



# Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

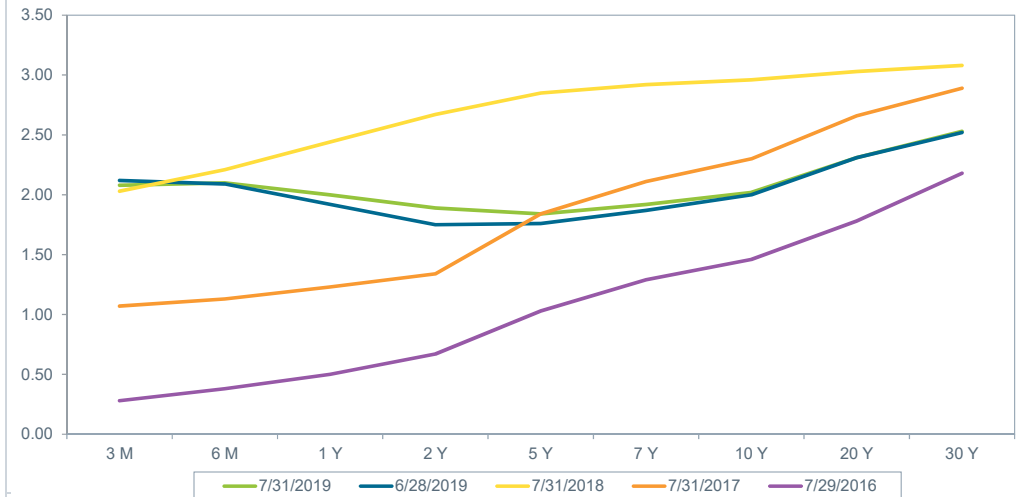
Period Ended: July 31, 2019



**General Market Commentary**

- In a widely anticipated move, the Federal Reserve voted to cut interest rates by 25 basis points at the end of July, the first US interest rate cut since 2008. The yield curve flattened during July, as short-term rates increased while long-term rates remained relatively static.
- While the 25 basis point rate cut did not come as a surprise, equities sold off on Chairman Powell's comments that this move represented a "mid-cycle adjustment to policy" as opposed to "the beginning of a lengthy cutting cycle," dashing some investor's hopes of an additional rate cut in 2019.
- US equities traded higher during the month on hopes of more accommodative monetary policy and strong corporate earnings while international equities sold off during July after the release of weaker-than-expected economic data in both developed and emerging economies.
- Equity markets posted mixed returns in July as the S&P 500 (Cap Wtd) Index returned 1.44% and the MSCI EAFE (Net) Index returned -1.27%. Emerging markets returned -1.22% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.22% in July, outperforming the -0.18% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -0.70%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 1.28% in July and 8.19% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 10.61% for the trailing one-year period and 11.82% for the trailing five-year period ending December 2018.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 0.26% for the month and 1.20% over the trailing one-year period.
- Crude oil's price increased by 0.19% during the month, but has decreased by 14.81% YoY.

**Treasury Yield Curve (%)**



| Economic Indicators                     | Jul-19 | Jun-19 | Jul-18 | 10 Yr  | 20 Yr |
|---|--------|--------|--------|--------|-------|
| Federal Funds Rate (%)                  | 2.40   | —      | 2.40   | 1.91   | 0.54  |
| Breakeven Inflation - 5 Year (%)        | 1.55   | ▲      | 1.54   | 2.00   | 1.75  |
| Breakeven Inflation - 10 Year (%)       | 1.75   | ▲      | 1.70   | 2.13   | 2.01  |
| Breakeven Inflation - 30 Year (%)       | 1.79   | ▲      | 1.76   | 2.15   | 2.26  |
| Bloomberg US Agg Bond Index - Yield (%) | 2.52   | ▲      | 2.49   | 3.36   | 2.57  |
| Bloomberg US Agg Bond Index - OAS (%)   | 0.42   | ▼      | 0.46   | 0.40   | 0.53  |
| Bloomberg US Agg Credit Index - OAS (%) | 1.03   | ▼      | 1.09   | 1.03   | 1.36  |
| Bloomberg US Corp: HY Index - OAS (%)   | 3.71   | ▼      | 3.77   | 3.36   | 4.97  |
| Capacity Utilization (%)                | 77.49  | ▼      | 77.79  | 78.78  | 76.31 |
| Unemployment Rate (%)                   | 3.7    | —      | 3.7    | 3.9    | 6.5   |
| PMI - Manufacturing (%)                 | 51.2   | ▼      | 51.7   | 58.4   | 54.5  |
| Baltic Dry Index - Shipping             | 1,868  | ▲      | 1,354  | 1,747  | 1,330 |
| Consumer Conf (Conf Board)              | 135.70 | ▲      | 124.30 | 127.90 | 88.13 |
| CPI YoY (Headline) (%)                  | 1.8    | ▲      | 1.6    | 2.9    | 1.7   |
| CPI YoY (Core) (%)                      | 2.2    | ▲      | 2.1    | 2.4    | 1.8   |
| PPI YoY (%)                             | 0.8    | ▲      | 0.4    | 4.3    | 1.7   |
| M2 YoY (%)                              | 5.1    | ▲      | 4.7    | 3.9    | 5.9   |
| US Dollar Total Weighted Index          | 92.31  | ▲      | 90.86  | 89.78  | 82.09 |
| WTI Crude Oil per Barrel (\$)           | 59     | ▲      | 58     | 69     | 73    |
| Gold Spot per Oz (\$)                   | 1,414  | ▲      | 1,409  | 1,224  | 1,329 |

