

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

Investment Committee Meeting

May 14, 2020

Mr. Pickens called the meeting to order.

Present:

Chad Pickens, Member	Marcia Beard, RVK
Scott Hummel, Member	Ryan Sullivan, RVK
Robert Jones, Member	Robert Woodard, Mariner
Tom Mills, Member	Jason Hoy, Staff
Web Bixby, Member	Jim Pyle, Staff
Brian Bartch, Member	
John Mueller, Member	

2020 Updated Capital Market Assumptions

Ryan Sullivan and Marcia Beard, from RVK, presented updated 2020 Capital Market Assumptions (CMA) to take into account the impact of COVID-19 on markets in Q1 2020. Mr. Sullivan said it is very unusual for consultants to update their CMA more than one time per year. He said as a result of significant changes to interest rates, equity valuations, and inflation expectations RVK had updated their long-term forecasts as of Q1 2020. RVK focused on the relative accuracy of the assumptions rather than absolute accuracy. Their assumptions work to capture the relative relationships between asset classes, particularly closely related classes.

In the revised CMA, RVK made the following changes to asset classes that have the greatest impact on the Police plan and Civilian Employees' plan portfolios.

Asset Class	Change in Geometric Return	Change in Standard Deviation
Global Equity	1.13%	-0.10%
US Aggregate Fixed Income	-0.50%	0.00%
Core Real Estate	-0.25%	0.00%
Funds of Hedge Funds	0.00%	0.00%
GTAA	0.00%	0.00%
Private Credit	2.25%	0.00%
US Inflation	-0.25%	0.00%

The next IC meeting is scheduled via conference call on June 2 at 9:00am.