



Date: June 19, 2015  
To: Board of Trustees, Jacksonville Police & Fire Pension Fund  
From: Dan Holmes  
Subject: Asset Allocation Recommendation

**2015-6-2(b)**  
*attachment*

As more fully described in the accompanying presentation titled, Target Asset Allocation Review, Summit Strategies is recommending the following changes to the asset allocation targets contained in the Pension Fund's Investment Policy:

- A 5% reduction in fixed income (2.5% TIPS and 2.5% Core Fixed Income) and a 5% reduction in domestic equity (1.5% small/mid cap and 3.5% large cap) to fund a new allocation of 5% invested in private equity and a new allocation of 5% invested in private real assets/natural resources.

In order to implement these target asset allocation changes, Summit Strategies recommends the following changes to the indicated investment managers and their target allocations:

- Reduce the Northern TIPS Index fund by 2.5% (note: this will eliminate the allocation to TIPS);
- Reduce the Northern Aggregate Bond Index fund by 2.5%;
- Reduce DRZ by 1.5%; and
- Reduce the Northern S&P 500 Index fund by 3.5%.

Please note these changes will occur once private equity and private real asset/natural resources managers have been identified, the Pension Fund has made commitments, and the managers begin to call capital.

Please let me know if you have any questions.