

**MINUTES
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES**

Monday, September 29, 2025

11:00 a.m.

**1400 West Third Street
Little Rock, AR 72201**

ATTENDEES

Board Members Present

Dr. Mike Hernandez, Chair
Arthur "Chip" Martin, Vice Chair
Kelsey Bailey
Anita Bell
Susan Ford
Keri Hamilton
Michael Johnson
Danny Knight
Bobby Lester
Jeff Stubblefield
John Ward
Susannah Marshall, Bank Commissioner
Kelly Griffin, designee for Sec. Jacob Oliva
Jason Brady, designee for Hon. Dennis
Milligan, State Auditor
Hon. John Thurston, State Treasurer

Guest(s) Present

Donna I's iPad (4)*
Gar Chung/FIN-News*
Jesse.pound*
Jack Dowd, Aon Hewitt Investment Consulting*
Katie Comstock, Aon Hewitt Investment
Consulting*
Mknapp*
Ronak Chitnis, Aon Hewitt Investment
Consulting*
Ryan Hill*

***ZOOM**

ATRS Staff Present

Mark White, Executive Director
Sarah Linam, Deputy Director
Rod Graves, Deputy Director
Tammy Porter, Board Secretary
AnneMarie Berardi, Director, Outreach
Kevin Chadwick, Internal Auditor
Braeden Duke, User Support Analyst
Demetrios Gully, Internal Audit
Jennifer Kelly, General Counsel
Jerry Meyer, Manager, Real Assets
Stephanie Lilly-Palmer, Dir. Human Resources
Steve Parkinson, Director of Operations
Logan Penter, Attorney II*
Amber Sevilla, Ex Assistant
Joseph Sithong, IT Security Analyst II*
Whitney Sommers, Outreach
Misty Yant, Chief Financial Officer
Stephanie Yoel, Administrative Analyst

Reporters Present

Mike Wickline, AR Democrat Gazette

- I. **Call to Order/Roll Call.** Mr. Danny Knight, Chair, called the Board of Trustees meeting to order at 11:20 a.m. Roll call was taken. All members were present.
- II. **Election of Chair and Vice Chair.**

Mr. Lester *moved to nominate* Dr. Mike Hernandez for Board of Trustees Chair. Mr. Stubblefield *seconded the motion* and the Board *unanimously approved the motion*.

Mr. Knight *moved to nominate* Arthur “Chip” Martin for Board of Trustees Vice Chair. Ms. Bell *seconded the motion* and the Board *unanimously approved the motion*.

III. Adoption of Agenda.

Mr. Bailey *moved for adoption* of the Agenda. Mr. Brady *seconded the motion*, and the Board *unanimously approved the motion*.

IV. Executive Summary. The Executive Summary was provided for reference with no questions or expansions on the written summary.

V. Approval of Prior Meeting Minutes

A. June 2, 2025, Minutes.

Ms. Bell *moved for approval* of the Minutes of the Board of Trustees meeting of June 2, 2025. Mr. Lester *seconded the motion*, and the Board *unanimously approved the motion*.

B. July 21, 2025, Minutes.

Mr. Lester *moved for approval* of the Minutes of the Board of Trustees meeting of July 21, 2025. Ms. Bell *seconded the motion*, and the Board *unanimously approved the motion*.

VI. Executive Director Report. Director White provided with the Board with his Executive Director Report.

VII. Update to Board Policy 1 – Board Governance.

VIII. Update to Board Policy 2 – Board Objective.

IX. Update to Board Policy 3 – Executive Director.

Mr. Brady *moved to approve* Updates to Board Policy 1, Board Governance, Board Policy 2 – Board Objective, and Board Policy 3 – Executive Director as presented. Mr. Bailey *seconded the motion* and the Board *unanimously approved the motion*.

