



February 2, 2021

Mr. Edward Armstrong  
Office of State Procurement  
1500 West 7<sup>th</sup> Street, Suite 300  
Little Rock, AR 72201

Ms. Marty Garrity  
Bureau of Legislative Research  
State Capitol, Room 315  
Little Rock, AR 72201

Re: Notification of Imminent Need Under Act 1211 of 2009 (A.C.A. §19-11-1303)  
Investment: ISQ Global Infrastructure Fund III, L.P.  
Franklin Park Corporate Finance Access Fund, L.P.  
Franklin Park International Fund X, L.P.  
Greenbriar Equity Fund V, L.P.

Dear Mr. Armstrong and Ms. Garrity:

As Executive Director of Arkansas Teacher Retirement System (ATRS), my intent and plan is not to use the Imminent Need provisions of Act 1211 unless warranted. Due to fund manager changes and speed of the markets, it is occasionally needed. The investments presented at this time are considered Imminent Need due to the fact that they will likely need to close before the next scheduled meeting of the Arkansas Legislative Council (ALC).

On February 1, 2021, the ATRS Board of Trustees (Board), in a scheduled meeting, adopted Resolution 2021-09 to declare an Imminent Need exists to commit up to \$50 million in ISQ Global Infrastructure Fund III, L.P. The investment was recommended by Aon Hewitt Investment Consulting, ATRS's real assets consultant, and ATRS staff concurs.

At the same meeting, the Board authorized an investment of up to \$30 Million in Franklin Park Corporate Finance Access Fund, L.P. using Imminent Need through Resolution 2021-10. This investment was recommended by Franklin Park and ATRS staff concurs.

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The Board also adopted Resolution 2021-11 approving an investment of up to \$30 million with Imminent Need in Franklin Park International Fund X, L.P. Again, Franklin Park recommended the investment and ATRS staff concurs.

Also authorized by the Board was an investment of up to \$30 million in Greenbriar Equity Fund V, L.P. with Imminent Need through Resolution 2021-12. Franklin Park recommended the investment and ATRS staff concurs.

The Board determined that all criteria were met under Act 1211 to enter into a partial equity ownership agreement for each of these investments. This letter has been sent in compliance with the five-day rule in Act 1211. In accordance with Act 1211, ATRS is providing a copy of the aforementioned resolutions to the Office of State Procurement and to the Arkansas Legislative Council. For full and open disclosure, ATRS is attaching an Executive Summary for each of the investments to provide further details.

ATRS is hereby requesting that the investments mentioned above be reviewed by ALC at the next scheduled meeting. If any additional information is needed, please feel free to contact me on my direct line at 501-682-1820 or by email at: [clintr@artts.gov](mailto:clintr@artts.gov)

Respectfully,



Clint Rhoden  
Executive Director

CR:lw

## Arkansas Teacher Retirement System Real Estate Investment Executive Summary

<b>Investment</b>	ISQ Global Infrastructure Fund III, L.P.
<b>Managing Party</b>	ISQ Global Fund III GP, LLC.
<b>ATRS Legal Interest</b>	ATRS will be a limited partner.
<b>Report Date</b>	February 2021
<b>Expected Closing Date</b>	March 2021
<b>ATRS Commitment &amp; Reason for Entry</b>	The up to \$50 million investment is to help achieve the 15% target allocation to real assets. The fund was recommended by the ATRS real assets consultant, Aon Hewitt Investment Consulting.
<b>Placement Agent</b>	Evercore (ISQ Global Fund III GP, LLC bears placement agent expense)
<b>Key Terms</b>	<p><u>Management Fee</u>: 160 bps (1.60%) on committed capital during the investment period and 160 bps on invested capital thereafter.</p> <p><u>Carried Interest</u>: 20% of profits after ATRS receives an 8% IRR preferred return.</p>
<b>Justification of Investment</b>	The strategy requires a period of time to identify, execute and then monetize a core+ value add infrastructure strategy. The fund is a
<b>Duration Term &amp; Anticipated Termination Date</b>	"closed end" variety with a ten-year term starting at the final close with the possibility of two-one-year extensions. The anticipated maturity is in 2032.
<b>Investment Strategy</b>	The Fund will primarily make brownfield, core+ and value-add investments in companies across utilities, transportation, communication, power and renewables, midstream energy and social infrastructure businesses located in North America, Europe and select growth economies, mainly in Asia and Latin America. ISQ focuses on developing investment platforms ("Platform Investments") that acquire and aggregate (through add-on acquisitions) small and mid-market assets with an ability to develop new assets and capacities as well.
<b>Management Team</b>	Sadek Wahba (Chairman and Managing Partner), Gautam Bhandari (Managing Partner) and Adil Rahmathulla (Managing Partner) (collectively the "Principals") in addition to three other Partners (collectively the "Partners") have worked together for over 15 years. The strategy is executed by on-the-ground team spread across U.S. London, Singapore,

