

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
SPECIAL-CALLED
INVESTMENT COMMITTEE MEETING
APRIL 30, 2025, 2:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the April 30, 2025, Special-Called County Employees Retirement System Investment Committee Meeting, the following Committee members were present: Dr. Merl Hackbart (Chair), George Cheatham, and William O'Mara. Staff members present were Ryan Barrow, Rebecca Adkins, Victoria Hale, Steve Willer, Anthony Chiu, Brian Caldwell, Shaun Case, Sherry Rankin, and Sandy Hardin. Also in attendance were CERS CEO Ed Owens III; Chris Tessman and Marc Friedberg with Wilshire; and Eric Branco with Johnson, Branco, & Brennan LLP.

1. Dr. Hackbart called the meeting to order.
2. Mr. Branco read the Legal Opening Statement.
3. Ms. Rankin called roll.
4. Dr. Hackbart introduced agenda item ***Public Comment***. Ms. Rankin indicated that no public comments were submitted for consideration. (*Video 00:05:12 to 00:05:17*).
5. Dr. Hackbart introduced agenda item ***Real Return Investment Recommendation*** (*Video 00:05:17 to 00:42:49*). Mr. Steve Willer presented the Kayne Anderson investment opportunity to the Investment Committee, outlining its differentiated strategy, expected returns, and low correlation with existing investments. The Committee reviewed the recommendation to increase CERS' investment by up to \$100 million in the Kayne Private Energy Income Fund III, considering market volatility and oil pricing. Dr. Hackbart raised concerns about global events affecting energy prices and whether the investment is prudent given industry conditions. Mr. Chiu and Mr. Willer emphasized that the fund acquires existing producing assets, not exploration, with a hedging strategy to mitigate commodity price risk.

They also noted similar investments made by pension funds in Texas, Alaska, Utah, and Michigan.

The Committee discussed alternative asset classes, including infrastructure, real estate, private credit, and niche investments. Chris Tessman and Marc Friedberg from Wilshire provided insights into diversification strategies amid market uncertainty.

Concerns were raised about the urgency of the decision, with Mr. Cheatham questioning why Wilshire was not engaged earlier. Mr. Chiu clarified the timing was dictated by the fund's closing deadline but noted a detailed report had been provided.

After thorough deliberation, Dr. Hackbart opened the floor for a motion, but none was made. With no motion made, the recommendation would not advance to the full CERS Board's next meeting.

6. There being no further business, Dr. Hackbart *adjourned* the meeting.

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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 County Employees Retirement System Investment Committee of the Board of Trustees of the County Employees Retirement System, do certify that the Minutes of the meeting held on April 30, 2025, were approved by the County Employees Retirement System Investment Committee on May 28, 2025.

CERS Investment Committee Chair

I have reviewed the Minutes of the County Employees Retirement System Investment Committee Meeting on April 30, 2025, for form, content, and legality.

Office of Legal Services