



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 15, 2026, 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. Executive Secretary's Observations and Comments

General discussion

Adjournment

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

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

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 15, 2026

SUBJECT: Reports for Consent

1. Consideration/Approval of Minutes

- Quarterly Meeting, Board of Trustees, March 16, 2026
- Special Meeting, Governance and Audit Committee, March 16, 2026

2. Applications for Retirement and Annuity

The list of members who retired in March, April, and May is included in the board materials. Attached is a summary of the payments and a comparison to the same period a year ago. The 152 initial retirements for the period resulted in monthly payments totaling \$385,452.55. During the same period last year, 125 retirements resulted in monthly payments totaling \$311,293.98.

3. Survivor Benefits

The list of people qualifying for survivor benefit payments for the quarter ended March 31 is included in the board materials. Six survivor benefits commenced with a total monthly payment of \$789.96.

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. Six payments to the estates or beneficiaries of active teachers and 408 payments to the estates or beneficiaries of retired teachers combined for 414 total payments amounting to \$2,052,000. During the same quarter a year ago, 304 payments amounted to \$1,493,000.

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	695	\$7,103,671.84
Deaths	<u>34</u>	<u>\$ 440,683.37</u>
Total	729	\$7,544,355.21

During the same quarter a year ago, 619 refunds totaled \$7,864,454.49.

6. Interim Financial Statements

The Interim Financial Statements for the quarter ended March 31 are included in the board materials.

Recommendation: The executive secretary recommends that the board 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 16, 2026

Minutes of Meeting

After giving proper notice of a quarterly meeting, and a quorum being present, Chair Brenda McGown called the TRS Board of Trustees to order at 12:30 p.m. ET, Monday, March 16, 2026, in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members Present

Brenda McGown, Chair
Paul Bruce
William Crawford
Hollis Gritton
Dr. Ben Littlepage
Laura Schneider
Louis Straub
Josh Underwood
Alison Wright
Sam Burchett, proxy for State Treasurer
Marshall Smith, proxy for Education Commissioner

Others Present

Gary L. Harbin, TRS
Robert Barnes, TRS
Eric Wampler, TRS
Tom Siderewicz, TRS
Mark Whelan, TRS
Brad Cook, TRS
Grace Dotson, TRS
Gregory Hall, TRS
Courtney Mangione, TRS
Sarah Meehan, TRS
Becky Niece, TRS
Nathan Van Sickel, TRS
Jessica VanWinkle, TRS
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 committee minutes and benefit payment reports.

- Minutes
 - Quarterly meeting, Board of Trustees, December 15, 2025
 - Special meeting, Scholarship Committee, December 15, 2025
- Applications for retirement and annuity
- Survivor benefits
- Life insurance benefits

- Refunds
- Interim Financial Statements for the quarter ended Dec. 31, 2025

Board Action: The board considered the minutes and benefit payment reports as presented. Upon motion duly made by Ms. Schneider and seconded by Mr. Bruce, the board unanimously approved 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 on the investment performance for the quarter ended Dec. 31 and the Feb. 26 Investment Committee quarterly meeting.

Chair McGown asked the board to act on the report by Mr. Siderewicz.

Board Action: Upon motion duly made by Mr. Bruce and seconded by Mr. Crawford, the board unanimously accepted and ratified the report of the Investment Committee.

3. Report of the Governance and Audit Committee: Mr. Wampler reported on the Governance and Audit Committee's special meeting on March 16. The committee approved the annual renewal of administrative services contracts and the investment experts for fiscal year 2027 and a 2.63% increase in the disability earnings limitation to \$51,480 effective for calendar year 2026. The committee also approved administrative service providers for actuarial services; communications services; federal tax, fiduciary and other legal services; general legal services and litigation; printing services; and janitorial services.

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 Mr. Underwood and seconded by Mr. Straub, the board unanimously accepted and ratified the report of the Governance and Audit Committee.

4. Executive Secretary's Observations and Comments: Mr. Harbin reported on the Statement of Financial Disclosure, the meeting of the Member Nominating Committee for board elections, the Junita Losey Scholarship Fund and the executive secretary's meetings. Mr. Barnes also reported on TRS-related bills in the legislature. The report was for information, and the board took no action.

Adjournment: There being no further business to come before the board and upon motion duly made by Mr. Bruce and seconded by Dr. Littlepage, Chair McGown declared the meeting adjourned at 1:21 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 15, 2026.

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, Jessica VanWinkle, 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 16, 2026.

Jessica VanWinkle
Recording Secretary

DRAFT

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SPECIAL MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE
MARCH 16, 2026

Minutes of Meeting

After giving proper notice of a special meeting, and a quorum being present, Chair Ben Littlepage called the TRS Governance and Audit Committee to order at 11:30 a.m. ET, Monday, March 16, 2026, in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present

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

Others present

Brenda McGown, Trustee
Gary L. Harbin, TRS
Beau Barnes, TRS
Eric Wampler, TRS
Brad Cook, TRS
Greg Hall, TRS
Nathan Van Sickle, TRS
Jessica VanWinkle, TRS
Mark Whelan, TRS

1. Consideration of administrative service provider procurement recommendations: Mr. Wampler reported on the requests for proposals for administrative services to be performed beginning in fiscal year 2027.

