

**MINUTES OF MEETING  
OF THE  
KENTUCKY RETIREMENT SYSTEMS  
INVESTMENT COMMITTEE  
AUGUST 23, 2016 AT 9:00 A.M., E.T.  
BOARD ROOM, 1270 LOUISVILLE ROAD  
FRANKFORT, KENTUCKY 40601**

At the meeting of the Kentucky Retirement Systems Investment Committee held on August 23, 2016, the following Investment Committee Members were present: David Eager, David Harris and Neil Ramsey. Also present, Board Members; JT Fulkerson, Mary Helen Peter, Joe Hardesty, and Bill Summers. Staff members present were: David Peden, Brent Aldridge, Joe Gilbert, Alane Foley, Terry Metcalf, Andy Kiehl, Rich Robben, Logan Burchett, Anthony Chiu, Brian Thomas, Erica Bradley, Connie Davis, Ann Case, Natalie Young, Blake Atkinson, Leigh Taylor, Dick Brown, Karen Roggenkamp, Rebecca Stephens and Bill Thielen. Also present; Tony Johnson of R.V. Kuhns & Associates, Inc., Tad Fergusson and Ahman Dirks of PCA, Andrew McCulloch and Mark White of Albourne, Michael Rudzik of KKR Prisma, Jonathon Berns and Ed Schwartz of ORG.

\*\*\*

Mr. Eager called the meeting to order.

Mr. Thielen provided an update on the executive order and the injunctive relief ruling by Judge Shepherd.

\*\*\*

Mr. Peden introduced Mark Flinn and Daniel Janis from Manulife. They provided an educational piece on Global Fixed Income. This was for informational purposes only.

\*\*\*

Ms. Alane Foley called roll and all new Board of Directors that were present were sworn in by Ms. Leigh Taylor.

\*\*\*

Mr. Peden introduced David Schrock and Ashwin Alankar from Janus Capital. They provided an education piece on Tail Risk Hedging. This was for informational purposes only.

\*\*\*

Mr. Peden introduced Andrea Bollyky and Chuck Yates from Kayne Anderson. They provided a presentation on Kayne Anderson Energy Fund VII, L.P. KRS staff is recommending a commitment of \$50 million to this fund.

Andrea Bollyky and Chuck Yates then exited the meeting.

Tad Fergusson and Ahman Dirks from PCA provided an overview of the fund and answered questions presented by the Board.

Mr. Neil Ramsey moved and was seconded by Mr. David Harris to commit \$75 million to Kayne Anderson Energy Fund VII, L.P. contingent their acceptance of a 1% management fee for the normal life of the fund and a 0% management fee for any extensions. The motion passed unanimously.

\*\*\*

Mr. Eager called for a short recess.

\*\*\*

Mr. Eager called the meeting back in session.

\*\*\*

Mr. David Peden and Mr. Andy Kiehl introduced Jon Berns and Ed Schwartz of ORG. They provided an overview of Mesa West Real Estate Income IV. KRS staff is recommending a commitment of \$50 million to this fund.

Jeff Friedman and Mark Zytho from Mesa West entered the meeting and provided their presentation. They then exited the meeting.

Mr. Neil Ramsey moved and was seconded by Mr. David Harris to commit \$50 million to Mesa West Real Estate Income IV. This motion passed unanimously.

\*\*\*

Mr. Eager called for a short recess.

\*\*\*

Mr. Eager called the meeting back in session.

\*\*\*

Mr. David Peden introduced Michael Rudzik from KKR Prisma and Andrew McCulloch from Albourne. They provided the Absolute Return portfolio update. KRS staff is recommending new target allocations as presented on page 11 of the Absolute Return portfolio presentation.

Mr. Neil Ramsey moved and was seconded by Mr. David Harris to approve the new target allocations as presented on page 11 of the Absolute Return presentation. The motion passed unanimously.

\*\*\*

Mr. Peden and Mr. Kiehl introduced Mark White of Albourne. They provided an overview of Taurus Mining Finance Annex Fund. KRS staff is recommending a commitment of \$35 million to this fund.

James Duivenbode of Taurus entered the meeting and provided his presentation. He then exited the meeting.

There was no action taken on this recommendation.

\*\*\*

Mr. Joe Gilbert provided an update on U.S. Public Equity restructuring. This was for informational purposes only.

\*\*\*

Mr. Joe Gilbert introduced Tony Johnson from RV Kuhns. They provided information regarding Northern Trust International Small Cap strategy. KRS staff is recommending a mandate change which would replace the passive strategy with their enhanced strategy.

Mr. Neil Ramsey moved and was seconded by Mr. David Harris to transition to the Northern Trust Quality Small Cap Core International Equity Strategy. This motion passed unanimously.

\*\*\*

Mr. David Peden introduced staff to the new members of the committee.

\*\*\*

Mr. Neil Ramsey moved and was seconded by Mr. David Harris to approve the minutes of the Investment Committee Meeting on May 3, 2016 based on the acknowledgement that JT Fulkerson was present at said meeting and confirmed the minutes reflected the actions of that day. The motion passed unanimously.

\*\*\*

Mr. Neil Harris moved and was seconded by Mr. David Harris to appoint Mr. David Eager as Chair of the Investment Committee.

Mr. Neil Ramsey moved and was seconded by Mr. David Eager to appoint Mr. David Harris as Vice Chair of the Investment Committee.

These motions passed unanimously.

\*\*\*

Ms. Erica Bradley provided the Compliance Report This was for informational purposes only.

\*\*\*

There being no further business, Mr. David Eager adjourned the meeting at 3:00 p.m. The next scheduled quarterly meeting of the Investment Committee is November 2, 2016 at 9:00 a.m. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting as of August 23, 2016.

\*\*\*

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.

A handwritten signature in blue ink, appearing to read "Alane Gray", written over a horizontal line.

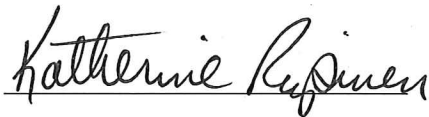
Recording Secretary

I, 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 23, 2016 were approved by the Investment Committee on October 14, 2016.

A large, stylized handwritten signature in black ink, written over a horizontal line.

Investment Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting held on August 23, 2016 for form, and legality.

A handwritten signature in black ink, appearing to read "Katherine Rejzner", written over a horizontal line.

MINUTES OF MEETING  
OF THE  
KENTUCKY RETIREMENT SYSTEMS  
INVESTMENT COMMITTEE  
AUGUST 23, 2016 AT 9:00 A.M., E.T.  
BOARD ROOM, 1270 LOUISVILLE ROAD  
FRANKFORT, KENTUCKY 40601

**\*ADDENDUM\***

At the Board Meeting on September 15, 2016 the full board made a motion and approved modifying the commitment to Kayne Anderson to \$100 million and the management fee will be 0.75% for years one and two, then 1.5% for the remaining normal life of the fund and 0% management fee if there are any extensions.