



APERS

ARKANSAS PUBLIC EMPLOYEES
RETIREMENT SYSTEM

Annual Comprehensive Financial Report
for the period ending June 30, 2021

Arkansas Public Employees Retirement System
Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2021***

Presented to

Arkansas Public Employees Retirement System

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

Presented by the Public Pension Coordinating Council, a confederation of

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

A handwritten signature in black ink, reading 'Alan H. Winkle', is positioned above the printed name and title.

Alan H. Winkle
Program Administrator

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Introduction

The Introduction summarizes the System's performance during the 2021 fiscal year and lists some of the people responsible for it, including the Board of Trustees, the senior agency staff, and key professional contractors and consultants.

System Overview

Letter of Transmittal

Chair's Letter

Board of Trustees

Administration

Professional Service Providers



System Overview

for the years ended June 30, 2020 and 2021

	2021	2020
The Fund		
Valuation Assets (in Millions)	\$ 9,893	\$9,090
Market Value Funded Ratio	94%	76%
Funding Value Funded Ratio	84%	79%
Rate of Return	31.49%	2.41%
Benefits Paid (in Millions)	\$608.2	\$ 587.4

Our Members

Active

Total Active Members	42,667	44,373
Average Age	44.7	44.4
Average Years of Service	9.0	8.9
Average Salary	\$41,759	\$ 40,469

Retired

Total Retired Members	40,762	39,805
Average Monthly Pension	\$ 1,347	\$ 1,334

Inactive

Total Inactive Members	14,802	14,711
------------------------	--------	--------

Covered Employers

Total Covered Employers	631	654
Contributions (in Millions)	\$ 306.0	\$ 298.9

Letter of Transmittal

March 16, 2021

Board of Trustees
Arkansas Public Employees Retirement System
Little Rock, AR 72201

To the Board of Trustees and members of the Arkansas Public Employees Retirement System:

I am pleased to present to you the 2021 Annual Financial Report of the Arkansas Public Employees Retirement System (APERS) for the fiscal year ended June 30, 2021. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the System. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial status of the System and changes therein.

The compilation of this report reflects the combined efforts of APERS' management under the leadership of the Board of Trustees of the Arkansas Public Employees Retirement System (the Board). The report is intended to provide extensive and reliable information for making management decisions, determining compliance with legal provisions, and determining responsible stewardship for the assets contributed by the System's members and their employers.

Plan Basics

APERS was established for state employees by legislation enacted in 1957 and subsequently expanded to include the employees of counties, municipalities, schools, and other political subdivisions. The mission of the System is to provide a secure benefit in retirement to our members and their beneficiaries. All services provided by management are performed to meet this objective. The summary of plan provisions is presented in the Actuarial Section and a comprehensive list of all participating employers is provided in the Statistical Section.

Financial Information and Management Responsibility

The financial statements of the System have been prepared by management, which is responsible for the integrity and fairness of the data presented, including those figures that are based on estimates and judgments. The 2021 Annual Comprehensive Financial Report has been prepared to conform to the accounting principles generally accepted in the United States.

The executive management of APERS is responsible for establishing and maintaining adequate internal control over financial reporting. The System's internal control over financial reporting is designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization and are recorded as necessary to maintain accountability for assets and to permit the preparation of financial statements in accordance with generally accepted accounting principles. APERS has written policies and procedures adopted by the Board and promulgated in accordance with the Arkansas Administrative Procedures Act.

Investments

The investments of APERS are governed primarily by an investment authority known as the "prudent investor rule." The rule established a standard for all fiduciaries, which includes anyone who has investment authority with respect to a fund. The Board has established an Investment Policy Statement that guides management in the investment of fund assets. Through the diversification of the investment portfolio, the fund seeks to reduce overall risks and increase returns. A summary of the asset allocation

can be found in the Investments Section.

For the fiscal year ending June 30, 2021, the fund recognized a positive 31.49% rate of return. For the last five years, the System's annualized rate of return has been 12.01%. Each quarter, the investment consultant provides a summary of performance compared to the established benchmarks and comparable funds. A comparable analysis of rates of return is presented in the Investments Section.

Actuarial Analysis

A pension is well-funded when it has enough assets to meet the future obligations to plan participants. A greater level of funding results in a larger ratio of assets accumulated to the actuarial accrued liability. The advantage of a well-funded plan is that the participants can be assured that enough assets exist to pay all promised benefits to members and their beneficiaries.

The System's statutory funding objective is to meet long-term benefit promises through contributions that remain approximately level as a percentage of member payroll. According to the System actuary, "if the contributions to the System are level in concept and soundly executed, the System will pay all promised benefits when due – the ultimate test of financial soundness." The Board has established an Actuarial Funding Policy that targets a funding level of 100%.

The actuarial accrued liability and actuarial funding value of assets of the System as of June 30, 2021 amounted to \$11.82 billion and \$9.89 billion respectively. On a funding value of assets basis, the funded status of the System increased to 84% in fiscal 2021 as compared to 79% in fiscal 2020. A detailed discussion of funding and actuarial measures is provided in the Actuarial Section of this report.

Professional Services

The Board retains independent consultants to perform professional services that are essential to the system's long-term strength and stability. Actuarial services are provided by GRS, investment consulting is provided by Callan, and the annual financial audit is conducted by Arkansas Legislative Audit in accordance with A.C.A. § 24-2-702.

Awards and Acknowledgments

The Arkansas Public Employees Retirement System was awarded the Public Pension Standards Award for Funding and Administration for the 15th year in a row by the Public Pension Coordinating Council, a confederation of the National Association of State Retirement Administrators, The National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement. This award is in recognition of meeting professional standards for plan funding and administration as set forth in the Public Pension Standards.

I would like to express my sincere thanks to the entire staff of APERS for their hard work and dedication throughout the year. Our team works diligently each day to provide professional service to our members and efficiently operate each division of the agency. In addition, I want to say thank you to the Trustees for their prudent leadership and the high expectations they set for the System.

Sincerely,



Allison Woods,
Interim Executive Director

Chairperson's Letter

Dear APERS Members:

On behalf of the Board of Trustees, I am pleased to present the Annual Financial Report of the Arkansas Public Employees Retirement System for the fiscal year ended June 30, 2021. This report is designed to provide a detailed look at the financial, investment, and actuarial aspects of the System.

Throughout the year, the Board has worked diligently to fulfill our fiduciary responsibility to the System and has worked to maintain and build upon the strength of the System.

During this fiscal year, the Board engaged in several important initiatives for the system, including the following:

Passage of a 2021 Legislative Package – The 93rd General Assembly enacted into law the package of contribution and benefit changes referred by the Board. The package included a change to the contribution rate beginning July 1, 2022 for all contributory members and a change to the final average compensation (FAC) and COLA computations for members first hired on or after July 1, 2022. These changes will help ensure that our system achieves its long-term financial objective of a fully-funded system while maintaining a great retirement benefit for our members.

Review of Real Estate Asset Class – In 2021, the Board continued its analysis of each asset class with a review of the real asset structure of the portfolio. This review resulted in approval of a new asset mix that increased our target for core and non-core real estate and expanded the portfolio into farmland. The Board began a search for farmland managers and ultimately selected two managers for this expansion.

As Board chair, I can assure you that each trustee understands the importance of maintaining a strong retirement system in order to fulfill the promises made to our members. We continue working toward that goal at each Board meeting and throughout the year. I also recognize the dedication and fine work of the entire administrative staff of APERS. As a board of trustees, we appreciate the commitment of the staff to delivering high-quality, professional service to each APERS member and stakeholder.

Sincerely,



Candace Franks, Chair
APERS Board of Trustees

Board of Trustees

Candace Franks, Chair

State Employee Representative
Expiration of Term, March 9, 2025

Larry Walther, Vice Chair

Secretary of the Department of Finance
and Administration
Ex-Officio Member

David Hudson

County Employee Representative
Expiration of Term, March 9, 2021

Joe Hurst

Municipal Employee Representative
Expiration of Term, March 9, 2022

Dale Douthit

State Employee Representative
Expiration of Term, March 9, 2023

Gary Carnahan

Municipal Employee Representative
Expiration of Term, March 9, 2024

Daryl Bassett

State Employee Representative
Expiration of Term, March 9, 2026

Richard Wilson

Retired Trustee
Expiration of Term, July 30, 2027

Russell White

Retired Law Enforcement Trustee
Expiration of Term, July 30, 2027

Gary Wallace

Retired Law Enforcement Trustee
Expiration of Term, July 30, 2027

Kaye Donham

Retired Trustee
Expiration of Term, July 30, 2027

Dennis Milligan

Treasurer of State
Ex-Officio Member

Andrea Lea

Auditor of State
Ex-Officio Member

Administration

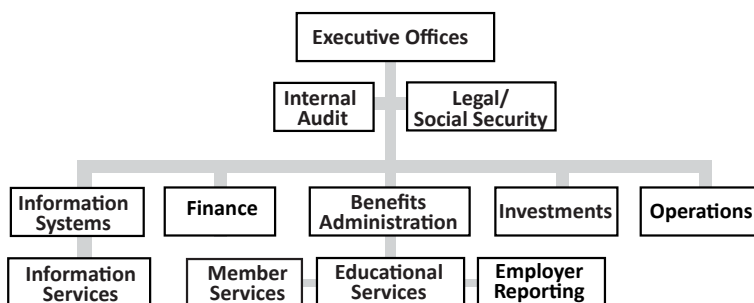
Introduction

APERS' primary purposes are to ensure a secure retirement benefit for current and future members of the retirement system, to guide the fund through sound investment practices, and to provide education on retirement to our membership.

APERS administration works to accomplish this through

- Paying monthly benefits to our retirees and beneficiaries.
- Adjusting the plan and management of the fund through board and/or legislative actions as needed.
- Managing the System's funds in accordance with the prudent investor rule as outlined in the Investment Policy adopted by the APERS board.
- Offering our members general retirement education through webinars and individual retirement counseling both online and in person.

Organizational Chart



Administrative Staff

Allison Woods
Interim Executive Director

Allison Woods
Deputy Director

Jason Willett
Chief Financial Officer

Carlos Borromeo
Chief Investment Officer

Laura Gilson
Chief Legal Counsel

Vacant
Director of Human Resources

Phillip Norton
Director of Information Technology

Jennifer Taylor
Director of Benefits Administration

Jacobia Bates
Manager, Educational Outreach

Jon Aucoin
Manager, Communications Section

Cheryl Wilburn
Manager, Member and Retiree Services Section

John Owens
Internal Auditor

Usha Doolabh
Accounting Operations Manager, Investments

Professional Service Providers

Custodian Bank

The Bank of New York Mellon
Pittsburgh, PA 15258

Actuary

Gabriel, Roeder, Smith & Co.
Southfield, MI 48076

Investment Consultant

Callan Associates, Inc.
Chicago, IL 60602

Investment Managers

Acadian Asset Management
Boston, MA 02110

AQR Capital Management
Greenwich, CT 06830

Artisan Partners
Milwaukee, WI 53202

Baillie Gifford Overseas Ltd.
Edinburgh, Scotland

Blackstone Alternative Asset Management, LP
New York, NY 10154

CastleArk Management, LLC
Chicago, IL 60606

DoubleLine Capital
Los Angeles, CA 90071

Franklin Templeton Institutional
Coral Gables, FL

Heitman America Real Estate
Chicago, IL 60606

Horrell Capital Management
Little Rock, AR 72211

INTECH

West Palm Beach, FL 33401

Invesco Real Estate

Dallas, TX 75240

LaSalle Investment Management

San Francisco, CA 94111

Lazard Asset Management

New York, NY 10020

LSV Asset Management

Chicago, IL

MacKay Shields

New York, NY 10105

Mellon Capital

Pittsburgh, PA 15258

Newton Capital Management

New York, NY 10166-0005

Pinnacle Forest Investments, LLC

Little Rock, AR 72211

PGIM, Inc.

Newark, NJ 07102

SSI Investment Management

Beverly Hills, CA 90210

Stephens Investment Management Group

Houston, TX 77046

TA Associates Realty

Boston, MA 02109

Wellington Management Company

Boston, MA 02210

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The Financial Section features objective analysis of the System's overall financial health and provides a comprehensive report of its income and expenses for the fiscal year.

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Statement of Fiduciary Net Position

Statement of Changes in Fiduciary Net Position

Notes to the Financial Statements

Note 1: Plan Description

Note 2: Summary of Significant Accounting Policies

Note 3: Deposits and Investments

Note 4: Other Post-Employment Benefits

Note 5: Legally Required Reserves

Note 6: Summary of Capital Assets

Note 7: Deferred Retirement Option Plan

Note 8: Net Pension Liability

Required Supplementary Information

Schedule of Employer Contributions

Actuarial Methods and Assumptions

Schedule of Net Pension Liability

Schedule of Investment Returns

Schedule of Changes in Net Pension Liability and Related Ratios



Arkansas



Sen. Ronald Caldwell
Senate Chair
Sen. Gary Stubblefield
Senate Vice Chair

Rep. Richard Womack
House Chair
Rep. Nelda Speaks
House Vice Chair

Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

INDEPENDENT AUDITOR'S REPORT

Arkansas Public Employees Retirement System
Legislative Joint Auditing Committee

Report on the Financial Statements

We have audited the accompanying financial statements of the Arkansas Public Employees Retirement System, an office of Arkansas state government, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Arkansas Public Employees Retirement System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Arkansas Public Employees Retirement System as of June 30, 2021, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As indicated above, the financial statements of the Arkansas Public Employees Retirement System are intended to present the financial position and the changes in financial position of only that portion of the State that is attributable to the transactions of the Arkansas Public Employees Retirement System. They do not purport to, and do not, present fairly the financial position of the State of Arkansas as of June 30, 2021, or the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Governmental Accounting Standards Board requires that a Management's Discussion and Analysis be presented to supplement government-wide financial statements. However, as discussed in the "Emphasis of Matter" paragraph above, the financial statements of the Arkansas Public Employees Retirement System are only for the specific transactions and activity of the Agency and not for the State as a whole. Therefore, the Management's Discussion and Analysis is not required to be presented for the Arkansas Public Employees Retirement System individually. Our opinion on the basic financial statements is not affected by the omission of this information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Arkansas Public Employees Retirement System's basic financial statements. The Schedule of Selected Information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Selected Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2022, on our consideration of the Arkansas Public Employees Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Arkansas Public Employees Retirement System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Arkansas Public Employees Retirement System's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT



Roger A. Norman, JD, CPA, CFE, CFF
Legislative Auditor

Little Rock, Arkansas
January 3, 2022
SA1037021

Management's Discussion and Analysis

This discussion and analysis of the Arkansas Public Employees Retirement System provides an overview of the System's financial activities for the fiscal year ended June 30, 2021. It is intended to be used in conjunction with the transmittal letter and APERS financial statements and notes, which begin on page 19 of this report.

Using This Financial Report

This Annual Comprehensive Financial Report reflects the activities of the Arkansas Public Employees Retirement System as reported in the Statement of Fiduciary Net Position (page 19) and the Statement of Changes in Fiduciary Net Position (page 20). These statements are presented on an accrual basis and reflect all Trust Fund activities as incurred. The Notes to Financial Statements are an integral part of the financial statements and include additional information essential to understanding the basic financial statements. The Required Supplementary Information following the Notes to the Financial Statements provide historical information and additional details considered useful in evaluating the condition of the plan. Investment data in the Financial section is presented at fair value. See the Actuarial section of this report for a detailed discussion of the actuarial value of assets and liabilities and the funded ratio.

Financial Highlights

APERS' net position restricted for pension benefits increased by \$2.4 billion during FY2021. On June 30, 2021, total plan assets were \$12.1 billion. These assets along with deferred outflows of resources of \$1,254,987, exceeded total liabilities of \$866.2 million and deferred inflows of resources of \$524,015, resulting in a net position restricted for pension benefits of \$11.2 billion.

- Total additions for the system increased \$2.5 billion in FY2021. While employer and employee contributions increased \$10.6 million in FY2021 the primary reason for this tremendous increase in FY2021 additions was the increase in net investment income of \$2.5 billion. APERS had a tremendous year with an investment return of 31.49% in FY2021.

- Benefit payments increased \$20.8 million in FY2021 due to both an increase in the number of retirees being paid monthly benefits along with the annual 3% cost of living allowance increase that happens every July 1.
- The other primary expenditures of the system consisting of refunds of contributions and administrative expenses remained flat in FY2021. Refunds tend to fluctuate from year to year. Administrative expenses have been controlled well as management has more efficiently utilized existing staff to be able to service an increasing number of retirees and members.

The Statement of Fiduciary Net Position

The Statement of Fiduciary Net Position (see page 19) reports the pension trust fund's assets, liabilities, and resulting net position such that at the end of the fiscal year

$$\text{assets} - \text{liabilities} = \text{net position.}$$

It is a snapshot of the financial position of the pension trust fund at that specific time.

The Statement of Changes in Fiduciary Net Position

The Statement of Changes in Fiduciary Net Position (see page 20) reports the pension trust fund's financial transactions that have occurred during the fiscal year such that

$$\text{additions} - \text{deductions} = \text{net change in net position.}$$

It supports the change that has occurred to the prior year's net position value on the Statement of Fiduciary Net Position.

Notes to the Financial Statements

The notes to the financial statements are provided as an integral component of the financial statements to help explain in narrative form some of the more complex or less obvious elements to the statements. Further, the notes provide additional information that is essential for a comprehensive understanding of the System's financial condition and the results of its operations.

- Note 1 provides a general description of the System, including information regarding membership and employers.
- Note 2 summarizes significant accounting policies, the basis of accounting, management's use of estimates, and other accounting policies.
- Note 3 describes deposits and investment risk.
- Note 4 addresses other post-employment benefits (OPEB).
- Note 5 provides information regarding legally required reserves.
- Note 6 provides capital assets activity.
- Note 7 describes the System's Deferred Retirement Option Plan.
- Note 8 provides information regarding the System's net pension liability.

The required supplementary information provides additional detail and historical information considered to be useful in evaluating the condition of the plan administered by APERS. The System provides certain required schedules and related note disclosures that collectively demonstrate the System's annual progress toward funding its actuarial accrued liability.

Basic Financial Statements

Statement of Fiduciary Net Position *(as of June 30, 2020 and 2021)*

ASSETS	2021	2020
Cash and Cash Equivalents	\$264,755,414	\$178,653,677
Receivables	89,583,739	77,865,314
Investments, At Fair Value		
Government Securities	275,825,062	300,670,790
Corporate Securities	5,150,979,094	3,876,308,981
International Securities	3,148,501,532	2,274,739,727
Core Plus Bond Fund	575,732,584	525,152,547
Real Estate	1,168,613,735	965,834,008
Diversified Strategies	500,026,543	429,122,315
Timberland	76,372,899	87,471,711
Global Energy Fund	0	97,370,766
Commercial Loans	8,422,949	9,895,764
Total Investments at Fair Value	10,904,474,398	8,566,566,609
Securities Lending Collateral Pool	779,471,694	750,717,605
Capital Assets, Net of Accumulated Depreciation	12,228,106	14,405,957
Other Assets	415,075	264,338
TOTAL ASSETS	12,050,928,426	9,588,473,500
DEFERRED OUTFLOWS OF RESOURCES		
Other Postemployment Benefits	1,254,987	24,606
LIABILITIES		
Accounts Payable and Accrued Expenses	17,233,143	13,400,205
Investment Purchases Payable	68,069,109	53,114,956
Securities Lending Liability	780,903,440	752,430,215
TOTAL LIABILITIES	866,205,692	818,945,376
DEFERRED INFLOWS OF RESOURCES		
Other Postemployment Benefits	524,015	542,040
NET POSITION RESTRICTED FOR PENSION BENEFITS	\$11,185,453,706	\$8,769,010,690

Statement of Changes in Fiduciary Net Position (for years ended June 30, 2020 and 2021)

ADDITIONS	2021	2020
Contributions		
Employer Contributions	\$305,974,670	\$298,918,947
Employee Contributions	75,044,922	71,470,967
Supplemental	595,977	578,619
Total Contributions	381,615,569	370,968,532
Investment Income		
Interest	40,879,324	18,390,071
Dividends	91,020,702	93,845,724
Investment Gain/Loss	2,537,478,084	55,145,650
Security Lending Income	3,029,655	15,769,226
Real Estate Income	35,826,072	36,762,972
Other	587,622	0
Investment Management Expenses	(42,997,775)	(45,351,870)
Net Investment Income	2,665,823,683	174,561,773
Other Additions		
Miscellaneous Additions	616,616	580,375
Transfers from Other Public Employees Retirement Systems	3,741,391	4,013,300
Miscellaneous Transfers from State Agencies	278,562	277,124
Total Other Additions	4,636,569	4,870,799
Total Additions	3,052,075,821	550,401,104
DEDUCTIONS		
Benefit Payments	608,207,117	587,453,797
Member Refunds	15,798,750	15,835,290
Administrative Expenses	11,644,847	11,682,726
Total Deductions	635,650,714	614,971,813
ADJUSTMENTS		
Actuarial Adjustment to DJ Unfunded Liability	17,908	253,739
NET INCREASE (DECREASE)	2,416,443,015	(64,316,970)
Net Position Restricted for Pension Benefits		
Beginning of Year	8,769,010,690	8,833,327,659
End of Year	\$11,185,453,706	\$8,769,010,690

Notes to the Financial Statements

Note 1: Plan Description

General Information

The Arkansas Public Employees Retirement System (APERS or the System) is a cost-sharing, multiple employer, defined benefit pension plan established by the authority of the Arkansas General Assembly with the passage of Act 177 of 1957. Its purpose is to provide retirement benefits for eligible employees and elected officials of state and governmental entities in Arkansas. The laws governing the operations of APERS are set forth in Arkansas Code Annotated (A.C.A.), Title 24, Chapter 4, with related laws in Chapter 2 and Chapter 7.

The general administration and responsibility for the proper operation of the System is vested in the thirteen member Board of Trustees of the Arkansas Public Employees Retirement System (the Board). Membership includes five state and five non-state employees, all appointed by the Governor, and three ex-officio trustees, including the Auditor of State, the Treasurer of State, and the Director of the Department of Finance and Administration.

Membership

APERS covers all state employees who are not covered by another authorized plan, all county employees, those municipal employees whose municipalities have elected to join the System, those college and university employees who have elected coverage under the System, certain non-teaching employees of public schools, and other public entities defined by law.

Membership	2021	2020
Retirees and beneficiaries receiving benefits (includes DROP participants)	40,762	39,805
Terminated plan members entitled to but not yet receiving benefits	14,802	14,711
Active plan members	42,667	44,373

Reporting Entities/Employers

Employers	2021	2020
State	248	256
County	87	87
Municipal	184	178
School	35	48
District Judges	3	13
District Court	38	38
Other Non-State	36	34
Totals	631	654

Entities Not Reported

The executive director and administrative staff of APERS also serve as the executive director and administrative staff of two other retirement systems, the Arkansas State Police Retirement System and the Arkansas Judicial Retirement System. These systems do not constitute part of the APERS reporting entity under the provisions of GASB Statement No. 14: *The Financial Reporting Entity* because these three systems are legally separate, fiscally independent entities with separate boards of trustees. The nature of the relationship between these systems and APERS is merely a sharing of administrative resources and, as such, does not require inclusion of these systems in APERS financial statements.

Employer Contributions

All participating employers are required to contribute a portion of their eligible employee's salaries into the System. The Board establishes the provisions for these employer contributions based on the rates the independent actuary determines are necessary to fund the System. Because of the cost of providing enhanced service credit to certain members classified as public safety employees, and pursuant to the provisions of Act 625 of 1983 and Act 1097 of 1993, certain agencies employing individuals in public safety positions are required to remit additional contributions in amounts determined by the actuary.

