



September 27, 2022

Mr. Mitch Rouse
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: Greenbriar Equity Fund VI, 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 September 26, 2022 the ATRS Board of Trustees (Board), in a regular meeting, adopted Resolution 2022-46 to declare an Imminent Need exists to invest in Greenbriar Equity Fund VI, 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 Associates, LLC, private equity consultants for ATRS, and ATRS staff concurs with the recommendation.

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 investment 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 Private Equity Investment Executive Summary

Investment	Greenbriar Equity Fund VI, L.P. (the "Fund")
Managing Party	Greenbriar Equity Group (the "General Partner")
ATRS Legal Interest	ATRS will be a limited partner.
Report Date	September 2022
Expected Closing Date	The General Partner is targeting capital commitments of \$2.75 billion. ATRS is expected to close in October 2022.
ATRS Commitment & Reason for Entry	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.
Placement Agent	The General Partner retained Evercore to assist with fundraising.
Key Terms	<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>
Justification of Investment Term & Anticipated Termination Date	The term is ten years (anticipated termination in 2032) plus three one-year extensions which is common for private equity funds due to the time required for buying, improving and selling underlying companies.
Investment Strategy	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 \$200 million and will opportunistically pursue a buy-and-build strategy.
Management Team	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, Michael Weiss and Matthew Burke (principals). The principals are supported by sixteen investment professionals, three operating resources, and seven finance and administrative professionals.
Historical Performance	The current team has generated attractive returns with an average gross IRR of 42% on its 46 prior deals. Historical returns are not indicative of future performance.

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

RESOLUTION
No. 2022-46

**Approving Investment in Greenbriar Equity 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

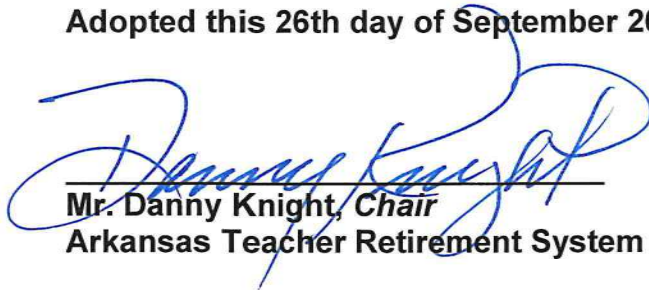
WHEREAS, the ATRS Board has reviewed the recommendation of its private equity consultant, Franklin Park Associates, LLC, along with the recommendation of the Investment Committee and ATRS staff regarding a potential investment in **Greenbriar Equity Fund VI, L.P.**, a fund that will make buyout investments in transportation, logistics and distribution businesses; and

WHEREAS, the ATRS Board approves an investment of up to **\$30 million dollars (\$30,000,000.00)** in **Greenbriar Equity Fund VI, L.P.**, and the Board, after its review of the timing in which the closing of the investment in **Greenbriar Equity 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 **\$30 million dollars (\$30,000,000.00)** in **Greenbriar Equity Fund VI, L.P.** and agrees to immediately move to close and subscribe the approved ATRS limited partnership interest in **Greenbriar Equity Fund VI, 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 26th day of September 2022



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