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April 27, 2012

Board of Trustees
Kentucky Teachers' Retirement System
479 Versailles Road
Frankfort, Kentucky 40601

Re: **Investment Consulting Services Agreement**

Dear Trustees:

This retainer letter ("Agreement") describes the agreement between Segal Advisors, Inc. ("Segal Advisors") (dba as Segal Rogerscasey ("SRC")) and the *Kentucky Teachers' Retirement System* ("KTRS") regarding the provision by SRC of investment consulting services to the Fund, subject to the terms and conditions set forth herein, including the fee for such services and other related matters.

Term

The term of this Agreement shall be from *April 1, 2012* through *March 31, 2014*. The Agreement will be automatically renewed at the expiration of any term unless either party provides to the other party thirty-(30) days written notice of its intent to not renew the Agreement. SRC reserves the right to request a fee increase at any time.

Services To Be Provided To The Fund

Scope of Services

SRC will provide the services to the Fund as set forth in Schedule 1.1 attached hereto (the "Services").

Fees

The fee for the above services will be **\$45,000** per year to be billed on a monthly basis payable in arrears. All invoices for fees shall be payable within thirty (30) days of receipt.

Fund Information

The Fund agrees and understands that in providing its services under the Agreement, SRC will rely on the information provided by the Fund. SRC shall not be required to verify or audit any information so obtained and shall not do so, unless it has agreed to do so under a supplementary written agreement.

SRCs' Responsibility and Liability

SRCs' advice to The Fund pursuant to this Agreement is limited to providing data and reports. The Fund retains absolute discretion over, and responsibility for, deciding what, if any, action to take with respect to this information.

SRC shall have only those responsibilities set forth in this Agreement and shall have no responsibility to manage the Fund's assets or exercise any investment discretion with respect to the Fund's assets. In addition, SRC and its employees shall not be responsible for rendering any legal advice to the Fund or prepare for the Fund any legal, accounting or actuarial document.

SRC will act in accordance with the highest standards of the investment consulting industry. SRC represents that it is qualified to perform all of the services covered by this Agreement. In the event that Segal Advisors determines that it does not have the qualifications to perform any of the services required under this Agreement (for example with a particular class of investments), SRC shall notify the Fund and, upon request, assist the Fund in identifying a qualified service provider.

Termination of Agreement

This Agreement may be terminated at will upon thirty (30) days written notice by either party to the other and termination will become effective upon receipt of such notice. The Fund should send such notice of termination to:

Segal Rogerscasey
333 West 34th Street
New York, New York 10001
Attn: Senior Vice President/Manager

Copy to:

Segal Rogerscasey
333 West 34th Street
New York, New York 10001
Attention: General Counsel

Upon termination of this Agreement, any fees paid in advance will be prorated and the Fund will be entitled to a refund from the date of termination through the end of the billing period. To the extent that there are amounts owed by the Fund to SRC upon the date of termination of the Agreement, Fund agrees to immediately pay such amounts to SRC without further notice or demand therefore. Anything herein to the contrary notwithstanding, the Fund shall have the right to terminate this Agreement, without penalty, within five (5) business days of the date of execution of this Agreement by the Fund and to receive a full refund of any amounts prepaid to SRC.

General

(a) Modification of Agreement

This agreement constitutes the entire contract between the parties regarding the furnishing of investment consulting services by SRC and no modification or amendment hereto shall be valid unless it is in writing and signed by the parties.

(b) Assignment of the Agreement

SRC shall make no assignment of this Agreement without the prior written consent of the Fund.

(c) Registration

Segal Advisors, Inc. is registered with the Securities and Exchange Commission ("SEC") and files a disclosure statement (Form ADV) with the SEC. The Fund acknowledges that not less than forty-eight (48) hours prior to entering into this Agreement it has received copies of Form ADV Brochure for Segal Advisors, as amended to date, or a separate brochure which Segal Advisors represents contains the same information as is. Otherwise, should the Fund receive the Form ADV Brochure upon execution of this Agreement, the Fund has five (5) days to cancel this Agreement.

(d) Conflicts of Interest/Code of Ethics

SRC has provided the Fund with a written disclosure about its potential conflicts of interest, which includes information about any material financial, referral or other relationships or arrangements (including any such relationship or arrangement with investment managers or other service providers to the Fund) that create or may create a conflict of interest for SRC and also describes the policies and procedures that SRC has in place to address these potential conflicts of interest. The Fund acknowledges that it has received and reviewed a copy of this written disclosure before entering this Agreement. If during the term of this Agreement SRC selects or recommends any investment manager or other service provider for the Fund where there exists a compensation or business relationship or arrangement between such investment manager or service provider and SRC, SRC will disclose such relationship and any conflicts that may be created. In any situation in which the interests of the Fund may be in material conflict with the interests of SRC or with those of other clients of SRC, SRC will immediately inform the Fund of these conflicts.

SRC has adopted a written code of ethics and other policies and procedures designed to avoid violations of the Advisers Act. A copy of these policies will be provided to the Fund upon request.

(e) Governing Law; Waiver of Jury Trial

Except to the extent superseded by federal law, (i) any disputes between the parties hereto are subject to mediation in accordance with the Judicial Arbitration and Mediation Service ("JAMS") as a condition precedent to the commencement of any legal proceeding hereunder, (ii) the validity, interpretation, enforceability, and performance of this Agreement will be governed

by the laws of the State of New York and (iii) the parties agree to waive any right to a trial by jury in any action, suit, or proceeding arising out of this Agreement. Unless otherwise agreed by the parties, any dispute, controversy or claim arising out of or to enforce the terms of this Agreement may be brought in the appropriate federal or state court in the State of New York.

(f) Notice

Any notice to be given pursuant to this Agreement shall be sent on behalf of SRC to:

Mr. Paul Yancey
Chief Investment Officer Kentucky Teachers Retirement System
479 Versailles Road
Frankfort, KY 40601

On behalf of the Fund to:

Segal Rogerscasey
30 West Monroe Street, Suite 910 Chicago, IL 60603
Attn: Dave O'Donovan, Senior Vice President

Copy to:

Segal Rogerscasey
333 West 34th Street
New York, New York 10001
Attention: General Counsel

(g) Severability and Waiver

If any provision of this Agreement is found to be illegal or otherwise unenforceable, that provision shall be severed and the remainder of this Agreement will remain in full force and effect. The waiver of any right or election of any remedy in one instance does not affect any rights or remedies in other instances. A waiver is effective only if stated in writing and signed by an authorized representative of both parties.

If this Agreement reflects our mutual understanding, please return one original signed by an authorized signatory or signatories, as indicated in the space provided below.

We look forward to assisting you in the future development of your investment program.

Sincerely,

Segal Advisors, Inc.


Senior Vice President

ACCEPTED AND AGREED TO ON BEHALF OF
Kentucky Teachers' Retirement System

By: _____



Date: _____

4-30-12

By: _____

Date: _____

SCHEDULE 1.1

Services

Quarterly Performance Evaluation

- Independent calculation of total plan performance, including each account within the plan.
- Customized performance report including, at a minimum,
 - Asset allocation target vs. actual
 - Comparison against peer group, as appropriate, for total plan and individual accounts
 - Total plan vs. custom index
 - Domestic equity composite
 - Fixed income composite
 - Domestic equity accounts:
 - Holdings based portfolio characteristics overview
 - Holdings based performance attribution
- Ad hoc questions and projects, as mutually agreed upon
- Segal Rogerscasey's monthly market highlights publication
- Invitation to Segal Rogerscasey client Research Summit, as occurs