

**Kentucky Retirement Systems Board of Trustees
Quarterly Board Meeting
June 16, 2026, 10:00 a.m. ET
Live Video Conference/Facebook Live**

AMENDED AGENDA

- | | |
|--|--|
| 1. Call to Order | Keith Percy |
| 2. Legal Public Statement | Office of Legal Services |
| 3. Roll Call/Public Comment | Sherry Rankin |
| 4. Approval of Minutes – April 16, 2026* | Keith Percy |
| 5. Joint Retiree Health Plan Committee Report | Keith Percy
Connie Pettyjohn |
| 6. Hybrid Percentage and KRS Allocation* | Michael Lamb |
| 7. FY 2027 Draft Administrative Budget | Michael Lamb |
| 8. Quarterly Financial Reports | Michael Lamb |
| 9. Investment Committee Report* | Prewitt Lane
Steve Willer
Carrie Bass |
| a. Investment Related Policy Review* | |
| 10. Cost Efficiency RFP Update | Steve Willer
John Chilton |
| 11. CEO Report | John Chilton |
| 12. KPPA Update | Ryan Barrow |
| 13. New Business | Keith Percy |
| 14. Closed Session** - Litigation | Keith Percy |
| 15. Adjourn | Keith Percy |

**Board Action Required*

***Board Action May Be Required*

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES ANNUAL MEETING
APRIL 16, 2026, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the Annual Meeting of the Kentucky Retirement Systems Board of Trustees held on April 16, 2026, the following members were present: Lynn Hampton (Chair), Ramsey Bova, Mary Eaves, Prewitt Lane, Keith Percy, William Summers, V, Larry Totten, and Michael Riley. Staff members present were KRS CEO John Chilton, Ryan Barrow, Erin Surratt, Michael Lamb, Michael Board, Odette Gwandi, Victoria Hale, Leigh Ann Davis, Steve Willer, Phillip Cook, Sherry Rankin, and Mary Hill. Also present was Janet Jakubowicz, Esq. from Dentons, Bingham, Greenbaum, LLP.

1. Ms. Hampton called the meeting to order.
2. Mr. Board read the *Legal Public Statement*.
3. Ms. Hill *Called Roll*.

Ms. Hill noted that two (2) *Public Comments* were submitted.

- a. Mike Cheek: *“Having been retired since 2013, without any increase my ability to maintain making monthly expenses has deteriorated each and every year. Please support HB 406 and the issuance of 13th payment equal to my current retirement.”*
- b. Michael Auslander: *“1. We need to have stronger lobbying efforts for a COLA or 13th paycheck for KERS employees who have now not received a COLA in 15 years. 2. We need to contract with a better, more affordable medical insurance provider. Humana Medicare Advantage is expensive, has high copay/deductibles, and pays providers poorly.”*

Following the reading of the public comments, Ms. Hampton inquired about legislation

passed in relation to the comments during the Kentucky legislative session that recently concluded. Mr. Barrow stated there was no legislation passed relating to the public comments received.

4. Ms. Hampton introduced agenda item ***Approval of the March 11, 2026 Minutes.*** (Video 00:07:39 to 00:08:05). Mr. Peercy made a motion to approve the minutes from the meeting held on March 11, 2026. Mr. Lane seconded and the motion passed unanimously.
5. Ms. Hampton introduced Mr. Chilton for agenda item ***Election of KRS Board of Trustee Officers, Chair and Vice Chair.*** (Video 00:08:07 to 00:10:00). Mr. Chilton began by requesting nominations for KRS Board Chair. Ms. Hampton nominated Keith Peercy. Mr. Lane seconded the nomination. There were no additional nominations and a vote was held. Mr. Peercy was unanimously elected as the new KRS Board Chair.

Mr. Chilton handed to meeting over to Mr. Peercy to request nominations for Vice Chair. Ms. Hampton nominated Prewitt Lane. Ms. Eaves seconded the nomination. There were no additional nominations and a vote was held. Mr. Lane was unanimously elected as KRS Vice Chair.

6. Mr. Peercy introduced agenda item ***Assignments to KPPA Board, Investment Committee Chair, and Committees.*** (Video 00:10:09 to 00:10:47). Mr. Peercy stated that Mr. Lane will continue as Investment Committee Chair and the other assignments will be made in the coming days.
7. Mr. Peercy introduced agenda item ***PPW Board of Directors Election.*** (Video 00:10:49 to 00:13:20). Mr. Peercy introduced Mr. Willer to explain the process of appointing Board members to represent KERS and SPRS on the Perimeter Park West Board of Directors. Mr. Willer also requested authorization to vote PPW proxies on their behalf at the PPW shareholder meeting. Mr. Lane nominated Mr. Peercy and Ms. Hampton to remain as the SPRS and KERS representatives, respectively. Ms. Eaves seconded their nominations. Mr. Riley made a motion to submit their names as representatives for the upcoming PPW Board of Directors Election and Mr. Totten seconded. The motion passed unanimously.

Next, a motion was requested to authorize Steve Willer, as CIO, to vote the PPW proxy for KRS as authorized in the KRS Investment Policy Statement and as set forth in the KRS Investment Proxy Voting Policy. Mr. Totten made the motion and Ms. Hampton seconded. The motion passed unanimously.

8. Mr. Percy introduced agenda item ***Contract Renewals***. (Video 00:13:25 to 00:15:41). Mr. Board affirmed that he prepared the personal service contract for Dentons, Bingham, and Greenbaum, LLP under the direction of Mr. Chilton. He noted the only changes to the contract were dates; the contract was extended for one (1) year and the rates were to remain the same. Ms. Jakubowicz excused herself before any discussion was had about the contract. Ms. Hampton explained for the new Trustees' benefit that Ms. Jakubowicz has been a great asset to the KRS Board and that she is happy to vote for the extension of the contract. Mr. Lane made a motion to approve the contract renewal and Ms. Hampton seconded. The motion passed with Ms. Eaves abstaining because of a prior relationship with the firm and because her husband is still a partner there. Following the vote, Ms. Jakubowicz rejoined the meeting.

9. Mr. Percy introduced agenda item ***Closed Session***. (Video 00:15:43 to 00:17:00). Mr. Totten made a motion to enter a closed session to discuss pending litigation. Mr. Lane seconded. The motion carried unanimously, and Mr. Percy read the following statement: *"A motion having been made in open session to move into a closed session for a specific purpose, and such motion having carried by a majority vote in open, public session, the Committee shall now enter closed session to discuss pending litigation pursuant to KRS 61.810(c)."*

10. Coming back into open session, Mr. Percy stated there was no action taken during the closed session. There being no further business, Mr. Percy ***adjourned*** the meeting. (Video Part Two 00:00:17 to 00:00:30).

CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on April 16, 2026 were approved on June 16, 2026.

Chair of the Board of Trustees

I have reviewed the Minutes of the April 16, 2026 Board of Trustees Meeting for content, form, and legality.

Executive Director
Office of Legal Services



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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TO: Members of the KRS Board of Trustees

FROM: Joint CERS & KRS Retiree Health Plan Committee

DATE: June 16, 2026

SUBJECT: Joint CERS & KRS Retiree Health Plan Committee Report

The Joint CERS & KRS Retiree Health Plan Committee met on Wednesday, May 13, 2026. The Committee elected Keith Percy (KRS) as Chair and Dr. Patricia Carver (CERS) as Vice-Chair. Humana provided a presentation on Plan Performance for 2025, the Centers for Medicare and Medicaid Services (CMS) Final Notice for 2027 plan year, Gain Share, Performance Guarantees, Inflation Reduction Act (IRA) and Pharmacy Updates.

The 2025 Plan Performance showed that the Premium Plan medical and pharmacy claims costs increased 5.89% and 16.37%, respectively. The Essential Plan saw a 0.14% and 16.02% increase in medical and pharmacy claims costs, respectively. The data also showed that member participation increased for Health Alerts and Preventative Services engagement. The Silver Sneakers engagement was -0.2% for the Premium Plan and 0.2% for the Essential Plan in 2025. Humana is currently meeting all performance guarantees based on the quarterly reporting. Humana presented 2024-2025 percentage of members entering the catastrophic phase by quarter. This is the impact of the reduction of the yearly Prescription Drug Benefit Maximum Out of Pocket cost of \$2,100 in 2026 vs previous cost of >\$8,000 a year in 2023.

The CMS Final Notice indicates the CMS net payment will be on average a 2.48% increase. The Medical and Pharmacy utilization of the MA plans increased in 2025.

The IRA impact for the years 2023-2026 prescription medication through 2029. During 2025, combined Premium and Essential Plans. 31.3% of the KPPA members (19,522) reached the \$2,000 maximum out of pocket threshold by December 31, 2025 compared to 8.66% in 2024. The average member out of pocket spend was reduced from \$950 to \$476.00

Humana provided 2027/2028 Benefits to Consider that show options for medical plan and premium pharmacy plan changes. They will provide updated information with phase in impact analysis in future Retiree Health Plan Committee Reports.

The Committee reviewed a memo regarding the need to appoint a retired member to the Kentucky Group Health Insurance Board (KGHIB). See attached memo. Mr. Larry Totten (KRS) has volunteered to fill this position. Boards for ratification in accordance with the recommendation in the memo.

This memo is presented for informational purposes and ratification of the vote for Mr. Totten to participate as the representative of KPPA.

enclosure

18A.226 Group Health Insurance Board -- Members -- Duties.

- (1) To provide quality, affordable health insurance coverage so that the Commonwealth can attract and retain able and dedicated public employees, and to facilitate the need for comprehensive and efficient planning, implementation, and administration of a state employee health insurance program in order to meet this goal, the Kentucky Group Health Insurance Board is created. The board shall be attached to the Personnel Cabinet for administrative purposes only. The board shall consist of thirteen (13) members as follows:
- (a) The secretary of the Finance and Administration Cabinet;
 - (b) The secretary of the Personnel Cabinet;
 - (c) The state budget director;
 - (d) The commissioner of education;
 - (e) The chair of the Advisory Committee of State Health Insurance Subscribers;
 - (t) The commissioner of insurance, ex officio;
 - (g) The Auditor of Public Accounts, ex officio;
 - (h) The Director of the Administrative Office of the Courts, or his designee;
 - (i) One (1) retired state employee appointed by the Kentucky Retirement Systems, who shall serve an initial term of one (1) year;
 - (i) One (1) retired teacher appointed by the Teachers' Retirement System, who shall serve an initial term of two (2) years;
 - (k) One (1) active teacher appointed by the organization with the largest number of teacher members on payroll deduction, who shall serve an initial term of one (1) year;
 - (l) One (1) active state employee appointed by the organization with the largest number of state employee members on payroll deduction, who shall serve an initial term of two (2) years; and
 - (m) One (1) active classified education support employee appointed by the organization with the largest number of classified education support employee members on payroll deduction, who shall serve an initial term of one (1) year.
- As each appointed member's term expires, the vacancy created shall be filled by the appointing authority for that position for a term of two (2) years. An appointment to fill an unexpired term of an appointed member shall be made by the designated appointing authority for the remainder of the term. Appointed terms shall begin effective October 1.
- (2) The members of the board shall elect from among its members a chair and a vice chair.
 - (3) Regular meetings of the board shall be held at least once every month at a place, day, and time determined by the board. Special meetings of the board shall be held when needed as determined by the chair. If seven (7) or more members of the board request in writing that the chair call a special meeting, the chair shall call a special meeting. The meetings shall operate in accordance with the provisions of the Open

Meetings Law under KRS 61.805 to 61.850.

- (4) Members of the board shall receive reimbursement for necessary expenses for attendance at official board meetings or public hearings.
- (5) The Kentucky Group Health Insurance Board shall:
 - (a) Engage in analyses and research to identify the factors and parameters that affect the state group health insurance program;
 - (b) Develop and transmit, by October 1 of each year beginning October 1, 2001, to the Governor, the General Assembly, and the Chief Justice of the Supreme Court, policy recommendations regarding benefit options and management of the state group health insurance program; and
 - (c) Provide in the first report, due by October 1, 2001, the following:
 1. Analysis and discussion of methods used by all other states to provide health insurance benefits to their state group; and
 2. Analysis and discussion of the cost, enrollment, claims, and utilization data for calendar year 2000 on the Kentucky state group; and
 3. Recommendations including but not limited to appropriate structures for the state contribution rate which shall include recommendations on increasing the state contribution to provide support for dependent coverage, possible methods to mitigate adverse selection, competitive plan designs by type and benefit options, the feasibility of a state self-insurance plan, and strategies for evaluating third-party administrators and vendors.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 29, effective July 15, 2010. -- Amended 2002 Ky. Acts ch. 158, sec. I, effective July 15, 2002. -- Created 2000 Ky. Acts ch. 438, sec. I, effective April 21, 2000.



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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To: Kentucky Retirement Systems Board of Trustees
 From: Michael Lamb, KPPA, CFO
 Date: June 16, 2026
 Subject: FY 2027-Allocation of Administrative Expenses-KRS Systems and Plans

PURPOSE:

The purpose of this memo is to ask the KRS Board of Trustees to approve the FY 2027 allocation of the KRS hybrid % between the KERS Nonhazardous, KERS Hazardous, and the SPRS pension plans, based on membership (as was done in the past).

During the March 19, 2026, KPPA Board meeting, the KPPA Board approved the FY 2027 Hybrid % for administrative expenses for KRS and CERS is as follows:

KRS 35.62% and CERS 64.38%. (Effective 7/1/2026)

For Reference: the PY (FY 2025) Hybrid % was: KRS 35.65% and CERS 64.35%.

Based on membership, the recommended allocation of the FY 2027 KRS hybrid % (of 35.62%) among the applicable plans is as follows:

KRS	Membership as of 6/30/2025: (SAFR)(Pages (7&22-26))		
	Count	% of Membership	% of Admin Expenses
KERS Nonhazardous	130,535	87.60%	31.202%
KERS Hazardous	15,602	10.47%	3.729%
SPRS	2,883	1.93%	0.689%
KRS Total	149,020	100%	35.620%

For informational Purposes the breakdown for the FY 2026 Hybrid % was

KRS	Membership as of 6/30/2024	% of Membership	% of Admin Expenses
KERS Nonhazardous	128,724	87.70%	31.266%
KERS Hazardous	15,182	10.34%	3.688%
SPRS	2,867	1.95%	0.696%
KRS Total	146,773	100%	35.650%

BACKGROUND:

In accordance with KRS 61.505 11(a), the Kentucky Public Pensions Authority (KPPA) Board has the responsibility of determining how to prorate, assign or allocate to County Employees Retirement System and to Kentucky Retirement Systems all expenses incurred by or on behalf of the KPPA.

The KPPA Board approves the Hybrid % for the CERS and the KRS but leaves the allocation among the individual plans of each system up to the Board of each system.

FY 2027 - KPPA ADMIN BUDGET - WORKING DRAFT - FOR DISCUSSION ONLY

ADMINISTRATIVE EXPENSES (RESTRICTED FUNDS)	KPPA Approved ADMIN BUDGET	PROJECTED ACTUAL	Biennium Budget *Request	**HB500	KPPA ***Proposed ADMIN BUDGET	Budget to Budget Difference Year to Year	% Change Budget vs. Budget	FY 2027 Proposed Admin Budget vs. FY 2026 Projected Actual, Difference	% Change Proposed vs. Projected Actual
	FY 2026	FY2026	FY 2027	FY 2027	FY 2027				
PERSONNEL									
PERSONNEL	\$ 38,948,900	\$ 37,701,313	\$ 39,980,400	\$ 38,925,800	\$ 41,197,152	\$ 2,248,252	5.77%	\$ 3,495,839	9.27%
LEGAL CONTRACTS	1,820,000	756,800	1,675,000	1,675,000	1,340,000	\$ (480,000)	-26.37%	\$ 583,200	77.06%
AUDITING	250,000	222,581	201,000	201,000	201,000	\$ (49,000)	-19.60%	\$ (21,581)	-9.70%
ACTUARIAL SERVICES	550,000	340,898	550,000	550,000	550,000	\$ -	0.00%	\$ 209,102	61.34%
MEDICAL EXAMINERS	1,800,000	1,186,936	1,600,000	1,600,000	1,600,000	\$ (200,000)	-11.11%	\$ 413,064	34.80%
PERSONNEL TOTAL	\$ 43,368,900	\$ 40,208,529	\$ 44,006,400	\$ 42,951,800	\$ 44,888,152	\$ 1,519,252	3.50%	\$ 4,679,622	11.64%
OPERATIONAL									
RENTALS - BUILDING & EQUIPMENT	\$ 1,210,000	\$ 1,056,529	\$ 1,205,000	\$ 1,205,000	1,172,000	\$ (38,000)	-3.14%	\$ 115,471	10.93%
INFORMATION TECHNOLOGY	4,005,000	3,336,095	4,105,000	4,105,000	4,010,500	\$ 5,500	0.14%	\$ 674,405	20.22%
OTHER OPERATIONAL	1,509,000	965,392	1,549,200	1,549,200	1,179,700	\$ (329,300)	-21.82%	\$ 214,308	22.20%
OPERATIONAL TOTAL	\$ 6,724,000	\$ 5,358,016	\$ 6,859,200	\$ 6,859,200	\$ 6,362,200	\$ (361,800)	-5.38%	\$ 1,004,184	18.74%
Unallocated Reserve	22,700					\$ (22,700)	-100.00%	\$ -	#DIV/0!
TOTAL ADMINISTRATIVE BUDGET AMOUNT	\$ 50,115,600	\$ 45,566,545	\$ 50,865,600	\$ 49,811,000	\$ 51,250,352	\$ 1,134,752	2.26%	\$ 5,683,807	12.47%
				***	\$ 1,439,352				

* Biennium Budget Request was \$1,015,100 less than what KPPA anticipated was needed, due to baseline budget restrictions.

** HB500 granted KPPA \$1,054,600 Less than what KPPA asked for.

*** Admin Budget Cannot exceed HB500 amount, Current KPPA estimates indicated needs are \$1.4M greater than the \$49,811,000 that was granted

DRAFT

KRS Board Meeting - FY 2027 Draft Administrative Budget

ADMINISTRATIVE EXPENSES	FY 2026 KPPA BOARD APPROVED ADMIN BUDGET	ACTUALS through 5/31/2026	Projected Final for FY 2026	KPPA Proposed ADMIN BUDGET	Difference Between Projected FY 2026 FINAL and FY2027 Budget
FY 2027 - KPPA ADMIN BUDGET - WORKING DRAFT - FOR DISCUSSION ONLY					
PERSONNEL					
Salaries	\$ 22,400,000	\$ 19,751,780	\$ 21,547,396	\$ 22,719,859	\$ 1,172,463 (944,890.50)
Wages(Overtime)	280,000	192,301	209,783	250,000	40,217
Locality Premium	-	423,845	462,376	487,742	25,366
Wages(Block50)	40,000	15,003	16,367	-	(16,367)
Emp Paid FICA	1,740,000	1,468,078	1,601,540	1,794,506	192,967 (72,284.48)
Emp Paid Retirement	9,730,000	8,683,802	9,473,239	10,255,636	782,398 (422,177.44)
Emp Paid Health Ins	3,200,000	3,299,500	3,599,455	4,104,000	504,545
Emp Paid Life Ins	3,000	2,946	3,214	3,408	194
Emp Paid Sick Leave	250,000	-	-	250,000	250,000
Workers Compensation	20,000	12,485	12,485	15,000	2,515
Unemployment	10,000	-	-	5,000	5,000
Employee Training	25,000	11,530	12,578	12,000	(578)
Other Personnel costs/benefits (Escrow for Admin, adoption, tuition, bonds)	20,000	-	-	20,000	20,000
Subtotal	\$ 37,718,000	\$ 33,861,270	\$ 36,938,432	\$ 39,917,152	\$ 2,978,720 (1,439,352)
LEGAL CONTRACTS					
Legal Hearing Officers	270,000	130,913	142,814	90,000	(52,814)
Legal (SKO)	125,000	10,733	11,709	100,000	88,291
Legal (FBT)	600,000	261,944	285,757	400,000	114,243
Legal (Ice Miller)	500,000	154,600	168,654	300,000	131,346
Legal (Branco)	150,000	66,683	72,745	150,000	77,255
Legal (Dentons)	50,000	36,110	39,393	75,000	35,607
Legal (Kellerman)	100,000	32,509	35,464	100,000	64,536
Sturgill, Turner, Barker, Maloney				100,000	100,000
Legal Expense	25,000	242	264	25,000	24,736
Subtotal	\$ 1,820,000	\$ 693,734	\$ 756,800	\$ 1,340,000	\$ 583,200
AUDITING					
Auditing	\$ 250,000	\$ 204,033	\$ 222,581	\$ 201,000	(21,581)
ACTUARIAL SERVICES					
Actuarial Services	\$ 550,000	\$ 312,490	\$ 340,898	\$ 550,000	209,102
MEDICAL EXAMINERS / HEARING OFFICERS					
Medical Reviewers	\$ 1,800,000	\$ 1,088,025	\$ 1,186,936	\$ 1,600,000	\$ 413,064
OTHER PERSONNEL					
Escrow for Actuary Fees	-	(10,000)	(10,909)	-	10,909
Miscellaneous Contracts	1,000,000	339,834	720,728	1,195,000	474,272
Human Resources Consulting	10,000	-	-	10,000	10,000
Facility Security Charges	75,000	48,640	53,062	75,000	21,938
Subtotal	\$ 1,085,000	\$ 378,474	\$ 762,881	\$ 1,280,000	\$ 517,119
PERSONNEL TOTAL	\$ 43,223,000	\$ 36,538,026	\$ 40,208,529	\$ 44,888,152	\$ 4,679,622

KRS Board Meeting - FY 2027 Draft Administrative Budget

ADMINISTRATIVE EXPENSES	FY 2026 KPPA BOARD APPROVED ADMIN BUDGET	ACTUALS through 5/31/2026	Projected Final for FY 2026	KPPA Proposed ADMIN BUDGET	Difference Between Projected FY 2026 FINAL and FY2027 Budget
OPERATIONAL					
RENTALS - BUILDING & EQUIPMENT					
Rent-Non-state Building	105,000	\$ -	\$ -	\$ 92,000	\$ 92,000
Building Rental - PPW	1,000,000	\$ 881,804	\$ 961,968	\$ 1,000,000	\$ 38,032
Copier Rental	100,000	\$ 81,235	\$ 88,620	\$ 75,000	\$ (13,620)
Rental Carpool	5,000	\$ 5,446	\$ 5,941	\$ 5,000	\$ (941)
Subtotal	\$ 1,210,000	\$ 968,485	\$ 1,056,529	\$ 1,172,000	\$ 115,471
INFORMATION TECHNOLOGY					
eMARS Usage	65,000	\$ 59,040	\$ 59,040	\$ 65,000	\$ 5,960
COT Charges	40,000	\$ 15,190	\$ 18,228	\$ 40,000	\$ 21,772
Computer Equip./Software	\$ 3,900,000	\$ 2,987,258	\$ 3,258,827	\$ 3,905,500	\$ 646,673
Subtotal	\$ 4,005,000	\$ 3,061,488	\$ 3,336,095	\$ 4,010,500	\$ 674,405
OTHER OPERATIONAL					
Natural Gas	50,000	\$ 37,869	\$ 41,312	\$ 35,000	\$ (6,312)
Electric	140,000	\$ 84,720	\$ 92,422	\$ 115,000	\$ 22,578
Vehicle/Equip. Maintenance	1,500	\$ 1,384	\$ 1,510	\$ 1,500	\$ (10)
Postage	480,000	\$ 306,530	\$ 334,396	\$ 400,000	\$ 65,604
Freight	500	\$ 65	\$ 71	\$ 500	\$ 429
Printing (State & non-state)	100,000	\$ 105,726	\$ 115,337	\$ 75,000	\$ (40,337)
Insurance	7,500	\$ 12,692	\$ 12,692	\$ 12,700	\$ 8
Garbage Collection	8,000	\$ 2,841	\$ 3,099	\$ 8,000	\$ 4,901
Conference Expense	50,000	\$ 40,918	\$ 44,638	\$ 35,000	\$ (9,638)
Office Supplies	100,000	\$ 47,338	\$ 51,641	\$ 50,000	\$ (1,641)
Furniture & Office Equipment	50,000	\$ 33	\$ 36	\$ 50,000	\$ 49,964
Travel (In-State)	16,500	\$ 8,785	\$ 9,584	\$ 12,000	\$ 2,416
Travel (Out of State)	215,000	\$ 40,987	\$ 44,713	\$ 125,000	\$ 80,287
Dues & Subscriptions	85,000	\$ 82,540	\$ 90,044	\$ 85,000	\$ (5,044)
Miscellaneous	55,000	\$ 18,686	\$ 20,385	\$ 25,000	\$ 4,615
Telephone & Video Conference	150,000	\$ 94,886	\$ 103,512	\$ 150,000	\$ 46,488
Subtotal	\$ 1,509,000	\$ 886,000	\$ 965,392	\$ 1,179,700	\$ 214,308
OPERATIONAL TOTAL	\$ 6,724,000	\$ 4,915,973	\$ 5,358,016	\$ 6,362,200	\$ 1,004,184
ADMINISTRATIVE TOTAL	\$ 49,947,000	\$ 41,453,999	\$ 45,566,545	\$ 51,250,352	\$ 5,683,807
BUDGETED AMOUNT	\$ 50,115,600	\$ 50,115,600	\$ 50,115,600	\$ 49,811,000	
% of Budget Expended	100%	83%	91%	\$ 1,439,352	

FY 2027 - KPPA ADMIN BUDGET - WORKING DRAFT - FOR DISCUSSION ONLY

KRS Board Meeting - Quarterly Financial Reports



Combining Statement of Fiduciary Net Position									
For the nine month period ending March 31, 2026, with Comparative Totals for the nine month period ending March 31, 2025 (\$ in thousands) (Unaudited)									
ASSETS	Pension			Insurance			KRS Total 2026	KRS Total 2025	
	KERS Nonhazardous	KERS Hazardous	SPRS	KERS Nonhazardous	KERS Hazardous	SPRS			
CASH AND SHORT-TERM INVESTMENTS									
Cash Deposits	\$277	\$48	\$45	\$106	\$26	\$29	\$531	\$454	16.96%
Short-term Investments	328,471	66,132	40,913	86,911	28,808	8,878	560,113	\$404,061	38.62% 1
Total Cash and Short-term Investments	328,748	66,180	40,958	87,017	28,834	8,907	560,644	404,515	38.60%
RECEIVABLES									
Accounts Receivable	90,392	4,637	3,171	6,268	493	216	105,177	102,862	2.25%
Accounts Receivable - Investments	155,985	34,666	22,733	67,952	17,653	7,301	306,290	145,080	111.12% 2
Total Receivables	246,377	39,303	25,904	74,220	18,146	7,517	411,467	247,942	65.95%
INVESTMENTS, AT FAIR VALUE									
Core Fixed Income	1,512,134	122,679	213,750	192,591	75,068	29,774	2,145,996	1,887,692	13.68% 3
Public Equities	1,761,922	511,303	251,082	797,811	319,605	123,965	3,765,688	3,113,209	20.96% 4
Private Equities	205,623	57,725	28,069	93,249	38,296	17,000	439,962	466,614	(5.71%)
Specialty Credit	1,106,051	299,721	156,807	473,868	188,544	74,778	2,299,769	2,050,026	12.18% 5
Derivatives	60	37	15	45	4	11	172	—	100.00%
Real Return	538,553	95,613	75,183	152,870	59,606	23,983	945,808	823,598	14.84% 6
Real Estate	234,732	69,085	35,719	112,650	45,394	17,331	514,911	488,951	5.31%
Total Investments, at Fair Value	5,359,075	1,156,163	760,625	1,823,084	726,517	286,842	10,112,306	8,830,090	14.52%
Securities Lending Collateral	140,903	30,688	19,920	34,471	13,665	5,357	245,004	246,106	(0.45%)
CAPITAL/INTANGIBLE ASSETS									
Capital Assets	929	91	11	—	—	—	1,031	1,031	—%
Intangible Assets	5,920	494	100	—	—	—	6,514	6,514	—%
Accumulated Depreciation	(929)	(91)	(11)	—	—	—	(1,031)	(1,031)	—%
Accumulated Amortization	(5,920)	(494)	(100)	—	—	—	(6,514)	(6,514)	—%
Total Capital Assets	—	—	—	—	—	—	—	—	—%
Total Assets	6,075,103	1,292,334	847,407	2,018,792	787,162	308,623	11,329,421	9,728,653	16.45%
LIABILITIES									
Accounts Payable	4,380	1,562	278	(28)	(1)	—	6,191	5,242	18.10%
Accounts Payable - Investments	227,307	47,320	32,755	87,871	22,507	9,342	427,102	199,716	113.85% 7
Securities Lending Collateral	140,903	30,689	19,920	34,471	13,665	5,358	245,006	246,106	(0.45%)
Total Liabilities	372,590	79,571	52,953	122,314	36,171	14,700	678,299	451,064	50.38%
Total Fiduciary Net Position Restricted for Benefits	\$5,702,513	\$1,212,763	\$794,454	\$1,896,478	\$750,991	\$293,923	\$10,651,122	\$9,277,589	14.80%
NOTE - Variance Explanation for changes greater than 10% and more than \$1 million. Differences due to rounding									
1) Short term investments are primarily comprised of cash on hand at the custodial bank, the variance in the balance is a result of the cash flows of each plan.									
2) The variance in Investment Accounts Receivable is primarily the result of pending trades.									
3) The increase in Core Fixed Income is primarily due to receivables and unrealized and realized gains on investments.									
4) The increase in Public Equity is primarily due to unrealized and realized gains.									
5) The increase in Specialty Credit is primarily due to receivables and unrealized gains on investments.									
6) The increase in Real Return is primarily due to unrealized gains.									
7) The variance in Investment Accounts Payable is primarily the result of pending trades.									



KRS Board Meeting - Quarterly Financial Reports

Combining Statement of Changes In Fiduciary Net Position									
For the nine month period ending March 31, 2026, with Comparative Totals for the nine month period ending March 31, 2025 (\$ in thousands) (Unaudited)									
	Pension			Insurance			KRS Total 2026	KRS Total 2025	
	KERS Nonhazardous	KERS Hazardous	SPRS	KERS Nonhazardous	KERS Hazardous	SPRS			
ADDITIONS									
Member Contributions	\$83,020	\$17,867	\$4,511	\$—	\$—	\$—	\$105,398	\$99,404	6.03%
Employer Contributions	123,547	57,549	43,070	24,190	6	1,370	249,732	228,471	9.31%
Actuarially Accrued Liability Contributions	649,314	—	—	1,492	—	—	650,806	649,432	0.21%
General Fund Appropriations	225,000	—	18,750	—	—	—	243,750	243,749	—%
Pension Spiking Contributions	(2)	—	—	—	—	—	(2)	11	(118.18%)
Health Insurance Contributions (HB1)	(61)	(42)	(9)	10,239	1,872	366	12,365	10,986	12.55%
Humana Gain Share Payment	—	—	—	—	—	—	—	—	—
Medicare Drug Reimbursement	—	—	—	—	—	—	—	3	—
Insurance Premiums	—	—	—	34	(35)	(34)	(35)	(38)	(7.89%)
Retired Reemployed Healthcare	—	—	—	7,100	1,548	22	8,670	8,004	8.32%
Total Contributions	1,080,818	75,374	66,322	43,055	3,391	1,724	1,270,684	1,240,022	2.47%
INVESTMENT INCOME									
From Investing Activities									
Net Appreciation (Depreciation) in FV of Investments	182,744	42,512	24,859	62,929	27,150	10,723	350,917	281,311	24.74%
Interest/Dividends	135,331	29,088	19,235	45,464	17,553	7,060	253,731	230,376	10.14%
Total Investing Activities Income (loss)	318,075	71,600	44,094	108,393	44,703	17,783	604,648	511,687	18.17%
Less: Investment Expense	19,691	5,136	2,791	7,749	3,869	1,482	40,718	37,755	7.85%
Less: Performance Fees	6,586	1,348	785	2,807	1,131	403	13,060	15,239	(14.30%)
Net Income (loss) from Investing Activities	291,798	65,116	40,518	97,837	39,703	15,898	550,870	458,693	20.10%
From Securities Lending Activities									
Securities Lending Income	4,913	1,146	784	1,625	529	217	9,214	9,707	—
Less: Securities Lending Borrower Rebates (Income)/Expense	3,993	932	639	1,305	418	173	7,460	8,620	—
Less: Securities Lending Agent Fees	138	32	22	48	17	7	264	164	—
Net Income from Securities Lending	782	182	123	272	94	37	1,490	923	61.43%
Net Investment Income (loss)	292,580	65,298	40,641	98,109	39,797	15,935	552,360	459,616	20.18%
Total Additions	1,373,398	140,672	106,963	141,164	43,188	17,659	1,823,044	1,699,638	7.26%
DEDUCTIONS									
Benefit Payments	795,244	69,587	54,456	—	—	—	919,287	903,040	1.80%
Refunds	8,393	5,742	673	—	—	—	14,808	13,653	8.46%
Administrative Expenses	10,533	1,251	234	396	77	58	12,549	12,421	1.03%
Healthcare Premium Subsidies	—	—	—	77,280	16,123	13,127	106,530	104,163	2.27%
Self Funded Healthcare	—	—	—	886	102	23	1,011	1,578	(35.93%)
Excise Tax	—	—	—	—	—	—	—	—	—%
Total Deductions	814,170	76,580	55,363	78,562	16,302	13,208	1,054,185	1,034,855	1.87%
Net Increase/Decrease in Fiduciary Net Position Restricted for Pension Benefits	559,228	64,092	51,600	62,602	26,886	4,451	768,859	664,783	15.66%
Total Fiduciary Net Position Restricted for Benefits									
Beginning of Period	5,143,284	1,148,670	742,853	1,833,872	724,103	289,472	9,882,254	8,612,809	14.74%
End of Period	\$5,702,512	\$1,212,762	\$794,453	\$1,896,474	\$750,989	\$293,923	\$10,651,113	\$9,277,592	14.80%
NOTE - Variance Explanation for changes greater than 10% and more than \$1 million. Differences due to rounding.									
1) Health Insurance Contributions will continue to increase as membership in Tier 2 and Tier 3 increases.									
2) The increase in Net Appreciation is primarily attributable to the unrealized gains reported from Public Equity.									
3) The increase in Interest/Dividends is a result of increased dividends from Public Equity.									
4) The decrease in Performance Fees is a result of a decline in carried interest from Private Equity and Specialty Credit.									
5) The change in Securities Lending net income is driven by the demands of the program.									
6) Self Funded Healthcare Costs decreased due to a decrease in reimbursements for claims on self funded retirees for KERS Nonhazardous retirees.									


