



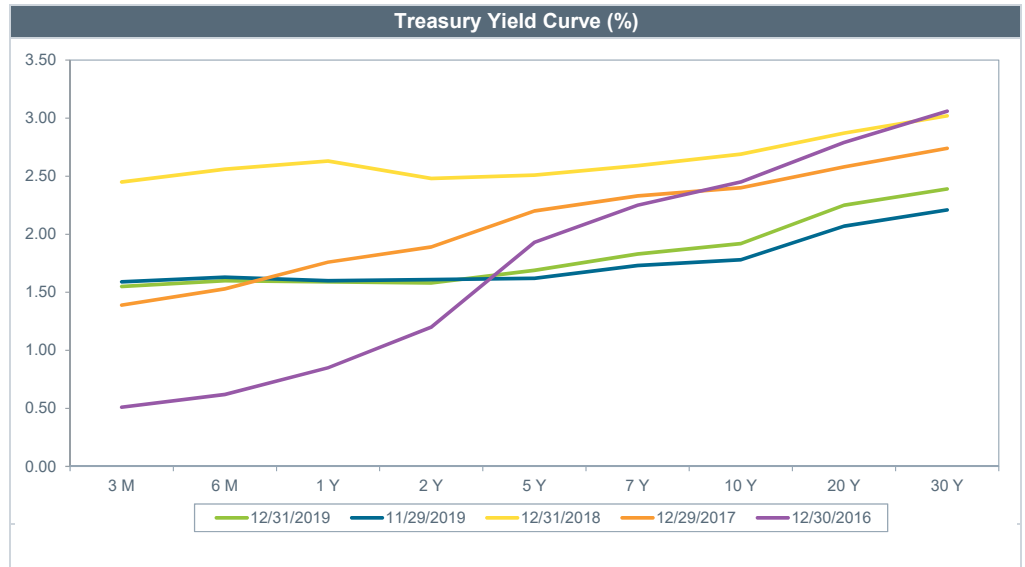
Monthly Investment Performance Analysis

City of Jacksonville Police and Fire Pension Fund

Period Ended: December 31, 2019



General Market Commentary	
•	The Federal Reserve left policy rates unchanged at the December meeting, citing concerns of muted inflation amidst a strong labor market. Chairman Powell noted that interest rates would likely remain steady throughout 2020 barring "material" changes to the economic outlook in the US or abroad.
•	The US and China agreed to a "Phase 1" trade deal in mid-December, though the deal is not expected to be finalized until January 2020. The two nations agreed to cancel December tariffs on \$160 billion of Chinese consumer goods, cut tariffs enacted in September by 50%, and China committed to purchase additional US agricultural exports.
•	US Treasury yields rose, and global equity markets rallied in December driven by the US/China trade agreement news, stronger than anticipated US economic data, and expectations for continued accommodative monetary policy over 2020 based on Chairman Powell's comments.
•	Equity markets posted positive returns in December as the S&P 500 (Cap Wtd) Index returned 3.02% and the MSCI EAFE (Net) Index returned 3.25%. Emerging markets returned 7.46% as measured by the MSCI EM (Net) Index.
•	The Bloomberg US Aggregate Bond Index returned -0.07% in December, underperforming the -0.03% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.83%, 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 -0.60% in December and 7.21% over the trailing five-year period.
•	The Cambridge US Private Equity Index returned 10.49% for the trailing one-year period and 11.73% for the trailing five-year period ending June 2019.
•	Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 1.64% for the month and 8.33% over the trailing one-year period.
•	Crude oil's price increased by 10.68% during the month, and has increased by 34.46% YoY.



