

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

Investment Committee Meeting

June 4, 2024

Mr. Stewart called the meeting to order.

Present:

Wayne Stewart, Member	Jason Hoy, Staff
Bob Jones, Member	Ryan Sullivan, RVK
Scott Hummel, Member	Marcia Beard, RVK
John Mueller, Member	Chip Ridley, Artisan Partners
Leslie Foreman, Member	Ting Rattanaphasouk, Artisan Partners
Nate Simeck, Board Member	Rob Woodard, Mariner

**Global Opportunities Fund Update – Artisan Partners**

Chip Ridley and Ting Tarranaphasouk from Artisan Partners provided an update on the Artisan Global Opportunities Fund. Mr. Ridley reviewed the investment philosophy, investment process, portfolio construction, specific stock examples within the portfolio, contribution to return and attribution, performance comparisons, market review, metrics, and growth investment team turnover. The area of growth and sector weights were discussed, as well as top holdings by sector and country.

**April Investment Performance Analysis - RVK**

Mr. Sullivan from RVK reported that In April, global equity markets pulled back, with U.S. markets declining more than international ones. U.S. small-cap stocks saw steeper declines than large-cap stocks. Stocks traded lower due to higher-than-expected March inflation at 3.5%, driven by rising housing and energy costs and slowing Q1 GDP growth of 1.6%. This led to expectations that the Fed would not cut interest rates until late 2024. Bonds also fell as yields rose, with the 10-year Treasury hitting a five-month high due to concerns about prolonged high rates. The S&P 500 fell 4.08%, MSCI EAFE dropped 2.56%, and MSCI EM rose 0.45%. The Bloomberg US Aggregate Bond Index returned -2.53%, underperforming the Bloomberg US Treasury Intermediate Term Index's -1.37%. International fixed income returned -2.85%. Public real estate fell 7.01% but gained 2.69% over five years. The Cambridge US Private Equity Index returned 9.28% for one year and 16.07% for five years. Absolute return strategies returned 0.06% for the month and 9.51% for the year.

The Police plan reported a net loss of -1.91% in April after fees, achieving an ending market value of \$989.7 million. At the same time, the Civilian Employees' plan also saw a net loss of -1.92% after fees, reaching an ending market value of \$174.9 million. Both plans outperformed the target benchmark by .10% & .09% respectively. For the one-year period ending in April, the Police plan boasted a 7.14% gain, and the Civilian Employees' plan achieved a 6.91% net of fees against the target benchmark's one-year gain of 5.55%. Both plans demonstrated strong performance, outperforming their fiscal year-to-date targets.

## **Public Fund Universe Analysis**

Mr. Sullivan reviewed the Public Funds Universe Report, analyzing the asset allocations and performance of top-performing peers and peers with similar equity beta to KCPERS to better understand how returns were generated. The report is a comprehensive collection of data obtained by RVK, Inc. from 66 public funds across the United States. The report details universe characteristics, such as asset size, geographical distribution, fund classification, and fund type. It also explores portfolio management between actively and passively managed funds. The report also reviews style allocation compared to peers and highlights key differences. Mr. Sullivan emphasized that the report is based on December 31, 2023, and should only be used as a comparable guide and noted how drivers of performance varied between all funds.

The following IC meeting will be on August 8th, 2024, at the Public Safety Credit Union, 2800 E. 14<sup>th</sup> Street.