Employer Contribution Rates	Fiscal 2021
State Division	15.32%
Wildlife Subdivision	27.32%
State Capitol Police Subdivision	15.32%
County Division	15.32%
Municipal Division	15.32%
School Division	4.00%
Other Non-State Division	15.32%

Employee Contributions

The System was established as a contributory plan in which member-employees also contributed a portion of their salaries to the System. However, with the passage of Act 793 of 1977, existing members and previous members were offered the opportunity to choose to become non-contributory members. Anyone who joined the System subsequent to January 1, 1978 and had previously been a member was automatically enrolled as a non-contributory member.

Act 2084 of 2005 directed APERS to establish a new contributory plan effective July 1, 2005. It required that all covered employees first hired on or after July 1, 2005 contribute 5% of their salary into the System. Employees hired before June 30, 2005 who were in the non-contributory plan were given the option to join the new contributory plan by December 31, 2005. Non-contributory members who did not join the new contributory plan by that deadline remain non-contributory members.

A member's employee contributions are refundable if the member terminates APERS-covered employment before a monthly benefit is payable. Employee contributions remaining on deposit with APERS earn interest (at the annual rate of 2%), which is included in any refund of contributions.

System Administration

The costs of administering the System are paid out of investment earnings.

Benefits

Benefit provisions are established by state law and may be amended only by the Arkansas General Assembly. Members are eligible for full benefits under the following conditions:

- at age 65 with five years of actual service,

- at any age with 28 years of actual service,
- at age 60 with 20 years of actual service if under the old contributory plan (prior to July 1, 2005), or
- at age 55 with 35 years of credited service for local elected officials.

The normal retirement benefit amount, paid on a monthly basis, is determined by the member's final average compensation and years of service. A member may retire with a reduced benefit at age 55 with at least five years of actual service or at any age with 25 years of actual service. APERS also provides for disability and survivor benefits.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

APERS' accounts and records are maintained using fund accounting principles, and its financial statements are prepared using the accrual basis of accounting. Expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of their trade dates. Member and employer contributions are established by statute as a percentage of salaries and are recognized when due, pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments

The System is authorized to invest in eligible investments as approved by the Board as set forth in its investment policy. System investments are reported at fair value. Short-term investments, debt securities, and equity securities are reported at fair value, as determined by the System's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the System in equity index and commingled trust funds is determined by the respective fund trustee based on quoted sales prices of the underlying securities.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of

investments, interest income, dividend income, securities lending income and expenses, and investment expenses, which include investment management and custodial fees and all other significant investment related costs. The System's international investment managers may enter into forward foreign exchange contracts to protect against fluctuation in exchange rates between the trade date and the settlement date of foreign investment transactions. Any gains and losses on these contracts are included in income in the period in which the exchange rates change.

Investment securities and investment securities that underlie commingled or mutual fund investments are exposed to various risks, such as interest rate and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and that those changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the U.S. requires the System administrator to make significant estimates and assumptions that affect various data in the report, including the following:

- The net position restricted for pensions at the date of the financial statements
- The net pension liability and other actuarial information presented in Note 8
- The required supplementary information as of the benefit information date
- The changes in fiduciary net position during the reporting period

Estimates may also be involved in formulating disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates.

Cash and Cash Equivalents

Cash and cash equivalents include demand accounts, imprest accounts, cash in the state treasury, and short-term investment funds (STIF). The STIF accounts are created through daily sweeps of excess cash by the System's custodian bank into bank-sponsored commingled funds that are invested in U.S. Government and agency securities and other short-term investments. The STIF accounts had an average weighted maturity of 90 days or less and are stated at fair value.

Capital Assets

Capital assets purchased and in the custody of APERS were recorded as expenditures at the time of purchase. Assets with costs exceeding \$5,000 and an estimated useful life exceeding one year are reported at historical cost, including ancillary costs (such as professional fees and costs, freight costs, preparation and setup costs, and installation costs). Depreciation is reported for capital assets based on a straight-line method with no salvage value. The estimated useful life generally assigned by APERS to capital assets held ranges from 5 to 20 years. A schedule of capital asset activity for the fiscal year can be found on page 39.

Risks and Uncertainties

Certain data in this report – including contributions to the System and the net pension liability, as well as other actuarial information in Note 8 and the required supplementary information – have been formulated based on certain projections about interest rates, inflation rates, and employee compensation and demographics. Due to the dynamic nature of these factors, it is possible that these projections will need to be revised in the near term. Moreover, because of the uncertainties inherent in making such projections, the effect of any such changes could be material to the financial statements.

Note 3: Deposits and Investments

Deposits

Deposits are carried at cost and are included in "cash and cash equivalents." Cash and cash equivalents include demand accounts, cash in state treasury, short-term investment funds, and petty cash. As of June 30, 2021, these totals were \$45,021, \$6,344,627, \$258,365,566, and \$200 respectively. State Treasury Management Law governs the management of funds held in the State Treasury (cash in state treasury), and it is the responsibility of the Treasurer of State to ensure the funds are adequately insured and collateralized.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the System will not be able to recover deposits or collateral securities. The System's policy is to place deposits only in collateralized or insured accounts. As of June 30, 2021, the System's only deposits exposed to potential custodial credit risk were those holding its foreign currency balance of \$862,808. The System holds foreign currency in banks outside the United States as a result of transactions by international investment managers.

Investments

Arkansas Code Annotated §§ 24-2-601 – 24-2-619 authorize the Board to have full power to invest and reinvest monies of the System and to hold, purchase, sell, assign, transfer or dispose of any

of the investments or proceeds of the investments in accordance with the prudent investor rule. Security transactions and any resulting gains or losses are accounted for on a trade basis. Net investment income includes net appreciation in the fair value of investments, interest income, dividend income, and total investment expense, which includes investment management fees, custodial fees, and all other significant investment-related costs.

Arkansas Code Annotated § 24-2-608 also states that the System shall seek to invest not less than 5% nor more than 10% of the System's portfolio in Arkansas-related investments. APERS recognizes a legal responsibility to seek to invest in the Arkansas economy while realizing that its primary, legal, and fiduciary commitment is to beneficiaries of the retirement system. As stated in A.C.A. § 24-2-608 (d), "nothing in this section shall in any way limit or impair the responsibility of a fiduciary to invest in accordance with the prudent investor rule set forth in §§ 24-2-610 – 24-2-619."

Investments are reported at fair value as determined by the custodian bank. The custodian bank's determination of fair values includes, among other things, using pricing services or quotes by major independent brokers at current exchange rates as available. The schedule on the following page reflects the fair value of investments.

Statement of Invested Assets

(Assets by type at fair value in dollars as of June 30, 2021)

Investment Assets	Combined	APERS	ASPRS
Government Securities			
U.S. Government Securities	176,049,549	169,556,268	6,493,281
U.S. Fixed Futures	431,823	415,896	15,927
Agency Pooled	63,133,264	60,804,703	2,328,560
Municipal Bonds	2,077,571	2,000,944	76,628
Agency CMO	44,695,777	43,047,251	1,648,526
Corporate Securities:			
Collateralized Obligations	224,716,225	216,427,959	8,288,266
U.S. Corporate Bonds	312,896,858	301,356,203	11,540,655
Convertible Bonds	380,617,252	366,578,848	14,038,404
Convertible Preferred Stock	69,352,787	66,794,831	2,557,957
Common Stock	3,586,003,351	3,453,739,869	132,263,482
U.S. Equity Index Fund	675,883,556	650,954,770	24,928,787
Co-Mingled Funds	42,873,649	41,292,329	1,581,320
High Yield Income Bond Fund	49,874,371	48,034,842	1,839,529
Preferred Stock	6,021,538	5,799,444	222,094
International Securities:			
Global Government Fixed	2,208,380	2,126,928	81,452
Global Corporate Bonds	75,750,700	72,956,768	2,793,933
Equity Securities	2,234,404,609	2,151,992,490	82,412,119
Global Preferred Stock	41,514,078	39,982,904	1,531,174
Global Co-Mingled Funds	136,860,370	131,812,514	5,047,856
International Equity Index Fund	665,315,120	640,776,131	24,538,988
Global Collateralized Obligations	25,777,783	24,827,014	950,769
Global Convertible Bonds	51,984,569	50,067,209	1,917,360
Emerging Market	35,260,081	33,959,575	1,300,507
Core Plus Bond Fund	597,780,682	575,732,584	22,048,098
Real Estate	1,213,366,649	1,168,613,735	44,752,914
Diversified Strategies	519,175,424	500,026,543	19,148,880
Timberland	79,297,655	76,372,899	2,924,756
Commercial Loans	8,745,512	8,422,949	322,563
Total Investments at Fair Value	11,322,069,183	10,904,474,398	417,594,785
Securities Lending Collateral Investments at Fair Value			
Commercial Paper	208,682,050	200,985,230	7,696,820
Certificates of Deposit	5,200,203	5,008,404	191,799
Receivables/Payables	8,874	8,546	327
Repurchase Agreements	249,848,896	240,633,719	9,215,177
Floating Rate Notes	319,933,867	308,133,747	11,800,121
Asset Backed Securities	25,648,024	24,702,048	945,976
Total Securities Lending Collateral Investments	809,321,914	779,471,694	29,850,220
	12,131,391,097	11,683,946,092	447,445,005

Totals may not add due to rounding.

Custodial Credit Risk for Investments

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are (a) uninsured, (b) not registered in the name of the government, and (c) held by either the counterparty or the counterparty's trust department or agent but not in the System's name. Arkansas Code Annotated § 24-2-606 does address the custodianship of assets, and the investment policy states that "the custodian bank shall, by nominee agreement, hold any and all securities for the beneficial interest of the APERS fund." As of June 30, 2021, there were no investments exposed to custodial credit risk.

Credit Risk for Investments

Credit risk of investments is the risk that the issuer or other counterparty will not fulfill its obligation to the holder of the investment. Credit risk exposure is dictated by each investment manager's agreement. This credit risk is measured by the credit quality of investment in debt securities as described by nationally recognized statistical rating organizations. Each portfolio is managed in accordance with investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual security quality rating tiers, and the average credit quality of the overall portfolio.

The schedule on the following page indicates the System's exposure to credit risk for investments.

The System's Exposure to Credit Risk

Moody's Quality Ratings *(in dollars as of June 30, 2021)*

Moody's Rating	Aaa	Aa	A	Baa	Ba	B	Caa or below	Not Rated	Base Market Value
Government Securities	267,540,052	0	0	0	0	0	0	4,600,305	272,140,357
Corporate Securities	22,314,336	18,001,296	58,845,636	197,041,907	51,618,099	46,289,032	23,032,466	574,478,006	991,620,777
International Securities	3,272,660	5,209,687	20,805,716	60,380,475	22,979,823	7,662,704	1,991,227	68,679,223	190,981,513
Floating Rate Fund	0	0	0	0	0	0	0	16,908,909	16,908,909
Core Plus Bond Fund	0	0	0	0	0	0	0	597,780,682	597,780,682
Commercial Loans	0	0	0	0	741,628	7,636,684	367,200	0	8,745,512
Municipal Bonds	0	2,077,571	0	0	0	0	0	0	2,077,571
Co-Mingled Funds	0	0	0	0	0	0	0	25,964,740	25,964,740
High Yield Income Fund	0	0	0	0	0	0	0	49,874,371	49,874,371
	293,127,047	25,288,554	79,651,351	257,422,381	75,339,550	61,588,420	25,390,893	1,338,286,236	2,156,094,433

S&P's Quality Ratings *(in dollars as of June 30, 2021)*

S&P Rating	AAA	AA	A	BBB	BB	B	CCC or below	Not Rated	Base Market Value
Government Securities	0	267,540,052	0	0	0	0	0	4,600,305	272,140,357
Corporate Securities	10,417,161	9,167,689	61,270,987	215,694,554	66,044,295	37,557,836	34,382,698	557,085,557	991,620,777
International Securities	1,207,080	3,503,911	19,622,678	51,869,832	31,193,075	6,292,533	1,185,470	76,106,934	190,981,513
Floating Rate Fund	0	0	0	0	0	0	0	16,908,909	16,908,909
Core Plus Bond Fund	0	0	0	0	0	0	0	597,780,682	597,780,682
Commercial Loans	0	0	0	338,590	403,038	7,636,684	367,200	0	8,745,512
Municipal Bonds	0	2,077,571	0	0	0	0	0	0	2,077,571
Co-Mingled Funds	0	0	0	0	0	0	0	25,964,740	25,964,740
High Yield Income Fund	0	0	0	0	0	0	0	49,874,371	49,874,371
	11,624,241	282,289,223	80,893,665	267,902,976	97,640,408	51,487,054	35,935,368	1,328,321,498	2,156,094,433
Securities Lending Collateral	13,026,620	211,862,649	305,876,523	0	0	0	908,540	277,638,708	809,313,040

Concentration of Credit Risk for Investments

The concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer (not including investments issued or guaranteed by the U.S. government or investments in mutual funds or external investment pools). The System has a formal investment policy for concentration of credit risk. None of the System's investments in any one issuer (other than those issued or guaranteed by the U.S. government) represented more than 5% of total investments.

Interest Rate Risk for Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. Investments can be highly sensitive to changes in interest rates due to their terms or characteristics. Interest rate risk is the greatest risk

faced by an investor in the debt securities market since the price of a debt security will often move in the opposite direction of the change in interest rates.

The System's external fixed income investment managers use the measurement of effective duration to mitigate the interest rate risk of the fixed income investments. Each fixed income investment manager monitors and reports the effective duration monthly. The effective duration of the investment portfolio is required to be +/- 10% of the benchmark's duration. The benchmark for the U.S. fixed income markets is the Barclays Capital U.S. Aggregate Bond Index.

As of June 30, 2021, the System had the following debt security investments and maturities:

Debt Security Investments and Maturities *(in dollars as of June 30, 2021)*

	Market Value	Less than 1	1 - 5	6 - 10	More than 10	Fund - No Maturities
Government Securities	272,140,357	431,823	65,277,096	52,394,917	154,036,521	0
Corporate Securities	991,620,777	73,364,411	365,401,257	268,031,933	284,823,177	0
International Securities	190,981,513	5,794,104	64,570,942	66,345,838	54,270,630	0
Floating Rate Fund	16,908,909	0	0	0	0	16,908,909
Core Plus Bond Fund	597,780,682	0	0	0	0	597,780,682
Commercial Loans	8,745,512	0	5,252,924	3,492,588	0	0
Municipal Bonds	2,077,571	0	151,558	0	1,926,013	0
Co-Mingled Funds	25,964,740	0	0	0	0	25,964,740
High Yield Income Fund	49,874,371	49,874,371	0	0	0	0
	2,156,094,433	129,464,709	500,653,776	390,265,276	495,056,341	640,654,331
Securities Lending Collateral	809,313,040	779,578,583	28,885,828	0	848,629	0
	2,965,407,473	909,043,293	529,539,604	390,265,276	495,904,970	640,654,331

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The System's currency risk resides within the international equity investments as well as within the fixed income investments and the fixed income managers. The System's policy is to allow the external investment managers

to decide what action to take regarding their respective portfolio's foreign currency exposure using currency forward contracts. The System has a formal investment policy for foreign currency risk which limits foreign currency exposure to 10% of the investment manager's respective portfolio.

Foreign Currency Risk (as of June 30, 2021)

Currency	Percentage	Equities	Cash	Forward Contracts	Fair Value
Australian Dollar	1.10 %	\$20,747,289	\$0	\$0	\$20,747,289
Brazilian Real	0.89	16,704,024	0	0	16,704,024
British Pound Sterling	14.53	273,116,309	9	1,435	273,117,753
Canadian Dollar	6.78	127,437,067	87,566	0	127,524,633
Chinese Yuan Renminbi	6.38	119,867,360		0	119,867,360
Danish Krone	0.97	18,293,573		1,877	18,295,450
Euro Currency	34.73	652,256,468	775,268	5,602	653,037,338
Hong Kong Dollar	2.44	45,956,919	0	(77)	45,956,842
Indian Ruphia	0.00	0	0	0	0
Israeli Shekel	1.75	32,823,802	0	0	32,823,802
Japanese Yen	10.66	200,234,857	0	150,592	200,385,449
Liberian Dollar	0.28	5,294,100	0	0	5,294,100
Malaysian Ringgit	0.00	0	0	0	0
Mauritian Rupee	0.27	5,002,462	0	0	5,002,462
Mexican New Peso	0.37	7,031,699	0	0	7,031,699
Norwegian Krone	0.00	8,896	0	0	8,896
New Zealand Dollar	0.58	10,959,605	0	0	10,959,605
Papua New Guinea Kina	0.00	0	0	0	0
Philippines Peso	0.00	0	0	0	0
Russian Ruble	0.00	0	0	0	0
Singapore Dollar	0.59	11,150,103	0	0	11,150,103
South African Rand	0.61	11,472,860	0	0	11,472,860
South Korean Won	3.70	69,502,477	0	0	69,502,477
Swedish Krone	2.73	51,329,160	(4)	0	51,329,156
Swiss Franc	8.80	165,436,526	(31)	0	165,436,494
Taiwan Dollar	1.64	30,840,213	0	0	30,840,213
Thailand Baht	0.19	3,636,826	0	0	3,636,826
	100.00%	\$1,879,102,594	\$862,808	\$159,428	\$1,880,124,830

Asset-Backed Securities

Asset-backed securities (ABSs) are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other credit providers. The System's ability to recover the amount of principal invested in these securities depends on the performance and quality of the trust assets.

Mortgage-Backed Securities

A mortgage-backed security (MBS) is a type of asset-backed security that is secured by a mortgage or collection of mortgages. MBSs depend on the underlying pool of mortgage loans to provide cash flow to make principal and interest payments on the security to its holders. The payments are usually periodic, similar to coupon payments. MBSs are subject to credit risk, prepayment risk, and extension risk.

A collateralized mortgage obligation (CMO) is an MBS that comprises classes of bonds created by prioritizing the cash flows of the underlying mortgage pool. CMOs may be collateralized by whole-loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities.

The System invests in MBSs and CMOs for diversification and to enhance fixed income returns. These instruments are reported at fair value in the Statement of Fiduciary Net Position.

Corporate Bonds

Corporate bonds are a debt security issued by a corporation. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations.

Convertible Corporate Bonds

Convertible bonds convey an option to the bondholders to be exchanged for another asset, generally a fixed number of shares of common stock at a pre-stated price.

Pooled Funds

Pooled funds are funds from many individual investors that are aggregated for the purposes of investment and benefit from economies of scale. The System could be indirectly exposed to credit and market risks associated with forward currency contracts to the extent that these pooled

funds hold forward currency contracts for purposes of managing exposure to fluctuations in foreign exchange rates. APERS and ASPRS have \$136,860,369 invested in international pooled funds.

Securities Lending

Arkansas Code Annotated § 24-2-602 and the Board's investment policy permit the System to participate in a securities lending program to augment investment income. The System lends its securities to brokers-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future.

U.S. securities are loaned versus collateral valued at 101.24% of the market value of the securities plus any accrued interest for domestic loans. Non-U.S. securities are loaned versus collateral valued at 101.40% of the market value of the securities plus any accrued interest. Collateral is marked-to-market daily if price movements exceed certain minimal thresholds.

As of June 30, 2021, the cash collateral investments had an average weighted maturity of 28 days, whereas the weighted average loan maturity was 2 days. Investments with cash collateral were approximately \$809.3 million (market value).

Derivative Instruments

The System adheres to *GASB Statement No. 53: Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments.

Derivative instruments are financial contracts or agreements whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. Derivative instruments include futures contracts, forward contracts, swap contracts, options contracts, and forward foreign currency exchange. APERS, through its external investment managers, could hold such instruments.

APERS does comply with *GASB No. 53* and will disclose its exposure to derivative instruments if there is exposure. APERS had no exposure to any *GASB No. 53* derivative instruments at June 30, 2021.

Foreign Currency Forward Contracts

A foreign currency forward is a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forward commitments are not standardized and carry credit risk due to the possible nonperformance by one of the

counterparties. The maximum potential loss is the aggregate face value in U.S. dollars at the time the contract was opened. These transactions are entered in order to hedge risks from foreign currency rate fluctuation and to facilitate trade settlement of foreign security transactions. Forwards carry foreign currency risk resulting from adverse fluctuations in foreign exchange rates.

Foreign Currency Forwards *(in dollars as of June 30, 2021)*

	Pay	Receive	Notional Value	Market Value	Unrealized G/L
Danish Krone	DKK	USD	(850,165)	(848,288)	1,877
Euro Currency	EUR	USD	(1,790,261)	(1,763,073)	27,188
British Pound	GBP	USD	(911,340)	(909,913)	1,427
Japanese Yen	JPY	USD	(6,701,548)	(6,548,796)	152,752
U.S. Dollar	USD	JPY	724,431	722,270	(2,160)
U.S. Dollar	USD	GBP	375,317	375,325	8
U.S. Dollar	USD	HKD	479,065	478,988	(77)
U.S. Dollar	USD	EUR	767,995	746,409	(21,586)
			(7,906,506)	(7,747,079)	159,428

Financial Futures

A financial future is an agreement to purchase or sell a specific amount of an asset at a specified delivery or maturity date for an agreed upon price. These derivative securities are used to improve

yield, adjust duration of the portfolio, circumvent changes in interest rates, or to replicate an index. Futures contracts are standardized and traded on organized exchanges, thereby reducing credit risk.

Financial Futures *(in dollars as of June 30, 2021)*

Futures Contract	Expiration	Notional Value	Fair Value	Unrealized Gain/(Loss)
U.S. 2-year Treasury Note	Sept 2021	56,716,938	56,622,320	(94,617)
U.S. 5-year Treasury Note	Sept 2021	7,566,266	7,529,211	(37,055)
U.S. 10-year Treasury Note	Sept 2021	23,620,371	23,717,500	97,129
U.S. 10-year Ultra Treasury Note	Sept 2021	(43,840,335)	(44,455,344)	(615,009)
U.S. Long Bond Treasury	Sept 2021	13,180,125	13,503,000	322,875
U.S. Ultra Bond Treasury	Sept 2021	22,364,000	23,122,500	758,500
		79,607,364	80,039,187	431,823

Fair Value Measurements

The Arkansas Public Employees Retirement System categorizes its fair value measurements within the fair value hierarchy by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lower priority to unobservable inputs (Level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table(s) on the following pages shows the fair value leveling of the investments for the System.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Real estate, timberland, and partnership assets classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument(s) and should not be perceived as the particular investment's risk.

Investments and Derivative Instruments Measured at Fair Value

(in dollars as of June 30, 2021)

	Fair Value	Level 1	Level 2	Level 3
Investments At Fair Value				
U.S Domestic Equities	3,396,766,086	3,396,766,086	0	0
Convertible Securities	422,976,619	52,781,161	370,195,458	0
Preferred Securities	4,861,253	0	4,861,253	0
International Equities	2,143,029,133	2,143,029,133	0	0
Convertible Securities	60,500,332	8,677,992	51,822,340	0
Preferred Securities	39,982,904	39,982,904	0	0
Fixed Income	938,190	0	938,190	0
Loans/JV interest	131,913,195	0	131,913,195	0
Domestic Fixed Income				
Global Bond Fund	25,007,076	25,007,076	0	0
U.S. Government Securities	273,408,224	169,556,269	103,851,955	0
Futures	415,896	415,896	0	0
Fixed Income Fund	16,285,254	16,285,254	0	0
Corporate Bonds	519,785,109	0	519,785,109	0
Loans/JV interest	8,422,949	0	0	8,422,949
Total Investments	7,044,292,222	5,852,501,772	1,183,367,501	8,422,949
Securities Lending Collateral Investments, At Fair Value				
Repo	240,633,657	0	240,633,657	0
Commercial Paper	200,985,178	0	200,985,178	0
Floating Rate Notes	308,133,667	0	308,133,667	0
Certificate of Deposit	5,008,402	0	5,008,402	0
Asset Backed Floating Securities	24,702,041	0	24,702,041	0
Total Securities Lending Collateral	779,462,945	0	779,462,945	0
Total Investments Measured at Fair Value	7,823,755,167	5,852,501,772	1,962,830,446	8,422,949
Investments Measured at the Net Asset Value (NAV)				
High Yield Core Fund	2,889,849			
Defensive Bond Fund	45,173,993			
Domestic Equity Index Funds	651,347,767			
Core Plus Bond Fund	576,080,167			
Timberland	76,419,008			
Global Equity Pooled Funds				
MCM REIT Index	184,641,467			
MCM ACWI ex-US Index	641,162,983			
Acadian	197,869,078			
Real Estate				
Invesco Core	485,734,998			
Heitman Core	304,430,016			
Heitman Value Add	48,907,409			
TA Fund X	2,758,911			
TA Fund XI	48,076,237			
TA Fund XII	52,447,855			
LaSalle Fund Fund VI	7,593,181			
LaSalle Fund Fund VII	34,729,182			
Diversified Strategies				
AQR Global Risk Premium	161,796,182			
Newton Global Real Return	140,140,467			
Blackstone	198,391,772			
Total Investments Measured at the NAV	3,860,590,521			

Investments classified as level 3 in the preceding table are unobservable, meaning that the assets lack an independent pricing source. Values are provided by the investment manager or an external pricing source such as an independent appraiser.

