



September 28, 2021

Mr. Edward Armstrong
Office of State Procurement
1500 West 7th 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: LaSalle Asia Opportunity Fund VI, L.P.
LBA Logistics Value Fund IX, 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 September 27, 2021, the ATRS Board of Trustees (Board), in a scheduled meeting, adopted Resolution 2021-43 to declare an Imminent Need exists to commit up to \$50 million in La Salle Asia Opportunity Fund VI, L.P. using Imminent Need. 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 \$55 million in LBA Logistics Value Fund IX, L.P. also using Imminent Need through Resolution 2021-44. This investment was recommended by Aon Hewitt Investment Consulting and ATRS staff concurs as well.

Mr. Armstrong
Ms. Garrity
September 28, 2021
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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 501-588-4367 or by email at: clintr@artrs.gov

Respectfully,



Clint Rhoden
Executive Director

CR:lw

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

Investment	LASALLE ASIA OPPORTUNITY FUND VI L.P. (LAOF VI)
Managing Party	LASALLE ASIA OPPORTUNITY VI GP LTD
ATRS Legal Interest	ATRS will be a limited partner.
Report Date	September 2021
Expected Closing Date	September 29, 2021
ATRS Commitment & Reason for Entry	The investment of up to \$50 million in opportunistic real estate 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.
Placement Agent	No placement agent was utilized.
Key Terms	<p><u>Management Fee</u>: 1.5% per annum on committed capital during investment period; 1.5% on invested capital thereafter.</p> <p><u>Carried Interest</u>: 20% of profits after LP's receive a 9% IRR preferred return.</p>
Justification of Investment Duration Term & Anticipated Termination Date	The strategy requires a period of time to identify, execute and then monetize an opportunistic investment. The fund has a nine-year term with an anticipated maturity in 2031.
Investment Strategy	LAOF VI is a closed-end, pan-Asian real estate fund focusing on acquiring assets in need of repositioning, development or redevelopment, leasing and active asset management. Japan, Australia and China (specifically Chinese logistics assets) will be the primary markets for the Fund. LaSalle will aim to successfully dispose of assets within two to four years of acquisition and is targeting an 18% net IRR to investors.
Management Team	The LAOF VI team is led by Marc Montanus (Portfolio Manager), Mark Gabbay (CIO and regional Co-head) and Ian Mackie (Head of Client Capital), who have worked in Asia for an average of 19 years.

**Historical
Performance**

Performance in the five preceding funds averages a net 14.5% IRR.

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

RESOLUTION
No. 2021-43

**Approving Investment in LaSalle Asia Opportunity Fund VI 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

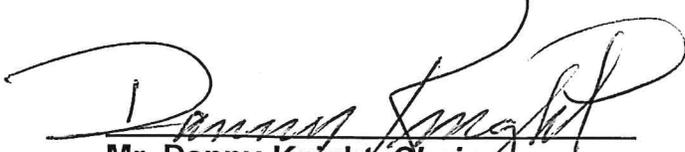
WHEREAS, the ATRS Board has reviewed the recommendation of its real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **LaSalle Asia Opportunity Fund VI L.P**, a closed-end fund which invests in opportunistic real estate assets primarily located in Asia; and

WHEREAS, the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000)** in **LaSalle Asia Opportunity Fund VI L.P**, and the Board, after its review of the timing in which the closing of the investment in **LaSalle Asia Opportunity Fund VI 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 **LaSalle Asia Opportunity Fund VI L.P** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **LaSalle Asia Opportunity Fund VI L.P**. The total investment amount is to be determined by the real assets investment 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 27th day of September, 2021.



Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

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

Investment	LBA Logistics Value Fund IX, L.P. (LBA)
Managing Party	LBA Logistics Management Company IX, LLC
ATRS Legal Interest	ATRS will be a limited partner.
Report Date	September 2021
Expected Closing Date	September 29, 2021
ATRS Commitment & Reason for Entry	The investment of up to \$55 million in value-add real estate 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.
Placement Agent	No placement agent was utilized.
Key Terms	<p><u>Management Fee</u>: 1.5% per annum on committed capital during investment period; on invested capital thereafter.</p> <p><u>Carried Interest</u>: 20% of profits after LP's receive an 8% IRR preferred return.</p>
Justification of Investment Duration Term & Anticipated Termination Date	The strategy requires a period of time to identify, execute and then monetize a value-add investment. The fund has a ten-year term with an anticipated maturity in 2031.
Investment Strategy	LBA is a closed-end fund focusing on acquiring a diversified pool of single or multi-tenant warehouse/distribution and light industrial/business parks across the US. LBA will target a 11%-13% net IRR.
Management Team	LBA was founded by Phil Belling and Steve Layton in 1991 to provide bankruptcy and restructuring services to financial institutions to assist with troubled assets and loans. The firm has over 25 years of experience acquiring and managing real estate and 19 years of experience as a commingled fund sponsor. Since 1995, the firm has acquired and managed 576 assets, investing over \$4.2 billion in equity on behalf of thirteen different investment funds primarily focused on core, core plus, and value-added industrial and office properties. The senior management team, comprised of 21 senior professionals, averages 28 years of industry experience and 18 years with the firm.

**Historical
Performance**

Performance in the seven preceding logistic funds average a net 13.7% IRR.

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

RESOLUTION
No. 2021-44

**Approving Investment in LBA Logistics Value Fund IX, 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 **LBA Logistics Value Fund IX, L.P.**, a value add real estate fund with the primary purpose of acquiring industrial properties; and

WHEREAS, the ATRS Board approves an investment of up to **\$55 million dollars (\$55,000,000)** in **LBA Logistics Value Fund IX, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **LBA Logistics Value Fund IX, 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;

THEREFORE, BE IT RESOLVED, that the ATRS Board approves an investment of up to **\$55 million dollars (\$55,000,000)**, in **LBA Logistics Value Fund IX, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **LBA Logistics Value Fund IX, 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 27th day of September, 2021.



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



October 19, 2021

Mr. Edward Armstrong
Office of State Procurement
1500 West 7th 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: CFM Systematic Global Macro, L.P. Series 1
Chatham Asset Private Debt and Strategic Capital Fund III, L.P.
Almanac Realty Securities IX, L.P.
Morgan Stanley Prime Property Fund, LLC
RREEF Core Plus Industrial Fund, L.P.
Clearlake Capital Partners VII, 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 October 18, 2021, the ATRS Board of Trustees (Board), in a scheduled meeting, adopted Resolution 2021-53 to declare an Imminent Need exists to transfer the assets from the existing ATRS investment in CFM Institutional Systematic Diversified Fund Series 1.5 to CFM Systematic Global Macro, L.P. Series 1, using Imminent Need. 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 Resolution 2021-54 to invest up to \$50 million in Chatham Asset Private Debt and Strategic Capital Fund III, L.P. using Imminent Need. This investment was recommended by Aon Hewitt Investment Consulting and ATRS staff concurs as well.

Mr. Armstrong
Ms. Garrity
October 19, 2021
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Also authorized was Resolution 2021-55 to commit up to \$40 million in Almanac Realty Securities IX, L.P. with Imminent Need. This investment was also recommended by Aon Hewitt Investment Consulting and ATRS staff concurs.

A commitment of up to \$70 million in Morgan Stanley Prime Property Fund, LLC was approved using Imminent Need through Resolution 2021-56. Aon Hewitt Investment Consulting also recommended the investment and ATRS staff concurs.

In addition, the Board authorized Resolution 2021-57 to invest \$70 million in PREEF Core Plus Industrial Fund, L.P. with Imminent Need. Aon Hewitt recommended the investment and ATRS staff concurs as well.

The Board also approved Resolution 2021-58 to invest up to \$30 million in Clearlake Capital Partners Fund VII, L.P. using Imminent Need. This investment was recommended by Franklin Park Associates, LLC, private equity consultants for ATRS. ATRS staff concurs with the recommendation.

