

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

September 29, 2025
11:00 a.m.
1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** page 1.
- II. ***Election of Chair and Vice Chair.**
- III. ***Agenda.** page 2.
- IV. Executive Summary. (Attachment No. 1) page 9.
- V. ***Approval of Prior Meeting Minutes.**
 - A. ***June 2, 2025 Minutes.** (Attachment No. 2) page 19.
 - B. ***July 21, 2025 Minutes.** (Attachment No. 3) page 27.
- VI. Executive Director Report. *Mr. Mark White, Executive Director* (Attachment No. 4) page 31.
- VII. ***Update to Board Policy 1 - Board Governance.** *Mr. Mark White, Executive Director and Ms. Jennifer Liwo, General Counsel* (Attachment No. 5) page 34.
- VIII. ***Update to Board Policy 2 - Board Objective.** *Mr. Mark White, Executive Director and Ms. Jennifer Liwo, General Counsel* (Attachment No. 6) page 46.
- IX. ***Update to Board Policy 3 - Executive Director.** *Mr. Mark White, Executive Director and Ms. Jennifer Liwo, General Counsel* (Attachment No. 7) page 51.
- X. Report of Member Interest Waiver Under ACA. Sec 24-7-205. *Mr. Mark White, Executive Director* (Attachment No. 8) page 61.

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- XI. Report of Employer Penalties and Interest Waived under A.C.A. Sec. 24-7-411. *Mr. Mark White, Executive Director* (Attachment No. 9) page 62.
- XII. ***Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.** *Mr. Mark White, Executive Director*
 - A. ***In Re: Employer #00163.**
 - 1. ***Resolution 2025-41.** (Attachment No. 10) page 63.
- XIII. ***Purchasable Private School Service - Residential Treatment Facilities.** *Ms. Jennifer Liwo, General Counsel*
 - A. ***Resolution 2025-42.** (Attachment No. 11) page 65.
- XIV. ***Authorization to Pay Regular T-DROP Interest for Fiscal Year 2026.** *Mr. Mark White, Executive Director*
 - A. ***Resolution 2025-43.** (Attachment No. 12) page 66.
- XV. ***Authorization to Pay Post 10 Year T-DROP Interest for Fiscal Year 2026.** *Mr. Mark White, Executive Director*
 - A. ***Resolution 2025-44.** (Attachment No. 13) page 68.
- XVI. ***CBA Incentive Interest Rate on T-DROP Cash Balance Account.** *Mr. Mark White, Executive Director*
 - A. ***Resolution 2025-45.** (Attachment No. 14) page 70.
- XVII. ***Extension of ATRS CASH Program for Fiscal Year 2026.** *Mr. Mark White, Executive Director*
 - A. ***Resolution 2025-46.** (Attachment No. 15) page 72.
- XVIII. Audit Committee Report. *Mr. Jeff Stubblefield, Audit Committee Vice Chair*
 - A. ***Election of Chair and Vice Chair.**
 - B. ***Internal Audit Report: Retiree Payroll.** (Attachment No. 16) page 76.
 - C. ***2025 - 2026 Audit Plan.** (Attachment No. 17) page 87.
 - D. ***Quality Assurance and Improvement Program.** (Attachment No. 18) page 103.
 - E. ***Internal Audit Strategic Audit Plan 2026-2029.** (Attachment No. 19) page 106.
 - F. ***Update to ATRS Board Policy 1 - Board Governance.** (Attachment No. 20) page 111.

