



## SUMMARY TO THE BOARD OF TRUSTEES AND F.I.A.C. MANAGER UPDATE

Wednesday, November 14, 2018

4:01 P.M. – 4:55 P.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202  
Richard "Dick" Cohee Board Room

### Board of Trustees Invited

None.

### Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Assistant Plan Administrator

### Financial Investment and Advisory Committee (F.I.A.C.) Invited

None.

### Guests

Paul Stover, Principal Global Investors

### Notice

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Maria Young, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [MariaY@coj.net](mailto:MariaY@coj.net) to file a public records request.

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### Agenda

#### I. Public Speaking Period

None.

#### II. Principal Global Investors - Manager Update

*Paul Stover*

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Timothy Johnson said lagging performance among US value equity managers has been a recurring theme lately. He said he is excited about the new outlook, assuming the market is falling back into its normal cycle.

Paul Stover discussed his presentation as attached. He highlighted the following topics:

- Pages 4-5: Principal Real Estate & A team approach to portfolio management
- Pages 6-7: Principal U.S. Property Account & Account Profile

Timothy Johnson discussed the changing taste of Americans for real estate, and how this drives the cycle of construction of new real estate properties.

Paul Stover discussed disruptors in the real estate industry, and how Principal capitalizes on them.

Paul Stover continued discussing his presentation as attached. He highlighted the following topics:

- Pages 8-9: Diversification & 2018 strategic themes
- Pages 10-11: Office & Retail
- Pages 12-13: Multifamily & Industrial
- Pages 14-15: Top 10 assets & Leverage highlights
- Pages 16-17: Performance summary
- Pages 18-19: Same-property net operating income growth & Same-property net operating income growth

Paul Stover said Principal has great experience working with Wilshire Associates, and looks forward to working with Wilshire on the PFPF's behalf.

Timothy Johnson said he is excited to begin working with Wilshire Associates, and think the relationship will be a great one.

Timothy Johnson said it will be interesting to see which route the Board of Trustees will take regarding Non-Core Real Estate – whether they would like to allocate to existing managers, or pick a new one.

Summary Approved:

Willard Payne, Secretary  
Board of Trustees

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Summary Prepared By: Steve Lundy, Assistant Plan Administrator  
City of Jacksonville Police and Fire Pension Fund

Posted: 11/16/2018

To be Approved: 12/21/2018