

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
Thursday, June 27, 2024, at 2 PM
City Hall Conference Room 3C**

AGENDA

1. CALL TO ORDER

2. PUBLIC COMMENT

3. MINUTES

- a. Copy of May 23, 2024, and June 6, 2024, Board of Trustees Minutes;
RECOMMENDED ACTION: APPROVAL

4. NEW BUSINESS

- a. GEPP May 2024 Consent; PAC RECOMMENDED ACTION: APPROVAL
b. COPP May 2024 Consent; COPAC RECOMMENDED ACTION: APPROVAL
c. AP Disability Review; PAC RECOMMENDED ACTION: APPROVAL

5. INVESTMENT AND FINANCIAL MATTERS

- a. May Investment Performance Review
b. Updated Asset Allocation Study
c. Staff Update
 - Investment Activity Report

6. OLD BUSINESS

None

7. ADMINISTRATIVE

- a. Staff Update
 - Actuarial Consulting Services Renewal Recommendation

8. INFORMATION

- a. Financial Discussion with Harrison Street - Real Estate scheduled for Thursday, August 1, 2024, at 12:30 PM (meet and greet starts at 12:00)
b. Next regular BOT meeting scheduled for Thursday, July 25, 2024, at 2 PM

9. PRIVILEGE OF THE FLOOR

10. ADJOURNMENT

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
May 23, 2024**

MINUTES

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

Members Present

Jeffrey Bernardo, Chair
Anna Brosche, Vice Chair
Julie Bessent
Valerie Gutierrez
Cristopher Keith
Kelli O'Leary (on behalf of Karen Bowling)
Eric Smith

Members Not Present

David Kilcrease, Secretary
Diane Moser

Staff Present

Chris Cicero, Treasurer (via Zoom)
Eric Jordan, Financial Specialist
Brennan Merrell, Chief Investment Officer
Andy Robinson, Pension Administrator
John Sawyer, OGC
Hannah Wells, Assistant Pension Administrator

Others Present

Jordan Cipriani, RVK
Samia Khan, RVK
Jim Voyko, RVK (via Zoom)

1. CALL TO ORDER

Chair Bernardo called the meeting to order at 2:00 PM.

2. PUBLIC COMMENT

There was none.

3. MINUTES

Ms. Brosche motioned to approve the minutes. Mr. Keith seconded the motion. The Chair

asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

4. NEW BUSINESS

a. Consent agendas

Ms. Brosche motioned to approve the consent agendas. Mr. Keith seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote and the motion passed unanimously.

5. INVESTMENT AND FINANCIAL MATTERS

Mr. Merrell provided a high-level overview of the preliminary investment flash report. The total fund was valued at approximately \$2.4 billion, down 2% MTD, up 1.26% CYTD and up 7.85% FYTD. He discussed the performance of overachieving and underachieving managers for the month. Chair Bernardo and Mr. Merrell then discussed Pinnacle's performance and their reinstatement of the managers' watch list.

Mr. Merrell said the next investment workshop will be held on June 6, 2024, with Schroder Securitized Fixed Income. He also reminded members about the upcoming FPPTA annual conference from June 23-26, 2024, and encouraged those interested in participating to contact the Pension Office Staff or himself. Additionally, Mr. Merrell provided an update on ongoing cash flows related to capital calls and redemptions.

Mr. Merrell introduced the team from RVK to review the first-quarter investments for 2024. Ms. Kahn presented the Quarterly Investment Performance, detailing the capital markets, asset allocations, investment manager watch list, and the schedule of investable assets. She also reviewed the performance of alternative investments in real estate, private equity, and private credit funds.

Ms. Gutierrez inquired about the continued decline in real estate values. Ms. Kahn attributed this to depreciation, rent inflation, leasing rates, and empty office spaces. Ms. Cipriani reviewed the historical correlations between private and public real estate. Subsequently, Ms. Cipriani, Ms. Kahn, and Mr. Merrell engaged in a detailed discussion on real estate with the board and staff. Chair Bernardo, Ms. Bessent, Mr. Merrell, and Ms. Cipriani further discussed real estate IRR percentages.

Ms. Khan stated that investment managers Principal and Loomis Sayles have been on the watch list since June 2023, and Eagle Capital was added this quarter (March 2024) due to investment team turnover. She reassured the board that RVK has been closely monitoring Principal and Loomis Sayles, noting that both teams have been transparent about their changes, and expects them to be removed from the watch list possibly by the next quarter. Eagle Capital was added to the watch list this quarter due to Boykin Curry stepping down from his role as Co-CIO at the end of February 2024. Ms. Khan stated even though it was unexpected, at this time RVK has no concerns as Alec Henry

continues in his role as Managing CIO. RVK will monitor any further changes for potential instability. Regarding the schedule of investable assets FYTD, the starting market value was about \$2.2 billion, with net cash outflows of \$16 million, and investment gains of about \$223 million. This translates to a current value of approximately \$2.45 billion with a 10.10% return.

Mr. Merrell and RVK notified the board that Harrison Street is seeking approval to add data centers to their portfolio. Mr. Merrell mentioned the board previously approved a \$15 million investment in Harrison Street. Ms. Cipriani stated they would need a vote by the end of June. A discussion was held between RVK, and members present.

Ms. Brosche made a motion to support RVK's recommendation in Harrison Street to add data centers to their portfolio. Ms. Gutierrez seconded the motion. The Chair asked for discussion. Ms. O'Leary and Ms. Brosche asked RVK to notify the board if something were to change within the next 30 days. Ms. Cipriani stated they would. The Chair took a vote and the motion passed unanimously.

RVK then provided a detailed overview of the Asset Allocation Study. Ms. Cipriani and Mr. Voyko presented the material and engaged in an in-depth discussion with the board. The board requested additional asset allocation study scenarios to be reviewed at the next meeting.

6. OLD BUSINESS

There was none.

7. ADMINISTRATIVE

Mr. Robinson briefed the Board members on Mr. Hogan's evidentiary hearing that was conducted during the May 8th, 2024, PAC meeting. He informed the members that Mr. Hogan's case will be presented to the Board in one of the upcoming meetings. Additionally, Mr. Robinson announced a recent staffing change in the Pension Office. He noted that after 21 years and 11 months of service, Stephanie Smith retired from the Pension Office on May 17, 2024. He stated that Ms. Wells and he will be assuming her responsibilities until a replacement is found.

Mr. Smith inquired about who would conduct Mr. Hogan's hearing before the Board. Mr. Robinson stated that Chair Bernardo and the Office of General Counsel will oversee the hearing.

8. INFORMATION

The next regular BOT meeting is scheduled for Thursday, June 27, 2024, at 2 PM.

Investment due diligence workshop will be held Thursday, June 6, 2024, at 12:30 PM.

9. PRIVILEGE OF THE FLOOR

A discussion was held regarding disability lump sum features that may be enhanced in the future.

10. ADJOURNMENT

The Chair adjourned the meeting at 3:34 PM.

**BOARD OF PENSION TRUSTEES
FOR THE
CITY OF JACKSONVILLE RETIREMENT SYSTEM
June 6, 2024**

MINUTES

12:30 PM, held in Person in City Hall Conference Room 3C and via Zoom.

Members Present

Jeffrey Bernardo, Chair
Anna Brosche, Vice Chair
Valerie Gutierrez
Diane Moser (via Zoom)
Eric Smith (via Zoom)

Members Not Present

David Kilcrease, Secretary
Julie Bessent
Cristopher Keith
Kelli O'Leary (on behalf of Karen Bowling) (via Zoom)

Staff Present

Robin Adams, Senior Manager - Treasury Administration
Chris Cicero, Treasurer
Judy Garard, Manager - Treasury Accounting
Eric Jordan, Financial Specialist
Brennan Merrell, Chief Investment Officer
Roger Phillips, Senior Debt Manager (via Zoom)
Andy Robinson, Pension Administrator
Sheryl Strickland, Pension Coordinator Senior (via Zoom)
Yolanda Tillman, Treasury Analyst III
Hannah Wells, Assistant Pension Administrator

Others Present

Michelle Russell-Dowe, Co-Head of Private Debit & Credit Alternatives (PDCA),
Schroder Securitized Fixed Income
Karen Kwon, Institutional Director, Schroder Securitized Fixed Income
Jason Kezelman, Head of PDCA Sales, Americas, Schroder Securitized Fixed Income
Jake Gerbner, RVK (via Zoom)
Samia Khan, RVK (via Zoom)
Steve Lundy, Police & Fire Pension Deputy Director
Milena Spasova, Augustine Asset Management (via Zoom)

1. CALL TO ORDER

Chair Bernardo called the meeting to order at 12:30 PM.

This is a workshop for educational purposes. No votes will take place at the meeting.

2. PUBLIC COMMENT

There was none.

3. INVESTMENT AND FINANCIAL MATTERS

Schroder Securitized Fixed Income

Mr. Merrell welcomed Michelle Russell-Dowe, Karen Kwon, and Jason Kezelman from Schrodgers Securitized Fixed Income.

Schrodgers is a multi-sector fixed income investment management company with over \$818.9 billion of assets under management and supervision as of December 31, 2023. Since the third quarter of 2022, Schrodgers has been an investment manager of the City of Jacksonville, and they currently manage approximately \$120 million of the COJ General Pension Fund. Ms. Russell-Dowe, Ms. Kwon, and Mr. Kezelman provided a thorough review of the presented material.

Ms. Kwon stated that Schrodgers has been in existence for over 200 years, with asset management as its sole business. She highlighted that the founding Schroder family controls 44.1% of the voting equity, and the company has over 420 portfolio managers and analysts worldwide, with a total of more than 4,000 personnel in 28 countries. Ms. Russell-Dowe reviewed their team's beliefs, capabilities, and risk management strategies, providing a detailed overview of their investment team, strategies, investment process, core philosophy, attribution analysis, and portfolio performance. Chair Bernardo and Ms. Russell-Dowe discussed how Schrodgers manages their portfolio across their four debt categories (Housing Debt, Consumer Debt, Real Estate Debt, and Commercial Finance), along with hiring practices and risk premiums.

Board members and staff engaged in a discussion regarding the material presented. Several questions were asked throughout the presentation, which Ms. Russell-Dowe, Ms. Kwon, and Mr. Kezelman addressed.

Mr. Merrell thanked Schrodgers for their presentation. Schrodgers thanked the Board for their time and commitment.

4. OLD BUSINESS

N/A

5. ADMINISTRATIVE

N/A

6. INFORMATION

The next regular BOT meeting is scheduled for Thursday, June 27, 2024, at 2 PM.

Investment due diligence workshop will be held Thursday, August 1, 2024, at 12:30 PM.

7. PRIVILEGE OF THE FLOOR

None

8. ADJOURNMENT

Chair Bernardo adjourned the meeting around 2:15 PM.

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

May 2024

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Cynthia Church, (P&R), effective April 20, 2024, in the monthly base amount of \$1,948.75 at the rate of 62.5% (25 Years)

Karren Deas, (Library), effective April 27, 2024, in the monthly base amount of \$1,332.95 at the rate of 47.5% (19 Years), 10% PLOP \$20,088.55

Sally Doherty, (Library), effective May 4, 2024, in the monthly base amount of \$3,466.16 at the rate of 75.63% (30 Years, 3 Months), 60 months BACKDROP \$228,482.57

Mikhail Fedyukovich, (ITD), effective May 4, 2024, in the monthly base amount of \$4,254.46 at the rate of 56.04% (22 Years, 5 Months)

Alan Goldman, (JEA), effective May 4, 2024, in the monthly base amount of \$6,817.97 at the rate of 76.88% (30 years, 9 months), 60 months BACKDROP \$449,427.32

Clarence Grayson, (JEA), effective April 20, 2024, in the monthly base amount of \$4,137.84 at the rate of 58.75 (23 Years, 6 Months), 5% PLOP \$32,589.53

Lavell Greene, (R&E), effective April 16, 2024, in the monthly base amount of \$1,468.52 at the rate of 50.63% (20 Years, 3 Months), 15% PLOP \$52,090.18

Romie Hall, (PW), effective April 20, 2024, in the monthly base amount of \$927.61 at the rate of 35.63% (14 Years, 3 Months), 15% PLOP \$17,543.91

Kevin McReynolds, (Tax Collector), effective May 4, 2024, in the monthly base amount of \$1,738.01 at the rate of 51.67% (20 Years, 8 Months)

Vanessa Moore, (JEA), effective May 4, 2024, in the monthly base amount of \$3,295.54 at the rate of 66.25% (26 years, 6 months), 15% PLOP \$104,240.91

Donna Parker, (JEA), effective April 20, 2024, in the monthly base amount of \$4,074.13 at the rate of 48.13% (19 Years, 3 Months)

William Pringle Jr (PDBZ), effective May 1, 2024, in the monthly base amount of \$2235.59 at the rate of 51.67% (20 Years, 8 Months), 15% PLOP \$65,715.88

Charlene Smith, (CLCL), effective April 27, 2024, in the monthly base amount of \$4122.00 at the rate of 80% (34 Years, 6 Months), 24 months BACKDROP \$103,153.05

Arnel Villanueva, (Fleet), effective May 4, 2024, in the monthly base amount of \$2,200.91 at the rate of 62.5% (25 Years), 15% PLOP \$72,423.70

Anthony Wright, (PW), effective April 27, 2024, in the monthly base amount of \$2,677.29 at the rate of 75% (30 Years), 15% PLOP \$95,369.77

2. VESTED RETIREMENTS

New Commencements

None

New Deferrals

None

3. SURVIVOR BENEFITS

Henrietta Boney, (Walter Boney), effective April 14, 2024, in the monthly COLA base amount of \$1,603.49

Wanda Davis, (Paul E. Davis), effective April 21, 2024, in the monthly COLA base amount of 978.51

Marianne Devereaux, (Milton Devereaux), effective April 14, 2024, in the monthly COLA base amount of \$1,382.31

Norma Duane, (John Duane, III), effective March 11, 2024, in the monthly COLA base amount of \$1,845.89

Cynthia Gillis, (John Gillis), effective April 18, 2024, in the monthly COLA base amount of \$3,150.46

Linda Greenwood, (Richard Greenwood), effective December 2, 2023, in the monthly COLA base amount \$3,759.77

Barbara Johnson, (Michael P. Johnson), effective March 30, 2024, in the monthly COLA base amount of \$3,630.10

Johnnie Kirby, (Harvey Kirby), effective March 25, 2024, in the monthly COLA base amount of \$3,833.38

Shari Malchak, (Mark Malchak, COJ active employee), effective April 18, 2024, in the monthly base amount of \$342.67

Thelma Miller, (James M. Miller), effective April 23, 2024, in the monthly COLA base amount of \$3,870.40

Rhonda Porter, (Terry Porter), effective April 27, 2024, in the monthly COLA base amount of \$5,073.23

Carol Schroeder, (Frederick Schroeder, Jr.), effective March 18, 2024, in the monthly COLA base amount of \$1,384.13

4. RESTORATION OF SURVIVOR BENEFITS

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. TIME SERVICE CONNECTIONS COMPLETED

Maria Clark, (Library), 32.23 months in the amount of \$15,766.35

Kat Cons, (Employee Services), 6.83 months in the amount of \$3,484.54

Rose McDaniels, (P&R), 60 months in the amount of \$16,259.10

Cassandra Porter, (RPCM), 88.23 months in the amount of \$20,556.90

Ashley Skinner, (JSO), 72.23 months in the amount of \$24,339.90

William T Splicer, (JFRD), 25 months in the amount of \$12,093.90

Shirley Terrell, (JSO), 53 months in the amount of \$21,509.80

7. TIME SERVICE CONNECTIONS COMPLETED PURSUANT TO ORDINANCE 2000- 624-E (Independent Agency)

None

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

Bryan W Smith, (JEA), 24 months in the amount of \$58,674.20

9. REFUNDS

None

10. DB TO DC TRANSFER

Charles E Jackson, (RPCM), 21 years and 1 month in the amount of \$304,650.34

William D Oliver, (PWSW), 9 years and 10 months in the amount of \$93,315.93

Maria C Williams, (PWEN), 22 years and 7 months in the amount of \$773,075.67

11. OTHER PAYMENTS AND TIME CONNECTIONS

None

12. RE-RETIREE

None

PAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:

CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE

May 2024

CONSENT AGENDA FOR RECOMMENDED BENEFITS

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

1. TIME SERVICE RETIREMENTS

Courtney Pitney, effective May 4, 2024, in the monthly COLA base amount of \$3,531.08 at the rate of 60.17% (20 years, 1 month)

