

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
INVESTMENT COMMITTEE MEETING
FEBRUARY 28, 2024, 2:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the February 28, 2024, 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 David Eager, Rebecca Adkins, Erin Surratt, Victoria Hale, Michael Lamb, Steve Willer, Anthony Chiu, Brian Caldwell, Joseph Gilbert, Ashley Gabbard, Katie Park, Sherry Rankin, and Phillip Cook. Also in attendance were CERS CEO Ed Owens, III, Eric Branco with Johnson, Bowman, Branco LLP, and David Lindberg with Wilshire.

Dr. Hackbart called the meeting to order.

Mr. Branco read the Legal Opening Statement.

Ms. Rankin called roll.

There being no *Public Comment*, Dr. Hackbart introduced agenda item *Approval of Minutes – January 24, 2024* (Video 00:09:22 to 00:09:53). A motion was made by Mr. O'Mara and seconded by Mr. Cheatham to approve the January 24, 2024, minutes as presented. The motion passed unanimously.

Dr. Hackbart requested that the *Investment Office Quarterly Update* be presented prior to the *Asset Allocation Recommendation*.

Therefore, Dr. Hackbart introduced agenda item *Investment Office Quarterly Update* (Video 00:09:54 to 00:50:10). Mr. David Lindberg with Wilshire presented an Economic and Update for the quarter ending December 31, 2023.

Next, KPPA Chief Investment Officer Mr. Willer reviewed CERS Nonhazardous and CERS Hazardous plan performance data for the three-month period ending December 31, 2023. Mr. Willer also presented the Investment Budget and Investment Fees and Expenses for the six-month period ending December 31, 2023. Lastly, Mr. Willer provided a Compliance review for the period ended December 31, 2023.

Dr. Hackbart introduced agenda item *Asset Allocation Recommendation (Video 00:50:11 to 01:58:21)*. Dr. Hackbart reminded the Committee that the Asset Allocation Recommendation was previously discussed at the January 24, 2024, meeting of the CERS Investment Committee. After considerable discussion, the Committee requested a more in-depth discussion of specialty credit prior to approving changes to the current asset allocation.

Mr. Willer and Mr. Lindberg with Wilshire presented a CERS Asset Allocation Analysis and the recommended options for reallocation. After extensive discussion, Mr. Cheatham stated that he would feel comfortable making a motion to move the targets to the Lower Risk A recommendation. He requested that the optimization ranges for each asset class be presented at a future next meeting.

Mr. Cheatham wished to forward the issue and to the CERS Board of Trustees. Therefore, Mr. Cheatham made a motion to look to change the allocation targets to Lower Risk A. The motion was seconded by Mr. O'Mara. Dr. Hackbart opposed; however, the motion passed.


Dr. Hackbart introduced agenda item *Strategic Planning Process (Video 01:58:22 to 01:58:39)*. Due to time constraints, the CERS Investment Committee opted to postpone their discussion of the strategic planning process to a future meeting.

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 February 28, 2024, were approved by the County Employees Retirement System Investment Committee on May 22, 2024.


CERS Investment Committee Chair

I have reviewed the Minutes of the County Employees Retirement System Investment Committee Meeting on February 28, 2024, for form, content, and legality.


Office of Legal Services