

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
Thursday, August 25, 2022 at 2 PM  
City Hall Conference Room 3C**

**AGENDA**

**1. CALL TO ORDER**

**2. PUBLIC COMMENT**

**3. MINUTES**

- a. Copy of July 28, 2022 and August 4, 2022 Board of Trustees Minutes;  
RECOMMENDED ACTION: APPROVAL

**4. NEW BUSINESS**

- a. GEPP July 2022 Consent; COPAC RECOMMENDED ACTION: APPROVAL.  
COPP July 2022 Consent; PAC RECOMMENDED ACTION: APPROVAL
- b. Review of GEPP Disability Application; PAC RECOMMENDED ACTION:  
APPROVAL

**5. INVESTMENT AND FINANCIAL MATTERS**

- a. Eagle Capital Update
- b. July 2022 Investment Performance Update
- c. 2Q22 Investment Performance Update
- d. Staff Update

**6. OLD BUSINESS**

None

**7. ADMINISTRATIVE**

- a. Staff Update

**8. INFORMATION**

- a. Manager Review Meeting with Baird – Core Fixed Income scheduled for Thursday, September 1, 2022, at 12:30 PM (meet and greet starts at 12:00)
- b. Next regular BOT meeting scheduled for Thursday, September 22, 2022, at 2 PM

**9. PRIVILEGE OF THE FLOOR**

**10. ADJOURNMENT**

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
July 28, 2022**

**MINUTES**

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

**Members Present**

Jeffrey Bernardo, Chair  
Julie Bessent  
Diane Moser  
Valerie Gutierrez  
Richard Wallace  
John Verwey (via Zoom)

**Members Not Present**

Brian Hughes  
Joey Greive  
David Kilcrease, Secretary

**Staff Present**

Randall Barnes, Treasurer  
Paul Barrett, Sr. Manager of Debt and Investments  
Brennan Merrell, Manager of Debt and Investments  
John Sawyer, OGC  
Tom Stadelmaier, Pension Administrator  
Sheryl Strickland, Pension Associate  
Hannah Wells, Pension Coordinator  
Andy Robinson, Assistant Pension Administrator

**Others Present**

Jordan Cipriani, RVK (via Zoom)  
Kevin Schmidt, RVK (via Zoom)

**1. CALL TO ORDER**

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

**2. PUBLIC COMMENT**

There was none.

The Chair recognized departing City of Jacksonville Treasurer, Randall Barnes. The Board thanked him for his many years of service both to the City and the Board of

Trustees. The Chair read a prepared resolution and presented Mr. Barnes with a framed copy of the resolution. Mr. Barnes thanked the Board and was appreciative of the honor to serve the Board for the past several years.

### **3. MINUTES**

Ms. Moser asked staff to replace the word “legislation” with “practice” in the Part-time Employees, Temporary Employees, and Pension Retirees section of the May 26, 2022 minutes. Ms. Moser motioned to approve the minutes pending staff changes. Ms. Bessent seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

### **4. NEW BUSINESS**

#### Consent agendas

Ms. Moser made a motion to approve the consents. Ms. Bessent seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

### **5. INVESTMENT AND FINANCIAL MATTERS**

Mr. Merrell provided an overview of the annual pension reimbursement. Staff estimates the funding amount due in September 2022 to be about \$135 million. Mr. Schmidt covered that RVK is recommending raising cash flow from overweighted U.S. equity. He presented a list of current market values by manager and the suggested drawdown per asset to achieve the \$135 million figure. Mr. Merrell asked the Board to vote on the proposed pension payback and mentioned there may be cash available as well to offset the equity liquidations. Mr. Wallace asked staff to report back to the Board with final numbers. Mr. Merrell said final numbers should be available by the September Board meeting. Ms. Gutierrez motioned to approve liquidating assets up to \$135 million. Ms. Bessent seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

Mr. Merrell spoke on June performance numbers. The total fund was down -5.43% MTD, down -11.83% FYTD, and market value totaled \$2.278 billion. He spoke on overachieving managers for the month including Kayne Anderson and Systematic. Mr. Schmidt mentioned an estimated July MTD up 4% which would update the CYTD to around -10% and FYTD to around -9.5%.

Mr. Merrell mentioned the private equity and credit markets and how volatility in the public markets affects the private market. He spoke on the Adams Street and Hamilton Lane performance numbers and commitments versus calls. The COJ Pension Fund is actively investing in the private market as a net investor. Ms. Cipriani provided additional discussion on private equity valuations in the build-out phase as compared to more mature portfolios. Chair Bernardo asked staff for any recent commentary from Eagle

Capital regarding their performance against the benchmark with reference to value compared to growth investing. Mr. Schmidt recently asked for better insight from Eagle Capital and RVK will pass their findings on to staff. Mr. Merrell said Eagle Capital can join the next meeting by Zoom to discuss the Board's concerns if warranted.

Mr. Merrell said the next investment workshop will be held with Loomis Sayles – Fixed Income. He provided a staff update with an overview of contract status including Abacus and Schroders Investment Management, proceeds from Hancock Timber liquidations, and ongoing cash flows regarding capital calls and redemptions. Mr. Wallace and Ms. Bessent asked about returns and geographic locations regarding Hancock Timber. Mr. Merrell responded to their questions.

Mr. Merrell asked for any other questions and there were none.

## **6. OLD BUSINESS**

### COPP Summary Plan Description (SPD)

Mr. Stadelmaier recapped at the previous May meeting that the COPP SPD had been updated by Staff and had been reviewed by the COPAC and the Office of the General Counsel (OGC) for their comments. The COPAC voted unanimously to approve the document and recommended approval by the Board. Staff asked the Board for their review and adoption of the SPD. The Board requested an additional one-month review timeframe before voting.

Mr. Stadelmaier said Mr. Kilcrease is supportive of the proposed document and language. Chair Bernardo asked if Mr. Kilcrease had any specific recommendations. Mr. Stadelmaier mentioned Mr. Kilcrease thoroughly reviewed the COPP SPD and found it to be in good order with no changes or recommendations.

Ms. Moser motioned to approve the adoption of the COPP SPD. Ms. Gutierrez seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

## **7. ADMINISTRATIVE**

Mr. Stadelmaier provided a brief update on Pension Office activities. The IRS has revised tax withholding requirements for pension plans. The change is reflected in an updated W-4P tax withholding form, and the new updates must be in place no later than January 1, 2023. The Pension Office is working with IT to implement the changes to the internal pension processing systems. Mr. Wallace asked if current pensioners will be required to complete the new form. Mr. Stadelmaier said the IRS has stipulated a conversion process to automatically update current pensioner elections to the new format. Staff will be providing communication to pensioners in advance of the IRS changes.

Mr. Stadelmaier mentioned several members of staff attended the recent quarterly

meeting of the Retired Employees Association. The Pension Office will continue to have dialogue with the REA on Pension Office activities and welcome feedback and communication from REA members.

Chair Bernardo asked for any Board questions and there were none.

**8. INFORMATION**

The next regular BOT meeting is scheduled for Thursday, August 25, 2022, at 2 PM.

Investment due diligence workshop will be held Thursday, August 4, 2022, at 12:30 PM.

**9. PRIVILEGE OF THE FLOOR**

There was none.

**10. ADJOURNMENT**

The Chair adjourned the meeting at about 2:42 PM.

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
August 4, 2022**

**MINUTES**

**12:30 PM, held in Person in City Hall Conference Room 3C and via Zoom**

**Members Present**

Jeffrey Bernardo, Chair  
Joey Greive  
David Kilcrease, Secretary  
Diane Moser (via Zoom)  
John Verwey (via Zoom)

**Members Not Present**

Julie Bessent  
Valerie Gutierrez  
Brian Hughes  
Richard Wallace

**Staff Present**

Brennan Merrell, Manager of Debt and Investments (via Zoom)  
Robin Adams, Manager of Treasury Accounting  
Tom Stadelmaier, Pension Administrator  
Sheryl Strickland, Pension Associate (via Zoom)  
Hannah Wells, Pension Coordinator (via Zoom)  
Andy Robinson, Assistant Pension Administrator

**Others Present**

Brian Kennedy, Vice President, Portfolio Manager, Loomis Sayles  
Kenneth Johnson, Director of US Relationship Management, Loomis Sayles  
Milena Spasova, Augustine Asset Management (via Zoom)

**1. CALL TO ORDER**

Chair Bernardo called the meeting to order at about 12:30 PM.

This is a workshop for educational purposes. No votes will take place at the meeting.

**2. PUBLIC COMMENT**

There was none.

### **3. INVESTMENT AND FINANCIAL MATTERS**

#### **Loomis Sayles – Fixed Income**

Mr. Merrell introduced Brian Kennedy and Kenneth Johnson from Loomis Sayles. Loomis Sayles is a diversified and global international investment management company with over \$290 billion invested across all strategies as of 6/30/2022. The COJ General Pension Fund has approximately \$126 million of assets invested in the Multisector Full Discretion fixed income fund. This amount is scheduled to be slightly reduced when the fixed income portfolio is rebalanced in September. Mr. Kennedy and Mr. Johnson covered the provided material in detail.

Mr. Johnson mentioned Loomis Sayles manages a total of three mandates for the COJ General Pension fund and the City's operating portfolio. These include Large Cap Growth Equity (pension), Multisector Full Discretion Fixed Income (pension), and Core Plus Full Discretion fixed income (City of Jacksonville). Mr. Johnson provided an overview of the firm including assets under management (AUM) at \$220 billion in fixed income and \$70.9 billion in equities. Loomis Sayles is an active manager with a goal to outperform the Bloomberg Capital US Government/Credit Index benchmark over a market cycle while generating above market returns with below market risk. Mr. Johnson spoke on strategies, their foundations for alpha regarding fixed income and equity, and Environmental, Social, and Governance (ESG) advancement. Chair Bernardo asked if ESG inputs are utilized across all strategies or only for specific ESG strategies. Mr. Johnson said a rating is applied to all strategies and lower ESG-rated companies are not excluded unless directed by the mandates. Mr. Kennedy spoke on ESG factors that are applied to ratings. Mr. Stadelmaier asked about the overall philosophy on ESG, thought process on using ESG to potentially improve performance, and the structure to assigning ESG value. Mr. Kennedy answered the questions in detail.

Mr. Kennedy provided an overview of their investment philosophy. He said they identify three main pillars to their strategy. Those being a top-down credit viewpoint, security selection and fundamental research, and risk management. Loomis Sayles is multi-sector opportunistic and benchmark agnostic. The three main hallmarks of this strategy are being flexible, having a long-term approach, and best total return ideas. Chair Bernardo asked if the strategy has been adding or shredding credit risk within the past month and potential opportunities in a down market. Mr. Kennedy mentioned they have been adding slightly, spoke on credit cycle viewpoints as well as expansion and recession. He said Loomis Sayles looks for the best return opportunities within different sectors of the market. Mr. Johnson spoke on recessions, high-yield spreads, company fundamentals, and consumer balance sheets.

Mr. Kennedy provided an overview of the investment team organization including portfolio management, key support, and research analysts. He discussed their weekly sector meetings and how they create their portfolios. Chair Bernardo asked about the organizational hierarchy and the responsibilities of each group. Mr. Kennedy mentioned

how the flow of ideas moves from one group to another before reaching the portfolio manager level for final decisions.

Mr. Kennedy discussed the investment process at Loomis Sayles. He talked about the four stages of a credit cycle including expansion to late cycle, downturn, credit repair, and recovery. Chair Bernardo inquired about certain industries and sectors within the cycle and Mr. Kennedy said the investment team tracks those monthly. He spoke on top-down framework, bottom-up research with six main areas of concentration, and risk assessment. Chair Bernardo asked how bottom-up research has evolved over time regarding balance sheet analysis versus the wealth of data that is widely available. Mr. Kennedy discussed the bottom-up core philosophy in more detail including enterprise value and how analysts focus their interest on companies. Mr. Johnson commented on how data is utilized differently today as compared to years past. Mr. Kennedy and Chair Bernardo discussed durations and credit risk.

Mr. Kennedy and Mr. Johnson gave a listing of portfolio guidelines and limitations and how those criteria factor into choosing investments for the fund. Mr. Johnson said the strategy is benchmark agnostic allowing for more flexibility within the decision-making process. They spoke on the performance of the fund for July showing the portfolio is up as compared to the benchmark and for the year, the portfolio is down about -9.05% due to the rising interest rate environment. Mr. Johnson spoke on attribution analysis, yield curve basis, underperformance, and emerging markets. Mr. Stadelmaier asked about the firm's view on short-term versus long-term returns and Mr. Johnson talked about yield versus duration regarding returns.

Mr. Kennedy spoke on sector allocations, risk allocation by geographic regions, exposure by issuer, forward-looking outlooks including recession and inflation, and tight labor markets. Mr. Kilcrease inquired about a specific company on the exposures list regarding a recent lawsuit. Mr. Kennedy addressed his questions and how the settlement has affected their credit rating. Mr. Greive spoke on the class-action lawsuit. Chair Bernardo asked about inflation premiums and Mr. Merrell asked about subprime auto loans regarding delinquencies. Mr. Johnson answered their questions.

Mr. Merrell asked for any other Board questions. Mr. Merrell thanked Loomis Sayles for their presentation. Mr. Johnson and Mr. Kennedy thanked the Board.

**4. OLD BUSINESS**

N/A

**5. ADMINISTRATIVE**

N/A

**6. INFORMATION**



The next regular BOT meeting is scheduled for Thursday, August 25, 2022, at 2 PM.

**7. PRIVILEGE OF THE FLOOR**

Mr. Merrell reminded the Board the due diligence investment meetings would continue going forward on the first Thursday of the month.

**8. ADJOURNMENT**

The Chair adjourned the meeting at about 1:59 PM.

**GENERAL EMPLOYEES PENSION ADVISORY COMMITTEE  
FOR THE  
BOARD OF PENSION TRUSTEES**

**July 2022**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

Edward Brooks, (PW), effective July 2, 2022 in the monthly amount of \$3,848.61 at the rate of 75% (30 years), 59 months BACKDROP \$246,357.21

Richard Cieplinski, (JSO), effective June 25, 2022 in the monthly amount of \$1,294.33 at the rate of 31.04% (12 years, 5 months)

Sherea Harper, (JEA), effective June 18, 2022 in the monthly amount of \$4,884.15 at the rate of 75% (30 years), 27 months BACKDROP \$137,110.09

Maria Kegebein Merk, (Clerk of Court), effective July 2, 2022 in the monthly amount of \$2,098.80 at the rate of 52.29% (20 years, 11 months)

Vickie Leonard, (Library), effective July 2, 2022 in the monthly amount of \$1,441.40 at the rate of 51.25% (20 years, 6 months)

Jim McClellan, (P&D), effective June 15, 2022 in the monthly amount of \$1,154.57 at the rate of 16.88% (6 years, 9 months)

Lovevonia Nathan, (JSO), effective July 2, 2022 in the monthly amount of \$2,933.85 at the rate of 75% (30 years), 5 months BACKDROP \$14,816.45

Mark Pate, (JSO), effective June 25, 2022 in the monthly amount of \$3,217.64 at the rate of 75% (30 years), 60 months BACKDROP \$209,678.46

Fred Tomlinson, (PA), effective June 25, 2022 in the monthly amount of \$4,285.21 at the rate of 76.88% (30 years, 9 months), 24 months BACKDROP \$106,680.13

**2. VESTED RETIREMENTS**

**New Commencements**

Cynthia Young, effective July 22, 2022 in the monthly amount of \$448.67

**New Deferrals**

None

**3. SURVIVOR BENEFITS**

Patricia Alexander, (Lawrence Alexander), effective April 28, 2022 in the monthly COLA base amount of \$3,151.46

Katherine Ausmus, (Kenneth Ausmus), effective June 14, 2022 in the monthly COLA base amount of \$2,814.89

Helen Bowden, (Alfred Bowden), effective June 13, 2022 in the monthly COLA base amount of \$1,000.78

Rae Brown, (Ronnie Brown), effective May 6, 2022 in the monthly base amount of \$1,384.29

Angela Lehman, (Richard Lehman, JEA active employee), effective May 30, 2022 in the monthly amount of \$3,512.73

Karen Olson, (Robert Olson), effective June 26, 2022 in the monthly COLA base amount of \$2,281.67

Kaye Sanders, (John Sanders), effective March 16, 2022 in the monthly COLA base amount of \$2,428.36

**4. RESTORATION OF SURVIVOR BENEFITS**

None

**5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS**

None

**6. TIME SERVICE CONNECTIONS COMPLETED**

Phillip Boston, (Finance), 12.8 months in the amount of \$3,635.20

Arun Daniel David, (ITD), 17.4 months in the amount of \$16,715.99

Terrie Despres, (Tax Collector), 46.7 months in the amount of \$18,200.44

Michelle Foister, (JSO), .33 months in the amount of \$142.04

Felicia Fort, (City Council), 2.93 months in the amount of \$1,105.38

Keith French, (Fleet), 88 months in the amount of \$17,172.65

Alberto Martinez, (JSO), 24 months in the amount of \$6,668.49

Mildred Roton, (Library), 64.80 months in the amount of \$16,796.74

Michael Soto, (PW), 44.33 months in the amount of \$27,024.85

Louis Vargas, (R&E), 85.3 months completed in the amount of \$21,361.68

**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)**

Antoine Bowden, (JEA), 24 months in the amount of \$31,576.66

Felicia Fort, (City Council), 15 months in the amount of \$11,304.99

Robert Sparks, (JEA), 24 months in the amount of \$37,542.10

**9. REFUNDS**

Jessica R Howell, (JFRD), 5 years and 4 months, \$18,707.69

Joseph L Jackson, (JEA), 6 years and 11 months, \$55,874.03

**10. DB TO DC TRANSFER**

None

**11. OTHER PAYMENTS AND TIME CONNECTIONS**

None

**12. RE-RETIREE**

None

**13. DISABILITY**

None

\_\_\_\_\_  
PAC Secretary Approval

\_\_\_\_\_  
Date

\_\_\_\_\_  
BOT Secretary Approval

\_\_\_\_\_  
Date

Notes and Comments regarding Approval:

**CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE**

**July 2022**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

Jaha McCray, effective June 18, 2022 in the monthly COLA base amount of \$3,853.37 at the rate of 60.67% (20 years, 4 months)

Richard Skorusa, effective June 18, 2022 in the monthly COLA base amount of \$2,988.20 at the rate of 60.17% (20 years, 1 month)

Daniel Zak, effective June 18, 2022 in the monthly amount of \$4,649.11 at the rate of 71.33% (25 years, 8 months)

**2. TIME SERVICE CONNECTIONS COMPLETED**

None

**3. REFUNDS**

Porcia A Adalia, 11 years and 2 months, \$42,386.92

Kyle R Eastman, 4 years and 9 months, \$20,931.91

Mason C Moore, 6 years and 11 months, \$28,899.53

Shantae N Shingles, 5 years and 7 months, \$23,681.55

**4. SURVIVOR BENEFITS APPLICATION**

Evelyn Turner, (Dexter Turner), effective June 9, 2022 in the COLA base amount of \$3,845.05

**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 July 2022**

James Cagle, Jr. #7543

**9. Phase II Biweekly Distribution DROP Program**

None

**10. DROP Payments**

Richard Skorusa, \$219,416.16

\_\_\_\_\_  
COPAC Secretary Approval

\_\_\_\_\_  
Date

\_\_\_\_\_  
BOT Secretary Approval

\_\_\_\_\_  
Date

Notes and Comments regarding Approval:

## FIRST HALF 2022

The first six months of 2022 have seen unusually violent storms. Some of these have long-term consequences, while others are one-off events. Many are emotionally vivid but economically unimportant. All of them can feel bewildering.

None seem to follow a straight path. At the end of June, 30-year mortgage rates leapt an unprecedented 50 basis points; then they dropped by the same. Economists see a recession underway; then it turns out nearly 400,000 jobs were added in the month. The Great Labor Resignation becomes the Great Unretirement. “Travel is dead.” Months later, hotels can’t find workers and airports are congested.

The impulse to react to headlines is natural but usually costly. As Russia invaded Ukraine and wheat supplies were cut, Barron’s trumpeted that “Food Inflation Isn't Going Away Soon” and recommended agriculture-related stocks such as Deere, Mosaic and Bunge.<sup>1</sup> But since that March 21 cover, the price of every major food commodity has fallen, with wheat down 25%.

Surveys indicate that consumer and investor sentiment is horrible, despite a strong job market and decent earnings. The sour mood comes from a sense – not entirely wrong – that everything is precarious, that it’s all subject to reverse, and that no one knows anything.

As we experienced in 2020, turbulence can be painful in the moment, and rational investors may bemoan the wild swings. But it is exactly when others lack the strength and ability to look through the immediate environment that a long-term investor is at their greatest advantage. To paraphrase investor Shelby Davis, fortunes are lost in a Bull market and gained in a Bear market; it just doesn’t feel that way in the moment.

Warren Buffett recently shared the most important development in his investing career. When he was 21, after nine years in the stock market, he realized, “I had the whole wrong idea ... I read books on technical analysis. I thought the important thing was to predict what a stock would do ... Then I realized I was doing it exactly the wrong way ... [Now] I think about what the companies could be worth in ten, twenty years from now. And I hope [stocks] go down, because I’ll buy more.”<sup>2</sup>

So how do we know which storms to worry about and which are passing? How does Eagle evaluate all the crosscurrents?

The key is to know yourself and where you have an edge.

Regarding short-term events, the market is competitive and price discovery is efficient. When will the next recession hit? How far will investment banking revenues fall next year? Will the Fed raise rates 50 basis points or 75? When will China reopen international air travel? Consistently outguessing everyone else on these things is nearly impossible.

We look instead for situations where the short-term prospects are at odds with high-confidence, long-term developments. That way, we don’t need to disagree with the Street; we just care about something different.

When Covid-19 struck, we did not try to estimate when a vaccine would arrive and hotels would refill. Instead, we assumed the worst for 2020 and 2021 and spent our effort to be sure that Marriott's underlying pipeline, advantages and earnings power would be strong when things eventually got back to normal. By looking where the crowd was not, we were able to buy a great company for half of its business value.

Since Eagle was founded, we have invested through four market cycles, each concluding with a recession year.<sup>3</sup> In all four cycles, Eagle investments outperformed the S&P 500, the Russell 1000 Value Index, and a composite of our peers.<sup>4</sup> The paradox is that Eagle has been able to outperform through each cycle precisely because we did not focus on outperforming. We simply aimed to purchase companies that can earn attractive absolute returns through a full cycle, irrespective of market timing.

We are now in our fifth cycle,<sup>5</sup> and – as has happened at various points in the past – our portfolio is underperforming, with several position prices down significantly.

While our investment team is excited to exploit the market dislocations and buy up great companies at low prices, the daily marks can be disconcerting for clients, especially those who are newer to Eagle. Is this underperformance creating opportunity as the rubber band stretches? In addition to reviewing our philosophy, we thought that it might be helpful to give a more granular view.

Intense volatility can break asset prices from their fundamental value in two ways. The cacophony obscures underlying strengths and weaknesses, and the stress shortens time horizons. Avoiding pain becomes paramount.

Here are four areas of the market that seem especially distorted, as a result.

### “Safety” Stocks

One way to avoid immediate pain is to own stocks that will not disappoint -- structurally or cyclically. Equities with predictable earnings, such as utilities, railroads, consumer staples and pharmaceuticals, are relatively certain to deliver what's expected next quarter. We won't wake up to see that electricity sales collapsed because everyone has already stocked up on air conditioning.

But we believe many of these so-called “safety” stocks face mounting secular headwinds and have been bid up to prices that practically lock in low returns going forward. For example, one big utility trades at an earnings yield of 5%, but growth takes free cash flow negative, and the 4% dividend yield is funded with debt. Regulators set returns – typically 9-10% on equity – and with an ROE ceiling and a price/book multiple of 1.4x, it's mathematically difficult for shareholders to reach – much less exceed – ongoing real returns of 7-8%. Regulatory setbacks, stranded assets, tort liabilities and energy innovation threaten negative optionality against even that.

Taking on fundamental business risk to avoid immediate stock price volatility is a bad trade in the long run. Our avoidance of these sectors has cost Eagle this year, but in our view this should reverse when the emotions cool.



### **Platform Innovators**

Another way to avoid near-term pain is to sell stocks with a volatile earnings path, even if the long-term visibility and magnitude of that profit is high.

Companies that are inventing the future – like Amazon, Alphabet and Netflix – are constantly hitting air pockets and short-term surprises as they expand capacity and capabilities. These surprises may indicate weakness in core strength and earnings power, but they are often simply guardrails on the road to prosperity. In normal times, the market may shrug off these bumps, but when stress is high, stock prices overreact, which makes investors more skittish, which in turn intensifies the overreaction.

Amazon, in a push to cement its dominance of shopping and fulfillment, added over 300 million square feet of distribution capacity, building in 24 months more than Walmart<sup>6</sup> did over several decades. This infrastructure makes Amazon's cost and speed advantage more secure, but they misestimated the near-term retail growth rate and in our view will have excess space for a couple of years. The accounting cost weighs on reported margins for now, but it sets up Amazon for higher and more durable profits as it grows into the capacity. The market is so pain-avoidant, though, that it has sold off the stock to a level below the value we place on its cloud business. In other words, to avoid volatility around the timing of Amazon's retail profits, investors would rather dispense with the entire thing, selling for what is in our view "free" one of history's best businesses to those of us with a longer view.

Similarly, Netflix co-CEO Reed Hastings decided to press his early leadership in streaming services by spending an astonishing \$18 billion last year, growing an original content factory faster and bigger than anything ever attempted, while forgoing ad revenue that might interfere with the viewer experience. Netflix calculated that if it could get to scale before others, then their larger subscriber base could fund the world's highest content budget at the lowest cost per viewer, setting up a perpetual cycle that no competitor could match. We think that's what happened.

However, the growth came with speed bumps. Brand-new studios cannot suddenly spend \$18 billion with perfect efficiency, and despite owning most of today's top shows, Netflix's output isn't as good per dollar spent as it will be when it matures. Meanwhile, the lack of advertising prevents Netflix from offering a cheaper tier of service. Low-income customers are churning, and a sizeable part of the market remains unserved, causing Netflix growth to stall.

The critical point for Eagle is that in our view the company's successes are structural; its missteps are temporary. Netflix is rolling out a cheaper ad-supported tier this year, and the studio hit rate should improve as its new studio chief culls the crowded slate. Legacy studios, hemorrhaging cash to keep up with Netflix, may reconsider, muting competition and content costs. But rather than look through the unpredictable volatility of near-term churn, investors dumped the stock just as it achieved real profitability, selling us a company we view as a global winner in a high-return, winner-take-most industry with more than a decade of visible growth ahead, for a little more than half the multiple of a laundry detergent purveyor.

## Aerospace

People consume experiences disproportionately as their income rises. For the past 50 years, passenger seat miles flown have grown at 1.8 times the growth in real global GDP. During the pandemic, however, restrictions in much of the world held back the amount of total flying, even as GDP (and underlying demand pressure) continued to grow. Meanwhile, financial shocks and supply chain constraints reduced plane and engine production to half the level needed to replace scrappage and accommodate trend demand. As a result, we believe that eventually the industry will experience a supply shortage and hot cycle rarely seen before. GE, Woodward, Safran and AerCap should see their sales and margins leap, and each has durable competitive moats to protect their margins beyond then.

However, the market is currently obsessed with unpredictable supply chain disruptions, geopolitical conflicts, government restrictions, continuing waves of Covid, and raw material inflation. We do not have answers for these concerns, other than that none are likely to be top of mind in two years. But we are thrilled to own AerCap for approximately half the economic book value of its fleet, and to pay around 10 times early-cycle earnings for GE, the leader in a growing global duopoly, run by a great CEO, from investors who need to avoid short-term turbulence.

## Banks

A fourth area of dislocation is bank stocks. The contrast with utilities is stark. This quarter, a power company will earn its regulated return on its established rate base from a near-certain volume of electricity. The opportunity for an investor to be punched in the face is near zero. Citibank's earnings, by contrast, will depend on a cocktail of conflicting and unknowable factors, including interest rate movements, capital markets activity, FX trading volumes, credit card spending, IPO appetites, and emerging market meltdowns. Add to this the bank's own internal transitions, including the sale of most retail markets and an expensive technology upgrade. The CEO is new, and she runs an entity that is associated in investor minds with terrible risk controls and repeated brushes with bankruptcy. We believe that there is almost no chance that the market won't be disappointed with at least some of the coming year's news. Citibank is the ultimate stress-driven, "get this off my sheets I don't care what price" sale for investors wanting to stay out of trouble for a year.

The cost of that avoidance seems expensive.

CEO Jane Fraser is exiting numerous markets where Citi was subscale to focus on its profitable, market-leading global transactions capability and return Citi to being the premier business bank for customers with cross-border needs. The core structure is already in place and in our view running well. Fraser has a good operating track record, understands what needs to happen, and seems likely to succeed. If she fails, and the bank's ROE falls to half of last year's, shareholders at this price will still be earning a 10% FCF yield, most of which will be returned in dividends and highly accretive buybacks. If she achieves her somewhat modest goal of 13-15% ROE, the stock should triple.

Meanwhile, the market is so intolerant of short-term volatility that even Goldman Sachs, having already achieved global leadership in Advisory, having vanquished European and Asian challengers in nearly every arena of trading, is today available from skittish investors at liquidation value. This

price essentially assumes Goldman will never do another deal, never make another trade, and never manage another one, ten or hundred billion dollars again.

The market sentiment and fear avoidance are causing extreme dislocations that have marked our portfolio at prices that are frustrating in the moment. But we have rarely seen as many opportunities that are so perfectly suited to Eagle's particular strengths.

### The Backdrop

While we don't try to predict macroeconomic outcomes, we do need to frame the range of possibilities. To be worth anything, a company needs to survive through tough times. Government finances are in shambles, monetary bailouts are off the table, and evaporating assets have a tendency to wreak havoc in unexpected places. It is a time to be cautious. But not emotional. It is during market stress that some of the best – and worst – investment decisions are made.

This cycle is different from the past in some important ways. When things are different, a bottom-up, fundamental approach can be more enlightening than top-down pattern recognition, and breaking what we see into short- and long-term forces helps tighten decisions.

Bubbles generally build as excess demand causes companies to build excess supply, which then fuels even more demand, and the two build on each other until interrupted. The unwind can be unpleasant, with layoffs, stranded capacity, and a reverse demand and supply spiral that frequently overshoots.

But today, job growth is continuing even as consumer demand falls and wages trail. Why? Most of the excess demand came from one-off government stimulus that is already fading. Most supply shortages were caused by disruptions that are healing. Thus, we may see something surprising: lower prices and more – not less – economic activity. For example, as auto manufacturers get production back above current recession levels, prices will fall, even as unit sales rise back to normal. As energy companies get fields back online, oil prices may be lower, even as the U.S. pumps a million more barrels per day. In residential construction, higher mortgage rates are blunting shoppers' ability to pay up, but the U.S. still needs 5 million units. As land, labor and material prices continue to soften, builders should be able to supply more houses at a lower cost. Many economists and strategists are used to focusing on demand, but real growth comes from the supply side. To see prices come down as production – real economic activity – rises is different from typical corrections. While the world is unpredictable and unintended consequences lurk, the Fed's job may be easier than many think.

The world is changing, and the range of possibilities is unusually wide. For the coming decade, the cost of capital may be somewhat higher, and governments' ability to paper over market mistakes with fiscal salve is less than it was. Deficit spending pumps up business margins, and these are nearly certain to shrink. But forces of technological progress are picking up speed. Visible developments underway in genomics, energy, transportation, education, health care services, analytics, and dozens of other areas provide a strong tailwind to global growth and create vast opportunities for established and emerging companies.

“Be fearful when others are greedy and greedy when others are fearful.” This is a time to be sober and circumspect, but the creative destruction that feels so bad right now is sweeping away the sand, and what remains is the foundation of a more sustainable market.

As always, if you have any questions or would like to discuss any of this, please call us at (212) 293-4040. Also, if your financial situation or investment objectives have changed, if your IPO eligibility or U.S. Person status has changed, or if you would like to modify or discuss any investment restrictions or guidelines, please reach out to your contact on the client team or email [ClientServices@eaglecap.com](mailto:ClientServices@eaglecap.com).

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<sup>1</sup> Lisa Beilfuss, “Food Prices Keep Going Up. The Impact May Be Felt Far Beyond the Supermarket,” *Barron’s*, March 21, 2022.

<sup>2</sup> Jonathan Ping, “Warren Buffett Charlie Rose Interview 2022 (Berkshire Annual Meeting),” *MyMoneyBlog*, last modified April 21, 2022, <https://www.mymoneyblog.com/warren-buffett-charlie-rose-interview-2022.html>.

<sup>3</sup> The four market cycles are as follows: 1989-1991, 1992-2001, 2002-2009 and 2010-2020. See further the attached content titled “Eagle’s Consistent Investment Philosophy.”

<sup>4</sup> See further the attached content titled “Eagle’s Consistent Investment Philosophy.”

<sup>5</sup> This fifth cycle commenced on 1/1/21.

<sup>6</sup> Walmart is not currently held in the Eagle portfolio, and this reference is included solely for informational and discussion purposes.

Additional Information: Past performance is not necessarily indicative of future results, and there is no assurance that Eagle Capital’s investment objectives will be achieved or that the strategies employed by Eagle Capital will be successful. Except where otherwise indicated, the information contained in this content is based on matters as they exist as of the date of preparation of such material and not as of the date of distribution or any future date. This document does not constitute advice or a recommendation or offer to sell or a solicitation to deal in any security or financial product. It is provided for informational purposes only and on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of the content described herein, any risks associated therewith and any related legal, tax or other material considerations. Recipients should not rely on this material in making any future investment decision. To the extent that the reader has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, clients and prospective investors are encouraged to contact Eagle Capital. Discussions herein relating to risk or any efforts to mitigate risk do not imply that any actions taken by or investment strategies employed by Eagle Capital are in any way low risk or risk free.

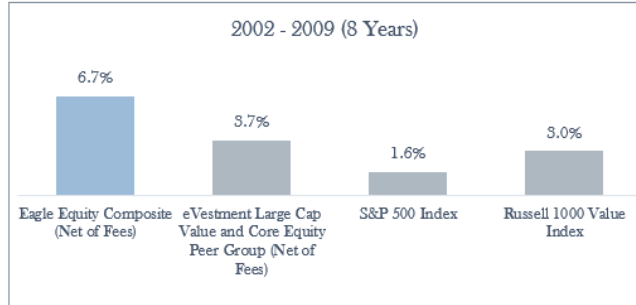
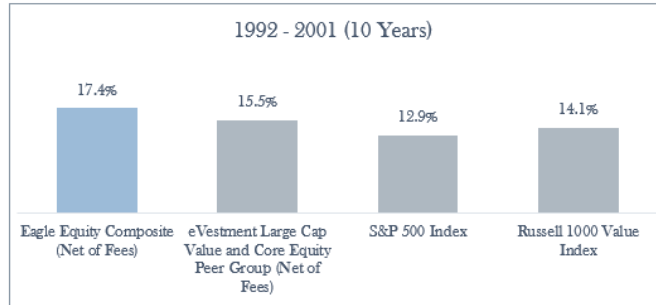
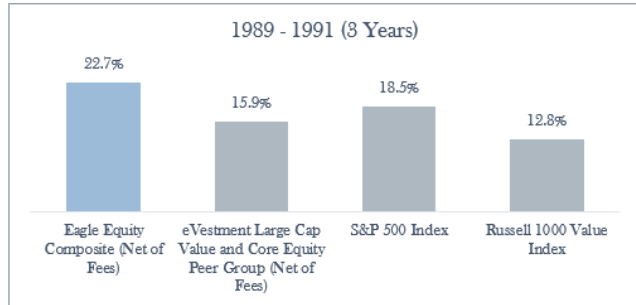
Certain information contained in this content constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe,” the negatives thereof, other variations thereof or other comparable terminology. Due to various potential risks, uncertainties or actual events, the results or the actual performance of Eagle Capital’s investments may differ materially from those reflected or contemplated in such forward-looking statements.

Any discussion of specific companies contained herein is for informational purposes only and does not represent all of the securities purchased, sold or recommended by Eagle Capital. The reader should not assume that any investments in the securities identified and discussed herein were or will be profitable.

Any index referenced herein is presented because the Adviser feels that it serves as a useful point of comparison with aspects of the Adviser’s portfolio management.. The S&P 500 Index includes 500 leading companies and captures more than three quarters of the total market capitalization. It is float-adjusted and based on the market cap weightings of the securities that comprise the index. The Russell 1000 Value Index contains those Russell 1000 companies that have higher book-to-price ratios, and thus a less-than-average growth orientation, than the remaining companies in the Russell 1000 Index that encompass the Russell 1000 Growth Index.

## EAGLE'S CONSISTENT INVESTMENT PHILOSOPHY

Eagle Capital's consistent investment philosophy has enabled us to outperform our peers and the markets over the four market cycles since our inception.



Analysis performed utilizing eVestment Alliance analytics tools is based on net returns that in some cases may be preliminary, unaudited and subject to subsequent adjustment. Net returns include management fees and additional expenses as applicable which reduce returns. Figures are calculated using Advent APX software and Eagle Capital analysis. Since its inception (12/31/88), Eagle is ranked 1 out of 37 managers observed in the eVestment US Large Cap Equity Universe based on "Rk". "Rk" denotes percentile performance relative to peer managers self-reporting to eVestment Alliance. The eVestment US Large Cap Equity Universe includes US equity products that invest primarily in large capitalization stocks. eVestment universes are maintained and reviewed by eVestment based on manager-reported data and eVestment proprietary analysis. While Eagle Capital pays eVestment for certain analytical services, Eagle Capital does not pay to be included in the US Large Cap Equity Universe (this is independently calculated by eVestment). On an ongoing basis, all eVestment Universes are updated & scrubbed approximately 45 days after quarter-end, where several factors are considered, including analysis of sector allocations vs. existing eVestment style universes and statistical performance and risk screening versus appropriate benchmarks and universe medians. For further information, see [www.evestment.com](http://www.evestment.com). Additional details available upon request. Past performance does not guarantee future results. For more detailed performance related background, please see the additional information below.

### ADDITIONAL INFORMATION

1. Eagle Capital Management, LLC (the "Adviser") is an investment adviser registered with the Securities and Exchange Commission. Historically, Eagle Capital calculated its performance for periods prior to 1/1/1993 utilizing an equal weighted calculation methodology, whereas for periods commencing on 1/1/1993 performance was calculated utilizing an asset-weighted calculation methodology (collectively, the "Legacy Performance Calculation Approach"). Effective as of 3/8/2021, Eagle Capital began presenting performance for all periods by utilizing an asset-weighted calculation methodology in all instances (the "Revised Performance Calculation Approach"). For all periods commencing on 1/1/1993, there was no resulting performance change in relation to this calculation methodology change. For the applicable calendar years prior to 1/1/1993, the changes in gross and net annual performance for the Eagle Equity Composite resulting from this calculation methodology change were as follows (in all cases, the following figures are rounded to one decimal place and are calculated by subtracting the historical performance figure (utilizing the equal weighted calculation methodology) from the revised calculated figure (utilizing the asset-weighted calculation methodology)): 1989: +0.2% gross, -0.3% net; 1990: +1.4% gross, +1.2% net; 1991: +2.8% gross, +2.5% net; 1992: -1.2% gross, -1.2% net. In terms of "inception to date" performance (the inception date of the Eagle Equity Composite is 12/31/1988), the changes in gross and net annual performance for the Eagle Equity Composite resulting from this calculation methodology change were as follows (in all cases, the following figures are rounded to one decimal place, are calculated by subtracting performance calculated utilizing the Legacy Performance Calculation Approach from performance calculated utilizing the Revised Performance Calculation Approach and are shown effective 12/31/2019): (i) Inception to Date Annualized -- +0.1% gross, 0.0% net, (ii) Inception to Date Cumulative -- +191.7% gross, +99.0% net. Additionally, effective 6/11/2021, Eagle Capital updated certain historical Eagle Equity Composite and index return data reflected in the attached materials. These updates were made in order to correct certain rounding inaccuracies and typographical issues. Please contact us if you have any questions in relation to this change in performance calculation methodology.



2. Eagle Capital Management was founded in August 1988 as a corporation. In March 1995, Eagle Capital Management, LLC was formed. Client accounts The Eagle Equity Composite's inception date is 12/31/1988. The Eagle Equity Composite is made up of all fee paying tax-free discretionary institutional accounts over \$1 million.
3. All fee-paying, discretionary portfolios are included in at least one composite. Composite information is not representative of any individual client account. New portfolios are excluded from composites until deemed fully invested. Portfolios no longer under management are included in historical composites for the periods they were under management; they are excluded for all periods after the last full month they were in place. No leveraged and non-fee paying accounts are included in the Eagle Equity Composite. A list of composite descriptions, limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. In addition, policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The minimum asset size for a portfolio to be included in the Eagle Equity Composite is \$1,000,000, and institutional accounts included in the Eagle Equity Composite do not apply concentration or similar limits at the portfolio level. If withdrawal or performance causes a portfolio included in the Eagle Equity Composite to diminish to a level deemed difficult to implement the intended investment strategy, the portfolio is removed. When taxes are considered, the performance may vary.
4. Do not assume that all transactions will be profitable or that future performance is in any way guaranteed by past results. Performance calculations are on a time-weighted and asset-weighted total return basis and reflect reinvestment of dividends and other earnings. Trade-date accounting valuation is used and income is accrued. Returns from client to client will vary slightly depending on portfolio size, diversification and transaction costs. The equity portion of balanced accounts was included in the Eagle Equity Composite until the first quarter of 1994. In the process of active portfolio management, cash may be held in portfolios pending investment. Product descriptions in this brochure should not be construed to mean that cash is immediately invested.
5. The Firm's standard annual asset based management fee schedule is 1% of the account's total assets on the first \$5,000,000 and 0.75% thereafter. Gross performance results is net of commissions but does not reflect the deduction of Eagle's investment advisory fee, which will affect a client's total return. Net returns are net of trading expenses (commissions), bank fees, foreign withholdings taxes and Eagle's actual investment advisory fee. The performance presented does not represent the return of any one individual investor. The current presentation may differ from previous presentation of historical data due to differences in assumptions, material market conditions and estimates used to calculate the performance. An individual client account's net return may differ significantly due to differences in fees, brokerage or other commissions, and/or any other expenses paid and the account's date of inception. Additional information related to the fees charged by Eagle can be found in its Form ADV Part 2 or in the respective Investment Management Agreement.
6. The currency used to express performance is the U.S. dollar.
7. The Eagle Equity Composite is defined to include all fee-paying non-taxable, institutional accounts. The term institutional accounts include pension plans, public funds, Taft-Hartley, endowments, foundations, trusts, limited partnerships, and corporate accounts while excluding accounts of natural persons (e.g., IRAs). The Eagle Equity Composite has an initial account value minimum of \$1,000,000.00. Members of the Eagle Equity Composite are invested in the Eagle Equity Strategy. The Eagle Equity Strategy is not managed to a benchmark. The benchmarks most commonly chosen by our clients based on our Strategy are the S&P 500 and the Russell 1000 Value indices. The Eagle Equity Strategy is a concentrated, long-only, primarily large-cap equity strategy. The Eagle Equity Strategy invests solely in U.S. traded securities, including ADRs, generally limits its portfolio holdings to 5% weights at purchase initially and 10% portfolio weights at market value. The strategy also generally limits sector exposure to 35% of the portfolio. The firm considers companies with market capitalizations in excess of \$3 billion. The composite creation date was 12/31/1988.



8. Eagle Equity Composite Detail (inception date 12/31/88)

EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE

Eagle Capital Management Composite Detail

Year	Eagle Annual Return		S&P 500	Russell 1000 Value	# of Portfolios	Total Composite Assets (\$ millions)	Composite Dispersion %*	Total Firm Assets (\$ millions)	3-Year Annualized Standard Deviation		
	Gross	Net							Composite	S&P 500	Russell 1000 Value
2001	-3.5%	-3.9%	-11.9%	-5.6%	27	358.4	0.8	598.8	17.8	16.7	14.7
2002	-6.5%	-7.0%	-22.1%	-15.5%	29	336.5	1.2	614.8	18.3	18.5	17.0
2003	33.8%	33.0%	28.7%	30.0%	58	797.4	1.1	1,652.3	16.2	18.1	16.0
2004	19.7%	19.2%	10.9%	16.5%	137	1,723.7	1.9	3,061.0	13.6	14.9	14.8
2005	8.4%	7.6%	4.9%	7.1%	202	3,049.6	1.4	5,461.5	9.5	9.0	9.5
2006	12.6%	11.8%	15.8%	22.2%	232	3,692.6	1.3	6,717.0	7.7	6.8	6.7
2007	10.7%	9.9%	5.5%	-0.2%	251	4,041.1	1.1	7,066.5	7.8	7.7	8.1
2008	-35.1%	-35.6%	-37.0%	-36.8%	250	2,643.2	1.5	4,553.8	16.0	15.1	15.4
2009	34.7%	33.7%	26.5%	19.7%	261	3,743.7	2.1	5,890.8	19.8	19.6	21.1
2010	20.8%	20.0%	15.1%	15.5%	242	3,820.0	1.0	7,382.4	21.5	21.9	23.2
2011	5.8%	5.0%	2.1%	0.4%	283	5,033.1	0.6	10,601.6	17.0	18.7	20.7
2012	17.9%	17.0%	16.0%	17.5%	345	7,875.0	0.5	15,098.7	13.4	15.1	15.5
2013	36.7%	35.7%	32.4%	32.5%	432	10,874.6	0.9	23,871.4	10.8	11.9	12.7
2014	13.1%	12.3%	13.7%	13.5%	433	11,013.6	0.4	27,412.6	8.5	9.0	9.2
2015	2.2%	1.4%	1.4%	-3.8%	426	10,989.8	0.6	26,319.7	11.4	10.5	10.7
2016	11.0%	10.1%	12.0%	17.3%	400	10,917.4	0.5	25,053.7	11.8	10.6	10.8
2017	24.0%	23.1%	21.8%	13.7%	396	11,835.1	0.5	27,924.0	11.0	9.9	10.2
2018	-4.3%	-5.0%	-4.4%	-8.3%	401	11,302.6	0.6	25,395.8	11.7	10.8	10.8
2019	32.4%	31.4%	31.5%	26.5%	407	14,135.9	0.8	32,028.4	13.7	11.9	11.9
2020	16.0%	15.2%	18.4%	2.8%	383	15,806.0	0.8	32,367.7	22.0	18.5	19.6

Internal gross composite dispersion is calculated using the gross asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year.

The three-year annualized gross standard deviation measures the variability of the composite and benchmark monthly returns over the previous 36-month period.

Eagle Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Eagle Capital Management, LLC has been independently verified for the periods 1/1/1993 through 12/31/2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Eagle Equity composite has had a performance examination for the periods 1/1/1993 through 12/31/2020. The verification and performance examination reports are available upon request. A more detailed description of the assumptions utilized in any of the simulations, models, and/or analyses contained in this report is available upon request. Eagle does not represent that the information contained herein is accurate or complete, and it should not be relied upon as such; Eagle does not undertake any obligation to update the information contained herein. Recipients should not rely on this material in making any investment decision. This document does not constitute advice or a recommendation or offer to sell or a solicitation of any offer to buy any security.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## EAGLE CAPITAL FACTS



**1988**

Founded in



**100%**

Employee Owned



**13%**

Annualized net returns since 1988



**1<sup>st</sup> percentile**

Returns since inception  
*As of 6/30/22*

## STRATEGY HIGHLIGHTS

- Long-term focus
- Concentrated portfolio of 25-35 companies
- Fundamental, value-oriented portfolio
- Low portfolio turnover with long-term holding periods
- Positive alpha in 66% of all down quarters for the S&P 500 since inception  
*As of 6/30/22*

## QUARTERLY COMMENTARY

- The return of the Eagle Equity Composite was -20.0%, net of fees, during the second quarter. This lagged the return of the S&P 500, -16.1%, and the Russell 1000 Value, -12.2%.
- The uncertain economic and geopolitical outlook resulted in the defensive sectors, such as consumer staples, utilities, and health care, continuing to outperform the broad market. Eagle has almost 10% of capital invested in two health care providers, UnitedHealth Group and Elevance (formerly Anthem), with the stocks of both companies serving as ballast for the portfolio during the quarter, performing better than the market and generally unchanged versus the close of Q1. We still see limited long-term appreciation for many of the companies in more defensive sectors, hence our more limited exposure; we believe the market is paying a big premium for the stability of their near-term earnings.
- The energy sector was by far the outstanding sector during the first half of the year, rising about 32%, despite weakness during the closing weeks of Q2 as concerns over both demand destruction and a possible recession impacted many energy stocks. Eagle took advantage of this to establish a new position in a large, independent North American E&P company. We're encouraged by its strong management, competitive cost position, high quality reserves with the majority in North America, and an attractive valuation.
- We believe our banks are both a hedge against higher interest rates, as well as attractive assets with a high degree of valuation support that can grow book value over a full business cycle. During Q2, Goldman Sachs, Citigroup, and Morgan Stanley performed better than the broad market. Wells Fargo and Capital One lagged, likely due to concerns over consumer credit. The valuations of many of our bank holdings were already reflecting a challenging economic environment ahead, with most trading below or slightly above book value, despite having adequate capital levels as reviewed by federal regulators.

- Amazon and Netflix were down considerably during the quarter as the normalization of their business, following the pandemic-surge of last year, had an adverse impact on their results. Amazon's significant investment made over the past few years (i.e., doubling their workforce and significant facilities expansion) allowed Amazon to gain customers and share during Covid but has weighed on retail margins and profitability as demand fell to its 2019 trend line. Over the next few years, however, we believe these investments will pay off. In addition, Amazon Web Services (AWS) was the usual standout with over 30% revenue growth, 35% margins and a sizable backlog. We believe this is one of the best technology businesses in the world. Netflix shares continued to face pressure with weaker-than-expected streaming subscriber guidance, but we are optimistic about the company's ability to convert a portion of the 100m password-sharing subscribers into paying or ad-supported customers. We believe Eagle is buying the top global streaming company at a reasonable price, even with conservative assumptions.
- In a reversal from Q1, where a good number of our travel-related positions performed well as travel rebounded in many parts of the world, many of these positions suffered in Q2 as the market reversed with concerns over consumer discretionary spending and the impact that could have on travel. In 2Q, Hilton, Marriott, General Electric and Woodward lagged the market. Eagle still sees lodging and commercial air travel as GDP-plus businesses over time and believes our portfolio companies are well positioned to capitalize on that growth.
- As Eagle has been saying over the last number of years, we believe that inflation and interest rates will likely be higher over the next ten years than they have been over the last ten. How much higher, we don't know with certainty, but our current portfolio is built around this assumption. Our North Star is constructing a portfolio of double-digit returns five years out and through a market cycle. We look to partner with strong companies and best-in-class management teams who can navigate a wide range of economic environments and developing opportunities. Our investment approach, utilized for over 30+ years, doesn't always work in short periods of time but has beaten the market over long periods of time. We were excited about our portfolio on January 1st; despite a recession looming, we are even more excited at these current valuations.

Past performance is not a guarantee of future results. All performance and portfolio composition data herein relates to the Eagle Capital separately managed account strategy. Please see the important disclosures at the end of this presentation. Provided for Eagle Capital clients only.



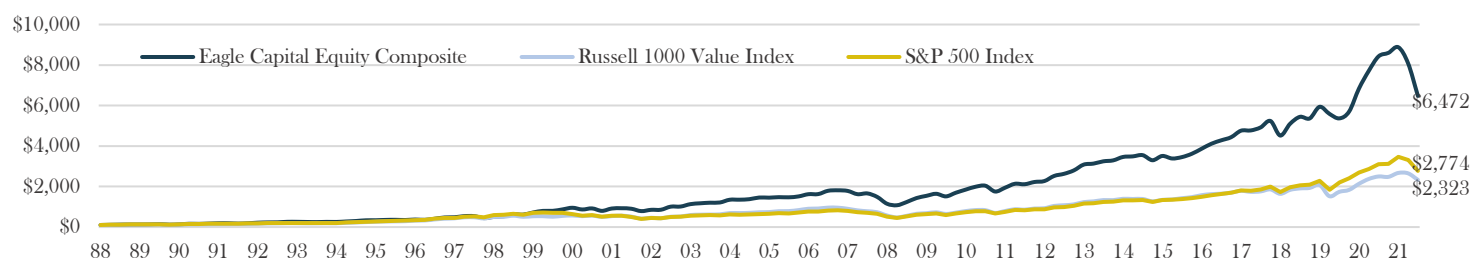
## PERFORMANCE

Trailing (%)	QTD*	YTD*	3 Yrs.	5 Yrs.	10 Yrs.	20 Yrs.	Since Inception**
Eagle Equity Composite (Gross)	-19.8	-26.8	6.2	9.1	12.5	11.0	14.1
Eagle Equity Composite (Net)	-20.0	-27.1	5.4	8.3	11.7	10.3	13.3
Russell 1000 Value Index	-12.2	-12.9	6.9	7.2	10.5	7.9	9.8
S&P 500 Index	-16.1	-20.0	10.6	11.3	13.0	9.1	10.4

\*As of 6/30/22

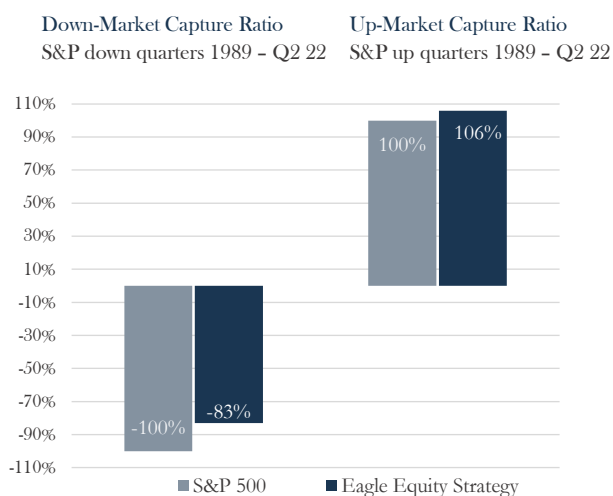
\*\*The Eagle Equity Composite has an inception date of December 31, 1988.

## GROWTH OF \$100 SINCE INCEPTION (NET OF FEES)



Growth of \$100 as of 6/30/22

## MARKET CAPTURE RATIO



As of 6/30/22

## PORTFOLIO CHARACTERISTICS

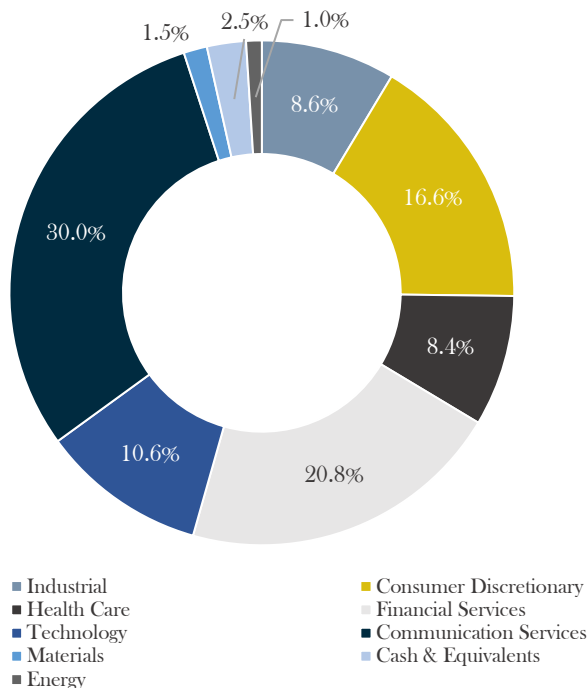
	Eagle Equity	S&P 500
# Holdings	30	503
Top 10 Positions	57%	27%
Avg Wtd Market Cap (\$B)	478	524
Median Market Cap (\$B)	83	27
Avg Wtd P/E Forward	13.8	17.1
Avg Wtd Price/Book	1.8	3.6
Avg Wtd Price/Cash Flow Trailing	11.7	13.1

Note: Portfolio characteristics reflect Eagle Capital Representative account. Further information available upon request.

As of 6/30/22

Past performance is not a guarantee of future results. All performance and portfolio composition data herein relates to the Eagle Capital separately managed account strategy. Please see the important disclosures at the end of this presentation. Provided for Eagle Capital clients only.

## SECTOR ALLOCATION



Note: Sector allocation reflects Eagle Capital Representative account. Sectors are the outcome of individual stock selection. *As of 6/30/22*

## TOP 10 HOLDINGS

Microsoft Corp	9.2%
Alphabet Inc	8.7%
UnitedHealth Group Inc	6.0%
Amazon.com Inc	5.6%
Marriott International Inc	4.9%
Meta Platforms Inc	4.8%
Charter Communications	4.8%
Goldman Sachs Group Inc	4.4%
Comcast Corp	4.3%
Morgan Stanley	4.2%

Note: Portfolio holdings reflect Eagle Capital Representative account. Alphabet Inc. represents holdings of two publicly-traded classes of stock: GOOG and GOOGL. Charter Communications represents holdings of Liberty Broadband shares. Liberty Broadband holds a substantial interest in Charter Communications Inc. Eagle Equity Composite holdings during Q2 were as follows: AER; AMZN; ANTM; AON; COF; CHTR; C; CMCSA; COP; DIS; DISH; ELV; EVVY; GE; GM; GOOG/L; GS; HLT; IAC; LBRDA/K; LYB; MAR; META; MS; MSFT; NFLX; NPSNY; PROSY; SAFRY; UNH; V; WFC; and WWD.

*As of 6/30/22*

## TOP AND BOTTOM CONTRIBUTORS, 2Q 2022, GROSS OF FEES

Top Contributors	Avg. Wgt	Return	Contrib (bps)
Naspers Ltd & Prosus NV <sup>1</sup>	1.0%	22.9%	26
UnitedHealth Group Inc	5.3%	1.1%	7
Elevance Health Inc	3.3%	-1.6%	-4
Evolution AB	0.5%	-10.0%	-5
Visa Inc	1.3%	-11.1%	-13
<b>TOTAL</b>	<b>11.4%</b>		<b>11</b>

Bottom Contributors	Avg. Wgt	Return	Contrib (bps)
Amazon.com Inc	6.0%	-34.8%	-235
Alphabet Inc <sup>2</sup>	9.1%	-21.6%	-204
Netflix Inc	3.6%	-53.2%	-198
Meta Platforms Inc	5.3%	-27.5%	-149
Microsoft Corp	9.0%	-16.4%	-144
<b>TOTAL</b>	<b>32.9%</b>		<b>-930</b>

<sup>1</sup> Naspers Ltd & Prosus NV represents combined holdings of Prosus NV (PROSY) and Naspers Limited (NPSNY) shares. Prosus and Naspers are closely related entities with similar underlying economic exposure and significant cross-holdings in each other. In the table above we show the combined average weight, return and contribution for PROSY and NPSNY

<sup>2</sup> Alphabet Inc. has issued two publicly-traded classes of stock: Class A (GOOGL) voting shares and Class C (GOOG) non-voting shares. In the table above we show the combined average weight, return and contribution for GOOGL and GOOG.

\* Average weight represents the average position weight in the Eagle Equity Composite for 2Q 2022. All positions within the Eagle Equity Composite are included for calculation purposes. However, Top Contributors or Bottom Contributors comprising cash and cash equivalents and positions with an average weight in the Eagle Equity Composite equal to or below 0.25% will not be displayed in the tables above. For the avoidance of doubt, for 2Q 2022, Top Contributors exclude the following positions which had an average weight in the Eagle Equity Composite equal to or below 0.25% for the period: ConocoPhillips.

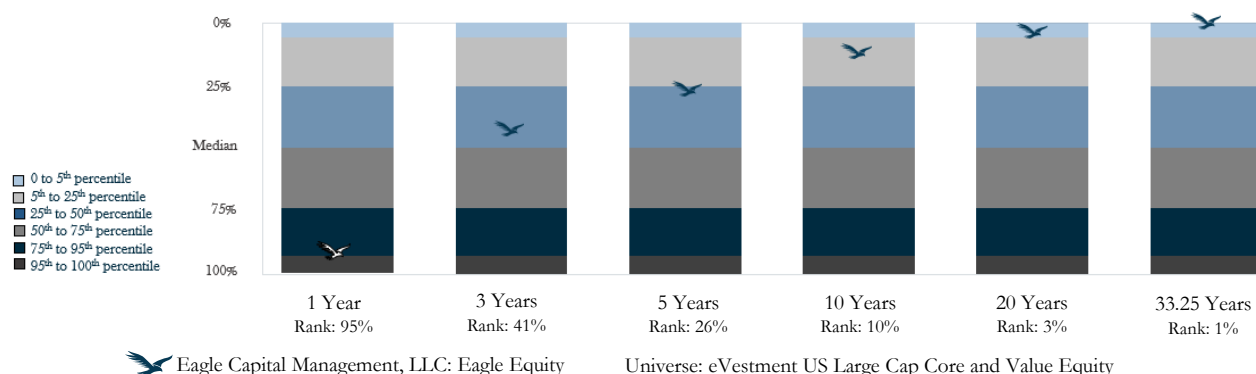
Past performance is not a guarantee of future results. All performance and portfolio composition data herein relates to the Eagle Capital separately managed account strategy. Please see the important disclosures at the end of this presentation. Provided for Eagle Capital clients only.

## TOP AND BOTTOM SECTOR CONTRIBUTORS, 2Q 2022, GROSS OF FEES

Top Contributors	Avg. Wgt	Return	Contrib (bps)	Bottom Contributors	Avg. Wgt	Return	Contrib (bps)
Health Care	8.6%	0.6%	2	Communication Services	30.7%	-26.2%	-828
Energy	0.4%	-0.9%	-2	Consumer Discretionary	17.4%	-25.4%	-466
Materials	1.3%	-10.1%	-18	Financial Services	20.5%	-14.3%	-284
<b>TOTAL</b>	<b>10.3%</b>		<b>-18</b>	<b>TOTAL</b>	<b>68.6%</b>		<b>-1578</b>

\*Average weight represents the average position weight in the Eagle Equity Composite for 2Q 2022. All positions within the Eagle Equity Composite are included for calculation purposes. However, Top Contributors or Bottom Contributors comprising cash and cash equivalents and positions with an average weight in the Eagle Equity Composite equal to or below 0.25% will not be displayed in the tables above. For the avoidance of doubt, for 2Q 2022, Top Contributors exclude the following positions which had an average weight in the Eagle Equity Composite equal to or below 0.25% for the period: ConocoPhillips.

## PEER GROUP RANKING



Eagle Capital Management, LLC: Eagle Equity

Universe: eVestment US Large Cap Core and Value Equity

As of 3/31/22

Source: Analysis performed utilizing eVestment Alliance analytics tools. Performance figures are based on net returns that in some cases may be preliminary, unaudited and subject to subsequent adjustments. Net returns include management fees which reduce returns. Figures are calculated using Advent APX software and Eagle Capital analysis. Details available upon request. Past performance does not guarantee future results. See "Footnotes" at end of this presentation for additional important disclosures. "Rk" denotes percentile performance relative to peer managers self-reporting to eVestment Alliance.

The eVestment US Large Cap Core and Value Equity Universes include US equity products that invest primarily in large capitalization stocks. eVestment universes are maintained and reviewed by eVestment based on manager-reported data and eVestment proprietary analysis. While Eagle Capital pays eVestment for certain analytical services, Eagle Capital does not pay to be included in the US Large Cap Equity Universe (this is independently calculated by eVestment). On an ongoing basis, all eVestment Universes are updated & scrubbed approximately 45 days after quarter-end, where several factors are considered, including analysis of sector allocations vs. existing eVestment style universes and statistical performance and risk screening versus appropriate benchmarks and universe medians. For further information, see [www.evestment.com](http://www.evestment.com)

Past performance is not a guarantee of future results. All performance and portfolio composition data herein relates to the Eagle Capital separately managed account strategy. Please see the important disclosures at the end of this presentation. Provided for Eagle Capital clients only.

Sources: Advent APX, Thomson Reuters, Bernstein, eVestment

Past performance is not indicative of future results. Performance results for periods greater than one year have been annualized. Returns are preliminary pending final account reconciliation. Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns reflect the deduction of trading expenses and custodian fees. Net returns reflect the additional deduction of management fees and are based on the actual account-level net returns. The portfolio characteristics/statistics, sector allocation, and largest holdings shown are based on a representative account. The representative account was chosen based on client tenure and adherence to our stated investment strategy. Individual account characteristics may vary. Securities with negative ratios have been excluded so as not to distort the portfolio total. Portfolio P/E Forward calculation excludes Liberty Broadband Corp; P/B calculation excludes Hilton Worldwide Holdings Inc, Marriott International Inc, and Liberty Broadband Corp; P/CF calculation excludes Berkshire Hathaway, Capital One Financial Corp, Citigroup Inc, Goldman Sachs Group Inc, Morgan Stanley, Naspers Ltd, Netflix, and Wells Fargo & Co. The holdings identified do not represent all of the securities purchased, sold, or held during the included period. This material is not financial advice or an offer to buy or sell any product.

The up/down-market capture ratio is a statistical measure of an investment manager's overall performance in up/down-markets. The ratio is calculated by dividing Eagle Capital's returns by the returns of the S&P 500 during the up-market or down-market, and multiplying that factor by 100. An up-market capture ratio of 110 indicates that the manager outperformed the market by 10% during the specified period. A down-market capture ratio of 80 indicates that the manager's portfolio declined only 80% as much as the S&P 500 during the specified period. The Eagle strategy is not managed to a benchmark; S&P & Russell index information is provided for illustrative purposes. Performance data is presented using Net of Fees returns for the Eagle Equity Composite (the "Composite"). The eVestment charts provided are based on net of fee returns of the eVestment US Large Cap Equity Universe. The eVestment US Large Cap Equity Universe includes US equity products that invest primarily in large capitalization stocks.

eVestment universes are maintained and reviewed by eVestment based on manager-reported data and eVestment proprietary analysis. While Eagle Capital pays eVestment for certain analytical services, Eagle Capital does not pay to be included in the US Large Cap Equity Universe (this is independently calculated by eVestment). On an ongoing basis, all eVestment Universes are updated and scrubbed approximately 45 days after quarter-end, where several factors are considered, including analysis of sector allocations vs. existing eVestment style universes and statistical performance and risk screening versus appropriate benchmarks and universe medians. "Rk" denotes percentile performance relative to peer managers self-reporting to eVestment Alliance.

Eagle Capital claims compliance with the Global Investment Performance Standards (GIPS®). Eagle Capital Management has been independently verified for the periods January 1, 1993 to December 31, 2020. The Eagle Equity Composite has been examined for the periods January 1, 1993 to December 31, 2020. The verification and performance examination reports are available upon request. A list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations is available upon request at the phone number and email address at the bottom of this document. Performance is expressed in U.S. dollars. Past performance is not indicative of future results.

The S&P 500 Index includes 500 leading companies and captures more than three quarters of the total market capitalization. It is float-adjusted and based on the market cap weightings of the securities that comprise the index. The Russell 1000 Value Index contains those Russell 1000 companies that have higher book-to-price ratios, and thus a less-than-average growth orientation, than the remaining companies in the Russell 1000 Index that encompass the Russell 1000 Growth Index. The FTSE 3-Month T-Bill is an unmanaged index designed to represent the average of T-bill rates for each of the prior three months, adjusted to a bond-equivalent basis.

**Average Weighted Market Capitalization** is a dollar-value measurement of the size of companies in a portfolio or index. In such a weighting scheme, an average figure is derived from the market capitalizations of each company (their market prices multiplied by the number of shares outstanding) multiplied by their weights in the portfolio or index.

**Forward P/E** is a valuation measure calculated by taking the current stock price and dividing it by the forecasted earnings per share for the next 12 months. **Beta** is used to measure market risk. It is defined as the average relationship, over time, of the portfolio's rate of return to the style index. **Turnover** is a ratio of either the total market value of new securities purchased or market value of securities sold—whichever is less—over a particular period, divided by the total value of the portfolio. **Active Share** is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index. **Alpha** is the annualized measure of excess return over the index. Eagle Capital Management, LLC is an independent investment adviser registered under the Investment Advisers Act of 1940. Registration does not imply a certain level of skill or training. More information about Eagle Capital, including our investment strategy, fees and objectives, can be found in our Form ADV Part 2, which is available upon request.

