

**JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES
MEETING AGENDA – JANUARY 20, 2017 @ 9:00AM
RICHARD “DICK” COHEE BOARD ROOM**

PFPF MISSION STATEMENT:

To provide long term benefits to participants and their beneficiaries

NOTE: Any person requiring a special accommodation to participate in the meeting because of disability shall contact the Executive Assistant at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

PRESENT

Lt. Richard Tuten III, Board Chair
Richard Patsy, Board Secretary
Lt. Chris Brown, Trustee
Willard Payne, Trustee
William Scheu, Trustee

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Bob Sugarman, Fund Attorney
Dan Holmes, Summit Strategies – *via conference call*
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

EXCUSED

CITY REPRESENTATIVES INVITED

Anna Brosche, City Council Liaison
Joey Greive, Fund Treasurer
Steve Durden, Office of General Counsel
Lawsikia Hodges, Office of General Counsel

GUESTS

Linda Dufresne, KBLD

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. A MOMENT OF SILENCE WILL BE OBSERVED FOR THE FOLLOWING DECEASED MEMBERS:

James E. Stevenson, Retired Fire Fighter Engineer
Henry T. Lindsey, Retired Police Officer
Doyle F. Hall, Retired Police Officer
David J. Addison, Retired Fire Captain
Claude C. Springs Jr., Retired Fire Captain

IV. PUBLIC SPEAKING PERIOD

V. CONSENT AGENDA - ITEMS 2017-01-(1-10)CA

2017-01-01CA FINAL TRANSCRIPT APPROVED

1. Meeting Summary and Final Transcript of the Board of Trustee Meeting held on December 16, 2016. Copies held in the meeting files.

2017-01-02CA DISBURSEMENTS

The listed expenditures in DISBURSEMENTS A have been reviewed and deemed payable. The Police and Fire Pension Fund Chief Financial Officer certifies that they are proper and in compliance with the appropriated budget.

DISBURSEMENTS A - 12/1/2016 thru 12/31/2016

1. ACCESS	\$ 5,671.64
2. Klausner, Kaufman	\$ 8,521.50
3. Summit Strategies	\$ 61,466.00
4. Comerica Bank	\$ 83,827.33
5. Dufresne & Associates, CPA, PA	\$ 6,101.25
6. Pinnacle Associates LTD	\$ 123,779.00
7. Pension Board Consultants	\$ 14,500.00

TOTAL	\$ 303,866.72
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The listed expenditures in DISBURSEMENTS B have been reviewed and deemed payable. The Police and Fire Pension Fund Chief Financial Officer certifies that they are proper and in compliance with the appropriated budget.

DISBURSEMENTS B

Transaction list of Accounts Payable distributions
12/1/2016 thru 12/31/2016

\$ 17,229.76

2017-01-03CA PENSION DISTRIBUTIONS

A. December 2, 2016	Regular Gross	\$7,043,119.04
	Regular Lumpsum	\$12,748.56
	Regular Rollover	\$0.00
	Regular DROP Gross	\$1,019,352.72
	DROP Lumpsum	\$0.00
	DROP Rollover	\$0.00
	TOTAL	\$8,075,220.32

B. December 16, 2016	Regular Gross	\$5,055,408.25
	Regular Lumpsum	\$0.00
	Regular Rollover	\$0.00
	Regular DROP Gross	\$1,019,349.53
	DROP Lumpsum	\$80,862.46
	DROP Rollover	\$0.00
	TOTAL	\$6,155,620.24

C. December 30, 2016	Regular Gross	\$5,062,747.86
	Regular Lumpsum	\$18,979.62
	Regular Rollover	\$0.00
	Regular DROP Gross	\$1,020,926.41
	DROP Lumpsum	\$107,231.38
	DROP Rollover	\$0.00
	TOTAL	\$6,209,885.27

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN REVIEWED AND CALCULATED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

The following Consent Agenda item 2017-01-04CA was verified with supporting documentation and received as information at the Advisory Committee meeting held on January 11, 2017.

2017-01-04CA APPLICATION FOR TIME SERVICE CONNECTIONS

1. **ALLOUSH, George E.**, Prior Duval Service (2 yrs, 5 mths., 25 days), \$11,164.85. Police Officer

The following Consent Agenda items 2017-01-(05-06)CA were verified with supporting documentation and approved at the Advisory Committee meeting held on January 11, 2017. Vote was unanimous.

2017-01-05CA APPLICATION FOR TIME SERVICE RETIREMENT

1. **CRANCE, Elizabeth S.**, date of retirement November 18, 2016, monthly pension base amount of \$3,203.38. Police Officer

2017-01-06CA APPLICATION FOR VESTED RETIREMENT

1. **BALANKY, Matthew D.**, date of vesting December 19, 2016, to be placed on pension April 27, 2027, monthly pension base amount of \$1,203.18. Police Officer
2. **HILDRETH, Porche D.**, date of vesting September 6, 2016, to be placed on pension July 4, 2029, monthly pension base amount of \$906.07. Police Officer

The following Consent Agenda items 2017-01-(07-10)CA were verified with supporting documentation and received as information at the Advisory Committee meeting held on January 11, 2017.

2017-01-07CA REFUND OF PENSION CONTRIBUTIONS

1. **LOCKE, Chad A.**, refund of pension contributions in the amount of \$6,414.41. Police Officer
2. **MINEO, Anthony**, refund of pension contributions in the amount of \$961.73. Police Officer

3. **MORGAN, Hashan L.**, refund of pension contributions in the amount of \$10,111.83. Police Officer
4. **PARENT, J. Patrick G.**, refund of pension contributions in the amount of \$404.21. Fire Fighter
5. **PLATAS, Jason L.**, refund of pension contributions in the amount of \$49,919.16. Fire Fighter Engineer
6. **POWNA JR., Ashley K.**, refund of pension contributions in the amount of \$6,540.12. Fire Fighter
7. **SEITER, Scott**, refund of pension contributions in the amount of \$961.73. Police Officer
8. **WILLIAMS, Joshua R.**, refund of pension contributions in the amount of \$7,724.18. Fire Fighter

2017-01-08CA SHARE PLAN DISTRIBUTION

THE FOLLOWING MEMBERS RECEIVED A GROSS SHARE PLAN DISTRIBUTION IN THE AMOUNT OF \$1,500.65:

1. <u>CRANCE, Elizabeth S.</u>
2. <u>PLATAS, Jason L.</u>
3. <u>WELLS, Jocelyn A.</u>

2017-01-09CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

1. **BEASLEY, Donna L.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,143.92. Police Officer
2. **BECKMANN, Michael J.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$5,369.67. Police Lieutenant
3. **BOOKER, Ronnie**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$4,228.33. Police Sergeant
4. **BOWERS, Howsey R.**, DROP commencement date of January 16, 2015, termination of employment date effective December 9, 2016, with a monthly

retirement base of \$3,170.03. Police Officer

5. **BRANNON JR., Daniel E.**, DROP commencement date of July 18, 2014, termination of employment date effective December 19, 2016, with a monthly retirement base of \$3,167.09. Police Officer

6. **BROPHY, Martin E.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,219.97. Police Officer

7. **BURCKHARD, Ronald L.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,397.15. Fire Fighter Engineer

8. **COLLIER, Chad J.**, DROP commencement date of July 20, 2012, termination of employment date effective December 16, 2016, with a monthly retirement base of \$3,873.31. Police Sergeant

9. **DANIELS, Gary E.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$4,512.45. Fire Lieutenant

10. **DUKES, Deron T.**, DROP commencement date of January 18, 2013, termination of employment date effective December 30, 2016, with a monthly retirement base of \$4,469.26. Police Sergeant

11. **EASON, Michael D.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$4,824.72. Police Lieutenant

12. **FAUST, Lyndon A.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,270.10. Police Officer

13. **FOX, Russell S.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,134.86. Fire Fighter Engineer

14. **FOXWORTH, Gregory J.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,782.25. Police Sergeant

15. **GOODIN JR., John W.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,398.41. Police Officer

16. **HOPSON, Tommy E.**, DROP commencement date of July 18, 2014, termination of employment date effective December 16, 2016, with a monthly retirement base of \$3,227.64. Police Officer
17. **HUFFMAN, Matthew R.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,289.51. Police Officer
18. **HYER, Robert M.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,276.09. Police Officer
19. **JACKSON, Purman J.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,948.35. Police Officer
20. **KITCHEN, Larry D.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$5,568.28. Police Lieutenant
21. **MANN, Daron V.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,962.60. Police Sergeant
22. **McCALL, David K.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,788.67. Fire Lieutenant
23. **McNEELY, Phyllis M.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$4,328.65. Police Sergeant
24. **MILLS, Mark A.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,723.05. Police Officer
25. **POWE, Deborah R.**, DROP commencement date of January 20, 2012, termination of employment date effective December 16, 2016, with a monthly retirement base of \$3,243.85. Police Officer
26. **SANDERS, Michael G.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,609.98. Police Officer
27. **SMITH, Rufus R.**, DROP commencement date of January 20, 2012,

termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,961.56. Fire Fighter Engineer

28. **STUCKI, Gary M.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,826.22. Police Officer

29. **WALDEN, Raymond L.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$6,427.81. Director of Patrol and Enforcement

30. **WILLIAMS JR., Henry L.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,506.49. Police Officer

31. **WILLIAMS, Paul T.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$3,499.43. Police Officer

32. **ZONA, Stephen A.**, DROP commencement date of January 20, 2012, termination of employment date effective December 30, 2016, with a monthly retirement base of \$4,145.12. Police Sergeant

2017-01-10CA DROP DISTRIBUTIONS

1. **BEASLEY, Donna L.**, the entire value of her DROP account \$245,383.98 will be paid to her over the next 30 years.

2. **BECKMANN, Michael J.**, the entire value of his DROP account \$419,104.80 will be paid to him over the next 35 years.

3. **BOOKER, Ronnie**, a portion of his DROP account \$60,000.00 will be paid to him lump sum; the remaining value of his DROP account \$270,021.44 will be paid to him over the next 30 years.

4. **BOWERS, Howsey R.**, the entire value of his DROP account \$80,862.46 will be paid to him lump sum.

5. **BRANNON JR., Daniel E.**, the entire value of his DROP account \$107,231.38 will be paid to him lump sum.

6. **BROPHY, Martin E.**, the entire value of his DROP account \$251,319.08 will be paid to him over the next 35 years.

7. **BURCKCHARD, Ronald L.**, the entire value of his DROP account \$265,149.74 will be paid to him over the next 30 years.
8. **COLLIER, Chad J.**, the entire value of his DROP account \$251,259.80 will be paid to him over the next 36, years.
9. **DANIELS, Gary E.**, the entire value of his DROP account \$352,198.09 will be paid to him over the next 35 years.
10. **DUKES, Deron T.**, a portion of his DROP account \$70,000.00 will be paid to him lump sum; the remaining value of his DROP account \$193,638.73 will be paid to him over the next 20 years.
11. **EASON, Michael D.**, the entire value of his DROP account \$376,571.57 will be paid to him over the next 48.8 years.
12. **FAUST SR., Lyndon A.**, a portion of his DROP account \$20,000.00 will be paid to him lump sum; the remaining value of his DROP account \$235,233.66 will be paid to him over the next 30 years.
13. **FOX, Russell S.**, the entire value of his DROP account \$244,677.82 will be paid to him over the next 49.5 years.
14. **FOXWORTH, Gregory J.**, the entire value of his DROP account \$295,205.43 will be paid to him over the next 40 years.
15. **GOODIN JR., John W.**, a portion of his DROP account \$25,000.00 will be paid to him lump sum; the remaining value of his DROP account \$240,248.42 will be paid to him over the next 25 years.
16. **HOPSON, Tommy E.**, the entire value of his DROP account \$108,870.66 will be paid to him over the next 30 years.
17. **HUFFMAN, Matthew R.**, the entire value of his DROP account \$256,746.44 will be paid to him over the next 50.5 years.
18. **HYER, Robert M.**, the entire value of his DROP account \$255,699.15 will be paid to him over the next 15 years.
19. **JACKSON, Purman J.**, the entire value of his DROP account \$308,170.94 will be paid to him over the next 20 years.
20. **KITCHEN, Larry D.**, the entire value of his DROP account \$434,606.43 will be paid to him over the next 30 years.

21. **MANN, Daron V.**, the entire value of his DROP account \$309,281.95 will be paid to him over the next 25 years.
22. **McCALL, David K.**, the entire value of his DROP account \$295,707.09 will be paid to him over the next 30 years.
23. **McNEELY, Phyllis M.**, the entire value of her DROP account \$337,853.30 will be paid to her over the next 35 years.
24. **MILLS, Mark A.**, a portion of his DROP account \$30,000 will be paid to him lump sum; the remaining value of his DROP account \$260,585.46 will be paid to him over the next 30 years.
25. **POWE, Deborah R.**, the entire value of her DROP account \$250,706.80 will be paid to her over the next 28 years.
26. **SANDERS, Michael G.**, the entire value of his DROP account \$281,758.57 will be paid to him over the next 20 years.
27. **SMITH, Rufus R.**, a portion of his DROP account \$50,000 will be paid to him lump sum; the remaining value of his DROP account \$259,200.41 will be paid to him over the next 25 years.
28. **STUCKI, Gary M.**, the entire value of his DROP account \$298,638.70 will be paid to him over the next 30 years.
29. **WALDEN, Raymond L.**, the entire value of his DROP account \$501,692.20 will be paid to him over the next 25 years.
30. **WILLIAMS JR., Henry L.**, a portion of his DROP account \$73,682.71 will be paid to him lump sum; the remaining value of his DROP account \$200,000.00 will be paid to him over the next 10 years.
31. **WILLIAMS, Paul T.**, a portion of his DROP account \$28,131.01 will be paid to him lump sum; the remaining value of his DROP account \$245,000 will be paid to him over the next 37 years.
32. **ZONA, Stephen A.**, the entire value of his DROP account \$323,527.62 will be paid to him over the next 48.8 years.

V. EXECUTIVE DIRECTOR'S REPORTS – Timothy H. Johnson

- Monthly Status Report

VI. COUNSEL REPORTS

- Update regarding Keane vs. Board of Trustees – *Steve Durden / Lawsikia Hodges*
- Lee case update (*Dec & Jan report*) – *Jacob Payne*

VII. INVESTMENT CONSULTANT REPORTS – *Dan Holmes w Summit*

- Economic & Capital Market Review – December, 2016
- Flash Report – December 31, 2016
- Neuberger Berman Funding Update
- Discussion on Loomis Sayles Funding
- Review of Capital Market Risk and Opportunities

VIII. OLD BUSINESS

- Actuarial Valuation as of October 1, 2016

IX. NEW BUSINESS – *Devin Carter / Linda Dufresne*

- DRAFT of 2016 KBLD Audit - *handout*

X. ADJOURNMENT

NOTE: If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting.

ADDITIONAL ITEMS MAY BE ADDED/CHANGED PRIOR TO MEETING

**JACKSONVILLE POLICE AND FIRE PENSION FUND
BOARD OF TRUSTEES
MEETING SUMMARY – DECEMBER 16, 2016 @ 9:00AM
RICHARD “DICK” COHEE BOARD ROOM**

PFPF MISSION STATEMENT:

To provide long term benefits to participants and their beneficiaries

NOTE: Any person requiring a special accommodation to participate in the meeting because of disability shall contact the Executive Assistant at (904) 255-7373, at least five business days in advance of the meeting to make appropriate arrangements.

PRESENT

Lt. Richard Tuten III, Board Chair
Richard Patsy, Board Secretary
Lt. Chris Brown, Trustee
Willard Payne, Trustee
William Scheu, Trustee

STAFF

Timothy H. Johnson, Executive Director – Plan Administrator
Paul Daragjati, Fund Attorney
Steve Durden, Office of General Counsel
Dan Holmes, Summit Strategies – *via conference call*
Devin Carter, Chief Financial Officer
Debbie Manning, Executive Assistant
Denice Taylor, AAA Reporters

EXCUSED

Anna Brosche, City Council Liaison

CITY REPRESENTATIVES INVITED

Joey Greive, Fund Treasurer

GUESTS

John Sawyer, Office of General Counsel
Beth McCague

David McCall, Advisory Committee Member
Jeneen Sanders, Assistant to City Council Liaison
Randy Wyse, Jax. Assoc. of Fire Fighters
Steve Zona, FOP President
Joshua Rickerson, Fire Fighter
Rick Muskowitz, Police Officer
David Bauerlein, Times Union
Bill Gassett
Curtis Lee

I. CALL TO ORDER

CHAIRMAN TUTEN CALLED THE MEETING TO ORDER AT 9:10AM

II. PLEDGE OF ALLEGIANCE

III. A MOMENT OF SILENCE WAS OBSERVED FOR THE FOLLOWING DECEASED MEMBER:

Ripley J. Miller, Police Officer

IV. PUBLIC SPEAKING PERIOD

THERE WAS ONE REQUEST FOR PUBLIC SPEAKING FROM BILL GASSETT. HANDOUT FOR THE BOARD.