KRS Board Meeting - Quarterly Financial Reports

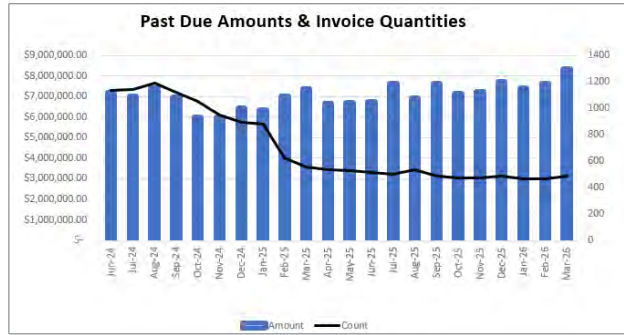
KRS Contribution Report
 For the nine month period ending March 31, 2026, with Comparative Totals for the nine month period ending March 31, 2025 (\$ in Millions)

 	Kentucky Employees Retirement System				State Police Retirement System	
	Nonhazardous		Hazardous			
	Pension					
	FY26	FY25	FY26	FY25	FY26	FY25
Member Contributions	\$83.0	\$78.4	\$17.8	\$16.5	\$4.5	\$4.5
Employer Contributions	93.2	87.0	47.1	43.4	41.2	36.9
Employer Pay Credit	30.3	26.2	10.4	9.4	1.9	1.7
AALC	649.3	648.1	—	—	—	—
General Fund Appropriations	225.0	225.0	—	—	18.8	18.8
Net Investment Income	109.8	91.5	22.8	20.8	15.8	14.2
Total Inflows	1,190.6	1,156.2	98.1	90.1	82.2	76.1
Benefit Payments/Refunds	803.6	795.4	75.3	71.4	55.1	49.9
Administrative Expenses	10.5	10.3	1.3	1.2	0.2	0.2
Total Outflows	814.1	805.7	76.6	72.6	55.3	50.1
NET Contributions	376.5	350.5	21.5	17.5	26.9	26.0
Realized Gain/(Loss)	109.5	100.9	28.3	31.0	16.1	15.4
Unrealized Gain/(Loss)	73.2	47.1	14.2	1.8	8.7	5.0
Change in Net Position	559.2	498.5	64.0	50.3	51.7	46.4
Beginning of Period	5,143.3	4,297.6	1,148.7	1,029.9	742.9	653.2
End of Period	\$5,702.5	\$4,796.1	\$1,212.7	\$1,080.2	\$794.6	\$699.6
Net contributions less Net Investment Income	\$266.7	\$259.0	(\$1.3)	(\$3.3)	\$11.1	\$11.8
Cash Flow as % of Net Assets	4.68%	5.40%	(0.11%)	(0.31%)	1.39%	1.69%
Net Investment Income	\$109.8	\$91.5	\$22.8	\$20.8	\$15.8	\$14.2
Yield as % of Net Assets	1.93%	1.91%	1.88%	1.93%	1.99%	2.03%



 	Kentucky Employees Retirement System				State Police Retirement System	
	Nonhazardous		Hazardous			
	Insurance					
	FY26	FY25	FY26	FY25	FY26	FY25
Employer Contributions	\$24.2	\$22.5	\$—	\$—	\$1.4	\$1.4
AALC	1.5	1.4	—	—	—	—
Insurance Premiums	—	—	—	—	—	—
Humana Gain Share	—	—	—	—	—	—
Retired Employed Healthcare	7.1	6.4	1.5	1.6	—	—
Health Insurance Contributions	10.2	9.0	1.9	1.7	0.4	0.3
Net Investment Income	35.2	34.7	12.6	12.1	5.2	5.0
Total Inflows	78.2	74.0	16.0	15.4	7.0	6.7
Healthcare Premiums	78.2	78.5	16.2	16.2	13.2	11.1
Administrative Expenses	0.4	0.5	0.1	0.1	0.1	0.1
Total Outflows	78.6	79.0	16.3	16.3	13.3	11.2
NET Contributions	(0.4)	(5.0)	(0.3)	(0.9)	(6.3)	(4.5)
Realized Gain/(Loss)	50.2	55.3	20.0	22.9	8.2	9.3
Unrealized Gain/(Loss)	12.7	(3.6)	7.1	(2.6)	2.5	(1.1)
Change in Net Position	62.5	46.7	26.8	19.4	4.4	3.7
Beginning of Period	1,833.9	1,692.1	724.1	667.9	289.5	272.1
End of Period	\$1,896.4	\$1,738.8	\$750.9	\$687.3	\$293.9	\$275.8
Net contributions less Net Investment Income	(\$35.6)	(\$39.7)	(\$12.9)	(\$13.0)	(\$11.5)	(\$9.5)
Cash Flow as % of Net Assets	(1.88%)	(2.28%)	(1.72%)	(1.90%)	(3.91%)	(3.46%)
Net Investment Income	\$35.2	\$34.7	\$12.6	\$12.1	\$5.2	\$5.0
Yield as % of Net Assets	1.86%	2.00%	1.68%	1.76%	1.77%	1.80%

KRS Board Meeting - Quarterly Financial Reports

		Past Due Invoices As Of March 31, 2026									
Employer Name (Top Ten)	Type of Invoice	0-90 days	91-180 days	181-360 days	1-2 years	2-3 years	3-5 years	> 5 years	Total Past Due	COMMENTS	
KENTUCKY RIVER COMMUNITY CARE INC		\$362,699	\$363,733	\$724,798	\$1,450,312	\$1,451,004	\$2,418,020	(\$218)	\$6,770,349		
	Actuarially Accrued Liability Contribution	362,699	362,699	725,390	1,450,812	1,450,812	2,418,020		6,770,433		
	Standard Sick Leave		1,033			711			1,745	With KPPA Legal	
	Pension Spiking							3	3		
	Monthly Reporting Invoice			(591)	(500)	(520)		(221)	(1,831)		
DEPARTMENT OF HIGHWAYS		\$620,167							\$620,167		
	Standard Sick Leave	436,329							436,329		
	Health Insurance Reimbursement	155,807							155,807	New Items, ERCE and employer working on payment	
	Employer free military and decompression service	25,767							25,767		
	Omitted Employer	2,300							2,300		
	Personnel Adjustment (36)								(36)		
SEVEN COUNTY SERVICES INC		\$118	(\$927)	\$3,576	(\$2,656)	\$415	\$164,052	\$164,052	\$164,579		
	Pension Spiking	118		5,915		1,502	135,790		143,326		
	Standard Sick Leave						36,798		36,798	With KPPA Legal	
	Omitted Employer						7,558		7,558		
	Monthly Reporting Invoice			(927)	(2,339)	(2,656)	(1,087)	(16,094)	(23,103)		
DEPARTMENT OF CRIMINAL JUSTICE TRAINING		\$141,854							\$141,854		
	Health Insurance Reimbursement	105,860							105,860	New Items, ERCE and employer working on payment	
	Standard Sick Leave	35,994							35,994		
UNIFIED PROSECUTORIAL SYSTEM		(\$68)			(\$141)	\$38,652	\$11,601	\$52,247	\$102,291		
	Standard Sick Leave					37,807	10,474	15,117	63,398		
	Pension Spiking					2,264	1,098	44,575	47,937		
	Monthly Reporting Invoice							895	895	ERCE, Legal, and CFO working on resolution	
	Omitted Employer							466	466		
	Expired Post Pending Invoice							(767)	(767)		
	Member Pension Spiking Refund			(141)	(1,125)	(1,843)	(464)	(464)	(3,573)		
	Personnel Adjustment (68)				(294)	1,872	(7,575)	(6,065)	(6,065)		
DEPARTMENT FOR COMMUNITY BASED SERVICES		\$64,626	(\$42)	\$1,243					\$65,827		
	Health Insurance Reimbursement	63,653							63,653	Agency is currently working with Personnel hopes to have them all paid by the end of May.	
	Standard Sick Leave	2,807							2,807		
	Reinstatement			1,243					1,243		
	Member Pension Spiking Refund (615)								(615)		
	Personnel Adjustment (1,219)		(42)						(1,261)		
DEPT FOR BEHAVIORAL HEALTH DEVELOPMENTAL INTELLECTUAL DISABILITIES		\$64,602							\$64,602		
	Standard Sick Leave	51,918							51,918	New Items, ERCE and employer working on payment	
	Health Insurance Reimbursement	13,191							13,191		
	Personnel Adjustment (41)								(41)		
	Member Pension Spiking Refund (466)								(466)		
DEPARTMENT OF JUVENILE JUSTICE		\$53,864							\$53,864		
	Standard Sick Leave	38,736							38,736	New Items, ERCE and employer working on payment	
	Health Insurance Reimbursement	16,407							16,407		
	Member Pension Spiking Refund (1,279)								(1,279)		
KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM		\$44,919							\$44,919		
	Standard Sick Leave	44,908							44,908	New Items, ERCE and employer working on payment	
	Monthly Reporting Invoice	11							11		
DEPARTMENT OF VETERANS AFFAIRS		\$32,678	\$6,439						\$39,117		
	Health Insurance Reimbursement	15,285	4,814						20,098	Invoices have been paid	
	Standard Sick Leave	17,393	1,718						19,111		
	Personnel Adjustment		(92)						(92)		
ALL OTHER KRS EMPLOYERS		\$229,850	\$28,153	(\$1,393)	\$3,152	(\$1,246)	(\$518)	(\$3,394)	\$254,606		
	Health Insurance Reimbursement	149,081	15,966	—	2,847	—	—	1,350	169,243		
	Standard Sick Leave	79,836	—	—	—	—	—	1,023	80,859		
	Omitted Employer	—	13,533	—	—	—	—	—	13,533		
	Initial Monthly Reporting Penalty (KPPA USE ONLY)	2,000	—	—	—	—	—	—	2,000	Employers Actively working with ERCE on payment of past due amounts	
	Penalty - Monthly Reporting	—	—	1,000	1,000	—	—	—	2,000		
	Reinstatement	109	—	—	—	—	—	—	109		
	Actuarially Accrued Liability Contribution	—	—	(43)	—	—	—	—	(43)		
	Personnel Adjustment (331)	—	(120)	(1,152)	—	—	—	—	(1,604)		
	Member Pension Spiking Refund (823)	—	(1,226)	—	—	(180)	—	—	(2,229)		
	Omitted Employer PPEND	—	—	—	—	—	—	(2,303)	(2,303)		
	Monthly Reporting Invoice (21)	—	—	(1,197)	(695)	(1,066)	(518)	(3,464)	(6,961)		
Total PAST Due		\$1,615,191	\$398,402	\$723,722	\$1,456,899	\$1,485,754	\$2,429,518	\$212,688	\$8,322,175		
Subtotal of Accounts With KPPA Legal									7,037,219		
Subtotal of Amounts Paid Since 12/31/2025									39,117		
Amounts still open and past due (not with Legal), as of February 28, 2026									\$1,245,839		



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 		KENTUCKY PUBLIC PENSIONS AUTHORITY Penalty Invoices Report From: 1/1/2026 To: 3/31/2026 Note: Delinquent Interest amounts are included in the totals for the invoice						
Invoice Amount	Invoice Remaining Balance	Delinquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments	
\$1,000	\$—	\$—	3/2/2026	11/8/2025	CANC	Master Commissioner	Due to KPPA system issues.	
1,000	—	—	3/26/2026	4/23/2026	CANC	Health Departments	Employer in good standing with KPPA.	
Total	\$2,000	\$—						
\$2,675	\$2,675	\$—	3/24/2026	4/23/2026	CRTD	Regional Mental Health Units		
Total	\$2,675	\$2,675						
\$1,000	\$—	\$—	2/4/2026	2/4/2026	PAID	Health Departments		
1,000	—	—	1/22/2026	2/12/2026	PAID	Non-P1 State Agencies		
1,000	—	—	2/6/2026	2/12/2026	PAID	Health Departments		
1,000	—	—	3/23/2026	4/17/2026	PAID	Universities		
Total	\$4,000	\$—						

Notes:
 Invoice Status:
 CANC - Cancelled
 CRTD - Created
 PAID - Paid

KPPA ADMINISTRATIVE BUDGET FY 2025-2026 BUDGET-TO-ACTUAL SUMMARY ANALYSIS						
FOR THE NINE MONTHS PERIOD ENDING MARCH 31, 2026, WITH COMPARATIVE TOTALS FOR THE NINE MONTHS ENDING MARCH 31, 2025						
CATEGORY	BUDGETED	FY 2026 EXPENSE	REMAINING	PERCENT REMAINING	FY 2025 EXPENSE	PERCENT DIFFERENCE
PERSONNEL	\$37,718,000	\$27,626,719	\$10,091,281	26.75%	\$26,147,479	5.66%
LEGAL CONTRACTS	1,820,000	562,899	1,257,101	69.07%	1,069,482	(47.37%)
AUDITING	250,000	169,033	80,967	32.39%	201,847	(16.26%)
ACTUARIAL SERVICES	550,000	254,996	295,004	53.64%	233,965	8.99%
MEDICAL REVIEWERS	1,800,000	874,865	925,135	51.40%	833,310	4.99%
OTHER PERSONNEL	1,085,000	167,880	917,120	84.53%	229,389	(26.81%)
PERSONNEL TOTAL	\$43,223,000	\$29,656,392	\$13,566,608	31.39%	\$28,715,472	3.28%
RENTALS - BUILDING & EQUIPMENT	1,400,000	898,074	501,926	35.85%	880,054	2.05%
INFORMATION TECHNOLOGY	4,005,000	2,338,396	1,666,604	41.61%	2,523,824	(7.35%)
OTHER OPERATIONAL	1,319,000	674,511	644,489	48.86%	829,161	(18.65%)
OPERATIONAL TOTAL	\$6,724,000	\$3,910,981	\$2,813,017	41.84%	\$4,233,039	(7.61%)
RESERVE	22,700	—	22,700	100.00%	—	—%
RESERVE OSBD ADDITIONAL FUNDS	149,500	—	149,500	100.00%	—	—%
ADMINISTRATIVE BUDGETED AMOUNT	\$50,119,200	\$33,567,373	\$16,551,824	33.02%	\$32,948,510	1.88%
<i>Differences due to rounding.</i>						

ADMINISTRATIVE BUDGET SUMMARY NOTES	
	<p>KPPA has spent 73.25% of this category and has 26.75% (or \$10,091,281) left to spend in Q4. Year to date spending is 5.66% higher than prior year.</p> <p>There are certain individual line items in this subcategory that we continue to closely monitor:</p> <p>Salaries and Wages + Locality Premium (are budgeted together but tracked separately) and combined KPPA has spent 73.60% of the annual budget with expected totals to be right at (or slightly below) the \$22.4 budget for salaries and Locality premium.</p> <p>Employer Paid, FICA, and Employer Paid Retirement, are both expected to end up below budget by \$150k, and \$240k, respectively. However, the Employer Paid Health Insurance Line item is likely to exceed budget by approx. \$315k.</p> <p>All other line items are expected to be under budget at year-end.</p>
PERSONNEL (Staffing Subtotal)	Overall, this sub-category is on target to be at, or slightly below budget by 2-3%, at year-end.
LEGAL CONTRACTS	There is plenty of capacity within every individual line item within the legal category, and it is anticipated that this will end up \$1M under budget.
AUDITING	The Auditing line will remain under budget for the year.
ACTUARIAL SERVICES	Current costs are 8.99% higher than prior year at this time, however, this category is below budget and will remain so.
MEDICAL REVIEWERS	Current costs are 4.99% higher than prior year at this time, however, this category is below budget and will remain so.
OTHER PERSONNEL	Category under budget through Q3, the IT assessment is here (under misc. contracts) and that was just recently initiated, but this category will remain under budget for the year.
	<p>The Operational Category, is trending below budget, with most line items on target to be below budget throughout the year. However, there are a few individual line items to note:</p> <p>-Conference Expense, line item only has 25.68% of its budget remaining, but does include the October IMPACT forum conference costs, and should be under budget at year-end.</p> <p>-Dues and Subscriptions, appear to be over budget through Q3; however, most are annual and have been paid. Last Q4, KPPA spent \$12k in dues, and if that is added in Q4 of this year, we will be under budget.</p> <p>-Carpool line item is likely to exceed budget by \$1000, by year-end.</p> <p>One line item, Insurance (State Risk), is already over the annual budget, by \$5,192. Budget was \$7,500 and Actual is \$12,692, this low budget amount was an oversight by the CFO.</p>
OPERATIONAL TOTAL	All other individual line items in the budget are on target to be below budget at year-end.
OVERALL	<p>Through Q3 of FY2026, KPPA has spent 66.98% (or \$33,567,371) of the FY budget amount of \$50,119,200. Current spend is 1.88% higher than the same period last fiscal year.</p> <p>This leaves KPPA with \$16.5 mill left to utilize in the 4th Quarter of the fiscal year.</p>

KPPA ADMINISTRATIVE BUDGET FY 2025-2026 BUDGET-TO-ACTUAL ANALYSIS FOR THE NINE MONTHS PERIOD ENDING MARCH 31, 2026, WITH COMPARATIVE TOTALS FOR THE NINE MONTHS ENDING MARCH 31, 2025						
Account Name	Budgeted	FY 2026 Expense	Remaining	PERCENT REMAINING	FY 2025 EXPENSE	PERCENT DIFFERENCE
PERSONNEL						
Staff						
Salaries/Wages	\$22,400,000	\$16,138,925	\$6,261,075	27.95%	\$15,126,488	6.69%
Wages (Overtime)	320,000	176,825	143,175	44.74%	142,865	23.77%
Locality Premium	—	340,613	(340,613)	(100.00%)	6,488	5,150.09%
Emp Paid FICA	1,740,000	1,194,170	545,830	31.37%	1,095,995	8.96%
Emp Paid Retirement	9,730,000	7,115,676	2,614,324	26.87%	7,352,647	(3.22%)
Emp Paid Health Ins	3,200,000	2,636,766	563,234	17.60%	2,316,423	13.83%
Emp Paid Life Ins	3,000	2,404	596	19.87%	2,315	3.84%
Emp Paid Sick Leave	250,000	—	250,000	100.00%	81,740	(100.00%)
Adoption Assistance Benefit	15,000	—	15,000	100.00%	—	—%
Escrow For Admin Fees	5,000	—	5,000	100.00%	—	—%
Workers Compensation	20,000	12,485	7,515	37.57%	12,485	—%
Unemployment	10,000	—	10,000	100.00%	2,007	(100.00%)
Employee Training	25,000	8,854	16,146	64.58%	8,027	10.30%
Tuition Assistance	—	—	—	—	—	—%
Bonds	—	—	—	—	—	—%
Staff Subtotal	\$37,718,000	\$27,626,719	\$10,091,281	26.75%	\$26,147,479	5.66%
LEGAL & AUDITING SERVICES						
Legal Hearing Officers	270,000	112,013	157,988	58.51%	127,773	(12.33%)
Legal (Stoll, Keenon)	125,000	10,733	114,267	91.41%	—	—%
Frost Brown	600,000	186,093	413,907	68.98%	459,094	(59.47%)
Reinhart	—	—	—	—	—	—%
Ice Miller	500,000	142,007	357,993	71.60%	210,966	57.98%
Johnson, Bowman, Branco LLC	150,000	52,498	97,503	65.00%	89,891	(41.60%)
Dentons Bingham & Greenbaum	50,000	30,965	19,035	38.07%	85,523	(63.79%)
Kellerman Law PLC	100,000	28,350	71,651	71.65%	—	100.00%
Legal Expense	25,000	242	24,758	99.03%	96,235	(99.75%)
Auditing	250,000	169,033	80,968	32.39%	201,847	(16.26%)
Total Legal & Auditing Services	\$2,070,000	\$731,932	\$1,338,068	64.64%	\$1,271,329	(42.43%)
CONSULTING SERVICES						
Medical Reviewers	1,800,000	874,865	925,135	51.40%	833,310	4.99%
Escrow for Actuary Fees	—	(10,000)	10,000	—	—	—%
Total Consulting Services	\$1,800,000	\$864,865	\$935,135	51.95%	\$833,310	3.79%
CONTRACTUAL SERVICES						
Miscellaneous Contracts	1,000,000	143,498	856,502	85.65%	188,477	(23.86%)
Human Resources Consulting	10,000	—	10,000	100.00%	—	—%
Actuarial Services	550,000	254,996	295,005	53.64%	233,965	8.99%
Facility Security Charges	75,000	34,382	40,618	54.16%	40,912	(15.96%)
Contractual Subtotal	\$1,635,000	\$432,875	\$1,202,125	73.52%	\$463,354	(6.58%)
PERSONNEL SUBTOTAL	\$43,223,000	\$29,656,392	\$13,566,608	31.39%	\$28,715,472	3.28%
OPERATIONAL						
Natural Gas	50,000	33,537	16,463	32.93%	25,889	29.54%
Electric	140,000	71,158	68,842	49.17%	89,379	(20.39%)
Rent-Non State Building	105,000	—	105,000	100.00%	—	—%
Building Renatl - PPW	1,000,000	721,476	278,524	27.85%	721,476	—%
Copier Rental	100,000	67,425	32,575	32.58%	38,747	74.01%
Rental Carpool	5,000	4,478	522	10.43%	4,563	(1.86%)
Vehicle/Equip. Maintenance	1,500	1,384.00	116	7.73%	21,048	(93.42%)
Postage	480,000	293,743	186,257	38.80%	277,435	5.88%
Freight	500	—	500	100.00%	—	—%
Printing (State)	5,000	2,180	2,820	56.40%	50	4,260.00%
Printing (Non-State)	95,000	77,688	17,312	18.22%	78,291	(0.77%)

KRS Board Meeting - Quarterly Financial Reports

Insurance	7,500	12,692	(5,192)	(69.23%)	12,692	—%
Garbage Collection	8,000	2,237	5,763	72.03%	4,939	(54.71%)
Conference Expense	48,000	37,161	10,839	22.58%	32,975	12.69%
Conference Exp. Investment	1,000	—	1,000	100.00%	—	—%
Conference Exp. Audit	1,000	—	1,000	100.00%	644	(100.00%)
MARS Usage	65,000	44,280	20,720	31.88%	44,033	0.56%
COVID-19 Expenses	—	—	—	—	—	—%
Office Supplies	100,000	44,098	55,902	55.90%	37,562	17.40%
Furniture & Office Equipment	50,000	33.00	49,967	99.93%	2,474	(98.67%)
Travel (In-State)	15,000	7,483	7,517	50.11%	7,056	6.05%
Travel (In-State) Investment	500	41.00	459	91.81%	—	100.00%
Travel (In-State) Audit	1,000	—	1,000	100.00%	—	—%
Travel (Out of State)	77,000	37,130	39,870	51.78%	44,976	(17.44%)
Travel (Out of State) Investment	135,000	—	135,000	100.00%	9,160	(100.00%)
Travel (Out of State) Audit	3,000	—	3,000	100.00%	—	—%
Dues & Subscriptions	69,000	67,827	1,173	1.70%	56,201	20.69%
Dues & Subscriptions Investment	15,000	5,429	9,571	63.81%	6,360	(14.64%)
Dues & Subscriptions Audit	1,000	995	5	0.50%	805	23.60%
Miscellaneous	55,000	4,208	50,792	92.35%	71,670	(94.13%)
Miscellaneous Investment	—	—	—	—	—	—%
Miscellaneous Audit	—	—	—	—	—	—%
COT Charges	40,000	12,152	27,848	69.62%	12,852	(5.45%)
Telephone - Wireless	10,000	5,784	4,216	42.16%	5,733	0.89%
Telephone - Other	125,000	73,424	51,576	41.26%	156,170	(52.98%)
Telephone - Video Conference	15,000	973	14,027	93.51%	2,921	(66.69%)
Computer Equip./Software	3,900,000	2,281,964	1,618,036	41.49%	2,466,939	(7.50%)
Comp. Equip./Software Investment	—	—	—	—	—	—%
Comp. Equip./Software Audit	—	—	—	—	—	—%
OPERATIONAL SUBTOTAL	\$6,724,000	\$3,910,981	\$2,813,019	41.84%	\$4,233,039	(7.61%)
SUB-TOTAL	\$49,947,000	\$33,567,372	\$16,379,628	32.79%	\$32,948,510	1.88%
Reserve	22,700	—	22,700	100.00%	—	—%
Reserve OSBD Additional Funds	149,500	—	149,500	100.00%	—	—%
TOTAL	\$50,119,200	\$33,567,372	\$16,551,828	33.02%	\$32,948,510	1.88%
<i>Differences due to rounding.</i>						

Plan	Budgeted	FY 2026 Expense	% of Total KPPA FY 2026 Expense
CERS Nonhazardous	\$29,645,507	\$19,855,101	59.15%
CERS Hazardous	2,606,198	1,745,503	5.20%
KERS Nonhazardous	15,670,269	10,495,175	31.27%
KERS Hazardous	1,848,396	1,237,965	3.69%
SPRS	348,830	233,629	0.70%
TOTAL	\$50,119,200	\$33,567,372	100.00%
<i>Differences due to rounding.</i>			

JP MORGAN CHASE HARD INTEREST EARNED					
FOR THE FISCAL YEAR ENDING JUNE 30, 2026					
	Clearing Account	CERS	KERS	SPRS	Total
July-25	\$13,193	\$12,946	\$5,088	\$217	\$31,445
August-25	12,022	27,751	15,970	1,843	57,585
September-25	13,283	13,877	5,743	417	33,319
October-25	9,731	9,986	4,666	538	24,922
November-25	9,836	14,239	7,062	508	31,645
December-25	8,375	23,810	9,577	391	42,153
January-26	9,076	12,955	7,324	610	29,965
February-26	14,868	9,987	6,544	337	31,736
March-26	11,493	11,289	8,110	439	31,331
April-26	—	—	—	—	—
May-26	—	—	—	—	—
June-26	—	—	—	—	—
Total	\$101,878	\$136,839	\$70,084	\$5,299	\$314,100



KRS
Kentucky Retirement Systems



SPRS
State Police Retirement System

MEMORANDUM

To: Kentucky Retirement Systems Board of Trustees

From: C. Prewitt Lane, Chair Investment Committee

Date: June 16, 2026

Subject: Summary of Investment Committee Meetings

The Kentucky Retirement Systems Investment Committee held a Special Called meeting on June 3, 2026.

1. The following action was taken by the Investment Committee and is being forwarded to the Kentucky Retirement Systems Board of Trustees for ratification.*

Unanimously approved the Compliance Officer's recommendation to approve the Kentucky Retirement Systems' Statement of Investment Objectives & Policies as presented and to recommend its adoption by the full Kentucky Retirement Systems Board. The approved recommendation included the repeal of the following policies which have been merged into or otherwise addressed by the Kentucky Retirement Systems' Statement of Investment Objectives & Policies.

- Investment Policy Statement;
- Investment Securities Lending Guidelines;
- Brokerage Policy;
- Manager and Placement Agent Statement of Disclosure Policy;
- Investment Proxy Voting Policy;
- Investment Transaction Procedures Policy;
- Real Estate Policy; and,
- Investment Procurement Policy.

RECOMMENDATIONS: The Investment Committee requests the Kentucky Retirement Systems Board of Trustees ratify the actions taken by the Investment Committee.

The Kentucky Retirement Systems Investment Committee held a regularly scheduled meeting on May 21, 2026.

1. **No recommendations were made that required approval by the Investment Committee.**
2. **No actions were taken that required ratification by the Kentucky Retirement Systems Board of Trustees.**
3. Investment Staff and Wilshire presented material* and discussed the following items during the Investment Committee meeting.
 - a. Review of Economic Conditions, Market Activity and Outlook.
 - b. Absolute and Relative Performance and Asset Allocations for the Pension and Insurance Portfolios for the Quarter ending March 31, 2026.

Quarter Ending March 31, 2026:

<i>KERS Pension</i>	<i>-0.44%</i>
Benchmark	-0.89%
<i>KERSH Pension</i>	<i>-0.81%</i>
Benchmark	-1.25%
<i>SPRS Pension</i>	<i>-0.62%</i>
Benchmark	-0.93%
<i>KERS Insurance</i>	<i>-0.95%</i>
Benchmark	-1.31%
<i>KERSH Insurance</i>	<i>-0.80%</i>
Benchmark	-1.19%
<i>SPRS Insurance</i>	<i>-0.76%</i>
Benchmark	-1.18%

2026 FYTD:

<i>KERS Pension</i>	<i>5.77%</i>
Benchmark	4.74%
<i>KERSH Pension</i>	<i>5.72%</i>
Benchmark	4.92%
<i>SPRS Pension</i>	<i>5.50%</i>
Benchmark	4.64%
<i>KERS Insurance</i>	<i>5.37%</i>
Benchmark	4.77%
<i>KERSH Insurance</i>	<i>5.51%</i>
Benchmark	4.72%
<i>SPRS Insurance</i>	<i>5.54%</i>
Benchmark	4.75%

- a. **Performance Attribution** – During the quarter the largest contributors to relative performance were the outperformance in the Real Return and Specialty Credit portfolios. The overall Specialty Credit portfolio outperformed the benchmark by 94bps with 15 of the 17 portfolios outperforming their respective benchmarks led by the Opportunistic Credit Strategy that outperformed its benchmark by 240bps during the quarter and by 217bps FYTD. The Real Return portfolio outperformed the benchmark by 450bps during the quarter with exceptionally strong performance in the MLP, Toll Roads and Infrastructure strategies. FYTD the portfolio has produced 811bps of outperformance. Relative underperformance in the Public Equity portfolio was the largest detractor from performance during the quarter as active managers struggled to keep up with their performance benchmarks. FYTD the Public Equity portfolio has trailed its benchmark by 152bps.
- b. **Asset Class Performance** - For the quarter, the US Equity portfolios produced a return of -4.12% vs the Russell 3000's return of -3.96% while the NonUS Equity portfolio returned -1.20% vs its benchmark return of -0.68%. The Core Fixed Income Portfolio produced a return of 0.04%, outperforming the benchmark by 9bps. The Specialty Credit Portfolio produced a return of 0.42%, outperforming the benchmark's return of -0.52%. The Real

Estate Portfolio produced a return of 0.20% trailing the 0.70% return of the benchmark. The Real Return Portfolio produced a return of 6.07% outperforming the 1.55% return of the benchmark. The Private Equity Portfolio produced a return of -0.73.

- c. **Internal Portfolios** – An update was provided on the performance of the internally managed passive and proxy portfolios. The portfolios performed in line with expectations and consistent with their mandates. The Real Return portfolios produced notable strong performance, outperforming the benchmark by 827bps. The Real Estate portfolio outperformed its benchmark by 43bps.
 - d. **Portfolio Asset Class Performance** – Dispersion of returns across individual portfolio asset class allocations remained tight. The notable exception was in the Private Equity asset class where larger dispersions are driven by the different vintage profiles among the portfolios.
 - e. **Peer Universe** – All of the Pension and Insurance portfolios have produced exceptional, top or near top decile risk adjusted performance over the reported 1, 3 and 5 year time periods based on Wilshire’s All Public Plans universe and in fact all portfolios have produced Sharpe ratios in the top 5% of Wilshire’s peer universe over the 5 year time period.
 - f. **Asset Allocations** – Staff provided an update on the rebalancing activity and noted that as of the end of the quarter, all asset classes were within their specified IPS allocation ranges with most asset classes within 1% of their Target Allocations. The largest underweight remained in Private Equity as staff has viewed the asset class as having limited value from a relative risk/reward basis with better opportunities available in other asset classes.
4. Staff provided updates from the Quarter.
 - a. Successfully renegotiated management fees with Public High Yield manager, lowering fees by 12% saving the Systems an estimated \$500,000 a year.
 - b. The majority of assets were transferred in kind to the new Oaktree managed Public Leverage Loan accounts.
 - c. Based on the continued attractive risk/reward profile, compelling market opportunity, and current Real Return allocations, Staff made an additional commitment of up to \$100 million in the ITE Rail Fund, to be shared among all KERS and SPRS portfolios.
 - d. Following an extensive review, Staff transferred asset management responsibilities of the MSCI ACWI Ex-US Public Equity mandate from Franklin Templeton to ClearBridge (a Franklin Templeton Company). This change is expected to improve the quality of the overall international portfolio.
 5. Staff provided an update on the Investment Budget. Fiscal Year-To-Date, overall investment expenses were running below budget with a total of \$4.95MM spent during the year which was only 42% of the amount budgeted. The difference was largely driven by the legal and auditing expenses where only 6% of the amount budgeted has been spent FYTD. All other expense categories were running in line with the amounts budgeted. At the total pension level FYTD, Investment Fees and Expenses decreased by \$5.2MM or 4% compared to the prior fiscal year despite a 13% increase in total assets. The decrease was primarily driven by decline in performance-based fees in the Private Equity and Specialty Credit portfolios.

6. Quarterly Investment Compliance Report – As of the end of the Fiscal Year there were no compliance violations reported.

*All material presented is available in Board Books and was reviewed at the Investment Committee meetings.

Kentucky Retirement Systems

Investment Review and Update

Quarter Ending: March 31, 2026

Kentucky Retirement Systems

Economic and Market Update

Quarter Ending: March 31, 2026

Market Commentary

U.S. Equity

The U.S. stock market was down -3.9% for the first quarter but up 18.3% for the past twelve months. Sector performance was mixed for the quarter, with six of eleven sectors producing a gain. The best performing sector, by far, was energy (+38.6%) while financials were down by -9.1%. From a size perspective, small caps outperformed large by 670 basis points. Growth stocks underperformed value by a significant margin, in aggregate.

During March of 2026, oil prices surged by the second largest percentage in the past 30 years – second only to the post-COVID rebound in May 2020, which simply saw prices “normalize.” The price per barrel was generally falling last year due to slowing economic growth and increased oil production targets for large producers. However, the United States and Israel’s military actions against Iran, along with the retaliatory act of closing the Strait of Hormuz, led to a surge in oil prices that exceeded the \$100 per barrel mark. This level has been breached a few times in recent history – including a nearly four year period starting in 2011 that commenced with oil supply losses in Libya as the region’s Arab Spring led to the end of Muammar Gaddafi’s 42-year reign.

Non-U.S. Equity

In the United Kingdom, economic output expanded only slightly following weak momentum at the end of 2025, as household spending remained constrained by elevated inflation and softer labor market conditions. Germany’s economy largely stagnated as industrial activity remained subdued, evidenced by modest capacity utilization. China entered the new year with steadier momentum, supported by exports and targeted policy easing. However, domestic demand and the property sector remained weak. Policymakers emphasized stability, selective fiscal support and credit easing rather than broad stimulus measures.

Fixed Income

The U.S. Treasury yield curve was up across the maturity spectrum with the 10-year Treasury yield up 15 basis points to 4.32%. Credit spreads were up as high-yield bond spreads increased by 51 basis points, finishing the quarter at 3.17%. The FOMC left their overnight rate unchanged, targeting a range of 3.50% to 3.75%. The Fed “dot plot” is messaging that the current expectation is for a decrease in rates of only 0.25% in 2026.

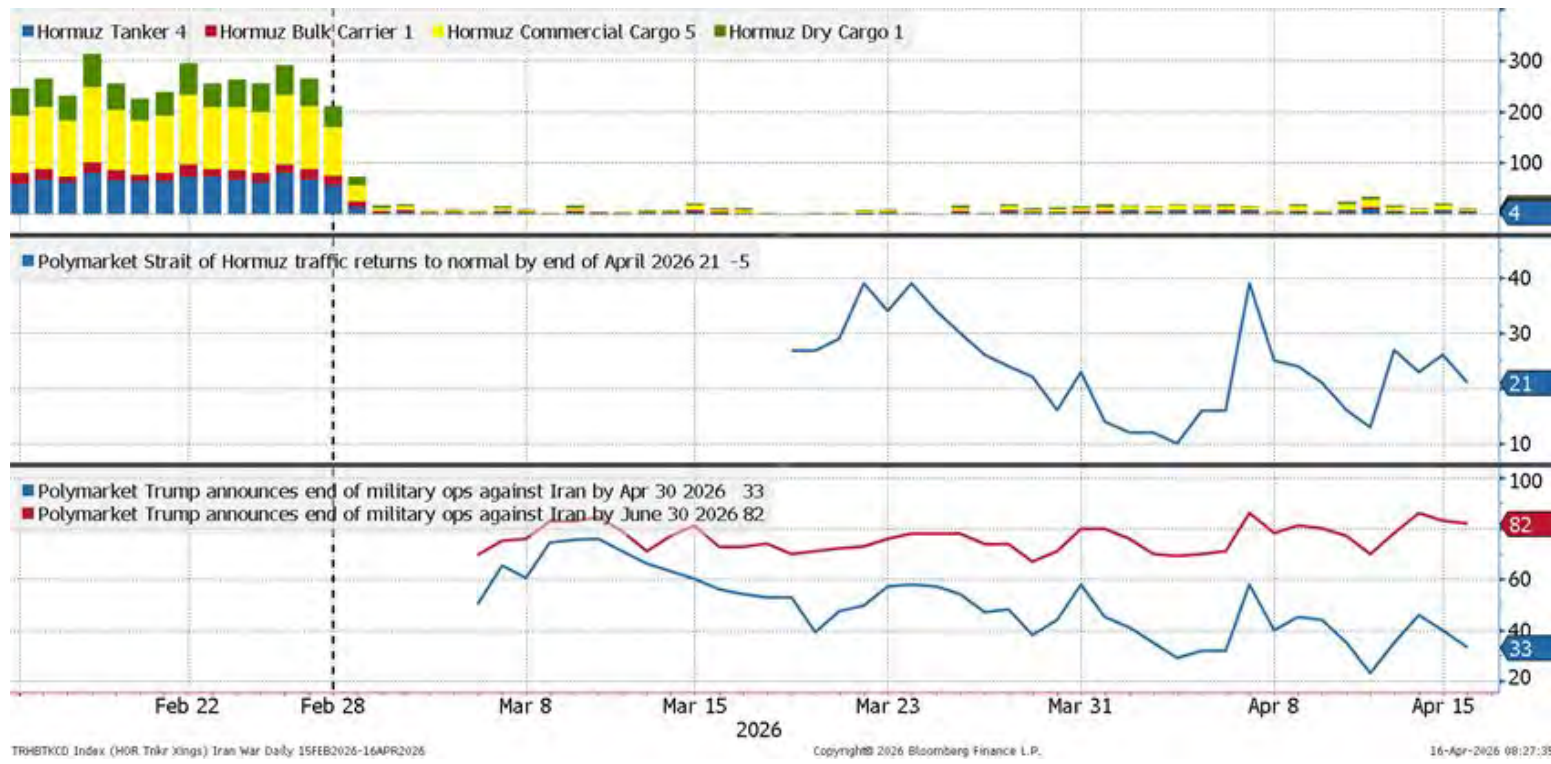
March 2026 Asset Class Assumptions

	Equity						Fixed Income						Real Assets						
	U.S. Stock	Dev ex-U.S. Stock	Emg Stock	Global ex-U.S. Stock	Global Stock	Private Equity	Cash	Core Bond	LT Core Bond	TIPS	High Yield	Private Credit	Dev ex-U.S. Bond (Hdg)	Real Estate			Comdty	Real Assets	U.S. CPI
Compound Return (%)	4.95	5.95	6.20	6.30	5.55	6.85	3.30	5.15	5.35	4.60	6.45	7.60	3.50	5.75	5.90	6.60	4.80	6.85	2.30
Arithmetic Return (%)	6.30	7.45	9.15	7.95	6.90	10.65	3.30	5.25	5.80	4.75	6.90	8.30	3.60	7.15	7.15	7.50	6.00	7.55	2.30
Risk (%)	17.00	18.00	26.00	19.15	17.05	29.65	0.75	4.75	9.95	6.00	10.00	12.75	4.00	17.50	16.55	13.95	16.00	12.20	1.75
Yield (%)	1.25	2.85	2.15	2.65	1.75	0.00	3.30	5.85	5.90	5.25	10.00	4.75	4.50	4.00	4.00	2.85	3.30	3.65	0.00
Growth Factor Exposure	8.00	8.00	8.00	8.00	8.00	14.00	0.00	-1.00	-2.75	-3.00	4.00	5.10	-1.00	6.00	6.00	3.70	0.00	2.90	0.00
Inflation Factor Exposure	-3.00	-1.00	3.00	0.20	-1.85	-4.25	0.00	-2.65	-7.10	2.50	-1.00	-1.50	-3.00	1.00	1.65	1.00	12.00	5.25	1.00

Correlations

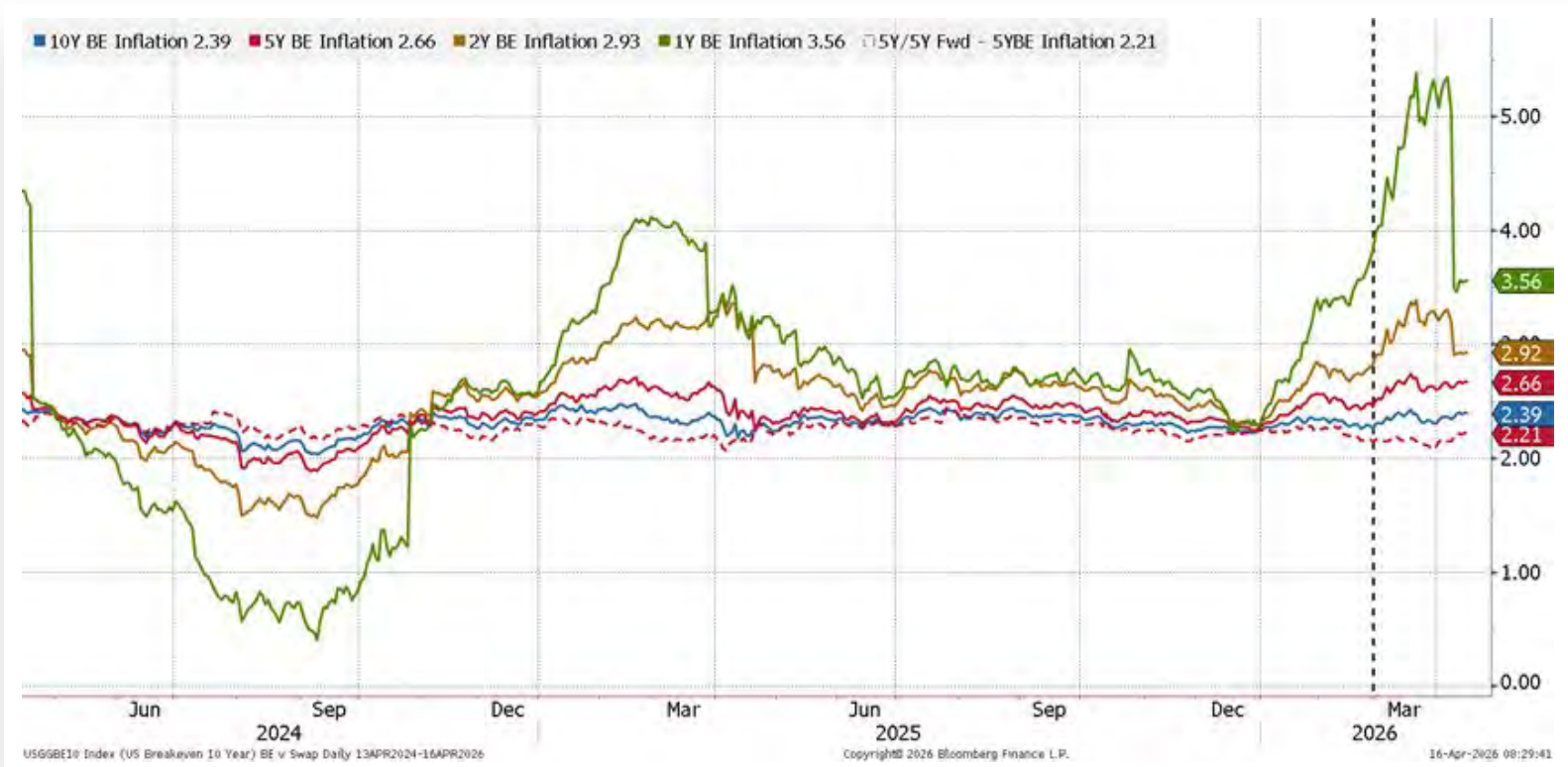
U.S. Stock	1.00																			
Dev ex-U.S. Stock (USD)	0.81	1.00																		
Emerging Mkt Stock	0.74	0.74	1.00																	
Global ex-U.S. Stock	0.84	0.96	0.90	1.00																
Global Stock	0.98	0.90	0.83	0.94	1.00															
Private Equity	0.72	0.63	0.61	0.66	0.73	1.00														
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.06	0.00	1.00													
Core Bond	0.27	0.12	-0.01	0.08	0.20	0.29	0.18	1.00												
LT Core Bond	0.29	0.15	0.00	0.10	0.23	0.30	0.11	0.95	1.00											
TIPS	-0.05	0.00	0.15	0.06	-0.01	-0.03	0.20	0.59	0.47	1.00										
High Yield Bond	0.54	0.39	0.49	0.46	0.53	0.31	-0.10	0.24	0.31	0.05	1.00									
Private Credit	0.68	0.55	0.58	0.60	0.68	0.44	0.00	0.23	0.29	0.00	0.76	1.00								
Dev ex-U.S. Bond (Hdg)	0.16	0.25	-0.01	0.16	0.17	0.26	0.10	0.68	0.66	0.39	0.26	0.22	1.00							
U.S. RE Securities	0.57	0.47	0.44	0.49	0.56	0.49	-0.05	0.16	0.21	0.10	0.56	0.62	0.05	1.00						
Global RE Securities	0.62	0.55	0.52	0.58	0.63	0.54	-0.05	0.16	0.21	0.11	0.61	0.67	0.04	0.99	1.00					
Private Real Estate	0.55	0.45	0.45	0.49	0.54	0.50	-0.05	0.18	0.24	0.09	0.58	0.63	0.05	0.79	0.79	1.00				
Commodities	0.25	0.34	0.39	0.38	0.31	0.28	0.00	-0.03	-0.04	0.25	0.29	0.29	-0.10	0.25	0.28	0.25	1.00			
Real Assets	0.62	0.62	0.64	0.67	0.66	0.57	-0.03	0.24	0.25	0.32	0.64	0.69	0.06	0.79	0.84	0.78	0.64	1.00		
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.13	-0.10	0.10	-0.12	-0.12	0.15	-0.08	0.00	-0.08	0.05	0.04	0.05	0.44	0.21	1.00	