Committee Action: Upon motion duly made by Mr. Underwood and seconded by Mr. Straub, the committee voted unanimously to recommend that the board approve

- CavMac for actuarial services;
- Mulloy Borland for communications services;
- Ice Miller; Klausner, Kaufman, Jensen & Levinson; and Williams & Jenson for federal tax, fiduciary and other legal services;
- Robert Kellerman and Stoll, Keenon & Ogden for general legal services and litigation;
- Bluegrass Integrated Communications for printing services; and
- AC Advanced Cleaning Services for Janitorial services.

2. Annual Contract Renewals: Mr. Wampler reported on the proposed renewals of service provider contracts for fiscal 2027.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Mr. Smith, the committee voted unanimously to renew contracts with vendors and investment experts for fiscal 2027 as follows:

- Administrative services
 - Blue & Co. for external auditor
 - Carahsoft for financial reports software
 - Atikin for auditing software
 - Kentucky Underground Storage for off-site storage
 - Lexis Nexis for death match audit services
- Investment experts
 - Bevis Longstreth
 - George Philip

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

Committee Action: Upon motion duly made by Mr. Smith and seconded by Mr. Straub, the committee voted unanimously to recommend increasing the disability earnings limitation by 2.63% to \$51,480 effective for calendar year 2026 in accordance with KRS 161.661(12).

Adjournment: There being no further business to come before the committee, upon motion duly made by Mr. Bruce, seconded by Mr. Underwood and by unanimous consent of the committee, Chair Littlepage declared the meeting adjourned at 12:13 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 15, 2026.

Dr. Ben Littlepage, 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, Jessica VanWinkle, 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 16, 2026.

Jessica VanWinkle
Recording Secretary

DRAFT

Teachers' Retirement System of Kentucky
Initial Applications for Retirement and Annuity
2026

	March	April	May	Total	Same Period 2025
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>4</i> \$13,473.31	<i>13</i> \$41,408.09	<i>8</i> \$24,713.85	<i>25</i> \$79,595.25	<i>14</i> \$43,567.48
Service Retirement	<i>39</i> \$128,631.17	<i>46</i> \$97,167.06	<i>41</i> \$76,907.86	<i>126</i> \$302,706.09	<i>117</i> \$232,932.28
Beneficiary of Member Eligible to Retire	<i>0</i> \$0.00	<i>1</i> \$3,151.21	<i>0</i> \$0.00	<i>1</i> \$3,151.21	<i>3</i> \$12,736.82
TOTALS	<i>43</i> \$142,104.48	<i>60</i> \$141,726.36	<i>49</i> \$101,621.71	<i>152</i> \$385,452.55	<i>125</i> \$311,293.98

**Reports for Consent
Member Account Refunds
For the period January 2026 - March 2026**

Active Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
January	209	800,307.38	199,545.63	883,805.34	1,884,065.10
February	314	1,319,289.93	329,598.68	1,362,312.15	3,011,200.76
March	173	1,042,040.52	259,003.59	904,005.46	2,208,405.98
Total	695				7,103,671.84

Deceased Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
January	10	144,273.94	33,665.54	0.00	177,939.48
February	13	77,278.23	4,813.67	123,284.12	205,376.02
March	11	47,812.19	9,555.68	0.00	57,367.87
Total	34				440,683.37

Total Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
January	219	944,581.32	233,211.17	883,805.34	2,062,004.58
February	327	1,396,568.16	334,412.35	1,485,596.27	3,216,576.78
March	184	1,089,852.71	268,559.27	904,005.46	2,265,773.85
Total	729				7,544,355.21

TEACHERS' RETIREMENT SYSTEM

OF THE STATE OF KENTUCKY



INTERIM FINANCIAL STATEMENTS

QUARTER ENDED MARCH 31, 2026

(FAIR VALUE - UNAUDITED)

Statements of Plan Net Assets
as of March 31, 2026 and 2025
(Fair Value - Unadjusted & Unaudited)

