS Internal Auditor. Actions taken by the committee shall be reported to the ATRS Board of Trustees.

(2) ATRS staff shall furnish the Audit Committee agenda along with appropriate briefing material to the Audit Committee and the Board in advance of the Audit Committee meeting.

(3) The Audit Committee may invite members of management, auditors, employees, or others to attend Audit Committee meetings and provide pertinent information as necessary.

(c)(1) The Audit Committee shall assist the Board in fulfilling the oversight responsibilities of the Board relating to financial reporting processes, the system of internal controls, the internal audit process, and the System's compliance with the law, rules, and policies, including ethical policies, applicable to the System.

(2) The purposes of the Audit Committee shall be:

(A) With regard to financial statements, to review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions;

(B) With regard to internal controls, to:

(i) Review the risk assessment to consider the effectiveness of the System's internal controls; and

(ii) Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses;

(C) With regard to internal audits, to

(i) Review with management and the ATRS Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function;

(ii) Review and approve the audit plan and all major changes to the plan; and

(iii) Review reports prepared by Internal Audit and follow up on any findings and recommendations;

(D) With regard to compliance, to review the findings of any examinations by regulatory agencies and any auditor observations;

(E) With regard to reporting, to regularly report to the Board on the Audit Committee's activities and issues that arise with respect to the quality or integrity of the System's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function;

(F) To perform other activities related to Audit Committee Charter or the audit functions as requested by the Board;

(G) To resolve any disagreements between management and the ATRS Internal Auditor regarding financial reporting;

(H) To review and assess the adequacy of the Audit Committee Charter and make recommendations to the Board concerning the same;

(I)(a) To approve administrative decisions regarding the appointment and removal of the ATRS Internal Auditor.

(b) The approval of the appointment or termination of the ATRS Internal Auditor by the Audit Committee shall not be final until confirmed by the Board; and

(J)(i) To perform an annual employee evaluation of the ATRS Internal Auditor.

(ii) The Audit Committee shall:

(a) Meet in executive session, with or without the ATRS Internal Auditor, for the purpose of conducting, reviewing, and discussing an evaluation of the ATRS Internal Auditor;

(b) Gather information as it deems necessary, including without limitation input from the Executive Director or other persons with direct knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough evaluation of the ATRS Internal Auditor;

(c)(1) Upon the completion of the evaluation of the ATRS Internal Auditor, report the completion of the evaluation to the Board.

(2) If by motion and second, a Trustee requests information concerning the specific results of the evaluation of the ATRS Internal Auditor and the majority of the Board votes in favor of such motion, the Board may meet in executive session to hear the Audit Committee's findings and recommendation on the evaluation of the ATRS Internal Auditor.

(4)(A) The Audit Committee is authorized to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information that it may require from ATRS staff, all of whom are directed to cooperate with the Audit Committee's request.

(B) In the event the Audit Committee has difficulty obtaining the necessary information from ATRS staff, the Audit Committee may seek assistance from the Executive Director or the Board as the circumstances dictate.

~~D.— The committee has authority to conduct or authorize investigations into any matters within its scope of responsibility and to seek any information it requires from employees, all of who are directed to cooperate with the committee's request. In the event the committee has difficulty obtaining the necessary information from an employee or employees, the committee may seek assistance from the Executive Director or the Board of Trustees as the circumstances dictate.~~

~~E.— The committee may invite members of management, auditors, employees, or others to attend meetings and provide pertinent information as necessary.~~

~~F.— The committee will assist the Board of Trustees in fulfilling the Board's oversight responsibility relating to:~~

- ~~1. The financial reporting processes~~
- ~~2. The system of internal controls~~
- ~~3. The internal audit process~~
- ~~4. ATRS's compliance with laws and regulatory requirements and ethics policies~~

~~G.— Meeting agendas will be prepared and provided in advance to committee members, along with appropriate briefing material when practical.~~

~~H.— The committee may act by majority consent of all the members of the committee.~~

~~I.— Minutes of the meeting will be prepared and presented at the next scheduled Audit Committee meeting for review and approval.~~

