

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

Investment Committee Meeting

August 10, 2023

Mr. Stewart called the meeting to order.

Present:

Wayne Stewart, Member	Jenn Best, Staff
Bob Jones, Member	Kasey Hiltgen
Nathan Simecek, Member	Jason Hoy, Staff
Jennifer Weimhold, Member	
Marcia Beard, RVK	
Robert Woodard, Mariner	

June Investment Performance Analysis

Ms. Beard of RVK reported that all asset classes, except for Real Estate, had positive returns in the capital markets flash report for June. The Police plan achieved a net gain of 1.86% after fees, with an ending market value of \$953 million, while the Civilian Employees' plan achieved a net gain of 1.88% after fees, with an ending market value of \$165 million. The target benchmark for both plans saw a gain of 1.83%, and the Police plan gained 4.81%, and the Civilian Employees' plan gained 4.73% net of fees for the one-year period ending in June. In comparison, the target benchmark for the same time period gained 5.83%. The Police plan fell short by 2.44% of the 7.25% fiscal year-to-date target, while the Civilian Employees' plan fell short by 2.37% of the 7.10% fiscal year target.

Investment Policy Statement Update

Ms. Beard reviewed updated changes to the Investment Policy Statement to reflect the current asset allocation and to make grammatical changes. The IC looked at adding new language to Section III, Investment Philosophy, that provides more guidance. This discussion was tabled as RVK will research more language for future discussions.

Ms. Beard recommended making the following changes:

- Changing Direct Lending to Private Credit throughout the IPS.
- Changing the Private Credit benchmark from BofA ML 3 mo US T-Bill Index +5% to Credit Suisse Leveraged Loan Index +2%.
- Appendix B Asset Class Target Allocations - Update the asset classes, asset class target allocation, and target benchmark which were adopted in August 2023. Update the Manager List by adding Ares Pathfinder Core Fund, L.P.

The following IC meeting will be on September 7, 2023, at 9:00 am at the Retirement System's Office.