



April 6, 2020

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: GCG Investors V, L.P.
Thoma Bravo Discover Fund III, L.P.
Thoma Bravo Fund XIV, 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 April 6, 2020, the ATRS Board of Trustees (Board), in a scheduled meeting, adopted Resolution 2020-11 to declare an Imminent Need exists to commit up to \$35 million in GCG Investors V, L.P. The investment was recommended by Franklin Park, ATRS's private equity consultant as well as ATRS staff.

At the same meeting, the Board authorized an investment of up to \$20 Million in Thoma Bravo Discover Fund III, L.P. using Imminent Need through Resolution 2020-12. This investment was recommended by both Franklin Park and ATRS staff as well.

The Board also adopted Resolution 2020-13 approving an investment of up to \$20 million with Imminent Need in Thoma Bravo Fund XIV, L.P. Again, both Franklin Park and ATRS staff recommended the investment.

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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 501-682-1820 or by email at: clintr@atrs.gov

Respectfully,

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

Clint Rhoden
Executive Director

CR:lw