Michael Thomas, effective April 2, 2024, in the monthly COLA base amount of \$3,288.76 at the rate of 60% (20 Years)

2. TIME SERVICE CONNECTIONS COMPLETED

None

3. REFUND OF CONTRIBUTIONS

Garnett R Wooten III, 8 years and 5 months, \$37,056.59

4. SURVIVOR BENEFITS APPLICATION

None

5. CHILDREN/ORPHAN/GUARDIANSHIP BENEFITS

None

6. VESTED BENEFIT

None

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

None

8. OFFICERS ENTERING DROP APRIL 2024

Marisa Carter #6350

Shawn Pridgeon #6203

Timothy Raggins #7943

Linda Walker #6455

9. Phase II Biweekly Distribution DROP Program

None

10. DROP Payments

Tammy S Morris, \$529,973.86

Courtney J Pitney, \$58,842.99

Michael Thomas \$177,308.79

COPAC Secretary Approval

Date

BOT Secretary Approval

Date

Notes and Comments regarding Approval:



Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: May 31, 2024

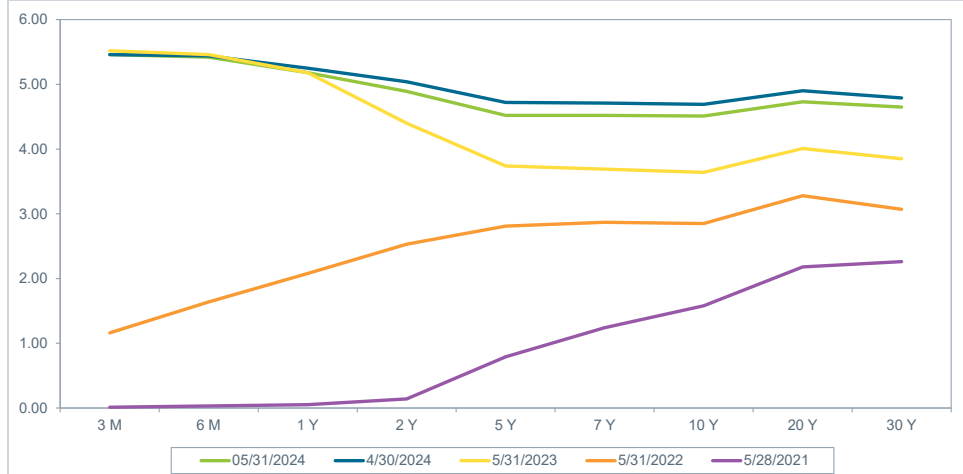


General Market Commentary

- Global equity markets bounced back in May, with all major global equity indices posting returns in the low-to-mid single digits. Within the US, small cap stocks outperformed larger cap stocks while in international markets, developed market stocks outperformed their emerging markets counterparts.
- Stocks traded higher on declining inflation, with April CPI dropping to 3.4% - though notably still above the Federal Reserve's 2% target. Though May economic data offered mixed results, US consumer confidence outpaced expectations in May, rising to 102, a five-month high and a sharp increase from April's reading of 97.5.
- Bonds also traded higher in May as yields fell across the curve. Yields declined due to renewed investor optimism regarding the direction of US inflation and the belief that the Fed will reduce the Federal Funds rate later in the year. At the end of May, futures markets indicated that the Fed would reduce rates twice this year, a sharp reduction from the beginning of 2024 when markets expected six or seven rate cuts.
- Equity markets posted positive returns in May as the S&P 500 (Cap Wtd) Index returned 4.96% and the MSCI EAFE (Net) Index returned 3.87%. Emerging markets returned 0.56%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 1.70% in May, outperforming the 1.12% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.80%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned 4.59% in May and 3.57% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned 9.05% for the trailing one-year period and 16.12% for the trailing five-year period ending December 2023.
- Absolute return strategies returned 0.79% for the month and 9.60% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- Crude oil's price fell by 4.75% during the month but has increased by 14.61% YoY.

| Economic Indicators | May-24 | Apr-24 | May-23 | 10 Yr | 20 Yr |
|---|--------|--------|--------|--------|--------|
| Federal Funds Rate (%) | 5.33 | 5.33 | 5.08 | 1.49 | 1.58 |
| Breakeven Inflation - 5 Year (%) | 2.37 | 2.44 | 2.14 | 1.92 | 1.94 |
| Breakeven Inflation - 10 Year (%) | 2.37 | 2.41 | 2.23 | 1.98 | 2.09 |
| Breakeven Inflation - 30 Year (%) | 2.37 | 2.39 | 2.29 | 2.03 | 2.24 |
| Bloomberg US Agg Bond Index - Yield (%) | 5.10 | 5.31 | 4.59 | 2.77 | 3.27 |
| Bloomberg US Agg Bond Index - OAS (%) | 0.37 | 0.40 | 0.55 | 0.47 | 0.59 |
| Bloomberg US Agg Credit Index - OAS (%) | 0.80 | 0.82 | 1.28 | 1.16 | 1.38 |
| Bloomberg US Corp: HY Index - OAS (%) | 3.08 | 3.01 | 4.59 | 4.23 | 4.92 |
| Capacity Utilization (%) | 78.73 | 78.40 | 79.51 | 77.46 | 77.19 |
| Unemployment Rate (%) | 4.00 | 3.90 | 3.70 | 4.77 | 5.84 |
| PMI - Manufacturing (%) | 48.70 | 49.20 | 46.90 | 53.59 | 53.16 |
| Baltic Dry Index - Shipping | 1,815 | 1,685 | 977 | 1,392 | 2,302 |
| Consumer Conf (Conf Board) | 102.00 | 97.50 | 102.50 | 109.63 | 92.74 |
| CPI YoY (Headline) (%) | 3.30 | 3.40 | 4.00 | 2.85 | 2.62 |
| CPI YoY (Core) (%) | 3.40 | 3.60 | 5.30 | 2.91 | 2.42 |
| PPI YoY (%) | 2.40 | 2.10 | -0.90 | 2.71 | 2.97 |
| M2 YoY (%) | N/A | N/A | 0.60 | -4.00 | 6.85 |
| US Dollar Total Weighted Index | 122.48 | 123.34 | 121.15 | 114.06 | 104.23 |
| WTI Crude Oil per Barrel (\$) | 78 | 82 | 68 | 63 | 71 |
| Gold Spot per Oz (\$) | 2,344 | 2,315 | 1,958 | 1,526 | 1,275 |

Treasury Yield Curve (%)



| Treasury Yield Curve (%) | May-24 | Apr-24 | May-23 | May-22 | May-21 |
|--------------------------|--------|--------|--------|--------|--------|
| 3 Month | 5.46 | 5.46 | 5.52 | 1.16 | 0.01 |
| 6 Month | 5.42 | 5.44 | 5.46 | 1.64 | 0.03 |
| 1 Year | 5.18 | 5.25 | 5.18 | 2.08 | 0.05 |
| 2 Year | 4.89 | 5.04 | 4.40 | 2.53 | 0.14 |
| 5 Year | 4.52 | 4.72 | 3.74 | 2.81 | 0.79 |
| 7 Year | 4.52 | 4.71 | 3.69 | 2.87 | 1.24 |
| 10 Year | 4.51 | 4.69 | 3.64 | 2.85 | 1.58 |
| 20 Year | 4.73 | 4.90 | 4.01 | 3.28 | 2.18 |
| 30 Year | 4.65 | 4.79 | 3.85 | 3.07 | 2.26 |

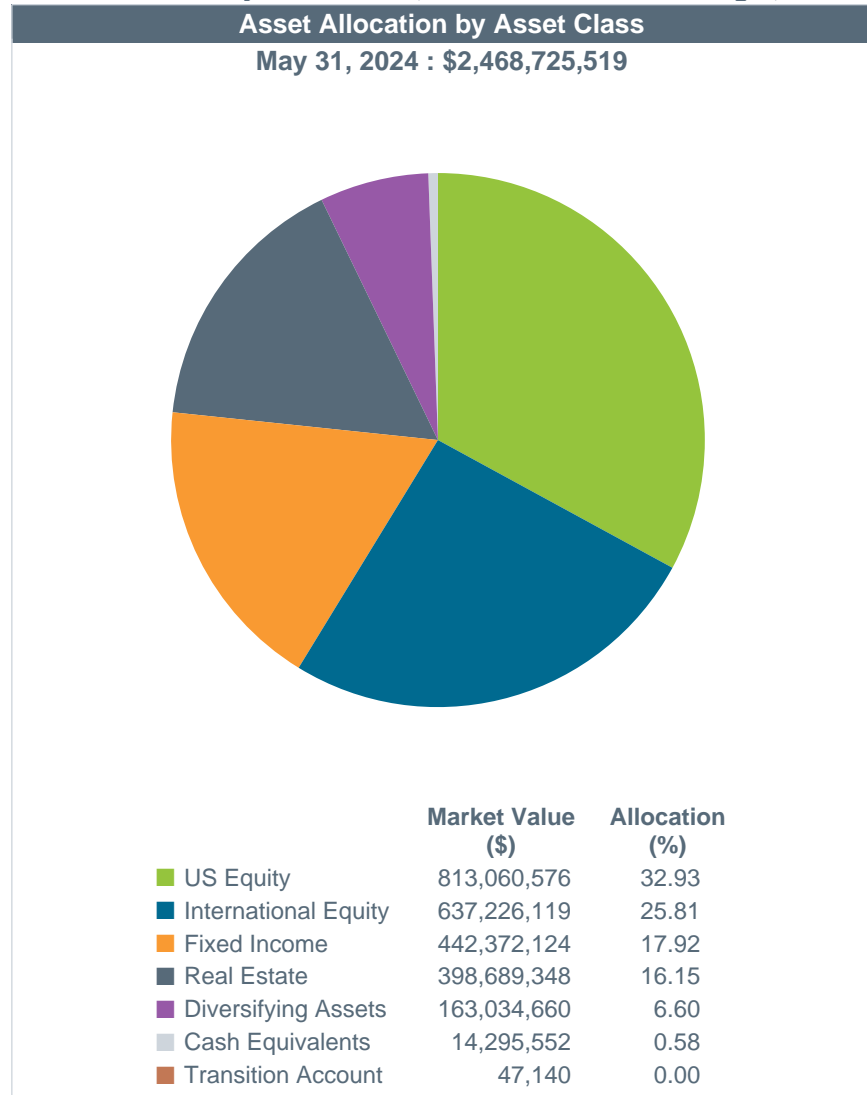
| Market Performance (%) | MTD | QTD | CYTD | 1 Yr | 3 Yr | 5 Yr | 7 Yr | 10 Yr |
|---------------------------------|------|-------|-------|--------|-------|-------|-------|-------|
| S&P 500 (Cap Wtd) | 4.96 | 0.67 | 11.30 | 28.19 | 9.57 | 15.80 | 13.80 | 12.69 |
| Russell 2000 | 5.02 | -2.37 | 2.68 | 20.12 | -1.65 | 8.61 | 7.51 | 7.66 |
| MSCI EAFE (Net) | 3.87 | 1.21 | 7.07 | 18.53 | 3.06 | 8.05 | 5.95 | 4.60 |
| MSCI EAFE SC (Net) | 4.33 | 1.23 | 3.66 | 14.38 | -2.89 | 5.71 | 4.20 | 4.77 |
| MSCI EM (Net) | 0.56 | 1.01 | 3.41 | 12.39 | -6.23 | 3.55 | 3.11 | 2.66 |
| Bloomberg US Agg Bond | 1.70 | -0.87 | -1.64 | 1.31 | -3.10 | -0.17 | 0.71 | 1.26 |
| ICE BofAML 3 Mo US T-Bill | 0.48 | 0.91 | 2.21 | 5.45 | 2.89 | 2.12 | 2.02 | 1.47 |
| NCREIF ODCE (Gross) | N/A | N/A | -2.37 | -11.29 | 3.37 | 3.46 | 4.68 | 6.76 |
| FTSE NAREIT Eq REITs Index (TR) | 4.59 | -2.74 | -2.93 | 10.17 | 0.21 | 3.57 | 4.76 | 5.71 |
| HFRI FOF Comp Index | 0.79 | 0.27 | 4.46 | 9.60 | 2.19 | 5.07 | 4.29 | 3.56 |
| Bloomberg Cmdty Index (TR) | 1.76 | 4.49 | 6.79 | 10.95 | 6.85 | 8.15 | 5.34 | -1.08 |

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. The previous month's CPI YoY is used as a proxy for the current YoY return until it becomes available.



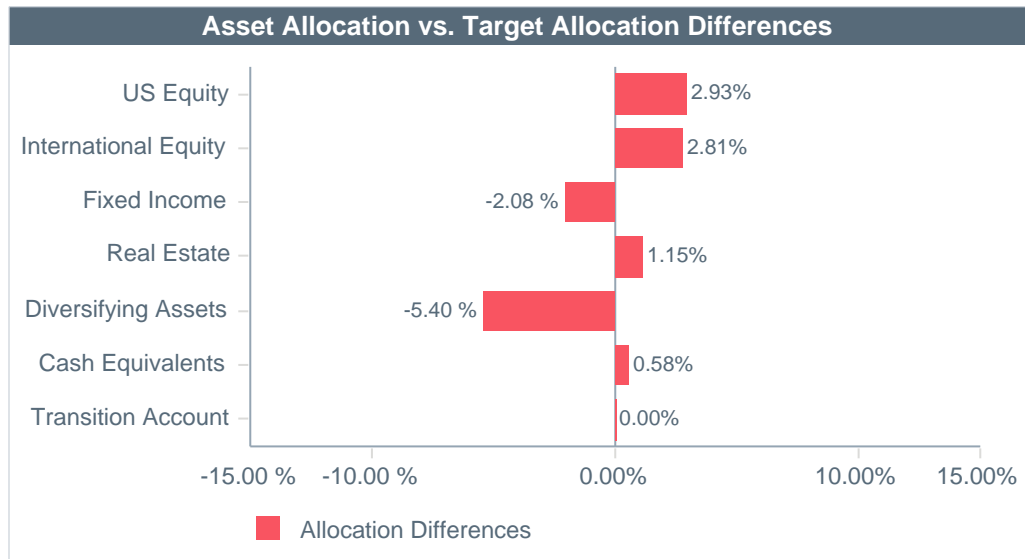
Total Fund

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 | 2,468,725,519 | 100.00 | - | 100.00 | - |
| US Equity | 813,060,576 | 32.93 | 20.00 | 30.00 | 40.00 |
| International Equity | 637,226,119 | 25.81 | 13.00 | 23.00 | 25.00 |
| Fixed Income | 442,372,124 | 17.92 | 10.00 | 20.00 | 30.00 |
| Real Estate | 398,689,348 | 16.15 | 0.00 | 15.00 | 20.00 |
| Diversifying Assets | 163,034,660 | 6.60 | 0.00 | 12.00 | 20.00 |
| Cash Equivalents | 14,295,552 | 0.58 | 0.00 | 0.00 | 10.00 |
| Transition Account | 47,140 | 0.00 | 0.00 | 0.00 | 0.00 |



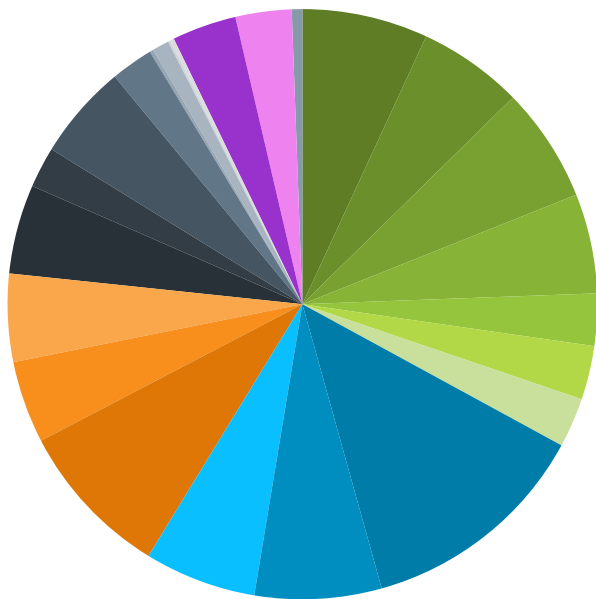
Schedule of Investable Assets

| Periods Ending | Beginning Market Value (\$) | Net Cash Flow (\$) | Gain/Loss (\$) | Ending Market Value (\$) | % Return |
|----------------|-----------------------------|--------------------|----------------|--------------------------|----------|
| CYTD | 2,355,516,708 | 16,232,794 | 96,976,017 | 2,468,725,519 | 4.10 |

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.



