

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
Thursday, November 21, 2024, at 2 PM  
City Hall Conference Room 3C**

**AGENDA**

**1. CALL TO ORDER**

**2. PUBLIC COMMENT**

**3. MINUTES**

- a. Copy of October 24, 2024, and November 7, 2024, Board of Trustees Minutes;  
RECOMMENDED ACTION: APPROVAL

**4. NEW BUSINESS**

- a. GEPP September and October 2024 Consent; PAC RECOMMENDED ACTION:  
APPROVAL
- b. COPP September and October 2024 Consent; COPAC RECOMMENDED ACTION:  
APPROVAL
- c. Evidentiary Hearing Review; PAC RECOMMENDED ACTION: DENIAL
- d. KW Disability Benefit Review; PAC RECOMMENDED ACTION: APPROVAL

**5. INVESTMENT AND FINANCIAL MATTERS**

- a. Real Estate HIG Recommendation
- b. 3rd Quarter 2024 Investment Review
- c. October Investment Performance Review
- d. SMID Growth Update
- e. IPS refresh
- f. Staff Update
- Investment Activity Report
  - Investment Consulting Services

**6. OLD BUSINESS**

None

**7. ADMINISTRATIVE**

- a. Staff Update

**8. INFORMATION**

- a. Financial Discussion with Loomis Sayles- Economist scheduled for Thursday,  
December 5, 2024, at 12:30 PM (meet and greet starts at 12:00)
- b. Next regular BOT meeting scheduled for Thursday, December 19, 2024, at 2 PM

**9. PRIVILEGE OF THE FLOOR**

**10. ADJOURNMENT**

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
October 24, 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  
David Kilcrease, Secretary  
Julie Bessent  
Leah Hayes  
Cristopher Keith  
Kelli O'Leary (on behalf of Karen Bowling)  
Eric Smith

**Members Not Present**

**Staff Present**

Nicole Armstrong, Pension Administration Consultant  
Chris Cicero, Treasurer  
Brennan Merrell, Chief Investment Officer  
Andy Robinson, Pension Administrator  
John Sawyer, OGC  
Hannah Wells, Assistant Pension Administrator

**Others Present**

Jordan Cipriani, RVK  
Joseph Delaney, RVK (via Zoom)  
Jake Gerbner, RVK (via Zoom)  
Jim Voytko, RVK

**1. CALL TO ORDER**

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

**2. PUBLIC COMMENT**

Mr. Robinson introduced Leah Hayes to the Board of Trustees.

### **3. OFFICER ELECTIONS**

Mr. Kilcrease nominated Jeff Bernardo as Chair. Ms. Brosche seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote, and the motion passed unanimously.

Mr. Kilcrease nominated Anna Brosche as Vice Chair. Mr. Keith seconded the motion. The Chair asked for discussion and there was none. The Chair took a vote, and the motion passed unanimously.

Ms. Brosche nominated David Kilcrease as Secretary. 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. MINUTES**

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

### **5. NEW BUSINESS**

#### **a. Consent agendas**

Ms. Brosche motioned to approve the consent agendas. Mr. Kilcrease seconded the motion. The Chair asked for discussion. The Chair took a vote, and the motion passed unanimously.

### **6. INVESTMENT AND FINANCIAL MATTERS**

Mr. Merrell provided a high-level overview of the preliminary investment flash report. The total fund was valued at approximately \$2.5 billion, up 1.89% MTD, and up 16.64% FYTD. He also highlighted the relative performance of the investment managers, discussing both the top performers and those who underperformed for the month.

Ms. Cipriani and Mr. Voytko introduced Joseph Delaney to review the Real Estate Updates and Recommendations material. Mr. Delaney provided an in-depth overview of real estate trends, current core and core plus funds, real estate allocations, progress updates, IPI Partners update, and prior non-core real estate recommendations.

Chair Bernardo and Ms. Bessent raised questions regarding real estate allocations, percentage, and asset classes in the context of inflation. Ms. Cipriani, Mr. Voytko, and Mr. Delaney addressed their inquiries thoroughly. Chair Bernardo and Ms. Cipriani held a discussion on non-core real estate and fund size dynamics. Chair Bernardo inquired how the H.I.G Realty Fund IV would evolve. Mr. Delaney answered his question in detail.

Ms. Cipriani provided a detailed overview of the recently redlined Investment Policy Statement (IPS) review. The updates were designed to align the IPS with the responsibilities already being carried out by the Board and the investment consultant. A discussion followed between RVK and the Board members in attendance. Mr. Merrell encouraged the members to review the updated IPS over the next month, with plans to revisit and discuss it further during the November board meeting.

Mr. Merrell said the next investment workshop will be held on November 7, 2024, with HIG – Real Estate. He also reported the completion of the Fixed Income Rebalance – Phases 1 and 2, as well as the FY2024 COJ \$122 million Pension Payback. Additionally, he provided an update on ongoing cash flows related to capital calls, disbursements and redemptions.

## **7. OLD BUSINESS**

## **8. ADMINISTRATIVE**

Mr. Robinson introduced Nicole Armstrong, the new Pension Administration Consultant, to the Board. He noted that neither the PAC nor COPAC were able to convene in October due to inclement weather. Both committees are scheduled to hold officer elections during their November meetings.

Mr. Robinson informed the Board that the Pension Office has been exploring alternatives to the services provided by Pension Benefit Information (PBI). He explained that PBI has negotiated to maintain its current rate of \$13,500.00 and provided an overview of how the PBI system supports the Pension Office. The Pension Office recommended renewing the contract with PBI. A discussion was held by staff and members present. Mr. Kilcrease motioned to approve the contract renewal with PBI. Mr. Keith seconded the motion. The Chair asked for discussion. The Chair took a vote, and the motion passed unanimously.

Additionally, Mr. Robinson gave a brief overview of the evidentiary hearing scheduled for the November board meeting and engaged members in a discussion about the discount rate.

## **9. INFORMATION**

The next regular BOT meeting is scheduled for Thursday, November 21, 2024, at 2 PM.

Investment due diligence workshop will be held Thursday, November 7, 2024, at 12:30 PM.

## **10. PRIVILEGE OF THE FLOOR**

There was none.

## 11. ADJOURNMENT

The Chair adjourned the meeting at 3:51 PM.

**BOARD OF PENSION TRUSTEES  
FOR THE  
CITY OF JACKSONVILLE RETIREMENT SYSTEM  
November 7, 2024**

**MINUTES**

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

**Members Present**

Jeffrey Bernardo, Chair (via Teams)  
Anna Brosche, Vice Chair  
David Kilcrease, Secretary  
Leah Hayes  
Kelli O'Leary (on behalf of Karen Bowling)  
Eric Smith

**Members Not Present**

Michelle Fletcher  
Julie Bessent

**Staff Present**

Robin Adams, Senior Manager of Treasury Administration  
Bob Blanco, Planning Services Manager  
Chris Cicero, Treasurer (via Teams)  
Eric Jordan, Financial Specialist - Treasury  
Brennan Merrell, Senior Investment Officer  
Yolanda Tillman, Treasury Analyst

**Others Present**

David Hirschberg, HIG, Managing Director  
Ira Weidhorn, HIG, Managing Director  
Dyice Ellis-Beckham, HIG, Managing Director  
Jake Gerber, Analyst – RVK (via Teams)

**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**

#### H.I.G. Capital

Mr. Merrell began the discussion and stated that HIG is one of the pension fund's non-core real estate investment managers, with a relationship that started in 2022 with a \$25 million commitment. HIG is a private equity, private credit, and real estate investment firm. They will be coming to market with their next fund, which has a staff recommendation for \$15 million, which will be discussed at the next board meeting. Mr. Merrell introduced David, Ira, and Dyce for their part of the presentation.

Mrs. Ellis-Beckham initiated the conversation stating HIG has \$65 billion of assets under management. The firm started 30 years ago buying private equity, then they added private credit and later real estate. She explained that David and Ira were hired in 2012 to build and lead the real estate team, which now has 25 professionals. HIG has 19 offices globally, and the real estate has 3 offices in North America.

Mr. Weidhorn took over the conversation and stated that he and David are based in New York. He claimed that the real estate team has had only 1 senior-level departure over the last 13 years. He said that the City's investment in Fund IV has done well, yielding 19.8% net return to investors. Mr. Weidhorn explained that they focus on small capital commitments ranging from \$15 to \$50 million, with deal sizes of approximately \$15 to \$25 million. Furthermore, he stated that they are sector agnostic, focusing their attention and resources where they identify strongest and best risk adjusted returns. Fund IV, wherein the City has invested, is comprised of 43% industrial, 25% multifamily, 13% industrial outdoor storage, 6% hospitality, 5% grocer anchored retail, 2% life science, and 5% other, with zero exposure to office real estate. Mr. Weidhorn said every one of their selected investments employs a value-add component, such as repositioning, redevelopment, or rebranding. Leverage is typically between 60-65%, and they target 17-20% returns.

Mr. Hirschberg entered the discussion to provide examples of successful investments. He explained the process of identifying potential properties, calculating proposal figures, and leaning into relationships gained over years of experience in the field.

Managers shifted the conversation to discuss their strategy related to industrial outdoor storage (IOS) acquisitions. They currently have approximately 70 IOS properties across 20 states, which they described as a fully leased portfolio with near-guaranteed returns. The managers explained that IOS is part of a larger aggregation strategy, which could eventually be sold for profit. The managers stated that consolidation in the light industrial sector has yielded increases in credit rating for the IOS portfolio. Board members asked various questions, which were answered by HIG staff. When prompted, there were no questions from online participants.

### **4. OLD BUSINESS**

N/A

### **5. ADMINISTRATIVE**

N/A

**6. INFORMATION**

The next regular BOT meeting is scheduled for Thursday, November 21, 2024, at 2 PM.

Investment due diligence workshop will be held Thursday, December 5, 2024, at 12:30 PM

**7. PRIVILEGE OF THE FLOOR**

None

**8. ADJOURNMENT**

Chair Bernardo adjourned the meeting at 2:00 PM.



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

**September 2024**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

Joseph L Burns, (JEA), effective August 10, 2024, in the monthly base amount of \$5,383.93 at the rate of 51.04% (20 years and 5 months)

Victor M Colon, (City), effective August 30, 2024, in the monthly base amount of \$2,516.99 at the rate of 46.25% (18 years and 6 months) 15% PLOP \$64,479.14

James Fraser, (City), effective August 31, 2024, in the monthly base amount of \$2,951.61 at the rate of 60% (24 years)

David Gillard, (JEA), effective August 10, 2024, in the monthly base amount of \$6,940.63 at the rate of 75% (30 years)

Clifford A Riddle, (City), effective August 10, 2024, in the monthly base amount of \$3,032.48 at the rate of 68.33% (27 years and 4 months)

Jeanne E Ryan, (JEA), effective September 7, 2024, in the monthly base amount of \$3,451.53 at the rate of 47.50 (19 years)

John E Smith, (City), effective August 24, 2024, in the monthly base amount of \$2,338.50 at the rate of 75% (30 years) 8 months BACKDROP \$18,990.51

Roy E Smith JR, (City), effective June 15, 2024, in the monthly base amount of \$1,559.00 at the rate of 52.08% (20 years and 10 months)

Susan K Sullivan, (City), effective September 7, 2024, in the monthly base amount of \$1,140.60 at the rate of 35.63% (14 years and 3 months) 15% PLOP \$30,066.94

**2. VESTED RETIREMENTS**

**New Commencements**

**New Deferrals**

**3. SURVIVOR BENEFITS**

Debra G Anderson, (David Anderson), effective 7/22/2024, in the monthly COLA base amount of \$2,127.54

Carolyn L Carter, (William L Carter), effective 7/10/2024, in the monthly COLA base amount of \$2,850.62

Christine A Dunn, (Dale R Dunn), effective 8/24/2024, in the monthly COLA base amount of \$4,497.94

Paula J Griffin, (Douglas E Griffin), effective 6/29/2024, in the monthly COLA base amount of \$3,311.34

Tobi C Jarvis, (Walter F Jarvis SR.), effective 4/9/2024, in the monthly COLA base amount of \$5,517.20

Mary G Kinard, (Albert J Kinard SR), effective 7/25/2024, in the monthly COLA base amount of \$9,977.35

Katrina A Mercer, (Tommie E Mercer), effective 7/15/2024, in the monthly COLA base amount of \$2,553.96

James A Mlady, (Mary K Mlady), effective 7/30/2024, in the monthly COLA base amount of \$1,760.11

Vanita G Myers, (Richard A Myers), effective 8/28/2024, in the monthly COLA base amount of \$982.15

Ronald H Ogletree, (Vivian G Ogletree), effective 8/6/2024, in the monthly COLA base amount of \$5,133.61

Susan M Rodeheaver, (Robert P Rodeheaver), effective 7/15/2024, in the monthly COLA base amount of \$3,256.65

Thaddaeus J Wilson, (Doris B Wilson), effective 8/2/2024, in the monthly COLA base amount of \$1,437.15

**4. RESTORATION OF SURVIVOR BENEFITS**

None

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

**6. TIME SERVICE CONNECTIONS COMPLETED**

Keith E. French, (City), 22.17 months in the amount of \$8,442.37

Brandi M Goff, (JSO), 58.3 months in the amount of \$29,898.70

Carol E McCoy, (City), 28.3 months in the amount of \$16,876.60

Cordelia Parker, (JHA), 20.07 months in the amount of \$17,366.03

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

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

Clarence E Harper Jr., (City), 12 months in the amount of \$7,930.78

Ronda D Wheeler, (City), 11.94 months in the amount of \$6,314.88

**9. REFUNDS**

Gregory A Neal (City), 4 Years and 5 Months, \$8,230.69

**10. DB TO DC TRANSFER**

Rose M McDaniels, (City), 24 years in the amount of \$321,486.19

**11. OTHER PAYMENTS AND TIME CONNECTIONS**

**12. RE-RETIREE**

\_\_\_\_\_  
PAC Secretary Approval

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Date

Notes and Comments regarding Approval:

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

**October 2024**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

Thomas Altice, (City), effective September 28, 2024, in the monthly base amount of \$2,536.36 at the rate of 66.67% (26 years and 8 months)

Ronald K Beasley, (JEA), effective September 21, 2024, in the monthly base amount of \$6,083.21 at the rate of 80% (32 years and 1 month) 48 months BACKDROP \$316,706.11

Cheryl A Blackwell, (City), effective September 21, 2024, in the monthly base amount of \$3,993.42 at the rate of 75% (30 years) 45 months BACKDROP \$194,089.42

James S Cail, (City), effective September 28, 2024, in the monthly base amount of \$4,121.58 at the rate of 75% (30 years) 39 months BACKDROP \$171,912.64

Robert A Carle, (City), effective September 21, 2024, in the monthly base amount of \$5,579.87 at the rate of 79.58% (31 years and 10 months) 36 months BACKDROP \$213,744.75

Amy Deschler, (JEA), effective September 28, 2024, in the monthly base amount of \$6,513.52 at the rate of 75% (30 years) 24 months BACKDROP \$163,000.65

Debra A Doran, (City), effective September 21, 2024, in the monthly base amount of \$8,281.72 at the rate of 70% (28 years)

Genevieve V Dunham, (City), effective September 21, 2024, in the monthly base amount of \$4,283.27 at the rate of 80% (32 years) 24 months BACKDROP \$107,188.69

Robert E Fowler, (JEA), effective September 28, 2024, in the monthly base amount of \$7,797.35 at the rate of 80% (32 years and 7 months) 60 months BACKDROP \$515,053.72

Keith E French, (City), effective September 28, 2024, in the monthly base amount of \$3,201.29 at the rate of 75.42% (30 years and 2 months) 5% PLOP \$29,735.21

James W Hamilton, (City), effective September 21, 2024, in the monthly base amount of \$2,871.32 at the rate of 59.58% (23 years and 10 months)

Randy L Hilton, (JEA), effective September 11, 2024, in the monthly base amount of \$7,293.08 at the rate of 80% (32 years and 1 month) 5% PLOP \$71,027.97

Paul G Kostokas, (City), effective September 28, 2024, in the monthly base amount of \$7,375.98 at the rate of 80% (32 years and 3 months) 60 months BACKDROP \$487,220.31

Marty L Nelson, (JEA), effective September 21, 2024, in the monthly base amount of \$7,842.90 at the rate of 80% (37 years and 9 months) 10% PLOP \$179,355.76

Aceneett Rivas, (City), effective September 21, 2024, in the monthly base amount of \$1,900.46 at the rate of 59.58% (23 years and 10 months) 15% PLOP \$49,457.63

Barney R Roberts, (City), effective September 28, 2024, in the monthly base amount of \$2,364.18 at the rate of 66.67% (26 years and 8 months) 15% PLOP \$75,479.03

Diana L Wendland (City), effective September 21, 2024, in the monthly base amount of \$6,468.29 at the rate of 54.79% (21 years and 11 months)

Lori A West, (City), effective September 21, 2024, in the monthly base of \$3,550.07 at the rate of 65.83% (26 years and 4 months)

**2. VESTED RETIREMENTS**

**New Commencements**

Sidney Lewinson effective October 10, 2024, in the monthly base amount of \$767.56

**New Deferrals**

**3. SURVIVOR BENEFITS**

Rita Z Baete (Joseph R Dugan), effective 7/27/2024, in the monthly COLA base amount of \$602.29

Lizabeth C Cherry, (James T Cherry), effective 7/7/2024, in the monthly COLA base amount of \$3,921.52

Albert Ellison Jr., (Sandra L Ellison), effective 10/1/2024, in the monthly COLA base amount of \$2,278.77

Mary R Jordan, (Cedric A Jordan), effective 6/15/2024, in the monthly COLA base amount of \$2,932.87

O'Neil G Montgomery, (Clyde H Montgomery Jr.), effective 8/27/2024, in the monthly COLA base amount of \$6,565.33

Sandra Motley, (Franklin L Motley), effective 9/9/2024, in the monthly COLA base amount of \$908.74

Virgina A Schaefer, (Mark A Ottomeyer), effective 8/3/2024, in the monthly COLA base amount of \$3,798.97

**4. RESTORATION OF SURVIVOR BENEFITS**

None

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

**6. TIME SERVICE CONNECTIONS COMPLETED**

Jose R Guerra, 48.3 months completed in the amount of \$26,526.50

Vernita Williams, 24 months completed in the amount of \$4,858.10

Idris Musah, 12 months completed in the amount of \$9,501.70

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

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

Jose R Guerra, 24 months in the amount of \$31,346.02

**9. REFUNDS**

**10. DB TO DC TRANSFER**

Donald Bailey Jr, (City). 30 years in the amount of \$664,983.24

Regional L Burney, (City), 20 years and 5 months in the amount of \$102,051.04

Jay C Gramlich, (JEA), 26 years and 1 month in the amount of \$796,233.46

Kecia M Hall, (JEA), 16 years and 9 months in the amount of \$164,400.66

Ruth Ann Johnson, (JHA), 14 years and 10 months in the amount of \$190,409.45

Sandra R Sloan, (CITY), 34 years and 11 months in the amount of \$437,350.88

**11. OTHER PAYMENTS AND TIME CONNECTIONS**

**12. RE-RETIREE**

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PAC Secretary Approval

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Date

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BOT Secretary Approval

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Date

Notes and Comments regarding Approval:

**CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE**

**September 2024**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

- 1. TIME SERVICE RETIREMENTS**
- 2. TIME SERVICE CONNECTIONS COMPLETED**  
Richard L Luke, 10.53 months in the amount of \$6,276.40
- 3. REFUND OF CONTRIBUTIONS**
- 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)**
- 8. OFFICERS ENTERING DROP OCT 2024**
- 9. Phase II Biweekly Distribution DROP Program**  
No
- 10. DROP Payments**  
Timothy A Price, \$228,408.16



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COPAC Secretary Approval

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Date

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BOT Secretary Approval

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Date

Notes and Comments regarding Approval:

**CORRECTIONAL OFFICERS PENSION ADVISORY COMMITTEE**

**October 2024**

**CONSENT AGENDA FOR RECOMMENDED BENEFITS**

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

**1. TIME SERVICE RETIREMENTS**

Michele A Williams, effective October 5, 2024, in the monthly COLA base amount of \$4,484.65 at the rate of 64.33% (22 Years and 2 months)

Leonard P Russ, effective October 5, 2024, in the monthly COLA base amount of \$3,247.47 at the rate of 60.83% (20 years and 5 months)

**2. TIME SERVICE CONNECTIONS COMPLETED**

**3. REFUND OF CONTRIBUTIONS**

**4. SURVIVOR BENEFITS APPLICATION**

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

**6. VESTED BENEFIT**

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

**8. OFFICERS ENTERING DROP OCT 2024**

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

**10. DROP Payments**

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COPAC Secretary Approval

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Date

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BOT Secretary Approval

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Date

Notes and Comments regarding Approval:

*Specifically Prepared for City of Jacksonville ERS*

H. I. G.

REALTY PARTNERS

# H.I.G. Realty Partners V

November 2024



# 1

## Summary of Key Terms

## Key Terms

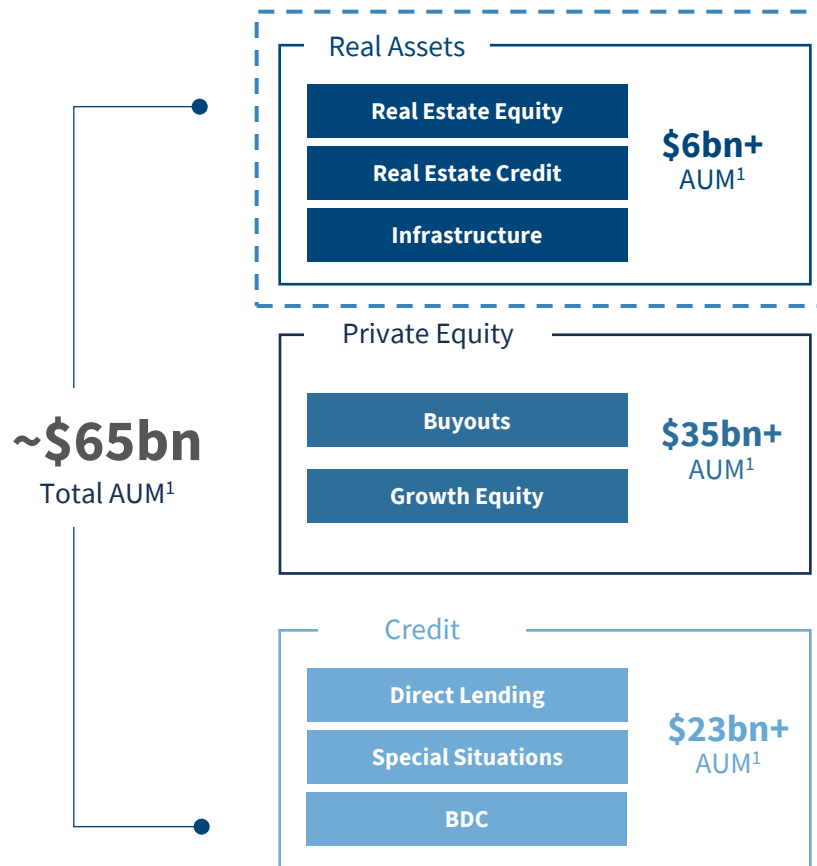
<b>Fund</b>	H.I.G. Realty Partners V, L.P.
<b>Commitment Period</b>	Four years from effective date
<b>Term</b>	Eight years from final closing with two, one-year extension options at the discretion of the general partner of the fund
<b>Management Fee</b>	1.50% per annum on committed capital
<b>Management Fee Discounts</b>	<p><b>Fee Discounts for Commitments by March 2025</b></p> <ul style="list-style-type: none"> <li>• Commitments of &lt;\$50mm: 1.35% per annum on committed capital</li> <li>• Commitments of \$50mm - \$75mm: 1.30% per annum on committed capital</li> <li>• Commitments of \$75mm+: 1.20% per annum on committed capital</li> </ul>
<b>Carried Interest</b>	20%
<b>Preferred Return</b>	8% preferred return with a 65% General Partner catch-up
<b>Minimum Investment</b>	\$10 million
<b>G.P. Commitment</b>	4%
<b>Auditor</b>	Deloitte LLP
<b>Legal Counsel</b>	McDermott Will & Emery LLP

2

# H.I.G. Capital Overview



A leading global alternative asset firm, with a 30-year history focused on generating value in the middle market



~1,025  
Employees Globally

545  
Investment Professionals

18  
Core Global Offices

17  
Strategies

3,300+  
Total Transactions

2,700+  
Credit Transactions

400+  
Private Equity Transactions

200+  
Real Asset Transactions

As of September 30, 2024, unless otherwise noted. H.I.G. Capital firm level and headcount information are the most recent available.



# H.I.G. Capital – Global Scale, Local Presence

H.I.G.'s local presence and global reach spans three continents across 18 core offices, creating a comprehensive coverage universe



545

Investment Professionals

18

Core Offices

*H.I.G. Capital firm level and headcount information are the most recent available.*

## Synergistic Platform

28

Dedicated Business Development professionals dedicated to sourcing

Global insights from

90

Dedicated Real Assets professionals

Information sharing from

545

Global investment professionals

Optimizing H.I.G.'s cross-platform investment sourcing and execution in the middle market



## Unique Global Network

Time-tested global capabilities in private equity, credit, and real assets generating strong risk-adjusted returns

20,000+

Middle market deal flow contacts

Strong relationships with sponsors, intermediaries, and management teams

Cross-Selling Activities with

17

Distinct fund strategies

18

Core global offices

3

Continents

H.I.G.'s extensive sourcing capabilities consistently generate attractive opportunities for H.I.G.'s Real Estate platform

# H.I.G. Real Assets Capabilities Overview



**\$6bn+**  
Real Assets AUM<sup>1</sup>

**\$16bn+**  
GAV\*

**16%**  
Realized Net IRR<sup>2,3,4\*\*</sup>

**~\$3bn**  
Realized Proceeds<sup>2</sup>

**200+**  
Investments

**1.4x**  
Realized Net MOIC<sup>2,3,4\*\*</sup>

## H.I.G. Real Assets Platform



U.S.

Realized Net Returns<sup>2,3</sup>  
**17% / 1.4x**



Europe

Realized Net Returns<sup>3,3</sup>  
**15% / 1.4x**



Global

Projected Net Returns<sup>3,4</sup>  
**20% / 2.5x**

As of June 30, 2024, unless otherwise noted. Past performance is not indicative of future results. Includes co-investment amounts.

Net returns presented herein reflect the use of leverage. Please see Endnote 4 for information related to net returns and the use of leverage.

\* Includes investments made by H.I.G. Realty Partners II, H.I.G. Realty Partners III, H.I.G. Realty Partners IV, H.I.G. Europe Realty Partners I, H.I.G. Europe Realty Partners II, and H.I.G. Europe Realty Partners III.

\*\* Includes all Real Assets equity strategies: H.I.G. Realty Partners II, H.I.G. Realty Partners III, H.I.G. Realty Partners IV, H.I.G. Europe Realty Partners I, H.I.G. Europe Realty Partners II, H.I.G. Europe Realty Partners III, and H.I.G. Infrastructure Partners.

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Seasoned Investment Team

## Investment Committee

Average H.I.G. Tenure: 24 years



**Sami Mnaymneh**  
Co-Founder, Co-Executive  
Chairman & CEO



**Tony Tamer**  
Co-Founder &  
Co-Executive Chairman



**Brian Schwartz**  
Co-President



**John Bolduc**  
Head of Credit



**David Hirschberg**  
Co-Head of Realty  
Partners U.S.



**Ira Weidhorn**  
Co-Head of Realty  
Partners U.S.

## Investment Team

Average H.I.G. Tenure: 10 years

**David Hirschberg**  
Managing Director

**Ira Weidhorn**  
Managing Director

**Adam Belfer**  
Managing Director

**Michael Mestel**  
Managing Director

**Ken Senior**  
Managing Director

**Naveen Vennam**  
Managing Director

**Sam Eisner**  
Principal

**Max Mancuso**  
Principal

**Matthew Weyback**  
Principal

**Travis Conley**  
Vice President

**James Gallo**  
Vice President

**Alex Lichtenfeld**  
Vice President

**Jennie Malina**  
Vice President

**Brian Murray**  
Vice President

**Burke Sims**  
Vice President

**William Feeser**  
Dir. of Development & Construction

5 Associates

## Corporate Team



**Jordan Peer Griffin**  
Executive Managing  
Director



**Chad Buresh**  
Chief Financial  
Officer



**Jay Maher**  
Chief Operating  
Officer



**Richard Siegel**  
General Counsel  
& CCO



**Kim Leinwand Erle**  
Head of ESG

Dedicated H.I.G. Realty team of highly experienced and successful senior H.I.G. investment professionals with an average tenure at H.I.G. of 20 years\*\*

Name / Title	Years of Experience	Prior Professional Experience	Education
<b>Sami Mnaymneh*</b> Co-Founder, Co-Executive Chairman & CEO	35	The Blackstone Group Morgan Stanley & Co.	M.B.A. Harvard Business School J.D. Harvard Law School B.A. Columbia University
<b>Tony Tamer*</b> Co-Founder & Co-Executive Chairman	38	Bain & Company Hewlett-Packard Sprint	M.B.A. Harvard Business School M.S. Stanford University B.S. Rutgers University
<b>Brian Schwartz*</b> Co-President	31	PepsiCo., Inc. Dillon, Read & Co.	M.B.A. Harvard Business School B.A. Stanford University
<b>John Bolduc*</b> Executive Managing Director & Head of Credit	33	Bain & Company Chemed Corporation	M.B.A. University of Virginia B.S. Lehigh University
<b>David Hirschberg*</b> Managing Director & Co-Head of H.I.G. Realty Partners U.S.	30	Coventry Real Estate Advisors Citigroup Goldman Sachs	M.B.A. New York University B.S. Lehigh University
<b>Ira Weidhorn*</b> Managing Director & Co-Head of H.I.G. Realty Partners U.S.	26	Lubert Adler Lehman Brothers Goldman Sachs	M.B.A. Wharton Business School B.A., B.S. University of Pennsylvania
<b>Adam Belfer</b> Managing Director	19	Wells Fargo	B.A. Goizueta Business School of Emory University
<b>Michael Mestel</b> Managing Director	20	USAA / Square Mile Capital Management Citigroup	B.A. Cornell University
<b>Ken Senior</b> Managing Director	18	Sterling American Property Insignia/ESG	M.B.A. Columbia Business School B.A. Princeton University
<b>Naveen Vennam</b> Managing Director	22	Holualoa Companies	B.S. Wharton Business School

\* Member of the Investment Committee.

\*\*Senior Team Members include Investment Committee and Managing Directors.

# 4

## Market Opportunity

## Following the recent market dislocation, H.I.G. Realty is well positioned to capitalize on favorable pricing dynamics

### Macro Dynamics

- After several decades of relatively low/ stable inflation, the U.S. experienced a sharp rise in price increases after COVID
- The Fed has raised interest rates by 525 basis points since 2022 in an effort to combat high inflation caused by the pandemic and related monetary and fiscal responses
- Many real estate assets acquisitions over the past five years were based on very low cap rates, cheap and plentiful financing and optimistic business plans
- Current global turmoil has heightened the risk of sudden economic disruption

### Real Estate Impact

- The rise in interest rates led to widespread declines in property pricing as the high cost of debt increased cap rates across all real estate sectors
- As concerns about the scope of potential defaults lingered, lenders have pulled back on real estate lending to enhance financial health
- The lack of availability of debt, interest rate volatility, and economic uncertainty resulted in a significant slowdown in commercial real estate transactions
- Distressed property pricing is starting to emerge as owners face loan maturity deadlines that require additional equity to refinance, prompting foreclosures / defaults or forced asset sales

### Market Opportunity

- Dislocation has reset valuations in most real estate asset classes, presenting opportunities to purchase high-quality assets on attractive terms
- Non-institutional and undercapitalized owners have become forced sellers to meet liquidity needs at pricing levels below replacement cost<sup>5</sup>
- Certain real estate lenders are under pressure to stabilize their balance sheets, forcing them to sell loans and creating opportunities in “loan-to-own” and rescue recapitalization situations
- The dynamics that caused this dislocation are structural and not likely to be resolved soon, hence, the next few years will be an attractive investment environment, with expected rent and NOI growth<sup>6</sup>

H.I.G. Realty’s disciplined approach and ability to diligence / mitigate complexity position H.I.G. Realty V to thrive in a period of uncertainty

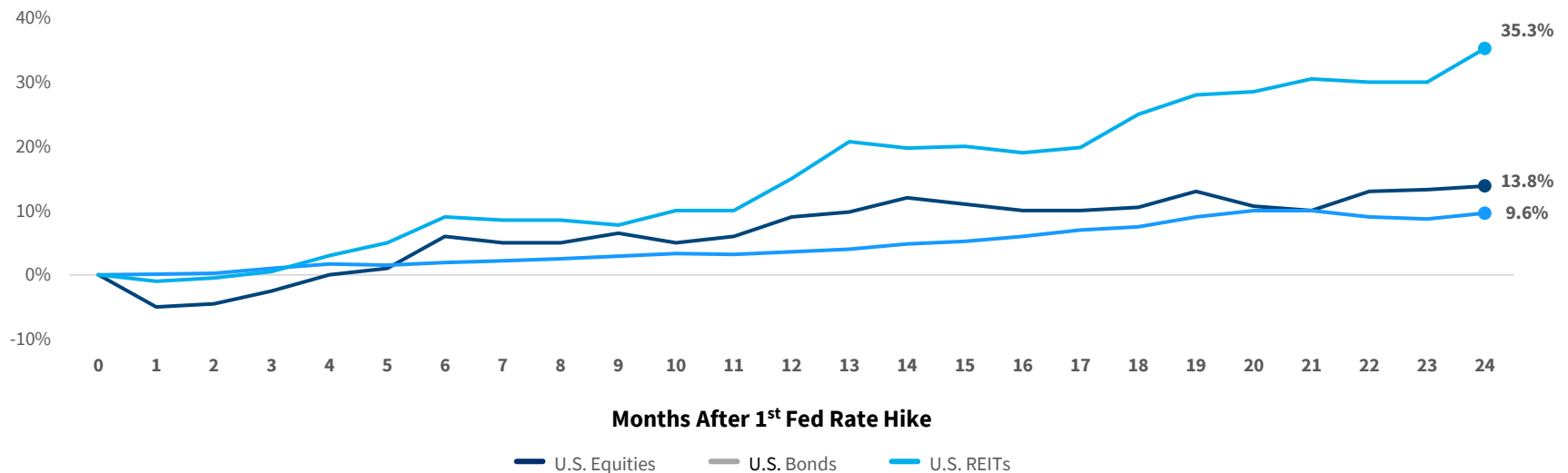


# U.S. REIT Outperformance Following Fed Tightening Cycle

## Average Cumulative Total Return by Asset Class

- In March 2022, the Federal Reserve increased the federal funds target rate by 25 bps, kicking off a new tightening cycle
- Upon the completion of the three most recent tightening cycles, which started in June 1999, June 2004, and December 2015, real estate has performed exceptionally well
- Although each tightening cycle had unique attributes, U.S. REITs outperformed U.S. equities and U.S. bonds over the subsequent one-year, and two-year periods following the cycle's initial rate hike
- REIT pricing has historically preceded price increases in the private market, resulting in attractive acquisition opportunities for H.I.G. Realty over the course of the next 12-24 months, with prices anticipated to recover substantially thereafter

## Average Cumulative Return by Asset Class During Last Three Cycles



Sources: DWS Group, Bloomberg. As of June 30, 2024.  
 U.S. Equities = S&P 500 Index; U.S. Bonds = Bloomberg US Aggregate Bond Index; U.S. REITs = FTSE NAREIT All Equity REITs Index.

## H.I.G. Realty's ability to creatively rehabilitate and reposition properties across asset classes and expertise up-and-down the capital stack will be critical in a dynamic real estate market

### H.I.G. Realty's Time-Tested Value-Added Investment Approach

- Successfully navigated several macroeconomic headwinds due to focus on asset classes that have proven resilient, and optimizing asset performance
- Successfully managed existing portfolio amid the COVID-19 pandemic and assembled a robust portfolio within Fund IV at attractive pricing and below replacement cost<sup>5</sup>

### Unique and Highly Effective Sourcing Capabilities

- Majority of transactions since 2012 sourced from long-term existing relationships across the H.I.G. team
- Approximately 75% of transactions represent off-market, softly marketed, or broken auction transactions
- Relationships within the global H.I.G. platform provides synergies, process angles, and informational advantages
- Robust H.I.G. origination structure with 28-person in-house business development team manages vast network of intermediaries, banks, brokers, owners, advisors, consultants and executives

### Highly Experienced & Successful Senior Realty Team

- Seasoned Investment Committee brings insights and synergies from across the platform to drive value
- Highly experienced and successful senior H.I.G. Realty investment professionals with an average tenure at H.I.G. of 20 years\*
- Dedicated team of 21 real estate professionals that have successfully evaluated and executed numerous real estate transactions over multiple cycles

\*Senior Team Members include Investment Committee and Managing Directors.