- ~~J. The committee will carry out the following responsibilities:~~
- ~~1. **Financial Statements**~~
 - ~~a. Review with management and auditors the results of audits which have significant findings and recommendations, together with management's responses to findings and follow up on corrective actions.~~
 - ~~2. **Internal Control**~~
 - ~~a. Review the risk assessment to consider the effectiveness of ATRS's internal controls.~~
 - ~~b. Review with management and auditors any significant findings and recommendations on internal controls over financial reporting, together with management's responses.~~
 - ~~3. **Internal Audit**~~
 - ~~a. Review with management and the Internal Auditor the charter, activities, staffing, and organizational structure of the internal audit function.~~
 - ~~b. Review and approve the audit plan and all major changes to the plan.~~
 - ~~c. Review Internal Audit's reports and follow up on findings and recommendations.~~
 - ~~4. **Compliance**~~
 - ~~a. Review the findings of any examinations by regulatory agencies, and any auditor observations.~~
 - ~~5. **Reporting Responsibilities**~~
 - ~~a. Regularly report to the Board of Trustees on the committee's activities and issues that arise with respect to the quality or integrity of ATRS's financial statement, compliance with legal or regulatory requirements, and the performance of the internal audit function.~~
 - ~~6. **Other Responsibilities**~~
 - ~~a. Perform other activities related to this charter or the audit functions as requested by the Board of Trustees.~~
 - ~~b. Resolve any disagreements between management and the Internal Auditor regarding financial reporting.~~
 - ~~c. Review and assess the adequacy of the committee charter, and propose recommended changes as needed, and request Board of Trustees approval for recommended changes.~~
 - ~~d. Approve administrative decisions regarding the appointment and removal of the Internal Auditor. Approval of appointment or termination of the Internal Auditor by the Audit Committee is not final until confirmed by the Board of Trustees.~~
 - ~~e. Perform an annual employee evaluation of the Internal Auditor of ATRS. The audit committee shall:~~
 - ~~i. Meet in executive session, with or without the Internal Auditor,
for the purpose of conducting, reviewing, and discussing an employee evaluation of the internal auditor;~~
 - ~~ii. Gather information as it deems necessary, including input from the Executive director or other persons with direct~~

~~knowledge of the Internal Auditor's performance, for the purpose of conducting a fair and thorough annual employee evaluation of the Internal Auditor;~~

- ~~iii. Report to the Board of Trustees when the Committee has completed the annual evaluation that the evaluation has been completed. If a Trustee requests by motion and second to learn the specific results of the Internal Auditor evaluation, and the majority of the Board votes in favor of such motion, the Board of Trustees may meet in executive session to hear the Committee's findings and recommendation on the employee evaluation.~~

(d)(1) The Audit Committee may periodically evaluate itself and report the results to the Board.

(2) The effective date for the start of any evaluation process and the frequency of evaluations shall be determined by the Audit Committee.

HISTORY

Adopted: June 12, 2002 as Rule 1-1 through 1-19

Amended: October 7, 2003

Amended: December 3, 2007

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Amended: April 1, 2013

Amended: July 1, 2018

Amended: October 7, 2019 as Board Policy 1

Amended: September 27, 2021

Amended: September 25, 2023

Amended: TBD

~~1 "Members" as used in the Board policies means plan participants of the Arkansas Teacher Retirement System.~~

ATRS BOARD POLICY 2
BOARD OBJECTIVES
A.C.A. § 24-7-401

I. Definitions.

As used in this policy:

(1) "Business critical process" means one (1) or more processes that are essential for carrying out the operations of the Arkansas Teacher Retirement System ("ATRS" or "the System"); and

(2) "Other teacher retirement systems" means those statewide retirement systems in the United States whose:

(A) Membership consists predominantly of teachers;

(B) Membership contributes to Social Security;

(C) Membership is within \pm 50% of the System; and

(D) Assets are within \pm 50% of the System.

II. Board of Trustees — Financial Objectives.

The following are the financial objectives of the Board of the Arkansas Teacher Retirement System ("Board"):

(1)(A) ~~Sustain~~ To sustain actuarial soundness.

(B) The goals are for the:

(i) ~~The System's~~ funded status to increase towards a one hundred percent (100%) funded ratio;

(ii) ~~The System's~~ funding period to decrease to below an eighteen (18)-year eighteen-year amortization period in order to avoid "negative amortization" negative amortization;

(iii) ~~The System's~~ funded ratio to increase and the System's funding period to decrease unless knowingly modified by Board action or as a result of events over which the Board ~~has no control~~ lacks substantial control; and

(iv) ~~The actuarial~~ Actuarial methodology and economic assumptions to be comparable to other teacher retirement systems;

(2)(A) ~~Manage~~ To manage contributions effectively.

(B)(i) The goals are for: Employer are for employer and employee contributions to be collected and invested in a timely manner.

(ii) Upon the Board's request, aged receivables will shall be reported to the Board as requested;

(3)(A) ~~Maximize~~ To maximize investment returns within the bounds of prudence.