NO ADDITIONAL REQUESTS FOR PUBLIC SPEAKING THEREFORE, THE PUBLIC SPEAKING PERIOD WAS CLOSED.

V. CONSENT AGENDA - ITEMS 2016-12-(1-13)CA

2016-12-1CA MEETING SUMMARY AND TRANSCRIPT APPROVED

2016-12-2CA DISBURSEMENTS

The listed expenditures in DISBURSEMENTS A have been reviewed and approved by the Police and Fire Pension Fund Chief Financial Officer and are within FY17 approved budget.

DISBURSEMENTS A - 11/1/2016 thru 11/30/2016

The listed expenditures in DISBURSEMENTS B have been reviewed and approved by the Police and Fire Pension Fund Chief Financial Officer and are within FY17 approved budget.

DISBURSEMENTS B

2016-12-3CA PENSION DISTRIBUTIONS

ALL CALCULATIONS AND DOLLAR AMOUNTS HAVE BEEN REVIEWED AND CALCULATED IN ACCORDANCE WITH ACCEPTED PROCEDURES.

The following Consent Agenda items 2016-12-(4-6)CA with supporting documentation were verified and approved at the Advisory Committee meeting held on December 14, 2016. Vote was unanimous.

2016-12-4CA APPLICATION FOR MEMBERSHIP

2016-12-5CA APPLICATION FOR TIME SERVICE CONNECTIONS

2016-12-6CA APPLICATION FOR TIME SERVICE RETIREMENT

The following Consent Agenda items 2016-12-(7-8)CA with supporting documentation were verified and received as information at the Advisory Committee meeting held on December 14, 2016.

2016-12-7CA REFUND OF PENSION CONTRIBUTIONS

2016-12-8CA SHARE PLAN DISTRIBUTION

The following Consent Agenda item 2016-12-9CA with supporting documentation was verified and approved at the Advisory Committee meeting held on December 14, 2016. Vote was unanimous.

2016-12-9CA APPLICATION FOR DROP

The following Consent Agenda items 2016-12-(10-13)CA with supporting documentation were verified and received as information at the Advisory Committee meeting held on December 14, 2016.

2016-12-10CA DROP PARTICIPANT TERMINATION OF EMPLOYMENT

2016-12-11CA DROP DISTRIBUTIONS

2016-12-12CA DROP ENROLLMENT STATISTICS

2016-12-13CA DROP LEGAL OPINION

A MOTION WAS MADE BY CHRIS BROWN TO APPROVE THE CONSENT AGENDA ITEMS 2016-12-(1-13)CA. SECONDED BY RICHARD PATSY. VOTE WAS UNANIMOUS.

TRUSTEE SCHEU HAD QUESTIONS REGARDING DROP DISTRIBUTIONS (2016-12-11CA) AND THE NUMBER OF YEARS THE VALUE OF THE DROP ACCOUNT IS DISTRIBUTED TO MEMBERS.

TIM JOHNSON ADVISED THAT THIS WAS DISCUSSED AT OUR LAST MEETING AND A LEGAL OPINION HAS BEEN REQUESTED. WE SHOULD HAVE THE OPINION BY THE JANUARY OR FEBRUARY MEETING.

VI. EXECUTIVE DIRECTOR'S REPORTS – *Timothy Johnson*

- Monthly Status Report

TIM JOHNSON REFERRED TO HIS MONTHLY STATUS REPORT FOR AN EXPLANATION AS TO MAYOR CURRY'S STATEMENT REGARDING THE PENSION FUND'S 2015 ACTUARIAL REPORT.

THE BOARD DISCUSSED A POSSIBLE DATE TO HOLD A MEETING WITH OUR ACTUARY TO DISCUSS THE 2016 ACTUARIAL REPORT. TENTATIVELY, THE DATE CHOSEN WAS TUESDAY, JANUARY 18TH @ 2PM, WITH WRITTEN INVITATIONS GOING OUT TO MAYOR CURRY, CHIEF OF FINANCE, MIKE WEINSTEIN, TREASURER JOEY GREIVE, CITY COUNCIL LIAISON ANNA BROSCHE, AND OUR NEW ACTUARY, GRS, TO ATTEND THIS SPECIAL MEETING.

TRUSTEE SCHEU ASKED IF WE COULD SUPEONA THESE INDIVIDUALS TO ATTEND THE MEETING.

A MOTION WAS MADE BY RICK PATSY TO AUTHORIZE TIM JOHNSON TO CONTACT THE STATE DIVISION OF RETIREMENT TO DETERMINE OUR OPTIONS REGARDING POSSIBLE CHANGES TO THE DRAFT OF THE 2016 ACTUARIAL EVALUATION. VOTE WAS UNANIMOUS.

- October 1, 2016 DRAFT of Actuarial Evaluation

DRAFT RECEIVED AS INFORMATION

- Final Transcript for Special Workshop held on January 5, 2016

RECEIVED AS INFORMATION

VII. COUNSEL REPORTS

- Legal Report – *Paul Daragjati*

PAUL DARAGJATI'S REPORT IS INCLUDED IN THE BOARD BOOK.

THE CONTRACTS FOR LOOMIS AND NEUBERGER BERMAN HAVE BEEN COMPLETED AS OF THIS MEETING.

CONVERGEX INVESTIGATION IS DONE. THE FUND RECEIVED \$330,302.91 FROM THE SETTLEMENT.

THE FUND HAS A TOTAL OF FOUR COMMISSION RECAPTURE FIRMS. IF THE FUND DECIDES TO FIRE CONVERGEX, THERE ARE STILL THREE TO CONSIDER.

TRUSTEE PATSY PROPOSED THAT THE BOARD BRING EACH COMMISSION RECAPTURE FIRM IN TO DISCUSS.

THE BOARD REQUESTED A LEGAL OPINION FROM KLAUSNER TO DISCUSS COMMISSION RECAPTURE AS A WHOLE.

PAUL ALSO STATED THAT FRS MAINTAINS A MORTALITY TABLE WHICH THEY HAVE TWEKKED. PAUL ADVISED THAT WE NEED TO ASK OUR ACTUARY WHAT TABLE HE USES AND CHOOSE EITHER THE PREVIOUS TABLE OR THE NEW ONE.

- Legal Report – *Steve Durden*

STEVE DURDEN DISCUSSED THE LITIGATION INVOLVING CURTIS LEE AND THE PENSION FUND AND INDIVIDUALS.

JACOB PAYNE WITH OGC IS WORKING ON THE LITIGATION. A MOTION HAS BEEN FILED TO DISMISS THE INDIVIDUALS, DISMISS THE FUND AS IT IS NOT AN ENTITY, OBTAIN A MORE DEFINABLE STATEMENT, AND STRIKE THE DEMAND FOR JURY. TRYING TO SCHEDULE HEARING.

STEVE DURDEN SPOKE TO THE PREVIOUS QUESTION REGARDING THE SUPEONA'S FOR THE MEMBERS TO ATTEND THE MEETING. THE POWER OF THE BOARD TO SUPEONA IS JUST FOR BENEFITS, NOT FULL SUPOENA POWER.

THE FOLLOWING NEW BUSINESS ITEMS WERE TAKEN OUT OF ORDER AS SOME OF OUR GUESTS RECEIVING AWARDS HAD TO LEAVE EARLY.

- David McCall, Advisory Committee, Appreciation

THE ADVISORY COMMITTEE PRESENTED DAVID MCCALL WITH A PLAQUE AT THEIR MEETING ON DECEMBER 14TH IN APPRECIATION OF HIS DEDICATION AND COMMITMENT TO OUR MEMBERS WHILE SERVING ON THE ADVISORY COMMITTEE.

THE BOARD ALSO RECOGNIZED DAVID'S SERVICE TO THE MEMBERS AND THANKED HIM.

- Beth McCague Appreciation

BETH MCCAGUE WAS ALSO PRESENTED WITH A PLAQUE IN RECOGNITION OF HER COMMITMENT, DEDICATION, AND OUTSTANDING LEADERSHIP WHILE SERVING AS INTERIM EXECUTIVE DIRECTOR OF THE POLICE AND FIRE PENSION FUND FROM DECEMBER 2015 THRU NOVEMBER, 2016.

- Klausner, Kaufman, Jensen & Levinson Appreciation

PAUL DARAGJATI, REPRESENTING KLAUSNER, KAUFMAN, JENSEN & LEVINSON, WAS PRESENTED WITH AN AWARD IN RECOGNITION AND APPRECIATION OF THEIR PROFESSIONALISM AND DEDICATION PROVIDED TO THE BOARD OF TRUSTEES OF THE PENSION FUND FROM 1987 THRU 2016.

AFTER THE AWARDS PRESENTATION, WE MOVED ONTO THE INVESTMENT CONSULTANT'S REPORT WITH DAN HOLMES VIA CONFERENCE CALL.

VIII. INVESTMENT CONSULTANT REPORTS – *Dan Holmes w Summit*

- Flash Report – November 30, 2016

RECEIVED AS INFORMATION

- Monthly Economic & Capital Market Update – November, 2016

RECEIVED AS INFORMATION

- Recommendation of Funding for Loomis

DAN HOLMES ADVISED THE BOARD THAT THE PROPOSAL FOR LOOMIS IS TO MOVE THE MONEY IN JANUARY FOR THEM. LOOMIS PREFERRED THIS.

- Recommendation of Funding for Neuberger Berman

A MOTION WAS MADE BY TRUSTEE PATSY TO APPROVE THE RECOMMENDATION MADE BY DAN HOLMES REGARDING FUNDING FOR NEUBERGER BERMAN. SECONDED BY CHRIS BROWN. VOTE AS UNANIMOUS.

- Trumponomics

RECEIVED AS INFORMATION

IX. OLD BUSINESS

X. NEW BUSINESS

- Recommendation from FIAC Regarding Fifth Member – Tracey Devine

PER TIM JOHNSON, THE FIAC UNANIMOUSLY RECOMMENDS TO THE BOARD OF TRUSTEES THAT TRACEY DEVINE BECOME THE FIFTH MEMBER OF THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE BASED ON HER QUALIFICATIONS AND INTERVIEW WITH BRIAN SMITH, FIAC CHAIRMAN, AND TIM JOHNSON, EXECUTIVE DIRECTOR, ALONG WITH A RECOMMENDATION FROM BETH MCCAGUE, EX INTERIM EXECUTIVE DIRECTOR.

A MOTION WAS MADE BY TRUSTEE SCHEU TO APPROVE THE RECOMMENDATION MADE BY THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE TO THE BOARD OF TRUSTEES CONFIRMING THE APPOINTMENT OF TRACEY DEVINE AS THE FIFTH MEMBER OF THE FINANCIAL INVESTMENT AND ADVISORY COMMITTEE AND REQUESTING A RESOLUTION TO CITY COUNCIL TO CONFIRM THIS APPOINTMENT. SECONDED BY TRUSTEE PAYNE. VOTE WAS UNANIMOUS.

XI. ADJOURNMENT

CHAIRMAN TUTEN ADJOURNED THE MEETING AT 10:36AM

NOTE: If any person decides to appeal any decision made with respect to any matter considered at this public meeting such person will need a record of proceedings, and for such purpose such person may need to ensure that a verbatim record of the proceedings is made at their own expense and that such record includes the testimony and evidence on which the

Police and Fire Pension Fund
Board of Trustees
Meeting Summary
December 16, 2016

appeal is based. The public meeting may be continued to a date, time, and place to be specified on the record at the meeting.

**TO BE APPROVED AT THE BOARD OF
TRUSTEE MEETING HELD ON JANUARY 20, 2017**

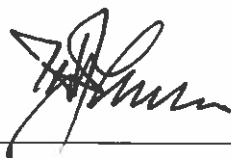
Richard Patsy, Board Secretary

BOARD OF TRUSTEES MEETING**12/12/2016****2017-01-02CA**
(A) attachment

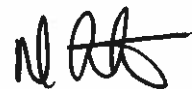
ACCESS PO BOX 101048 ATLANTA, GA 30392-1048	\$5,671.64	1731214-1686595
KLAUSNER, KAUFMAN 7080 N.W. 4TH STREET PLANTATION, FL 33317	\$8,521.50	#19211
SUMMIT STRATEGIES 8182 MARYLAND AVE 6TH FLOOR ST. LOUIS, MO 63105	\$61,466.00	#8784
COMERICA BANK P.O. BOX 67600 DETROIT, MI 48267	\$83,827.33	#426633
DUFRESNE & ASSOCIATES, CPA, PA P.O. BOX 1179 ORANGE PARK, FL 32067-1179	\$6,101.25	#5828
PINNACLE ASSOCIATES LTD P.O. BOX 392378 PITTSBURGH, PA 15251-9378	\$123,779.00	QTR 9/30/2016
PENSION BOARD CONSULTANTS 195 FOURTEENTH ST. NE SUITE 2307 ATLANTA, GA 30309-2677	\$14,500.00	12/2/2016

\$303,866.72**PLEASE PROCESS CHECKS WITHIN 24 HOURS OF RECEIPT**

APPROVALS:TIM JOHNSON



DEVIN CARTER



Transactions by Category
FY04-08AP

12/1/2016 Through 12/31/2016

Expense Categories	Num	Date Payee	C Category	Amount
Opening Balance as of 12/1/2016				
Sales Tax		12/20/2016 FLORIDA DEPT OF REVENUE	Sales Tax	(551.50) £
Total Sales Tax				(551.50)
5401 Training	9940	12/19/2016 FIRST AMENDMENT FOUNDATI...	5401 Training	(20.00) £
Total 5401 Training				(20.00)
5101 Office Supplies	9944	12/20/2016 HOLMES STAMP COMPANY	5101 Office Supplies	(45.00) £
	9942	12/20/2016 OFFICE DEPOT	5101 Office Supplies	(356.15) £
	9936	12/15/2016 AMERICAN SOLUTIONS	5101 Office Supplies	(428.29) £
	9935	12/15/2016 HOLMES STAMP COMPANY	5101 Office Supplies	(40.00) £
	9929	12/9/2016 DRUMMOND PRESS INC	5101 Office Supplies	(164.00) £
	9926	12/5/2016 HOLMES STAMP COMPANY	5101 Office Supplies	(40.00) £
Total 5101 Office Supplies				(1,073.44)
4938b Garage Exp	9946	12/30/2016 DYNAMIC SECURITY PRO	4938b Garage Exp	0.00 £
Total 4938b Garage Exp				0.00
4938a Building exp	9950	12/30/2016 PLANT PEOPLE OF NORTH FLO...	4938a Building exp	(47.25) £
	9943	12/20/2016 BUCHANAN SIGN & FLAG CENT...	4938a Building exp	(24.00) £
	9941	12/20/2016 COMCAST	4938a Building exp	(105.90) £
	9927	12/5/2016 SCOTT GARDNER	4938a Building exp	(300.00) £
	9925	12/5/2016 PLANT PEOPLE OF NORTH FLO...	4938a Building exp	(47.25) £
	9924	12/5/2016 BUCHANAN SIGN & FLAG CENT...	4938a Building exp	(152.50) £
Total 4938a Building exp				(676.90)
4938 Miscellaneous	9939	12/15/2016 TIM JOHNSON	4938 Miscellaneous	(29.34) £
	9938	12/15/2016 PUBLIX	4938 Miscellaneous	(307.91) £
	9934	12/9/2016 PITNEY BOWES	4938 Miscellaneous	(725.07) £
	9931	12/9/2016 AAA REPORTERS	4938 Miscellaneous	(396.20) £