Investments Measured at the Net Asset Value (NAV)

The fair value of investments that are organized as commingled funds or limited partnerships have no readily ascertainable fair value. The value is determined by using the net asset value per share or its equivalent. Commingled fund values are based on each investor's proportionate share of the total underlying assets in the fund less any liabilities for client withdrawals, investment purchases or other accrued expenses. Limited partnership values are based on the capital account balance the general partner reports at the end of each reporting period, adjusted by subsequent

contributions, distributions, management fees, and changes in values of foreign currency and published market prices for certain securities. Even though the limited partnerships and commingled funds issue annual financial statements audited by independent auditors, the year-end for the state and these entities do not always agree. There are inherent uncertainties in estimating fair values for these types of investments, and it is possible that the estimates will change in the near-term or the subsequent sale of assets will be different from the reported net asset value. With certain exceptions, mainly the equity and the fixed income funds, these investments cannot be redeemed, or, have certain restrictions regarding redemption. The real estate investments distributions are through the liquidation of the underlying assets or net operating cash flows. Each investment has a different redemption frequency and notice period as noted in the following table:

Investments Measured at the Net Asset Value *(in dollars as of June 30, 2021)*

	Fair Value	Strategy Type	Fund Life of Non-redeem- able mandates	Unfunded Commitments	Redemption Frequency (if currently eligible) monthly	Redemption Notice Period	Other Redemption Restrictions	Restriction Time Remaining
High Yield Core Fund	2,889,849	Active High Yield Fixed Income	N/A	none	monthly	T + 3	N/A	N/A
Defensive Bond Fund	45,173,993	Income Oriented	N/A	none	daily	T + 1	N/A	N/A
Domestic Equity Index Funds	651,347,767	S & P 500 Index	N/A	none	daily	T + 3	N/A	N/A
Core Plus Bond Fund	576,080,167	Active Global Fixed Income	N/A	none	daily	T + 3	N/A	N/A
Timberland	76,419,008	Timber	N/A	none	none	N/A	N/A	partnership terminates in December 2027
International Equity Pooled Funds								
MCM REIT Index	184,641,467	Global Real Estate Secu- rities	N/A	none	daily	T + 1	N/A	N/A
MCM ACWI ex-US Index	641,162,983	International Equities	N/A	none	daily	T + 1	N/A	N/A
Acadian	197,869,078	International Equities	N/A	none	daily	T + 1	N/A	N/A
Real Estate								
Invesco	485,734,998	Core Real Estate	N/A	none	quarterly	T + 45	N/A	N/A
Heitman	304,430,016	Core Real Estate	N/A	none	quarterly	T + 90	N/A	N/A
Heitman Value Partners IV	48,907,409	Value Add Real Estate	N/A	22,828,515	7-year lock up	N/A	N/A	the lock up period starts on the day of the last capital call currently in capital redistribution phase the lock up period starts on the day of the last capital call the lock up period starts on the day of the last capital call currently in capital redistribution phase the lock up period starts on the day of the last capital call the lock up period starts on the day of the last capital call
TA Fund X	2,758,911	Value Add Real Estate	N/A	none	7-year lock up	N/A	N/A	
TA Fund XI	48,076,237	Value Add Real Estate	N/A	none	7-year lock up	N/A	N/A	
TA Fund XII	52,447,855	Value Add Real Estate	N/A	21,670,127	7-year lock up	N/A	N/A	
LaSalle Fund Fund VI	7,593,181	Value Add Real Estate	N/A	1,375,881	7-year lock up	N/A	N/A	
LaSalle Fund Fund VII	34,729,182	Value Add Real Estate	N/A	1,869,095	7-year lock up	N/A	N/A	
Harrison Street Fund VIII	0	Value Add Real Estate	N/A	48,155,838	7-year lock up	N/A	N/A	the lock up period starts on the day of the last capital call the lock up period starts on the day of the last capital call
Starwood Distressed Opportu- nity Fund XII	0	Value Add Real Estate	N/A	72,233,756	7-year lock up	N/A	N/A	
Diversified Strategies:								
AQR Global Risk Premium	161,796,182	Risk Premia	N/A	none	weekly and monthly	T + 2	N/A	N/A
Newton Global Real Return	140,140,467	Global Real Return	N/A	none	daily	T + 3	N/A	N/A
Blackstone	198,391,772	Fund of Funds	N/A	none	last day of each quarter	1yr; 2yrs; 3yrs; >3yrs	55% liquidity; then 20%; then 15%; then 10%	N/A
Total	3,860,590,521			46,367,737				

High Yield Core Fund

The High Yield Active Core philosophy is centered on the belief that the best risk-adjusted returns and, ultimately, the best absolute returns are generated by a strategy of yield capture and error avoidance.

Defensive Bond Fund

The investment objective is to exploit different sources of return available in high yield corporate securities in a way that generates risk-adjusted returns superior to those available from conventional high yield securities. The investment strategy is based on the assumption and observation that numerous market inefficiencies exist throughout the capital markets (particularly in the high yield bond markets) and that the prudent, active and systematic exploitation of these inefficiencies can generate returns consistent with these objectives.

Domestic Equity Index Funds

This is an S&P 500 Index fund.

Core Plus Bond Fund

The Core Plus Fixed Income Strategy seeks excess return from multiple sources, including sector allocation and subsector and security selection. Duration, yield curve, and currency positioning is moderate. The largest component of the Core Plus Fixed Income risk budget is allocated to portfolio strategies that have consistently generated the highest return for the lowest unit of risk over time, such as sector allocation and subsector security selection. The Core Plus Fixed Income portfolios may emphasize spread product in the sector allocation process and therefore may hold larger-than-benchmark allocations to corporate bonds, structured product, high yield bonds, and emerging markets debt. As a result, the strategy would likely outperform in a 'risk on' environment where corporate bonds, for example, are outperforming. The reverse would also likely be true. The Core Plus Fixed Income portfolios take an actively-managed, relative-value driven approach. The Strategy is expected to perform best in markets with excess spread dislocations that it can capitalize on through relative value trading.

Timberland

An objective of a timber investment is to provide the fund with diversification from traditional asset classes. The goal of the timber investment is to get

a stable core-type return with very low or little volatility.

International Equity Pooled Funds

- The MCM EB DV Non-SL REIT Index Fund – This REIT Index Fund seeks to match the performance and the characteristics of the Dow Jones U.S. Select REIT Index which tracks the performance of publicly traded REITs and REIT-like securities and designed to serve as a proxy for direct real estate investments.
- MCM ACWI ex-US Index – The MSCI ACWI ex USA Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the U.S.) and 24 Emerging Markets (EM) countries. With 2,166 constituents, the index covers approximately 85% of the global equity opportunity set outside the U.S.
- Acadian All Country World ex-US Small Cap – The Acadian All Country World ex-US Small Cap strategy employs a combination of top-down and bottom-up multi-factor models to construct the strategy. The top-down consists of value, growth, momentum, volatility, and macro factors. The bottom up drives 80% of the process.

Real Estate

This asset class provides diversification to the total portfolio and strives to reduce total fund volatility while also enhancing the total return of the portfolio. Real estate has a low, and in some cases, negative, correlation with other major investment asset classes. The following are the strategies that comprise the Real Estate asset class and are explained in greater detail:

- Invesco Core Real Estate (ICRE) – The ICRE strategy is a portfolio of U.S. properties diversified by property type and geographic location, with an emphasis on attractive current income returns and the opportunity for both income and capital growth. It is based on top-down economic fundamentals combined with bottom-up local market intelligence.
- Heitman America Real Estate Trust (HART) – The HART strategy creates a high-quality, low-risk portfolio of stabilized, income-producing

assets diversified by property type and economic exposure through acquiring assets in infill locations within major metropolitan areas, focusing on strong site attributes such as proximity to amenities and transportation networks, and ensuring that assets are well constructed with features that will appeal to tenants over long periods of time.

- Heitman Value Partners IV (“HPV IV”) is the fourth offering in Heitman’s North American value-add series. It is a closed-end, commingled fund that will pursue a diverse set of real estate opportunities with value-added business plans. The objective is to provide investors with attractive risk-adjusted returns. The strategy seeks to benefit from Heitman’s extensive research, real estate, and capital markets expertise to identify emerging investment opportunities and trends before they are fully appreciated by the broader market. The Fund will execute investment strategies that capitalize on those opportunities.
- TA Realty Funds X, XI, and XII — TA Realty has managed value-add, commingled real estate funds for approximately 30 years. They have investments in 35 markets, and 4 property types (office, industrial, multifamily, and retail). The firm has developed and refined a consistent approach focused on creating diversified real estate portfolios that can generate strong cash flow, benefit from an intensive asset management approach and result in the long-term creating of value of the life of the fund(s).
- LaSalle Funds VI and VII — The Funds pursue non-core properties that exhibit strong fundamentals and are expected to generate both income and appreciation. The sectors that are focused on are office, multifamily, retail, industrial, and specialty.
- Harrison Street Fund VIII — The Fund acquires, develops, and/or redevelops assets in the education, healthcare, life science, and storage sectors. The majority of the return is anticipated to be generated through appreciation.
- Starwood Distressed Opportunity Fund XII

— The strategy pursues distressed investment opportunities which are expected to arise from economic disruptions. Investments will be made across multiple sectors, including multifamily, affordable housing, hotels, office, and industrial. The Fund will invest primarily in the United States and Europe. The fund will pursue both debt and equity investments, including the acquisition of distressed or non-performing loans.

Diversified Strategies

This asset class provides diversification to the total portfolio and strives to reduce total fund volatility while also enhancing the total return of the portfolio. The following are the strategies that comprise the Diversified Strategies asset class and are explained in greater detail:

- Global Risk Premium Tactical Fund (GRPT)
 - The AQR Global Risk Premium Tactical Fund seeks to efficiently deliver exposure to a broadly diversified set of global risk premia. In many institutional portfolios, equity risk is the predominant risk, a concentration driven by the need for high expected return that cannot be satisfied in a traditionally constrained, well-diversified portfolio. Rather than diversifying by capital, this strategy seeks to diversify based on risk across global equities, global nominal bonds, inflation sensitive assets, and credit/default related assets. Starting from this strategic risk-parity base, GRPT then employs modest tactical tilts across sub-sectors and across individual exposures, attempting to exploit temporary opportunities which may arise within markets. Following basic financial theory, AQR designed its Risk Parity strategies based on what they believe to be the most optimal liquid portfolio of global market betas, and AQR offers that same portfolio at various levels of leverage to target a desired amount of risk as approximated by ex-ante volatility. AQR’s approach employs modest leverage to scale up a lower-risk, broadly-diversified portfolio.
- Newton Global Real Return (US\$) — Newton’s global real return US\$ strategy is an actively managed, unconstrained, multi-asset strategy, which aims to achieve a return of one-month USD LIBOR +4 % p.a. over rolling five-year periods. The strategy seeks to add value

through security selection and asset type flexibility and it also has an emphasis on capital preservation. The strategy is long only, does not use leverage or short securities and is daily valued.

- Blackstone (Fund of Funds) — The System hired Blackstone to manage a fund-of-funds strategy. As the name suggests Blackstone invests APERS funds in other hedge funds. The number of funds that APERS invests in varies on market conditions. The types of strategies that are contained within the APERS portfolio also vary. For full disclosure purposes on June 30 there were fundamental equity strategies, event driven strategies, fundamental credit strategies, credit trading strategies, distressed credit strategies, RMBS strategies, structured ABS strategies, multi-strat strategies, commodity strategies, macro rates strategies, thematic macro strategies, quantitative strategies, CTA strategies, and special situation strategies in the portfolio.
- The Members' Deposit Account (MDA) represents members' contributions held in trust until member retirement, at which time contributions are transferred to the Retirement Reserve Account, described below.
- The MDA Interest Reserve Account represents the accumulated interest paid on the MDA held in trust until member retirement, at which time interest on member contributions is transferred to the Retirement Reserve Account, described below.
- The Employers' Accumulation Account accumulates employers' contributions to be used in providing the reserves required for transfer to the Retirement Reserve Account as members retire or become eligible for disability benefits.
- The Retirement Reserve Account is the account to which member contributions, interest on those contributions, and employer contributions are transferred upon member retirement.
- The Deferred Annuity Account is the amount set up to cover estimated retirement benefits to inactive vested members who are not currently receiving benefit payments.

Note 4: Other Post-Employment Benefits

GASB Statement No. 75: Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions requires that OPEB expense of proprietary and fiduciary funds be recognized on the accrual basis in the fund financial statements. APERS is considered a fiduciary fund in the state-wide annual comprehensive financial report.

The 2021 charge of \$338,871 is a prorated amount from the Arkansas Department of Finance and Administration based on a state-wide actuarial study. The amount charged to APERS is based on budgeted employees of the agency. *The State of Arkansas 2021 Annual Comprehensive Financial Report* will contain the complete OPEB footnote required by *GASB Statement No. 75*.

Note 5: Legally Required Reserves

By law, APERS must maintain reserve accounts showing the equity in the System's net position restricted for benefits. Significant reserve accounts and a brief description of those accounts are as follows:

As a by-product of achieving level contribution financing, actuarial accrued liabilities usually become increasingly well funded over a period of years. Funded ratios in the 70% to 90% range are common in public sector retirement plans.

The reserve strength of APERS remains strong both by absolute and relative measures. Sufficient assets were available to pay estimated retirement benefits applicable to retired individuals or beneficiaries currently receiving benefits and inactive vested individuals who are not currently receiving benefits.

Reserve Balances (as of June 30, 2021)

Members' Deposit Account	\$510,376,141
Members' Deposit Account Interest Reserve	96,338,168
Employer Accumulation Account	3,788,361,384
Retirement Reserve	6,126,853,769
Deferred Annuity	558,984,407
DROP Reserve	84,268,647
Dec 31, 2004 Accrued Liability Reserve	20,188,963
Other	82,226
Total	\$11,185,453,706

Note 6: Summary of Capital Assets

(as of June 30, 2020 and 2021)

Capital Assets

Balance as of June 30, 2020	\$21,432,388
Additions	0
Deletions	(17,713)
Balance as of June 30, 2021	\$21,414,675

Accumulated Depreciation

Balance as of June 30, 2020	7,026,431
Depreciation Expense	2,177,851
Deletions	(17,713)
Balance as of June 30, 2021	9,186,569

Net Capital Assets as of June 30, 2021	\$12,228,106
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Note 7: Deferred Retirement Option Plan

A Deferred Retirement Option Plan (DROP) is available to members of the System as authorized by A.C.A. §§ 24-4-801 - 24-4-806. In lieu of terminating employment and accepting a retirement benefit under the System, any member who has at least 28 years of actual service in the System can elect to participate in the DROP. The DROP allows a member to defer the receipt of retirement benefits for a maximum of 10 years. During that time, a percentage of a member's chosen benefit is deposited into an account that accrues interest at a rate of 2% annually. The system had a balance of \$84,268,647 in the DROP reserve as of June 30, 2021.

Note 8: Net Pension Liability

The components of the net pension liability (NPL) of the System at June 30, 2021 were as follows:

Total pension liability	\$11,954,285,999
Plan fiduciary net position	\$11,185,453,706
Net pension liability	\$768,832,293
Plan fiduciary net position as a percentage of total pension liability	93.57%

Long-term Expected Return on Plan Assets

The System's policy in regard to the allocation of its invested assets was established by the Board and is reviewed at least annually to determine if the asset allocation is consistent with an acceptable level of risk and volatility.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for the 10-year period from 2021 to 2030 were based upon capital market assumptions provided by the System's investment consultants. For each major asset class that is included in the pension plan's current asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad Domestic Equity	37%	6.22%
International Equity	24%	6.69%
Real Estate	16%	4.81%
Absolute Return	5%	3.05%
Domestic Fixed	18%	0.57%
Total	100%	
Total Real Rate of Return		4.93%
Plus: Price Inflation - Actuary's Assumption		2.50%
Less: Investment Expenses (Passive)		0.00%
Net Expected Return		7.43%

Discount Rate

A single discount rate of 7.15% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.15%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-

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

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.15%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Discount Rate	1% Increase
6.15%	7.15%	8.15%
\$2,299,880,361	\$768,832,293	\$(495,592,858)

Required Supplementary Information

Schedule of Employer Contributions

(dollars in millions)

Year Ended June 30	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contributions as a % of Covered Payroll
2012	\$231.4	\$231.4	0	\$1,689	13.70%
2013	251.4	251.4	0	1,696	14.82
2014	264.1	264.1	0	1,748	15.11
2015	263.3	263.3	0	1,757	14.98
2016	264.2	264.2	0	1,795	14.72
2017	261.3	261.3	0	1,788	14.61
2018	276.3	276.3	0	1,849	14.94
2019	293.0	293.0	0	1,936	15.13
2020	298.9	298.9	0	1,929	15.49
2021	\$305.9	\$305.9	0	\$1,908	16.04%

*Actual contributions are based on covered payroll at the time of the contribution. This payroll is not reported to the actuary. The covered payroll shown on this page is the valuation payroll. Based upon the limitations of this schedule, the final column cannot be compared to the contribution rates actually charged to APERS participating employers.

Actuarial Methods and Assumptions

Actuarial Cost Method	Entry age normal
Assumed Investment Return	7.15%
Projected salary increases	3.25% to 9.85% including inflation (3.25% to 6.96% including inflation for District Judges)
Mortality tables	Based on the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017
Inflation rate	3.25% Wage inflation and 2.5% price inflation
Payroll Increase	3.25%

Schedule of the Net Pension Liability

FY Ending June 30,	Total Pension Pension Liability	Fiduciary Net Position	Net Pension Liability	Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$8,950,456,656	\$7,531,544,420	\$1,418,912,236	84.15%	\$1,748,350,136	81.16%
2015	9,391,975,712	7,550,242,341	1,841,733,371	80.39	1,757,056,813	104.82
2016	9,762,106,222	7,370,758,150	2,391,348,072	75.50	1,795,174,463	133.21
2017	10,612,937,270	8,028,796,790	2,584,140,480	75.65	1,788,074,570	144.52
2018	10,808,687,173	8,602,752,132	2,205,935,041	79.59	1,849,202,619	119.29
2019	11,245,856,457	8,833,327,660	2,412,528,797	78.55	1,936,042,263	124.61
2020	11,632,595,177	8,769,010,690	2,863,584,487	75.38	1,929,343,374	148.42
2021	\$11,954,285,999	\$11,185,453,706	\$768,832,293	93.57%	\$1,907,642,349	40.30%

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expense

2014	18.97%
2015	2.28%
2016	(0.06)%
2017	11.89%
2018	9.90%
2019	5.31%
2020	2.00%
2021	30.83%

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Schedule of Changes in the Net Pension Liability and Related Ratios

Fiscal Year Ending June 30,

TOTAL PENSION LIABILITY

	2021	2020
Service Cost	\$200,169,558	\$198,416,559
Interest	816,578,389	789,604,504
Benefit Changes	(5,405,298)	0
Differences Between Expected and Actual Experience	(65,645,442)	2,007,866
Assumption Changes	0	0
Benefit Payments, Including Refunds of Employee Contributions	(624,006,385)	(603,290,209)
NET CHANGE IN TOTAL PENSION LIABILITY	321,690,822	386,738,720
TOTAL PENSION LIABILITY, BEGINNING OF YEAR	11,632,595,177	11,245,856,457
TOTAL PENSION LIABILITY, END OF YEAR (a)	11,954,285,999	11,632,595,177

PLAN FIDUCIARY NET POSITION

Contributions - Employer	305,922,769	298,919,954
Contributions - Member	74,358,836	70,923,737
Net Investment Income	2,665,823,683	174,561,773
Benefit Payments, Including Refunds of Employee Contributions	(624,006,385)	(603,290,209)
Administrative Expense	(11,644,328)	(11,681,604)
Other Additions	5,988,441	6,249,379
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,416,443,016	(64,316,970)
PLAN FIDUCIARY NET POSITION, BEGINNING OF YEAR	8,769,010,690	8,833,327,660
PLAN FIDUCIARY NET POSITION, END OF YEAR (b)	11,185,453,706	8,769,010,690
NET PENSION LIABILITY, END OF YEAR (a) - (b)	\$768,832,293	\$2,863,584,487

PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY

COVERED - EMPLOYEE PAYROLL

NET PENSION LIABILITY AS A PERCENTAGE OF COVERED - EMPLOYEE PAYROLL

93.57% 75.38%

\$1,907,642,349 \$1,929,343,374

40.30% 148.42%

2019	2018	2017	2016	2015	2014
\$189,567,873	\$181,557,602	\$174,663,657	\$169,112,934	\$168,811,990	\$160,924,334
759,163,751	745,846,405	719,134,258	692,210,941	682,217,546	658,535,986
(62,984)	0	0	0	0	0
60,093,169	(6,960,593)	62,849,281	2,912,566	(137,672,890)	(23,038,076)
0	(180,097,868)	416,146,405	0	192,273,597	214,798,742
(571,592,525)	(544,595,643)	(521,962,553)	(494,105,931)	(464,111,187)	(424,003,992)
437,169,284	195,749,903	850,831,048	370,130,510	441,519,056	587,216,994
10,808,687,173	10,612,937,270	9,762,106,222	9,391,975,712	8,950,456,656	8,363,239,662
11,245,856,457	10,808,687,173	10,612,937,270	9,762,106,222	9,391,975,712	8,950,456,656
292,951,695	276,282,425	261,334,560	264,216,252	263,332,831	264,050,160
67,221,706	63,430,545	57,711,427	55,000,117	50,750,458	47,215,843
450,493,099	782,326,766	862,824,701	(4,260,175)	168,929,698	1,207,897,156
(571,592,525)	(544,595,643)	(521,962,553)	(494,105,931)	(464,111,187)	(424,003,992)
(14,739,700)	(11,497,216)	(9,495,869)	(6,929,103)	(6,949,282)	(6,854,975)
6,241,253	8,008,465	7,626,374	6,594,649	6,745,403	8,302,355
230,575,528	573,955,342	658,038,640	(179,484,191)	18,697,921	1,096,606,547
8,602,752,132	8,028,796,790	7,370,758,150	7,550,242,341	7,531,544,420	6,434,937,873
8,833,327,660	8,602,752,132	8,028,796,790	7,370,758,150	7,550,242,341	7,531,544,420
\$2,412,528,797	\$2,205,935,041	\$2,584,140,480	\$2,391,348,072	\$1,841,733,371	\$1,418,912,236
78.55%	79.59%	75.65%	75.50%	80.39%	84.15%
\$1,936,042,263	\$1,849,202,619	\$1,788,074,570	\$1,795,174,463	\$1,757,056,813	\$1,748,350,136
124.61%	119.29%	144.52%	133.21%	104.82%	81.16%

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Investments

The Investment Section describes the makeup and performance of the System's investment portfolio, including the allocation of assets, the returns on those investments, the consultants and investment managers employed by the System, and the costs and fees it incurred.

