BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, September 23, 2021 at 2 PM
City Hall Conference Room 3C
AGENDA

1. **CALL TO ORDER**

2. **PUBLIC COMMENT**

3. **MINUTES**

   a. Copy of August 26, 2021 Board of Trustees Minutes; RECOMMENDED ACTION: APPROVAL

4. **NEW BUSINESS**

   a. GEPP August 2021 and COPP August 2021 Consent; RECOMMENDED ACTION: APPROVAL
   b. D. Widemond Survivor Benefit; COPAC RECOMMENDED ACTION: approval of death benefits for spouse and child

5. **INVESTMENT AND FINANCIAL MATTERS**

   a. August 2021 Investment Performance Update
   b. Non-Core Real Estate Opportunity: H.I.G. Realty Fund IV
   c. Eagle Capital Fee Proposal
   d. Staff Update

6. **OLD BUSINESS**

7. **ADMINISTRATIVE**

   a. REDLINED Board Rules; RECOMMENDED ACTION (from COPAC and PAC): APPROVAL
   b. Staff Update, Reporting, Conference Room Upgrades, Code Clarifications

8. **INFORMATION**

   a. This is a special BOT meeting scheduled for Thursday, October 7, 2021, at 1 PM
   b. Next regular BOT meeting scheduled for Thursday, October 28, 2021, at 2 PM

9. **PRIVILEGE OF THE FLOOR**

10. **ADJOURNMENT**

BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
August 26, 2021

MINUTES

2:00 PM, held in Person in City Hall Conference Room 3C and via Zoom

Members Present
Jeffrey Bernardo, Chair
Valerie Gutierrez
David Kilcrease, Secretary
Diane Moser
Richard Wallace

Members Not Present
Julie Bessent
Joey Greive
Brian Hughes
Kristofer Pike

Staff Present
Randall Barnes, Treasurer
Hannah Hicks, Pension Coordinator
Brennan Merrell, Manager of Debt and Investments
John Sawyer, OGC
Tom Stadelmaier, Pension Administrator
Sheryl Strickland, Pension Associate

Others Present
Jordan Cipriani, RVK
Scott Maynard, RVK
Kevin Schmidt, RVK

1. CALL TO ORDER

Chair Bernardo called the meeting to order at about 2:01 PM.

2. PUBLIC COMMENT

None

3. MINUTES

Ms. Moser made a motion to approve the minutes. Mr. Kilcrease seconded the motion.

The Chair asked for discussion and there was none. The Chair took a vote and the minutes passed unanimously.

4. NEW BUSINESS

Consent agendas

Ms. Moser made a motion to approve the consent. Ms. Gutierrez seconded the motion. The Chair summoned for discussion. Mr. Stadelmaier stated volumes remain high in part due to LRO activity. The Chair took a vote and the consent passed unanimously.

Randy Parker Death Benefit

Mr. Stadelmaier reviewed the background and the recommendation of the PAC to refund the contributions for the period he was employed after taking a PLOP benefit. The City will consider providing a DC benefit for that period. Mr. Kilcrease asked who decides on that benefit and Mr. Stadelmaier said the City administers the Plan and there is a DCPAC and DC Panel that reviews disability and survivor benefits from the DC Plans.

Ms. Gutierrez made a motion to accept the PAC recommendation and Mr. Wallace seconded the motion. There was a brief discussion covering the facts of the situation and Mr. Sawyer provided legal input. The Chair took a vote and the motion passed unanimously.

5. INVESTMENT AND FINANCIAL MATTERS

Mr. Schmidt covered the 2Q report which was highlighted by a rally in global equities. He reviewed the watch list, noting Pinnacle struggled in the quarter but is doing well for the year and Franklin (FT) added value in the quarter and year. Fund specific assets are down at FT by about 10% and RVK will monitor this closely. No action recommended on either fund at this time.

Overall, the fund was up over 550 basis points for the quarter and ranks in the top 1/3 among peers. For the month of July, the fund was down slightly. Eagle was strong and Baillie Gifford was down during the month. Up to 8/25/2021, the fund is up 1% for the month, 9.65% CYTD and 24.81% FYTD.

Mr. Merrell and Mr. Maynard introduced the Board to a non-core real-estate opportunity with provider H.I.G. The manager will present to the Board in September. Ms. Cipriani reminded the Board of the decision to move to non-core Real Estate with about $40M annually. H.I.G. investment is recommended to be $25M. Mr. Maynard reviewed the H.I.G. background in detail. They have good diversification on geography and property-type and leverage is limited to 75%. Mr. Barnes commented that they prefer shorter-term deals, and we already have a sense of their approach because the fund has started to deploy capital.

Mr. Merrell covered the staff update and introduced a summary document—feedback from the Board is welcome. SMID Value finalists are chosen and will present on October 7. New Zealand timber sale is completed and will raise about $20M. The pension pay-back amount is about $106M, less than expected because we are not having the fund pay benefits for October-November, due to less need for funds for debt service. Mr. Wallace asked if we made money on timber and Mr. Barnes referred to the RVK reports showing a modest gain over time. Mr. Merrell reported the IPS is filed with Council and Mr. Barnes said feedback was positive and no changes are anticipated at this time. Mr. Merrell also let the Board know the manager due diligence meetings open to the Board will start in November.

6. OLD BUSINESS

NA

7. ADMINISTRATIVE

Mr. Stadelmaier updated the Board on Pryce-Jones case. The Court backed the City and Board position that service purchases must be completed while an employee is actively employed. Board Rules and Code clarifications will be reviewed by COPAC and PAC and it is expected the Board will have the opportunity to consider the changes next month after final input and approval by the committees.

Mr. Stadelmaier reviewed the latest proposal for technology improvements to Conference Room 3C. Focus is on a better visual for people in the room, improved microphone, and audio for Zoom participation with a mounted camera for a basic visual of the room. The latest proposal focused on these items and concentrated the audio on the Board Room table and a podium area. This reduced the cost further from the original proposal we received. Board members agreed that improved technology would be very helpful and have uses beyond Board meetings including manager meetings and other training opportunities.

Mr. Kilcrease made a motion to approve spending up to $25K on the conference room technology improvements and Mr. Wallace seconded the motion. The Chair took a vote and the motion passed unanimously.

8. INFORMATION

The next regular BOT meeting is scheduled for Thursday, September 23, 2021, at 2 PM.

9. PRIVILEGE OF THE FLOOR

None.

10. ADJOURNMENT

The Chair adjourned the meeting at about 3:25 PM.

CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE

August 31, 2021

CONSENT AGENDA FOR RECOMMENDED BENEFITS

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN AUDITED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

1. **TIME SERVICE RETIREMENTS**
   Herbert Appleby, effective July 31, 2021 in the COLA base amount of $4,216.49

2. **TIME SERVICE CONNECTIONS COMPLETED**
   None

3. **REFUNDS**
   Maria D Findlay, 11 years, and 6 months, $52,045.68

   David L Lucas, 31 years and 2 months, $12,176.85

   Joe T Ramsey, 25 years, $215,349.41

   Ian G Sanchez, 4 years, and 2 months $16,231.63

4. **SURVIVOR BENEFITS APPLICATION**
   None

5. **CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS**
   None

6. **VESTED BENEFIT**
   None

7. **TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)**
   None

8. **OFFICERS ENTERING DROP**
   NA

9. **Phase II Biweekly Distribution DROP Program**
   Herbert Appleby, 181 pay periods in the amount of $560.79

John Givens, 610 pay periods in the amount of $399.82

Patrick Johnson, 778 pay periods in the amount of $369.94

David Lucas, 778 pay periods in the amount of $131.33

10. **DROP Payments**
NA

COPAC Secretary Approval ____________________ Date ____________

BOT Secretary Approval ____________________ Date ____________

Notes and Comments regarding Approval:

GENERAL EMPLOYEES PENSION ADVISORY COMMITTEE
FOR THE
BOARD OF PENSION TRUSTEES

August 2021

CONSENT AGENDA FOR RECOMMENDED BENEFITS

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN AUDITED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

1. TIME SERVICE RETIREMENTS

Betty Anderson, (P&R), effective July 17, 2021 in the monthly amount of $2,083.82 at the rate of 76.46% (30 years, 7 months), 15% PLOP $48,829.29

Sherri Beaulieu, (P&R), effective July 31, 2021 in the monthly amount of $1,867.33 at the rate of 79.17% (31 years, 8 months), BACKDROP $120,550.26 (60 months)

Paul Bodenstein, (JEA), effective July 17, 2021 in the monthly amount of $6,886.50 at the rate of 80% (32 years), BACKDROP $334,618.62 (46 months)

Pamela Butterly, (Clerk of Court), effective May 8, 2021 in the monthly amount of $1,568.98 at the rate of 51.46% (20 years, 7 months)

Hubert Cothern, (JEA), effective July 17, 2021 in the monthly amount of $4,092.60 at the rate of 75% (30 years), BACKDROP $185,021.94 (43 months)

Gregory Dixon, (Clerk of Court), effective July 17, 2021 in the monthly amount of $3,209.71 at the rate of 75% (30 years), 15% PLOP $104,475.85

Lisa Duckworth, (JSO), effective July 31, 2021 in the monthly amount of $3,638.64 at the rate of 75% (30 years), BACKDROP $51,673.56 (14 months)

Allie Edwards, (Clerk of Court), effective July 31, 2021 in the monthly amount of $1,039.50 at the rate of 38.96% (15 years, 7 months)

Toni Gooden, (Clerk of Court), effective July 17, 2021 in the monthly amount of $1,999.20 at the rate of 75% (30 years), BACKDROP $22,279.98 (11 months)

Susan Harnage, (R&E), effective June 19, 2021 in the monthly amount of $2,437.54 at the rate of 53.54% (21 years, 5 months), 15% PLOP $46,785.39

Zanetta Hawes, (Clerk of Court), effective July 31, 2021 in the monthly amount of $1,442.75 at the rate of 55% (22 years), 15% PLOP $47,022.74

Lori Hodge, (PW), effective July 3, 2021 in the monthly amount of $1,587.04 at the rate of 50% (20 years)

Kenneth Jones, (Clerk of Court), effective July 17, 2021 in the monthly amount of $2,100.43 at the rate of 80% (32 years), BACKDROP 9 months $19,134.14

Karen Kratz, (PW), effective July 17, 2021 in the monthly amount of $2,037.06 at the rate of 53.13% (21 years, 3 months)

Kim Laidler, (ITD), effective July 10, 2021 in the monthly amount of $5,183.27 at the rate of 80% (32 years, 7 months), 15% PLOP $183,820.07

James Masters, (JEA), effective July 31, 2021 in the monthly amount of $3,073.53 at the rate of 49.58% (19 years, 10 months), 15% PLOP $90,060.92

Andy Montgomery, (ITD), effective July 31, 2021 in the monthly amount of $1,645.99 at the rate of 44% (22 years)

Kevin Northington, (ITD), effective July 31, 2021 in the monthly amount of $4,881.58 at the rate of 80% (32 years), BACKDROP 12 months $59,373.63

Kathy Pannell, (JSO), effective July 17, 2021 in the monthly amount of $2,770.53 at the rate of 75% (30 years), BACKDROP $115,976.69 (40 months)

Jayne Parker, (R&E), effective July 31, 2021 in the monthly amount of $1,721.09 at the rate of 47.5% (19 years)

Christopher Rogers, (PW), effective July 31, 2021 in the monthly amount of $1,822.22 at the rate of 54% (27 years)

Bernice Russell, (Mayor's Office), effective July 31, 2021 in the monthly amount of $8,007.46 at the rate of 57.71%, (23 years, 1 month)

Joseph Sanders, (JHA), effective July 17, 2021 in the monthly amount of $471.24 at the rate of 21.67% (8 years, 8 months), 15% PLOP $9,771.53

Eddie Wakefield, (Fleet), effective July 31, 2021 in the monthly amount of $3,281.44 at the rate of 71.67% (28 years, 8 months)

2. LRO TIME SERVICE RETIREMENTS

Tracey Belvin, (JSO), effective July 17, 2021 in the monthly amount of $848.54 at the rate of 31.88% (12 years, 9 months), 15% PLOP $29,235.09

Michael Bolena, (PA), effective July 17, 2021 in the monthly amount of $927.71 at the rate of 35% (14 years) 15% PLOP $25,603.08

Tammie Guzman, (Clerk of Court), effective July 31, 2021 in the monthly amount of $686.32 at the rate of 28.75% (11 years, 6 months), 15% PLOP $22,840.06

Bobbie Henry, (Elections), effective July 31, 2021 in the monthly amount of $1,382.54 at the rate of 42% (21 years), 5% PLOP $14,142.37

Patricia Hogue, (Finance), effective July 31, 2021 in the monthly amount of $430.62 at the rate of 12.71% (5 years, 1 month), 15% PLOP $13,900.70

Algeron Jackson, (PW), effective June 19, 2021 in the monthly amount of $921.54 at the rate of 32.5% (13 years), 5% PLOP $9,563.53

Barbara Kaleel, (Tax Collector), effective July 17, 2021 in the monthly amount of $1,178.10 at the rate of 40% (20 years), 15% PLOP $40,462.41

Sharon Kirkes, (Library), effective July 17, 2021 in the monthly amount of $2,166.62 at the rate of 44.17% (17 years, 8 months)

Steven Mays, (JEA), effective July 31, 2021 in the monthly amount of $2,873.67 at the rate of 43.5% (21 years, 9 months), 15% PLOP $108,860.17

Stephen Schneider, (ITD), effective July 17, 2021 in the monthly amount of $3,034.10 at the rate of 42.08% (16 years, 10 months), 10% PLOP $55,988.01

Jeffrey Tharp, (PW), effective July 17, 2021 in the monthly amount of $955.08 at the rate of 33.54% (13 years, 5 months), 5% PLOP $10,165.23

Jimmy Wilson, (JEA), effective July 31, 2021 in the monthly amount of $2,175.18 at the rate of 40.5% (20 years, 3 months), 15% PLOP $89,393.46

3. VESTED RETIREMENTS

New Commencements
Susan Denney, effective June 19, 2021 in the monthly base amount of $707.44

New Deferrals
None

4. SURVIVOR BENEFITS
Maria Harris, (Carlton Harris, PWSW active employee), effective June 27, 2021 in the monthly amount of $808.18

Jocelyn Papa, (Nicanor Papa), effective May 9, 2021 in the monthly base amount of $1,320.51

Jo-An Prevatt, (Erle Prevatt), effective July 25, 2021 in the COLA base amount of $1,168.92

Sherry Roddan, (Glenn Roddan), effective July 19, 2021 in the monthly COLA base amount of $4,782.21

Lynn Sornberger, (John Sornberger), effective June 4, 2021 in the COLA base amount of $5,677.21

Erma Thompson, (Thomas Thompson), effective November 7, 2020 in the COLA base amount of $3,014.14.

5. **RESTORATION OF SURVIVOR BENEFITS**
None

6. **CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS**
None

6. **TIME SERVICE CONNECTIONS COMPLETED**
Sherri Beaulieu, (P&R), 43.53 months in the amount of $11,835.36

Heather Bridgida, (JHA), 53 months in the amount of $27,386.27

Jesus Cedillo, (JEA), 17.47 months in the amount of $10,198.80

Catherine Currier, (Library), 6.43 months in the amount of $2,015.80

Carolyn Herring, (R&E), 84 months in the amount of $36,180.14

Charlie McNeil, (Library), 22.47 months in the amount of $16,472.22

Russell Park, (JEA), 29.77 months in the amount of $28,146.76

Michael Turner, (ITD), 104.99 months in the amount of $102,917.39

7. **TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2000- 624-E (Independent Agency)**
None

8. **TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)**
Terry Duncan, (JEA), 24 months in the amount of $37,625.28

Jose Lopez, (Fleet), 24 months in the amount of $22,512.67

Charlie McNeil, (Library), 24 months in the amount of $35,192.88

Eric Smithson, (JEA), 12 months in the amount of $12,606.10

9. **REFUNDS**
Candace Dorn (JEA), 2 years and 6 months, $16,781.10

Estate of Caralin F Finn (JEA), 10 years and 6 months, $48,715.34

Estate of Donald R Healy (JSO), 10 years and 3 months, $23,984.04

David M Owen (JEA), 19 years and 4 months, $93,117.16

Shereline Redden (Clerk of Courts), 12 years and 8 months, $33,546.38

Melissa J Reever (JSO) 7 years and 11 months, $24,206.40

Russell A Rivers, (JEA) 10 years and 7 months, $53,137.61

Laura B Tavoularis (R&E) 2 years and 7 months, $10,630.94

Estate of Iris Tisby (DIA), 17 years and 10 months, $39,657.29

Estate of Sharon J Williams (Finance), 11 years and 2 months, $41,378.47

10. DB TO DC TRANSFER

Homer E Cain, (Tax Collector) 21 years and 9 months, $298,144.38

Terry G Duncan, (JEA) 18 years and 7 months $595,824.42

Carolyn B Herring, (R&E) 18 years and 6 months, $400,588.59

Merrill L Jacobs, (PW), 14 years and 2 months, $245,152.58

Peter Poland, (JEA) 24 years and 5 months, $66,180.32 (additional credit for adjusted pension date)

11. OTHER PAYMENTS AND TIME CONNECTIONS

None

12. RE-RETIREE

None

13. DISABILITY

None

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PAC Secretary Approval Date

______________________________ ________________

BOT Secretary Approval Date

Notes and Comments regarding Approval:

Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

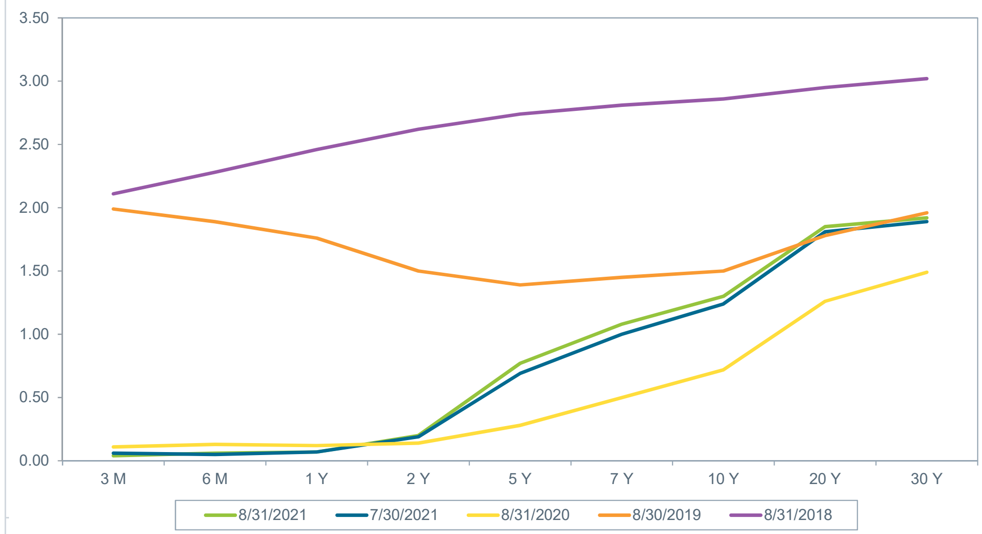
Period Ended: August 31, 2021

General Market Commentary

- Global equity markets finished August with positive results, with all major US and international indices posting low to mid-single digit returns. In the US, large cap indices outperformed small cap indices, and the S&P 500 posted its seventh straight month of gains. Across both US and international equity markets, growth stocks outperformed their value counterparts.
- Although continued inflation concerns and the increasing spread of the coronavirus Delta variant weighed on investor confidence, strong corporate earnings as well as improvements in labor conditions contributed to the positive results in equity markets during August.
- Federal Reserve Chairman Jerome Powell reaffirmed that interest rates would remain low for the near-term future, but acknowledged that tapering of the central bank's stimulative bond purchases could begin before the end of the year if the US economy continues to grow at or near its current pace. Chairman Powell cited a strong US economy bolstered by the addition of 1.9 million jobs in June and July but noted that future growth is more likely to be hindered by the spread of the Delta variant than by continued elevated levels of inflation.
- Equity markets posted positive returns in August as the S&P 500 (Cap Wtd) Index returned 3.04% and the MSCI EAFE (Net) Index returned 1.76%. Emerging markets returned 2.62% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -0.19% in August, underperforming the -0.17% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -0.83%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 1.84% in August and 7.64% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 48.11% for the trailing one-year period and 17.51% for the trailing five-year period ending March 2021.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 1.14% for the month and 13.73% over the trailing one-year period.
- Crude oil's price fell by 7.37% during the month, but has increased by 60.76% YoY.

Economic Indicators	Aug-21		Jul-21	Aug-20	10 Yr	20 Yr
Federal Funds Rate (%)	0.06	▼	0.07	0.09	0.63	1.34
Breakeven Inflation - 5 Year (%)	2.51	▼	2.62	1.70	1.75	1.84
Breakeven Inflation - 10 Year (%)	2.34	▼	2.40	1.80	1.93	2.02
Breakeven Inflation - 30 Year (%)	2.23	▼	2.26	1.84	2.03	2.25
Bloomberg US Agg Bond Index - Yield (%)	1.42	▲	1.36	1.15	2.26	3.35
Bloomberg US Agg Bond Index - OAS (%)	0.35	—	0.35	0.57	0.51	0.61
Bloomberg US Agg Credit Index - OAS (%)	0.82	▲	0.81	1.22	1.26	1.42
Bloomberg US Corp: HY Index - OAS (%)	2.88	▼	2.94	4.77	4.59	5.29
Capacity Utilization (%)	N/A	N/A	76.12	72.27	76.51	76.51
Unemployment Rate (%)	5.2	▼	5.4	8.4	5.9	6.1
PMI - Manufacturing (%)	59.9	▲	59.5	55.6	54.1	53.2
Baltic Dry Index - Shipping	4,132	▲	3,292	1,488	1,188	2,339
Consumer Conf (Conf Board)	113.80	▼	125.10	86.30	99.28	90.50
CPI YoY (Headline) (%)	5.4	—	5.4	1.3	1.8	2.1
CPI YoY (Core) (%)	4.3	—	4.3	1.7	2.0	2.0
PPI YoY (%)	10.5	▲	9.6	-1.6	1.4	2.1
M2 YoY (%)	N/A	N/A	12.1	23.1	8.3	7.1
US Dollar Total Weighted Index	113.42	▲	112.94	116.01	106.53	103.15
WTI Crude Oil per Barrel ($)	69	▼	74	43	66	64
Gold Spot per Oz ($)	1,814	▼	1,814	1,968	1,422	1,061

Treasury Yield Curve (%)



Treasury Yield Curve (%)	Aug-21	Jul-21	Aug-20	Aug-19	Aug-18
3 Month	0.04	0.06	0.11	1.99	2.11
6 Month	0.06	0.05	0.13	1.89	2.28
1 Year	0.07	0.07	0.12	1.76	2.46
2 Year	0.20	0.19	0.14	1.50	2.62
5 Year	0.77	0.69	0.28	1.39	2.74
7 Year	1.08	1.00	0.50	1.45	2.81
10 Year	1.30	1.24	0.72	1.50	2.86
20 Year	1.85	1.81	1.26	1.78	2.95
30 Year	1.92	1.89	1.49	1.96	3.02

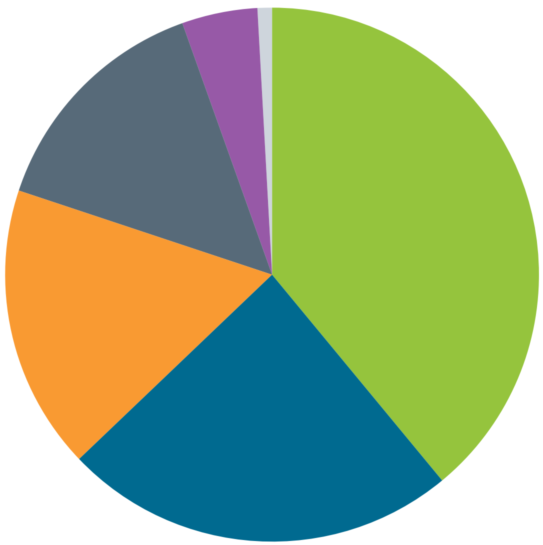
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	3.04	5.49	21.58	31.17	18.07	18.02	14.56	16.34
Russell 2000	2.24	-1.45	15.83	47.08	10.75	14.38	11.38	13.62
MSCI EAFE (Net)	1.76	2.53	11.58	26.12	9.00	9.72	5.66	7.34
MSCI EAFE SC (Net)	2.88	4.63	14.09	32.81	10.11	11.84	8.85	9.92
MSCI EM (Net)	2.62	-4.29	2.84	21.12	9.87	10.40	5.07	4.85
Bloomberg US Agg Bond	-0.19	0.93	-0.70	-0.09	5.43	3.11	3.29	3.18
ICE BofAML 3 Mo US T-Bill	0.00	0.01	0.03	0.07	1.23	1.17	0.87	0.63
NCREIF ODCE (Gross)	N/A	N/A	6.12	8.02	5.52	6.57	8.40	9.60
FTSE NAREIT Eq REITs Index (TR)	1.84	6.74	30.17	40.49	11.11	7.64	8.94	10.60
HFRI FOF Comp Index	1.14	0.41	5.38	13.73	6.31	5.80	4.08	4.14
Bloomberg Cmdty Index (TR)	-0.30	1.54	23.01	31.00	5.82	4.17	-3.07	-4.67

The previous month's CPI YoY is used as a proxy for the current YoY return until it becomes available.
NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end.
Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

RVK

Asset Allocation by Asset Class

August 31, 2021 : $2,760,419,520

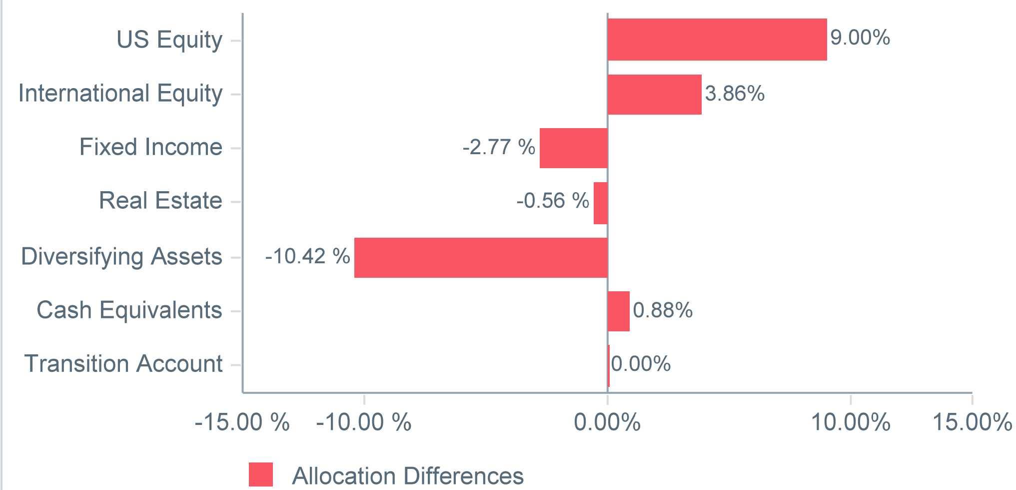


	Market Value ($)	Allocation (%)
US Equity	1,076,692,221	39.00
International Equity	658,668,005	23.86
Fixed Income	475,741,641	17.23
Real Estate	398,595,849	14.44
Diversifying Assets	126,435,457	4.58
Cash Equivalents	24,273,480	0.88
Transition Account	12,868	0.00

Asset Allocation vs. Target Allocation

	Market Value ($)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	**2,760,419,520**	**100.00**	**-**	**100.00**	**-**
US Equity	1,076,692,221	39.00	20.00	30.00	40.00
International Equity	658,668,005	23.86	10.00	20.00	25.00
Fixed Income	475,741,641	17.23	10.00	20.00	30.00
Real Estate	398,595,849	14.44	0.00	15.00	20.00
Diversifying Assets	126,435,457	4.58	0.00	15.00	20.00
Cash Equivalents	24,273,480	0.88	0.00	0.00	10.00
Transition Account	12,868	0.00	0.00	0.00	0.00

Asset Allocation vs. Target Allocation Differences

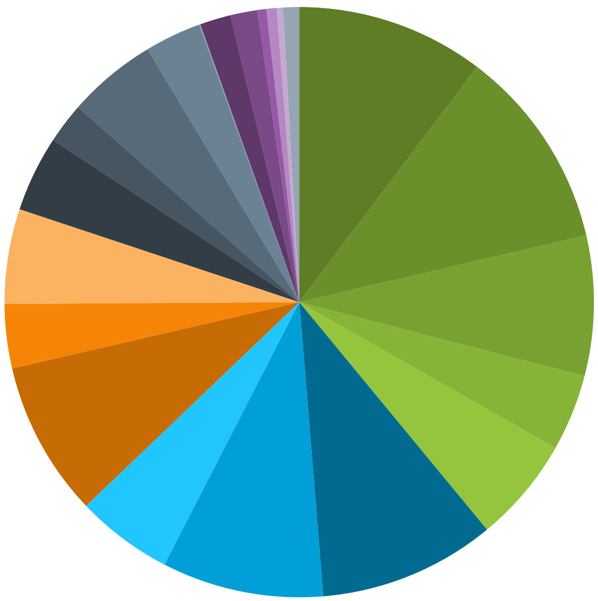


Schedule of Investable Assets

Periods Ending	Beginning Market Value ($)	Net Cash Flow ($)	Gain/Loss ($)	Ending Market Value ($)	% Return
CYTD	**2,469,519,078**	**2,965,023**	**287,935,419**	**2,760,419,520**	**11.65**

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding.

August 31, 2021 : $2,760,419,520



	Market Value ($)	Allocation (%)
Eagle Capital Large Cap Value (SA)	284,751,210	10.32
Mellon Large Cap Core Index (CF)	305,046,409	11.05
Loomis Sayles Large Cap Growth (CF)	211,590,418	7.67
Mellon Small Cap Value Index (CF)	115,825,747	4.20
Pinnacle Associates US SMID Cap Growth (SA)	159,478,436	5.78
Silchester International Value (CF)	267,565,716	9.69
Baillie Gifford International Growth (BGEFX)	244,608,826	8.86
Acadian Emerging Markets (CF)	146,493,463	5.31
Baird Core Fixed Income (SA)	235,281,509	8.52
Franklin Templeton Global Multisector Plus (CF)	97,042,546	3.52
Loomis Sayles Multisector Full Discretion (CF)	143,417,586	5.20
Harrison Street Core Property, LP	114,817,890	4.16
PGIM Real Estate PRISA II LP (CF)	61,532,421	2.23
Principal US Property (CF)	135,333,984	4.90
UBS Trumbull Property (CF)	85,492,086	3.10
Vanguard RE Idx;ETF (VNQ)	1,419,467	0.05
Harvest Fund Advisors MLP (SA)	47,070,683	1.71
Tortoise Capital Advisors MLP (SA)	40,938,546	1.48
Hancock Timberland (SA)	13,456,456	0.49
Adams Street Private Equity (SA)	15,417,892	0.56
Hamilton Lane Private Credit (SA)	9,551,879	0.35
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	24,273,480	0.88
Transition Account	12,868	0.00

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Market values for Franklin Templeton Global Multisector Plus (CF) and PGIM Real Estate PRISA II LP (CF) are as of 06/30/2021.

