

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

December 4, 2023
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Adoption of Agenda.** page 2.
- III. Executive Summary. (Attachment No. 1) page 7.
- IV. ***Approval of Prior Meeting Minutes.**
 - A. ***June 2, 2023, Minutes.** (Attachment No. 2) page 19.
 - B. ***September 25, 2023, Minutes.** (Attachment No. 3) page 21.
 - C. ***November 1, 2023, Minutes.** (Attachment No. 4) page 31.
- V. Executive Director Report. (Attachment No. 5) page 34.
- VI. ***Commending Ms. Kathy Clayton for her service to Arkansas Teacher Retirement System.** *Danny Knight, Board Chair*
 - A. ***Resolution 2023-44.** (Attachment No. 6) page 36.
- VII. Preliminary Active Actuarial Valuation. *Judy Kermans, Brian Murphy and Heidi Berry of Gabriel, Roeder, Smith and Company* (Attachment No. 7) page 37.
- VIII. Statement of Financial Interest. *Mark White, Executive Director* (Attachment No. 8) page 85.
- IX. ***Proposed 2024 Board of Trustees Schedule.** *Mark White, Executive Director* (Attachment No. 9) page 103.
- X. ***2024 Board Election.** *Mark White, Executive Director and Tammy Porter, Board Secretary*

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- A. Election Timeline. (Attachment No. 10) page 104.
- B. ***Vendor Selection for Board Election.**
 - 1. ***Resolution 2023-51.** (Attachment No. 11) page 105.

- XI. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. None this reporting period. *Mark White, Executive Director*

- XII. ***Approval of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411.** *Mark White, Executive Director and Jennifer Liwo, General Counsel* (Attachment No. 12) page 106.
 - A. ***Resolution 2023-50.** (Attachment No. 13) page 108.

- XIII. ***Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.** *Mark White, Executive Director*
 - A. ***In Re: Employer 00593.**
 - B. ***In Re: Employer 00493.**

- XIV. Manifest Injustice Report. *Mark White, Executive Director* (Attachment No. 14) page 110.

- XV. Investment Committee Report. *Chip Martin, Investment Committee Chair*
 - A. ***Election of Vice Chair.**
 - B. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.
 - a. Highland LP and associated entities, the Board authorized commitment of up to \$40 million dollars in a promissory note on September 25, 2023 was accepted and closed on September 26, 2023.
 - b. Post Road Special Opportunity Fund III, LP, a fund specializing in telecommunications and digital infrastructure, the Board authorized commitment of up to \$30 million dollars on September 25, 2023 with Imminent Need was accepted and closed on October 3, 2023.
 - 2. Board Policies Report. (Attachment No. 15) page 114.
 - C. General Consultant Report.
 - 1. Performance Report for the Quarter Ending September 30, 2023. (Attachment No. 16) page 117.
 - 2. Preliminary Performance Report for the Month Ended October 31, 2023. (Attachment No. 17) page 268.

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- D. Real Assets Consultant Report.
1. Performance Report for the Quarter Ending June 30, 2023. (Attachment No. 18) page 293.
 2. ***Recommendation to approve for Board adoption Resolution 2023-45 authorizing an investment of up to \$50 million dollars in KKR Real Estate Partners Americas IV SCSp.** (Attachment No. 19) page 345.
 - a. ***Resolution 2023-45.** (Attachment No. 20) page 353.
 3. ***2024 Real Assets Commitment Pacing (Total Pacing \$450 Million Dollars).** (Attachment No. 21) page 354.
 - a. Core Real Estate \$250 Million Dollars.
 - b. Value Added and Opportunistic Real Estate (Non-Core) \$150 Million Dollars.
 - c. Infrastructure \$50 Million Dollars.
- E. Private Equity Report.
1. Preliminary Private Equity Portfolio Review for the Quarter Ended June 30, 2023. (Attachment No. 22) page 358.
 2. ***Recommendation to approve for Board adoption Resolution 2023-46 authorizing an investment of up to \$35 million dollars in Beekman Investment Partners V, L.P.** (Attachment No. 23) page 404.
 - a. ***Resolution 2023-46.** (Attachment No. 24) page 408.
 3. ***Recommendation to approve for Board adoption Resolution 2023-47 authorizing an investment of up to \$35 million dollars in Clearlake Capital Partners VIII, L.P.** (Attachment No. 25) page 409.
 - a. ***Resolution 2023-47.** (Attachment No. 26) page 413.
 4. ***2024 Private Equity Pacing Schedule (Total Pacing \$385 Million Dollars).** (Attachment No. 27) page 414.
 - a. Five Small or Mid Buyout/Growth/Turnaround \$35 Million Dollars Each Primarily in the U.S. (Total \$175 Million Dollars).
 - b. Two Debt/Distressed Assets \$35 Million Dollars Each (Total \$70 Million Dollars).
 - c. Franklin Park International Fund XI No New Allocation.
 - d. Franklin Park Co-Investment Fund VI \$60 Million Dollars.
 - e. Franklin Park Venture Fund XV \$40 Million Dollars.
 - f. Franklin Park Venture Capital Opportunity Fund No New Allocation.

