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APERS
ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

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December 18, 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) Investments for Review under Act 1211 of 2009 (A.C.A. §19-11-1302 et.seq.)

Senator Gilmore and Representative Eaves:

In accordance with Act 1211 of 2009 (A.C.A. §19-11-1302 et.seq.) APERS is providing investment summaries for the Arkansas Legislative Council to review. Attached to this letter is an executive summary detailing APERS' partial equity ownership in the investments.

The APERS Board of Trustees is retaining and investing in the following two strategies: Stepstone Secondaries Infrastructure Fund, L.P. ("SSIF") and StepStone Secondaries Infrastructure Fund Parallel, L.P. ("SSIFP"). The investments were vetted and recommended by the APERS private markets investment consultant, in consultation with the APERS investment staff. APERS is targeting a commitment of $50 million for the Stepstone Secondaries Infrastructure Fund, and $50 million for the StepStone Secondaries Infrastructure Fund Parallel.

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

Sincerely,

Amy Fecher

Amy Fecher

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Secondaries Infrastructure Investment Executive Summary

Investment	Stepstone Secondaries Infrastructure Fund, L.P. ("SSIF") and StepStone Secondaries Infrastructure Fund Parallel, L.P. ("SSIFP")
Managing Party	StepStone Infrastructure and Real Assets Group, LP ("SIRA" the "General Partner" or "GP")
APERS Legal Interest	APERS will be a Limited Partner ("LP") in both funds
Report Date	December 18, 2025
Expected Funding Date	First Quarter of calendar year 2026
APERS Commitment & Reason for Entry	A commitment of $100 million total ($50 million for SSIF, $50 million for SSIFP) will be necessary to achieve an~$85 million Net Asset Value within the APERS Real Assets investments. The fund was vetted and recommended by the APERS private markets consultant.
Placement Agent	No placement agent was utilized.
Key Terms	<u>Management Fee</u>: For SSIF the management fee is 90 bps on committed capital. The management fee on SSIFP is zero. There is a 25bp administration fee on SSIFP. The blended management fee is 57.5 bps on committed capital. <u>Carried Interest</u>: The carried interest for SSIF is 10.00% on net investment profits with an 8.00% limited partner preferred return with GP catch-up. For SSIFP the carried interest is zero. The blended carried interest is 5.00% on net investment profits with an 8.00% hurdle.
Justification of Investment Term & Anticipated Termination Date	The investment is a "closed end" fund investment structure. The investment period is up to 4 years from final close. The term is 12 years.
Investment Strategy	The strategy executes the same approach used by the firm's private equities secondary platform, focusing on restricted processes and negotiated investments including GP-directed flow and smaller transactions which seek to leverage the scale and information advantages of the platform
Management Team	The investment strategy team is led by secondary specialized senior members of the investment team with support of the entire 85+ person SIRA team.
Historical Performance	StepStone does have a successful track record. The track record goes back as far as 2019. Since 2019 gross IRR is 12.4% and net IRR is 9.5%. * Historical returns are not indicative of future performance