



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

BOARD OF TRUSTEES

BRENDA MCGOWN,
Chair
Bowling Green

BEN LITTLEPAGE, Ed.D.,
Vice Chair
Murray

PAUL BRUCE
Louisville

WILLIAM CRAWFORD
Louisville

HOLLIS GRITTON
Union

LAURA SCHNEIDER
Walton

LOUIS STRAUB
Louisville

JOSH UNDERWOOD
Tollesboro

ALISON WRIGHT
Georgetown

MARK METCALF
State Treasurer

ROBBIE FLETCHER, Ed.D.
Education Commissioner

GARY L. HARBIN, CPA
Executive Secretary

Quarterly Meeting of the
Board of Trustees

A G E N D A

June 16, 2025, 12:30 p.m. ET

Board called to order

Roll call

1. Reports for consent
2. Report of annual trustee elections and board organizational matters
3. Report of the Investment Committee
4. Report of the Governance and Audit Committee
5. Report of the Insurance Committee
6. Executive Secretary's Observations and Comments

General discussion

Adjournment

The meeting will be in the TRS boardroom at 479 Versailles Road, Frankfort, Kentucky.

Portions of the meeting may be conducted in closed session.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 16, 2025

SUBJECT: Reports for Consent

1. Consideration/Approval of Minutes

- Quarterly Meeting, Board of Trustees, March 17, 2025
- Special Meeting, Governance and Audit Committee, March 17, 2025
- Special Meeting, Legislative Committee, March 17, 2025

2. Applications for Retirement and Annuity

The list of members who retired in March 2025 and April and May 2025 is included in the board materials. Attached is a summary of the payments and a comparison to the same period a year ago. Initial retirements for the period included 134 retirees with monthly payments totaling \$289,236.58. During the same period last year, 125 retirements resulted in monthly payments totaling \$311,293.98.

3. Survivor Benefits

The list of persons qualifying for survivor benefit payments for the quarter ended March 31 is included in the board materials. Sixteen survivor benefits commenced with a total monthly payment of \$7,393.63.

4. Life Insurance Benefits

The list of payments of life insurance benefits due to death of active and retired teachers for the quarter ended March 31 is included in the board materials. Nine payments to the estates or beneficiaries of active teachers and 295 payments to the estates or beneficiaries of retired teachers combined for total payments of \$1,493,000. During the same quarter in 2024, 342 payments amounted to \$1,680,000.

5. Refunds

The report of refunds for the quarter ended March 31 is included in the board materials. During the quarter, refunds paid consisted of:

Regular withdrawals	584	\$7,529,939.21
Deaths	35	\$ 334,515.28
Totals	619	\$7,864,454.49

During the same quarter in 2024, 752 refunds totaled \$9,362,323.90.

6. Interim Financial Statements

Attached are the Interim Financial Statements for the quarter ended March 31.

Recommendation: The board is requested to approve the minutes and benefit payment reports as presented in the Reports for Consent. The Interim Financial Statements are for information and require no action.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
QUARTERLY MEETING OF THE BOARD OF TRUSTEES
MARCH 17, 2025

Minutes of Meeting:

After giving proper notice of a quarterly meeting and a quorum being present, Chair Brenda McGown called the Teachers' Retirement System of the State of Kentucky Board of Trustees to order at 12:31 p.m. ET, Monday, March 17, 2025. The meeting was in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Brenda McGown, Chair
Dr. Ben Littlepage, Vice Chair
William Crawford
Hollis Gritton
Laura Schneider
Louis Straub
Josh Underwood
Mark Metcalf, State Treasurer
Marshall Smith, proxy for Education Commissioner

Others present:

Gary L. Harbin, TRS
Robert Barnes, TRS
Eric Wampler, TRS
Brad Cook, TRS
Greg Hall, TRS
Margaret Hockensmith, TRS
Courtney Mangione, TRS
Becky Niece, TRS
Tom Siderewicz, TRS
Mark Whelan, TRS
Karen Hall, State Treasurer's office
Michael Clancy, Legislative Research Commission
Beth Atkinson, Office of State Budget Director