- X. Report of Member Interest Waived under A.C.A. Section 24-7-205.** Mr. Mark White, Executive Director, presented the Board with member interest waived report. This was for information purposes only. No action was taken.
- XI. Report of Employer Penalties and Interest Waived Under A.C.A. Section 24-7-411.** Mr. Mark White, Executive Director presented the Board with the employer interest and penalties waived report. ATRS may also waive employer interest and penalties when reports or payments are late or have issues due to a new bookkeeper, inclement weather, sickness and other situations that justify a waiver. This was for information purposes only. No action was taken.
- XII. Board Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.** Mr. Mark White, Executive Director presented the Board with the Waiver of Penalties and Interest Greater than \$1,000 in a Fiscal Year.
- A. In Re: Employer #00163.**
- 1. Resolution 2025-41.**
- Mr. Stubblefield *moved to adopt* Resolution 2025-41, Waiver of Penalties and Interest Greater than \$1,000 in a fiscal year for Employer #00163, as presented to the Board. Mr. Knight *seconded the motion*, and the Board *unanimously approved the motion*.**
- XIII. Purchasable Private School Service – Residential Treatment Facilities.** Ms. Jennifer Kelly, General Counsel, presented the Board with the recommendation to approve Purchasable Private School Service – Residential Treatment Facilities.
- A. Resolution 2025-42.**
- Mr. Martin *moved to adopt* Resolution 2025-42, Purchasable Private School Service – Residential Treatment Facilities. Mr. Stubblefield *seconded the motion* and the Board *unanimously approved the motion*.**
- XIV. Authorization to Pay Regular T-DROP Interest for Fiscal Year 2026.**
- A. Resolution 2025-43.**
- Mr. Knight *moved to adopt* Resolution 2025-43, Authorization to Pay Regular T-DROP Interest for Fiscal Year 2026 at the new rate of 0.5%.**

Mr. Stubblefield seconded the motion, and the Board unanimously approved the motion.

XV. Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2026.

A. Resolution 2025-44.

Mr. Knight moved to adopt Resolution 2025-44, Authorization to Pay Post 10 year T-DROP Interest for Fiscal Year 2026 at the new rate of 0.5%. Ms. Ford seconded the motion, and the Board unanimously approved the motion.

XVI. CBA Incentive Interest Rate on T-DROP Interest for Fiscal Year 2026.

A. Resolution 2025-45

Mr. Knight moved to adopt Resolution 2025-45, CBA Incentive Interest Rate on T-DROP Interest for Fiscal Year 2026 at the new rate of 0.5%. Mr. Martin seconded the motion, and the Board unanimously approved the motion.

XVII. Extension of ATRS Cash Program for Fiscal Year 2026.

A. Resolution 2025-46

Mr. Brady moved to adopt Resolution 2025-46, Extension of ATRS Cash Program for Fiscal Year 2026. Ms. Bell seconded the motion, and the Board unanimously approved the motion.

XVIII. Audit Committee Report. Mr. Jeff Stubblefield, Audit Committee Vice Chair.

A. Election of Chair and Vice Chair.

Mr. Stubblefield moved to approve election of Ms. Maggie Garrett as Audit Committee Chair, and Mr. Jeff Stubblefield as Audit Committee Vice Chair, and the Board unanimously approved the motion.

B. Internal Audit Report: Retiree Payroll.

Mr. Stubblefield moved to approve Internal Audit Report – Retiree Payroll as presented, and the Board unanimously approved the motion.

C. 2025-2026 Audit Plan.

Mr. Stubblefield *moved to approve* the 2025-2026 Audit Plan, and the Board *unanimously approved the motion.*

D. Quality Assurance and Improvement Program.

Mr. Stubblefield *moved to approve* the Quality Assurance and Improvement Program, and the Board *unanimously approved the motion.*

E. Internal Audit Strategic Audit Plan 2026-2029.

Mr. Stubblefield *moved to approve* Internal Audit Strategic Audit Plan 2026-2029, and the Board *unanimously approved the motion.*

F. Update to ATRS Board Policy 1 – Board Governance.

Mr. Stubblefield *moved to approve* Update to ATRS Board Policy 1 – Board Governance, and the Board *unanimously approved the motion.*

XIX. Investment Committee Report. *Arthur “Chip” Martin, Investment Chair*

A. Election of Chair and Vice Chair of Investment Committee.

Mr. Martin *moved to approve* election of Mr. Arthur “Chip” Martin as Chair of the Investment Committee, and Mr. Michael Johnson, as Vice Chair of the Investment Committee, and the Board *unanimously approved the motion.*

B. Arkansas Related and Investment Update.

- 1. List of Fund Closings.** The report was provided for reference with no questions or expansions on the written summary.
- 2. Board Policies Report.** The report was provided for reference with no questions or expansions on the written summary.
- 3. Emerging Managers Report for Fiscal Year Ended June 30, 2025.** Mr. Mark White, Executive Director, presented the Committee with the Emerging Managers Report for fiscal year ended June 30, 2025.

