

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

Investment Committee Meeting

May 11, 2023

Mr. Stewart called the meeting to order.

Present:

Wayne Stewart, Member	Jenn Best, Staff
Scott Hummel, Member	Kasey Hiltgen
Marcia Beard, RVK	James Pyle, Staff
Ryan Sullivan, RVK	
Robert Woodard, Mariner	

March Investment Performance Analysis

Ms. Beard said she had just one addition to the March Investment Performance Analysis present earlier at the Retirement Board meeting. For Q1 2023, direct lending, as an asset class, outperformed core fixed income. RVK is looking at the current benchmark for the direct lending asset class (ICE BofAML 3 Mo US T-Bill Index + 5%) to determine if that benchmark needs adjusting.

Private Credit Education

Mr. Sullivan and Ms. Beard continued their review of private credit as an investment for the Retirement Systems to consider, along with the existing direct lending investment. Mr. Sullivan said there are increasing opportunities to invest in evergreen private credit funds that fall into four general categories: asset-backed/specialty finance, diversified direct lending, distressed debt/special situations, and niche strategies. Ms. Beard provided short overviews of the strategies and platforms used by the Ares Pathfinder Core Fund, the Angelo Gordon Direct Lending Evergreen Fund, and the PIMCO Private Income Fund. The IC will continue the private credit education discussion in June with information from RVK on how one manager could best be integrated into the asset allocation.

Asset Liability Modeling

Mr. Woodard reviewed an asset-liability modeling research project he has been working on with Pat Beckham from Cavanaugh Macdonald and Peter Greig from FCI Advisors. He said the Board's long-term effort to lower the assumed rate of return and available interest rates might provide some opportunities to look at risk in the total portfolio differently. As the research project evolves, he and Mr. Hoy will continue to update the IC.

The next IC meeting will be on June 6, 2023, at 9:00 am at the Retirement Systems Office, 9701 Marion Park Drive.