| Treasury Yield Curve (%) | Jul-19 | Jun-19 | Jul-18 | Jul-17 | Jul-16 |
|--------------------------|--------|--------|--------|--------|--------|
| 3 Month                  | 2.08   | 2.12   | 2.03   | 1.07   | 0.28   |
| 6 Month                  | 2.10   | 2.09   | 2.21   | 1.13   | 0.38   |
| 1 Year                   | 2.00   | 1.92   | 2.44   | 1.23   | 0.50   |
| 2 Year                   | 1.89   | 1.75   | 2.67   | 1.34   | 0.67   |
| 5 Year                   | 1.84   | 1.76   | 2.85   | 1.84   | 1.03   |
| 7 Year                   | 1.92   | 1.87   | 2.92   | 2.11   | 1.29   |
| 10 Year                  | 2.02   | 2.00   | 2.96   | 2.30   | 1.46   |
| 20 Year                  | 2.31   | 2.31   | 3.03   | 2.66   | 1.78   |
| 30 Year                  | 2.53   | 2.52   | 3.08   | 2.89   | 2.18   |

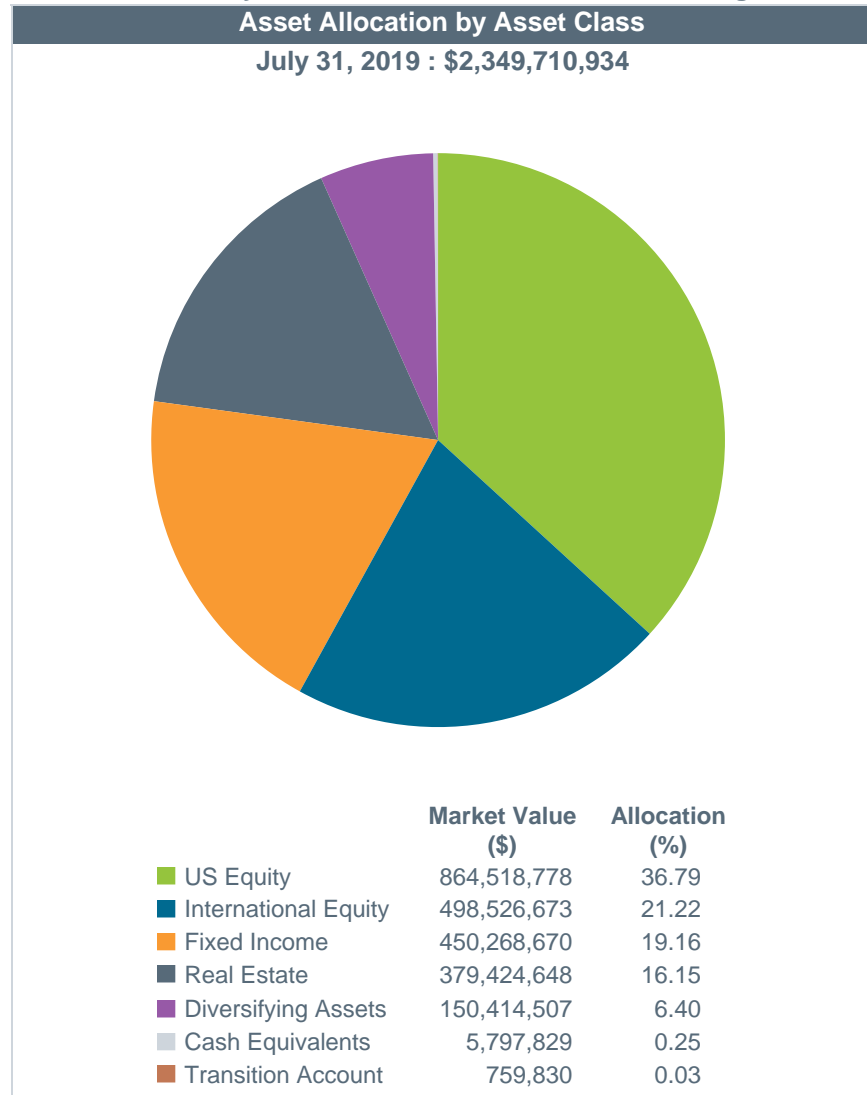
  

| Market Performance (%)          | MTD   | QTD   | CYTD  | 1 Yr  | 3 Yr  | 5 Yr  | 7 Yr  | 10 Yr |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| S&P 500 (Cap Wtd)               | 1.44  | 1.44  | 20.24 | 7.99  | 13.36 | 11.34 | 13.99 | 14.03 |
| Russell 2000                    | 0.58  | 0.58  | 17.66 | -4.42 | 10.36 | 8.53  | 11.95 | 12.47 |
| MSCI EAFE (Net)                 | -1.27 | -1.27 | 12.58 | -2.60 | 6.87  | 2.39  | 6.94  | 5.84  |
| MSCI EAFE SC (Net)              | -0.71 | -0.71 | 11.75 | -7.61 | 6.67  | 4.75  | 9.72  | 8.79  |
| MSCI EM (Net)                   | -1.22 | -1.22 | 9.24  | -2.18 | 8.42  | 1.84  | 3.68  | 4.56  |
| Bloomberg US Agg Bond           | 0.22  | 0.22  | 6.35  | 8.08  | 2.17  | 3.05  | 2.45  | 3.75  |
| ICE BofAML 3 Mo US T-Bill       | 0.18  | 0.18  | 1.42  | 2.34  | 1.44  | 0.91  | 0.67  | 0.51  |
| NCREIF ODCE (Gross)             | N/A   | N/A   | 2.43  | 6.41  | 7.57  | 9.76  | 10.52 | 9.88  |
| FTSE NAREIT Eq REITs Index (TR) | 1.28  | 1.28  | 19.29 | 11.73 | 3.23  | 8.19  | 8.77  | 14.46 |
| HFRI FOF Comp Index             | 0.26  | 0.26  | 6.43  | 1.20  | 3.82  | 2.31  | 3.59  | 3.08  |
| Bloomberg Cmty Index (TR)       | -0.67 | -0.67 | 4.35  | -5.36 | -0.68 | -8.34 | -7.61 | -4.11 |