1. Reports for Consent: Chair McGown asked the board to review and act on the Reports for Consent, including the following minutes and benefit payment reports:

1.1. Minutes

- 1.1.1. December 16, 2024, Quarterly Meeting, Board of Trustees
- 1.1.2. December 16, 2024, Special Meeting, Scholarship Committee
- 1.1.3. December 16, 2024, Special Meeting, Legislative Committee

1.2. Applications for Retirement and Annuity

1.3. Survivor Benefits

1.4. Life Insurance Benefits

1.5. Refunds

1.6. Interim Financial Statements

Board Action: The board considered the reports for consent as presented. Upon motion duly made by Ms. Schneider and seconded by Dr. Littlepage, the board unanimously approved the minutes and benefits reports in the Reports for Consent. The Interim Financial Statements were for information, and the board took no action.

2. Report of the Investment Committee: Mr. Siderewicz reported to the board concerning the investment performance for the quarter ended December 31, 2024, and the activities of the Investment Committee from the February 27, 2025, quarterly meeting.

Chair McGown asked for questions or comments. Chair McGown asked the board to act on the report of the Investment Committee.

Board Action: Upon motion duly made by Treasurer Metcalf and seconded by Mr. Underwood, the board voted unanimously to accept and ratify the report of the Investment Committee.

3. Report of the Governance and Audit Committee: Mr. Wampler reported that the Governance and Audit Committee held a special meeting on March 17. The committee approved the annual renewal of administrative services contracts and the investment experts for fiscal year 2026; the purchase of equipment for the 477 office building; the continuance of the health care consulting contract with Aon Consulting; the continuance of the death match audit contract with Lexis Nexis; and a 2.95% increase of the disability earnings limitation under KRS 161.661(12) to \$50,200.00, effective calendar 2025.

Chair McGown asked for questions or comments. Chair McGown asked the board to act on the report of the Governance and Audit Committee.

Board Action: Upon motion duly made by Ms. Schneider and seconded by Treasurer Metcalf, the board voted unanimously to accept and ratify the report of the Governance and Audit Committee.

4. Report of the Legislative Committee: Mr. Barnes reported to the board concerning the 2025 regular session of the General Assembly. The report was informational, and the board took no action.

5. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the Statement of Financial Disclosure, the Member Nominating Committee for board positions, the Junita Losey Scholarship Fund and the executive secretary's meetings. The report was informational, and the board took no action.

Adjournment: There being no further business to come before the board and upon motion duly made by Ms. Schneider and seconded by Treasurer Metcalf, Chair McGown declared the meeting adjourned at 1:29 p.m. ET.

CERTIFICATIONS

We, the chair 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 board on June 16, 2025.

Brenda McGown, 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 Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on March 17, 2025.

Margaret Hockensmith
Recording Secretary

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SPECIAL MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE
MARCH 17, 2025

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Ben Littlepage called the Governance and Audit Committee to order at 12:13 p.m. ET, Monday, March 17, 2025. The meeting was in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Dr. Ben Littlepage, Chair
Hollis Gritton, Vice Chair
Louis Straub
Josh Underwood
Marshall Smith, Alternate

Others present:

Brenda McGown, Trustee
Laura Schneider, Trustee
Gary L. Harbin, TRS
Beau Barnes, TRS
Eric Wampler, TRS
Brad Cook, TRS
Greg Hall, TRS
Margaret Hockensmith, TRS
Courtney Mangione, TRS
Mark Whelan, TRS

1. Annual Renewal of Administrative Services Contracts: Mr. Wampler reported to the committee on the proposed renewal of service provider contracts for fiscal year 2026 as follows: Cavanaugh Macdonald Consulting; Blue & Co.; Ice Miller; Stoll Keenon Ogden; Robert Kellerman, Williams & Jensen; AC Advanced Cleaning Services; SouthEast Printing and Mailing; MulloyBorland; Kentucky Underground Storage; Carahsoft Workiva; and investment experts, Bevis Longstreth and George Philip.