	Allocation		Performance (%)										
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	**2,760,419,520**	**100.00**	**1.99**	**1.66**	**11.65**	**24.24**	**21.46**	**9.94**	**10.57**	**8.05**	**9.81**	**6.92**	**07/01/1999**
Current Total Fund Policy Index			1.10	1.03	12.27	23.80	20.31	9.40	9.57	7.65	9.21	6.37	
Difference			0.89	0.63	-0.62	0.44	1.15	0.54	1.00	0.40	0.60	0.55	
Total Equity	**1,735,360,225**	**62.87**	**2.75**	**1.90**	**16.06**	**37.19**	**32.59**	**15.04**	**15.76**	**11.53**	**13.13**	**7.44**	**07/01/1999**
US Equity	**1,076,692,221**	**39.00**	**3.07**	**3.43**	**20.89**	**42.99**	**36.38**	**17.30**	**17.79**	**13.70**	**15.42**	**8.05**	**07/01/1999**
US Equity Index			2.85	4.59	20.39	38.07	33.04	17.85	17.97	14.34	16.20	8.02	
Difference			0.22	-1.16	0.50	4.92	3.34	-0.55	-0.18	-0.64	-0.78	0.03	
International Equity	**658,668,005**	**23.86**	**2.23**	**-0.50**	**9.00**	**28.76**	**26.85**	**11.55**	**12.58**	**7.87**	**9.07**	**6.85**	**07/01/1999**
International Equity Index			1.90	0.22	9.40	28.01	24.87	9.37	9.92	5.43	6.57	4.71	
Difference			0.33	-0.72	-0.40	0.75	1.98	2.18	2.66	2.44	2.50	2.14	
Fixed Income	**475,741,641**	**17.23**	**0.00**	**0.70**	**0.33**	**1.89**	**1.82**	**4.40**	**3.23**	**2.65**	**3.34**	**5.14**	**07/01/1999**
Fixed Income Index			-0.07	0.94	-0.22	1.07	0.88	5.72	3.27	3.40	3.25	4.90	
Difference			0.07	-0.24	0.55	0.82	0.94	-1.32	-0.04	-0.75	0.09	0.24	
Real Estate	**398,595,849**	**14.44**	**1.35**	**2.98**	**6.68**	**6.73**	**6.86**	**4.26**	**5.58**	**7.19**	**7.78**	**5.53**	**12/01/2005**
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	5.87	
Difference			1.35	2.98	1.04	-0.07	-0.23	-0.34	-0.04	-0.24	-0.82	-0.34	
Diversifying Assets	**126,435,457**	**4.58**	**1.48**	**-1.62**	**23.36**	**39.48**	**31.22**	**-1.43**	**1.55**	**-1.51**	**5.63**	**5.42**	**03/01/2011**
Diversifying Assets Index			-0.84	-3.80	24.70	41.89	30.14	-1.47	0.98	-1.16	3.48	3.18	
Difference			2.32	2.18	-1.34	-2.41	1.08	0.04	0.57	-0.35	2.15	2.24	

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	Allocation		Performance (%)										
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity													
Eagle Capital Large Cap Value (SA)	**284,751,210**	**10.32**	**4.24**	**6.06**	**28.07**	**53.83**	**46.34**	**18.34**	**19.53**	**14.94**	**16.61**	**12.31**	**02/01/2007**
Russell 1000 Val Index			1.98	2.80	20.32	39.88	36.44	11.45	11.68	9.55	13.03	7.34	
Difference			2.26	3.26	7.75	13.95	9.90	6.89	7.85	5.39	3.58	4.97	
Mellon Large Cap Core Index (CF)	**305,046,409**	**11.05**	**2.89**	**5.04**	**20.72**	**37.14**	**32.11**	**N/A**	**N/A**	**N/A**	**N/A**	**22.82**	**05/01/2019**
Russell 1000 Index			2.89	5.03	20.74	37.27	32.25	18.42	18.24	14.57	16.40	22.91	
Difference			0.00	0.01	-0.02	-0.13	-0.14	N/A	N/A	N/A	N/A	-0.09	
Loomis Sayles Large Cap Growth (CF)	**211,590,418**	**7.67**	**2.55**	**4.65**	**19.09**	**29.46**	**23.83**	**22.43**	**N/A**	**N/A**	**N/A**	**22.03**	**08/01/2017**
Russell 1000 Grth Index			3.74	7.16	21.08	34.87	28.53	24.60	24.35	19.24	19.45	25.23	
Difference			-1.19	-2.51	-1.99	-5.41	-4.70	-2.17	N/A	N/A	N/A	-3.20	
Mellon Small Cap Value Index (CF)	**115,825,747**	**4.20**	**2.68**	**-0.99**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**3.59**	**04/01/2021**
Russell 2000 Val Index			2.68	-1.00	25.43	67.28	59.49	8.41	11.66	9.41	12.14	3.52	
Difference			0.00	0.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.07	
Pinnacle Associates US SMID Cap Growth (SA)	**159,478,436**	**5.78**	**2.36**	**-2.09**	**10.99**	**47.65**	**42.18**	**18.84**	**19.81**	**13.59**	**16.08**	**15.86**	**03/01/2010**
Russell 2500 Grth Index			2.50	0.28	8.98	37.20	36.14	16.94	19.20	14.83	16.31	16.23	
Difference			-0.14	-2.37	2.01	10.45	6.04	1.90	0.61	-1.24	-0.23	-0.37	
International Equity													
Silchester International Value (CF)	**267,565,716**	**9.69**	**1.12**	**0.43**	**13.55**	**30.80**	**27.27**	**6.14**	**8.39**	**5.72**	**8.45**	**9.64**	**06/01/2009**
MSCI EAFE Val Index (USD) (Net)			1.13	0.89	11.66	33.10	26.99	4.39	6.56	2.40	5.27	5.59	
Difference			-0.01	-0.46	1.89	-2.30	0.28	1.75	1.83	3.32	3.18	4.05	
Baillie Gifford International Growth (BGEFX)	**244,608,826**	**8.86**	**3.64**	**-0.49**	**2.87**	**24.33**	**23.57**	**22.03**	**21.95**	**14.41**	**13.63**	**14.22**	**06/01/2009**
Baillie Gifford Index			2.26	0.71	7.27	22.21	21.13	13.28	12.12	8.39	8.99	9.56	
Difference			1.38	-1.20	-4.40	2.12	2.44	8.75	9.83	6.02	4.64	4.66	
Baillie Gifford Spliced Index			1.90	0.22	9.40	28.01	24.87	9.61	10.09	5.91	7.51	7.89	
Difference			1.74	-0.71	-6.53	-3.68	-1.30	12.42	11.86	8.50	6.12	6.33	
Acadian Emerging Markets (CF)	**146,493,463**	**5.31**	**1.97**	**-2.17**	**11.92**	**32.77**	**32.11**	**10.14**	**10.08**	**4.62**	**5.15**	**4.55**	**02/01/2011**
MSCI Emg Mkts Index (USD) (Net)			2.62	-4.29	2.84	23.10	21.12	9.87	10.40	5.07	4.85	3.97	
Difference			-0.65	2.12	9.08	9.67	10.99	0.27	-0.32	-0.45	0.30	0.58	

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RVK

City of Jacksonville Employees' Retirement System
Asset Allocation & Performance (Net of Fees)

As of August 31, 2021

	Allocation		Performance (%)										
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income													
Baird Core Fixed Income (SA)	**235,281,509**	**8.52**	**-0.13**	**0.97**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**1.97**	**03/01/2021**
Bloomberg US Agg Bond Index			-0.19	0.93	-0.70	-0.03	-0.09	5.43	3.11	3.29	3.18	1.49	
Difference			0.06	0.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.48	
Franklin Templeton Global Multisector Plus (CF)	**97,042,546**	**3.52**	**-0.03**	**-0.03**	**-1.60**	**0.12**	**0.05**	**-1.16**	**0.46**	**-0.80**	**1.34**	**4.91**	**09/01/2007**
Frank. Temp. Global Multisector Index			-0.36	0.89	-2.10	1.35	0.91	4.67	2.66	2.15	2.01	3.67	
Difference			0.33	-0.92	0.50	-1.23	-0.86	-5.83	-2.20	-2.95	-0.67	1.24	
Loomis Sayles Multisector Full Discretion (CF)	**143,417,586**	**5.20**	**0.25**	**0.75**	**0.74**	**4.92**	**4.69**	**7.99**	**6.27**	**5.08**	**6.47**	**6.85**	**10/01/2007**
Bloomberg Gbl Agg Bond Index			-0.42	0.91	-2.33	0.88	0.52	4.56	2.47	2.02	1.81	3.32	
Difference			0.67	-0.16	3.07	4.04	4.17	3.43	3.80	3.06	4.66	3.53	
Real Estate													
Harrison Street Core Property LP	**114,817,890**	**4.16**	**0.00**	**2.83**	**5.62**	**5.62**	**6.82**	**6.33**	**7.20**	**N/A**	**N/A**	**7.26**	**11/01/2015**
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	6.04	
Difference			0.00	2.83	-0.02	-1.18	-0.27	1.73	1.58	N/A	N/A	1.22	
PGIM Real Estate PRISA II LP (CF)	**61,532,421**	**2.23**	**4.85**	**4.85**	**8.22**	**8.22**	**8.37**	**5.32**	**6.47**	**N/A**	**N/A**	**7.81**	**01/01/2015**
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	6.86	
Difference			4.85	4.85	2.58	1.42	1.28	0.72	0.85	N/A	N/A	0.95	
Principal US Property (CF)	**135,333,984**	**4.90**	**1.82**	**2.30**	**8.68**	**10.54**	**10.13**	**5.80**	**7.02**	**8.62**	**N/A**	**8.81**	**01/01/2014**
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	7.45	
Difference			1.82	2.30	3.04	3.74	3.04	1.20	1.40	1.19	N/A	1.36	
UBS Trumbull Property (CF)	**85,492,086**	**3.10**	**0.00**	**2.83**	**3.95**	**1.79**	**1.41**	**-0.42**	**1.93**	**4.33**	**5.81**	**4.54**	**12/01/2005**
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	5.64	6.80	7.09	4.60	5.62	7.43	8.60	5.87	
Difference			0.00	2.83	-1.69	-5.01	-5.68	-5.02	-3.69	-3.10	-2.79	-1.33	
Vanguard RE Idx;ETF (VNQ)	**1,419,467**	**0.05**	**2.15**	**6.66**	**29.45**	**41.45**	**37.64**	**13.15**	**8.26**	**9.36**	**10.60**	**14.15**	**12/01/2008**
Custom REITs Index			2.16	6.73	29.61	41.64	37.92	13.20	8.81	9.74	11.16	14.97	
Difference			-0.01	-0.07	-0.16	-0.19	-0.28	-0.05	-0.55	-0.38	-0.56	-0.82	

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RVK

	Allocation		Performance (%)										
	Market Value ($)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Diversifying Assets													
Harvest Fund Advisors MLP (SA)	**47,070,683**	**1.71**	**-0.63**	**-5.02**	**32.60**	**62.65**	**45.31**	**-4.62**	**-1.13**	**-5.15**	**4.14**	**4.36**	**03/01/2011**
S&P MLP Index (TR)			-2.33	-7.83	35.02	74.49	52.89	-5.03	-1.54	-6.92	1.34	0.88	
Difference			1.70	2.81	-2.42	-11.84	-7.58	0.41	0.41	1.77	2.80	3.48	
Tortoise Capital Advisors MLP (SA)	**40,938,546**	**1.48**	**-0.81**	**-5.85**	**30.03**	**58.32**	**41.93**	**-7.70**	**-3.25**	**-6.96**	**2.71**	**2.29**	**03/01/2011**
Tortoise Spliced Index			-1.57	-5.79	32.54	59.25	42.53	-6.67	-2.57	-7.62	0.81	0.37	
Difference			0.76	-0.06	-2.51	-0.93	-0.60	-1.03	-0.68	0.66	1.90	1.92	
Hancock Timberland (SA)	**13,456,456**	**0.49**	**9.05**	**9.05**	**14.49**	**18.88**	**18.88**	**7.14**	**8.40**	**7.07**	**7.18**	**4.68**	**10/01/2006**
NCREIF Timberland Index			0.00	0.00	2.47	3.06	3.10	2.12	2.65	3.78	4.66	5.10	
Difference			9.05	9.05	12.02	15.82	15.78	5.02	5.75	3.29	2.52	-0.42	
Adams Street Private Equity (SA)	**15,417,892**	**0.56**	**0.00**	**0.00**	**0.00**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0.00**	**11/01/2020**
S&P 500 Index+3%			3.29	6.01	24.00	40.09	35.10	21.62	21.56	17.99	19.83	43.56	
Difference			-3.29	-6.01	-24.00	N/A	N/A	N/A	N/A	N/A	N/A	-43.56	
Hamilton Lane Private Credit (SA)	**9,551,879**	**0.35**	**0.00**	**0.04**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0.04**	**04/01/2021**
ICE BofAML Gbl Hi Yld Index +2%			0.72	0.85	4.38	12.78	11.33	9.20	8.52	7.12	8.82	3.95	
Difference			-0.72	-0.81	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-3.91	
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	**24,273,480**	**0.88**	**0.00**	**0.19**	**0.37**	**0.38**	**0.38**	**1.16**	**1.17**	**0.88**	**0.64**	**1.35**	**04/01/2001**
FTSE 3 Mo T-Bill Index			0.00	0.01	0.03	0.06	0.06	1.20	1.13	0.84	0.60	1.33	
Difference			0.00	0.18	0.34	0.32	0.32	-0.04	0.04	0.04	0.04	0.02	

Private equity funds tend to underperform in the early stages of their maturity; returns tend to improve as funds mature.

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Performance Related Comments:

- Performance is annualized for periods greater than one year.
- Performance and market values shown are preliminary and subject to change.
- The inception date shown indicates the first full month of performance following initial funding.
- The market value shown for the Transition Account includes residual assets from terminated managers.
- RVK began monitoring the assets of the City of Jacksonville Retirement System on 01/01/2019. Prior historical data was provided by the custodian and previous consultant.
- Franklin Templeton Global Multisector Plus (CF) performance prior to 03/2016 is represented by Templeton Global Total Return (SICAV).

Custom Composite Benchmark Comments:

- **Current Total Fund Policy Index**: The passive Current Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), and 15% Diversifying Assets Index. Prior to 11/01/2017, the Current Total Fund Policy Index consists of the Legacy Total Fund Policy Index.
- **Legacy Total Fund Policy Index**: The passive Legacy Total Fund Policy Index is calculated monthly and currently consists of 35% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 19% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), 10% Diversifying Assets Index, and 1% FTSE 3 Mo US T-Bill Index.
- **US Equity Index**: The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index**: The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index**: The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Diversifying Assets Index**: The active Diversifying Assets Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return. Prior to 10/01/2020, the Diversifying Assets Index consist of 67% S&P MLP Index (TR)/33% NCREIF Timberland Index. Prior to 11/01/2017, the Diversifying Assets Index consist 50% S&P MLP Index (TR)/50% NCREIF Timberland Index.

Custom Manager Benchmark Comments:

- **Baillie Gifford Index**: The passive Baillie Gifford Index consists of 100% MSCI EAFE Grth Index (USD) (Net) through 10/2017 and 100% MSCI ACW Ex US Grth Index (USD) (Net) thereafter.
- **Baillie Gifford Spliced Index**: The passive Baillie Gifford Spliced Index consists of 100% MSCI EAFE Index (USD) (Net) through 11/2019 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Frank. Temp. Global Multisector Index**: The passive Frank. Temp. Global Multisector Index consists of 100% ICE BofAML Gbl Hi Yld Index through 12/2009 and 100% Bloomberg Multiverse Index thereafter.

- **Custom REITs Index**: The passive Custom REITs Index consists of 100% MSCI US REIT Index (USD) (Gross) through 01/2019 and 100% Vanguard Spl Real Estate Index thereafter.
- **Vanguard Spliced Real Estate Index**: The Vanguard Spl Real Estate Index consists of MSCI US REIT Index (USD) (Gross) adjusted to include a 2% cash position (Lipper Money Market Average) through 04/30/2009, MSCI US REIT Index (USD) (Gross) through 01/31/2018, MSCI US IM Real Estate 25/50 Transition Index through 07/24/2018, and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.
- **Tortoise Spliced Index**: The passive Tortoise Spliced Index consists of 100% S&P MLP Index (TR) through 07/2020 and 100% Alerian Midstream Energy Index thereafter.

PORTLAND BOISE CHICAGO NEW YORK

RVK

H.I.G. REALTY
PARTNERS IV

SEPTEMBER 2021

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See Endnotes for important information.

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H.I.G. Realty Partners IV ("Fund IV") Overview

H.I.G. REALTY PARTNERS

DIFFERENTIATED INVESTMENT STRATEGY – NORTH AMERICAN SMALL-CAP FOCUS:

- Fund IV will seek to invest in small-cap North American assets, with gross asset values ("GAV") typically less than $200mm
- Specialize in the acquisition, rehabilitation, and repositioning of capital starved and/or poorly managed assets
- Target diverse portfolio with equity investments of $10 – $50mm

COMPELLING MARKET ENVIRONMENT:

- Inefficiencies in the small- to mid-cap market have been amplified as a result of the COVID-19 outbreak
- Market dislocation has reset valuations, creating opportunities to purchase high-quality assets at an attractive basis

EXTENSIVE SOURCING INFRASTRUCTURE:

- Source off-market deal flow by identifying inefficient sales processes: distress/fatigued ownership, off-market, non-economic and corporate sellers, recapitalizations
- Access to large and proprietary H.I.G. network of operating partners and transaction sources

H.I.G. VALUE-ADD:

- Extensive expertise up-and-down the capital stack critical in navigating complex and distressed transactions
- Hands-on, value-added, operationally-focused approach that seeks to generate substantial asset appreciation

DEMONSTRATED TRACK RECORD:

- Manages $1.7bn[1] in U.S. small-cap, value-add and opportunistic real estate investments; executed 61 transactions in the U.S. since 2012*
- Generated realized[2] gross[3] and net[4] IRRs of 26% and 22%, respectively, and have projected total gross[5] and net[6] IRRs of 22% and 15%, respectively[7]*

DEEP AND EXPERIENCED LEADERSHIP:

- Seasoned team of 20 investment professionals with over 275 years of combined experience
- 28+ year history of investing in complex situations in small cap, private markets
- Global network of ~490 H.I.G. investment professionals

*Note: Transaction count includes only U.S. Fund II, III, and IV. Realized returns include only U.S. Fund II and III; Total returns include only U.S. Fund II, III and IV. See page 16 and Endnotes for additional information regarding H.I.G. Realty Partners Returns.

H.I.G. Capital – Leader in the Small and Mid-cap Markets

- Leading global alternative asset firm focused on the small and mid-cap segments of the market
- Founded in 1993; Over $45bn[1] of equity capital under management
- 28-year track record / industry-leading investment returns
  - Differentiated value-added strategy and leading position in the lower to middle market segment of the private markets have resulted in consistently strong investment returns across asset classes
- Broad investment capabilities across sectors, capital structures and investment styles (value, growth, opportunistic), with a focus on complex situations
  - Deep experience in real estate, leveraged buyouts, growth equity, special situations, distressed credit and direct lending
- One of the largest and most active investors in the small and mid-cap segment of the private market
  - Executed 119 real estate investments, including equity and debt, globally.
  - Synergistic platform that delivers off-market sourcing opportunities and enhanced diligence
- Institutionalized management structure and processes with strong financial staff and controls, legal and compliance, IT support, and risk management procedures in place
  - Eighteen offices in North America, Europe, and Latin America
  - ~800 employees; ~490 investment professionals

H.I.G. Capital Family of Funds

H.I.G. manages $45bn[1] of capital through a number of highly interconnected and synergistic strategies focused on the small-cap market

REAL ASSETS

Value-add / Opportunistic

- Asset repositionings
- Turnaround opportunities
- Underperforming assets
- Stressed / distressed situations

Advantage

- Target Western Europe and the Nordics
- Stable income assets
- Focus on downside protection
- Cash yield component

AUM: $3.7 bn[1]

PRIVATE EQUITY

Small-Cap / Mid-Market Buyouts

- Operational turnarounds
- Corporate divestitures
- Stressed / distressed buyouts
- Public-to-private transactions

AUM: $20.7 bn[1]

Growth Equity

- Growth capital to high-growth, small-cap businesses
- Expansion capital
- Founder liquidity
- Biopharma, medical devices and diagnostics

AUM: $2.4 bn[1]

CREDIT

Performing Loans

- CLOs and BDC
- Middle market direct lending
- Primary loan issuance
- Refinancing of current debt
- Invest across capital structure

Distressed / Stressed Debt

- Control and non-control
- Restructurings / turnarounds
- Chapter 11 and out-of-court reorganizations
- Special situations and structured credit

AUM: $17.9 bn[1]

Global Investment Team

Large dedicated team focused on small cap and mid cap investing

- 18 offices across the globe in 9 countries and 3 continents
- ~490 Investment Professionals
- 61 H.I.G. Realty professionals globally, 19 in North America

~490 Seasoned Investment Professionals

~310 in North America

~130 in Europe

~50 in Latin America

H.I.G. Capital: Power of the Platform

115 equity and debt global real estate transactions

18 offices globally

Extensive deal sourcing capabilities – ~25 dedicated business development team members

Significant industry experience & strong track record across industry verticals

Demonstrated operating and strategic expertise driving value creation across the portfolio

Significant back-office support

Real Estate – Core Competency of H.I.G. Capital

H.I.G. REALTY PARTNERS

H.I.G. Realty Partners is a leading real estate investor in the small to mid-cap market with a global presence in the U.S. and Europe[8]

Dominant Global Scale in the Small-Cap Market

Assets Under Management	$3.5bn[1]	**Completed Transactions**	116
# of Investment Professionals	61	**Gross Asset Value**	$8.2bn
# of Offices	5 H.I.G. Realty Offices 18 H.I.G. Capital Offices	**Avg. U.S. Equity Investment***	$20mm


Grand Montecito


Plantation Ridge


Newnan Distribution Center


Hilton Cocoa Beach

H.I.G. Realty Partners' Portfolio Spans Across:

70 Cities

15 Countries in North America & Europe

13 Sectors

* Including co-investment capital.
Note: From June 2012 through March 2021.

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Significant opportunity in distressed and / or mismanaged and capital starved small-cap assets where H.I.G. can apply its value-add strategy to deliver outsized returns

Inefficient Small-Cap Market: More attractive asymmetric risk-return, driven by a less competitive market

Gross Target Return: 17 – 20% IRR, 2.0x+ MOIC[9]

H.I.G. Value-Add: Ability to source, diligence, price, rehabilitate, re-develop, re-position and re-brand distressed, capital starved and/or mismanaged assets

Target Equity Investment: $10 – $50mm

Target LTV: 65% - 70%

Target GAV: Typically less than $200mm

Sector Focus: Nimble, sector agnostic approach capturing the best relative value throughout the inefficient small-cap market while applying moderate leverage

Geographic Focus: North America – Targeting Top 30 MSAs

Target Average Holding Period: 4 years

Diverse Target Portfolio: 30 – 35 transactions

H.I.G. Realty IV Activity Summary

H.I.G. Realty generated a strong performance across the portfolio in 2020 by capitalizing on COVID-19 related market conditions and investing in resilient assets

- **2020 and Early 2021 Investments:**
  - Deployed $86M* in 5 equity investments
  - Focused on resilient asset classes including multifamily, industrial, and life science properties
- **Portfolio Performance Update:**
  - Generating strong cash-on-cash returns
  - H.I.G. value-add execution well-ahead of schedule, with two investments likely to be fully or partially realized during 2021
  - Q1 2021 portfolio current mark of a gross 1.5x MOIC (60% gross IRR)[2]

($ in mm)				Units / SF /	H.I.G.	Projected Gross[5]	
Date of Investment	**Investment**	**Location**	**Investment Type**	**Rooms**	**Equity**	**MOIC**	**IRR**
February 2020	Florida-Texas LIHTC Portfolio	Tampa / Jacksonville, FL Austin / Dallas, TX	Multifamily	688 Units	$18.6	2.4x	17.1%
February 2020	2 East Oak	Chicago, IL	Multifamily	304 Units	22.1	2.0	19.1
June 2020	Princeton R&D Portfolio	Hopewell, NJ	Life Sciences Office	1,100,000 SF	17.1	6.3	84.4
October 2020	Project Quad	Major U.S. MSAs	Industrial	~650,000 SF	13.8	2.0	105.0
May 2021	Huntsville Industrial	Huntsville, AL	Industrial	560,000 SF	14.0	2.0	19.3
Total (Gross)					**$85.6**	**2.9x**	**45.6%**

FL-TX LIHTC Portfolio – Jacksonville, FL

2 East Oak

Princeton R&D Portfolio

Note: Projections based on H.I.G.'s reasonable estimates; actual results may vary.
* Includes $5.4 million in co-investment capital for Florida-Texas LIHTC Portfolio

Robust Pipeline of Immediate Opportunities

H.I.G. Realty is capitalizing on a fertile investment and attractive pricing environment following the COVID-19 market dislocation with over $655mm in opportunities

H.I.G. Realty IV Themes & Attributes

- **The post COVID-19 pipeline is focused on transactions that:**
  - Repriced post COVID-19, improving the return profile;
  - Restructured post COVID-19, moving "up" in the capital structure;
  - And / or have a "distress" or "rescue" angle
- **Typical themes include:**
  - Buyers who have funded a non-refundable deposit, but need additional equity or debt to close
  - Sellers, including corporates, who need cash quickly to solve other problems
  - Lender driven processes
- **H.I.G. has maintained its focus on resilient asset classes positioned to perform through cycles**

Selected H.I.G. Realty Pipeline Transactions[14]

($ in mm)

Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Projected Gross[5] MOIC	Projected Gross[5] IRR
New York Distribution Center**	New York (MSA)	Industrial	933,000 SF	$32.6	2.2x	35.7%
Atlanta Industrial*	Atlanta, GA	Industrial	1,038,520 SF	12.6	2.3	31.9
Orlando Multifamily*	Orlando, FL	Multifamily	330 Units	25.5	2.1	20.9
Southern California Industrial**	Los Angeles (MSA)	Industrial	3,400,000 SF	65.9	2.6	24.7
Northern NJ Life Science Campus	Northern NJ	Life Science	2,000,000 SF	55.0	2.1	20.0
Baltimore Industrial	Baltimore, MD	Industrial	1,803,000 SF	32.9	2.0	21.2
Dallas Industrial	Dallas, TX	Industrial	765,798 SF	12.8	2.0	22.0
Condo De-Conversion Strategy	Chicago, IL	Multifamily	1,350 units	90.0	2.5	29.1
Santa Clarita Industrial	Santa Clarita, CA	Industrial	992,000 SF + 20 AC	61.9	2.5	30.8
Vitalia Midwestern Senior Housing Portfolio	Ohio (Various)	Senior Living	860 Units	90.0	2.0	20.0
Lake Tahoe Hotel	Lake Tahoe, CA	Hotel	399 Rooms	45.0	2.1	19.0
Northern Dallas Office Portfolio	Dallas (MSA)	Office	540,000 SF	20.0	2.4	21.0
Charlotte Multifamily	Charlotte, NC	Multifamily	626 Units	64.3	2.0	21.7
Florida Multifamily	Tallahassee, FL	Multifamily	536 Units	25.0	2.0	18.0
New York Distressed Industrial	New York, NY	Industrial	600,000 SF	21.6	2.1	20.0
Current Pipeline (Gross)				**$655.1**	**2.2x**	**23.9%**

Note: Selected list of opportunities from the current investment pipeline as of July 2021. There can be no assurance that pipeline transactions will close; * Denotes IC approved investment; ** Signed Purchase and Sale Agreement. Projections based on H.I.G.'s reasonable estimates; actual results may vary.