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.

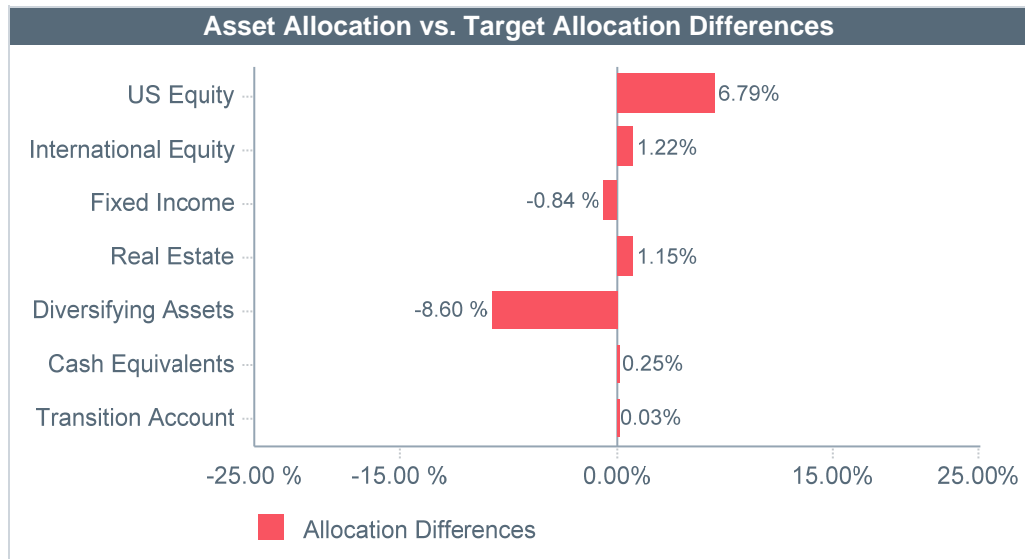


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



**Asset Allocation vs. Target Allocation**

|                      | Market Value (\$) | Allocation (%) | Min (%) | Target (%) | Max (%) |
|----------------------|-------------------|----------------|---------|------------|---------|
| Total Fund           | 2,349,710,934     | 100.00         | -       | 100.00     | -       |
| US Equity            | 864,518,778       | 36.79          | 20.00   | 30.00      | 40.00   |
| International Equity | 498,526,673       | 21.22          | 10.00   | 20.00      | 25.00   |
| Fixed Income         | 450,268,670       | 19.16          | 10.00   | 20.00      | 30.00   |
| Real Estate          | 379,424,648       | 16.15          | 0.00    | 15.00      | 20.00   |
| Diversifying Assets  | 150,414,507       | 6.40           | 0.00    | 15.00      | 20.00   |
| Cash Equivalents     | 5,797,829         | 0.25           | 0.00    | 0.00       | 10.00   |
| Transition Account   | 759,830           | 0.03           | 0.00    | 0.00       | 0.00    |

