

## **RULE 5-4**

### **INVESTMENT GOALS**

A.C.A. §§ 24-2-610-619

The overall goal is to achieve, over a period of years, the greatest rate of return for the System ATRS with due consideration being given to preserving capital and its purchasing power and to maintaining an element of risk at a prudent investor level. by balancing risk at a prudent investor level to grow and preserve capital sufficient to pay benefits to members.

The Board may adopt or amend by motion or resolution at any board meeting the ATRS investment policies, investment procedures, and investment asset allocation targets consistent with the Board's fiduciary obligations under the prudent investor rule. ATRS sets performance goals that are approved by the Board after considering recommendations by the General Consultant and ATRS staff.

~~The System's actuary sets an expected return based on the Board's policy decisions. Market cycles may result in the ATRS System earning a return materially above or below the actuarial rate of return for extended periods of time. Therefore, the actuarial rate of return will not be used for performance comparison purposes.~~

#### **TOTAL SYSTEM PERFORMANCE GOALS**

Specific investment goals for the Retirement System are:

- ~~1. To achieve a weighted average of the asset allocation (shown above) based on an appropriate broad market index that best represents investments in that particular asset class. The asset categories, targets, and benchmarks will change over time pursuant to Board action. The current targets and asset class benchmarks are as follows:~~

<b>Asset Category</b>	<b>Target</b>	<b>Benchmark</b>
Domestic Equity	40.0%	Wilshire 5000 Index
International Equity	17.5%	MSCI All Country World Ex U.S. Index
Fixed Income	25.0%	Lehman Bros. Universal Bond Index
Alternatives	6.0%	Wilshire 5000 Index plus 2.0% per annum
Real Estate	5.0%	The NCREIF Nat'l Property Index
Timberland	1.5%	The Southeast Timberland NCREIF Index

AR-Related Investments	5.0%	The Lehman Mortgage Index
Cash Equivalents	0.0%	90 Day Treasury Bills

~~2. To rank above the median in a universe of similar public funds.~~

**Adopted:** October 7, 2003

**Approved by Board:** October 5, 2015

**Amended:**

**Effective:**