

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
Thursday, May 27, 2021 at 2 PM  
City Hall Conference Room 3C  
AGENDA**

**1. CALL TO ORDER**

- a. Use of Zoom going forward

**2. PUBLIC COMMENT**

**3. MINUTES**

- a. Copy of April 22, 2021 Board of Trustees Minutes; RECOMMENDED ACTION: APPROVAL

**4. NEW BUSINESS**

- a. GEPP April 2021 and COPP April 2021 Consent; RECOMMENDED ACTION: APPROVAL

**5. INVESTMENT AND FINANCIAL MATTERS**

- a. 1Q 2021 Investment Review
- b. April 2021 Investment Performance Update
- c. Proposed Investment Policy Statement (IPS)
- d. Domestic Equity Structure Review
- e. Staff Update: Investment Due-Diligence, Capital Calls, Custodian and Securities Lending Search Update

**6. OLD BUSINESS**

**7. ADMINISTRATIVE**

- a. Limited Retirement Option (LRO) Update, Pension Office Activity (and DB to DC value for disability case)
- b. Board Rules and Code Clarifications (BRACC) Committee Update

**8. INFORMATION**

- a. Next regular BOT meeting scheduled for Thursday, June 24, 2021, at 2 PM

**9. PRIVILEGE OF THE FLOOR**

**10. ADJOURNMENT**

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
April 22, 2021**

**MINUTES**

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

**Members Present**

Jeffrey Bernardo, Chair  
Julie Bessent  
Joey Greive, Vice-Chair  
Valerie Gutierrez  
David Kilcrease, Secretary  
Diane Moser  
Kristofer Pike (via Zoom)  
Richard Wallace (via Zoom)

**Members Not Present**

Brian Hughes

**Staff Present**

Randall Barnes, Treasurer  
Paul Barrett, Senior Manager of Debt and Investments (via Zoom)  
Brennan Merrell, Manager of Debt and Investments  
John Sawyer, OGC (via Zoom)  
Tom Stadelmaier, Pension Administrator

**Others Present**

Jordan Cipriani, RVK (via Zoom)  
Julia Dunton (via Zoom)  
Kevin--journalist (via Zoom)  
Matt Powell, Segal (via Zoom)  
Kevin Schmidt, RVK (via Zoom)  
Jeff Williams, Segal (via Zoom)  
Scott Wilson (via Zoom)

**1. CALL TO ORDER**

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

**2. PUBLIC COMMENT**

NA

### **3. MINUTES**

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

### **4. NEW BUSINESS**

#### Consent agendas

Mr. Greive made a motion to approve the consent. Ms. Moser seconded the motion. The Chair summoned for discussion. Mr. Stadelmaier responded that there was nothing unusual in the prepared consent. The Chair took a vote and the consent passed unanimously.

#### Valuation Reports

Mr. Williams introduced the reports, explaining they are done by law and in conjunction with State and local provisions. He covered the summaries in detail and highlighted a few sections of each report. Overall, the reports did not show anything out-of-line or unexpected. Mr. Williams also remarked that the reduction in the discount rate to 6.8% is the only assumption change and that puts the Plans below the peer average which is above 7%.

Ms. Gutierrez asked why 2020 actual contribution was blank and Mr. Williams said that is because contributions are currently being made and the line is still in progress. Mr. Wallace asked when the surtax started, and Mr. Williams said 10/1/2016 and Mr. Powell clarified it as FY starting 10/1/2017.

Mr. Powell remarked that the lower-than-expected surtax was the first time it was lower-than-expected.

Mr. Williams remarked that the funding level is not good, but there is no concern with solvency issues related to the lower number since it's a planned reduction prior to the surtax starting.

Mr. Kilcrease asked for an explanation for the surtax reduction for corrections, which was proportionally higher. Mr. Williams and Mr. Powell explained it was related to the surtax allocation split and other factors. Segal will provide a write-up with a further explanation.

Mr. Greive made a motion to approve the 10/1/2020 reports for GEPP and COPP. Mr. Kilcrease seconded the motion. There was no further discussion. The Chair took a vote and it passed without dissent.

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

Mr. Merrell kicked-off investment matters reporting more gains for month of March with the fund up 1.2%, highlighting some of the larger gains came from equities. Mr. Schmidt reported additional gains in April and CYTD up 5.69% and FYTD up 20.37%.

Mr. Merrell reported that the William Blair transition is completed. Trading occurred in one day and transition cost was less than expected by Loop Capital, the transition manager. Staff is in the process of reviewing the trust custody and security lending RFPs from three bidders, BNY Mellon, State Street, and Northern Trust. Hancock Timber has been notified that the fund plans to take part in the window to sell NZ investment which starts later this month. Next month staff and RVK will provide the Board with an equity structure review study and likely a draft of the Fund IPS, which is being updated. Mr. Merrell reporting capital calls for private credit and private equity during the month of April. Investment in Hamilton Lane is now \$1.64M and Adams Street is now \$13.1M.

## **6. OLD BUSINESS**

NA

## **7. ADMINISTRATIVE**

Mr. Stadelmaier gave an update on the progress of the Board Rules and Code Clarifications (BRACC) Committee, which has not met since the last Board meeting. The next meeting will include a review of updated rules for rehired retirees which will also be reviewed by legal. Following BRACC approval, the changes will be reviewed by the PAC and the Board. Progress to the Board is expected in the next 1-2 months.

Mr. Barnes reported that the surtax proceeds are up over 5% from last-year's pre-COVID levels as the local economy is very strong. The City is looking at accelerating completion of BJP. BJP has over \$60M in funds and the City is looking at refinancing debt to allow for quicker payoff of BJP, which will allow the pension to begin collecting the surtax 2-3 years ahead of schedule based on conservative estimates.

Mr. Stadelmaier provided an update on LRO. LRO Communications remain on track and requests to the office continue to be very heavy. Mr. Stadelmaier gave credit to the Segal team for their assistance and to Mamta and the ITD team as well. There has been a massive interest in pension information from employees, including LRO-eligible ones. Employees are asking for projections of benefits if they stay and non-LRO employees are also asking for retirement information and estimates. The education on retirement benefit matters has been very positive with many employees having new appreciation for the level of retirement benefits offered by the City and a better understanding of the planning they need to do in order to be prepared for retirement. Mr. Greive asked if the lack of healthcare coverage for those under 65 was a factor in not taking the LRO and Mr. Stadelmaier said that is definitely the case for LRO and non-LRO employees. Mr. Greive

also asked about projections for total employees that will take LRO, and Mr. Stadelmaier remarked that overall (including JEA), a conservative projection would be between 100-200 total.

**8. INFORMATION**

The next regular BOT meeting is scheduled for Thursday, March 25, 2021, at 2 PM.

**9. PRIVILEGE OF THE FLOOR**

None

**10. ADJOURNMENT**

The Chair adjourned the meeting at about 3:24 PM.

**CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE**

**April 30, 2021**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

John Givens, effective April 3, 2021 in the monthly COLA base amount of \$3,292.06

Charles Henry, effective April 13, 2021 in the monthly amount of \$3,177.50

Patrick Johnson, effective April 3, 2021 in the monthly COLA base amount of \$3,884.92

Tim Price, effective April 3, 2021 in the monthly COLA base amount of \$2,979.91

Michael Purvis, effective April 3, 2021 in the monthly COLA base amount of \$5,246.82

Regina Taylor, effective April 3, 2021 in the monthly COLA base amount of \$2,779.90

Luis Villimonte, effective April 3, 2021 in the monthly COLA base amount of \$2,979.71

Kenneth Westberry, effective April 3, 2021 in the monthly COLA base amount of \$3,703.66

**2. TIME SERVICE CONNECTIONS COMPLETED**

Roosevelt Jackson, Jr., 6.33 months in the amount of \$1,712.14

Tony Perry, 51.43 months in the amount of \$26,920.31

**3. REFUNDS**

Kavan Brooks, \$18,959.39

Benique E Hackett, \$40,349.24

Morgan B Locke, \$16,091.75

**4. SURVIVOR BENEFITS APPLICATION**

None

**5. VESTED BENEFIT**

None

**6. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2003-573-E (Military)**

Roosevelt Jackson, Jr., 24 months in the amount of \$16,229.16

**7. OFFICERS ENTERING DROP April 2021**

Edward Clayman #5527

Brian Clifton #6506

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

None

**9. DROP Payments**

Michael Purvis, \$351,503.86

Regina Taylor \$94,031.01

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

Notes and Comments regarding Approval:

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

**April 2021**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

Donald Brewer, (ITD), effective March 20, 2021 in the monthly amount of \$3,510.29 at the rate of 78.54% (31 years, 5 months)

William Champ, (JEA), effective March 27, 2021 in the monthly amount of \$6,411.46 at the rate of 75% (30 years), 24 months BACKDROP \$156,676.91

Sandra Chandler, (JSO), effective March 13, 2021 in the monthly amount of \$4,510.54 at the rate of 80% (32 years), BACKDROP 60 months \$289,464.56

Daniel Connell, (R&E), effective March 27, 2021 in the monthly amount of \$1,938.80 at the rate of 500% (20 years), 15% PLOP \$45,042.73

Ivy Dwyer-Fraze, (OGC) effective March 13, 2021 in the monthly amount of \$1,187.36 at the rate of 32.5% (13 years)

Teresa Edmondson, (Employee Services) effective March 9, 2021 in the monthly amount of \$3,138.12 at the rate of 80% (32 years), 36 months BACKDROP \$117,138.89

Margaret Esposito, (Library), effective March 13, 2021 in the monthly amount of \$970.20 at the rate of 35.21% (14 years, 1 month)

Karen Foreman, (JEA), effective March 27, 2021 in the monthly amount of \$3,964.84 at the rate of 52.92% (21 years, 2 months)

Timothy Ghee, (PWSW), effective March 27, 2021 in the monthly amount of \$2,781.64 at the rate of 75.21% (30 years, 1 month), 60 months BACKDROP \$178,512.15

Henry Gordon, Jr., effective March 20, 2021 in the monthly amount of \$4,738.35 at the rate of 80% (32 years), BACKDROP 60 months \$304,084.29

Lonel Hawes, (PW), effective March 27, 2021 in the monthly amount of \$849.93 at the rate of 28.13% (11 years, 3 months)

Lori Hoffman, (JEA), effective March 27, 2021 in the monthly amount of \$2,907.70 at the rate of 55% (22 years)



Michael Jones, (PW), effective March 13, 2021 in the monthly amount of \$2,660.97 at the rate of 80% (32 years), BACKDROP 60 months \$170,768.16

Gregory Kemelek, (R&E), effective March 27, 2021 in the monthly amount of \$1,970.64 at the rate of 53.54% (21 years, 5 months)

Keith Labarrie, (JEA), effective March 13, 2021 in the monthly amount of \$6,951.59 at the rate of 70.42% (28 years, 2 months), 15% PLOP \$242,174.19

Ruby Parker, (JSO), effective March 20, 2021 in the monthly amount of \$824.67 at the rate of 35.42% (14 years, 2 months), 15% PLOP \$15,275.76

Johnny Riley, (JEA), effective March 13, 2021 in the amount of \$4,832.70 at the rate of 75% (30 years), BACKDROP 30 months \$148,935.37

Alicia Warkentien, (JSO), effective March 13, 2021 in the monthly amount of \$2,258.43 at the rate of 69.17% (27 years, 8 months)

Mark Willis, (JEA), effective March 13, 2021 in the monthly amount of \$6,314.53 at the rate of 77.5% (31 years), 10% PLOP \$117,134.79

Scarlett Zaher, (Public Works), effective March 27, 2021 in the monthly amount of \$1,128.40 at the rate of 35.42% (14 years, 2 months)

## **2. VESTED RETIREMENTS**

### **New Commencements**

None

### **New Deferrals**

None

## **3. SURVIVOR BENEFITS**

Mary Cribb, (Linton Cribb), effective February 24, 2021 in the COLA base amount of \$

Mildred Davis, (Roger Ellison), effective March 3, 2021 in the COLA base amount of \$959.66

Katie Gay, (James Gay), effective February 21, 2021 in the COLA base amount of \$2,521.65

Elizabeth King, (Barrett King), effective January 18, 2021 in the COLA base amount of \$1,562.80

Jacquelin McKeller, (Oscar McKeller), effective March 11, 2021 in the COLA base amount of \$563.72

Linda Moore, (Larry Moore), effective March 18, 2021 in the COLA base amount of \$3,379.85

**4. RESTORATION OF SURVIVOR BENEFITS**

None

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

None

**6. TIME SERVICE CONNECTIONS COMPLETED**

Robbie Crabtree, (Library), 24.93 months in the amount of \$6,367.23

Patricia Larrabee, (Library), 7.33 months in the amount of \$2,005.20

Anthony Tice, (P&R), 16.77 months in the amount of \$3,908.73

**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)**

Miguel Camacho, (PW), 24 months in the amount of \$13,027.20

Robbie Crabtree, (Library), 24 months in the amount of \$12,257.76

**9. REFUNDS**

Brandon Shaw (JEA), \$21,441.87

**10. DB TO DC TRANSFER**

Jeff T Ball (JEA) DB TO DC Transfer in the amount of \$463,833.62

**11. OTHER PAYMENTS AND TIME CONNECTIONS**

None

**12. RE-RETIREE**

None

**13. DISABILITY**

None

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PAC Secretary Approval

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Date

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BOT Secretary Approval

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Date

Notes and Comments regarding Approval:



# Quarterly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: March 31, 2021



# 2020 Greenwich *Quality Leader* Award

Coalition Greenwich recently announced that RVK is 1 of 3 firms among large US consultants to receive the 2020 Greenwich *Quality Leader* award.\* RVK is proud to receive this recognition for the 4<sup>th</sup> consecutive year.

**RVK ranked first (or tied for first) in 11 out of 14 key criteria:**

- Advice on Long-term Asset Allocation (#1)
- Communication of Philosophy and Beliefs (#1)
- Proactive Advice and Innovative Ideas (#1)
- Usefulness of Written Investment Reviews (#1)
- Client Satisfaction with Manager Recommendations (#1)
- Responsiveness to Client Requests (#1)
- Sufficient Professional Resources to Meet Client Needs (#1)
- Reasonable Fees Relative to Services Delivered (#1)
- Timeliness in Providing Written Info/Reports (#1)
- Advice on DC Plan Structure and Design (tied for #1)
- Usefulness of Personal Meetings (tied for #1)



***We are deeply grateful for your continued confidence and support.  
From all of us here at RVK, thank you for the opportunity to serve you!***

\*Between July and October 2020, Coalition Greenwich (formerly known as Greenwich Associates) conducted in-person and phone interviews and online surveys with 856 individuals at 704 of the largest tax-exempt funds in the US—including corporate and union funds, public funds, endowments and foundations, insurance general accounts, and healthcare organizations, with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset managers and investment consultants, including qualitative assessments of those firms soliciting their business and detailed information on important market trends. RVK is one of three firms recognized in the large investment consultant category. The ratings may not be representative of any one client's experience with RVK; rather they are representative of those clients that chose to participate in the survey. The results are not indicative of RVK's future performance.

To read the Greenwich press release, please refer to the following URL: <https://www.greenwich.com/press-release/covid-19-crisis-put-investment-consultant-advisory-capabilities-test>



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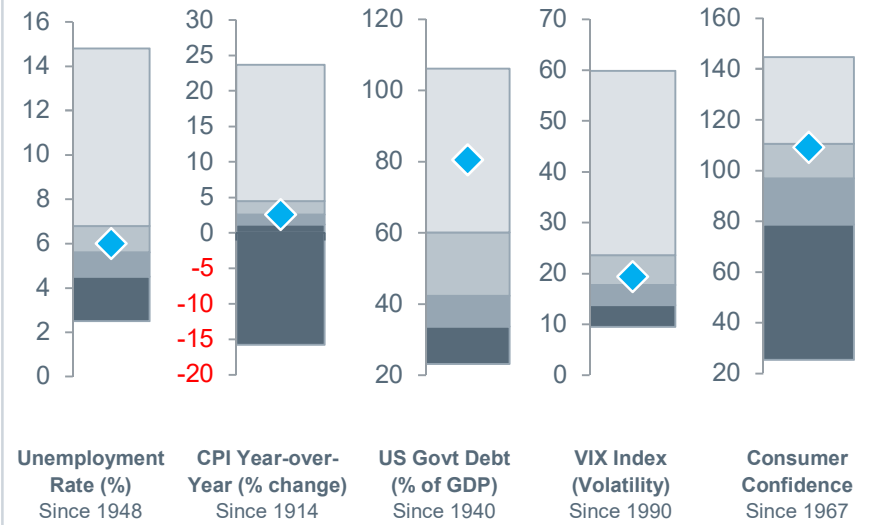
# Capital Markets Review



**First Quarter Economic Environment**

Investor expectations for a swift global economic recovery rose with the progress of vaccination distribution in the US being a key catalyst. The passage of further fiscal support in the US and anticipation of a bill more focused on infrastructure spending also factored into rising global and US GDP growth forecasts for 2021-22. Monetary policies remained supportive with the Federal Open Markets Committee (FOMC) and other major central banks maintaining interest rate levels near or below zero. In addition, the FOMC reiterated a commitment to accommodative policies until its inflation target is reached and a stronger labor market is sustained. As investors digested the potential for higher future growth and inflation, long-term bond yields moved higher throughout Q1. However, potential drags on sustained economic growth, including newer variants of the coronavirus and the prospect of rising inflationary pressures, remain as risks to the ongoing recovery. Another headwind to the recovery is the lower vaccination rates reported in other developed countries and some emerging market countries making parts of the world more susceptible to further outbreaks. With this backdrop, risk assets delivered positive returns in Q1 with most fixed income groups experiencing negative returns as longer-dated Treasury yields moved higher. Most commodity prices rose during Q1, notably crude oil appreciated quickly, partially driven by a tanker blocking passage of the Suez Canal in March.

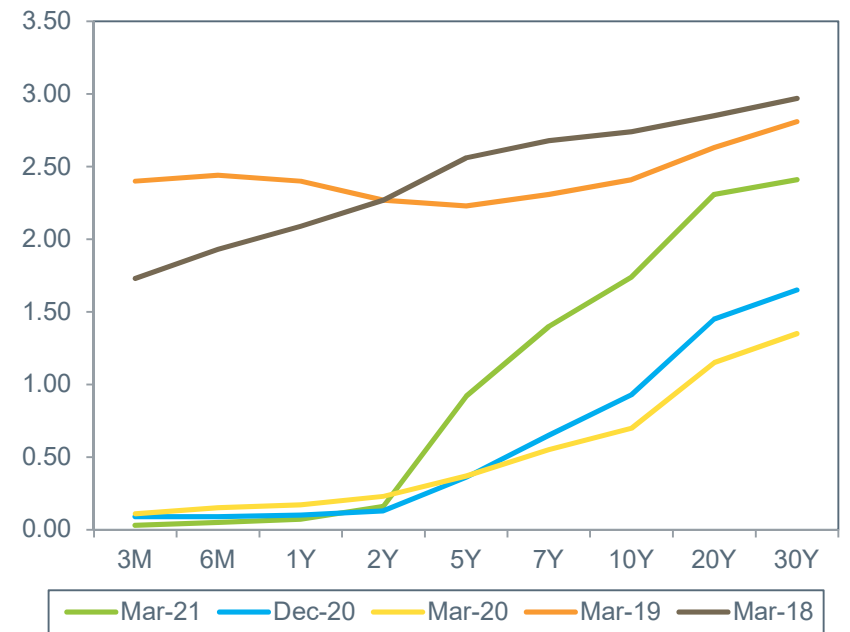
**Key Economic Indicators**



Economic Indicators	Mar-21	Dec-20	Mar-20	Mar-18	20 Yr
Federal Funds Rate (%)	0.06 ▼	0.09	0.08	1.68	1.42
Breakeven Infl. - 5 Yr (%)	2.60 ▲	1.97	0.53	2.04	1.83
Breakeven Infl. - 10 Yr (%)	2.37 ▲	1.99	0.93	2.06	2.01
CPI YoY (Headline) (%)	2.6 ▲	1.4	1.5	2.4	2.1
Unemployment Rate (%)	6.0 ▼	6.7	4.4	4.0	6.1
Real GDP YoY (%)	0.4 ▲	-2.4	0.3	3.1	1.7
PMI - Manufacturing	64.7 ▲	60.5	49.7	59.2	52.9
USD Total Wtd Idx	114.13 ▲	111.55	122.82	107.67	103.22
WTI Crude Oil per Barrel (\$)	59.2 ▲	48.5	20.5	64.9	62.7
Gold Spot per Oz (\$)	1,708 ▼	1,898	1,577	1,326	1,028

Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	6.17	6.17	56.35	16.29	13.91
Russell 2000	12.70	12.70	94.85	16.35	11.68
MSCI EAFE (Net)	3.48	3.48	44.57	8.85	5.52
MSCI EAFE SC (Net)	4.50	4.50	61.98	10.50	8.01
MSCI Emg Mkts (Net)	2.29	2.29	58.39	12.07	3.65
Bloomberg US Agg Bond	-3.38	-3.38	0.71	3.10	3.44
ICE BofAML 3 Mo US T-Bill	0.02	0.02	0.12	1.19	0.63
NCREIF ODCE (Gross)	2.09	2.09	2.30	6.19	9.67
FTSE NAREIT Eq REIT (TR)	8.87	8.87	37.78	5.33	8.56
HFRI FOF Comp	1.87	1.87	23.83	5.61	3.42
Bloomberg Cmdty (TR)	6.92	6.92	35.04	2.31	-6.28

**Treasury Yield Curve (%)**





First Quarter Review

**Broad Market**

US equity markets opened 2021 with solid performance in Q1, driven by the passage of the \$1.9 trillion American Recovery Plan and hopes for a full reopening of the US economy with an ahead of schedule vaccine rollout. After poor performance at the start of Q1, the S&P 500 Index bounced back to finish the quarter up 6.2%.

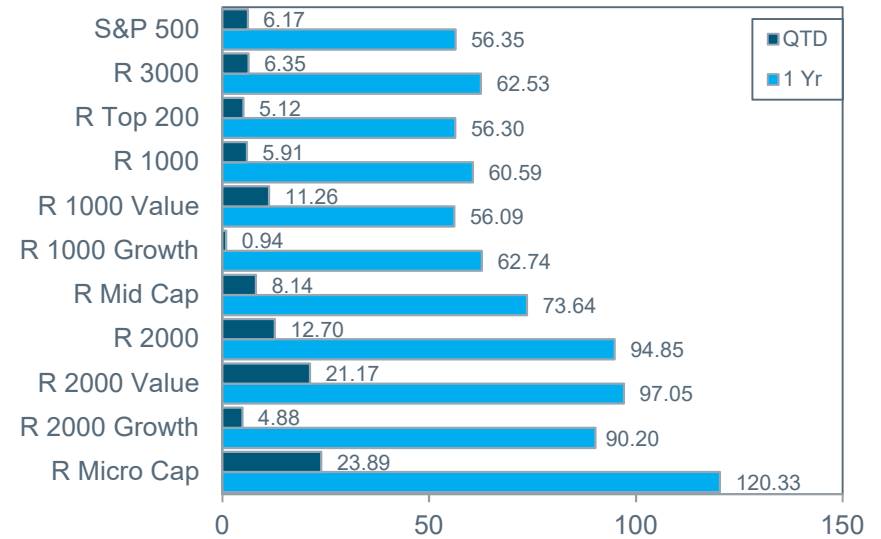
**Market Cap**

Small-cap stocks significantly outperformed their larger-cap counterparts. The Russell 2000 Index returned 12.7% compared to 6.2% for the S&P 500.

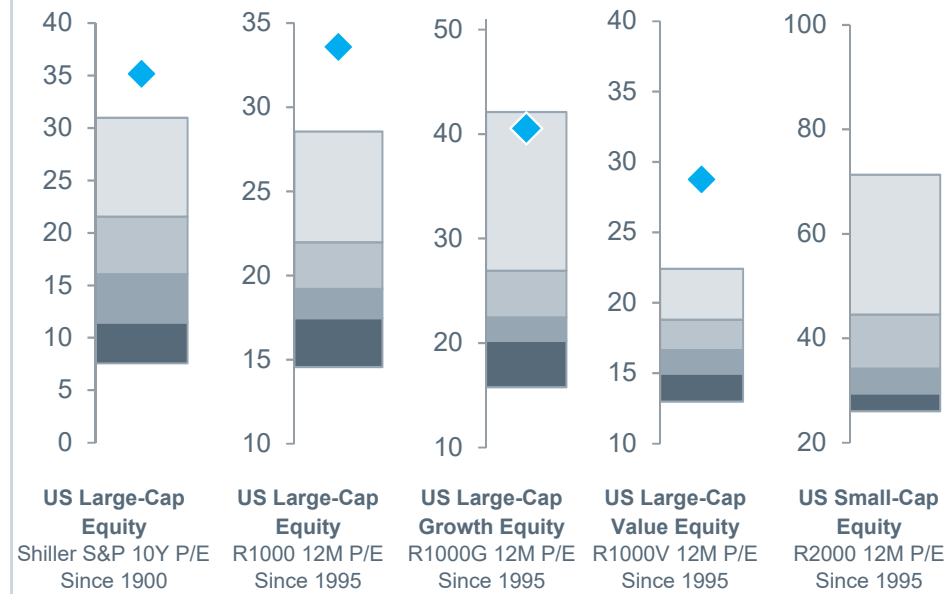
**Style and Sector**

Value continued to outperform growth, to a much greater extent than in Q4 2020, across the market capitalization spectrum. The Russell 1000 Value Index returned 11.2% in Q1, versus 0.9% for the Russell 1000 Growth Index.

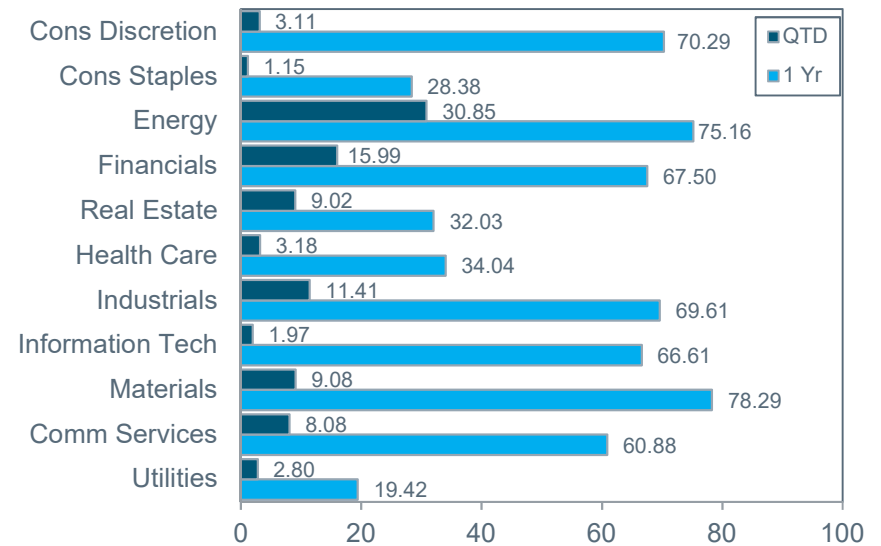
Style and Capitalization Market Performance (%)



Valuations



S&P 500 Index Sector Performance (%)



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. Current R2000 P/E is unavailable due to negative earnings per share as of 03/31

**First Quarter Review**

**Developed Markets**

Developed international equity lagged the US market in Q1, but did provide positive absolute returns. The rotation into value stocks continued in Q1 with growth stocks finishing in negative territory and small-cap stocks outperforming large. Median manager performance indicates that active management delivered mixed results amid the positive market returns in Q1.

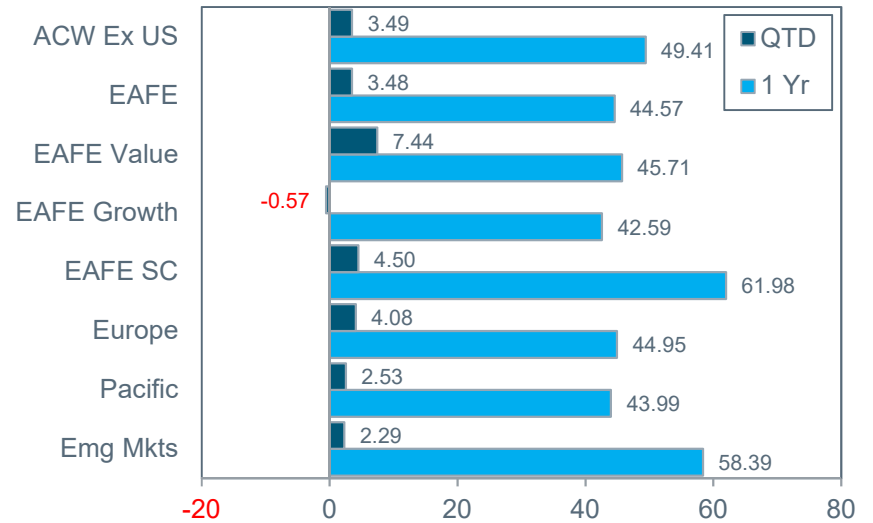
**Emerging Markets**

Emerging markets ended Q1 with positive returns, but underperformed developed markets. Value stocks outperformed growth and small cap outperformed large, but the spreads between these groups were not as significant as in developed international markets. Active management continued to add value this quarter and universe median excess returns indicate significant alpha has been produced in the last twelve months.

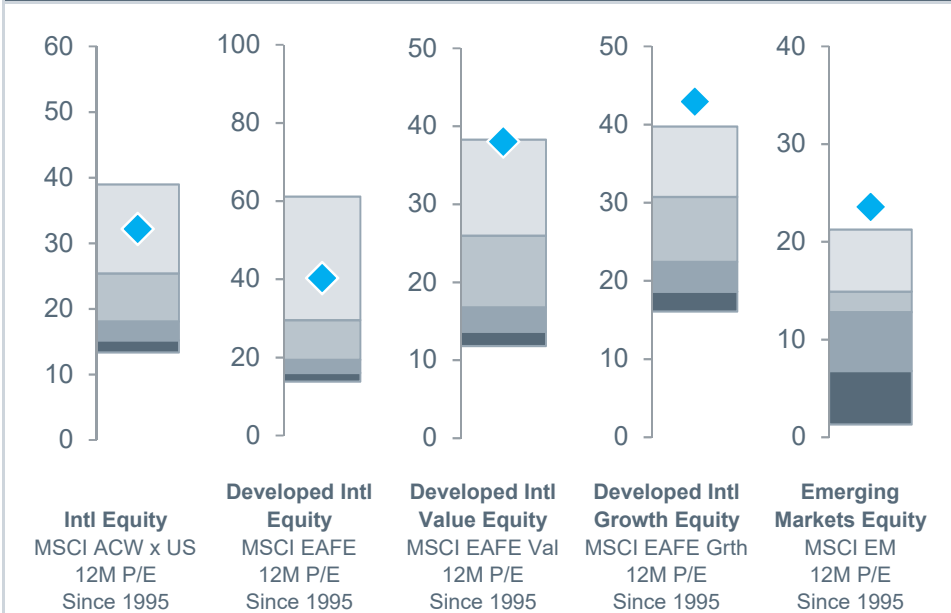
**Market Cap & Style**

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

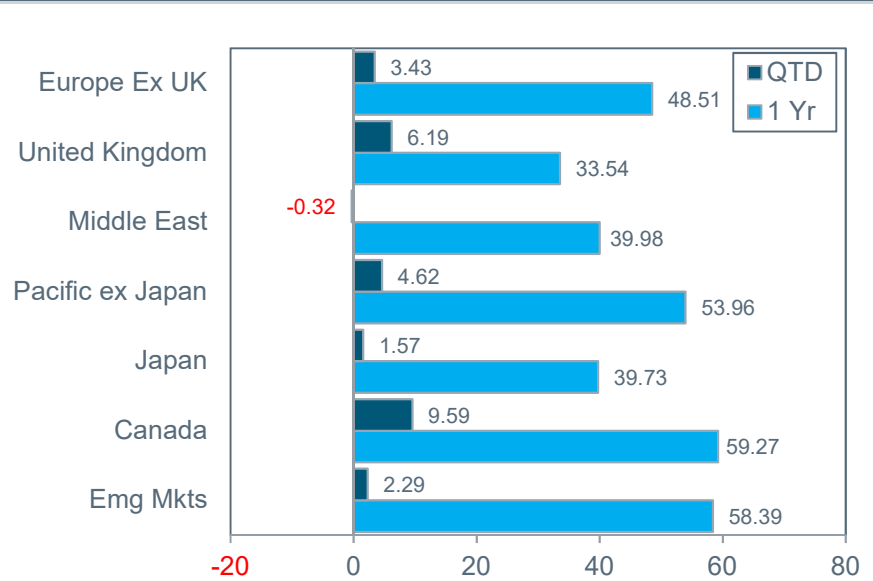
**MSCI Style and Capitalization Market Performance (%)**



**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.

First Quarter Review

**Broad Market**

The Bloomberg US Aggregate Index declined -3.4% in Q1 as Treasury yields rose abruptly. The yield movement was primarily driven by investors reacting to potential inflationary pressure caused by a strong economic recovery.

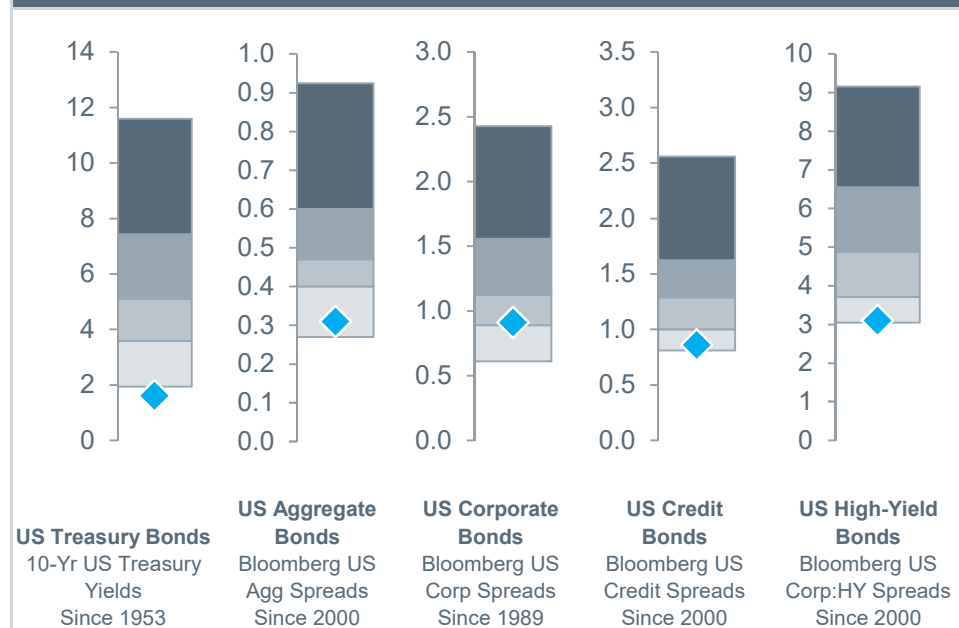
**Credit Market**

Below investment grade rated debt continued outperforming the broader market, a trend also seen in Q4 2020. The Bloomberg US Credit Index declined -4.5%, while the Bloomberg US High Yield Index returned 0.9% in Q1, largely carried by the lowest quality debt, with Caa rated debt returning 3.6% QTD in particular.

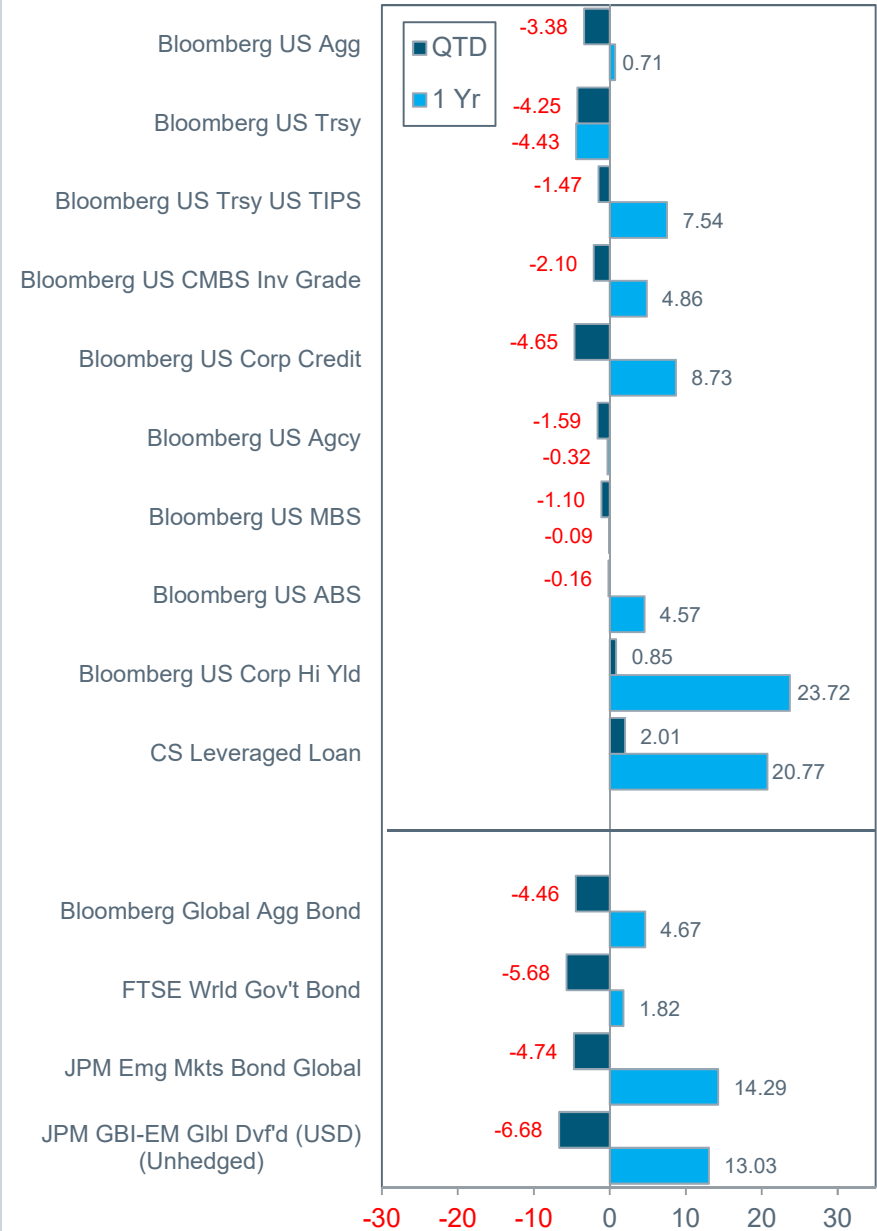
**Emerging Market Debt**

Increased US stimulus and an improving US economy contributed to a strengthening US Dollar. Local currency denominated debt as measured by the JPM GBI-EM Global Diversified Index returned -6.7%, underperforming both hard currency and corporate emerging market debt.

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.



**First Quarter Review - Absolute Return**

**General Market - Hedge Funds**

Hedge fund returns in Q1 were positive in aggregate, though with considerable dispersion across strategies and trading styles. The HFRI Fund Weighted Composite Index returned 6.1% in Q1, outperforming its asset weighted counterpart. Given the style shifts seen in equity markets, managers with growth tilts lagged peers. Short alpha was particularly challenged, with prime brokerage data pointing to one of the worst quarters on record for stock picking on the short side.

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

GTAA strategies RVK follows closely largely generated positive absolute returns in Q1, ranging from low- to mid-single digits. Long-biased strategies performed well, though with some divergence, versus a static and less diversified blend of 60% US equity and 40% US fixed income. Generally, strategies that have continued to maintain a value bias relative to peers outperformed in Q1. Many of the strategies that outperformed peers have continued adding to alternative exposures.

**First Quarter Review - Real Assets**

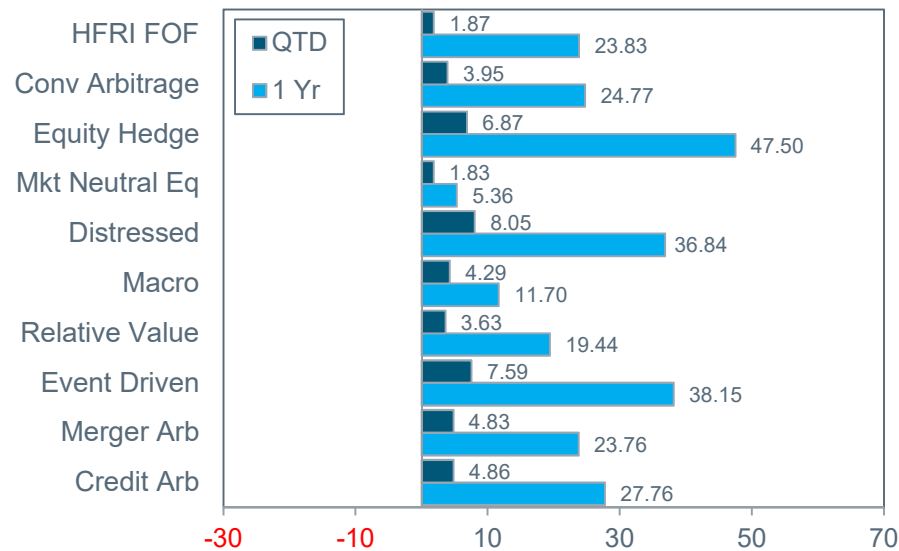
**General Market - Diversified Inflation Strategies (DIS)**

DIS managers that RVK follows closely largely generated positive absolute performance during Q1, ranging from low- to mid-single digits. For the quarter, traditional inflation-sensitive assets such as commodities, listed infrastructure, natural resource equities, and REITs posted positive absolute returns. Strategies with higher relative weights to these asset classes generally outperformed peers with higher relative exposures to TIPS, as the increase in yields during the quarter was a drag on performance.

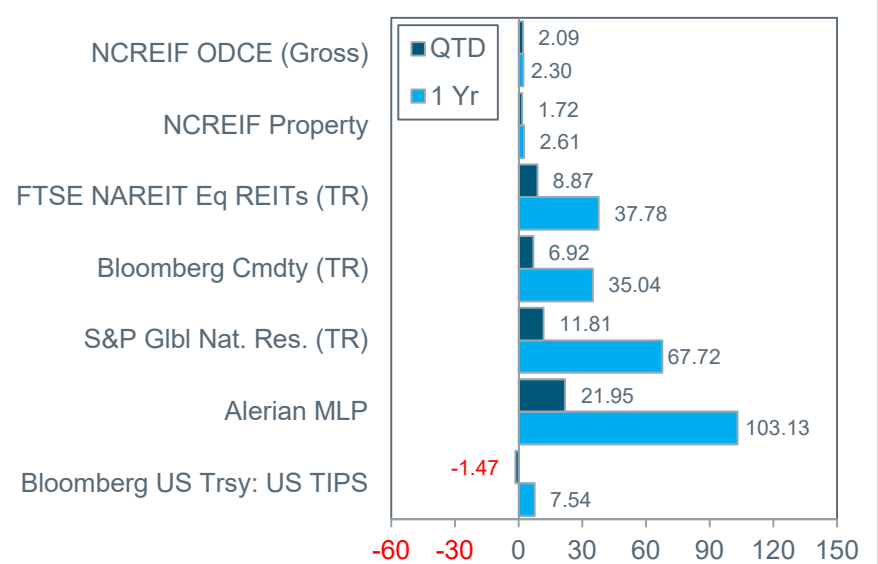
**General Market - Real Estate**

Core private real estate generated a gross 2.1% return in Q1, as reported by the NFI-ODCE Index, with the total return comprising of 1.0% income and 1.1% price appreciation. While the income component improved over the prior quarter and is more in line with historical levels, price appreciation rebounded meaningfully by 0.7% from the level recorded in Q4 2020. Investors of publicly traded real estate outperformed their private market counterparts.

**HFRI Hedge Fund Performance (%)**



**Real Asset Performance (%)**



Annual Asset Class Performance

As of March 31, 2021

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD
Best	39.38	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	12.70
	16.23	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	8.87
	15.97	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	6.92
	11.63	-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	6.17
	11.17	-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	4.50
	10.25	-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	3.48
	6.97	-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	2.29
	6.60	-33.79	18.91	15.06	0.10	10.94	2.47	3.37	-0.81	6.67	7.62	-4.62	14.32	7.82	2.09
	5.49	-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	1.87
	5.00	-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	0.85
	1.87	-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	0.02
	1.45	-43.38	1.92	6.31	-13.32	4.21	-8.61	-4.30	-4.47	1.00	3.01	-13.79	7.69	0.67	-1.47
	-1.57	-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	-3.38
Worst	-15.70	-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	-10.41
	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		
Fixed Income					5-Years Ending Mar-2021	5-Years Ending Dec-2020	5-Years Ending Sep-2020	5-Years Ending Mar-2021	5-Years Ending Dec-2020	5-Years Ending Sep-2020			
Pinnacle US SMID Cap Growth	Oct-20	R2500 Growth	IM US SMID Cap Growth Equity (SA+CF) Median	Mar-10	✓	✗	✗	✓	✗	✗	N/A	Apr-21	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.
US Equity													
FT Global Multisector Plus	Oct-20	FT Global Multisector Index	IM Global FI (SA+CF) Median	Sep-07	✗	✗	✗	✗	✗	✗	Drop in total strategy assets of 40% during Q1 due to loss of large mandate.	May-21	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 21 for gross performance)**

There have been no significant changes to the firm structure or ownership, and no changes to or departures from the team managing the SMID Cap Growth strategy. The firm and strategy have experienced modest outflows over the past three years during a period of underperformance. However, this has been offset by market appreciation, and as a result, the firm and strategy assets have remained stable.

**Recommendation: No recommended action at this time. RVK views Pinnacle to be in good standing qualitatively with strong recent performance. While we have no current concerns, we continue to recommend they remain on the Watch List and be closely monitored to ensure the long-term performance trend continues to improve.**

**Franklin Templeton Global Multisector Plus (please refer to page 22 for gross performance)**

The Global Multisector Plus team has remained stable and there have been no changes to the investment process or philosophy. The strategy lost a \$6 billion separate account mandate in Q1, however the loss did not impact the commingled fund that the City is invested in. Strategy assets now stand at \$11.5 billion as of March 31, 2021. The strategy finished Q1 in negative territory but did outperform its stated benchmark by over 1%. Recent changes at the portfolio level have seen a transition to a risk-on stance by unwinding hedges, increasing portfolio yield, and taking on long positions in emerging market currencies, given the team's bullish outlook on the economy.

**Recommendation: No recommended action at this time. While the aforementioned changes are noteworthy, RVK does not know of any material developments at Franklin Templeton that would negatively impact the Plan's portfolio. Recent performance has improved, but not enough to positively impact rolling 5-year returns vs. their benchmark and peer group. As such, RVK recommends they remain on the Watch List.**

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

**As of March 31, 2021**

	Allocation		Performance (%)		Allocation		Performance (%)
	Market Value (\$)	%	QTD		Market Value (\$)	%	QTD
<b>US Equity</b>	<b>969,050,334</b>	<b>37.66</b>	<b>8.82</b>	<b>Real Estate</b>	<b>388,604,975</b>	<b>15.10</b>	<b>1.38</b>
Eagle Capital Large Cap Value (SA)	246,552,383	9.58	10.89	Harrison Street Core Property, LP	110,079,613	4.28	1.26
Mellon Large Cap Core Index (CF)	267,594,871	10.40	5.90	PGIM Real Estate PRISA II LP (CF)	57,660,857	2.24	1.41
Loomis Sayles Large Cap Growth (CF)	182,904,736	7.11	3.05	Principal US Property (CF)	127,575,454	4.96	2.45
Mellon Small Cap Value Index (CF)	111,804,045	4.35	N/A	UBS Trumbull Property (CF)	92,096,444	3.58	0.00
Pinnacle Associates US SMID Cap Growth (SA)	160,109,324	6.22	11.43	Vanguard RE Idx;ETF (VNQ)	1,192,607	0.05	8.76
<b>International Equity</b>	<b>627,846,413</b>	<b>24.40</b>	<b>3.90</b>	<b>Diversifying Assets</b>	<b>119,392,675</b>	<b>4.64</b>	<b>11.43</b>
Silchester International Value (CF)	256,296,248	9.96	8.77	Harvest Fund Advisors MLP (SA)	42,019,872	1.63	18.37
Baillie Gifford International Growth (BGEFX)	231,498,763	9.00	-2.64	Tortoise Capital Advisors MLP (SA)	36,932,195	1.44	17.31
Acadian Emerging Markets (CF)	140,051,402	5.44	7.00	Hancock Timberland (SA)	29,451,268	1.14	0.00
<b>Fixed Income</b>	<b>462,338,643</b>	<b>17.97</b>	<b>-2.49</b>	Adams Street Private Equity (SA)	10,745,392	0.42	0.00
Baird Core Fixed Income (SA)	228,119,974	8.87	N/A	Hamilton Lane Private Credit (SA)	243,947	0.01	N/A
Franklin Templeton Global Multisector Plus (CF)	95,444,438	3.71	-3.22	Dreyfus Gvt Csh Mgt;Inst (DGCXX)	4,716,808	0.18	0.01
Loomis Sayles Multisector Full Discretion (CF)	138,774,231	5.39	-2.52	Transition Account	910,865	0.04	N/A

**Schedule of Investable Assets (Total Assets)**

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,469,519,078	393,353	102,948,281	2,572,860,712	4.17

Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding. During Q1 2021 BMO Intermediate Fixed Income (SA), Richmond Capital Core (SA), and William Blair Small Cap Value (SA) were liquidated, with the proceeds funding Baird Core Fixed Income (SA) and Mellon Small Cap Value (CF). Hamilton Lane issued its first capital call in 03/2021.

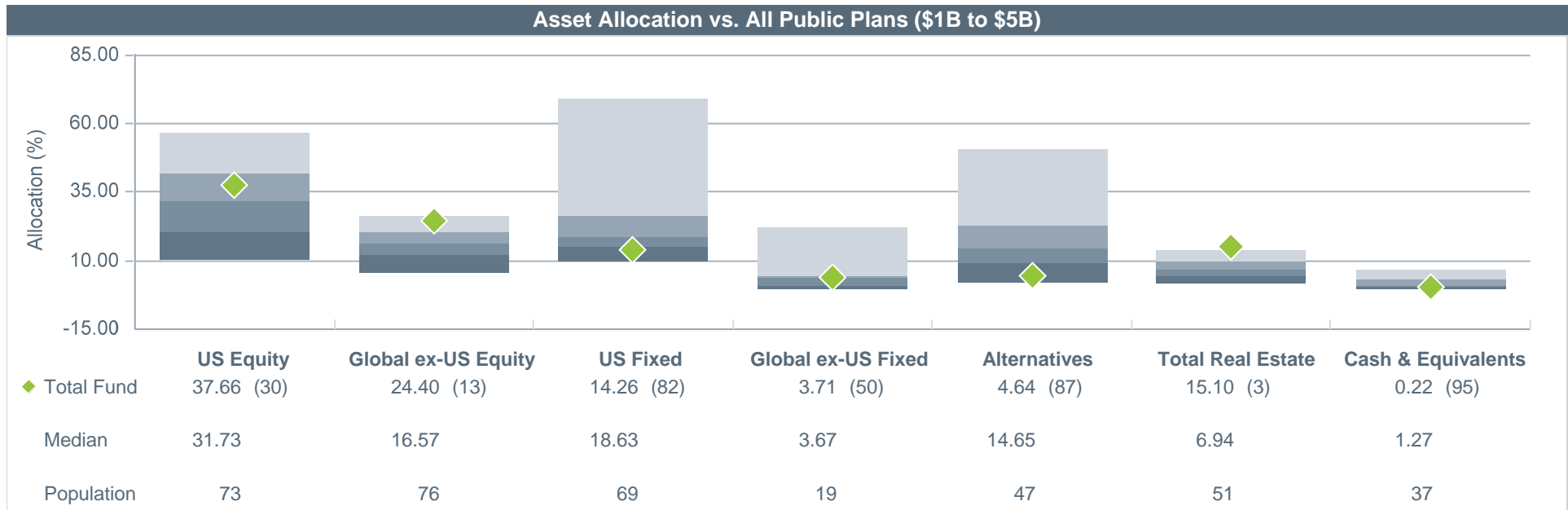
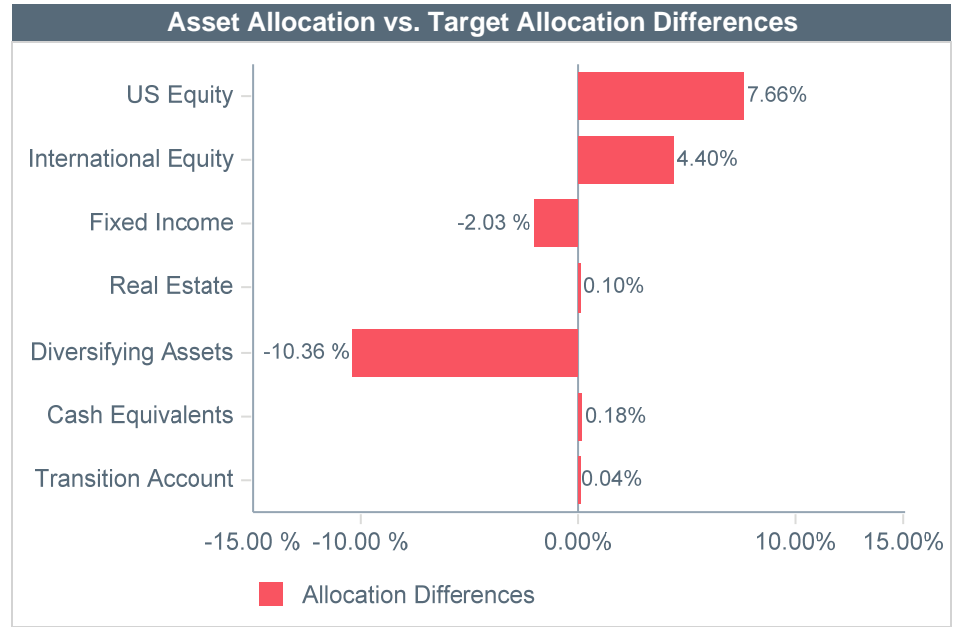




**City of Jacksonville Employees' Retirement System**  
**Total Fund vs. All Public Plans (\$1B to \$5B)**  
**Asset Allocation vs. Target and Plan Sponsor Peer Group**

As of March 31, 2021

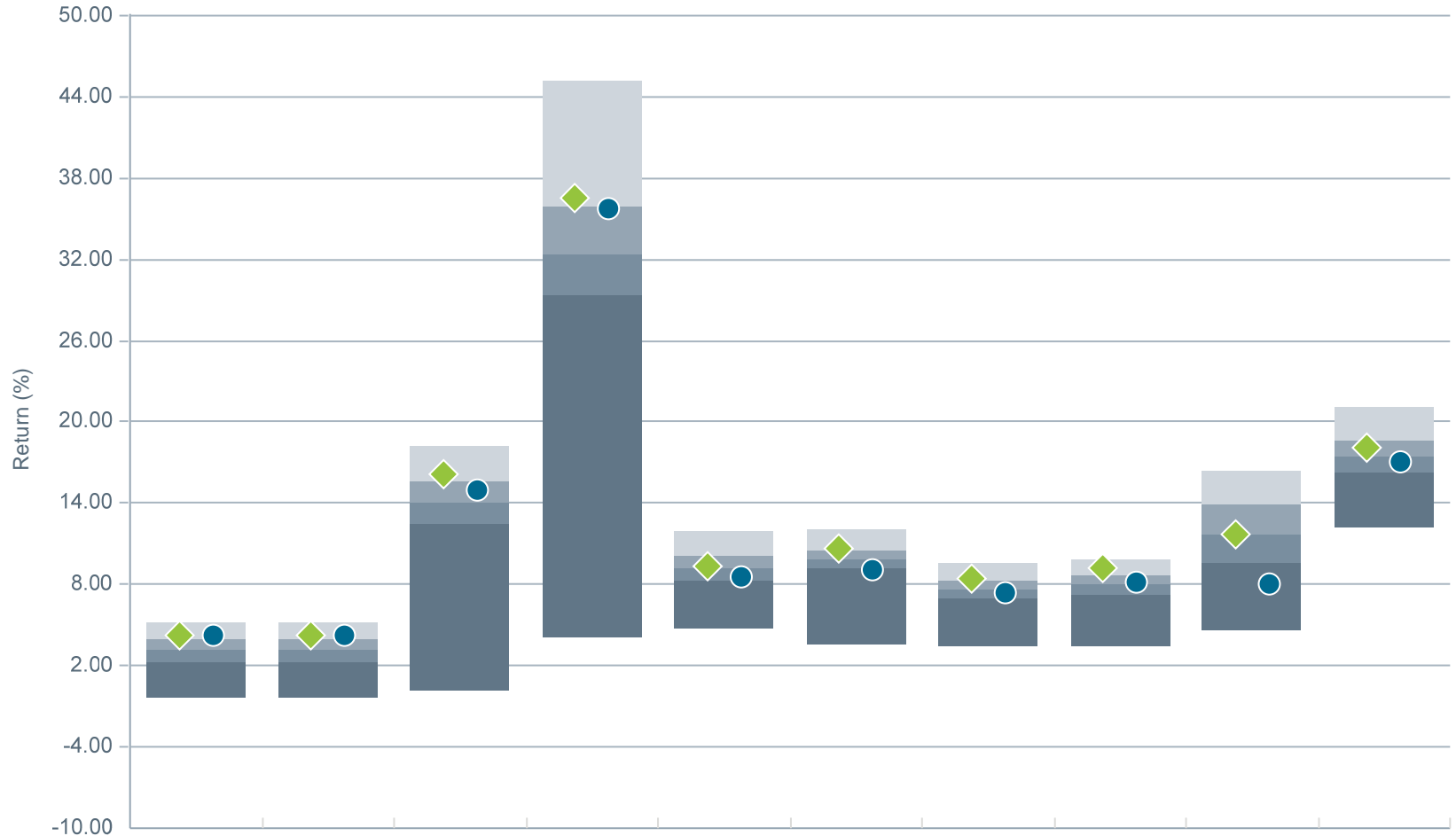
Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
<b>Total Fund</b>	<b>2,572,860,712</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
US Equity	969,050,334	37.66	20.00	30.00	40.00
International Equity	627,846,413	24.40	10.00	20.00	25.00
Fixed Income	462,338,643	17.97	10.00	20.00	30.00
Real Estate	388,604,975	15.10	0.00	15.00	20.00
Diversifying Assets	119,392,675	4.64	0.00	15.00	20.00
Cash Equivalents	4,716,808	0.18	0.00	0.00	10.00
Transition Account	910,865	0.04	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

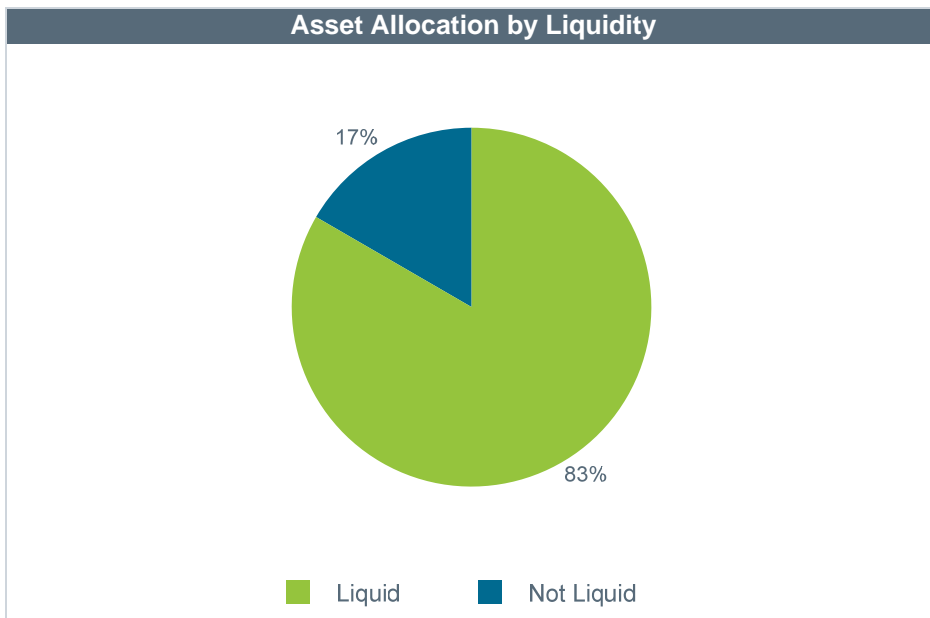
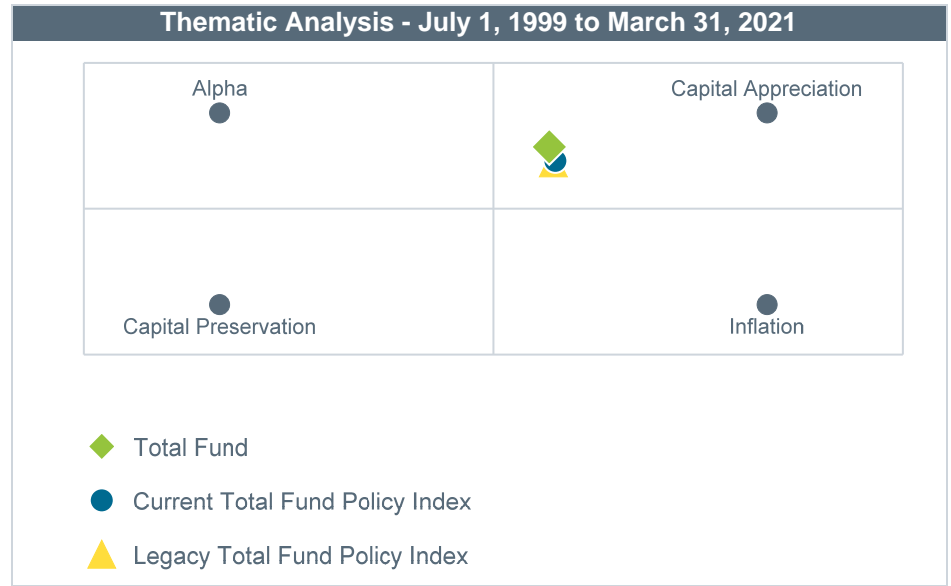
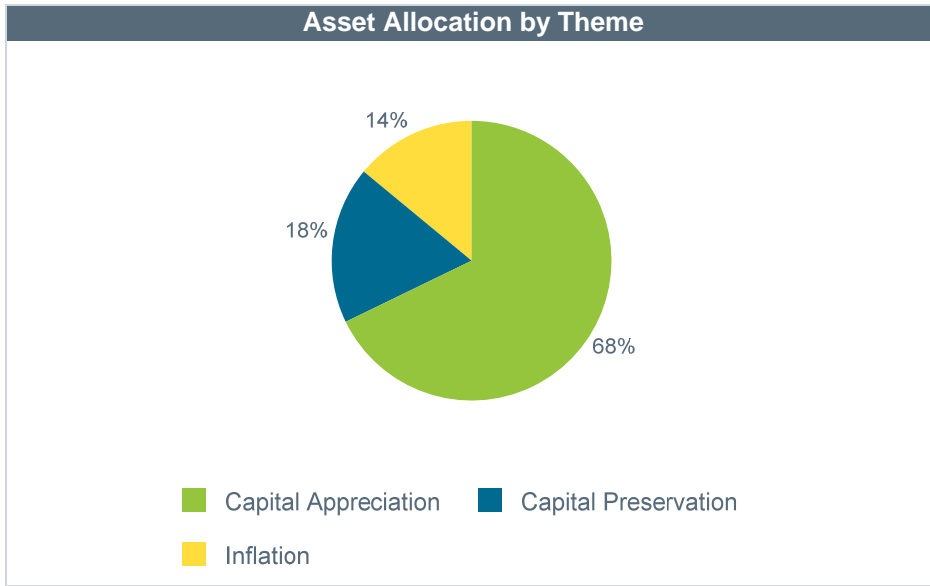
As of March 31, 2021



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019
◆ Total Fund	4.27 (19)	4.27 (19)	16.15 (22)	36.50 (23)	9.30 (46)	10.72 (22)	8.37 (23)	9.24 (11)	11.73 (50)	18.13 (32)
● Current Total Fund Policy Index	4.31 (19)	4.31 (19)	15.02 (29)	35.81 (26)	8.60 (65)	9.12 (81)	7.33 (69)	8.12 (45)	8.02 (90)	17.07 (59)
5th Percentile	5.20	5.20	18.24	45.19	12.00	12.05	9.66	9.87	16.38	21.06
1st Quartile	4.05	4.05	15.65	35.92	10.18	10.54	8.32	8.74	13.86	18.59
Median	3.21	3.21	14.00	32.39	9.19	9.89	7.61	8.02	11.68	17.44
3rd Quartile	2.33	2.33	12.49	29.32	8.28	9.24	7.05	7.26	9.56	16.21
95th Percentile	-0.31	-0.31	0.20	4.14	4.72	3.65	3.43	3.45	4.65	12.16

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





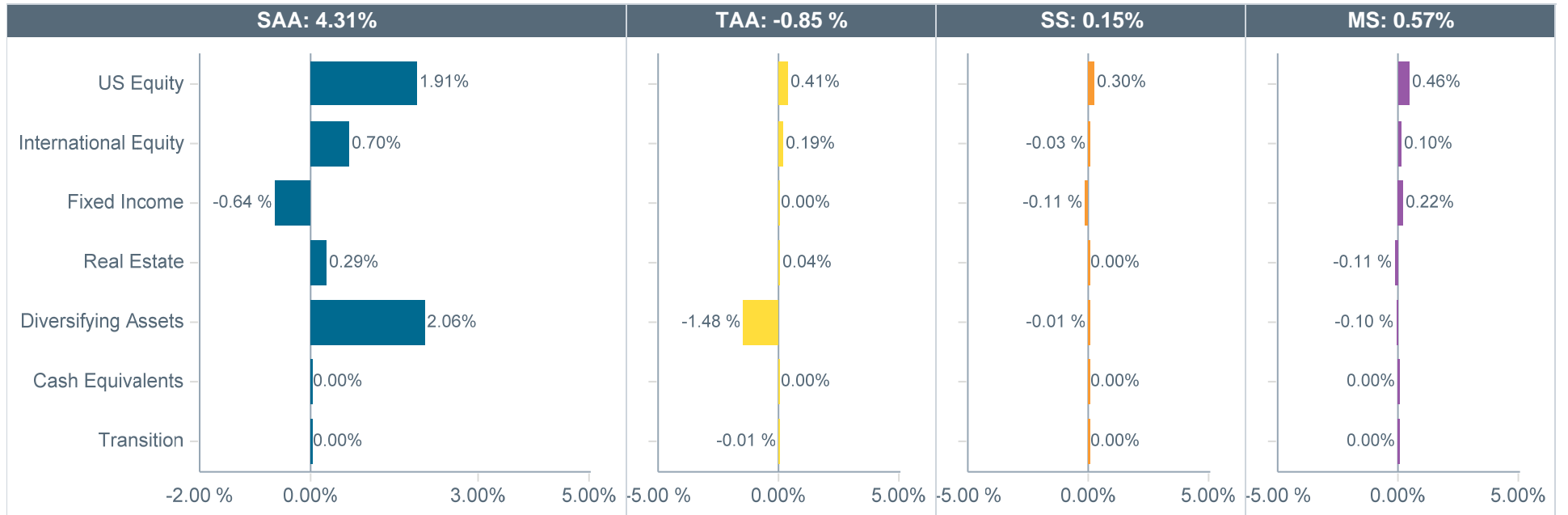
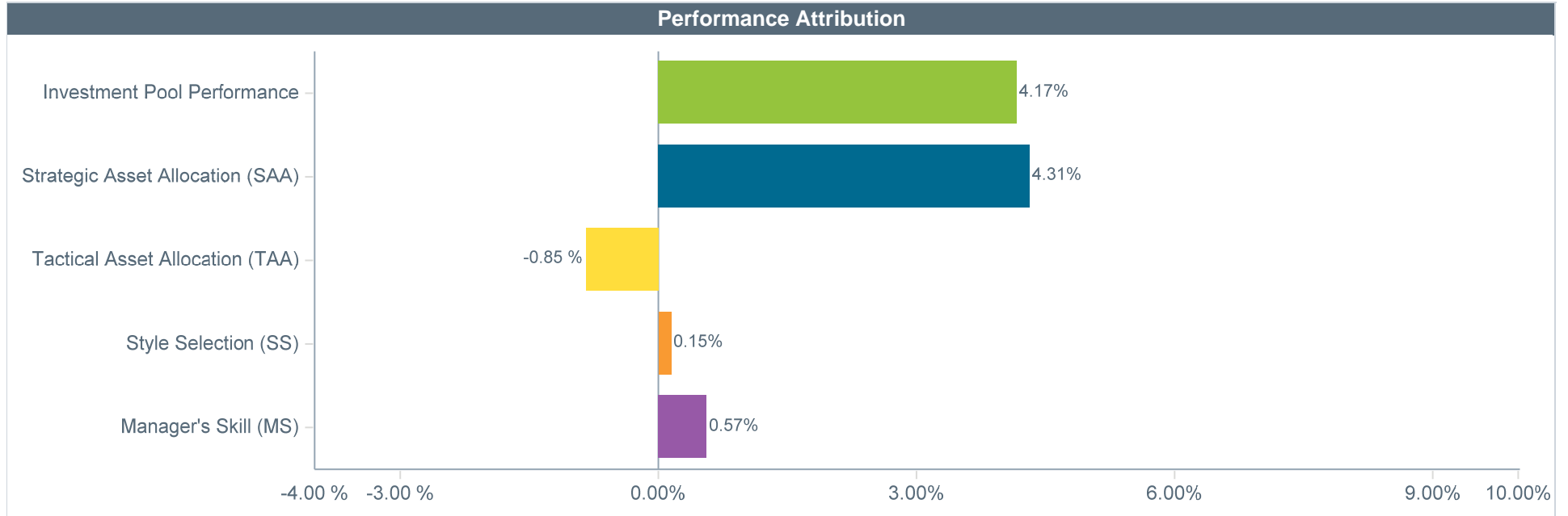
### Correlation Matrix - 10 Years

	A	B	C	D
A	1.00			
B	0.70	1.00		
C	-0.28	-0.39	1.00	
D	0.60	0.79	-0.11	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.

