

**MINUTES OF MEETING  
KENTUCKY RETIREMENT SYSTEMS  
INVESTMENT COMMITTEE MEETING  
FEBRUARY 14, 2023, 10:00 A.M., E.T.  
VIA LIVE VIDEO TELECONFERENCE**

At the February 14, 2023, meeting of the Kentucky Retirement Systems' (KRS) Investment Committee, the following Committee members were present: Prewitt Lane (Chair), John Cheshire, Ramsey Bova, and Pamela Thompson. Staff members present were David Eager, Erin Surratt, Michael Lamb, Victoria Hale, Steve Willer, Anthony Chiu, Joseph Gilbert, Jared Crawford, Brian Caldwell, Ashley Gabbard, Phillip Cook, Katie Park, and Sherry Rankin. Also in attendance were KRS Trustee Lynn Hampton, KRS CEO John Chilton, and CERS CEO Ed Owens, III. Others in attendance included David Lindberg, Chris Tessman, Craig Morton, and Marc Friedberg with Wilshire Advisors, LLC.

Mr. Lane called the meeting to order.

Ms. Hale read the Opening Statement.

Ms. Rankin called Roll.

There being no *Public Comment*, Mr. Lane introduced agenda item *Approval of Minutes – November 10, 2022, and December 20, 2022 (Video 00:8:38 to 00:09:40)*. Mr. Cheshire made a motion and was seconded by Ms. Bova approve the minutes as presented. The motion passed unanimously.

Mr. Lane introduced agenda item ***Quarterly Investment Budget*** (Video 00:09:41 to 00:13:18). Mr. Steve Willer presented the Quarterly Investment Budget for the six-month period ending December 31, 2022. He stated that this budget would continue to be presented quarterly.

Mr. Lane introduced agenda item ***Investment Review and Update*** (Video 00:13:19 to 00:35:54). Mr. Willer presented the Economic and Market Update, Performance and Asset Allocations, KERS Nonhazardous, KERS Hazardous, & SPRS Unit Holdings, Security Litigation Report, Capital Calls and Distributions, Internal Asset Holdings Report & Internal Asset Transaction Report, and Commissions Report.

Mr. Lane introduced agenda item ***Investment Compliance Report*** (Video 00:35:55 to 00:39:50). Mr. Willer reviewed the KRS Investment Policy Statement (IPS) and Compliance Review with the KRS Investment Committee. He reported that the Investment Policy Statement (IPS) and Compliance Review increases transparency and empowers the KPPA Office of Investments to focus on areas needing attention. Mr. Willer advised the Committee of a minor error in the presented report; however, it has no effect on the reported Compliance Status. He welcomed all and any feedback from Trustees.

Mr. Lane introduced agenda item ***Staffing Update and Other Planning Issues*** (Video 00:39:51 to 00:52:56). Mr. Eager stated that the Chief Investment Officer (CIO) reports to both the Investment Committees and the Executive Director. The CIO reports investment-related issues such as the hiring/firing of managers, investment policy and proxy statements etc. to the CERS and KRS Investment Committees. Operations issues such as staffing, and compensation are reported to the

Executive Director. Mr. Eager reported that historically the KPPA Office of Investments has struggled to recruit and retain staff due to 18A salary restrictions. In 2022, six positions received an exemption: Chief Executive Officer, Deputy Chief Executive Officer, and the Public Equity, Private Equity, Fixed Income, and Real Estate & Real Return Portfolio Managers. The Board of Trustees had previously approved salary ranges for these positions based on various compensation surveys within the industry. However, new data indicates that the current salaries are low. Mr. Eager consulted with the CERS and KRS Investment Committee Chairs and the Chairs of the Public Pension Oversight Board (PPOB) regarding his recommendation to increase compensation for the Chief Executive Officer, Deputy Chief Executive Officer, and the Public Equity Portfolio Manager positions. Personnel has been instructed to execute these personnel actions, said Mr. Eager. Mr. Willer and Mr. Gilbert discussed recent Investment Proxy Voting Policy efforts within the KPPA Office of Investments.

There being no further business, Mr. Cheshire made a motion and was seconded by Ms. Bova to *adjourn* the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the minutes of the Kentucky Retirement Systems Investment Committee meeting held February 14, 2023.

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## CERTIFICATION

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, as Chair of the Kentucky Retirement Systems Investment Committee, do certify that the Minutes of the meeting held on February 14, 2023, were approved by the Kentucky Retirement Systems Investment Committee on May 15, 2023.

  
Committed Chair

I have reviewed the Minutes of the Kentucky Retirement Systems Investment Committee Meeting on February 14, 2023, for form, content, and legality.

  
Office of Legal Services