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XIX. Investment Committee Report. *Mr. Arthur "Chip" Martin, III, Investment Committee Chair*

A. ***Election of Chair and Vice Chair.**

B. Arkansas Related and Investment Update.

1. List of Fund Closings.

- a. Strategic Partners Infrastructure IV, LP, a fund focused on core and core plus assets in energy and digital infrastructure, the Board authorized commitment of up to \$100 million dollars on February 3, 2025 was accepted and closed on June 9, 2025.
- b. Ares Industrial Real Estate Fund, LP, a fund that seeks investments in industrial distribution centers, the Board authorized commitment of up to \$100 million dollars on April 7, 2025 was accepted and closed on June 27, 2025.
- c. Carlyle Property Investors, LP, a fund that targets investments in housing, data centers, industrial, and self-storage, the Board authorized commitment of up to \$100 million dollars on April 7, 2025 was accepted and closed on August 13, 2025.
- d. AxInfra NA II, LP, a fund focused on renewable energy, utilities, transportation and social infrastructure, the Board authorized additional commitment of up to \$50 million dollars on April 7, 2025 was accepted and closed on July 30, 2025.
- e. KKR Diversified Core Infrastructure Fund, LP, a fund that seeks investments in core infrastructure, the Board authorized additional commitment of up to \$50 million dollars on April 7, 2025 was accepted and closed on May 22, 2025.
- f. NovaCap International Technologies VII-B, LP, a private equity fund focused on technology, media, and telecommunications, the Board authorized commitment of up to \$35 million dollars on July 21, 2025 was accepted and closed on July 24, 2025.
- g. Arlington Capital Partners VII, LP, a private equity fund focused on control investments in defense, aerospace, government services, technology, and healthcare, the Board authorized commitment of up to \$40 million dollars on June 2, 2025 was accepted and closed on June 26, 2025.

- h. Great Hill Equity Partners IX, LP, a private equity fund specializing in technology, financial services, and healthcare, the Board authorized commitment of up to \$40 million dollars on June 2, 2025 (due to high demand the ATRS commitment is \$20 million dollars) was accepted and closed on August 15, 2025.
 - 2. Board Policies Report. (Attachment No. 21) page 123.
 - 3. Emerging Managers Report for Fiscal Year Ended June 30, 2025. (Attachment No. 22) page 126.
 - 4. Proxy Voting Report for Fiscal Year Ended June 30, 2025. (Attachment No. 23) page 144.
 - 5. Arkansas Related Update and Recommendation.
 - a. Investment Update. (Attachment No. 24) page 456.
 - b. ***Recommendation to approve for Board adoption Resolution 2025-40 authorizing an investment of up to \$10 million dollars in Xtremis, Inc.** (Attachment No. 25) page 460.
 - 1. ***Resolution 2025-40.** (Attachment No. 26) page 463.
- C. General Investment Consultant.
 - 1. Performance Report for the Quarter Ended June 30, 2025. (Attachment No. 27) page 464.
 - 2. ***Recommendation to approve for Board adoption a motion to accept proposed changes to Board Policy 4-Statement of Investment Policy to ensure compliance with Act 937 of 2025.** (Attachment No. 28) page 623.
 - 3. ***Recommendation to approve for Board adoption multiple mandate and name changes to certain investment mandates to ensure compliance with Act 937 of 2025.** (Attachment No. 29) page 652.
 - a. ***Recommendation to approve for Board adoption a motion to accept proposed changes to certain investment manager guidelines to ensure compliance with Act 937 of 2025.**
 - b. ***Recommendation to approve for Board adoption Resolution 2025-32 authorizing the termination of the State Street MSCI ACWI IMI Index Securities Lending Fund and redeployment of assets to the State Street MSCI ACWI IMI ex China ex Hong Kong Index Securities Lending Fund.** (Attachment No. 30) page 655.