May 31, 2024 : \$2,468,725,519



| | Market Value (\$) | Allocation (%) |
|--|-------------------|----------------|
| Eagle Capital Large Cap Value (SA) | 170,051,575 | 6.89 |
| Wellington Select Equity Income Fund (SA) | 142,354,701 | 5.77 |
| BNYM DB Lg Cap Stock Idx NL (CF) | 155,388,851 | 6.29 |
| Loomis, Sayles & Co Lg Cap Grth (CF) | 134,803,739 | 5.46 |
| Kayne Anderson US SMID Value (SA) | 70,675,727 | 2.86 |
| Systematic Financial US SMID Value (SA) | 72,800,764 | 2.95 |
| Pinnacle Associates US SMID Cap Growth (SA) | 66,985,220 | 2.71 |
| Silchester Intl Val Equity (CF) | 314,287,595 | 12.73 |
| Bail Giff Intl Gro;4 (BGEFX) | 171,546,607 | 6.95 |
| Acadian Emg Mkts Eq II (CF) | 151,391,917 | 6.13 |
| Baird Core Fixed Income (SA) | 212,361,950 | 8.60 |
| Loomis Sayles Multisector Full Discretion (CF) | 111,094,687 | 4.50 |
| Schroder Flexible Secured Income LP (CF) | 118,915,487 | 4.82 |
| Harrison Street Core Property LP | 120,727,394 | 4.89 |
| PGIM Real Estate PRISA II LP | 55,357,632 | 2.24 |
| Principal US Property (CF) | 128,889,620 | 5.22 |
| UBS Trumbull Property (CF) | 57,259,459 | 2.32 |
| Vanguard RE Idx;ETF (VNQ) | 1,206,635 | 0.05 |
| Abacus Multi-Family Partners VI LP | 3,910,762 | 0.16 |
| H.I.G. Realty Partners IV (Onshore) LP | 22,787,186 | 0.92 |
| Bell Value-Add Fund VII (CF) | 3,105,513 | 0.13 |
| Hammes Partners IV LP | 253,700 | 0.01 |
| IPI Partners III-A LP | 5,191,448 | 0.21 |
| Adams Street Private Equity (SA) | 87,106,771 | 3.53 |
| Hamilton Lane Private Credit (SA) | 75,927,889 | 3.08 |
| Dreyfus Gvt Csh Mgt;Inst (DGCXX) | 14,295,552 | 0.58 |
| Transition Account | 47,140 | 0.00 |

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding.

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

As of May 31, 2024

| | Allocation | | Performance (%) | | | | | | | | | | |
|-----------------------------------|----------------------|---------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| | Market Value (\$) | % | MTD | QTD | CYTD | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Incep. | Inception Date |
| Total Fund | 2,468,725,519 | 100.00 | 2.78 | 0.70 | 4.10 | 10.88 | 12.40 | 2.17 | 7.19 | 6.47 | 6.27 | 6.28 | 07/01/1999 |
| Total Fund Policy Index | | | 2.85 | 0.29 | 4.70 | 12.80 | 13.10 | 3.71 | 7.44 | 6.79 | 6.47 | 5.99 | |
| Difference | | | -0.07 | 0.41 | -0.60 | -1.92 | -0.70 | -1.54 | -0.25 | -0.32 | -0.20 | 0.29 | |
| Total Equity | 1,450,286,695 | 58.75 | 4.34 | 1.06 | 7.73 | 18.71 | 22.96 | 3.37 | 11.65 | 9.75 | 9.01 | 6.87 | 07/01/1999 |
| US Equity | 813,060,576 | 32.93 | 4.21 | -0.17 | 8.97 | 20.86 | 26.32 | 6.15 | 14.19 | 12.34 | 11.28 | 7.69 | 07/01/1999 |
| US Equity Index | | | 4.72 | 0.12 | 10.15 | 23.44 | 27.58 | 7.83 | 15.00 | 13.13 | 12.09 | 7.78 | |
| Difference | | | -0.51 | -0.29 | -1.18 | -2.58 | -1.26 | -1.68 | -0.81 | -0.79 | -0.81 | -0.09 | |
| International Equity | 637,226,119 | 25.81 | 4.50 | 2.70 | 6.16 | 16.05 | 18.56 | -0.84 | 7.78 | 5.75 | 5.29 | 5.93 | 07/01/1999 |
| International Equity Index | | | 2.90 | 1.06 | 5.79 | 16.11 | 16.74 | 0.27 | 6.81 | 5.23 | 4.03 | 4.23 | |
| Difference | | | 1.60 | 1.64 | 0.37 | -0.06 | 1.82 | -1.11 | 0.97 | 0.52 | 1.26 | 1.70 | |
| Fixed Income | 442,372,124 | 17.92 | 1.33 | 0.25 | 0.63 | 6.60 | 5.06 | -2.00 | 0.14 | 0.84 | 1.21 | 4.26 | 07/01/1999 |
| Fixed Income Index | | | 1.66 | -0.72 | -1.18 | 5.57 | 2.38 | -2.74 | 0.21 | 0.98 | 1.44 | 3.93 | |
| Difference | | | -0.33 | 0.97 | 1.81 | 1.03 | 2.68 | 0.74 | -0.07 | -0.14 | -0.23 | 0.33 | |
| Real Estate | 398,689,348 | 16.15 | -0.02 | -0.92 | -4.21 | -6.58 | -9.26 | 2.78 | 2.61 | 3.92 | 5.73 | 4.94 | 12/01/2005 |
| Real Estate Index | | | 0.01 | 0.03 | -2.52 | -7.37 | -11.90 | 2.53 | 2.60 | 3.79 | 5.83 | 5.20 | |
| Difference | | | -0.03 | -0.95 | -1.69 | 0.79 | 2.64 | 0.25 | 0.01 | 0.13 | -0.10 | -0.26 | |
| Core Real Estate | 363,440,741 | 14.72 | -0.07 | -1.01 | -4.37 | -6.63 | -9.45 | 2.41 | 2.39 | 3.76 | 5.62 | 4.88 | 12/01/2005 |
| NCREIF ODCE Index (AWA) (Net) | | | 0.00 | 0.00 | -2.58 | -7.45 | -12.00 | 2.47 | 2.56 | 3.76 | 5.82 | 5.19 | |
| Difference | | | -0.07 | -1.01 | -1.79 | 0.82 | 2.55 | -0.06 | -0.17 | 0.00 | -0.20 | -0.31 | |
| Non-Core Real Estate | 35,248,608 | 1.43 | 0.49 | 0.11 | -1.82 | -5.88 | -5.82 | N/A | N/A | N/A | N/A | 25.72 | 01/01/2022 |
| NCREIF ODCE Index (AWA) (Net) +2% | | | 0.17 | 0.33 | -1.77 | -6.22 | -10.24 | 4.52 | 4.61 | 5.84 | 7.93 | -2.09 | |
| Difference | | | 0.32 | -0.22 | -0.05 | 0.34 | 4.42 | N/A | N/A | N/A | N/A | 27.81 | |
| Diversifying Assets | 163,034,660 | 6.60 | 0.21 | 3.02 | 4.91 | 8.44 | 10.87 | 19.40 | 11.72 | 8.56 | 4.99 | 8.45 | 03/01/2011 |
| Diversifying Assets Index | | | 3.63 | 1.11 | 8.20 | 19.70 | 24.00 | 9.44 | 5.45 | 4.31 | 2.56 | 4.64 | |
| Difference | | | -3.42 | 1.91 | -3.29 | -11.26 | -13.13 | 9.96 | 6.27 | 4.25 | 2.43 | 3.81 | |
| Cash Equivalents | 14,295,552 | 0.58 | 0.46 | 0.90 | 2.25 | 3.60 | 5.40 | 3.01 | 1.34 | N/A | N/A | 1.45 | 09/01/2018 |
| FTSE 3 Mo T-Bill Index | | | 0.46 | 0.92 | 2.30 | 3.74 | 5.61 | 3.01 | 2.17 | 2.05 | 1.48 | 2.19 | |
| Difference | | | 0.00 | -0.02 | -0.05 | -0.14 | -0.21 | 0.00 | -0.83 | N/A | N/A | -0.74 | |

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Schroder Flexible Secured Income Fund LP (CF), Harrison Street Core Property LP, PGIM Real Estate PRISA II LP, UBS Trumbull Property (CF), all non core Real Estate Managers, and Adams Street Private Equity (SA) valuations are available quarterly, adjusted for subsequent cash flows. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon. Performance for NCREIF ODCE Index (AWA) (Net) is available on a quarterly basis. The Total Fund market value includes the Transition Account.



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

As of May 31, 2024

| | Allocation | | Performance (%) | | | | | | | | | | |
|--|--------------------|-------------|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------------|
| | Market Value (\$) | % | MTD | QTD | CYTD | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Incep. | Inception Date |
| US Equity | | | | | | | | | | | | | |
| Eagle Capital Large Cap Value (SA) | 170,051,575 | 6.89 | 4.20 | 1.73 | 15.09 | 26.22 | 35.25 | 8.17 | 15.38 | 13.87 | 12.57 | 11.45 | 03/01/2007 |
| Russell 1000 Val Index | | | 3.17 | -1.24 | 7.64 | 17.86 | 21.71 | 5.45 | 10.74 | 9.01 | 8.61 | 7.16 | |
| Difference | | | 1.03 | 2.97 | 7.45 | 8.36 | 13.54 | 2.72 | 4.64 | 4.86 | 3.96 | 4.29 | |
| Russell 1000 Index | | | 4.71 | 0.25 | 10.58 | 23.80 | 28.01 | 8.46 | 15.42 | 13.52 | 12.40 | 10.05 | |
| Difference | | | -0.51 | 1.48 | 4.51 | 2.42 | 7.24 | -0.29 | -0.04 | 0.35 | 0.17 | 1.40 | |
| Wellington Select Equity Income Fund (SA) | 142,354,701 | 5.77 | 3.73 | 1.70 | 6.68 | 14.01 | 21.53 | N/A | N/A | N/A | N/A | 21.53 | 06/01/2023 |
| Russell 1000 Val Index | | | 3.17 | -1.24 | 7.64 | 17.86 | 21.71 | 5.45 | 10.74 | 9.01 | 8.61 | 21.71 | |
| Difference | | | 0.56 | 2.94 | -0.96 | -3.85 | -0.18 | N/A | N/A | N/A | N/A | -0.18 | |
| BNYM DB Lg Cap Stock Idx NL (CF) | 155,388,851 | 6.29 | 4.76 | 0.30 | 10.62 | 23.86 | 28.44 | 8.88 | 15.65 | N/A | N/A | 13.89 | 05/01/2019 |
| Russell 1000 Index | | | 4.71 | 0.25 | 10.58 | 23.80 | 28.01 | 8.46 | 15.42 | 13.52 | 12.40 | 13.67 | |
| Difference | | | 0.05 | 0.05 | 0.04 | 0.06 | 0.43 | 0.42 | 0.23 | N/A | N/A | 0.22 | |
| Loomis, Sayles & Co Lg Cap Grth (CF) | 134,803,739 | 5.46 | 4.30 | -1.57 | 10.59 | 26.22 | 29.53 | 9.75 | 17.41 | N/A | N/A | 15.90 | 08/01/2017 |
| Russell 1000 Grth Index | | | 5.99 | 1.49 | 13.08 | 29.09 | 33.60 | 11.12 | 19.37 | 17.50 | 15.80 | 17.55 | |
| Difference | | | -1.69 | -3.06 | -2.49 | -2.87 | -4.07 | -1.37 | -1.96 | N/A | N/A | -1.65 | |
| Kayne Anderson US SMID Value (SA) | 70,675,727 | 2.86 | 5.10 | -2.61 | 3.78 | 16.53 | 22.60 | N/A | N/A | N/A | N/A | 4.01 | 03/01/2022 |
| Russell 2500 Val Index | | | 4.21 | -2.34 | 3.59 | 17.84 | 23.62 | 2.39 | 9.82 | 7.73 | 7.44 | 3.59 | |
| Difference | | | 0.89 | -0.27 | 0.19 | -1.31 | -1.02 | N/A | N/A | N/A | N/A | 0.42 | |
| Systematic Financial US SMID Value (SA) | 72,800,764 | 2.95 | 3.14 | -2.15 | 6.38 | 18.82 | 27.41 | N/A | N/A | N/A | N/A | 6.76 | 03/01/2022 |
| Russell 2500 Val Index | | | 4.21 | -2.34 | 3.59 | 17.84 | 23.62 | 2.39 | 9.82 | 7.73 | 7.44 | 3.59 | |
| Difference | | | -1.07 | 0.19 | 2.79 | 0.98 | 3.79 | N/A | N/A | N/A | N/A | 3.17 | |
| Pinnacle Associates US SMID Cap Growth (SA) | 66,985,220 | 2.71 | 4.04 | -2.23 | 1.30 | 13.04 | 8.76 | -3.97 | 10.54 | 8.70 | 8.60 | 11.66 | 03/01/2010 |
| Russell 2500 Grth Index | | | 4.06 | -3.70 | 4.49 | 17.66 | 18.26 | -2.25 | 9.32 | 9.69 | 9.39 | 11.93 | |
| Difference | | | -0.02 | 1.47 | -3.19 | -4.62 | -9.50 | -1.72 | 1.22 | -0.99 | -0.79 | -0.27 | |

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

As of May 31, 2024

| | Allocation | | Performance (%) | | | | | | | | | | |
|---|--------------------|--------------|-----------------|--------------|--------------|--------------|--------------|---------------|-------------|-------------|-------------|--------------|-------------------|
| | Market Value (\$) | % | MTD | QTD | CYTD | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Incep. | Inception Date |
| International Equity | | | | | | | | | | | | | |
| Silchester Intl Val Equity (CF) | 314,287,595 | 12.73 | 4.36 | 2.32 | 4.47 | 12.66 | 19.42 | 5.35 | 8.59 | 5.95 | 5.64 | 8.97 | 06/01/2009 |
| MSCI EAFE Val Index (USD) (Net) | | | 3.94 | 2.88 | 7.49 | 16.32 | 23.58 | 5.72 | 7.78 | 5.07 | 3.43 | 5.81 | |
| Difference | | | 0.42 | -0.56 | -3.02 | -3.66 | -4.16 | -0.37 | 0.81 | 0.88 | 2.21 | 3.16 | |
| Bail Giff Intl Gro;4 (BGEFX) | | | | | | | | | | | | | |
| Bail Giff Intl Gro;4 (BGEFX) | 171,546,607 | 6.95 | 6.39 | 2.07 | 5.93 | 19.45 | 11.39 | -10.30 | 7.16 | 6.55 | 6.00 | 8.87 | 06/01/2009 |
| Baillie Gifford Index | | | 2.64 | -0.20 | 5.70 | 17.45 | 13.01 | -2.79 | 6.65 | 5.23 | 4.65 | 7.05 | |
| Difference | | | 3.75 | 2.27 | 0.23 | 2.00 | -1.62 | -7.51 | 0.51 | 1.32 | 1.35 | 1.82 | |
| Baillie Gifford Spliced Index | | | 2.90 | 1.06 | 5.79 | 16.11 | 16.74 | 0.27 | 7.02 | 5.23 | 4.11 | 6.49 | |
| Difference | | | 3.49 | 1.01 | 0.14 | 3.34 | -5.35 | -10.57 | 0.14 | 1.32 | 1.89 | 2.38 | |
| Acadian Emg Mkts Eq II (CF) | | | | | | | | | | | | | |
| Acadian Emg Mkts Eq II (CF) | 151,391,917 | 6.13 | 2.72 | 4.25 | 10.16 | 19.67 | 25.87 | 0.99 | 8.08 | 5.22 | 4.34 | 3.85 | 02/01/2011 |
| MSCI Emg Mkts Index (USD) (Net) | | | 0.56 | 1.01 | 3.41 | 11.54 | 12.39 | -6.23 | 3.55 | 3.11 | 2.66 | 1.98 | |
| Difference | | | 2.16 | 3.24 | 6.75 | 8.13 | 13.48 | 7.22 | 4.53 | 2.11 | 1.68 | 1.87 | |
| Fixed Income | | | | | | | | | | | | | |
| Baird Core Fixed Income (SA) | | | | | | | | | | | | | |
| Baird Core Fixed Income (SA) | 212,361,950 | 8.60 | 1.82 | -0.68 | -1.03 | 5.92 | 2.27 | -2.76 | N/A | N/A | N/A | -2.52 | 03/01/2021 |
| Bloomberg US Agg Bond Index | | | 1.70 | -0.87 | -1.64 | 5.06 | 1.31 | -3.10 | -0.17 | 0.71 | 1.26 | -2.91 | |
| Difference | | | 0.12 | 0.19 | 0.61 | 0.86 | 0.96 | 0.34 | N/A | N/A | N/A | 0.39 | |
| Loomis Sayles Multisector Full Discretion (CF) | | | | | | | | | | | | | |
| Loomis Sayles Multisector Full Discretion (CF) | 111,094,687 | 4.50 | 1.85 | -0.62 | -0.18 | 7.39 | 5.48 | -1.34 | 2.50 | 2.98 | 3.12 | 5.30 | 11/01/2007 |
| Bloomberg Gbl Agg Bond Index | | | 1.31 | -1.25 | -3.30 | 4.53 | 0.77 | -5.82 | -1.62 | -0.49 | -0.36 | 1.57 | |
| Difference | | | 0.54 | 0.63 | 3.12 | 2.86 | 4.71 | 4.48 | 4.12 | 3.47 | 3.48 | 3.73 | |
| Schroder Flexible Secured Income LP (CF) | | | | | | | | | | | | | |
| Schroder Flexible Secured Income LP (CF) | 118,915,487 | 4.82 | 0.00 | 2.80 | 4.54 | 7.08 | 10.02 | N/A | N/A | N/A | N/A | 9.00 | 10/01/2022 |
| SOFR+1.75% | | | 0.59 | 1.18 | 2.98 | 4.81 | 7.26 | 4.80 | 3.90 | N/A | N/A | 6.83 | |
| Difference | | | -0.59 | 1.62 | 1.56 | 2.27 | 2.76 | N/A | N/A | N/A | N/A | 2.17 | |
| SOFR+5% | | | 0.85 | 1.71 | 4.34 | 7.03 | 10.69 | 8.15 | 7.22 | N/A | N/A | 10.24 | |
| Difference | | | -0.85 | 1.09 | 0.20 | 0.05 | -0.67 | N/A | N/A | N/A | N/A | -1.24 | |