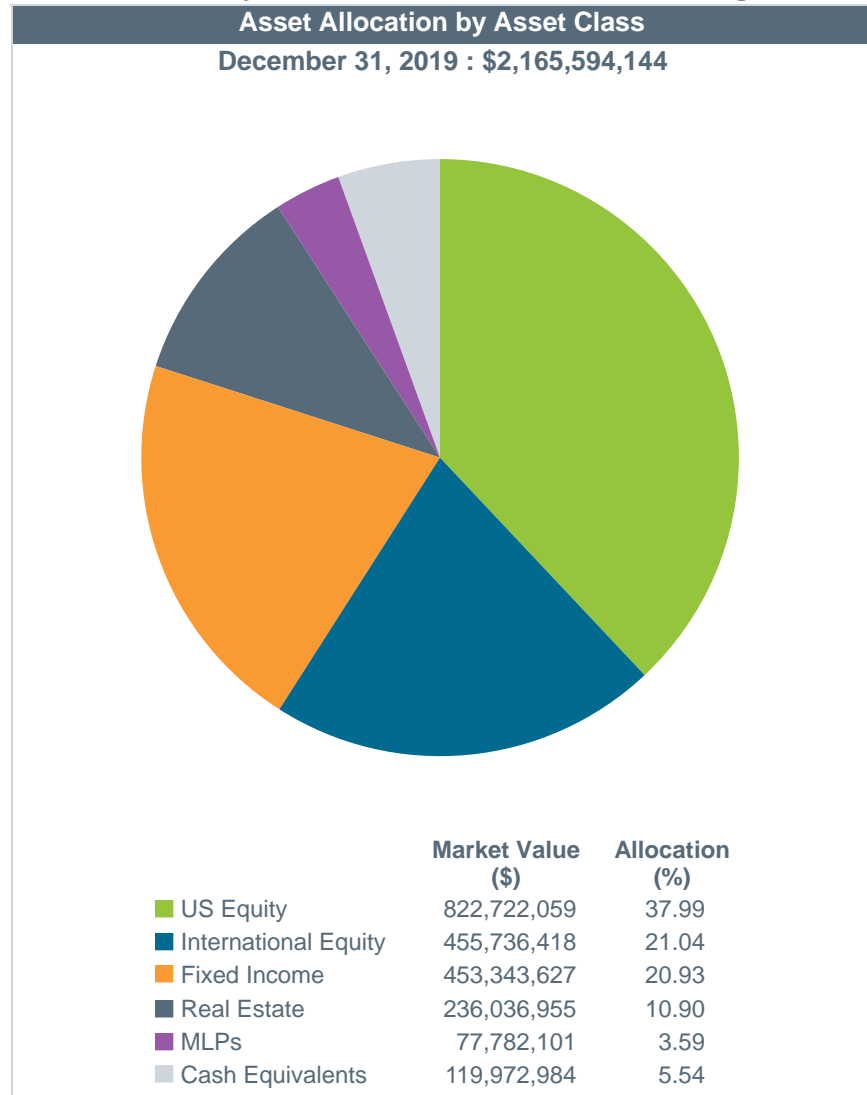
Economic Indicators	Dec-19	Nov-19	Dec-18	10 Yr	20 Yr
Federal Funds Rate (%)	1.55 ▼	1.56	2.40	0.61	1.79
Breakeven Inflation - 5 Year (%)	1.70 ▲	1.53	1.49	1.75	1.85
Breakeven Inflation - 10 Year (%)	1.79 ▲	1.63	1.71	2.00	2.03
Breakeven Inflation - 30 Year (%)	1.81 ▲	1.71	1.82	2.13	2.26
Bloomberg US Agg Bond Index - Yield (%)	2.31 ▲	2.30	3.28	2.51	3.79
Bloomberg US Agg Bond Index - OAS (%)	0.39 ▼	0.44	0.54	0.52	0.63
Bloomberg US Agg Credit Index - OAS (%)	0.90 ▼	1.00	1.43	1.32	1.46
Bloomberg US Corp: HY Index - OAS (%)	3.36 ▼	3.70	5.26	4.81	5.46
Capacity Utilization (%)	77.02 ▼	77.37	79.46	76.67	77.10
Unemployment Rate (%)	3.5 —	3.5	3.9	6.2	5.9
PMI - Manufacturing (%)	47.8 ▼	48.1	55.0	54.2	52.7
Baltic Dry Index - Shipping	1,090 ▼	1,528	1,271	1,278	2,326
Consumer Conf (Conf Board)	128.20 ▲	126.80	126.60	91.33	92.56
CPI YoY (Headline) (%)	2.3 ▲	2.1	1.9	1.8	2.2
CPI YoY (Core) (%)	2.3 —	2.3	2.2	1.8	2.0
PPI YoY (%)	1.9 ▲	1.1	1.3	1.8	2.3
M2 YoY (%)	6.7 ▼	7.1	3.6	5.9	6.2
US Dollar Total Weighted Index	90.82 ▼	92.71	91.79	82.87	86.07
WTI Crude Oil per Barrel (\$)	61 ▲	55	45	72	62
Gold Spot per Oz (\$)	1,517 ▲	1,464	1,282	1,348	935