H.I.G. REALTY PARTNERS

COVID-19 caused a sharp dislocation across asset classes

Macro-Level Impact

- Immediate focus across the world on health, safety and security as efforts are made to curb the spread of COVID-19
- Non-essential business halted for much of 2020 across the U.S., Europe, and Asia
- Central banks injected unprecedented levels of liquidity to aid financial markets and businesses, while governments provide financial relief to individual citizens
- Sudden economic disruption continues to impact sectors and asset classes

Real Estate Sector Impact

- **Multifamily**
  - One of the most defensive sectors longer-term given the essential nature of housing
  - Rent collection issues primarily in workforce housing
- **Industrial & Data Centers**
  - Relatively resilient due to mission-critical nature and attractive supply / demand dynamics
- **Office**
  - Rent collection issues
  - Credit issues over the short-term
  - Potential longer-term structural changes to the nature of in-office work
- **Hospitality & Retail**
  - Immediate drop-off in revenue resulting in severe NOI declines
  - Rent deferrals and loan modifications put in place

Investing in the Current Environment

- Dislocation has reset valuations in the hotel, office, retail and senior housing sectors
  - Opportunity to purchase high-quality assets at an attractive basis
- As 2021 progresses and the 2020 loan forbearance agreements start to expire, non-institutional and undercapitalized owners will become forced sellers to meet liquidity needs
- Certain real estate lenders are under duress forcing them to sell individual or pools of loans, creating opportunities in “loan-to-own” and rescue recapitalization situations
- Underwriting occupancy, rent, and NOI growth is most important in the current environment
- Long-term exit cap rates should be resilient given historically low interest rates

H.I.G. Realty’s disciplined approach and ability to diligence / mitigate complexity position Fund IV to thrive in a period of uncertainty

H.I.G. Realty's ability to creatively rehabilitate and reposition properties across asset classes and expertise up-and-down the capital stack will be critical in a dynamic real estate market

- H.I.G. Realty has successfully navigated the COVID-19 headwinds due to its focus on several asset classes that have proven resilient
  - H.I.G. possesses the experience and knowledge to capitalize on the fertile investment environment
  - Ample amount of capital available following Fund IV's closings to-date
  - Current and historic portfolios have no exposure to retail and senior living investments, and very limited exposure to the hospitality sector
- Large investment team of 19 professionals, led by a seasoned Investment Committee, that is positioned to play offense
  - Comprised of Co-Founders and CEOs, Sami Mnaymneh & Tony Tamer, Co-President, Brian Schwartz, H.I.G. Realty U.S. Co-Heads David Hirschberg & Ira Weidhorn, Head of H.I.G. Growth Partners, John Black, and Head of Real Estate Debt, Jeff Wiseman
    - 185+ years of experience and average tenure of 20 years at H.I.G. Capital
- Access to the collective knowledge, insights, and relationships of the global H.I.G. Capital platform specializing in small to mid-cap private markets investments, which provides synergies, sourcing and informational advantages versus competitors
  - 28-year track record of owning and operating complex, stressed and distressed assets; over 300 control transactions since inception in 1993
  - H.I.G. Capital's credit platform has invested $28bn in credit assets globally across multiple market cycles
  - Unmatched size and scale with approximately 310 U.S.-based investment professionals in 9 offices across the United States

Investing in Today's Market – Target Opportunities

Target Attributes

Distress or Other Special Situations		Recession Resistant Assets	
Forced Sellers	Undercapitalized Owners	Positive Demographics / Underlying Growth	Discount to Replacement Cost / Low Basis vs. Comps
Rescue Recaps / Loan-to-Own	H.I.G. Proprietary Insights	Mission Critical Assets	Strong Credit Tenancy and Lease Term

Primary Target Sectors / Asset Classes

Multifamily (~45% of Fund III)

- Absolute necessity to a wide swath of the population
- Continuation of long-term trend of renting (vs owning)
- H.I.G. Realty avoided workforce housing; a multifamily sub-sector that has experienced post-COVID distress

Industrial / Data Centers (~25% of Fund III)

- Logistics and "last mile" industrial assets experiencing unprecedented positive supply / demand dynamics
- Data centers remain vitally important due to their mission-critical status amongst content and telecommunications providers, government entities, and financial services

Specialty / Opportunistic Office Plays (~19% of Fund III)

- Assets with an attractive remaining lease term, strong tenant credit, and tenants operating in COVID-19 / recession resistant industries
- H.I.G. Realty avoided assets with co-working tenancy, but the current environment could lead to distressed opportunities

H.I.G. Realty Partners (U.S.) - Portfolio Summary

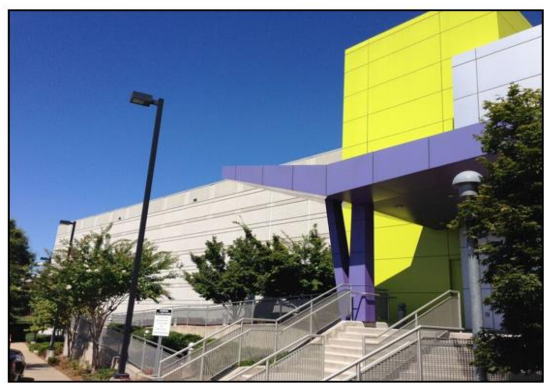
H.I.G. REALTY PARTNERS

($ in mm)

Fund	Vintage	Fund Size	H.I.G. Equity*	Realized Value	Proj. Total Value	Realized IRR Net[4]	Realized IRR Gross[3]	Realized MOIC Net[4]	Realized MOIC Gross[3]	Current IRR Net[4]	Current IRR Gross[3]	Current MOIC Net[4]	Current MOIC Gross[3]	Projected IRR Net[6]	Projected IRR Gross[5]	Projected MOIC Net[6]	Projected MOIC Gross[5]
H.I.G. Realty Partners II[10**]	2012	$400	$440	$468	$710	22%	26%	1.6x	1.9x	12%	17%	1.4x	1.6x	14%	19%	1.6x	1.8x
H.I.G. Realty Partners III[11***]	2016	714	659	182	963	19	24	1.5	1.7	10	15	1.3	1.5	15	20	1.7	2.0
H.I.G. Realty U.S. Funds[7]			**$1,099**	**$649**	**$1,674**	**21%**	**26%**	**1.6x**	**1.8x**	**11%**	**16%**	**1.3x**	**1.5x**	**15%**	**19%**	**1.6x**	**1.9x**

U.S. Realty platform has invested over $1bn and realized $649mm, generating returns that have consistently exceeded our target while applying moderate leverage

Dallas-Atlanta Portfolio



E*Trade Data Center

Bainbridge Clearwater

Data as of March 31, 2021

Note: Projections based on H.I.G.'s reasonable estimates; actual results may vary.

* Includes projected equity.

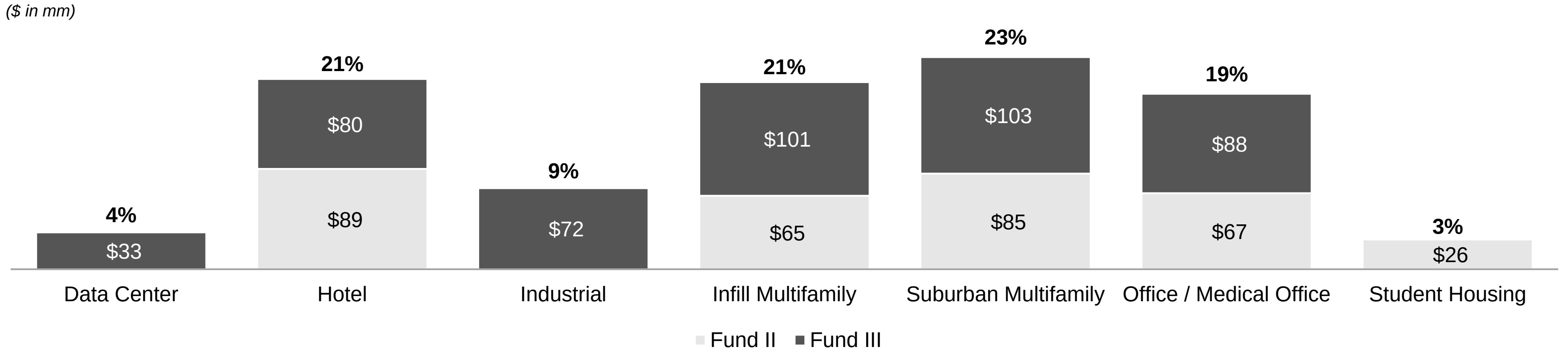
** H.I.G. Realty Partners II returns exclude condominium investments in New York City. See endnote 10.

*** H.I.G. Realty Partners III Fund Size and H.I.G. Equity includes co-investment capital. Returns reflect performance of the "onshore fund". See endnote 11.

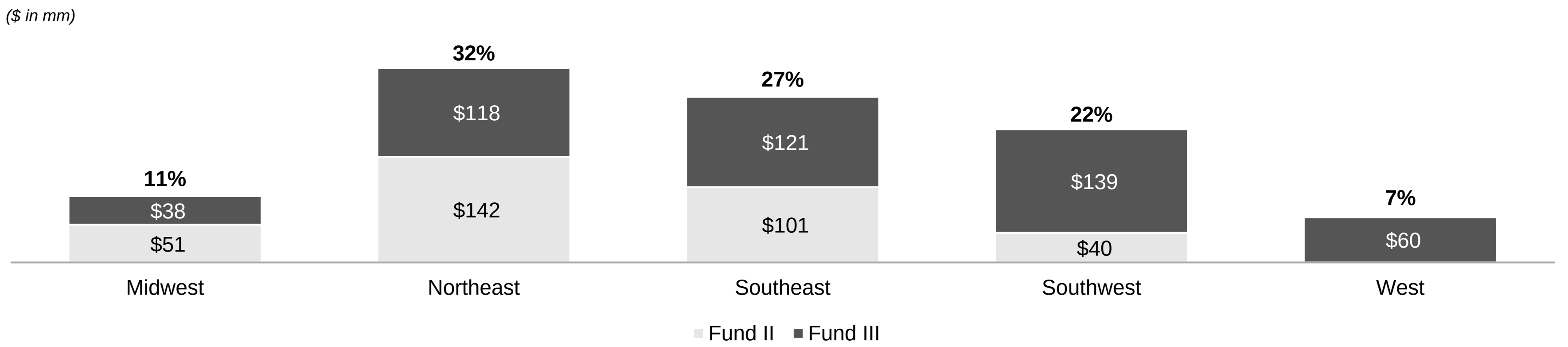
Extensive Sector and Regional Investment Expertise

H.I.G. Realty's sector agnostic approach allows for tactical investment decisions, which capitalize on shifting market conditions, such as supply / demand imbalances.

Investments by Real Estate Sector



Investments by Region



Note: Fund II figures exclude three condominium investments, all in New York City; H.I.G. Realty has not made a condominium investment in the U.S. since 2014, and such investments will not be pursued by Fund IV. See Endnote 10.

Significant NOI Creation in Realized Investments

- *36% increase over in-place NOI[12]*
- *NOI growth 2.5x greater than increase in cost basis[12]*
- *Sold for 14% premium over all-in basis*
- *Aggregate discount to replacement cost of 23%[13]*

H.I.G. Realty Partners II & III Realized Investments[2]

($ in mm)					Net Operating Income			
Investment	**Sector**	**Purchase**	**All-In Basis**	**Sale**	**At Acquisition**	**At Sale**	**Increase**	**% Growth**
Villas at Shadow Creek Ranch	Multifamily	$52.8	$56.1	$74.0	$3.5	$4.4	$0.9	25.9%
Wind Dance*	Multifamily	25.8	27.4	39.0	1.7	2.5	0.8	49.1
East Side Portfolio	Multifamily	73.0	100.7	131.5	2.8	5.2	2.4	82.6
Riverview Landing*	Multifamily	51.6	53.7	55.0	3.1	2.6	(0.5)	(15.9)
Reserve at Woodbridge*	Multifamily	29.5	30.2	40.5	2.1	2.5	0.5	21.8
Bayclub*	Multifamily	19.2	21.0	28.3	1.0	1.8	0.7	73.1
Hilton Tampa	Hotel	63.0	77.8	101.0	5.0	8.2	3.3	65.2
Columbia Medical Campus	Medical Office	17.2	21.2	35.5	1.0	1.5	0.5	46.1
Pittsburgh Sheraton	Hotel	61.0	79.1	29.0	6.5	0.2	(6.3)	(96.6)
Cocoa Beach Hilton	Hotel	20.0	30.1	52.3	1.4	5.0	3.6	249.4
Ravello*	Multifamily	21.9	23.1	30.6	1.5	1.8	0.4	26.7
Braker Flex Office Portfolio	Office	61.3	66.2	84.8	3.9	5.6	1.7	45.3
Austin Holiday Inn/Doubletree	Hotel	13.5	22.9	27.1	1.4	1.9	0.4	30.4
Southeast Portfolio (McDowell)	Multifamily	42.3	45.9	62.3	3.2	3.9	0.7	22.4
Hyatt Indianapolis	Hotel	70.5	77.9	108.0	4.5	10.0	5.5	121.9
Plantation Ridge	Multifamily	16.1	16.9	26.7	0.9	1.5	0.5	55.7
Residence at North Dallas*	Multifamily	81.5	86.6	121.5	5.1	7.3	2.2	42.6
Central Florida Portfolio*	Multifamily	79.8	88.2	102.5	4.0	6.1	2.2	55.2
Summit Ridge*	Multifamily	52.0	54.9	62.2	3.3	3.5	0.2	4.6
Grand Reserve*	Multifamily	60.3	63.9	78.0	3.2	3.8	0.6	17.0
River Vista*	Multifamily	28.0	28.9	33.4	1.4	1.8	0.3	24.0
Newnan Distribution Center	Industrial	25.0	35.4	51.2	(0.5)	2.9	3.4	NA
Newmarket Business Park	Office	51.8	59.6	71.6	4.2	4.6	0.4	9.1
Windsor House	Multifamily	36.5	38.2	40.5	2.0	2.1	0.1	5.4
Spanish Ridge	Office	24.8	26.6	31.8	1.7	2.6	0.9	51.9
Grand Montecito	Office	33.3	37.3	49.1	2.9	3.5	0.7	23.2
Dallas-Atlanta Portfolio	Industrial	100.0	108.6	146.0	7.5	9.9	2.4	32.0
Total		**$1,211.7**	**$1,378.4**	**$1,713.2**	**$78.5**	**$106.8**	**$28.4**	**36.2%**

Increase During H.I.G. Hold Period	***Basis Increase %***	***13.8%***	***NOI Growth %***	***36.2%***

* Assets comprise the Milestone Multifamily portfolio in H.I.G. Realty Partners II.

Proven Value Creation for Undermanaged / Capital Starved Properties

H. I. G. REALTY PARTNERS

Value Creation Examples[14]

		Braker Flex Office	East Side Portfolio	Hilton Tampa	Hyatt Indianapolis	Kennelly Square
Fund (Status)		Fund II (Realized)	Fund II (Realized)	Fund II (Realized)	Fund II (Realized)	Fund III (Unrealized)
Complexity at Investment		Property mis-positioned in marketplace	Rent regulated Seller not maximizing value	Existing flag limiting demand	Underperformance due to mismanagement	Condominium building Various unit type and unit quality
Value Add Initiative	Renovation	✓	✓	✓	✓	✓
	Rebranding / Repositioning	✓		✓	✓	✓
	Lease Up / Other	✓	✓			✓
	Cost	$2 million	$45k / unit	$13mm	$8 million	$30k / unit
Result		Increased rental rate 25%+ by repositioning to target office tenants	Generated substantial increase in NOI by gut renovating units and common areas	Increased RevPAR by ~30% over the hold period after rebranding to Hilton	Increased RevPAR penetration from 98% at acquisition to 109% at sale	Achieved 30%-40% premium on renovated units
Realized MOIC / IRR[3]		1.7x / 22.2%	2.0x / 35.5%	2.1x / 25.2%	2.8x / 44.2%	2.2x / 26.0%*

*Kennelly Square returns displayed on an unrealized, projected basis as of March 2021. See Endnote 5.

H.I.G. Realty's Consistent Risk Mitigation – Examples[14]

H.I.G. REALTY PARTNERS

Prior to Closing – De-Risking Investment	
Grand Montecito	▪ Extended anchor tenant's lease (69% of building area) by an additional 82 months
Garland Center	▪ H.I.G. structured the purchase and sale agreement with the flexibility to enable the negotiation of long term lease extensions with existing tenants during due diligence ▪ Executed lease with 52,000 SF data center tenant
Newnan Distribution Center	▪ Executed 20-year lease with a 1.4mm sq. ft. tenant, bringing occupancy from 0% to 73%
Greenspoint Place	▪ Negotiated 100,000+ sq. ft. of leases, confirming tenant demand prior to closing ▪ Negotiated $10mm price reduction and attractive financing during due diligence
Newmarket	▪ Finalized extension with Home Depot (anchor tenant) extending lease maturity to 12 years

Unique Ability to Evaluate Underlying Tenants	
Grand Montecito	▪ H.I.G.'s credit team is a current lender to anchor tenant; able to support H.I.G. Realty evaluation of credit risk
Newnan Distribution Center	▪ H.I.G.'s Private Equity team provided H.I.G. Realty with formal evaluation of private tenant's credit
Northridge	▪ Property rent roll almost entirely consisted of private tenants. H.I.G. Realty was uniquely positioned with in-house knowledge of credit profiles from H.I.G. Private Equity professionals who have investments in tenants' sectors

Identify Market Risk Assessment Failures	
E*Trade Data Center	▪ 100% leased to E*Trade with a lease expiration in 2024. The market price of the asset was a deep discount due to the short-term lease uncertainty ▪ E*Trade indicated that it was potentially interested in extending its lease ▪ H.I.G. determined that if E*Trade vacates in 2024, there is significant excess critical power that can be monetized through retenanting ▪ H.I.G. determined that there is strong market demand for underutilized power capacity; therefore multiple executions - extending E*Trade's lease or monetizing excess capacity – lead to positive outcomes

Power of the H.I.G. Realty Origination Platform

Proprietary Deal Flow Generation

H.I.G. Realty Network

- Extensive network of local and specialized operating partners developed over two decades
- Longstanding relationships with intermediaries, property owners and lenders
- Strong relationships with REITs and financial institutions
- 19 dedicated U.S. real estate professionals and 61 professionals, globally
  - Senior team comprised of 18 experienced professionals globally

H.I.G. Small Business Network

- Close relationships with property owners in all target markets
- H.I.G. is in regular contact with thousands of brokers, attorneys, accountants, insurance agents, consultants, and financial advisors
- Business development group of ~25 professionals
  - Calling on proprietary database of over 21,000 deal flow contacts

H.I.G. Internal Network

- Global network of ~490 H.I.G. investment professionals
- Systematic sharing of ideas and referral of deal flow opportunities across offices and strategies
- Integrated business model
- Approximately 100 H.I.G. Managing Directors across multiple strategies
- Industry expertise in key sectors such as healthcare, retail, industrial, and manufacturing

H.I.G.'s integrated platform and broad access to operating partners creates compelling deal flow

Extensive Coverage of the Small-Cap Market

- Broad geographic presence complements deep local relationship network
  - 9 local H.I.G. offices in major MSAs
  - Seasoned investment professionals work in concert with a deep bench of operating partners throughout the country
  - ~25-person business development team committed to sourcing proprietary opportunities across the H.I.G. small business network
  - Global platform of ~490 investment professionals across 18 offices in 9 countries and 3 continents

Hands-on Value Creation

H.I.G. Realty employs a “roll up your sleeves” approach to unlocking and creating value

Renovation

- Top-to-bottom, transformative hotel renovations, re-imagining guestrooms and activating common areas
- Modernize office space and introduce competitive amenities
- Execute project level and in-unit multifamily renovations, including new flooring and finishes, appliances, bathrooms, kitchens and windows

Re-Position / Re-Brand

- Re-position office flex and industrial flex product to capture local market demand
- Re-brand hotels to capitalize on evolving locations and property potential
- Provide a “facelift” to “B” multifamily assets in “A” locations that can capture premium tenants

Leasing

- De-risk transactions by negotiating leases and lease extensions with commercial tenants during due diligence periods, prior to risking equity capital
- Utilize H.I.G. Private Equity platform to analyze credit profile of tenants
- Install best-in-class on-site management to optimize customer experience and drive occupancy and rental rates

Active Asset Management

- Leverage operating partners’ local expertise to oversee day-to-day execution of business plan
- Utilize H.I.G. Realty Partner’s in-house construction management/engineering capabilities to ensure efficient execution and employ best practices

H.I.G. Realty Partners – U.S. Team

Investment Committee

SAMI MNAYMNEH	TONY TAMER	BRIAN SCHWARTZ
Co-Founder & CEO	Co-Founder & CEO	Co-President

DAVID HIRSCHBERG	IRA WEIDHORN	JOHN BLACK*	JEFF WISEMAN*
U.S. Real Estate Co-Head Managing Director	U.S. Real Estate Co-Head Managing Director	Senior Advisor	Managing Director

Management – Deal Sourcing – Execution

DAVID HIRSCHBERG	IRA WEIDHORN
U.S. Real Estate Co-Head Managing Director	U.S. Real Estate Co-Head Managing Director

MICHAEL MESTEL*	STEVEN SCHWARTZ*	NAVEEN VENNAM	JEFF WISEMAN*
Managing Director	Managing Director	Managing Director	Managing Director

ADAM BELFER	SAM EISNER	KEN SENIOR
Principal	Principal	Principal

MAX MANCUSO	MATT WEYBACK	WILLIAM FEESER
Vice President	Vice President	Director of Development & Construction

7 ASSOCIATES

Corporate Team

SUSAN GENTILE	JORDAN PEER	RICHARD SIEGEL
Chief Financial & Administrative Officer	Managing Director Global Head of Capital Formation	General Counsel & CCO

*Allocates time to other H.I.G. strategies.

H.I.G. Realty Partners – Senior U.S. Team

Name / Title	Years of Experience	Prior Professional Experience	Education
Sami Mnaymneh* Co-Founder & CEO	33 years	The Blackstone Group Morgan Stanley & Co.	M.B.A. Harvard Business School J.D. Harvard Law School B.A. Columbia University
Tony Tamer* Co-Founder & CEO	37 years	Bain & Company Hewlett-Packard Sprint	M.B.A. Harvard Business School M.S. Stanford University B.S. Rutgers University
Brian Schwartz* Co-President	30 Years	PepsiCo., Inc. Dillon, Read & Co.	M.B.A. Harvard Business School B.A. Stanford University
David Hirschberg* U.S. Real Estate Co-Head Managing Director	29 years	Coventry Real Estate Advisors Citigroup Goldman Sachs	M.B.A. New York University B.S. Lehigh University
Ira Weidhorn* U.S. Real Estate Co-Head Managing Director	25 years	Lubert Adler Lehman Brothers Goldman Sachs	M.B.A. Wharton Business School B.A., B.S. University of Pennsylvania
John Black* Senior Advisor	32 years	Ben Franklin Properties Morris Anderson & Associates Ernst & Young	B.A. Harvard University
Jeff Wiseman* Managing Director	25 years	Allegiant Real Estate Capital Macquarie Group J.E. Robert Company	M.B.A. New York University B.S. Penn State University
Michael Mestel Managing Director	17 years	Square Mile Capital Management Citigroup	B.A. Cornell
Steven Schwartz Managing Director	26 years	Torchlight Investors JP Morgan	M.B.A. New York University B.A. Boston University
Naveen Vennam Managing Director	18 years	Holualoa Companies	B.S. Wharton Business School

*Member of the Investment Committee

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H.I.G. REALTY PARTNERS

Huntsville, AL

Transaction Summary:
Off-market industrial asset acquisition from a local seller

Acquisition Date:
Q2 2021

Asset Class:
Industrial

Seller:
Private Individual

Source:
Relationship Transaction / Off-Market

H.I.G. Projected Equity:
$14.0mm[15]

Projected Gross Returns[5]	
IRR	19%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Industrial property (565,000 SF) located adjacent to the Huntsville International Cargo Airport and the Intermodal Rail Terminal in Huntsville, AL; ~10% cap rate.
- The Property is 100% leased to Kohler with 5 years of remaining term, and contains 8 acres of excess parking fields that are currently occupied by FedEx for logistics and 3PL vehicles.
- Small cap, complex / structured execution which leveraged the synergies and knowledge of H.I.G. Capital's private equity platform and strong lender relationships.
- Representative of H.I.G. Realty's ability to source off-market industrial acquisitions through its unique "liquidator" channel.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. Realty believes that the Property's location (i) adjacent to the Huntsville International Airport (one of the largest international cargo airports in the U.S.) and the Huntsville Intermodal Rail Terminal, (ii) within the premier industrial submarket in Huntsville, and (iii) in proximity to the Redstone Arsenal (a major military base and rocket testing facility) and the new $2.3B Mazda-Toyota plant (which will also bring new automotive suppliers to the market) all provide a competitive future leasing advantage to other assets in less infill locations.
- Absentee landlord did not provide either tenant with a market TI package, providing H.I.G. with the opportunity to engage in lease extension discussions that will enhance the value of the property.
- H.I.G. Realty's robust lender relationships enabled the investment team to secure attractive debt financing in four weeks.

Project Quad[14]

H. I. G. REALTY PARTNERS

Major U.S. MSAs

Transaction Summary:
COVID-19-induced sale/leaseback of industrial assets across the U.S.

Acquisition Date:
Q4 2020

Asset Class:
Industrial

Seller:
Private Corporate

Source:
Relationship Transaction / Off-Market

H.I.G. Projected Equity:
$13.8mm[15]

Projected Gross Returns[5]	
IRR	105%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Portfolio of industrial assets (~650,000 SF) located throughout the U.S. (the "Portfolio") purchased from a privately held company (the "Seller" or the "Tenant") at a 40%+ discount to replacement cost.
- Portfolio located in "last mile" infill locations in or near major metropolitan areas.
- At closing, H.I.G. entered into a 12-year triple net lease with the Seller at a 10% capitalization rate with annual increases.
- Off-market, small cap, complex / structured execution which leveraged the synergies and knowledge of H.I.G. Capital's private equity platform.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. Realty believed that the Portfolio would have significant value whether the tenant remained or vacated the property due to attractive submarket dynamics.
- Private equity team provided insight on the Tenant's balance sheet and leading market position.
- Sourced via a close H.I.G. relationship; the same equipment liquidator involved in the Fund III Newnan investment.
- Strong lender relationships helped secure attractive financing to meet an accelerated deadline.

Performance Update

- H.I.G. expects to exit this investment after a one-year hold, producing returns of approximately a 105% IRR and 2.0x MOIC.
- Strong current market validation with an unsolicited bid at a 7.1% cap rate and third-party broker valuations supporting a 2.0x MOIC.[5]
- Investment was marked up two months after acquisition to 1.7x MOIC in Q1 2021.[3]

Princeton R&D Portfolio[14]

Princeton, NJ

Transaction Summary:
Pharma R&D campus; COVID-impaired sale

Acquisition Date:
Q2 2020

Asset Class:
Life Sciences Office

Seller:
Public Corporate

Source:
Broken Sale Process

H.I.G. Projected Equity:
$17.1mm[15]

Projected Gross Returns[5]	
IRR	84%
MOIC	6.3x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Large life sciences campus with ~1.1mm SF of lab/office space and 100 acres of land purchased from a publicly-traded pharmaceutical company for under $40 PSF or ~85%+ discount to replacement cost.
- 30+ building campus includes a data center and large development parcel.
- COVID-related disruption resulted in a broken sale process, forcing Seller to make significant concessions.
- Small-cap, complex execution, leveraging H.I.G.'s BioHealth team's knowledge.

H.I.G. Investment Thesis and Unique Approach

- Seller was facing pressure from shareholders to sell, and original buyer's financing source backed away.
- Through local NJ relationships, H.I.G. learned of the sale, quickly evaluated the opportunity and through lender relationships, secured the financing for a timely execution.
- H.I.G.'s BioHealth team helped assess the campus' quality and confirmed the strong leasing demand for pharmaceutical-grade lab space in the area.
- Diverse campus positioned to be sold in multiple parts, mitigating downside scenarios.

Performance Update

- Executed leases for 30% of the space with top-tier tenants, well-ahead of underwriting projections.
- Inbound inquiries for space have increased meaningfully post-COVID.
- Under contract with a pharmaceutical company to purchase half of the land and one building for $75mm, representing a partial realization that would generate a 2.0-2.5x MOIC without accounting for the remaining portfolio's unrealized value.[2,3]
- Investment was marked to 2.0x in Q1 2021.[3]

Florida – Texas LIHTC Portfolio[14]

Florida / Texas, USA

Transaction Summary:
Four property multifamily portfolio

Acquisition Date:
Q1 2020

Asset Class:
Multifamily

Seller:
Local Developer

Source:
Programmatic Partnership

H.I.G. Projected Equity:
$18.6mm[15]

Projected Gross Returns[5]	
IRR	17%
MOIC	2.4x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Four property multifamily portfolio consisting of 688 units developed from 2001 – 2003 under Section 42 of the Low-Income Housing Tax Credit (“LIHTC”) Program.
- Portfolio consists of two properties in Florida (Tampa and Jacksonville markets) and two properties in Texas (Austin and Dallas markets).
- Acquired the Portfolio for $72mm ($104k/unit), a 40% discount to replacement cost and a substantial discount to transactions of market rate properties in the Portfolio’s submarkets.

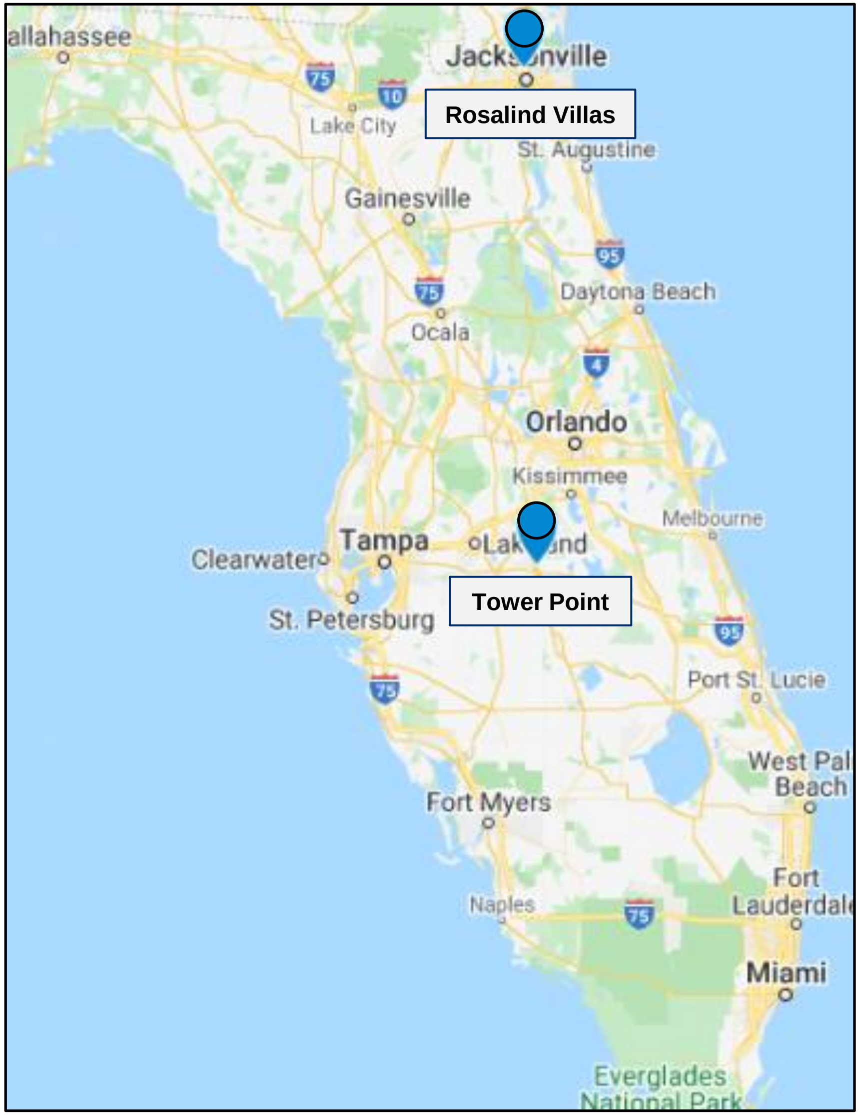
H.I.G. Investment Thesis and Unique Approach

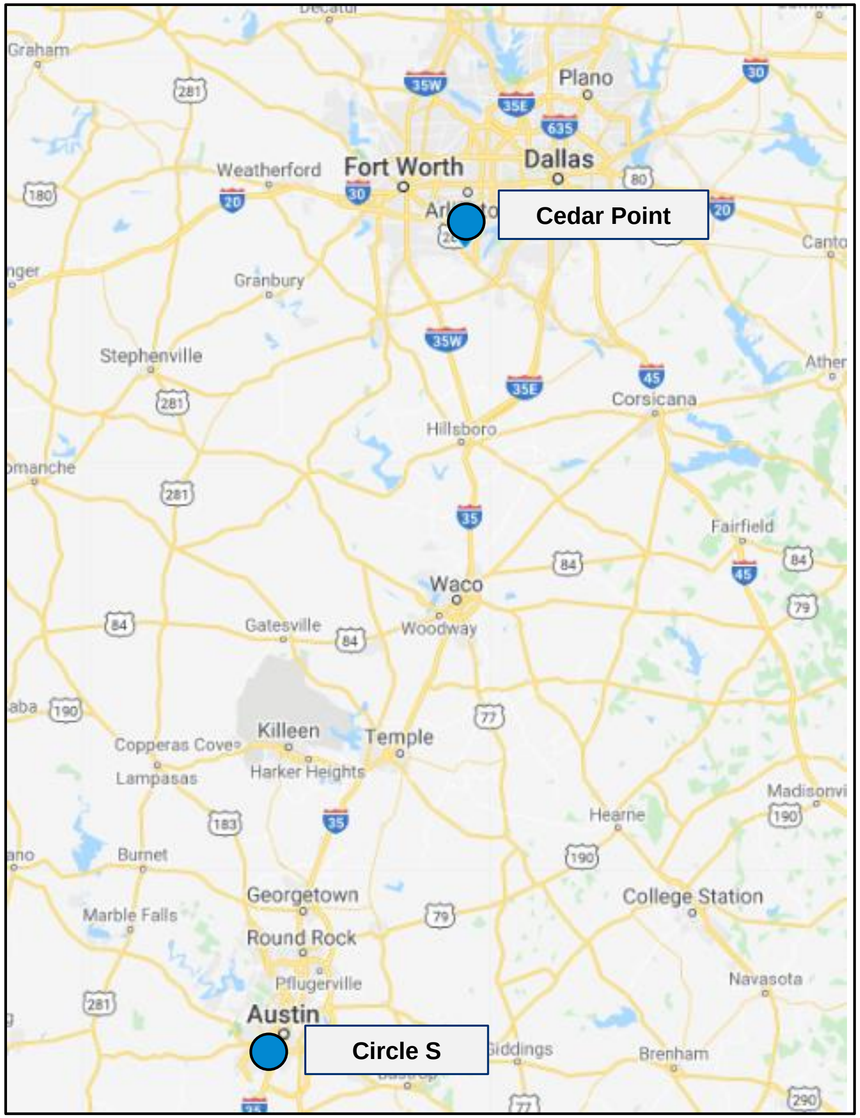
- H.I.G. busines plan, which has been executed successfully on four prior LIHTC investments, includes the following:
- Reduce Operating Expenses: Install water savings devices and LED lighting to reduce utility expenses.
  - H.I.G. has improved operating performance on prior LIHTC investments, including reducing water usage costs by approximately 25%.
- Maintain Strong Occupancy: Portfolio was 95% at acquisition closing. H.I.G. projected occupancy of 97.5% throughout the investment period.
  - H.I.G. has outperformed projections and achieved occupancy of 98% - 99% on prior LIHTC investments.
- Actively Manage Leasing: Lease units at recently increased maximum allowable rents and limit turnover.

