

Arkansas Teacher Retirement System
Alternative Investment
Executive Summary

Investment	Aeolus Property Catastrophe Keystone PF, L.P. (the "Fund")
Managing Party	Aeolus Capital Management (the "General Partner" or "Aeolus")
ATRS Legal Interest	ATRS will be a limited partner
Report Date	October 2019
Expected Closing Date	ATRS is expected to close by December 2019.
ATRS Commitment & Reason for Entry	The additional investment of up to \$30 million is to help achieve the 5% target allocation to alternative investments. The fund was recommended by the ATRS consultant, Aon Hewitt Investment Consulting.
Placement Agent	No placement agent was utilized.
Key Terms	<u>Management Fee</u> : The General Partner has proposed an annual management fee of 2.0% of commitments plus a 15% performance fee.
Justification of Investment Term & Anticipated Termination Date	The Fund has no termination date and invested funds will be automatically renewed unless the investor makes a redemption request 60 days' notice prior to renewal season.
Investment Strategy	The Fund will focus on customized reinsurance and retrocession contracts in various parts of the world in the catastrophic property insurance market. Investment and underwriting risk will be managed by using actuarial statistics for events and by the firm's policy not to employ leverage.
Management Team	Aeolus Reinsurance was founded in 2006 by Peter Appel and David Ecklund and was transformed into a managed capital platform in 2011 that was renamed Aeolus Capital Management. The firm which is based in Bermuda is led by Peter Appel, David Ecklund, Christopher Grasso, Andrew Bernstein and Robert Tuchman as well as three other partners.
Historical Performance	Prior funds managed by the General Partner have generated net average returns of 9.6% for the previous 5 year period. Historical returns are not indicative of future performance.