Hong Kong and Delhi which enables ISQ to source exclusive investment opportunities through local relationships (outside auctions or sell-side financial advisors network), appropriately evaluate risks with local knowledge, actively implement strategic initiatives and manage investments utilizing local operational and policy expertise.

**Historical  
Performance**

The two previous ISQ funds average a combined net internal rate of return ("IRR") of 15.9%.

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

**RESOLUTION**  
**No. 2021-09**

**Approving Investment in ISQ Global Infrastructure Fund III, 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

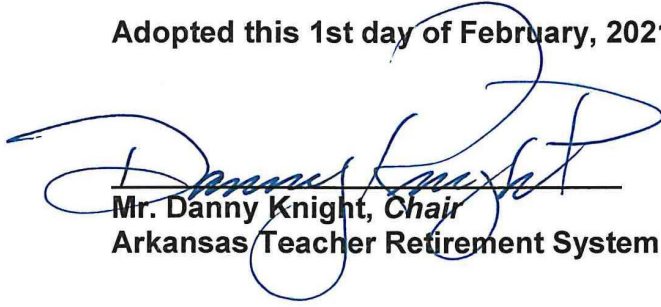
**WHEREAS**, the ATRS Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **ISQ Global Infrastructure Fund III, L.P.**, an infrastructure fund that invests in utilities, transportation, communication, renewable power, midstream energy and social infrastructure businesses; and

**WHEREAS**, the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000)** in **ISQ Global Infrastructure Fund III, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **ISQ Global Infrastructure Fund III, 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 **\$50 million dollars (\$50,000,000)**, in **ISQ Global Infrastructure Fund III, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **ISQ Global Infrastructure Fund III, L.P.** The total investment amount is to be determined by the real assets consultant and ATRS staff based upon the allocation available to ATRS and the overall investment objectives set by the ATRS 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 1st day of February, 2021.**



**Mr. Danny Knight, Chair**  
**Arkansas Teacher Retirement System**

## Arkansas Teacher Retirement System Private Equity Investment Executive Summary

<b>Investment</b>	Franklin Park Corporate Finance Access Fund, L.P.
<b>Managing Party</b>	Franklin Park Series GP, LLC (the "General Partner" or "Franklin Park")
<b>ATRS Legal Interest</b>	ATRS will be a limited partner
<b>Report Date</b>	February 2021
<b>Expected Closing Date</b>	Closing is expected to be in the first quarter of 2021.
<b>ATRS Commitment &amp; Reason for Entry</b>	The additional investment of up to \$30 million in this fund is to help achieve the 12% target allocation to private equity. The Fund was recommended by the ATRS private equity consultant.
<b>Placement Agent</b>	There is no placement agent involved with the Fund.
<b>Key Terms</b>	<u>Management Fee</u> : None <u>Carried Interest</u> : None
<b>Justification of Investment Term &amp; Anticipated Termination Date</b>	The fund will end when the last underlying fund or portfolio company is liquidated; therefore, there is not a specific termination date for the fund. This is standard for a private equity co-investment fund or fund of funds.
<b>Investment Strategy</b>	The Fund invests in small top-tier private equity funds that need additional capital to increase value. It may also invest in funds of "next generation" managers who are experienced but are typically either smaller or new to public pension plan or institutional investors.
<b>Management Team</b>	Franklin Park, based near Philadelphia, PA, was founded in 2003 by six professionals that formerly worked together at a global private equity consultant and asset manager. The team is led by Bradley Atkins, Michael Bacine, James McGovern, Karl Hartmann, Katherine Carlson Narayan Chowdhury, Laure Brasch, Kristine O'Connor, Neil Mowery, Raymond Jackson, and John Mahoney (the "Senior Team"). The Senior Team is supported by seven associates, seven analysts and an office manager.
<b>Historical Performance</b>	Since inception, Franklin Park has committed or advised on commitments in excess of \$15.6 billion to 336 private equity funds and 37 co-investments.