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Schroder Flexible Secured Income Fund LP (CF), Harrison Street Core Property LP, PGIM Real Estate PRISA II LP, UBS Trumbull Property (CF), all non core Real Estate Managers, and Adams Street Private Equity (SA) valuations are available quarterly, adjusted for subsequent cash flows. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon. Performance for NCREIF ODCE Index (AWA) (Net) is available on a quarterly basis. The Total Fund market value includes the Transition Account.

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

As of May 31, 2024

| | Allocation | | Performance (%) | | | | | | | | | | |
|---|--------------------|-------------|-----------------|--------------|--------------|---------------|---------------|--------------|--------------|-------------|-------------|--------------|-------------------|
| | Market Value (\$) | % | MTD | QTD | CYTD | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Incep. | Inception Date |
| Core Real Estate | | | | | | | | | | | | | |
| Harrison Street Core Property LP | 120,727,394 | 4.89 | 0.00 | -0.97 | -4.44 | -6.52 | -6.38 | 3.69 | 4.44 | 5.43 | N/A | 5.87 | 11/01/2015 |
| NCREIF ODCE Index (AWA) (Net) | | | 0.00 | 0.00 | -2.58 | -7.45 | -12.00 | 2.47 | 2.56 | 3.76 | 5.82 | 4.52 | |
| Difference | | | 0.00 | -0.97 | -1.86 | 0.93 | 5.62 | 1.22 | 1.88 | 1.67 | N/A | 1.35 | |
| PGIM Real Estate PRISA II LP | 55,357,632 | 2.24 | 0.00 | -2.45 | -7.88 | -11.51 | -13.69 | 2.20 | 2.54 | 4.05 | N/A | 5.67 | 01/01/2015 |
| NCREIF ODCE Index (AWA) (Net) | | | 0.00 | 0.00 | -2.58 | -7.45 | -12.00 | 2.47 | 2.56 | 3.76 | 5.82 | 5.22 | |
| Difference | | | 0.00 | -2.45 | -5.30 | -4.06 | -1.69 | -0.27 | -0.02 | 0.29 | N/A | 0.45 | |
| Principal US Property (CF) | 128,889,620 | 5.22 | -0.23 | -0.04 | -1.99 | -4.22 | -9.73 | 2.52 | 3.19 | 4.52 | 6.59 | 6.71 | 01/01/2014 |
| NCREIF ODCE Index (AWA) (Net) | | | 0.00 | 0.00 | -2.58 | -7.45 | -12.00 | 2.47 | 2.56 | 3.76 | 5.82 | 5.81 | |
| Difference | | | -0.23 | -0.04 | 0.59 | 3.23 | 2.27 | 0.05 | 0.63 | 0.76 | 0.77 | 0.90 | |
| UBS Trumbull Property (CF) | 57,259,459 | 2.32 | 0.00 | -1.84 | -5.94 | -7.46 | -10.74 | 0.07 | -1.40 | 0.51 | 2.97 | 3.72 | 01/01/2006 |
| NCREIF ODCE Index (AWA) (Net) | | | 0.00 | 0.00 | -2.58 | -7.45 | -12.00 | 2.47 | 2.56 | 3.76 | 5.82 | 4.95 | |
| Difference | | | 0.00 | -1.84 | -3.36 | -0.01 | 1.26 | -2.40 | -3.96 | -3.25 | -2.85 | -1.23 | |
| Vanguard RE Idx;ETF (VNQ) | 1,206,635 | 0.05 | 4.55 | -3.74 | -4.97 | 12.32 | 8.44 | -2.37 | 2.87 | 4.07 | 5.16 | 10.34 | 12/01/2008 |
| Custom REITs Index | | | 4.58 | -3.78 | -4.89 | 12.40 | 8.59 | -2.23 | 3.03 | 4.48 | 5.48 | 11.02 | |
| Difference | | | -0.03 | 0.04 | -0.08 | -0.08 | -0.15 | -0.14 | -0.16 | -0.41 | -0.32 | -0.68 | |

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

As of May 31, 2024

| | Allocation | | Performance (%) | | | | | | | | | | |
|---|-------------------|-------------|-----------------|---------------|---------------|---------------|---------------|--------------|-------------|-------------|-------------|---------------|-------------------|
| | Market Value (\$) | % | MTD | QTD | CYTD | FYTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Incep. | Inception Date |
| Non-Core Real Estate | | | | | | | | | | | | | |
| Abacus Multi-Family Partners VI LP | 3,910,762 | 0.16 | 0.00 | -0.68 | -36.96 | -44.71 | -42.77 | N/A | N/A | N/A | N/A | -52.02 | 10/01/2022 |
| NCREIF ODCE Index (AWA) (Net) +2% | | | 0.17 | 0.33 | -1.77 | -6.22 | -10.24 | 4.52 | 4.61 | 5.84 | 7.93 | -10.36 | |
| Difference | | | -0.17 | -1.01 | -35.19 | -38.49 | -32.53 | N/A | N/A | N/A | N/A | -41.66 | |
| H.I.G. Realty Partners IV (Onshore) LP | 22,787,186 | 0.92 | 0.72 | 0.72 | 4.04 | 3.90 | 3.48 | N/A | N/A | N/A | N/A | N/A | 01/01/2022 |
| NCREIF ODCE Index (AWA) (Net) +2% | | | 0.17 | 0.33 | -1.77 | -6.22 | -10.24 | 4.52 | 4.61 | 5.84 | 7.93 | -2.09 | |
| Difference | | | 0.55 | 0.39 | 5.81 | 10.12 | 13.72 | N/A | N/A | N/A | N/A | N/A | |
| Bell Value-Add Fund VII (CF) | 3,105,513 | 0.13 | 0.00 | -3.48 | -3.48 | -21.49 | -20.81 | N/A | N/A | N/A | N/A | -18.12 | 04/01/2023 |
| NCREIF ODCE Index (AWA) (Net) +2% | | | 0.17 | 0.33 | -1.77 | -6.22 | -10.24 | 4.52 | 4.61 | 5.84 | 7.93 | -8.59 | |
| Difference | | | -0.17 | -3.81 | -1.71 | -15.27 | -10.57 | N/A | N/A | N/A | N/A | -9.53 | |
| Hammes Partners IV LP | 253,700 | 0.01 | 0.01 | -12.21 | -27.39 | -55.48 | N/A | N/A | N/A | N/A | N/A | -55.48 | 10/01/2023 |
| NCREIF ODCE Index (AWA) (Net) +2% | | | 0.17 | 0.33 | -1.77 | -6.22 | -10.24 | 4.52 | 4.61 | 5.84 | 7.93 | -6.22 | |
| Difference | | | -0.16 | -12.54 | -25.62 | -49.26 | N/A | N/A | N/A | N/A | N/A | -49.26 | |
| IPI Partners III-A LP | 5,191,448 | 0.21 | 0.06 | 0.06 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0.06 | 04/01/2024 |
| NCREIF ODCE Index (AWA) (Net) +2% | | | 0.17 | 0.33 | -1.77 | -6.22 | -10.24 | 4.52 | 4.61 | 5.84 | 7.93 | 0.33 | |
| Difference | | | -0.11 | -0.27 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | -0.27 | |
| Diversifying Assets | | | | | | | | | | | | | |
| Adams Street Private Equity (SA) | 87,106,771 | 3.53 | 0.00 | 4.22 | 5.13 | 7.80 | 9.15 | 27.72 | N/A | N/A | N/A | 22.73 | 11/01/2020 |
| S&P 500 Index+3% | | | 5.22 | 1.17 | 12.68 | 26.78 | 32.03 | 12.85 | 19.28 | 17.22 | 16.07 | 19.57 | |
| Difference | | | -5.22 | 3.05 | -7.55 | -18.98 | -22.88 | 14.87 | N/A | N/A | N/A | 3.16 | |
| Hamilton Lane Private Credit (SA) | 75,927,889 | 3.08 | 0.46 | 1.64 | 4.61 | 9.16 | 12.96 | 6.76 | N/A | N/A | N/A | 2.92 | 04/01/2021 |
| ICE BofAML Gbl Hi Yld Index +2% | | | 1.74 | 0.93 | 2.92 | 11.33 | 14.38 | 1.86 | 5.32 | 5.39 | 5.47 | 2.61 | |
| Difference | | | -1.28 | 0.71 | 1.69 | -2.17 | -1.42 | 4.90 | N/A | N/A | N/A | 0.31 | |
| Cash Equivalents | | | | | | | | | | | | | |
| Dreyfus Gvt Csh Mgt;Inst (DGCXX) | 14,295,552 | 0.58 | 0.46 | 0.91 | 2.26 | 3.61 | 5.41 | 3.02 | 2.14 | 2.04 | 1.50 | 1.57 | 05/01/2001 |
| FTSE 3 Mo T-Bill Index | | | 0.46 | 0.92 | 2.30 | 3.74 | 5.61 | 3.01 | 2.17 | 2.05 | 1.48 | 1.55 | |
| Difference | | | 0.00 | -0.01 | -0.04 | -0.13 | -0.20 | 0.01 | -0.03 | -0.01 | 0.02 | 0.02 | |

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

Market values and performance shown are preliminary and subject to change. Performance shown is net of fees and is annualized for periods greater than one year. Allocations may not sum up to 100% due to the exclusion of managers in liquidation. Please see the addendum for custom benchmark definitions. Fiscal year for the COJ ends 09/30. Schroder Flexible Secured Income Fund LP (CF), Harrison Street Core Property LP, PGIM Real Estate PRISA II LP, UBS Trumbull Property (CF), all non core Real Estate Managers, and Adams Street Private Equity (SA) valuations are available quarterly, adjusted for subsequent cash flows. Asset Valuations for Real Estate and Diversifying Assets are lagged/unlagged as reported by the System's book of record, BNY Mellon. Performance for NCREIF ODCE Index (AWA) (Net) is available on a quarterly basis. The Total Fund market value includes the Transition Account.



Performance Related Comments:

- Performance is annualized for periods greater than one year.
- Performance and market values shown are preliminary and subject to change.
- The inception date shown indicates the first full month of performance following initial funding.
- The market value shown for the Transition Account includes BNYM Transition, Loop Cap Transition, and residual assets from terminated managers.
- RVK began monitoring the assets of the City of Jacksonville Retirement System on 01/01/2019. Prior historical data was provided by the custodian and previous consultant.

Custom Composite Benchmark Comments:

- **Total Fund Policy Index:** The passive Total Fund Policy Index is calculated monthly and currently consists of 30% Russell 3000 Index, 23% MSCI ACW Ex US Index (USD) (Net), 20% Fixed Income Index, 15% Real Estate Index, and 12% Diversifying Assets Index.
- **US Equity Index:** The passive US Equity Index consists of 100% DJ US TSM Index through 06/2009 and 100% Russell 3000 Index thereafter.
- **International Equity Index:** The passive International Equity Index consists of 100% MSCI EAFE Index (USD) (Gross) through 01/2011 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Fixed Income Index:** The passive Fixed Income Index consists of 100% Bloomberg US Agg Bond Index through 10/2017 and 100% Bloomberg US Universal Bond Index thereafter.
- **Real Estate Index:** The active Real Estate Index is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return.
- **Diversifying Assets Index:** The Diversifying Assets Index is calculated monthly and consists of 50% S&P MLP Index (TR)/50% NCREIF Timberland Index through 10/2017, 67% S&P MLP Index (TR)/33% NCREIF Timberland Index through 09/2020, and calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark return thereafter.

Custom Manager Benchmark Comments:

- **Baillie Gifford Index:** The passive Baillie Gifford Index consists of 100% MSCI EAFE Grth Index (USD) (Net) through 10/2017 and 100% MSCI ACW Ex US Grth Index (USD) (Net) thereafter.
- **Baillie Gifford Spliced Index:** The passive Baillie Gifford Spliced Index consists of 100% MSCI EAFE Index (USD) (Net) through 11/2019 and 100% MSCI ACW Ex US Index (USD) (Net) thereafter.
- **Custom REITs Index:** The passive Custom REITs Index consists of 100% MSCI US REIT Index (USD) (Gross) through 01/2019 and 100% Vanguard Spl Real Estate Index thereafter.
- **Vanguard Spliced Real Estate Index:** The Vanguard Spl Real Estate Index consists of MSCI US REIT Index (USD) (Gross) adjusted to include a 2% cash position (Lipper Money Market Average) through 04/30/2009, MSCI US REIT Index (USD) (Gross) through 01/31/2018, MSCI US IM Real Estate 25/50 Transition Index through 07/24/2018, and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.

PORTLAND

BOISE

CHICAGO

NEW YORK

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June 27, 2024

Asset Allocation Study

City of Jacksonville Employees' Retirement System



Asset Allocation Study

Executive Summary

- The City of Jacksonville Employees' Retirement System (COJ ERS or System) Asset Allocation Study provides an overview of the long-term risk and return expectations of the System's Target and Current portfolios by using RVK's 2024 Capital Market Assumptions (CMAs).
 - **Compared to 2023 return expectations, the 2024 long-run return and risk estimates of the System's Target portfolio have decreased marginally.**
 - RVK's 2024 return assumptions for the asset classes that the System currently utilizes are largely unchanged with the exception of public and private equity, which were slightly reduced to reflect the elevated valuation levels following strong 2023 returns.
 - As a result, the expected long-run compound return estimate of the COJ ERS Target portfolio decreased by 12 basis points (bps) compared to 2023 return expectations.
 - Risk estimates have reduced by 14 bps compared to 2023 risk expectations.
 - **Additionally in this study, informed by key takeaways from the 2023 Asset/Liability study, we have explored a few potential alternative portfolios for the Board's consideration.**
 - This study also includes Monte Carlo simulations which detail the probability of achieving the rate of return relevant to the System's portfolio and the maximum drawdown of the portfolio over different time periods.
 - The results of the study and related recommendations are summarized in the following slides.
-
- **Based on feedback and discussion with the Board at the May meeting, RVK has outlined several additional portfolios for discussion today. Our updated analysis is included in slides 6 – 12.**

Asset Allocation Study

Process Overview

- The selection of asset allocation is one of the most important decisions that the COJ ERS can make. It is the major determinant of both the long-term rate of return and the volatility of asset values for the System.
- The goal of an asset allocation study is not only to provide expected return and risk expectations of the Target portfolio but also to identify alternative portfolios that satisfy the return objectives and unique risk tolerances of the System.
- When conducting an asset allocation review, RVK employs a modeling process called Mean Variance Optimization, which produces a set of optimal (aka “efficient”) portfolios providing the highest level of expected return for a given level of risk. This set of optimal portfolios is called the Efficient Frontier.
- The major inputs of the modeling are as follows:
 - Allowable asset classes
 - Public/Traditional asset classes (cash, bonds, stocks, etc.)
 - Private/Alternative asset classes (private real estate, private equity, etc.)
 - Capital Market Assumptions for each individual asset class:
 - Expected Return
 - Expected Risk
 - Correlations
 - Constraints:
 - For each asset class (minimums, maximums)
 - Global constraints for “groups” of asset classes
- The Efficient Frontier is then referenced when identifying alternative portfolios; additional adjustments are typically necessary to take into account the qualitative factors that the model simply cannot account for (e.g. a Committee’s desire for a certain allocation cap on illiquid assets).
- Finally, a Monte Carlo analysis is incorporated, which allows us to ascertain the real-world probability of achieving various return targets over time as well as the associated risks.