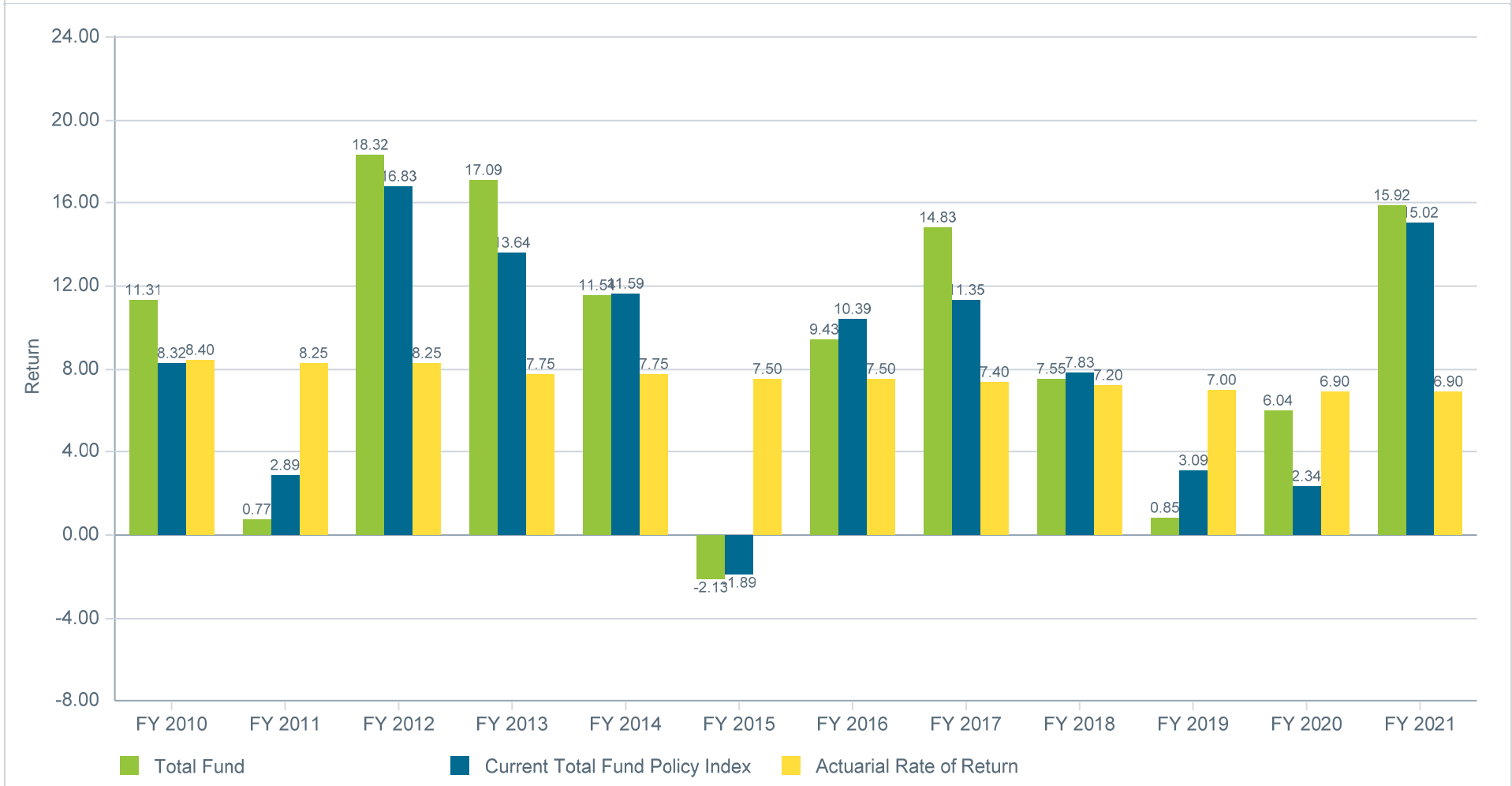


Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

City of Jacksonville Employees' Retirement System  
Historical Fiscal Year Returns

As of March 31, 2021

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	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>15.92</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	15.02
Difference	2.99	-2.12	1.49	3.45	-0.05	-0.24	-0.96	3.48	-0.28	-2.24	3.70	0.90
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
Difference	2.91	-7.48	10.07	9.34	3.79	-9.63	1.93	7.43	0.35	-6.15	-0.86	9.02



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 March 31, 2021

	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>2,572,860,712</b>	<b>100.00</b>	<b>4.27</b>	<b>4.27</b>	<b>16.15</b>	<b>36.50</b>	<b>9.30</b>	<b>10.72</b>	<b>8.37</b>	<b>9.24</b>	<b>7.03</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			4.31	4.31	15.02	35.81	8.60	9.12	7.33	8.12	6.14	
Difference			-0.04	-0.04	1.13	0.69	0.70	1.60	1.04	1.12	0.89	
All Public Plans (\$1B to \$5B) (Custom PG) Median			3.21	3.21	14.00	32.39	9.19	9.89	7.61	8.02	6.45	
Rank			19	19	22	23	46	22	23	11	24	
<b>Total Equity</b>	<b>1,596,896,747</b>	<b>62.07</b>	<b>6.93</b>	<b>6.93</b>	<b>26.56</b>	<b>64.71</b>	<b>13.89</b>	<b>15.69</b>	<b>11.62</b>	<b>11.93</b>	<b>7.49</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>969,050,334</b>	<b>37.66</b>	<b>8.94</b>	<b>8.94</b>	<b>28.99</b>	<b>68.61</b>	<b>17.51</b>	<b>17.07</b>	<b>13.45</b>	<b>13.78</b>	<b>7.99</b>	<b>07/01/1999</b>
US Equity Index			6.35	6.35	21.96	62.53	17.12	16.64	13.44	13.79	7.56	
Difference			2.59	2.59	7.03	6.08	0.39	0.43	0.01	-0.01	0.43	
IM U.S. Equity (SA+CF) Median			9.28	9.28	29.72	69.94	15.46	15.96	12.34	13.19	9.67	
Rank			52	52	52	53	36	38	38	43	78	
<b>International Equity</b>	<b>627,846,413</b>	<b>24.40</b>	<b>4.03</b>	<b>4.03</b>	<b>23.06</b>	<b>59.06</b>	<b>8.44</b>	<b>13.50</b>	<b>8.48</b>	<b>8.59</b>	<b>7.08</b>	<b>07/01/1999</b>
International Equity Index			3.49	3.49	21.10	49.41	6.51	9.76	5.26	4.93	4.54	
Difference			0.54	0.54	1.96	9.65	1.93	3.74	3.22	3.66	2.54	
IM International Equity (SA+CF) Median			3.77	3.81	21.96	57.62	7.10	11.10	6.94	6.89	7.46	
Rank			48	48	43	45	38	28	32	25	58	
<b>Fixed Income</b>	<b>462,338,643</b>	<b>17.97</b>	<b>-2.43</b>	<b>-2.43</b>	<b>-0.86</b>	<b>4.61</b>	<b>3.39</b>	<b>3.61</b>	<b>2.91</b>	<b>3.65</b>	<b>5.26</b>	<b>07/01/1999</b>
Fixed Income Index			-3.05	-3.05	-1.80	2.95	4.86	3.23	3.40	3.50	4.86	
Difference			0.62	0.62	0.94	1.66	-1.47	0.38	-0.49	0.15	0.40	
IM Global Fixed Income (SA+CF) Median			-2.00	-2.00	2.39	14.03	4.62	4.89	3.72	3.93	6.07	
Rank			55	55	86	88	73	77	67	55	72	
<b>Real Estate</b>	<b>388,604,975</b>	<b>15.10</b>	<b>1.45</b>	<b>1.45</b>	<b>1.61</b>	<b>0.83</b>	<b>4.46</b>	<b>5.94</b>	<b>7.75</b>	<b>8.42</b>	<b>6.00</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Gross)			2.09	2.09	3.42	2.30	4.88	6.19	8.25	9.67	6.77	
Difference			-0.64	-0.64	-1.81	-1.47	-0.42	-0.25	-0.50	-1.25	-0.77	
<b>Diversifying Assets</b>	<b>119,392,675</b>	<b>4.64</b>	<b>11.56</b>	<b>11.56</b>	<b>26.25</b>	<b>39.11</b>	<b>1.13</b>	<b>2.86</b>	<b>-0.21</b>	<b>5.07</b>	<b>5.09</b>	<b>03/01/2011</b>
Diversifying Assets Index			14.03	14.03	29.75	53.46	0.08	1.49	-0.99	2.39	2.40	
Difference			-2.47	-2.47	-3.50	-14.35	1.05	1.37	0.78	2.68	2.69	

Performance shown is gross 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 (Gross of Fees)

As of March 31, 2021

	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>246,552,383</b>	<b>9.58</b>	<b>11.10</b>	<b>11.10</b>	<b>33.68</b>	<b>68.92</b>	<b>17.34</b>	<b>18.42</b>	<b>14.37</b>	<b>15.31</b>	<b>12.26</b>	<b>02/01/2007</b>
Russell 1000 Val Index			11.26	11.26	29.34	56.09	10.96	11.74	9.40	10.99	6.97	
Difference			-0.16	-0.16	4.34	12.83	6.38	6.68	4.97	4.32	5.29	
IM U.S. Large Cap Value Equity (SA+CF) Median			11.56	11.56	29.94	61.36	11.94	13.04	10.42	11.85	8.41	
Rank			59	59	37	28	12	6	6	3	2	
<b>Mellon Large Cap Core Index (CF)</b>	<b>267,594,871</b>	<b>10.40</b>	<b>5.91</b>	<b>5.91</b>	<b>20.32</b>	<b>60.39</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>19.98</b>	<b>05/01/2019</b>
Russell 1000 Index			5.91	5.91	20.41	60.59	17.31	16.66	13.64	13.97	20.06	
Difference			0.00	0.00	-0.09	-0.20	N/A	N/A	N/A	N/A	-0.08	
IM U.S. Large Cap Core Equity (SA+CF) Median			6.74	6.74	20.34	57.18	16.15	16.14	13.25	13.77	18.82	
Rank			67	67	51	36	N/A	N/A	N/A	N/A	34	
<b>Loomis Sayles Large Cap Growth (CF)</b>	<b>182,904,736</b>	<b>7.11</b>	<b>3.16</b>	<b>3.16</b>	<b>12.26</b>	<b>54.47</b>	<b>21.03</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>20.56</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			0.94	0.94	12.44	62.74	22.80	21.05	17.50	16.63	22.26	
Difference			2.22	2.22	-0.18	-8.27	-1.77	N/A	N/A	N/A	-1.70	
IM U.S. Large Cap Growth Equity (SA+CF) Median			2.29	2.29	13.74	60.35	21.49	20.11	16.51	15.88	21.02	
Rank			35	35	69	78	55	N/A	N/A	N/A	56	
<b>Mellon Small Cap Value Index (CF)</b>	<b>111,804,045</b>	<b>4.35</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>N/A</b>	<b>04/01/2021</b>
Russell 2000 Val Index			21.17	21.17	61.59	97.05	11.57	13.56	8.93	10.06	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
IM U.S. Small Cap Value Equity (SA+CF) Median			18.86	18.86	54.56	92.91	11.19	13.22	9.46	11.11	N/A	
Rank			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>160,109,324</b>	<b>6.22</b>	<b>11.56</b>	<b>11.56</b>	<b>48.61</b>	<b>105.23</b>	<b>23.53</b>	<b>21.45</b>	<b>15.01</b>	<b>15.01</b>	<b>17.32</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			2.49	2.49	29.02	87.50	19.96	19.91	14.32	14.21	16.24	
Difference			9.07	9.07	19.59	17.73	3.57	1.54	0.69	0.80	1.08	
IM U.S. SMID Cap Growth Equity (SA+CF) Median			3.30	3.30	27.69	86.28	21.78	21.06	15.10	14.92	16.79	
Rank			8	8	2	22	41	46	52	49	44	

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

As of March 31, 2021

	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>256,296,248</b>	<b>9.96</b>	<b>8.92</b>	<b>8.92</b>	<b>25.66</b>	<b>43.65</b>	<b>3.87</b>	<b>8.89</b>	<b>6.18</b>	<b>8.38</b>	<b>10.25</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			7.44	7.44	28.08	45.71	1.85	6.57	2.19	3.65	5.45	
Difference			1.48	1.48	-2.42	-2.06	2.02	2.32	3.99	4.73	4.80	
IM EAFE Value (SA+CF) Median			5.83	5.83	24.00	49.63	5.03	8.02	4.72	6.30	8.39	
Rank			14	14	43	66	62	37	20	9	13	
<b>Baillie Gifford International Growth (BGEFX)</b>	<b>231,498,763</b>	<b>9.00</b>	<b>-2.52</b>	<b>-2.52</b>	<b>17.95</b>	<b>85.56</b>	<b>20.13</b>	<b>23.25</b>	<b>14.18</b>	<b>12.70</b>	<b>14.65</b>	<b>06/01/2009</b>
Baillie Gifford Index			-0.08	-0.08	13.83	49.36	10.31	11.25	7.49	7.41	9.25	
Difference			-2.44	-2.44	4.12	36.20	9.82	12.00	6.69	5.29	5.40	
Baillie Gifford Spliced Index			3.49	3.49	21.10	49.41	7.32	9.65	5.35	5.91	7.68	
Difference			-6.01	-6.01	-3.15	36.15	12.81	13.60	8.83	6.79	6.97	
IM ACWI Ex US Growth (SA+CF) Median			1.15	1.15	15.99	55.34	10.99	13.36	8.93	8.76	10.84	
Rank			97	97	27	1	4	4	7	8	5	
<b>Acadian Emerging Markets (CF)</b>	<b>140,051,402</b>	<b>5.44</b>	<b>7.14</b>	<b>7.14</b>	<b>27.30</b>	<b>58.92</b>	<b>4.21</b>	<b>11.62</b>	<b>6.44</b>	<b>4.39</b>	<b>4.89</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			2.29	2.29	22.43	58.39	6.48	12.07	6.58	3.65	4.08	
Difference			4.85	4.85	4.87	0.53	-2.27	-0.45	-0.14	0.74	0.81	
IM Emerging Markets Equity (SA+CF) Median			3.46	3.43	24.82	64.69	6.96	12.75	7.27	5.29	5.69	
Rank			17	17	28	71	78	65	70	68	63	
<b>Fixed Income</b>												
<b>Baird Core Fixed Income (SA)</b>	<b>228,119,974</b>	<b>8.87</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>-1.14</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			-3.38	-3.38	-2.73	0.71	4.65	3.10	3.31	3.44	-1.25	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.11	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			-3.18	-3.18	-2.07	3.43	5.27	3.76	3.82	3.98	-1.10	
Rank			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	55	
<b>Franklin Templeton Global Multisector Plus (CF)</b>	<b>95,444,438</b>	<b>3.71</b>	<b>-3.12</b>	<b>-3.12</b>	<b>-1.32</b>	<b>-0.78</b>	<b>-3.03</b>	<b>1.01</b>	<b>-0.01</b>	<b>2.14</b>	<b>5.69</b>	<b>09/01/2007</b>
Frank. Temp. Global Multisector Index			-4.34	-4.34	-0.97	5.46	2.85	2.89	2.12	2.39	3.61	
Difference			1.22	1.22	-0.35	-6.24	-5.88	-1.88	-2.13	-0.25	2.08	
IM Global Fixed Income (SA+CF) Median			-2.00	-2.00	2.39	14.03	4.62	4.89	3.72	3.93	4.67	
Rank			63	63	91	99	100	100	98	86	34	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>138,774,231</b>	<b>5.39</b>	<b>-2.43</b>	<b>-2.43</b>	<b>1.72</b>	<b>15.18</b>	<b>7.31</b>	<b>7.65</b>	<b>5.75</b>	<b>6.67</b>	<b>7.17</b>	<b>10/01/2007</b>
Bloomberg Gbl Agg Bond Index			-4.46	-4.46	-1.32	4.67	2.80	2.66	2.00	2.23	3.26	
Difference			2.03	2.03	3.04	10.51	4.51	4.99	3.75	4.44	3.91	
IM Global Fixed Income (SA+CF) Median			-2.00	-2.00	2.39	14.03	4.62	4.89	3.72	3.93	4.57	
Rank			55	55	54	45	10	16	14	10	7	

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

As of March 31, 2021

	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, LP</b>	<b>110,079,613</b>	<b>4.28</b>	<b>1.26</b>	<b>1.26</b>	<b>1.26</b>	<b>3.01</b>	<b>6.79</b>	<b>7.82</b>	<b>N/A</b>	<b>N/A</b>	<b>7.45</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Gross)			2.09	2.09	3.42	2.30	4.88	6.19	8.25	9.67	6.77	
Difference			-0.83	-0.83	-2.16	0.71	1.91	1.63	N/A	N/A	0.68	
<b>PGIM Real Estate PRISA II LP (CF)</b>	<b>57,660,857</b>	<b>2.24</b>	<b>1.41</b>	<b>1.41</b>	<b>1.41</b>	<b>-0.62</b>	<b>5.75</b>	<b>6.95</b>	<b>N/A</b>	<b>N/A</b>	<b>8.11</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Gross)			2.09	2.09	3.42	2.30	4.88	6.19	8.25	9.67	7.67	
Difference			-0.68	-0.68	-2.01	-2.92	0.87	0.76	N/A	N/A	0.44	
<b>Principal US Property (CF)</b>	<b>127,575,454</b>	<b>4.96</b>	<b>2.65</b>	<b>2.65</b>	<b>4.62</b>	<b>3.62</b>	<b>6.03</b>	<b>7.44</b>	<b>9.32</b>	<b>N/A</b>	<b>9.33</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Gross)			2.09	2.09	3.42	2.30	4.88	6.19	8.25	9.67	8.33	
Difference			0.56	0.56	1.20	1.32	1.15	1.25	1.07	N/A	1.00	
<b>UBS Trumbull Property (CF)</b>	<b>92,096,444</b>	<b>3.58</b>	<b>0.00</b>	<b>0.00</b>	<b>-1.90</b>	<b>-4.47</b>	<b>-0.46</b>	<b>2.31</b>	<b>5.00</b>	<b>6.73</b>	<b>5.32</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Gross)			2.09	2.09	3.42	2.30	4.88	6.19	8.25	9.67	6.77	
Difference			-2.09	-2.09	-5.32	-6.77	-5.34	-3.88	-3.25	-2.94	-1.45	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,192,607</b>	<b>0.05</b>	<b>8.76</b>	<b>8.76</b>	<b>18.84</b>	<b>36.64</b>	<b>11.01</b>	<b>6.01</b>	<b>8.08</b>	<b>8.63</b>	<b>13.06</b>	<b>12/01/2008</b>
Custom REITs Index			8.73	8.73	18.82	36.68	11.62	6.53	8.52	9.15	13.88	
Difference			0.03	0.03	0.02	-0.04	-0.61	-0.52	-0.44	-0.52	-0.82	
<b>Diversifying Assets</b>												
<b>Harvest Fund Advisors MLP (SA)</b>	<b>42,019,872</b>	<b>1.63</b>	<b>18.57</b>	<b>18.57</b>	<b>45.69</b>	<b>75.21</b>	<b>-0.89</b>	<b>1.44</b>	<b>-3.42</b>	<b>3.91</b>	<b>4.13</b>	<b>03/01/2011</b>
S&P MLP Index (TR)			20.43	20.43	55.63	94.46	-2.32	0.45	-5.93	-0.21	-0.23	
Difference			-1.86	-1.86	-9.94	-19.25	1.43	0.99	2.51	4.12	4.36	
<b>Tortoise Capital Advisors MLP (SA)</b>	<b>36,932,195</b>	<b>1.44</b>	<b>17.51</b>	<b>17.51</b>	<b>43.31</b>	<b>60.27</b>	<b>-5.06</b>	<b>-1.44</b>	<b>-5.32</b>	<b>2.20</b>	<b>2.07</b>	<b>03/01/2011</b>
Tortoise Spliced Index			20.88	20.88	45.24	88.66	-3.30	-0.16	-6.34	-0.52	-0.53	
Difference			-3.37	-3.37	-1.93	-28.39	-1.76	-1.28	1.02	2.72	2.60	
<b>Hancock Timberland (SA)</b>	<b>29,451,268</b>	<b>1.14</b>	<b>0.00</b>	<b>0.00</b>	<b>3.84</b>	<b>10.12</b>	<b>6.80</b>	<b>7.36</b>	<b>6.61</b>	<b>6.24</b>	<b>3.85</b>	<b>10/01/2006</b>
NCREIF Timberland Index			0.76	0.76	1.34	1.46	1.71	2.51	3.69	4.55	5.13	
Difference			-0.76	-0.76	2.50	8.66	5.09	4.85	2.92	1.69	-1.28	
<b>Adams Street Private Equity (SA)</b>	<b>10,745,392</b>	<b>0.42</b>	<b>0.00</b>	<b>0.00</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>0.00</b>	<b>11/01/2020</b>
S&P 500 Index+3%			6.96	6.96	20.85	61.04	20.28	19.78	17.00	17.33	23.84	
Difference			-6.96	-6.96	N/A	N/A	N/A	N/A	N/A	N/A	-23.84	
<b>Hamilton Lane Private Credit (SA)</b>	<b>243,947</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>N/A</b>	<b>N/A</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			0.41	0.41	8.50	28.18	8.06	9.78	6.99	8.22	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>	<b>4,716,808</b>	<b>0.18</b>	<b>0.05</b>	<b>0.05</b>	<b>0.08</b>	<b>0.22</b>	<b>1.51</b>	<b>1.20</b>	<b>0.90</b>	<b>0.65</b>	<b>1.39</b>	<b>04/01/2001</b>
FTSE 3 Mo T-Bill Index			0.02	0.02	0.04	0.21	1.45	1.15	0.84	0.60	1.36	
Difference			0.03	0.03	0.04	0.01	0.06	0.05	0.06	0.05	0.03	

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

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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>Total Fund</b>	<b>2,572,860,712</b>	<b>100.00</b>	<b>4.17</b>	<b>4.17</b>	<b>15.92</b>	<b>35.88</b>	<b>8.75</b>	<b>10.16</b>	<b>7.83</b>	<b>8.70</b>	<b>6.71</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			4.31	4.31	15.02	35.81	8.60	9.12	7.33	8.12	6.14	
Difference			-0.14	-0.14	0.90	0.07	0.15	1.04	0.50	0.58	0.57	
<b>Total Equity</b>	<b>1,596,896,747</b>	<b>62.07</b>	<b>6.80</b>	<b>6.80</b>	<b>26.26</b>	<b>63.92</b>	<b>13.31</b>	<b>15.08</b>	<b>11.03</b>	<b>11.34</b>	<b>7.18</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>969,050,334</b>	<b>37.66</b>	<b>8.82</b>	<b>8.82</b>	<b>28.71</b>	<b>67.87</b>	<b>16.94</b>	<b>16.47</b>	<b>12.87</b>	<b>13.19</b>	<b>7.69</b>	<b>07/01/1999</b>
US Equity Index			6.35	6.35	21.96	62.53	17.12	16.64	13.44	13.79	7.56	
Difference			2.47	2.47	6.75	5.34	-0.18	-0.17	-0.57	-0.60	0.13	
<b>International Equity</b>	<b>627,846,413</b>	<b>24.40</b>	<b>3.90</b>	<b>3.90</b>	<b>22.73</b>	<b>58.21</b>	<b>7.84</b>	<b>12.87</b>	<b>7.87</b>	<b>8.00</b>	<b>6.75</b>	<b>07/01/1999</b>
International Equity Index			3.49	3.49	21.10	49.41	6.51	9.76	5.26	4.93	4.54	
Difference			0.41	0.41	1.63	8.80	1.33	3.11	2.61	3.07	2.21	
<b>Fixed Income</b>	<b>462,338,643</b>	<b>17.97</b>	<b>-2.49</b>	<b>-2.49</b>	<b>-0.98</b>	<b>4.36</b>	<b>3.14</b>	<b>3.36</b>	<b>2.69</b>	<b>3.44</b>	<b>5.11</b>	<b>07/01/1999</b>
Fixed Income Index			-3.05	-3.05	-1.80	2.95	4.86	3.23	3.40	3.50	4.86	
Difference			0.56	0.56	0.82	1.41	-1.72	0.13	-0.71	-0.06	0.25	
<b>Real Estate</b>	<b>388,604,975</b>	<b>15.10</b>	<b>1.38</b>	<b>1.38</b>	<b>1.43</b>	<b>0.20</b>	<b>3.64</b>	<b>5.17</b>	<b>6.95</b>	<b>7.59</b>	<b>5.33</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			1.91	1.91	3.03	1.50	3.97	5.26	7.29	8.68	5.79	
Difference			-0.53	-0.53	-1.60	-1.30	-0.33	-0.09	-0.34	-1.09	-0.46	
<b>Diversifying Assets</b>	<b>119,392,675</b>	<b>4.64</b>	<b>11.43</b>	<b>11.43</b>	<b>25.99</b>	<b>38.54</b>	<b>0.66</b>	<b>2.39</b>	<b>-0.69</b>	<b>4.56</b>	<b>4.59</b>	<b>03/01/2011</b>
Diversifying Assets Index			14.03	14.03	29.75	53.46	0.08	1.49	-0.99	2.39	2.40	
Difference			-2.60	-2.60	-3.76	-14.92	0.58	0.90	0.30	2.17	2.19	

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City of Jacksonville Employees' Retirement System  
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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>US Equity</b>												
<b>Eagle Capital Large Cap Value (SA)</b>	<b>246,552,383</b>	<b>9.58</b>	<b>10.89</b>	<b>10.89</b>	<b>33.19</b>	<b>67.73</b>	<b>16.46</b>	<b>17.53</b>	<b>13.51</b>	<b>14.43</b>	<b>11.55</b>	<b>02/01/2007</b>
Russell 1000 Val Index			11.26	11.26	29.34	56.09	10.96	11.74	9.40	10.99	6.97	
Difference			-0.37	-0.37	3.85	11.64	5.50	5.79	4.11	3.44	4.58	
<b>Mellon Large Cap Core Index (CF)</b>	<b>267,594,871</b>	<b>10.40</b>	<b>5.90</b>	<b>5.90</b>	<b>20.30</b>	<b>60.36</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>19.95</b>	<b>05/01/2019</b>
Russell 1000 Index			5.91	5.91	20.41	60.59	17.31	16.66	13.64	13.97	20.06	
Difference			-0.01	-0.01	-0.11	-0.23	N/A	N/A	N/A	N/A	-0.11	
<b>Loomis Sayles Large Cap Growth (CF)</b>	<b>182,904,736</b>	<b>7.11</b>	<b>3.05</b>	<b>3.05</b>	<b>12.02</b>	<b>53.78</b>	<b>20.48</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>20.00</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			0.94	0.94	12.44	62.74	22.80	21.05	17.50	16.63	22.26	
Difference			2.11	2.11	-0.42	-8.96	-2.32	N/A	N/A	N/A	-2.26	
<b>Mellon Small Cap Value Index (CF)</b>	<b>111,804,045</b>	<b>4.35</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>N/A</b>	<b>04/01/2021</b>
Russell 2000 Val Index			21.17	21.17	61.59	97.05	11.57	13.56	8.93	10.06	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>160,109,324</b>	<b>6.22</b>	<b>11.43</b>	<b>11.43</b>	<b>48.23</b>	<b>104.14</b>	<b>22.81</b>	<b>20.75</b>	<b>14.25</b>	<b>14.22</b>	<b>16.54</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			2.49	2.49	29.02	87.50	19.96	19.91	14.32	14.21	16.24	
Difference			8.94	8.94	19.21	16.64	2.85	0.84	-0.07	0.01	0.30	
<b>International Equity</b>												
<b>Silchester International Value (CF)</b>	<b>256,296,248</b>	<b>9.96</b>	<b>8.77</b>	<b>8.77</b>	<b>25.29</b>	<b>42.83</b>	<b>3.28</b>	<b>8.26</b>	<b>5.57</b>	<b>7.74</b>	<b>9.60</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			7.44	7.44	28.08	45.71	1.85	6.57	2.19	3.65	5.45	
Difference			1.33	1.33	-2.79	-2.88	1.43	1.69	3.38	4.09	4.15	
<b>Baillie Gifford International Growth (BGEFX)</b>	<b>231,498,763</b>	<b>9.00</b>	<b>-2.64</b>	<b>-2.64</b>	<b>17.67</b>	<b>84.69</b>	<b>19.53</b>	<b>22.62</b>	<b>13.58</b>	<b>12.21</b>	<b>14.23</b>	<b>06/01/2009</b>
Baillie Gifford Index			-0.08	-0.08	13.83	49.36	10.31	11.25	7.49	7.41	9.25	
Difference			-2.56	-2.56	3.84	35.33	9.22	11.37	6.09	4.80	4.98	
Baillie Gifford Spliced Index			3.49	3.49	21.10	49.41	7.32	9.65	5.35	5.91	7.68	
Difference			-6.13	-6.13	-3.43	35.28	12.21	12.97	8.23	6.30	6.55	
<b>Acadian Emerging Markets (CF)</b>	<b>140,051,402</b>	<b>5.44</b>	<b>7.00</b>	<b>7.00</b>	<b>26.93</b>	<b>58.00</b>	<b>3.60</b>	<b>10.98</b>	<b>5.82</b>	<b>3.78</b>	<b>4.28</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			2.29	2.29	22.43	58.39	6.48	12.07	6.58	3.65	4.08	
Difference			4.71	4.71	4.50	-0.39	-2.88	-1.09	-0.76	0.13	0.20	

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

As of March 31, 2021

	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>228,119,974</b>	<b>8.87</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>-1.14</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			-3.38	-3.38	-2.73	0.71	4.65	3.10	3.31	3.44	-1.25	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.11	
<b>Franklin Templeton Global Multisector Plus (CF)</b>	<b>95,444,438</b>	<b>3.71</b>	<b>-3.22</b>	<b>-3.22</b>	<b>-1.53</b>	<b>-1.20</b>	<b>-3.45</b>	<b>0.52</b>	<b>-0.60</b>	<b>1.46</b>	<b>4.94</b>	<b>09/01/2007</b>
Frank. Temp. Global Multisector Index			-4.34	-4.34	-0.97	5.46	2.85	2.89	2.12	2.39	3.61	
Difference			1.12	1.12	-0.56	-6.66	-6.30	-2.37	-2.72	-0.93	1.33	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>138,774,231</b>	<b>5.39</b>	<b>-2.52</b>	<b>-2.52</b>	<b>1.53</b>	<b>14.75</b>	<b>6.90</b>	<b>7.23</b>	<b>5.33</b>	<b>6.24</b>	<b>6.81</b>	<b>10/01/2007</b>
Bloomberg Gbl Agg Bond Index			-4.46	-4.46	-1.32	4.67	2.80	2.66	2.00	2.23	3.26	
Difference			1.94	1.94	2.85	10.08	4.10	4.57	3.33	4.01	3.55	
<b>Real Estate</b>												
<b>Harrison Street Core Property, LP</b>	<b>110,079,613</b>	<b>4.28</b>	<b>1.26</b>	<b>1.26</b>	<b>1.26</b>	<b>2.50</b>	<b>5.99</b>	<b>7.33</b>	<b>N/A</b>	<b>N/A</b>	<b>7.00</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			1.91	1.91	3.03	1.50	3.97	5.26	7.29	8.68	5.82	
Difference			-0.65	-0.65	-1.77	1.00	2.02	2.07	N/A	N/A	1.18	
<b>PGIM Real Estate PRISA II LP (CF)</b>	<b>57,660,857</b>	<b>2.24</b>	<b>1.41</b>	<b>1.41</b>	<b>1.41</b>	<b>-1.20</b>	<b>4.71</b>	<b>5.97</b>	<b>N/A</b>	<b>N/A</b>	<b>7.23</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			1.91	1.91	3.03	1.50	3.97	5.26	7.29	8.68	6.72	
Difference			-0.50	-0.50	-1.62	-2.70	0.74	0.71	N/A	N/A	0.51	
<b>Principal US Property (CF)</b>	<b>127,575,454</b>	<b>4.96</b>	<b>2.45</b>	<b>2.45</b>	<b>4.20</b>	<b>2.79</b>	<b>5.16</b>	<b>6.57</b>	<b>8.44</b>	<b>N/A</b>	<b>8.45</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Net)			1.91	1.91	3.03	1.50	3.97	5.26	7.29	8.68	7.36	
Difference			0.54	0.54	1.17	1.29	1.19	1.31	1.15	N/A	1.09	
<b>UBS Trumbull Property (CF)</b>	<b>92,096,444</b>	<b>3.58</b>	<b>0.00</b>	<b>0.00</b>	<b>-2.08</b>	<b>-5.00</b>	<b>-1.19</b>	<b>1.46</b>	<b>4.08</b>	<b>5.76</b>	<b>4.40</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			1.91	1.91	3.03	1.50	3.97	5.26	7.29	8.68	5.79	
Difference			-1.91	-1.91	-5.11	-6.50	-5.16	-3.80	-3.21	-2.92	-1.39	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,192,607</b>	<b>0.05</b>	<b>8.76</b>	<b>8.76</b>	<b>18.84</b>	<b>36.64</b>	<b>11.01</b>	<b>6.01</b>	<b>8.08</b>	<b>8.63</b>	<b>13.06</b>	<b>12/01/2008</b>
Custom REITs Index			8.73	8.73	18.82	36.68	11.62	6.53	8.52	9.15	13.88	
Difference			0.03	0.03	0.02	-0.04	-0.61	-0.52	-0.44	-0.52	-0.82	

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

As of March 31, 2021

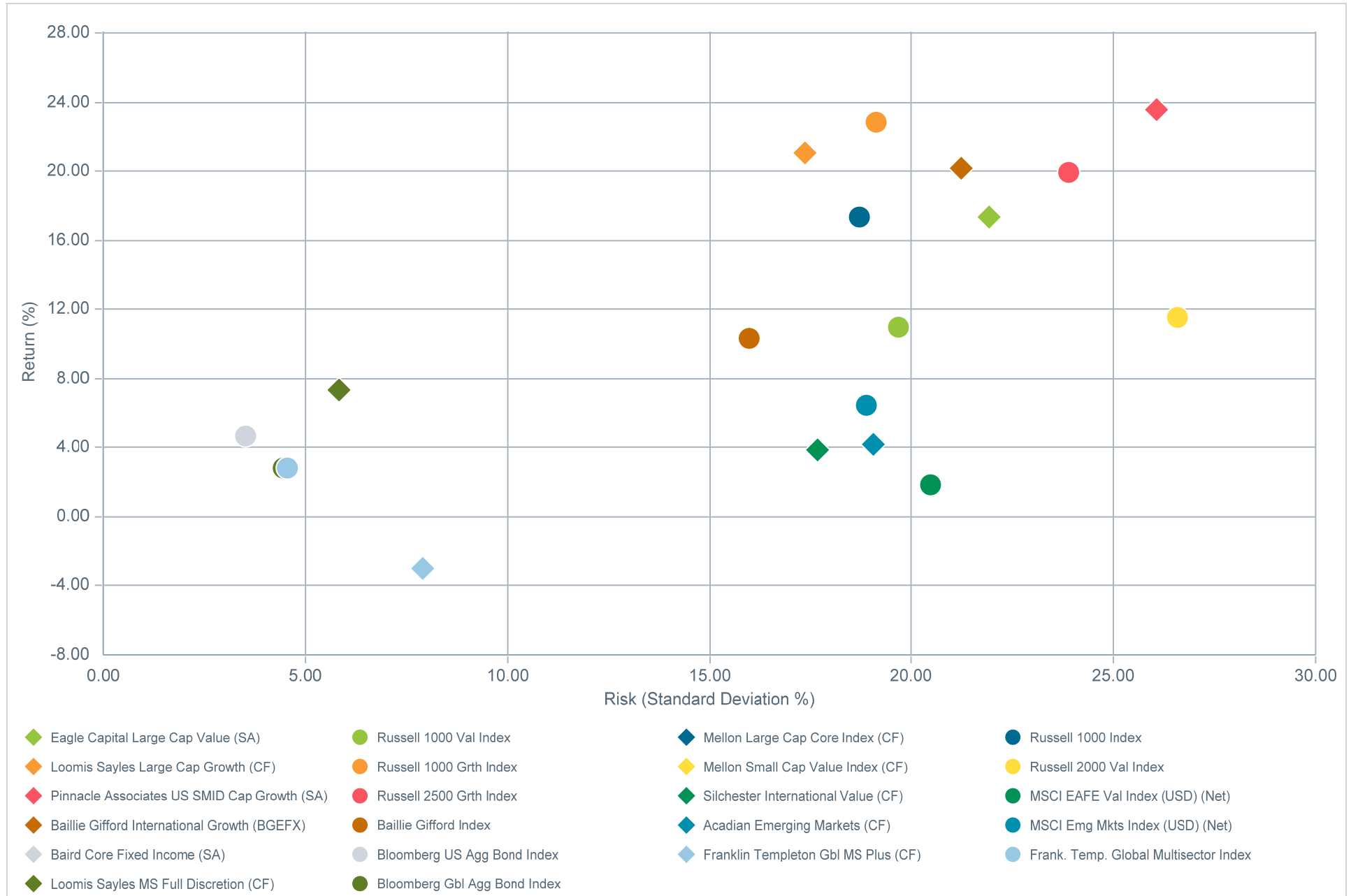
	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Diversifying Assets</b>												
<b>Harvest Fund Advisors MLP (SA)</b>	<b>42,019,872</b>	<b>1.63</b>	<b>18.37</b>	<b>18.37</b>	<b>45.20</b>	<b>73.91</b>	<b>-1.66</b>	<b>0.68</b>	<b>-4.17</b>	<b>3.15</b>	<b>3.37</b>	<b>03/01/2011</b>
S&P MLP Index (TR)			20.43	20.43	55.63	94.46	-2.32	0.45	-5.93	-0.21	-0.23	
Difference			-2.06	-2.06	-10.43	-20.55	0.66	0.23	1.76	3.36	3.60	
<b>Tortoise Capital Advisors MLP (SA)</b>	<b>36,932,195</b>	<b>1.44</b>	<b>17.31</b>	<b>17.31</b>	<b>42.82</b>	<b>59.19</b>	<b>-5.75</b>	<b>-2.16</b>	<b>-6.03</b>	<b>1.46</b>	<b>1.34</b>	<b>03/01/2011</b>
Tortoise Spliced Index			20.88	20.88	45.24	88.66	-3.30	-0.16	-6.34	-0.52	-0.53	
Difference			-3.57	-3.57	-2.42	-29.47	-2.45	-2.00	0.31	1.98	1.87	
<b>Hancock Timberland (SA)</b>	<b>29,451,268</b>	<b>1.14</b>	<b>0.00</b>	<b>0.00</b>	<b>3.84</b>	<b>10.12</b>	<b>6.80</b>	<b>7.36</b>	<b>6.61</b>	<b>6.24</b>	<b>3.85</b>	<b>10/01/2006</b>
NCREIF Timberland Index			0.76	0.76	1.34	1.46	1.71	2.51	3.69	4.55	5.13	
Difference			-0.76	-0.76	2.50	8.66	5.09	4.85	2.92	1.69	-1.28	
<b>Adams Street Private Equity (SA)</b>	<b>10,745,392</b>	<b>0.42</b>	<b>0.00</b>	<b>0.00</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>0.00</b>	<b>11/01/2020</b>
S&P 500 Index+3%			6.96	6.96	20.85	61.04	20.28	19.78	17.00	17.33	23.84	
Difference			-6.96	-6.96	N/A	N/A	N/A	N/A	N/A	N/A	-23.84	
<b>Hamilton Lane Private Credit (SA)</b>	<b>243,947</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>N/A</b>	<b>N/A</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			0.41	0.41	8.50	28.18	8.06	9.78	6.99	8.22	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>	<b>4,716,808</b>	<b>0.18</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.06</b>	<b>1.38</b>	<b>1.12</b>	<b>0.84</b>	<b>0.61</b>	<b>1.36</b>	<b>04/01/2001</b>
FTSE 3 Mo T-Bill Index			0.02	0.02	0.04	0.21	1.45	1.15	0.84	0.60	1.36	
Difference			-0.01	-0.01	-0.03	-0.15	-0.07	-0.03	0.00	0.01	0.00	

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

3 Years Ending March 31, 2021

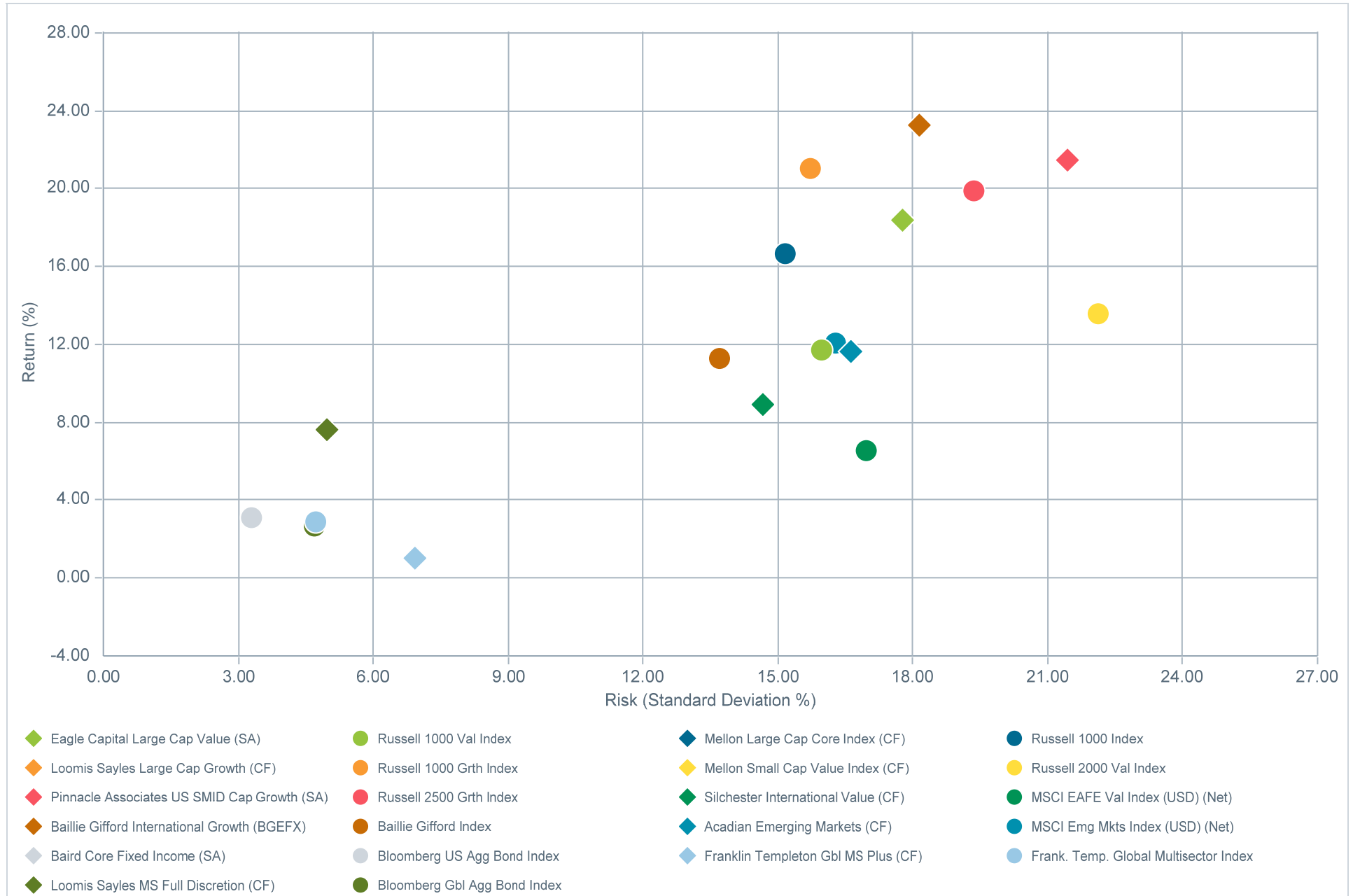


Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period will not appear. Please see the Addendum for custom index definitions.



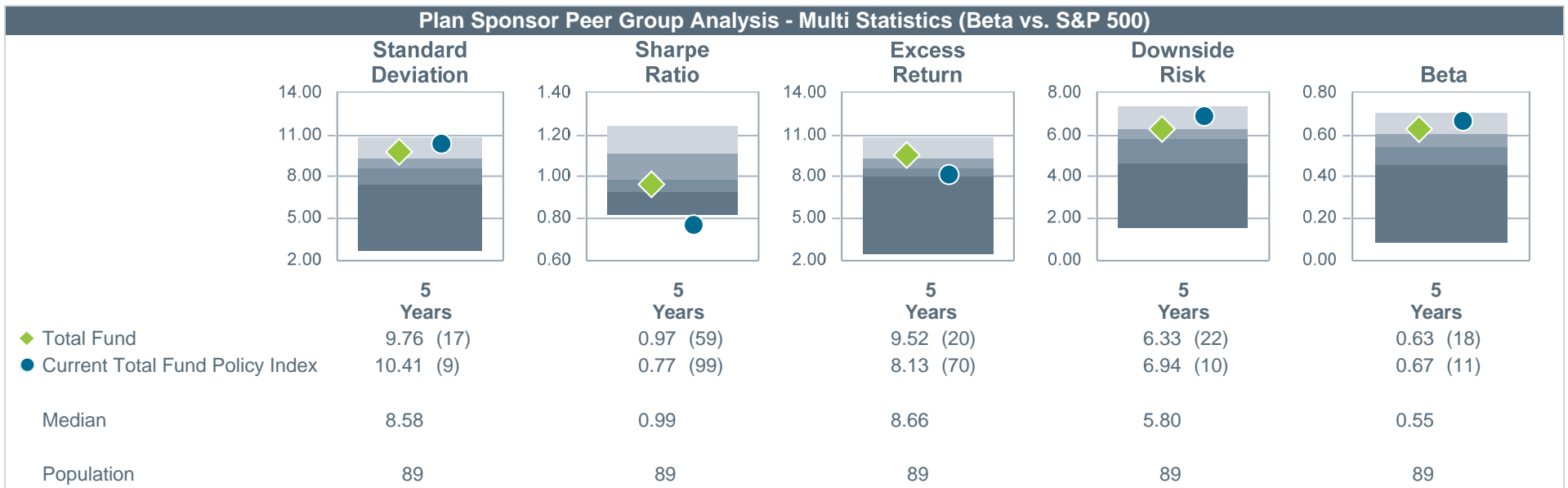
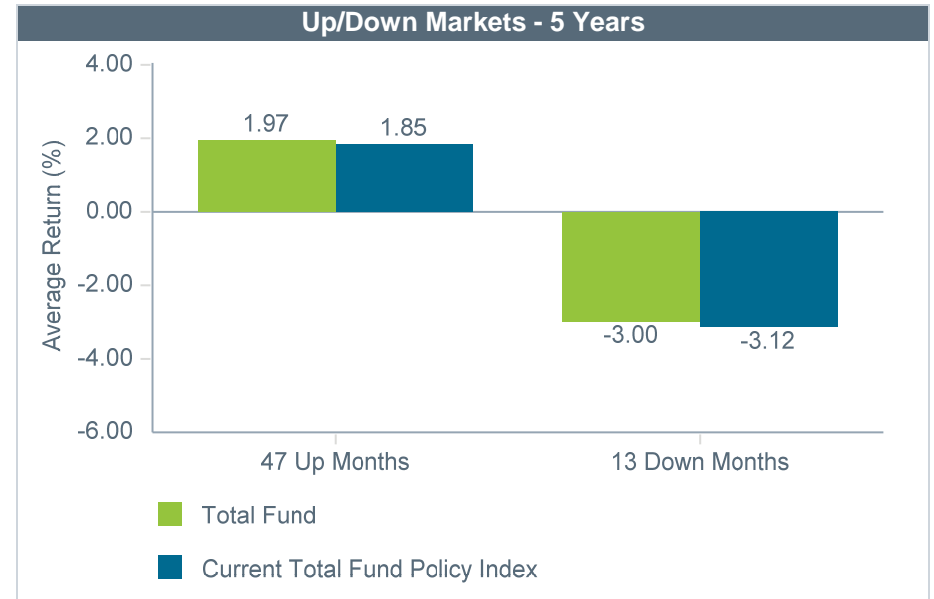
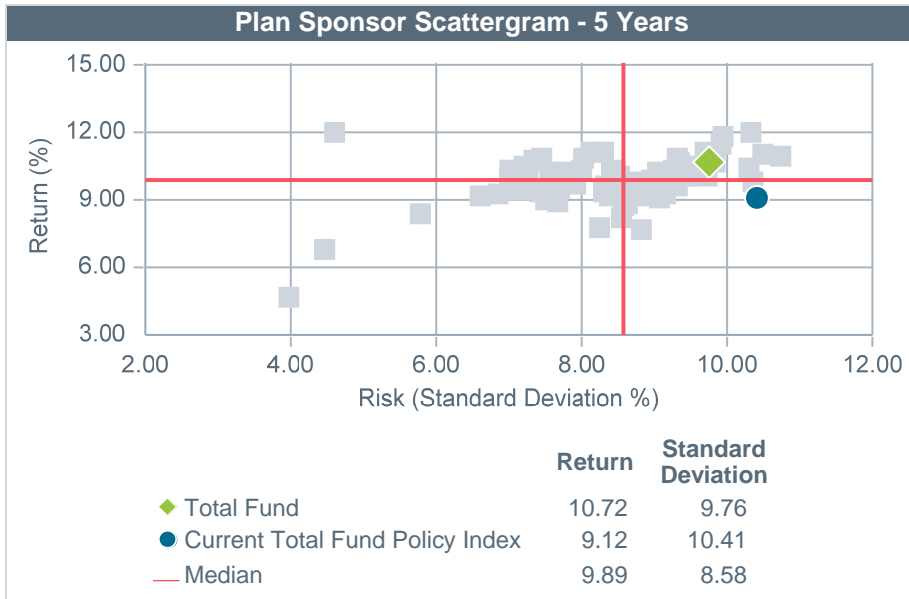
City of Jacksonville Employees' Retirement System  
 Risk and Return  
 Traditional Managers

5 Years Ending March 31, 2021



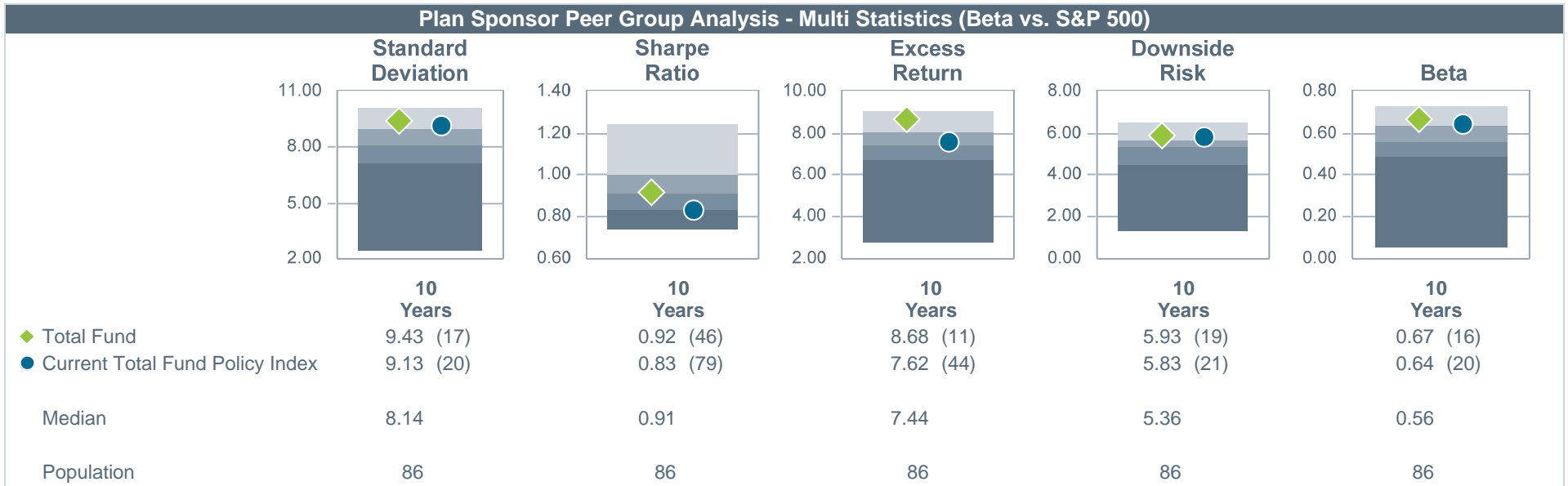
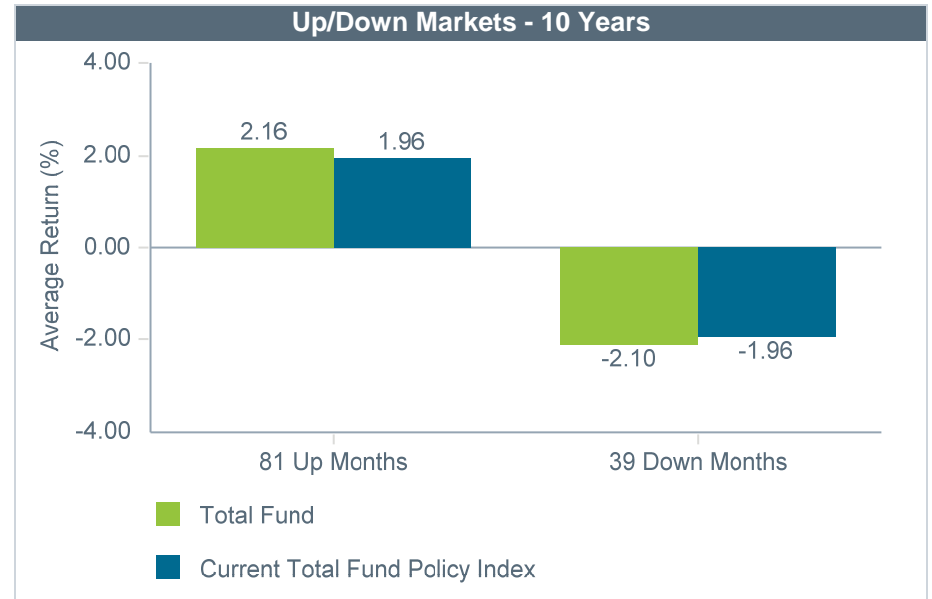
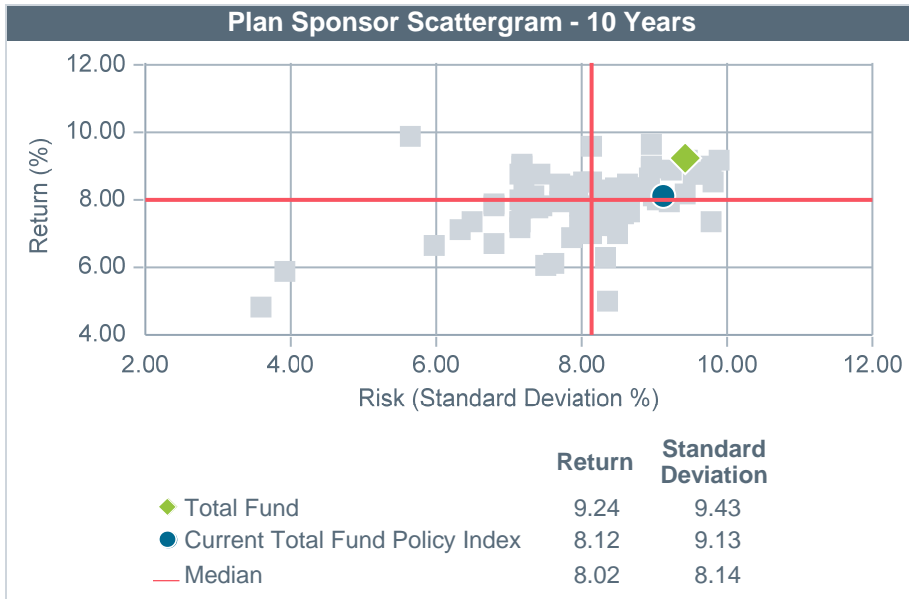
Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period will not appear. Please see the Addendum for custom index definitions.





