

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

September 27, 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 Absenses.**
- III. ***Adoption of Agenda.** page 2.
 - A. ***Attachment No. 1.** page 2.
- IV. ***Approval of Prior Meeting Minutes.**
 - A. ***December 7, 2020, Corrected Minutes - Scrivener's error.** (Attachment No. 1) page 8.
 - B. ***June 7, 2021 Minutes.** (Attachment No. 2) page 16.
 - C. ***June 23, 2021, Minutes.** (Attachment No. 3) page 25.
 - D. ***July 14, 2021, Minutes.** (Attachment No. 4) page 28.
 - E. ***August 3, 2021, Minutes.** (Attachment No. 5) page 31.
 - F. ***August 19, 2021, Minutes.** (Attachment No. 6) page 34.
- V. ***Recognition of Retired Trustee.**
 - A. ***Resolution 2021-31.** (Attachment No. 7) page 36.
- VI. Member Interest Waived Under A.C.A Sec. 24-7-205. (Attachment No. 8) page 37.
- VII. Employer Interest and Penalties Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 9) page 38.
- VIII. ***Legislative Audit Report, June 30, 2020 Official Review.** *Clint Rhoden, Executive Director* (Attachment No. 10) page 39.

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- IX. ***Establishment of a Fixed T-DROP Plan Interest Rate for Regular Participants.**
 - A. ***Resolution 2021-32.** (Attachment No. 11) page 73.

- X. ***Establishment of a Variable Interest Rate for Post 10 Year T-DROP Plan.**
 - A. ***Resolution 2021-33.** (Attachment No. 12) page 75.

- XI. ***Authorization to Pay Regular T-DROP Interest for Fiscal Year 2022.** page 77.
 - A. ***Resolution 2021-34.** (Attachment No. 13) page 77.

- XII. ***Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2022.**
 - A. ***Resolution 2021-35.** (Attachment No. 14) page 79.

- XIII. ***Authorization to Pay an Incentive Interest Rate on T-DROP Cash Balance Accounts on June 30, 2022.**
 - A. ***Resolution 2021-36.** (Attachment No. 15) page 80.

- XIV. ***Extension of ATRS CASH Program for Fiscal Year 2022.**
 - A. ***Resolution 2021-37.** (Attachment No. 16) page 81.

- XV. ***Office Terms For Trustees Elected in 2021.**
 - A. ***Resolution 2021-52.** (Attachment No. 17) page 85.

- XVI. Discussion of Retirement Applications waived in 2020. *Clint Rhoden, Executive Director*

- XVII. Audit Committee Report.
 - A. ***Nominees for Vacant At-Large Member Position.**
 - 1. ***Maggie Garrett, CPA, CIA.** (Attachment No. 18) page 87.
 - 2. ***John Owens.** (Attachment No. 19) page 89.
 - B. Internal Audit Report: Implementation of Legislation Enacted by the 92nd General Assembly. (Attachment No. 20) page 90.

- XVIII. Investment Committee Report.
 - A. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.

