

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES  
ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM  
OCTOBER 3, 2013**

A special meeting of the Board of Trustees of the Arkansas Public Employees Retirement System was held on Thursday, October 3, 2013 at 9:00 a.m., in the Conference Room, 124 West Capitol, Little Rock, Arkansas. Mr. Artee Williams presided.

**QUORUM PRESENT:**

Mr. Williams recognized the presence of a quorum.

**BOARD MEMBERS PRESENT:**

Mr. Artee Williams (State Employee Member), *Chair*, Director, Dept. of Workforce Services  
Judge Mike Jacobs (County Employee), Clarksville, AR  
Mayor Steve Northcutt (City Employee), Malvern, AR  
Mr. Bill Gaddy (State Employee Member), Little Rock, AR  
Ms. Carol Bevis, (Other, Non-State Employee), Little Rock, AR  
Mr. Wes Goodner, State Treasurer Deputy (*proxy*)  
Ms. Janet Harris, Deputy State Auditor (*proxy*)  
Dr. John Shelnett, Dept. of Finance and Administration (*proxy*)  
Ms. Gail H. Stone (Executive Director), APERS

**BOARD MEMBERS ABSENT:**

Ms. Ouida Wright (State Employee Member), Conway, AR  
Ms. Carol Bevis, (Other, Non-State Employee), Little Rock, AR  
Hon. Charlie Daniels (Ex-Officio Member), State Auditor  
Hon. Richard Weiss (Ex-Officio Member), Dept. of Finance and Administration  
Hon. Charles Robinson, (Ex-Officio Member), State Treasurer

**VISITORS PRESENT:**

Mr. Ryan Ball, Callan Associates, Inc.  
Mr. Kevin Dolsen, Callan Associates, Inc  
Mr. Glenn McCloud, Malvern City Employee  
Ms. Larysa Bemko, Baillie Gifford  
Mr. Paul Faulkner, Baillie Gifford  
Mr. Paul Viera, EARNEST Partners  
Mr. Chris Hovis, EARNEST Partners  
Mr. Steve Gannon, Harding Loevner  
Mr. Alec Walsh, Harding Loevner

**STAFF PRESENT:**

Ms. Michele Williams, APERS Deputy Director  
Mr. Carlos Borromeo, APERS Chief Investment Officer  
Ms. Susan Bowers, APERS Associate Director of Investments  
Mr. Jay Wills, APERS Attorney Specialist  
Ms. Linda McGrath, APERS Administrative Specialist

**NEWS MEDIA NOTIFIED:**

A letter of notification of the Arkansas Public Employees Retirement System Board meeting was sent to the Arkansas Democrat-Gazette, the Associated Press, Television Station KLRT/FOX16, Radio Station KARN, and Radio Station KAAZ. This letter of notification is pursuant to A.C.A 25-19-101 (Act 93 of 1967) as amended-The Freedom of Information Act.

**MINUTES:**

Prior to the Board meeting, copies of the Minutes from the meeting of August 21, 2013 were mailed to each APERS Board member for review. On a motion made by Judge Jacobs and seconded by Mayor Northcutt, the August Minutes were approved as presented.

**Global Equity Manager Interviews:**

Mr. Ball and Mr. Dolsen briefly reviewed the steps Callan and the APERS Board had taken to arrive at these three semi-finalists for the Global Equity portfolio, valued at roughly \$300 million. They compared the managers and detailed the unique features of each before beginning the presentations.

- Baillie Gifford – Presented by Ms. Larysa Bemko and Mr. Paul Faulkner
- EARNEST Partners – Presented by Mr. Paul Viera and Mr. Chris Hovis
- Harding Loevner – Presented by Mr. Steve Gannon and Mr. Alec Walsh

After introductions, the candidates gave a brief history of their firm, assets under management, investment periods, average holding periods, approach to risk, investment methodology and fee schedules.

The Board discussed all three candidates in great detail with input from the Callan consultants before Judge Jacobs motioned to hire Baillie Gifford. Mr. Gaddy seconded the motion and it was unanimous.

**2013 Annual Educational Seminar**

Ms. Stone reminded the Trustees that the APERS Annual Educational Seminar would be held on Tuesday, October 22<sup>nd</sup> at the Capital Hotel in Little Rock.

**NEXT QUARTERLY BOARD MEETING:**

The next quarterly meeting of the APERS Board of Trustees is scheduled for Wednesday, November 20, 2013 at 9:00 a.m.

**ADJOURNMENT:**

There being no further business, the meeting was adjourned.

  
MR. ARTEE WILLIAMS, CHAIR

  
MS. GAIL STONE, EXECUTIVE DIRECTOR