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





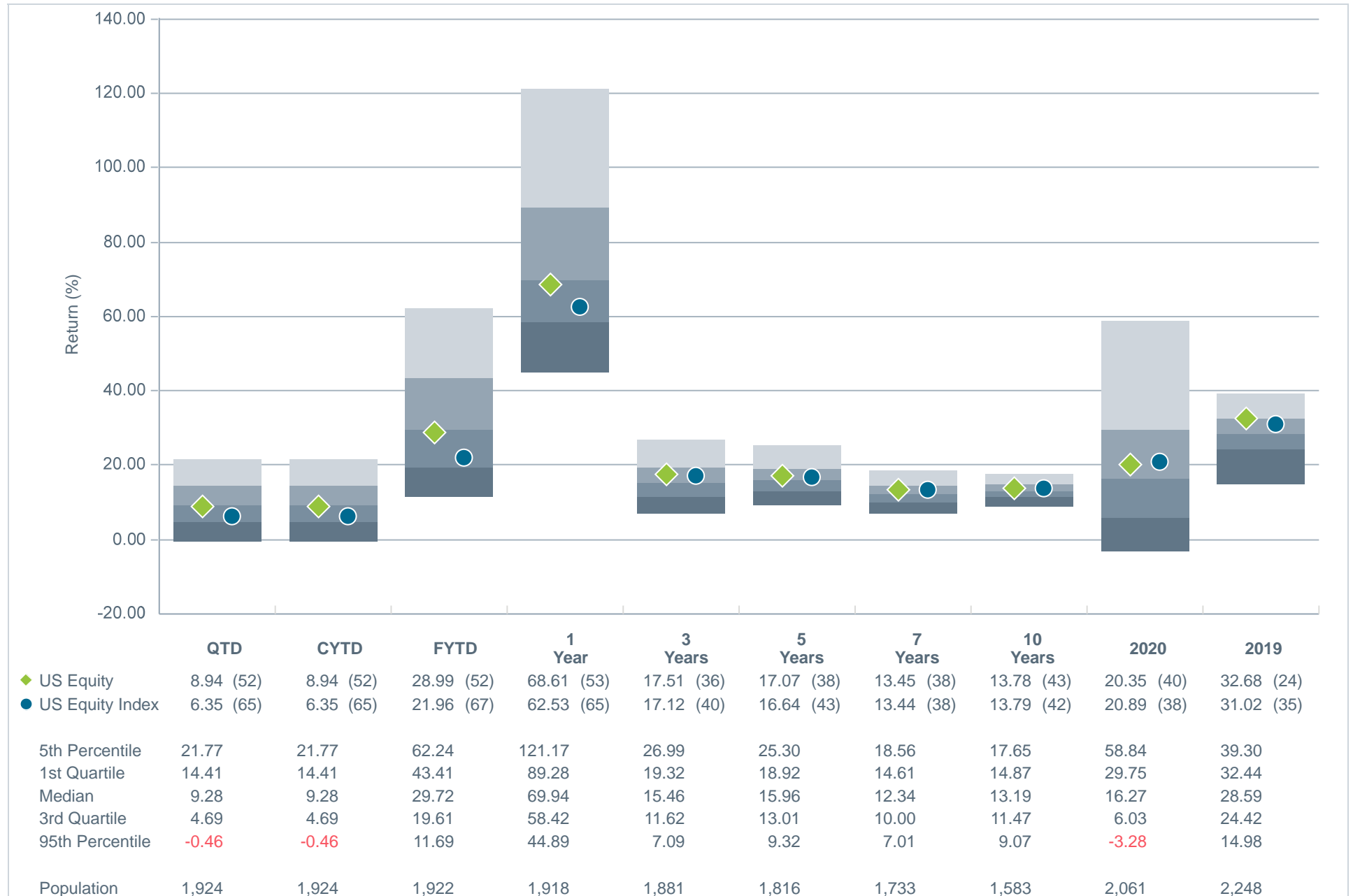
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

# Composite Profiles

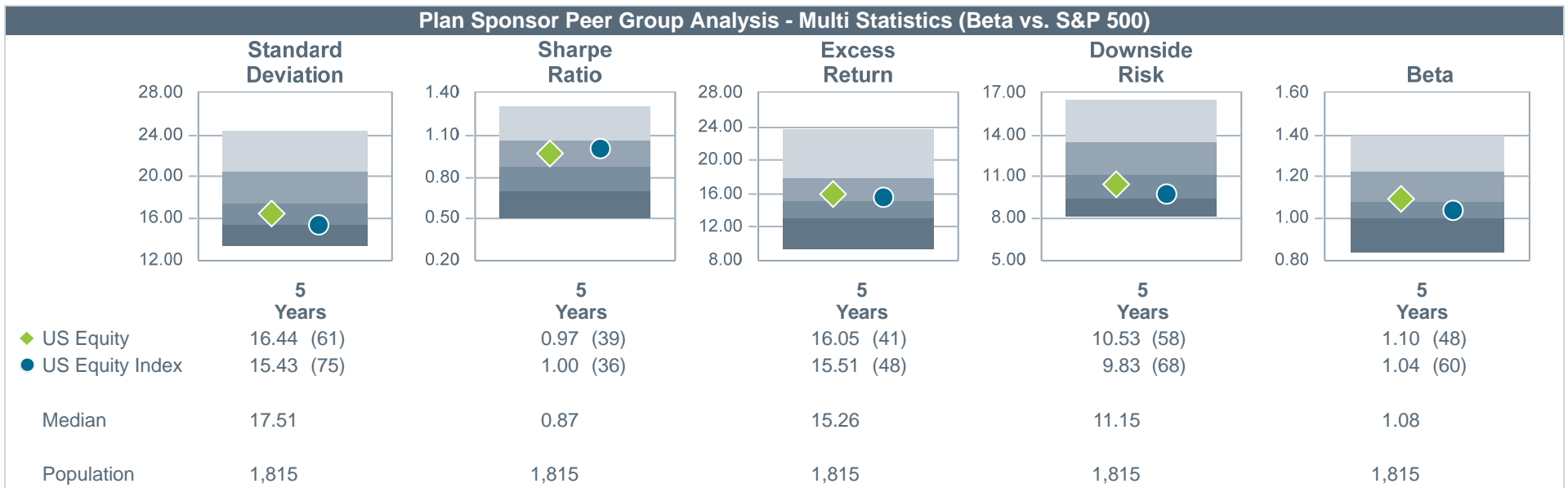
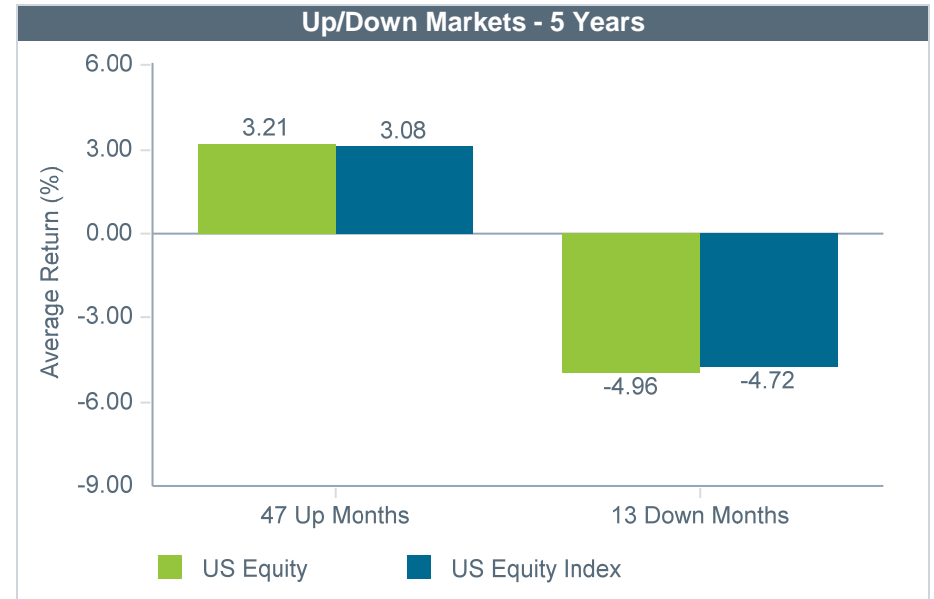
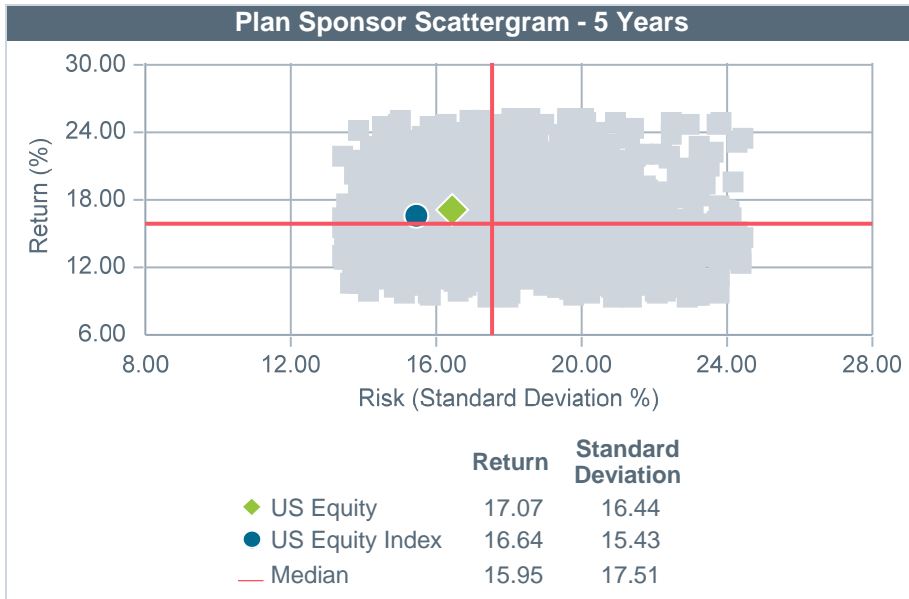


City of Jacksonville Employees' Retirement System  
 US Equity vs. IM U.S. Equity (SA+CF)  
 Peer Group Analysis

As of March 31, 2021



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



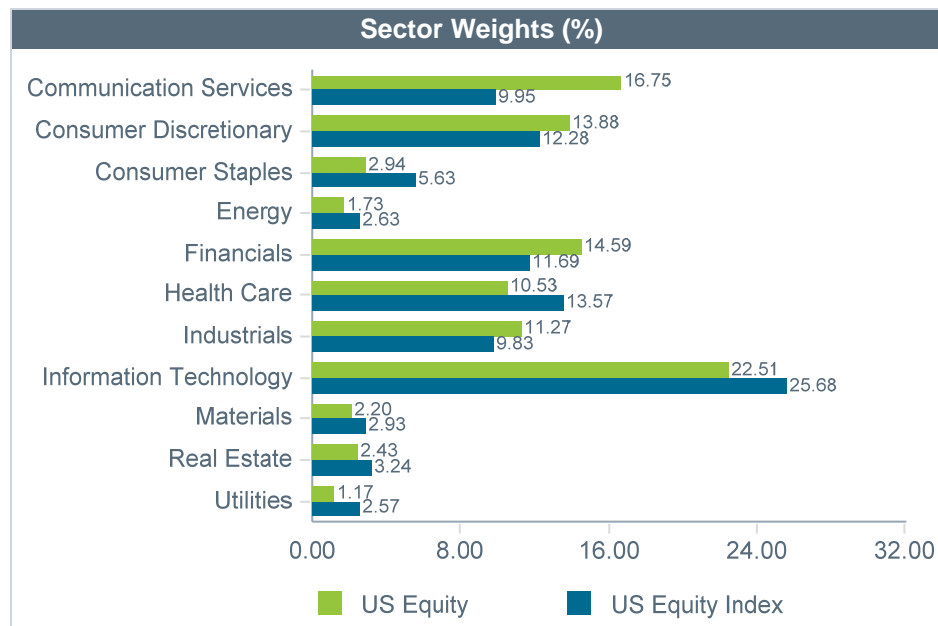
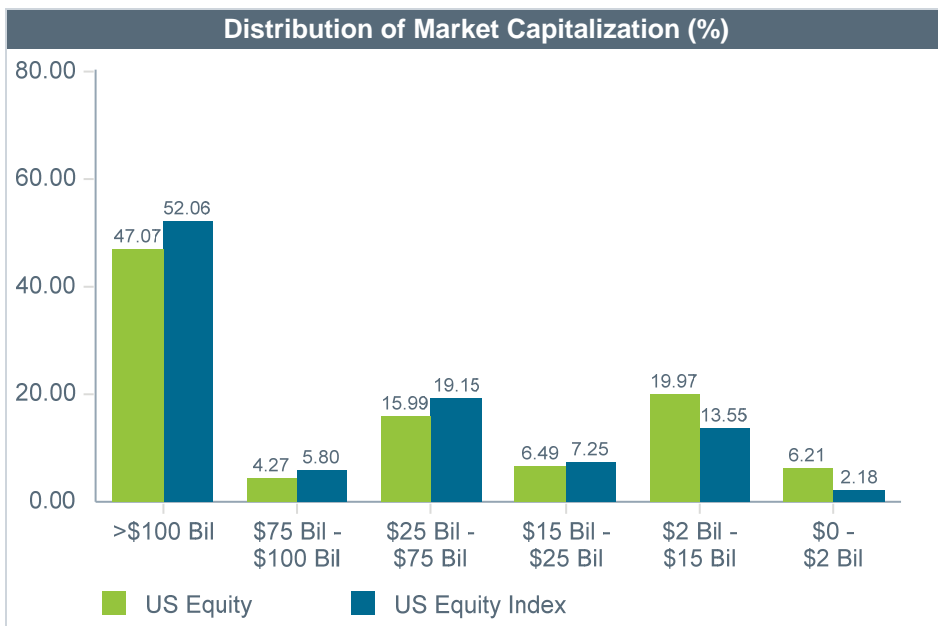
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

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

As of March 31, 2021

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	3.86	4.38	-0.52	6.25
Amazon.com Inc	3.52	3.25	0.27	-5.00
Facebook Inc	3.28	1.75	1.53	7.82
Alphabet Inc	2.86	1.49	1.37	18.08
Comcast Corp	1.90	0.61	1.29	3.74
Walt Disney Co (The)	1.70	0.83	0.87	1.84
Wells Fargo & Co	1.45	0.37	1.08	29.85
Apple Inc	1.44	4.80	-3.36	-7.81
Goldman Sachs	1.43	0.27	1.16	24.47
General Electric Co	1.37	0.28	1.09	21.66
% of Portfolio	22.81	18.03	4.78	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	317,541	385,239
Median Mkt. Cap (\$M)	2,770	2,265
Price/Earnings Ratio	27.56	29.31
Price/Book Ratio	3.94	4.30
5 Yr. EPS Growth Rate (%)	21.80	17.01
Current Yield (%)	0.94	1.37
Beta (5 Years, Monthly)	1.06	1.00
Number of Securities	2,561	3,079



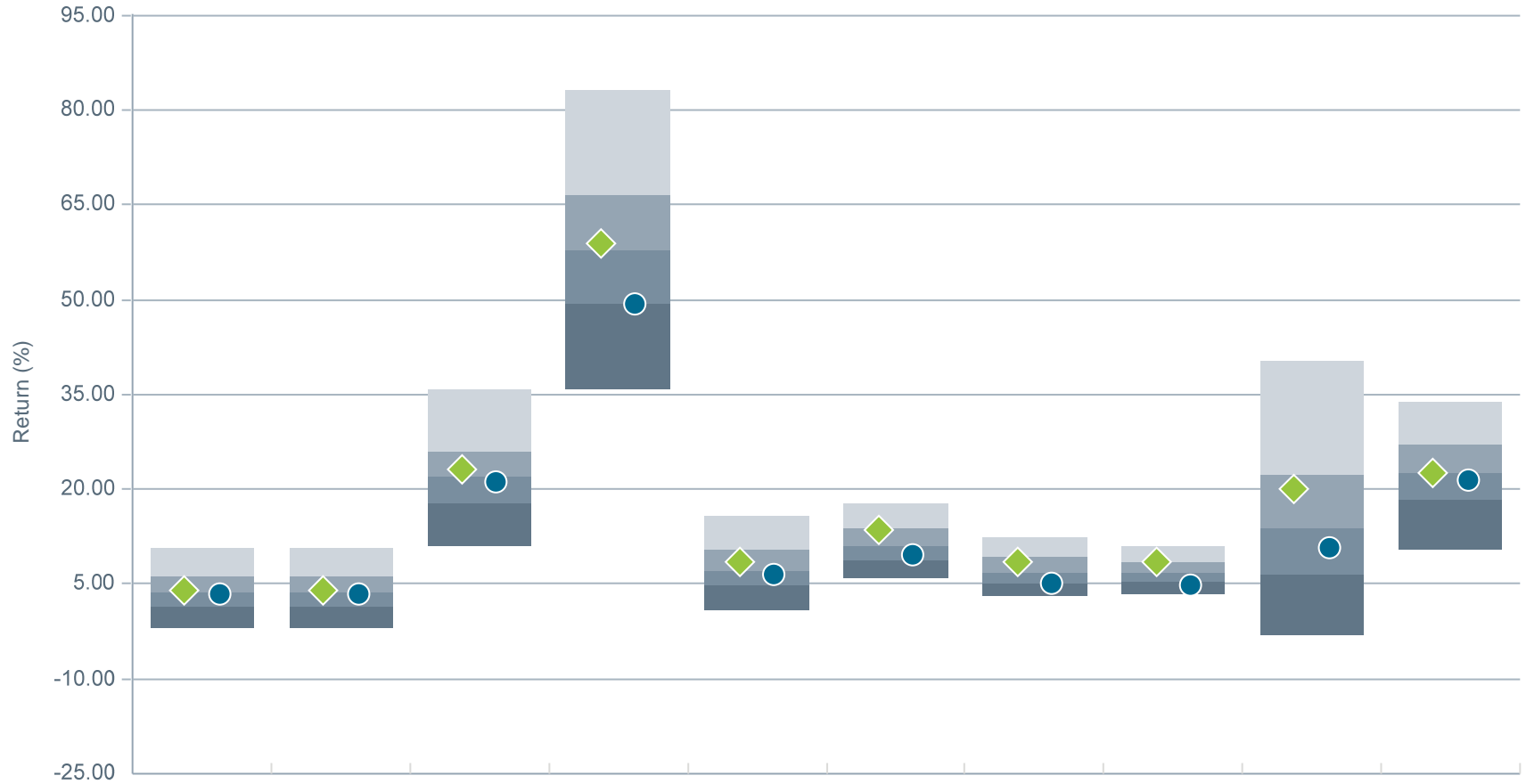
Style Map with History (12 Months)



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

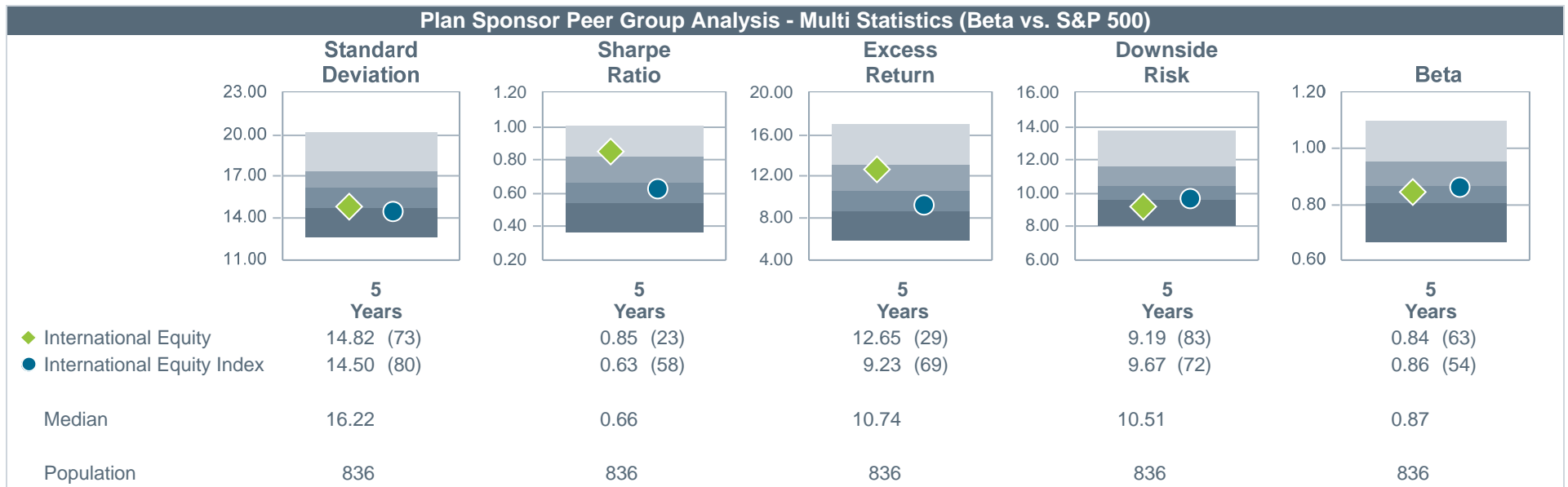
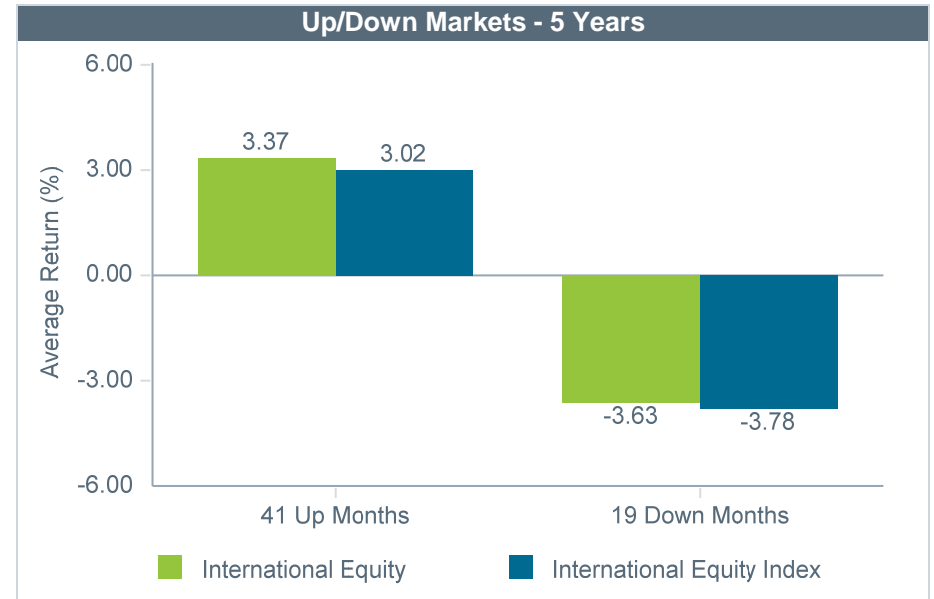
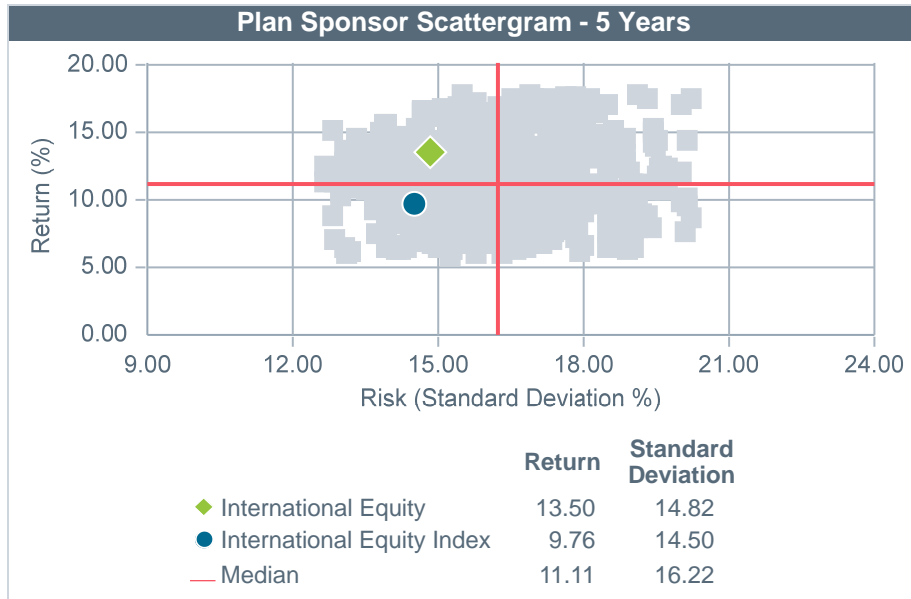
As of March 31, 2021



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019
◆ International Equity	4.03 (48)	4.03 (48)	23.06 (43)	59.06 (46)	8.44 (38)	13.50 (28)	8.48 (31)	8.59 (25)	20.20 (31)	22.73 (50)
● International Equity Index	3.49 (55)	3.49 (55)	21.10 (57)	49.41 (75)	6.51 (57)	9.76 (67)	5.26 (75)	4.93 (83)	10.65 (61)	21.51 (59)
5th Percentile	10.76	10.76	35.79	83.17	15.96	17.79	12.50	11.06	40.36	33.83
1st Quartile	6.32	6.32	26.00	66.57	10.49	13.78	9.25	8.54	22.45	27.18
Median	3.77	3.77	21.96	57.77	7.04	11.11	6.92	6.88	13.97	22.58
3rd Quartile	1.47	1.47	17.76	49.27	4.74	8.84	5.26	5.56	6.57	18.47
95th Percentile	-1.79	-1.79	10.97	35.73	0.90	5.89	3.18	3.55	-3.08	10.39
Population	920	920	919	915	876	836	750	615	1,005	1,102

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.

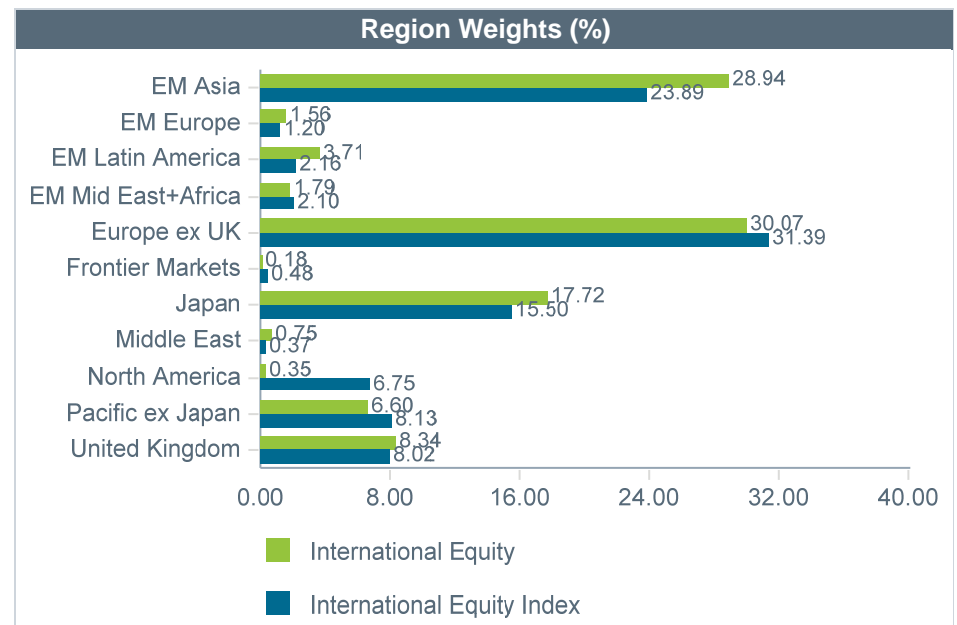
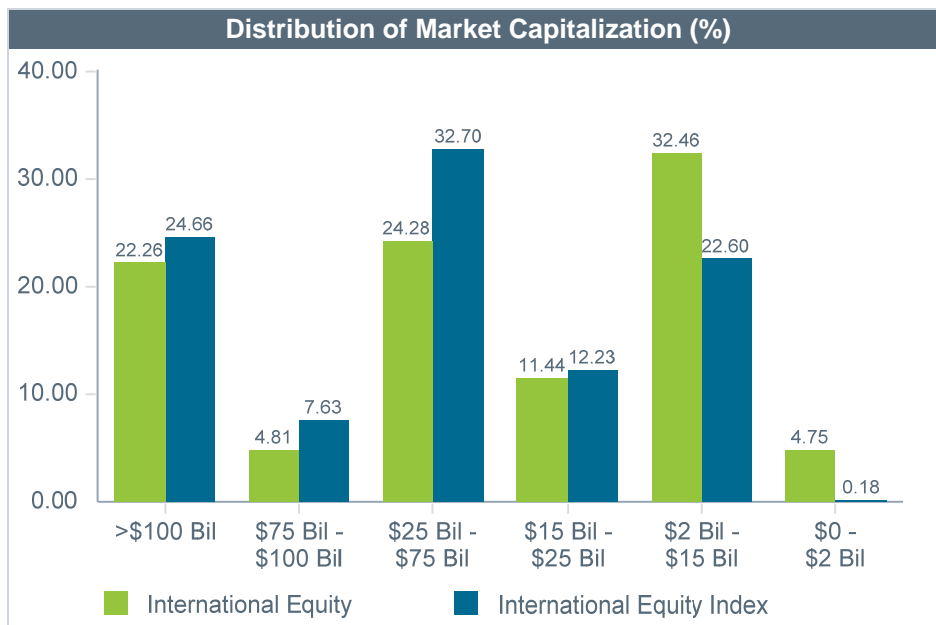


City of Jacksonville Employees' Retirement System  
International Equity vs. International Equity Index  
Portfolio Characteristics

As of March 31, 2021

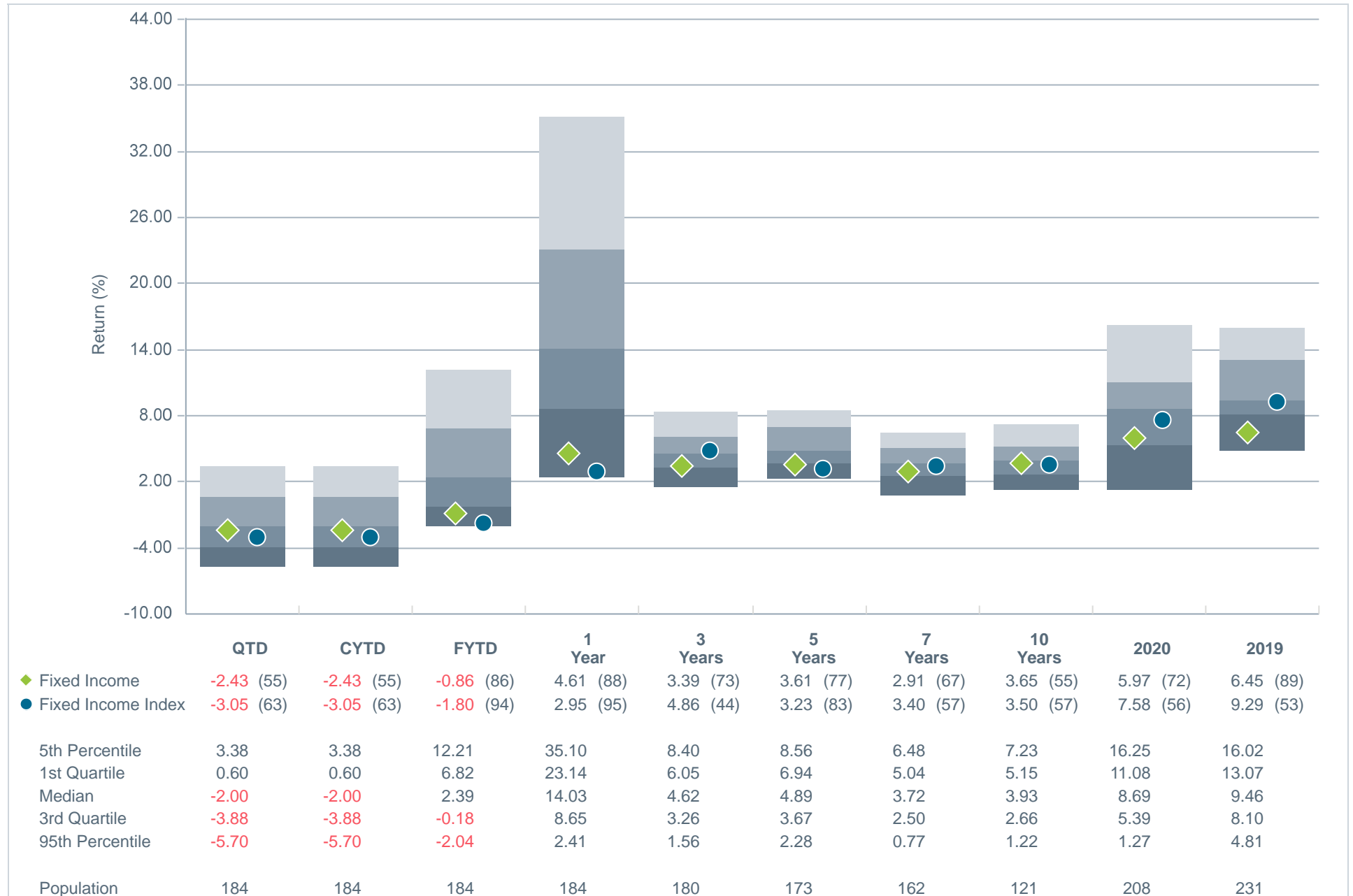
Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Tencent Holdings LTD	3.51	1.73	1.78	7.85
ASML Holding NV	3.08	0.99	2.09	24.78
MercadoLibre Inc	1.87	0.00	1.87	-12.12
Meituan	1.83	0.53	1.30	0.94
Ferrari NV	1.53	0.10	1.43	-9.29
Sanofi	1.47	0.43	1.04	2.72
Alibaba Group Holding Ltd	1.46	1.65	-0.19	-5.68
Honda Motor Co Ltd	1.45	0.19	1.26	8.48
Samsung Electronics Co Ltd	1.44	1.32	0.12	-2.60
Kering	1.43	0.20	1.23	-4.55
% of Portfolio	19.07	7.14	11.93	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	101,607	99,939
Median Mkt. Cap (\$M)	2,930	9,646
Price/Earnings Ratio	17.81	21.14
Price/Book Ratio	3.18	2.67
5 Yr. EPS Growth Rate (%)	8.13	6.23
Current Yield (%)	2.27	2.26
Beta (5 Years, Monthly)	1.00	1.00
Number of Securities	641	2,353



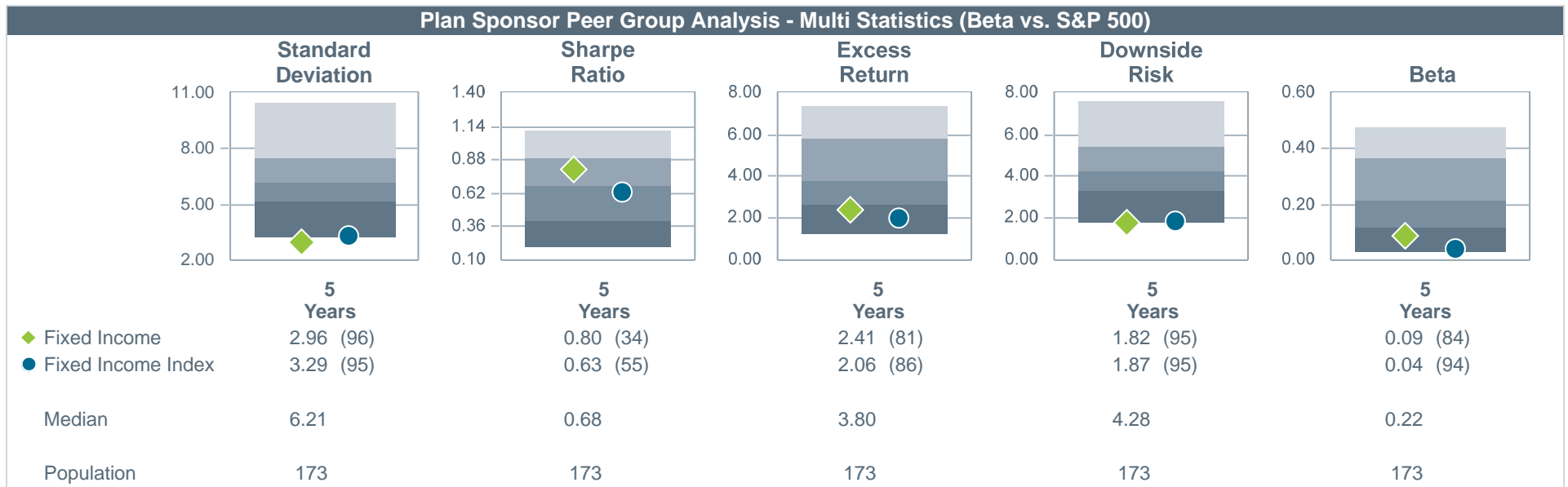
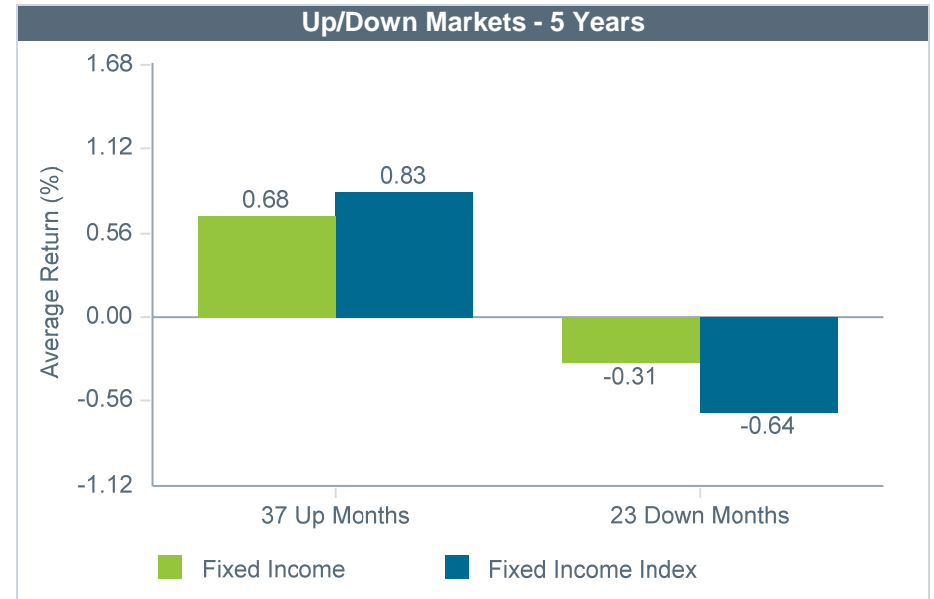
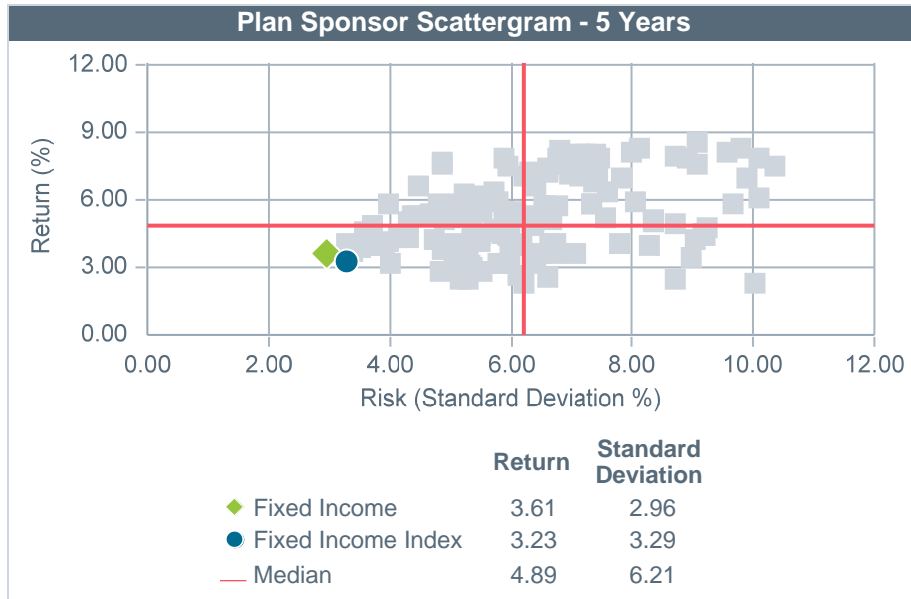
City of Jacksonville Employees' Retirement System  
 Fixed Income vs. IM Global Fixed Income (SA+CF)  
 Peer Group Analysis

As of March 31, 2021



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



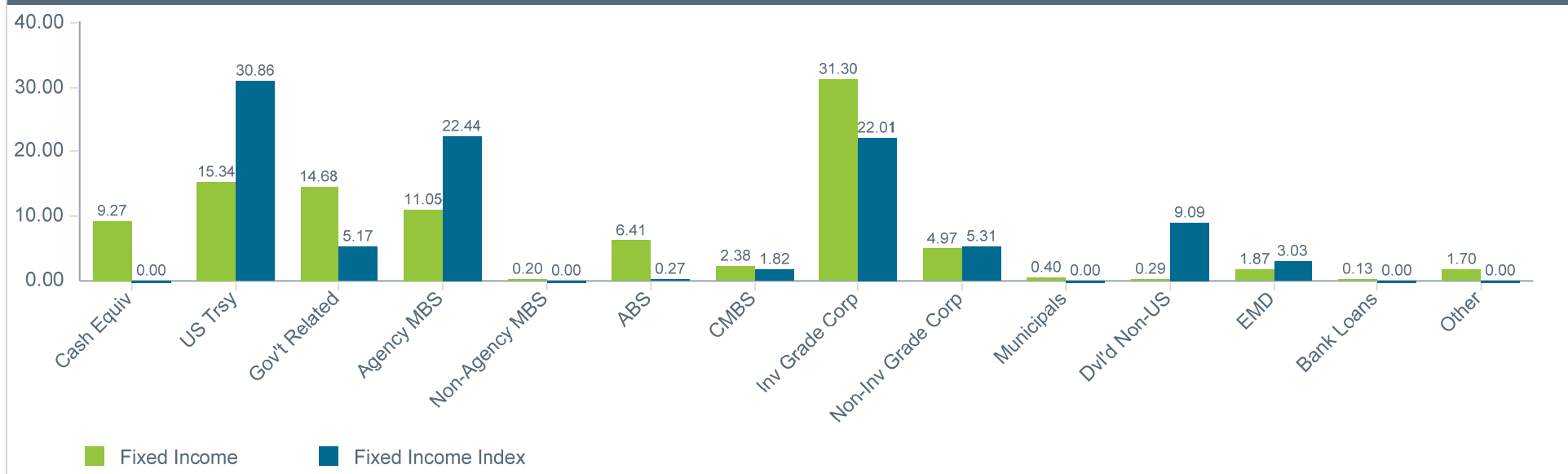


Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	5.28	6.20
Avg. Maturity	6.93	8.28
Avg. Quality	A2	N/A
Yield To Maturity (%)	2.75	1.99
Coupon Rate (%)	3.40	2.98
Current Yield (%)	2.66	N/A

Sector Distribution (%)

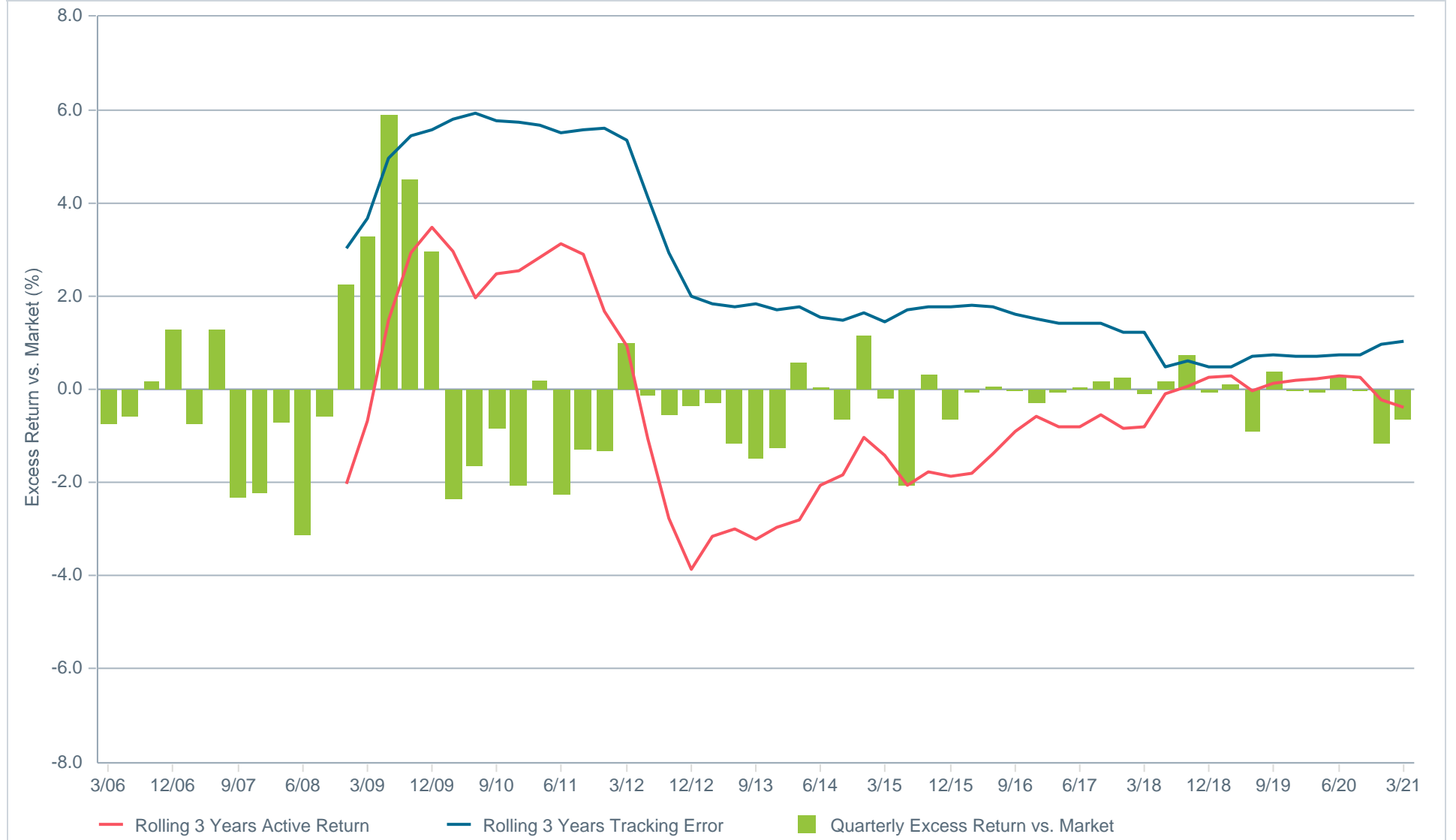


Cash equivalents are defined as any security with duration under one year. Allocation to "Other" consists of derivatives, preferred equity, and convertibles.

City of Jacksonville Employees' Retirement System  
 Real Estate vs. NCREIF ODCE Index (AWA) (Gross)  
 Comparative Performance & Rolling Return

As of March 31, 2021

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	Since Incep.	Inception Date
Real Estate	1.45	1.45	1.61	0.83	4.46	5.94	7.75	8.42	0.31	4.85	9.11	6.00	12/01/2005
NCREIF ODCE Index (AWA) (Gross)	2.09	2.09	3.42	2.30	4.88	6.19	8.25	9.67	1.19	5.34	8.35	6.77	
Difference	-0.64	-0.64	-1.81	-1.47	-0.42	-0.25	-0.50	-1.25	-0.88	-0.49	0.76	-0.77	



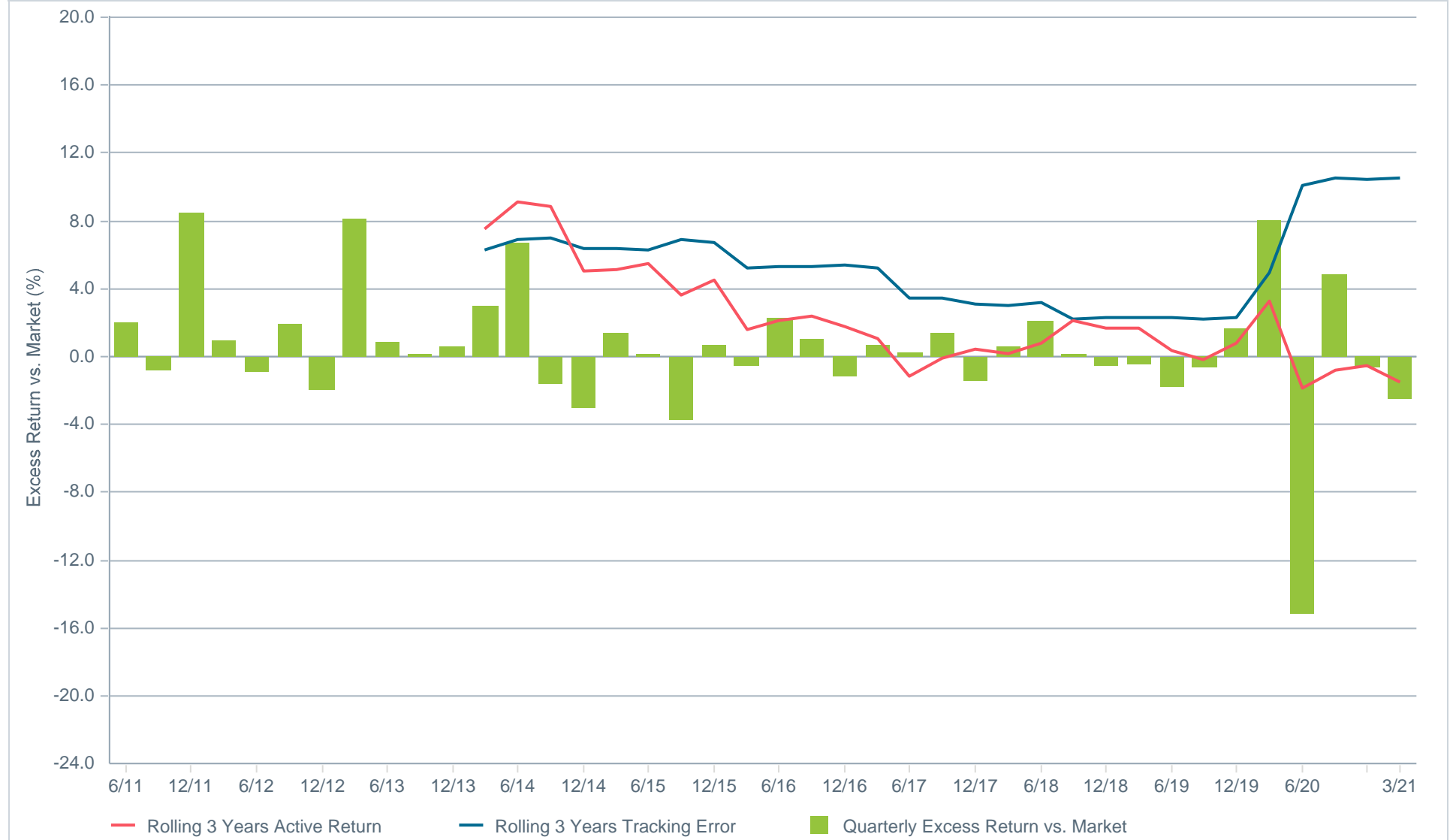
Performance shown is gross of fees. Calculation is based on quarterly periodicity.



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

As of March 31, 2021

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	Since Incep.	Inception Date
Diversifying Assets	11.56	11.56	26.25	39.11	1.13	2.86	-0.21	5.07	-14.35	6.21	-4.42	5.09	03/01/2011
Diversifying Assets Index	14.03	14.03	29.75	53.46	0.08	1.49	-0.99	2.39	-18.40	7.29	-6.47	2.40	
Difference	-2.47	-2.47	-3.50	-14.35	1.05	1.37	0.78	2.68	4.05	-1.08	2.05	2.69	

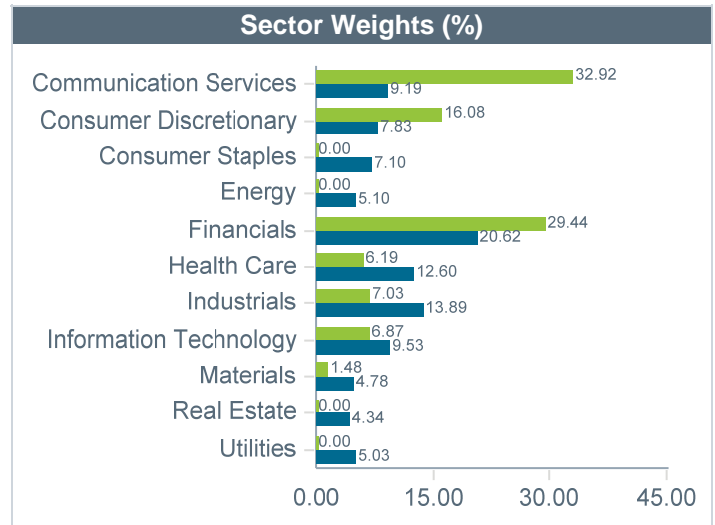
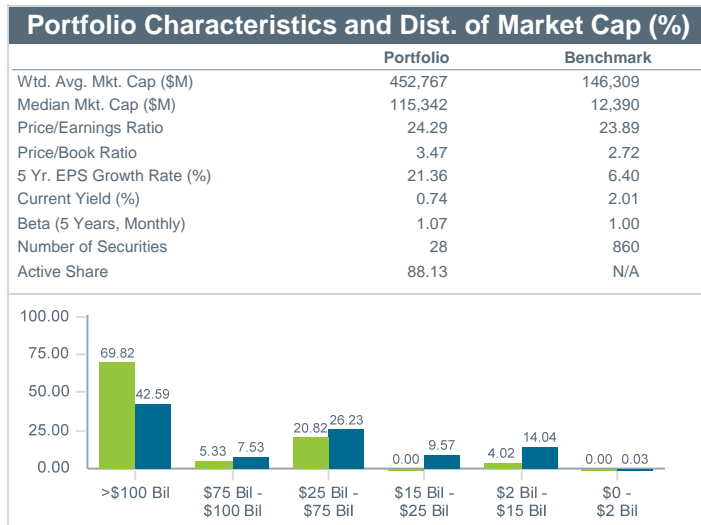
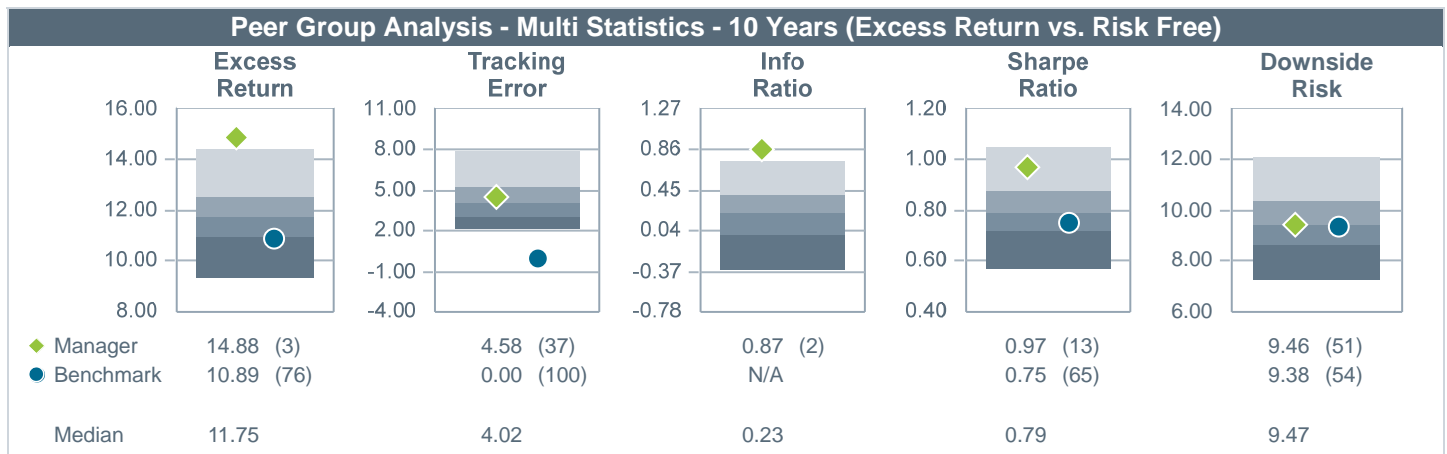
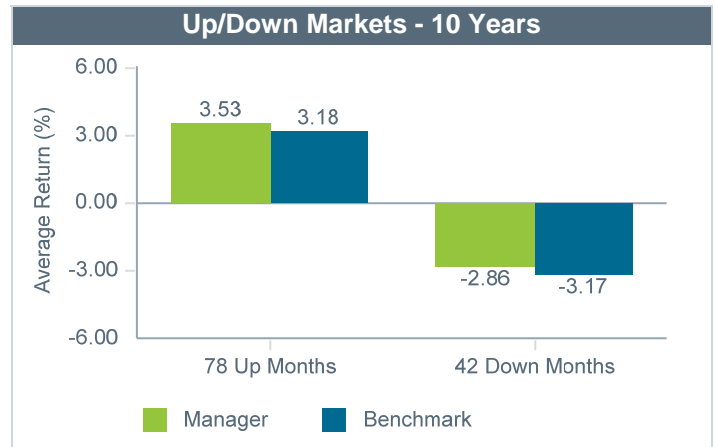
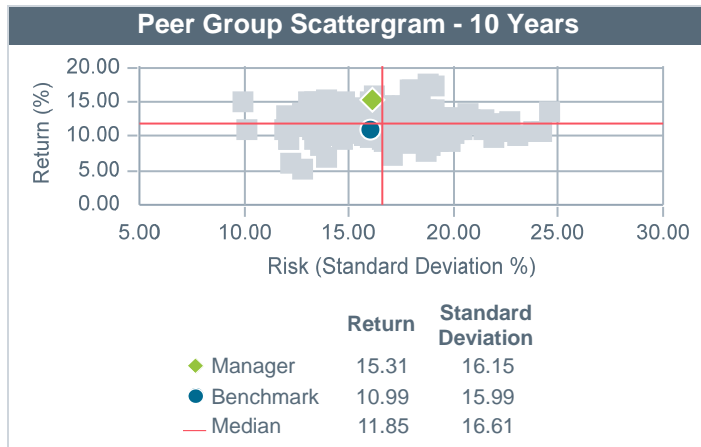


Performance shown is gross of fees. Calculation is based on quarterly periodicity.

# Investment Manager Profiles



Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	11.10	68.92	17.34	18.42	14.37	15.31	15.54	31.94	-3.90	24.19	11.46
Benchmark	11.26	56.09	10.96	11.74	9.40	10.99	2.80	26.54	-8.27	13.66	17.34
Difference	-0.16	12.83	6.38	6.68	4.97	4.32	12.74	5.40	4.37	10.53	-5.88
Peer Group Median	11.56	61.36	11.94	13.04	10.42	11.85	5.31	27.32	-8.27	17.27	14.56
Rank	59	28	12	6	6	3	14	14	17	7	73
Population	262	262	259	256	249	225	280	312	332	351	380

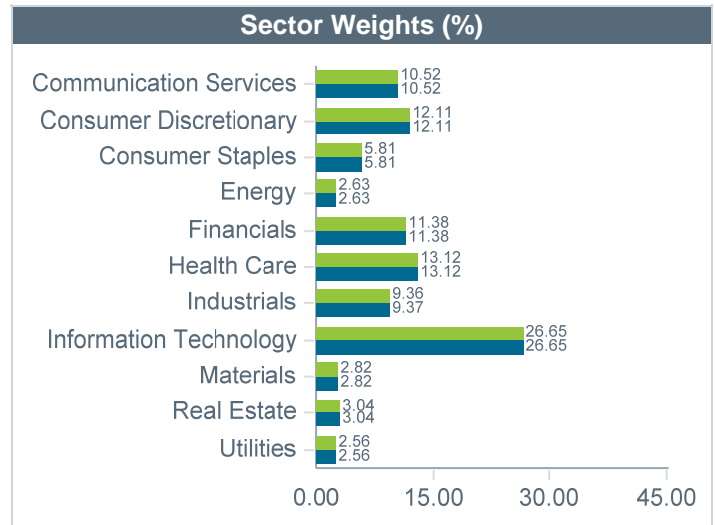
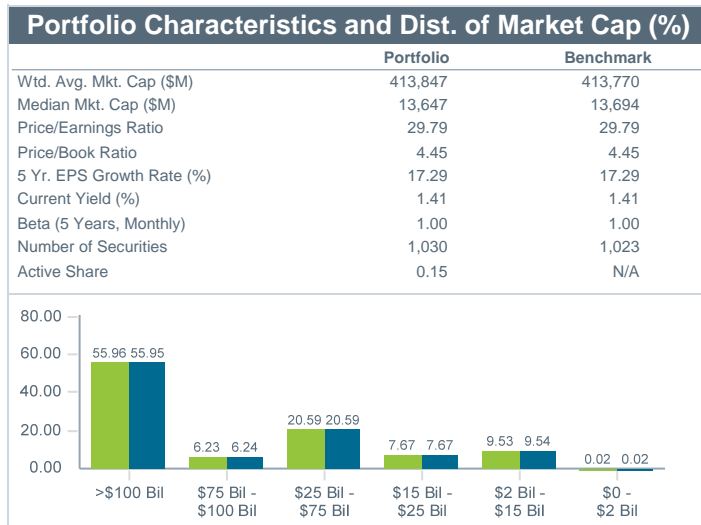
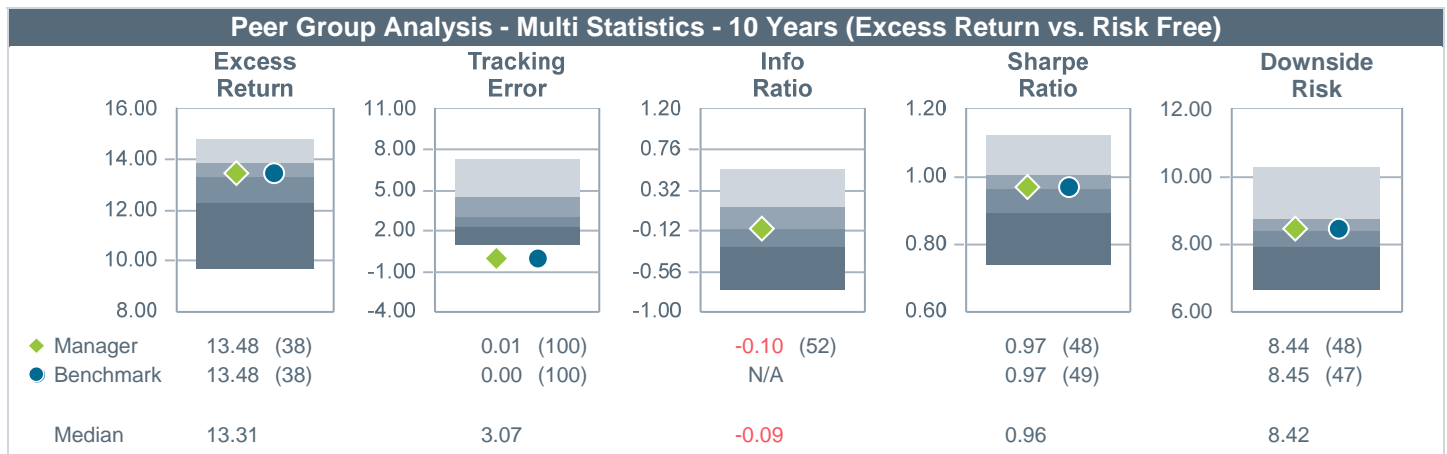
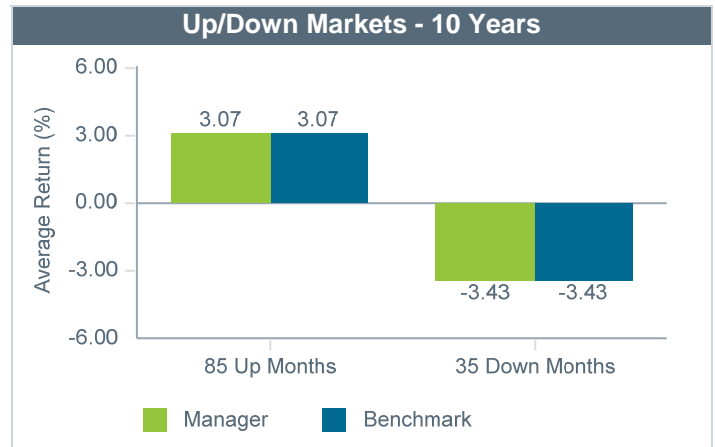
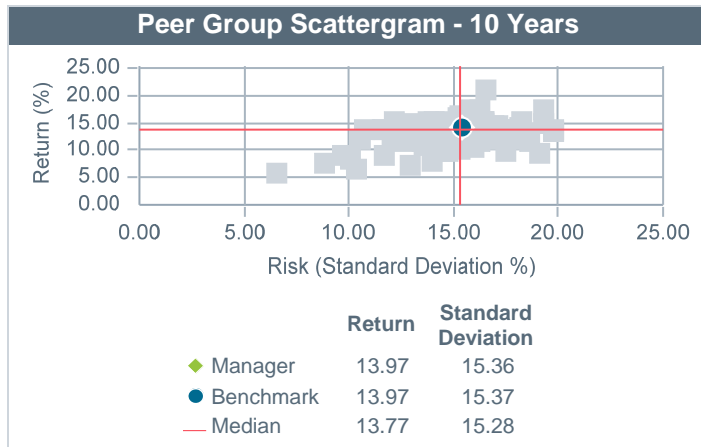


Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



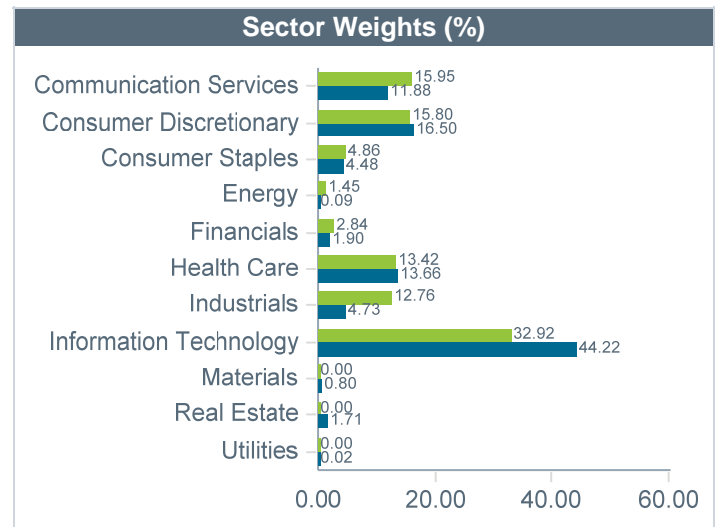
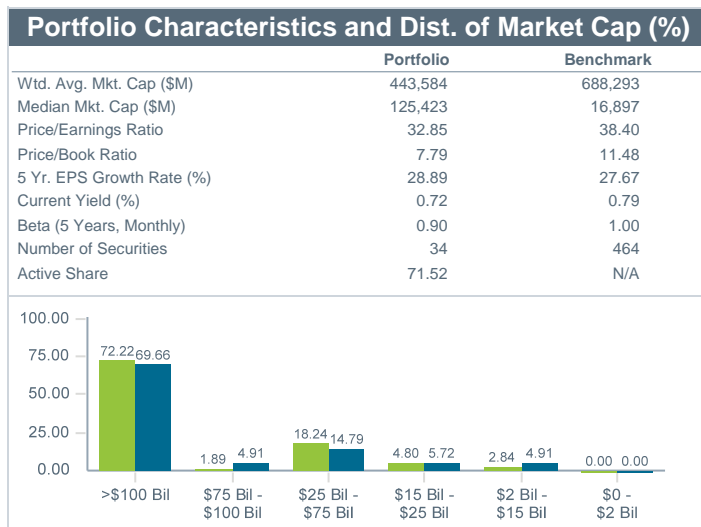
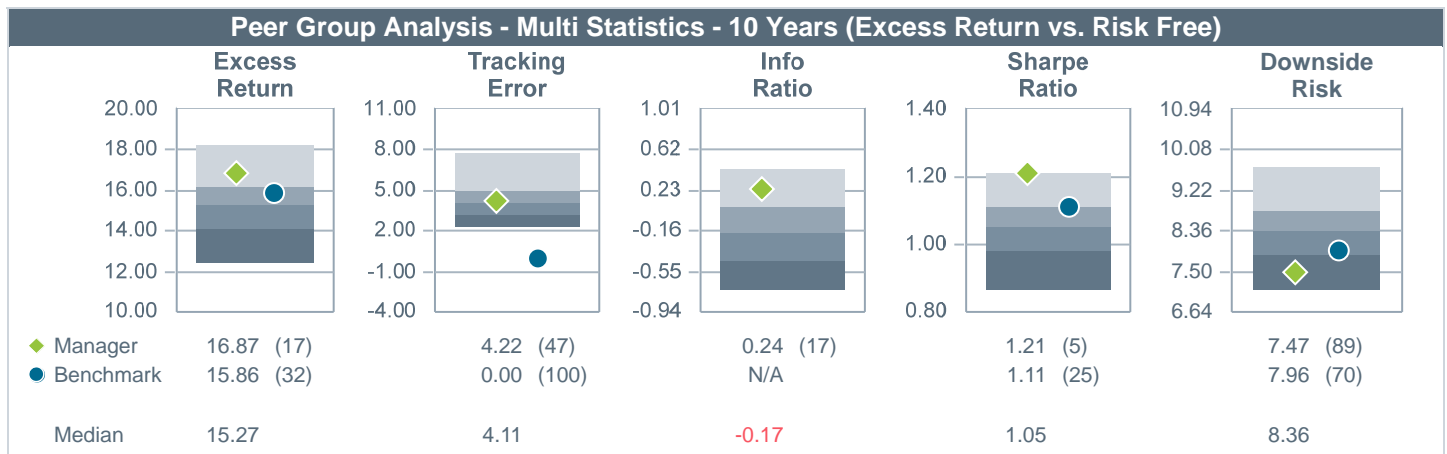
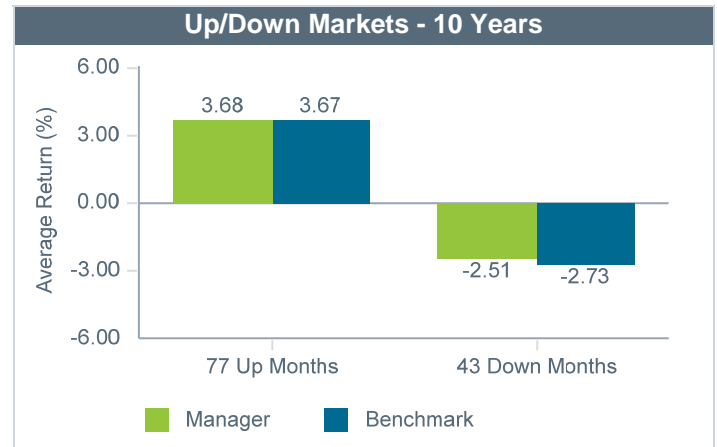
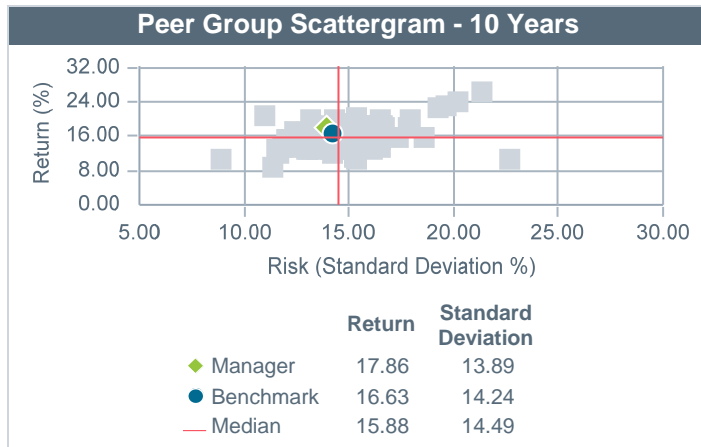


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	5.91	60.52	17.29	16.65	13.64	13.97	20.91	31.42	-4.77	21.68	12.04
Benchmark	5.91	60.59	17.31	16.66	13.64	13.97	20.96	31.43	-4.78	21.69	12.05
Difference	0.00	-0.07	-0.02	-0.01	0.00	0.00	-0.05	-0.01	0.01	-0.01	-0.01
Peer Group Median	6.74	57.18	16.15	16.14	13.25	13.77	17.19	30.06	-5.17	21.85	10.63
Rank	67	35	31	37	38	38	29	36	43	54	32
Population	205	205	201	198	189	171	216	247	275	298	318



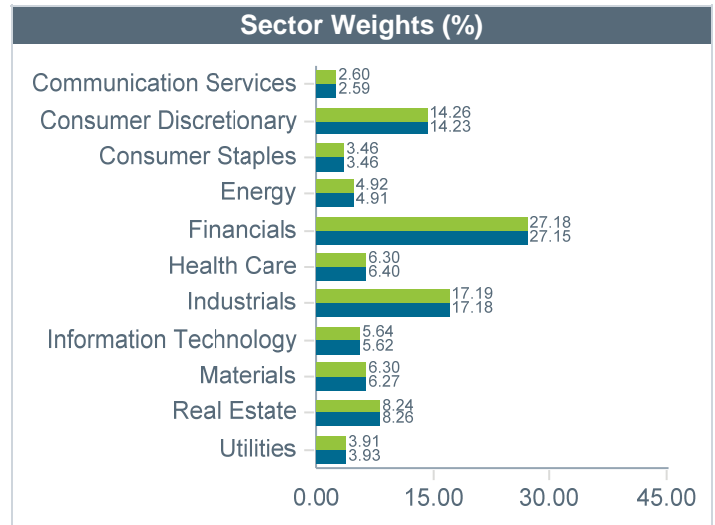
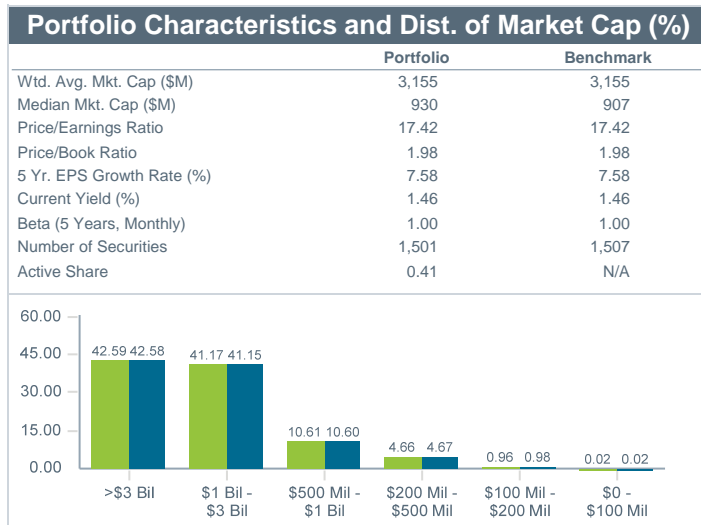
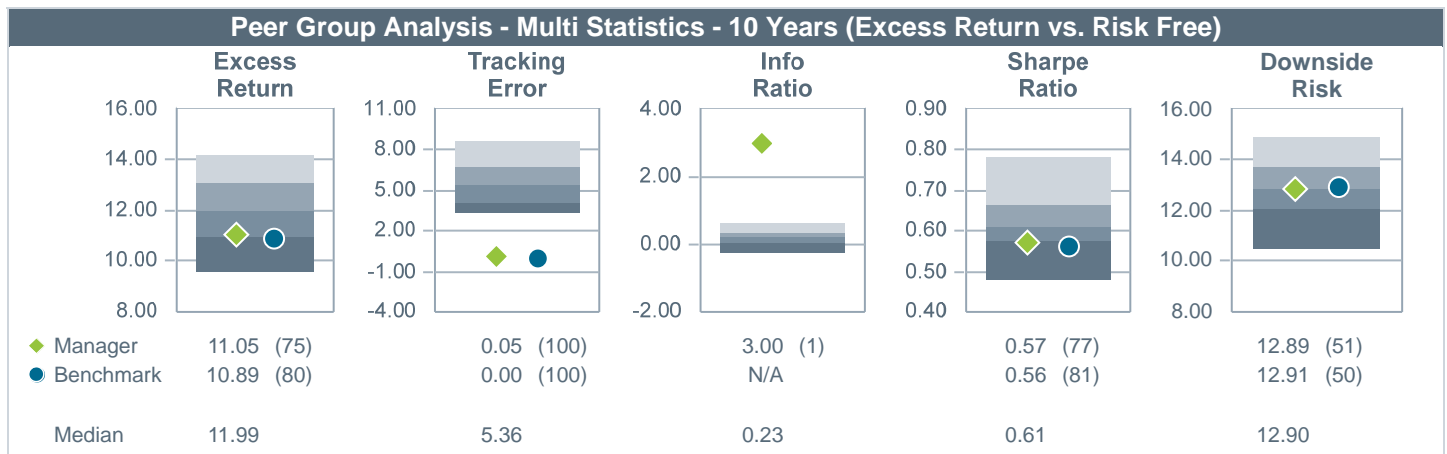
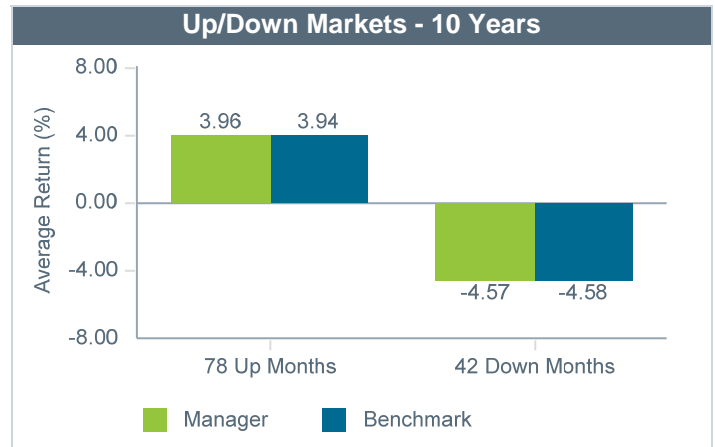
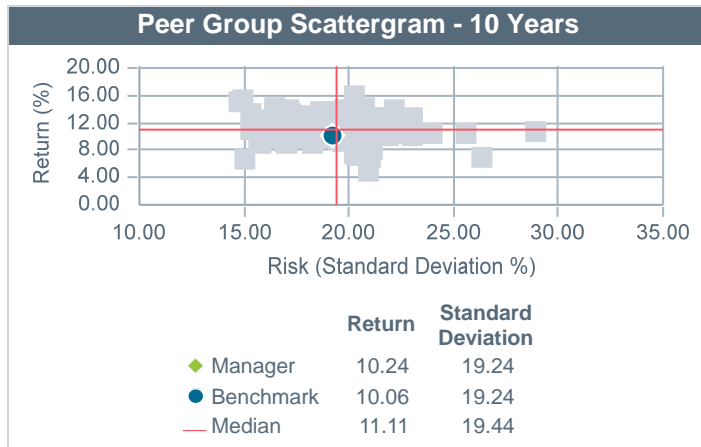
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
<b>Manager</b>	<b>3.18</b>	<b>54.53</b>	<b>21.07</b>	<b>20.76</b>	<b>17.88</b>	<b>17.86</b>	<b>32.95</b>	<b>32.71</b>	<b>-1.72</b>	<b>34.03</b>	<b>6.54</b>
Benchmark	0.94	62.74	22.80	21.05	17.50	16.63	38.49	36.39	-1.51	30.21	7.08
Difference	2.24	-8.21	-1.73	-0.29	0.38	1.23	-5.54	-3.68	-0.21	3.82	-0.54
Peer Group Median	2.29	60.35	21.49	20.11	16.51	15.88	34.70	33.81	-0.93	28.16	4.70
Rank	34	77	54	43	26	14	60	61	57	16	34
Population	225	225	224	214	208	196	238	254	279	290	309