Transactions by Category
FY04-08AP

12/1/2016 Through 12/31/2016

	Num	Date Payee	C	Category	Amount
Total 4938 Miscellaneous	9930	12/9/2016 PARENTEAU VENTURES LLC	4938	Miscellaneous	(200.00) £ (1,658.52)
4603b GARAGE MAINTAINANCE AND REPAIR					
Total 4603b GARAGE MAINTAINANCE AND REPAIR	9932	12/9/2016 VIGNEAUX CORPORATION	4603b	GARAGE MAIN...	(163.50) £ (163.50)
4603a BMaintenance & Repair					
	9948	12/30/2016 MCDOWELL & ARIAIL, INC	4603a	BMaintenance ...	(1,460.00) £
	9946	12/30/2016 DYNAMIC SECURITY PRO	4603a	BMaintenance ...	(300.00) £
	9933	12/9/2016 TRANE COMPANY	4603a	BMaintenance ...	(855.24) £ (2,615.24)
Total 4603a BMaintenance & Repair					
4304g Water	9937	12/15/2016 JEA	4304g	Water	(33.75) £ (33.75)
Total 4304g Water					
4304 Water	9937	12/15/2016 JEA	4304	Water	(618.37) £ (618.37)
Total 4304 Water					
4301g Elec	9937	12/15/2016 JEA	4301g	Elec	(362.01) £ (362.01)
Total 4301g Elec					
4301 Elec	9937	12/15/2016 JEA	4301	Elec	(5,584.53) £ (5,584.53)
Total 4301 Elec					
4101 Postage	9949	12/30/2016 PITNEY BOWES	4101	Postage	(72.00) £ (72.00)
Total 4101 Postage					
3109 Professional Services	9947	12/30/2016 LAMPE, ROY & ASSOCIATES	3109	Professional Ser...	(3,800.00) £ (3,800.00)
Total 3109 Professional Services					
Total Expense Categories					(17,229.76)

Transactions by Category
FY04-08AP

12/1/2016 Through 12/31/2016

Num	Date Payee	C	Category	Amount
Grand Total				(17,229.76) £

FaxPension

POLICE AND FIRE PAYROLL REGISTER

PAY DATE 12/02/2016

2017-01-03CA
attachment

Name	SSN	Marital Status	Tax Exem	Days	Rate	Index	Gross Pay	Tax	Net Pay	Check #
SUMMARY REPORT FOR PAY DATE : 12/02/2016										
REGULAR PENSION GROSS							7,043,119.04			
REGULAR LUMP SUM							12,748.56			
REGULAR ROLLOVER							0.00			
REGULAR DROP GROSS							1,019,352.72			
DROP LUMP SUM							0.00			
DROP ROLLOVER							0.00			
LEAVE LUMP SUM							0.00			
LEAVE ROLLOVER							0.00			
GROSS							8,075,220.32			
WITHHOLDING TAX							1,384,042.01			
AFTER TAX DEDUCTIONS							768,007.48			
PRE TAX DEDUCTION							7,738.70			
NET PAY							5,915,432.13			
DROP/RLA/REF CHECKS							8,923.99			
CORRECTED CHECK							113.97			
RETURN CHECK							113.97			
NET PAY FOR REGULAR PEN & DROP							5,906,508.14			
PENSIONERS							2450			

FaxPension

POLICE AND FIRE PAYROLL REGISTER

PAY DATE 12/16/2016

Name	SSN	Marital Status	Tax Exem	Days	Rate	Index	Gross Pay	Tax	Net Pay	Check #
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SUMMARY REPORT FOR PAY DATE : 12/16/2016

REGULAR PENSION GROSS	TOTAL	:	5,055,408.25
REGULAR LUMP SUM	TOTAL	:	0.00
REGULAR ROLLOVER	TOTAL	:	0.00
REGULAR DROP GROSS	TOTAL	:	1,019,349.53
DROP LUMP SUM	TOTAL	:	80,862.46
DROP ROLLOVER	TOTAL	:	0.00
LEAVE LUMP SUM	TOTAL	:	0.00
LEAVE ROLLOVER	TOTAL	:	0.00
GROSS	TOTAL	:	6,155,620.24
WITHHOLDING TAX	TOTAL	:	961,352.86
AFTER TAX DEDUCTIONS	TOTAL	:	762,765.90
PRE TAX DEDUCTION	TOTAL	:	6,178.08
NET PAY	TOTAL	:	4,425,323.40
DROP/RLA/REF CHECKS	TOTAL	:	56,603.72
CORRECTED CHECK	TOTAL	:	0.00
RETURN CHECK	TOTAL	:	0.00
NET PAY FOR REGULAR PEN & DROP	TOTAL	:	4,368,719.68
PENSIONERS	COUNT	:	2450

FaxPension

POLICE AND FIRE PAYROLL REGISTER

PAY DATE 12/30/2016

Name	SSN	Marital Status	Tax Exem	Days	Rate	Index	Gross Pay	Tax	Net Pay	Check #
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SUMMARY REPORT FOR PAY DATE : 12/30/2016

REGULAR PENSION GROSS	TOTAL	:	5,062,747.86
REGULAR LUMP SUM	TOTAL	:	18,979.62
REGULAR ROLLOVER	TOTAL	:	0.00
REGULAR DROP GROSS	TOTAL	:	1,020,926.41
DROP LUMP SUM	TOTAL	:	107,231.38
DROP ROLLOVER	TOTAL	:	0.00
LEAVE LUMP SUM	TOTAL	:	0.00
LEAVE ROLLOVER	TOTAL	:	0.00
GROSS	TOTAL	:	6,209,885.27
WITHHOLDING TAX	TOTAL	:	983,460.98
AFTER TAX DEDUCTIONS	TOTAL	:	451,960.55
PRE TAX DEDUCTION	TOTAL	:	0.00
NET PAY	TOTAL	:	4,774,463.74
DROP/RLA/REF CHECKS	TOTAL	:	82,986.13
CORRECTED CHECK	TOTAL	:	0.00
RETURN CHECK	TOTAL	:	0.00
NET PAY FOR REGULAR PEN & DROP	TOTAL	:	4,691,477.61
PENSIONERS	COUNT	:	2454

Date: January 17, 2017

To: PFPF Board of Trustees

From: Timothy H. Johnson, Executive Director

RE: Executive Director's Monthly Status Report

DASHBOARDS

BENEFITS		
<i>Type</i>	<i>Prior Month</i>	<i>FYTD</i>
Retiree Payroll (\$)	\$ 12,098,527.29	\$ 34,753,632.56
Refunds (\$)	\$ 65,527.71	\$ 825,343.11
Refunds (#)	2	42
New Members	0	42
New Medicals	51	75
Disability Applications	0	0
Disability Appeals	0	0
Deaths	3	6
Pension Estimates	30	133
Buyback Applications	2	6
Reclamations (\$)	\$ -	\$ 569.38
Reclamations (#)	0	1
DROP Revocations	0	0

RETIREMENTS		
<i>Type</i>	<i>Prior Month</i>	<i>FYTD</i>
Total	17	68
Full Retirement	1	3
Vested Retirement	2	3
Enter DROP	0	22
Exit DROP	12	34
Disability	0	0
Survivor	0	3
Children	2	3

Retirement Appointments	18	42
DROP Appointments	7	43

PUBLIC RECORD REQUESTS

Type	Prior Month	# FYTD
Requests (#)	8	29
Completed (#)	9	27
Response Pages Produced (#)	287	846

RECORDS RETENTION

Type	Prior Month	# FYTD
Access Records Scanned (#)	0	2000
In House Records Scanned (#)	163	846

INVESTMENTS

Allocations:

Date	Manager	Amount
12/21/2016	Neuberger Berman	\$ 159,639,490.00
12/21/2016	NT S&P 500	\$ 84,745,000.00
0	0	\$ -

Terminations:

Date	Manager	Amount
12/21/2016	Eaton Vance	\$ 41,898,062.87
0	0	\$ -
0	0	\$ -

Liquidations:

Date	Manager	Amount
12/21/2016	NT AGG Bond lx	\$ 60,000,000.00
12/21/2016	Paid Receipts	\$ 142,486,427.00
0	0	\$ -

OPERATING BUDGET

Description	Budget	Actual	\$ Variance	% Variance	Explanation
Administration	\$ 1,200,069	\$ 242,400	\$ 957,669	80.0%	0
Operating	\$ 563,237	\$ 96,877	\$ 466,360	83.0%	0
Professional Services	\$ 9,416,829	\$ 11,900	\$ 9,404,929	99.9%	0
Building	\$ 196,120	\$ 31,793	\$ 164,327	83.8%	0
Total	\$ 11,376,255	\$ 382,970	\$ 10,993,285	96.6%	0

UPDATES

On Wednesday January 18, 2017, the PFPF Board will conduct a workshop to discuss the DRAFT of the Actuarial Valuation Report as of October 1, 2016. This report proposes the City's 2017 minimum required contribution estimated to be \$205 million which is \$44 million above the City's 2016 minimum required contribution. Invitations were sent to the PFPF Board and FIAC along with Mayor Lenny Curry, Mike Weinstein, Joey Greive, Anna Broche, (new actuary) Pete Strong and (new attorney) Bob Sugarman. Actuary Jarmon Welch will be in attendance to present the draft report and answer questions.

The Resolution introduced by the Board of Trustees to confirm the appointment of Tracey Devine as a member of the Financial Investment and Advisory Committee has been submitted to City Council President Lori Boyer.

NEWS and REPORTS

The Morning Pulse, a daily snapshot of news regarding pensions, 401K, personal finance, investments and more, is now included in your daily update on the market value of assets.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Johnson', with a stylized flourish at the end.

Timothy H. Johnson

**OFFICE OF GENERAL COUNSEL
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202
TELEPHONE (904) 630-1837
FACSIMILE (904) 630-1316**

MEMORANDUM

TO: Timothy Johnson, Executive Director and Plan Administrator, Police and Fire Pension Fund

FROM: Jacob J. Payne, Assistant General Counsel

DATE: December 21, 2016

**RE: Litigation Update, Curtis Lee v. City of Jacksonville, *et al.*,
16-2016-CA-006799**

This memorandum is an update concerning the above-referenced public records litigation.

On November 14, 2016, I filed four motions on behalf of defendants: (1) a motion to dismiss the individual defendants sued in their official capacities as redundant to the suit against the agencies themselves; (2) a motion to dismiss the complaint for failure to comply with the pleading requirements or for a more definite statement because plaintiff has not stated his case with sufficient specificity to permit a meaningful response; (3) a motion to dismiss the PFPF because it is not a separate legal entity; and (4) a motion to strike the demand for jury trial because plaintiff is not entitled to a jury trial in a public records case.

My office attempted to set these motions for hearing, but Judge Norton was out of the country until recently. When she returned, Judge Norton set a telephonic conference for this morning.

During the telephonic conference, Judge Norton stated that in a prior case involving Mr. Lee, Mr. Lee had requested that she recuse herself as judge because she had represented the City against Mr. Lee when she was an attorney in the General Counsel's Office. She wanted to find out whether Mr. Lee intended to seek her recusal in the instant case. Mr. Lee's attorney stated that Mr. Lee did intend to seek Judge Norton's recusal. Upon hearing that, Judge Norton said that she is recusing herself from this case and will issue an order to that effect shortly.

The case will be reassigned to a new judge. We will renew the process of setting a hearing on our motions when we learn to whom the case is assigned.

If you have any questions, please feel free to contact me.

**OFFICE OF GENERAL COUNSEL
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202
TELEPHONE (904) 630-1837
FACSIMILE (904) 630-1316**

MEMORANDUM

TO: Timothy Johnson, Executive Director and Plan Administrator, Police and Fire Pension Fund

FROM: Jacob J. Payne, Assistant General Counsel

DATE: January 9, 2017

**RE: Litigation Update, Curtis Lee v. City of Jacksonville, *et al.*,
16-2016-CA-006799**

This memorandum is an update concerning the above-referenced public records litigation.

There has been no change in the case since the update dated December 21, 2016. Judge Norton has not yet entered her order recusing herself from the case. We cannot set a hearing on the motions filed on behalf of defendants until Judge Norton enters her order recusing herself and the case is assigned to a different judge. I will let you know when that happens.

As a reminder, on November 14, 2016, I filed four motions on behalf of defendants: (1) a motion to dismiss the individual defendants sued in their official capacities as redundant to the suit against the agencies themselves; (2) a motion to dismiss the complaint for failure to comply with the pleading requirements or for a more definite statement because plaintiff has not stated his case with sufficient specificity to permit a meaningful response; (3) a motion to dismiss the PFPPF because it is not a separate legal entity; and (4) a motion to strike the demand for jury trial because plaintiff is not entitled to a jury trial in a public records case.

If you have any questions, please feel free to contact me.



Summit Strategies Group

8182 Maryland Avenue, 6th Floor

St. Louis, Missouri 63105

314.727.7211

Monthly Economic & Capital Market Update

December 2016

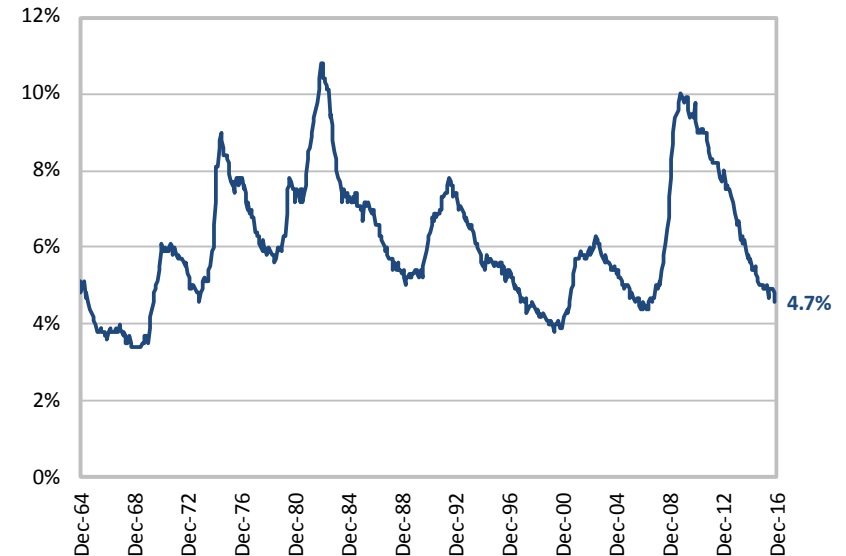
Economy

- The most prominent event of December was the highly anticipated Federal Reserve interest rate hike. After keeping the federal funds rate static since December 2015, the Federal Open Market Committee (FOMC) increased rates by 25 bps to a range of 0.5% to 0.75%, marking the second interest rate increase in a decade. The culmination of a strengthening labor market as well as moderate economic expansion fueled the committee's decision to increase rates. The Fed signaled three additional rate hikes for 2017, and predicted interest rates to be 1.4% by the end of the year. Since the rate hike had been forecasted by investors prior to the meeting, financial markets did not show a major reaction to the Fed's announcement.
- The US economy experienced positive job growth for the 75th consecutive month in December. Employers added 156,000 jobs during the month, below market expectations of 175,000 new jobs. The unemployment rate rose slightly to 4.7% from last month's 4.6% figure, and the labor force participation rate remained unchanged over the past year at 62.7%. Wages, as measured by average hourly earnings of private sector workers, rose 2.9% year-over-year, up 40 bps from November. December's strong wage gains marked the highest year-over-year increase since 2009, but remains relatively muted from a historical perspective. Revisions to figures from October and November resulted in 19,000 more jobs than previously reported.
- Real GDP grew at a 3.5% annualized rate during the third quarter according to the third estimate from the Bureau of Economic Analysis, a 30 bps increase from the second estimate of 3.2%. The adjustment reflected an increase in nonresidential fixed investment, personal consumption expenditures, and government spending. GDP growth rates (annualized) in the first and second quarters of 2016 were 1.1% and 1.4%, respectively.
- December marked the 83rd consecutive month of expansion in the US services sector. The ISM non-manufacturing Purchasing Managers Index (PMI) remained at a record high of 57.2, matching November's figure. A reading over 50.0 indicates expansion in the services sector.

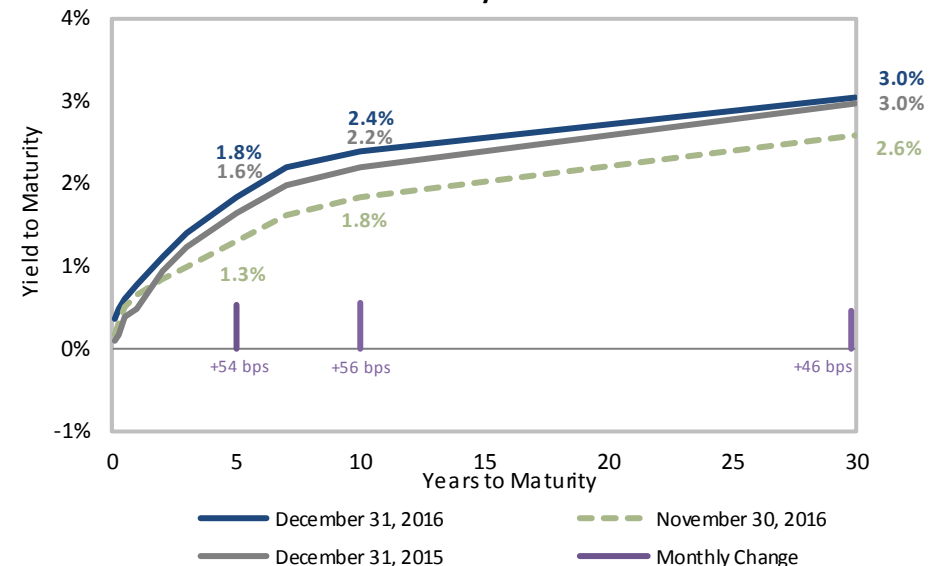
Yield Curve

- The spread between 2-year and 30-year Treasuries contracted 4 bps to 188 bps in December. Over the past 30 years the spread between the 2- and 30-year Treasuries has averaged 167 bps.