## FOOTNOTES - EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE

1. Eagle Capital Management, LLC (the “Adviser”) is an investment adviser registered with the Securities and Exchange Commission. Historically, Eagle Capital calculated its performance for periods prior to 1/1/1993 utilizing an equal weighted calculation methodology, whereas for periods commencing on 1/1/1993 performance was calculated utilizing an asset-weighted calculation methodology (collectively, the “Legacy Performance Calculation Approach”). Effective as of 3/8/2021, Eagle Capital began presenting performance for all periods by utilizing an asset-weighted calculation methodology in all instances (the “Revised Performance Calculation Approach”). For all periods commencing on 1/1/1993, there was no resulting performance change in relation to this calculation methodology change. For the applicable calendar years prior to 1/1/1993, the changes in gross and net annual performance for the Eagle Equity Composite resulting from this calculation methodology change were as follows (in all cases, the following figures are rounded to one decimal place and are calculated by subtracting the historical performance figure (utilizing the equal weighted calculation methodology) from the revised calculated figure (utilizing the asset-weighted calculation methodology)): 1989: +0.2% gross, -0.3% net; 1990: +1.4% gross, +1.2% net; 1991: +2.8% gross, +2.5% net; 1992: -1.2% gross, -1.2% net. In terms of “inception to date” performance (the inception date of the Eagle Equity Composite is 12/31/1988), the changes in gross and net annual performance for the Eagle Equity Composite resulting from this calculation methodology change were as follows (in all cases, the following figures are rounded to one decimal place, are calculated by subtracting performance calculated utilizing the Legacy Performance Calculation Approach from performance calculated utilizing the Revised Performance Calculation Approach and are shown effective 12/31/2019): (i) Inception to Date Annualized -- +0.1% gross, 0.0% net, (ii) Inception to Date Cumulative -- +191.7% gross, +99.0% net. Additionally, effective 6/11/2021, Eagle Capital updated certain historical Eagle Equity Composite and index return data reflected in the attached materials. These updates were made in order to correct certain rounding inaccuracies and typographical issues. Please contact us if you have any questions in relation to this change in performance calculation methodology.
2. Eagle Capital Management was founded in August 1988 as a corporation. In March 1995, Eagle Capital Management, LLC was formed. Client accounts The Eagle Equity Composite’s inception date is 12/31/1988. The Eagle Equity Composite is made up of all fee paying tax-free discretionary institutional accounts over \$1 million.
3. All fee-paying, discretionary portfolios are included in at least one composite. Composite information is not representative of any individual client account. New portfolios are excluded from composites until deemed fully invested. Portfolios no longer under management are included in historical composites for the periods they were under management; they are excluded for all periods after the last full month they were in place. No leveraged and non-fee paying accounts are included in the Eagle Equity Composite. A list of composite descriptions, limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. In addition, policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The minimum asset size for a portfolio to be included in the Eagle Equity Composite is \$1,000,000, and institutional accounts included in the Eagle Equity Composite do not apply concentration or similar limits at the portfolio level. If withdrawal or performance causes a portfolio included in the Eagle Equity Composite to diminish to a level deemed difficult to implement the intended investment strategy, the portfolio is removed. When taxes are considered, the performance may vary.
4. Do not assume that all transactions will be profitable or that future performance is in any way guaranteed by past results. Performance calculations are on a time-weighted and asset-weighted total return basis and reflect reinvestment of dividends and other earnings. Trade-date accounting valuation is used and income is accrued. Returns from client to client will vary slightly depending on portfolio size, diversification and transaction costs. The equity portion of balanced accounts was included in the Eagle Equity Composite until the first quarter of 1994. In the process of active portfolio management, cash may be held in portfolios pending investment. Product descriptions in this brochure should not be construed to mean that cash is immediately invested.
5. The Firm’s standard annual asset based management fee schedule is 1% of the account’s total assets on the first \$5,000,000 and 0.75% thereafter. Gross performance results is net of commissions but does not reflect the deduction of Eagle’s investment advisory fee, which will affect a client’s total return. Net returns are net of trading expenses (commissions), bank fees, foreign withholdings taxes and Eagle’s actual investment advisory fee. The performance presented does not represent the return of any one individual investor. The current presentation may differ from previous presentation of historical data due to differences in assumptions, material market conditions and estimates used to calculate the performance. An individual client account’s net return may differ significantly due to differences in fees, brokerage or other commissions, and/or any other expenses paid and the account’s date of inception. Additional information related to the fees charged by Eagle can be found in its Form ADV Part 2 or in the respective Investment Management Agreement.
6. The currency used to express performance is the U.S. dollar.
7. The Eagle Equity Composite is defined to include all fee-paying non-taxable, institutional accounts. The term institutional accounts include pension plans, public funds, Taft-Hartley, endowments, foundations, trusts, limited partnerships, and corporate accounts while excluding accounts of natural persons (e.g., IRAs). The Eagle Equity Composite has an initial account value minimum of \$1,000,000.00. Members of the Eagle Equity Composite are invested in the Eagle Equity Strategy. The Eagle Equity Strategy is not managed to a benchmark. The benchmarks most commonly chosen by our clients based on our Strategy are the S&P 500 and the Russell 1000 Value indices. The Eagle Equity Strategy is a concentrated, long-only, primarily large-cap equity strategy. The Eagle Equity Strategy invests solely in U.S. traded securities, including ADRs, generally limits its portfolio holdings to 5% weights at purchase initially and 10% portfolio weights at market value. The strategy also generally limits sector exposure to 35% of the portfolio. The firm considers companies with market capitalizations in excess of \$3 billion. The composite creation date was 12/31/1988.

## FOOTNOTES - EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE

### 8. Eagle Equity Composite Detail (inception date 12/31/88)

#### Eagle Capital Management Composite Detail

Year	<i>Eagle Annual Return</i>						<i>3-Year Annualized Standard Deviation</i>				
	Gross	Net	S&P 500	Russell 1000 Value	# of Portfolios	Total Composite Assets (\$ millions)	Composite Dispersion %*	Total Firm Assets (\$ millions)	Composite	S&P 500	Russell 1000 Value
2001	-3.5%	-3.9%	-11.9%	-5.6%	27	358.4	0.8	598.8	17.8	16.7	14.7
2002	-6.5%	-7.0%	-22.1%	-15.5%	29	336.5	1.2	614.8	18.3	18.5	17.0
2003	33.8%	33.0%	28.7%	30.0%	58	797.4	1.1	1,652.3	16.2	18.1	16.0
2004	19.7%	19.2%	10.9%	16.5%	137	1,723.7	1.9	3,061.0	13.6	14.9	14.8
2005	8.4%	7.6%	4.9%	7.1%	202	3,049.6	1.4	5,461.5	9.5	9.0	9.5
2006	12.6%	11.8%	15.8%	22.2%	232	3,692.6	1.3	6,717.0	7.7	6.8	6.7
2007	10.7%	9.9%	5.5%	-0.2%	251	4,041.1	1.1	7,066.5	7.8	7.7	8.1
2008	-35.1%	-35.6%	-37.0%	-36.8%	250	2,643.2	1.5	4,553.8	16.0	15.1	15.4
2009	34.7%	33.7%	26.5%	19.7%	261	3,743.7	2.1	5,890.8	19.8	19.6	21.1
2010	20.8%	20.0%	15.1%	15.5%	242	3,820.0	1.0	7,382.4	21.5	21.9	23.2
2011	5.8%	5.0%	2.1%	0.4%	283	5,033.1	0.6	10,601.6	17.0	18.7	20.7
2012	17.9%	17.0%	16.0%	17.5%	345	7,875.0	0.5	15,098.7	13.4	15.1	15.5
2013	36.7%	35.7%	32.4%	32.5%	432	10,874.6	0.9	23,871.4	10.8	11.9	12.7
2014	13.1%	12.3%	13.7%	13.5%	433	11,013.6	0.4	27,412.6	8.5	9.0	9.2
2015	2.2%	1.4%	1.4%	-3.8%	426	10,989.8	0.6	26,319.7	11.4	10.5	10.7
2016	11.0%	10.1%	12.0%	17.3%	400	10,917.4	0.5	25,053.7	11.8	10.6	10.8
2017	24.0%	23.1%	21.8%	13.7%	396	11,835.1	0.5	27,924.0	11.0	9.9	10.2
2018	-4.3%	-5.0%	-4.4%	-8.3%	401	11,302.6	0.6	25,395.8	11.7	10.8	10.8
2019	32.4%	31.4%	31.5%	26.5%	407	14,135.9	0.8	32,028.4	13.7	11.9	11.9
2020	16.0%	15.2%	18.4%	2.8%	383	15,806.0	0.8	32,367.7	22.0	18.5	19.6

Internal gross composite dispersion is calculated using the gross asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year.

The three-year annualized gross standard deviation measures the variability of the composite and benchmark monthly returns over the previous 36-month period.

Eagle Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Eagle Capital Management, LLC has been independently verified for the periods 1/1/1993 through 12/31/2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Eagle Equity composite has had a performance examination for the periods 1/1/1993 through 12/31/2020. The verification and performance examination reports are available upon request. A more detailed description of the assumptions utilized in any of the simulations, models, and/or analyses contained in this report is available upon request. Eagle does not represent that the information contained herein is accurate or complete, and it should not be relied upon as such; Eagle does not undertake any obligation to update the information contained herein. Recipients should not rely on this material in making any investment decision. This document does not constitute advice or a recommendation or offer to sell or a solicitation of any offer to buy any security.

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## IMPORTANT INFORMATION

This material has been provided to provide a high-level overview of Eagle Capital Management, LLC (the “Adviser”), and is intended solely for use by the person to whom it has been delivered. The information contained herein is strictly confidential and may not be reproduced, distributed, or published by any recipient for any purpose without the prior written consent of the Adviser.

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Important disclosures are included throughout this material and should be carefully reviewed.

Except where otherwise indicated, the information contained in this content is based on matters as they exist as of the date of preparation of such material and not as of the date of distribution or any future date. Recipients should not rely on this material in making any future investment decision. To the extent that the reader has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, clients and prospective investors are encouraged to contact Eagle Capital. Discussions herein relating to risk or any efforts to mitigate risk do not imply that any actions taken by or investment strategies employed by Eagle Capital are in any way low risk or risk free.

Information contained herein has been obtained from a range of third-party sources. While the information is believed to be reliable, the Adviser has not sought to verify it. The Adviser makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability for any error, omission, or inaccuracy in the information or opinions contained in this material.

Certain information contained in this content constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” or “believe,” the negatives thereof, other variations thereof or other comparable terminology. Due to various potential risks, uncertainties or actual events, the results or the actual performance of Eagle Capital’s investments may differ materially from those reflected or contemplated in such forward-looking statements. Nothing contained in this content may be relied upon as a guarantee, promise, assurance or a representation as to the future.

Any indices shown are provided for illustrative purposes only. Comparisons to indexes have limitations because indexes have characteristics that may differ materially from the Adviser’s strategy. Therefore, a client’s performance may vary substantially from the performance of an index.

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Eagle Capital  
 PORTFOLIO APPRAISAL  
 31-Jul-22

Quantity	Ticker	Security	Cusip	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
<b>CASH AND EQUIVALENTS</b>											
		Dividend Accrual Account			195042.01		195042	0.1	0	0	0
		Money Market			2455640.41		2455640	1.1	0	0	0
					2650682.42		2650682	1.2		0	0
<b>COMMON STOCK</b>											
76150	aer	AerCap Holdings NV	N00985106	50.67	3858884.1	44.86	3416089	1.5	0	0	0
161540	goog	Alphabet Inc Cl C	02079K107	48.56	7843912.48	116.64	18842026	8.4	0	0	0
108280	amzn	Amazon.com Inc	023135106	60.41	6541240.27	134.95	14612386	6.5	0	0	0
30904	aon	Aon PLC	G0403H108	118.92	3675083.15	291.04	8994300	4	2.24	69224.96	0.8
29172	cof	Capital One Financial Corp	14040H105	74	2158821.44	109.83	3203961	1.4	2.4	70012.8	2.2
7640	chtr	Charter Communications Inc-A	16119P108	259.91	1985749.83	432.1	3301244	1.5	0	0	0
174242	c	Citigroup Inc	172967424	50.61	8818560.42	51.9	9043160	4	2.04	355453.7	3.9
225618	cmcsa	Comcast Corp-Class A	20030N101	32.87	7416678.55	37.52	8465187	3.8	1.08	243667.4	2.9
22501	cop	ConocoPhillips	20825C104	91.85	2066761.9	97.43	2192272	1	1.84	41401.84	1.9
143553	dish	Dish Network Corp Cl A	25470M109	35.23	5057289.68	17.37	2493516	1.1	0	0	0
10573	elv	Elevance Health Inc	036752103	292.55	3093084.94	477.1	5044378	2.2	5.12	54133.76	1.1
11476	evty	Evolution AB-ADR	30051E104	129.58	1487116.58	96.95	1112598	0.5	1.53	17540.08	1.6
112376	ge	General Electric Co	369604301	71.43	8026522.89	73.91	8305710	3.7	0.32	35960.32	0.4
58890	gm	General Motors Co	37045V100	34.1	2008054.78	36.26	2135351	1	0	0	0
30346	gs	Goldman Sachs Group Inc	38141G104	164.39	4988581.29	333.39	10117053	4.5	10	303460	3
53719	hlt	Hilton Worldwide Holdings Inc	43300A203	71.1	3819240.35	128.07	6879792	3.1	0.6	32231.4	0.5
22405	iac	IAC Inc	44891N208	132.81	2975693.55	68.5	1534743	0.7	0	0	0
54750	lbrdk	Liberty Broadband-C	530307305	98.41	5387945.2	108.93	5963918	2.7	0	0	0
34237	lyb	LyondellBasell Industries-Cl A	N53745100	61.89	2119046.94	89.12	3051201	1.4	4.76	162968.1	5.3
74192	mar	Marriott International -Cl A	571903202	74.43	5521749.86	158.82	11783173	5.2	1.2	89030.4	0.8
62025	meta	Meta Platforms Inc-Class A	30303M102	203.88	12645538.27	159.1	9868178	4.4	0	0	0
74123	msft	Microsoft Corp	594918104	76.04	5636601.91	280.74	20809291	9.3	2.48	183825	0.9
114674	ms	Morgan Stanley	617446448	46.16	5293305.81	84.3	9667018	4.3	3.1	355489.4	3.7
34513	npsny	Naspers Ltd-N Shs Spon ADR	631512209	38.86	1341154.47	28.26	975337.4	0.4	0.08	2856.57	0.3
46340	nflx	Netflix Inc	64110L106	305.11	14138962.12	224.9	10421866	4.6	0	0	0
324451	prosy	Prosus NV -Spon ADR	74365P108	15.49	5027205.91	12.98	4211374	1.9	0.03	10204.63	0.2
169649	safrny	Safran SA-Unspon ADR	786584102	32.37	5491321.61	27.42	4651776	2.1	0.09	15659.45	0.3
24220	unh	UnitedHealth Group Inc	91324P102	74	1792273.02	542.34	13135475	5.8	6.6	159852	1.2
14330	v	Visa Inc-Class A Shares	92826C839	199.25	2855181.82	212.11	3039536	1.4	1.5	21495	0.7
29078	dis	Walt Disney Co/The	254687106	90.86	2642148.26	106.1	3085176	1.4	0	0	0
187052	wfc	Wells Fargo & Co	949746101	38.41	7183769.85	43.87	8205971	3.7	1.2	224462.4	2.7
33599	wwd	Woodward Inc	980745103	108.73	3653338.42	104.7	3517815	1.6	0.76	25535.24	0.7
					156550819.7		2.22E+08	98.8		2474465	1.1
<b>TOTAL PORTFOLIO</b>					159201502.1		2.25E+08	100		2474465	1.1



This report is provided for informational purposes only and the data herein may be unreconciled. The account records maintained by your custodian and your accountant are the legal records for your account, and should be used in the preparation of your tax returns. We advise you to seek advice regarding all tax matters. For reporting purposes, Eagle Capital Management assumes a cash yield of zero. Please refer to your custodian's statement for your cash yield. Differences in accounting methods may cause the cost basis of a security in your custodial records to differ from the one contained in this report.



**EAGLE**  
CAPITAL MANAGEMENT





Presented to:

# CITY OF JACKSONVILLE RETIREMENT SYSTEM

August 2022

Alec Henry | [ahenry@eaglecap.com](mailto:ahenry@eaglecap.com) | 212-293-4033

John Johnson | [jjohnson@eaglecap.com](mailto:jjohnson@eaglecap.com) | 212-293-4022

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# EAGLE CAPITAL SNAPSHOT

## FIRM STRUCTURE AND ASSETS

- Founded in 1988
- Partnership structure; 100% employee owned
- 37 total employees
- \$24.6 billion in AUM as of 6/30/2022

## FOCUSED INVESTMENT APPROACH

- Same philosophy since our 1988 inception
- Fundamental, value-oriented portfolio
- Long-term investment horizon
- Concentrated, high conviction portfolio of 25-35 stocks

## SEASONED INVESTMENT TEAM

- Twelve-member investment team
- 24 years of investment experience on average
- CIO Team - 10+ years of collaboration

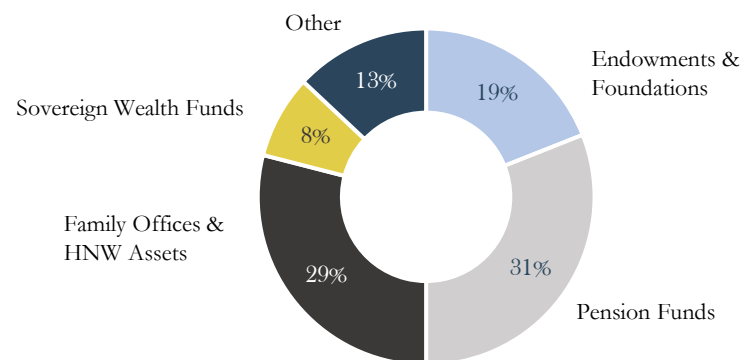
## 30+ YEAR CONSISTENT TRACK RECORD\*

- Double-digit returns in 72% of rolling 10-year periods compared to 42% for the S&P 500 and 48% for the Russell 1000 Value since inception<sup>1</sup>
- Top-decile returns since inception<sup>2</sup>

	Eagle Capital <sup>1</sup>	Russell 1000 Value <sup>1</sup>	S&P 500 <sup>1</sup>
Since Inception Annualized (12/1988)	13.3%	9.9%	10.4%

## ENDURING CLIENT PARTNERSHIPS

- Long-standing client relationships
- Client type (as of 6/30/2022):



\*Past performance is not indicative of future results. Please see additional context within this presentation for more detailed performance information as well as more specifically in the Important Information slide. FEES: Fees are 1.00% on the first \$5MM and 0.75% for assets over \$5MM. Account minimum is generally \$2MM. For more detailed disclosures, please see the final pages of this presentation.

<sup>1</sup>Data is net of fees and as of 6/30/2022. Please see the Important Information slide for additional information regarding Eagle's index descriptions.

<sup>2</sup>Analysis performed utilizing eVestment Alliance analytics tools. Returns are preliminary and net of fees.

# WHY EAGLE CAPITAL

---

Eagle's mission is to achieve superior returns over the long-term and to provide the highest quality client service to our partners.



## LONG-TERM, VALUE ORIENTATION

- Long-term investment horizon that allows us to find differentiated and attractive opportunities.
- Concentrated portfolio of durable, high-quality businesses with asymmetric return potential.
- Alignment with skilled management teams that allocate capital wisely.



## MARGIN OF SAFETY

- Flexible, rigorous valuation approach with focus on price to long-term intrinsic value.
- Curious skeptics who assess what could go wrong.



## EXPERIENCE & DIVERSITY

- Skilled and seasoned investment team with an average investment experience of 24 years.
- Team approach to research incorporating a diversity of backgrounds, experiences and thinking that, in our view, leads to better investment insights.



## STABILITY

- 30+ years of utilizing a consistent investment philosophy and approach.
- Tenured investment team and professionals throughout the organization.
- Enduring clients who share our long-term horizon and have conviction in Eagle.



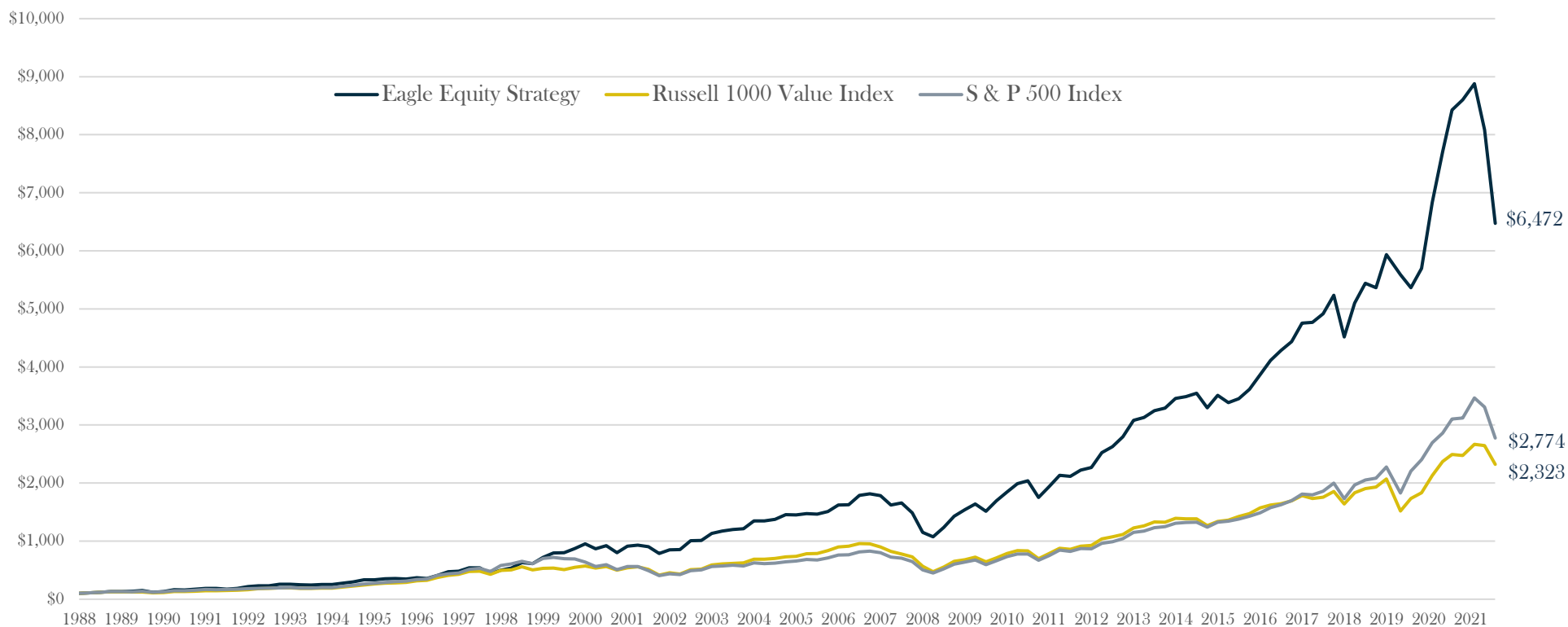
## TRACK RECORD

- Demonstrated ability to outperform through different market environments.
- Top-decile returns since inception\*.

\*Please see additional context within this presentation for more detailed performance information as well as more specifically in the Important Information slide.

# LONG-TERM ALPHA CREATION

The value of \$100 dollars invested with the Eagle Equity Strategy since inception (net of fees), as of June 30, 2022.



Sources: Advent APX, eVestment

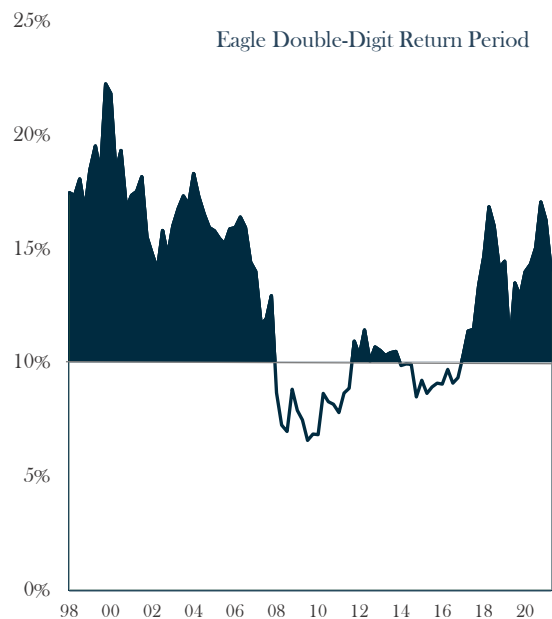
Past performance is not indicative of future results. The dark blue line corresponding with Eagle Capital Management, LLC represents the Eagle Equity Composite. Please see the Important Information slide for additional information regarding Eagle's index descriptions. Performance data is presented using Net of Fees returns for the Eagle Equity Composite (the "Composite?"). FEES: Fees are 1.00% on the first \$5MM and 0.75% for assets over \$5MM. Account minimum is generally \$2MM. Separate account structure for all accounts. For more detailed footnotes, please see the final pages of this presentation.

# ATTRACTIVE DOUBLE-DIGIT RETURNS

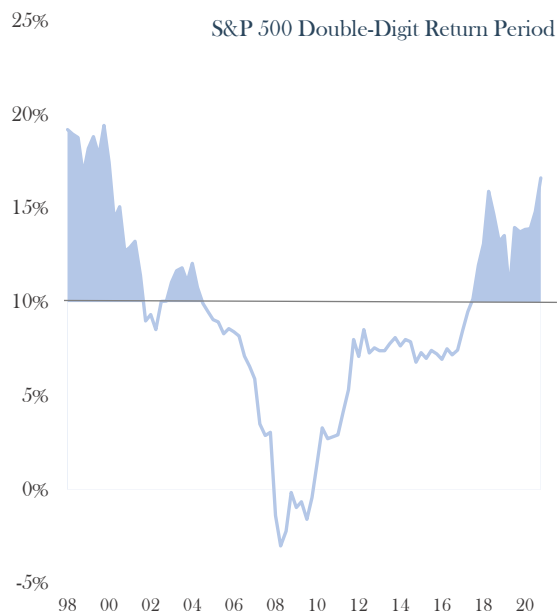
As of June 30, 2022



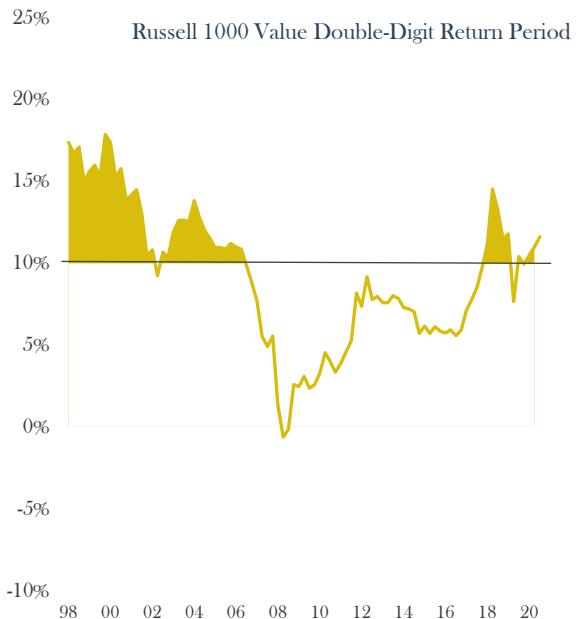
Delivered double-digit returns in **72%** of rolling 10-year periods.



S&P 500 generated double-digit returns in **42%** of rolling 10-year periods.



Russell 1000 Value generated double-digit returns in **48%** of rolling 10-year periods.



Source: Eagle Capital analysis. The annualized 10-year returns for the Eagle Equity Composite are net of fees and expenses and compared to the S&P 500 Index and the Russell 1000 Value Index. Each data point represents the annualized trailing 10-year return on a quarterly basis since the inception of Eagle Equity Composite (12/31/1988) through 3/31/22. Net of fees returns may vary by client. Past performance is not indicative of future results. For more detailed fee information, please see the final pages of this presentation. Please see the Important Information slide for additional information regarding Eagle's index comparisons.

A client's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account. See Part 2A of Eagle Capital's Form ADV for a complete description of the investment advisory fees customarily charged by Eagle Capital.

# PERFORMANCE HISTORY

Periods Ending 7/31/2022

	City of Jacksonville Retirement System Gross	City of Jacksonville Retirement System Net	S&P 500	Russell 1000 Value
July 2022	9.0%	9.0%	9.2%	6.6%
Q2 2022	-19.7%	-19.9%	-16.1%	-12.2%
Year to Date	-20.1%	-20.5%	-12.6%	-7.1%
<i>Annualized Returns</i>				
Three Years	8.5%	7.7%	13.4%	8.9%
Five Years	10.3%	9.5%	12.8%	8.3%
Ten Years	13.4%	12.6%	13.8%	11.1%
Since Inception (2/13/2007)	10.5%	9.7%	9.2%	6.6%
Cumulative Return Since Inception	367.0%	316.7%	291.4%	168.7%

Information shown is specific to the specific portfolio in question. For the GIPS Report in relation to the Eagle Equity Composite, see the content at the conclusion of this presentation. As of 7/31/2022. Returns are preliminary. Past performance is not indicative of future results. Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns reflect the deduction of trading expenses and custodian fees. Net returns also reflect the additional deduction of management fees and are based on the actual account-level net returns. The Eagle strategy is not managed to a benchmark; S&P & Russell index information is provided for illustrative purposes. Separate account structure for all accounts. For additional information regarding Eagle's index comparisons, please see the disclosures on the Important Information slide.



# EAGLE EQUITY STRATEGY HISTORICAL RETURNS

## EAGLE ANNUAL RETURNS

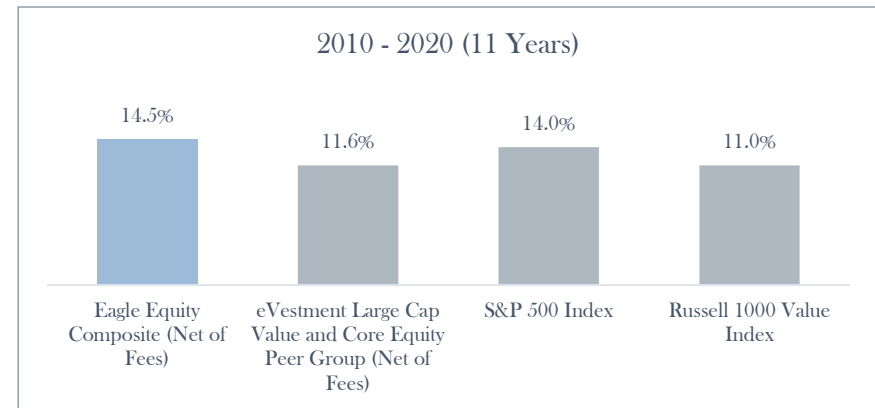
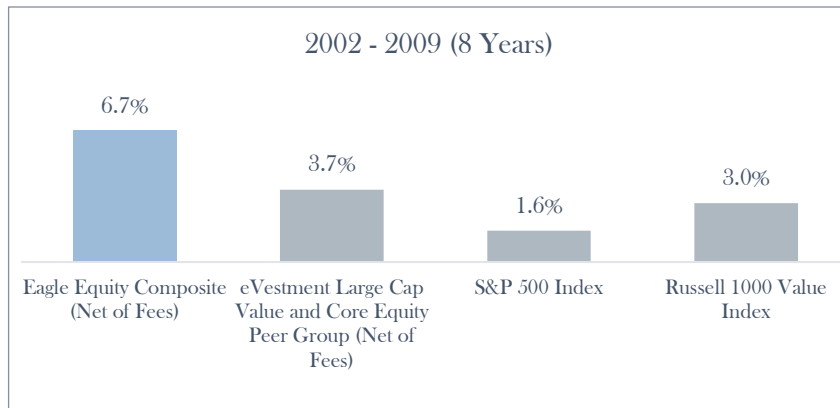
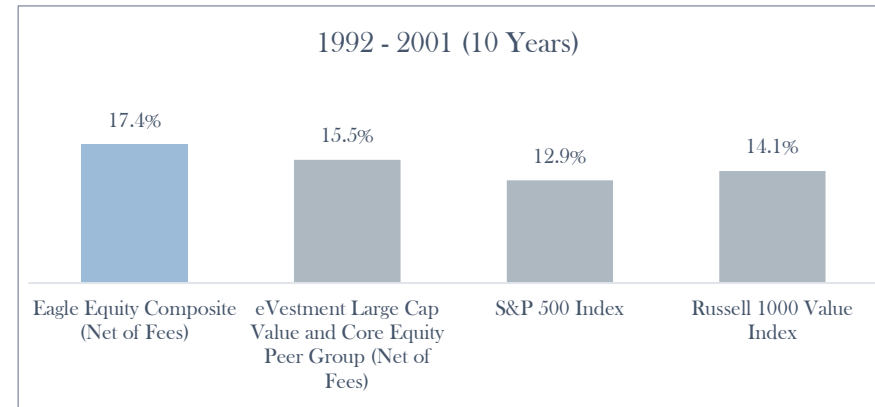
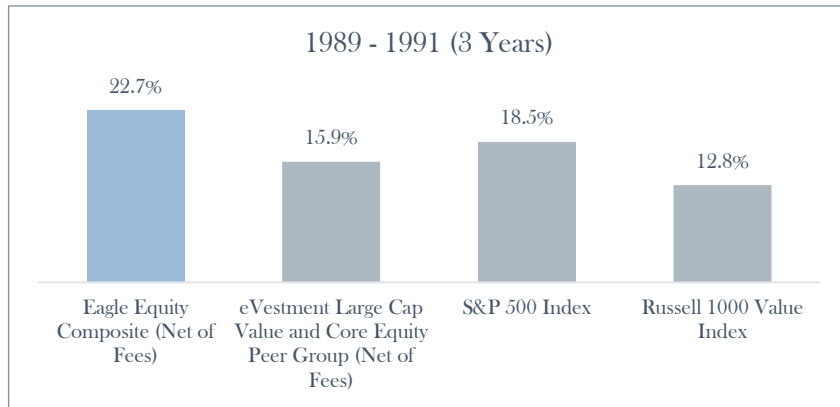
Year	Gross	Net	Russell 1000 Value (R1KV)	S&P 500
1989	32.7%	31.5%	25.2%	31.7%
1990	2.4%	1.4%	-8.1%	-3.1%
1991	43.5%	42.2%	24.6%	30.5%
1992	15.9%	15.1%	13.6%	7.6%
1993	20.4%	19.5%	18.1%	10.1%
1994	-1.4%	-2.2%	-2.0%	1.3%
1995	34.6%	33.6%	38.4%	37.6%
1996	11.3%	10.4%	21.6%	23.0%
1997	30.7%	29.9%	35.2%	33.4%
1998	4.8%	4.1%	15.6%	28.6%
1999	44.4%	43.6%	7.3%	21.0%
2000	33.1%	32.5%	7.0%	-9.1%
2001	-3.5%	-3.9%	-5.6%	-11.9%
2002	-6.5%	-7.0%	-15.5%	-22.1%
2003	33.8%	33.0%	30.0%	28.7%
2004	19.7%	19.2%	16.5%	10.9%
2005	8.4%	7.6%	7.1%	4.9%
2006	12.6%	11.8%	22.2%	15.8%

Year	Gross	Net	Russell 1000 Value (R1KV)	S&P 500
2007	10.7%	9.9%	-0.2%	5.5%
2008	-35.1%	-35.6%	-36.8%	-37.0%
2009	34.7%	33.7%	19.7%	26.5%
2010	20.8%	20.0%	15.5%	15.1%
2011	5.8%	5.0%	0.4%	2.1%
2012	17.9%	17.0%	17.5%	16.0%
2013	36.7%	35.7%	32.5%	32.4%
2014	13.1%	12.3%	13.5%	13.7%
2015	2.2%	1.4%	-3.8%	1.4%
2016	11.0%	10.1%	17.3%	12.0%
2017	24.0%	23.1%	13.7%	21.8%
2018	-4.3%	-5.0%	-8.3%	-4.4%
2019	32.4%	31.4%	26.5%	31.5%
2020	16.0%	15.2%	2.8%	18.4%
2021	28.9%	27.9%	25.2%	28.7%

Information shown is specific to the Eagle Equity Composite. For the GIPS Report in relation to the Eagle Equity Composite, see the content at the conclusion of this presentation. Returns are preliminary. Past performance is not indicative of future results. Returns are presented gross and net of investment advisory fees and include the reinvestment of all income. Gross returns reflect the deduction of trading expenses and custodian fees. Net returns also reflect the additional deduction of management fees and are based on the actual account-level net returns. The Eagle strategy is not managed to a benchmark; S&P & Russell index information is provided for illustrative purposes. Performance data is presented using Net of Fees returns for the Eagle Equity Composite. FEES: Fees are 1.00% on the first \$5MM and 0.75% for assets over \$5MM. Account minimum is generally \$2MM. Separate account structure for all accounts. For additional information regarding Eagle's index comparisons, please see the disclosures on the Important Information slide.

# EAGLE'S CONSISTENT INVESTMENT PHILOSOPHY

Eagle Capital's consistent investment philosophy has enabled us to outperform our peers and the markets over the four market cycles since our inception.



Analysis performed utilizing eVestment Alliance analytics tools is based on net returns that in some cases may be preliminary, unaudited and subject to subsequent adjustment. Net returns include management fees and additional expenses as applicable which reduce returns. Figures are calculated using Advent APX software and Eagle Capital analysis. Since its inception (12/31/88), Eagle is ranked 1 out of 35 managers observed in the eVestment US Large Cap Equity Universe based on "Rk". "Rk" denotes percentile performance relative to peer managers self-reporting to eVestment Alliance. The eVestment US Large Cap Equity Universe includes US equity products that invest primarily in large capitalization stocks. eVestment universes are maintained and reviewed by eVestment based on manager-reported data and eVestment proprietary analysis. While Eagle Capital pays eVestment for certain analytical services, Eagle Capital does not pay to be included in the US Large Cap Equity Universe (this is independently calculated by eVestment). On an ongoing basis, all eVestment Universes are updated & scrubbed approximately 45 days after quarter-end, where several factors are considered, including analysis of sector allocations vs. existing eVestment style universes and statistical performance and risk screening versus appropriate benchmarks and universe medians. For further information, see [www.evestment.com](http://www.evestment.com). Additional details available upon request. Past performance does not guarantee future results. For more detailed performance related background, please see the final slide of this presentation.

# PORTFOLIO CHARACTERISTICS

Separately managed account representative portfolio as of June 30, 2022

## PORTFOLIO CHARACTERISTICS

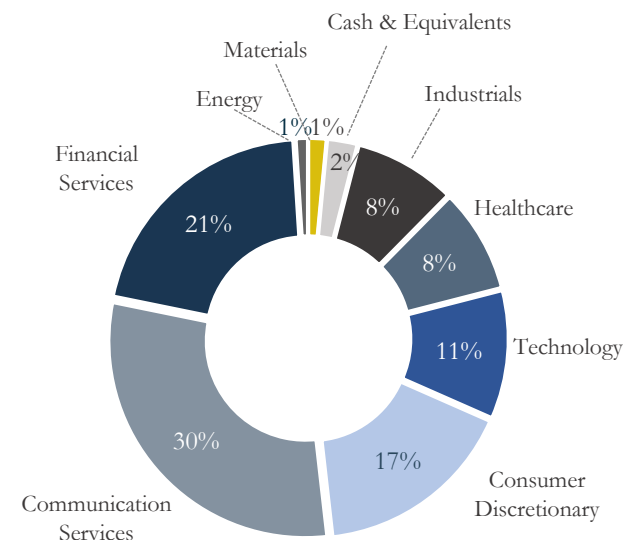
	Portfolio	S&P 500
Number of Holdings	30	503
Top 10 Holdings	57%	27%
Avg Wtd Market Cap (\$B)	478	524
Median Market Cap (\$B)	83	27
Avg Wtd P/E Forward	13.8	17.1
Avg Wtd Price/Book	1.8	3.6
Avg Wtd Price/Cash Flow Trailing	11.7	13.1

## TOP 10 HOLDINGS

Sector	Security	%
1. Technology	Microsoft Corp	9.2
2. Communication Services	Alphabet Inc	8.7
3. Health Care	Unitedhealth Group Inc	6.0
4. Consumer Discretionary	Amazon.com Inc	5.6
5. Consumer Discretionary	Marriott International Inc	4.9
6. Communication Services	Meta Platforms Inc	4.8
7. Communication Services	Charter Communications	4.8
8. Financial Services	Goldman Sachs Group Inc	4.4
9. Communication Services	Comcast Corp	4.3
10. Financial Services	Morgan Stanley	4.2
<b>TOTAL</b>		<b>56.8</b>

## SECTOR ALLOCATIONS

Sectors are the outcome of individual stock selection



Source: Bloomberg; Internal Eagle Capital Analysis, GICS

Please note that the classifications used for attribution purposes are Global Industry Classification Standard (“GICS”) classifications. The holdings identified above do not represent all of the securities purchased, sold, or held during the included period.

\*Securities with negative ratios or extreme positive outliers have been excluded so as not to distort the portfolio total. Portfolio P/E Forward calculation excludes Liberty Broadband Corp; P/B calculations excludes Hilton Worldwide Holdings Inc, Marriot International Inc, and Liberty Broadband Corp; P/CF calculation excludes Capital One Financial Corp, Citigroup Inc, Goldman Sachs Group Inc, Morgan Stanley, Naspers Ltd, Netflix Inc, and Wells Fargo & Co. For information regarding Eagle's index comparisons, please see the disclosures on the Important Information slide.

Charter Communications represents holdings of Liberty Broadband shares. Liberty Broadband holds a substantial interest in Charter Communications Inc. Alphabet Inc. has issued two publicly-traded classes of stock: Class A (GOOGL) voting shares and Class C (GOOG) non-voting shares. In the table above we show the combined weight.

GICS is an industry taxonomy developed in 1999 by MSCI and Standard & Poor's for use by the global financial community. The GICS structure consists of certain sectors, industry groups, industries and sub-industries into which S&P has categorized all major public companies. Past performance is not indicative, or a guarantee, of future results. Changes in assumptions would have a material impact on results.

# CONTRIBUTORS TO PERFORMANCE: QUARTERLY

Eagle Equity Separately Managed Account (SMA) Composite

## GROSS OF FEES, PRELIMINARY

From 3/31/22 – 6/30/22

Top Contributors	Avg. Wgt	Return	Contrib (bps)	Bottom Contributors	Avg. Wgt	Return	Contrib (bps)
Naspers Ltd & Prosus NV <sup>1</sup>	1.0%	22.9%	26	Amazon.com Inc	6.0%	-34.8%	-235
UnitedHealth Group Inc	5.3%	1.1%	7	Alphabet Inc <sup>2</sup>	9.1%	-21.6%	-204
Elevance Health Inc	3.3%	-1.6%	-4	Netflix Inc	3.6%	-53.2%	-198
Evolution AB	0.5%	-10.0%	-5	Meta Platforms Inc	5.3%	-27.5%	-149
Visa Inc	1.3%	-11.1%	-13	Microsoft Corp	9.0%	-16.4%	-144
TOTAL	11.4%		11	TOTAL	32.9%		-930

<sup>1</sup> Naspers Ltd & Prosus NV represents combined holdings of Prosus NV (PROSY) and Naspers Limited (NPSNY) shares. Prosus and Naspers are closely related entities with similar underlying economic exposure and significant cross-holdings in each other. In the table above we show the combined average weight, return and contribution for PROSY and NPSNY

<sup>2</sup> Alphabet Inc. has issued two publicly-traded classes of stock: Class A (GOOGL) voting shares and Class C (GOOG) non-voting shares. In the table above we show the combined average weight, return and contribution for GOOGL and GOOG.

\*Average weight represents the average position weight in the Eagle Equity Composite for 2Q 2022. All positions within the Eagle Equity Composite are included for calculation purposes. However, Top Contributors or Bottom Contributors comprising cash and cash equivalents and positions with an average weight in the Eagle Equity Composite equal to or below 0.25% will not be displayed in the tables above. For the avoidance of doubt, for 2Q 2022, Top Contributors exclude the following positions which had an average weight in the Eagle Equity Composite equal to or below 0.25% for the period: ConocoPhillips.

Performance attribution figures are based on gross returns that are preliminary, unaudited and subject to subsequent adjustments. Gross returns exclude management fees which will reduce returns. Contribution and attribution figures are calculated using Advent APX software and Eagle Capital analysis. Details available upon request. Past performance does not guarantee future results. The holdings identified above do not represent all of the securities purchased, sold, or held during the included period. See Footnotes at end of presentation for important disclosures.

# CONTRIBUTORS TO PERFORMANCE: YEAR TO DATE

Eagle Equity Separately Managed Account (SMA) Composite

## GROSS OF FEES, PRELIMINARY

From 12/31/21 – 6/30/22

Top Contributors	Avg. Wgt	Return	Contrib (bps)	Bottom Contributors	Avg. Wgt	Return	Contrib (bps)
UnitedHealth Group Inc	4.9%	2.9%	16	Meta Platforms Inc	5.5%	-52.0%	-351
Elevance Health Inc	3.3%	4.6%	15	Netflix Inc	3.6%	-70.8%	-348
Willis Towers Watson Plc	0.4%	-1.8%	-7	Amazon.com Inc	6.2%	-36.3%	-235
LyondellBasell Industries	1.1%	1.4%	-8	Alphabet Inc <sup>1</sup>	9.4%	-24.3%	-222
Visa Inc	1.3%	-8.8%	-10	Microsoft Corp	9.0%	-23.2%	-201
<b>TOTAL</b>	<b>11.0%</b>		<b>6</b>	<b>TOTAL</b>	<b>33.7</b>		<b>-1357</b>

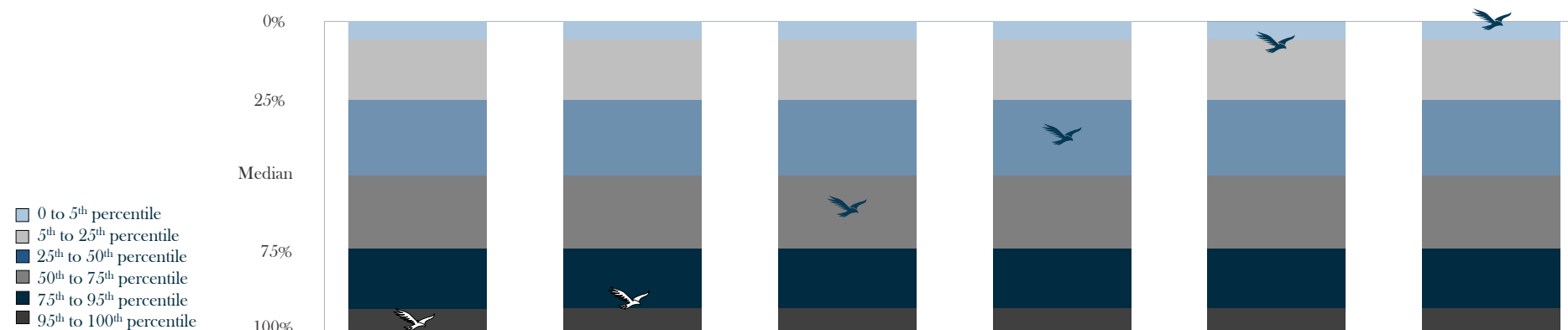
<sup>1</sup> Alphabet Inc. has issued two publicly-traded classes of stock: Class A (GOOGL) voting shares and Class C (GOOG) non-voting shares. In the table above we show the combined average weight, return and contribution for GOOGL and GOOG.

\*Average weight represents the average position weight in the Eagle Equity Composite for 2022 YTD. All positions within the Eagle Equity Composite are included for calculation purposes. However, Top Contributors or Bottom Contributors comprising cash and cash equivalents and positions with an average weight in the Eagle Equity Composite equal to or below 0.25% will not be displayed in the tables above. For the avoidance of doubt, for 2022 YTD, Top Contributors exclude the following positions which had an average weight in the Eagle Equity Composite equal to or below 0.25% for the period: 3M Co, Bank of America Corp, Wal-Mart Stores Inc, Berkshire Hathaway Inc, Mondelez International Inc, and ConocoPhillips.

Performance attribution figures are based on gross returns that are preliminary, unaudited and subject to subsequent adjustments. Gross returns exclude management fees which will reduce returns. Contribution and attribution figures are calculated using Advent APX software and Eagle Capital analysis. Details available upon request. Past performance does not guarantee future results. The holdings identified above do not represent all of the securities purchased, sold, or held during the included period. See Footnotes at end of presentation for important disclosures.

# EAGLE HAS USUALLY RANKED IN THE TOP QUARTILE VS. ITS PEER GROUP

EAGLE EQUITY COMPOSITE | NET OF FEE RETURNS AS OF: JUNE 30, 2022



UNIVERSE: LARGE CAP VALUE & CORE

	1 Year	3 Years	5 Years	10 Years	20 Years	Since Inception 33.5 Years <sup>1</sup>
	Rank	Rank	Rank	Rank	Rank	Rank
5 <sup>th</sup> percentile	1.4	12.1	12.2	13.2	10.4	12.0
25 <sup>th</sup> percentile	-4.1	10.2	10.3	12.1	9.2	10.8
Median	-7.9	8.6	8.9	11.2	8.5	10.1
75 <sup>th</sup> percentile	-11.9	7.1	7.5	10.3	7.8	9.6
95 <sup>th</sup> percentile	-18.1	4.8	5.1	8.8	6.8	8.4
# of Observations	515	511	493	411	217	38
• Eagle Capital Management, LLC	-23.1 98%	5.4 93%	8.3 61%	11.7 34%	10.3 6%	13.3 1%

Since Inception Date Range: 1/1989-6/2022

Results displayed in USD using Spot Rate (SR).

Source: Analysis performed utilizing eVestment Alliance analytics tools. The various “flying eagle” symbols within the bar chart represent Eagle Capital’s percentile Rank in the 1, 3, 5, 10, 20 and Since Inception time periods as shown immediately below the bar chart. Performance figures are based on net returns that in some cases may be preliminary, unaudited and subject to subsequent adjustments. Net returns include management fees and additional expenses as applicable which reduce returns. Figures are calculated using Advent APX software and Eagle Capital analysis. Additional details available upon request. Past performance does not guarantee future results. “Rank” denotes percentile performance relative to peer managers self-reporting to eVestment Alliance.

The eVestment US Large Cap Equity Universe includes US equity products that invest primarily in large capitalization stocks. eVestment universes are maintained and reviewed by eVestment based on manager-reported data and eVestment proprietary analysis. While Eagle Capital pays eVestment for certain analytical services, Eagle Capital does not pay to be included in the US Large Cap Equity Universe (this is independently calculated by eVestment). On an ongoing basis, all eVestment Universes are updated & scrubbed approximately 45 days after quarter-end, where several factors are considered, including analysis of sector allocations vs. existing eVestment style universes and statistical performance and risk screening versus appropriate benchmarks and universe medians. For further information, see [www.evestment.com](http://www.evestment.com)

# SEASONED INVESTMENT TEAM

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- Collaborative, team-approach to research.
- CIO Team: 10+ years of working closely together.
- 23 years average investment experience.

RAVENEL B. CURRY  
CEO, Co-CIO & Founder

54 Years of Experience  
Previously: Duke Endowment,  
Furman University, Darden

R. BOYKIN CURRY  
Co-CIO

29 Years of Experience  
Previously: Kingdon Capital,  
Bain, Yale, Harvard Business School

ALEC HENRY  
Co-CIO

19 Years of Experience  
Previously: Corsair Capital,  
Starwood Hotels, UVA

ADRIAN MELI  
Co-CIO

20 Years of Experience  
Previously: Farley Capital,  
Williams College

JONATHAN  
GANDELMAN  
Senior Analyst

11 Years of Experience  
Previously: Falcon Edge, Apax,  
Evercore, Wharton, HBS

YINH HINH  
ESG Portfolio Specialist

20 Years of Experience  
Previously: Criterion, Perry Capital,  
Wexford Capital, UC Berkeley

STEPHANIE LI  
Senior Analyst

7 Years of Experience  
Previously: Blue Ridge Capital,  
Evercore, Wharton

RICHARD ONG  
Partner Emeritus

37 Years of Experience  
Previously: McCowan Associates,  
Princeton, Columbia University

SCOTT ROBINSON  
Senior Analyst

23 Years of Experience  
Previously: Samlyn Capital, Yale  
University, Northwestern University

KELLI ROSS  
Analyst

1 Year of Experience  
Previously: University of Tennessee

JASON FEINBERG  
Head Trader

21 Years of Experience  
Previously: Highfields, Barclays, Lehman,  
University of Pennsylvania

NANNETTE RACETTE-AGUAYO  
Trader

24 Years of Experience  
Previously: Wellington, Simmons School of  
Management

JAMES VARLEY  
Senior Trader

28 Years of Experience  
Previously: American Securities L.P.,  
Couchman Capital, C.W. Post

# EAGLE'S CIO TEAM DRIVES ALL PORTFOLIO CHANGES

---

## THE CIO TEAM MEMBERS:

- Ravenel Curry
- Boykin Curry
- Alec Henry
- Adrian Meli

## HOW OUR UNIQUE STRUCTURE WORKS:

- Our research team is based in one office and interacts daily.
- Entire team is involved in debating new ideas and portfolio risks.
- The entire team meets formally once a week followed by a weekly CIO team meeting.
- The CIO Team manages Eagle's portfolio and trading strategies and makes all final decisions.

---

## Benefits of our CIO Team structure:



### IMPROVED PORTFOLIO CONSTRUCTION

Fosters debate, leverages 100+ years of collective experience and incorporates different perspectives; not one point of view.



### MERITOCRATIC STRUCTURE

Recognizes and reflects the members' different strengths and contributions to the portfolio over time.



### PRIVATE EQUITY-LIKE APPROACH

Modeled after PE firms whose investment committees debate and decide a handful of long-term, attractive investments every year.

The above is a summary presented for illustrative purposes only. There is no guarantee that Eagle will implement these objectives.



# OUR INVESTMENT PHILOSOPHY

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Our “North Star” is buying undervalued companies with unrecognized long-term growth potential

## VALUE-ORIENTED INVESTORS WITH LONG-TERM HORIZON

- We assess the price relative to long-term intrinsic value; we don’t anchor on a specific metric (e.g., low P/E, low P/B).
- We are truly long-term investors. Our team vigorously analyzes and debates business changes, growth prospects, margins, industry forces and valuation scenarios out 5 to 10 years from now.
- We seek to identify a “Margin of Safety” based on valuation discount, resilience, growth opportunities and strong management.

## PRIVATE EQUITY-LIKE APPROACH TO PUBLIC EQUITY MARKETS

- Eagle strives to build positions in durable, high-quality businesses with long-term, above market returns, combined with downside protection.
- We firmly believe strong and aligned management is vital in long-term investing. We value and utilize our access to senior management that our size and time horizon present.

## FOCUS PORTFOLIO ON HIGHEST CONVICTION IDEAS

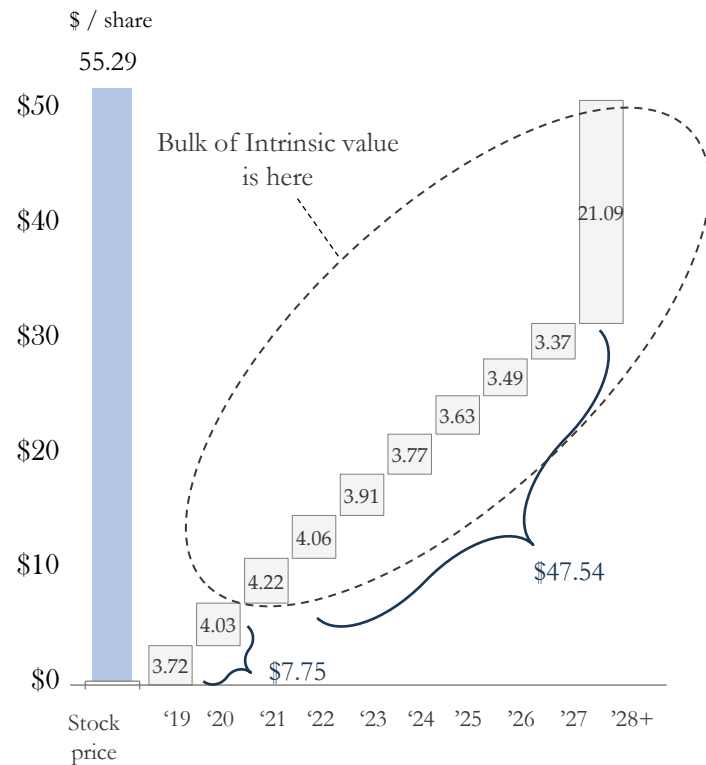
- We concentrate our portfolio in 25-35 stocks with the top ten positions typically representing approximately 60% of the portfolio.
- We engage in exhaustive due-diligence and deliberation; we endeavor to approach everything we do with analytical rigor, intellectual curiosity and creativity combined with emotional calm, patience and humility.
- Our investment team has the experience, resources and patience to find risk asymmetric opportunities in the market.

The above is a summary presented for illustrative purposes only. There is no guarantee that Eagle will implement these objectives.

# EAGLE'S TIME ARBITRAGE ADVANTAGE

Unlike many investors, Eagle recognizes that the bulk of a company's intrinsic value lies in the mid and distant future.

## EXAMPLE: COMPANY A\*



\*This graph is illustrative only, was created by Eagle, is subjective, and is intended solely to represent Eagle's view of the potential value proposition of a long-term investment.

Four primary reasons why investors may focus on the short-term:

### I. HUMAN PSYCHOLOGY

People are wired for short-term feedback.

### II. MEASUREMENT

It is easier to measure short-term success than long-term skill.

### III. SELL-SIDE MEDIA

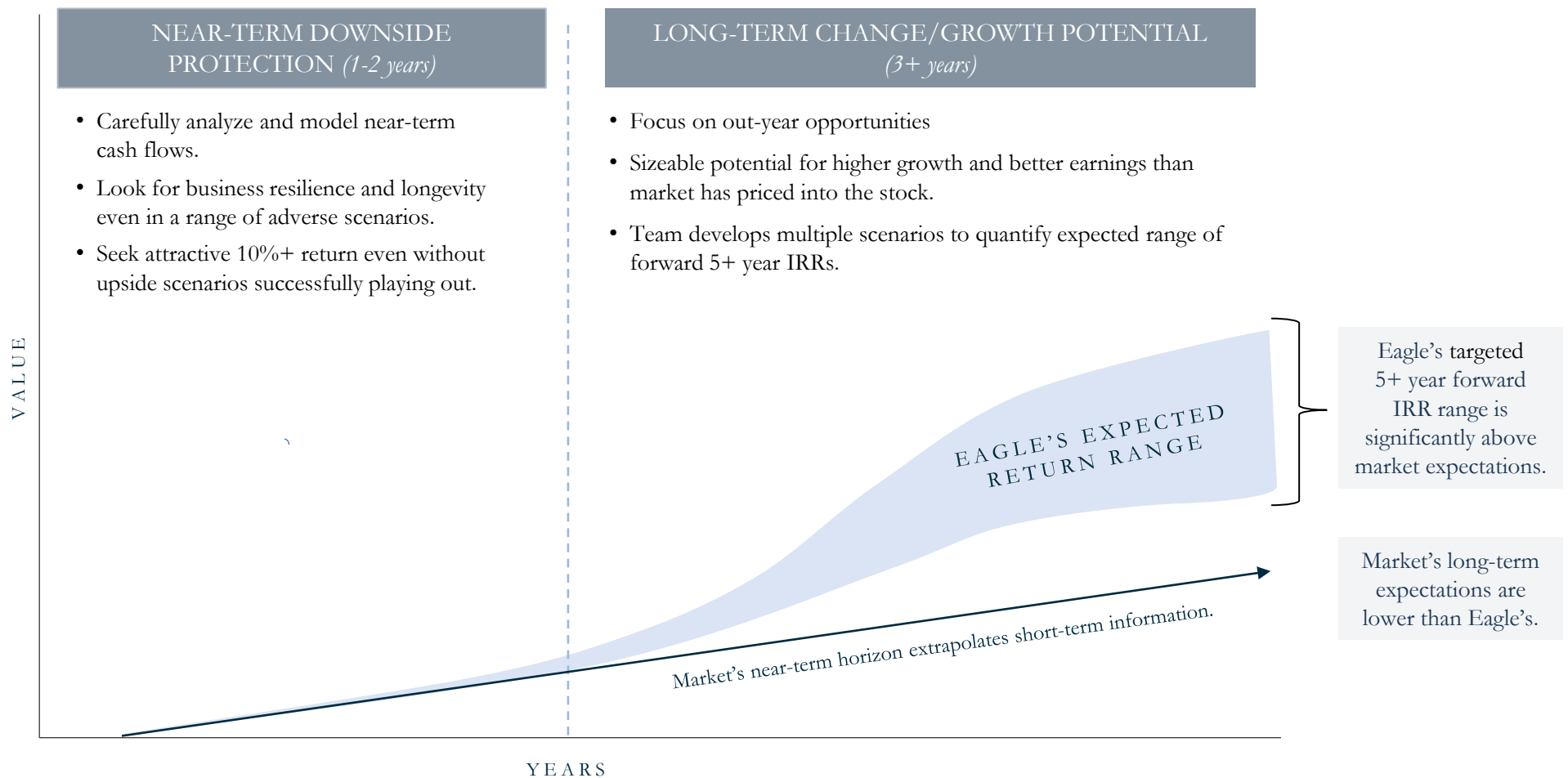
Wall Street and the financial media encourage frequent trading.

### IV. MONEY MANAGEMENT INDUSTRY STRUCTURE

Incentives in the industry are geared towards the short-term.

# FIND CHANGE EARLY

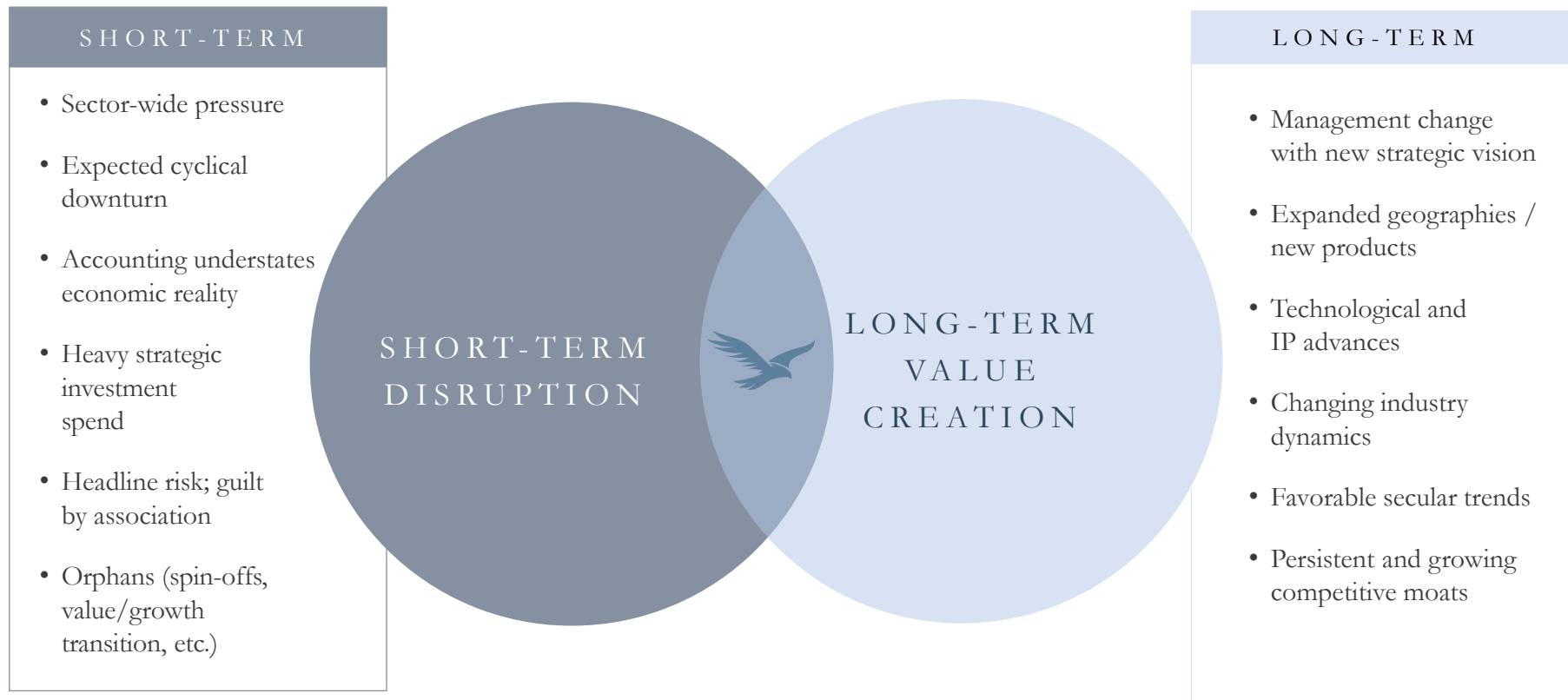
Eagle looks for future secular winners where we believe the market has underestimated the company's long-term repositioning and value creation.



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# MARKET DISAGREEMENT CREATES OPPORTUNITIES

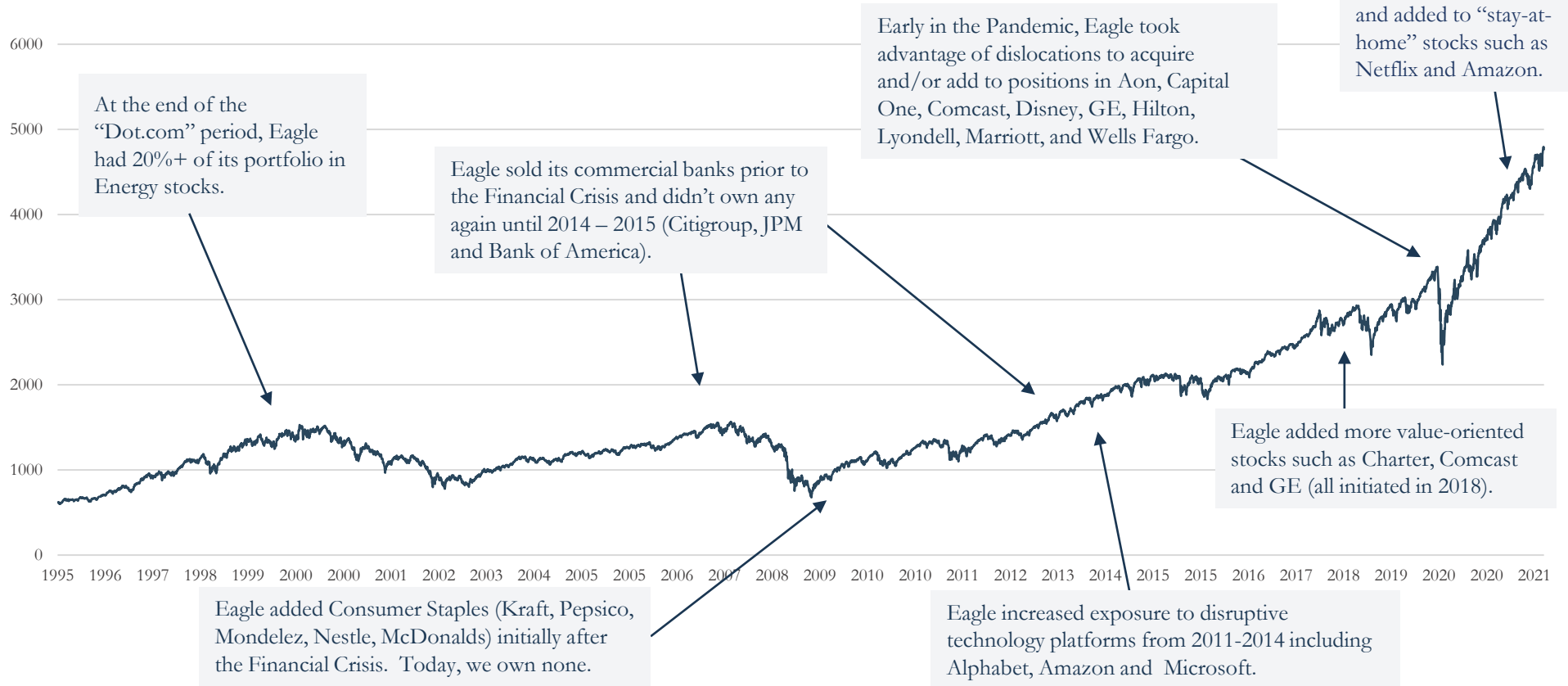
The team looks to identify mispriced outliers that often stem from short-term disruption combined with long-term value creation.



The above is a summary presented for illustrative purposes only. There is no guarantee that Eagle will implement these objectives.

# EAGLE TAKES ADVANTAGE OF MARKET OPPORTUNITIES

S&P 500 Price History: 1/1/1996 – 12/31/2021



Source: Bloomberg; Internal Eagle Capital Analysis

The illustrative model presented above is based on a number of assumptions for the limited purpose of providing a sample illustration. Any sample illustration is inherently subject to assumptions and to business, economic and competitive uncertainties and contingencies, many of which are beyond Eagle's control. Actual portfolio returns may have no correlation with the sample illustration contained herein and the sample illustration is not necessarily indicative of future investments that Eagle will make. This comparison does not constitute advice or a recommendation or offer to sell or a solicitation of any offer to buy any security and may include projections or other forward-looking statements, and no representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used have been stated or fully considered. Past performance is not indicative, or a guarantee, of future results. Changes in assumptions would have a material impact on results.

# NEW POSITION PROCESS

The investment team's collective and diverse perspectives, insights and expertise factor into portfolio decisions.



## PHASE I

### IDENTIFY COMPELLING OPPORTUNITIES

- Constantly enhances knowledge on industries, changing competitive dynamics and emerging companies.
- Diligently follows best-in-class companies and gets to know their management teams.
- Seeks to identify superior risk/reward opportunities.
- Takes advantage of price volatility.



## PHASE II

### TEAM RESEARCH AND DEBATE BEST IDEAS

- Encourages rigorous ongoing and iterative approach to research.
- Values each analyst's unique questions and insights.
- Identifies key drivers of long-term success.
- Develops a view on a range of potential long-term IRRs.
- Examines material risks including ESG, regulatory, financial leverage, and liquidity.



## PHASE III

### CIO TEAM EXECUTION OF NEW POSITION

- Makes all portfolio decisions after team input and debate.
- Typically underwrites ~5 new positions a year.
- Partners with Trading to devise optimal strategies for portfolio changes.
- Determines portfolio sizing to reflect risk/reward profile.

The above is a high-level overview of a complex process. Eagle may not perform certain steps, or may perform additional steps, in its discretion.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) ISSUES HAVE ALWAYS BEEN IMPORTANT TO EAGLE

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We believe ESG best practices create long-term, sustainable returns.

- The longer the investment horizon, the more important ESG considerations can become.
- We view ESG issues as complex requiring thorough analysis and the weighing of offsetting factors.
- Eagle addresses these questions through comprehensive research and analysis, management engagement and team debate – not external ratings.

Eagle has strengthened and formalized our ESG approach.

- Committed to the United Nations Principles of Responsible Investment (UNPRI), SASB Alliance, and The Ceres Investor Network.
- Supplemented our internal ESG risk assessment with third party research providers.
- Established ESG Advisory Committee that meets monthly to evaluate existing and potential portfolio companies:
  1. Identify major ESG risks that could potentially have material impact on company’s future performance.
  2. Formalize monitoring of relevant key metrics and questions for management.
  3. Ensure position sizing reflects our ESG risk assessment.