Committee Action: Upon motion duly made by Mr. Underwood and seconded by Mr. Straub, the committee voted unanimously to renew contracts with vendors and investment experts for fiscal 2026.

2. HVAC equipment and services contract for 477 office: Mr. Wampler reported to the committee on the proposed replacement of two HVAC chillers for the 477 office building. Through an RFP process, Intertech Mechanical was selected.

Committee Action: Upon motion duly made by Mr. Underwood and seconded by Mr. Gritton, the committee voted unanimously to recommend that the board ratify contracting with with Intertech Mechanical.

3. Health insurance consulting: Mr. Wampler reported to the committee on the proposed renewal of the contract with Aon Consulting for health insurance consulting.

Committee Action: Upon motion duly made by Mr. Smith and seconded by Mr. Straub, the committee voted unanimously to recommend that the board approve renewal of the contract with Aon Consulting, under the same terms, for the period from April 1, 2025, through Dec. 31, 2027.

4. Death match audit services update: Mr. Wampler reported to the committee on extension of the contract for death match audit with Lexis Nexis from March 1, 2025-June 30, 2026. The report was informational, and no action was taken.

5. Annual review of Disability Earnings Limitation: Mr. Wampler reported to the committee on the annual review of the disability earnings limitation.

Committee Action: Upon motion duly made by Mr. Underwood and seconded by Mr. Gritton, the committee voted unanimously to recommend that the board increase the disability earnings limitation to \$50,200.00, effective for calendar 2025, as allowed under KRS 161.661(12).

Adjournment: There being no further business to come before the committee, upon motion duly made by Mr. Smith, seconded by Mr. Straub and by unanimous consent of the committee, Chair Littlepage declared the meeting adjourned at 12:25 p.m. ET.

CERTIFICATIONS

We, the chair of the Governance and Audit 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 on June 16, 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 Governance and Audit Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on March 17, 2025.

Margaret Hockensmith
Recording Secretary

DRAFT

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
LEGISLATIVE COMMITTEE SPECIAL MEETING MINUTES
March 17, 2025

After giving proper notice of a special meeting, and a quorum being present, Chair Josh Underwood, called the Legislative Committee to order at 11:48 a.m., Monday, March 17, 2025, in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Josh Underwood, Chair
Alison Wright, Vice Chair
Brenda McGown
Hollis Gritton. Alternate

Others present:

Ben Littlepage, Trustee
Marshall Smith, Proxy for Education Commissioner
Gary L. Harbin, TRS
Robert Barnes, TRS
Eric Wampler, TRS
Brad Cook, TRS
Greg Hall, TRS
Margaret Hockensmith, TRS
Courtney Mangione, TRS
Mark Whelan, TRS
Michael Clancy, Legislative Research Commission

1. Discussion of legislation in 2025 General Assembly: Mr. Barnes reported on the 2025 legislative session. The report was informational, and no action was taken.

Adjournment: There being no further business to come before the committee, upon motion duly made by Ms. McGown seconded by Ms. Wirght and by unanimous consent of the committee, Chair Underwood declared the meeting adjourned at 12:11 p.m.

CERTIFICATIONS

We, the chair of the Legislative 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 of the Legislative Committee were approved on June 16, 2025.

Josh Underwood, 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 Legislative Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on March 17, 2025.

Margaret Hockensmith
Recording Secretary

Teachers' Retirement System of the State of Kentucky
Initial Applications for Retirement and Annuity
2025

