



October 19, 2021

Senator Terry Rice  
Representative Jeff Wardlaw  
Arkansas Legislative Council  
State Capitol, Room 315  
Little Rock, AR 72201

Re: Submission of Investments for Review Under Act 1211 of 2009 (A.C.A. §19-11-1302)  
Investments: Juniperus Insurance Opportunity Fund Limited  
Bison Capital Partners VI, L.P.  
Franklin Park Venture Fund XIV, L.P.  
Franklin Park Corporate Finance Access Fund II, L.P.

Dear Senator Rice and Representative Wardlaw:

By means of the enclosed Investment Summaries, Arkansas Teacher Retirement System (ATRS) is submitting four investments for review by the Arkansas Legislative Council (ALC) as required under ACA §19-11-1302 et seq., otherwise referred to as Act 1211 of 2009.

The ATRS Board (Board) recently approved an investment of up to \$95 million to be made in Juniperus Insurance Opportunity Fund Limited, a fund that invests across insurance linked securities including private reinsurance, reassignment of insurance risk to other carriers, catastrophe bonds, and other insurance linked investments. This investment was recommended by Aon Hewitt Investment Consulting, general investment consultants for ATRS, and ATRS staff concurs with the recommendation.

In addition, an investment of up to \$30 million in Bison Capital Partners VI, L.P. was authorized by the Board. This fund will make hybrid debt and equity investments in small and middle market companies. Franklin Park, private equity consultants for ATRS recommended the investment, and ATRS staff concurs.

Also approved was a commitment of up to \$30 million in Franklin Park Venture Fund XIV, L.P. This is a fund of funds managed by Franklin Park investing in venture capital private equity funds. Franklin Park recommended the investment, and ATRS staff concurs.

Another recommendation by Franklin Park was approved for a commitment of up to \$30 million to be made in Franklin Park Corporate Finance Access Fund II, L.P., a fund of funds managed by Franklin Park that focuses on smaller buyout, growth, and turnaround private equity funds. ATRS staff concurs with this recommendation as well.

Senator Rice  
Representative Wardlaw  
October 19, 2021  
Page Two

The ATRS Board approved each of the investments described above at its September 27, 2021 meeting and anticipates closing dates from late November through December. A summary of each investment including key terms and investment strategy is enclosed for review by ALC. If any additional information is needed, please feel free to contact me on my direct line at 501-588-4367 or by email at: [clintr@atrs.gov](mailto:clintr@atrs.gov)

Respectfully,



Clint Rhoden  
Executive Director

CR:lw  
enclosures

**Arkansas Teacher Retirement System  
Real Estate Investment  
Executive Summary**

<b>Investment</b>	Juniperus Insurance Opportunity Fund Limited (Juniperus)
<b>Managing Party</b>	Pillar Capital Management Limited
<b>ATRS Legal Interest</b>	ATRS will own an equity interest
<b>Report Date</b>	October 2021
<b>Expected Closing Date</b>	December 2021
<b>ATRS Commitment &amp; Reason for Entry</b>	The investment of up to \$95 million in Juniperus is to help achieve the 5% target allocation to opportunistic alternative assets. The Fund was recommended by the ATRS investment consultant consultant, Aon Hewitt Investment Consulting.
<b>Placement Agent</b>	No placement agent was utilized.
<b>Key Terms</b>	<u>Management Fee</u> : 1.5 % per annum based on NAV <u>Carried Interest</u> : 15% of profits after LP's receive a return equal to 1-month Treasury bill plus 24 bps
<b>Justification of Investment Duration Term &amp; Anticipated Termination Date</b>	Insurance/reinsurance securities typically have a one-year terms. The fund is open end with annual redemptions.
<b>Investment Strategy</b>	The Pillar Juniperus Insurance Opportunity Fund is a multi-instrument insurance linked securities fund that invests in private reinsurance, cat bonds, retrocession, ILWs, and direct insurance.
<b>Management Team</b>	Stephen Velotti leads the investment team and is responsible for portfolio management. Chief Actuary Thomas Cosenza oversees adjustments to Pillar's proprietary models. All senior members of the investment team can conduct underwriting on a contract. Another member of the team must review the underwriting before the contract can be approved for use in the portfolio.

**Historical  
Performance**

Performance in the fund is currently a 8.2% IRR over the preceding 10 year period

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

<b>Investment</b>	Bison Capital Partners VI, L.P. (the "Fund")
<b>Managing Party</b>	Bison Capital Management (the "General Partner" or "Bison")
<b>ATRS Legal Interest</b>	ATRS will be a limited partner
<b>Report Date</b>	October 2021
<b>Expected Closing Date</b>	The General Partner is targeting capital commitments of \$500 million for the Fund. ATRS is expected to close in the third 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>	The investment was sourced directly from the General Partner.
<b>Key Terms</b>	<p><u>Management Fee</u>: During the investment period (five years) or until a successor fund begins to accrue management fees, the Fund will pay to the General Partner a management fee of 2% of commitments. After the investment period, limited partners participating in the first closing will pay an annual management fee of 1.5% of net invested capital while those not participating in the first closing will pay an annual management fee of 2% of net invested capital.</p> <p><u>Carried Interest</u>: After the limited partners receive their aggregate capital contributions and an 8% preferred return, the General Partner will be entitled to 20% of the Fund's profits.</p>
<b>Justification of Investment Term &amp; Anticipated Termination Date</b>	<p><u>Term</u>: Ten years (anticipated termination in 2031) plus two one-year extensions which is industry standard due to the time required for acquiring, developing and selling underlying assets.</p>
<b>Investment Strategy</b>	The Fund is being formed to pursue hybrid debt/equity investments in U.S. based small and lower middle market companies. Investments will largely be in non-control junior capital and structured as a combination of senior and subordinated debt and preferred equity securities with management retaining a control stake.
<b>Management Team</b>	The General Partner was formed in 2001 and is currently led by Doug Trussler, Lou Caballero, Andreas Hildebrand, Peter Macdonald and Kurt Pilecki (the "principals"). The principals are supported by four investment professionals, a business development professional and a CFO.
<b>Historical Performance</b>	The General Partner has generated a net IRR of approximately 15% in its previous five funds as of December 31, 2020. Historical returns are not indicative of future performance.

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

<b>Investment</b>	Franklin Park Venture Capital Fund XIV, 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>	October 2021
<b>Expected Closing Date</b>	Closing is expected in the third 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> : 4% carried interest for total investments of \$60 million or more and 5% for investments below \$60 million, after an 8% preferred return.
<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 was formed to build a well-diversified portfolio of top-tier venture capital 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 over 336 private equity funds and 37 co-investments.

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

<b>Investment</b>	Franklin Park Corporate Finance Access Fund II, 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>	October 2021
<b>Expected Closing Date</b>	Closing is expected to be in the third 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> : 4% carried interest for total investments of \$60 million or more and 5% for investments below \$60 million, after an 8% preferred return.
<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.