Efficient Allocation

Current & Target

- The table below shows the range of possible optimal allocations given the selected asset classes and constraints listed under "Min" and "Max," which are generally informed by the current COJ ERS IPS asset class targets and associated ranges. This range illustrates the tradeoff between return and risk; additional return can only be achieved by undertaking additional risk.

Frontier 1

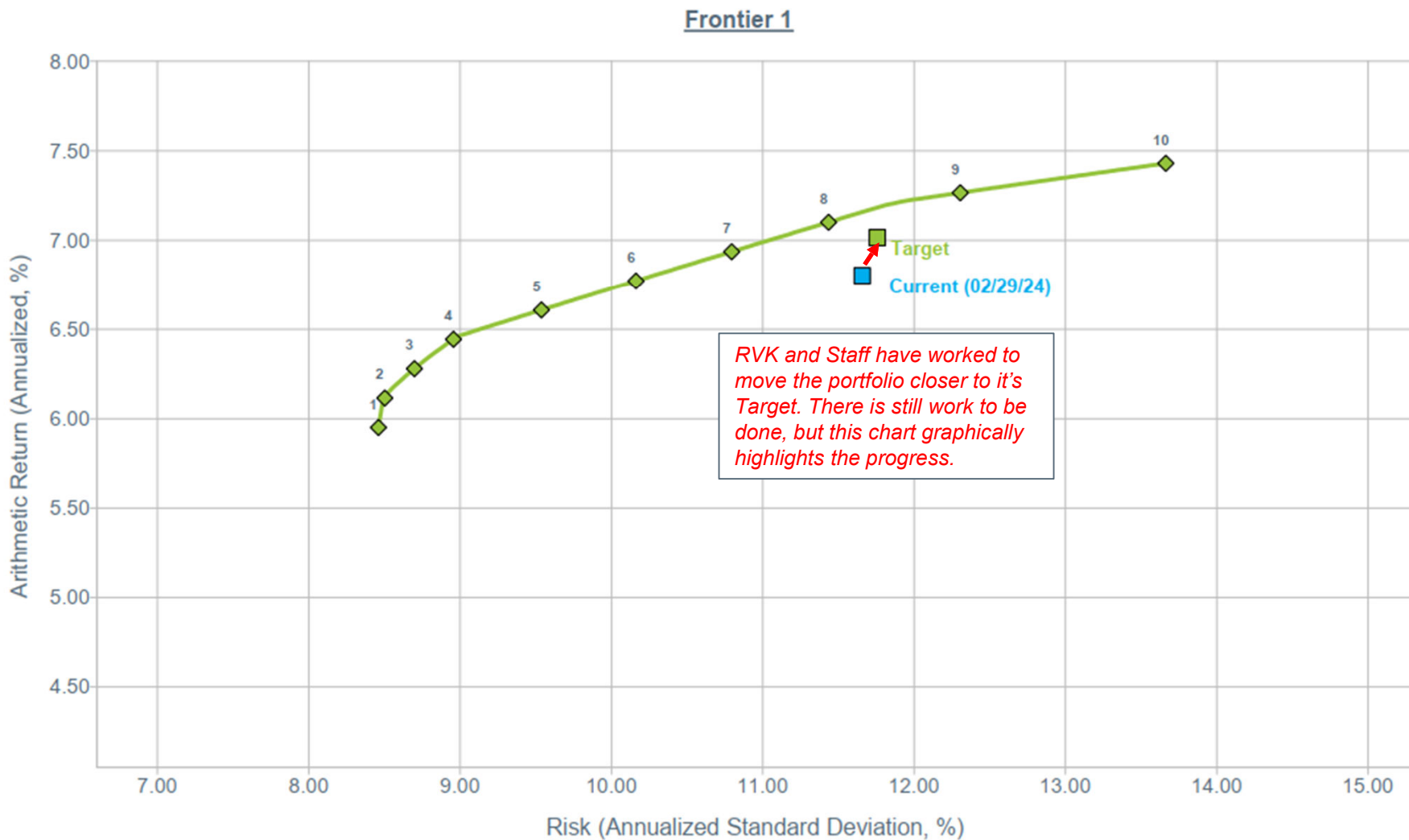
| | Min | Max | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Target | Current (02/29/24) |
|---|-----|-----|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| Broad US Equity | 0 | 40 | 30 | 20 | 17 | 16 | 17 | 20 | 22 | 24 | 29 | 40 | 30 | 33 |
| Dev'd Large/Mid Int'l Equity | 0 | 20 | 8 | 18 | 15 | 11 | 12 | 13 | 14 | 16 | 17 | 17 | 16 | 19 |
| Emerging Markets Equity | 0 | 10 | 0 | 0 | 2 | 5 | 6 | 7 | 7 | 8 | 8 | 8 | 7 | 6 |
| US Agg Fixed Income | 0 | 20 | 20 | 20 | 20 | 20 | 16 | 12 | 8 | 3 | 0 | 0 | 10 | 9 |
| Core Plus Fixed Income | 0 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 17 | 6 | 10 | 9 |
| Core Real Estate | 0 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 16 |
| Non-Core Real Estate | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 1 |
| Private Equity | 0 | 7 | 0 | 0 | 4 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 3 |
| Private Credit | 0 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 5 | 3 |
| Total | | | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Capital Appreciation | | | 50 | 50 | 50 | 50 | 54 | 58 | 62 | 67 | 73 | 84 | 70 | 66 |
| Capital Preservation | | | 40 | 40 | 40 | 40 | 36 | 32 | 28 | 23 | 17 | 6 | 20 | 18 |
| Alpha | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inflation | | | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 16 |
| Expected Arithmetic Return | | | 5.95 | 6.12 | 6.28 | 6.44 | 6.61 | 6.77 | 6.94 | 7.10 | 7.27 | 7.43 | 7.02 | 6.80 |
| Expected Risk (Standard Deviation) | | | 8.46 | 8.50 | 8.70 | 8.96 | 9.54 | 10.16 | 10.79 | 11.43 | 12.31 | 13.66 | 11.76 | 11.66 |
| Expected Compound Return | | | 5.61 | 5.78 | 5.93 | 6.06 | 6.19 | 6.29 | 6.40 | 6.50 | 6.57 | 6.57 | 6.38 | 6.17 |
| Expected Return (Arithmetic)/Risk Ratio | | | 0.70 | 0.72 | 0.72 | 0.72 | 0.69 | 0.67 | 0.64 | 0.62 | 0.59 | 0.54 | 0.60 | 0.58 |
| RVK Expected Eq Beta (LCUS Eq = 1) | | | 0.50 | 0.49 | 0.50 | 0.51 | 0.54 | 0.58 | 0.62 | 0.66 | 0.71 | 0.80 | 0.68 | 0.68 |
| RVK Liquidity Metric (T-Bills = 100) | | | 69 | 68 | 65 | 62 | 62 | 62 | 62 | 63 | 64 | 67 | 67 | 72 |

Modeling Constraints: Total International Equity cannot exceed 25% of the Total Portfolio or Broad US Equity. Emerging Markets Equity cannot exceed 1/2 Dev'd Large/Mid Int'l Equity. Total Non-Core Real Estate cannot exceed Core Real Estate. Allocations shown may not sum to 100% exactly due to rounding.

Efficient Frontier

Current & Target

- The figure below illustrates the relationship between risk and return.
- The risk of each allocation is plotted against the horizontal axis, while the return is measured on the vertical axis. The line connecting the points represents all the optimal portfolios subject to the given constraints and is known as the "efficient frontier." The scaling of each axis enhances the marginal differences among the portfolios.



Efficient Allocation

Alternative Portfolios

- The table below shows the range of possible optimal allocations given the selected asset classes and constraints listed under "Min" and "Max," which are generally informed by the current COJ ERS IPS asset class targets and associated ranges. These range illustrate the tradeoff between return and risk; additional return can only be achieved by undertaking additional risk.
- Additionally, we have highlighted three alternative portfolios for potential consideration. Potential 2 and Potential Future have been updated based on feedback and discussion with the Board at the May meeting.

Frontier 2

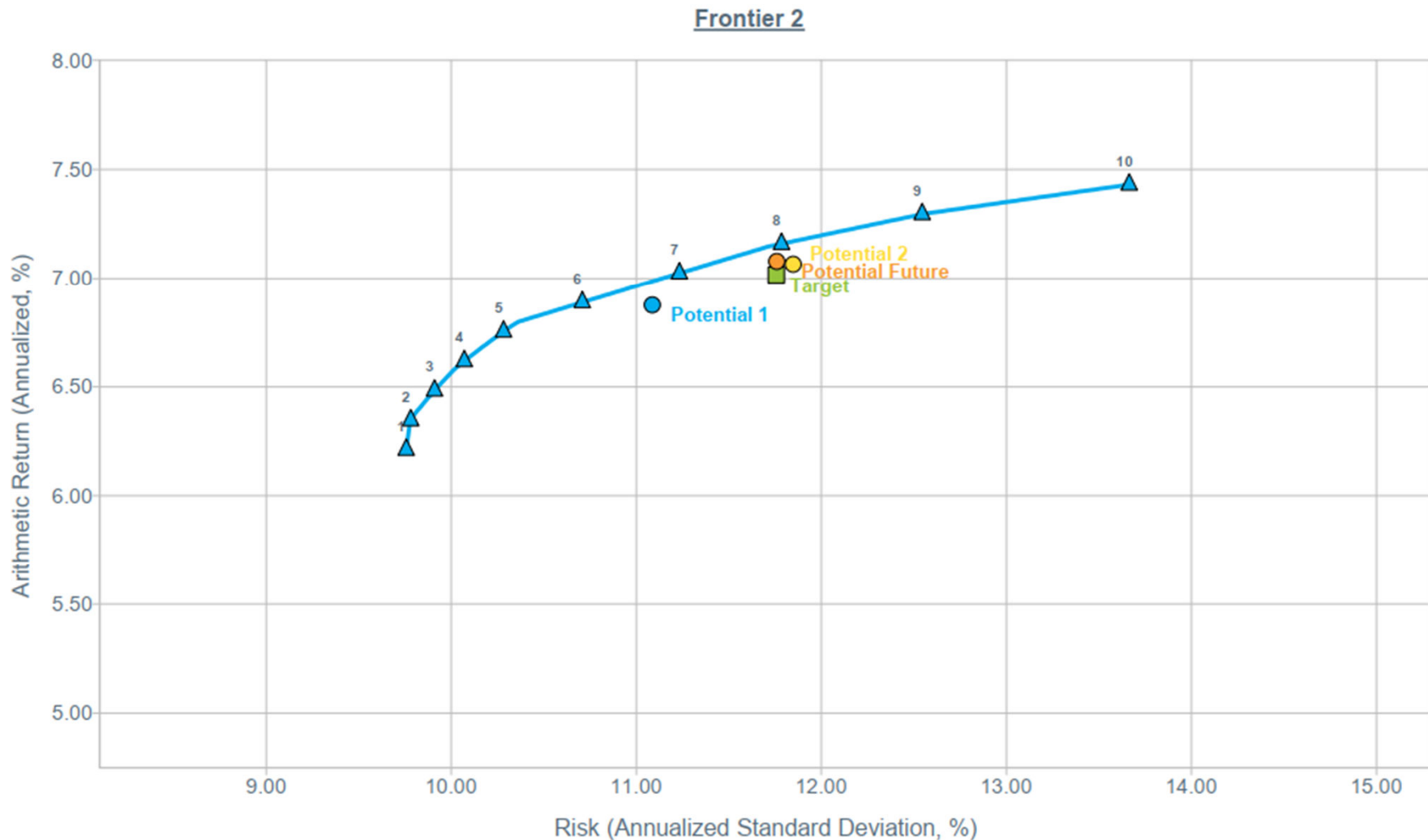
| | Min | Max | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Target | Potential 1 | Potential 2 | Potential Future |
|---|-----|-----|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------------|
| Broad US Equity | 0 | 40 | 36 | 29 | 25 | 22 | 21 | 22 | 23 | 26 | 31 | 40 | 30 | 27 | 30 | 29 |
| Dev'd Large/Mid Int'l Equity | 0 | 20 | 12 | 19 | 20 | 19 | 15 | 14 | 16 | 17 | 17 | 17 | 16 | 15 | 16 | 15 |
| Emerging Markets Equity | 0 | 10 | 0 | 0 | 1 | 3 | 5 | 7 | 8 | 8 | 8 | 8 | 7 | 6 | 7 | 7 |
| US Agg Fixed Income | 0 | 15 | 15 | 15 | 15 | 15 | 15 | 13 | 9 | 5 | 0 | 0 | 10 | 10 | 5 | 5 |
| Core Plus Fixed Income | 0 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 6 | 10 | 15 | 15 | 15 |
| Core Real Estate | 0 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Non-Core Real Estate | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Private Equity | 0 | 7 | 0 | 0 | 2 | 5 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Private Credit | 0 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 5 | 5 | 5 | 7 |
| Total | | | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Capital Appreciation | | | 60 | 60 | 60 | 60 | 60 | 62 | 66 | 70 | 75 | 84 | 70 | 65 | 70 | 70 |
| Capital Preservation | | | 30 | 30 | 30 | 30 | 30 | 28 | 24 | 20 | 15 | 6 | 20 | 25 | 20 | 20 |
| Alpha | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Inflation | | | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Expected Arithmetic Return | | | 6.21 | 6.35 | 6.48 | 6.62 | 6.75 | 6.89 | 7.02 | 7.16 | 7.30 | 7.43 | 7.02 | 6.88 | 7.07 | 7.08 |
| Expected Risk (Standard Deviation) | | | 9.76 | 9.78 | 9.91 | 10.07 | 10.28 | 10.71 | 11.23 | 11.78 | 12.54 | 13.66 | 11.76 | 11.09 | 11.85 | 11.76 |
| Expected Compound Return | | | 5.76 | 5.90 | 6.02 | 6.15 | 6.26 | 6.36 | 6.44 | 6.52 | 6.57 | 6.57 | 6.38 | 6.31 | 6.42 | 6.44 |
| Expected Return (Arithmetic)/Risk Ratio | | | 0.64 | 0.65 | 0.65 | 0.66 | 0.66 | 0.64 | 0.63 | 0.61 | 0.58 | 0.54 | 0.60 | 0.62 | 0.60 | 0.60 |
| RVK Expected Eq Beta (LCUS Eq = 1) | | | 0.58 | 0.58 | 0.58 | 0.58 | 0.59 | 0.61 | 0.64 | 0.68 | 0.73 | 0.80 | 0.68 | 0.64 | 0.69 | 0.68 |
| RVK Liquidity Metric (T-Bills = 100) | | | 70 | 70 | 68 | 66 | 63 | 64 | 64 | 64 | 65 | 67 | 67 | 66 | 66 | 64 |

Modeling Constraints: Total International Equity cannot exceed 25% of the Total Portfolio or Broad US Equity. Emerging Markets Equity cannot exceed 1/2 Dev'd Large/Mid Int'l Equity. Total Non-Core Real Estate cannot exceed Core Real Estate. Allocations shown may not sum to 100% exactly due to rounding.

Efficient Frontier

Alternative Portfolios

- The figure below illustrates the relationship between risk and return.
- The risk of each allocation is plotted against the horizontal axis, while the return is measured on the vertical axis. The line connecting the points represents all the optimal portfolios subject to the given constraints and is known as the "efficient frontier." The scaling of each axis enhances the marginal differences among the portfolios.