Investment Overview

- Capital Markets Commentary
- Investment Portfolio Assets

Investment Results

- Domestic Equity
- International Equity
- Fixed Income
- Diversified Strategies
- Real Assets

- Schedule of Comparative Investment Results by Year

- Schedule of Comparative Annualized Investment Results

- Schedule of Manager Distribution

- Schedule of Brokerage Commissions

- Schedule of Investment Fees



Investment Overview

Investment returns play an important role in the funded ratio of the APERS Trust Fund. The APERS Board of Trustees has adopted an Investment Policy Statement with the purpose being the exclusive benefit of the participants and beneficiaries of the System, and the objective being to maximize the total rate of return on investments within prudent risk parameters. The overall goal is to achieve an annualized rate of return which, when combined with employee and employer contributions, will meet or exceed the benefit and administrative requirements of the System.

The System's investments are managed by professional investment management firms based upon statutory investment authority, as well as the investment policies adopted by the Board of Trustees. The investment staff coordinates and monitors the investment of the Trust Fund's assets and is involved in the formulation and implementation of investment policies and long-term investment strategy.

The net investment portfolio fair values shown in this section, and used for the basis of calculating investment returns, may differ from those shown in other sections of this report. The values shown in this section are the appropriate industry standard basis for investment return calculation.

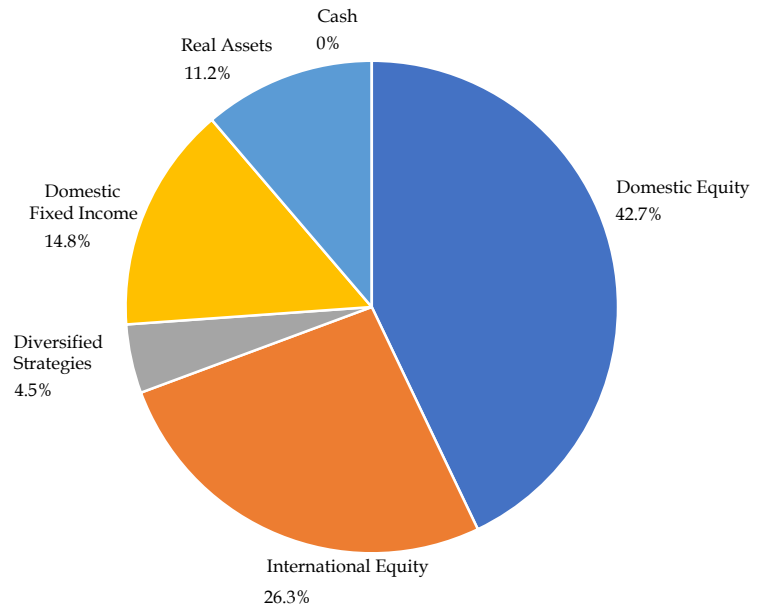
Asset Allocation and Diversification

Asset allocation is a process which is designed to construct an optimal long-term asset mix which achieves a specific set of investment objectives. The Investment Policy Statement establishes the System's asset allocation policy as designed to meet those objectives.

The System's asset allocation policy has been adopted to provide diversification. The goal is to maximize the investment return as well as to be consistent with prudent levels of market and economic risks. The most important decision is the determination of asset allocation targets.

The pie chart illustrates the actual asset allocation to each type of investment as of June 30, 2021.

Summary of Investments by Asset Class
as of June 30, 2021



Due to rounding, chart may not equal 100%

Risk is further diversified by utilizing active and passive management, as well as by retaining multiple investment management firms with varying investment styles.

The System also places restrictions on the investment managers. APERS has investment guidelines that manage the risk of high concentrations in a particular sector, industry, or security.

Capital Markets Commentary

Calendar year 2020 could be summarized by: Bull, Bear, Bull. 2020 had two different book-end bull markets, with a short-lived bear market in the middle.

As fiscal year 2020 ended the markets were beginning to see signs of recovery from the COVID-19 collapse. FY2020 was able to eek out a positive return of 2.41%.

September 30, 2020

The Q1 of FY2021 (Sept 30, 2021) saw the financial markets showing signs of recovery but still being extremely cautious as the Delta variant fueled a pandemic surge and both spending and employment data disappointed the markets.

U.S. Q3 GDP slipped down to 2%, after a 6.7% gain in Q2. Unemployment dropped to 4.8% in Sept 2021, and the economy added 194k jobs, which was down from a monthly average of 560k.

Despite all of this, Q3 2021 may still be remembered as one of the most impressive turnarounds ever recorded, following the worst economic contraction ever recorded.

Massive fiscal and monetary stimulus, combined with a sharp acceleration in the health care industries' ability to fight and somewhat control the pandemic, helped to create an environment for many parts of the global economy to heal.

The markets witnessed amazing response to the pandemic by numerous companies. Businesses changed the nature of their processes with urgency and speed. Companies and consumers changed. Technology helped corporations adapt to a virtual demand environment. Some corporations had to redefine how they do business almost instantaneously. Whether it was shifting call center operations to a "work from home" environment, or collaborating through video meetings, physicians operating in a telehealth environment, industrial supply chain companies rapidly adapting to shortages of parts, or retailers rapidly having to adopt and accelerate omnichannel sales models, the adaptations to the pandemic took place at an unprecedented velocity.

The most impressive though was witnessing the health care system analyze the COVID virus and present numerous vaccine candidates that could be mass produced by the end-of-year 2020.

December 31, 2020

2020, Good riddance - The year ended on a strong note and the markets saw reasons for optimism heading into 2021.

Q3 GDP rose 33.4%, a record quarterly increase. The unemployment rate, which peaked at 14.7%, fell to 6.7% in November 2020.

The S&P 500 index hit a record high in Q4 2020. The Index was up +12.1% for the quarter, and up +18.4% for 2020. Since the March 2020 market low, the Index was up over 70%, with all sectors posting increases greater than 40%.

International equity markets rallied alongside the U.S. markets. The MSCI EM index was up +19.7%. The MSCI ACWI ex US was up +17%.

The reasons for optimism heading into 2021: a roll-out vaccine, additional fiscal stimulus on top of the previous stimulus package, and pent-up demand from consumers.

March 30, 2021

Equity markets around the world continued to surge in Q1 2021. Year-over-year returns from the bottom of the pandemic market crash were astounding. S&P 500 +56%, MSCI ex US +46%, Emerging Markets +58%, and US Small Caps were up an amazing +95%.

The initial recovery was concentrated in a few stocks, FAANG (Facebook, Amazon, Alphabet, Netflix, and Google) and the U.S. mega cap names. The market saw a rotation to small cap and value with the flip from a "COVID trade" to a "GDP growth trade" with the announcement of vaccines. Economic recovery was looking strong in 2021, going into 2022 as the Fed projected GDP growth of 6.5% in 2021.

COVID-19 infections surged going into the new year, and re-openings were reversed in many states as vaccine distribution challenges kept widespread inoculation from being achieved until mid-year in the U.S., and probably even later in other countries around the globe.

June 30, 2021

The APERS investment portfolio carried a strong tailwind into the fiscal year end. The U.S. equity markets continued to perform strongly. The S&P 500 ended the Q2 strong, returning 8.55% which made its year-over-year return +40.79%.

The markets continued to get impressive data. The U.S. labor markets added 850k nonfarm payrolls in Q2 and ended the quarter with the unemployment rate at 5.9%.

Global manufacturing activity rose to 55.5% to end the second quarter. However, output, new orders, and employment also rose which stressed the global supply chains and disrupted production. Nevertheless, the returns were impressive for both the end of the fiscal year and the fiscal year as a whole.

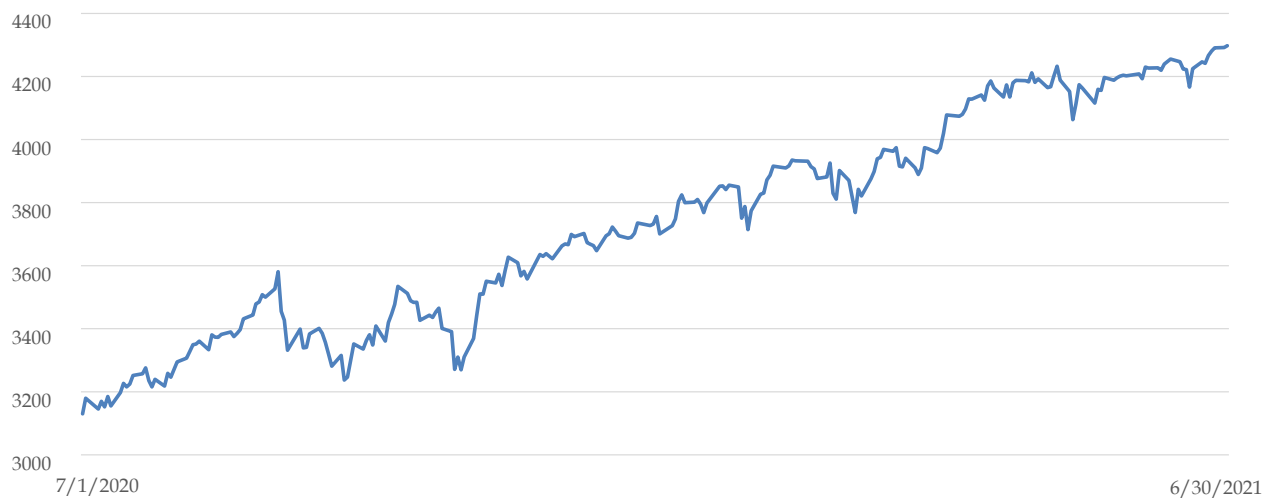
Investment Portfolio Assets

At the close of FY2021, the APERS investment portfolio had a fair value of \$11.603 billion which is an increase of \$2.577 billion from the \$9.025 billion investment fair value as of June 30, 2020.

Dow Jones Industrial Average



S&P 500 INDEX



Investment Results

APERS realized a total portfolio investment return of 31.49% for the fiscal year ended June 30, 2021. The return outperformed the 25.82% return of the APERS' policy benchmark, a set of market indexes and weightings to those indexes that reflect APERS' asset class targets. Outperformance was aided by active investment management, especially in the international equity allocation.

APERS' 31.49% return easily exceeded the actuarial assumed rate of return of 7.15%.

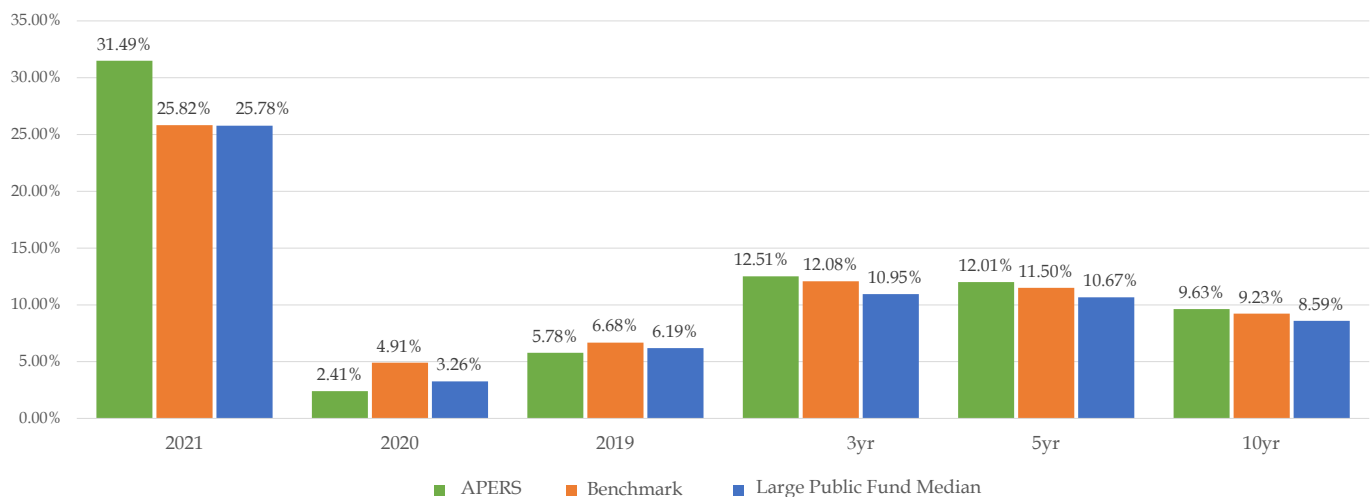
The following graphs and tables provide a historical perspective of APERS' investment returns and performance over the past few years. APERS' investment returns are shown for the total

portfolio as well as for each asset class over various time periods. The benchmark or target for each asset class is also shown.

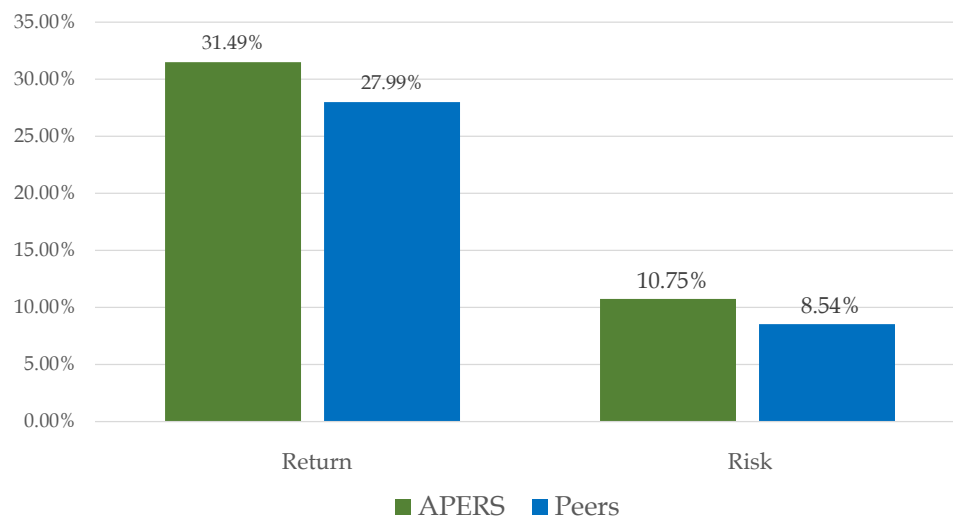
At the November 2020 Board meeting, the Board hired two additional active managers for international small cap.

At the February 2021 Board meeting, the Board chose to change the structure composition of Real Assets. The Board changed the allocation of Real Assets to be 70% Core Real Estate, 20% Non-Core Real Estate, Public REITs would have a target of 0% to 5%, and both Timber and Farmland would have a 5% target.

Investment Performance Summary



Risk vs. Total Return

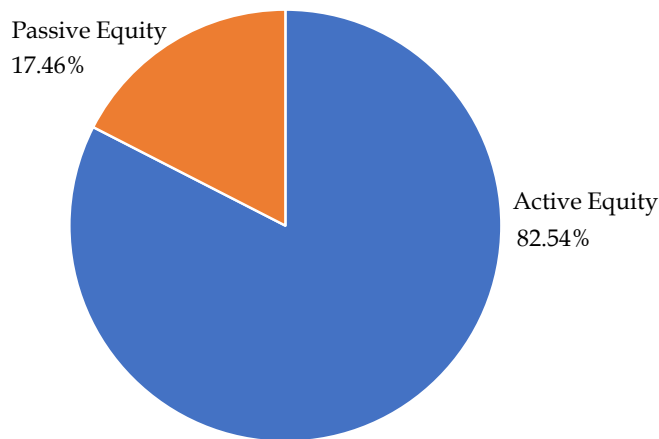


Domestic Equity

As of June 30, 2021, 42.66% of the APERS portfolio was invested in domestic equities (U.S. stocks). The fair value of the domestic equity portfolio was \$4.949 billion.

The portfolio takes an active management approach to the U.S. stock markets with 82.5% invested with active investment managers.

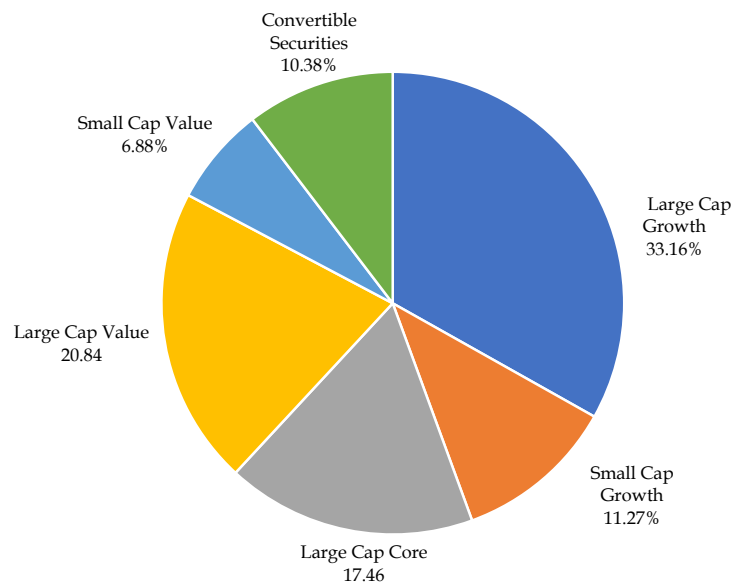
Active vs. Passive Portfolio Assets



The passive component is primarily an S&P 500 Index fund. It constitutes an efficient, low-cost means of obtaining market exposure and provides liquidity should it be needed for benefit payments.

APERS utilizes active management in small, mid, and large capitalization stock strategies. The portfolio is also invested in strategies that focus on different investment styles: a value portfolio which focuses on companies undervalued relative to their prospective dividend and earnings growth; a growth portfolio which focuses on companies whose earnings are expected to grow at rates which exceed the general economy; and a core portfolio which seeks to add value across all sectors through stock selection.

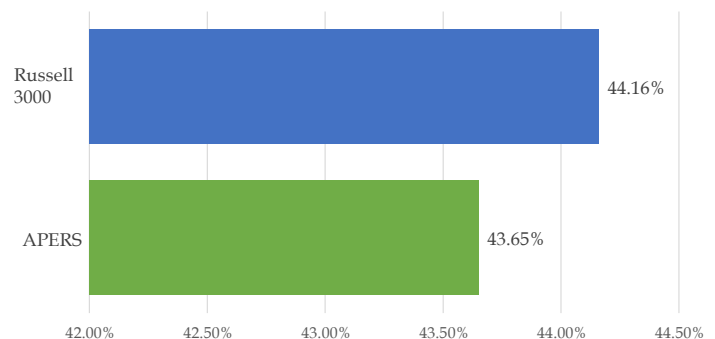
APERS Portfolio Strategies



The portfolio is widely diversified across various equity market sectors and industries.

Results

The domestic equity portfolio returned 43.65% for the fiscal year. APERS' benchmark, the Russell 3000 Index, returned 44.16%.

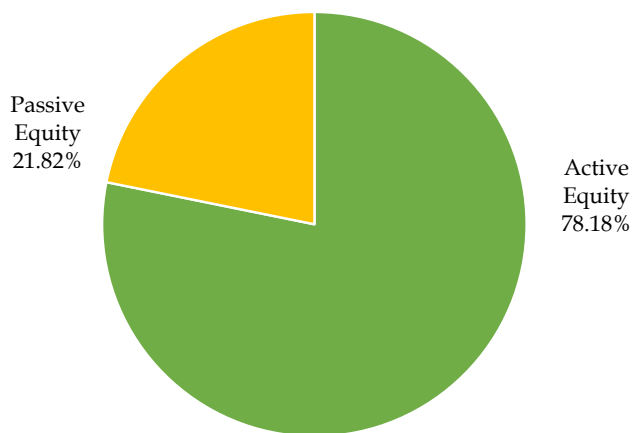


International Equity

As of June 30, 2021, 26.28% of the APERS portfolio was invested in international equities (Non-U.S. stocks). The fair value of the international equity portfolio was \$3.049 billion.

The portfolio takes an active management approach to international markets with approximately 78% invested with active investment managers. The international portfolio assets are allocated across developed and emerging markets. APERS utilizes the MSCI EAFE (Europe, Asian, and Far East) Index as its benchmark for the international equity index.

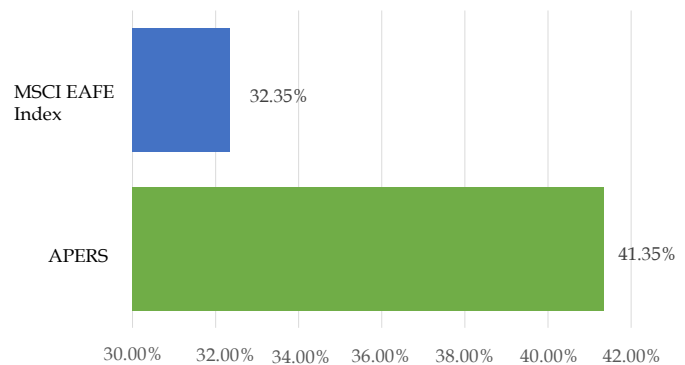
In November 2020, two new active international equity managers were hired to provide the APERS portfolio with exposure to the international small cap space.



The passive component is an ACWI ex-US Index Fund. Similar to the S&P 500 Index Fund, it constitutes an efficient, low-cost means of obtaining market exposure and provides liquidity should it be needed for benefit payments.

Results

The international equity portfolio returned 41.35% for the fiscal year. APERS' benchmark, the MSCI EAFE Index, returned 32.35%.

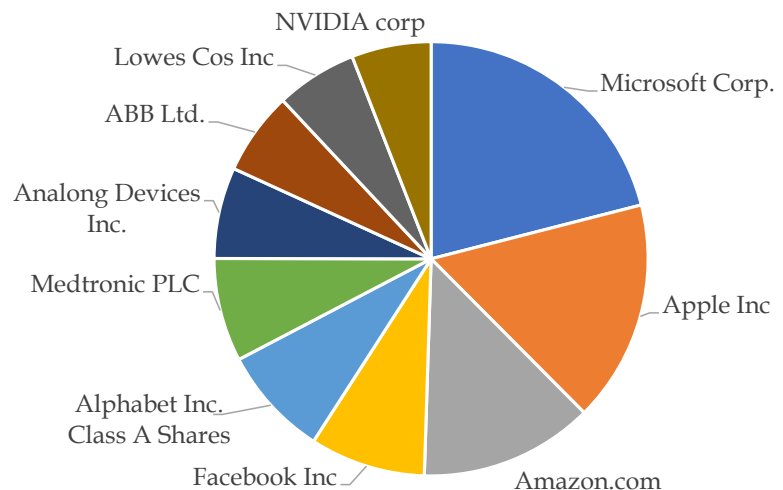


Top 10 Holdings

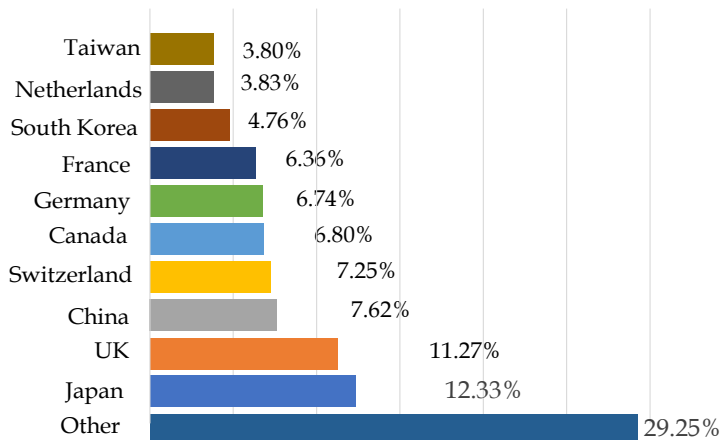
The top 10 holdings within the public equity portfolio (domestic and international combined) as of June 30, 2021

Holding	Market Value*
1 Microsoft Corp.	\$47,504,211
2 Apple Inc	37,387,660
3 Amazon.com	29,305,576
4 Facebook Inc	19,492,507
5 Alphabet Inc. Class A Shares	18,554,348
6 Medtronic PLC	17,411,963
7 Analog Devices Inc.	15,372,396
8 ABB Ltd.	14,024,002
9 Lowes Cos Inc	13,697,321
10 NVIDIA corp	\$13,394,474

*Figures are APERS and ASPRS combined



Public Equity Distribution by Country



Top 10 Holdings

The top 10 holdings within the fixed income portfolio as of June 30, 2021.