Performance Update

- Increased occupancy from 95% at acquisition to 98% currently.
- Implemented expense savings program which is projected to generate savings in utilities, turnover, contract services, and maintenance costs in 2021.
- At one of the properties, H.I.G. identified the opportunity to renovate the market rate units and increase rents. To date, H.I.G. has completed renovations of four units, generating a return on cost of ~50%. H.I.G. will continue to upgrade the remaining market rate units as they roll (rent upside from renovations was not initially underwritten).
- To date, H.I.G. has received $567k in distributions (3% of equity invested in the deal). The Portfolio will make recurring operating distributions throughout 2021.

Florida – Texas LIHTC Portfolio[14] (Cont'd)





2 East Oak Street – Chicago, IL[14]

Chicago, IL

Transaction Summary:
Condo de-conversion into multifamily

Acquisition Date:
Q1 2020

Asset Class:
Multifamily

Seller:
Unsophisticated Seller: Condominium Association

Source:
Relationship Transaction / Off-Market

H.I.G. Projected Equity:
$22.1mm[15]

Projected Gross Returns[5]	
IRR	19%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Residential property located in upscale Gold Coast neighborhood of Chicago, Illinois consisting of 304 individually owned condominium units.
- At closing, H.I.G. de-converted the Property from condominium units to a multifamily rental building.
- Off-market, complex execution which limited the competitive buyer pool at acquisition.

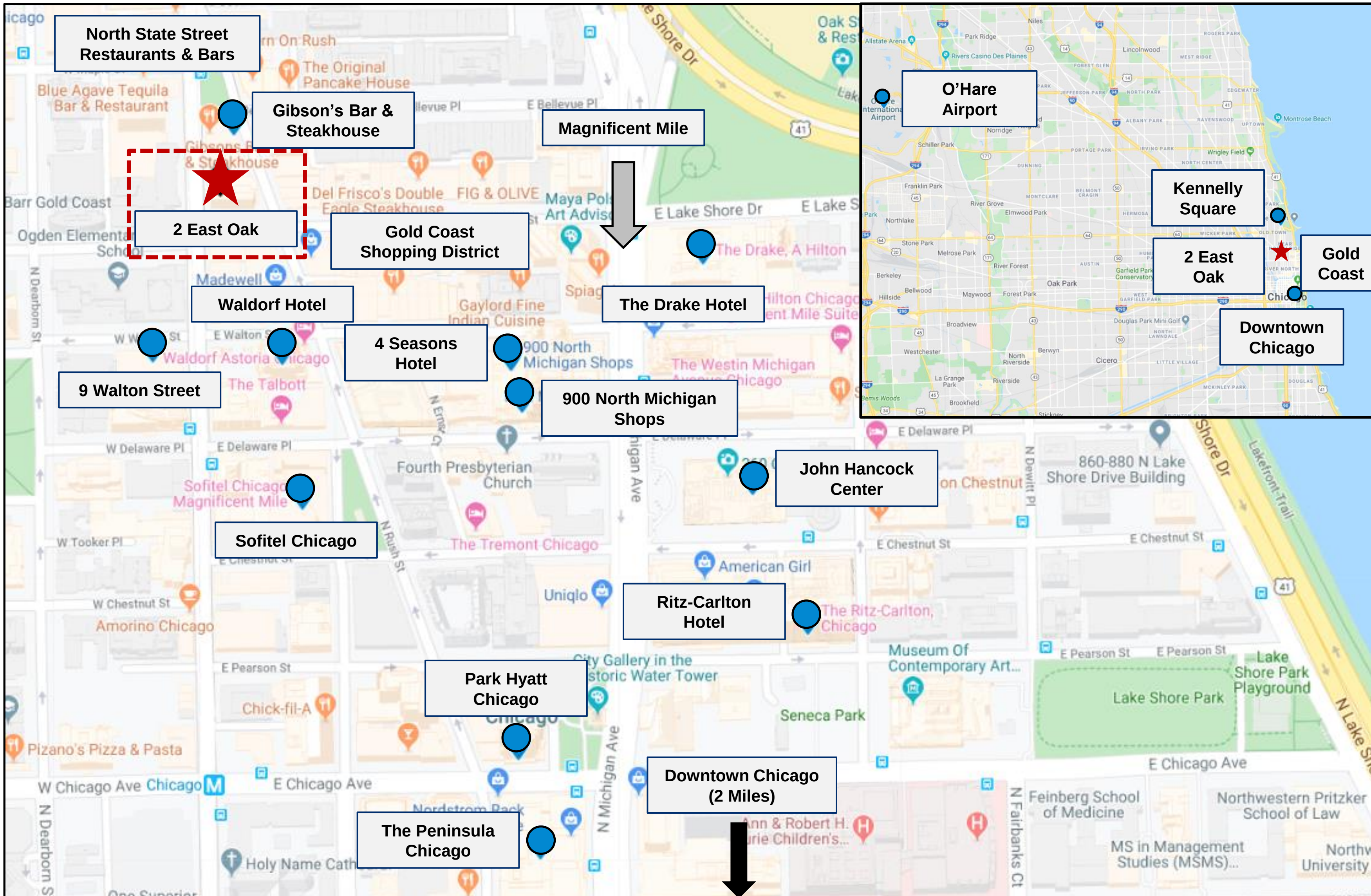
H.I.G. Investment Thesis and Unique Approach

- Opportunity to "create" multifamily rental property in irreplaceable location using condo de-conversion strategy, at significant discount to comparable market sales.
- Replicate business plan which was successful at Kennelly Square (H.I.G.'s first condo de-conversion), a 268-unit residential building located adjacent to Lincoln Park, which H.I.G. acquired in May 2018.
  - H.I.G. has achieved a return on cost of 25%-30% on unit renovations at Kennelly Square and has returned 100% of its equity through a refinancing and operating cash flow.

Performance Update

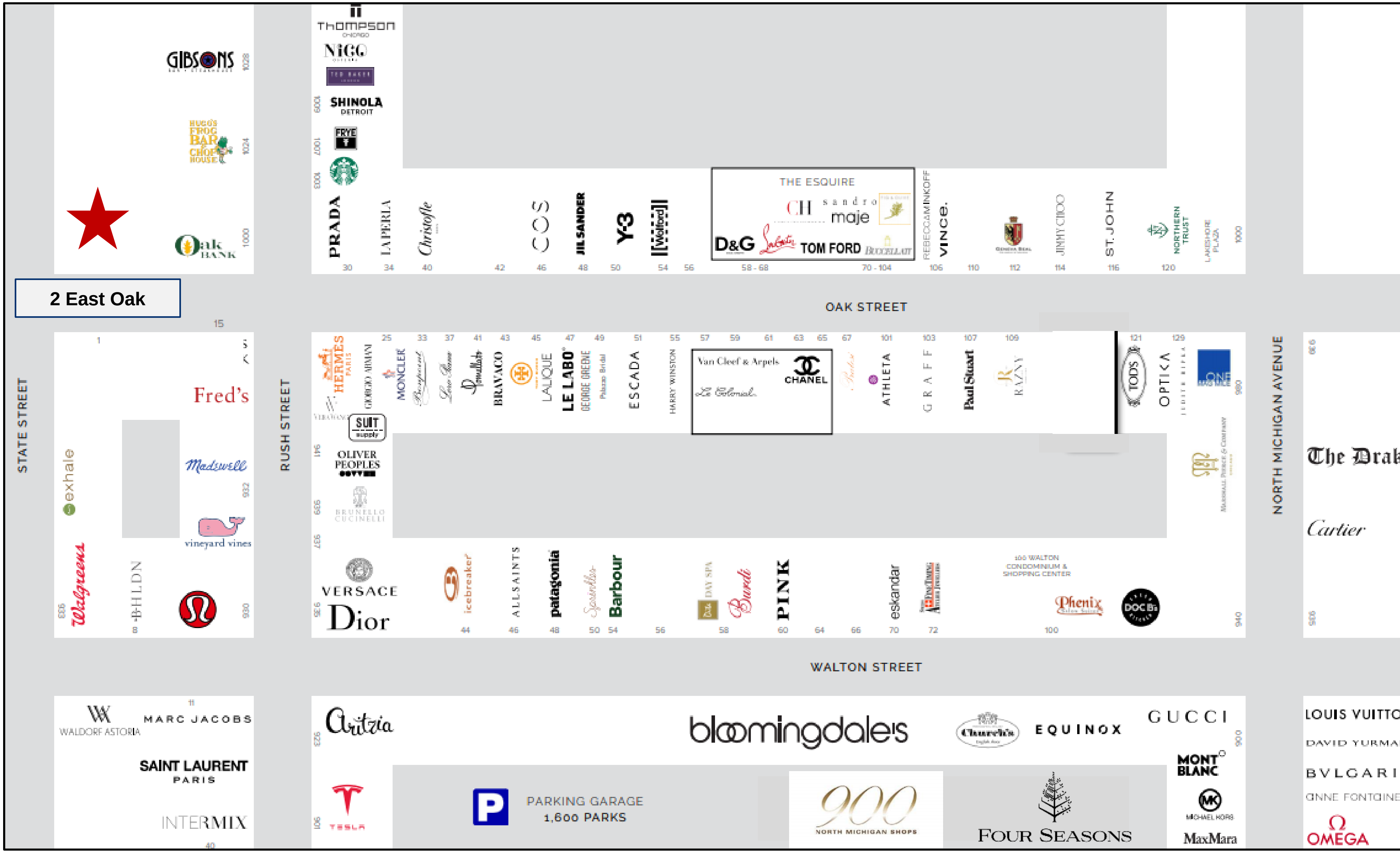
- Completed the renovation of approximately 65% of units and upgraded common areas and amenities in the first year of ownership (ahead of initial underwritten schedule).
- Completion of amenities positions H.I.G. to offer newly renovated product during the 2021 Spring/Summer leasing season.
- Projecting significant leasing velocity over the next two quarters; expect property to achieve nearly 90% occupancy by year-end 2021.

2 East Oak Street – Chicago, IL[14] (Cont'd)



H. I. G. REALTY PARTNERS

- The Property is located on Oak Street in the Gold Coast luxury retail district, which contains the highest concentration of luxury retail in Chicago.



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H.I.G. Realty Partners II[10] & III[11] – Realization Activity

H.I.G. Realty has capitalized on current market conditions for select asset classes and geographies to realize attractive exit opportunities for its existing portfolio

- Realty II and III have generated $649mm in proceeds from realized and partially realized investments[2], resulting in a gross realized IRR and MOIC of **26%** and **1.8x**, respectively[3]
  - Realty II and III have generated $649mm in realized proceeds as of March 31, 2021
  - Realty II: Realized 17 out of 23 investments (ex-condos) generating a realized gross IRR of 26% and MOIC of 1.9x as of March 31, 2021[3]
  - Realty III: Realized 5 out of 30 investments, generating a realized gross IRR of 24% and MOIC of 1.7x as of March 31, 2021[3]
    - Proforma for Q2 and Q3 2021 exits, Realty III generated a realized gross IRR of 26.5% and a MOIC of 1.8x[3]
  - YTD 2021, Realty III has realized approximately $77mm in actual gross proceeds from three investment exits*
  - Realty III is expected to generate an additional ~$150mm in gross proceeds for the remainder of 2021 from partial and full investment exits

YTD July 2021 Exit Activity in Fund III

DA Portfolio**
32.4% Gross IRR[3]
2.1x Gross MOIC[3]

- 12-property, 1.7mm SF industrial portfolio located in Dallas, Texas and Atlanta, Georgia
- Purchase price represented 50% of replacement cost and a going-in cap rate of 8.1%
- Portfolio had been mismanaged, providing H.I.G. with immediate opportunity to increase rent
- Sold the portfolio in July 2021 for $146.0 million, generating $50.1 million in proceeds

Grand Montecito
21.3% Gross IRR[3]
1.8x Gross MOIC[3]

- 177K sq ft Class "A" office space in Las Vegas, Nevada
- H.I.G. Realty acquired the asset at an attractive basis due to a near-term lease maturity
- H.I.G. significantly de-risked its investment prior to acquisition by extending the anchor tenant's lease by seven years, generating substantial value in the process
- Sold the property in May 2021 for $49.1 million, generating $15.7 million in proceeds

Spanish Ridge
14.0% Gross IRR[3]
1.6x Gross MOIC[3]

- 112,965 SF class "A" office portfolio located in the Southwest submarket of Las Vegas, Nevada
- Property was acquired at a distressed valuation due to the prior owner's bankruptcy
- H.I.G. leased up property to 100% occupancy (from 56% at acquisition)
- Sold the property in May 2021 for $31.8 million, generating $11.1 million in proceeds

Note: As of March 31, 2021. Please refer to pages 53 and 54 for returns including the three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV. Note: Projections based on H.I.G.'s reasonable estimates; actual results may vary.

* As of March 31, 2021, $84 million was projected in realized proceeds for the three investments exited after Q1'21

** Denotes projected returns for DA Portfolio as of March 31, 2021. Actual returns as of July 2021 are 28.4% gross IRR and 2.0x gross MOIC.

H.I.G. Realty Partners III[11] – Investment Performance

H.I.G. REALTY PARTNERS

Realized Investments[2]

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Current Gross[3] MOIC	Current Gross[3] IRR
Jul-16	Newnan Distribution Center	Atlanta, GA	Industrial	1,917,084 SF	$7.1	$14.8	-	$14.8	2.1x	40.2%
Oct-16	Windsor House	San Antonio, TX	Multifamily	322 Units	11.3	$11.9	-	11.9	1.1	1.8
Jun-17	Newmarket Business Park	Atlanta, GA	Office	471,486 SF	10.0	$16.6	-	16.6	1.7	45.8
Aug-17	Garrison Park	Charlotte, NC	Multifamily	322 Units	12.4	$19.4	-	19.4	1.6	28.3
Sep-17	Spanish Ridge	Las Vegas, NV	Office	112,965 SF	7.8	1.0	11.6	12.6	1.6	14.0
Dec-17	Bainbridge Clearwater	Clearwater, FL	Multifamily	360 Units	23.0	46.1	0.4	46.5	2.0	29.7
Jan-18	Grand Montecito	Las Vegas, NV	Office	177,007 SF	9.8	1.9	15.7	17.5	1.8	21.3
Jun-18	Dallas-Atlanta Portfolio	Dallas, TX and Atlanta, GA	Industrial	1,717,065 SF	33.2	14.0	56.8	70.8	2.1	32.4
Realized Investments (Gross)					**$114.7**	**$125.7**	**$84.4**	**$210.1**	**1.8x**	**26.5%**
Realized Investments (Net)[4]									**1.6x**	**21.5%**

Unrealized Investments

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross[5] MOIC	Proj. Gross[5] IRR
Dec-15	Northridge at Westfields	Chantilly, VA	Office	100,000 SF	$5.7	$1.6	$15.4	$17.0	3.0x	22.8%
Jan-16	Hyatt Regency	Cincinnati, OH	Hotel	491 Rooms	20.8	8.7	27.4	36.2	1.7	11.3
Mar-16	Four Points by Sheraton Boston	Boston, MA	Hotel	180 Rooms	12.1	0.4	14.4	14.7	1.2	3.5
Jun-16	Garland Center	Los Angeles, CA	Office / Data	728,227 SF	27.4 (a)	9.9	53.1	63.0	2.3	20.6
Sep-16	Charter Court Apartments	Philadelphia, PA	Multifamily	510 Units	14.6	4.8	16.2	21.0	1.4	9.7
Nov-16	Sheraton Galleria	Dallas, TX	Hotel	309 Rooms	16.2	-	26.8	26.8	1.7	8.9
Aug-17	Greenspoint Place	Houston, TX	Office	2,132,652 SF	40.0 (a)	-	95.9	95.9	2.4	27.1
Sep-17	47 E 34th St	New York, NY	Multifamily	110 Units	21.3	-	34.8	34.8	1.6	11.4

Note: As of March 31, 2021. Total equity includes onshore & offshore funds. Net returns shown for onshore fund only. Offshore fund returns, which are subject to additional tax, are 1.4x and 10.8%
(a) Excludes additional co-investment capital.

H.I.G. Realty Partners III[11] – Investment Performance (Cont'd)

H.I.G. REALTY PARTNERS

Unrealized Investments

($ in mm)

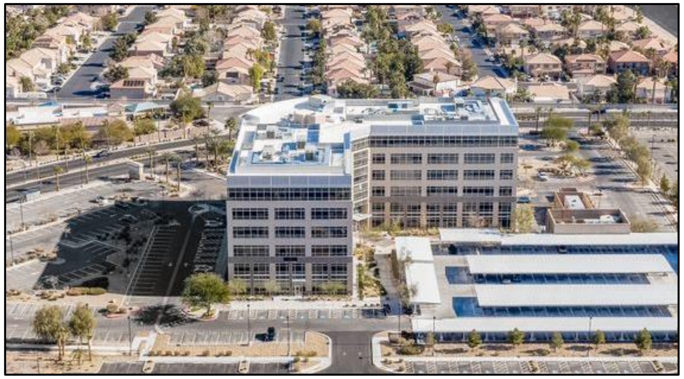
Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross[5] MOIC	Proj. Gross[5] IRR
Oct-17	The Grande at Metro Park	Woodbridge, NJ	Multifamily	232 Units	$19.0	$0.3	$33.4	$33.7	1.8x	16.7%
Mar-18	The Flats at Big Tex	San Antonio, TX	Multifamily	336 Units	20.9	0.7	39.7	40.3	1.9	15.3
May-18	Kennelly Square	Chicago, IL	Multifamily	268 Units	17.4	14.5	24.5	39.0	2.2	26.0
Jun-18	Murdock Circle	Port Charlotte, FL	Multifamily	264 Units	5.6	1.6	14.6	16.2	2.9	26.7
Jun-18	E*Trade Data Center	Atlanta, GA	Data Center	165,000 SF	20.0	4.5	38.6	43.1	2.2	31.4
Aug-18	M South Apartments	Tampa, FL	Multifamily	288 Units	15.7	1.1	31.4	32.5	2.1	21.0
Oct-18	North Houston Hotels	Houston, TX	Hotel	870 Rooms	30.6	-	54.3	54.3	1.8	15.5
Dec-18	4-10 108th Street	New York, NY	Multifamily	50 Units	9.2	-	13.4	13.4	1.5	10.0
Dec-18	Other Investments (b)	Various	Various	NA	15.2	3.0	23.8	26.8	1.8	17.0
Jan-19	Historic Hollywood	Los Angeles, CA	Multifamily	152 Units	15.2	-	28.3	28.3	1.9	15.1
Feb-19	Coastline Cove	Daytona, FL	Multifamily	208 Units	7.3	0.9	16.2	17.1	2.4	22.0
Mar-19	Westchester	Westchester, NY	Light Industrial	3,187,909 SF	25.0 (a)	2.1	57.0	59.1	2.4	24.6
Jun-19	Watermark	Norfolk, VA	Multifamily	180 Units	11.1	1.2	25.0	26.2	2.4	21.8
Nov-19	Atlanta R&D / Flex Portfolio	Atlanta, GA	Industrial Flex	172,881 SF	6.5	0.8	12.0	12.8	2.0	21.6
Fund III Investments to Date (Gross)					**$491.5**	**$181.7**	**$780.6**	**$962.3**	**2.0x**	**19.6%**
Fund III Investments to Date (Net)[6]									**1.7x**	**15.0%**

Note: As of March 31, 2021. Total equity includes onshore & offshore funds. Net returns shown for onshore fund only. Offshore fund total net projected IRR and MOIC, which are subject to additional tax, are 1.4x and 10.8%, respectively.
(a) Excludes additional co-investment capital.
(b) Other investments includes real estate credit investments.

2021 Realization in Fund III: Grand Montecito[14]

H. I. G. REALTY PARTNERS

Las Vegas, NV



Transaction Summary:
Effective risk mitigation prior to close

Acquisition Date:
Q1 2018

Asset Class:
Office

Seller:
Local Owner

Source:
Local Relationship

H.I.G. Equity:
$9.8mm

Realized Gross Returns[3]	
IRR	21.3%
MOIC	1.8x

Transaction Highlights and Post-Investment Update

Transaction Overview

- Grand Montecito (the "Property") is a 177,007 SF class "A" office building located in Las Vegas, Nevada.
- At acquisition, the Property was 90% occupied and anchored by Asurion, a privately held company that provides insurance for consumer electronics and appliances.
- Asurion occupied 122,001 SF (69% of total) with a lease maturing in June 2020, or 29 months after closing. Due to the limited remaining term of Asurion's lease, H.I.G. was able to acquire the Property at a 9% going-in cap rate and an attractive basis.

H.I.G. Investment Thesis and Unique Approach

- Prior to closing, H.I.G. initiated leasing discussions with retail tenants for the ground floor vacancy, enticing Asurion to enter into early lease extension negotiations.
- Given Whitehorse's decade-plus lending relationship with Asurion, H.I.G. Realty was introduced to Asurion's Head of Real Estate. This introduction and subsequent negotiation resulted in the 82-month extension of Asurion's lease term before H.I.G. closed on the acquisition, creating a significant increase in asset value while de-risking the investment.
- Additionally, during the hold period, H.I.G. leased 5,500 SF of the ground floor vacancy to a Las Vegas based cross-fit gym, which increased occupancy to 93% and provided the tenants with an on-site amenity.

Performance Update

- In May 2021, H.I.G. completed the sale of the Property for $49.1mm generating a gross MOIC of 1.8x and a gross IRR of 21.3%.[2,3]

2021 Realization in Fund III: Spanish Ridge[14]

H. I. G. REALTY PARTNERS

Las Vegas, NV

Transaction Summary:
Office lease-up with strong tenant demand identified during diligence

Acquisition Date:
Q3 2017

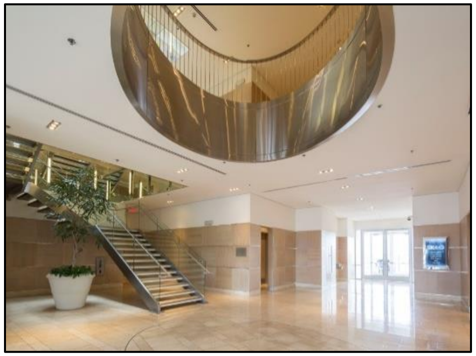
Asset Class:
Office

Seller:
Bankruptcy Process / Unsophisticated Individual

Source:
Local Relationship

H.I.G. Projected Equity:
$7.8mm[15]

Realized Gross Returns[3]	
IRR	14%
MOIC	1.6x



Transaction Highlights and Post-Investment Update

Transaction Overview

- 8912 & 8918 Spanish Ridge Avenue (the "Property") is a 2007 vintage, 112,965 SF class "A" office portfolio containing a two story, 42,054 SF building and an adjacent three story, 70,911 SF building located along the I-215 corridor in the Southwest submarket of Las Vegas, Nevada.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. acquired the Property at a distressed valuation due to the prior owner's bankruptcy. During due diligence (prior to closing), H.I.G. executed a five-year, 21,100 SF ("back-pocket") lease with an insurance company, increasing occupancy from 56% to 75%. Additionally, in-place lease rates at the Property were below market rates at competing assets.
- Strong submarket demand is driven by the relative equidistance to the executive housing communities of Summerlin and Green Valley / Henderson.
- Tight submarket vacancy of 5% due to limited new construction and continued job growth post-recession. In addition, Las Vegas rents are still below pre-recession peaks, making new development economically unfeasible.

Performance Update

- In Q4 2018, H.I.G. executed a 20,500 SF, six-year lease to a Las Vegas based law firm.
- The 25,600 SF ground floor at 8912 Spanish Ridge is leased to the headquarters of a local bank. In Q1 2019, H.I.G. and the tenant executed a lease renewal, extending lease maturity to 2025.
- In June 2021, after leasing up the Property to 100% occupancy, H.I.G. sold Spanish Ridge, generating a gross MOIC of 1.6x and a gross IRR of 14%.[2,3]

2021 Realization in Fund III: DA Portfolio[14]

Dallas, TX / Atlanta, GA

Transaction Summary:
Undermanaged Portfolio with immediate rent upside

Acquisition Date:
Q2 2018

Asset Class:
Industrial

Seller:
Local Owner

Source:
Local Relationship

H.I.G. Projected Equity:
$33.2mm[15]

Projected Gross Returns[5]	
IRR	28.4%
MOIC	2.0x

Transaction Highlights and Post-Investment Update

Transaction Overview

- DA Portfolio (the "Portfolio") is a 12-property, 1.7mm SF portfolio located in Dallas-Fort Worth, Texas and Atlanta, Georgia.
- At acquisition, the Portfolio was 87% occupied by 340 tenants (average size of 4,300 SF) with rents 7% below market.
- H.I.G.'s purchase price represented a 6.7% cap rate on 2017 NOI, which was in line with comparable asset sales in the markets. Due to positive leasing during diligence, by the time of closing, H.I.G. had increased the going-in cap rate to 8.1%.
- H.I.G.'s purchase price of $61/SF is 50% of replacement cost.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. hired third-party leasing brokers and third-party property management firms to improve cash flow at each asset.
- As of December 2020, H.I.G. had executed nearly 1.5mm SF of leases at rates 3.4% higher than H.I.G.'s projected rents.

Performance Update

- H.I.G. closed on the sale of the Portfolio on 7/1/2021, generating returns of a gross MOIC of 2.0x and a gross IRR of 28.4%[5].

Atlanta (MSA), GA

Transaction Summary:
Distressed off-market acquisition

Acquisition Date:
Q2 2016

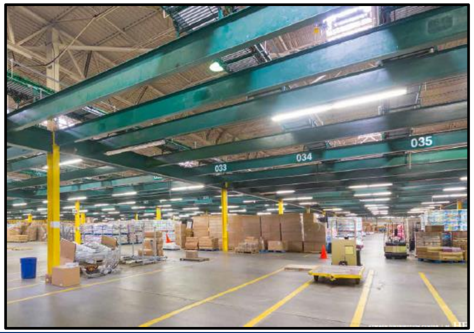
Asset Class:
Industrial

Seller:
Distressed Corporate

Source:
Off-market

H.I.G. Equity:
$7.1mm

Realized Gross Returns[3]	
IRR	40.2%
MOIC	2.1x



Transaction Highlights and Post-Investment Update

Transaction Overview

- In July 2016, H.I.G. acquired Newnan Distribution Center (the "Property"), a well-maintained, 1.9mm SF distribution facility located in Newnan, GA, a submarket south of the Atlanta airport.
- The property was owned and occupied by Kmart (acquired by Sears in 2005) until Sears-Kmart consolidated operations into another facility in April 2015. Following the consolidation, Sears-Kmart vacated the Property and held it on its balance sheet.
- H.I.G. sourced this off-market investment through a local liquidator who was in the process of acquiring the excess inventory and equipment in the Property.
- H.I.G.'s entry valuation of $13 PSF represented an 80% discount to replacement cost of $60+ PSF.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. de-risked the investment prior to closing by signing a 1.4mm SF lease with Variety Wholesalers, Inc., a strong credit, privately-held discount retailer with 380+ stores in the southeast.
- H.I.G. synergies: H.I.G.'s Private Equity team provided H.I.G. Realty with a thorough analysis of Variety's credit.
- H.I.G. leased an additional 257,000 SF of space during the hold period, increasing occupancy at sale to 87%.

Performance Update

- Sold asset 2 years after acquisition, generating gross IRR of 40.2% and MOIC of 2.1x[3].

