

Arkansas Teacher Retirement System
Real Estate Investment
Executive Summary

Investment	BTG Pactual Open Ended Core U.S. Timberland Fund, LP
Managing Party	BTG Pactual Open Ended Core U.S. Timberland Fund GP, LLC.
ATRS Legal Interest	ATRS will be a limited partner.
Report Date	October 2019
Expected Closing Date	December 2019
ATRS Commitment & Reason for Entry	The investment will be funded by exchanging a like value of directly held timberlands located outside the state of Arkansas for shares of the fund. The approximate \$185 million investment is to help achieve the 15% target allocation to real assets and provide additional diversification to the ATRS timber portfolio. The fund was recommended by the ATRS real assets consultant, Aon Hewitt Investment Consulting.
Placement Agent	None
Key Terms	<u>Management Fee</u> : 90 bps (.90%) on invested capital.
Justification of Investment Duration Term & Anticipated Termination Date	The fund is an open-end variety and in theory has a perpetual life. BTG Pactual Open Ended Core U.S. Timberland Fund, LP has a quarterly redemption option subject to available capital
Investment Strategy	BTG Pactual Open Ended Core US Timberland Fund, LP is a long-term, core investment timberland strategy targeting investments in U.S. commercial timberland assets.
Management Team	Gerrity Lansing, Managing Director, Partner of BTG Pactual, and Head of BTG Pactual Timberland Investment Group. Prior to his current role, Gerrity was a Founder and CEO of Equator, LLC and its Brazilian subsidiary, TTG Brasil Investimentos Florestais Ltda ("TTG Brasil"), which was acquired by BTG Pactual in 2012 (BMF&BOVESPA: BBTG11 and EURONEXT: BTGP). Prior to this, Gerrity spent nearly a decade building and as CEO of Madison Trading, LLC and Chatham Energy Partners, LLC (acquired by The Intercontinental Exchange, NYSE: ICE).

He is on the Board of the Nasher Museum of Art at Duke University, the Buckley School in New York City, the National Alliance of Forest Owners (NAFO) and La Fundación de la Universidad del Valle de Guatemala. Gerrity received his B.A. from Duke University.

David Cassels, OEF Portfolio Manager, BTG Pactual Timberland Investment Group. David is a portfolio manager within TIG. He is responsible for building and managing client portfolios for public and corporate pension funds. He is also responsible for the oversight of TIG's newly established BTG Pactual Open Ended Core U.S. Timberland Fund. Before David assumed Portfolio Management responsibilities, he was a Regional Asset Manager responsible for the management of all client properties in Arkansas, Louisiana, Texas and Oregon. Prior to joining TIG, David worked for Potlatch Corporation for twelve years. From 2007-2010, he was the Arkansas Real Estate Manager, responsible for land acquisition and disposition on 450,000 acres. From 1998 to 2007, he worked on the resource management side of the business in various positions of increasing responsibility in southwest Arkansas. David holds a B.S. in Forestry from Louisiana Tech University. He is a member of the Society of American Foresters; a member of the Arkansas, Louisiana, and Texas Forestry Association; and is a Registered Forester in Arkansas. He also serves on the Board of Directors for the Arkansas Forestry Association.

**Historical
Performance**

The fund has returned a 6.52% IRR since inception. Historical returns are not indicative of future performance.