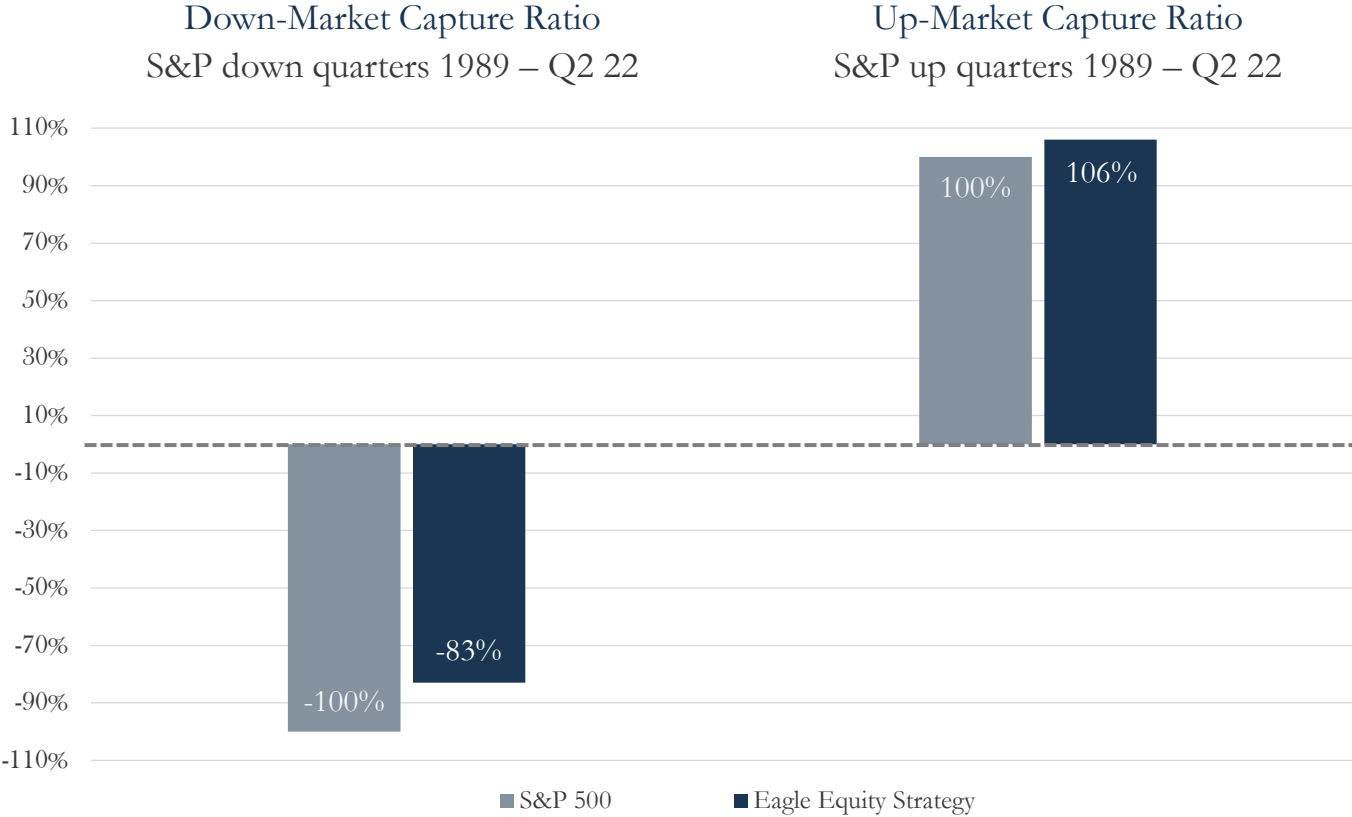
Eagle understands that ESG means different things to our various clients.

- Eagle has always valued and respected our clients’ customized account restrictions that reflect their individual values and priorities.

# OUR AIM IS TO PROTECT, PRESERVE AND GROW OUR CLIENTS' CAPITAL

*"Risk is greatest when agreement is greatest."* Ravenel Curry

MARKET CAPTURE RATIO (as of June 30, 2022)



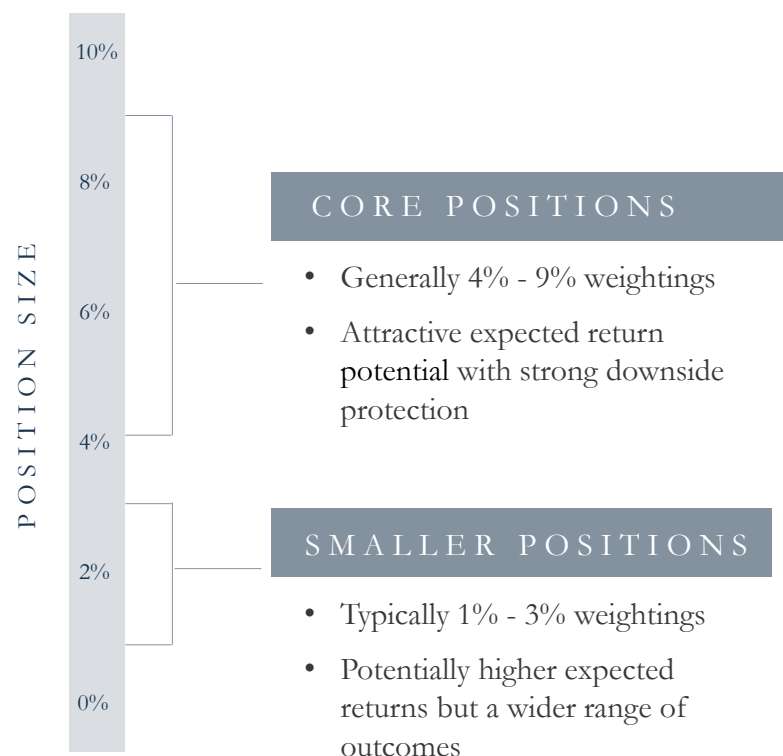
Sources: Advent APX, eVestment

Past performance is not indicative of future results. The blue line corresponding with Eagle Capital Management, LLC represent the Eagle Equity Composite strategy. Please see the Important Information slide for additional information regarding Eagle's index descriptions. Performance data is presented using Net of Fees returns for the Eagle Equity Composite (the "Composite"). FEES: Fees are 1.00% on the first \$5MM and 0.75% for assets over \$5MM. Account minimum is generally \$2MM. Separate account structure for all accounts. For more detailed footnotes, please see the final pages of this presentation.



# OUR POSITION SIZING REFLECTS RISK/REWARD PROFILE

## EAGLE'S CONVICTION WEIGHTING:



## EAGLE'S SELL DISCIPLINE:

### VALUATION/POTENTIAL RETURN STREAMS

- Prospective return stream declines
- A new idea offers superior risk/reward profile

### INVESTMENT THESIS IS QUESTIONED

- New threats emerge
- Fundamentals deteriorate
- Flawed assumptions

### PORTFOLIO RISK CONTROLS

- 25 – 35 positions
- Generally 10% position limit
- Generally 35% sector limit

The above is a high-level summary of Eagle's portfolio construction approach that is presented for illustrative purposes only. There is no guarantee that Eagle will implement these objectives.

# INITIATED FASTER GROWING COMPANIES AT TIMES OF CONTROVERSY WITH STRONG VALUATION SUPPORT

Initial Purchase Date	Company	Initial Valuation (Price / Normalized Earnings)	Initial Purchase Price	Initial Portfolio Weight	Change in Company Stock Price		Short Term Stock Pressure at the Time of Purchase
					6 Months Prior	1 Year Prior	
Q2 2011 - 4/25/2011	Alphabet Inc A	~13x	\$262.32	2.0%	-14.8%	-1.2%	<ul style="list-style-type: none"> <li>• Uncertainty over continued dominance of search during migration from desktops to mobile.</li> <li>• Change in Leadership (Eric Schmidt departure, Page/Brin stepped in).</li> <li>• Short-term margin compression.</li> </ul>
Q4 2014 - 11/4/2014	Amazon.com Inc	~20x	\$301.87	2.7%	-2.3%	-15.6%	<ul style="list-style-type: none"> <li>• Profitability and strength of AWS unclear to the market.</li> <li>• Heavy investment in DCs and data centers depressed near-term profitability.</li> </ul>
Q3 2018 - 9/10/2018	Facebook Inc-A	~18x	\$163.82	2.0%	-11.1%	-5.4%	<ul style="list-style-type: none"> <li>• Cambridge Analytica mishandling and other privacy related oversights.</li> <li>• Anticipated margin compression due to investment in screening of content and enhanced user information security.</li> </ul>
Q4 2019 - 10/16/2019	Netflix	~20x	\$284.61	1.9%	-20.4%	-17.4%	<ul style="list-style-type: none"> <li>• Rising competitive landscape (Disney+, Apple, Hulu, HBO Max, etc.)</li> <li>• Questions around long-term margins of industry as content costs continued to escalate.</li> </ul>

Source: Yahoo Finance and internal Eagle Capital Analysis. Purchase date, price and weighting are based on data for the Eagle Representative Account (“the Account”). See content herein referencing the Account for additional information concerning the Account more generally. Performance figures based on adjusted closing price for the periods. Actual portfolio returns may have no correlation with the information contained herein and the information is not necessarily indicative of future investments that Eagle will make. This comparison does not constitute advice or a recommendation or offer to sell or a solicitation of any offer to buy any security and may include projections or other forward-looking statements, and no representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used have been stated or fully considered. Past performance is not indicative, or a guarantee, of future results. Changes in assumptions would have a material impact on results. It should not be assumed that any of the holdings discussed were or will be profitable, or that the recommendations or decisions made in the future will be profitable or will equal the performance of the holdings discussed here.

# PORTFOLIO COMPOSITION

City of Jacksonville Retirement System as of July 31, 2022

Sector	Security	Share Cost	Share Price	Total Cost	Market Value	Pct. Assets
<b>COMMUNICATION SERVICES</b>						
	Alphabet Inc Cl C	\$48.56	\$116.64	\$7,843,912	\$18,842,026	8.4%
	Charter Communications Inc-A	\$259.91	\$432.10	\$1,985,750	\$3,301,244	1.5%
	Comcast Corp-Class A	\$32.87	\$37.52	\$7,416,679	\$8,465,187	3.8%
	Dish Network Corp Cl A	\$35.23	\$17.37	\$5,057,290	\$2,493,516	1.1%
	IAC Inc	\$132.81	\$68.50	\$2,975,694	\$1,534,743	0.7%
	Liberty Broadband-C	\$98.41	\$108.93	\$5,387,945	\$5,963,918	2.7%
	Meta Platforms Inc-Class A	\$203.88	\$159.10	\$12,645,538	\$9,868,178	4.4%
	Netflix Inc	\$305.11	\$224.90	\$14,138,962	\$10,421,866	4.6%
	Walt Disney Co/The	\$90.86	\$106.10	\$2,642,148	\$3,085,176	1.4%
				\$60,093,918	\$63,975,852	28.5%
<b>CONSUMER DISCRETIONARY</b>						
	Amazon.com Inc	\$60.41	\$134.95	\$6,541,240	\$14,612,386	6.5%
	Evolution AB-ADR	\$129.58	\$96.95	\$1,487,117	\$1,112,598	0.5%
	General Motors Co	\$34.10	\$36.26	\$2,008,055	\$2,135,351	1.0%
	Hilton Worldwide Holdings Inc	\$71.10	\$128.07	\$3,819,240	\$6,879,792	3.1%
	Marriott International -Cl A	\$74.43	\$158.82	\$5,521,750	\$11,783,173	5.2%
	Naspers Ltd-N Shs Spon ADR	\$38.86	\$28.26	\$1,341,154	\$975,337	0.4%
	Prosus NV -Spon ADR	\$15.49	\$12.98	\$5,027,206	\$4,211,374	1.9%
				\$25,745,762	\$41,710,013	18.6%
<b>ENERGY</b>						
	ConocoPhillips	\$91.85	\$97.43	\$2,066,762	\$2,192,272	1.0%
				\$2,066,762	\$2,192,272	1.0%
<b>FINANCIAL SERVICES</b>						
	Aon PLC	\$118.92	\$291.04	\$3,675,083	\$8,994,300	4.0%
	Capital One Financial Corp	\$74	\$109.83	\$2,158,821	\$3,203,961	1.4%
	Citigroup Inc	\$50.61	\$51.90	\$8,818,560	\$9,043,160	4.0%
	Goldman Sachs Group Inc	\$164.39	\$333.39	\$4,988,581	\$10,117,053	4.5%
	Morgan Stanley	\$46.16	\$84.30	\$5,293,306	\$9,667,018	4.3%
	Wells Fargo & Co	\$38.41	\$43.87	\$7,183,770	\$8,205,971	3.7%
				\$32,118,122	\$49,231,463	21.9%

This report is provided for informational purposes only and the data herein may be unreconciled. The account records maintained by your custodian and your accountant are the legal records for your account, and should be used in the preparation of your tax returns. We advise you to seek advice regarding all tax matters. For reporting purposes, Eagle Capital Management assumes a cash yield of zero. Please refer to your custodian's statement for your cash yield. Differences in accounting methods may cause the cost basis of a security in your custodial records to differ from the one contained in this report.

# PORTFOLIO COMPOSITION

City of Jacksonville Retirement System as of July 31, 2022, continued

Sector	Security	Share Cost	Share Price	Total Cost	Market Value	Pct. Assets
<b>HEALTH CARE</b>						
	Elevance Health Inc	\$292.55	\$477.10	\$3,093,085	\$5,044,378	2.2%
	UnitedHealth Group Inc	\$74	\$542.34	\$1,792,273	\$13,135,475	5.8%
				\$4,885,358	\$18,179,853	8.1%
<b>INDUSTRIAL</b>						
	AerCap Holdings NV	\$50.67	\$44.86	\$3,858,884	\$3,416,089	1.5%
	General Electric Co	\$71.43	\$73.91	\$8,026,523	\$8,305,710	3.7%
	Safran SA-Unspon ADR	\$32.37	\$27.42	\$5,491,322	\$4,651,776	2.1%
	Woodward Inc	\$108.73	\$104.70	\$3,653,338	\$3,517,815	1.6%
				\$21,030,067	\$19,891,390	8.9%
<b>MATERIALS</b>						
	LyondellBasell Industries-Cl A	\$61.89	\$89.12	\$2,119,047	\$3,051,201	1.4%
				\$2,119,047	\$3,051,201	1.4%
<b>TECHNOLOGY</b>						
	Microsoft Corp	\$76.04	\$280.74	\$5,636,602	\$20,809,291	9.3%
	Visa Inc-Class A Shares	\$199.25	\$212.11	\$2,855,182	\$3,039,536	1.4%
				\$8,491,784	\$23,848,827	10.6%
	COMMON STOCK			\$156,550,820	\$222,080,872	98.8%
	CASH AND EQUIVALENTS			\$2,650,682	\$2,650,682	1.2%
<b>TOTAL PORTFOLIO</b>				\$159,201,502	\$224,731,554	100.0%

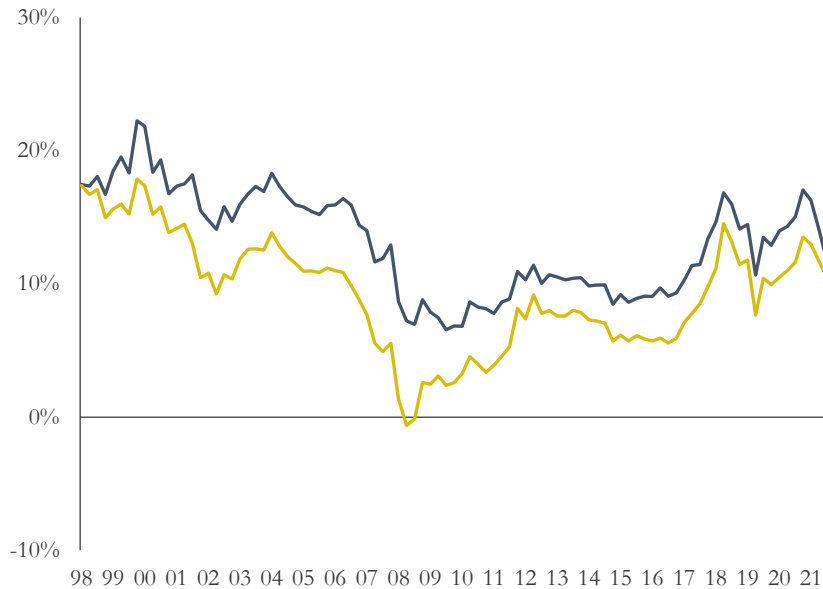
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# ALPHA GENERATION

As of June 30, 2022

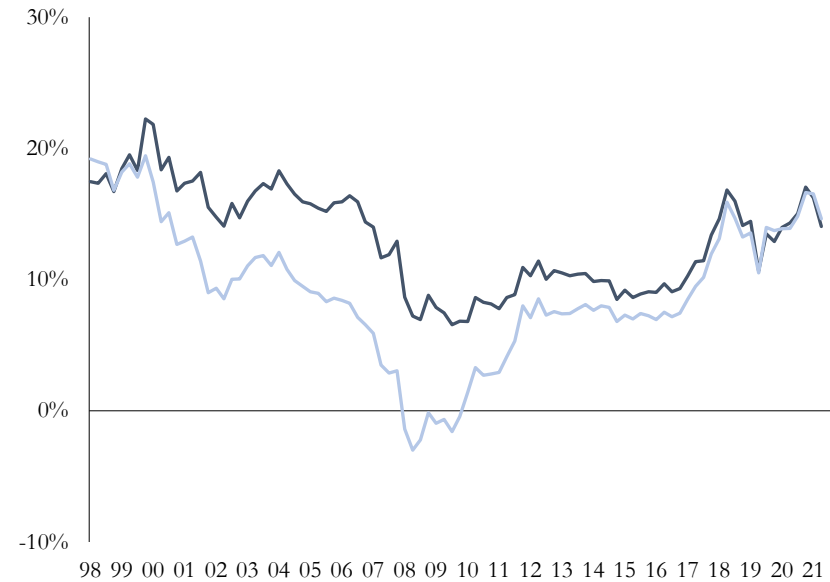
Eagle's net composite return has outperformed the R1KV in 100% of rolling 10-year periods

10-YEAR ROLLING QUARTERLY RETURNS



Eagle's net composite return has outperformed the S&P 500 in 91% of rolling 10-year periods

10-YEAR ROLLING QUARTERLY RETURNS



— Eagle Equity Strategy — Russell 1000 Value Index ("R1KV") — S&P 500 Index

Source: Eagle Capital analysis. Performance data for the Eagle Equity Strategy is presented using annualized 5-year and 10-year returns for the Eagle Equity Composite that are net of fees and compared to the S&P 500 Index. Each data point represents the annualized trailing 10-year return on a quarterly basis since the inception of Eagle Equity Composite (12/31/1988) through 6/30/22. Net of fees returns may vary by client. For information regarding Eagle's index comparisons, please see the disclosures on the Important Information slide. For more detailed fee information, please see the final pages of this presentation.

A client's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account. See Part 2A of Eagle Capital's Form ADV for a complete description of the investment advisory fees customarily charged by Eagle Capital.

# THE EAGLE DIFFERENCE

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We believe that Eagle's strengths provide an enduring competitive advantage that have allowed us to achieve top-tier returns.



## EAGLE'S TRACK RECORD AND CONSISTENCY

- 33 years of investing over various market cycles
- Demonstrated experience producing top-decile returns since 1988
- Focus on asymmetric risk/reward



## EAGLE'S STRATEGY

- Our long-term focus allows us to identify attractive, above market return opportunities
- Flexible approach to value investing that results in differentiated "value" and "growth" positions
- Concentrated portfolio of our very best ideas



## THE EAGLE INVESTMENT TEAM

- Core team with an average of 25 years experience
- CIO Team (10+ years together) adds to diversity of thought and expertise
- Concentrate on hiring and retaining the most talented individuals we can find



## EAGLE'S STRUCTURE

- Long-standing clients who have confidence in us and let us focus on the long-term
- We think our opportunities, access, and relationships are unique to our size and experience
- Aligned compensation structure – no annual analyst bonuses

The above is a summary presented for illustrative purposes only. There is no guarantee that Eagle will implement these objectives.

# IMPORTANT INFORMATION

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This Presentation has been provided in order to provide a high-level overview of Eagle Capital Management, LLC (the "Adviser"), certain of its operational and advisory programs and processes, and certain of its key personnel. This report has been prepared solely for the purpose of providing background information to the person to whom it has been delivered. The information contained herein is strictly confidential and is only for the use of the person to whom it is sent and/or who attends any associated presentation. The information contained herein may not be reproduced, distributed or published by any recipient for any purpose without the prior written consent of the Adviser. Notwithstanding anything set forth herein, each recipient of this document (and each of the employees, representatives or other agents of such recipient) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the applicable Separately Managed Account managed by the Advisor (a "SMA") and (ii) any of its transactions, and all materials of any kind (including, without limitation, opinions or other tax analysis) that are provided to each recipient relating to such tax treatment and tax structure. Important disclosures are included throughout this report as well as in the footnotes located on the final page of this report and these should be carefully reviewed.

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This Presentation does not create any obligation on the Adviser to consider any offer. The Adviser reserves the right, without prior notice and without giving reasons, to vary or terminate the sale process, to reject any or all proposals and/or to negotiate with any prospective purchaser on any terms (and whether individually or simultaneously with any other prospective purchaser) with respect to any transaction.

Unless otherwise indicated, the information contained in this Presentation is current as of the date indicated on its cover and there is no obligation to update, modify or amend this Presentation. The information in this Presentation is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions contained herein. Past performance is not a guarantee or indicative of future results.

Opinions expressed herein may not be shared by all employees of the Adviser and are subject to change without notice. Certain information contained in this report constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual policies, procedures and processes of the Adviser and the performance of any SMA may differ materially from those reflected or contemplated in such forward-looking statements and no undue reliance should be placed on these forward-looking statements, nor should the inclusion of these statements be regarded as the Adviser's representation that an account will achieve any strategy, objectives or other plans.

A number of indices are referenced herein. Each index is presented because the Adviser feels that it serves as a useful point of comparison with aspects of the Adviser's portfolio management. A SMA's portfolio will not replicate any of these indices and no guarantee is given that performance will match any of the indices. The S&P 500 Index includes 500 leading companies and captures more than three quarters of the total market capitalization. It is float-adjusted and based on the market cap weightings of the securities that comprise the index. The Russell 1000 Value Index contains those Russell 1000 companies that have higher book-to-price ratios, and thus a less-than-average growth orientation, than the remaining companies in the Russell 1000 Index that encompass the Russell 1000 Growth Index.

Eagle Capital Advisory Fee Example: An account with an initial \$1,000,000 investment on January 1, 2016 earning a recurring 2.5% quarterly gross return (10% annualized), and paying a .25% quarterly management fee (1.00% annual fee) would have grown to \$1,649,060 on a gross of fees basis and \$1,568,612 on a net of fees basis by December 31, 2020 (5 years).

Up-Market Capture Ratio Information: An up-market capture ratio of 110 indicates that the manager outperformed the market by 10% during the specified period. A down-market capture ratio of 80 indicates that the manager's portfolio declined only 80% as much as the S&P 500 during the specified period. The Eagle strategy is not managed to a benchmark; S&P information is provided for illustrative purposes.

The Global Industry Classification Standard ("GICS") is an industry taxonomy developed in 1999 by MSCI and Standard & Poor's for use by the global financial community. The GICS structure consists of certain sectors, industry groups, industries and sub-industries into which S&P has categorized all major public companies. Past performance is not indicative, or a guarantee, of future results. Changes in assumptions would have a material impact on results.

# RISK FACTORS

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An investment in a SMA entails substantial risks, including, but not limited to, those listed below. Prospective investors should carefully consider the following summary of risk factors and carefully read any risk factors contained in any proposed account agreement provided by the Adviser and the Adviser's Form ADV in determining whether an investment in a SMA is suitable:

## Speculative Investment-High Degree of Risk.

A SMA's investment program is speculative and entails substantial risks. Since market risks are inherent in all securities investments to varying degrees, there can be no assurance that the investment objective of a SMA will be achieved. In fact, certain investment practices described herein can, in some circumstances, potentially increase the adverse impact on a SMA's investment portfolio. A SMA's activities could result in substantial losses under certain circumstances.

## Concentration of Investments.

A SMA's portfolio could at times become significantly concentrated in any one issuer, industry, type of investment, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by a SMA.

## No Review or Approval by Regulators.

Neither a SMA's offering documents, nor the offering of interests, have been reviewed or approved by any regulators.

## Volatility.

A SMA's performance may be volatile.

## The Management of a SMA Involves a Number of Potential Conflicts of Interest.

Various potential and actual conflicts of interest may arise from the overall portfolio management activities of the Adviser and its affiliates. The Adviser or its affiliates may also have economic interests in companies in which an SMA will invest.

**THIS GENERAL INVESTMENT FUND RISK DISCLOSURE IS NOT COMPLETE. THE ABOVE SUMMARY IS NOT A COMPLETE LIST OF THE RISKS AND OTHER IMPORTANT DISCLOSURES INVOLVED IN INVESTING IN A SMA AND IS SUBJECT TO THE MORE COMPLETE DISCLOSURES CONTAINED IN THE PROPOSED ACCOUNT AGREEMENT PROVIDED BY THE ADVISER AND THE ADVISER'S FORM ADV, WHICH MUST BE REVIEWED CAREFULLY.**



# FOOTNOTES-EAGLE EQUITY SEPARATELY MANAGED ACCOUNT (SMA) COMPOSITE

- Eagle Capital Management, LLC (the "Adviser") is an investment adviser registered with the Securities and Exchange Commission. Historically, Eagle Capital calculated its performance for periods prior to 1/1/1993 utilizing an equal weighted calculation methodology, whereas for periods commencing on 1/1/1993 performance was calculated utilizing an asset-weighted calculation methodology (collectively, the "Legacy Performance Calculation Approach"). Effective as of 3/8/2021, Eagle Capital began presenting performance for all periods by utilizing an asset-weighted calculation methodology in all instances (the "Revised Performance Calculation Approach"). For all periods commencing on 1/1/1993, there was no resulting performance change in relation to this calculation methodology change. For the applicable calendar years prior to 1/1/1993, the changes in gross and net annual performance for the Eagle Equity Composite resulting from this calculation methodology change were as follows (in all cases, the following figures are rounded to one decimal place and are calculated by subtracting the historical performance figure (utilizing the equal weighted calculation methodology) from the revised calculated figure (utilizing the asset-weighted calculation methodology)): 1989: +0.2% gross, -0.3% net; 1990: +1.4% gross, +1.2% net; 1991: +2.8% gross, +2.5% net; 1992: -1.2% gross, -1.2% net. In terms of "inception to date" performance (the inception date of the Eagle Equity Composite is 12/31/1988), the changes in gross and net annual performance for the Eagle Equity Composite resulting from this calculation methodology change were as follows (in all cases, the following figures are rounded to one decimal place, are calculated by subtracting performance calculated utilizing the Legacy Performance Calculation Approach from performance calculated utilizing the Revised Performance Calculation Approach and are shown effective 12/31/2019): (i) Inception to Date Annualized - +0.1% gross, 0.0% net, (ii) Inception to Date Cumulative - +191.7% gross, +99.0% net. Additionally, effective 6/11/2021, Eagle Capital updated certain historical Eagle Equity Composite and index return data reflected in the attached materials. These updates were made in order to correct certain rounding inaccuracies and typographical issues. Please contact us if you have any questions in relation to this change in performance calculation methodology.
- Eagle Capital Management was founded in August 1988 as a corporation. In March 1995, Eagle Capital Management, LLC was formed. Client accounts The Eagle Equity Composite's inception date is 12/31/1988. The Eagle Equity Composite is made up of all fee paying tax-free discretionary institutional accounts over \$1 million.
- All fee-paying, discretionary portfolios are included in at least one composite. Composite information is not representative of any individual client account. New portfolios are excluded from composites until deemed fully invested. Portfolios no longer under management are included in historical composites for the periods they were under management; they are excluded for all periods after the last full month they were in place. No leveraged and non-fee paying accounts are included in the Eagle Equity Composite. A list of composite descriptions, limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request. In addition, policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. The minimum asset size for a portfolio to be included in the Eagle Equity Composite is \$1,000,000, and institutional accounts included in the Eagle Equity Composite do not apply concentration or similar limits at the portfolio level. If withdrawal or performance causes a portfolio included in the Eagle Equity Composite to diminish to a level deemed difficult to implement the intended investment strategy, the portfolio is removed. When taxes are considered, the performance may vary.
- Do not assume that all transactions will be profitable or that future performance is in any way guaranteed by past results. Performance calculations are on a time-weighted and asset-weighted total return basis and reflect reinvestment of dividends and other earnings. Trade-date accounting valuation is used and income is accrued. Returns from client to client will vary slightly depending on portfolio size, diversification and transaction costs. The equity portion of balanced accounts was included in the Eagle Equity Composite until the first quarter of 1994. In the process of active portfolio management, cash may be held in portfolios pending investment. Product descriptions in this brochure should not be construed to mean that cash is immediately invested.
- The Firm's standard annual asset based management fee schedule is 1% of the account's total assets on the first \$5,000,000 and 0.75% thereafter. Gross performance results is net of commissions but does not reflect the deduction of Eagle's investment advisory fee, which will affect a client's total return. Net returns are net of trading expenses (commissions), bank fees, foreign withholdings taxes and Eagle's actual investment advisory fee. The performance presented does not represent the return of any one individual investor. The current presentation may differ from previous presentation of historical data due to differences in assumptions, material market conditions and estimates used to calculate the performance. An individual client account's net return may differ significantly due to differences in fees, brokerage or other commissions, and/or any other expenses paid and the account's date of inception. Additional information related to the fees charged by Eagle can be found in its Form ADV Part 2 or in the respective Investment Management Agreement.
- The currency used to express performance is the U.S. dollar.
- The Eagle Equity Composite is defined to include all fee-paying non-taxable, institutional accounts. The term institutional accounts include pension plans, public funds, Taft-Hartley, endowments, foundations, trusts, limited partnerships, and corporate accounts while excluding accounts of natural persons (e.g., IRAs). The Eagle Equity Composite has an initial account value minimum of \$1,000,000.00. Members of the Eagle Equity Composite are invested in the Eagle Equity Strategy. The Eagle Equity Strategy is not managed to a benchmark. The benchmarks most commonly chosen by our clients based on our Strategy are the S&P 500 and the Russell 1000 Value indices

## 8. Eagle Equity Composite Detail (inception date 12/31/88)

Eagle Capital Management Composite Detail											
Year	Eagle Annual Return		Russell S&P 500	Russell 1000 Value	# of Portfolios	Total Composite Assets (\$ millions)	Composite Dispersion %*	Total Firm Assets (\$ millions)	3-Year Annualized Standard Deviation		
	Gross	Net							Composite	S&P 500	Russell 1000 Value
2001	-3.5%	-3.9%	-11.9%	-5.6%	27	358.4	0.8	598.8	17.8	16.7	14.7
2002	-6.5%	-7.0%	-22.1%	-15.5%	29	336.5	1.2	614.8	18.3	18.5	17.0
2003	33.8%	33.0%	28.7%	30.0%	58	797.4	1.1	1,652.3	16.2	18.1	16.0
2004	19.7%	19.2%	10.9%	16.5%	137	1,723.7	1.9	3,061.0	13.6	14.9	14.8
2005	8.4%	7.6%	4.9%	7.1%	202	3,049.6	1.4	5,461.5	9.5	9.0	9.5
2006	12.6%	11.8%	15.8%	22.2%	232	3,692.6	1.3	6,717.0	7.7	6.8	6.7
2007	10.7%	9.9%	5.5%	-0.2%	251	4,041.1	1.1	7,066.5	7.8	7.7	8.1
2008	-35.1%	-35.6%	-37.0%	-36.8%	250	2,643.2	1.5	4,533.8	16.0	15.1	15.4
2009	34.7%	33.7%	26.5%	19.7%	261	3,743.7	2.1	5,890.8	19.8	19.6	21.1
2010	20.8%	20.0%	15.1%	15.5%	242	3,820.0	1.0	7,382.4	21.5	21.9	23.2
2011	5.8%	5.1%	2.1%	0.4%	283	5,033.1	0.6	10,601.6	17.0	18.7	20.7
2012	17.9%	17.0%	16.0%	17.5%	345	7,875.0	0.5	15,098.7	13.4	15.1	15.5
2013	36.7%	35.7%	32.4%	32.5%	432	10,874.6	0.9	23,871.4	10.8	11.9	12.7
2014	13.1%	12.3%	13.7%	13.5%	433	11,013.6	0.4	27,412.6	8.5	9.0	9.2
2015	2.2%	1.4%	1.4%	-3.8%	426	10,989.8	0.6	26,319.7	11.4	10.5	10.7
2016	11.0%	10.1%	12.0%	17.3%	400	10,917.4	0.5	25,053.7	11.8	10.6	10.8
2017	24.0%	23.1%	21.8%	13.7%	396	11,835.1	0.5	27,924.0	11.0	9.9	10.2
2018	-4.3%	-5.0%	-4.4%	-8.3%	401	11,302.6	0.6	25,395.8	11.7	10.8	10.8
2019	32.4%	31.4%	31.5%	26.5%	407	14,135.9	0.8	32,028.4	13.7	11.9	11.9
2020	16.0%	15.2%	18.4%	2.8%	383	15,806.0	0.8	32,367.7	22.0	18.5	19.6

\* Dispersion includes only portfolios that were present for the entire period.

The Eagle Equity Strategy is a concentrated, long-only, primarily large-cap equity strategy. The Eagle Equity Strategy invests solely in U.S. traded securities, including ADRs, generally limits its portfolio holdings to 5% weights at purchase initially and 10% portfolio weights at market value. The strategy also generally limits sector exposure to 35% of the portfolio. The firm considers companies with market capitalizations in excess of \$3 billion. The composite creation date was 12/31/1988.

Internal gross composite dispersion is calculated using the gross asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year.

The three-year annualized gross standard deviation measures the variability of the composite and benchmark monthly returns over the previous 36-month period.

Eagle Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Eagle Capital Management, LLC has been independently verified for the periods 1/1/1993 through 12/31/2020. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Eagle Equity composite has had a performance examination for the periods 1/1/1993 through 12/31/2020. The verification and performance examination reports are available upon request. A more detailed description of the assumptions utilized in any of the simulations, models, and/or analyses contained in this report is available upon request. Eagle does not represent that the information contained herein is accurate or complete, and it should not be relied upon as such; Eagle does not undertake any obligation to update the information contained herein. Recipients should not rely on this material in making any investment decision. This document does not constitute advice or a recommendation or offer to sell or a solicitation of any offer to buy any security.

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# Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: July 31, 2022

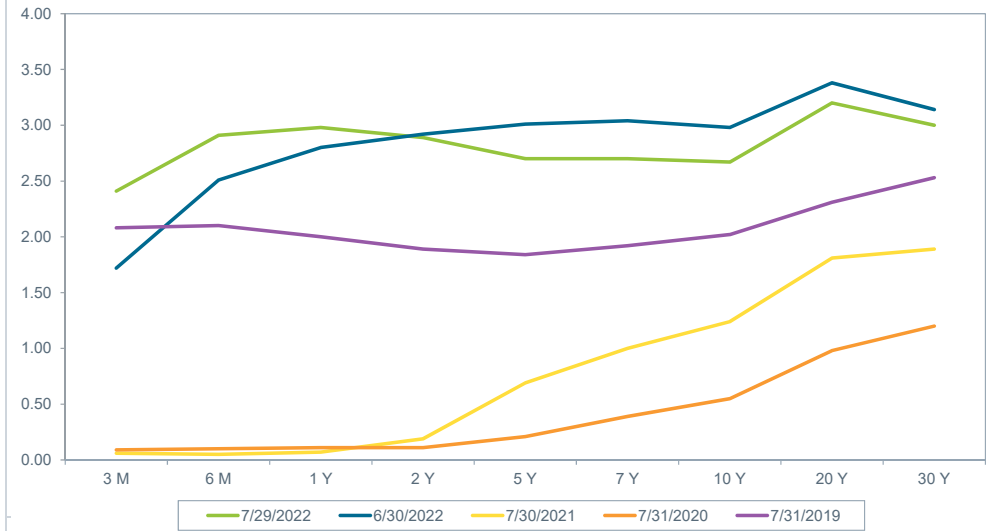


**General Market Commentary**

- Global equity markets rebounded in July, despite headlines continuing to be dominated by higher than expected inflation, rising interest rates, and disappointing economic activity. Domestic equity indices posted mid-single digit to low-double digit gains, while international indices finished with low to mid-single digit gains. Additionally, growth stocks outperformed their value counterparts during the month.
- In July, the Federal Open Market Committee (FOMC) again voted to raise interest rates an additional 75 basis points, to a range of 2.25%-2.50%. This increase matches the Fed's move in June, which was the largest interest rate hike for a single meeting dating back to 1994. Despite this increase, bond markets rebounded in July posting positive results, as longer-dated interest rates fell during the month.
- Additionally, U.S. GDP contracted for the second consecutive quarter during Q2 2022 at an annualized rate of 0.9%, due to a variety of reasons including decreasing inventories, declining government spending, and falling investment figures. Recession fears grew as two consecutive quarters of the U.S. economy contracting is often seen as an indicator of a recession.
- Equity markets posted positive returns in July as the S&P 500 (Cap Wtd) Index returned 9.22% and the MSCI EAFE (Net) Index returned 4.98%. Emerging markets returned -0.25% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 2.44% in July, outperforming the 1.34% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 2.12%, 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 9.06% in July and 6.88% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 27.60% for the trailing one-year period and 19.71% for the trailing five-year period ending March 2022.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 0.50% for the month and -4.36% over the trailing one-year period.
- Crude oil's price fell by 6.75% during the month, but has increased by 33.36% YoY.

Economic Indicators	Jul-22	Jun-22	Jul-21	10 Yr	20 Yr
Federal Funds Rate (%)	2.32 ▲	1.58	0.07	0.66	1.27
Breakeven Inflation - 5 Year (%)	2.81 ▲	2.62	2.62	1.86	1.90
Breakeven Inflation - 10 Year (%)	2.55 ▲	2.34	2.40	1.98	2.06
Breakeven Inflation - 30 Year (%)	2.31 ▲	2.21	2.26	2.04	2.26
Bloomberg US Agg Bond Index - Yield (%)	3.42 ▼	3.72	1.36	2.29	3.22
Bloomberg US Agg Bond Index - OAS (%)	0.49 ▼	0.55	0.35	0.47	0.59
Bloomberg US Agg Credit Index - OAS (%)	1.34 ▼	1.43	0.81	1.19	1.40
Bloomberg US Corp: HY Index - OAS (%)	4.69 ▼	5.69	2.94	4.32	5.12
Capacity Utilization (%)	N/A	N/A	80.05	78.24	77.08
Unemployment Rate (%)	3.5 ▼	3.6	5.4	5.5	6.1
PMI - Manufacturing (%)	52.8 ▼	53.0	59.9	54.5	53.6
Baltic Dry Index - Shipping	N/A	N/A	2,040	3,292	1,323
Consumer Conf (Conf Board)	95.70 ▼	98.40	125.10	103.66	90.82
CPI YoY (Headline) (%)	8.5 ▼	9.1	5.4	2.2	2.4
CPI YoY (Core) (%)	5.9 —	5.9	4.3	2.3	2.1
PPI YoY (%)	15.5 ▼	18.5	9.9	2.3	2.8
M2 YoY (%)	N/A	N/A	5.9	12.8	8.4
US Dollar Total Weighted Index	121.85 ▲	121.05	112.70	108.82	103.14
WTI Crude Oil per Barrel (\$)	99 ▼	106	74	66	67
Gold Spot per Oz (\$)	1,766 ▼	1,807	1,814	1,437	1,131

**Treasury Yield Curve (%)**



Treasury Yield Curve (%)	Jul-22	Jun-22	Jul-21	Jul-20	Jul-19
3 Month	2.41	1.72	0.06	0.09	2.08
6 Month	2.91	2.51	0.05	0.10	2.10
1 Year	2.98	2.80	0.07	0.11	2.00
2 Year	2.89	2.92	0.19	0.11	1.89
5 Year	2.70	3.01	0.69	0.21	1.84
7 Year	2.70	3.04	1.00	0.39	1.92
10 Year	2.67	2.98	1.24	0.55	2.02
20 Year	3.20	3.38	1.81	0.98	2.31
30 Year	3.00	3.14	1.89	1.20	2.53

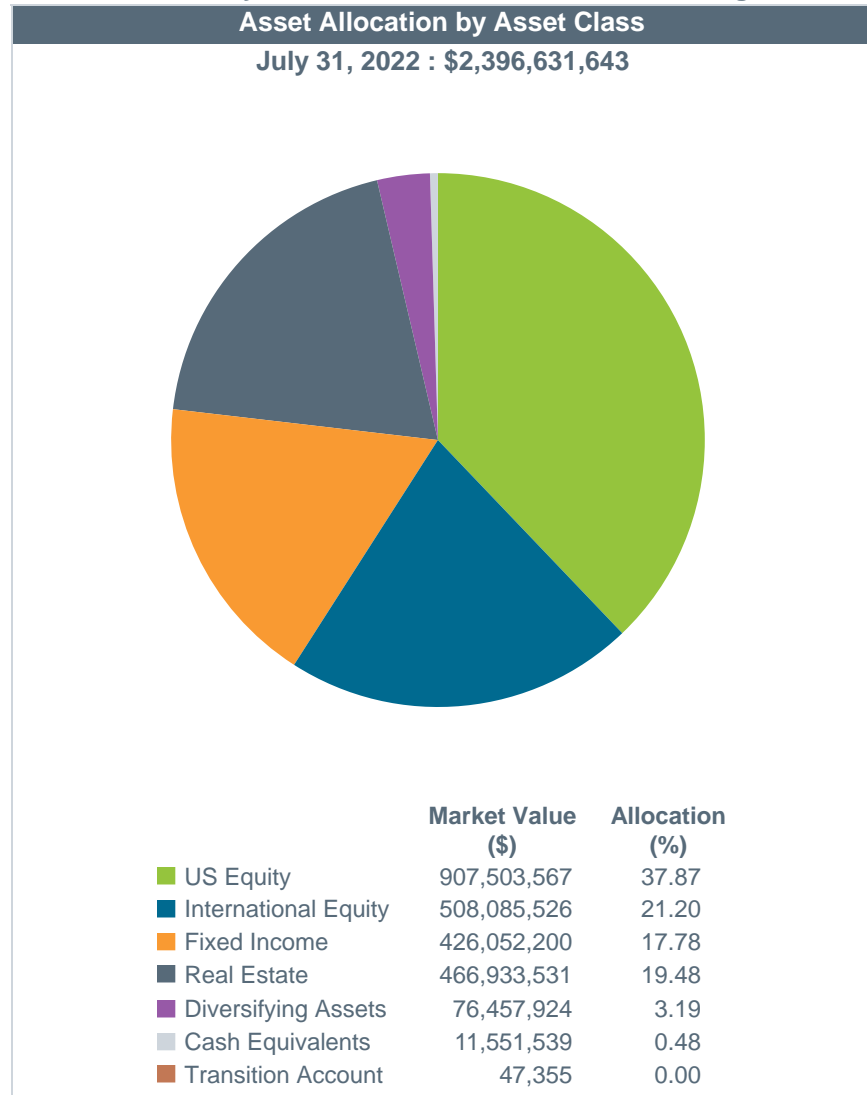
  

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	9.22	9.22	-12.58	-4.64	13.36	12.83	12.22	13.80
Russell 2000	10.44	10.44	-15.43	-14.29	7.51	7.12	7.61	10.60
MSCI EAFE (Net)	4.98	4.98	-15.56	-14.32	3.16	2.61	3.11	5.79
MSCI EAFE SC (Net)	6.61	6.61	-19.73	-20.31	3.55	2.30	4.56	7.83
MSCI EM (Net)	-0.25	-0.25	-17.83	-20.09	0.90	0.95	3.81	2.84
Bloomberg US Agg Bond	2.44	2.44	-8.16	-9.12	-0.21	1.28	1.67	1.65
ICE BofAML 3 Mo US T-Bill	0.05	0.05	0.20	0.22	0.58	1.10	0.90	0.64
NCREIF ODCE (Gross)	N/A	N/A	12.49	29.51	12.66	10.54	10.34	11.16
FTSE NAREIT Eq REITs Index (TR)	9.06	9.06	-12.97	-2.47	6.60	6.88	7.23	8.12
HFRI FOF Comp Index	0.50	0.50	-6.06	-4.36	4.04	3.53	2.73	3.72
Bloomberg Cmtly Index (TR)	4.26	4.26	23.49	27.23	16.21	8.82	5.08	-1.03

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.

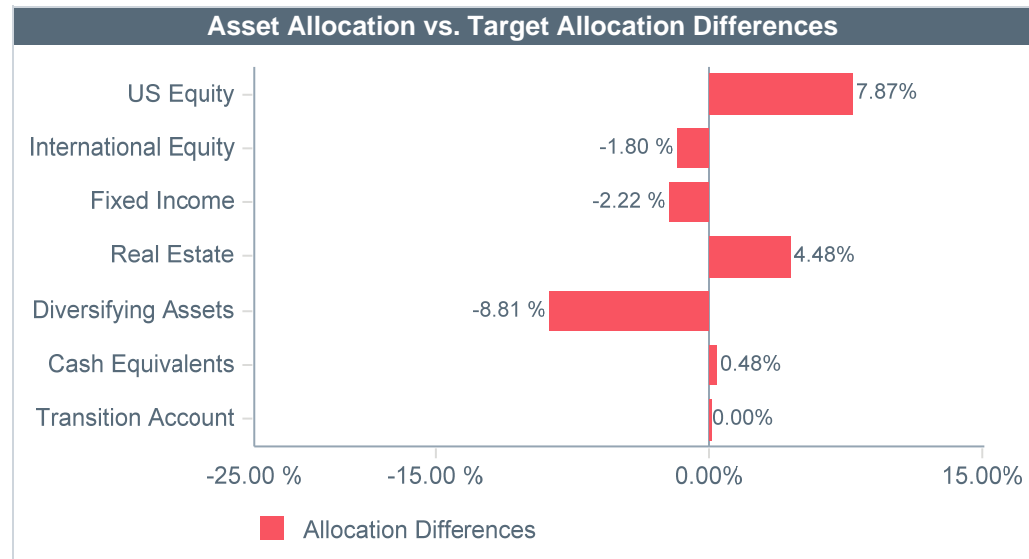


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



**Asset Allocation vs. Target Allocation**

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
<b>Total Fund</b>	<b>2,396,631,643</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
US Equity	907,503,567	37.87	20.00	30.00	40.00
International Equity	508,085,526	21.20	13.00	23.00	25.00
Fixed Income	426,052,200	17.78	10.00	20.00	30.00
Real Estate	466,933,531	19.48	0.00	15.00	20.00
Diversifying Assets	76,457,924	3.19	0.00	12.00	20.00
Cash Equivalents	11,551,539	0.48	0.00	0.00	10.00
Transition Account	47,355	0.00	0.00	0.00	0.00



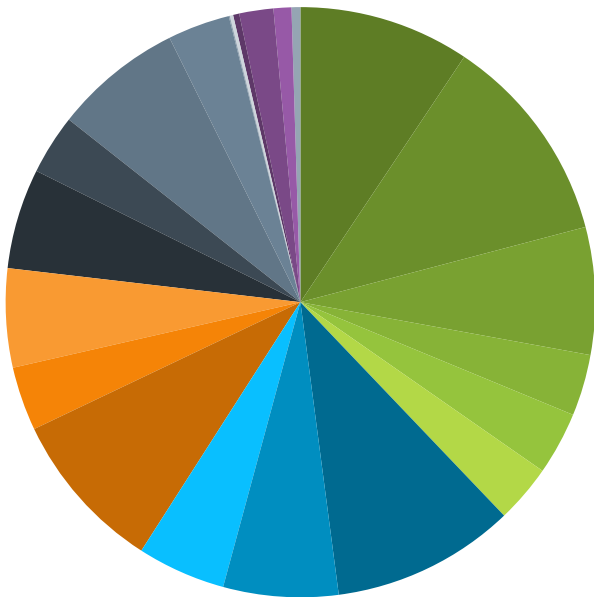
**Schedule of Investable Assets**

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,664,636,142	1,484,611	-269,489,110	2,396,631,643	-10.10

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.



July 31, 2022 : \$2,396,631,643



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	224,698,407	9.38
Mellon Large Cap Core Index (CF)	276,141,639	11.52
Loomis Sayles Large Cap Growth (CF)	167,022,383	6.97
Kayne Anderson US SMID Value (SA)	80,566,241	3.36
Systematic Financial US SMID Value (SA)	82,705,422	3.45
Pinnacle Associates US SMID Cap Growth (SA)	76,369,475	3.19
Silchester International Value (CF)	241,028,610	10.06
Baillie Gifford International Growth (BGEFX)	151,043,384	6.30
Acadian Emerging Markets (CF)	116,013,532	4.84
Baird Core Fixed Income (SA)	212,322,878	8.86
Franklin Templeton Global Multisector Plus (CF)	84,141,127	3.51
Loomis Sayles Multisector Full Discretion (CF)	129,588,196	5.41
Harrison Street Core Property (CF)	131,722,203	5.50
PGIM Real Estate PRISA II (CF)	78,708,085	3.28
Principal US Property (CF)	169,087,153	7.06
UBS Trumbull Property (CF)	81,656,369	3.41
Vanguard RE Idx;ETF (VNQ)	1,328,924	0.06
H.I.G. Realty Fund IV	4,430,798	0.18
Hancock Timberland (SA)	8,227,458	0.34
Adams Street Private Equity (SA)	44,718,790	1.87
Hamilton Lane Private Credit (SA)	23,511,676	0.98
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	11,551,539	0.48
Transition Account	47,355	0.00

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding.

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

As of July 31, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,396,631,643</b>	<b>100.00</b>	<b>5.18</b>	<b>5.18</b>	<b>-10.10</b>	<b>-7.27</b>	<b>-7.90</b>	<b>5.73</b>	<b>5.67</b>	<b>6.08</b>	<b>8.02</b>	<b>6.16</b>	<b>07/01/1999</b>
Total Fund Policy Index			4.87	4.87	-8.78	-4.07	-3.84	6.36	6.36	6.46	7.82	5.88	
Difference			0.31	0.31	-1.32	-3.20	-4.06	-0.63	-0.69	-0.38	0.20	0.28	
<b>Total Equity</b>	<b>1,415,589,093</b>	<b>59.07</b>	<b>7.15</b>	<b>7.15</b>	<b>-17.38</b>	<b>-14.83</b>	<b>-16.16</b>	<b>7.41</b>	<b>7.10</b>	<b>7.74</b>	<b>10.26</b>	<b>6.19</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>907,503,567</b>	<b>37.87</b>	<b>9.34</b>	<b>9.34</b>	<b>-16.94</b>	<b>-12.06</b>	<b>-13.09</b>	<b>9.89</b>	<b>10.22</b>	<b>9.71</b>	<b>12.37</b>	<b>6.93</b>	<b>07/01/1999</b>
US Equity Index			9.38	9.38	-13.70	-5.69	-7.35	12.55	12.18	11.59	13.48	7.20	
Difference			-0.04	-0.04	-3.24	-6.37	-5.74	-2.66	-1.96	-1.88	-1.11	-0.27	
<b>International Equity</b>	<b>508,085,526</b>	<b>21.20</b>	<b>3.46</b>	<b>3.46</b>	<b>-18.13</b>	<b>-19.35</b>	<b>-21.14</b>	<b>3.50</b>	<b>2.27</b>	<b>4.51</b>	<b>6.64</b>	<b>5.38</b>	<b>07/01/1999</b>
International Equity Index			3.42	3.42	-15.63	-14.09	-15.26	2.91	2.45	3.46	5.04	3.69	
Difference			0.04	0.04	-2.50	-5.26	-5.88	0.59	-0.18	1.05	1.60	1.69	
<b>Fixed Income</b>	<b>426,052,200</b>	<b>17.78</b>	<b>2.22</b>	<b>2.22</b>	<b>-8.94</b>	<b>-9.54</b>	<b>-10.44</b>	<b>-1.65</b>	<b>0.30</b>	<b>1.14</b>	<b>1.61</b>	<b>4.43</b>	<b>07/01/1999</b>
Fixed Income Index			2.51	2.51	-8.70	-8.72	-9.56	-0.22	1.31	1.69	1.66	4.25	
Difference			-0.29	-0.29	-0.24	-0.82	-0.88	-1.43	-1.01	-0.55	-0.05	0.18	
<b>Real Estate</b>	<b>466,933,531</b>	<b>19.48</b>	<b>3.11</b>	<b>3.11</b>	<b>13.80</b>	<b>21.49</b>	<b>24.21</b>	<b>10.09</b>	<b>8.61</b>	<b>8.62</b>	<b>9.08</b>	<b>6.51</b>	<b>12/01/2005</b>
Real Estate Index			0.00	0.00	12.01	20.59	28.32	11.66	9.55	9.35	10.16	7.13	
Difference			3.11	3.11	1.79	0.90	-4.11	-1.57	-0.94	-0.73	-1.08	-0.62	
<b>Core Real Estate</b>	<b>462,502,733</b>	<b>19.30</b>	<b>3.14</b>	<b>3.14</b>	<b>13.43</b>	<b>21.09</b>	<b>23.80</b>	<b>9.97</b>	<b>8.54</b>	<b>8.57</b>	<b>9.05</b>	<b>6.49</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	12.00	20.58	28.31	11.66	9.55	9.35	10.15	7.13	
Difference			3.14	3.14	1.43	0.51	-4.51	-1.69	-1.01	-0.78	-1.10	-0.64	
<b>Non-Core Real Estate</b>	<b>4,430,798</b>	<b>0.18</b>	<b>0.01</b>	<b>0.01</b>	<b>60.75</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>60.75</b>	<b>04/01/2022</b>
NCREIF ODCE Index (AWA) (Net) (Monthly)+2%			0.17	0.17	13.31	22.58	30.87	13.90	11.74	11.53	12.36	5.23	
Difference			-0.16	-0.16	47.44	N/A	N/A	N/A	N/A	N/A	N/A	55.52	
<b>Diversifying Assets</b>	<b>76,457,924</b>	<b>3.19</b>	<b>-0.02</b>	<b>-0.02</b>	<b>22.52</b>	<b>39.07</b>	<b>47.53</b>	<b>14.09</b>	<b>8.73</b>	<b>5.72</b>	<b>7.86</b>	<b>8.47</b>	<b>03/01/2011</b>
Diversifying Assets Index			6.38	6.38	-8.22	-2.07	-0.66	-1.10	0.37	0.08	2.62	2.96	
Difference			-6.40	-6.40	30.74	41.14	48.19	15.19	8.36	5.64	5.24	5.51	

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

As of July 31, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>US Equity</b>													
<b>Eagle Capital Large Cap Value (SA)</b>	<b>224,698,407</b>	<b>9.38</b>	<b>8.98</b>	<b>8.98</b>	<b>-20.47</b>	<b>-17.94</b>	<b>-17.74</b>	<b>7.71</b>	<b>9.47</b>	<b>9.52</b>	<b>12.57</b>	<b>9.85</b>	<b>02/01/2007</b>
Russell 1000 Val Index			6.63	6.63	-7.08	0.14	-1.43	8.88	8.26	8.61	11.10	6.66	
Difference			2.35	2.35	-13.39	-18.08	-16.31	-1.17	1.21	0.91	1.47	3.19	
<b>Mellon Large Cap Core Index (CF)</b>	<b>276,141,639</b>	<b>11.52</b>	<b>9.32</b>	<b>9.32</b>	<b>-13.59</b>	<b>-5.14</b>	<b>-6.86</b>	<b>12.86</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>12.41</b>	<b>05/01/2019</b>
Russell 1000 Index			9.31	9.31	-13.58	-5.13	-6.87	12.91	12.55	11.89	13.69	12.46	
Difference			0.01	0.01	-0.01	-0.01	0.01	-0.05	N/A	N/A	N/A	-0.05	
<b>Loomis Sayles Large Cap Growth (CF)</b>	<b>167,022,383</b>	<b>6.97</b>	<b>10.93</b>	<b>10.93</b>	<b>-20.97</b>	<b>-15.65</b>	<b>-19.11</b>	<b>9.97</b>	<b>12.20</b>	<b>N/A</b>	<b>N/A</b>	<b>12.20</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			12.00	12.00	-19.44	-10.06	-11.93	16.05	16.30	14.76	15.95	16.30	
Difference			-1.07	-1.07	-1.53	-5.59	-7.18	-6.08	-4.10	N/A	N/A	-4.10	
<b>Kayne Anderson US SMID Value (SA)</b>	<b>80,566,241</b>	<b>3.36</b>	<b>9.11</b>	<b>9.11</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>03/01/2022</b>
Russell 2500 Val Index			9.68	9.68	-8.59	-2.78	-3.38	9.27	7.34	8.14	10.60	-5.24	
Difference			-0.57	-0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.08	
<b>Systematic Financial US SMID Value (SA)</b>	<b>82,705,422</b>	<b>3.45</b>	<b>8.06</b>	<b>8.06</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>03/01/2022</b>
Russell 2500 Val Index			9.68	9.68	-8.59	-2.78	-3.38	9.27	7.34	8.14	10.60	-5.24	
Difference			-1.62	-1.62	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.39	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>76,369,475</b>	<b>3.19</b>	<b>8.73</b>	<b>8.73</b>	<b>-19.05</b>	<b>-16.33</b>	<b>-16.20</b>	<b>11.60</b>	<b>9.74</b>	<b>9.66</b>	<b>12.79</b>	<b>12.77</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			11.41	11.41	-21.40	-21.24	-22.34	6.93	9.59	8.54	12.20	12.40	
Difference			-2.68	-2.68	2.35	4.91	6.14	4.67	0.15	1.12	0.59	0.37	
<b>International Equity</b>													
<b>Silchester International Value (CF)</b>	<b>241,028,610</b>	<b>10.06</b>	<b>2.62</b>	<b>2.62</b>	<b>-8.58</b>	<b>-8.61</b>	<b>-8.91</b>	<b>3.83</b>	<b>2.04</b>	<b>3.79</b>	<b>7.67</b>	<b>8.08</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			2.08	2.08	-10.29	-9.24	-9.89	1.64	0.27	1.22	4.40	4.27	
Difference			0.54	0.54	1.71	0.63	0.98	2.19	1.77	2.57	3.27	3.81	
<b>Baillie Gifford International Growth (BGEFX)</b>	<b>151,043,384</b>	<b>6.30</b>	<b>7.92</b>	<b>7.92</b>	<b>-29.95</b>	<b>-33.14</b>	<b>-36.01</b>	<b>5.10</b>	<b>5.22</b>	<b>7.09</b>	<b>8.68</b>	<b>9.10</b>	<b>06/01/2009</b>
Baillie Gifford Index			5.50	5.50	-20.65	-18.77	-20.51	3.52	3.74	4.09	6.50	6.80	
Difference			2.42	2.42	-9.30	-14.37	-15.50	1.58	1.48	3.00	2.18	2.30	
Baillie Gifford Spliced Index			3.42	3.42	-15.63	-14.09	-15.26	3.30	2.70	3.17	5.83	5.83	
Difference			4.50	4.50	-14.32	-19.05	-20.75	1.80	2.52	3.92	2.85	3.27	
<b>Acadian Emerging Markets (CF)</b>	<b>116,013,532</b>	<b>4.84</b>	<b>-0.22</b>	<b>-0.22</b>	<b>-17.93</b>	<b>-17.35</b>	<b>-19.24</b>	<b>2.72</b>	<b>0.43</b>	<b>3.79</b>	<b>3.08</b>	<b>2.09</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			-0.25	-0.25	-17.83	-18.91	-20.09	0.90	0.95	3.81	2.84	1.42	
Difference			0.03	0.03	-0.10	1.56	0.85	1.82	-0.52	-0.02	0.24	0.67	

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

As of July 31, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Fixed Income</b>													
<b>Baird Core Fixed Income (SA)</b>	<b>212,322,878</b>	<b>8.86</b>	<b>2.21</b>	<b>2.21</b>	<b>-8.81</b>	<b>-9.02</b>	<b>-9.88</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-5.70</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			2.44	2.44	-8.16	-8.15	-9.12	-0.21	1.28	1.67	1.65	-5.42	
Difference			-0.23	-0.23	-0.65	-0.87	-0.76	N/A	N/A	N/A	N/A	-0.28	
<b>Franklin Templeton Global Multisector Plus (CF)</b>	<b>84,141,127</b>	<b>3.51</b>	<b>1.17</b>	<b>1.17</b>	<b>-9.06</b>	<b>-11.31</b>	<b>-13.32</b>	<b>-8.33</b>	<b>-4.10</b>	<b>-2.16</b>	<b>-0.40</b>	<b>3.61</b>	<b>09/01/2007</b>
Frank. Temp. Global Multisector Index			2.20	2.20	-12.08	-12.69	-14.55	-2.42	-0.42	0.91	0.37	2.38	
Difference			-1.03	-1.03	3.02	1.38	1.23	-5.91	-3.68	-3.07	-0.77	1.23	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>129,588,196</b>	<b>5.41</b>	<b>2.94</b>	<b>2.94</b>	<b>-9.07</b>	<b>-9.22</b>	<b>-9.41</b>	<b>2.10</b>	<b>3.00</b>	<b>3.68</b>	<b>4.56</b>	<b>5.69</b>	<b>10/01/2007</b>
Bloomberg Gbl Agg Bond Index			2.13	2.13	-12.08	-12.68	-14.58	-2.45	-0.47	0.78	0.21	2.05	
Difference			0.81	0.81	3.01	3.46	5.17	4.55	3.47	2.90	4.35	3.64	
<b>Real Estate</b>													
<b>Harrison Street Core Property (CF)</b>	<b>131,722,203</b>	<b>5.50</b>	<b>6.18</b>	<b>6.18</b>	<b>11.60</b>	<b>14.72</b>	<b>14.72</b>	<b>9.06</b>	<b>8.42</b>	<b>N/A</b>	<b>N/A</b>	<b>8.43</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	12.00	20.58	28.31	11.66	9.55	9.35	10.15	9.16	
Difference			6.18	6.18	-0.40	-5.86	-13.59	-2.60	-1.13	N/A	N/A	-0.73	
<b>PGIM Real Estate PRISA II (CF)</b>	<b>78,708,085</b>	<b>3.28</b>	<b>4.34</b>	<b>4.34</b>	<b>19.28</b>	<b>27.91</b>	<b>34.11</b>	<b>12.07</b>	<b>10.64</b>	<b>10.24</b>	<b>N/A</b>	<b>10.36</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	12.00	20.58	28.31	11.66	9.55	9.35	10.15	9.55	
Difference			4.34	4.34	7.28	7.33	5.80	0.41	1.09	0.89	N/A	0.81	
<b>Principal US Property (CF)</b>	<b>169,087,153</b>	<b>7.06</b>	<b>-0.02</b>	<b>-0.02</b>	<b>10.59</b>	<b>21.72</b>	<b>27.22</b>	<b>11.92</b>	<b>10.16</b>	<b>10.20</b>	<b>N/A</b>	<b>10.67</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	12.00	20.58	28.31	11.66	9.55	9.35	10.15	9.77	
Difference			-0.02	-0.02	-1.41	1.14	-1.09	0.26	0.61	0.85	N/A	0.90	
<b>UBS Trumbull Property (CF)</b>	<b>81,656,369</b>	<b>3.41</b>	<b>3.88</b>	<b>3.88</b>	<b>17.47</b>	<b>24.56</b>	<b>24.56</b>	<b>7.42</b>	<b>5.60</b>	<b>5.99</b>	<b>7.13</b>	<b>5.66</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	12.00	20.58	28.31	11.66	9.55	9.35	10.15	7.13	
Difference			3.88	3.88	5.47	3.98	-3.75	-4.24	-3.95	-3.36	-3.02	-1.47	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,328,924</b>	<b>0.06</b>	<b>8.61</b>	<b>8.61</b>	<b>-13.71</b>	<b>-0.76</b>	<b>-4.36</b>	<b>7.11</b>	<b>7.06</b>	<b>7.32</b>	<b>8.01</b>	<b>12.60</b>	<b>12/01/2008</b>
Custom REITs Index			8.68	8.68	-13.57	-0.65	-4.24	7.26	7.61	7.75	8.42	13.36	
Difference			-0.07	-0.07	-0.14	-0.11	-0.12	-0.15	-0.55	-0.43	-0.41	-0.76	
<b>H.I.G. Realty Fund IV</b>	<b>4,430,798</b>	<b>0.18</b>	<b>0.01</b>	<b>0.01</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>60.75</b>	<b>04/01/2022</b>
NCREIF ODCE Index (AWA) (Net) (Monthly)+2%			0.17	0.17	13.31	22.58	30.87	13.90	11.74	11.53	12.36	5.23	
Difference			-0.16	-0.16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55.52	

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

As of July 31, 2022

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Diversifying Assets</b>													
<b>Hancock Timberland (SA)</b>	<b>8,227,458</b>	<b>0.34</b>	<b>0.04</b>	<b>0.04</b>	<b>37.25</b>	<b>42.58</b>	<b>55.76</b>	<b>22.25</b>	<b>15.89</b>	<b>12.35</b>	<b>11.50</b>	<b>6.79</b>	<b>10/01/2006</b>
NCREIF Timberland Index			0.00	0.00	5.13	9.93	12.01	5.03	4.32	4.05	5.73	5.55	
Difference			0.04	0.04	32.12	32.65	43.75	17.22	11.57	8.30	5.77	1.24	
<b>Adams Street Private Equity (SA)</b>	<b>44,718,790</b>	<b>1.87</b>	<b>0.00</b>	<b>0.00</b>	<b>25.84</b>	<b>55.56</b>	<b>80.84</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>40.29</b>	<b>11/01/2020</b>
S&P 500 Index+3%			9.49	9.49	-11.06	-0.52	-1.78	16.76	16.21	15.58	17.21	19.47	
Difference			-9.49	-9.49	36.90	56.08	82.62	N/A	N/A	N/A	N/A	20.82	
<b>Hamilton Lane Private Credit (SA)</b>	<b>23,511,676</b>	<b>0.98</b>	<b>-0.11</b>	<b>-0.11</b>	<b>3.54</b>	<b>5.21</b>	<b>6.53</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-4.00</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			4.60	4.60	-12.04	-12.27	-12.25	1.52	3.33	5.33	6.14	-7.17	
Difference			-4.71	-4.71	15.58	17.48	18.78	N/A	N/A	N/A	N/A	3.17	
<b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>	<b>11,551,539</b>	<b>0.48</b>	<b>0.14</b>	<b>0.14</b>	<b>0.39</b>	<b>0.49</b>	<b>0.50</b>	<b>0.66</b>	<b>1.16</b>	<b>0.95</b>	<b>0.69</b>	<b>1.31</b>	<b>04/01/2001</b>
FTSE 3 Mo T-Bill Index			0.10	0.10	0.28	0.29	0.29	0.58	1.09	0.88	0.63	1.29	
Difference			0.04	0.04	0.11	0.20	0.21	0.08	0.07	0.07	0.06	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:**

- **Total Fund Policy Index:** The passive Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 12% Diversifying Assets 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.
- **Real Estate Index:** The active Real Estate Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.
- **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 consists of 67% S&P MLP Index (TR)/33% NCREIF Timberland Index. Prior to 11/01/2017, the Diversifying Assets Index consists 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.

PORTLAND

BOISE

CHICAGO

NEW YORK

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# Quarterly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: June 30, 2022



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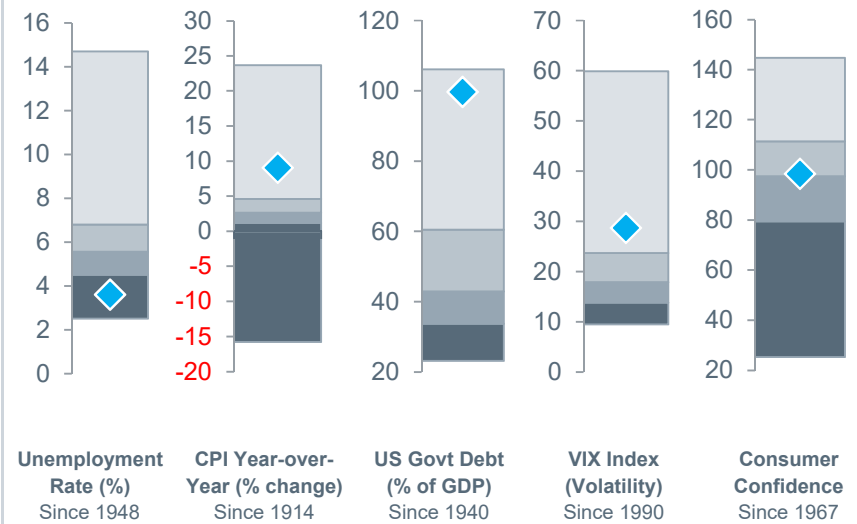
# Capital Markets Review



**Second Quarter Economic Environment**

Continued rising inflation, accelerated tightening of global monetary policy and falling economic growth estimates led to most major indices ending negative in Q2. Inflation continued to rise in the US as the Consumer Price Index (CPI) rose to 9.1% at the end of June, spurred on by supply chain disruptions tied with the war in Ukraine and China's zero-COVID policy. The OECD's June Economic Outlook report now forecasts global inflation to end the year near 9%. Central banks continued to tighten monetary policy with the Federal Open Market Committee raising the federal funds rate by 0.75% in June which followed a 0.50% increase in May. Following the June CPI release, a 1.0% increase at the FOMC meeting in July is now the most likely scenario based on probabilities implied by traders. Forecasters are increasingly citing a rising risk of a recession in the US however the data is less clear. The Atlanta Fed's GDP Nowcast indicates a modest contraction of growth in Q2, with declining residential investment and private inventory overhang as key negative effects. However, manufacturing and services Purchasing Managers' indexes (PMIs) indicate expansion. The unemployment rate ended June at 3.6% as non-farm payroll growth averaged just under 375k per month. According to the latest JOLTS survey, the US currently has roughly two job openings for every unemployed individual. The Atlanta Fed's wage tracker also lists average annual wage growth at 6.7% based on a 3-month moving average.