Following the recent market dislocation, H.I.G. Realty expects to capitalize on the current pricing environment and a uniquely attractive investment vintage

Primary Target Sectors / Asset Classes	
Industrial / ("IOS")	<ul style="list-style-type: none"> <li>Logistics and "last mile" industrial assets experiencing unprecedented positive supply / demand dynamics</li> <li>Acquired 64 IOS properties in Fund IV at a 30%+ discount to replacement cost<sup>5</sup></li> </ul>
Multifamily	<ul style="list-style-type: none"> <li>Outsized demand due to the historically high cost of owning a home, given shrinking supply and elevated borrowing costs</li> <li>Acquired 7 multifamily properties in Fund IV at a 23% discount to replacement cost<sup>5</sup></li> </ul>
Data Centers	<ul style="list-style-type: none"> <li>Increased investment in cloud computing and AI are generating considerable demand for data centers</li> <li>Completed 3 data center transactions since 2018 at a 47% discount to replacement cost<sup>5</sup></li> </ul>
Hospitality	<ul style="list-style-type: none"> <li>Undercapitalized owners experiencing distress from current market conditions; opportunity to buy assets well below replacement cost<sup>6</sup></li> <li>Acquired 2 hospitality assets in Fund IV at a 34% discount to replacement cost<sup>5</sup></li> </ul>
Non-Performing Loans	<ul style="list-style-type: none"> <li>Lenders under pressure to stabilize their balance sheets, forcing them to sell loans and creating opportunities in "loan-to-own" and rescue recapitalization situations</li> </ul>
Distressed Opportunities	<ul style="list-style-type: none"> <li>Undercapitalized investors have become forced sellers; inability to refinance or repay loan presents attractive buying opportunities</li> </ul>

Target Attributes	
Recession Resistant Assets	
Positive Demographics / Underlying Growth	Discount to Replacement Cost <sup>5</sup> / Low Basis vs. Comps
Mission Critical Assets	Strong Credit Tenancy and Lease Term
Distressed or Other Special Situations	
Forced Sellers	Undercapitalized Owners
Rescue Recaps / Loan-to-Own	H.I.G. Realty Proprietary Insights

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# H.I.G. Realty Partners IV Performance

				As of June 30, 2024							
Investment Name	Location	Real Estate Asset Class	Investment Date	Fund Equity Invested (\$mm)	Realized Value (\$mm) <sup>2</sup>	Projected Unrealized Value (\$mm)	Projected Total Value (\$mm)	Current Net MOIC <sup>3</sup>	Current Net IRR <sup>3</sup>	Projected Net MOIC <sup>3,4</sup>	Projected Net IRR <sup>3,4</sup>
<b>Realized and Partially Realized Investments<sup>2</sup></b>											
Project Quad Industrial Portfolio	Various	Industrial	Oct-20	\$13.8	\$29.1	\$0.0	\$29.1	1.8x	73.4%	1.7x	73.8%
Princeton West R&D Campus	Hopewell, NJ	Life Science	Jun-20	17.1	71.9	47.4	119.3	5.4x	119.3%	6.6x	119.4%
FL-TX Portfolio	Various	Multifamily	Feb-20	13.2	8.5	23.9	32.3	1.6x	12.5%	2.1x	8.3%
Huntsville Industrial <sup>(a)</sup>	Huntsville, AL	Industrial	May-21	14.0	27.8	0.0	27.8	1.7x	22.7%	1.6x	22.6%
Richmond Grocery Anchored Portfolio <sup>(a)</sup>	Richmond, VA	Retail	May-23	34.6	25.1	22.0	47.1	1.1x	27.9%	1.2x	17.0%
<b>Total Realized and Partially Realized Investments</b>				<b>\$92.7</b>	<b>\$162.2</b>	<b>\$93.4</b>	<b>\$255.6</b>	<b>2.2x</b>	<b>59.6%</b>	<b>2.5x</b>	<b>57.4%</b>
<b>Unrealized Investments</b>											
2 East Oak	Chicago, IL	Multifamily	Feb-20	\$28.9	\$0.0	\$48.8	\$48.8	0.7x	NM	1.3x	0.8%
Adairsville Logistics	Adairsville, GA	Industrial	Aug-21	17.5	0.0	34.1	34.1	1.3x	13.6%	1.5x	15.4%
Southern California Logistics Center	Victorville, CA	Industrial	Oct-21	46.1	5.5	139.4	144.8	1.8x	27.6%	2.7x	29.4%
Saugus Station	Santa Clarita, CA	Industrial	Oct-21	40.5	9.4	124.0	133.4	2.0x	28.6%	2.9x	25.9%
Brewster Logistics	Brewster, NY	Industrial	Nov-21	31.5	0.0	55.4	55.4	0.9x	NM	1.3x	10.9%
Apple Valley Industrial	Apple Valley, CA	Industrial	Mar-22	20.3	0.0	55.3	55.3	1.5x	23.3%	2.3x	44.3%
The George	Ann Arbor, MI	Multifamily	Jun-22	20.1	0.0	39.8	39.8	0.9x	1.3%	1.6x	10.2%
New Orleans Airport Hilton	New Orleans, LA	Hospitality	Sep-22	21.9	0.5	46.5	47.0	0.7x	NM	1.7x	10.7%
Muse Hotel NYC	New York, NY	Hospitality	Sep-22	19.8	0.0	42.4	42.4	1.0x	9.0%	1.7x	13.1%
Paseo Residences at Eilan	San Antonio, TX	Multifamily	Sep-22	38.5	0.0	65.2	65.2	0.7x	NM	1.3x	6.4%
IOS ABC/Beacon B&D Portfolio <sup>(b)</sup>	Various	IOS	Oct-22	38.2	0.0	74.9	74.9	1.2x	16.8%	1.6x	12.6%
IOS Southeast/Mid-Atlantic B&D Portfolio <sup>(b)</sup>	Various	IOS	Oct-22	33.6	0.0	65.9	65.9	1.2x	16.8%	1.6x	12.6%
IOS B&D Portfolio <sup>(b)</sup>	Various	IOS	May-23	21.0	0.0	41.2	41.2	0.7x	NM	1.6x	12.6%
34 Commerce	Gaffney, SC	Industrial	Oct-22	27.0	0.3	44.3	44.6	0.7x	NM	1.2x	11.1%
Innovation Campus	Richardson, TX	Industrial	Nov-22	29.7	0.7	44.7	45.4	0.8x	NM	1.1x	8.8%
Mercedes Benz Industrial	Birmingham, AL	Industrial	Jan-23	7.4	1.5	10.2	11.8	1.2x	28.9%	1.2x	23.0%
64 Leona	Middleborough, MA	Industrial	Feb-23	41.0	0.0	82.2	82.2	0.8x	NM	1.6x	12.5%
Mobile Industrial	Mobile, AL	Industrial	Mar-23	8.2	0.0	15.6	15.6	0.7x	NM	1.5x	15.3%
725 N Croft	West Hollywood, CA	Multifamily	Mar-23	10.8	0.0	27.2	27.2	0.7x	NM	2.1x	18.7%
Diamond Flats	Dallas, TX	Multifamily	Aug-23	25.1	0.0	44.9	44.9	0.7x	NM	1.4x	11.1%
J Burlington	Burlington, NJ	Multifamily	Dec-23	38.9	0.0	70.9	70.9	0.7x	NM	1.4x	12.4%
Real Estate Credit Portfolio <sup>(c)</sup>	Various	Various	NA	34.6	13.4	37.0	50.4	1.1x	8.4%	1.0x	9.6%
<b>H.I.G. Realty IV Total Investments</b>				<b>\$693.3</b>	<b>\$193.6</b>	<b>\$1,303.0</b>	<b>\$1,496.7</b>	<b>1.2x</b>	<b>17.9%</b>	<b>1.8x</b>	<b>19.8%</b>

As of June 30, 2024, unless otherwise noted. Past performance is not indicative of future results. Figures presented above exclude additional co-investment capital, where applicable, and total equity includes onshore & offshore funds. Net returns are presented for onshore fund only and reflect the use of leverage. Net returns of one or more individual investments are estimated by applying the spread between gross and net returns of the principal fund that made such investment(s). No individual limited partners has received such estimated net returns. Please see Endnote 4 for information related to net returns and the use of leverage.

a) H.I.G. Realty IV realized/partially realized and total investment returns represent the full and partial realizations of Huntsville Industrial and the Richmond Grocery Anchored Portfolio, respectively, which closed post quarter-end. As a result, corresponding information is as of the date of respective realization. As of June 30, 2024 (and not giving pro forma effect to the realizations), H.I.G. Realty IV has generated a current net IRR and net MOIC of 60% and 2.2x, respectively, on realized/partially realized investments and has generated a current net IRR and net MOIC of 18% and 1.2x, respectively, on all investments.

b) H.I.G. B&D IOS platform structured as three separate joint ventures.

c) Includes opportunistic real estate credit investments. H.I.G. equity excludes recycled equity proceeds.

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# H.I.G. Realty Partners V Pipeline

## Robust pipeline across various asset classes to deploy ~\$289 million of equity

Investment	Location	Investment Type	Units / SF / Rooms	H.I.G. Equity (\$mm)	Projections <sup>3,4</sup>	
					Net MOIC	Net IRR
B&D Add-Ons	National	IOS	1,000,000 SF	\$50.0	1.6x	12.8%
Atlanta Industrial	GA	Industrial	606,950 SF	22.0	1.6x	13.0%
Nestidd	National	Single-Family Housing	1,000 Units	50.0	1.6x	12.8%
Sunstone SFR	AZ, UT, NV	Single-Family Housing	900 Units	20.0	1.6x	12.8%
Austin Multifamily Pref Equity	Austin, TX	Multifamily	340 Units	16.6	1.4x	10.9%
Orange County SFR Development Campus	CA	Single-Family Housing	27 Acres	50.0	1.8x	22.8%
Minnesota Senior Housing Portfolio	MN	Senior Housing	372 Beds	18.2	1.6x	28.8%
Hartford Industrial Portfolio	CT	Industrial	836,679 SF	19.9	1.8x	15.6%
Soho54	New York, NY	Hospitality	160 Rooms	23.9	2.3x	16.3%
Orlando Retail Value-Add	Orlando, FL	Retail	336,431 SF	18.0	2.1x	15.8%
<b>Total Pipeline Investments</b>				<b>\$288.6</b>	<b>1.7x</b>	<b>16.1%</b>

*Note: Selected list of opportunities from the current investment pipeline as of October 2024. There can be no assurance that pipeline transactions will close. Projected net returns presented above are estimates and reflect the use of leverage. No individual limited partners has received such estimated net returns. Please see Endnote 4 for information related to net returns and the use of leverage.*

# 7

## Representative H.I.G. Realty Partners V Transactions



## SoFi Tapestry

Hospitality Investment in Inglewood, CA

## National B&D Industrial Outdoor Storage

“IOS” Aggregation Strategy

<b>Transaction Summary</b>	\$57mm acquisition of a 179-room hotel in Inglewood, CA within walking distance of four of Los Angeles’ premier entertainment and sporting venues: Intuit Arena, SoFi Stadium, YouTube Theater, and Kia Forum	H.I.G. Realty’s existing portfolio consists of 64 properties, totaling 2.8mm SF and 301 acres, across 20 states. H.I.G. Realty expects that Fund V will continue to acquire IOS properties via H.I.G. Realty’s national aggregation strategy
<b>Asset Class</b>	Hospitality	Industrial Outdoor Storage (IOS)
<b>H.I.G. Realty Angle</b>	H.I.G. Realty believes there is a large mismatch between the amount of hotel supply and upcoming demand from the recently delivered entertainment venues surrounding the Property	H.I.G. Realty believes IOS is a highly attractive sector due to its fragmented ownership and significant supply constraints, driven by community opposition to IOS sites. H.I.G. Realty is executing on an aggregation strategy in partnership with a top-tier operator that has an extensive, proprietary tenant- and deal-sourcing network
<b>Sourcing</b>	Off-Market	Off-Market



Past Performance is not a guarantee of future results. There can be no assurance of the Fund's participation in or continuation of the investments described above.

## Key Information

Date of Investment	Asset Class	Source	H.I.G. Equity <sup>8</sup>
Q2 2024	Hospitality	Relationship Transaction / Off-Market	\$19.4mm

Projected Gross IRR <sup>4,11</sup>	Projected Gross MOIC <sup>4,11</sup>	Projected Net IRR <sup>3,4</sup>	Projected Net MOIC <sup>3,4</sup>
21%	2.3x	14%	1.9x



## Transaction Overview

- Acquired SoFi Tapestry, a 179-room, non-union, 2021-vintage hotel located in Inglewood, CA in July 2024
- The Hotel is immediately adjacent to the entrance to the new Intuit Arena where the LA Clippers will play, and following renovation, will be the only upscale hotel within walking distance of three other major Los Angeles entertainment venues: SoFi Stadium, YouTube Theater, and Kia Forum. In aggregate, these four venues have a total capacity of 140k spectators and are expected to generate approximately 300 compression nights for the hotel annually
- The Hotel is also adjacent to 900k SF of new office space that includes the new NFL West Coast HQ, the LA Clippers HQ and practice facility, 900k SF of retail, and 2,500 new multifamily units and is within 15 minutes driving distance of LAX International Airport and the many tech and aerospace firms in El Segundo

## H.I.G. Investment Thesis and Unique Approach

- The Seller was a local developer who built the hotel in 2021 as an upscale short-term rental hotel, which was a mispositioning for the asset’s location
- H.I.G. Realty plans to reposition the hotel by converting it to the Tapestry by Hilton brand
- A 300-room Autograph Collection hotel is currently in pre-development next to SoFi Stadium for \$920K / room. The Autograph is on a ground lease and will operate with union labor. H.I.G. Realty’s projected all-in basis following the renovation and conversion to Hilton Tapestry is under \$400K / room

## Performance Highlights

- Hilton approved the franchise application to convert the Hotel to the Tapestry by Hilton brand in Q2 2024

As of June 30, 2024, unless otherwise noted. There can be no guarantee that projected returns noted above will be achieved. Net returns of one or more individual investments are estimated by applying the spread between gross and net returns of the principal fund that made such investment(s). Please see Endnote 4 for information related to net returns and the use of leverage.

Key Information			
Date of Investment	Asset Class	Source	H.I.G. Equity <sup>8</sup>
Q2 2022	Industrial Outdoor Storage (“IOS”)	Relationship Transaction / Off-Market	\$88.5mm(a)
Projected Gross IRR <sup>4,11</sup>	Projected Gross MOIC <sup>4,11</sup>	Projected Net IRR <sup>3,4</sup>	Projected Net MOIC <sup>3,4</sup>
20%	2.0x	13%	1.6x



As of June 30, 2024, unless otherwise noted. There can be no guarantee that projected returns noted above will be achieved. Net returns of one or more individual investments are estimated by applying the spread between gross and net returns of the principal fund that made such investment(s). Please see Endnote 4 for information related to net returns and the use of leverage.

## Transaction Overview

- Strategy to consolidate the fragmented market of small-box distribution centers and industrial outdoor storage (“IOS”) properties in high-growth, supply constrained markets
- Strategy launched with acquisition of 50-property IOS portfolio and expanded with ten add-on investments. Current portfolio includes 64 properties totaling 2.8mm SF across 301 acres in 20 states
- The portfolio is 100% leased and is located in submarkets in which market rents are approximately 56% higher than in-place rental rates
- There is currently \$115bn-\$130bn of IOS properties nationwide. Due to the small size of individual transactions, the small warehouse and IOS sector is ripe for consolidation, providing H.I.G. Realty the opportunity to aggregate properties at attractive yields and enhance portfolio value
- Portfolio benefits from positive supply and demand fundamentals
- New supply is limited by municipalities that are reluctant to allow additional approvals for IOS locations, as well as a broader focus by institutional owners and developers on large-scale industrial assets. Demand is supported by logistics growth trends which increase the need for industrial properties with excess land for storage of materials and containers

## H.I.G. Investment Thesis and Unique Approach

- H.I.G. Realty’s business plan is to (i) push rents to market, (ii) negotiate tenant relocations, unlock value within the existing portfolio and create an organic acquisition pipeline, (iii) execute additional acquisitions at attractive yields, and (iv) selectively sell individual assets at accretive pricing levels
- 62% of the portfolio’s NOI is generated from properties occupied by the largest U.S. wholesale distributors of roofing materials (a sector that has a history of stable performance through various economic cycles)<sup>6</sup>
- H.I.G. Realty is executing this strategy with a best-in-class operating partner, with a unique deal sourcing network and extensive IOS tenant relationships

## Performance Highlights

- Since closing on the initial portfolio, H.I.G. Realty has executed twelve add-on investments and is under contract to execute add-on number 13, aggregating additional infill IOS properties with significant mark-to-market upside
- H.I.G. Realty is projecting a yield on cost of 10.1% at exit for these add-on investments
- Executed four new leases and under negotiation on another three, increasing rents by an average of 58%, outperforming initial underwriting



# H.I.G. Realty Partners IV Case Studies

# Realized Investment – Project Quad<sup>10</sup>

## Key Information

Date of Investment	Asset Class	Source	H.I.G. Equity
Q4 2020	Industrial	Relationship Transaction/ Off-Market	\$13.8mm

## Realized Performance

Realized Gross IRR <sup>2,11</sup>	Realized Gross MOIC <sup>2,11</sup>	Realized Net IRR <sup>2,3</sup>	Realized Net MOIC <sup>2,3</sup>
81%	2.1x	74%	1.8x



## Transaction Overview

- Acquired Project Quad, an approximately 650k SF industrial portfolio located in the “last mile”, infill locations within Durham (NC), Salt Lake City (UT), Detroit (MI), and Lancaster (PA)
- Simultaneous with closing, H.I.G. Realty entered into a twelve-year “triple net” lease with the seller at a 10% cap rate, representing a 40%+ discount to replacement cost and effectively equivalent to “dark value”<sup>5</sup>
- Prototypical H.I.G. Realty investment: lower to middle market, complex / structured execution which leveraged the synergies and knowledge of H.I.G.’s private equity platform by conducting diligence on the tenant’s credit profile and using strong lender relationships

## H.I.G. Investment Thesis and Unique Approach

- Seller / tenant is a privately held company that has been liquidating holdings since the onset of COVID. H.I.G. Realty’s relationship granted the investment team direct access to the seller to negotiate a highly-structured sale/leaseback transaction
- The properties represent “sticky”, mission-critical uses, housing the majority of the tenant’s production operations (including \$10mm+ of equipment in operation within the facilities)
- H.I.G. Realty’s strong lender relationships enabled the investment team to secure attractive debt financing in only three weeks. H.I.G. Realty had projected an annual cash-on-cash return of ~15% from the existing lease

## Performance Highlights

- H.I.G. Realty completed the sale of the portfolio in March 2022, representing a Net IRR of 74% and Net MOIC of 1.8x<sup>2,3</sup>

As of June 30, 2024, unless otherwise noted. Past performance is not indicative of future results. A list of Fund IV’s investments is available on page 18. Net returns of one or more individual investments are estimated by applying the spread between gross and net returns of the principal fund that made such investment(s). Please see Endnote 4 for information related to net returns and the use of leverage.

# Realized Investment – Huntsville Industrial<sup>10</sup>

## Key Information

Date of Investment	Asset Class	Source	H.I.G. Equity
Q2 2021	Industrial	Relationship Transaction / Off-Market	\$14.0mm

Realized Gross IRR <sup>2,11</sup>	Realized Gross MOIC <sup>2,11</sup>	Realized Net IRR <sup>2,3</sup>	Realized Net MOIC <sup>2,3</sup>
30%	2.0x	23%	1.7x



## Transaction Overview

- Huntsville Industrial (the “Property”) is a 1972 vintage, 660k SF manufacturing & distribution facility adjacent to the Huntsville International Airport, one of the largest air cargo airports in the U.S., as well as the intermodal terminal in Huntsville, AL
- At close, the Property was 100% occupied by Kohler Co. with five years of remaining term. The Property also contains eight acres of excess parking lots that were partially leased to FedEx subject to short term leases
- The seller, a high-net-worth individual based in Tuscaloosa, AL, was motivated to transact off-market due to his impending retirement and limited broker relationships
- H.I.G. Realty’s business plan was to capitalize on undermanagement by the previous landlord, coupled with the strategic location of the Property, to either engage in early lease extension discussions

## H.I.G. Investment Thesis and Unique Approach

- The Property is H.I.G. Realty’s second industrial acquisition with the same experienced operating partner with a strong track record of success
- H.I.G. Realty acquired the Property in an off-market transaction from a private seller, resulting in a 10% in-place yield on cost at close
- H.I.G. Realty’s robust lender relationships enabled the investment team to secure attractive 70% LTC debt financing at a fixed rate of 3.8%
- The Property is located within the highly sought-after Jetplex submarket with strong access to the airport and intermodal terminal providing a competitive leasing advantage. It also benefits from its proximity to the Redstone Arsenal, a major military base and rocket testing facility, and the new \$2.3bn Mazda-Toyota assembly plant

## Performance Highlights

- H.I.G. Realty i) immediately secured renewals of the FedEx IOS leases and ii) activated an additional industrial outdoor storage (“IOS”) parcel that was subsequently leased to Target, and then to Blue Origin
- In January 2023, H.I.G. finalized an early termination agreement with Kohler in exchange for a \$2.5mm lump sum payment. Simultaneously, H.I.G. Realty signed a 10-year lease with Blue Origin to take 100% of the Property (including all parking upon termination of the FedEx lease), generating an immediate ~20% NOI increase<sup>6</sup>
- H.I.G. Realty completed the sale of the Property in September 2024 for a gross sale price of \$63.0 million, representing a Net IRR of 22.7% and Net MOIC of 1.7x<sup>2,3</sup>

*As of June 30, 2024, unless otherwise noted. Past performance is not indicative of future results. A list of Fund IV’s investments is available on page 18. Net returns of one or more individual investments are estimated by applying the spread between gross and net returns of the principal fund that made such investment(s). Please see Endnote 4 for information related to net returns and the use of leverage. Returns reflect the full realization of Huntsville Industrial, which closed post quarter-end.*

# Partially Realized Investment – Princeton R&D Portfolio<sup>10</sup>

## Key Information

Date of Investment	Asset Class	Source	H.I.G. Equity
Q2 2020	Life Science	Broken Sale Process	\$17.1mm

Realized Gross IRR <sup>2,11</sup>	Realized Gross MOIC <sup>2,11</sup>	Realized Net IRR <sup>2,3</sup>	Realized Net MOIC <sup>2,3</sup>
127%	5.7x	119%	5.4x



## Transaction Overview

- Large life sciences campus with ~1.1mm SF of lab / office space and 100 acres of land purchased from a publicly-traded pharmaceutical company for under \$40 PSF or ~85%+ discount to replacement cost<sup>5</sup>
- 30+ building campus includes a data center and large development parcel
- COVID-related disruption resulted in a broken sale process, forcing seller to make significant concessions
- Lower to middle market, complex execution, leveraging H.I.G.'s HealthBridge Capital Partners team's knowledge, helping with the assessment of the campus' quality and confirming the strong leasing demand for pharmaceutical-grade lab space in the area

## H.I.G. Investment Thesis and Unique Approach

- Seller was facing pressure from shareholders to sell, and original buyer's financing source backed away
- Through local NJ relationships, H.I.G. Realty learned of the sale, quickly evaluated the opportunity, and negotiated seller financing for a timely execution
- Diverse campus positioned to be sold in multiple parts, mitigating downside scenarios

## Performance Highlights

- H.I.G. Realty negotiated a \$4.9mm reduction in real estate tax with the town of Hopewell and is currently negotiating a long-term PILOT
- In Q2 2021, refinanced the seller loan with Arrowmark Partners totaling \$76mm in potential proceeds to fully capitalize the execution of H.I.G. Realty's business plan
- In Q4 2021, executed a sale of the property's development parcel for \$75mm. The presence of a large user also improved the property's appeal to prospective tenants
- In Q4 2022, executed a separate sale of Building 17 for \$67.5mm to a leading national research university
- As of Q2 2024, 100% of the lab space has been leased and the overall occupancy is 61%. Investment was marked to a ~5.4x Net MOIC as of Q2 2024<sup>2,3</sup>
- H.I.G. Realty and the Company engaged Newmark and Cushman to advise and run a sale process, which formally launched in Q4 2024

As of June 30, 2024, unless otherwise noted. Past performance is not indicative of future results. A list of Fund IV's investments is available on page 18. Net returns of one or more individual investments are estimated by applying the spread between gross and net returns of the principal fund that made such investment(s). Please see Endnote 4 for information related to net returns and the use of leverage.

## Key Information

Date of Investment	Asset Class	Source	H.I.G. Equity
Q1 2020	Multifamily	Programmatic Partnership	\$13.2mm

Realized Gross IRR <sup>2,11</sup>	Realized Gross MOIC <sup>2,11</sup>	Realized Net IRR <sup>2,3</sup>	Realized Net MOIC <sup>2,3</sup>
20%	1.9x	13%	1.6x



## Transaction Overview

- Four property multifamily portfolio consisting of 688 units developed from 2001-2003 under Section 42 of the Low-Income Housing Tax Credit (“LIHTC”) Program
- Portfolio consists of two properties in Florida (Tampa and Jacksonville markets) and two properties in Texas (Austin and Dallas markets)
- Acquired the portfolio for \$72mm (\$104k/unit), a 40% discount to replacement cost and a substantial discount to transactions of market rate properties in the portfolio’s submarkets<sup>5</sup>

## H.I.G. Investment Thesis and Unique Approach

H.I.G. Realty’s business plan, which has been executed successfully on four prior LIHTC investments, includes the following:

- Reduce Operating Expenses: Install water savings devices and LED lighting to reduce utility expenses
  - H.I.G. Realty has improved operating performance on prior LIHTC investments, including reducing water usage costs by approximately 25%
- Maintain Strong Occupancy: Portfolio was 95% at acquisition closing. H.I.G. Realty projected occupancy of 97.5% throughout the investment period
  - H.I.G. Realty has outperformed projections and achieved occupancy of 98% - 99% on prior LIHTC investments
- Actively Manage Leasing: Lease units at recently increased maximum allowable rents and limit turnover

## Performance Highlights

- Increased occupancy from 95% at acquisition to 97% currently
- Implemented expense savings program which successfully reduced utilities, turnover, contract services, and maintenance costs
- In 2023, achieved a partial realization of the investment, selling its properties in Tampa and Jacksonville at a sale price that exceeded its initial underwriting, three years ahead of schedule. The sale proceeds were used to pay down debt, thereby de-levering and de-risking the investment. In 2023, H.I.G. Realty refinanced its debt with a fixed rate loan, which is projected to reduce interest expense by \$400k in 2024
- To date, H.I.G. Realty has received \$11.9mm in distributions (64% of equity invested)

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# Team Biographies

## **Sami Mnaymneh**

CEO, Co-Founder,  
and Co-Executive  
Chairman

Mr. Mnaymneh is the CEO, Co-Founder, and Co-Executive Chairman of H.I.G. Capital. He has directed the firm's development since its founding in 1993 and approves all capital commitments made by H.I.G. Prior to founding H.I.G., Mr. Mnaymneh was a Managing Director with The Blackstone Group.

Prior to that, he was in the mergers and acquisitions department at Morgan Stanley. Mr. Mnaymneh has at various times served on a number of academic boards, including the Board of Columbia College and the Dean's Council of the Harvard Law School.

Mr. Mnaymneh earned a B.A., Summa Cum Laude, from Columbia University where he graduated first in his class, and subsequently received a J.D. and an M.B.A., with honors, from Harvard Law School and Harvard Business School, respectively.

## **Tony Tamer**

Co-Founder and Co-  
Executive Chairman

Mr. Tamer is a Co-Founder and Co-Executive Chairman of H.I.G. Capital. He has directed H.I.G.'s development since its founding in 1993 and approves all capital commitments made by H.I.G.

Prior to H.I.G., Mr. Tamer was partner at Bain & Company. Mr. Tamer has extensive experience working with and coaching early stage and middle-market companies. He currently also serves on the Dean's Council of the Harvard University Kennedy School of Government.

Mr. Tamer holds a B.S. from Rutgers University, an M.B.A. degree from Harvard Business School, and an M.S. in Electrical Engineering from Stanford University.

## **Brian Schwartz**

Co-President

Mr. Schwartz is Co-President of H.I.G. Capital and member of the Investment Committee overseeing the Fund. He joined the firm in 1994. In his current position, along with Rick Rosen, he directs the day-to-day operations of the firm and sits on the investment committees for all H.I.G. funds. Since joining H.I.G. in 1994, Mr. Schwartz has held a number of leadership positions at the firm.

Prior to joining H.I.G., Mr. Schwartz worked in PepsiCo's strategic planning group. His responsibilities included managing strategic acquisitions for PepsiCo and evaluating new business opportunities. He began his career with the investment banking firm of Dillon, Read & Co. where he split his time between the corporate finance group and the private equity funds.

Mr. Schwartz earned his B.S., with honors, from the University of Pennsylvania and earned his M.B.A. from Harvard Business School.

## **John Bolduc**

Executive Managing  
Director & Head of  
H.I.G. Credit

Mr. Bolduc is an Executive Managing Director of H.I.G. and is responsible for leading H.I.G.'s Credit Platform, which manages \$22 billion of capital across multiple investment funds. Mr. Bolduc has more than 30 years of experience focused on credit investments, including primary loans and distressed debt, as well as private equity investments.

Prior to joining H.I.G. in 1993, he was at the leading management consulting firm, Bain & Company, where he directed domestic and international assignments for Fortune 500 clients. Prior to joining Bain, he worked as the Assistant to the President of Chemed Corporation (NYSE: CHE), a specialty chemical company.

Mr. Bolduc currently serves on the board of WhiteHorse Finance (NASDAQ: WHF), and University of Virginia's Darden Business School. Mr. Bolduc is a graduate of Lehigh University with a B.S. in Computer Science and earned his M.B.A. from the University of Virginia's Darden School of Business.

## **David Hirschberg**

Managing Director &  
Co-Head of H.I.G.  
Realty Partners U.S.

Mr. Hirschberg is a Managing Director and Co-Head of H.I.G. Realty Partners U.S. Mr. Hirschberg serves on the investment Committee for all H.I.G. U.S. Realty Funds and is responsible for investment origination, transaction structuring, and oversight of the Fund's portfolio. Mr. Hirschberg has over 30 years of experience in real estate and investment banking. Before joining H.I.G., Mr. Hirschberg was a Managing Partner at Coventry Real Estate Advisors, an investment fund manager that acquired over \$2.5 billion of real estate assets across the United States.

Prior to Coventry, Mr. Hirschberg was a Managing Director in Citigroup's Real Estate Investment Banking Group where he advised real estate and lodging companies on REIT IPOs and mergers and acquisitions.

Previously, Mr. Hirschberg worked at Goldman Sachs. Mr. Hirschberg earned a B.S. from Lehigh University in 1989 and an M.B.A. from New York University in 1994. Mr. Hirschberg is a Council Member of the Urban Land Institute.

## **Ira Weidhorn**

Managing Director &  
Co-Head of H.I.G.  
Realty Partners U.S.

Mr. Weidhorn is a Managing Director and Co-Head of H.I.G. Realty Partners U.S. Mr. Weidhorn serves on the Investment Committee for all H.I.G. U.S. Realty Funds. Mr. Weidhorn is responsible for investment origination, transaction structuring and the oversight of the Fund's portfolio. Mr. Weidhorn brings over 26 years of experience in the real estate industry.

Prior to joining H.I.G., Mr. Weidhorn was a Managing Principal at Lubert-Adler. Prior to Lubert-Adler, Mr. Weidhorn was a Principal at Lehman Brothers Real Estate Partners and prior was at Goldman Sachs.

Mr. Weidhorn earned a B.A. in History and a B.S. in Economics from the University of Pennsylvania and an M.B.A. from the Wharton School at the University of Pennsylvania.

## Adam Belfer

Managing Director

Mr. Belfer is a Managing Director of H.I.G. Realty Partners. Mr. Belfer is involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution.

Prior to H.I.G., Mr. Belfer was in the real estate leveraged finance group of Wachovia Securities (now Wells Fargo Securities) in Charlotte, NC. While at Wachovia, Mr. Belfer focused on the origination and execution of private and publicly-traded homebuilder and syndicated development financing.

Mr. Belfer graduated with a B.B.A. in finance from the Goizueta Business School at Emory University.

## Michael Mestel

Managing Director

Mr. Mestel is a Managing Director and Co-Head of H.I.G. Realty Credit Partners. Mr. Mestel is responsible for all aspects of the investment process, including origination, negotiation, structuring and closing of deals throughout the U.S. Mr. Mestel brings over 20 years of commercial real estate experience to H.I.G. having completed \$25 billion of originations in the industry. Before joining H.I.G., Mr. Mestel was a Principal at USAA / Square Mile Capital Management where he was Head of West Coast Origination.

Prior to USAA / Square Mile Capital Management, Mr. Mestel served as a Director in the Real Estate Finance group at Citigroup where he was responsible for originating, negotiating and structuring fixed and floating rate loans in the Northeast and West Coast of the U.S. Prior to that, Mr. Mestel was a Vice President at Rialto Capital Management where he was responsible for the acquisition and asset management of distressed real estate and distressed loans. Mr. Mestel holds a B.A. in Government from Cornell University.

## Ken Senior

Managing Director

Mr. Senior is a Managing Director of H.I.G. Realty Partners. Mr. Senior has 17 years of experience in real estate investing across all property types. Mr. Senior is responsible for all aspects of the investment process, including sourcing, structuring, financing, and post-closing execution. Before joining H.I.G., Mr. Senior worked in the acquisitions group with Sterling American Property, a New York-based, value-add, real estate fund focused on opportunistic and value-add real estate investments throughout the United States.

Prior to Sterling, he worked at Insignia/ESG (now CBRE) where he focused on large-scale commercial leasing assignments in New York City, representing both tenants and landlords.

Mr. Senior holds a B.A. from Princeton University and an M.B.A. from Columbia University.

## Naveen Vennam

Managing Director

Mr. Vennam is a Managing Director of H.I.G. Realty Partners. Since joining H.I.G. in 2007, Mr. Vennam has been involved in all aspects of the investment process, including sourcing, transaction structuring, financing, and post-closing execution. He has 18 years of experience in real estate private equity investing.

Prior to joining H.I.G., Mr. Vennam was with Holualoa Companies, a private investment firm focused on opportunistic and distressed real estate. While at Holualoa, he led numerous investments and was involved in the acquisition and asset management of various real estate assets throughout the United States.

Mr. Vennam earned a B.S. in Economics from the Wharton School at the University of Pennsylvania.

## Jordan Peer Griffin

Executive Managing  
Director and Global  
Head of Capital  
Formation

Ms. Peer Griffin serves as an Executive Managing Director of H.I.G. Capital. Based in New York, she has over 20 years of experience in alternative assets and leads H.I.G.'s Capital Formation Group globally across the firm's private equity, growth equity, credit, infrastructure, real estate, and co-investment strategies. She serves on the Investment Committee for the H.I.G. Strategic Partners Funds. She also co-chairs the firm's ESG & Diversity and Inclusion Committee and Operational Risk Committee.

Prior to joining H.I.G., Ms. Peer Griffin was at Blackstone's credit business, GSO Capital Partners, focused on institutional business development. Before joining GSO, Ms. Griffin worked in the leveraged finance and investment banking groups at Lehman Brothers and Barclays Capital. She began her career in asset management at Goldman, Sachs & Co.

Ms. Peer Griffin received her B.A. in Public Policy from The University of North Carolina at Chapel Hill (UNC) and her MBA from UNC's Kenan-Flagler Business School where she was a Kenan-Flagler Fellow.

## Chad Buresh

Chief  
Financial Officer

Mr. Buresh is the Chief Financial Officer of H.I.G. Capital and is responsible for the firm's finance, tax, and information technology. Prior to joining H.I.G., he was at PIMCO, where he was most recently a Senior Vice President in the Alternative Funds Finance Team responsible for the financial control, accounting, reporting and treasury of the private equity style multi-strategy funds.

Prior to joining PIMCO, he was with PricewaterhouseCoopers. He was previously a Vice President of financial accounting and reporting for JER Partners, a real estate private equity firm in London.

Mr. Buresh has more than 20 years of relevant experience and holds a bachelor's degree in business administration in accounting and finance from the University of Iowa.

## Jay Maher

Chief  
Operating Officer

Mr. Maher is H.I.G.'s Global Chief Operating Officer and is based in Miami where he focuses on managing the operational priorities of the firm. Prior to joining H.I.G., Mr. Maher spent his career in the fund administration industry focusing on private equity. Most recently he was the CEO of Mainstream U.S. until it was acquired by Apex.

Prior to that, Mr. Maher was the Global Head of Private Equity Services at SS&C and a founding partner of Northport Partnership Services.

Mr. Maher received his B.S. in Accounting from Rowan University.

## Richard Siegel

General Counsel  
and Chief  
Compliance Officer

Mr. Siegel has been General Counsel and Chief Compliance Officer of H.I.G. since 2005. Mr. Siegel is responsible for all of the Firm's legal, regulatory and compliance matters worldwide.

Prior to joining H.I.G., Mr. Siegel was Vice President and Deputy General Counsel of Ryder System, a Fortune 350 global transportation and logistics company, and General Counsel of a private investment firm headquartered in Denver, Colorado.

Mr. Siegel began his legal career in the New York and Melbourne, Australia offices of Sullivan & Cromwell and served as a Judicial Clerk for Andrew G.T. Moore, II, of the Delaware Supreme Court. Mr. Siegel received his J.D. from Georgetown University Law Center and earned a B.S. in Finance from the University of Maryland.