Unemployment Rate



Treasury Yield Curve



Growth Assets

December 31, 2016

Public Equities

- In December, US equity markets continued to post positive returns as the S&P 500 gained 2.0% and the Russell 2000, led by value stocks, increased 2.8% for the month. International markets rebounded from November declines with MSCI EAFE Index and MSCI EAFE Small Cap gaining 3.4% and 2.9%, respectively. Emerging markets, while positive, lagged their developed peers returning 0.2% during the month.
- Master limited partnerships (MLPs) returned 4.4% in December. Positive returns were posted across all sectors, while the downstream sector led outperformance at 10.6%. Positive performance for the month can also be attributed to the production cut agreement made by OPEC leaders at the end of November. Year-to-date, MLPs have gained 18.3%, with energy services being the largest contributor at 69.8%.

Public Debt

- The high yield sector returned 1.8% for the month of December, regaining losses observed in November and bringing quarter-to-date performance to 1.8%. Heightened confidence in the energy sector due to increasing commodity prices drove performance.
- Local currency-denominated emerging market debt returned 1.9%, regaining a small portion of the 7.0% loss observed in November and bringing year-to-date returns to 9.9%.

Private Equity

- Purchase price multiples, as measured by S&P Leveraged Commentary and Data (S&P LCD), continue to suggest significantly different environments for larger deals vs. those in the middle market. In 2015, larger deals and middle market deals both had an average purchase price multiple of 10.7x; in 2016 purchase price multiples for larger deals have increased, while those of middle market deals have moderated. Manager sentiment suggests that the lower multiples in the middle market demonstrate managers remain disciplined on pricing.

Private Debt

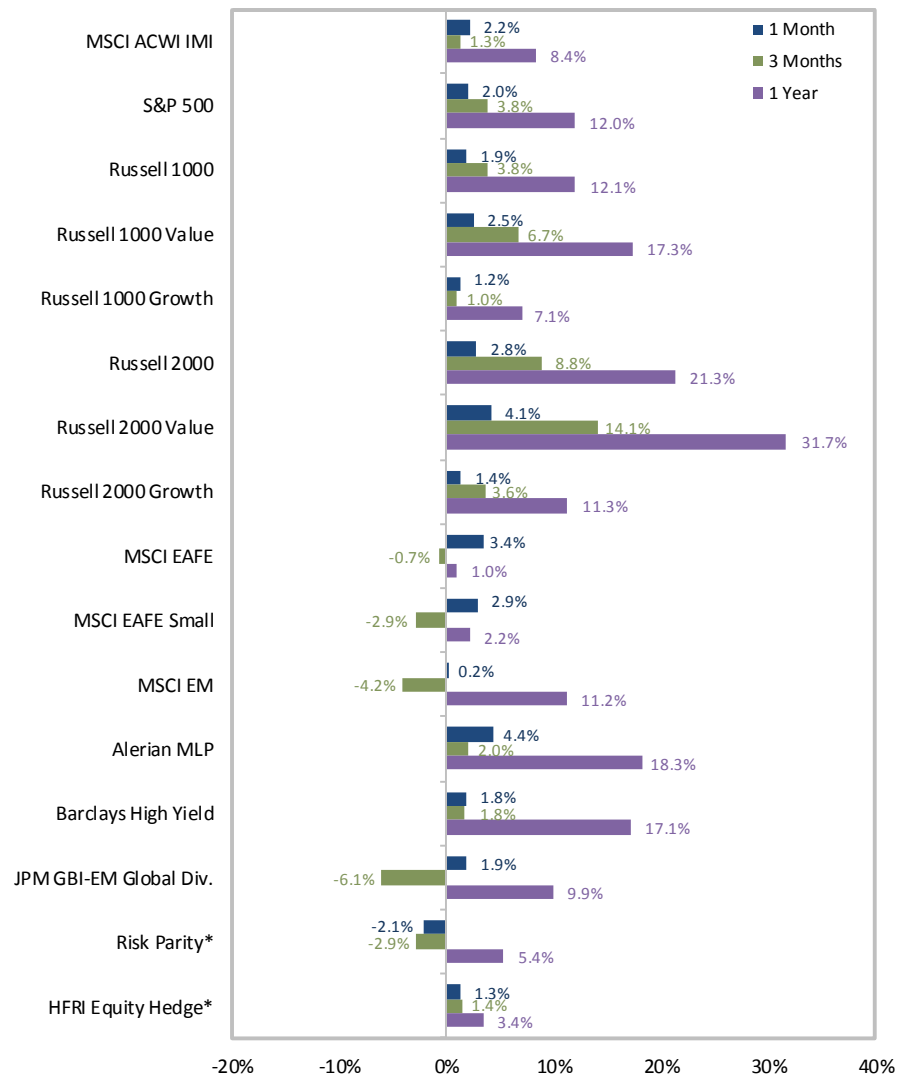
- Debt multiples for both middle market deals and larger deals have on average been lower than those experienced in 2015. After declining significantly during the first half of 2016, multiples of deals less than \$50m in EBITDA reverted back to levels seen over the past few years during the third quarter. Equity contribution in deals of all sizes in 2016 has been consistent with what was experienced in 2015, around 44%.

Risk Parity

- Risk parity strategies detracted in November with nominal and inflation-linked bonds being the largest detractors while equity allocations contributed.

Growth Hedge Funds

- Growth hedge funds contributed in November led by a tailwind from market performance. Activist strategies were the strongest contributors, followed by long/short equity. Distressed and merger arbitrage strategies contributed as well.



* Data was not available at time of publication – returns are previous month's.
Note: Risk Parity returns are based on an internally comprised benchmark.
All returns are USD.

Income Assets

December 31, 2016

Public Debt

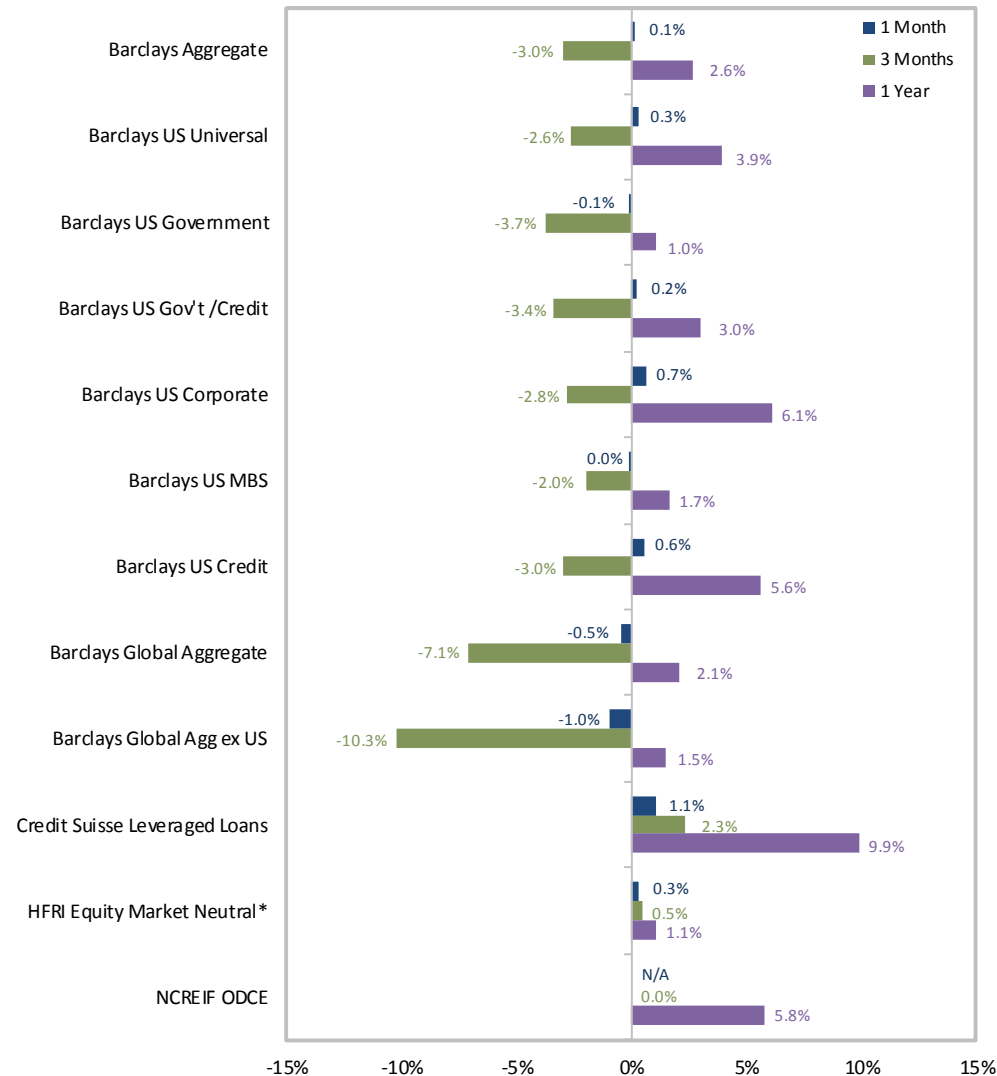
- The 10-year US Treasury yield ended December at 2.4%, unchanged from the end of November despite the Federal Reserve interest rate increase.
- Investment grade corporates saw spreads tighten by 6 bps during the month, offsetting the rise in yields, and allowing a positive return of 0.7% for December.
- The duration of the securitized sector of the Barclays Aggregate continued to increase, ending the month at 4.5 years as rising rates caused prepayment assumptions to fall. The duration of the sector has increased significantly in the second half of 2016, as duration was 2.6 years at the end of June.
- International bonds continued to decline, returning -1.0% in December and bringing QTD losses to nearly 11%.
- The short duration nature of bank loans continued to be positive during December despite the lower volatility in rates, with the asset class returning 1.2% during the month. Retail and institutional fund flows continue to be a tailwind for loans and have been for all of 2016, supporting the asset class despite declines in CLO issuance.

Relative Value Hedge Funds

- Relative value hedge funds were positive in November. Volatility arbitrage was the strongest contributor, while convertible, asset-backed, and equity market neutral strategies were also up modestly. Fixed income arbitrage was the only detractor from performance for the month.

Core Real Estate

- The third quarter return for the NCREIF ODCE Index was 2.1% gross (and 1.8% net), composed of 1.1% income and 1.0% appreciation. The third quarter returns reflect historic norms, as outsized appreciation returns have diminished but overall real estate fundamentals remain healthy. Positive job creation, continued high consumer confidence, and a limited amount of new supply have all contributed to strong returns.



* Data was not available at time of publication – returns are previous month's.
Note: All returns are USD.

Diversification Assets

December 31, 2016

Inflation

- Inflation expectations continued to increase during December, ending the month with ten-year inflation expectations above 2.0%.

Deflation

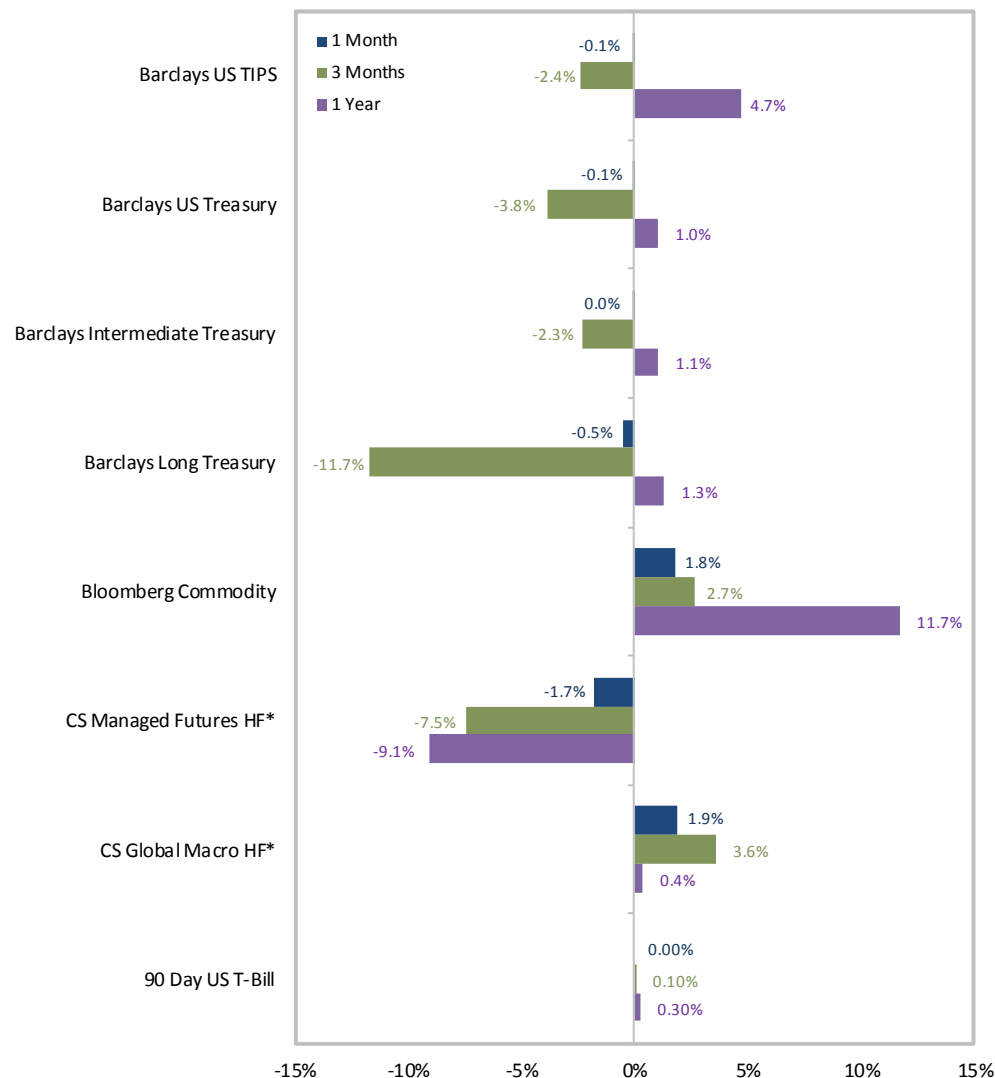
- The Bloomberg Barclays Long Treasury Index returned -0.5% for the month as the yield on the 30-year Treasury increased 3 bps to 3.1%.
- Cash continues to offer no relative return, as the 90-day T-bills were flat for the month and returned 0.3% for the one-year period.

Commodities

- The Bloomberg Commodity Index returned 1.8% for December. The largest detractor from performance was precious metals, as nickel underperformed -11.0% for the month. Lean hogs and Brent crude oil produced the highest returns of 29.6% and 12.6%, respectively. Year-to-date, the index remains positive at 11.7% with Zinc and Natural Gas being the largest contributors to performance.

Tactical Trading

- Tactical trading hedge funds posted mixed performance in November as discretionary global macro strategies posted gains while trend-following strategies detracted.



* Data was not available at time of publication – returns are previous month's.
Note: All returns are USD.

