

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
MEETING OF THE INVESTMENT COMMITTEE  
May 25, 2023

Minutes of Meeting:

After giving proper notice of a quarterly meeting, and a quorum being present, Chair Hollis Gritton called the Investment Committee to order at 9 a.m., Thursday, May 25, 2023. The meeting was conducted in the Teachers' Retirement System boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Hollis Gritton, Chair  
Brenda McGown, Vice Chair  
William Alverson  
Laura Schneider  
Josh Underwood  
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  
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  
Fei Ma, Teachers' Retirement System  
Mike Nohalty, Teachers' Retirement System  
Margaret Hockensmith, Teachers' Retirement System  
Greg Hall, Teachers' Retirement System  
P.J. Kelly, Aon Investments USA  
Brandon Kanz, Galliard Capital Management  
Steve Moen, Galliard Capital Management  
Pete Schmit, Galliard Capital Management

1. Consideration/Approval of Minutes: The Investment Committee considered the minutes of the previous meeting held on February 23, 2023.

Committee Action: Upon motion duly made by Mr. Alverson and seconded by Ms. McGown, the committee unanimously approved the minutes of meeting held on February 23, 2023.

## 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 March 31, 2023. The report was informational, and the committee took no action.

2.2. Quarterly Report on Securities Litigation: Mr. Wampler presented the Quarterly Securities Litigation Report detailing securities litigation activities during the quarter ended March 31, 2023. The report was informational, and the committee took no action.

2.3 Report on Alternative Investments: Ms. Ashby reported to the committee on the private equity portfolio for the quarter ended March 31, 2023. The report was informational, and the committee took no action.

2.4. Private Equity Discussion – Secondary Fund: Ms. Ashby reported to the committee on AlpInvest Secondary VIII.

Committee Action: Upon motion duly made by Mr. Alverson and seconded by Ms. McGown, the committee unanimously approved staff's recommendation for an investment in AlpInvest Secondary VIII of \$50 million from the Retirement Annuity Trust, \$10 million from the Health Insurance Trust and \$500,000 from the Life Insurance Trust.

2.5. Real Estate Discussion-Net Lease Realty Fund V: Mr. Nohalty reported to the committee on Angelo Gordon (AG) Net Lease Realty V.

Committee Action: Upon motion duly made by Mr. Alverson and seconded by Ms. McGown, the committee unanimously approved staff's recommendation for an investment in AG Net Lease Realty V of \$50 million from the Retirement Annuity Trust, \$10 million from the Health Insurance Trust and \$500,000 from the Life Insurance Trust.

2.6. Investment Contracts Discussion: Mr. Harbin reported to the committee on discussions with investment managers regarding contract renewals for fiscal 2024. He recommended that the investment manager contracts for fiscal 2024 be renewed under the same terms and conditions for Baillie Gifford, Fort Washington, Galliard, State Street, Todd, UBS and Wellington. Mr. Harbin also recommended continuing the contracts of Baillie Gifford International, Baring International, BlackRock MSCI ACWI ex-U.S., Columbia Threadneedle, Deerpath Direct Lending, Lord Abbett, Marathon Credit, Prudential PRISA and Schenkman.

For fiscal 2024, Mr. Harbin also recommended contracting with Aon Investments USA, Seyfarth Shaw and Reinhart Boerner Van Deuren as reported.

Committee Action: Upon motion duly made by Mr. Alverson and seconded by Ms. McGown, the committee unanimously approved the executive secretary's recommendations regarding investment manager and investment service provider contracts as reported.

2.7. Request for Proposals Discussion: Mr. Wampler reported to the committee on House Bill 235 (2023 RS). As a result, TRS published a request for proposals (RFP) for proxy adviser and voting services. Two firms submitted proposals, and the RFP review committee recommended contracting with Egan-Jones.

Committee Action: Upon motion duly made by Mr. Underwood and seconded by Ms. McGown, the committee unanimously approved the RFP review committee's recommendation to contract with Egan-Jones.

2.8. Asset Allocation Targets and Ranges Discussion: Mr. Siderewicz presented reports detailing staff's recommendation on proposed fiscal 2024 asset allocation ranges and targets for the Retirement Annuity Trust, the Health Insurance Trust and the Life Insurance Trust. The presentation included memorandums from Aon Investments USA concurring with all staff recommendations.

Committee Action: Upon motion duly made by Ms. McGown and seconded by Mr. Underwood, the committee unanimously approved staff's recommendation on proposed fiscal 2024 asset allocation ranges and targets for the Retirement Annuity Trust, Health Insurance Trust and Life Insurance Trust.

2.9. Report on Internally Managed Portfolios: Mr. Siderewicz reported to the committee on the internally managed portfolios for the quarter ended March 31, 2023. The report was informational, and the committee took no action.

### 3. Quarterly Reports by Managers

3.1. Galliard Capital Management: Galliard Capital Management representatives reported on the TRS funds managed by the firm. The report was informational, and the committee took no action.

Adjournment: There being no further business for the committee, and upon motion duly made by Mr. Underwood and seconded by Mr. Alverson, the committee adjourned at 10:51 a.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 August 24, 2023.

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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, Margaret Hockensmith, 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 May 25, 2023.

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Margaret Hockensmith, Recording Secretary