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- a. KKR Diversified Core Infrastructure Fund L.P., an Open End Infrastructure Fund Focused on Existing Projects with Imminent Need, the Board Authorized Additional Commitment of up to \$50 Million Dollars on June 7, 2021 was Accepted and Closed on June 30, 2021.
 - b. 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. Due to High Demand ATRS obtained \$35 Million Dollars of the Board Authorized Additional Commitment of up to \$50 Million Dollars on June 7, 2021 was Accepted and Closed on June 30, 2021.
 - c. GLP Capital Partners IV L.P., a Value Add Open End Real Estate Fund Specializing in Distribution and Logistic Companies with Imminent Need, the Board Authorized Additional Commitment of up to \$50 Million Dollars on June 7, 2021 was Accepted and Closed on June 28, 2021.
 - d. Alpine Investors VIII, L.P., a Buyout Fund that will Focus on Small and Lower Middle Market Software and Services Companies, the Board Authorized Commitment of up to \$30 Million Dollars on July 14, 2021 was Accepted and Closed on August 13, 2021.
 - e. Transfer of Investment in ISQ Global Infrastructure Fund III, L.P. to ISQ Global Infrastructure Fund III (UST), L.P. with Imminent Need, the Board Authorized Transfer of \$50 Million Dollars on August 3, 2021 was Accepted and Closed on August 4, 2021.
2. Fixed Income Guideline Update.
 3. Highland Update.
- B. General Investment Consultant Report.
1. Performance Report for the Quarter Ended June 30, 2021. (Attachment No. 21) page 97.
 2. Preliminary Performance Report for the Month Ended August 31, 2021. (Attachment No. 22) page 243.
 3. Emerging Manager Report for Fiscal Year Ended June 30, 2021. (Attachment No. 23) page 267.
 4. ***Recommendation to Transfer Assets from the Existing ATRS Investment in CFM Institutional Systematic Diversified Fund Series 1.5 (CFM ISD) to CFM Systematic Global Macro, L.P. Series 1 (CFM SGM), a Fund that Seeks to Deliver Consistent Returns at Targeted Risk Levels both on a Long and Short Basis. Resolution 2021-38.** (Attachment No. 24) page 283.
 - a. ***Resolution 2021-38.** (Attachment No. 25) page 313.

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5. ***Recommendation to Redeem in Full the ATRS Investment in Nephila Rubik Holdings, Ltd. Resolution 2021-39.** (Attachment No. 26) page 315.
 - a. ***Resolution 2021-39.** (Attachment No. 27) page 316.
 6. ***Recommendation to Commit Approximately \$95 Million Dollars in Juniperus Insurance Opportunity Fund Limited a Fund that Invests across Insurance Linked Securities, Including Private Reinsurance, Reassignment of Insurance Risk to Other Carriers, Catastrophe Bonds, and Other Insurance Linked Investments. Resolution 2021-40.** (Attachment No. 28) page 317.
 - a. ***Resolution 2021-40.** (Attachment No. 29) page 332.
 7. ***Recommendation to Commit up to \$50 Million Dollars in Chatham Asset Private Debt and Strategic Capital Fund III, L.P. a Fund that Invests in High Yield Bonds, Leverage Loans and Equity both on a Long and Short Basis. Resolution 2021-41.** (Attachment No. 30) page 333.
 - a. ***Resolution 2021-41.** (Attachment No. 31) page 346.
- C. Real Asset Investment Consultant Report.
1. Performance Report for the Quarter Ended March 31, 2021. (Attachment No. 32) page 347.
 2. ***Recommendation to Commit up to \$40 Million Dollars in Almanac Realty Securities IX, L.P., a Closed End, Value Added Real Estate Fund Targeting Investments in Both Private and Public Real Estate Operating Companies Resolution 2021-42.** (Attachment No. 33) page 400.
 - a. ***Resolution 2021-42.** (Attachment No. 34) page 438.
 3. ***Recommendation to Commit up to \$50 Million Dollars in LaSalle Asia Opportunity Fund VI, L.P., a Closed End Opportunistic Real Estate Fund Focused on Both Debt and Equity Investments in Asia with Imminent Need. Resolution 2021-43.** (Attachment No. 35) page 439.
 - a. ***Resolution 2021-43.** (Attachment No. 36) page 537.
 4. ***Recommendation to Commit up to \$55 Million Dollars in LBA Logistics Value Fund IX, L.P., a Closed End Value Add Real Estate Fund with the Primary Purpose of Acquiring Industrial Properties Located in the U.S. Real Estate Market with Imminent Need. Resolution 2021-44.** (Attachment No. 37) page 539.
 - a. ***Resolution 2021-44.** (Attachment No. 38) page 590.
 5. ***Recommendation to Redeem and Redeploy Approximately \$140 Million Dollars from JP Morgan Strategic Property Fund (SPF). Resolution 2021-45.** (Attachment No. 39) page 592.