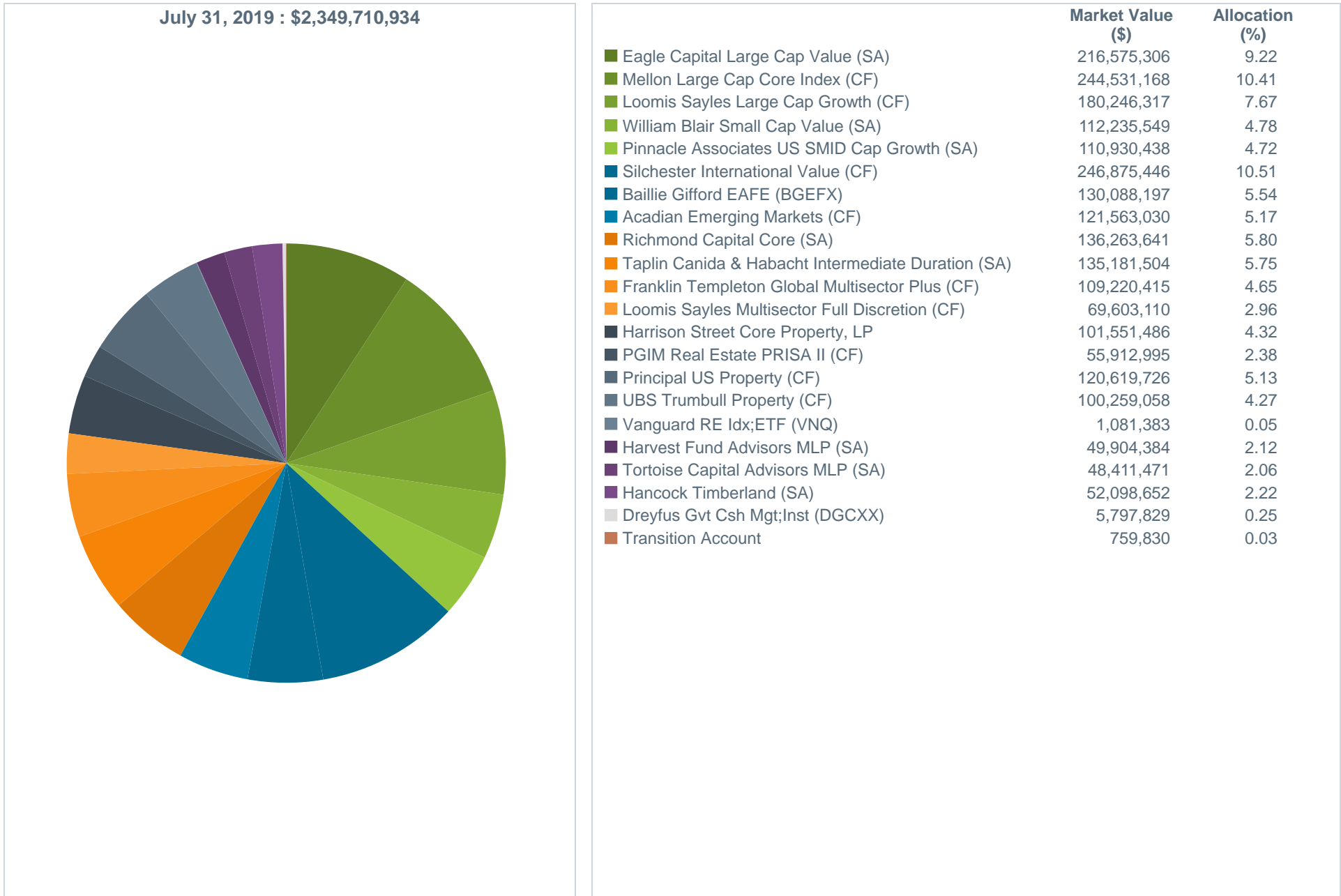


**Schedule of Investable Assets**

| Periods Ending | Beginning Market Value (\$) | Net Cash Flow (\$) | Gain/Loss (\$) | Ending Market Value (\$) | % Return | Unit Value |
|----------------|-----------------------------|--------------------|----------------|--------------------------|----------|------------|
| CYTD           | 2,107,578,103               | 741,644            | 241,391,187    | 2,349,710,934            | 11.44    | 111.44     |

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.





