

**POLICE AND FIRE RETIREMENT PLAN
FEDERATED RETIREMENT PLAN
ATTACHMENT D - TRAVEL CONTENT REPORT GUIDELINES
BOARD MEMBER TRAVEL/EDUCATIONAL EVALUATION**

Adopted: May 6, 2010

Report Date: 4 Spet 2025

Board Member Name: Matthew Faulkner

Conference/Seminar Title: ALTSSF

Location: San Francisco

Date(s): Sept2-3

Travel Category:

Fiduciary responsibilities	
Actuarial Science	
Pension law	
Asset Allocation	
Real estate investing	
Equity and security investing	
International Investing	
Pension Plan Administration	

Brief summary of information and knowledge gained:

Please see attached

Evaluation of the event:

**Great event to explore the alternative investments
and private markets space.**

Recommendation concerning future attendance:

Recommmend.

Other comments:

ALTSSF 2025

Macro & Market Perspectives

- **Global Outlook:**
 - Consider an overweight towards private credit (senior secured) due to less risk-same return to high-yield bonds. Yet, consider liquidity
 - China: slower growth than headlines suggest; debt/GDP dynamics remain concerning, deflationary pressures present, consumerism hasn't taken off yet, too much housing
 - US: Inflation up, not enough housing
 - Innovation in China remains rapid.
- **Inflation:**
 - Expected to remain flat to up; implications for real rates and investor positioning. As rate cuts come, that means the Fed may be more concerned with the economy than inflation

Liquidity & Premiums

- **Earning Liquidity Premiums:**
 - M. Anson explains how to pull out and measure the liquidity premium in his Journal of Alternative Investments paper). Serves as a useful drill to understand current positions and consider future.
- **Distribution Trends:**
 - P/E ratios and ROIC remain interrelated.
 - US P/E ratios high, rest of world average, but no statements on ROIC
 - Investors should weigh liquidity risk carefully: "Liquidity is only there when you don't need it."

Asset Class Views (Best Opportunities) & Allocation

- **Private Credit:**
 - Still offering favorable spreads vs. high yield.
- **Hedge Funds:**
 - Differentiated alpha potential, though dispersion across managers is high.
- **Private Equity:**
 - Opportunities in South America given upward consumerism, especially under conservative underwriting assumptions.
 - Focus on late-stage VC and energy transition themes.
- **Alternatives:**
 - Diversification remains critical.
 - Return expectations and liquidity in short term are challenged, but long-term fundamentals remain intact.
 - Supply of capital will be a key determinant of returns.

Other comments

- **Speaker :**
 - Emphasized the need for disciplined leverage constraints and liquidity management at the portfolio level, not just the asset-class level.
- **Speaker :**

- Cited SAA + TPA (strategic & total portfolio) as critical and offered ways to transition.
 - Recommended beginning with broad factors that affect the entire portfolio: Currency management, liquidity management, leverage constraints. SO instead of looking at these by asset class, look at the whole portfolio.
- **Speaker :**
 - Highlighted pension fund distribution experiences: 50% top quartile, 37% Fed percentile — distributions have been good but concentrated.
- **Speaker :**
 - Noted need to prepare for valuation “turbulence.”

Key Takeaways/Opinions

1. **Liquidity Discipline:** Maintaining liquidity at the portfolio level is more important than asset-class-by-asset-class.
2. **Private Credit Appeal:** Strong risk-adjusted carry opportunities versus traditional fixed income. Yet, it is becoming a rather large market.
3. **Diversification & Patience:** Short-term returns likely pressured, but long-term fundamentals intact.
4. **Regional Opportunities:** Selective focus on South America private equity, hedge funds with true alpha, and energy transition/VC.
5. **Capital Supply Matters:** Abundance or scarcity of capital will drive forward returns more than demand factors.