

Minutes

Arkansas Teacher Retirement System Board of Trustees Special Called Meeting

November 4, 2003

The Board of Trustees of the Arkansas Teacher Retirement System held a special called meeting on Tuesday, November 4, 2003 at 4:00 p.m. The meeting was conducted by dial-in telephone conference, which was recorded by AT & T Special Call Services. The Executive Director, Mr. David Malone, served as host during the call.

Board of Trustee Participants:

Linda Parsons, Chair
John Fortenberry, Vice-Chair
Robert H. "Bunny" Adcock
Monty Betts
Winfred Clardy
Hazel Coleman
Charles Dyer
Ann Harbison
Betty McGuire
Robin Nichols
Ellen Terry

Members of the Board Who Did Not Participate:

Tom Courtway
Dr. Paul Fair
Gus Wingfield
Jim Wood

Staff Participants:

David R. Malone, Executive Director
Julie Cabe, Deputy Director
Debbie White
Wayne Greathouse
George Snyder

Guest Participants:

Aaron Black, Governor's Office
Steve Cummings, EnnisKnupp
P.J. Kelly, EnnisKnupp

Press Participants:

James Jefferson, Associated Press
Mike Wickline, Ark. Democrat-Gazette
Wesley Brown, Ark. News Bureau
Ron Breeding, KUAR Radio, UALR

I. Call to Order

Linda Parsons, Chair, called the meeting to order and thanked participants for arranging their schedules to meet in special session.

II. Roll Call

As host, Mr. Malone kept roll as participants came on the line and then called the roll before the meeting proceeded.

III. Approval of Agenda

Bunny Adcock made the motion to approve the agenda, with second by Hazel Coleman. Motion carried

IV. Discussion of International Investments

A. Putnam Institutional Management (International Equity)

Steve Cummings, of EnnisKnupp, briefly reviewed their assessment of money manager, Putnam Institutional Management. Executive Director, David Malone, then presented possible actions the Board could take, in light of organizational changes, decrease in funds, new personnel and the regulatory investigation that Putnam will be operating under. Ann Harbison made a motion that Putnam be terminated as a fund manager. Hazel Coleman seconded the motion, which was unanimously approved by the eleven Trustees participating in the meeting.

After a brief discussion on how to handle the funds Putnam has managed, Ann Harbison made a motion to approve the recommendation to transition the funds to State Street, ask them to do limited trading to reduce tracking vs. the EAFE, and hold the portfolio until a new manager is hired. Hazel Coleman seconded the motion, which was unanimously approved.

B. AIB Govett

The Executive Director reported that a public announcement had been made today that Govett had been bought by Gartmore Investment Management. Because of changes due to this development, and the termination of Putnam, the Executive Director recommended that staff and EnnisKnupp should meet with Gartmore and an expedited search for new international fund managers be conducted. Betty McGuire made a motion to approve this recommendation, which was seconded by Ellen Terry. The motion was unanimously approved.

Tentative dates to conduct an expedited search were set as follows:


Investment Committee Meeting on *November 17, 2003 at 1:00 p.m.*

Interview Candidates-Investment Committee Meeting on *December 2, 2003 at noon.*

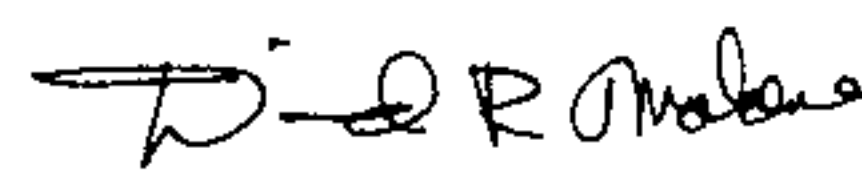
Final selection and approval of manager(s)-December 8 & 9, 2003 Board of Trustees meeting.

V. Adjournment

As there was no further business to be discussed, the meeting adjourned by mutual consent at 4:50 p.m.



Debbie White, Project Analyst



David R. Malone, Executive Director



Linda Parsons, Chair

12-9-04

Date of Approval