

**Subject:** Preview of June 2 Meeting  
**Date:** Thursday, May 22, 2025 at 4:17:38 PM Central Daylight Time  
**From:** Mark White  
**To:** Board Members Group  
**Attachments:** atrs\_logo\_hires\_transparent.png, 01A\_Agenda\_BOT\_2025-06-02.pdf, Executive Director Board Report - 2025 22 May.pdf, ArlingtonVII\_ATRS\_ExecSum\_20250515.pdf, GreatHillIX\_ATRS\_ExecSum\_20250515.pdf, markw.vcf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

We are looking forward to our next Board meeting on Monday, June 2. I am attaching the tentative agenda along with my Board report and the investment recommendations.

Some of the key agenda items are listed below. Apologies for the length, but we do have several complex items on this meeting's agenda:

- In our last meeting, I provided proposed changes to our Investment Policy to allow us to hire a proxy manager to handle voting the proxies on our stock investments. I solicit bids from the 3 top firms and received proposals from 2 of them. I am recommending that you approve the Policy changes and accept the proposal from Egan-Jones Proxy Services. The cost would be \$20,000 annually, and for that Egan-Jones will handle our proxies for us based on a policy that aligns with what Arkansas state law requires. This will ensure we are complying with the legislation that has been passed these last few sessions, and it will also improve consistency in our voting (proxies are currently voted by our individual investment managers, and they don't always vote the same way).
- Our Board colleague, State Auditor Dennis Milligan, is asking the Board to consider making an investment in Israel Bonds. These are government bonds issued and guaranteed by the nation of Israel. The Auditor made a similar request last week to the Arkansas Public Employee Retirement System, and their Board's Investment Committee approved an investment of between \$25 and \$50 million. Jason Brady will be making this request on behalf of the Auditor, and we will have advice and materials from Aon on how the investment could be structured. From a pecuniary standpoint, it appears to me these bonds are a worthy investment. If the Board decides to pursue this, based on my conversations with Aon, my recommendation would be an investment of up to \$50 million spread over 5 years, with up to \$10 million per year. This will allow us to "ladder" the bonds and receive ongoing revenue.
- Aon will bring the most recent quarterly performance report as well as an educational session to explain private debt investments. We do have some current investments in private debt funds but they are spread in several categories. Aon is considering whether to recommend that you add private debt as a category in the asset allocation targets. We are not asking you for a decision in June, this will only be an informational presentation with a possible recommendation in the fall.
- Franklin Park will recommend two \$40 million investments in private equity funds, and I am attaching their recommendations.

- For Operations Committee, we will have proposed rule changes to implement the legislative changes made in this year's session. If you approve, we will publish the proposed changes for public comment and bring them back to you for final approval in September. There will also be a recommended change to Board Policy 1 to reflect changes in the law on open meetings.
- I reported to you in the April meeting that we were discussing the possibility of settling the Tetronics litigation. Their attorneys and our attorneys have negotiated a settlement for us to pay \$65,000 in exchange for dismissal of all claims. This is likely less than we would spend on attorney fees if it went to trial, so our attorneys recommend that you accept this settlement offer. Dylan Potts from the Gill Ragon Owen firm will be available to explain the settlement and answer any questions.
- You will be selecting a candidate to take Mr. Higginbotham's place on the Board as of July 1. Earlier this week I sent you the applications from the 6 candidates, if you didn't receive that please let me know. You will also need to elect a new Vice Chair, since Mr. Higginbotham is the Board's current Vice Chair.

If you have any questions or need any additional information, please let me know.

Thanks,

Mark

--



**Mark White**

Executive Director

Arkansas Teacher Retirement System

<https://www.artrs.gov/>

[markw@artrs.gov](mailto:markw@artrs.gov)

501.621.8853

"Intelligence and virtue being the safeguards of liberty and the bulwark of a free and good government, the State shall ever maintain a general, suitable and efficient system of free public schools."  
Arkansas Constitution Art. 14, § 1.

Confidentiality Notice: This electronic mail transmission, and any documents, files or messages attached contain information that may be confidential or legally privileged. It is intended solely for the use of the entity or person(s) to whom the electronic transmission is addressed and may be protected by state and federal laws for disclosure of private information. If you are not the intended recipient, you are notified that the disclosure, copying, printing, or distribution of this transmission is strictly prohibited. If you received this transmission in error, please notify the sender by telephone or return email and delete the original message and any documents, files, and/or attachments from your system. Thank you.