# Contact Information and Endnotes

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1. Based on total capital raised by H.I.G. Capital and affiliates. Strategy or geographic specific figures reflect total capital raised, as allocated to the relevant investment strategy or geography.
2. “Realized Investments” and “Realized/Partially Realized Investments” (and variations thereof) reflect investments that have been sold or written off as well as partially realized investments that have generated realized proceeds in excess of 1.0x of the equity invested. The actual realized return of the unrealized portion of such investments may differ materially from the returns indicated herein. Contact H.I.G. for detailed information on each investment.
3. Net returns reflect returns after allocation of management fees, expenses and any carried interest to the general partner and also reflect the impact of fund-level subscription facilities and related expenses, where applicable. Net returns are based on the date(s) capital contributions were due by limited partners rather than the date an applicable investment was made, which generally results in a higher net return than if the return was based on the date the investment was made by the fund when fund-level subscription facilities are utilized. If net returns had been based on using the dates of each investment, net returns would generally be lower since return calculations are affected by the timing of cash flows and the longer periods of time during which capital is deployed. Calculations incorporating estimations of the “unrealized value” of remaining investments represent valuation estimates using assumptions that H.I.G. believes to be reasonable under the circumstances. Actual realized returns of unrealized investments may vary materially in the future and will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Where shown for one or more individual investments, net returns are estimated by applying the spread between gross fund returns and net limited partner returns of the principal fund that made such investment(s). Because such net returns are estimated based on the spread between gross and net performance as of any given time, although applicable gross performance may not change quarter-to-quarter (e.g., after an investment is fully realized), corresponding net returns will likely change quarter-to-quarter for active funds, including as a result of fund-level fees, costs and expenses and overall fund performance. Combined returns reflect investments that were made across multiple funds and are calculated based on a weighted average of the invested capital of applicable component funds. As presented on page 10, net returns for H.I.G. Europe Realty are estimated by applying the ratio between gross returns and net returns of component funds on a combined, weighted average of invested capital basis. No individual limited partner experienced estimated and/or composite returns. The term “NM” or “Not Meaningful” is used to refer to performance calculations that return a result that H.I.G. believes is not representative.
4. Projected net returns used herein reflect estimated returns after allocation of expected management fees, carried interest, general fund expenses, other expected expenses that may be borne by investors and directly related to applicable investments and also reflect the expected impact of fund-level subscription facilities and related expenses, where applicable. Projected returns are based on a model that includes information as of the date of preparation and certain assumptions H.I.G. believes are reasonable under the circumstances. Such criteria and assumptions include, but are not limited to: (i) estimated fund cash flows; (ii) investment hold periods; (iii) the use and terms of fund-level subscription facilities (i.e., advance rate, interest rate and facility size); (iv) fund and investment level fees and expenses; and (v) investment level metrics (which may be based on estimated discounted cash flows, comparable analyses, and/or other applicable methods). In addition, the model generally assumes the successful outcome of H.I.G.’s investment thesis at the time of disposition, which may or may not ultimately take place. Projected net returns, including net fees, are often impacted by assumed subscription facility usage, the utilization of which may differ from the use assumed in such model. Additionally, the model is calculated based on amounts invested to date for applicable investments and amounts projected to be invested over the remaining life of such investment, which may differ from actual final amounts. There can be no assurance that the criteria and assumptions used by H.I.G. in preparing this model will prove accurate and such criteria and assumptions may be adjusted in the future as H.I.G. determines appropriate. Different criteria and assumptions may result in materially different projected returns. Projected returns are subject to numerous variables and limitations such as market and economic risks and multiple other factors and considerations which are not predictable and can have a material adverse impact, therefore, amounts actually realized in the future will vary (in some cases materially) from the estimated projected returns presented herein. Projected values are likely to differ from a fund’s financial statement valuations and are not an accurate estimate of current realizable value if investments were liquidated as of June 30, 2024 (or as otherwise indicated herein). Projected returns should not be regarded as, and are expressly not, a representation or guarantee that the specific transaction will or reflect any particular performance or that it will achieve or is likely to achieve any particular result or that investors will be able to avoid losses, including total losses of their investments. Additional information about the basis for and the criteria and assumptions used in estimating any projected or hypothetical returns presented herein is available upon request.
5. Replacement cost is the estimated cost to construct, at current prices, a property with equal utility. Replacement cost is based on deal team estimates using industry data.
6. Net Operating Income (“NOI”) means, for any property, the sum of the following: (a) cash rents and other revenues received in the ordinary course from such Property minus (b) all cash expenses paid (excluding interest expense) related to the ownership, operation or maintenance of such Property, including but not limited to, property taxes, insurance, utilities, payroll costs, maintenance, repair and landscaping expenses, marketing expenses, and general and administrative expenses minus (c) the capex reserves for such property.



7. H.I.G. U.S. Realty Fund IV is comprised of investments made by H.I.G. Realty Partners IV (Onshore), L.P., H.I.G. Realty Partners IV (Offshore), L.P., H.I.G. Realty Partners IV (QFPF), L.P. and H.I.G. Realty Partners IV-A (Offshore), L.P. and returns are representative of such entities comprising U.S. Realty Fund IV on a blended basis. H.I.G. Realty Partners IV (Offshore), L.P., which is subject to additional tax, generated a net IRR of 17.3% and net MOIC of 1.2x, as of June 30, 2024, while H.I.G. Realty Partners IV (Onshore), L.P. has generated a net IRR of 17.9% and net MOIC of 1.2x, respectively, for all investments, as of June 30, 2024.
8. Projected equity is the sum of (i) equity funded to date for each respective investment plus (ii) equity projected to be funded over the remaining life of the investment. There can be no assurance that such projected equity will be invested by the applicable fund.
9. Pipeline transactions presented herein are for illustrative purposes only, have been selected in order to provide examples of the types of investments evaluated by H.I.G. and do not purport to be a complete list thereof. There are no assurances that any such pipeline transactions will ultimately be made, and it should not be assumed that investments made in the future will be comparable in quality, performance or otherwise to the pipeline transactions described herein. Projected returns for a pipeline transaction are calculated using a preliminary model and are based on third party information provided to H.I.G. as well as upon estimates and assumptions that H.I.G. believes are reasonable as of the applicable date. If any pipeline transaction is consummated, it is expected that there will be differences between actual and projected results, and actual results may be materially less than those currently projected.
10. Case studies and pipeline transactions presented herein are for illustrative purposes only, have been selected in order to provide examples of the types of investments considered and made by H.I.G. Realty Partners and do not purport to be a complete list thereof. These case studies were selected based on illustrative investment strategies that were implemented by H.I.G. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein.
11. Gross returns reflect returns before the allocation of management fees, general fund expenses, income earned on cash and cash equivalents, and any carried interest to the General Partners, but after any expenses directly related to such investments. Gross returns are based on proceeds and estimated valuations and there can be no assurance that unrealized investments will be realized at the valuations used to calculate the returns contained herein. Calculations used herein which incorporate estimations of the “unrealized value” of remaining investments represent valuation estimates made by H.I.G. using assumptions that H.I.G. believes are reasonable under the circumstances. Such estimates are subject to numerous variables which change over time and therefore amounts actually realized in the future will vary (in some cases materially) from the estimated “unrealized values” used in connection with calculations referenced herein. Past performance is not a guarantee of future results, and there can be no assurance that H.I.G. will achieve comparable future results.

**Risk of Loss.** Prospective investors must be aware that an investment in private equity funds managed by H.I.G. (the “Funds”) is speculative and involves substantial risk of loss. Investment in the Funds is suitable only for sophisticated investors for whom an investment in the Funds does not constitute a complete investment program and who fully understand, and are willing to assume, the risks involved in investing in the Funds. The possibility of partial or total loss of the Funds’ capital exists, and prospective investors should not subscribe unless they can readily bear the consequences of such loss. There can be no assurance that the Funds will achieve their investment objective or target return, or that there will be any return on capital. In particular, potential investors should take into account the fact that the actual return achieved may be more or less in any particular year, and that different returns may be achieved by different investments. Any losses in the Funds will be borne solely by investors in the Funds and not by H.I.G.; therefore, H.I.G.’s losses in the Funds will be limited to losses attributable to the ownership interests in the Funds, if any, held by H.I.G. in its capacity as an investor in the Funds.

**Past Performance is Not a Guarantee.** Information about investments made by the Funds, including past performance, is provided solely to illustrate H.I.G.’s investment experience and processes and strategies used by H.I.G. in the past. The performance information relating to H.I.G.’s previous investments is not intended to be indicative of future results. Past performance is not necessarily indicative, or a guarantee, of future results. There can be no assurance that H.I.G. will achieve comparable results as those presented or that investors in will not lose any of their invested capital. References to aggregate or composite returns reflect cash flows and performance across multiple funds, and may not reflect the experience of any limited partner; such returns are provided for illustrative purposes only. Forward-looking Information. This Presentation may contain forward-looking statements that are based upon certain assumptions. Other events which were not taken into account, including general economic factors which are not predictable, may occur and may significantly affect the actual returns or performance of the Funds. Any assumptions should not be construed to be indicative of the actual events that will occur. Actual events are difficult to project and depend upon factors that are beyond the control of the Funds, H.I.G. or their respective affiliates, members, partners, stockholders, managers, directors, officers, employees and agents. Certain assumptions have been made to simplify the Presentation and, accordingly, actual results may differ, perhaps materially, from those presented herein. All information with respect to portfolio companies and industry data has been obtained from sources believed to be reliable and current, but accuracy cannot be guaranteed.

**Unrealized Investments.** There can be no assurance that partially realized and unrealized investments will be sold for values equal to or in excess of the total values used in calculating the returns portrayed herein. Actual returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations reported herein are based. Accordingly, the actual realized returns on investments that are partially realized or unrealized may differ materially from the values indicated herein.

**Lack of Diversification.** The Funds’ investment programs may involve investing in a particular asset type or sector, and as such, the Funds’ portfolios may experience more volatility and be exposed to greater risk than a more diversified investment portfolio. The Funds may make a limited number of investments, in which case aggregate returns realized by the limited partners may be substantially adversely affected by the unfavorable performance of a small number of these investments.

**Use of Leverage.** The Funds may engage in leverage and other investment practices that are extremely speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, including the loss of the entire amount that is invested.



# Quarterly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: September 30, 2024



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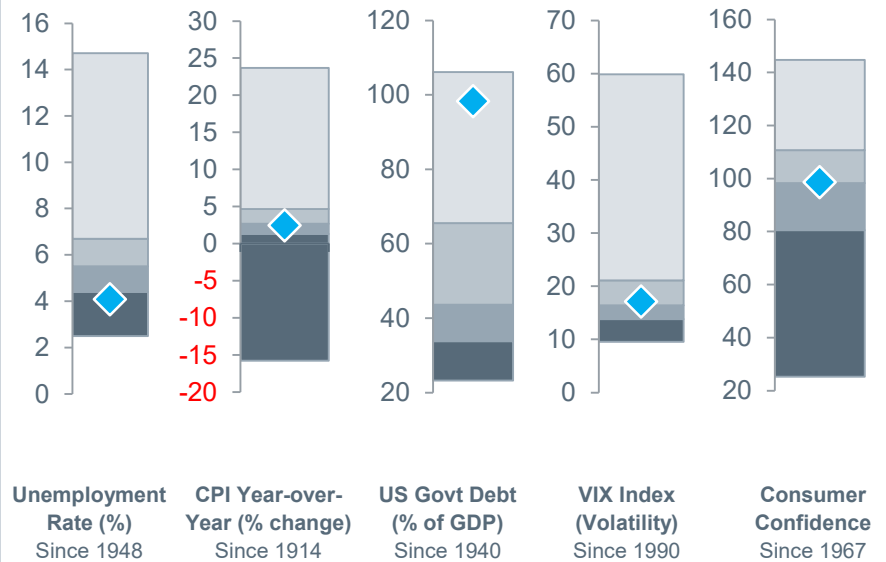
# Capital Markets Review



**Third Quarter Economic Environment**

In Q3, market conditions were characterized by reversals of recent trends in public equity and fixed income. These conditions developed due to heightened expectations that global central banks, including the US Federal Reserve, would reduce their policy rates. Market anticipation of declining interest rates grew with reports showing continued inflation moderation and generally stable economic growth forecasts. Amidst this environment, non-US stocks, value-oriented stocks, and smaller cap stocks were especially strong performers in public equities. Within public fixed income, longer duration and non-US denominated securities outpaced other types of securities. Despite the change in market trends, global economic indicators did not shift meaningfully during the quarter. The Organisation for Economic Co-operation and Development (OECD) forecasts for headline inflation in G20 economies for 2024 and 2025 only declined marginally compared to past forecasted levels. The current forecast for global headline inflation is 5.4% by year-end, declining further down to 3.3% by the end of 2025. Recent US data points to stabilizing inflation as well, with the Core Consumer Price Index level finishing Q3 at 3.3%—the same reading as at the end of Q2. In September, the Federal Open Market Committee (FOMC) announced a 50 basis point reduction to the Federal Funds rate. The Federal Funds rate range is now 4.75–5.00%, and the FOMC has suggested that further rate cuts are anticipated.

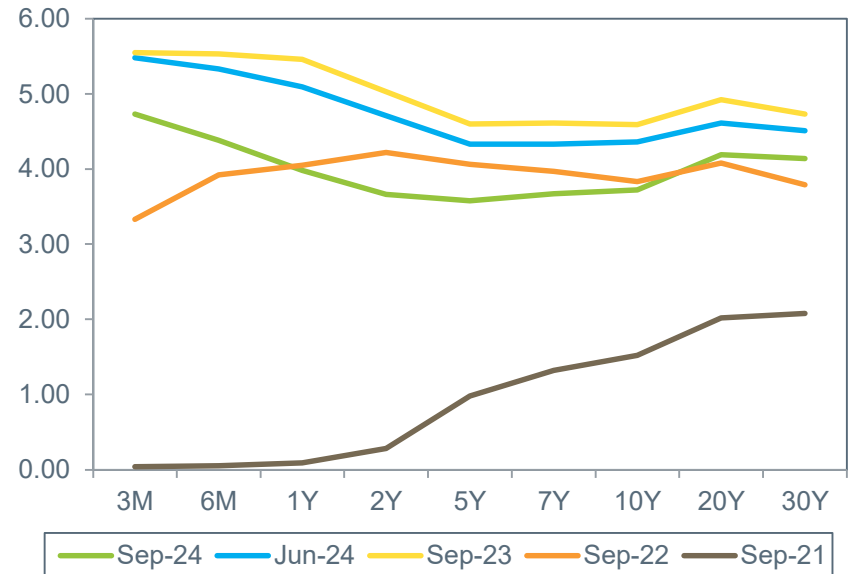
**Key Economic Indicators**

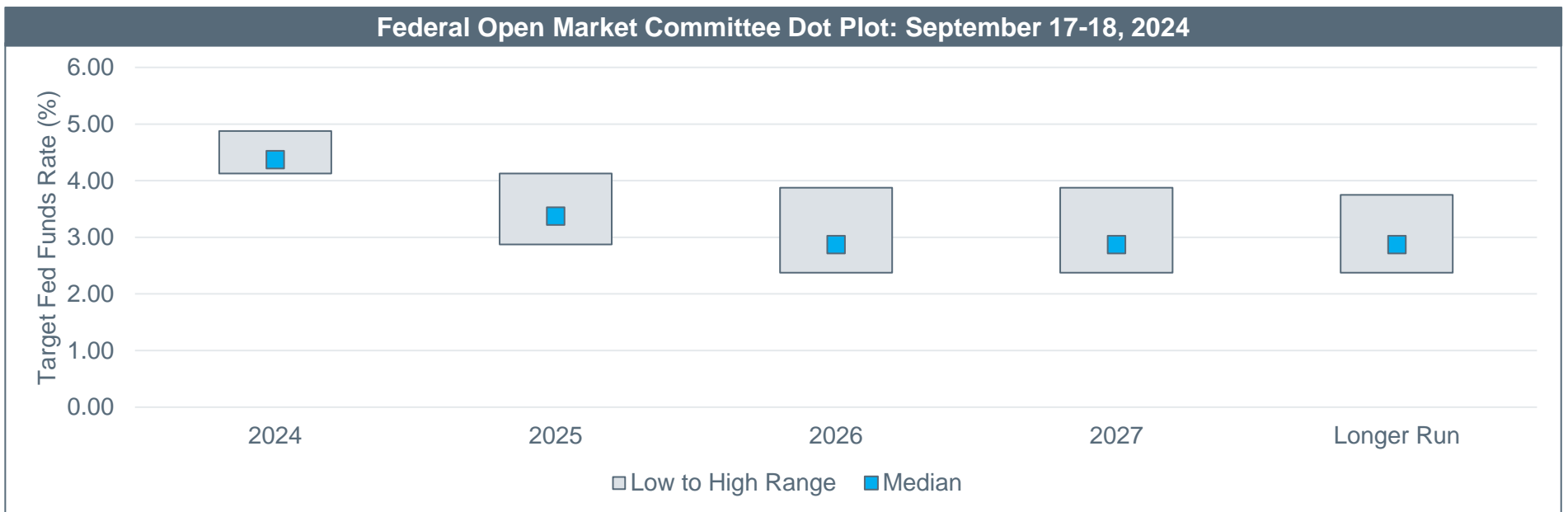
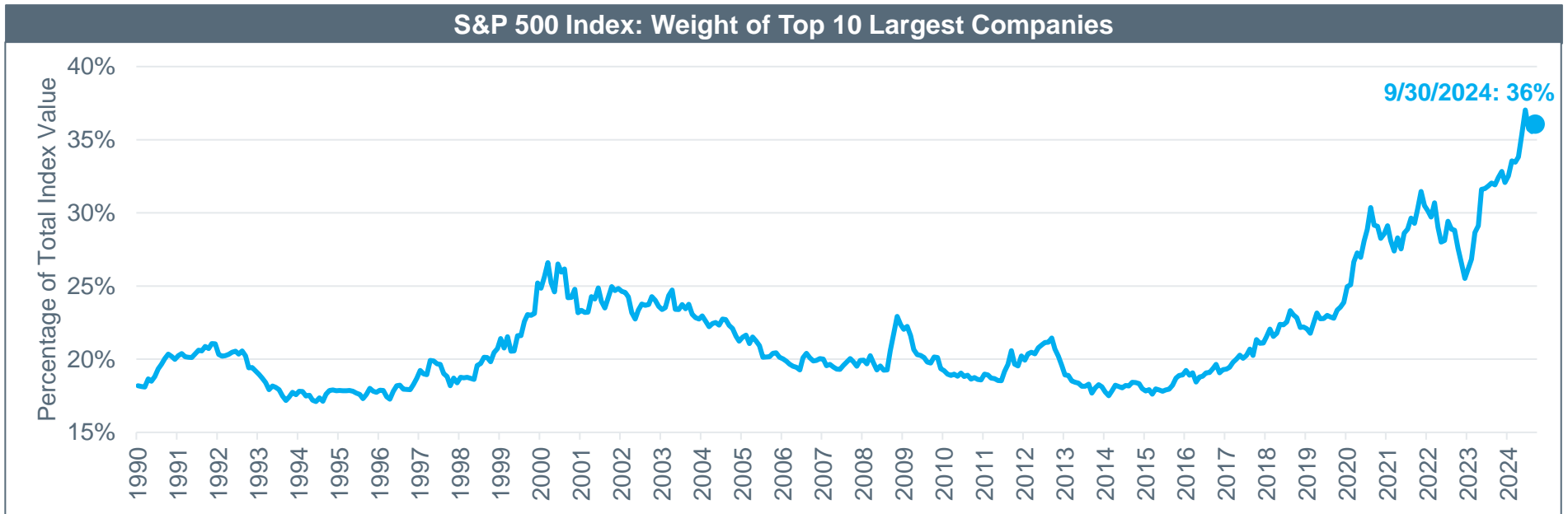


Economic Indicators	Sep-24	Jun-24	Sep-23	Sep-21	20 Yr
Federal Funds Rate (%)	4.83 ▼	5.33	5.33	0.06	1.65
Breakeven Infl. - 5 Yr (%)	2.06 ▼	2.24	2.25	2.53	1.93
Breakeven Infl. - 10 Yr (%)	2.16 ▼	2.27	2.34	2.38	2.09
CPI YoY (Headline) (%)	2.4 ▼	3.0	3.7	5.4	2.6
Unemployment Rate (%)	4.1 —	4.1	3.8	4.7	5.8
Real GDP YoY (%)	2.7 ▼	3.0	2.9	4.7	2.0
PMI - Manufacturing	47.2 ▼	48.5	49.0	60.5	53.0
USD Total Wtd Idx	121.53 ▼	124.52	122.63	114.67	104.31
WTI Crude Oil per Barrel (\$)	68.2 ▼	81.5	90.8	75.0	71.6
Gold Spot per Oz (\$)	2,636 ▲	2,337	1,872	1,757	1,308

Market Performance (%)	QTD	CYTD	1 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	5.89	22.08	36.35	15.98	13.38
Russell 2000	9.27	11.17	26.76	9.39	8.78
MSCI EAFE (Net)	7.26	12.99	24.77	8.20	5.71
MSCI EAFE SC (Net)	10.54	11.11	23.48	6.40	6.21
MSCI Emg Mkts (Net)	8.72	16.86	26.05	5.75	4.02
Bloomberg US Agg Bond	5.20	4.45	11.57	0.33	1.84
ICE BofAML 3 Mo US T-Bill	1.37	4.03	5.46	2.32	1.65
NCREIF ODCE (Gross)	0.25	-2.56	-7.26	2.94	6.10
FTSE NAREIT Eq REIT (TR)	16.09	15.93	34.74	5.46	7.83
HFRI FOF Comp	1.88	6.83	10.19	5.42	3.66
Bloomberg Cmdbt (TR)	0.68	5.86	0.96	7.79	0.03

**Treasury Yield Curve (%)**





Source: FactSet and Federal Reserve

Third Quarter Review

Broad Market

During Q3, US equity markets demonstrated resilience despite market turbulence in August due to the unwinding of the Yen carry trade and growing concerns related to slowing economic growth. Despite heightened volatility, the Russell 3000 Index delivered a return of 6.2% in Q3 as market participants positively reacted to the FOMC lowering the Federal Funds rate in September.

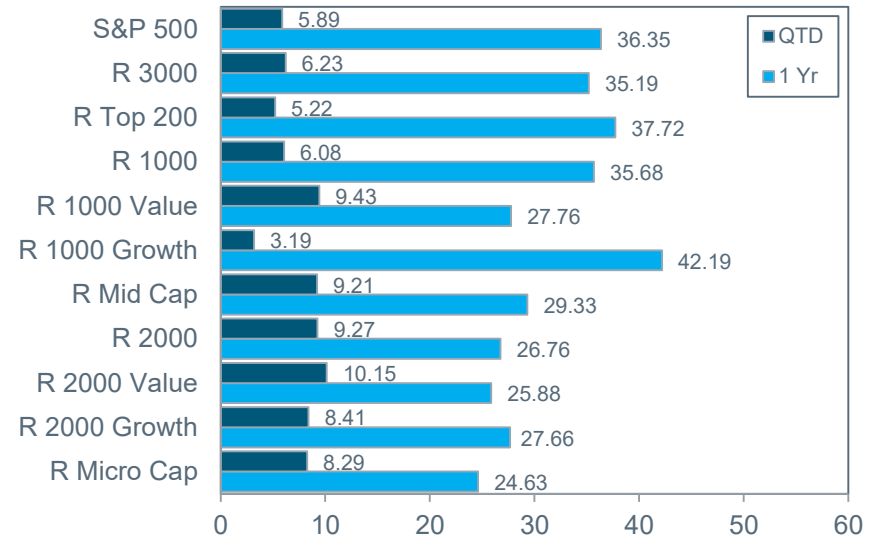
Market Cap

In a reversal of recent trends, value outperformed growth by a significant margin, with the Russell 3000 Value Index delivering a return of 9.5% compared to 3.4% for the Russell 3000 Growth Index. Additionally, small-cap stocks outperformed their largecap peers, particularly in the growth space, with the Russell 2000 Growth Index and the Russell 1000 Growth Index returning 8.4% and 3.2%, respectively.

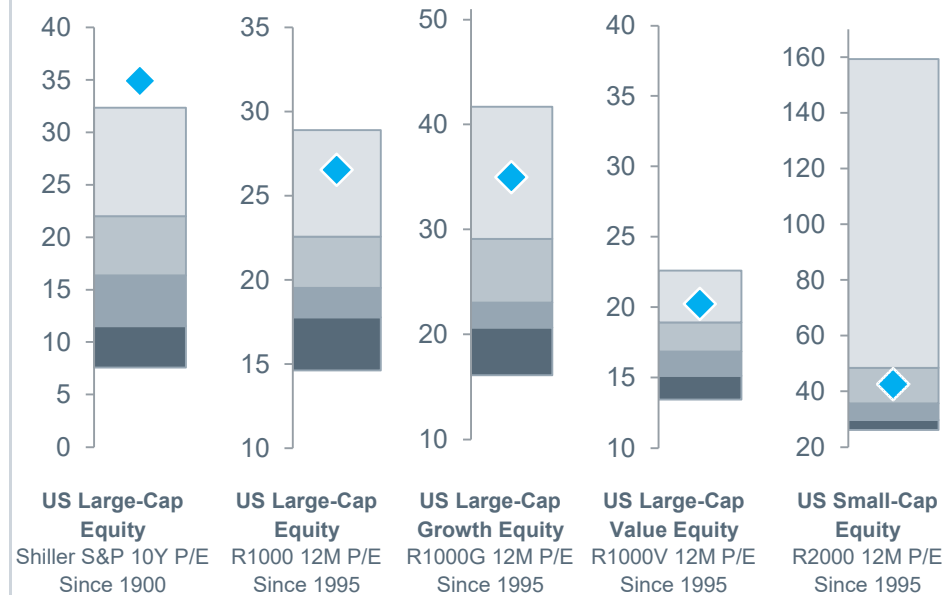
Style and Sector

It was a challenging quarter for active managers, as the median manager failed to achieve excess returns across style and size spectrums. Growth-oriented managers, especially within the large-cap segment, fared relatively better, while those in the value space, particularly in the small-cap segment, fared worse.

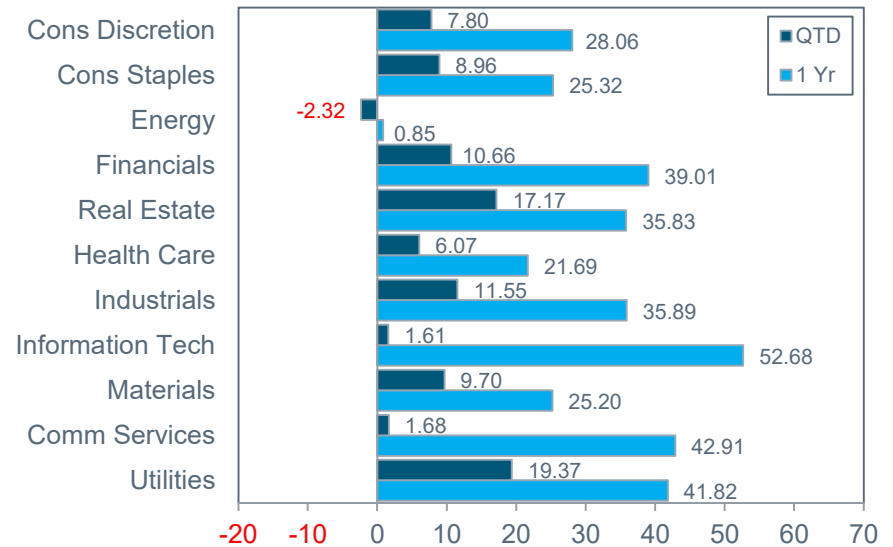
Style and Capitalization Market Performance (%)



Valuations



S&P 500 Index Sector Performance (%)



Valuation data courtesy of Bloomberg Professional Service and Robert J. Shiller, Irrational Exuberance, Second Edition. P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers.





Third Quarter Review

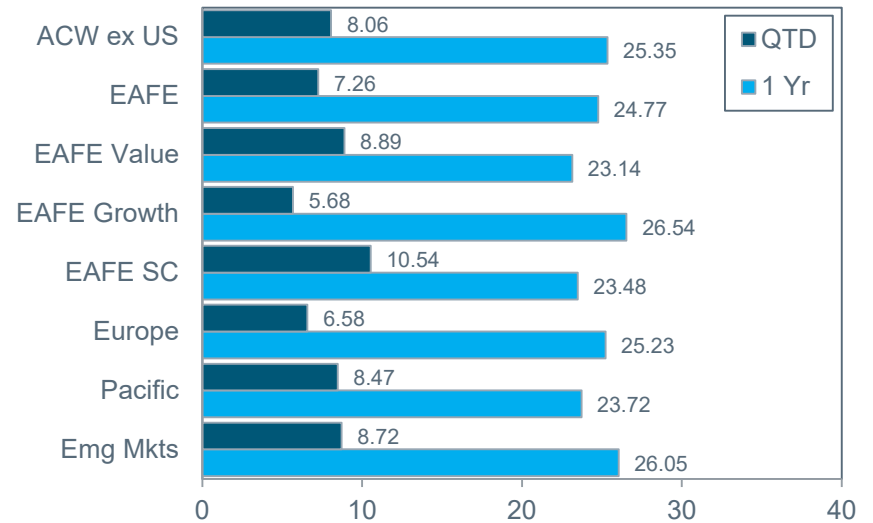
Developed Markets

Developed international markets outperformed the US in Q3 after trailing for six straight quarters, with the MSCI EAFE Index returning 7.3%. In a reversal from the prior two quarters, developed small-cap stocks outperformed large-cap, although value stocks continued to outpace their growth counterparts. Developed market returns were predominantly driven by Japan. Japanese markets reached all-time highs at the start of the quarter and then saw historically high volatility in August after the Bank of Japan (BOJ) raised rates, triggering the unwind of the Japanese Yen carry trade. Amid the market strength, developed market active managers broadly struggled to beat their benchmarks in Q3 across all styles and market capitalizations.

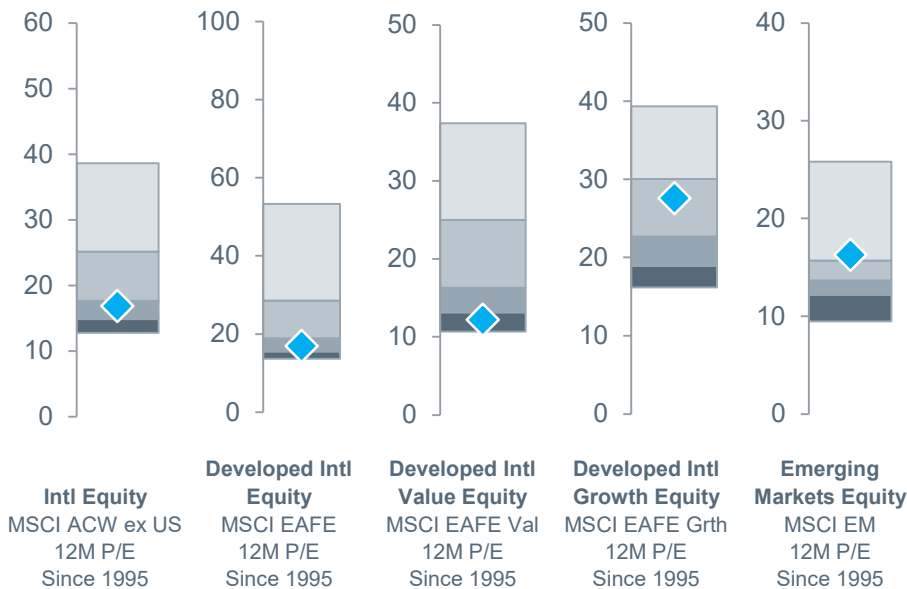
Emerging Markets

Emerging market equities outperformed developed markets for the second straight quarter, with the MSCI Emerging Markets Index finishing the quarter up 8.7%. Emerging market growth stocks outperformed value while large-cap stocks outperformed small-cap. The majority of active emerging market managers underperformed in Q3. The emerging market region benefited from a significant rebound in Chinese stocks. The MSCI China Index delivered a Q3 return of 23.6% and was the largest contributor to returns within the region.

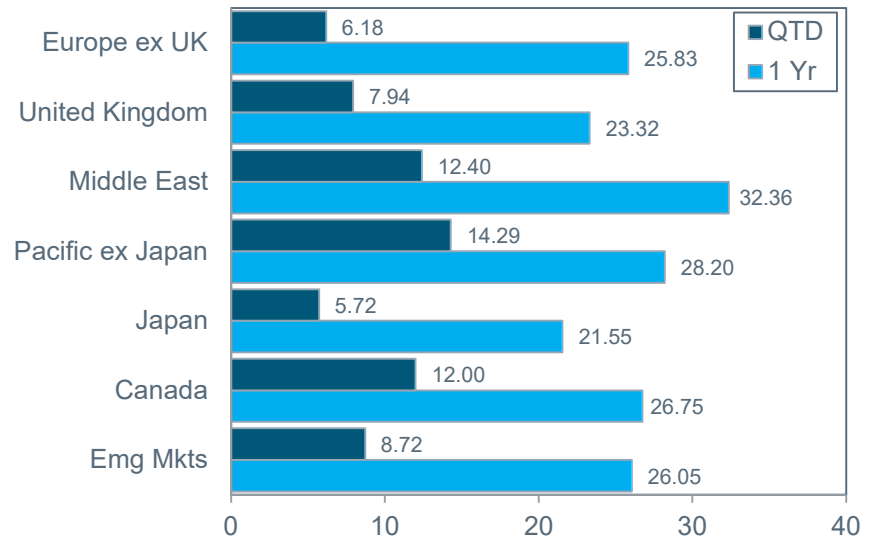
MSCI Style and Capitalization Market Performance (%)



Valuations



MSCI Region Performance (%)



Valuation data courtesy of Bloomberg Professional Service.

P/E metrics shown represent the 5th through 95th percentiles to minimize the effect of outliers.

All returns are shown net of foreign taxes on dividends.

Third Quarter Review

**Broad Market**

During Q3, US Treasury yields declined as economic data spurred market participants to anticipate the eventual reduction to the Federal Funds rate in September. Over the course of Q3, the 10-year yield fell by 0.6% to end the quarter at 3.8%. Furthermore, the yield spread between 2- and 10-year Treasuries moved into positive territory—marking the end to an extended period of yield curve inversion that began over two years ago. The Bloomberg US Aggregate Bond Index posted a positive return of 5.2% in Q3.

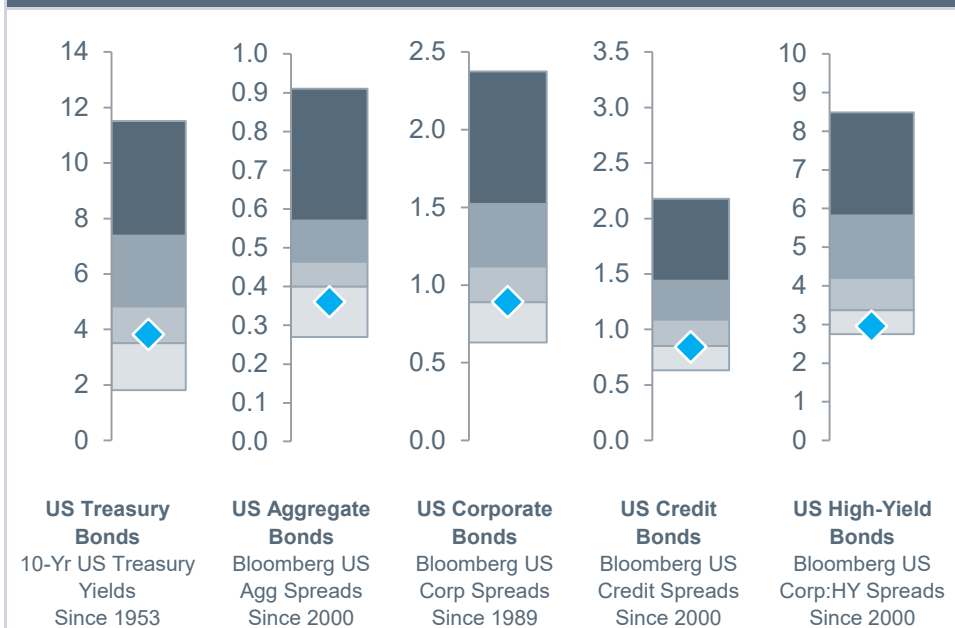
**Credit Market**

Returns were further bolstered by tightening spreads for credit securities. The Bloomberg US Corporate Investment Grade Index returned 5.8% and outpaced the 5.3% return for the Bloomberg US Corporate High Yield Index, which benefited less from declining rates given the lower duration of this asset class.

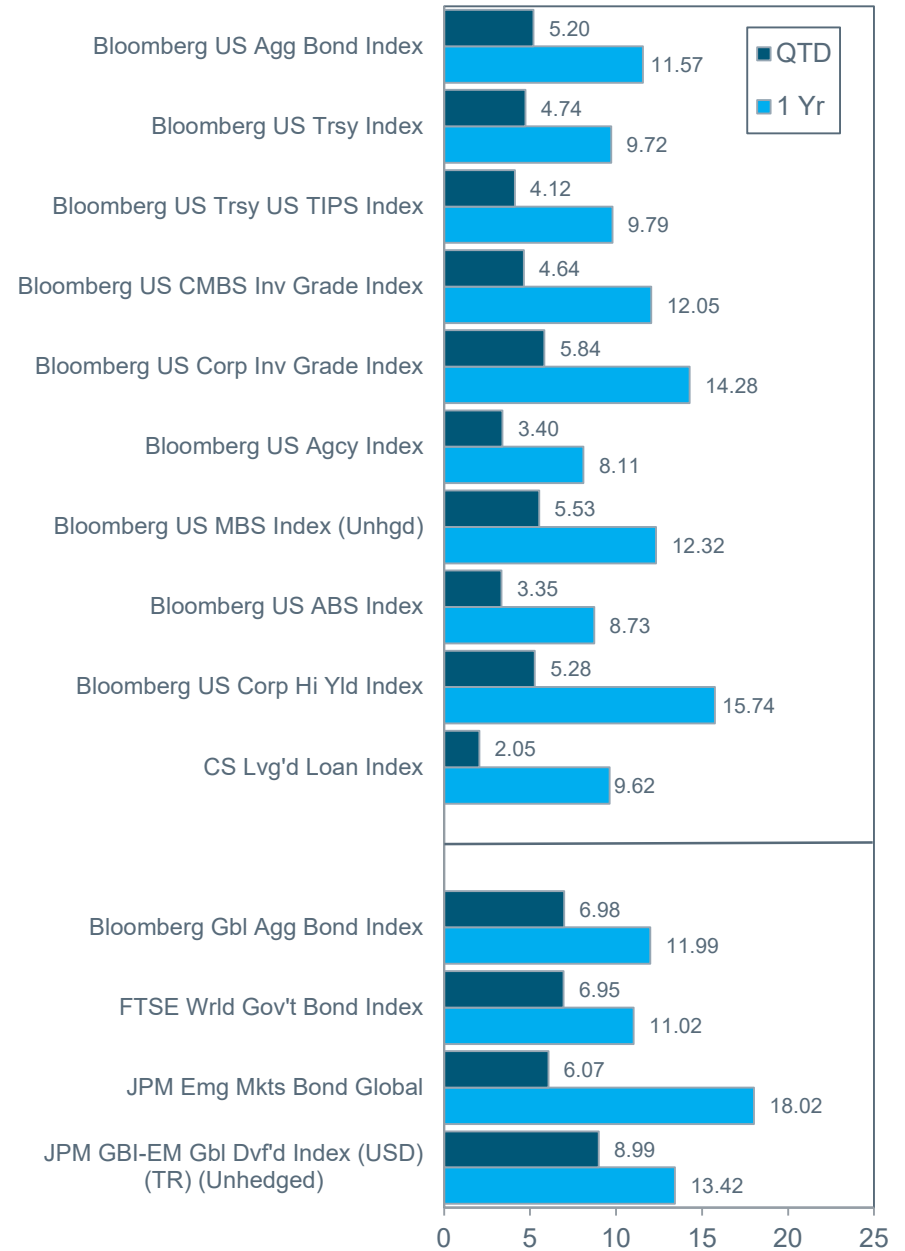
**Emerging Market Debt**

Emerging market debt saw especially strong performance. The JPMorgan EMBI Global Diversified Index—tracking hard currency bond markets—posted a 6.2% return, resulting from the combined effect of lower yields and declining spreads. The JPMorgan GBI-EM Global Diversified Index, which tracks local currency bond markets, was boosted by a weaker US Dollar and delivered an even stronger return of 9.0%.

