

AGENDA
ARKANSAS TEACHER RETIREMENT SYSTEM
BOARD OF TRUSTEES

December 1, 2025
10:30 a.m.
1400 West Third Street
Little Rock, AR 72201

- I. ***Call to Order/Roll Call.** *Dr. Mike Hernandez, Board Chair* page 1.
- II. ***Motion to Excuse Absences.**
- III. ***Adoption of Agenda.** page 2.
- IV. Executive Summary. (Attachment No. 1) page 7.
- V. ***Approval of September 29, 2025, Minutes.** (Attachment No. 2) page 15.
- VI. Executive Director Report. *Mr. Mark White, Executive Director* (Attachment No. 3) page 27.
- VII. Preliminary Active Actuarial Valuation for year ending June 30, 2025. *Ms. Judy Kermans, Ms. Heidi Berry, and Mr. Derek Henning of Gabriel, Roeder, Smith and Company* (Attachment No. 4) page 29.
- VIII. Statement of Financial Interest. *Mr. Mark White, Executive Director* (Attachment No. 5) page 78.
- IX. ***Proposed 2025 Board of Trustees Schedule.** *Mr. Mark White, Executive Director* (Attachment No. 6) page 95.
- X. Report of Member Interest Waived Under A.C.A. Sec. 24-7-205. *Mr. Mark White, Executive Director* (Attachment No. 7) page 96.
- XI. Report of Employer Penalties and Interest Waived. *Mr. Mark White, Executive Director* (Attachment No. 8) page 97.

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- XII. Audit Committee Report. *Mr. Jeff Stubblefield, Audit Committee Vice Chair*
- A. ***Audit Report: Investment Liquidity Management.** (Attachment No. 9) page 98.
 - B. Audit Plan 2026 Status Update. (Attachment No. 10) page 108.
- XIII. Investment Committee Report. *Mr. Arthur "Chip" Martin, III, Investment Committee Chair*
- A. Arkansas Related and Investment Update.
 - 1. List of Fund Closings.
 - a. Raith Real Estate Fund IV LP, a real estate fund targeting industrial and residential properties, the Board authorized commitment of up to \$50 million dollars on September 29, 2025 was accepted and closed on November 18, 2025.
 - b. Realty Income U.S. Core Plus Fund, LP, a real estate fund specializing in retail and industrial properties, the Board authorized commitment of up to \$100 million dollars on September 29, 2025 was accepted and closed on October 30, 2025.
 - 2. Board Policies Report. (Attachment No. 11) page 109.
 - 3. Arkansas Related Update and Recommendation.
 - a. Arkansas Related Update. (Attachment No. 12) page 112.
 - b. ***Recommendation to approve for Board adoption Resolution 2025-47 to modify the terms of the Tax Credit and Revenue Stream Purchase Agreement of the revenue stream generated by tax credits associated with Big River Steel.** (Attachment No. 13) page 115.
 - 1. ***Resolution 2025-47.** (Attachment No. 14) page 122.
 - B. General Investment Consultant Report.
 - 1. Performance Report for the Quarter Ending September 30, 2025. (Attachment No. 15) page 123.
 - 2. ***Recommendation to approve for Board adoption Resolution 2025-48 authorizing the termination of the BlackRock MSCI ACWI IMI Index Fund and redeployment of assets to the ARTRS MSCI ACWI Ex-China Ex-Hong Kong IMI U/A.** (Attachment No. 16) page 282.
 - a. ***Resolution 2025-48.** (Attachment No. 17) page 283.

3. ***Recommendation to approve for Board adoption a motion to add a 5% target allocation to private credit in the ATRS investment portfolio.** (Attachment No. 18) page 284.
 - a. ***Recommendation to approve for Board adoption a motion to accept proposed changes to Board Policy 4- Statement of Investment Policy to accommodate a 5% target allocation to private credit in the ATRS investment portfolio.** (Attachment No. 19) page 312.
 - b. ***Recommendation to approve for Board adoption a motion to accept proposed changes to Board Policy 6- Real Assets Investment Policies to accommodate a 5% target allocation to private credit in the ATRS investment portfolio.** (Attachment No. 20) page 342.
- C. Real Assets Investment Consultant Report.
 1. ***Recommendation to approve for Board adoption a motion approving the 2026 Real Assets Commitment Pacing (Total Pacing \$550 Million Dollars).** (Attachment No. 21) page 358.
 - a. Core/Core Plus Real Estate \$200 Million Dollars.
 - b. Value Added and Opportunistic (Non-Core) Real Estate \$200 Million Dollars.
 - c. Infrastructure \$150 Million Dollars.
- D. Private Equity Consultant Report.
 1. ***Recommendation to approve for Board adoption Resolution 2025-49 authorizing an investment of up to \$45 million dollars in Niobrara Founders Fund L.P.** (Attachment No. 22) page 363.
 - a. ***Resolution 2025-49.** (Attachment No. 23) page 367.
 2. ***Recommendation to approve for Board adoption Resolution 2025-50 authorizing an investment of up to \$45 million dollars in Truelink Capital II, L.P.** (Attachment No. 24) page 368.
 - a. ***Resolution 2025-50.** (Attachment No. 25) page 371.
 3. ***Recommendation to approve for Board adoption a motion approving the 2026 Private Equity Pacing Schedule (Total Pacing \$500 Million Dollars).** (Attachment No. 26) page 372.
 - a. Five to Seven Small or Mid Buyout/Growth/Turnaround \$45-50 Million Dollars Each. (Total up to \$285 Million Dollars).
 - b. Up to Two Debt/Distressed Assets (Total up to \$90 Million Dollars Depending on the Total Commitments to Buyout/Growth/Turnaround Funds Discussed Above).
 - c. Two Fund of Funds Investments (Total up to \$125 Million Dollars).

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XIV. Operations Committee Report. *Mr. 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. This is a standard part of the Committee agenda to allow Committee Members and Board Members in attendance to address topics and issues for consideration.

B. Rules Promulgation Status Update.

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.

C. ***Update to Board Policy 4 - Statement of Investment Policy.**
(Attachment No. 27) page 382.

D. ***Update to Board Policy 6 - Real Assets Investment Policies.**
(Attachment No. 28) page 412.

XV. Manifest Injustice Report. *Ms. Jennifer Kelly, General Counsel* (Attachment No. 29) page 428.

XVI. ***Board of Trustees Disability Review.** (Attachment No. 30) page 432.

XVII. ***Staff Reports.**

A. ***Medical Committee Report. A total of Eight (8) Disability Applications were approved.** *Mr. Steve Parkinson, Director of Operations* (Attachment No. 31) page 435.

B. Financial Reports. *Ms. Misty Yant, Chief Financial Officer*

1. Financial Statement Report. (Attachment No. 32) page 437.
2. Travel Report. (Attachment No. 33) page 438.

C. Personnel Report. *Ms. Stephanie Lilly-Palmer, Director, Human Resources* (Attachment No. 34) page 439.

XVIII. Mid Year Evaluation of Executive Director Mark White. *Dr. Mike Hernandez, Board Chair and Ms. Stephanie Lilly-Palmer, Director Human Resources*

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XIX. Other Business.

XX. ***Adjourn.**