Treasury Yield Curve (%)	Dec-19	Nov-19	Dec-18	Dec-17	Dec-16			
3 Month	1.55	1.59	2.45	1.39	0.51			
6 Month	1.60	1.63	2.56	1.53	0.62			
1 Year	1.59	1.60	2.63	1.76	0.85			
2 Year	1.58	1.61	2.48	1.89	1.20			
5 Year	1.69	1.62	2.51	2.20	1.93			
7 Year	1.83	1.73	2.59	2.33	2.25			
10 Year	1.92	1.78	2.69	2.40	2.45			
20 Year	2.25	2.07	2.87	2.58	2.79			
30 Year	2.39	2.21	3.02	2.74	3.06			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	3.02	9.07	31.49	31.49	15.27	11.70	14.73	13.56
Russell 2000	2.88	9.94	25.53	25.53	8.59	8.23	11.65	11.83
MSCI EAFE (Net)	3.25	8.17	22.01	22.01	9.56	5.67	6.35	5.50
MSCI EAFE SC (Net)	4.37	11.52	24.96	24.96	10.92	8.85	9.42	8.74
MSCI EM (Net)	7.46	11.84	18.44	18.44	11.57	5.61	3.26	3.68
Bloomberg US Agg Bond	-0.07	0.18	8.72	8.72	4.03	3.05	2.72	3.75
ICE BofAML 3 Mo US T-Bill	0.14	0.46	2.28	2.28	1.67	1.07	0.78	0.58
NCREIF ODCE (Gross)	1.51	1.51	5.34	5.34	7.09	8.97	10.17	11.42
FTSE NAREIT Eq REITs Index (TR)	-0.60	-0.76	26.00	26.00	8.14	7.21	9.51	11.94
HFRI FOF Comp Index	1.64	3.03	8.33	8.33	3.87	2.35	3.42	2.82
Bloomberg Cmdb Index (TR)	5.04	4.42	7.69	7.69	-0.94	-3.92	-6.72	-4.73

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

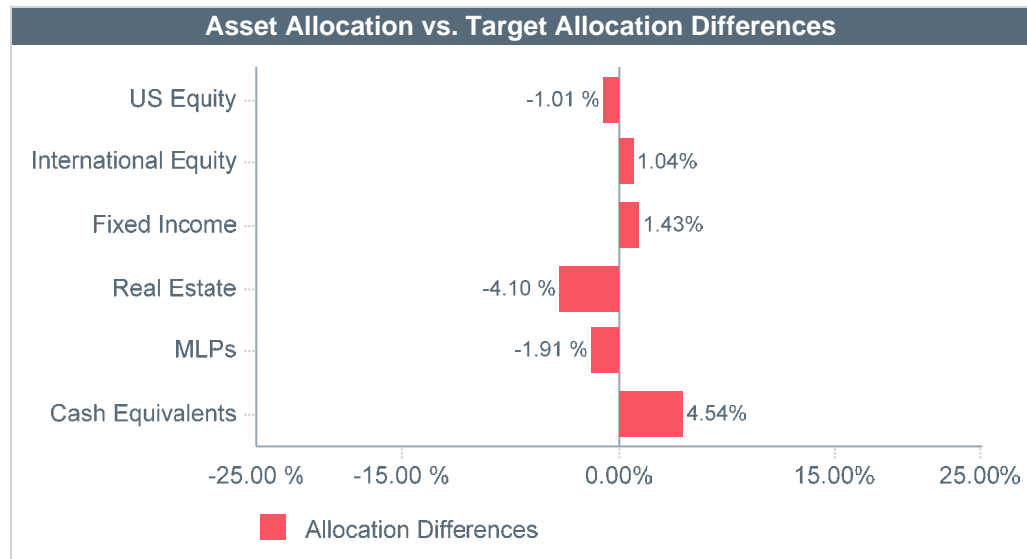


Asset Allocation by Asset Class, Asset Allocation vs. Target, and Schedule of Investable Assets



