

Investment Performance Report as of June 30, 2019

Joint Committee on Pensions, Investments, and Benefits

Elizabeth B.A. Miller, CFA
Chief Investment Officer
November 4, 2019



Total Fund Performance through June 2019*

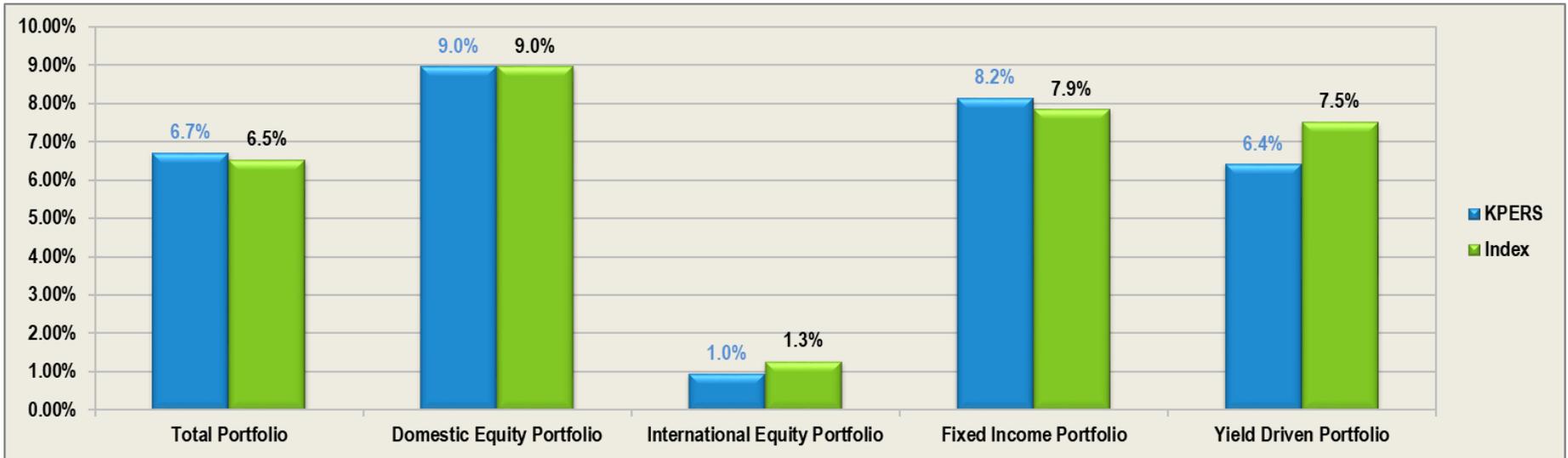
• Fiscal Year 2019	6.7%	[+0.2%]
• Trailing three years	9.4%	[+0.5%]
• Trailing five years	6.4%	[+0.4%]
• Trailing ten years	10.1%	[+0.5%]
• Trailing twenty-five years	8.4%	[+0.6%]

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.