DISCLOSURES

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City of Jacksonville Police & Fire Pension Fund

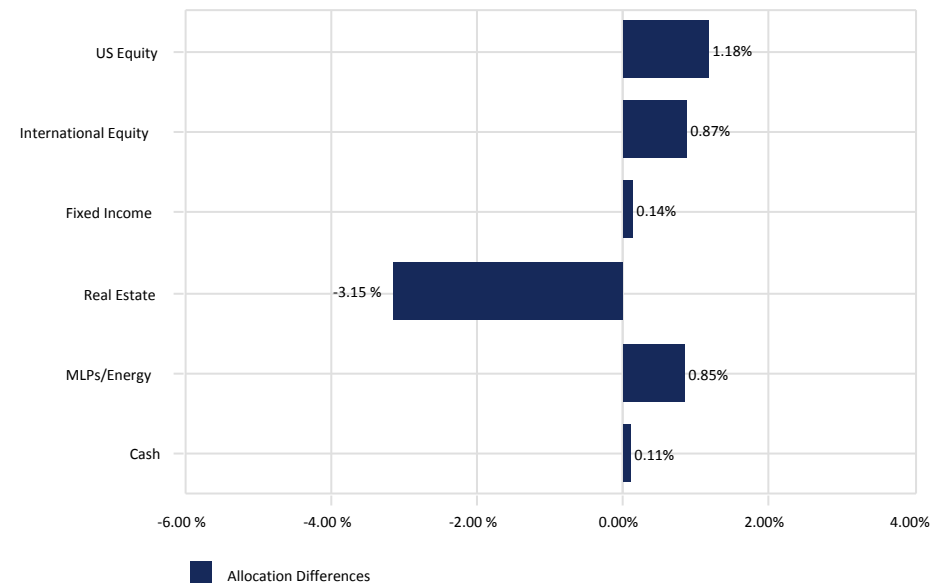
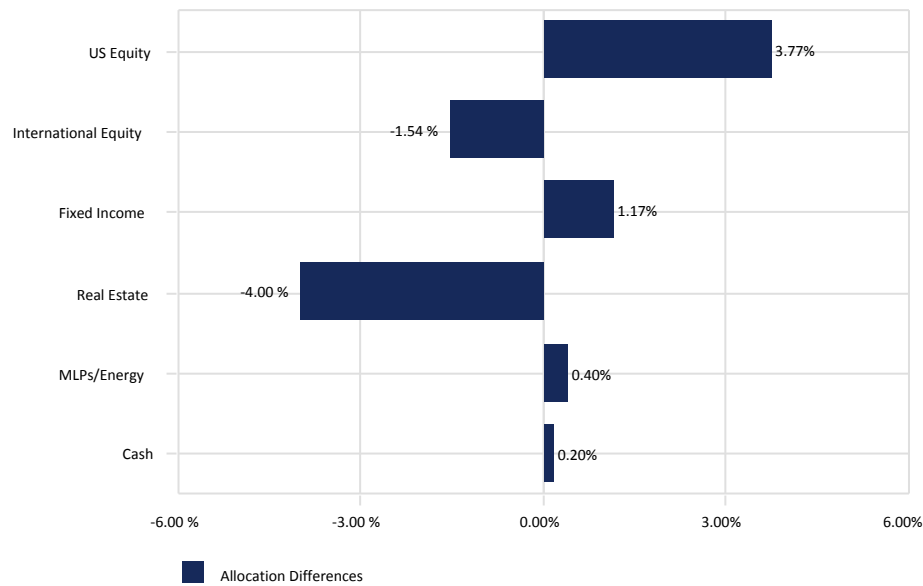
Flash Report

December 31, 2016

City of Jacksonville Police & Fire Pension Fund

Asset Allocation vs. Target Allocation

December 31, 2016



December 31, 2016

	<u>Market Value</u> (\$)	<u>Allocation</u> (%)	<u>Target</u> (%)
US Equity	753,543,701	42.77	39.00
International Equity	325,309,615	18.46	20.00
Fixed Income	381,734,630	21.67	20.50
Real Estate	193,856,250	11.00	15.00
MLPs/Energy	103,982,786	5.90	5.50
Cash	3,450,316	0.20	0.00
Total Fund	1,761,877,299	100.00	100.00

September 30, 2016

	<u>Market Value</u> (\$)	<u>Allocation</u> (%)	<u>Target</u> (%)
US Equity	642,525,647	40.18	39.00
International Equity	333,729,597	20.87	20.00
Fixed Income	330,054,270	20.64	20.50
Real Estate	189,585,522	11.85	15.00
MLPs/Energy	101,576,733	6.35	5.50
Cash	1,754,355	0.11	0.00
Total Fund	1,599,226,126	100.00	100.00

City of Jacksonville Police & Fire Pension Fund

Asset Allocation & Performance Gross of Fees

December 31, 2016

			Performance(%)							
	Asset \$	Asset %	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund Composite	1,761,877,299	100.00	1.19	1.09	8.45	1.09	8.45	4.50	9.09	5.58
<i>Total Fund Policy</i>			<i>1.57</i>	<i>0.98</i>	<i>8.76</i>	<i>0.98</i>	<i>8.76</i>	<i>4.79</i>	<i>8.85</i>	<i>5.12</i>
Excess Return			-0.38	0.11	-0.31	0.11	-0.31	-0.29	0.24	0.46
Total Equity	1,078,853,317	61.23	1.31	1.80	9.10	1.80	9.10	4.02	11.06	-
US Equity	753,543,701	42.77	1.17	4.04	11.14	4.04	11.14	6.52	13.50	7.17
<i>US Equity Index</i>			<i>1.95</i>	<i>4.21</i>	<i>12.74</i>	<i>4.21</i>	<i>12.74</i>	<i>8.43</i>	<i>14.67</i>	<i>7.16</i>
Excess Return			-0.78	-0.17	-1.60	-0.17	-1.60	-1.91	-1.17	0.01
International Equity	325,309,615	18.46	1.62	-2.49	5.02	-2.49	5.02	-0.80	6.16	0.69
<i>International Equity Index</i>			<i>2.59</i>	<i>-1.20</i>	<i>5.01</i>	<i>-1.20</i>	<i>5.01</i>	<i>-1.32</i>	<i>5.48</i>	<i>0.77</i>
Excess Return			-0.97	-1.29	0.01	-1.29	0.01	0.52	0.68	-0.08
Fixed Income	381,734,630	21.67	0.46	-1.86	4.42	-1.86	4.42	3.32	2.60	4.48
<i>Blmbg. Barc. U.S. Aggregate</i>			<i>0.14</i>	<i>-2.98</i>	<i>2.65</i>	<i>-2.98</i>	<i>2.65</i>	<i>3.03</i>	<i>2.23</i>	<i>4.34</i>
Excess Return			0.32	1.12	1.77	1.12	1.77	0.29	0.37	0.14
Real Estate	193,856,250	11.00	0.75	2.29	8.75	2.29	8.75	11.85	12.66	7.75
<i>NCREIF Fund Index - ODCE (VW) [M]</i>			<i>0.00</i>	<i>0.00</i>	<i>6.52</i>	<i>0.00</i>	<i>6.52</i>	<i>11.29</i>	<i>11.74</i>	<i>5.60</i>
Excess Return			0.75	2.29	2.23	2.29	2.23	0.56	0.92	2.15
<i>NCREIF Property Index</i>			<i>0.00</i>	<i>0.00</i>	<i>6.13</i>	<i>0.00</i>	<i>6.13</i>	<i>10.38</i>	<i>10.54</i>	<i>6.75</i>
MLPs/Energy	103,982,786	5.90	4.13	2.37	18.20	2.37	18.20	-0.35	8.22	-
<i>S&P MLP Index</i>			<i>4.93</i>	<i>3.32</i>	<i>21.95</i>	<i>3.32</i>	<i>21.95</i>	<i>-5.18</i>	<i>3.03</i>	<i>-</i>
Excess Return			-0.80	-0.95	-3.75	-0.95	-3.75	4.83	5.19	-
Cash	3,450,316	0.20	0.06	0.15	0.37	0.15	0.37	0.74	0.73	2.59

City of Jacksonville Police & Fire Pension Fund

Asset Allocation & Performance Gross of Fees

December 31, 2016

			Performance(%)								Since Inception	Inception Date
	Asset \$	Asset %	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year		
US Equity												
NT S&P 500 Index Fund	255,601,490	14.51	1.98	3.83	12.01	3.83	12.01	8.94	14.70	6.96	5.38	Jan-1999
<i>S&P 500</i>			1.98	3.82	11.96	3.82	11.96	8.87	14.66	6.95	5.37	
Excess Return			0.00	0.01	0.05	0.01	0.05	0.07	0.04	0.01	0.01	
Eagle Capital Management	185,944,750	10.55	1.81	7.09	10.81	7.09	10.81	8.51	15.66	-	13.09	Apr-2011
<i>Russell 1000 Value Index</i>			2.50	6.68	17.34	6.68	17.34	8.59	14.80	-	11.61	
Excess Return			-0.69	0.41	-6.53	0.41	-6.53	-0.08	0.86	-	1.48	
Brown Investment Advisory	81,683,724	4.64	-0.73	-4.54	-2.31	-4.54	-2.31	4.11	-	-	5.43	Nov-2013
<i>Russell 1000 Growth Index</i>			1.24	1.01	7.08	1.01	7.08	8.55	-	-	10.01	
Excess Return			-1.97	-5.55	-9.39	-5.55	-9.39	-4.44	-	-	-4.58	
Sawgrass Asset Management	88,763,551	5.04	1.16	1.51	6.80	1.51	6.80	7.54	-	-	9.44	Nov-2013
<i>Russell 1000 Growth Index</i>			1.24	1.01	7.08	1.01	7.08	8.55	-	-	10.01	
Excess Return			-0.08	0.50	-0.28	0.50	-0.28	-1.01	-	-	-0.57	
Wedge Capital Mgmt	73,296,860	4.16	2.88	11.78	-	11.78	-	-	-	-	11.99	Sep-2016
<i>Russell 2000 Value Index</i>			4.13	14.07	-	14.07	-	-	-	-	14.97	
Excess Return			-1.25	-2.29	-	-2.29	-	-	-	-	-2.98	
Pinnacle	68,253,325	3.87	0.14	3.38	5.33	3.38	5.33	4.86	15.02	-	20.92	Mar-2009
<i>Russell 2500 Growth Index</i>			0.89	2.60	9.73	2.60	9.73	5.45	13.88	-	19.39	
Excess Return			-0.75	0.78	-4.40	0.78	-4.40	-0.59	1.14	-	1.53	
International Equity												
NT EAFE Index Fund	75,166,610	4.27	3.43	-0.59	1.50	-0.59	1.50	-1.27	-	-	4.92	Apr-2012
<i>MSCI EAFE Index (Net)</i>			3.42	-0.71	1.00	-0.71	1.00	-1.60	-	-	4.59	
Excess Return			0.01	0.12	0.50	0.12	0.50	0.33	-	-	0.33	
Baillie Gifford	91,338,334	5.18	0.43	-6.77	1.58	-6.77	1.58	-2.48	7.49	-	3.72	Mar-2011
<i>MSCI EAFE Growth Index (Net)</i>			2.21	-5.53	-3.04	-5.53	-3.04	-1.20	6.67	-	2.77	
Excess Return			-1.78	-1.24	4.62	-1.24	4.62	-1.28	0.82	-	0.95	
Silchester	65,637,956	3.73	2.29	2.55	8.27	2.55	8.27	3.16	-	-	6.43	Sep-2013
<i>MSCI EAFE Value Index (Net)</i>			4.58	4.17	5.02	4.17	5.02	-2.14	-	-	2.16	
Excess Return			-2.29	-1.62	3.25	-1.62	3.25	5.30	-	-	4.27	
Acadian Emerging Mkts Equity II Fund	93,166,715	5.29	0.90	-2.73	13.85	-2.73	13.85	-1.30	-	-	-1.30	Jan-2014
<i>MSCI Emerging Markets (Net)</i>			0.22	-4.16	11.19	-4.16	11.19	-2.55	-	-	-2.55	
Excess Return			0.68	1.43	2.66	1.43	2.66	1.25	-	-	1.25	

City of Jacksonville Police & Fire Pension Fund

Asset Allocation & Performance Gross of Fees

December 31, 2016

December 31, 2018

			Performance(%)								Since	Inception
	Asset \$	Asset %	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	Inception	Date
Fixed Income												
NTGI Aggregate Bond Index	60,892,742	3.46	0.13	-3.06	2.64	-3.06	2.64	3.08	-	-	1.94	Feb-2013
<i>Blmbg. Barc. U.S. Aggregate</i>			<i>0.14</i>	<i>-2.98</i>	<i>2.65</i>	<i>-2.98</i>	<i>2.65</i>	<i>3.03</i>	<i>-</i>	<i>-</i>	<i>1.96</i>	
Excess Return			-0.01	-0.08	-0.01	-0.08	-0.01	0.05	-	-	-0.02	
Eaton Vance Instl Senior Loan Trust	111,107	0.01										
Neuberger Berman	160,274,896	9.10										
Thompson Siegel Fixed	160,455,885	9.11	0.57	-1.95	4.44	-1.95	4.44	3.65	3.49	5.06	6.23	Aug-1991
<i>Thompson Policy Index</i>			<i>0.14</i>	<i>-2.98</i>	<i>2.65</i>	<i>-2.98</i>	<i>2.65</i>	<i>3.03</i>	<i>2.23</i>	<i>4.28</i>	<i>5.96</i>	
Excess Return			0.43	1.03	1.79	1.03	1.79	0.62	1.26	0.78	0.27	
Real Estate												
JP Morgan	147,417,465	8.37	0.75	2.16	8.38	2.16	8.38	11.55	12.52	6.52	8.30	Apr-2005
<i>NCREIF Fund Index - ODCE (VW) [M]</i>			<i>0.00</i>	<i>0.00</i>	<i>6.52</i>	<i>0.00</i>	<i>6.52</i>	<i>11.29</i>	<i>11.74</i>	<i>5.60</i>	<i>7.46</i>	
Excess Return			0.75	2.16	1.86	2.16	1.86	0.26	0.78	0.92	0.84	
Principal Global Investments	46,438,785	2.64	0.77	2.69	9.97	2.69	9.97	12.82	-	-	13.27	Apr-2013
<i>NCREIF Fund Index - ODCE (VW) [M]</i>			<i>0.00</i>	<i>0.00</i>	<i>6.52</i>	<i>0.00</i>	<i>6.52</i>	<i>11.29</i>	<i>-</i>	<i>-</i>	<i>12.00</i>	
Excess Return			0.77	2.69	3.45	2.69	3.45	1.53	-	-	1.27	
MLPs/Energy												
Harvest MLP	52,337,528	2.97	3.70	1.73	19.97	1.73	19.97	-0.56	8.36	-	10.14	Mar-2011
<i>S&P MLP Index</i>			<i>4.93</i>	<i>3.32</i>	<i>21.95</i>	<i>3.32</i>	<i>21.95</i>	<i>-5.18</i>	<i>3.03</i>	<i>-</i>	<i>3.82</i>	
Excess Return			-1.23	-1.59	-1.98	-1.59	-1.98	4.62	5.33	-	6.32	
Tortoise MLP	51,645,259	2.93	4.57	3.03	16.46	3.03	16.46	-0.25	8.02	-	9.66	Mar-2011
<i>S&P MLP Index</i>			<i>4.93</i>	<i>3.32</i>	<i>21.95</i>	<i>3.32</i>	<i>21.95</i>	<i>-5.18</i>	<i>3.03</i>	<i>-</i>	<i>3.82</i>	
Excess Return			-0.36	-0.29	-5.49	-0.29	-5.49	4.93	4.99	-	5.84	
Cash	3,450,316	0.20	0.06	0.15	0.37	0.15	0.37	0.74	0.73	2.59	8.41	Dec-1998