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 501-588-4367 or by email at: clintr@artts.gov

Respectfully,



Clint Rhoden
Executive Director

CR:lw

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

Investment	CFM Systematic Global Macro L.P. Series 1
Managing Party	Capital Fund Management SA
ATRS Legal Interest	ATRS will be a limited partner. ATRS is transferring from CFM Institutional Systematic Diversified Fund L.P. Series 1.5 into CFM Systematic Global Macro L.P. Series 1
Report Date	October 2021
Expected Closing Date	November 1, 2021
ATRS Commitment & Reason for Entry	The transfer of approximately \$90.5 million investment is to help achieve the 5% target allocation to Alternative Investments in hedge funds. The transfer was recommended by the ATRS investment consultant, Aon Hewitt Investment Consulting.
Placement Agent	No placement agent was utilized.
Key Terms	<u>Management Fee</u> : 100bps on NAV. <u>Carried Interest</u> : 15% of profits.
Justification of Investment Duration Term & Anticipated Termination Date	The strategy has monthly redemption with 15-day notice.
Investment Strategy	The fund seeks to take advantage of pricing differences in global markets.
Management Team	Capital Fund Management is an alternative asset manager based primarily in Paris, with other offices in London, Tokyo and New York. The firm was founded in 1991 and initially traded a traditional CTA strategy which has morphed over the years into a short-term trading program known as Discus. The flagship Stratus fund was launched in 2003, which initially comprised CTA and Statistical Arbitrage strategies, and expanded to include Volatility strategies. In 2013 CFM launched a more traditional long term CTA program (IST) and in 2014 launched a risk premia product (ISD). Jean Phillippe Bouchaud is the Chairman & the vast majority of staff, including all researchers, are based in the

Paris office. Most research staff hold PhDs or equivalent in disciplines such as Physics, Applied Mathematics and Engineering

**Historical
Performance**

The funds historical return is just shy of a 14.8% IRR since 2020 inception.

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

RESOLUTION
No. 2021-53

**Approving Transfer of Investment in CFM Institutional
Systematic Diversified Fund L.P. Series 1.5 to CFM Systematic
Global Macro L.P. Series 1 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 previously approved Resolution 2018-17 authorizing an investment in **CFM Institutional Systematic Diversified Fund L.P. Series 1.5** of up to **\$100 million dollars (\$100,000,000)** at the April 2, 2018 ATRS Board meeting; and

WHEREAS, the ATRS full commitment of **\$100 million dollars (\$100,000,000)** in **CFM Institutional Systematic Diversified Fund L.P. Series 1.5** was successfully negotiated, accepted, and closed on June 7, 2018; and

WHEREAS, it has been determined that **CFM Systematic Global Macro L.P. Series 1** is a more efficient ownership structure based on the strategy of lower volatility. Accordingly, the revised recommendation of the ATRS opportunistic/alternative assets investment consultant, Aon Hewitt Investment Consulting, Inc., and subsequent recommendation from ATRS legal counsel along with the recommendation of the Investment Committee and ATRS staff has been revised to transfer ATRS interests of approximately \$90.5 million in their entirety from **CFM Institutional Systematic Diversified Fund L.P. Series 1.5**, to **CFM Systematic Global Macro L.P. Series 1**; and

WHEREAS, the ATRS Board previously approved Resolution 2021-38 authorizing the transfer of investment in **CFM Institutional Systematic Diversified Fund L.P. Series 1.5** to **CFM Systematic Global Macro L.P. Series 1** at the September 27, 2021 ATRS Board meeting; and

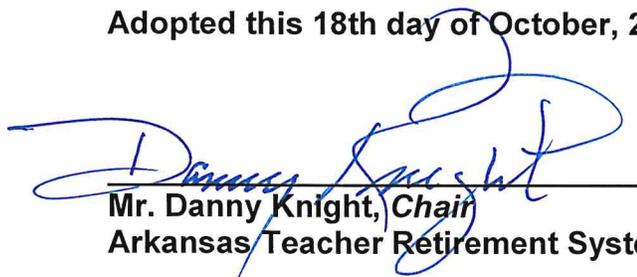
WHEREAS, the ATRS Board, after its review of the timing needed to close the investment and the fact that the scheduled October meeting of the Arkansas Legislative Council has been canceled and the next scheduled meeting is in November, has determined that there is now an imminent need to enter into the partial equity ownership transfer/investment agreement by the anticipated closing date; and

WHEREAS, the ATRS Board approves a transfer of approximately **\$90.5 million dollars (\$90,500,000)** to **CFM Systematic Global Macro L.P. Series 1**, and the Board, after its review of the timing in which the transfer of the investment to **CFM Systematic Global Macro L.P. Series 1** may need to occur, has determined that there is an imminent need to immediately enter into the partial equity ownership transfer/investment 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.

