

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
SPECIAL CALLED
INVESTMENT COMMITTEE MEETING
DECEMBER 17, 2024, 11:30 A.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the December 17, 2024, Special Called Meeting of the Kentucky Retirement Systems' (KRS) Investment Committee, the following Committee members were present: Lane Prewitt, David Adkins, Ramsey Bova, and Pamela Thompson. Staff members present were Ryan Barrow, Rebecca Adkins, Erin Surratt, Michael Board, Victoria Hale, Carrie Bass, Steve Willer, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ashley Gabbard, Phillip Cook, Sandy Hardin, and Sherry Rankin. Others in attendance included KRS CEO John Chilton and David Lindberg, Chris Tessman, and Craig Morton 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 were no *Public Comments*.
5. Mr. Lane introduced agenda item *Real Return Investment Recommendation* (Video 00:08:33 to 00:26:59). Mr. Steve Willer began the presentation with a brief synopsis and then invited Mr. Anthony Chiu to present an overview of the other Real Return strategies that were reviewed or under consideration. Mr. Willer also reviewed the KRS Pension Portfolio, highlighting the Real Return Allocations and their impact and rationale.

Mr. Chiu then presented a proposed investment by the KPPA Investment Staff in the ITE Rail Fund, L.P., an open-ended fund managed by Industrial Transportation Equipment. Mr. Chiu reviewed the details of this proposal, concluding that given the attractive risk/reward profile, compelling market opportunity, and current Real Return allocations, the Investment Staff

recommends an investment of up to \$100 million. This amount would be shared among all KERS and SPRS portfolios, pending successful legal negotiations. When fully funded, this investment would represent approximately 1.0% to 1.1% of Plan assets, depending on market value fluctuations. It is anticipated that the investment would be funded by unwinding proxy positions and using existing cash, based on the specific needs of each portfolio. The expected net return for this investment is projected to be between 6% and 9%.

A motion was made by Ms. Bova to approve the KPPA Investment Staff's recommendation to authorize up to \$100 million investment by KRS into the ITE Rail Fund, L.P., subject to successful contract negotiations. Mr. Adkins seconded the motion, and 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 December 17, 2024.

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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 December 17, 2024, were approved by the Kentucky Retirement Systems Investment Committee on February 19, 2025.

Committee Chair

I have reviewed the Minutes of the Kentucky Retirement Systems Investment Committee Meeting on December 17, 2024, for form, content, and legality.

Office of Legal Services