

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES INVESTMENT COMMITTEE
JUNE 20, 2017, 9:00 A.M., E.T.
1270 LOUISVILLE ROAD, FRANKFORT, KENTUCKY 40601**

At the June 20, 2017 special called meeting of the Investment Committee of the Board of Trustees, the following Committee members were present: David Harris, (Chair), William Cook, Kelly Downard, Tommy Elliott (non-voting), Betty Pendergrass, Jerry Powell, 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, Ilse House, Alane Foley, and Leigh Taylor. Larry Totten, Kayla Vanover and Justin Hawkins (WAVE-3), Connor Bilby, Michele Hill, Eric Kennedy, Bo Cracraft, Brianna Carroll, Tony Johnson (RVK), and Tim Fyffe were also present.

Mr. Harris called the meeting to order and introduced the agenda item *New Trustee Oath of Office – Mr. Kelly Downard*. Mr. Downard was introduced to the Committee and provided a brief personal introduction. Ms. Taylor, as Notary, administered the Oath of Office to Mr. Downard. This item was provided for informational purposes only.

Mr. Harris introduced the agenda item *Approval of Committee Minutes*. Mr. Powell moved and was seconded by Mr. Cook to approve the minutes of the June 20, 2017 special called meeting. The motion passed.

Mr. Harris introduced agenda item *Performance & Current Allocation Review*. Mr. Robben provided a brief verbal summary to the Committee. This item was provided for informational purposes only. (*Mr. Ramsey joined the meeting during the presentation.*)

Mr. Harris introduced agenda item *Review RFP for General Investment Consultant*. Mr. Robben provided historical context on the role of the general investment consultant function at KRS, and explained the status of the current RFP. Mr. Robben agreed to give an update on the General Investment Consultant selection process at the Investment Committee special called July 12, meeting. This item was provided for informational purposes only.

Mr. Harris introduced agenda item *Review Draft Procurement Policy*. Mr. Robben noted that Investment Procurement Services were excluded from the State procurement policy under KRS 45A due to the differences in processing but KRS is required to submit a procurement policy for review and comment by the Finance and Administration Cabinet. Mr. Eager noted that KRS staff would be meeting with the Finance and Administration Cabinet staff prior to June 30 to review the KRS Draft Procurement Policy per the requirements of SB2. This item was provided for informational purposes only.

Mr. Harris introduced agenda item *Davidson Kempner Special Opportunities Fund*. Mr. Robben provided background information on the firm and introduced Melanie Levine. Ms. Levine presented *Davidson Kempner Special Opportunities Fund IV* and answered questions from the Committee. This item was provided for informational purposes only. (*Ms. Pendergrass joined the meeting during the presentation; Ms. Levine exited the meeting following her presentation.*)

Mr. Harris introduced agenda item *Updated Investment Policy Statement*. Mr. Robben and Mr. Cook reviewed the proposed changes to the Investment Policy Statement for the Committee. This item was provided for informational purposes only.

Mr. Harris introduce agenda item *Review of Assumed Rate of Return for all plans* and noted the going forward rate of return for the KERS Nonhazardous and SPRS pension plans had been voted and approved by the full Board at the May 18 meeting; other plans will be discussed at the July 12, 2017 special Board meeting. This item was provided for informational purposes only.

Mr. Cook moved and was seconded by Mr. Ramsey to enter closed session; the motion passed. Mr. Harris read the following and the meeting entered Closed Session: “A motion having been made in open session to move into a closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems’ litigation strategy and preserving any available attorney-client privilege.” (*KRS Executive Staff and Trustees remained for Closed Session; all other attendees exited the meeting.*)

Mr. Harris called the meeting back into Open Session. There being no further business, the meeting adjourned at 10:30 a.m. The next meeting of the Investment Committee is scheduled for 9:00 a.m. on July 12, 2017. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee Special Called meeting held June 20, 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 June 20, 2017 were approved by the Investment Committee on July 12, 2017.


Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting on June 20, 2017, for form, content, and legality.


Office of Legal Services