

**MINUTES OF MEETING
OF THE
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE
NOVEMBER 02, 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 November 02, 2016, the following Investment Committee members were present: David Harris, William Cook, Mark Lattis, Neil Ramsey and Thomas Elliott. Other Board of Directors present was Mary Helen Peter. Staff members present: David Peden, Joe Gilbert, Alane Foley, Andy Kiehl, Rich Robben, Logan Burchett, Anthony Chiu, Erica Bradley, Connie Davis, Ann Case, Natalie Young, Blake Atkinson, Leigh Taylor, Dick Brown, Kathy Rupinen, Karen Roggenkamp, and Dave Eager. Also present; Tad Fergusson and Ahman Dirks from PCA, Andrew McCulloch and Mark White from Albourne, Ed Schwartz from ORG, Michael Rudzik and Eric Wolfe from KKR and Tony Johnson with RVK

Mr. David Harris called the meeting to order and. Ms. Alane Foley called roll.

Mr. Ramsey moved and was seconded by Mr. Lattis to approve the Meeting Minutes of the October 14, 2016 Investment Committee. The motion passed unanimously.

Mr. David Peden provided a staff update to the committee advising of the retirement of Mr. Brent Aldridge, Director of Alternative Investments.

Ms. Erica Bradley presented the Compliance Report.

Mr. David Peden discussed the Fixed Income portfolio guideline that was suspended earlier this year. This guideline states that 25% of Fixed Income assets must have liquidity of T+1 settlement. Mr. Peden asked for a motion to continue to suspend this guideline until the Investment Policy can be updated.

Mr. Ramsey moved and was seconded by Mr. Lattis to continue to suspend the guideline until a future meeting in which we address the Investment Policies. The motion passed unanimously.

Mr. Peden presented the Monthly Update and Articles of Interest. This was provided for informational purposes only.

Mr. Rich Robben presented the Broker Dealer Approval List. The staff is recommending adding Susquehanna Financial Group of New York to this list. Mr. Ramsey moved and was seconded by Mr. Cook to approve this addition. The motion passed unanimously.

Mr. Rich Robben provided an update on Securities Lending. This was for information purposes only.

Mr. Dave Harris introduced Russel Kamp and Lawrence Zielinski from Kamp Consulting. They provided a presentation on their pension liability consulting services. This was provided for informational purposes only.

Mr. Peden introduced the agenda item Annual Asset Class Review.

Mr. Andy Kiehl along with Mark White from Albourne presented the Real Return review.

Mr. Andy Kiehl along with Ed Schwartz from ORG presented the Real Estate review.

Mr. Anthony Chiu along with Tad Fergusson and Ahman Dirks from PCA presented the Private Equity review.

Mr. Joe Gilbert along with Tony Johnson from RVK presented the Public Equity review.

Mr. Rich Robben along with Tony Johnson from RVK presented the Fixed Income review.

Mr. Dave Harris called for a short recess.

Mr. Dave Harris called the meeting back to session.

Mr. Neil Ramsey provided a presentation regarding the strategy to eliminate the 10% allocation to absolute return. Mr. Ramsey outlined the criteria used to determine which hedge fund managers would be the next group of managers to be redeemed. That criteria included betas to the equity and high yield markets, manager fees, and size of firm. Using this criteria the managers that are slated for redemption fall mainly into the long/short equity, equity market neutral, and event investing strategies. This selection criteria also applies to the underlying hedge fund managers in the Prisma managed Daniel Boone portfolio. All hedge fund managers and strategies not

immediately scheduled for redemption will undergo further evaluation seeking possible restructure opportunities and fee renegotiation. This was provided for informational purposes only and was a follow-up discussion to a motion approved at the October 14, 2016 Investment Committee Meeting.

Mr. Dave Harris discussed the potential meeting before December 1, 2016 to discuss Securities Lending, Asset Allocations and Actuarial Assumptions and any other items that need to be discussed.

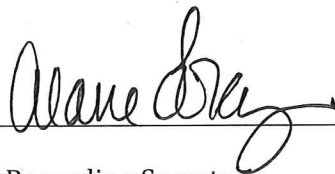
Mr. Cook moved and was seconded by Mr. Ramsey to enter in to closed session. The motion passed unanimously. Mr. Harris read the following statement: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to discuss 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. The meeting moved into closed session.

All public attendees exited the meeting.

No action was taken on any items discussed in closed session.

There being no further business, Mr. David Harris adjourned the meeting at 1:10 p.m. The next scheduled quarterly meeting of the Investment Committee is February 07, 2017 at 9:00 a.m. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting as of November 02, 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.



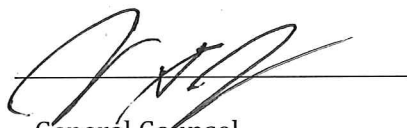
Recording Secretary

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 November 02, 2016 were approved by the Investment Committee on November 17, 2016.



Investment Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting held on November 02, 2016 for form, and legality.



General Counsel