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

As of July 31, 2019

|                                 | 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>2,349,710,934</b> | <b>100.00</b> | <b>0.10</b>     | <b>0.10</b>  | <b>11.44</b> | <b>1.52</b>  | <b>2.21</b>  | <b>8.23</b>  | <b>6.17</b>  | <b>9.02</b>  | <b>9.39</b>  | <b>6.23</b>  | <b>07/01/1999</b> |
| Current Total Fund Policy Index |                      |               | 0.38            | 0.38         | 12.26        | 3.28         | 4.47         | 7.74         | 6.25         | 8.45         | 8.78         | 5.81         |                   |
| Difference                      |                      |               | -0.28           | -0.28        | -0.82        | -1.76        | -2.26        | 0.49         | -0.08        | 0.57         | 0.61         | 0.42         |                   |
| Legacy Total Fund Policy Index  |                      |               | 0.41            | 0.41         | 12.55        | 3.41         | 4.76         | 7.89         | 6.34         | 8.52         | 8.82         | 5.83         |                   |
| Difference                      |                      |               | -0.31           | -0.31        | -1.11        | -1.89        | -2.55        | 0.34         | -0.17        | 0.50         | 0.57         | 0.40         |                   |
| <b>Total Equity</b>             | <b>1,363,045,451</b> | <b>58.01</b>  | <b>0.04</b>     | <b>0.04</b>  | <b>17.27</b> | <b>0.39</b>  | <b>1.22</b>  | <b>11.20</b> | <b>7.82</b>  | <b>11.50</b> | <b>11.47</b> | <b>6.01</b>  | <b>07/01/1999</b> |
| <b>US Equity</b>                | <b>864,518,778</b>   | <b>36.79</b>  | <b>1.12</b>     | <b>1.12</b>  | <b>21.55</b> | <b>2.75</b>  | <b>5.87</b>  | <b>12.99</b> | <b>10.17</b> | <b>13.45</b> | <b>13.45</b> | <b>6.49</b>  | <b>07/01/1999</b> |
| US Equity Index                 |                      |               | 1.49            | 1.49         | 20.48        | 3.25         | 7.05         | 13.11        | 10.96        | 13.87        | 13.98        | 6.43         |                   |
| Difference                      |                      |               | -0.37           | -0.37        | 1.07         | -0.50        | -1.18        | -0.12        | -0.79        | -0.42        | -0.53        | 0.06         |                   |
| <b>International Equity</b>     | <b>498,526,673</b>   | <b>21.22</b>  | <b>-1.76</b>    | <b>-1.76</b> | <b>10.63</b> | <b>-3.35</b> | <b>-5.93</b> | <b>8.30</b>  | <b>3.71</b>  | <b>8.01</b>  | <b>7.68</b>  | <b>5.67</b>  | <b>07/01/1999</b> |
| International Equity Index      |                      |               | -1.21           | -1.21        | 12.23        | -0.64        | -2.27        | 7.20         | 2.12         | 5.96         | 5.18         | 3.80         |                   |
| Difference                      |                      |               | -0.55           | -0.55        | -1.60        | -2.71        | -3.66        | 1.10         | 1.59         | 2.05         | 2.50         | 1.87         |                   |
| <b>Fixed Income</b>             | <b>450,268,670</b>   | <b>19.16</b>  | <b>0.55</b>     | <b>0.55</b>  | <b>5.91</b>  | <b>7.03</b>  | <b>6.34</b>  | <b>3.51</b>  | <b>2.68</b>  | <b>3.04</b>  | <b>4.83</b>  | <b>5.37</b>  | <b>07/01/1999</b> |
| Fixed Income Index              |                      |               | 0.30            | 0.30         | 6.85         | 8.10         | 8.17         | 2.23         | 3.08         | 2.48         | 3.77         | 4.93         |                   |
| Difference                      |                      |               | 0.25            | 0.25         | -0.94        | -1.07        | -1.83        | 1.28         | -0.40        | 0.56         | 1.06         | 0.44         |                   |
| <b>Real Estate</b>              | <b>379,424,648</b>   | <b>16.15</b>  | <b>0.17</b>     | <b>0.17</b>  | <b>1.33</b>  | <b>2.80</b>  | <b>4.50</b>  | <b>6.46</b>  | <b>8.49</b>  | <b>8.66</b>  | <b>8.25</b>  | <b>5.73</b>  | <b>12/01/2005</b> |
| NCREIF ODCE Index (AWA) (Net)   |                      |               | 0.00            | 0.00         | 1.98         | 3.53         | 5.46         | 6.61         | 8.76         | 9.51         | 8.87         | 6.16         |                   |
| Difference                      |                      |               | 0.17            | 0.17         | -0.65        | -0.73        | -0.96        | -0.15        | -0.27        | -0.85        | -0.62        | -0.43        |                   |
| <b>Diversifying Assets</b>      | <b>150,414,507</b>   | <b>6.40</b>   | <b>-0.85</b>    | <b>-0.85</b> | <b>8.68</b>  | <b>-4.91</b> | <b>-4.29</b> | <b>2.23</b>  | <b>-1.39</b> | <b>5.30</b>  | <b>N/A</b>   | <b>6.54</b>  | <b>03/01/2011</b> |
| Diversifying Assets Index       |                      |               | 0.76            | 0.76         | 13.26        | -0.23        | 0.28         | 2.84         | -0.05        | 4.25         | 6.33         | 4.44         |                   |
| Difference                      |                      |               | -1.61           | -1.61        | -4.58        | -4.68        | -4.57        | -0.61        | -1.34        | 1.05         | N/A          | 2.10         |                   |

Market values and performance shown are preliminary and subject to change. 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 for Harrison Street Core Property LP, PGIM Real Estate PRISA II (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net) and NCREIF Timberland Index is available quarterly; interim months assume a 0.00% return.





