

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
SPECIAL CALLED INVESTMENT COMMITTEE
SEPTEMBER 28, 2017, 9:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the September 28, 2017 Special Called Investment Committee Meeting, the following Committee members were present: David Harris, (Chair), William Cook (arrived at 9:34 a.m.), Kelly Downard, Tommy Elliott (non-voting), Betty Pendergrass, Jerry Powell, Matthew Monteiro (via teleconference) and Neil Ramsey; Trustee Mary Helen Peter was also present. Staff members present were David Eager, Karen Roggenkamp, Rich Robben, Mark Blackwell, Brian Huffman, Anthony Chiu, Andy Kiehl, Joe Gilbert, Connie Davis, Ann Case, Shaun Case, Natalie Young, Jared Crawford and Alane Foley. Larry Totten, Rebecca Heckler, Bo Cracraft and Bruce Maples were also present.

Mr. Harris called the meeting to order and Ms. Alane Foley called roll.

Mr. Harris introduced the agenda item *Approval of Committee Minutes*. Mr. Powell moved and was seconded by Mr. Downard to approve the minutes of the August 22, 2017 meeting. The motion passed unanimously.

Mr. Harris introduced agenda item *Performance Review*. Mr. Robben introduced Mr. David Lindburg from Wilshire Consulting and then updated the Committee on investment performance. This was for informational purposes only.

Mr. Robben provided detail on agenda item *FY2017 Fee Review*. There was a short discussion on how fees should be listed within the fee report. This was for informational purposes only.

Mr. Eager and Ms. Roggenkamp provided a retirement update for the Committee. This was for informational purposes only.

Mr. Harris introduced agenda item *New Asset Allocation Implementation Update*. Mr. Robben and the Committee discussed the level of allocations to Blackrock. It was requested that the Committee grant an exception to the policy in the case of Blackrock, and allow passive investments with

Blackrock to compromise up to 25% of plan assets. Instead, the Committee asked that Mr. Robben and the investment team research other potential providers and email their recommendations to the committee for review.

Mr. Harris introduced agenda item *First State Investments*. Mr. Robben and Mr. Chiu gave a brief overview of First State Investments and how their business is structured. Randy Paas, Paul Griffiths and Ken Bowling from First State Investments entered the meeting and provided a detailed presentation and answered questions from the Committee. They then exited the meeting. The Committee asked Wilshire Consulting to provide due diligence on the firm and report back to the Committee in November.

Mr. Harris introduced agenda item *Internally Managed Equity Portfolio Review*. Mr. Gilbert provided an update to the Committee on the internally managed equity portfolio performance. This was provided for informational purposes only.

There being no further business, Ms. Pendergrass moved and was seconded by Mr. Powell to adjourn the meeting at 11:01 a.m. The next meeting of the Investment Committee is scheduled for 8:45 a.m. on November 13, 2017. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee Special Called meeting held September 28, 2017.

CERTIFICATION

I do certify that I was present at this meeting and I have recorded above the action of the Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.


Recording Secretary

I, as Chair of the Investment Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on September 28, 2017 were approved by the Investment Committee on November 13, 2017.


Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting on September 28, 2017, for form, content, and legality.


Office of Legal Services