

## MINUTES

### KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES

#### Educational and Planning Session

October 18, 2007

The Board's annual Educational and Planning Session was called to order by Chairperson Jody Boeding at 1:10 p.m. on October 18, 2007, in the Retirement System Boardroom, Topeka, Kansas.

Board members present:

- Jody Boeding, Chairperson
- Doug Wolff, Vice Chairperson
- Duane Anstine
- Jarold Boettcher
- Michael Braude
- John T. Edmonds
- Lon Pishny
- Rachel Lipman Reiber

Ms. Boeding welcomed all participants.

Ms. Boeding recognized Laurie McKinnon, General Counsel. Ms. McKinnon administered the Oath of Office to new Board member, John T. Edmonds.

Ms. Boeding recognized Glenn Deck, Executive Director, who previewed the meeting agenda and objectives of the annual Educational and Planning Session.

#### **Strategic Plan Update**

Jody Boeding recognized Glenn Deck, Executive Director. Mr. Deck reviewed the 2006-2010 Strategic Plan, provided a Strategic Plan Progress Report presentation, and responded to questions.

#### **Asset/Liability Study**

Jody Boeding recognized Robert "Vince" Smith, Chief Investment Officer. Mr. Smith introduced the Asset/Liability Study topic and recognized Robert T. McCrory, EFI Actuaries. Mr. McCrory provided an update on the 2007 Asset/Liability Project and a demonstration of the modeling process. Mr. McCrory, Mr. Smith and Allan Emkin of PCA, responded to questions.

Doug Wolff joined the meeting at 2:55 p.m.

### **Actuarial Experience Study**

Jody Boeding recognized Pat Beckham, Milliman, Inc., who provided a progress presentation on the 2007 Actuarial Experience Study and responded to questions.

Meeting recessed at 4:25 p.m.

### **Dinner and Economic Overview Presentation**

Board members and staff met at The Kansas Historical Center at 6:00 p.m. for a dinner and presentation by H. “Woody” Brock, Strategic Economic Decisions. Dr. Brock provided an economic overview presentation and responded to questions.

**KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES**

**Educational and Planning Session**

**October 19, 2007**

The Board's annual Educational and Planning Session reconvened at 8:00 a.m., Friday, October 19, 2007, in the Retirement System Boardroom.

Board members present:

- Jody Boeding, Chairperson
- Doug Wolff, Vice Chairperson
- Duane Anstine
- Jarold Boettcher
- Michael Braude
- John T. Edmonds
- Lon Pishny
- Rachel Lipman Reiber

**Investment Presentations**

Jody Boeding recognized Robert "Vince" Smith, Chief Investment Officer who introduced Kathleen Gaffney of Loomis, Sayles & Company. Ms. Gaffney provided a presentation, "Global Credit Crunch: Yesterday, Today & Tomorrow", and responded to questions.

Mr. Smith introduced Andrea M. Bollyky of Aetos Alternative Management, LLC. Ms. Bollyky gave an overview of Aetos and introduced Michael F. Klein also of Aetos Alternative Management, LLC who provided a presentation, "An Overview of Absolute Return Strategies". Mr. Klein and Ms. Bollyky responded to questions.

**Legislative Agenda**

Jody Boeding recognized Glenn Deck, Executive Director. Mr. Deck provided a report on the System's legislative proposals for the 2008 Session and responded to questions.

Doug Wolff made a motion that the Board approve the five legislative proposals for the Retirement System's 2008 Legislative Agenda. Jarold Boettcher seconded the motion. Motion passed.

Mr. Deck reviewed legislative issues to come before the Joint Committee on Pensions, Investments and Benefits in November and responded to questions.

## **Private Equity Investments**

Jody Boeding recognized Robert “Vince” Smith, Chief Investment Officer. Mr. Smith provided an overview of the history of the System’s private equity investments and the recent initiatives in this asset class. Mr. Smith recognized Cheri Woolsey, Alternatives Investment Officer, who provided a report on Warburg Pincus Fund X. Tad Fergusson of Pension Consulting Alliance (PCA) provided a summary of PCA’s due diligence report and recommendation on the investment. Ms. Woolsey, Mr. Fergusson and Allan Emkin of PCA, responded to questions.

Doug Wolff made a motion that the Board authorize staff to proceed with the investments as described above pending satisfactory and final review of partnership documents. Michael Braude seconded the motion. Motion passed. Yes – Jody Boeding, Doug Wolff, Duane Anstine, Jarold Boettcher, Michael Braude, Lon Pishny, Rachel Lipman Reiber. No – John T. Edmonds.

Jody Boeding recognized Cheri Woolsey, Alternatives Investment Officer, who provided a report on Oaktree Capital Management Opportunities Fund VIIb. Tad Fergusson of Pension Consulting Alliance (PCA) provided a summary of PCA’s due diligence report and recommendation on the investment. Ms. Woolsey, Mr. Fergusson and Allan Emkin of PCA, responded to questions.

Doug Wolff made a motion that the Board authorize staff to proceed with the investments as described above pending satisfactory and final review of partnership documents. Michael Braude seconded the motion. Motion passed. Yes – Jody Boeding, Doug Wolff, Duane Anstine, Jarold Boettcher, Michael Braude, Lon Pishny, Rachel Lipman Reiber. No – John T. Edmonds.

## **Board Self-Evaluation**

Jody Boeding, Chairperson, led a discussion on the Board’s annual self-evaluation. Based on this discussion, the Chairperson requested that the Executive Director follow-up on these items; general consultant probation status, discussion of a Board policy on proposed KPERS benefits legislation that is not prudently funded, and consideration of an off-site Board meeting.

Meeting adjourned at 12:50 p.m.