

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

June 6, 2022

11:00 a.m.

1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Motion to Excuse Absences.**
- III. ***Adoption of Agenda.** page 2.
- IV. Executive Summary. (Attachment No. 1) page 6.
- V. Approval of Prior Meeting Minutes.
 - A. ***April 4, 2022, Minutes.** (Attachment No. 2) page 13.
 - B. ***May 9, 2022, Minutes.** (Attachment No. 3) page 20.
- VI. ***2022 Board of Trustee Election Results.** (Attachment No. 4) page 23.
 - A. ***Resolution 2022-30.** (Attachment No. 5) page 27.
- VII. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205. (Attachment No. 6) page 28.
- VIII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 7) page 29.
- IX. ***Legislative Audit Report, June 30, 2021 Official Review.** (Attachment No. 8) page 32.
- X. ***GASB Report After Legislative Audit Review.** (Attachment No. 9) page 69.
- XI. Unreported Service: Employer Contributions Due.
 - A. In Re: ATRS ID: 294677.

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1. ***Resolution 2022-34.** (Attachment No. 10) page 128.
- XII. Manifest Injustice Report. (Attachment No. 11) page 130.
- XIII. Audit Committee Report. *Ricky Quattelbaum, Audit Committee Chair*
- A. Internal Audit Follow-Up Report: Lump Sum Death Benefit. (Attachment No. 12) page 133.
 - B. Internal Audit Follow-Up Report: Membership. (Attachment No. 13) page 137.
 - C. ***2022-2023 Audit Plan.**
 1. ***Audit Plan for 2023.** (Attachment No. 14) page 142.
 2. FY2022 Summary of Work Completed. (Attachment No. 15) page 148.
 3. Conflict of Interest Statements. (Attachment No. 16) page 153.
 4. Code of Ethics Statement. (Attachment No. 17) page 155.
- XIV. Investment Committee Report.
- A. Arkansas Related and Investment Update.
 1. List of Fund Closings.
 - a. Silver Point Capital Fund LP., a fund that invests in mispriced, stressed and special situation catalyst driven debt instruments, the Board authorized commitment of up to \$50 million dollars on February 7, 2022 with imminent need was accepted and closed on April 1, 2022.
 - b. Thoma Bravo Fund XV, L.P., a private equity buyout fund that invests in larger market software and technology-enabled services companies, the Board authorized commitment of up to \$15 million dollars on February 7, 2022 with imminent need was accepted and closed on April 13, 2022.
 - c. Thoma Bravo Discover Fund IV, L.P., a buyout fund focused on U.S. investments with a specialization in middle market software and technology-enabled services companies, the Board authorized commitment of up to \$15 million dollars on February 7, 2022 with imminent need was accepted and closed on April 13, 2022.

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- d. Thoma Bravo Explore Fund II, L.P, a private equity buyout fund focused on U.S. investments with a specialization in small and lower middle market software and technology-enabled services companies, the Board authorized commitment of up to \$15 million dollars on February 7, 2022 with imminent need was accepted and closed on May 2, 2022.
 - e. KKR Diversified Core Infrastructure Fund L.P., an open-end fund that seeks to pursue core infrastructure investments with a buy-and-hold approach, the Board authorized additional commitment of up to \$25 million dollars on April 4, 2022 was accepted and closed on April 29, 2022.
 - f. Arlington Capital Partners VI, LP., a buyout fund that focuses on small to lower middle market companies in the U.S., the Board authorized commitment of up to \$30 million dollars on April 4, 2022 was accepted and closed on April 29, 2022.
 - g. Franklin Park Venture Capital Fund XIV, LP., a fund of funds managed by Franklin Park investing in venture capital private equity funds, the Board authorized additional commitment of up to \$30 million dollars on April 4, 2022 was accepted and closed on May 13, 2022.
2. Board Policies Report. (Attachment No. 18) page 157.
- B. General Investment Consultant Report.
- 1. Preliminary Performance Report for the Quarter Ended March 31, 2022. (Attachment No. 19) page 160.
 - 2. Preliminary Performance Report for the Month Ended April 30, 2022. (Attachment No. 20) page 308.
 - 3. Asset Liability Study. (Attachment No. 21) page 332.
- C. Private Equity Consultant Report.
- 1. Private Equity Portfolio Review for the Quarter Ended December 31, 2021. (Attachment No. 22) page 410.
 - 2. ***Recommendation to approve for Board adoption Resolution 2022-31 authorizing an investment of up to \$30 million dollars in BVIP Fund XI, L.P.** (Attachment No. 23) page 464.
 - a. ***Resolution 2022-31.** (Attachment No. 24) page 467.
- D. Real Asset Consultant Report.
- 1. Performance Report for the Quarter Ended December 31, 2021. (Attachment No. 25) page 468.

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2. ***Recommendation to approve for Board adoption Resolution 2022-32 authorizing an investment of up to \$75 million dollars in Blackstone Real Estate Partners X LP (BREP X).**
(Attachment No. 26) page 521.
 - a. Resolution 2022-32. (Attachment No. 27) page 528.

XV. Operations Committee Report.

- 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.
- C. ***Calculation of Lump-Sum Death Benefit.**
 1. ***Resolution 2022-33.** (Attachment No. 28) page 529.
- D. Proposed Legislation for 2023. (Attachment No. 29) page 531.

XVI. ***Staff Reports.**

- A. ***Medical Committee Report. A total of 11 Applicants were approved.**
(Attachment No. 30) page 535.
- B. Litigation Update. *Martha Miller, General Counsel*

XVII. Other Business.

XVIII. ***Adjourn.**

XIX. ***Lunch.**

XX. ***Highland Pellets Plant Tour.**