MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES QUARTERLY MEETING
DECEMBER 3, 2025, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE

At the Quarterly Meeting of the Kentucky Retirement Systems Board of Trustees held on December 3, 2025, the following members were present: Lynn Hampton (Chair), David Adkins, Ramsey Bova, Prewitt Lane, Keith Peercy, and William Summers V. Staff members present were KRS CEO John Chilton, Ryan Barrow, Erin Surratt, Michael Lamb, Michael Board, Victoria Hale, Nathan Goodrich, Carrie Bass, Leigh Ann Davis, D'Juan Surratt, Connie Davis, Steve Willer, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ian Blaiklock, Phillip Cook, Sherry Rankin, and Sandy Hardin. Also present were Krysti Kiesel and Janie Shaw from GRS, Lealan Miller and Roger Alfaro from Eide Bailly, and Chris Tessman from Wilshire.

1. Ms. Hampton called the meeting to order.

2 Mr. Board read the Legal Public Statement.

3. Ms. Rankin called roll.

   Ms. Rankin noted that no ***Public Comments*** were submitted.

4. Ms. Hampton introduced agenda item ***Approval of the June 30, 2025, Actuarial Valuations*** *(Video 00:10:35 to 00:14:12).* Ms. Shaw from GRS presented the 2025 Actuarial Valuation Results and reviewed the highlights from this valuation. Mr. Lane made a motion to approve the 2025 Actuarial Valuation Results as presented for KERS and SPRS. Mr. Peercy seconded the motion. The motion passed unanimously.

5. Ms. Hampton introduced agenda item ***Approval of the FY27-28 Contribution Rates*** *(Video 00:14:12 to 00:16:00).* Mr. Chilton noted that the GRS report includes the proposed contribution rates. Mr. Peercy made the motion to approve the contribution

rates for KERS and SPRS for the fiscal year beginning July 1, 2026, and ending June 30, 2028, as presented. Ms. Bova seconded the motion. The motion passed unanimously.

6. Ms. Hampton introduced agenda item ***External Audit*** *(Video 00:16:00 to 00:38:24).* Mr. Lamb introduced Lealand Miller and Roger Alfaro from Eide Bailly, who presented the external audit results. They reviewed the audit process and confirmed the audit went well, resulting in an unmodified (clean) opinion. They provided background on Eide Bailly and its approach and outlined audit responsibilities and highlighted key risk areas: management override of controls, contribution revenue and receivables, initial benefit payment calculations, valuation of alternative investments, and pension/OPEB liabilities and actuarial data. Following the presentation, Mr. Summers made a motion to approve the KRS external audit for the fiscal year ended June 30, 2025, as presented. Ms. Bova seconded the motion. The motion passed unanimously.

   Mr. Lamb noted that the letters are included in the presentation materials, and the related disclosures can be found in the ACFR. He further stated that these reports are published on the website once approved by the KRS and KPPA Boards. Ms. Bova made a motion to approve the GASB 67 and 74 reports, as presented. Mr. Summers V seconded the motion. The motion passed unanimously.

   Mr. Summers V made the motion to adopt the KRS ACFR as presented and to send it to KPPA for publication. Ms. Bova seconded the motion. The motion passed unanimously.

7. Ms. Hampton introduced agenda item ***GFOA ACFR Letter*** *(Video 00:38:24 to 00:41:30).* Ms. Davis reviewed the letter from the GFOA outlining their recommendations on the 2024 KRS ACFR for the fiscal year ended June 30, 2024. The GFOA provided four suggestions, which Ms. Davis discussed in detail. She noted that management agreed with these recommendations, and the suggested changes have been incorporated into the 2025 KRS ACFR.

8. Ms. Hampton introduced agenda item ***Quarterly Investment Office Report and Recommendation*** *(Video 00:41:30 to 00:49:15).* Before turning the floor over to

Mr. Willer, Mr. Lane reported that the Investment Committee met on November 20, 2025, and unanimously approved the retention of a new manager. Mr. Willer, Mr. Caldwell, and Mr. Blaiklock then provided details, noting that the recommendation is to replace Shenkman Capital with Oaktree Capital Management as the manager for the bank loan mandate, representing up to 25% of each portfolio's specialty credit target allocation, pending successful negotiation of the investment management agreement. This investment falls within the Specialty Credit asset allocation and will be distributed across all pension and insurance portfolios.