The 1st, 2nd and 3rd Most Important Issue: US / Iran / Strait of Hormuz



Data Source: Bloomberg

Inflation Expectations: ST Spike while LT Remains Anchored



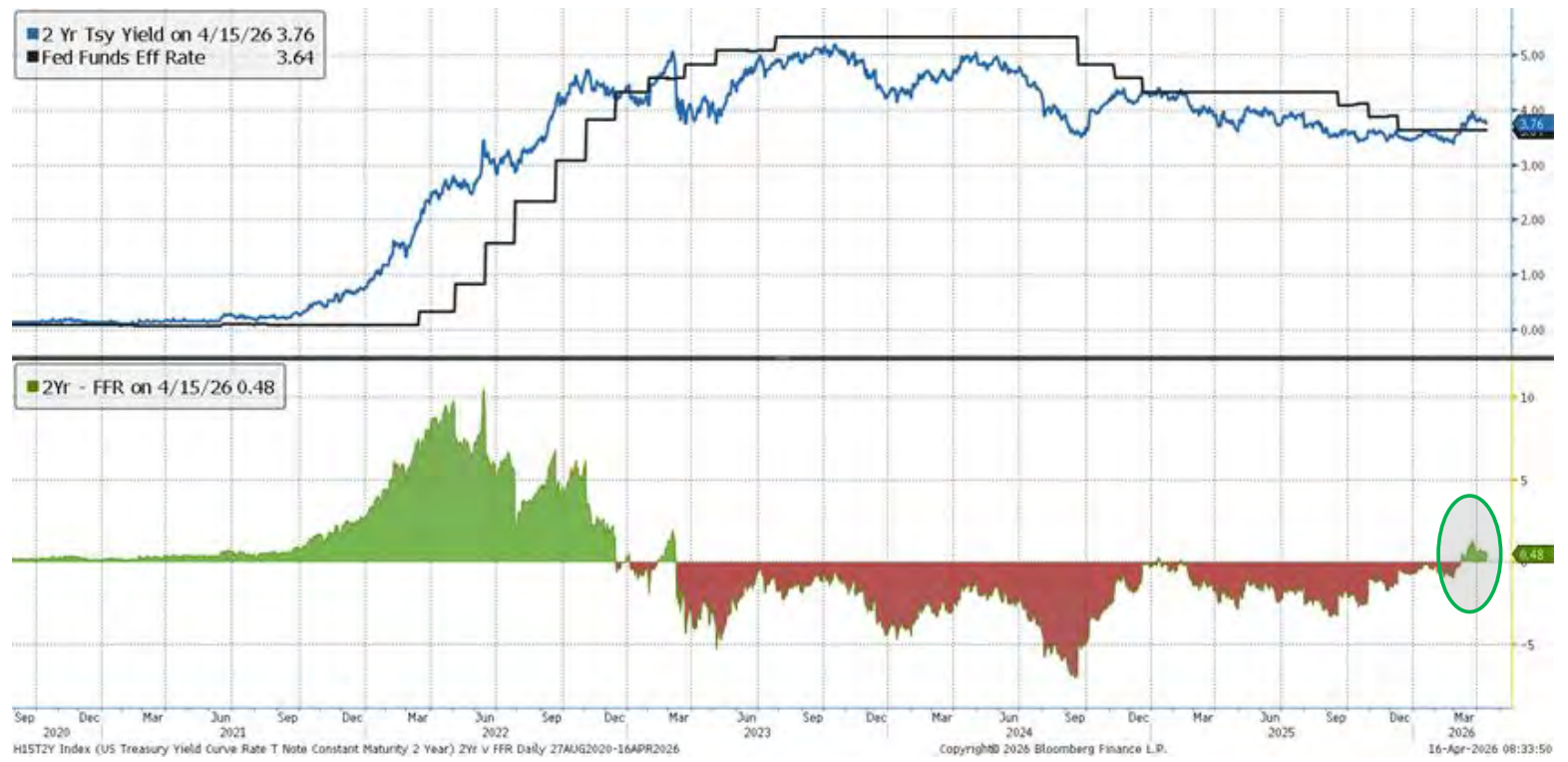
Data Source: Bloomberg

Fed Funds Implied Rate: Shift from Easing to Neutral



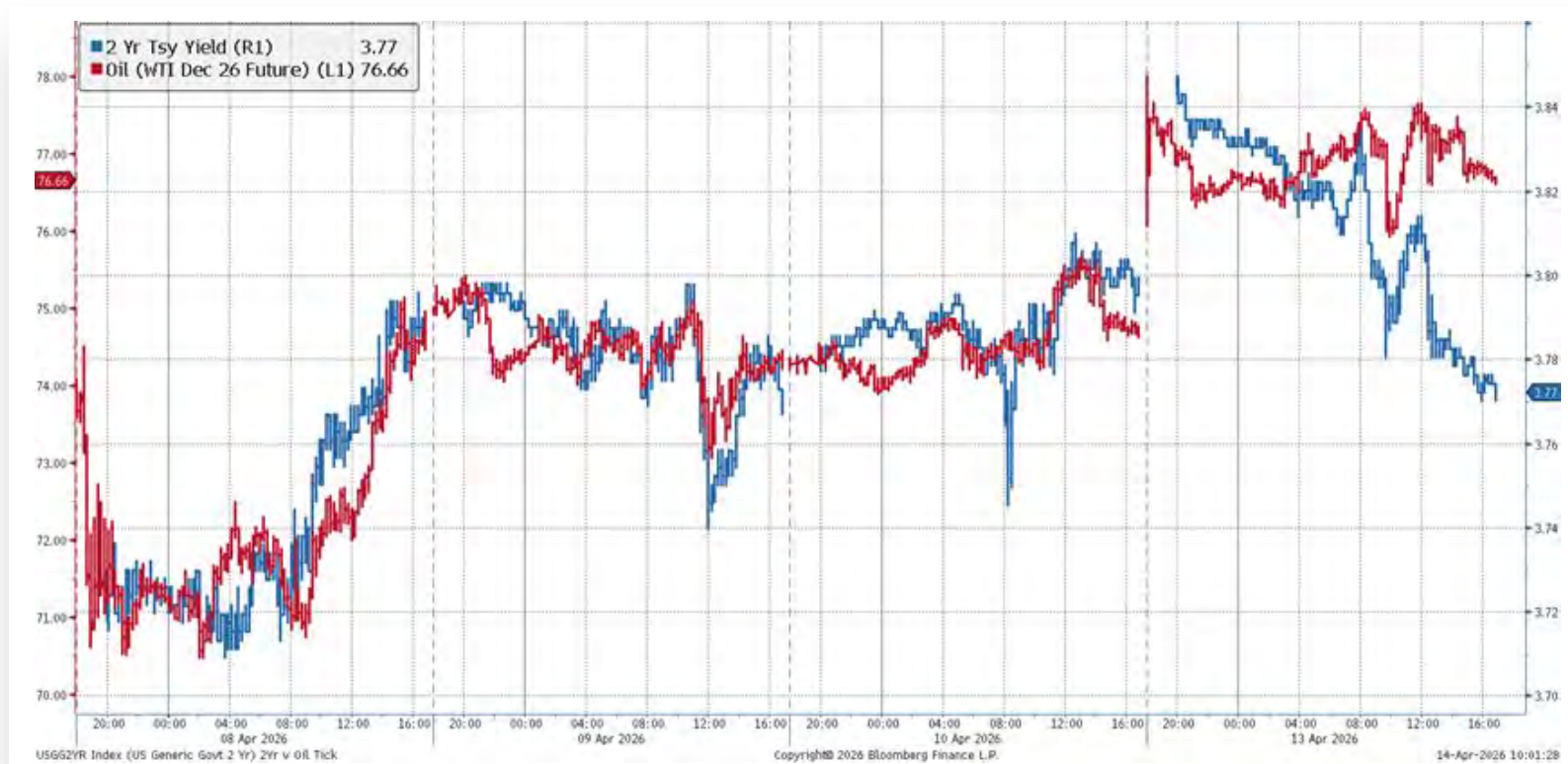
Data Source: Bloomberg

2-Year Yields Up (Above Fed Funds Rate)



Data Source: Bloomberg

2-Year Yields Tracking Oil Prices



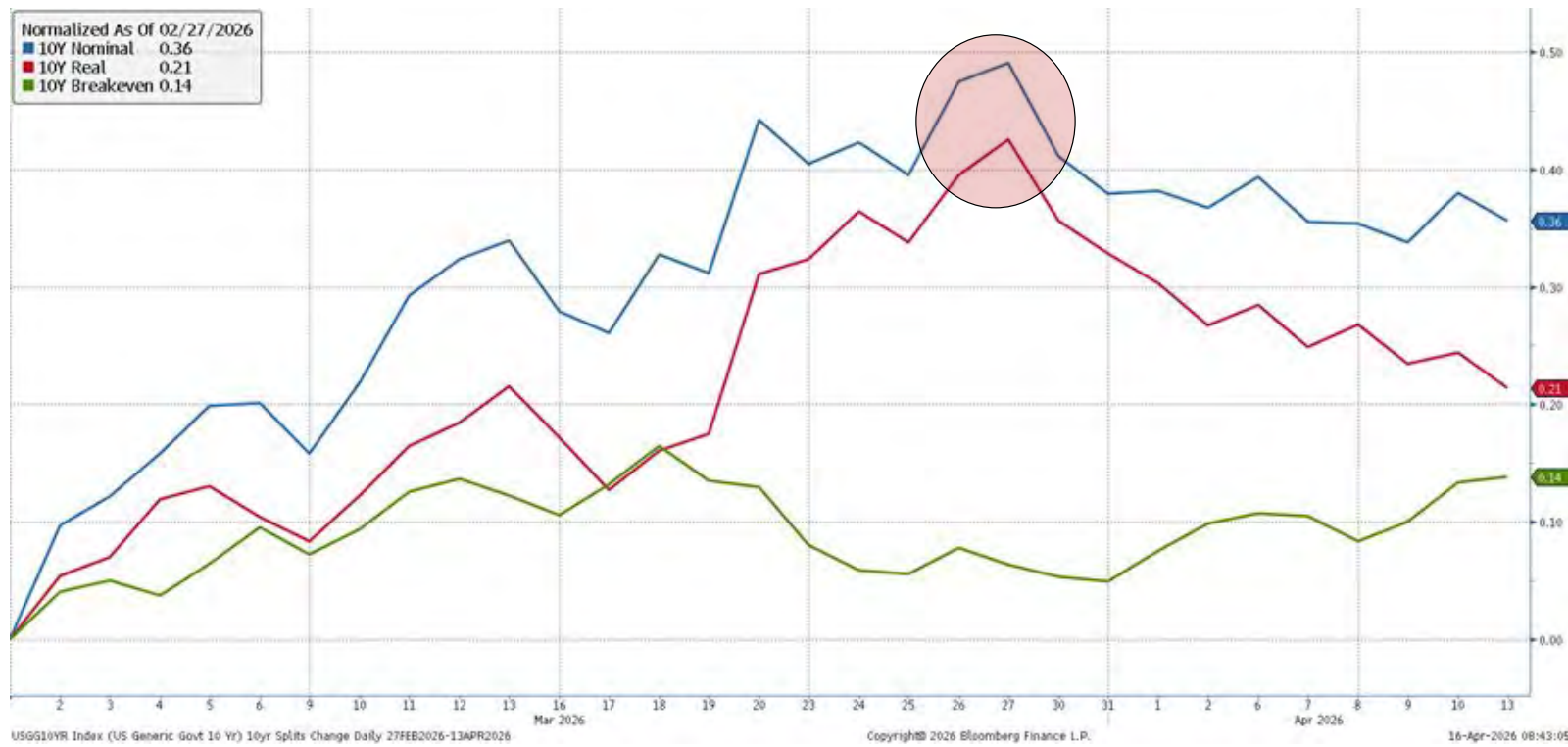
Data Source: Bloomberg

10-Year Rates Rise



Data Source: Bloomberg

“Things That Make You Go, Hmmm”¹ — If Not Inflation Fears, What?



Data Source: Bloomberg, ¹ C+C Music Factory & Freedom Williams, “Things That Make You Go Hmmm...” (1990)

Kentucky Retirement Systems

Performance and Asset Allocations

Quarter Ending: March 31, 2026



KRS Quarterly Performance Update

March 2026


Pension Portfolios Performance

KERS, KERS-HAZ, & SPRS - PENSION FUND - PLAN NET RETURNS - 03/31/26											
Plan	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
KERS	5,616,223,032.18	-3.24	-0.44	5.77	11.38	9.66	6.58	7.78	6.30	7.28	8.75
KY Ret. KERS Plan IPS Index		-2.67	-0.89	4.74	9.80	8.43	5.85	7.19	6.17	7.18	8.71
KERS- H	1,209,640,590.85	-3.79	-0.81	5.72	12.37	10.61	7.37	8.48	6.65	7.51	8.92
KY Ret. KERS Haz Plan IPS Index		-3.15	-1.25	4.92	11.07	9.71	7.15	8.25	6.65	7.51	8.94
SPRS	791,515,737.49	-3.33	-0.62	5.50	11.14	9.48	6.66	7.83	6.26	7.25	8.73
KY Ret. SPRS Plan IPS Index		-2.72	-0.93	4.64	9.70	8.49	6.00	7.32	6.19	7.20	8.72
KPPA PENSION FUND UNIT - NET RETURNS - 03/31/2026 - PROXY PLAN ASSET PERFORMANCE											
Structure		Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
PUBLIC EQUITY		-7.24	-3.02	6.57	19.39	15.21	8.34	10.87	7.49	8.40	10.48
MSCI ACWI		-7.29	-2.75	8.09	20.64	16.24	8.82	11.08	7.43	8.27	10.38
PRIVATE EQUITY		-1.47	-0.73	3.09	5.66	5.74	10.08	11.10	9.28		11.02
Custom Private Equity BM		-1.47	-0.73	3.09	5.66	5.74	10.08	13.31	11.60		11.56
SPECIALTY CREDIT		0.05	0.42	5.08	7.38	9.60	7.58				6.96
50% BB US HY / 50% Morningstar LSTA Lev'd Ln		-0.32	-0.52	2.91	5.91	8.32	5.11				5.10
CORE FIXED INCOME		-1.77	0.04	3.29	4.70	4.83	2.17	2.80			3.02
Bloomberg US Aggregate		-1.76	-0.05	3.10	4.35	3.63	0.31	1.70			2.11
CASH		0.31	0.92	3.06	4.21	4.76	3.35	2.42	2.03	2.68	3.42
FTSE Treasury Bill-3 Month		0.32	0.93	3.09	4.22	4.97	3.49	2.32	1.69	2.35	3.06
REAL ESTATE		-1.10	0.20	1.36	3.53	-2.24	4.54	6.91	6.53	6.04	6.08
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^		0.70	0.70	2.05	2.92	-4.25	2.51	3.88	4.71	6.89	5.79
REAL RETURN		0.01	6.07	12.00	13.93	14.95	12.66	8.89			6.72
US CPI +3%		0.71	1.55	3.89	5.41	5.80	7.36	5.71			4.42


Insurance Portfolios Performance

KERS INS, KERS-HAZ INS, SPRS INS - INSURANCE FUND - PLAN NET RETURNS - 03/31/26											
Plan	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
KERS INS	1,890,074,437.90	-3.73	-0.95	5.37	12.01	10.47	7.24	8.34	6.10	6.85	7.47
KY Ins. KERS Plan IPS Index		-3.18	-1.31	4.77	10.93	9.69	7.36	8.38	6.37	7.22	7.77
KERS - H INS	750,470,090.48	-3.67	-0.80	5.51	11.87	10.28	7.46	8.50	6.24	6.95	7.55
KY Ins. KERS Haz Plan IPS Index		-3.13	-1.19	4.72	10.62	9.47	7.02	8.16	6.28	7.16	7.72
SPRS INS	293,679,143.72	-3.62	-0.76	5.54	11.98	10.30	7.50	8.65	6.33	7.01	7.59
KY Ins. SPRS Plan IPS Index		-3.12	-1.18	4.75	10.71	9.51	7.06	8.17	6.30	7.18	7.73
KPPA INSURANCE FUND UNIT - NET RETURNS - 03/31/26 - PROXY PLAN ASSET PERFORMANCE											
Structure		Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
PUBLIC EQUITY		-7.28	-3.05	6.51	19.33	15.08	8.29	10.84	7.41		9.03
MSCI ACWI		-7.29	-2.75	8.09	20.64	16.24	8.81	11.06	7.36		8.91
PRIVATE EQUITY		-1.53	-0.18	0.91	1.84	3.97	10.11	10.83	9.84		10.06
Custom Private Equity BM		-1.53	-0.18	0.91	1.84	3.97	10.11	13.37	11.28		11.19
SPECIALTY CREDIT		0.10	0.58	5.28	7.63	9.82	7.77				6.93
50% BB US HY / 50% Morningstar LSTA Lev'd Ln		-0.32	-0.52	2.91	5.91	8.32	5.11				5.10
CORE FIXED INCOME		-1.77	0.04	3.28	4.64	4.73	2.06	2.69			2.77
Bloomberg US Aggregate		-1.76	-0.05	3.10	4.35	3.63	0.31	1.70			2.11
CASH		0.31	0.92	3.05	4.20	4.76	3.35	2.28	1.84		2.64
FTSE Treasury Bill-3 Month		0.32	0.93	3.09	4.22	4.97	3.49	2.32	1.69		2.56
REAL ESTATE		-0.94	0.12	1.32	3.43	-2.32	4.36	6.90			7.68
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^		0.70	0.70	2.05	2.92	-4.25	2.51	3.88			4.56
REAL RETURN		0.53	5.13	10.00	11.41	13.24	11.06	8.15			6.18
US CPI +3%		0.71	1.55	3.89	5.41	5.80	7.01	5.68			4.45


Internal Portfolio Performance

 Internal Portfolio Performance (Net of Fees) As of Date: 03/31/26												
Structure	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	Inception Date
PUBLIC EQUITY												
Russell 500 Index	3,523,512,704.90	15.61	-4.93	-4.61	5.64	17.73	18.32	12.07	14.30	10.69	9.37	2001-07-01
KY Ret. S&P/Russell Blend			-4.99	-4.74	5.26	17.02	18.06	11.92	14.08	10.58	9.26	
Internal US Mid Cap	296,809,529.30	1.32	-5.30	2.59	10.15	17.62	12.74	7.42	11.15		10.21	2014-08-01
S&P MidCap 400 Index			-5.39	2.50	9.97	17.35	12.09	6.92	10.58		9.75	
PRIVATE EQUITY												
INTERNAL PRIVATE EQ	96,254,366.60	0.43	-3.33	-2.64	4.97	12.73					12.12	2023-12-01
CORE FI												
INTERNAL CORE FI	1,166,604,357.26	5.17	-1.79	0.03	3.05	4.34					4.95	2023-09-01
Bloomberg US Aggregate Bond Index			-1.76	-0.05	3.10	4.35					4.86	
REAL ESTATE												
INTERNAL REAL ESTATE	55,719,104.21	0.25	-7.08	1.13	0.95	2.18					4.88	2023-12-01
NCREIF NFI ODCE Net 1Qtr in Arrears Index^			0.70	0.70	2.05	2.92					-2.82	
REAL RETURN												
INTERNAL REAL RETURN	180,985,401.15	0.80	-7.00	9.82	32.08	42.17					25.07	2023-12-01
KRS CPI + 300 bpts			0.71	1.55	3.89	5.41					5.62	
INTERNAL TIPS	151,732.72	0.00	0.31	0.92	3.06	4.21	4.89	3.47	2.61	3.64	4.25	2002-05-01
KR2 Internal US TIPS Blend			-0.68	0.64	2.90	3.97	4.19	2.66	3.05	3.79	4.37	
CASH ACCOUNT	544,596,128.77	2.41	0.31	0.92	3.06	4.21	4.76	3.35	2.42	2.03	3.42	1988-01-01
FTSE Treasury Bill-3 Month			0.32	0.93	3.09	4.22	4.97	3.49	2.32	1.69	3.06	

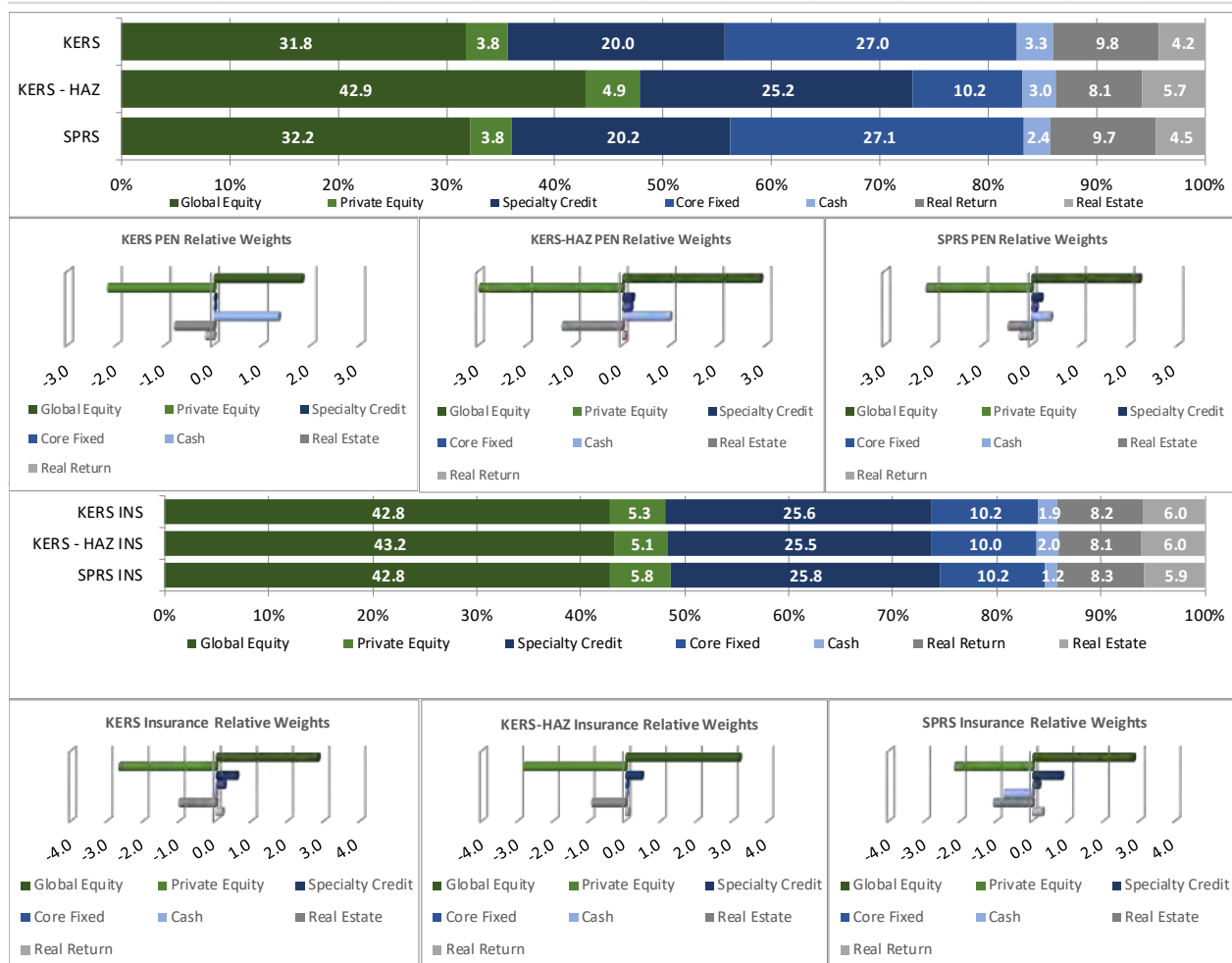
Asset Class Gross Performance - Pension

		Pension Asset Class Performance (Gross)									
		As of Date: 03/31/26									
Structure	Account	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years		
KERS	KR2F00010002	5,618,080,958.28	-3.18	-0.34	6.10	11.83	10.14	7.11	8.31		
PUBLIC EQUITIES		1,914,891,665.38	-6.71	-2.72	6.62	19.03	15.25	8.41	10.93		
CORE FIXED INCOME		1,529,588,931.08	-1.78	0.00	3.26	4.66	4.82	2.18			
SPECIALTY CREDIT		1,072,062,386.89	-0.02	0.22	5.25	7.85	10.37	8.41	7.95		
REAL ESTATE		233,316,671.32	-1.55	0.59	2.20	4.65	-0.67	6.20	7.27		
LIQUIDITY		186,856,260.79	0.31	0.92	3.07	4.21	4.76	3.35	2.41		
REAL RETURN		463,530,244.85	-2.75	7.09	18.71	24.01	20.19	16.19	10.95		
PRIVATE EQUITY		214,174,502.11	-1.38	-1.20	6.97	12.38	8.89	10.12	11.21		
KERS-H	KR2F00020002	1,210,123,349.80	-3.74	-0.71	6.08	12.88	11.18	8.07	9.15		
PUBLIC EQUITIES		540,095,078.43	-6.98	-2.78	6.68	19.27	15.22	8.40	10.86		
CORE FIXED INCOME		124,796,488.42	-1.80	-0.02	3.32	4.62	4.75	2.14			
SPECIALTY CREDIT		296,596,341.97	-0.03	0.35	5.19	8.00	10.40	8.46	7.83		
REAL ESTATE		67,815,119.76	-2.72	0.31	1.44	3.65	-1.29	5.52	6.99		
LIQUIDITY		36,205,207.20	0.31	0.92	3.06	4.21	4.76	3.35	2.41		
REAL RETURN		83,092,167.62	-1.43	7.95	17.85	22.11	17.69	14.69	9.97		
PRIVATE EQUITY		59,484,218.07	-1.70	-1.05	3.14	6.39	7.00	12.54	12.68		
SPRS	KR2F00050002	791,798,248.47	-3.28	-0.52	5.83	11.58	9.93	7.18	8.38		
PUBLIC EQUITIES		264,893,021.40	-6.97	-2.84	6.57	19.32	15.20	8.39	10.86		
CORE FIXED INCOME		216,284,410.84	-1.78	0.00	3.26	4.63	4.80	2.21			
SPECIALTY CREDIT		159,858,776.41	-0.15	0.37	5.01	7.80	9.98	8.03	7.65		
REAL ESTATE		35,390,325.49	-1.00	0.67	2.33	4.32	-1.22	5.59	7.04		
LIQUIDITY		18,927,187.84	0.31	0.92	3.06	4.21	4.76	3.35	2.41		
REAL RETURN		65,410,942.66	-2.62	5.21	16.68	22.08	17.88	14.71	9.92		
PRIVATE EQUITY		30,393,997.00	-2.21	-1.86	5.38	10.73	9.80	12.59	13.02		

Asset Class Gross Performance - Insurance

		Insurance Asset Class Performance (Gross)									
		As of Date: 03/31/26									
Structure	Account	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years		
KERS INS	KR3F00010002	1,890,906,628.68	-3.67	-0.84	5.77	12.55	11.05	7.97	9.00		
PUBLIC EQUITIES		842,663,087.56	-7.04	-2.86	6.54	19.22	15.11	8.40	10.94		
CORE FIXED INCOME		197,640,620.22	-1.81	-0.05	3.30	4.60	4.67	2.05			
SPECIALTY CREDIT		471,737,846.52	-0.06	0.48	5.30	8.16	10.40	8.51	7.72		
REAL ESTATE		112,847,399.12	-1.11	0.93	2.30	4.26	-0.91	5.47	7.03		
LIQUIDITY		36,356,417.29	0.31	0.92	3.05	4.20	4.76	3.35	2.28		
REAL RETURN		129,654,254.18	-1.04	6.05	14.84	18.42	17.46	13.95	9.80		
PRIVATE EQUITY		99,243,415.18	-2.01	-1.75	1.33	4.71	6.74	15.90	13.03		
KERS - H INS	KR3F00020002	750,763,406.86	-3.59	-0.68	5.96	12.48	10.98	8.32	9.31		
PUBLIC EQUITIES		333,440,209.73	-7.11	-2.92	6.58	19.37	15.21	8.38	10.90		
CORE FIXED INCOME		77,249,733.14	-1.81	-0.06	3.31	4.61	4.72	2.08			
SPECIALTY CREDIT		190,158,620.85	0.26	0.86	6.24	8.68	11.48	9.58	8.29		
REAL ESTATE		45,393,558.99	-0.82	0.12	1.75	4.22	-1.88	4.80	6.68		
LIQUIDITY		15,329,886.09	0.31	0.92	3.05	4.20	4.76	3.35	2.28		
REAL RETURN		50,628,938.05	-1.43	7.15	15.97	19.81	15.76	12.75	9.07		
PRIVATE EQUITY		38,296,338.99	-1.40	-0.30	0.61	1.12	4.05	11.51	11.78		
SPRS - INS	KR3F00050002	293,797,824.76	-3.56	-0.65	5.96	12.57	10.98	8.36	9.48		
PUBLIC EQUITIES		130,914,160.51	-7.01	-2.87	6.53	19.19	15.12	8.29	10.85		
CORE FIXED INCOME		30,577,824.35	-1.81	-0.05	3.35	4.60	4.73	2.08			
SPECIALTY CREDIT		74,158,132.67	0.14	0.78	6.05	8.66	11.08	9.15	8.07		
REAL ESTATE		17,330,746.83	-0.82	0.13	1.76	4.23	-1.86	4.82	6.69		
LIQUIDITY		3,519,227.02	0.31	0.92	3.05	4.20	4.76	3.35	2.28		
REAL RETURN		20,188,642.73	-1.05	7.49	16.57	20.18	16.17	13.04	9.17		
PRIVATE EQUITY		17,001,072.68	-1.33	-0.15	1.09	2.09	4.58	12.00	12.30		

Allocations



Performance Highlights

- The KRS Pension Composite produced a return of -0.52% for the quarter outperforming the blended benchmark's return of -0.95%.
- The KRS Insurance Composite produced a return of -0.89% for the quarter outperforming the return of the benchmark by 37bps.

KERS Pension -0.44%
Benchmark -0.89%

KERSH Pension -0.81%
Benchmark -1.25%

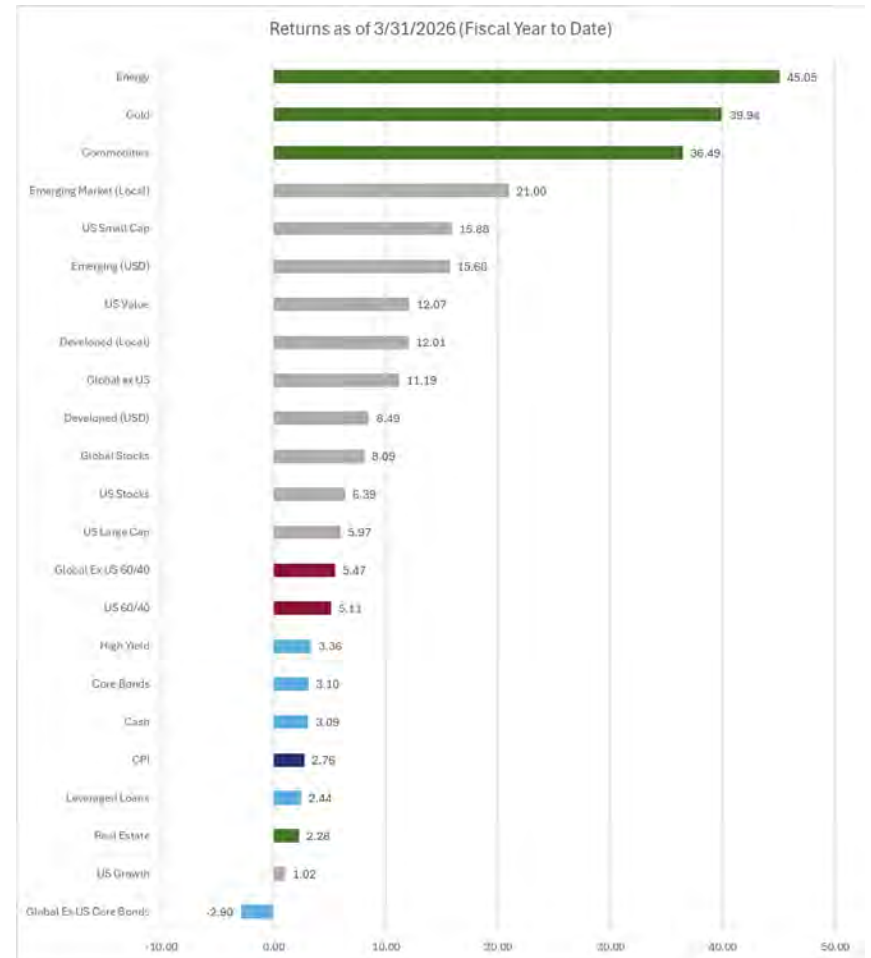
SPRS Pension -0.62%
Benchmark -0.93%

KERS Insurance -0.95%
Benchmark -1.31%

KERSH Insurance -0.80%
Benchmark -1.19%

SPRS Insurance -0.76%
Benchmark -1.18%

- Across portfolios, the largest contributors to outperformance during the quarter were the relative performance in the Real Return and Specialty Credit portfolios.
- The Specialty Credit portfolio produced a return of 0.42% during the quarter outperforming its benchmark by 94bps with 15 of the 17 portfolios outperforming their respective benchmarks led by the Opportunistic Credit Strategy that outperformed its benchmark by 240 bps during the quarter.
- The Real return portfolio outperformed its benchmark by over 450bps during the quarter with exceptionally strong performance in the portfolio's MLP, Toll Road and Infrastructure strategies.
- The largest drivers of underperformance during the quarter was the overweight and relative performance of the Public Equity portfolio which trailed its benchmark by 27bps.

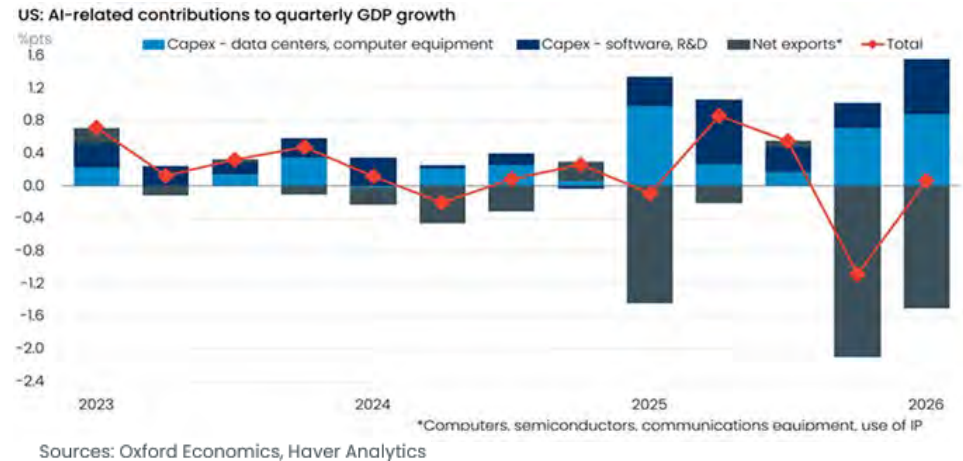
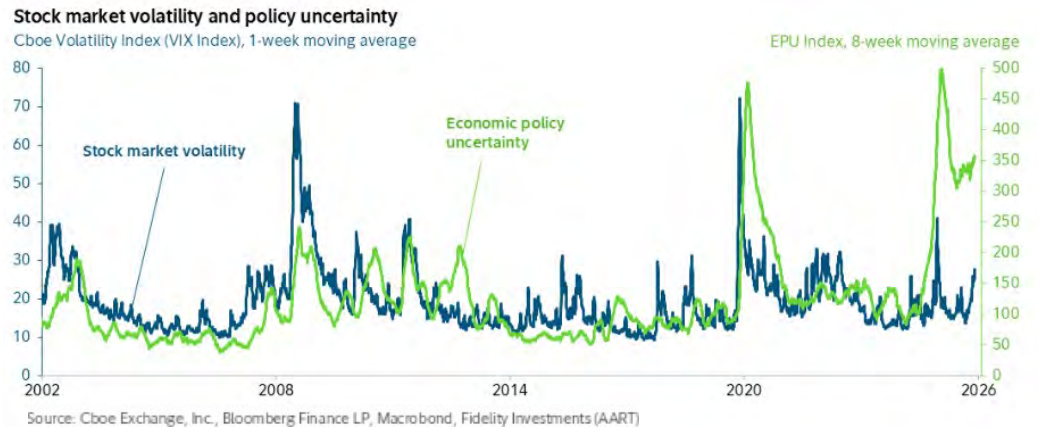


Performance Highlights

- Fiscal-Year-To-Date, the KRS Pension Composite produced a return of 5.74% outperforming the blended benchmark's return by 98bps.
- Fiscal-Year-To-Date, the KRS Insurance Composite produced a return of 5.43% outperforming the blended benchmark's return of 4.76%.