Fund III: Garland Center – Los Angeles, CA[14]

H.I.G. REALTY PARTNERS

Los Angeles, CA

Transaction Summary:
Failed-auction office and data center asset with potential upside

Acquisition Date:
Q2 2016

Asset Class:
Office / Data Center

Seller:
Financial Institution

Source:
Failed Auction

H.I.G. Projected Equity:
$79.4mm (Fund III, incl. co-invest)[15]

Projected Gross Returns[5]	
IRR	20.6%
MOIC	2.3x

Transaction Highlights and Post-Investment Update

Transaction Overview

- In June 2016, H.I.G. acquired Garland Center (the "Property"), Class A, state-of-the-art, 83% occupied, 728,227 SF office / data center property located in downtown Los Angeles.

H.I.G. Investment Thesis and Unique Approach

- The Property's former ownership structure was distressed and dysfunctional, consisting of a ground lease maturing February 2019. The short-duration ground lease limited the Property's leasing potential, as data center tenants require longer lease terms due to significant capex investment and risk aversion to relocating mission critical infrastructure.
- H.I.G. executed a highly structured purchase and sale agreement which enabled H.I.G. to collapse the ground lease structure, creating value in lease-up potential and exit pricing.
- H.I.G.'s business plan included separating the Property into condominium assets for the data, office, parking, and land components to increase the marketability to sector-focused buyers.

Performance Update

- Within 18 months post-closing, H.I.G. executed a lease extension and a lease extension plus expansion with the two primary, credit quality, office tenants, representing 100% of the office occupancy through Feb 2024.
- In September 2019, H.I.G. refinanced the Property, resulting in the distribution of ~$21mm of proceeds to ownership.
- H.I.G. is currently evaluating the market for a sale of the stabilized office component of the Property in early 2022 and is also contemplating a sale of the data center once the planned back-up battery infrastructure improvements are completed in Q4 2021.

Fund III: Westchester Industrial Portfolio – Westchester, NY[14]

Westchester, NY

Transaction Summary: Off-market acquisition from REIT exiting asset class

Acquisition Date: Q1 2019

Asset Class: Industrial

Seller: REIT

Source: Off-market

H.I.G. Projected Equity: $112.4mm (Fund III, incl. co-invest)[15]

Projected Gross Returns[5]	
IRR	24.6%
MOIC	2.4x

Transaction Highlights and Post-Investment Update

Transaction Overview

- In March 2019, H.I.G. acquired a 56-property, 3.2mm SF light industrial portfolio in Westchester County, NY and Fairfield County, CT, (the "Portfolio"), within some of the highest demographic communities in the U.S.

H.I.G. Investment Thesis and Unique Approach

- Acquired Portfolio at attractive pricing levels. Purchase price of $153/SF represents a 25%+ discount to replacement cost.
  - Going in cap rate of 6.7% is well above comparable industrial trades nationally.
- H.I.G. acquired Portfolio by leveraging a 20+ year old Right of First Offer held by a close H.I.G. relationship, after prior owner (a large public REIT), made the decision to exit industrial asset class.
  - At close, the Portfolio was 91% occupied by more than 240 tenants. Many tenants are heavily invested in their space and have long histories at the Portfolio, with an average tenant tenure of 11 years.

Performance Update

- Leasing performance has exceeded H.I.G.'s expectations; since acquisition, H.I.G. has executed 800,000 SF of leases at rates 7% above initial underwriting.
- H.I.G. successfully executed several initiatives to improve operating efficiency, including rooftop solar leases which added $1.8mm of annual NOI with minimal up-front cost.
- H.I.G. has continued to execute on the wholesale-to-retail component of the business plan:
  - In Q2 2021, H.I.G. executed a sale of two non-core, long-term net leased office properties at a significant premium to H.I.G.'s entry valuation.
  - In Q3 2021, H.I.G. executed a sale of two of the five properties in the Stamford sub-portfolio for over $20 million.
  - H.I.G. is currently negotiating contracts to sell several other assets in the Portfolio at attractive prices.
- H.I.G. is currently evaluating a sale of the core portfolio at pricing exceeding H.I.G.'s initial underwritten exit.

H.I.G. Realty Partners II[10] – Investment Performance

H.I.G. REALTY PARTNERS

Realized Investments[2]

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Current Gross[3] MOIC	Current Gross[3] IRR[16]
Jun-12	Villas at Shadow Creek Ranch	Houston (MSA), TX	Multifamily	560 units	$14.4	$26.4	-	$26.4	1.8x	34.9%
Aug-12	Milestone Multifamily	Various	Multifamily	3,986 units	46.6	103.1	-	103.1	2.2	31.5
Nov-12	East Side Portfolio	New York, NY	Multifamily	303 units	18.7	36.7	-	36.7	2.0	35.5
Dec-12	Hilton Tampa	Tampa Bay, FL	Hotel	521 rooms	14.9	31.6	-	31.6	2.1	25.2
Apr-13	UNC - Wilmington	Wilmington, NC	Student Housing	348 beds	4.5	9.0	-	9.0	2.0	26.7
Apr-13	Abacoa	Jupiter, FL	Multifamily	304 units	10.6	19.8	-	19.8	1.9	26.2
Apr-13	University of Arizona	Tucson, AZ	Student Housing	232 beds	4.0	6.9	-	6.9	1.7	15.6
Jul-13	Columbia Medical Campus	Baltimore (MSA), MD	Medical Office	155,314 SF	7.8	14.0	-	14.0	1.8	31.7
Jul-13	Pittsburgh Sheraton	Pittsburgh, PA	Hotel	399 rooms	25.9	3.6	-	3.6	0.1	NM
Oct-13	Hilton Cocoa Beach	Cocoa Beach, FL	Hotel	296 rooms	9.0	28.0	-	28.0	3.1	65.8
Oct-13	Ascent 430	Pittsburgh (MSA), PA	Multifamily	319 units	8.8	19.4	-	19.4	2.2	19.4
Nov-13	Farmingdale Station	New York (MSA), NY	Multifamily	154 units	11.8	14.8	0.1	14.9	1.3	4.4
Mar-14	The Offices at Braker Center	Austin, TX	Office	546,984 SF	14.9	25.5	-	25.5	1.7	22.2
Jun-14	Austin Doubletree	Austin, TX	Hotel	194 rooms	6.5	9.7	-	9.7	1.5	13.0
Dec-14	Southeast Portfolio	Various	Multifamily	844 units	9.8	19.4	-	19.4	2.0	35.4
Jan-15	Hyatt Regency Indianapolis	Indianapolis, IN	Hotel	499 rooms	15.8	43.8	-	43.8	2.8	44.2
Mar-15	Plantation Ridge	Atlanta (MSA), GA	Multifamily	218 units	3.5	10.8	-	10.8	3.0	54.1
Realized Investments (Gross)					**$227.5**	**$422.4**	**$0.1**	**$422.4**	**1.9x**	**26.1%**
Realized Investments (Net)[4] (a)									**1.6x**	**22.4%**

Note: As of March 31, 2021. Please refer to pages 53 and 54 for returns including the three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.

(a) Assumes the use of a subscription facility based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are held on the facility line for six months before capital is called.

Unrealized Investments

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross[5] MOIC	Proj. Gross[5] IRR
Dec-12	Salt Creek Medical Campus	Chicago (MSA), IL	Medical Office	191,760 SF	$17.0	$12.8	$10.8	$23.7	1.4x	4.8%
May-13	Ocean Pointe	Stuart, FL	Multifamily	200 units	1.7	$0.9	6.0	6.8	3.9	19.4
Nov-13	University of Louisville	Louisville, KY	Student Housing	758 beds	17.8	-	17.8	17.8	1.0	0.0
Jan-14	Summer House	Stamford, CT	Multifamily	226 units	24.1	-	42.1	42.1	1.8	9.1
May-14	High Ridge Office Park	Stamford, CT	Office	584,866 SF	27.7	-	60.3	60.3	2.2	14.8
Sep-15	Hilton Rockville	Rockville, MD	Hotel	315 rooms	16.9	3.4	24.0	27.3	1.6	8.4
Fund II Excluding Condominium Investments (Gross)					**$332.7**	**$439.4**	**$161.1**	**$600.5**	**1.8x**	**19.1%**
Fund II Excluding Condominium Investments (Net)[6] (a)									**1.6x**	**14.5%**

Note: As of March 31, 2021. Please refer to pages 53 and 54 for returns including the three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.

(a) Assumes the use of a subscription facility based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are held on the facility line for six months before capital is called.

Fund II: Hyatt Regency Indianapolis – Indianapolis, IN[14]

Indianapolis, IN

Transaction Summary:
Value-add repositioning

Acquisition Date:
Q1 2015

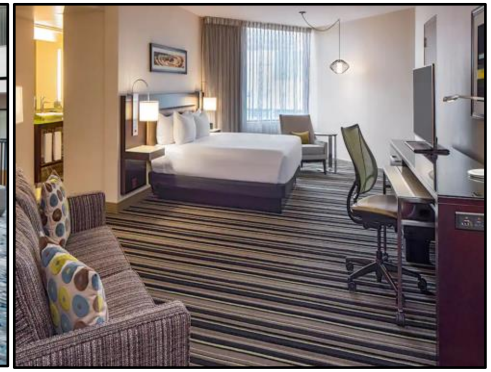
Asset Class:
Hotel

Seller:
Hospitality Company

Source:
Local Relationship

H.I.G. Equity:
$15.8mm

Realized Gross Returns[3]	
IRR	44.2%
MOIC	2.8x



Transaction Highlights and Post-Investment Update

Transaction Overview

- In January 2015, H.I.G. acquired the Hyatt Regency (the "Property"), a 499-room hotel located in Indianapolis, including 35,000 SF of meeting space, and four food and beverage outlets.
- The Property benefits from its location at the center of the city's leisure attractions and corporate concentration and offers convenient climate-controlled skywalk access to leading demand generators including the Indiana Convention Center, Lucas Oil Stadium, Circle Centre Mall, Bankers Life Fieldhouse and Victory Field.

H.I.G. Investment Thesis and Unique Approach

- H.I.G. was able to negotiate a price discount after the seller initially awarded the deal to another group that was unable to close on the acquisition.
- H.I.G.'s strong acquisition basis of $70.5mm, ($141k per room / 8.6% forward cap rate) well below market sales comps, resulted in strong cash-on-cash returns throughout the hold period, averaging ~17% per year.
- H.I.G. successfully completed the renovation of the Property and employed a hands-on value add strategy which meaningfully improved the performance of the hotel.
    - Increased RevPAR penetration from 98% at acquisition to 109% at sale by targeting more group business.
    - Reduced operating expenses and improved NOI margins from 16% to 26%.
    - Increased NOI from $4.5mm to $10.0mm.

Performance Update

- H.I.G. sold the asset in 2018 for $108mm, generating returns of a 44.2% IRR and a 2.8x multiple[3].

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Representative Key Terms for the Fund	
Fund:	H.I.G. Realty Partners IV, L.P.
Commitment Period:	4 years from effective date
Term:	Eight years from final closing with two, one-year extension options at the discretion of the general partner of the fund
Management Fee:	1.50% per annum on committed capital
Carried Interest:	20%
Preferred Return:	8% preferred return with a 50% general partner catch-up
Minimum Investment:	$10 million
G.P. Commitment:	4%
Auditor:	Deloitte LLP
Legal Counsel:	McDermott Will & Emery LLP

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H.I.G. Realty Partners III[11] – Investment Performance

H.I.G. REALTY PARTNERS

Realized Investments[2]

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Current Gross[3] MOIC	Current Gross[3] IRR
Jul-16	Newnan Distribution Center	Atlanta, GA	Industrial	1,917,084 SF	$7.1	$14.8	-	$14.8	2.1x	40.2%
Oct-16	Windsor House	San Antonio, TX	Multifamily	322 Units	11.3	$11.9	-	11.9	1.1	1.8
Jun-17	Newmarket Business Park	Atlanta, GA	Office	471,486 SF	10.0	$16.6	-	16.6	1.7	45.8
Aug-17	Garrison Park	Charlotte, NC	Multifamily	322 Units	12.4	$19.4	-	19.4	1.6	28.3
Sep-17	Spanish Ridge	Las Vegas, NV	Office	112,965 SF	7.8	1.0	11.6	12.6	1.6	14.0
Dec-17	Bainbridge Clearwater	Clearwater, FL	Multifamily	360 Units	23.0	46.1	0.4	46.5	2.0	29.7
Jan-18	Grand Montecito	Las Vegas, NV	Office	177,007 SF	9.8	1.9	15.7	17.5	1.8	21.3
Jun-18	Dallas-Atlanta Portfolio	Dallas, TX and Atlanta, GA	Industrial	1,717,065 SF	33.2	14.0	56.8	70.8	2.1	32.4
Realized Investments (Gross)					**$114.7**	**$125.7**	**$84.4**	**$210.1**	**1.8x**	**26.5%**
Realized Investments (Net)[4]									**1.6x**	**21.5%**

Unrealized Investments

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross[5] MOIC	Proj. Gross[5] IRR
Dec-15	Northridge at Westfields	Chantilly, VA	Office	100,000 SF	$5.7	$1.6	$15.4	$17.0	3.0x	22.8%
Jan-16	Hyatt Regency	Cincinnati, OH	Hotel	491 Rooms	20.8	8.7	27.4	36.2	1.7	11.3
Mar-16	Four Points by Sheraton Boston	Boston, MA	Hotel	180 Rooms	12.1	0.4	14.4	14.7	1.2	3.5
Jun-16	Garland Center	Los Angeles, CA	Office / Data	728,227 SF	27.4 (a)	9.9	53.1	63.0	2.3	20.6
Sep-16	Charter Court Apartments	Philadelphia, PA	Multifamily	510 Units	14.6	4.8	16.2	21.0	1.4	9.7
Nov-16	Sheraton Galleria	Dallas, TX	Hotel	309 Rooms	16.2	-	26.8	26.8	1.7	8.9
Aug-17	Greenspoint Place	Houston, TX	Office	2,132,652 SF	40.0 (a)	-	95.9	95.9	2.4	27.1
Sep-17	47 E 34th St	New York, NY	Multifamily	110 Units	21.3	-	34.8	34.8	1.6	11.4

Note: As of March 31, 2021. Total equity includes onshore & offshore funds. Net returns shown for onshore fund only. Offshore fund returns, which are subject to additional tax, are 1.4x and 10.8%
(a) Excludes additional co-investment capital.

H.I.G. Realty Partners III[11] – Investment Performance (Cont'd)

Unrealized Investments

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross[5] MOIC	Proj. Gross[5] IRR
Oct-17	The Grande at Metro Park	Woodbridge, NJ	Multifamily	232 Units	$19.0	$0.3	$33.4	$33.7	1.8x	16.7%
Mar-18	The Flats at Big Tex	San Antonio, TX	Multifamily	336 Units	20.9	0.7	39.7	40.3	1.9	15.3
May-18	Kennelly Square	Chicago, IL	Multifamily	268 Units	17.4	14.5	24.5	39.0	2.2	26.0
Jun-18	Murdock Circle	Port Charlotte, FL	Multifamily	264 Units	5.6	1.6	14.6	16.2	2.9	26.7
Jun-18	E*Trade Data Center	Atlanta, GA	Data Center	165,000 SF	20.0	4.5	38.6	43.1	2.2	31.4
Aug-18	M South Apartments	Tampa, FL	Multifamily	288 Units	15.7	1.1	31.4	32.5	2.1	21.0
Oct-18	North Houston Hotels	Houston, TX	Hotel	870 Rooms	30.6	-	54.3	54.3	1.8	15.5
Dec-18	4-10 108th Street	New York, NY	Multifamily	50 Units	9.2	-	13.4	13.4	1.5	10.0
Dec-18	Other Investments (b)	Various	Various	NA	15.2	3.0	23.8	26.8	1.8	17.0
Jan-19	Historic Hollywood	Los Angeles, CA	Multifamily	152 Units	15.2	-	28.3	28.3	1.9	15.1
Feb-19	Coastline Cove	Daytona, FL	Multifamily	208 Units	7.3	0.9	16.2	17.1	2.4	22.0
Mar-19	Westchester	Westchester, NY	Light Industrial	3,187,909 SF	25.0 (a)	2.1	57.0	59.1	2.4	24.6
Jun-19	Watermark	Norfolk, VA	Multifamily	180 Units	11.1	1.2	25.0	26.2	2.4	21.8
Nov-19	Atlanta R&D / Flex Portfolio	Atlanta, GA	Industrial Flex	172,881 SF	6.5	0.8	12.0	12.8	2.0	21.6
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Fund III Investments to Date (Net)[6]									**1.7x**	**15.0%**

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(a) Excludes additional co-investment capital.
(b) Other investments includes real estate credit investments.

H.I.G. Realty Partners II[10] – Investment Performance

Realized Investments[2]

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Current Gross[3] MOIC	Current Gross[3] IRR[16]
Jun-12	Villas at Shadow Creek Ranch	Houston (MSA), TX	Multifamily	560 units	$14.4	$26.4	-	$26.4	1.8x	34.9%
Aug-12	Milestone Multifamily	Various	Multifamily	3,986 units	46.6	103.1	-	103.1	2.2	31.5
Nov-12	East Side Portfolio	New York, NY	Multifamily	303 units	18.7	36.7	-	36.7	2.0	35.5
Dec-12	Hilton Tampa	Tampa Bay, FL	Hotel	521 rooms	14.9	31.6	-	31.6	2.1	25.2
Apr-13	UNC - Wilmington	Wilmington, NC	Student Housing	348 beds	4.5	9.0	-	9.0	2.0	26.7
Apr-13	Abacoa	Jupiter, FL	Multifamily	304 units	10.6	19.8	-	19.8	1.9	26.2
Apr-13	University of Arizona	Tucson, AZ	Student Housing	232 beds	4.0	6.9	-	6.9	1.7	15.6
Jul-13	Columbia Medical Campus	Baltimore (MSA), MD	Medical Office	155,314 SF	7.8	14.0	-	14.0	1.8	31.7
Jul-13	Pittsburgh Sheraton	Pittsburgh, PA	Hotel	399 rooms	25.9	3.6	-	3.6	0.1	NM
Oct-13	Hilton Cocoa Beach	Cocoa Beach, FL	Hotel	296 rooms	9.0	28.0	-	28.0	3.1	65.8
Oct-13	Ascent 430	Pittsburgh (MSA), PA	Multifamily	319 units	8.8	19.4	-	19.4	2.2	19.4
Nov-13	Farmingdale Station	New York (MSA), NY	Multifamily	154 units	11.8	14.8	0.1	14.9	1.3	4.4
Mar-14	The Offices at Braker Center	Austin, TX	Office	546,984 SF	14.9	25.5	-	25.5	1.7	22.2
Jun-14	Austin Doubletree	Austin, TX	Hotel	194 rooms	6.5	9.7	-	9.7	1.5	13.0
Dec-14	Southeast Portfolio	Various	Multifamily	844 units	9.8	19.4	-	19.4	2.0	35.4
Jan-15	Hyatt Regency Indianapolis	Indianapolis, IN	Hotel	499 rooms	15.8	43.8	-	43.8	2.8	44.2
Mar-15	Plantation Ridge	Atlanta (MSA), GA	Multifamily	218 units	3.5	10.8	-	10.8	3.0	54.1
Realized Investments (Gross)					**$227.5**	**$422.4**	**$0.1**	**$422.4**	**1.9x**	**26.1%**
Realized Investments (Net)[4] (a)									**1.6x**	**22.4%**

Note: As of March 31, 2021. Returns include the three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.
(a) Assumes the use of a subscription facility based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are held on the facility line for six months before capital is called.

H.I.G. Realty Partners II[10] – Investment Performance (Cont'd)

H.I.G. REALTY PARTNERS

Unrealized Investments

($ in mm)

Date of Initial Investment	Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity	Realized Proceeds	Unrealized Proceeds	Total	Proj. Gross[5] MOIC	Proj. Gross[5] IRR
Dec-12	Salt Creek Medical Campus	Chicago (MSA), IL	Medical Office	191,760 SF	$17.0	$12.8	$10.8	$23.7	1.4x	4.8%
May-13	Ocean Pointe	Stuart, FL	Multifamily	200 units	1.7	$0.9	6.0	6.8	3.9	19.4
Jun-13	347 Bowery	New York, NY	Condominium	7 units	12.4	3.8	11.0	14.8	1.2	2.6
Nov-13	University of Louisville	Louisville, KY	Student Housing	758 beds	17.8	-	17.8	17.8	1.0	0.0
Jan-14	Summer House	Stamford, CT	Multifamily	226 units	24.1	-	42.1	42.1	1.8	9.1
Mar-14	The Wellington	New York, NY	Condominium	113 units	52.9	24.5	28.6	53.0	1.0	0.0
May-14	High Ridge Office Park	Stamford, CT	Office	584,866 SF	27.7	-	60.3	60.3	2.2	14.8
Dec-14	One Beekman	New York, NY	Condominium	32 units	41.9	-	41.9	41.9	1.0	0.0
Sep-15	Hilton Rockville	Rockville, MD	Hotel	315 rooms	16.9	3.4	24.0	27.3	1.6	8.4
Fund II Including Condominium Investments (Gross)[4]					**$439.8**	**$467.7**	**$242.5**	**$710.2**	**1.6x**	**13.7%**
Fund II Including Condominium Investments (Net)[19] (a)									**1.4x**	**9.1%**
Fund II Excluding Condominium Investments (Gross)					**$332.7**	**$439.4**	**$161.1**	**$600.5**	**1.8x**	**19.1%**
Fund II Excluding Condominium Investments (Net)[6] (a)									**1.6x**	**14.5%**

Note: As of March 31, 2021. Returns include the three condominium investments, all in New York City. H.I.G. Realty has not made a condominium investment since 2014, and condominiums will not be targeted investments in Fund IV.
(a) Assumes the use of a subscription facility based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are held on the facility line for six months before capital is called.

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Sami Mnaymneh, *Co-CEO*: Mr. Mnaymneh is a co-founder of H.I.G. and is a member of the Investment Committee overseeing the Fund. Mr. Mnaymneh has served as a Managing Partner of the Firm since 1993. He has directed H.I.G.'s development since its inception and, alongside Mr. Tamer, is responsible for the day-to-day management of the Firm and approves all capital commitments made by H.I.G. Prior to founding H.I.G., Mr. Mnaymneh was a Managing Director at The Blackstone Group, a New York-based merchant bank, where he advised Fortune 100 companies. Prior to that time, he was a Vice President in the Mergers & Acquisitions department at Morgan Stanley & Co., where he devoted a significant amount of his time to leveraged buyouts, serving as senior advisor to a number of large and prominent private equity firms. Mr. Mnaymneh received a B.A. degree summa cum laude from Columbia University and subsequently received a M.B.A. degree and a J.D. degree, with honors, from Harvard Business School and Harvard Law School, respectively.

Tony Tamer, *Co-CEO*: Mr. Tamer is a co-founder of H.I.G. and is a member of the Investment Committee overseeing the Fund. Mr. Tamer has served as a Managing Partner of the Firm since 1993. He has directed H.I.G.'s development since its inception and, alongside Mr. Mnaymneh, is responsible for the day-to-day management of the Firm and approves all capital commitments made by H.I.G. Prior to founding H.I.G., Mr. Tamer was a Partner at Bain & Company, one of the world's leading management consulting firms. His focus at Bain & Company was on developing business unit strategies, improving clients' competitive positions, implementing productivity improvement and cycle time reduction programs, and leading acquisition and divestiture activities for Fortune 500 clients. Mr. Tamer has extensive operating experience, having held marketing, engineering and manufacturing positions at Hewlett-Packard and Sprint Corporation. Mr. Tamer holds a B.S. degree from Rutgers University, an M.S. degree in Electrical Engineering from Stanford University and an M.B.A. degree from Harvard Business School.

Brian Schwartz, *Co-President*. Mr. Schwartz joined H.I.G. in 1994 and has served as a Co-President since 2019 and as an Executive Managing Director of H.I.G. since 2008. He currently heads the H.I.G. Advantage team, where he is responsible for all day-to-day activities. Prior to this role, Mr. Schwartz held a number of leadership positions at H.I.G., including co-heading the H.I.G. Middle Market Team. Since joining the Firm, Mr. Schwartz has led over thirty buyout and growth capital investments in a variety of sectors. Mr. Schwartz began his career at Dillon, Read & Co. and previously held various positions at PepsiCo, Inc. Mr. Schwartz sits on the boards of several of H.I.G.'s portfolio companies. Mr. Schwartz earned his Bachelor of Science degree with Honors from the University of Pennsylvania and an M.B.A. from Harvard Business School.

David Hirschberg, *Managing Director*: Mr. Hirschberg is a Managing Director and co-head of H.I.G. Realty Partners. Mr. Hirschberg has 28 years of experience in real estate and investment banking. He is located in H.I.G.'s New York office and is responsible for investment origination, transaction structuring and oversight of the Fund's portfolio. Before joining H.I.G., Mr. Hirschberg was a Managing Partner at Coventry Real Estate Advisors, an investment fund manager that has acquired over $2.5bn of real estate assets across the United States. Prior to Coventry, Mr. Hirschberg was a Managing Director in Citigroup's Real Estate Investment Banking Group where he advised real estate and lodging companies on REIT IPOs and mergers and acquisitions. Previously, David worked as an Analyst at Goldman Sachs from 1989 to 1992. Mr. Hirschberg earned a B.S. from Lehigh University in 1989 and an M.B.A. from NYU in 1994. Mr. Hirschberg is a Council Member of the Urban Land Institute.

Ira Weidhorn, *Managing Director*: Mr. Weidhorn is a Managing Director and co-head of H.I.G. Realty Partners. Mr. Weidhorn has 24 years of experience in real estate investing across all property types. He is located in H.I.G.'s New York office and is responsible for investment origination, transaction structuring and the oversight of the Fund's portfolio. Before joining H.I.G., Mr. Weidhorn was a Managing Principal and head of the New York office for Lubert-Adler where he was responsible for new acquisitions and asset management. Previously, he was a Principal in Lehman Brothers Real Estate Partners and an Associate at Goldman Sachs, working in acquisitions for the Whitehall Street Real Estate Funds. Mr. Weidhorn earned a B.A. in History and a B.S. in Economics from the University of Pennsylvania and an M.B.A. from the Wharton School at the University of Pennsylvania.

John Black, *Senior Advisor*: Mr. Black is a Senior Advisor of H.I.G. Growth Equity, H.I.G.'s dedicated growth equity investment group. Since joining in 1996, Mr. Black has led or had a significant role in more than forty H.I.G. investments in technology, media, healthcare, consumer oriented, and business service companies. His investments have supported management in the development and implementation of their growth strategies in a wide range of transaction dynamics including owner-operated/family business recapitalizations, corporate divestitures, take-private transactions, consolidations and minority growth equity investments. Prior to H.I.G., Mr. Black was a senior professional with several leading firms working with lower middle market businesses to identify and implement operational initiatives to enable the businesses to realize their full growth potential. Mr. Black has held several executive level management positions including chief operating officer and chief financial officer. Mr. Black began his career in the Corporate Finance Group at Ernst & Young. Mr. Black received his Bachelor of Arts in Applied Mathematics from Harvard University.

Michael Mestel, *Managing Director*. Mr. Mestel is a Managing Director and Head of U.S. Real Estate Debt Originations for H.I.G. Realty Partners. Mr. Mestel is located in H.I.G.'s New York City office and is responsible for all aspects of the investment process, including origination, negotiation, structuring and closing of deals throughout the United States. Mr. Mestel brings over 15 years of commercial real estate experience to H.I.G. Before joining H.I.G., Mr. Mestel was a Principal at Square Mile Capital Management where he was Head of West Coast Origination. Prior to Square Mile Capital Management, Mr. Mestel served as a Director in the Real Estate Finance group at Citigroup where he was responsible for originating, negotiating and structuring fixed and floating rate loans in the Northeast and West Coast of the U.S. Prior to that, Mr. Mestel was a Vice President at Rialto Capital Management where he was responsible for the acquisition and asset management of distressed real estate and distressed loans. Mr. Mestel earned his Bachelor of Arts in Government from Cornell University.

Steven Schwartz, *Managing Director*. Mr. Schwartz is a Managing Director of Bayside Capital and is based in New York City where he focuses on distressed commercial real estate. Mr. Schwartz is responsible for all aspects of the investment process, including sourcing, underwriting, structuring, closing and investment oversight. Mr. Schwartz brings over 25 years of commercial real estate experience to Bayside Capital. Before joining Bayside, Mr. Schwartz was a partner at Torchlight Investors, a leading commercial real estate debt investor, where he served on its Board of Directors and its Investment and Operating Committees. Prior to Torchlight, Mr. Schwartz spent almost 20 years at JP Morgan where he ran their CMBS and Commercial Real Estate Lending groups. Mr. Schwartz serves on a National Council of the Urban Land Institute and Co-Chairs the Investor Council for the Mortgage Bankers Association. Mr. Schwartz obtained a Bachelor of Science in Business Administration from Boston University School of Management and an M.B.A. from the New York University Stern School of Business, graduating with distinction.

Naveen Vennam, *Managing Director*: Mr. Vennam is a Managing Director of H.I.G. Realty Partners. Since joining H.I.G. in 2007, Mr. Vennam has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. He has 17 years of experience in real estate private equity investing. Prior to joining H.I.G., Mr. Vennam was based in California with Holualoa Companies ("Holualoa"), a private investment firm focused on opportunistic and distressed real estate investments across the United States and Europe. While at Holualoa, he led numerous European investments and was involved in the acquisition and asset management of various real estate assets throughout the United States. Mr. Vennam earned a B.S. in Economics from the Wharton School at the University of Pennsylvania.

Jeff Wiseman, *Managing Director*. Mr. Wiseman is a Managing Director and Head of U.S. Real Estate Debt for H.I.G. Realty Partners, and is a member of the Investment Committee overseeing the Fund. He is located in H.I.G.'s New York City office and is responsible for all aspects of the investment process, including origination, underwriting, structuring, closing and oversight of the portfolio. Jeff brings over 20 years of commercial real estate experience to H.I.G., having served in multiple capacities and various leadership roles in the industry. Before joining H.I.G., Jeff was a Managing Director at Allegiant Real Estate Capital, LP, serving as the Chief Credit Officer and Head of Asset Management. Previously, he served in similar capacities at FirstKey Lending, LLC and Macquarie Group. Prior to Macquarie Group, Jeff was a Director at J.E. Robert Company, Inc. where he was Co-Head of Mezzanine Lending for JER Investors Trust, Inc. and a member of JER's US Debt Fund Investment Committee. Jeff earned a Bachelor of Science in Finance from Pennsylvania State University and an M.B.A. from the Stern School of Business at New York University.