City of Jacksonville Police & Fire Pension Fund

Asset Allocation & Performance Net of Fees

December 31, 2016

			Performance(%)							
	Asset \$	Asset %	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund Composite	1,761,877,299	100.00	1.18	1.02	8.00	1.02	8.00	4.04	8.59	5.23
<i>Total Fund Policy</i>			<i>1.57</i>	<i>0.98</i>	<i>8.76</i>	<i>0.98</i>	<i>8.76</i>	<i>4.79</i>	<i>8.85</i>	<i>5.12</i>
Excess Return			-0.39	0.04	-0.76	0.04	-0.76	-0.75	-0.26	0.11
Total Equity	1,078,853,317	61.23	1.29	1.72	8.62	1.72	8.62	3.55	10.54	-
US Equity	753,543,701	42.77	1.14	3.93	10.61	3.93	10.61	6.00	12.92	6.80
<i>US Equity Index</i>			<i>1.95</i>	<i>4.21</i>	<i>12.74</i>	<i>4.21</i>	<i>12.74</i>	<i>8.43</i>	<i>14.67</i>	<i>7.16</i>
Excess Return			-0.81	-0.28	-2.13	-0.28	-2.13	-2.43	-1.75	-0.36
International Equity	325,309,615	18.46	1.60	-2.53	4.64	-2.53	4.64	-1.19	5.76	0.34
<i>International Equity Index</i>			<i>2.59</i>	<i>-1.20</i>	<i>5.01</i>	<i>-1.20</i>	<i>5.01</i>	<i>-1.32</i>	<i>5.48</i>	<i>0.77</i>
Excess Return			-0.99	-1.33	-0.37	-1.33	-0.37	0.13	0.28	-0.43
Fixed Income	381,734,630	21.67	0.46	-1.88	4.30	-1.88	4.30	3.18	2.43	4.35
<i>Blmbg. Barc. U.S. Aggregate</i>			<i>0.14</i>	<i>-2.98</i>	<i>2.65</i>	<i>-2.98</i>	<i>2.65</i>	<i>3.03</i>	<i>2.23</i>	<i>4.34</i>
Excess Return			0.32	1.10	1.65	1.10	1.65	0.15	0.20	0.01
Real Estate	193,856,250	11.00	0.75	2.25	7.98	2.25	7.98	10.88	11.63	7.07
<i>NCREIF Fund Index - ODCE (VW) [M]</i>			<i>0.00</i>	<i>0.00</i>	<i>6.52</i>	<i>0.00</i>	<i>6.52</i>	<i>11.29</i>	<i>11.74</i>	<i>5.60</i>
Excess Return			0.75	2.25	1.46	2.25	1.46	-0.41	-0.11	1.47
<i>NCREIF Property Index</i>			<i>0.00</i>	<i>0.00</i>	<i>6.13</i>	<i>0.00</i>	<i>6.13</i>	<i>10.38</i>	<i>10.54</i>	<i>6.75</i>
MLPs/Energy	103,982,786	5.90	4.13	2.27	17.42	2.27	17.42	-1.08	7.44	-
<i>S&P MLP Index</i>			<i>4.93</i>	<i>3.32</i>	<i>21.95</i>	<i>3.32</i>	<i>21.95</i>	<i>-5.18</i>	<i>3.03</i>	<i>-</i>
Excess Return			-0.80	-1.05	-4.53	-1.05	-4.53	4.10	4.41	-
Cash	3,450,316	0.20	0.06	0.15	0.37	0.15	0.37	0.74	0.73	2.41

City of Jacksonville Police & Fire Pension Fund

Asset Allocation & Performance Net of Fees

December 31, 2016

	Performance(%)											
	Asset \$	Asset %	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
US Equity												
NT S&P 500 Index Fund	255,601,490	14.51	1.98	3.83	11.99	3.83	11.99	8.91	14.66	6.93	5.36	Jan-1999
S&P 500			1.98	3.82	11.96	3.82	11.96	8.87	14.66	6.95	5.37	
Excess Return			0.00	0.01	0.03	0.01	0.03	0.04	0.00	-0.02	-0.01	
Eagle Capital Management	185,944,750	10.55	1.81	6.92	10.10	6.92	10.10	7.73	14.82	-	12.29	Apr-2011
Russell 1000 Value Index			2.50	6.68	17.34	6.68	17.34	8.59	14.80	-	11.61	
Excess Return			-0.69	0.24	-7.24	0.24	-7.24	-0.86	0.02	-	0.68	
Brown Investment Advisory	81,683,724	4.64	-0.73	-4.64	-2.62	-4.64	-2.62	3.87	-	-	5.20	Nov-2013
Russell 1000 Growth Index			1.24	1.01	7.08	1.01	7.08	8.55	-	-	10.01	
Excess Return			-1.97	-5.65	-9.70	-5.65	-9.70	-4.68	-	-	-4.81	
Sawgrass Asset Management	88,763,551	5.04	1.16	1.39	6.57	1.39	6.57	7.29	-	-	9.19	Nov-2013
Russell 1000 Growth Index			1.24	1.01	7.08	1.01	7.08	8.55	-	-	10.01	
Excess Return			-0.08	0.38	-0.51	0.38	-0.51	-1.26	-	-	-0.82	
Wedge Capital Mgmt	73,296,860	4.16	2.76	11.66	-	11.66	-	-	-	-	11.86	Sep-2016
Russell 2000 Value Index			4.13	14.07	-	14.07	-	-	-	-	14.97	
Excess Return			-1.37	-2.41	-	-2.41	-	-	-	-	-3.11	
Pinnacle	68,253,325	3.87	-0.04	3.19	4.48	3.19	4.48	4.05	14.14	-	20.18	Mar-2009
Russell 2500 Growth Index			0.89	2.60	9.73	2.60	9.73	5.45	13.88	-	19.39	
Excess Return			-0.93	0.59	-5.25	0.59	-5.25	-1.40	0.26	-	0.79	
International Equity												
NT EAFE Index Fund	75,166,610	4.27	3.43	-0.59	1.47	-0.59	1.47	-1.33	-	-	4.86	Apr-2012
MSCI EAFE Index (Net)			3.42	-0.71	1.00	-0.71	1.00	-1.60	-	-	4.59	
Excess Return			0.01	0.12	0.47	0.12	0.47	0.27	-	-	0.27	
Baillie Gifford	91,338,334	5.18	0.43	-6.77	1.42	-6.77	1.42	-2.87	7.01	-	3.30	Mar-2011
MSCI EAFE Growth Index (Net)			2.21	-5.53	-3.04	-5.53	-3.04	-1.20	6.67	-	2.77	
Excess Return			-1.78	-1.24	4.46	-1.24	4.46	-1.67	0.34	-	0.53	
Silchester	65,637,956	3.73	2.22	2.35	7.44	2.35	7.44	2.38	-	-	5.60	Sep-2013
MSCI EAFE Value Index (Net)			4.58	4.17	5.02	4.17	5.02	-2.14	-	-	2.16	
Excess Return			-2.36	-1.82	2.42	-1.82	2.42	4.52	-	-	3.44	
Acadian Emerging Mkts Equity II Fund	93,166,715	5.29	0.90	-2.73	12.98	-2.73	12.98	-1.73	-	-	-1.73	Jan-2014
MSCI Emerging Markets (Net)			0.22	-4.16	11.19	-4.16	11.19	-2.55	-	-	-2.55	
Excess Return			0.68	1.43	1.79	1.43	1.79	0.82	-	-	0.82	

City of Jacksonville Police & Fire Pension Fund

Asset Allocation & Performance Net of Fees

December 31, 2016

	Performance(%)											
	Asset \$	Asset %	1 Month	3 Month	CYTD	FYTD	1 Year	3 Year	5 Year	10 Year	Since Inception	Inception Date
Fixed Income												
NTGI Aggregate Bond Index	60,892,742	3.46	0.13	-3.06	2.62	-3.06	2.62	3.05	-	-	1.91	Feb-2013
Blmbg. Barc. U.S. Aggregate			0.14	-2.98	2.65	-2.98	2.65	3.03	-	-	1.96	
Excess Return			-0.01	-0.08	-0.03	-0.08	-0.03	0.02	-	-	-0.05	
Eaton Vance Instl Senior Loan Trust	111,107	0.01										
Neuberger Berman	160,274,896	9.10										
Thompson Siegel Fixed	160,455,885	9.11	0.57	-2.00	4.26	-2.00	4.26	3.47	3.31	4.94	6.18	Aug-1991
Thompson Policy Index			0.14	-2.98	2.65	-2.98	2.65	3.03	2.23	4.28	5.96	
Excess Return			0.43	0.98	1.61	0.98	1.61	0.44	1.08	0.66	0.22	
Real Estate												
JP Morgan	147,417,465	8.37	0.75	2.16	7.61	2.16	7.61	10.55	11.48	5.84	7.72	Apr-2005
NCREIF Fund Index - ODCE (VW) [M]			0.00	0.00	6.52	0.00	6.52	11.29	11.74	5.60	7.46	
Excess Return			0.75	2.16	1.09	2.16	1.09	-0.74	-0.26	0.24	0.26	
Principal Global Investments	46,438,785	2.64	0.77	2.55	9.17	2.55	9.17	11.94	-	-	12.36	Apr-2013
NCREIF Fund Index - ODCE (VW) [M]			0.00	0.00	6.52	0.00	6.52	11.29	-	-	12.00	
Excess Return			0.77	2.55	2.65	2.55	2.65	0.65	-	-	0.36	
MLPs/Energy												
Harvest MLP	52,337,528	2.97	3.70	1.73	19.30	1.73	19.30	-1.26	7.60	-	9.41	Mar-2011
S&P MLP Index			4.93	3.32	21.95	3.32	21.95	-5.18	3.03	-	3.82	
Excess Return			-1.23	-1.59	-2.65	-1.59	-2.65	3.92	4.57	-	5.59	
Tortoise MLP	51,645,259	2.93	4.57	2.83	15.58	2.83	15.58	-1.01	7.22	-	8.93	Mar-2011
S&P MLP Index			4.93	3.32	21.95	3.32	21.95	-5.18	3.03	-	3.82	
Excess Return			-0.36	-0.49	-6.37	-0.49	-6.37	4.17	4.19	-	5.11	
Cash	3,450,316	0.20	0.06	0.15	0.37	0.15	0.37	0.74	0.73	2.41	8.30	Dec-1998

City of Jacksonville Police & Fire Pension Fund

Benchmark Composition Total Fund & US Equity & International Equity

As of December 31, 2016

Total Fund Policy Index

Mar-2016

Russell 3000 Index
MSCI AC World ex USA (Net)
Blmbg. Barc. U.S. Aggregate
NCREIF Fund Index-Open End Diversified Core Equit
S&P MLP Index

Mar-2013

Russell 3000 Index
MSCI AC World ex USA (Net)
Blmbg. Barc. U.S. Aggregate
NCREIF Fund Index-Open End Diversified Core Equit
S&P MLP Index

Apr-2012

Russell 3000 Index
MSCI AC World ex USA (Net)
Blmbg. Barc. U.S. Aggregate
NCREIF Fund Index-Open End Diversified Core Equit
S&P MLP Index

Jun-2011

Russell 3000 Index
MSCI EAFE Index
Blmbg. Barc. U.S. Aggregate
NCREIF Fund Index-Open End Diversified Core Equit
S&P MLP Index

Jul-2009

Russell 3000 Index
MSCI EAFE Index
Blmbg. Barc. U.S. Aggregate
NCREIF Fund Index-Open End Diversified Core Equit

Oct-2008

Dow Jones US Total Stock Market Index
MSCI EAFE Index
BofA Merrill Lynch Gov Corp Master
NCREIF Fund Index-Open End Diversified Core Equit

Apr-1989

Dow Jones US Total Stock Market Index
MSCI EAFE Index
BofA Merrill Lynch Gov Corp Master
NCREIF Fund Index-Open End Diversified Core Equit

US Equity Index

(%)

Jul-2009

Russell 3000 Index 100.00

Jan-1988

Dow Jones US Total Stock Market Index 100.00

International Equity Index

(%)

Oct-2009

MSCI AC World ex USA 100.00

Feb-1999

MSCI EAFE Index 100.00

Thompson Siegal Policy

(%)

Oct-2009

Blmbg. Barc. U.S. Aggregate 100.00

Dec-1975

BofA Merrill Lynch Gov Corp Master 100.00

City of Jacksonville Police & Fire Fund
Asset Allocation as of December 31, 2016

	% Current Target	% Actual	% Difference from Current Target	\$ Current Target	\$ Actual	\$ Difference
A. Total Equity	59.00%	61.23%	2.23%	\$1,039,507,606	\$1,078,853,317	\$39,345,710
1. Domestic Large Cap Equity (70% of Domestic)	31.40%	34.74%	3.34%	553,229,472	611,993,516	58,764,044
NT S&P 500 Index Fund		14.51%	14.51%		255,601,490	255,601,490
Eagle Capital Management		10.55%	10.55%		185,944,750	185,944,750
Brown Advisory		4.64%	4.64%		81,683,724	81,683,724
Sawgrass Asset Management		5.04%	5.04%		88,763,551	88,763,551
2. Domestic Small/Mid Cap Equity (30% of Domestic)	7.60%	8.03%	0.43%	133,902,675	141,550,186	7,647,511
Wedge Capital Mgmt		4.16%	4.16%		73,296,860	73,296,860
Pinnacle		3.87%	3.87%		68,253,325	68,253,325
3. International Equity Developed	14.00%	13.18%	(0.82%)	246,662,822	232,142,900	(14,519,922)
NT EAFE Index Fund		4.27%	4.27%		75,166,610	75,166,610
Baillie Gifford		5.18%	5.18%		91,338,334	91,338,334
Silchester		3.73%	3.73%		65,637,956	65,637,956
4. International Emerging Markets	6.00%	5.29%	(0.71%)	105,712,638	93,166,715	(12,545,923)
Acadian Emerging Markets		5.29%	5.29%		93,166,715	93,166,715
B. Total Fixed Income	20.50%	21.86%	1.36%	\$361,184,846	\$385,184,946	\$24,000,100
1. Core Fixed Income	4.00%	12.56%	8.56%	70,475,092	221,348,627	150,873,535
NTGI Aggregate Bond Index		3.46%	3.46%		60,892,742	60,892,742
Thompson Siegel Fixed		9.11%	9.11%		160,455,885	160,455,885
2. Core Plus	15.50%	9.10%	(6.40%)	273,090,981	160,274,896	(112,816,086)
Neuberger Berman		9.10%	9.10%		160,274,896	160,274,896
3. Senior Bank Notes	0.00%	0.01%	0.01%	0	111,107	111,107
Eaton Vance Instl Senior Loan Trust		0.01%	0.01%		111,107	111,107
5. Emerging Market Debt	0.00%	0.00%	0.00%	0	0	0
Manager TBD		0.00%	0.00%		0	0
6. Cash/Paid Receipts	1.00%	0.20%	(0.80%)	17,618,773	3,450,316	(14,168,457)
C. Total Real Assets	20.50%	16.90%	(3.60%)	\$361,184,846	\$297,839,036	(\$63,345,810)
1. Real Estate	15.00%	11.00%	(4.00%)	264,281,595	193,856,250	(70,425,345)
JPM RE Strategic Property	5.00%	8.37%	3.37%	88,093,865	147,417,465	59,323,600
Principal Global Investments	5.00%	2.64%	(2.36%)	88,093,865	46,438,785	(41,655,080)
Non-Core Real Estate (TBD)	5.00%	0.00%	(5.00%)	88,093,865	0	(88,093,865)
2. MLPs / Timber / Commodities	5.50%	5.90%	0.40%	96,903,251	103,982,786	7,079,535
Harvest MLP		2.97%	2.97%		52,337,528	52,337,528
Tortoise MLP		2.93%	2.93%		51,645,259	51,645,259
D. TOTAL FUND	100.00%	100.00%			\$1,761,877,299	

DISCLAIMER

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Summit Strategies Group

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Funding of Neuberger Berman (Core Plus Fixed Income)

**City of Jacksonville
Police & Fire Pension Fund**

January 20, 2017

EXECUTIVE SUMMARY

Neuberger Berman Funding

- On December 22, Neuberger Berman was funded with \$159,639,490 in cash (sourced from a partial redemption of the NTGI Aggregate Bond Index Fund, termination of Eaton Vance Bank Loans, and a portion of the \$144,745,000 contribution).
- By the end of the year, the portfolio had been fully built, and had grown to a market value of over \$160 million.
- At year-end, the portfolio was structured as follows:

Sector	%
U.S. High Yield	13%
U.S. TIPS	11%
U.S. IG Credit	23%
U.S. Treasuries	14%
Global Treasuries	2%
U.S. MBS	28%
U.S. Agencies	2%
CMBS	3%
Cash	4%

Note: Summit Strategies Group (Summit) has prepared this report for the exclusive use by its clients. The information herein was obtained from various sources, which Summit believes to be reliable, and may contain opinions developed by Summit. Summit does not guarantee the accuracy or completeness of the opinions, observations or other information contained in this report. The opinions, market commentary, portfolio holdings and characteristics are as of the date shown and are subject to change. Past performance is no guarantee of future performance. No graph, chart, or formula can, in and of itself, be used to determine which managers or investments to buy or sell. Any forward-looking projection contained herein is based on assumptions that Summit believes may be reasonable, but are subject to a wide range of risks, uncertainties and the possibility of loss. Accordingly, there is no assurance that any estimated performance figures will occur in the amounts and during the periods indicated, or at all. Actual results and performance will differ from those expressed or implied by such forward-looking projections. Any information contained in this report is for information purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting or investment management.

2016 REVIEW: EQUITY MARKETS

2016 Performance

2016	Total Return	Dividends	Change in P/E	EPS Growth	Currency
Russell 1000	12.1%	2.1%	10.9%	-1.0%	--
Russell 2000	21.3%	1.5%	29.5%	-7.7%	--
MSCI EAFE	1.0%	2.9%	7.5%	-4.8%	-4.1%
MSCI EM	11.2%	2.4%	1.2%	5.8%	1.4%

- US small cap stocks led all markets despite a decrease in earnings year-over-year.
- Valuations increased across markets, most notably in the US.
- Emerging markets were the only region with positive earnings growth in 2016.