Key Takeaways

The output on the four prior slides highlights several notable takeaways:

- The Target portfolio continues to fall very close to the efficient frontier (Frontier 1) when utilizing the current line-up of existing asset classes. This is to be expected as RVK’s updated 2024 CMAs shifted only modestly year-over-year.
- Additionally, informed by the 2023 Asset/Liability (A/L) study and current capital market expectations, we highlight three potential alternative portfolios with varying risk and return expectations compared to the Target portfolio for discussion.
- As a reminder, several notable investment-related key takeaways from the A/L study included:
 1. *Continued diversification in the investment of the System’s assets is desirable.*
 2. *A heavy reliance on illiquid investments risks could turn even normal asset value declines into disruptive events.*
 3. *High expected return and high expected risk approaches bring increased risk of large declines in the value of the System’s assets and increased volatility in required contributions.*
 4. *As the expected risk (and return) of the System are incrementally increased, the projected median outcomes over the long-term, as compared to the current target, are not expected to materially improve; however, under worst-case outcomes are projected to be more detrimental to funded status.*

| 20 Years | Expected Market Funded Ratio in Year 20 | | |
|----------------|---|-----|------|
| | 50th | 5th | 95th |
| Reduced Risk | 66% | 33% | 125% |
| Current Target | 67% | 31% | 141% |
| Increased Risk | 68% | 29% | 157% |

Key Takeaways (continued)

The optimized portfolios, **Potentials 1, 2, and Future Potential**, result in lower expected risk and/or enhanced expected return leading to improved or similar portfolio efficiency (risk-adjusted return) by reallocating within the current asset classes. The table below summarizes the projected change in allocation, risk, and return metrics.

| | Target | Potential 1 Change | Potential 2 Change | Future Potential Change |
|---|--------|-----------------------|-----------------------|-------------------------------|
| Broad US Equity | 30 | -3 | - | -1 |
| Dev'd Large/Mid Int'l Equity | 16 | -1 | - | -1 |
| Emerging Markets Equity | 7 | -1 | - | - |
| US Agg Fixed Income | 10 | - | -5 | -5 |
| Core Plus Fixed Income | 10 | +5 | +5 | +5 |
| Core Real Estate | 10 | - | - | - |
| Non-Core Real Estate | 5 | - | - | - |
| Private Equity | 7 | - | - | - |
| Private Credit | 5 | - | - | +2 |
| Total | 100 | - | - | - |
| Expected Arithmetic Return | 7.02 | -0.14 | 0.05 | 0.06 |
| Expected Risk | 11.76 | -0.67 | 0.09 | - |
| Expected Compound Return | 6.38 | -0.07 | 0.04 | 0.06 |
| Expected Return (Arithmetic)/Risk Ratio | 0.60 | 0.02 | - | 0.01 |

Compared to Target:

- All of the potential alternative portfolios maintain similar, if not marginally greater, degree of fixed income exposure, however, the complexion is shifted to weight a greater relative portion of the allocation to Core Plus Fixed Income, adding to the diversification and implementation toolkit intra the asset class.
- **Potential 1** results in slightly lower compound return expectations (-7 bps) with a greater reduction in expected risk (-67 bps), resulting in improved risk-adjusted return (0.62) compared to Target (0.60).
- **Potential 2** results in slightly improved compound return expectations (+4 bps) and a modest increase in expected risk (+9 bps) with unchanged risk-adjusted return (0.60) compared to Target (0.60).
- **Future Potential** slightly improves compound return expectations (+6 bp), while maintaining the same expected risk, resulting in modest improvement in risk-adjusted return (0.61) compared to Target (0.60).
 - This portfolio adds 2% additional exposure to Private Credit. The asset class can provide opportunities for increased relative alpha generation and reduced risk through diversification. However, as there remains additional progress to be made in the buildout of the existing target of 5%, this portfolio might be an option for future consideration.

Monte Carlo Simulation

Overview

- Monte Carlo simulation uses a random sampling of asset class returns, based on the probability distribution implied by the empirical returns, to create several thousand estimates of portfolio performance. Undergoing a Monte Carlo simulation provides insight into the performance of the asset allocation by examining many randomly sampled return outcomes.
- The asset allocation process provides a snapshot of portfolio performance that is highly dependent on the mean return expectations. A Monte Carlo simulation process "stress tests" these assumptions and asset allocation recommendations that stem from them through thousands of independent samplings of portfolio returns, based on the assumptions and indicated asset allocations. Through the Monte Carlo simulation process, we are better able to ascertain the real-world probability of achieving various return targets over time.
- RVK's Monte Carlo simulation model assumes a non-normal (downside log-stable (DLS), or "fat-tailed") distribution of returns for equity asset classes (as well as high yield fixed income and bank loans), which we believe provides a more realistic representation of historical market experience than the typically used normal or log-normal (LN) distribution. Given this non-normal distribution of random returns derived from our assumption inputs and empirical return dispersion, we can estimate the potential return for a given portfolio over the indicated time period.
- It is important to note that the output that follows refers to geometric (compound) return, rather than the arithmetic return assumptions used in the asset allocation analysis. The geometric return of a portfolio will be less than (or equal to) its arithmetic return over time, because geometric return accounts for the dampening effect of volatility on the portfolio's compound returns.

Monte Carlo Target Returns

All Asset Class Breakout

| 1 Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Target | Potential 1 | Potential 2 | Potential Future |
|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|-------------|------------------|
| 1st Percentile | -20.87 | -20.35 | -19.99 | -20.04 | -20.04 | -21.09 | -22.86 | -24.75 | -27.29 | -30.90 | -25.82 | -24.13 | -26.24 | -25.47 |
| 5th Percentile | -10.31 | -10.11 | -9.87 | -9.70 | -9.77 | -10.32 | -11.16 | -11.94 | -13.06 | -15.14 | -12.68 | -11.54 | -12.81 | -12.37 |
| 25th Percentile | -0.48 | -0.28 | -0.14 | -0.01 | 0.09 | -0.10 | -0.40 | -0.70 | -1.10 | -1.76 | -0.93 | -0.55 | -0.85 | -0.71 |
| 50th Percentile | 6.28 | 6.45 | 6.55 | 6.67 | 6.77 | 6.88 | 7.03 | 7.13 | 7.28 | 7.41 | 7.08 | 6.95 | 7.20 | 7.19 |
| 75th Percentile | 12.94 | 13.04 | 13.20 | 13.35 | 13.56 | 14.02 | 14.56 | 15.17 | 15.84 | 16.84 | 15.01 | 14.41 | 15.16 | 14.99 |
| 95th Percentile | 22.91 | 23.02 | 23.18 | 23.32 | 23.64 | 24.68 | 25.80 | 27.01 | 28.63 | 30.79 | 27.72 | 26.32 | 27.94 | 27.48 |
| 99th Percentile | 31.31 | 31.64 | 31.79 | 31.82 | 32.37 | 33.66 | 35.34 | 37.05 | 39.32 | 42.66 | 37.17 | 35.07 | 37.50 | 36.85 |
| 3 Years | | | | | | | | | | | | | | |
| 1st Percentile | -10.48 | -10.15 | -10.08 | -9.93 | -10.06 | -10.74 | -11.76 | -12.63 | -14.27 | -16.77 | -13.64 | -12.51 | -14.13 | -13.43 |
| 5th Percentile | -4.37 | -4.23 | -4.04 | -3.89 | -3.85 | -4.25 | -4.80 | -5.41 | -6.31 | -7.61 | -5.73 | -5.01 | -5.82 | -5.50 |
| 25th Percentile | 1.96 | 2.06 | 2.21 | 2.33 | 2.43 | 2.35 | 2.22 | 2.07 | 1.78 | 1.31 | 1.66 | 1.89 | 1.68 | 1.82 |
| 50th Percentile | 5.92 | 6.01 | 6.14 | 6.30 | 6.44 | 6.59 | 6.71 | 6.82 | 6.88 | 6.93 | 6.59 | 6.50 | 6.66 | 6.66 |
| 75th Percentile | 9.90 | 10.03 | 10.20 | 10.31 | 10.47 | 10.76 | 11.12 | 11.49 | 11.88 | 12.47 | 11.25 | 10.88 | 11.33 | 11.27 |
| 95th Percentile | 15.66 | 15.83 | 15.98 | 16.18 | 16.39 | 17.00 | 17.66 | 18.31 | 19.24 | 20.58 | 18.38 | 17.59 | 18.57 | 18.32 |
| 99th Percentile | 19.81 | 19.89 | 20.08 | 20.20 | 20.43 | 21.18 | 22.17 | 23.22 | 24.40 | 26.38 | 23.67 | 22.56 | 23.85 | 23.57 |
| 5 Years | | | | | | | | | | | | | | |
| 1st Percentile | -6.80 | -6.64 | -6.58 | -6.57 | -6.36 | -6.98 | -7.78 | -8.71 | -9.98 | -11.66 | -8.64 | -7.69 | -8.86 | -8.39 |
| 5th Percentile | -2.26 | -2.11 | -2.01 | -1.87 | -1.85 | -2.16 | -2.58 | -3.02 | -3.72 | -4.85 | -3.32 | -2.78 | -3.43 | -3.21 |
| 25th Percentile | 2.68 | 2.80 | 2.93 | 3.08 | 3.19 | 3.14 | 3.05 | 2.94 | 2.72 | 2.29 | 2.68 | 2.85 | 2.70 | 2.81 |
| 50th Percentile | 5.90 | 6.05 | 6.20 | 6.31 | 6.44 | 6.55 | 6.64 | 6.72 | 6.80 | 6.83 | 6.46 | 6.35 | 6.52 | 6.52 |
| 75th Percentile | 8.88 | 9.01 | 9.13 | 9.28 | 9.45 | 9.69 | 9.98 | 10.27 | 10.64 | 11.03 | 10.14 | 9.85 | 10.23 | 10.15 |
| 95th Percentile | 13.52 | 13.64 | 13.79 | 13.93 | 14.11 | 14.58 | 15.13 | 15.70 | 16.46 | 17.44 | 15.54 | 14.87 | 15.65 | 15.51 |
| 99th Percentile | 16.64 | 16.63 | 16.72 | 16.88 | 17.24 | 17.81 | 18.60 | 19.37 | 20.42 | 21.90 | 19.67 | 18.69 | 19.81 | 19.53 |
| 10 Years | | | | | | | | | | | | | | |
| 1st Percentile | -2.83 | -2.65 | -2.48 | -2.35 | -2.33 | -2.73 | -3.19 | -3.78 | -4.66 | -5.90 | -4.33 | -3.80 | -4.75 | -4.32 |
| 5th Percentile | -0.09 | 0.03 | 0.17 | 0.35 | 0.44 | 0.28 | -0.01 | -0.35 | -0.94 | -1.74 | -0.74 | -0.37 | -0.80 | -0.61 |
| 25th Percentile | 3.42 | 3.56 | 3.68 | 3.81 | 3.91 | 3.91 | 3.84 | 3.76 | 3.61 | 3.28 | 3.53 | 3.64 | 3.54 | 3.63 |
| 50th Percentile | 5.73 | 5.86 | 6.00 | 6.13 | 6.27 | 6.37 | 6.45 | 6.54 | 6.58 | 6.56 | 6.28 | 6.23 | 6.34 | 6.37 |
| 75th Percentile | 7.98 | 8.13 | 8.28 | 8.43 | 8.55 | 8.75 | 8.97 | 9.19 | 9.45 | 9.73 | 8.99 | 8.77 | 9.06 | 9.04 |
| 95th Percentile | 11.24 | 11.38 | 11.53 | 11.66 | 11.87 | 12.20 | 12.61 | 13.04 | 13.59 | 14.31 | 12.79 | 12.32 | 12.91 | 12.74 |
| 99th Percentile | 13.44 | 13.56 | 13.75 | 13.94 | 14.20 | 14.68 | 15.25 | 15.80 | 16.51 | 17.53 | 15.40 | 14.74 | 15.52 | 15.30 |

Note: The table shows the expected return by percentile of each portfolio on the Frontier for the 1-, 3-, 5-, and 10-year periods.

Monte Carlo Return Distribution

All Asset Class Breakout

| 1 Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Target | Potential 1 | Potential 2 | Potential Future |
|-----------------|----|----|----|----|----|----|----|----|----|----|--------|-------------|-------------|------------------|
| Target 0% | 73 | 74 | 75 | 75 | 75 | 75 | 74 | 73 | 72 | 71 | 72 | 73 | 72 | 73 |
| Target 1% | 70 | 71 | 71 | 71 | 72 | 71 | 71 | 70 | 70 | 68 | 70 | 70 | 70 | 70 |
| Target 3% | 63 | 63 | 63 | 64 | 64 | 64 | 64 | 64 | 63 | 62 | 64 | 64 | 64 | 64 |
| Target 5% | 55 | 55 | 56 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 | 57 |
| Target 6.5% | 49 | 50 | 50 | 51 | 51 | 52 | 52 | 52 | 52 | 53 | 52 | 52 | 52 | 52 |
| Target 8% | 43 | 43 | 44 | 45 | 45 | 46 | 47 | 47 | 48 | 48 | 47 | 46 | 47 | 47 |
| 3 Years | | | | | | | | | | | | | | |
| Target 0% | 84 | 85 | 85 | 86 | 86 | 85 | 84 | 83 | 82 | 80 | 82 | 83 | 82 | 82 |
| Target 1% | 80 | 80 | 81 | 82 | 82 | 81 | 81 | 79 | 78 | 76 | 78 | 79 | 78 | 79 |
| Target 3% | 69 | 70 | 71 | 71 | 72 | 72 | 71 | 71 | 70 | 68 | 69 | 70 | 69 | 69 |
| Target 5% | 56 | 57 | 58 | 59 | 60 | 60 | 60 | 60 | 60 | 59 | 58 | 59 | 59 | 59 |
| Target 6.5% | 46 | 47 | 48 | 49 | 50 | 51 | 51 | 52 | 52 | 52 | 51 | 50 | 51 | 51 |
| Target 8% | 37 | 38 | 39 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 42 | 41 | 42 | 42 |
| 5 Years | | | | | | | | | | | | | | |
| Target 0% | 89 | 89 | 90 | 90 | 91 | 90 | 89 | 88 | 86 | 84 | 87 | 88 | 87 | 87 |
| Target 1% | 85 | 85 | 86 | 86 | 87 | 86 | 85 | 84 | 83 | 81 | 83 | 84 | 83 | 83 |
| Target 3% | 73 | 74 | 75 | 75 | 76 | 76 | 75 | 75 | 74 | 72 | 73 | 74 | 73 | 74 |
| Target 5% | 58 | 59 | 60 | 61 | 62 | 62 | 63 | 62 | 62 | 61 | 60 | 60 | 60 | 61 |
| Target 6.5% | 45 | 46 | 47 | 48 | 50 | 50 | 51 | 52 | 52 | 52 | 50 | 49 | 50 | 50 |
| Target 8% | 32 | 33 | 35 | 36 | 37 | 38 | 39 | 41 | 42 | 42 | 39 | 38 | 40 | 40 |
| 10 Years | | | | | | | | | | | | | | |
| Target 0% | 95 | 95 | 95 | 96 | 96 | 96 | 95 | 94 | 93 | 91 | 93 | 94 | 93 | 94 |
| Target 1% | 91 | 92 | 92 | 93 | 93 | 93 | 92 | 91 | 89 | 87 | 90 | 91 | 90 | 90 |
| Target 3% | 78 | 80 | 81 | 82 | 82 | 82 | 81 | 81 | 79 | 77 | 79 | 80 | 79 | 80 |
| Target 5% | 59 | 60 | 62 | 63 | 65 | 65 | 65 | 65 | 64 | 63 | 62 | 62 | 62 | 63 |
| Target 6.5% | 41 | 43 | 44 | 45 | 47 | 48 | 49 | 50 | 51 | 51 | 48 | 47 | 48 | 49 |
| Target 8% | 25 | 26 | 28 | 29 | 30 | 32 | 34 | 35 | 37 | 38 | 34 | 32 | 34 | 34 |

Note: The table shows the percentage chance of achieving or exceeding the given return for each portfolio on the Frontier for the 1-, 3-, 5-, and 10-year periods.

