

**MINUTES OF MEETING
OF THE
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE
AUGUST 06, 2013 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 6, 2013, the following members were present: Dr. Daniel Bauer, Chair; Sec. Timothy Longmeyer, Randy Overstreet and Betty Pendergrass; Trustee Ed Davis was also present. Staff members present were: TJ Carlson, Brent Aldridge, Bo Cracraft, David Peden, Christopher Schelling, Joe Gilbert, Tom Masthay, Brian Carter, Bill Murnighan, Alane Hardwick, Ann Case, Erica Bradley, Connie Davis, Karen Roggenkamp and Bill Thielen. Also present: Tony Johnson of R.V. Kuhns & Associates, Inc. and Gailen Krug of Albourne Financial.

Dr. Bauer called the meeting to order, Alane Hardwick called roll then Dr. Bauer introduced the agenda item Approval of Minutes. Sec. Longmeyer moved and was seconded by Ms. Pendergrass to approve the minutes of the May 7, 2013 meeting. The motion passed unanimously.

Ms. Bradley presented the Quarterly Compliance Report. This report was provided for informational purposes only. Mr. Carlson reviewed the Asset Allocation Report, Monthly Performance Update, Expense Report, Altius Update, Non-US Structure Study, Investment Division Meeting Checklist, Custodial Transition Update, Standing Quarterly Topics, Potential Future Topics and Articles of Interest. These reports were provided for informational purposes only.

Mr. Schelling introduced Gailen Krug of Albourne and provided a background for Absolute Return Managers: Soroban Capital Partners; Senator Global Opportunity Fund; Knighthead Fund; HBK Master Fund; and MKP Opportunity Fund.

Mr. Overstreet moved and was seconded by Sec. Longmeyer to invest \$100 million in the Absolute Return Slate as presented. The motion passed unanimously.

Dr. Bauer called for a short recess and the room emptied.

Dr. Bauer called the meeting back in session. Mr. Peden reviewed the Securities Lending Update. This report was provided for informational purposes only.

Mr. Peden introduced Elaine Stokes and Greg Ward from Loomis Sayles. They presented an educational piece on Fixed Income.

Elaine Stokes and Greg Ward exited the meeting.

Dr. Bauer called for a short recess and the room emptied.

Dr. Bauer called the meeting back in session. Mr. Peden and Mr. Carter reviewed the Cash Management & REPO Update. This was for informational purposes only. Mr. Peden reviewed the Repurchase Agreement with CYS Mortgage REIT.

Ms. Pendergrass moved and was seconded by Sec Longmeyer to enter into a tri-party repo agreement with CYS Investment, Inc. The motion passed unanimously.

Mr. Peden introduced Tony Johnson with RV Kuhns. Together they presented the Fixed Income Annual Review. This report was provided for informational purposes only.

Mr. Carlson introduced Jillian Conlon, Andrew Plevin and Craig Bardo with BroadRiver. They presented an educational piece on Life Settlements as Investments. This was for informational purposes only.

There being no further business, Dr. Bauer adjourned the meeting at 2:45 p.m. The next scheduled quarterly meeting of the Investment Committee is November 6, 2013 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 6, 2013.

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, 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 6, 2013 were approved by the Investment Committee on November 20, 2013.



Investment Committee Chair

I, Jennifer A. Jones, have reviewed the Minutes of the Investment Committee Meeting held on August 6, 2013, for form, and legality.



Interim General Counsel