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

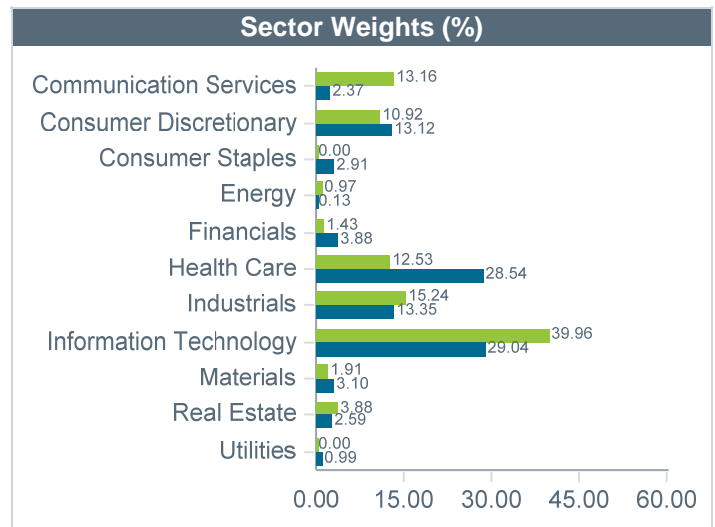
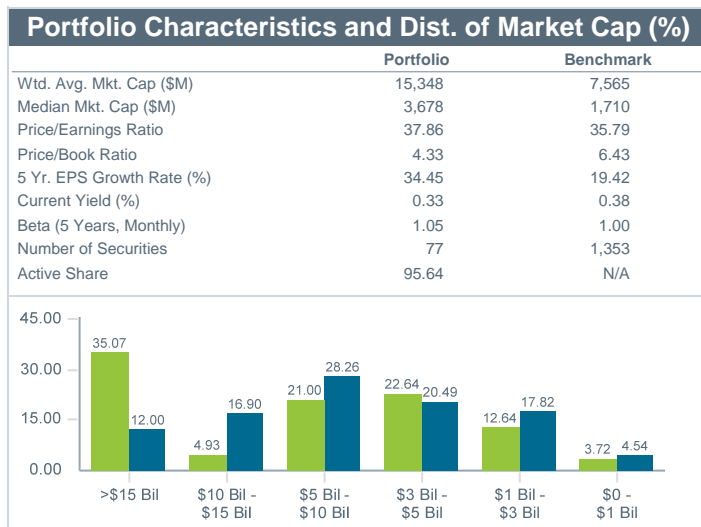
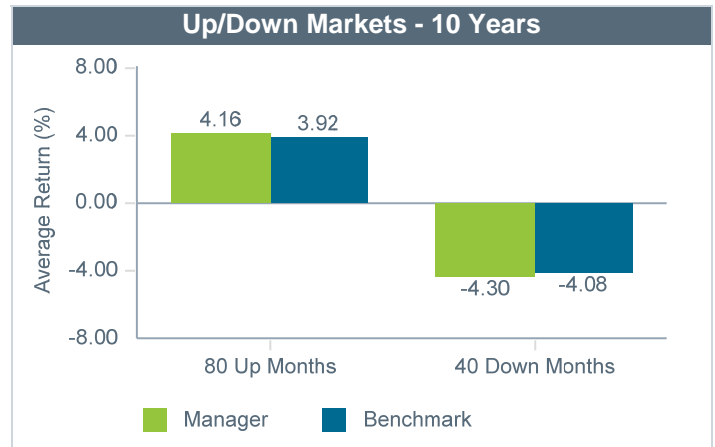
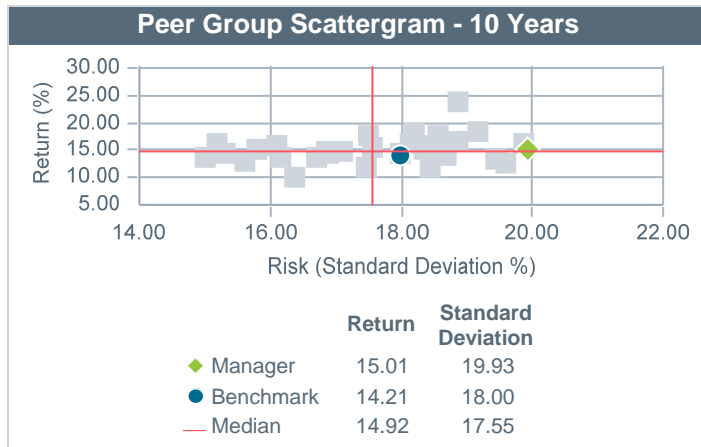
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	21.20	97.42	11.79	13.76	9.13	10.24	4.90	22.62	-12.72	7.97	31.92
Benchmark	21.17	97.05	11.57	13.56	8.93	10.06	4.63	22.39	-12.86	7.84	31.74
Difference	0.03	0.37	0.22	0.20	0.20	0.18	0.27	0.23	0.14	0.13	0.18
Peer Group Median	18.86	92.91	11.19	13.22	9.46	11.11	5.20	25.07	-14.16	11.61	26.80
Rank	30	42	41	43	60	78	52	72	36	74	16
Population	181	179	173	170	167	154	191	200	220	229	235



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



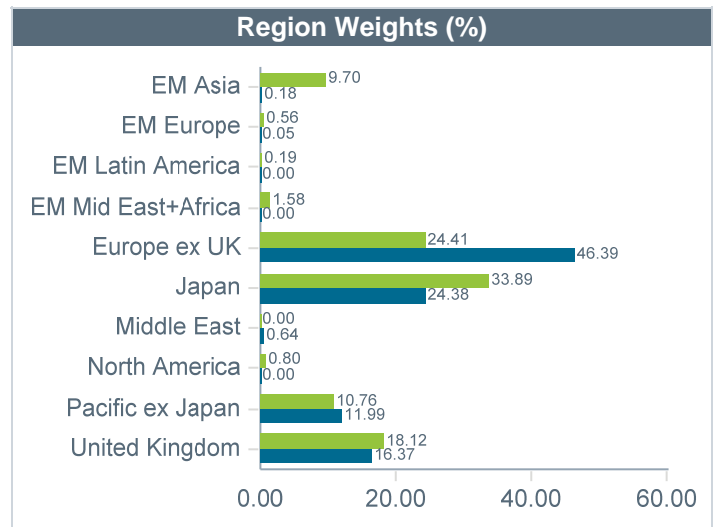
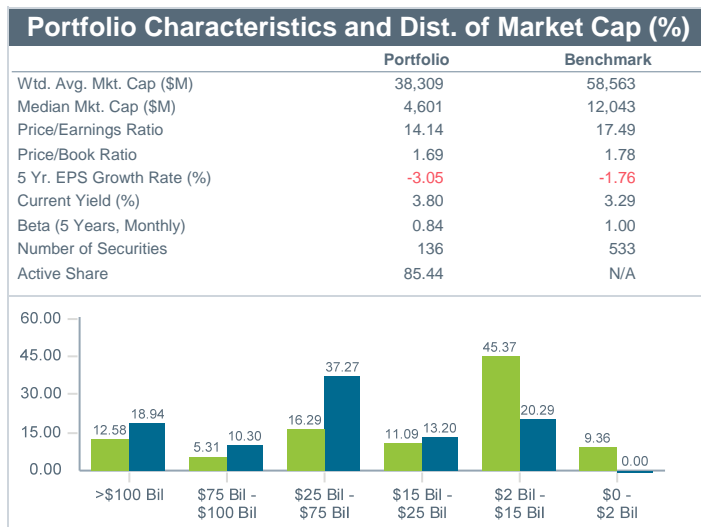
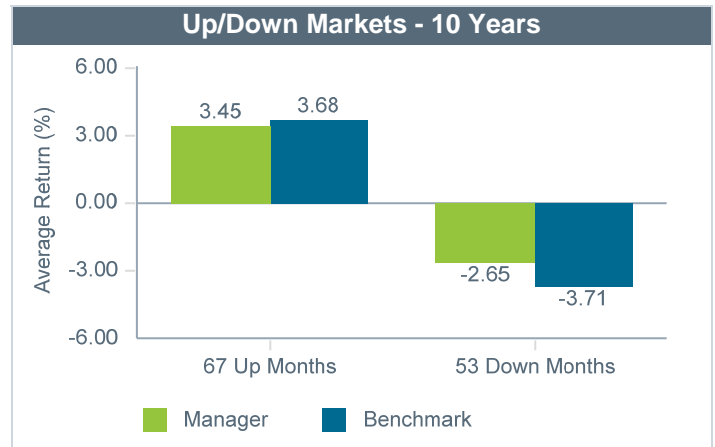
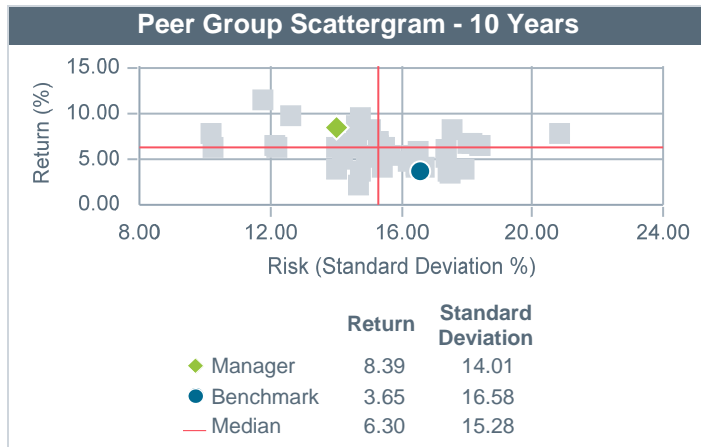
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	11.56	105.23	23.53	21.45	15.01	15.01	33.32	41.57	-10.36	25.99	5.26
Benchmark	2.49	87.50	19.96	19.91	14.32	14.21	40.47	32.65	-7.47	24.46	9.73
Difference	9.07	17.73	3.57	1.54	0.69	0.80	-7.15	8.92	-2.89	1.53	-4.47
Peer Group Median	3.30	86.28	21.78	21.06	15.10	14.92	43.60	31.91	-4.67	24.93	8.58
Rank	8	22	41	46	52	49	72	3	86	43	79
Population	54	53	48	43	36	29	56	58	63	62	68



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

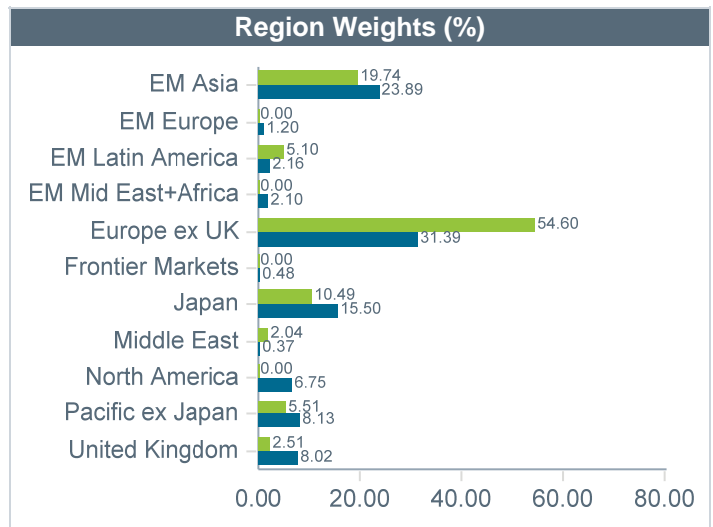
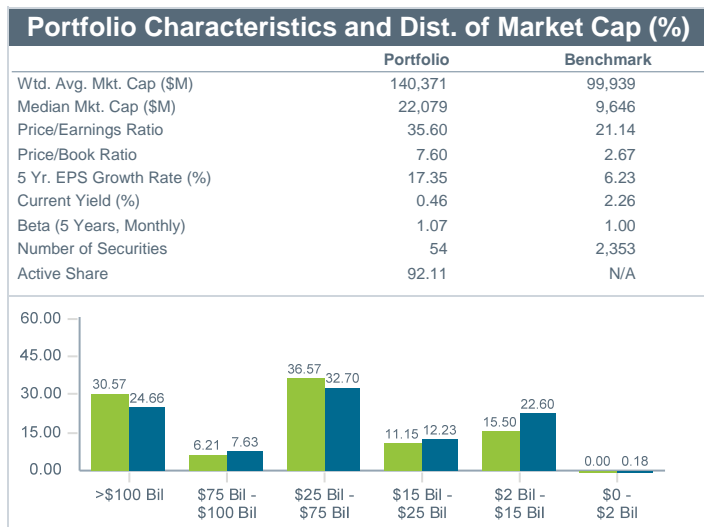
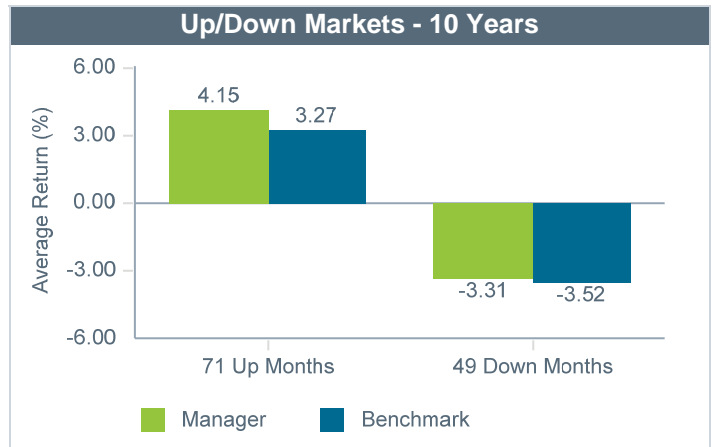
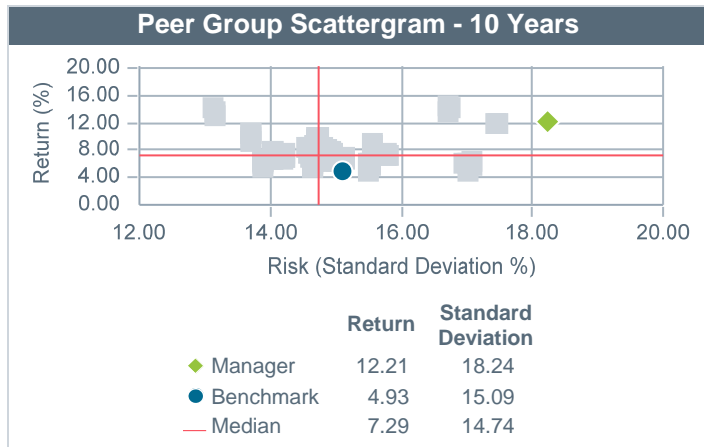


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
<b>Manager</b>	<b>8.92</b>	<b>43.65</b>	<b>3.87</b>	<b>8.89</b>	<b>6.18</b>	<b>8.39</b>	<b>0.17</b>	<b>18.05</b>	<b>-13.74</b>	<b>28.10</b>	<b>8.27</b>
Benchmark	7.44	45.71	1.85	6.57	2.19	3.65	-2.63	16.09	-14.78	21.44	5.02
Difference	1.48	-2.06	2.02	2.32	3.99	4.74	2.80	1.96	1.04	6.66	3.25
Peer Group Median	5.83	49.63	5.03	8.02	4.72	6.30	4.45	21.10	-15.76	24.17	3.15
Rank	14	66	62	37	20	9	81	88	41	26	9
Population	47	47	47	47	47	46	50	56	59	61	65



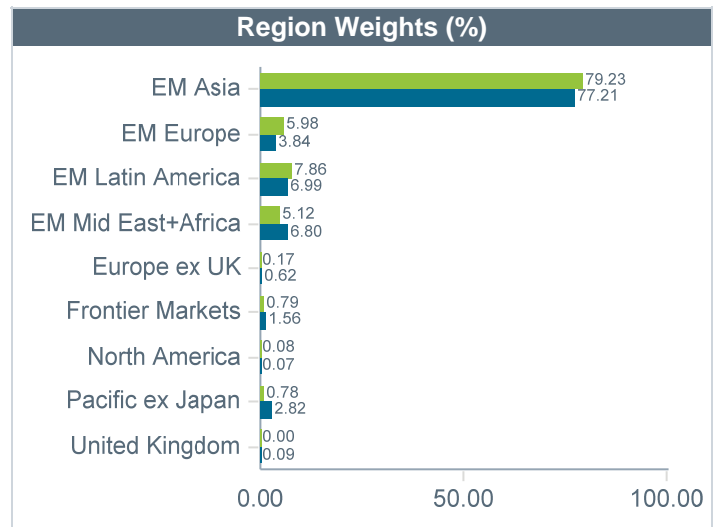
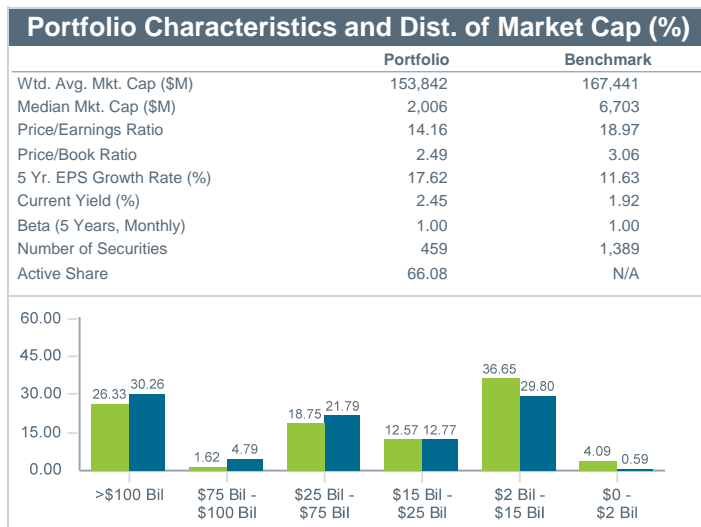
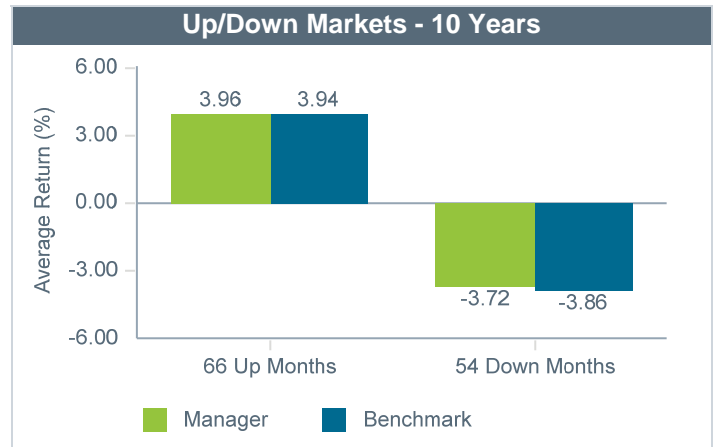
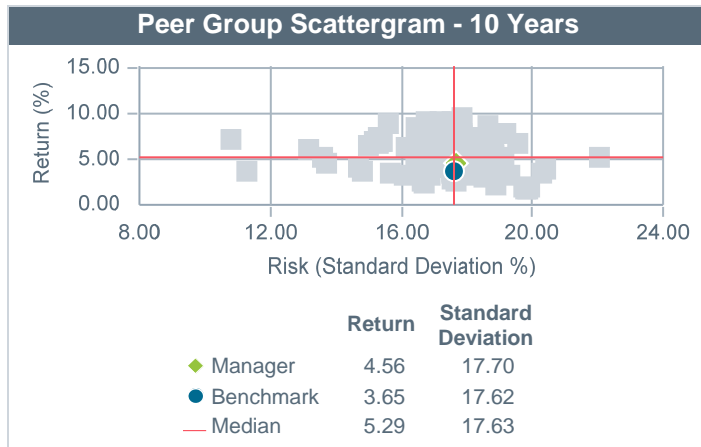
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	-2.64	84.69	19.53	22.62	13.58	12.21	63.13	37.48	-17.23	46.37	1.43
Benchmark	3.49	49.41	6.51	9.76	5.26	4.93	10.65	21.51	-14.20	27.19	4.50
Difference	-6.13	35.28	13.02	12.86	8.32	7.28	52.48	15.97	-3.03	19.18	-3.07
Peer Group Median	0.39	54.79	10.74	12.53	7.74	7.29	22.75	27.84	-14.32	32.37	-0.80
Rank	94	3	8	3	7	6	1	2	79	5	17
Population	170	170	170	160	127	107	170	172	176	188	165



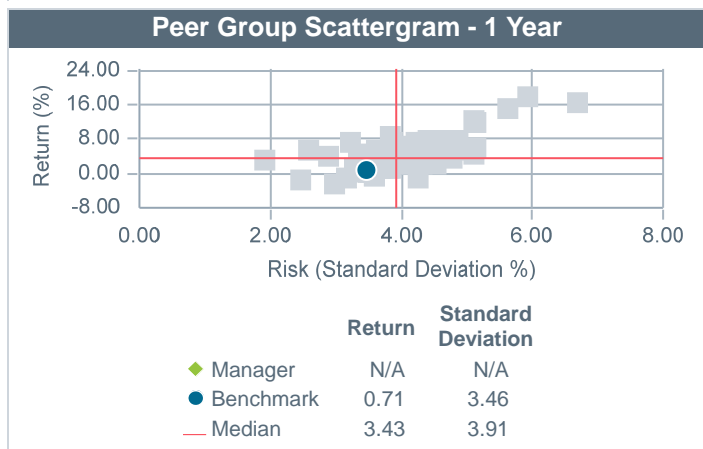
Performance shown is net of fees and client specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
<b>Manager</b>	<b>7.14</b>	<b>58.93</b>	<b>4.26</b>	<b>11.74</b>	<b>6.57</b>	<b>4.56</b>	<b>12.55</b>	<b>18.00</b>	<b>-18.30</b>	<b>38.94</b>	<b>14.08</b>
Benchmark	2.29	58.39	6.48	12.07	6.58	3.65	18.31	18.44	-14.58	37.28	11.19
Difference	4.85	0.54	-2.22	-0.33	-0.01	0.91	-5.76	-0.44	-3.72	1.66	2.89
Peer Group Median	3.46	64.69	6.96	12.75	7.27	5.29	18.14	19.40	-15.23	36.77	10.38
Rank	17	71	78	64	66	64	74	64	81	36	23
Population	259	257	242	232	203	145	278	319	326	339	349



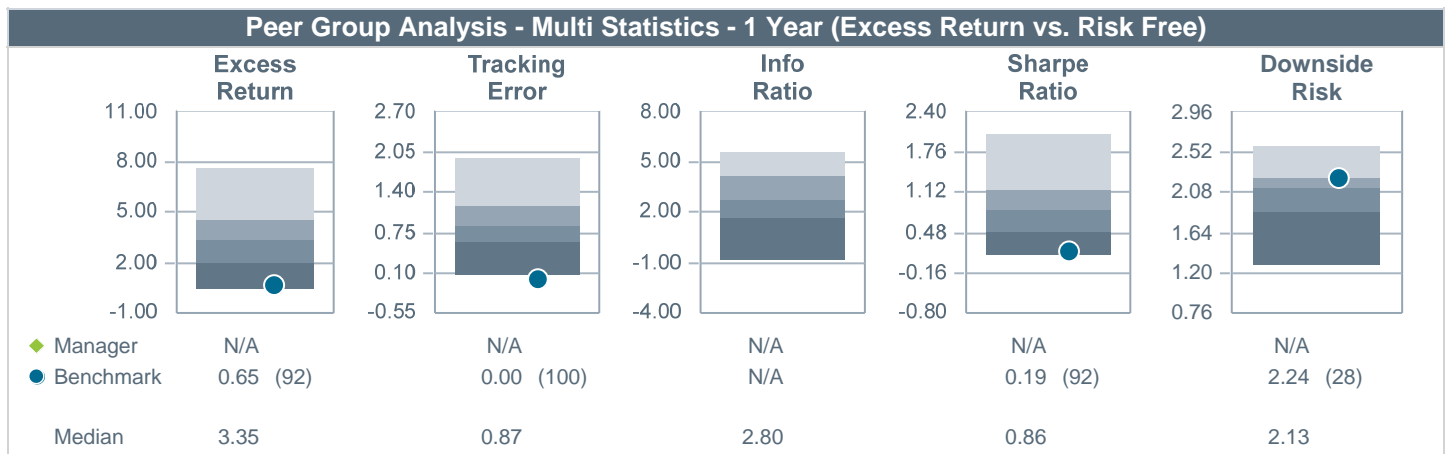
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benchmark	-3.38	0.71	4.65	3.10	3.31	3.44	7.51	8.72	0.01	3.54	2.65
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peer Group Median	-3.18	3.43	5.27	3.76	3.82	3.98	8.54	9.19	0.07	4.03	3.10
Rank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Population	135	135	132	130	128	121	145	152	158	163	170



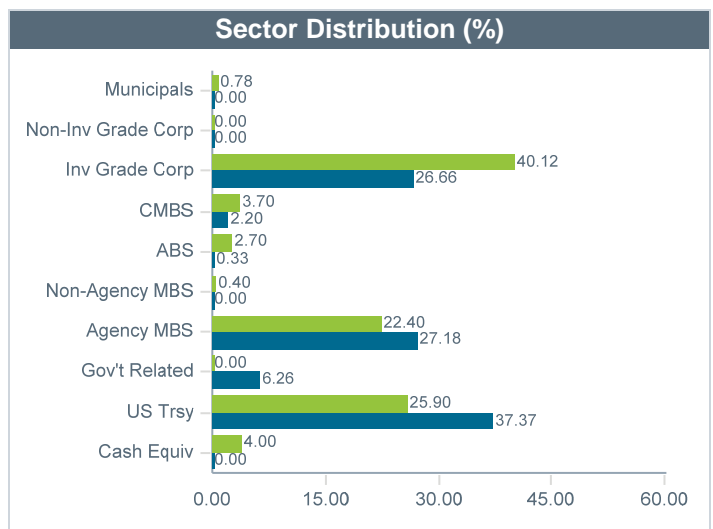
### Up/Down Markets - 1 Year

Data is currently unavailable.



### Portfolio Characteristics

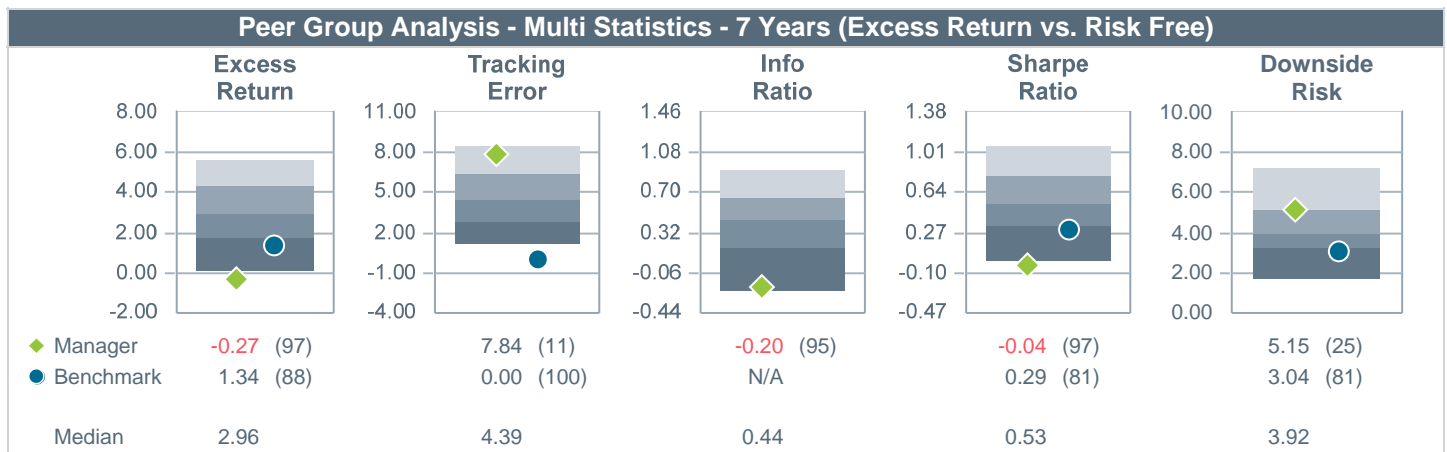
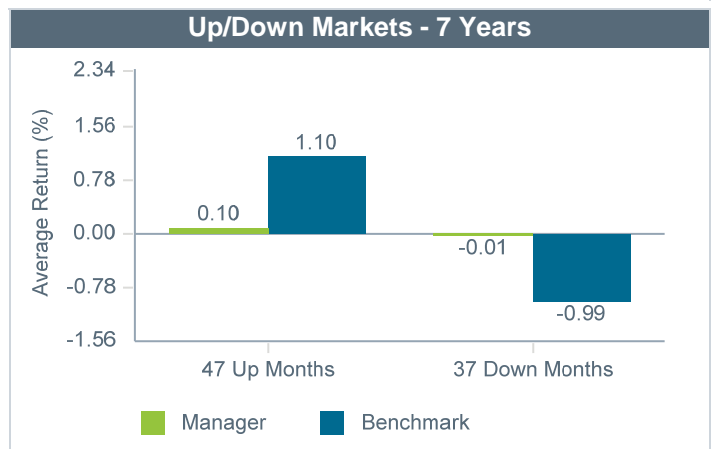
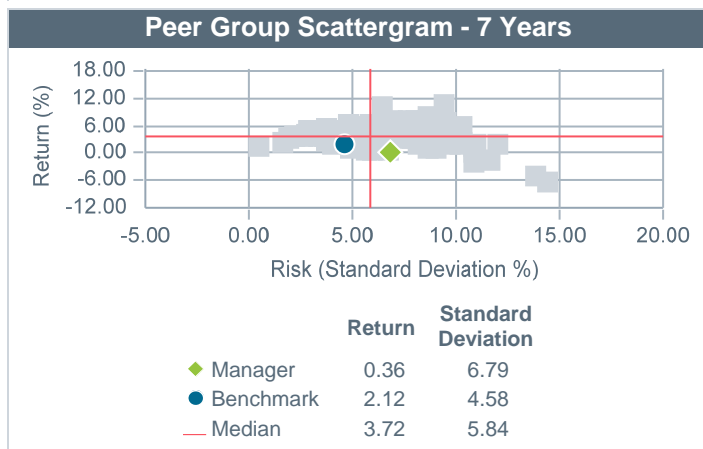
	Portfolio	Benchmark
Effective Duration	6.40	6.40
Spread Duration	3.78	6.39
Avg. Maturity	8.14	8.38
Avg. Quality	Aa3	Aa1/Aa2
Yield To Maturity (%)	1.72	1.62
Coupon Rate (%)	3.05	2.64
Current Yield (%)	1.72	N/A
Holdings Count	215	12,161



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

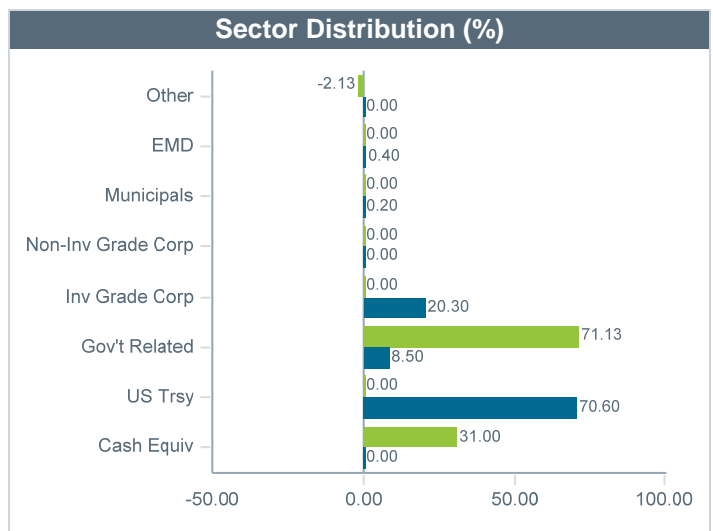


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	-3.10	-0.71	-2.95	1.06	0.36	N/A	-3.81	-0.33	0.52	5.06	8.01
Benchmark	-4.34	5.46	2.85	2.89	2.12	2.39	9.02	7.13	-1.36	7.69	2.84
Difference	1.24	-6.17	-5.80	-1.83	-1.76	N/A	-12.83	-7.46	1.88	-2.63	5.17
Peer Group Median	-2.00	14.03	4.62	4.89	3.72	3.93	8.69	9.46	-1.80	7.66	6.13
Rank	63	99	100	100	97	N/A	100	100	19	78	39
Population	184	184	180	173	162	121	208	231	249	257	271



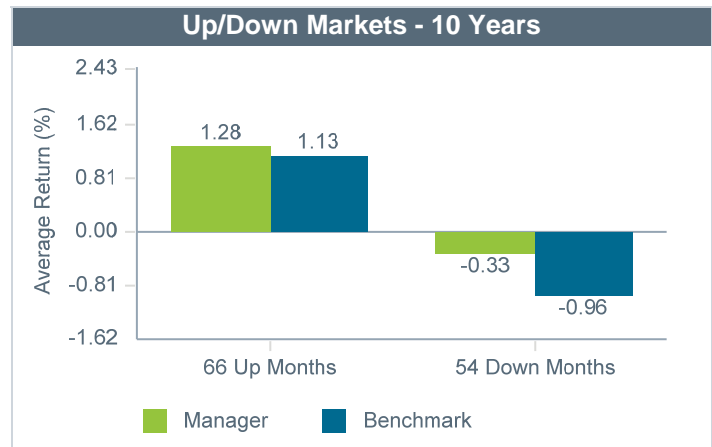
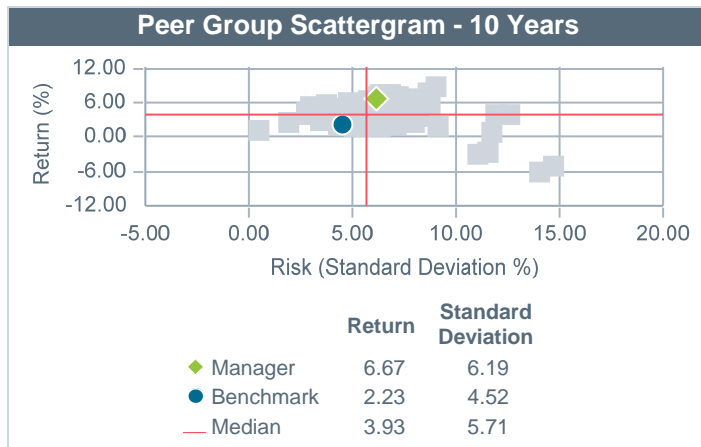
### Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	1.81	7.24
Spread Duration	1.82	N/A
Avg. Maturity	2.13	8.94
Avg. Quality	A1	N/A
Yield To Maturity (%)	4.98	1.38
Coupon Rate (%)	3.89	2.49
Current Yield (%)	3.72	N/A
Holdings Count	205	30,988



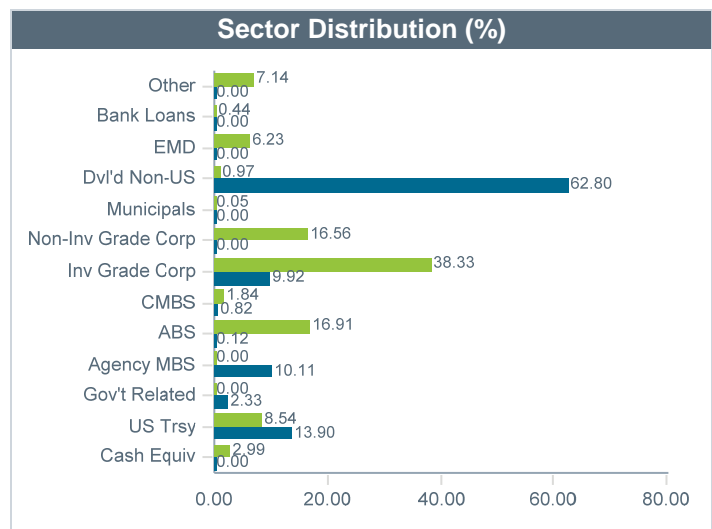
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "Other" consists of derivatives.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	-2.33	15.29	7.34	7.67	5.76	6.67	15.08	9.80	0.09	8.74	10.44
Benchmark	-4.46	4.67	2.80	2.66	2.00	2.23	9.20	6.84	-1.19	7.39	2.09
Difference	2.13	10.62	4.54	5.01	3.76	4.44	5.88	2.96	1.28	1.35	8.35
Peer Group Median	-2.00	14.03	4.62	4.89	3.72	3.93	8.69	9.46	-1.80	7.66	6.13
Rank	55	45	10	16	14	10	6	47	23	30	27
Population	184	184	180	173	162	121	208	231	249	257	271



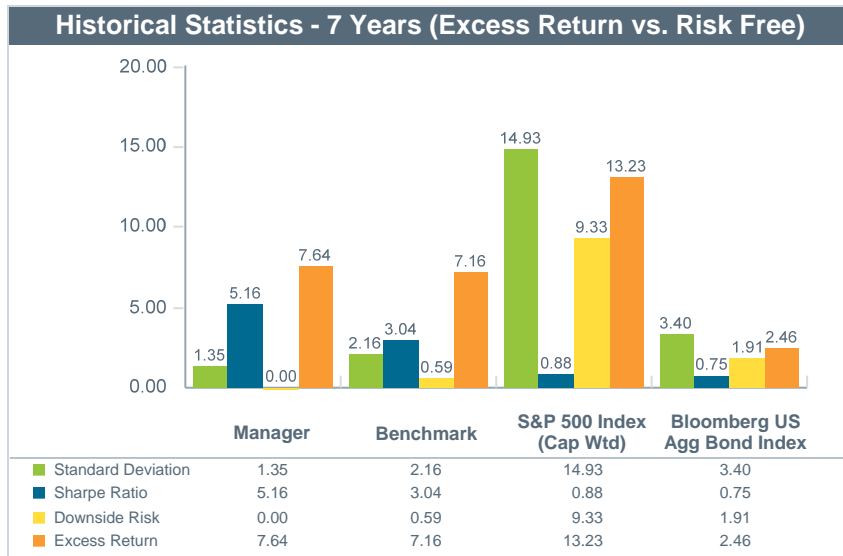
### Portfolio Characteristics

	Portfolio	Benchmark
Effective Duration	5.84	7.39
Spread Duration	5.76	N/A
Avg. Maturity	8.25	9.05
Avg. Quality	Baa2	N/A
Yield To Maturity (%)	2.92	1.16
Coupon Rate (%)	3.65	2.32
Current Yield (%)	3.48	N/A
Holdings Count	752	26,985



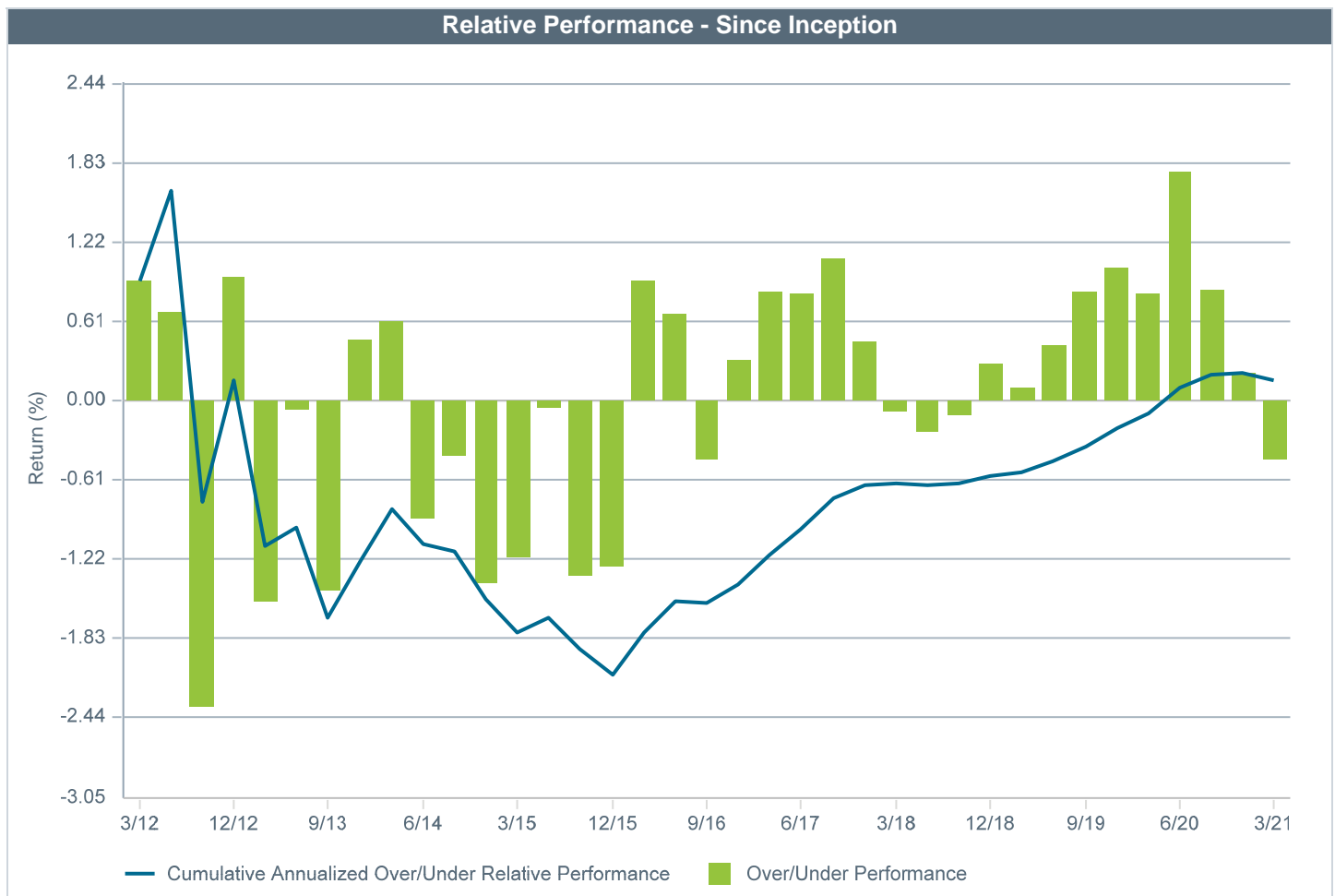
Performance shown is gross of fees and product specific. Calculation is based on monthly periodicity. Parentheses contain percentile ranks. Allocation to "Other" consists of preferred equity and convertibles.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	1.63	4.73	6.81	8.15	8.77	N/A	4.91	7.87	8.18	11.11	10.34
Benchmark	2.09	2.30	4.88	6.19	8.25	9.67	1.19	5.34	8.35	7.62	8.77
Difference	-0.46	2.43	1.93	1.96	0.52	N/A	3.72	2.53	-0.17	3.49	1.57



### Actual Correlation - 7 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.64
S&P 500 Index (Cap Wtd)	-0.35
Russell 2000 Index	-0.36
MSCI EAFE Index (USD) (Net)	-0.27
MSCI Emg Mkts Index (USD) (Net)	-0.18
Bloomberg US Agg Bond Index	-0.24
Bloomberg US Trsy US TIPS Index	-0.37
Wilshire US REIT Index	-0.33
HFRI FOF Comp Index	-0.38
Bloomberg Comdty Index (TR)	-0.02
ICE BofAML 3 Mo US T-Bill Index	-0.13
Cons Price Index (Unadjusted)	0.13
NCREIF ODCE Index (AWA) (Gross)	0.64



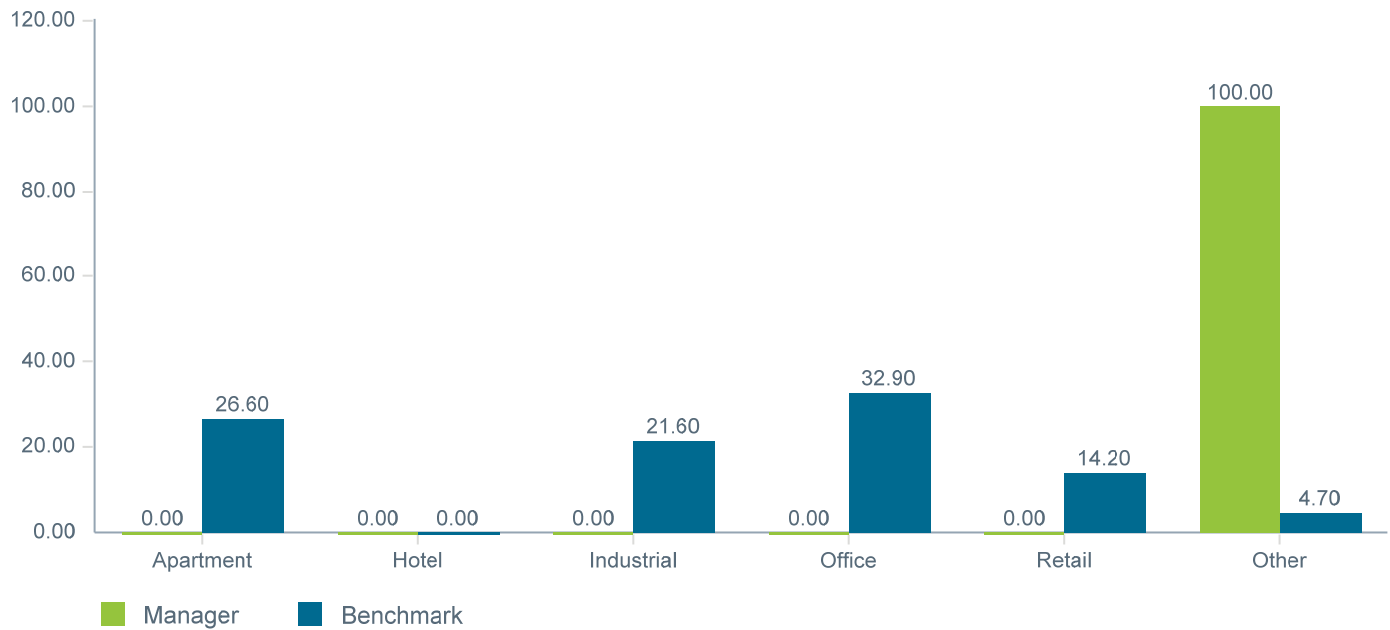
**Investment Strategy**

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.

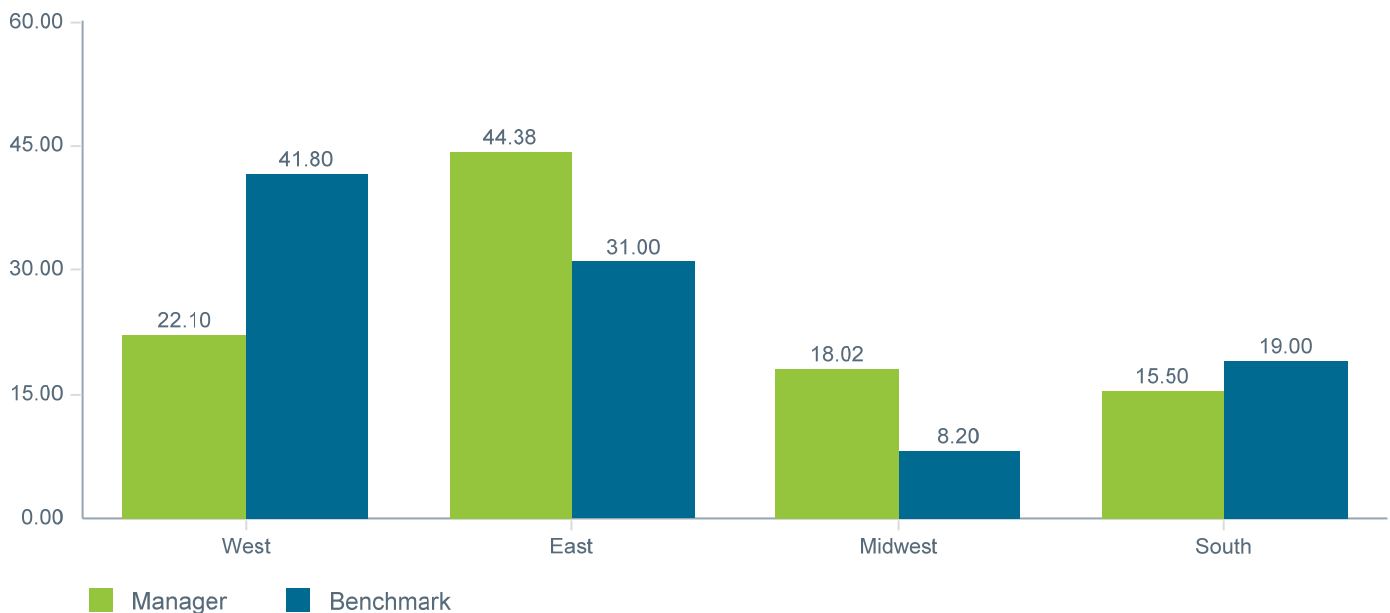
**Investment Profile**

Fund Inception	2011
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	10,074
Fund Leverage %	24.21
Portfolio Occupancy %	84.90
Cash Reserve %	1.17
Number of Investments	312
Number of Limited Partners	187

**Property Type Allocation (%)**



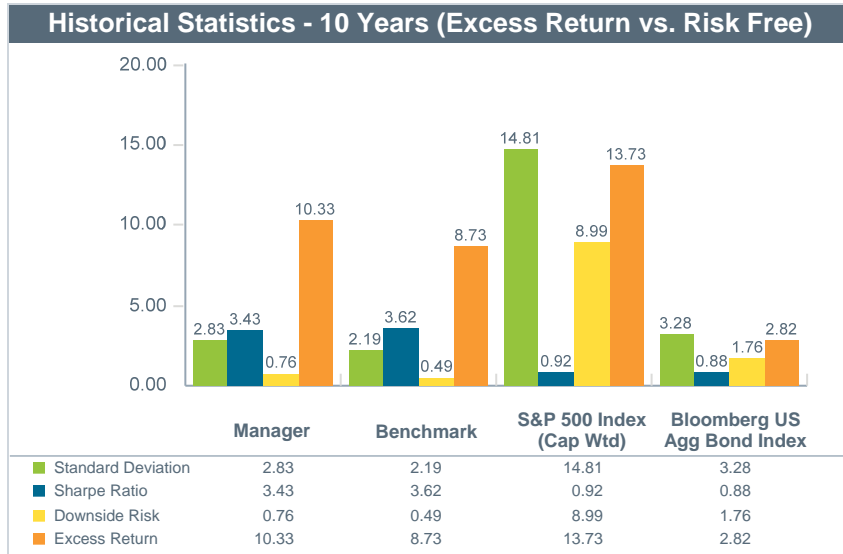
**Geographic Allocation (%)**



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, 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.

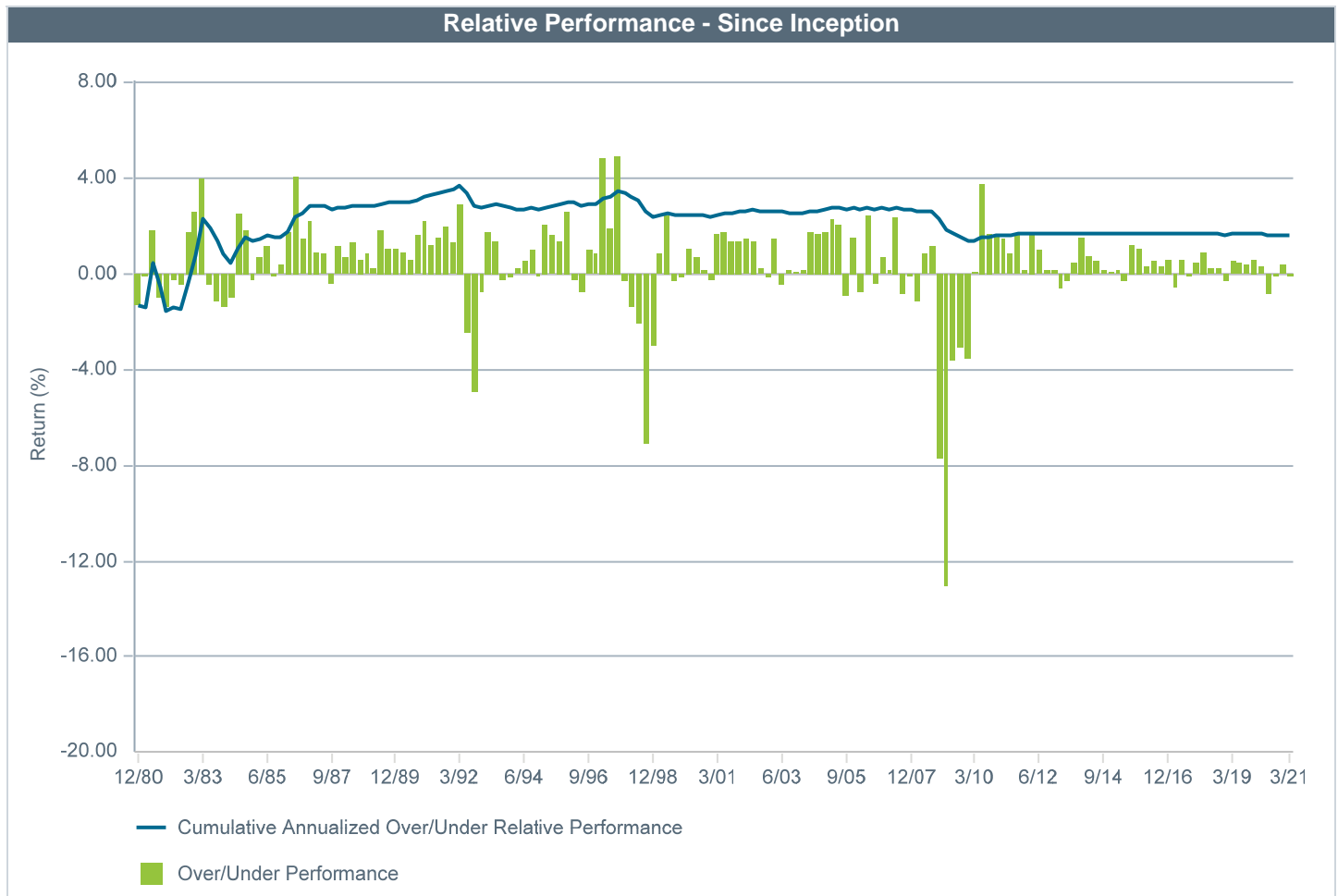


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.08	1.80	5.59	7.22	9.50	11.38	1.03	7.52	9.48	8.06	10.70
Benchmark	2.09	2.30	4.88	6.19	8.25	9.67	1.19	5.34	8.35	7.62	8.77
Difference	-0.01	-0.50	0.71	1.03	1.25	1.71	-0.16	2.18	1.13	0.44	1.93



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.92
S&P 500 Index (Cap Wtd)	-0.29
Russell 2000 Index	-0.27
MSCI EAFE Index (USD) (Net)	-0.25
MSCI Emg Mkts Index (USD) (Net)	-0.38
Bloomberg US Agg Bond Index	-0.12
Bloomberg US Trsy US TIPS Index	-0.21
Wilshire US REIT Index	-0.08
HFRI FOF Comp Index	-0.34
Bloomberg Cmnty Index (TR)	-0.31
ICE BofAML 3 Mo US T-Bill Index	-0.38
Cons Price Index (Unadjusted)	-0.04



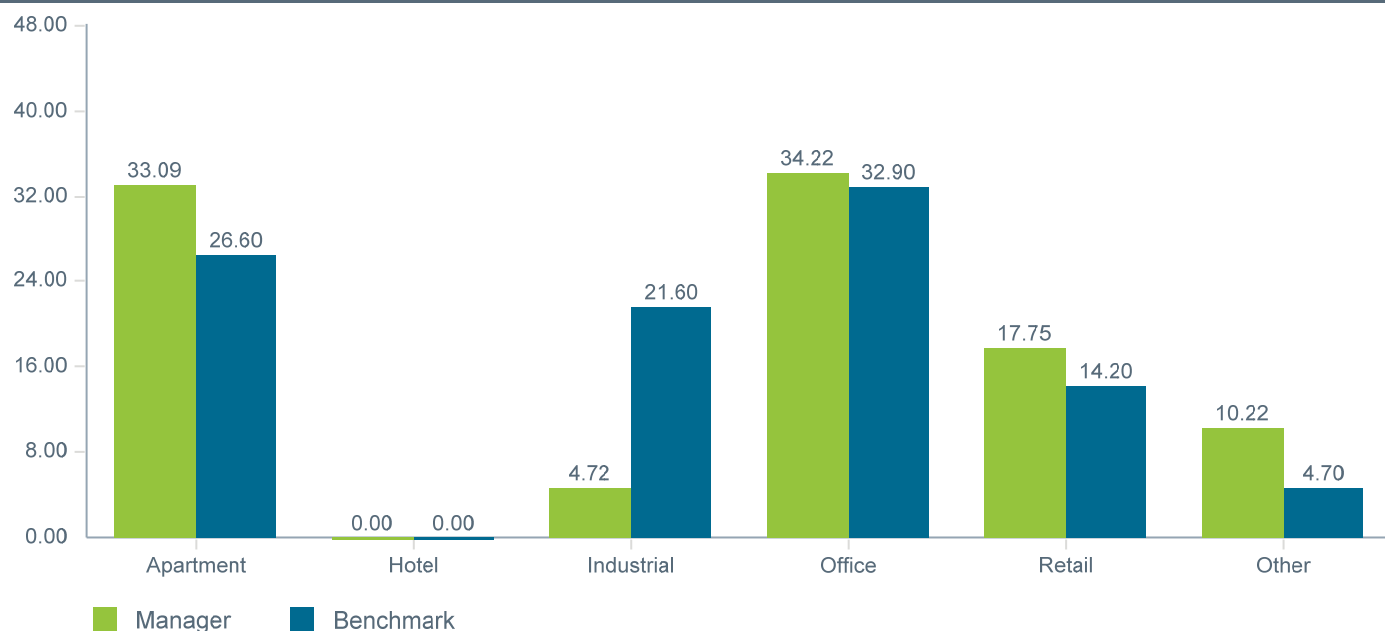
**Investment Strategy**

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.

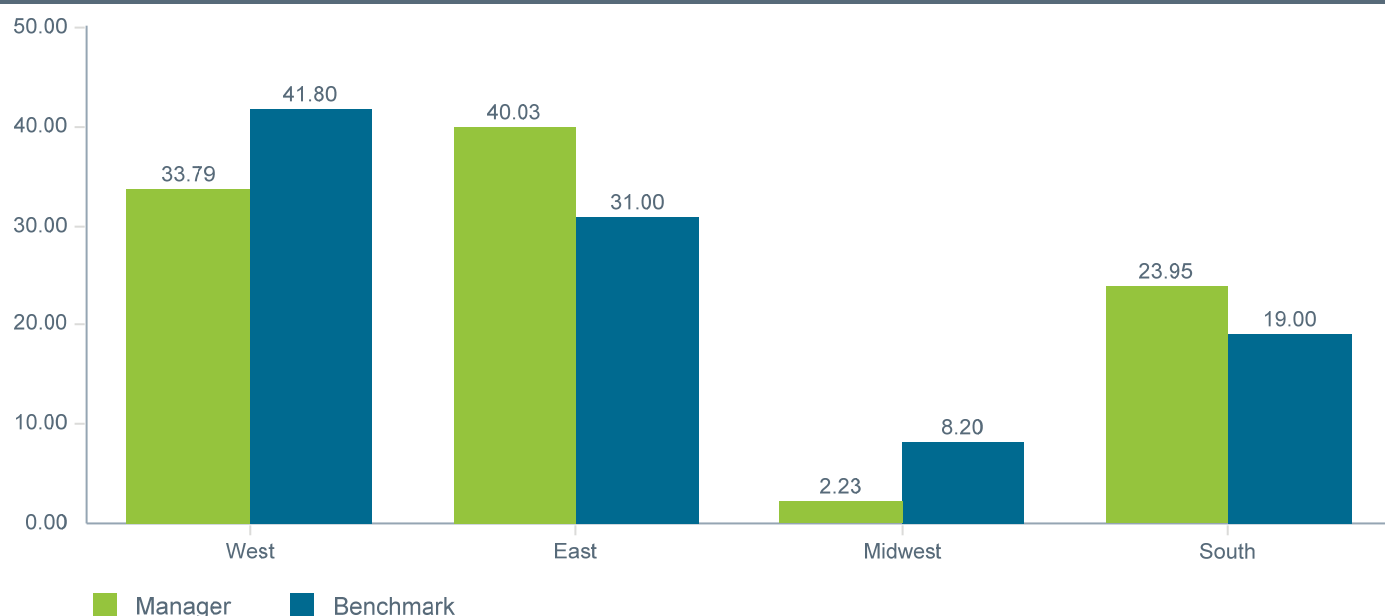
**Investment Profile**

Fund Inception	1980
Legal Structure	REIT
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	13,453
Fund Leverage %	36.96
Portfolio Occupancy %	85.64
Cash Reserve %	3.73
Number of Investments	154
Number of Limited Partners	106

**Property Type Allocation (%)**



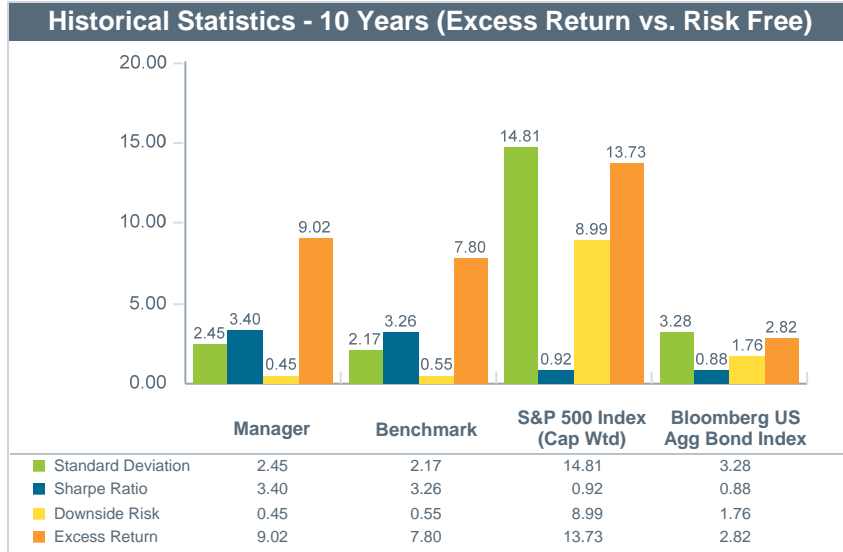
**Geographic Allocation (%)**



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 and land. 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.

