

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE MEETING
APRIL 29, 2025, 11:00 A.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the April 29, 2025, Special-Called Meeting of the Kentucky Retirement Systems' (KRS) Investment Committee, the following Committee members were present: Prewitt Lane, David Adkins, Ramsey Bova, Pamela Thompson. Staff members present were Rebecca Adkins, Erin Surratt, Victoria Hale, Nathan Goodrich, Steve Willer, Anthony Chiu, Brian Caldwell, Ashley Gabbard, Phillip Cook, Sandy Hardin, and Sherry Rankin. Others in attendance included KRS CEO John Chilton and Chris Tessman, Craig Morton, and Marc Friedberg with Wilshire Advisors, LLC.

1. Mr. Lane called the meeting to order.
2. Ms. Hale read the Opening Statement.
3. Ms. Rankin took Roll Call.
4. Ms. Rankin reported there was one ***Public Comment*** (Video 00:07:40 to 00:10:44).

Larry Trotten:

Considering the volatile investment climate that exists today, I am suggesting that KPPA consider providing an occasional - and brief -description of where the investments stand in very layman's terms. Answering a question such as, "How are we mitigating the decline in equities?", for example. Posting the Monthly Performance Reports is very much appreciated but they lag behind current events by weeks. Thank you

Mr. Lane and Mr. Willer reassured participants that portfolios are monitored daily but emphasized the pension system's long-term investment strategy, avoiding reactionary decisions for stability. They also noted that a large portion of investments are not daily valued, making frequent reporting less meaningful. Citing Warren Buffett's principles, they reinforced

their commitment to a long-term approach while ensuring funds are closely managed. A member of the Board will provide a direct response to Mr. Trotten.

5. Mr. Lane introduced agenda item ***Real Return Investment Recommendation*** (Video 00:10:44 to 00:23:59). Mr. Lane provided a brief history of the real return investment strategy, highlighting the long-standing relationship with Kayne Anderson and the positive evaluations from third-party analysts. Mr. Chiu reviewed the investment commitment made previously, noting limitations due to fund oversubscription and highlighting the opportunity to invest in a new strategy through Kayne Anderson. He explained the advantages of focusing on already-producing assets, mitigating risk through hedging, and ensuring steady returns rather than highly volatile gains. The strategy provides diversified exposure beyond traditional equities and fixed income, offering visibility into cash flow streams. The fund has already deployed significant capital, with further investments anticipated to align with previous successful partnerships. Mr. Willer highlighted the shift in strategy from venture-like investments to producing wells, emphasizing the distribution yield and hedging program as key strengths. He noted the strategy's fit within the real return portfolio and its resilience to commodity volatility. Mr. Adkins raised questions about other public pension funds involved and potential regulatory impacts, with Mr. Chiu addressing these concerns by emphasizing the focus on already-producing assets and the strategy's alignment with existing regulations.

Following the discussion, Mr. Adkins made a motion to approve the KPPA Investment Staff's recommendation to authorize an investment by KRS of up to \$100 million into the Kayne Private Energy Income Fund III, subject to successful contract negotiations. Ms. Thompson seconded the motion. The motion passed unanimously.

6. There being no further business, Mr. Lane ***adjourned*** the meeting.

Copies of all documents presented are incorporated as part of the minutes of the Kentucky Retirement Systems' Investment Committee meeting held on April 29, 2025.

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CERTIFICATION

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

Recording Secretary

I, as Chair of the Kentucky Retirement Systems Investment Committee, do certify that the Minutes of the meeting held on April 29, 2025, were approved by the Kentucky Retirement Systems Investment Committee on May 22, 2025.

Committee Chair

I have reviewed the Minutes of the Kentucky Retirement Systems Investment Committee Meeting on April 29, 2025, for form, content, and legality.

Office of Legal Services