

**MINUTES OF MEETING
OF THE
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE
MAY 06, 2014 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 6, 2014, the following members were present: Dr. Daniel Bauer, Chair; Sec. Timothy Longmeyer, JT Fulkerson, Mary Helen Peter, Joseph Hardesty and Bill Summers; Trustee Ed Davis was also present. Staff members present were: David Peden, Brent Aldridge, Christopher Schelling, Joe Gilbert, Tom Masthay, Brian Carter, Bill Murnighan, Kurt Kemper, Alane Foley, Erica Bradley, Brian Thomas, Karen Roggenkamp and Bill Thielen. Also present: Tony Johnson of R.V. Kuhns & Associates, Inc., Gailen Krug and Andrew McCulloch of Albourne Financial, Tad Furgesson of PCA and Jonathon Berns and Ed Schwartz of ORG.

Dr. Daniel Bauer called the meeting to order, Alane Foley called roll then Dr. Bauer introduced the agenda item Approval of Minutes. Sec. Longmeyer moved and was seconded by Mr. Hardesty to approve the minutes of the February 4, 2014 meeting. The motion passed unanimously.

Mr. David Peden gave a brief overview of how Meeting Minutes would be handled in the future. If approved, they will be signed immediately and posted to the website. Also, PCA was introduced as the new Private Equity Consultant.

Mr. David Peden reviewed the Management Update and Standard Reports. This was provided for informational purposes only.

Mr. Brian Carter provided an overview regarding Bi-Lateral REPO. The staff recommends switching to Bi-Lateral repurchase agreements in order to provide continued liquidity for the systems' cash portfolios while maximizing returns.

Mr. Joseph Hardesty moved and was seconded by Sec. Longmeyer to switch to Bi-Lateral repurchase agreements. The motion passed unanimously.

Mr. David Peden reviewed the Broker Dealer List. There were no new Broker Dealers approved for trading but one new Repo Counterparty was added to the list, G.X. Clarke & Co.

Mr. Joseph Hardesty moved and was seconded by Sec. Longmeyer to add G.X. Clarke & Co. to the Broker Dealer List. The motion passed unanimously.

Mr. Thomas Masthay introduced Jonathon Berns and Ed Schwartz of ORG. Together they provided background on Real Estate Managers; Greenfield Acquisitions Partners and Lubert Adler.

Mr. Thomas Masthay introduced Jean Gorab and Dean Sotter of Greenfield Partners. They provided an overview of Greenfield Acquisition Partners Fund VII, LP.

Jean Gorab and Dean Sotter exited the meeting.

Sec. Longmeyer moved and was seconded by Mr. Joseph Hardesty to invest \$40 Million in Greenfield Acquisition Partners Fund VII, LP. The motion passed unanimously.

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

Dr. Daniel Bauer called the meeting back in session. Mr. Thomas Masthay introduced Dean Adler of Lubert Adler and he provided an overview of Lubert Adler Real Estate Fund VII, L.P. and Saturn Acquisition L.P.

Mr. Tommy Elliott entered the meeting during the presentation.

Dean Adler exited the meeting.

Mr. Joseph Hardesty moved and was seconded by Sec. Longmeyer to invest \$40 Million in Lubert Adler Real Estate Fund VII, L.P. The motion passed by majority; Mr. Tommy Elliott abstained.

The committee agreed that more information was needed to make a decision regarding the Saturn Acquisition L.P. recommendation. Mr. Thomas Masthay is to provide additional information to the Board Members for their review.

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

Dr. Daniel Bauer called the meeting back in session. Mr. Joe Gilbert introduced Jason Ciaglo and Jason Karceski of LSV Asset Management. They presented a Low Volatility Equity educational piece. Mr. David Peden then provided commentary regarding Low Volatility Equity and KRS.

Sec. Longmeyer exited the meeting and was replaced by his proxy, Mr. Scott McKenzie.

Mr. Chris Schelling introduced Gailen Krug and Andrew McCulloch of Albourne Financial. They presented an overview of Absolute Return Managers; JANA Partners Qualified, L.P., Scopia PX, LLC. and LibreMax Partners, L.P.

Mr. Joseph Hardesty moved and was seconded by Mr. Tommy Elliot to invest \$20 Million in each fund recommended; JANA Partners Qualified, L.P., Scopia PX, LLC. and LibreMax Partners, L.P. The motion passed unanimously.

Mr. Joe Gilbert provided the Public Equity Annual Review. This was provided for informational purposes only.

Mr. David Peden introduced Mr. Tony Johnson of R.V. Kuhns to present the Asset Liability Studies Overview. This was for informational purposes only.

Mr. David Peden discussed some open topics with the Committee consisting of; Securex, KERS funds and open records requests. Mr. Thomas Mashay then provided an update on Camelot.

There being no further business, Dr. Daniel Bauer adjourned the meeting at 3:23 p.m. The next scheduled quarterly meeting of the Investment Committee is August 5, 2014 at 9:00 a.m.

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 black ink, appearing to read "Aileen Gray", written over a horizontal line.

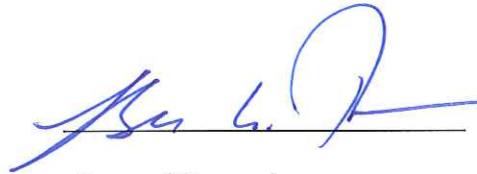
Recording Secretary

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 May 6, 2014 were approved by the Investment Committee on August ~~6~~⁵, 2014.

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

Investment Committee Chair

I, Brian Thomas, have reviewed the Minutes of the Investment Committee Meeting held on May 6, 2014, for form, and legality.

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

General Counsel