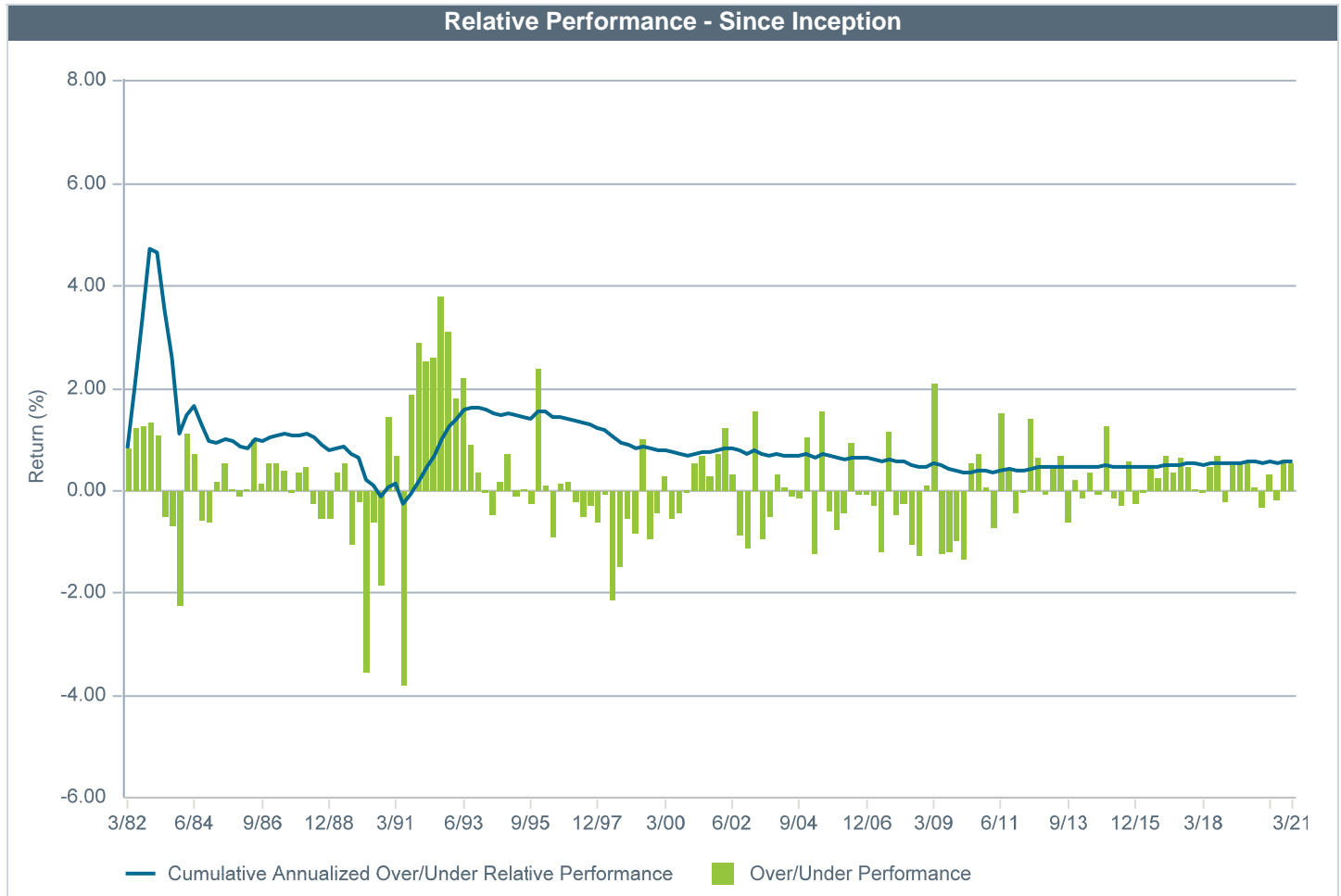


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	2.46	2.84	5.24	6.64	8.50	9.98	0.81	6.22	8.32	8.29	9.21
Benchmark	1.91	1.50	3.97	5.26	7.29	8.68	0.34	4.39	7.36	6.66	7.79
Difference	0.55	1.34	1.27	1.38	1.21	1.30	0.47	1.83	0.96	1.63	1.42



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Net)	0.92
S&P 500 Index (Cap Wtd)	-0.21
Russell 2000 Index	-0.16
MSCI EAFE Index (USD) (Net)	-0.21
MSCI Emg Mkts Index (USD) (Net)	-0.38
Bloomberg US Agg Bond Index	-0.16
Bloomberg US Trsy US TIPS Index	-0.28
Wilshire US REIT Index	0.04
HFRI FOF Comp Index	-0.26
Bloomberg Cmdty Index (TR)	-0.30
ICE BofAML 3 Mo US T-Bill Index	-0.41
Cons Price Index (Unadjusted)	-0.04
NCREIF ODCE Index (AWA) (Gross)	0.92



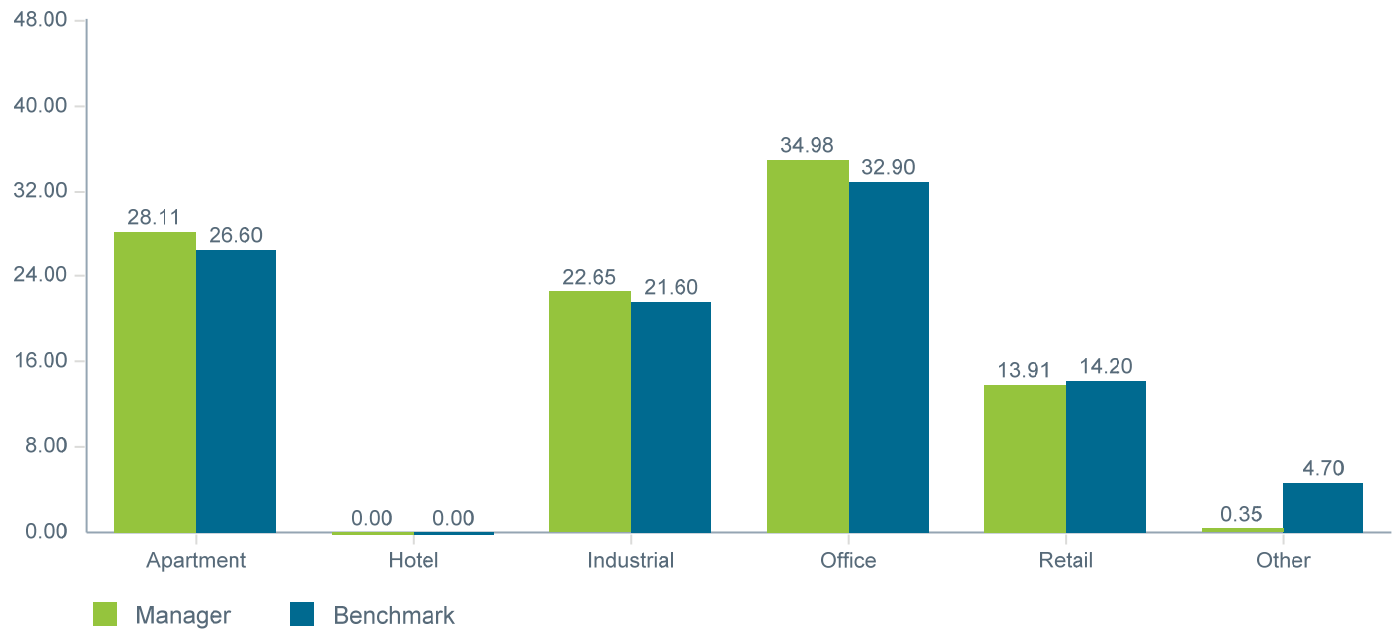
**Investment Strategy**

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.

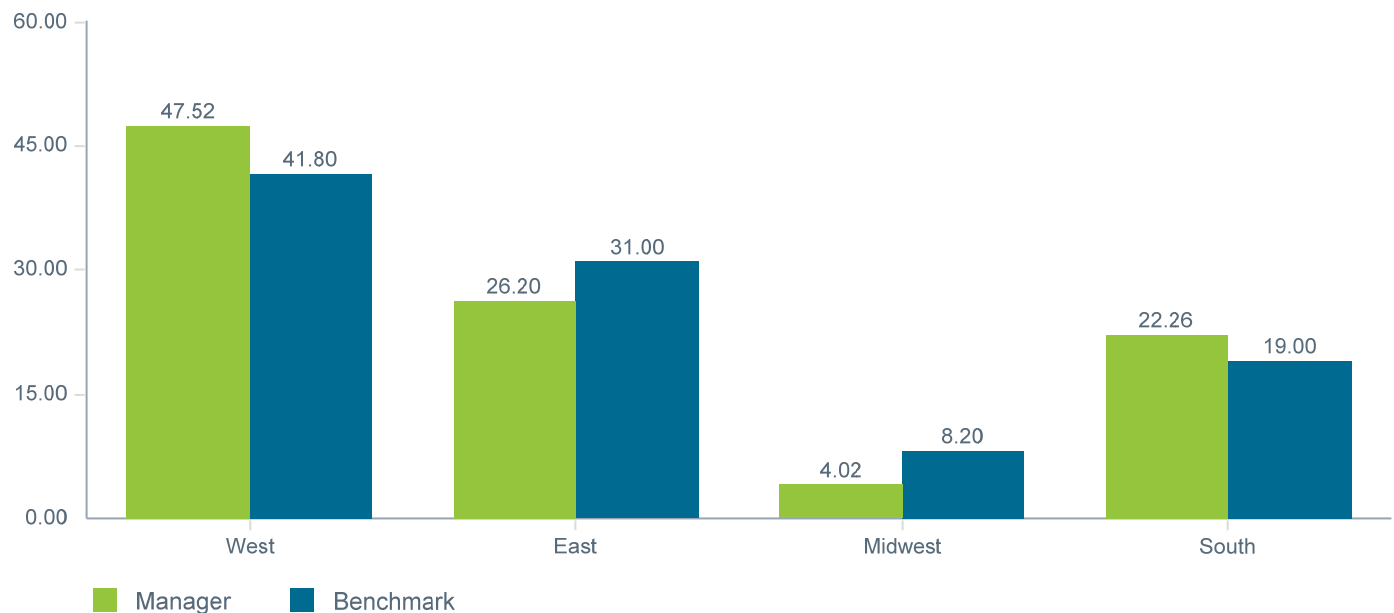
**Investment Profile**

Fund Inception	1982
Legal Structure	Insurance SA
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	10,370
Fund Leverage %	19.95
Portfolio Occupancy %	92.01
Cash Reserve %	2.28
Number of Investments	132
Number of Limited Partners	5,601

**Property Type Allocation (%)**



**Geographic Allocation (%)**

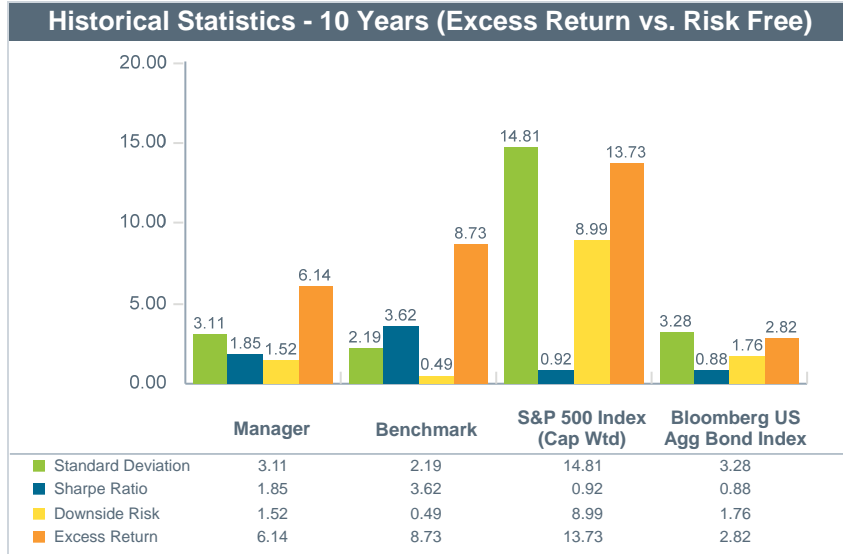


Performance shown is net of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Manager allocation to "Other" consists of land. 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.



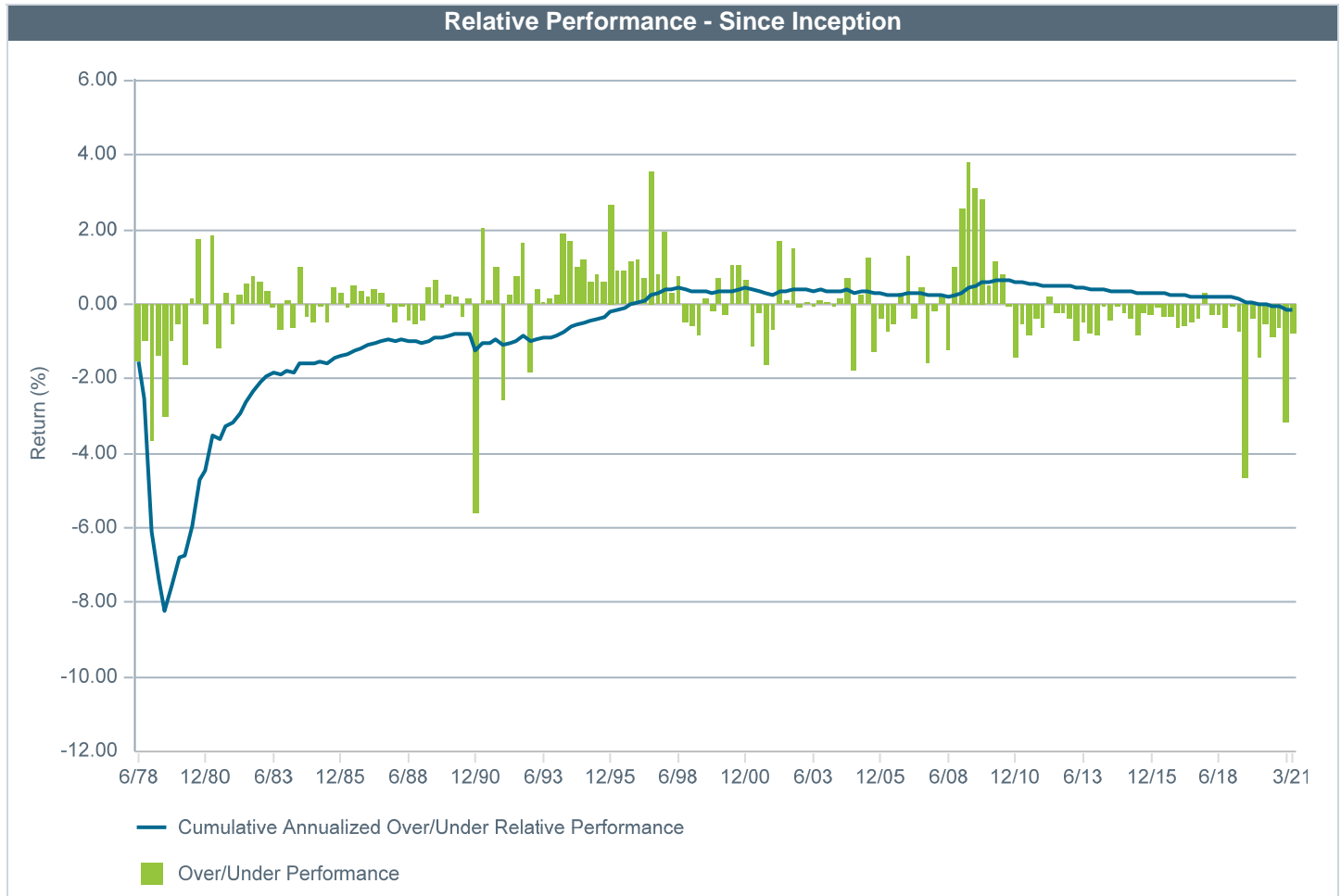


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	1.27	-3.24	-0.03	2.59	5.21	6.89	-4.04	-2.10	6.99	6.30	7.21
Benchmark	2.09	2.30	4.88	6.19	8.25	9.67	1.19	5.34	8.35	7.62	8.77
Difference	-0.82	-5.54	-4.91	-3.60	-3.04	-2.78	-5.23	-7.44	-1.36	-1.32	-1.56



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.85
S&P 500 Index (Cap Wtd)	-0.31
Russell 2000 Index	-0.33
MSCI EAFE Index (USD) (Net)	-0.32
MSCI Emg Mkts Index (USD) (Net)	-0.37
Bloomberg US Agg Bond Index	-0.21
Bloomberg US Trsy US TIPS Index	-0.30
Wilshire US REIT Index	-0.07
HFRI FOF Comp Index	-0.40
Bloomberg Comdty Index (TR)	-0.33
ICE BofAML 3 Mo US T-Bill Index	-0.45
Cons Price Index (Unadjusted)	-0.06



**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.

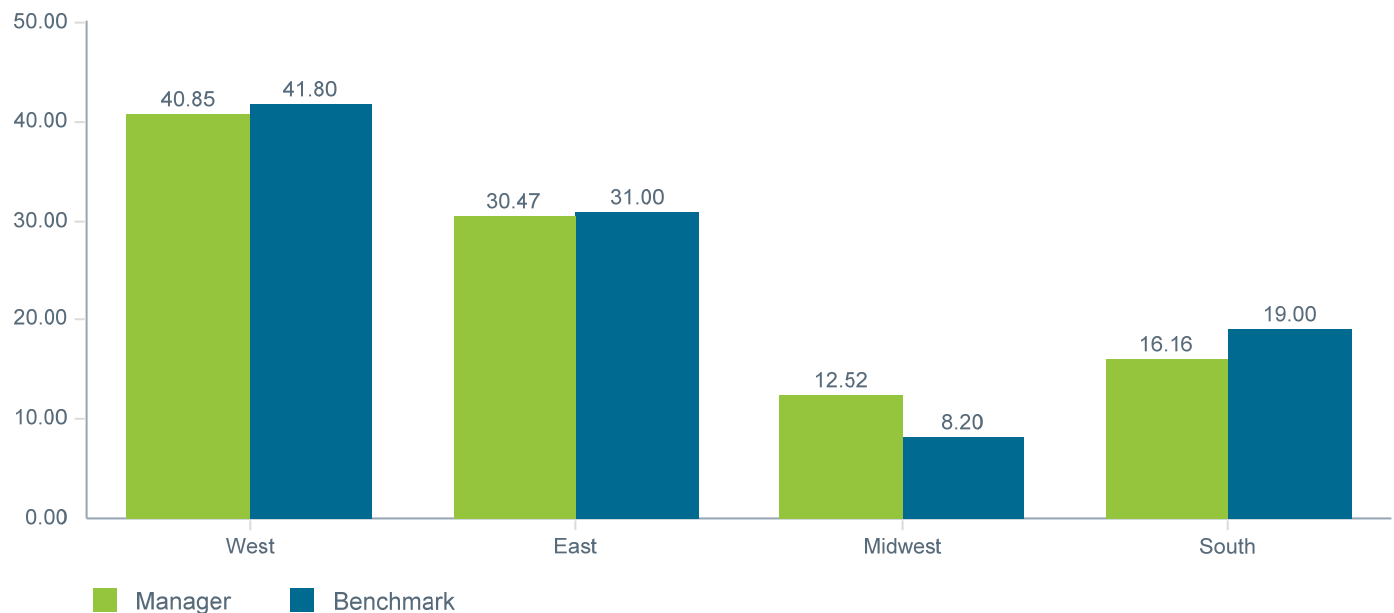
**Investment Profile**

Fund Inception	1978
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (\$M)	18,723
Fund Leverage %	19.00
Portfolio Occupancy %	91.00
Cash Reserve %	2.20
Number of Investments	182
Number of Limited Partners	444

**Property Type Allocation (%)**



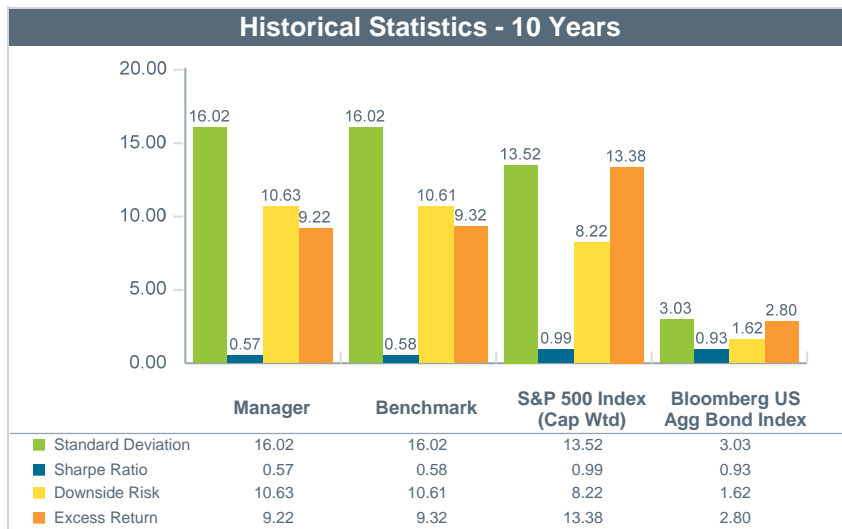
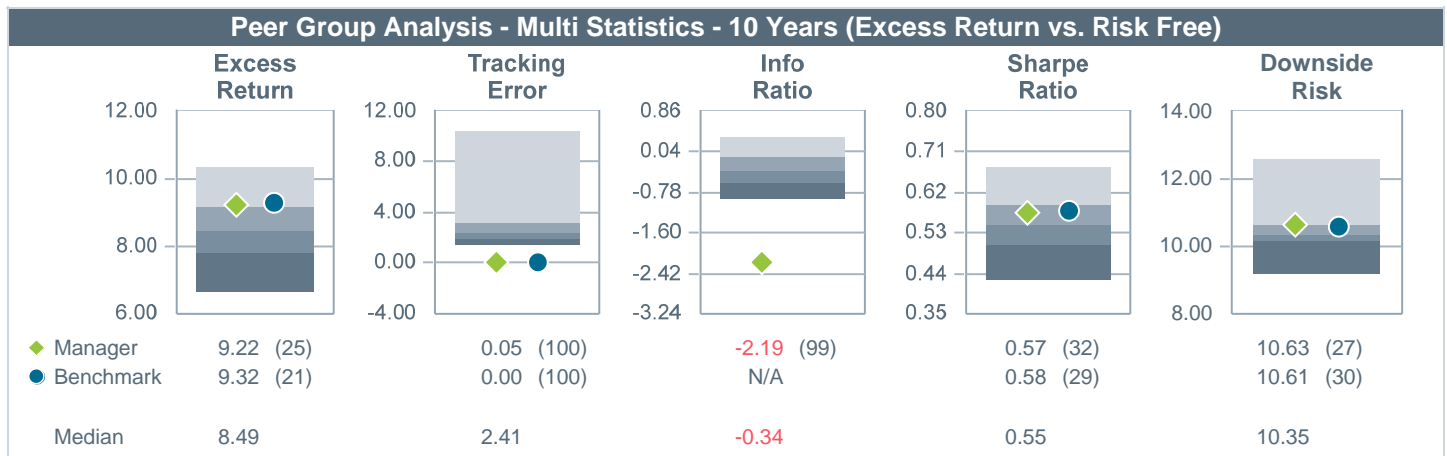
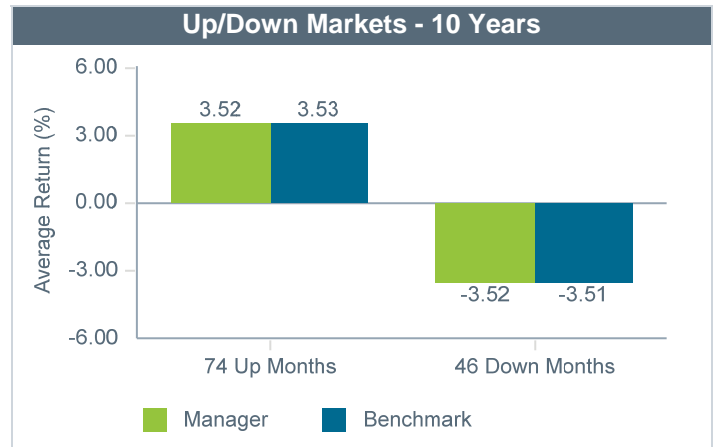
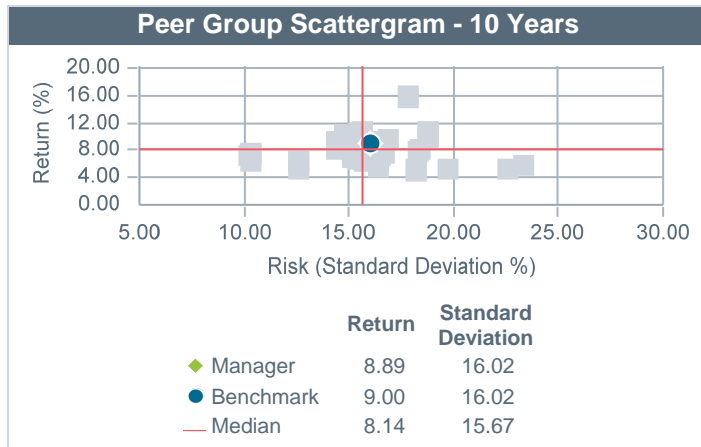
**Geographic Allocation (%)**



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. 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	2020	2019	2018	2017	2016
Manager	8.69	36.47	10.97	6.11	8.18	8.89	-4.72	28.91	-5.95	4.95	8.53
Benchmark	8.73	36.68	11.09	6.23	8.31	9.00	-4.55	29.03	-5.86	5.07	8.60
Difference	-0.04	-0.21	-0.12	-0.12	-0.13	-0.11	-0.17	-0.12	-0.09	-0.12	-0.07
Peer Group Median	7.83	35.03	9.94	5.60	7.64	8.14	-4.24	27.44	-5.74	5.21	6.28
Rank	29	34	31	40	33	26	56	36	54	55	19
Population	254	247	224	203	176	146	246	255	243	243	230



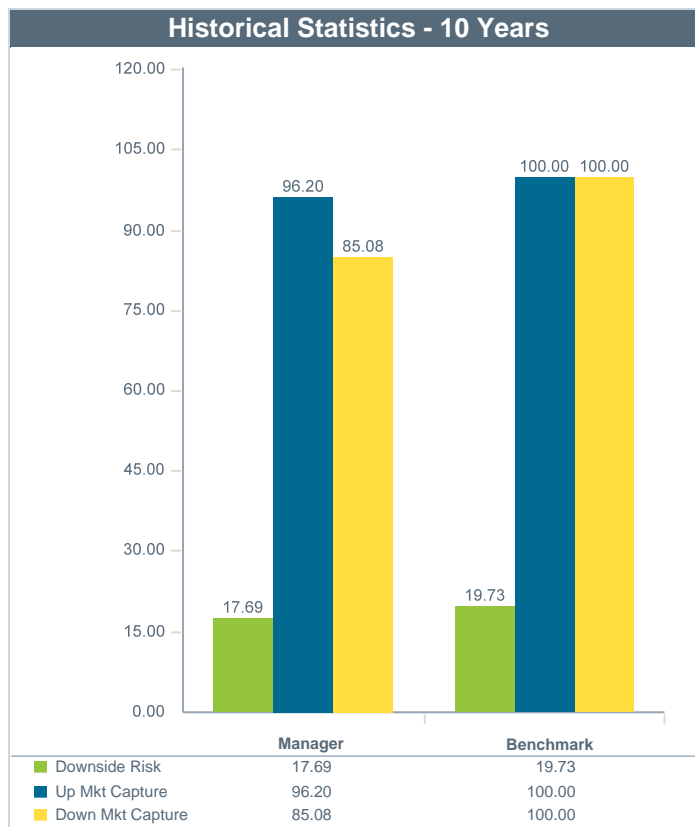
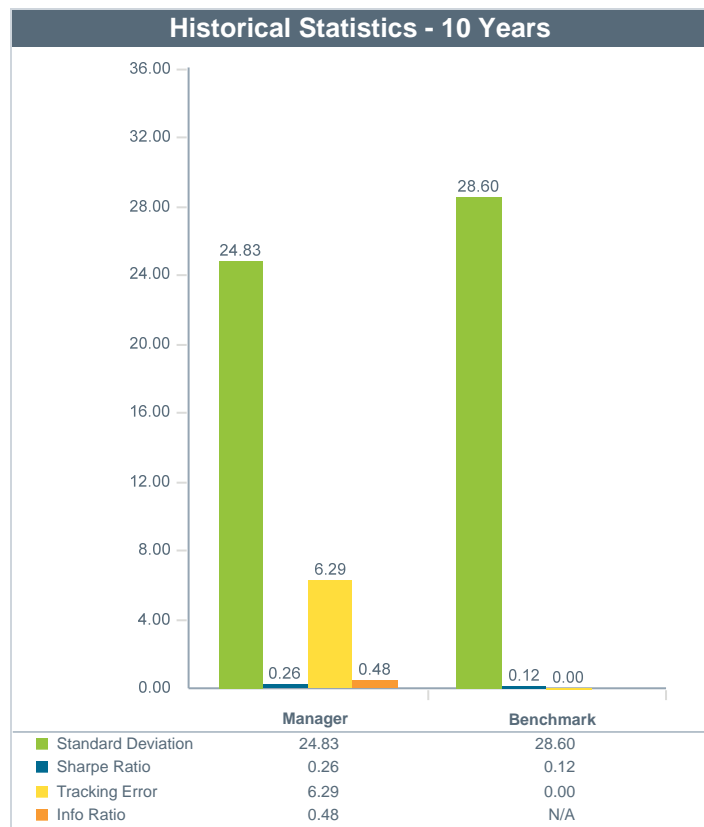
### Actual Correlation - 10 Years

Index	Actual Correlation
Vanguard Spl Real Estate Index	1.00
S&P 500 Index (Cap Wtd)	0.67
Russell 2000 Index	0.65
MSCI EAFE Index (USD) (Net)	0.61
MSCI Emg Mkts Index (USD) (Net)	0.56
Bloomberg US Agg Bond Index	0.35
Bloomberg US Trsy US TIPS Index	0.45
Wilshire US REIT Index	1.00
HFRI FOF Comp Index	0.57
Bloomberg Cmnty Index (TR)	0.35
ICE BofAML 3 Mo US T-Bill Index	-0.13
Cons Price Index (Unadjusted)	-0.03

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.

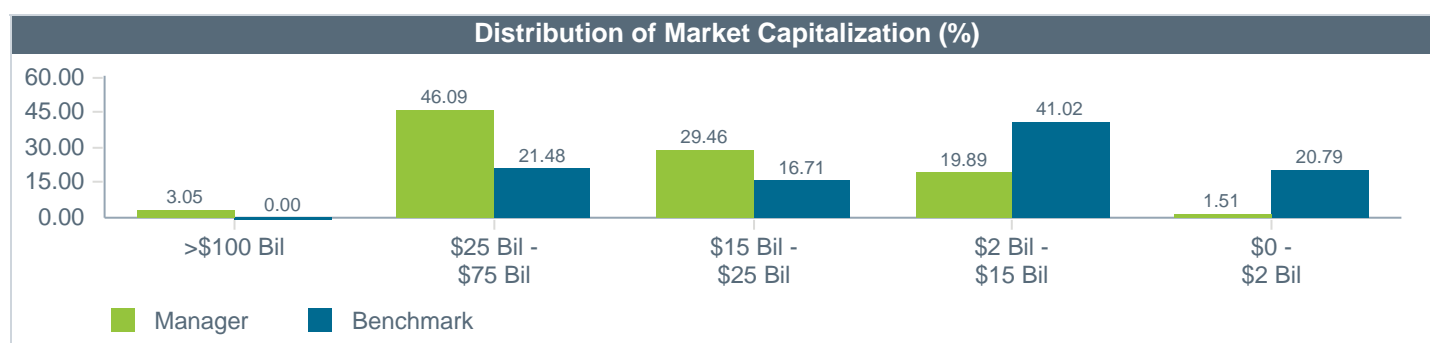


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	18.57	75.21	-0.89	1.44	-3.42	3.91	-24.56	13.49	-13.00	-4.80	20.17
Benchmark	20.43	94.46	-2.32	0.45	-5.93	-0.21	-28.75	9.78	-11.67	-5.58	21.95
Difference	-1.86	-19.25	1.43	0.99	2.51	4.12	4.19	3.71	-1.33	0.78	-1.78



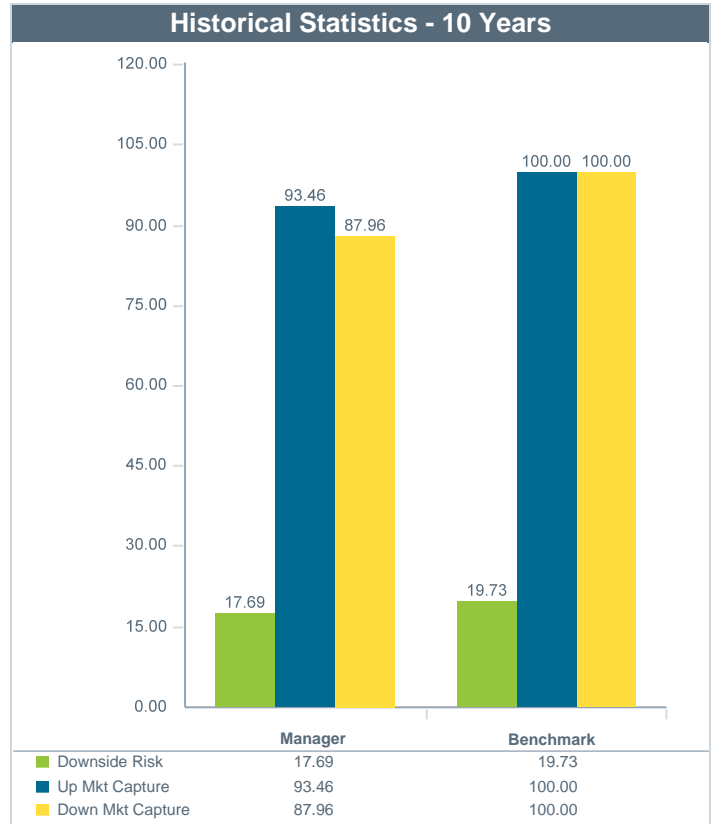
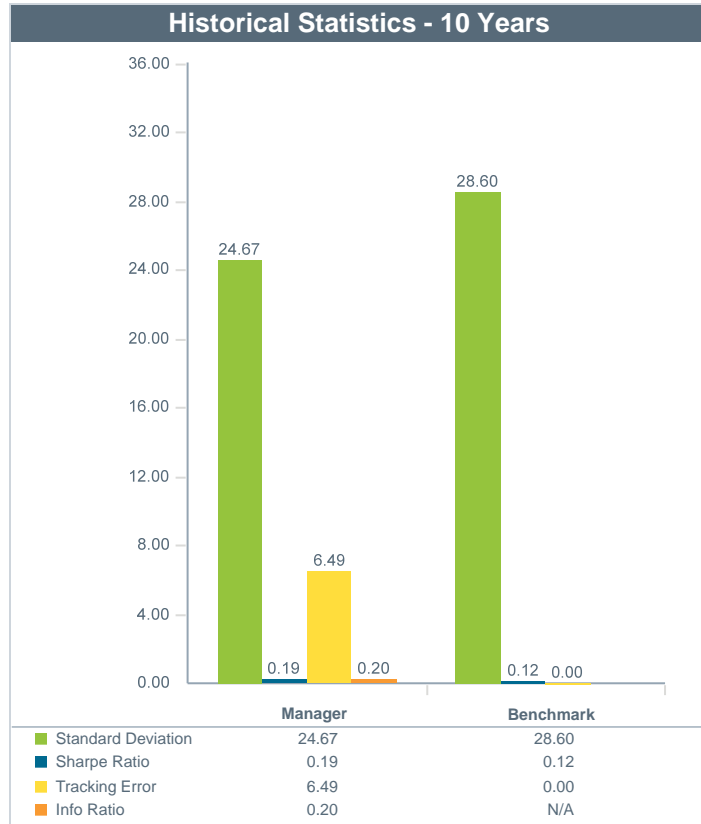
### Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	31,785	14,926
Median Mkt. Cap (\$M)	16,007	2,102
Price/Earnings Ratio	22.36	13.54
Price/Book Ratio	2.07	2.16
5 Yr. EPS Growth Rate (%)	-3.30	3.45
Current Yield (%)	6.38	8.36
Beta (5 Years, Monthly)	0.84	1.00
Number of Securities	24	29



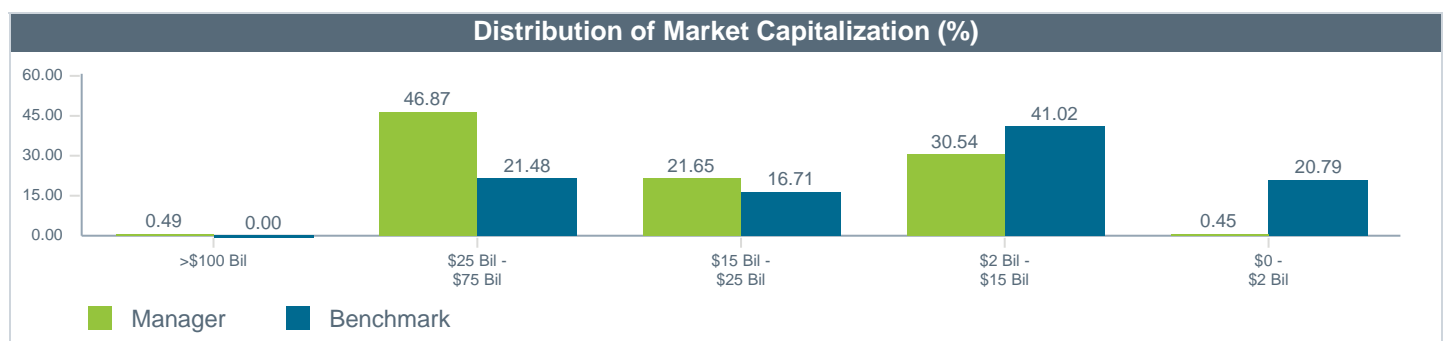
Performance shown is gross of fees and client specific. Calculations are based on monthly periodicity.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	17.51	60.27	-5.06	-1.44	-5.32	2.20	-30.83	8.97	-12.73	-2.70	15.99
Benchmark	20.43	94.46	-2.32	0.45	-5.93	-0.21	-28.75	9.78	-11.67	-5.58	21.95
Difference	-2.92	-34.19	-2.74	-1.89	0.61	2.41	-2.08	-0.81	-1.06	2.88	-5.96



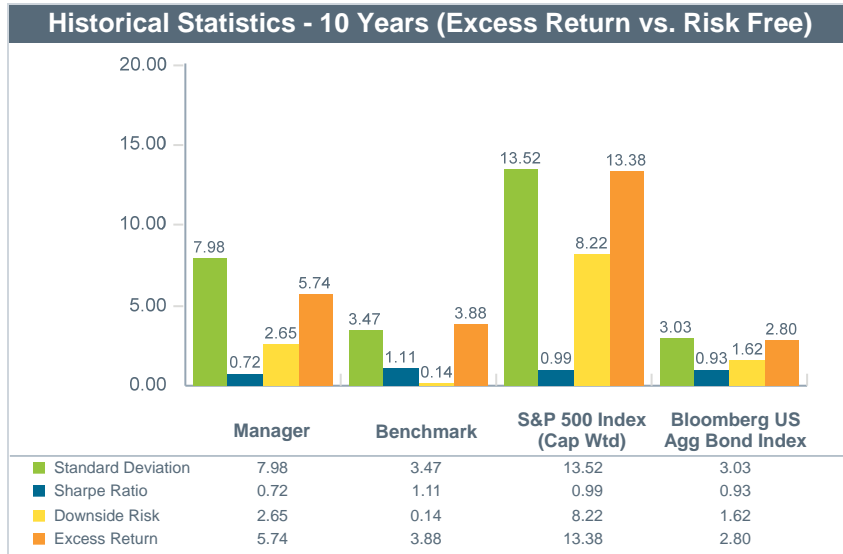
### Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	27,081	14,926
Median Mkt. Cap (\$M)	12,844	2,102
Price/Earnings Ratio	21.36	13.54
Price/Book Ratio	2.13	2.16
5 Yr. EPS Growth Rate (%)	-3.94	3.45
Current Yield (%)	6.73	8.36
Beta (5 Years, Monthly)	0.82	1.00
Number of Securities	23	29



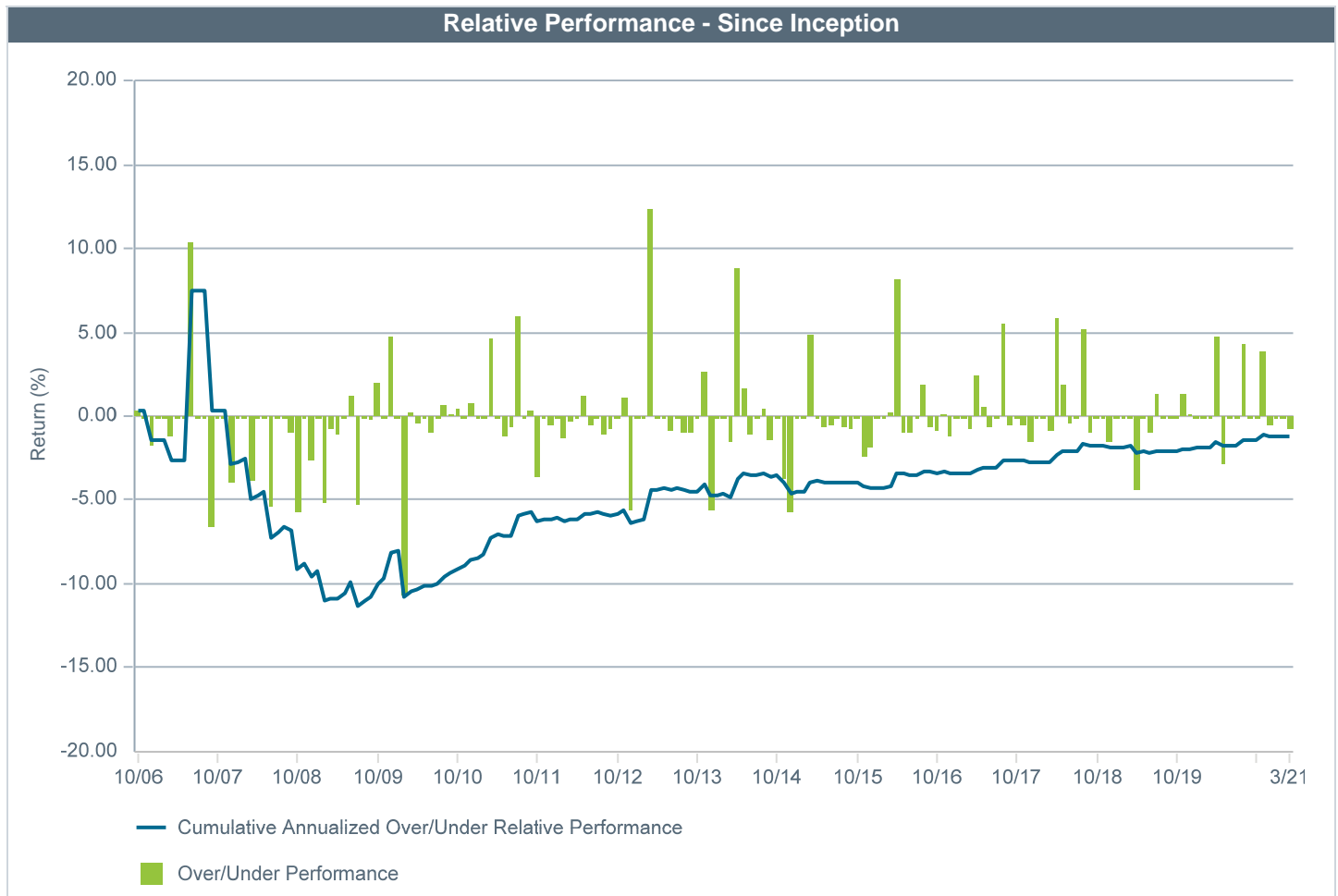
Performance shown is gross of fees and client specific. Calculations are based on monthly periodicity.

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	0.00	10.12	6.80	7.36	6.61	6.24	10.18	-1.69	12.47	8.08	8.32
Benchmark	0.76	1.46	1.71	2.51	3.69	4.55	0.81	1.30	3.21	3.63	2.59
Difference	-0.76	8.66	5.09	4.85	2.92	1.69	9.37	-2.99	9.26	4.45	5.73



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF Timberland Index	0.03
S&P 500 Index (Cap Wtd)	0.06
Russell 2000 Index	0.06
MSCI EAFE Index (USD) (Net)	0.04
MSCI Emg Mkts Index (USD) (Net)	-0.01
Bloomberg US Agg Bond Index	0.08
Bloomberg US Trsy US TIPS Index	0.15
Wilshire US REIT Index	0.05
HFRI FOF Comp Index	0.09
Bloomberg Cmdb Index (TR)	0.12
ICE BofAML 3 Mo US T-Bill Index	-0.04
Cons Price Index (Unadjusted)	0.10



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

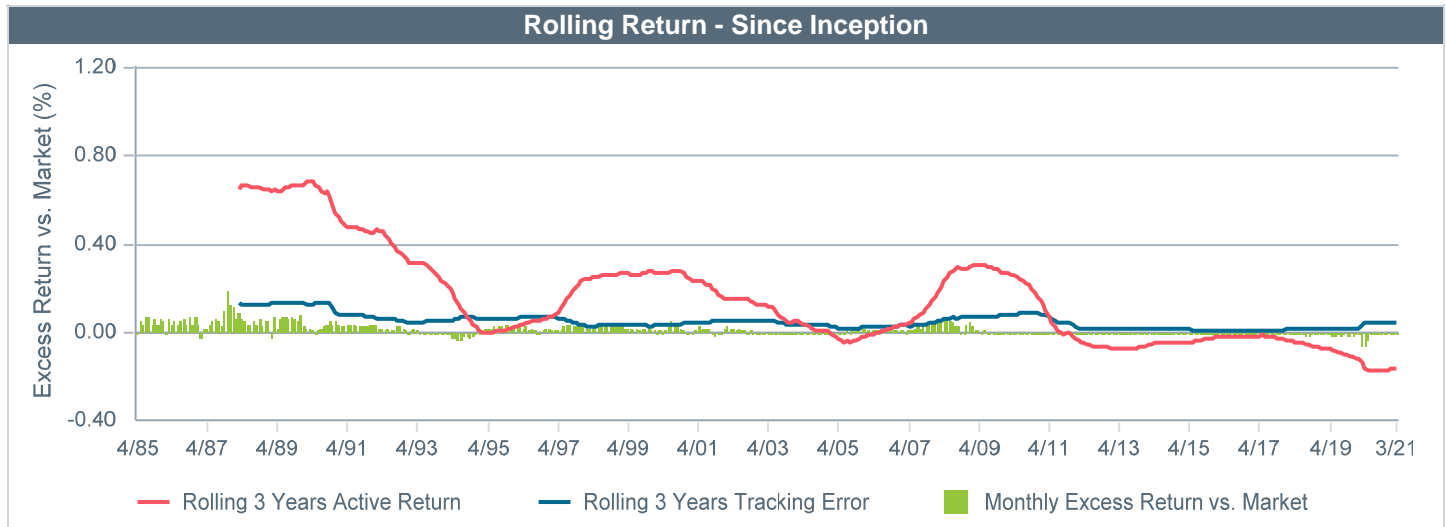
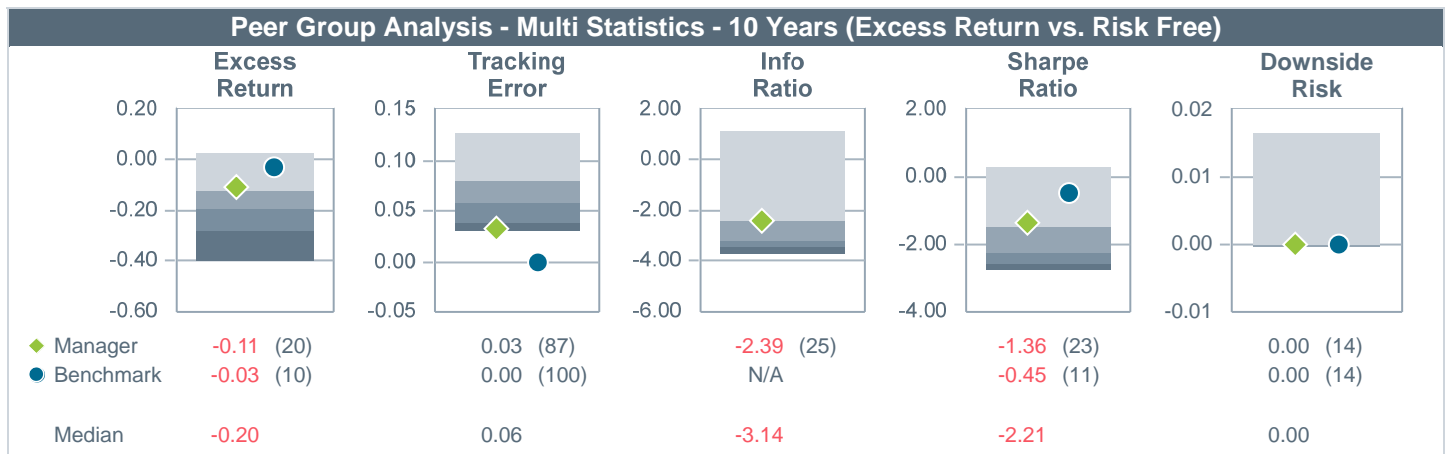
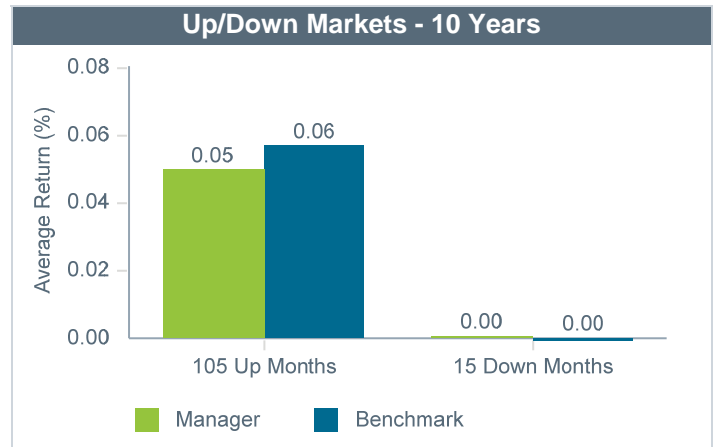
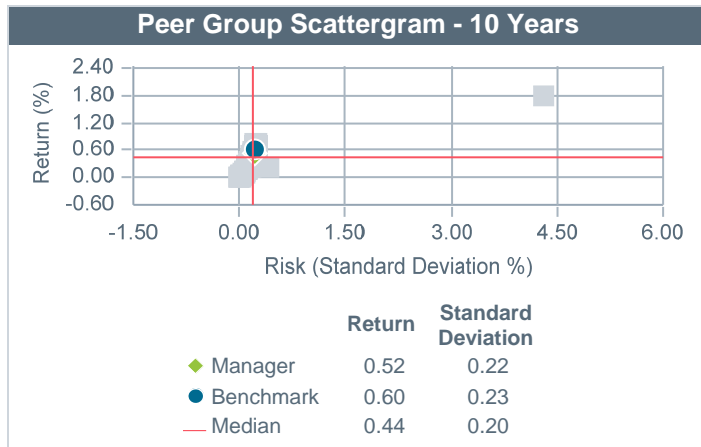
Manager: Dreyfus Gvt Csh Mgt;Inst (DGCXX)

As of March 31, 2021

Benchmark: FTSE 3 Mo T-Bill Index

Peer Group: IM U.S. Taxable Money Market (MF)

Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2020	2019	2018	2017	2016
Manager	0.01	0.06	1.29	1.03	0.75	0.52	0.37	2.09	1.73	0.79	0.25
Benchmark	0.02	0.21	1.45	1.15	0.84	0.60	0.58	2.25	1.86	0.84	0.27
Difference	-0.01	-0.15	-0.16	-0.12	-0.09	-0.08	-0.21	-0.16	-0.13	-0.05	-0.02
Peer Group Median	0.00	0.03	1.16	0.86	0.62	0.44	0.30	1.90	1.54	0.55	0.06
Rank	16	34	22	19	19	20	31	20	22	17	18
Population	799	777	726	646	572	554	790	794	819	834	746



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 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.
- **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 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.
- **Tortoise Spliced Index:** The passive Tortoise Spliced Index consists of 100% S&P MLP Index (TR) through 07/2020 and 100% Alerian Midstream Energy Index thereafter.

## 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	Upper-medium credit quality	BB-	Ba3	Highly speculative
AA-	Aa3				
A+	A1				
A	A2	Lower-medium credit quality	B	B2	Substantial credit/default risk
A-	A3				
BBB+	Baa1				
BBB	Baa2	Extremely speculative	CCC+	Caa1	
BBB-	Baa3				
			CCC-	Caa2	Vulnerable to default
			CC	Ca	
			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.

**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.

**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>
<u>Liquid Investments</u>		<u>Less Liquid Investments</u>	
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	<u>Not Liquid Investments</u>	
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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# Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: April 30, 2021



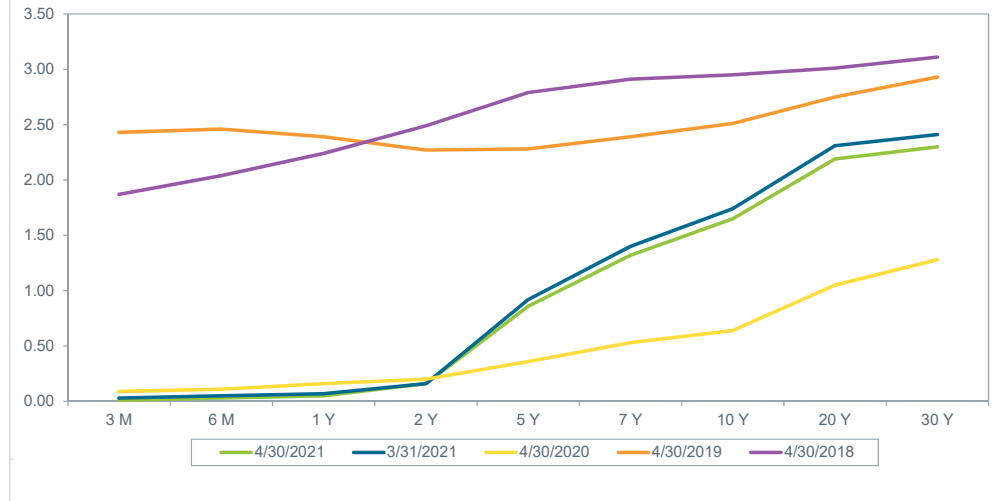


**General Market Commentary**

- Global equity markets experienced another positive month, logging a third consecutive monthly gain. All major indices posted low to mid-single digit returns, with large cap and growth indices generally outperforming their small cap and value counterparts.
- Despite the upward trend in lockdown measures and COVID-19 cases worldwide, strong private sector activity and an improvement in labor market conditions led to market optimism and a positive economic outlook.
- Even while acknowledging an improving economy and rising inflation, the Federal Reserve once again confirmed it will keep short term interest rates anchored near zero, and will continue with its current pace of bond purchases, stating that the US economic recovery is far from complete.
- Equity markets posted positive returns in April as the S&P 500 (Cap Wtd) Index returned 5.34% and the MSCI EAFE (Net) Index returned 3.01%. Emerging markets returned 2.49% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.79% in April, outperforming the 0.38% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 1.36%, 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 8.06% in April and 7.50% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 22.93% for the trailing one-year period and 15.59% for the trailing five-year period ending December 2020.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 2.40% for the month and 22.63% over the trailing one-year period.
- Crude oil's price increased by 7.47% during the month, and has increased by 237.47% YoY.

Economic Indicators	Apr-21	Mar-21	Apr-20	10 Yr	20 Yr
Federal Funds Rate (%)	0.05 ▼	0.06	0.05	0.63	1.40
Breakeven Inflation - 5 Year (%)	2.59 ▼	2.60	0.71	1.73	1.83
Breakeven Inflation - 10 Year (%)	2.41 ▲	2.37	1.07	1.93	2.02
Breakeven Inflation - 30 Year (%)	2.28 ▼	2.31	1.40	2.04	2.24
Bloomberg US Agg Bond Index - Yield (%)	1.51 ▼	1.61	1.31	2.30	3.43
Bloomberg US Agg Bond Index - OAS (%)	0.29 ▼	0.31	0.74	0.52	0.62
Bloomberg US Agg Credit Index - OAS (%)	0.83 ▼	0.86	1.91	1.29	1.43
Bloomberg US Corp: HY Index - OAS (%)	2.91 ▼	3.10	7.44	4.68	5.36
Capacity Utilization (%)	74.87 ▲	74.41	64.24	76.52	76.55
Unemployment Rate (%)	6.1 ▲	6.0	14.8	6.0	6.1
PMI - Manufacturing (%)	60.7 ▼	64.7	41.7	53.9	52.9
Baltic Dry Index - Shipping	3,053 ▲	2,046	1,366	1,127	2,306
Consumer Conf (Conf Board)	121.70 ▲	109.00	85.70	97.24	90.37
CPI YoY (Headline) (%)	4.2 ▲	2.6	0.3	1.7	2.1
CPI YoY (Core) (%)	3.0 ▲	1.6	1.4	1.9	2.0
PPI YoY (%)	9.5 ▲	5.9	-5.3	1.3	2.0
M2 YoY (%)	N/A	N/A	24.2	17.0	8.0
US Dollar Total Weighted Index	112.38 ▼	114.13	122.65	105.65	103.21
WTI Crude Oil per Barrel (\$)	64 ▲	59	19	67	63
Gold Spot per Oz (\$)	1,769 ▲	1,708	1,687	1,415	1,034

**Treasury Yield Curve (%)**



Treasury Yield Curve (%)	Apr-21	Mar-21	Apr-20	Apr-19	Apr-18
3 Month	0.01	0.03	0.09	2.43	1.87
6 Month	0.03	0.05	0.11	2.46	2.04
1 Year	0.05	0.07	0.16	2.39	2.24
2 Year	0.16	0.16	0.20	2.27	2.49
5 Year	0.86	0.92	0.36	2.28	2.79
7 Year	1.32	1.40	0.53	2.39	2.91
10 Year	1.65	1.74	0.64	2.51	2.95
20 Year	2.19	2.31	1.05	2.75	3.01
30 Year	2.30	2.41	1.28	2.93	3.11

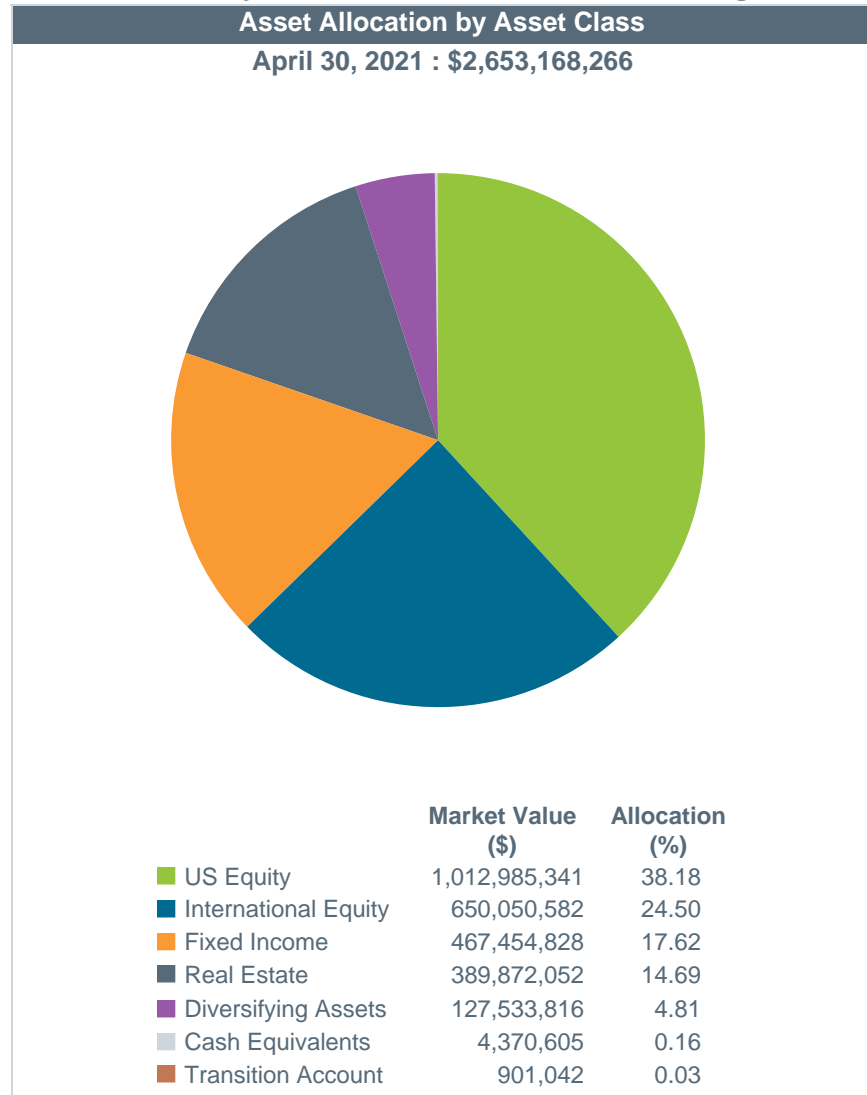
  

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	5.34	5.34	11.84	45.98	18.67	17.42	14.32	14.17
Russell 2000	2.10	2.10	15.07	74.91	15.23	16.48	12.01	11.63
MSCI EAFE (Net)	3.01	3.01	6.59	39.88	6.27	8.87	5.03	5.22
MSCI EAFE SC (Net)	4.02	4.02	8.70	52.63	7.24	10.87	8.15	7.88
MSCI EM (Net)	2.49	2.49	4.83	48.71	7.51	12.50	6.90	3.59
Bloomberg US Agg Bond	0.79	0.79	-2.61	-0.27	5.19	3.19	3.30	3.39
ICE BofAML 3 Mo US T-Bill	0.00	0.00	0.03	0.11	1.45	1.18	0.87	0.63
NCREIF ODCE (Gross)	N/A	N/A	2.09	2.30	4.88	6.19	8.25	9.67
FTSE NAREIT Eq REITs Index (TR)	8.06	8.06	17.64	37.47	11.78	7.50	8.37	8.80
HFRI FOF Comp Index	2.40	2.40	4.31	22.63	6.19	6.00	4.32	3.54
Bloomberg Cmtly Index (TR)	8.29	8.29	15.78	48.52	1.62	2.26	-5.06	-5.85

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.

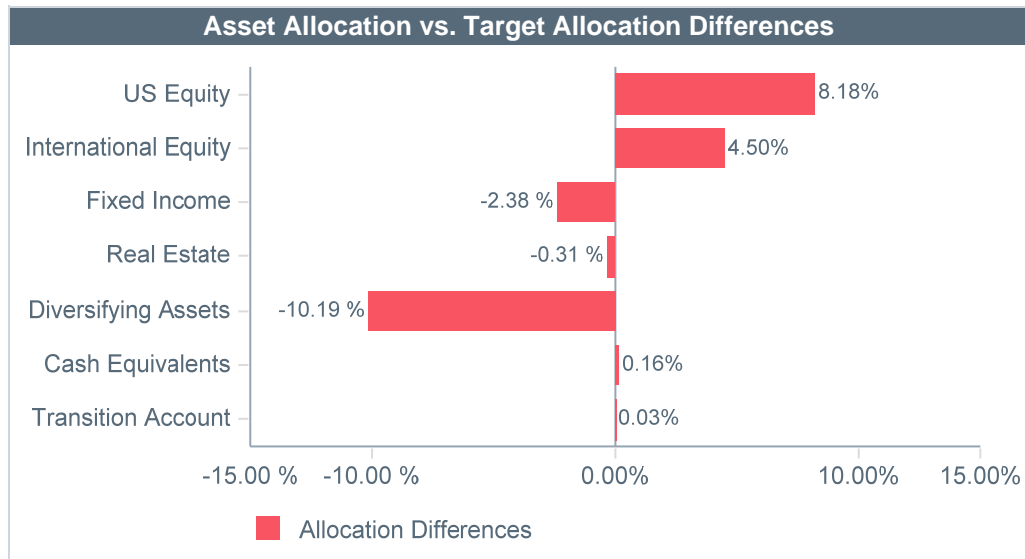


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



**Asset Allocation vs. Target Allocation**

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
<b>Total Fund</b>	<b>2,653,168,266</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
US Equity	1,012,985,341	38.18	20.00	30.00	40.00
International Equity	650,050,582	24.50	10.00	20.00	25.00
Fixed Income	467,454,828	17.62	10.00	20.00	30.00
Real Estate	389,872,052	14.69	0.00	15.00	20.00
Diversifying Assets	127,533,816	4.81	0.00	15.00	20.00
Cash Equivalents	4,370,605	0.16	0.00	0.00	10.00
Transition Account	901,042	0.03	0.00	0.00	0.00



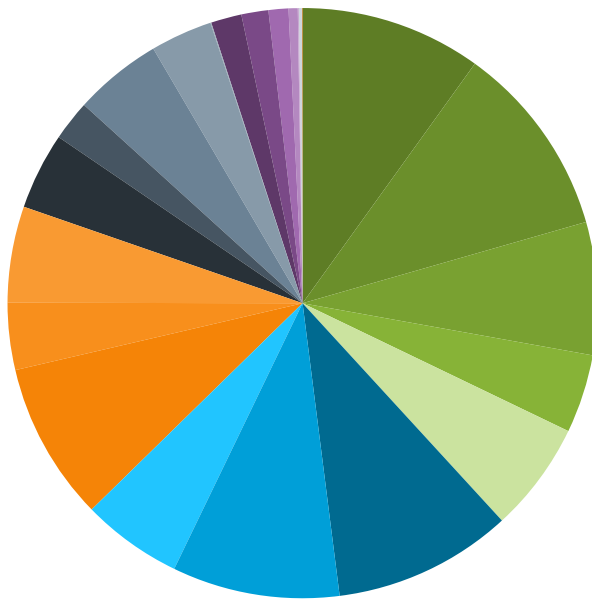
**Schedule of Investable Assets**

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
CYTD	2,469,519,078	401,168	183,248,020	2,653,168,266	7.42

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.



April 30, 2021 : \$2,653,168,266



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	263,562,695	9.93
Mellon Large Cap Core Index (CF)	281,984,408	10.63
Loomis Sayles Large Cap Growth (CF)	192,900,833	7.27
Mellon Small Cap Value Index (CF)	114,084,161	4.30
William Blair Small Cap Value (SA)	2	0.00
Pinnacle Associates US SMID Cap Growth (SA)	160,453,243	6.05
Silchester International Value (CF)	260,224,531	9.81
Baillie Gifford International Growth (BGEFX)	243,482,000	9.18
Acadian Emerging Markets (CF)	146,344,051	5.52
Baird Core Fixed Income (SA)	230,156,861	8.67
Franklin Templeton Global Multisector Plus (CF)	97,168,884	3.66
Loomis Sayles Multisector Full Discretion (CF)	140,129,083	5.28
Harrison Street Core Property, LP	111,656,349	4.21
PGIM Real Estate PRISA II LP (CF)	58,687,371	2.21
Principal US Property (CF)	128,212,876	4.83
UBS Trumbull Property (CF)	90,029,206	3.39
Vanguard RE Idx;ETF (VNQ)	1,286,251	0.05
Harvest Fund Advisors MLP (SA)	44,520,051	1.68
Tortoise Capital Advisors MLP (SA)	39,118,451	1.47
Hancock Timberland (SA)	29,151,266	1.10
Adams Street Private Equity (SA)	13,107,892	0.49
Hamilton Lane Private Credit (SA)	1,636,156	0.06
Dreyfus Gvt Csh Mgt;Inst (DGCXX)	4,370,605	0.16
Transition Account	901,042	0.03

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Market value shown for William Blair Small Cap Value (SA) represents residual cash.

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

As of April 30, 2021

	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>2,653,168,266</b>	<b>100.00</b>	<b>3.12</b>	<b>3.12</b>	<b>7.42</b>	<b>19.53</b>	<b>30.90</b>	<b>9.64</b>	<b>10.53</b>	<b>8.24</b>	<b>8.71</b>	<b>6.84</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			3.07	3.07	7.51	18.54	26.70	9.28	9.46	7.69	8.19	6.26	
Difference			0.05	0.05	-0.09	0.99	4.20	0.36	1.07	0.55	0.52	0.58	
<b>Total Equity</b>	<b>1,663,035,922</b>	<b>62.68</b>	<b>4.15</b>	<b>4.15</b>	<b>11.23</b>	<b>31.49</b>	<b>54.34</b>	<b>14.81</b>	<b>15.78</b>	<b>11.72</b>	<b>11.36</b>	<b>7.35</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>1,012,985,341</b>	<b>38.18</b>	<b>4.54</b>	<b>4.54</b>	<b>13.76</b>	<b>34.55</b>	<b>56.05</b>	<b>18.79</b>	<b>17.43</b>	<b>13.74</b>	<b>13.35</b>	<b>7.88</b>	<b>07/01/1999</b>
US Equity Index			5.15	5.15	11.83	28.25	50.92	18.95	17.67	14.24	14.03	7.78	
Difference			-0.61	-0.61	1.93	6.30	5.13	-0.16	-0.24	-0.50	-0.68	0.10	
<b>International Equity</b>	<b>650,050,582</b>	<b>24.50</b>	<b>3.54</b>	<b>3.54</b>	<b>7.57</b>	<b>27.07</b>	<b>51.75</b>	<b>8.86</b>	<b>13.14</b>	<b>8.25</b>	<b>7.79</b>	<b>6.90</b>	<b>07/01/1999</b>
International Equity Index			2.94	2.94	6.54	24.67	42.98	6.98	9.83	5.50	4.73	4.66	
Difference			0.60	0.60	1.03	2.40	8.77	1.88	3.31	2.75	3.06	2.24	
<b>Fixed Income</b>	<b>467,454,828</b>	<b>17.62</b>	<b>1.11</b>	<b>1.11</b>	<b>-1.42</b>	<b>0.12</b>	<b>2.97</b>	<b>3.57</b>	<b>3.37</b>	<b>2.74</b>	<b>3.35</b>	<b>5.14</b>	<b>07/01/1999</b>
Fixed Income Index			0.84	0.84	-2.24	-0.97	1.78	5.39	3.32	3.40	3.46	4.88	
Difference			0.27	0.27	0.82	1.09	1.19	-1.82	0.05	-0.66	-0.11	0.26	
<b>Real Estate</b>	<b>389,872,052</b>	<b>14.69</b>	<b>1.12</b>	<b>1.12</b>	<b>2.52</b>	<b>2.56</b>	<b>1.22</b>	<b>3.61</b>	<b>5.35</b>	<b>7.06</b>	<b>7.66</b>	<b>5.38</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.91	3.03	1.50	3.97	5.26	7.29	8.68	5.76	
Difference			1.12	1.12	0.61	-0.47	-0.28	-0.36	0.09	-0.23	-1.02	-0.38	
<b>Diversifying Assets</b>	<b>127,533,816</b>	<b>4.81</b>	<b>3.85</b>	<b>3.85</b>	<b>15.72</b>	<b>30.84</b>	<b>22.42</b>	<b>-0.33</b>	<b>1.28</b>	<b>-0.84</b>	<b>4.59</b>	<b>4.94</b>	<b>03/01/2011</b>
Diversifying Assets Index			5.09	5.09	19.83	36.35	23.49	-0.16	1.17	-0.57	2.73	2.88	
Difference			-1.24	-1.24	-4.11	-5.51	-1.07	-0.17	0.11	-0.27	1.86	2.06	

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 LP (CF), UBS Trumbull Property (CF), NCREIF ODCE Index (AWA) (Net), NCREIF Timberland Index, and Adams Street, LP is available quarterly; interim months assume a 0.00% return. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon.