Asset Allocation vs. Target Allocation

	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
Total Fund	2,165,594,144	100.00	-	100.00	-
US Equity	822,722,059	37.99	34.00	39.00	44.00
International Equity	455,736,418	21.04	15.00	20.00	25.00
Fixed Income	453,343,627	20.93	14.50	19.50	24.50
Real Estate	236,036,955	10.90	10.00	15.00	20.00
MLPs	77,782,101	3.59	2.50	5.50	7.50
Cash Equivalents	119,972,984	5.54	0.00	1.00	3.00



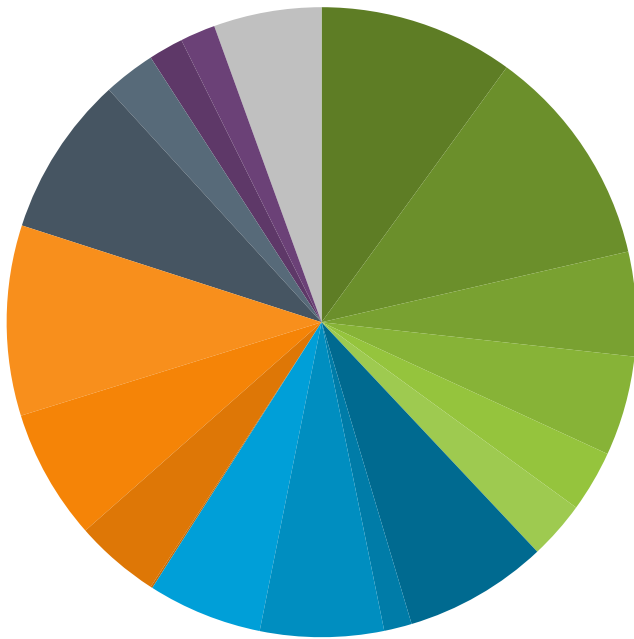
Schedule of Investable Assets

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return	Unit Value
CYTD	1,900,033,060	-99,995,409	365,556,494	2,165,594,144	20.02	120.02

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. The market value for the Cash account includes the payroll contribution of \$120 Million that occurred in 12/2019. Target Allocation and associated ranges exclude the 10% allocation to Private Investments approved in 06/2019.



December 31, 2019 : \$2,165,594,144



	Market Value (\$)	Allocation (%)
Eagle Capital Large Cap Value (SA)	216,627,310	10.00
NT S&P 500 Index (CF)	246,790,988	11.40
Loomis Sayles Large Cap Growth (CF)	115,742,498	5.34
Sawgrass Diversified Large Cap Growth (SA)	110,967,342	5.12
Wedge Capital Small Cap Value (CF)	68,133,620	3.15
Pinnacle Associates US SMID Cap Growth (SA)	64,429,298	2.98
GAMCO	17,569	0.00
Brown Inv Advisory	13,434	0.00
Silchester International Value (CF)	160,040,888	7.39
NT EAFE Index (CF)	30,850,638	1.42
Baillie Gifford International Growth (BGEFX)	137,335,662	6.34
Acadian Emerging Markets (CF)	127,509,229	5.89
NT Aggregate Bond Index (CF)	2,002,935	0.09
Thompson Siegel Core Fixed Income (SA)	94,538,837	4.37
Loomis Sayles Core Plus Full Discretion (CF)	145,241,216	6.71
Neuberger Berman Core Plus Trust (CF)	211,560,639	9.77
JPM Real Estate Strategic Property (CF)	178,265,793	8.23
Principal US Property (CF)	57,771,162	2.67
Harvest Fund Advisors MLP (SA)	38,738,890	1.79
Tortoise Capital Advisors MLP (SA)	39,043,210	1.80
Cash	119,972,984	5.54

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Market values shown for GAMCO and Brown Inv Advisory represent residual cash.