Valuation/Forward-Looking

	Trailing 12m P/E and P/B	P/E and P/B vs. ACWI	CAPE*	Average
Russell 1000	64%	74%	52%	63%
Russell 2000	78%	79%	91%	83%
MSCI EAFE	47%	15%	33%	32%
MSCI EM	38%	28%	7%	24%

Figures represent current percentile ranking of each metric compared to observations for each asset class over the past 20 years, with 100% being the highest (most overvalued) and 0% being the lowest (most undervalued).

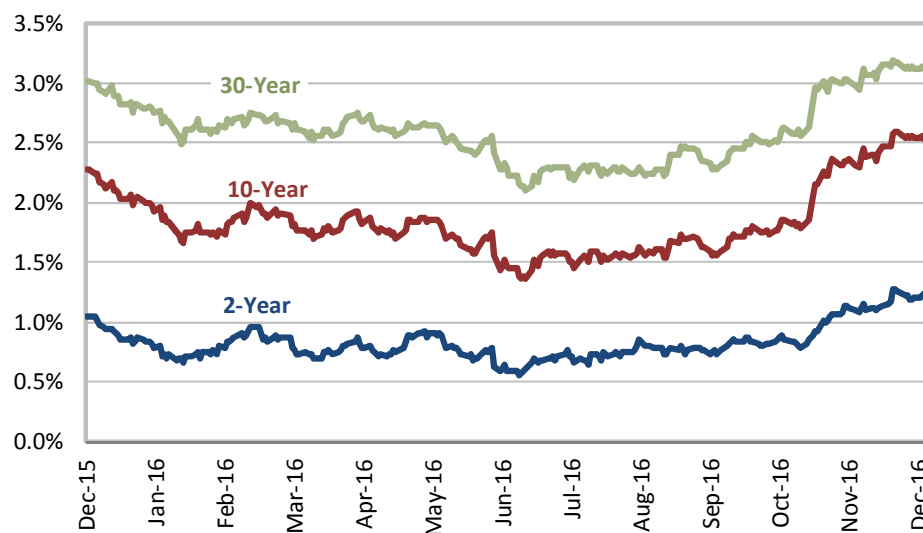
* CAPE is cyclically-adjusted P/E, which compares prices to past 10 years' earnings, and is as of 9/30/2016.

- US equity valuations remain elevated, with large cap and small cap P/E ratios nearing the top 25% of observations over the past 20+ years.
- Conversely, international valuations remain compelling from a long-term forward-looking return perspective.

2016 REVIEW: FIXED INCOME MARKETS

- Yields ended modestly higher across the curve compared to the end of 2015, but remain well below historical average levels.
- Fixed income benchmark returns were positive, with the highest returns coming from volatile sectors such as high yield.
- From a forward-looking perspective, the long end of the yield curve remains relatively rich while credit spreads are generally near average levels.

Change in Treasury Yields in 2016



2016 Performance

Index	Sector	2016 Return
Blmbg. Barc. US Aggregate	US Core	2.6%
Blmbg. Barc. US Universal	US Core Plus	3.9%
Blmbg. Barc. US TIPS	TIPS	4.8%
Blmbg. Barc. US High Yield	US High Yield	17.1%
Credit Suisse Lev. Loan	Bank Loans	9.9%
JPM GBI-EM Global Div.	EM Debt	9.9%
Blmbg. Barc. Agg. ex USD	Int'l Bonds	1.5%

Valuation/Forward-Looking

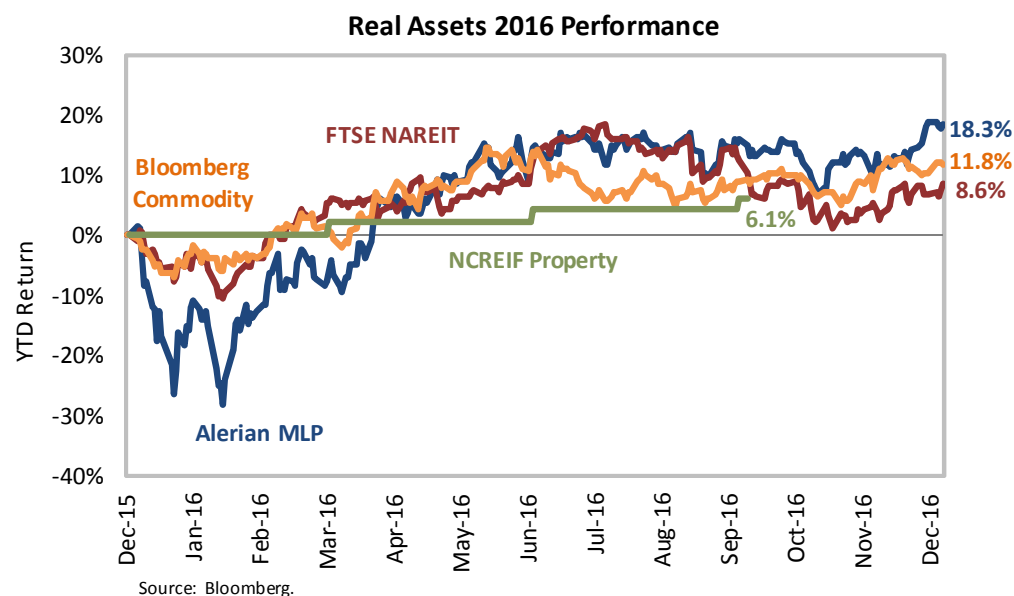
	Asset	Dec-15	Dec-16	20-Yr Avg	Percentile
Yields	5-Year Treasury	1.8%	1.9%	3.3%	68%
	10-Year Treasury	2.3%	2.4%	3.9%	79%
	30-Year Treasury	3.0%	3.1%	4.5%	84%
Spreads vs. Agg	Core Plus	0.6%	0.4%	0.4%	54%
	High Yield	6.2%	3.5%	4.9%	68%
	Bank Loans	4.3%	4.0%	4.1%	45%
	EM Debt	4.5%	4.2%	3.3%	27%
Inflation	10-Year Breakevens	1.6%	2.0%	2.0%	60%

Figures represent current percentile ranking of each metric compared to observations over the past 20 years for each asset class, with 100% being the lowest (most overvalued) and 0% being the highest (most undervalued).

2016 REVIEW: REAL ASSETS

- Real assets generally performed well in 2016, led by master limited partnerships (MLPs).
- Income and price appreciation both contributed to gains across real assets.
- Valuations vary across asset classes; for example, commodity prices remain near the lowest they have been over the past 20 years while core real estate cap rates are the lowest they have been over the same period.

2016 Performance



2016 Attribution

2016	Total Return	Distributions	Price
Alerian MLP	18.3%	8.4%	9.1%
FTSE NAREIT	8.6%	3.7%	4.8%
NCREIF Property*	6.1%	3.6%	2.5%
Bloomberg Commodity	11.8%	--	--

*As of 9/30/2016.

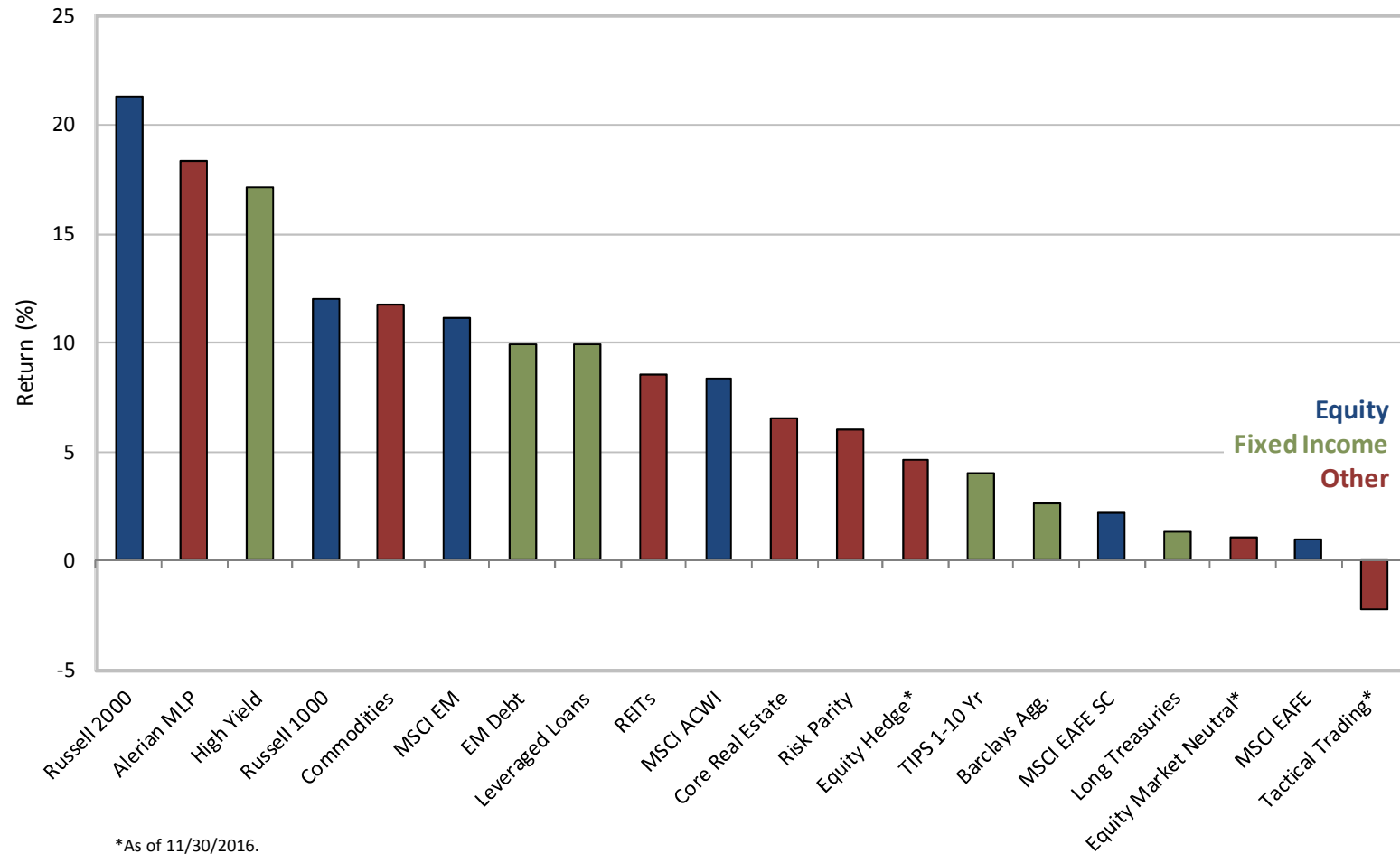
Valuation/Forward-Looking

	Dec-15	Dec-16	20-Year Avg	Percentile
Alerian Yield	8.4%	7.1%	7.4%	51%
FTSE Yield	4.1%	4.0%	5.2%	65%
NCREIF Cap Rate*	5.1%	5.1%	6.9%	100%
Bloomberg Commodity	0.33	0.36	0.64	5%

*As of 9/30/2016.

Valuations are based on current metrics compared to data from the past 20 years, with 0% being the most undervalued and 100% being the most overvalued. Valuation metric for Bloomberg Commodity Index is inflation-adjusted commodity price.




2016 ASSET CLASS RETURNS



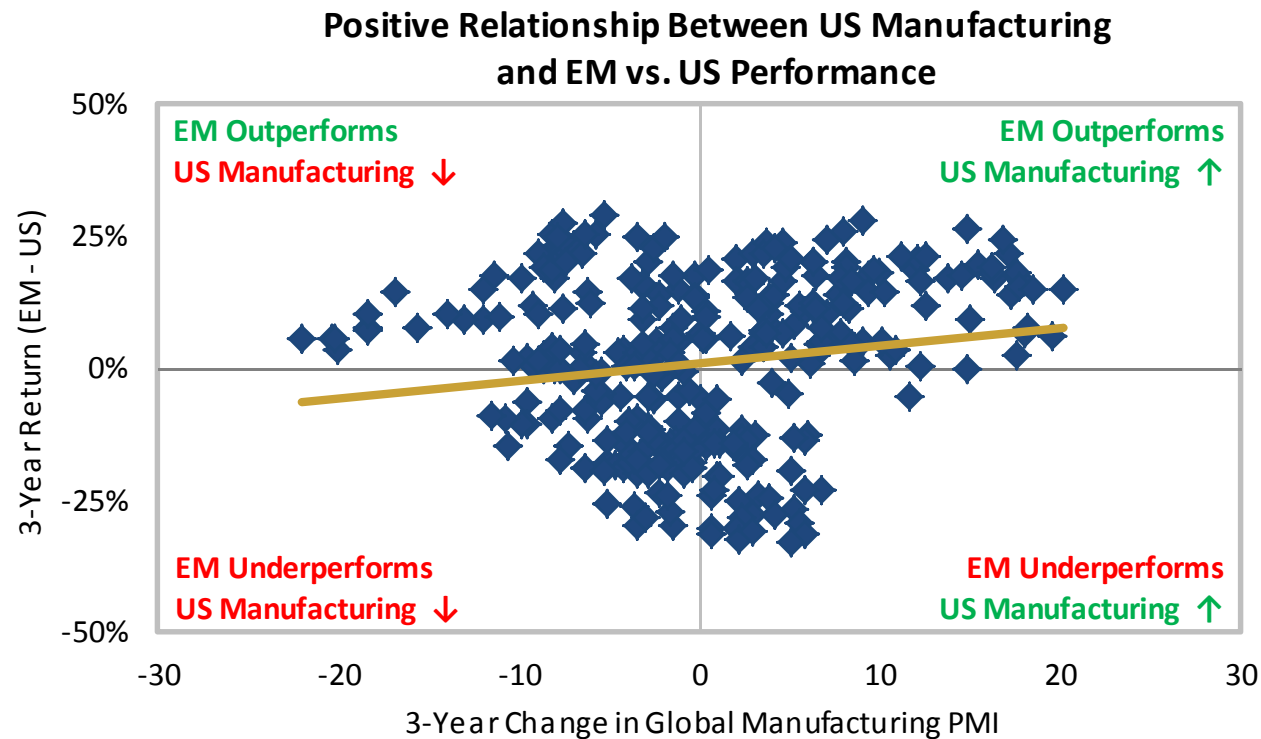
*As of 11/30/2016.

TRUMP IMPACT ON EMERGING MARKETS

- With the election of Donald Trump, many investors are questioning or revisiting their investments in emerging markets.
- Trump's rhetoric and proposed policies are undoubtedly "America first", but a further analysis shows that most of the intended outcomes of a Trump economy have either unclear or positive implications for emerging markets.

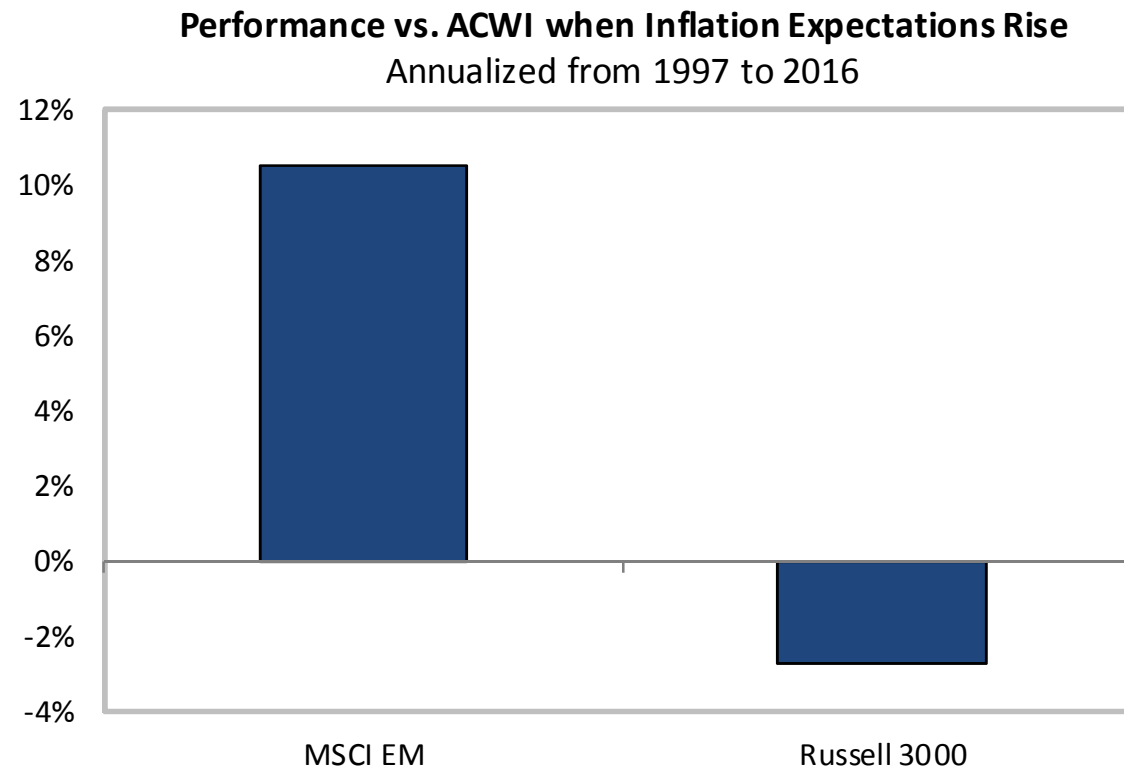
Policy	Emerging Markets	Comments
Protective Trade Policy		There are warranted concerns over the implications of reduced trade for emerging markets.
Increased US Growth and Inflation		Emerging markets have benefitted from periods of rising US growth and inflation.
Market Reaction to-date		The market has traded on fears of reduced global trade and not increasing global growth from stimulative US policies.

