MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
INVESTMENT COMMITTEE SPECIAL-CALLED MEETING
JUNE 29, 2026, 1:15 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE

At the June 29, 2026, County Employees Retirement System Investment Committee Special-Called Meeting, the following committee members were present: George Cheatham, Jim Tony Fulkerson, and Tommy McGraw. Staff members present were CERS CEO, Ed Owens III, Erin Surratt, Odette Gwandi, Victoria Hale, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ian Blaiklock, Colby Cracraft, Phillip Cook, Sherry Rankin, and Mary Hill. Also in attendance were Eric Branco with Johnson, Branco, Brennan & Collins, LLP; and David Lindberg, Chris Tessman, Craig Morton, and John Patterson with Wilshire.

1. The meeting was ***called to order*** by Mr. Cheatham.

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

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

4. Ms. Rankin noted that no ***Public Comments*** were received.

5. Mr. Cheatham introduced agenda item ***Private Equity Investment Recommendation.*** *(Video 00:10:00 to 00:27:13).* Mr. Patterson presented an overview of Valor Equity Partners Fund VII and addressed how the investment fits into the previously approved pacing plan for private equity investments. The fund targets companies at an inflection point, typically with product-market fit, significant revenue, and profitability. Valor Equity Partners has raised six (6) flagship funds previously, with Fund VII as the latest iteration. The firm also has two (2) opportunity funds, two (2) venture capital funds, and two (2) joint ventures, with assets under management exceeding $30 billion as of the end of last year. The fund's sector focus includes advanced engineering, artificial intelligence, molecular engineering, computing, and hardware. Mr. Patterson noted that Valor

differentiates itself through its "hands-on approach" utilizing a 35-person operations team ("scale group") that runs hundreds of value-creating projects at portfolio companies. Mr. Patterson recommended a $40 million commitment to Valor Fund VII and stated it is an appropriate allocation for the venture growth portion of the portfolio.

Due diligence focused on Valor's network, which includes early investments in Elon Musk-backed companies (Tesla, SpaceX, Neuralink, etc.) and other non-Musk companies (Anduril, Crusoe, GoPuff, Nirvana, Harmony, and Addepar). Mr. Patterson noted that deal flow is robust from both Musk and non-Musk networks and key person risk around Antonio Gracias was assessed, with comfort gained from the strength and alignment of other partners (Jonathan Shulkin, Juan Saboteur, Brad Sheftel, and Vivek Patipatti).

Mr. Cheatham requested some clarification on Valor's historical and expected rate of return and Mr. Patterson explained that Valor typically targets a 3X return and 30% net internal rate of return at both deal and fund levels. He further noted this is higher than typical buyout strategies due to the higher risk profile of minority investments. Regarding exit strategies, Mr. Patterson stated there were several different exit routes, with IPO, trade sale, and sponsor transaction being the most typical. The investment timeline was clarified as six (6) to ten (10) years and the strategy was described as later-stage growth equity, not early-stage venture. Regarding SpaceX, Mr. Patterson confirmed that the fund has seeded its portfolio with seven (7) assets, including SpaceX, and investors will gain access to SpaceX at a discount to the publicly traded stock price. He was careful to note that all exposure will be to existing equity owned by Valor, not future shares or warrants.

Following Mr. Patterson's presentation, Mr. Cheatham requested a motion to accept the recommendation to invest $40 million in the Valor Capital Fund. Mr. Fulkerson made the motion to accept, and Mr. McGraw seconded. A vote was held and the motion passed unanimously.

Mr. Cheatham then introduced Anthony Chiu to discuss Arctos Keystone *(Video 00:27:23 to 00:41:51).* Mr. Chiu provided an overview of the Arctos Keystone strategy and noted that CERS already has investments with Arctos in both Arctos Sports 2 and the American Football Fund. He stated that Keystone is a business focused on solving problems for sports team owners and General Partners ("GPs") in private markets, including succession issues and fund commitments. Keystone currently has eleven (11) closed deals, and their strategy has been monitored for nearly three (3) years, demonstrating growth and successful deal execution. Mr. Chiu highlighted Keystone's unique approach in the market, offering alignment and access not easily available elsewhere. Keystone's investment structure typically involves preferred equity into GPs, with GPs contributing cash flow streams (such as management fees and carry) into a special purpose vehicle ("SPV"). Mr. Chiu noted that Arctos has first claim on these streams, and the investment is self-liquidating once agreed thresholds are met. After reaching thresholds, the structure may shift to shared claims until further thresholds are achieved. He further explained that each deal is bespoke and tailored to the needs of individual GPs, offering a solution that avoids permanent sale of minority stakes and provides a way for GPs to access capital without losing control. He clarified the capital is relatively expensive for GPs, but the investment is designed to eventually exit if the firm grows as expected. Mr. Chiu also highlighted liquidity opportunities that are structured within the fund documents at years 10, 14, 18, and every four (4) years thereafter.

Mr. Cheatham requested clarification on the average timeline for a deal to be closed and Mr. Chiu stated that it typically is a lengthy process. He further stated that Keystone generally targets returns in about five (5) years, with full exit around year nine (9). Mr. Owens expressed strong support for the Keystone investment and stated that an investment range of $75 million to $125 million would keep in line with the CERS pacing strategy. Mr. Cheatham agreed with his assessment of the pacing schedule and requested a motion to approve a $75 million investment in Arctos Keystone Partners Fund I. Mr. McGraw made the motion to approve and Mr. Fulkerson seconded. A vote was held and the motion passed unanimously.

6. There being no further business, Mr. Cheatham requested a motion to adjourn. Mr. Fulkerson made the motion and Mr. McGraw seconded. 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 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 June 29, 2026, were approved by the County Employees Retirement System Investment Committee on August 26, 2026.

CERS Investment Committee Chair

I have reviewed the Minutes of the County Employees Retirement System Investment Committee Meeting on June 29, 2026, for form, content, and legality.

Office of Legal Services