	Retirement Annuity Trust		Health Insurance Trust		Life Insurance Trust		Other Funds		TOTAL	
	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025
ASSETS										
Cash	\$ 177,753,328	\$ 209,395,377	\$ 210,756,952	\$ 205,035,853	\$ -	\$ -	\$ 420,977	\$ 188,591	\$ 388,931,257	\$ 414,619,821
Receivables										
Contributions	50,510,743	50,326,612	14,201,383	12,521,802	39,981	55,791			64,752,107	62,904,205
State of Kentucky	46,913,058	5,328,950	-	-	307,498	55,327			47,220,556	5,384,277
Investment Income	67,162,242	73,083,001	13,064,841	7,854,183	300,375	328,869	4,189	4,439	80,531,647	81,270,492
Investment Sales Receivable	25,554,209	47,785,648	5,266,318	7,625,921	5,211	3,215			30,825,738	55,414,784
Installment Account Receivable	7,669	7,669							7,669	7,669
Other Receivables	20,185	19,296	53,079,899	49,987,648					53,100,084	50,006,944
Due from Other Funds	12,391,597	10,135,426							12,391,597	10,135,426
Total Receivables	202,559,703	186,686,602	85,612,441	77,989,554	653,065	443,202	4,189	4,439	288,829,398	265,123,797
Investments at Market Value										
Short Term Investments	652,121,426	519,985,120	259,425,286	136,992,180	5,524,186	6,163,880	378,925	380,347	917,449,823	663,521,527
Bonds and Mortgages	3,734,865,090	3,439,134,444	383,660,466	314,510,512	11,953,457	14,661,414	201,656	203,156	4,130,680,669	3,768,509,526
Stocks	17,547,962,097	15,482,927,605	2,440,353,377	1,958,373,046	77,928,314	64,970,494	742,728	613,071	20,066,986,516	17,506,884,216
Alternative Investments	2,533,290,818	2,220,601,213	299,321,449	267,671,923	7,885,212	6,908,881			2,840,497,479	2,495,182,017
Real Estate	1,751,663,185	1,727,749,235	190,917,603	187,152,385	8,374,972	7,718,821			1,950,955,760	1,922,620,441
Additional Categories	2,877,927,047	2,812,095,853	541,719,767	522,556,428	3,439,473	3,304,549			3,423,086,287	3,337,956,830
Total Investments	29,097,829,663	26,202,493,470	4,115,397,948	3,387,256,474	115,105,614	103,728,039	1,323,309	1,196,574	33,329,656,534	29,694,674,557
Capital Assets (net of accumulated depreciation)	4,316,898	5,729,384							4,316,898	5,729,384
Total Assets	29,482,459,592	26,604,304,833	4,411,767,341	3,670,281,881	115,758,679	104,171,241	1,748,475	1,389,604	34,011,734,087	30,380,147,559
LIABILITIES										
Liabilities										
Accrued Expenses and Other Liabilities	2,486,280	2,548,694	-	22,931,226	428,929	128,796			2,915,209	25,608,716
State of Kentucky	-	-	3,993,644	5,914,040	-	-			3,993,644	5,914,040
Investment Purchases Payable	51,213,763	81,365,513	10,739,852	18,799,843	25,872	7,159	-	-	61,979,487	100,172,515
Investment Fees Payable	19,962,231	19,220,337	2,579,102	2,278,030	82,442	80,086	-	-	22,623,775	21,578,453
Due to Other Funds	-	-	12,166,798	9,944,788	219,353	185,760	5,446	4,878	12,391,597	10,135,426
Total Liabilities	73,662,274	103,134,544	29,479,396	59,867,927	756,596	401,801	5,446	4,878	103,903,712	163,409,150
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 29,408,797,318	\$ 26,501,170,289	\$ 4,382,287,945	\$ 3,610,413,954	\$ 115,002,083	\$ 103,769,440	\$ 1,743,029	\$ 1,384,726	\$ 33,907,830,375	\$ 30,216,738,409

Statements of Changes in Plan Net Assets
For the Nine Months Ended March 31, 2026 and 2025
(Fair Value - Unadjusted & Unaudited)

	Retirement Annuity Trust		Health Insurance Trust		Life Insurance Trust		Other Funds		TOTAL	
	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025	FY 2026	FY 2025
ADDITIONS										
Contributions										
Employer- State Paid	\$ 1,079,875,655	\$ 959,216,475	\$ 83,436,188	\$ 77,051,258	\$ 1,909,759	\$ 1,880,621	\$ -	\$ -	\$ 1,165,221,602	\$ 1,038,148,354
Employer- LSD, Other	59,529,612	63,065,137	93,386,385	94,295,341	632,188	581,078	326,751	-	153,874,936	157,941,556
Member- Active	295,533,153	285,150,094	117,155,586	113,755,116			36,953	38,183	412,725,692	398,943,393
Member- Retired			49,858,092	48,171,523					49,858,092	48,171,523
Recovery Income			163,889,664	130,212,203					163,889,664	130,212,203
Total Contribution	1,434,938,420	1,307,431,706	507,725,915	463,485,441	2,541,947	2,461,699	363,704	38,183	1,945,569,986	1,773,417,029
Investment Income/(Loss)										
Net Appreciation/(Depreciation) in Fair Value of Investments	1,260,022,890	687,720,203	184,803,516	94,487,564	5,213,131	2,910,807	56,063	18,468	1,450,095,600	785,137,042
Interest	190,182,390	194,213,495	38,997,277	35,644,579	598,560	684,541	22,174	22,683	229,800,401	230,565,298
Dividends	175,735,324	164,237,192	17,644,340	14,602,005	539,471	540,767	6,967	6,365	193,926,102	179,386,329
Real Estate, Gross	21,487,746	19,376,741							21,487,746	19,376,741
Securities Lending, Gross	40,780,754	35,961,946	1,547,802	35,615	545,524	611,090	7,563	7,638	42,881,643	36,616,289
Gross Investment Income	1,688,209,104	1,101,509,577	242,992,935	144,769,763	6,896,686	4,747,205	92,767	55,154	1,938,191,492	1,251,081,699
Less Investment Expense	(57,713,573)	(56,230,561)	(6,883,906)	(6,532,461)	(217,145)	(209,597)	-	-	(64,814,624)	(62,972,619)
Less Securities Lending Expense	(37,232,707)	(32,226,141)	(1,419,139)	(31,820)	(506,930)	(569,937)	(6,960)	(6,823)	(39,165,736)	(32,834,721)
Less Real Estate Expense	(32,763)	-					-	-	(32,763)	-
Net Investment Income	1,593,230,061	1,013,052,875	234,689,890	138,205,482	6,172,611	3,967,671	85,807	48,331	1,834,178,369	1,155,274,359
Total Additions	3,028,168,481	2,320,484,581	742,415,805	601,690,923	8,714,558	6,429,370	449,511	86,514	3,779,748,355	2,928,691,388
DEDUCTIONS										
Benefits	1,976,276,034	1,887,667,528			5,044,065	4,219,052	158,891	63,872	1,981,478,990	1,891,950,452
Refunds of Contributions	22,172,067	25,849,209					407	-	22,172,474	25,849,209
Under 65 Insurance Expenses			90,209,043	108,802,958					90,209,043	108,802,958
Over 65 Insurance Expenses			221,186,687	200,184,869					221,186,687	200,184,869
Administrative Expense	15,647,646	13,933,632	-	-	-	-	-	-	15,647,646	13,933,632
Total Deductions	2,014,095,747	1,927,450,369	311,395,730	308,987,827	5,044,065	4,219,052	159,298	63,872	2,330,694,840	2,240,721,120
Net Increase (Decrease)	1,014,072,734	393,034,212	431,020,075	292,703,096	3,670,493	2,210,318	290,213	22,642	1,449,053,515	687,970,268
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS										
Beginning of year	28,394,724,584	26,108,136,077	3,951,267,870	3,317,710,858	111,331,590	101,559,122	1,452,816	1,362,084	32,458,776,860	29,528,768,141
Ending of period	\$ 29,408,797,318	\$ 26,501,170,289	\$ 4,382,287,945	\$ 3,610,413,954	\$ 115,002,083	\$ 103,769,440	\$ 1,743,029	\$ 1,384,726	\$ 33,907,830,375	\$ 30,216,738,409