- Importantly, emerging market valuations remain compelling and are a tailwind for long-term investors looking forward.

TRUMP IMPACT ON EMERGING MARKETS: INCREASING US GROWTH AND EM RELATIVE PERFORMANCE

- The Trump administration has proposed policies that are aimed to increase growth, specifically in the US.
- Historically, when US manufacturing activity has increased, emerging market equity has outperformed US.
 - US manufacturing is measured by the Purchasing Managers' Index, which surveys those in charge of making purchasing decisions at US manufacturing companies.

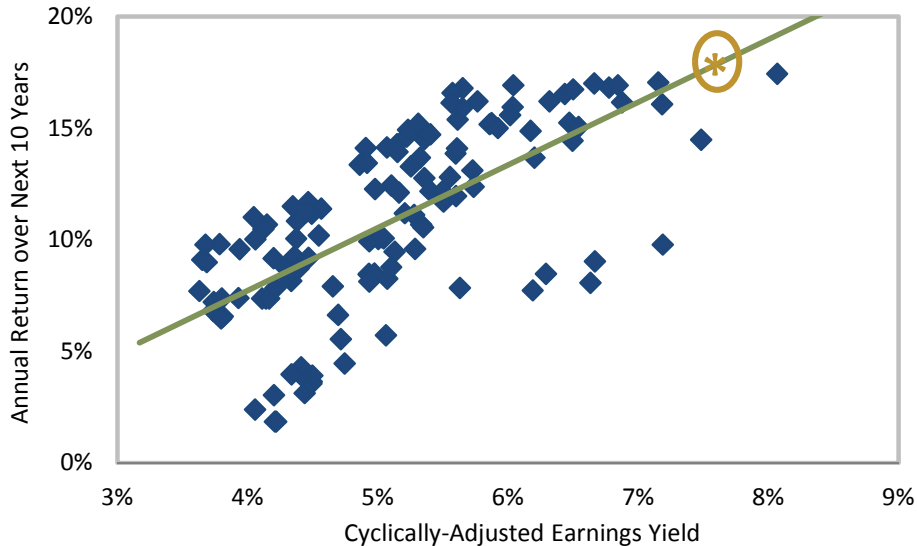
TRUMP IMPACT ON EMERGING MARKETS: INFLATION



- Trump's proposed policies are also expected to be inflationary.
- During periods in which inflation expectations have increased, emerging markets have been among the best-performing asset classes.

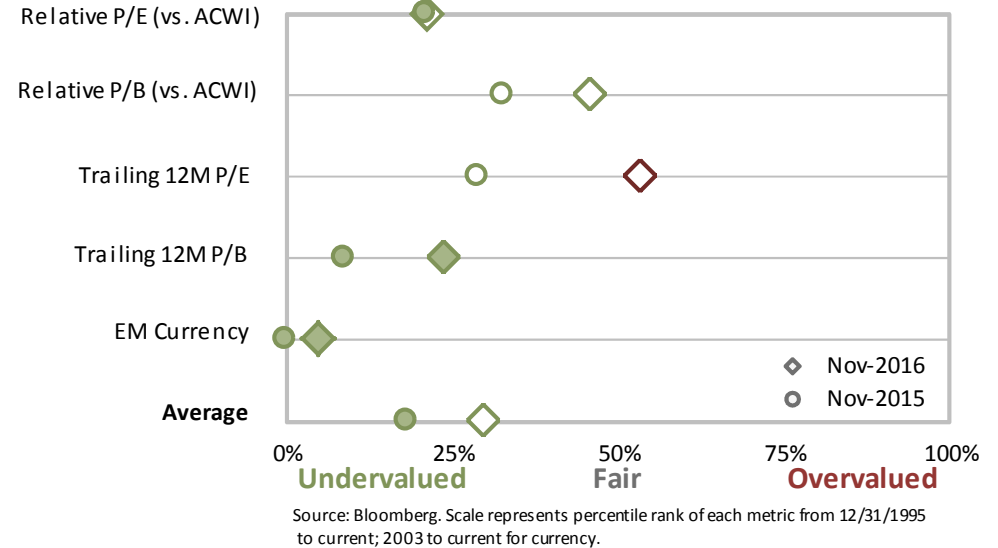
EMERGING MARKET VALUATIONS ARE ATTRACTIVE

Cyclically-Adjusted Earnings Yield: MSCI EM



- Investing in emerging markets when cyclically-adjusted earnings yields are high has led to strong future returns.
- Today's yield of 7.7% implies a return of 15-20% per year for emerging market equities over the next ten years.

Valuation Metrics



- Across various valuation metrics emerging markets appear attractive, particularly versus developed equity markets.
- This includes currency, which impacts the returns of emerging market investments from a US investor's perspective.

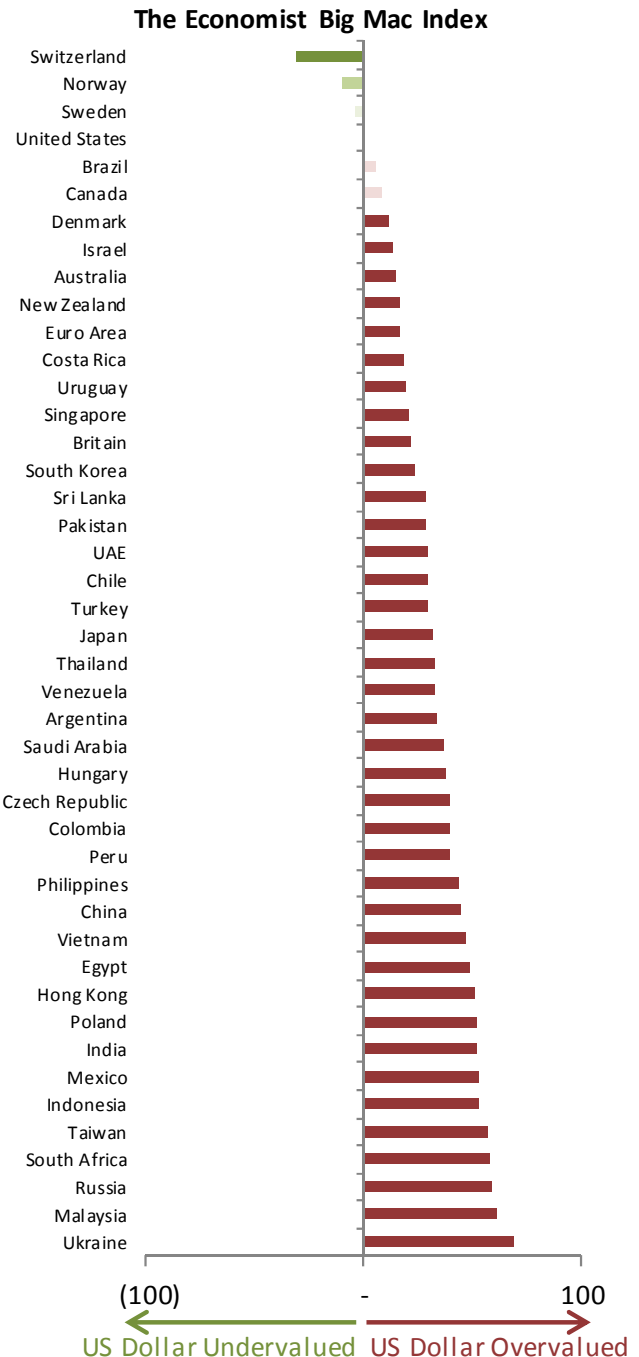
US DOLLAR VALUATION

Base vs. US Dollar	Consumer PPP % Under/Over Valued	Producer PPP % Under/Over Valued
Australian Dollar	-7%	6%
Canadian Dollar	11%	9%
Swiss Franc	-10%	7%
Danish Krone	7%	6%
Euro	9%	13%
British Pound	9%	24%
Japanese Yen	25%	29%
Norwegian Krone	20%	-59%
New Zealand Dollar	-17%	-33%
Swedish Krona	34%	27%

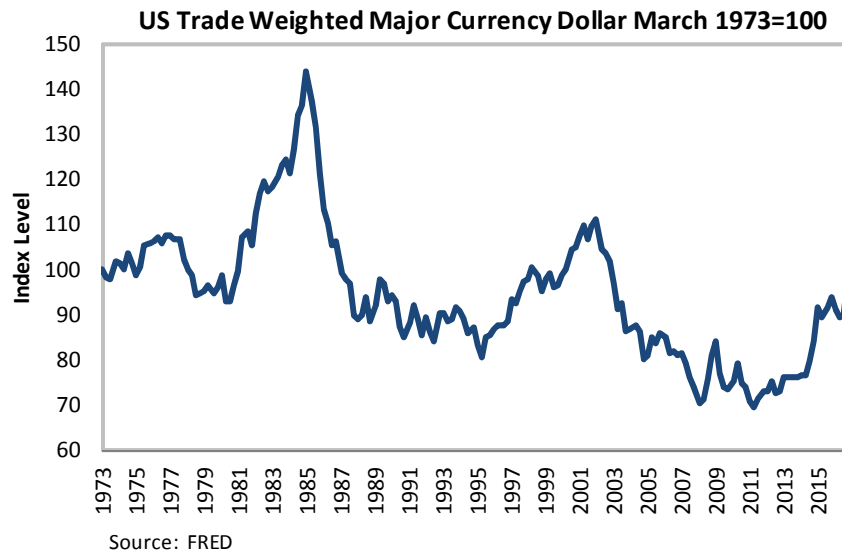
Red = US Dollar Overvalued

Green = US Dollar Undervalued

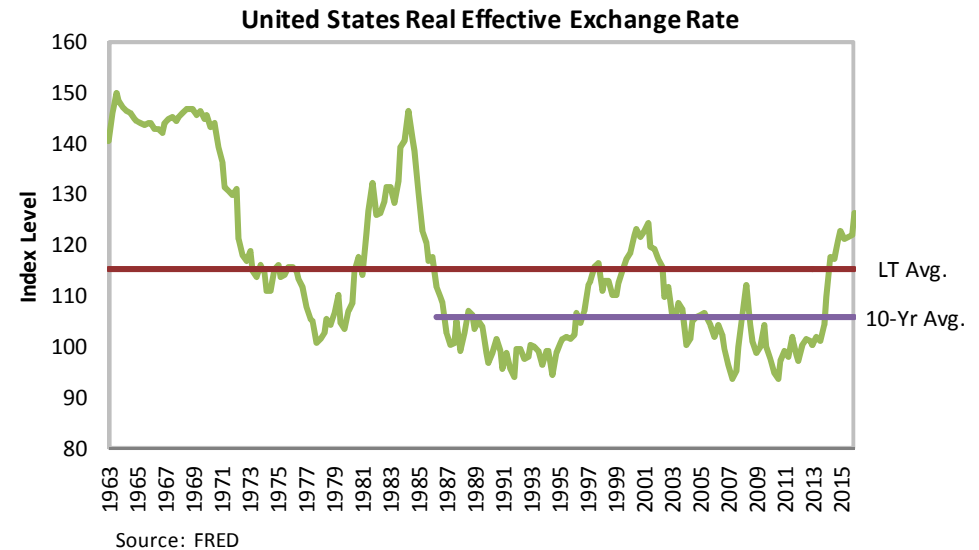
- Through comparison of the value of a basket of both consumer and producer goods across different countries, the US Dollar appears to be highly relatively valued.
- On a GDP weighted basis, this model implies that the US Dollar is 11% overvalued on consumer and 15% overvalued on producer.



US DOLLAR VALUATION



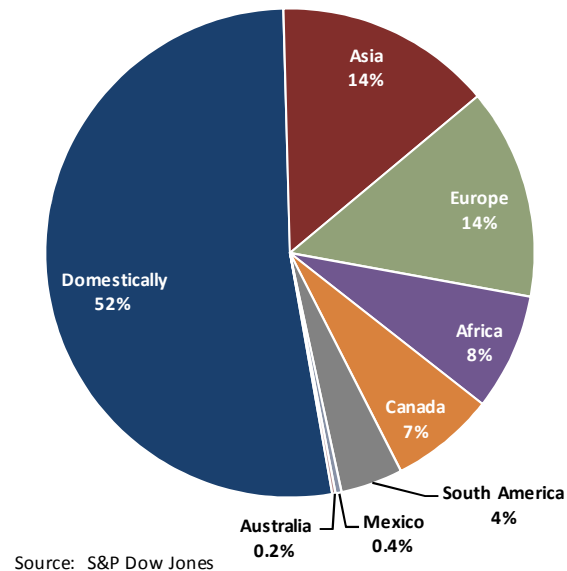
- On a trade-weighted basis, the US Dollar has appreciated 35% since it troughed in 2011.
- Following this move, the US Dollar is back at levels similar to the late 1980s and early 1990s.
- The US Dollar remains significantly lower than the peaks reached during the US Fed's 1980s hiking cycle and the Tech bubble.



- On an inflation adjusted basis, the US Dollar has reached the peak of the Tech Bubble, but remains significantly lower than the 1980s hiking cycle.
- Based on the REER model, the US Dollar is trading 20% higher than its trailing 10-year value and 10% higher than its long-term value.

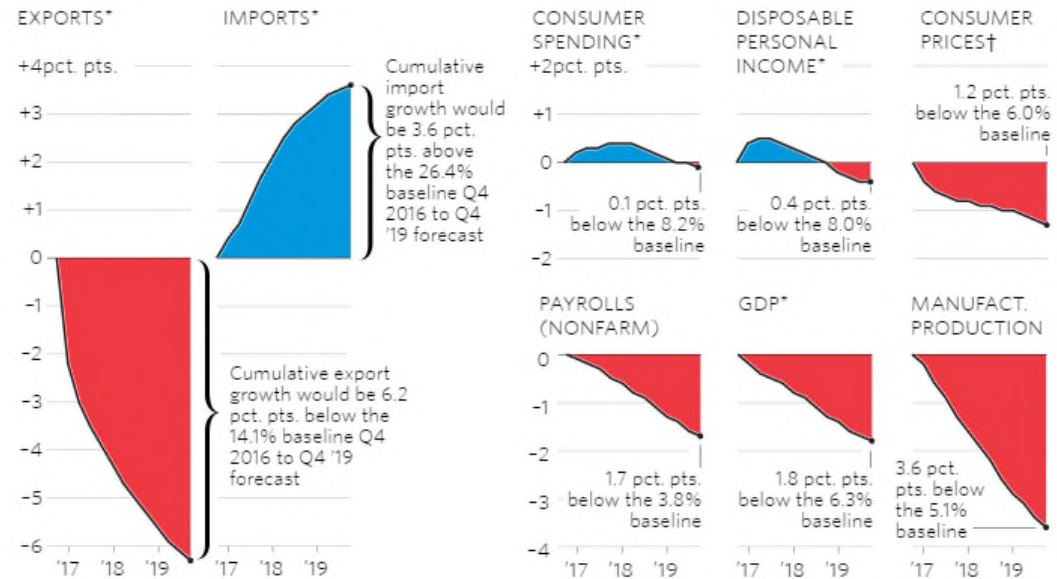
IMPLICATIONS OF STRONG US DOLLAR

S&P 500 Revenue Source



- Approximately 48% of revenues generated by companies in the S&P 500 Index are sourced from outside of the United States.
- This opens US corporate fundamentals to exchange rate volatility.

Forecasted Impact of 10% US Dollar Increase



Source: Macroeconomic Advisors

- Forecasts call for slower US growth and a deterioration in economic conditions if the US dollar appreciates further.
- The primary driver of this forecast is the expectation that US companies will be uncompetitive exporters into faster growing developing economies.