Valuations



Fixed Income Performance (%)



Valuation data courtesy of Bloomberg Professional Service.

Valuations shown represent the 5th through 95th percentiles to minimize the effect of outliers.



**Third Quarter Review - Absolute Return**

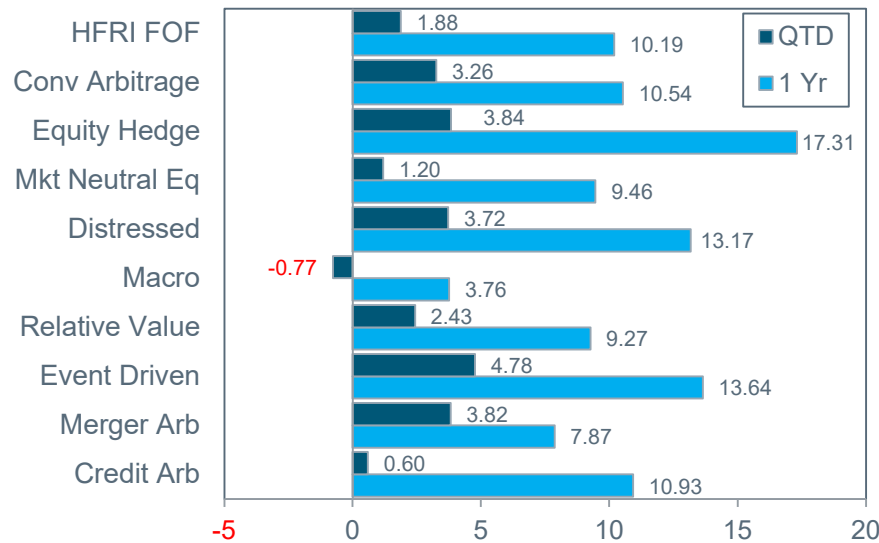
**General Market - Hedge Funds**

For Q3, hedge funds delivered widely positive results across the spectrum of major strategies. The HFRI Composite Index delivered a return of 1.8% in Q3 and 6.2% year-to-date. Notably, event-driven strategies driven by M&A activity were some of the strongest performers. China-focused managers also delivered strong Q3 results, as markets surged in late September due to the announcement of government stimulus and rate cuts designed to bolster the property market. Across global equity long/short strategies, managers continue to deliver strong alpha results. Although long alpha was particularly robust in August, shorts have been the key driver throughout the year.

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

Global Tactical Asset Allocation (GTAA) strategies that RVK follows closely generated positive returns for Q3, with most managers tracking closely to a US-centric blend of 60% equity and 40% fixed income (US 60/40 Blend). The top performing long-biased GTAA strategies that outperformed a US 60/40 Blend featured higher allocations to longer maturity bonds, global bonds, as well as diversifiers such as REITs and MLPs. Those that underperformed peers were hurt by higher allocation to Energy and US equity hedges.

**HFRI Hedge Fund Performance (%)**



**Third Quarter Review - Real Assets**

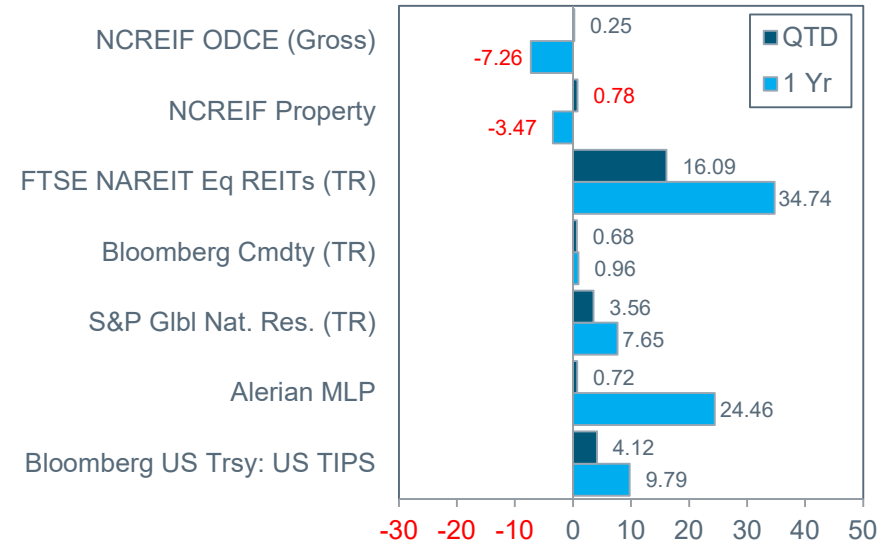
**General Market - Diversified Inflation Strategies (DIS)**

Diversified Inflation Strategy managers tracked closely by RVK posted positive absolute performance, ranging from the mid-single digits to low double-digits. The top performing strategies that outperformed a US 60/40 Blend benefitted from top-down driven allocations to Infrastructure and REITs as well as an underweight to Energy.

**General Market - Real Estate**

Core private real estate generated a positive 0.3% total return in Q3 (on a preliminary and gross of fee basis), as reported by the NFI-ODCE Index, with the total return comprising of 1.1% from income and -0.8% from price appreciation. Income returns improved slightly on a percentage basis quarter-over-quarter, with the 1-year trailing Income return of 4.1% at levels similar to longer-term trailing period returns. However, this quarter marks the ninth consecutive quarter of negative price appreciation for the NFI-ODCE. Investors of publicly traded real estate significantly outperformed their private market counterparts. Publicly traded real estate generated a return of 16.3% in Q3, as measured by FTSE/NAREIT All REITs Index.

**Real Asset Performance (%)**



Annual Asset Class Performance

As of September 30, 2024

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
Best	27.94	22.49	20.00	38.82	30.14	15.02	21.31	37.28	8.35	31.49	19.96	43.24	16.09	26.29	22.08
	26.85	15.99	18.23	32.39	19.31	9.59	17.13	33.01	1.87	26.00	18.40	28.71	7.47	18.24	16.86
	22.04	13.56	18.06	29.30	13.69	3.20	11.96	25.03	0.01	25.53	18.31	27.11	1.46	16.93	15.93
	18.88	8.29	17.32	22.78	12.50	1.38	11.77	21.83	-1.26	24.96	16.12	22.17	-5.31	13.73	12.99
	16.83	7.84	16.35	13.94	5.97	0.55	11.19	14.65	-2.08	22.01	12.34	14.82	-11.19	13.45	11.17
	16.36	4.98	16.00	8.96	4.89	0.05	8.77	10.71	-4.02	19.59	10.99	11.26	-11.85	13.16	11.11
	15.12	2.11	15.81	7.44	3.64	-0.27	8.52	7.77	-4.38	18.42	10.88	10.10	-13.01	9.83	8.00
	15.06	0.10	10.94	2.47	3.37	-0.81	6.67	7.62	-4.62	14.32	7.82	6.17	-14.45	7.13	6.83
	10.16	-4.18	8.78	0.07	2.45	-1.44	4.68	7.50	-4.68	8.72	7.51	5.96	-18.11	6.07	5.86
	7.75	-5.72	6.98	-2.02	0.04	-3.30	2.65	5.23	-11.01	8.43	7.11	5.28	-20.09	5.53	4.85
	6.54	-12.14	4.79	-2.60	-2.19	-4.41	2.18	3.54	-11.25	8.39	1.19	0.05	-20.44	5.02	4.45
	6.31	-13.32	4.21	-8.61	-4.90	-4.47	1.00	3.01	-13.79	7.69	0.67	-1.55	-21.39	3.90	4.03
	5.70	-15.94	0.11	-8.83	-4.95	-14.92	0.51	1.70	-14.57	5.34	-3.12	-2.52	-24.37	-7.91	3.54
Worst	0.13	-18.42	-1.06	-9.52	-17.01	-24.66	0.33	0.86	-17.89	2.28	-8.00	-2.54	-27.09	-12.02	-2.56
	S&P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Net) - Int'l Dev.	MSCI EAFE SC (Net) - Int'l SC	MSCI EM (Net) - Int'l Emg Mkts	Bloombrg US Agg Bond - FI	Bloombrg US Corp Hi Yield - FI	Bloombrg US Trsy US TIPS - FI	Bloombrg US Gov Credit Lng - FI	NCREIF ODCE (Gross) - Real Estate	FTSE NAREIT Eq REITs Index (TR)	HFRI FOF Comp Index - ARS	Bloombrg Cmdty (TR) - Commod.	ICE BofAML 3 Mo T-Bill - Cash Equiv	

NCREIF ODCE (Gross) performance is reported quarterly; performance is shown N/A in interim-quarter months.



# Total Fund



City of Jacksonville Employees' Retirement System  
Investment Manager Watch List

As of September 30, 2024

Watch List Managers	Date Added to Watch List	Benchmark	Peer Group	Inception Date	Quantitative Factors						Qualitative Factors	Last Meeting w/Staff or RVK	Rationale for Addition to Watch List
					Rolling 5-Year Return (NoF) for three consecutive quarters falls below the respective strategy benchmark			Rolling 5-Year Return (GoF) for three consecutive quarters falls in the bottom third of the respective Peer Group Universe			Meaningful Updates		
Domestic Equity					5-Years Ending Sept-2024	5-Years Ending Jun-2024	5-Years Ending Mar-2024	5-Years Ending Sept-2024	5-Years Ending Jun-2024	5-Years Ending Mar-2024			
Eagle Capital Large Cap Value (SA)	Mar-24	Russell 1000 Val Index	IM U.S. Large Cap Value Equity (SA+CF)	Mar-07	✓	✓	✓	✓	✓	✓	N/A	Feb-24	Investment team turnover

✓ = strategy exceeds the benchmark / falls in the top two thirds of the peer group over the stated trailing period.  
 ✗ = strategy does not exceed the benchmark / falls in the bottom third of the peer group over the stated trailing period.

**Organization, Team, Process, and AUM Developments**

**Eagle Capital Large Cap Value**

As previously communicated, Boykin Curry (Co-CIO) officially left the firm in May 2024 to launch his own investment firm. Eagle Capital's co-CIO structure led by Alec Henry as Managing CIO remains otherwise unchanged and RVK continues to view the leadership structure as having adequate depth and structure for future potential investment team succession events. Additionally, RVK continues to monitor the ongoing ownership succession planning around Ravenel Curry (Founder, Co-CIO). Eagle Capital has also followed through with its intended plan to deepen the group of supporting analysts with two new hires. Samuel Paglia (Senior Research Analyst) was hired in April, and Alex Frouman (Senior Research Analyst) was hired in June 2024. Strategy assets under management (AUM) ended the quarter at \$30.7 billion, an increase of \$0.9 billion since last quarter, with net flows inflows of \$34 million. No further significant personnel changes were announced during the quarter.



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

As of September 30, 2024

	Allocation		Performance (%)		Allocation		Performance (%)
	Market Value (\$)	%	QTD		Market Value (\$)	%	QTD
<b>US Equity</b>	<b>791,566,497</b>	<b>31.97</b>	<b>5.61</b>	<b>Core Real Estate</b>	<b>342,506,557</b>	<b>13.83</b>	<b>-0.49</b>
Eagle Capital Large Cap Value (SA)	164,729,360	6.65	2.66	Harrison Street Core Property LP	120,153,150	4.85	0.39
Wellington Select Equity Income Fund (SA)	153,603,650	6.20	9.42	PGIM Real Estate PRISA II LP	45,946,901	1.86	-3.00
BNYM DB Lg Cap Stock Idx NL (CF)	119,920,426	4.84	6.08	Principal US Property (CF)	119,641,500	4.83	-0.15
Loomis, Sayles & Co Lg Cap Grth (CF)	139,632,516	5.64	4.46	UBS Trumbull Property (CF)	55,323,718	2.23	-1.09
Kayne Anderson US SMID Value (SA)	71,929,980	2.91	7.81	Vanguard RE Idx;ETF (VNQ)	1,441,288	0.06	17.26
Systematic Financial US SMID Value (SA)	72,780,333	2.94	8.59	<b>Non-Core Real Estate</b>	<b>45,339,966</b>	<b>1.83</b>	<b>2.19</b>
Pinnacle Associates US SMID Cap Growth (SA)	68,970,232	2.79	1.64	Abacus Multi-Family Partners VI LP	7,002,370	0.28	-5.01
<b>International Equity</b>	<b>627,990,006</b>	<b>25.36</b>	<b>9.17</b>	H.I.G. Realty Partners IV (Onshore) LP	26,067,809	1.05	1.31
Silchester Intl Val Equity (CF)	275,598,644	11.13	9.69	Bell Value-Add VIII LP	4,035,965	0.16	-1.83
Bail Giff Intl Gro;4 (BGEFX)	185,576,003	7.50	9.94	Hammes Partners IV LP	1,630,168	0.07	-34.36
Acadian Emg Mkts Eq II (CF)	166,815,359	6.74	6.91	IPI Partners III-A LP	6,603,654	0.27	17.20
<b>Fixed Income</b>	<b>493,640,479</b>	<b>19.94</b>	<b>4.69</b>	<b>Diversifying Assets</b>	<b>169,047,667</b>	<b>6.83</b>	<b>1.13</b>
Baird Core Fixed Income (SA)	125,120,776	5.05	5.41	Adams Street Private Equity (SA)	84,781,427	3.42	1.09
Loomis Sayles Multisector Full Discretion (CF)	186,047,436	7.51	5.64	Hamilton Lane Private Credit (SA)	84,266,240	3.40	1.19
Schroder Flexible Secured Income LP (CF)	182,472,266	7.37	2.15	<b>Cash Equivalents</b>	<b>5,809,077</b>	<b>0.23</b>	<b>1.32</b>
				Dreyfus Gvt CM;Inst (DGCXX)	5,809,077	0.23	1.32
				Transition Account	47,082	0.00	N/A

Schedule of Investable Assets (Total Assets)

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
FYTD	2,210,954,305	-104,816,728	369,809,755	2,475,947,332	16.69

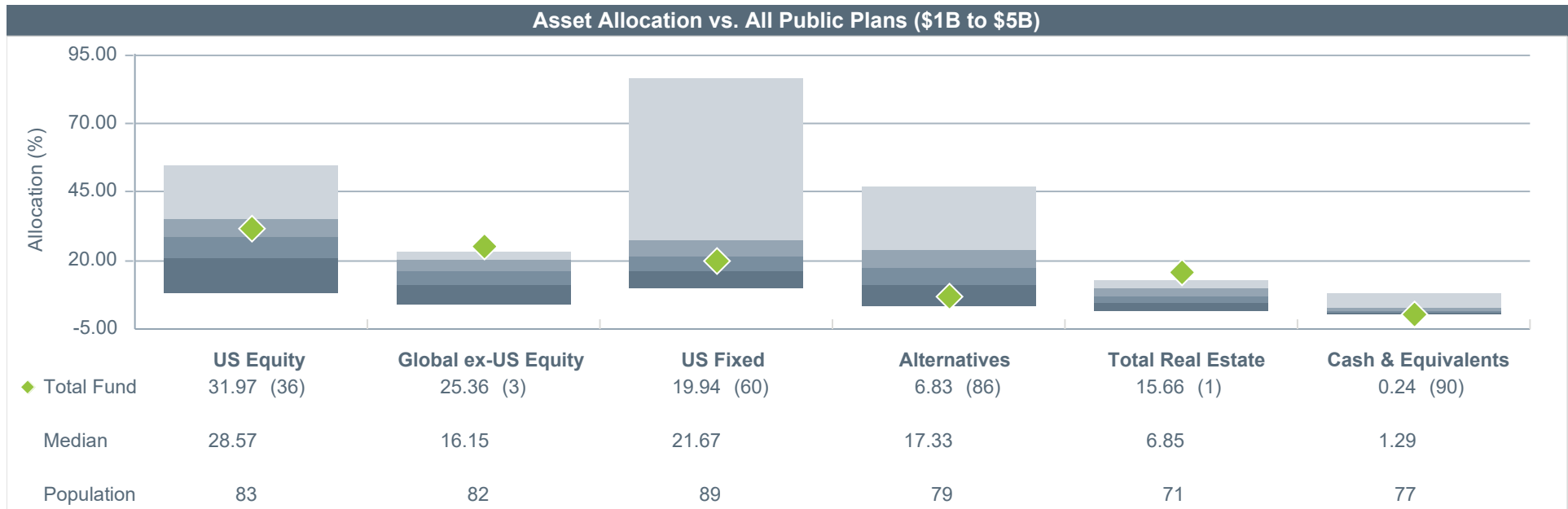
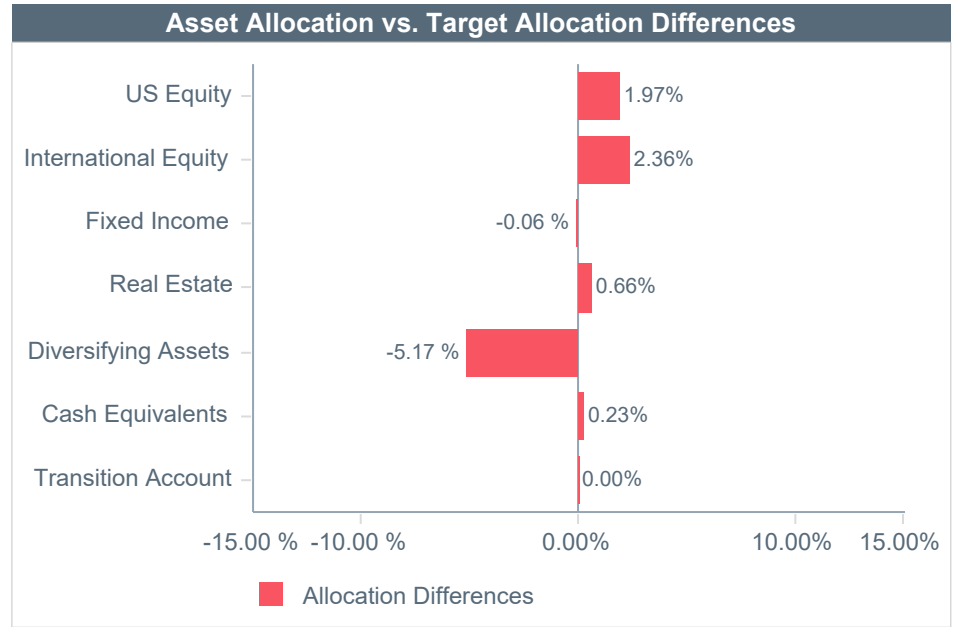
Performance shown is net of fees. Allocations shown may not sum up to 100% exactly due to rounding.



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

As of September 30, 2024

Asset Allocation vs. Target Allocation					
	Market Value (\$)	Allocation (%)	Min (%)	Target (%)	Max (%)
<b>Total Fund</b>	<b>2,475,947,332</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
US Equity	791,566,497	31.97	20.00	30.00	40.00
International Equity	627,990,006	25.36	13.00	23.00	25.00
Fixed Income	493,640,479	19.94	10.00	20.00	30.00
Real Estate	387,846,523	15.66	0.00	15.00	20.00
Diversifying Assets	169,047,667	6.83	0.00	12.00	20.00
Cash Equivalents	5,809,077	0.23	0.00	0.00	10.00
Transition Account	47,082	0.00	0.00	0.00	0.00



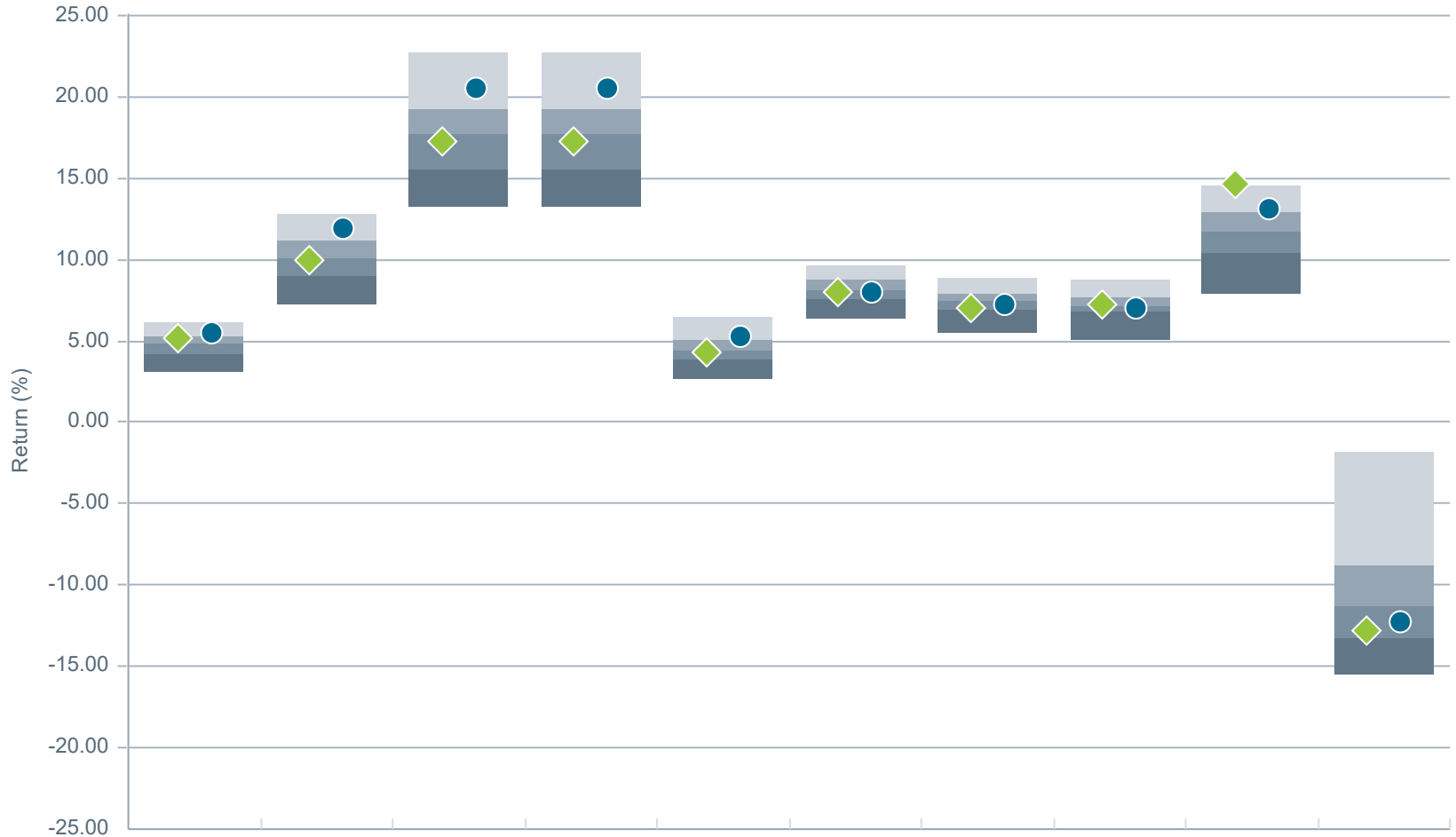
Allocations shown may not sum up to 100% exactly due to rounding. Parentheses contain percentile ranks.





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

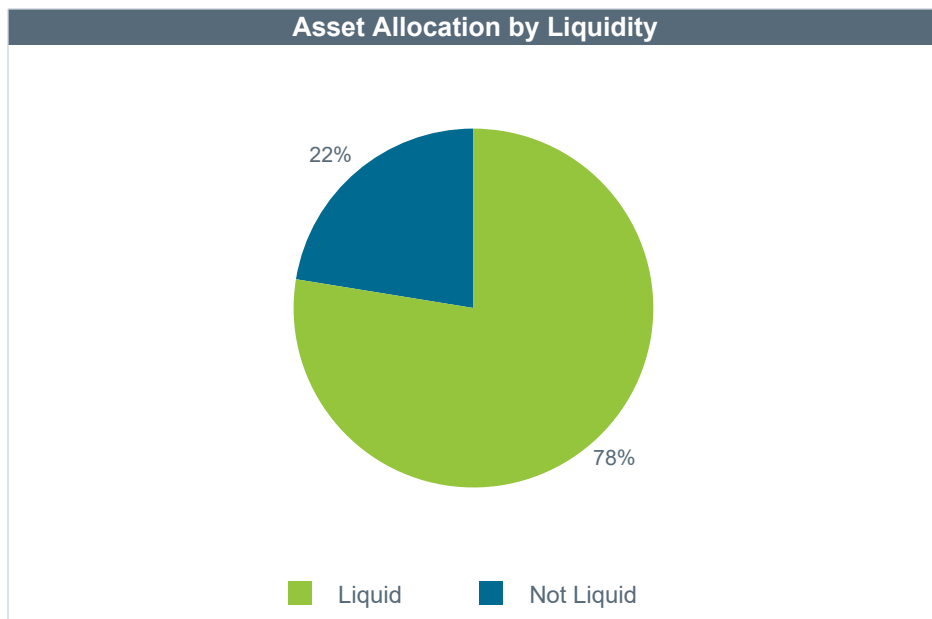
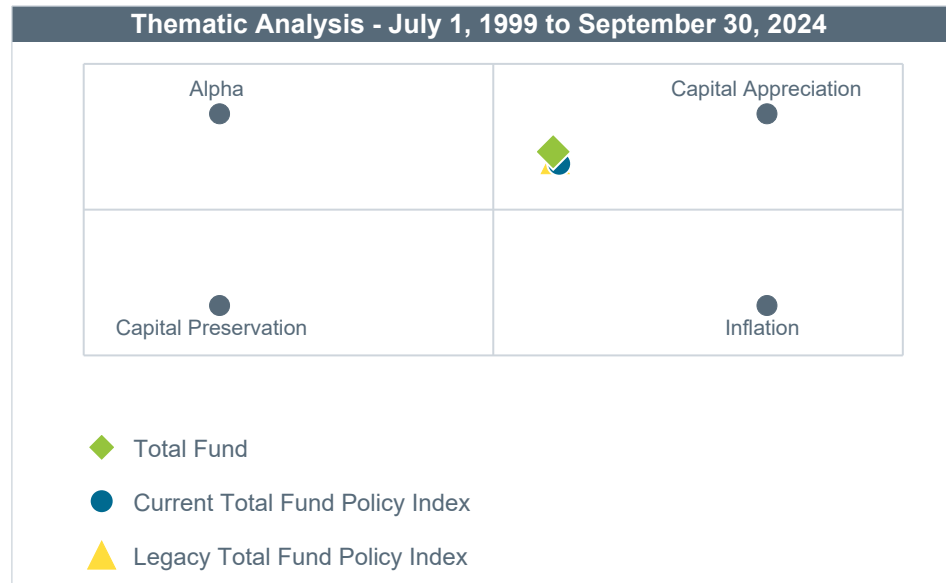
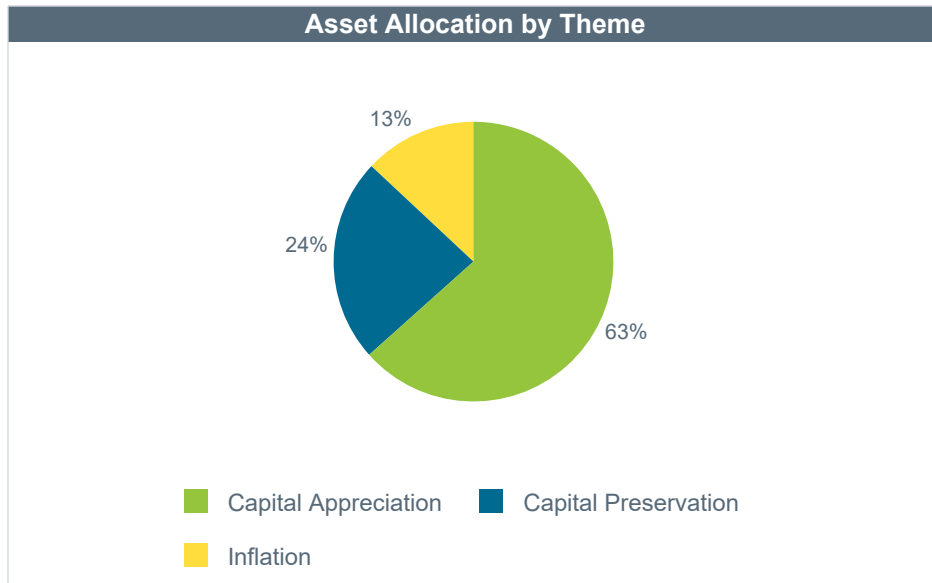
As of September 30, 2024



	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022
◆ Total Fund	5.17 (32)	9.92 (57)	17.22 (62)	17.22 (62)	4.30 (54)	8.01 (53)	7.05 (68)	7.24 (48)	14.63 (5)	-12.79 (69)
● Current Total Fund Policy Index	5.54 (17)	11.91 (18)	20.57 (17)	20.57 (17)	5.32 (19)	7.98 (54)	7.24 (58)	7.00 (59)	13.09 (22)	-12.23 (61)
5th Percentile	6.15	12.85	22.71	22.71	6.45	9.61	8.87	8.72	14.49	-1.85
1st Quartile	5.27	11.20	19.22	19.22	5.10	8.77	7.95	7.69	12.88	-8.78
Median	4.80	10.10	17.74	17.74	4.36	8.11	7.42	7.19	11.71	-11.33
3rd Quartile	4.18	8.95	15.57	15.57	3.88	7.61	6.87	6.76	10.38	-13.27
95th Percentile	3.13	7.21	13.19	13.19	2.66	6.33	5.46	5.11	7.95	-15.52

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





### Correlation Matrix - 10 Years

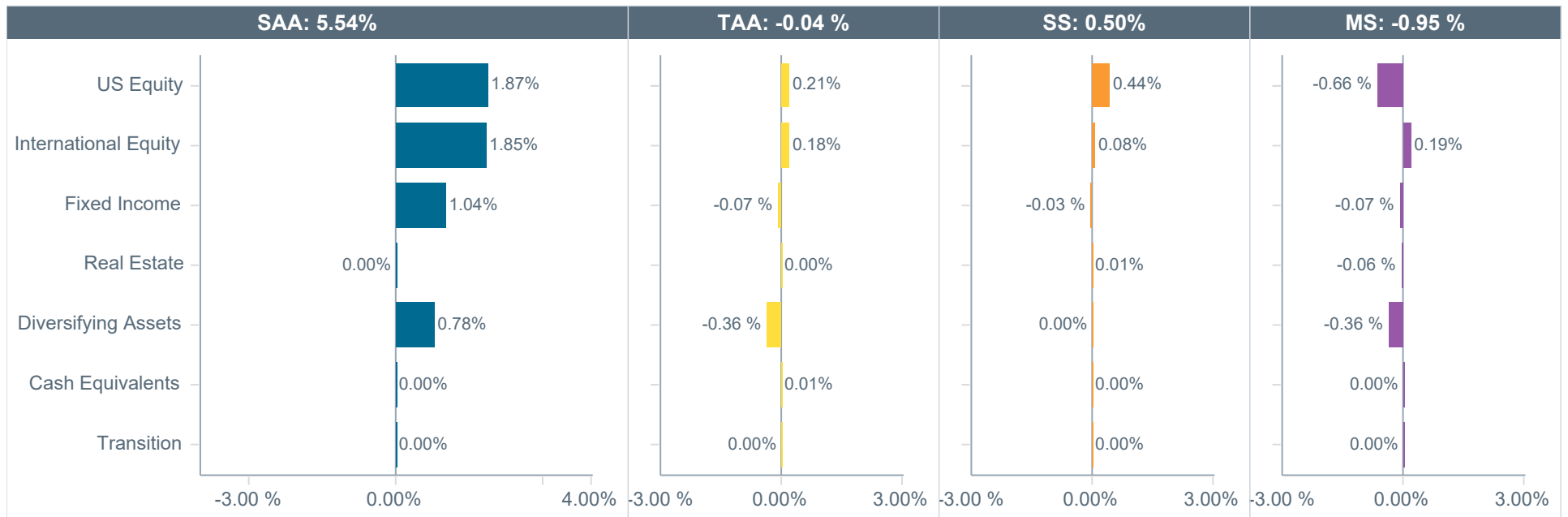
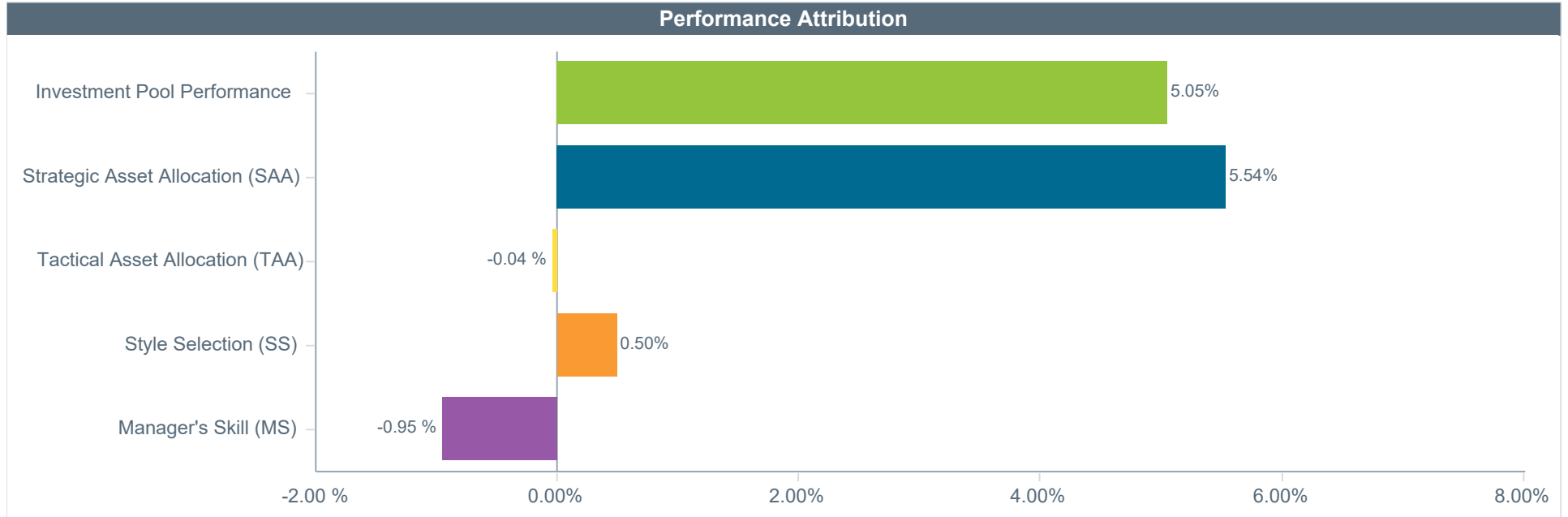
	A	B	C	D
A	1.00			
B	0.47	1.00		
C	-0.13	0.13	1.00	
D	0.42	0.80	0.20	1.00

Legend:

- A = HFRI EH: Equity Market Neutral Index (Alpha)
- B = MSCI ACW Index (USD) (Gross) (Capital Appreciation)
- C = Bloomberg US Govt Bond Index (Capital Preservation)
- D = Real Return Custom Index (Inflation)

Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating. Please see the Glossary for additional information regarding liquidity, thematic, and custom index descriptions.