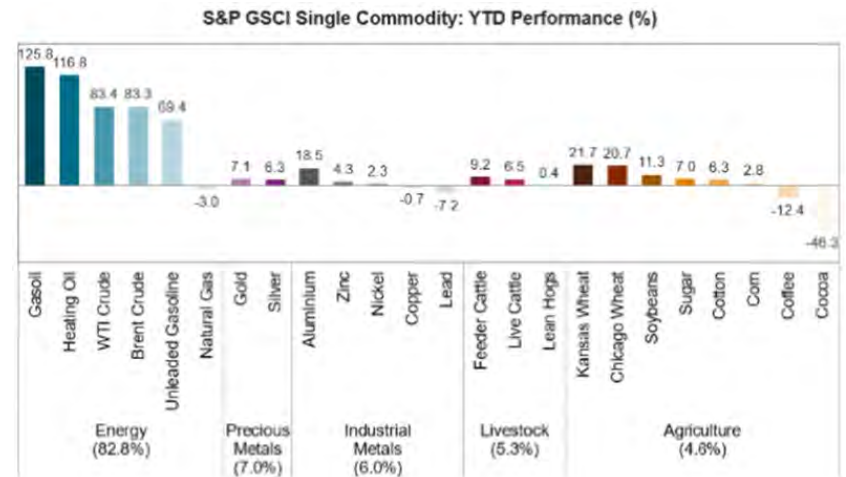
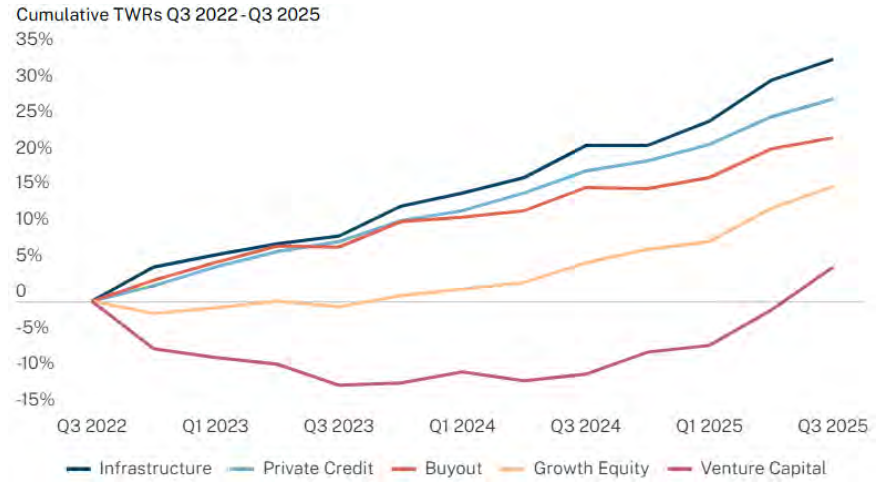
KERS Pension 5.77%
 Benchmark 4.74%
KERSH Pension 5.72%
 Benchmark 4.92%
SPRS Pension 5.50%
 Benchmark 4.64%
KERS Insurance 5.37%
 Benchmark 4.77%
KERSH Insurance 5.51%
 Benchmark 4.72%
SPRS Insurance 5.54%
 Benchmark 4.75%

- Across portfolios, the largest contributors to outperformance FYTD were the overweight to Public Equities as well as the relative performance in the Real Return and Specialty Credit portfolios.
 - Real Return 811bps of outperformance
 - Specialty Credit 217bps of outperformance
- The largest driver of underperformance was the relative performance of the Public Equity portfolio which trailed its benchmark by 152bps.



Highlights

- Staff continued to actively negotiate fee schedules with existing external managers.
 - Target effective fee rates that are in the lowest quartile of the manager universe
 - Successfully renegotiated management fees with Public High Yield manager, lowering fees by 12% saving the Systems an estimated \$500,000 a year
- The majority of assets were transferred in kind to the new Oaktree managed Public Leverage Loan accounts, given the nature of the assets final transfers are expected to occur by the end of the June.
- Based on the continued attractive risk/reward profile, compelling market opportunity, and current Real Return allocations, Staff made an additional commitment of up to \$100 million in the ITE Rail Fund, to be shared among all KERS and SPRS portfolios.
- Following an extensive review, Staff transferred asset management responsibilities of the MSCI ACWI Ex-US Public Equity mandate from Franklin Templeton to ClearBridge (a Franklin Templeton Company) the existing Franklin Equity Group. This change is expected to improve the quality of the overall international portfolio.
 - Improved performance, less risk, similar growth, lower TE
 - Attractive logistically and from an administrative standpoint





Kentucky Retirement Systems Pension
 Monthly Investment Manager Performance (Net of Fee)
 As of Date:3/31/2026

Reporting Currency:BASE

Structure	Account/Security Id	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	Inception Date
PUBLIC EQUITY	KR2G10000000	9,760,328,975.73	43.25	-7.24	-3.02	6.57	19.39	15.21	8.34	10.87	7.49	10.48	4/1/1984
Global Equity Blended Index	KR2GX003GLBL			-7.29	-2.75	8.09	20.64	16.24	8.82	11.08	7.43	10.38	4/1/1984
American Century Investments	KR2F20050002	453,398,640.99	2.01	-12.49	-8.99	-6.62	6.60	3.64	-0.47	7.34		5.30	7/1/2014
Non-Us Equity Benchmark	KR2GXNONUSEQ			-10.79	-0.71	11.50	24.91	14.49	7.02	8.46		5.81	7/1/2014
Axiom	KR2F20090002	153,462,496.37	0.68	-11.23	-0.50	0.47	25.47	12.33				0.49	1/1/2022
MSCI AC World ex USA Small Cap Net Index	IX1F00187227			-11.17	-0.48	9.31	27.82	13.67				5.00	1/1/2022
BLACKROCK World Ex-US	KR2F20030002	939,545,824.84	4.16	-9.65	-0.66	9.93	23.39	14.76	8.86	9.14		7.80	7/1/2009
Blackrock Custom Benchmark	KR2GXMSCI000			-9.74	-0.94	9.77	22.99	14.30	8.40	8.75		7.49	7/1/2009
CERS JPM US Large Cap Core	KR2F19120002	210,433,976.57	0.93	-5.73	-7.55	1.01						1.01	7/1/2025
Russell 500 Net of Tax Index	IX1F00400257			-4.99	-4.74	5.26						5.26	7/1/2025
CERS TRP US Structured Equity	KR2F19100002	231,528,443.41	1.03	-5.23	-4.34	5.56						5.56	7/1/2025
Franklin Templeton Institution	KR2F20060002	343,623,944.99	1.52	-11.55	-10.98	-13.49	1.93	-0.27	-4.65	4.46		3.25	7/1/2014
Non-Us Equity Benchmark	KR2GXNONUSEQ			-10.79	-0.71	11.50	24.91	14.49	7.02	8.46		5.81	7/1/2014
Internal Russell 500 Index	KR2F19020002	3,523,512,704.90	15.61	-4.93	-4.61	5.64	17.73	18.32	12.07	14.30	10.69	9.37	7/1/2001
KY Ret. S&P/Russell Blend	KR2GX00SP500			-4.99	-4.74	5.26	17.02	18.06	11.92	14.08	10.58	9.26	7/1/2001
Internal US Mid Cap	KR2F10100002	296,809,529.30	1.32	-5.30	2.59	10.15	17.62	12.74	7.42	11.15		10.21	8/1/2014
S&P MidCap 400 Index	IX1F0000180C			-5.39	2.50	9.97	17.35	12.09	6.92	10.58		9.75	8/1/2014
JP MORGAN EMERG MKTS	KR2F25050002	219,633,213.01	0.97	-11.15	3.38	21.93	38.99	13.98	2.13			7.13	11/1/2019
MSCI Emerging Markets Investable Market Index	IX1F00075167			-12.78	-0.17	14.77	29.59	15.24	4.50			7.94	11/1/2019
KRS JPM US Large Cap Core	KR2F19110002	76,421,410.23	0.34	-5.73	-7.54	1.03						1.03	7/1/2025
Russell 500 Net of Tax Index	IX1F00400257			-4.99	-4.74	5.26						5.26	7/1/2025
KRS TRP US Structured Equity	KR2F19090002	84,076,970.43	0.37	-5.23	-4.34	5.57						5.57	7/1/2025
Russell 500 Net of Tax Index	IX1F00400257			-4.99	-4.74	5.26						5.26	7/1/2025
Lazard Asset Management	KR2F20080002	619,741,952.33	2.75	-9.82	-0.04	7.60	23.04	12.86	6.12	7.94		6.05	7/1/2014
Non-Us Equity Benchmark	KR2GXNONUSEQ			-10.79	-0.71	11.50	24.91	14.49	7.02	8.46		5.81	7/1/2014
LSV asset Management	KR2F20070002	735,085,440.84	3.26	-9.09	4.56	25.27	41.93	22.46	13.26	10.83		7.77	7/1/2014
Non-Us Equity Benchmark	KR2GXNONUSEQ			-10.79	-0.71	11.50	24.91	14.49	7.02	8.46		5.81	7/1/2014
NEXT CENTURY GROWTH	KR2F10130002	185,545,262.82	0.82	-6.60	0.26	11.93	32.60	12.24	5.12			19.62	11/1/2019
Russell Microcap Growth Index	IX1F89372418			-6.81	-4.25	17.30	41.85	15.49	-1.21			9.31	11/1/2019
NTGI STRUCTURED	KR2F10020002	439,506,006.55	1.95	-4.41	2.20	15.86	24.10	13.73	6.31	11.18	8.84	10.04	10/1/1999
Russell 2000 Index	IX1F00003878			-5.00	0.89	15.88	25.72	13.05	3.77	9.88	7.54	8.32	10/1/1999
PZENA EMERGING MKTS	KR2F25040002	275,221,251.65	1.22	-11.24	3.60	22.95	34.19	20.87	11.14			12.78	11/1/2019
MSCI Emerging Markets Net Dividend Index	IX1F0000131C			-13.06	-0.17	15.68	29.55	14.84	3.69			7.14	11/1/2019
River Road FAV	KR2F10120002	459,178,048.68	2.03	-6.44	-3.43	3.33	6.16	13.60	5.55			9.85	7/1/2016
Russell 3000 Value Index	IX1F0000427C			-4.77	2.23	12.07	16.37	14.26	9.19			10.30	7/1/2016
WESTFIELD CAPITAL	KR2F10060002	511,816,898.77	2.27	-5.34	-9.15	-2.11	16.55	20.29	11.66	16.22		14.43	7/1/2011
Russell 3000 Growth Index	IX1F00061108			-5.21	-9.54	1.02	18.75	20.64	12.05	16.38		15.12	7/1/2011
PRIVATE EQUITY	KR2G40000000	1,001,968,232.17	4.44	-1.47	-0.73	3.09	5.66	5.74	10.08	11.10	9.28	11.02	7/1/2002
Custom Private Equity BM	KR2GX0000PE0			-1.47	-0.73	3.09	5.66	5.74	10.08	13.31	11.60	11.56	7/1/2002
ARCANO FUND	KR2F40200002	6,452,899.41	0.03	-8.10	-8.10	-22.84	-20.51	-5.49	-2.66	2.88		-0.46	12/1/2009
ARES SSF IV	KR2F46300002	17,356,180.17	0.08	1.32	1.32	11.59	8.03	7.95	15.98	13.45		5.79	2/1/2015
BAY HILLS EM PTNR I	KR2F40400002	465,852.47	0.00	0.00	0.00	36.19	395.40	83.57	55.64	44.22		28.49	12/1/2007



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BAY HILLS EM PTNR II	KR2F40500002	103,526,602.99	0.46	0.00	0.00	6.81	16.85	4.92	8.44	14.97		12.63	12/1/2007
BAY HILLS EM PTNR III	KR2F45600002	43,743,284.73	0.19	0.00	0.00	18.25	22.49	10.65	12.38	16.16		13.09	11/1/2013
Bay Hills II B	KR2F47000002	67,107,900.34	0.30	0.00	0.00	7.75	19.38	5.92	12.28			17.66	7/1/2017
BDCM OPPT. FUND IV	KR2F46400002	44,119,965.00	0.20	-2.01	-2.01	-2.09	-1.72	6.68	18.94	13.49		11.35	3/1/2015
BLACKSTONE CAP V	KR2F40600002	32,574.95	0.00	0.12	53.89	53.84	156.69	-31.15	-3.36	-0.69	3.01	2.98	2/1/2006
BLACKSTONE CAP VI	KR2F40700002	9,735,493.81	0.04	-2.25	-2.25	-3.01	-2.51	3.35	7.89	11.05		9.65	10/1/2011
CERS Strat Val Part VI	KR2F52680002	4,172,111.97	0.02	-18.88	-18.88							-18.88	10/1/2025
COLUMBIA CAP EQ IV	KR2F40900002	1,581,826.30	0.01	-1.08	-1.08	47.04	21.41	52.25	31.44	26.97	16.92	17.03	12/1/2005
Crestview Partners III	KR2F46200002	12,080,819.00	0.05	-1.27	-1.27	5.57	-4.07	-15.66	-5.15	2.44		1.41	3/1/2015
CRESTVIEW PTNRS II	KR2F41000002	15,096,082.23	0.07	-8.84	-8.84	-2.14	-15.09	16.05	15.57	15.49			10/1/2008
CVC Capital Partners VI	KR2F45800002	13,622,347.89	0.06	-4.34	-4.02	-2.18	-0.39	2.78	10.18	13.94		8.00	2/1/2014
DAG VENTURES II QP	KR2F41100002	992,146.60	0.00	0.00	0.00	-0.59	-8.05	-19.83	-9.52	-16.37	-10.39	-10.39	4/1/2006
DAG VENTURES IV QP	KR2F41300002	44,672,211.95	0.20	0.00	0.00	23.36	22.32	30.22	14.83	6.32	4.59	4.59	4/1/2006
DB Private Equity	KR2F46000002	3,657,558.35	0.02	-2.50	-2.50	-4.64	-23.88	-23.67	-12.80	-0.86		3.22	11/1/2014
DCM VI LP	KR2F41500002	2,154,733.00	0.01	-1.82	-1.82	21.48	14.05	12.43	-7.32	-2.16		1.22	7/1/2010
GREEN EQTY INVST V	KR2F41800002	142,676.00	0.00	-3.55	-3.55	-4.38	-57.37	-54.93	-43.51	-17.08	-2.59	-2.82	9/1/2003
GREEN EQTY INVST VI	KR2F41900002	13,797,720.42	0.06	-7.65	67.43	-2.07	6.75	7.19	6.94	11.93		9.77	11/1/2011
Green Equity Inv VII	KR2F46800002	16,826,035.51	0.07	-4.51	-4.51	2.29	1.06	1.86	8.93			11.61	5/1/2017
H&F Spock I LP	KR2F47500002	8,371,998.00	0.04	-3.95	-3.95	-16.77	-19.96	-6.89	3.72			13.00	4/1/2018
HARVEST PARTNERS VI	KR2F42200002	990,667.42	0.00	-39.25	-39.25	-54.62	-63.03	-44.26	-27.37	-5.23		0.04	6/1/2012
Harvest Partners VII	KR2F46700002	22,994,068.00	0.10	-1.00	-1.00	-7.87	-4.72	-8.20	18.81			1.14	9/1/2016
HIG BIOVENTURES II	KR2F42400002	7,314,171.89	0.03	2.50	2.50	9.90	4.18	8.51	-1.73	12.34		-4.12	4/1/2011
HIG CAP PTNRS V	KR2F42500002	3,634,868.12	0.02	18.13	18.13	83.10	76.96	28.71	30.91	27.03		19.79	7/1/2013
HIG VENTURE PTNR II	KR2F42600002	1,616,500.53	0.01	43.08	43.08	43.13	42.98	7.45	-1.39	-0.60	1.01	0.96	2/1/2005
HORSLEY BRDG INTL V	KR2F42700002	79,677,137.00	0.35	0.00	0.00	19.15	28.11	7.71	12.14	15.94		6.46	5/1/2009
INTERNAL PRIVATE EQ	KR2F48100002	96,254,366.60	0.43	-3.33	-2.64	4.97	12.73					12.12	12/1/2023
Kayne Anderson	KR2F47100002	5,376,056.00	0.02	16.33	16.33	35.23	2.87	-12.02	10.67			-4.42	10/1/2016
KCP IV Co-Invest	KR2F46600002	1,975,223.15	0.01	-2.41	-1.89	-12.38	23.81	2.58	36.26			17.82	5/1/2016
KEYHAVEN CAPITAL III	KR2F43100002	4,952,619.71	0.02	-2.41	-1.93	-0.79	-12.54	-6.37	-4.03	3.76		1.94	1/1/2010
Keyhaven Capital IV	KR2F46500002	9,393,048.84	0.04	-2.41	-1.89	-8.29	-16.54	4.38	15.79	12.48		12.48	4/1/2016
KRS Strat Val Part VI	KR2F52670002	2,945,020.19	0.01	-18.88	-18.88							-18.88	10/1/2025
Levine Leichtman Fund VI	KR2F47200002	37,819,706.61	0.17	-1.57	-1.57	-2.17	-3.20	10.23	15.10			9.65	5/1/2017
LEVINE LEICHTMAN V	KR2F45700002	1,242,738.65	0.01	6.82	6.82	-26.90	-26.09	-7.45	8.98	12.55		10.63	12/1/2013
Middle Ground	KR2F47600002	37,039,467.33	0.16	0.00	0.00	-7.58	-4.68	0.31	15.87			13.51	8/1/2019
MIDDLE GROUND II	KR2F47700002	47,405,873.62	0.21	0.00	0.00	-4.21	-3.33	5.36				7.72	11/1/2021
MIDDLE GROUND II COINVEST	KR2F48000002	25,252,558.40	0.11	0.00	0.00	-4.78	-3.89	7.32				11.17	11/1/2021
MILL ROAD CAPITAL	KR2F43700002	972,902.56	0.00	0.65	0.65	0.69	-39.50	-30.12	-21.83	-23.92		-11.70	2/1/2008
NEW MTN PTNRS III LP	KR2F43900002	1,324,341.00	0.01	0.06	0.06	-0.10	-0.17	-6.54	9.42	16.92	15.80	14.52	2/1/2005
New Mtn Ptnrs IV LP	KR2F45900002	3,437,749.00	0.02	-4.09	-4.09	-15.08	-22.75	-12.13	-10.51	6.90		7.86	12/1/2014
NEW STATE III	KR2F47900002	15,415,818.59	0.07	-9.82	-9.82	0.55	4.99	21.90				12.14	11/1/2021
RIVERSIDE APPREC VI	KR2F44300002	8,405,417.00	0.04	-7.51	-7.51	-10.83	-23.02	-10.29	1.76	6.82		3.71	12/1/2013
STRATEGIC VALUE PARTNERS V	KR2F47800002	87,019,852.80	0.39	1.15	1.15	8.39	10.59	16.72				11.90	5/1/2021



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Strategic Value Special IV	KR2F47400002	17,550,489.01	0.08	-8.30	-8.30	-2.50	-0.95	7.34	8.68			9.05	3/1/2018
Triton Fund IV	KR2F45500002	10,966,743.31	0.05	-5.18	-4.72	-7.02	10.19	32.05	22.29	15.96		11.79	7/1/2013
VANTAGEPOINT 2006	KR2F44600002	3,915,512.04	0.02	-4.26	-4.26	4.19	3.31	-3.42	-4.32	-3.33	-5.06	-0.70	4/1/2003
Vista EQ Partner Fd VI	KR2F46900002	19,302,806.00	0.09	1.26	1.26	0.31	0.53	0.97	5.15			10.76	6/1/2016
VISTA EQ PTNR FD III	KR2F44800002	126,277.00	0.00	-2.15	-2.15	-68.99	-68.19	-11.92	-9.05	-12.08		3.87	5/1/2008
VISTA EQ PTNR FD IV	KR2F44900002	17,574,891.00	0.08	-1.75	-1.75	-3.86	-3.50	1.39	2.36	3.32		7.03	12/1/2011
WARBURG PINCUS PE IX	KR2F45300002	52,585.00	0.00	0.23	0.23	-9.61	-16.08	38.51	25.39	5.13	5.98	5.64	6/1/2005
WARBURG PINCUS PE X	KR2F45400002	188,271.71	0.00	-3.83	-3.83	-76.09	-76.05	-31.68	-6.23	14.92	11.64	11.05	6/1/2005
WAYZATA OPPS FD III	KR2F45200002	121,463.00	0.00	-16.92	-16.92	-49.17	-53.18	-19.93	-4.51	-2.54		-4.75	4/1/2013
CORE FI	KR2G30CORE00	3,817,738,465.58	16.92	-1.77	0.04	3.29	4.70	4.83	2.17	2.80		3.02	7/1/2013
Bloomberg US Aggregate Bond Index	IX1F0000500C			-1.76	-0.05	3.10	4.35	3.63	0.31	1.70		2.11	7/1/2013
INTERNAL CORE FI	KR2F30250002	1,166,604,357.26	5.17	-1.79	0.03	3.05	4.34					4.95	9/1/2023
Bloomberg US Aggregate Bond Index	IX1F00003848			-1.76	-0.05	3.10	4.35					4.86	9/1/2023
Loomis Core Fixed Income	KR2F30170002	1,293,409,876.42	5.73	-1.74	0.11	3.46	4.99	4.31	1.08			2.36	2/1/2019
Bloomberg US Aggregate Bond Index	IX1F0000500C			-1.76	-0.05	3.10	4.35	3.63	0.31			1.78	2/1/2019
NISA	KR2F30080002	1,357,724,231.90	6.02	-1.77	-0.01	3.24	4.66	4.09	0.69	2.05		3.18	2/1/2009
Bloomberg US Aggregate Bond Index	IX1F0000500C			-1.76	-0.05	3.10	4.35	3.63	0.31	1.70		2.88	2/1/2009
SPECIALITY CREDIT FI	KR2GSPCRFI00	4,623,134,651.30	20.49	0.05	0.42	5.08	7.38	9.60	7.58			6.96	7/1/2017
High Yield Custom Benchmark	KR2GX00000HY			-0.32	-0.52	2.91	5.91	8.32	5.11			5.10	7/1/2017
ADAMS ST SPC II A1	KR2F30200002	109,128,313.00	0.48	0.57	0.57	7.04	8.29	15.29	15.97			15.09	6/1/2020
ADAMS ST SPC II B1	KR2F30210002	113,141,087.00	0.50	1.24	1.24	6.82	8.70	11.91	10.63			10.76	6/1/2020
ADAMS ST SPC III A1	KR2F30230002	76,240,684.00	0.34	1.55	1.55	6.51	10.26					12.69	11/1/2023
ADAMS ST SPC III B1	KR2F30240002	71,406,547.00	0.32	-0.18	-0.18	4.86	9.83					-6.19	11/1/2023
ARROWMARK	KR2F70360002	758,791,527.75	3.36	0.32	2.28	8.79	12.66	14.60	13.19			11.45	6/1/2018
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.54	-0.55	2.44	4.81	8.00	5.93			5.29	6/1/2018
Blue Torch	KR2F30220002	170,800,036.00	0.76	-1.07	-1.07	1.10	3.15	7.31	9.41			8.64	8/1/2020
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.54	-0.55	2.44	4.81	8.00	5.93			6.64	8/1/2020
BSP Coinvestment	KR2F30180002	13,528,202.00	0.06	2.85	2.85	9.37	11.90	12.59	10.21			9.19	10/1/2019
BSP Private Credit Fund	KR2F30130002	83,292,085.00	0.37	2.52	2.52	5.95	7.69	8.73	8.35			6.75	2/1/2018
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.54	-0.55	2.44	4.81	8.00	5.93			5.20	2/1/2018
CAP SPR CL B SHRS	KR2F19060002	1,522,567.90	0.01	0.00								0.00	3/1/2026
Russell 3000 + Hurdle(Qtr Lag)	KR2GX007RUSS			0.47								0.47	3/1/2026
Capital Springs	KR2F30190002	91,867,533.84	0.41	2.06	2.06	8.97	8.27	21.14	16.28			15.44	2/1/2020
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.54	-0.55	2.44	4.81	8.00	5.93			5.51	2/1/2020
Cerberus KRS LP	KR2F46100002	216,176,454.00	0.96	0.57	0.99	3.28	5.04	5.94	8.78	8.77		8.69	9/1/2014
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.54	-0.55	2.44	4.81	8.00	5.93	5.61		4.80	9/1/2014
CERS Oaktree US Senior Loan	KR2F25090002	192,680,092.89	0.85										4/1/2026
COLUMBIA	KR2F30070002	827,135,117.48	3.67	-1.07	-0.25	3.80	8.21	8.79	4.75	5.92		6.17	11/1/2011
Bloomberg US Corporate High Yield Bond Index	IX1F0003354C			-1.18	-0.50	3.36	7.01	8.60	4.23	6.12		5.92	11/1/2011
KRS Oaktree US Senior Loan	KR2F25080002	241,062,497.70	1.07										4/1/2026
MANULIFE ASSET MGMT	KR2F30020002	417,182,758.43	1.85	-1.63	-0.05	4.22	7.51	6.89	3.29	4.19		4.36	12/1/2011
Manulife Benchmark	KR2GXMANU100			-1.79	-0.15	3.20	4.64	4.18	0.65	2.11		1.71	12/1/2011



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Marathon Bluegrass Credit Fund	KR2F30090002	604,972,742.98	2.68	0.58	-1.67	4.82	4.06	7.56	5.71	6.34		6.18	1/1/2016
High Yield Custom Benchmark	KR2GX00000HY			-0.32	-0.52	2.91	5.91	8.32	5.11				1/1/2016
PEN WF EAG FD II	KR2F19040002	60,851,564.03	0.27	0.75	2.59	6.16	7.90					7.27	3/1/2025
Opportunistic FI Blended Index	KR2GX004OPFI			-0.80	0.18	3.79	6.41					5.37	3/1/2025
SHENKMAN CAP	KR2F30040002	25,521,216.84	0.11	4.41	3.08	6.25	9.37	8.60	6.07	5.52		5.08	10/1/2010
Shenkman Blended Index	KR2GX005SHEK			0.54	-0.55	2.44	7.55	8.48	5.77	5.53			10/1/2010
WATERFALL	KR2F30050002	378,384,456.65	1.68	0.75	2.59	6.16	7.34	9.46	8.04	8.09		9.37	2/1/2010
Opportunistic FI Blended Index	KR2GX004OPFI			-0.80	0.18	3.79	6.41	7.95	4.45	5.26		4.97	2/1/2010
White Oak Yield Spectrum Fund	KR2F30120002	169,446,142.32	0.75	1.19	1.19	4.91	6.62	7.66	6.78			6.15	3/1/2018
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.54	-0.55	2.44	4.81	8.00	5.93			5.23	3/1/2018
CASH ACCOUNT	KR2F90010002	544,596,128.77	2.41	0.31	0.92	3.06	4.21	4.76	3.35	2.42	2.03	3.42	1/1/1988
FTSE Treasury Bill-3 Month	IX1F0003127C			0.32	0.93	3.09	4.22	4.97	3.49	2.32	1.69	3.06	1/1/1988
REAL ESTATE	KR2G50000000	1,050,914,779.66	4.66	-1.10	0.20	1.36	3.53	-2.24	4.54	6.91	6.53	6.08	7/1/1984
NCREIF NFI ODCE Net 1Qtr in Arrears Index^	IX1G00369207			0.70	0.70	2.05	2.92	-4.25	2.51	3.88	4.71	5.79	7/1/1984
Baring Real Estate	KR2F52650002	40,317,811.42	0.18	-5.64	-5.14	-6.16	6.98	-18.63	-9.86			-0.40	1/1/2019
Barings Euro Real Estate II	KR2F52660002	88,785,629.41	0.39	-2.30	-1.78	2.79	15.73	-7.16	-7.77			-13.13	12/1/2020
DIVCOWEST IV	KR2F52580002	440,080.00	0.00	2.02	2.02	-31.98	-45.64	-22.13	-7.89	3.55		6.06	3/1/2014
Fundamental Partners III	KR2F52630002	40,195,650.00	0.18	-3.75	-3.75	-4.06	-4.65	-2.05	6.73			8.48	5/1/2017
Greenfield Acq VII	KR2F52590002	798,255.00	0.00	-15.75	-15.75	-26.68	-27.02	-6.37	1.66	7.67		8.21	7/1/2014
HARRISON STREET	KR2F50030002	289,804,179.00	1.28	0.00	1.07	2.93	3.88	-0.47	3.24	5.44		6.24	5/1/2012
INTERNAL REAL ESTATE	KR2F48200002	55,719,104.21	0.25	-7.08	1.13	0.95	2.18					4.88	12/1/2023
Lubert Adler RE Fund VIIB	KR2F52640002	4,352,002.07	0.02	-16.88	-16.88	-27.25	-26.40	-5.80	9.13			8.13	7/1/2017
LUBERT-ADLER VII	KR2F52600002	9,059,497.01	0.04	-5.84	-5.84	-15.52	-19.37	-17.11	-9.88	-4.22		-5.79	7/1/2014
MESA WEST CORE LEND	KR2F52550002	53,519,096.00	0.24	-1.93	-1.93	-0.34	-0.01	-3.39	0.00	3.36		3.94	5/1/2013
Mesa West IV	KR2F52620002	16,881,153.00	0.07	0.77	0.77	6.01	5.71	-9.60	-4.18			0.19	3/1/2017
Patron Capital	KR2F52610002	13,673,781.89	0.06	-1.12	-0.75	-6.38	2.02	-1.82	3.08			2.05	8/1/2016
PERIMETER PARK	KR2F80010002	7,507,351.40	0.03	0.00	0.00	2.83	2.83	5.06	6.33	3.81	0.70	2.64	4/1/1999
PROLOGIS TUSL	KR2F50070002	308,034,099.21	1.37	0.00	1.75	2.56	3.41	-1.53	9.68	12.43		12.50	10/1/2014
RUBENSTEIN PF II	KR2F52570002	2,466,510.94	0.01	-0.84	-0.84	-17.59	-41.82	-45.93	-34.33	-16.90		-10.62	7/1/2013
Stockbridge SmtMkts	KR2F50060002	115,889,691.79	0.51	1.10	1.10	3.89	5.69	-0.31	5.34	6.22		6.86	5/1/2014
WALTON ST RE FD VI	KR2F52530002	2,043,748.21	0.01	3.18	3.18	2.77	2.43	0.15	6.48	2.53		-9.16	5/1/2009
WALTON ST RE FD VII	KR2F52540002	1,427,139.10	0.01	-4.18	-4.18	-19.67	-23.33	-17.14	-8.12	-4.05		-0.19	7/1/2013
REAL RETURN	KR2G35000000	1,768,083,009.34	7.84	0.01	6.07	12.00	13.93	14.95	12.66	8.89		6.72	7/1/2011
PENSION REAL RETURN CUSTOM BM	KR2GXREALRET			0.71	1.55	3.89	5.41	5.80	7.36	5.71		4.42	7/1/2011
AMERRA AGRI FUND II	KR2F36020002	12,993,316.26	0.06	-2.46	-2.46	10.81	13.91	-1.34	3.49	3.90		4.47	12/1/2012
Amerra-AGRI Holding	KR2F36060002	21,001,519.81	0.09	-1.35	-1.35	4.76	3.78	-7.27	-5.03	-3.08		-2.93	8/1/2015
Blackstone Strat Opp	KR2F70320002	75,724.78	0.00	-0.29	2.66	-9.06	-5.00	-5.17	-2.02			-3.30	7/1/2017
BTG Pactual	KR2F35050002	20,388,017.00	0.09	5.37	5.37	17.23	23.58	17.56	16.66	8.25		2.96	12/1/2014
CERS Arctos American Football	KR2F19070002	20,672,041.00	0.09	0.00	0.00	-16.94						-16.94	6/1/2025
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89						4.35	6/1/2025
CERS CERES FARMS	KR2F20100002	136,191,967.08	0.60	2.01	2.01	4.84	5.94					5.38	12/1/2024
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.63	12/1/2024



Kentucky Retirement Systems Pension
 Monthly Investment Manager Performance (Net of Fee)
 As of Date:3/31/2026

Reporting Currency:BASE

Structure	Account/Security Id	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	Inception Date
IFM Infrast Debt FD	KR2F36070002	80,958,643.11	0.36	4.70	4.70	5.38	5.38	5.27	6.03			5.20	7/1/2019
INTERNAL REAL RETURN	KR2F36130002	180,985,401.15	0.80	-7.00	9.82	32.08	42.17					25.07	12/1/2023
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.62	12/1/2023
INTERNAL TIPS	KR2F39010002	151,732.72	0.00	0.31	0.92	3.06	4.21	4.89	3.47	2.61	3.64	4.25	5/1/2002
KR2 Internal US TIPS Blend	KR2GX000TIPS			-0.68	0.64	2.90	3.97	4.19	2.66	3.05	3.79	4.37	5/1/2002
ITE RAIL FD LP PEN	KR2F19050002	215,009,467.00	0.95	0.00	0.00	3.08	3.08					2.84	3/1/2025
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.65	3/1/2025
KAYNE PE INC FD III	KR2F19080002	15,944,613.00	0.07	-3.80	-3.80	0.28						0.28	5/1/2025
KRS PENSION ARCTOS SPORTS II	KR2F36100002	45,424,462.00	0.20	0.00	0.00	5.83	4.73					22.97	5/1/2023
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.76	5/1/2023
KRS Pension Ceres Farms	KR2F36110002	86,258,621.12	0.38	2.01	2.01	5.71	6.82					6.68	10/1/2024
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.52	10/1/2024
KRS PENSION MARITIME PARTNERS	KR2F36120002	180,957,099.34	0.80	0.00	0.00	4.07	8.10					6.80	10/1/2023
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.53	10/1/2023
Luxor Capital	KR2F70080002	1,431,209.73	0.01	-0.02	2.71	5.39	13.26	4.95	7.01	5.16		1.19	4/1/2014
Magnetar MTP EOF II	KR2F36050002	0.00	0.00										8/1/2015
Oberland Capital	KR2F35040002	1,127,974.00	0.00	7.16	7.16	23.88	28.05	34.50	24.46	22.65		15.81	10/1/2014
PEN ARCTOS SP II COL	KR2F36140002	79,874,059.00	0.35	0.00	0.00	6.68	5.87					15.19	11/1/2023
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.51	11/1/2023
PRISMA CAPITAL	KR2F70030002	110,704,333.35	0.49	0.27	0.90	2.94	4.01	4.49	2.44	2.56		2.82	9/1/2011
S&P 500 Index	IX1F00079488			-4.98	-4.33	6.18	17.80	18.32	12.06	14.16		14.29	9/1/2011
SABA CAPITAL	KR2F25070002	81,895,921.24	0.36	-11.84	-2.85	10.19	21.35					14.40	4/1/2024
SABA Custom Benchmark	KR2GX00BBMBE			-7.53	0.58	8.25	18.15					9.43	4/1/2024
ST VAL SH 130 C 2	KR2F36160002	52,166,480.32	0.23	5.84	5.84	8.37	12.32					14.23	12/1/2024
KRS CPI + 300 bpts	KR2GX005CPI3			0.71	1.55	3.89	5.41					5.63	12/1/2024
STR VAL SH 130 C 1	KR2F36150002	5,724,541.11	0.03	5.84	5.84	8.37	12.32					16.42	2/1/2025
Russell+CPI 300	KR2GX07R5CPI			0.71	1.55	3.89	0.07					3.51	2/1/2025
Taurus Mine Finance	KR2F35070002	12,921.19	0.00	0.00	0.00	-41.48	-38.74	-12.82	5.86	7.46		7.00	4/1/2015
TORTOISE CAPITAL	KR2F35020002	416,729,268.01	1.85	3.28	21.99	22.66	19.77	30.14	29.33	13.02		12.83	8/1/2009
Alerian MLP Index	IX1F0005318C			1.02	16.86	19.80	13.92	24.72	24.89	11.03		9.75	8/1/2009
Tricadia Select	KR2F70350002	1,277,305.64	0.01	0.00	0.00	0.00	0.00	0.00	0.00			-2.93	9/1/2017
HFRI Fund of Funds Diversified Index	IX1F0000609C			-1.89	1.08	8.44	11.62	8.60	5.34			5.37	9/1/2017

Private Equity Performance

- The table below evaluates the performance of the private equity portfolio by developing a Public Markets Equivalent (PME) comparison of the program's history
 - A PME comparison utilizes an Internal Rate of Return (IRR) calculation of all historical cash flows, on a dollar-weighted basis, and compares the resulting performance to a public market proxy index, by assuming that all of the same cash flows were invested in the public market index
 - This methodology allows for the purest comparison of the private equity performance to that of a public market alternative, and serves as a good barometer to check on a regular basis, but should still be supplemented by periodic reviews of the program that include additional metrics (multiples, peer rankings, etc.)