City of Jacksonville Police and Fire Pension Fund
 Asset Allocation & Performance (Net of Fees)

As of December 31, 2019

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Total Fund	2,165,594,144	100.00	2.75	6.55	6.55	20.02	20.02	10.04	7.04	8.60	8.59	8.06	04/01/1989
Total Fund Policy Index			2.64	5.41	5.41	19.27	19.27	9.50	7.13	8.68	8.83	8.26	
Difference			0.11	1.14	1.14	0.75	0.75	0.54	-0.09	-0.08	-0.24	-0.20	
US Equity	822,722,059	37.99	2.93	9.99	9.99	31.68	31.68	14.83	10.48	13.15	12.65	10.40	01/01/1988
Russell 3000 Index			2.89	9.10	9.10	31.02	31.02	14.57	11.24	14.38	13.42	10.82	
Difference			0.04	0.89	0.89	0.66	0.66	0.26	-0.76	-1.23	-0.77	-0.42	
International Equity	455,736,418	21.04	5.46	11.25	11.25	22.82	22.82	11.86	6.72	6.78	5.45	5.25	02/01/1999
Non-US Equity Policy Index			4.33	8.92	8.92	21.51	21.51	9.87	5.51	5.44	4.97	4.19	
Difference			1.13	2.33	2.33	1.31	1.31	1.99	1.21	1.34	0.48	1.06	
Fixed Income	453,343,627	20.93	0.40	0.86	0.86	10.30	10.30	4.69	3.76	3.02	3.95	6.20	01/01/1988
Fixed Income Policy Index			0.10	0.40	0.40	9.17	9.17	4.25	3.18	2.81	3.81	6.25	
Difference			0.30	0.46	0.46	1.13	1.13	0.44	0.58	0.21	0.14	-0.05	
Real Estate	236,036,955	10.90	0.86	2.06	2.06	4.31	4.31	6.31	8.15	9.41	10.98	8.28	04/01/2005
NCREIF ODCE Index (AWA) (Net)			1.27	1.27	1.27	4.39	4.39	6.13	7.98	9.17	10.39	6.55	
Difference			-0.41	0.79	0.79	-0.08	-0.08	0.18	0.17	0.24	0.59	1.73	
MLPs	77,782,101	3.59	7.77	-1.31	-1.31	10.50	10.50	-2.98	-5.29	2.60	N/A	4.90	03/01/2011
S&P MLP Index (TR)			7.99	-3.09	-3.09	9.78	9.78	-2.90	-6.23	0.18	5.10	1.49	
Difference			-0.22	1.78	1.78	0.72	0.72	-0.08	0.94	2.42	N/A	3.41	

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City of Jacksonville Police and Fire Pension Fund
Asset Allocation & Performance (Net of Fees)