Mr. Lane made the motion to ratify the Investment Committee's recommendation to replace Shenkman Capital with Oaktree Capital Management as presented, subject to successful negotiations. Mr. Summers V seconded the motion. The motion passed unanimously.

9. Ms. Hampton introduced agenda item ***Quarterly Financial Statements*** *(Video 00:49:15 to 01:00:35).* Mr. Lamb reviewed the quarterly financial statements as of September 30, 2025, noting that the KRS total fiduciary net position stands at $10.3 billion, an increase of 13.47% ($1.2 billion) from the prior year. The three pension plans total $7.4 billion, up 16.18%, while the three insurance plans total $2.9 billion, up 7.18%. Investments at fair value rose by 15.09% ($1.3 billion), with the largest increase in public equities, which grew 18.46% ($587 million), followed by specialty credit and core fixed income. The Statement of Changes in Fiduciary Net Position showed a first-quarter increase of $466.6 million, which is 8.02% lower than the same quarter last year due primarily to lower net investment income ($39 million less) and higher benefit payments ($7.3 million more), partially offset by increased member and employer contributions. Total contributions for the quarter were $322.5 million, including $216.6 million in AALC, up $6.1 million from the prior year. Net investment income for the pension plans was $53.6 million, 27.9% higher than last year, while benefit payments totaled $322 million, up 2.02%. After accounting for investment income, the non-hazardous pension plan had a positive cash flow of $82.8 million, the hazardous plan was negative $2.8 million, and the SPRS plan was positive $1.8 million. Insurance plans showed negative cash flow overall after

investment income. Mr. Lamb concluded by reviewing additional reports, including Past Due Invoices, Penalty Invoices, Budget to Actual Summary Analysis, the hybrid percentage showing how the $11 million spent in the first quarter has been allocated to the five pension plans, and JP Morgan Chase Interest Earned.

Mr. Chilton commended Mr. Lamb and his team for their work on reformatting and revising procedures related to accounts receivable, noting his appreciation for the improved format and their initiative in enhancing the process.

10. Ms. Hampton introduced agenda item ***Hazardous Duty Requests*** *(Video 01:00:35 to 01:02:20).* Mr. Surratt reported on hazardous duty position requests. The Kentucky State Police submitted requests for the positions of Pilot and Helicopter Pilot, both effective January 1, 2026. The Kentucky Public Pensions Authority reviewed these requests and confirmed they meet statutory guidelines for hazardous coverage. Position questionnaires and job descriptions were provided for Board review. Mr. Adkins made the motion to approve the Hazardous Duty Coverage Requests as presented. Mr. Summers V seconded the motion. The motion passed unanimously.

11. Ms. Hampton introduced agenda item ***KRS Trustee Education Policy*** *(Video 01:02:20 to 01:14:40).* Mr. Board reviewed the proposed changes to the KRS Trustee Education Policy, explaining that the revisions aim to provide greater consistency, clarity, and ease of administration for the policy and the trustee education program. The primary change is shifting from an education year based on a trustee's swearing-in date to a calendar year, effective January 1, 2026. All trustees will now follow a calendar-year schedule, and each trustee must complete 12 hours of education annually, with a provision for prorating requirements for trustees appointed or elected midyear. Additional updates include expanding the list of qualifying educational activities to include state ethics code training, clarifying per diem payment procedures, and ensuring trustees receive back pay for any per diems withheld during periods of noncompliance. Mr. Board also addressed requested edits from Ms. Eaves, including clarifying back pay language, specifying the effective date in the definition section, defining attendance as in-person or virtual participation, and

changing terminology from "service credit" to "credit hours." Ms. Hampton asked if Board Smart courses are still available. Mr. Board noted that licenses are no longer active, and Ms. Surratt said they would explore this further. Ms. Bova confirmed that outside industry education can still count toward credit hours, and Mr. Board agreed. Mr. Adkins made the motion to approve the amendments to the KRS Trustee Education Policy as presented. Mr. Summers V seconded the motion. The motion passed unanimously.