Holdings	Market Value*
1 US Treasury 2.375% 05/15/2051	\$29,087,946
2 US Treasury 0.25% 06/15/2024	11,441,294
3 US Treasury 1.125% 05/15/2050	10,100,253
4 US Treasury 0.75% 04/30/2026	9,638,833
5 US Treasury 2.250 % 05/15/2041	8,481,725
6 US Treasury 4.375% 11/15/2039	7,075,972
7 US Treasury CPI 0.875% 01/15/2029	6,799,276
8 US Treasury 0.125% 12/31/2022	6,757,236
9 US Treasury 0.875% 06/30/2026	6,044,132
10 US Treasury 0.125% 10/31/2022	6,030,789
	\$101,457,455

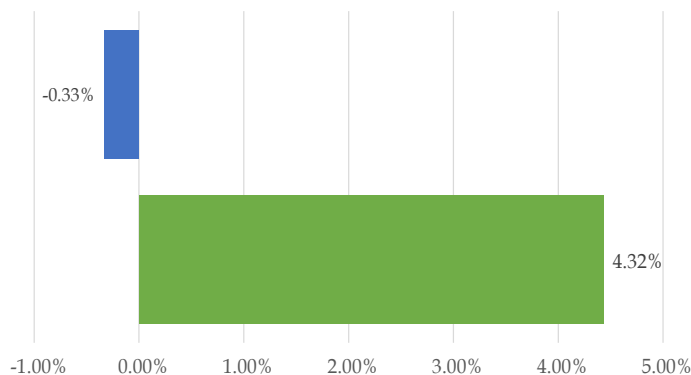
*Figures are APERS and ASPRS combined

Fixed Income

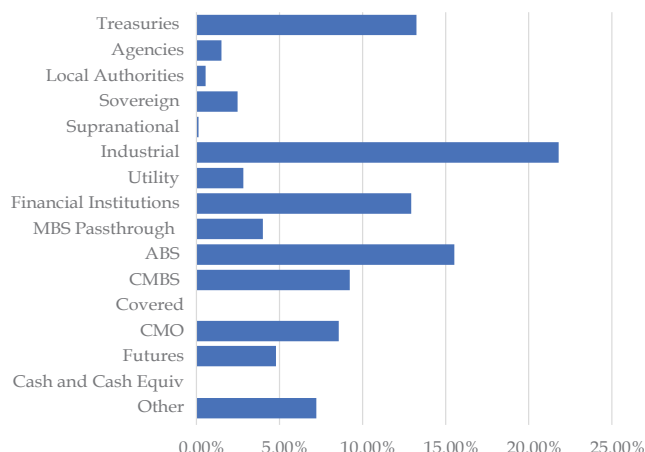
As of June 30, 2021, 14.88% of the APERS portfolio was invested in fixed income securities which was slightly under the asset allocation target of 18%. The fair value of the fixed income portfolio was \$1.717 billion.

Results

The fixed income portfolio returned 4.32% for the fiscal year. APERS' benchmark, the Bloomberg Aggregate Index, returned (0.33%).



Fixed Income Distribution



Diversified Strategies

As of June 30, 2021, 4.50% of the APERS portfolio was invested in diversified strategies. This asset class has the smallest allocation target. The fair value of the portfolio was \$519.17 million.

The Diversified Strategies allocation provides diversification to the total portfolio and strives to reduce total fund volatility while also enhancing the total return of the portfolio.

Investments

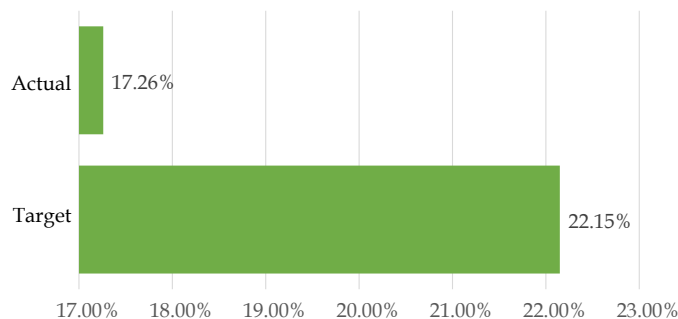
One of the strategies is a Risk Premium Tactical Fund. It seeks to efficiently deliver exposure to a broadly diversified set of global risk premia. Rather than diversifying by capital, this strategy seeks to diversify based on risk across global equities, global nominal bonds, inflation sensitive assets, and credit/default related assets.

The Global Real Return strategy is an actively managed, unconstrained, multi-asset strategy, which aims to achieve a return of one-month USD LIBOR +4% over rolling five-year periods.

The Fund-of-Funds strategy invests in hedge funds. The total number of funds varies as do the types of strategies. On June 30, 2021, there were fundamental equity strategies, event driven strategies, fundamental credit strategies, credit trading strategies, distressed credit strategies, RMBS strategies, structured ABS strategies, "multi-strat" strategies, commodity strategies, macro rates strategies, thematic macro strategies, quantitative strategies, CTA strategies, and special situation strategies in the portfolio.

Results

The Diversified Strategies portfolio returned 17.26% for the fiscal year. The APERS target returned 22.15% which is not a benchmark, because a benchmark does not exist. The target is comprised of 60% of the MSCI World Index and 40% of the Bloomberg Aggregate Index.

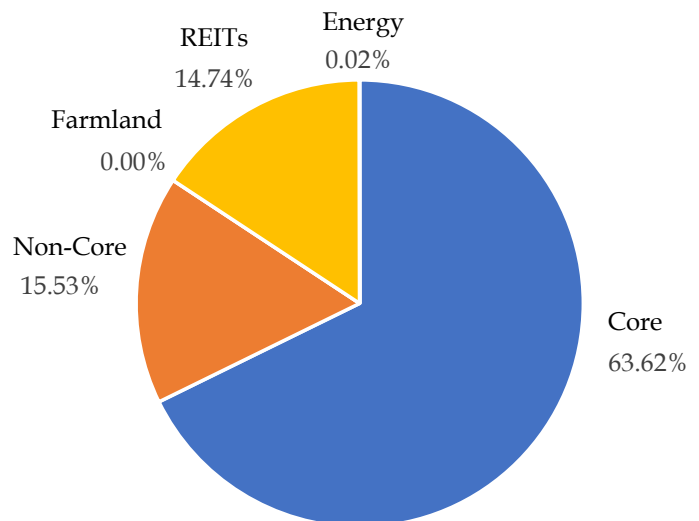


Real Assets

As of June 30, 2021, 11.27% of the APERS portfolio was invested in Real Assets. The fair value of the portfolio was \$1.300 billion.

The asset allocation comprises of four sub-categories: Core Real Estate, Value Add Real Estate, Timber, and a passive REIT Index.

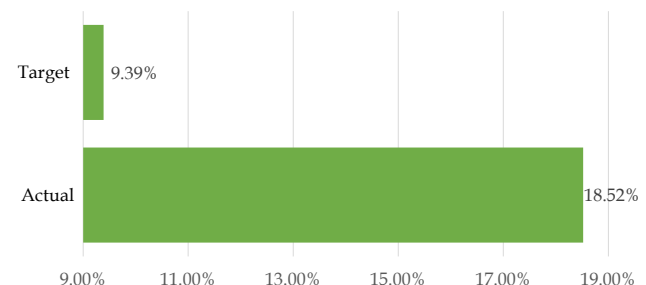
In February 2021, the Board chose to minimize the volatility of the Real Asset portfolio. APERS exited the Energy investments and the Board voted to change the allocation target of the portfolio to look as follows: 70% Core Real Estate, 20% Non-Core Real Estate, 5% Farmland, 5% Timber, and Public REITs is allowed to float between 0% and 5%.



Results

The Real Assets portfolio returned 18.52% for the fiscal year. The APERS target returned 9.39% which is not a benchmark, because a benchmark does not exist. The target is comprised CPI-U +4%

Core Real estate returned 8.77% for the fiscal year, Non-Core Real Estate returned 24.03%, Timber returned 0.37%, and REITs returned 39.85%.



Schedule of Comparative Investment Results by Year

	2021	2020	2019	2018	2017	2016
Total Fund						
APERS	31.49%	2.41%	5.78%	10.25%	12.30%	0.30%
APERS Benchmark	25.82%	4.91%	6.68%	8.40%	12.90%	0.27%
Actuarial Assumed Investment Return	7.15%	7.15%	7.15%	7.15%	7.15%	7.50%
Domestic Equities						
APERS	43.65%	6.06%	8.12%	16.27%	17.52%	(0.38)%
Russell 3000 Index	44.16%	6.53%	8.98%	14.78%	18.51%	2.14%
International Equities						
APERS	41.35%	(1.45)%	1.98%	7.22%	18.39%	(6.88)%
MSCI - EAFE Index	32.35%	(5.13)%	1.08%	6.84%	20.27%	(10.16)%
Fixed Income						
APERS	4.32%	6.81%	8.57%	0.79%	3.04%	5.06%
Bloomberg Aggregate Index	(0.33)%	8.74%	7.87%	(0.40)%	(0.31)%	6.00%
Diversified Strategies						
APERS	17.26%	(1.17)%	10.20%	6.43%	5.51%	2.86%
Diversified Strategy Target	22.15%	6.45%	7.41%	6.40%	10.51%	0.82%
Real Assets						
APERS	18.52%	(4.37)%	1.72%	11.34%	3.27%	8.29%
Consumer Price Index - U + 4%	9.39%	4.65%	5.65%	6.87%	5.63%	5.01%

Schedule of Comparative Annualized Investment Results

	3-year	5-year	7-year	10-year
Total Fund				
APERS	12.51%	12.01%	8.90%	9.63%
APERS Benchmark	12.08%	11.50%	8.55%	9.23%
Actuarial Assumed Investment Return	7.15%	7.15%	7.25%	7.45%
Domestic Equities				
APERS	18.10%	17.62%	13.36%	13.99%
Russell 3000 Index	18.73%	17.89%	13.95%	14.70%
International Equities				
APERS	12.41%	12.51%	7.31%	7.96%
MSCI - EAFE Index	8.27%	10.28%	4.96%	5.89%
Fixed Income				
APERS	6.55%	4.67%	4.24%	4.82%
Bloomberg Aggregate Index	5.34%	3.03%	3.28%	3.39%
Diversified Strategies				
APERS	8.49%	7.47%	6.00%	N/A
Diversified Strategy Target	11.78%	10.43%	7.71%	8.06%
Real Assets				
APERS	4.86%	5.80%	5.33%	N/A
Consumer Price Index - U + 4%	6.54%	6.43%	5.89%	5.87%

Schedule of Manager Distribution

For the year ended June 30, 2021

Asset Allocation	Total	APERS	ASPRS
Domestic Equity			
MCM S&P 500 Index Fund	\$675,883,593	\$650,954,809	\$24,928,784
LSV Asset Mgmt	340,532,499	327,972,554	12,559,945
CastleArk Management	873,083,519	840,881,362	32,202,158
Golden Capitl Mgmt.	600,263	578,123	22,140
INTECH	767,898,400	739,575,811	28,322,589
Wellington Mgmt. Co.	527,832,537	508,364,357	19,468,179
Lazard Asset Mgmt.	503,735,120	485,155,731	18,579,388
SSI Investment Mgmt	513,567,497	494,625,459	18,942,038
Horrell Capital Mgmt.	188,453,303	181,502,532	6,950,770
Stephens Inv. Mgmt. Group	557,712,653	537,142,398	20,570,255
International Equity			
Mellon ACWI ex-US Fund	665,315,180	640,776,194	24,538,986
Lazard Asset Mgmt.	616,809,361	594,059,427	22,749,934
Artisan Partners	633,052,442	609,703,411	23,349,031
Baillie Gifford	742,846,690	715,448,090	27,398,600
Manning & Napier	302,996	291,821	11,175
Acadian	205,322,660	197,749,693	7,572,967
Franklin Templeton	186,105,526	179,241,349	6,864,177
Fixed Income			
Doubleline Capital	530,177,975	510,623,289	19,554,687
MacKay Shields	589,048,960	567,322,920	21,726,040
Prudential Investments	597,780,691	575,732,596	22,048,095
Real Assets			
INVESCO Real Estate	508,000,919	489,264,194	18,736,725
MCM REIT Index Fund	191,596,774	184,530,063	7,066,712
TA Associates Realty Fund X	2,862,837	2,757,246	105,591
TA Associates Realty Fund XI	49,887,233	48,047,230	1,840,003
TA Associates Realty Fund XII	54,423,527	52,416,210	2,007,317
CastleArk Mgmt. Global Energy Fnd	225,657	217,334	8,323
Pinnacle Forest Investments	79,297,655	76,372,900	2,924,755
Heitman Real Estate Trust LP	319,060,445	307,292,459	11,767,986
Heitman Value Partners	50,749,715	48,877,901	1,871,814
LaSalle Inc & Growth VI LP	7,879,210	7,588,599	290,611
LaSalle Inc & Growth VII LP	36,037,405	34,708,228	1,329,177
Diversified Strategies			
AQR Capital	167,890,925	161,698,562	6,192,363
Blackstone Hedge	205,865,044	198,272,072	7,592,972
Newton Capital	145,419,455	140,055,913	5,363,542
Short-term Investment Fund	67,436,518	58,181,764	9,254,754
TOTAL FUND	\$11,602,695,185	\$11,167,982,602	\$434,712,583

Schedule of Brokerage Commissions

For the year ended June 30, 2021

Brokerage firm	Total Commission	APERS	ASPRS
J.P. Morgan Securities	122,773	118,245	4,528
Credit Suisse	105,975	102,066	3,909
Goldman Sachs International	98,709	95,068	3,641
Merrill Lynch	90,836	87,485	3,350
Morgan Stanley & Company International	88,658	85,388	3,270
Jefferies	74,270	71,531	2,739
Citigroup Global Markets, Inc., New York	61,979	59,693	2,286
Liquidnet Inc.	55,261	53,222	2,038
UBS	52,415	50,481	1,933
Piper Jaffray	50,318	48,462	1,856
All Others	718,348	691,853	26,495
	1,519,542	1,463,496	56,046

Schedule of Investment Fees

For the year ended June 30, 2021

	Combined Market Value	Fee	APERS Market Value	Fee	ASPRS Market Value	Fee
Domestic Equity	\$4,949,299,384	\$15,443,297	\$4,766,753,137	\$14,873,698	\$182,546,246	\$569,599
International Equity	3,049,754,856	10,869,300	2,937,269,986	10,468,405	112,484,871	400,895
Fixed Income	1,717,007,627	3,153,400	1,653,678,805	3,037,092	63,328,822	116,308
Real Assets	1,300,021,377	10,399,803	1,252,072,364	10,016,225	47,949,013	383,579
Diversified Strategies	519,175,424	3,745,984	500,026,547	3,607,820	19,148,877	138,164
The Bank of New York Mellon*		512,853		493,937		18,916
Callan Associates†		325,654		313,642		12,011
Total Investment Service Fees	\$11,535,258,668	\$44,450,290	\$11,109,800,838	\$42,810,819	\$425,457,829	\$1,639,471

*Custodian bank

† Investment consultant

Actuarial

The Actuarial Section provides a snapshot of the methods, assumptions, and data used by the System's actuarial consultant to advise the System on maintaining a healthy funding ratio.

Actuary's Certification Letter
Summary of Actuarial Assumptions
Single Life Retirement Values
Separations from Active Employment Before Retirement

Probabilities of Retirement for Members Eligible to Retire:

State and Local Government Division
General Assembly Division

Short Condition Test
Ten-Year Comparative Statement
Analysis of Experience
Gains/(Losses) by Risk Area
Summary of Plan Provisions



Actuary's Certification Letter



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March 4, 2022

Board of Trustees
Arkansas Public Employees Retirement System
Little Rock, Arkansas

Dear Board Members:

The basic financial objective of the Arkansas Public Employees Retirement System (APERS) as provided in the Arkansas Code is to establish and receive contributions which, expressed as percents of active member payroll, will remain approximately level from generation to generation of Arkansas citizens and when combined with present assets and future investment return will be sufficient to meet the financial obligations of APERS to present and future benefit recipients. The progress towards meeting this financial objective is illustrated in the Schedule of Funding Progress and the Schedule of Employer Contributions.

We performed an actuarial valuation and issued an actuarial valuation report for APERS as of June 30, 2021. The purpose of the June 30, 2021 annual actuarial valuation was to determine the contribution requirements for the year beginning July 1, 2023 and to measure the System's funding progress. The actuarial valuation report should not be relied upon for any other purpose. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the cost assigned by the valuation method to the year of service about to be rendered) as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll (level dollar for the District Judges portion of APERS) over a period of up to 30 years. The most recent valuations were completed based upon population data, asset data, and plan provisions as of June 30, 2021. In addition, a separate report was issued (dated October 29, 2021) to provide actuarial information for GASB Statement No. 67 and GASB Statement No. 68.

The APERS administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer term trends. The plan's external auditor also audits the actuarial data annually. We are not responsible for the accuracy or completeness of the data provided by staff.

The actuarial valuation report and GASB Statement Nos. 67 and 68 report contain the following supporting schedules for use in the Actuarial and Financial Sections of the Annual Financial Report:

Actuarial Section

- Summary of Assumptions Used
- Summary of Actuarial Methods and Assumptions
- Active Member Valuation Data
- Short Condition Test
- Analysis of Financial Experience
- Analysis of Financial Experience – Gains and Losses by Risk Area

Board of Trustees
Arkansas Public Employees Retirement System
March 4, 2022
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Financial Section

- Schedule of Funding Progress
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of the Net Pension Liability
- Schedule of Contributions
- Notes to Schedule of Contributions

For actuarial valuation purposes, assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed four-year period with the exception of the old plan still paying District Judges portion of APERS, where assets are valued on a market basis.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. These assumptions are adopted by the Board after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of the Actuarial Standards of Practice. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The June 30, 2021 valuations were based upon assumptions that were recommended in connection with a study of experience covering the period 2012-2017. The investment return assumption was changed for the June 30, 2017 valuation and the demographic assumptions were changed for the June 30, 2018 valuation.

On the basis of the June 30, 2021 actuarial valuations and the benefits and contribution rates then in effect, it is our opinion that the Arkansas Public Employees Retirement System continues to satisfy the general financial objective of level contribution financing.

Future actuarial measurements may differ significantly from those presented in the annual valuations due to such factors as experience differing from that anticipated by actuarial assumptions, or changes in plan provisions, actuarial assumption/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

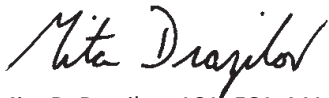
The reports were prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that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

Board of Trustees
Arkansas Public Employees Retirement System
March 4, 2022
Page 3

The signing individuals are independent of the plan sponsor.

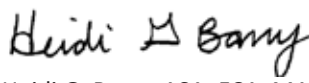
Mita D. Drazilov and Heidi G. Barry are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

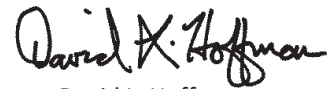


Mita D. Drazilov, ASA, FCA, MAAA

MDD/HGB/DLH:rmn



Heidi G. Barry, ASA, FCA, MAAA



David L. Hoffman



Summary of Actuarial Assumptions

Economic Assumptions

The investment return rate used in making the valuation was 7.15% per year, compounded annually (net after investment expenses). This rate of return is not the assumed real rate of return. The real rate of return is the portion of investment return which is more than the wage inflation rate. Considering the assumed wage inflation rate of 3.25%, the 7.15% investment return rate translates to an assumed net real rate of return of 3.90%. The wage inflation assumption was first used for the June 30, 2015 valuation, including also the District Judges division. The investment return assumption was first used for the June 30, 2017 valuation, including also the District Judges division.

Pay increase assumptions for individual active members are shown on pages E-8 and E-10. Part of the assumption for each age is for a merit and/or seniority increase, and the other 3.25% recognizes wage inflation. The wage inflation assumption consists of 2.50% for price inflation and 0.75% for real wage growth. These assumptions were first used for the June 30, 2018 valuation and for the District Judges division for the June 30, 2015 valuation.

Total active member payroll is assumed to increase 3.25% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation. This assumption was first used for the June 30, 2015 valuation and for the District Judges division for the June 30, 2015 valuation.

The number of active members is assumed to continue at the present number.

Non-Economic Assumptions

The mortality tables used to measure retired life mortality were the RP-2006 Healthy Annuitant benefit weighted generational mortality tables for males and females. The disability post-retirement mortality tables used were the RP-2006 Disabled Retiree benefit weighted generational mortality tables for males and females. The death-in-service mortality tables used were the RP-2006 Employee benefit weighted generational mortality tables for males and females. Mortality rates are multiplied by 135% for males and 125% for females and are adjusted for fully generational mortality improvements using Scale MP-2017. This assumption was first used for the June 30, 2018 valuation.

The probabilities of retirement for members eligible to retire are shown on pages E-4 through E-7. These probabilities were first used for the June 30, 2018 valuation and for the June 30, 2007 valuation for the District Judges division.

The probabilities of withdrawal from service, death-in-service and disability are shown for sample ages on pages E-8 through E-10. These probabilities were first used for the June 30, 2018 valuation and for the District Judges division for the June 30, 2018 valuation.

The individual entry-age normal actuarial cost method of the valuation was used in determining liabilities and normal cost.

Differences in the past between assumed experience and actual experience (actuarial gains and losses) become part of actuarial accrued liabilities.

Unfunded actuarial accrued liabilities are amortized to produce contribution amounts (principal and interest) which are level percent-of-payroll contributions. For the District Judges division, unfunded actuarial accrued liabilities are amortized as a level dollar contribution.

Recognizing the special circumstances of the General Assembly division, modifications of the above assumptions were made where appropriate.

Present assets (cash & investments) were valued on a market related basis in which differences between actual and assumed returns are phased-in over a four-year period (including District Judges New Plan and Paid Off Old Plan). The funding value of assets may not deviate from the market value of assets by more than 25%. District Judges Still Paying Old Plan present assets (cash & investments) were valued on a market value basis.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA).

Single Life Retirement Values

Sample Attained Ages	Present Value of \$1.00 Monthly for Life		Present Value of \$1.00 Monthly for Life Increasing 3% Annually		Future Life Expectancy (Years) 2021 *	
	Men	Women	Men	Women	Men	Women
40	\$ 156.14	\$ 159.98	\$ 229.59	\$ 239.26	41.16	44.84
45	151.04	156.00	216.64	227.89	36.25	39.87
50	144.59	150.65	201.76	214.31	31.49	34.94
55	136.61	143.54	184.97	198.27	26.91	30.10
60	126.83	134.60	166.21	180.05	22.54	25.44
65	115.12	123.73	145.72	159.88	18.43	21.03
70	101.32	110.49	123.69	137.63	14.61	16.87
75	85.44	94.80	100.50	113.70	11.12	13.01
80	68.16	77.27	77.31	89.24	8.05	9.57
85	51.04	59.38	55.98	66.20	5.52	6.70

Sample Attained Ages	Benefit Increasing 3.0% Yearly	Portion of Age 60 Lives Still Alive *	
		Men	Women
60	\$100	100 %	100 %
65	116	93	96
70	134	85	89
75	155	72	80
80	180	56	66

*Applicable to calendar year 2021. Life expectancies and rates in future years are determined by the fully generational MP-2017 projection scale.