	March	April	May	Total	Same Period 2024
Handicapped Child	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>0</i> \$0.00
Disability Retirement	<i>5</i> \$16,256.47	<i>3</i> \$9,172.15	<i>6</i> \$18,138.86	<i>14</i> \$43,567.48	<i>18</i> \$55,767.36
Service Retirement	<i>46</i> \$91,937.93	<i>30</i> \$63,685.46	<i>41</i> \$77,308.89	<i>117</i> \$232,932.28	<i>107</i> \$255,526.62
Beneficiary of Member Eligible to Retire	<i>1</i> \$5,033.63	<i>1</i> \$5,655.95	<i>1</i> \$2,047.24	<i>3</i> \$12,736.82	<i>0</i> \$0.00
TOTALS	<i>52</i> \$113,228.03	<i>34</i> \$78,513.56	<i>48</i> \$97,494.99	<i>134</i> \$289,236.58	<i>125</i> \$311,293.98

Reports for Consent
Member Account Refunds
For the period January 2025 - March 2025

Active Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
January	236	1,341,778.54	328,894.25	1,546,522.47	3,217,195.26
February	177	926,277.08	233,930.71	971,430.27	2,131,638.06
March	172	907,890.40	226,972.49	1,046,243.00	2,181,105.89
Total	584				7,529,939.21

Deceased Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
January	9	8,528.25	2,132.07	0.00	10,660.32
February	10	12,111.95	985.90	3,778.97	16,876.82
March	16	200,409.63	49,632.56	56,935.95	306,978.14
Total	35				334,515.28

Total Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
January	245	1,350,306.79	331,026.32	1,546,522.47	3,227,855.58
February	187	938,389.03	234,916.61	975,209.24	2,148,514.88
March	188	1,108,300.03	276,605.05	1,103,178.95	2,488,084.03
Total	619				7,864,454.49

TEACHERS' RETIREMENT SYSTEM

OF THE STATE OF KENTUCKY



INTERIM FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2025
(FAIR VALUE - UNAUDITED)

Statements of Plan Net Assets
as of March 31, 2025 and 2024
(Fair Value - Unadjusted & Unaudited)

	Retirement Annuity Trust		Health Insurance Trust		Life Insurance Trust		Other Funds		TOTAL	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
ASSETS										
Cash	\$ 209,395,377	\$ 209,002,407	\$ 205,035,853	\$ 277,823,919	\$ -	\$ 437,467	\$ 188,591	\$ 197,210	\$ 414,619,821	\$ 487,461,003
Receivables										
Contributions	50,326,612	48,576,918	12,521,802	12,068,376	55,791	60,464			62,904,205	60,705,758
State of Kentucky	5,328,950	-	-	-	55,327	-			5,384,277	-
Investment Income	73,083,001	59,043,290	7,854,183	5,424,732	328,869	319,147	4,439	4,380	81,270,492	64,791,549
Investment Sales Receivable	47,785,648	88,468,462	7,625,921	7,048,291	3,215	107,251			55,414,784	95,624,004
Installment Account Receivable	7,669	14,902							7,669	14,902
Other Receivables	19,296	19,296	49,987,648	46,971,209					50,006,944	46,990,505
Due from Other Funds	10,135,426	7,977,382							10,135,426	7,977,382
Total Receivables	186,686,602	204,100,250	77,989,554	71,512,608	443,202	486,862	4,439	4,380	265,123,797	276,104,100
Investments at Market Value										
Short Term Investments	519,985,120	618,808,228	136,992,180	132,658,237	6,163,880	5,729,062	380,347	362,490	663,521,527	757,558,017
Bonds and Mortgages	3,439,134,444	3,215,832,834	314,510,512	215,724,659	14,661,414	16,887,463	203,156	206,554	3,768,509,526	3,448,651,510
Stocks	15,482,927,605	15,491,993,755	1,958,373,046	1,710,168,220	64,970,494	61,571,970	613,071	575,797	17,506,884,216	17,264,309,742
Alternative Investments	2,220,601,213	2,059,022,197	267,671,923	239,052,602	6,908,881	6,233,512			2,495,182,017	2,304,308,311
Real Estate	1,727,749,235	1,684,404,874	187,152,385	150,650,680	7,718,821	6,612,628			1,922,620,441	1,841,668,182
Additional Categories	2,812,095,853	2,657,221,452	522,556,428	447,959,288	3,304,549	2,995,323			3,337,956,830	3,108,176,063
Total Investments	26,202,493,470	25,727,283,340	3,387,256,474	2,896,213,686	103,728,039	100,029,958	1,196,574	1,144,841	29,694,674,557	28,724,671,825
Capital Assets	5,729,384	7,466,047							5,729,384	7,466,047
(net of accumulated depreciation)										
Total Assets	26,604,304,833	26,147,852,044	3,670,281,881	3,245,550,213	104,171,241	100,954,287	1,389,604	1,346,431	30,380,147,559	29,495,702,975
LIABILITIES										
Liabilities										
Accrued Expenses and Other Liabilities	2,548,694	2,296,131	22,931,226	13,062,293	128,796				25,608,716	15,358,424
State of Kentucky	-	29,211,585	5,914,040	10,443,709	-	39,839			5,914,040	39,695,133
Investment Purchases Payable	81,365,513	62,650,595	18,799,843	14,911,411	7,159	141,184	-	-	100,172,515	77,703,190
Investment Fees Payable	19,220,337	19,469,192	2,278,030	2,290,078	80,086	72,654	-	-	21,578,453	21,831,924
Due to Other Funds	-	-	9,944,788	7,823,791	185,760	149,111	4,878	4,480	10,135,426	7,977,382
Total Liabilities	103,134,544	113,627,503	59,867,927	48,531,282	401,801	402,788	4,878	4,480	163,409,150	162,566,053
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 26,501,170,289	\$ 26,034,224,541	\$ 3,610,413,954	\$ 3,197,018,931	\$ 103,769,440	\$ 100,551,499	\$ 1,384,726	\$ 1,341,951	\$ 30,216,738,409	\$ 29,333,136,922