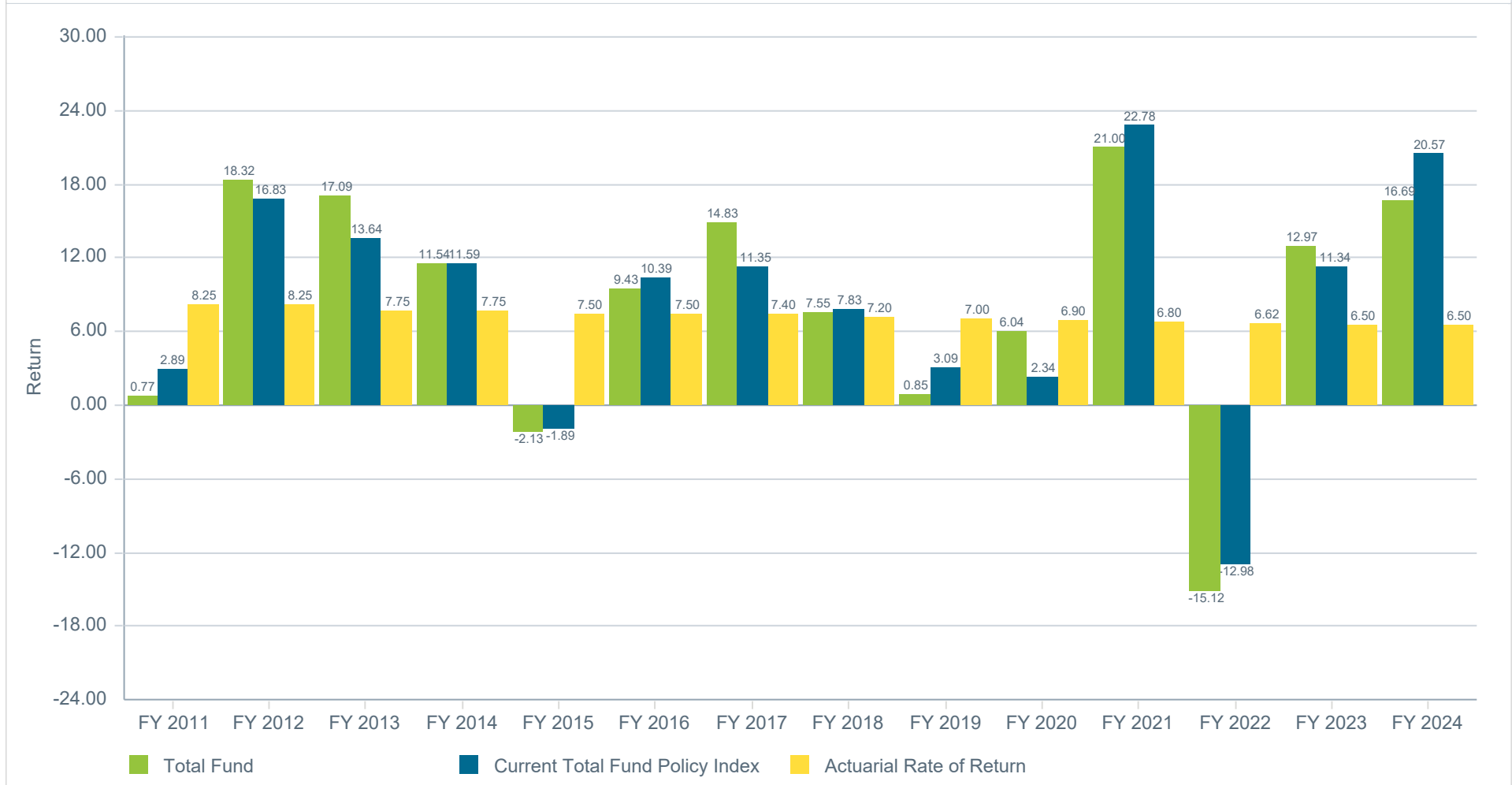


Performance shown is net of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.

**City of Jacksonville Employees' Retirement System**  
**Historical Fiscal Year Returns**

**As of September 30, 2024**

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FYTD
<b>Total Fund</b>	<b>0.77</b>	<b>18.32</b>	<b>17.09</b>	<b>11.54</b>	<b>-2.13</b>	<b>9.43</b>	<b>14.83</b>	<b>7.55</b>	<b>0.85</b>	<b>6.04</b>	<b>21.00</b>	<b>-15.12</b>	<b>12.97</b>	<b>16.69</b>
Current Total Fund Policy Index	2.89	16.83	13.64	11.59	-1.89	10.39	11.35	7.83	3.09	2.34	22.78	-12.98	11.34	20.57
Difference	-2.12	1.49	3.45	-0.05	-0.24	-0.96	3.48	-0.28	-2.24	3.70	-1.78	-2.14	1.63	-3.88
Actuarial Rate of Return	8.25	8.25	7.75	7.75	7.50	7.50	7.40	7.20	7.00	6.90	6.80	6.62	6.50	6.50
Difference	-7.48	10.07	9.34	3.79	-9.63	1.93	7.43	0.35	-6.15	-0.86	14.20	-21.74	6.47	10.19



Performance shown is net of fees. Fiscal year for the COJ ends 09/30. The Fiscal Year Actuarial Rate of Return changed from 8.40% to 8.25% effective 10/01/2010, changed to 7.75% effective 10/01/2012, changed to 7.50% effective 10/01/2014, changed to 7.40% effective 10/01/2016, changed to 7.20% effective 10/01/2017, changed to 7.00% effective 10/01/2018, changed to 6.90% effective 10/01/2019, changed to 6.80% effective 10/01/2020, changed to 6.62% effective 10/01/2021, changed to 6.50% effective 10/01/2022, and stayed the same at 6.50% effective 10/01/2023 . Please see the Addendum for custom index definitions.



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

**As of September 30, 2024**

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,475,947,332</b>	<b>100.00</b>	<b>5.17</b>	<b>9.92</b>	<b>17.22</b>	<b>17.22</b>	<b>4.30</b>	<b>8.01</b>	<b>7.05</b>	<b>7.24</b>	<b>6.75</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			5.54	11.91	20.57	20.57	5.32	7.98	7.24	7.00	6.19	
Difference			-0.37	-1.99	-3.35	-3.35	-1.02	0.03	-0.19	0.24	0.56	
Actual Allocation Index			5.95	10.73	18.06	18.06	3.66	6.93	N/A	N/A	N/A	
Difference			-0.78	-0.81	-0.84	-0.84	0.64	1.08	N/A	N/A	N/A	
Actual Allocation Index (Net of Alts)			5.56	9.57	16.87	16.87	3.96	7.10	N/A	N/A	N/A	
Difference			-0.39	0.35	0.35	0.35	0.34	0.91	N/A	N/A	N/A	
All Public Plans (\$1B to \$5B) (Custom PG) Median			4.80	10.10	17.74	17.74	4.36	8.11	7.42	7.19	6.50	
Rank			32	57	62	62	54	53	68	48	26	
<b>Total Equity</b>	<b>1,419,556,504</b>	<b>57.33</b>	<b>7.29</b>	<b>16.25</b>	<b>28.29</b>	<b>28.29</b>	<b>6.74</b>	<b>12.53</b>	<b>10.35</b>	<b>10.38</b>	<b>7.42</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>791,566,497</b>	<b>31.97</b>	<b>5.77</b>	<b>17.62</b>	<b>30.64</b>	<b>30.64</b>	<b>8.98</b>	<b>14.81</b>	<b>13.13</b>	<b>12.47</b>	<b>8.22</b>	<b>07/01/1999</b>
US Equity Index			6.23	20.63	35.19	35.19	10.29	15.26	13.74	12.83	8.06	
Difference			-0.46	-3.01	-4.55	-4.55	-1.31	-0.45	-0.61	-0.36	0.16	
IM U.S. Equity (SA+CF) Median			7.17	15.94	29.09	29.09	8.59	12.91	11.43	11.20	9.69	
Rank			72	41	42	42	47	33	35	35	80	
<b>International Equity</b>	<b>627,990,006</b>	<b>25.36</b>	<b>9.32</b>	<b>14.55</b>	<b>25.39</b>	<b>25.39</b>	<b>3.38</b>	<b>9.10</b>	<b>6.15</b>	<b>6.98</b>	<b>6.52</b>	<b>07/01/1999</b>
International Equity Index			8.06	14.21	25.35	25.35	4.14	7.59	5.44	5.22	4.49	
Difference			1.26	0.34	0.04	0.04	-0.76	1.51	0.71	1.76	2.03	
IM International Equity (SA+CF) Median			7.80	13.58	25.22	25.22	4.59	8.75	6.39	6.65	6.79	
Rank			27	39	48	48	65	44	57	43	59	
<b>Fixed Income</b>	<b>493,640,479</b>	<b>19.94</b>	<b>4.78</b>	<b>6.42</b>	<b>12.83</b>	<b>12.83</b>	<b>0.03</b>	<b>1.27</b>	<b>1.71</b>	<b>2.02</b>	<b>4.60</b>	<b>07/01/1999</b>
Fixed Income Index			5.20	4.91	12.08	12.08	-1.05	0.70	1.73	2.03	4.12	
Difference			-0.42	1.51	0.75	0.75	1.08	0.57	-0.02	-0.01	0.48	
IM Global Fixed Income (SA+CF) Median			4.97	5.78	13.44	13.44	0.67	2.76	3.03	2.87	5.17	
Rank			58	40	62	62	61	67	71	63	56	
<b>Real Estate</b>	<b>387,846,523</b>	<b>15.66</b>	<b>-0.08</b>	<b>-4.22</b>	<b>-6.49</b>	<b>-6.49</b>	<b>1.61</b>	<b>2.89</b>	<b>4.16</b>	<b>5.95</b>	<b>5.48</b>	<b>12/01/2005</b>
Real Estate Index			0.07	-3.08	-7.90	-7.90	-0.97	2.10	3.25	5.18	5.07	
Difference			-0.15	-1.14	1.41	1.41	2.58	0.79	0.91	0.77	0.41	
<b>Core Real Estate</b>	<b>342,506,557</b>	<b>13.83</b>	<b>-0.36</b>	<b>-4.74</b>	<b>-6.88</b>	<b>-6.88</b>	<b>1.13</b>	<b>2.61</b>	<b>3.95</b>	<b>5.80</b>	<b>5.40</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Gross)			0.25	-2.56	-7.27	-7.27	-0.18	2.94	4.12	6.10	6.03	
Difference			-0.61	-2.18	0.39	0.39	1.31	-0.33	-0.17	-0.30	-0.63	
<b>Non-Core Real Estate</b>	<b>45,339,966</b>	<b>1.83</b>	<b>2.19</b>	<b>1.37</b>	<b>-2.83</b>	<b>-2.83</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>23.68</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Gross) +2%			0.75	-1.10	-5.41	-5.41	1.82	5.00	6.20	8.22	-1.00	
Difference			1.44	2.47	2.58	2.58	N/A	N/A	N/A	N/A	24.68	

Performance shown is gross of fees except if noted otherwise, 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. Market Values for Abacus Multi-Family Partners Fund VI LP, Adams Street Private Equity (SA), Bell Value-Add VII LP, Hammes Partners IV LP, IPI Partners III-A LP, H.I.G Realty Partners IV (Onshore) LP, and Hamilton Lane Private Credit (SA) are preliminary.



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

**As of September 30, 2024**

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Diversifying Assets</b>	<b>169,047,667</b>	<b>6.83</b>	<b>1.17</b>	<b>3.96</b>	<b>7.46</b>	<b>7.46</b>	<b>17.14</b>	<b>12.24</b>	<b>8.80</b>	<b>4.75</b>	<b>8.65</b>	<b>03/01/2011</b>
Diversifying Assets Index			6.52	17.98	30.52	30.52	11.77	7.38	5.71	2.80	5.19	
Difference			-5.35	-14.02	-23.06	-23.06	5.37	4.86	3.09	1.95	3.46	
<b>Cash Equivalents</b>	<b>5,809,077</b>	<b>0.23</b>	<b>1.37</b>	<b>4.21</b>	<b>5.62</b>	<b>5.62</b>	<b>3.88</b>	<b>2.71</b>	<b>N/A</b>	<b>N/A</b>	<b>2.64</b>	<b>09/01/2018</b>
FTSE 3 Mo T-Bill Index			1.37	4.17	5.63	5.63	3.63	2.38	2.26	1.67	2.38	
Difference			0.00	0.04	-0.01	-0.01	0.25	0.33	N/A	N/A	0.26	

Performance shown is gross of fees except if noted otherwise, 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. Market Values for Abacus Multi-Family Partners Fund VI LP, Adams Street Private Equity (SA), Bell Value-Add VII LP, Hammes Partners IV LP, IPI Partners III-A LP, H.I.G Realty Partners IV (Onshore) LP, and Hamilton Lane Private Credit (SA) are preliminary.



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

**As of September 30, 2024**

	Allocation		Performance (%)										
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date	
<b>US Equity</b>													
<b>Eagle Capital Large Cap Value (SA)</b>	<b>164,729,360</b>	<b>6.65</b>	<b>2.85</b>	<b>21.89</b>	<b>34.00</b>	<b>34.00</b>	<b>10.22</b>	<b>16.20</b>	<b>14.68</b>	<b>13.72</b>	<b>12.29</b>	<b>03/01/2007</b>	
Russell 1000 Val Index			9.43	16.68	27.76	27.76	9.03	10.69	9.53	9.23	7.51		
Difference			-6.58	5.21	6.24	6.24	1.19	5.51	5.15	4.49	4.78		
Russell 1000 Index			6.08	21.18	35.68	35.68	10.83	15.64	14.18	13.10	10.42		
Difference			-3.23	0.71	-1.68	-1.68	-0.61	0.56	0.50	0.62	1.87		
IM U.S. Large Cap Value Equity (SA+CF) Median			7.72	16.99	28.85	28.85	10.70	12.89	11.16	10.52	8.94		
Rank			100	6	12	12	60	10	7	5	3		
<b>Wellington Select Equity Income Fund (SA)</b>	<b>153,603,650</b>	<b>6.20</b>	<b>9.73</b>	<b>15.43</b>	<b>23.50</b>	<b>23.50</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.96</b>	<b>06/01/2023</b>	
Russell 1000 Val Index			9.43	16.68	27.76	27.76	9.03	10.69	9.53	9.23	23.10		
Difference			0.30	-1.25	-4.26	-4.26	N/A	N/A	N/A	N/A	-0.14		
IM U.S. Large Cap Value Equity (SA+CF) Median			7.72	16.99	28.85	28.85	10.70	12.89	11.16	10.52	24.80		
Rank			16	69	90	90	N/A	N/A	N/A	N/A	71		
<b>BNYM DB Lg Cap Stock Idx NL (CF)</b>	<b>119,920,426</b>	<b>4.84</b>	<b>6.08</b>	<b>21.26</b>	<b>35.78</b>	<b>35.78</b>	<b>11.27</b>	<b>15.90</b>	<b>N/A</b>	<b>N/A</b>	<b>14.93</b>	<b>05/01/2019</b>	
Russell 1000 Index			6.08	21.18	35.68	35.68	10.83	15.64	14.18	13.10	14.70		
Difference			0.00	0.08	0.10	0.10	0.44	0.26	N/A	N/A	0.23		
IM U.S. Large Cap Core Equity (SA+CF) Median			5.89	21.07	35.30	35.30	11.09	15.59	13.92	13.20	14.66		
Rank			41	48	46	46	47	41	N/A	N/A	40		
<b>Loomis, Sayles &amp; Co Lg Cap Grth (CF)</b>	<b>139,632,516</b>	<b>5.64</b>	<b>4.63</b>	<b>22.87</b>	<b>40.53</b>	<b>40.53</b>	<b>13.59</b>	<b>19.12</b>	<b>17.13</b>	<b>N/A</b>	<b>17.39</b>	<b>08/01/2017</b>	
Russell 1000 Grth Index			3.19	24.55	42.19	42.19	12.02	19.74	18.20	16.52	18.26		
Difference			1.44	-1.68	-1.66	-1.66	1.57	-0.62	-1.07	N/A	-0.87		
IM U.S. Large Cap Growth Equity (SA+CF) Median			3.45	23.27	40.90	40.90	9.73	17.50	16.59	15.33	16.60		
Rank			32	55	51	51	10	25	39	N/A	30		
<b>Kayne Anderson US SMID Value (SA)</b>	<b>71,929,980</b>	<b>2.91</b>	<b>7.96</b>	<b>11.98</b>	<b>25.96</b>	<b>25.96</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.00</b>	<b>03/01/2022</b>	
Russell 2500 Val Index			9.63	11.28	26.59	26.59	6.06	9.99	7.85	8.47	6.01		
Difference			-1.67	0.70	-0.63	-0.63	N/A	N/A	N/A	N/A	0.99		
IM U.S. SMID Cap Value Equity (SA+CF) Median			8.79	12.37	24.77	24.77	7.15	11.26	9.24	9.83	7.12		
Rank			64	54	37	37	N/A	N/A	N/A	N/A	52		
<b>Systematic Financial US SMID Value (SA)</b>	<b>72,780,333</b>	<b>2.94</b>	<b>8.74</b>	<b>14.14</b>	<b>27.74</b>	<b>27.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>9.23</b>	<b>03/01/2022</b>	
Russell 2500 Val Index			9.63	11.28	26.59	26.59	6.06	9.99	7.85	8.47	6.01		
Difference			-0.89	2.86	1.15	1.15	N/A	N/A	N/A	N/A	3.22		
IM U.S. SMID Cap Value Equity (SA+CF) Median			8.79	12.37	24.77	24.77	7.15	11.26	9.24	9.83	7.12		
Rank			52	31	27	27	N/A	N/A	N/A	N/A	18		

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

**As of September 30, 2024**

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>68,970,232</b>	<b>2.79</b>	<b>1.80</b>	<b>4.78</b>	<b>17.13</b>	<b>17.13</b>	<b>-1.60</b>	<b>10.03</b>	<b>8.62</b>	<b>9.58</b>	<b>12.36</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			6.99	11.20	25.20	25.20	-0.75	9.75	9.43	9.98	12.12	
Difference			-5.19	-6.42	-8.07	-8.07	-0.85	0.28	-0.81	-0.40	0.24	
IM U.S. SMID Cap Growth Equity (SA+CF) Median			6.95	11.89	25.75	25.75	0.16	12.50	12.09	11.35	12.91	
Rank			99	80	80	80	65	71	90	90	82	

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

As of September 30, 2024

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>International Equity</b>												
<b>Silchester Intl Val Equity (CF)</b>	<b>275,598,644</b>	<b>11.13</b>	<b>9.84</b>	<b>10.73</b>	<b>19.59</b>	<b>19.59</b>	<b>8.56</b>	<b>9.50</b>	<b>6.47</b>	<b>7.19</b>	<b>9.79</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			8.89	13.79	23.14	23.14	8.94	8.27	5.02	4.56	6.08	
Difference			0.95	-3.06	-3.55	-3.55	-0.38	1.23	1.45	2.63	3.71	
IM EAFE Value (SA+CF) Median			9.06	14.68	24.66	24.66	7.42	8.79	6.30	6.09	7.84	
Rank			35	95	98	98	28	37	41	22	10	
<b>Bail Giff Intl Gro;4 (BGEFX)</b>	<b>185,576,003</b>	<b>7.50</b>	<b>10.07</b>	<b>15.00</b>	<b>29.84</b>	<b>29.84</b>	<b>-5.89</b>	<b>8.27</b>	<b>6.40</b>	<b>7.98</b>	<b>9.66</b>	<b>06/01/2009</b>
Baillie Gifford Index			6.92	14.06	26.75	26.75	0.81	7.09	5.75	5.97	7.43	
Difference			3.15	0.94	3.09	3.09	-6.70	1.18	0.65	2.01	2.23	
Baillie Gifford Spliced Index			8.06	14.21	25.35	25.35	4.14	7.66	5.62	5.44	6.88	
Difference			2.01	0.79	4.49	4.49	-10.03	0.61	0.78	2.54	2.78	
IM ACWI Ex US Growth (SA+CF) Median			6.72	13.45	26.70	26.70	2.05	8.41	6.90	7.28	8.99	
Rank			9	34	20	20	99	58	71	32	29	
<b>Acadian Emg Mkts Eq II (CF)</b>	<b>166,815,359</b>	<b>6.74</b>	<b>7.05</b>	<b>21.88</b>	<b>32.60</b>	<b>32.60</b>	<b>6.52</b>	<b>10.39</b>	<b>5.98</b>	<b>5.98</b>	<b>5.10</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			8.72	16.86	26.05	26.05	0.40	5.75	3.65	4.02	2.85	
Difference			-1.67	5.02	6.55	6.55	6.12	4.64	2.33	1.96	2.25	
IM Emerging Markets Equity (SA+CF) Median			7.49	16.22	25.19	25.19	1.02	7.36	4.87	5.28	4.17	
Rank			55	10	8	8	22	25	33	33	27	
<b>Fixed Income</b>												
<b>Baird Core Fixed Income (SA)</b>	<b>125,120,776</b>	<b>5.05</b>	<b>5.46</b>	<b>5.54</b>	<b>13.01</b>	<b>13.01</b>	<b>-0.83</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.36</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			5.20	4.45	11.57	11.57	-1.39	0.33	1.47	1.84	-1.00	
Difference			0.26	1.09	1.44	1.44	0.56	N/A	N/A	N/A	0.64	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			5.24	4.96	12.30	12.30	-0.97	0.89	2.00	2.33	-0.53	
Rank			14	21	17	17	37	N/A	N/A	N/A	30	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>186,047,436</b>	<b>7.51</b>	<b>5.73</b>	<b>6.85</b>	<b>15.06</b>	<b>15.06</b>	<b>0.76</b>	<b>3.62</b>	<b>3.95</b>	<b>4.19</b>	<b>5.96</b>	<b>11/01/2007</b>
Bloomberg Gbl Agg Bond Index			6.98	3.60	11.99	11.99	-3.06	-0.83	0.26	0.57	1.96	
Difference			-1.25	3.25	3.07	3.07	3.82	4.45	3.69	3.62	4.00	
IM Global Fixed Income (SA+CF) Median			4.97	5.78	13.44	13.44	0.67	2.76	3.03	2.87	3.23	
Rank			38	34	28	28	50	37	34	29	11	
<b>Schroder Flexible Secured Income LP (CF)</b>	<b>182,472,266</b>	<b>7.37</b>	<b>2.31</b>	<b>7.30</b>	<b>10.06</b>	<b>10.06</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>9.26</b>	<b>10/01/2022</b>
1 Month LIBOR+1.75%			1.82	5.50	7.40	7.40	5.44	4.20	4.11	3.54	6.96	
Difference			0.49	1.80	2.66	2.66	N/A	N/A	N/A	N/A	2.30	
1 Month LIBOR+5%			2.62	8.01	10.83	10.83	8.81	7.53	7.43	6.85	10.38	
Difference			-0.31	-0.71	-0.77	-0.77	N/A	N/A	N/A	N/A	-1.12	

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

As of September 30, 2024

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Core Real Estate</b>												
<b>Harrison Street Core Property LP</b>	<b>120,153,150</b>	<b>4.85</b>	<b>0.39</b>	<b>-4.07</b>	<b>-6.16</b>	<b>-6.16</b>	<b>2.87</b>	<b>4.06</b>	<b>5.49</b>	<b>N/A</b>	<b>5.96</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Gross)			0.25	-2.56	-7.27	-7.27	-0.18	2.94	4.12	6.10	5.21	
Difference			0.14	-1.51	1.11	1.11	3.05	1.12	1.37	N/A	0.75	
<b>PGIM Real Estate PRISA II LP</b>	<b>45,946,901</b>	<b>1.86</b>	<b>-2.83</b>	<b>-10.19</b>	<b>-13.58</b>	<b>-13.58</b>	<b>0.24</b>	<b>2.10</b>	<b>4.17</b>	<b>N/A</b>	<b>5.94</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Gross)			0.25	-2.56	-7.27	-7.27	-0.18	2.94	4.12	6.10	5.91	
Difference			-3.08	-7.63	-6.31	-6.31	0.42	-0.84	0.05	N/A	0.03	
<b>Principal US Property (CF)</b>	<b>119,641,500</b>	<b>4.83</b>	<b>0.05</b>	<b>-2.36</b>	<b>-4.39</b>	<b>-4.39</b>	<b>0.59</b>	<b>3.33</b>	<b>4.74</b>	<b>6.90</b>	<b>7.26</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Gross)			0.25	-2.56	-7.27	-7.27	-0.18	2.94	4.12	6.10	6.50	
Difference			-0.20	0.20	2.88	2.88	0.77	0.39	0.62	0.80	0.76	
<b>UBS Trumbull Property (CF)</b>	<b>55,323,718</b>	<b>2.23</b>	<b>-0.87</b>	<b>-6.41</b>	<b>-7.76</b>	<b>-7.76</b>	<b>-0.46</b>	<b>-0.24</b>	<b>0.81</b>	<b>3.19</b>	<b>4.49</b>	<b>01/01/2006</b>
NCREIF ODCE Index (AWA) (Gross)			0.25	-2.56	-7.27	-7.27	-0.18	2.94	4.12	6.10	5.77	
Difference			-1.12	-3.85	-0.49	-0.49	-0.28	-3.18	-3.31	-2.91	-1.28	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,441,288</b>	<b>0.06</b>	<b>17.26</b>	<b>13.51</b>	<b>34.16</b>	<b>34.16</b>	<b>2.48</b>	<b>4.74</b>	<b>6.35</b>	<b>7.25</b>	<b>11.35</b>	<b>12/01/2008</b>
Custom REITs Index			17.23	13.71	34.38	34.38	2.63	4.90	6.71	7.59	12.03	
Difference			0.03	-0.20	-0.22	-0.22	-0.15	-0.16	-0.36	-0.34	-0.68	

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

As of September 30, 2024

	Allocation		Performance (%)									
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<b>Non-Core Real Estate</b>												
<b>Abacus Multi-Family Partners VI LP</b>	<b>7,002,370</b>	<b>0.28</b>	<b>-5.01</b>	<b>-40.12</b>	<b>-47.48</b>	<b>-47.48</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-47.15</b>	<b>10/01/2022</b>
NCREIF ODCE Index (AWA) (Gross) +2%			0.75	-1.10	-5.41	-5.41	1.82	5.00	6.20	8.22	-7.93	
Difference			-5.76	-39.02	-42.07	-42.07	N/A	N/A	N/A	N/A	-39.22	
<b>H.I.G. Realty Partners IV (Onshore) LP</b>	<b>26,067,809</b>	<b>1.05</b>	<b>1.31</b>	<b>5.40</b>	<b>5.25</b>	<b>5.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Gross) +2%			0.75	-1.10	-5.41	-5.41	1.82	5.00	6.20	8.22	-1.00	
Difference			0.56	6.50	10.66	10.66	N/A	N/A	N/A	N/A	N/A	
<b>Bell Value-Add VIII LP</b>	<b>4,035,965</b>	<b>0.16</b>	<b>-1.83</b>	<b>-5.25</b>	<b>-22.93</b>	<b>-22.93</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-15.91</b>	<b>04/01/2023</b>
NCREIF ODCE Index (AWA) (Gross) +2%			0.75	-1.10	-5.41	-5.41	1.82	5.00	6.20	8.22	-5.95	
Difference			-2.58	-4.15	-17.52	-17.52	N/A	N/A	N/A	N/A	-9.96	
<b>Hammes Partners IV LP</b>	<b>1,630,168</b>	<b>0.07</b>	<b>-34.36</b>	<b>-52.33</b>	<b>-70.77</b>	<b>-70.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-70.77</b>	<b>10/01/2023</b>
NCREIF ODCE Index (AWA) (Gross) +2%			0.75	-1.10	-5.41	-5.41	1.82	5.00	6.20	8.22	-5.41	
Difference			-35.11	-51.23	-65.36	-65.36	N/A	N/A	N/A	N/A	-65.36	
<b>IPI Partners III-A LP</b>	<b>6,603,654</b>	<b>0.27</b>	<b>17.20</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>25.12</b>	<b>04/01/2024</b>
NCREIF ODCE Index (AWA) (Gross) +2%			0.75	-1.10	-5.41	-5.41	1.82	5.00	6.20	8.22	0.79	
Difference			16.45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24.33	

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

As of September 30, 2024

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Diversifying Assets</b>												
<b>Adams Street Private Equity (SA)</b>	<b>84,781,427</b>	<b>3.42</b>	<b>1.09</b>	<b>0.79</b>	<b>3.34</b>	<b>3.34</b>	<b>19.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>19.32</b>	<b>11/01/2020</b>
S&P 500 Index +3%			6.67	24.82	40.44	40.44	15.27	19.46	17.93	16.78	20.88	
Difference			-5.58	-24.03	-37.10	-37.10	4.50	N/A	N/A	N/A	-1.56	
<b>Hamilton Lane Private Credit (SA)</b>	<b>84,266,240</b>	<b>3.40</b>	<b>1.27</b>	<b>7.62</b>	<b>12.30</b>	<b>12.30</b>	<b>8.76</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.84</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			6.37	10.34	19.36	19.36	4.06	5.99	5.87	6.39	4.42	
Difference			-5.10	-2.72	-7.06	-7.06	4.70	N/A	N/A	N/A	3.42	
<b>Cash Equivalents</b>												
<b>Dreyfus Gvt CM;Inst (DGCXX)</b>	<b>5,809,077</b>	<b>0.23</b>	<b>1.37</b>	<b>4.21</b>	<b>5.62</b>	<b>5.62</b>	<b>3.72</b>	<b>2.51</b>	<b>2.39</b>	<b>1.77</b>	<b>1.66</b>	<b>05/01/2001</b>
FTSE 3 Mo T-Bill Index			1.37	4.17	5.63	5.63	3.63	2.38	2.26	1.67	1.61	
Difference			0.00	0.04	-0.01	-0.01	0.09	0.13	0.13	0.10	0.05	

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

**As of September 30, 2024**

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,475,947,332</b>	<b>100.00</b>	<b>5.05</b>	<b>9.55</b>	<b>16.69</b>	<b>16.69</b>	<b>3.82</b>	<b>7.50</b>	<b>6.53</b>	<b>6.71</b>	<b>6.41</b>	<b>07/01/1999</b>
Current Total Fund Policy Index			5.54	11.91	20.57	20.57	5.32	7.98	7.24	7.00	6.19	
Difference			-0.49	-2.36	-3.88	-3.88	-1.50	-0.48	-0.71	-0.29	0.22	
Actual Allocation Index			5.95	10.73	18.06	18.06	3.66	6.93	N/A	N/A	N/A	
Difference			-0.90	-1.18	-1.37	-1.37	0.16	0.57	N/A	N/A	N/A	
Actual Allocation Index (Net of Alts)			5.56	9.57	16.87	16.87	3.96	7.10	N/A	N/A	N/A	
Difference			-0.51	-0.02	-0.18	-0.18	-0.14	0.40	N/A	N/A	N/A	
<b>Total Equity</b>	<b>1,419,556,504</b>	<b>57.33</b>	<b>7.14</b>	<b>15.82</b>	<b>27.63</b>	<b>27.63</b>	<b>6.20</b>	<b>11.97</b>	<b>9.80</b>	<b>9.80</b>	<b>7.08</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>791,566,497</b>	<b>31.97</b>	<b>5.61</b>	<b>17.21</b>	<b>29.99</b>	<b>29.99</b>	<b>8.46</b>	<b>14.27</b>	<b>12.59</b>	<b>11.91</b>	<b>7.89</b>	<b>07/01/1999</b>
US Equity Index			6.23	20.63	35.19	35.19	10.29	15.26	13.74	12.83	8.06	
Difference			-0.62	-3.42	-5.20	-5.20	-1.83	-0.99	-1.15	-0.92	-0.17	
<b>International Equity</b>	<b>627,990,006</b>	<b>25.36</b>	<b>9.17</b>	<b>14.09</b>	<b>24.72</b>	<b>24.72</b>	<b>2.82</b>	<b>8.51</b>	<b>5.57</b>	<b>6.38</b>	<b>6.16</b>	<b>07/01/1999</b>
International Equity Index			8.06	14.21	25.35	25.35	4.14	7.59	5.44	5.22	4.49	
Difference			1.11	-0.12	-0.63	-0.63	-1.32	0.92	0.13	1.16	1.67	
<b>Fixed Income</b>	<b>493,640,479</b>	<b>19.94</b>	<b>4.69</b>	<b>6.13</b>	<b>12.43</b>	<b>12.43</b>	<b>-0.31</b>	<b>0.97</b>	<b>1.41</b>	<b>1.76</b>	<b>4.42</b>	<b>07/01/1999</b>
Fixed Income Index			5.20	4.91	12.08	12.08	-1.05	0.70	1.73	2.03	4.12	
Difference			-0.51	1.22	0.35	0.35	0.74	0.27	-0.32	-0.27	0.30	
<b>Real Estate</b>	<b>387,846,523</b>	<b>15.66</b>	<b>-0.20</b>	<b>-4.56</b>	<b>-6.93</b>	<b>-6.93</b>	<b>1.10</b>	<b>2.30</b>	<b>3.50</b>	<b>5.25</b>	<b>4.83</b>	<b>12/01/2005</b>
Real Estate Index			0.07	-3.08	-7.90	-7.90	-0.97	2.10	3.25	5.18	5.07	
Difference			-0.27	-1.48	0.97	0.97	2.07	0.20	0.25	0.07	-0.24	
<b>Core Real Estate</b>	<b>342,506,557</b>	<b>13.83</b>	<b>-0.49</b>	<b>-5.11</b>	<b>-7.36</b>	<b>-7.36</b>	<b>0.60</b>	<b>2.01</b>	<b>3.28</b>	<b>5.10</b>	<b>4.75</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			0.02	-3.20	-8.04	-8.04	-1.04	2.05	3.21	5.16	5.06	
Difference			-0.51	-1.91	0.68	0.68	1.64	-0.04	0.07	-0.06	-0.31	
<b>Non-Core Real Estate</b>	<b>45,339,966</b>	<b>1.83</b>	<b>2.19</b>	<b>1.37</b>	<b>-2.83</b>	<b>-2.83</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>23.70</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.52	-1.75	-6.20	-6.20	0.94	4.09	5.28	7.26	-1.83	
Difference			1.67	3.12	3.37	3.37	N/A	N/A	N/A	N/A	25.53	
<b>Diversifying Assets</b>	<b>169,047,667</b>	<b>6.83</b>	<b>1.13</b>	<b>3.83</b>	<b>7.32</b>	<b>7.32</b>	<b>16.80</b>	<b>11.78</b>	<b>8.33</b>	<b>4.27</b>	<b>8.15</b>	<b>03/01/2011</b>
Diversifying Assets Index			6.52	17.98	30.52	30.52	11.77	7.38	5.71	2.80	5.19	
Difference			-5.39	-14.15	-23.20	-23.20	5.03	4.40	2.62	1.47	2.96	

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

**As of September 30, 2024**

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Cash Equivalents</b>	<b>5,809,077</b>	<b>0.23</b>	<b>1.32</b>	<b>4.06</b>	<b>5.42</b>	<b>5.42</b>	<b>3.72</b>	<b>1.55</b>	<b>N/A</b>	<b>N/A</b>	<b>1.66</b>	<b>09/01/2018</b>
FTSE 3 Mo T-Bill Index			1.37	4.17	5.63	5.63	3.63	2.38	2.26	1.67	2.38	
Difference			-0.05	-0.11	-0.21	-0.21	0.09	-0.83	N/A	N/A	-0.72	

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City of Jacksonville Employees' Retirement System  
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	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>US Equity</b>												
<b>Eagle Capital Large Cap Value (SA)</b>	<b>164,729,360</b>	<b>6.65</b>	<b>2.66</b>	<b>21.24</b>	<b>32.97</b>	<b>32.97</b>	<b>9.38</b>	<b>15.33</b>	<b>13.81</b>	<b>12.87</b>	<b>11.56</b>	<b>03/01/2007</b>
Russell 1000 Val Index			9.43	16.68	27.76	27.76	9.03	10.69	9.53	9.23	7.51	
Difference			-6.77	4.56	5.21	5.21	0.35	4.64	4.28	3.64	4.05	
Russell 1000 Index			6.08	21.18	35.68	35.68	10.83	15.64	14.18	13.10	10.42	
Difference			-3.42	0.06	-2.71	-2.71	-1.45	-0.31	-0.37	-0.23	1.14	
<b>Wellington Select Equity Income Fund (SA)</b>	<b>153,603,650</b>	<b>6.20</b>	<b>9.42</b>	<b>15.11</b>	<b>23.01</b>	<b>23.01</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.54</b>	<b>06/01/2023</b>
Russell 1000 Val Index			9.43	16.68	27.76	27.76	9.03	10.69	9.53	9.23	23.10	
Difference			-0.01	-1.57	-4.75	-4.75	N/A	N/A	N/A	N/A	-0.56	
<b>BNYM DB Lg Cap Stock Idx NL (CF)</b>	<b>119,920,426</b>	<b>4.84</b>	<b>6.08</b>	<b>21.24</b>	<b>35.75</b>	<b>35.75</b>	<b>11.25</b>	<b>15.87</b>	<b>N/A</b>	<b>N/A</b>	<b>14.91</b>	<b>05/01/2019</b>
Russell 1000 Index			6.08	21.18	35.68	35.68	10.83	15.64	14.18	13.10	14.70	
Difference			0.00	0.06	0.07	0.07	0.42	0.23	N/A	N/A	0.21	
<b>Loomis, Sayles &amp; Co Lg Cap Grth (CF)</b>	<b>139,632,516</b>	<b>5.64</b>	<b>4.46</b>	<b>22.31</b>	<b>39.59</b>	<b>39.59</b>	<b>12.81</b>	<b>18.40</b>	<b>16.48</b>	<b>N/A</b>	<b>16.73</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			3.19	24.55	42.19	42.19	12.02	19.74	18.20	16.52	18.26	
Difference			1.27	-2.24	-2.60	-2.60	0.79	-1.34	-1.72	N/A	-1.53	
<b>Kayne Anderson US SMID Value (SA)</b>	<b>71,929,980</b>	<b>2.91</b>	<b>7.81</b>	<b>11.51</b>	<b>25.22</b>	<b>25.22</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.41</b>	<b>03/01/2022</b>
Russell 2500 Val Index			9.63	11.28	26.59	26.59	6.06	9.99	7.85	8.47	6.01	
Difference			-1.82	0.23	-1.37	-1.37	N/A	N/A	N/A	N/A	0.40	
<b>Systematic Financial US SMID Value (SA)</b>	<b>72,780,333</b>	<b>2.94</b>	<b>8.59</b>	<b>13.66</b>	<b>26.96</b>	<b>26.96</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.61</b>	<b>03/01/2022</b>
Russell 2500 Val Index			9.63	11.28	26.59	26.59	6.06	9.99	7.85	8.47	6.01	
Difference			-1.04	2.38	0.37	0.37	N/A	N/A	N/A	N/A	2.60	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>68,970,232</b>	<b>2.79</b>	<b>1.64</b>	<b>4.30</b>	<b>16.39</b>	<b>16.39</b>	<b>-2.31</b>	<b>9.31</b>	<b>7.93</b>	<b>8.85</b>	<b>11.60</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			6.99	11.20	25.20	25.20	-0.75	9.75	9.43	9.98	12.12	
Difference			-5.35	-6.90	-8.81	-8.81	-1.56	-0.44	-1.50	-1.13	-0.52	