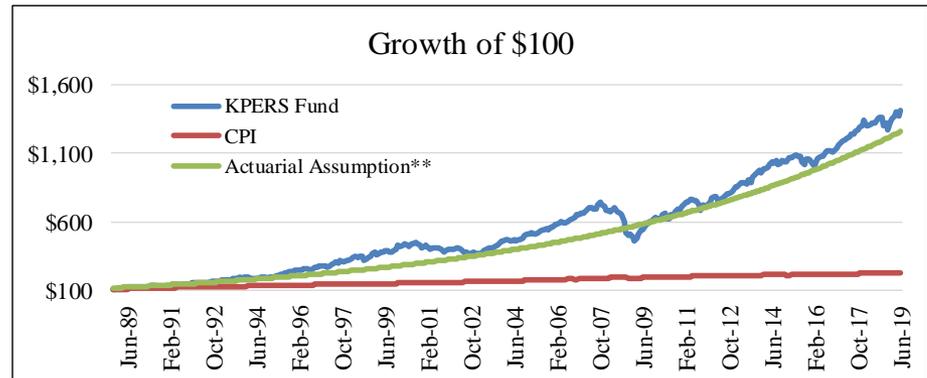
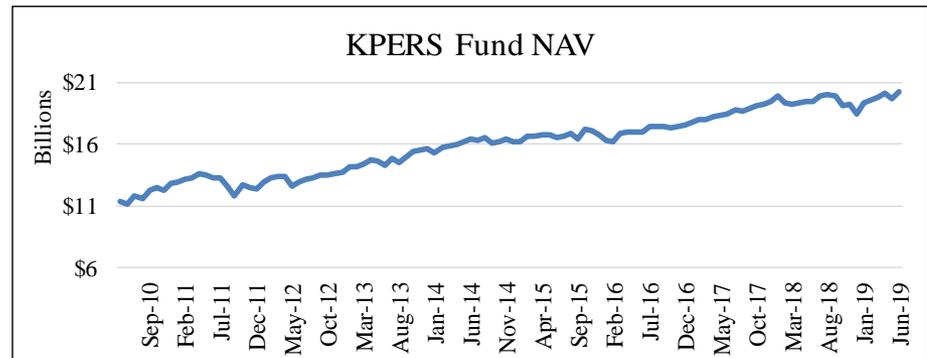
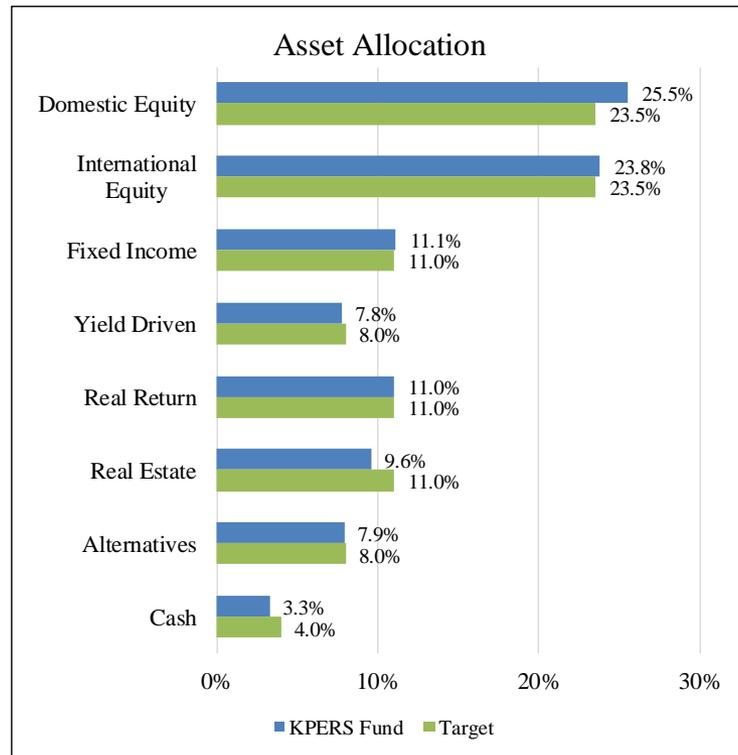
Total Plan Performance



KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM INVESTMENT PERFORMANCE REPORT

June 30, 2019

June 30, 2019									
	Net Asset Value	Latest	Fiscal	Calendar	Latest 1	Latest 3	Latest 5	Latest 10	Latest 25
Time Weighted Total Return*	(Millions)	Quarter	YTD	YTD	Year	Years	Years	Years	Years
Total Portfolio	\$20,220.2	3.3%	6.7%	11.4%	6.7%	9.4%	6.4%	10.1%	8.4%
Policy Index		3.1%	6.5%	11.9%	6.5%	8.9%	6.0%	9.6%	7.8%
<i>Excess Return</i>		0.2%	0.2%	-0.5%	0.2%	0.5%	0.4%	0.5%	0.6%