4. **Proxy Voting Report for Fiscal Year Ended June 30, 2025.**
Mr. Mark White, Executive Director, presented the Committee with the Proxy Voting Report for fiscal year ended June 30, 2025.

5. **Arkansas Related Update and Recommendation.**

- a. **Investment Update.** Mr. Leslie Lane, of Arkansas Capital Corporation, presented the Committee with an investment update.
- b. **Recommendation to approve for Board adoption Resolution 2025-40, authorizing an Investment of up to \$10 million dollars in Xtremis, Inc.** Mr. Sean Hatch, of Arkansas Capital Corporation presented the Committee with the recommendation authorizing an investment of up to \$10 million dollars in Xtremis, Inc.

1. **Resolution 2025-40.**

Mr. Martin *moved to adopt* Resolution 2025-40, authorizing an Investment of up to \$10 millions dollars in Xtremis, Inc., and the Board *unanimously approved the motion*.

- C. **General Investment Consultant Report *Aon Hewitt Investment Consulting***

1. **Preliminary Performance Report for Quarter June 30, 2025.**
Aon Hewitt Investment Consulting provided the Committee with a Preliminary Performance Report for the Quarter Ended June 30, 2025.
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.**

Mr. Martin *moved to approve* proposed changes to Board Policy 4-Statement of Investment Policy to ensure compliance with Act 937 of 2025, and the

Board unanimously approved the motion.

3. **Recommendation to approve for Board adoption multiple mandate and name changes to certain investment mandates to ensure compliance with Act 937 of 2025.**

Mr. Martin *moved to approve* multiple mandate and name changes to certain investment mandates to ensure compliance with Act 937 of 2025, and the Board *unanimously approved the motion.*

- 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.**

Mr. Martin *moved to approve* to accept proposed changes to certain investment manager guidelines to ensure compliance with Act 937 of 2025, and the Board *unanimously approved the motion.*

- 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.**

Ms. Martin *moved to adopt* 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 and the Board *unanimously approved the motion.*

- 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.**

Mr. Martin *moved to approve* the recommendation to approve for Board adoption Resolution 2025-33 authorizing the termination of Arrowstreet Global Equity Alpha Extension Fund and redeployment of assets to the Arrowstreet Developed Market Alpha Extension Trust Fund, and the Board *unanimously approved the motion.*

- 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.**

Mr. Martin *moved to adopt* 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, and the Board *unanimously approved* the motion.

D. Real Assets Consultant Report. *Aon Hewitt Inv. Consulting*

- 1. **Preliminary Performance Report for the Quarter Ended June 30, 2025.** Mr. Chae Hong, of Aon Hewitt Investment Consulting provided the Committee with the Preliminary Performance Report for the quarter ended June 30, 2025.
- 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.

a. Resolution 2025-35.

Mr. Martin moved to adopt Resolution 2025-35, authorizing an investment of up to \$75 million dollars in ISQ Global Infrastructure Fund IV (UST), L.P. , and the Board *unanimously approved the motion.*

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.

a. Resolution 2025-36.

Mr. Martin *moved to adopt* Resolution 2025-36, authorizing an investment of up to \$50 million dollars in Raith Real Estate Fund IV, L.P., and the Board *unanimously approved to motion*

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.

a. Resolution 2025-37.

Mr. Martin *moved to adopt* Resolution 2025-37, authorizing an investment of up to \$100 million dollars in Realty Income U.S. Core Plus Fund, L.P., and the Board *unanimously approved the motion.*

E. Private Equity Consultant Report. *Franklin Park.*

1. Preliminary Performance Report for the Quarter Ended June 30, 2025. Mr. Michael Bacine of Franklin Park presented the Committee with the Portfolio Review for the Quarter Ended June 30, 2025.