**Key Economic Indicators**



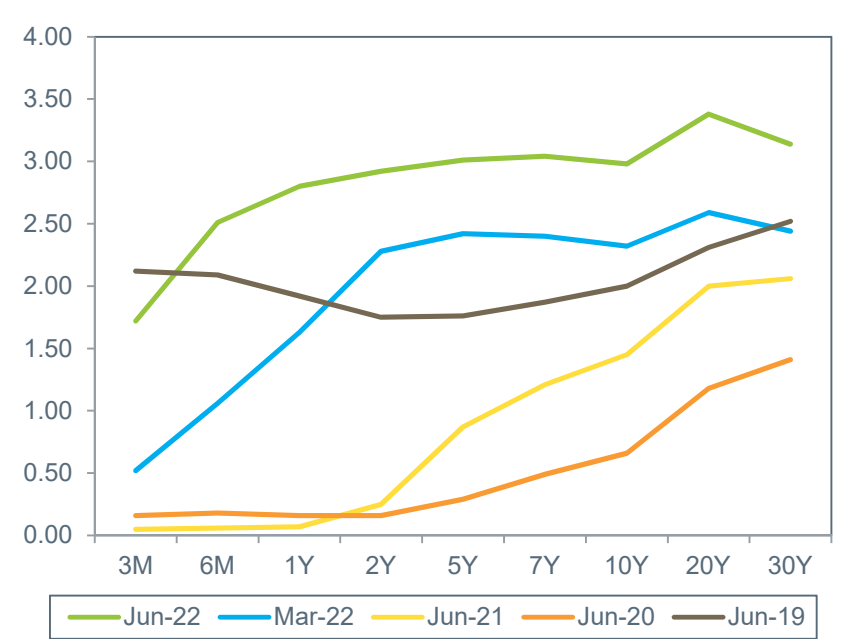
**Economic Indicators**

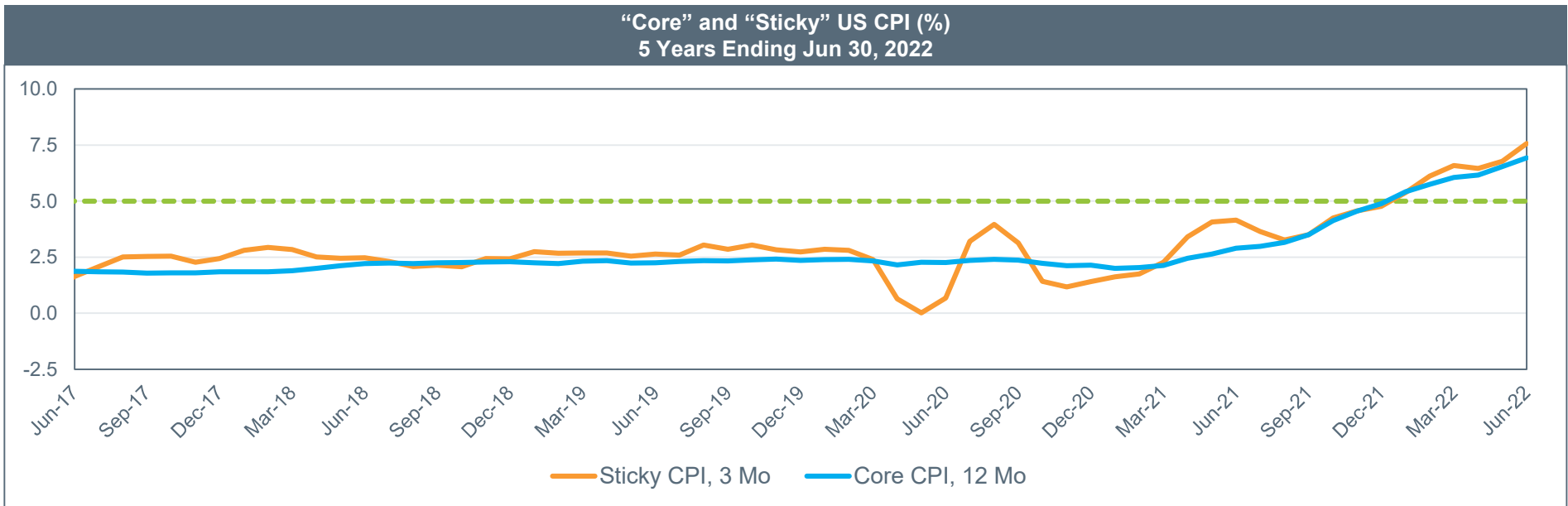
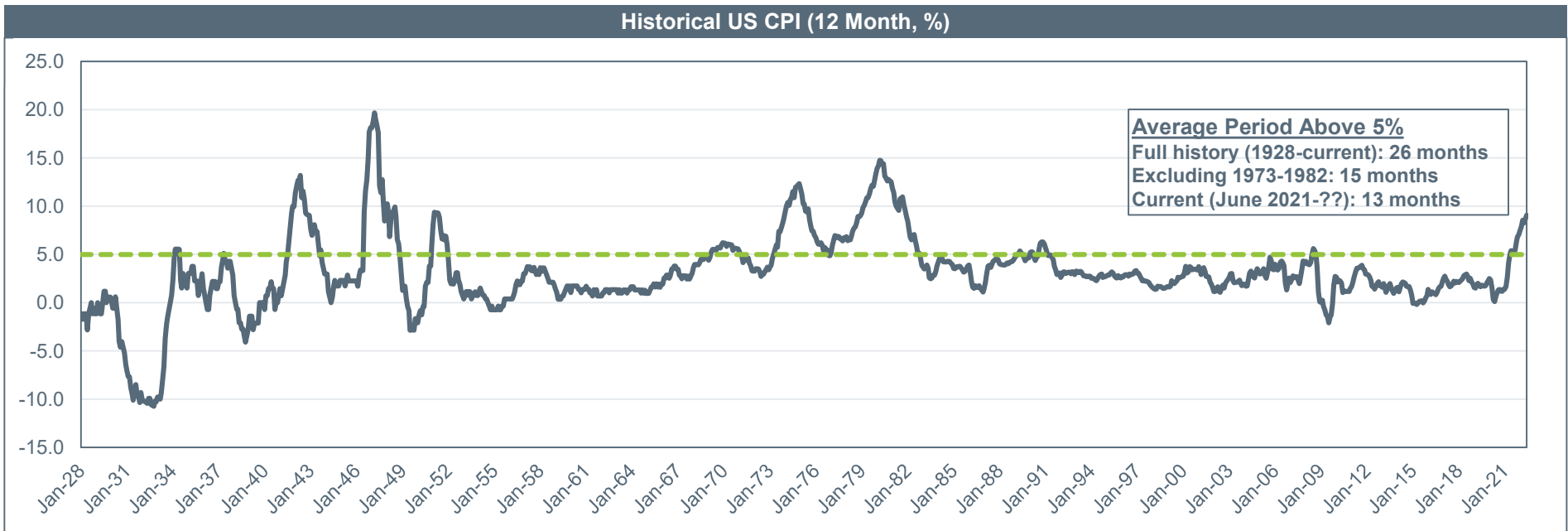
	Jun-22	Mar-22	Jun-21	Jun-19	20 Yr
Federal Funds Rate (%)	1.58 ▲	0.33	0.08	2.40	1.30
Breakeven Infl. - 5 Yr (%)	2.62 ▼	3.43	2.50	1.54	1.86
Breakeven Infl. - 10 Yr (%)	2.34 ▼	2.83	2.34	1.70	2.04
CPI YoY (Headline) (%)	9.1 ▲	8.5	5.4	1.6	2.2
Unemployment Rate (%)	3.6 —	3.6	5.9	3.6	6.1
Real GDP YoY (%)	1.6 ▼	3.5	12.2	2.1	1.9
PMI - Manufacturing	53.0 ▼	57.1	60.9	51.5	53.5
USD Total Wtd Idx	121.05 ▲	115.22	112.61	114.58	103.10
WTI Crude Oil per Barrel (\$)	105.8 ▲	100.3	73.5	58.5	64.4
Gold Spot per Oz (\$)	1,807 ▼	1,937	1,770	1,410	1,086

**Market Performance (%)**

	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	-16.10	-19.96	-10.62	11.31	12.96
Russell 2000	-17.20	-23.43	-25.20	5.17	9.35
MSCI EAFE (Net)	-14.51	-19.57	-17.77	2.20	5.40
MSCI EAFE SC (Net)	-17.69	-24.71	-23.98	1.72	7.18
MSCI Emg Mkts (Net)	-11.45	-17.63	-25.28	2.18	3.06
Bloomberg US Agg Bond	-4.69	-10.35	-10.29	0.88	1.54
ICE BofAML 3 Mo US T-Bill	0.11	0.15	0.17	1.11	0.64
NCREIF ODCE (Gross)	4.77	12.49	29.51	10.54	11.16
FTSE NAREIT Eq REIT (TR)	-16.97	-20.20	-6.27	5.30	7.39
HFRI FOF Comp	-3.88	-6.53	-5.45	3.63	3.75
Bloomberg Cmdty (TR)	-5.66	18.44	24.27	8.39	-0.82

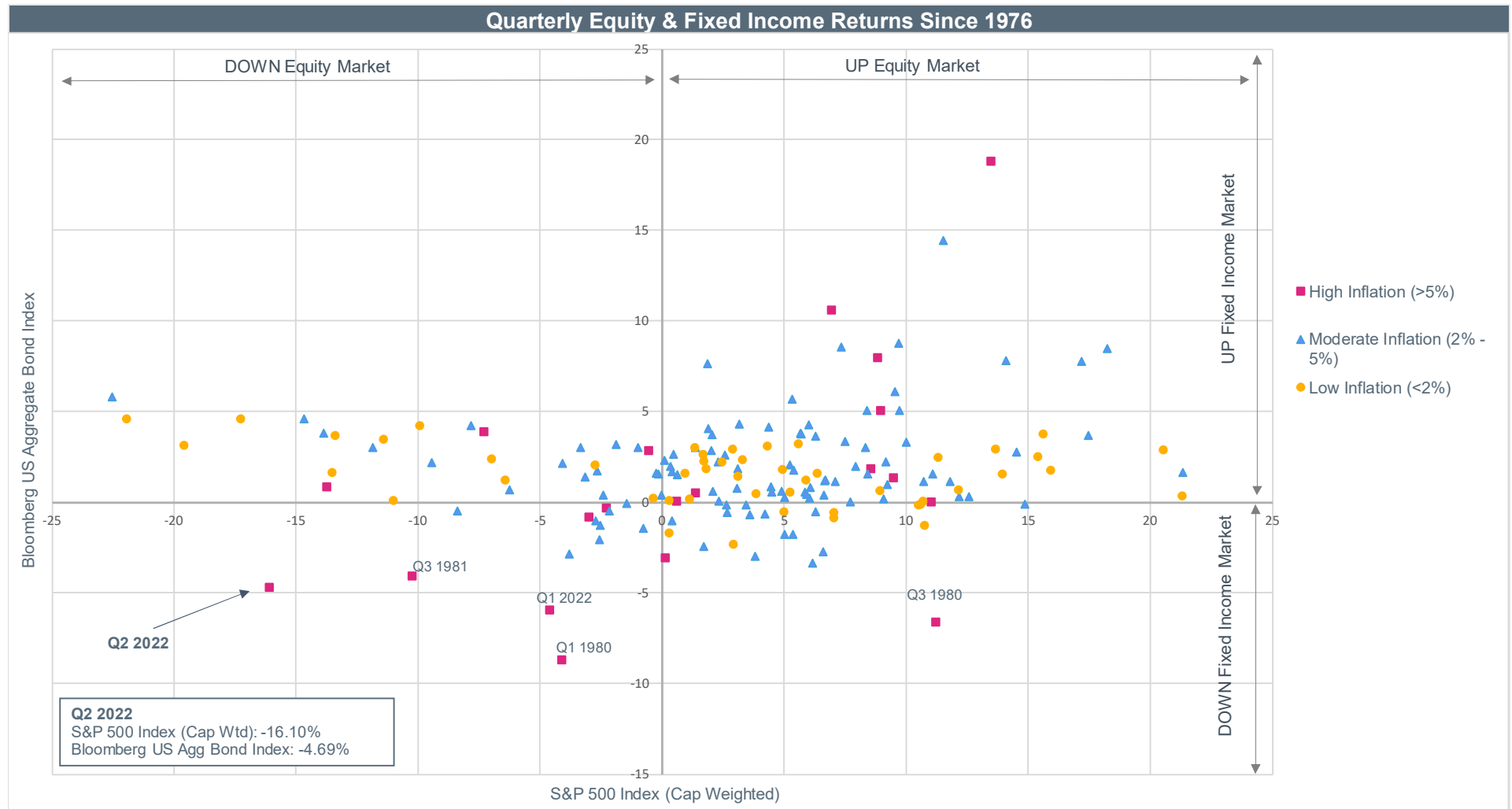
**Treasury Yield Curve (%)**





As of June 30, 2022. Sources: US Bureau of Labor Statistics, Federal Reserve Bank of Cleveland, and Federal Reserve Bank of Atlanta. Core CPI is represented by the Revised FRB Cleveland Trimmed Mean, 12-month. Sticky CPI is represented by the FRB Atlanta Sticky-Price Index, 3-month.





### Bloomberg US Aggregate Bond Index: Worst Quarters and Subsequent Performance

Quarter Ended	Quarter Return	YTW at Quarter End	Subsequent Quarter Return	Subsequent Year Return	Subsequent 3 Year Return Annualized
Mar-1980	-8.71%	14.10	18.79%	13.05%	17.88%
Sep-1980	-6.60%	12.43	1.36%	-2.58%	15.05%
Mar-2022	-5.93%	2.92	-4.69%	?	?
<b>Jun-2022</b>	<b>-4.69%</b>	<b>3.72</b>	<b>?</b>	<b>?</b>	<b>?</b>
Sep-1981	-4.07%	16.50	10.58%	35.22%	19.35%
Mar-2021	-3.38%	1.61	1.83%	-4.15%	?
Dec-1979	-3.08%	11.19	-8.71%	2.67%	13.12%

Inflation data provided by the Federal Reserve Economic Database.  
 Yield to Worst data provided by Barclays Live.

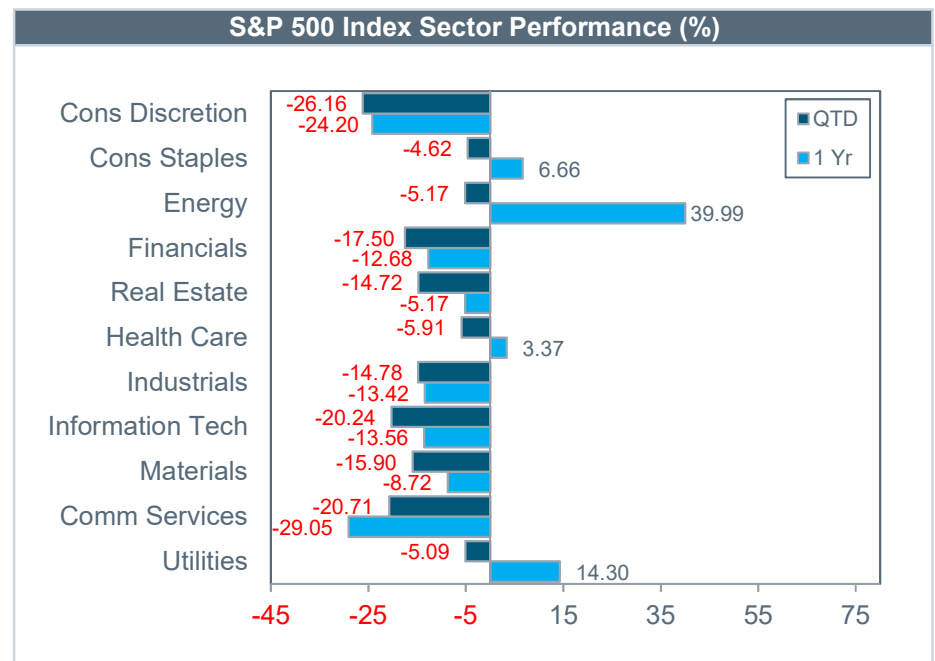
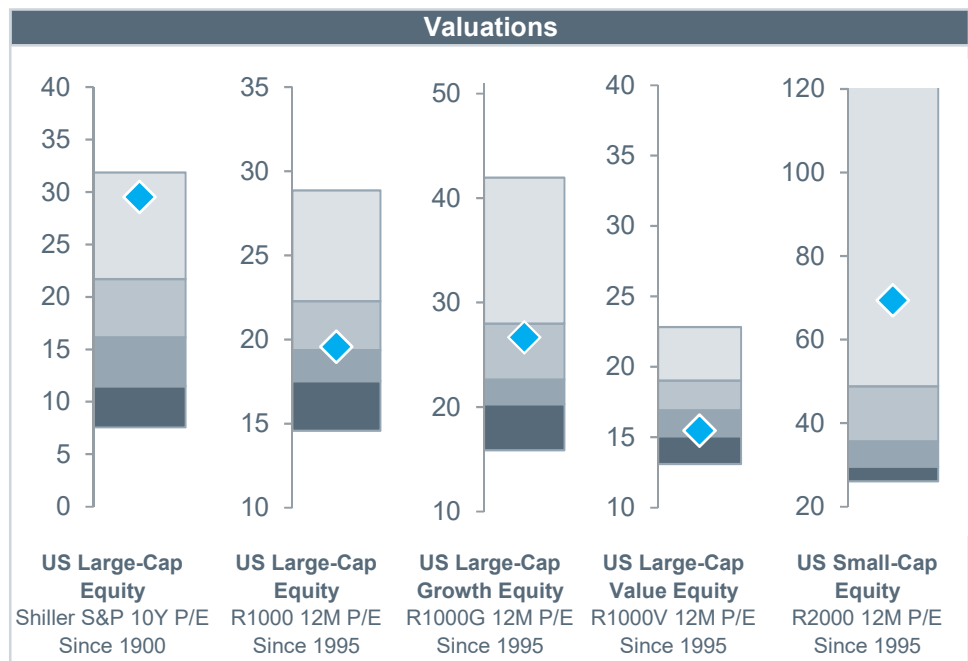
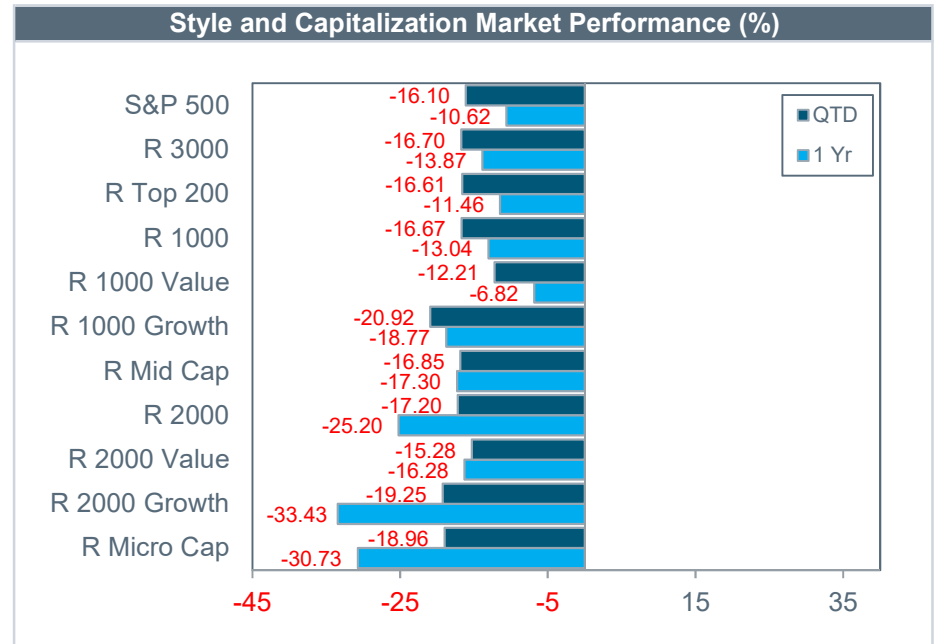


### Second Quarter Review

**Broad Market**  
 US equity markets were down sharply in Q2 in the midst of increasing concerns of a looming recession as the Fed acted to respond to sustained, elevated levels of inflation. With declines affecting all sectors, investors fled to defensive stocks as these were comparatively resilient. Likewise, investors in energy stocks benefited as the sector was buoyed by commodity prices.

**Market Cap**  
 There was significant outperformance of value stocks over growth stocks, with the Russell 1000 Value and Russell 2000 Value indexes outperforming their growth counterparts by 8.7% and 4.0%, respectively.

**Style and Sector**  
 Active management performed well in Q2, with the exception of large-cap growth managers. Small- and mid-cap core and value managers had an exceptionally strong Q2 with a majority outpacing their respective benchmarks by significant margins.



Valuation data courtesy of Bloomberg Professional Service and Robert J. Shiller, *Irrational Exuberance*, Second Edition. P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers.



Second Quarter Review

Developed Markets

Developed International markets fared better than the domestic market, albeit still finishing Q2 in negative territory with the MSCI EAFE Index notching a -14.5% return for the period. Value stocks remained in favor with continued outperformance over growth stocks, while large-cap stocks outperformed small-cap stocks. All developed market countries and sectors were negative for the quarter, with the Asia-Pacific region and information technology sector leading markets lower.

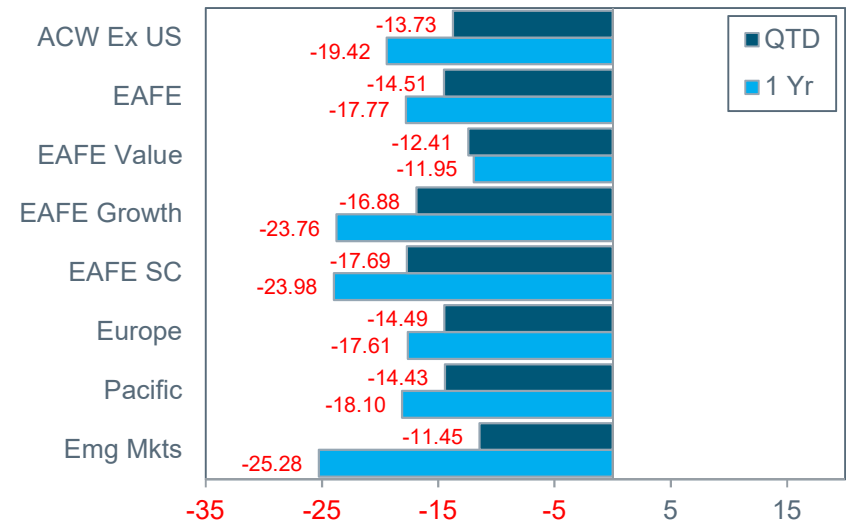
Emerging Markets

Emerging markets outperformed developed in Q2 with the MSCI EM Index returning -11.4%. Nearly all emerging market countries experienced negative returns.

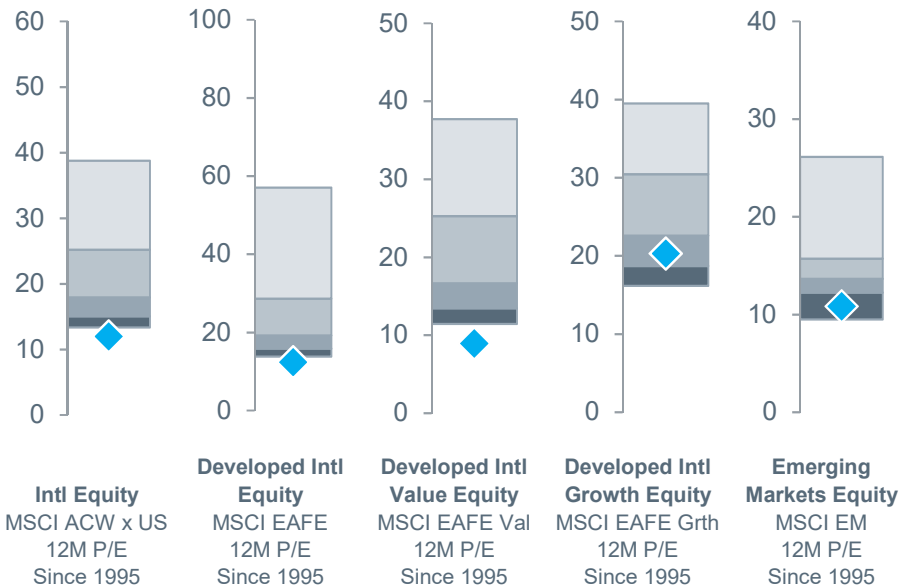
Market Cap & Style

In international markets, value stocks outperformed growth, while large-cap stocks outperformed small-cap. In emerging markets, value stocks outperformed growth, and large-cap stocks outperformed small-cap.

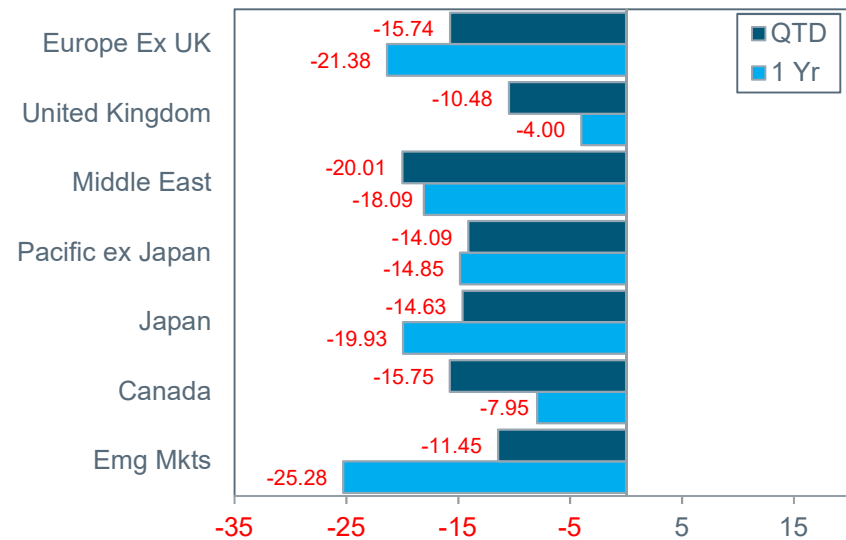
MSCI Style and Capitalization Market Performance (%)



Valuations



MSCI Region Performance (%)



Valuation data courtesy of Bloomberg Professional Service.

P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers.

All returns are shown net of foreign taxes on dividends.



**Second Quarter Review**

**Broad Market**

In Q2, Treasury yields rose 66 basis points from 2.32% to 2.98% with an intra-quarter high of 3.49%, as measured by the 10-year US Treasury yield. The Federal Reserve hiked the Federal Funds rate by 75 basis points over the quarter, the largest single increase since 1994. The Bloomberg US Aggregate ended the quarter down with an overall return of -4.7%.

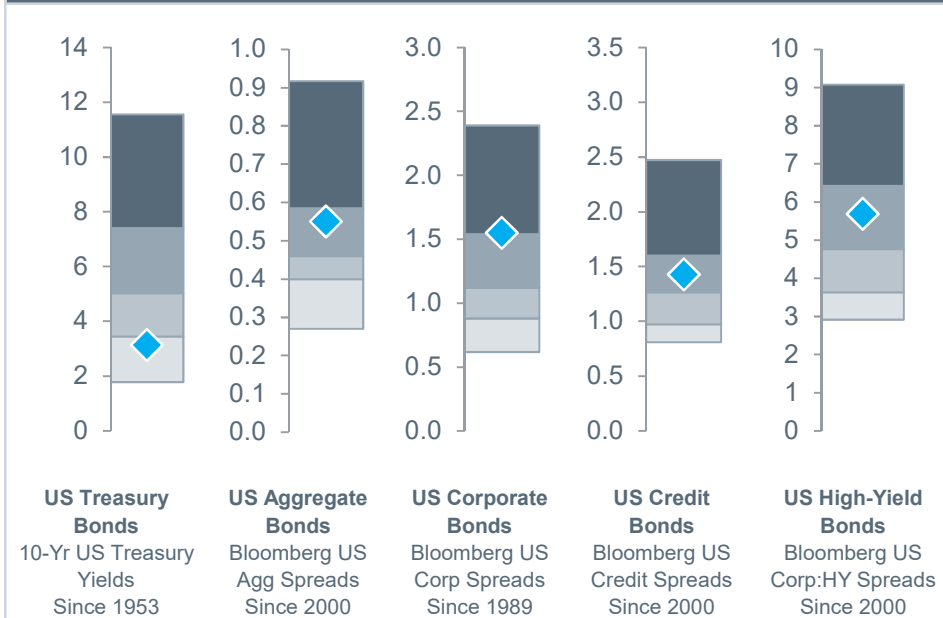
**Credit Market**

While fixed income broadly experienced negative absolute performance over the quarter, widening credit spreads presented additional headwinds to corporate credit. US Investment Grade credit detracted -6.9%, while US High Yield returned -9.8%, as measured by the Bloomberg US Credit Index and Bloomberg US High Yield index, respectively.

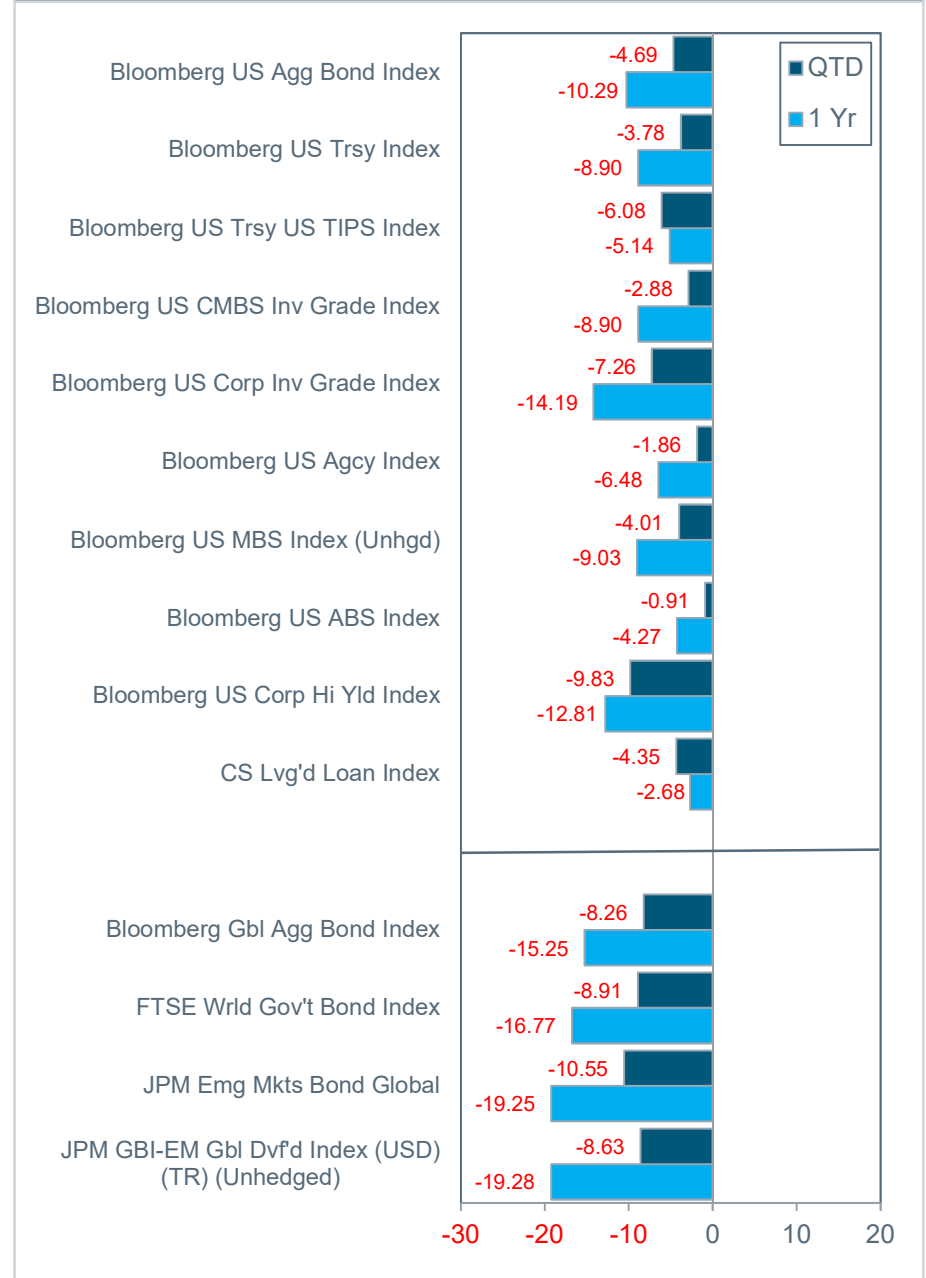
**Emerging Market Debt**

Foreign fixed income experienced headwinds from the Russia-Ukraine war, inflationary concerns, and mixed central bank policy. These factors led to a -11.4% return in Q2 for the JPM EMBI Global Diversified Index.

**Valuations**



**Fixed Income Performance (%)**



Valuation data courtesy of Bloomberg Professional Service.

Valuations shown represent the 5th through 95th percentiles to minimize the effect of outliers.

**Second Quarter Review - Absolute Return**

**General Market - Hedge Funds**

Dispersion continues to be the theme across the hedge fund landscape. Although the HFRI Asset Weighted Composite returned 0.3% during the quarter, its year-to-date return remained positive at 2.1%. By contrast, the Equal Weighted Index, which is dominated by long/short equity strategies (“ELS”), returned -4.9% in Q2, led lower by ELS managers returning -8.3%. Prime brokerage data indicates that the 1st half of 2022 was one of the strongest on record for short alpha, as higher interest rates tend to structurally benefit short sellers.

**General Market - Global Tactical Asset Allocation (GTAA)**

Global Tactical Asset Allocation (GTAA) strategies that RVK follows closely generated disparate performance in Q2. Although overall performance was negative, nearly all managers outperformed a US centric blend of 60% equity and 40% fixed income. The top performing long-biased GTAA strategies tended to emphasize relative undervaluation in their asset allocation processes, while underperformers tended to hold larger allocations to US equity and non-USD fixed income.

**Second Quarter Review - Real Assets**

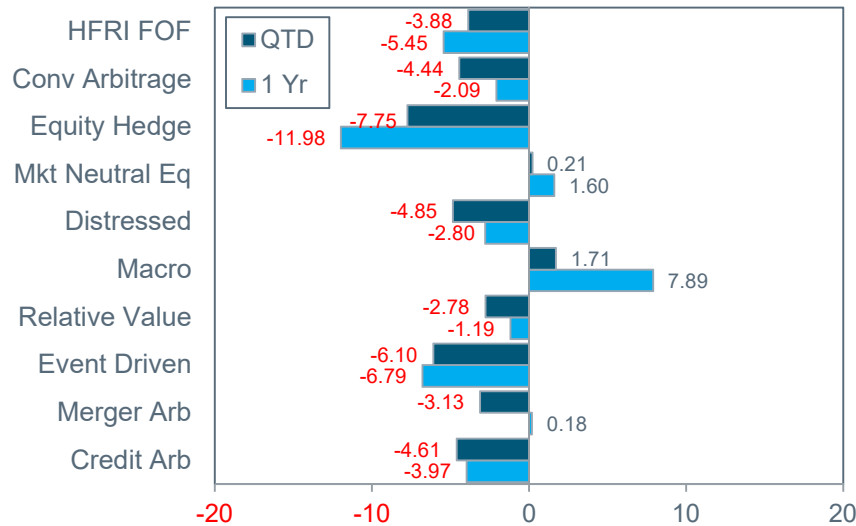
**General Market - Diversified Inflation Strategies (DIS)**

After responding positively to record inflationary pressures in Q1, DIS posted losses ranging from negative mid-single digit to negative low double-digit. Manager allocations to inflation sensitive assets were affected by cross currents of Fed rate hikes combined with changing market estimates of future economic growth. During the Q2, nearly all inflation sensitive asset classes were negative except for energy commodities. Managers with larger TIPS allocations tended to outperform peers, especially in cases where shorter duration TIPS were targeted.

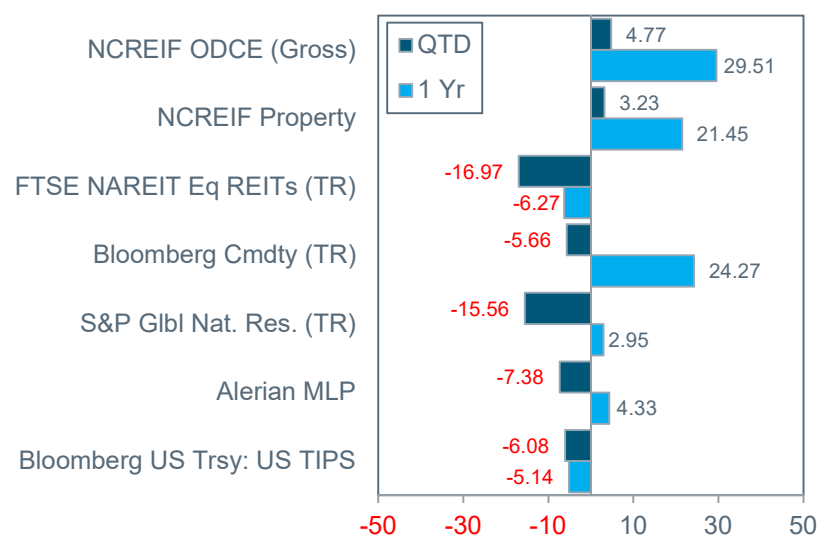
**General Market - Real Estate**

Core private real estate generated 4.8% return in Q2, as reported by the NFI-ODCE Index, with the total return comprising of 0.9% income and 3.9% price appreciation. As income return trends at the lower end of historical levels, the price appreciation return remains elevated. Investors in publicly traded real estate significantly underperformed their private market counterparts by a meaningful margin.

**HFRI Hedge Fund Performance (%)**



**Real Asset Performance (%)**



Annual Asset Class Performance

As of June 30, 2022

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Best	8.44	78.51	27.94	22.49	20.00	38.82	30.14	15.02	21.31	37.28	8.35	31.49	19.96	43.24	18.44
	5.24	58.21	26.85	15.99	18.23	32.39	19.31	9.59	17.13	33.01	1.87	26.00	18.40	28.71	12.49
	2.06	46.78	22.04	13.56	18.06	29.30	13.69	3.20	11.96	25.03	0.01	25.53	18.31	27.11	0.15
	-2.35	31.78	18.88	8.29	17.32	22.78	12.50	1.38	11.77	21.83	-1.26	24.96	16.12	22.17	-6.53
	-10.01	28.01	16.83	7.84	16.35	13.94	5.97	0.55	11.19	14.65	-2.08	22.01	12.34	14.82	-8.92
	-21.37	27.17	16.36	4.98	16.00	8.96	4.89	0.05	8.77	10.71	-4.02	19.59	10.99	11.26	-10.35
	-26.16	26.46	15.12	2.11	15.81	7.44	3.64	-0.27	8.52	7.77	-4.38	18.44	10.88	10.10	-14.19
	-33.79	18.91	15.06	0.10	10.94	2.47	3.37	-0.31	6.67	7.62	-4.62	14.32	7.82	6.17	-17.63
	-35.65	11.47	10.16	-4.18	8.78	0.07	2.45	-1.44	4.68	7.50	-4.68	8.72	7.51	5.96	-19.57
	-37.00	11.41	7.75	-5.72	6.98	-2.02	0.04	-3.30	2.65	5.23	-11.01	8.43	7.11	5.28	-19.96
	-37.74	5.93	6.54	-12.14	4.79	-2.60	-2.19	-4.41	2.18	3.54	-11.25	8.39	1.19	0.05	-20.20
	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.90	-4.47	1.00	3.01	-13.73	7.69	0.67	-1.55	-21.88
	-47.01	0.21	5.70	-15.94	0.11	-8.83	-4.95	-14.92	0.51	1.70	-14.58	5.34	-3.12	-2.52	-23.43
Worst	-53.33	-29.76	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-17.89	2.28	-8.00	-2.54	-24.71
	S&P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Net) - Int'l Dev.	MSCI EAFE SC (Net) - Int'l SC	MSCI EM (Net) - Int'l Emg Mkts	Bloombrg US Agg Bond - FI	Bloombrg US Corp Hi Yield - FI	Bloombrg US Trsy US TIPS - FI	Bloombrg US Gov Credit Lng - FI	NCREIF ODCE (Gross) - Real Estate	FTSE NAREIT Eq REITs Index (TR)	HFRI FOF Comp Index - ARS	Bloombrg Cmdty (TR) - Commod.	ICE BofAML 3 Mo T-Bill - Cash Equiv	

NCREIF ODCE (Gross) performance is reported quarterly; performance is shown N/A in interim-quarter months.



# Total Fund



Watch List Managers	Date Added to Watch List	Benchmark	Peer Group	Inception Date	Quantitative Factors						Qualitative Factors	Last Meeting w/Staff or RVK	Rationale for Addition to Watch List
					Rolling 5-Year Return (GoF) for three consecutive quarters vs. Benchmark			Rolling 5-Year Return (GoF) for three consecutive quarters vs. Peer Group universe			Meaningful Updates		
US Equity					5-Years Ending Jun-2022	5-Years Ending Mar-2021	5-Years Ending Dec-2021	5-Years Ending Jun-2022	5-Years Ending Mar-2021	5-Years Ending Dec-2021			
Pinnacle US SMID Cap Growth	Oct-20	R2500 Growth	IM US SMID Cap Growth Equity (SA+CF) Median	Mar-10	✓	✓	✓	✗	✓	✓	N/A	Jul-22	Rolling five-year return (gross of fees) has fallen below the rolling five-year benchmark return for three consecutive quarters, and; Rolling five-year return (gross of fees) has ranked in the bottom third of the peer group for three consecutive quarters.

✓ = strategy exceeds the benchmark / peer group over the stated trailing period.  
✗ = strategy does not exceed the benchmark / peer group over the stated trailing period.

**Organization, Team, Process, and AUM Developments**

**Pinnacle US SMID Cap Growth (please refer to page 19 for gross performance)**

Firm and product assets have declined incrementally, driven by market depreciation, but remain in line with historical levels. There are no recent personnel changes to report nor indications of a change to the investment process. While the portfolio remains ahead of its benchmark in 2022, it did underperform in the second quarter caused primarily by poor performance among consumer discretionary and technology stocks amid concerns over slowing economic growth. RVK rates Pinnacle SMID Cap Growth as neutral and views it as an institutional quality option.

**Recommendation: RVK recommends Pinnacle US SMID Cap Growth be removed from the Watch List due to improvement in performance relative to its benchmark and rankings amongst peers.**



City of Jacksonville Employees' Retirement System  
 Asset Allocation, Performance & Schedule of Investable Assets

As of June 30, 2022

	Allocation		Performance (%)		Allocation		Performance (%)
	Market Value (\$)	%	QTD		Market Value (\$)	%	QTD
<b>US Equity</b>	<b>829,962,401</b>	<b>36.43</b>	<b>-18.27</b>	<b>Real Estate</b>	<b>455,696,906</b>	<b>20.00</b>	<b>4.77</b>
Eagle Capital Large Cap Value (SA)	206,182,156	9.05	-19.93	Harrison Street Core Property (CF)	124,054,558	5.44	2.50
Mellon Large Cap Core Index (CF)	252,604,777	11.09	-16.67	PGIM Real Estate PRISA II (CF)	75,436,721	3.31	7.38
Loomis Sayles Large Cap Growth (CF)	150,563,516	6.61	-22.72	Principal US Property (CF)	169,115,741	7.42	3.05
Pinnacle Associates US SMID Cap Growth (SA)	70,236,612	3.08	-21.06	UBS Trumbull Property (CF)	81,435,866	3.57	7.54
Kayne Anderson US SMID Value (SA)	73,838,413	3.24	-10.87	Vanguard RE Idx;ETF (VNQ)	1,223,622	0.05	-15.40
Systematic Financial US SMID Value (SA)	76,536,926	3.36	-13.27	H.I.G. Realty Fund IV	4,430,398	0.19	60.74
<b>International Equity</b>	<b>491,111,192</b>	<b>21.55</b>	<b>-14.09</b>	<b>Diversifying Assets</b>	<b>81,798,433</b>	<b>3.59</b>	<b>12.35</b>
Silchester International Value (CF)	234,878,127	10.31	-11.07	Hancock Timberland (SA)	16,022,129	0.70	37.19
Baillie Gifford International Growth (BGEFX)	139,962,359	6.14	-17.07	Adams Street Private Equity (SA)	44,718,790	1.96	8.48
Acadian Emerging Markets (CF)	116,270,705	5.10	-16.23	Hamilton Lane Private Credit (SA)	21,057,514	0.92	3.58
<b>Fixed Income</b>	<b>416,788,040</b>	<b>18.29</b>	<b>-6.77</b>	Dreyfus Gvt Csh Mgt;Inst (DGCXX)	3,111,581	0.14	0.17
Baird Core Fixed Income (SA)	207,723,829	9.12	-4.92	Transition Account	47,367	0.00	N/A
Franklin Templeton Global Multisector Plus (CF)	83,171,415	3.65	-11.38				
Loomis Sayles Multisector Full Discretion (CF)	125,892,796	5.53	-6.55				

Schedule of Investable Assets (Total Assets)

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,664,636,142	1,275,194	-387,395,417	2,278,515,919	-14.53

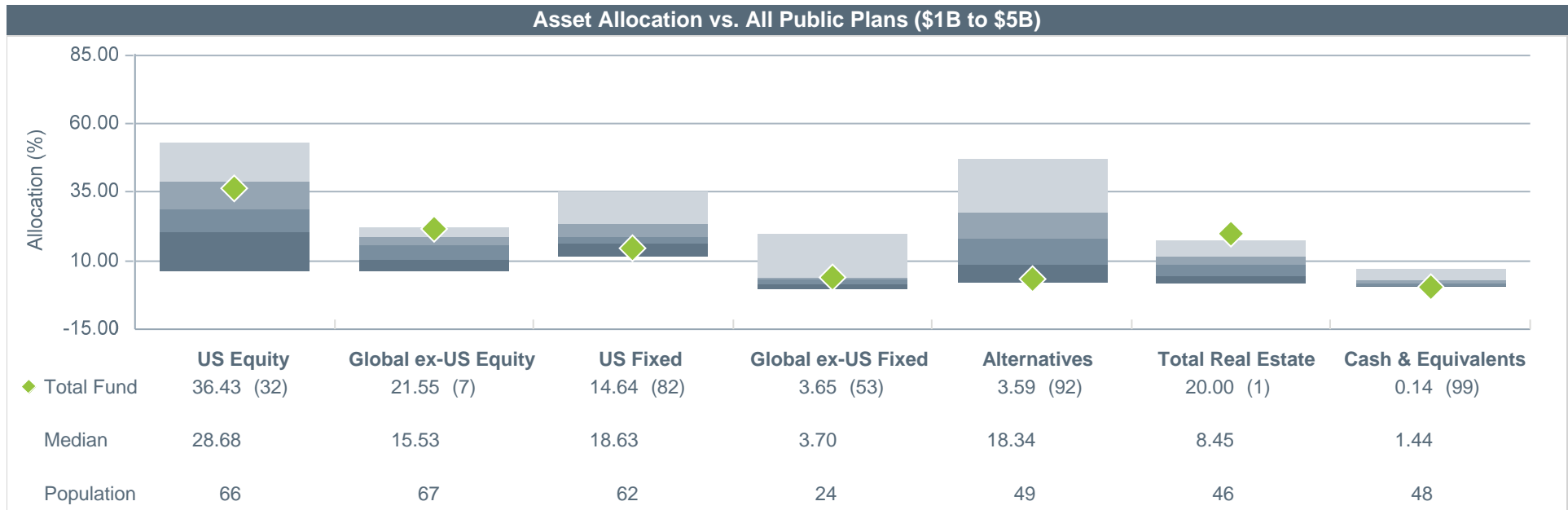
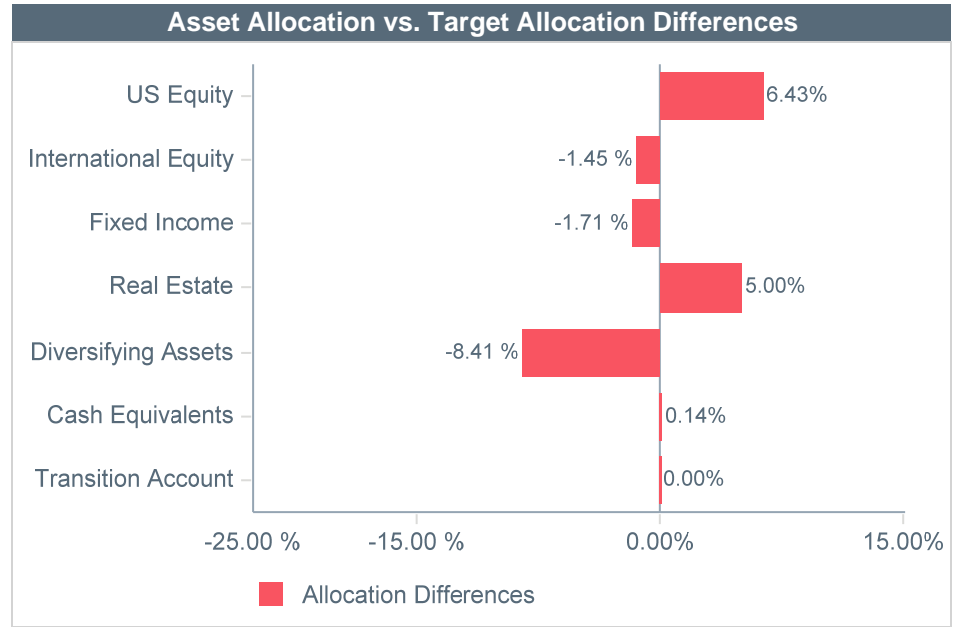
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding.



**City of Jacksonville Employees' Retirement System**  
**Total Fund vs. All Public Plans (\$1B to \$5B)**  
**Asset Allocation vs. Target and Plan Sponsor Peer Group**

As of June 30, 2022

Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
<b>Total Fund</b>	<b>2,278,515,919</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
US Equity	829,962,401	36.43	20.00	30.00	40.00
International Equity	491,111,192	21.55	13.00	23.00	25.00
Fixed Income	416,788,040	18.29	10.00	20.00	30.00
Real Estate	455,696,906	20.00	0.00	15.00	20.00
Diversifying Assets	81,798,433	3.59	0.00	12.00	20.00
Cash Equivalents	3,111,581	0.14	0.00	0.00	10.00
Transition Account	47,367	0.00	0.00	0.00	0.00

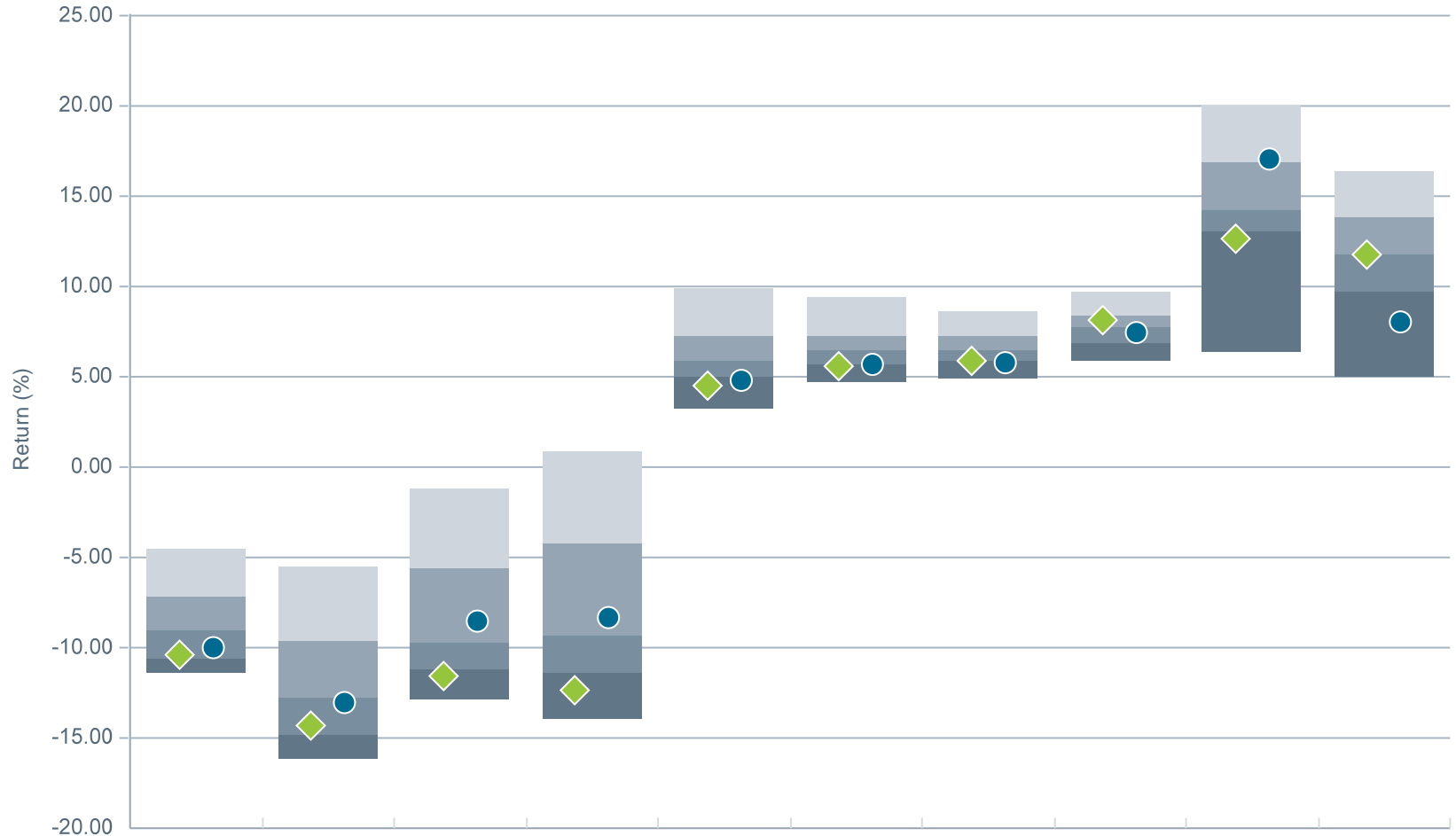


Allocations shown may not sum up to 100% exactly due to rounding. Parentheses contain percentile ranks.



City of Jacksonville Employees' Retirement System  
 Total Fund vs. All Public Plans (\$1B to \$5B)  
 Plan Sponsor Peer Group Analysis

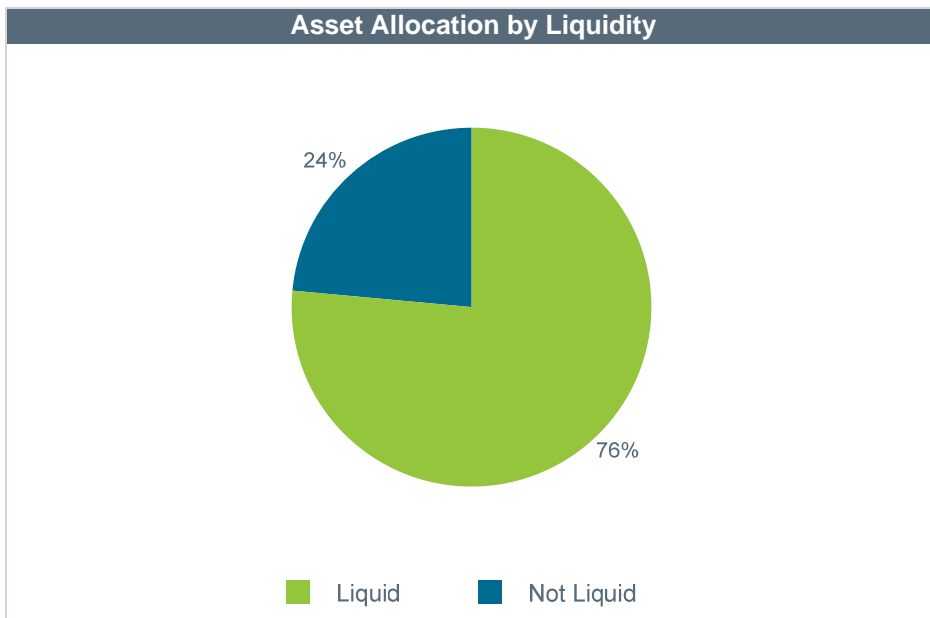
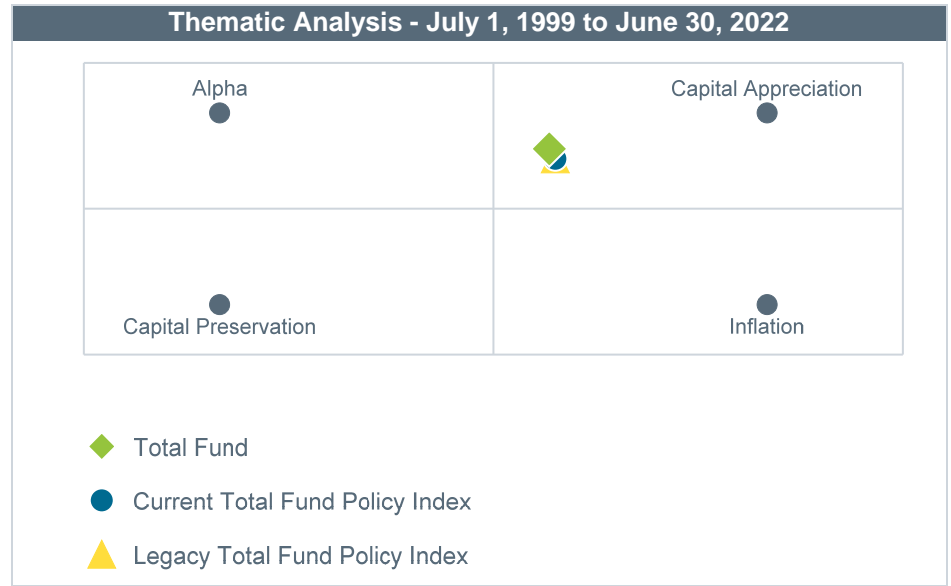
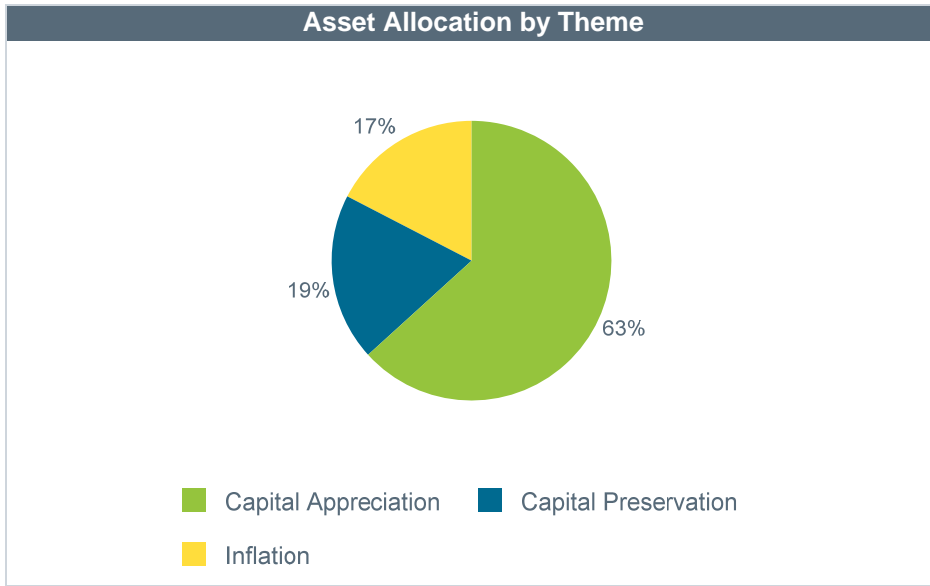
As of June 30, 2022



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020
◆ Total Fund	-10.40 (69)	-14.32 (67)	-11.53 (86)	-12.32 (91)	4.49 (83)	5.58 (77)	5.89 (76)	8.13 (34)	12.64 (81)	11.73 (51)
● Current Total Fund Policy Index	-9.99 (62)	-13.01 (52)	-8.52 (41)	-8.35 (44)	4.82 (79)	5.68 (76)	5.80 (77)	7.43 (64)	17.09 (21)	8.02 (92)
5th Percentile	-4.54	-5.49	-1.18	0.83	9.95	9.40	8.60	9.72	20.02	16.38
1st Quartile	-7.17	-9.57	-5.57	-4.25	7.27	7.27	7.27	8.39	16.87	13.86
Median	-9.00	-12.76	-9.67	-9.29	5.87	6.43	6.44	7.72	14.18	11.80
3rd Quartile	-10.61	-14.78	-11.16	-11.41	4.98	5.68	5.89	6.89	13.05	9.73
95th Percentile	-11.39	-16.13	-12.87	-13.91	3.22	4.74	4.85	5.89	6.39	4.97

Performance shown is gross of fees. Parentheses contain percentile ranks. Fiscal year for the COJ ends 09/30.





### Correlation Matrix - 10 Years

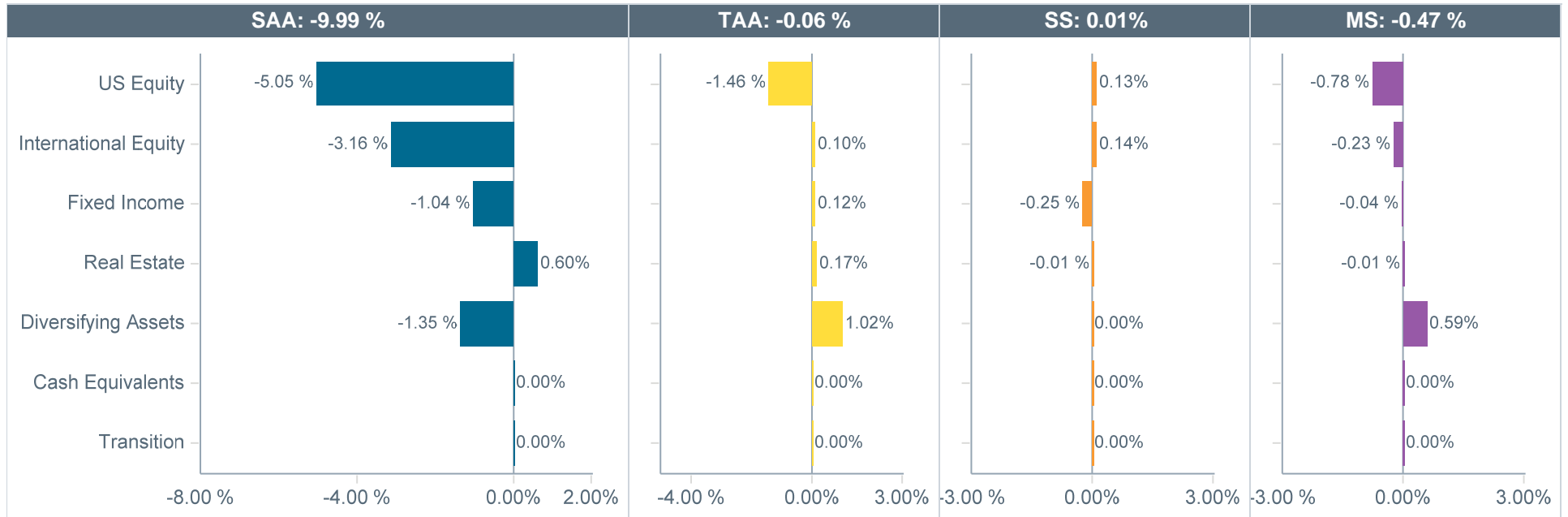
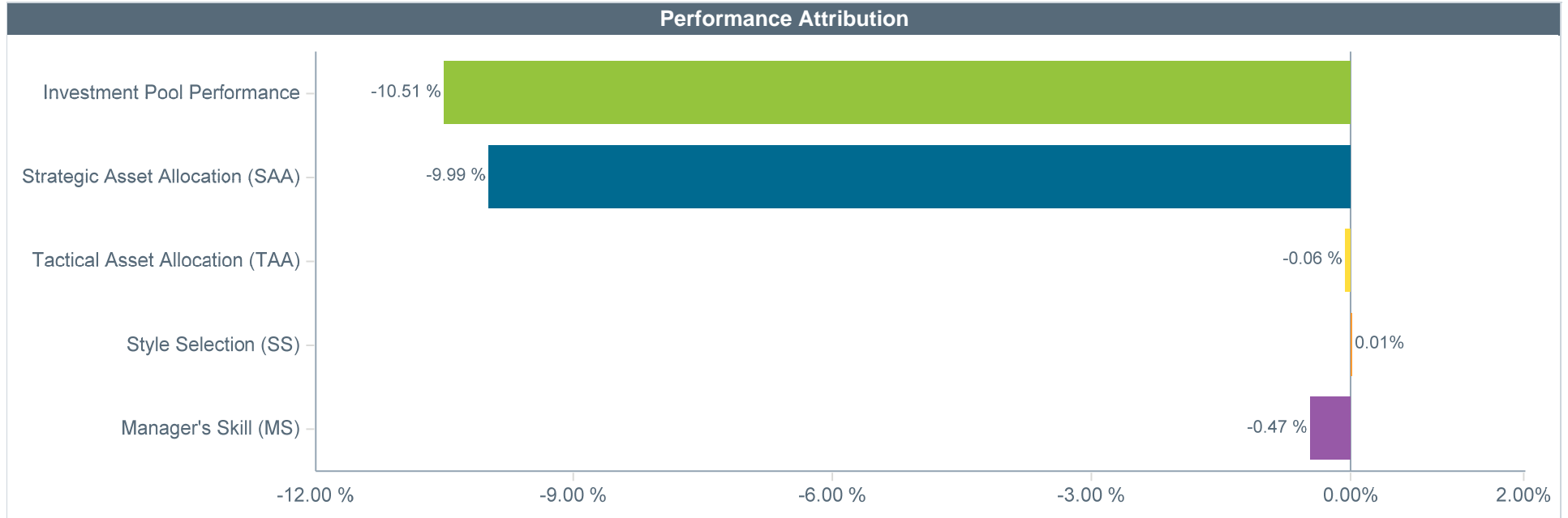
	A	B	C	D
A	1.00			
B	0.60	1.00		
C	-0.14	-0.15	1.00	
D	0.54	0.74	-0.03	1.00

Legend:

- A = HFRI EH: Equity Market Neutral Index (Alpha)
- B = MSCI ACW Index (USD) (Gross) (Capital Appreciation)
- C = Bloomberg US Gov't Bond Index (Capital Preservation)
- D = Real Return Custom Index (Inflation)

Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating. Please see the Glossary for additional information regarding liquidity, thematic, and custom index descriptions.



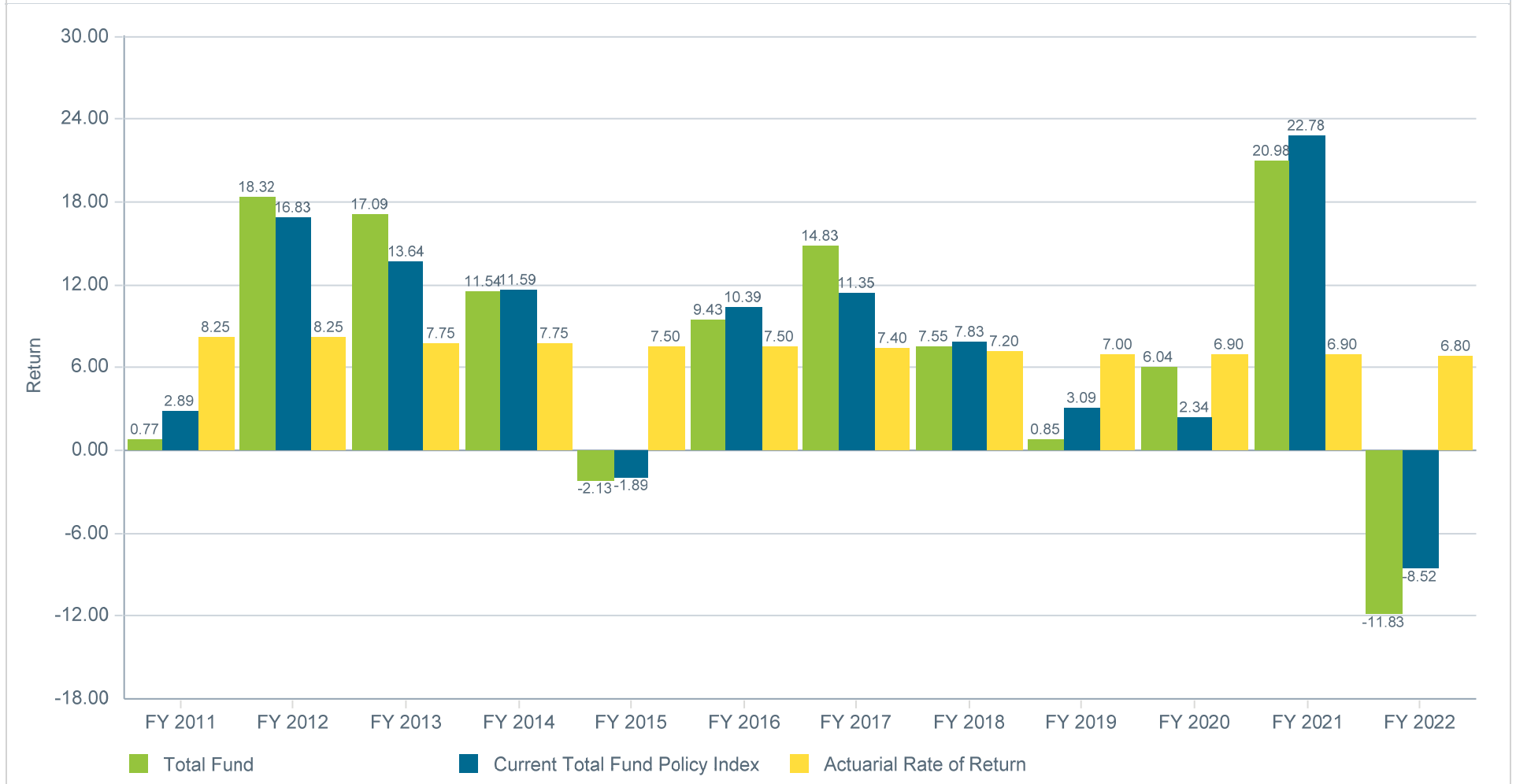


Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

City of Jacksonville Employees' Retirement System  
Historical Fiscal Year Returns

As of June 30, 2022

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FYTD
<b>Total Fund</b>	<b>11.31</b>	<b>0.77</b>	<b>18.32</b>	<b>17.09</b>	<b>11.54</b>	<b>-2.13</b>	<b>9.43</b>	<b>14.83</b>	<b>7.55</b>	<b>0.85</b>	<b>6.04</b>	<b>20.98</b>	<b>-11.83</b>
Current Total Fund Policy Index	8.32	2.89	16.83	13.64	11.59	-1.89	10.39	11.35	7.83	3.09	2.34	22.78	-8.52
Difference	2.99	-2.12	1.49	3.45	-0.05	-0.24	-0.96	3.48	-0.28	-2.24	3.70	-1.80	-3.31
Actuarial Rate of Return	8.40	8.25	8.25	7.75	7.75	7.50	7.50	7.40	7.20	7.00	6.90	6.90	6.80
Difference	2.91	-7.48	10.07	9.34	3.79	-9.63	1.93	7.43	0.35	-6.15	-0.86	14.08	-18.63



Performance shown is net of fees. Fiscal year for the COJ ends 09/30. The Fiscal Year Actuarial Rate of Return changed from 8.40% to 8.25% effective 10/01/2010, changed to 7.75% effective 10/01/2012, changed to 7.50% effective 10/01/2014, changed to 7.40% effective 10/01/2016, changed to 7.20% effective 10/01/2017, changed to 7.00% effective 10/01/2018, changed to 6.90% effective 10/01/2019, and then changed to 6.80% effective 10/01/2021. Please see the Addendum for custom index definitions.



