

Board of Trustees

Schedule Tuesday, July 7, 2026 10:15 AM — 10:30 AM CDT
Venue ATRS Board room
Organizer Tammy Porter

Agenda

1. Call to Order/Roll Call

For Approval - Presented by Dr. Mike Hernandez

2. Motion to Excuse Absences

For Approval - Presented by Dr. Mike Hernandez

3. Adoption of Agenda

For Approval - Presented by Dr. Mike Hernandez

4. Executive Summary

For Discussion - Presented by Mark White

 EXECUTIVE SUMMARY.docx

1

5. Investment Committee Report

For Discussion - Presented by Chip Martin

5.1. Private Equity.

For Discussion - Presented by Michael Bacine

5.1.1. Recommendation to approve for Board adoption Resolution 2026-36 authorizing an investment of up to \$45 million dollars in Sheridan Capital Partners Fund IV, L.P. with Imminent Need.

For Approval - Presented by Michael Bacine

 SheridanIV_ExecSummary_ATRS_20260701.pdf

2

 Resolution 2026-36 Sheridan Capital Partners IV with Imm Need.pdf

6

6. Potential Securities Litigation

For Approval - Presented by Mark White and Jennifer Kelly

7. Other Business

8. Adjourn

EXECUTIVE SUMMARY

TO: Board Of Trustees

FROM: ATRS Staff

RE: Executive Summary

DATE: July 7, 2026

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

5.1 Private Equity Consultant Report. Franklin Park

5.1.1 Recommendation to approve for Board adoption Resolution 2026-36 authorizing an investment of up to \$45 million dollars in Sheridan Capital Partners Fund IV, L.P. with Imminent Need. Sheridan Capital Partners, the general partner of Sheridan Capital Partners Fund IV, was founded in 2012. Headquartered in Chicago, the fund will target control equity investments in middle market U.S. healthcare companies. The general partner is targeting a fund size of \$1.1 billion. The general partner's experienced team consists of approximately 31 professionals led by five principals that average 17 years of experience. The average performance of the previous two funds is approximately 27% gross IRR. Fund IV's size will be substantially larger than prior funds, but the general partner does not plan to change the strategy. Among the planned uses of the additional commitments will be a few more deals with slightly higher capital investments. Since there is no scheduled meeting of the Arkansas Legislative Council before the fund's anticipated closing date in July, Imminent Need is requested. ATRS staff concurs with Franklin Park's recommendation to commit up to \$45 million dollars in Sheridan Capital Partners Fund IV, L.P. with Imminent Need.

6. Potential Securities Litigation. *Mr. Mark White, Executive Director and Ms. Jennifer Kelly, General Counsel.*

Recommendation that ATRS seek lead plaintiff status in a securities class action lawsuit against Sportradar Group AG, and that the Board authorize ATRS to retain the law firm of Berger Montague to represent the System in this matter.

7. Other Business.



Executive Summary
Sheridan Capital Partners Fund IV, L.P.





Executive Summary

Fund Sheridan Capital Partners Fund IV, L.P. (the “Fund”)

General Partner Sheridan Capital Partners (the “General Partner”)

Report Date July 2026

Fundraising The General Partner is targeting capital commitments of \$800 million with a cap of \$1.1 billion. The General Partner expects to hold a first (and potentially final) closing on July 22.

Source Franklin Park sourced the fund offering from the General Partner. The General Partner has retained Evercore to assist with fundraising.

Investment Strategy The Fund is being formed to make control equity investments in small and lower middle market U.S. healthcare companies. The Fund will target quality, growth-oriented, often founder-owned companies with enterprise values between \$100 million and \$300 million and EBITDA between \$5 million and \$25 million.

- The Fund will target the following sub-sectors:
- Outsourced services (60% target): outsourced pharma services, medical education & training, insurance distribution/cost containment
 - Patient Services (20%): hospice, mental health, outsourced post acute services
 - Products & Manufacturing (20%): contract manufacturing, pharma logistics, pharma packaging

Management Team Based in Chicago, the General Partner was originally founded as the Sheridan Legacy Group, in affiliation with the Richard Stephenson Family Office, by Jonathan Lewis and Michael Allietta in 2012. Currently, the General Partner’s investment team consists of approximately 31 professionals, led by five senior professionals (the “Principals”) including Mr. Lewis, as summarized in the following table.

Principals	Yrs. GP	Yrs. PE	Background
Jonathan Lewis	14	25	PNC Equity; William Blair Capital
Sean Dempsey	12	17	Kinderhook; Glenview Capital
Nick Rowland	10	18	Providence; MidOcean
Chris McCrory	9	14	50 South Capital; Pamlico
Michael Bernard	2	12	Riverside; Linden

The Principals are supported by three mid-level investment professionals, six junior professionals, five business development professionals, and 12 professionals with operating experience as members of an “Acceleration Team”.

Track Record The General Partner has raised two prior funds with capital commitments of \$306 million and \$575 million, respectively. The following chart summarizes the performance of the prior funds, as of March 31, 2026 (\$M):

Disclaimer: The information contained in this memorandum is confidential and may contain proprietary information and trade secrets. It is intended only for the use of Franklin Park’s clients and, subject to applicable law, may not be reproduced, transmitted or used in whole or in part for any other purpose. Franklin Park makes no guarantee regarding the performance of the Fund discussed in this report.