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

**RESOLUTION  
No. 2021-10**

**Approving Investment in Franklin Park Corporate  
Finance Access Fund, 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 **Franklin Park Corporate Finance Access Fund, L.P.**, a fund of funds managed by Franklin Park investing in smaller buyout, growth, and turnaround funds; and

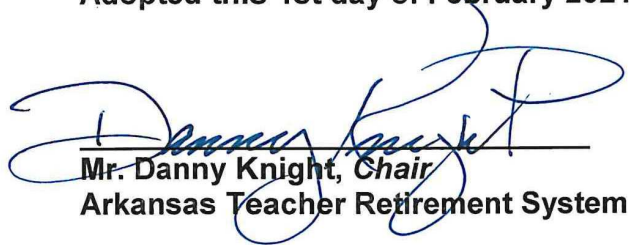
**WHEREAS**, the ATRS Board approves an investment of up to **\$30 million dollars (\$30,000,000.00)** in **Franklin Park Corporate Finance Fund, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Franklin Park Corporate Finance Access Fund III, L.P.** may 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 **\$30 million dollars (\$30,000,000.00)** in **Franklin Park Corporate Finance Access Fund, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership interest in **Franklin Park Corporate Finance Access Fund, 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 1st day of February 2021



Mr. Danny Knight, *Chair*  
Arkansas Teacher Retirement System

**Arkansas Teacher Retirement System  
Private Equity Investment  
Executive Summary**

<b>Investment</b>	Franklin Park International Fund X, L.P. (the "Fund")
<b>Managing Party</b>	Franklin Park Series GP, LLC (the "General Partner" or "Franklin Park")
<b>ATRS Legal Interest</b>	ATRS will be a limited partner
<b>Report Date</b>	February 2021
<b>Expected Closing Date</b>	The General Partner is targeting capital commitments of \$80-100 million. Closing is expected in the first quarter of 2021.
<b>ATRS Commitment &amp; Reason for Entry</b>	The investment of up to \$30 million is to help achieve the 12% target allocation to private equity. The fund was recommended by the ATRS private equity consultant.
<b>Placement Agent</b>	There is no placement agent involved with the Fund.
<b>Key Terms</b>	<u>Management Fee</u> : None  <u>Carried Interest</u> : None
<b>Justification of Investment Term &amp; Anticipated Termination Date</b>	The term is the later of (i) the liquidation of the last fund investment or (ii) 15 years (anticipated termination in 2036). Term is standard for a private equity fund of funds due to the fact that terms for underlying funds are at least ten years and all underlying funds must be liquidated in order to terminate the fund of funds.
<b>Investment Strategy</b>	The Fund is being formed to build a well-diversified portfolio of top-tier international private equity funds.
<b>Management Team</b>	Franklin Park, based near Philadelphia, PA, was founded in 2003 by six professionals that formerly worked together at a global private equity consultant and asset manager. The team is led by Bradley Atkins, Michael Bacine, James McGovern, Karl Hartmann, Katherine Carlson Narayan Chowdhury, Laure Brasch, Kristine O'Connor, Neil Mowery, Raymond Jackson and John Mahoney (the "Senior Team"). The Senior Team is supported by seven associates, seven analysts and an office manager.
<b>Historical Performance</b>	Since inception, Franklin Park has committed or advised on commitments in excess of \$15.6 billion to 336 private equity funds and 37 co-investments.