(B) Asset Allocation. 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~~ that reasonably ensures that the target returns set for the System will be obtained.

(C) Investment Return - Total Fund- Recognizing that the purpose of the System is to remain actuarially sound and pay member benefits, the overall investment goal is to:

~~(i) achieve~~ Achieve, over a period of years, the greatest rate of return for the System with due consideration being given to preserving capital and its purchasing power; and

~~(ii) maintain~~ Maintain an appropriate level of risk consistent with the obligations of a prudent investor; and

~~(4)(A) Ensure~~ To ensure budget credibility.

~~(B) The goals are for:~~

~~(i) Total operating expenses (excluding investment expenses) of existing programs and services~~ The total operating expenses, excluding investment expenses, of existing programs and services to be maintained or reduced in relation to the latest available actuarial experience study;:

~~(ii) Investment related~~ Investment-related expenses to be maintained or reduced in relation to investment assets once after each asset category reaches its target allocation; and

~~(iii) Proposed programs or services to have a "business plan"~~ business plan that ~~includes~~ may include:

~~(a) A description of the need to be met;~~

~~(b) The method by which the need will be met;~~

~~(c) The method by which members will learn about the program or services;~~

~~(d) Staffing requirements;~~

~~(e) Other resources that are needed;~~ and

~~(f) The method by which the programs or services will be evaluated.~~

III. Board of Trustees — Objectives for Members.

~~The following are the membership objectives of the Board with regard to the System's members:~~

~~(1)(A) Promote~~ To promote contribution rates, benefits, and services comparable to other teacher retirement systems.

~~(B) The goals are for:~~

~~(i) Employer~~ and employee contribution rates to be comparable to other teacher retirement systems;:

~~(ii) Total benefits paid to be comparable to other teacher retirement systems;~~

~~(iii) Average regular benefits paid to be comparable to other teacher retirement systems;~~

~~(iv) Average disability benefits paid to be comparable to other teacher retirement systems;~~ and

~~(v) Average survivor benefits paid to be comparable to other teacher retirement systems;~~

~~(vi) Age and length of service requirements for unreduced retirement benefits to be comparable to other teacher retirement systems;~~ and

~~(vii) Plan of payment options for regular benefits to be comparable to other teacher retirement systems;~~

~~(2)(A) Increase~~ To increase awareness of trust fund stewardship.

~~(B) The goals are for:~~

~~(i) Recent investment and actuarial reports to be provided to members through~~ on the ATRS website-; and

~~(ii) A comprehensive annual financial report, or abstract thereof, to be provided to each employer of ATRS, the Legislative Council, and the Governor [A.C.A. §§ 24-2-702 and 24-7-305(d)]~~ the Governor's office, Legislative Council, and, in accordance with Arkansas Code § 24-7-305, each covered employer of the System-;

~~(3)(A) Promote~~ To promote retirement education and communications.

~~(B) The goals are for~~ to:

~~(i) Special programming for new ATRS members (those with less than five years of service) to be developed and disseminated to increase awareness of ATRS and its benefits~~ Increase awareness of ATRS and the benefits offered by the System by developing retirement education special programming for, and distributing the same to, new and non-vested members of the System-;

~~(ii) The~~ Increase or maintain each fiscal year the number and percentage of members participating in retirement education events sponsored by the ATRS ~~to increase or remain the same from one year to the next-; and~~

~~(iii) Printed communications from ATRS to be evaluated as well written, attractively formatted, and helpful as determined by any comments received from members targeted by the communication.~~ Receive from members and covered employers of the System comments that evaluate communications as well-written, attractively formatted, and informative when the members and covered employers are the target of the communication distributed by ATRS;

~~(4)(A) Improve~~ To improve the System's overall service level.

~~(B) The goals are for: The~~ goal is for the System's overall service level of ATRS to be at a level that promotes member satisfaction ~~in a cost-effective~~ the satisfaction of members in a cost-effective manner.