As of 12/31/25	Since Inception	Seven Years	Five Years	Three Years
Pension	10.44%	10.70%	12.66%	4.02%
Russell 3000	8.44%	16.61%	11.08%	20.91%
Value Add	2.00%	-5.90%	1.58%	-16.89%
Insurance	11.29%	9.21%	12.16%	2.87%
Russell 3000	9.96%	16.27%	11.04%	20.90%
Value Add	1.33%	-7.06%	1.12%	-18.03%

Inception Date 8/20/2002

Asset Class Performance

Asset Class Returns - Best to Worst

2021	2022	2023	2024	2025	2026 YTD	Annualized 5-Year as of 3/26
REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Emrg Mrkts 34.4%	Commodities 24.4%	Commodities 14.0%
Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 31.9%	REITs 4.8%	U.S. Equity 11.1%
U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. Equity 17.1%	T-Bills 0.9%	Developed 8.5%
Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Commodities 15.8%	U.S. TIPS 0.3%	REITs 6.1%
U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	High Yield 8.6%	Core Bond 0.0%	High Yield 4.2%
High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	Core Bond 7.3%	Emrg Mrkts -0.1%	Emrg Mrkts 4.2%
T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	U.S. TIPS 7.0%	High Yield -0.5%	T-Bills 3.4%
Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	T-Bills 4.3%	Developed -1.1%	U.S. TIPS 1.5%
Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	REITs 2.7%	U.S. Equity -3.9%	Core Bond 0.3%

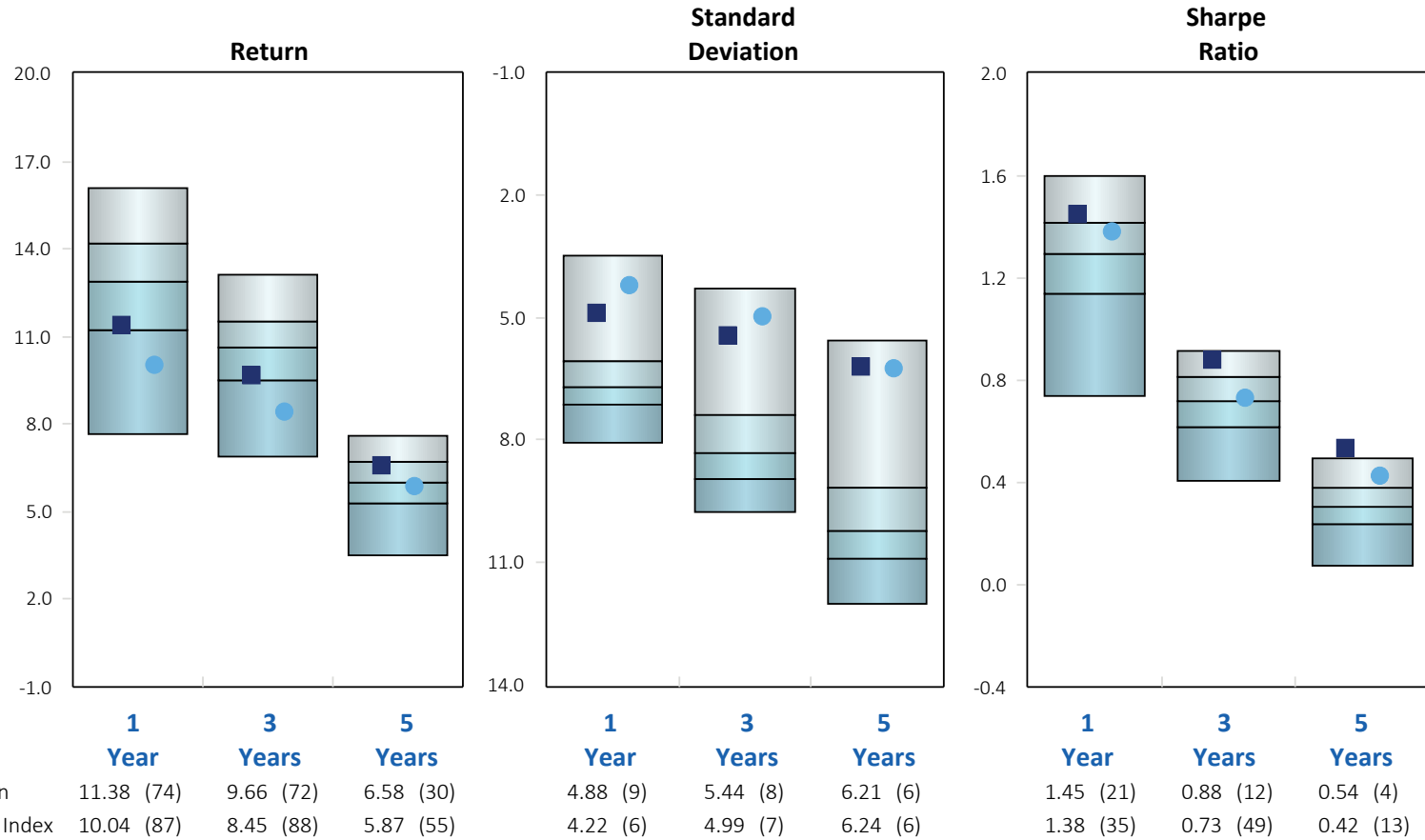
Data Sources: Bloomberg

Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

Plan Sponsor Peer Group Analysis - Multi Statistics

KERS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2026



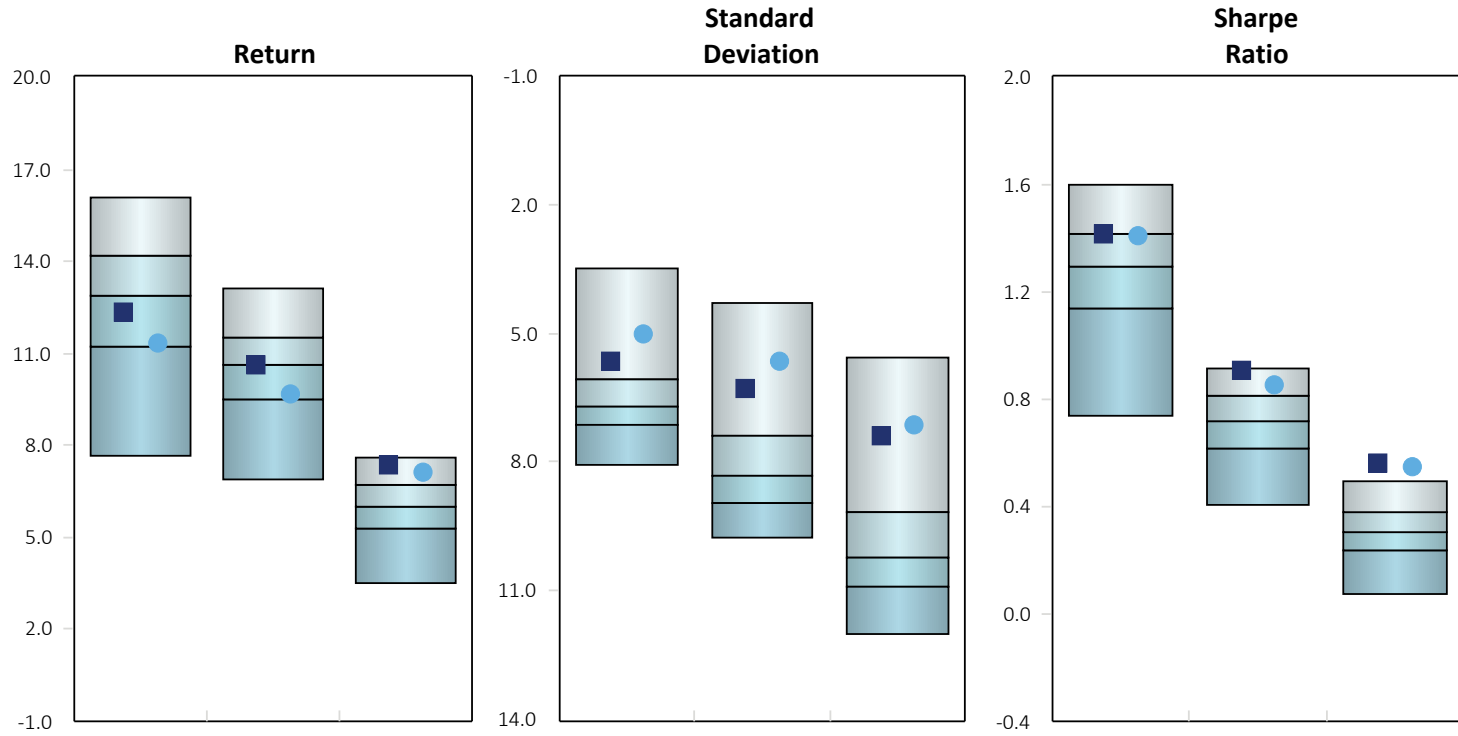
	1 Year	3 Years	5 Years
5th Percentile	16.09	13.11	7.58
1st Quartile	14.19	11.52	6.74
Median	12.89	10.64	6.00
3rd Quartile	11.23	9.49	5.31
95th Percentile	7.67	6.91	3.48

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis - Multi Statistics

KERS (H) Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2026



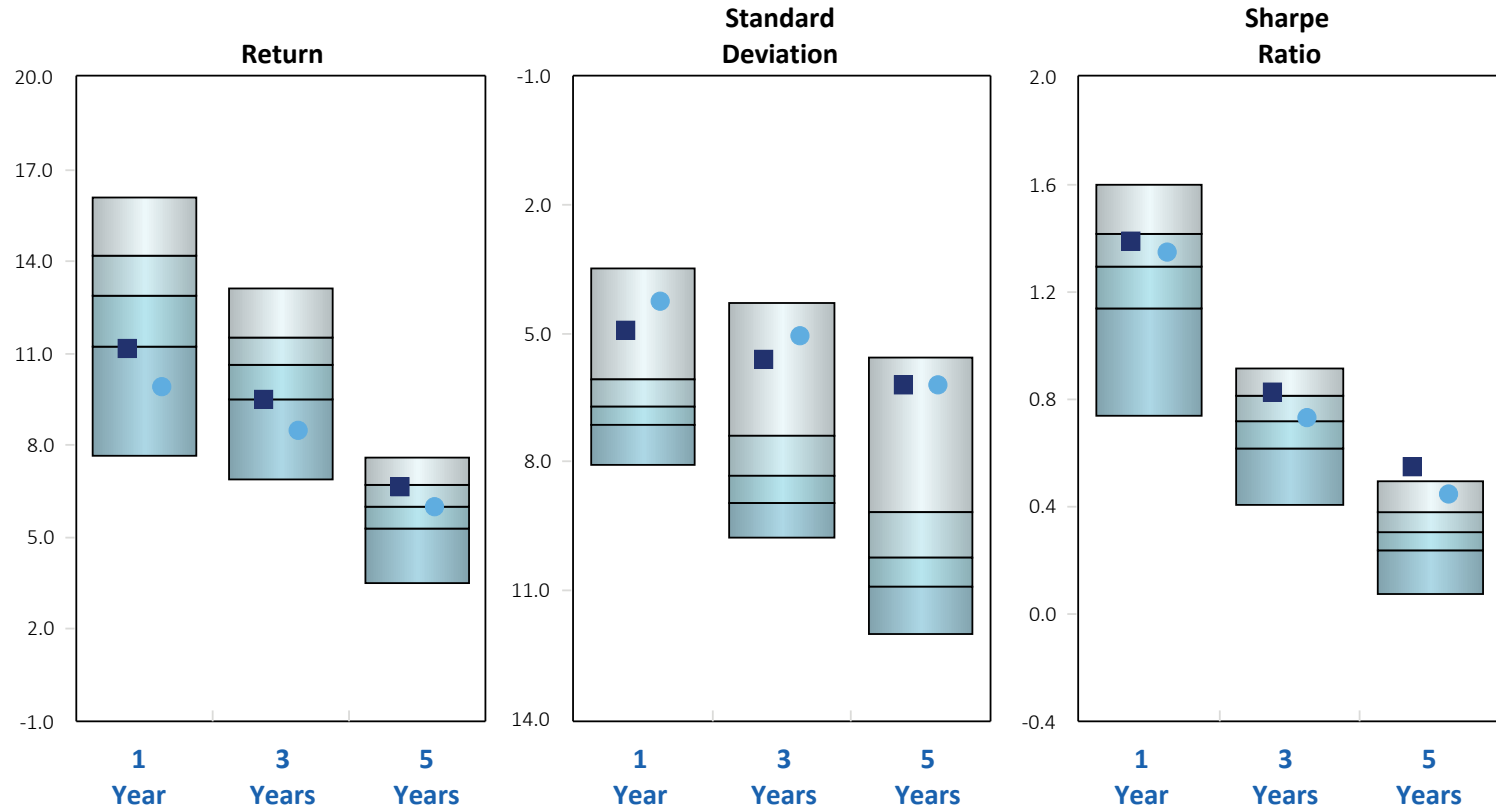
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ KERS (H) Pension Plan	12.37 (60)	10.61 (51)	7.37 (8)	5.67 (17)	6.30 (13)	7.41 (10)	1.41 (26)	0.91 (8)	0.56 (3)
● KERS (H) Pension IPS Index	11.33 (74)	9.71 (71)	7.15 (13)	5.00 (10)	5.66 (9)	7.12 (9)	1.41 (26)	0.86 (16)	0.55 (4)
5th Percentile	16.09	13.11	7.58	3.50	4.30	5.56	1.60	0.92	0.49
1st Quartile	14.19	11.52	6.74	6.09	7.39	9.16	1.42	0.81	0.38
Median	12.89	10.64	6.00	6.70	8.33	10.22	1.30	0.72	0.30
3rd Quartile	11.23	9.49	5.31	7.15	8.97	10.92	1.14	0.62	0.24
95th Percentile	7.67	6.91	3.48	8.07	9.78	12.00	0.74	0.41	0.07

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis - Multi Statistics

SPRS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2026



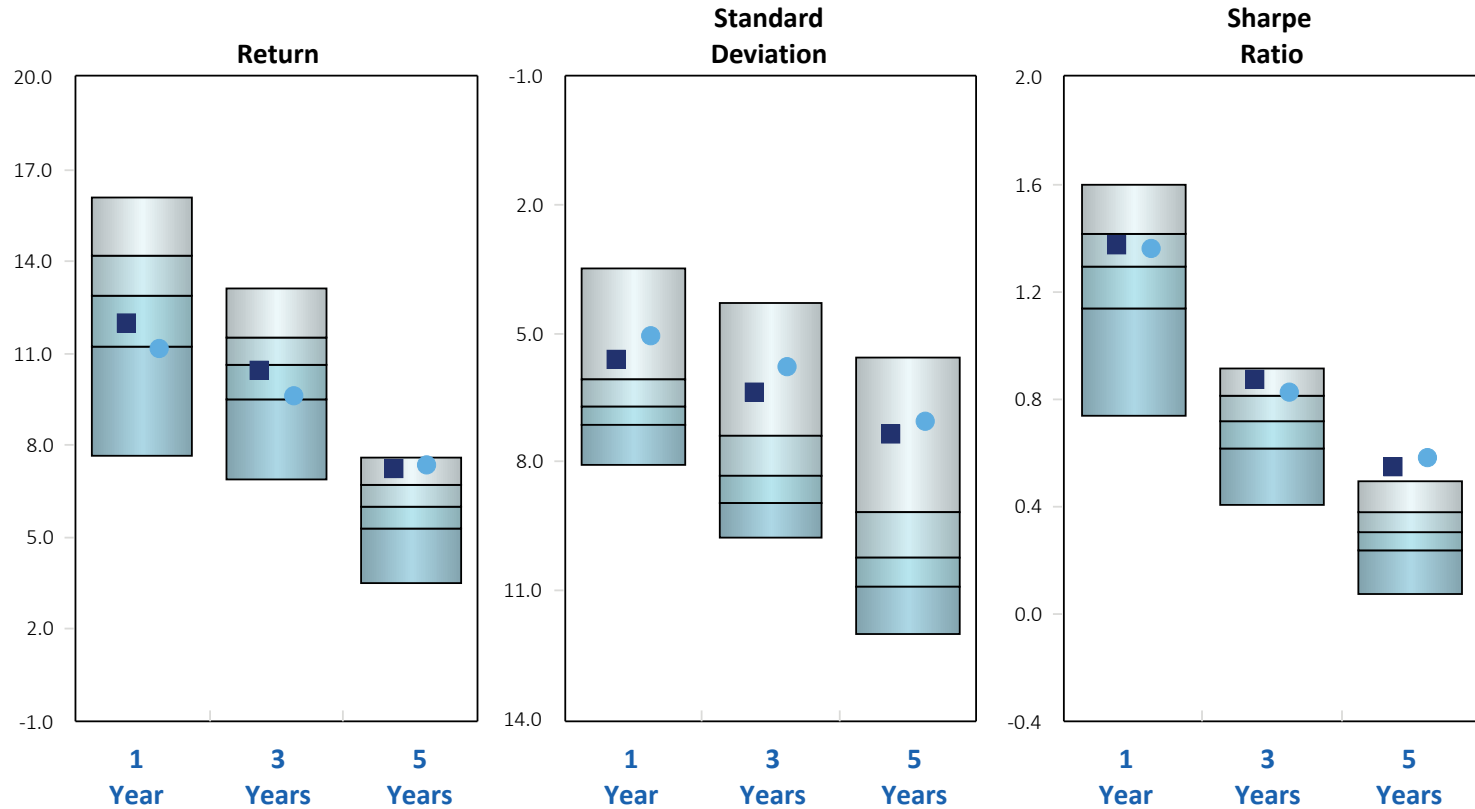
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ SPRS Pension Plan	11.14 (77)	9.48 (76)	6.65 (28)	4.94 (10)	5.61 (9)	6.19 (6)	1.39 (33)	0.83 (22)	0.55 (4)
● SPRS Pension IPS Index	9.94 (88)	8.51 (88)	6.01 (50)	4.25 (6)	5.04 (7)	6.21 (6)	1.35 (40)	0.73 (48)	0.45 (9)
5th Percentile	16.09	13.11	7.58	3.50	4.30	5.56	1.60	0.92	0.49
1st Quartile	14.19	11.52	6.74	6.09	7.39	9.16	1.42	0.81	0.38
Median	12.89	10.64	6.00	6.70	8.33	10.22	1.30	0.72	0.30
3rd Quartile	11.23	9.49	5.31	7.15	8.97	10.92	1.14	0.62	0.24
95th Percentile	7.67	6.91	3.48	8.07	9.78	12.00	0.74	0.41	0.07

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis - Multi Statistics

KERS Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2026



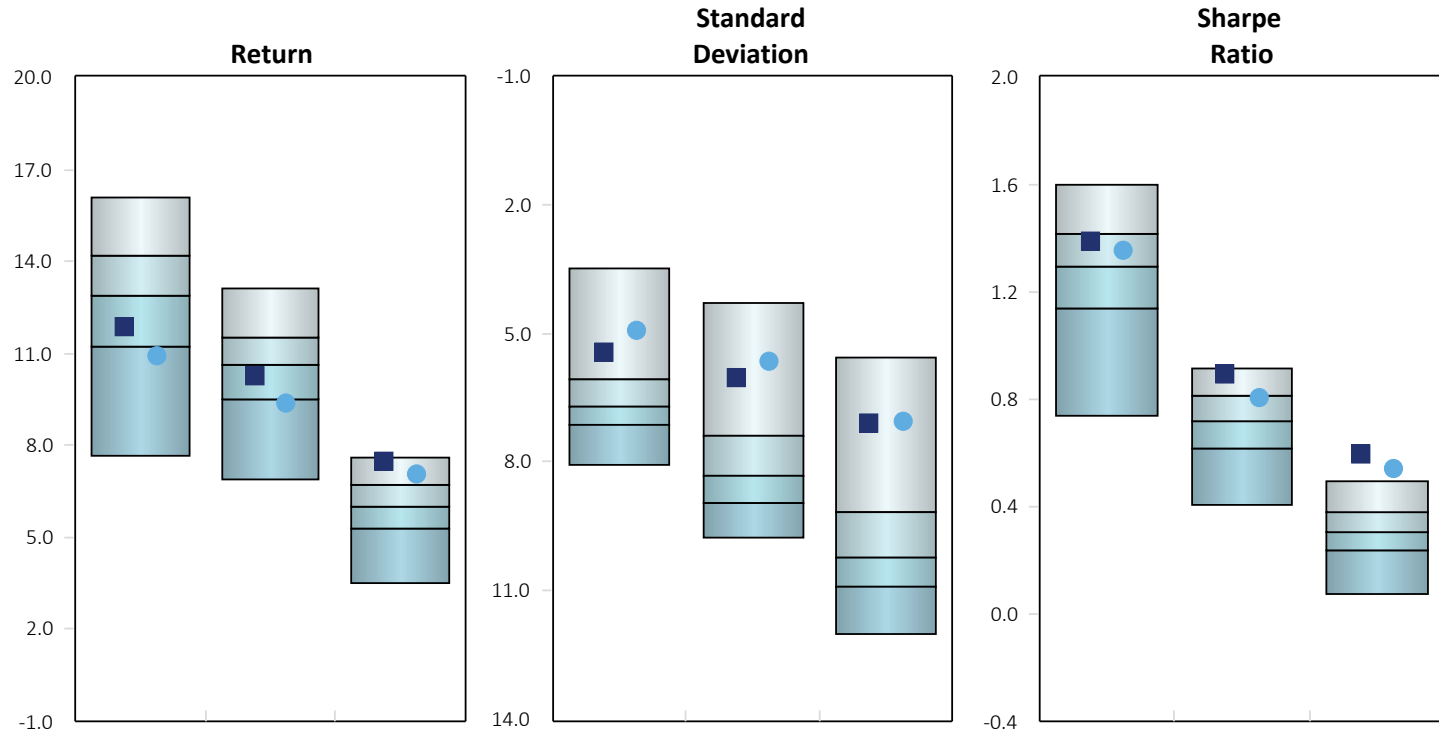
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ KERS Insurance Plan	12.01 (65)	10.46 (55)	7.23 (12)	5.59 (15)	6.39 (13)	7.34 (10)	1.38 (36)	0.87 (14)	0.55 (4)
● KERS Insurance IPS Index	11.15 (76)	9.62 (72)	7.37 (8)	5.05 (11)	5.79 (10)	7.07 (9)	1.36 (38)	0.83 (22)	0.58 (2)
5th Percentile	16.09	13.11	7.58	3.50	4.30	5.56	1.60	0.92	0.49
1st Quartile	14.19	11.52	6.74	6.09	7.39	9.16	1.42	0.81	0.38
Median	12.89	10.64	6.00	6.70	8.33	10.22	1.30	0.72	0.30
3rd Quartile	11.23	9.49	5.31	7.15	8.97	10.92	1.14	0.62	0.24
95th Percentile	7.67	6.91	3.48	8.07	9.78	12.00	0.74	0.41	0.07

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis - Multi Statistics

KERS (H) Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2026



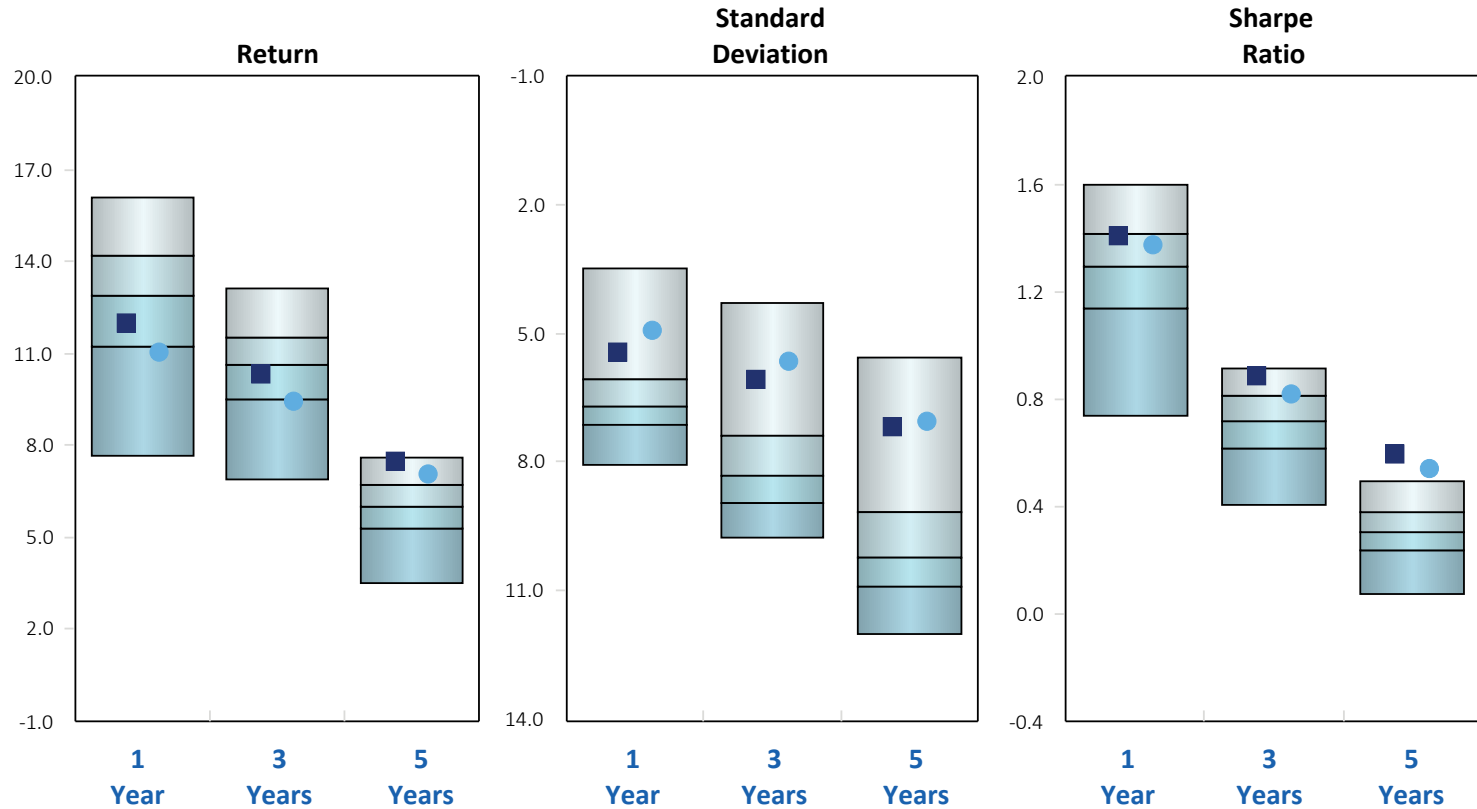
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ KERS (H) Insurance Plan	11.87 (67)	10.28 (59)	7.46 (7)	5.43 (14)	6.04 (10)	7.10 (9)	1.39 (32)	0.89 (10)	0.59 (2)
● KERS (H) Insurance IPS Index	10.92 (80)	9.40 (78)	7.04 (16)	4.91 (10)	5.65 (9)	7.07 (9)	1.36 (39)	0.81 (26)	0.54 (4)
5th Percentile	16.09	13.11	7.58	3.50	4.30	5.56	1.60	0.92	0.49
1st Quartile	14.19	11.52	6.74	6.09	7.39	9.16	1.42	0.81	0.38
Median	12.89	10.64	6.00	6.70	8.33	10.22	1.30	0.72	0.30
3rd Quartile	11.23	9.49	5.31	7.15	8.97	10.92	1.14	0.62	0.24
95th Percentile	7.67	6.91	3.48	8.07	9.78	12.00	0.74	0.41	0.07

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis - Multi Statistics

SPRS Insurance Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2026



	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ SPRS Insurance Plan	11.98 (66)	10.30 (58)	7.50 (7)	5.42 (14)	6.09 (11)	7.16 (10)	1.41 (26)	0.89 (11)	0.59 (2)
● SPRS Insurance IPS Index	11.02 (78)	9.45 (77)	7.09 (14)	4.92 (10)	5.64 (9)	7.07 (9)	1.38 (35)	0.82 (24)	0.55 (4)
5th Percentile	16.09	13.11	7.58	3.50	4.30	5.56	1.60	0.92	0.49
1st Quartile	14.19	11.52	6.74	6.09	7.39	9.16	1.42	0.81	0.38
Median	12.89	10.64	6.00	6.70	8.33	10.22	1.30	0.72	0.30
3rd Quartile	11.23	9.49	5.31	7.15	8.97	10.92	1.14	0.62	0.24
95th Percentile	7.67	6.91	3.48	8.07	9.78	12.00	0.74	0.41	0.07

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Kentucky Retirement Systems

Investment Budget Update

Quarter Ending: March 31, 2026

KRS Board Meeting - Investment Committee Report

KENTUCKY PUBLIC PENSIONS AUTHORITY											
Investment Budget											
For the nine month period ending March 31 2026											
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Budget FY 2026	FY26 Expenditures	Remaining	Percentage Spent
CONSULTING SERVICES											
Wilshire Associates	\$ 1,021,799	\$ 1,238,170	\$ 1,225,671	\$ 1,021,175	\$ 838,172	\$ 1,130,417	\$ 1,163,352	\$ 1,250,000	\$ 895,006	\$ 354,994	72%
Albourne	-	-	-	-	306,750	270,000	270,000	270,000	202,500	67,500	75%
MercerInsight	-	-	-	-	153,548	160,000	160,000	160,000	120,000	40,000	75%
New Private Markets Consultant	-	-	-	-	153,548	160,000	-	250,000	-	250,000	0%
SUBTOTAL	1,021,799	1,238,170	1,225,671	1,021,175	1,452,019	1,720,417	1,593,352	1,930,000	1,217,506	712,494	63%
LEGAL & AUDITING SERVICES											
Faegre Drinker	-	-	96,039	202,502	16,428	18,519	10,990	500,000	6,158	493,842	1%
Intelligent Management Solutions (IMS)	620,001	202,140	155,700	69,884	81,880	8,061	1,919,090	-	-	-	-
McClain/Goldberg	-	-	891	-	-	312	648	25,000	72	24,928	0%
Reinhart	317,909	671,269	663,689	619,509	109,508	619,420	2,673,961	1,600,000	5,848	1,594,152	0%
Stoll-Keenon-Ogden	10,314	135,353	254,211	463,560	750,438	210,475	335,923	875,000	95,503	779,497	11%
Haystack	-	-	-	-	120,175	209,490	244,470	200,000	152,203	47,797	76%
Umberg Zipser	-	-	289,100	498,058	606,701	738,483	70,349	1,400,000	9,741	1,390,259	1%
Fiduciary Legal Expenses	-	-	-	-	5,288	400,872	761,938	1,000,000	47,276	952,724	5%
Miscellaneous	-	-	-	-	-	3,160	6,300	50,000	-	50,000	0%
SUBTOTAL	948,225	1,008,762	1,459,630	1,853,513	1,690,417	2,208,791	6,023,668	5,650,000	316,802	5,333,198	6%
CONTRACTUAL SERVICES											
Bloomberg	68,722	71,810	98,163	102,243	104,153	110,823	114,006	160,000	88,690	71,310	55%
BNYM Custodial Fees	2,056,390	2,088,475	2,379,838	2,565,169	2,333,981	2,752,592	2,878,225	3,000,000	2,660,066	339,934	89%
eVestment (Solovis RMS)	-	-	30,000	33,800	33,800	39,422	42,891	35,000	-	35,000	0%
Solovis (Reporting & Analytics)	-	-	-	245,000	266,017	306,319	319,744	320,000	319,847	153	100%
FactSet	222,476	162,295	109,662	140,098	146,411	151,431	134,669	140,000	103,781	36,219	74%
Russell Index Subscription	1,075	1,250	1,000	1,000	750	1,000	8,250	30,000	-	30,000	0%
S&P Global	-	94,500	26,250	68,250	27,563	-	20,672	47,500	-	47,500	0%
TradeWeb	-	-	-	6,000	7,700	2,800	-	-	-	-	-
State Street/Elkins McSherry	10,000	5,000	15,000	10,000	10,000	-	-	10,000	-	10,000	0%
ISS	32,050	32,050	28,288	35,813	39,875	62,875	51,406	60,000	54,375	5,625	91%
MSCI	1,000	1,000	1,000	1,000	1,000	1,000	2,500	2,500	2,500	-	100%
KPMG Tax Guarantor Services	-	7,606	22,050	7,350	-	9,450	9,450	10,000	9,450	550	95%
Jayant Ghevaria and CO	-	10,050	-	52,085	-	-	-	55,000	143,114	(88,114)	260%
India Renewal Fee (SEBI)	-	-	-	3,000	-	2,950	2,950	3,000	-	3,000	0%
With Intelligence	-	-	-	-	9,520	9,520	10,150	10,150	10,850	(700)	-
SUBTOTAL	2,391,713	2,474,036	2,681,251	3,267,008	2,980,769	3,450,182	3,594,914	3,883,150	3,392,672	490,478	87%

KRS Board Meeting - Investment Committee Report

KENTUCKY PUBLIC PENSIONS AUTHORITY											
Investment Budget											
For the nine month period ending March 31 2026											
Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Budget FY 2026	FY26 Expenditures	Remaining	Percentage Spent
MISCELLANEOUS SERVICES											
Miscellaneous Services							21,000	250,000	-	250,000	0%
Morningstar						2,500	2,500	2,625	2,625	-	100%
Mclagan Compensation Survey for US Public Funds								8,750	-	-	
Fin/News								1,350	-	-	
Oxford						19,500	20,475	21,500	21,500	-	100%
Pension Real Estate Association						330	330	350	330	20	94%
Reimbursement of Pzena	-	-	-	-	-	12,923	8,906	15,000	-	15,000	
SUBTOTAL	-	-	-	-	-	35,253	53,211	299,575	24,455	265,020	8%
INACTIVE CONTRACTURAL SERVICES											
Dean Dorton	9,719		-	-	250		-	-	-	-	
Hirschler		4,794	-	-	-		-	-	-	-	
INFORMA	12,904		-	-	-		-	-	-	-	
Lighthouse Solutions	3,093		-	-	-		-	-	-	-	
London Stock Exchange GBP (GREAT BRITISH POUNDS)	6,467	3,544	-	-	-		-	-	-	-	
Deutsche Bank Trust	3,000		3,000	-	-		-	-	-	-	
Morris James LLP	94,192	20,154	-	-	-		-	-	-	-	
Calcaterra Pollack			1,200,000	-	-		-	-	-	-	
Manatt		90,798	30,757	-	-		-	-	-	-	
ORG	162,344		-	-	-	162,344	-	-	-	-	
SUBTOTAL	291,718	119,290	1,233,757	-	250	-	-	-	-	-	-
TOTAL	\$ 4,653,455	\$ 4,840,258	\$ 6,600,309	\$ 6,141,696	\$ 6,123,455	\$ 7,414,644	\$ 11,265,144	\$ 11,762,725	\$ 4,951,435	\$ 6,801,190	42%

KRS Board Meeting - Investment Committee Report

INVESTMENT BUDGET	
CONSULTING SERVICES	
Wilshire Associates	General Investment Consulting Services, Manager Research and Due Dilligence, Reporting, Asset Allocation
Albourne	Investment Consultant Research database - Private Markets Manager Research, Private Markets Research, Pension Markets Research
MercerInsight	Investment Consultant Research database - Public Markets Manager Research, Public Markets Research, Pension Markets Research
LEGAL & AUDITING SERVICES	
Faegre Drinker	Delaware litigation counsel
Intelligent Management Solutions (IMS)	IMS is an expert witness in the Bay Hills case.
McClain/Goldberg	Blackstone litigation counsel for the Trustees and Officers
Reinhart	Bay Hills counsel and investment counsel for contract negotiations
Stoll-Keenon-Ogden	Mayberry counsel
Haystack	Conduct Mayberry eDiscovery
Umberg Zipser	PAAMCO-Prisma (California litigation)
Frost Brown Todd	Currently has no investment-related cases
Swansburg & Smith	Reimbursement of Fiduciary Legal Expenses (KKR)
Eddins Domine	Reimbursement of Fiduciary Legal Expenses (KKR)
Taft	Reimbursement of Fiduciary Legal Expenses (Calcaterra Pollack)
CONTRACTURAL SERVICES	
Bloomberg	Bloomberg Professional Services, Data Analytics and Tools, Market Information and News, Research Portal
BNYM Custodial Fees	Full Service Custodial Services, Investment Accounting, Investment Operations, Transaction Services, Performance and Attribution, Reporting
eVestment (Solovis RMS)	Research Management Program organizing internal and external research
Solovis (Reporting & Analytics)	Portfolio and Risk Analytics, Performance Measurement and Attribution, Reporting
FactSet	Workstation and Quant/Risk Applications for managing Public Equity Portfolios
Russell Index Subscription	Access to Russell Indexes for Portfolio Management, Reporting and Performance
S&P Global	Data on the S & P US Index / License to 10,000 Identifiers for Portfolio Management, Reporting and Performance
TradeWeb	Electronic Trading Platform for Internal Management
State Street/Elkins McSherry	Public Equity Trade Cost Analysis
ISS	Portfolio Monitoring and Proxy Voting Services
MSCI	International Public Equity Data Package
KPMG Tax Guarantor Services	Tax Accounting Services - Taiwan
Jayant Ghevaria and CO	Tax Accounting Services - India
India Renewal Fee (SEBI)	Registration of India Local Market Accounts
Oxford Economics	Global macroeconomics and markets research
Fin/News	Subscription to institutional investment news hub
Morningstar	Access to Morningstar Indexes for Portfolio Management, Reporting and Performance
Pension Real Estate Association	Industry Association for News and Research
With Intelligence	Portfolio Management Research provider

KRS Board Meeting - Investment Committee Report

KENTUCKY PUBLIC PENSIONS AUTHORITY										
Investment Fees and Expenses										
For the nine month period ending March 31st										
Period										
Fiscal Year	2026		2025		2024		2023		2022	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	2,707,905	3,817,738,466	1,918,123	\$ 3,392,232,197	1,436,262	2,544,276,747	1,961,961	2,021,010,684	2,153,340	2,131,886,569
Investment Advisory Fees	1,810,229		1,574,455		1,405,456		1,609,879		1,773,298	
Performance Fees	877,423		321,985		-		313,985		327,140	
Miscellaneous Fees and Expenses	20,253		21,683		30,806		38,098		52,902	
Public Equity	13,996,669	9,760,328,975	12,302,858	8,272,903,499	10,500,632	8,817,430,444	9,871,250	7,364,652,759	10,884,478	6,939,548,432
Investment Advisory Fees	13,043,705		11,308,385		10,324,571		9,712,159		10,658,036	
Performance Fees	846,033		834,608							
Miscellaneous Fees and Expenses	106,932		159,864		176,062		159,091		226,442	
Specialty Credit Fixed Income	63,749,106	4,623,134,651	73,195,386	4,185,956,804	69,354,775	3,648,244,718	41,248,671	3,253,455,667	37,495,009	3,117,337,032
Investment Advisory Fees	18,305,405		17,443,126		14,434,211		14,472,381		12,988,501	
Performance Fees	23,438,179		28,389,405		25,547,564		8,869,883		18,829,074	
Miscellaneous Fees and Expenses	22,005,522		27,362,855		29,373,000		17,906,407		5,677,434	
Real Estate	13,410,628	1,050,914,780	12,278,479	1,028,805,095	4,564,242	968,171,717	4,469,109	929,393,252	25,637,587	844,241,655
Investment Advisory Fees	6,619,229		5,912,002		5,704,259		3,627,098		3,454,869	
Performance Fees	(1,955,216)		(13,420)		(4,779,365)		42,187		20,336,478	
Miscellaneous Fees and Expenses	8,746,615		6,379,897		3,639,348		799,825		1,846,240	
Real Return	17,076,626	1,768,083,009	9,414,309	1,392,525,484	2,848,101	924,917,847	3,159,066	460,465,548	3,848,329	568,603,601
Investment Advisory Fees	9,370,733		5,141,840		2,781,907		1,799,568		2,738,748	
Performance Fees	5,761,513		2,910,172		(193,100)		473,651		1,049,935	
Miscellaneous Fees and Expenses	1,944,380		1,362,297		259,294		885,848		59,646	
Private Equity	6,320,957	1,001,968,232	10,491,962	1,137,240,252	10,552,171	1,168,729,880	1,735,503	1,143,005,497	52,650,593	1,303,761,398
Investment Advisory Fees	3,395,707		3,211,368		4,288,725		5,111,920		5,375,037	
Performance Fees	(627,481)		5,079,854		2,729,542		(5,910,958)		44,069,198	
Miscellaneous Fees and Expenses	3,552,731		2,200,740		3,533,904		2,534,541		3,206,358	
Administrative Expense/Cash	3,257,210	544,065,329	6,092,042	619,233,427	3,275,020	534,190,997	2,349,103	980,437,717	3,087,180	1,088,261,843
Total Investment Mgmt Fees	120,519,102	22,566,233,442	125,693,158	20,028,896,758	102,531,203	18,605,962,349	64,794,664	16,152,421,124	135,756,516	15,993,640,530

KRS Board Meeting - Investment Committee Report

KENTUCKY PUBLIC PENSIONS AUTHORITY										
Investment Fees and Expenses										
For the nine month periods ending March 31st										
Insurance										
Fiscal Year	2026		2025		2024		2023		2022	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	820,862	1,074,035,677	608,715	\$ 1,016,562,758	480,275	784,067,380	737,251	738,513,799	810,054	802,476,521
<i>Investment Advisory Fees</i>	553,512		496,849		469,632		612,135		673,659	
<i>Performance Fees</i>	261,065		104,860		-		112,040		117,337	
<i>Miscellaneous Fees and Expenses</i>	6,285		7,006		10,642		13,075		19,058	
Public Equity	5,867,687	4,073,428,159	5,507,573	3,565,255,008	4,806,899	3,941,379,593	4,563,134	3,377,277,074	4,821,293	3,215,837,276
<i>Investment Advisory Fees</i>	5,452,755		5,058,688		4,727,899		4,490,997		4,743,902	
<i>Performance Fee</i>	373,181		381,519							
<i>Miscellaneous Fees and Expenses</i>	41,751		448,885		78,999		72,137		77,391	
Specialty Credit Fixed Income	29,009,370	1,948,787,855	32,416,406	1,840,605,004	30,989,778	1,620,501,044	18,849,336	1,464,234,371	16,639,635	1,409,325,113
<i>Investment Advisory Fees</i>	7,696,740		7,524,653		6,250,818		6,424,488		5,791,524	
<i>Performance Fees</i>	11,565,621		12,804,647		11,723,264		4,582,063		8,397,118	
<i>Miscellaneous Fees and Expenses</i>	9,747,009		12,087,106		13,015,696		7,842,785		2,450,993	
Real Estate	5,904,156	460,176,453	5,357,216	461,032,026	2,259,264	434,538,136	2,029,870	392,477,821	10,607,357	356,747,650
<i>Investment Advisory Fees</i>	2,997,647		2,686,784		2,591,757		1,515,332		1,501,018	
<i>Performance Fees</i>	(839,494)		(6,622)		(1,892,121)		171,381		8,302,981	
<i>Miscellaneous Fees and Expenses</i>	3,746,003		2,677,054		1,559,628		343,157		803,358	
Real Return	7,064,403	642,774,652	3,916,652	515,069,035	1,292,405	367,246,753	1,402,993	177,947,842	1,672,090	219,995,987
<i>Investment Advisory Fees</i>	3,707,923		1,986,506		1,228,914		801,226		1,221,294	
<i>Performance Fees</i>	2,498,055		1,323,315		(72,537)		196,724		415,727	
<i>Miscellaneous Fees and Expenses</i>	858,426		606,831		136,029		405,042		35,069	
Private Equity	1,843,153	454,364,263	4,609,993	551,795,676	7,297,602	597,270,698	2,034,850	584,914,353	32,266,953	621,666,942
<i>Investment Advisory Fees</i>	1,609,517		2,034,898		2,686,334		3,350,796		3,739,853	
<i>Performance Fees</i>	(1,497,381)		1,470,289		2,417,277		(2,539,096)		27,332,502	
<i>Miscellaneous Fees and Expenses</i>	1,731,018		1,104,806		2,193,991		1,223,150		1,194,598	
Administrative Expense/Cash	1,694,225	161,255,052	2,849,313	161,208,749	1,683,584	115,745,443	1,225,286	236,662,657	1,564,044	505,485,795
Total Investment Mgmt Fees	\$ 52,203,857	\$ 8,814,822,111	\$ 55,265,868	\$ 8,111,528,256	\$ 48,809,807	\$ 7,860,749,046	\$ 30,842,720	\$ 6,972,027,917	\$ 68,381,426	\$ 7,131,535,284

