

**MINUTES OF MEETING
COUNTY EMPLOYEES RETIREMENT SYSTEM
INVESTMENT COMMITTEE MEETING
MAY 25, 2022, 2:00 P.M., E.T.
VIA LIVE VIDEO TELECONFERENCE**

At the May 25, 2022 County Employees Retirement System' (CERS) Investment Committee Meeting, the following Committee members were present: Dr. Merl Hackbart (Chair), George Cheatham, II, Dr. Martin Milkman, William O'Mara, and Jerry Powell. Staff members present were David Eager, Steven Herbert, Victoria Hale, Rebecca Adkins, Joseph Gilbert, Jared Crawford, Sherry Rankin, and Shaun Case. Also in attendance were CERS CEO, Ed Owens, III, and David Lindberg and Craig Morton of Wilshire.

Dr. Hackbart called the meeting to order.

Ms. Hale read the legal opening statement.

Ms. Rankin took Roll Call.

There being no public comment, Dr. Hackbart introduced agenda item *Approval of Minutes – December 10, 2021 and April 22, 2022*. A motion was made by Mr. Powell and seconded by Mr. O'Mara to approve the December 10, 2021 minutes as presented. The motion passed unanimously. A motion was made by Mr. Milkman and seconded by Mr. Powell to approve the April 22, 2022 minutes as presented. The motion passed unanimously.

Dr. Hackbart introduced agenda item *Quarterly Performance Report*. Mr. Morton of Wilshire reviewed the informational Capital Market Update with the Committee. Mr. Lindberg of Wilshire presented a report on the CERS Pension Plan Asset Allocation Compliance as of March 31, 2022. In his presentation, Mr. Lindberg stated that the CERS Pension Plan is more conservative than most public pension plans. Mr. Milkman asked if this should be a long-term concern. Mr. Lindberg stated that asset allocation was recently revisited and an asset-only study was completed. He recommended that a full asset liability study be conducted in the near future to review the plan and asset allocation on a deeper level. This presentation was for informational purposes only.

Dr. Hackbart introduced agenda item *Investment Office Update*. Mr. Steven Herbert briefly presented on the KPPA Monthly Performance Update to the Investment Committee. Mr. Herbert informed the Committee that he is currently conducting a Real Estate Fund Search and a Commodity Search with the assistance of Wilshire. These findings are targeted to be presented to the Committee at the next Investment Committee meeting.

Dr. Hackbart introduced agenda item *Preliminary Strategic Plan Discussion*. The Committee is in the preliminary stages of creating a strategic plan for CERS. Dr. Hackbart stated that there will be several components to the strategic plan. Dr. Hackbart reviewed the five goals that have been identified; (1) develop a full-day in person training curriculum for committee members to interact with various industry professionals; (2) advice and consent with KPPA in the hiring of a complete Investment Office team thereby allowing more functionality to be brought in-house; (3) strengthen the collaboration between the investment committee and the investment consultant; (4) strengthen quarterly investment performance reporting to the CERS Investment Committee; and (5)

strengthen quarterly compliance reporting to the CERS Investment Committee. Mr. Ed Owens thanked Dr. Hackbart for his work on the Preliminary Strategic Plan and stated that he would like to have a conversation with each Committee member to discuss additional goals and modifications to the plan. Input of all Committee members will be included before final presentation to the CERS Board. Mr. Eager requested that Dr. Hackbart work cooperatively with the KRS Board to ensure alignment.

A motion was made by Mr. Powell and seconded by Mr. O'Mara to adjourn the meeting. The motion passed unanimously.


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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 May 25, 2022 were approved by the County Employees Retirement System Investment Committee on August 31, 2022.


Committee Chair

I have reviewed the Minutes of the County Employees Retirement System Investment Committee Meeting on May 25, 2022 for form, content, and legality.


Office of Legal Services