~~2. The overall service level to include the following functions within ATRS:~~

- ~~a. Paying pensions~~
- ~~b. Pension inceptions~~
- ~~c. Pension estimates~~
- ~~d. Counseling~~
- ~~e. Member telephone calls~~
- ~~f. Communication~~
 - ~~i. Group presentations~~
 - ~~ii. Website and E-mail~~
 - ~~iii. Newsletters~~
 - ~~iv. Other written material~~
- ~~g. Collections~~
 - ~~i. Annual member statements~~
 - ~~ii. Employer services~~
- ~~h. Refunds, terminating payments~~
- ~~i. Service credit purchases~~
- ~~j. Disability pensions~~
- ~~k. Financial control & governance~~
- ~~i. The Annual Report~~

~~(C) The~~ System's overall service level ~~to include the following functions within ATRS~~ shall include:

- (i) The ability to pay regular and disability pensions;
- (ii) The ability to provide pension inceptions;
- (iii) The ability to provide pension estimates;
- (iv) The provision of counseling concerning membership, retirement, and other benefits offered by the System;
- (v) Appropriate levels of responsiveness to the telephone calls of members of the System;
- (vi) The provision of written communications through group presentations, e-mail, the ATRS website, newsletters and other written materials when necessary and appropriate;
- (vii) The provision of collections-related services, which shall include providing members with annual statements and providing reasonable assistance to covered employers;
- (viii) The ability to terminate benefits and issue a refund of contributions and other amounts when necessary and appropriate;
- (ix) Options for purchasing service credit; and
- (x) Providing access to financial control and governance information, including access to annual reports concerning the System, as is necessary and appropriate.

IV. Board of Trustees — Governance Objectives

The following are the System governance objectives of the Board with regard to governance of the System:

(1)(A) Administer To administer retirement laws in a timely, accurate, and consistent manner.

(B) The goals are for:

(i) The average turn-around time for processing retirement applications to improve or remain the same from the previous year each fiscal year-; and

(ii) Retirement benefits, survivor benefits, and any other benefit available under the System to be calculated accurately and consistently-;

(2)(A) Provide member To provide benefits and services (1) at a level that promotes member satisfaction and (2) in a cost effective manner to members in a cost-effective manner and at a level that promotes the satisfaction of members.

(B) The goals are for: The The goal is for the satisfaction level of members regarding benefits and services to increase from one year to the next each fiscal year-;

(3)(A) Process improvement. The goals are for: To improve the processes of the System when necessary and appropriate.

1. "Business critical" processes to be identified.

2. "Business critical" processes to be analyzed and redesigned as needed.

(B) The goals are for:

(i) Business critical processes to be identified, analyzed, and redesigned as needed; and

(ii) Processes—All other processes to be continually reevaluated-;

(4)(A) Effectively To effectively manage new projects and initiatives.

(B) The goals are for:

(i) New projects and initiatives to be undertaken with a detailed plan, including projected completion dates and resource requirements, when necessary and appropriate; and

(ii) Periodic progress reports to be made to the Board on major projects or initiatives;

(5)(A) Promote To promote effective communication.

(B) The goal is for: Communications communications with the Board, members, covered employers, and ATRS employees that are to be clear, concise, and timely; and

(6)(A) Promote To promote knowledge-based decision-making.

(B) The goal is for: Management management decisions to be based on facts and expert opinions.

V. Board of Trustees — Objectives for ATRS Staff — Recruitment, Retention, and Professional Development ~~Staff Learning and Growth Objectives~~

The following are the objectives of the Board with regard to the recruitment, retention, and professional development of ATRS staff:

(1)(A) Foster To foster a positive, innovative work environment.

(B) The goal is for: Professional professional and support staff to ~~indicate-foster~~ a stable or more positive and innovative work environment from one year to the next each fiscal year;

(2)(A) Employ To recruit and retain highly capable employees.

(B) The goals are for:

(i) The average experience or educational level of the professional and support ~~staffs~~ staff to increase or at least remain the same from one year to the next be maintained or increase each fiscal year;

(ii) Adjusted for current System requirements, ~~the net turnover rate of the professional and support staff to decrease or at least remain the same from one year to the next.~~ the net turnover rate of professional and support staff to be maintained or decrease each fiscal year; and

(iii) To recruit and retain, as necessary and appropriate, employees who have experience or recognized job-specific or job-related credentials each fiscal year;

(3)(A) Recruit To recruit and retain a diverse work force.

(B) The goal is for: The the gender, race, and age of the professional and support ~~staffs~~ staff to show progress toward approximating the respective work forces in the Little Rock Metropolitan Statistical Area from one year to the next each fiscal year; and

~~D. Enhance training and development opportunities. The goals are for:~~

~~1. The average number of days spent in training by the professional and support ~~staffs~~ to increase or at least remain the same from one year to the next.~~

~~2. The number and percentage of professional and support staff having recognized job-specific or job-related credentials to increase or at least remain the same from one year to the next.~~

(4)(A) To enhance training and professional development opportunities.