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

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,278,515,919</b>	<b>100.00</b>	<b>-10.40</b>	<b>-14.32</b>	<b>-11.53</b>	<b>-12.32</b>	<b>4.49</b>	<b>5.58</b>	<b>5.89</b>	<b>8.13</b>	<b>6.27</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			-9.99	-13.01	-8.52	-8.35	4.82	5.68	5.80	7.43	5.69	
Difference			-0.41	-1.31	-3.01	-3.97	-0.33	-0.10	0.09	0.70	0.58	
All Public Plans (\$1B to \$5B) (Custom PG) Median			-9.00	-12.76	-9.67	-9.29	5.87	6.43	6.44	7.72	6.04	
Rank			69	67	86	91	83	77	76	34	41	
<b>Total Equity</b>	<b>1,321,073,592</b>	<b>57.98</b>	<b>-16.66</b>	<b>-22.69</b>	<b>-20.23</b>	<b>-22.04</b>	<b>5.49</b>	<b>6.87</b>	<b>7.33</b>	<b>10.15</b>	<b>6.21</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>829,962,401</b>	<b>36.43</b>	<b>-18.18</b>	<b>-23.84</b>	<b>-19.31</b>	<b>-19.90</b>	<b>7.54</b>	<b>9.25</b>	<b>9.15</b>	<b>11.99</b>	<b>6.84</b>	<b>07/01/1999</b>
US Equity Index			-16.70	-21.10	-13.78	-13.87	9.77	10.60	10.43	12.57	6.81	
Difference			-1.48	-2.74	-5.53	-6.03	-2.23	-1.35	-1.28	-0.58	0.03	
IM U.S. Equity (SA+CF) Median			-15.39	-19.85	-12.90	-13.06	8.42	9.20	9.09	11.96	8.58	
Rank			75	71	72	72	60	50	49	50	83	
<b>International Equity</b>	<b>491,111,192</b>	<b>21.55</b>	<b>-13.97</b>	<b>-20.65</b>	<b>-21.73</b>	<b>-25.41</b>	<b>2.29</b>	<b>3.14</b>	<b>4.31</b>	<b>7.00</b>	<b>5.58</b>	<b>07/01/1999</b>
International Equity Index			-13.73	-18.42	-16.94	-19.42	1.35	2.50	2.92	4.83	3.55	
Difference			-0.24	-2.23	-4.79	-5.99	0.94	0.64	1.39	2.17	2.03	
IM International Equity (SA+CF) Median			-13.68	-19.63	-18.55	-20.54	2.36	3.12	3.88	6.36	6.36	
Rank			53	58	68	73	51	50	40	36	64	
<b>Fixed Income</b>	<b>416,788,040</b>	<b>18.29</b>	<b>-6.70</b>	<b>-10.79</b>	<b>-11.31</b>	<b>-11.52</b>	<b>-1.94</b>	<b>0.21</b>	<b>1.05</b>	<b>1.77</b>	<b>4.51</b>	<b>07/01/1999</b>
Fixed Income Index			-5.13	-10.93	-10.96	-10.89	-0.94	0.89	1.43	1.55	4.15	
Difference			-1.57	0.14	-0.35	-0.63	-1.00	-0.68	-0.38	0.22	0.36	
IM Global Fixed Income (SA+CF) Median			-9.07	-13.72	-13.69	-13.55	-0.47	1.53	2.44	2.33	5.72	
Rank			26	30	33	38	71	71	76	56	64	
<b>Real Estate</b>	<b>455,696,906</b>	<b>20.00</b>	<b>4.91</b>	<b>10.67</b>	<b>18.30</b>	<b>23.06</b>	<b>9.76</b>	<b>8.88</b>	<b>9.04</b>	<b>9.59</b>	<b>7.02</b>	<b>12/01/2005</b>
Real Estate Index			4.54	12.01	20.58	28.32	11.66	9.55	9.35	10.16	7.17	
Difference			0.37	-1.34	-2.28	-5.26	-1.90	-0.67	-0.31	-0.57	-0.15	
<b>Core Real Estate</b>	<b>451,266,508</b>	<b>19.81</b>	<b>4.49</b>	<b>10.28</b>	<b>17.88</b>	<b>22.63</b>	<b>9.63</b>	<b>8.80</b>	<b>8.99</b>	<b>9.55</b>	<b>6.99</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Gross)			4.77	12.49	21.46	29.51	12.66	10.54	10.34	11.16	8.17	
Difference			-0.28	-2.21	-3.58	-6.88	-3.03	-1.74	-1.35	-1.61	-1.18	
<b>Non-Core Real Estate</b>	<b>4,430,398</b>	<b>0.19</b>	<b>60.74</b>	<b>60.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>60.74</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA)(Gross) +2%			5.29	13.61	23.28	32.10	14.92	12.75	12.54	13.38	13.61	
Difference			55.45	47.13	N/A	N/A	N/A	N/A	N/A	N/A	47.13	
<b>Diversifying Assets</b>	<b>81,798,433</b>	<b>3.59</b>	<b>12.45</b>	<b>22.81</b>	<b>39.61</b>	<b>43.97</b>	<b>14.40</b>	<b>9.52</b>	<b>5.89</b>	<b>8.81</b>	<b>9.08</b>	<b>03/01/2011</b>
Diversifying Assets Index			-11.23	-13.72	-7.94	-9.24	-2.87	-0.73	-1.12	2.24	2.42	
Difference			23.68	36.53	47.55	53.21	17.27	10.25	7.01	6.57	6.66	

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

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>US Equity</b>												
<b>Eagle Capital Large Cap Value (SA)</b>	<b>206,182,156</b>	<b>9.05</b>	<b>-19.76</b>	<b>-26.73</b>	<b>-24.27</b>	<b>-22.62</b>	<b>5.79</b>	<b>8.90</b>	<b>9.54</b>	<b>12.56</b>	<b>10.00</b>	<b>02/01/2007</b>
Russell 1000 Val Index			-12.21	-12.86	-6.09	-6.82	6.87	7.17	7.69	10.50	6.25	
Difference			-7.55	-13.87	-18.18	-15.80	-1.08	1.73	1.85	2.06	3.75	
IM U.S. Large Cap Value Equity (SA+CF) Median			-11.76	-11.82	-4.75	-5.54	9.04	8.88	8.90	11.42	7.75	
Rank			98	98	100	98	96	50	31	18	5	
<b>Mellon Large Cap Core Index (CF)</b>	<b>252,604,777</b>	<b>11.09</b>	<b>-16.67</b>	<b>-20.94</b>	<b>-13.21</b>	<b>-13.00</b>	<b>10.14</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>9.65</b>	<b>05/01/2019</b>
Russell 1000 Index			-16.67	-20.94	-13.21	-13.04	10.17	11.00	10.78	12.82	9.68	
Difference			0.00	0.00	0.00	0.04	-0.03	N/A	N/A	N/A	-0.03	
IM U.S. Large Cap Core Equity (SA+CF) Median			-15.06	-19.06	-11.06	-10.55	9.83	10.68	10.43	12.83	9.43	
Rank			81	72	76	73	43	N/A	N/A	N/A	45	
<b>Loomis Sayles Large Cap Growth (CF)</b>	<b>150,563,516</b>	<b>6.61</b>	<b>-22.57</b>	<b>-28.49</b>	<b>-23.60</b>	<b>-25.11</b>	<b>7.21</b>	<b>10.46</b>	<b>N/A</b>	<b>N/A</b>	<b>10.64</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			-20.92	-28.07	-19.70	-18.77	12.58	14.29	13.45	14.80	13.94	
Difference			-1.65	-0.42	-3.90	-6.34	-5.37	-3.83	N/A	N/A	-3.30	
IM U.S. Large Cap Growth Equity (SA+CF) Median			-20.20	-28.41	-21.78	-20.97	9.63	12.58	11.83	13.90	12.10	
Rank			76	51	61	74	80	84	N/A	N/A	79	
<b>Kayne Anderson US SMID Value (SA)</b>	<b>73,838,413</b>	<b>3.24</b>	<b>-10.83</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-11.15</b>	<b>03/01/2022</b>
Russell 2500 Val Index			-15.39	-16.66	-11.36	-13.19	6.19	5.54	6.49	9.54	-13.61	
Difference			4.56	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.46	
IM U.S. SMID Cap Value Equity (SA+CF) Median			-13.45	-15.30	-9.07	-10.47	7.92	7.09	7.52	11.06	-12.73	
Rank			23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	
<b>Systematic Financial US SMID Value (SA)</b>	<b>76,536,926</b>	<b>3.36</b>	<b>-13.18</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-13.51</b>	<b>03/01/2022</b>
Russell 2500 Val Index			-15.39	-16.66	-11.36	-13.19	6.19	5.54	6.49	9.54	-13.61	
Difference			2.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.10	
IM U.S. SMID Cap Value Equity (SA+CF) Median			-13.45	-15.30	-9.07	-10.47	7.92	7.09	7.52	11.06	-12.73	
Rank			47	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>70,236,612</b>	<b>3.08</b>	<b>-20.92</b>	<b>-25.03</b>	<b>-22.51</b>	<b>-25.65</b>	<b>9.59</b>	<b>9.17</b>	<b>8.75</b>	<b>12.65</b>	<b>12.87</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			-19.55	-29.45	-29.31	-31.81	3.68	7.53	7.05	10.88	11.51	
Difference			-1.37	4.42	6.80	6.16	5.91	1.64	1.70	1.77	1.36	
IM U.S. SMID Cap Growth Equity (SA+CF) Median			-19.66	-28.28	-25.93	-24.78	6.64	10.23	9.38	12.11	13.20	
Rank			63	28	35	56	25	75	61	33	59	

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

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>International Equity</b>												
<b>Silchester International Value (CF)</b>	<b>234,878,127</b>	<b>10.31</b>	<b>-10.94</b>	<b>-10.66</b>	<b>-10.57</b>	<b>-11.34</b>	<b>2.81</b>	<b>2.80</b>	<b>4.19</b>	<b>8.10</b>	<b>8.56</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			-12.41	-12.12	-11.09	-11.95	0.18	0.52	1.17	4.25	4.14	
Difference			1.47	1.46	0.52	0.61	2.63	2.28	3.02	3.85	4.42	
IM EAFE Value (SA+CF) Median			-11.73	-14.56	-13.61	-14.17	2.44	2.32	2.94	5.97	6.39	
Rank			40	17	25	25	43	36	17	9	9	
<b>Baillie Gifford International Growth (BGEFX)</b>	<b>139,962,359</b>	<b>6.14</b>	<b>-16.97</b>	<b>-34.92</b>	<b>-37.81</b>	<b>-42.78</b>	<b>2.69</b>	<b>5.50</b>	<b>6.14</b>	<b>8.51</b>	<b>8.94</b>	<b>06/01/2009</b>
Baillie Gifford Index			-15.71	-24.79	-23.01	-25.80	1.62	3.13	3.65	6.12	6.41	
Difference			-1.26	-10.13	-14.80	-16.98	1.07	2.37	2.49	2.39	2.53	
Baillie Gifford Spliced Index			-13.73	-18.42	-16.94	-19.42	1.72	2.59	2.98	5.60	5.60	
Difference			-3.24	-16.50	-20.87	-23.36	0.97	2.91	3.16	2.91	3.34	
IM ACWI Ex US Growth (SA+CF) Median			-15.98	-26.22	-24.32	-24.88	2.60	4.46	4.68	6.96	7.53	
Rank			58	96	98	98	48	28	26	15	15	
<b>Acadian Emerging Markets (CF)</b>	<b>116,270,705</b>	<b>5.10</b>	<b>-16.11</b>	<b>-17.51</b>	<b>-16.81</b>	<b>-21.91</b>	<b>2.65</b>	<b>2.21</b>	<b>3.27</b>	<b>3.95</b>	<b>2.72</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			-11.45	-17.63	-18.71	-25.28	0.57	2.18	2.79	3.06	1.45	
Difference			-4.66	0.12	1.90	3.37	2.08	0.03	0.48	0.89	1.27	
IM Emerging Markets Equity (SA+CF) Median			-12.05	-18.20	-19.00	-25.03	1.46	2.93	3.80	4.41	2.75	
Rank			88	45	38	36	37	66	64	61	52	
<b>Fixed Income</b>												
<b>Baird Core Fixed Income (SA)</b>	<b>207,723,829</b>	<b>9.12</b>	<b>-4.86</b>	<b>-10.68</b>	<b>-10.85</b>	<b>-10.66</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-7.41</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			-4.69	-10.35	-10.34	-10.29	-0.94	0.88	1.42	1.54	-7.44	
Difference			-0.17	-0.33	-0.51	-0.37	N/A	N/A	N/A	N/A	0.03	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			-4.85	-10.35	-10.34	-10.29	-0.44	1.29	1.89	2.03	-7.33	
Rank			54	67	71	70	N/A	N/A	N/A	N/A	56	
<b>Franklin Templeton Global Multisector Plus (CF)</b>	<b>83,171,415</b>	<b>3.65</b>	<b>-11.30</b>	<b>-9.94</b>	<b>-12.07</b>	<b>-13.97</b>	<b>-7.83</b>	<b>-3.90</b>	<b>-2.00</b>	<b>0.39</b>	<b>4.26</b>	<b>09/01/2007</b>
Frank. Temp. Global Multisector Index			-8.43	-13.97	-14.57	-15.35	-3.20	-0.51	0.62	0.27	2.25	
Difference			-2.87	4.03	2.50	1.38	-4.63	-3.39	-2.62	0.12	2.01	
IM Global Fixed Income (SA+CF) Median			-9.07	-13.72	-13.69	-13.55	-0.47	1.53	2.44	2.33	3.29	
Rank			83	25	38	53	100	100	100	79	34	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>125,892,796</b>	<b>5.53</b>	<b>-6.46</b>	<b>-11.51</b>	<b>-11.57</b>	<b>-11.25</b>	<b>1.56</b>	<b>3.00</b>	<b>3.54</b>	<b>4.90</b>	<b>5.88</b>	<b>10/01/2007</b>
Bloomberg Gbl Agg Bond Index			-8.26	-13.91	-14.49	-15.25	-3.22	-0.55	0.51	0.11	1.92	
Difference			1.80	2.40	2.92	4.00	4.78	3.55	3.03	4.79	3.96	
IM Global Fixed Income (SA+CF) Median			-9.07	-13.72	-13.69	-13.55	-0.47	1.53	2.44	2.33	3.03	
Rank			24	33	33	38	16	15	25	13	3	

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

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Real Estate</b>												
<b>Harrison Street Core Property (CF)</b>	<b>124,054,558</b>	<b>5.44</b>	<b>2.50</b>	<b>5.11</b>	<b>8.04</b>	<b>11.10</b>	<b>7.35</b>	<b>8.09</b>	<b>N/A</b>	<b>N/A</b>	<b>7.93</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Gross)			4.77	12.49	21.46	29.51	12.66	10.54	10.34	11.16	10.28	
Difference			-2.27	-7.38	-13.42	-18.41	-5.31	-2.45	N/A	N/A	-2.35	
<b>PGIM Real Estate PRISA II (CF)</b>	<b>75,436,721</b>	<b>3.31</b>	<b>7.55</b>	<b>14.68</b>	<b>23.17</b>	<b>29.35</b>	<b>11.33</b>	<b>10.74</b>	<b>11.01</b>	<b>N/A</b>	<b>10.72</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Gross)			4.77	12.49	21.46	29.51	12.66	10.54	10.34	11.16	10.65	
Difference			2.78	2.19	1.71	-0.16	-1.33	0.20	0.67	N/A	0.07	
<b>Principal US Property (CF)</b>	<b>169,115,741</b>	<b>7.42</b>	<b>3.26</b>	<b>11.05</b>	<b>22.45</b>	<b>28.85</b>	<b>13.01</b>	<b>11.23</b>	<b>11.19</b>	<b>N/A</b>	<b>11.67</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Gross)			4.77	12.49	21.46	29.51	12.66	10.54	10.34	11.16	10.87	
Difference			-1.51	-1.44	0.99	-0.66	0.35	0.69	0.85	N/A	0.80	
<b>UBS Trumbull Property (CF)</b>	<b>81,435,866</b>	<b>3.57</b>	<b>7.75</b>	<b>13.52</b>	<b>20.61</b>	<b>24.26</b>	<b>6.83</b>	<b>5.60</b>	<b>6.30</b>	<b>7.67</b>	<b>6.37</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Gross)			4.77	12.49	21.46	29.51	12.66	10.54	10.34	11.16	8.17	
Difference			2.98	1.03	-0.85	-5.25	-5.83	-4.94	-4.04	-3.49	-1.80	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,223,622</b>	<b>0.05</b>	<b>-15.40</b>	<b>-20.54</b>	<b>-8.62</b>	<b>-8.05</b>	<b>4.79</b>	<b>5.57</b>	<b>6.91</b>	<b>7.33</b>	<b>12.00</b>	<b>12/01/2008</b>
Custom REITs Index			-15.43	-20.47	-8.59	-7.94	4.88	6.11	7.31	7.73	12.75	
Difference			0.03	-0.07	-0.03	-0.11	-0.09	-0.54	-0.40	-0.40	-0.75	
<b>H.I.G. Realty Fund IV</b>	<b>4,430,398</b>	<b>0.19</b>	<b>60.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>60.74</b>	<b>04/01/2022</b>
NCREIF ODCE Index (AWA)( Gross) +2%			5.29	13.61	23.28	32.10	14.92	12.75	12.54	13.38	5.29	
Difference			55.45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55.45	
<b>Diversifying Assets</b>												
<b>Hancock Timberland (SA)</b>	<b>16,022,129</b>	<b>0.70</b>	<b>37.19</b>	<b>37.19</b>	<b>42.52</b>	<b>55.69</b>	<b>22.77</b>	<b>15.88</b>	<b>12.34</b>	<b>11.49</b>	<b>6.82</b>	<b>10/01/2006</b>
NCREIF Timberland Index			1.87	5.13	9.93	12.01	5.03	4.32	4.05	5.73	5.58	
Difference			35.32	32.06	32.59	43.68	17.74	11.56	8.29	5.76	1.24	
<b>Adams Street Private Equity (SA)</b>	<b>44,718,790</b>	<b>1.96</b>	<b>8.48</b>	<b>25.84</b>	<b>55.56</b>	<b>80.84</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>42.68</b>	<b>11/01/2020</b>
S&P 500 Index+3%			-15.48	-18.77	-9.14	-7.93	13.92	14.65	14.48	16.35	14.15	
Difference			23.96	44.61	64.70	88.77	N/A	N/A	N/A	N/A	28.53	
<b>Hamilton Lane Private Credit (SA)</b>	<b>21,057,514</b>	<b>0.92</b>	<b>4.02</b>	<b>4.70</b>	<b>7.13</b>	<b>8.47</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.72</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			-10.97	-15.91	-16.13	-16.00	0.14	2.78	4.61	5.85	-10.89	
Difference			14.99	20.61	23.26	24.47	N/A	N/A	N/A	N/A	17.61	
<b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>	<b>3,111,581</b>	<b>0.14</b>	<b>0.21</b>	<b>0.33</b>	<b>0.47</b>	<b>0.70</b>	<b>0.83</b>	<b>1.26</b>	<b>1.02</b>	<b>0.74</b>	<b>1.35</b>	<b>04/01/2001</b>
FTSE 3 Mo T-Bill Index			0.14	0.17	0.18	0.19	0.61	1.09	0.86	0.62	1.29	
Difference			0.07	0.16	0.29	0.51	0.22	0.17	0.16	0.12	0.06	

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

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,278,515,919</b>	<b>100.00</b>	<b>-10.51</b>	<b>-14.53</b>	<b>-11.83</b>	<b>-12.72</b>	<b>4.00</b>	<b>5.06</b>	<b>5.36</b>	<b>7.60</b>	<b>5.95</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			-9.99	-13.01	-8.52	-8.35	4.82	5.68	5.80	7.43	5.69	
Difference			-0.52	-1.52	-3.31	-4.37	-0.82	-0.62	-0.44	0.17	0.26	
<b>Total Equity</b>	<b>1,321,073,592</b>	<b>57.98</b>	<b>-16.77</b>	<b>-22.89</b>	<b>-20.51</b>	<b>-22.41</b>	<b>4.98</b>	<b>6.33</b>	<b>6.77</b>	<b>9.58</b>	<b>5.90</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>829,962,401</b>	<b>36.43</b>	<b>-18.27</b>	<b>-24.04</b>	<b>-19.57</b>	<b>-20.24</b>	<b>7.06</b>	<b>8.73</b>	<b>8.61</b>	<b>11.42</b>	<b>6.54</b>	<b>07/01/1999</b>
US Equity Index			-16.70	-21.10	-13.78	-13.87	9.77	10.60	10.43	12.57	6.81	
Difference			-1.57	-2.94	-5.79	-6.37	-2.71	-1.87	-1.82	-1.15	-0.27	
<b>International Equity</b>	<b>491,111,192</b>	<b>21.55</b>	<b>-14.09</b>	<b>-20.87</b>	<b>-22.05</b>	<b>-25.81</b>	<b>1.73</b>	<b>2.57</b>	<b>3.73</b>	<b>6.40</b>	<b>5.25</b>	<b>07/01/1999</b>
International Equity Index			-13.73	-18.42	-16.94	-19.42	1.35	2.50	2.92	4.83	3.55	
Difference			-0.36	-2.45	-5.11	-6.39	0.38	0.07	0.81	1.57	1.70	
<b>Fixed Income</b>	<b>416,788,040</b>	<b>18.29</b>	<b>-6.77</b>	<b>-10.92</b>	<b>-11.51</b>	<b>-11.78</b>	<b>-2.19</b>	<b>-0.05</b>	<b>0.80</b>	<b>1.55</b>	<b>4.35</b>	<b>07/01/1999</b>
Fixed Income Index			-5.13	-10.93	-10.96	-10.89	-0.94	0.89	1.43	1.55	4.15	
Difference			-1.64	0.01	-0.55	-0.89	-1.25	-0.94	-0.63	0.00	0.20	
<b>Real Estate</b>	<b>455,696,906</b>	<b>20.00</b>	<b>4.77</b>	<b>10.37</b>	<b>17.82</b>	<b>22.40</b>	<b>9.04</b>	<b>8.12</b>	<b>8.28</b>	<b>8.78</b>	<b>6.34</b>	<b>12/01/2005</b>
Real Estate Index			4.54	12.01	20.58	28.32	11.66	9.55	9.35	10.16	7.17	
Difference			0.23	-1.64	-2.76	-5.92	-2.62	-1.43	-1.07	-1.38	-0.83	
<b>Core Real Estate</b>	<b>451,266,508</b>	<b>19.81</b>	<b>4.49</b>	<b>10.28</b>	<b>17.88</b>	<b>22.63</b>	<b>9.63</b>	<b>8.80</b>	<b>8.99</b>	<b>9.55</b>	<b>6.99</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			4.54	12.00	20.58	28.31	11.66	9.55	9.35	10.15	7.17	
Difference			-0.05	-1.72	-2.70	-5.68	-2.03	-0.75	-0.36	-0.60	-0.18	
<b>Non-Core Real Estate</b>	<b>4,430,398</b>	<b>0.19</b>	<b>60.74</b>	<b>60.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>60.74</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Net) (Monthly)+2%			5.06	13.12	22.38	30.87	13.90	11.74	11.53	12.36	13.12	
Difference			55.68	47.62	N/A	N/A	N/A	N/A	N/A	N/A	47.62	
<b>Diversifying Assets</b>	<b>81,798,433</b>	<b>3.59</b>	<b>12.35</b>	<b>22.55</b>	<b>39.11</b>	<b>42.98</b>	<b>13.77</b>	<b>8.94</b>	<b>5.34</b>	<b>8.26</b>	<b>8.54</b>	<b>03/01/2011</b>
Diversifying Assets Index			-11.23	-13.72	-7.94	-9.24	-2.87	-0.73	-1.12	2.24	2.42	
Difference			23.58	36.27	47.05	52.22	16.64	9.67	6.46	6.02	6.12	

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Asset Allocation & Performance (Net of Fees)

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>US Equity</b>												
<b>Eagle Capital Large Cap Value (SA)</b>	206,182,156	9.05	-19.93	-27.03	-24.71	-23.21	5.00	8.09	8.73	11.72	9.29	02/01/2007
Russell 1000 Val Index			-12.21	-12.86	-6.09	-6.82	6.87	7.17	7.69	10.50	6.25	
Difference			-7.72	-14.17	-18.62	-16.39	-1.87	0.92	1.04	1.22	3.04	
<b>Mellon Large Cap Core Index (CF)</b>	252,604,777	11.09	-16.67	-20.95	-13.22	-13.02	10.11	N/A	N/A	N/A	9.63	05/01/2019
Russell 1000 Index			-16.67	-20.94	-13.21	-13.04	10.17	11.00	10.78	12.82	9.68	
Difference			0.00	-0.01	-0.01	0.02	-0.06	N/A	N/A	N/A	-0.05	
<b>Loomis Sayles Large Cap Growth (CF)</b>	150,563,516	6.61	-22.72	-28.76	-23.96	-25.59	6.64	9.89	N/A	N/A	10.08	08/01/2017
Russell 1000 Grth Index			-20.92	-28.07	-19.70	-18.77	12.58	14.29	13.45	14.80	13.94	
Difference			-1.80	-0.69	-4.26	-6.82	-5.94	-4.40	N/A	N/A	-3.86	
<b>Kayne Anderson US SMID Value (SA)</b>	73,838,413	3.24	-10.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-11.24	03/01/2022
Russell 2500 Val Index			-15.39	-16.66	-11.36	-13.19	6.19	5.54	6.49	9.54	-13.61	
Difference			4.52	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.37	
<b>Systematic Financial US SMID Value (SA)</b>	76,536,926	3.36	-13.27	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-13.59	03/01/2022
Russell 2500 Val Index			-15.39	-16.66	-11.36	-13.19	6.19	5.54	6.49	9.54	-13.61	
Difference			2.12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.02	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	70,236,612	3.08	-21.06	-25.55	-23.05	-26.28	8.87	8.52	7.99	11.87	12.10	03/01/2010
Russell 2500 Grth Index			-19.55	-29.45	-29.31	-31.81	3.68	7.53	7.05	10.88	11.51	
Difference			-1.51	3.90	6.26	5.53	5.19	0.99	0.94	0.99	0.59	
<b>International Equity</b>												
<b>Silchester International Value (CF)</b>	234,878,127	10.31	-11.07	-10.91	-10.95	-11.84	2.23	2.21	3.59	7.47	7.92	06/01/2009
MSCI EAFE Val Index (USD) (Net)			-12.41	-12.12	-11.09	-11.95	0.18	0.52	1.17	4.25	4.14	
Difference			1.34	1.21	0.14	0.11	2.05	1.69	2.42	3.22	3.78	
<b>Baillie Gifford International Growth (BGEFX)</b>	139,962,359	6.14	-17.07	-35.09	-38.04	-43.06	2.19	4.97	5.60	7.97	8.53	06/01/2009
Baillie Gifford Index			-15.71	-24.79	-23.01	-25.80	1.62	3.13	3.65	6.12	6.41	
Difference			-1.36	-10.30	-15.03	-17.26	0.57	1.84	1.95	1.85	2.12	
Baillie Gifford Spliced Index			-13.73	-18.42	-16.94	-19.42	1.72	2.59	2.98	5.60	5.60	
Difference			-3.34	-16.67	-21.10	-23.64	0.47	2.38	2.62	2.37	2.93	
<b>Acadian Emerging Markets (CF)</b>	116,270,705	5.10	-16.23	-17.75	-17.17	-22.36	2.06	1.62	2.67	3.33	2.13	02/01/2011
MSCI Emg Mkts Index (USD) (Net)			-11.45	-17.63	-18.71	-25.28	0.57	2.18	2.79	3.06	1.45	
Difference			-4.78	-0.12	1.54	2.92	1.49	-0.56	-0.12	0.27	0.68	

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	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Fixed Income</b>												
<b>Baird Core Fixed Income (SA)</b>	<b>207,723,829</b>	<b>9.12</b>	<b>-4.92</b>	<b>-10.78</b>	<b>-11.00</b>	<b>-10.86</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-7.58</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			-4.69	-10.35	-10.34	-10.29	-0.94	0.88	1.42	1.54	-7.44	
Difference			-0.23	-0.43	-0.66	-0.57	N/A	N/A	N/A	N/A	-0.14	
<b>Franklin Templeton Global Multisector Plus (CF)</b>	<b>83,171,415</b>	<b>3.65</b>	<b>-11.38</b>	<b>-10.11</b>	<b>-12.33</b>	<b>-14.32</b>	<b>-8.21</b>	<b>-4.35</b>	<b>-2.49</b>	<b>-0.23</b>	<b>3.55</b>	<b>09/01/2007</b>
Frank. Temp. Global Multisector Index			-8.43	-13.97	-14.57	-15.35	-3.20	-0.51	0.62	0.27	2.25	
Difference			-2.95	3.86	2.24	1.03	-5.01	-3.84	-3.11	-0.50	1.30	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>125,892,796</b>	<b>5.53</b>	<b>-6.55</b>	<b>-11.67</b>	<b>-11.81</b>	<b>-11.56</b>	<b>1.19</b>	<b>2.62</b>	<b>3.13</b>	<b>4.48</b>	<b>5.52</b>	<b>10/01/2007</b>
Bloomberg Gbl Agg Bond Index			-8.26	-13.91	-14.49	-15.25	-3.22	-0.55	0.51	0.11	1.92	
Difference			1.71	2.24	2.68	3.69	4.41	3.17	2.62	4.37	3.60	
<b>Real Estate</b>												
<b>Harrison Street Core Property (CF)</b>	<b>124,054,558</b>	<b>5.44</b>	<b>2.50</b>	<b>5.11</b>	<b>8.04</b>	<b>11.10</b>	<b>6.90</b>	<b>7.60</b>	<b>N/A</b>	<b>N/A</b>	<b>7.56</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			4.54	12.00	20.58	28.31	11.66	9.55	9.35	10.15	9.28	
Difference			-2.04	-6.89	-12.54	-17.21	-4.76	-1.95	N/A	N/A	-1.72	
<b>PGIM Real Estate PRISA II (CF)</b>	<b>75,436,721</b>	<b>3.31</b>	<b>7.38</b>	<b>14.32</b>	<b>22.60</b>	<b>28.54</b>	<b>10.50</b>	<b>9.71</b>	<b>10.08</b>	<b>N/A</b>	<b>9.85</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			4.54	12.00	20.58	28.31	11.66	9.55	9.35	10.15	9.66	
Difference			2.84	2.32	2.02	0.23	-1.16	0.16	0.73	N/A	0.19	
<b>Principal US Property (CF)</b>	<b>169,115,741</b>	<b>7.42</b>	<b>3.05</b>	<b>10.61</b>	<b>21.74</b>	<b>27.84</b>	<b>12.12</b>	<b>10.33</b>	<b>10.30</b>	<b>N/A</b>	<b>10.78</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Net)			4.54	12.00	20.58	28.31	11.66	9.55	9.35	10.15	9.87	
Difference			-1.49	-1.39	1.16	-0.47	0.46	0.78	0.95	N/A	0.91	
<b>UBS Trumbull Property (CF)</b>	<b>81,435,866</b>	<b>3.57</b>	<b>7.54</b>	<b>13.08</b>	<b>19.91</b>	<b>23.30</b>	<b>6.07</b>	<b>4.80</b>	<b>5.41</b>	<b>6.72</b>	<b>5.45</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			4.54	12.00	20.58	28.31	11.66	9.55	9.35	10.15	7.17	
Difference			3.00	1.08	-0.67	-5.01	-5.59	-4.75	-3.94	-3.43	-1.72	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,223,622</b>	<b>0.05</b>	<b>-15.40</b>	<b>-20.54</b>	<b>-8.62</b>	<b>-8.05</b>	<b>4.79</b>	<b>5.57</b>	<b>6.91</b>	<b>7.33</b>	<b>12.00</b>	<b>12/01/2008</b>
Custom REITs Index			-15.43	-20.47	-8.59	-7.94	4.88	6.11	7.31	7.73	12.75	
Difference			0.03	-0.07	-0.03	-0.11	-0.09	-0.54	-0.40	-0.40	-0.75	
<b>H.I.G. Realty Fund IV</b>	<b>4,430,398</b>	<b>0.19</b>	<b>60.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>60.74</b>	<b>04/01/2022</b>
NCREIF ODCE Index (AWA) (Net) (Monthly)+2%			5.06	13.12	22.38	30.87	13.90	11.74	11.53	12.36	5.06	
Difference			55.68	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55.68	

Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30.



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

As of June 30, 2022

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Diversifying Assets</b>												
<b>Hancock Timberland (SA)</b>	<b>16,022,129</b>	<b>0.70</b>	<b>37.19</b>	<b>37.19</b>	<b>42.52</b>	<b>55.69</b>	<b>22.77</b>	<b>15.88</b>	<b>12.34</b>	<b>11.49</b>	<b>6.82</b>	<b>10/01/2006</b>
NCREIF Timberland Index			1.87	5.13	9.93	12.01	5.03	4.32	4.05	5.73	5.58	
Difference			35.32	32.06	32.59	43.68	17.74	11.56	8.29	5.76	1.24	
<b>Adams Street Private Equity (SA)</b>	<b>44,718,790</b>	<b>1.96</b>	<b>8.48</b>	<b>25.84</b>	<b>55.56</b>	<b>80.84</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>42.68</b>	<b>11/01/2020</b>
S&P 500 Index+3%			-15.48	-18.77	-9.14	-7.93	13.92	14.65	14.48	16.35	14.15	
Difference			23.96	44.61	64.70	88.77	N/A	N/A	N/A	N/A	28.53	
<b>Hamilton Lane Private Credit (SA)</b>	<b>21,057,514</b>	<b>0.92</b>	<b>3.58</b>	<b>3.66</b>	<b>5.33</b>	<b>5.34</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-4.17</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			-10.97	-15.91	-16.13	-16.00	0.14	2.78	4.61	5.85	-10.89	
Difference			14.55	19.57	21.46	21.34	N/A	N/A	N/A	N/A	6.72	
<b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>	<b>3,111,581</b>	<b>0.14</b>	<b>0.17</b>	<b>0.25</b>	<b>0.35</b>	<b>0.54</b>	<b>0.68</b>	<b>1.15</b>	<b>0.93</b>	<b>0.68</b>	<b>1.31</b>	<b>04/01/2001</b>
FTSE 3 Mo T-Bill Index			0.14	0.17	0.18	0.19	0.61	1.09	0.86	0.62	1.29	
Difference			0.03	0.08	0.17	0.35	0.07	0.06	0.07	0.06	0.02	

Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30.

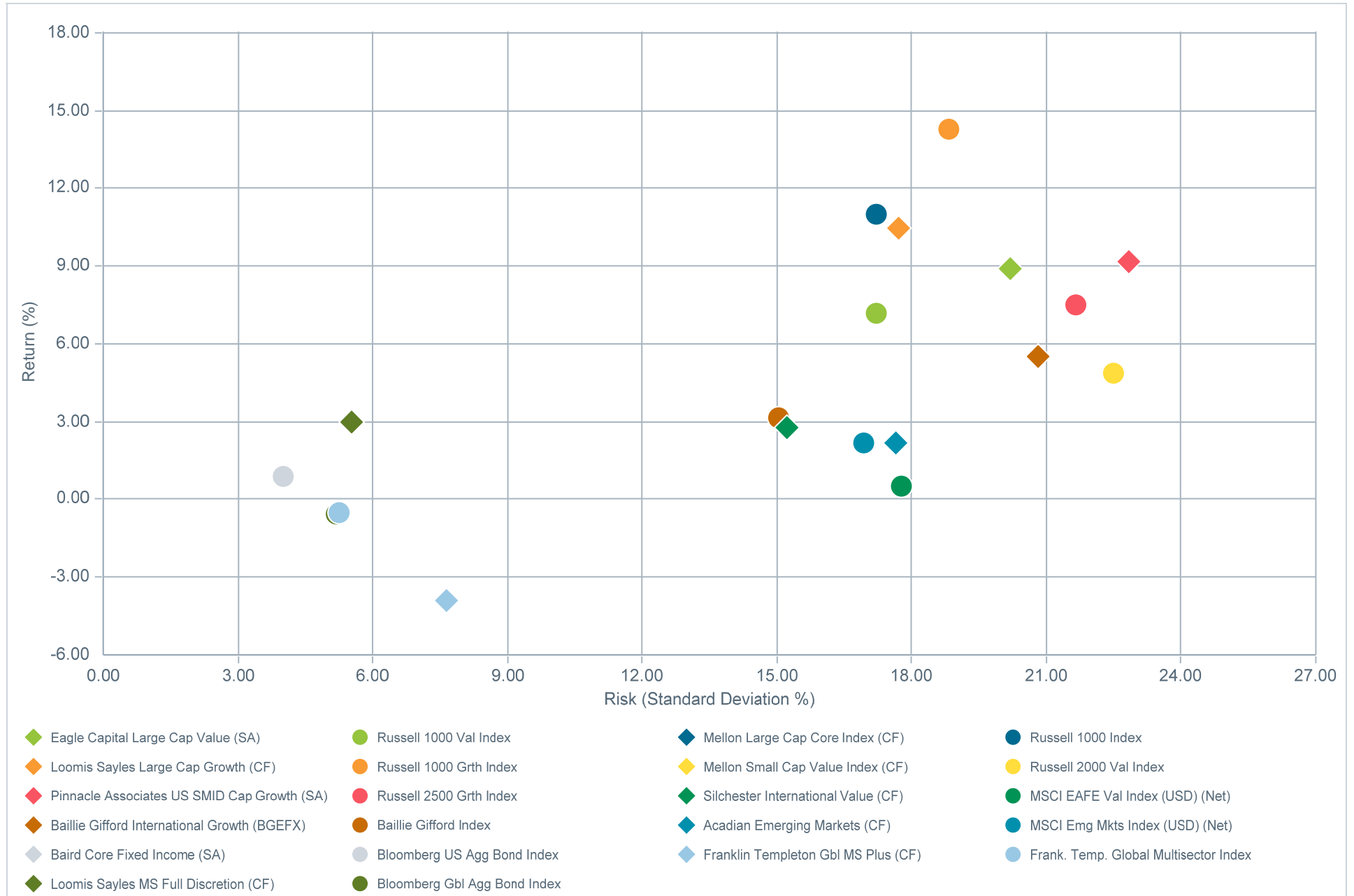




Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period will not appear. Please see the Addendum for custom index definitions.

City of Jacksonville Employees' Retirement System  
 Risk and Return  
 Traditional Managers

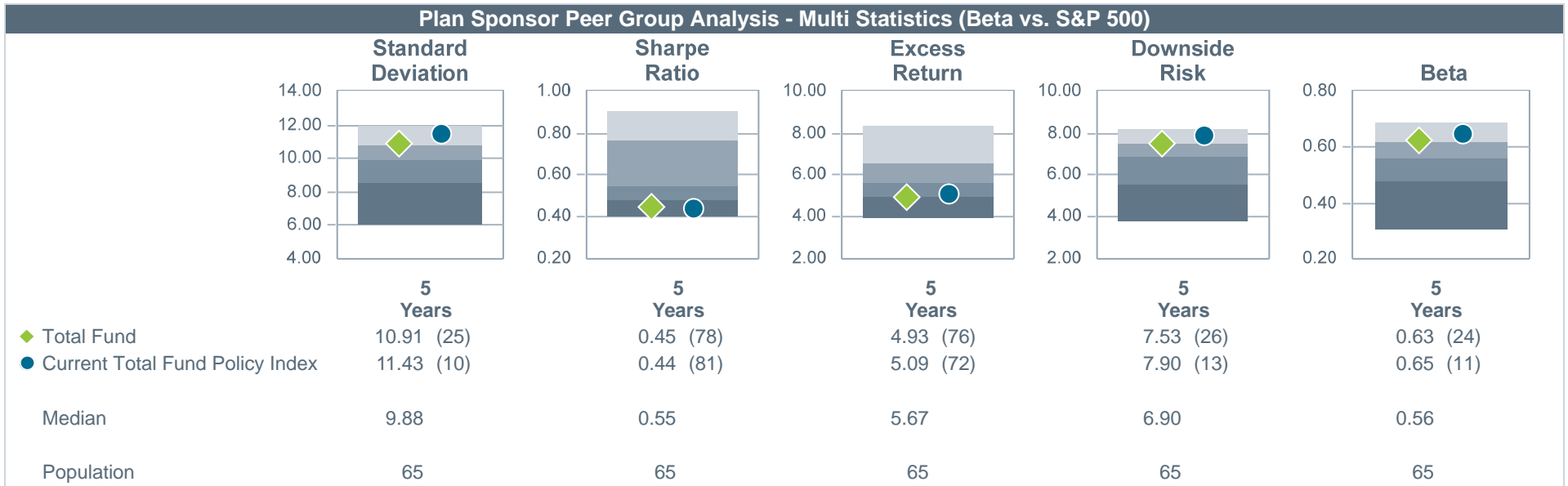
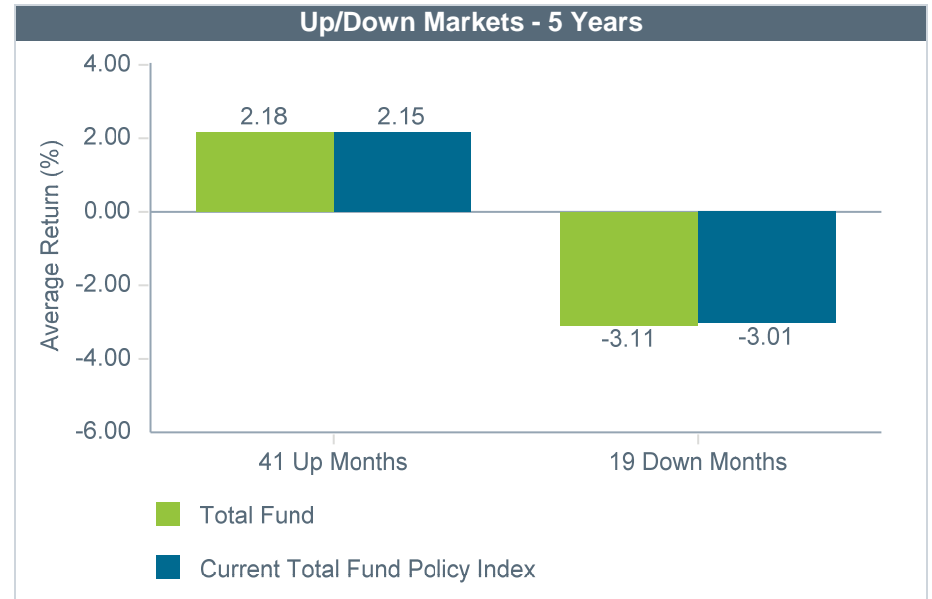
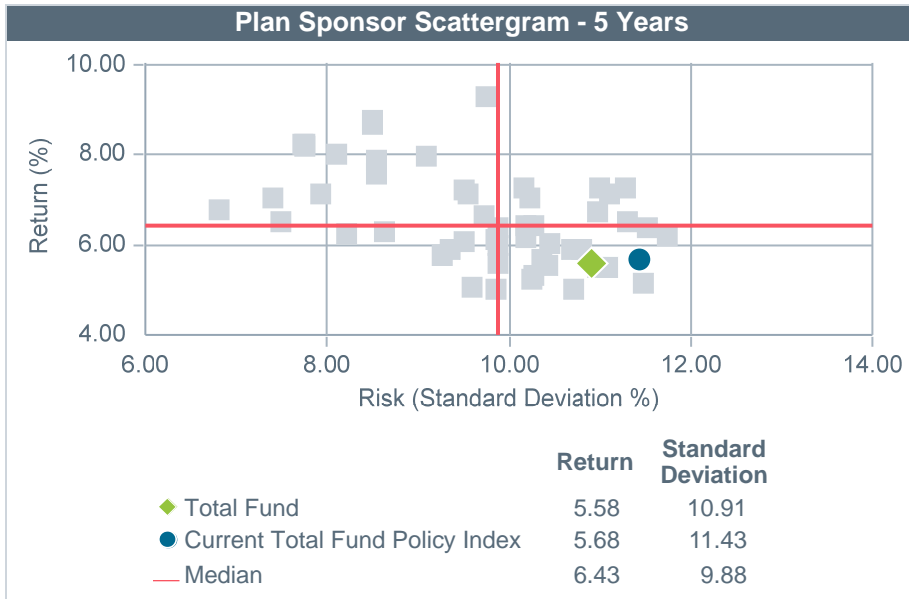
5 Years Ending June 30, 2022



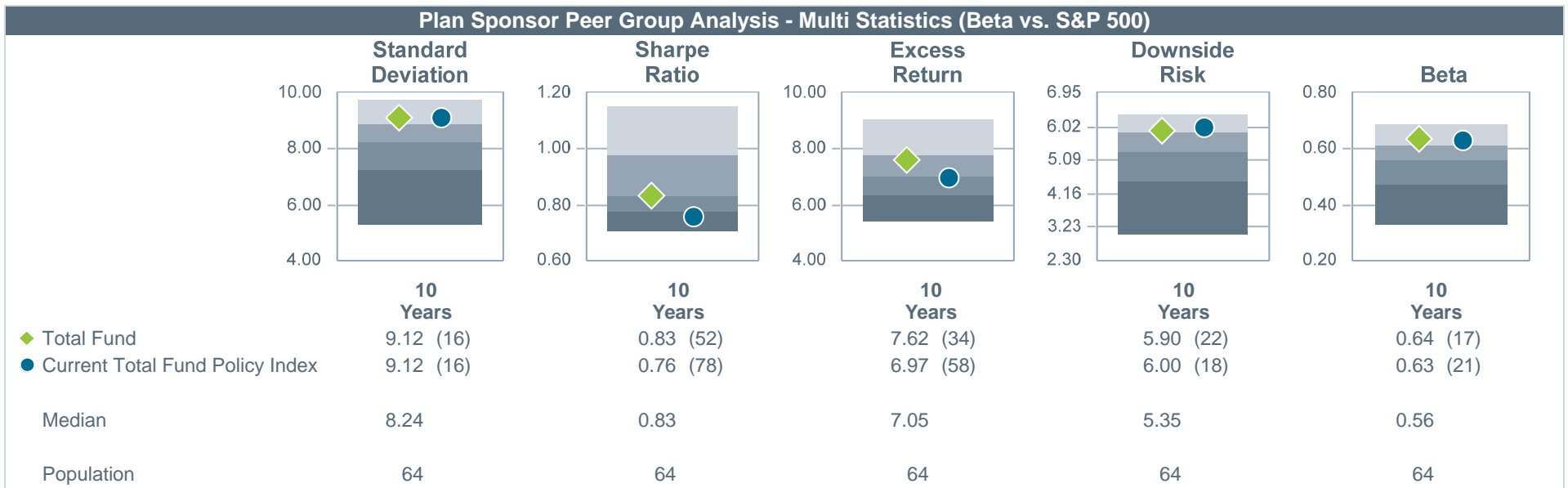
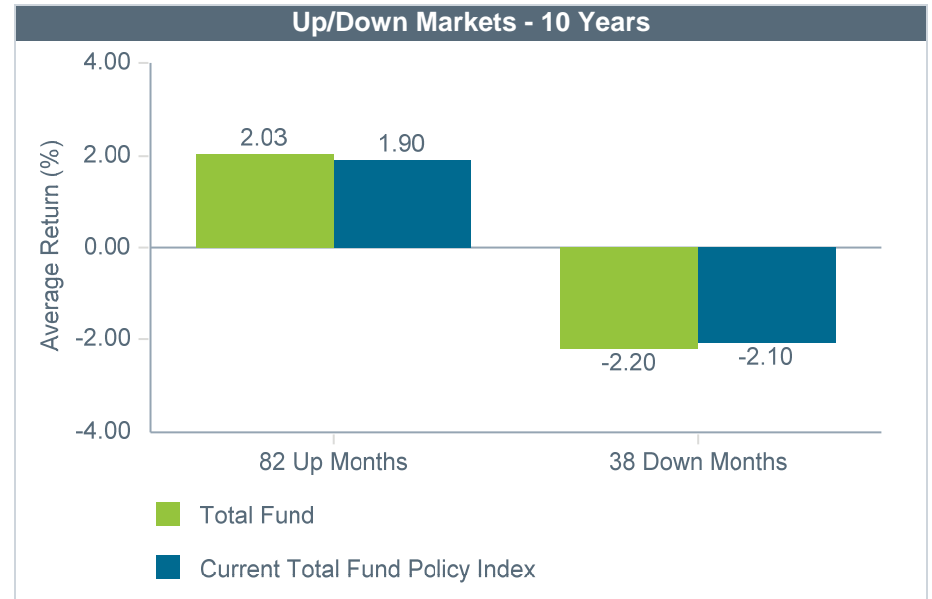
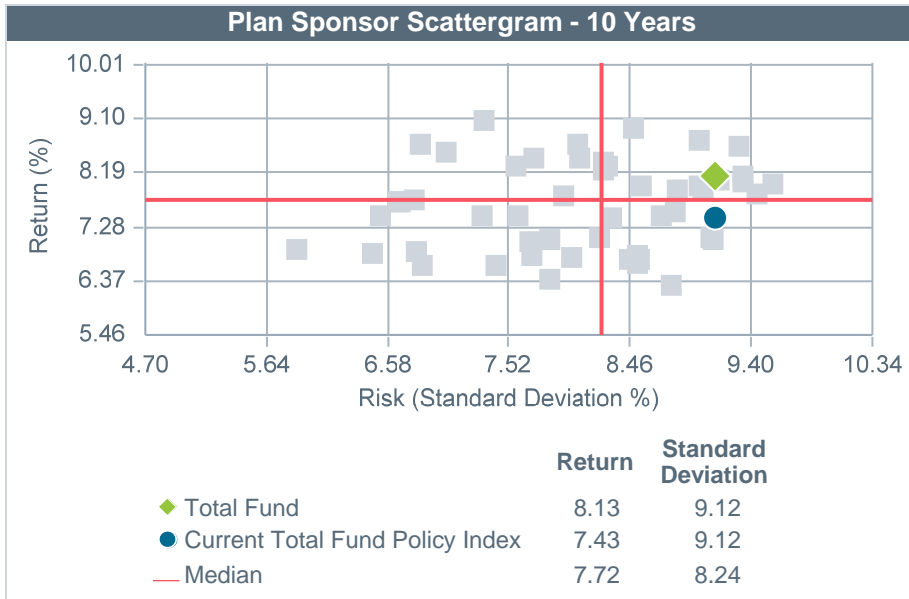
Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period will not appear. Please see the Addendum for custom index definitions.







Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

# Composite Profiles



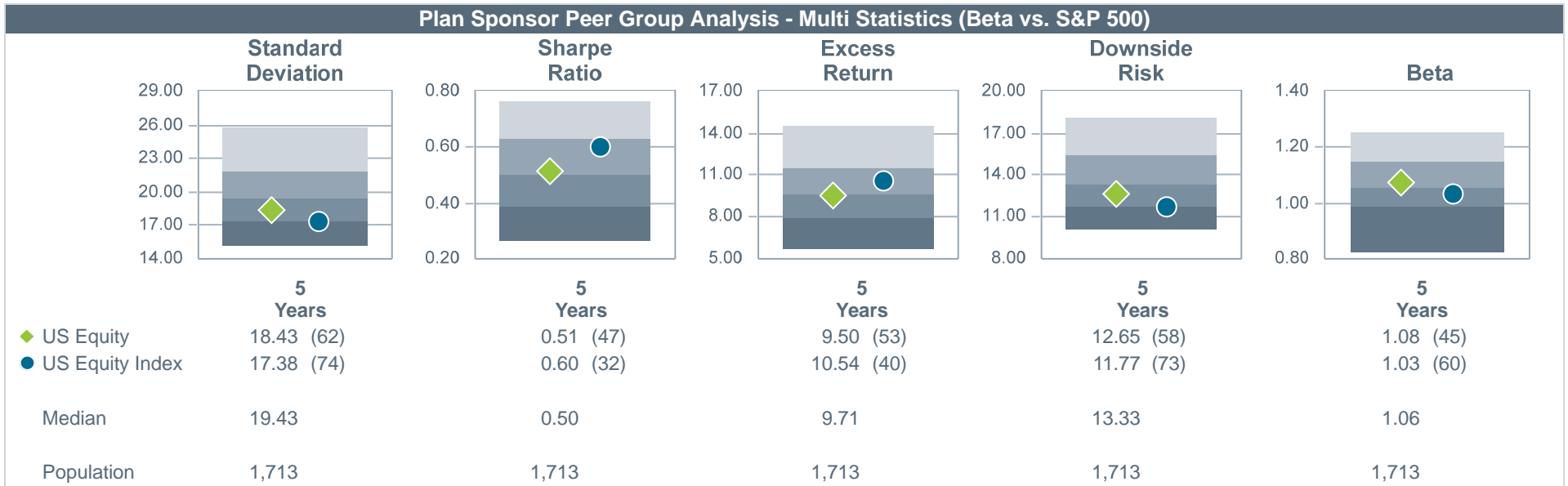
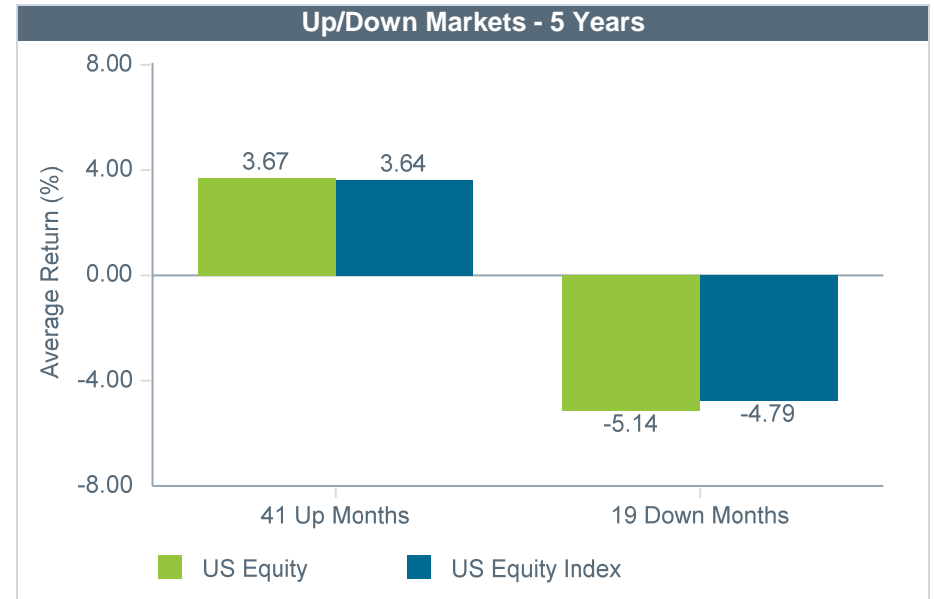
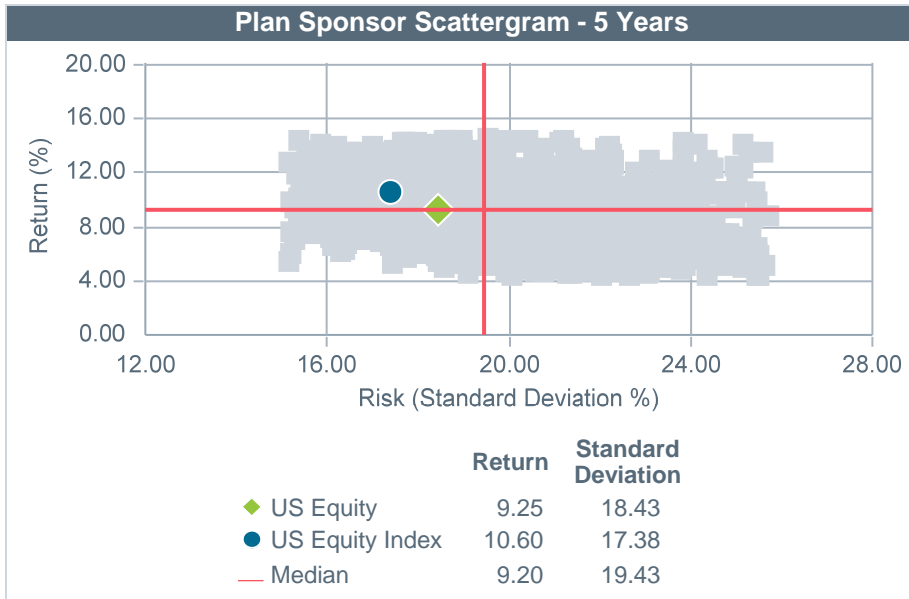
City of Jacksonville Employees' Retirement System  
 US Equity vs. IM U.S. Equity (SA+CF)  
 Peer Group Analysis

As of June 30, 2022



Performance shown is gross of fees. Parentheses contain percentile ranks. Fiscal year for the COJ ends 09/30.





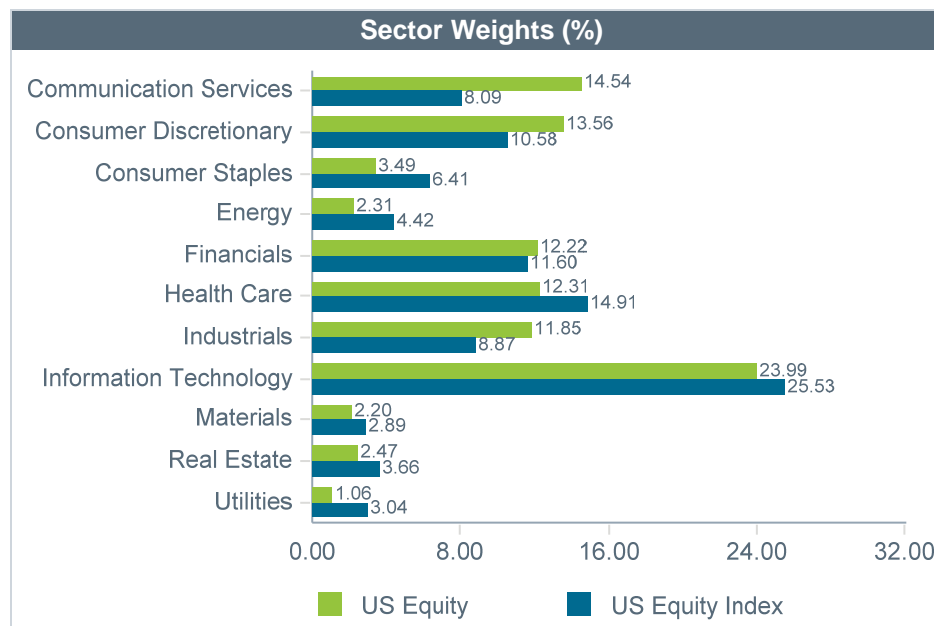
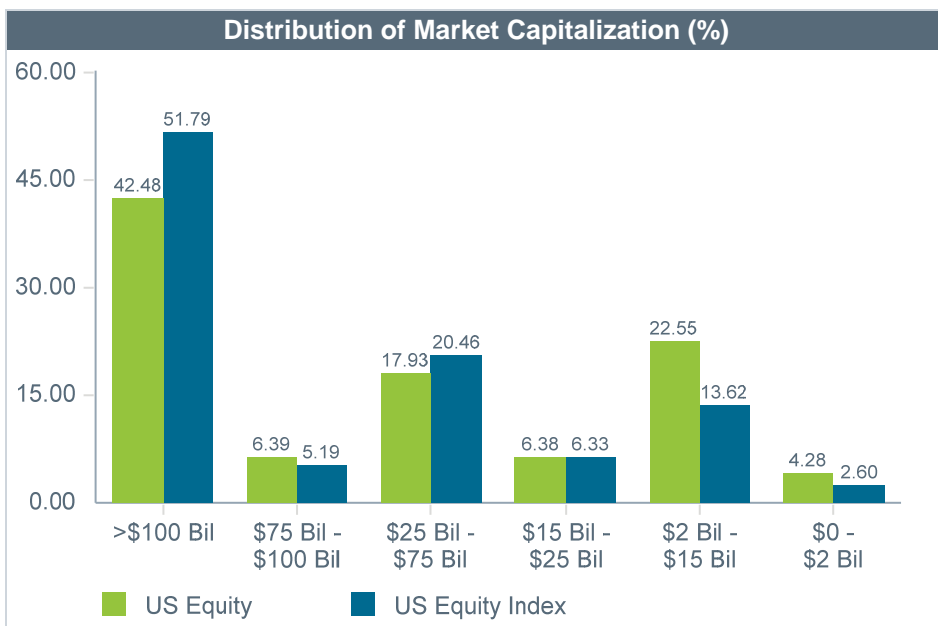
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

City of Jacksonville Employees' Retirement System  
 US Equity vs. US Equity Index  
 Portfolio Characteristics

As of June 30, 2022

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	5.00	5.11	-0.11	-16.49
Alphabet Inc	3.29	1.60	1.69	-21.68
Amazon.com Inc	3.28	2.51	0.77	-34.84
Meta Platforms Inc	2.39	0.98	1.41	-27.48
Unitedhealth Group Inc	1.94	1.28	0.66	1.08
Visa Inc	1.85	0.86	0.99	-11.05
Apple Inc	1.82	5.56	-3.74	-21.59
Netflix Inc	1.52	0.20	1.32	-53.32
Alphabet Inc	1.35	1.74	-0.39	-21.65
Marriott International Inc	1.26	0.10	1.16	-22.47
% of Portfolio	23.70	19.94	3.76	

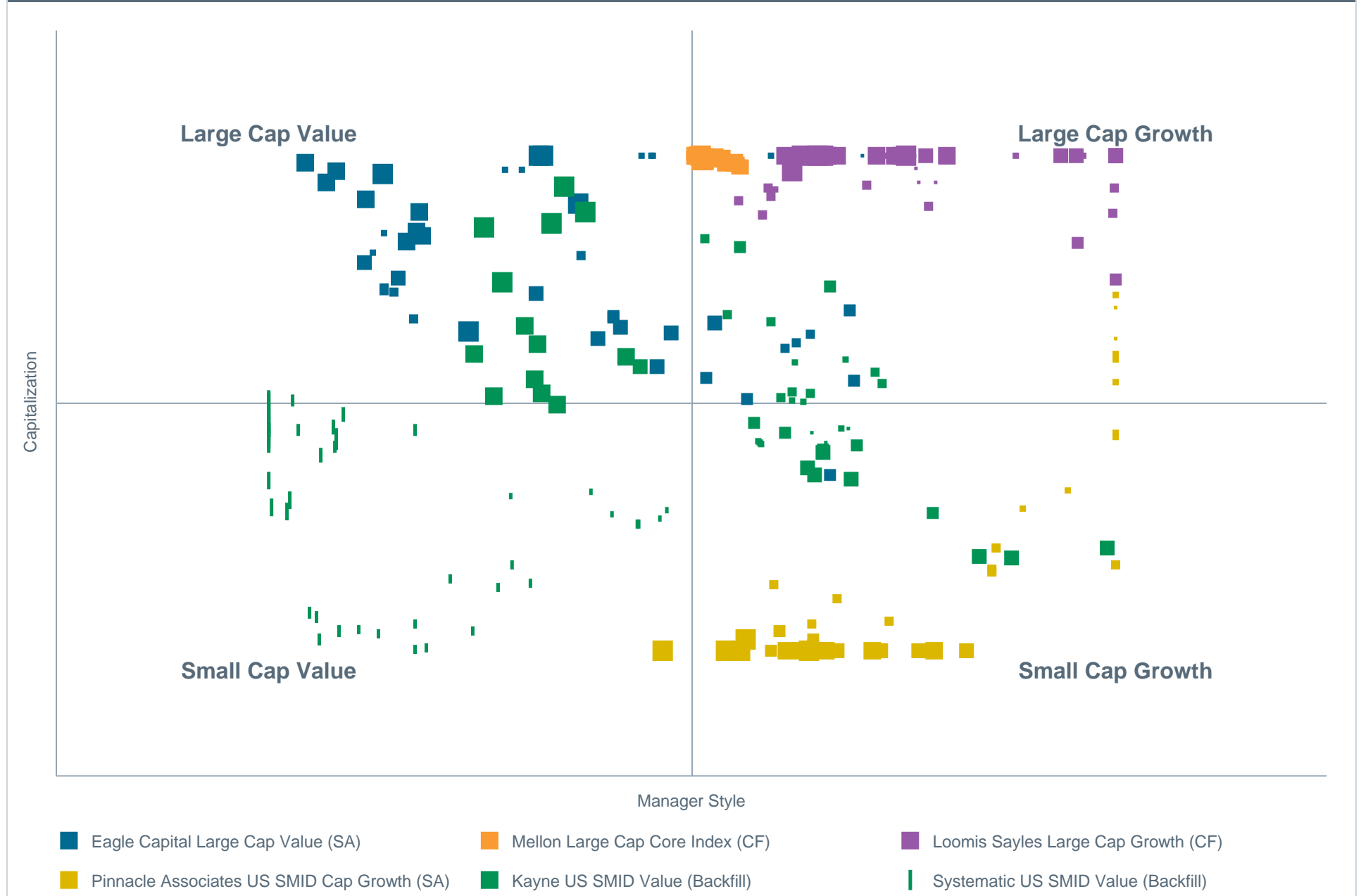
Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	325,477	406,574
Median Mkt. Cap (\$M)	10,050	1,913
Price/Earnings Ratio	16.52	17.73
Price/Book Ratio	3.43	3.68
5 Yr. EPS Growth Rate (%)	21.02	19.09
Current Yield (%)	1.24	1.66
Beta (5 Years, Monthly)	1.05	1.00
Number of Securities	1,197	3,011
Active Share	51.70	N/A



The Top ten Domestic Equity Holdings included NVIDIA Corporation (1.79%) in Q1 2022 which was replaced by Marriott International Inc in Q2 2022. Alphabet Inc. is shown twice in the Top Ten Equity Holdings but represents two different share classes: GOOGL (Class A) and GOOG (Class C).



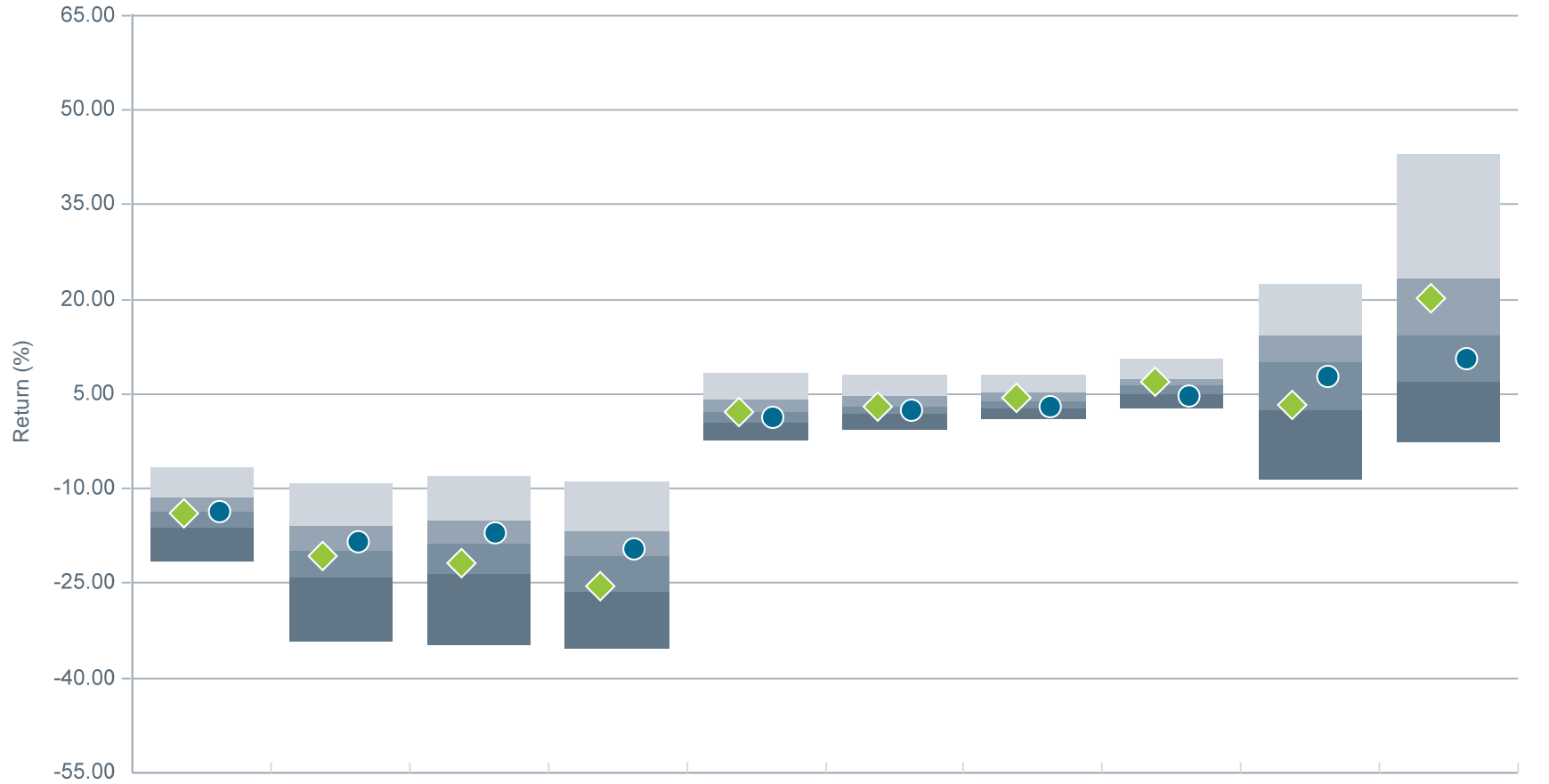
Style Map with History (12 Months)



Calculation is based on monthly periodicity. This is a return based calculation. Performance prior to manager inception date is backfilled with product specific returns.

