AGENDA ARKANSAS TEACHER RETIREMENT SYSTEM BOARD OF TRUSTEES

February 3, 2020 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 6.
- IV. *Approval of December 2, 2019 Minutes. (Attachment No. 2) page 16.
- V. *Proposed Change to 2020 Board of Trustees Meeting Schedule. Clint Rhoden, Executive Director (Attachment No. 3) page 26.
- VI. *Staff Empowerment.
 - A. *Authority to Transact Business.
 - 1. *Resolution 2020-01. (Attachment No. 4) page 27.
 - B. *Specific Power of Executive Director.
 - 1. ***Resolution 2020-02.** (Attachment No. 5) page 28.
 - C. *Appointment of ATRS as Manager of LLCs.
 - 1. *Resolution 2020-03. (Attachment No. 6) page 29.
- VII. *Authority to Reimburse Trustee Expenses for 2020.
 - A. *Resolution 2020-04. (Attachment No. 7) page 30.
- VIII. *Authorization for Board Travel and Expenses for 2020.
 - A. *Resolution 2020-05. (Attachment No. 8) page 31.
- IX. *Adoption of Employer Contribution Rate.

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- A. *Resolution 2020-06. (Attachment No. 9) page 36.
- X. *Adoption of Member Contribution Rate.
 - A. *Resolution 2020-07. (Attachment No. 10) page 37.
- XI. *Adoption of Contribution Rate applied to Outsourced Positions.
 - A. *Resolution 2020-08. (Attachment No. 11) page 38.
- XII. *Actuarial Valuations: June 30, 2019.
 - A. Active and Inactive Members. (Attachment No. 12) page 39.
 - B. Retirees and Beneficiaries. (Attachment No. 13) page 113.
- XIII. Report of Member Interest Amount Waived Under A.C.A. Sec. 24-7-205. A total of Two (2) Member Interest amounts were waived for this reporting period in the amount of \$1,240.35. (Attachment No. 14) page 153.
- XIV. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. A total of Seven (7) Employer Penalties and Interest amounts were waived for this reporting period in the amount of \$6,481.40. (Attachment No. 15) page 154.
- XV. Manifest Injustice Report. *Martha Miller, General Counsel* (Attachment No. 16) page 155.
- XVI. *Forfeiture Recommendations purusant to A.C.A. 24-7-734(6). Martha Miller, General Counsel (Attachment No. 17) page 156.
- XVII. Audit Committee Report. Kelly Davis, Audit Committee Chair
 - A. Internal Audit Report: ATRS Option Benefits. (Attachment No. 18) page 158.
- XVIII. Investment Committee Report. Robin Nichols, Investment Committee Chair
 - A. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.
 - a. Clearlake Capital Partners VI, 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, the Board Authorized Commitment of up to \$30 Million Dollars on October 7, 2019 was Accepted and Closed on December 10, 2019.

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- b. Rebalancing of ATRS Timber Holdings Managed by BTG Pactual by Exchanging Certain ATRS Timber Holdings for Shares of the BTG Pactual Open Ended Core US Timberland Fund, LP, a Timber Fund Focused on Long-Term Commercial Timber Properties.
- 2. Investment Manager Guideline Update.
- 3. *Investment Policies Update. (Attachment No. 19) page 163.
- B. General Investment Consultant Report.
 - 1. Preliminary Performance Report for the Quarter Ending December 31, 2019. (Attachment No. 20) page 187.
 - 2. *York Credit Opportunities Fund an Opportunistic Credit Fund Approved by the Board in 2011. (Attachment No. 21) page 339.
- C. Real Assets Consultant Report.
 - 1. Performance Report for the Quarter Ending September 30, 2019. (Attachment No. 22) page 340.
- D. Private Equity Consultant Report.
 - 1. Private Equity Portfolio Review for the Quarter Ending September 30, 2019. (Attachment No. 23) page 391.
 - 2. *Recommendation to Commit up to \$30 Million Dollars in BVIP Fund X, L.P., a Private Equity Buyout Fund Investing in Middle Market Companies in the Tech-Enabled Business Services and Information Technology Services Sectors. (Attachment No. 24) page 443.
 - a. *Resolution 2020-09. (Attachment No. 25) page 447.
 - 3. *ATRS Staff Requests Authority to Modify the Fund Agreement for the ATRS/FP Private Equity Fund to Allow Franklin Park to Allocate Smaller Co-Investments to Each of their Clients on a Rotating Basis.
- XIX. 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. *Revision to Current Board Policy.
 - 1. ***Board Policy 2: Board Governance.** (Attachment No. 26) page 448.
 - C. Update on Rules.
 - D. ATRS 2021 Legislative Package.

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XX. *Staff Reports.

A. *Medical Committee Report. A total of Fifteen (15) Disability Retirement Applications were approved. Willie Kincade, Director of Operations (Attachment No. 27) page 454.

XXI. Other Business.

XXII. *Adjourn.

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