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

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 15, 2026

SUBJECT: Report of the Investment Committee

1. Investment Committee Meeting and Actions

The Investment Committee met May 28 and approved investments of \$50 million from the Retirement Annuity Trust and \$10 million from the Health Insurance Trust in Lexington Capital Partners XI; \$65 million from the Retirement Annuity Trust and \$10 million from the Health Insurance Trust in Strategic Partners Real Estate IX; and \$100 million from the Retirement Annuity Trust and \$25 million from the Health Insurance Trust in Prudential Global Investment Management Large Cap Private Credit.

The committee approved fiscal year 2027 contract renewals for Baillie Gifford, Fort Washington, Galliard, State Street, Todd, UBS and Wellington. The committee also approved continuing contracts through fiscal 2027 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. 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; legal services; and office and storage space rental.

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

Representatives of Blackstone Life Sciences VI reported on the portfolio.

2. Performance

The Retirement Annuity Trust portfolio declined 1.66% for the quarter. The Health Insurance Trust portfolio declined 1.48% for the quarter. 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

U.S. equity markets declined during the quarter, led by the Magnificent Seven companies – Apple, Microsoft, Nvidia, Amazon, Tesla, Alphabet and Meta Platforms – falling roughly 12% on average and the S&P 500 falling 4.3%. The disparity between the best performing sector, energy, and the worst, financials, was 48%. Developed international equity significantly outperformed U.S. equity, with the MSCI World ex U.S.A. Index declining 0.8%. Emerging

market stocks outperformed developed international stocks, with the MSCI Emerging Markets Index falling 0.1% return.

Fixed income markets also were modestly negative, with the Bloomberg U.S. Aggregate Bond Index declining 0.1%.

Recommendation: The executive secretary recommends that the board accept and ratify the Report of the Investment Committee.

Teachers' Retirement System of the State of Kentucky
Retirement Annuity Trust
Quarterly Investment Performance
Gross Returns
For the Period Ended March 31, 2026