Separations from Active Employment Before Retirement

(State and Local Government Division as of June 30, 2021)

Sample Ages	Years of Service	Percent of Active Members Separating within the Next Year						Pay Increase Assumptions for an Individual Employee		
		Withdrawal		Death *		Disability		Merit & Seniority	Base (Economy)	Increase Next Year
		Men	Women	Men	Women	Men	Women			
	0	40.0 %	40.0 %							
	1	25.0	25.0							
	2	20.0	20.0							
	3	15.0	15.0							
	4	12.0	12.0							
20	5+	11.0	11.0	0.05 %	0.02 %	0.01 %	0.01 %	6.60 %	3.25 %	9.85 %
25		11.0	11.0	0.07	0.02	0.04	0.04	5.16	3.25	8.41
30		9.7	9.7	0.07	0.03	0.07	0.07	3.30	3.25	6.55
35		6.8	6.8	0.08	0.04	0.09	0.09	2.28	3.25	5.53
40		4.8	4.8	0.09	0.06	0.13	0.13	1.70	3.25	4.95
45		3.7	3.7	0.13	0.08	0.17	0.17	1.38	3.25	4.63
50		3.0	3.0	0.22	0.13	0.34	0.34	1.00	3.25	4.25
55		2.1	2.1	0.37	0.22	0.60	0.60	0.68	3.25	3.93
60		1.3	1.3	0.65	0.34	0.85	0.85	0.42	3.25	3.67

*Applicable to calendar year 2021 Rates in future years are determined by the above rates and the MP-2017 projection scale.
Pay increase rates are age based only, and not service based.

Probabilities of Retirement for Members Eligible to Retire: State and Local Government Division

(as of June 30, 2021)

Retirement Ages (with less than 28 years of service)	Percent of Eligible Active Members Retiring Within Next Year	
	Unreduced	Reduced
55		2.5 %
56		2.5
57		3.0
58		3.5
59		4.0
60		5.0
61		5.5
62		20.0
63		20.0
64		15.0
65	22.0 %	
66	25.0	
67	23.0	
68	18.0	
69	18.0	
70	18.0	
71	18.0	
72	18.0	
73	18.0	
74-84	20.0	
85 & Over	100.0	

*A member was assumed eligible for unreduced retirement after attaining age 65 with 5 years of service or 28 years regardless of age. A member was assumed eligible for reduced retirement after attaining age 55 with 10 or more years of service.

Probabilities of Retirement for Members Eligible to Retire: General Assembly Division

(as of June 30, 2021)

Retirement Ages	Percent of Eligible Active Members Retiring Within Next Year
50	30 %
51	30
52	30
53	30
54	30
55	30
56	30
57	30
58	30
59	30
60	30
61	30
62	50
63	30
64	30
65	50
66	30
67-79	20
80 & Over	100

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*Member may retire at age 50 with 20 or more years of service, age 60 with 16 or more years of service, or age 65 with 8 or more years of service.

Short Condition Test

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

A short condition test is one means of checking a system's progress under its funding program. In a short condition test, the System's present assets (cash and investments) are compared with

Active member contributions on deposit,

The liabilities for future benefits to present retired lives, and

The liabilities for service already rendered by active members.

In a system that has been following the discipline of level percent-of-payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in unusual circumstances).

In addition, the liabilities for service already rendered by active members (liability 3) will be partially covered by the remainder of present assets. The larger the funded portion of liability 3, the stronger the condition of the System.

Liability 3 being fully funded is uncommon.

Ten-Year Comparative Statement

(Dollars in Millions for Fiscal Years Ended June 30)

Val'n. Date: June 30	Entry Age Accrued Liability				Valuation Assets	Portion of Present Values Covered by Present Assets			
	(1)	(2)	(3)						
	Active Member	Retirees and	Active Members (Employer Financed						
	Contr.	Benef.	Portion)						
STATE DIVISION (including sub-divisions)									
1998@	\$17.2	\$ 640.3	\$1,395.9	\$2,328.5	100%	100%	119%	113%	
1999@#	16.9	784.0	1,634.2	2,637.1	100%	100%	112%	108%	
2000	15.8	747.5	1,865.7	2,943.3	100%	100%	117%	112%	
LOCAL GOVERNMENT DIVISION									
1998@	\$ 8.8	\$ 337.9	\$ 501.1	\$ 968.1	100%	100%	124%	114%	
1999#	8.8	446.9	587.9	1,074.7	100%	100%	105%	103%	
2000	7.6	440.0	706.0	1,178.1	100%	100%	103%	102%	
STATE AND LOCAL GOVERNMENT DIVISION									
2012	122.1	3,518.7	4,521.9	5,625.4	100%	100%	44%	69%	
2013@	147.9	3,855.2	4,281.1	6,159.3	100%	100%	50%	74%	
2014@	176.3	4,246.7	4,440.6	6,894.9	100%	100%	56%	78%	
2015@	201.1	4,654.5	4,439.2	7,351.7	100%	100%	56%	79%	
2016	228.4	4,929.2	4,505.1	7,768.9	100%	100%	58%	80%	
2017	291.1	5,547.3	4,671.8	8,157.0	100%	100%	50%	78%	
2017@	291.1	5,460.9	4,568.5	8,157.0	100%	100%	53%	79%	
2018	334.7	5,717.9	4,641.7	8,416.4	100%	100%	51%	79%	
2019	376.0	6,015.8	4,737.0	8,738.7	100%	100%	50%	79%	
2020	410.2	6,270.1	4,832.7	9,090.4	100%	100%	50%	79%	
2021	439.2	6,531.0	4,864.2	9,892.5	100%	100%	60%	84%	
2021#	439.2	6,531.0	4,851.3	9,892.5	100%	100%	60%	84%	

After legislated changes in benefit provisions.

After changes in actuarial assumptions.

After legislated changes in benefit provisions.

@ After changes in actuarial assumptions.

Analysis of Experience

Purpose of Gain/(Loss) Analysis

Regular actuarial valuations give valuable information about the composite change in unfunded actuarial accrued liabilities – whether or not the liabilities are increasing or decreasing and by how much.

But valuations do not show the portion of the change attributable to each risk area within the retirement system: the rate of investment return which plan assets earn; the rates of withdrawal of active members who leave covered employment; the rates of mortality; the rates of disability; the rates of pay increases; and the ages at actual retirement. In an actuarial valuation, assumptions must be made as to what these rates will be, for the next year and for decades in the future.

The objective of a gain and loss analysis is to determine the portion of the change in actuarial condition (unfunded actuarial accrued liabilities) attributable to each risk area.

The fact that actual experience differs from assumed experience is to be expected – the future cannot be predicted with precision. The economic risk areas (particularly investment return and pay increases) are volatile. Inflation directly affects economic risk areas, and inflation seems to defy reliable prediction.

Changes in the valuation assumed experience for a risk area should be made when the differences between assumed and actual experience have been observed to be sizable and persistent. A gain and loss analysis covering a relatively short period may or may not be indicative of long-term trends, which are the basis of actuarial assumptions.

Changes in Unfunded Actuarial Accrued Liability

During the Fiscal Year Ended June 30, 2021	Total (in millions)
1. UAAL* at Beginning of Year	\$ 2,422.6
2. Employer Normal Cost from Last Valuation	149.7
3. Actual Employer Contributions	305.6
4. Interest Accrual: $[(1) + \frac{1}{2}[(2) - (3)]] \times .0715$	167.6
5. Expected UAAL Before Changes: (1) + (2) - (3) + (4)	2,434.3
6. Increase from Benefit Changes	(12.9)
7. Changes from Revised Actuarial Assumptions and Methods	0.0
8. New Entrant Liabilities	53.4
9. Expected UAAL After Changes: (5) + (6) + (7) + (8)	2,474.8
10. Actual UAAL at End of Year	1,929.0
11. Gain/(Loss): (9) - (10)	\$ 545.8

* Unfunded actuarial accrued liability.

Gains/Losses by Risk Area

Type of Risk Area	Total (\$ in millions)	% of Accrued Liabilities
ECONOMIC RISK AREAS		
Pay Increases. If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	\$ (14.7)	(0.1)%
Investment Return. If there is greater investment return than assumed, there is a gain. If less return, a loss.	409.3	3.5 %
NON-ECONOMIC RISK AREAS		
Non-Casualty Retirements. If members retire at older ages or with lower final average pays than assumed, there is a gain. If younger ages or higher average pays, a loss.	(2.1)	0.0 %
Disability Retirements. If there are fewer disabilities than assumed, there is a gain. If more, a loss.	0.8	0.0 %
Death-in-Service Benefits. If there are fewer claims than assumed, there is a gain. If more, a loss.	(3.5)	0.0 %
Withdrawal. If more liabilities are released by other separations than assumed, there is a gain. If smaller releases, a loss.	56.4	0.5 %
Total Active Member Actuarial Gains/(Losses)	\$ 446.2	3.9 %
Retired Life Mortality.	75.0	0.6 %
Other. Includes data adjustments at retirement, timing of financial transactions, and miscellaneous unidentified sources.	\$ 24.6	0.2 %
Total Actuarial Gains/(Losses)	\$ 545.8	4.7 %

Summary of Plan Provisions

The Old Contributory Plan is available to persons who became members of APERS before January 1, 1978. The Non-Contributory Plan applies to all persons first hired after January 1, 1978 and before July 1, 2005 in APERS-covered employment. The New Contributory Plan applies to all persons hired after July 1, 2005 in APERS-covered employment or Non-Contributory members who elected to participate in the New Contributory Plan.

Voluntary Retirement

New Contributory

Normal retirement with a full benefit

After either (a) age 65 with 5 years of actual service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced 1 month for each 2 months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service).

Early retirement with a reduced benefit

After age 55 with 5 years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement precedes normal retirement age or 1% for each month below 28 years of actual service, whichever is less.

Final Average Compensation (FAC)

Average of highest annual compensations paid during any period of 3 years (5 years for members hired on or after July 1, 2022).

Non-Contributory

Normal retirement with a full benefit

After either (a) age 65 with 5 years of actual service, or (b) 28 years of actual service, regardless of age. For sheriff and public safety members, the age 65 requirement is reduced 1 month for each 2 months of actual service, but not below age 55 (age 52 for sheriff members with a minimum of 10 years of actual service).

Early retirement with a reduced benefit

After age 55 with 5 years of service or any age with 25 years of service. The reduction is equal to $\frac{1}{2}$ of 1% for each month retirement precedes normal retirement age or 1% for each month below 28 years of actual service,

Final Average Compensation (FAC)

Average of highest annual compensations paid during any period of 3 years (5 years for members hired on or after July 1, 2022)

Full Age & Service Retirement Benefit

New Contributory

2.00% of FAC times years of service (2.03% for service prior to July 1, 2007), plus .5% of FAC for each year of actual service over 28 years rendered after July 1, 2009.

The minimum monthly benefit is \$150 minus any age and beneficiary option reductions

Non-Contributory

1.72% of FAC times years and months of credited service (1.75% for service prior to July 1, 2007), plus .5% of FAC for each year of actual service over 28 years rendered after July 1, 2009. If retirement is prior to age 62, an additional .33% of FAC times years of service will be paid until age 62. The portion of the APERS benefit based on service before 1978 cannot be less than the amount provided by contributory provisions in effect at the time of retirement.

The minimum monthly benefit is \$150 minus any age and beneficiary option reductions.

Benefit Increases After Retirement

New Contributory

Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.

For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of three percent (3%), or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers (CPI-W) over the one-year period ending in the December preceding the redetermination date.

Non-Contributory

Annually, there will be a cost-of-living adjustment equal to 3% of the current benefit.

For members first hired on or after July 1, 2022, the redetermined amount is the monthly benefit payable as of the preceding July 1 increased by the lesser of three percent (3%), or the percentage change in the Consumer Price Index for Urban Wage Earnings and Clerical Workers (CPI-W) over the one-year period ending in the December preceding the redetermination date.

Member Contribution Rates

New Contributory

5% of covered compensation (pre-tax). Beginning July 1, 2022, the member contribution rate will increase in increments of 0.25% per year until it reaches the maximum 7%. Member contributions are refundable if APERS-covered employment terminates. Members will earn interest on the contributions at a rate of 2% annually.

Non-Contributory

No employee contributions for service after January 1, 1978. If there is service before January 1, 1978, contributions for that period are refundable later in the same manner as under the Contributory Plan.

Deferred Vested Retirement

New Contributory

Vested termination benefits with 5 or more years of actual service and leaving APERS-covered employment before normal retirement age. Deferred full retirement benefit, based on service and compensation at termination, begins at age 65. A death benefit is payable to surviving spouse of member who dies before benefit commencement.

In place of deferred full benefit, after age 55 a qualifying member can elect an immediate reduced benefit.

Non-Contributory

Vested termination benefits with 5 or more years of actual service, and leaving APERS-covered employment before normal retirement age. Deferred full retirement benefit, based on service and compensation at termination, begins at age 65. A death benefit is payable to surviving spouse of member who dies before benefit commencement.

In place of deferred full benefit, after age 55 a qualifying member can elect an immediate reduced benefit.

Total and Permanent Disability

New Contributory

Disabled after 5 or more years of actual service, including credit for 18 of the 24 months preceding disability.

Amount is computed as an age & service benefit, based on service and compensation at disability.

Non-Contributory

Disabled after 5 or more years of actual service, including credit for 18 of the 24 months preceding disability.

Amount is computed as an age & service benefit, based on service and compensation at disability.

Death After Retirement

New Contributory

If death occurs before total monthly benefit payments equal member's accumulated contributions, the difference is refunded, if an annuity option was not elected.

A retiring member can also elect an annuity option, which provides beneficiary protection paid for by reducing the retired member's benefit amount. Should the member elect a straight life benefit and decease within 12 months of the date of retirement, a benefit may be payable to the surviving spouse under certain conditions.

Non-Contributory

Member contributions before 1978 are protected in the same manner as under the Contributory Plan.

A retiring member can also elect an annuity option, which provides beneficiary protection paid for by reducing the retired member's benefit amount. Should the member elect a straight life benefit and decease within 12 months of the date of retirement, a benefit may be payable to the surviving spouse under certain conditions.

Death While In APERS-Covered Employment

New Contributory

Member's accumulated contributions are refundable if monthly benefits are not payable.

If the member had 5 or more years of service, monthly benefits are payable instead. Surviving spouse receives a benefit computed as if member had retired and elected the Joint & 75% Survivor Option. Payment begins immediately.

Each dependent child receives benefit of 10% of compensation (maximum of 25% for all children).

Dependent parent benefits are payable if neither spouse nor dependent children benefits are payable.

Non-Contributory

Member's accumulated contributions before 1978 are refundable if monthly benefits are not payable.

If the member had 5 or more years of service, monthly benefits are payable. Surviving spouse receives a benefit computed as if member had retired and elected the Joint & 75% Survivor Option. Payment begins immediately.

Each dependent child receives benefit of 10% of compensation (maximum of 25% for all children).

Dependent parent benefits are payable if neither spouse nor dependent children benefits are.

Credited Service

New Contributory

- Public Safety Members (including State Capitol Police and Wildlife Sub-Division members) hired before July 1, 1997.
- Governor (hired before July 1, 1999)
- Elected State Constitutional Officers (hired before July 1, 1999)
- General Assembly
- Other Elected Public Officials
- (municipal and county officials)
- All Other Members

Non-Contributory

- 1 ½ times regular rate with 5 years actual service required to meet benefit eligibility rules.
- 3 times regular rate with 5 years actual service required to meet death-in-service eligibility and 4 years actual service required for other benefit eligibility.
- 2-1/2 times regular rate with 5 years actual service required to meet benefit eligibility.
- Regular crediting rate with 5 years of actual service required to meet death-in-service eligibility and 10 years of actual service required for other benefit eligibility.
- 2 times regular rate with 5 years actual service required to meet benefit eligibility.
- Regular rate.

APERS Deferred Retirement Option Plan

Members with 28 years of actual service in APERS or in combination with a reciprocal system are eligible to participate.

Members, for a maximum of 10 years, may continue employment and have 75% of their accrued benefit (at date of participation with 30 or more years of service) paid into the Deferred Retirement Option Plan in lieu of any further benefit accruals.

The payments into the Deferred Retirement Option Plan accumulate with interest at a rate established by the Board. The interest is paid on the mean balance and is paid to the member at termination of active membership in either a lump sum or as an annuity.

Employer contributions continue for members participating in the DROP.

Statistical

The Statistical Section features data regarding the System, its membership, and its participating Employers for the fiscal year and in some cases comparisons to corresponding data from previous years.

The System

- Schedule of Revenues by Source
- Chart of Revenues by Source
- Schedule of Investment Return Rate
- Chart of Investment Return Percentage Rate
- Schedule of Expenses by Type
- Summary of Administrative Expenses
- Schedule of Benefit Expenses by Type
- Chart of Benefit Expenses by Type

Membership

- Members
- Chart of Membership by Type (Percentages)
- Summary of Active and Retired Member Valuation
- Active Members - 10 Yr Comparison
- Comparison of Monthly Annuity by Credited Yrs of Service
- Comparison of New Retirees by Credited Yrs of Service
- Schedule of Retired Members by Type of Benefit
- Chart of Retiree Members by Type of Benefit
- Schedule of Retirees and Benefits Paid by County
- Chart of Retirees and Benefits Paid by County

APERS Participating Employers

- Schedule of Employer Contributions - 10 Yr Comparison
- Schedule of Employer Rates - 10 Yr Comparison
- Schedule of Participating Employers



The System

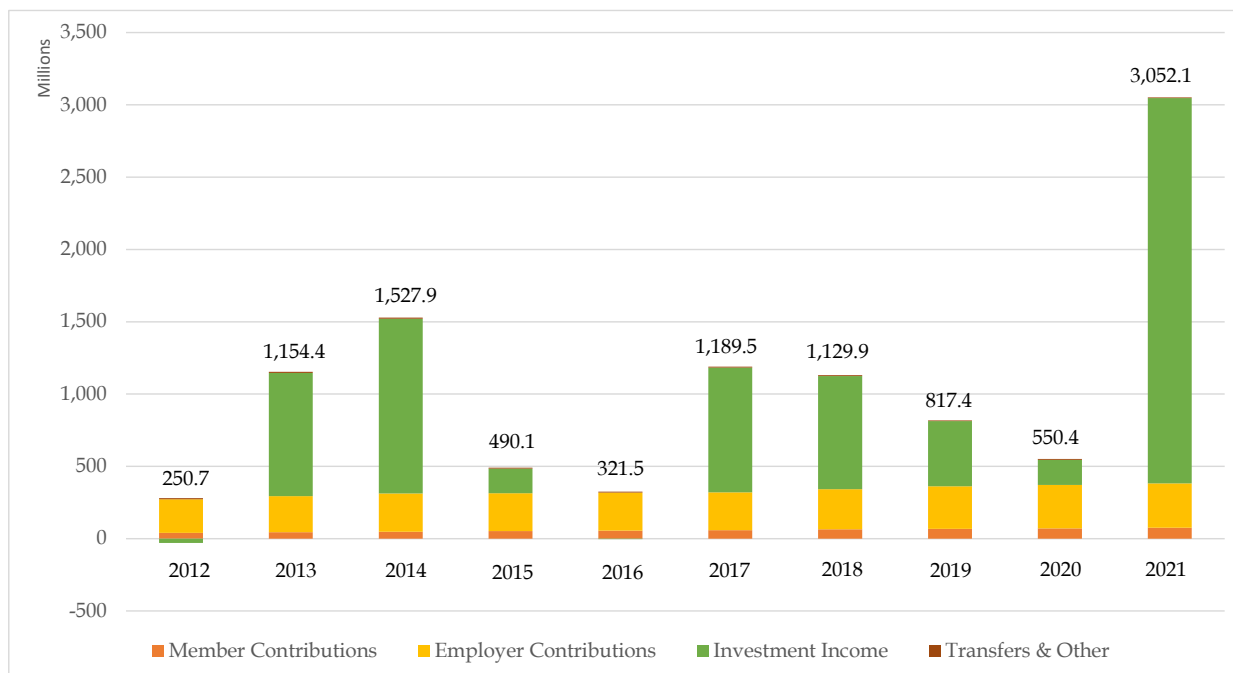
Schedule of Revenues by Source

(in dollars, for fiscal years ended June 30)

Year Ended June 30	Member Contributions	Employer Contributions	Investment Income	Transfers and Others	Total
2012	40,220,553	231,511,392	(30,142,255)	9,105,829	250,695,519
2013	44,549,911	249,062,186	851,920,691	8,915,952	1,154,448,740
2014	48,237,869	264,477,703	1,208,430,494	6,786,822	1,527,932,888
2015	51,596,001	262,720,214	169,621,019	6,558,462	490,495,697
2016	55,944,132	263,545,822	(4,177,314)	6,271,067	321,583,707
2017	58,500,339	262,063,747	862,824,701	6,105,620	1,189,494,407
2018	64,730,519	276,784,232	782,326,767	6,069,774	1,129,911,292
2019	68,206,685	293,575,107	450,493,098	5,115,404	817,390,294
2020	71,470,967	299,497,566	174,561,773	4,870,799	550,401,105
2021	75,044,922	306,570,648	2,665,823,683	4,636,568	3,052,075,821

Chart of Revenues by Source

(for fiscal years ended June 30)



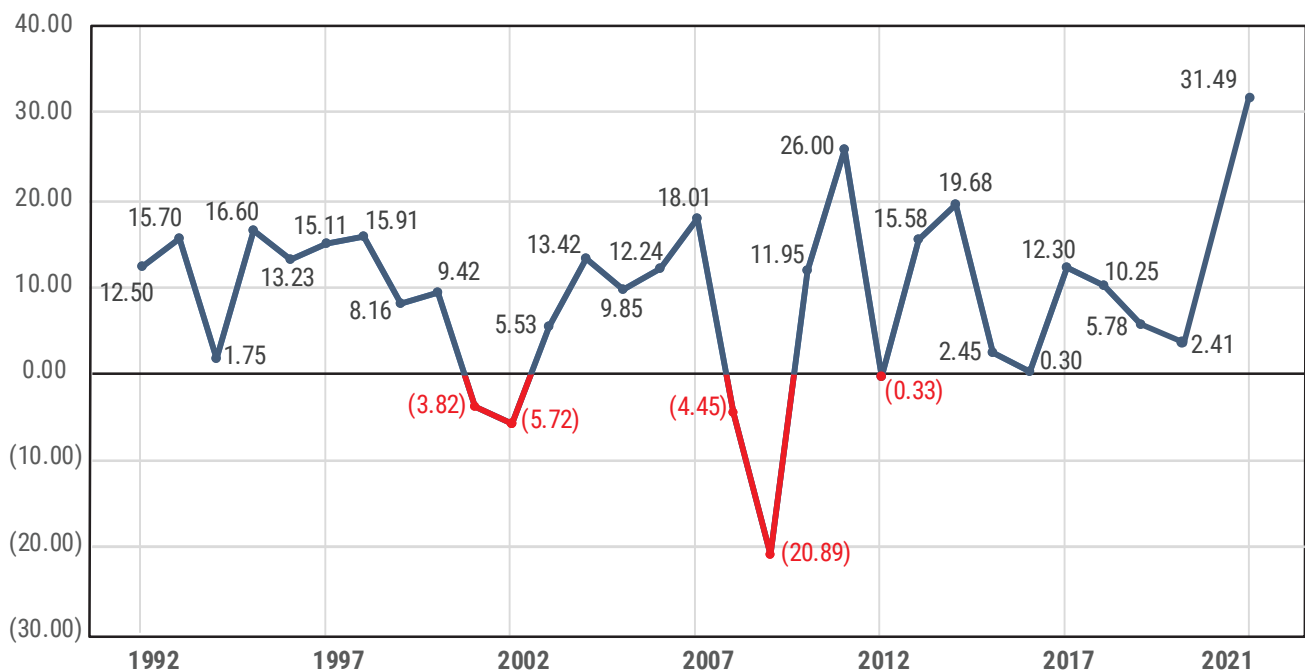
Schedule of Investment Return Rate

(for fiscal Years ended June 30)

