# MINUTES OF MEETING
# COUNTY EMPLOYEES RETIREMENT SYSTEM
# BOARD OF TRUSTEES SPECIAL CALLED MEETING
# JUNE 29, 2026, AT 2:00 P.M. ET
# VIA LIVE VIDEO TELECONFERENCE

At the Special Called Meeting of the County Employees Retirement System Board of Trustees held on June 29, 2026, the following members were present: George Cheatham (Chair), Dr. Patricia Carver, Michael Foster, Jim Tony Fulkerson, Steven Webb, and Tommy McGraw. Staff members present were CERS CEO, Ed Owens III, Erin Surratt, Michael Board, Odette Gwandi, Victoria Hale, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ian Blaiklock, Colby Cracraft, Phillip Cook, Sherry Rankin, and Mary Hill. Others present included David Lindberg, Chris Tessman, and John Patterson with Wilshire; and Eric Branco with Johnson, Branco, Brennan & Collins, LLP.

1. Mr. Cheatham called the meeting to ***order***.

2. Mr. Branco read the ***Legal Opening Statement***.

3. Ms. Rankin ***called roll***.

4. Mr. Cheatham introduced the agenda item ***Public Comment***. Ms. Rankin indicated that no public comment was submitted.

5. Mr. Cheatham bypassed agenda item ***Chairman's Corner*** to move into the rest of the agenda.

6. Mr. Cheatham introduced agenda item ***Investment Committee Recommendation.*** *(Video 00:21:47 to 00:40:34)*. He stated the Investment Committee reviewed two (2) investments at the committee meeting and introduced Mr. Patterson to discuss the first of those investments, Valor Equity Partners Fund VII. Mr. Patterson provided an overview, highlighting Valor's focus on minority growth equity investments in high-growth companies, its strong operating team, and top quartile and decile performance in prior funds. He stated the firm has over $30 billion in assets under management and is raising its seventh flagship fund.

Mr. Patterson stated that Fund VII targets companies with product-market fit and significant revenue, often profitable, and focuses on sectors such as advanced engineering, artificial intelligence, molecular engineering, computing, and hardware. He also highlighted how Valor's hands-on operating team differentiates it from other growth equity firms. Mr. Patterson further noted Valor’s success with both companies backed by Elon Musk and with companies outside that network. Key person risk and historic turnover was addressed and Mr. Patterson reported confidence in both the partner group and company culture after a thorough investigation.

Regarding expected returns, Mr. Patterson noted that expected returns for Fund VII are a minimum of 3X and 30% at the asset level, with potential for higher returns in outlier deals. Exit strategies include IPOs, trade sales, sales to other sponsors, and continuation vehicles. He also stated that Fund VII is seeded with seven (7) investments, including $450 million of SpaceX exposure at prior round valuations, not at current public market values. He clarified this is existing exposure being transferred into Fund 7, not a new purchase. Following the presentation, Mr. Cheatham requested a motion to ratify the Investment Committee’s recommendation to make a $40 million commitment to Valor Equity Partners Fund VII as presented, subject to successful contract negotiations. Mr. Fulkerson made the motion, and it was seconded by Mr. Foster. Before voting, Dr. Carver requested some clarification regarding the contract negotiations. Ms. Hale stated that successful contract negotiation includes statutory requirements (indemnity, jurisdiction, venue), review of business risks, and successful redaction for web publication. She stated that past investments have been withdrawn if contract publication requirements were not met. Following this explanation, a vote was held and the motion passed unanimously.

Mr. Cheatham introduced Anthony Chiu to discuss the Arctos Keystone Partners Fund I. Mr. Chiu described Arctos’ strategy as one that provides capital solutions to private market firms, including funding succession, growth, and General Partner (GP) commitments. He highlighted the fact that the Fund uses bespoke agreements with over-collateralization and self-liquidating securities, targeting a select market of private firms. Mr. Chiu stated that the Fund has closed eleven (11) transactions to date, and has a diverse portfolio across infrastructure, buyouts, special situations, energy, and credit, including both established and emerging managers.

Regarding return on investment, Mr. Chiu stated overall target is a 2X net and 20% net internal rate of return. For each of the fund investments, typical target to return capital is by year five (5), with full exit by year nine (9). Mr. Owens expressed his enthusiasm for this Fund and explained how the “over-collateralization” in the special purpose vehicle (“SPV”) structure incentivizes GPs to exit as soon as possible, with distribution events occurring at the extinguishment of each contract.

Following the presentation, Mr. Cheatham requested a motion to ratify the Investment Committee’s recommendation to make a $75 million commitment to Arctos Keystone Partners Fund I, as presented, subject to successful contract negotiations. Mr. Fulkerson made the motion, and it was seconded by Mr. Webb. A vote was held and the motion passed unanimously.

7. Mr. Cheatham confirmed with Mr. Board and Mr. Branco that there was no need for a ***Closed Session.***

8. There being no further business, Mr. Cheatham requested a motion to adjourn. A motion was made by Mr. Foster and seconded by Mr. Fulkerson. The motion passed unanimously, and the meeting was ***adjourned.***

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## CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees 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 conjunction with this meeting.

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Recording Secretary

I, the Chair of the Board of Trustees of the County Employees Retirement System, do certify that the Minutes of Meeting held on June 29, 2026, were approved on September 14, 2026.

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Chair of the Board of Trustees

I have reviewed the Minutes of the June 29, 2026, Board of Trustees Meeting for content, form, and legality.

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Executive Director
Office of Legal Services