Next Steps to Transition Portfolio to New Target

- Assuming the Board adopts Potential 2, below, RVK and Staff have put together a rebalancing proposal to transition the current portfolio to the new target allocations.
 - The transition is expected to take place in at least two phases to accommodate the distinct subscription and redemption terms of the managers.
 - Adopting the new target will not require a change to the current IPS.
- To implement the new target allocations to Core (-5%) and Core Plus Fixed Income (+5%), we took the opportunity to rebalance current overweight positions across US and International Equity asset classes and managers, while additionally adjusting exposures to the Core and Core Plus Fixed Income managers.
 - As a result of the rebalance, post transaction, the current relative over/underweights across US Equity, International Equity and Fixed Income asset classes will be more even.
- RVK and Staff will work collaboratively to implement the proposed portfolio rebalance. The final trade amounts will be slightly different due to market fluctuations and the amounts shown below will be adjusted accordingly by Staff, in conjunction with RVK, prior to execution.

| City of Jacksonville Employees' Retirement System Asset Allocation Rebalance As of June 17, 2024 | | | | | | | | | | | | | | |
|--|---------------|------------|---------------|-------|------------|-------|-----------------------|------------|-------------------------------|------------------------------------|------------------|------------------|------------|------------|
| | Current | | New Target | | | | Difference vs. Target | | Rebalance Transactions | | | Post Transaction | | |
| | Market Value | Allocation | Market Value | Min | Allocation | Max | Market Value | Allocation | Rebalance Phase 1 (July 2024) | Rebalance Phase 2 (September 2024) | Total Transition | Market Value | Allocation | Difference |
| US Equity | \$824,632,213 | 33.3% | \$743,217,325 | 20.0% | 30.0% | 40.0% | \$81,414,888 | 3.3% | -\$23,000,000 | -\$20,000,000 | -\$43,000,000 | \$781,632,213 | 31.6% | 1.6% |
| Eagle Capital Large Cap Value (SA) | \$171,185,298 | 6.9% | \$142,028,831 | | 5.7% | | \$29,156,467 | 1.2% | -\$14,000,000 | -\$10,000,000 | -\$24,000,000 | \$147,185,298 | 5.9% | 0.2% |
| Loomis, Sayles & Co Lg Cap Grth (CF) | \$144,657,892 | 5.8% | \$120,178,241 | | 4.9% | | \$24,479,651 | 1.0% | -\$9,000,000 | -\$10,000,000 | -\$19,000,000 | \$125,657,892 | 5.1% | 0.2% |
| International Equity | \$628,068,512 | 25.4% | \$569,799,949 | 13.0% | 23.0% | 25.0% | \$58,268,563 | 2.4% | -\$29,000,000 | \$0 | -\$29,000,000 | \$599,068,512 | 24.2% | 1.2% |
| Silchester Intl Val Equity (CF) | \$301,810,377 | 12.2% | \$198,191,287 | | 8.0% | | \$103,619,091 | 4.2% | -\$29,000,000 | | -\$29,000,000 | \$272,810,377 | 11.0% | 3.0% |
| Fixed Income | \$448,634,653 | 18.1% | \$495,478,217 | 10.0% | 20.0% | 30.0% | -\$46,843,564 | -1.9% | \$52,000,000 | \$20,000,000 | \$72,000,000 | \$520,634,653 | 21.0% | 1.0% |
| Baird Core Fixed Income (SA) | \$215,427,337 | 8.7% | \$123,869,554 | | 5.0% | | \$91,557,783 | 3.7% | -\$29,000,000 | -\$53,000,000 | -\$82,000,000 | \$133,427,337 | 5.4% | 0.4% |
| Schroder Flexible Secured Income Fund | \$120,568,412 | 4.9% | \$185,804,331 | | 7.5% | | -\$65,235,919 | -2.6% | | \$73,000,000 | \$73,000,000 | \$193,568,412 | 7.8% | 0.3% |
| Loomis Sayles Multisector Full Discretion (CF) | \$112,638,903 | 4.5% | \$185,804,331 | | 7.5% | | -\$73,165,428 | -3.0% | \$81,000,000 | | \$81,000,000 | \$193,638,903 | 7.8% | 0.3% |

Market values shown are estimated as of June 17, 2024.

Appendix



RVK 2024 Assumptions vs 2023

| Asset Class | 2023 | | | 2024 | | | Change | | |
|----------------------------------|-------------------------|-----------------|-----------------------|-------------------------|-----------------|-----------------------|-------------------------|-----------------|-----------------------|
| | Nominal Return (Arith.) | Risk (St. Dev.) | Nominal Return (Geo.) | Nominal Return (Arith.) | Risk (St. Dev.) | Nominal Return (Geo.) | Nominal Return (Arith.) | Risk (St. Dev.) | Nominal Return (Geo.) |
| Broad US Equity | 6.80% | 16.10% | 5.61% | 6.50% | 16.10% | 5.30% | -0.30% | 0.00% | -0.30% |
| Dev'd Large/Mid Cap Int'l Equity | 8.50% | 17.00% | 7.19% | 8.25% | 17.00% | 6.94% | -0.25% | 0.00% | -0.25% |
| Emerging Markets Equity | 11.25% | 25.00% | 8.54% | 11.25% | 25.00% | 8.54% | 0.00% | 0.00% | 0.00% |
| US Aggregate Fixed Income | 4.00% | 5.00% | 3.88% | 4.00% | 5.00% | 3.88% | 0.00% | 0.00% | 0.00% |
| Core Plus Fixed Income | 5.07% | 4.78% | 4.96% | 5.01% | 4.94% | 4.89% | -0.06% | 0.16% | -0.07% |
| High Yield | 7.25% | 10.50% | 6.74% | 7.00% | 10.50% | 6.49% | -0.25% | 0.00% | -0.25% |
| Core Real Estate | 5.75% | 12.50% | 5.02% | 5.75% | 12.50% | 5.02% | 0.00% | 0.00% | 0.00% |
| Non-Core Real Estate | 8.00% | 20.00% | 6.19% | 8.00% | 20.00% | 6.19% | 0.00% | 0.00% | 0.00% |
| Private Equity | 10.00% | 22.00% | 7.86% | 9.75% | 22.00% | 7.61% | -0.25% | 0.00% | -0.25% |
| Private Credit | 8.00% | 13.00% | 7.23% | 8.00% | 13.00% | 7.23% | 0.00% | 0.00% | 0.00% |
| Cash Equivalents | 2.50% | 2.00% | 2.48% | 2.75% | 2.00% | 2.73% | 0.25% | 0.00% | 0.25% |

Core Plus Fixed Income is comprised of 25% Global Fixed Income, 12.50% Intermediate Duration Credit, 8.33% Mortgages, 8.33% ABS, 8.33% CMBS, 12.50% High Yield Fixed Income, 16.67% Senior Secured Debt, and 8.33% Bank Loans.

RVK 2024 Return Assumptions (Geometric)



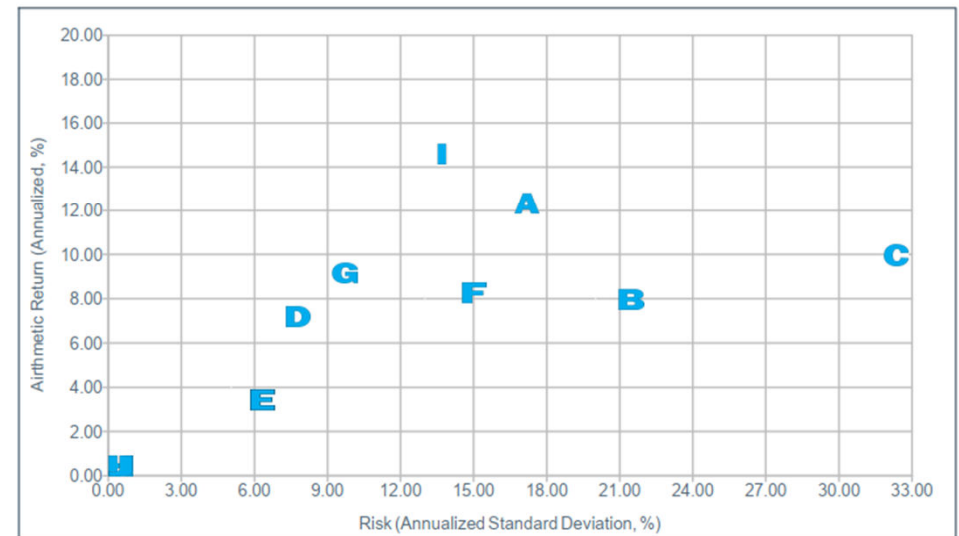
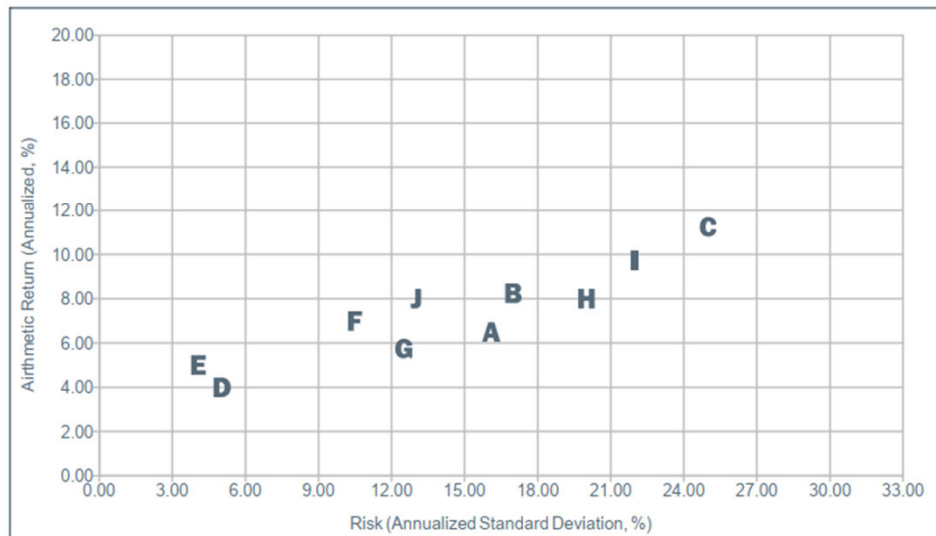
RVK Broad US Equity assumption is a combination of 94.6% Large/Mid Cap US Equity and 5.4% Small Cap US Equity. Core Plus Fixed Income assumptions is a combination of 15.0% Global Fixed Income, 12.5% Intermediate Duration Credit, 8.33% Mortgages, 8.33% ABS, 8.33% CMBS, 12.5% High Yield, 16.67% Senior Secured Debt, and 8.33% Bank Loans.

RVK Assumptions vs Longest Historical Time Frame

Historical Risk and Return

| Asset Class | Arithmetic Return Assumption | Standard Deviation Assumption |
|------------------------------|------------------------------|-------------------------------|
| Broad US Equity | 6.50 | 16.10 |
| Dev'd Large/Mid Int'l Equity | 8.25 | 17.00 |
| Emerging Markets Equity | 11.25 | 25.00 |
| US Agg Fixed Income | 4.00 | 5.04 |
| Core Plus Fixed Income | 5.01 | 4.08 |
| High Yield Fixed Income | 7.00 | 10.50 |
| Core Real Estate | 5.75 | 12.50 |
| Non-Core Real Estate | 8.00 | 20.00 |
| Private Equity | 9.75 | 22.00 |
| Private Credit | 8.00 | 13.00 |

| Index | Longest Historical Time Frame | Annualized Arithmetic Return | Annual Standard Deviation |
|-----------------------------------|-------------------------------|------------------------------|---------------------------|
| Russell 3000 | Jan 1979 - Dec 2023 | 11.89 | 16.71 |
| MSCI EAFE (Gross) | Jan 1986 - Dec 2023 | 7.55 | 20.97 |
| MSCI Emg Mkts (Gross) | Jan 1988 - Dec 2023 | 9.52 | 31.87 |
| Bloomberg US Agg Bond | Jan 1980 - Dec 2023 | 6.73 | 7.30 |
| Custom Core Plus Index | Jul 2004 - Dec 2023 | 2.97 | 5.84 |
| Bloomberg US Corp: Hi Yld | Jan 1986 - Dec 2023 | 7.82 | 14.53 |
| NCREIF ODCE (Gross) (AWA) | Mar 1978 - Sep 2023 | 8.72 | 9.22 |
| Cambridge US Private Equity Index | Jan 1987 - Sep 2023 | 14.14 | 13.19 |



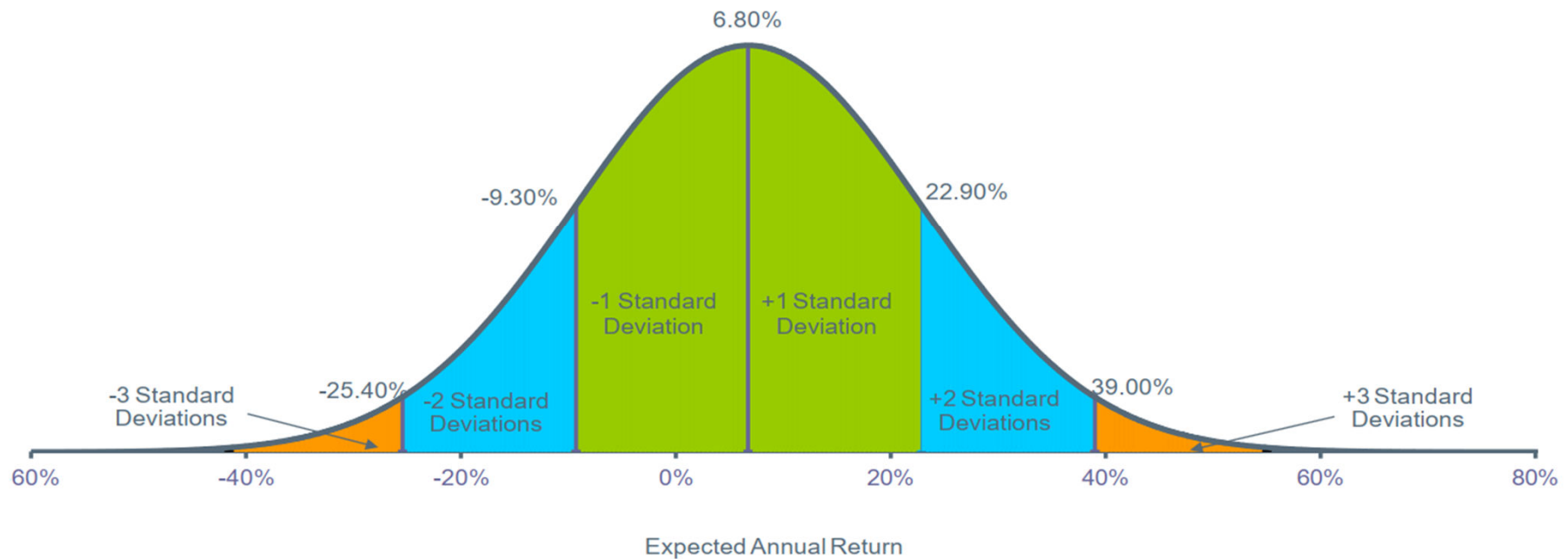
- A Broad US
- B Large IE
- C Emerging
- D Agg FI
- E Core Plus FI
- F High Yield
- G Core RE
- H Non-Core RE
- I Priv Equity
- J Private Credit

Statistics are calculated based on annual periodicity.

