



MINUTES

POLICE RETIREMENT SYSTEM OF KANSAS CITY and CIVILIAN EMPLOYEES' RETIREMENT SYSTEM
 OF THE POLICE DEPARTMENT OF KANSAS CITY
 BOARD MEETING
 Thursday, February 12, 2026

Scott Hummel called the meeting to order.

PRESENT:

- | | |
|-----------------------------------|------------------------|
| Scott Hummel (Chair) | Lisa Colclasure, Staff |
| Nate Simecek, Member (Vice Chair) | Jason Hoy, Staff |
| Web Bixby, Member | Ryan Sullivan, RVK |
| Leslie Lewis, Member | Jake Derrah, RVK |
| James Manley, Member | |
| Steven Miller, Member | |
| Sidney Smith, Member | |
| Wayne Stewart, Member | |

RETIREMENT BOARD ELECTION SCHEDULE

Mr. Miller reviewed the 2026 Retirement Board election schedule for the Open Board Member seat, currently held by Mr. Simecek. The first date in the election process is March 27, when the notice of election and the filing period will be posted. The deadline for filing and nominations is April 30 at 4 p.m. The notice of election will be posted on the kcpers.org website, run in the Daily Informant, and mailed to retired members, surviving spouses, and deferred vested members.

4TH QUARTER 2025 INVESTMENT PERFORMANCE ANALYSIS

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

| | 4th Qtr 2025 | 1 Year Ending 12/31/2025 | 3 Years Ending 12/31/2025 | 5 Years Ending 12/31/2025 |
|---|-----------------|-----------------------------|------------------------------|------------------------------|
| Police Total Fund (net) | 2.23% | 11.64% | 9.38% | 5.25% |
| Relative Objective | 1.83% | 12.27% | 10.00% | 5.86% |
| Over/(Under) Relative Objective | 0.40% | -0.63% | -0.62% | -0.61% |
| Civilian Employees' Total Fund (net) | 2.28% | 11.97% | 9.40% | 5.25% |
| Relative Objective | 1.83% | 12.27% | 10.00% | 5.86% |
| Over/(Under) Relative Objective | 0.45% | -0.30% | -0.60% | -0.61% |

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) | 4th Qtr 2025 | Market Value |
|-----------------------------------|--------------|--------------|
| Police Global Equity | 2.91% | \$ 447.76 |
| Civilian Global Equity | 2.99% | \$ 80.98 |
| MSCI ACW IM Index | 3.22% | |
| Police Fixed Income | 1.37% | \$ 346.83 |
| Civilian Fixed Income | 1.46% | \$ 63.21 |
| Bloomberg US Aggregate Bond Index | 2.03% | |
| Police Direct Lending* | 2.78% | \$ 101.15 |
| Civilian Direct Lending* | 2.77% | \$ 17.30 |
| Direct Lending Custom Index* | 2.19% | |
| Police Real Estate | 0.34% | \$ 115.64 |
| Civilian Real Estate | 0.34% | \$ 19.70 |
| NCREIF ODCE Index | 0.70% | |
| Police Absolute Return | 6.85% | \$ 107.33 |
| Civilian Absolute Return | 6.85% | \$ 18.29 |
| Absolute Return Custom Index | 2.89% | |
| Police Total Fund | | \$ 1,122.24 |
| Civilian Total Fund | | \$ 202.79 |

*Performance as of 09/30/25

| Police Fund Manager Performance (net) | 4th Qtr 2025 | Benchmark QTD | YTD 12/31/2025 | Benchmark YTD |
|--|-----------------|------------------|-------------------|------------------|
| LSV (global large cap value) | 6.28% | 3.34% | 25.08% | 16.84% |
| Artisan (global large cap growth) | -1.79% | 2.77% | 12.15% | 27.26% |
| Northern Trust ACWI (global) | 3.21% | 3.22% | 22.66% | 22.90% |
| Wellington (global small cap) | 3.11% | 2.66% | 18.55% | 23.46% |
| GQG (emerging markets) | 3.78% | 4.73% | 10.04% | 28.08% |
| FCI Advisors (fixed income) | 0.84% | 0.90% | 4.01% | 3.64% |
| PIMCO (fixed income) | 2.54% | 1.10% | 7.25% | 3.99% |
| White Oak (direct lending)* | 3.12% | 2.19% | 3.10% | 4.98% |
| Ares Pathfinder (direct lending)* | 2.26% | 2.19% | 4.45% | 4.98% |
| Morgan Stanley (real estate) | -0.34% | 0.70% | 1.25% | 2.05% |
| Prudential (real estate) | 1.08% | 0.70% | 3.13% | 2.05% |
| Grosvenor (hedge fund) | 6.85% | 2.89% | 13.63% | 8.98% |