Statements of Changes in Plan Net Assets
For the Nine Months Ended March 31, 2025 and 2024
(Fair Value - Unadjusted & Unaudited)

	Retirement Annuity Trust		Health Insurance Trust		Life Insurance Trust		Other Funds		TOTAL	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
ADDITIONS										
Contributions										
Employer- State Paid	\$ 959,216,475	\$ 785,235,083	\$ 77,051,258	\$ 76,078,124	\$ 1,880,621	\$ 1,785,138	\$ -	\$ -	\$ 1,038,148,354	\$ 863,098,345
Employer- LSD, Other	63,065,137	68,513,368	94,295,341	90,025,000	581,078	537,702	-	-	157,941,556	159,076,070
Member- Active	285,150,094	268,949,163	113,755,116	107,979,159			38,183	11,379	398,943,393	376,939,701
Member- Retired			48,171,523	47,366,172					48,171,523	47,366,172
Recovery Income			130,212,203	111,953,197					130,212,203	111,953,197
Total Contribution	1,307,431,706	1,122,697,614	463,485,441	433,401,652	2,461,699	2,322,840	38,183	11,379	1,773,417,029	1,558,433,485
Investment Income/(Loss)										
Net Appreciation/(Depreciation) in										
Fair Value of Investments	687,720,203	2,247,900,239	94,487,564	246,430,801	2,910,807	7,616,190	18,468	73,659	785,137,042	2,502,020,889
Interest	194,213,495	164,517,492	35,644,579	30,649,711	684,541	743,355	22,683	24,412	230,565,298	195,934,970
Dividends	164,237,192	183,129,357	14,602,005	13,056,783	540,767	526,898	6,365	6,335	179,386,329	196,719,373
Rental Income, Net	19,376,741	18,654,214							19,376,741	18,654,214
Securities Lending, Net	3,735,805	1,773,393	35,615		41,153	31,278	815	382	3,813,388	1,805,053
Gross Investment Income	1,069,283,436	2,615,974,695	144,769,763	290,137,295	4,177,268	8,917,721	48,331	104,788	1,218,278,798	2,915,134,499
Less Investment Expense	(56,230,561)	(58,169,434)	(6,564,281)	(6,440,436)	(209,597)	(211,977)	-	-	(63,004,439)	(64,821,847)
Net Investment Income	1,013,052,875	2,557,805,261	138,205,482	283,696,859	3,967,671	8,705,744	48,331	104,788	1,155,274,359	2,850,312,652
Total Additions	2,320,484,581	3,680,502,875	601,690,923	717,098,511	6,429,370	11,028,584	86,514	116,167	2,928,691,388	4,408,746,137
DEDUCTIONS										
Benefits	1,887,667,528	1,852,028,576			4,219,052	4,507,000	63,872	51,026	1,891,950,452	1,856,586,602
Refunds of Contributions	25,849,209	25,467,301							25,849,209	25,467,301
Under 65 Insurance Expenses			108,802,958	81,233,046					108,802,958	81,233,046
Over 65 Insurance Expenses			200,184,869	182,259,615					200,184,869	182,259,615
Administrative Expense	13,933,632	13,336,582	-	-	-	-	-	-	13,933,632	13,336,582
Total Deductions	1,927,450,369	1,890,832,459	308,987,827	263,492,661	4,219,052	4,507,000	63,872	51,026	2,240,721,120	2,158,883,146
Net Increase (Decrease)	393,034,212	1,789,670,416	292,703,096	453,605,850	2,210,318	6,521,584	22,642	65,141	687,970,268	2,249,862,991
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS										
Beginning of year	26,108,136,077	24,244,554,125	3,317,710,858	2,743,413,081	101,559,122	94,029,915	1,362,084	1,276,810	29,528,768,141	27,083,273,931
Ending of period	\$ 26,501,170,289	\$ 26,034,224,541	\$ 3,610,413,954	\$ 3,197,018,931	\$ 103,769,440	\$ 100,551,499	\$ 1,384,726	\$ 1,341,951	\$ 30,216,738,409	\$ 29,333,136,922

