

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
MEETING OF THE INVESTMENT COMMITTEE  
November 21, 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, November 21, 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  
Lynn Patterson  
Josh Underwood  
Alison Wright  
Bevis Longstreth (non-voting)  
George Philip (non-voting) via telephone

Others present:

Gary L. Harbin, Teachers' Retirement System  
Robert Barnes, Teachers' Retirement System  
Eric Wampler, Teachers' Retirement System  
Mark Whelan, 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  
Brad Cook, Teachers' Retirement System  
Felicia Penn, Teachers' Retirement System  
P. J. Kelly, Aon Hewitt Investment Consulting  
Tim Campbell, Baillie Gifford and Co.  
Dave Salter, Baillie Gifford and Co.  
Tom Slater, Baillie Gifford and Co.  
Mary Guy, State Street Global Advisors  
Tom Kronzer, State Street Global Advisors  
Bill Sandow, State Street Global Advisors

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on August 22, 2019.

Committee Action: Upon motion duly made by Dr. Patterson and seconded by Ms. McGown, the minutes of meeting held on August 22, 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 September 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 September 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 September 30, 2019. Ms. Ashby's report was informational, and the committee took no action.

2.4. Private Equity Manager Discussion – Mezzanine: Ms. Ashby reported to the committee on the Audax Mezzanine Fund V and the Audax Private Debt Strategic Equity Fund. Staff recommended investments of up to \$50 million from the TRS Retirement Annuity Trust, up to \$5 million from the TRS Health Insurance Trust and up to \$500,000 from the Life Insurance Trust in the Audax Mezzanine Fund V; and a commitment of up to \$25 million from the TRS Retirement Annuity Trust in the Audax Private Debt Strategic Equity Fund.

Committee Action: Upon motion duly made by Ms. Wright and seconded by Mr. Underwood, the committee unanimously approved staff's recommendations for investments in Audax Mezzanine Fund V and in the Audax Private Debt Strategic Equity Fund.

2.5. Private Equity Manager Discussion – Secondary: Ms. Ashby reported to the committee on the AlpInvest Secondaries Fund VII.

Committee Action: Upon motion duly made by Dr. Patterson and seconded by Ms. McGown, the committee unanimously approved staff's recommendation of a commitment of up to \$50 million from the TRS Retirement Annuity Trust, up to \$10 million from the TRS Health Insurance Trust and up to \$500,000 from the Life Insurance Trust to the AlpInvest Secondaries Fund VII.

2.6. Private Equity Manager Discussion - European: Ms. Ashby reported to the committee on the Oaktree European Fund V.

Committee Action: Upon motion duly made by Mr. Boardman and seconded by Mr. Collecchia, the committee unanimously approved staff's recommendation of a commitment of up to \$50 million from the TRS Retirement Annuity Trust, up to \$5 million from the TRS Health Insurance Trust and up to \$500,000 from the TRS Life Insurance Trust into the Oaktree European Fund V.

2.7. Emerging Markets Manager Discussion: Mr. Siderewicz reported to the committee on the Baillie Gifford Emerging Markets All Cap.

Committee Action: Upon motion duly made by Mr. Boardman and seconded by Dr. Patterson, the committee unanimously approved staff's recommendation of a commitment of up to \$100 million from the TRS Retirement Annuity Trust, up to \$5 million from the Health Insurance Trust and up to \$1 million from the Life Insurance Trust to Baillie Gifford Emerging Markets All Cap.

2.8. U. S. Equity Manager Discussion: Mr. Siderewicz reported to the committee on the Baillie Gifford U. S. Equity Growth Strategy.

Committee Action: Upon motion duly made by Mr. Alverson and seconded by Mr. Boardman, the committee unanimously approved staff's recommendation of a commitment of up to \$300 million from the TRS Retirement Annuity Trust, up to \$50 million from the TRS Health Insurance Trust and up to \$4 million from the TRS Life Insurance Trust to Baillie Gifford U. S. Equity Growth Strategy.

2.9. Securities Lending Review: Mr. Siderewicz reported to the committee on the TRS securities lending program. The report was informational, and the committee took no action.

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

The committee recessed for lunch at 11:57 a.m. and resumed its meeting at 12:50 p.m.

### 3. Quarterly Reports by Managers

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

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 Ms. McGown and seconded by Ms. Wright, the committee adjourned at 1:38 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 February 20, 2020.

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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 the State of Kentucky at its meeting on November 21, 2019.

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Felicia Penn, Recording Secretary