MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
INVESTMENT COMMITTEE MEETING
SEPTEMBER 11, 2025, 9:15 A.M., E.T.
VIA LIVE VIDEO TELECONFERENCE

At the September 11, 2025, Special-Called Meeting of the Kentucky Retirement Systems' (KRS) Investment Committee, the following Committee members were present: Prewitt Lane, David Adkins, and Ramsey Bova. Staff members present were KRS CEO John Chilton, Ryan Barrow, Rebecca Adkins, Erin Surratt, Victoria Hale, Steve Willer, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ian Blaiklock, Shaun Case, Sherry Rankin, and Sandy Hardin. Others in attendance included and Chris Tessman, Craig Morton, and Marc Friedberg with Wilshire Advisors, LLC.

1. Mr. Lane called the meeting to order.

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

3. Ms. Hardin took ***Roll Call***.

4. Ms. Hardin reported there was no ***Public Comment*** *(Video 00:02:26 to 00:02:31).*

5. Mr. Lane introduced agenda item ***Approval of Minutes – May 22, 2025*** *(Video 00.02:31 to 00:03:24)* Mr. Adkins made a motion to approve the minutes of the May 22, 2025, meeting as presented. Mr. Lane seconded the motion. The motion passed unanimously.

6. Mr. Lane introduced agenda item ***Private Equity Investment Recommendation*** *(Video 00:03:24 to 00:23:14).* Mr. Willer provided an overview of the staff's continued structural underweight position in private equity, citing more favorable risk-reward opportunities in other asset classes. He highlighted the recent challenges in the private equity market, including the impact of higher interest rates on valuations and deal activity, leading to reduced exits, lower fundraising, and minimal distributions—the lowest since 2009. These factors have contributed to underperformance relative to public markets, validating the portfolio's current positioning. However, Mr. Willer introduced the Strategic Value Special Situations Fund VI as a

differentiated and promising opportunity, managed by a proven partner with a decade of experience with the system. He concluded by turning the discussion over to Mr. Chiu for further detail and questions.

Mr. Chiu elaborated on the impact of rising interest rates on private equity, noting decreased expected returns and valuation challenges. He reviewed the historical underweight positioning of the KERS and SPRS pension plans, which avoided commitments from 2011 to 2021 due to liquidity concerns—ultimately sidestepping underperforming vintages. Legacy exposures, such as Bay Hills, remain, with many assets over 10 years old. He emphasized the need for newer commitments and discussed strategies such as buyouts, secondaries, and venture capital, highlighting market saturation and valuation risks. The recommendation is to commit to Strategic Value Partners Fund VI, citing strong past performance in Funds IV and V and successful distressed investments. Mr. Willer confirmed both prior funds have performed well, and Fund V is nearing the end of its investment period.

Ms. Bova asked if returned capital is returned to the general fund, and Mr. Chiu confirmed it is returned as cash. Mr. Adkins then questioned the impact on allocation criteria, and Mr. Chiu explained the new investment would move the plans closer to their private equity targets, which were previously reduced due to more attractive returns in fixed income and private credit. Mr. Willer added that liquid security and proxy positions are being managed to offset the underweight and would be wound down as capital is called for the new investment.

Mr. Adkins made a motion to approve the KPPA Investment Staff's recommendation to authorize an investment by KRS up to $75 million into the Strategic Value Special Situations Fund VI, subject to successful contract negotiations. Ms. Bova seconded the motion. Following a roll call vote, the motion passed unanimously.

7. There being no further business, Mr. Lane ***adjourned*** the meeting.

Copies of all documents presented are incorporated as part of the minutes of the Kentucky Retirement Systems' Investment Committee meeting held on September 11, 2025.

The remainder of this page left blank intentionally.

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 Kentucky Retirement Systems Investment Committee, do certify that the Minutes of the meeting held on September 11, 2025, were approved by the Kentucky Retirement Systems Investment Committee on November 20, 2025.

____
Committee Chair

I have reviewed the Minutes of the Kentucky Retirement Systems Investment Committee Meeting on September 11, 2025, for form, content, and legality.

____
Office of Legal Services