Annual Volatility of Return Assumptions

Historical Risk and Return

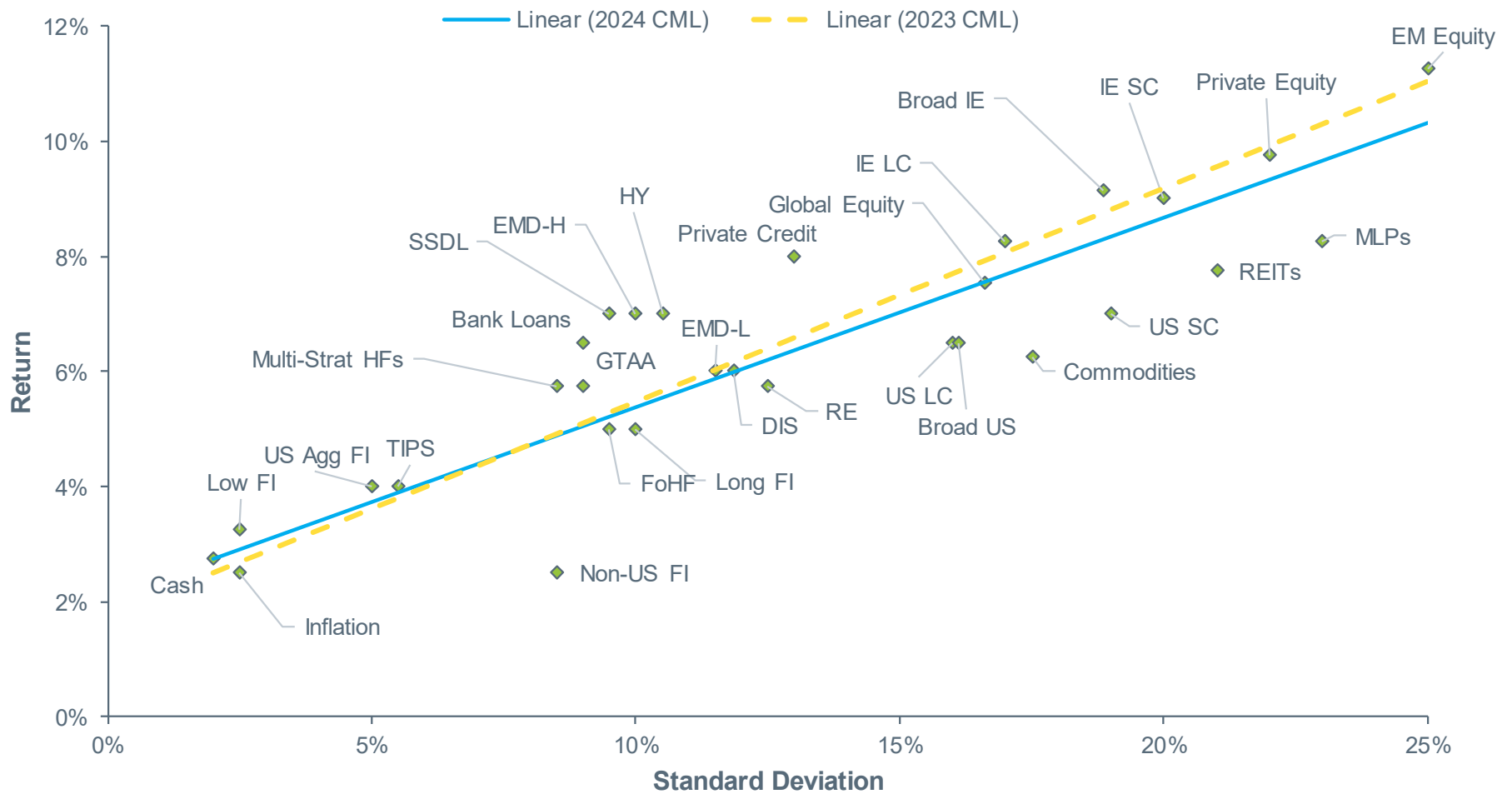
| | -3 St Dev | -2 St Dev | -1 St Dev | Expected Return | +1 St Dev | +2 St Dev | +3 St Dev |
|------------------------------|-----------|-----------|-----------|-----------------|-----------|-----------|-----------|
| Broad US Equity | -41.80 | -25.70 | -9.60 | 6.50 | 22.60 | 38.70 | 54.80 |
| Dev'd Large/Mid Int'l Equity | -42.75 | -25.75 | -8.75 | 8.25 | 25.25 | 42.25 | 59.25 |
| Emerging Markets Equity | -63.75 | -38.75 | -13.75 | 11.25 | 36.25 | 61.25 | 86.25 |
| US Agg Fixed Income | -11.12 | -6.08 | -1.04 | 4.00 | 9.04 | 14.08 | 19.12 |
| Core Plus Fixed Income | -7.23 | -3.15 | 0.93 | 5.01 | 9.09 | 13.17 | 17.25 |
| High Yield Fixed Income | -24.50 | -14.00 | -3.50 | 7.00 | 17.50 | 28.00 | 38.50 |
| Core Real Estate | -31.75 | -19.25 | -6.75 | 5.75 | 18.25 | 30.75 | 43.25 |
| Non-Core Real Estate | -52.00 | -32.00 | -12.00 | 8.00 | 28.00 | 48.00 | 68.00 |
| Private Equity | -56.25 | -34.25 | -12.25 | 9.75 | 31.75 | 53.75 | 75.75 |
| Private Credit | -31.00 | -18.00 | -5.00 | 8.00 | 21.00 | 34.00 | 47.00 |



Correlation Matrix

| | Broad US Equity | Dev'd Large/Mid Int'l Equity | Emerging Markets Equity | US Agg Fixed Income | Core Plus Fixed Income | High Yield Fixed Income | Core Real Estate | Non-Core Real Estate | Private Equity | Private Credit |
|------------------------------|-----------------|------------------------------|-------------------------|---------------------|------------------------|-------------------------|------------------|----------------------|----------------|----------------|
| Broad US Equity | 1.00 | 0.85 | 0.74 | 0.24 | 0.60 | 0.67 | 0.28 | 0.22 | 0.76 | 0.71 |
| Dev'd Large/Mid Int'l Equity | 0.85 | 1.00 | 0.81 | 0.18 | 0.69 | 0.70 | 0.30 | 0.20 | 0.72 | 0.79 |
| Emerging Markets Equity | 0.74 | 0.81 | 1.00 | 0.15 | 0.65 | 0.66 | 0.21 | 0.17 | 0.65 | 0.71 |
| US Agg Fixed Income | 0.24 | 0.18 | 0.15 | 1.00 | 0.66 | 0.34 | 0.01 | -0.04 | -0.05 | -0.14 |
| Core Plus Fixed Income | 0.60 | 0.69 | 0.65 | 0.66 | 1.00 | 0.81 | 0.26 | 0.13 | 0.46 | 0.61 |
| High Yield Fixed Income | 0.67 | 0.70 | 0.66 | 0.34 | 0.81 | 1.00 | 0.15 | 0.14 | 0.61 | 0.70 |
| Core Real Estate | 0.28 | 0.30 | 0.21 | 0.01 | 0.26 | 0.15 | 1.00 | 0.78 | 0.54 | 0.38 |
| Non-Core Real Estate | 0.22 | 0.20 | 0.17 | -0.04 | 0.13 | 0.14 | 0.78 | 1.00 | 0.47 | 0.30 |
| Private Equity | 0.76 | 0.72 | 0.65 | -0.05 | 0.46 | 0.61 | 0.54 | 0.47 | 1.00 | 0.83 |
| Private Credit | 0.71 | 0.79 | 0.71 | -0.14 | 0.61 | 0.70 | 0.38 | 0.30 | 0.83 | 1.00 |

Capital Markets Line



Transition to New Target (Detailed)

| City of Jacksonville Employees' Retirement System Asset Allocation Rebalance As of June 17, 2024 | | | | | | | | | | | | | | | | | |
|--|-----------------|------------|-----------------|-------|------------|-------|-----------------------|------------|-------------------------------|------------------------------------|------------------|-----------------|------------|------------|-------------------|------------------------|------------------|
| | Current | | New Target | | | | Difference vs. Target | | Rebalance Transactions | | | Post Transition | | | Relative Variance | | |
| | Market Value | Allocation | Market Value | Min | Allocation | Max | Market Value | Allocation | Rebalance Phase 1 (July 2024) | Rebalance Phase 2 (September 2024) | Total Transition | Market Value | Allocation | Difference | Pre-Transaction | Post-Phase 1 Rebalance | Post Transaction |
| US Equity | \$824,632,213 | 33.3% | \$743,217,325 | 20.0% | 30.0% | 40.0% | \$81,414,888 | 3.3% | -\$23,000,000 | -\$20,000,000 | -\$43,000,000 | \$781,632,213 | 31.6% | 1.6% | 11.0% | 7.9% | 5.2% |
| Eagle Capital Large Cap Value (SA) | \$171,185,298 | 6.9% | \$142,028,831 | | 5.7% | | \$29,156,467 | 1.2% | -\$14,000,000 | -\$10,000,000 | -\$24,000,000 | \$147,185,298 | 5.9% | 0.2% | 3.9% | 2.0% | 0.7% |
| Wellington Select Equity Income Fund (SA) | \$139,138,726 | 5.6% | \$131,103,536 | | 5.3% | | \$8,035,189 | 0.3% | | | | \$139,138,726 | 5.6% | 0.3% | 1.1% | 1.1% | 1.1% |
| BNYM DB Lg Cap Stock Idx NL (CF) | \$160,681,823 | 6.5% | \$152,954,125 | | 6.2% | | \$7,727,698 | 0.3% | | | | \$160,681,823 | 6.5% | 0.3% | 1.0% | 1.0% | 1.0% |
| Loomis, Sayles & Co Lg Cap Grth (CF)* | \$144,657,892 | 5.8% | \$120,178,241 | | 4.9% | | \$24,479,651 | 1.0% | -\$9,000,000 | -\$10,000,000 | -\$19,000,000 | \$125,657,892 | 5.1% | 0.2% | 3.3% | 2.1% | 0.7% |
| Systematic Financial US SMID Value (SA) | \$71,102,576 | 2.9% | \$65,650,864 | | 2.7% | | \$5,451,713 | 0.2% | | | | \$71,102,576 | 2.9% | 0.2% | 0.7% | 0.7% | 0.7% |
| Kayne Anderson US SMID Value (SA) | \$70,338,118 | 2.8% | \$65,650,864 | | 2.7% | | \$4,687,255 | 0.2% | | | | \$70,338,118 | 2.8% | 0.2% | 0.6% | 0.6% | 0.6% |
| Pinnacle Associates US SMID Cap Growth (SA) | \$67,527,779 | 2.7% | \$65,650,864 | | 2.7% | | \$1,876,916 | 0.1% | | | | \$67,527,779 | 2.7% | 0.1% | 0.3% | 0.3% | 0.3% |
| International Equity | \$628,068,512 | 25.4% | \$569,799,949 | 13.0% | 23.0% | 25.0% | \$58,268,563 | 2.4% | -\$29,000,000 | \$0 | -\$29,000,000 | \$599,068,512 | 24.2% | 1.2% | 10.2% | 5.1% | 5.1% |
| Silchester Intl Val Equity (CF)* | \$301,810,377 | 12.2% | \$198,191,287 | | 8.0% | | \$103,619,091 | 4.2% | -\$29,000,000 | | -\$29,000,000 | \$272,810,377 | 11.0% | 3.0% | 18.2% | 13.1% | 13.1% |
| Bail Giff Intl Gro;4 (BGEFX)* | \$170,899,750 | 6.9% | \$198,191,287 | | 8.0% | | -\$27,291,537 | -1.1% | | | | \$170,899,750 | 6.9% | -1.1% | -4.8% | -4.8% | -4.8% |
| Acadian Emg Mkts Eq II (CF)* | \$155,358,385 | 6.3% | \$173,417,376 | | 7.0% | | -\$18,058,991 | -0.7% | | | | \$155,358,385 | 6.3% | -0.7% | -3.2% | -3.2% | -3.2% |
| Fixed Income | \$448,634,653 | 18.1% | \$495,478,217 | 10.0% | 20.0% | 30.0% | -\$46,843,564 | -1.9% | \$52,000,000 | \$20,000,000 | \$72,000,000 | \$520,634,653 | 21.0% | 1.0% | -9.5% | 1.0% | 5.1% |
| Baird Core Fixed Income (SA) | \$215,427,337 | 8.7% | \$123,869,554 | | 5.0% | | \$91,557,783 | 3.7% | -\$29,000,000 | -\$53,000,000 | -\$82,000,000 | \$133,427,337 | 5.4% | 0.4% | 18.5% | 12.6% | 1.9% |
| Schroder Flexible Secured Income Fund* | \$120,568,412 | 4.9% | \$185,804,331 | | 7.5% | | -\$65,235,919 | -2.6% | | \$73,000,000 | \$73,000,000 | \$193,568,412 | 7.8% | 0.3% | -13.2% | -13.2% | 1.6% |
| Loomis Sayles Multisector Full Discretion (CF)* | \$112,638,903 | 4.5% | \$185,804,331 | | 7.5% | | -\$73,165,428 | -3.0% | \$81,000,000 | | \$81,000,000 | \$193,638,903 | 7.8% | 0.3% | -14.8% | 1.6% | 1.6% |
| Core Real Estate | \$363,446,967 | 14.7% | \$247,739,108 | 0.0% | 10.0% | 20.0% | \$115,707,859 | 4.7% | \$0 | \$0 | \$0 | \$363,446,967 | 14.7% | 4.7% | 46.7% | 46.7% | 46.7% |
| Non-Core Real Estate | \$37,435,624 | 1.5% | \$123,869,554 | 0.0% | 5.0% | 20.0% | -\$86,433,930 | -3.5% | \$0 | \$0 | \$0 | \$37,435,624 | 1.5% | -3.5% | -69.8% | -69.8% | -69.8% |
| Private Equity | \$87,106,771 | 3.5% | \$173,417,376 | 0.0% | 7.0% | 20.0% | -\$86,310,605 | -3.5% | \$0 | \$0 | \$0 | \$87,106,771 | 3.5% | -3.5% | -49.8% | -49.8% | -49.8% |
| Private Credit | \$75,700,162 | 3.1% | \$123,869,554 | 0.0% | 5.0% | 20.0% | -\$48,169,392 | -1.9% | \$0 | \$0 | \$0 | \$75,700,162 | 3.1% | -1.9% | -38.9% | -38.9% | -38.9% |
| Cash & Other | \$12,366,181 | 0.5% | \$0 | 0.0% | 0.0% | 10.0% | \$12,366,181 | 0.5% | \$0 | \$0 | \$0 | \$12,366,181 | 0.5% | 0.5% | | | |
| Total Fund | \$2,477,391,083 | 100% | \$2,477,391,083 | | 100% | | | | \$0 | \$0 | \$0 | \$2,477,391,083 | 100% | 0% | | | |

Market values shown are estimated as of June 17, 2024.



PORTLAND

BOISE

CHICAGO

NEW YORK

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City of Jacksonville Employees' Retirement System

INVESTMENT ACTIVITY REPORT: June 2024

Events

Board Due Diligence Meetings

1st Thursday Each Month

Presentation: 12:30-2 PM

City Hall Conference Room 3C

July 4, 2024

Happy 4th of July

No meeting

August 1, 2024

Harrison Street -Real Estate

September 5, 2024

PGIM- Real Estate

October 3, 2024

Principal- Real Estate

November 7, 2024

HIG- Real Estate

December 5, 2024

TBD

January 2, 2025

Happy New Year

No meeting

Florida Public Pension Trustees

Association- FPPTA

Trustee School

Sept 22-25, 2024 @ Hilton Bonnet
Creek Orlando

Staff Update

Contract Status Update

N/A

Other

*Real Estate:

Harrison Street: \$30 million

PGIM PRISA II: \$20 million

Principal: \$40 million

UBS Trumbull: Full Liquidation

~\$60 million

Total: \$150 million

*redemption limitations

Current Manager Meetings

Schroder Fixed Income

BNY Mellon- Custodian

Potential Manager Meetings

Artisan- International Equity

Barings

Capital Group

Cash Flows

Hamilton Lane-Private Credit

Balance Point Capital: \$0.5 M

Everberg Capital II: \$0.75M

HPS Strat Investment V: \$0.5M

ICG Europe Fund VIII: €0.7M

Plexus Fund VI: \$1.25M

Total Called: ~\$3.7 million

Adams Street- Private Equity

Adams Street Tranche 1 - \$4.1
million

Total Called: ~\$63 million

Real Estate

Bell Partners: \$1.1 M

HIG \$2.2 M

IPI Partners \$0.1 M

Provider Disbursements

Total Fees: ~\$0.0 million

Provider Income + Redemptions

Harrison Street: \$1.1 M

Mellon LCC: \$10 M

Principal: \$5.7 M

UBS: \$0.5 M

Total: \$17.3 million



City of Jacksonville Employees' Retirement System



ACTUARIAL CONSULTING SERVICES

Background

Staff Recommendation

The Board of Trustees agreed to a five-year contract with Segal for actuarial consulting services.

Segal provides critical support to the daily operations of the Pension Office. Staff recommends exercising the final two-year renewal option with the term ending on 12/31/2026.

The contract expired December 2022 and the BOT optioned to exercise the first of two, two-year contract renewals. The current contract renewal expires December 31, 2024

Segal contract: 12/21/2017 - five-year contract with two, two-year renewals.

Fee: \$900,000 maximum indebtedness on the initial five-year contract. \$194,000 first two-year renewal fee.

\$200,000 estimated second two-year renewal fee.

Segal Team

Team approach lead by **Jeff Williams**, directly supported by **Matt Faems** and additional professional staff behind the scenes.

Services Provided

- Yearly actuarial valuations
- Discount Rate assumptions
- Five-year experience studies
- Impact statements when needed
- Partial lump-sum distribution calculation spreadsheets
- Defined Benefit to Defined Contribution calculator
- Actuarial time purchase calculations
- Trustee/Staff education
- Collaborative with Staff
- No conflicts of interest and client first philosophy