(B) The goal is for the average number of days spent in training and professional development by the professional and support staff to be maintained or increased each fiscal year as is necessary and appropriate.

HISTORY

Adopted: April 26, 2007 as Rule 2-1 through 2-4

Amended: February 11, 2008

Amended: December 18, 2009

Amended: June 3, 2019 as Board Policy 2

Amended: February 3, 2020

Amended: TBD

~~1 "Other teacher retirement systems" as used here includes those statewide retirement systems in the United States whose: (a) membership is predominately teachers, (b) members contribute to Social Security, (c) membership is within $\pm 50\%$ of ATRS, and (d) assets are within $\pm 50\%$ of ATRS.~~



Waiver of Employer Interest

Employer Name: Lakeside SD

Employer Number: 00116

Employer letter or staff requesting interest waiver received: Misty Yant - Reporting Manager

Staff review of reason for request:

- Calculation error
- Failure to provide information to member timely
- Law Change
- Other: Under Reported Service FYE 1995

Review Summary:

Per 3/8/2024 memo re: Unreported or under reported service, requesting waive of interest for lack of reporting salary in 1995.

Staff Recommendation: Waive Don't Waive

Reason:

Requested Interest Waiver Amount: \$6,481.37 (Interest through 6/30/2024)

Reviewed/Submitted by Staff Member:: Misty Yant Date: 3/12/2024

<input type="checkbox"/> Approve Full Amount	<input type="checkbox"/> Approve Partial Amount _____	<input type="checkbox"/> Not Approved
_____ Executive Director		_____ Date



Memorandum

TO: Curtis Carter, CFO

FROM: Misty Yant, Reporting Manager

DATE: March 12, 2024

SUBJECT: Unreported / Under-Reported Service – Member: [REDACTED] (462613)

AUTHORITY: Arkansas Code § 24-7-205(c) specifies that when unreported or under-reported service is due to an “an obvious or documented error by an employer or the system,” the five-year look-back period should not apply. ATRS will be permitted to collect the member and employer contributions due on any unreported salary along with interest. Members may elect to convert contributory service into noncontributory service in cases where members owe contributions on their salary due to employer errors. (See Director’s Memo dated 03/08/2024 for outline of process)

RECAP: The above member has submitted a claim of unreported / under-reported service from Lakeside school district (00116) for the fiscal year(s) ending 1995. The member initially began this process in 2022, however the member did not return the Member Statement for History Correction (Form 209). Member reinitiated the claim February 2024.

- Member completed a Member Statement for History Correction (Form 209) dated 03/04/2024. It states:
 - .25 service credit is missing from FYE 1995.
 - Name & Physical Address of Where member worked
 - Listed Tim Watkins as her Direct Supervisor
 - Member states she was employed as a Speech-Language Assistant and as a Teacher’s Aide for 2nd grade and Physical Education in the last quarter. She described her duties as aiding the regular education teacher and worked with students to complete their work and reading. In the afternoons she’d help the PE teacher to conduct PE class for the students K-5th grade. Also, was on the rotation schedule for early morning, recess, lunch, and after school bus & car rider duties.
 - She stated that her day began at 7:15 am with duty followed by work in 2nd grade classroom for help with reading and math. Assisted with assigned lunch and recess duties and working in the PE classes until 3:15 pm when she would report for duties with student departure.
 - Was not employed as an independent contractor.
 - Stated that school was going to provide a copy of W-2s.
 - Listed 2 co-workers with contact information whom may corroborate employment.
- Employer was notified originally on 09/27/2022 and again on 02/27/2023 of the member’s claim.
- Employer has provided the following documentation that verifies the claim:
 - Teacher’s Contract received 03/08/2024. State the following:
 - Approved at 8/14/1994 meeting
 - Member to perform 185 days of classes and in service through 5/25/1995
 - Salary was stated at \$18,630.00