Aggregate Performance Summary ¹		(USD 000)				
Fund (Vintage)	Realized Deals / # Deals	Invested	Realized	Unrealized	Gross ROI	Gross IRR
Fund II (2019)	4 / 8	332,282	374,199	321,435	2.1x	19.8%
Fund III (2022)	1 / 6	297,802	73,240	707,304	2.6x	50.0%
Total	5 / 14	630,084	447,440	1,028,739	2.3x	27.3%

¹ Gross of fees and carried interest expenses. The unrealized investments were valued by the General Partner.

Investment Evaluation

1. **The Fund’s strategy is compelling.** The return potential for the Fund is high given the Fund’s focus on small and lower middle market healthcare companies. Small companies can often be acquired at more attractive purchase prices than larger companies, despite often having higher growth potential. Further, there are substantial, often more easily achievable value creation opportunities with small healthcare companies versus larger companies.

Further, the General Partner is building a brand in its target market. The General Partner has an exclusive focus on investing in the healthcare sector and is well-positioned competitively within the lower middle market. Through its industry relationships and successful track record to date, the General Partner is building a brand as a leading private equity healthcare investor.

2. **The General Partner has a deep team that is experienced and cohesive.** The Principals have an average of 17 years of private equity experience. With over 30 total professionals, the General Partner’s investment team has significant depth. The investment team is supported by five dedicated business development professionals and a 24 person Acceleration Team..
3. **Fund III has generated solid performance to date.** Though early in its life, Fund III has generated solid net returns of 2.0x/39%, as of March 31, 2026. One of the investments has been partially realized and has generated an ROI of 6x to date. Fund III returns rank in the 1st quartile when compared to funds raised in the same year and none of the Fund III deals have been realized for a loss or written down.

However, Fund II’s performance has been volatile. Three deals have been substantially realized to date for multiples of 7.7x, 3.8x and 2.9x cost, while a fourth was written off. Further, of the four unrealized deals, one is held at 3.0x cost, another is valued at 1.4x cost, and the remaining two are still at cost.

4. **The Fund’s size will be substantially larger than Fund III.** At the cap of \$1.1 billion, the Fund will be nearly double the size of Fund III and over three times the size of Fund II. The General Partner’s ability to successfully manage a larger fund is still unproven.

However, the General Partner does not anticipate a change in strategy. Instead, it plans to complete a few more platform and add-on investments, while slightly increasing initial equity investments by reducing founder rollover equity. In addition, the General Partner’s senior team has expanded since Fund III was raised and Messrs. Rowland, McCrory and Bernard have added to the General Partner’s deal lead capacity. Further, several mid-level investment professionals, including Messrs. McGregor, Lestyan, and Kolstad, have assumed increasing responsibilities in recent years. Mr. McGregor is expected to be promoted to Partner during the investment period.

Disclaimer: The information contained in this memorandum is confidential and may contain proprietary information and trade secrets. It is intended only for the use of Franklin Park’s clients and, subject to applicable law, may not be reproduced, transmitted or used in whole or in part for any other purpose. Franklin Park makes no guarantee regarding the performance of the Fund discussed in this report.



Recommendation Franklin Park recommends a commitment of up to \$45 million to the Fund, subject to completion of investment and operational due diligence, as well as satisfactory negotiation of final documentation, based on the following:

- The Fund's strategy is compelling;
- The General Partner has a deep team that is experienced and cohesive;
- The General Partner's overall track record is attractive.

ARKANSAS TEACHER RETIREMENT SYSTEM
1400 West Third Street
Little Rock, Arkansas 72201

RESOLUTION
No. 2026-36

**Approving Investment in Sheridan Capital Partners Fund IV, L.P.
with Imminent Need**

WHEREAS, the Board of Trustees (Board) of the Arkansas Teacher Retirement System (ATRS) is authorized to invest and manage trust assets for the benefits of its plan participants; and

WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Sheridan Capital Partners Fund IV, L.P.**, a fund specializing in middle market healthcare companies; and

WHEREAS, the ATRS Board approves an investment of up to **\$45 million dollars (\$45,000,000.00)** in **Sheridan Capital Partners Fund IV, L.P.** and the Board, after its review of the timing in which the closing of the investment in **Sheridan Capital Partners Fund IV, L.P.** may need to occur, has determined that there is an imminent need to immediately enter into the partial equity ownership agreement prior to the next scheduled meeting of the Arkansas Legislative Council. The Board also deems it financially appropriate to enter into the partial equity ownership agreement and concludes that to forego the opportunity to promptly implement its investment directives under the prudent investor rule would be inconsistent with its fiduciary duty of care to the members and annuitants.

NOW, THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$45 million dollars (\$45,000,000.00)** in **Sheridan Capital Partners Fund IV, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership interest in **Sheridan Capital Partners Fund IV, L.P.** The total investment amount is to be determined by the private equity consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the Board; and

FURTHER, BE IT RESOLVED, that the ATRS staff is hereby authorized to take all necessary and proper steps to implement this investment using the Imminent Need process, if acceptable terms are reached.

Adopted this 7th day of July 2026

Dr. Mike Hernandez, *Chair*
Arkansas Teacher Retirement System