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	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>International Equity</b>												
<b>Silchester Intl Val Equity (CF)</b>	<b>275,598,644</b>	<b>11.13</b>	<b>9.69</b>	<b>10.27</b>	<b>18.93</b>	<b>18.93</b>	<b>7.95</b>	<b>8.88</b>	<b>5.87</b>	<b>6.58</b>	<b>9.15</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			8.89	13.79	23.14	23.14	8.94	8.27	5.02	4.56	6.08	
Difference			0.80	-3.52	-4.21	-4.21	-0.99	0.61	0.85	2.02	3.07	
<b>Bail Giff Intl Gro;4 (BGEFX)</b>	<b>185,576,003</b>	<b>7.50</b>	<b>9.94</b>	<b>14.59</b>	<b>29.22</b>	<b>29.22</b>	<b>-6.34</b>	<b>7.75</b>	<b>5.87</b>	<b>7.43</b>	<b>9.22</b>	<b>06/01/2009</b>
Baillie Gifford Index			6.92	14.06	26.75	26.75	0.81	7.09	5.75	5.97	7.43	
Difference			3.02	0.53	2.47	2.47	-7.15	0.66	0.12	1.46	1.79	
Baillie Gifford Spliced Index			8.06	14.21	25.35	25.35	4.14	7.66	5.62	5.44	6.88	
Difference			1.88	0.38	3.87	3.87	-10.48	0.09	0.25	1.99	2.34	
<b>Acadian Emg Mkts Eq II (CF)</b>	<b>166,815,359</b>	<b>6.74</b>	<b>6.91</b>	<b>21.39</b>	<b>31.86</b>	<b>31.86</b>	<b>5.92</b>	<b>9.77</b>	<b>5.37</b>	<b>5.37</b>	<b>4.50</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			8.72	16.86	26.05	26.05	0.40	5.75	3.65	4.02	2.85	
Difference			-1.81	4.53	5.81	5.81	5.52	4.02	1.72	1.35	1.65	
<b>Fixed Income</b>												
<b>Baird Core Fixed Income (SA)</b>	<b>125,120,776</b>	<b>5.05</b>	<b>5.41</b>	<b>5.36</b>	<b>12.77</b>	<b>12.77</b>	<b>-1.05</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.57</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			5.20	4.45	11.57	11.57	-1.39	0.33	1.47	1.84	-1.00	
Difference			0.21	0.91	1.20	1.20	0.34	N/A	N/A	N/A	0.43	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>186,047,436</b>	<b>7.51</b>	<b>5.64</b>	<b>6.57</b>	<b>14.65</b>	<b>14.65</b>	<b>0.40</b>	<b>3.23</b>	<b>3.56</b>	<b>3.79</b>	<b>5.60</b>	<b>11/01/2007</b>
Bloomberg Gbl Agg Bond Index			6.98	3.60	11.99	11.99	-3.06	-0.83	0.26	0.57	1.96	
Difference			-1.34	2.97	2.66	2.66	3.46	4.06	3.30	3.22	3.64	
<b>Schroder Flexible Secured Income LP (CF)</b>	<b>182,472,266</b>	<b>7.37</b>	<b>2.15</b>	<b>6.79</b>	<b>9.38</b>	<b>9.38</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.59</b>	<b>10/01/2022</b>
1 Month LIBOR+1.75%			1.82	5.50	7.40	7.40	5.44	4.20	4.11	3.54	6.96	
Difference			0.33	1.29	1.98	1.98	N/A	N/A	N/A	N/A	1.63	
1 Month LIBOR+5%			2.62	8.01	10.83	10.83	8.81	7.53	7.43	6.85	10.38	
Difference			-0.47	-1.22	-1.45	-1.45	N/A	N/A	N/A	N/A	-1.79	

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<b>Core Real Estate</b>												
<b>Harrison Street Core Property LP</b>	<b>120,153,150</b>	<b>4.85</b>	<b>0.39</b>	<b>-4.07</b>	<b>-6.16</b>	<b>-6.16</b>	<b>2.87</b>	<b>3.85</b>	<b>5.15</b>	<b>N/A</b>	<b>5.69</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.02	-3.20	-8.04	-8.04	-1.04	2.05	3.21	5.16	4.27	
Difference			0.37	-0.87	1.88	1.88	3.91	1.80	1.94	N/A	1.42	
<b>PGIM Real Estate PRISA II LP</b>	<b>45,946,901</b>	<b>1.86</b>	<b>-3.00</b>	<b>-10.65</b>	<b>-14.16</b>	<b>-14.16</b>	<b>-0.41</b>	<b>1.39</b>	<b>3.30</b>	<b>N/A</b>	<b>5.14</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.02	-3.20	-8.04	-8.04	-1.04	2.05	3.21	5.16	4.97	
Difference			-3.02	-7.45	-6.12	-6.12	0.63	-0.66	0.09	N/A	0.17	
<b>Principal US Property (CF)</b>	<b>119,641,500</b>	<b>4.83</b>	<b>-0.15</b>	<b>-2.95</b>	<b>-5.16</b>	<b>-5.16</b>	<b>-0.21</b>	<b>2.51</b>	<b>3.90</b>	<b>6.05</b>	<b>6.40</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Net)			0.02	-3.20	-8.04	-8.04	-1.04	2.05	3.21	5.16	5.56	
Difference			-0.17	0.25	2.88	2.88	0.83	0.46	0.69	0.89	0.84	
<b>UBS Trumbull Property (CF)</b>	<b>55,323,718</b>	<b>2.23</b>	<b>-1.09</b>	<b>-6.96</b>	<b>-8.47</b>	<b>-8.47</b>	<b>-1.22</b>	<b>-0.97</b>	<b>0.05</b>	<b>2.34</b>	<b>3.59</b>	<b>01/01/2006</b>
NCREIF ODCE Index (AWA) (Net)			0.02	-3.20	-8.04	-8.04	-1.04	2.05	3.21	5.16	4.82	
Difference			-1.11	-3.76	-0.43	-0.43	-0.18	-3.02	-3.16	-2.82	-1.23	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,441,288</b>	<b>0.06</b>	<b>17.26</b>	<b>13.51</b>	<b>34.16</b>	<b>34.16</b>	<b>2.48</b>	<b>4.74</b>	<b>6.35</b>	<b>7.25</b>	<b>11.35</b>	<b>12/01/2008</b>
Custom REITs Index			17.23	13.71	34.38	34.38	2.63	4.90	6.71	7.59	12.03	
Difference			0.03	-0.20	-0.22	-0.22	-0.15	-0.16	-0.36	-0.34	-0.68	

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<b>Non-Core Real Estate</b>												
<b>Abacus Multi-Family Partners VI LP</b>	<b>7,002,370</b>	<b>0.28</b>	<b>-5.01</b>	<b>-40.12</b>	<b>-47.48</b>	<b>-47.48</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-47.15</b>	<b>10/01/2022</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.52	-1.75	-6.20	-6.20	0.94	4.09	5.28	7.26	-8.70	
Difference			-5.53	-38.37	-41.28	-41.28	N/A	N/A	N/A	N/A	-38.45	
<b>H.I.G. Realty Partners IV (Onshore) LP</b>	<b>26,067,809</b>	<b>1.05</b>	<b>1.31</b>	<b>5.40</b>	<b>5.25</b>	<b>5.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.52	-1.75	-6.20	-6.20	0.94	4.09	5.28	7.26	-1.83	
Difference			0.79	7.15	11.45	11.45	N/A	N/A	N/A	N/A	N/A	
<b>Bell Value-Add VIII LP</b>	<b>4,035,965</b>	<b>0.16</b>	<b>-1.83</b>	<b>-5.25</b>	<b>-22.93</b>	<b>-22.93</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-15.44</b>	<b>04/01/2023</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.52	-1.75	-6.20	-6.20	0.94	4.09	5.28	7.26	-6.73	
Difference			-2.35	-3.50	-16.73	-16.73	N/A	N/A	N/A	N/A	-8.71	
<b>Hammes Partners IV LP</b>	<b>1,630,168</b>	<b>0.07</b>	<b>-34.36</b>	<b>-52.33</b>	<b>-70.77</b>	<b>-70.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-70.77</b>	<b>10/01/2023</b>
NCREIF ODCE Index (AWA) (Net) (Monthly)+2%			0.52	-1.75	-6.20	-6.20	0.94	4.09	5.28	7.26	-6.20	
Difference			-34.88	-50.58	-64.57	-64.57	N/A	N/A	N/A	N/A	-64.57	
<b>IPI Partners III-A LP</b>	<b>6,603,654</b>	<b>0.27</b>	<b>17.20</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>25.12</b>	<b>04/01/2024</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.52	-1.75	-6.20	-6.20	0.94	4.09	5.28	7.26	0.35	
Difference			16.68	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24.77	

Performance shown is net of fees except if noted otherwise, 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. Market Values for Abacus Multi-Family Partners Fund VI LP, Adams Street Private Equity (SA), Bell Value-Add VII LP, Hammes Partners IV LP, IPI Partners III-A LP, H.I.G Realty Partners IV (Onshore) LP, and Hamilton Lane Private Credit (SA) are preliminary.



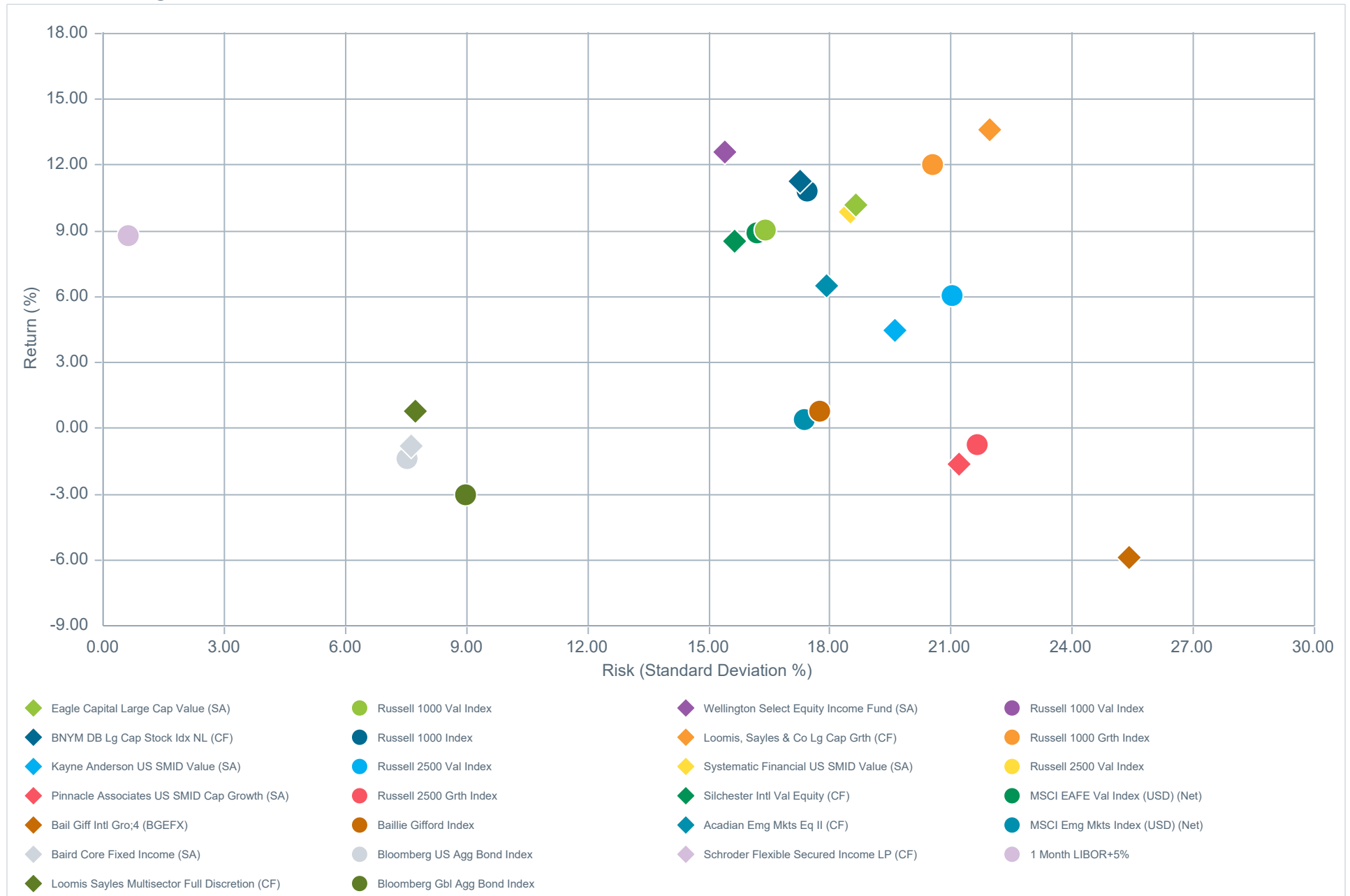
City of Jacksonville Employees' Retirement System  
 Asset Allocation & Performance (Net of Fees)

As of September 30, 2024

	Allocation		Performance (%)									
	Market Value (\$)	%	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Diversifying Assets</b>												
<b>Adams Street Private Equity (SA)</b>	<b>84,781,427</b>	<b>3.42</b>	<b>1.09</b>	<b>0.79</b>	<b>3.34</b>	<b>3.34</b>	<b>19.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>19.32</b>	<b>11/01/2020</b>
S&P 500 Index +3%			6.67	24.82	40.44	40.44	15.27	19.46	17.93	16.78	20.88	
Difference			-5.58	-24.03	-37.10	-37.10	4.50	N/A	N/A	N/A	-1.56	
<b>Hamilton Lane Private Credit (SA)</b>	<b>84,266,240</b>	<b>3.40</b>	<b>1.19</b>	<b>7.33</b>	<b>12.00</b>	<b>12.00</b>	<b>7.68</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.39</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			6.37	10.34	19.36	19.36	4.06	5.99	5.87	6.39	4.42	
Difference			-5.18	-3.01	-7.36	-7.36	3.62	N/A	N/A	N/A	-1.03	
<b>Cash Equivalents</b>												
<b>Dreyfus Gvt CM;Inst (DGCXX)</b>	<b>5,809,077</b>	<b>0.23</b>	<b>1.32</b>	<b>4.06</b>	<b>5.43</b>	<b>5.43</b>	<b>3.55</b>	<b>2.35</b>	<b>2.25</b>	<b>1.67</b>	<b>1.62</b>	<b>05/01/2001</b>
FTSE 3 Mo T-Bill Index			1.37	4.17	5.63	5.63	3.63	2.38	2.26	1.67	1.61	
Difference			-0.05	-0.11	-0.20	-0.20	-0.08	-0.03	-0.01	0.00	0.01	

Performance shown is net of fees except if noted otherwise, 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. Market Values for Abacus Multi-Family Partners Fund VI LP, Adams Street Private Equity (SA), Bell Value-Add VII LP, Hammes Partners IV LP, IPI Partners III-A LP, H.I.G Realty Partners IV (Onshore) LP, and Hamilton Lane Private Credit (SA) are preliminary.

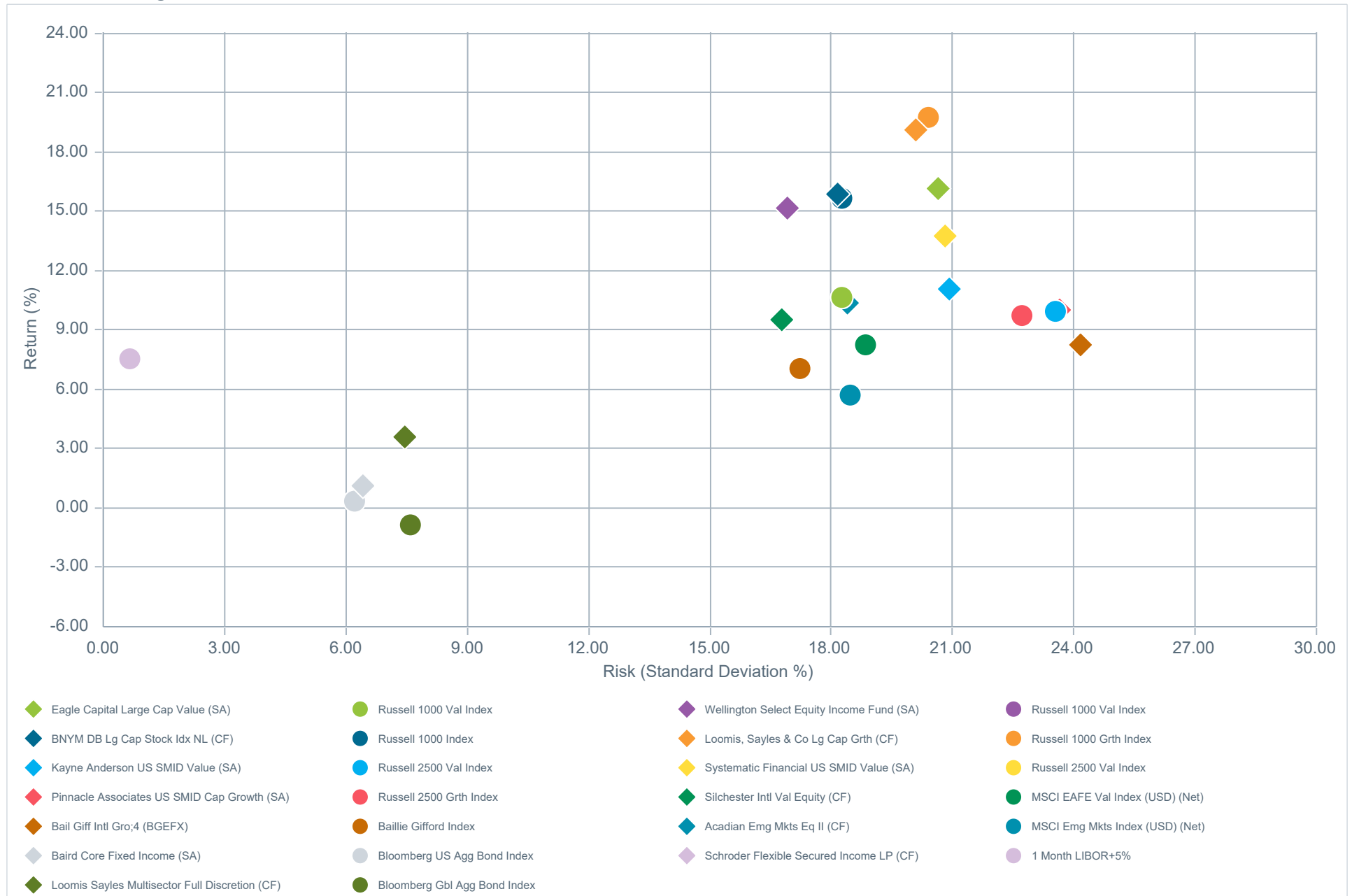




Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period are backfilled with product specific performance, except for Schroder Flexible Secured Income Fund. Please see the Addendum for custom index definitions.

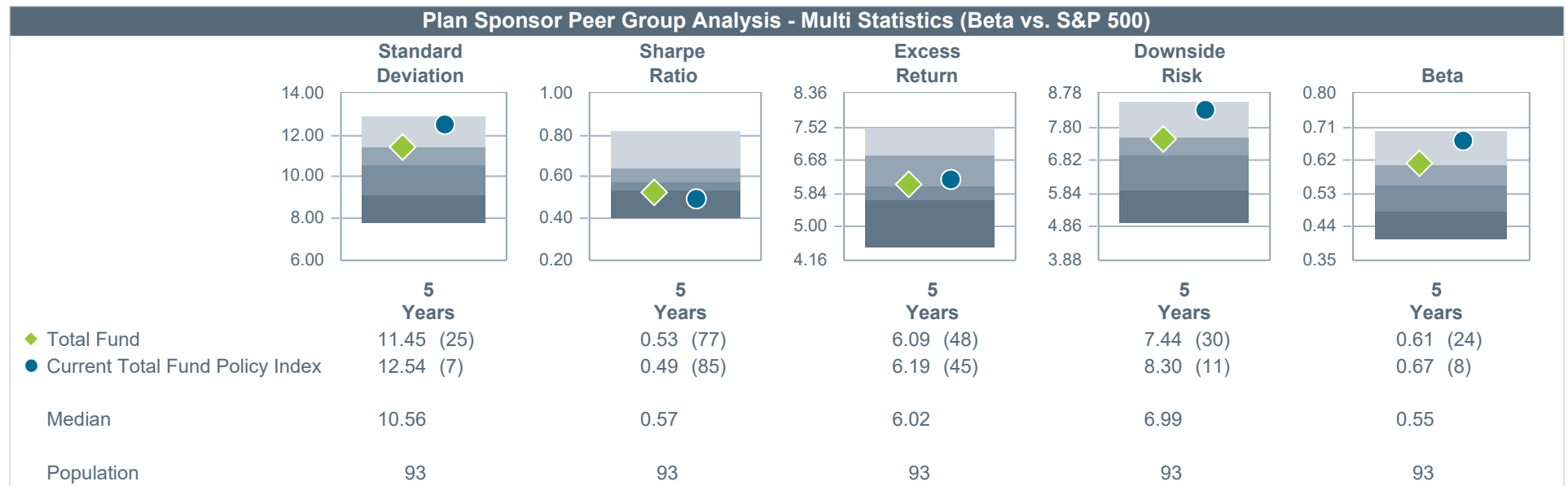
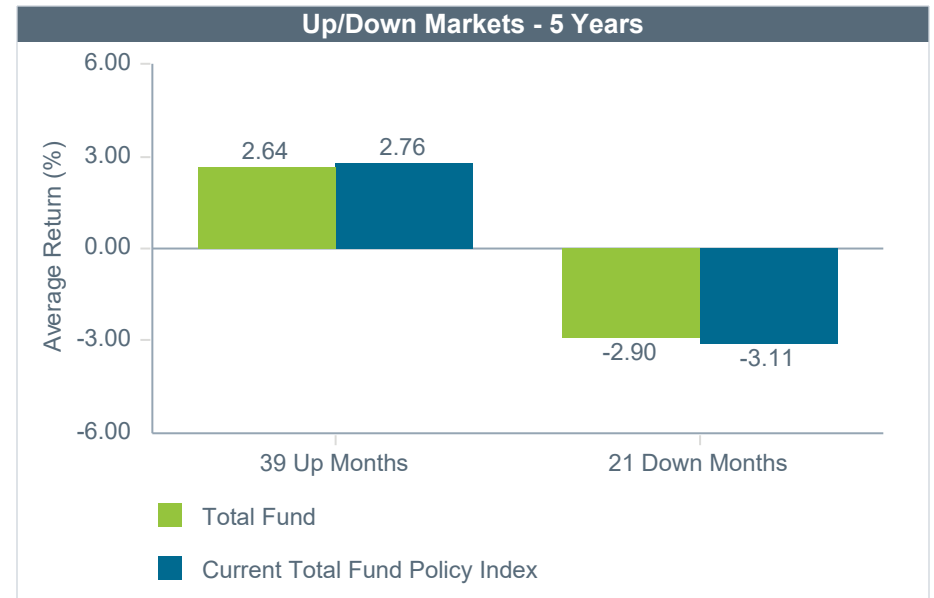
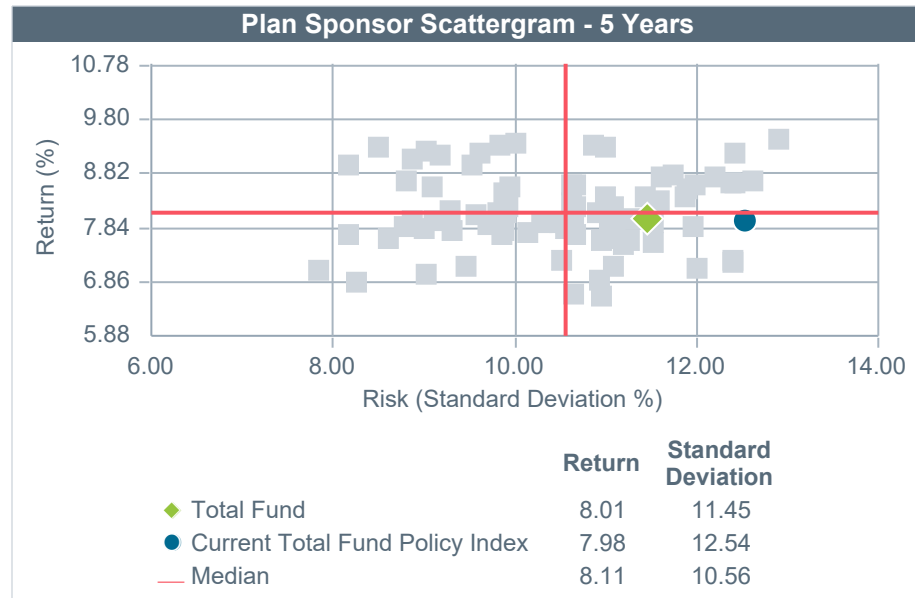
City of Jacksonville Employees' Retirement System  
 Risk and Return  
 Traditional Managers

5 Years Ending September 30, 2024

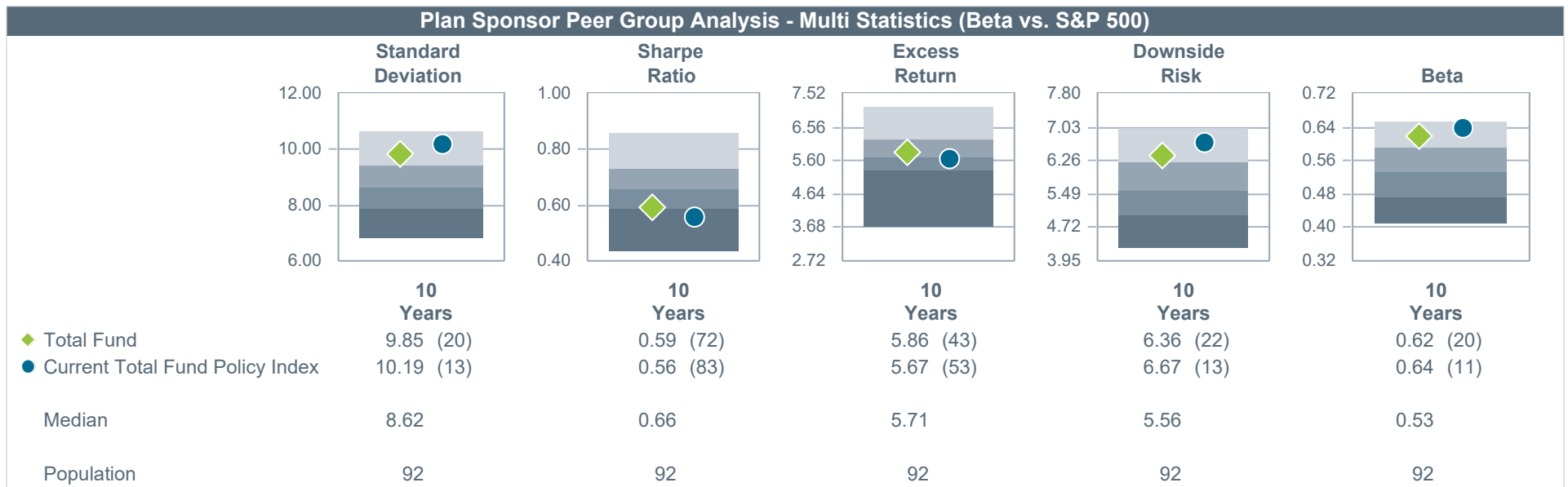
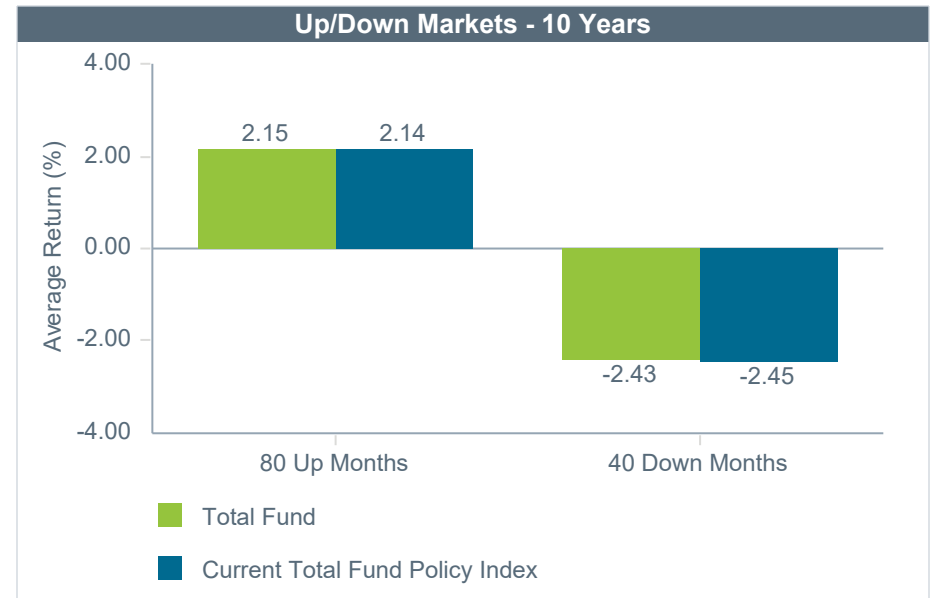
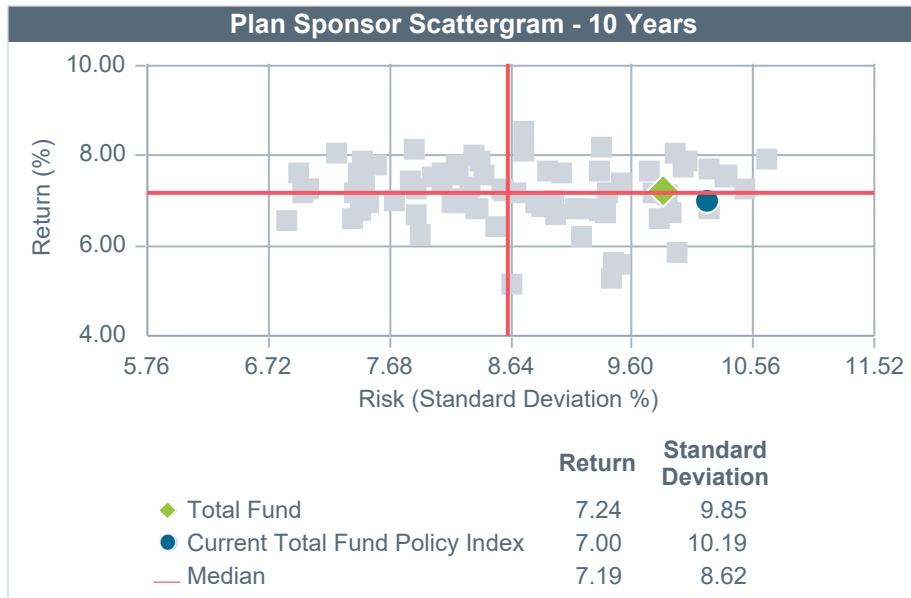


Performance shown is gross of fees and client specific. Calculation is based on monthly periodicity. Managers with less history than the specified time period are backfilled with product specific performance, except for Schroder Flexible Secured Income Fund. Please see the Addendum for custom index definitions.





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



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

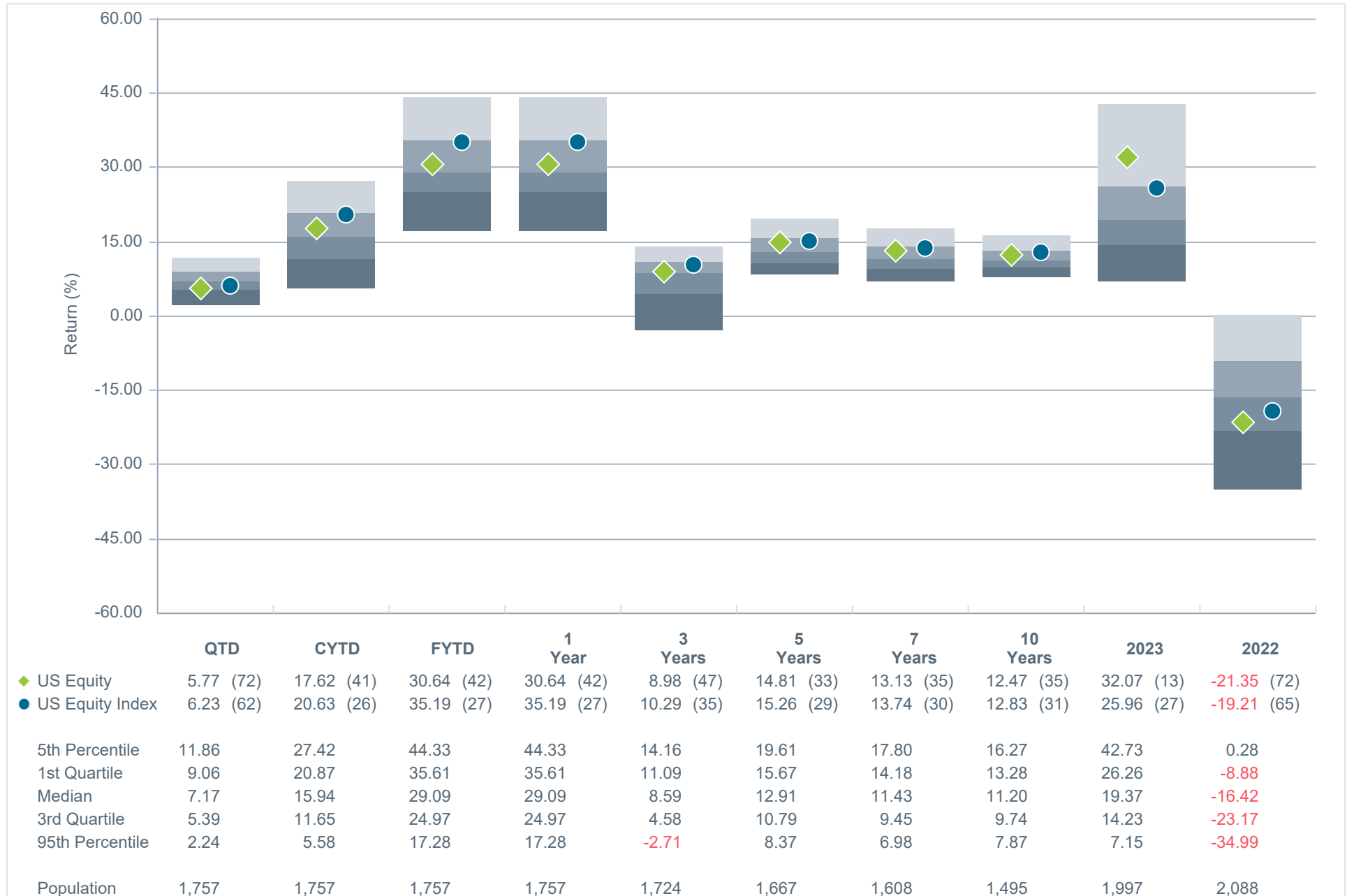
# Composite Profiles





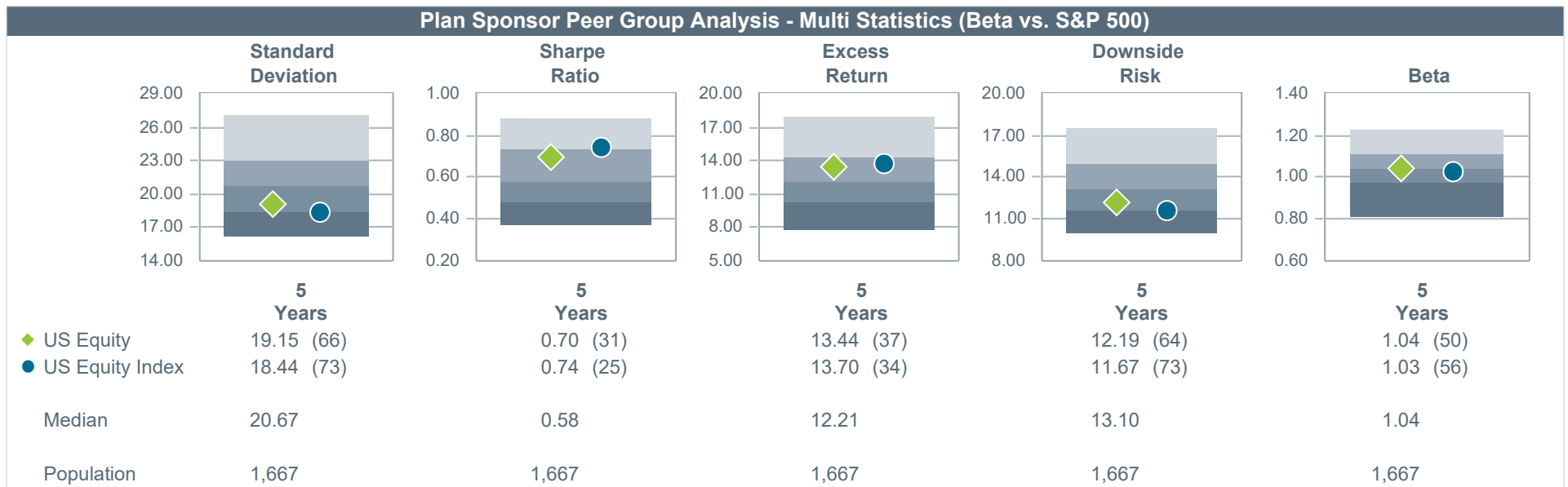
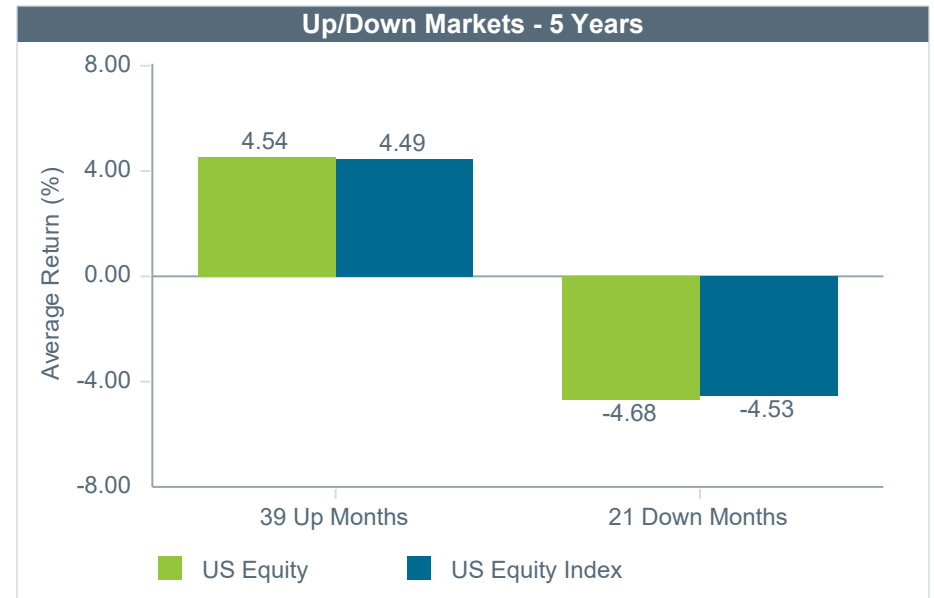
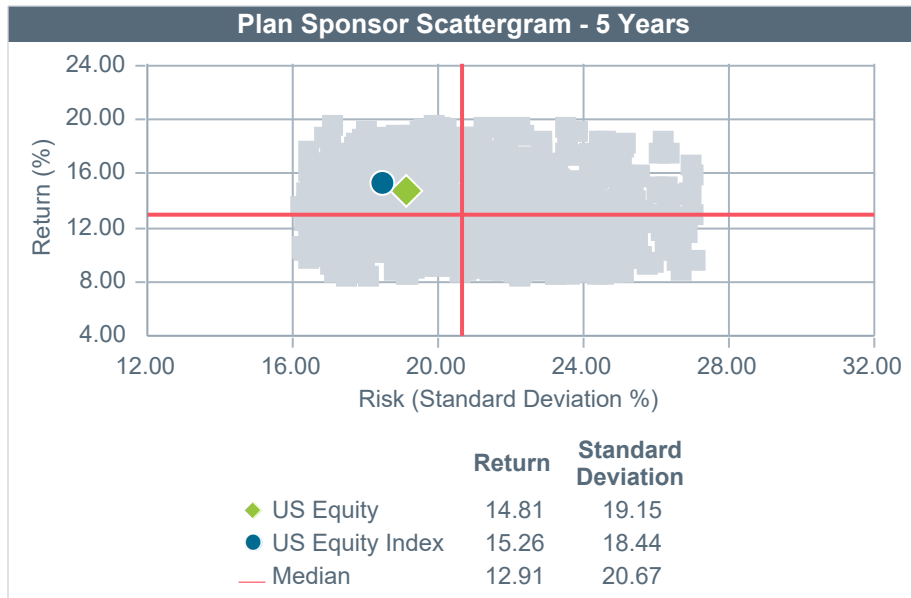
City of Jacksonville Employees' Retirement System  
 US Equity vs. IM U.S. Equity (SA+CF)  
 Peer Group Analysis

