

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

Investment Committee Meeting

April 6, 2021

Mr. Pyle called the meeting to order.

Present:

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

**LSV Asset Management Global Value Fund Review**

Josef Lakonishok and Keith Bruch, from LSV Asset Management provided a portfolio review of the Global Value (GV) Equity Fund. Mr. Bruch provided an introduction to LSV including a firm overview and business update. LSV currently has \$104 billion in assets under management. Investments in the GV Fund total \$91 million in the Police plan and \$15 million in the Civilian Employees' plan. Mr. Lakonishok, who is the LSV founder, reviewed LSV's investment philosophy which focuses on deep value (cheap) companies that are underappreciated by the market, quantitative research, and risk controlled diversified portfolios across sectors, industries, and countries. The portfolio review included current positioning by sector weights, regional weights by country, value measures, and weighted market capitalization compared to the MSCI World Index and MSCI World Value Index. The bulk of the discussion with Mr. Lakonishok focused on why growth stocks have outperformed value stocks for such an extended period of time, how the cost of growth stocks and cheapness of value stocks have contributed to value's recent performance, and how competition can help shrink the extreme gap in valuations between value stocks and growth stocks.

**February 2021 Investment Portfolio Analysis**

Ms. Beard and Mr. Sullivan reviewed the February 2021 Investment Performance Analysis. Mr. Sullivan reviewed the markets flash report and said the equity indexes were all positive for the month. The Bloomberg bond index was negative due to rising bond yields. The 10 year Treasury yield increase by 33bps during February. Ms. Beard said the Police plan gained 1.3% net of fees and had an ending market value of \$1.011 billion. The Civilian Employees' plan gained 1.26% net of fees and had an ending market value of \$169.8 million. The target benchmark for both plans gained 0.6%. For the one year period ending in February, the Police plan gained 15.2% net of fees and the Civilian Employees' plan gained 15.5% net of fees. The target benchmark for the same time period gained 13.0%.

**The next IC meeting, scheduled for May 4 at 9:00am via conference call.**