

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
MEETING OF THE INVESTMENT COMMITTEE  
AUGUST 22, 2019

Minutes of Meeting:

After giving proper notice of a quarterly meeting, and a quorum being present, Chair Hollis Gritton called the TRS Investment Committee to order at 9 a.m., Thursday, August 22, 2019, in the boardroom of the Teachers' Retirement System office, 479 Versailles Road, Frankfort, Kentucky.

Members present:

Hollis Gritton, Chair  
Brenda McGown, Vice Chair  
William Alverson  
John Boardman  
Frank Collecchia  
Josh Underwood  
Lynn Patterson, alternate  
Bevis Longstreth (non-voting)  
George Philip (non-voting)

Others present:

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  
Mike Nohalty, Teachers' Retirement System  
Rahim Jadoon, Teachers' Retirement System  
Paul Keaton, Teachers' Retirement System  
Brad Cook, Teachers' Retirement System  
Felicia Penn, Teachers' Retirement System  
P. J. Kelly, Aon Hewitt Investment Consulting  
Jeff Stringer, University of Kentucky  
Laura Lhotka, University of Kentucky  
Mammen Chally, Wellington Asset Management  
Kevin Bureen, Wellington Asset Management  
Susan Pozer, Wellington Asset Management  
Ann Hollaran, Columbia Threadneedle Investments  
Mark Van Holland, Columbia Threadneedle Investments

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on May 23, 2019.

Committee Action: Upon motion duly made by Ms. McGown and seconded by Mr. Boardman, the minutes of meeting held on May 23, 2019, 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, 2019. 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, 2019. 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, 2019. Ms. Ashby's report was informational, and the committee took no action.

2.4. High Yield Manager Discussion: Mr. Combest reported to the committee on the Lord Abbett High Yield fund.

Committee Action: Upon motion duly made by Dr. Patterson and seconded by Mr. Boardman, the committee unanimously approved staff's recommendation of up to \$100 million from the TRS Retirement Annuity Trust, with future potential investments of up to \$40 million from the Health Insurance Trust and up to \$1 million from the Life Insurance Trust to the Lord Abbett High Yield fund.

2.5. Internal Fixed Income Mandate Discussion: Mr. Siderewicz reported to the committee on the creation of a TRS Internal High Yield Fund.

Committee Action: Upon motion duly made by Mr. Collecchia and seconded by Dr. Patterson, the committee unanimously approved staff's recommendation of the creation of a TRS Internal High Yield Fund with a commitment of \$100 million from the TRS Retirement Annuity Trust, \$5 million from the Health Insurance Trust and \$1 million from the Life Insurance Trust.

2.6. Timber Internship Program Discussion: Staff from the University of Kentucky Department of Forestry reported to the committee on the internship program. The report was informational, and the committee took no action.

2.7. Report on Internally Managed Portfolios: Mr. Siderewicz reported to the committee on the TRS internally managed portfolios for the quarter ended June 30, 2019. The report was informational, and the committee took no action.

The committee recessed for lunch at 12:15 p.m. and resumed its meeting at 1 p.m.

## 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.

3.2. Columbia Threadneedle Investments: A representative from Columbia Threadneedle Investments 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. Patterson and seconded by Mr. Collecchia, the committee adjourned at 1:35 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 21, 2019.

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Hollis Gritton, 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 22, 2019.

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Felicia Penn, Recording Secretary