KENTUCKY PUBLIC PENSIONS AUTHORITY						
Investment Fees and Expenses						
For the nine month period ending March 31, 2026						
Pension						
	KERS		KERS Hazardous		SPRS	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	1,063,239	1,517,174,915	86,865	123,088,137	151,866	214,462,170
<i>Investment Advisory Fees</i>	708,590		58,066		101,425	
<i>Performance Fee</i>	346,647		28,148		49,303	
<i>Miscellaneous Fees and Expenses</i>	8,001		650		1,138	
Public Equity	2,473,077	1,786,380,944	768,716	518,788,135	396,058	254,961,688
<i>Investment Advisory Fees</i>	2,300,706		715,643		368,396	
<i>Performance Fee</i>	153,420		47,293		24,738	
<i>Miscellaneous Fees and Expenses</i>	18,951		5,780		2,924	
Specialty Credit Fixed Income	12,730,211	1,124,578,121	3,468,765	304,932,173	1,469,363	159,858,777
<i>Investment Advisory Fees</i>	4,081,282		1,115,300		521,287	
<i>Performance Fee</i>	4,732,198		1,165,825		493,140	
<i>Miscellaneous Fees and Expenses</i>	3,916,731		1,187,640		454,935	
Real Estate	2,600,667	235,249,973	672,224	69,399,606	352,735	35,765,912
<i>Investment Advisory Fees</i>	1,316,354		325,882		206,021	
<i>Performance Fee</i>	(340,531)		(101,031)		(42,208)	
<i>Miscellaneous Fees and Expenses</i>	1,624,845		447,372		188,922	
Real Return	5,158,377	551,939,253	976,012	97,771,632	877,882	77,164,517
<i>Investment Advisory Fees</i>	3,382,662		626,401		561,288	
<i>Performance Fee</i>	1,378,783		250,650		243,031	
<i>Miscellaneous Fees and Expenses</i>	396,932		98,961		73,563	
Private Equity	1,465,248	214,174,502	336,227	59,484,218	215,751	30,393,997
<i>Investment Advisory Fees</i>	621,938		182,348		96,493	
<i>Performance Fee</i>	313,312		(43,082)		17,271	
<i>Miscellaneous Fees and Expenses</i>	529,998		196,961		101,987	
Administrative Expenses/Cash	785,686	186,725,330	174,903	36,176,691	112,680	18,908,678
Total Investment Fees and Expenses	26,276,505	5,616,223,038	6,483,711	1,209,640,592	3,576,334	791,515,738

KENTUCKY PUBLIC PENSIONS AUTHORITY						
Investment Fees and Expenses						
For the nine month period ending March 31, 2026						
Insurance						
	KERS		KERS Hazardous		SPRS	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	148,353	193,369,742	57,708	75,370,547	22,681	29,894,484
<i>Investment Advisory Fees</i>	100,214		38,946		15,242	
<i>Performance Fee</i>	47,007		18,321		7,265	
<i>Miscellaneous Fees and Expenses</i>	1,132		441		175	
Public Equity	1,243,588	809,374,779	475,381	324,094,180	192,231	125,759,231
<i>Investment Advisory Fees</i>	1,149,249		440,450		177,759	
<i>Performance Fee</i>	85,858		31,621		13,142	
<i>Miscellaneous Fees and Expenses</i>	8,480		3,310		1,330	
Specialty Credit Fixed Income	5,442,424	483,408,008	2,846,955	190,992,204	1,066,330	75,825,298
<i>Investment Advisory Fees</i>	1,728,516		773,039		293,831	
<i>Performance Fee</i>	1,977,803		1,176,930		424,321	
<i>Miscellaneous Fees and Expenses</i>	1,736,105		896,985		348,178	
Real Estate	946,909	112,847,399	614,225	45,393,559	234,684	17,330,747
<i>Investment Advisory Fees</i>	534,167		305,587		116,668	
<i>Performance Fee</i>	(119,185)		(89,187)		(34,060)	
<i>Miscellaneous Fees and Expenses</i>	531,926		397,825		152,075	
Real Return	1,847,437	155,543,084	719,119	61,020,493	261,731	24,359,717
<i>Investment Advisory Fees</i>	1,092,024		471,183		158,700	
<i>Performance Fee</i>	568,974		164,267		71,299	
<i>Miscellaneous Fees and Expenses</i>	186,439		83,669		31,731	
Private Equity	565,875	99,243,415	142,679	38,296,339	51,283	17,001,073
<i>Investment Advisory Fees</i>	175,151		167,123		60,749	
<i>Performance Fee</i>	246,393		(171,440)		(78,503)	
<i>Miscellaneous Fees and Expenses</i>	144,331		146,996		69,036	
Administrative Expenses/Cash	362,036	36,288,011	143,850	15,302,769	56,813	3,508,594
Total Investment Fees and Expenses	\$ 10,556,622	\$ 1,890,074,439	\$ 4,999,917	\$ 750,470,091	\$ 1,885,753	\$ 293,679,144

MEMORANDUM

TO: Kentucky Retirement Systems Board of Trustees (Board)

FROM: Carrie Bass, Compliance Officer/Special Assistant, Kentucky Public Pensions Authority (KPPA) Office of Operations

DATE: June 9, 2026

RE: Summary of proposed updates to the Kentucky Retirement Systems Board of Trustees' investment-related policies

Recommendation to Review and Vote to Recommend Adoption of the “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies”

Part I – Approve “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies”

I recommend that the Board review this Memorandum and the materials included, and vote to adopt the “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies” as recommended by the Board’s Investment Committee.¹

The IC should be aware that the Investment Procurement Policy, located on pages 34 through 41 of the “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies,” can only be approved to be tendered to the Kentucky Finance and Administration Cabinet (Finance Cabinet) in accordance with Kentucky Revised Statutes (KRS) 61.650(6)(b). The Finance Cabinet then will provide comments on the Investment Procurement Policy, after which time the Board can vote to adopt its final version of the Investment Procurement Policy and decide whether to adopt any changes proposed by the Finance Cabinet. *See* KRS 61.650(6)(b)-(c). Thereafter, the Board will provide a copy of its final Investment Procurement Policy to the Finance Cabinet, and the Finance Cabinet will certify whether this policy meets best practices for investment management procurement. *See* KRS 61.650(6)(d)-(e). Finally, within sixty (60) days of adoption, the Investment Procurement Policy, along with the certification of best practices from the Finance Cabinet, will be tendered to the Public Pension Oversight Board (PPOB). *See* KRS 7A.255(3).

Part II – Repeal Existing Policies

The IC also is requested to recommend that the Board repeal the following policies², which have been merged into or otherwise addressed by the “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies”:

1. [Investment Policy Statement](#);
2. [Investment Securities Lending Guidelines](#);
3. [Brokerage Policy](#);
4. [Manager and Placement Agent Statement of Disclosure Policy](#);

¹ With minor modifications based on Trustee and CEO feedback.

² The referenced policies of the Board are hyperlinked and can also be found on the KPPA website at: <https://www.kyret.ky.gov/Investments/Investments-Library/Pages/Investments-Policies.aspx>.

5. [Investment Proxy Voting Policy](#);
6. [Investment Transaction Procedures Policy](#);
7. [Real Estate Policy](#); and
8. [Investment Procurement Policy](#).³

Background

KPPA Internal Audit 2025-2 found that compliance with investment-related policies of the Board was not being monitored (with the exception of Investment Policy Statement guidelines and restrictions). Internal Audit recommended that the Board's CEO, the Board's Investment Committee, the CIO, KPPA Executive Management, and the Compliance Officer work together to establish the following:

1. A process for monitoring and reporting investment compliance;
2. Responsibility for investment compliance;
3. Responsibility for ensuring statutorily required policies are in place;
4. A process for ensuring there are no conflicts in policy language;
5. A process for periodic review of investment-related policies of the Board; and
6. Updated language used in investment-related policies to refer to the CIO (rather than the Executive Director of the Office of Investments).

The consolidated "Kentucky Retirement Systems' Statement of Investment Objectives & Policies" addresses Internal Audit's findings and adopts the foregoing suggested actions.

The "Kentucky Retirement Systems' Statement of Investment Objectives & Policies" document also streamlines the Board's investment-related policies and creates an overarching investment governance document that aligns with current industry best practices, while meeting the unique needs of the Board.

Summary of Statement of Investment Objectives & Policies

The updates made to the Board's investment-related policies in the "Kentucky Retirement Systems' Statement of Investment Objectives & Policies" can be summarized as follows:

1. Outlines the purpose of the document, the Board's overall investment objectives, and the Board's strategy for achieving its investment objectives.
2. Establishes a definitions section and consistent language used throughout all policies in the document.
3. Defines the roles and responsibilities of the Board, its Investment Committee, and various staff and contractors of the Board and the KPPA. Includes clear, specific delegations and reporting expectations that comply with the Board's fiduciary duties. Delegates certain procurement and investment decisions to the CIO with reporting to (not approval by) the Board and its Investment Committee as follows:
 - a. Certain procurement decisions on behalf of the Board, including selection of investment managers below a certain threshold, electing to pursue re-ups, electing to pursue co-investments below a certain threshold, and selecting specialty investment consultants; and

³ Proposed updates to the Kentucky Retirement Systems' Securities Litigation Policy and the Kentucky Retirement Systems' Securities Trading Policy for Trustees and Employees are expected to be presented to the Board separately at a later date. Updates to the Board's Bylaws may also be warranted based on the proposed updates to the Board's investment-related policies.

- b. On behalf of the Board, renewing contracts with current investment managers and other current investment vendors, amending the terms of an existing contract with investment managers and other investment vendors, and deciding whether to agree to fund term extensions.
4. Creates a standalone, streamlined Asset Allocation Policy. The Board's asset allocation was previously housed in its Investment Policy Statement. No substantive changes have been made to the allocation.
5. Creates a standalone, streamlined Benchmarking & Performance Measurement Policy. The Board's benchmarking and performance measurement standards were previously housed in its Investment Policy Statement. No substantive changes have been made to the actual benchmarks (other than those adopted by the Board in 2025, after the Investment Policy Statement was last updated). The discussion regarding measurements and objectives is significantly condensed.
6. Creates a standalone, streamlined Guidelines & Restrictions document. The Board's guidelines and restrictions were previously housed in its Investment Policy Statement.
7. Streamlines the Proxy Voting Guidelines. No substantive changes have been made to the actual guidelines. However, minor changes have been made to the policy for clarity, and the Board has been provided with a separate Memorandum addressing additional corporate governance matters the Board may wish to speak to in its Proxy Voting Guidelines.
8. Streamlines the Investment Procurement Policy. Consistent with #3 above, the Investment Procurement Policy has been amended to contain specific delegations of procurement and investment decisions by the CIO with reporting to (not approval by) the Board and its Investment Committee. The delegations to the CIO include selection of investment managers below a certain threshold, electing to pursue re-ups, electing to pursue co-investments below a certain threshold, and selecting specialty investment consultants. In addition, detailed procedures previously contained in this policy have been removed from the policy, and separate Investment Procurement Procedures have been established.
9. Adds revision histories. Dates and brief summaries of revisions made to the policies and documents contained with the consolidated "Kentucky Retirement Systems' Statement of Investment Objectives & Policies" will be maintained prospectively from the date of adoption of the consolidated "Kentucky Retirement Systems' Statement of Investment Objectives & Policies."

Materials Included

1. Draft Kentucky Retirement Systems' Statement of Investment Objectives & Policies;
2. Memo to Kentucky Retirement Systems Board of Trustees on additional options for Proxy Voting Guidelines; and
3. Consolidated Statement of Investment Policies & Objectives Overview PowerPoint slides.

Kentucky Retirement Systems' Statement of Investment Objectives & Policies

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	Purpose, Objectives, & Strategy	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Background

The Kentucky Retirement Systems Board of Trustees (Board) administers and is the fiduciary of two (2) public pension plans, the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS). *See* Kentucky Revised Statutes (KRS) 61.645, 61.650, and 16.642. The KERS pension plan is further subdivided into two (2) funds for administrative purposes – the Hazardous Duty Fund and the Non-hazardous Duty Fund.

The Board also administers a health insurance trust for recipients of the pension plans.¹ *See* KRS 61.650(1) and 61.701. The health insurance trust is further subdivided into three (3) funds² for administrative purposes – the KERS Hazardous Duty Health Insurance Fund, the KERS Non-hazardous Duty Health Insurance Fund, and the SPRS Health Insurance Fund.

To the extent the pension and insurance funds have different objectives or policies, the funds will be mentioned separately in this Statement of Objectives & Policies (Document). Otherwise, the pension and the health insurance trusts will be referred to and addressed collectively as “the Trusts.”

Section 2: Purpose

The Board is required by Kentucky law to adopt a written investment procurement policy and written proxy voting guidelines. *See* KRS 61.650(6)-(7). In addition, the Board is required by Kentucky law to adopt written policies to maintain ownership and control over the assets of the Trusts. *See* KRS 61.650(2). This Statement of Investment Objectives & Policies (Document) achieves all three (3) of those statutory mandates.

Moreover, this Document is central to the fulfillment of the Board’s fiduciary duty as trustees of the Trusts. The Board has established this Document to comply with its duty of prudence through the allocation of assets, diversification, performance objectives and benchmarking, policies, guidelines, roles, responsibilities, delegations, monitoring functions, and other matters detailed in this Document relating to the investment and management of the Trusts’ assets.

This Document functions in concert with other laws, policies, and guidelines detailing fiduciary and ethical requirements and parameters for the Trusts’ investments, including, but not limited to:

1. IRC § 401(a)
2. Executive Branch Code of Ethics (KRS Chapter 11A);

¹ The County Employees Retirement System Board of Trustees manages County Employees Retirement System assets in the health insurance trust in accordance with KRS 61.701(3).

² These three (3) health insurance funds are those administered by the Kentucky Retirement Systems Board of Trustees. There are additional health insurance funds administered by the County Employees Retirement System Board of Trustees.

3. Board as fiduciary and plan investment requirements (KRS 61.650, 16.642, KRS 61.701, common law of trusts);
4. Conflict of interest prohibitions (KRS 61.655);
5. Kentucky Retirement Systems Board of Trustees Statement of Bylaws and Committee Organization, Kentucky Retirement Systems' Conflict of Interest, Kentucky Retirement Systems' Confidentiality Policy, and Securities Trading Policy for Trustees and Employees; and
6. CFA Code of Ethics and Standards of Professional Conduct, CFA Asset Manager Code of Professional Conduct, and CFA Code of Conduct for Members of a Pension Scheme Governing Body.

The law shall control if any inconsistency exists between it and this Document.

Section 3: Objective & Strategy

Investment returns play an important role in terms of the funded status of the Trusts. Utilizing an appropriate level of risk, the Board is committed to maximizing the long-term total rate of return on investments for the sole benefit of the beneficiaries of the Trusts. The Board's overall investment performance goal is to achieve an annualized rate of return which, when combined with employee and employer contributions, will achieve full funding for the Trusts by 2049.

To achieve this goal, the Board employs multiple strategies:

1. Asset Allocation

The Board recognizes that asset allocation is the primary driver of long-term investment performance. Asset allocation is a process designed to construct an optimal long-term asset mix that achieves a specific set of investment objectives. The [Asset Allocation Policy](#) is adopted herein to provide for diversification of assets in an effort to maximize the long-term returns on investments consistent with prudent levels of market and economic risks. Of all the components of investment strategy formulation, the asset allocation is the most important.

2. Diversification

The Board recognizes that diversification minimizes the risk of poor investment performance by ensuring that the performance of the Trusts' portfolios is not dependent on any single asset class, group of securities, investment vehicle/structure, investment style or strategy, and/or manager of investment assets.

As previously stated, asset allocation is one (1) method employed by the Board to diversify investments and risks. In addition, within each individual asset class, diversification is achieved through the use of multiple portfolios that are managed internally by Kentucky Public Pensions Authority (KPPA) investment employees and externally by professional investment managers. Both internal investment employees and external managers offer a variety of investment styles and strategies. Additionally, internal investment employees and external managers are delegated the discretion to diversify their assigned portfolios, so long as the diversification is within the

parameters of this Document and portfolio guidelines. Finally, the Board uses a variety of investment vehicles to structure its investments.

The Board also relies on independent investment consultants to advise on all aspects of investment functions. The advice from independent consultants on investment matters adds another layer of diversified approaches and strategies.

3. Rebalancing

Proper implementation of this Document requires that a periodic adjustment, or rebalancing, of assets be made to conform to the targets and ranges established in the [Asset Allocation Policy](#) and in the contractual guidelines of each external investment manager (particularly for managers of public assets). Such rebalancing is necessary to reflect sizable cash flows and performance imbalances among asset classes and individual portfolios. KPPA investment employees are delegated the discretion to rebalance in order to achieve compliance with the [Asset Allocation Policy](#), and external public asset managers may rebalance to achieve compliance with the investment guidelines established in their contracts.

4. Performance Measurement & Review

The Board has set clear expectations for the performance of the Trusts' portfolios in the [Benchmarking & Performance Measurement Policy](#). At least quarterly, the Board's Investment Committee is tasked with reviewing the performance of the Trusts' portfolios to ensure that investment performance is on track to meet the performance goals and expectations established by the Board.

5. Compliance Monitoring

The KPPA Compliance Officer is to conduct routine testing to assure compliance with guidelines and restrictions imposed by law, this Document, and portfolio guidelines. At least quarterly, the Compliance Officer is to report the findings of those routine tests and any other violations of this Document to the Investment Committee. This compliance function allows the Board, via its Investment Committee, to be informed of violations of applicable law, this Document, investment manager contracts, or any other breach that may pose legal or fiduciary risks.

6. Staffing

The Board supports a culture that promotes the skills and talents of KPPA investment employees. The Board recognizes that a skilled team is necessary to achieve the Board's investment objectives.

Section 4: Review Period

The Board shall review this "Purpose, Objectives, & Strategy" policy no less frequently than every five (5) years.

	<h2>Definitions</h2>	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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1. **“Alternatives or Alternative Assets”** means investments with [GPs](#) or other [Investment Managers](#) in private assets such as timberland, private equity, real estate, commodities, natural resources, and infrastructure that are not traded on public exchanges and are long-term and generally illiquid in nature.
2. **“AUM”** means “assets under management.”
3. **“Benchmark”** means an index used to measure investment performance of a portfolio.
4. **“Best Value”** means (a) potential [Investment Vendor\(s\)](#) that provide(s) the best performance at the lowest cost (economic efficiency) giving due consideration to factors including, but not limited to, performance improvements (faster, more suitable), timing (including emergencies), execution, quality, trust, reputation, service, and price.
5. **“Board”** means the Kentucky Retirement Systems Board of Trustees.
6. **“Bps”** means basis points.
7. **“Bylaws”** means the Kentucky Retirement Systems Board of Trustees’ Statement of Bylaws and Committee Organization.
8. **“CEO”** means the Kentucky Retirement Systems’ Chief Executive Officer.
9. **“CIO”** means the KPPA Chief Investment Officer.
10. **“Co-Investment”** means a direct investment in a portfolio company or property alongside an existing [Trust](#) partnership.
11. **“Compliance Officer”** means the KPPA Compliance Officer.
12. **“Conflict of Interest”** has the meaning stated in Section 2 of the Board’s Conflict of Interest Policy. Out of an abundance of caution, the Board clarifies that a Conflict of Interest for the purposes of this [Document](#) includes an actual or potential conflict of interest, and the appearance of a conflict of interest.
13. **“Custodial Bank”** means custodians and other agents who will be [Fiduciaries](#) to the [Trusts](#) and who will assume responsibility for the safekeeping and accounting of all assets held on behalf of the Trusts, as well as other duties as agreed to by contract.
14. **“Derivative”** means a financial contract that has value linked to an underlying asset, such as a stock, bond, or commodity.
15. **“Disqualified Person”** means the creator, family member of the creator, or corporation controlled or owned by the creator of the Trusts, as stated in Internal Revenue Code 503(b).
16. **“Document”** means the “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies.”

17. **“Fiduciary”** means a person:
- a. With discretionary authority or control of the management of the [Trusts](#);
 - b. With discretionary authority or control over the disposition of assets of the Trusts;
 - c. With discretionary authority or responsibility over the administration of the Trusts;
 - or
 - d. Who renders investment advice regarding assets of the Trusts.

[Trustees](#), the [CEO](#), the [CIO](#), the [KPPA](#) Executive Director, KPPA Deputy Executive Director, the KPPA Executive Director Office of Operations, the KPPA Executive Director Office of Benefits, [Investment Employees](#), [Investment Managers](#), and [Proxy Voting Agents](#) (if the Proxy Voting Agent exercises discretion) are statutorily designated fiduciaries. *See* KRS 61.650(1)(c)(2). A person may also be a functional fiduciary if they meet the criteria stated above in this definition.

18. **“Final Candidate Pool”** means a subset of [Potential Vendors](#) from which (a) final vendor(s) is chosen to provide services under the [Investment Procurement Policy](#).
19. **“Fund”** means the Kentucky Employees Retirement System Hazardous Duty Pension Fund, the Kentucky Employees Retirement System Non-Hazardous Duty Pension Fund, the State Police Retirement System Pension Fund, the Kentucky Employees Retirement System Hazardous Duty Insurance Fund, the Kentucky Employees Retirement System Non-Hazardous Duty Insurance Fund, and/or the State Police Retirement System Insurance Fund, as context requires. The Funds are subdivisions of the [Trusts](#) created and used by [KPPA](#) and the Kentucky Retirement Systems for administrative purposes.
20. **“GP”** means General Partner. *See* definition of [LPA](#) for more information on GPs.
21. **“General Investment Consultant”** means an external organization or person retained by the Kentucky Retirement Systems for asset allocation studies, asset allocation recommendations, performance reporting, [Benchmarking](#)/peer group comparisons, [Investment Manager](#) searches, general investment education and advice, and other investment-related consulting functions and duties as set forth by contract.
22. **“Investment Committee”** means the Investment Committee established by KRS 61.650 and the Bylaws, Section 2.2(c).
23. **“Investment Manager”** means an external organization with which the [Trusts](#) have contracted for the management of assets.
24. **“Investment Program”** means the unified administration of investments on behalf of the [Trusts](#).
25. **“Investment Employees”** means persons holding any portfolio manager position in the [KPPA](#) Office of Investments that reports to the [CIO](#).
26. **“Investment Vendor”** means a provider of investment analytical, professional, research, and/or technical services.
27. **“KPPA”** means Kentucky Public Pensions Authority.
28. **“KRS”** means Kentucky Revised Statutes.

29. **“Legal Counsel”** means a licensed attorney employed in the [KPPA](#) Office of Legal Services or a contract licensed attorney retained to represent the [Trusts](#).
30. **“LP”** means Limited Partner. *See* definition of [“LPA”](#) for more information on LPs.
31. **“LPA”** means Limited Partnership Agreement. Limited Partnership Agreements are contractual investment arrangements that are long-term in nature and provide a [GP](#) with a reasonable time horizon in which to wisely invest capital, add value through intensive operational management, and then realize the proceeds of such an investment. The [LP](#) is generally a passive investor. The LPA defines the relationship between the GP and the LPs, including economic terms such as incentives and ultimate net performance of the partnership.
32. **“Performance Attribution”** means the relationship between a potential [Investment Manager](#)’s P ortfolio returns and the active decisions of the potential Investment Manager.
33. **“Placement Agent”** means a person or firm who acts as an intermediary, finder, or marketer to connect companies or investment funds with potential investors. Placement Agents are banned by KRS 61.645(21) and by policy from receiving fees or commissions incident to an investment by the [Trusts](#).
34. **“Policy”** means an individual policy within the “Kentucky Retirement Systems’ Statement of Investment Objectives & Policies.”
35. **“Portfolio”** means a pool of money.
36. **“Potential Vendor”** means a person or company that is in consideration or that could be in consideration to be awarded a contract related to the investment or management of [Trust](#) assets under the [Investment Procurement Policy](#). The person or company could be in contention to be an [Investment Manager](#), a [General Investment Consultant](#), a [Specialty Investment Consultant](#), an [Investment Vendor](#), or any other provider of goods or services necessary for the investment or management of Trust assets.
37. **“Proxy Voting Agent”** means the proxy voting service vendor, or in some cases [Investment Managers](#), authorized to vote on company proposals on behalf of the [Trusts](#) by proxy.
38. **“Public Asset”** means securities traded on public exchanges and are liquid in nature. Generally speaking, “Public Asset” will include public equity, core fixed income, and specialty credit asset classes.
39. **“Qualitative Analysis”** means a review of a [Potential Vendor](#) that uses unquantifiable information, such as the impact of vendor management expertise, processes, and ownership structure on an investment.
40. **“Quantitative Analysis”** means the economic, business, or financial reviews that aim to understand or predict behavior or events through the use of mathematical measurements and calculations, statistical modeling, and research.
41. **“Quiet Period”** means a specified timeframe when [Trustees](#), [Investment Employees](#), and all other [KPPA](#) staff are restricted in communications with [Potential Vendors](#), [Investment](#)

Managers, General Investment Consultants, Specialty Investment Consultants, and/or Investment Vendors in designated procurements.

42. **“Recipient”** means a member, retired member, beneficiary, or dependent child as defined in KRS 16.505 and 61.510.
43. **“Re-Up”** means a new fund offering within the same asset class by an existing Alternatives Investment Manager.
44. **“RFP”** means Request for Information. A Request for Information is a document sent to Potential Vendors to request specific information or clarification regarding a service or product.
45. **“RFP”** means Request for Proposals. A Request for Proposals is a document soliciting proposals for a procurement based on the terms listed in the offering document.
46. **“RFQ”** means Request for Quotations. A Request for Quotations is an invitation to suppliers to bid on providing specific products or services.
47. **“Screening Criteria”** means the factors that represent the key areas of importance in making a final determination in whether to invest with a new Investment Manager, invest in a Re-Up, or retain a General Investment Consultant or Specialty Investment Consultant, which shall always include cost/price as well as other considerations weighted by importance.
48. **“Security”** means a legal representation of the right to receive prospective future returns on invested capital under stated conditions. “Security” includes any investment that represents an ownership stake or debt stake in a company, partnership, governmental unit, business, or other enterprise. A “Security” is broadly defined and includes any instrument that may be conceived of as a “Security.”
49. **“Specialty Investment Consultant”** means a professional investment consultant retained by KPPA to assist Investment Employees in specialized markets or asset classes with researching, sourcing, and due diligence of managers and strategies.
50. **“Trust”** means the Kentucky Employees Retirement System pension plan established by KRS 61.515, the State Police Retirement System pension plan established by KRS 16.510, and/or the Kentucky Retirement Systems insurance trust established by KRS 61.701, as context requires.
51. **“Trustee”** means a trustee serving on the Kentucky Retirement Systems Board of Trustees pursuant to KRS 61.645.

The Board shall review the foregoing definitions no less frequently than every five (5) years.

	Roles, Responsibilities, & Delegations Policy	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Fiduciaries

Fiduciaries shall discharge their duties with respect to the Trusts as follows:

1. Solely in the interest of the Recipients;
2. For the exclusive purpose of providing benefits to Recipients and paying reasonable expenses of administering the Trusts;
3. With the care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with those matters would use in the conduct of an activity of like character and purpose (commonly referred to as the “Prudent Investor Rule”);
4. Impartially, taking into account any differing interests of Recipients;
5. Incurring any costs that are appropriate and reasonable; and
6. In accordance with a good-faith interpretation of the federal, state, and common law governing the Trusts and Fiduciaries.

See KRS 61.645(15); 61.650(1)(c)(2).

Additionally, the Trustees and other Fiduciaries shall not engage in any transaction prohibited by Internal Revenue Code §503(b). Such prohibited transactions include, but are not limited to:

1. Lending any of the Trusts’ income or assets without adequate security and a reasonable rate of return to a Disqualified Person;
2. Paying unreasonably high compensation and/or salaries to a Disqualified Person;
3. Purchasing substantial Securities for an unreasonably high price from a Disqualified Person;
4. Selling substantial Securities for an unreasonably low price to a Disqualified Person; and
5. Engaging in any other transaction that results in a substantial diversion of income or assets to a Disqualified Person.

Section 2: The Board

I. Overview

The Board is established pursuant to KRS 61.645. The Board has ultimate responsibility for the investment and management of the Trusts’ assets in accordance with applicable legal requirements, including the fiduciary duty of the Trustees. See KRS 61.650.

The Board has elected to thoughtfully delegate implementation of the policies adopted herein and routine investment-related actions (including the acquisition, sale, monitoring, and daily management of the Trusts’ assets) to its Investment Committee, Investment Managers, and certain KPPA staff. Those delegations are delineated below.

However, the [Board](#) recognizes that such delegations do not absolve it of the ultimate [Fiduciary](#), governance, and oversight responsibilities concerning the investment and management of the [Trusts?](#) assets. As stated in the [Purpose, Objectives, & Strategy statement](#), the Board maintains ownership and control over the Trusts' assets in conformity with KRS 61.650(2) through the establishment of this [Document](#), in particular setting the asset allocation and [Benchmarks](#) for evaluating performance. The Board reserves the right to make changes to this Document, as it deems necessary.

In addition, the [Board](#) maintains ownership and control over the [Trusts?](#) assets through routine reporting on its delegations as stated in this [Document](#). The Board may rescind or alter delegations via this [Policy](#) at any time. All persons delegated responsibilities via this Policy shall promptly report to the Board any deviations from the parameters set forth by law, in this Document, or via directions provided by the Board. In all circumstances, the Board will ensure appropriate remediation of any compliance issues that may arise or compliance failures that may occur. Finally, as set forth in the [Bylaws](#), the Board maintains oversight and control of its assets and the [Investment Committee](#) via its Chair's appointment of other members to the Investment Committee, in addition to the three (3) [Trustees](#) with investment experience who are appointed by the Governor to pursuant to KRS 61.645(1)(c). *See* Bylaws, Section 2.2(c).

II. Reports & Monitoring Responsibilities

The [Board](#) retains ultimate responsibility for monitoring the performance its investments and compliance with this Document. The Board shall review reports from the [Investment Committee](#) on actions, decisions, performance, and incidents relevant to the [Trusts?](#) assets and delegations. Based on these reports, the Board will provide feedback, instruction, and direction to its Investment Committee, the [CIO](#), the [CEO](#), [Investment Employees](#), and other [KPPA](#) staff, as appropriate.

Section 3: Investment Committee

I. Responsibilities

The [Investment Committee](#) is responsible for ensuring the implementation of this [Document](#) and assuring the prudent investment of the [Trusts?](#) assets to achieve the goals established herein. The Investment Committee's responsibilities include, but are not limited to, the following:

1. Holding quarterly meetings;
2. Ensuring conformity with this [Document](#);
3. Monitoring progress achieved toward the [Board's](#) stated investment goals, including most importantly, investment performance of new and previously selected Investment Managers;
4. Reviewing and recommending appropriate changes to this [Document](#) to the [Board](#);
5. Selecting certain [Investment Managers](#), [Re-Ups](#), and [Co-Investments](#), and any [General Investment Consultants](#), pursuant to the [Investment Procurement Policy](#);
6. Reviewing the [CIO's](#) selection of certain [Investment Managers](#), certain [Re -Ups](#), and certain [Co-Investments](#) pursuant to the [Investment Procurement Policy](#);

7. Monitoring investment activities performed by the [CIO](#), [Investment Employees](#), and [Investment Managers](#);
8. Monitoring current [General Investment Consultants](#);
9. Resolving [Conflicts of Interest](#) of an [Investment Manager](#), [General Investment Consultant](#), or [Specialty Investment Consultant](#);
10. Monitoring compliance as reported by the [Compliance Officer](#); and
11. Any other duties as directed by the [Board](#).

II. Delegations

To allow the [Investment Committee](#) to fulfill its critical functions, the [Board](#) hereby delegates to the Investment Committee the authority to make the following decisions:

1. Certain procurement decisions, as delineated in and subject to the requirements of the [Investment Procurement Policy](#);
2. Selecting [General Investment Consultants](#) as stated in the [Investment Procurement Policy](#);
3. Decide how to resolve disclosed [Investment Manager](#), [General Investment Consultant](#), or [Specialty Investment Consultant Conflicts of Interest](#) (such resolution may include, but is not limited to, taking no action, conflicted party abstention, or refusal to invest or enter into a contract); and
4. Take any other action necessary to implement this [Document](#) and meet the goals and objectives established by the [Board](#).

III. Reports

No later than at the next regularly scheduled meeting of the [Board](#) following a quarterly or special-called [Investment Committee](#) meeting, the Investment Committee Chair or the Chair's designee shall provide the following written and/or verbal reports to the Board:

1. Summaries on information received and action taken by the Investment Committee at the meeting relating to the responsibilities outlined in (I) above; and
2. Decisions made at the meeting pursuant to the delegations outlined in (II) above.

Section 4: CEO & KPPA Executive Director

The [Board](#) employs a [CEO](#), who serves as the Board's executive advisor. *See* KRS 61.645(9)(a). The CEO is responsible for ensuring that statutorily required policies, such as those contained in this [Document](#), are in place. The CEO is also charged with ensuring this Document is implemented in conformity with the applicable laws and other Board policies, including the [Bylaws](#). *See* Bylaws, Section 1.3(e).

The KPPA Executive Director is the [Board's](#) chief administrative officer. *See* KRS 61.505(8)(a). The KPPA Executive Director is charged with executing all [KPPA](#) duties, including the investment and management of assets in conformity with this [Document](#), applicable laws, and other Board

policies. *See* Bylaws, Section 2.2(c)(4). The KPPA Executive Director employs the [CIO](#)³ and all other KPPA staff tasked with carrying out this Document. *See* KRS 61.505(8)(b).

Section 5: CIO

I. Responsibilities

The [CIO](#) position is a multi-faceted role. The CIO is responsible for the day-to-day oversight of the [Trusts'](#) investments consistent with applicable laws, this [Document](#), other [Board](#) policies, and the direction provided by the Board or its [Investment Committee](#). The CIO, through management of [Investment Employees](#), oversees investment risk management, [Investment Manager](#) oversight, and other related activities. The CIO fosters effective collaboration between [General Investment Consultants](#), [Specialty Investment Consultants](#), and Investment Employees, and ensures that General Investment Consultants provide appropriate information and advice to the Investment Committee and the Board. The CIO works with the [Compliance Officer](#) to develop policies, procedures, guidelines, and templates that govern the work of Investment Employees. The CIO communicates with the mass media and other agencies, entities, or institutions regarding investment-related issues. The CIO recommends and opines on proposed and enacted changes to Kentucky laws and regulations relating to investments, and submits public comments on proposed regulatory changes. The CIO recommends policy and strategy changes. The CIO is the primary authorized signer on behalf of the Board and generally acts as a liaison on all matters pertaining to investment of the Trusts' assets and the [Investment Program](#).

II. Delegations

To allow the [CIO](#) to fulfill their duties, the [Board](#) hereby delegates to the CIO the authority to make the following decisions:

1. Certain procurement decisions, as delineated in and subject to the requirements of the [Investment Procurement Policy](#);
2. Increase or reduce assets assigned to a current [Investment Manager](#), so long as the relevant asset class remains within the relevant range established by the [Asset Allocation Policy](#);
3. Renew contracts related to the investment or management of [Trust](#) assets and [Alternative](#) fund term extensions;
4. Negotiate and decide whether to authorize new contract terms or changes to existing contract terms;
5. Terminate the contract of or otherwise cease the relationship with an [Investment Manager](#), [General Investment Consultant](#), [Specialty Investment Consultant](#), or other [Investment Vendor](#);
6. Select [Specialty Investment Consultants](#) as stated in the [Investment Procurement Policy](#);
7. Submit public comments on behalf of the [Board](#) regarding proposed changes to state or federal regulations; and
8. Any other action necessary to invest the [Trusts'](#) assets in compliance with this [Document](#), comply with legal requirements, or administer the [Investment Program](#).

³ While the [KPPA](#) Executive Director supervises the [CIO](#), the [Board](#) and its [Investment Committee](#) provide direction to the CIO concerning investment and management of the [Trusts'](#) assets.

If the [CIO](#) is unavailable, the Deputy CIO may serve in place of the CIO for the foregoing. The CIO or Deputy CIO may also subdelegate decisions related to numbers two (2) through five (5) above to [Investment Employees](#).

III. Reports

The [CIO](#) ensures that the investment reports listed in [Section 10 of this Policy](#) are provided to the [Investment Committee](#).

IV. Policies, Procedures, Guidelines, & Templates

The [CIO](#), in collaboration with the [Compliance Officer](#), is responsible for ensuring that appropriate policies, procedures, guidelines, and templates are established to implement this [Document](#) and the [Investment Program](#). Policies, procedures, guidelines, and/or templates that conform to this Document and applicable law shall be developed, and routinely reviewed and monitored, for the following:

1. Guidelines for rebalancing, diversification, and apportionment of allocation from the [Trusts](#) among the [Funds](#) for new investments;
2. Asset allocation reviews (actual asset allocation versus target asset allocation as stated in Section 2 of the [Asset Allocation Policy](#));
3. Guidelines for [Public Asset Investment Managers](#) as stated in [Section 8 of this Policy](#);
4. Procedures for carrying out the [Investment Procurement Policy](#);
5. Review cycles for [Public Asset Investment Managers](#), [General Investment Consultants](#), [Specialty Investment Consultants](#), and other [Investment Vendor](#) contracts;
6. Cost-savings and cost-efficiency policy for [Investment Managers](#), [Specialty Investment Consultant](#), and other [Investment Vendors](#);
7. [Investment Manager](#) ongoing due diligence and quantitative risk monitoring;
8. [Custodial Bank](#) due diligence and other administrative matters, such as a portfolio accounting system;
9. [Placement Agent](#) and [Conflict of Interest](#) disclosures required of [Investment Managers](#) and handling of discovered Placement Agent use or Conflicts of Interest;
10. [Derivatives](#) guidelines;
11. Securities lending program;
12. Broker selection and monitoring program;
13. Trade execution violation requirements for [Public Asset Investment Managers](#);
14. Securities transactions, including compliance with federal securities trading laws, applicable to [Investment Employees](#);
15. United States Office of Foreign Assets Control (OFAC) compliance;
16. End-of-fund-life strategy; and
17. Any other area determined by the [Board](#), the [Investment Committee](#), the [CEO](#), or the [KPPA Executive Director](#).

