

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
MEETING OF THE INVESTMENT COMMITTEE
February 27, 2025

Minutes of Meeting:

After giving notice of a quarterly meeting, and a quorum being present, Chair Hollis Gritton called the Investment Committee to order at 9 a.m., Thursday, February 27, 2025. The meeting was in the Teachers' Retirement System boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Hollis Gritton, Chair
Brenda McGown, Vice Chair
Paul Bruce
William Crawford
Louis Straub
Josh Underwood
Alison Wright
Dr. Ben Littlepage, Alternate
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
Lindsey Davis, Teachers' Retirement System
Kenny Domilise, Teachers' Retirement System
Rahim Jadoon, Teachers' Retirement System
Fei Ma, Teachers' Retirement System
Mike Nohalty, Teachers' Retirement System
Lucas Nyerges, Teachers' Retirement System
Brad Cook, Teachers' Retirement System
Greg Hall, Teachers' Retirement System
Margaret Hockensmith, Teachers' Retirement System
P.J. Kelly, Aon Investments USA
Curtiss Scott, Todd Asset Management
Shaun Siers, Todd Asset Management
Jack White, Todd Asset Management

1. Reports for Consent

- 1.1 Consideration/Approval of November 21, 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 Reports for Consent action items, including reporting the quarterly proxy voting to the board.

2. Reports by TRS Staff

2.1. CIO Observations and Comments: Mr. Siderewicz reported the information on the Quarterly Investment Update for the quarter ended December 31, 2024. The report was informational, and the committee took no action.

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

2.3. Private Equity Discussion – Buyout: Ms. Ashby reported on the Public Pension Capital (PPC) fund.

Committee Action: Upon motion duly made by Mr. Straub and seconded by Ms. McGown, the committee unanimously approved staff's recommendation for an investment in PPC of \$10 million from the Health Insurance Trust.

2.4. Private Equity Discussion – Credit: Ms. Ashby reported on the Apax Credit Edge III fund.

Committee Action: Upon motion duly made by Ms. Wright and seconded by Mr. Bruce, the committee unanimously approved staff's recommendation for an investment in Apax Credit Edge III of \$50 million from the Retirement Annuity Trust and \$10 million from the Health Insurance Trust.

2.5. Private Equity Discussion – Energy: Ms. Ashby reported on the NGP Royalty Partners III fund.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Mr. Underwood, the committee unanimously approved staff's recommendation for an investment in NGP Royalty Partners III of \$50 million from the Retirement Annuity Trust and \$10 million from the Health Insurance Trust.

2.6. Real Estate Discussion – Digital Fund: Mr. Nohalty reported on the TA Realty Fund XIII 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 TA Realty XIII of \$85 million from the Retirement Annuity Trust, \$15 million from the Health Insurance Trust and \$500,000 from the Life Insurance Trust.

2.7. Real Estate Discussion – Net Lease Portfolio: Mr. Harbin reported on the net lease portfolio.

Committee Action: Upon motion duly made by Mr. Straub and seconded by Mr. Bruce, the committee unanimously approved staff's recommendation for transferring the management of the net lease portfolio from Bellwether Enterprise Real Estate Capital to in-house.

2.8. Securities Lending Update: Mr. Siderewicz reported on the inclusion of the Health Insurance Trust in the securities lending program.

Committee Action: Upon motion duly made by Mr. Straub and seconded by Mr. Underwood, the committee unanimously approved staff's recommendation for inclusion of the Health Insurance Trust in the securities lending program; that the program's limit on corporate bonds be 30% of the portfolio by market value; and to amend the contract with Bank of New York Mellon and related TRS documentation to reflect the changes.

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

3. Manager Quarterly Reports

3.1. Todd Asset Management 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 Ms. McGown and seconded by Mr. Straub, the committee adjourned at 11:58 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 May 22, 2025.

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 February 27, 2025.

Margaret Hockensmith, Recording Secretary