

**ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES**

**Minutes
June 5, 2006**

The Arkansas Teacher Retirement System Board of Trustees held a regular meeting on Monday, June 5, 2006, in the Board Room of the ATRS Building at 1400 West Third Street in Little Rock, Arkansas.

Members of the Board Present:

John Fortenberry, *Chair*
Robin Nichols, *Vice Chair*
Linda Parsons
Winfred Clardy
Hazel Coleman
Lawrence Colston
Charles Dyer
Dr. Paul Fair
Gus Wingfield

Members of the Board Absent:

Robert H. "Bunny" Adcock, Jr.
Monty Betts
Dr. T. Kenneth James
Beverly Leming
Ellen Terry
Jim Wood

Staff Present:

David Malone, *Executive Director*
Julie Cabe, *Deputy Director*
Christa Clark, *Attorney Specialist*
Gail Bolden, *Assoc. Director/Operations*
Katherine Corcoran
Andrew Endicott, *Intern*

Others Present:

Steve Cummings, *Ennis Knupp*
PJ Kelly, *Ennis Knupp*
Richard Abernathy, *Trustee Elect*
Mike Wickline, *Arkansas Democrat-Gazette*

I. Call to Order

John Fortenberry, Board Chair, called the meeting to order at 1:30 p.m. with a quorum present.

II. Adoption of Agenda

Mr. Malone requested the addition of an information item concerning Board committee appointments to be discussed on June 6. Robin Nichols moved adoption of the agenda as revised, Ellen Terry seconded, and the Board unanimously approved the motion.

III. Public Comment on the Agenda

No comments were made.

IV. Approval of Minutes

Ellen Terry moved approval of the minutes of April 3, 2006, Dr. Paul Fair seconded, and the Board unanimously approved the motion.

Linda Parson moved approval of the minutes of April 4, 2006, Ellen Terry seconded, and the Board unanimously approved the motion.

Hazel Coleman moved approval of the minutes of April 20, 2006, Robin Nichols seconded, and the Board unanimously approved the motion.

V. Consultant's Report

Steve Cummings reviewed the ATRS Preliminary Performance Update, dated April 30, 2006. The report showed that the investment pool earned 6.6 % for the year to date through April 30th, outperforming its benchmarks of 5.8% for the same period. Performance since June 30, 2005 was 13.9% compared to the benchmark of 12.6% for the same period.

VI. Report of the Investment Committee

Ms. Nichols, chair of the Investment Committee, reported on the committee meeting held on May 15, and reviewed the draft minutes of the meeting. Based upon the recommendation of the committee, Dr. Paul Fair moved adoption of **Resolution No. 2006-20** (*Attachment No. 1*) authorizing the hiring of J. P. Morgan Asset Management as a Core Real Estate Manager, Hazel Coleman seconded, and the Board unanimously supported the motion.

VII. Investment Guidelines for Small Cap Growth Investment Manager

At the April 3, 2006, Board meeting, the Board selected Stephens Investment Management Group as a Small Cap Growth Investment Manager. Charles Dyer moved approval of the investment guidelines for the firm, **Resolution No. 2006-21**, (*Attachment No. 2*), Linda Parson seconded, and the Board unanimously concurred.

VIII. Diamond State Venture Capital

David Malone discussed a request for ATRS to invest in Diamond State Ventures II Limited Partnership. After discussion of the proposal and an overview of the recommendation by Credit Suisse/New Boston, Dr. Paul Fair moved that the Board not invest in the project at this time. Robin Nichols seconded, and the Board approved the motion with Charles Dyer abstaining.

IX. Adjournment

Mr. Fortenberry declared the meeting adjourned at 2:35 p.m.

Kim Kight, Recorder

David Malone, Executive Director

John Fortenberry, Chair

Date Approved

ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201

RESOLUTION
No. 2006-20

WHEREAS, the Board of Trustees of the Arkansas Teacher Retirement System desires to hire a Core Real Estate Investment Manager;

NOW, THEREFORE, BE IT RESOLVED that after interviews by staff and the Board, the Board approves the hiring of JP Morgan Asset Management;

FURTHER RESOLVED that the Executive Director be, and hereby is, authorized by the Board of Trustees of the Arkansas Teacher Retirement System to allocate the funds available among the firms now employed by ATRS in this capacity.

FURTHER RESOLVED that the Executive Director be, and hereby is, authorized by the Board of Trustees of the Arkansas Teacher Retirement System to enter into a contract with JP Morgan Asset Management to serve as a Core Real Estate Investment Manager.

Adopted this 5th day of June 2006

John Fortenberry, *Chair*
Arkansas Teacher Retirement System

**ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201**

**R E S O L U T I O N
No. 2006-21**

WHEREAS, the Arkansas Teacher Retirement System desires to establish investment guidelines for Stephens Investment Management Group, the attached guidelines were developed by the system's consultant, Ennis Knupp and Associates, and reviewed and approved by the staff of ATRS.

NOW, THEREFORE, BE IT RESOLVED that the above-mentioned guidelines shall be effective on the date of funding and remain in force until new guidelines are recommended by the system's consultant and approved by the Board of Trustees of the Arkansas Teacher Retirement System.

FURTHER RESOLVED that the Board of Trustees of the Arkansas Teacher Retirement System approves the proposed guidelines for Stephens Investment Management Group.

Adopted this 5th day of June, 2006

JOHN FORTENBERRY, *Chair*
Arkansas Teacher Retirement System