



MINUTES

POLICE RETIREMENT SYSTEM OF KANSAS CITY and CIVILIAN EMPLOYEES' RETIREMENT SYSTEM OF
THE POLICE DEPARTMENT OF KANSAS CITY
BOARD MEETING
Thursday, May 8, 2025

Scott Hummel called the meeting to order.

PRESENT:

Scott Hummel, Member (Chair)	Lisa Colclasure, Staff
Nathan Simecek, Member (Vice)	Jason Hoy, Staff
Bob Jones, Member (Treasurer)	Ryan Sullivan, RVK
Web Bixby, Member	Marcia Beard, RVK
Leslie Lewis, Member	Jake Derrah, RVK
James Manley, Member	
Pat Trysla, Member	

RETIREMENT BOARD ELECTION UPDATE & BALLOT APPROVAL

Mr. Manley provided an update on the 2025 Retirement Board Election, reporting that three candidates had submitted their candidacies for the open seat on the Board. Ballots are scheduled to be distributed by June 4, with election results expected by June 24. Following the update, Mr. Simecek made a motion to adopt the ballot as presented. The motion was seconded by Mr. Bixby and approved by the Board.

1st QUARTER 2025 INVESTMENT PERFORMANCE ANALYSIS

Mr. Sullivan, Mr. Derrah, and Ms. Beard presented the March 31, 2025, Investment Performance Analysis for the Police Retirement System and Civilian Employees' Retirement System.

	1st Qtr 2025	1 Year Ending 3/31/2025	3 Years Ending 3/31/2025	5 Years Ending 3/31/2025
Police Total Fund (net)	0.56%	4.28%	3.03%	7.58%
Relative Objective	0.56%	5.76%	3.68%	7.20%
Over/(Under) Relative Objective	0.00%	-1.48%	-0.65%	0.38%
Civilian Employees' Total Fund (net)	0.65%	4.32%	3.01%	7.52%
Relative Objective	0.56%	5.76%	3.68%	7.20%
Over/(Under) Relative Objective	0.09%	-1.44%	-0.67%	0.32%

The Relative Objective consists of 38% of the MSCI All Country World IM Index, 31% of the Bloomberg US Aggregate Bond Index, 10% of the S&P UBS Leveraged Loan Index +2%, 13% of the NCREIF ODCE Index, and 8% of the Absolute Return Custom Benchmark.

Asset Class Performance (net)	1st Qtr 2025	Market Value
Police Global Equity	-1.34%	\$ 373.18
Civilian Global Equity	-1.15%	\$ 67.36
MSCI ACW IM Index	-1.61%	
Police Fixed Income	2.91%	\$ 328.98
Civilian Fixed Income	2.93%	\$ 59.87
Bloomberg US Aggregate Bond Index	2.79%	
Police Direct Lending*	4.88%	\$ 103.89
Civilian Direct Lending*	4.85%	\$ 17.76
Direct Lending Custom Index*	2.79%	
Police Real Estate	1.12%	\$ 115.85
Civilian Real Estate	1.12%	\$ 19.74
NCREIF ODCE Index	0.84%	
Police Absolute Return	-0.15%	\$ 93.44
Civilian Absolute Return	-0.15%	\$ 15.92
Absolute Return Custom Index	-0.38%	
Police Total Fund		\$ 1,027.86
Civilian Total Fund		\$ 183.73
*Performance as of 12/31/24		

Police Fund Manager Performance (net)	1st Qtr 2025	Benchmark QTD
LSV (global large cap value)	1.59%	4.81%
Artisan (global large cap growth)	-4.55%	-7.75%
Northern Trust ACWI (global)	-1.40%	-1.61%
Wellington (global small cap)	-1.86%	-3.97%
GQG (emerging markets)	-0.09%	2.93%
FCI Advisors (fixed income)	2.74%	2.70%
PIMCO (fixed income)	3.29%	2.78%
White Oak (direct lending)*	4.88%	2.79%
Morgan Stanley (real estate)	1.22%	0.84%
Prudential (real estate)	1.01%	0.84%
Grosvenor (hedge fund)	-0.15%	-0.38%
*Performance as of 12/31/24		

Civilian Employees' Fund Manager Performance (net)	1st Qtr 2025	Benchmark QTD
LSV (global large cap value)	2.60%	4.81%
Artisan (global large cap growth)	-4.58%	-7.75%
Northern Trust ACWI (global)	-1.41%	-1.61%
Wellington (global small cap)	-1.86%	-3.97%
GQG (emerging markets)	-0.09%	2.93%
FCI Advisors (fixed income)	2.73%	2.70%
PIMCO (fixed income)	3.29%	2.78%
White Oak (direct lending)*	4.85%	2.79%
Morgan Stanley (real estate)	1.21%	0.84%
Prudential (real estate)	1.01%	0.84%
Grosvenor (hedge fund)	-0.15%	-0.38%
*Performance as of 12/31/24		

Difference in manager performance vs. benchmark	Police 1st Qtr 2025	Civilian 1st Qtr 2025
LSV (global large cap value)	-3.22%	-2.21%
Artisan (global large cap growth)	3.20%	3.17%
Northern Trust ACWI (global)	0.21%	0.20%
Wellington (global small cap)	2.11%	2.11%
GQG (emerging markets)	-3.02%	-3.02%
FCI Advisors (fixed income)	0.04%	0.03%
PIMCO (fixed income)	0.51%	0.51%
White Oak (direct lending)*	2.09%	2.06%
Morgan Stanley (real estate)	0.38%	0.37%
Prudential (real estate)	0.17%	0.17%
Grosvenor (hedge fund)	0.23%	0.23%
*Performance as of 12/31/24		