Adam Belfer, *Principal*: Mr. Belfer is a Principal of H.I.G. Realty Partners. Since joining H.I.G. in 2007, Mr. Belfer has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. Prior to joining H.I.G., Mr. Belfer was with the Real Estate Leveraged Finance Group at Wachovia Securities (now Wells Fargo). At Wachovia Securities, Mr. Belfer was responsible for the origination and execution of both syndicated construction loans and of senior and subordinated debt for privately held and publicly-traded homebuilders. Mr. Belfer earned a B.B.A. from the Goizueta Business School of Emory University.

Sam Eisner, *Principal*: Mr. Eisner is a Principal of H.I.G. Realty Partners. Since joining H.I.G. in 2012, Mr. Eisner has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. Prior to joining H.I.G., Mr. Eisner worked at Prudential Mortgage Capital Company, an investment arm of Prudential Financial that originates first mortgage debt secured by all property types across the United States. Mr. Eisner earned a B.A. in Philosophy, Political Science, and Economics and a minor in Urban Real Estate and Development from the University of Pennsylvania.

Ken Senior, *Principal*: Mr. Senior is a Principal of H.I.G. Realty Partners. Since joining H.I.G. in 2007, Mr. Senior has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. Prior to joining H.I.G., Mr. Senior was an acquisitions officer with Sterling American Property, a prominent New York based, value-added real estate fund with over $4.5bn in total investments to date. Previously, Mr. Senior worked at Insignia/ESG (now CBRE) as an Associate in the Consulting group and the Agency Group where he focused on large-scale commercial leasing assignments representing both tenants and landlords in New York City. Mr. Senior earned a B.A. in English from Princeton University and an M.B.A. with a concentration in real estate finance from Columbia Business School.

William Feeser, *Director of Development and Construction*: Mr. Feeser is a Director of Development and Construction for H.I.G. Realty Partners. He is responsible for overseeing H.I.G. Realty's development and construction activities throughout the United States. Prior to joining H.I.G., Mr. Feeser was a Vice President of Asset Management with Onex Real Estate Partners, a real estate investment company with investments in select markets across the United States. At Onex Real Estate Partners, Mr. Feeser was directly responsible for representing ownership on a $700mm mixed-use project in New York City. Mr. Feeser earned a B.S. and M.S. in Civil Engineering and an M.B.A. from Widener University.

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Endnote

1. Based on aggregate commitments of private funds managed by H.I.G. Capital and affiliates. Capital by strategy reflects total commitments, as allocated to the relevant investment strategy.
2. Realized investments include projected partial realizations, as well as pending transactions under contract. No assurances are provided that any pending transactions will close. Returns for partially realized investments include projected unrealized proceeds.
3. Current gross IRR refers to the fund level aggregate, annual, compound, gross internal rate of return on investments and does not reflect the deduction of management fees, general fund expenses, carried interest and other expenses borne by investors. Current Gross MOIC is measured as total value divided by total equity investment. All gross IRRs and MOIC are based on estimates as of March 31, 2021 for H.I.G. Realty Partners II and H.I.G. Realty Partners III. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the IRRs and MOIC contained herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. Calculations used herein which incorporate estimations of the “unrealized value” of remaining investments represent valuation estimates made by H.I.G. using assumptions that H.I.G. believes are reasonable relating to each particular investment. Such estimates are subject to numerous variables which change over time and, therefore, amounts actually realized in the future will vary (in some cases materially) from the estimated gross “unrealized values” used in connection with calculations referenced herein. Past performance is not a guarantee of future results, and there can be no assurance that comparable results will be achieved.
4. Current net IRR refers to the aggregate, annual, compound, internal rate of return on investments, calculated after payment of applicable management fees, general fund expenses, carried interest and other expenses borne by investors. An individual limited partner’s Net IRR may vary based on the timing of capital contributions and distributions. Current Net MOIC is measured as total value less management fees, general fund expenses, carried interest and other expenses borne by investors divided by equity invested. All current net IRRs and MOIC are based on proceeds and estimated valuations as of March 31, 2021 for H.I.G. Realty Partners II and H.I.G. Realty Partners III. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the IRRs and MOIC contained herein. Calculations used herein which incorporate estimations of the “unrealized value” of remaining investments represent valuation estimates made by H.I.G. using assumptions that H.I.G. believes are reasonable relating to each particular investment. Such estimates are subject to numerous variables which change over time and, therefore, amounts actually realized in the future will vary (in some cases materially) from the estimated “unrealized values” used in connection with calculations referenced herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. Net returns shown are based on an assumed 1.5% management fee on committed capital and 20.0% carried interest for H.I.G. Realty Partners II and H.I.G. Realty Partners III. Past performance is not a guarantee of future results, and there can be no assurance that comparable results will be achieved.
5. Projected gross IRR refers to the expected fund level aggregate, annual, compound, gross internal rate of return on investments and does not reflect the deduction of management fees, general fund expenses, carried interest and other expenses borne by investors. Projected gross MOIC is measured as total realized and projected proceeds divided by H.I.G. projected equity. All projected returns included herein are calculated using a model and are based upon estimates and assumptions that H.I.G. believes are reasonable, however the actual returns may vary. The actual returns achieved on unrealized investments will (a) depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfers that may limit liquidity, any related transaction costs and the timing and manner of sale and related fund-level reserves, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based, and (b) be subject to the effects of Management Fees, carried interest, taxes, and other expenses that will be borne by investors. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. The projected returns should not be regarded as a representation or guarantee that any H.I.G. fund will achieve or is likely to achieve any particular result, or that investors will be able to avoid losses, including total losses of their investment. All data and numerical information herein is approximate and unaudited, unless otherwise noted. Additional details regarding methodologies and assumptions underlying projected returns, including projections of return of capital, are available upon request.

Endnote

6. Projected net IRR refers to the expected fund level aggregate, annual, compound, internal rate of return on investments, calculated after payment of applicable management fees, general fund expenses, carried interest and other expenses borne by investors, and after any expenses directly related to such investments. An individual investor's net IRR investments may vary based on the timing of capital contributions and distributions. Projected net MOIC is measured as total realized and projected proceeds divided by H.I.G. projected equity. All projected returns included herein are calculated using a model and are based upon estimates and assumptions as of as of March 31, 2021. The actual returns achieved on unrealized investments will (a) depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, legal and contractual restrictions on transfers that may limit liquidity, any related transaction costs and the timing and manner of sale and related fund-level reserves, all of which may differ from the assumptions and circumstances on which the valuations used in the prior performance data contained herein are based, and (b) be subject to the effects of Management Fees, carried interest, taxes, and other expenses that will be borne by investors. Accordingly, the actual realized returns on unrealized investments may differ materially from the returns indicated herein. In addition, unrealized values are as of March 31, 2021 and do not take into account any subsequent adjustments related to the COVID-19 pandemic. Net returns shown are based on an assumed 1.5% management fee on committed capital and 20.0% carried interest for H.I.G. Europe Realty Partners I, Europe Realty Partners II, H.I.G. Realty Partners II, and H.I.G. Realty Partners III. The projected returns should not be regarded as a representation or guarantee that Europe Realty Partners I, Europe Realty Partners II, H.I.G. Realty Partners II, or H.I.G. Realty Partners III will achieve or is likely to achieve any particular result, or that investors will be able to avoid losses, including total losses of their investment. Additional details regarding methodologies and assumptions underlying projected returns are available upon request.
7. Gross and net returns calculated as a weighted average based on invested capital for H.I.G. Realty Partners II and H.I.G. Realty Partners III. Please see endnotes 10 and 11 for further information on H.I.G. Realty Partners II and H.I.G. Realty Partners III. Such returns do not include Fund I. See Endnote 8.
8. H.I.G. Realty Partners global figures reflect investments made by H.I.G. Realty Partners II, H.I.G. Realty Partners III, H.I.G. Europe Realty Partners I, H.I.G. Europe Realty Partners II from June 2012 through March 2021. Total returns include projected returns for unrealized investments. Returns presented herein do not include H.I.G. Realty Partners I ("Fund I"), a 2006 vintage fund with total commitments of $209 million, comprised of a private fund, H.I.G. Realty Fund, L.P. with $132 million in capital commitments, and a $77 million co-investment commitment. Fund I was managed separately by principals no longer affiliated with H.I.G., and with a vertically integrated platform in leasing, construction, and management. Additional information regarding Fund I is available upon request.
9. Any reference to a targeted or projected return, value, date, or metric contained in this document is merely an estimated "target" and, therefore, inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those targeted. Target returns are based on H.I.G.'s belief about returns that may be achievable on investments that H.I.G. intends to pursue in light of its experience with similar investments historically, the view on current market conditions, and certain assumptions about investing conditions, hold periods, availability of financing, and exit opportunities. While the targeted performance is based on assumptions that H.I.G. believes are reasonable, there are many risk factors that could cause H.I.G.'s assumptions to prove to be incorrect. These risks therefore could cause the actual performance to be materially different from the current targeted performance. Such risks may include, without limitation: (i) availability of suitable investments and financing; (ii) interest rates; and (iii) economic and market conditions. Targeted returns are not projections, predictions or guarantees of future performance, and none of H.I.G., or any of its respective directors, officers, employees, partners, shareholders, advisers and agents makes any assurance, representation or warranty as to the accuracy or achievability of any targeted returns and no recipient of this document should rely on such targets. Additional details regarding methodologies and assumptions used to calculate targeted returns are available upon request.
10. H.I.G. Realty Partners II ("Fund II") is comprised of investments made by the H.I.G. Realty Team in the U.S. small/mid-cap real estate sector from a $400mm allocation of capital from H.I.G. Bayside Debt & LBO Fund II, L.P. ("Bayside II"). This allocation of capital was part of a larger portfolio of investments without formal separation and, therefore, does not reflect an actual portfolio of a particular investment fund. Therefore, no individual investor experienced the investment performance indicated in this Presentation regarding Fund II. Returns for Fund II are shown excluding three New York condominium investments, unless otherwise noted. Condominium investments have not been targeted for Fund III, and are not part of the Fund IV investment strategy. As of March 31, 2021, including the three New York condominium investments, Fund II generated gross and net IRRs of 13.7% and 9.1%, respectively. Including the three New York condominium investments, Fund II generated gross and net MOICs of 1.6x and 1.4x, respectively. Fund II returns reflect current returns and include assumed use of subscription facility leverage during the investment period based on the terms of the facility used by Fund III at LIBOR + 155bps. All investments are assumed to be held on the facility line for six months before capital is called. Additional information is available upon request.

Endnote

11. H.I.G. Realty Partners III ("Fund III") is comprised of investments made by H.I.G. Realty Partners III (Onshore), L.P. and H.I.G. Realty Partners III (Offshore), L.P. Total Equity includes H.I.G. Realty Partners III (Onshore), L.P. and H.I.G. Realty Partners III (Offshore), L.P. Fund III returns are representative of H.I.G. Realty Partners III (Onshore), L.P. only. H.I.G. Realty Partners III (Offshore), L.P. generated an IRR of 10.8% and a MOIC of 1.4x as of March 31, 2021.
12. Net Operating Income ("NOI") means, for any property, the sum of the following: (a) cash rents and other revenues received in the ordinary course from such Property minus (b) all cash expenses paid (excluding interest expense) related to the ownership, operation or maintenance of such Property, including but not limited to, property taxes, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses minus (c) the capex reserves for such property.
13. Replacement cost is the estimated cost to construct, at current prices, a property with equal utility. Replacement cost is based on deal team estimates using industry data.
14. Case studies and pipeline transactions presented herein are for illustrative purposes only, have been selected in order to provide examples of the types of investments considered and made by H.I.G. Realty Partners and do not purport to be a complete list thereof. These case studies were selected based on illustrative investment strategies that were implemented by H.I.G. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Realized and projected returns included are gross of fees and expenses. See endnote 5 for projected gross returns included, and endnote 3 for realized gross returns included. In addition, please refer to pages 46 - 49 for a complete listing of Fund II and Fund III's investments, including net returns.
15. Projected equity is the sum of (i) equity funded to date for each respective investment plus (ii) equity projected to be funded over the remaining life of the investment. There can be no assurance that such projected equity will be invested by the applicable fund.
16. The term "NM" or "Not Meaningful" is used to refer to IRR calculations that are negative, or return a result that is unstable, unreliable or non-representative.

Important Information

Risks Related to Novel Coronavirus. The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting restrictions on travel and quarantines imposed, has meaningfully disrupted the global economy and markets. The outbreak of COVID-19 in December 2019 could have significant adverse effects on the global economy, including (1) closures or cancellations of, or reductions in, productions or operations in affected areas, (2) mandatory quarantines and other restrictions on movement, transportation, or travel, (3) decrease in demand for certain products or services, and (4) disruptions to supply chain and other logistical networks. As such, the Fund's portfolio companies and investments with operations, productions, offices, and/or personnel in (or other exposure to) areas affected with the virus may experience significant disruptions to their business. The extent to which COVID-19 will affect the General Partner's, the Fund's, and/or portfolio companies, investments, and results will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the COVID-19 and the actions taken to contain the COVID-19, among others.

Risk of Loss. Prospective investors must be aware that investments in private equity funds such as H.I.G. Realty Partners IV (the "Fund") are speculative and involve substantial risk of loss. Investment in the Fund is suitable only for sophisticated investors for whom an investment in the Fund does not constitute a complete investment program and who fully understand, and are willing to assume, the risks involved in investing in the Fund. The possibility of partial or total loss of the Fund's capital exists, and prospective investors should not subscribe unless they can readily bear the consequences of such loss. There can be no assurance that the Fund will achieve its investment objective or target return, or that there will be any return on capital. In particular, potential investors should take into account the fact that the actual return achieved may be more or less in any particular year, and that different returns may be achieved by different investments. Any losses in the Fund will be borne solely by investors in the Fund and not by H.I.G.; therefore, H.I.G.'s losses in the Fund will be limited to losses attributable to the ownership interests in the Fund, if any, held by H.I.G. in its capacity as an investor in the Fund.

Past Performance is Not a Guarantee. Information about investments made by H.I.G. affiliated funds is provided solely to illustrate H.I.G.'s investment experience and processes and strategies used by H.I.G. in the past with respect to Fund II and other H.I.G. affiliated funds. The performance information relating to H.I.G.'s previous investments is not intended to be indicative of the Fund's future results. ***Past performance is not necessarily indicative, or a guarantee, of future results.*** There can be no assurance that the Fund will achieve comparable results as those presented or that investors in the Fund will not lose any of their invested capital. References to aggregate or composite returns reflect cash flows and performance across multiple funds, and may not reflect the experience of any limited partner; such returns are provided for illustrative purposes only.

No Solicitation. This Presentation is not an offer to sell or a solicitation of an offer to purchase interests in the Fund. Offers and sales will be made only pursuant to the Fund's confidential private placement memorandum, complete documentation of the Fund and in accordance with applicable securities laws. Prospective investors should carefully consider, with their respective financial, tax and legal advisers, the potential conflicts of interest and risk factors described in the confidential private placement memorandum before subscribing for an interest in the Fund. Any investment in the Fund is speculative, involves a high degree of risk not associated with other types of investment vehicles and is suitable only for persons of adequate financial means who have no need for liquidity.

Not Investment Advice. The information presented in this Presentation is not provided with a view to providing investment advice with respect to any security, or making any claim as to the past, current or future performance thereof, and H.I.G. expressly disclaims the use of this Presentation for such purposes. All investments are subject to substantial risks, including those set forth in the confidential private placement memorandum of the Fund.

Forward-looking Information. This Presentation may contain forward-looking statements that are based upon certain assumptions. Other events which were not taken into account, including general economic factors which are not predictable, may occur and may significantly affect the actual returns or performance of the Fund and / or any of the companies in which the Fund has invested. Any assumptions should not be construed to be indicative of the actual events that will occur. Actual events are difficult to project and depend upon factors that are beyond the control of the Fund, H.I.G. or their respective affiliates, members, partners, stockholders, managers, directors, officers, employees and agents. Certain assumptions have been made to simplify the Presentation and, accordingly, actual results may differ, perhaps materially, from those presented herein. All information with respect to portfolio companies and industry data has been obtained from sources believed to be reliable and current, but accuracy cannot be guaranteed.

Lack of Liquidity of Interests. The interests being offered by the Fund are subject to restrictions on transferability and resale under various securities laws and may not be transferred or resold except in compliance with those laws and with the prior written approval of H.I.G. or the general partner of the Fund, as applicable (which may be withheld or conditioned in their respective absolute discretion). Additionally, there is no active secondary market for the Fund interests and none may develop.

Fees. The Fund will impose significant fees, including carried interest, on its investors, and such fees will reduce the Fund's returns. Performance compensation may create an incentive to make riskier or more speculative investments.

Unrealized Investments. There can be no assurance that partially realized and unrealized investments will be sold for values equal to or in excess of the total values used in calculating the returns portrayed herein. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations reported herein are based. Accordingly, the actual realized returns on investments that are partially realized or unrealized may differ materially from the values indicated herein.

Lack of Diversification. The Fund's investment program involves investing in real estate properties, and as such, the Fund's portfolio may experience more volatility and be exposed to greater risk than a more diversified investment portfolio. The Fund may make a limited number of investments, in which case aggregate returns realized by the limited partners may be substantially adversely affected by the unfavorable performance of a small number of these investments. The Fund's focus on the real estate sector may increase the volatility of the Fund's returns and expose the Fund to the risk of downturns in the real estate sector to a greater extent than if its portfolio also covered other sectors of the economy.

Use of Leverage. The Fund may engage in leverage and other investment practices that are extremely speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, including the loss of the entire amount that is invested.

Risks Associated with Investments in Real Estate Generally. An investment in the Fund is subject to certain risks associated with the ownership of real estate and the real estate industry in general, including: the burdens of ownership of real property; local, national and international economic conditions; the supply and demand for properties; mismanagement or decline in value of properties; the financial condition of tenants, buyers and sellers of properties; changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable; changes in environmental laws and regulations, planning laws and other governmental rules and fiscal and monetary policies; environmental claims arising in respect of properties acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in real property tax rates; changes in energy prices; negative developments in the economy that depress travel activity; uninsured casualties; force majeure acts, terrorist events, under-insured or uninsurable losses; and other factors which are beyond the reasonable control of the Fund and H.I.G. In addition, real estate assets are subject to long-term cyclical trends that give rise to significant volatility in values.

Tax Issues. Prospective investors should note that there are special tax issues involved with respect to investing in real estate, and each prospective investor should consult its own tax advisers regarding such issues, including special issues for US taxable investors, US tax-exempt investors, and non-US investors.

Exemption from Registrations. The offering of interests in the Fund will be made in reliance upon an exemption from registration under the Securities Act of 1933, as amended, for offers and sales of securities that do not involve a public offering. The Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act") in reliance on an exemption for issuers whose outstanding securities are owned exclusively by "qualified purchasers" as defined in the Investment Company Act.

Valuation Methodology. In accordance with H.I.G.'s valuation policies, all investments are measured for value increases or decreases on an annual basis as of the end of the fourth quarter. During the year, to the extent that a Fund investment experiences a material event as determined in good faith by the general partner, valuation adjustments are made each quarter as appropriate. Valuations may incorporate the use of different hold periods, capitalization and discount rate assumptions and other factors including debt maturities, market comparables, replacement cost, appraisals or other third party data. Changes in valuation assumptions and methodology for underlying investments are made from period to period at the discretion of the general partner.

Memorandum

To	City of Jacksonville Employees' Retirement System
From	RVK, Inc.
Subject	Eagle Capital Large Cap Value Fee Proposal
Date	September 23, 2021

Background

The purpose of this memo is to update the Board on recent fee related discussions RVK and Staff have been in the process of having with Eagle Capital ("Eagle"), as it relates to the Large Cap Value mandate they manage on behalf of the City of Jacksonville Employees' Retirement System ("City of Jacksonville ERS" or the "City"). The conversations were a result of direction by the Board, which tasked RVK and Staff to seek to reduce current fees paid, following findings presented to the Board in our Domestic Equity Structure Review earlier this Summer.

Ultimately, as a result of those conversations, we are pleased to present to the Board an updated fee proposal from Eagle, along with associated comparative analysis, and a collective recommendation from RVK and Staff on the proposed structures.

Current Eagle Fee Structure

Currently, Eagle's fee equates to approximately 75bps per annum for the City's mandate. The current fee structure has been in place since the inception of the mandate in 2007. The current fee paid ranks the mandate in the 95th percentile of the eVestment Large Cap Value manager fee peer group, indicating their fee is high relative to most peers. However, it's important to note that the strategy has delivered performance within the top 5% of their US Large Cap Value peer group since the inception of the City's mandate through 6/30/2021. Further, since inception, Eagle has outperformed its stated benchmark, the Russell 1000 Value Index, by 477 basis points on an annualized basis, net of fees, which has been extremely accretive to the Fund, as compared to being invested in the Index during that same period of time.

Eagle Fee Proposal

Up until recently the Eagle Large Cap Value strategy was closed, and historically the manager has not offered any fee breaks after the first $5 million in invested assets. However, after being directed by the Board, RVK sought to engage with Eagle on fees. We held several negotiating sessions resulting in Eagle providing the City with two alternative fee arrangements for consideration. Both of which are outlined below.

1. **Performance Fee** – with a base annual fee of 40bps and a sharing of the "net" (after

deducting the base fee from the gross alpha) alpha split 80% to the City and 20% to Eagle. Performance could be measured against the Russell 1000 Value or the S&P 500.

2. **Asset Based Fee** – Eagle would aggregate the City ERS and Police and Fire Pension Fund (PFPF) accounts (which would require buy-in from both Plans) for billing purposes and then charge a fee of 100bps on the first $5 million (Eagle's standard schedule), 75bps from $5-500 million (Eagle's standard schedule), and then 50bps on all funds above $500 million. This last asset tier is not part of Eagle's standard schedule, but would be a concession on the manager's part that matches Most Favored Nations provisions that they currently have in place. The additional fee tier and consideration towards the aggregate Jacksonville assets (ERS and PFPF) would contribute toward an approximate annual fee savings of 4.6 basis points or ~$122,000 for the ERS in dollar terms, based on current asset levels.

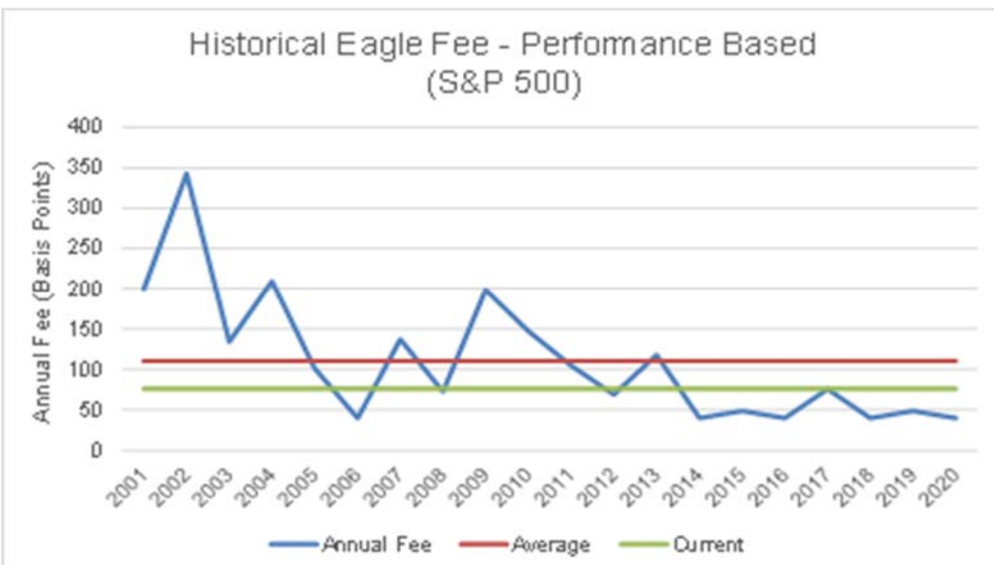
Recommendation

RVK was pleased to see Eagle come back with multiple proposals which offer two differing paths forward for the Board to consider. Though both options can add value to the ERS, of the two options presented, RVK and Staff favor the second asset-based fee proposal, largely because the fee savings are direct and guaranteed, so long as combined assets remain over $500 million. RVK would note that as of the most recent PFPF Board meeting on September 17, 2021, the PFPF has agreed to move forward with the recommendation to adopt the asset-based fee proposal. Additional analysis that explores the trade-offs of the two fee proposals, which ultimately helped inform our recommendation today, can be found in the Appendix.

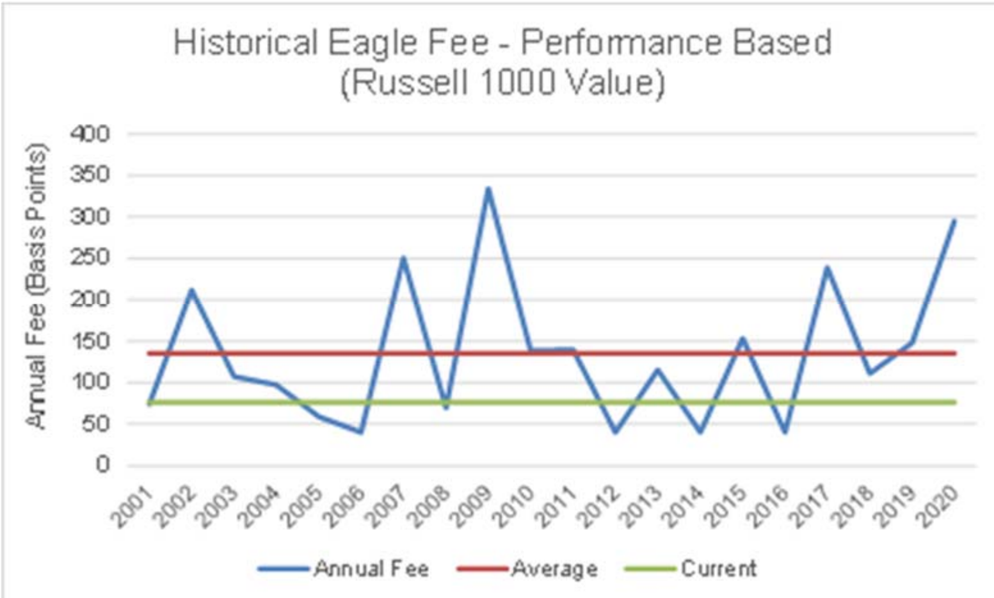
Should the Board move to adopt this recommendation, RVK and Staff would work with Eagle to ensure the appropriate agreement amendments are made to the existing Eagle agreement.

Appendix

While it's impossible to accurately predict future equity market and manager performance, RVK's concern with the performance fee (Option 1) is that the fees paid by ERS *historically* would have actually ended up being much higher over the long-term, had Option 1 been in place, given the significant levels of outperformance. To that end, below please find two charts that illustrate what the historical Eagle fee would have been under the performance-based fee proposal, as well as the associated average[1]. The first table uses the S&P 500 as the reference index, the latter the Russell 1000 Value. We also added the current fee level for illustration. Regardless of the index used, it is quite clear that the performance-based fee (110bps on average using the S&P500 as a reference index and 135bps on average using the Russell 1000 Value) over the period below would have been disadvantageous as compared to the current asset-based fee (~75bps), and certainly the proposed asset-based fee (~71bps).



[1] Please note, strategy performance reflects published composite-level data for Eagle's Large Cap Value strategy in eVestment.



While we know that past performance is no guarantee of future performance and that the path of future performance is challenging to predict, we have sought to explore several prospective fee scenarios for the Board's benefit. First, in the table below, using the performance-based fee proposal (Option 1), we have estimated Eagle's fees assuming 100 - 500 basis points increment of Alpha:

Option 1:	YTD Fee (bps)	Fee based on 6/30/2021 Market Value
0 bps of Alpha	40	$1,073,964
100 bps of Alpha	52	$1,396,154
200 bps of Alpha	72	$1,933,136
300 bps of Alpha	92	$2,470,118
400 bps of Alpha	112	$3,007,100
500 bps of Alpha	132	$3,544,082

For perspective, over the last 3, 5, 7, and 10-year time periods, Eagle has earned 608, 723, 491, and 348 basis points of alpha, respectively, over the Russell 1000 Value Index on an annualized net of fee basis. RVK has calculated that for any year in which Eagle had outperformed its benchmark by more than 218 bps, the performance-based fee (Option 1) would have been more expensive than Option 2. In addition, it is important to note, during a period of negative absolute, but positive relative performance, the performance-based fee structure would still apply.

Finally, as a prospective way to compare the current flat fee schedule to the proposed flat fee schedule (Option 2), we have assumed a scenario in which Eagle's assets grow at 6% per annum (based on RVK's long term Large/Mid Cap US Equity capital market assumption) and that the ERS assets continue to represents a similar share (~44%) of combined assets with the PFPF going forward. One will observe that over time, if Eagle were to continue to earn positive returns, the fees under the newly proposed flat fee schedule (Option 2) shrink relative to the current flat fee schedule, as more assets are exposed to the new, more favorable fee tier of 50bps on assets over $500 million[2].

	Year 1	Year 2	Year 3	Year 4	Year 5
Current Flat Fee Fee BPS	$2,026,183 75	$2,147,004 75	$2,275,074 75	$2,410,829 75	$2,554,728 75
Option 2 Fee BPS	$1,903,975 71	$1,984,522 70	$2,069,903 69	$2,160,406 68	$2,256,339 67
Savings Per Year Savings in BPS	$122,208 5	$162,482 6	$205,172 7	$250,423 8	$298,390 9

[2] Please note, due to rounding, certain numbers may not appear to sum in the tabular exercise.

City of Jacksonville Employees' Retirement System

INVESTMENT ACTIVITY UPDATE: September 2021

Events

Special Board Meeting
October 7, 2021
SMID Value Finalist 1-5 PM

Board Due Diligence Meetings
1st Thursday Each Month
Meet & Greet: 12:30
Presentation: 1-2 PM
City Hall Conference Room 3C

November 4, 2021
Pinnacle- SMID Growth Equity

December 2, 2021
Acadian- Emerging Markets Equity

January 6, 2021
Baillie Gifford- International Growth Equity

February 3, 2022
Eagle Capital- US LC Value Equity

March 3, 2022
Loomis Sayles- US LC Growth Equity

April 7, 2022
Silchester- International Value Equity

May 5, 2022
Adams Street- Private Equity

Staff Update

Hancock Timber
$19.7 M received from New Zealand Timberland Liquidation

MLP Transition Management
Tortoise and Harvest MLP liquidation complete. Totaled $87 M

FY 2021 Pension Call Back
$106 M payback complete
Funded from cash and liquidation of MLP & Timber assets

Investment Policy Statement
Delivered on 8/2 to Finance committee- 60 days

Contract Status
N/A

Current Managers Meetings
Eagle Capital- LCV
Harrison Street- RE
Loomis Sayles- LCG

Prospect Managers Meetings
Janus Henderson
Alex, Brown Realty

SMID Value Finalist Lineup
Kayne Anderson Rudnick
Smith, Graham & Co.
Systematic Financial Man.