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

As of April 30, 2021

	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>263,562,695</b>	<b>9.93</b>	<b>6.90</b>	<b>6.90</b>	<b>18.54</b>	<b>42.38</b>	<b>59.83</b>	<b>18.91</b>	<b>18.66</b>	<b>14.63</b>	<b>14.75</b>	<b>12.00</b>	<b>02/01/2007</b>
Russell 1000 Val Index			4.00	4.00	15.70	34.51	45.92	12.30	12.15	9.86	11.13	7.23	
Difference			2.90	2.90	2.84	7.87	13.91	6.61	6.51	4.77	3.62	4.77	
<b>Mellon Large Cap Core Index (CF)</b>	<b>281,984,408</b>	<b>10.63</b>	<b>5.38</b>	<b>5.38</b>	<b>11.60</b>	<b>26.77</b>	<b>49.28</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.21</b>	<b>05/01/2019</b>
Russell 1000 Index			5.38	5.38	11.61	26.90	49.48	19.24	17.76	14.42	14.23	22.31	
Difference			0.00	0.00	-0.01	-0.13	-0.20	N/A	N/A	N/A	N/A	-0.10	
<b>Loomis Sayles Large Cap Growth (CF)</b>	<b>192,900,833</b>	<b>7.27</b>	<b>5.47</b>	<b>5.47</b>	<b>8.68</b>	<b>18.15</b>	<b>44.83</b>	<b>22.91</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>21.22</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			6.80	6.80	7.81	20.09	51.41	25.37	22.88	18.61	17.02	23.87	
Difference			-1.33	-1.33	0.87	-1.94	-6.58	-2.46	N/A	N/A	N/A	-2.65	
<b>Mellon Small Cap Value Index (CF)</b>	<b>114,084,161</b>	<b>4.30</b>	<b>2.03</b>	<b>2.03</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>2.03</b>	<b>04/01/2021</b>
Russell 2000 Val Index			2.02	2.02	23.62	64.86	78.96	11.68	13.54	9.65	10.10	2.02	
Difference			0.01	0.01	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.01	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>160,453,243</b>	<b>6.05</b>	<b>0.21</b>	<b>0.21</b>	<b>11.67</b>	<b>48.55</b>	<b>79.21</b>	<b>24.17</b>	<b>21.12</b>	<b>14.78</b>	<b>13.96</b>	<b>16.43</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			3.51	3.51	6.09	33.55	67.27	21.60	20.51	15.48	14.21	16.47	
Difference			-3.30	-3.30	5.58	15.00	11.94	2.57	0.61	-0.70	-0.25	-0.04	
<b>International Equity</b>													
<b>Silchester International Value (CF)</b>	<b>260,224,531</b>	<b>9.81</b>	<b>1.53</b>	<b>1.53</b>	<b>10.43</b>	<b>27.21</b>	<b>36.67</b>	<b>2.98</b>	<b>7.83</b>	<b>5.54</b>	<b>7.33</b>	<b>9.67</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			1.91	1.91	9.50	30.52	40.95	1.46	6.15	2.15	3.26	5.58	
Difference			-0.38	-0.38	0.93	-3.31	-4.28	1.52	1.68	3.39	4.07	4.09	
<b>Baillie Gifford International Growth (BGEFX)</b>	<b>243,482,000</b>	<b>9.18</b>	<b>5.18</b>	<b>5.18</b>	<b>2.40</b>	<b>23.76</b>	<b>75.57</b>	<b>21.88</b>	<b>23.36</b>	<b>14.43</b>	<b>12.07</b>	<b>14.60</b>	<b>06/01/2009</b>
Baillie Gifford Index			3.69	3.69	3.61	18.04	42.57	11.37	11.63	7.94	7.16	9.52	
Difference			1.49	1.49	-1.21	5.72	33.00	10.51	11.73	6.49	4.91	5.08	
Baillie Gifford Spliced Index			2.94	2.94	6.54	24.67	42.98	7.55	9.66	5.57	5.60	7.88	
Difference			2.24	2.24	-4.14	-0.91	32.59	14.33	13.70	8.86	6.47	6.72	
<b>Acadian Emerging Markets (CF)</b>	<b>146,344,051</b>	<b>5.52</b>	<b>4.49</b>	<b>4.49</b>	<b>11.81</b>	<b>32.64</b>	<b>52.39</b>	<b>5.51</b>	<b>11.96</b>	<b>6.30</b>	<b>3.78</b>	<b>4.69</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			2.49	2.49	4.83	25.48	48.71	7.51	12.50	6.90	3.59	4.30	
Difference			2.00	2.00	6.98	7.16	3.68	-2.00	-0.54	-0.60	0.19	0.39	

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

As of April 30, 2021

	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>230,156,861</b>	<b>8.67</b>	<b>0.89</b>	<b>0.89</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>-0.25</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			0.79	0.79	-2.61	-1.96	-0.27	5.19	3.19	3.30	3.39	-0.47	
Difference			0.10	0.10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.22	
<b>Franklin Templeton Global Multisector Plus (CF)</b>	<b>97,168,884</b>	<b>3.66</b>	<b>1.81</b>	<b>1.81</b>	<b>-1.48</b>	<b>0.25</b>	<b>-0.57</b>	<b>-3.08</b>	<b>0.76</b>	<b>-0.38</b>	<b>1.32</b>	<b>5.05</b>	<b>09/01/2007</b>
Frank. Temp. Global Multisector Index			1.31	1.31	-3.09	0.33	4.70	3.84	2.86	2.14	2.22	3.69	
Difference			0.50	0.50	1.61	-0.08	-5.27	-6.92	-2.10	-2.52	-0.90	1.36	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>140,129,083</b>	<b>5.28</b>	<b>0.98</b>	<b>0.98</b>	<b>-1.57</b>	<b>2.52</b>	<b>10.56</b>	<b>7.34</b>	<b>6.84</b>	<b>5.29</b>	<b>6.01</b>	<b>6.85</b>	<b>10/01/2007</b>
Bloomberg Gbl Agg Bond Index			1.26	1.26	-3.25	-0.07	3.95	3.79	2.65	2.02	2.05	3.33	
Difference			-0.28	-0.28	1.68	2.59	6.61	3.55	4.19	3.27	3.96	3.52	
<b>Real Estate</b>													
<b>Harrison Street Core Property LP</b>	<b>111,656,349</b>	<b>4.21</b>	<b>1.43</b>	<b>1.43</b>	<b>2.71</b>	<b>2.71</b>	<b>3.97</b>	<b>5.83</b>	<b>7.64</b>	<b>N/A</b>	<b>N/A</b>	<b>7.17</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.91	3.03	1.50	3.97	5.26	7.29	8.68	5.73	
Difference			1.43	1.43	0.80	-0.32	2.47	1.86	2.38	N/A	N/A	1.44	
<b>PGIM Real Estate PRISA II LP (CF)</b>	<b>58,687,371</b>	<b>2.21</b>	<b>1.78</b>	<b>1.78</b>	<b>3.21</b>	<b>3.21</b>	<b>0.56</b>	<b>4.35</b>	<b>5.87</b>	<b>N/A</b>	<b>N/A</b>	<b>7.43</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.91	3.03	1.50	3.97	5.26	7.29	8.68	6.63	
Difference			1.78	1.78	1.30	0.18	-0.94	0.38	0.61	N/A	N/A	0.80	
<b>Principal US Property (CF)</b>	<b>128,212,876</b>	<b>4.83</b>	<b>0.50</b>	<b>0.50</b>	<b>2.96</b>	<b>4.72</b>	<b>3.05</b>	<b>5.03</b>	<b>6.56</b>	<b>8.40</b>	<b>N/A</b>	<b>8.42</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.91	3.03	1.50	3.97	5.26	7.29	8.68	7.27	
Difference			0.50	0.50	1.05	1.69	1.55	1.06	1.30	1.11	N/A	1.15	
<b>UBS Trumbull Property (CF)</b>	<b>90,029,206</b>	<b>3.39</b>	<b>1.09</b>	<b>1.09</b>	<b>1.09</b>	<b>-1.01</b>	<b>-3.97</b>	<b>-0.83</b>	<b>1.68</b>	<b>4.24</b>	<b>5.87</b>	<b>4.45</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	1.91	3.03	1.50	3.97	5.26	7.29	8.68	5.76	
Difference			1.09	1.09	-0.82	-4.04	-5.47	-4.80	-3.58	-3.05	-2.81	-1.31	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,286,251</b>	<b>0.05</b>	<b>7.85</b>	<b>7.85</b>	<b>17.31</b>	<b>28.17</b>	<b>35.26</b>	<b>13.53</b>	<b>8.14</b>	<b>8.78</b>	<b>8.89</b>	<b>13.65</b>	<b>12/01/2008</b>
Custom REITs Index			7.98	7.98	17.40	28.30	35.58	13.96	8.70	9.20	9.39	14.48	
Difference			-0.13	-0.13	-0.09	-0.13	-0.32	-0.43	-0.56	-0.42	-0.50	-0.83	

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

As of April 30, 2021

	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>44,520,051</b>	<b>1.68</b>	<b>5.95</b>	<b>5.95</b>	<b>25.41</b>	<b>53.83</b>	<b>39.77</b>	<b>-2.23</b>	<b>-0.30</b>	<b>-3.84</b>	<b>3.36</b>	<b>3.93</b>	<b>03/01/2011</b>
S&P MLP Index (TR)			7.59	7.59	29.57	67.45	43.64	-2.66	-0.61	-5.47	0.20	0.50	
Difference			-1.64	-1.64	-4.16	-13.62	-3.87	0.43	0.31	1.63	3.16	3.43	
<b>Tortoise Capital Advisors MLP (SA)</b>	<b>39,118,451</b>	<b>1.47</b>	<b>5.92</b>	<b>5.92</b>	<b>24.25</b>	<b>51.28</b>	<b>27.89</b>	<b>-6.20</b>	<b>-2.93</b>	<b>-5.73</b>	<b>1.73</b>	<b>1.90</b>	<b>03/01/2011</b>
Tortoise Spliced Index			6.17	6.17	28.33	54.19	37.51	-4.06	-1.47	-6.05	-0.24	0.07	
Difference			-0.25	-0.25	-4.08	-2.91	-9.62	-2.14	-1.46	0.32	1.97	1.83	
<b>Hancock Timberland (SA)</b>	<b>29,151,266</b>	<b>1.10</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.84</b>	<b>5.17</b>	<b>4.78</b>	<b>5.69</b>	<b>5.33</b>	<b>6.24</b>	<b>3.83</b>	<b>10/01/2006</b>
NCREIF Timberland Index			0.00	0.00	0.76	1.34	1.46	1.71	2.51	3.69	4.55	5.10	
Difference			0.00	0.00	-0.76	2.50	3.71	3.07	3.18	1.64	1.69	-1.27	
<b>Adams Street Private Equity (SA)</b>	<b>13,107,892</b>	<b>0.49</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</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>0.00</b>	<b>11/01/2020</b>
S&P 500 Index+3%			5.60	5.60	12.95	27.61	50.36	22.23	20.94	17.75	17.60	30.77	
Difference			-5.60	-5.60	-12.95	N/A	N/A	N/A	N/A	N/A	N/A	-30.77	
<b>Hamilton Lane Private Credit (SA)</b>	<b>1,636,156</b>	<b>0.06</b>	<b>0.00</b>	<b>0.00</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>03/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			1.69	1.69	2.11	10.34	24.48	8.60	9.33	7.07	8.14	1.25	
Difference			-1.69	-1.69	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Dreyfus Gvt Csh Mgt;Inst (DGCXX)</b>	<b>4,370,605</b>	<b>0.16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>	<b>0.05</b>	<b>1.34</b>	<b>1.12</b>	<b>0.83</b>	<b>0.61</b>	<b>1.35</b>	<b>04/01/2001</b>
FTSE 3 Mo T-Bill Index			0.00	0.00	0.02	0.05	0.13	1.41	1.15	0.84	0.60	1.35	
Difference			0.00	0.00	-0.01	-0.03	-0.08	-0.07	-0.03	-0.01	0.01	0.00	

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

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**Performance Related Comments:**

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

**Custom Composite Benchmark Comments:**

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

**Custom Manager Benchmark Comments:**

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



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

PORTLAND

BOISE

CHICAGO

NEW YORK

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## Memorandum

To	City of Jacksonville Employees' Retirement System
From	RVK, Inc. ("RVK")
Subject	Investment Policy Statement ("IPS") Recommended Updates
Date	May 27, 2021

### Background

This memo serves to review several proposed IPS changes. These recommended changes would amend those that were adopted by the Board in October 2017. While RVK first reviewed the IPS at the start of our relationship with the City, and at that time considered it to be detailed, comprehensive, and actionable, RVK and Staff felt now was an opportune time to perform a subsequent review to determine if there are areas of the Policy that could benefit from added clarification, consistency, or general enhancements, particularly in light of the asset allocation evolution. Below is a summary of recommended changes in light of this review. In addition, attached to this memo are both a redlined version of the IPS, where each change is outlined, and an associated clean version of the IPS, where each change is reflected.

### Summary of Key Recommended Changes

1. **International Equity** – Pursuant to the Board's recent asset allocation decision, the following changes have been proposed within the asset class, consistent with prior Board decision making around the asset class:
  - a. The target to International Equity has been increased from 20% to 23%. The minimum end of the associated range has been increased from 10% to 13%. The maximum end of the associated range has been maintained at 25% to reflect the Statutory maximum.
2. **Real Estate** – With the objective being to create flexibility and efficiency in the build out of Non Core Real Estate, the following changes have been proposed, consistent with prior Board decision making around the asset class:
  - a. Core and Non Core Real Estate have been decoupled and added at a subcategory level, within Real Estate, such that each asset class now has distinct targets and associated ranges.
  - b. A 10% target to Core Real Estate has been added, at the subcategory level, to the long-term asset allocation targets. An associated allowable range of 5% to 15% has been added accordingly.
  - c. A 5% target to Non Core Real Estate has been added, at the subcategory level, to



- the long-term asset allocation targets. An associated allowable range of 0% to 8% has been added accordingly.
- d. More clearly defined guidelines, inclusive of complementary objectives and total return goals, for both Core and Non Core Real Estate have been added.
- 3. Diversifying Assets** – With the objective being to create flexibility and efficiency in the build out of Private Equity and Private Credit, the following changes have been proposed, consistent with prior Board decision making around the asset class:
- a. Subcategories, within Diversifying Assets, have been created for Private Equity and Private Credit such that each now has distinct targets and associated ranges
  - b. A 7% target to Private Equity has been added, at the subcategory level, within Diversifying Assets, to the long-term asset allocation targets. An associated allowable range of 0% to 10% has been added accordingly.
  - c. A 5% target to Private Credit has been added, at the subcategory level, within Diversifying Assets, to the long-term asset allocation targets. An associated allowable range of 0% to 8% has been added accordingly.
  - d. Language pertaining to permissible strategies and guidelines, inclusive of total return goals, have been added for both Private Equity and Private Credit.
- 4. Consistency of Terminology** – We sought to ensure uniform terminology and consistent reference use throughout the IPS.

## **Conclusion**

As mentioned above, all of the aforementioned changes, and further, more format related changes, have been detailed in the attached redlined IPS. Should the Board approve these changes, RVK will work collaboratively with Staff, to ensure each is enacted accordingly and in a prudent manner.

**CITY OF JACKSONVILLE EMPLOYEES RETIREMENT  
SYSTEM**

**STATEMENT OF INVESTMENT POLICY,  
GOALS AND GUIDELINES**

Adopted January 2006  
Amended August 27, 2009  
Amended December 15, 2011  
Amended October 26, 2017  
Amended May 27, 2021

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### **INTRODUCTION & PURPOSE**

The City of Jacksonville Employees Retirement System (the "System") consists of two defined benefit pension plans and a disability plan. The defined benefit plans are The City of Jacksonville General Employees Retirement Plan and the City of Jacksonville Corrections Officers Retirement Plan (each the "Plan" or together the "Plans"). Although each Plan is unique and its assets and liabilities are valued separately, the Plans' assets are combined for investment purposes through a common pension trust Fund (the "Fund"). The System is administered by a Board of Trustees (the "Board") which has the fiduciary responsibility for the System's administration, the investment of its assets, and the management of its operations. The purpose of the City of Jacksonville Employees Retirement System is to provide long-term benefits to the Plans' participants and their beneficiaries. In recognition of its responsibility, the Board hereby adopts this Statement of Investment Policy, Goals and Guidelines (the "Policy").

The purpose of this document is to communicate, in writing, the investment objectives and guidelines established by the Board as they pertain to the Plans and the Fund. It is intended to provide the Board, the City's Treasurer, the System's Administrator and investment staff, the System's investment consultant, the System's investment managers and the System's custodian a clear and accurate understanding of all investment objectives, investment guidelines and the criteria by which investment performance shall be evaluated. The guidelines and objectives provided herein are intended only to complement those contained in Chapter 18610, Laws of Florida, Acts of 1937; Sections 112.661(5) and 215.47, Florida Statutes; Sections 120.103 and 120.104, Jacksonville Ordinance Code, and any other applicable ordinances or statutes. If at any time this document is found to be in conflict with such ordinances or statutes, the ordinances and statutes shall prevail.

Assets of the Plans are held in trust in the Fund for the exclusive purpose of providing benefits to the Plans' participants and their beneficiaries and to defray the reasonable expenses of the Plans. See Sections 120.101(a), 120.103(a), 120.104(a) and 120.213(a), Jacksonville Ordinance Code, and Sections 112.656 and 112.66(9), Florida Statutes. It is the policy of the Board that no part of the corpus or income of the Plans' assets shall be used for or diverted to purposes other than providing benefits to the Plans' participants and their beneficiaries, to reimburse the City of Jacksonville for any advanced payments, or to pay reasonable expenses of the System.

The Board acknowledges that the Employee Retirement Income Security Act of 1974, as amended ("ERISA") does not directly apply to the System as a governmental retirement plan and that the investment policy describes the level of prudence and ethical standards to be followed by the Board in carrying out its investment activities with respect to the System's funds. However, in performing its investment duties the Board shall comply with the fiduciary standards set forth in ERISA, found at 29 U.S.C. Section 1104(a)(1)(A)-(C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in Section 112.661 or other applicable sections of Florida Statutes shall apply.

The investment policies set forth in this document are established after a thorough review of the unique needs and circumstances of the Fund and a careful evaluation of the risk and potential returns expected from various mixes of stocks, bonds, real estate, cash equivalent securities, and other permissible assets. It is the Board's intention that the investment policies herein be sufficiently specific to be meaningful but adequately flexible to be practical. Responsible parties shall not deviate from these policies without the written permission of the Board. In the case of emergency circumstances, however, the City's Chief Financial Officer or Treasurer shall be allowed to deviate from this Policy when necessary to preserve Fund assets, subject to any statutory limitations.

A set of Investment Manager Instructions (the "Instructions") are developed by the System's investment consultant for each separate account established with an investment manager and approved by the Board. Such instructions shall contain the manager's benchmark by which the manager's performance is measured, any internal account restrictions or limitations, and any necessary exceptions to the Policy. The Board may periodically approve changes or permit exceptions to this Policy in order to maintain flexibility in the investment of the System's assets, adjust to changes in the capital markets, or take advantage of market opportunities. Such changes or exceptions shall be noted in the Manager Instructions or amendments to this Policy.

Any time any party in a contractual relationship with the System (e.g. investment consultant, investment manager, custodian, etc.) believes any changes to this Policy become necessary or advisable, they shall make a request in writing for such change, which shall be communicated by the System staff to the Board, if necessary. The Board is responsible for approving all such requests. The Board shall give notice to the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy not less than 60 days prior to the final meeting for adoption of such change. Upon approval by Board vote, System staff shall communicate all changes as necessary.

#### **GENERAL OBJECTIVES**

The investment objective of the System is to preserve the purchasing power of the System's assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing, to the extent reasonable, the volatility of returns.

To achieve these objectives, the Board seeks to create a well-diversified and balanced portfolio of equity, fixed income, real estate, diversifying assets, money market and other investments as described herein. The Board may invest System assets in any securities, real property and other assets it deems appropriate after a thorough review of the needs of the Fund and a careful evaluation of the potential risk and returns, provided such investment is authorized by this Policy and not prohibited by law. The Board has determined that outside investment managers may be retained to assure that investments are managed in both a prudent and professional manner and in compliance with the stated investment guidelines.



### **TREASURER & PLAN ADMINISTRATOR RESPONSIBILITIES**

The City Treasurer is also the Treasurer of the System. The Treasurer and the Plan Administrator are responsible for implementing decisions made by the Board, administration of the System and Plans in alignment with applicable law and policies, and communicating Board directives to the investment managers and other related professionals. The Board authorizes the Treasurer and the Plan Administrator to deviate from these directives, subject to the investment limitations contained in Sections 112.661 and 215.47, Florida Statutes, and only when deemed in the best interest of the System with the concurrence of the City's Chief Financial Officer. Any such deviation shall be promptly reported to the Board no later than the next Board meeting.

### **INVESTMENT MANAGER RESPONSIBILITIES**

Within the guidelines and restrictions set forth herein, the Board delegates to each investment manager full investment discretion with respect to the management of assets under its control. Such discretion includes decisions to buy, hold and sell securities in amounts that are reflective of the manager's investment strategy and in compliance with the Policy. The investment managers' acceptance of the responsibility to manage assets for the System constitutes an acceptance of this Policy, affirming the belief they are capable of achieving the System's objectives within the guidelines and limitations stated herein.

The Board delegates to each investment manager the responsibility to vote any and all proxies applicable to designated Plan assets under their management. The investment manager has the responsibility to vote solely in the interest of the Plans' participants and to protect the value of the securities within the Fund. Investment managers shall keep accurate records with respect to their voting of proxies. Investment managers shall forward to the Board at least annually a proxy voting report, including a summary of all instances where votes were cast against management, or where votes were cast against the manager's internal proxy voting policies, along with the manager's supporting rationale for each such situation.

Except as provided below in this paragraph, the System's investment managers shall discharge their responsibilities in the same manner as if the System were governed by the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Although the Board acknowledges that ERISA does not directly apply to the System as a governmental retirement plan, in carrying out its investment activities with respect to the System's assets each investment manager shall conform to the statutory provisions, rules, regulations, interpretations and case law of ERISA. Each investment manager shall acknowledge in writing that it is a fiduciary, as that term is defined by ERISA, of the System or of the investors in the commingled fund, partnership, or other commingled investment vehicle that the investment manager is retained to manage. Exceptions may be made by the Board on a case-by-case basis if

necessary. Each investment manager shall be responsible only for those assets under its management.

Unless otherwise approved on an exception basis and fully disclosed to the Board in advance, investment managers shall not:

- Take custody of assets under their control;
- Execute trades through brokers affiliated with the investment manager or the System's investment consultant or custodian; or
- Otherwise pay any fees, compensation or gratuities to the System's investment consultant or custodian.

Each investment manager is expected to provide all reasonable information to the System's custodian necessary for the timely and effective management and trade settlement of its account, including information on trades, cash balances, and pricing discrepancies.

Unless otherwise provided by the System's custodian through a cash sweep vehicle, each investment manager shall invest cash reserves in permissible cash equivalent securities in order to minimize uninvested cash balances.

All investment transactions shall be completed on a best price, best execution basis. The investment managers, as fiduciaries, have the responsibility to execute all transactions in the best interest of the Fund.

- On a case-by-case basis, the Board may direct any manager to execute a portion of its trades through one or more commission recapture services selected by the Board.

Each investment manager is expected to provide all reasonable information requested by the Board. All managers shall keep the Board and investment consultant informed on a timely basis of:

- Significant changes in their investment outlook, investment strategy, asset allocation;
- Changes in ownership, organizational structure, financial condition, investment process, or regulatory registration;
- Any regulatory action, investigation or legal action affecting the firm or its employees;
- Changes in professional staffing to the investment management firm or investment product utilized, including client service personnel; and
- All other matters affecting their relationship with the System.

Whenever investment managers believe that any particular guideline should be altered, it is the investment manager's responsibility to initiate written communication with the Board and investment consultant requesting such change.

At a minimum, each manager shall provide a quarterly report that includes the following:

- All investment activity (incl. securities purchases and sales);
- The portfolio's current value;
- Investment performance and attribution;
- An analysis of portfolio characteristics;
- A market and investment outlook;
- Any changes in investment philosophy or strategy;
- Any significant changes in the personnel or ownership of the firm;
- A summary of commission costs, brokers utilized and all portfolio directed brokerage activities;
- On an annual basis each equity manager shall provide a summary report of all proxies voted and whether any proxies were voted as an exception to the manager's stated proxy voting guidelines.

Real estate managers shall provide reports with similar information as described above but tailored to provide relevant risk exposure, portfolio construction and return information suitable for that asset class or strategy given industry standards.

Each investment manager is expected to meet with the Board or its designated representatives periodically to review investment performance and philosophy.

#### **CONSULTANT RESPONSIBILITIES**

The primary duty of the investment consultant is to provide investment advice to the Board and to assist the Treasurer and Plan Administrator and staff in the implementation of the Board's directives and management of the investment process. This includes meeting regularly with the Board to provide information, market perspective, and evaluation as to the System's goals, objectives, limitations, investment structure and investment performance as part of the overall development, implementation and monitoring of a diversified investment portfolio.

Specific duties of the investment consultant include:

- 1) Making recommendations to the Board of appropriate actions which shall enhance the probability of achieving Fund objectives such as use of various asset classes, implementation of investment strategy, changes in investment policy, and changes in investment managers or other service providers;
- 2) Assisting the Board in developing appropriate asset mixes through the development of regular asset-liability studies or asset allocation reviews;
- 3) Assisting the Board in deploying an appropriate asset mix through the development of specific investment strategies and supporting policies;
- 4) Making recommendations to the Board with respect to rebalancing;
- 5) Providing comprehensive evaluation of the investment results of the Fund and its individual asset managers in light of this Policy;
- 6) Notifying the Board of changes in the structure, personnel, ownership, or process of managers serving the System;

- 7) Conducting searches for investment managers and other service providers as necessary and making recommendations for such positions;
- 8) Disclosing potential conflicts of interest as they become known; and
- 9) Providing ad hoc investment research and other support as may be necessary to support the Board's educational and informational needs.

#### **CUSTODIAN RESPONSIBILITIES**

The Board shall retain a bank or trust company to act as custodian for the System's assets. Such custodian shall be responsible for the safekeeping of all the System's assets put under its custody, as well as the regular valuation of System assets and settlement of investment managers' trades on behalf of the System.

In order to maximize the investment return, no money should be allowed to remain idle and uninvested. Dividends, interest, proceeds from sales, new contributions and all other monies shall be invested promptly upon receipt. Consistent with these requirements, the custodian shall be responsible for the following functions:

- 1) Accept daily trading/cash reconciliation instructions from the money managers;
- 2) Advise investment managers daily of changes in cash equivalent balances;
- 3) Immediately advise managers of contributions and withdrawals from account;
- 4) Notify investment managers of tenders, rights, fractional shares or other dispositions of holdings;
- 5) Resolve any custodial account problems with investment managers;
- 6) Safekeeping of securities;
- 7) Collection of all interest and dividends;
- 8) Daily sweep of idle cash balances;
- 9) Process all investment manager security transactions;
- 10) Collect proceeds from maturing securities and sale transactions;
- 11) Make cash disbursements as directed;
- 12) Provide monthly accounting statements based on fair market value for each security in each investment manager account and a consolidated statement of all assets under custody;
- 13) Provide account representative and back-up to assist City staff in all needs relating to the custody and accountability of System assets;

- 14) Managing as securities lending agent and/or assisting the securities lending program as directed by the Board;
- 15) Provide a schedule of commissions paid and brokers used by each investment manager;
- 16) Provide reports or assistance on corporate actions, class action notice filings, forwarding proxies to appropriate parties and any other actions or reports mutually agreed upon by the custodian and the Board;
- 17) Provide any other tasks necessary for the effective safekeeping, valuation or administration of System assets.

#### **INVESTMENT OBJECTIVES**

The broad investment objective of the System is, to the extent possible, to ensure over the life of the System that an adequate level of assets are available to fund the benefits payable to the Plans' participants and beneficiaries at the time they become payable. In meeting this objective, the Board seeks to achieve a high level of investment return consistent with a prudent level of portfolio risk.

In addition, the System seeks a total rate of return after all expenses that equals or exceeds the current actuarial investment return assumption. The Board, with help from the actuary and investment consultant, shall use the Fund's asset allocation as the primary tool to achieve this objective. As this is a long-term objective and investments are subject to short-term volatility, the main investment focus of the Board is the expected return and associated expected volatility of the Plan as a whole over a long-term investment time horizon. The performance of each asset class and the performance of each manager relative to appropriate market indices and style peer comparisons shall be monitored over both the long term and short term. Each manager is expected to maintain a consistent philosophy and style, perform well versus others utilizing the same style, and add incremental value after costs.

**Long-term growth of capital:** The Board recognizes that short-term fluctuations may result in the loss of capital earned on occasion (i.e., negative rates of return). However, in the absence of contributions and withdrawals, the asset value of the Plans should grow over the long run and achieve the investment goals set out below.

**Preservation of Purchasing Power:** the preservation of purchasing power is another long-term investment objective for System. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation (as measured by annual CPI) over the long term in order to preserve purchasing power of future benefits.

The specific investment goals of the System are as follows:

- To earn an annualized rate of return, over the long term, that exceeds the annual rate of change in the Consumer Price Index (CPI, net of fees).
- To earn an annualized rate of return over the long term equal to or in excess of the System's actuarial assumed rate of return, net of fees.
- To earn a total rate of return, net of fees, over a market cycle, (roughly 7 years) that exceeds the return of a Policy Index. The Policy Index for the System is defined as a hypothetical index constructed of the target allocation for each broad asset class, as adopted by the Board and contained in the Policy, invested in a broad market index representing that asset class. The Policy Index may change from time to time as the asset allocation target for the System changes, as approved by the Board.
- In addition, it is expected that over a market cycle (roughly 7 years) the rate of return earned by the System shall rank above median when compared to a representative universe of other, similarly managed and sized, retirement systems and portfolios.
- It is the goal for each active investment manager to achieve an annualized total rate of return, over a market cycle (roughly 7 years) which exceeds a broad market benchmark, net of fees, and ranks above median in a style peer performance universe. The broad market benchmarks are shown in each investment manager's Investment Instructions. It is the goal for each passive investment manager to achieve an annualized total rate of return, gross of fees, that matches the underlying market benchmark, and minimizes tracking error.

### **ASSET ALLOCATION**

The Board believes that the level of risk assumed in the Fund is a function, in large part, of the Fund's asset allocation. The proportion of assets allocated for equity investments is a major determinant of volatility of future returns. As indicated by long-term historical data, the risk of equity ownership has been rewarded with a higher rate of return and is necessary in the current market environment to fully fund future liabilities. The risk tolerance of the Board shall also be expressed through eligible asset classes and target asset allocation.

The Fund's investments shall be invested in a diversified portfolio composed of some or all of the following: equity securities (both domestic and international), fixed income securities (both domestic and international), core and non core real estate, diversifying assets (including but not limited to: private equity, private creditdebt, equity or debt long-short, event-driven, relative value, or tactical trading strategies, MLPs, and real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources) as permitted by this Policy and any applicable ordinance or statute), and cash equivalent securities. Accordingly, the portfolio shall be structured to provide real growth of market value over time while providing downside protection, to the extent reasonable under

prevailing market conditions, during periods of economic or capital market distress or volatility.

Based on its determination of the appropriate risk posture for the Fund, and its long-term return expectations, the Board, with recommendations from the investment consultant and actuary, shall maintain asset-mix guidelines for the Fund, based on market values. The asset allocation is a strategic asset allocation. The long term target allocation percentage and permitted range for each asset class shall be based upon the most recent asset-liability study or asset allocation review performed by the investment consultant, generally every few years, and as adopted by the Board. Both the target allocations and permitted ranges should be adhered to under normal circumstances. However, because the target allocations and permitted ranges are long term in nature, periodically the asset mix may fall outside the target or range. Dollar-cost-averaging, portfolio transition or other cases where the Board determines deviation from the target or range is in the best interest of the Fund are permitted exceptions. This in no way should be considered market timing and is not viewed as such by the Board.

The Board, in conjunction with the investment consultant and actuary, is responsible for broad asset allocation decisions. A manager's cash holdings can disrupt this position and therefore under normal circumstances should be limited to five percent (5%) of its portfolio market value. Therefore, each manager's portfolio is to be fully invested, although cash can be held briefly when a security is sold prior to reinvestment. The only exception to this shall be when cash is used as part of a duration or term-structure strategy of a fixed income manager. This exception is consistent with the Board's decision to have managers avoid market-timing decisions stated above.

Until such time as the Board changes the broad asset class targets, a routine rebalancing of the various portfolios back within permitted allocation range shall be implemented as necessary. The first tool used to achieve this rebalancing shall be regular cash flows. After that, manager cash and portfolio liquidation shall be used.

When market experience moves the portfolio allocation outside a range of +/- 5% around the target allocation at month end, the Treasurer, Plan Administrator, or investment staff in conjunction with the investment consultant shall consider any necessary action to rebalance back toward the target allocation. Priority of rebalancing shall be asset class before style or individual manager.

After a thorough review of the expected risk and return of various asset mixes, the Board of Trustees has established the following target asset allocation for all assets of the City of Jacksonville Retirement System:

Asset Class	Minimum	Target	Maximum
Domestic Equities	20%	30%	40%
International Securities	130%	230%	25%*
Fixed Income	10%	20%	30%
Real Estate	0%	15%	20%
<u>Core Real Estate</u>	5%	10%	15%
<u>Non Core Real Estate</u>	0%	5%	8%
Diversifying Assets** (±)	0%	125%	20%
<u>Private Equity</u>	0%	7%	10%
<u>Private Credit</u>	0%	5%	8%
Cash	0%	0%	10%

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\*Statutory Maximum

\*\*ex.) Includes pPrivate eEquity, pPrivate creditDebt, equity or debt long-short, event-driven, relative value, or tactical trading strategies, MLPs, and real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources)

~~(1) (±) Within the Diversifying Assets allocation, a subcategory of the following strategies shall have a minimum of 0%, target of 5%, with a maximum allowable investment of 7.5%: equity/debt long short, event driven, relative value, and tactical trading. If the maximum threshold of 7.5% is breached, holdings in this subcategory shall be liquidated to reestablish compliance as soon as administratively possible.~~

### **INVESTMENT GUIDELINES**

Sections 112.661 and 215.47, Florida Statutes, describe the permissible investments for the System and limitations on investments. Section 120.103, Jacksonville Ordinance Code, authorizes the Board to establish allocations containing permissible investments to those defined by this Policy, within the limits set forth by statute. The following broad investment guidelines contain both a restatement of those sections and additional limitations. They also may be modified as set forth in any individual investment manager instructions, to the extent approved by the Board and permitted by applicable ordinances and statutes.

### **EQUITY SECURITIES**

#### **Permitted Securities:**

The following are permissible investments:

- All equity investments shall be limited to fully and easily negotiable equity securities that are listed on a national exchange.
- Permissible investment vehicles securities shall include equity separate accounts and commingled vehicles consisting of those common stocks, preferred stocks and convertible securities.



- American Depositary Receipts are permissible in domestic equity portfolios.
- American Depositary Receipts and Global Depositary Receipts are permissible in international equity portfolios.
- Other equity securities listed in the Equity Guidelines below.

### Equity Guidelines

- 1) The total equity portfolio may not exceed 80% of the Fund's assets measured at market value.
- 2) The total portion of the Fund's international equity holdings combined with non-US dollar corporate bonds may not exceed 25% of the Fund's assets measured at market value.
- 3) No more than 105% of the market value of the total equity portfolio may be invested in the combined common stock, preferred stock or convertible securities shares of any one company.
- 4) Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 10% of the market value of the total equity portfolio.
- 5) American Depositary Receipts are permissible in domestic equity portfolios and are limited to 15% of a manager's portfolio.
- 6) Exchange Traded Funds or index fund investments are permitted.
- 7) No individual equity strategy/mandate portfolio, measured at market value, shall have an economic sector weighting which exceeds the greater of either 30% or 2 times the sector weight of the underlying benchmark.
- ~~8) Not more than 80 percent of the Fund may be invested in common stock, preferred stock, and interest bearing obligations of a corporation having an option to convert into common stock, provided:~~
  - ~~1. The corporation is organized under the laws of the United States, any state or organized territory of the United States, or the District of Columbia; or~~
  - ~~2. The corporation is listed on any one or more of the recognized national stock exchanges in the United States and conforms with the periodic reporting requirements under the Securities Exchange Act of 1934.~~

~~9)8)~~ Not more than 75 percent of the Fund may be in internally managed common stock.

~~10)~~ The Board shall not invest more than 10 percent of the equity assets of the Fund in the common stock, preferred stock, and interest-bearing obligations having an option to convert into common stock, of any one issuing corporation; and the Board shall not invest more than 3 percent of the equity assets of the Fund in such securities of any one issuing corporation except to the extent a higher percentage of the same issue is included in a nationally recognized market index, based on market values, at least as broad as the Standard and Poor's Composite Index of 500 Companies, or except upon a specific finding by the Board that such higher percentage is in the best interest of the fund.

~~11)~~ Not more than 25 percent of the Fund may be invested in corporate obligations and securities of any foreign corporation or foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.

~~12)9)~~ A total return goal of the domestic equity composite, net of fees, is to exceed the return of the Russell 3000 Index over a market cycle (roughly 7 years).

~~13)10)~~ The total return goal of the international equity composite, net of fees, is to exceed the return of the MSCI All Country World EX-US Index over a market cycle (roughly 7 years).

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## **FIXED INCOME SECURITIES**

### **Permissible Securities:**

The following are permissible investments:

- Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.
- Florida State bonds pledging the full faith and credit of the state and revenue bonds additionally secured by the full faith and credit of the state.
- Bonds of the several counties or districts in the state containing a pledge of the full faith and credit of the county or district involved.
- Bonds issued or administered by the State Board of Administration secured solely by a pledge of all or part of the 2-cent constitutional fuel tax accruing under the

provisions of s. 16, Art. IX of the State Constitution of 1885, as amended, or of s. 9, Art. XII of the 1968 revised State Constitution.

- Bonds issued by the State Board of Education pursuant to ss. 18 and 19, Art. XII of the State Constitution of 1885, as amended, or to s. 9, Art. XII of the 1968 revised State Constitution, as amended.
- Bonds issued by the Florida Outdoor Recreational Development Council pursuant to s. 17, Art. IX of the State Constitution of 1885, as amended.
- Notes, bonds, and other obligations of agencies of the United States.
- Other bonds listed in the Fixed Income Guidelines below.

#### **Fixed Income Guidelines**

- 1) At a minimum, 80% of the total fixed income portfolio shall be rated "investment grade" or higher. The Board defines investment grade as "BBB-", "Baa3" or their equivalent, as rated by the following credit agencies: S&P Global, Moody's or Fitch. In the event of a split rating, the security must be rated "BBB-", "Baa3" or their equivalent by at least two investment rating agencies to be considered investment grade. The lower rating will be used if the investment is rated by two ratings agencies.
- 2) Permissible securities shall include fixed income separate accounts and commingled vehicles consisting of those US Treasuries and Agencies, corporate bonds, mortgage-backed securities, asset backed securities and convertible securities listed belowabove.
- 3) Investments in corporate bonds issued by a non-US corporation of commercial entity shall not exceed 25% of the market value of the total fixed income portfolio. ~~Non-US pay equity securities traded outside the US shall also be counted toward the 25% limitation.~~—This limitation shall not apply to US dollar-denominated securities listed and traded on US exchanges.
- 4) The total value of the securities of any single non-US Government issuer shall not exceed 5% of the market value of the total fixed income compositeportfolio.
- 5) Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 25% of the market value of the total fixed income portfolio.
- 6) There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.
- 7) Investments in Commercial Mortgage Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service. However, the total value of all CMBS investments shall not exceed 25% of the market value of the total fixed income portfolio.

- 8) All fixed income investments shall be limited to fully and easily negotiable fixed income securities, unless specifically authorized by the Board.
- 9) Investments in convertible bonds shall be limited to 10% of the market value of the total fixed income portfolio. However, any convertible bond investments should be liquidated at the time of conversion so as to avoid the fixed income managers holding equity securities in a fixed income portfolio.
- 10) Structured notes may not be held in the fixed income portfolio.
- 11) The following are limited to 25% or less of the Fund:

~~1.~~ A. Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of this state, if the obligations are rated investment grade by at least one nationally recognized statistical rating organization.

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~~2.~~ B. Notes secured by first mortgages, insured or guaranteed by the Federal Housing Administration or the United States Department of Veterans Affairs.

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~~3.~~ C. Mortgage securities which represent participation in or are collateralized by mortgage loans secured by real property. Such securities must be issued by an agency of or enterprise sponsored by the United States Government, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

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~~4.~~ D. Group annuity contracts of the pension investment type with insurers licensed to do business in this state which are rated investment grade by at least one nationally recognized rating service.

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~~5.~~ E. Fixed-income obligations not otherwise authorized by this section issued by foreign governments or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities, if the obligations are rated investment grade by at least one nationally recognized rating service.

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~~6.~~ F. A portion of the funds available for investment pursuant to this subsection may be invested in rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.

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~~G.~~ 7. Obligations of agencies of the government of the United States, provided such obligations have been included in and authorized by the Florida Retirement System Defined Benefit Plan Investment Policy Statement established in Section 215.475, Florida Statutes.

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~~H.~~ 8. United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof,

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supranational agencies, foreign corporations, or foreign commercial entities.

**I. 9.** Asset-backed securities not otherwise authorized by this section.

~~12) Not more than 80 percent of the Fund may be invested in interest bearing obligations with a fixed maturity of any single corporation or commercial entity within the United States.~~

123) Not more than 25 percent of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.

134) The total return goal of the fixed income composite, net of fees, should exceed the return of the ~~Barclays Capital~~ Bloomberg Barclays US Universal Bond Index over a market cycle (roughly 7 years).

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## REAL ESTATE

### Permissible Investments:

Certain interests in real property and related personal property, including mortgages and related instruments on commercial or industrial real property, with provisions for equity or income participation or with provisions for convertibility to equity ownership; and interests in collective investment funds are permissible investments. Associated expenditures for acquisition and operation of assets purchased under this provision or of investments in private equity or other private investment partnerships or limited liability companies shall be included as a part of the cost of the investment.

1. The title to real property acquired under this paragraph shall be vested in the name of the Fund.
2. For purposes of taxation of property owned by the Fund, the provisions of Section 196.199(2)(b), Florida Statutes, do not apply.
3. Real property acquired under the provisions of this paragraph shall not be considered state lands or public lands and property as defined in Florida Statutes Chapter 253, and the provisions of that chapter do not apply to such real property.

### Real Estate Guidelines

Core Real Estate funds are to have the following complementary objectives:

- Investments are typically comprised of well-leased, high quality, income producing institutional properties, such as office buildings, retail centers, industrial parks, apartments, and hotels, that are held until such time as determination is made by the fund manager to dispose of such properties at acceptable market rates.

Non Core Real Estate funds, comprised of both Opportunistic and Value-Added investments, are to have the following complementary objectives:

- Investments are typically commercial properties requiring redevelopment or repositioning for alternative use or upgrade. These properties have the potential for increases in tenant occupancy rates and leasing income attained from capital improvements and effected property management, over the projected holding period.
- 1) Notwithstanding the restrictions and limitations set forth in paragraphs 1 and 2 of the "Equity Securities" section above or elsewhere in this Policy and when deemed appropriate by the Board, real estate investments may be made in any legally permissible real estate investment vehicles, including, but not limited to, individual property investments, joint ventures, commingled funds, including insurance company separate accounts, real estate investment trusts (REIT's), master limited partnerships (MLPs), limited partnerships and limited liability companies, in an amount up to 25% of the Fund.
  - 2) -The Board shall seek to diversify its real estate portfolio by property type (multi-family residential, industrial, office, retail, ~~timberland~~, etc.), property location (geographic region), tenant dominance (avoiding tenants all belonging to the same company or industry) and strategy (core diversified, value-added, opportunistic).
  - 3) As real estate investments over time are intended to provide, relative to other asset classes, a higher level of income, lower volatility of total return, and lower correlation to other asset classes, leverage is generally limited to 35% at the portfolio level for core investments and 75% at the portfolio level for value-added/opportunistic investments. However, the amount of leverage in a single fund is not constant. It varies as the market value of the properties in the fund varies. In the case of closed-end funds it also varies as the fund matures. In the early days of a Non Core closed-end fund, the fund may utilize very little leverage. But as the properties are accumulated, the borrowing as a percentage of the properties will increase.
  - 4) Any investment or co-investment in a single property shall not exceed one half of one per cent (0.5%) of the Plans' total assets unless specifically permitted by the Board.
  - 5) All real estate investments shall be managed by experienced and qualified professional investment managers as determined by the Board of Trustees in consultation with the Investment Consultant and Staff.
  - 6) The total return goal of the Core Rreal Estate composite, net of fees, is to exceed ~~the return of a blended index using~~ the NCREIF ODCE index over a market cycle (roughly 7 years). The total return goal of the Non Core Real Estate composite, net of

fees, is to exceed the NCREIF ODCE index + 2% premium, over a market cycle (roughly 7 years), MSCI US REIT Index, and other appropriate indices, ex-weighted to reflect Policy weights of the respective strategies.

## **CASH EQUIVALENT SECURITIES**

The following are permissible investments:

### **Permissible Securities:**

- Savings accounts in, or certificates of deposit of, any bank, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof and having a prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization, provided such savings accounts and certificates of deposit are secured in the manner prescribed in Florida Statutes Chapter 280.
- Bonds issued by the Florida State Improvement Commission, Florida Development Commission, Division of Bond Finance of the Department of General Services, or Division of Bond Finance of the State Board of Administration.
- Notes, bonds, and other obligations of agencies of the United States.
- Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.
- Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as banker's acceptances, which are accepted by a member bank of the Federal Reserve System and are of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.
- Negotiable certificates of deposit issued by domestic or foreign financial institutions in United States dollars of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.
- Short-term obligations not authorized elsewhere in this section to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.
- Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided that such investment company

or investment trust takes delivery of such collateral either directly or through an authorized custodian.

### **Cash Equivalent Guidelines**

- 1) The investment managers may invest only in the following short-term investment vehicles, for the purposes of cash equivalents:
  - a) The money market or STIF provided by the System's custodian.
  - b) Direct obligations of the United States Government or its agencies with a maturity of one year or less.
  - c) Repurchase agreements which are fully collateralized by direct obligations of the United States Government.
  - d) Commercial Paper issued by United States corporations which has a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's.
  - e) Bankers Acceptances issued by prime money center banks.

### **USE OF FUTURES AND OPTIONS**

The System and any of its external managers -are authorized to buy and sell futures and options, provided the instruments for such purpose are traded on a securities exchange or board of trade regulated by the Securities and Exchange Commission or the Commodity Futures Trading Commission, unless the Board by rule authorizes a different market. Use of futures and options for speculative purposes is prohibited.

### **COMMINGLED AND MUTUAL FUNDS:**

The Board recognizes and accepts that investments in commingled funds, common trust funds, mutual funds, limited partnerships, limited liability companies or similar investment vehicles shall be governed by the investment policies and guidelines of those funds and that no additional constraints may be imposed on them as they are frequently serving as fiduciaries to the investment vehicle itself of which the Fund holds an interest. The decision to invest Fund assets in any such fund shall only be made by the Board after a thorough review of the investment policies contained in the prospectus, trust document, offering memorandum or other governing documents of those funds, and after it has been determined that those policies are appropriate and generally consistent with the investment objectives of the System.



## DIVERSIFYING ASSETS:

### Permissible Strategies:

The following are permissible investments:

- For purposes of this Policy, "diversifying assets" shall mean investments in private equity, private ~~credit~~~~debt~~, ~~equity or debt~~ long-short equity or debt, event driven, relative value, or tactical trading strategies, MLPs, real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources) and shall also include other investments that generally are not publicly traded or which are managed through private investment vehicles.
- In general, the aforementioned strategies involve the purchase and sale of all types of public and privately traded securities, currencies, options, futures and private placements. These strategies may also include the short sale of securities and the use of leverage and other types of derivatives.
- Private equity investments shall include sub strategies such as venture capital, growth equity, and buyouts. Investments are typically accessed directly, through partnerships or through a fund of funds approach, which provides an investment vehicle that is well diversified by sub-asset class (e.g. venture capital vs. buyouts), investment style (e.g. early vs. late stage, mid-market vs. large cap market) and vintage year. Such private investments shall include all sub-strategies including: buyout, growth capital, venture capital, distressed equity and debt investing, mezzanine financing, oil & gas, metals & mining, or other natural resources, and private capital or direct lending.
- Private Credit investments shall include sub strategies such as direct lending, asset-backed debt, specialty finance, special situations, and distressed debt. Investments are typically accessed directly, through partnerships or through a fund of funds approach.
- ~~Permitted investment vehicles shall include limited partnership structures, limited liability companies, or other forms of unregistered commingled funds. Investments may be made through fund of funds, primary funds, secondary funds and co investment funds.~~
- ~~In general private and debt investments involve the privately negotiated purchase primarily of unlisted, illiquid common and preferred stock; subordinated and senior debt of mostly privately held companies; and distressed debt of both private and public companies. The purchase of these securities is generally in blind pool limited partnerships, secondary offerings or co investment funds.~~
- ~~In general, the aforementioned strategies involve the purchase and sale of all types of publicly traded securities, currencies, options, futures and private~~

~~placements. These strategies may also include the short sale of securities and the use of leverage and other types of derivatives.~~

- In general, real assets includes the purchase and sale of an equity or debt interest in natural resources (such as oil and gas development, energy and power infrastructure, agriculture, and metals and mining), commodities (agriculture, energy, industrial metals, livestock and precious metals), timberland, farmland, and water rights. These investments may be made in publicly traded securities, such as master limited partnerships (MLPs) or in private investment vehicles, such as limited partnerships.

### Diversifying Assets Guidelines

1. The long-term role of diversifying assets is to improve the risk-adjusted return of the overall portfolio by increasing the long-term expected return above what would be normally available using only conventional securities and reducing overall portfolio volatility through use of a diversified set of strategies and the inherent smoothing of private valuation methods. The long-term nature of private investments and vintage year diversification shall be emphasized so that the System, as a long-term investor, may properly take advantage of the private negotiation of transactions and the illiquidity premium associated with such private investments.
2. Prior to making any investment in diversifying assets, the sub-strategy investments will be evaluated, by the Board, based on their singular characteristics and their incremental value to the total Fund. ~~shall develop a set of separate guidelines specifically pertaining to the type of diversifying asset utilized. Leverage used in any strategy shall be fully disclosed and regularly updated.~~ Any "lock-up" periods shall be appropriate given the underlying strategy.
3. The Board understands that there are certain additional risks associated with investing in private investments, such as: the long-term nature and illiquidity of the investment; the complexity of the strategies employed; the higher cost and delay of investment return to the System (e.g. "J-curve effect"); the possible lack of full public disclosure of certain financial information; and the labor intensive nature of private investment programs for plan sponsors to implement and monitor. However, the Board has determined that possible reward outweighs the possible risks and has also determined that the long-term role of diversifying assets, ~~private investments stated above~~ is consistent with the System's Policy.
4. In private equity, private credit~~debt~~ and real asset investing there is the risk of sustaining a complete loss on any of the individual company investments. The Board understands and expects that while specific investments may incur losses of all or part of invested capital, a diversified portfolio of holdings should produce

a positive rate of return in excess of that available from public securities. Therefore, the System shall prudently diversify its private investment program in a manner consistent with professionally managed institutional private programs, as recommended by its Investment Consultant or Staff, so as to decrease the likelihood of loss. The private investments, ~~portfolio~~ in aggregate, will be prudently diversified by having broad exposure across the sub-strategies listed above. Further, the private investments, portfolio in aggregate, shall be diversified by: industry groups, company, number of transactions, stage of company maturity, form of investment, geography and time (vintage year diversification). Investment in non-US limited partnerships is permitted.

5. Over commitment: The implementation of any the private investment, such as private equity and private credit, program by the System shall be made over time so as to increase vintage year diversification. The timing of new commitments shall be spread out so as to avoid undue concentration of commitments in any one year. Over the long-term, it is expected that varying amounts of new funding will be committed each year to increase diversification. The Board recognizes that it will be necessary to make capital commitments in excess of the target allocation for private investments in order to achieve the target allocation and subsequently maintain it. The investment consultant shall monitor the amount of capital committed, drawn, invested and distributed and make a recommendation to the Board as to the amount of new commitments to be made each year.
6. Each fund shall be invested and diversified according to each fund's legal documentation. ~~Accordingly, at the composite level, no limitations shall be imposed on any single partnership, strategy, or investment.~~
7. Public Records Request: The Board recognizes that periodically a request for information under a state statute or local ordinance "Public Record Request" may be made concerning the System's private investments. The Board believes that public disclosure of certain information about the System's private investments, especially financial information of the underlying companies held by limited partnerships, may materially harm the System's investments. Therefore the Board has adopted the following procedure in the event such a request is made: Public disclosure of the System's private investment shall be limited to the following: the identity of each fund; the amount of capital committed, invested and returned for each fund; the internal rate of return for each fund; any information disclosed by the fund to the Board in the Board's regular, open meetings, and as otherwise may be required by law.
8. The total return goal of the privately traded diversifying assets composite investments of private diversifying investments should be to produce a dollar-weighted return (internal rate of return or IRR) that exceeds a public market equivalent (PME) dollar-weighted return of a market index appropriate for the private strategies utilized over a full market cycle. Where possible, peer comparisons shall be made using statistically valid performance universes with the expectation that performance will rank above median in vintage year periods.

9. The total return goal of the publicly traded diversifying assets composite investments, or for which a valid investable index or peer universe exists, should be to exceed the return of a blended index using the S&P MLP Index, NCREIF Timberland Index, and any other appropriate indices weighted to reflect Policy weights of the respective strategies, net of fees.

### **COMPLIANCE PROCEDURES**

In the event a security falls out of compliance with the investment manager's specific investment guidelines after purchase, the investment manager may continue to hold the security to avoid a "fire sale" scenario subject to the following:

- The securities must be permissible under Sections 112.661(5) and 215.47, Florida Statutes.
- The investment must represent no more than 2% of the investment manager's portfolio and the overall investment in the security across all managers' portfolios must not exceed 2% of the Fund's Plans' aggregate investment portfolio.
- Immediate notification shall be provided to the City's Treasurer and Chief Financial Officer ("CFO"), including a summary of the type, magnitude, and risk of such variance to the specific investment manager's guidelines.
- If the Treasurer and CFO both agree with the assessment, the request shall be referred to the Chairman of the Board for approval. If at any step during this process the retention of the security is not approved, Treasury staff and the investment consultant shall work with the investment manager to decide on the best manner of liquidation.
- Unless approved by the Chairman of the Board, a non-compliant security may not be retained beyond 30 days following the end of the quarter in which the non-compliance was discovered.
- If retention of the security is approved, the CFO shall send written acknowledgement to the applicable manager granting such exception to the Policy, which shall include the following:
  1. Defined enhanced reporting requirements for the manager regarding the specific investment holding which is an exception to the investment manager's specific guidelines, including:
    - a. Impact to the liquidity of the holding and portfolio managed, and
    - b. Impact on the return on the portfolio managed under the expected outcome and under the worst-case scenario.

- Updates on the status of each security which is subject to a Policy exception shall be presented by the investment manager to the city's Treasurer at least monthly.
- Exceptions to the investment manager's specific guidelines shall be reported to the Board, and shall be included in the investment consultant's quarterly investment report. The Board shall have the ultimate authority over whether the exception should be approved or not.

### **SECTION 112.661, FLORIDA STATUTES**

The Board has adopted the following additional provisions to comply with Section 112.661, Florida Statutes:

**EXPECTED ANNUAL RATE OF RETURN:** For each actuarial valuation the Board shall determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter. This determination is to be filed with the Department of Management Services, the plan sponsor and the consulting actuary.

**MATURITY AND LIQUIDITY REQUIREMENTS:** The investment portfolio shall be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To the degree reasonable, an attempt shall be made to match investment maturities with anticipated cash flow requirements.

**THIRD-PARTY CUSTODIAL AGREEMENTS:** Securities should be held with a third party, and all securities purchased by, and all collateral obtained by, the board should be properly designated as an asset of the board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the board or the board's designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, to the extent possible, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

**MASTER REPURCHASE AGREEMENT:** All approved institutions and dealers transacting repurchase agreements shall perform as stated in the Master Repurchase Agreement.

**BID REQUIREMENT:** To the extent reasonable, the Board shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid is to be selected.

**INTERNAL CONTROLS:** The Board shall establish a system of internal controls which shall be in writing and be a part of the Board's operational procedures. These internal controls are designed to prevent losses of funds, which might arise from fraud, error, and misrepresentation, by third parties or imprudent actions by the Board or employees of the plan sponsor.

**CONTINUING EDUCATION:** The Board encourages continuing education of its members in the areas of investments and Board responsibilities.

**REPORTING:** The Custodian's valuation report is to be filed annually with the plan sponsor. This report is also available to the public.

**FILING OF INVESTMENT POLICY:** Once adopted by the Board, this Policy shall be promptly filed with the Department of Management Services, plan sponsor and consulting actuary. The effective date of this Policy and any amendment thereto shall be the 31st calendar day following the filing date with the plan sponsor.

**VALUATION OF ILLIQUID INVESTMENTS:** The Board defines an illiquid investment as one for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism. Should an investment become illiquid or in the event that the fund acquires an illiquid investment, the Board shall develop the methodology for valuation as set forth in the criteria in Section 215.47(6), Florida Statutes (the SBA/FRS methodology for valuation).

### **PERFORMANCE EVALUATION**

The Board shall review the investment activities and investment performance of the System and each portfolio manager on a regular basis to assure compliance with the goals, objectives and guidelines contained in this Policy. The System's outside investment consultant shall assist the Board in interpreting investment results and assessing investment manager performance.

Investment performance shall be measured on at least a quarterly basis. Performance benchmarks shall include those stated in the Investment Objectives section above as well as comparisons to similar types of funds with similar market value and asset allocation.

Investment performance shall be compared using a statistically valid universe provided by the investment consultant as authorized by the Board. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this Policy.

While the Board intends to fairly evaluate the portfolio performance, it reserves the right to change investment managers, without liability except payment of current charges, for any reason which in the exercise of the Board's discretion is deemed sufficient, including but not limited to those stated below.

1. Change of the Board's investment philosophy;
2. Poor results, including but not limited to, a manager's full-market-cycle (roughly 7 years) returns underperforming relative to the appropriate benchmark for three or more consecutive quarters;

3. Failure to meet stated performance goals as described in the investment manager's specific guidelines or this Policy, and/or as measured against the appropriate benchmark or relevant manager universe;
4. Failure to meet the Board's communication and reporting requirements;
5. Deviation from the stated investment philosophy or style for which the investment management firm was hired; or
6. Change of decision-making personnel or ownership of the investment management firm.

Investment managers shall communicate with the Board and investment consultant as follows:

1. Provide portfolio valuation and transaction listings on at least a quarterly basis as stated above.
2. Meet at least annually with the Board, its Staff or investment consultant or as requested by the Board.
3. Communicate as outlined in this Policy regarding all other issues.

Board communication with investment managers:

1. On a timely basis, the Board shall provide the investment managers with changes to this Policy.
2. The Board shall also communicate as needed with the investment managers to:
  - a. Review and discuss any modifications and changes to the Plans' investment objectives, goals and guidelines;
  - b. Identify any significant anticipated changes in the Plans' cash flow, liquidity requirements or plan circumstances; and
  - c. Any other matter, which may bear upon the Plans' assets managed by a particular manager.

This Policy as well as the Plans' circumstances shall be reviewed annually by the investment consultant with the Board and possibly revised periodically to ensure this Policy continues to reflect the Board's objectives, goals, philosophy, etc.

The Board shall periodically review:

1. The ~~Fund's Plans'~~ asset allocation in light of the consultant's current capital markets assumptions.
2. Actual investment results to determine whether the ~~Fund's Plans'~~ asset allocation remains reasonable and each manager's decision-making process remains consistent with the style and methodology for which the manager was originally retained.
3. The investment manager's proxy voting procedures and proxy voting records.

4. Commissions generated, commission rates charged and firms used by the investment managers to execute trades.
5. Manager fee schedules.

#### **REVIEW OF POLICY**

It is the intention of the Board of Trustees to review this Policy periodically and to amend it to reflect any changes in philosophy or objectives. If at any time any investment manager believes that the specific objectives defined herein cannot be met or that these guidelines unnecessarily constrict performance, then such manager shall notify the Board in writing of the specific objection so that the Board may consider revising this Policy subject to applicable ordinances and statutes.

| Amended this 27th day of May, 2021.

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DAVID KILCREASE  
SECRETARY - BOARD OF TRUSTEES  
CITY OF JACKSONVILLE EMPLOYEES RETIREMENT SYSTEM

#### **APPENDIX**



## SAMPLE INVESTMENT MANAGER INSTRUCTIONS

### Policy:

The portfolio under the supervision of sample manager is intended to be a domestic equity portfolio.

Sample manager has been hired to pursue an investment style, which the Board has defined as a large cap value, domestic equity style. The Board has selected this investment style to be different, yet complement the other domestic equity managers employed. Sample manager is expected to produce investment returns that are 100 basis points over the Russell 1000 Value Index on an annualized basis over rolling three-to-five-year periods, net of fees and rank above median compared to their style peers over the same period. It is understood that investment returns are not guaranteed.

### Guidelines:

- A. The portfolio shall be a large cap value, domestic equity portfolio. Sample manager may purchase short-term cash equivalent instruments, which for the purpose of measurement, shall be treated as equity reserves, not as fixed income securities. Convertibles are also permissible; however, they shall be treated as equities as well. The portfolio is expected to remain fully invested.
- B. It is sample manager's decision as to whether or not to utilize the Short-Term Investment Fund offered by the custodian, or another cash equivalent vehicle, and in doing so, is responsible for assessing the credit worthiness and relative return attractiveness of any alternative to the custodian's STIF used.
- C. Sample manager may use exchange-traded funds such as S&P Depository Receipts ("Spyders") for the purpose of short-term equitization of unused funds, including cash in the account due to a contribution or pending withdrawal.
- D. The portfolio shall be adequately diversified according to the internal policies established by sample manager regarding individual securities and industries to avoid the undue risk inherent in non-diversified holdings. In addition to the limitations set out in the Guidelines, the following limitations shall apply:
  1. Exposure to any single economic sector is limited to the greater of: 30% or 2X the sector weight in the underlying benchmark (listed below) based on market value.
  2. American Depository Receipts are permissible but are limited to a maximum of 15% of the portfolio based on market value.

- E. The portfolio performance shall be measured on a total return basis, which includes both income and change in market value.
- F. Sample manager shall be reviewed quarterly based on the following:
  - 1. Adherence to style risk assignment, including portfolio characteristics relative to those of the benchmark.
  - 2. The value-added over the Russell 1000 Value Index.
  - 3. The trend of value-added over the Russell 1000 Value Index.
  - 4. The value-added over median similar style investment managers.

These guidelines are not to be construed as restrictive to sample manager' ability to follow the strategies it considers are the most appropriate given the Board's directives contained in the Investment Policy and these Instructions, but rather as an exercise of the Board's fiduciary responsibility. If at any time sample manager feels that the Policy or these Instructions are unrealistic, or may be a hindrance in pursuing their investment style, the Board and the investment consultant are to be notified immediately in writing.

**CITY OF JACKSONVILLE EMPLOYEES RETIREMENT  
SYSTEM**

**STATEMENT OF INVESTMENT POLICY,  
GOALS AND GUIDELINES**

**Adopted January 2006  
Amended August 27, 2009  
Amended December 15, 2011  
Amended October 26, 2017  
Amended May 27, 2021**

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## **INTRODUCTION & PURPOSE**

The City of Jacksonville Employees Retirement System (the "System") consists of two defined benefit pension plans and a disability plan. The defined benefit plans are The City of Jacksonville General Employees Retirement Plan and the City of Jacksonville Corrections Officers Retirement Plan (each the "Plan" or together the "Plans"). Although each Plan is unique and its assets and liabilities are valued separately, the Plans' assets are combined for investment purposes through a common pension trust Fund (the "Fund"). The System is administered by a Board of Trustees (the "Board") which has the fiduciary responsibility for the System's administration, the investment of its assets, and the management of its operations. The purpose of the City of Jacksonville Employees Retirement System is to provide long-term benefits to the Plans' participants and their beneficiaries. In recognition of its responsibility, the Board hereby adopts this Statement of Investment Policy, Goals and Guidelines (the "Policy").

The purpose of this document is to communicate, in writing, the investment objectives and guidelines established by the Board as they pertain to the Plans and the Fund. It is intended to provide the Board, the City's Treasurer, the System's Administrator and investment staff, the System's investment consultant, the System's investment managers and the System's custodian a clear and accurate understanding of all investment objectives, investment guidelines and the criteria by which investment performance shall be evaluated. The guidelines and objectives provided herein are intended only to complement those contained in Chapter 18610, Laws of Florida, Acts of 1937; Sections 112.661(5) and 215.47, Florida Statutes; Sections 120.103 and 120.104, Jacksonville Ordinance Code, and any other applicable ordinances or statutes. If at any time this document is found to be in conflict with such ordinances or statutes, the ordinances and statutes shall prevail.

Assets of the Plans are held in trust in the Fund for the exclusive purpose of providing benefits to the Plans' participants and their beneficiaries and to defray the reasonable expenses of the Plans. See Sections 120.101(a), 120.103(a), 120.104(a) and 120.213(a), Jacksonville Ordinance Code, and Sections 112.656 and 112.66(9), Florida Statutes. It is the policy of the Board that no part of the corpus or income of the Plans' assets shall be used for or diverted to purposes other than providing benefits to the Plans' participants and their beneficiaries, to reimburse the City of Jacksonville for any advanced payments, or to pay reasonable expenses of the System.

The Board acknowledges that the Employee Retirement Income Security Act of 1974, as amended ("ERISA") does not directly apply to the System as a governmental retirement plan and that the investment policy describes the level of prudence and ethical standards to be followed by the Board in carrying out its investment activities with respect to the System's funds. However, in performing its investment duties the Board shall comply with the fiduciary standards set forth in ERISA, found at 29 U.S.C. Section 1104(a)(1)(A)-(C). In case of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in Section 112.661 or other applicable sections of Florida Statutes shall apply.

The investment policies set forth in this document are established after a thorough review of the unique needs and circumstances of the Fund and a careful evaluation of the risk and potential returns expected from various mixes of stocks, bonds, real estate, cash equivalent securities, and other permissible assets. It is the Board's intention that the investment policies herein be sufficiently specific to be meaningful but adequately flexible to be practical. Responsible parties shall not deviate from these policies without the written permission of the Board. In the case of emergency circumstances, however, the City's Chief Financial Officer or Treasurer shall be allowed to deviate from this Policy when necessary to preserve Fund assets, subject to any statutory limitations.

