

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

Investment Committee Meeting

January 19, 2021

Mr. Hummel called the meeting to order.

Present:

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

Wellington Global Perspectives Fund Review

Kenneth Abrams, Anna Lunden, and Matthew McKenna from Wellington provided a portfolio review of the Wellington Global Perspectives (GP) fund. The portfolio team reviewed the characteristics of global small cap companies; the GP fund investment process and risk management; and portfolio weighting by both sector and region. Mr. Abrams said the GP fund typically holds between 70 and 120 companies, positions sizes range from 0.5 to 1.5% of the total portfolio, and cash comprises less than 5% of the portfolio. The GP fund is not taking any region bets and the largest current allocation is to North America, which will shrink in 2021. Sector weight mostly match the MSCI ACW Small Cap Index with the exception of an underweight to the Energy Sector. Total assets are currently \$3.8b with the Police plan investment totaling \$69 million and the Civilian Employees' plan investment totaling \$12 million.

November 2020 Investment Portfolio Analysis

Ms. Beard reviewed the November 2020 Investment Performance Analysis. The Police plan gained 5.5% net of fees and had an ending market value of \$983.3 million. The Civilian Employees' plan gained 5.6% net of fees and had an ending market value of \$165 million. The target benchmark for both plans gained 5.2%. For the one year period ending in November, the Police plan gained 10.3% net of fees and the Civilian Employees' plan gained 10.7% net of fees. The target benchmark for the same time period gained 9.6%.

Review of Monthly and Quarterly Investment Performance Analysis Reports

Mr. Sullivan and Ms. Beard said they have been working with staff at RVK to make changes to the Investment Performance Analysis reports. Starting with the Q4 report RVK will compare the Police plan performance with plans greater than \$1 billion. They are also working on using rankings that are based on net of fees returns rather than gross of fees. RVK will also provide lagged quarter results for White

Oak similar to the information provided for Abbott Capital and JP Morgan investments in private equity. The White Oak investment in direct lending has the same performance reporting delays that we experience with investments in private equity

Portfolio Rebalance and Real Estate Reinvestment

Mr. Pyle said the asset allocation vs. target allocation differences chart in the RVK Investment Performance Analysis shows the need to rebalance the portfolio by moving assets from equities to fixed income, direct lending, and real estate. Staff will be working with RVK to rebalance the portfolio.

Dividends from Morgan Stanley are already being reinvested in the Prime Property fund, Mr. Pyle will contact PGIM to begin reinvesting dividends into the PRISA II fund.

The next IC meeting, scheduled for February 2 at 9:00am via conference call.