Year	Rate	Year	Rate
1992	12.50%	2007	18.01%
1993	15.70	2008	(4.45)
1994	1.75	2009	(20.89)
1995	16.60	2010	11.95
1996	13.23	2011	26.00
1997	15.11	2012	(0.33)
1998	15.91	2013	15.58
1999	8.16	2014	19.68
2000	9.42	2015	2.45
2001	(3.82)	2016	0.30
2002	(5.72)	2017	12.30
2003	5.53	2018	10.25
2004	13.42	2019	5.78
2005	9.85	2020	2.41
2006	12.24%	2021	31.49%

Chart of Investment Return Percentage Rate

(for fiscal years ended June 30)



Schedule of Expenses by Type

(for years ended June 30)

Fiscal Year	Benefit Payments ¹	Administrative Expenses ²	Refunds	Total
2012	359,330,673	6,794,526	7,420,785	373,545,984
2013	396,607,128	7,340,273	8,446,701	412,394,102
2014	414,548,645	7,209,769	9,455,348	431,213,761
2015	451,912,791	7,201,144	12,195,637	471,309,572
2016	480,913,495	7,181,913	13,188,729	501,284,137
2017	508,200,406	9,502,608	13,755,408	531,458,422
2018	530,861,312	11,503,639	13,727,908	556,092,859
2019	555,352,597	14,739,700	16,239,928	586,332,225
2020	587,453,797	11,682,726	15,835,290	614,971,813
2021	608,207,117	11,644,847	15,798,750	635,650,713

1 Includes DROP and PAW distributions.

2 A summary of administrative expenses can be found on the table below.

Summary of Administrative Expenses

(for years ended June 30)

	2021	2020	2019	2018	2017
Personnel Services	\$4,752,456	\$4,894,754	\$4,907,576	\$4,654,834	\$4,732,341
Communications	322,120	276,125	347,126	226,678	238,294
Purchases	62,055	128,986	92,039	76,857	94,685
Services and Charges	1,631,521	1,613,277	1,637,239	1,634,717	1,484,973
Bad Debt Expense	155,787	65,265	716,682	0	0
Depreciation Expense	2,177,851	2,178,514	2,175,693	2,061,822	509,191
Post Employment Benefits	338,871	58,203	1,656,182	639,368	433,830
Data Processing Charges	2,204,186	2,467,603	3,207,163	2,209,363	2,009,294
Total Administrative Expenses	\$11,644,847	\$11,682,726	\$14,739,700	\$11,503,639	\$9,502,608

Schedule of Benefit Expenses by Type *

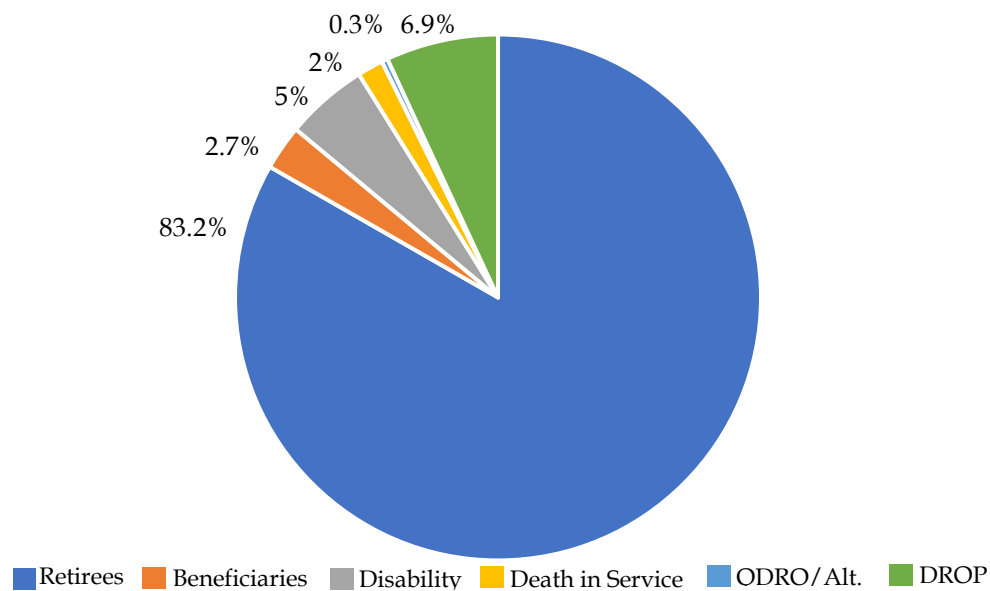
(for fiscal years ended June 30)

Year Ended June 30	Age and Service		Disability	Death in Service	QDRO Alternative Payees	DROP Participants
	Retirees	Beneficiaries	Retirees & Beneficiaries			
2012	\$309,980,256	\$ 10,502,736	\$21,950,568	\$ 347,292		
2013	333,567,174	11,125,082	26,158,872	336,180		
2014	363,644,841	12,006,363	27,648,624	320,928		
2015	392,995,993	13,555,679	26,854,608	7,428	1,346,409	49,188,840
2016	417,856,215	14,859,185	27,738,864	41,088	1,549,793	47,686,116
2017	449,127,264	13,258,740	29,710,308	8,837,724	1,798,296	37,399,188
2018	471,378,204	14,960,412	30,417,624	9,385,248	2,005,704	46,929,948
2019	500,098,272	15,582,348	31,298,916	9,604,896	2,159,076	50,352,876
2020	523,802,448	17,078,448	32,792,592	10,211,760	2,284,872	50,936,592
2021	\$548,656,164	\$18,254,160	\$33,479,772	\$10,482,132	\$2,448,240	\$45,525,552

* Expenses are based on annualized June 30 benefits amounts.

Chart of Benefit Expenses by Type *

(for fiscal years ended June 30)



* Figures in chart are rounded thus do not equal 100 percent.

Membership

APERS covers all state employees who are not covered by another authorized plan, all county employees, municipal employees whose municipalities have elected coverage under the System, college and university employees, certain non-teaching school employees, and other public entities specifically defined by law.

Members*

(for fiscal years ended June 30)

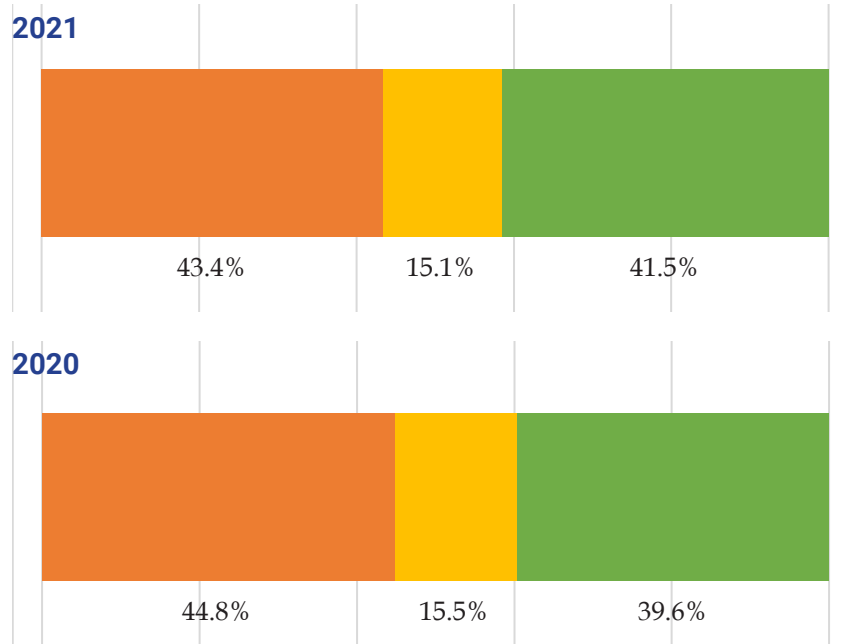
	2021	2020
Retirees and Beneficiaries Receiving Benefits (includes DROP participants)	40,762	39,805
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	14,802	14,711
Active Plan Members	42,667	44,371

* Includes members of the Arkansas District Judges Retirement System

Chart of Memberships by Type (Percentages)

(for fiscal years ended June 30)

Active Members Inactive Vested Retirees & Beneficiaries

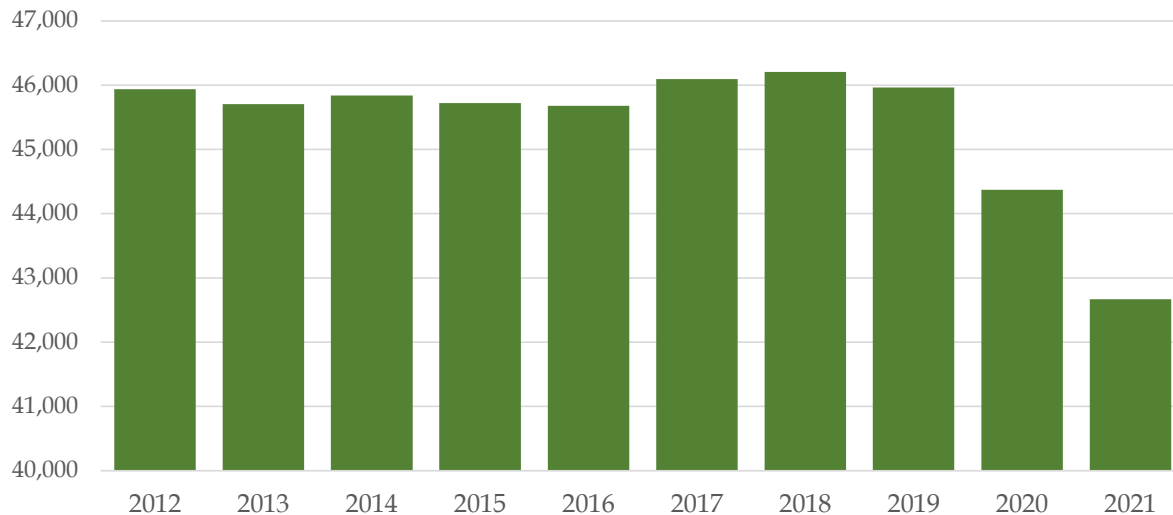


Summary of Active & Retired Member Valuation

Historical Comparative Schedule

Valuation Date	Active Members				Retired Lives (including DROP members)			
	Number	Valuation Payroll			Number	Active per Retired	Annual Benefits	
		Dollars in Millions	Average	% Increase			Dollars in Millions	As a % of Pay
6/30/12	45,937	1,606.1	34,962	2.3	29,282	1.6	399.5	24.9
6/30/13	45,707	1,612.7	35,285	0.9	30,533	1.5	426.2	26.4
6/30/14	45,841	1,638.0	35,735	1.3	31,914	1.4	457.1	27.9
6/30/15	45,722	1,645.0	35,979	0.7	33,106	1.4	483.9	29.4
6/30/16	45,676	1,686.5	36,923	2.6	34,214	1.3	509.7	30.2
6/30/17	46,094	1,668.8	36,204	(1.9)	36,260	1.3	540.1	32.4
6/30/18	46,207	1,723.6	37,302	3.0	37,398	1.2	575.1	33.4
6/30/19	45,965	1,802.4	39,212	5.1	38,543	1.2	609.1	33.8
6/30/20	44,373	1,795.7	40,469	3.2	39,805	1.1	637.1	35.5
6/30/21	42,669	\$ 1,781.8	\$ 41,759	3.2%	40,762	1.0	\$ 658.8	37.0%

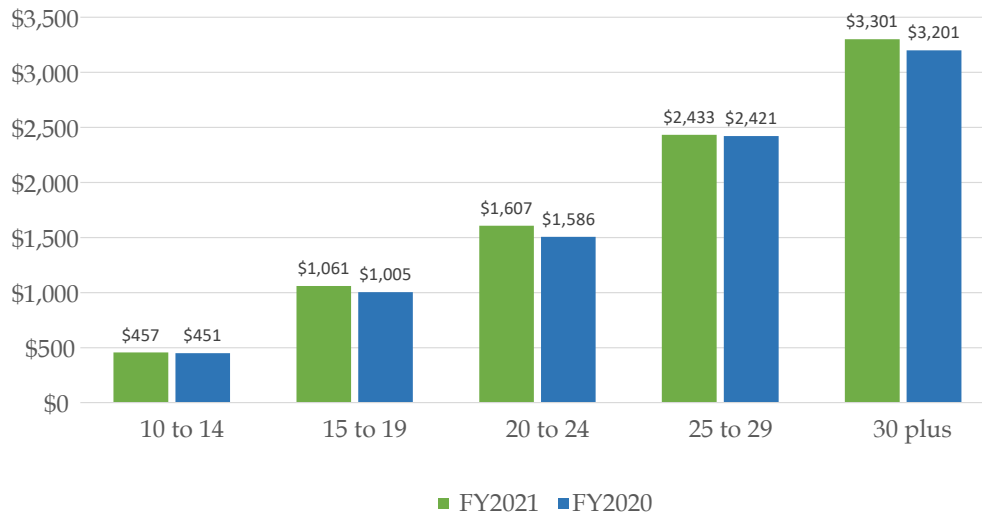
Active Members - 10 year comparison



The above valuation payroll results do not include DROP payroll.

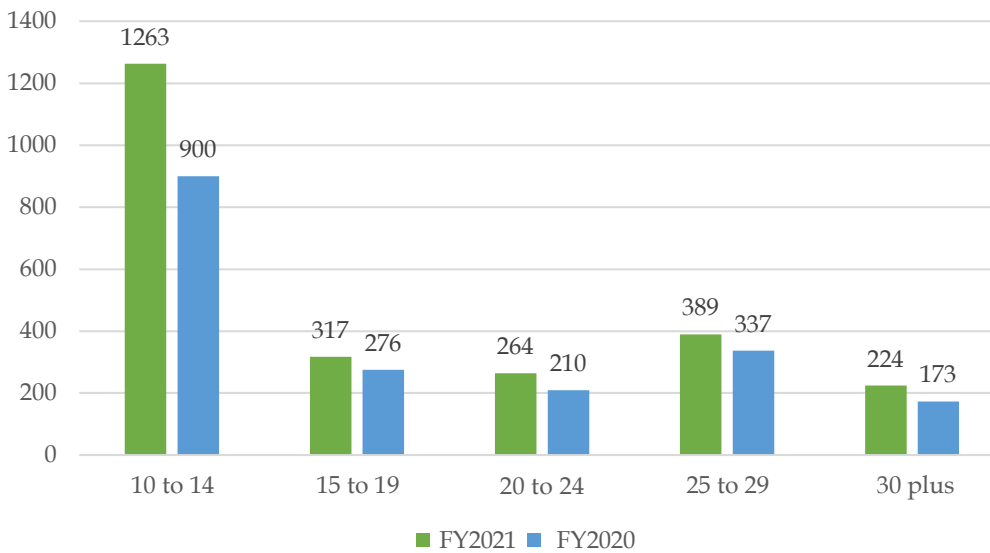
Comparison of Monthly Annuity by Credited Years of Service

(for fiscal years ended June 30)



Comparison of New Retirees by Credited Years of Service

(for fiscal years ended June 30)



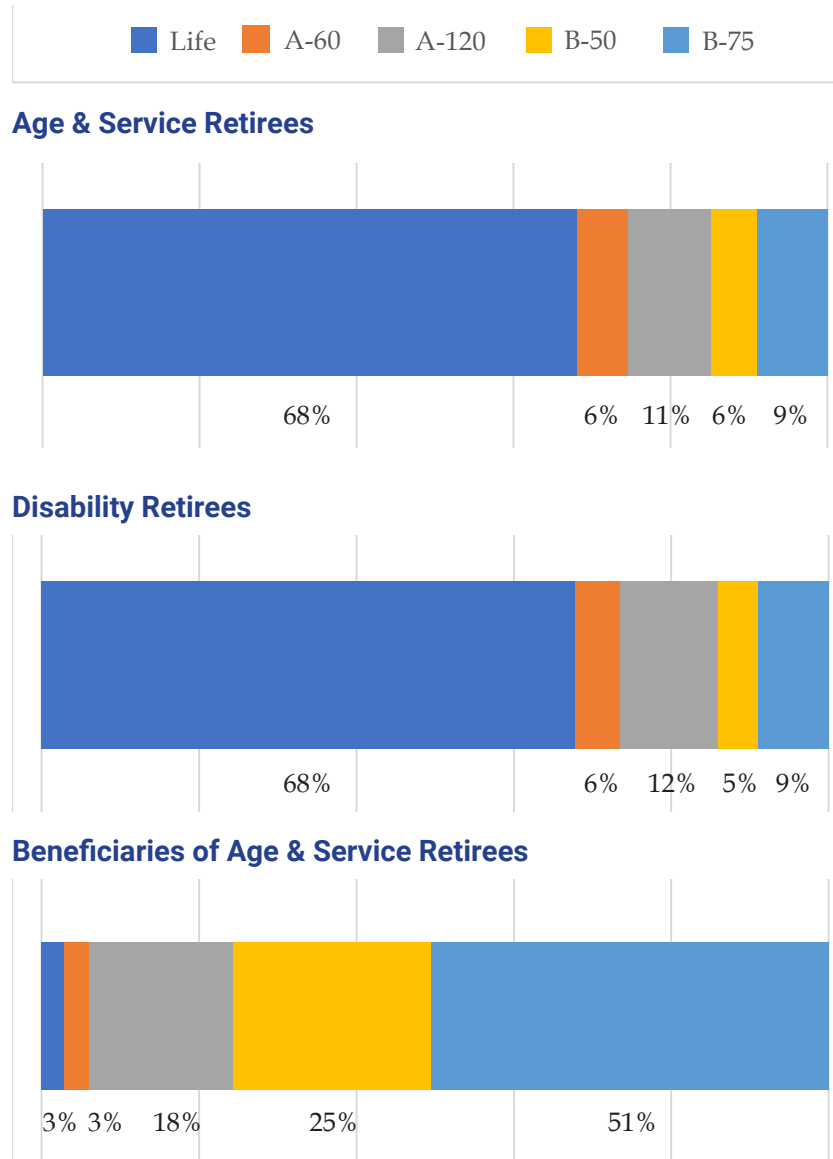
Schedule of Retired Members by Type of Benefit

(as of June 30, 2021)

Type of Annuity	Number	Annual Annuities
Age & Service Retirees		
Life	22,419	\$381,918,324
Option A-60 (5 years certain)	2,138	28,970,364
Option A-120 (10 years certain)	3,465	45,611,340
Option B-50 (joint and 50% survivor)	1,912	40,590,636
Option B-75 (joint and 75% survivor)	2,962	51,565,500
Total	32,896	548,656,164
Disability Retirees		
Life	2,151	22,836,300
Option A-60	189	1,883,688
Option A-120	398	4,074,252
Option B-50	159	1,811,808
Option B-75	289	2,873,724
Total	3,186	33,479,772
Beneficiaries of Age & Service Retirees		
Life	43	912,864
Option A-60	44	331,620
Option A-120	304	2,916,672
Option B-50	420	4,152,684
Option B-75	849	9,940,320
Total	1,660	18,254,160
Total Age & Service Retirees & Beneficiaries	34,556	566,910,324
Death-in-Service Beneficiaries	1,241	10,482,132
Total Death and Disability Retirees & Beneficiaries	4,427	43,961,904
QDRO Alternate Payees	297	2,448,240
Total Retirees & Beneficiaries	39,280	613,320,468
DROP Participants	1,447	45,086,820
DROP "Frozen" Participants	35	438,732
Total Including DROP Participants	40,762	\$658,846,020

Chart of Retired Members by Type of Benefit (Percentages)

(for fiscal years ended June 30)



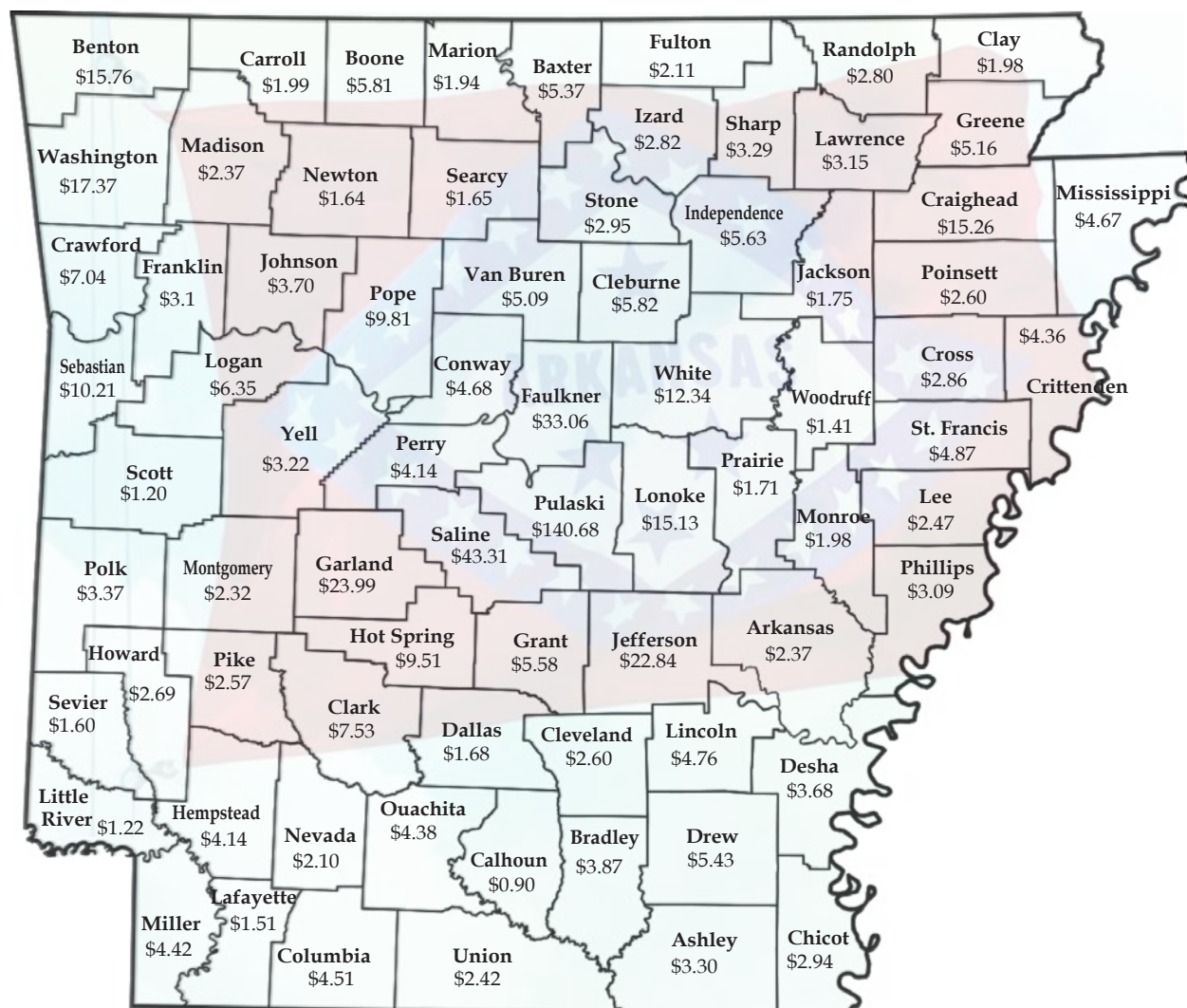
Schedule of Retirees and Benefits Paid by County

for the Fiscal Year ended June 30, 2021

County	Benefits Paid	Retirees	County	Benefits Paid	Retirees
Arkansas	\$2,374,648	215	Lee	\$2,473,949	186
Ashley	\$3,309,502	283	Lincoln	\$4,763,086	302
Baxter	\$5,377,973	418	Little River	\$1,223,180	140
Benton	\$15,765,143	1136	Logan	\$6,353,908	485
Boone	\$5,818,952	454	Lonoke	\$15,136,169	983
Bradley	\$3,876,634	312	Madison	\$2,374,807	165
Calhoun	\$900,359	95	Marion	\$1,943,338	173
Carroll	\$1,990,457	181	Miller	\$4,428,630	330
Chicot	\$2,947,020	236	Mississippi	\$4,671,584	376
Clark	\$7,531,600	553	Monroe	\$1,983,680	124
Clay	\$1,984,558	186	Montgomery	\$2,329,742	146
Cleburne	\$5,825,228	412	Nevada	\$2,102,126	182
Cleveland	\$2,604,925	187	Newton	\$1,640,667	129
Columbia	\$4,518,188	303	Ouachita	\$4,387,471	342
Conway	\$4,688,492	342	Perry	\$4,143,834	275
Craighead	\$15,262,177	1,120	Phillips	\$3,094,867	293
Crawford	\$7,043,155	512	Pike	\$2,575,606	162
Crittenden	\$4,365,175	378	Poinsett	\$2,609,876	258
Cross	\$2,868,223	254	Polk	\$3,375,904	257
Dallas	\$1,685,154	142	Pope	\$9,816,870	681
Desha	\$3,684,918	285	Prairie	\$1,711,415	147
Drew	\$5,438,845	350	Pulaski	\$140,688,417	6881
Faulkner	\$33,066,487	1975	Randolph	\$2,804,749	235
Franklin	\$3,102,827	200	Saline	\$43,314,110	2334
Fulton	\$2,113,752	156	Scott	\$1,209,628	109
Garland	\$23,994,322	1474	Searcy	\$1,650,621	154
Grant	\$5,584,237	320	Sebastian	\$10,219,009	735
Greene	\$5,163,250	419	Sevier	\$1,608,439	131
Hempstead	\$4,142,654	297	Sharp	\$3,298,672	272
Hot Spring	\$9,519,944	696	St. Francis	\$4,873,689	409
Howard	\$2,698,690	202	Stone	\$2,959,299	254
Independence	\$5,634,859	461	Union	\$2,242,467	413
Izard	\$2,827,783	233	Van Buren	\$5,095,249	340
Jackson	\$1,754,241	170	Washington	\$17,373,540	1145
Jefferson	\$22,845,730	1555	White	\$12,342,290	857
Johnson	\$3,708,774	247	Woodruff	\$1,416,683	112
Lafayette	\$1,517,068	116	Yell	\$3,226,652	255
Lawrence	\$3,156,262	237			