12. Ms. Hampton introduced agenda item ***KRS CEO Update*** *(Video 01:14:00 to 01:16:04).* Mr. Chilton reported that since the last meeting, three committee meetings were held: Audit, PPW (building operations), and Investment. He continues to work with staff on the Securities Trading Policy, which will likely be presented at the next quarterly meeting. Additionally, Ms. Hampton, Mr. Lane, and Mr. Chilton met with CERS management to discuss coordination efforts; no conclusions were reached, and details will be reported later. Ms. Hampton noted that both boards agreed to draft areas of agreement and disagreement for further discussion.

13. Ms. Hampton introduced agenda item KPPA ***Executive Director Report*** *(Video 01:16:04 to 01:23:01)* Mr. Barrow provided six key updates. First, regarding administrative and staffing changes, Erin Surratt has been appointed KPPA Deputy Executive Director. She will oversee Communications, Procurement & Office Services, Enterprise and Technology Services, and the Administrative Hearings Branch, while continuing to manage the Office of Benefits during the transition. Mike Lamb, Chief Financial Officer, will now oversee Compliance, Employer Reporting, Compliance and Education (ERCE), and Accounting, and has moved to the Executive reporting level.

    Next, Mr. Barrow reported on strategic plan initiatives. The Strategic Planning Committee held its first meeting to prioritize initiatives for the April release cycle. Phone-based surveys are now fully implemented to improve outreach, the Leadership Academy remains on track for completion in December, IT Assessment activities will expand in January for a comprehensive review, the Paper Check Reduction Team is developing recommendations to reduce monthly check volume, and the Self-Service Mirroring Team

will launch in January to allow counselors to view the same screens as members.

Mr. Barrow also addressed trustee education and training, emphasizing that items requiring further discussion or additional training will be added to future board or committee agendas to ensure continued learning opportunities. He noted that he and Erin Surratt presented the Retiree Health Update to the Public Pension Oversight Board on September 23. Additionally, Mr. Barrow highlighted the success of the inaugural KPPA Trustee IMPACT Forum, which included participation from Sen. Jimmy Higdon and Rep. Walker Thomas, who spoke on the history of PPOB and its positive impact on retirement plan administration.

Mr. Barrow provided an update on the Louisville investment office. The Department of Housing, Buildings & Construction has approved renovation plans. After renovations and final inspection, the Director of Real Properties will sign the lease upon confirmation that all specifications are met, after which planning for the move-in phase will begin.

Finally, Mr. Barrow recognized achievements and events. He congratulated Mike Lamb's team for their contributions that helped Kentucky Retirement Systems and County Employees' Retirement System earn the 2025 Public Pension Standards Award for Funding and Administration, presented by the Public Pension Coordinating Council for meeting the highest professional standards in plan funding and administration. He also commended Liza Welch and her team for hosting KPPA's 12th Veterans Day Lunch on November 13 to honor coworkers and leaders who are veterans, an event that reflects the pride of the entire staff.

14. Ms. Hampton introduced agenda item ***New Business*** *(Video 01:23:01 to 01:23:04)*. There was no new business brought before the Board.

15. Ms. Hampton introduced agenda item ***Closed Session*** *(Video 01:23:04 to 01:24:15)* and requested a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(c). A motion was made by Mr. Peercy and seconded by Mr. Summers V. The motion passed unanimously.

Mr. Board read the following statement, and the meeting moved into 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. All other attendees exited the meeting.

Closed Session *(Video - Part 2 - 00:00:25 to 00:01:04)*

Ms. Hampton reconvened the meeting in open session and noted that no action had been taken by the Board during closed session.

There being no further business, Ms. Hampton ***adjourned*** the meeting.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on December 3, 2025, were approved on March 11, 2026.

C Lynn Hampton
Chair of the Board of Trustees

I have reviewed the Minutes of the December 3, 2025, Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services