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

**RESOLUTION**  
**No. 2021-11**

**Approving Investment in Franklin Park International  
Fund X, 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

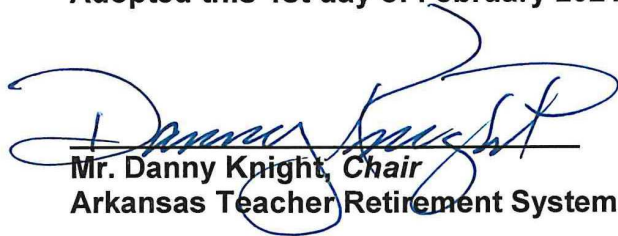
**WHEREAS**, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Franklin Park International Fund X, L.P.**, a fund of funds managed by Franklin Park investing in international private equity funds; and

**WHEREAS**, the ATRS Board approves an investment of up to **\$30 million dollars (\$30,000,000.00)** in **Franklin Park International Fund X, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Franklin Park International Fund X, 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 **\$30 million dollars (\$30,000,000.00)** in **Franklin Park International Fund X, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership interest in **Franklin Park International Fund X, 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 1st day of February 2021**



**Mr. Danny Knight, *Chair***  
**Arkansas Teacher Retirement System**

**Arkansas Teacher Retirement System  
Private Equity Investment  
Executive Summary**

<b>Investment</b>	Greenbriar Equity Fund V, L.P. (the "Fund")
<b>Managing Party</b>	Greenbriar Equity Group (the "General Partner" )
<b>ATRS Legal Interest</b>	ATRS will be a limited partner.
<b>Report Date</b>	February 2021
<b>Expected Closing Date</b>	The General Partner is targeting capital commitments of \$1.0 billion. ATRS is expected to close in February 2021.
<b>ATRS Commitment &amp; Reason for Entry</b>	The investment of up to \$30 million is to help achieve the 12% target allocation to private equity. The fund was recommended by the ATRS private equity consultant.
<b>Placement Agent</b>	The General Partner retained Evercore to assist with fundraising.
<b>Key Terms</b>	<p><u>Management Fee</u>: The Fund will charge an annual management fee of 2.0% of capital commitments during the six-year investment period, and 2.0% of invested capital after the investment period.</p> <p><u>Carried Interest</u>: After the limited partners receive contributed capital for realized investments, a portion of partnership expenses, and an 8% preferred return on those amounts, the General Partner will be entitled to 20% of the Fund's profits.</p>
<b>Justification of Investment Term &amp; Anticipated Termination Date</b>	The term is ten years (anticipated termination in 2031) plus three one-year extensions which is common for private equity funds due to the time required for buying, improving and selling underlying companies.
<b>Investment Strategy</b>	The Fund is being formed to make primarily control investments in advanced manufacturing and business services companies across logistics, aerospace & defense, and transportation sub-sectors in the U.S. The investment team will target companies with enterprise values greater than \$100 million and will opportunistically pursue a buy-and-build strategy.
<b>Management Team</b>	Based in Rye, New York, the General Partner was founded in 1999. Today, the firm is led by Reginald Jones, Jill Raker, Noah Roy, Niall McComiskey, and Michael Weiss (principals). The principals are supported by 10 investment professionals, 3 operating resources, and 5 finance and administrative professionals.
<b>Historical Performance</b>	The current team has generated attractive returns with an average gross IRR of 39.9% for its previous four funds. Historical returns are not indicative of future performance.

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

**RESOLUTION**  
**No. 2021-12**

**Approving Investment in Greenbriar Equity  
Fund V, 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

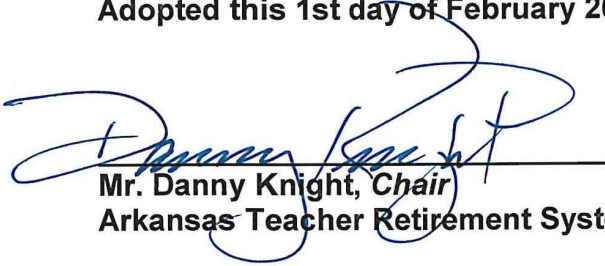
**WHEREAS**, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Greenbriar Equity Fund V, L.P.**, a buyout fund that will invest in advanced manufacturing and business services companies across the logistics, aerospace and defense, and transportation sub-sectors; and

**WHEREAS**, the ATRS Board approves an investment of up to **\$30 million dollars (\$30,000,000.00)** in **Greenbriar Equity Fund V, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Greenbriar Equity Fund V, 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 **\$30 million dollars (\$30,000,000.00)** in **Greenbriar Equity Fund V, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership interest in **Greenbriar Equity Fund V, 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 1st day of February 2021**



**Mr. Danny Knight, Chair**  
**Arkansas Teacher Retirement System**