Map of Arkansas Counties With Total Benefits Paid

for the Fiscal Year ended June 30, 2021



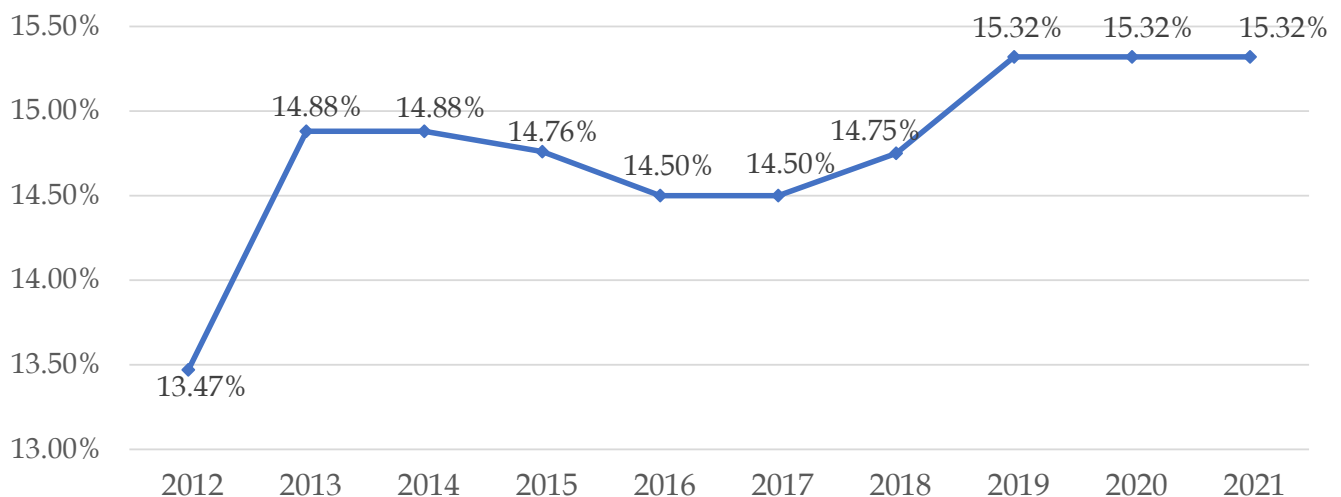
In Arkansas	
Total Payees	37,384
Total Paid	\$581,456,427
Out of State	
Total Payees	3,385
Total Paid	\$36,805,213
Totals	
Total Payees	41,269
Total Paid	\$618,261,640

Employers

Chart of Employer Contributions - 10 year comparison



Chart of Employer Contribution Rates - 10 year comparison



Schedule of Participating Employers

State Agencies

10th Judicial Victim Assistance Office	Arkansas State University at Beebe
15th Judicial Victim/Witness Office	Arkansas State University - Mountain Home
Administrative Office of the Courts	Arkansas State University - Newport
Appraisers Licensing/Certification Board	Arkansas Technical University
Abstracters Board of Examiners	Arkansas Tobacco Control Board
Arkansas Athletic Commission	Arkansas Tobacco Settlement Commission
Arkansas Board of Geologists	Arkansas Towing & Recovering Board
Arkansas Board of Parole	Arkansas Waterways Commission
Arkansas Board of Psychology	Ashley County Conservation District
Arkansas Building Authority	Assessment Coordination Department
Arkansas Burial Association Board	Attorney General
Arkansas Child Abuse & Neglect Prevention	Auctioneers Licensing Board
Arkansas Claims Commission	Auditor of State
Arkansas County Conservation District	Auditor of State - Court Reporters
Arkansas Crime Information Center	Auditor of State - General Assembly House
Arkansas Department of Rural Services	Auditor of State - Trial Court Administrative Assistants
Arkansas Development & Finance Authority	Baxter County Conservation District
Arkansas Disability Determination For SSA	Benton County Conservation District
Arkansas Economic Development Commission	Black River Technical College
Arkansas Employment Security Division	Board of Barber Examiners
Arkansas Ethics Commission	Board of Collection Agencies
Arkansas Fair Housing Commission	Board of Examiners: Speech, Language, Audio
Arkansas Forestry Commission	Board of Examiners in Counseling
Arkansas Game & Fish Commission	Boone County Conservation District
Arkansas Geological Commission	Buffalo Conservation District
Arkansas History Commission	Calhoun County Conservation District
Arkansas Lottery Commission	Capitol Zoning District Commission
Arkansas Minority Health Commission	Carroll County Conservation District
Arkansas Motor Vehicle Commission	Chicot County Conservation District
Arkansas Northeastern College	Clark County Conservation District
Arkansas Public Defender Commission	Clay County Conservation District
Arkansas Public Employees Retirement System	Cleburne County Conservation District
Arkansas Real Estate Commission	Cleveland County Conservation District
Arkansas School for the Blind	Columbia County Conservation District
Arkansas School for the Deaf	Commissioner of State Lands
Arkansas Science and Technology Authority	Constitutional Officers
Arkansas Securities Department	Contractors Licensing Board
Arkansas Sentencing Commission	Conway County Conservation District
Arkansas State Board of Accountancy	Cossatot Community College of University of Arkansas
Arkansas State Board of Chiropractic Examiners	Cossatot Conservation District
Arkansas State Board of Election Commissioners	Court of Appeals
Arkansas State Board of Pharmacy	Craighead County Conservation District
Arkansas State Board of Massage	Crawford County Conservation District
Arkansas State Board of Optometry	Crime Lab
Arkansas State Library	Crittenden County Conservation District
Arkansas State University	Crooked Creek Conservation District

Cross County Conservation District	Geographic Information Office
Dallas County Conservation District	Governor's Office
Department of Agriculture	Grant County Conservation District
Department of Arkansas Heritage	Greene County Conservation District
Department of Commerce	Health Services Permit Agency
Department of Community Correction	Hearing Instrument Dispensers Board
Department of Corrections	Hempstead County Conservation District
Department of Education	Henderson State University
Department of Emergency Managment	Home Inspector Registration Board
Department of Energy and Environment	Hot Springs County Conservation District
Department of Environmental Quality	House, Speaker's Office
Department of Finance And Administration	Independence County Conservation District
Department of Health	Insurance Department
Department of Higher Education	Izard County Conservation District
Department of Human Services	Jackson County Conservation District
Department of Information Systems	Jefferson County Conservation District
Department of Inspector General	Johnson County Conservation District
Department of Labor	Judicial Discipline and Disability Commission
Department of the Military	Lafayette Conservation District
Department of Parks And Heritage	L'aigle Creek Conservation District
Department of Public Safety	Law Enforcement Standards & Training Division
Department of Transformation	Lawrence County Conservation District
Department of Veterans Affairs	Lee County Conservation District
Deputy Prosecuting Attorney	Legislative Audit Division
Desha County Conservation District	Legislative Council / Local Affairs
Disabled Veterans Service	Lieutenant Governor
District Judge Pilot	Lincoln County Conservation District
Division of Aeronautics	Liquified Petroleum Gas Division
Drew County Soil & Water Conservation District	Little River Conservation District
Drug Court Juvenile Probation & Intake Office	Logan County Conservation District
Drug Task Force 1st Judicial District	Lonoke County Conservation District
Drug Task Force 3rd Judicial District	Madison County Conservation District
Drug Task Force 5th Judicial District	Martin Luther King, Jr. Commission
Drug Task Force 10th Judicial District	Manufactured Home Commission / Mobile Home Standards
Drug Task Force 13th Judicial District	Miller County Conservation District
Drug Task Force 14th Judicial District	Mine Creek Conservation District
Drug Task Force 15th Judicial District	Mississippi County Conservation District
Drug Task Force 20th Judicial District	Monroe County Conservation District
Drug Task Force 21st Judicial District	Montgomery County Conservation District
Drug Task Force - Batesville	National Park Community College
East Arkansas Community College	Nevada County Conservation District
Educational T.V. Commission	Newton County Conservation District
Faulkner County Conservation District	North Arkansas College
Fire Protection Licensing Board	Northwest Arkansas Community College
Franklin County Conservation District	Office of Health Information Technology
Fulton County Conservation District	Office of Medicaid Inspector General
Garland County Conservation District	Oil & Gas Commission
General Assembly House - Regular	Ouachita Conservation District
General Assembly Senate - Regular	Ouachita VoTech / College of the Ouchitas
General Assembly - Senate	Ozarka College

Parks & Tourism

Perry County Conservation District
 Phillips County Conservation District
 Phillips Community College - University of Arkansas
 Pike County Conservation District
 Poinsett County Conservation District
 Pope County Conservation District
 Poteau River Conservation District
 Prairie County Conservation District
 Professional Bail Bondsman License Board
 Prosecuting Attorney
 Prosecutor Coordinator
 Public Service Commission
 Pulaski Conservation District
 Pulaski Technical College
 Randolph County Conservation District
 Rich Mountain Community College
 Rich Mountain Conservation District
 Saint Francis County Conservation District
 Sebastian County Conservation District
 Secretary of State
 Senate Clerk
 Sharp County Conservation District
 Social Work Licensing Board
 Soil & Water Conservation
 South Arkansas Community College
 South Central Drug Task Force
 Southeast Arkansas Technical College
 Southern Arkansas University
 Spinal Cord Commission
 State Board of Embalmers & Funeral Directors
 State Board of Architects
 State Board of Dental Examiners
 State Board of Dispensing Opticians
 State Board of Nursing
 State Board of Physical Therapy
 State Board of Licensing For Professional Engineers
 State Dietetics Licensing Board
 State Medical Board
 State Bank Department
 State Capitol Police
 State Military - Civilian Firefighters
 State Military Department
 State Police (Non-Troopers)
 State Treasurer
 State: Constitutional Officers Sub-Division
 State: Governors Sub-Division
 Statewide Shared Services
 Stone County Conservation
 Student Loan Authority

Supreme Court

Supreme Court - Bar of Arkansas
 Union County Conservation District
 University of Arkansas at Fayetteville
 University of Arkansas at Fort Smith
 University of Arkansas at Little Rock - Human Resources
 University of Arkansas at Monticello
 University of Arkansas at Pine Bluff
 University of Arkansas Community College at Batesville
 University of Arkansas Community College at Hope
 University of Arkansas Community College at Morrilton
 University of Arkansas Cooperative Extension Service
 University of Arkansas Medical Sciences
 University of Central Arkansas
 Van Buren County Conservation District
 Veterans Child Welfare Service
 Vocation & Technical Education/Rehabilitation
 War Memorial Stadium Commission
 Washington County Conservation District
 White County Conservation District
 Wildlife Officers
 Woodruff County Conservation District
 Workers' Compensation Commission
 Yell County Conservation District

County Agencies

Arkansas River Valley Regional Library
 Arkansas County
 Ashley County
 Association of Arkansas Counties
 Baxter County
 Baxter County Library
 Benton County
 Boone County
 Bradley County
 Calhoun County
 Carroll County
 Chicot County
 Clark County
 Clay County
 Clay County, Western District
 Cleburne County
 Cleveland County
 Columbia County
 Conway County
 Craighead County
 Crawford County

Crittenden County
Cross County
Dallas County
Desha County
Drew County
East Central Arkansas Regional Library
Faulkner County
Franklin County
Fulton County
Garland County
Grant County
Grassy Lake and Tyronza Drainage District
Greene County
Hempstead County
Hot Springs County
Howard County
Independence County
Izard County
Jackson County
Jefferson County
Johnson County
Lafayette County
Lawrence County
Lee County
Lincoln County
Little River County
Logan County
Lonoke County
Madison County
Marion County
Miller County
Mississippi County
Monroe County
Montgomery County
Nevada County
Newton County
Ouachita County
Perry County
Phillips County
Phillips County Library
Pike County
Poinsett County
Polk County
Pope County
Prairie County
Pulaski County
Randolph County
Randolph County Nursing Home
Saline County
Saline County Library

Scott County
Searcy County
Sebastian County Judge
Sevier County
Sharp County
St. Francis County
Stone County
Union County
Van Buren County
Washington County
White County Public Library
White County
White River Reg Library
Woodruff County
Yell County Library
Yell County

Municipal Agencies

Alma Water & Sewer Department
Arkansas Municipal League
Arkansas City
Batesville Waterworks
Bradford Water & Sewer
Brinkley Mun Water & Sewer Department
Caddo Valley
Camden Water & Utilities
Cammack Village
Cave City
Central Arkansas Water
City of Alexander
City of Alma
City of Arkadelphia
City of Ash Flat
City of Ashdown
City of Augusta
City of Austin
City of Batesville
City of Beebe
City of Bentonville
City of Bethel Heights
City of Biscoe
City of Bono
City of Bradford
City of Brinkley
City of Bryant
City of Cabot
City of Calico Rock
City of Carlisle
City of Cave Springs
City of Cedarville

City of Centerton	City of Knoxville
City of Charleston	City of Lamar
City of Cherry Valley	City of Lavaca
City of Clarksville	City of Lepanto
City of Clinton	City of Leslie
City of Corning	City of Lewisville
City of Cotter	City of Lincoln
City of Crawfordsville	City of Lockesburg
City of Crossett	City of Lowell
City of Decatur	City of Magnolia
City of Des Arc	City of Malvern
City of Dewitt	City of Mammoth Springs
City of Dierks	City of Marked Tree
City of Dover	City of Marshall
City of Elm Springs	City of Marvell
City of Emerson	City of Mcrae
City of England	City of Melbourne
City of Eudora	City of Mena
City of Farmington	City of Monette
City of Flippin	City of Monticello
City of Fordyce	City of Morrilton
City of Foreman	City of Mount Ida
City of Fulton	City of Mountain Home
City of Gassville	City of Mountain Pine
City of Gentry	City of Mountain View
City of Goshen	City of Mountain View Water & Sewer Commission
City of Gravette	City of Nashville
City of Green Forest	City of Norman
City of Greenland	City of Ola
City of Gum Springs	City of Pangburn
City of Hackett	City of Paragould
City of Hamburg	City of Paris
City of Hampton	City of Perryville
City of Hardy	City of Piggott
City of Harrisburg	City of Plummerville
City of Harrison	City of Pottsville
City of Haskell	City of Prairie Grove
City of Hazen	City of Prescott
City of Heber Springs	City of Quitman
City of Helena-West Helena	City of Ravenden
City of Holly Grove	City of Rector
City of Hope	City of Rison
City of Horatio	City of Rogers
City of Hot Springs	City of Russellville
City of Huntington	City of Salem
City of Huntsville	City of Scranton
City of Huttig	City of Searcy
City of Jacksonville	City of Shannon Hills
City of Jasper	City of Sheridan
City of Junction City	City of Shirley
City of Kibler	City of Smackover

City of Stamps
City of Strong
City of Stuttgart
City of Summit
City of Van Buren
City of Vilonia
City of Viola
City of Waldron
City of Ward
City of Warren
City of West Fork
City of Western Grove
City of Wilmar
City of Wynne
City of Yellville
Clinton Water & Sewer
Crossett Public Library
Crossett Water Commission
El Dorado Water & Sewer
Fordyce Water Department
Forrest City
Forrest City Water Utility
Fort Smith Public Library
Harrisburg Water & Gas Division
Hope Water & Light Commission
Hot Springs Advertising & Promotion Commission
Huntsville Water & Sewer Commission
Jacksonville Wastewater Utility
Jacksonville Water Commission
Little Rock Wastewater Utility
Malvern Waterworks
McGehee Water & Sewer
Mena Water & Sewer
Mount Pleasant Water Department
North Little Rock Advertising & Promotion Commission
Pangburn Water Department
Piggott Light & Water System
Rogers Water Utilities
Star City
Star City Water & Sewer
Stuttgart - North Arkansas County Library
Town of Bigelow
Town of Emerson
Town of Fountain Hill
Town of Highfill
Town of Imboden
Van Buren Municipal Utilities
Vilonia Waterworks Association
Warren Water & Sewer
Wynne Water Utilities

Schools

Alma School District #30
Alpena School District #5
Arkadelphia School District #1
Ashdown School District #31
Atkins School District #18
Bald Knob School District
Barton School District #4
Bauxite School District #14
Beebe School District
Benton School Dist #8
Bentonville School District #6
Bergman School District #3
Berryville School District
Blytheville School District #5
Booneville School District #65
Bradley School District#20
Brinkley School District
Brookland School District #14
Cabot School District #4
Cedarville School District #44
Clarendon School District #6
Clarksville School District #17
Clinton School District
Concord School District
Conway School District
Corning School District #8
Cossatot River School District
Cotter School District #60
Crossett School District #52
Cutter Morning Star Schools
Dardanelle School District #15
Deer School District #21
Des Arc School District #5
Dollarway Schools
Dover School District #17
Dumas Special School District
El Dorado School District #15
England School District #2
Fairview School District
Fayetteville School District #1
Flippin School District #26
Fordyce School District #39
Foreman School District #25
Forrest City School District
Fouke School District #15
Fort Smith School District
Genoa Central School District #1
Gentry School District #19

Green Forest School District
 Greenwood School District #25
 Hamburg School District #51
 Harrison School District #1
 Hazen School District #2
 Heber Springs School District #1
 Helena - West Helena School District #2
 Highland School District #42
 Hope School District #1a
 Horatio School District #55
 Hot Springs School District
 Hoxie School District #46
 Huntsville School District
 IZARD County Consolidated School District #1
 Jackson County School District #5
 Jasper School District #1
 Jonesboro Public Schools
 Junction City School District #75
 Lafayette County School District
 Lake Hamilton School District #5
 Lake Side Public Schools
 Lavaca School District #3
 Lee County School District
 Little Rock School District
 Lonoke School District #1
 Magazine School District #15
 Magnolia School District #14
 Malvern School District
 Marion School District #3
 McCrory Public Schools
 McNeil School District #37 (Stephens)
 Mountain Home School District #9
 Mountain View School District
 Mountainburg School District #16
 Newport School District
 North Little Rock School District
 Osceola School District #1
 Ozark School District #14
 Paragould School District #1
 Piggott School District #52
 Pine Bluff Schools
 Pocahontas School District #19
 Pottsville School District #61
 Pulaski County Special School District
 Rogers School District #30
 Russellville School District #14
 Searcy County School District
 Sheridan School District #37
 Shirley School District #3
 Siloam Springs School District #21

Smackover School District #39
 South Conway County School District
 South Central Co-Op
 South Mississippi County School District #57
 South Pike County School District
 Southside School District #3
 Springdale School District #50
 Stuttgart School District
 Texarkana School District #7
 Trumann School District #22
 Two Rivers School District
 Valley Springs School District #2
 Van Buren School District #42
 Vilonia School District
 Waldron School District
 Warren School District #1
 Watson Chapel School District #24
 West Memphis School Cafeteria
 White Hall School District
 Wynne School District #9
 Yellville Summitt School District #4

District Judges

ADJRS
 Ashdown District Court
 Ashley County District Court
 Austin District Court
 Biscoe District Court
 Bradley County District Court
 Brinkley District Court
 Cabot District Court
 Camden District Court
 Charleston District Court
 Cherokee Village District Judge
 Chicot County
 City of Ozark
 Clarksville District Court
 Crossett District Court
 Dermott District Court
 Devalls Bluff District Court
 East Camden District Court
 Elkins District Court
 Franklin County District Court
 Grant County District Court
 Hamburg District Court
 Hazen District Court
 Helena - West Helena District Judge
 Hot Springs District Court
 Lee County District Court
 Little Rock District Court

Malvern District Court
Newport District Court
Newton County District Court
Ouachita County
Phillips County District Court
Prairie Grove District Court
Randolph County
Sharp County
Sheridan District Court
Sherwood District Court
Ward District Court
West Fork District Court
Woodruff County District Court

District Court Employees*

Alpena District Court
Benton County District Court
Berryville District Court
Blytheville District Court
Booneville District Court
Camden District Court
Cherokee Village District Court
Clarendon District Court
Conway District Court
Dequeen District Court
Dermott District Court
Devalls Bluff District Court
Dumas District Court
East Camden District Court
Elkins District Court
Eureka Springs District Court
Fayetteville District Court
Hoxie District Court
Lake Village District Court
Little Rock District Court
Lonoke District Court
Marion District Court
Maumelle District Court
Mccrory District Court
McGehee District Court
Newport District Court
North Little Rock District Court
Osceola District Court
Ozark District Court
Perry County District Court
Pine Bluff District Court
Sherwood District Court
Siloam Springs District Court
Springdale District Court
Texarkana District Court

Trumann District Court
Tyronza District Court
Walnut Ridge District Court
West Memphis District Court
Wrightsville District Court

Other Non-State Employers

Alpine Public Water Authority
Benton County Solid Waste District
Boone County Airport
Boston Mountain Solid Waste
Buffalo Island Regional Water
Blytheville - Gosnell Airport
Clark County Water Facilities
Fulton County Water Authority
Hardin Public Water Authority
Highway 71 Water District
Hot Spring County Solid Waste Management
James Fork Regional Water District
Kimzey Regional Water District
Little River Regional Water System
Madison County Water Facilities Board
Magnet Butterfield Water
Marion County Regional Airport
Milltown - Washburn Water Users
Montgomery County Regional Public Water Authority
Northeast Arkansas Regional Solid Waste Management
Nevada County - Prescott Solid Waste
North Garland County Regional Water District
Northeast Public Water Authority
Paragould Housing Authority
Paron - Owensville Water Authority
Pulaski Area Geographic Information Systems
Pulaski County Solid Waste Management
Riversouth Rural Water District
Saline County Regional Solid Waste Management
Sardis Water Association
Southeast White County Water Authority
South Bend Fire District 10
Southwest Boone County Water Association
Southwest White County Water Association
Upper Southwest Arkansas Solid Waste Management
Washington Water Authority
Watson Chapel Public Water

*Employer doesn't participate in APERS with the exception of the district court judge and/or court clerk.