### Executive Summary

**Total Fund Performance through June 2019**

- Fiscal Year 2019: 6.7% [+0.2%]
- Trailing three years: 9.4% [+0.5%]
- Trailing five years: 6.4% [+0.4%]
- Trailing ten years: 10.1% [+0.5%]
- Trailing twenty-five years: 8.4% [+0.6%]

**Best Performing Asset Classes (Fiscal Year 2019)**

- Alternative Investments: 13.8% [+2.8%]
- Domestic Equity: 9.0% [+0.0%]
- Fixed Income: 8.2% [+0.3%]

*Performance data as of June 30, 2019 represents gross total return. Performance results for time periods longer than one year represent average annualized total returns. [ ] = performance relative to Policy Index or asset class benchmark.*
Fiscal Year 2019 Returns

Performance data as of June 30, 2019.
Returns for periods less than 1 Year are not annualized.
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT
June 30, 2019

### June 30, 2019

<table>
<thead>
<tr>
<th>Time Weighted Total Return*</th>
<th>Net Asset Value (Millions)</th>
<th>Latest Quarter</th>
<th>Fiscal YTD</th>
<th>Calendar YTD</th>
<th>Latest 1 Year</th>
<th>Latest 3 Years</th>
<th>Latest 5 Years</th>
<th>Latest 10 Years</th>
<th>Latest 25 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Portfolio</td>
<td>$20,220.2</td>
<td>3.3%</td>
<td>6.7%</td>
<td>11.4%</td>
<td>6.7%</td>
<td>9.4%</td>
<td>6.4%</td>
<td>10.1%</td>
<td>8.4%</td>
</tr>
<tr>
<td>Policy Index</td>
<td>3.1%</td>
<td>6.5%</td>
<td>11.9%</td>
<td>6.5%</td>
<td>8.9%</td>
<td>6.0%</td>
<td>9.6%</td>
<td>7.8%</td>
<td></td>
</tr>
<tr>
<td>Excess Return</td>
<td>0.2%</td>
<td>0.2%</td>
<td>-0.5%</td>
<td>0.2%</td>
<td>0.5%</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.6%</td>
<td></td>
</tr>
</tbody>
</table>

#### Asset Allocation

- **Domestic Equity**: 25.5% (Target: 23.5%)
- **International Equity**: 11.1% (Target: 11.0%)
- **Fixed Income**: 7.8% (Target: 8.0%)
- **Yield Driven**: 11.0% (Target: 11.0%)
- **Real Return**: 9.6% (Target: 11.0%)
- **Real Estate**: 7.9% (Target: 8.0%)
- **Alternatives**: 3.3% (Target: 4.0%)
- **Cash**: 0.0%

#### KPERS Fund NAV

- Growth of $100

#### Growth of $100

- **KPERS Fund**: Blue line
- **CPI**: Red line
- **Actuarial Assumption**: Green line

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* Returns for time periods less than one year are not annualized.

** Actuarial assumption was 8% from 1986 through 2016; 7.75% currently.
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
PLAN PERFORMANCE RETIREMENT SYSTEM
June 30, 2019

Rolling 3-Month Excess Return

Risk Statistics - Trailing 3 Years

<table>
<thead>
<tr>
<th>Total Fund</th>
<th>Standard Deviation</th>
<th>6.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Index</td>
<td>Standard Deviation</td>
<td>6.79</td>
</tr>
<tr>
<td>Sharpe Ratio</td>
<td>Fund</td>
<td>1.32</td>
</tr>
</tbody>
</table>
Current Investment Environment

Positives:
+ “Tailwind” of accommodative monetary policy by global central banks
+ Robust returns from risk assets CYTD 2019

Neutrals:
• Low US and global inflation

Negatives:
- US economic growth weakening
- US corporate earnings growth low
- US Presidential election cycle (policy uncertainty)
- US/China trade negotiations
- Slowing economic growth in China
- Brexit uncertainty (1/31/20 deadline; December general election)
- Negative interest rate environment
Policy Response

Current Risk Mitigation Strategies:

• Holding ~4% cash equivalents
• Holding significant portfolios of Core FI/TIPS
• Holdings of private market assets (PE/RE/Infrastructure)
• Maintain disciplined rebalancing program
• Maintain currency overlay program for IE portfolio

Retain perspective of long term institutional investor:

• “Keep Calm and Carry On”
• Maintain long term strategic allocation to risk assets
• A/L Study: determine appropriate LT strategic AA