City of Jacksonville Employees' Retirement System  
 International Equity vs. IM International Equity (SA+CF)  
 Peer Group Analysis

As of June 30, 2022

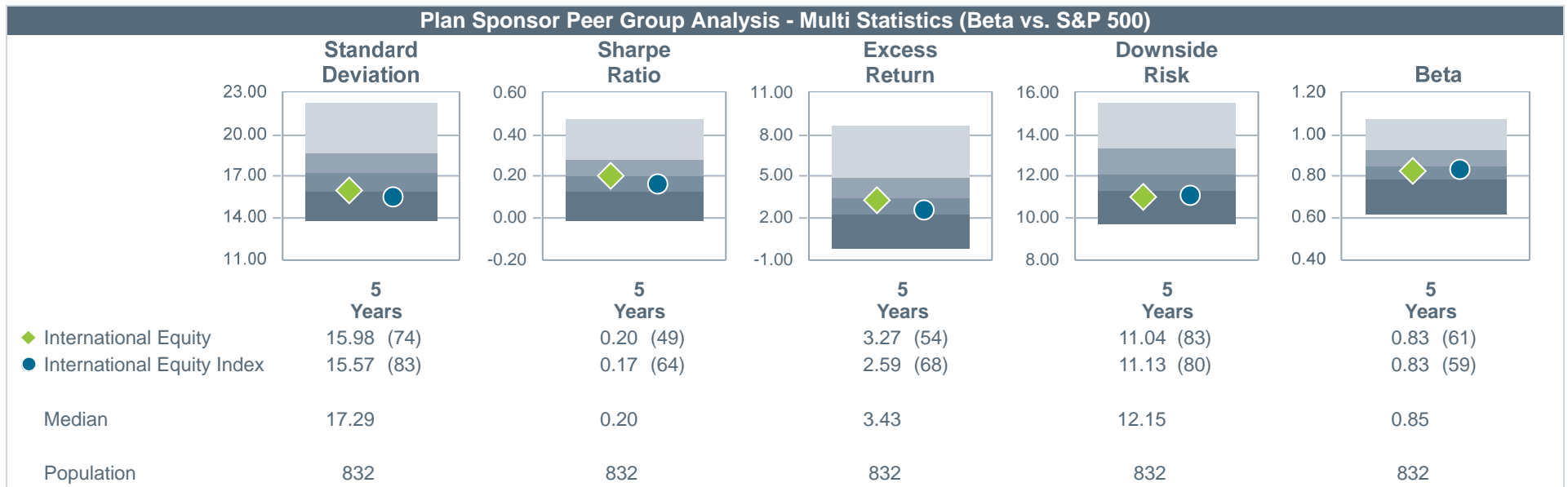
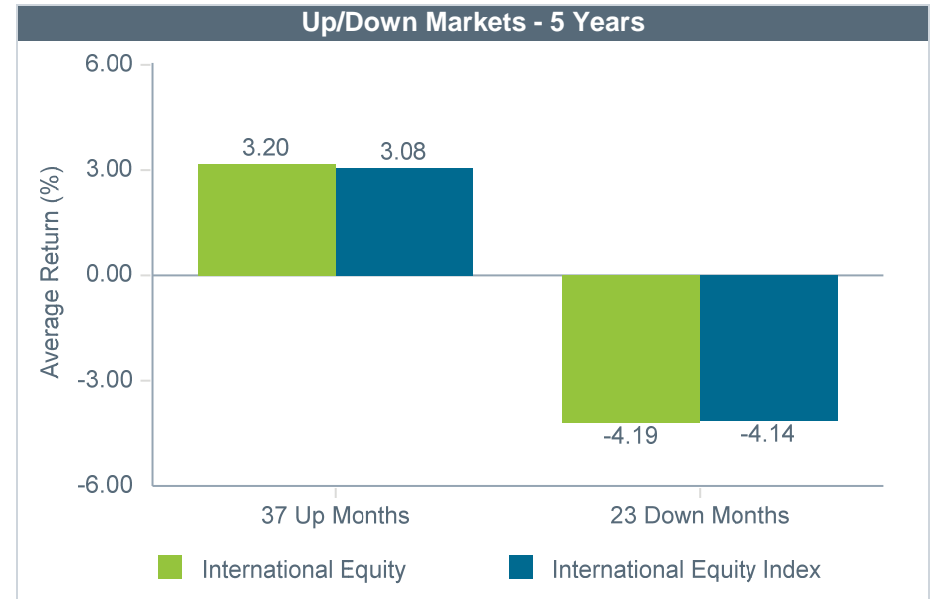
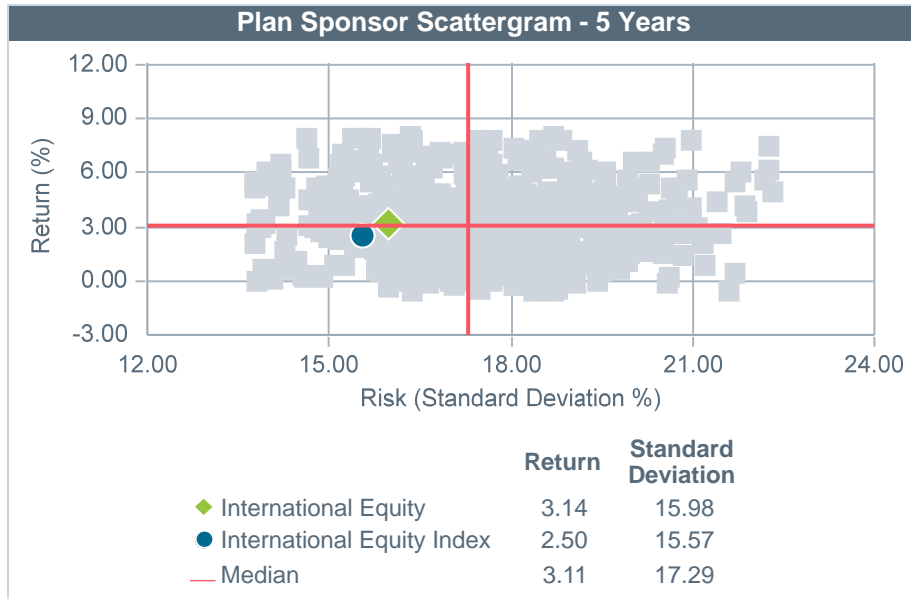


	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020
◆ International Equity	-13.97 (53)	-20.65 (57)	-21.73 (68)	-25.41 (72)	2.29 (50)	3.14 (50)	4.31 (40)	7.00 (35)	3.25 (74)	20.20 (32)
● International Equity Index	-13.73 (51)	-18.42 (42)	-16.94 (40)	-19.42 (43)	1.35 (64)	2.50 (63)	2.92 (75)	4.83 (78)	7.82 (60)	10.65 (62)
5th Percentile	-6.64	-9.08	-7.92	-8.88	8.51	8.04	7.96	10.54	22.57	43.08
1st Quartile	-11.32	-15.73	-14.96	-16.60	4.07	4.59	5.22	7.54	14.22	23.29
Median	-13.68	-19.71	-18.55	-20.76	2.23	3.11	3.86	6.31	10.00	14.32
3rd Quartile	-16.07	-24.12	-23.45	-26.37	0.61	1.82	2.88	5.02	2.56	6.85
95th Percentile	-21.55	-34.26	-34.65	-35.29	-2.33	-0.60	0.99	2.83	-8.64	-2.54
Population	936	934	928	928	888	832	780	663	1,004	1,098

Performance shown is gross of fees. Parentheses contain percentile ranks. Fiscal year for the COJ ends 09/30.







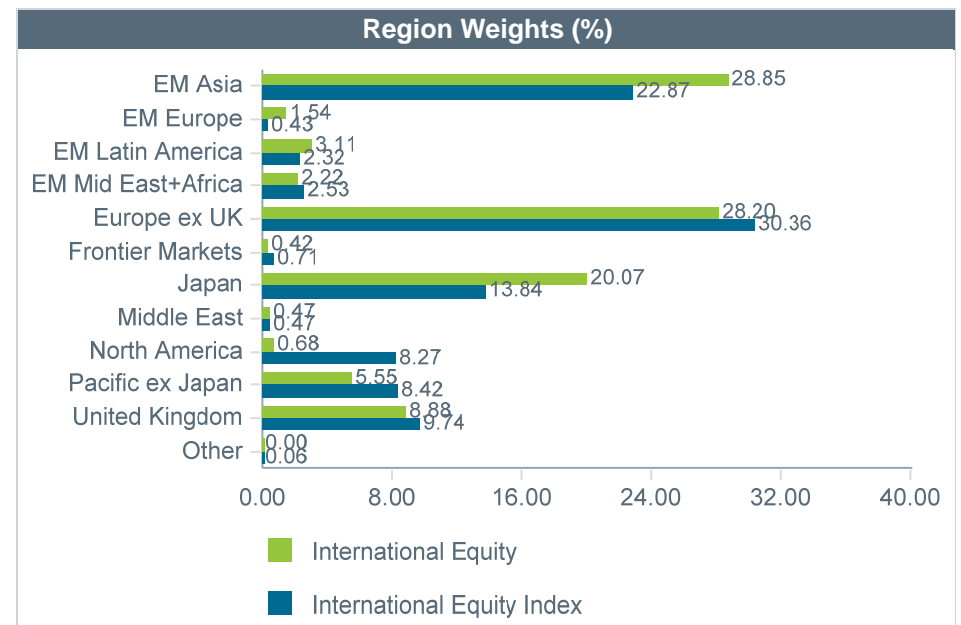
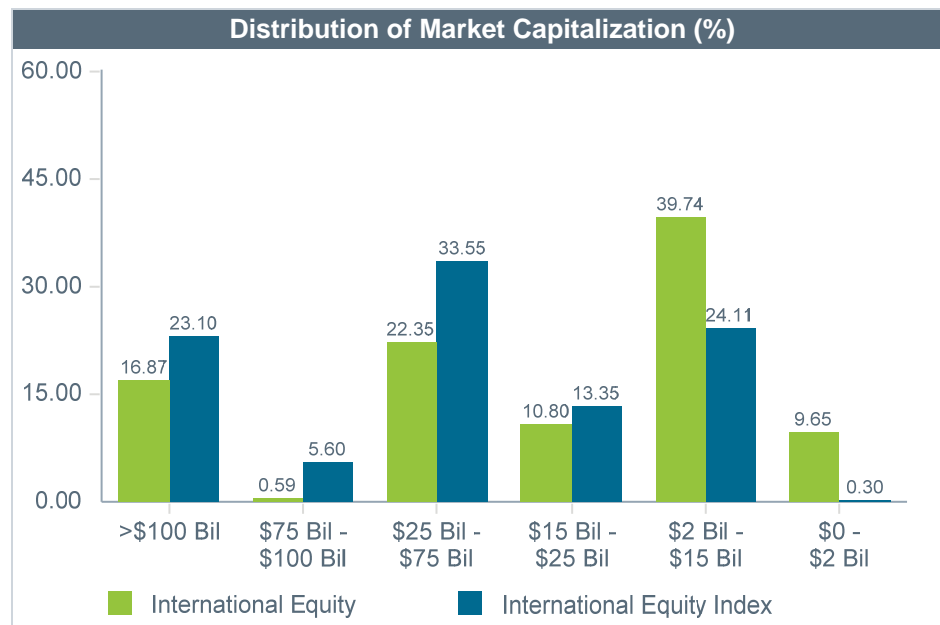
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

City of Jacksonville Employees' Retirement System  
International Equity vs. International Equity Index  
Portfolio Characteristics

As of June 30, 2022

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Tencent Holdings LTD	2.05	1.29	0.76	-5.05
Taiwan Semiconductor Mfg	1.99	1.80	0.19	-22.83
ASML Holding NV	1.84	0.88	0.96	-29.20
Honda Motor Co Ltd	1.60	0.18	1.42	-15.61
Meituan	1.53	0.46	1.07	24.56
Alibaba Group Holding Ltd	1.53	0.99	0.54	-0.38
Ferrari NV	1.46	0.11	1.35	-16.48
Sanofi	1.39	0.52	0.87	1.91
GSK plc	1.37	0.50	0.87	-0.12
Kering	1.36	0.17	1.19	-18.50
% of Portfolio	16.12	6.90	9.22	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	55,557	76,934
Median Mkt. Cap (\$M)	1,267	8,474
Price/Earnings Ratio	8.84	11.90
Price/Book Ratio	2.72	2.39
5 Yr. EPS Growth Rate (%)	13.93	14.76
Current Yield (%)	4.12	3.45
Beta (5 Years, Monthly)	1.00	1.00
Number of Securities	868	2,269
Active Share	80.72	N/A



The Top Ten International Equity Holdings included Glaxosmithkline PLC (1.37%), Adyen N.V. (1.43%), and Honda Motor Co Ltd (1.61%) in Q1 2022 which was replaced by Alibaba Group Holding Ltd, Meituan, and GSK plc in Q2 2022.



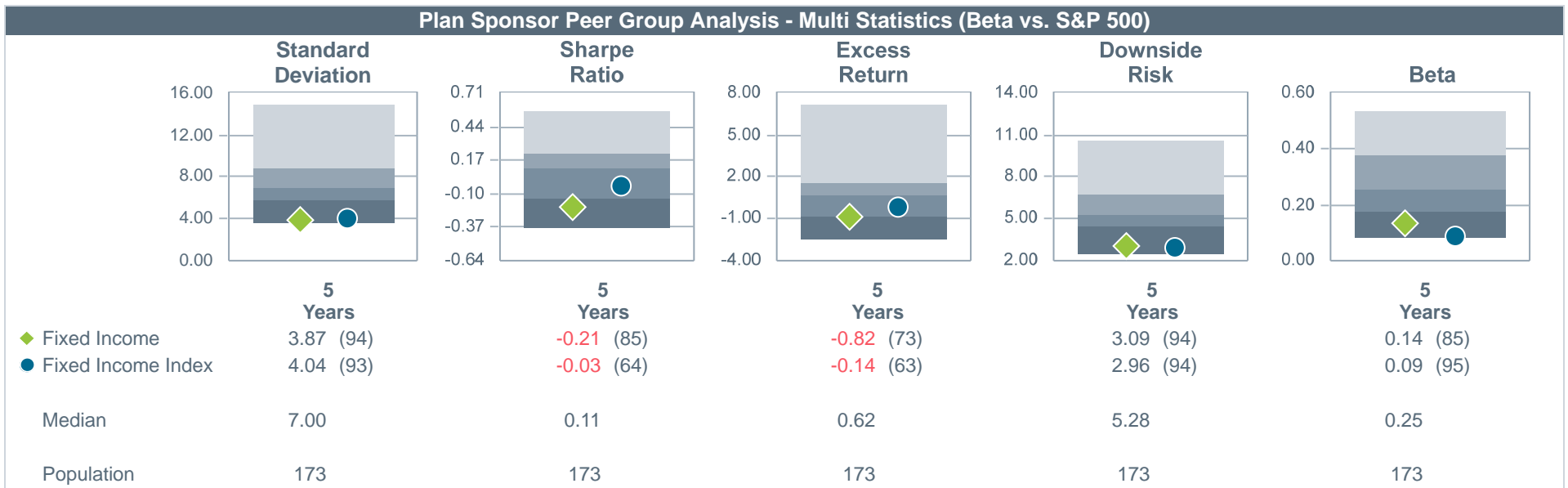
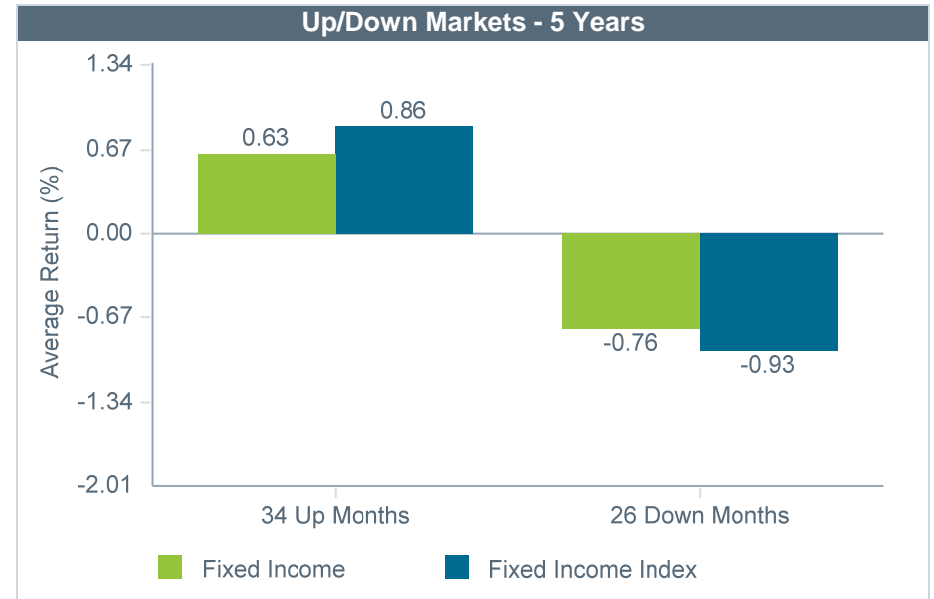
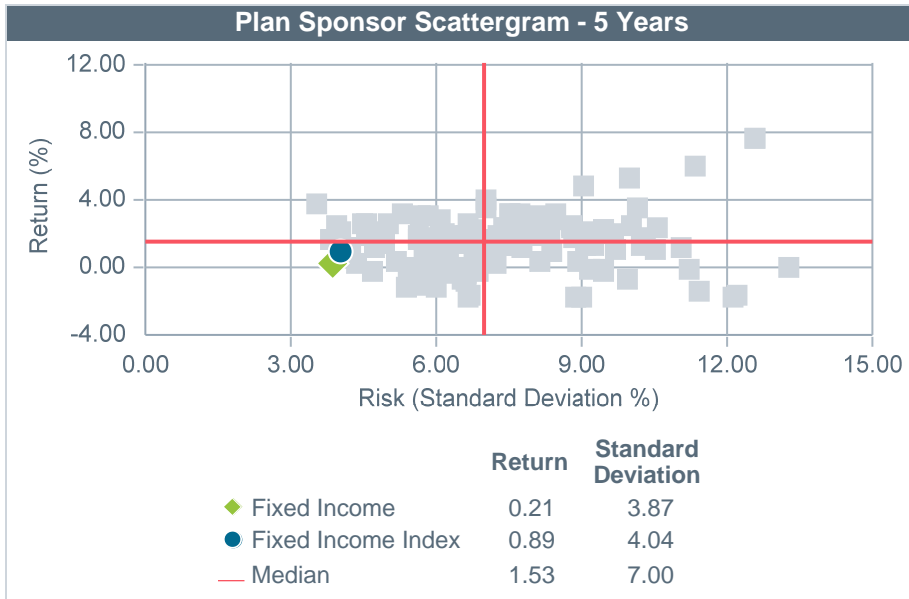
City of Jacksonville Employees' Retirement System  
 Fixed Income vs. IM Global Fixed Income (SA+CF)  
 Peer Group Analysis

As of June 30, 2022



Performance shown is gross of fees. Parentheses contain percentile ranks. Fiscal year for the COJ ends 09/30.



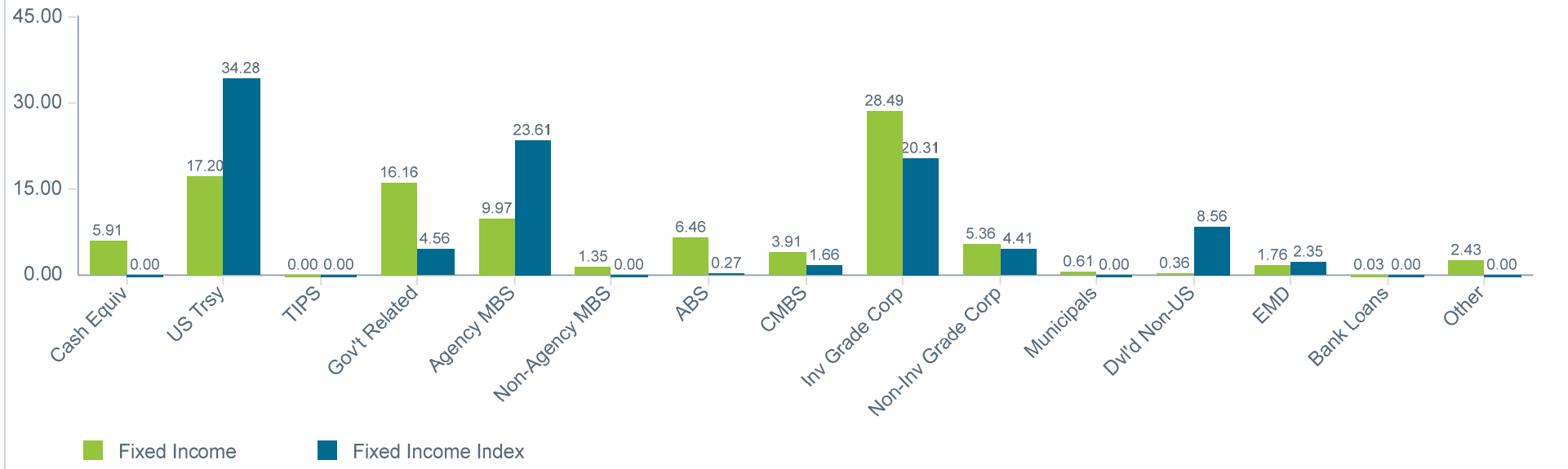


Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	4.91	6.22
Avg. Maturity	6.49	8.45
Avg. Quality	Ba1	N/A
Yield To Maturity (%)	N/A	4.21
Coupon Rate (%)	3.25	2.79
Current Yield (%)	1.90	N/A

Sector Distribution (%)

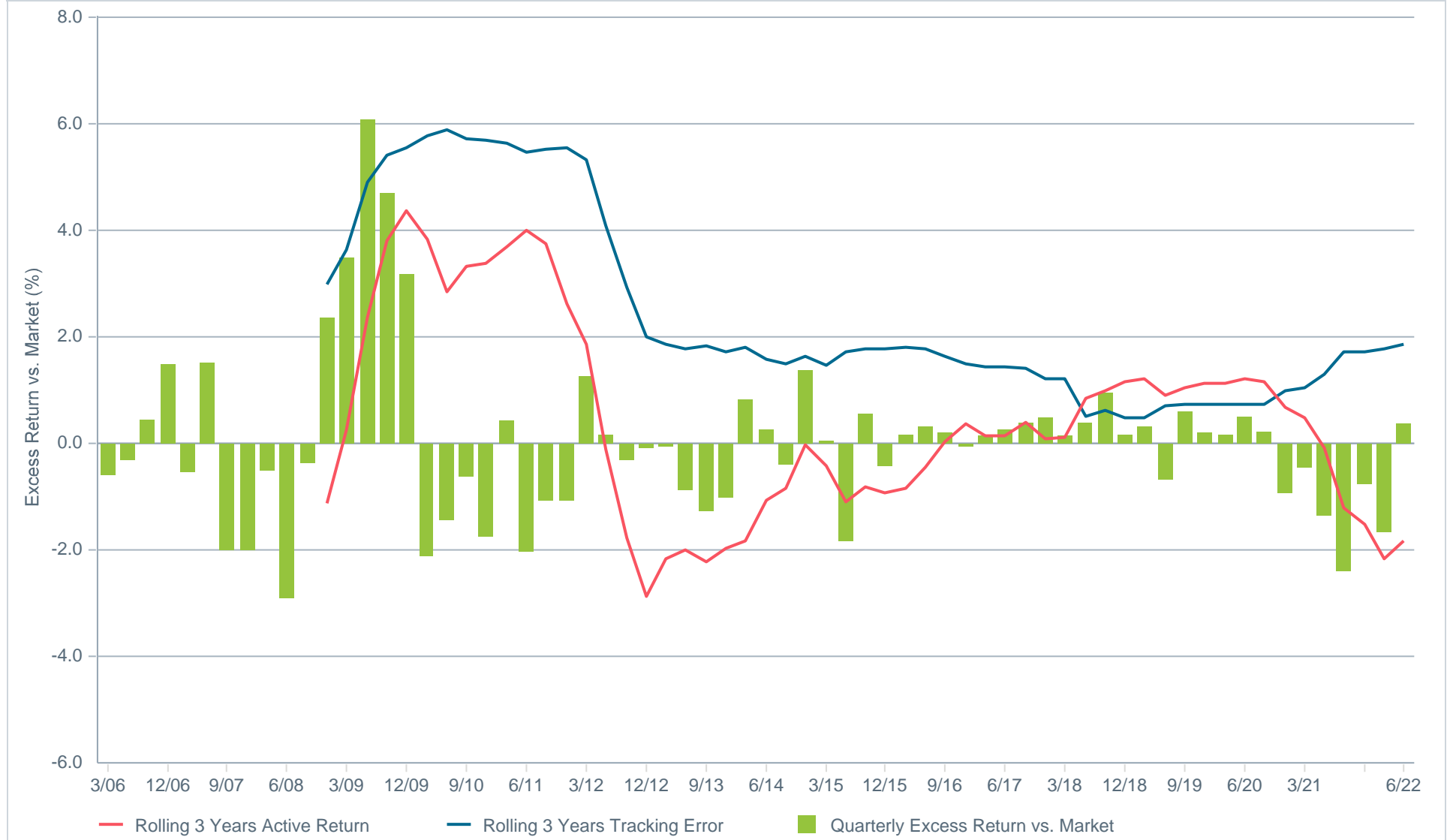


Cash equivalents are defined as any security with duration under one year.

City of Jacksonville Employees' Retirement System  
 Real Estate vs. Real Estate Index  
 Comparative Performance & Rolling Return

As of June 30, 2022

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	Since Incep.	Inception Date
Real Estate	4.91	10.67	18.30	23.06	9.76	8.88	9.04	9.59	15.43	0.31	4.85	7.02	12/01/2005
Real Estate Index	4.54	12.01	20.58	28.32	11.66	9.55	9.35	10.16	21.02	0.34	4.39	7.17	
Difference	0.37	-1.34	-2.28	-5.26	-1.90	-0.67	-0.31	-0.57	-5.59	-0.03	0.46	-0.15	



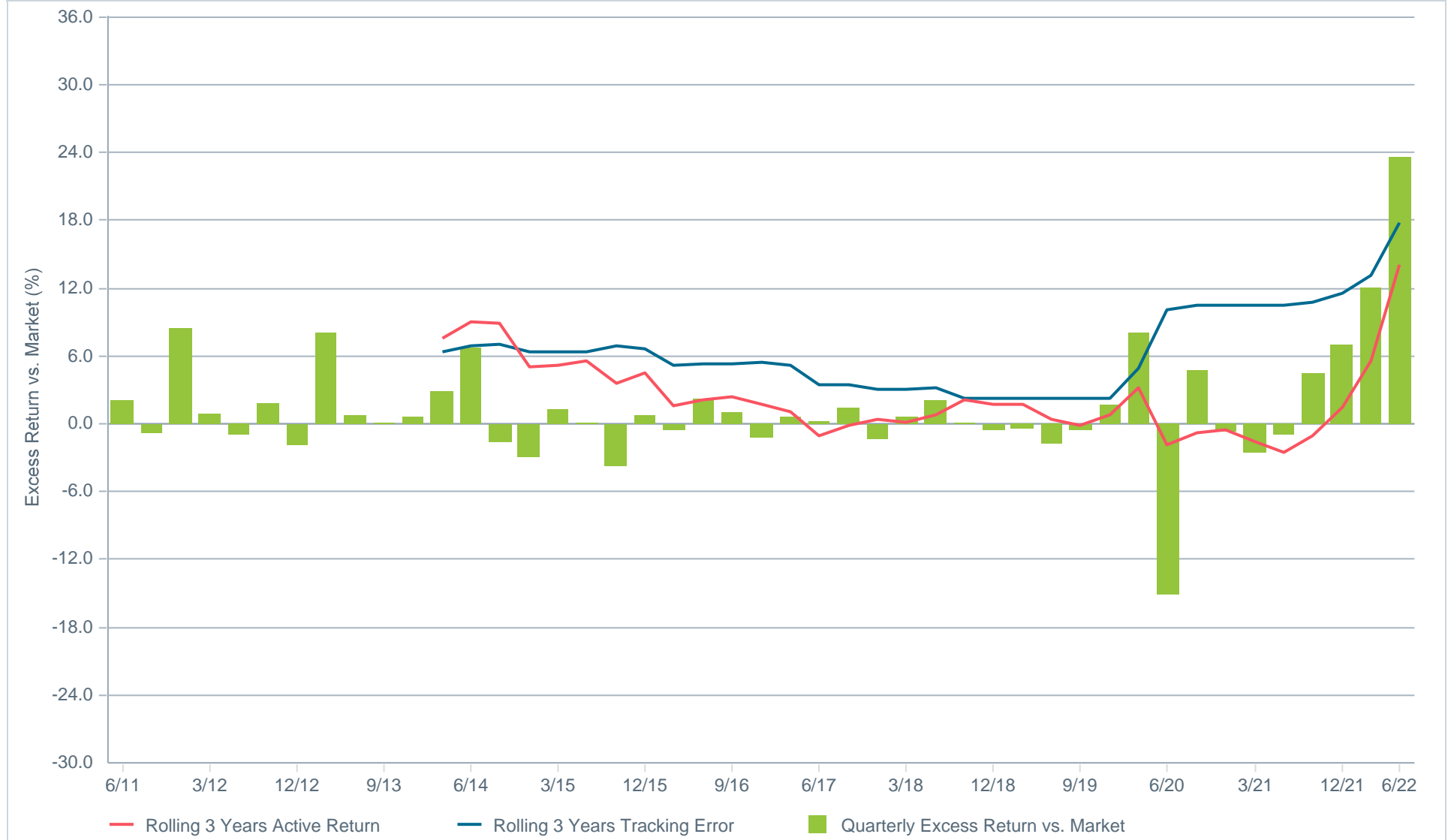
Performance shown is gross of fees. Calculation is based on quarterly periodicity.



City of Jacksonville Employees' Retirement System  
 Diversifying Assets vs. Diversifying Assets Index  
 Comparative Performance & Rolling Return

As of June 30, 2022

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	Since Incep.	Inception Date
Diversifying Assets	12.45	22.81	39.61	43.97	14.40	9.52	5.89	8.81	47.46	-14.35	6.21	9.08	03/01/2011
Diversifying Assets Index	-11.23	-13.72	-7.94	-9.24	-2.87	-0.73	-1.12	2.24	36.38	-18.40	7.29	2.42	
Difference	23.68	36.53	47.55	53.21	17.27	10.25	7.01	6.57	11.08	4.05	-1.08	6.66	



Performance shown is gross of fees. Calculation is based on quarterly periodicity.



City of Jacksonville Employees' Retirement System  
 Alternative Investment Real Estate Fund Performance Listing

As of March 31, 2022

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
H.I.G. Realty Partners IV, LP	2021	Real Estate - Opportunistic	25,000,000	4,184,814	1,728,711	4,430,137	N/M	N/A	N/M	1.47
Hammes Partners IV LP	2021	Real Estate - Value Added	15,000,000	0	0	0 *	N/M	N/A	N/M	
			<b>40,000,000</b>	<b>4,184,814</b>	<b>1,728,711</b>	<b>4,430,137</b>				<b>1.47</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the NCREIF ODCE Index (AWA) (Net) (Monthly)+2% assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.





City of Jacksonville Employees' Retirement System  
 Alternative Investment Private Equity Fund Performance Listing

As of March 31, 2022

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
ASP COJ PE Fund LP	2020	Private Equity - Fund of Funds	105,000,000	24,342,892	2,939,720	35,253,975	67.81	N/A	22.60	1.57
			<b>105,000,000</b>	<b>24,342,892</b>	<b>2,939,720</b>	<b>35,253,975</b>	<b>67.81</b>		<b>22.60</b>	<b>1.57</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the S&P 500 Index (CW)+3% assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Prequin.



City of Jacksonville Employees' Retirement System  
 Alternative Investment Private Credit Fund Performance Listing

As of March 31, 2022

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
Hamilton Lane Private Credit (SA)	2021	Private Credit - Direct Investment	250,000,000	15,582,056	817,968	16,204,565	19.59	N/A	N/M	1.09
			<b>250,000,000</b>	<b>15,582,056</b>	<b>817,968</b>	<b>16,204,565</b>	<b>19.59</b>			<b>1.09</b>

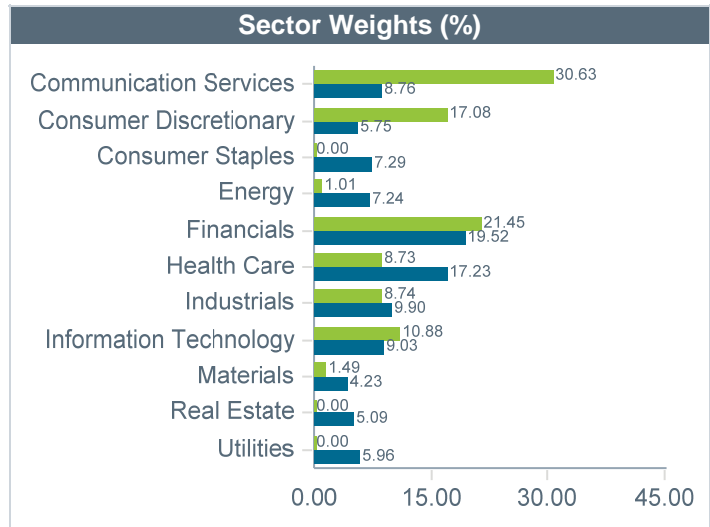
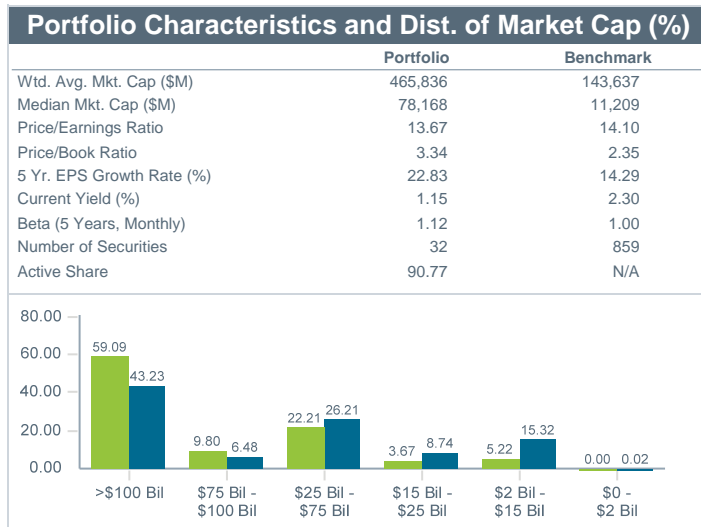
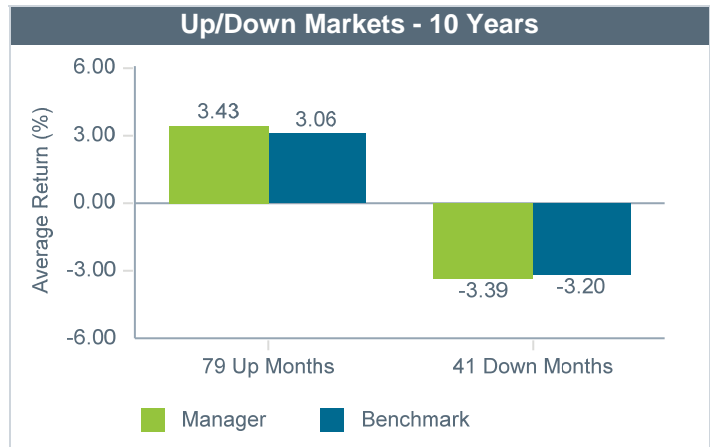
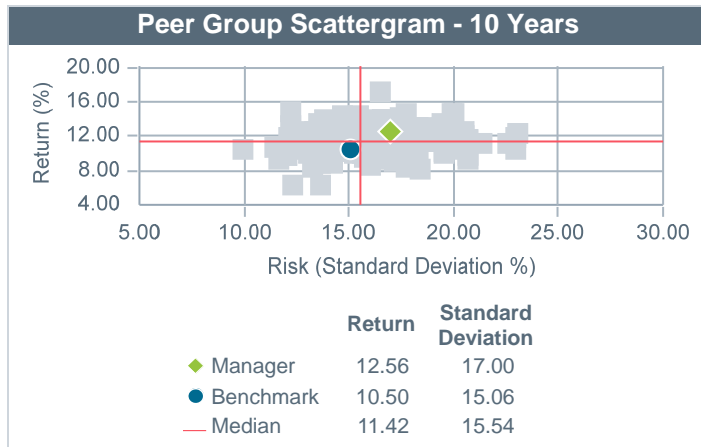
Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the ICE BofAML Global High Yield Index +2% assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin. Total commitment amount reflects target account size over a 5-year horizon, approximately \$50M/year, not to exceed \$65M/year.



# Investment Manager Profiles



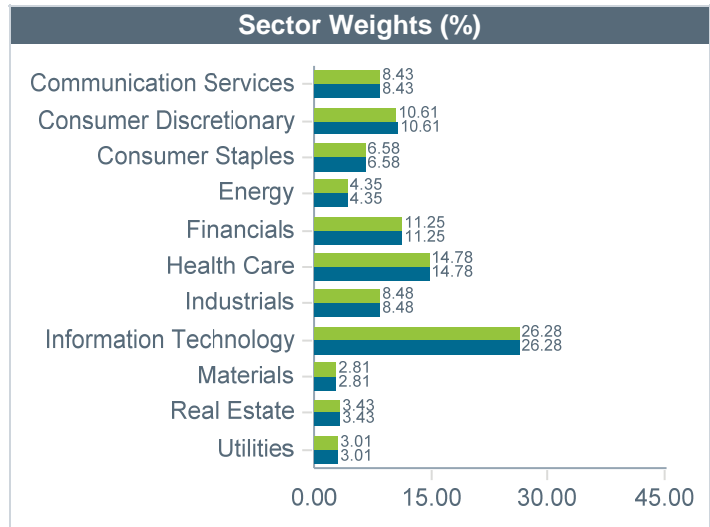
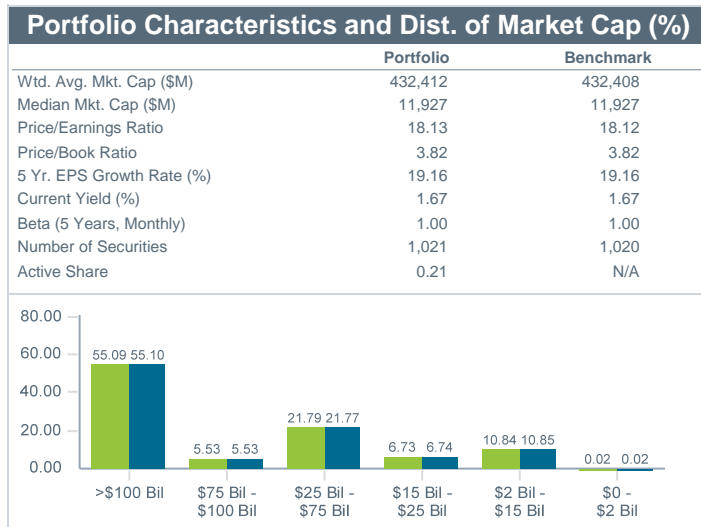
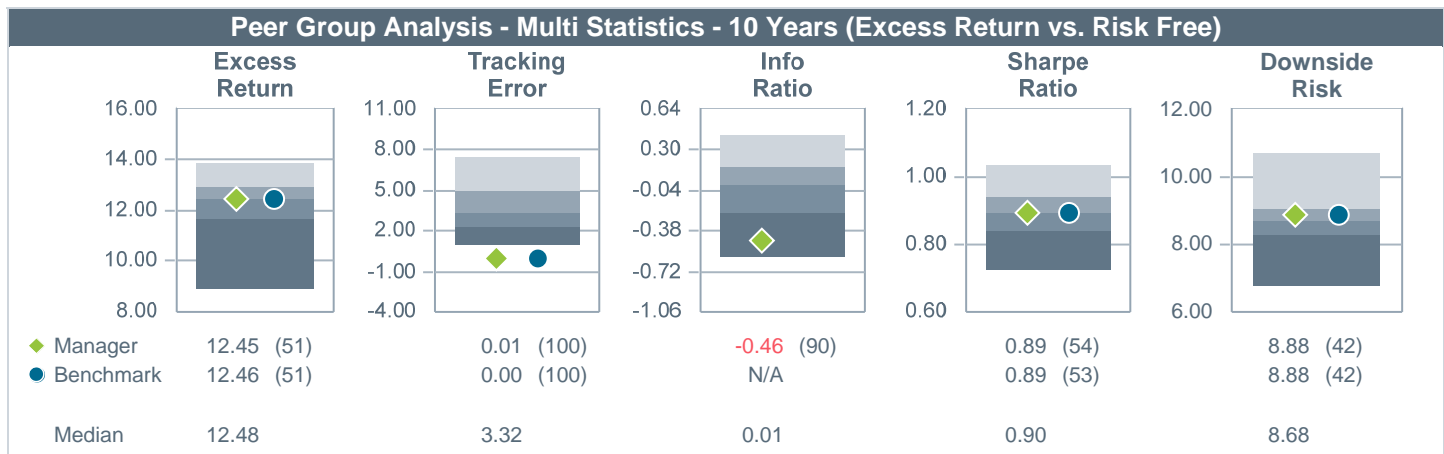
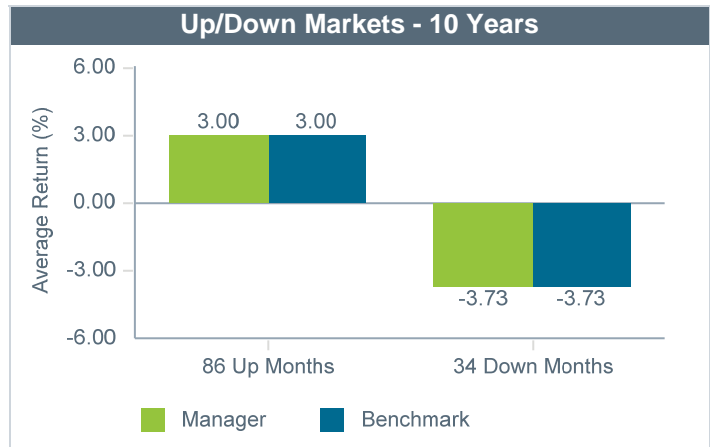
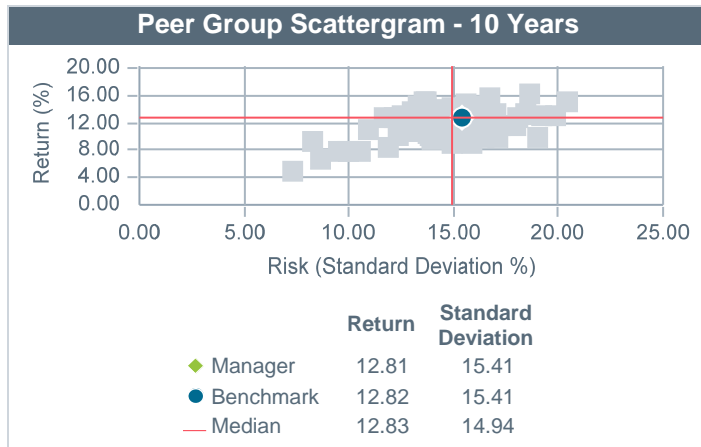
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-19.76	-22.62	5.79	8.90	9.54	12.56	28.01	15.54	31.94	-3.90	24.19
Benchmark	-12.21	-6.82	6.87	7.17	7.69	10.50	25.16	2.80	26.54	-8.27	13.66
Difference	-7.55	-15.80	-1.08	1.73	1.85	2.06	2.85	12.74	5.40	4.37	10.53
Peer Group Median	-11.76	-5.54	9.04	8.88	8.90	11.42	27.67	5.75	27.45	-8.31	17.30
Rank	98	98	96	50	31	18	47	14	14	16	8
Population	236	235	231	227	223	212	260	290	319	336	353



Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



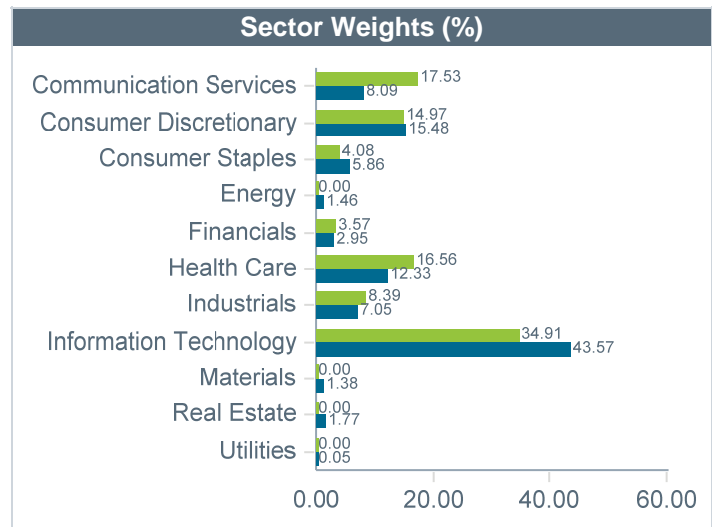
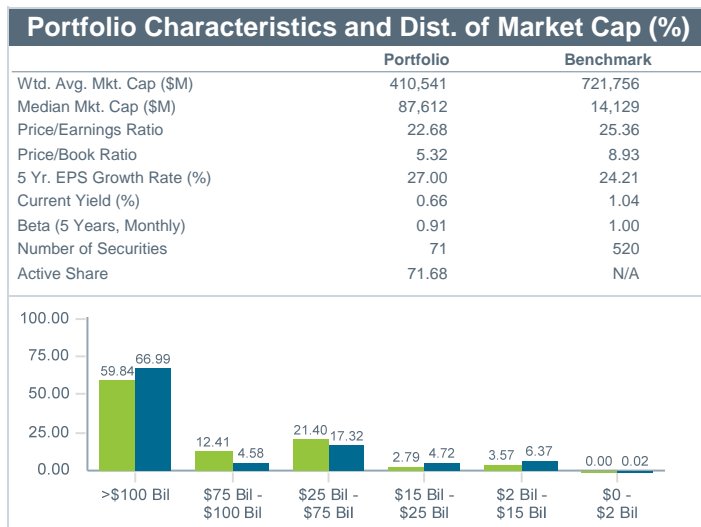
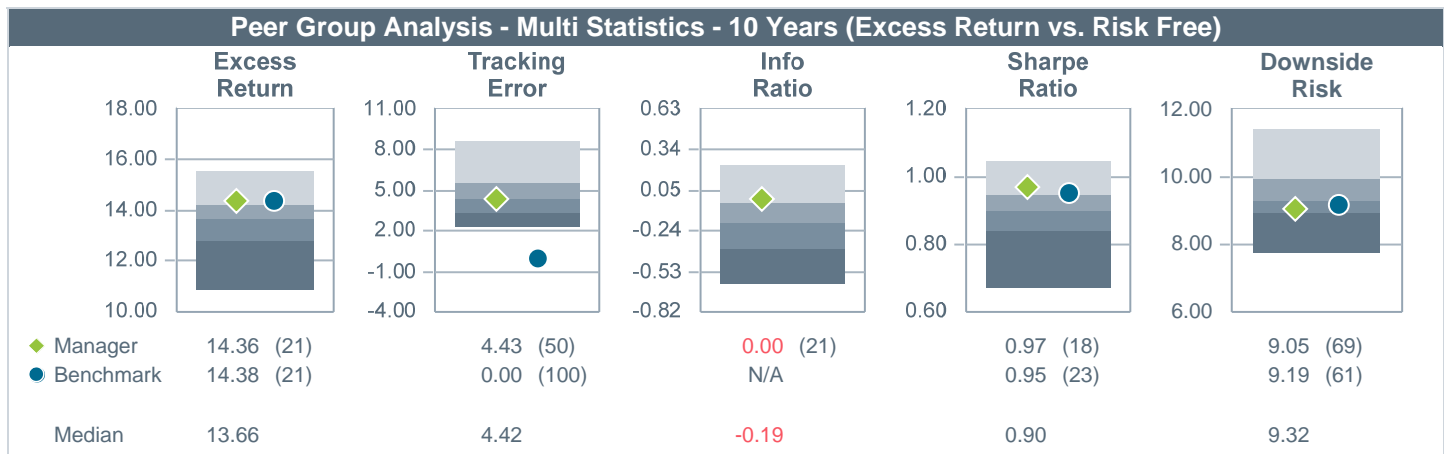
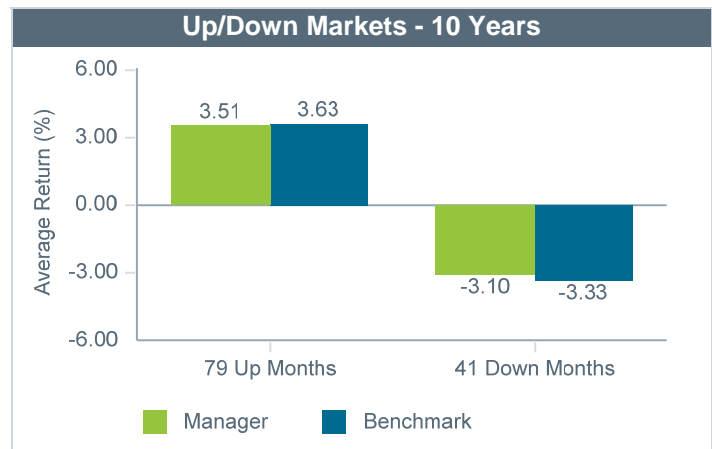
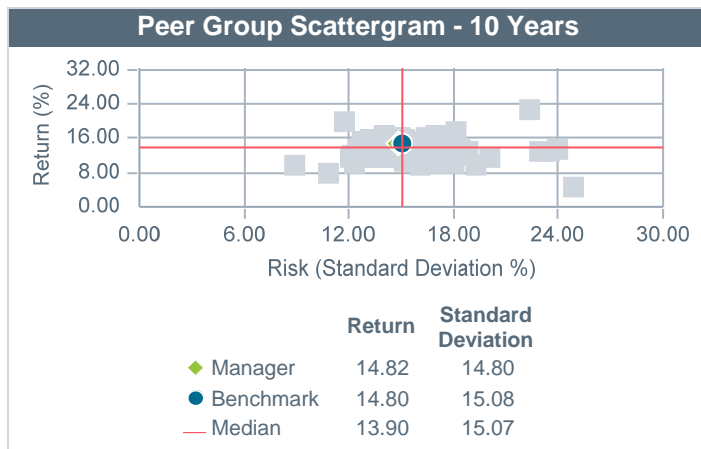
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-16.67	-13.03	10.15	10.99	10.77	12.81	26.46	20.91	31.42	-4.77	21.68
Benchmark	-16.67	-13.04	10.17	11.00	10.78	12.82	26.45	20.96	31.43	-4.78	21.69
Difference	0.00	0.01	-0.02	-0.01	-0.01	-0.01	0.01	-0.05	-0.01	0.01	-0.01
Peer Group Median	-15.06	-10.55	9.83	10.68	10.43	12.83	27.83	17.26	29.99	-5.15	21.86
Rank	81	73	42	42	40	51	60	28	36	44	54
Population	180	180	175	169	162	148	205	226	253	276	299



Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



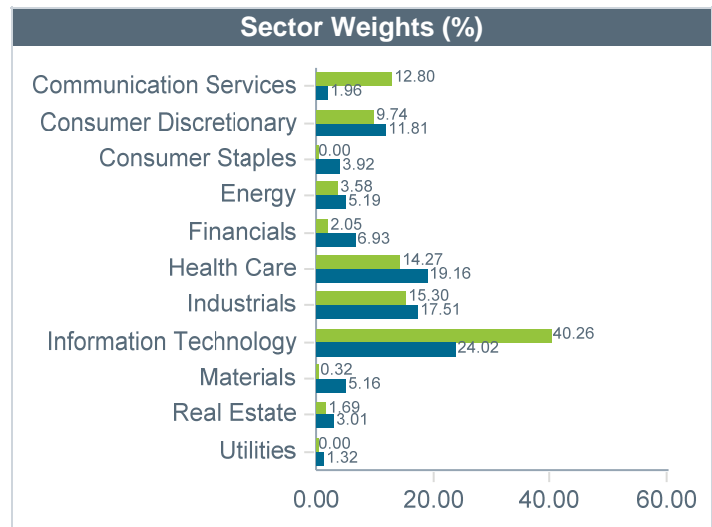
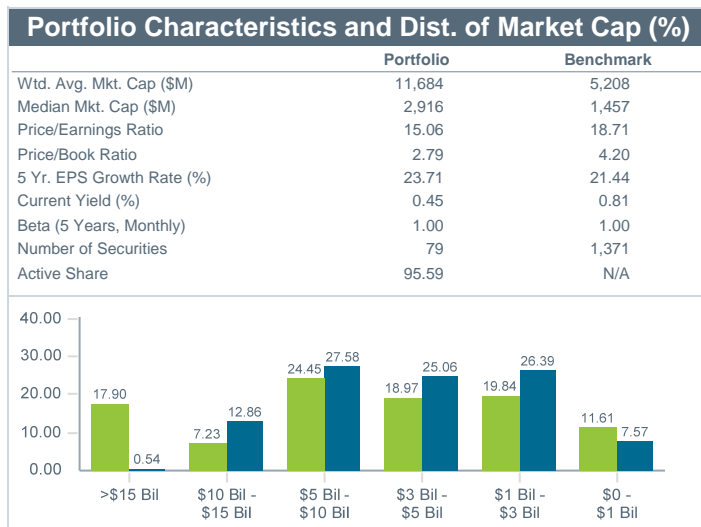
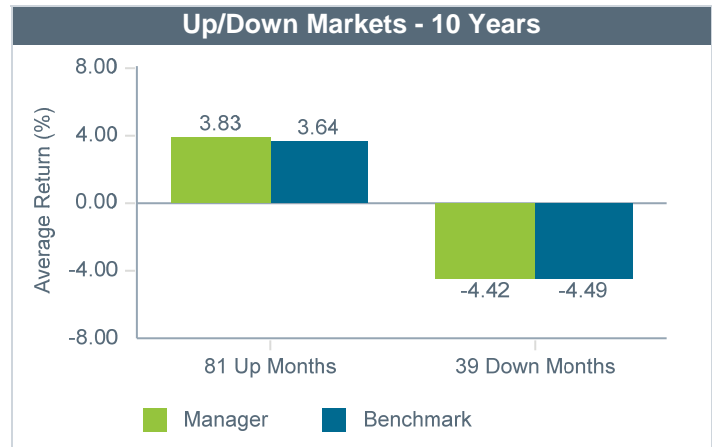
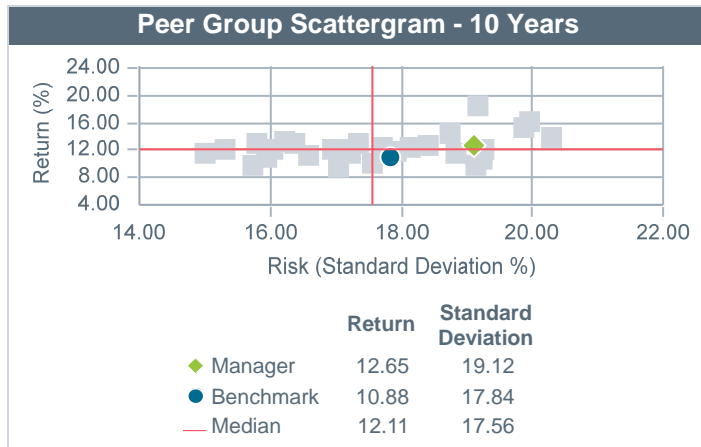
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
<b>Manager</b>	<b>-22.67</b>	<b>-25.18</b>	<b>7.16</b>	<b>10.89</b>	<b>12.47</b>	<b>14.82</b>	<b>19.45</b>	<b>32.95</b>	<b>32.71</b>	<b>-1.72</b>	<b>34.03</b>
Benchmark	-20.92	-18.77	12.58	14.29	13.45	14.80	27.60	38.49	36.39	-1.51	30.21
Difference	-1.75	-6.41	-5.42	-3.40	-0.98	0.02	-8.15	-5.54	-3.68	-0.21	3.82
Peer Group Median	-20.20	-20.97	9.63	12.58	11.83	13.90	25.15	34.79	33.81	-0.94	28.21
Rank	77	74	82	81	32	19	81	60	61	57	17
Population	214	214	211	209	200	188	229	247	260	284	293



Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



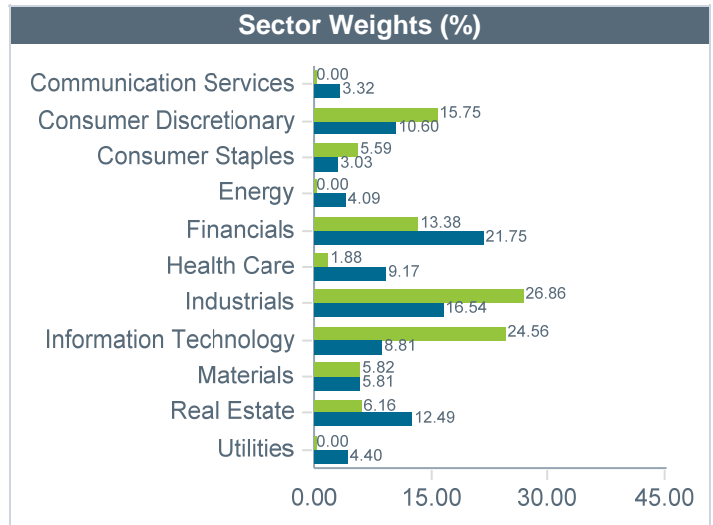
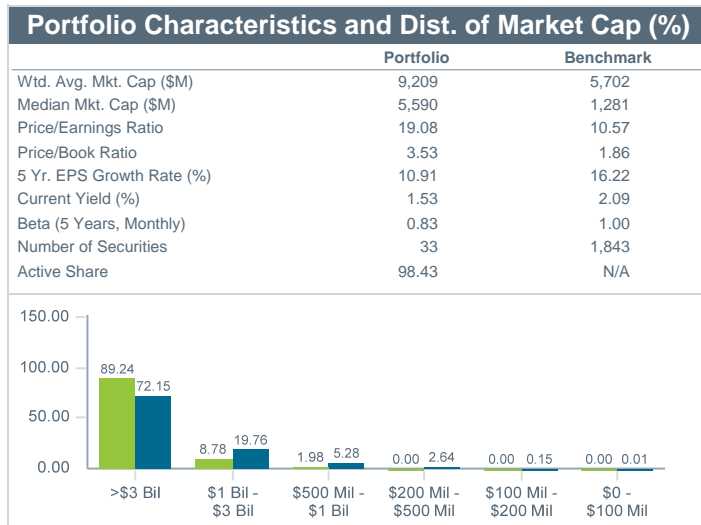
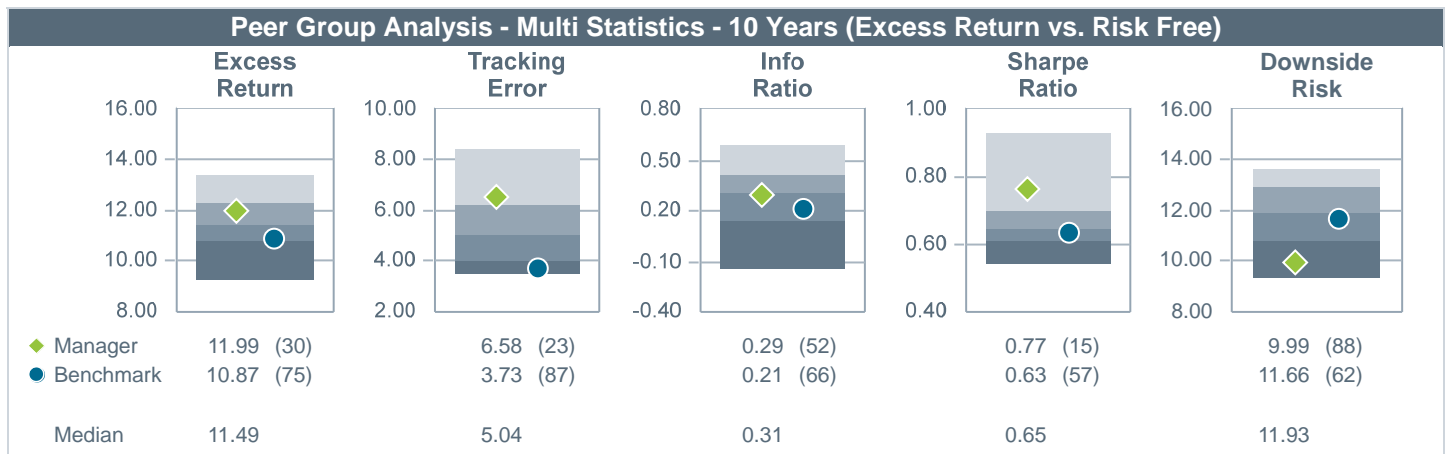
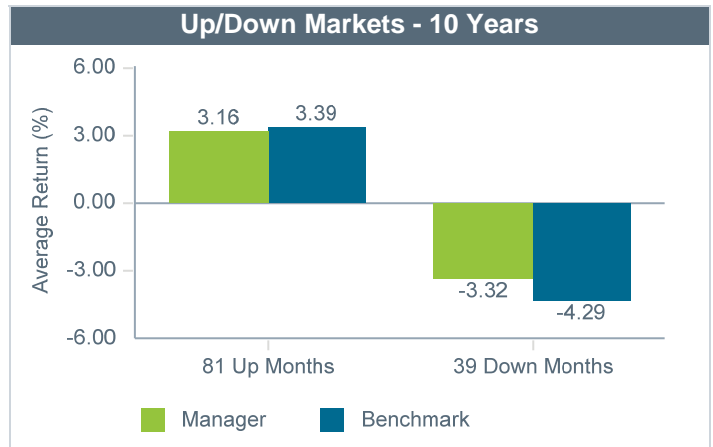
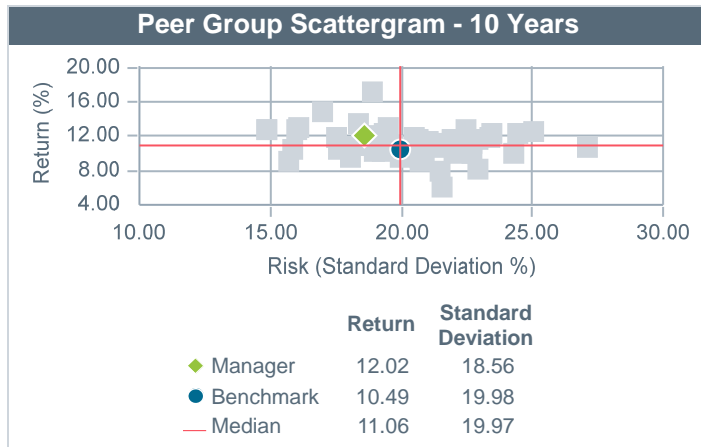
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-20.92	-25.65	9.59	9.17	8.75	12.65	12.71	33.32	41.57	-10.36	25.99
Benchmark	-19.55	-31.81	3.68	7.53	7.05	10.88	5.04	40.47	32.65	-7.47	24.46
Difference	-1.37	6.16	5.91	1.64	1.70	1.77	7.67	-7.15	8.92	-2.89	1.53
Peer Group Median	-19.66	-24.78	6.64	10.23	9.38	12.11	16.62	44.80	31.74	-4.67	24.93
Rank	63	56	25	75	61	33	55	74	3	86	43
Population	58	55	52	45	38	29	59	60	59	63	62



Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-10.83	-16.88	9.38	9.12	9.68	12.02	22.19	24.69	33.21	-11.99	18.47
Benchmark	-15.39	-13.19	6.19	5.54	6.49	9.54	27.78	4.88	23.56	-12.36	10.36
Difference	4.56	-3.69	3.19	3.58	3.19	2.48	-5.59	19.81	9.65	0.37	8.11
Peer Group Median	-13.45	-10.47	7.92	7.09	7.52	11.06	28.45	7.77	27.61	-12.97	14.63
Rank	23	90	35	16	13	22	89	7	9	39	20
Population	77	77	76	72	67	63	86	99	99	106	111

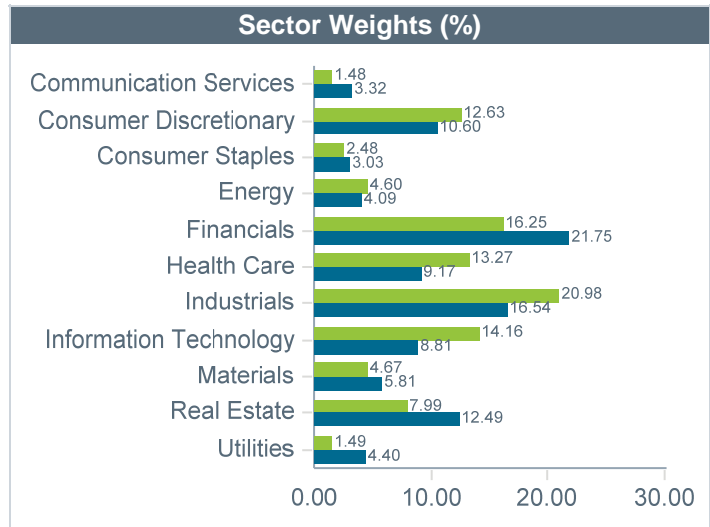
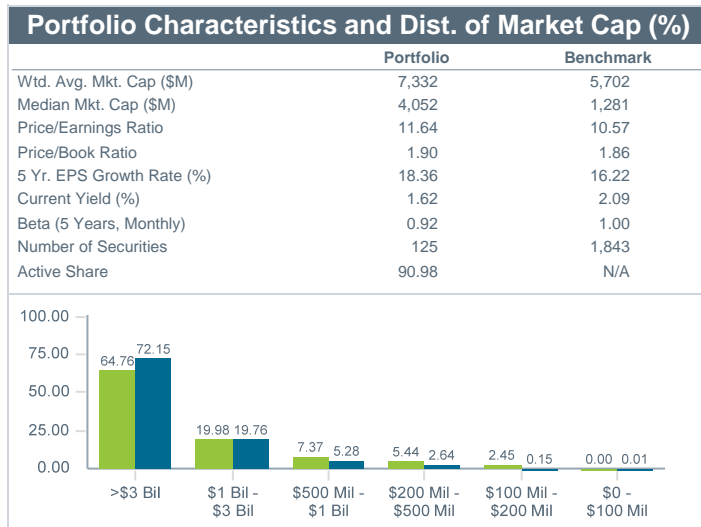
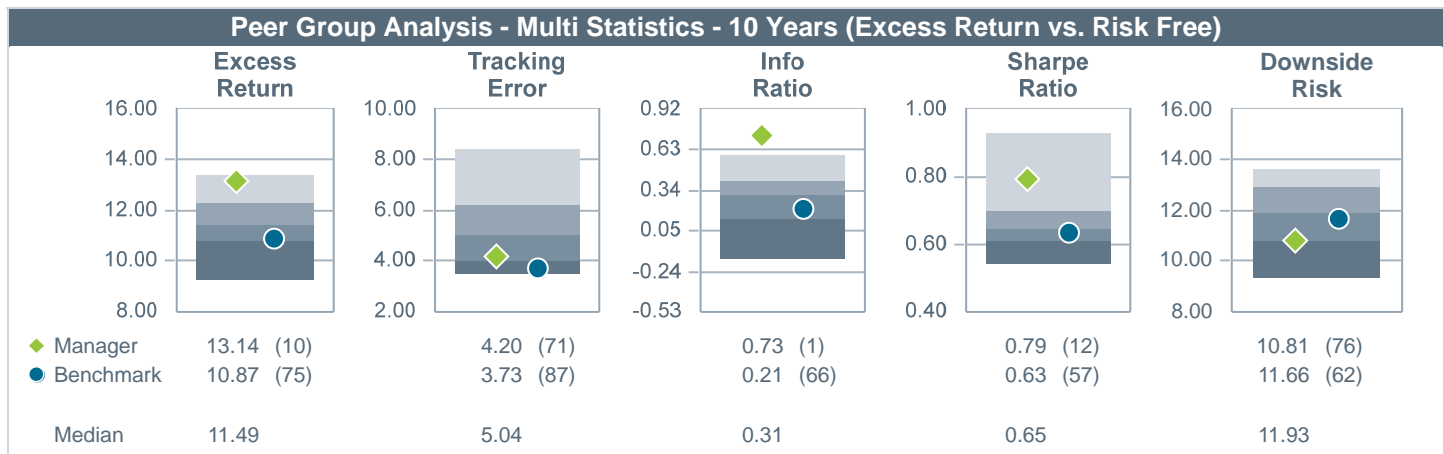
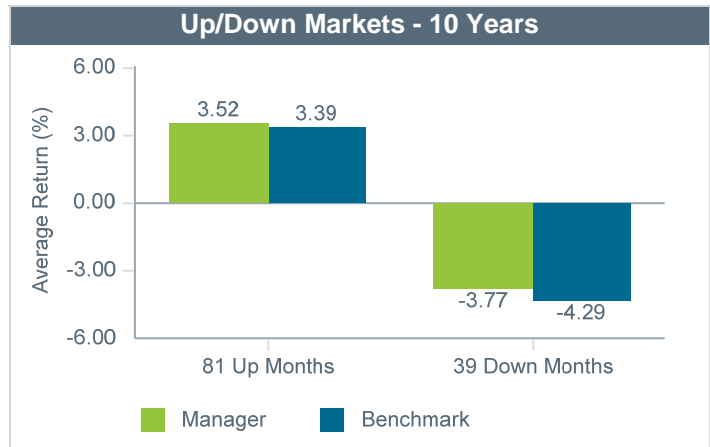
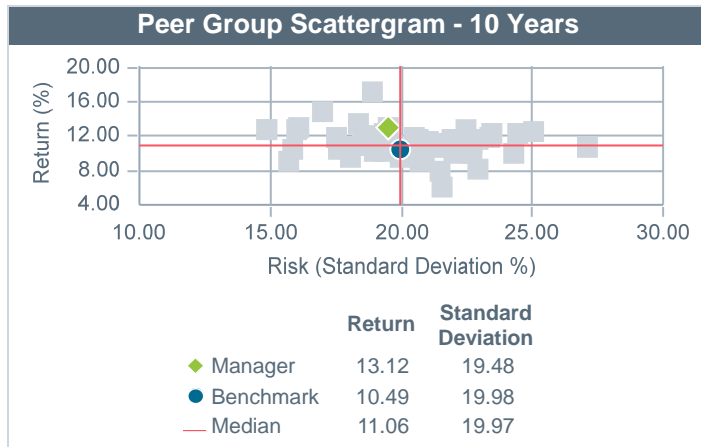


Performance shown is and product specific prior to client inception. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.