At any time, the [Investment Committee](#) or the [Board](#) may require the [CIO](#) or designee to provide information on the [Investment Program](#) documents described above. The Board reserves the right

and the right of its Investment Committee to direct the CIO to make changes to the foregoing documents.

V. Authorized Signer

To carry out this [Document](#) and any investment related decisions of the [Board](#) or its [Investment Committee](#), the [CIO](#) or designee is authorized to execute agreements and other necessary or proper documents on behalf of the Board.

Section 6: Investment Employees

Under the supervision of the [CIO](#), the [Investment Committee](#), and the [Board](#), [Investment Employees](#) are tasked with implementing this [Document](#) and carrying out instructions from the CIO, the Investment Committee, and the Board. This Document, the CIO, the Investment Committee, and [Investment Program](#) policies, procedures, guidelines, and templates provide parameters and directions for Investment Employees; however, Investment Employees are authorized to exercise discretion within those parameters and in accordance with those directions. Investment Employees are specifically authorized to rebalance their assigned asset class [Portfolios](#) as stated in Section 3 of the [Asset Allocation Policy](#) to manage liquidity or for any purpose established by the CIO in rebalancing guidelines. Investment Employees are further authorized to direct the voting of proxies by [Proxy Voting Agents](#) as stated in the [Proxy Voting Guidelines](#).

In addition, [Investment Employees](#) shall make recommendations to the [CIO](#) and the [Investment Committee](#) concerning the following:

1. Procurements as stated in the [Investment Procurement Policy](#);
2. Changes to this [Document](#), particularly [Benchmarks](#) for their assigned asset class, and other [Board](#) policies;
3. Changes to [Investment Program](#) policies, procedures, guidelines, and templates; and
4. Any other matters pertaining to investment of the [Trusts?](#) assets and/or the [Investment Program](#).

Section 7: Compliance Officer

The [Compliance Officer](#) is responsible for overseeing investment compliance. More specifically, the Compliance Officer assists with the development of appropriate policies and controls, and monitors and provides reporting on compliance with legal requirements, this [Document](#), [Investment Manager](#) guidelines, and [Investment Program](#) policies, procedures, guidelines, and templates. To ensure the Compliance Officer's independence from the Investment Program, the Compliance Officer reports directly to the KPPA Executive Director of the Office of Operations.

More specifically, the [Compliance Officer](#) performs the following functions:

1. **Daily Monitoring** – Daily, the [Compliance Officer](#) or designee shall test the guidelines and restrictions listed in Section 1 of the [Guidelines & Restrictions Policy](#) and the

guidelines in place for each public equity and fixed income [Public Asset Portfolio](#) managed by an [Investment Manager](#).

2. **Investment Program Policies, Procedures, Guidelines, & Templates** – The [Compliance Officer](#) shall assist the [CIO](#) the development and periodic review and monitoring of [Investment Program](#) policies, procedures, guidelines, and templates in accordance with [Section 5 \(IV\) of this Policy](#).
3. **Compliance Sign-Off (New Investments)** – The [Compliance Officer](#) is responsible for completing a sign-off attesting that new investments are completed in accordance with applicable legal requirements and applicable requirements set forth in this [Document](#).
4. **Reports** – The [Compliance Officer](#) is responsible for the compliance reports listed in [Section 10 of this Policy](#).

Section 8: Investment Managers

The [Board's](#) investments are primarily managed by professional investment management firms based on applicable laws, this [Document](#), and the contract entered into between the [Trusts](#) and the [Investment Manager](#).

Each [Investment Manager shall](#) be required to:

1. Agree to serve as a [Fiduciary](#) to the [Trusts](#);
2. Certify as part of its contract that it does not have any [Conflicts of Interest](#);
3. Certify as part of its contract that it does not use [Placement Agents](#);
4. Agree that subsequent discovery of any undisclosed [Conflict of Interest](#) or use of [Placement Agent](#) may be considered a breach of contract and may result in immediate termination of any agreement(s) without penalty or fee to [Trusts](#); and
5. When possible, invest [Trust](#) assets in [Securities](#) that provide a positive contribution to the economy of the Commonwealth of Kentucky.

Each individual [Portfolio](#) of a [Public Assets Investment Manager](#) shall have a comprehensive set of investment guidelines that contain a listing of permissible investments, Portfolio restrictions, risk parameters, and standards of performance for the Portfolio. In addition, Investment Managers are subject to the applicable parameters listed in the [Guidelines & Restrictions Policy](#).

Section 9: Legal Counsel

Legal documentation for all [Investment Managers](#), [General Investment Consultants](#), [Specialty Investment Consultants](#), and other [Investment Vendors](#) will be reviewed by internal or external legal counsel, or both. The [CIO](#) and [Investment Employees](#) will seek the assistance, review, and advice of [Legal Counsel](#) (internal, external, or both), as needed. The KPPA Office of Legal Services has primary responsibility for the engagement of outside legal counsel for investment matters.

Section 10: Reporting Criteria

Investment Reports (CIO or Designee)

1. Quarterly Reports – At each regular quarterly meeting of the Investment Committee, the CIO or designee shall present written investment reports on the following for the prior quarter. The quarterly investment reports presented generally will include:
 - A. Economic and market update;
 - B. Performance by Trust and by Fund, including quarterly, fiscal year-to-date, 1-year, 3-year, 5-year, 10-year, 20-year, and 30-year investment performance;
 - C. Performance by manager and mandate, including internally managed portfolios;
 - D. Asset allocation and performance;
 - E. Performance highlights and attribution;
 - F. Investment budget update;
 - G. Securities lending program;
 - H. Any decision(s) made by the CIO, the CIO's designee, the Deputy CIO, or Investment Employees pursuant to the delegations made in Section 5 (II) of this Policy since the last meeting of the Investment Committee; and
 - I. Any other reports requested by the Investment Committee or initiated by the CIO.

2. Annual Reports
 - A. At least annually, but more frequently as needed, the CIO or designee will present an annual investment plan to the Investment Committee, which shall include, but is not limited to, the following:
 - i. A comprehensive review of each asset class and underlying asset class Portfolios, including an organizational, performance, and compliance assessment;
 - ii. Assessments of the conformity of General Investment Consultants, Specialty Investment Consultants, and Investment Vendors with expectations, objectives, policies, and guidelines; and
 - iii. Any action resulting in significant cost savings to the Trusts? Portfolio.
 - B. At least annually, but more frequently as needed, the CIO or designee will provide the Investment Committee with a report on the performance of the securities lending program.

3. As Needed Reports – As needed, the CIO or designee will provide reports to the Investment Committee regarding the following:
 - A. Written reports required by the Investment Procurement Policy;
 - B. Conflicts of Interest disclosed by an Investment Manager, General Investment Consultant, Specialty Investment Consultant, or other Investment Vendor;
 - C. Terminations of Public Assets Investment Managers, General Investment Consultants, Specialty Investment Consultants, or other Investment Vendors, including the reasons and justifications for termination;

- D. Updates on [Investment Managers?](#) conformity with expectations, objectives, policies, and guidelines;
- E. Updates on investment-related matters for consideration and potential action by the [Investment Committee](#);
- F. Recommended changes to this [Document](#) or other policies relating to investments, including, but not limited to, recommending asset allocation or asset class [Benchmark](#) changes; and
- G. Updates on Office of Investments staffing.

Compliance Reports (Compliance Officer)

1. Quarterly Reports – At each regular quarterly meeting of the [Investment Committee](#), the [Compliance Officer](#) or designee shall present written reports for the prior quarter detailing the results of the daily testing of the guidelines and restrictions listed in the [Guidelines & Restrictions Policy](#) and the guidelines in place for each public equity and fixed income [Public Asset Portfolio](#) managed by an [Investment Manager](#). The reports shall include exceptions, the cause of each exception, and the resolution for each exception.

The [Compliance Officer](#) or designee will also present a report providing the location of the proxy voting report for the preceding quarter in compliance with KRS 61.650(7)(d) and verifying that the proxy voting report for the preceding quarter has been posted on the [KPPA](#) website in compliance with KRS 61.645(19).

2. Annual Reports – Annually, the [Compliance Officer](#) or designee shall provide the [Investment Committee](#) with a report on any material deviations from the [Investment Program](#) policies, procedures, and guidelines.
3. As Needed Reports – The [Compliance Officer](#) or designee shall provide the [Investment Committee](#) with a report on any of the following, as needed:
 - A. Any violations of the [Policies](#) (aside from the quarterly exception reporting described in (1) above) detailed in this [Document](#) at the next [Investment Committee](#) meeting following the violation;
 - B. Certification that each procurement of goods or services that is submitted to the [Investment Committee](#) for approval complied with the [Investment Procurement Policy](#);
 - C. Progress reports on the status of [Investment Program](#) compliance and other compliance activities; and
 - D. Any other reports or information requested by the [CIO](#), the [Investment Committee](#), and/or the [Board](#).

Section 11: Review Period

The Board shall review this “Roles, Responsibilities, & Delegations” policy no less frequently than every two (2) years.

	<h2>Asset Allocation Policy</h2>	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Background

The importance of asset allocation is described in the Board’s [“Purpose, Objectives, & Strategy”](#) statement. In establishing its asset allocation in Section 2 below, the Board recognizes that each [Fund](#) has its own capacity to tolerate investment volatility (i.e., risk). The asset allocation listed for the Funds in Section 2 of this Policy are based on an analysis of capital market assumptions, including expected returns, risks, volatility, correlations, liquidity, and factor exposures of various asset classes. The asset classes are grouped together in broad macro categories.

Section 2: Asset Allocation (effective February 1, 2024)

Kentucky Employees Retirement System Hazardous Duty Pension Fund & Kentucky Retirement Systems Health Insurance Trust Funds⁴			
Asset Class	Target	Minimum	Maximum
Equity			
Public Equity	40%	25%	50%
Private Equity	8%	4%	12%
Fixed Income			
Core Fixed Income	10%	8%	15%
Specialty Credit	25%	20%	30%
Cash	2%	0%	5%
Inflation Protected			
Real Estate	7%	4%	10%
Real Return	8%	5%	11%

Kentucky Employees Retirement System Non-Hazardous Duty Fund & State Police Retirement System Fund			
Asset Class	Target	Minimum	Maximum
Equity			
Public Equity	30%	20%	40%
Private Equity	6%	3%	9%
Fixed Income			
Core Fixed Income	27%	22%	35%
Specialty Credit	20%	15%	25%
Cash	2%	0%	5%
Inflation Protected			
Real Estate	5%	3%	7%
Real Return	10%	7%	13%

⁴ Includes the Kentucky Employees Retirement System Hazardous Insurance Fund, the Kentucky Employees Retirement System Nonhazardous Insurance Fund, and the State Police Retirement System Insurance Fund.

Section 3: Asset Allocation Target & Range Deviations

Public Assets: [Investment Employees](#) and [Investment Managers](#) are prohibited from intentionally causing an asset class actual allocation to move outside the allowable range (as stated in [Section 2 of this Policy](#)) without prior approval of the [Investment Committee](#), except when there is a perceived extraordinary downside risk in the asset class. Should the actual allocation of a particular asset class move outside of the stated range based on market movement, rebalancing transactions will be made to move the allocation back into the allowable range.

Alternatives: Investments in [Alternatives](#) are generally less liquid than investments in public markets [Securities](#) and are typically implemented via periodic commitments to funds with [LPA](#) structures. As a result, an actual vs. stated range deviation for these asset classes shall not be considered in violation of the asset allocation in [Section 2 of this Policy](#) if the deviation occurs due to the nature of the Alternatives within the asset class or available to the asset class. If an asset class with Alternatives is below the minimum allowable range, investments may be made in public markets Securities with the most similar risk/return characteristics as a short-term proxy for the asset class in question. If any asset class with Alternatives exceeds the maximum allowable range, [Investment Employees](#) will present a proposed plan to the [Investment Committee](#) to bring the asset class back in range over time.

Section 4: Asset Class Descriptions

Equity

1.1 Public Equity

The public equity asset class will consist of [Securities](#) such as publicly traded company stock and other Securities with a similar profile. Examples include common stock, Securities convertible into common stock, preferred stock of publicly traded companies on stock markets, asset class relevant exchange-traded funds (“ETFs”), and other similar Securities. This asset class is expected to provide exposure to economic growth. Public equity investments are highly liquid and can be liquidated with minimal cost. The public equity asset class is managed by [Investment Managers](#) and [Investment Employees](#).

1.2 Private Equity

Private equity investments will primarily consist of investments in privately held companies. While it is expected that the majority of these assets will be invested within the United States, a portion can be allocated to non-United States private company investments. Examples of securities in this asset class include venture capital, leveraged buyouts, special situations, distressed debt, private debt, and private placements. This asset class is expected to achieve attractive risk-adjusted returns and, by definition, possesses a higher degree of risk with a higher return potential than traditional investments. Accordingly, total rates of return from private equity investments are expected to be greater than those that might be obtained from conventional public equity or debt investments. This asset class is highly illiquid.

Fixed Income

1.3 Core Fixed Income

Core fixed income investments will consist of lower-risk strategies in fixed income instruments such as government and sovereign bonds, mortgage-backed securities, investment-grade corporate bonds, and similar [Securities](#). This asset class is expected to provide steady growth and income. This asset class is considered liquid and can usually be liquidated with minimal cost.

1.4 Specialty Credit

Specialty credit investments will consist of higher risk lending solutions in both public and private markets. Examples include non-investment grade U.S. and non-U.S. corporate credit (including bonds and bank loans), municipal bonds, non-U.S. sovereign debt, mortgages (including residential mortgage-backed [Securities](#), commercial mortgage-backed Securities, and whole loans), asset-backed Securities, emerging market debt (including sovereign and corporate debt), direct lending, special situations, distressed debt, private debt, asset-based lending, and other similar Securities. This asset class is expected to receive higher returns than core fixed income correlating with the higher degree of risk and is generally illiquid.

1.5 Cash Equivalent Securities (“Cash”)

Cash equivalent securities will consist of publicly traded investment grade corporate bonds, variable rate demand notes, government and agency bonds, mortgages, municipal bonds, collective short-term investment funds (“STIFs”), money market funds or instruments (including, but not limited to, certificates of deposit, bank notes, deposit notes, bankers’ acceptances, and commercial paper), and repurchase agreements relating to the above instruments. This asset class is highly liquid.

Inflation Protected

1.6 Real Estate

This asset class will consist of equity and debt real estate investments. Examples of real estate investments include open-end and closed end commingled real estate funds, joint ventures investments, real estate investment trusts (“REITs”), public real estate operating companies, and real estate related debt. The objectives of the real estate [Portfolio](#) are to provide the highest rate of return possible consistent with a prudent level of risk and act as a hedge against inflation. This asset class is generally illiquid.

1.7 Real Return

Real return strategies consist of real assets and financial assets. Examples of real assets include infrastructure, real estate, commodities, and natural resources. Examples of financial assets include “real” bonds such as Treasury Inflation-Protected Securities (“TIPs”) and other inflation linkers,

“real” stocks such as [REITs](#), Master Limited Partnerships (“MLPs”), and oil and gas stocks. The purpose of the real return [Portfolio](#) is to identify strategies that provide higher rates of returns based upon corresponding high risk, hedge against inflation, and add value by tactically allocating to various asset classes according to how each asset class performs across an economic cycle.

Section 5: Allowable Investment Vehicles/Structures

A variety of investment vehicles/structures may be used within each asset class, so long as the vehicle/structure is appropriate for the asset class. Such vehicles/structures include, but are not limited to, direct investments, mutual funds, limited partnerships, limited liability companies, strategic partnerships, trusts, commingled vehicles, fund-of-funds, fund-of-one, and separately managed accounts.

Section 6: Asset Liability Study

To ensure that its asset allocation is appropriate, the Board will undertake an asset liability study at least every five (5) years.

Section 7: Review Period

The Board shall review this “Asset Allocation Policy” no less frequently than every five (5) years.

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	Benchmarking & Performance Measurement Policy	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Overview

The [Board](#) measures overall performance relative to each [Fund's](#) Total [Benchmark](#) established by the Board during the asset allocation process. The Total Benchmark is calculated by means of a weighted average methodology. This method is consistent with the CFA Institute's Global Investment Performance Standards (GIPS®), a set of standardized, industry-wide ethical principles that guide investment managers and asset owners on how to fairly calculate and present their investment results with the goal of promoting performance transparency and comparability. It is the product of the component weights (i.e., asset classes' percentages) and their respective performance (returns). Due to market fluctuations and acceptable divergence, the asset classes' weights (percentages) are often not equivalent to the Benchmark's weights. Therefore, the performance may indicate that the Funds have outperformed (underperformed) relative to their respective Benchmarks, even when the preponderance of lesser weighted categories have underperformed (outperformed) their indexes.

The component asset class [Benchmarks](#) listed below in Section 2 are comprised of (1) recognized and published indexes (e.g., Russell 2000, Bloomberg US Aggregate Bond Index) that are determined to be appropriate measures of investments and (2) composites of investments with identical or similar investment profiles, characteristics, and strategies. These Benchmarks are developed from publicly available information and are intended to be objective, investable, replicable, representative, and measurable of each asset class.

Section 2: Asset Class Benchmarks (Effective as of January 12, 2026)

Asset Class	Benchmark
Equity	
Public Equity	MSCI ACWI IMI
Private Equity	Custom Private Equity Benchmark
Fixed Income	
Core Fixed Income	Bloomberg US Aggregate
Specialty Credit	50% Bloomberg US High Yield/50% Morningstar LSTA US Leveraged Loan
Cash	FTSE 3 Month UST-Bill
Inflation Protected	
Real Estate	NCREIF NFI-ODCE 1 Qtr in Arrears
Real Return	US CPI+ 3%

Section 3: Total Fund Performance Measurement and Objectives

In analyzing the performance of the [Funds](#) and the [Investment Employees](#), the [Board](#) will use the “Total Fund [Benchmark](#).” The Total Fund Benchmark represents the strategic asset allocation mix and the asset class level benchmarks established by the Board during the asset allocation process. The Fund’s long-term performance objective is to generate net returns that meet or exceed the applicable assumed rate of return adopted by the Board well as to generate net returns that meet or exceed the returns of the Total Fund Benchmark. The performance objective of the Investment Employees is to execute the [Asset Allocation Policy](#) established by the Board and to attempt to add value relative to the Total Fund Benchmark.

Section 4: Review Period

The Board shall review this “Benchmarking & Performance Measurement Policy” no less frequently than every five (5) years.

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	<h2>Guidelines & Restrictions</h2>	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Trust & Fund Guidelines & Restrictions

The following guidelines shall apply to the [Trusts](#) and the [Funds](#), as indicated:

I. General

1. Total [Trust](#) assets managed by an [Investment Manager](#) shall not exceed twenty-five percent (25%) of the Investment Manager's total [AUM](#) at the time of purchase or commitment.
2. Total assets managed by an [Investment Manager](#) in a commingled product shall not exceed twenty-five percent (25%) of the Investment Manager's total [AUM](#) in that commingled product at the time of purchase or commitment, excluding separate accounts or funds of one.
3. The assets managed by an [Investment Manager](#) shall not exceed fifteen percent (15%) of the total assets at the time of purchase or commitment in all the [Trusts](#) combined per KRS 61.650(5).
4. The [Trusts](#) shall not be leveraged beyond a one hundred percent (100%) invested position.

II. Public Equity

1. The amount of stock in the public equity allocation in any single corporation shall not exceed five percent (5%) of the aggregate market value of each [Fund's](#) assets at the time of purchase at time of purchase.
2. The total shares of any single public corporation held by the [Trusts](#) in its total public equity allocation shall not exceed three percent (3%) of the outstanding shares of that corporation at time of purchase.
3. Investment in countries not included in the MSCI ACWI Index (i.e., "frontier" markets) shall not exceed five percent (5%) of each [Fund's](#) total non-US public equity assets at time of purchase.

III. Private Equity

1. No more than fifteen percent (25%) of each [Fund's](#) total allocation to private equity investments may be committed to any one partnership at time of commitment, without the approval of the [Board](#).

IV. Fixed Income

1. The duration of each [Fund's](#) core fixed income [Portfolio](#) shall not vary from that of the Board's core fixed income [Benchmark](#) as listed in [Section 2 of the Benchmarking & Performance Measurement Policy](#) by more than +/- twenty-five percent (25%) duration as measured by effective duration, modified duration, or dollar duration except when [Investment Employees](#) have determined a target duration to be used for an interim basis.
2. The amount invested in the debt of a single issuer shall not exceed five percent (5%) of the total market value of each [Fund's](#) core fixed income assets at time of purchase, with the exception of U.S. Government issued, guaranteed, or agency obligations (or [Securities](#) collateralized by same), and [Derivatives](#) used for exposure, cost efficiency, or risk management purposes.

3. Fifty percent (50%) of each [Fund§](#) core fixed income assets must have stated liquidity that is trade date plus three (3) days or better.

V. Cash Equivalent Securities

1. Instruments may be selected from among those having an investment grade rating at the time of purchase by at least one recognized bond rating service (in cases where the instrument has a split rating, the lower of the two ratings shall prevail).
2. All instruments shall have a maturity at the time of purchase that does not exceed 397 days.
3. Repurchase agreements shall be deemed to have a maturity equal to the period remaining until the date on which the repurchase of the underlying [Securities](#) is scheduled to occur.
4. Variable rate [Securities](#) shall be deemed to have a maturity equal to the time left until the next interest rate reset occurs, but in no case will any security have a stated final maturity of more than three (3) years.

VI. Real Return

1. No more than fifty percent (50%) of each [Fund§](#) real return [Portfolio](#) may be invested in any one registered investment vehicle, mutual fund, or separately managed account at time of purchase or commitment.
2. No more than twenty percent (25%) of each [Fund§](#) real return [Portfolio](#) may be invested in any single closed-end or open-end limited partnership or other unregistered investment vehicle at time of purchase or commitment.

VII. Co-Investments


1. The maximum investment in any single [Co-Investment](#) shall not exceed fifty percent (50%) of the total capital committed by all partners at the time of the final closing.
2. The maximum investment in any single [Co-Investment](#) shall not exceed twenty percent (20%) of the original partnership commitment.
3. Total investment in [Co-Investments](#) shall not exceed thirty percent (30%) of the asset class [Portfolio](#) on a cost basis at the time of investment.

Section 2: Investment Manager Cash Restriction

The intent of the [Board](#) in allocating capital to [Investment Managers](#) is for Investment Managers to fully invest the capital. However, the Board is aware that Investment Managers will occasionally require a portion of the allocated capital to be held in cash provided the cash holdings do not exceed five percent (5%) of the Investment Manager's [Portfolio](#), unless such cash holdings are an integral part of a contracted investment strategy.

Section 3: Review Period

The Board shall review these “Guidelines & Restrictions” no less than every five (5) years.

	<h2>Proxy Voting Guidelines</h2>	Initial Date: March 2, 2022 Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Overview

The [Board](#) recognizes that voting as a shareholder of a company is an important responsibility in fostering the positive performance of company shares and, consequently, assuring the overall financial performance of the [Trusts](#) over a long-term horizon, consistent with the Board's fiduciary duty. This [Policy](#) sets forth guidelines to be used by [Proxy Voting Agents](#) that vote proxies on behalf of the Board.

Section 2: General Requirements for Proxy Voting Agents

The [Board](#) has delegated the responsibility of voting all proxies that the [Trusts](#) are entitled to vote to [Proxy Voting Agents](#). The Board expects that its Proxy Voting Agents will execute all proxies in a timely fashion and in accordance with this [Policy](#), applicable state law (including, but not limited to, KRS 61.650), and applicable federal law. The Board further expects that Proxy Voting Agents will conform to their fiduciary duty, if applicable, in accordance with KRS 61.650(1)(c) and common law.

If this [Policy](#) does not provide specific guidance relevant to a particular proxy issue or if this Policy acknowledges that the issue must be decided on a case-by-case basis, the [Proxy Voting Agent](#) is generally directed to vote to support management's position, if management's position meets the following requirements:

1. Appears reasonable;
2. Is not detrimental to the long-term equity ownership of the corporation;
3. Reflects consideration of the impact of societal values and attitudes on the long-term liability of the corporation; and
4. Conforms with the [Board's](#) fiduciary duty.

The [Board](#) reserves the right of [Investment Employees](#) to direct the [Proxy Voting Agent](#) to vote the proxies in accordance with this [Policy](#) or deviate from this Policy in the Board's sole discretion.

Section 3: Proxy Guidelines

I. Routine Business or Financial Matters

Election of Directors	FOR
In most instances, election of directors is a routine voting issue. Unless there is a proxy fight for seats on the company's board of directors, the Board will usually vote in favor of the management-proposed slate of directors.	

Appointment of Auditors	FOR
The selection of independent accountants to audit the company's financial records is a routine business matter and in most instances is submitted to shareholders for public relations reasons. Since the accounting firm selected to do the audit has no effect on the investment value of the company's Securities , the Board will vote in favor of management's recommendation.	

Increase in Authorized Common Stock	FOR*
The Board will vote for an increase in authorized common stock needed to (a) implement a stock split when coupled with intent to immediately effect the split, (b) aid in a restructuring or acquisition, or (c) provide a sufficient number of shares for employee savings plans, stock option, or executive compensation plans; provided that the company discloses a satisfactory explanation for a company's plans for the stock in its proxy statement.	
*EXCEPTION: The Board will vote AGAINST an increase in authorized common stock if it is suspected that the shares are to be used to implement a "poison pill" (i.e., a shareholder rights plan designed to discourage takeovers of a company) or another form of anti-takeover device, or if the issuance of new shares is likely to excessively dilute the value of the outstanding shares upon issuance.	

Changes in Board of Directors Structure	FOR*
Companies may propose various provisions related to the structure of their board of directors. These provisions may include changing the way board of directors vacancies are filled, the way directors are nominated, or the number of directors. These provisions may include majority vote director elections and the separation of the CEO and chairman of board of directors. These proposals may be proposed amendments to the charter or bylaws and need to be reviewed by the shareholders prior to voting. In most instances, these proposals are not controversial nor an anti-takeover device. The Board generally will vote in favor of such proposals.	
*EXCEPTION: The Board will vote AGAINST cumulative voting for members of the board of directors and attempts to limit term of board of directors based on tenure or age.	

II. Non-Routine Business or Financial Matters

Considering Non-Financial Effects of a Merger or Acquisition Proposal	AGAINST
The Board expects that a company's board of directors will act in the best interest of the company's shareholders at all times in accordance with applicable fiduciary duty. Accordingly, the Board generally will oppose proposals that require the board of directors to consider the potential impacts or effects of a proposed merger or acquisition on certain groups other than a company's shareholders, including, but not limited to, employees, consumers, business partners, and the communities in which the company is located.	

Director Liability and Indemnification	FOR*
Reasonable proposals concerning liability and indemnification, which have the potential to limit the personal liability of company directors for breaches of fiduciary duty and provisions for payment of expenses incurred by officials, directors, and other representatives who become defendants in lawsuits, will be supported.	
*EXCEPTION: The Board will vote AGAINST extreme measures limiting personal liability of directors and provisions for payments of expenses incurred by officials, directors, and other representatives.	

Stock Splits	FOR
The Board generally will vote in favor of a proposal to split the company's stock if there is an immediate intent to effectuate the split.	

Employment Relations	FOR
The board of directors and corporate management have the responsibility for harmonious labor relations. This responsibility also includes conducting labor negotiations within the appropriate laws of the jurisdiction. Where efficient operation of the corporation requires plant closings or relocations, the corporation should give as much notice as possible and assist its employees in relocating or in seeking other employment. Resolutions of shareholders that seek to impose requirements on management in this regard will not be supported automatically. Support will be contingent upon whether or not managers can demonstrate that efforts have been made to retain good employment relations, subject to the constraints encountered in the particular circumstances.	

III. Anti-Takeover Issues

Blank Check Preferred Stock	AGAINST
The Board generally will vote against proposals to authorize the issuance of certain preferred stock at some future point in time that would allow the board of directors to establish voting, dividend, conversion, and other rights at the time of issuance. While such arrangements can provide a corporation with flexibility to meet changing financial conditions, it also may be used as the vehicle for implementing a poison pill defense, or it may be placed in friendly hands to help block a takeover bid.	

Classified Boards	AGAINST
A "classified board" is typically divided into three separate classes, each class to hold office for a term of two (2) or three (3) years. Only a portion of the board of directors can be elected or replaced each year. Since this type of proposal has fundamental anti-takeover implications, the Board will vote against the adoption of classified boards.	

Fair Price Provisions	AGAINST
<p>A fair price provision in the company’s charter or bylaws is designed to assure that, if the corporation is acquired under a plan not agreed to by the board of directors, each shareholder’s Securities will be purchased at the same price. In most instances the provision requires that any tender offer made by a third party be made to all shareholders at the same price.</p>	
<p>Fair pricing provisions attempt to limit the “two-tiered” pricing systems in which the interested party or would-be acquirer of the company initially offers a premium for a sufficient number of shares of the company to garner control. Thereafter, an offer at a much lower price is made to the remaining shareholders who have no choice but to accept the offer. The “two-tiered” approach is coercive in that it makes it easier for an outsider to gain control of a company because it provides an incentive to the shareholder to sell his shares immediately in order to receive the benefits of a higher price per share and avoid falling into the second tier, if the offer is successful. The coercive pressures associated with these offers have caused many states to adopt controlled share acquisition statutes which restrict this practice by law. In theory this type of provision is acceptable standing alone; however, given the fact that the practice is in most aspects prohibited by law, and the fact that fair price provisions are invariably linked with other anti-takeover measures, such as supermajority voting requirements to approve certain transactions, the Board will vote against most fair price provisions.</p>	

IV. Executive Compensation

Executive Compensation	FOR*
<p>Executive compensation can take various forms, but should provide adequate compensation and incentives to management consistent with the long-term interests of the shareholders of the company. In addition, management should have some assurance that they will not, in the event of a takeover, be terminated without motive and compensation. The Board will vote in favor of agreements which provide executives with a reasonable period of compensation after termination.</p>	
<p>*EXCEPTION: The Board will vote AGAINST excessive compensation plans, including, but not limited to, in the event of a takeover.</p>	

V. Corporate Governance Shareholder Proposals

Submit Company's Shareholder Rights Plan (Poison Pill) to Shareholder Vote	FOR*
<p>Most poison pills/shareholder rights plans permit the shareholders of a target company involved in a hostile takeover to acquire shares of that company, the acquiring company, or both, at a substantial discount once a triggering event occurs. A triggering event is usually a hostile tender offer or the acquisition by an outside party of a certain percentage of the company's stock. Since most poison pills/shareholder rights plans exclude the hostile bidder from the purchase, the effect in most instances, is to dilute the equity interest and the voting rights of the potential acquirer once the plan is triggered. Poison pills/shareholder rights plans are designed to be so disadvantageous to potential acquirers that merely their existence could deter possible acquirers from making a hostile bid. The Board will vote in favor of shareholder proposals asking that the company submit the poison pill/shareholder rights plan to a shareholder vote.</p>	
<p>*EXCEPTION: The Board will vote case-by-case on proposals to completely redeem shareholder rights plans.</p>	

Anti-Greenmail Proposal	FOR
<p>Greenmail payments generally result when a potential hostile acquirer has accumulated a significant percentage of the company's stock and the company acquires the raider's stock at an aggregate price usually above the then current market value usually in exchange for an agreement that the raider would not attempt to acquire control within a certain number of years. The proposal that has been proposed most often to prevent greenmail is the adoption of charter amendments severely limiting the board's ability to acquire blocks of the company's stock in these situations and at above market prices. The Board will vote in favor of an anti-greenmail proposal standing alone provided the proposal has no other management initiated anti-takeover attributes.</p>	

VI. Issues Affecting Shareholder Rights

Limiting Shareholders' Right to Call Special Meetings	AGAINST
<p>Shareholders should have the right to call a special meeting. Additionally, limitations on shareholder action make it difficult for a large shareholder or group of shareholders to use this facility to force management to address issues that may be of urgent or utmost importance. Since, in most instances, state law prohibits shareholders from abusing or using this facility in certain manners, the Board sees no justifiable reason for management to eliminate this facility. The Board will vote against the elimination of this fundamental shareholder right.</p>	

Limiting Shareholders' Right to Act by Written Consent	AGAINST
Action by written consent enables a large shareholder or group of shareholders of a company to initiate and vote on corporate matters without having to wait until the date of the next annual meeting. The Board believes this is a fundamental shareholder right that is inherent in the concept of stock ownership and will vote against any proposals which may limit this right.	
Supermajority Vote Requirements	AGAINST
A "supermajority vote requirement" is a charter or bylaw requirement that, when implemented, raises the percentage of shareholder votes needed to approve certain proposals, including, but not limited to, mergers, changes of control, or proposals to amend or repeal a portion of the Articles of Incorporation. The Board believes that a simple majority is generally in the best interest of shareholders and, accordingly, in most cases will vote against proposals attempting to raise the percentage of shareholder votes needed for certain issues.	
Reincorporation	AGAINST
A company may change the state of its incorporation to take advantage of tax and corporate laws in the state of reincorporation. However, in a majority of instances, a reincorporation proposal has its foundation in the corporation's desire to take advantage of the new state's laws governing corporations and corporate control and the state courts' views in interpreting laws that make it more difficult for unsolicited takeovers to occur. In such cases, the Board will vote against proposals for reincorporation.	
Issuance of Stock with Unequal Voting Rights	AGAINST
Proposals of this nature generally result in unequal voting rights among different classes of shareholders. The most frequent proposal of this type is a dual class capitalization plan which establishes two classes of stock. As an incentive to encourage shareholders to approve plans designed to concentrate voting power in the hands of insiders, some plans give higher dividends to shareholders willing to exchange shares with superior voting rights for shares with inferior voting rights.	
Unequal voting rights plans are designed to reduce the voting power of existing shareholders and concentrate a significant amount of voting power in the hands of management. For these reasons, the Board deems these plans unacceptable and, in most instances, will vote against these proposals.	
Elimination of Preemptive Rights	AGAINST
Preemptive rights allow the shareholders of the company to buy newly issued shares before they are offered to the public in order to retain their then current percentage of ownership, as well as to avoid ownership dilution by the issuance of additional stock. The Board believes this is a fundamental right of a shareholder and, barring a compelling reason, should not be eliminated by management. The Board will vote against management proposals requesting the elimination of these rights and will vote for shareholder proposals that request the restoration of preemptive rights.	

VII. Social & Policy Issues

Policy Issues	FOR
<p>The Board believes that most decisions of a policy nature, having either a direct or an indirect effect on the conduct of business and on corporate profitability, should remain management’s responsibilities. As such, they should be subject only to their board of directors’ approval. Accordingly, the Board will generally support the position taken by management.</p>	

Section 5: Review Period

The Board shall review this “Proxy Voting Guidelines Policy” no less frequently than every five (5) years.

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	Investment Procurement Policy	Initial Date: February 2022 Revision Date: [Insert most recent revision date] Policy Owner: KRS Board
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Section 1: Introduction

Pursuant to KRS 61.650(6), the [Board](#) is required to develop and adopt an investment procurement policy. The investment procurement policy must be designed in consultation with the Secretary of the Kentucky Finance and Administration Cabinet and must follow best practices for investment management procurement.

Generally, procurements of goods and services for the investment or management of assets of the [Trusts](#) will promote the highest level of competition and [Best Value](#), giving due consideration to factors including, but not limited to, timing (including emergencies), execution, quality, service and price.

All parties carrying out the procurement procedures in this Policy shall do so in a manner that is consistent with the parties' fiduciary duty.

Section 2: Investment Manager Selection

[Investment Managers](#) are chosen through a competitive selection process coordinated by [Investment Employees](#) as follows:

- 2.1 **Investment Consultants** – [Investment Employees](#) may consult with or otherwise use [a General Investment Consultant](#) or [Specialty Investment Consultant](#) during any of the steps to select an [Investment Manager](#) that follow.
- 2.2 **Screening Criteria** ? [Investment Employees](#) will develop [Screening Criteria](#) prior to beginning the search for an [Investment Manager](#).
- 2.3 **Search Process** – [Investment Employees](#) will use an open search process when conducting a search for an [Investment Manager](#). The open search process may include the use of an [RFP](#), [RFI](#), or [RFQ](#).
- 2.4 **Preliminary List** ? [Investment Employees](#) will identify a preliminary list of [Potential Vendors](#) found during the open search process. The preliminary list will include only those Potential Vendors that meet the initial set of [Screening Criteria](#).
- 2.5 **Screening** – [Investment Employees](#) will contact each [Potential Vendor](#) on the preliminary list to determine if they are accepting new business and to obtain the most current information and any additional information, as required. Follow-up telephone or videoconference calls and/or onsite visits with Potential Vendors on the preliminary list may be made as necessary.

2.6 Candidate Pool – Based upon the [Screening Criteria](#) and the screening process, [Investment Employees](#) will narrow the preliminary list to a candidate pool.

2.6.1 [Conflicts of Interest](#) – In developing the candidate pool, [Investment Employees](#) will employ reasonable efforts to identify potential or actual [Conflicts of Interest](#) that [Potential Vendors](#) may have with [Trustees](#), [KPPA](#) employees, and/or the [CEO](#). Potential Vendors with potential or actual Conflicts of Interest with any Trustee, KPPA Employee, or CEO will be removed from the candidate pool.

2.6.2 [Qualitative Analysis](#) ? [Investment Employees](#) will conduct a [Qualitative Analysis](#), including a more in-depth interview with each [Potential Vendor](#) in the candidate pool. Investment Employees may check institutional references provided by Potential Vendors during the interview process.

2.6.3 [Quantitative Analysis](#) – [Investment Employees](#) will conduct [Quantitative Analyses](#) of the [Potential Vendors](#) in the candidate pool, including [Performance Attribution](#) and risk management.

2.6.4 [Alternatives](#) – Additional due diligence factors may be necessary in selecting an [Investment Manager](#) for [Alternatives](#) because of the long-term and illiquid nature of these types of investments, including, but not limited to, risk management, diversification, and legal and business matters.

2.7 Recommendation ? [Investment Employees](#) may recommend one (1) or more [Potential Vendor\(s\)](#). If Investment Employees recommend one (1) or more Potential Vendor(s), Investment Employees will prepare a written report containing the particulars of the recommendation to the [CIO](#) or the [Investment Committee](#), as appropriate.

2.8 Decision

2.8.1 [CIO](#)

2.8.1.1 Based on the written report recommending one (1) or more [Potential Vendor\(s\)](#) as an [Investment Manager](#) and in accordance with Section 5 of the [Roles, Responsibilities, & Delegations Policy](#), the [CIO](#) shall decide whether to hire an Investment Manager, subject to contract negotiations, if the following applies:

1. For [Public Asset](#) mandates, if the total allocation from each [Fund](#) for each potential [Investment Manager](#) selection will be equal to or less than 300 [bps](#) (3%) of each Fund's total [AUM](#); or
2. For [Alternative](#) mandates, if the total allocation from each [Fund](#) for each potential [Investment Manager](#) selection will be equal to or less than 150 [bps](#) (1.5%) of each Fund's total [AUM](#).

2.8.1.2 The [CIO](#) shall approve initial allocations to an [Investment Manager](#) as follows:

1. For [Alternatives](#), the [CIO](#) will approve a specific dollar amount intended to be committed.
2. For [Public Assets](#), the [CIO](#) will approve a percentage of the appropriate asset class target intended to be committed.

