

## MINUTES

### Regular Meeting Board of Trustees

August 14, 2000

The Board of Trustees of the Arkansas Teacher Retirement System met on Monday, August 14, 2000, at 9:15 a.m. The meeting was held in the ATRS Board Room, 1400 West Third Street, Little Rock, Arkansas.

#### Members of the Board Present:

Charles Dyer, Chair  
Betty McGuire, Vice Chair  
Winfred Clardy  
Hazel Coleman  
Dr. Paul Fair  
John Fortenberry  
Ann Harbison  
Mary Harris  
Lynda Hogue  
Linda Parsons  
Charles Vondran  
Frank White

#### Members of the Board Absent:

Jimmie Lou Fisher  
Raymond Simon  
Gus Wingfield

#### Members of the Staff Present:

Bill Shirron, Executive Director  
Angelo Coppola, Deputy Director  
Wayne Greathouse, Associate Director/Investments  
Tammy Medlock, Administrative Assistant  
George Snyder, Chief Financial Officer

#### Others Present:

Dan Blanks, Hicks Muse Tate & Furst  
Craig Camp, Merrill Lynch  
Greg Colvin, DLJ  
Andrew Fastow, LMJ2 Co-Investment  
John Feeney, Hyperion Capital Management  
Doug Forsythe, Hyperion Capital Management  
Jack Furst, Hicks Muse Tate & Furst  
Jay Gadberry, Morgan Keegan  
Bruce Gartman, Office of the State Auditor  
Jack Gastler, Nicholas/Applegate  
Nigel Grierson, Doughty Hanson  
Scott Harrington, Vanderbilt Capital Advisors  
Mary Harris, Westbrook Partners  
Richard Holbein, Holbein & Associates

Robert Horton, Smith Barney  
Jennifer Hunt, Loomis Sales  
Paul Jacob, Hyperion Capital Management  
Kathy Lynn, LMJ2 Co-Investment  
Steve Marquardt, Doughty Hanson  
Lisa McDaniel, Regions Trust Capital Management  
James McGuire, Guest of Betty McGuire  
Michael Millhouse, Loomis Sayles  
Evelyn Nelson, Retiree  
George Powlick, Doughty Hanson  
Joe Russo, Westbrook Partners  
Scott Scoles, Merrill Lynch  
Mark Seaman, Wachovia Timberland Management  
Trent Trumbo, Merrill Lynch  
Leonard Venable, Office of the State Treasurer  
Jim Webb, Wachovia Timberland Management  
Kelvin Walker, Hicks Muse Tate & Furst  
Bill Walton, Westbrook Partners  
John Ware, 21<sup>st</sup> Century

**I. Roll Call**

The minutes were recorded by Tammy Medlock of the Teacher Retirement staff.

**II. Adoption of Agenda**

Dr. Fair made a motion to adopt the agenda as presented and postpone the election of officers until the next regular meeting. The motion carried.

**III. Minutes of February 7-8, 2000**

Ms. Parsons made a motion to approve the minutes of May 8-9, and June 28, 2000 as presented. The motion carried. Mr. Holbein noted a typographical error on page 12 of the brochure: The maximum asset allocation range for Alternative Investments should be 17%.

**IV. Next Regular Meeting Date(s)**

The next regular meeting of the Board was tentatively scheduled for November 8-9, 2000.

**V. Consultant's Report**

Dr. Fair made a motion to adopt the Investment policy changes as amended on page 19 of the brochure. The motion carried. Mrs. Harris and Mrs. Hogue voted "No." (Attachment A - Amended policy)

**VI. Presentation - Doughty Hanson Technology Fund**

Mr. White made a motion to place \$50 million with the Doughty Hanson Technology Fund. The motion carried. Mrs. Harris voted "No."

**VII. Presentation - Westbrook Fund IV**

Dr. Fair made a motion to place \$125 million with Westbrook Fund IV. The motion carried.

**VIII. S&P 500 Market Index Target Term Securities (MITTS)**

Mrs. Harris made a motion to take no action. Dr. Fair made a substitute motion to place \$100 million in the MITTS. The motion did not pass. The main motion passed.

**IX. Consultant's Report (Continued)**

**X. Investment Program Reports**

- A. Vanderbilt Capital Advisors
- B. Loomis Sayles
- C. Hyperion
- D. Nicholas Applegate
- E. Regions

F. Presentation - Hicks Muse Fund V

Mrs. Harbison made a motion to place \$200 million in Hicks Muse Fund V. The motion carried.

- G. 21<sup>st</sup> Century
- H. Wachovia Timberland
- I. LMJ2 Co-Investment

**In other Business:**

**Doughty Hanson Fund III Update Meeting.** Mr. Steve Marquardt invited board members to attend the Fund III update meeting scheduled for September 28-29, at the Four Seasons Hotel in La Jolla, California.

**Rebalancing the Asset Allocation.** Mrs. McGuire made a motion to authorize Mr. Shirron and Mr. Holbein to appropriate an additional \$250 million to two portfolio managers - \$150 million to Loomis Sayles and \$100 million to Nicholas/Applegate, taking \$100 million from Oppenheimer, and \$50 million each from Munder, Invesco and Alliance. The motion carried.

Dr. Fair made a motion to recess until 8:30 a.m., August 15, 2000. The motion carried and the Board recessed at 6:00 p.m.

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Charles Dyer, Chairman

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Bill A. Shirron, Secretary to the Board

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DATE