THEREFORE, BE IT RESOLVED, that the ATRS Board approves the transfer of the approximate **\$90.5 million dollar (\$90,500,000)** investment in **CFM Institutional Systematic Diversified Fund L.P. Series 1.5** to **CFM Systematic Global Macro L.P. Series 1** and agrees to immediately move to transfer the subscription of the limited partnership investment interest from **CFM Institutional Systematic Diversified Fund L.P. Series 1.5** to **CFM Systematic Global Macro L.P. Series 1**; and

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

Adopted this 18th day of October, 2021.



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

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

Investment Chatham Asset Private Debt and Strategic Capital Fund III, L.P.(PDSC)

Managing Party Chatham Asset GP, LLC

ATRS Legal Interest ATRS will be a Limited Partner

Report Date October 2021

Expected Closing Date December 2021

ATRS Commitment & Reason for Entry The investment of up to \$50 million in PDSC is to help achieve the 5% target allocation to opportunistic alternative assets. The Fund was recommended by the ATRS investment consultant, Aon Hewitt Investment Consulting.

Placement Agent No placement agent was utilized.

Key Terms Management Fee: 1% per annum based on NAV

Carried Interest: 20% of profits after LP's receive a 5% IRR preferred return.

Justification of Investment Duration Term & Anticipated Termination Date PDSC is designed to provide clients with exposure to illiquid, opportunistic debt exposure which requires a five-year period to deploy capital and harvest profits. Anticipated maturity is in 2026.

Investment Strategy PDSC pursues an investment strategy within the high yield debt market that couples bottom up, fundamentally based, credit analysis with the active management of position sizing, gross/net exposure and portfolio hedges. Individual credit investments will oftentimes have an anticipated "catalyst" or "event" associated with the position, which may facilitate the value realization.

Management Team Evan Ratner is the Director of Research and focuses his time on reviewing the work of the research team. He is also the portfolio manager of PDSC III and works with companies that are longer duration investments. Anthony Melchiorre and Kevin O'Malley provide oversight on PDSC III but spend most of their time focused on portfolio construction and trading on the flagship fund.

**Historical
Performance**

Performance in the fund is currently a 27% IRR since inception in January of 2021.

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

RESOLUTION
No. 2021-54

**Approving Investment in Chatham Asset Private Debt and
Strategic Capital 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 an investment in **Chatham Asset Private Debt and Strategic Capital Fund III, L.P.**, a closed-ended fund that invests in high yield bonds, leverage loans and equity both on a long and short basis.; and

WHEREAS, the ATRS Board previously approved Resolution 2021-41 authorizing an investment in **Chatham Asset Private Debt and Strategic Capital Fund III, L.P.** of up to **\$50 million dollars (\$50,000,000)** at the September 27, 2021 ATRS Board meeting; and

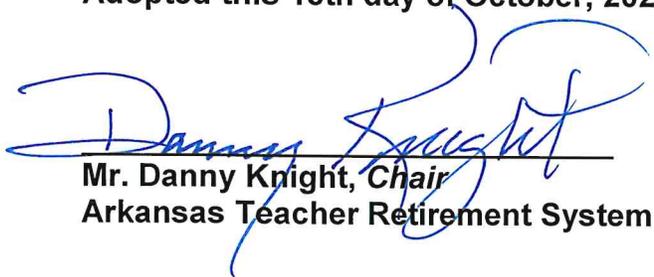
WHEREAS, the ATRS Board, after its review of the timing needed to close the investment and the fact that the scheduled October meeting of the Arkansas Legislative Council has been canceled and the next scheduled meeting is in November, has determined that there is now an imminent need to enter into the partial equity ownership agreement by the anticipated closing date; and

WHEREAS, the ATRS Board approves an investment of up to **\$50 million dollars (\$50,000,000)** in **Chatham Asset Private Debt and Strategic Capital Fund III, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Chatham Asset Private Debt and Strategic Capital 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 **Chatham Asset Private Debt and Strategic Capital Fund III, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **Chatham Asset Private Debt and Strategic Capital Fund III, L.P.** The total investment amount is to be determined by the general investment 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 18th day of October, 2021.



Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

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

Investment	Almanac Realty Securities IX, LP
Managing Party	Almanac Realty Investors IX GP, L.L.C.
ATRS Legal Interest	ATRS will be a limited partner.
Report Date	October 2021
Expected Closing Date	November 12, 2021
ATRS Commitment & Reason for Entry	The up to \$40 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. ATRS has invested in the four preceding Almanac funds and all prior funds have generated an average 12.7% net IRR.
Placement Agent	No placement agent was utilized.
Key Terms	<u>Management Fee</u> : 1.25% based on committed capital during the investment period, and 1.25% on invested commitments thereafter. <u>Carried Interest</u> : 20% of profits after LP's receive 100% of their invested capital and an 8% IRR preferred return.
Justification of Investment Duration Term & Anticipated Termination Date	The strategy requires a period of time to perform the actual value add function. The fund is a "closed end" variety with a ten-year term to anticipated maturity sometime in 2031.
Investment Strategy	Almanac Realty Securities Fund IX (ARS IX) will be a closed end, domestic, Value-Added product targeting entity level investments in both private and public real estate operating companies. The Fund will make both equity and debt investments with a target net IRR to investors of 12%. The vast majority (approximately 90%) of underlying properties in historic Almanac fund investments have been located within the top 50 MSAs of the United States. ARS IX will pursue a relatively unique, but average risk strategy within the Value-Added style category and it is anticipated that roughly 50% of returns will be earned in the form of current income.
Management Team	Almanac Realty Securities is a small firm with a staff of 14 real estate professionals, five of which (John McGurk, Matt Kaplan, Pike Aloian, Andrew Silberstein & Justin Hakimian) are owners. The entire team

works out of a single office, located in New York. Though small, this is a fairly experienced group of professionals. The four partners of the Firm each have more than 20 years of real estate industry experience and average just short of 30 years between them.

**Historical
Performance**

Almanac Realty Securities has returned an average net IRR of 12.7% for the preceding eight funds.

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

RESOLUTION
No. 2021-55

**Approving Investment in Almanac Realty Securities IX, LP 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 an investment in **Almanac Realty Securities IX, LP**, a closed end value added fund that invests in both public and private real estate operating companies; and

WHEREAS, the ATRS Board previously approved Resolution 2021-42 authorizing an investment in **Almanac Realty Securities IX, LP** of up to **\$40 million dollars (\$40,000,000)** at the September 27, 2021 ATRS Board meeting; and

WHEREAS, the ATRS Board, after its review of the timing needed to close the investment and the fact that the scheduled October meeting of the Arkansas Legislative Council has been canceled and the next scheduled meeting is in November, has determined that there is now an imminent need to enter into the partial equity ownership agreement by the anticipated closing date; and

WHEREAS, the ATRS Board approves an investment of up to **\$40 million dollars (\$40,000,000)** in **Almanac Realty Securities IX, LP**, and the Board, after its review of the timing in which the closing of the investment in **Almanac Realty Securities IX, LP** 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 **\$40 million dollars (\$40,000,000)**, in **Almanac Realty Securities IX, LP** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **Almanac Realty Securities IX, LP**. The total investment amount is to be determined by the real assets investment 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 18th day of October, 2021.



Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

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

Investment	Prime Property Fund, LLC
Managing Party	Morgan Stanley Real Estate Advisor, Inc
ATRS Legal Interest	ATRS will have equity ownership in an LLC
Report Date	October 2021
Expected Closing Date	December 2021
ATRS Commitment & Reason for Entry	The investment of up to \$70 million in core real estate 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.
Placement Agent	No placement agent was utilized.
Key Terms	<u>Management Fee</u> : .84% (84bps) per annum on invested capital <u>Carried Interest</u> : No carried interest but an incentive fee based on a percentage of net operating income growth capped at 35 bps per annum.
Justification of Investment Duration Term & Anticipated Termination Date	The core strategy is to hold assets in perpetuity as long as its economically advantageous. ATRS will have quarterly liquidity subject to certain availability restrictions
Investment Strategy	The Prime Property Fund is a U.S. open-end diversified Core fund that targets high quality, income producing Class A properties located in primary markets. Its goal is to outperform its benchmark (NFI-ODCE) annually and over the long term, as well as achieve an aggregate annual total return on invested equity pf 8-10%, gross of fees. Focus is placed on current income, aiming to produce 6-8% annually.
Management Team	Morgan Stanley Real Estate Advisor, Inc is a wholly owned subsidiary of Morgan Stanley and is functionally located within Morgan Stanley Real Estate Investing (MSREI), itself a part of the Merchant Banking division. Scott Brown is the Portfolio Manager and has 30 years of experience.