Cash Flows

Hamilton Lane-Private Credit

No Private Credit Calls

Adams Street- Private Equity
Capital Call: $2,205,00
Cash Distribution:
Cost: $1,586,945
Gain: $1,352,775
Total Distribution: $2,939,720
Net Distribution: $734,720
Cumulative Call: $17,622,892

Provider Disbursements
Baillie Gifford 6/30: $322,962
Hancock Timber 6/30: $119,533
Harrison Street 6/30: $284,613
Harvest 9/30: $60,985
Principal 6/30: $257,631
Silchester 8/31: $126,122
Tortoise 9/30: $43,510
UBS Trumbull 6/30: $168,399
Total Fees: $1,383,755

RULES AND REGULATIONS
OF
THE BOARD OF TRUSTEES
OF
THE CITY OF JACKSONVILLE RETIREMENT SYSTEM

Contents:

PART I – DEFINITIONS

The definitions set forth in Sections 120.201 and 120.301, *Ordinance Code*, shall apply to these Rules and Regulations. The terms "Plan" and "Plans" shall refer to the City of Jacksonville General Employees Retirement Plan and/or the City of Jacksonville Corrections Officers Retirement Plan, as the context requires. The term "System" shall refer to the City of Jacksonville Retirement System, which consists of the Plans and is administered by the Board of Trustees (the "Board").

PART II – ORGANIZATION OF THE BOARD OF TRUSTEES

1. Authority. The System shall be placed under the exclusive administration and management of the Board. Consistent with such general authority, the Board shall have the authority to retain its own legal counsel, accountants, actuaries, money managers, performance monitors, and other professional advisors to assist the Board in the performance of its duties. The Board shall have the authority to operate, maintain and interpret the provisions of the state laws (Chapters 112 and 215) and local ordinances (Chapter 120, Ordinance Code) establishing the System. All decisions of the Board, made in good faith regarding the implementation of the

provisions of the Plan, shall be final, binding and conclusive on all parties. The Board shall be solely responsible for establishing and executing the System's investment policy and selecting the System's professional advisors.

2. Fiduciary Responsibility. The Board shall act as the named fiduciary of the System as provided under Section 120.102(o), *Ordinance Code*, and under Florida law. In its capacity as a named fiduciary of the Plan, the Board shall discharge its responsibilities solely in the interest of the members and beneficiaries of the Plan for the exclusive purpose of providing benefits to the members and their beneficiaries and to defray the reasonable expenses of the Plan. Board members shall exercise those fiduciary responsibilities with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a similar character and with similar aims. Although the Board acknowledges that the Employee Retirement Income Security act of 1974, as amended ("ERISA"), does not apply to the Plan as a governmental retirement plan, it hereby adopts the fiduciary provisions of ERISA as expressed in 29 U.S.C. s. 1104(a)(1)(A)-(C).

3. Composition; Quorum; Majority Vote. The Board shall consist of nine (9) members selected in accordance with Section 120.102, *Ordinance Code*. A quorum for the Board consists of five (5) members. It will take five (5) concurring votes for the Board to take action.

4. Meetings. Regular meetings of the Board are held on the fourth Thursday of each month through October and the third Thursday of each November and December unless determined otherwise by the Board. Special meetings may be held at the request of any member or staff. In recognition of the importance the work of the Board, regular attendance at Board meetings is expected of all Board members. See Part V below for additional meeting requirements.

5. Election of Officers. The October Board meeting shall be designated the organizational meeting. The Board will elect from among its members a Chair, a Vice-Chair and a Secretary, to serve for the year October 1, through September 30. Officers may continue to serve until their replacements are named. The Chair shall be selected from one of the two citizen Board members.

6. Board Committees. The Board may from time-to-time delegate any of its functions to a committee consisting of one or more Board members. Board Committees shall meet in accordance with the provisions of the Florida Government in the Sunshine Law (Chapter 286, Fla. Stat). All Board Committees shall be appointed by the Chairman.

7. Board Rules and Regulations. The Board is authorized by law to establish these and other uniform rules for the operation of the System. No such rule may conflict with any lawful ordinance, charter provision, state or federal law. Accordingly, the Rules and Regulations described herein are adopted only to the extent that they implement, interpret, or make specific the particular powers, duties and responsibilities by the enabling ordinances, charter provisions and State law. All rules shall be in writing and shall be adopted by a majority vote of the Board. The Board shall review its rules on a periodic basis, normally once per year. The Board's rules shall be made

available to Plan members, retirees and beneficiaries upon request and shall be posted on the System's website. All rule changes shall occur at a regular meeting of the Board.

8. Actuarial Valuation Reports to City Council. By law, the Board shall certify to City Council annually the amount the City is to contribute to the System. The City Council shall place said amount in the budget for the succeeding year. As a matter of standard practice, the contribution specified by the Board's actuary in it's valuation report to the Board is the amount certified annually to City Council.

9. Collective Bargaining. The Board acknowledges that it is neither an employer organization nor an employer as defined by Chapter 447, Part II, Florida Statutes. Therefore the Board shall not engage in collective bargaining on behalf of the City of Jacksonville or on behalf of any employee organization. The Board shall make itself available as a resource to labor organizations and the City for all matters relating to pension and retirement.

10. Fiduciary Insurance. The Board is authorized by law to purchase fiduciary insurance to insure members of the Board and the Advisory Committees for errors and omissions. All such insurance shall be with recourse if paid for by System monies. This shall not preclude the Board from making individual payments for non-recourse exceptions from sources other than the System.

11. Statements and Reports. The following statements and reports are to be prepared on a routine basis and made available to the public at all times in the Pension Office:

(a) Summary Plan Description (SPD).

(b) Annual Actuarial Valuation Report

(c) Report of Investments.

PART III – ADVISORY COMMITTEES

(A) GENERAL EMPLOYEES' PENSION ADVISORY COMMITTEE

1. Authority. The General Employees' Pension Advisory Committee (the "PAC") shall act as a preliminary investigative arm for the Board and is authorized to hear and investigate various matters and to make recommendations to the Board thereon. The PAC shall have the following administrative duties with regard to the determination of all issues of fact and recommendations for the granting or denial of benefits for its Plan:

(a) Review and recommend action to the Board on all approved applications for benefits;

(b) Conduct inquiry into disability applications and recommend final action to the Board;

(c) Recommend to the Board amendments to the System documents; and

(d) Such other duties as may be prescribed by the City Charter or Ordinance Code.

The PAC reviews all payments made from the Plan. As a matter of administrative policy and to ensure timely payment of benefits under Sections 120.206(c) and 120.306(c), Ordinance Code, the Pension Office may initiate payments using standard procedures so long as such payments are ratified by the PAC at the next ensuing meeting or in a reasonable timeframe.

2. Composition; Term of Office; Vacancies. The PAC shall consist of seven (7) members. Two (2) members shall be employees of JEA who (i) are members of the Plan; (ii) are the top two individuals with the highest votes from the JEA employee candidates elected by the active contributing general employee members voting in an election, and (iii) shall qualify on the next October 1 (or the first meeting after said election if there is a delay). Four (4) members shall be employees (other than JEA employees) who (i) are members of the Plan, (ii) are the top four individuals with the highest votes from the non-JEA employee candidates elected by the active contributing general employee members voting in an election, and (iii) shall qualify on the next October 1 (or the first meeting after said election if there is a delay). One (1) member shall be a retired person who (i) is a retired member of the Plan, (ii) is elected by membership of the Retired Employees Association voting in an election, and (iii) shall qualify on the first meeting after said election. All elected members shall hold office for the term of two years from their qualification date, or longer in the event that the Board approves an extension due to administrative/technical difficulties in the election of a successor. The Board shall establish uniform rules governing the specifics for each election of PAC members. Vacancies in the PAC will be filled by the number one candidate of the top three runner-up candidates. If for any reason that person cannot or does not want to serve, then the vacancy will be filled by number two candidate. Likewise to number three if number two is unavailable or declines to serve. In the event there are not available candidates as described, the vacancy will be reviewed by staff and legal to determine next steps. Terms for such members will end at the same time as the elected members.

3. Quorum; Majority Vote. A quorum for the PAC consists of four (4) members. It will take four (4) concurring votes for the PAC to take action.

4. Officers. The PAC will elect a Chair and a Vice Chair to serve for the year October 1, through September 30. The PAC may also elect a Secretary for the same term if the PAC determines that doing so will improve the administration of its work. The Vice Chair will conduct all meetings that the Chair is unable to attend. In the event that both the Chair and Vice Chair are absent, a temporary Chair may be appointed with the approval of a majority of members in attendance.

5. Meetings. Unless otherwise agreed, the PAC shall meet regularly on the second Wednesday of each month. Special meetings may be held at the request of any member or staff. See Part V for additional

requirements. The PAC will conduct a workshop meeting within three months after each general election of PAC members. The workshop will be designed to orient and train new PAC members with respect to their fiduciary responsibilities, their obligations under the Florida Sunshine laws, and their other duties as a PAC member. The Plan Administrator and a representative from the Office of General Counsel will assist in the presentations. This information may be shared as part of a regular PAC meeting.

(B) CORRECTIONS OFFICERS' PENSION ADVISORY COMMITTEE

1. Authority. The Corrections Officers' Pension Advisory Committee (the "COPAC") shall act as a preliminary investigative arm for the Board and is authorized to hear and investigate various matters and to make recommendations to the Board thereon. The COPAC shall have the following administrative duties with regard to the determination of all issues of fact and recommendations for the granting or the denial of benefits for its Plan:

(a) Review and recommend action to the Board on all applications for benefits;

(b) Conduct inquiry into disability applications and recommend final action to the Board;

(c) Recommend to the Board amendments to the System documents; and

(d) Such other duties as may be prescribed by the City Charter or Ordinance Code.

The COPAC reviews all payments made from the Plan. As a matter of administrative policy and to ensure timely payment of benefits under Section 120.306(c), Ordinance Code, the Pension Office may initiate payments using standard procedures so long as such payments are ratified by the COPAC at the next ensuing meeting or in a reasonable timeframe.

2. Composition; Term of Office; Vacancies. The COPAC shall consist of five (5) persons who (i) are active, contributing and certified corrections officers with the 5 highest vote totals, (ii) are members of the Plan, (iii) are elected by the active, contributing members of the Plan voting in an election, and (iv) shall qualify on October 1 (or the first meeting after said election if there is a delay). Each member shall hold office for the term of two years, from their qualification date, or longer in the event that the Board approves an extension due to administrative/technical difficulties in the election of a successor. The Board shall establish uniform rules governing the specifics for each election of COPAC members. Vacancies in the COPAC will be filled by the number one candidate of the top three runner-up candidates. If for any reason that person cannot or does not want to serve, then the vacancy will be filled by number two candidate. Likewise to number three if number two is unavailable or declines to serve. In the event there are not available candidates as described, the vacancy will be reviewed by staff and legal to determine next steps. Terms for such members will end at

the same time as the elected members.

3. Quorum; Majority Vote. A quorum for the COPAC consists of three (3) members. It

will take three (3) concurring votes for the COPAC to take action.

4. Officers. The COPAC will elect a Chair, Vice Chair and Secretary to serve for the year October 1, through September 30. The Vice Chair will conduct all meetings that the Chair is unable to attend. In the event that both the Chair and Vice Chair are absent, a temporary Chair may be appointed with the approval of a majority of COPAC members in attendance.

5. Meetings. Unless otherwise agreed, the COPAC shall meet regularly on the first Tuesday of each month. Special meetings may be held at the request of any member. See Part V for additional requirements.

PART IV – ROLE OF THE CITY TREASURER, THE CIO, THE PLAN ADMINISTRATOR, AND THE PENSION OFFICE

1. Overview. Under Section 120.102, *Ordinance Code*, the Board is charged with the sole and exclusive responsibility to administer the System. However, under Section 24.204, *Ordinance Code*, the City Treasurer is given responsibility for the administrative support and financial management of the System. To harmonize these provisions, the Treasurer shall to the extent practicable consult with the Board in the training and evaluation of the Plan Administrator and other Pension Office staff. The Board may retain and compensate any additional professional or technical assistance deemed necessary to aid the Plan Administrator and other Pension Office staff in executing the Board's policies and directives.

2. Treasurer and CIO. The City Treasurer, through the Pension Office, shall be responsible the administrative support and financial management of the System. The Treasurer shall be responsible for maintaining the financial records of the System as directed by the Board.

The Treasurer, and any Chief Investment Officer ("CIO") reporting to the Treasurer, is authorized to transfer funds at such intervals as required to meet the Pension Payroll schedule for disbursement to beneficiaries of the Plans.

The CIO and the Treasurer are authorized to give direction to the authorized custodians of the System's assets on any and all actions with respect to the custodial relationship. Authorized signatures of the Board Chair, the Treasurer and the CIO will be provided to ~~the~~ each custodian as needed. The Board will provide the custodians with written notification of any changes.

3. Plan Administrator. The Plan Administrator shall directly report to the Treasurer. The day-to-day

supervision and management of the Pension Office staff shall be delegated to the Plan Administrator. The Plan Administrator shall be responsible for directing the activities of said employees as are reasonably necessary for the efficient performance of the responsibilities of the Plan and for ensuring that their functions are performed in accordance with the standards established by the Board, the Treasurer, and the Chief Financial Officer of the City. The Plan Administrator shall be subject to policies and directives issued by the Board and shall report his or her activities to the Board on a monthly basis when the Board meets. The Plan Administrator shall have no discretionary authority with regard to investments. The Plan Administrator is authorized to initiate the purchase of office supplies, equipment, publications, etc., as may be necessary to promote the discharge of the Plan's operating requirements, subject to budget limitations and any necessary organizational approvals from the Treasurer or CFO. The Plan Administrator shall be responsible for operational procedures, systems and forms for the day to day administration of the System and for the orderly processing of benefits. This shall include, but not be limited to time connections, applications for service and disability retirement, survivorship applications, and returns of contributions. If, in the opinion of the Plan Administrator, circumstances warrant the development and implementation of additional forms and procedures, the Plan Administrator shall have the authority to make the required changes in the procedures and forms. Additional elaboration as to the administrative discretion to be granted to the Plan Administrator is described in the Board's "Statement of Administrative Policy" which is reflected herein as Section IV (3).

4. Statement of Administrative Policy. In an effort to further the goal of providing adequate clarification and direction as to the expected role and administrative discretion to be exercised by the Plan Administrator, the Board adopts the following Statement of Administrative Policy:

(a) The Board assigns the Plan Administrator with the responsibility and commensurate authority to implement the policies and directives of the Board and to administer the day-to-day operations of the Plan consistent with established rules, regulations, and policies of the Board and in accordance with applicable laws, statues, Ordinances, Resolutions and Charter provisions.

(b) The Plan Administrator represents the executive arm of the Board and is authorized to act in the name of the Board in the transaction of routine business on behalf of the Plan.

(c) The Plan Administrator is authorized to evaluate and make initial determinations of eligibility for benefits and programs, service credits and time connections, service retirement benefits computations, and is authorized to initiate the payment of pension benefits in accordance with the approval process established by the Board.

(d) The Plan Administrator is authorized to administer the collection of data regarding disability applications and the assembly of data required for a determination of disability benefit eligibility.

(e) The Plan Administrator is authorized to approve and pay refund requests made by members who have separated from service.

(f) The Plan Administrator will keep the Board informed as to the actions and activities of the Pension Office through appropriate reporting mechanisms.

(g) Questions as to the implementation of rules, regulations and policies of the Board shall be directed to the Plan Administrator who will:

- Adjudicate the question; or
- Refer the question to the Board or Advisory Committee, in the event the question involves a matter of policy not previously established by the Board or where sufficient doubt is raised in the mind of the Plan Administrator as to the proper course of action; or
- Refer the question to the Legal Counsel of the Plan in the event the question involves the need for legal support or guidance.

(h) Questions as to the interpretation of various provisions of the Plan shall be directed to the Plan Administrator who will:

- Obtain or render an interpretation of the section or language involved; or
- Refer the question to the Board or Advisory Committee if it requires a policy decision. In areas where there is no clear interpretation of a condition in the pension laws, it is the Board's final responsibility to interpret the language in the pension laws, and seek the input of Legal Counsel to the Plan, as deemed necessary in resolving the issue; or
- Refer the question to the Legal Counsel of the Plan in the event the condition involves the need for legal support and guidance.

(i) A participant of the Plan who is not satisfied with the determination rendered by the Plan Administrator may request that the case be presented to the ~~Board or~~ Advisory Committee for final ruling. After review of the request, the Board may then grant or refuse to grant a hearing on the matter. (Advisory Committee decisions may also be appealed to the Board.)

(j) A record is to be maintained in the Pension Office covering all administrative and Board decisions or rulings which are of general interest or importance to the operation of the Plan. This record is to be available to the members of the Plan.

(k) The Plan Administrator shall have the authority to amend existing Time Service Connections as set forth in Part X, Paragraph 1(g)(iv).

5. Pension Office. The Treasurer shall establish a City Pension Office to provide administrative support to the Board and the Plan members. The Treasurer, not the Board, is responsible for the hiring of employees in the Pension Office and their supervision through the Plan Administrator. However, to the extent the Board believes the Pension Office is not performing in accordance with the standards established by the Board and by law, the Board shall take all appropriate action to (i) inform the Treasurer and appropriate decision makers in the City, and (ii) recommend corrective actions. The Board may also retain and compensate any additional

professional or technical assistance deemed necessary to aid the Pension Office in executing the Board's policies and directives.

(a) Decision Making Authority. No employee of the Pension Office shall have the authority to bind the Board in any contract or endeavor without the express authority of the Board.

(b) Information Depository. The Pension Office shall be the depository of all System and Plan documents, including the summary plan descriptions, summary annual reports, annual and periodic financial reports, actuarial studies and recommendations, minutes of meetings of the Board and Advisory Committees, Board rules and regulations, all forms used in conducting System business.

(c) Payroll Certifications. Pension Payrolls of the System's trust funds will be reviewed each payment period by the Pension Administrator and made available to the Treasurer, CFO and Board as requested.

(d) Mail. It is expected that all mail received by the System shall be reviewed for any time limitations or response dates. Mail addressed to the System in general and to no specific person shall be directed to the Pension Administrator or an appropriate designated Pension Office member unless otherwise directed by the Board. The Pension Office will make all reasonable efforts to maintain a record of materials received. The provisions of Florida Statute Chapter 119, the Public Records Act, shall be observed in all respects.

(e) Reporting of Fraud. In the event that a perceived fraud has been perpetrated upon the Plan, the staff of the Pension Office shall strive to identify the person or persons committing the perceived fraud and the person or persons aiding or abetting the commission of any such perceived fraud on or to the Plan. Once appropriate documentation has been assembled with respect to the perceived fraud, the Plan shall seek to recover such fraudulently obtained funds and shall make a determination as to whether the facts surrounding the incident warrant the institution of supplemental investigations, the scheduling of administrative hearings, and/or the notification of such incident to the State Attorney's Office for disposition. Based upon the findings and determinations of such above described matters, the perpetrator(s) of such fraudulent activities may be subject to the forfeiture and disqualification for the receipt of pension benefits as provided under Section 112.3173, Florida Statutes, provided such perpetrator(s) is a Member or Beneficiary of the Plan.

PART V -- MEETINGS

The following provisions shall apply to all meetings of the Board, the PAC and the COPAC.

1. Role of the Chair. The Chair will conduct all meetings. The Chairman shall have voting rights the same as any other member of the Board. If the Chair is absent, the Vice Chair will assume those responsibilities. If both the Chair and Vice Chair are absent, a temporary Chair may be appointed with the approval of a majority of members in attendance.

2. Agendas and Meeting Materials. A published agenda shall be prepared for each regular and special meeting. The agenda will set forth those items upon which the Chair anticipates taking action or discussion. The Order of Business at regular meetings shall be as follows, unless changed by a majority of members in attendance:

(a) ~~(a)~~ Call to Order
(b) Public Comment
(c~~b~~) Approval of Minutes
(d~~c~~) New Business (including the Consent Agenda)
(e) Investment Matters
(f~~d~~) Old Business
(g) Administrative Matters
(h~~e~~) Information ~~(including investment updates and administrative updates)~~
(i~~f~~) Privilege of the Floor
(j~~g~~) Adjournment

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The order of presentation may be adjusted at staff and Board discretion.

During the New Business portion of a meeting, a Consent Agendas may be used to approve (i) time service retirement benefit applications and other newly established ongoing payments such as term-vested retirements, term-vested commencements and rehired retirees starting pension payments again, (ii) survivor benefit applications, (iii) pension contribution refunds and other lump-sum payments (iv) credited service purchases, and (v) DROP program activities. The Consent Agenda format may not be used with respect to decisions on disability retirement benefit applications, or other matters warranting particular attention and review on the part of the Board.

Each agenda item shall have attached to it backup material necessary for discussion or action by the Board.

Each agenda shall, as required by Chapter 286, Florida Statues, also inform members of the System and the public that should they wish to appeal any decision made by the Board, that they will need a record of the proceedings and that they may need to ~~insure~~ensure a verbatim record which includes testimony and evidence upon which the appeal is based.

A copy of the Notice of Meeting shall be posted in a location in the Jacksonville City Hall where notices of public meetings are customarily posted. A calendar of upcoming meetings will also be posted electronically on the City website. All agendas and meeting materials are public records as defined in Chapter 119, Florida Statutes.

The Board requests that all materials to be submitted to the Board or an Advisory Committee (including materials submitted by a board/committee member) be submitted at least three business days prior to the scheduled meeting. Materials submitted after this time might not be included in the package of materials provided at the meeting.

3. Actions Taken; Minutes. The Board or Advisory Committee shall have the right to take action on any

matter related to the general business of the Board, whether or not such item has been specifically placed on the agenda. The Secretary (or the Pension Office) shall be responsible for keeping written minutes of the transactions and actions of the Board and shall be the official custodian of records of the Board.

4. Appearances by the Public and/or Plan Members. As public bodies, the Board and the Advisory Committees have a responsibility to accommodate members of the public and members of the Plans who wish to conduct business before them. All such appearances shall be scheduled through the Plan Administrator and time limits for presentations may be limited by the Chairman, with the concurrence of the Board or Advisory Committee. Appearances may be in person or through a representative. No person shall be permitted to disrupt the meeting. The Chairman shall have the authority to determine appropriate conduct at the meeting and to direct the removal of any person who fails to abide by reasonable requests for order.

5. Disruption of Meetings. Any member of the Plan or member of the public making personal, impertinent or slanderous remarks or who shall become boisterous while the Board or the Advisory Committees are in session, shall forthwith be barred from further audience before the Board or the Advisory Committees by the Chairman at his/her discretion. No demonstration of approval or disapproval from the audience shall be permitted. If such demonstrations continue, the demonstrator(s) shall be removed from the meeting room.

6. Meeting Locations; Government in the Sunshine. All meetings and hearings of the Board and the Advisory Committees shall be held in Jacksonville, Florida at a location where public access is guaranteed. Meetings and hearings shall be open to the public and conducted in compliance with Chapter 286, Florida Statutes.

7. Workshops. The Board may from time to time wish to conduct workshop meetings for the purposes of developing policies or procedures of the Board or for the review of investment data of the Board. Workshops shall be conducted in a public forum the same as any other meeting or hearing and shall be properly noticed in advance of the workshop.

PART VI – PROCEDURES FOR THE SELECTION OF PROFESSIONAL SERVICES PROVIDERS

Section 120.102(q), *Ordinance Code*, provides that the Board shall have the authority to retain its own money managers, investment performance monitors, legal counsel, accountants, actuaries, and other professional advisors to assist the Board in the performance of its duties. The Board shall evaluate and select such professional advisors in strict accordance with the Ordinance Code and the City's Pension and Treasury Division's Procurement Procedures of Financial Instruments and Services. All selections shall be made at a meeting of the Board with the affirmative vote of at least five (5) Board members. All proposals and presentation materials considered in conjunction with the selection of professional services providers shall be made a part of the records of the Board.

PART VII -- ASSET MANAGEMENT

1. Statement of Investment Policy. As part of its duty to administer the Plans, the Board shall develop a Statement of Investment Policy to govern the investment of Plan assets. The Statement of Investment Policy represents the Board's attitudes, philosophy, expectations, and objectives regarding the investment of Plan assets. The development of this statement demonstrates that the Board has given adequate consideration to the development of an appropriate program of investment and has thereby fulfilled the requirements of prudence within their fiduciary responsibilities. The standards, objectives, guidelines and restrictions established by this policy statement are subject to changing conditions and investment opportunities. Accordingly, this statement is subject to review on an annual basis by the Board. The Board's Statement of Investment Policy shall conform to the guidelines provide by Sections 112.661 and 215.47, Florida Statutes, which govern the general structure and content of written investment policies for public retirement systems within the State of Florida.

2. Divestiture. No divestiture of any asset of the Plans shall be made for any reason other than fulfillment of the fiduciary obligations of the System.

3. Money Managers. In recognition of the importance of professional guidance in the investment of the assets of the Plans, all investments shall be performed by qualified, professional money managers. The Board shall establish performance standards for each money manager in each class of investment. Said performance standards shall be reduced to writing and shall be included in the contract between the Board and the manager. Said performance standards shall be reviewed on not less than an annual basis and shall be compared to the actual performance of a money manager to determine compliance with the standards set by the Board.

Each money manager shall enter into a written contract with the Board. Each contract shall include an acknowledgement by the money manager that it is familiar with the ordinances of the City of Jacksonville and the provisions of Florida Statutes, Chapter 112. Each money manager shall subscribe to the written goals and objectives of the System and said goals and objectives shall be incorporated into each money manager contract. Said contracts shall also provide that the money manager shall not make purchases which are prohibited by law and in the event such a purchase is made shall make the Plans whole for any loss incurred in the divestiture of said investment. Said contract shall also provide that the laws of Florida shall govern and that venue for any legal action shall be in Duval County, Florida. All written contracts shall set forth a specific duration~~,~~ but shall allow the Board to terminate for convenience upon no more than 30 days' written notice. Each contract shall set forth with specificity the fees charged by the money manager to the System. All money manager contracts shall further set forth that the money manager is registered as an investment advisor and is qualified by law to engage in the management of the assets which are the subject of the contract. All written contracts shall be reviewed by the General Counsel's office or

Board Attorney who shall approve the form and correctness of each contract and sign each contract. All written contracts shall be executed by the Chairman and/or the Secretary of the System.

All money managers shall report on not less than a quarterly basis. Said money managers and advisors may, however, be directed by the Board, the Treasurer or the CIO to report on a more frequent basis. Upon request of the Board, all money managers shall make these presentations in person at a regular meeting of the Board and shall bear their own costs and expenses in traveling to Board meetings.

In recognition of the limited time resources of the Board members, presentations of prospective money managers shall be by written invitation of the Board only. Prospective money managers shall provide advanced written summaries of their presentations together with any backup materials deemed appropriate for analysis by the System.

4. Performance Monitor. The Board shall engage at all times at least one performance monitor who shall be responsible for reviewing the performance of each of the various money managers of the Board. The performance monitor shall report to the Board on such time schedules as the Board shall establish but not less than once per quarter. The performance monitor shall advise the Board as to the relative performance of each money manager as compared to the various stock, bond and cash indices as are generally accepted in the investment market place as reflective of satisfactory investment performance. The performance monitor shall recommend in writing to the Board the retention or discharge of money managers and the reasons supporting its recommendation. At the request of the Board, the performance monitor may perform evaluation and searches for money managers and such other services as the money manager shall be requested to perform.

5. Decision Making Authority. The Board shall determine the retention or discharge of any money manager or performance monitor. The Board shall also establish the amount of funds to be entrusted to any money manager and shall determine when funds shall be withdrawn and investments terminated. The members of the Board shall not however participate in the selection of individual stocks, bonds or cash funds, as that shall be the responsibility of the money manager within the context of the investment goals, objectives and performance standards established by the Board.

6. Proxy Voting. The Board shall be responsible for exercising all proxies on equities held by the System. The Board shall comply on a voluntary basis with the standards of the Employee Retirement Income Security Act of 1974 in the voting of proxies. The Board shall, by contract or other written agreement, give all money managers proxy voting responsibility and the Board shall monitor the voting of the managers.

The Board members (along with the United States Department of Labor) do not consider the following practices by investment management firms with proxy voting responsibility to be consistent with their fiduciary responsibility:

a) Declining to vote proxies;
b) Voting proxies exclusively for management without analysis of the underlying issues;
c) Permitting negligent or inaccurate record keeping regarding proxy voting;
d) Accepting directions from other parties;
e) Permitting the absence of policies or procedures to assure the proper exercise of this fiduciary responsibility.

Any significant proxy items and the vote by individual money managers shall be reported in writing to the Board. Records of all proxy votes shall be maintained and made available to the Board members or any agents acting in their behalf. All such records shall be maintained in accordance with the Florida public records law.

It shall be the primary responsibility of money managers acting on behalf of the Board to vote all proxies to the benefit of the System assets for their primary or future value. All tender offers shall be treated in the same manner with regard to record keeping and asset enhancement.

7. Commission Recapture. The System may maintain a commission recapture program consistent with Section 28(e) of the Securities and Exchange Act of 1934. All trades shall be directed through the System's commission recapture programs to the extent provided in each money manager's professional services agreement.

PART VIII – ACCOUNTING, ACTUARIAL AND LEGAL SERVICES

1. Actuarial Services.

(a) Selection. The Board shall retain at all times the services of an enrolled actuary. An enrolled actuary shall mean an actuary who is enrolled under Subtitle C of Title III of the Employee Retirement Income Security Act of 1974 and who is a member of the Society of Actuaries or the American Academy of Actuaries. Competitive bidding shall not be required in the selection of actuaries.

(b) Reporting. The actuary shall report to the Board on not less than an annual basis so that the Board may establish the adequacy of employer and employee contributions. No proposed change in retirement benefits shall be made without an actuarial determination of the cost impact of said change. All actuarial reports shall be in accordance with the provisions of Florida Statutes, Section 112.63.

2. Accounting Services.

(a) Audits. The assets and liabilities of the System have historically been subject to annual audit reviews by the independent auditors under contract to the City in conjunction with the preparation of the City's Comprehensive Annual Financial Report (the "CAFR").

The Board retains the ability to optionally obtain on an annual basis, a separate independent audit of the assets and liabilities of the System with the System being the reporting entity, whereupon such separate audit of the System would be incorporated into the City's CAFR. To date, the Board has not elected to undertake the greater level of audit examination and testing that would accompany a separate audit of the System. Any such separate audit shall be performed in accordance with generally accepted accounting standards.