- Salary Statement for Service (Form 210) – dated 06/24/2022
 - FYE 1995 - Position: Speech Path Assist. Days: 185 Salary: \$18,630.00
 - This does not match ATRS History (was completed with contract salary)
- Salary Statement for Service (Form 210) – dated 03/08/2024
 - FYE 1995 - Position: Speech Path Assist. Days: 185 Salary: \$18,752.02
 - This does not match ATRS History – Incorrectly added salary
- Salary Statement for Service (Form 210) – dated 03/12/2024
 - FYE 1995 - Position: Speech Path Assist. Days: 185 Salary: \$19,210.04
 - This does not match ATRS History
- A Concise Check History is not available. The Employer provided the following payroll records:
 - August 1994 Pg 17 Gross Salary: \$1,693.64
 - September 1994 Pg 18 Gross Salary: \$1,693.64
 - October 1994 Pg 19 Gross Salary: \$1,693.64
 - November 1994 Pg 22 Gross Salary: \$1,693.64
 - December 1994 Pg 28 Gross Salary: \$1,893.64
 - January 1995 Pg 18 Gross Salary: \$1,693.64
 - February 1995 Pg 22 Gross Salary: \$1,693.64
 - March 1995 Pg 20 Gross Salary: \$1,693.64
 - April 1995 Pg 19 Gross Salary: \$1,693.64
 - May 1995 Pg 32 &33 Gross Salary: \$1,822.76
 - June 1995 Pg 29 Gross Salary: \$1,893.64
 - **Total: \$19,210.04**

REVIEW NOTES: The member's history reflects a total salary of \$11,041.84 with service credit of .75. The amount of salary unreported was \$8,168.20 and .25 in service.

DETERMINATION: ATRS should accept the member's claim of unreported or under-reported service on account as the employer has submitted credible documentation that corroborates the member's claim. (See receivable information below)

RECEIVABLE: The following table reflects the contributions and interest calculated on the potential claim: (Member was Noncontributory)

Item	Amount
Employer Contributions	\$980.18
Employer Interest*	\$6,481.37
Employer Total	\$7,461.55

A Detailed spreadsheet is attached.

**Interest through 6/30/2024*

Please let me know if you have any questions regarding this memo.

AGENCY USE ONLY		SUBMITTED TO BOT:	
CFO CONCURRENCE:	3/12/2024	BOT DECISION:	
MEMBER BILLED:	N/A	SENT NOTIFICATION OF BOT DECISION:	
EMPLOYER BILLED:		HISTORY ADJUSTMENT PREPARED:	
INTEREST WAIVER REQUESTED:		STAFF DETERMINATION LETTER SENT:	



Member Name: [REDACTED]
 ATRS ID: 462613

Recap: Under reported salary and service credit in FYE 1995 at Lakeside SD (00116). ATRS will add Salary and .25 in service

Employer Billing

FYE	Per Supporting Documentation	On Member History	Difference	ATRS Employer Contribution Rate	Employer Contributions Due	7.25% Interest Due per year	Position	# of Days / Form 210
1995	\$ 19,210.04	\$ 11,041.84	\$ 8,168.20	12%	\$ 980.18		Speech Path Assist	185
		6/30/1996 Accrued Interest				\$ 71.06		
		6/30/1996 Accrued Interest				\$ 76.22		
		6/30/1997 Accrued Interest				\$ 81.74		
		6/30/1998 Accrued Interest				\$ 87.67		
		6/30/1999 Accrued Interest				\$ 94.02		
		6/30/2000 Accrued Interest				\$ 100.84		
		6/30/2001 Accrued Interest				\$ 108.15		
		6/30/2002 Accrued Interest				\$ 115.99		
		6/30/2003 Accrued Interest				\$ 124.40		
		6/30/2004 Accrued Interest				\$ 133.42		
		6/30/2005 Accrued Interest				\$ 143.09		
		6/30/2006 Accrued Interest				\$ 153.47		
		6/30/2007 Accrued Interest				\$ 164.59		
		6/30/2008 Accrued Interest				\$ 176.53		
		6/30/2009 Accrued Interest				\$ 189.32		
		6/30/2010 Accrued Interest				\$ 203.05		
		6/30/2011 Accrued Interest				\$ 217.77		
		6/30/2012 Accrued Interest				\$ 233.56		
		6/30/2013 Accrued Interest				\$ 250.49		
		6/30/2014 Accrued Interest				\$ 268.65		
		6/30/2015 Accrued Interest				\$ 288.13		
		6/30/2016 Accrued Interest				\$ 309.02		
		6/30/2017 Accrued Interest				\$ 331.43		
		6/30/2018 Accrued Interest				\$ 355.45		
		6/30/2019 Accrued Interest				\$ 381.22		
		6/30/2020 Accrued Interest				\$ 408.86		
		6/30/2021 Accrued Interest				\$ 438.51		
		6/30/2022 Accrued Interest				\$ 470.30		
		6/30/2023 Accrued Interest				\$ 504.39		

\$ 980.18	\$ 6,481.37	\$7,461.55
Employer Contributions Due	7.25% Interest Due	Total Due

Subject: Re: Unreported / Under-reported Service Claim: [REDACTED] (462613)
From: Curtis Carter <curtisc@artrs.gov>
Date: 3/12/2024, 1:17 PM
To: Misty Yant <mistyy@artrs.gov>

I concur with the determination as stated in the attached memo

On 3/12/2024 12:23 PM, Misty Yant wrote:

Please review the attached summary of facts on the above member's claim of unreported service. It includes my determination on the claim. Also included for review is the calculation of contributions and interest due.