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- g. Franklin Park Corporate Finance Access Fund III \$40 Million Dollars.
- 5. ***Recommendation to approve for Board adoption Resolution 2023-48 authorizing an additional investment of up to \$60 million dollars in Franklin Park Co-Investment Fund VI, L.P.** (Attachment No. 28) page 420.
 - a. ***Resolution 2023-48.** (Attachment No. 29) page 431.
- 6. ***Recommendation to approve for Board adoption Resolution 2023-49 authorizing an investment of up to \$40 million dollars in Franklin Park Venture Capital Fund XV, L.P.** (Attachment No. 30) page 432.
 - a. ***Resolution 2023-49.** (Attachment No. 31) page 442.

XVI. 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 0-1: ATRS Rules of Organization and Operation.** (Attachment No. 32) page 443.
 - 2. ***Rule 4: Election of Board of Trustees.** (Attachment No. 33) page 450.
 - 3. ***Rule 6: Membership and Employer Participation.** (Attachment No. 34) page 469.
 - 4. ***Rule 7: Service Credit, Contributions, Reporting, and Final Average Salary.** (Attachment No. 35) page 505.
 - 5. ***Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts.** (Attachment No. 36) page 527.
 - 6. ***Rule 9: Retirement and Benefits.** (Attachment No. 37) page 554.
 - 7. ***Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.** (Attachment No. 38) page 595.
 - 8. ***Rule 11: Survivors and Domestic Relations Orders.** (Attachment No. 39) page 615.
 - 9. ***Rule 12: Protection of "Qualified Trust" Status of ATRS Under Internal Revenue Code 401(a).** (Attachment No. 40) page 648.
 - 10. ***Rule 13-1: Administration Adjudication: Staff Determinations and Appeals.** (Attachment No. 41) page 651.

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11. ***Rule 14-1: Retirement Fund Asset Accounts.** (Attachment No. 42) page 673.
12. ***Rule 15-1: Benefit Restoration Plan and Trust.** (Attachment No. 43) page 675.
13. ***Rule 16: Cash and Savings Help (CASH) Program.** (Attachment No. 44) page 682.
14. ***Rule 17-1: Manifest Injustice.** (Attachment No. 45) page 688.

XVII. ***Board of Trustees Disability Review.**

- A. ***In Re: ATRS ID#377358.** (Attachment No. 46) page 706.

XVIII. ***Staff Reports.**

- A. ***Medical Committee Report. A total of 12 Disability Retirement Applications were Approved.** *Willie Kincade, Director of Operations* (Attachment No. 47) page 709.
- B. Financial Reports. *Curtis Carter, Chief Fiscal Officer*
 1. Financial Statement Report. (Attachment No. 48) page 711.
 2. Travel Report. (Attachment No. 49) page 713.
- C. Personnel Report. *Vicky Fowler, Human Resources Director* (Attachment No. 50) page 714.
- D. ***Recommendation - Securities Litigation Lead Plaintiff.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

XIX. ***Executive Session: Fulfillment of Vacancy Pursuant to A.C.A. 24-7-302(b)(2).** (Attachment No. 51) page 715.

XX. Other Business.

XXI. ***Adjourn.**