**Historical
Performance**

Performance in the fund for the preceding 10 years is a 10.6% IRR, which exceeds its benchmark by 1.6%.

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

RESOLUTION
No. 2021-56

**Approving Investment in Morgan Stanley Prime Property Fund,
LLC 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 an investment in **Morgan Stanley Prime Property Fund, LLC**, a U.S. open-end diversified core fund that targets the highest quality income-producing properties located in primary markets.; and

WHEREAS, the ATRS Board previously approved Resolution 2021-46 authorizing an investment in **Morgan Stanley Prime Property Fund, LLC** of up to **\$70 million dollars (\$70,000,000)** at the September 27, 2021 ATRS Board meeting; and

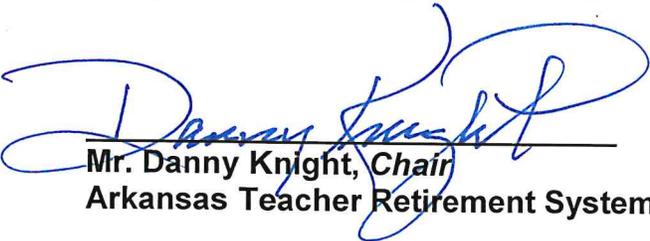
WHEREAS, the ATRS Board, after its review of the timing needed to close the investment and the fact that the scheduled October meeting of the Arkansas Legislative Council has been canceled and the next scheduled meeting is in November, has determined that there is now an imminent need to enter into the partial equity ownership agreement by the anticipated closing date; and

WHEREAS, the ATRS Board approves an investment of up to **\$70 million dollars (\$70,000,000)** in **Morgan Stanley Prime Property Fund, LLC**, and the Board, after its review of the timing in which the closing of the investment in **Morgan Stanley Prime Property Fund, LLC** 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 **\$70 million dollars (\$70,000,000)**, in **Morgan Stanley Prime Property Fund, LLC** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **Morgan Stanley Prime Property Fund, LLC**. The total investment amount is to be determined by the real assets investment 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 18th day of October, 2021.



Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

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

Investment RREEF Core Plus Industrial Fund L.P. (CPIF)

Managing Party RREEF Core Plus Industrial GP L.L.C.

ATRS Legal Interest ATRS will be a Limited Partner

Report Date October 2021

Expected Closing Date December 2021

ATRS Commitment & Reason for Entry The investment of up to \$70 million in core real estate 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.

Placement Agent No placement agent was utilized.

Key Terms Management Fee: 1% (100bps) per annum on invested capital

Carried Interest: 15% of profits after LP's receive a 8% IRR preferred return after each tree year period.

Justification of Investment Duration Term & Anticipated Termination Date The core plus strategy is to hold assets in perpetuity as long as its economically advantageous. ATRS will have quarterly liquidity subject to certain availability restrictions

Investment Strategy CPIF targets high quality industrial assets, primarily distribution and warehouse properties, and seeks to continue constructing a geographically diversified portfolio in major metropolitan areas with an emphasis on infill locations.

Management Team RREEF was established in 1975 to invest in core real estate and has since sponsored several series of such funds and has also managed separate accounts for various U.S. tax exempt investors. Darrell Campos is the portfolio manager and has 29 years' experience.

**Historical
Performance**

Performance in the fund for the preceding 3 years is a 15.2% IRR, which exceeds its benchmark by 4%.

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

**RESOLUTION
No. 2021-57**

**Approving Investment in RREEF Core Plus Industrial 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 real assets investment consultant, Aon Hewitt Investment Consulting, Inc., along with the recommendation of the Investment Committee and ATRS staff regarding an investment in **RREEF Core Plus Industrial Fund L.P.**, an open-ended Core fund that invests in high quality industrial real estate assets in U.S. major metropolitan areas.; and

WHEREAS, the ATRS Board previously approved Resolution 2021-47 authorizing an investment in **RREEF Core Plus Industrial Fund L.P.** of up to **\$70 million dollars (\$70,000,000)** at the September 27, 2021 ATRS Board meeting; and

WHEREAS, the ATRS Board, after its review of the timing needed to close the investment and the fact that the scheduled October meeting of the Arkansas Legislative Council has been canceled and the next scheduled meeting is in November, has determined that there is now an imminent need to enter into the partial equity ownership agreement by the anticipated closing date; and

WHEREAS, the ATRS Board approves an investment of up to **\$70 million dollars (\$70,000,000)** in **RREEF Core Plus Industrial Fund L.P.**, and the Board, after its review of the timing in which the closing of the investment in **RREEF Core Plus Industrial Fund 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 **\$70 million dollars (\$70,000,000)**, in **RREEF Core Plus Industrial Fund L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **RREEF Core Plus Industrial Fund L.P.** The total investment amount is to be determined by the real assets investment 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 18th day of October, 2021.