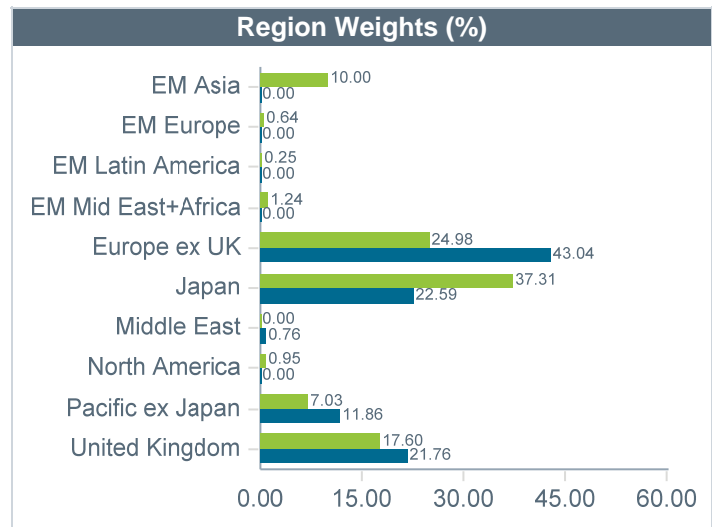
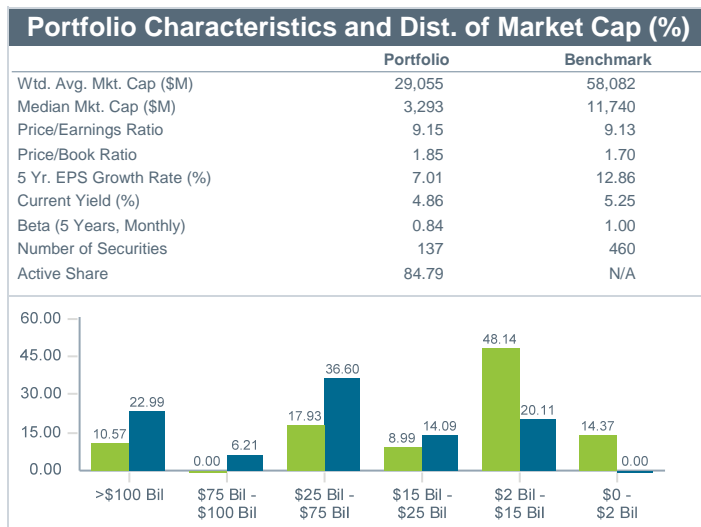
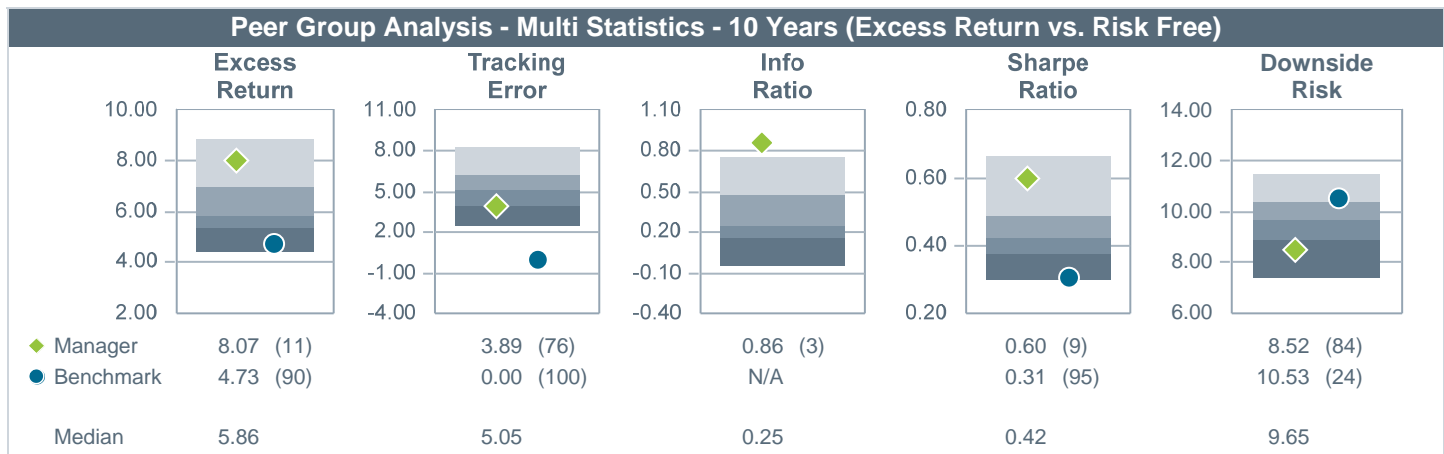
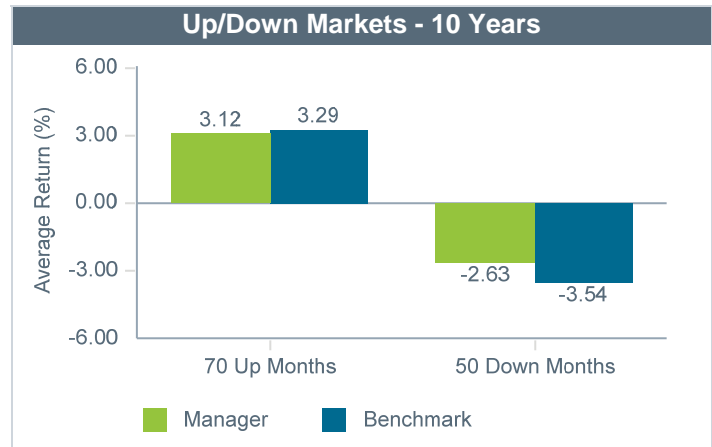
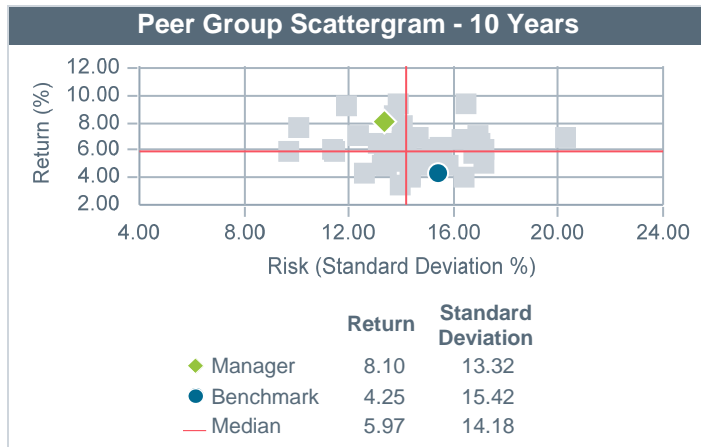
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-13.18	-9.48	9.66	8.94	10.05	13.12	31.53	7.55	27.80	-14.17	25.80
Benchmark	-15.39	-13.19	6.19	5.54	6.49	9.54	27.78	4.88	23.56	-12.36	10.36
Difference	2.21	3.71	3.47	3.40	3.56	3.58	3.75	2.67	4.24	-1.81	15.44
Peer Group Median	-13.45	-10.47	7.92	7.09	7.52	11.06	28.45	7.77	27.61	-12.97	14.63
Rank	47	42	34	18	11	5	28	52	47	60	3
Population	77	77	76	72	67	63	86	99	99	106	111



Performance shown is and product specific prior to client inception. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



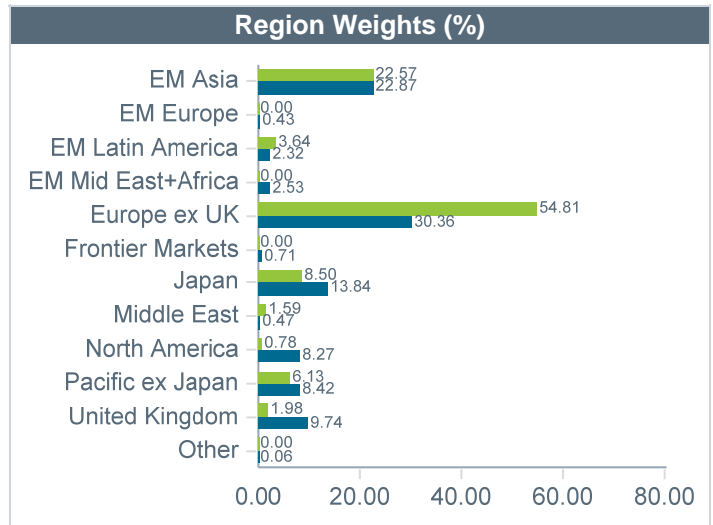
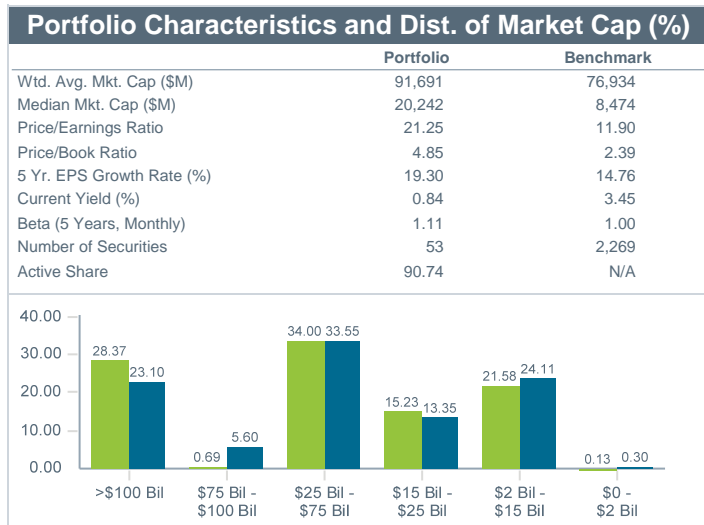
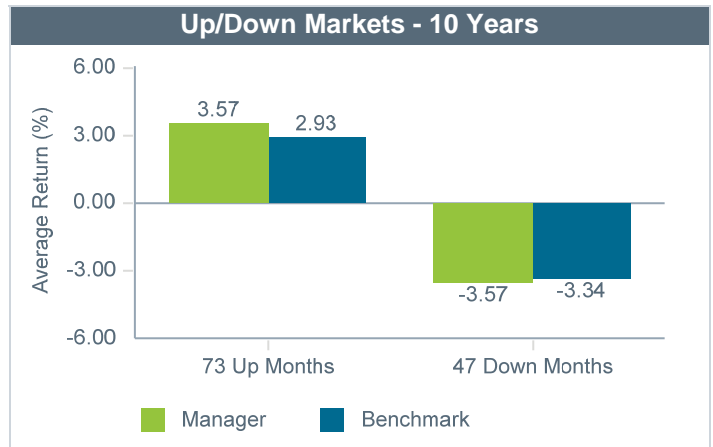
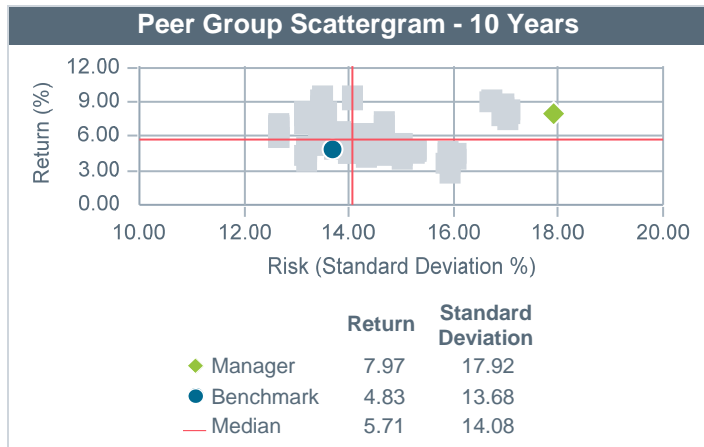
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-10.94	-11.29	2.83	2.81	4.19	8.10	12.58	0.17	18.05	-13.74	28.10
Benchmark	-12.41	-11.95	0.18	0.52	1.17	4.25	10.89	-2.63	16.09	-14.78	21.44
Difference	1.47	0.66	2.65	2.29	3.02	3.85	1.69	2.80	1.96	1.04	6.66
Peer Group Median	-11.73	-14.17	2.44	2.32	2.94	5.97	11.65	4.45	21.10	-15.76	24.17
Rank	40	25	43	36	17	9	41	81	88	41	26
Population	43	43	43	43	43	43	44	50	56	59	61



Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

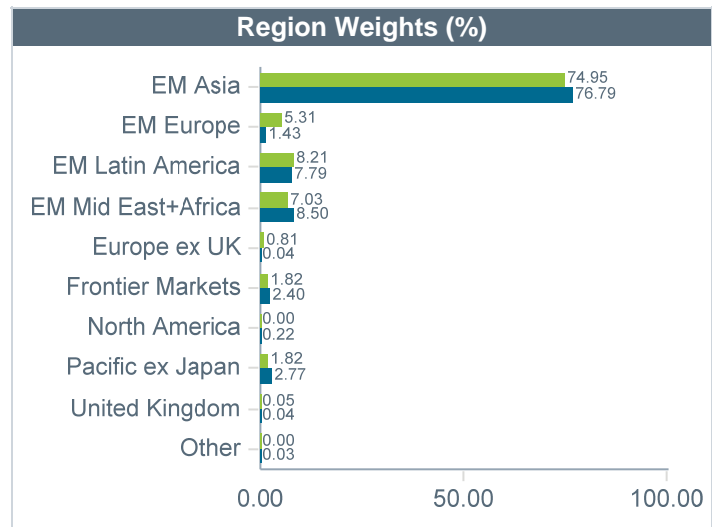
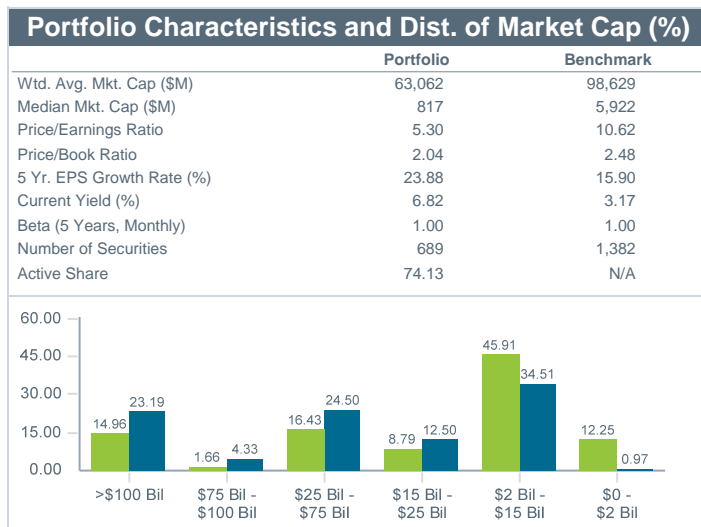
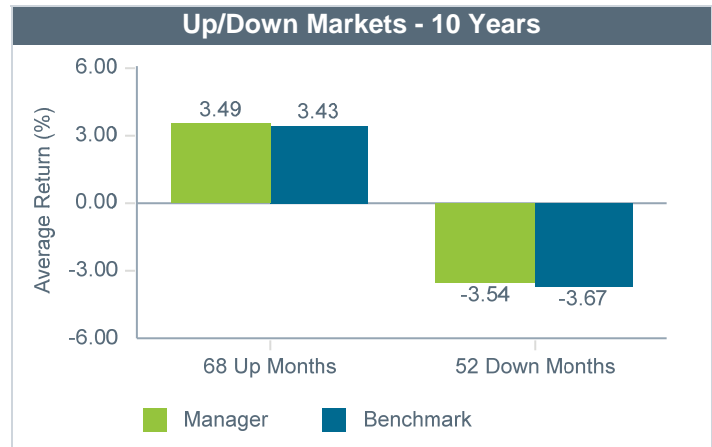
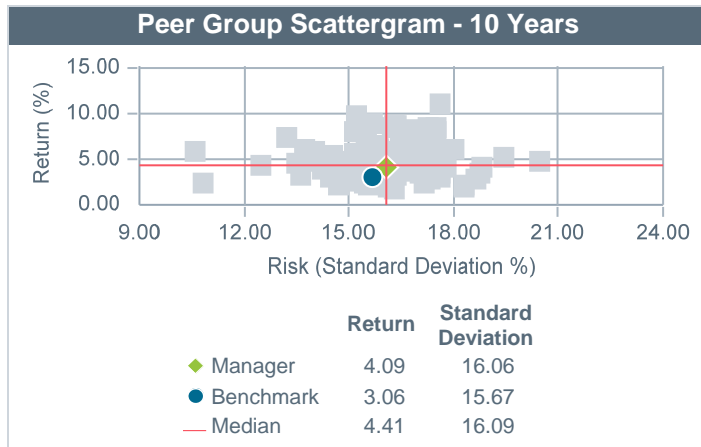


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-17.07	-43.06	2.19	4.97	5.60	7.97	-9.32	63.13	37.48	-17.23	46.37
Benchmark	-13.73	-19.42	1.35	2.50	2.92	4.83	7.82	10.65	21.51	-14.20	27.19
Difference	-3.34	-23.64	0.84	2.47	2.68	3.14	-17.14	52.48	15.97	-3.03	19.18
Peer Group Median	-16.27	-28.08	1.70	3.24	3.60	5.71	7.93	22.75	27.84	-14.32	32.37
Rank	59	97	46	22	13	15	98	1	2	79	5
Population	170	170	170	170	146	113	170	170	172	176	188



Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

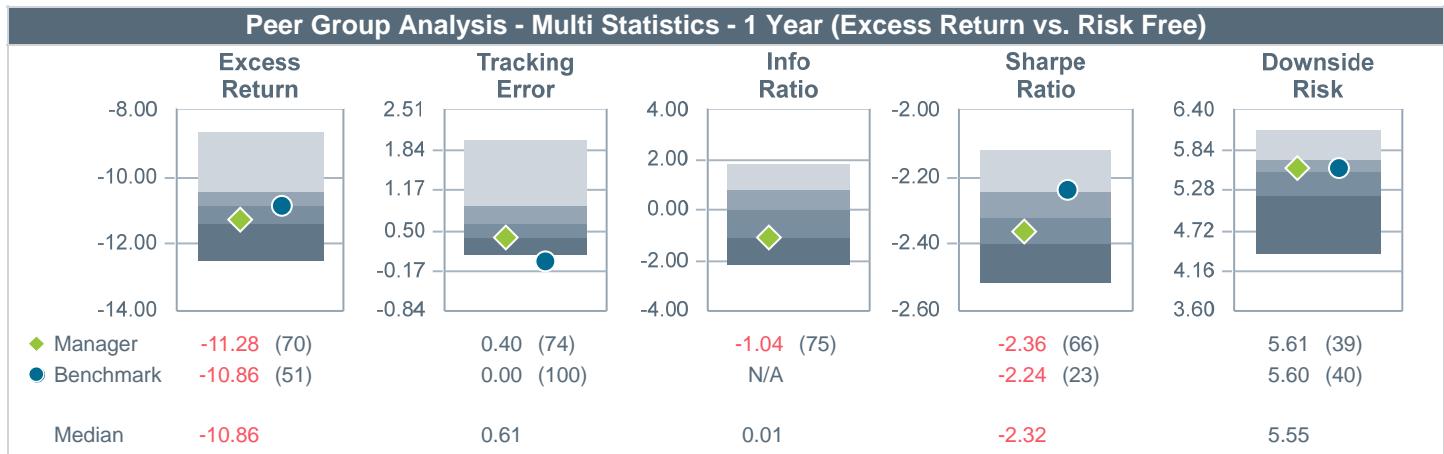
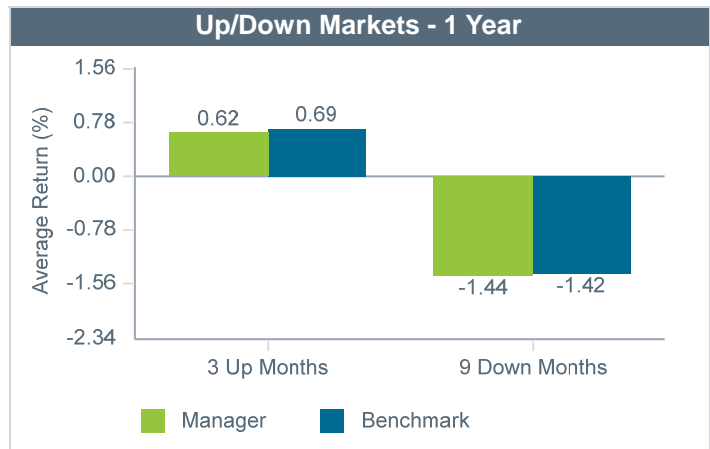
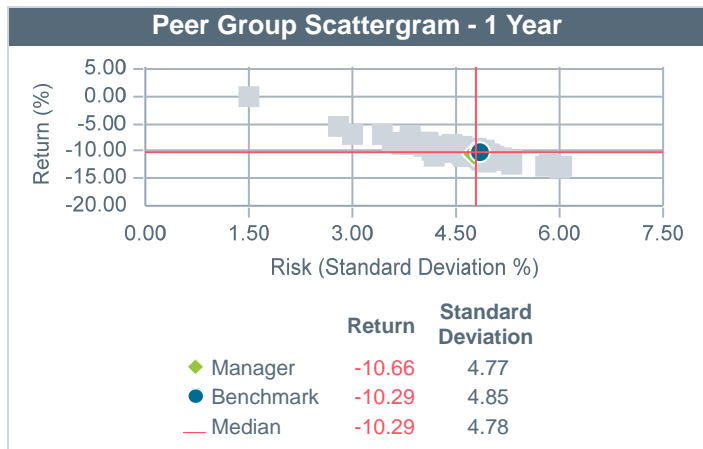
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
<b>Manager</b>	<b>-16.07</b>	<b>-21.78</b>	<b>2.76</b>	<b>2.32</b>	<b>3.40</b>	<b>4.09</b>	<b>8.75</b>	<b>12.55</b>	<b>18.00</b>	<b>-18.30</b>	<b>38.94</b>
Benchmark	-11.45	-25.28	0.57	2.18	2.79	3.06	-2.54	18.31	18.44	-14.58	37.28
Difference	-4.62	3.50	2.19	0.14	0.61	1.03	11.29	-5.76	-0.44	-3.72	1.66
Peer Group Median	-12.05	-25.03	1.46	2.93	3.80	4.41	1.08	18.14	19.62	-15.20	36.81
Rank	88	35	36	63	61	56	26	74	65	81	36
Population	257	254	242	222	207	165	275	303	332	335	345



Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

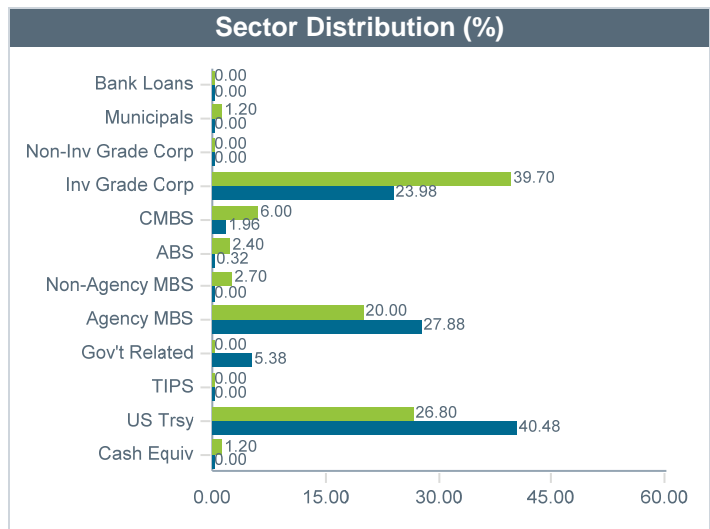


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-4.86	-10.66	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	-4.69	-10.29	-0.94	0.88	1.42	1.54	-1.55	7.51	8.72	0.01	3.54
Difference	-0.17	-0.37	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peer Group Median	-4.85	-10.29	-0.44	1.29	1.89	2.03	-1.21	8.52	9.20	0.06	4.02
Rank	54	70	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population	125	125	125	121	118	114	142	151	153	159	164



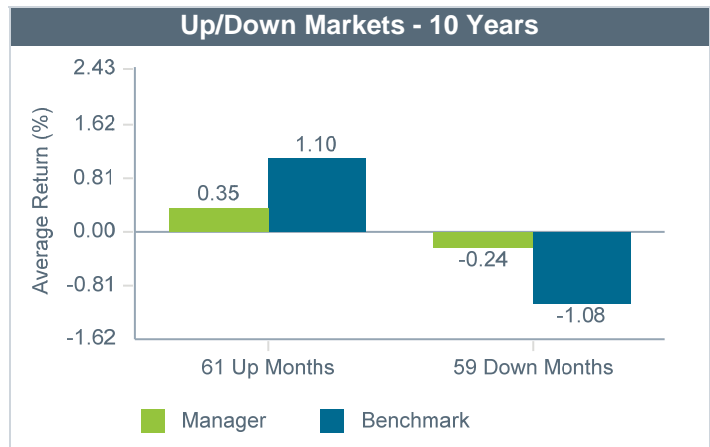
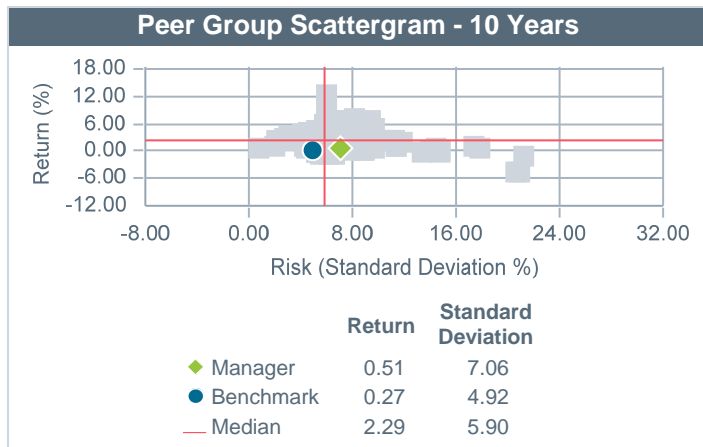
### Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	6.43	6.44
Spread Duration	3.65	N/A
Avg. Maturity	8.28	8.63
Avg. Quality	AA-	Aa1/Aa2
Yield To Maturity (%)	N/A	3.72
Coupon Rate (%)	2.87	2.49
Current Yield (%)	N/A	N/A
Holdings Count	250	12,563



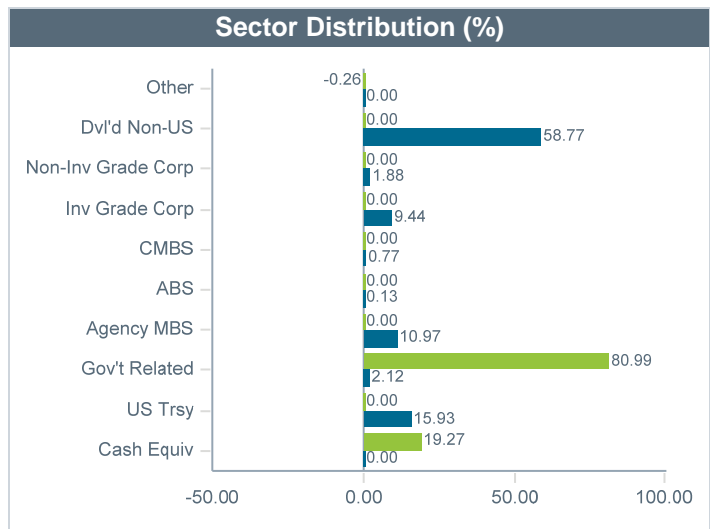
Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-11.28	-13.90	-7.76	-3.84	-1.62	0.51	-4.72	-3.81	-0.33	0.52	5.06
Benchmark	-8.43	-15.35	-3.20	-0.51	0.62	0.27	-4.51	9.02	7.13	-1.36	7.69
Difference	-2.85	1.45	-4.56	-3.33	-2.24	0.24	-0.21	-12.83	-7.46	1.88	-2.63
Peer Group Median	-9.07	-13.55	-0.47	1.53	2.44	2.33	0.35	8.54	9.49	-1.81	7.67
Rank	83	53	100	100	100	76	82	99	100	19	79
Population	182	182	179	173	169	145	203	225	238	254	263



### Portfolio Characteristics

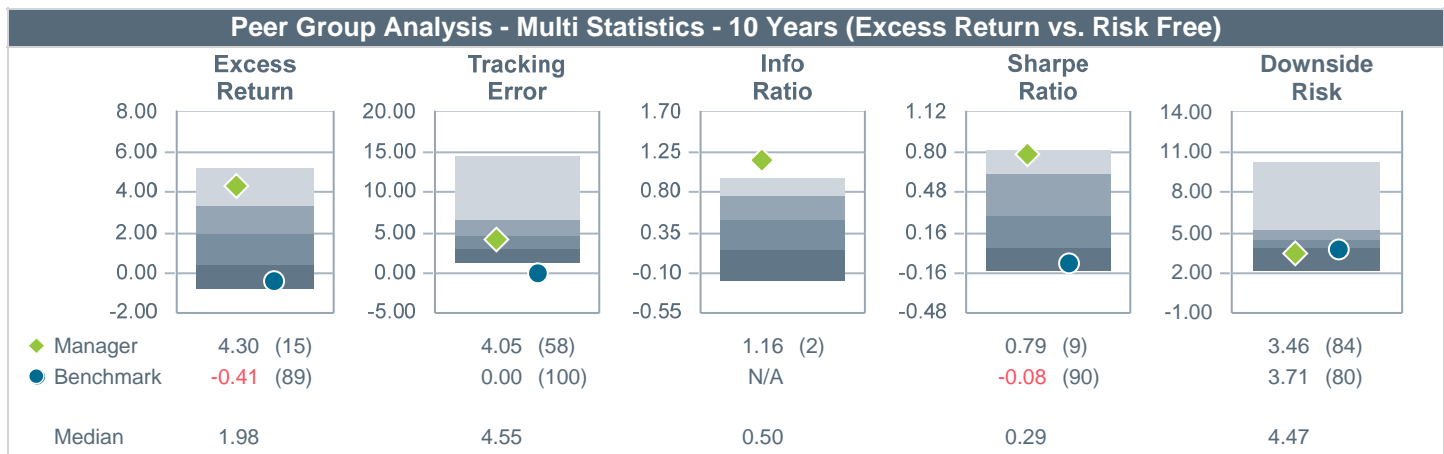
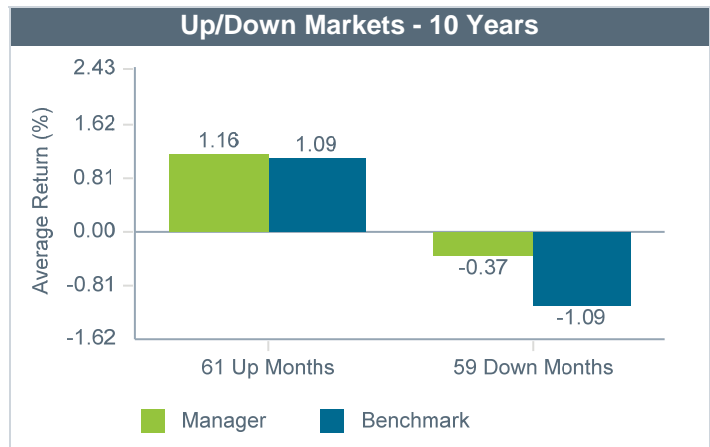
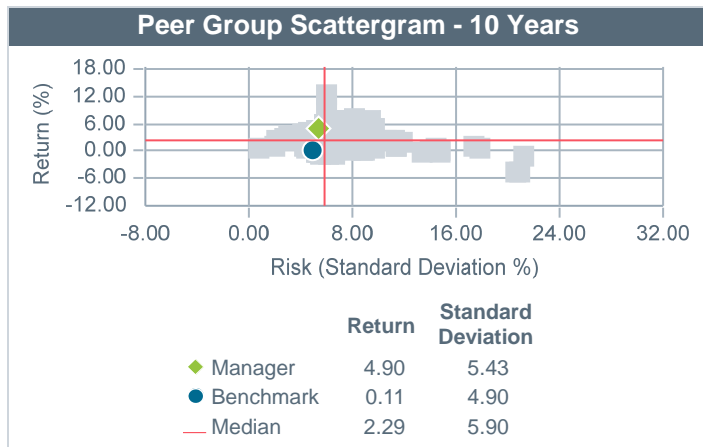
	Portfolio	Benchmark
Effective Duration	1.53	6.87
Spread Duration	1.58	N/A
Avg. Maturity	3.09	8.67
Avg. Quality	N/A	N/A
Yield To Maturity (%)	8.45	3.22
Coupon Rate (%)	4.19	2.39
Current Yield (%)	3.77	N/A
Holdings Count	107	32,120



Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "Other" consists of derivatives.

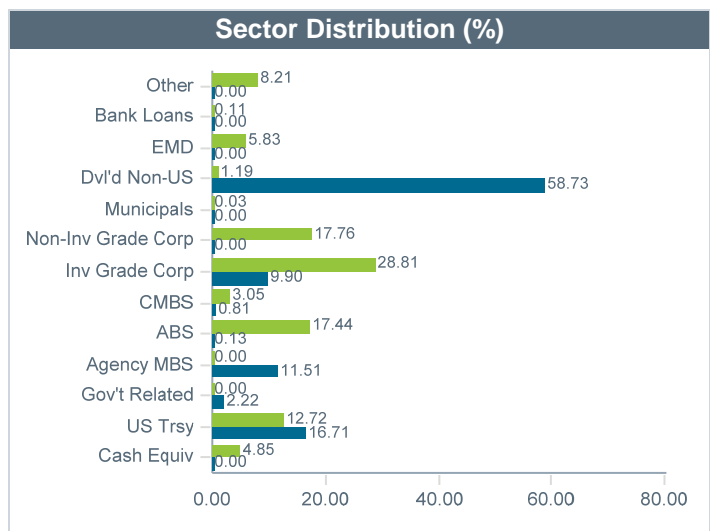


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-6.47	-11.25	1.59	3.02	3.56	4.90	0.55	15.08	9.80	0.09	8.74
Benchmark	-8.26	-15.25	-3.22	-0.55	0.51	0.11	-4.71	9.20	6.84	-1.19	7.39
Difference	1.79	4.00	4.81	3.57	3.05	4.79	5.26	5.88	2.96	1.28	1.35
Peer Group Median	-9.07	-13.55	-0.47	1.53	2.44	2.33	0.35	8.54	9.49	-1.81	7.67
Rank	24	38	15	15	24	13	46	7	48	23	31
Population	182	182	179	173	169	145	203	225	238	254	263



### Portfolio Characteristics

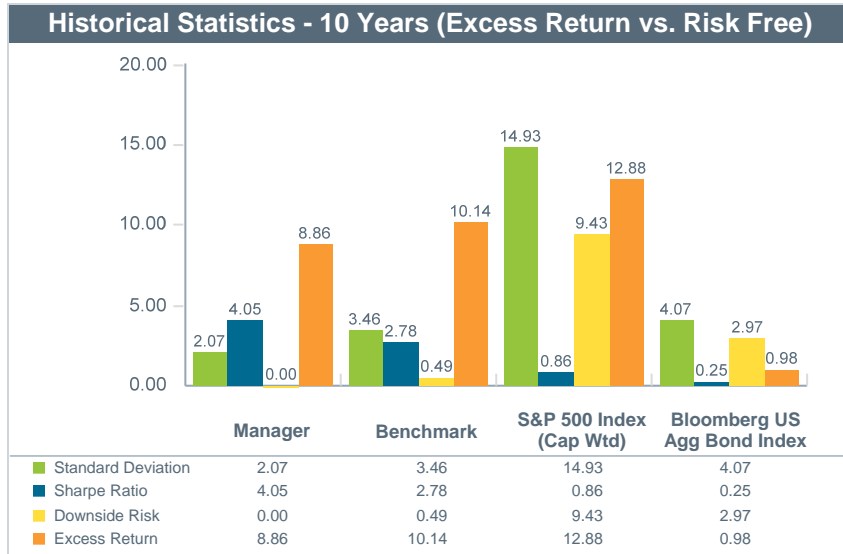
	Portfolio	Benchmark
Effective Duration	4.62	6.99
Spread Duration	3.86	N/A
Avg. Maturity	5.77	8.77
Avg. Quality	Baa2	N/A
Yield To Maturity (%)	5.95	2.91
Coupon Rate (%)	3.26	2.23
Current Yield (%)	3.81	N/A
Holdings Count	926	28,186



Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "Other" consists of preferred equity, hedges, derivatives, and convertibles.

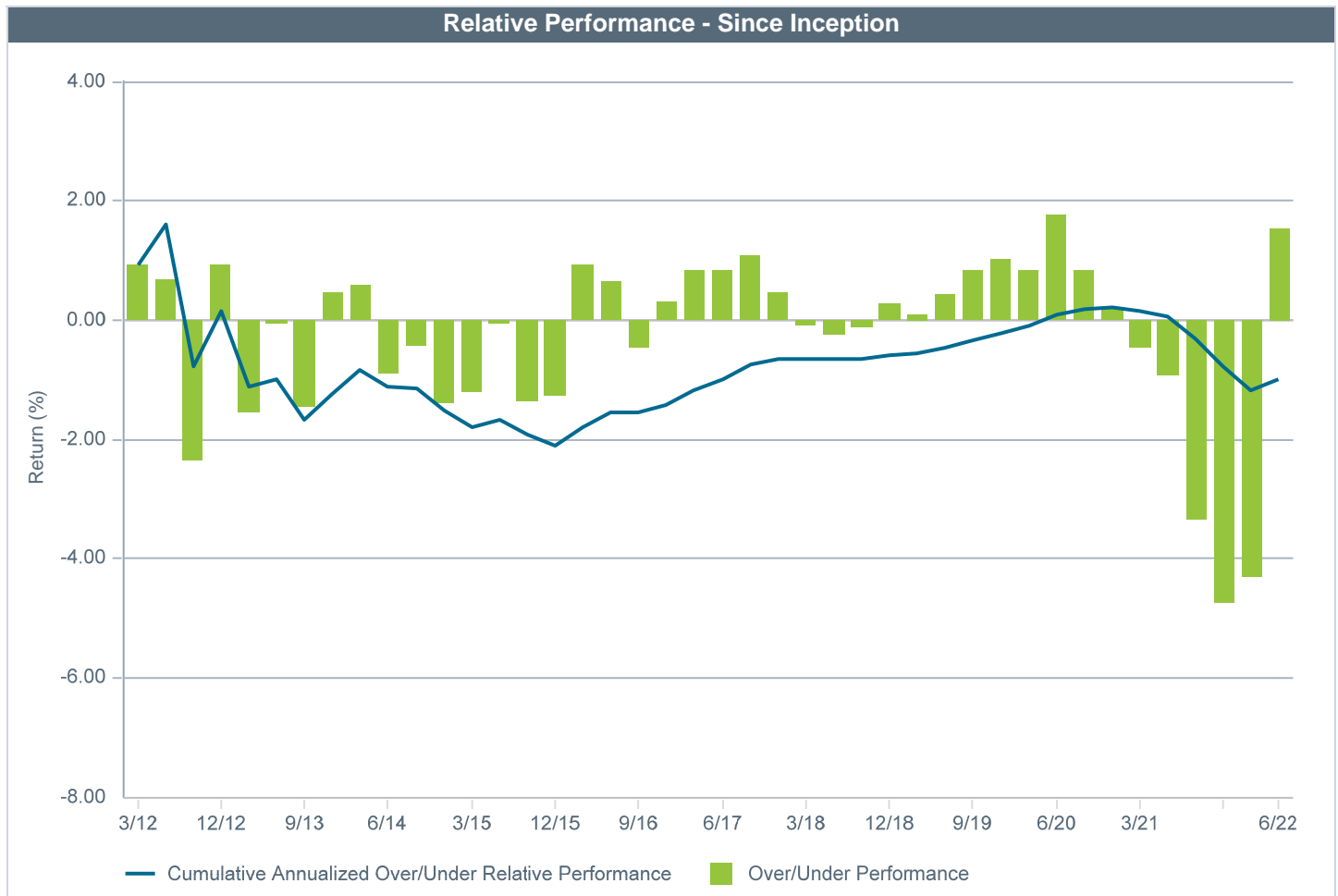


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	6.39	15.92	10.06	9.41	9.60	9.82	10.94	4.91	7.87	8.18	11.11
Benchmark	4.77	29.51	12.66	10.54	10.34	11.16	22.17	1.19	5.34	8.35	7.62
Difference	1.62	-13.59	-2.60	-1.13	-0.74	-1.34	-11.23	3.72	2.53	-0.17	3.49



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.50
S&P 500 Index (Cap Wtd)	-0.45
Russell 2000 Index	-0.42
MSCI EAFE Index (USD) (Net)	-0.38
MSCI Emg Mkts Index (USD) (Net)	-0.33
Bloomberg US Agg Bond Index	-0.46
Bloomberg US Trsy US TIPS Index	-0.54
Wilshire US REIT Index	-0.36
HFRI FOF Comp Index	-0.39
Bloomberg Cmdb Index (TR)	-0.09
ICE BofAML 3 Mo US T-Bill Index	-0.19
Cons Price Index (Unadjusted)	0.31
NCREIF ODCE Index (AWA) (Gross)	0.50





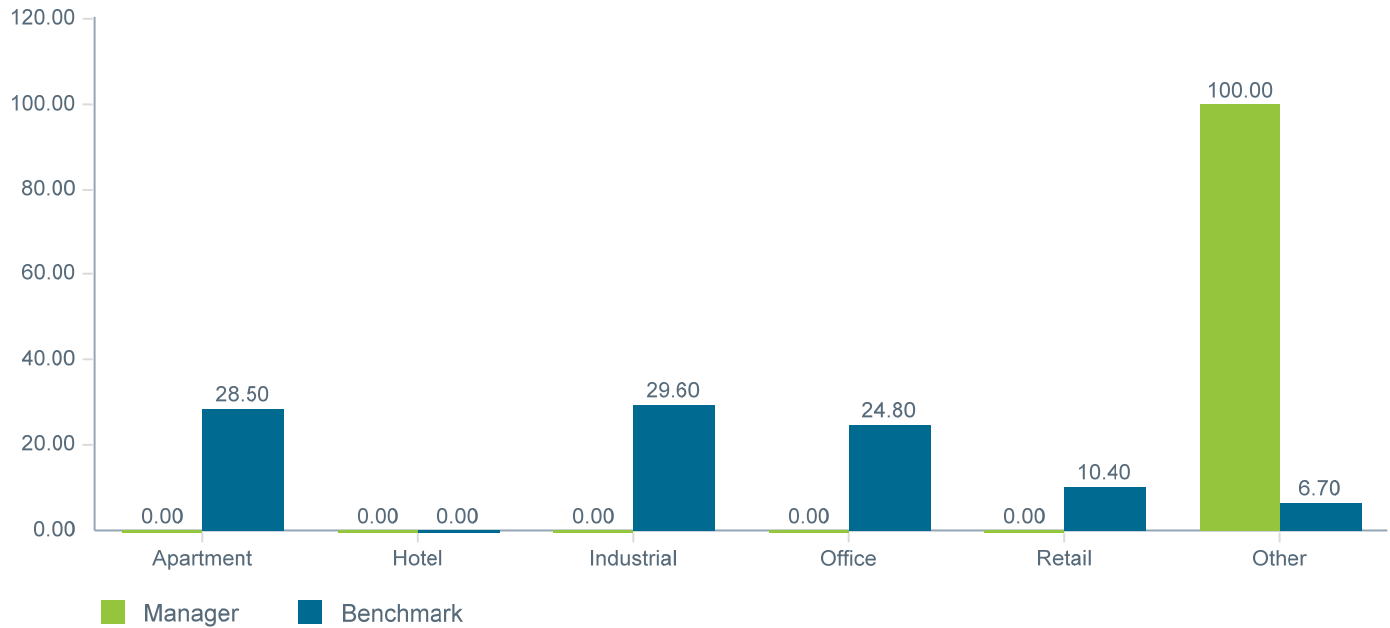
**Investment Strategy**

The Fund's strategy is on primarily stabilized income-producing investments in niche sectors; Education, Health, and Storage. Within these sectors the fund invests in student housing, seniors housing, medical office buildings, life science buildings, and self-storage. The majority of the return from the Fund is expected to be realized from current income, with a modest portion of the return to be derived from asset appreciation. Harrison Street believes that the primary property types it targets will provide better risk/return profiles than properties in traditional core portfolios across all economic cycles.

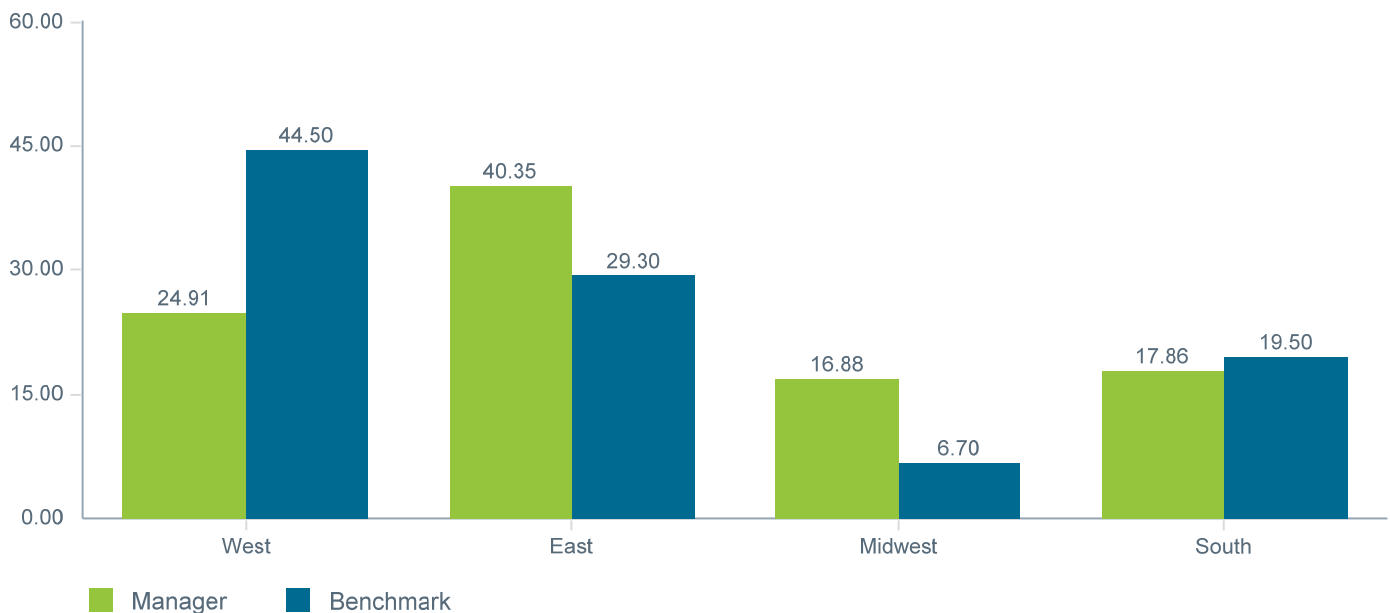
**Investment Profile**

Fund Inception	2011
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	13,464
Fund Leverage %	23.78
Portfolio Occupancy %	89.30
Cash Reserve %	1.08
Number of Investments	387
Number of Limited Partners	231

**Property Type Allocation (%)**



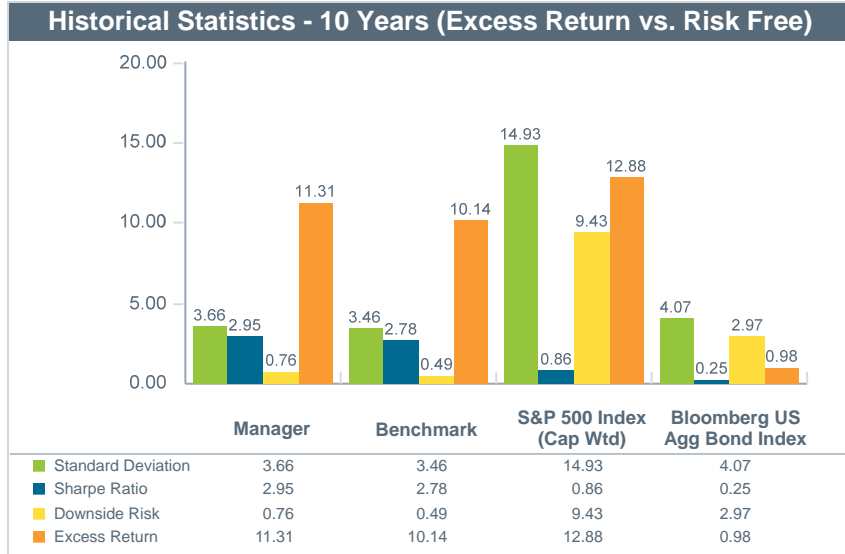
**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of education, healthcare, senior housing, and storage real estate. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.

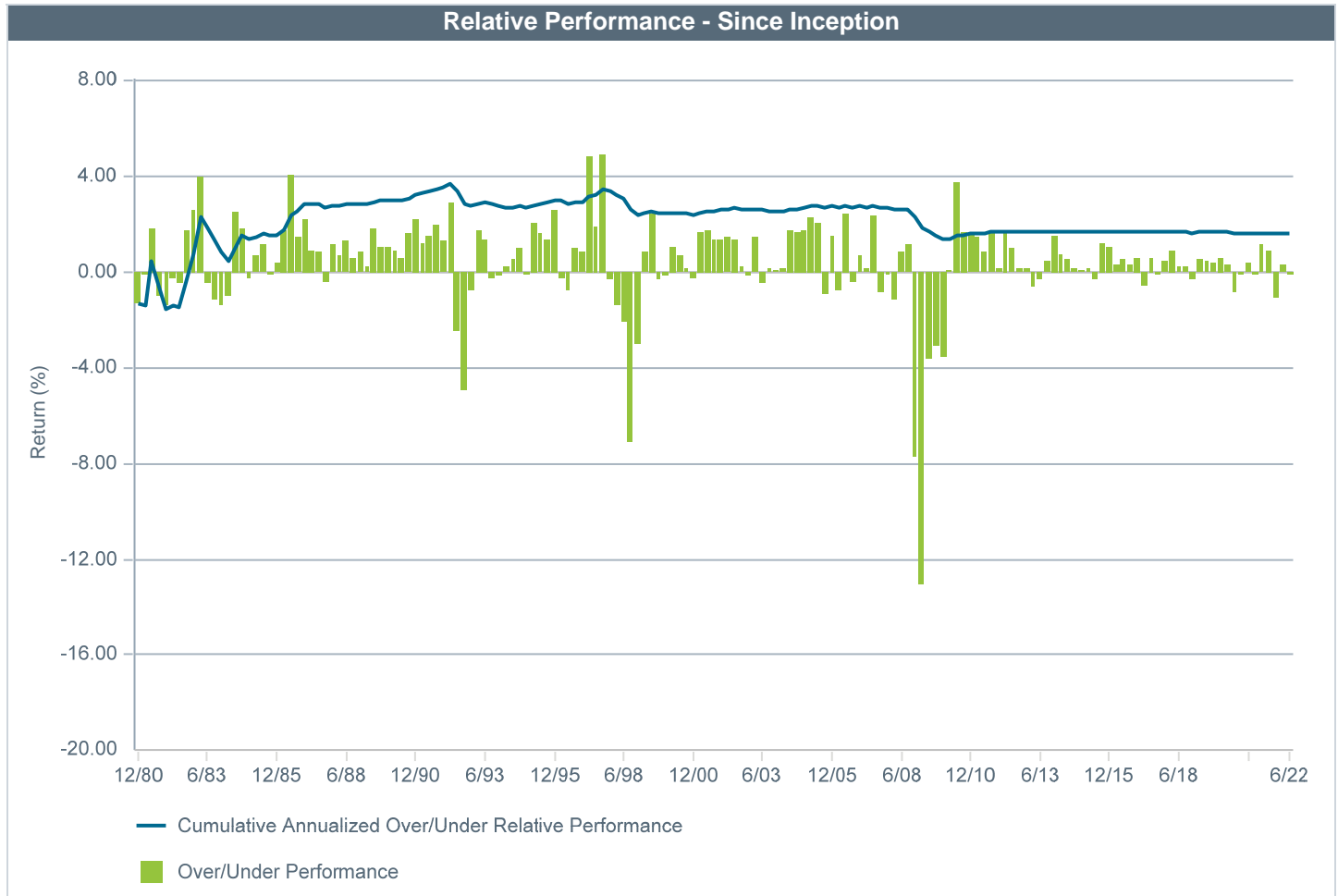


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	4.65	29.51	13.42	11.52	11.69	12.43	23.30	1.03	7.52	9.48	8.06
Benchmark	4.77	29.51	12.66	10.54	10.34	11.16	22.17	1.19	5.34	8.35	7.62
Difference	-0.12	0.00	0.76	0.98	1.35	1.27	1.13	-0.16	2.18	1.13	0.44



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.95
S&P 500 Index (Cap Wtd)	-0.24
Russell 2000 Index	-0.30
MSCI EAFE Index (USD) (Net)	-0.25
MSCI Emg Mkts Index (USD) (Net)	-0.42
Bloomberg US Agg Bond Index	-0.45
Bloomberg US Trsy US TIPS Index	-0.33
Wilshire US REIT Index	-0.01
HFRI FOF Comp Index	-0.30
Bloomberg Cmnty Index (TR)	0.14
ICE BofAML 3 Mo US T-Bill Index	-0.37
Cons Price Index (Unadjusted)	0.35

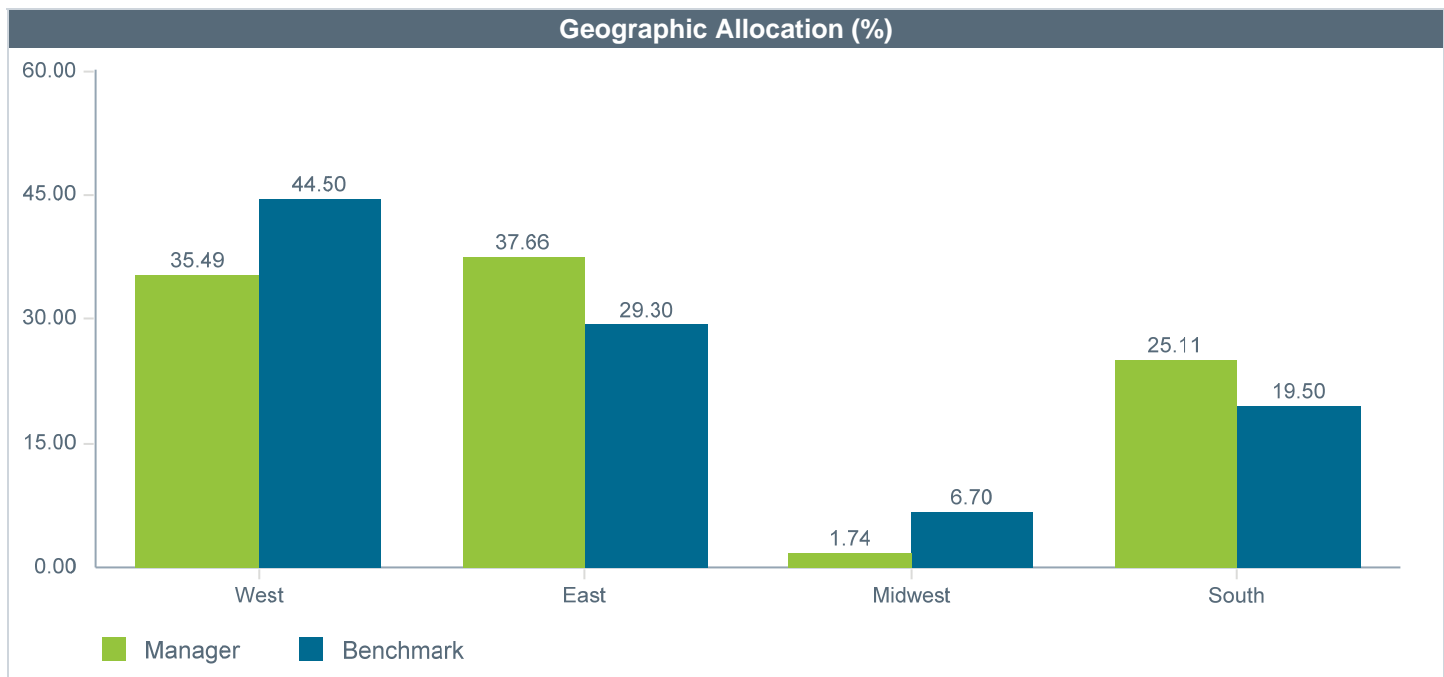
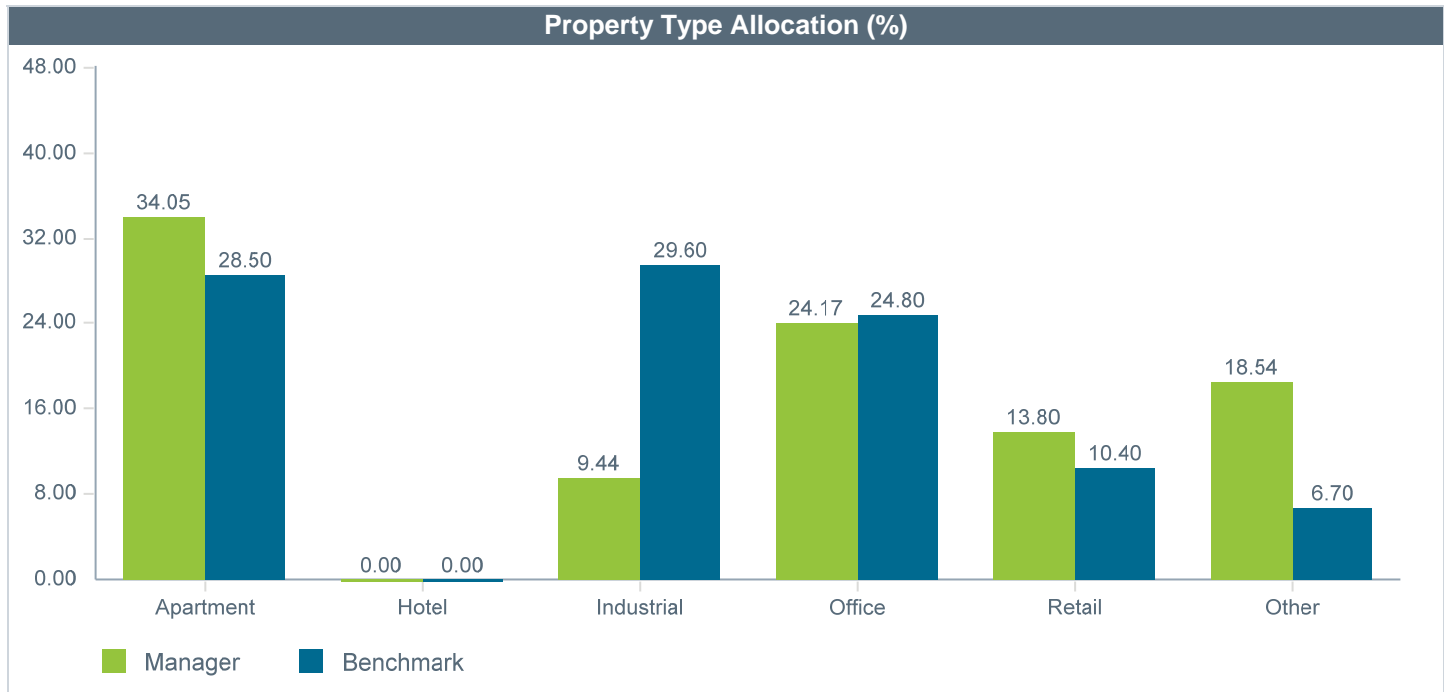


**Investment Strategy**

The Fund pursues a diversified core-plus real estate strategy that seeks to outperform the NCREIF ODCE Index by 100 basis points over a complete market cycle by structuring investments to enhance risk-adjusted returns. Investments may be made through direct property ownership or indirectly through such vehicles as joint ventures, general or limited partnerships, limited liability companies, mortgage loans and other loan types, including mezzanine debt, and debt secured by an interest in the borrowing entity or interests in companies or entities that directly or indirectly hold real estate or real estate interests. It operates with a leverage limit of 40% and may invest up to 35% of its gross assets in higher-risk, non-core real estate investment opportunities.

**Investment Profile**

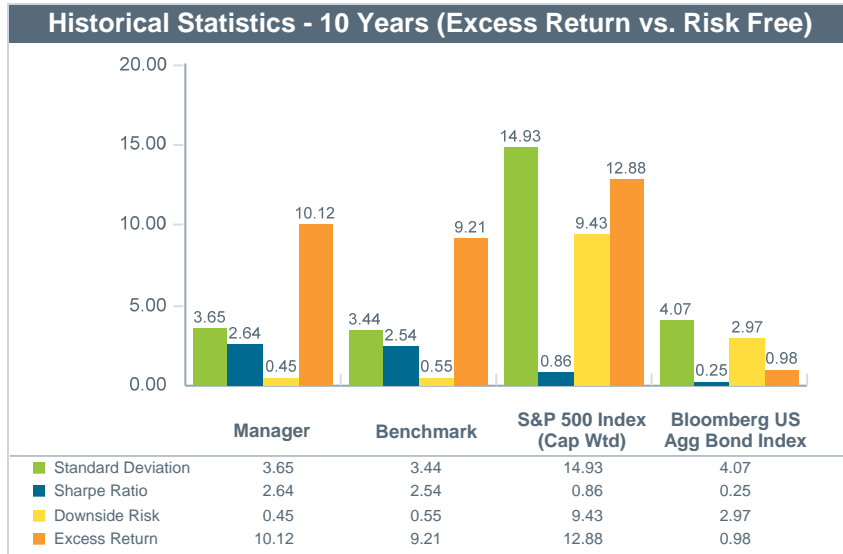
Fund Inception	1980
Legal Structure	REIT
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	17,403
Fund Leverage %	32.40
Portfolio Occupancy %	90.15
Cash Reserve %	2.36
Number of Investments	160
Number of Limited Partners	110



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of land, student housing, self-storage, and life science/lab space. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.

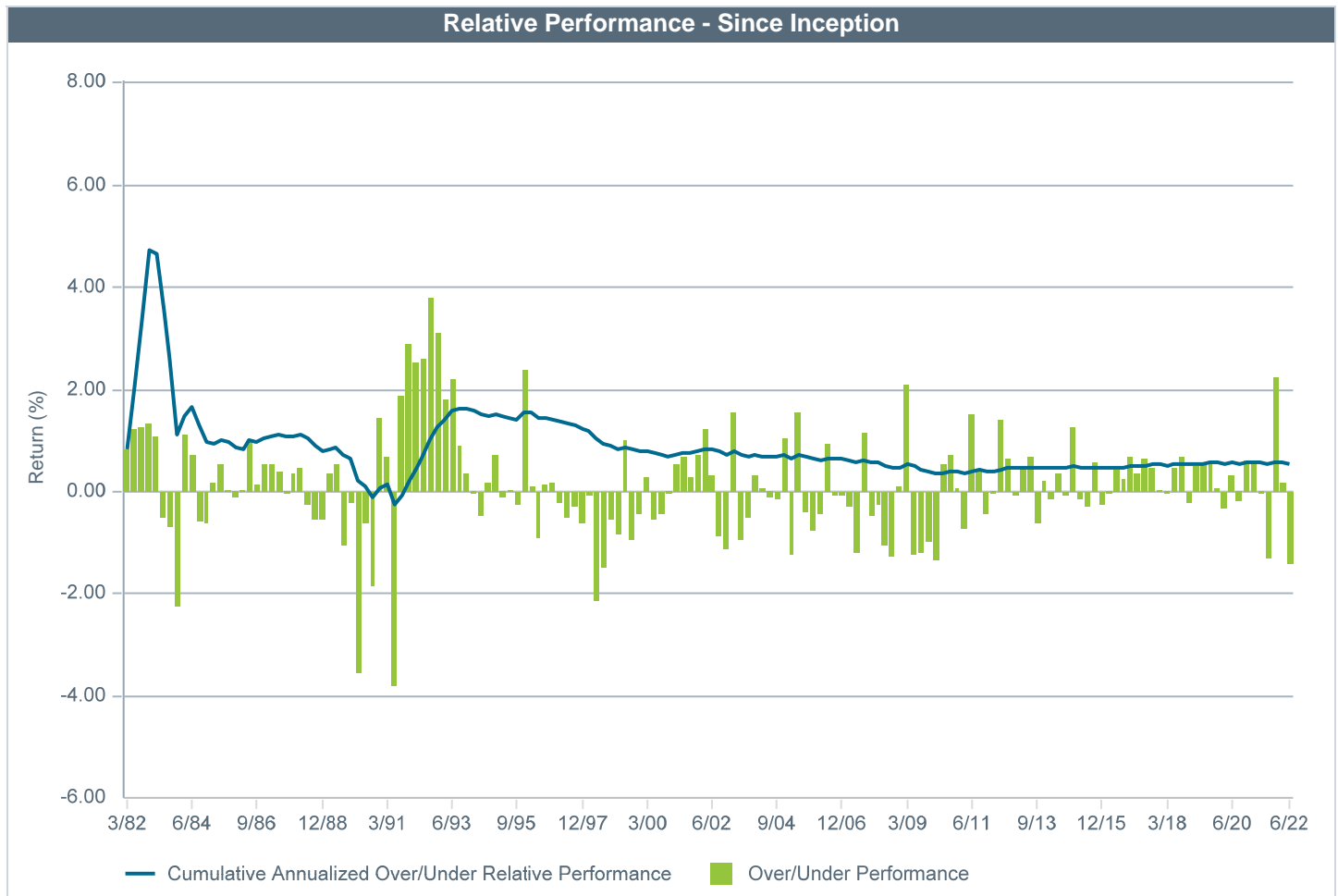


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	3.07	27.91	12.18	10.40	10.36	11.13	22.83	0.81	6.22	8.32	8.29
Benchmark	4.54	28.31	11.66	9.55	9.35	10.15	21.02	0.34	4.39	7.36	6.66
Difference	-1.47	-0.40	0.52	0.85	1.01	0.98	1.81	0.47	1.83	0.96	1.63



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Net)	0.94
S&P 500 Index (Cap Wtd)	-0.05
Russell 2000 Index	-0.15
MSCI EAFE Index (USD) (Net)	-0.15
MSCI Emg Mkts Index (USD) (Net)	-0.33
Bloomberg US Agg Bond Index	-0.43
Bloomberg US Trsy US TIPS Index	-0.29
Wilshire US REIT Index	0.19
HFRI FOF Comp Index	-0.20
Bloomberg Cmdty Index (TR)	0.12
ICE BofAML 3 Mo US T-Bill Index	-0.38
Cons Price Index (Unadjusted)	0.33
NCREIF ODCE Index (AWA) (Gross)	0.94



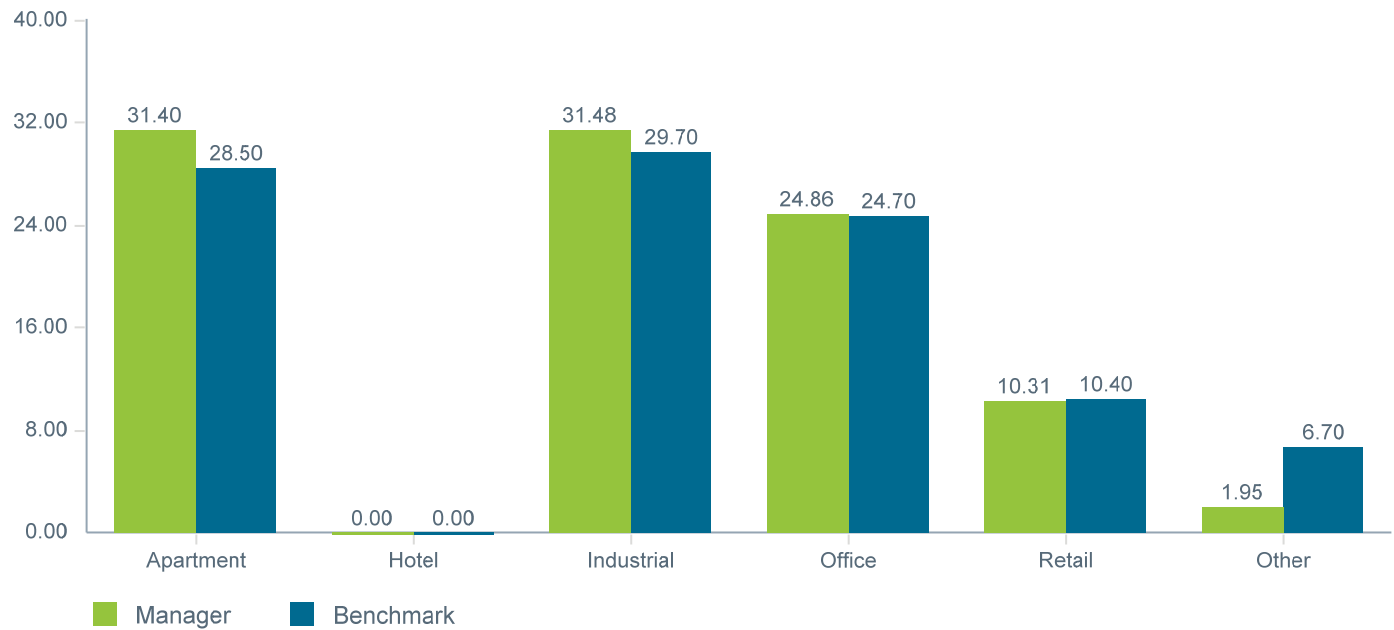
**Investment Strategy**

The Principal U.S. Property Account is a core real estate account designed to have a low to moderate risk profile consistent with other open-end real estate funds comprising the NFI-ODCE. This risk profile has two components: 1) a low to moderate real estate property risk profile; and 2) a low to moderate risk portfolio level operating profile. Low to moderate real estate property risk is accomplished by investing primarily in well-leased properties on an unleveraged basis. Low to moderate portfolio level risk is accomplished by operating with limited portfolio level obligations and a well-diversified portfolio. The Account invests in the traditional real estate property types; multifamily, office, industrial, and retail.