Final

	<u>Market Value</u>	<u>Last Qtr</u>	<u>FYTD</u>	<u>1-Year</u>	<u>3-Year*</u>	<u>5-Year*</u>	<u>10-Year*</u>	<u>20-Year*</u>
TOTAL PLAN	\$ 29,098,178,997.32	-1.66	5.87	14.26	11.49	6.86	9.55	7.78
Policy Benchmark		-1.21	6.79	14.59	12.39	7.92	9.76	-
Total Equity	\$ 17,678,352,127.60	-3.01	6.70	19.51	15.81	8.12	11.99	8.83
Domestic Equity	\$ 11,424,726,991.66	-3.86	6.29	18.57	17.29	9.91	13.41	10.16
<i>S&P 1500 Index</i>		-3.81	6.59	17.85	17.77	11.58	13.84	10.40
All-Cap Equities	\$ 665,521,258.17	-6.02	2.93	13.46	15.52	9.93	-	-
<i>Russell 3000 Index</i>		-3.96	6.39	18.09	17.85	10.87	-	-
Large-Cap Equities	\$ 9,230,626,012.21	-4.70	5.65	18.90	18.39	10.81	13.91	10.37
<i>S&P 500 Index</i>		-4.33	6.18	17.80	18.32	12.06	14.16	10.53
Mid-Cap Equities	\$ 921,627,407.88	2.50	9.97	17.33	11.08	4.48	10.32	8.67
<i>S&P 400 Index</i>		2.50	9.97	17.35	12.09	6.92	10.58	9.17
Small-Cap Equities	\$ 606,952,313.40	2.75	14.51	20.91	11.95	4.58	10.09	8.52
<i>S&P 600 Index</i>		3.51	14.87	20.50	10.51	4.49	9.90	8.44
International Equity	\$ 6,253,625,135.94	-1.48	7.36	21.16	12.50	4.33	9.10	-
<i>MSCI AC World Ex US</i>		-0.60	11.83	25.58	15.09	7.56	8.91	-
Fixed Income	\$ 3,793,942,926.36	0.03	3.11	4.44	3.88	0.74	2.22	3.99
<i>Bloomberg Barclays Govt/Credit Index</i>		-0.20	2.61	3.86	3.41	0.24	1.79	3.35
Real Estate	\$ 1,751,663,185.02	1.00	3.18	4.36	-0.23	5.39	6.85	7.36
In House Real Estate Equity	\$ 426,950,305.86	1.76	4.61	6.44	5.47	5.17	6.49	7.34
<i>CPI plus 2%</i>		1.81	4.29	5.35	5.11	6.60	5.39	4.59
Core Real Estate	\$ 816,312,228.49	1.05	3.74	5.18	-1.58	5.24	6.15	-
<i>NCREIF ODCE (VW) Index</i>		1.24	2.91	3.97	-2.00	3.22	4.70	-
Non-Core Real Estate	\$ 508,400,650.67	0.31	1.20	1.54	-2.27	6.55	8.52	-
<i>NCREIF Property Index</i>		1.19	3.57	4.82	-0.01	3.69	4.74	-
Private Equity	\$ 2,533,290,817.60	2.01	8.84	12.32	8.71	12.87	13.21	-
Mature Private Equity	\$ 1,620,057,761.03	1.83	6.18	9.77	7.20	12.10	11.13	-
<i>S&P 500 Index plus 3%</i>		3.42	12.65	21.42	26.70	17.86	18.26	-
Private Equity < 5 Years	\$ 913,233,056.57	2.42	14.18	17.16	11.44	15.11	-	-
Additional Categories (Evergreen and Non-Evergreen)	\$ 2,421,560,863.64	-0.31	3.97	6.45	8.13	5.80	6.31	-
<i>B of A Merrill Lynch U.S. High Yield Master II Constrained</i>		-0.55	3.21	6.90	8.50	4.19	6.04	-
Timberland	\$ 506,501,224.16	-0.88	1.25	1.96	5.57	6.37	3.38	-
<i>NCREIF Timberland Index</i>		1.14	3.43	4.92	6.77	8.66	5.54	-
Cash (Unallocated)	\$ 412,867,852.94	0.91	3.07	4.16	4.83	3.45	2.29	1.86
<i>90 Day T-Bill</i>		0.85	2.93	4.00	4.74	3.34	2.25	1.69

Total Trust Gross Return for 30-year period*

7.78

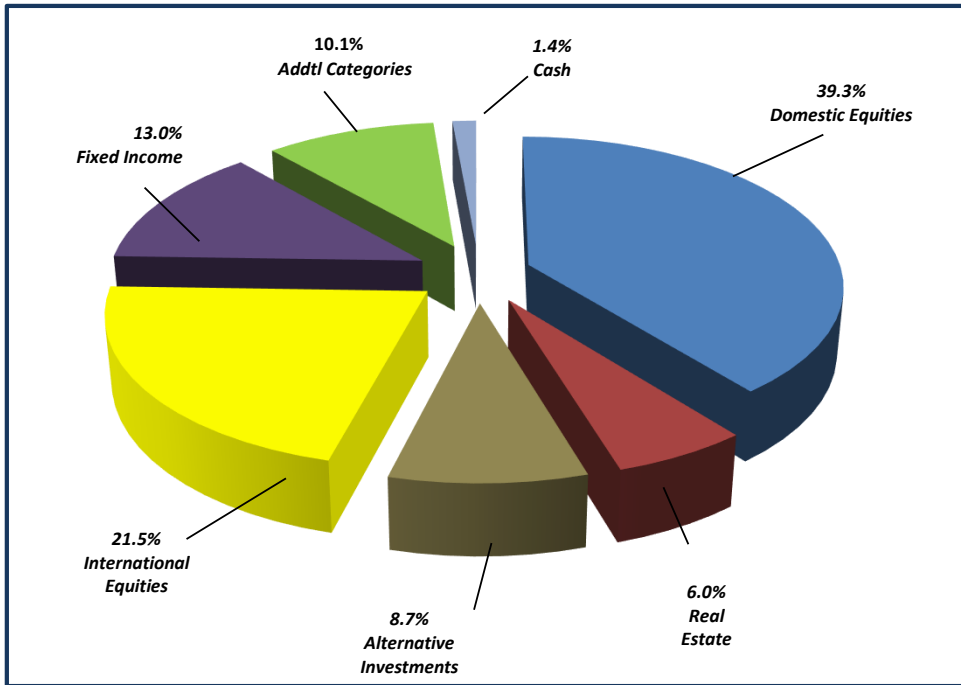
*Returns are annualized for periods longer than one year

** Prior to July 1, 2008, TRS did not benchmark overall fund performance. Effective July 1, 2008, the Board of Trustees approved a Policy Index that represents the returns of appropriate benchmarks for the various asset classes weighted by the mid-point of the strategic range for the current fiscal year.