2.8.1.3 Decisions by the [CIO](#) pursuant to [Section 2.8.1.1 of this Policy](#) shall be reported in writing to the [Investment Committee](#) at its next meeting.

2.8.2 Investment Committee

2.8.2.1 Based on the written report recommending one (1) or more Potential Vendor(s) as an Investment Manager and in accordance with Section 3 of the Roles, Responsibilities, & Delegations Policy, the Investment Committee shall decide whether to hire an Investment Manager, subject to successful contract negotiations, where the selection will exceed the amounts listed in Section 2.8.1.1 of this Policy.

2.8.2.2 The Investment Committee shall approve initial allocations to an Investment Manager as follows:

1. For Alternatives, the Investment Committee will approve a specific dollar amount intended to be committed.
2. For Public Assets, the Investment Committee will approve of the percentage of the appropriate asset class target intended to be committed.

2.9 **Contract Negotiations**

2.9.1 Following approval by the CIO or the Investment Committee, Investment Employees may begin working with Legal Counsel on contract negotiations with (an) Investment Manager(s).

2.9.2 Terms of the contract shall accurately reflect the terms and conditions of the authorization and shall adhere to applicable law.

2.9.3 The Investment Manager shall certify as part of the contract that no fees or commissions are paid to a Placement Agent.

2.9.4 The Investment Manager shall certify as part of the contract that no individual or organization has a Conflict of Interest.

Section 3: Re-Ups

Re-Ups are coordinated by Investment Employees as follows:

3.1 **Investment Consultants** – Investment Employees may seek the assistance of a General Investment Consultant or a Specialty Investment Consultant in screening and/or recommending a Re-Up.

3.2 **Screening:** Re-Ups will be evaluated consistently with the process described in Sections 2.2, 2.4, and 2.5 of this Policy for Investment Manager selection (understanding that some of the materials and knowledge for conducting due diligence already may have been obtained based on the prior investment with the Investment Manager).

3.3 **Recommendation ?** Investment Employees may recommend one (1) or more Re-Up(s). If Investment Employees recommend one (1) or Re-Up(s), Investment Employees will address a written report containing the particulars of the recommendation to the CIO or the Investment Committee, as appropriate.

3.4 Decision

3.4.1 CIO

3.4.1.1 Based on the written report recommending one (1) or more [Re-Up\(s\)](#) and in accordance with Section 5 of the [Roles, Responsibilities, & Delegations Policy](#), the [CIO](#) shall decide whether to pursue a Re-Up, subject to contract negotiations, if the total allocation from each [Fund](#) to the Re-Up will be equal to or less than 150 [bps](#) (1.5%) of each Fund's total [AUM](#).

3.4.1.2 The [CIO](#) shall approve a specific dollar amount intended to be committed for each [Re-Up](#).

3.4.1.3 Decisions by the [CIO](#) pursuant to Section 3.4.1.1 shall be reported in writing to the [Investment Committee](#) at its next meeting.

3.4.2 Investment Committee

3.4.2.1 Based on the written report recommending a [Re-Up](#) and in accordance with Section 3 of the [Roles, Responsibilities, & Delegations Policy](#), the [Investment Committee](#) shall decide whether to invest in the Re-Up, subject to successful contract negotiations, that exceed the amounts listed in Section 3.4.1.1.

3.4.2.2 The [Investment Committee](#) shall approve a specific dollar amount intended to be committed for each [Re-Up](#).

3.5 Contract Negotiations

3.5.1 Following approval by the [CIO](#) or the [Investment Committee](#), the [Investment Employees](#) may begin working with [Legal Counsel](#) on contract negotiations for the [Re-Up](#).

3.5.2 Terms of the contract shall accurately reflect the terms and conditions of the authorization and shall adhere to applicable law.

3.5.3 The [Investment Manager](#) may be required to re-certify as part of the new contract that no fees or commissions are paid to a [Placement Agent](#) and/or that no [Conflict of Interest](#) exists.

Section 4: Co-Investment Opportunities

[Co-Investment](#) opportunities occurring through [GPs](#) previously approved by the [Investment Committee](#) or [CIO](#) may be authorized by the CIO in amounts up to 100 [bps](#) (1%) of each [Fund's](#) total [AUM](#), subject to the following:

1. [Co-Investments](#) may be made alongside an existing [GP](#), provided that the strategy and objective of the partnership investing in the transaction are consistent with those of the partnership in which [Trusts](#) have an existing commitment; and
2. [Co-Investments](#) shall be made on the same (or better) terms and conditions as provided to the partners in the existing commitment.

[Co-Investment](#) opportunities in amounts greater than 100 [bps](#) (1%) of one (1) or more [Fund's](#) (Funds) total [AUM](#) shall be approved by the [Investment Committee](#) consistent with [Re-Ups](#) in [Sections 3.3](#) and [3.4.2](#) of this Policy.

Section 5: Investment Consultant Selection

General Investment Consultants and Specialty Investment Consultants are chosen through a competitive selection process coordinated by Investment Employees as follows:

- 5.1 Screening Criteria ?** Investment Employees will develop Screening Criteria prior to beginning the search for a General Investment Consultant or Specialty Investment Consultant.
- 5.2 Search Process** – The Investment Employees will use an open search process when conducting a search for a General Investment Consultant or a Specialty Investment Consultant. The open search process may include the use of an RFP, RFI, or RFQ.
- 5.3 Preliminary List ?** Investment Employees will identify a preliminary list of Potential Vendors found during the open search process. The preliminary list will include only those Potential Vendors that meet the initial set of Screening Criteria.
- 5.4 Screening** – Investment Employees will contact each Potential Vendor on the preliminary list to determine if they are accepting new business and to obtain the most current information and any additional information, as required. Follow-up telephone or videoconference calls and/or onsite visits with Potential Vendors on the preliminary list may be made as necessary.
- 5.5 Analysis**
- 5.5.1 Investment Employees will conduct Qualitative and Quantitative Analyses using Screening Criteria identified to meet the General Investment Consultant or Specialty Investment Consultant needs of the Board and Investment Employees.
- 5.5.2 Investment Employees will check references for Potential Vendors on the preliminary list.
- 5.5.3 Investment Employees may use additional due diligence factors for consideration in selecting a General Investment Consultant or Specialty Investment Consultant. Such additional due diligence may include, but is not limited to, conducting in-person, telephonic, or videoconference interviews, so long as the interaction allows for the evaluation of the person or persons who will be providing investment consulting services.
- 5.6 Recommendation ?** Investment Employees may recommend one (1) or more Potential Vendor(s). If Investment Employees recommend one (1) or more Potential Vendor(s), Investment Employees will address a written report containing the particulars of the recommendation to the CIO or the Investment Committee, as appropriate.
- 5.7 Decision:**
- 5.7.1 Investment Committee: Based on the written report recommending one (1) or more Potential Vendor(s) as a General Investment Consultant and in accordance with Section 3 of the Roles, Responsibilities, & Delegations Policy, the

Investment Committee shall decide whether to hire a General Investment Consultant, subject to successful contract negotiations.

- 5.7.2 CIO: Based on the written report recommending one (1) or more Potential Vendor(s) as a Specialty Investment Consultant and in accordance with Section 5 of the Roles, Responsibilities, & Delegations Policy, the CIO shall decide whether to hire a Specialty Investment Consultant, subject to successful contract negotiations.

5.8 Contract Negotiations

- 5.8.1 Following approval by the CIO or Investment Committee, the Investment Employees may begin working with Legal Counsel on contract negotiations with the General Investment Consultant(s) or Specialty Investment Consultant(s).
- 5.8.2 Terms of the contract shall accurately reflect the terms and conditions of the authorization and shall adhere to applicable law.
- 5.8.3 Each General Investment Consultant and Specialty Investment Consultant shall certify as part of the contract that no individual or organization has a Conflict of Interest.

Section 6: Procurement of Investment Goods and Investment Analytical, Professional, Research, and/or Technical Services

Investment Employees will procure goods and services for the investment and/or management of Trust assets as described below. Nothing in this section shall apply to the procurement of ordinary goods and services that are common to other KPPA administrative functions, including procurement of legal services related to investments.

6.1 Procurement Delegations

- 6.1.1 Procurement of investment-related goods and services costing less than \$5,000 during a fiscal year:
- 6.1.1.1 Investment Employees will procure such goods and/or services based upon Best Value by comparing known Potential Vendors.
- 6.1.1.2 In comparing Potential Vendors, Investment Employees will promote the highest level of competition.
- 6.1.2 Procurement of investment-related goods and services costing between \$5,000 and \$24,999 during a fiscal year:
- 6.1.2.1 The following are individually authorized to procure such goods and/or services: CIO, deputy CIO, KPPA Executive Director, KPPA Executive Director Office of Operations, or any KPPA employee designated by the Board to act in its stead. Only one (1) of the listed individuals is needed to decide to procure such goods and/or services.
- 6.1.2.2 Procurement of such goods and/or services will be based upon Best Value by comparing at least three (3) known Potential Vendors, whose price quotations may be obtained by telephone, videoconference, email, or website.
- 6.1.3 Procurement of investment-related goods and services equal to or greater than \$25,000 in cost during a fiscal year:

- 6.1.3.1 The [KPPA](#) Executive Director or [CIO](#) are individually authorized to procure such goods and/or services. Only one (1) of the listed individuals is needed to decide to procure such goods and/or services.
- 6.1.3.2 Procurement of such good and/or services will be based on [Best Value](#) by comparing at least three (3) known [Potential Vendors](#), whose price quotations must be obtained in written form on the Potential Vendor's letterhead. The price quotations received and comments concerning the basis for placing the order shall be recorded in writing and shall be placed in a file to be maintained by the [Compliance Officer](#). These records will be retained by [KPPA](#) for audit, [Investment Committee](#), and/or [Board](#) review.
- 6.1.4 Exception for procurement of investment-related goods and services from uniquely qualified sources
 - 6.1.4.1 [KPPA](#) staff are not required to compare [Potential Vendors](#) as stated in [Sections 6.1.1 through 6.1.3](#) of this Policy if the procurement of goods and services is available only from one (1) or two (2) uniquely qualified sources.
 - 6.1.4.2 The reason for the exception will be documented in writing by the [KPPA](#) Executive Director or [CIO](#) and shall be placed in a file to be maintained by the [Compliance Officer](#). These records will be retained by [KPPA](#) for audit, [Investment Committee](#), and/or [Board](#) review.

6.2 Procurement Methods

- 6.2.1 A price contract established by the Commonwealth of Kentucky, the U.S. General Services Administration, or U.S. Communities (a national government purchasing cooperative) may be used in the procurement of goods or services for the investment and/or management of [Trust](#) assets so long as the [Potential Vendor](#) enters into a contract at or below the contract price and under the same terms and conditions.
- 6.2.2 Unless Section 6.2.1 applies, [Investment Employees](#) will use an open search process when procuring goods or services for the investment and/or management of [Trust](#) assets. The open search process may include the use of an [RFP](#), [RFI](#), or [RFQ](#).

Section 7: Custodial Bank

The KPPA Board is responsible for appointing the [Custodial Bank](#) for the [Trusts](#) in accordance with KRS 61.660(2) and KRS Chapters 45 and 45A.

Section 8: Emergency Procurement

The existence of an emergency may cause an immediate need for [Investment Managers](#), [Re-Ups](#), or [Co-Investments](#) that cannot be procured through the normal investment procurement procedures described in Sections 2 through 4 of this Policy. An "emergency" includes time-sensitive, favorable investment opportunities where a quorum of the Investment Committee is unavailable

or similar occasions. Emergency procurements are to be used for favorable investment opportunities extremely rarely.

The determination that an emergency exists related to a favorable investment opportunity shall be made by any two (2) of the following: the [Board](#) Chair, the [Investment Committee](#) Chair, the [CEO](#), or the [CIO](#). Thereafter, no later than at the next regularly scheduled meetings of the Investment Committee and Board, the emergency procurement determination and emergency action approved will be reported.

In [Section 6](#) of this Policy, the [Board](#) has delegated authority to the [Investment Employees](#), [CIO](#), and other [KPPA](#) leadership to procure goods and/or services related to the investment or management of assets. Accordingly, the Board anticipates that any emergency procurement of goods and/or services related to the investment or management of assets can be handled by available Investment Employees and/or succession planning.

Section 9: Quiet Period

A [Quiet Period](#) is designed to ensure a competitive and fair procurement by preventing current [Investment Vendors](#) or [Potential Vendors](#) from gaining an advantage through information regarding a procurement process. To achieve the stated goal of competitive fairness, at all times, [KPPA](#) employees (aside from designated [Investment Employees](#) and the [CIO](#)), the [CEO](#), and the [Trustees](#) will refrain from speaking to current [Investment Vendors](#) or [Potential Vendors](#) about a procurement process. Only the CIO and Investment Employees will communicate directly with the principals of current Investment Vendors or Potential Vendors regarding an active procurement process. This will ensure transparency, accountability, and compliance with legal requirements and this [Document](#).

During an active procurement process, the [CIO](#) and [Investment Employees](#) involved in a procurement may communicate with current [Investment Vendors](#) or [Potential Vendors](#) about a procurement so long as it is authorized by this [Policy](#) and any [RFP](#), [RFI](#), or [RFQ](#) used in the procurement. The CIO and Investment Employees can continue to have communications with current Investment Vendors under contract about normal business matters that are unrelated to the procurement, even when an active procurement is underway and the current Investment Vendor is being considered for a new contract.

The [Quiet Period](#) will cease when a new contract has been fully executed or when the search process has ended (without a new contract).

Section 10: Succession

In the event that the [CIO](#) is unavailable, the Deputy CIO may serve in place of the CIO.

Section 11: Review Period

The Board shall review this “Investment Procurement Policy” no less frequently than every five (5) years.

	<h2>Certification</h2>	
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We, the Chair of the Kentucky Retirement Systems Board of Trustees and the CEO of the Kentucky Retirement Systems, hereby certify that this Statement of Investment Objectives and Policies was made effective on [Click or tap here to enter text..](#)

[Click or tap here to enter text.](#)

Chair, Kentucky Retirement Systems Board of Trustees

[Click or tap here to enter text.](#)

Date

[Click or tap here to enter text.](#)

CEO, Kentucky Retirement Systems

[Click or tap here to enter text.](#)

Date

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	<h2>Appendix – Revision Histories</h2>	
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[Purpose, Objectives, & Strategy](#)

Date	Details

[Definitions](#)

Date	Details

[Roles, Responsibilities, & Delegations Policy](#)

Date	Details

[Asset Allocation Policy](#)

Date	Details

Benchmarking & Performance Monitoring Policy

Date	Details

Guidelines & Restrictions

Date	Details

Proxy Voting Guidelines

Date	Details
[Insert date]	Renamed “Proxy Voting Guidelines.” Introduction section rewritten for clarity and consistency with other policies. [Guidelines updated to reflect direction to Proxy Voting Agent on modern corporate governance matters.]
March 2, 2022	“Investment Proxy Voting Policy” adopted by new Kentucky Retirement Systems Board of Trustees after separate board created for administration of the County Employees Retirement System effective April 1, 2021.

Investment Procurement Policy

Date	Details
[Insert date]	[All sections rewritten for clarity and consistency with other policies. Definitions in policy moved to Definitions section for all policies in this Document. Authority to make certain investment procurement decisions delegated to CIO and other staff. Procedures removed from Policy and relocated in separate procedures document.]
February 2022	Policy adopted by new Kentucky Retirement Systems Board of Trustees after separate board created for administration of the County Employees Retirement System effective April 1, 2021.

MEMORANDUM

TO: Kentucky Retirement Systems Board of Trustees (Board)

FROM: Carrie Bass, Compliance Officer/Special Assistant, Kentucky Public Pensions Authority (KPPA) Office of Operations

DATE: June 9, 2026

RE: Additional options for Proxy Voting Guidelines

Recommendation for Board Review & Consideration of Modifications to Proxy Voting Guidelines

I recommend that the Board review the modifications to its Proxy Voting Guidelines as presented in this Memorandum and vote to adopt the modifications as recommended by the Board's Investment Committee.

Background

As part of the effort to streamline the Board's policies related to its investments, I looked for other resources available for public pension plan proxy voting guideline best practices, including the National Conference on Public Employee Retirement Systems' ("NCPERS") Model Proxy Voting Guidelines.¹ I also consulted with outside legal counsel with expertise in corporate governance and proxy voting, Nick Zuiker (Reinhart Boerner Van Deuren).

Based on NCPERS' Model Proxy Voting Guidelines and discussions with Mr. Zuiker, I identified the following potential changes to the Proxy Voting Guidelines for the Board's consideration. As a reminder, the changes for consideration presented below are not legal or ethical requirements; instead, these potential changes are a matter of the Board's discretion and control over its assets.

Furthermore, the Board may wish to adopt guidelines that address other matters that may come up for shareholder vote that are not outlined in the Memorandum. So long as the guideline complies with state and federal law, the fiduciary duties of the trustees serving on the Board, and the Board's Bylaws and other policies, the Board is free to speak to any shareholder voting matter in its Proxy Voting Guidelines.

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¹ NCPERS' Model Proxy Voting Guidelines can be found on the NCPERS website. The full Model Proxy Voting Guidelines are not provided, as the guidelines are password protected and accessible only to NCPERS members. Please feel free to contact me directly if you would like to view a complete copy of NCPERS' Model Proxy Voting Guidelines.

Revised Language Changes

I. Election of Directors

Current Language	Revised Language
Election of Directors – FOR	Election of Directors – FOR*
<p>In a majority of instances, election of directors is a routine voting issue. Unless there is a proxy fight for seats on the company’s board, the Board will usually vote in favor of the management-proposed slate of directors.</p>	<p><u>In most instances</u>, election of directors is a routine voting issue. Unless there is a proxy fight for seats on the company’s board, the Board will usually vote in favor of the management-proposed slate of directors, <u>subject to the considerations stated below</u>.</p> <p><u>EXCEPTION: The Board may consider withholding its vote or voting against management’s recommendation in its sole discretion if it determines the proposed slate of directors is insufficiently independent. Generally, the board of directors should be comprised of at least [decision needed: a majority or two-thirds] independent directors (i.e., directors that do not have a material or affiliated relationship with the company or its management).</u></p> <p><u>EXCEPTION: The Board may consider withholding its vote or voting against management’s recommendation in its sole discretion if it determines the average tenure of the board of directors does not reflect an adequate balance of short- and long-tenured directors.</u></p> <p><u>EXCEPTION: The Board may consider withholding its vote or voting against management’s recommendation in its sole discretion if it determines certain directors are not able to devote the time and energy necessary to responsibly fulfill their commitment to the company or effectively represent shareholders’ interests.</u></p>

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II. Appointment of Auditors

Current Language	Revised Language
Appointment of Auditors – FOR	Appointment of Auditors – FOR
<p>The selection of independent accountants to audit the company’s financial records is a routine business matter and in most instances is submitted to shareholders for public relations reasons. Since the accounting firm selected to do the audit has no effect on the investment value of the company’s Securities, the Board will vote in favor of management’s recommendation.</p>	<p><u>In most cases, the selection of accountants to audit the company’s financial records is a routine business matter and in most instances is submitted to shareholders for public relations reasons. Unless there are clear and significant signs that demonstrate an auditor’s lack of independence from the company,</u> the Board will vote in favor of management’s recommendation.</p>

III. Changes in Board Structure

Current Language	Revised Language
Changes in Board of Directors Structure – FOR*	Changes in Board of Directors Structure – FOR*
<p>Companies may propose various provisions related to the structure of its board of directors. These provisions may include changing the way board of directors vacancies are filled, the way directors are nominated, or the number of directors. These provisions may include majority vote director elections and the separation of the CEO and chairman of board of directors. These proposals may be proposed amendments to the charter or bylaws and need to be reviewed by the shareholders prior to voting. In most instances these proposals are not controversial nor an anti-takeover device. The Board generally will vote in favor of such proposals.</p> <p>*EXCEPTION: However, the Board will vote AGAINST cumulative voting for members of the Board of Directors and attempts to limit term of Board of Directors based on tenure or age.</p>	<p><u>The Board will generally vote in favor of proposals with respect to board structuring that support overall board effectiveness and independence, including proposals to (a) appoint an independent board chair or lead director, (b) separate the CEO and chair roles, (c) form or implement of board committees (e.g., audit, compensation, nominating and governance), (d) declassify the board or eliminate staggered elections, and (e) implement majority voting for director elections.</u></p> <p>*EXCEPTION: The Board will generally vote AGAINST cumulative voting for members of the board of directors <u>or proposals that seek to limit terms of individual directors or the board of directors as a whole</u> based on tenure or age.</p>

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IV. Classified Boards

Current Language	Revised Language
Classified Boards – Against	Classified Boards – Against
A “classified board” is typically divided into three separate classes, each class to hold office for a term of two (2) or three (3) years. Only a portion of the board of directors can be elected or replaced each year. Since this type of proposal has fundamental anti-takeover implications, the Board will vote against the adoption of classified boards.	A “classified board” is typically divided into three separate classes, each class to hold office for a term of two (2) or three (3) years. Only a portion of the board of directors can be elected or replaced each year. Since this type of proposal has fundamental anti-takeover implications, the Board will vote against the adoption of classified boards.

It is recommended that the Board delete the standalone instructions regarding proxy voting on classified boards and instead address this topic in the “Changes in Board Structure” instructions (*see previous page*).

V. Executive Compensation

Current Language	Revised Language
Executive Compensation – FOR	<u>Advisory Vote on</u> Executive Compensation – FOR
Executive compensation can take various forms, but should provide adequate compensation and incentives to management consistent with the long-term interests of the shareholders of the company. In addition, management should have some assurance that they will not, in the event of a takeover, be terminated without motive and compensation. The Board will vote in favor of agreements which provide executives with a reasonable period of compensation after termination. *EXCEPTION: The Board will vote AGAINST excessive compensation plans, including, but not limited to, in the event of a takeover.	<u>In their say-on-pay proposals, companies should indicate that their compensation plan demonstrates alignment of pay for performance over a long-term time horizon.</u> Executive compensation can take various forms, but should provide adequate compensation and incentives to management consistent with the long-term interests of the shareholders of the company. In addition, management should have some assurance that they will not, in the event of a takeover, be terminated without motive and compensation. The Board will vote in favor of agreements which provide executives with a reasonable period of compensation after termination. *EXCEPTION: The Board will vote AGAINST excessive compensation plans, including, but not limited to, in the event of a takeover. <u>*EXCEPTION: The Board may consider voting AGAINST compensation plans insufficiently address the clawback of unearned executive compensation.</u>

DeletionsI. Employment Relations

Current Language	Revised Language
Employment Relations – FOR	Employment Relations – FOR
<p>The board of directors and corporate management have the responsibility for harmonious labor relations. This responsibility also includes conducting labor negotiations within the appropriate laws of the jurisdiction. Where efficient operation of the corporation requires plant closings or relocations, the corporation should give as much notice as possible and assist its employees in relocating or in seeking other employment. Resolutions of shareholders that seek to impose requirements on management in this regard will not be supported automatically. Support will be contingent upon whether or not managers can demonstrate that efforts have been made to retain good employment relations subject to the constraints encountered in the particular circumstances.</p>	<p>The board of directors and corporate management have the responsibility for harmonious labor relations. This responsibility also includes conducting labor negotiations within the appropriate laws of the jurisdiction. Where efficient operation of the corporation requires plant closings or relocations, the corporation should give as much notice as possible and assist its employees in relocating or in seeking other employment. Resolutions of shareholders that seek to impose requirements on management in this regard will not be supported automatically. Support will be contingent upon whether or not managers can demonstrate that efforts have been made to retain good employment relations subject to the constraints encountered in the particular circumstances.</p>

Discussion of employment relations is not standard in Proxy Voting Policies. Unless there is a specific reason for including directions on this topic, it is recommended that the Board remove this language from its Proxy Voting Policy.

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II. Fair Price Provisions

Current Language	Revised Language
<p data-bbox="297 333 708 363">Fair Price Provisions – AGAINST</p> <p data-bbox="203 373 803 640">A fair price provision in the company’s charter or bylaws is designed to assure that, if the corporation is acquired under a plan not agreed to by the board of directors, each shareholder’s Securities will be purchased at the same price. In most instances the provision requires that any tender offer made by a third party be made to all shareholders at the same price.</p> <p data-bbox="203 678 803 1522">Fair pricing provisions attempt to limit the “two-tiered” pricing systems in which the interested party or would-be acquirer of the company initially offers a premium for a sufficient number of shares of the company to garner control. Thereafter, an offer at a much lower price is made to the remaining shareholders who have no choice at all but to accept the offer. The “two-tiered” approach is coercive in that it makes it easier for an outsider to gain control of a company because it provides an incentive to the shareholder to sell his shares immediately in order to receive the benefits of a higher price per share and avoid falling into the second tier, if the offer is successful. The coercive pressures associated with these offers have caused many states to adopt controlled share acquisition statutes which restrict this practice by law. In theory this type of provision is acceptable standing alone; however, given the fact that the practice is in most aspects prohibited by law, and the fact that fair price provisions are invariably linked with other anti-takeover measures, such as supermajority voting requirements to approve certain transactions, the Board will vote against most fair price provisions.</p>	<p data-bbox="917 333 1328 363">Fair Price Provisions – AGAINST</p> <p data-bbox="824 373 1425 640">A fair price provision in the company’s charter or bylaws is designed to assure that, if the corporation is acquired under a plan not agreed to by the board of directors, each shareholder’s Securities will be purchased at the same price. In most instances the provision requires that any tender offer made by a third party be made to all shareholders at the same price.</p> <p data-bbox="824 678 1425 1522">Fair pricing provisions attempt to limit the “two-tiered” pricing systems in which the interested party or would-be acquirer of the company initially offers a premium for a sufficient number of shares of the company to garner control. Thereafter, an offer at a much lower price is made to the remaining shareholders who have no choice at all but to accept the offer. The “two-tiered” approach is coercive in that it makes it easier for an outsider to gain control of a company because it provides an incentive to the shareholder to sell his shares immediately in order to receive the benefits of a higher price per share and avoid falling into the second tier, if the offer is successful. The coercive pressures associated with these offers have caused many states to adopt controlled share acquisition statutes which restrict this practice by law. In theory this type of provision is acceptable standing alone; however, given the fact that the practice is in most aspects prohibited by law, and the fact that fair price provisions are invariably linked with other anti-takeover measures, such as supermajority voting requirements to approve certain transactions, the Board will vote against most fair price provisions.</p>

Discussion of fair price provisions is not standard in Proxy Voting Policies. Unless there is a specific reason for including directions on this topic, it is recommended that the Board remove this language from its Proxy Voting Policy.

New LanguageI. Directors' Compensation Plans

New Language	
Directors' Compensation Plans	FOR
The Board will generally support director compensation proposals, provided they do not pay excessive amounts to directors for board service and do not consist of options, retirement plans or other performance-based awards.	

II. Proxy Access

New Language	
Proxy Access	FOR
The Board will generally support proposals allowing shareholder access to director nominations and the company's proxy materials. Generally, the Board will vote in favor of proposals that allow long-term investors or a group of investors owning at least 3% of the company's voting stock for at least three years to nominate up to 25% of the board of directors.	

III. Tracking Stock

New Language	
Creation of Tracking Stock	AGAINST
Tracking stock is designed to reflect the performance of a particular business segment. The problem with tracking stocks is they can create substantial conflicts of interest between shareholders, directors, and management. Such proposals must be carefully scrutinized and they should be supported only if a company makes a compelling justification for them.	

IV. Greater Transparency and Oversight

New Language	
Greater Transparency and Oversight	FOR
Shareholders benefit from full disclosure of the board of directors' practices and procedures, company operating practices and policies, business strategy, and the way companies calculate executive compensation. Proposals seeking greater disclosure on these matters will generally be supported.	

Proposed Consolidated Statement of Investment Policies & Objectives Overview

Carrie Bass, KPPA Compliance Officer

June 2026

Bases for Recommended Changes



Review of other public pension plan investment policies/policy manuals



Addressing Internal Audit findings



Conversations with CIO and Investment Team

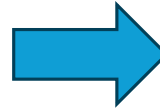


May 2026 Aon Study of 50 largest public pension plans

KRS Investment-Related Board Policies

Current

1. Investment Policy Statement (IPS)
2. Investment Securities Lending Guidelines
3. Brokerage Policy
4. Manager and Placement Agent Statement of Disclosure
5. Proxy Voting Policy
6. Investment Transaction Procedures
7. Real Estate Policy
8. Investment Procurement Policy (IPP)
9. Securities Litigation Policy
10. Securities Trading Policy



Proposed

1. Statement of Investment Objectives & Policies
2. Securities Litigation Policy
3. Securities Trading Policy

IPS (Current) v. Statement of Investment Objectives & Policies (Proposed)

IPS	Statement of Investment Objectives & Policies
Board's purpose & philosophy stated	Board's purpose, objectives, & strategy updated and streamlined
No definitions section	Definitions section added
Roles & responsibilities stated	Roles, Responsibilities, & Delegations updated and clarified
Asset allocation section	Standalone Asset Allocation Policy
Performance measurement standards & expectations set	Standalone Benchmarking & Performance Monitoring Policy
Guidelines & restrictions stated throughout	Separate Guidelines & Restrictions Policy
N/A	Proxy Voting Guidelines
N/A	Investment Procurement Policy
Certification	Certification
N/A	Revision history appendix for each policy/section

Policies (Current) Other than IPS

Current Policy	Proposed Change
Investment Securities Lending Guidelines	Delegated to KPPA Investment Staff
Brokerage Policy	Delegated to KPPA Investment Staff
Manager and Placement Agent Statement of Disclosure	Delegated to KPPA Investment Staff
Investment Proxy Voting Policy	Moved to “Statement of Investment Objectives & Policies”
Investment Transaction Procedures Policy	Delegated to KPPA Investment Staff
Real Estate Policy	Repeal
Investment Procurement Policy	Moved to “Statement of Investment Objectives & Policies”
Securities Litigation Policy	No changes
Securities Trading Policy	Changes to be presented at upcoming Board meeting

Significant Changes Proposed in “Statement of Investment Objectives & Policies”

Investment decision-making below threshold delegated to KPPA Investment Staff

Selecting investment managers

Public asset mandates: Total allocation from each fund equal to or less than 300 bps (3%) of each fund’s total AUM

Alternative mandates: Total allocation from each fund equal to or less than 150 bps (1.5%) of each fund’s total AUM

Re-ups – Total allocation from each fund equal to or less than 150 bps (1.5%) of each fund’s total AUM

Co-investments – Total allocation from each fund equal to or less than 100 bps (1%) of each fund’s total AUM

Specialty investment consultants (all)

Terminating investment managers & vendors (all)

Other Notable Changes

Potential additional guidelines added to Proxy Voting Guidelines (see Memo)

Procedures removed from Investment Procurement Policy & placed in standalone Investment Procurement Procedures document

Reasons for Changes Proposed in “Statement of Investment Objectives & Policies”

Proposed Changes	Justification
Some delegation of investment decision-making to KPPA Investment Staff	<ul style="list-style-type: none"> • Appropriate exercise of fiduciary duty • Minimizes risk exposure for voluntary board members • Avoid MNPI exposure + monitoring of personal securities trades • Improves agility of KPPA Investment Staff in pursuing investment opportunities for KRS
Consideration of additional proxy voting guidelines	<ul style="list-style-type: none"> • Address modern corporate governance issues
Procedures removed from IPP	<ul style="list-style-type: none"> • Best practices not to include procedures in policies

Unchanged in Statement of Investment Objectives & Policies

Board sets asset allocation

Board sets performance objectives & benchmarks

Board sets restrictions

Board sets proxy voting guidelines

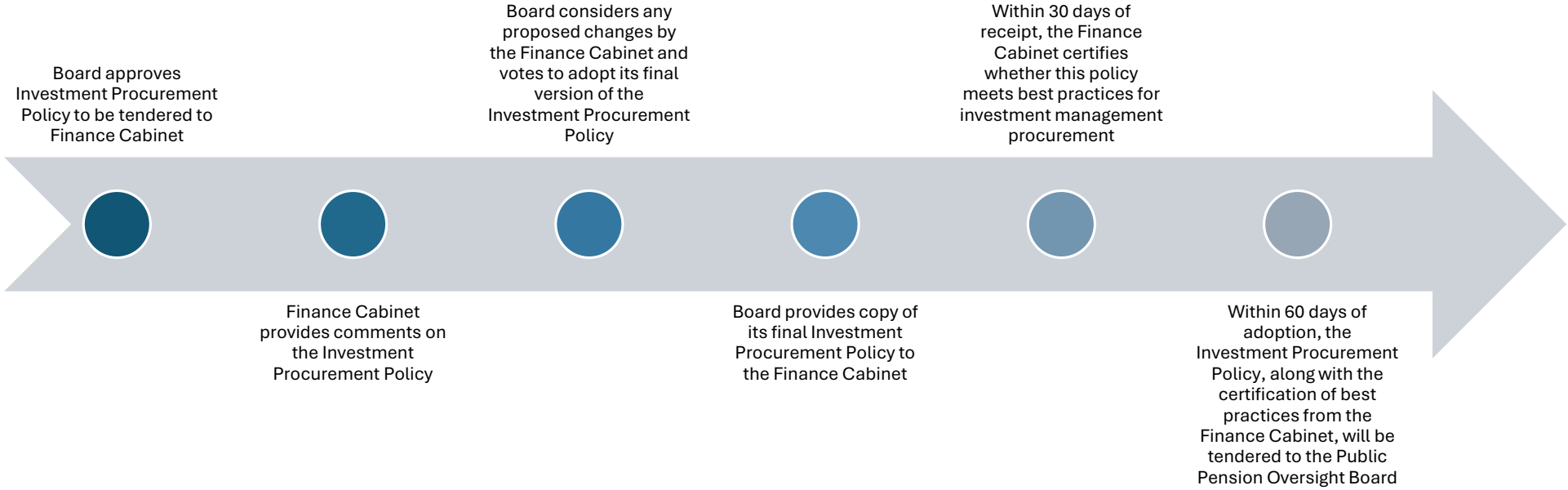
Board sets procurement policy for contracts for investment & management of assets

Board monitors & oversees investments

Board maintains ability to any part of the Statement of Investment Objectives & Policies at any time, including delegations

Trustees are fiduciaries

Investment Procurement Policy Process





KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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To: KPPA, CERS & KRS Board
From: Ryan Barrow
Date: June 2026
Subject: KPPA Update

I. ADMINISTRATIVE & STAFFING UPDATE:

- **The Team Kentucky Internship Program (TKIP)**, coordinated by the Personnel Cabinet, provides meaningful internship experiences and professional development opportunities for students across state government. This year, our agency is hosting five interns in the areas of Legal Advocacy, Executive, Enterprise & Technology Services, Investments, and Accounting. We are proud to support this program and hope their experience with our agency contributes to their continued growth and future success.
- **KPPA Management Essentials – Leadership as a Superpower:** The Management Essentials course continues with 10 participants providing focused leadership development designed to strengthen the skills needed for effective management. Through interactive sessions, participants will have opportunities to discuss workplace challenges, share experiences, and learn from one another. The program also fosters cross-agency connections, creating a network of peer support among managers. Course topics were selected based on Division Director feedback and frequently addressed HR issues.
- KPPA had two employees participate in the **Governor’s Leadership Program for Emerging Leaders**. Participants engaged in a transformative program designed to cultivate the next generation of leaders in KY. The program focused on communication, inclusion, leading by example, managing a team and self-care. They heard from various speakers, engaged in volunteerism, and presented a capstone project at the conclusion of the program. The program began in August 2025, and participants graduated in May 2026.
- KPPA also have two employees participating in the **Governor’s Leadership Program for Executive Leaders**. The program began in August 2025 and is scheduled to wrap up in the next couple of months. This program is designed for upper-level leadership positions and provides career growth so that participants can drive change, foster innovation, and enhance interactions with employees in their agencies.

- Mike and I presented at the **NCPERS Annual Conference and Exhibition**. We were honored to be selected to open the learning portion of the conference on the kickoff evening. Along with GRS, the presentation selected by KPPA is “Staying the Course when It’s Hard: Lessons in Pension Funding Discipline.”

II. STRATEGIC PLAN & IMPLEMENTATION UPDATE:

- **Fiscal Year 2027 Business Plan:** The 2027 Business Plan will be presented to the KPPA Board for approval at its June 25, 2026 meeting.

III. 2026 TRUSTEE IMPACT FORUM:

- We are excited to tentatively announce the **2nd Trustee IMPACT Forum** (Investments, Management, Pensions, Advisory, Compliance, and Training) so please hold **October 22nd and 23rd**. We plan to focus on key areas including fiduciary responsibility, investments, benefits, and legal compliance. If anyone has a request or suggestion for any program ideas or topics, please submit those to Sherry. We are looking forward to another great round of educational sessions and discussion.

IV. LEGISLATIVE UPDATE:

- Erin and I presented information on Reemployment after Retirement to the **Public Pension Oversight Board (PPOB)** June 1st and the **Interim Joint Committee Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement** on June 3rd.

V. LOUISVILLE INVESTMENT OFFICE UPDATE:

- All state and local approvals have been obtained, and the construction piece of the project has officially begun, and Finance Facilities estimates we will take occupancy this fall.

VI. KPPA KUDOS:

- **Kristen Coffey** achieved a first-time 100% participation rate on the most recent Internal Audit Risk Assessment Survey. KPPA is appreciative of everyone who contributed to the success of this important process. Also, **Kristen Coffey and Madeline Evans** led an engaging Lunch and Learn on understanding the Internal Audit process and how it benefits the agency for Division Directors on April 29th, providing valuable insights and fostering meaningful discussion among leadership.
- The KPPA Legal Department recognizes **Carrie Cosby**, Branch Manager in the Division of Quality Assurance, for her invaluable assistance with the member pension-spiking backlog project. Her expertise and thorough understanding of the post-retirement audit process were instrumental in completing the project efficiently and on schedule.

- Version two of Between Bites continued April 29th with an informal quarterly breakfast series designed to strengthen employee engagement and connection in a hybrid work environment. Thank you to **Lori Casey** and **Amy Fields** for their efforts in organizing and preparing for our sessions.
- Our **Member Outreach Division** received recognition from the Kentucky State Police Academy Branch for its support of the Kentucky State Police Financial Wellness classes. These classes help Troopers, Officers, and Detectives prepare for retirement and the next chapter of their lives.
- Thank you to **Lori Casey, Kim Leet, and Lori Wells** for their work and support in coordinating activities for Public Service Recognition Week. Through their efforts, KPPA staff enjoyed special treats and events that celebrated the dedication and service of our employees.
- **Stephanie Harrod and Alice Ashburn** were recognized by a member for providing exceptional customer service. The member shared that the experience—from arrival at the front desk through the completion of the counseling session—was outstanding.
- **Joe Gilbert**, like all members of the investment team, continues to work to improve the quality of the KPPA investment portfolio in terms of both performance and efficiency. Recently, renegotiated fee agreements resulted in over \$4 million in annualized savings across the pension and insurance funds, with 13 of 14 external mandates now ranking in the lowest quartile of associated universe data.
- **James Isaacs and Tara Harris** received a kudos from Mike Riley, KRS Trustee, for their participation in the Kentucky Public Human Resources Association Conference. Their willingness to answer questions and provide thoughtful feedback was greatly appreciated by attendees.
- **Jack Medlar and Team** were recognized by a member for their expedited service and exceptional professionalism in resolving an issue. Their responsiveness and commitment to excellent customer service made a lasting impression.

Many thanks to everyone involved in maintaining and improving KPPA operations!