*Performance as of 09/30/25

| Civilian Employees' Fund Manager Performance (net) | 4th Qtr 2025 | Benchmark QTD | YTD 12/31/2025 | Benchmark YTD |
|---|-----------------|------------------|-------------------|------------------|
| LSV (global large cap value) | 6.54% | 3.34% | 25.77% | 16.84% |
| Artisan (global large cap growth) | -1.75% | 2.77% | 12.10% | 27.26% |
| Northern Trust ACWI (global) | 3.23% | 3.22% | 22.90% | 22.90% |
| Wellington (global small cap) | 3.11% | 2.66% | 18.55% | 23.46% |
| GQG (emerging markets) | 3.78% | 4.73% | 10.04% | 28.08% |
| FCI Advisors (fixed income) | 0.86% | 0.90% | 4.03% | 3.64% |
| PIMCO (fixed income) | 2.57% | 1.10% | 4.60% | 3.99% |
| White Oak (direct lending)* | 3.12% | 2.19% | 3.10% | 4.98% |
| Ares Pathfinder (direct lending)* | 2.26% | 2.19% | 4.45% | 4.98% |
| Morgan Stanley (real estate) | -0.34% | 0.70% | 1.25% | 2.05% |
| Prudential (real estate) | 1.08% | 0.70% | 3.13% | 2.05% |
| Grosvenor (hedge fund) | 6.85% | 2.89% | 13.63% | 8.98% |
| *Performance as of 09/30/25 | | | | |

| Difference in manager performance vs. benchmark | Police 4th Qtr 2025 | Benchmark QTD | Civilian 4th Qtr 2025 | Benchmark YTD |
|--|------------------------|------------------|--------------------------|------------------|
| LSV (global large cap value) | 2.94% | 8.24% | 3.20% | 8.93% |
| Artisan (global large cap growth) | -4.56% | -15.11% | -4.52% | -15.16% |
| Northern Trust ACWI (global) | -0.01% | -0.24% | 0.01% | 0.00% |
| Wellington (global small cap) | 0.45% | -4.91% | 0.45% | -4.91% |
| GQG (emerging markets) | -0.95% | -18.04% | -0.95% | -18.04% |
| FCI Advisors (fixed income) | -0.06% | 0.37% | -0.04% | 0.39% |
| PIMCO (fixed income) | 1.44% | 3.26% | 1.47% | 0.61% |
| White Oak (direct lending)* | 0.93% | -1.88% | 0.93% | -1.88% |
| Ares Pathfinder (direct lending)* | 0.07% | -0.53% | 0.07% | -0.53% |
| Morgan Stanley (real estate) | -1.04% | -0.80% | -1.04% | -0.80% |
| Prudential (real estate) | 0.38% | 1.08% | 0.38% | 1.08% |
| Grosvenor (hedge fund) | 3.96% | 4.65% | 3.96% | 4.65% |
| *Performance as of 09/30/25 | | | | |

Mr. Sullivan and Mr. Derrah reviewed performance and trends in the capital markets for Q4 2025. He said that global equity markets and other risk assets generated strong returns in 2025 despite intermittent volatility and geopolitical uncertainty, including a federal government shutdown, tensions surrounding Federal Reserve independence, and ongoing global conflicts. Markets proved resilient, rebounding from each disruption as the Federal Open Market Committee adopted a more accommodative policy stance late in the year, reducing interest rates by a total of 75 basis points in response to signs of a softening labor market. Economic indicators remained generally positive, with real GDP growth projected at approximately 1.9% for 2025, inflation moderating to 2.7% year-over-year by December, and unemployment rising modestly to 4.4%. Wage growth continued to outpace inflation, although consumer confidence declined, and housing market activity remained constrained by elevated mortgage rates and significantly higher home prices relative to pre-2020 levels.

The Police Plan posted a 2.23% net-of-fees gain for the quarter, while the target benchmark posted a 1.83% gain. From a peer perspective, the Police Plan ranked in the top twentieth decile relative to public plans under \$2 billion. The Civilian Employees' plan posted a gain of 2.28% net of fees for the quarter, while the target benchmark gained 1.83%. Similarly, the Civilian Plan ranked in the top twentieth decile of public plans under \$250 million, finishing in the 18th percentile for the quarter.

The Police plan began the quarter with a market value of \$1.104 billion and a gain in investment assets of \$24.7 million, resulting in an ending market value of \$1.122 billion. Similarly, the Civilian Employees' plan started with a market value of \$198.8 million and an investment gain of \$4.5 million, ending with a market value of \$202.8 million.

The quarter's gains and losses were attributed as follows: Asset allocation added 1.83% to both plans compared to the benchmark. The Police plan added .40%, and the Civilian Employees' plan added .45% due to the combination of tactical asset allocation, style selection, and manager skill. For the one-year period, asset allocation added 12.27% to both plans. The combination of tactical asset allocation, style selection, and manager skill reduced the Police plan by 0.63% and the Civilian Employees' plan by 0.31%.

SECRETARY'S REPORT:

Membership Statistics

Mr. Hoy reviewed the current membership statistics. Current membership data highlights a meaningful number of anticipated retirements across both the Police and Civilian Plans. Staff is actively tracking known retirements, members identified as highly likely to retire, and members who have made retirement inquiries between now and the start of the 2026 FIFA World Cup. This period is expected to be marked by an elevated level of retirement activity. The Systems continue to reflect a mature membership profile, with a significant portion of active members eligible to vest or retire.

2026 Staff Objectives and Initiatives

Mr. Hoy also reviewed the 2026 staff objectives and key initiatives, which align with the Board's strategic priorities. Key initiatives include advancing the System's education framework, implementing Pension Administration Software, updating and testing the Business Continuity Plan, and developing tools to improve administrative efficiency and cost forecasting. Additional investment-related initiatives include continued reviews of public equity and fixed-income structures, engagement with infrastructure managers, and expanded manager oversight.

OMNIBUS MOTION

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

RESOLVED, that the Retirement Board hereby unanimously approves:

The minutes of the previous meetings of January 2026

The monthly financial statements for December 2026;

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

No public comments were presented.

ADJOURNMENT

The next regularly scheduled board meeting is on March 12, 2026, at the Public Safety Credit Union, 2800 E. 14th Street.

BOARD SECRETARY

CHAIRMAN