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

As of July 31, 2019

|  | 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>216,575,306</b> | <b>9.22</b>  | <b>0.97</b>     | <b>0.97</b>  | <b>21.46</b> | <b>4.82</b>  | <b>6.83</b>  | <b>15.90</b> | <b>11.89</b> | <b>14.72</b> | <b>15.47</b> | <b>10.37</b> | <b>02/01/2007</b> |
| Russell 1000 Val Index                             |                    |              | 0.83            | 0.83         | 17.20        | 3.46         | 5.20         | 9.44         | 8.01         | 12.06        | 12.40        | 6.14         |                   |
| Difference   |                    |              | 0.14            | 0.14         | 4.26         | 1.36         | 1.63         | 6.46         | 3.88         | 2.66         | 3.07         | 4.23         |                   |
| <b>Mellon Large Cap Core Index (CF)</b>            | <b>244,531,168</b> | <b>10.41</b> | <b>1.54</b>     | <b>1.54</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>1.75</b>  | <b>05/01/2019</b> |
| Russell 1000 Index                                 |                    |              | 1.55            | 1.55         | 20.69        | 4.01         | 8.00         | 13.31        | 11.15        | 14.03        | 14.10        | 1.76         |                   |
| Difference   |                    |              | -0.01           | -0.01        | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | -0.01        |                   |
| <b>Loomis Sayles Large Cap Growth (CF)</b>         | <b>180,246,317</b> | <b>7.67</b>  | <b>1.16</b>     | <b>1.16</b>  | <b>23.39</b> | <b>8.99</b>  | <b>12.99</b> | <b>N/A</b>   | <b>N/A</b>   | <b>N/A</b>   | <b>N/A</b>   | <b>15.66</b> | <b>08/01/2017</b> |
| Russell 1000 Grth Index                            |                    |              | 2.26            | 2.26         | 24.23        | 4.49         | 10.82        | 17.13        | 14.25        | 15.91        | 15.74        | 16.68        |                   |
| Difference   |                    |              | -1.10           | -1.10        | -0.84        | 4.50         | 2.17         | N/A          | N/A          | N/A          | N/A          | -1.02        |                   |
| <b>William Blair Small Cap Value (SA)</b>          | <b>112,235,549</b> | <b>4.78</b>  | <b>0.58</b>     | <b>0.58</b>  | <b>17.33</b> | <b>-5.30</b> | <b>-4.14</b> | <b>7.11</b>  | <b>N/A</b>   | <b>N/A</b>   | <b>N/A</b>   | <b>5.94</b>  | <b>11/01/2014</b> |
| Russell 2000 Val Index                             |                    |              | 0.16            | 0.16         | 13.65        | -7.57        | -7.71        | 7.96         | 6.74         | 10.50        | 11.19        | 6.21         |                   |
| Difference   |                    |              | 0.42            | 0.42         | 3.68         | 2.27         | 3.57         | -0.85        | N/A          | N/A          | N/A          | -0.27        |                   |
| <b>Pinnacle Associates US SMID Cap Growth (SA)</b> | <b>110,930,438</b> | <b>4.72</b>  | <b>0.95</b>     | <b>0.95</b>  | <b>21.98</b> | <b>-1.00</b> | <b>3.43</b>  | <b>12.95</b> | <b>8.39</b>  | <b>13.30</b> | <b>N/A</b>   | <b>13.15</b> | <b>03/01/2010</b> |
| Russell 2500 Grth Index                            |                    |              | 1.56            | 1.56         | 25.85        | 0.58         | 5.81         | 14.51        | 11.47        | 14.53        | 14.99        | 14.21        |                   |
| Difference   |                    |              | -0.61           | -0.61        | -3.87        | -1.58        | -2.38        | -1.56        | -3.08        | -1.23        | N/A          | -1.06        |                   |
| <b>International Equity</b>                        |                    |              |                 |              |              |              |              |              |              |              |              |              |                   |
| <b>Silchester International Value (CF)</b>         | <b>246,875,446</b> | <b>10.51</b> | <b>-2.08</b>    | <b>-2.08</b> | <b>6.81</b>  | <b>-4.86</b> | <b>-6.42</b> | <b>6.43</b>  | <b>3.68</b>  | <b>9.36</b>  | <b>8.57</b>  | <b>9.37</b>  | <b>06/01/2009</b> |
| MSCI EAFE Val Index (USD) (Net)                    |                    |              | -2.25           | -2.25        | 7.12         | -5.41        | -6.97        | 5.82         | -0.07        | 5.61         | 4.29         | 5.07         |                   |
| Difference   |                    |              | 0.17            | 0.17         | -0.31        | 0.55         | 0.55         | 0.61         | 3.75         | 3.75         | 4.28         | 4.30         |                   |
| <b>Baillie Gifford EAFE (BGEFX)</b>                | <b>130,088,197</b> | <b>5.54</b>  | <b>-0.81</b>    | <b>-0.81</b> | <b>22.69</b> | <b>-0.82</b> | <b>-4.86</b> | <b>13.55</b> | <b>6.56</b>  | <b>10.25</b> | <b>9.47</b>  | <b>10.31</b> | <b>06/01/2009</b> |
| Baillie Gifford Index                              |                    |              | -0.21           | -0.21        | 16.96        | 2.69         | 0.69         | 6.96         | 4.29         | 7.81         | 7.05         | 7.79         |                   |
| Difference   |                    |              | -0.60           | -0.60        | 5.73         | -3.51        | -5.55        | 6.59         | 2.27         | 2.44         | 2.42         | 2.52         |                   |
| <b>Acadian Emerging Markets (CF)</b>               | <b>121,563,030</b> | <b>5.17</b>  | <b>-2.14</b>    | <b>-2.14</b> | <b>7.13</b>  | <b>-2.90</b> | <b>-5.86</b> | <b>6.22</b>  | <b>0.70</b>  | <b>3.23</b>  | <b>N/A</b>   | <b>1.87</b>  | <b>02/01/2011</b> |
| MSCI Emg Mkts Index (USD) (Net)                    |                    |              | -1.22           | -1.22        | 9.24         | 1.08         | -2.18        | 8.42         | 1.84         | 3.68         | 4.56         | 1.60         |                   |
| Difference   |                    |              | -0.92           | -0.92        | -2.11        | -3.98        | -3.68        | -2.20        | -1.14        | -0.45        | N/A          | 0.27         |                   |

