

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
MEETING OF THE INVESTMENT COMMITTEE
August 23, 2018

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 23, 2018, 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
Lynn Patterson
Josh Underwood
Alison Wright
Bevis Longstreth (non-voting)
George Philip (non-voting)

Others present:

Gary L. Harbin, Teachers' Retirement System
Robert Barnes, Teachers' Retirement System
Eric Wampler, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Tom Siderewicz, Teachers' Retirement System
Karen Ashby, Teachers' Retirement System
John Browning, Teachers' Retirement System
Norman Combest, Teachers' Retirement System
Lindsey Davis, Teachers' Retirement System
Kenny Domilise, Teachers' Retirement System
Rahim Jadoon, Teachers' Retirement System
Mike Nohalty, Teachers' Retirement System
Felicia Penn, Teachers' Retirement System
P. J. Kelly, Aon Hewitt Investment Consulting
Mark Van Holland, Columbia Threadneedle (by phone)
Chris Jorel, Columbia Threadneedle
Ann Holloran, Columbia Threadneedle
Mammen Chally, Wellington Asset Management
Susan Pozer, Wellington Asset Management

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on May 24, 2018.

Committee Action: Upon motion duly made by Mr. Gritton and seconded by Ms. Wright, the minutes of meeting held on May 24, 2018, were approved unanimously.

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 ended June 30, 2018. 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 ended June 30, 2018. 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 ended June 30, 2018. Ms. Ashby's report was informational, and the committee took no action.

2.4. Private Equity Manager Discussion – Mid Market: Ms. Ashby reported to the committee on the Audax Private Equity Fund VI LP.

Committee Action: Upon motion duly made by Mr. Collecchia and seconded by Mr. Boardman, the committee unanimously approved staff's recommendation of up to \$50 million from the TRS pension fund, up to \$5 million from the TRS medical trust and up to \$500,000 from the life insurance fund into the Audax Private Equity Fund VI LP.

2.5. Real Estate Manager Discussion - European: Ms. Ashby reported to the committee on the KKR European Fund V LP.

Committee Action: Upon motion duly made by Mr. Boardman and seconded by Mr. Gritton, the committee unanimously approved staff's recommendation of a commitment of up to \$50 million from the TRS pension fund, up to \$5 million from the TRS medical trust and up to \$500,000 from the life insurance fund into KKR European Fund V LP.

2.6. Private Equity Manager Discussion – Large: Ms. Ashby reported to the committee on the Hellman and Friedman Capital Partners IX fund.

Committee Action: Upon motion duly made by Ms. Wright and seconded by Mr. Underwood, the committee unanimously approved staff's recommendation of a commitment of up to \$50 million from the TRS pension fund, up to \$10 million from the TRS medical trust and up to \$1 million from the life insurance fund into the Hellman and Friedman Capital Partners IX fund.

2.7. Discussion on Pharmaceutical Investments: Mr. Harbin reported to the committee on a letter from the Kentucky attorney general concerning TRS investments in pharmaceutical companies. Mr. Harbin's report was informational, and the committee took no action.

2.8. Report on Internally Managed Portfolios: Mr. Siderewicz reported to the committee on the TRS internally managed portfolios for the quarter ended June 30, 2018. The report was informational, and the committee took no action.

2.9. Timber Intern Presentation: Lena Caisley, a University of Kentucky student majoring in forestry, reported on her internship spent with Molpus Timberlands during the summer. The report was informational, and the committee took no action.

The committee recessed for lunch at 11:25 a.m. and resumed its meeting at 12:10 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. 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.

Adjournment: There being no further business to come before the committee, and upon motion duly made by Mr. Gritton and seconded by Mr. Boardman, the committee adjourned at 1:17 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 27, 2018.

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 23, 2018.

Felicia Penn, Recording Secretary