As of September 30, 2024

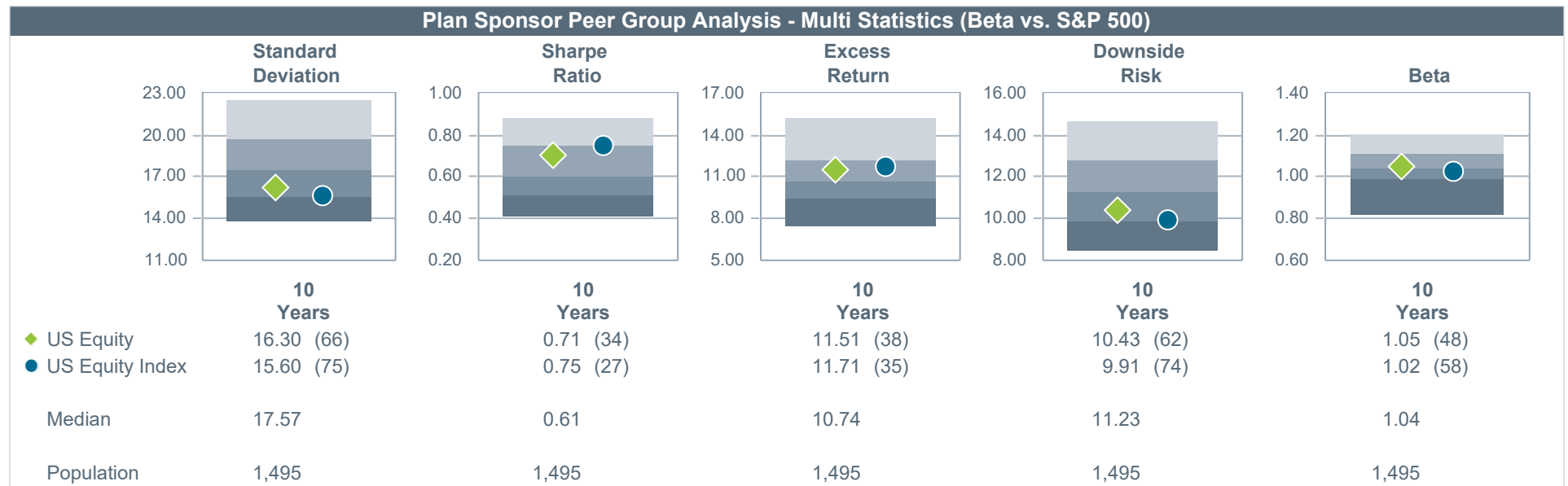
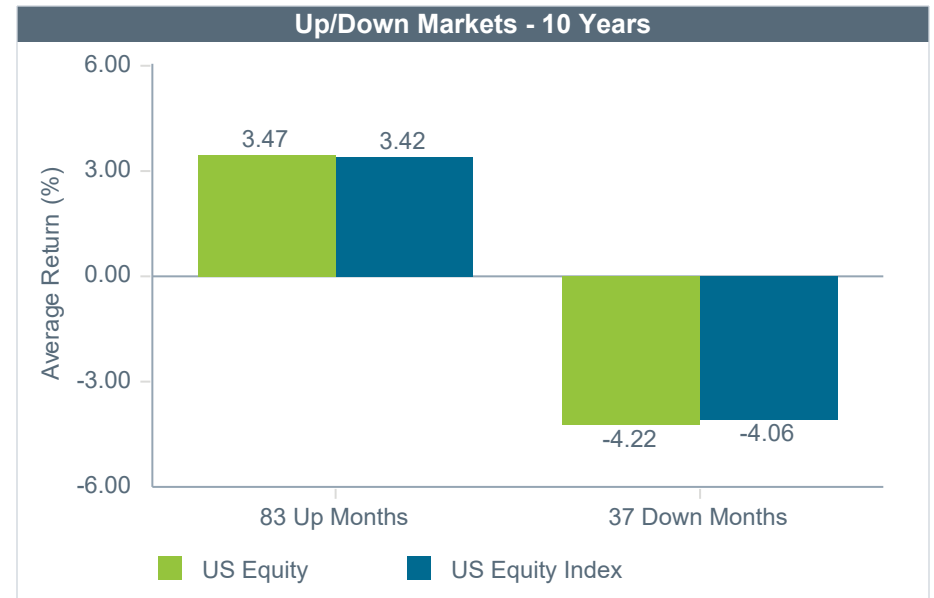
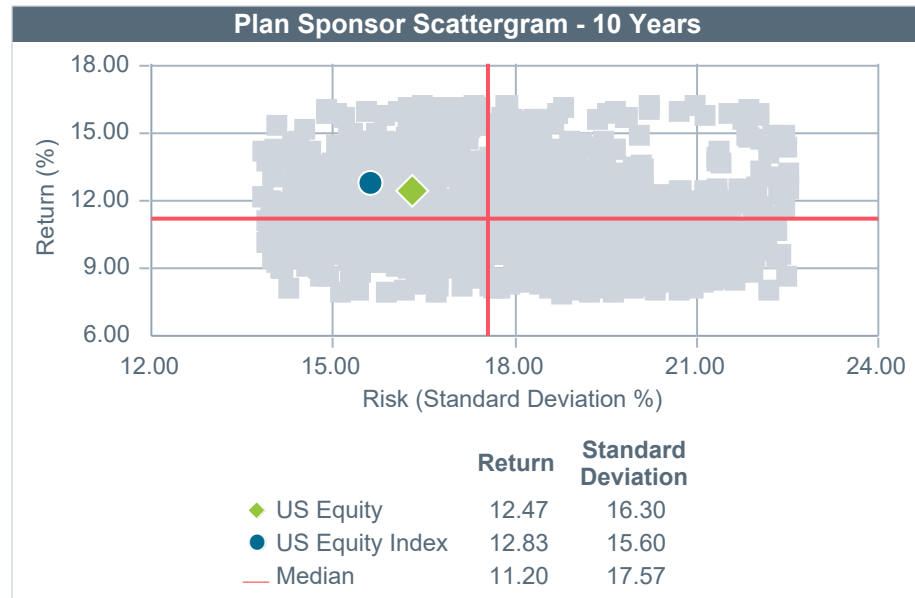


Performance shown is gross of fees. Parentheses contain percentile ranks. Fiscal year for the COJ ends 09/30.





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



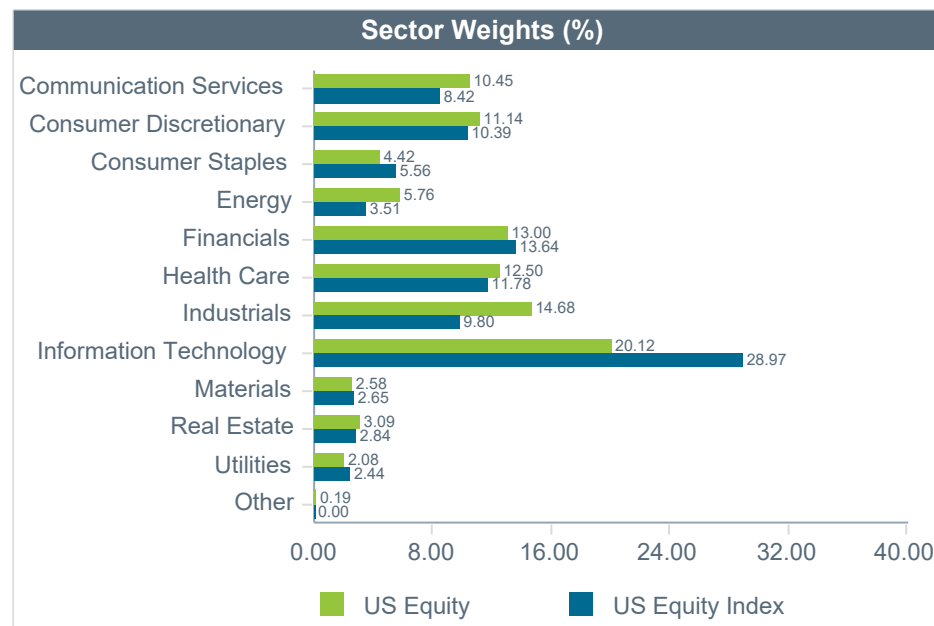
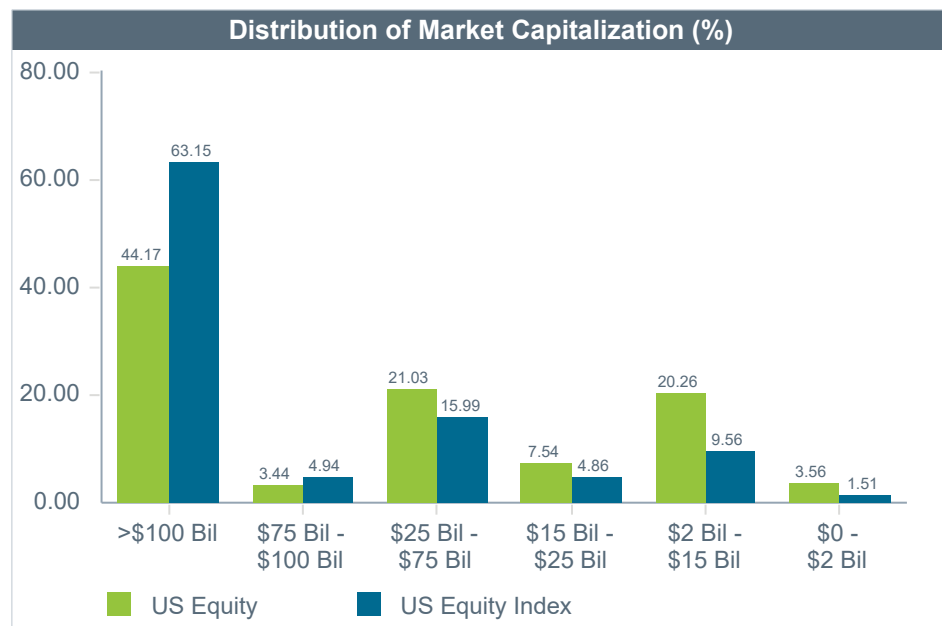
Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

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

As of September 30, 2024

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Amazon.com Inc	3.43	3.12	0.31	-3.58
Meta Platforms Inc	3.06	2.26	0.80	13.64
Microsoft Corp	2.87	5.77	-2.90	-3.55
Conocophillips	2.58	0.22	2.36	-7.30
NVIDIA Corporation	2.51	5.12	-2.61	-1.69
UnitedHealth Group Incorporated	1.95	0.97	0.98	15.22
Alphabet Inc	1.75	1.49	0.26	-8.73
Tesla Inc	1.55	1.31	0.24	32.22
Visa Inc	1.49	0.78	0.71	4.96
Netflix Inc	1.39	0.55	0.84	5.10
% of Portfolio	22.58	21.59	0.99	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	467,388	851,765
Median Mkt. Cap (\$M)	13,067	2,253
Price/Earnings Ratio	23.93	26.86
Price/Book Ratio	3.57	4.70
5 Yr. EPS Growth Rate (%)	15.25	18.41
Current Yield (%)	1.41	1.31
Beta (5 Years, Monthly)	1.02	1.00
Number of Securities	1,150	2,987
Active Share	60.38	N/A



The Top Ten Domestic Equity Holdings included Alphabet Inc. Class A (1.35%) in Q2 2024 which was replaced by Visa Inc (1.49%) in Q3 2024.



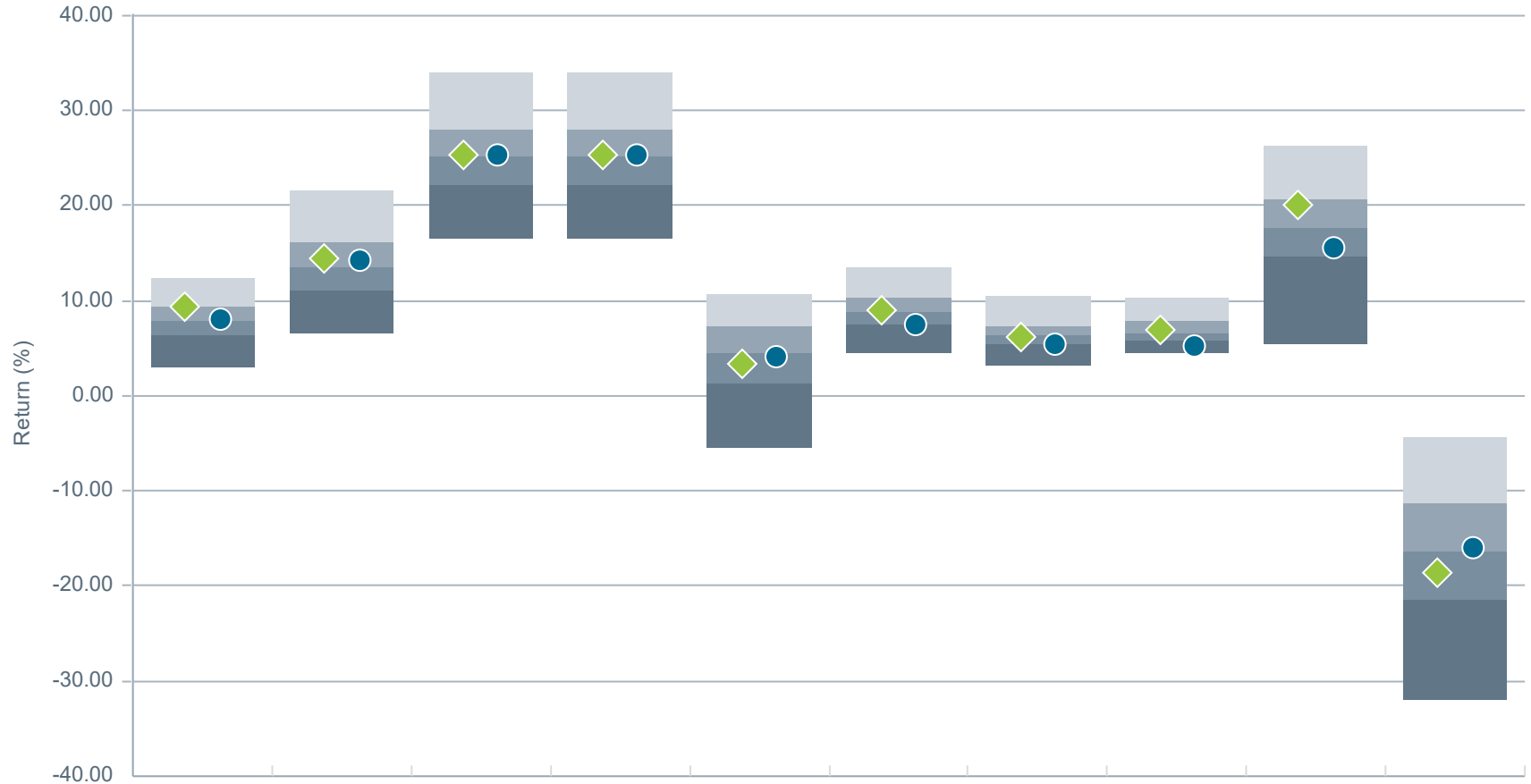
Style Map with History (12 Months)



Calculation is based on monthly periodicity. This is a return based calculation. Performance prior to manager inception date is backfilled with product specific returns.

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

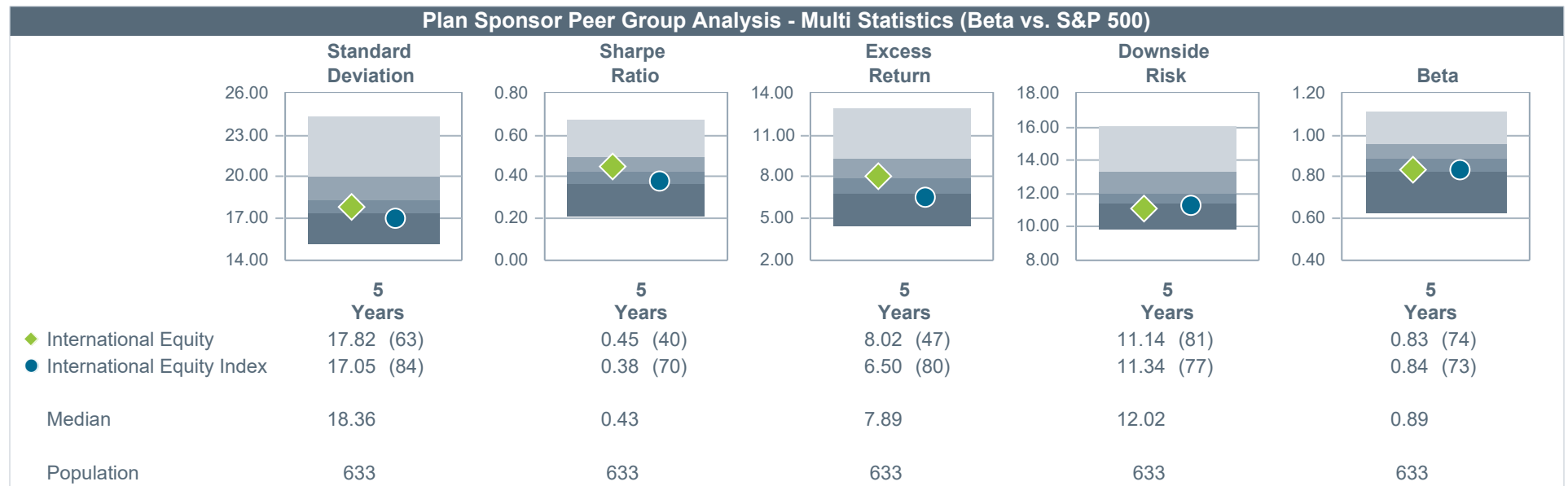
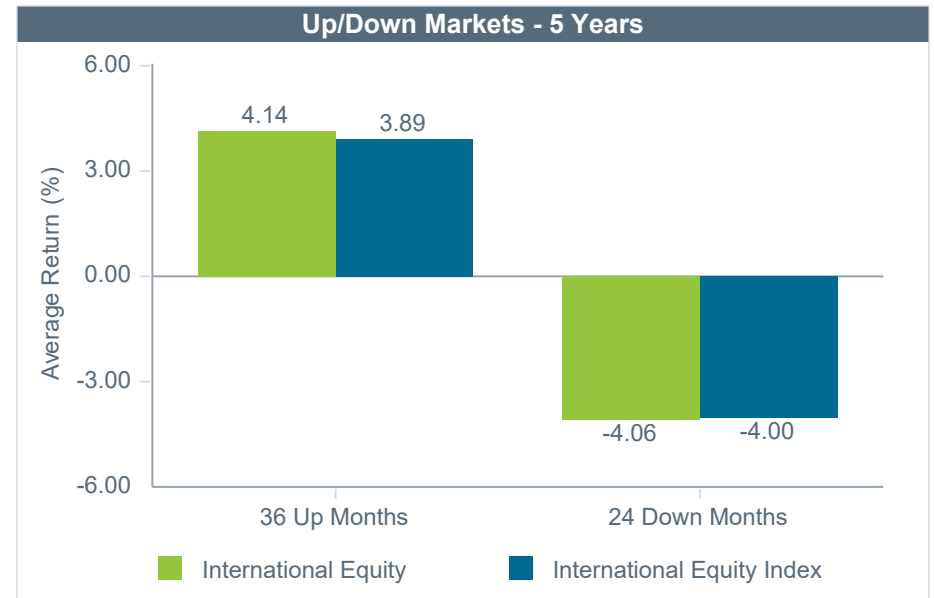
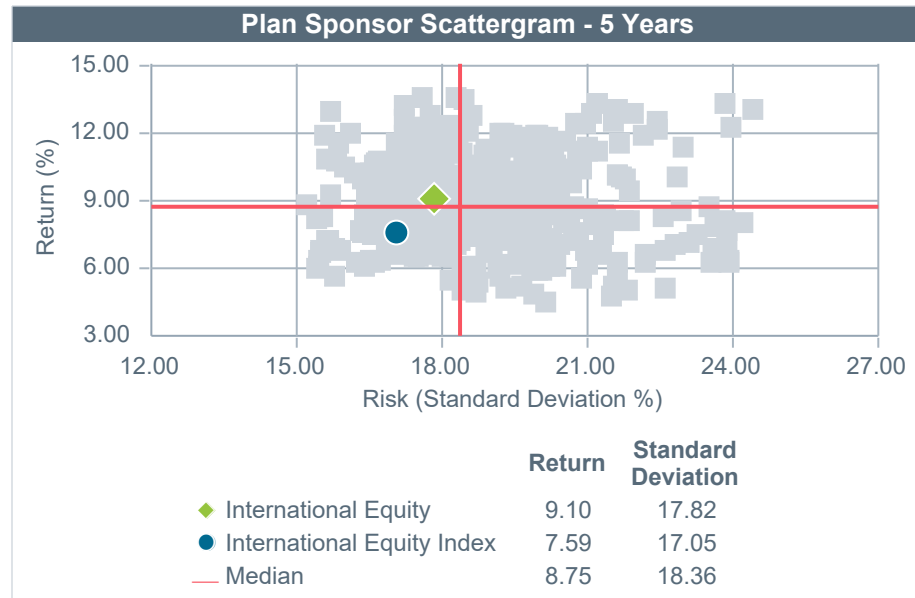
As of September 30, 2024



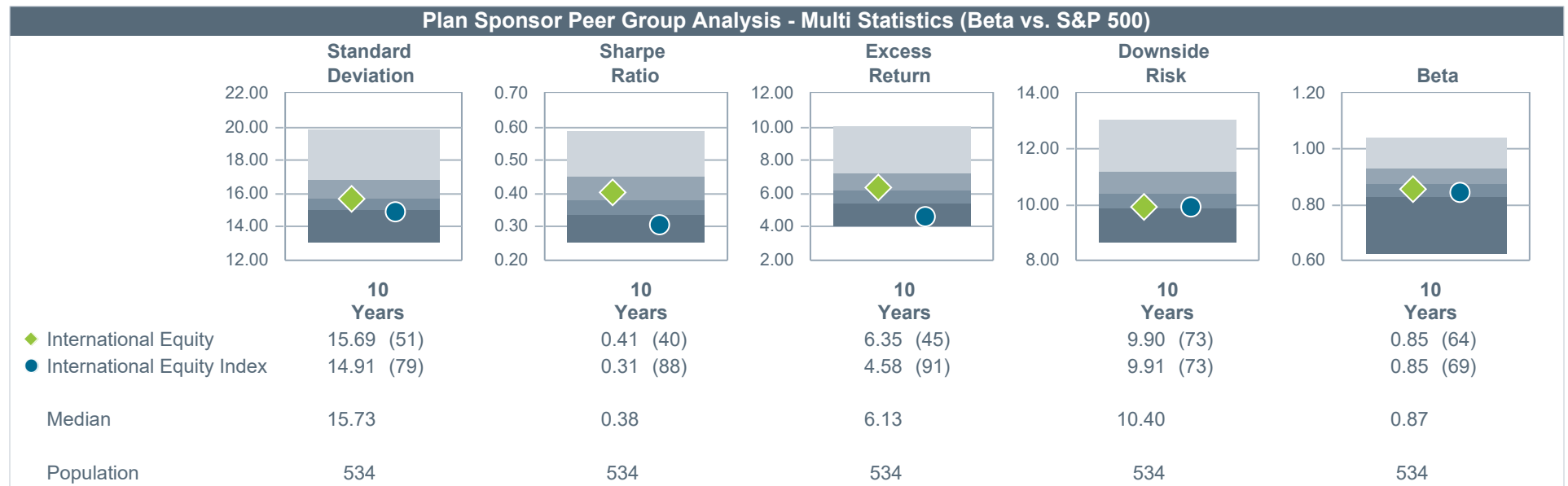
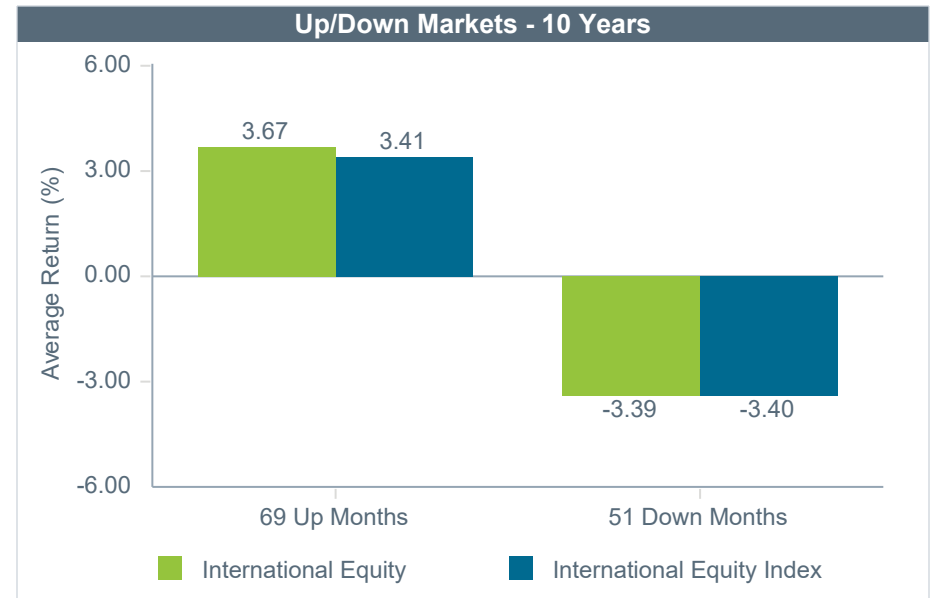
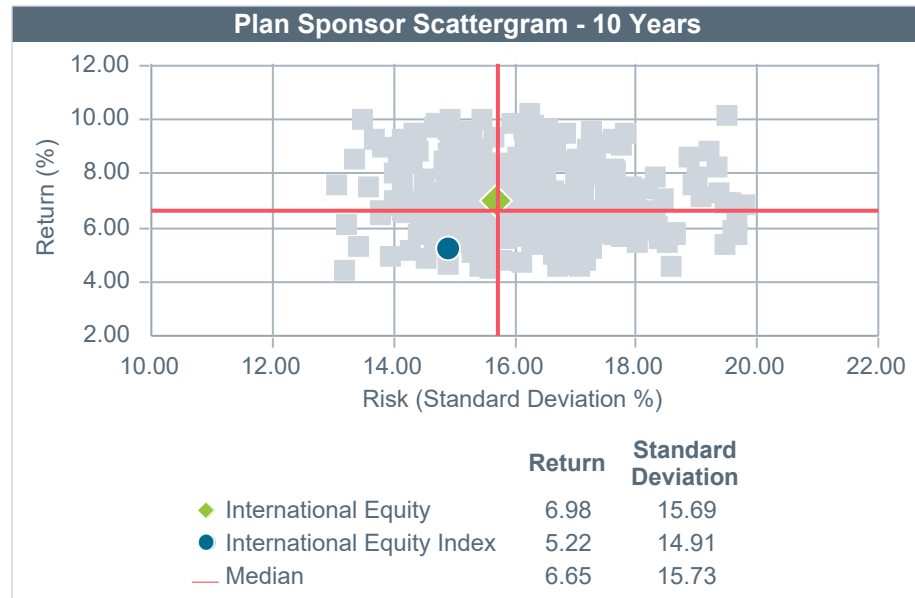
	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022
◆ International Equity	9.32 (27)	14.55 (39)	25.39 (48)	25.39 (48)	3.38 (65)	9.10 (44)	6.15 (57)	6.98 (43)	20.07 (31)	-18.57 (64)
● International Equity Index	8.06 (45)	14.21 (43)	25.35 (49)	25.35 (49)	4.14 (57)	7.59 (75)	5.44 (75)	5.22 (91)	15.62 (68)	-16.00 (48)
5th Percentile	12.43	21.58	33.92	33.92	10.73	13.59	10.59	10.25	26.28	-4.30
1st Quartile	9.44	16.22	27.92	27.92	7.29	10.34	7.39	7.84	20.68	-11.29
Median	7.80	13.58	25.22	25.22	4.59	8.75	6.39	6.65	17.72	-16.31
3rd Quartile	6.30	11.07	22.17	22.17	1.35	7.53	5.41	5.91	14.73	-21.39
95th Percentile	3.09	6.67	16.52	16.52	-5.40	4.48	3.17	4.44	5.42	-31.83
Population	688	688	687	687	667	633	601	534	754	800

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





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



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

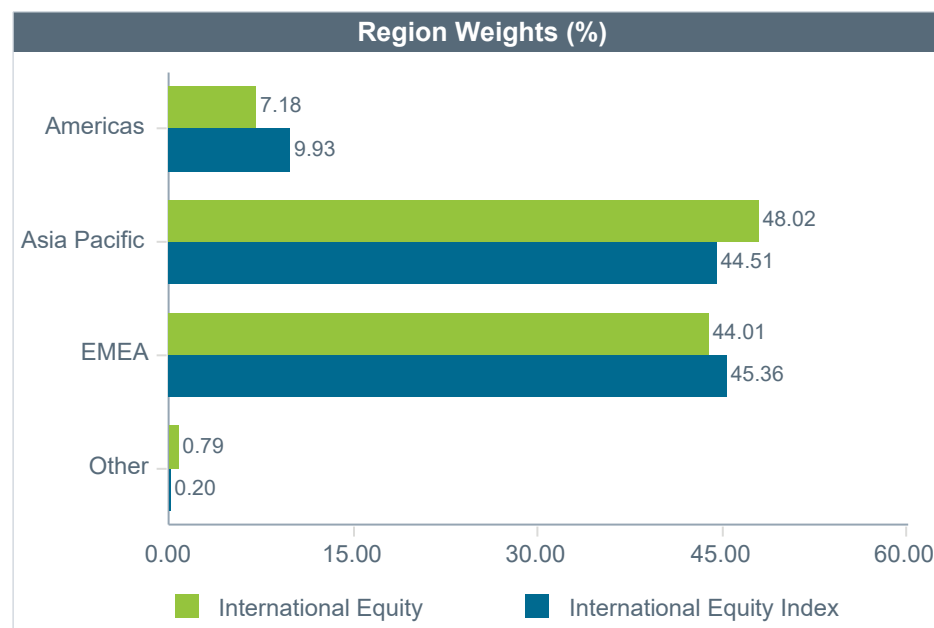
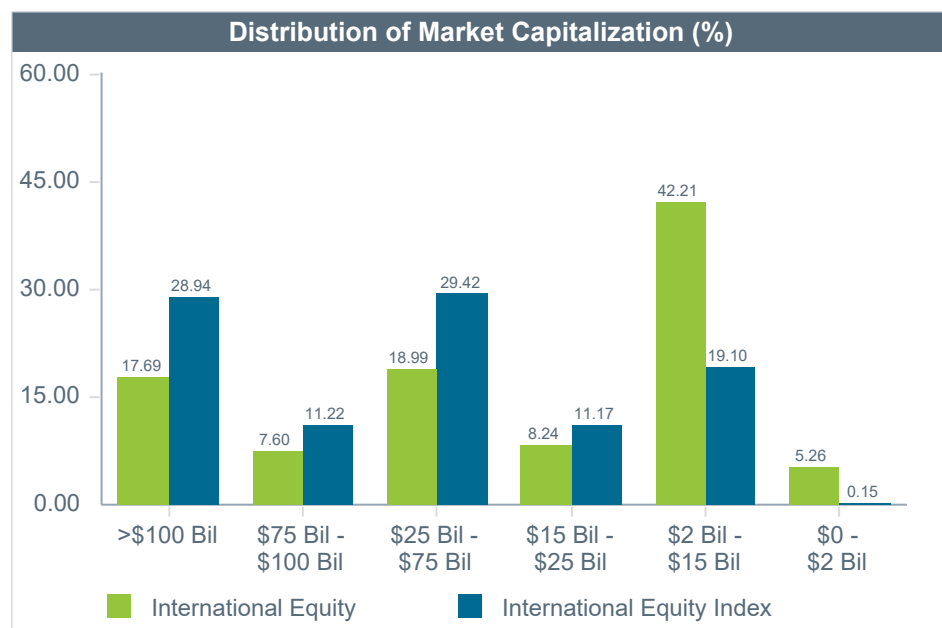


City of Jacksonville Employees' Retirement System  
International Equity vs. International Equity Index  
Portfolio Characteristics

As of September 30, 2024

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semiconductor Mfg	3.79	2.66	1.13	1.99
Spotify Technology SA	1.76	0.00	1.76	17.44
MercadoLibre Inc	1.76	0.00	1.76	24.86
ASML Holding NV	1.45	1.19	0.26	-18.94
Meituan	1.34	0.39	0.95	55.61
Ferrari NV	1.34	0.21	1.13	14.80
Adyen N.V	1.33	0.12	1.21	31.20
Sanofi	1.19	0.47	0.72	19.14
Bayer AG	1.16	0.12	1.04	19.71
BMW Aktiengesellschaft	1.15	0.10	1.05	-6.71
% of Portfolio	16.27	5.26	11.01	

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	82,571	110,144
Median Mkt. Cap (\$M)	1,873	10,377
Price/Earnings Ratio	14.10	15.60
Price/Book Ratio	2.77	2.66
5 Yr. EPS Growth Rate (%)	14.31	10.67
Current Yield (%)	3.23	2.90
Beta (5 Years, Monthly)	1.02	1.00
Number of Securities	935	2,094
Active Share	83.26	N/A

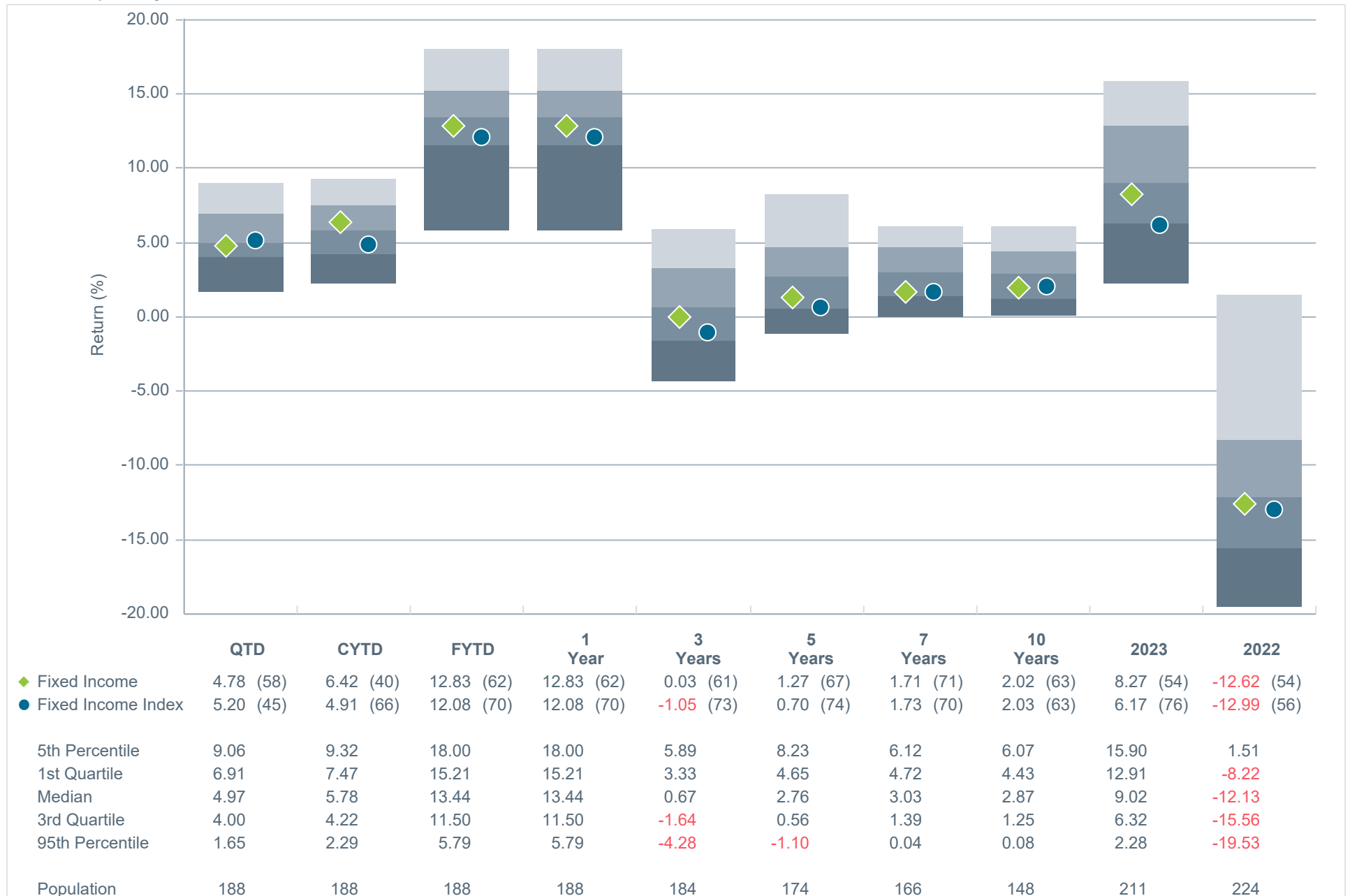


The Top Ten International Equity Holdings included PDD Holdings Inc (1.22%), Tesco PLC (1.19%), GSK plc (1.15%), and Atlas Copco AB (1.13%) in Q2 2024 which was replaced by Meituan (1.34%), Adyen N.V (1.33%), Bayer AG (1.16%), and BMW Aktiengesellschaft (1.15%) in Q3 2024.