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

As of July 31, 2019

|   | 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>Richmond Capital Core (SA)</b>                             | <b>136,263,641</b> | <b>5.80</b> | <b>0.26</b>     | <b>0.26</b> | <b>6.25</b>  | <b>7.96</b>  | <b>8.04</b>  | <b>2.36</b> | <b>3.24</b> | <b>2.75</b> | <b>4.16</b>  | <b>5.23</b>  | <b>06/01/1999</b> |
| Richmond Capital Index  |                    |             | 0.22            | 0.22        | 6.35         | 8.09         | 8.08         | 2.17        | 3.05        | 2.45        | 3.74         | 4.92         |                   |
| Difference  |                    |             | 0.04            | 0.04        | -0.10        | -0.13        | -0.04        | 0.19        | 0.19        | 0.30        | 0.42         | 0.31         |                   |
| <b>Taplin Canada &amp; Habacht Intermediate Duration (SA)</b> | <b>135,181,504</b> | <b>5.75</b> | <b>0.22</b>     | <b>0.22</b> | <b>5.97</b>  | <b>6.16</b>  | <b>6.51</b>  | <b>2.60</b> | <b>2.54</b> | <b>2.57</b> | <b>4.08</b>  | <b>4.95</b>  | <b>06/01/1999</b> |
| ICE BofAML US Corp & Gov't 1-10 Yr Index                      |                    |             | 0.01            | 0.01        | 5.01         | 6.70         | 6.92         | 1.95        | 2.49        | 2.07        | 3.20         | 4.41         |                   |
| Difference  |                    |             | 0.21            | 0.21        | 0.96         | -0.54        | -0.41        | 0.65        | 0.05        | 0.50        | 0.88         | 0.54         |                   |
| <b>Franklin Templeton Global Multisector Plus (CF)</b>        | <b>109,220,415</b> | <b>4.65</b> | <b>1.54</b>     | <b>1.54</b> | <b>4.79</b>  | <b>7.13</b>  | <b>3.73</b>  | <b>5.19</b> | <b>N/A</b>  | <b>N/A</b>  | <b>N/A</b>   | <b>5.91</b>  | <b>03/01/2016</b> |
| Frank. Temp. Global Multisector Index                         |                    |             | -0.23           | -0.23       | 5.54         | 6.62         | 5.83         | 1.59        | 1.49        | 1.59        | 4.01         | 3.38         |                   |
| Difference  |                    |             | 1.77            | 1.77        | -0.75        | 0.51         | -2.10        | 3.60        | N/A         | N/A         | N/A          | 2.53         |                   |
| <b>Loomis Sayles Multisector Full Discretion (CF)</b>         | <b>69,603,110</b>  | <b>2.96</b> | <b>0.21</b>     | <b>0.21</b> | <b>6.93</b>  | <b>6.78</b>  | <b>6.93</b>  | <b>5.26</b> | <b>4.06</b> | <b>5.64</b> | <b>7.75</b>  | <b>6.62</b>  | <b>10/01/2007</b> |
| Bloomberg Gbl Agg Bond Index                                  |                    |             | -0.28           | -0.28       | 5.28         | 6.54         | 5.73         | 1.28        | 1.33        | 1.36        | 2.63         | 3.23         |                   |
| Difference  |                    |             | 0.49            | 0.49        | 1.65         | 0.24         | 1.20         | 3.98        | 2.73        | 4.28        | 5.12         | 3.39         |                   |
| <b>Real Estate</b>  |                    |             |                 |             |              |              |              |             |             |             |              |              |                   |
| <b>Harrison Street Core Property, LP</b>                      | <b>101,551,486</b> | <b>4.32</b> | <b>0.00</b>     | <b>0.00</b> | <b>2.59</b>  | <b>4.45</b>  | <b>6.32</b>  | <b>7.79</b> | <b>N/A</b>  | <b>N/A</b>  | <b>N/A</b>   | <b>7.92</b>  | <b>11/01/2015</b> |
| NCREIF ODCE Index (AWA) (Net)                                 |                    |             | 0.00            | 0.00        | 1.98         | 3.53         | 5.46         | 6.61        | 8.76        | 9.51        | 8.87         | 7.20         |                   |
| Difference  |                    |             | 0.00            | 0.00        | 0.61         | 0.92         | 0.86         | 1.18        | N/A         | N/A         | N/A          | 0.72         |                   |
| <b>PGIM Real Estate PRISA II (CF)</b>                         | <b>55,912,995</b>  | <b>2.38</b> | <b>0.00</b>     | <b>0.00</b> | <b>2.89</b>  | <b>4.08</b>  | <b>6.17</b>  | <b>7.53</b> | <b>N/A</b>  | <b>N/A</b>  | <b>N/A</b>   | <b>9.25</b>  | <b>01/01/2015</b> |
| NCREIF ODCE Index (AWA) (Net)                                 |                    |             | 0.00            | 0.00        | 1.98         | 3.53         | 5.46         | 6.61        | 8.76        | 9.51        | 8.87         | 8.19         |                   |
| Difference  |                    |             | 0.00            | 0.00        | 0.91         | 0.55         | 0.71         | 0.92        | N/A         | N/A         | N/A          | 1.06         |                   |
| <b>Principal US Property (CF)</b>                             | <b>120,619,726</b> | <b>5.13</b> | <b>0.54</b>     | <b>0.54</b> | <b>3.61</b>  | <b>4.94</b>  | <b>6.81</b>  | <b>8.04</b> | <b>9.97</b> | <b>N/A</b>  | <b>N/A</b>   | <b>10.00</b> | <b>01/01/2014</b> |
| NCREIF ODCE Index (AWA) (Net)                                 |                    |             | 0.00            | 0.00        | 1.98         | 3.53         | 5.46         | 6.61        | 8.76        | 9.51        | 8.87         | 8.77         |                   |
| Difference  |                    |             | 0.54            | 0.54        | 1.63         | 1.41         | 1.35         | 1.43        | 1.21        | N/A         | N/A          | 1.23         |                   |
| <b>UBS Trumbull Property (CF)</b>                             | <b>100,259,058</b> | <b>4.27</b> | <b>0.00</b>     | <b>0.00</b> | <b>-3.42</b> | <b>-1.95</b> | <b>-0.76</b> | <b>3.41</b> | <b>6.22</b> | <b>7.00</b> | <b>7.25</b>  | <b>5.28</b>  | <b>12/01/2005</b> |
| NCREIF ODCE Index (AWA) (Net)                                 |                    |             | 0.00            | 0.00        | 1.98         | 3.53         | 5.46         | 6.61        | 8.76        | 9.51        | 8.87         | 6.16         |                   |
| Difference  |                    |             | 0.00            | 0.00        | -5.40        | -5.48        | -6.22        | -3.20       | -2.54       | -2.51       | -1.62        | -0.88        |                   |
| <b>Vanguard RE Idx;ETF (VNQ)</b>                              | <b>1,081,383</b>   | <b>0.05</b> | <b>1.70</b>     | <b>1.70</b> | <b>21.16</b> | <b>13.36</b> | <b>13.22</b> | <b>2.93</b> | <b>7.94</b> | <b>8.39</b> | <b>13.81</b> | <b>14.19</b> | <b>12/01/2008</b> |
| Custom REITs Index  |                    |             | 1.60            | 1.60        | 21.27        | 13.13        | 13.55        | 3.73        | 8.43        | 8.92        | 14.72        | 15.14        |                   |
| Difference  |                    |             | 0.10            | 0.10        | -0.11        | 0.23         | -0.33        | -0.80       | -0.49       | -0.53       | -0.91        | -0.95        |                   |