All Documentation is located in the member's Docmage file.

As a reminder:

Procedure is outline in Executive Director's 3/8/2024 memo which is attached. Please respond with your concurrence or reason for disagreement.

--

Misty Yant
Retirement Manager - Accounting Reporting
Arkansas Teacher Retirement System
501.682.2175 - EXT 2201

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Curtis Carter, CPA
Chief Fiscal Officer
Arkansas Teacher Retirement System
1400 West Third Street
Little Rock, AR 72201
(501) 682-1876

—Attachments:—

curtisc.vcf

311 bytes

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

RESOLUTION
No. 2024-24

**Approving the Waiver of
Interest on Contributions for Unreported Service**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to resolve unreported service; and

WHEREAS, A.C.A. § 24-7-401 requires employers to pay annual employer contributions in each year for all the employer's employees. A.C.A. § 24-7-401 also provides that the employer contributions are calculated by multiplying the applicable employer contribution rate by the total covered employee salaries; and

WHEREAS, A.C.A. § 24-7-406 provides that, based on the year of membership, contributory members are required to pay employee contributions on all salary earned, which is calculated by multiplying the applicable member contribution rate by the contributory member's covered salary; and

WHEREAS, A.C.A. § 24-7-205 allows the system to correct errors related to unreported service when there exists an obvious or documented error by an employer or the system that understated the service credit or salary of a member; and

WHEREAS, A.C.A. §§ 24-7-205(b)(1)(C) and 24-7-406(c)(1)(B)(ii) allow the member to elect to convert service credit for which there is a member contribution balance due from contributory to noncontributory rather than pay the balance due; and

WHEREAS, A.C.A. § 24-7-411(a) requires ATRS to impose an interest penalty for late remittance of employer and member contributions; and

WHEREAS, A.C.A. § 24-7-411(c) allows the Board to waive the interest penalty for late remittance of employer contributions if the employer's delinquency was not the result of intentional nondisclosure, fraud or misrepresentation and that under the circumstances the payment would be unduly penal, or burdensome; and

WHEREAS, the member (ATRS ID: 462613) has unreported service from the Lakeside School District from 1995 and the Lakeside School District failed to report the member's employment and did not remit the employer contributions or employee contributions for the unreported service; and

WHEREAS, the Lakeside School District has certified the member's service for fiscal year 1995; and

WHEREAS, to resolve the unreported service employer contributions in the amount of \$980.18 must be paid to ATRS; and

WHEREAS, as of June 30, 2024, employer interest totaling up to \$6,481.37 will be assessed as a result of the 19 years that have passed since the initial unreported service; and

WHEREAS, ATRS has no evidence that the failure to report and remit employer contributions on this member's service was the result of an intentional nondisclosure, fraud or misrepresentation; and

WHEREAS, given that the initial failure to report the service occurred over 19 years ago, the amount of interest due could be considered unduly penal and burdensome; and

WHEREAS, in the past the Board has waived the interest penalty for late remittance of employer contributions associated with errors involving unreported employer and member contributions; and

WHEREAS, the Board finds it desirable to correct the member's service record caused by the employer failing to report past service due to no fault of the member.

NOW, THEREFORE, BE IT RESOLVED, that the ATRS Board waives the employer's interest due for unreported service to resolve the errors in this member's (ATRS ID: 462613) record; and

FURTHER, BE IT RESOLVED, that promissory notes for the employer contributions will be established so that the interest will be waived as long as the note is paid off by the end of the following fiscal year, otherwise the full interest is reinstated.

Adopted this 5th day of June 2024.