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 16, 2025

SUBJECT: Report of the Investment Committee

1. Investment Committee Meeting and Actions

The Investment Committee met May 22 and approved new investments of \$50 million from the Retirement Annuity Trust and \$10 million from the Health Insurance Trust in Ares Private Equity Secondaries I (Ares acquired Landmark); \$65 million from Retirement Annuity Trust and \$10 million from the Health Insurance Trust in TA Realty XIV; and \$100 million from the Retirement Annuity Trust and \$50 million from the Health Insurance Trust in an internally managed S&P 600 Enhanced fund.

The committee approved fiscal year 2026 contract renewals for Baillie Gifford, Fort Washington, Galliard, State Street, Todd, UBS and Wellington, including removing the fee cap for Todd. The committee also approved continuing contracts through fiscal 2026 for 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 Shenkman 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 Shenkman. The committee also approved contract renewals of service providers Aon Investments USA, Seyfarth Shaw and Reinhart Boerner Van Deuren.

For the internally managed net lease real estate portfolio, the committee approved contracts for management services and legal services and a license for office and storage space rental.

The committee also approved filing a related amendment with the Legislative Research Commission to Section 4 of 102 KAR 1:175 to remove the reference to credit ratings so that properties may be evaluated on the total return potential as otherwise required by the regulation.

The committee also approved the proxy voting report for the quarter ended March 31, 2025, and reported it to the board. As required by law, the report will be published on the TRS website.

Outside investor, Baillie Gifford reported on its portfolios.

2. Performance

The Retirement Annuity Trust's portfolio declined slightly at 0.21%. The Health Insurance Trust's portfolio declined slightly at 0.14%. Each was in line with its policy index.

A detailed investment performance report is attached, as is the quarterly transaction report.

3. Staff's Comments on Economic and Market Conditions

Uncertainty with tariffs and public sector job changes pressured U.S. consumers and, in turn, diminished investor sentiment in the domestic equity market, which fell 4.3 % in the quarter. News that China's DeepSeek had developed an artificial intelligence model at a fraction of the cost to market leaders pressured the "Magnificent Seven" (Nvidia, Meta Platforms, Tesla, Amazon, Alphabet, Microsoft and Apple) and hurt overall large-cap stock performance.

