



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

Tuesday, September 2, 2021
12:00 P.M. – 1:00 P.M.

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

Board of Trustees

Assistant Chief Chris Brown, Chair
Richard Patsy

Staff

Timothy H. Johnson, Executive Director – Plan Administrator
Steve Lundy, Deputy Director
Kevin Grant, Finance Manager

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

Kendall Park – via ZOOM
Jim Mattera – via ZOOM

Guests

Richard Wells, WEDGE Capital Management
Don Clevon, WEDGE Capital Management
Renzer Bell
Steve Glenn – via ZOOM

Notice

Meeting Agendas and Summaries are available on our website at jaxpfpf.coj.net. For additional meeting documents, please contact Steve Lundy, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or SLundy@coj.net to file a public records request.

Pursuant to the American with Disabilities Act, accommodations for persons with disabilities are available upon request. Please allow 1-2 business days notification to process; last minute requests will be accepted, but may not be possible to fulfill. Please contact Disabled Services Division at: V(904) 630-4940, TTY-(904) 630-4933. If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting. Additional items may be added / changed prior to meeting.

Summary

I. Public Speaking

In response to questions sent to the Deputy Director via email by guest Mr. Renzer Bell, Richard Wells and Dan Clevon discussed WEDGE's performance considering it did not invest in the 'Meme Stocks' GameStop and AMC. These stocks were in the index, but not WEDGE's portfolio, and therefore had a negative relative performance impact.

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II. Manager Update

a. *Richard Wells & Don Cleven, WEDGE Capital Management*

Richard Wells and Dan Cleven of WEDGE Capital Management covered their presentation:

- Overview (page 1)
- Value Across Strategies (page 2)
- Investment Approach – Rigorous Research + Integrated Risk Management (page 3)
- Investment Process Overview (page 4)
- Quantitative Tools – Fundamental Value and Financial Quality Models (page 5)
- WEDGE Capital Management L.L.P. – Investment Team (page 6)
- How is Equity Research at WEDGE Capital Unique? (page 7)
- Qualitative / Fundamental Research (page 8)
- Portfolio Construction (page 9)
- Sell Discipline (page 10)
- Traditional Equity: Small Cap (page 11)
- Robustness of the Small Cap Value Asset Class: Compound Annual Returns of Russell Indices since 1978 (page 12)
- Value Finally Appears to be Taking the Leadership from Growth (page 13)
- Russell Index Comparison (pages 14-15)
- Small Cap Value Performance (page 16)
- Jacksonville Police and Fire Pension Fund WEDGE Small Cap Value CIT Total Returns (page 17)
- 2021 YTD Market Environment (page 18)

In response to a question by Timothy Johnson, Richard Wells and Dan Cleven discussed WEDGE's DEI policy and goals.

III. Adjournment

1:00 P.M.

Nawal McDaniel, Board Secretary

Summary Prepared By:

Steve Lundy, Deputy Director

City of Jacksonville Police and Fire Pension Fund

Posted: 09/03/2021

To be Approved: 09/17/2021