

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
MEETING OF THE INVESTMENT COMMITTEE
May 23, 2024

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 23, 2024. 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
Paul Bruce
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
Tom Siderewicz, Teachers' Retirement System
Karen Ashby, Teachers' Retirement System
Kenny Domilese, Teachers' Retirement System
John Browning, Teachers' Retirement System
Mike Nohalty, Teachers' Retirement System
Lindsey Davis, Teachers' Retirement System
Rahim Jadoon, Teachers' Retirement System
Brad Cook, Teachers' Retirement System
Mark Whelan, Teachers' Retirement System
Margaret Hockensmith, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
P.J. Kelly, Aon Investments USA
Jason Law, Wellington Management
Mammen Chally, Wellington Management
Doug McLane, Wellington Management
David Siegle, Wellington Management

1. Reports for Consent

- 1.1 Consideration/Approval of February 22, 2024, Minutes
- 1.2 Quarterly Securities Litigation Report
- 1.3 Quarterly Proxy Voting Report

Committee Action: Upon motion duly made by Ms. McGown and seconded by Mr. Bruce, the committee unanimously approved the items in the Reports for Consent, including forwarding the quarterly proxy voting report to the board.

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, 2024. The report was informational, and the committee took no action.

2.2. Report on Alternative Investments: Ms. Ashby reported to the committee on the private equity portfolio for the quarter ended March 31, 2024. The report was informational, and the committee took no action.

2.3. TRS Internally Managed Active Equity Strategy Discussion: Mr. Domilese and Mr. Siderewicz reported to the committee on the Internally Managed Equity fund.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Ms. McGown, the committee unanimously approved staff's recommendation for an investment in a TRS Internally Managed Equity fund of \$200 million from the Retirement Annuity Trust, \$50 million from the Health Insurance Trust and \$5 million from the Life Insurance Trust.

2.4. Private Equity Discussion – Strategic Capital: Ms. Ashby reported to the committee on the Audax Strategic Capital Private Equity Solutions fund.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Ms. McGown, the committee unanimously approved staff's recommendation for an investment in the Audax Private Equity Solutions fund 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 – Opportunistic: Mr. Nohalty reported to the committee on the Carlyle Realty Partners X fund.

Committee Action: Upon motion duly made by Ms. McGown and seconded by Mr. Underwood, the committee unanimously approved staff's recommendation for an investment in the Carlyle Realty Partners X fund of \$50 million from the Retirement Annuity Trust, \$10 million from the Health Insurance Trust and \$1 million 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 2025. He recommended that the investment manager contracts for fiscal 2025 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, Monroe Capital, Lord Abbett, Marathon Credit, Prudential PRISA and Schenkman.

For fiscal 2025, Mr. Harbin also recommended contracting with Bellwether, Aon Investments USA, Seyfarth Shaw and Reinhart Boerner Van Deuren as reported.

Committee Action: Upon motion duly made by Mr. Underwood 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. Asset Allocation Targets and Ranges Discussion: Mr. Siderewicz presented reports detailing staff's recommendation on proposed fiscal 2025 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 Mr. Bruce and seconded by Mr. Underwood, the committee unanimously approved staff's recommendation on proposed fiscal 2025 asset allocation ranges and targets for the Retirement Annuity Trust, Health Insurance Trust and Life Insurance Trust.

2.8. Report on Internally Managed Portfolios: Mr. Siderewicz reported to the committee on the internally managed portfolios for the quarter ended March 31, 2024. The report was informational, and the committee took no action.

3. Manager Quarterly Reports

3.1. Wellington Management: Wellington 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 11:35 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 22, 2024.

Hollis Gritton, 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, 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 23, 2024.

Margaret Hockensmith, Recording Secretary