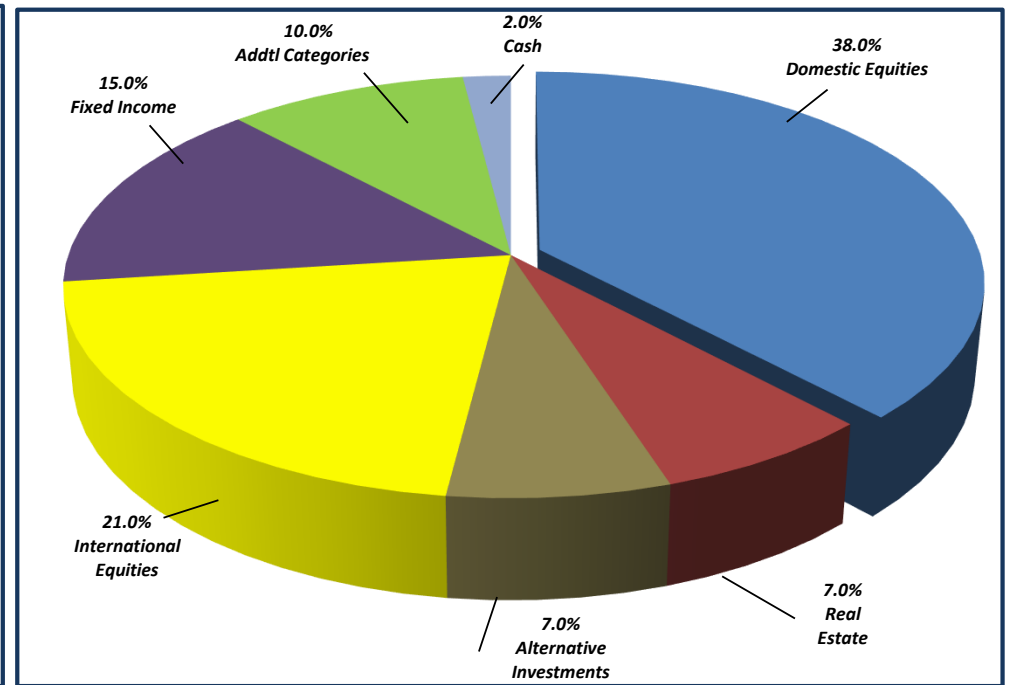
Teachers' Retirement System of Kentucky
 Quarterly Investment Update
 For the period ended March 31, 2026

<i>(\$ in millions)</i>	<u>\$'s</u>	<u>3/31/2026</u> <u>Actual %</u>	<u>12/31/2025</u> <u>Actual %</u>	<u>Target %</u>	<u>Strategic</u> <u>Ranges</u>
Domestic Equities	\$11,424.7	39.3%	39.9%	38.0%	31.0-48.0%
Real Estate	1,751.7	6.0%	6.0%	7.0%	4.0 - 10.0%
Alternative Inv.	2,533.3	8.7%	8.2%	7.0%	4.0 - 10.0%
International Equities	6,253.6	21.5%	22.1%	21.0%	16.0 - 27.0%
Fixed Income	3,793.9	13.0%	12.9%	15.0%	8.0 - 22.0%
Addtl Categories	2,928.1	10.1%	9.9%	10.0%	4.0 - 15.0%
Cash	412.9	1.4%	1.0%	2.0%	1.0 - 5.0%
Total	<u>\$29,098.2</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	

ACTUAL %



TARGET %



*Teachers' Retirement System of the State of Kentucky
Health Insurance Trust
Quarterly Investment Performance
Gross Returns
For the Period Ended March 31, 2026*

FINAL

	<u>Market Value</u>	<u>Last Qtr</u>	<u>FYTD</u>	<u>1-Year</u>	<u>3-Year*</u>	<u>5-Year*</u>	<u>10-Year*</u>	<u>20-Year*</u>
TOTAL PLAN	\$ 4,115,397,947.55	-1.48	6.27	14.45	11.93	7.79	9.64	-
<i>Policy Benchmark</i>		-1.23	6.76	14.69	12.47	7.80	9.50	-
Total Equity	\$ 2,549,389,990.74	-2.66	7.63	20.46	16.56	9.03	11.58	-
<u>Domestic Equity</u>	\$ 1,582,780,652.28	-4.35	4.95	17.08	17.20	2.82	-	-
<i>S&P 500 Index</i>		-4.33	6.18	17.80	18.32	12.06		-
<i>Russell 3000</i>		-3.96	6.39	18.09	17.85	10.87	-	-
<u>International Equities</u>	\$ 966,609,338.46	0.02	12.00	25.97	14.66	-	-	-
<i>MSCI AC World ex USA IMI Index</i>		-0.57	11.52	25.98	14.98	-	-	-
<u>Fixed Income</u>	\$ 445,731,212.13	0.07	3.02	4.70	4.43	1.48	2.38	-
<i>Barclays Government Credit</i>		-0.20	2.61	3.86	3.41	0.24	1.79	-
<u>Real Estate</u>	\$ 190,917,603.28	0.61	1.88	2.67	-2.01	6.65	8.56	-
<u>Core Real Estate</u>	\$ 107,069,559.33	0.95	3.13	4.74	-0.97	6.57	7.05	-
<i>NCREIF ODCE (VW)</i>		1.24	2.91	3.97	-2.00	3.22	4.70	-
<u>Non-Core Real Estate</u>	\$ 83,848,043.95	0.18	0.37	0.19	-3.34	6.51	9.18	-
<i>NCREIF Property Index</i>		1.19	3.57	4.82	-0.01	3.69	4.74	-
<u>Private Equity</u>	\$ 299,321,448.82	2.15	9.16	11.03	7.69	13.34	14.07	-
<u>Mature Private Equity</u>	\$ 151,350,076.30	1.85	4.76	5.95	4.41	13.46	13.29	-
<i>S&P 500 plus 3%</i>		-3.62	12.65	21.34	21.87	15.43	17.58	-
<u>Private Equity < 5 Years</u>	\$ 147,971,372.52	2.55	14.29	17.16	11.56	12.72	-	-
<u>Additional Categories</u>	\$ 557,164,097.92	-0.37	3.86	6.73	8.31	5.41	6.37	-
<i>B of A Merrill Lynch High Yield Master II</i>								
<u>Cash (Unallocated)</u>	\$ 72,873,594.66	0.89	2.95	4.10	4.69	3.56	2.35	-
<i>90 Day T-Bill</i>		0.85	2.93	4.00	4.74	3.34	2.25	-