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- c. ***Recommendation to approve for Board adoption Resolution 2025-33 authorizing the termination of the Arrowstreet Global Equity Alpha Extension Fund and redeployment of assets to the Arrowstreet Developed Market Alpha Extension Trust Fund.** (Attachment No. 31) page 656.
 - d. ***Recommendation to approve for Board adoption Resolution 2025-34 authorizing the change in mandate and name of the Voya Absolute Alpha MSCI ACWI Trust Fund to the Voya Absolute Alpha Trust Fund.** (Attachment No. 32) page 657.
- D. Real Assets Consultant.
 - 1. Preliminary Performance Report for the Quarter Ended June 30, 2025. (Attachment No. 33) page 658.
 - 2. ***Recommendation to approve for Board adoption Resolution 2025-35 authorizing an investment of up to \$75 million dollars in ISQ Global Infrastructure Fund IV (UST), L.P.** (Attachment No. 34) page 707.
 - a. ***Resolution 2025-35.** (Attachment No. 35) page 714.
 - 3. ***Recommendation to approve for Board adoption Resolution 2025-36 authorizing an investment of up to \$50 million dollars in Raith Real Estate Fund IV, L.P.** (Attachment No. 36) page 715.
 - a. ***Resolution 2025-36.** (Attachment No. 37) page 722.
 - 4. ***Recommendation to approve for Board adoption Resolution 2025-37 authorizing an investment of up to \$100 million dollars in Realty Income U.S. Core Plus Fund, L.P.** (Attachment No. 38) page 723.
 - a. ***Resolution 2025-37.** (Attachment No. 39) page 730.
- E. Private Equity Consultant.
 - 1. Preliminary Performance Report for the Quarter Ended June 30, 2025. (Attachment No. 40) page 731.
 - 2. ***Recommendation to approve for Board adoption Resolution 2025-38 authorizing an investment of up to \$45 million dollars in BVIP Fund XII, L.P.** (Attachment No. 41) page 778.
 - a. ***Resolution 2025-38.** (Attachment No. 42) page 781.
 - 3. ***Recommendation to approve for Board adoption Resolution 2025-39 authorizing an investment of up to \$45 million dollars in Constellation Wealth Capital Fund II, L.P.** (Attachment No. 43) page 782.
 - a. ***Resolution 2025-39.** (Attachment No. 44) page 786.

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- F. ***Update to ATRS Board Policy 1-Board Governance.** (Attachment No. 45) page 787.

XX. Operations Committee Report. *Mr. Bobby Lester, Operations Committee Chair*

- A. ***Election of Chair and Vice Chair.**
- B. Open Forum for Potential Rule or Law Changes by Committee Members and Board Memembers in Attendance.
 - 1. Open Forum.
- C. ***Rules Promulgation Status Update.** (Attachment No. 46) page 799.
 - 1. ***Rule 4: Election of Board of Trustees.** (Attachment No. 47) page 802.
 - 2. ***Rule 6: Membership and Employer Participation.** (Attachment No. 48) page 803.
 - 3. ***Rule 8: Free Service Credit, Purchasble Service Credit, and Purchase Accounts.** (Attachment No. 49) page 815.
 - 4. ***Rule 9: Retirement and Benefits.** (Attachment No. 50) page 821.
 - 5. ***Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.** (Attachment No. 51) page 831.
 - 6. ***Rule 11: Survivors and Domestic Relations Orders.** (Attachment No. 52) page 836.
- D. ***Update to ATRS Board Policy 1 - Board Governance.** (Attachment No. 53) page 844.
- E. ***Update to ATRS Board Policy 2 - Board Objectives.** (Attachment No. 54) page 856.
- F. ***Update to ATRS Board Policy 3 - Executive Director.** (Attachment No. 55) page 861.

XXI. ***Board of Trustees Disability Review.** *Mr. Mark White, Executive Director and Ms. Jennifer Liwo, General Counsel*

- A. ***In Re: Disability Retiree - ATRS ID #313698.** (Attachment No. 56) page 871.
- B. ***In Re: Disability Retiree - ATRS ID# 306359.** (Attachment No. 57) page 874.

XXII. ***Staff Reports.**

- A. ***Medical Committee Reports. A total of 8 Disability Applications were Approved.** *Mr. Steve Parkinson, Director of Operations* (Attachment No. 58) page 877.

- B. Contract Renewals. *Ms. Misty Yant, Chief Financial Officer* (Attachment No. 59) page 880.

XXIII. Other Business.

XXIV. ***Adjourn.**