

**MINUTES OF MEETING
OF THE
KENTUCKY RETIREMENT SYSTEMS
SPECIAL CALLED INVESTMENT COMMITTEE
OCTOBER 14, 2016 AT 9:00 A.M., E.T.
BOARD ROOM, 1270 LOUISVILLE ROAD
FRANKFORT, KENTUCKY 40601**

At the meeting of the Kentucky Retirement Systems Special Called Investment Committee held on October 14, 2016, the following Investment Committee members were present: David Harris, William Cook, John Farris, Mark Lattis, Neil Ramsey and Thomas Elliott. Other Board of Directors present: Mary Helen Peter and Ed Davis. Staff members present: David Peden, Joe Gilbert, Alane Foley, Terry Metcalf, Andy Kiehl, Rich Robben, Logan Burchett, Anthony Chiu, Erica Bradley, Ann Case, Blake Atkinson, Leigh Taylor, Dick Brown, Kathy Rupinen, Karen Roggenkamp, and Dave Eager. Also present; Robert Kellerman of Stoll Keenon and Ogden.

Mr. David Harris called the meeting to order. The newest member of the Board of Directors, Mr. Mark Lattis, was sworn in by Ms. Leigh Taylor.

Ms. Alane Foley called roll.

Mr. Farris moved and was seconded by Mr. Cook to approve the Meeting Minutes of the August 23, 2016 Investment Committee. The motion passed unanimously.

Mr. David Peden confirmed with the Investment Committee that the November 2, 2016 meeting would begin at the normally scheduled time, 9:00 a.m.

Mr. Farris moved and was seconded by Mr. Cook 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.

Mr. Ramsey moved and was seconded by Mr. Farris to exit closed session and move back to an open session meeting. The motion passed unanimously.

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

Mr. Peden provided an update to the committee on the Securities Lending program. Staff will be working on securing proposals from BNY Mellon and Northern Trust to be submitted to the Committee at an upcoming meeting.

Mr. Harris and Mr. Peden discussed Hedge Fund Allocations. A preliminary timeline to restructure the hedge fund allocations was presented to the committee to facilitate discussion. Mr. Farris moved and was seconded by Mr. Ramsey to have Mr. Peden and Mr. Ramsey work together to develop a schedule for the most efficient timeline and strategy in exiting the 10% allocation to absolute return/hedge funds. The motion passed unanimously. Mr. Bill Cook recused himself from any decision on the KRS Hedge Fund investments.

Mr. Harris prompted a discussion with the committee regarding Cash Flows of each pension system and Ms. Karen Roggencamp and Ms. Ann Case provided a presentation on Historical and Projected Cash Flows. This was presented for informational purposes only.

Mr. Peden and Mr. Joe Gilbert provided a presentation on the U.S. Public Equity Structure. This discussion was for informational purposes only.

Mr. Peden introduced Mr. Anthony Chiu. He provided an overview of the Private Equity Portfolio. This was for informational purposes only.

There being no further business, Mr. David Harris adjourned the meeting at 1:46 p.m. The next scheduled quarterly meeting of the Investment Committee is November 2, 2016 at 9:00 a.m. Copies of all documents presented are incorporated as part of the minutes of the Investment Committee meeting as of October 14, 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.

A handwritten signature in blue ink, appearing to read "Alana 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 October 14, 2016 were approved by the Investment Committee on November 2, 2016.

A large, stylized handwritten signature in blue ink, written over a horizontal line. The signature is highly abstract and difficult to decipher.

Investment Committee Chair

I have reviewed the Minutes of the Investment Committee Meeting held on October 14, 2016 for form, and legality.

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

General Counsel