Mr. Sullivan reviewed the performance and trends in capital markets from Q1 2025. He said that U.S. equity markets began Q1 with positive momentum but reversed course due to concerns over the emergence of China's DeepSeek AI tool and uncertainties surrounding U.S. tariff policy, resulting in a negative quarter for domestic stocks, particularly those tied to the AI sector. In contrast, European, Japanese, and Chinese equities showed greater resilience, with China posting gains. Fixed income markets performed well, benefiting from falling Treasury yields and strength in securitized and corporate debt. However, post-quarter volatility intensified after the U.S. announced unexpectedly broad and steep tariffs, pressuring risk assets until a 90-day pause was declared. While this helped stabilize markets and lower recession expectations, ongoing trade uncertainty remains a headwind for global growth.

The Police Plan posted a gain of .56% net of fees for the quarter, while the target benchmark posted the same .56% gain. Compared to other retirement plans with assets below \$2 billion, the Police plan investment performance was in the top 22% for the quarter, bottom 25% for the one-year period, and bottom 20% for the three-year period. Similarly, the Civilian Employees' plan posted a gain of 0.65% net of fees for the quarter, while the target benchmark gained 0.56%. Compared to other public retirement

plans with assets below \$250 million, the Civilian Employees' plan's investment performance was in the top 20% for the quarter, bottom 25% for the one-year period, and bottom 20% for the three-year period.

The Police plan began the quarter with a market value of \$1.030 billion, a negative net cash flow, and a loss in investment assets of \$1.8 million, resulting in an ending market value of \$1.028 billion. Similarly, the Civilian Employees' plan started with a market value of \$183.5 million, had positive net cash flows and an investment gain of \$0.3 million, ending with a market value of \$183.7 million.

The quarter's gains and losses were attributed as follows: Asset allocation added .56% to both plans compared to the benchmark. However, the Police plan subtracted .01%, and the Civilian Employees' plan added .08% due to the combination of tactical asset allocation, style selection, and manager skill. For the one-year period, asset allocation added 5.76% to both plans. The combination of tactical asset allocation, style selection, and manager skill subtracted 1.48% from the Police plan and 1.46% from the Civilian Employees' plan.

INVESTMENT COMMITTEE REPORT

Mr. Hoy provided an update on the Investment Committee's work plan for the remainder of the calendar year 2025. Key initiatives include identifying a replacement manager for the Direct Lending allocation currently managed by White Oak, selecting a manager to support the newly approved Private Infrastructure allocation, and conducting a comprehensive review of the Public Equity structure.

Mr. Hoy then presented the Investment Committee's recommendation to formally add Private Infrastructure as a distinct asset class and make corresponding adjustments to the overall asset allocation. Following the presentation, Mr. Jones made a motion to approve the addition of Private Infrastructure to the asset allocation, which Mr. Trysla seconded. The motion was approved.

SECRETARY'S REPORT:

Deferred Compensation Committee

Mr. Hoy stated that, as part of our shared commitment to member well-being, the Deferred Compensation Committee, Wellness Unit, and Retirement System are collaborating to provide a more comprehensive approach to financial literacy. Each group brings a unique perspective, and together we are developing a well-rounded approach to support members at every stage of their careers.

Our goal is to deliver clear, accessible information that supports members throughout their careers and into retirement. By coordinating our efforts, we are creating a more well-rounded and impactful educational experience for all members.

Medical Board

Mr. Hoy provided an update on the ongoing search for a new member of the Medical Board, noting that our current psychiatrist has expressed his intent to step down from the role after years of dedicated service. Recognizing the critical function the Medical Board serves in the disability evaluation process, Mr. Hoy emphasized the importance of identifying a highly qualified replacement who can uphold the Board's professional standards and ensure the continued integrity of our medical review procedures. Outreach efforts are currently underway to engage potential candidates with the appropriate clinical expertise, licensure, and experience in independent evaluations. The Retirement System remains committed to a smooth transition that minimizes disruption and maintains the timely and thorough assessment of member disability cases.

OMNIBUS MOTION

Mr. Manley made the following motion, seconded by Mr. Simecek. The motion passed unanimously.

RESOLVED, that the Retirement Board hereby unanimously approves:

The minutes of the previous meetings of April 2025

The monthly financial statements for March 2025;

The payment of bills as listed in the Secretary's Reports for this meeting;

The return of contributions to those persons, who have resigned or terminated service, as listed in the Secretary's Reports for this meeting;

The purchases and sales of assets as listed in the Secretary's Reports for this meeting;

The payment or commencement of pensions or other benefits as listed in the Secretary's Reports for this meeting and

Any purchases of creditable service as listed in the Secretary's Reports for this meeting.

BOARD MEMBER COMMENTS

There were no additional comments from the board members.

PUBLIC COMMENTS

A time was set aside for public comments.

ADJOURNMENT

The next regularly scheduled board meeting is June 12th, 2025, at the Public Safety Credit Union, 2800 E. 14th Street.

BOARD SECRETARY

CHAIRMAN