As of December 31, 2019

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
US Equity													
Eagle Capital Large Cap Value (SA)	216,627,310	10.00	2.75	10.89	10.89	31.18	31.18	14.70	10.94	14.40	N/A	13.11	04/01/2011
Russell 1000 Val Index			2.75	7.41	7.41	26.54	26.54	9.68	8.29	12.20	11.80	10.94	
Difference			0.00	3.48	3.48	4.64	4.64	5.02	2.65	2.20	N/A	2.17	
NT S&P 500 Index (CF)	246,790,988	11.40	3.02	9.07	9.07	31.53	31.53	15.27	11.72	14.74	13.56	6.72	01/01/1999
S&P 500 Index (Cap Wtd)			3.02	9.07	9.07	31.49	31.49	15.27	11.70	14.73	13.56	6.73	
Difference			0.00	0.00	0.00	0.04	0.04	0.00	0.02	0.01	0.00	-0.01	
Loomis Sayles Large Cap Growth (CF)	115,742,498	5.34	3.01	9.92	9.92	32.84	32.84	N/A	N/A	N/A	N/A	15.79	09/01/2017
Russell 1000 Grth Index			3.02	10.62	10.62	36.39	36.39	20.49	14.63	16.92	15.22	17.87	
Difference			-0.01	-0.70	-0.70	-3.55	-3.55	N/A	N/A	N/A	N/A	-2.08	
Sawgrass Diversified Large Cap Growth (SA)	110,967,342	5.12	1.98	8.27	8.27	30.23	30.23	18.10	12.34	N/A	N/A	13.44	11/01/2013
Russell 1000 Grth Index			3.02	10.62	10.62	36.39	36.39	20.49	14.63	16.92	15.22	14.99	
Difference			-1.04	-2.35	-2.35	-6.16	-6.16	-2.39	-2.29	N/A	N/A	-1.55	
Wedge Capital Small Cap Value (CF)	68,133,620	3.15	3.22	8.06	8.06	26.11	26.11	4.41	N/A	N/A	N/A	7.51	09/01/2016
Russell 2000 Val Index			3.50	8.49	8.49	22.39	22.39	4.77	6.99	10.13	10.56	8.74	
Difference			-0.28	-0.43	-0.43	3.72	3.72	-0.36	N/A	N/A	N/A	-1.23	
Pinnacle Associates US SMID Cap Growth (SA)	64,429,298	2.98	4.47	16.17	16.17	40.42	40.42	15.94	10.20	13.47	14.10	18.99	03/01/2009
Russell 2500 Grth Index			0.93	10.57	10.57	32.65	32.65	15.17	10.84	14.11	14.01	18.21	
Difference			3.54	5.60	5.60	7.77	7.77	0.77	-0.64	-0.64	0.09	0.78	
International Equity													
Silchester International Value (CF)	160,040,888	7.39	3.65	9.10	9.10	17.32	17.32	8.57	6.91	N/A	N/A	7.00	09/01/2013
MSCI EAFE Val Index (USD) (Net)			3.65	7.82	7.82	16.09	16.09	6.31	3.54	4.76	3.98	4.10	
Difference			0.00	1.28	1.28	1.23	1.23	2.26	3.37	N/A	N/A	2.90	
NT EAFE Index (CF)	30,850,638	1.42	3.09	8.06	8.06	N/A	N/A	N/A	N/A	N/A	N/A	14.70	02/01/2019
MSCI EAFE Index (USD) (Net)			3.25	8.17	8.17	22.01	22.01	9.56	5.67	6.35	5.50	14.49	
Difference			-0.17	-0.11	-0.11	N/A	N/A	N/A	N/A	N/A	N/A	0.21	
Baillie Gifford International Growth (BGEFX)	137,335,662	6.34	5.78	14.08	14.08	37.47	37.47	18.48	10.35	10.12	N/A	8.22	03/01/2011
MSCI EAFE Grth Index (USD) (Net)			2.85	8.45	8.45	27.90	27.90	12.84	7.71	7.86	6.95	6.09	
Difference			2.93	5.63	5.63	9.57	9.57	5.64	2.64	2.26	N/A	2.13	
Acadian Emerging Markets (CF)	127,509,229	5.89	8.10	11.83	11.83	16.56	16.56	9.43	4.02	N/A	N/A	3.70	01/01/2014
MSCI Emg Mkts Index (USD) (Net)			7.46	11.84	11.84	18.44	18.44	11.57	5.61	3.26	3.68	4.27	
Difference			0.64	-0.01	-0.01	-1.88	-1.88	-2.14	-1.59	N/A	N/A	-0.57	

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City of Jacksonville Police and Fire Pension Fund
Asset Allocation & Performance (Net of Fees)

