

**AGENDA**  
**ARKANSAS TEACHER RETIREMENT SYSTEM**  
**BOARD OF TRUSTEES**

**October 7, 2019**  
**11:00 a.m.**  
**1400 West Third Street**  
**Little Rock, AR 72201**

- I. **\*Call to Order/Roll Call.** page 1.
- II. **\*Motion for Excused Absences.**
- III. **\*Adoption of Agenda.** page 2.
- IV. **\*Election of Board Chair and Vice-Chair.**
- V. Executive Summary. (Attachment No. 1) page 6.
- VI. **\*Approval of Prior Meeting Minutes.**
  - A. **\*June 3, 2019.** (Attachment No. 2) page 17.
  - B. **\*July 8, 2019.** (Attachment No. 3) page 30.
  - C. **\*September 11, 2019.** (Attachment No. 4) page 33.
- VII. Member Interest Waived Under A.C.A Sec. 24-7-205. A total of \$51.96 was waived this reporting period. *Clint Rhoden, Executive Director* (Attachment No. 5) page 37.
- VIII. Employer Interest and Penalties Waived Under A.C.A. Sec. 24-7-411. A total of \$3,091.04 was waived this reporting period. *Clint Rhoden, Executive Director* (Attachment No. 6) page 38.
- IX. Manifest Injustice Report. (Attachment No. 7) page 39.
- X. **\*Manifest Injustice for Board Approval.**
  - 4. **\*In Re: Sandra Ledbetter MI-2018-006.**
- XI. Investment Committee Report. *Robin Nichols, Investment Committee Chair*

\* Action Item

- A. Arkansas Related and Investment Update.
  - 1. List of Fund Closings.
    - a. DW Healthcare Partners V, LP, a Private Equity Buyout Fund that Invests in Expansion Stage Companies in the Healthcare Sector with Imminent Need, the Board Authorized Commitment of up to \$30 Million Dollars on April 1, 2019 was Accepted and Closed on July 22, 2019.
    - b. Rockwood Capital Real Estate Partners Fund XI, L.P., a Closed End Value Added Real Estate Fund that Invests in Value Added Office, Apartment, Retail, and Hotel Properties Across Multiple Regions in the U.S., the Board Authorized Commitment of up to \$40 Million Dollars on April 1, 2019 was Accepted and Closed on June 14, 2019.
    - c. Walton Street Real Estate Debt Fund II, L.P., a Closed End Value Added Real Estate Debt Fund that Invests in a Diversified Portfolio of Higher Yielding Commercial Real Estate Debt Investments, the Board Authorized Commitment of up to \$40 Million Dollars on April 1, 2019 was Accepted and Closed on May 17, 2019.
    - d. Franklin Park Venture Fund Series 2019, L.P. a Fund of Funds Managed by Franklin Park Investing in Venture Capital Private Equity Funds, the Transfer of the Commitment of up to \$30 Million Dollars from the Franklin Park Venture Capital Access Fund, L.P. to the Franklin Park Venture Fund Series 2019 Authorized by the Board on June 3, 2019 was Accepted and Closed on June 25, 2019.
    - e. Franklin Park Corporate Finance Access Fund, L.P., a Fund of Funds Managed by Franklin Park Investing in Smaller Buyout, Growth, and Turnaround Private Equity Funds, the Transfer of the Commitment of up to \$30 Million Dollars from the ATRS/FP Private Equity Fund to the Franklin Park Corporate Finance Access Fund Authorized by the Board on June 3, 2019 was Accepted and Closed on July 31, 2019.
    - f. JFL Equity Investors V, L.P., a Private Equity Buyout Fund that Invests in the Defense, Aerospace and Maritime Industries and Related Businesses, the Board Authorized Commitment of up to \$30 Million Dollars on June 3, 2019 was Accepted and Closed on June 26, 2019.
  - 2. Programs Being Unwound by the Fund Managers.
- B. General Investment Consultant Report.
  - 1. Performance Report for the Quarter Ended June 30, 2019. (Attachment No. 8) page 41.

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2. Preliminary Performance Report for the Month Ended August 31, 2019. (Attachment No. 9) page 194.
3. Emerging Manager Report for Fiscal Year Ended June 30, 2019. (Attachment No. 10) page 218.
4. **\*Recommendation to Commit up to an Additional \$30 Million Dollars in Aeolus Catastrophe Keystone PF Fund, LP, an Opportunistic/Alternative Reinsurance Fund Specializing in Property Catastrophe Insurance Coverage.** (Attachment No. 11) page 236.
  - a. **\*Resolution 2019-38.** (Attachment No. 12) page 240.

C. Real Assets Consultant Report.

1. Performance Report for the Quarter Ended March 31, 2019 . (Attachment No. 13) page 241.
2. **\*Recommendation to Commit up to \$50 Million Dollars in AxInfra NA II LP, an Open-Ended Infrastructure Fund Specializing in U.S. and Canadian Energy and Transportation Assets.** (Attachment No. 14) page 290.
  - a. **\*Resolution 2019-39.** (Attachment No. 15) page 329.
3. **\*Recommendation to Rebalance ATRS Timber Holdings Managed by BTG Pactual by Exchanging Certain ATRS Timber Holdings for Shares of the BTG Pactual Open Ended Core US Timberland Fund, LP, a Timber Fund Focused on Long-Term Commercial Timber Properties.** (Attachment No. 16) page 330.
  - a. **\*Resolution 2019-40.** (Attachment No. 17) page 345.

D. Private Equity Consultant Report.

1. Preliminary Private Equity Portfolio Review for the Quarter Ended June 30, 2019. (Attachment No. 18) page 347.
2. Emerging Manager Report for Fiscal Year Ended June 30, 2019. (Attachment No. 19) page 399.
3. **\*Recommendation to Commit up to \$30 Million Dollars in Clearlake Capital Partners VI, L.P. a Private Equity Fund that Makes Opportunistic Debt and Equity Investments in Middle Market Companies Undergoing Change and/or are in Underserved Industries or Markets in North America.** (Attachment No. 20) page 406.
  - a. **\*Resolution 2019-41.** (Attachment No. 21) page 427.

XII. Operations Committee Report.

- A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members Present.

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1. Open Forum.

B. **\*Rule Change: Rule 1 - Board Governance.** (Attachment No. 22) page 428.

C. **\*Potential Rule Changes.**

1. **\*Rule 6 - Membership Rules.** (Attachment No. 23) page 439.

2. **\*Rule 7 - Reporting and Eligibility.** (Attachment No. 24) page 452.

3. **\*Rule 8 - Purchases and Refunds.** (Attachment No. 25) page 462.

4. **\*Rule 9 - Retirement and Benefits.** (Attachment No. 26) page 469.

6. **\*Rule 11 - Survivors and Domestic Relations Orders.** (Attachment No. 27) page 483.

XIII. **\*Staff Reports.**

A. **\*Medical Committee Reports. A Total of 33 Disability Retirement Applications Approved.** (Attachment No. 28) page 492.

XIV. **\*Adjourn.**