

**MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
SPECIAL CALLED INVESTMENT COMMITTEE
MARCH 25, 2021, 9:00 A.M., E.T.
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF
EMERGENCY EFFECTIVE MARCH 6, 2020 DUE TO COVID-19**

At the March 25, 2021 Special Called Investment Committee Meeting, the following Committee members were present: Prewitt Lane (Chair), Joseph Grossman, Kelly Downard, Keith Percy, John Cheshire, III, Matthew Monteiro, and Betty Pendergrass. Trustees Jerry Powell, W. Joe Brothers, and J.T. Fulkerson were also present. Staff members present were David Eager, Steven Herbert, Kathy Rupinen, Victoria Hale, Rebecca Adkins, Erin Surratt, Anthony Chiu, Joseph Gilbert, Alane Foley and Carol Johnson. Also present were William O'Mara, Merl Hackbart, Mike Foster, and George Cheatham.

Mr. Prewitt Lane called the meeting to order and Ms. Alane Foley called roll.

Mr. Prewitt Lane introduced agenda item *Public Comment*. Ms. Alane Foley stated that no public comments were submitted.

Mr. Prewitt Lane introduced agenda item *Approval of Minutes February 2, 2021*. Mr. Kelly Downard moved and was seconded by Mr. Joseph Grossman to approve the minutes as presented. The motion passed unanimously.

Mr. Prewitt Lane introduced agenda item *Manager Re-up Recommendations*- MiddleGround Partners II, New State Capital Partners Fund III, Strategic Value Special Situations Fund V-*

Mr. Anthony Chiu - Mr. Prewitt Lane stated if there was no objection he was going to present each manager and recommendation separately. Mr. Prewitt Lane gave a brief overview of MiddleGround Partners II and then asked if any Committee member had any questions. Ms. Betty Pendergrass asked what the total CERS investment amount is with these investments. A brief discussion ensued. Mr. Prewitt Lane stated it was approximately south of \$100 million. Ms. Betty Pendergrass stated that she believed the Committee should wait to vote on these matters until after the CERS investment board will be able to vote on this investment. There was a discussion regarding the closing date on these investments. One of the investments had a closing date prior to the April 1, 2021 date where the new CERS board comes into effect. A second investment was to close around April 9, 2021, which would not give the new boards enough time to meet, designate respective investment committees, have the investment committees meet to vote on these matters, and bring the committee decisions back to the respective boards for ratification. The last investment had a closing date of mid-April. Mr. Prewitt Lane asked if there was a motion to invest up to \$75 million in MiddleGround Partners II, as well as a \$37.5 million co-investment to be shared among all plans. Mr. John Cheshire motioned and Mr. Kelly Downard seconded the motion. After a roll call vote, all Investment Committee members, except Ms. Betty Pendergrass, voted in favor of the motion. Ms. Betty Pendergrass voted against the motion. The motion passed.

Mr. Prewitt Lane then gave a brief overview of Strategic Value Special Situations Fund V.

After a brief discussion Mr. John Cheshire, III moved and was seconded by Mr. Kelly Downard to approve an investment of \$100 million in Strategic Value Special Situations Fund V to be shared among all plans. After a roll call vote, all Investment Committee members, except Ms. Betty Pendergrass, voted in favor of the motion. Ms. Betty Pendergrass voted against the motion. The motion passed.

Mr. Prewitt Lane presented New State Capital Partners Fund III. After a brief discussion Mr. Mr. Prewitt Lane asked if there was a motion to invest \$35 million in New State Capital Partners Fund III to be shared among all plans. Mr. Joseph Grossman motioned and it was seconded by Mr. John Cheshire. After a roll call vote, all Investment Committee members, except Ms. Betty Pendergrass, voted in favor of the motion. Ms. Betty Pendergrass voted against the motion. The motion passed.

There being no further business, Mr. Joseph Grossman moved and was seconded by Mr. Kelly Downard to adjourn the meeting at 9:30 a.m. The next meeting of the Investment Committee is scheduled for 9:00 a.m. on May 4, 2021. Copies of all documents presented are incorporated as part of the minutes of the Special Called Investment Committee meeting held March 25, 2021.

CERTIFICATION

I do certify that I was present at this meeting and I have recorded above the action of the Committee

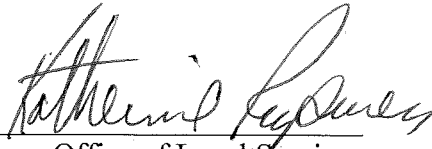
on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in connection with this meeting.


Recording Secretary

I, as Chair of the Investment Committee of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of the meeting held on February 2, 2021 were approved by the Investment Committee on March 25, 2021.


Committee Chair

I have reviewed the Minutes of the Special Called Investment Committee Meeting on March 25, 2021 for form, content, and legality.


Office of Legal Services