As of December 31, 2019

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
Fixed Income													
NT Aggregate Bond Index (CF)	2,002,935	0.09	-0.08	0.16	0.16	8.76	8.76	4.08	3.07	N/A	N/A	2.84	02/01/2013
Bloomberg US Agg Bond Index			-0.07	0.18	0.18	8.72	8.72	4.03	3.05	2.72	3.75	2.85	
Difference			-0.01	-0.02	-0.02	0.04	0.04	0.05	0.02	N/A	N/A	-0.01	
Thompson Siegel Core Fixed Income (SA)	94,538,837	4.37	0.30	-0.28	-0.28	9.01	9.01	4.20	3.61	3.15	4.17	5.97	08/01/1991
Thompson Siegel Policy Index			-0.07	0.18	0.18	8.72	8.72	4.03	3.05	2.72	3.75	5.75	
Difference			0.37	-0.46	-0.46	0.29	0.29	0.17	0.56	0.43	0.42	0.22	
Loomis Sayles Core Plus Full Discretion (CF)	145,241,216	6.71	0.55	1.03	1.03	9.60	9.60	N/A	N/A	N/A	N/A	4.80	02/01/2017
Bloomberg US Unv Bond Index			0.15	0.45	0.45	9.29	9.29	4.30	3.44	3.04	4.12	4.30	
Difference			0.40	0.58	0.58	0.31	0.31	N/A	N/A	N/A	N/A	0.50	
Neuberger Berman Core Plus Trust (CF)	211,560,639	9.77	0.35	0.79	0.79	10.87	10.87	4.72	N/A	N/A	N/A	4.72	01/01/2017
Bloomberg US Unv Bond Index			0.15	0.45	0.45	9.29	9.29	4.30	3.44	3.04	4.12	4.30	
Difference			0.20	0.34	0.34	1.58	1.58	0.42	N/A	N/A	N/A	0.42	
Real Estate													
JPM Real Estate Strategic Property (CF)	178,265,793	8.23	1.07	2.30	2.30	3.72	3.72	5.92	7.85	9.13	10.34	7.35	04/01/2005
NCREIF ODCE Index (AWA) (Net)			1.27	1.27	1.27	4.39	4.39	6.13	7.98	9.17	10.39	6.55	
Difference			-0.20	1.03	1.03	-0.67	-0.67	-0.21	-0.13	-0.04	-0.05	0.80	
Principal US Property (CF)	57,771,162	2.67	0.24	1.33	1.33	6.16	6.16	7.55	9.09	N/A	N/A	10.19	04/01/2013
NCREIF ODCE Index (AWA) (Net)			1.27	1.27	1.27	4.39	4.39	6.13	7.98	9.17	10.39	9.13	
Difference			-1.03	0.06	0.06	1.77	1.77	1.42	1.11	N/A	N/A	1.06	
MLPs													
Harvest Fund Advisors MLP (SA)	38,738,890	1.79	7.77	-1.11	-1.11	12.69	12.69	-2.75	-5.39	2.50	N/A	5.12	03/01/2011
S&P MLP Index (TR)			7.99	-3.09	-3.09	9.78	9.78	-2.90	-6.23	0.18	5.10	1.49	
Difference			-0.22	1.98	1.98	2.91	2.91	0.15	0.84	2.32	N/A	3.63	
Tortoise Capital Advisors MLP (SA)	39,043,210	1.80	7.78	-1.51	-1.51	8.40	8.40	-3.06	-5.16	2.75	N/A	4.70	03/01/2011
S&P MLP Index (TR)			7.99	-3.09	-3.09	9.78	9.78	-2.90	-6.23	0.18	5.10	1.49	
Difference			-0.21	1.58	1.58	-1.38	-1.38	-0.16	1.07	2.57	N/A	3.21	

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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.
- RVK began monitoring the assets of the City of Jacksonville Police and Fire on 12/01/2019. Prior historical data was provided by the custodian and previous consultant.

Custom Composite Benchmark Comments:

- **Total Fund Policy Index:** The passive Current Total Fund Policy Index is calculated monthly and currently consists of 39% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 4% Bloomberg US Agg Bond Index, 15.5% Bloomberg US Unv Bond Index, 15% NCREIF Fund Index-ODCE (VW) (Net), 5.5% S&P MLP Index (TR), and 1% FTSE 3 Mo T-Bill Index.
- **US Equity Index:** The passive US Equity Index consists of 100% US Equity Composite Custom Index through 09/2013 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Net) through 09/2009 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 12/2016 and 20.5% Bloomberg US Agg Bond Index/79.5% Bloomberg US Unv Bond Index thereafter.

Custom Manager Benchmark Comments:

- **Thompson Siegel Index:** The passive Thompson Siegel Index consists of 100% Thompson Siegel Custom Policy Index through 09/2009 and 100% Bloomberg US Agg Bond Index thereafter.

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