*Returns are annualized for periods longer than one year

** Prior to July 1, 2015, TRS did not benchmark overall fund performance. Effective July 1, 2015, the Board of Trustees approved a Policy Index that represents the returns of appropriate benchmarks for the various asset classes weighted by the mid point of the strategic range for the current fiscal year.

Teachers' Retirement System of Kentucky

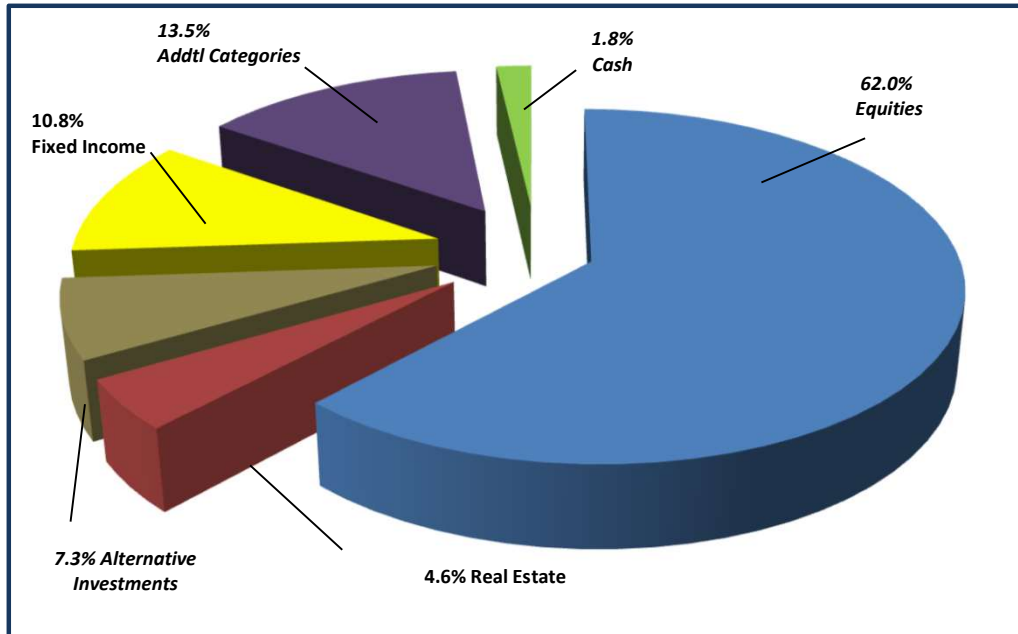
Insurance Trust Fund

Quarterly Investment Update

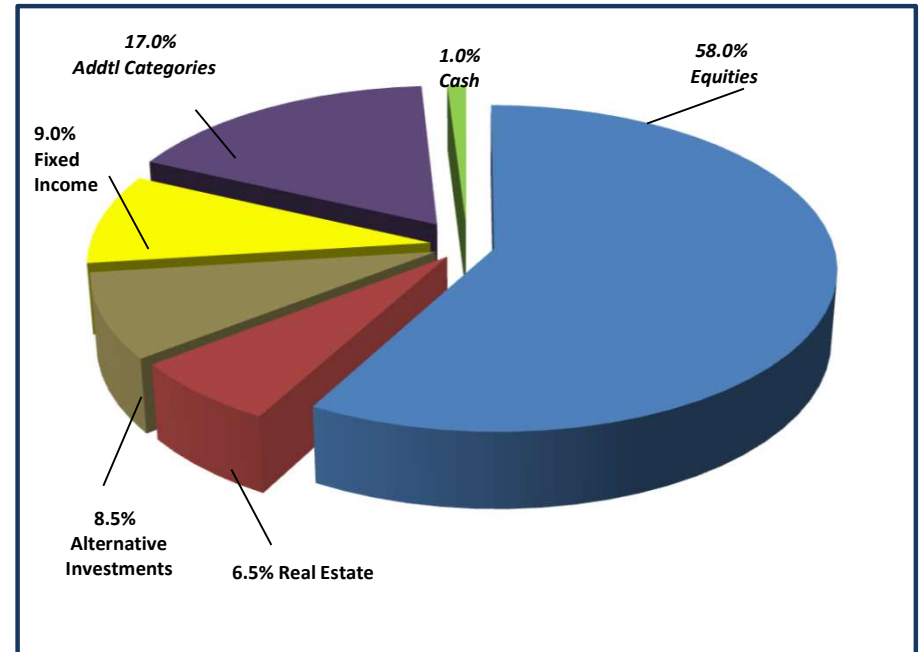
For the period ended March 31, 2026

<i>(\$ in thousands)</i>	<u>\$'s</u>	<u>3/31/2026</u> <u>Actual %</u>	<u>12/31/2025</u> <u>Actual %</u>	<u>Target %</u>	<u>Strategic</u> <u>Ranges</u>
Equities	\$2,549,390.0	62.0%	61.6%	58.0%	51.0 - 64.0%
Real Estate	\$190,917.6	4.6%	4.7%	6.5%	4.0 - 12.0%
Alternative Inv.	\$299,321.4	7.3%	7.2%	8.5%	5.0 - 12.0%
Fixed Income	\$445,731.2	10.8%	9.7%	9.0%	6.0 - 14.0%
Addtl Categories	\$557,164.1	13.5%	13.8%	17.0%	14.0 - 25.0%
Cash	\$72,873.6	1.8%	3.0%	1.0%	0.0 - 5.0%
Total	<u>\$4,115,397.9</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	