Mr. Danny Knight, Chair

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

IN RE DISABILITY RETIREE – ATRS ID # 146792

**ORDER FINDING DISABILITY RETIREE QUALIFIED TO CONTINUE RECEIVING DISABILITY
RETIREMENT BENEFITS**

At its meeting on June 3, 2024, the Board of Trustees of the Arkansas Teacher Retirement System (“Board”) considered the disability review application filed by disability retiree - ATRS ID # 146792 (“Disability Retiree”) and the Medical Committee’s recommendation concerning the disability review application. In accordance with the Administrative Procedures Act, Ark. Code Ann. § 25-15-101 et seq., the Board finds as follows:

I. FINDINGS OF FACT

1. The Disability Retiree was approved for disability retirement under the Arkansas Teacher Retirement System (“ATRS”) on July 7, 2021.
2. The Disability Retiree was required to provide ATRS with a Social Security Administration determination letter (“SSA determination letter”) finding her unable to perform her work duties within thirty-six (36) months from the effective date of her disability retirement.
3. The Disability Retiree’s effective date of disability retirement was July 1, 2021. As such, the Disability Retiree was required to provide ATRS with the SSA determination letter by June 30, 2024.
4. On July 8, 2021, July 9, 2021, and August 3, 2021, ATRS notified the Disability Retiree that she was required to provide ATRS with a SSA determination letter finding her unable to perform her former work duties within thirty-six (36) months of the Disability Retiree’s effective date of disability retirement in order to continue receiving disability retirement benefits.
5. On April 4, 2022, ATRS sent a written reminder to the Disability Retiree advising that the SSA determination letter would need to be submitted to ATRS in order for the Disability Retiree to continue receiving disability retirement benefits.
6. On or about April 26, 2022, the Disability Retiree submitted a SSA determination letter dated April 11, 2022, to ATRS. The SSA determination letter denied the Disability Retiree’s application for Social Security disability benefits.
7. On or about April 11, 2024, the Disability Retiree applied for disability review by the Medical Committee

of her disability benefits ceasing due to the lack of a SSA determination letter finding the Disability Retiree unable to perform her former work duties.

8. On May 1, 2024, the Medical Committee met and considered the Disability Retiree's application for disability review.
9. After reviewing the Disability Retiree's application for disability review, the Medical Committee decided to recommend that the Board find the Disability Retiree qualified to continue receiving disability retirement benefits under ATRS.

II. CONCLUSIONS OF LAW

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

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

- c. Disability retiree is unable to perform his or her work duties;
- d. Disability retiree's incapacity will most likely be permanent; and
- e. Disability retiree should be retired.

III. ORDER

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

IT IS SO ORDERED

Danny Knight, Chair
Board of the Arkansas Teacher Retirement System
June 3, 2024

SUMMARY OF DISABILITY APPLICATIONS SUBMITTED
FOR CONSIDERATION BY THE MEDICAL COMMITTEE

The Medical Committee met in executive session in the first floor conference room at 9:30 a.m. on May 1, 2024. Those members present were Dr. Eddie Phillips, Dr. Hoyte Pyle, and Dr. Jim Morse. Anne Marie Lehman Berardi & Jennifer Liwo of the Teacher Retirement System was also in attendance.

A total of fourteen disability applications were considered. Of the fourteen applicants, ten were approved: ATRS ID: 474404; 284463; 249347; 242564; 233934; 232172; 245710; 237505; 248622; & 496181. Three applicants had more information requested: ATRS ID: 373988; 132674; 171843. One applicant was denied: ATRS ID: 323117.

Respectfully Submitted,



Eddie Phillips, M.D.
Medical Committee Chairman

Respectfully Submitted,



Anne Marie Lehman Berardi
Retirement Benefits Counselor

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

RESOLUTION
No. 2024-25

Procurement of External Legal Counsel for Collections

WHEREAS, from time to time the Arkansas Teacher Retirement System (“the System”) must pursue legal action to recover overpayments, misappropriated payments, or other amounts due to the System from a member, beneficiary, or other individual or entity; and

WHEREAS, such a need for legal action can arise within the State of Arkansas or in another state, such that the System must retain legal counsel licensed to practice law in another state.

NOW, THEREFORE, BE IT RESOLVED, that the ATRS Board of Trustees authorizes the ATRS Executive Director to retain the Arkansas Attorney General’s Office to represent the System in collection matters within the State of Arkansas; and

FURTHER BE IT RESOLVED, that the ATRS Board of Trustees authorizes the ATRS Executive Director to procure and contract with external legal counsel for the limited purpose of representing the System in collection matters, subject to the approval of the Governor and Attorney General per Ark. Code Ann. § 25-16-702; and

FUTHER BE IT RESOLVED, that this authorization to procure external legal counsel for the limited purpose of representing the System in collection matters shall expire on February 3, 2025, unless renewed by the ATRS Board of Trustees, except that the ATRS Executive Director may continue, amend, or renew contracts necessary to complete litigation commenced before expiration of this authorization.

Adopted this 3rd day of June, 2024

Mr. Danny Knight, Chair
Arkansas Teacher Retirement System Board