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ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
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September 23, 2025

The Honorable Ben Gilmore
State Senator
Arkansas Legislative Council Co-Chair
State Capitol, Room 315
Little Rock, AR 72201

The Honorable Les Eaves
State Representative
Arkansas Legislative Council Co-Chair
State Capitol, Room 315
Little Rock, AR 72201

Re: Arkansas Public Employees Retirement System (APERS) Investment for Review under Act 1211 of 2009

Senator Gilmore and Representative Eaves:

In accordance with Act 1211 of 2009, APERS is providing an investment summary for the Arkansas Legislative Council to review. Attached to this letter is the executive summary which details APERS' investment in a fund of one.

To comply with Act 937 of 2025, Divest from China, the APERS Board of Trustees voted to retain Blackrock, Inc. to manage an International Equity ACWI Index portfolio that will be divested from both China and Hong Kong. It will be structured as a fund of one. This will be a passive strategy, "beta". The investment manager was vetted and recommended by the APERS investment consultant, in consultation with the investment staff. APERS will transition its current passive strategy to the new strategy.

Please do not hesitate to contact me directly if you require additional information or have further questions.

Sincerely,

Amy Fecher

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International Equity ex-China ex-Hong Kong Investment Summary

Investment	BlackRock MSCI ACWI ex-US ex-China ex-Hong Kong (the "Fund").
Managing Party	BlackRock Institutional Trust Company, N.A. (the "General Partner" or "GP")
APERS Legal Interest	APERS/AJRS will be only L.P investors (the "limited partners")
Report Date	September 23, 2025
Expected Funding Date	Early to mid-October 2025
APERS Commitment & Reason for Entry	To comply with Act 937 of 2025, Divest from China, BlackRock will manage a fund-of-one for APERS/AJRS. This fund is utilized to maintain exposure to the international markets. The fund was vetted and recommended by the APERS Investment Consultant. Initially, the monetary value of the Fund will range from $500 million to $1.5 billion for APERS.
Placement Agent	No placement agent was utilized.
Key Terms	Management Fee: No more than 11 basis points (0.11%) per annum which does include operating expenses and management fees.
Justification of Investment Term & Anticipated Termination Date	The Fund is an "open-ended" fund and will remain open until APERS/AJRS liquidates the investment. There is no lock up period. APERS/AJRS may terminate, add, or withdraw all funds at any time. Liquidity is T-2 and T+2.
Investment Strategy	The Fund will track the MSCI ACWI ex US index, however it will specifically carve out any exposure to China and Hong Kong.
Management Team	The fund of one strategy team will be managed by Peter Tsang. He is the Director of the US Index Asset Allocation team.
Historical Performance	This is a new strategy. There is no historical performance on an ACWI ex-China ex-Hong Kong strategy. The strategy will track the MSCI ACWI xUS strategy. * Historical returns are not indicative of future performance