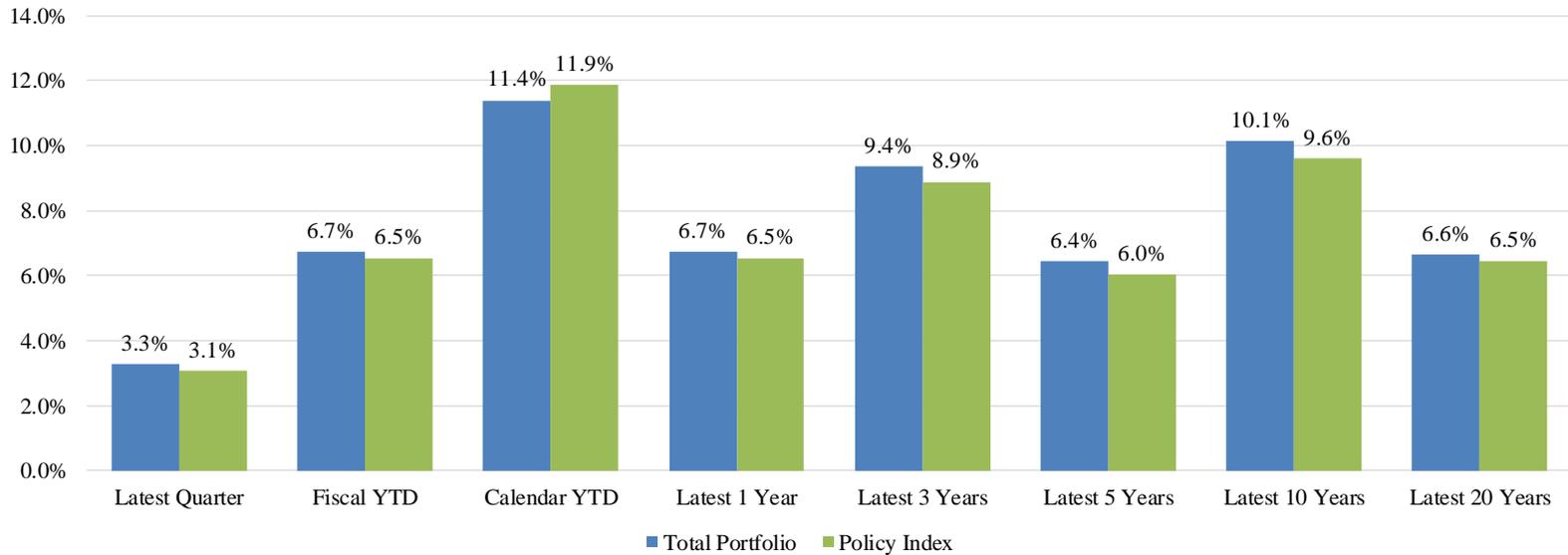


* Returns for time periods less than one year are not annualized.

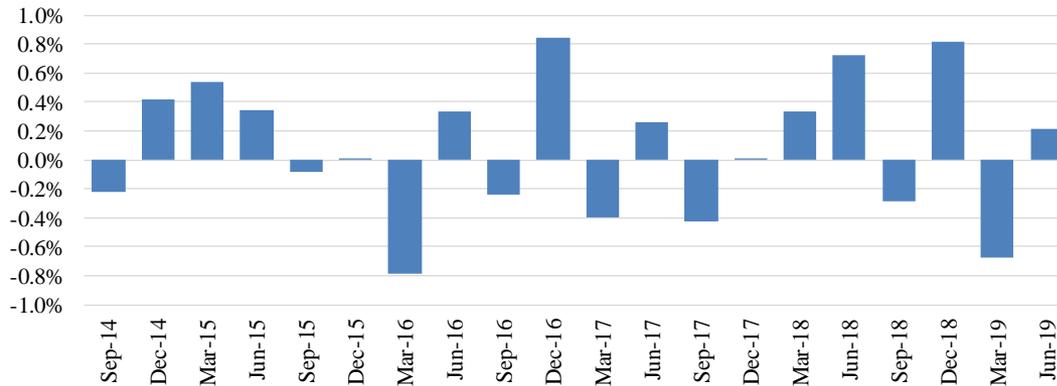
** Actuarial assumption was 8% from 1986 through 2016; 7.75% currently.

Total Plan Performance

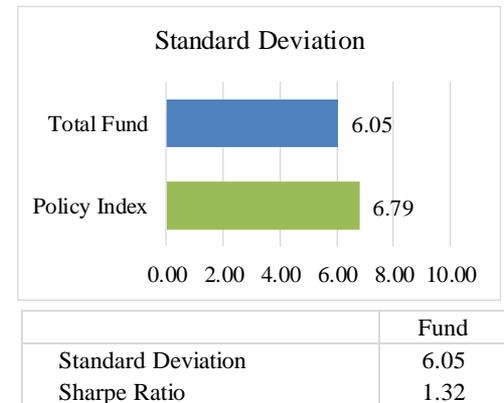
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM PLAN PERFORMANCE June 30, 2019



Rolling 3-Month Excess Return



Risk Statistics - Trailing 3 Years



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

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