

TEACHERS' RETIREMENT SYSTEM OF KENTUCKY  
SPECIAL MEETING OF THE INVESTMENT COMMITTEE  
AUGUST 25, 2016

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Ron Sanders called the TRS Investment Committee to order at 9 a.m., Thursday, August 25, 2016, in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Ron Sanders, Chair  
Arthur Green, Vice Chair  
Hollis Gritton  
Joseph Morgan  
Alison Wright  
Bevis Longstreth (non-voting member)  
George Philip (non-voting member)

Others present:

Gary L. Harbin, Teachers' Retirement System of Kentucky  
Robert Barnes, Teachers' Retirement System of Kentucky  
Eric Wampler, Teachers' Retirement System of Kentucky  
Greg Hall, Teachers' Retirement System of Kentucky  
Tom Siderewicz, Teachers' Retirement System of Kentucky  
Karen Ashby, Teachers' Retirement System of Kentucky  
John Browning, Teachers' Retirement System of Kentucky  
Norman Combest, Kentucky Teachers' Retirement System  
Mike Nohalty, Teachers' Retirement System of Kentucky  
Lindsey Davis, Teachers' Retirement System of Kentucky  
Felicia Penn, Teachers' Retirement System of Kentucky  
P. J. Kelly, Aon Hewitt  
Bo Cracraft, Legislative Research Commission  
Mac Jefferson, Public Pension Oversight Board  
Natalie Kolbe, Actis  
Adiba Ighodaro, Actis  
Patricia Grad, Actis  
Susan Marshall, Barings  
Susan O'Brien, Barings

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on May 24, 2016.

Committee Action: Upon motion duly made by Mr. Gritton, and seconded by Ms. Wright, the minutes of meeting held on May 24, 2016 were unanimously approved.

## 2. Reports by TRS Staff

2.1. CIO Observations and Comments: Mr. Siderewicz reported to the Committee the information on the Quarterly Investment Update for the quarter ending June 30, 2016. Mr. Siderewicz's report was informational and the Committee took no action.

2.2. Quarterly Report on Securities Litigation: Mr. Wampler presented the Securities Litigation Report detailing information on securities litigation activities during the quarter ending June 30, 2016. Mr. Wampler's report was informational and the Committee took no action.

2.3. Report on Alternative Investments: Ms. Ashby reported to the Committee on the TRS Private Equity Portfolio for the quarter ending June 30, 2016. Ms. Ashby's report was informational and the Committee took no action.

2.4. Infrastructure Fund Discussion: Ms. Ashby presented a report to the Investment Committee describing the Industry Funds Management Global Infrastructure Fund.

Committee Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Green, the Committee unanimously approved staff's recommendation of an additional \$25 million commitment from the Retirement Annuity Trust Fund to the Industry Funds Management Global Infrastructure Fund subject to completion of all due diligence and legal review.

2.5. Money Market Fund Discussion: Mr. Combest reported to the Investment Committee concerning changes proposed by the Securities and Exchange Commission affecting the Money Market Fund (MMF) industry.

Committee Action: Upon motion duly made by Mr. Gritton, and seconded by Mr. Green, the Committee unanimously approved staff's recommendation to move from the Dreyfus Institutional Cash Advantage fund to the Dreyfus Government Cash Management fund to alleviate the proposed changes to be effective October 14, 2016.

2.6. Securities Lending Discussion: Mr. Siderewicz presented a report detailing the expansion of the TRS Securities Lending Program with Bank of New York Mellon.

Committee Action: Upon motion duly made by Mr. Green, and seconded by Mr. Gritton, the Committee unanimously approved staff's recommended changes to the Securities Lending Program with the Bank of New York Mellon.

2.7. Consultant Update on Private Equity Portfolio Review: Mr. Kelly presented a status report on the private equity portfolio review by AON Consulting. Mr. Kelly's report was informational and the Committee took no action.

2.8. Report on Internally Managed Portfolios: Mr. Siderewicz presented the report on internally managed portfolios for the quarter ending June 30, 2016. The report was informational and the Committee took no action.

The Committee recessed at 10:34 a.m. and resumed its meeting at 10:51 a.m.

### 3. Quarterly Reports by Managers

3.1. Actis: Representatives from Actis presented a report on the TRS funds managed by the firm. The report was informational and the Committee took no action.

The Committee recessed for lunch at 11:49 a.m. and resumed its meeting at 1:25 p.m.

3.2. Barings: Representatives from Barings presented a report on the TRS funds managed by the firm. The report was informational and the Committee took no action.

Adjournment: There being no further business to come before the Committee, and upon motion duly made by Mr. Green, and seconded by Mr. Gritton, Chair Sanders declared the meeting adjourned at 2:23 p.m.

### CERTIFICATIONS

We, the Chair of the Investment Committee and the Executive Secretary of the Board of Trustees of the Teachers' Retirement System of Kentucky, do certify that the Minutes of Meeting were approved by the Investment Committee on November 10, 2016.

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Ronald Sanders, Chair

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Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content, and legality.

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Robert B. Barnes, Deputy Executive Secretary  
and General Counsel

I, Felicia Penn, do certify that I was present at the meeting and duly recorded the actions of the Investment Committee of the Board of Trustees of the Teachers' Retirement System of Kentucky at its meeting on August 25, 2016.

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Felicia Penn, Recording Secretary