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

As of July 31, 2019

|   | 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>Harvest Fund Advisors MLP (SA)</b>     | <b>49,904,384</b> | <b>2.12</b> | <b>-1.37</b>    | <b>-1.37</b> | <b>18.02</b> | <b>-6.34</b> | <b>-6.88</b> | <b>0.47</b> | <b>-4.44</b> | <b>3.99</b> | <b>N/A</b>  | <b>6.20</b>  | <b>03/01/2011</b> |
| S&P MLP Index (TR)                        |                   |             | 1.14            | 1.14         | 19.39        | -1.86        | -1.62        | 1.40        | -5.75        | 1.42        | 7.74        | 2.58         |                   |
| Difference                                |                   |             | -2.51           | -2.51        | -1.37        | -4.48        | -5.26        | -0.93       | 1.31         | 2.57        | N/A         | 3.62         |                   |
| <b>Tortoise Capital Advisors MLP (SA)</b> | <b>48,411,471</b> | <b>2.06</b> | <b>-2.58</b>    | <b>-2.58</b> | <b>14.24</b> | <b>-4.53</b> | <b>-6.97</b> | <b>0.04</b> | <b>-5.19</b> | <b>3.68</b> | <b>N/A</b>  | <b>4.93</b>  | <b>03/01/2011</b> |
| S&P MLP Index (TR)                        |                   |             | 1.14            | 1.14         | 19.39        | -1.86        | -1.62        | 1.40        | -5.75        | 1.42        | 7.74        | 2.58         |                   |
| Difference                                |                   |             | -3.72           | -3.72        | -5.15        | -2.67        | -5.35        | -1.36       | 0.56         | 2.26        | N/A         | 2.35         |                   |
| <b>Hancock Timberland (SA)</b>            | <b>52,098,652</b> | <b>2.22</b> | <b>1.32</b>     | <b>1.32</b>  | <b>-3.06</b> | <b>-3.88</b> | <b>1.10</b>  | <b>6.03</b> | <b>4.83</b>  | <b>7.18</b> | <b>4.71</b> | <b>3.46</b>  | <b>10/01/2006</b> |
| NCREIF Timberland Index                   |                   |             | 0.00            | 0.00         | 1.15         | 1.91         | 2.95         | 3.29        | 4.62         | 6.03        | 3.98        | 5.67         |                   |
| Difference                                |                   |             | 1.32            | 1.32         | -4.21        | -5.79        | -1.85        | 2.74        | 0.21         | 1.15        | 0.73        | -2.21        |                   |
| <b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>   | <b>5,797,829</b>  | <b>0.25</b> | <b>0.19</b>     | <b>0.19</b>  | <b>1.34</b>  | <b>1.84</b>  | <b>2.15</b>  | <b>1.47</b> | <b>0.93</b>  | <b>0.70</b> | <b>0.53</b> | <b>1.42</b>  | <b>04/01/2001</b> |
| FTSE 3 Mo T-Bill Index                    |                   |             | 0.20            | 0.20         | 1.42         | 1.99         | 2.33         | 1.42        | 0.88         | 0.65        | 0.48        | 1.40         |                   |
| Difference                                |                   |             | -0.01           | -0.01        | -0.08        | -0.15        | -0.18        | 0.05        | 0.05         | 0.05        | 0.05        | 0.02         |                   |

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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.

**Custom Composite Benchmark Comments:**

- **Current Total Fund Policy Index:** The passive Current Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), and 15% Diversifying Assets Index. The Current Total Fund Policy Index is representative of the target asset allocation approved 10/26/2017. Prior to 11/1/2017, the Current Total Fund Policy Index consists of the Legacy Total Fund Policy Index.
- **Legacy Total Fund Policy Index:** The passive Legacy Total Fund Policy Index is calculated monthly and currently consists of 35% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 19% Fixed Income Index, 15% NCREIF ODCE Index (AWA) (Net), 10% Diversifying Assets Index, and 1% FTSE 3 Mo US T-Bill Index.
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Diversifying Assets Index:** The passive Diversifying Assets Index is calculated monthly and consists of 50% S&P MLP Index (TR)/50% NCREIF Timberland Index through 10/2017 and 67% S&P MLP Index (TR)/33% NCREIF Timberland Index 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.
- **Richmond Capital Index:** The passive Richmond Capital Index consists of 100% ICE BofAML US Domestic Master through 06/2011 and 100% Bbrg Barc US Aggregate Index 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 01/31/2019 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.

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