

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

June 3, 2024

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 Prior Meeting Minutes.**
 - A. April 15, 2024, Minutes. (Attachment No. 2) page 13.
 - B. May 21, 2024, Minutes. (Attachment No. 3) page 20.
- V. ***2024 Board of Trustees Election Results.** (Attachment No. 4) page 23.
 - A. ***Resolution 2024-17.** (Attachment No. 5) page 26.
- VI. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. None.
- VII. Report of Employer Penalties and Interest Waived Under A.C.A. Sec. 24-7-411. (Attachment No. 6) page 27.
- VIII. ***Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.**
 - A. In Re: Employer 00219. (Attachment No. 7) page 28.
- IX. Manifest Injustice Report. (Attachment No. 8) page 31.
- X. Audit Committee Report. *Jeff Stubblefield, Audit Committee Vice Chair*
 - A. ***Internal Audit Follow-Up Report: Implementation of Legislation Enacted by the 92nd General Assembly.** (Attachment No. 9) page 34.

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- B. ***Internal Audit Follow-Up Report: Application of IRS 415 Limit.** (Attachment No. 10) page 40.
- C. ***Internal Audit Follow- Up Report: History Adjustments.** (Attachment No. 11) page 44.
- D. ***2024-2025 Audit Plan.**
 - 1. ***Audit Plan for FY 2025.** (Attachment No. 12) page 48.
 - 2. FY2024 Summary of Work Completed. (Attachment No. 13) page 87.
 - 3. Conflict of Interest Statement(s). (Attachment No. 14) page 89.
 - 4. Code of Ethics Statement. (Attachment No. 15) page 90.
 - 5. ***Update Internal Audit Charter.** (Attachment No. 16) page 94.
- E. ***Appointment of ATRS Internal Auditor, Effective June 23, 2024.** (Attachment No. 17) page 101.
- F. ***Update on ATRS Board Policy 1 Board Governance.** (Attachment No. 18) page 103.

XI. Investment Committee Report. *Chip Martin, Investment Committee Chair*

- A. Arkansas Related and Investment Update.
 - 1. List of Fund Closings. None to report for this period.
 - 2. Board Policies Report. (Attachment No. 19) page 118.
 - 3. ***ESG Oversight Committe Established by Act 411 of 2023 Update and Recommendation.**
 - a. Executive Director Memo. (Attachment No. 20) page 121.
 - b. ***Resolution 2024-18.** (Attachment No. 21) page 123.
- B. ***Update to Board Policy 1 - Board Governance.** (Attachment No. 22) page 124.
- C. General Investment Consultant.
 - 1. Preliminary Performance Report for the Quarter Ended March 31, 2024. (Attachment No. 23) page 139.
 - 2. Preliminary Performance Report for the Month Ended April 30, 2024. (Attachment No. 24) page 291.
- D. Real Assets.
 - 1. Performance Report for the Quarter Ended December 31, 2023. (Attachment No. 25) page 316.
 - 2. ***Recommendation to approve for Board adoption Resolution 2024-19 authorizing an investment of up to \$50 million dollars in Kayne Anderson Real Estate Partners VII, LP. *Chae Hong of Aon Hewitt Investment Consulting*** (Attachment No. 26) page 367.

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- a. ***Resolution 2024-19.** (Attachment No. 27) page 375.
3. ***Recommendation to approve for Board adoption Resolution 2024-20 authorizing an investment of up to \$50 million dollars in Macquarie GIG Energy and Climate Opportunities Fund, SCSp.** (Attachment No. 28) page 376.
 - a. ***Resolution 2024-20.** (Attachment No. 29) page 385.
4. ***Recommendation to approve for Board adoption Resolution 2024-21 authorizing an investment of up to \$50 million dollars in KKR Global Infrastructure Investors V, LP.** (Attachment No. 30) page 386.
 - a. ***Resolution 2024-21.** (Attachment No. 31) page 394.

E. Private Equity.

1. Private Equity Portfolio Review for the Quarter Ended December 31, 2023. (Attachment No. 32) page 395.
2. ***Recommendation to approve for Board adoption Resolution 2024-22 authorizing an investment of up to \$40 million dollars in Franklin Park Corporate Finance Access Fund III, L.P.** (Attachment No. 33) page 442.
 - a. ***Resolution 2024-22.** (Attachment No. 34) page 451.
3. ***Recommendation to approve for Board adoption Resolution 2024-23 authorizing an investment of up to \$40 million dollars to Franklin Park Venture Capital Opportunity Fund II, L.P.** (Attachment No. 35) page 452.
 - a. ***Resoultion 2024-23.** (Attachment No. 36) page 461.

XII. 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. Rule Promulgation Status Update.
- C. Preliminary ATRS 2025 Legislative Package. (Attachment No. 37) page 462.
- D. ***Update to ATRS Board Policy 1 - Board Governance.** (Attachment No. 38) page 467.
- E. Update to ATRS Board Policy 2 - Board Objectives. (Attachment No. 39) page 482.

XIII. ***Unreported Service: Employer Contributions Due.**

- A. ***In Re: ATRS ID #462613.** (Attachment No. 40) page 488.

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1. ***Resolution 2024-24.** (Attachment No. 41) page 493.

XIV. ***Board of Trustees Disability Review.** *Jennifer Liwo, General Counsel*

A. ***In Re Disability Retiree - ATRS ID#146792.** (Attachment No. 42) page 495.

XV. ***Staff Reports.**

A. ***Medical Committee Report. A total of 10 Disability Applications were approved.** *Willie Kincade, Director of Operations* (Attachment No. 43) page 498.

B. ***Litigation Update.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

C. ***Recommendation to approve Resolution 2024-25 for Procurement of External Legal Counsel for Collections.** *Mark White, Executive Director and Jennifer Liwo, General Counsel*

1. ***Resolution 2024-25.** (Attachment No. 44) page 499.

XVI. Other Business.

XVII. ***Adjourn.**