

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

**February 5, 2024**  
**11:00 a.m.**  
**1400 West Third Street**  
**Little Rock, AR 72201**

- I. **\*Call to Order/Roll Call.** page 1.
- II. **\*Motion to Excuse Absentees.**
- III. **\*Adoption of Agenda.** page 2.
- IV. Executive Summary. (Attachment No. 1) page 7.
- V. Executive Director Report. *Mark White, Executive Director* (Attachment No. 2) page 14.
- VI. **\*Staff Empowerment.**
  - A. **\*Authority to Transact Business.**
    - 1. **\*Resolution 2024-01.** (Attachment No. 3) page 17.
  - B. **\*Specific Powers of Executive Director.**
    - 1. **\*Resolution 2024-02.** (Attachment No. 4) page 18.
  - C. **\*Appointment of ATRS as Manger of LLC's.**
    - 1. **\*Resolution 2024-03.** (Attachment No. 5) page 20.
- VII. **\*Authority to Reimburse Trustee Expenses for 2024.**
  - A. **\*Resolution 2024-04.** (Attachment No. 3) page 21.
- VIII. **\*Authorization for Board Travel and Expense Reimbursement for 2024.**
  - A. **\*Resolution 2024-05.** (Attachment No. 4) page 22.
- IX. **\*2024-2025 Employer Contribution Rate.**

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- A. **\*Resolution 2024-06.** (Attachment No. 5) page 27.
  
- X. **\*2024-2025 Member Contribution Rate..**
  - A. **\*Resolution 2024-07.** (Attachment No. 6) page 28.
  
- XI. **\*Surcharge Rate for Outsourced Positions.**
  - A. **\*Resolution 2024-08.** (Attachment No. 7) page 29.
  
- XII. **\*Actuarial Valuation June 30, 2023.**
  - A. **\*Active and Inactive Members.** (Attachment No. 8) page 30.
  - B. **\*Retirees & Beneficiaries.** (Attachment No. 9) page 108.
  
- XIII. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205. No.
  
- XIV. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 10) page 152.
  
- XV. **\*Disability Review.**
  - A. In the Matter of Disability Review Applicant ATRS ID#391645. (Attachment No. 11) page 153.
  
- XVI. **\*2024 Board Election.**
  - A. **\*Certification of Ms. Keri Hamilton - Member Trustee, Position #4.**
    - 1. **\*Resolution 2024-09.** (Attachment No. 15) page 156.
  - B. **\*Certification of Mr. Kelsey Bailey, Member Trustee, Non Certified, Position #7.**
    - 1. **\*Resolution 2024-10.** (Attachment No. 16) page 157.
  
- XVII. **\*Approval of New ATRS Employer.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*
  - A. **\*In the Matter of the Arkansas School Bands and Orchestra Association.**
    - 1. **\*Resolution 2024-12.** (Attachment No. 17) page 158.
  
- XVIII. Investment Committee Report. *Chip Martin, Investment Committee Chair*
  - A. Arkansas Related and Investment Update.
    - 1. List of Fund Closings.

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- a. EnCap Energy Transition Fund II, a fund focused on energy transition, the Board authorized commitment of up to \$50 million dollars on September 25, 2023 was accepted and closed on December 15, 2023.
  - b. Beekman Investment Partners V, L.P., a fund specializing in consumer, healthcare, and industrial services, the Board authorized commitment of up to \$35 million dollars on December 4, 2023 was accepted and closed on January 11, 2024.
  - c. KKR Real Estate Partners Americas IV SCSp, a fund focused on industrial and rental properties, the Board authorized commitment of up to \$50 million dollars on December 4, 2023 was accepted and closed on January 19, 2024.
2. Board Policies Report. (Attachment No. 18) page 160.
  3. Highland Update. (Attachment No. 19) page 163.
- B. General Investment Consultant. Aon Hewitt Investment Consulting.
1. Preliminary Performance Report for the Quarter Ending December 31, 2023. (Attachment No. 20) page 166.
  2. Asset Allocation Review and Recommendation.
    - a. **\*Recommendation to approve for Board adoption a motion to revise Board Policy 4 (Investment Policy) to transition 5% of the Total Equity Target Asset Allocation to the Fixed Income Target Asset Allocation.** (Attachment No. 21) page 317.
    - b. **\*Pending approval of the proposed revisions to Board Policy 4.**
      1. **\*Recommendation to approve for Board adoption Resolution 2024-11 authorizing an investment of up to \$800 million dollars in Baird Advisors, Core Plus Bond strategy.**
        0. **\*Resolution 2024-11.** (Attachment No. 23) page 375.
      2. Notification of intent to rebalance the remaining transition amount to the existing SSgA Aggregate Bond Index Fund.
- C. Real Assets. Aon Hewitt Investment Consulting.
1. Performance Report for the Quarter Ending September 30, 2023. (Attachment No. 24) page 376.
- D. Private Equity. Franklin Park.

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1. Private Equity Portfolio Review for the Quarter Ending September 30, 2023. (Attachment No. 25) page 426.

XIX. Operations Committee Report. *Bobby Lester, Operations Committee Chair*

A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members in Attendance.

1. Open Forum.

B. **\*Rules Promulgation Status Update.**

1. **\*Rule 5-1: Investment Introduction.** (Attachment No. 26) page 473.
2. **\*Rule 5-2: Standard Care.** (Attachment No. 27) page 474.
3. **\*Rule 5-3: Asset Allocation.** (Attachment No. 28) page 475.
4. **\*Rule 5-4: Investment Goals.** (Attachment No. 29) page 476.
5. **\*Rule 5-6: Investment Consultants.** (Attachment No. 30) page 477.
6. **\*Rule 5-7: Investment Managers.** (Attachment No. 31) page 478.
7. **\*Rule 5-8: Soft Dollars.** (Attachment No. 32) page 479.
8. **\*Rule 0-1: ATRS Rule of Organization and Operation.** (Attachment No. 33) page 480.
9. **\*Rule 4: Election of Board of Trustees.** (Attachment No. 34) page 487.
10. **\*Rule 6: Membership and Employer Participation.** (Attachment No. 35) page 506.
11. **\*Rule 7: Service Credit, Contributions, Reporting, and Final Average Salary.** (Attachment No. 36) page 526.
12. **\*Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts.** (Attachment No. 37) page 550.
13. **\*Rule 9: Retirement and Benefits.** (Attachment No. 38) page 578.
14. **\*Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.** (Attachment No. 39) page 621.
15. **\*Rule 11: Survivors and Domestic Relations Orders.** (Attachment No. 40) page 643.
16. **\*Rule 12-1: Protection of "Qualified Trust" Status of ATRS Under Internal Revenue Code 401(a).** (Attachment No. 41) page 681.
17. **\*Rule 13-1: Administration Adjudications: Staff Determinations and Appeals.** (Attachment No. 42) page 684.

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18.     **\*Rule 14-1: Retirement Fund Asset Accounts.** (Attachment No. 43) page 706.
  19.     **\*Rule 15-1: Benefit Restoration Plan and Trust.** (Attachment No. 44) page 708.
  20.     **\*Rule 16: Cash and Savings Help (CASH) Program.** (Attachment No. 45) page 725.
  21.     **\*Rule 17-1: Manifest Injustice.** (Attachment No. 46) page 731.
- C.     **\*Update to ATRS Board Policy 4 Statement of Investment Policy.** (Attachment No. 12) page 749.
- XX.    **\*Staff Reports.**
- A.     **\*Medical Committee Report. 16 Applications were approved.** (Attachment No. 13) page 762.
- XXI.   Other Business.
- XXII.  **\*Adjourn.**