Meanwhile, global equity was led by developed international, up 6.9%, followed by emerging markets, up 2.9%.

Europe, up 10.5%, was the largest contributor to the MSCI EAFE index. The European Central Bank cut interest rates in January and March, easing annual inflation to 2.3% in February. German elections in February resulted in a new administration, increasing investor sentiment and optimism for a pro-growth agenda with fiscal policy changes including increased defense spending.

Recommendation: The executive secretary recommends that the board accept and ratify the Report of the Investment Committee, including the filing of the amendment to Section 4 of 102 KAR 1:175 with the Legislative Research Commission.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 16, 2025

SUBJECT: Report of the Governance and Audit Committee

The Governance and Audit Committee is scheduled to meet June 16 prior to the quarterly board meeting. Any actions by the committee will be reported to the board.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 16, 2025

SUBJECT: Report of the Insurance Committee

The Insurance Committee is scheduled to meet June 16 prior to the quarterly board meeting. Any actions by the committee will be reported to the board.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 16, 2025

SUBJECT: Executive Secretary's Observations and Comments

1. Retirements Update: The preliminary number of retirements for June/July this year is 1,344. These are the peak months annually for retirements. Since 2007, retirements for these two months have averaged 1,229 a year. The chart below lists the number of June/July retirements over the timeframe.

<u>School Year Ended</u>	<u>Number of Retirees</u>
2025	1,344
2024	1,215
2023	1,114
2022	1,289
2021	1,058
2020	962
2019	1,043
2018	1,381
2017	1,269
2016	1,294
2015	1,699
2014	1,267
2013	1,310
2012	1,405
2011	1,159
2010	1,203
2009	1,010
2008	1,353
2007	979

2. Executive Secretary serving as president of Public Sector Healthcare Roundtable: I serve as the president of the Public Sector Healthcare Roundtable. The roundtable is a national coalition of public sector health care purchasers that has been formed to ensure the interests of the public sector are represented properly during the formulation and debate of federal health care reform initiatives. The roundtable is governed by a board of directors and is managed by a governmental affairs firm based in Alexandria, Virginia.

3. Executive Secretary's meetings: I have met with several groups recently listed below:

March 20	Attend Public Sector Health Care Roundtable board meeting
April 2	Presented at KEA-Retired annual meeting
April 22	Presented at Kentucky Retired Teachers Association annual convention
May 15	Met with UBS investment manager
May 20	Met with Todd Asset Management
May 22	National Institute for Public Employee Health Care Policy board meeting
May 27	Met with MulloyBorland
May 30	Met with UBS Investments
June 9	Met with Healthsperian

4. Service in GFOA and P2F2: Chief Financial Officer Mark Whelan serves on the Government Finance Officers Association (GFOA) Special Review Executive Committee. This committee is responsible for setting program policy for the Certificate of Achievement for Excellence in Financial Reporting Program. Also, the CFO has served on GFOA's Education Advisory Council. The council identifies learning gaps in GFOA's offering of educational resources. GFOA is a national organization with more than 20,000 members.

The CFO also serves on the board of the Public Pension Financial Forum (P2F2) and is the board's past president. The membership of P2F2 includes finance directors and professionals from all over the United States. P2F2 is an education and professional networking organization that promotes financial excellence for public pension plans. P2F2 works with the Governmental Accounting Standards Board (GASB), GFOA and the American Institute of Certified Public Accountants (AICPA) with the development and implementation of accounting standards that affect public pension plans.

5. Service with National Institute for Retirement Security (NIRS): The chief financial officer and Business Operations Director Nate VanSickel participate in a NIRS planning committee that assists the NIRS board of directors in shaping and contributing to the national dialogue on retirement security issues.

6. GASB 68 and 75 audit reports: TRS's external auditor is finishing the audit reports used by employers to include cost allocations for pension and other postemployment benefits on the employers' financial statements. TRS expects that the audit reports will be posted on the website by July 1.

7. Next meeting: The board's next quarterly meeting will be September 15.