Mr. Danny Knight, Chair
Arkansas Teacher Retirement System

Arkansas Teacher Retirement System
Private Equity Investment
Executive Summary

Investment	Clearlake Capital Partners VII, L.P. (the "Fund")
Managing Party	Clearlake Capital Group (the "General Partner" or "Clearlake")
ATRS Legal Interest	ATRS will be a limited partner
Report Date	October 2021
Expected Closing Date	The General Partner is targeting capital commitments of \$10 billion for the Fund. ATRS is expected to close in the third quarter of 2021.
ATRS Commitment & Reason for Entry	The investment of up to \$30 million is to help achieve the 10% target allocation to private equity. The fund was recommended by the ATRS private equity consultant.
Placement Agent	The offering was sourced directly from the General Partner.
Key Terms	<p><u>Management Fee</u>: The General Partner will be paid a management fee of 1.75% of total commitments during the six-year investment period. Thereafter, the fee will equal 1.75% of actively invested capital.</p> <p><u>Carried Interest</u>: Generally, 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>
Justification of Investment Term & Anticipated Termination Date	<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>
Investment Strategy	The Fund is being formed to make debt and equity investments in middle market companies undergoing significant change or that are in underserved industries, primarily software and technology-enabled services, and industrials and energy sectors. Investment opportunities may involve bankruptcies, restructurings or turnarounds.
Management Team	The General Partner was formed in 2006 and is led today by Jose Feliciano, Behdad Eghbali, Preshant Mehrota, Colin Leonard and James Pade ("Partners"). The Partners are supported by nineteen additional investment professionals, an operations team and administrative staff.
Historical Performance	Since 2009, the General Partner has invested more than \$12 billion in eighty-nine deals that have generated an aggregate gross return on investment of 2.0X and IRR of approximately 40.8% as of March 31, 2021. Historical returns are not indicative of future performance.

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

RESOLUTION
No. 2021-58

**Approving Investment in Clearlake Capital Partners
Fund VII, 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 an investment in **Clearlake Capital Partners Fund VII, L.P.**, a private equity fund that will make opportunistic debt and equity investments in middle market companies undergoing change and/or are in underserved industries or markets in North America; and

WHEREAS, the ATRS Board previously approved Resolution 2021-49 authorizing an investment in **Clearlake Capital Partners Fund VII, L.P.** of up to **\$30 million dollars (\$30,000,000)** at the September 27, 2021 ATRS Board meeting; and

WHEREAS, the ATRS Board, after its review of the timing needed to close the investment and the fact that the scheduled October meeting of the Arkansas Legislative Council has been canceled and the next scheduled meeting is in November, has determined that there is now an imminent need to enter into the partial equity ownership agreement by the anticipated closing date; and

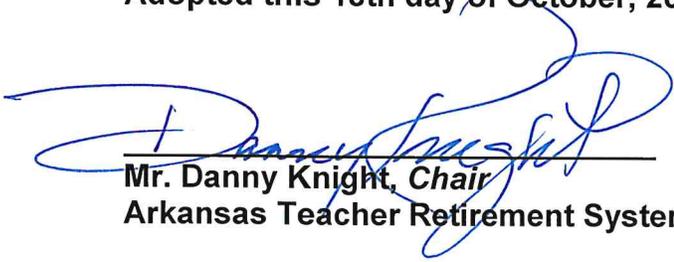
WHEREAS, the ATRS Board approves an investment of up to **\$30 million dollars (\$30,000,000)** in **Clearlake Capital Partners Fund VII, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Clearlake Capital Partners Fund VII, L.P.** may need to occur, has 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)**, in **Clearlake Capital Partners Fund VII, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership investment interest in **Clearlake Capital Partners Fund VII, L.P.** The total investment amount is to be determined by the private equity investment 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 18th day of October, 2021.



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