



December 4, 2018

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: Franklin Park Venture Capital Access Fund, 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 investment presented at this time is considered Imminent Need due to the fact that it will likely need to close before the next scheduled meeting of the Arkansas Legislative Council (ALC).

On December 3, 2018, the ATRS Board of Trustees (Board), in a scheduled meeting, adopted Resolution 2018-36 to declare an Imminent Need exists to commit up to \$30 million in Franklin Park Venture Capital Access Fund, L.P. The Board determined that all criteria were met under Act 1211 to enter into a partial equity ownership agreement for this investment. The investment was recommended by Franklin Park, ATRS's private equity consultant as well as ATRS staff.

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 resolution to the Office of State Procurement and to the Arkansas Legislative Council. For full and open disclosure, ATRS is attaching an Executive Summary for the investment to provide further details.

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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@artrs.gov](mailto:clintr@artrs.gov)

Respectfully,

A handwritten signature in black ink, appearing to read 'Clint Rhoden', with a long horizontal stroke extending to the right.

Clint Rhoden  
Executive Director

CR:lw

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

**RESOLUTION**  
**No. 2018-36**

**Approving Investment in Franklin Park Venture Capital  
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

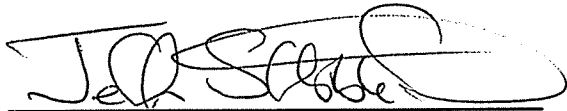
**WHEREAS**, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Franklin Park Venture Capital Access Fund, L.P.**, a fund of funds formed to build a diversified portfolio of top-tier venture capital funds;

**WHEREAS**, the ATRS Board approves an investment of up to **\$30 million dollars (\$30,000,000.00)** in **Franklin Park Venture Capital Access Fund, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Franklin Park Venture Capital Access 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 **\$30 million dollars (\$30,000,000.00)** in **Franklin Park Venture Capital Access Fund, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership interest in **Franklin Park Venture Capital 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 3rd day of December 2018**

A handwritten signature in black ink, appearing to read "Jeff Stubblefield", written over a horizontal line.

**Mr. Jeff Stubblefield, *Chair***  
**Arkansas Teacher Retirement System**

Arkansas Teacher Retirement System  
Private Equity Investment  
Executive Summary

<b>Investment</b>	Franklin Park Venture Capital Access Fund, 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>	December 2018
<b>Expected Closing Date</b>	The General Partner is targeting capital commitments of \$80-100 million. Closing is expected in December 2018.
<b>ATRS Commitment &amp; Reason for Entry</b>	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.
<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 2034). 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 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 \$10.2 billion to more than 230 private equity funds and co-investments.