ACTUAL %



TARGET %



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

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 15, 2026

SUBJECT: Report of the Governance and Audit Committee

The Governance and Audit Committee will meet June 15 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 15, 2026

SUBJECT: Report of the Governance and Audit Committee

The Governance and Audit Committee met on June 15, prior to the quarterly board meeting and reported the following items to the board with a recommendation that the board approve them and ratify the committee's actions.

1. Review of Fiscal 2026 Audit Activities

The internal auditor reported to the committee on the fiscal 2026 audit work plan and additional projects. The report was for information, and the committee took no action.

2. Recommendation of Fiscal 2027 Audit Work Plan

The internal auditor presented the proposed fiscal 2027 audit work plan. The committee approved the fiscal 2027 audit work plan.

3. Resolution Regarding Purchases or Sales of Investment Instruments

The board is authorized to delegate authority to the executive secretary and chief investment officer to execute purchases and sales of investment instruments on the board's behalf and has done so annually.

The committee recommends that the board adopt the following resolution.

BE IT RESOLVED, by the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, that the executive secretary or chief investment officer be, and they hereby are, authorized and empowered to execute purchases or sales of all investment instruments in the name of, or belonging to, the Teachers' Retirement System of the State of Kentucky, its nominee name "KENTRES," or its title holding organizations in any capacity and includes all investment instruments of the retirement system provided for in KRS 161.220 to 161.716 and KRS 161.990, whether designated retirement annuity, life insurance, health insurance trust or the Kentucky Teachers' Retirement System insurance trust.

4. Transfer of Interest

KRS 161.440 requires that a transfer of interest be made from the Guarantee Fund to other funds, except the Expense Fund and Health Insurance Trust. The committee recommends that the board authorize the executive secretary to make the required transfer of funds as of July 1, 2026.

5. Transfer of Reserve Funds

KRS 161.420 requires the transfer of an amount equal to the accounts of members retiring on July 1, along with an equal amount from the State Accumulation Fund, and periodically throughout the year, to the Allowance Reserve Fund. The committee recommends that the board authorize the executive secretary to make the required transfers during fiscal 2027.

6. Fiscal 2027 Administrative Expense Fund Budget

The committee recommends that the board approve the proposed administrative budget for fiscal 2027 in the amount of \$21,915,700 as provided for in the state budget, which sets amounts that the retirement system may expend for administration during a fiscal year.

7. Internal Revenue Code Section 415(b) Limit

KRS 161.611 authorizes a retirement benefit plan for the sole purpose of enabling TRS to apply the same formula for determining benefits payable to all members whose benefits under the retirement system are limited by Section 415 of the Internal Revenue Code. This plan requires annual transfers from employer contributions to fund the limited benefit. The committee recommends authorizing the executive secretary to make the required transfers.

8. Personnel Matters

The committee recommends that the executive secretary be authorized to approve salary advancements for all eligible TRS employees as provided by TRS's employee compensation plan consistent with the 2% pay increase in the state budget for state employees during fiscal 2027.

9. The committee heard a report on the status of the audit reports for GASB 68 and 75.

Recommendation: The executive secretary recommends the board approve and ratify the Report of the Governance and Audit Committee, including adopting the resolution regarding purchases or sales of investment instruments.

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

FROM: Gary L. Harbin, CPA
Executive Secretary

DATE: June 15, 2026

SUBJECT: Executive Secretary's Observations and Comments

1. Retirements Update: The preliminary number of retirement applications for June/July this year is 1,416. These are the peak months annually for retirements. Since 2008, retirement applications filed for these two months have averaged 1,252 a year. The chart below lists the number of June/July retirement applications over the timeframe.

<u>School Year Ended</u>	<u>Applications</u>
2026	1,416
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

2. 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. Meetings: I have met with several groups recently listed below:

March 24	Annual prescription review with Know Your Rx (KYRx)
April 1	NCTR webinar on cybersecurity and artificial intelligence
April 8	Presented at Kentucky Education Association-Retired annual meeting
April 9	Attended Aon webinar on Pensions in a New Era
April 21	Presented at KRTA annual convention

April 30	Met with Todd Asset Management
May 5	Meeting with Kentucky Public Pensions Authority staff
May 7	Attended Aon webinar on Middle East conflict
May 11	Presented at Calloway County RTA
May 13	Attended Healthsperien meeting
May 14	Attended Public Sector Healthcare Roundtable meeting on federal policy
May 19	Met with Aon health insurance consultant
May 26	Met with Baillie Gifford
June 4	Public Sector Healthcare Roundtable board meeting
June 10	Attended KYRx quarterly board meeting

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 a 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 Sept. 21.