A set of Investment Manager Instructions (the "Instructions") are developed by the System's investment consultant for each separate account established with an investment manager and approved by the Board. Such instructions shall contain the manager's benchmark by which the manager's performance is measured, any internal account restrictions or limitations, and any necessary exceptions to the Policy. The Board may periodically approve changes or permit exceptions to this Policy in order to maintain flexibility in the investment of the System's assets, adjust to changes in the capital markets, or take advantage of market opportunities. Such changes or exceptions shall be noted in the Manager Instructions or amendments to this Policy.

Any time any party in a contractual relationship with the System (e.g. investment consultant, investment manager, custodian, etc.) believes any changes to this Policy become necessary or advisable, they shall make a request in writing for such change, which shall be communicated by the System staff to the Board, if necessary. The Board is responsible for approving all such requests. The Board shall give notice to the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy not less than 60 days prior to the final meeting for adoption of such change. Upon approval by Board vote, System staff shall communicate all changes as necessary.

### **GENERAL OBJECTIVES**

The investment objective of the System is to preserve the purchasing power of the System's assets and earn a reasonable real rate of return (after inflation) over the long term while minimizing, to the extent reasonable, the volatility of returns.

To achieve these objectives, the Board seeks to create a well-diversified and balanced portfolio of equity, fixed income, real estate, diversifying assets, money market and other investments as described herein. The Board may invest System assets in any securities, real property and other assets it deems appropriate after a thorough review of the needs of the Fund and a careful evaluation of the potential risk and returns, provided such investment is authorized by this Policy and not prohibited by law. The Board has determined that outside investment managers may be retained to assure that investments are managed in both a prudent and professional manner and in compliance with the stated investment guidelines.

### **TREASURER & PLAN ADMINISTRATOR RESPONSIBILITIES**

The City Treasurer is also the Treasurer of the System. The Treasurer and the Plan Administrator are responsible for implementing decisions made by the Board, administration of the System and Plans in alignment with applicable law and policies, and communicating Board directives to the investment managers and other related professionals. The Board authorizes the Treasurer and the Plan Administrator to deviate from these directives, subject to the investment limitations contained in Sections 112.661 and 215.47, Florida Statutes, and only when deemed in the best interest of the System with the concurrence of the City's Chief Financial Officer. Any such deviation shall be promptly reported to the Board no later than the next Board meeting.

### **INVESTMENT MANAGER RESPONSIBILITIES**

Within the guidelines and restrictions set forth herein, the Board delegates to each investment manager full investment discretion with respect to the management of assets under its control. Such discretion includes decisions to buy, hold and sell securities in amounts that are reflective of the manager's investment strategy and in compliance with the Policy. The investment managers' acceptance of the responsibility to manage assets for the System constitutes an acceptance of this Policy, affirming the belief they are capable of achieving the System's objectives within the guidelines and limitations stated herein.

The Board delegates to each investment manager the responsibility to vote any and all proxies applicable to designated Plan assets under their management. The investment manager has the responsibility to vote solely in the interest of the Plans' participants and to protect the value of the securities within the Fund. Investment managers shall keep accurate records with respect to their voting of proxies. Investment managers shall forward to the Board at least annually a proxy voting report, including a summary of all instances where votes were cast against management, or where votes were cast against the manager's internal proxy voting policies, along with the manager's supporting rationale for each such situation.

Except as provided below in this paragraph, the System's investment managers shall discharge their responsibilities in the same manner as if the System were governed by the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Although the Board acknowledges that ERISA does not directly apply to the System as a governmental retirement plan, in carrying out its investment activities with respect to the System's assets each investment manager shall conform to the statutory provisions, rules, regulations, interpretations and case law of ERISA. Each investment manager shall acknowledge in writing that it is a fiduciary, as that term is defined by ERISA, of the System or of the investors in the commingled fund, partnership, or other commingled investment vehicle that the investment manager is retained to manage. Exceptions may be made by the Board on a case-by-case basis if

necessary. Each investment manager shall be responsible only for those assets under its management.

Unless otherwise approved on an exception basis and fully disclosed to the Board in advance, investment managers shall not:

- Take custody of assets under their control;
- Execute trades through brokers affiliated with the investment manager or the System's investment consultant or custodian; or
- Otherwise pay any fees, compensation or gratuities to the System's investment consultant or custodian.

Each investment manager is expected to provide all reasonable information to the System's custodian necessary for the timely and effective management and trade settlement of its account, including information on trades, cash balances, and pricing discrepancies.

Unless otherwise provided by the System's custodian through a cash sweep vehicle, each investment manager shall invest cash reserves in permissible cash equivalent securities in order to minimize uninvested cash balances.

All investment transactions shall be completed on a best price, best execution basis. The investment managers, as fiduciaries, have the responsibility to execute all transactions in the best interest of the Fund.

- On a case-by-case basis, the Board may direct any manager to execute a portion of its trades through one or more commission recapture services selected by the Board.

Each investment manager is expected to provide all reasonable information requested by the Board. All managers shall keep the Board and investment consultant informed on a timely basis of:

- Significant changes in their investment outlook, investment strategy, asset allocation;
- Changes in ownership, organizational structure, financial condition, investment process, or regulatory registration;
- Any regulatory action, investigation or legal action affecting the firm or its employees;
- Changes in professional staffing to the investment management firm or investment product utilized, including client service personnel; and
- All other matters affecting their relationship with the System.

Whenever investment managers believe that any particular guideline should be altered, it is the investment manager's responsibility to initiate written communication with the Board and investment consultant requesting such change.

At a minimum, each manager shall provide a quarterly report that includes the following:



- All investment activity (incl. securities purchases and sales);
- The portfolio's current value;
- Investment performance and attribution;
- An analysis of portfolio characteristics;
- A market and investment outlook;
- Any changes in investment philosophy or strategy;
- Any significant changes in the personnel or ownership of the firm;
- A summary of commission costs, brokers utilized and all portfolio directed brokerage activities;
- On an annual basis each equity manager shall provide a summary report of all proxies voted and whether any proxies were voted as an exception to the manager's stated proxy voting guidelines.

Real estate managers shall provide reports with similar information as described above but tailored to provide relevant risk exposure, portfolio construction and return information suitable for that asset class or strategy given industry standards.

Each investment manager is expected to meet with the Board or its designated representatives periodically to review investment performance and philosophy.

### **CONSULTANT RESPONSIBILITIES**

The primary duty of the investment consultant is to provide investment advice to the Board and to assist the Treasurer and Plan Administrator and staff in the implementation of the Board's directives and management of the investment process. This includes meeting regularly with the Board to provide information, market perspective, and evaluation as to the System's goals, objectives, limitations, investment structure and investment performance as part of the overall development, implementation and monitoring of a diversified investment portfolio.

Specific duties of the investment consultant include:

- 1) Making recommendations to the Board of appropriate actions which shall enhance the probability of achieving Fund objectives such as use of various asset classes, implementation of investment strategy, changes in investment policy, and changes in investment managers or other service providers;
- 2) Assisting the Board in developing appropriate asset mixes through the development of regular asset-liability studies or asset allocation reviews;
- 3) Assisting the Board in deploying an appropriate asset mix through the development of specific investment strategies and supporting policies;
- 4) Making recommendations to the Board with respect to rebalancing;
- 5) Providing comprehensive evaluation of the investment results of the Fund and its individual asset managers in light of this Policy;
- 6) Notifying the Board of changes in the structure, personnel, ownership, or process of managers serving the System;

- 7) Conducting searches for investment managers and other service providers as necessary and making recommendations for such positions;
- 8) Disclosing potential conflicts of interest as they become known; and
- 9) Providing ad hoc investment research and other support as may be necessary to support the Board's educational and informational needs.

### **CUSTODIAN RESPONSIBILITIES**

The Board shall retain a bank or trust company to act as custodian for the System's assets. Such custodian shall be responsible for the safekeeping of all the System's assets put under its custody, as well as the regular valuation of System assets and settlement of investment managers' trades on behalf of the System.

In order to maximize the investment return, no money should be allowed to remain idle and uninvested. Dividends, interest, proceeds from sales, new contributions and all other monies shall be invested promptly upon receipt. Consistent with these requirements, the custodian shall be responsible for the following functions:

- 1) Accept daily trading/cash reconciliation instructions from the money managers;
- 2) Advise investment managers daily of changes in cash equivalent balances;
- 3) Immediately advise managers of contributions and withdrawals from account;
- 4) Notify investment managers of tenders, rights, fractional shares or other dispositions of holdings;
- 5) Resolve any custodial account problems with investment managers;
- 6) Safekeeping of securities;
- 7) Collection of all interest and dividends;
- 8) Daily sweep of idle cash balances;
- 9) Process all investment manager security transactions;
- 10) Collect proceeds from maturing securities and sale transactions;
- 11) Make cash disbursements as directed;
- 12) Provide monthly accounting statements based on fair market value for each security in each investment manager account and a consolidated statement of all assets under custody;
- 13) Provide account representative and back-up to assist City staff in all needs relating to the custody and accountability of System assets;

- 14) Managing as securities lending agent and/or assisting the securities lending program as directed by the Board;
- 15) Provide a schedule of commissions paid and brokers used by each investment manager;
- 16) Provide reports or assistance on corporate actions, class action notice filings, forwarding proxies to appropriate parties and any other actions or reports mutually agreed upon by the custodian and the Board;
- 17) Provide any other tasks necessary for the effective safekeeping, valuation or administration of System assets.

### **INVESTMENT OBJECTIVES**

The broad investment objective of the System is, to the extent possible, to ensure over the life of the System that an adequate level of assets are available to fund the benefits payable to the Plans' participants and beneficiaries at the time they become payable. In meeting this objective, the Board seeks to achieve a high level of investment return consistent with a prudent level of portfolio risk.

In addition, the System seeks a total rate of return after all expenses that equals or exceeds the current actuarial investment return assumption. The Board, with help from the actuary and investment consultant, shall use the Fund's asset allocation as the primary tool to achieve this objective. As this is a long-term objective and investments are subject to short-term volatility, the main investment focus of the Board is the expected return and associated expected volatility of the Plan as a whole over a long-term investment time horizon. The performance of each asset class and the performance of each manager relative to appropriate market indices and style peer comparisons shall be monitored over both the long term and short term. Each manager is expected to maintain a consistent philosophy and style, perform well versus others utilizing the same style, and add incremental value after costs.

**Long-term growth of capital:** The Board recognizes that short-term fluctuations may result in the loss of capital earned on occasion (i.e., negative rates of return). However, in the absence of contributions and withdrawals, the asset value of the Plans should grow over the long run and achieve the investment goals set out below.

**Preservation of Purchasing Power:** the preservation of purchasing power is another long-term investment objective for System. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation (as measured by annual CPI) over the long term in order to preserve purchasing power of future benefits.

The specific investment goals of the System are as follows:

- To earn an annualized rate of return, over the long term, that exceeds the annual rate of change in the Consumer Price Index (CPI, net of fees).
- To earn an annualized rate of return over the long term equal to or in excess of the System's actuarial assumed rate of return, net of fees.
- To earn a total rate of return, net of fees, over a market cycle, (roughly 7 years) that exceeds the return of a Policy Index. The Policy Index for the System is defined as a hypothetical index constructed of the target allocation for each broad asset class, as adopted by the Board and contained in the Policy, invested in a broad market index representing that asset class. The Policy Index may change from time to time as the asset allocation target for the System changes, as approved by the Board.
- In addition, it is expected that over a market cycle (roughly 7 years) the rate of return earned by the System shall rank above median when compared to a representative universe of other, similarly managed and sized, retirement systems and portfolios.
- It is the goal for each active investment manager to achieve an annualized total rate of return, over a market cycle (roughly 7 years) which exceeds a broad market benchmark, net of fees, and ranks above median in a style peer performance universe. The broad market benchmarks are shown in each investment manager's Investment Instructions. It is the goal for each passive investment manager to achieve an annualized total rate of return, gross of fees, that matches the underlying market benchmark, and minimizes tracking error.

### **ASSET ALLOCATION**

The Board believes that the level of risk assumed in the Fund is a function, in large part, of the Fund's asset allocation. The proportion of assets allocated for equity investments is a major determinant of volatility of future returns. As indicated by long-term historical data, the risk of equity ownership has been rewarded with a higher rate of return and is necessary in the current market environment to fully fund future liabilities. The risk tolerance of the Board shall also be expressed through eligible asset classes and target asset allocation.

The Fund's investments shall be invested in a diversified portfolio composed of some or all of the following: equity securities (both domestic and international), fixed income securities (both domestic and international), core and non core real estate, diversifying assets ( including but not limited to: private equity, private credit, equity or debt long-short, event-driven, relative value, or tactical trading strategies, MLPs, and real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources) as permitted by this Policy and any applicable ordinance or statute), and cash equivalent securities. Accordingly, the portfolio shall be structured to provide real growth of market value over time while providing downside protection, to the extent reasonable under

prevailing market conditions, during periods of economic or capital market distress or volatility.

Based on its determination of the appropriate risk posture for the Fund, and its long-term return expectations, the Board, with recommendations from the investment consultant and actuary, shall maintain asset-mix guidelines for the Fund, based on market values. The asset allocation is a strategic asset allocation. The long term target allocation percentage and permitted range for each asset class shall be based upon the most recent asset-liability study or asset allocation review performed by the investment consultant, generally every few years, and as adopted by the Board. Both the target allocations and permitted ranges should be adhered to under normal circumstances. However, because the target allocations and permitted ranges are long term in nature, periodically the asset mix may fall outside the target or range. Dollar-cost-averaging, portfolio transition or other cases where the Board determines deviation from the target or range is in the best interest of the Fund are permitted exceptions. This in no way should be considered market timing and is not viewed as such by the Board.

The Board, in conjunction with the investment consultant and actuary, is responsible for broad asset allocation decisions. A manager's cash holdings can disrupt this position and therefore under normal circumstances should be limited to five percent (5%) of its portfolio market value. Therefore, each manager's portfolio is to be fully invested, although cash can be held briefly when a security is sold prior to reinvestment. The only exception to this shall be when cash is used as part of a duration or term-structure strategy of a fixed income manager. This exception is consistent with the Board's decision to have managers avoid market-timing decisions stated above.

Until such time as the Board changes the broad asset class targets, a routine rebalancing of the various portfolios back within permitted allocation range shall be implemented as necessary. The first tool used to achieve this rebalancing shall be regular cash flows. After that, manager cash and portfolio liquidation shall be used.

When market experience moves the portfolio allocation outside a range of +/- 5% around the target allocation at month end, the Treasurer, Plan Administrator, or investment staff in conjunction with the investment consultant shall consider any necessary action to rebalance back toward the target allocation. Priority of rebalancing shall be asset class before style or individual manager.

After a thorough review of the expected risk and return of various asset mixes, the Board of Trustees has established the following target asset allocation for all assets of the City of Jacksonville Retirement System:

<b>Asset Class</b>	<b>Minimum</b>	<b>Target</b>	<b>Maximum</b>
Domestic Equities	20%	30%	40%
International Securities	13%	23%	25%*
Fixed Income	10%	20%	30%
Real Estate	0%	15%	20%
Core Real Estate	5%	10%	15%
Non Core Real Estate	0%	5%	8%
Diversifying Assets**	0%	12%	20%
Private Equity	0%	7%	10%
Private Credit	0%	5%	8%
Cash	0%	0%	10%

\*Statutory Maximum

\*\*ex.) Includes private equity, private credit, equity or debt long-short, event-driven, relative value, or tactical trading strategies, MLPs, and real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources)

### **INVESTMENT GUIDELINES**

Sections 112.661 and 215.47, Florida Statutes, describe the permissible investments for the System and limitations on investments. Section 120.103, Jacksonville Ordinance Code, authorizes the Board to establish allocations containing permissible investments to those defined by this Policy, within the limits set forth by statute. The following broad investment guidelines contain both a restatement of those sections and additional limitations. They also may be modified as set forth in any individual investment manager instructions, to the extent approved by the Board and permitted by applicable ordinances and statutes.

### **EQUITY SECURITIES**

#### **Permitted Securities:**

The following are permissible investments:

- All equity investments shall be limited to fully and easily negotiable equity securities that are listed on a national exchange.
- Permissible investment vehicles shall include equity separate accounts and commingled vehicles consisting of those common stocks, preferred stocks and convertible securities.
- American Depository Receipts are permissible in domestic equity portfolios.
- American Depository Receipts and Global Depository Receipts are permissible in international equity portfolios.
- Other equity securities listed in the Equity Guidelines below.

**Equity Guidelines**

- 1) The total equity portfolio may not exceed 80% of the Fund's assets measured at market value.
- 2) The total portion of the Fund's international equity holdings combined with non-US dollar corporate bonds may not exceed 25% of the Fund's assets measured at market value.
- 3) No more than 10% of the market value of the total equity portfolio may be invested in the combined common stock, preferred stock or convertible securities of any one company.
- 4) Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 10% of the market value of the total equity portfolio.
- 5) American Depository Receipts are permissible in domestic equity portfolios and are limited to 15% of a manager's portfolio.
- 6) Exchange Traded Funds or index fund investments are permitted.
- 7) No individual equity strategy/mandate, measured at market value, shall have an economic sector weighting which exceeds the greater of either 30% or 2 times the sector weight of the underlying benchmark.
- 8) Not more than 75 percent of the Fund may be in internally managed common stock.
- 9) A total return goal of the domestic equity composite, net of fees, is to exceed the return of the Russell 3000 Index over a market cycle (roughly 7 years).
- 10) The total return goal of the international equity composite, net of fees, is to exceed the return of the MSCI All Country World EX-US Index over a market cycle (roughly 7 years).

**FIXED INCOME SECURITIES****Permissible Securities:**

The following are permissible investments:

- Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.

- Florida State bonds pledging the full faith and credit of the state and revenue bonds additionally secured by the full faith and credit of the state.
- Bonds of the several counties or districts in the state containing a pledge of the full faith and credit of the county or district involved.
- Bonds issued or administered by the State Board of Administration secured solely by a pledge of all or part of the 2-cent constitutional fuel tax accruing under the provisions of s. 16, Art. IX of the State Constitution of 1885, as amended, or of s. 9, Art. XII of the 1968 revised State Constitution.
- Bonds issued by the State Board of Education pursuant to ss. 18 and 19, Art. XII of the State Constitution of 1885, as amended, or to s. 9, Art. XII of the 1968 revised State Constitution, as amended.
- Bonds issued by the Florida Outdoor Recreational Development Council pursuant to s. 17, Art. IX of the State Constitution of 1885, as amended.
- Notes, bonds, and other obligations of agencies of the United States.
- Other bonds listed in the Fixed Income Guidelines below.

### **Fixed Income Guidelines**

- 1) At a minimum, 80% of the total fixed income portfolio shall be rated "investment grade" or higher. The Board defines investment grade as "BBB-", "Baa3" or their equivalent, as rated by the following credit agencies: S&P Global, Moody's or Fitch. In the event of a split rating, the security must be rated "BBB-", "Baa3" or their equivalent by at least two investment rating agencies to be considered investment grade. The lower rating will be used if the investment is rated by two ratings agencies.
- 2) Permissible securities shall include fixed income separate accounts and commingled vehicles consisting of those US Treasuries and Agencies, corporate bonds, mortgage-backed securities, asset backed securities and convertible securities listed below.
- 3) Investments in corporate bonds issued by a non-US corporation of commercial entity shall not exceed 25% of the market value of the total fixed income portfolio. This limitation shall not apply to US dollar-denominated securities listed and traded on US exchanges.
- 4) The total value of the securities of any single non-US Government issuer shall not exceed 5% of the market value of the total fixed income composite.
- 5) Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 25% of the market value of the total fixed income portfolio.
- 6) There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.



- 7) Investments in Commercial Mortgage Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service. However, the total value of all CMBS investments shall not exceed 25% of the market value of the total fixed income portfolio.
- 8) All fixed income investments shall be limited to fully and easily negotiable fixed income securities, unless specifically authorized by the Board.
- 9) Investments in convertible bonds shall be limited to 10% of the market value of the total fixed income portfolio. However, any convertible bond investments should be liquidated at the time of conversion so as to avoid the fixed income managers holding equity securities in a fixed income portfolio.
- 10) Structured notes may not be held in the fixed income portfolio.
- 11) The following are limited to 25% or less of the Fund:
  - A. Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of this state, if the obligations are rated investment grade by at least one nationally recognized statistical rating organization.
  - B. Notes secured by first mortgages, insured or guaranteed by the Federal Housing Administration or the United States Department of Veterans Affairs.
  - C. Mortgage securities which represent participation in or are collateralized by mortgage loans secured by real property. Such securities must be issued by an agency of or enterprise sponsored by the United States Government, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.
  - D. Group annuity contracts of the pension investment type with insurers licensed to do business in this state which are rated investment grade by at least one nationally recognized rating service.
  - E. Fixed-income obligations not otherwise authorized by this section issued by foreign governments or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities, if the obligations are rated investment grade by at least one nationally recognized rating service.
  - F. A portion of the funds available for investment pursuant to this subsection may be invested in rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.

- G. Obligations of agencies of the government of the United States, provided such obligations have been included in and authorized by the Florida Retirement System Defined Benefit Plan Investment Policy Statement established in Section 215.475, Florida Statutes.
  - H. United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities.
  - I. Asset-backed securities not otherwise authorized by this section.
- 12) Not more than 25 percent of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.
- 13) The total return goal of the fixed income composite, net of fees, should exceed the return of the Bloomberg Barclays US Universal Bond Index over a market cycle (roughly 7 years).

## **REAL ESTATE**

### **Permissible Investments:**

Certain interests in real property and related personal property, including mortgages and related instruments on commercial or industrial real property, with provisions for equity or income participation or with provisions for convertibility to equity ownership; and interests in collective investment funds are permissible investments. Associated expenditures for acquisition and operation of assets purchased under this provision or of investments in private equity or other private investment partnerships or limited liability companies shall be included as a part of the cost of the investment.

1. The title to real property acquired under this paragraph shall be vested in the name of the Fund.
2. For purposes of taxation of property owned by the Fund, the provisions of Section 196.199(2)(b), Florida Statutes, do not apply.
3. Real property acquired under the provisions of this paragraph shall not be considered state lands or public lands and property as defined in Florida Statutes Chapter 253, and the provisions of that chapter do not apply to such real property.

## Real Estate Guidelines

Core Real Estate funds are to have the following complementary objectives:

- Investments are typically comprised of well-leased, high quality, income producing institutional properties, such as office buildings, retail centers, industrial parks, apartments, and hotels, that are held until such time as determination is made by the fund manager to dispose of such properties at acceptable market rates.

Non Core Real Estate funds, comprised of both Opportunistic and Value-Added investments, are to have the following complementary objectives:

- Investments are typically commercial properties requiring redevelopment or repositioning for alternative use or upgrade. These properties have the potential for increases in tenant occupancy rates and leasing income attained from capital improvements and effected property management, over the projected holding period.
- 1) Notwithstanding the restrictions and limitations set forth in paragraphs 1 and 2 of the "Equity Securities" section above or elsewhere in this Policy and when deemed appropriate by the Board, real estate investments may be made in any legally permissible real estate investment vehicles, including, but not limited to, individual property investments, joint ventures, commingled funds, including insurance company separate accounts, real estate investment trusts (REIT's), master limited partnerships (MLPs), limited partnerships and limited liability companies, in an amount up to 25% of the Fund.
  - 2) The Board shall seek to diversify its real estate portfolio by property type (multi-family residential, industrial, office, retail, etc.), property location (geographic region), tenant dominance (avoiding tenants all belonging to the same company or industry) and strategy (core diversified, value-added, opportunistic).
  - 3) As real estate investments over time are intended to provide, relative to other asset classes, a higher level of income, lower volatility of total return, and lower correlation to other asset classes, leverage is generally limited to 35% at the portfolio level for core investments and 75% at the portfolio level for value-added/opportunistic investments. However, the amount of leverage in a single fund is not constant. It varies as the market value of the properties in the fund varies. In the case of closed-end funds it also varies as the fund matures. In the early days of a Non Core closed-end fund, the fund may utilize very little leverage. But as the properties are accumulated, the borrowing as a percentage of the properties will increase.
  - 4) Any investment or co-investment in a single property shall not exceed one half of one per cent (0.5%) of the Plans' total assets unless specifically permitted by the Board.
  - 5) All real estate investments shall be managed by experienced and qualified professional investment managers as determined by the Board of Trustees in consultation with the Investment Consultant and Staff.

- 6) The total return goal of the Core Real Estate composite, net of fees, is to exceed the NCREIF ODCE index over a market cycle (roughly 7 years). The total return goal of the Non Core Real Estate composite, net of fees, is to exceed the NCREIF ODCE index + 2% premium, over a market cycle (roughly 7 years).

### **CASH EQUIVALENT SECURITIES**

The following are permissible investments:

#### **Permissible Securities:**

- Savings accounts in, or certificates of deposit of, any bank, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof and having a prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization, provided such savings accounts and certificates of deposit are secured in the manner prescribed in Florida Statutes Chapter 280.
- Bonds issued by the Florida State Improvement Commission, Florida Development Commission, Division of Bond Finance of the Department of General Services, or Division of Bond Finance of the State Board of Administration.
- Notes, bonds, and other obligations of agencies of the United States.
- Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.
- Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as banker's acceptances, which are accepted by a member bank of the Federal Reserve System and are of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.
- Negotiable certificates of deposit issued by domestic or foreign financial institutions in United States dollars of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.
- Short-term obligations not authorized elsewhere in this section to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.
- Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or

instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

### **Cash Equivalent Guidelines**

- 1) The investment managers may invest only in the following short-term investment vehicles, for the purposes of cash equivalents:
  - a) The money market or STIF provided by the System's custodian.
  - b) Direct obligations of the United States Government or its agencies with a maturity of one year or less.
  - c) Repurchase agreements which are fully collateralized by direct obligations of the United States Government.
  - d) Commercial Paper issued by United States corporations which has a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor's or P-1 or higher by Moody's.
  - e) Bankers Acceptances issued by prime money center banks.

### **USE OF FUTURES AND OPTIONS**

The System and any of its external managers are authorized to buy and sell futures and options, provided the instruments for such purpose are traded on a securities exchange or board of trade regulated by the Securities and Exchange Commission or the Commodity Futures Trading Commission, unless the Board by rule authorizes a different market. Use of futures and options for speculative purposes is prohibited.

### **COMMINGLED AND MUTUAL FUNDS:**

The Board recognizes and accepts that investments in commingled funds, common trust funds, mutual funds, limited partnerships, limited liability companies or similar investment vehicles shall be governed by the investment policies and guidelines of those funds and that no additional constraints may be imposed on them as they are frequently serving as fiduciaries to the investment vehicle itself of which the Fund holds an interest. The decision to invest Fund assets in any such fund shall only be made by the Board after a thorough review of the investment policies contained in the prospectus, trust document, offering memorandum or other governing documents of those funds, and after it has been determined that those policies are appropriate and generally consistent with the investment objectives of the System.

**DIVERSIFYING ASSETS:****Permissible Strategies:**

The following are permissible investments:

- For purposes of this Policy, “diversifying assets” shall mean investments in private equity, private credit, long-short equity or debt, event driven, relative value, or tactical trading strategies, MLPs, real assets (timber, commodities, energy, oil and gas, metals and mining, or other natural resources) and shall also include other investments that generally are not publicly traded or which are managed through private investment vehicles.
- In general, the aforementioned strategies involve the purchase and sale of all types of public and privately traded securities, currencies, options, futures and private placements. These strategies may also include the short sale of securities and the use of leverage and other types of derivatives.
- Private equity investments shall include sub strategies such as venture capital, growth equity, and buyouts. Investments are typically accessed directly, through partnerships or through a fund of funds approach, which provides an investment vehicle that is well diversified by sub-asset class (e.g. venture capital vs. buyouts), investment style (e.g. early vs. late stage, mid-market vs. large cap market) and vintage year.
- Private Credit investments shall include sub strategies such as direct lending, asset-backed debt, specialty finance, special situations, and distressed debt. Investments are typically accessed directly, through partnerships or through a fund of funds approach.
- In general, real assets includes the purchase and sale of an equity or debt interest in natural resources (such as oil and gas development, energy and power infrastructure, agriculture, and metals and mining), commodities (agriculture, energy, industrial metals, livestock and precious metals), timberland, farmland, and water rights. These investments may be made in publicly traded securities, such as master limited partnerships (MLPs) or in private investment vehicles, such as limited partnerships.

**Diversifying Assets Guidelines**

1. The long-term role of diversifying assets is to improve the risk-adjusted return of the overall portfolio by increasing the long-term expected return above what would be normally available using only conventional securities and reducing overall portfolio volatility through use of a diversified set of strategies and the inherent smoothing of private valuation methods. The long-term nature of

- private investments and vintage year diversification shall be emphasized so that the System, as a long-term investor, may properly take advantage of the private negotiation of transactions and the illiquidity premium associated with such private investments.
2. Prior to making any investment in diversifying assets, the sub-strategy investments will be evaluated, by the Board, based on their singular characteristics and their incremental value to the total Fund. Any "lock-up" periods shall be appropriate given the underlying strategy.
  3. The Board understands that there are certain additional risks associated with investing in private investments, such as: the long-term nature and illiquidity of the investment; the complexity of the strategies employed; the higher cost and delay of investment return to the System (e.g. "J-curve effect"); the possible lack of full public disclosure of certain financial information; and the labor intensive nature of private investment programs for plan sponsors to implement and monitor. However, the Board has determined that possible reward outweighs the possible risks and has also determined that the long-term role of diversifying assets, is consistent with the System's Policy.
  4. In private equity, private credit and real asset investing there is the risk of sustaining a complete loss on any of the individual company investments. The Board understands and expects that while specific investments may incur losses of all or part of invested capital, a diversified portfolio of holdings should produce a positive rate of return in excess of that available from public securities. Therefore, the System shall prudently diversify its private investment program in a manner consistent with professionally managed institutional private programs, as recommended by its Investment Consultant or Staff, so as to decrease the likelihood of loss. The private investments, in aggregate, will be prudently diversified by having broad exposure across the sub-strategies listed above. Further, the private investments, in aggregate, shall be diversified by: industry groups, company, number of transactions, stage of company maturity, form of investment, geography and time (vintage year diversification). Investment in non-US limited partnerships is permitted.
  5. Over commitment: The implementation of any private investment, such as private equity and private credit, by the System shall be made over time so as to increase vintage year diversification. The timing of new commitments shall be spread out so as to avoid undue concentration of commitments in any one year. Over the long-term, it is expected that varying amounts of new funding will be committed each year to increase diversification. The Board recognizes that it will be necessary to make capital commitments in excess of the target allocation for private investments in order to achieve the target allocation and subsequently maintain it. The investment consultant shall monitor the amount of capital committed, drawn,

invested and distributed and make a recommendation to the Board as to the amount of new commitments to be made each year.

6. Each fund shall be invested and diversified according to each fund's legal documentation. Accordingly, at the composite level, no limitations shall be imposed on any single partnership, strategy, or investment.
7. Public Records Request: The Board recognizes that periodically a request for information under a state statute or local ordinance "Public Record Request" may be made concerning the System's private investments. The Board believes that public disclosure of certain information about the System's private investments, especially financial information of the underlying companies held by limited partnerships, may materially harm the System's investments. Therefore the Board has adopted the following procedure in the event such a request is made: Public disclosure of the System's private investment shall be limited to the following: the identity of each fund; the amount of capital committed, invested and returned for each fund; the internal rate of return for each fund; any information disclosed by the fund to the Board in the Board's regular, open meetings, and as otherwise may be required by law.
8. The total return goal of the privately traded diversifying assets investments should be to produce a dollar-weighted return (internal rate of return or IRR) that exceeds a public market equivalent (PME) dollar-weighted return of a market index appropriate for the private strategies utilized over a full market cycle. Where possible, peer comparisons shall be made using statistically valid performance universes with the expectation that performance will rank above median in vintage year periods.
9. The total return goal of the publicly traded diversifying assets investments, or for which a valid investable index or peer universe exists, should be to exceed the return of a blended index using the S&P MLP Index, NCREIF Timberland Index, and any other appropriate indices weighted to reflect Policy weights of the respective strategies, net of fees.

### **COMPLIANCE PROCEDURES**

In the event a security falls out of compliance with the investment manager's specific investment guidelines after purchase, the investment manager may continue to hold the security to avoid a "fire sale" scenario subject to the following:

- The securities must be permissible under Sections 112.661(5) and 215.47, Florida Statutes.
- The investment must represent no more than 2% of the investment manager's portfolio and the overall investment in the security across all managers' portfolios must not exceed 2% of the Fund's aggregate investment portfolio.



- Immediate notification shall be provided to the City's Treasurer and Chief Financial Officer ("CFO"), including a summary of the type, magnitude, and risk of such variance to the specific investment manager's guidelines.
- If the Treasurer and CFO both agree with the assessment, the request shall be referred to the Chairman of the Board for approval. If at any step during this process the retention of the security is not approved, Treasury staff and the investment consultant shall work with the investment manager to decide on the best manner of liquidation.
- Unless approved by the Chairman of the Board, a non-compliant security may not be retained beyond 30 days following the end of the quarter in which the non-compliance was discovered.
- If retention of the security is approved, the CFO shall send written acknowledgement to the applicable manager granting such exception to the Policy, which shall include the following:
  1. Defined enhanced reporting requirements for the manager regarding the specific investment holding which is an exception to the investment manager's specific guidelines, including:
    - a. Impact to the liquidity of the holding and portfolio managed, and
    - b. Impact on the return on the portfolio managed under the expected outcome and under the worst-case scenario.
- Updates on the status of each security which is subject to a Policy exception shall be presented by the investment manager to the city's Treasurer at least monthly.
- Exceptions to the investment manager's specific guidelines shall be reported to the Board, and shall be included in the investment consultant's quarterly investment report. The Board shall have the ultimate authority over whether the exception should be approved or not.

### **SECTION 112.661, FLORIDA STATUTES**

The Board has adopted the following additional provisions to comply with Section 112.661, Florida Statutes:

**EXPECTED ANNUAL RATE OF RETURN:** For each actuarial valuation the Board shall determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter. This determination is to be filed with the Department of Management Services, the plan sponsor and the consulting actuary.

**MATURITY AND LIQUIDITY REQUIREMENTS:** The investment portfolio shall be structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To

the degree reasonable, an attempt shall be made to match investment maturities with anticipated cash flow requirements.

**THIRD-PARTY CUSTODIAL AGREEMENTS:** Securities should be held with a third party, and all securities purchased by, and all collateral obtained by, the board should be properly designated as an asset of the board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the board or the board's designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, to the extent possible, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

**MASTER REPURCHASE AGREEMENT:** All approved institutions and dealers transacting repurchase agreements shall perform as stated in the Master Repurchase Agreement.

**BID REQUIREMENT:** To the extent reasonable, the Board shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid is to be selected.

**INTERNAL CONTROLS:** The Board shall establish a system of internal controls which shall be in writing and be a part of the Board's operational procedures. These internal controls are designed to prevent losses of funds, which might arise from fraud, error, and misrepresentation, by third parties or imprudent actions by the Board or employees of the plan sponsor.

**CONTINUING EDUCATION:** The Board encourages continuing education of its members in the areas of investments and Board responsibilities.

**REPORTING:** The Custodian's valuation report is to be filed annually with the plan sponsor. This report is also available to the public.

**FILING OF INVESTMENT POLICY:** Once adopted by the Board, this Policy shall be promptly filed with the Department of Management Services, plan sponsor and consulting actuary. The effective date of this Policy and any amendment thereto shall be the 31st calendar day following the filing date with the plan sponsor.

**VALUATION OF ILLIQUID INVESTMENTS:** The Board defines an illiquid investment as one for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism. Should an investment become illiquid or in the event that the fund acquires an illiquid investment, the Board shall develop the methodology for valuation as set forth in the criteria in Section 215.47(6), Florida Statutes (the SBA/FRS methodology for valuation).

## **PERFORMANCE EVALUATION**

The Board shall review the investment activities and investment performance of the System and each portfolio manager on a regular basis to assure compliance with the goals, objectives and guidelines contained in this Policy. The System's outside investment consultant shall assist the Board in interpreting investment results and assessing investment manager performance.

Investment performance shall be measured on at least a quarterly basis. Performance benchmarks shall include those stated in the Investment Objectives section above as well as comparisons to similar types of funds with similar market value and asset allocation.

Investment performance shall be compared using a statistically valid universe provided by the investment consultant as authorized by the Board. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this Policy.

While the Board intends to fairly evaluate the portfolio performance, it reserves the right to change investment managers, without liability except payment of current charges, for any reason which in the exercise of the Board's discretion is deemed sufficient, including but not limited to those stated below.

1. Change of the Board's investment philosophy;
2. Poor results, including but not limited to, a manager's full-market-cycle (roughly 7 years) returns underperforming relative to the appropriate benchmark for three or more consecutive quarters;
3. Failure to meet stated performance goals as described in the investment manager's specific guidelines or this Policy, and/or as measured against the appropriate benchmark or relevant manager universe;
4. Failure to meet the Board's communication and reporting requirements;
5. Deviation from the stated investment philosophy or style for which the investment management firm was hired; or
6. Change of decision-making personnel or ownership of the investment management firm.

Investment managers shall communicate with the Board and investment consultant as follows:

1. Provide portfolio valuation and transaction listings on at least a quarterly basis as stated above.
2. Meet at least annually with the Board, its Staff or investment consultant or as requested by the Board.
3. Communicate as outlined in this Policy regarding all other issues.

Board communication with investment managers:

1. On a timely basis, the Board shall provide the investment managers with changes to this Policy.
2. The Board shall also communicate as needed with the investment managers to:
  - a. Review and discuss any modifications and changes to the Plans' investment objectives, goals and guidelines;
  - b. Identify any significant anticipated changes in the Plans' cash flow, liquidity requirements or plan circumstances; and
  - c. Any other matter, which may bear upon the Plans' assets managed by a particular manager.

This Policy as well as the Plans' circumstances shall be reviewed annually by the investment consultant with the Board and possibly revised periodically to ensure this Policy continues to reflect the Board's objectives, goals, philosophy, etc.

The Board shall periodically review:

1. The Fund's asset allocation in light of the consultant's current capital markets assumptions.
2. Actual investment results to determine whether the Fund's asset allocation remains reasonable and each manager's decision-making process remains consistent with the style and methodology for which the manager was originally retained.
3. The investment manager's proxy voting procedures and proxy voting records.
4. Commissions generated, commission rates charged and firms used by the investment managers to execute trades.
5. Manager fee schedules.

**REVIEW OF POLICY**

It is the intention of the Board of Trustees to review this Policy periodically and to amend it to reflect any changes in philosophy or objectives. If at any time any investment manager believes that the specific objectives defined herein cannot be met or that these guidelines unnecessarily constrict performance, then such manager shall notify the Board in writing of the specific objection so that the Board may consider revising this Policy subject to applicable ordinances and statutes.

Amended this 27th day of May, 2021.

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DAVID KILCREASE  
SECRETARY - BOARD OF TRUSTEES  
CITY OF JACKSONVILLE EMPLOYEES RETIREMENT SYSTEM

**APPENDIX****SAMPLE INVESTMENT MANAGER INSTRUCTIONS****Policy:**

The portfolio under the supervision of sample manager is intended to be a domestic equity portfolio.

Sample manager has been hired to pursue an investment style, which the Board has defined as a large cap value, domestic equity style. The Board has selected this investment style to be different, yet complement the other domestic equity managers employed. Sample manager is expected to produce investment returns that are 100 basis points over the Russell 1000 Value Index on an annualized basis over rolling three-to-five-year periods, net of fees and rank above median compared to their style peers over the same period. It is understood that investment returns are not guaranteed.

**Guidelines:**

- A. The portfolio shall be a large cap value, domestic equity portfolio. Sample manager may purchase short-term cash equivalent instruments, which for the purpose of measurement, shall be treated as equity reserves, not as fixed income securities. Convertibles are also permissible; however, they shall be treated as equities as well. The portfolio is expected to remain fully invested.
- B. It is sample manager' decision as to whether or not to utilize the Short-Term Investment Fund offered by the custodian, or another cash equivalent vehicle, and in doing so, is responsible for assessing the credit worthiness and relative return attractiveness of any alternative to the custodian's STIF used.
- C. Sample manager may use exchange-traded funds such as S&P Depository Receipts ("Spyders") for the purpose of short-term equitization of unused funds, including cash in the account due to a contribution or pending withdrawal.
- D. The portfolio shall be adequately diversified according to the internal policies established by sample manager regarding individual securities and industries to avoid the undue risk inherent in non-diversified holdings. In addition to the limitations set out in the Guidelines, the following limitations shall apply:
  1. Exposure to any single economic sector is limited to the greater of: 30% or 2X the sector weight in the underlying benchmark (listed below) based on market value.

2. American Depository Receipts are permissible but are limited to a maximum of 15% of the portfolio based on market value.
- E. The portfolio performance shall be measured on a total return basis, which includes both income and change in market value.
- F. Sample manager shall be reviewed quarterly based on the following:
1. Adherence to style risk assignment, including portfolio characteristics relative to those of the benchmark.
  2. The value-added over the Russell 1000 Value Index.
  3. The trend of value-added over the Russell 1000 Value Index.
  4. The value-added over median similar style investment managers.

These guidelines are not to be construed as restrictive to sample manager' ability to follow the strategies it considers are the most appropriate given the Board's directives contained in the Investment Policy and these Instructions, but rather as an exercise of the Board's fiduciary responsibility. If at any time sample manager feels that the Policy or these Instructions are unrealistic, or may be a hindrance in pursuing their investment style, the Board and the investment consultant are to be notified immediately in writing.

May 2021

# Domestic Equity Structure Review

City of Jacksonville ERS





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# Domestic Equity Structure Review

## Introduction

- One of the 2021 strategic initiatives for the System is to conduct a structure study on the domestic equity composite.
- The results of this study may lead to a restructuring recommendation and/or a recommendation to conduct manager searches.
- The first two sections explore some trends within the domestic equity landscape, followed by types of equity strategies and implementation approaches. The presentation also highlights the current domestic equity structure for the Fund.

# Equity Market Trends Overview

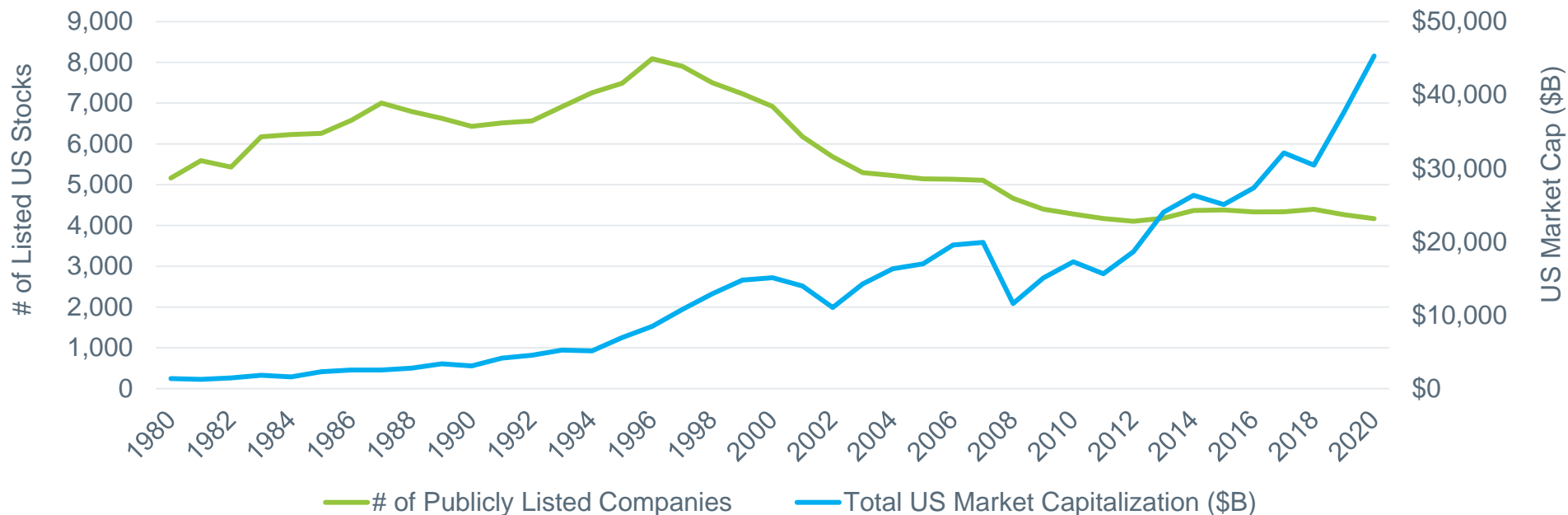


# Public Equity Market Trends

## Declining number of listed US stocks

- US stock market shifts over time:
  - Increasingly costly to remain publicly listed (regulatory burden, reporting requirements, etc.)
  - Increasing number of companies staying private for longer, limiting the number of IPOs.
  - Companies are also delisting and experiencing consolidation through merger and acquisitions.
- This trend is not necessarily detrimental to public equity investors.
  - Return on investment for the average public US equity company has increased as the number of lower quality or less mature companies has decreased, potentially indicating more shareholder friendly behavior and improving profitability<sup>1</sup>.

Number of US Stocks vs. Market Cap (\$B)



<sup>1</sup>Credit Suisse, "The Incredible Shrinking Universe of Stocks: The Causes and Consequences of Fewer U.S. Equities" by Michael Mauboussin, Dan Callahan, CFA, and Darius Majd (March 22, 2017)

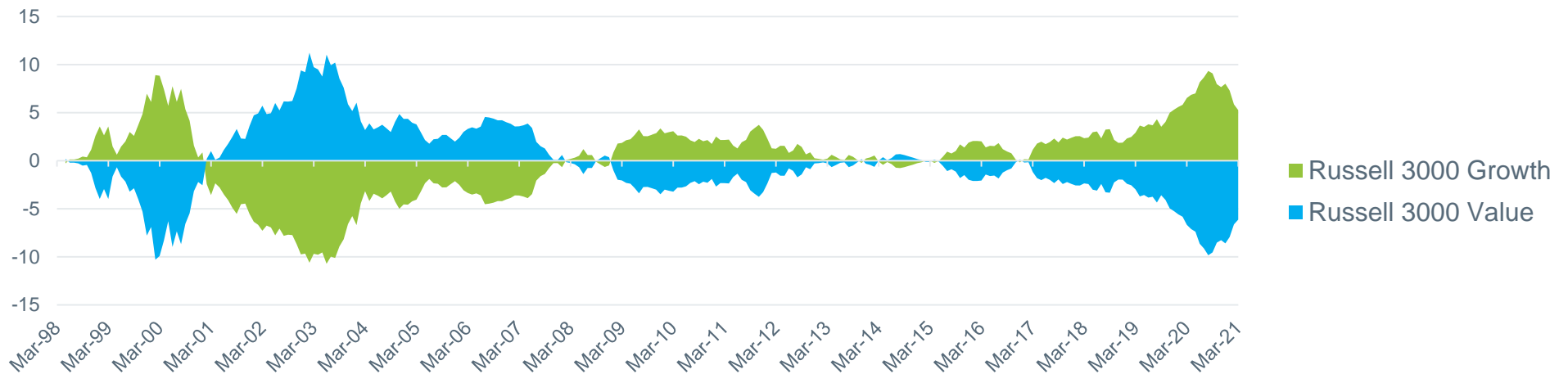
Chart Source: Word Bank through 2018. Estimated based on data from Sibilis Research and Morningstar Direct post-2018.

# Market Cap and Style Trends

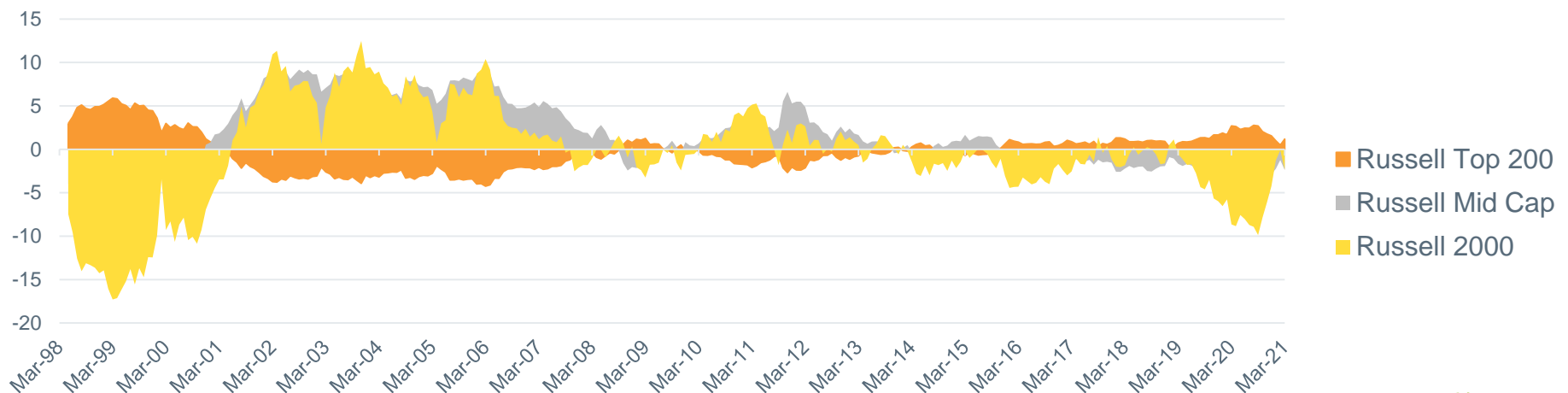
## Market Cap and Style Returns Have Shifted Throughout Time

- High growth and mega cap stocks have outperformed recently, but these trends have tended to shift and vary over full market cycles.

### Style Leadership



### Market Cap Leadership

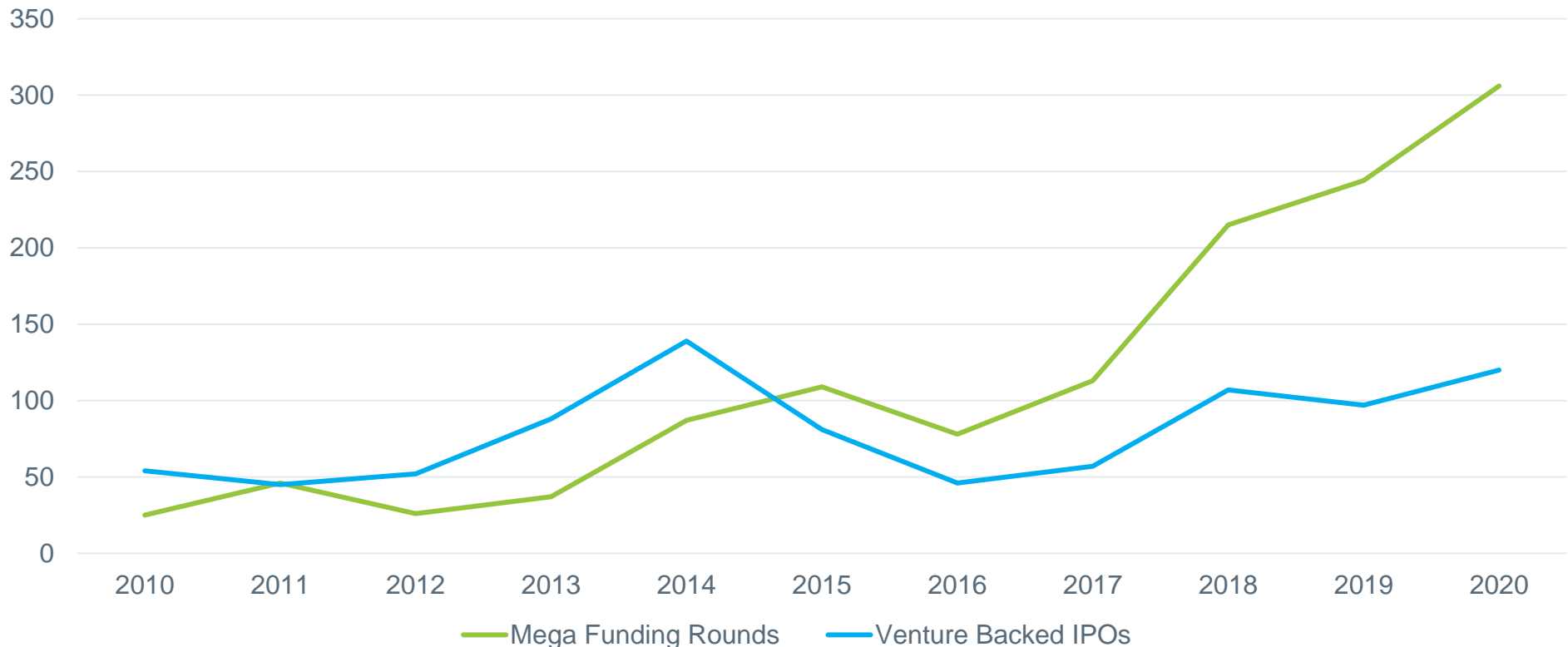


# Public Equity Market Trends

## Evolving Opportunity Set in the Equity Marketplace

- Prior to 2015 we observed proximity and directional correlation between the number of companies receiving large amounts of financing in the private market and those deciding to go public. However, as the below chart illustrates, the past 5 years shows a significant deviation, with more companies opting to stay private as a result of their ability to access large amounts of financing without having to go public.

Private Mega Rounds vs. VC Backed IPOs



Date as of December 21, 2020. A Mega Round is defined as a private financing round in excess of \$100 million.

Source: Pitchbook, <https://pitchbook.com/news/articles/2020-vc-in-charts>

# Public Equity Market Trends

## Evolving Opportunity Set in the Equity Marketplace

- The changing dynamic of more companies opting to stay private is reflective of a belief that private markets offer more optimal governance, improved management incentives, and favorable capital structures. This trend suggests a potential loss of opportunity in the small/mid-cap space by preventing public market investors from becoming owners in these companies.
- One of the benefits of the COJ's 7% target to Private Equity is the exposure it brings to private companies in the small/mid-cap space. This will allow the City to indirectly invest in private businesses during their infancy, in hopes of their eventually becoming larger companies that are either sold or brought public.
- The COJ's Private Equity portfolio is still in its beginning stages, with ~\$11M in contributed capital since inception.\* As the Private Equity allocation grows toward its target allocation, the Plan's current intentional small cap overweight relative to the public market may become more pronounced.
- Ultimately, when evaluating the market cap structure of the equity composite, we believe it is beneficial to consider the expanded diversification presented by the combination of the Plan's Private and Public Equity portfolios' exposures.

\*As of 3/31/2021.

# Equity Strategies & Implementation Overview





# Domestic Equity Strategies

## Available Strategies



### Cap-Weighted Passive

- Low cost exposure to US equity market beta
- Negligible tracking error to benchmark
- Often negative alpha due to fees



### Non-Cap Weighted (e.g. Factor Indexes)

- Beta exposure using different rules (e.g. – equal-weighted, factor weights, etc.)
- Low tracking error to respective benchmark compared to traditional active management
- Potential for downside protection as risk is diversified across multiple market trends
- Higher tracking error to cap-weighted benchmark
- Higher fees than cap-weighted but lower than active management



### Actively Managed

- Potential for risk-adjusted excess returns
- Downside protection from higher quality biases from most active managers
- Higher fees relative to cap-weighted and non-cap weighted passive
- High levels of tracking error
- Subjects to longer periods of underperformance dependent on market conditions

# Domestic Equity Strategies

## Active vs. Passive

- Every year, RVK conducts an active vs. passive management study to analyze trends and identify sub-asset classes where active managers are most likely to outperform.
- The below table identifies the results of our annual active vs. passive management analysis, for the US equity asset classes represented in the City of Jacksonville's portfolio. The analysis examines average active manager performance relative to a relevant style and market cap benchmark, net of fees.

### Long-Term 3-Year Rolling Average (Net of Fees)

January 2001 – December 2019

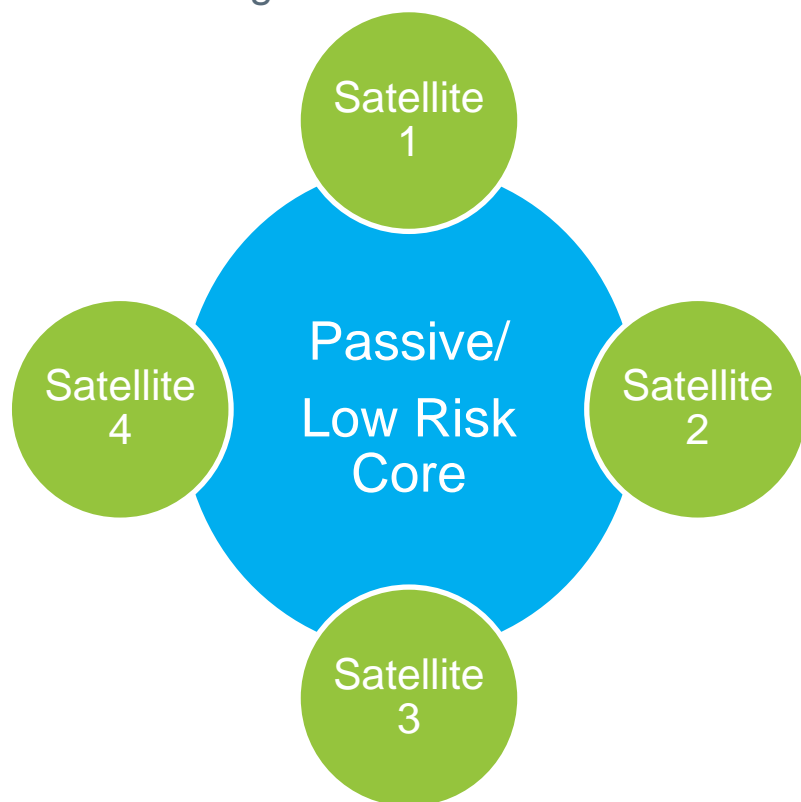
	US Equity		
	25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile
US Large Cap Growth Equity	1.39%	-0.43%	-2.15%
US Large Cap Core Equity	1.31%	-0.11%	-1.55%
US Large Cap Value Equity	1.86%	0.20%	-1.35%
US Small-Mid Cap Growth Equity	2.08%	-0.47%	-2.88%
US Small-Mid Cap Value Equity	2.16%	0.12%	-1.77%
US Small Cap Value Equity	3.12%	0.94%	-1.28%

# Domestic Equity Strategies

## Implementation Approaches

There are two general approaches for multi-manager portfolio construction, Core Satellite and Style Box, which are used to pair lowly correlated strategies to target an attractive risk/reward profile.

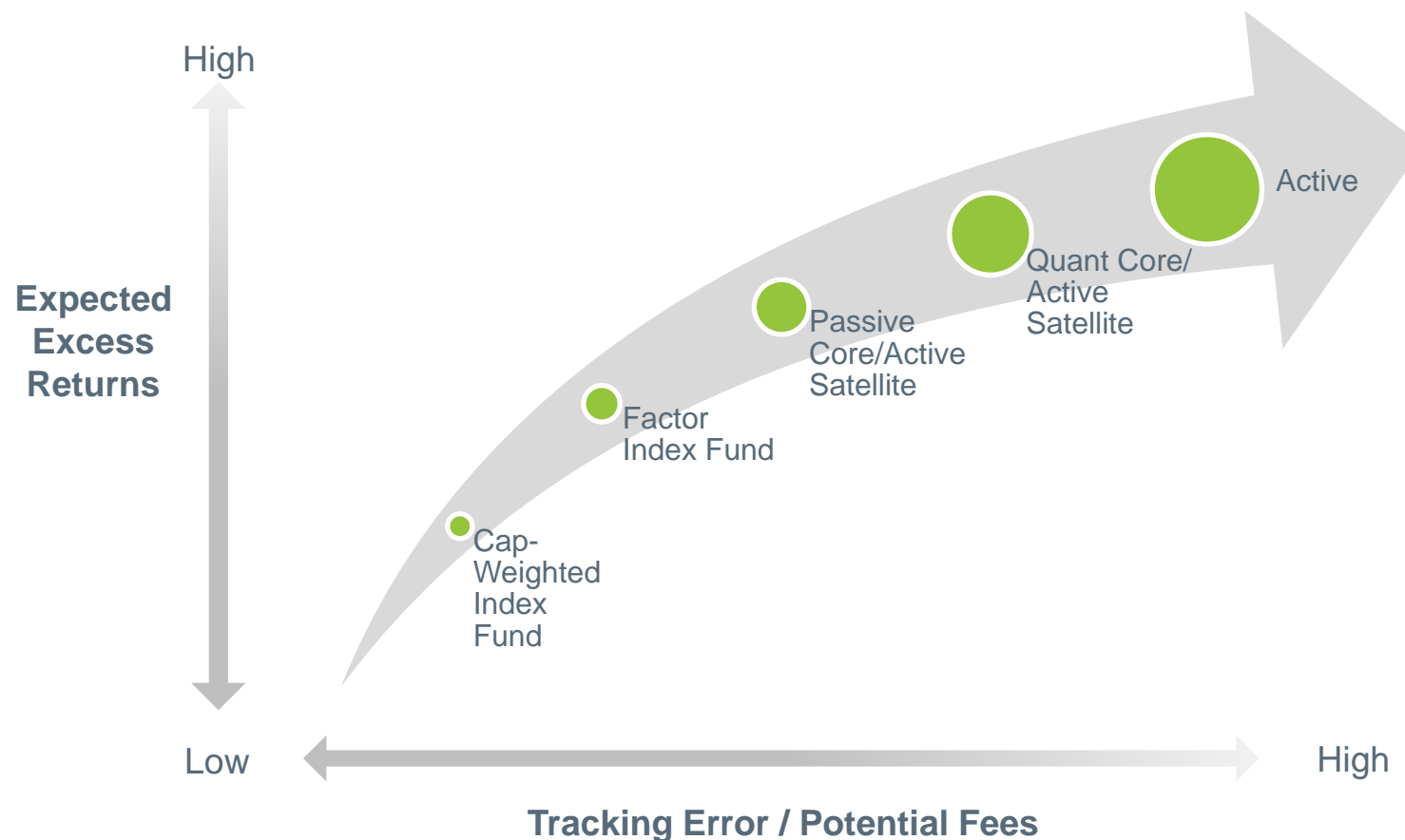
- The **Core-Satellite** approach controls tracking error and fees through a passive or low risk core strategy with more concentrated, high risk strategies used for alpha generation.
- The **Style Box** approach requires selecting a strategy for each, or most, of the prescribed market cap/style groups with each expected to contribute alpha and generate low-moderate tracking error when combined.



# Domestic Equity Strategies

## Implementation Approaches

- It is important to develop reasonable tracking error and excess return expectations, and to implement a structure to meet those expectations. Many clients use elements of different implementation approaches to arrive at their final portfolio structure.
- Fees, capacity constraints, and client-specific implementation considerations such as liquidity and the administrative aspects of multi-manager structures are additional considerations.



# Current Equity Structure



# COJ US Equity Structure Overview

	Value	Core	Growth
Large Cap	Eagle Capital LCV	Mellon Large Cap Index	Loomis Sayles LCG
Mid Cap			Pinnacle Associates US SMID Cap Growth
Small Cap	Mellon SCV Index		

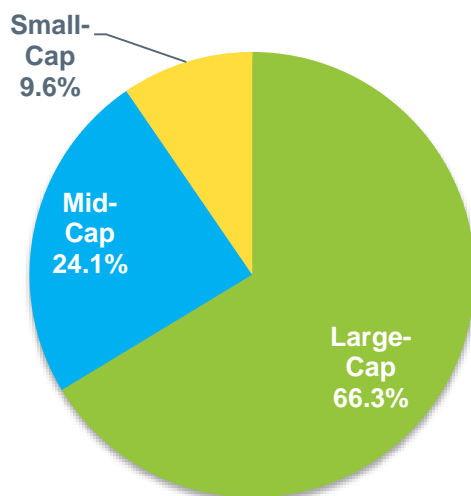
Manager	Current Market Value*	Current Allocation	Target Allocation	Difference vs. Target
Eagle Capital LCV	\$246,552,383	25.44%	24.50%	+0.94%
Mellon LCC Index	\$267,594,871	27.61%	28.50%	-0.89%
Loomis Sayles LCG	\$182,904,736	18.87%	20.50%	-1.63%
Mellon SCV Index	\$111,804,045	11.54%	13.25%	-1.71%
Pinnacle Associates US SMID Cap Growth	\$160,109,324	16.52%	13.25%	+3.27%

\*Market values as of 3/31/2021. Allocations shown may not sum to 100% exactly due to rounding.

# COJ US Equity Portfolio

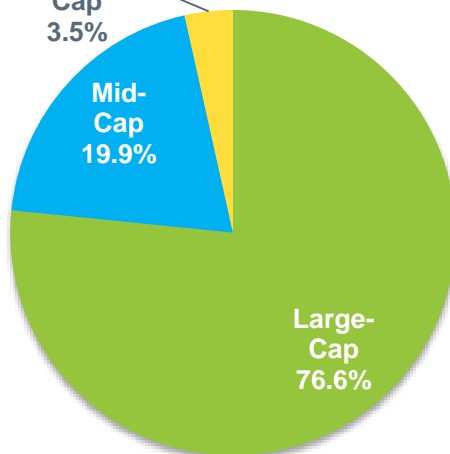
## Current US Equity Market Capitalization & Style Structure (Holdings Based)

Market Capitalization



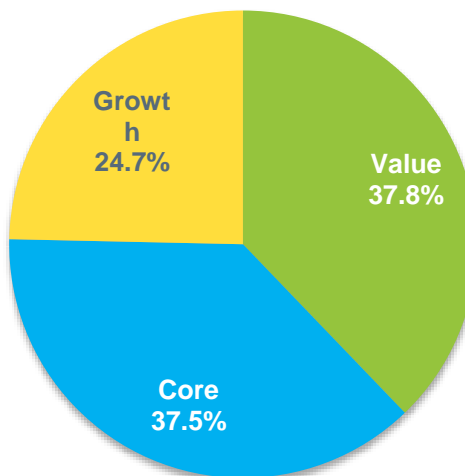
COJ Equity Portfolio

Small-Cap 3.5%

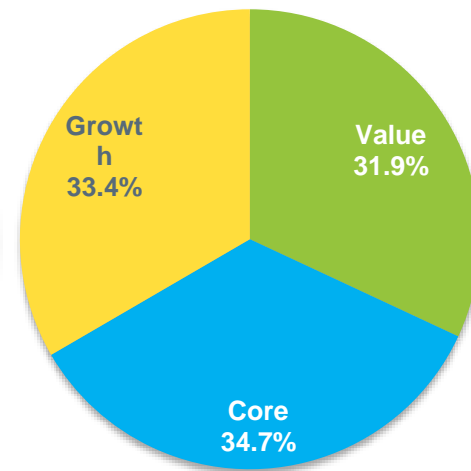


Russell 3000 Index

Style



COJ Equity Portfolio



Russell 3000 Index

- On a market capitalization basis, there is an intentional overweight to small and mid-cap stocks relative to the market (as measured by the Russell 3000 Index). This was reviewed and confirmed during the US Equity review conducted in 2019.
- On a style basis, the current portfolio demonstrates a value overweight. The overweight to value is in part a byproduct of the intentional small cap overweight, as the Russell 2000 tilts more towards value, in addition to a slight value bias within the large cap targets.
- Considering the Plan's 7% target allocation to Private Equity, which will largely be comprised of privately held small and mid-cap companies, there is a strong likelihood that the Plan's overweight to small- and mid-cap companies, as compared to the broad public market, could become more pronounced as the Private Equity allocation is built out in the coming years.