(b) Conflicts of Interest. In order to avoid conflicts of interest, the Board shall not retain auditors who are employed by the City of Jacksonville unless the Board shall be determined to be a separate client.

3. Legal Services.

(a) Selection. The General Counsel of the City shall be the primary counsel for the Board. The Board may also request the services of additional outside counsel with demonstrated experience in the area of public employee retirement systems in the State of Florida. Competitive bidding is not required in the selection of legal services.

(b) Privileged Communications. In all dealings between the Board members and the Board's attorneys, the Board shall be deemed the client rather than any individual member of the Board. All communications between the Board and its attorneys shall be privileged communications except where otherwise governed by the Florida law.

(c) Authority to Direct. The Board's attorneys shall take direction from the Board as may be given at the various meetings of the Board. In between meetings of the Board, direction to the attorneys shall be given by the Chairman or if directed by the Board, the Plan Administrator or the Treasurer or the CIO. All files of the Attorney shall be open for inspection by any member of the Board. The Board shall direct any outside counsel to consult with the General Counsel to assure consistency of legal services.

PART IX – MEMBERSHIP IN THE PLANS

1. Enrollment. New enrollment in the Plan is closed as of October 1, 2017. Employees hired prior to October 1, 2017, that elected to join the DC Plan may convert back to the Pension Plan prior to their fifth anniversary as long as they have not already changed Plans three times. Eligible transfers into the Plan will be reviewed and managed by the Pension Office. Adjusted date-of-hire as maintained by the HR/Employee Services department of the eligible employer is used to determine eligibility. Appointed employees that elect social security may not later join the Plan.

2. Termination of Employment.

(a) Employees who have been members of the Plan for less than five (5) years, who leave employment with the City, shall have all of their contributions~~,~~ less required federal tax withholding unless the monies are rolled over to another qualified plan, returned to them and be removed from the Plan upon termination of employment. The Pension Office will maintain procedures around payment of refunds following termination of employment for non-vested members. Non-vested former employees must take a refund after termination.

(b) Employees who have been members of the Plan for five (5) or more years, who leave employment with the City, may elect to (i) vest for deferred retirement and leave their contributions in the fund, or (ii) request that their contributions be returned to them. The election must be made in accordance with Pension Office procedures. Employees who receive a refund of their contributions are no longer entitled to any benefits under the Plan. Former employees who have vested their rights to receive a pension retain inactive membership in the Plan.

(Note: Refund of contributions apply to Employee contributions only and does NOT include ANY Employer Contributions. Refund of contributions do NOT include employee contributions set aside, accounted for and designated as pertaining to disability benefits.)

(c) Employees that make contributions to the Plan in error (when they were not eligible) shall have those contributions refunded to them as soon as practical following discovery of the error and the employee will not receive any credit in the Plan for that period.

3. Re-employed Pensioners. The administrative interpretation of Section 120.209 and 120.309, Ordinance Code, is as follows: When a former employee, who is a pensioner of the System, is re-employed full-time by the City, his/her right to receive a pension payment shall cease while they are employed full-time by the City or eligible agency. If they have not received any lump-sum payment (PLOP, BACKDROP or DROP: these elections are irrevocable per code once elected) from the System, they may re-join the DB Plan. All full-time rehired retirees, if in civil service or appointed status, may elect to join the DC Plan if they do not reenter the DB Plan.

Rehired retirees that rejoin the Plan may be eligible for an updated benefit from the Plan. If the new employment period lasts longer than one (1) year (1 year as defined by credited service), the new benefit will be calculated fresh using 120.206 or 120.306 (and other applicable options except as noted) with the updated credited service and final monthly compensation calculated with no gap in between the original retirement date and the reemployment date. If the additional service is less than one (1) year, the rehired retiree will not get an updated benefit and contributions for the additional period will be refunded to the employee. ~~an incremental benefit may be added to the original vested benefit using service time from the new employment and compensation that includes the new employment period (ignoring the period of separation for determination of the average compensation over a consecutive period). If, however, the employment lasts for less than one (1) year, the employee shall be given time service credit for the additional service applied to the salary used to determine his/her original pension upon his/her return to retiree or inactive status. This~~

~~incremental increase will be added to the previously calculated pension benefit.~~

Rehired retirees that meet the criteria above for a new pension benefit will be eligible for PLOP and BACKDROP but will NOT be eligible for DB to DC lump-sum transfers. BACKDROP benefits will be calculated assuming no gap in between the original retirement date and the reemployment date.

When the employee re-retires, the "new pension benefit" required under Section 120.209(c) shall come with a new 5-year waiting period for COLA benefits. If the original benefit is used then the employee will accrue time passage credit for COLA benefits from the original date.

(Note: For a returning separated vested member that has not received pension payments, they may rejoin the Plan and ~~time service connection shall be automatic and~~ the employee's pension membership date will be adjusted for the period of separation. When an updated benefit is calculated, the final monthly compensation will be calculated with no gap in between the original retirement date and the reemployment date. .The one (1) year service requirement does not apply for rehired separated vested members that never were pensioners previously.)

The Pension Office will maintain procedures for: retirement plan membership for rehired retirees, suspension (and restart) of pension benefits for rehired retirees and calculation of updated benefits for rehired retirees.

4. Board's Right to Terminate an Individual's Membership in the Plan. An individual's membership may be terminated by the Board in the event either Advisory Committee finds that the individual:

(a) was granted membership based upon a fraudulent application, or
(b) has been illegally receiving pension benefits, or
(c) has made a willful misstatement of a material fact relating to his/her history.

No such action by the Board shall become final, however, unless the member has been afforded the opportunity to procedural due process as set forth in Part XI below.

PART X – ADMINISTRATION OF BENEFITS

1. Retirement Benefits Generally.

(a) Applications. All applications for retirement benefits shall be in accordance with Pension Office procedures. The procedures shall generally be uniform and established by the Pension Office. Applications shall be maintained in the Pension Office and shall be available upon request by any member or beneficiary.

(b) Proof of Earnings. No retirement benefit shall be granted unless earnings used for the applicable three (3) years of service prior to retirement shall be clearly identified.

(c) Calculations of Final Monthly Compensation. In calculating a member's Final Monthly

Compensation, the Pension Office shall:

(i) skip over any pay period in which the member received partial or no compensation while on an apparent approved leave of absence, so that the pay periods before and after such leave of absence are considered to be consecutive pay periods (provided, however, the Pension Office shall not skip over such pay periods if doing so would be to the detriment of the member);

(ii) use the highest 36 consecutive months of earnable compensation out of the last ten years of employment, which ~~generally~~ equates to 78 pay periods for bi-weekly paid employees.

(iii) Earnable compensation used will be based on the available pensionable earnings reported by the Employer payroll. Employee Services or the equivalent department of the Employer shall maintain documentation around what pay constitutes pensionable earnings. (This should be consistent with the definition of Earnable Compensation contained in Code.)

(d) Credit For Partial Years of Service. Where the Ordinance Code provides that retirement benefits shall be based on the number of years of credited service, the Board interprets that provision to allow credits for partial years of service based on the number of full months served. For instance if a member was continuously employed by the City on a full-time basis from January 1, 2005 to July 25, 2012, the member's retirement benefits would be based on 7.5 years of credited service.

(e) Definition of "Full-Time" Service. Where the Ordinance Code provides that retirement benefits shall be based on the amount of a member's full-time service or employment, and the term "full-time" is not otherwise defined, the Board defines "full-time" as regularly requiring at least 80 hours of bi-weekly service (if paid on a bi-weekly basis) or 40 hours of weekly service (if paid on a weekly basis). ~~—~~Full-Time service or employment does not include part-time service or seasonal service. The following types of employment are considered examples of part-time or seasonal service: (i) court bailiffs, (ii) poll workers, (iii) student positions and internships, and (iv) positions filled through employment agencies.

The Pension Office may grant partial service for periods of time where there is evidence the employee worked less than full-time (with pay) due to an apparent approved leave of absence. Any positions that are full-time and less than 40 hours per week will require review based on bargaining agreements or established practice.

(f) Definition of Part-Time Service. The Board interprets Section 120.209(d), *Ordinance Code*, as follows: the phrase "…a position routinely requiring fewer than 25 hours of work per week (50 hours per pay period) on a regular and recurring basis…" is interpreted to mean a part-time employee may work 50 or fewer hours per pay period. For purposes of clarity, within the same pay period, a part-time employee may work more or fewer than 25 hours per week, provided the cumulative hours for the pay period does not exceed 50 hours.

(g) Time Service Connections. All time service connections shall be made in accordance with Sections 120.204, 120.304, and other applicable provisions of the Ordinance Code.

(i) Time must be documented as full time, be it special purpose positions, provisional, probationary, grant, temporary or permanent. All full-~~-~~time employment must be verified by either the Human Resources Division, the employer or from some other authoritative source. Members may purchase time as soon as they become members of the Plan, including while they are on probation. Requests for the actuarial equivalent cost for past service will be sent by the Pension Office to the Board's actuary for calculation as needed and as determined as practical by the Pension Office. (Note: Time served in contract positions is NOT eligible for purchase of credited service.)

(ii) Military time may be purchased in accordance with Sections 120.205 and 120.305, and other applicable provisions of the Ordinance Code.

(iii) Members who can document an approved leave of absence without pay status may purchase up to six months of time.

(iv) Purchase of ~~one (1) year or more of~~ time service may be made by payroll deduction for a period of no more than 130 pay periods. No more than two payroll deduction agreements may be authorized per person at any time and no changes are permitted to any payroll deduction agreement except for a lump sum balance payment.~~, or when satisfactory certificates or court orders are furnished to the Pension Office indicating that, after the date of purchase, there has occurred one of the following: 1) the marriage or divorce of the employee; 2) the death of the employee's spouse or child; or 3) the birth or adoption of a child of the employee; or 4) the employee is on an approved medical leave of absence, until such time that the employee returns to work. In the case of the first three reasons, the employee may terminate the purchase, without prejudice for making future purchases, and shall be entitled to the prorated time service credit purchased.~~ Notwithstanding the foregoing, upon the written request of an applicant and for good cause shown, the Plan Administrator is authorized to: (i) terminate an existing Time Service Connection ~~(other than the hardships listed above)~~ with the applicant being entitled to time service credit purchased as of the date of termination~~; and (ii) reduce the amount of time service credit being purchased within an existing Time Service Connection. This authority is limited to Time Service Connections authorized under Section 120.204(a), Ordinance Code~~. The authority granted hereby shall not apply to Time Service Connections where the applicant was required by Ordinance Code to pay the full actuarial costs of the time connection. Any applicant requests to terminate or reduce the term of an existing Time Service Connection made at the full actuarial costs shall be brought to the Board of Trustees for its review.

(v) Termination of employment during a payroll deduction agreement will result in the member or beneficiary having to choose to make a lump sum payment to complete the purchase or to accept a prorated portion of the time service purchased by deduction. In the event a member dies during a payroll deduction agreement term, the time service connection stops and credit is given only for the portion of the time service which was paid through the final paycheck. Payments for service purchases can be made with leave pay-outs, bank checks, or transfers of funds from a 457 Plan. Payments from leave balances or 457 Plans must be initiated by the termination date and outside payments not received by one-week following termination will not be accepted.

(h) Payment Amounts. Conversion from monthly to bi-weekly pension is done by taking the monthly base benefit times 12 and then dividing the resulting annual benefit by 26 annual pay-periods.

(i) Supplement Payment. The monthly supplement is divided by 2 and paid just twice monthly. In months with three pay-periods the last period will not include a supplement payment.

2. Disability Retirement Benefits.

(a) Applications. To receive retirement benefits on account of disability, the applicant and his/her physician(s) shall complete a written disability application on the approved form. The application process must be initiated by the applicant while an active member of the Plan. (Reasonable accommodations for submitting applications will be allowed based on review of the Advisory Committee and the Board.) Each application shall be accompanied by a release of medical information authorizing the Board or any of its agents to have full access to all medical records of the applicant whether or not the subject of the particular claim of disability. In addition, all applicants shall authorize the Committee and Board to conduct a public discussion of the medical condition of the applicant and to release the Committee and Board from any liability for the public discussion of the medical condition of the applicant.

(b) Calculations and Effective Date. Disability pensions, when granted, shall be calculated in accordance with the applicable provisions of Chapter 120, Ordinance Code, and shall be effective as of the day after the termination date provided by the Employer. The benefit calculation will utilize final monthly compensation and credited service in the same fashion as time service and term-vested calculations. For periods less than three years available full-time compensation will be averaged. Supplement will be paid and COLA will be applied for disability benefits.

(c) Role of Medical Review Officer. The physician(s) directly or indirectly under contract with the City of Jacksonville to provide medical review services may serve as the System's Medical Review Officer ("MRO") without a formal appointment. The term "physician" as used in these rules shall mean any licensed doctor of medicine, osteopathy, chiropractic, dentistry, podiatry, psychology, vocational specialist, or any other licensed practitioner of the healing arts.

The Pension Office shall refer all disability application packages to a MRO for an evaluation. No disability retirement benefits shall be granted by the Board unless there is contained in the file written evidence that the medical case history has been evaluated by the MRO and the MRO has found that the applicant has suffered an illness, injury or disease which renders the applicant permanently and totally incapacitated, physically or mentally, from regular and continuous duty as an employee or officer of the City. The MRO shall also include a determination, to the extent reasonably possible, of the origin of the disability.

If additional medical information is desired by the Board or an Advisory Committee, the Board or the Advisory Committee may obtain further medical evaluations from the applicant, MRO or designate another MRO as it deems appropriate.

(d) Review By The Advisory Committee. Once an application for disability retirement and the report of the MRO(s) are received, the Pension Office shall refer the completed application package (including the MRO's recommendation) to the appropriate Advisory Committee. Upon receipt of the report of the board designated physician(s), the Advisory Committee shall schedule a public hearing at which time the Committee shall have available for review all reports of the MRO(s), together with any such documentary evidence as the applicant may wish to submit and any other available relevant materials. Based upon the written documentation presented, the Committee shall make a preliminary determination as to whether the member is permanently and totally disabled and whether the disability occurred in the course of service to the City.

If the Committee does not recommend that the Board grant the application based on the written documentation, ~~it~~ the Pension Office shall inform the member in writing of the reasons for the denial of the application. The member may within 30 days of receipt of the Committee's preliminary denial, request a full evidentiary hearing before the Committee. This hearing and any appeals therefrom will be conducted in accordance with Article XI below ("Procedural Due Process").

(e) Re-Examination of Disability Retirees. The Board or the Advisory Committee may cause such disability retiree to undergo periodic physical examinations to determine the continued existence of the disabling condition. Any disability retiree who refuses a reexamination may be subject to denial of future pension benefits. All disability retirees who are to be reexamined shall be advised of the date and time of their reexamination. Disability retirees shall be required to execute such releases as the Board shall deem necessary to conduct the medical examination and to discuss the results. In the event that a disability retiree is found to have recovered and is shown to be physically able to perform his/her duty, the retiree shall be restored to employment with the City in the same position and pay rate that the retiree would have occupied but for the disability. There is no guarantee that such a position will be available and funded, but if such a position is available and funded then the disability benefits shall be terminated. If a disability retiree refuses an offer of reemployment with the City, disability benefits shall be discontinued.

(f) Presumptive Diseases. In the case of Corrections Officers who claim a service disability based on the presumptive disease provisions of Florida Statutes and the Ordinance Code, the Board's physician shall review the in-hiring physical of the applicant to determine if the presumption may be applied.

(g) Pre-Existing Conditions. In the case of Corrections Officers, the Ordinance Code prohibits any disability based on a preexisting condition. Accordingly, the MRO shall be asked to determine if the cause of the disability is the same medical condition as the observed preexisting condition. No disability application may be granted if the injury or illness giving rise to the disability pre-existed membership in the System~~,~~ unless the injury or illness would be expected to cause the disability without regard to the pre-existing condition.

3. Survivor Benefits.

(a) Surviving Spouse. Following the death of a member, the Plan shall treat the surviving partner of any marriage, which was lawfully formed in the jurisdiction in which it was entered, as a surviving spouse. The surviving spouse of a pensioner must be married to and residing with the pensioner at the time of the pensioner's death, and otherwise comply with the requirements of the Ordinance Code and these rules with regard to eligibility.

(b) Applications. Applicants for survivor benefits must submit a written application on the appropriate form with the following documents (as applicable):

(i) Marriage certificate or other reasonable official proof of marriage
(ii) Death certificate, stating cause of death.
(iii) Two affidavits stating that the witness (friend, neighbor, relative, personal and professional acquaintance have been deemed acceptable) knew of their own personal knowledge that the applicant was married to and living with the deceased employee or retiree at the time of death.
(iv) Birth certificate and social security card of dependent children less than eighteen (18) years of age, or for a disabled child of any age.
(v) Social Security Card of the Survivor
(vi) Driver's License or other government-issued ID of the Survivor

(c) Benefits Upon Death of a Pensioner. The deceased pensioner is paid a final payment either on the date of death or on the next scheduled payment. The eligible surviving spouse will receive benefits starting with the next pension payroll following the last payment made to the pensioner.

If there is no eligible survivor entitled to an ongoing pension payment, any remaining employee contributions are paid to the estate of the pensioner. The amount is calculated by subtracting the total gross pension payments from the total employee contributions paid into the Plan.

(d) Benefits Upon Death of Active Member. For purposes of determining the amount of benefits due to a surviving spouse of an active member, it shall be assumed that the deceased employee would have continued working for the City until they reached unreduced retirement eligibility. The eligible surviving spouse would then receive 75% of the member benefit that was based on a 2% accrual.

(e) Benefits paid for surviving minor children are paid to the surviving child's guardian on behalf of the child. When the child reaches age 18 that benefit is stopped. This includes benefits related to the 10% increase to the surviving spouse benefit for active employees and retired pensioners.

(f) Benefits to a Surviving Disabled Child. Child or Orphan benefits may be payable to a surviving disabled child for life, providing the child became disabled and the pensioner died prior to the child attaining 18 years of age. The standards for the disability determination shall generally conform to those used by the Social Security Administration in conjunction with the payment of supplemental security income benefits for children with disabilities. As part of the application review process, the Pension Office may request additional medical information for certification by the System's MRO.

4. BACKDROP, PLOP and DROP Benefits. Applications for retirement benefits under Sections 120.214 ("BACKDROP"), 120.215 ("PLOP"), and 120.314 ("DROP"), *Ordinance Code*, shall be on the approved forms and shall be processed in the same manner as time service retirements. The Pension Office shall maintain a documented practice for applying interest to lump-sums benefits from DROP and BACKDROP elections.

PLOP, BACKDROP and DROP elections are irrevocable and members that elect these benefits cannot earn additional benefits from the Plan.

BACKDROP interest is set annually and DROP interest is set monthly. DROP Phase 2 interest is set annually. Interest and mortality used for PLOP (and DB to DC transfers) is reviewed annually. Procedures for application of interest rate changes and other assumptions shall be maintained by the Pension Office.

5. Funeral Expenses. While there is a provision for providing funeral expenses, normal practice is to simply provide a return of employee contributions to the estate in cases where an active member or term vested member dies without a qualified survivor.

PART XI – PROCEDURAL DUE PROCESS

1. Hearings Before an Advisory Committee. The primary role of the Advisory Committees is to review applications for ~~membership and~~ benefits and, where appropriate, conduct evidentiary hearings on those matters. An Advisory Committee may not recommend the denial, termination or reduction of Plan benefits against an applicant without notifying the applicant in writing of the reasons for the recommendation. The applicant may, within 30 days of receipt of such notice, request a full evidentiary hearing before the Committee. All evidentiary hearings will be conducted consistent with the principles of due process, and the rules of evidence generally applicable to administrative proceedings shall apply. The Advisory Committees shall have the power to issue subpoenas compelling the attendance of witnesses. At a hearing, the applicant may present such oral and written evidence as the applicant deems necessary to establish its burden of proof. The applicant, the City and the Advisory Committee shall have the right to examine and cross-examine all witnesses. The recommended decision of the Advisory Committee shall be based solely upon the evidence presented and applicable law. Following the conclusion of the hearing, the Advisory Committee shall render an opinion in writing setting forth the reasons for recommending the grant or denial of the benefit.

2. Notice of Advisory Committee Recommendations. In cases where the Advisory Committee holds an

evidentiary hearing and recommends a denial, termination or reduction in benefits, the Advisory Committee shall send a notice of the recommendation to the applicant, which shall include:

(a) A citation to the applicable section of the Ordinance Code under which the Committee is acting;
(b) A description of the reason or reasons for the Committee's position;
(c) The date and place of the Board meeting where the recommendation will be reviewed and either adopted or disapproved (if applicable).
(d) Notice of the applicant's right to attend the meeting and contest the Board's approval of the Committee's recommendation (if applicable).

3. Final Action by the Board. Once the Advisory Committee has reviewed the application for benefits and formulated a recommendation to the Board, the matter shall be forwarded to the Board for final action if approved or if requested for appeal by the applicant after an evidentiary hearing. The Board shall conduct a review of the Committee's recommendation and shall hold a public hearing on the matter. At that time, the applicant and the City shall be permitted to present such legal arguments as they deem advisable, which may not exceed fifteen minutes per side unless the Board determines that exceptional circumstances warrant more time. Following the presentation before the Board, the Board shall determine whether or not to grant the benefit. The Board shall confine its decision to the factual record made at the Advisory Committee meeting and shall not reject findings of fact unless the facts are not supported by competent and substantial evidence contained in the record. The Advisory Committee recommendation on the interpretation of legal issues shall not be binding on the Board. All decisions of the Board shall be reduced to writing and presented to the applicant by mail. The Board's decision shall be the final administrative action. If the Board finds that the factual record needs to be supplemented, it shall defer action on the application and return the matter to the Advisory Committee for additional fact finding.

4. Notices that a Record is Required to Appeal. Pursuant to Section 286.0105, Florida Statutes, each notice to an applicant of a hearing in which the Board or an Advisory Committee may take an adverse action, shall include a statement substantially as follows:

IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE [**BOARD / COMMITTEE**] WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING OR HEARING, HE OR SHE WILL NEED A RECORD OF THE PROCEEDINGS. FOR THIS PURPOSE, HE OR SHE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

5. Appeal Procedures and Judicial Review. In all cases where the Board rules against an applicant, the Board shall formally issue an Order containing its findings of fact and conclusions. The Pension Office shall promptly provide the applicant with a copy of the Order. The applicant shall have 30 days from the date of the Order in which to appeal the decision to the Circuit Court of the Fourth Judicial Circuit of Florida in and for Duval County. Said review shall be by direct appeal as set forth in the Florida Rules of Appellate Procedure.

PART XII -- ETHICS

1. General Standards. Members of the Board and the Advisory Committees shall, in all transactions respecting the System, abide by the "Prudent Man Rule" as generally recognized in the American Law of Trusts. In addition, such members are governed by Florida Statutes, Chapter 112, Part III, the Code of Ethics for Public Officials and Employees.

2. Conflicts of Interest. Conflicts of interest in voting shall be governed by the provisions of Florida Statutes, Section 112.3143. No member of the Board or an Advisory Committee shall engage in any transaction or vote in any matter in which the member shall receive any direct or indirect personal gain. This shall not preclude, however, voting on benefit increases that are generally applicable to all Plan members and beneficiaries.

Prior to voting on any matter in which a member reasonably believes a conflict of interest exists, the member shall publicly announce the conflict and refrain from voting. The conflict statement required by law shall be recorded in the minutes of the meeting. In determining whether a conflict exists, members shall in all actions endeavor to avoid the appearance of impropriety.

3. Communication with Applicants. Unless authorized by the Board Chair and the Board's legal counsel, no member of the Board or an Advisory Committee shall engage in prior communication with any applicant for membership or benefits on any matter which is currently pending a hearing before either the Advisory Committee or the Board. This shall not preclude a Board or Committee member from answering questions of general application to Plan members where the information provided involves a restatement of benefits under the Plan and does not involve consideration of matters which will be presented in any evidentiary proceeding. All requests for information in conflict with this rule shall be referred to the Plan Administrator or other appropriate staff member for a response.

Members of the Board and the Advisory Committees should remain cognizant that statements regarding benefits may be relied upon by applicants to their detriment thereby creating a risk of a claim of estoppel. When addressing benefit questions by Plan members, members of the Board and the Advisory Committees should clearly indicate that they are in no way capable of binding the System and that all questions are ultimately settled by the Board acting as a body.

4. Communications with Potential Contractors. Individual members of the Board shall not engage in any communication with persons or entities seeking to establish a contractual relationship with the Board during the period of an active solicitation for services that is being sought by the potential contractor. All contacts by potential contractors during such period shall be referred to the Plan Administrator.

5. Communications with Money Managers. All communications between individual members of the Board and money managers shall be for informational purposes only. No individual member of the Board may bind or promise any consideration on behalf of the System except as approved by the Board.

6. Application of Code of Ethics to Staff and Contractors. All staff members and contractors shall be bound by this code of ethics in their dealings with the Board and the System. All such persons are responsible to the Board and the System, and not any individual member of the Board or a Committee.

7. Reporting of Gifts. Any Board member, Advisory Committee member, Pension Office staff, or Plan fiduciary receiving anything of value in excess of the maximum allowed by law shall disclose said gift in writing and the disclosure shall be made a part of the records of the System.

8. Annual Reporting. All Board members shall complete public disclosure of financial interests form on an annual basis as required by Section 112.3144, Florida Statutes. Said disclosure forms shall be filed with the Supervisor of Elections for the City of Jacksonville.

PART XIII -- MISCELLANEOUS

1. Continuing Education and Travel Policy. The Board has established guidelines in accordance with Section 112.661(14), Florida Statutes, for members of the Board, members of an Advisory Committee, and staff members who wish to take advantage of continuing educational opportunities through attendance at conferences, seminars, programs, and due diligence evaluations. All such travel shall require prior approval by the Treasurer or a majority of the Board present and eligible to vote at a Board of Trustees Meeting.

2. Defined Contribution Plan (the "DC Plan"). The System does not include the City's DC Plan established in 2007 pursuant to Chapter 120, Part V, *Ordinance Code*. However, the Board, through the Pension Office, shall work with the appropriate City departments to create and manage employee education programs with respect to the DC Plan. The Board will also adopt, to the extent needed, uniform rules for the implementation of the election and conversion rights with respect to the DC Plan.

(a) Board Rule Regarding Non-vested Conversions from DB to DC Plan. When a non-vested member (i.e., having fewer than 5 years of credited service) of the DB Plan elects to convert to the DC Plan, the Board shall transfer assets of the Plan to the newly created member account in the DC Plan in an amount equal to the employee contributions of such employee. No employer contributions shall be transferred into the DC Plan in connection with a non-vested DB Plan member's conversion to the DC Plan.

(b) Board Rule Regarding Vested Conversions from DB to DC Plan. When a vested member of the DB Plan elects to convert to the DC Plan as authorized by Chapter 120 *Ordinance Code*, the Board shall transfer assets of the Plan to the newly created member account in the DC Plan in an amount equal to the actuarial present value of the member's then-accrued benefit in the DB plan, as determined by the actuary for the System. This election must be made while the member is still employed and once made this member forfeits all rights and benefits under the DB Plan.

3. Excess Benefits Administration. Under Section 120.401, *Ordinance Code*, the Board is required to administer the City's excess benefits arrangements. The Pension Office will compile and maintain all records and procedures necessary or appropriate for the administration of those arrangements.

4. Verification of Affidavits. In situations where the Board has requested pensioners to execute affidavits in connection with their continued eligibility for pension benefits and such affidavit is not returned by the scheduled date to the Pension Office, the pensioner will receive a follow-up notice. If the pensioner does not

reply to the follow-up notice, an additional notice will be sent. If an affidavit has not been received after the third notice, the Pension Office may suspend all future pension benefits until suitable arrangements have been made to obtain said affidavit. The Pension Office may delay suspension of benefits if there is evidence that the pensioner is still alive and eligible to receive the benefit ~~and~~ or there is a reasonable explanation for delay in receiving the affidavit. The Pension Office should continue to make reasonable efforts to obtain the affidavit in these situations.

5. Recovery of Overpayments. If a beneficiary of the System is paid an amount in excess of that due him, deductions will be made in future payments to recover the amount overpaid. The Pension Office should utilize standard guidelines for the recovery of funds and consult with the Board for unusual situations.

6. Recovery of Other Amounts Owed to the City. To the extent permitted by law, if a City employee or retiree owes the City any money, the Board shall comply with the requirements in Section 112.401, *Ordinance Code*, by placing an automatic deduction against the future payments to the employee or retiree to recover the amount owed to the City.

7. Deductions from Benefits for Payments to Third-Parties. Pursuant to Section 120.213(a), *Ordinance Code*, a retiree may authorize deductions from benefits payable to said retiree for payment of City related vendors, including but not limited to City-sponsored health insurance~~, the Police Charities Fund, Florida Retired Public Employee Fund, Firefighters Benefit Fund, the Fire Death Benefit Fund~~, Jaxpolice Death Benefits, or dues to the R~~r~~etire~~de~~ Employees Association (REA) or Corrections REA ~~organizations~~ of which the retiree is a member. No other deductions may be authorized by a retiree. Legacy deductions established at a prior time may be stopped by notification to the Pension Office.

New Income Deduction Orders will only be honored if they specify they are for alimony (NOT equitable distribution) or child support, include instructions to pay the State of Florida, reference the total amount per pay-period and are in compliance with State and Federal Law. The Plan does NOT accept QDROs for establishing deductions.

8. Public Records. The records of the System are generally considered public records as set forth in Florida Statutes, Chapter 119. All requests for such records shall be handled in accordance with the City's public records policies in effect at that time. The Pension Office should consult the Office of General Counsel before releasing any records that might be considered confidential or exempt under the Florida Public Records Law (such as medical records, social security numbers, and law enforcement personnel information).

9. Medical Records. All medical records of Plan members and beneficiaries shall be maintained ~~separately from other records of the Board~~securely (electronically after a reasonable period of time following receipt and evaluation) so as to ensure security of the privileged information to which the Board is privy.

10. Administrative Budget of the System. In May of each year, the Plan Administrator shall work with the Treasurer, the City Budget Officer, and CFO to prepare an Annual Administrative Budget for the System. The budget shall be exclusive of expenditures for the payment of Plan benefits and refunds. Interim and final drafts of the Annual Administrative Budget shall be presented for review, comment, and recommendation by the Board prior to the Mayor's submittal of the City's Annual Budget to the City Council in July of each year.

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These rules and regulations were updated by the Pension Office after Board approval ~~April 25, 2019~~AUGUST 26, 2021 (to be confirmed), and supersede all rules and regulations previously enacted and issued by the Board.