MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
SPECIAL CALLED
INVESTMENT COMMITTEE MEETING
JUNE 3, 2026, 3:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE

At the June 3, 2026, Special Called Meeting of the Kentucky Retirement Systems' (KRS) Investment Committee, the following Committee members were present: Prewitt Lane (Chair), Ramsey Bova, Lynn Hampton, and Pamela Thompson. Staff members present were KRS CEO John Chilton, Ryan Barrow, Odette Gwandi, Victoria Hale, Carrie Bass, Steve Willer, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ian Blaiklock, Ann Case, Phillip Cook, and Sherry Rankin. Others in attendance included TKIP Investment intern, Colby Cracraft; TKIP Legal intern, Brandon Neilson; David Lindberg and Chris Tessman with Wilshire Advisors, LLC; and Nicholas Zuiker with Reinhart Boerner Van Deuren s.c.

1. Mr. Lane called the meeting to ***Order.***

2. Ms. Hale read the ***Legal Opening Statement.***

3. Ms. Rankin took ***Roll Call.***

4. Ms. Rankin reported there were no ***Public Comments***.

5. Mr. Lane introduced agenda item ***KRS Investment Related Policy Review (****Video 00:10:12 to 00:59:09).* Mr. Lane introduced Carrie Bass to give her presentation. She began by introducing the TKIP intern working in the Legal department, Brandon Neilson, who was sitting in at the meeting. Ms. Bass moved on to discuss the bases for the recommended changes to the investment policies, including a review of other pension plan investment policies, addressing Internal Audit findings, ongoing conversations with the CIO and Investment team, and a May 2026 Aon Study of the fifty (50) largest public pension plans. The proposal includes condensing the current IPS and nine (9) ancillary policies into a single comprehensive document with additional standalone policies on security litigation and securities trading.

Ms. Bass highlighted the main revisions and noted that all current sections of the IPS would be included. Specific policies, including the investment security lending guideline, brokerage policy, and manager disclosure policies will be delegated to investment staff for implementation. A legacy real estate policy no longer in use will be repealed while securities litigation and trading policies will remain unchanged. She went on to highlight one (1) significant change that will allow investment decision making below a certain threshold to be delegated to KPPA Investment staff. She then clarified that the reporting structure, monitoring, and ultimate fiduciary duty to oversee the investment and management of these assets remained with the full Kentucky Retirement Systems Board of Trustees.

Ms. Bass continued her presentation and explained the reasoning behind the largest recommended changes, specifically the delegation of investment decision-making to KPPA Investment staff. She stated that delegation to experts in the area of investment is an appropriate exercise of the Board's fiduciary duty and such delegation minimizes risk of Trustees' exposure to material non-public information. This policy will also improve the agility of the KPPA investment staff to pursue investment opportunities for the Kentucky Retirement System. She reiterated that the Board would continue to set the asset allocations, performance objectives, and benchmarks. The Board will also set restrictions and guidelines so assets remain diversified, set proxy voting guidelines, and remain responsible for the monitoring and oversight of trust assets. She continued by stating that the Board remains as fiduciary and may amend this policy at any time.

Following her presentation, Ms. Bass introduced outside counsel, Nick Zuiker, from Reinhart Boerner Van Deuren. Mr. Zuiker began by stating that he was asked to review the proxy voting guidelines and provide recommended updates to bring them more in line with modern practice. He noted that the guidelines are intended to "effectuate the Board's duty to vote its proxies consistent with its overall fiduciary duties of care and loyalty to the plan participants." The proposed recommendations will incorporate some flexibility in the guidelines, specifically for cases in which boards are not sufficiently independent, when there are Board tenure concerns, and when directors are unable to commit the necessary time to their commitment. The second update recommended pertained to the appointment of auditors. Mr. Zuiker stated that this provision, in nearly all circumstances, was a standard formality. In the very rare event that there is a concern about an auditor's independence, there is flexibility for the Board to withhold a vote or vote against the auditor.

Mr. Zuiker went on to discuss recommended changes in language regarding the Board's structure, noting that the new language condensed some of the more common issues that come up when analyzing and determining how proxies vote; voting on whether to appoint an independent board chair or lead director, separation of the chair and CEO roles to minimize the conflicts between management and board service, and to form or implement board committees. He stated that the typical expectation and best practice is for the Board to vote in favor of proposals that support Board effectiveness and independence. Mr. Zuiker then briefly discussed language regarding executive compensation and an exception intended to address compensation plans that do not permit or do not sufficiently address claw back of unearned or mis-earned executive compensation. He further noted some added language regarding takeovers.

He went on to discuss some deleted language pertaining to employee relations and fair pricing provision, as they are not commonly included in proxy voting policies. Some added language addressed guidelines for director compensation, proxy access proposals, and the opposition to the creation of tracking stock. Mr. Zuiker highlighted added language regarding greater transparency and oversight, and noted that the language is intended to be vague in the interest of flexibility for the Board when determining whether a proposal is in the best interests of its participants and beneficiaries. Regarding a question about some more controversial issues in the news, Mr. Zuiker explained that the language was written to specifically avoid controversial terms to allow the Board to fulfill their fiduciary duty of maximizing the long-term value of the benefits fund. Ms. Hale spoke up to remind the Committee that there has been legislation passed in Kentucky that specifically prohibits a board from either seeking out or avoiding an Environmental, Social, and Governance ("ESG") issue. As the Board's duty is to vote proxies in the best interest of the beneficiaries, it is to solely consider the pecuniary interest in the matter, as required by statute.

Ms. Hale went on to explain that this policy will be provided to the outside service hired to perform the proxy voting and that service is instructed to vote according to the policy. Ms. Bass then pointed out the language in the policy that states if further guidance is required, the Board reserves the right for the investment staff to provide additional direction to the voting party to vote in accordance with the policy, ensuring oversight and governance. There was further brief discussion about the various checks and balances throughout the proxy voting process and it was noted that the results of the votes may be found on the KPPA website in the interest of transparency. Mr. Zuiker finally noted that proxy voting is but one (1) tool used to exercise the rights of a shareholder.

Following the presentation, there was a robust discussion regarding any similar proposed changes to the CERS Board's policy and the benefits of ensuring consistency between the two to allow for a more streamlined investment process that results in fewer complications for staff. Mr. Willer agreed that it would be more efficient and easier for staff to have the same or very similar policies for the Boards, but he assured the Committee that his staff is more than capable of handling the investment needs of each Board independently and as required.

Mr. Lane requested a motion to approve the Kentucky Retirement Systems' Statement of Investment Objectives & Policies as presented and to recommend its adoption by the full KRS Board. Ms. Bova made the motion to approve, and it was seconded by Ms. Thompson. The motion passed without objection.

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

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.

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Recording Secretary

I, as Chair of the Kentucky Retirement Systems Investment Committee, do certify that the Minutes of the meeting held on June 3, 2026, were approved by the Kentucky Retirement Systems Investment Committee on August 19, 2026.

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Committee Chair

I have reviewed the Minutes of the Kentucky Retirement Systems Investment Committee Special Called Meeting on June 3, 2026, for form, content, and legality.

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Office of Legal Services