

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

**June 7, 2021**

**11:30 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. **\*April 6, 2020 - Corrected Minutes.** (Attachment No. 2) page 11.
  - B. **\*April 5, 2021 Minutes.** (Attachment No. 3) page 17.
  - C. **\*May 3, 2021 Minutes.** (Attachment No. 4) page 24.
- VI. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205. (Attachment No. 5) page 27.
- VII. Report of Employer Interest and Penalties Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 6) page 28.
- VIII. **\*Manifest Injustice Board Review.**
  - A. **\*In the Matter of MI Claim #2021-05.**
- IX. Manifest Injustice Report. (Attachment No. 7) page 29.
- X. **\*GASB Report After Legislative Audit Review.** *Curtis Carter, Chief Fiscal Officer* (Attachment No. 8) page 31.

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- XI. **\*Legislative Audit Report.** *Clint Rhoden, Executive Director* (Attachment No. 9) page 131.
  
- XII. Discussion of ATRS Audit Findings for Fiscal Year 2020.
  
- XIII. Discussion of Retirement Applications Waived in 2020.
  
- XIV. Audit Committee Report. *Danny Knight, Vice Chair Audit Committee*
  - A. Internal Audit: Application of IRS 415 Limit Testing. (Attachment No. 10) page 165.
  - B. Special Project: Cyber Security Training. (Attachment No. 11) page 174.
  - C. **\*2021-2022 Audit Plant.**
    - 1. **\*Audit Plan for FY2022.** (Attachment No. 12) page 176.
    - 2. FY2021 Summary of "Work Completed". (Attachment No. 13) page 182.
    - 3. Conflict of Interest Statements. (Attachment No. 14) page 188.
    - 4. Code of Ethics Statements. (Attachment No. 15) page 190.
  
- XV. Investment Committee Report. *Robin Nichols, Investment Committee Chair*
  - A. Arkansas Related and Investment Update.
    - 1. List of Fund Closings.
      - a. Assignment of Interest in Riverside Fund V, L.P., to Riverside Fund V SQ-A, L.P., a Continuation of an Existing Private Equity Buyout Fund Specializing in Small Companies in the Healthcare and Technology Sectors, with Imminent Need, the Board Authorized Assignment was Accepted and Closed on March 18, 2021.
  - B. General Investment Consultant Report.
    - 1. Preliminary Performance Report for the Quarter Ended March 31, 2021. (Attachment No. 16) page 192.
    - 2. Preliminary Performance Report for the Month Ended April 30, 2021. (Attachment No. 17) page 338.
    - 3. Opportunistic/Alternative Portfolio Review. (Attachment No. 18) page 362.
  - C. Real Asset Investment Consultant Report.
    - 1. Performance Report for the Quarter Ending December 31, 2020. (Attachment No. 19) page 411.
    - 2. ATRS Farmland Portfolio Discussion.

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3. **\*Recommendation to Commit up to \$50 Million Dollars to KKR Diversified Core Infrastructure Fund L.P., an Open End Infrastructure Fund Focused on Existing Projects with Imminent Need.** (Attachment No. 20) page 464.
  - a. **\*Resolution 2021-23.** (Attachment No. 21) page 507.
4. **\*Recommendation to Commit up to \$50 Million Dollars to Carlyle Realty Partners IX, L.P., a Value Add Closed End Real Estate Fund that Seeks to Identify and Capitalize on Real Estate Trends with Imminent Need.** (Attachment No. 22) page 509.
  - a. **\*Resolution 2021-24.** (Attachment No. 23) page 538.
5. **\*Recommendation to Commit up to \$50 Million Dollars to GLP Capital Partners IV L.P., a Value Add Open End Real Estate Fund Specializing in Distribution and Logistic Companies with Imminent Need.** (Attachment No. 24) page 540.
  - a. **\*Resolution 2021-25.** (Attachment No. 25) page 561.

D. Private Equity Consultant Report.

1. Private Equity Portfolio Review for the Quarter Ending December 31, 2021. (Attachment No. 26) page 563.
2. **\*Recommendation to Commit up to \$30 Million Dollars in Kerberos Capital Fund III, L.P., a Debt Fund that will Focus on the Litigation Finance Market with Imminent Need.** (Attachment No. 27) page 617.
  - a. **\*Resolution 2021-26.** (Attachment No. 28) page 620.

XVI. 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. Discussion of Codified Arkansas Rules (CAR) Project. (Attachment No. 29) page 622.
- C. Potential Rule Change.
  1. Rule 10: T-DROP and Return to Service. (Attachment No. 30) page 629.
  2. Rule 9: Retirement Benefits. (Attachment No. 31) page 637.
  3. Rule 4: Election of Board of Trustees. (Attachment No. 32) page 650.

XVII. **\*Board of Trustees Disability Review.** *Clint Rhoden, Executive Director*

- A. **\*Group Order - Approved.** (Attachment No. 33) page 657.
- B. **\*Group Order - Denied.** (Attachment No. 34) page 659.

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XVIII. **\*Staff Reports.**

- A. **\*Medical Committee Report. A total of 16 Disability Applications were approved.** *Willie Kincade, Director of Operations* (Attachment No. 35) page 661.

XIX. Other Business.

XX. **\*Adjourn.**