

Police Retirement System of Kansas City, Missouri and Civilian Employees' Retirement System of the
Police Department of Kansas City, Missouri

Investment Committee Meeting

June 1, 2021

Mr. Pyle called the meeting to order.

Present:

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| Chad Pickens, Member | Marcia Beard, RVK |
| Scott Hummel, Member | Ryan Sullivan, RVK |
| Bob Jones, Member | Robert Woodard, Mariner |
| Tom Mills, Member | Jason Hoy, Staff |
| DeJ'on Slaughter, Member | Jim Pyle, Staff |
| Brian Bartch, Member | |
| John Mueller, Member | |

White Oak Fixed Income Fund Review

Paul Ahrens and Will Pierce from White Oak provided a portfolio review of the Fixed Income (Direct Lending) Fund. Mr. Ahrens provided an overview of White Oak's loan characteristics which include working capital loans, equipment leasing loans, and corporate term loans. Working capital (asset based) loans, which make up the largest portion of the Fixed Income fund, represent a line of credit with cash and receivables inventory serving as the loan collateral. Asset backed equipment/leasing loans are made with hard assets serving as the collateral. Corporate term loans are generally 3 years or less in duration, include very tight covenants, and have receivables or hard assets serving as collateral. Mr. Pierce said the Fixed Income fund has a net asset value of \$450 million with the Police plan investment totaling \$52 million and the Civilian Employees' plan investment totaling \$8 million. The Fixed Income fund has made loans to 40 unique borrowers but several borrowers have multiple loans. Loans are diversified over broad sector categories with the financials and industrials sectors having the largest market value exposure. Mr. Ahrens said White Oak is increasing their exposure to healthcare and working to exit the energy sector. Geographically, 94% of the portfolio is loaned to US based companies with almost half of the loans being made to companies located in the Northeast.

Mr. Pierce said a typical asset based White Oak loan is made to a company that has a product which it sells to Amazon, Walmart, or Target. White Oak will loan the company money for raw materials and production and secure the loan with the receivable due from Amazon, Walmart or Target.

April 2021 Investment Portfolio Analysis

Ms. Beard and Mr. Sullivan reviewed the April 2021 Investment Performance Analysis. Mr. Sullivan reviewed the April capital markets flash report which showed positive returns for equities, fixed income, and alternatives. Ms. Beard said the Police plan gained 2.13% net of fees in April and had an ending

market value of \$1.034 billion. The Civilian Employees' plan gained 2.15% net of fees and had an ending market value of \$174.1 million. The target benchmark for both plans gained 1.94%. For the one year period ending in April, the Police plan gained 22.2% net of fees and the Civilian Employees' plan gained 22.5% net of fees. The target benchmark for the same time period gained 17.2%.

The next IC meeting, scheduled for August 3 at 9:00am via conference call.