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- a. ***Resolution 2021-45.** (Attachment No. 40) page 641.
6. ***Recommendation to Commit up to \$70 Million Dollars in Morgan Stanley Prime Property Fund LLC, (PPF) an Open End, Core Real Estate Fund Focused on Income Producing Properties. Resolution 2021-46.** (Attachment No. 41) page 642.
 - a. ***Resolution 2021-46.** (Attachment No. 42) page 706.
7. ***Recommendation to Commit up to \$70 Million Dollars in RREEF Core Plus Industrial Fund L.P.(CPIF), an Open End, Core Plus Real Estate Fund Specializing in Industrial Assets. Resolution 2021-47.** (Attachment No. 43) page 707.
 - a. ***Resolution 2021-47.** (Attachment No. 44) page 772.
- D. Private Equity Consultant Report.
 1. Preliminary Private Equity Portfolio Review for the Quarter Ended March 31, 2021. (Attachment No. 45) page 773.
 2. Emerging Manager Report for Fiscal Year Ended June 30, 2021. (Attachment No. 46) page 827.
 3. ***Recommendation to Commit up to \$30 Million Dollars in Bison Capital Partners VI, L.P., a Private Equity Debt and Equity Fund Focused on Hybrid Debt and Equity Investments in Small to Middle Market Companies. Resolution 2021-48.** (Attachment No. 47) page 834.
 - a. ***Resolution 2021-48.** (Attachment No. 48) page 837.
 4. ***Recommendation to Commit up to \$30 Million Dollars in Clearlake Capital Partners VII, L.P. a Private Equity Fund that Makes Opportunistic Debt and Equity Investments in Middle Market Companies Undergoing Change and/or are in Underserved Industries or Markets in North America. Resolution 2021-49.** (Attachment No. 49) page 838.
 - a. ***Resolution 2021-49.** (Attachment No. 50) page 842.
 5. ***Recommendation to Commit up to \$30 Million Dollars in Franklin Park Venture Fund XIV, L.P., (formerly Franklin Park Venture Fund Series) a Fund of Funds Managed by Franklin Park Investing in Venture Capital Private Equity Funds. Resolution 2021-50.** (Attachment No. 51) page 843.
 - a. ***Resolution 2021-50.** (Attachment No. 52) page 853.
 6. ***Recommendation to Commit of up to \$30 Million Dollars in Franklin Park Corporate Finance Access Fund II, L.P., a Fund of Funds Managed by Franklin Park Investing in Smaller Buyout, Growth, and Turnaround Private Equity Funds. Resolution 2021-51.** (Attachment No. 53) page 854.
 - a. ***Resolution 2021-51.** (Attachment No. 54) page 863.

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- XIX. Operations Committee Report. *Bobby Lester, Operations Committee Chair*
- A. Open Forum for Potential Rule or Law Changes by Committee Member and Board Members Present.
 - 1. Open Forum.
 - B. ***Board Policy 1 Update - Regarding Committee Appointments.** (Attachment No. 55) page 864.
 - C. ***Potential Rule Change Package.**
 - 1. ***Rule 4 - Election of Board of Trustees.** (Attachment No. 56) page 875.
 - 2. ***Rule 6 - Membership.** (Attachment No. 57) page 889.
 - 3. ***Rule 7 - Reporting and Eligibility.** (Attachment No. 58) page 915.
 - 4. ***Rule 8 - Purchases and Refunds.** (Attachment No. 59) page 933.
 - 5. ***Rule 9 - Retirement Benefits.** (Attachment No. 60) page 951.
 - 6. ***Rule 10 - T-DROP and Return to Service.** (Attachment No. 61) page 979.
 - 7. ***Rule 11 - Survivors and Domestic Relations Order.** (Attachment No. 62) page 995.
- XX. ***Board of Trustees Disability Review.**
- A. ***Group Order - Approved - DR-2021-09-A.** (Attachment No. 63) page 1015.
 - B. ***Member Order - DR-2021-09-444395.** (Attachment No. 64) page 1017.
 - C. ***Member Order - DR-2021-09-498094.** (Attachment No. 65) page 1019.
- XXI. ***Staff Reports.**
- A. ***Medical Committee Report. A total of 31 Disability Applications were approved.** (Attachment No. 66) page 1022.
- XXII. ***Election of Board Chair and Vice Chair.**
- XXIII. Other Business.
- XXIV. ***Adjourn.**