# COJ US Large Cap Equity Portfolio

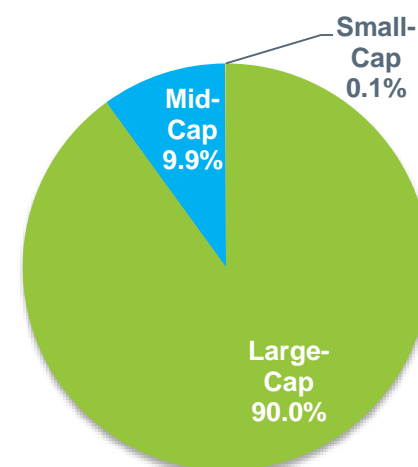
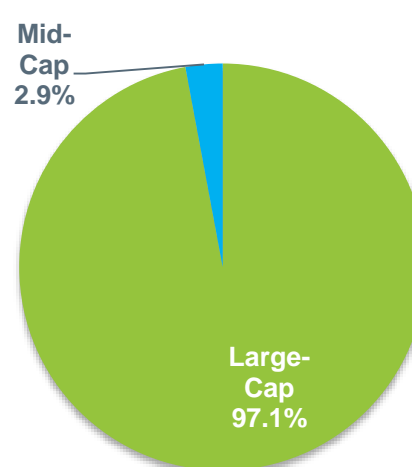
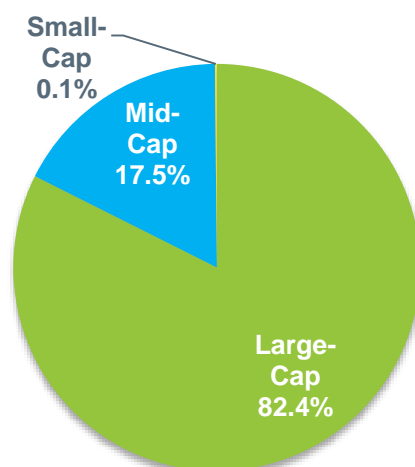
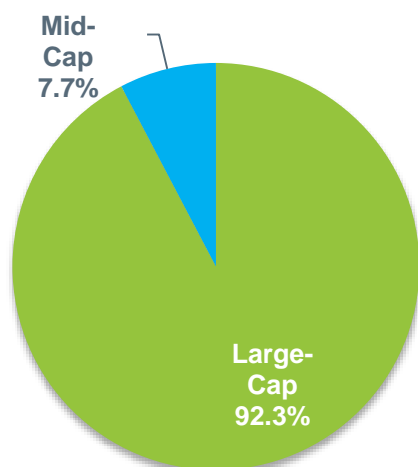
## Current Large Cap Equity Market Capitalization Structure (Holdings Based)

Loomis Sayles Large Cap Value (SA)

Eagle Large Cap Value (SA)

Mellon Large Cap Core Index Fund (CF)

Current US Large Cap Equity



Growth

Value

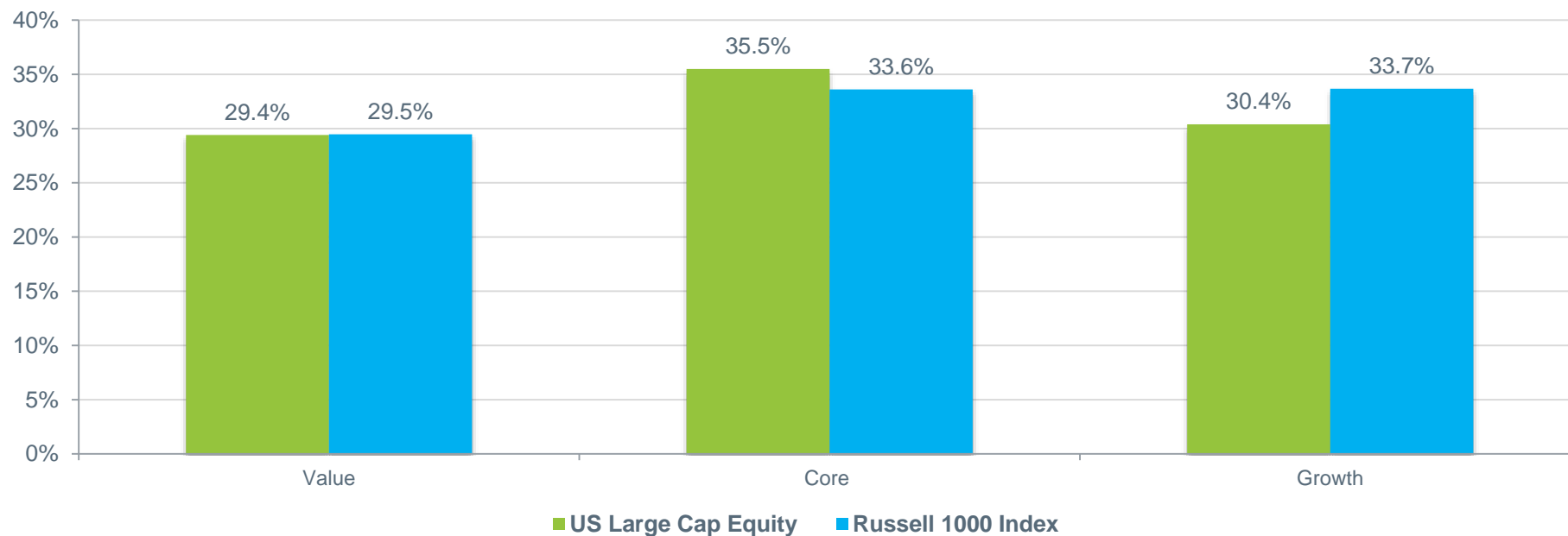


- Shown above are the COJ's active large cap equity managers, as well as the COJ's passive Russell 1000 index fund. The Russell 1000 Index is demonstrative of broad US large cap equity exposure.
- Managers Eagle and Loomis both have investment guideline flexibility to invest intra mid-cap stocks, and as evidenced above, all three US large cap equity managers exhibit varying degrees of exposure to mid-cap stocks on a holdings basis.
- As of 3/31/21, the COJ's US large cap composite demonstrates an underweight to mid-cap stocks relative to the Russell 1000, driven by overweights to large-cap stocks within both the Loomis Sayles and Eagle portfolios; however, it is important to keep in mind that this holdings-based analysis is a snapshot of a point in time. The expectation is that these managers' positioning will evolve over time.



# COJ US Large Cap Equity Portfolio

## Current Large Cap Equity Style Structure (Holdings Based)

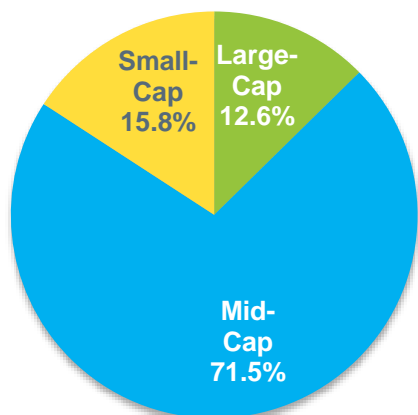


- The current US large cap composite shows a modest overweight to core and underweight to growth as compared to the Russell 1000 Index.
- The modest overweight to core is largely driven by the nature of the Eagle portfolio, which has historically behaved less like a traditional deep value strategy due to their more absolute value mindset and contrarian process.

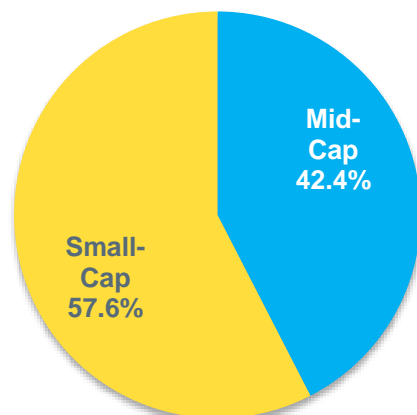
# COJ US SMID Cap Equity Portfolio

## Current SMID Cap Equity Market Capitalization Structure (Holdings Based)

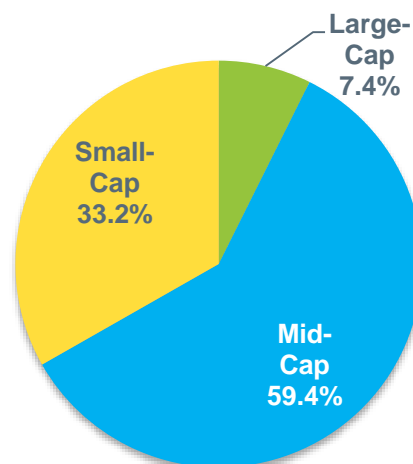
Pinnacle US SMID Cap Growth (SA)



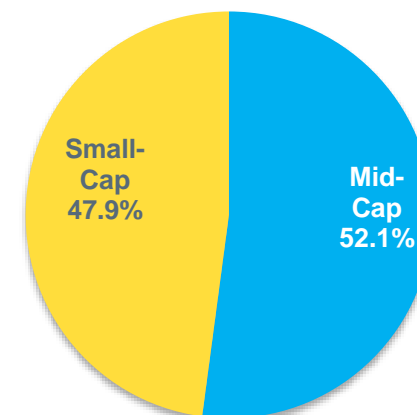
BNY Small Cap Value Index (CF)



Current US SMID Cap Equity



Russell 2000 Index



Growth

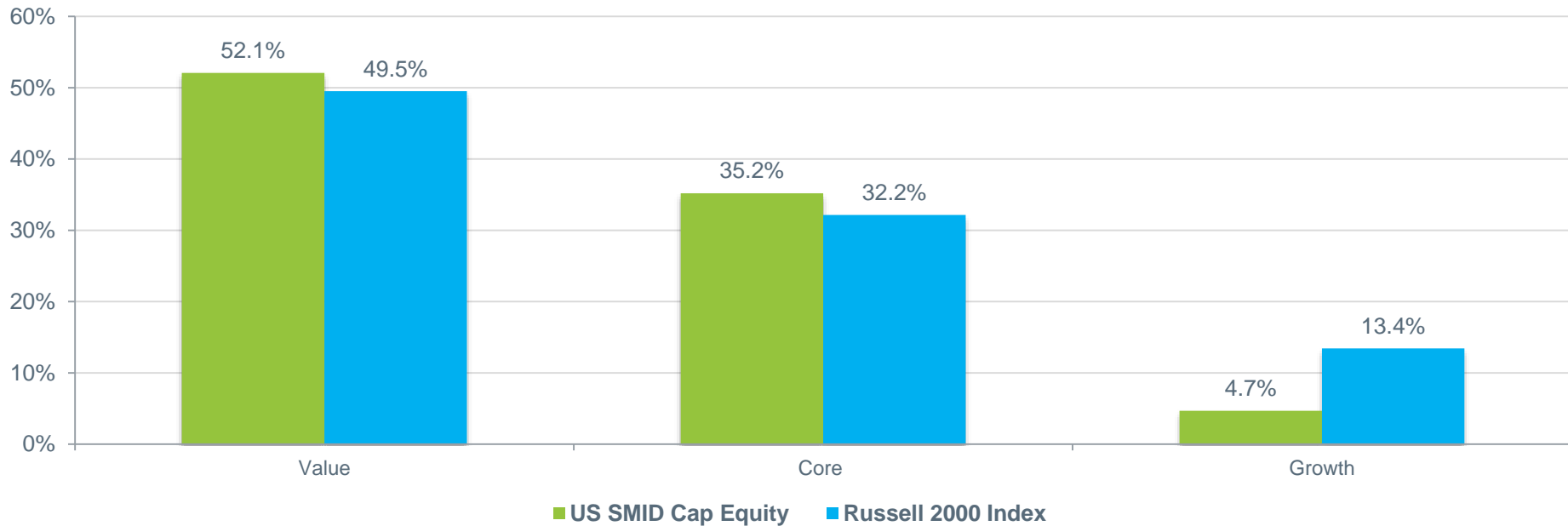
Value



- Shown above are the COJ's small and SMID cap equity managers.
- Relative to the Russell 2000 Index, the small and SMID cap managers together exhibit an underweight to small-cap stocks (33.2% vs. 47.9%), primarily driven by significant mid-cap exposure within the Pinnacle portfolio.
- The COJ recently terminated the small cap value strategy managed by William Blair and reinvested the proceeds in a passive Russell 2000 Value Index fund. Per RVK's annual active/passive study, US small cap value appears to be a segment of the market where median active managers have been able to consistently generate alpha.
- As noted previously, this holdings-based analysis is a snapshot of a point in time, and we expect each managers' positioning to evolve over time.

# COJ US SMID Cap Equity Portfolio

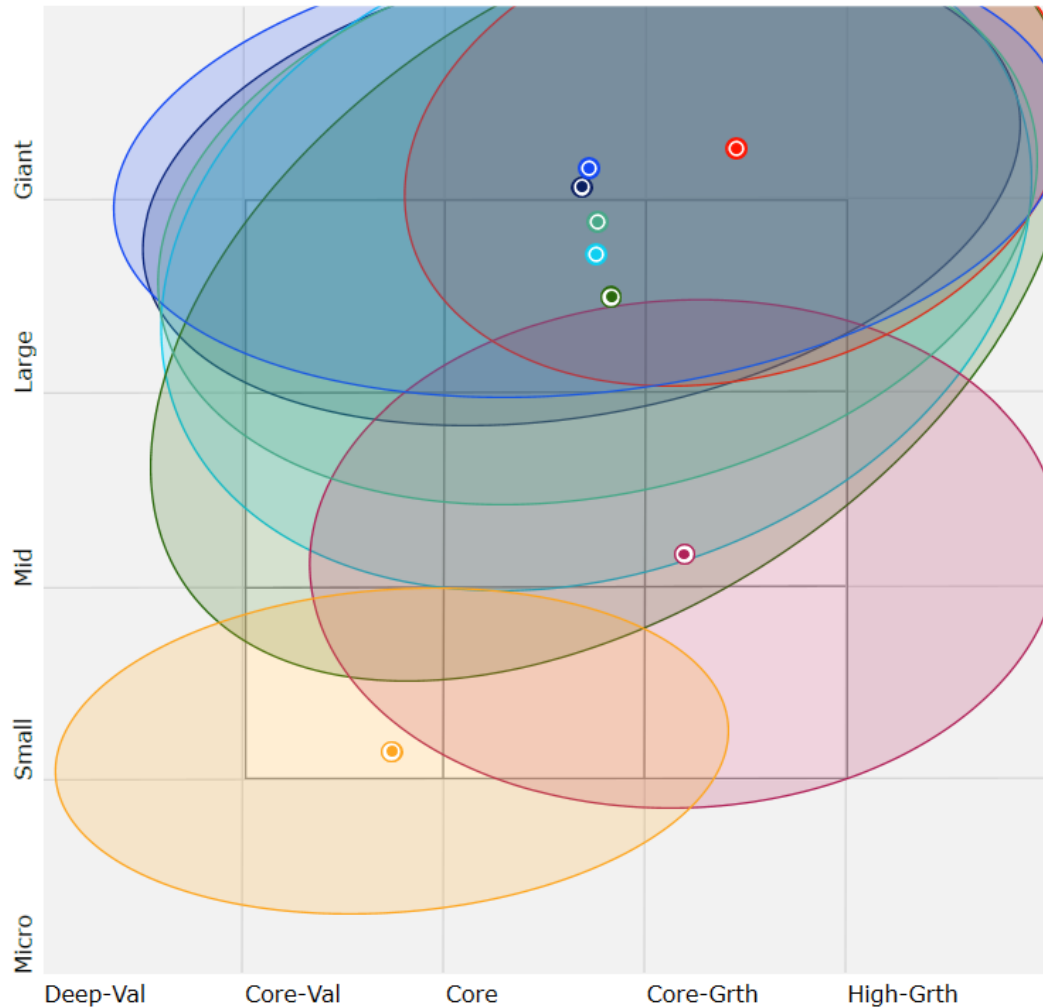
## Current SMID Cap Equity Style Structure (Holdings Based)



- The current small/mid cap composite demonstrates an overweight to value, with an underweight to growth, as compared to the Russell 2000 Index.
- The overweight to value is primarily driven by the nature of the Pinnacle portfolio, which is characterized by its hybrid approach which combines sustainable and cyclical growth.

# COJ US Equity Portfolio

## Current US Equity Manager Holdings Based Style Analysis



- The current US Equity composite rests in the Large Cap Core style box, leaning towards Core - Growth. The lack of current exposure to Large Cap Value is largely due to Eagle's less traditional approach to value investing.

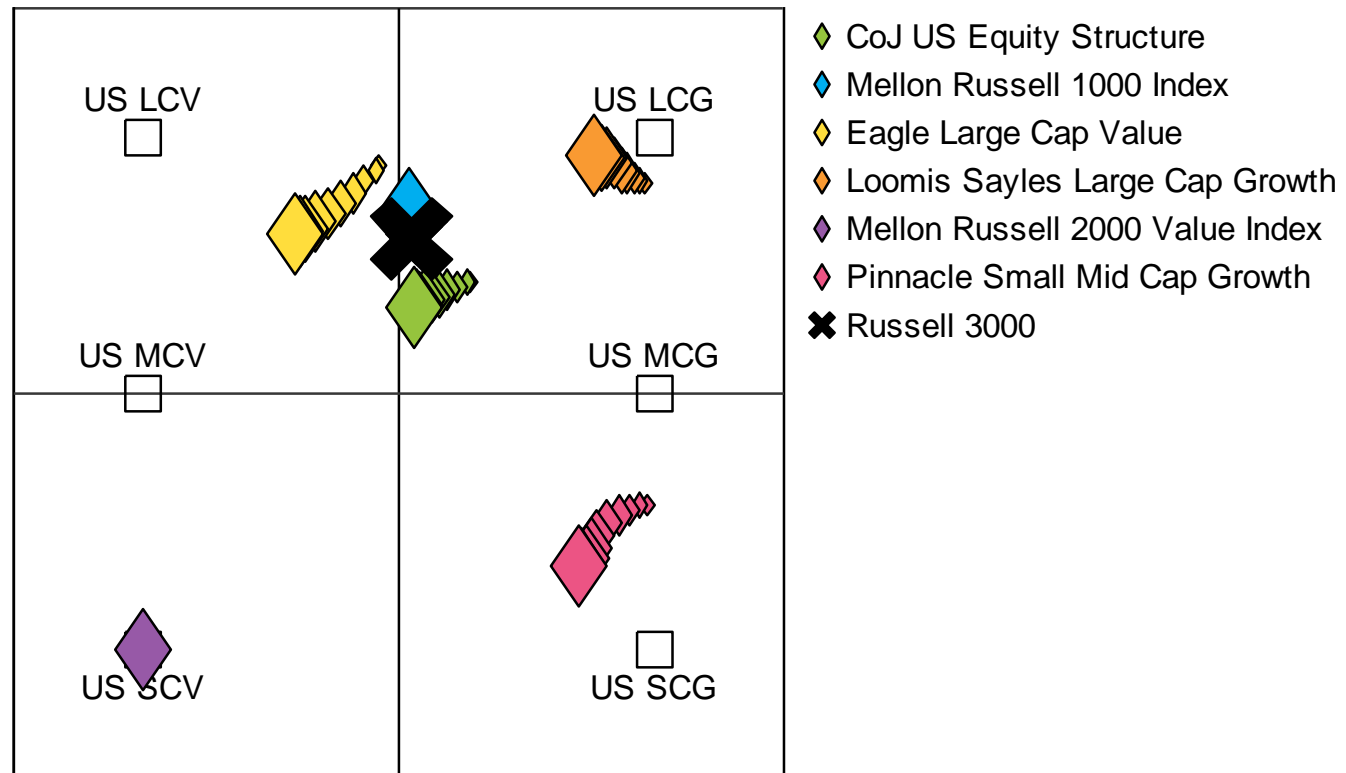
- BNY Mellon R1000
- BNY Mellon R2000 Value
- Eagle Capital LCV
- Loomis Large Cap Growth
- Pinnacle US SMID Growth
- COJ ERS US Equity
- Russell 3000
- S&P 500

# COJ US Equity Portfolio

## Current US Equity Manager Rolling Returns Based Style Analysis

- Recently, we have seen some managers drift, on a style basis, from their original positioning, however the drift has not been significant. The current equity structure maps as having a core structure with a bias toward mid cap and small cap stocks.

### Style Analysis - 3 Year Rolling Average

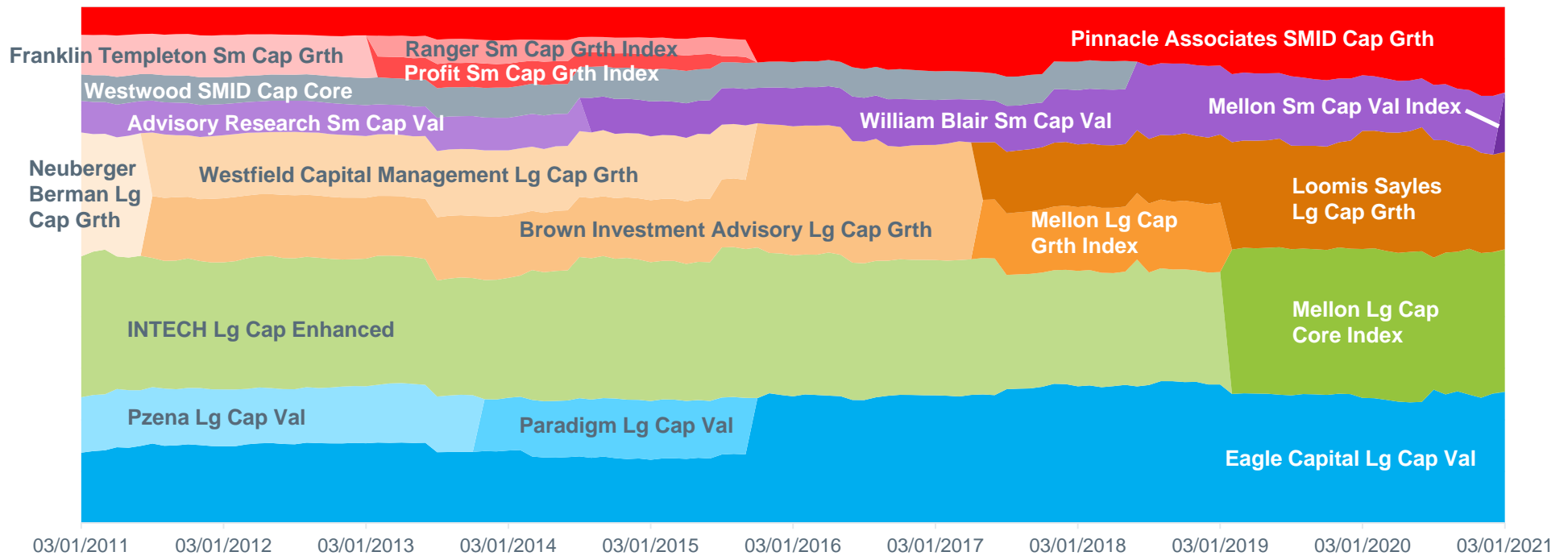


Created with MPI Analytics

# COJ US Equity Portfolio

## US Public Equity Manager 10-Year Historical Allocation

- Over the past decade the US Equity composite demonstrates relatively consistent style and market cap exposures.
- The portfolio has seen a gradual reduction in the number of active managers, as well as an increase in the amount of assets being passively managed resulting in lower overall fees.




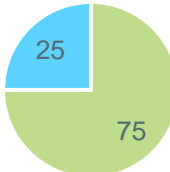
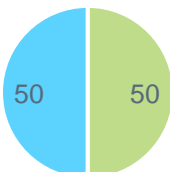
# Large Cap Equity Review



# Large Cap Equity Review

## Implementation Approaches

Total Assets	\$697.1 Million
Peer Group	Large Cap Core Equity
Vehicles	Separate Account and Commingled Funds

Implementation	Allocations	Options Considered
<b>Single Passive Manager</b>	 <p>100</p>	S&P 500 Index Fund Russell 1000 Index Fund Multi-Factor Index Fund
<b>Core-Satellite Blend</b>  Core → Low Tracking Error  Satellite → High Tracking Error	 <p>25 75</p>	S&P 500 Index Core & Active Satellite Russell 1000 Index Core & Active Satellite Quantitative Core & Fundamental Satellite Diversified Core & Concentrated Satellite
<b>Style Box</b>  Can be implemented actively or passively to meet target return and tracking error expectations	 <p>50 50</p>	Active Value and Growth Managers

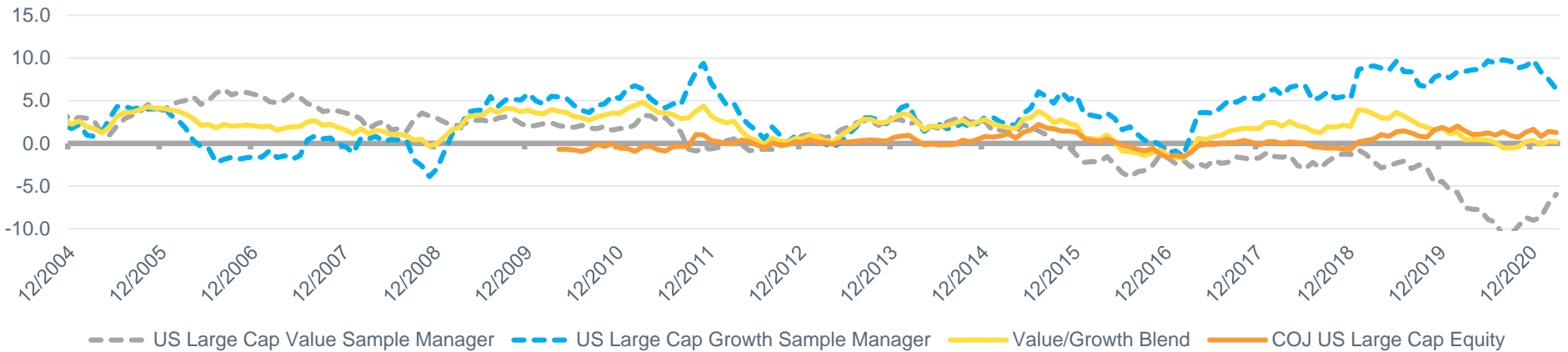


# Large Cap Equity Review

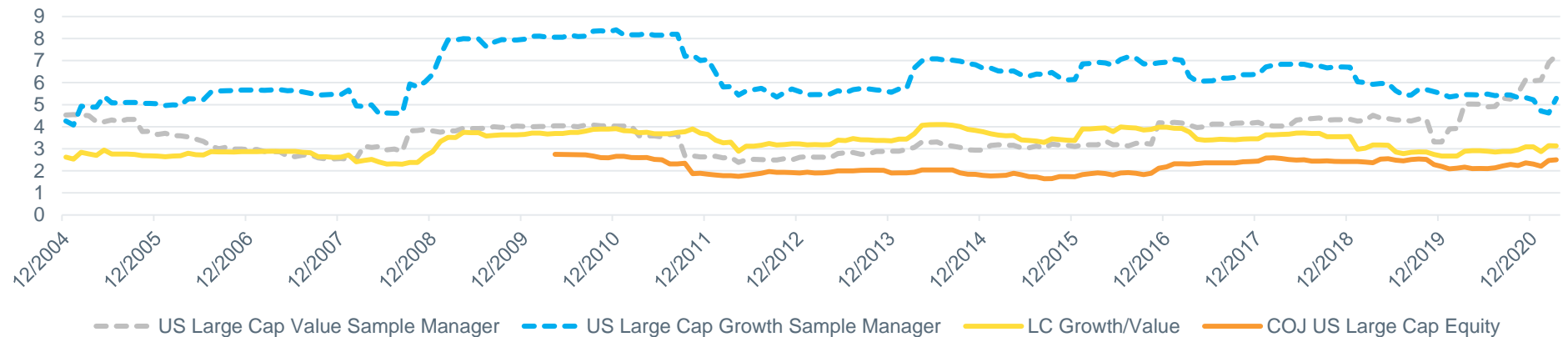
## Implementation Approaches: Examples

Rolling Performance vs. S&P 500 Index

### Rolling Three Year Excess Return vs. S&P 500



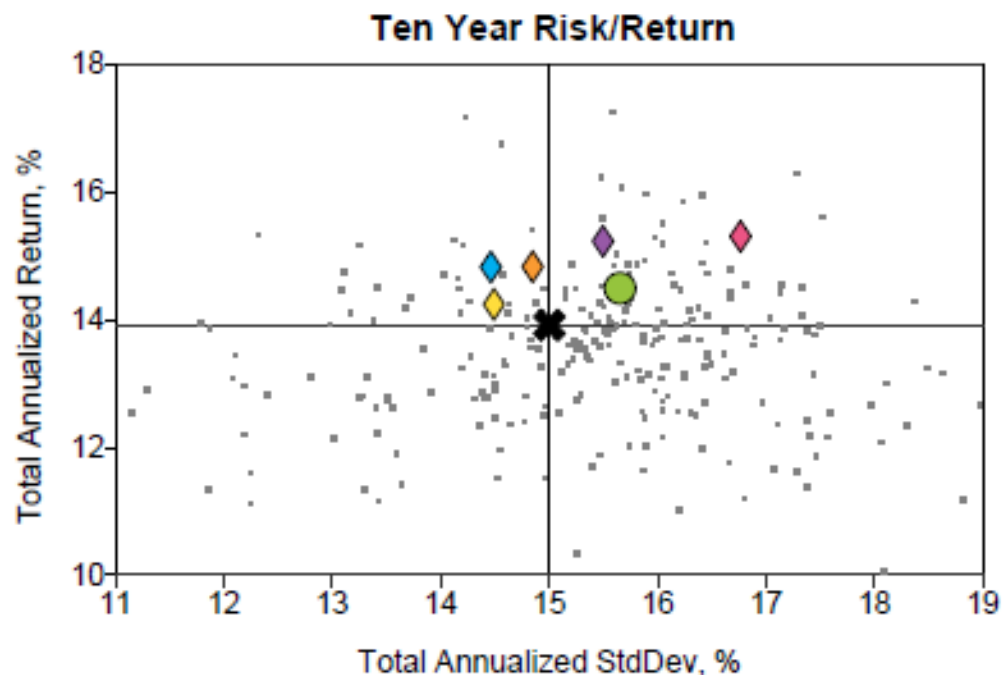
### Rolling Three Year Tracking Error vs. S&P 500



# Large Cap Equity Review

## Implementation Approaches: Examples

Ten-Year Performance vs. S&P 500 Index



- eA Large Cap Core
- CoJ USLC Composite
- ◆ LC Smart Beta
- ◆ LC Passive/Concentrated
- ◆ LC Diversified/Concentrated
- ◆ LC Quant/Fundamental
- ◆ LC Growth/Value
- ✱ S&P 500

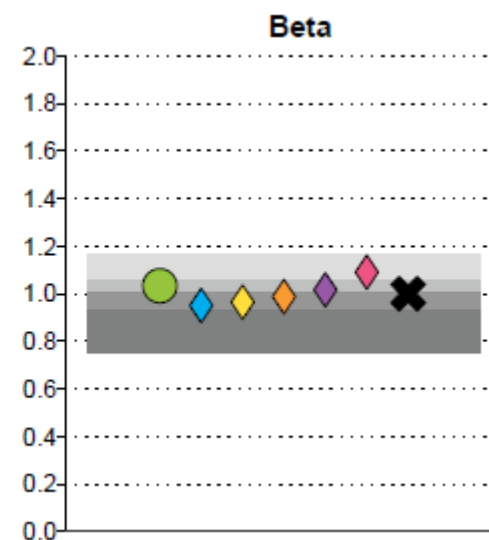
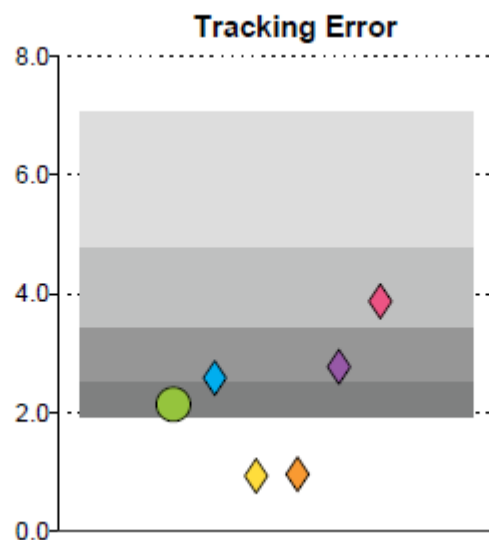
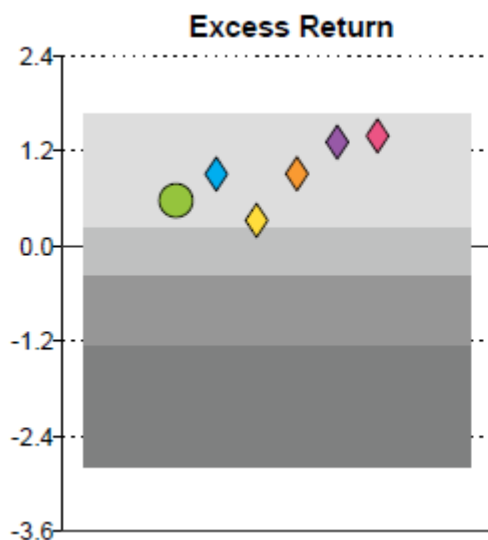
	Annualized Return	Annualized Std. Dev.	Risk/Return Ratio
CoJ USLC Composite	14.49	15.65	1.08
LC Smart Beta	14.82	14.46	0.98
LC Passive/Concentrated	14.24	14.49	1.02
LC Diversified/Concentrated	14.83	14.85	1.00
LC Quant/Fundamental	15.23	15.50	1.02
LC Growth/Value	15.30	16.76	1.10
<b>S&amp;P 500</b>	<b>13.91</b>	<b>15.00</b>	<b>1.08</b>
<b>eA Large Cap Core Median</b>	<b>13.56</b>	<b>15.54</b>	<b>1.15</b>

\*Managers used are currently positively-rated by RVK Investment Manager Research team. Performance shown is gross of fees, as of 03/31/2021.

# Large Cap Equity Review

## Implementation Approaches: Examples

Ten-Year Performance vs. S&P 500 Index



■ eA Large Cap Core  
◆ LC Diversified/Concentrated

● CoJ USLC Composite  
◆ LC Quant/Fundamental

◆ LC Smart Beta  
◆ LC Growth/Value

◆ LC Passive/Concentrated  
✖ S&P 500

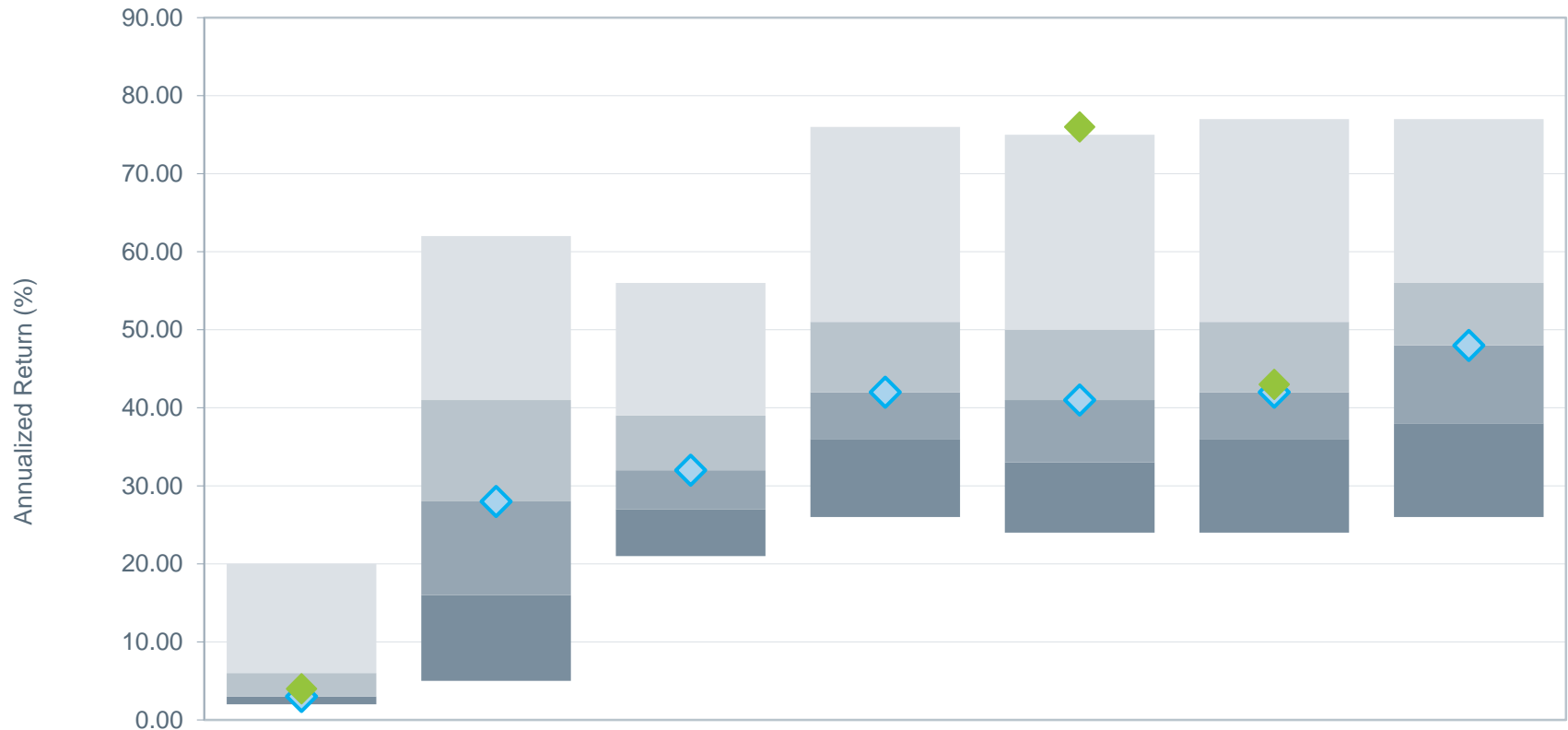
	Excess Return %	Rank	Tracking Error	Rank	Beta	Rank
CoJ USLC Composite	0.58	17	2.14	91	1.03	43
LC Smart Beta	0.91	11	2.59	73	0.95	72
LC Passive/Concentrated	0.33	24	0.94	100	0.96	68
LC Diversified/Concentrated	0.91	11	0.97	100	0.99	62
LC Quant/Fundamental	1.31	7	2.77	68	1.02	51
LC Growth/Value	1.39	7	3.87	40	1.09	17
S&P 500	0.00	34	0.00	100	1.00	59
eA Large Cap Core Median	-0.35	50	3.46	50	1.02	50

\*Managers used are currently positively-rated by RVK Investment Manager Research team. Performance shown is gross of fees, as of 03/31/2021.

# Large Cap Equity Review

## Implementation Approaches

### Fees



Peer Group	Cap-Weighted Index	Multi-Factor Index	Quantitative	Fundamental	Value	Growth	Concentrated
◆ Median Fee	3	28	32	42	41	42	48
◆ Current COJ Manager Fees	4				76	43	
Population	59	70	159	521	219	340	259

# Small Cap Equity Review



# Small Cap Equity Review


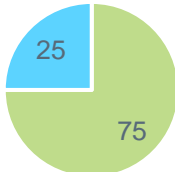
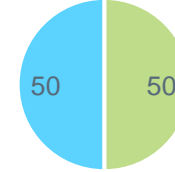
## Implementation Approaches

Total Assets	\$272.0 Million
Peer Group	Small Cap Core Equity
Vehicles	Separate Account and Commingled Funds

### Implementation

### Allocations

### Options Considered

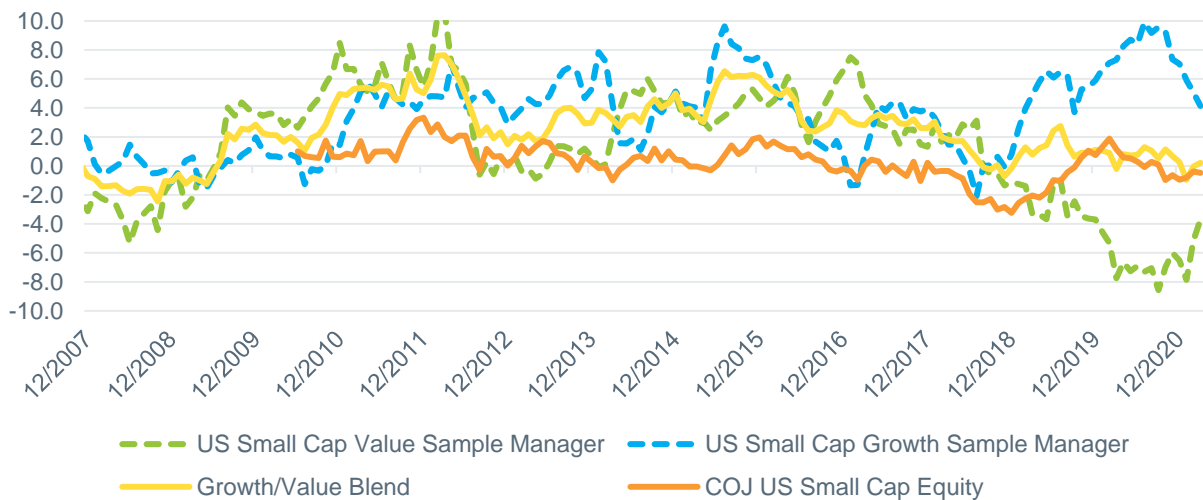
<p><b>Single Passive Manager</b></p>	 <p>100</p>	<p>Russell 2000 Index Fund S&amp;P 600 Index Fund Multi-Factor Index Fund</p>
<p><b>Core-Satellite Blend</b></p> <p>Core → Low Tracking Error</p> <p>Satellite → High Tracking Error</p>	 <p>25 75</p>	<p>Russell 2000 Index Core &amp; Active Satellite S&amp;P 600 Index Core &amp; Active Satellite Quantitative Core &amp; Fundamental Satellite Diversified Core &amp; Concentrated Satellite</p>
<p><b>Style Box</b></p> <p>Can be implemented actively or passively to meet target return and tracking error expectations</p>	 <p>50 50</p>	<p>Active Value and Growth Managers</p>

# Small Cap Equity Review

## Implementation Approaches: Examples

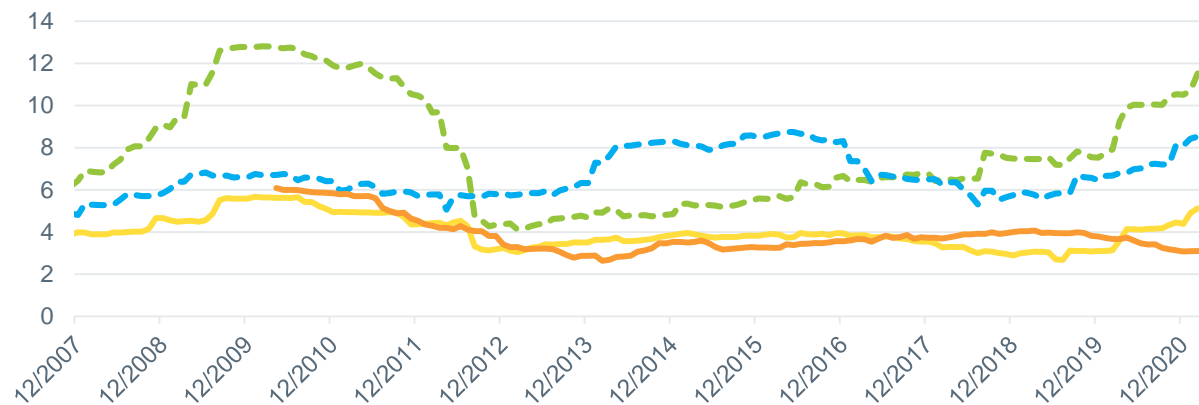
Rolling Performance vs. Russell 2000 Index

**Rolling Three Year Excess Return vs. Russell 2000**



- A key purpose of combining complementary managers is to achieve a more stable return stream which, over the long-term, should translate into higher compounded returns.

**Rolling Three Year Tracking Error vs. Russell 2000**



- Gaining access to a specialized or more volatile active strategy (e.g. concentrated or high-growth managers), while maintaining moderate tracking error to the benchmark is an additional potential benefit of multi-manager structures.

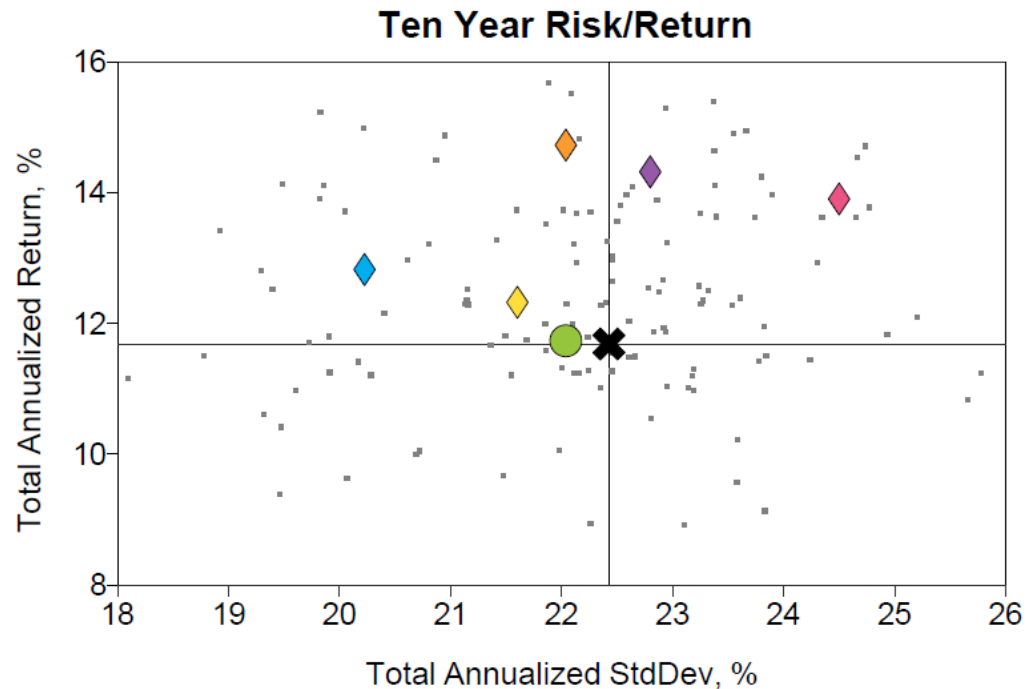
Performance shown is gross of fees and, as of 03/31/2021.



# Small Cap Equity Review

## Implementation Approaches: Examples

Ten-Year Performance vs. Russell 2000 Index



- eA Small Cap Core
- ◆ SC Diversified/Concentrated
- CoJ USSC Composite
- ◆ SC Quant/Fundamental
- ◆ SC Smart Beta
- ◆ SC Growth/Value
- ◆ SC Passive/Concentrated
- ✕ Russell 2000

	Annualized Return	Annualized Std. Dev.	Risk/Return Ratio
CoJ USSC Composite	11.73	22.04	1.88
SC Smart Beta	12.82	20.23	1.58
SC Passive/Concentrated	12.32	21.60	1.75
SC Diversified/Concentrated	14.72	22.04	1.50
SC Quant/Fundamental	14.32	22.80	1.59
SC Growth/Value	13.90	24.50	1.76
<b>Russell 2000</b>	<b>11.68</b>	<b>22.43</b>	<b>1.92</b>
<b>eA Small Cap Core Median</b>	<b>12.31</b>	<b>22.41</b>	<b>1.82</b>

\*Managers used are currently positively-rated by RVK Investment Manager Research team. Performance shown is gross of fees, as of 03/31/2021.

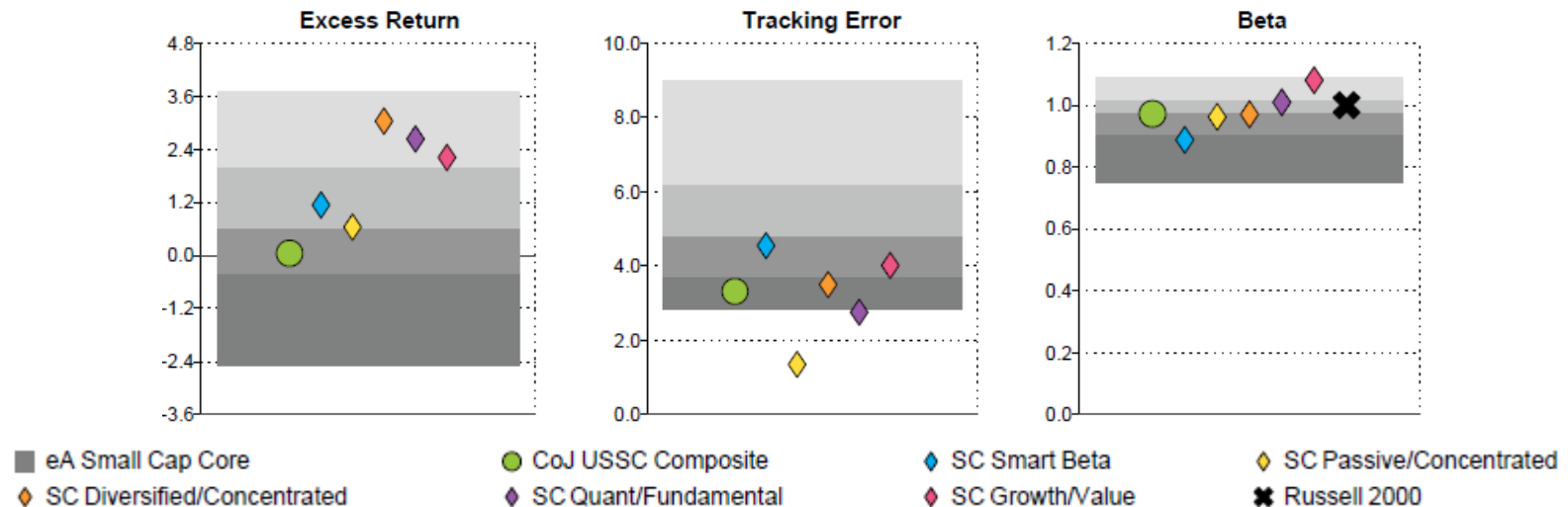


# Small Cap Equity Review

## Implementation Approaches: Examples

### Ten-Year Performance vs. Russell 2000 Index

- By definition, outperforming the market entails deviating from the market benchmark; i.e. higher tracking error. Tracking risk does not guarantee outperformance, therefore, skill in active manager selection and continuous monitoring are necessary to ensure that the risk is being rewarded.
- High-beta funds are more sensitive to systemic market movements—both positive and negative. An index fund will always have a beta of 1 against the market it tracks, while active managers can fine-tune their market sensitivity over time to achieve a certain investment objective (e.g., downside protection).



	Excess Return %	Rank	Tracking Error	Rank	Beta	Rank
CoJ USSC Composite	0.05	64	3.32	85	0.97	55
SC Smart Beta	1.14	40	4.55	55	0.89	81
SC Passive/Concentrated	0.64	50	1.35	100	0.96	61
SC Diversified/Concentrated	3.04	11	3.50	81	0.97	56
SC Quant/Fundamental	2.63	14	2.76	97	1.01	29
SC Growth/Value	2.21	20	4.02	70	1.08	6
Russell 2000	0.00	66	0.00	100	1.00	37
<b>eA Small Cap Core Median</b>	<b>0.63</b>	<b>50</b>	<b>4.81</b>	<b>50</b>	<b>0.98</b>	<b>50</b>

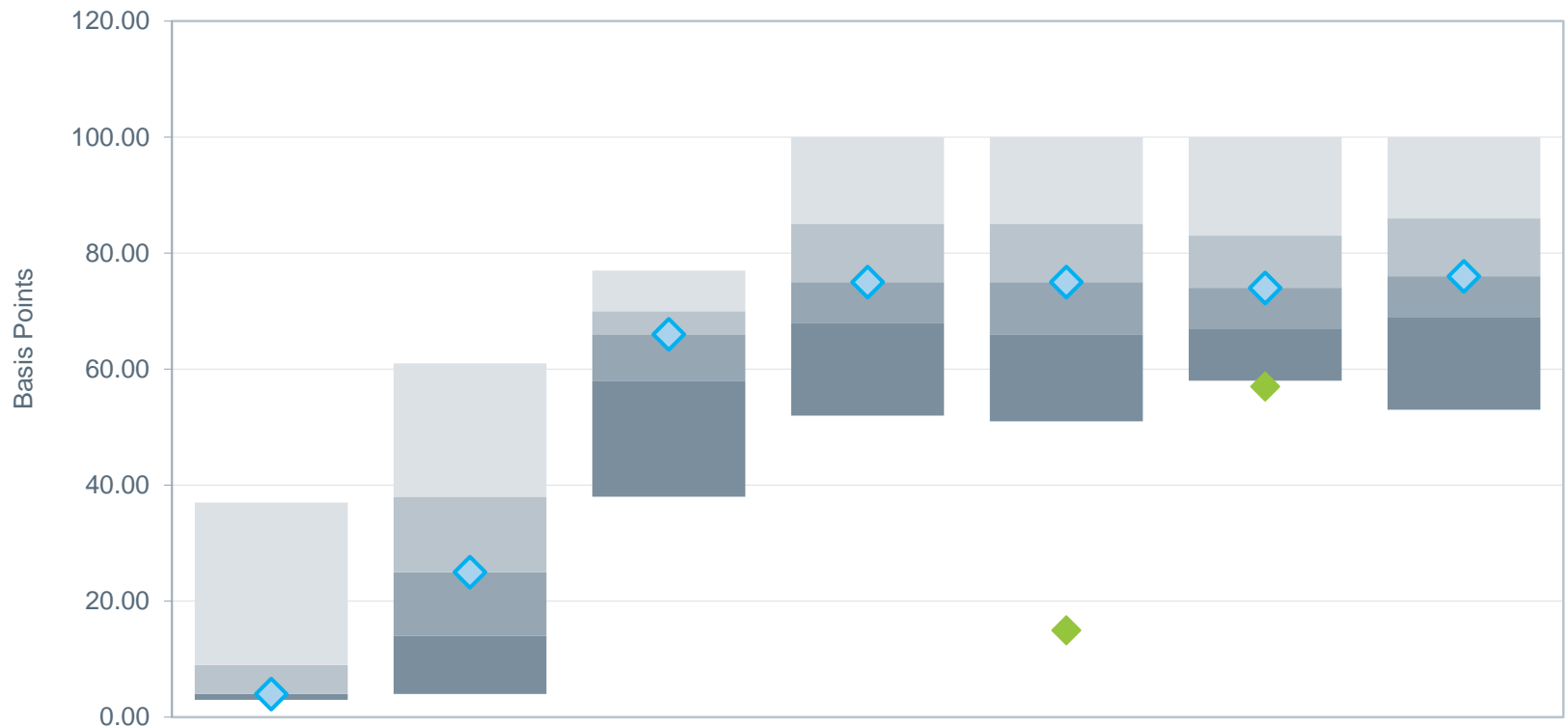
\*Managers used are currently positively-rated by RVK Investment Manager Research team. Performance shown is gross of fees, as of 03/31/2021.

# Small Cap Equity Review

## Implementation Approaches

### Fees

- As expected, fees generally correspond with the level of active management, tracking error and expected excess returns. This also means that value, growth and concentrated managers generally have the highest hurdle to overcome in order to provide excess returns net of fees.



Peer Group	Cap-Weighted Index	Multi-Factor Index	Quantitative	Diversified	Value	Growth	Concentrated
◆ Median Fee	4	25	66	75	75	74	76
◆ Current COJ Manager Fees					15	57	
Population	24	74	60	366	212	158	134

# Next Steps



# Next Steps

- Staff and RVK remain supportive of the “Style Box” implementation approach the Board has utilized for many years.
- Large Cap Equity:
  - Staff and RVK favor moving towards an equal-weighted growth/value approach over time, using natural cash flow opportunities to rebalance (e.g. future private markets fundings, pension payback).
  - We observe Eagle fees remain higher than 95% of their respective peer group. While long-term performance has been strong vs the strategy’s stated benchmark and peers, we recommend the Board task RVK and Staff with seeking to reduce current fees paid.
- Small and Mid Cap Equity:
  - Staff and RVK recommend a search be conducted for an active SMID Value manager.
    - This is currently an underrepresented area of the portfolio and one where active management has, historically, been able to generate meaningful alpha.
    - As part of such a search, consideration would be given to the merits of introducing a liquidity sleeve within the small/mid cap market segment, in order to control fees and to provide an easy/accessible source for future cash flow needs in the private market asset classes.
- Based on today’s feedback from the Board, RVK and Staff will seek to collaborate and come back in the coming months with recommendations on the following items:
  - Final recommendation on implementation structure.
  - Recommendation for active SMID Cap Value manager.
  - Feedback on fee discussion with Eagle and recommendation based on results of feedback.

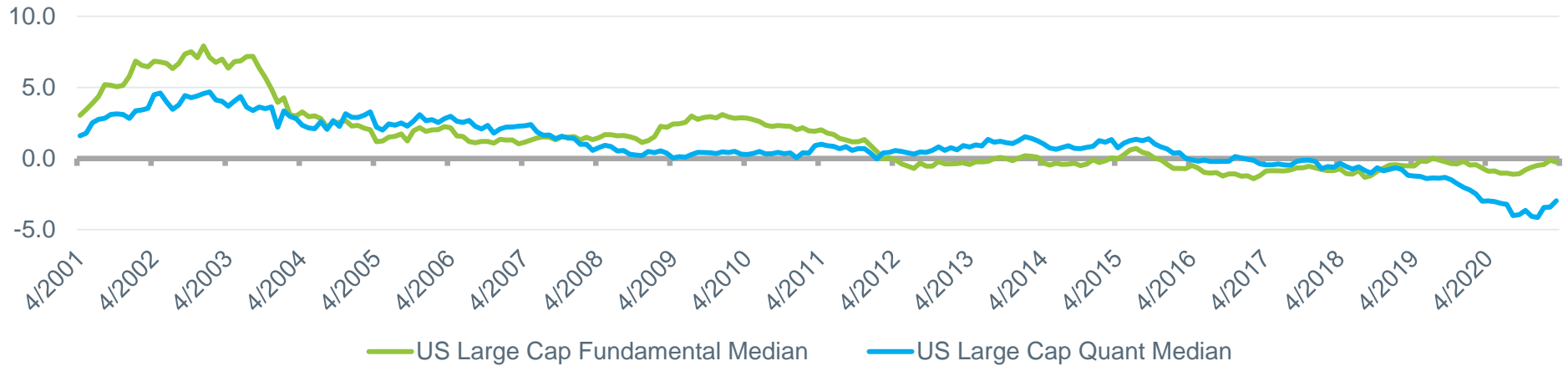
# Appendix



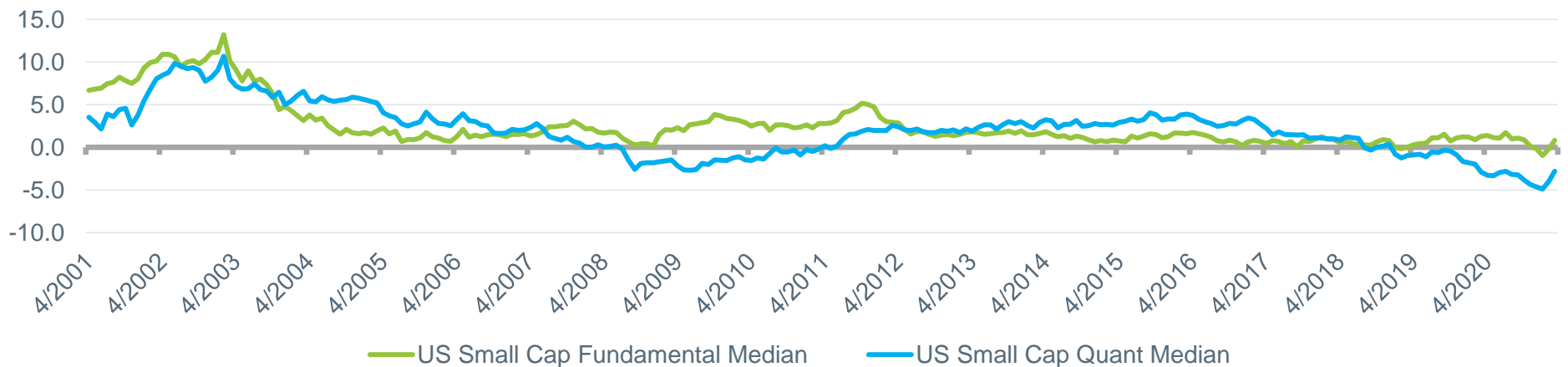
# US Equity Strategies

## Fundamental vs. Quantitative

Rolling Three Year Excess Return  
vs. S&P 500



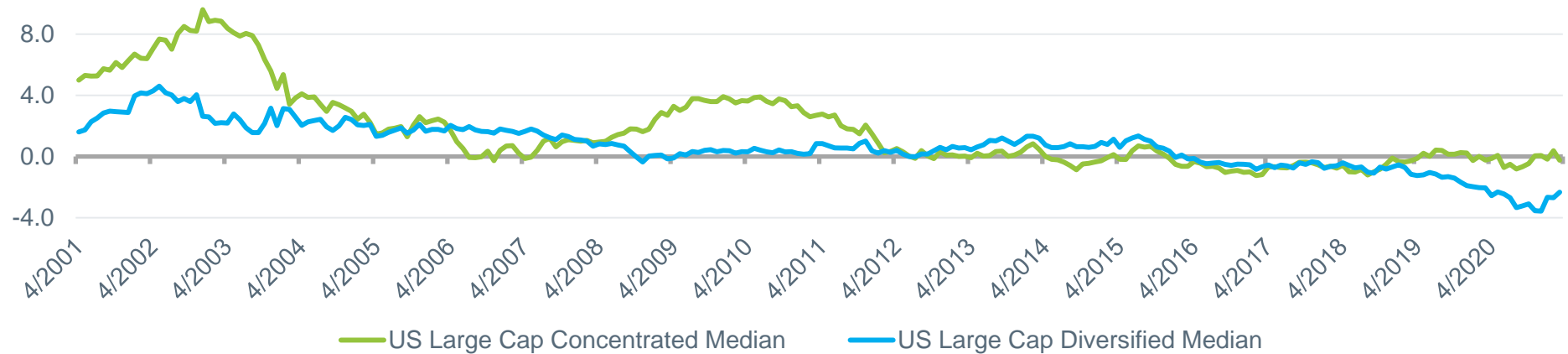
Rolling Three Year Excess Return  
vs. Russell 2000



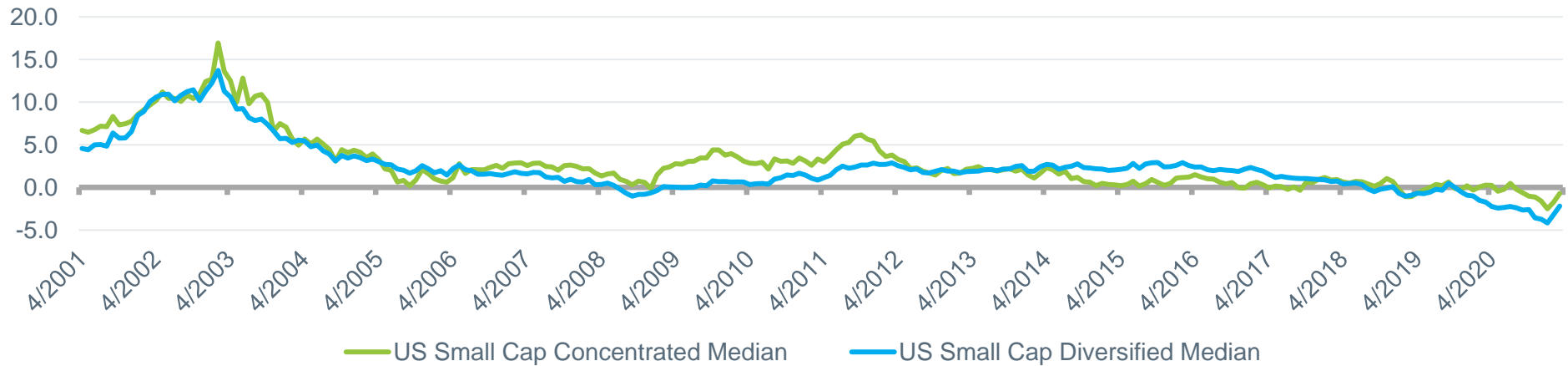
# US Equity Strategies

## Concentrated vs. Diversified

Rolling Three Year Excess Return  
vs. S&P 500



Rolling Three Year Excess Return  
vs. Russell 2000



PORTLAND

BOISE

CHICAGO

NEW YORK





2020-529

2021 Limited Retirement Option

UPDATED 5/25/2021

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### Employee Communications

Employee Communication	Audience	Method	Target Date	Actual Date	Comments
General Information and FAQs for CITY/JHA	All GEPP Active Members	E-mail, Web	3/11/2021	3/11/2021	Post to pension portal, COJ websites. COJ intranet, JEA TBD based on union negotiations
General Information and FAQs for JEA	All GEPP Active Members	E-mail, Web	3/19/2021	3/15/2021	
Estimated LRO Benefits for CITY/JHA Employees	LRO Eligible CITY/JHA Employees	Mail, Portal	4/1/2021	3/30/2021	ESTIMATED benefit options provided for April 10, 2021 or earliest eligible date using end of pay-period
CITY Employee Q&A Meetings	LRO Eligible CITY/JHA Employees	Zoom/in person	4/6/2021-4/7/2021	4/6/2021-4/7/2021	
Estimated LRO Benefits for JEA Employees	LRO Eligible JEA Employees	Mail, Portal	5/1/2021	4/29/2021	ESTIMATED benefit options will be provided for May 8, 2021 or earliest eligible date using end of pay-period
JEA Employee Q&A Meetings	LRO Eligible JEA Employees	WebEx/in person	Early May	5/3, 5/4, 5/11	
DEADLINE Reminder E-mail for CITY/JHA Employees	LRO Eligible CITY/JHA Employees	E-mail	5/20/2021	5/21/2021	
Election Window CLOSES for CITY/JHA Employees	LRO Eligible CITY/JHA Employees	Portal	5/31/2021		
DEADLINE Reminder E-mail for JEA Employees	LRO Eligible JEA Employees	E-mail	6/23/2021		
Election Window CLOSES for JEA Employees	LRO Eligible JEA Employees	Portal	6/30/2021		

Employees that elect the LRO receive confirmation notices of their elections. Employees also receive final calculations and applications following their election (up through the end the October based on retirement dates).

2020-529

2021 Limited Retirement Option

UPDATED 5/25/2021

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### LRO Active Member Populations

Employer	Eligible	Elected LRO	Elected %	Deadline to Elect
CITY	469	65	13.9%	May 31, 2021
JHA	18	2	11.1%	May 31, 2021
JEA	298	13	4.4%	June 30, 2021
<b>TOTAL</b>	<b>785</b>	<b>80</b>	<b>10.2%</b>	<b>June 30, 2021</b>

### LRO Eligibility Categories

Category	Eligible	Eligible %	Elected LRO	Elected %
20+ Years of Service (Any Age)	187	24%	22	27.5%
10+ Years of Service (Age 55+)	534	68%	51	63.75%
5+ Years of Service (Age 60+)	64	8%	7	8.75%
<b>TOTAL</b>	<b>785</b>	<b>100%</b>	<b>80</b>	<b>100%</b>

### LRO Pension Benefit Election

Election	Elected LRO	%
Regular Pension (Maximum Monthly Benefit)	25	31%
Reduced Pension with PLOP	44	55%
DB to DC Transfer	11	14%
<b>TOTAL</b>	<b>80</b>	<b>100%</b>

PLOP Elections	#
Reduced Pension with 5% PLOP	13
Reduced Pension with 10% PLOP	6
Reduced Pension with 15% PLOP	25

**Pension Office Contacts**

Activity	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Phone Calls	1,813	1,573	1,851	1,832	2,002	2,745	2,683		
E-mail Responses	663	412	499	538	530	634	792		
Documents Processed	2,340	2,292	1,991	2,010	1,843	2,439	3,176		
Portal Sessions	NA	NA	NA	NA	NA	2,502	4,864		

**Daily Averages**

Activity	Oct-20 to Feb-21	Mar-21 to Jun-21	Change
Phone Calls	91	121	+33%
E-Mail Responses	26	32	+23%
Documents Processed	105	125	+19%
Portal Sessions	NA	120	NA