

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
MEETING OF THE INVESTMENT COMMITTEE
AUGUST 24, 2017

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 24, 2017, in the Boardroom of the Teachers' Retirement System Office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Ron Sanders, Chair
Hollis Gritton, Vice Chair
John Boardman
Frank Collecchia
Joshua Underwood
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, Teachers' Retirement System of Kentucky
Kenny Domilise, Teachers' Retirement System of Kentucky
Mike Nohalty, Teachers' Retirement System of Kentucky
Mark Whelan, Teachers' Retirement System of Kentucky
Felicia Penn, Teachers' Retirement System of Kentucky
P. J. Kelly, Aon Hewitt
Ed Koebel, Cavanaugh Macdonald Consulting
Bo Cracraft, Legislative Research Commission
Jonathan Eakin, Legislative Research Commission
Anne Holloran, Columbia Threadneedle Investments
Jennifer Ponce de Leon, Columbia Threadneedle Investments
Steve Baker, Fort Washington Investment Advisors
Margaret Bell, Fort Washington Investment Advisors
Marty Flesher, Fort Washington Investment Advisors
Julia Ossipov-Grodsky, Fort Washington Investment Advisors
James Wilhelm, Fort Washington Investment Advisors

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on May 16, 2017.

Committee Action: Upon motion duly made by Mr. Gritton, and seconded by Ms. Wright, the minutes of meeting held on May 16, 2017 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, 2017. Mr. Siderewicz's report was informational, and the committee took no action.

2.2. Quarterly Report on Securities Litigation: Mr. Barnes presented the Securities Litigation Report detailing information on securities litigation activities during the quarter ending June 30, 2017. Mr. Barnes' 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, 2017. 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 Carlyle Asia Partners V LP Fund.

Committee Action: Upon motion duly made by Mr. Collecchia, and seconded by Mr. Boardman, 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 Carlyle Asia Partners V LP Fund subject to completion of all due diligence and legal review.

2.5. Asset Liability Study Discussion: Mr. Kelly reported to the committee information regarding an asset/liability modeling study for the pension and medical plans. Mr. Kelly's report was informational, and the committee took no action.

2.6. Economic Assumptions Discussion: Mr. Koebel reported to the committee information regarding economic assumptions. Mr. Koebel's report was informational, and the committee took no action.

2.7. Report on Internally Managed Portfolios: Mr. Siderewicz presented the report on internally managed portfolios for the quarter ending June 30, 2017. The report was informational, and the committee took no action.

The committee recessed for lunch at 11:48 a.m. and resumed its meeting at 12:50 p.m.

3. Quarterly Reports by Managers

3.1. Columbia Threadneedle: Representatives from Columbia Threadneedle presented a report on the TRS funds managed by the firm. The report was informational, and the committee took no action.

3.2. Fort Washington Private Equity: Representatives from Fort Washington Investment Advisors presented a report on the TRS funds managed by the firm. The report was informational, and the committee took no action.

3.3. Fort Washington Focused Equity: Representatives from Fort Washington Investment 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 Ms. Wright, and seconded by Mr. Underwood, Chair Sanders declared the meeting adjourned at 2:32 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 the State of Kentucky, do certify that the Minutes of Meeting were approved by the Investment Committee on November 9, 2017.

Ronald Sanders, Chair

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.

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 24, 2017.

Felicia Penn, Recording Secretary