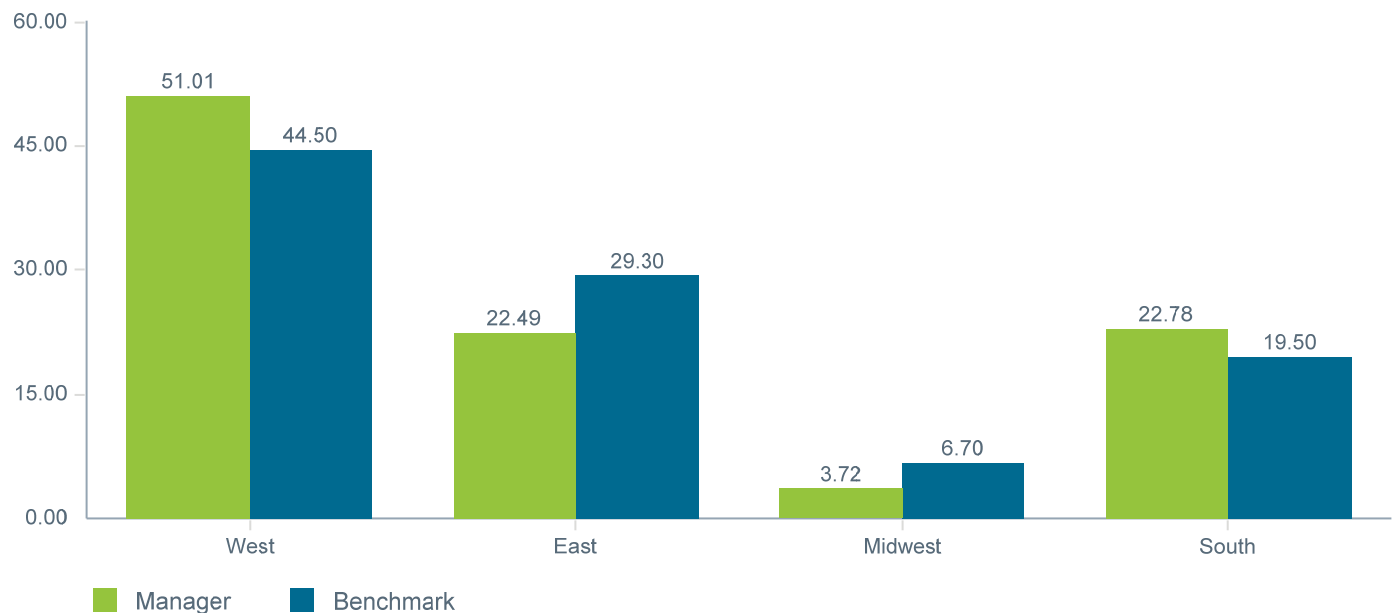
**Investment Profile**

Fund Inception	1982
Legal Structure	Insurance SA
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	13,307
Fund Leverage %	20.74
Portfolio Occupancy %	92.52
Cash Reserve %	2.21
Number of Investments	146
Number of Limited Partners	4,752

**Property Type Allocation (%)**



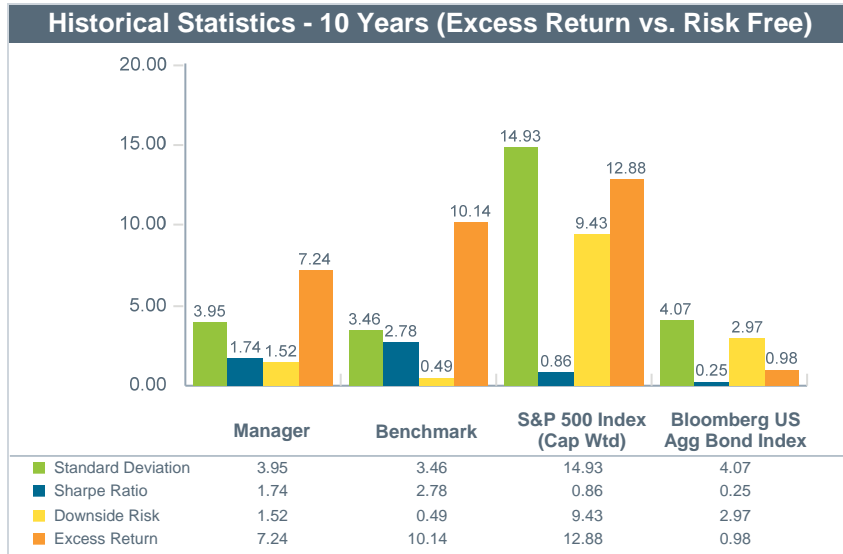
**Geographic Allocation (%)**



Performance shown is net of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of land, self storage, and manufactured housing. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.

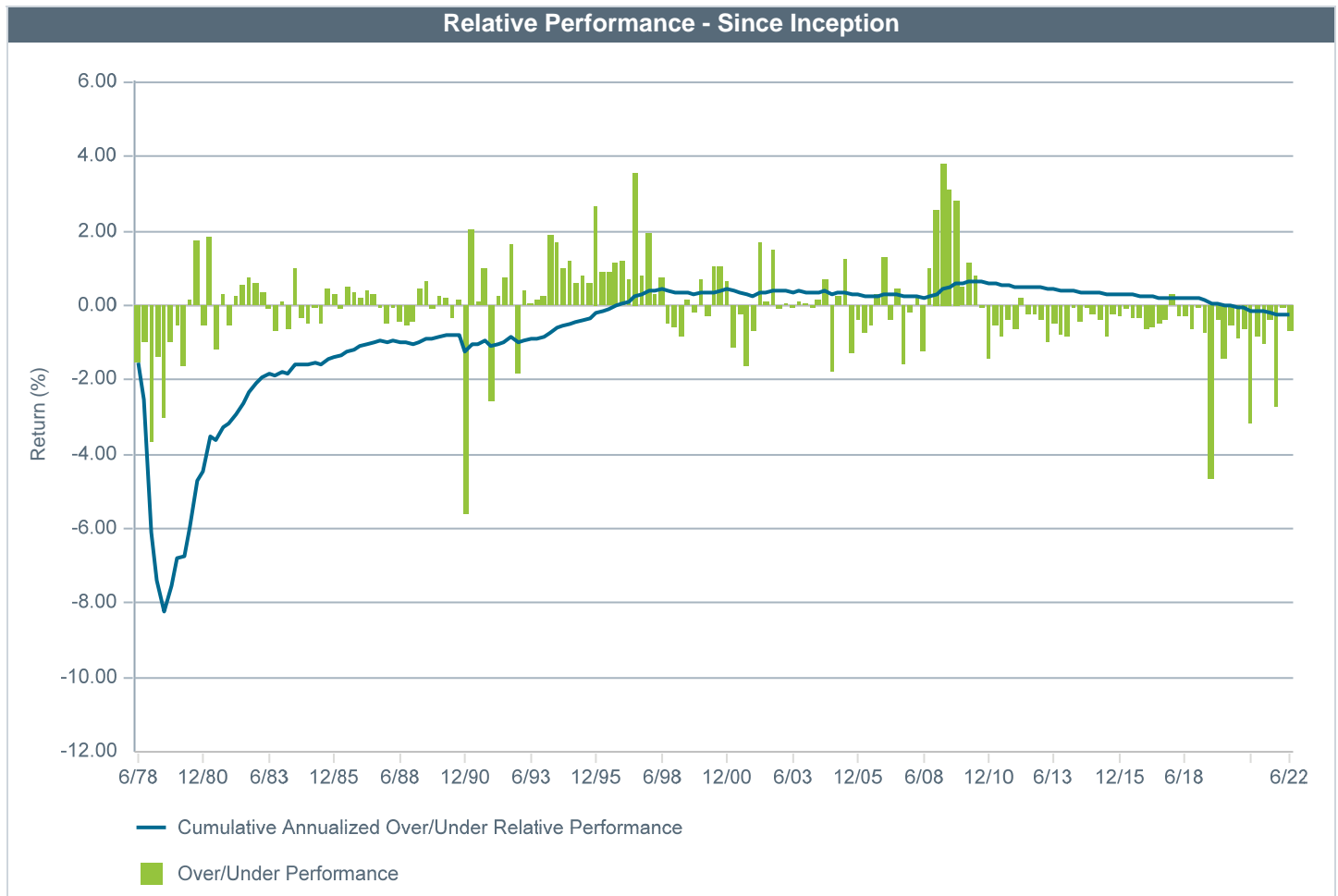


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	4.02	24.65	7.95	6.27	6.80	8.03	16.24	-4.04	-2.10	6.99	6.30
Benchmark	4.77	29.51	12.66	10.54	10.34	11.16	22.17	1.19	5.34	8.35	7.62
Difference	-0.75	-4.86	-4.71	-4.27	-3.54	-3.13	-5.93	-5.23	-7.44	-1.36	-1.32



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.89
S&P 500 Index (Cap Wtd)	-0.33
Russell 2000 Index	-0.40
MSCI EAFE Index (USD) (Net)	-0.37
MSCI Emg Mkts Index (USD) (Net)	-0.46
Bloomberg US Agg Bond Index	-0.50
Bloomberg US Trsy US TIPS Index	-0.40
Wilshire US REIT Index	-0.09
HFRI FOF Comp Index	-0.41
Bloomberg Cmnty Index (TR)	0.07
ICE BofAML 3 Mo US T-Bill Index	-0.44
Cons Price Index (Unadjusted)	0.31



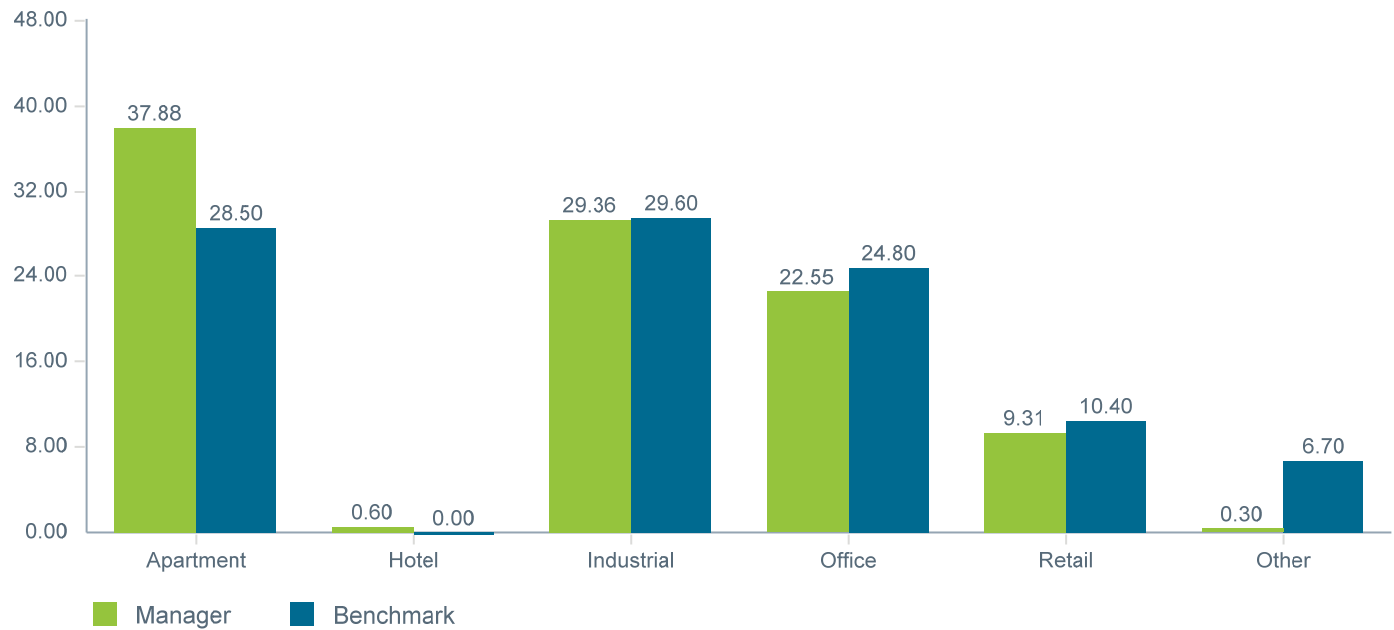
**Investment Strategy**

The Fund pursues a diversified core real estate strategy that seeks to produce attractive risk-adjusted returns by focusing on selective acquisitions, diversification, active portfolio management, and asset management. The Fund invests in well-leased, stabilized assets in major US metropolitan markets and receives the majority of its return from the income component. Diversification for the Fund is consistently pursued on many levels, including geographic region, property type, and economic sector. The Fund has historically maintained a leverage ratio significantly lower than the NCREIF ODCE Index and invests 5-15% of its gross assets in value-added type real estate investment opportunities.

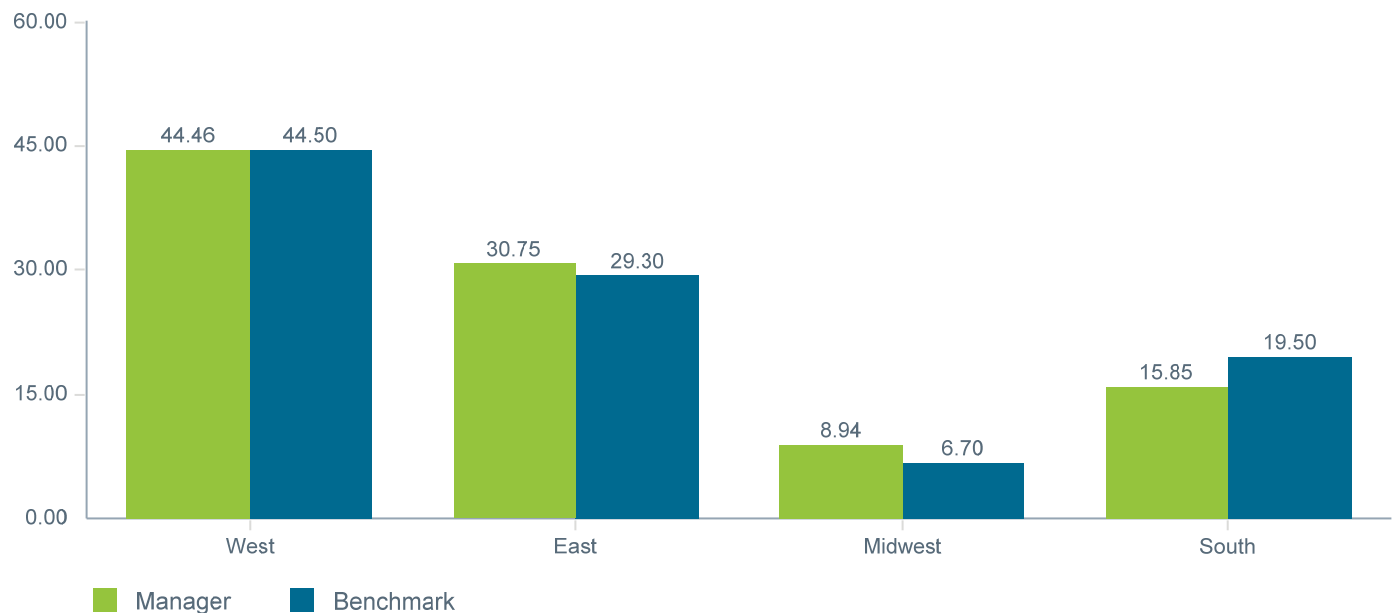
**Investment Profile**

Fund Inception	1978
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	18,225
Fund Leverage %	16.70
Portfolio Occupancy %	92.80
Cash Reserve %	2.30
Number of Investments	157
Number of Limited Partners	443

**Property Type Allocation (%)**



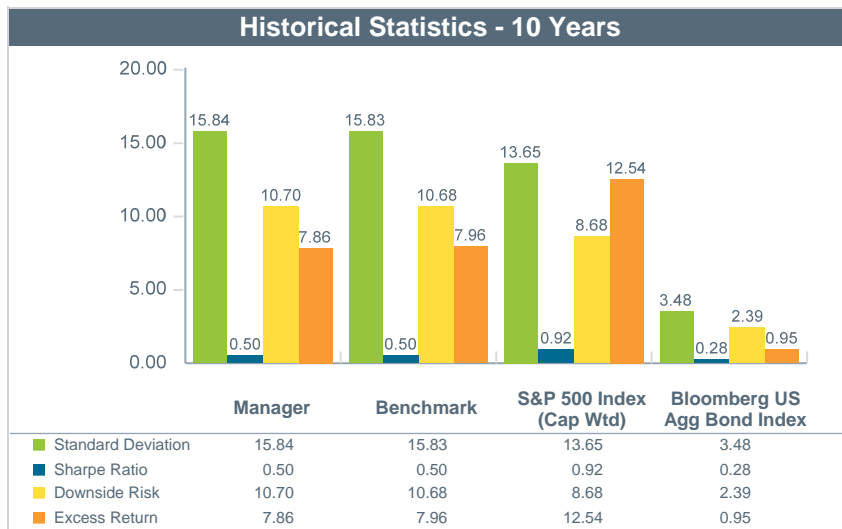
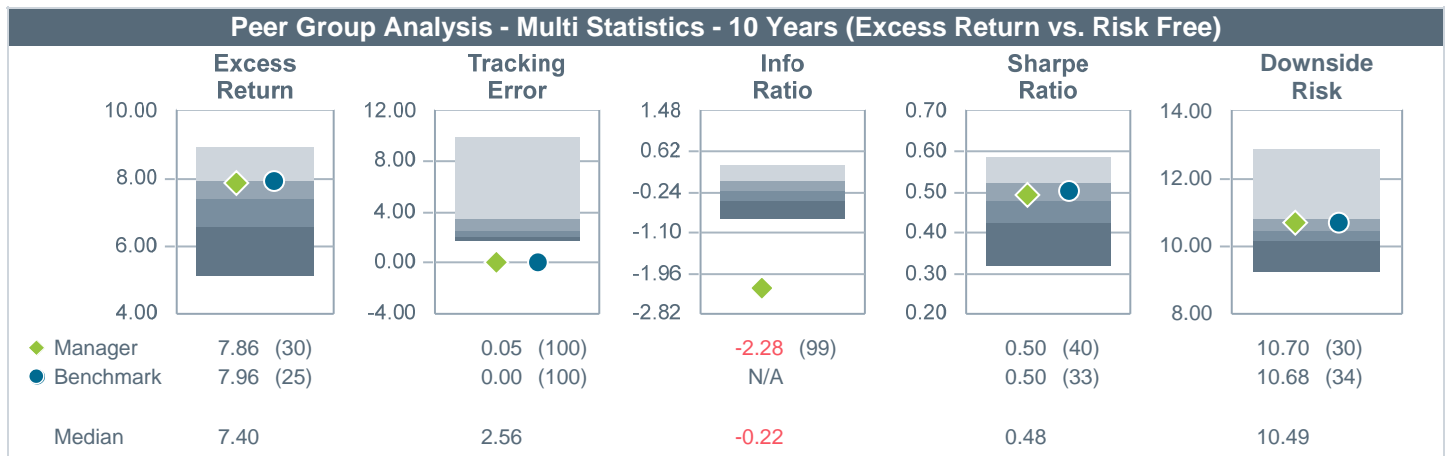
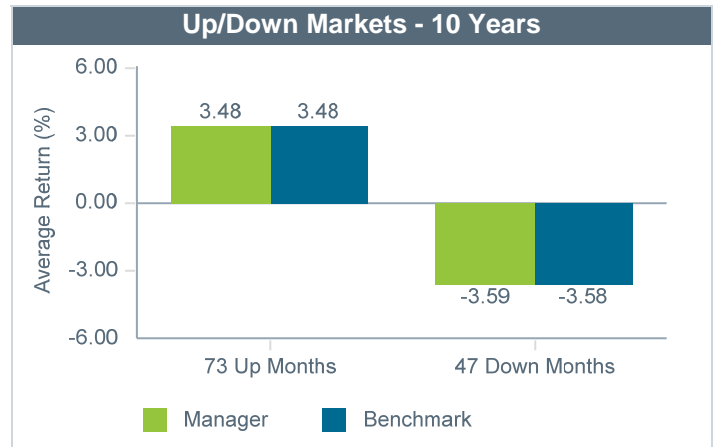
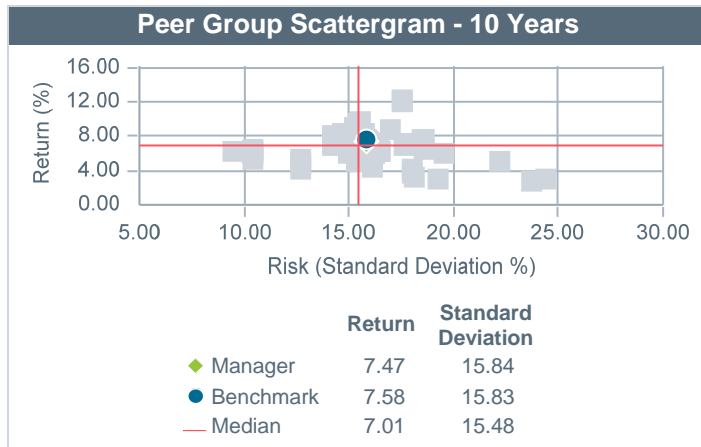
**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of self-storage. Benchmark allocation to "Other" consists of entertainment (theaters, golf courses, bowling alleys), healthcare (hospitals, clinics), manufactured homes, parking lots, self-storage units, senior living, and undeveloped land.



Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	-15.47	-8.07	4.73	5.69	6.97	7.47	40.38	-4.72	28.91	-5.95	4.95
Benchmark	-15.43	-7.94	4.88	5.81	7.10	7.58	40.56	-4.55	29.03	-5.86	5.07
Difference	-0.04	-0.13	-0.15	-0.12	-0.13	-0.11	-0.18	-0.17	-0.12	-0.09	-0.12
Peer Group Median	-15.81	-7.15	4.80	5.73	6.81	7.01	41.32	-4.31	27.32	-5.71	5.32
Rank	40	74	53	52	43	31	63	55	35	54	58
Population	255	247	229	206	179	143	251	248	256	244	243



### Actual Correlation - 10 Years

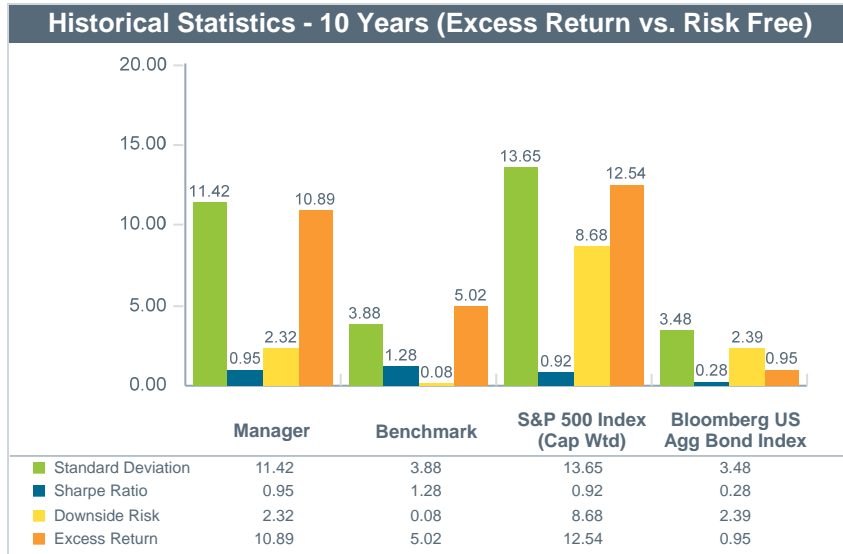
Index	Actual Correlation
Vanguard Spl Real Estate Index	1.00
S&P 500 Index (Cap Wtd)	0.67
Russell 2000 Index	0.61
MSCI EAFE Index (USD) (Net)	0.59
MSCI Emg Mkts Index (USD) (Net)	0.47
Bloomberg US Agg Bond Index	0.41
Bloomberg US Trsy US TIPS Index	0.52
Wilshire US REIT Index	0.99
HFRI FOF Comp Index	0.58
Bloomberg Cmnty Index (TR)	0.24
ICE BofAML 3 Mo US T-Bill Index	-0.12
Cons Price Index (Unadjusted)	-0.07

Performance shown is net of fees and product specific. Calculation is based on monthly periodicity. Performance shown is calculated using Net Asset Values (NAV). Parentheses contain percentile ranks. Benchmark consists of MSCI US REIT Index (USD) (Gross) adjusted to include a 2% cash position (Lipper Money Market Average) through 04/30/09; MSCI US REIT Index (USD) (Gross) through 01/31/18; MSCI US IM Real Estate 25/50 Transition Index through 07/24/18; and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.



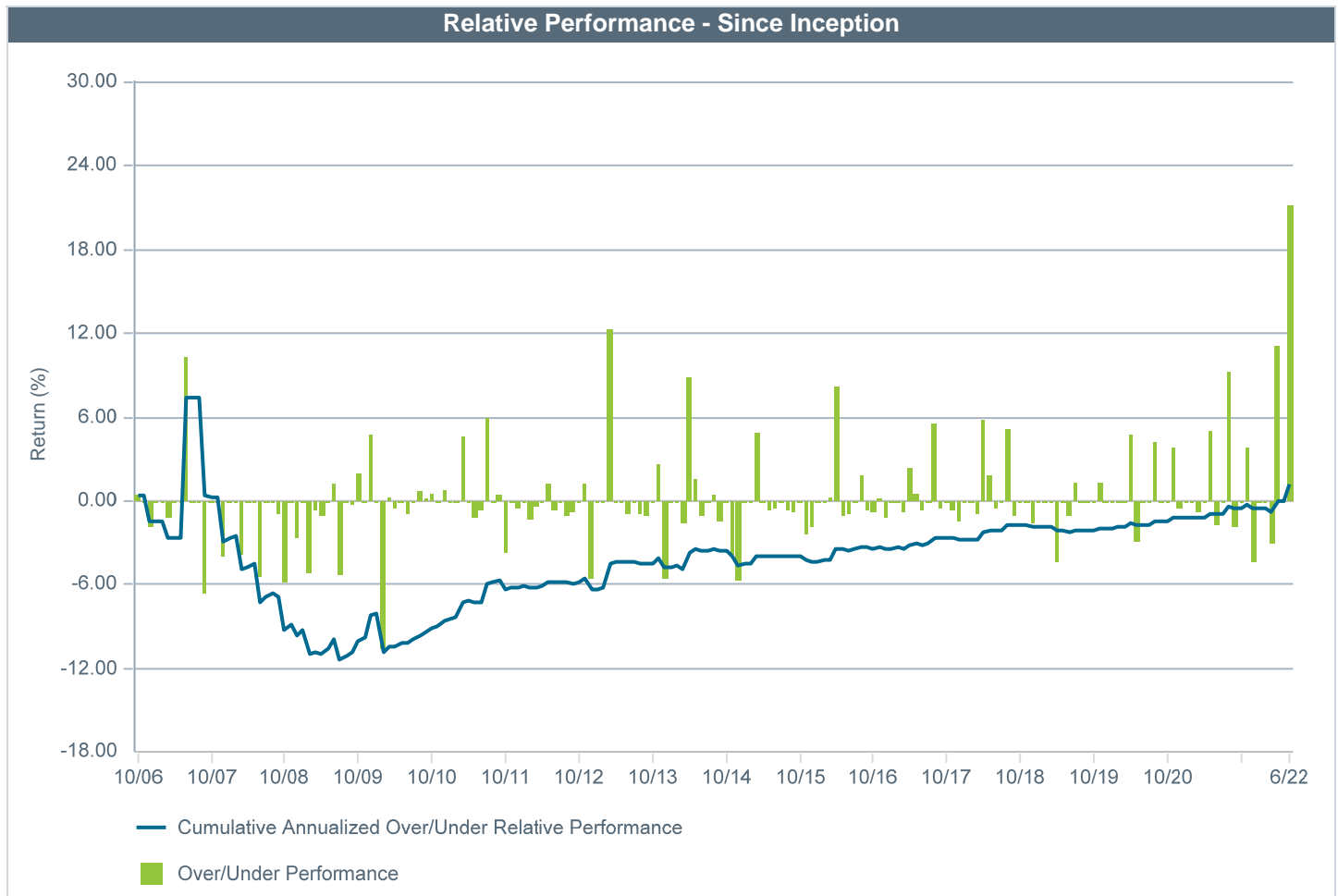


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	37.19	55.69	22.77	15.88	12.34	11.49	19.14	10.18	-1.69	12.47	8.08
Benchmark	1.87	12.01	5.03	4.32	4.05	5.73	9.17	0.81	1.30	3.21	3.63
Difference	35.32	43.68	17.74	11.56	8.29	5.76	9.97	9.37	-2.99	9.26	4.45



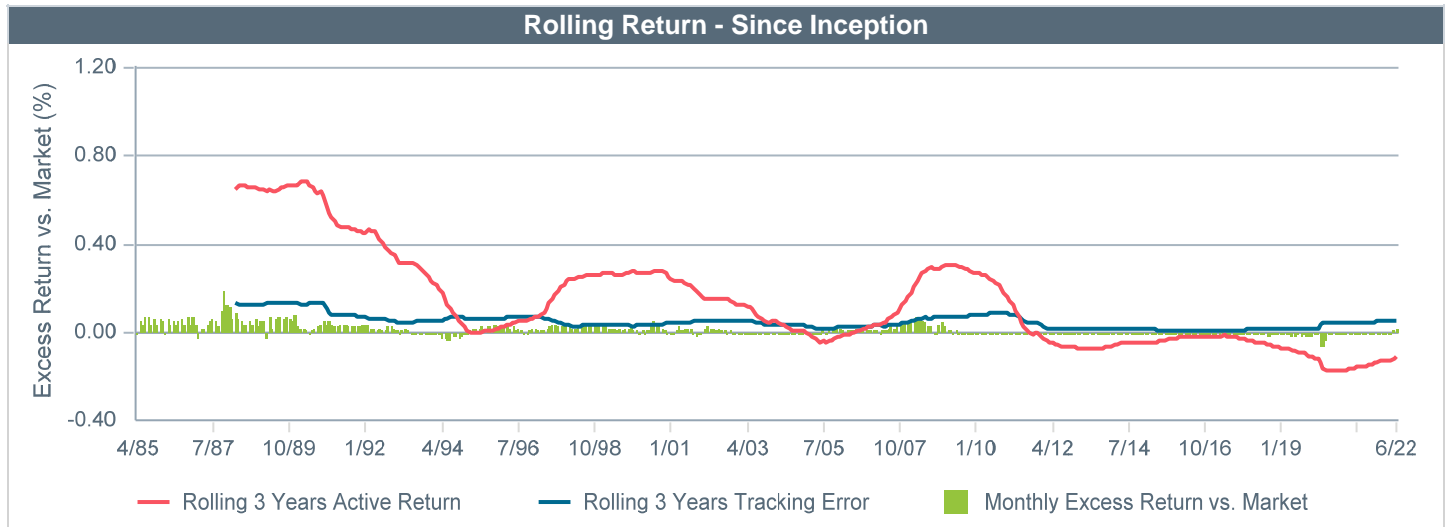
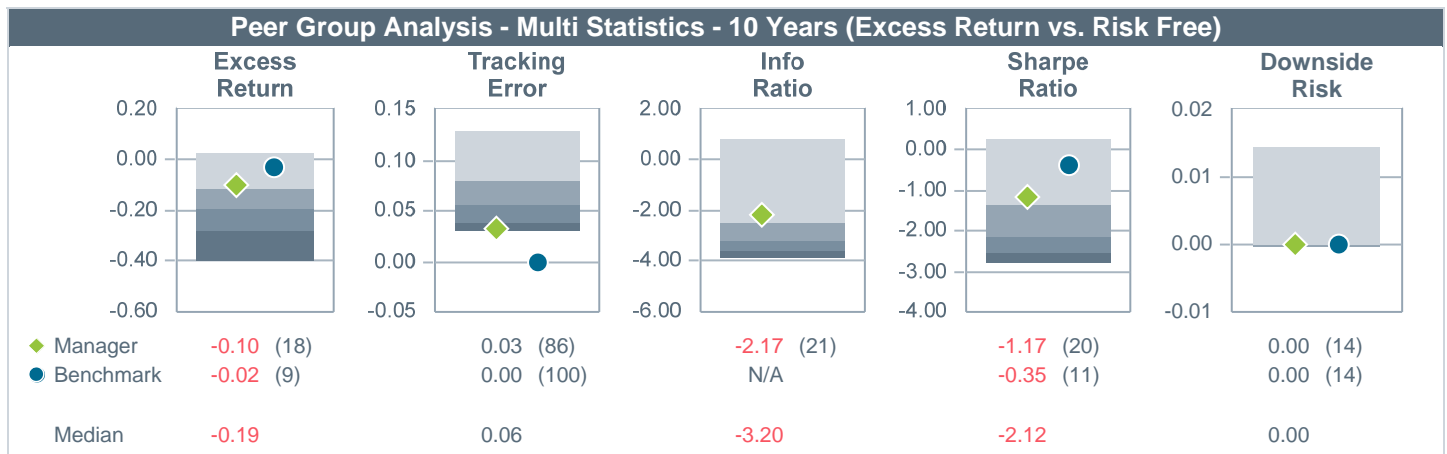
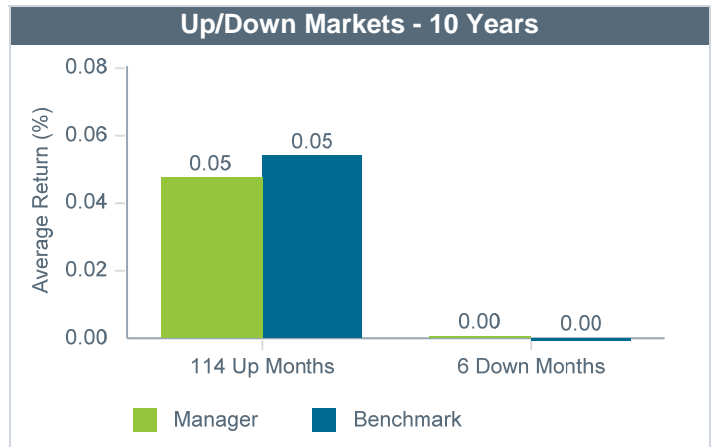
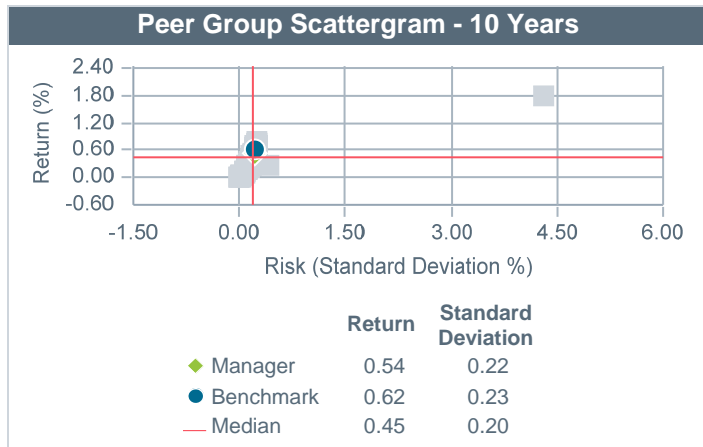
### Actual Correlation - 10 Years

	Actual Correlation
NCREIF Timberland Index	0.05
S&P 500 Index (Cap Wtd)	-0.12
Russell 2000 Index	-0.07
MSCI EAFE Index (USD) (Net)	-0.12
MSCI Emg Mkts Index (USD) (Net)	-0.09
Bloomberg US Agg Bond Index	-0.16
Bloomberg US Trsy US TIPS Index	-0.11
Wilshire US REIT Index	-0.07
HFRI FOF Comp Index	-0.02
Bloomberg Comdty Index (TR)	-0.07
ICE BofAML 3 Mo US T-Bill Index	-0.10
Cons Price Index (Unadjusted)	0.27



Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2021	2020	2019	2018	2017
Manager	0.16	0.19	0.50	0.97	0.77	0.54	0.03	0.37	2.09	1.73	0.79
Benchmark	0.14	0.19	0.61	1.09	0.86	0.62	0.05	0.58	2.25	1.86	0.84
Difference	0.02	0.00	-0.11	-0.12	-0.09	-0.08	-0.02	-0.21	-0.16	-0.13	-0.05
Peer Group Median	0.10	0.11	0.42	0.85	0.63	0.45	0.01	0.30	1.90	1.53	0.55
Rank	18	11	19	19	17	18	12	31	20	21	17
Population	800	765	708	661	565	531	768	789	793	817	831



Performance shown is net of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



# Addendum & Glossary



## City of Jacksonville Employees' Retirement System Addendum

### Performance Related Comments:

- Performance is annualized for periods greater than one year.
- 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 Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 12% Diversifying Assets 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.
- **Real Estate Index:** The active Real Estate Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.
- **Diversifying Assets Index:** The Diversifying Assets Index is calculated monthly and consists of 50% S&P MLP Index (TR)/50% NCREIF Timberland Index through 10/2017, 67% S&P MLP Index (TR)/33% NCREIF Timberland Index through 09/2020, and calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.

### 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.

## Glossary

**Active Return** - The difference between the investment manager/composite performance relative to the performance of an appropriate market benchmark.

**Active Share** - Measures the degree to which the holdings of a fund differ from the holdings of the benchmark. Active share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the fund versus the weight of each holding in the benchmark and dividing by two.

**Alpha** - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market or a portfolio's non-systematic return.

**Alpha Ratio** - A measure of a portfolio's non-systematic return per unit of downside risk. It is measured by dividing the alpha of a portfolio by the downside risk. The non-systematic return is a measure of a portfolio's historical performance not explained by movements of the market.

**Average Quality** - Bond quality ratings are reported using the investment managers' and the index providers' preferred rating agency. *Average Quality for managers unable to provide this statistic is instead provided by Morningstar; if unavailable on Morningstar, it has been estimated using a credit quality distribution provided by the manager.* There are two primary rating agencies in the US. *Moody's* assigns ratings on a system that employs up to four symbols (consisting of letters and numbers), such as, Aaa, Aa2, etc., with Aaa being the highest or safest rating. *Standard & Poor's (S&P)* employs a system that uses + and - along with letters, such as AAA, AA+, etc. The two rating agencies' systems are summarized below:

<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>
<b>Higher Credit Quality – Investment Grade</b>			<b>Lower Credit Quality – Below Investment Grade</b>		
AAA	Aaa	Prime/Highest credit quality	BB+	Ba1	Speculative/Low credit quality
AA+	Aa1	High credit quality	BB	Ba2	
AA	Aa2		BB-	Ba3	
AA-	Aa3		B+	B1	Highly speculative
A+	A1	Upper-medium credit quality	B	B2	
A	A2		B-	B3	
A-	A3		CCC+	Caa1	Substantial credit/default risk
BBB+	Baa1	Lower-medium credit quality	CCC	Caa2	Extremely speculative
BBB	Baa2		CCC-	Caa3	
BBB-	Baa3		CC	Ca	Vulnerable to default
			C	Ca	
			D	C	In default

**Benchmark Effect** - The difference between the blended return of each respective managers' benchmark within a composite and the composite's benchmark return.

**Beta** - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

**Box Plots** - A graphical representation of the distribution of observations. From top to bottom, the four boxes represent the spread between the maximum value and the minimum value in each quartile. A quartile represents the values that divide the observations into four quarters (i.e., 1<sup>st</sup> quartile, 2<sup>nd</sup> quartile, 3<sup>rd</sup> quartile, and 4<sup>th</sup> quartile). The median observation is where the 2<sup>nd</sup> quartile and 3<sup>rd</sup> quartile meet.

**Buy and Hold Attribution** - At the beginning of the time period under analysis, the manager and benchmark portfolios are broken down into segments (i.e., styles, sectors, countries, and regions) based on the desired type of attribution. The formula assumes zero turn-over to the manager and benchmark portfolios throughout the period and calculates the segment returns ("buy and hold returns") to arrive at performance attribution. Due to portfolio turnover, buy and hold attribution may not accurately represent quarterly performance relative to the benchmark. Country, region, sector, and style allocations are as of the date one quarter prior to the reporting date, and the returns shown are for those segments throughout the quarter reported. Due to disclosure guidelines set by each investment manager, equity characteristics shown are as of the most recent date available. The following is the methodology for segment classification:

**Sector** - Attribution is calculated using the Global Industry Classification Standard (GICS), which is a detailed and comprehensive structure for sector and industry analysis. Stocks are classified by their primary sector as defined by S&P Capital IQ data. Attribution to "other" is the result of securities based in industries that do not fit into any GICS classification.

**Country/Region** - Attribution is calculated using the Morgan Stanley Capital International (MSCI) region standards. Stocks are classified by their domicile country/region, as defined by S&P Capital IQ data, and thus may differ from the classification of the investment manager and/or index provider. Attribution to "other" is the result of securities based in countries/regions that do not fit into any MSCI classification.

**Style** - Stocks are classified into the following style boxes: large/mid/small vs. growth/neutral/value. Stocks are classified along large/mid/small categories at the time of the Russell index rebalancing, using the index market cap boundaries as cutoff points. Stocks are classified along growth/neutral/value categories at the time of the Russell index rebalancing, using the price/book ratio as supplied by S&P Capital IQ. Stocks in the Russell 3000 Index portfolio are sorted by price/book ratio; names with the highest price/book ratio that make up 1/3 of the total market capitalization are assigned to the growth category, and names that make up the subsequent 1/3 of the total market capitalization are assigned to the neutral category, while the balance of the names are assigned to the value category. Stocks are unclassified when there is not enough data to determine a size and style metric.

Portfolio Characteristics and Buy and Hold Attribution reports utilize product-specific data for all mutual funds and commingled funds.

### Capital Markets Review -

**Breakeven Inflation** - Measures the expected inflation rate at each stated maturity by taking the difference between the real yield of the inflation-linked maturity curve and the yield of the closest nominal Treasury maturity.

**Consumer Confidence** - Measures domestic consumer confidence as defined by the degree of optimism on the state of the economy that consumers express through saving and spending.

**Consumer Price Index (CPI)** - Measures the change in the price level of consumer goods and services.

## Glossary

- Federal Funds Rate** - The interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. It is one of the most influential interest rates in the US economy, since it affects monetary and financial conditions, which in turn have a bearing on key aspects of the broad economy including employment, growth and inflation.
- Option-Adjusted Spread** - Measures the flat spread of an index or bond to the Treasury yield curve after removing the effect of any embedded options.
- Purchasing Managers Index (PMI)** - Measures economic activity by surveying purchasing managers on a monthly basis as to whether business conditions have improved, worsened, or stayed the same.
- Real Gross Domestic Product (Real GDP)** - An inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year.
- Unemployment Rate** - The percentage of the total labor force that is unemployed but actively seeking employment.
- US Dollar Total Weighted Index** - Measures the value of the US Dollar relative to a basket of other world currencies. It is calculated as the weighted geometric mean of the dollar's value versus the EUR, GBP, CAD, SEK, CHF, and JPY.
- VIX** - Measures the implied volatility of S&P 500 Index options by looking at the market's expectation of the S&P 500 Index volatility over the next 30 day period. Commonly referred to as the "fear index" or the "fear gauge."
- Cash Flow Effect** – The composite's active return minus the sum of each managers' active return minus the benchmark effect.
- Consistency** - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.
- Convexity** - A measure of the shape of the curve that describes the relationship between bond prices and bond yields.
- Correlation** - A statistical measure of the relationship between asset class returns. A value of 1.00 is a perfect correlation; that is, the asset classes always move in the same direction. A value of -1.00 indicates a perfect negative correlation, in which the asset classes always move in opposite directions of each other. A value of 0 indicates there is no relationship between the direction of returns of the two asset classes. Correlation calculations only consider the direction of changes relative to two variables and not the magnitude of those changes.
- Coupon Rate** - The percentage rate of interest paid on a bond or fixed income security; it is typically paid twice per year.
- Current Yield** - The annual income of a security divided by the security's current price.
- Down Market Capture** - Down market by definition is negative benchmark return and down market capture represents the ratio in % terms of the average portfolios return over the benchmark during the down market period. The lower the value of the down market capture the better the product's performance.
- Downside Risk** - A measure similar to standard deviation that focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative returns for the selected periodicity. The higher the factor, the riskier the product.
- Earnings Per Share** - It is backward looking, calculated using the one year current EPS divided by the one year EPS five years ago.
- Effective Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield.
- Excess Return vs. Market** - Average of the monthly arithmetic difference between the manager's return and the benchmark return over a specified time period, shown on an annualized basis.
- Excess Return vs. Risk Free** - Average of the monthly arithmetic difference between the manager's return and the risk-free return (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise) over a specified time period, shown on an annualized basis.
- Excess Risk** - A measure of the standard deviation of a portfolio's performance relative to the risk-free return.
- Expense Ratios** - Morningstar is the source for mutual fund expense ratios.
- Gain/Loss** - The net increase or decrease in the market value of a portfolio excluding its Net Cash Flow for a given period.
- Indices** - All indices and related information are considered intellectual property and are licensed by each index provider. The indices may not be copied, used, or distributed without the index provider's prior written approval. Index providers make no warranties and bear no liability with respect to the indices, any related data, their quality, accuracy, suitability, and/or completeness.
- Information Ratio** - Measured by dividing the active rate of return by the tracking error. The higher the information ratio, the more value-added contribution by the manager.
- Liability Driven Investing (LDI)** - A method to optimally structure asset investments relative to liabilities. The change in liabilities is estimated by the Ryan Labs Generic PPA Index of appropriate duration for that Plan. This benchmark is based on generic data and is therefore an approximation. RVK is not an actuarial firm, and does not have actuarial expertise.
- Estimated Funded Status** - The estimated ratio of a Plan's assets relative to its future liabilities. This is calculated by dividing the Plan's asset market value by the estimated present value of its liabilities. The higher the estimated funded status, the better the Plan's ability to cover its projected benefit obligations. An estimated funded status of 100% indicates a Plan that is fully funded.
- Estimated PV of Liabilities** - An estimate of a Plan's future liabilities in present value terms. The beginning of the period liability is provided by the Plan's actuary. The period-end present value liability estimate provided in this report is derived by applying the estimated percentage change generated using the Ryan Labs Generic PPA Index with duration similar to that reported on the most recent actuarial valuation report.
- Duration of Liabilities** - The sensitivity of the value of a Plan's liabilities to changes in interest rates, as calculated by the Plan's actuary.
- Duration of Assets** - The dollar-weighted average duration of all the individual Plan assets.
- Estimated Plan Hedge Ratio** - The estimate of how well a Plan's investment portfolio is hedged against changes in interest rates - a primary driver of funded status movements. This is calculated by dividing the dollar-weighted values of both the Plan asset duration by the liability duration and

## Glossary

multiplying by the estimated funded status. An estimated plan hedge ratio of zero indicates that the Plan's liabilities have not been hedged, whereas a value of one indicates fully hedged.

**Modified Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield, assuming the bonds' expected cash flows do not change.

**Mutual Fund Performance** - Whenever possible, manager performance is extended for any share class that does not have 10 years of history. Using Morningstar's methodology, a single ticker within the same fund family (often the oldest share class) is chosen to append historical performance.

**Net Cash Flow** - The sum, in dollars, of a portfolio's contributions and withdrawals. This includes all management fees and expenses only when performance shown is gross of fees.

### Peer Groups -

**Plan Sponsor Peer Groups** - RVK utilizes the Mellon Analytical Solutions Trust Universe along with the Investment Metrics Plan Sponsor Universe. The combined Mellon Analytical Solutions Trust Universe and Investment Metrics Plan Sponsor Universe is used for comparison of total fund composite results and utilizes actual client performance compiled from consultant and custodian data. The Plan Sponsor Peer Group database includes performance and other quantitative data for over 2,100 plans which include corporate, endowment, foundation, public, and Taft Hartley plans.

**Investment Manager Peer Groups** - RVK utilizes Investment Metrics' Peer Groups for investment manager peer comparison and ranking. The Investment Metrics Peer Group database includes performance and other quantitative data for over 840 investment management firms and 29,000 investments products, across more than 160 standard peer groups. Mutual Fund Peer Groups are net of fees.

**Percentile Rankings** - Percentile rank compares an individual fund's performance with those of other funds within a defined peer group of managers possessing a similar investment style. Percentile rank identifies the percentage of a fund's peer group that has a higher return (or other comparative measurement) than the fund being ranked. Conversely, 100 minus the individual fund's ranking will identify the percentage of funds within the peer group that have a lower return than the fund being ranked.

1 - Highest Statistical Value                      100 - Lowest Statistical Value

*Example: American Funds AMCP;R-4 (RAFEX) is ranked in the 4<sup>th</sup> percentile within the IM US Equity Large-Cap Growth Funds (MF) Peer Group for the Sharpe Ratio. Within the IM US Equity Large-Cap Growth Funds peer group, 4% of the other funds performed better than American Funds AMCP;R-4 (RAFEX), while 96% of the funds performed worse.*

**Performance Methodology** - RVK calculates performance for investment managers and composites using different methodologies.

**Investment Managers** - Performance is calculated for interim periods between all large external cash flows for a given month and geometrically linked to calculate period returns. An external cash flow is defined as cash, securities, or assets that enter or exit a portfolio. RVK defines a "large cash flow" as a net aggregate cash flow of  $\geq 10\%$  of the beginning-period portfolio market value or any cash flow that causes RVK calculated performance to deviate from manager/custodian reported performance in excess of 5 basis points for a given month.

**Composites** - The Modified Dietz methodology is utilized to calculate asset class, sub-asset class, and total fund composite performance. The Modified Dietz method calculates a time-weighted total rate of return that considers the timing of external cash flows; however, it does not utilize interim period performance to mitigate the impact of significant cash in- and outflows to the composite.

RVK calculates performance beginning with the first full month following inception. Since inception performance may vary from manager reported performance due to RVK using the first full month of returns as the inception date. Performance for both managers and composites is annualized for periods greater than one year.

**Portfolio Characteristics** - Due to disclosure guidelines set by each investment manager, portfolio characteristics shown are as of the most recent date available.

**Price to Earnings Ratio** - The ratio valuing a company's current share price relative to its trailing 12-month per-share earnings (EPS).

**Private Equity Quartile Ranks** - Private Equity quartile ranks are generated using vintage year peer group data provided by Thomson Reuters, and are based on each fund's annualized, since inception internal rate of return (IRR). Three Private Equity peer groups are available via Thomson Reuters: Buyout, Venture, and All Private Equity. Ranks are available quarterly, at a one-quarter lag.

**R-Squared** - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**Return** - Compounded rate of return for the period.

**% Return** - The time-weighted rate of return of a portfolio for a given period.

**Risk Free Benchmark** - ICE BofAML 3 Mo US T-Bill Index unless specified otherwise.

## Glossary

**RVK Liquidity Rating** - A qualitative method for determining the relative amount of liquidity in a portfolio. The characteristics considered when determining relative liquidity include trading volume, gates for redemption, leverage, nature of transactions, and pricing mechanisms. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating.

<u>Asset Class</u>	<u>RVK Liquidity Rating</u>	<u>Asset Class</u>	<u>RVK Liquidity Rating</u>
<b><u>Liquid Investments</u></b>		<b><u>Less Liquid Investments</u></b>	
T-Bills and Treasuries	100	Fixed Income Plus Sector	50
Cash Equivalents	98	Stable Value (Plan Sponsor Directed)	50
TIPS	95	Hedge Funds of Funds	35
US Large Cap Equity	95		
Diversified Real Return	93		
Stable Value (Participant Directed)	91		
Global Equity	90	<b><u>Not Liquid Investments</u></b>	
Non-US Large Cap Equity	90	Core Real Estate	25
Global Tactical Asset Allocation	88	Core Plus Real Estate	15
MLPs	85	Non-Core Real Estate	5
US Mid Cap Equity	85	Private Equity Funds of Funds	5
US SMid Cap Equity	85		
US Small Cap Equity	85		
REITs	85		
Non-US Small Cap Equity	85		
Emerging Markets Equity	85		
Core Fixed Income	85		
Core Plus Fixed Income	80		

**Sector Allocation** - Negative fixed income sector allocation reflects manager's use of derivatives, short selling, or interest rate swaps.

**Sharpe Ratio** - Represents the excess rate of return over the risk-free return (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise), divided by the standard deviation of the excess return to the risk free asset. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

**Simple Alpha** - The difference between the manager's return and the benchmark's return.

**Spread Duration** - The approximate percentage change in a bond's price for a 100 basis point change in its spread over a Treasury of the same maturity.

**Standard Deviation** - A statistical measure of the range of a portfolio's performance. The variability of a return around its average return over a specified time period.

**Thematic Classification** - Represents dedicated manager allocations; as such, thematic allocations are approximations. RVK categorizes the following asset classes as Alpha, Capital Appreciation, Capital Preservation, and Inflation:

<u>Alpha</u>	<u>Capital Appreciation</u>	<u>Capital Preservation</u>	<u>Inflation</u>
Absolute Return Strategies	Public Equity	Core Fixed Income	TIPS
Currency Overlay	Private Equity	CMBS Fixed Income	Bank Loans
	Preferred Securities	Asset Backed Fixed Income	Core Real Estate
	High Yield	Domestic Core Plus Fixed Income	Real Return
	Convertible Fixed Income	Mortgage Backed Fixed Income	Inflation Hedges
	TALF Funds	International Developed Fixed Income	REITs
	Distressed Debt	Cash Equivalents	Commodities
	Emerging Market Fixed Income	Stable Value	
	Value Added Real Estate		
	Opportunistic Real Estate		

**Time Period Abbreviations** - **QTD** - Quarter-to-Date. **CYTD** - Calendar Year-to-Date. **FYTD** - Fiscal Year-to-Date. **YOY** - Year Over Year.

**Total Fund Attribution** - The Investment Decision Process (IDP) model provides an approach to evaluating investment performance that applies to all asset classes and investment styles. The IDP model is based on a top-down hierarchy framework of investment decisions, with each decision contributing to the overall profit or loss. The IDP approach starts from the strategic asset allocation and follows the flow of the investments down to the manager's skill.

**Strategic Asset Allocation (SAA)** - The percentage return gained or lost from the long-term strategic asset allocation decision, the most significant determinant of long-term performance. SAA is the product of the target asset allocation multiplied by the corresponding benchmark returns.

**Tactical Asset Allocation (TAA)** - The percentage return gained or lost from not having been precisely allocated at the target asset allocation mix, whether by deviations that are tactical in nature or a by-product of moving towards the target mix. TAA is the product of the actual asset allocation multiplied by the broad asset class benchmarks, less the SAA.

**Style Selection (SS)** - The percentage return gained or lost from intentional style biases within each asset class (e.g. value rather than core or overweight to emerging markets relative to benchmark). SS is the product of the actual manager allocation within each asset class multiplied by their specific benchmark, less TAA.

**Manager's Skill (MS)** - The percentage return gained or lost from manager value added relative to their specific benchmark. MS is the product of the actual manager allocation multiplied by their achieved excess return.

**Total Fund Beta** - Total Fund Beta is calculated using the S&P 500 as the benchmark. It represents a measure of the sensitivity of the total fund to movements in the S&P 500 and is a measure of the Total Fund's non-diversifiable or systematic risk.



## Glossary

**Tracking Error** - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

**Treynor Ratio** - Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Treynor ratio represents the excess rate of return over the risk-free rate (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise) divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better historical risk-adjusted performance.

**Unit Value** - The dollar value of a portfolio, assuming an initial nominal investment of \$100, growing at the compounded rate of %Return for a given period.

**Up Market Capture** - Up market by definition is positive benchmark return and up market capture represents the ratio in % terms of the average portfolio's return over the benchmark during the up market period. The higher the value of the up market capture the better the product's performance.

**Yield to Maturity** - The rate of return achieved on a bond or other fixed income security assuming the security is bought and held to maturity and that the coupon interest paid over the life of the bond will be reinvested at the same rate of return. The 30-Day SEC Yield is similar to the Yield to Maturity and is reported for mutual funds.

**Yield to Worst** - The bond yield calculated by using the worst possible yield taking into consideration all call, put, and optional sink dates.

PORTLAND

BOISE

CHICAGO

NEW YORK

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# City of Jacksonville Employees' Retirement System

## INVESTMENT ACTIVITY UPDATE: August 2022

### Events

#### Board Due Diligence Meetings

**1<sup>st</sup> Thursday Each Month**

*Presentation: 12:30-2 PM*

*City Hall Conference Room 3C*

**September 1, 2022**

*Baird- Core Fixed Income*

**October 6, 2022**

*Hamilton Lane- Private Credit*

**November 3, 2022**

*UBS Trumbull - Real Estate*

**December 1, 2022**

*Harrison Street- Real Estate*

**January 5, 2023**

*Principal - Real Estate*

**February 2, 2023**

*PGIM - Real Estate*

### Staff Update

#### Contract Status

**Schroders Investment Mgmt –**

Funding set for last week of  
September

Franklin Templeton redemptions  
set for 9/12 & 9/19

Loomis Sayles partial redemption  
around 9/19

#### Other

**Hancock Timber**

Received full timberland (TX/LA)  
proceeds of \$14.2 million- (\$6.4  
million and \$7.8 million)

~10% additional withholding up  
to one year

**Annual Pension Reimbursement**

Update

#### Meeting Current Managers

Harrison Street- Real Estate

Loomis Sayles- FI

PGIM- Real Estate

#### Meeting Prospect Managers

Ares- Real Estate

Janus Henderson

T. Rowe Price

### Cash Flows

#### Hamilton Lane-Private Credit

Total Monthly Called:

Ares Special Opps: \$1.74 M

Balance Point: \$0.4 M

Castlelake Aviation: 0.75 M

HPS Strat Invest V: \$0.83 M

**Total Net Called: \$3.7 million**

#### Adams Street- Private Equity

Distribution: \$2.7 M

Gain: \$.7 M

Capital Call: \$6.3 M

Net Capital Call: \$3.7 M

**Total Called: ~\$38 million**

#### Real Estate

Capital Called: \$0

#### Provider Disbursements

8/31/ & 7/29/2022

Acadian: \$181,000

Baird FI: \$115,000

Bloomberg 1/2: \$3,500

Eagle Cap: \$388,000

Kayne Anderson SMID: \$114,000

Pinnacle: \$120,000

Systematic SMID: \$121,000

Silchester: \$115,000 (monthly)

**Total Fees: ~\$1.2 million**

#### Provider Redemptions

UBS Real Estate: \$0.5 M

**Total Returned: ~\$0.5 million**

## **FY2022 Pension Office Highlights (for General Employees and Corrections Officers)**

- Final 9/30/2021 investment return was 20.98% (net of fees). This is the highest annual return in the last decade.
- Through 7/31/2022, FYTD returns are -7.27% (net of fees). This is the lowest annual return in the last decade.
- The Board is focused on long-term results. The fund remains strong in the long-term with annualized gains of 8.02% over 10 years as of 7/31/2022.
- The Board has continued to lower the expected annual return over the last 10 years. The Board lowered the rate to 6.625% in 2022. (For reference the rate was 8.25% 10 years prior.) The lower rate improves the financial strength and stability of the Fund.
- The Board has continued to focus on strategic choices in the investment portfolio:
  - Private equity and private credit have ramped up to about \$70M and will continue to grow. These assets are critical to fund performance and diversification.
  - The Fund has increased real estate holdings including new investments in non-core, opportunistic real estate investments
  - Searches were performed to replace under-performing managers in small/mid-cap US equity and fixed income. Over \$200M is being deployed to new funds in these asset classes.
  - Completed RFP for custodian and re-signed with BNYM for reduced fees to the Fund.
  - Enhanced manager due-diligence and Board member education by hosting monthly workshops with investment managers held the first Thursday of most months for board members, committee members, staff and others
- Pension Office activity over the last year (through 7/31/2022):
  - Took 15,830 calls in service of pensioners, employees and plan beneficiaries
  - Responded to 6,274 e-mails
  - Processed 33,005 documents
  - Increased pension portal functionality and usage especially among retirees with over 3,000 pensioners now registered
  - Made over 150,000 payments to former employees and pensioners totaling over \$260M
- Implemented Board room improvements and technology enhancements
- Hired assistant manager to improve office coverage, customer service, audit and compliance support
- Updated Board Rules and Corrections Officers Pension Plan Summary Plan Description

## **FY2023 Focus:**

- Pension Committee Elections taking place to seat new committees in October 2022
- Implement new IRS W4P process
- Finalize valuations for DC Disability & Survivorship Funds for General Employees and Public Safety Employees
- Propose updated Chapter 120 Code clarifications (and recommend other potential improvements to plan rules)
- Continue to focus on:
  - Compliance
  - Automation
  - Service
  - Electronic-Tracking
- Implement added audits and controls
- Continue Review and Update of All Procedures
- Establish standard quarterly administrative report
- Enhance Employee, Board, Committee and Staff Education (FPPTA, classes leading to degrees, investment education, group staff training and education, more formal employee sessions and materials)
- Add more tools for employees and pensioners (portal updates and financial wellness)
- Improve integration with other departments (focus on accounting and pension/retirement benefit financials as well as better integration with Benefits and DC programs including 457 plans)
- Work with accounting and actuary to deliver financials and valuations in a more timely manner
- Review actuary services and prepare for updated asset-liability study and plan experience assumptions review
- Historical record cleanup and imaging to continue move to a more secure and more paperless environment
- Develop detailed plan on further system enhancements and integrations, especially with OnBase for imaged documents
- Review and refresh SPD and employee communications materials

65101 General Employees Pension Trust  
 PF Pension Fund  
 PFGC General Employee Pensions  
 199102 PFGC General Employees' DB Pension Plan - Pension Ad  
 000000 No Project  
 00000000 No Activity  
 00000 Interfund

CITY OF JACKSONVILLE, FLORIDA  
 FY 2022-2023  
 CITY COUNCIL REVIEW  
 EXPENDITURE DETAIL BY ACCOUNT

65101-199102-000000-00000000-000000-00000000  
 [Fund-Center-Project-Activity-Interfund-Future]

		CURRENT YEAR ACTUALS		ORIGINAL	MAYOR'S	CHANGE	% OF	COUNCIL	POSITIONS	PART-TIME
		YTD-	PROJECTION	BUDGET	RECOMMENDED	FROM ORG	ORG	APPROVED		HOURS
						BUDGET	BUDGET			
<b>Salaries</b>										
512010	Permanent and Probationary Salaries	259,182	0	321,754	400,719	78,965	125	0	5	
513020	Terminal Leave	91	0	0	0	0		0		
513060	Salaries Part Time	7,891	0	23,001	24,283	1,282	106	0		1,300
514010	Salaries Overtime	0	0	1,150	1,214	64	106	0		
515110	Special Pay - Pensionable	664	0	930	1,048	118	113	0		
	<b>Total Salaries</b>	<b>267,829</b>	<b>0</b>	<b>346,835</b>	<b>427,264</b>	<b>80,429</b>	<b>123</b>	<b>0</b>	<b>5</b>	<b>1,300</b>
<b>Pension Costs</b>										
522010	Pension Contribution	3,057	0	4,022	5,674	1,652	141	0		
522011	GEPP DB Unfunded Liability	16,298	0	21,445	28,236	6,791	132	0		
522070	Disability Trust Fund-ER	780	0	758	1,076	318	142	0		
522130	GEPP Defined Contribution DC-ER	23,227	0	34,594	41,990	7,396	121	0		
	<b>Total Pension Costs</b>	<b>43,361</b>	<b>0</b>	<b>60,819</b>	<b>76,976</b>	<b>16,157</b>	<b>127</b>	<b>0</b>		
<b>Employer Provided Benefits</b>										
521020	Medicare Tax	3,897	0	5,044	6,216	1,172	123	0		
523010	Group Dental Plan	529	0	360	792	432	220	0		
523030	Group Life Insurance	608	0	989	1,314	325	133	0		
523040	Group Hospitalization Insurance	29,315	0	23,247	44,819	21,572	193	0		
524001	City Employees Worker's Compensation	607	0	809	921	112	114	0		
	<b>Total Employer Provided Benefits</b>	<b>34,955</b>	<b>0</b>	<b>30,449</b>	<b>54,062</b>	<b>23,613</b>	<b>178</b>	<b>0</b>		
<b>Internal Service Charges</b>										
549504	ISA-Building Cost Allocation - St James	24,774	0	33,032	39,923	6,891	121	0		
549510	ISA-Computer Sys Maint&Security	97,443	0	113,825	204,195	90,370	179	0		
549512	ISA-Copy Center	5,528	0	10,822	8,888	(1,934)	82	0		
549527	ISA-ITD Replacements	2,176	0	0	0	0		0		
549529	ISA-Mailroom Charge	14,443	0	28,327	27,785	(542)	98	0		
549532	ISA-OGC Legal	10,065	0	22,482	22,632	150	101	0		
	<b>Total Internal Service Charges</b>	<b>154,428</b>	<b>0</b>	<b>208,488</b>	<b>303,423</b>	<b>94,935</b>	<b>146</b>	<b>0</b>		
<b>Insurance Costs and Premiums - Allocations</b>										
545020	General Liability Insurance	1,308	0	1,744	2,079	335	119	0		
	<b>Total Insurance Costs and Premiums - Allocatio</b>	<b>1,308</b>	<b>0</b>	<b>1,744</b>	<b>2,079</b>	<b>335</b>	<b>119</b>	<b>0</b>		
<b>Professional and Contractual Services</b>										
531090	Other Professional Services	6,258,706	0	17,378,102	16,081,402	(1,296,700)	93	0		
	<b>Total Professional and Contractual Services</b>	<b>6,258,706</b>	<b>0</b>	<b>17,378,102</b>	<b>16,081,402</b>	<b>(1,296,700)</b>	<b>93</b>	<b>0</b>		
<b>Other Operating Expenses</b>										
540020	Travel Expense	0	0	2,500	1,000	(1,500)	40	0		
542001	Postage	0	0	1	1	0	100	0		

65101 General Employees Pension Trust  
 PF Pension Fund  
 PFGC General Employee Pensions  
 199102 PFGC General Employees' DB Pension Plan - Pension Ad  
 000000 No Project  
 00000000 No Activity  
 00000 Interfund

CITY OF JACKSONVILLE, FLORIDA  
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65101-199102-000000-00000000-000000-00000000

[Fund-Center-Project-Activity-Interfund-Future]

		CURRENT YEAR ACTUALS		ORIGINAL BUDGET	MAYOR'S RECOMMENDED	CHANGE FROM ORG BUDGET	% OF ORG BUDGET	COUNCIL APPROVED	POSITIONS	PART-TIME HOURS
		YTD-	PROJECTION							
546620	Hardware-Software Maintenance & Licens	0	0	1	1	0	100	0		
549040	Miscellaneous Services & Charges	0	0	500	250	(250)	50	0		
549079	Purchase Licenses&Upgrades-Technology	0	0	0	0	0		0		
551010	Office Supplies - Other	(213)	0	1,500	1,500	0	100	0		
552160	Other Operating Supplies	113	0	1,890	1,890	0	100	0		
554001	Dues and Subscriptions	0	0	700	350	(350)	50	0		
555001	Employee Training Expenses	0	0	3,200	1,000	(2,200)	31	0		
Total Other Operating Expenses		(99)	0	10,292	5,992	(4,300)	58	0		
<b>Capital Outlay</b>										
564030	Office Equipment	0	0	1	1	0	100	0		
Total Capital Outlay		0	0	1	1	0	100	0		
<b>Supervision Allocation</b>										
599902	Supervision Allocated	(42,652)	0	(56,869)	(88,532)	(31,663)	156	0		
Total Supervision Allocation		(42,652)	0	(56,869)	(88,532)	(31,663)	156	0		
<b>Indirect Cost</b>										
599031	Indirect Cost - General Government	543,938	0	652,725	652,725	0	100	0		
Total Indirect Cost		543,938	0	652,725	652,725	0	100	0		
<b>Total: 65101-199102-000000-00000000-000000-00000000</b>										
		7,261,774	0	18,632,586	17,515,392	(1,117,194)	94	0	5	1,300

65103 Correctional Officers Pension Trust  
 PF Pension Fund  
 PFCR Correctional Officers Pension  
 199301 PFCR Correctional Officers' DB Pension Plan - Pension B  
 000000 No Project  
 00000778 Pensions Admin Costs  
 00000 Interfund

CITY OF JACKSONVILLE, FLORIDA  
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65103-199301-000000-00000778-00000-0000000		CURRENT YEAR ACTUALS		ORIGINAL BUDGET	MAYOR'S RECOMMENDED	CHANGE FROM ORG BUDGET	% OF ORG BUDGET	COUNCIL APPROVED	POSITIONS	PART-TIME HOURS
[Fund-Center-Project-Activity-Interfund-Future]		YTD-	PROJECTION							
<b>Professional and Contractual Services</b>										
531090	Other Professional Services	830,743	0	1,658,007	2,069,165	411,158	125	0		
Total Professional and Contractual Services		830,743	0	1,658,007	2,069,165	411,158	125	0		
<b>Supervision Allocation</b>										
599902	Supervision Allocated	42,652	0	56,869	88,532	31,663	156	0		
Total Supervision Allocation		42,652	0	56,869	88,532	31,663	156	0		
<b>Indirect Cost</b>										
599031	Indirect Cost - General Government	7,240	0	8,688	8,688	0	100	0		
Total Indirect Cost		7,240	0	8,688	8,688	0	100	0		
Total: 65103-199301-000000-00000778-00000-0000000		880,635	0	1,723,564	2,166,385	442,821	126	0		