

TEACHERS' RETIREMENT SYSTEM OF KENTUCKY  
SPECIAL MEETING OF THE INVESTMENT COMMITTEE  
NOVEMBER 10, 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, November 10, 2016, in the Board Room of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Ron Sanders, Chair  
Hollis Gritton  
Joseph Morgan  
Alison Wright  
Bevis Longstreth (non-voting member via telephone)  
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, Teachers' Retirement System of Kentucky  
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  
Thomas Wyss, AON Hewitt  
Bo Cracraft, Legislative Research Commission  
Julie Rancourt, Wellington Asset Management  
Mammen Chally, Wellington Asset Management  
Kevin Boreen, Wellington Asset Management  
Dawn Henry, State Street Global Advisors  
Kevin Smith, State Street Global Advisors  
Mary Green, State Street Global Advisors

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on August 25, 2016.

Committee Action: Upon motion duly made by Dr. Morgan, and seconded by Ms. Wright, the minutes of meeting held on August 25, 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 September 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 September 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 September 30, 2016. Ms. Ashby's report was informational and the Committee took no action.

2.4. Private Equity Fund Discussion: Ms. Ashby presented a report to the Investment Committee describing the Landmark Equity Partners XVI, L.P. Fund.

Committee Action: Upon motion duly made by Mr. Gritton, and seconded by Dr. Morgan, the Committee unanimously approved staff's recommendation of a \$50 million commitment from the Retirement Annuity Trust Fund and a \$10 million commitment from the Medical Insurance Trust Fund to the Landmark Equity Partners XVI, L.P. Fund subject to completion of all due diligence and legal review.

2.5. Private Equity Portfolio Review: Mr. Kelly and Mr. Wyss reported on the Private Equity Portfolio Review conducted by AON Hewitt. The report was informational and the Committee took no action.

The Committee recessed at 10:25 a.m. and resumed its meeting at 10:39 a.m.

2.6. Real Estate Fund Discussion: Mr. Nohalty presented a report detailing the Landmark Real Estate Partners VIII, L.P. Fund.

Committee Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Gritton, the Committee unanimously approved staff's recommendation of a \$50 million commitment from the Retirement Annuity Trust Fund and a commitment up to \$10 million from the Medical Insurance Trust Fund to the Landmark Real Estate Partners VIII, L.P. Fund.

2.7. Public Equity Strategy Discussion: Mr. Siderewicz presented a report to the Investment Committee describing the Fort Washington Focused Equity.

Committee Action: Upon motion duly made by Dr. Morgan, and seconded by Mr. Gritton, the Committee unanimously approved staff's recommendation of a \$200 million commitment from

the Retirement Annuity Trust Fund and a \$30 million commitment from the Medical Insurance Trust Fund to the Fort Washington Focused Equity.

2.8. Report on Brokers: Mr. Nohalty and Mr. Combest presented reports describing TRS equity commissions and bond trading costs for fiscal year ending 2016. The reports were informational and the Committee took no action.

2.9. Securities Lending Report: Mr. Siderewicz reported to the Committee on TRS's securities lending performance for the period up to September 30, 2016. Mr. Siderewicz's report was informational and the Committee took no action.

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

### 3. Quarterly Reports by Managers

3.1. Wellington Asset Management: Representatives from Wellington Asset Management 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 12:13 p.m. and resumed its meeting at 1 p.m.

3.2. State Street Global Advisors: Representatives from State Street Global Advisors 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 Dr. Morgan, and seconded by Ms. Wright, Chair Sanders declared the meeting adjourned at 1:57 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 February 23, 2017.

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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 November 10, 2016.

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Felicia Penn, Recording Secretary