

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

September 28, 2020
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. Executive Summary. (Attachment No. 1) page 6.
- V. ***Approval of Prior Meeting Minutes.**
 - A. ***June 1, 2020 Minutes.** (Attachment No. 2) page 15.
 - B. ***June 30, 2020 Minutes.** (Attachment No. 3) page 23.
 - C. ***April 6, 2020 - Scrivener's error.** (Attachment No. 4) page 25.
- VI. ***Scrivener's Error - Resolution 2020.07.** (Attachment No. 5) page 31.
- VII. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205. No Member interest was waived for this reporting period.
- VIII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. . Seven (7) employer penalties and interest amounts were waived for this reporting period in the amount of \$2,693.20. (Attachment No. 6) page 32.
- IX. ***Manifest Injustice for Board Approval.** *Clint Rhoden, Executive Director and Martha Miller, General Counsel*
 - A. ***In the Matter of MI Claim #2020-04.**
- X. Forfeiture Recommendations Pursuant to A.C.A. 24-7-734(6). This report is for information purposes only. *Martha Miller, General Counsel*

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- XI. ***Calculation of Lump Sum Death Benefit.** *Clint Rhoden, Executive Director*
 - A. ***Resolution 2020-27.** (Attachment No. 7) page 33.

- XII. ***ATRS CASH Program for Fiscal Year 2021.**
 - A. ***Resolution 2020-28.** (Attachment No. 8) page 34.

- XIII. ***Adoption of Interest Rate for Regular T-DROP Accounts for Fiscal Year 2021.**
 - A. ***Resolution 2020-29.** (Attachment No. 9) page 38.

- XIV. ***Adoption of Interest Rate for Post 10 Year T-DROP Accounts for Fiscal Year.**
 - A. ***Resolution 2020-30.** (Attachment No. 10) page 39.

- XV. ***CBA Incentive Interest Determination.**
 - A. ***Resolution 2020-31.** (Attachment No. 11) page 40.

- XVI. Audit Committee Report. *Kelly Davis, Audit Committee Chair*
 - A. Internal Audit: History Adjustments. (Attachment No. 12) page 41.

- XVII. Investment Committee Report. *Robin Nichols, Investment Committee Chair*
 - A. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.
 - a. Thoma Bravo Discover Fund III, L.P., a Buyout Fund Focused on U.S. Investments with a Specialization in Software Companies with Imminent Need, the Board Authorized Commitment of up to \$20 Million Dollars on April 6, 2020 was Accepted and Closed on May 29, 2020.
 - b. Thoma Bravo Fund XIV, L.P., a Private Equity Buyout Fund that Invests in Larger Market Software Companies with Imminent Need, the Board Authorized Commitment of up to \$20 Million Dollars on April 6, 2020 was Accepted and Closed on May 29, 2020.
 - c. TCW TALF Opportunities Fund, LP a Fund Focused on Investments in Asset-Backed Securities with Imminent Need, the Board Authorized Commitment of up to \$100 Million Dollars on May 20, 2020 was Accepted Closed for \$40 Million Dollars on May 28, 2020.

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- d. AB TALF Opportunity 2020 (Delaware) Fund, L.P. a Fund Focused on Investments in Asset-Backed Securities with Imminent Need, the Board Authorized Commitment of up to \$100 Million Dollars on May 20, 2020 was Accepted Closed for \$42 Million Dollars on May 27, 2020.
- e. Torchlight Debt Fund VII, L.P., an Opportunistic Real Estate Fund Focused on High Yield Debt Investments in Both the Public and Private Markets, the Board Authorized Commitment of up to \$50 Million Dollars on June 1, 2020 was Accepted and Closed on July 1, 2020.
- f. CBRE Strategic Partners U.S. Value 9, L.P, a Value Added Real Estate Fund Focused on Institutional Quality Multifamily, Office, and Retail Properties in the U.S., the Board Authorized Commitment of up to \$50 Million Dollars on June 1, 2020 was Accepted and Closed on July 6, 2020.
- g. Macquarie Infrastructure Partners V, L.P. a Core Infrastructure Fund Focused Primarily on North American Infrastructure Assets, the Board Authorized Commitment of up to \$50 Million Dollars on June 1, 2020 was Accepted and Closed on July 16, 2020.

B. General Investment Consultant.

- 1. Performance Report for the Quarter Ended June 30, 2020. (Attachment No. 13) page 48.
- 2. Preliminary Performance Report for the Month Ended August 31, 2020. (Attachment No. 14) page 208.
- 3. Emerging Manager Report for Fiscal Year Ended June 30, 2020. (Attachment No. 15) page 232.

C. Real Assets Consulting Report.

- 1. Performance Report for the Quarter Ended March 31, 2020. (Attachment No. 16) page 251.
- 2. ***Recommendation to Commit up to \$50 Million Dollars in Kayne Anderson Real Estate Partners VI, L.P. ("KAREP VI"), a Closed-End Opportunistic Real Estate Fund Focused on Senior Housing and Medical Offices.** (Attachment No. 17) page 305.
 - a. ***Resolution 2020-24.** (Attachment No. 18) page 333.
- 3. ***Recommendation to Commit up to \$40 Million Dollars in PGIM Real Estate Capital VII SCSp, ("PRECap VII"), a Closed-End Real Estate Fund Specializing in Junior and Senior Debt in the European Real Estate Market.** (Attachment No. 19) page 334.
 - a. ***Resolution 2020-25.** (Attachment No. 20) page 370.

D. Private Equity Consultant Report.

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1. Preliminary Private Equity Portfolio Review for the Quarter Ended June 30, 2020. (Attachment No. 21) page 371.
2. Emerging Manager Report for Fiscal Year Ended June 30, 2020. (Attachment No. 22) page 425.
3. ***Recommendation to Make an Additional Commitment of up to \$30 Million Dollars in 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.** (Attachment No. 23) page 432.
 - a. ***Resolution 2020-26.** (Attachment No. 24) page 443.

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

- A. Open Forum for Potential Rule or Law Changes by Committee Members and Board Members Present.
 1. Open Forum.
- B. ATRS 2021 Legislative Package. (Attachment No. 25) page 444.

XIX. ***Staff Report.**

- A. ***Medical Committee Reports. A total of 27 Disability Applications were Approved.** *Willie Kincade, Director of Operations* (Attachment No. 26) page 458.

XX. ***Recognition of Trustees.** *Clint Rhoden, Executive Director*

XXI. ***Recognize Vacancies.**

- A. ***Resolution 2020-34.** (Attachment No. 27) page 462.
- B. ***Resolution 2020-35.** (Attachment No. 28) page 463.

XXII. ***Fulfilment of Vacancies Pursuant to A.C.A. 24-7-302 (b)(2).**

XXIII. Other Business.

XXIV. ***Adjourn.**