

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
QUARTERLY INVESTMENT COMMITTEE
AUGUST 27, 2019, 9:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY**

At the August 27, 2019 Quarterly Investment Committee Meeting, the following Committee members were present: Dave Harris (Chair), Kelly Downard, Sherry Kremer (arrived at 9:09 a.m.) Prewitt Lane, Keith Percy and Jerry Powell (arrived at 9:56 a.m.). Trustee Betty Pendergrass and Investment Advisor Neil Ramsey were also present. Staff members present were David Eager, Mark Blackwell, Rebecca Adkins, Connie Davis, David Ziegler, Rich Robben, Anthony Chiu, Andy Kiehl, Joe Gilbert, Vicki Hale, Carol Johnson, Kristen Coffey, Jared Crawford, Ann Case, Phillip Cook, Shaun Case and Alane Foley. Larry Totten and Breanna Carroll were also present.

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

Mr. Harris introduced the agenda item *Approval of Minutes- July 25, 2019*. Mr. Lane moved and was seconded by Mr. Downard to approve the minutes as presented. The motion passed unanimously.

Mr. Harris introduced agenda item *Standard Reports*. All reports were provided for informational purposes only.

Mr. Harris introduced agenda item *New Fund Recommendation – JP Morgan*. Mr. Joe Gilbert introduced Mr. Jeff Fox and Mr. Tom Leventhorpe from JP Morgan Asset Management Inc. They provided an overview of Global Emerging Markets (GEM) Discovery Strategy. Mr. Lane moved and was seconded by Ms. Kremer to approve initial funding of \$180 million (5%) with an option to go up to 7% of non-U.S. allocation into Global Emerging Markets (GEM) Discovery Strategy. The motion passed unanimously.

Mr. Harris introduced agenda item *New Fund Recommendation – Pzena*. Mr. Joe Gilbert introduced Mr. Rakesh Bordia from Pzena Investment Management, LLC. Mr. Bordia provided an overview of Emerging Markets Select Value Strategy. Ms. Kremer moved and was seconded by Mr. Lane to approve initial funding of \$180 million (5%) with an option to go up to 7% of non-U.S. allocation into Emerging Markets Select Value Strategy. The motion passed unanimously.

Mr. Harris introduced agenda item *New Fund Recommendation – Next Century*. Mr. Joe Gilbert introduced Mr. Tom Press, Mr. Bob Scott and Mr. Peter Capouch with Next Century Growth Investors, LLC. They provided an overview of Micro Cap Growth Strategy. Mr. Harris moved and was seconded by Ms. Kremer to approve initial funding of \$50-85 million (2.5%) with an option to go up to 3% of U.S. allocation into Micro Cap Growth Strategy. The motion passed unanimously.

Mr. Harris moved and was seconded by Mr. Downard to transition the remaining balance of the BlackRock ACWI-Ex US Index portfolio to the BlackRock World Ex-US Index Strategy. The motion passed unanimously.

Mr. Harris introduced agenda item *Strategic Partnership Update*. Mr. Andy Kiehl provided an update to the Committee. This was presented for informational purposes only.

Mr. Harris called for a short recess.

Mr. Harris called the meeting to order and introduced agenda item *New Fund Recommendation – CapitalSpring*. Mr. Anthony Chiu introduced Mr. Richard Fitzgerald from CapitalSpring. He provided an overview of CS Adjacent Fund. Mr. Powell moved and was seconded by Mr. Downard to approve an investment of \$200 million in Separately Managed Account. The motion passed unanimously.

Mr. Harris introduced agenda item *Additional Deposit Recommendation – ArrowMark*. Mr. Andy Kiehl introduced Ms. Kaelyn Abrell and Mr. Greth Lester from ArrowMark. They provided an overview of KRS-ArrowMark Fund I. Mr. Powell moved and was seconded by Mr. Lane to

approve \$300 million additional funding to KRS-ArrowMark Fund I. The motion passed unanimously.

Mr. Harris called for a short recess.

Mr. Harris called the meeting to order and introduced agenda item *BNY Mellon Custody Contract Renewal*. Ms. Kremer moved and was seconded by Mr. Powell to renew the agreement for custodial services as presented with BNY Mellon. The motion passed unanimously.

The Committee discussed creating a process to monitor contract expirations to ensure renewals are properly executed.

Mr. David Lindberg and Mr. Chris Tessman from Wilshire Associates gave an overview of *IPS Review and Proposed Changes*. This was provided for informational purposes only.

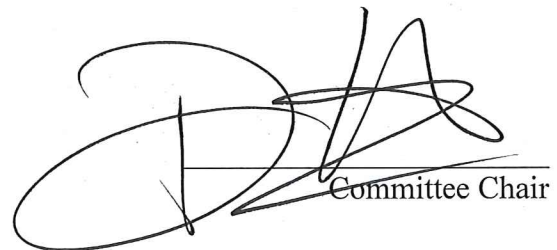
There being no further business, Mr. Downard moved and was seconded by Mr. Powell to adjourn the meeting at 1:00 p.m. The next meeting of the Investment Committee is scheduled for 1:00 p.m. November 12, 2019. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting held August 27, 2019.

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 August 27, 2019 were approved by the Investment Committee on November 12, 2019.


Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting on August 27, 2019 for form, content, and legality.


Office of Legal Services