



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 are executive summaries detailing APERS' partial equity ownership in the investments.

The APERS Board of Trustees is retaining and investing in the following two strategies: HarbourVest Private Equity Continuation Solutions Fund LP, and HarbourVest PECS Delaware Overflow Fund LP. The investments were vetted and recommended by the APERS private equity investment consultant, in consultation with the APERS investment staff. APERS is targeting a commitment of \$50 million for the Private Equity Continuation Solutions Fund, and \$50 million for the HarbourVest PECS Delaware Overflow Fund.

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

Sincerely,

A handwritten signature in blue ink that reads "Amy Fecher".

Amy Fecher

Private Equity Investment Executive Summary

Investment	HarbourVest Private Equity Continuation Solutions Fund L.P. ("PECS"), and, HarbourVest PECS Delaware Overflow Fund L.P. ("POF"),
Managing Party	HarbourVest Partners, LLC (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 PECS, \$50 million for POF). Unlike a secondary market private equity investment, this commitment is not targeting a specific net asset value. The fund was vetted and recommended by the APERS private equity consultant.
Placement Agent	No placement agent was utilized.
Key Terms	<u>Management Fee</u>: For PECS the management fee is 65 bps on committed capital. The management fee on POF is zero. The blended management fee is 32.5 bps on committed capital. <u>Carried Interest</u>: For PECS the carried interest is 12.50% on net investment profits with an 8.00% limited partner preferred return with GP catch-up. For POF the carried interest is zero. The blended carried interest is 6.25% 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 5 years. The term is 10 years with two 1-year extensions at the option of the GP.
Investment Strategy	The strategy seeks a differentiated access to trophy assets of strong GPs with a highly experienced partner. The strategy focuses on single asset continuation transactions for high performing private equity-backed companies. It has a flexible mandate that provides sourcing advantage and a widened opportunity set and optimal diversification.
Management Team	The investment strategy team is highly experienced and is comprised of Managing Directors and Principals with over 120 investment professionals and 19 Managing Directors.
Historical Performance	HarbourVest does have a successful track record. The track record goes back as far as 2013. Since 2013 gross realized IRR is 30.5% and net realized IRR is 24.6%.

* Historical returns are not indicative of future performance