

**MINUTES OF MEETING
OF THE
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE
MAY 5, 2015 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 May 5, 2015, the following members were present: Dr. Daniel Bauer, Chair; Tommy Elliott, JT Fulkerson, Mary Helen Peter, Joseph Hardesty, Bill Summers and Sec. Longmeyer; Trustee Ed Davis was also present. Staff members present were: David Peden, Brent Aldridge, Joe Gilbert, Bill Murnighan, Alane Foley, Terry Metcalf, Lisa Watkins, Andy Kiehl, Rich Robben, Logan Burchett, Brian Thomas, Connie Davis, Karen Roggenkamp and Bill Thielen. Also present: Tony Johnson of R.V. Kuhns & Associates, Inc., Gailen Krug and Mark White of Albourne Financial, Tad Furgesson and Ahman Dirks of PCA and Jonathon Berns and Ed Schwartz of ORG.

Dr. Bauer called the meeting to order, Alane Foley called roll then Dr. Bauer introduced the agenda item Approval of Minutes. Mr. Elliott moved and was seconded by Sec. Longmeyer to approve the minutes of the February 3, 2015 meeting. The motion passed unanimously.

Ms. Connie Davis presented the Compliance Report and the Equity- Stock International Audit Memo. These were for informational purposes only.

Mr. David Peden presented the Standard Reports, Future Topics and Articles of Interest. All reports were for informational purposes only.

Mr. Bill Thielen discussed the CEM survey with the Investment Committee Board. This was for informational purposes only.

Mr. Bill Murnighan introduced Mr. Tad Furgesson from PCA, they provided an overview of Private Equity Manager, Keyhaven Capital Partners. Mr. Bill Murnighan introduced Sasha Van de Water and Claus Stenback from Keyhaven Capital Managers. They provided their presentation on KCP IV and answered any questions presented by the committee.

Sasha Van de Water and Claus Stenback exited the meeting.

Sec. Longmeyer moved and was seconded by Mr. Fulkerson to invest €40 million to Keyhaven Capital Partners split evenly between KCP IV and the co-investment fund. The motion passed unanimously.

Mr. Brent Aldridge introduced Mr. Mark White from Albourne, they provided an overview of Real Return Managers, Mangetar and Amerra.

Mr. Hardesty moved and was seconded by Mr. Fulkerson to invest \$50 million in Magnetar MTP Energy Opportunities Fund II. The motion passed unanimously.

Mr. Fulkerson moved and was seconded by Mr. Hardesty to invest up to 1% of the KRS Fund in a separate account managed by Amerra with the initial investment in that fund being \$100 million. This investment is contingent on Amerra's agreement to not compensate Placement Agents. The motion passed unanimously.

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

Dr. Bauer called the meeting back in session. Mr. David Peden provided information regarding an Absolute Return Strategic Partnership. He introduced Girish Reddy and Michael Rudzik of KKR. They provided an overview of their company and discussed their ideas to assist Kentucky Retirement Systems.

Girish Reddy and Michael Rudzik exited the meeting.

Mr. Hardesty moved and was seconded by Sec. Longmeyer to move forward with a temporary agreement with KKR to assist Kentucky Retirement System with Absolute Return Strategies. The motion passed. Mr. Elliott and Mr. Fulkerson abstained.

Mr. David Peden provided information regarding the need for a Private Equity accounting and performance tracking system. The staff recommends acquiring a technological platform called Burgiss Private I via BNY Mellon (KRS's Custodial bank) that is used for improving the accounting, transparency, performance analysis and data aggregation of the KRS Private Equity and other closed-end limited partnerships.

Mr. David Peden introduced Brian Cappazuto and Scott Berrard from BNY Mellon who provided information regarding the Burgiss Private I system and how BNY Mellon can assist KRS in tracking it's closed-end Limited Partnerships.

Brian Cappazuto and Scott Berrard exited the meeting.

Mr. Elliott moved and was seconded by Mr. Hardesty to move forward with a Private Equity performance, analytics and information delivery service offered and supported by BNY Mellon called Burgiss Private I. The motion passed unanimously.

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

Dr. Bauer called the meeting back in session. Mr. David Peden introduced Tony Johnson and Ryan Sullivan with R.V. Kuhns. They provided the Asset Liability Study. This was for informational purposes only.

Mr. Brian Thomas provided an update on the Ft. Wright case. Motion to dismiss was overruled. The case will move forward.

There being no further business, Dr. Bauer adjourned the meeting at 1:36 p.m. The next scheduled quarterly meeting of the Investment Committee is August 25, 2015 at 9:00 a.m. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting as of May 5, 2015.

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.



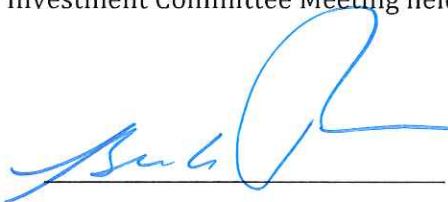
Recording Secretary

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 May 5, 2015 were approved by the Investment Committee on August 25, 2015.



Investment Committee Chair

I, Brian Thomas, have reviewed the Minutes of the Investment Committee Meeting held on May 5, 2015, for form, and legality.



General Counsel