

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

Investment Committee Meeting

June 06, 2023

Mr. Stewart called the meeting to order.

Present:

Wayne Stewart, Member	Jenn Best, Staff
Bob Jones, Member	Kasey Hiltgen
John Mueller, Member	Jason Hoy, Staff
Marcia Beard, RVK	
Ryan Sullivan, RVK	
Robert Woodard, Mariner	

April Investment Performance Analysis

Mr. Sullivan and Ms. Beard of RVK reported that all asset classes, except for Private Equity, had positive returns in the capital markets flash report for April. The Police plan achieved a net gain of .39% after fees, with an ending market value of \$945 million, while the Civilian Employees' plan achieved a net gain of .41% after fees, with an ending market value of \$164 million. Although the target benchmark for both plans saw a gain of .75%, the Police plan only gained .03%, and the Civilian Employees' plan gained .11% net of fees for the one-year and fiscal year periods ending in April. In comparison, the target benchmark for the same time period gained 1.57%. The Police plan fell short by 7.22% of the 7.25% fiscal year-to-date target, while the Civilian Employees' plan fell short by 6.99% of the 7.10% fiscal year target.

Private Credit Education

After a thorough analysis, Mr. Sullivan and Ms. Beard have suggested that the Retirement Systems consider investing in private credit, in addition to their current direct lending investment, to diversify their portfolio. They recommend gradually increasing the Private Credit/Direct Lending allocation from 7% to 10%. They suggest adding the Ares Pathfinder Core Fund to our asset allocation to accomplish this. They also advise meeting with the Ares Pathfinder Core Fund team to gain insight into their loan-issuing process. The IC plans to schedule a meeting with Ares in late July to ask questions and discuss further.

Manager Updates

Mr. Hoy examined the recent personnel changes that occurred at LSV and Wellington. The potential impact of these changes on the funds was discussed, and it was decided that Mr. Sullivan and Ms. Beard would hold talks with both managers to gather more information. Once they have completed their analysis, they will report their findings to the team.

The following IC meeting will be on August 10, 2023, at 9:00 am at the Public Safety Credit Union, 2800 E. 14th Street.