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.**

- a. **Resolution 2025-38**

Mr. Martin *moved to adopt* Resolution 2025-38, authorizing an investment of up to \$45 million dollars in BVIP Fund XII, L.P. and the Board *unanimously approved* the motion.

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.**

- a. **Resolution 2025-39.**

Mr. Martin *moved to adopt* Resolution 2025-39, authorizing an investment of up to \$45 million dollars in Constellation Wealth Capital Fund II, L.P., and the Board *unanimously approved* the motion.

F. Update to ATRS Board Policy 1 – Board Governance.

Mr. Martin *moved to approve* Update to ATRS Board Policy 1 -Board Governance, and the Board unanimously approved the motion.

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

A. Election of Chair and Vice Chair.

Mr. Lester *moved to approve* Mr. Bobby Lester as Chair of the Operations Committee and Mr. Kelsey Bailey as Vice Chair, and the Board *unanimously approved the motion*.

B. Open Forum for potential Rule or Law Changes by Committee Members and Board Members in Attendance.

1. Open Forum. None.

- C. Rules Promulgation.** Ms. Jennifer Kelly, General Counsel, provided the Committee with a rule promulgation status update and presented revisions to the rules that resulted from public comment.

1. Rule 4: Election of Board of Trustees.
2. Rule 6: Membership and Employer Participation.
3. Rule 8: Free Service Credit, Purchasable Service Credit, and Purchase Accounts.
4. Rule 9: Retirement and Benefits.
5. Rule 10: Return to Service and Teacher Deferred Retirement Option Plan.
6. Rule 11: Survivors and Domestic Relations Orders.

Mr. Lester *moved to approve* the Rule Promulgation as presented to the Committee with the revisions to the rules from public comment, and the Board *unanimously approved* the motion.

- D. Update to ATRS Board Policy 1 – Board Governance.** An update on ATRS Board Policy 1 – Board Governance was presented to the Committee.

Mr. Lester *moved to approve* the Update to ATRS Board Policy 1 – Board Governance as presented to the Committee, and the Board *unanimously approved* the motion.

- E. Update to ATRS Board Policy 2 – Board Objectives.** An update on ATRS Board Policy 2 – Board Objectives was presented to the Committee.

Mr. Lester *moved to approve* the Update to ATRS Board Policy 2 – Board Objectives as presented to the Committee, and the Board *unanimously approved* the motion.

- F. Update to ATRS Board Policy 3 – Executive Director.** An update on ATRS Board Policy 3 – Executive Director was presented to the Committee.

Mr. Lester *moved to approve* the Update to ATRS Board Policy 3 – Executive Director as presented to the Committee, and the Board *unanimously approved* the motion.

- XXI. Board of Trustees Disability Review.** Ms. Jennifer Kelly presented the Board with two (2) Disability Reviews.

A. In Re: Disability Retiree – ATRS ID #313698.

Ms. Bell *moved to approve* Disability Retiree Review – ATRS ID #313698, as presented to the Board. Mr. Bailey *seconded the motion* and the Board *unanimously approved the motion*.

B. In Re: Disability Retiree – ATRS ID #306359.

Mr. Knight *moved to approve* Disability Retiree Review – ATRS ID #306359, as presented to the Board. Mr. Lester *seconded the motion* and the Board *unanimously approved the motion*.

XXII. Staff Reports.

A. Medical Committee Report. Mr. Steve Parkinson, Director of Operations, reported that a total of eight (8) Disability Retirement Applications were approved.

Mr. Martin *moved to approve* the Medical Committee Report. Ms. Bell *seconded the motion* and the Board *unanimously approved the motion*.

B. Contract Renewals. Mr. Mark White, Executive Director, presented the Board with the Contract Renewals. This was for information purposes only. No action was taken.

XXIII. Other Business. None.

XXIV. Adjourn

Mr. Lester *moved to adjourn* the Board of Trustees meeting. Mr. Knight *seconded the motion* and the Board *unanimously approved the motion*.

Meeting adjourned at 12:08 p.m.

Mr. Mark White
Executive Director

Dr. Mike Hernandez, Chair
Board of Trustees

Tammy Porter,
Secretary

Date Approved