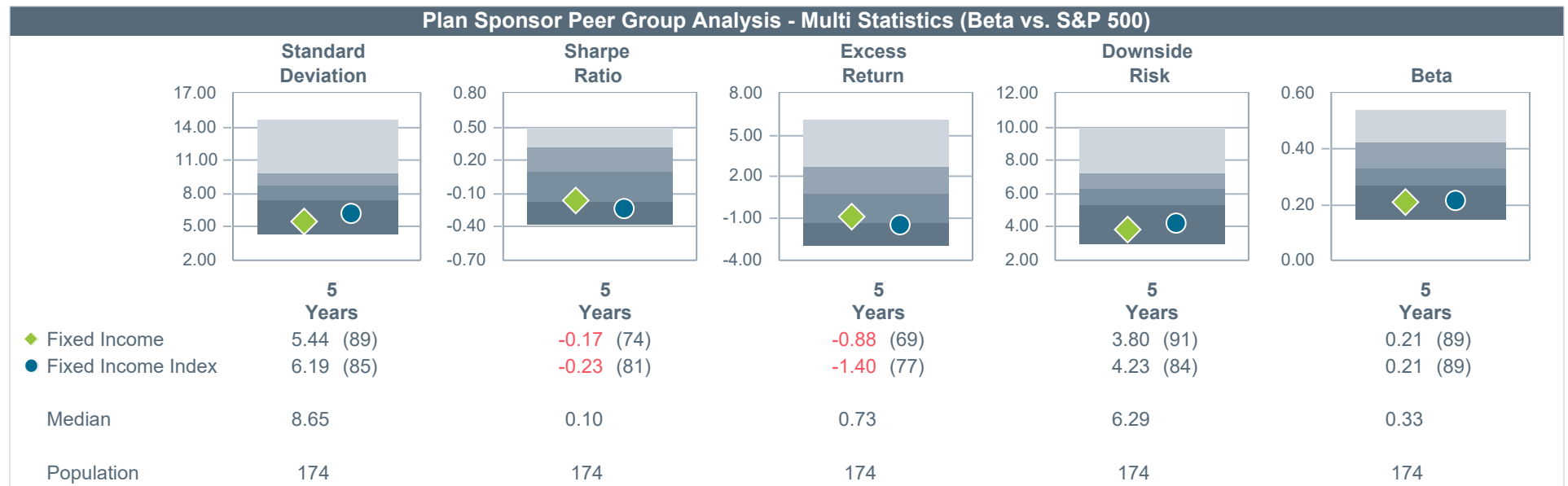
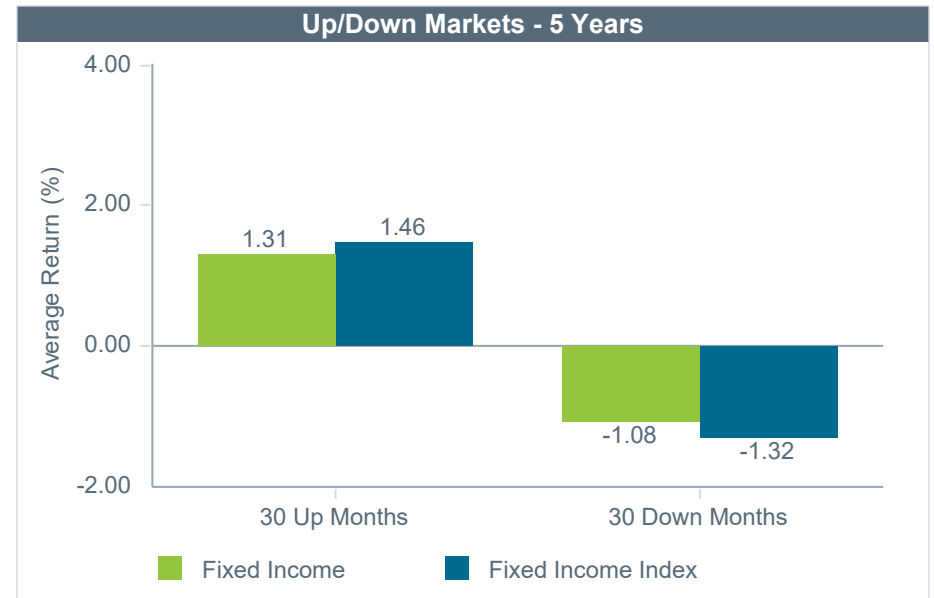
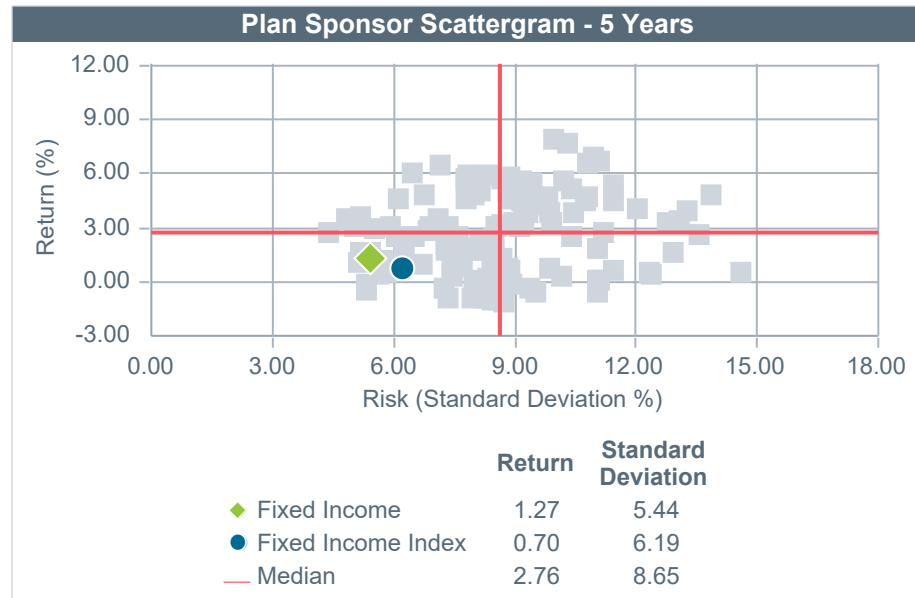
City of Jacksonville Employees' Retirement System  
 Fixed Income vs. IM Global Fixed Income (SA+CF)  
 Peer Group Analysis

As of September 30, 2024

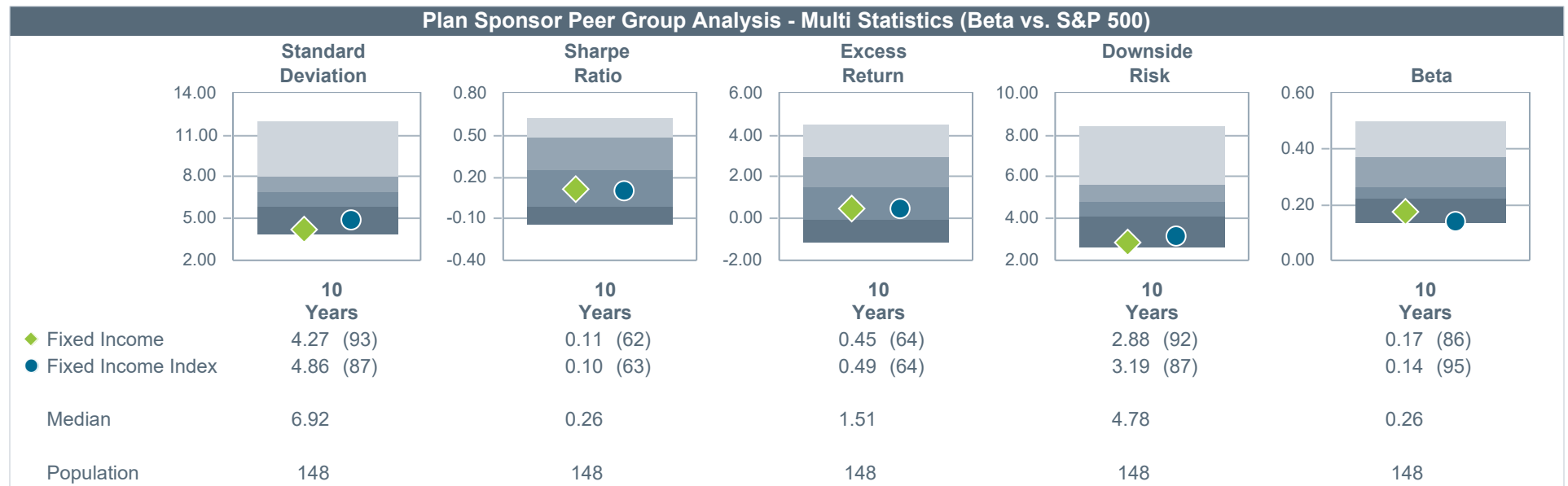
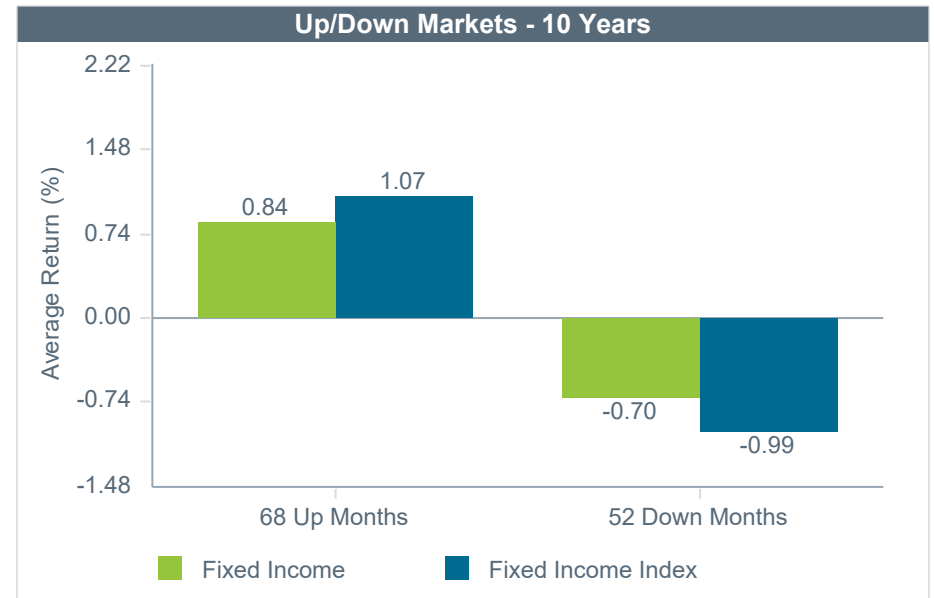
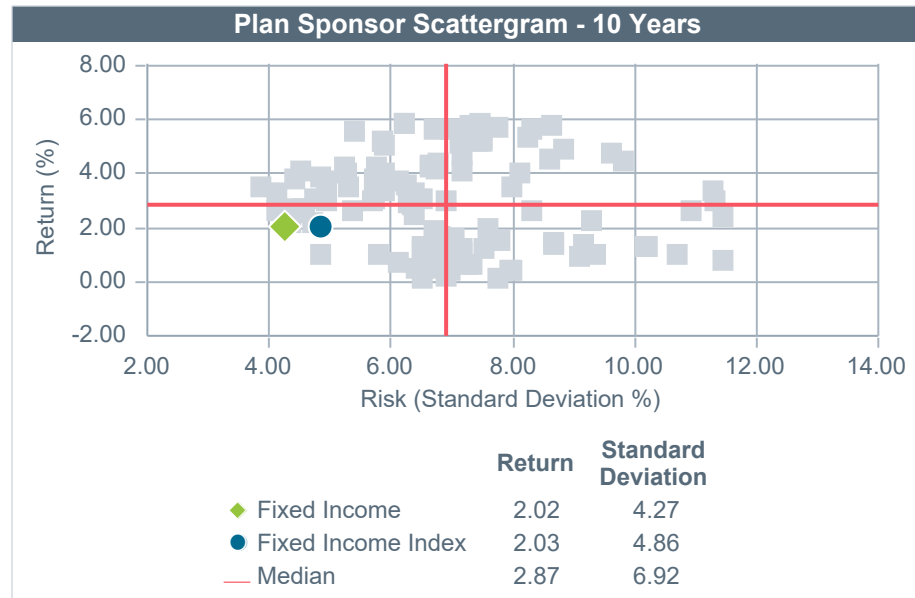


Performance shown is gross of fees. Parentheses contain percentile ranks. Fiscal year for the COJ ends 09/30.



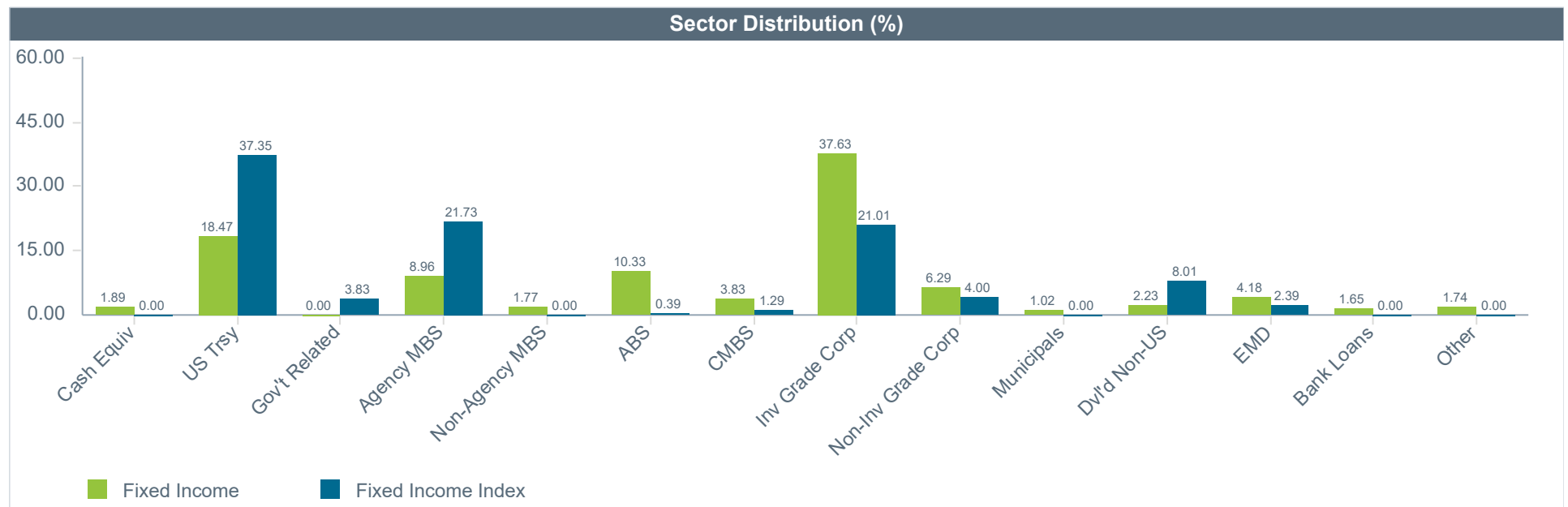


Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.



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

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.22	5.96
Avg. Maturity	6.56	8.17
Avg. Quality	A3	N/A
Yield To Maturity (%)	N/A	4.50
Coupon Rate (%)	4.35	3.61
Current Yield (%)	N/A	N/A

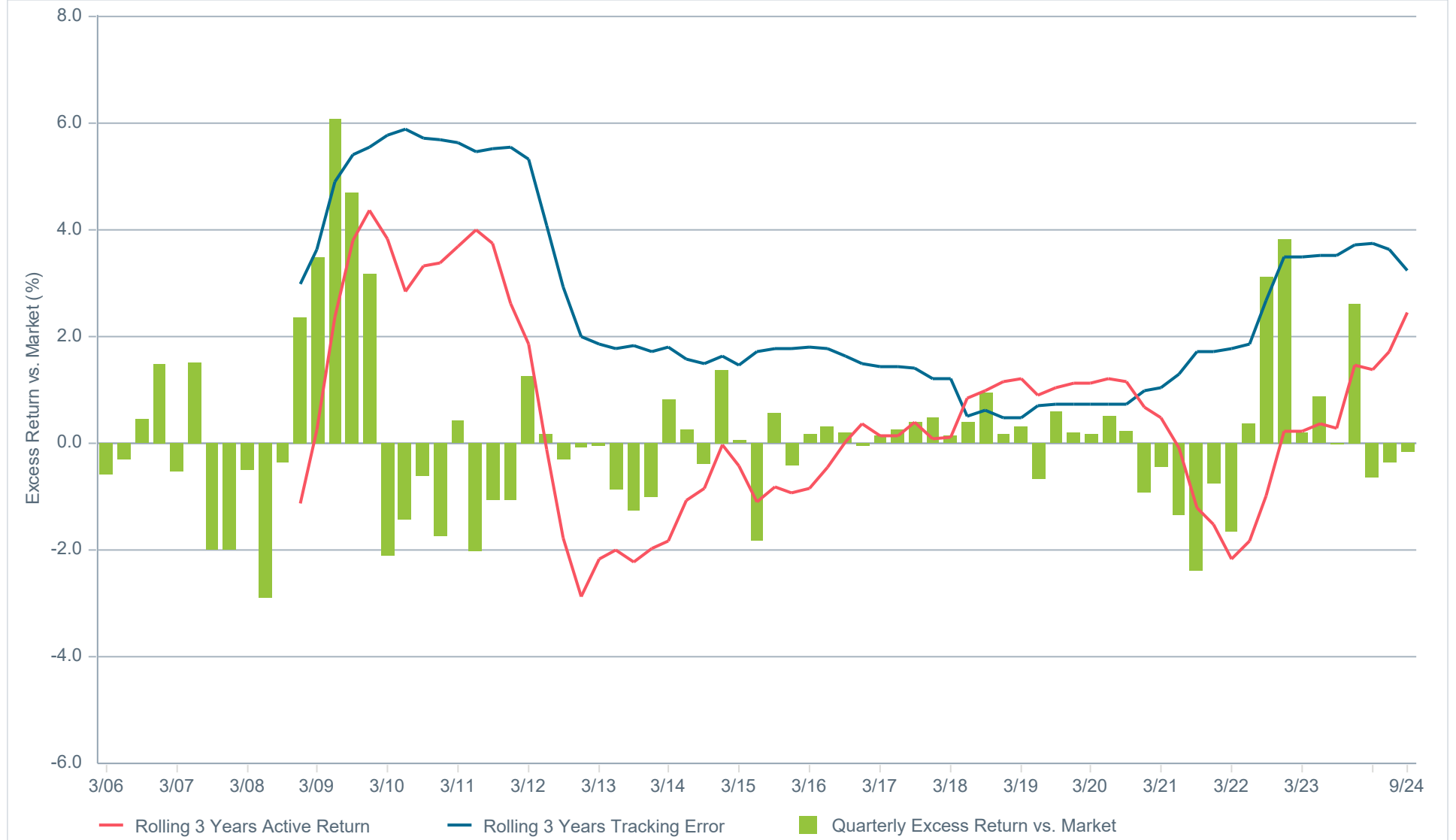


Cash equivalents are defined as any security with duration under one year. Allocation to "Other" consists of preferred equity and convertibles.

City of Jacksonville Employees' Retirement System  
 Real Estate vs. Real Estate Index  
 Comparative Performance & Rolling Return

As of September 30, 2024

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	Since Incep.	Inception Date
Real Estate	-0.08	-4.22	-6.49	-6.49	1.61	2.89	4.16	5.95	-9.29	12.96	15.43	5.48	12/01/2005
Real Estate Index	0.07	-3.08	-7.90	-7.90	-0.97	2.10	3.25	5.18	-12.65	6.57	21.02	5.07	
Difference	-0.15	-1.14	1.41	1.41	2.58	0.79	0.91	0.77	3.36	6.39	-5.59	0.41	



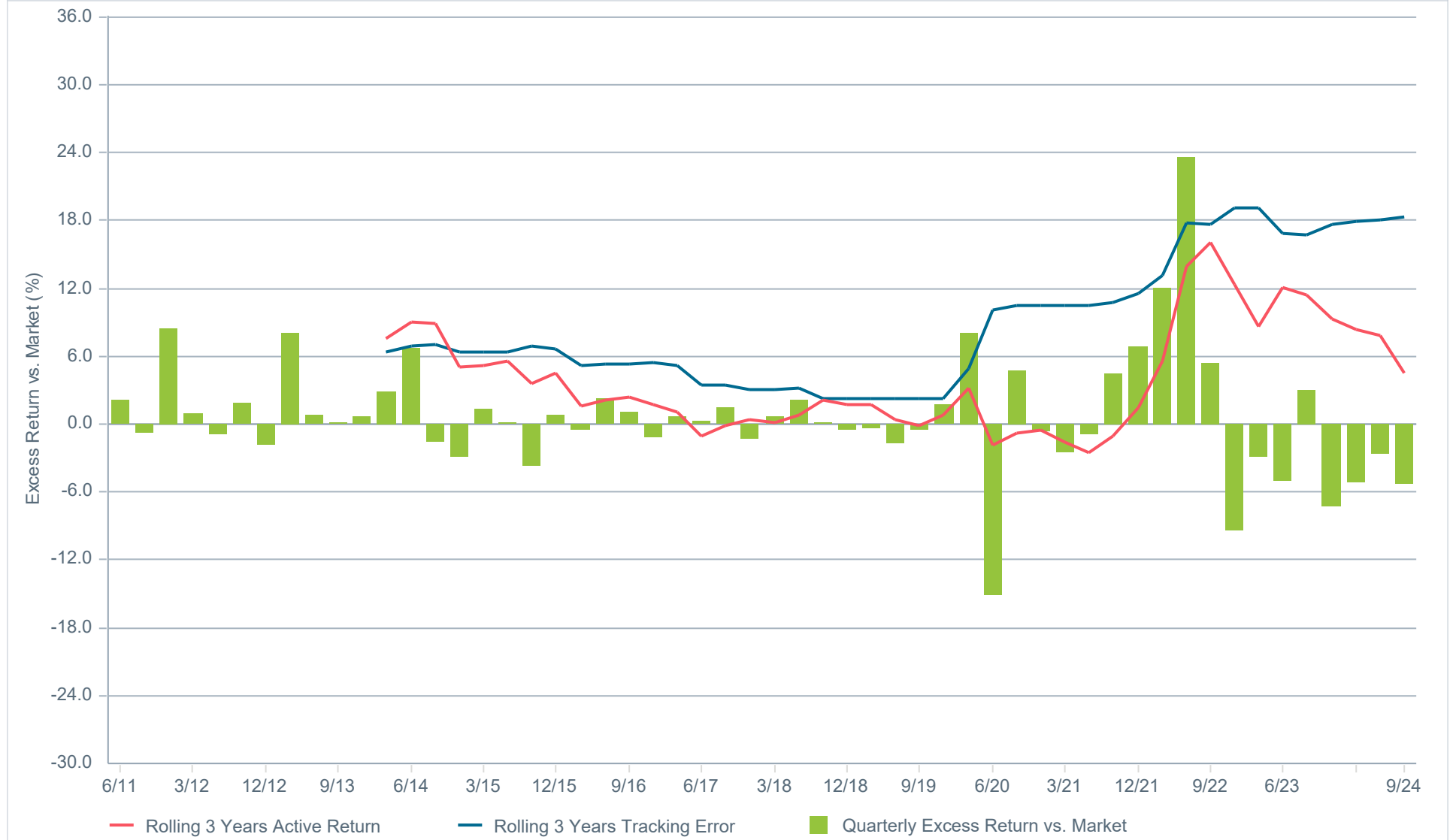
Performance shown is gross of fees. Calculation is based on quarterly periodicity.



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

As of September 30, 2024

	QTD	CYTD	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	Since Incep.	Inception Date
Diversifying Assets	1.17	3.96	7.46	7.46	17.14	12.24	8.80	4.75	10.68	22.88	47.46	8.65	03/01/2011
Diversifying Assets Index	6.52	17.98	30.52	30.52	11.77	7.38	5.71	2.80	23.97	-10.53	36.38	5.19	
Difference	-5.35	-14.02	-23.06	-23.06	5.37	4.86	3.09	1.95	-13.29	33.41	11.08	3.46	



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



City of Jacksonville Employees' Retirement System  
Alternative Investment Real Estate Fund Performance Listing

As of June 30, 2024

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
H.I.G. Realty Partners IV (Onshore) LP	2021	Real Estate - Opportunistic	25,000,000	24,699,844	4,503,809	25,300,181	17.96	2nd	-8.13	1.21
Abacus Multi-Family Partners VI LP	2022	Real Estate - Value Added	20,000,000	6,163,808	0	3,714,699	-50.93	N/A	-8.86	0.60
Bell Value-Add VIII LP	2022	Real Estate - Value Added	20,000,000	3,540,820	58,397	3,032,973	-25.22	N/A	-7.51	0.87
Hammes Partners IV LP	2022	Real Estate - Value Added	15,000,000	618,757	122,986	90,249	N/M	N/A	N/M	0.34
IPI Partners III-A, LP	2023	Real Estate - Value Added	15,000,000	4,492,152	0	5,802,680	N/M	N/A	N/M	1.29
			<b>95,000,000</b>	<b>39,515,381</b>	<b>4,685,192</b>	<b>37,940,782</b>	<b>8.66</b>		<b>-7.94</b>	<b>1.08</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the NCREIF ODCE Index (AWA) (Net) (Monthly)+2% assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin. These accounts all fall under Non-Core Real Estate.





City of Jacksonville Employees' Retirement System  
Alternative Investment Private Equity Fund Performance Listing

As of June 30, 2024

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
ASP COJ PE Fund LP	2020	Private Equity - Fund of Funds	105,000,000	62,937,607	5,564,720	77,801,378 *	16.20	N/A	19.95	1.32
ASP COJ PE LP Tranche 2	2023	Private Equity - Fund of Funds	100,000,000	4,274,452	0	5,071,583 *	28.70	N/A	35.93	1.19
			<b>205,000,000</b>	<b>67,212,059</b>	<b>5,564,720</b>	<b>82,872,961</b>	<b>16.44</b>		<b>20.23</b>	<b>1.32</b>

Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the S&P 500 Index (CW)+3% assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.



City of Jacksonville Employees' Retirement System  
 Alternative Investment Private Credit Fund Performance Listing

As of June 30, 2024

Fund Name	Vintage	Asset Class	Commitment (\$)	Paid In Capital (\$)	Distributions (\$)	Valuation (\$)	Fund IRR (%)	Quartile	Index IRR (%)	Fund Multiple
Hamilton Lane Private Credit (SA)	2021	Private Credit - Direct Investment	250,000,000	82,980,949	16,707,179	78,977,136	12.40	2nd	8.42	1.15
			<b>250,000,000</b>	<b>82,980,949</b>	<b>16,707,179</b>	<b>78,977,136</b>	<b>12.40</b>		<b>8.42</b>	<b>1.15</b>

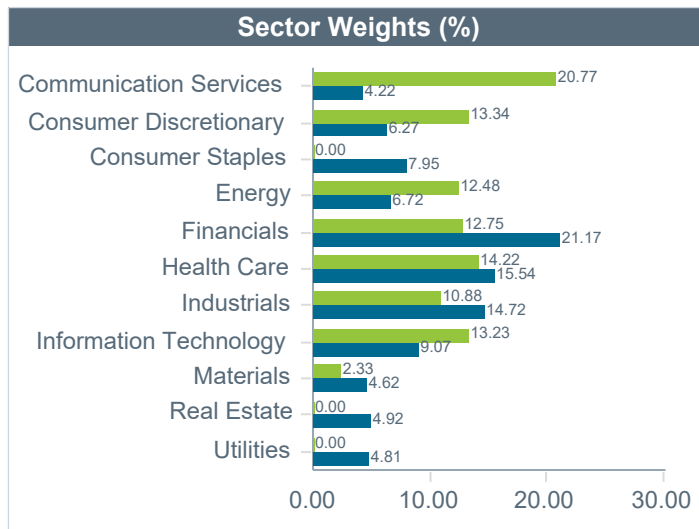
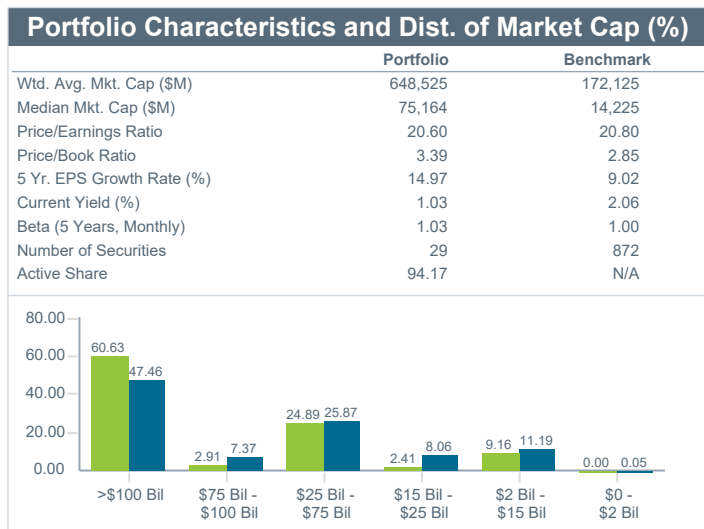
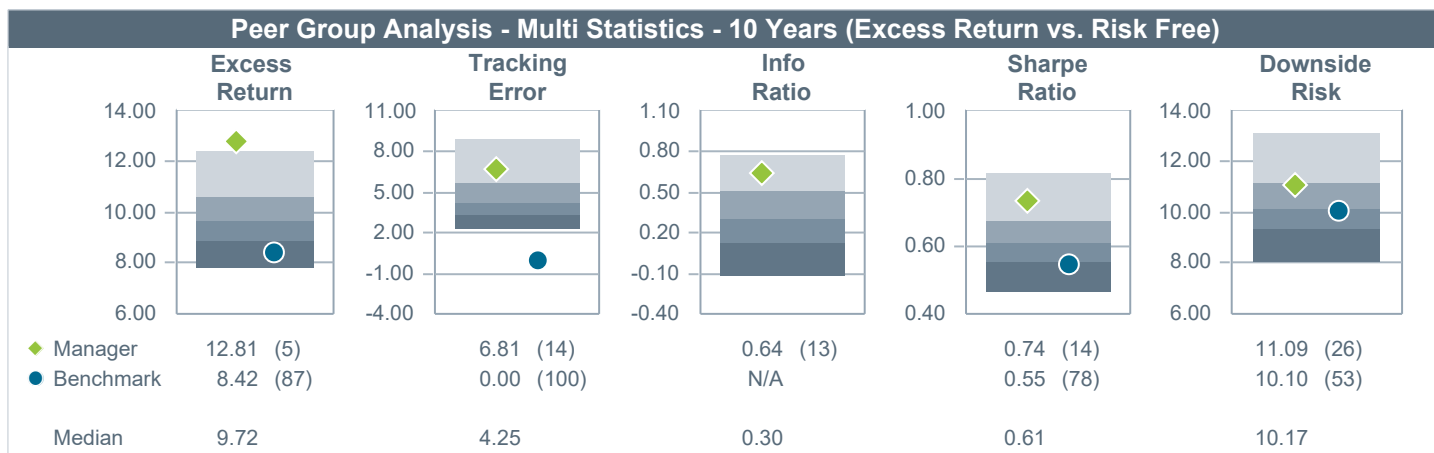
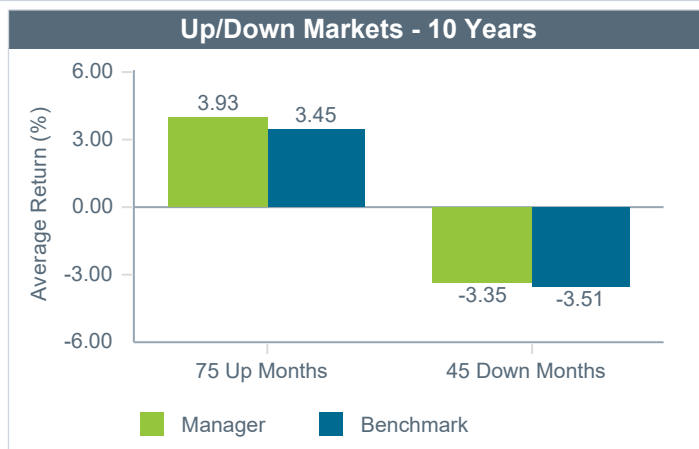
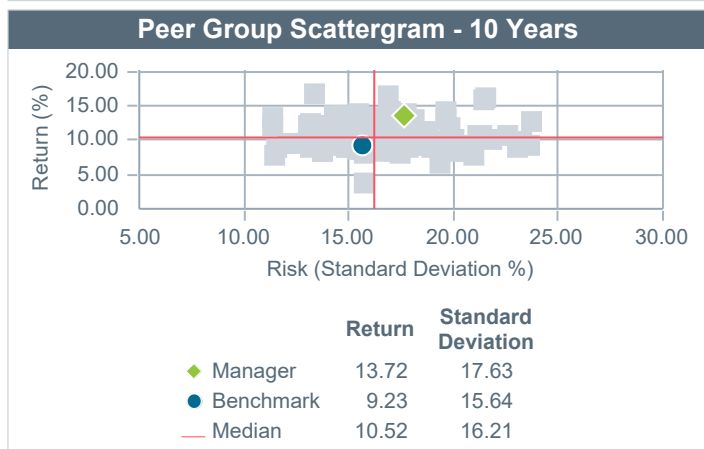
Certain valuations (marked with a \*\*) are preliminary estimates of valuation as of the date of reporting and reflect the estimated impact of subsequent net cash contributions/distributions. These figures may be used in calculations contained in this report. Index IRR represents the dollar-weighted returns calculated using the ICE BofAML Global High Yield Index +2% assuming an index investment with the same cash flow timing. IRRs are shown only for investments with one year or more of cash flows and for which an accurate IRR could be calculated. Applicable IRRs are marked with 'N/M' for not material. Fund IRR is the annualized since-inception net internal rate for the indicated fund or composite. Fund Multiple is the since inception sum of distributions and valuation divided by paid in capital. Quartile data is based on information provided by Preqin.



# Investment Manager Profiles



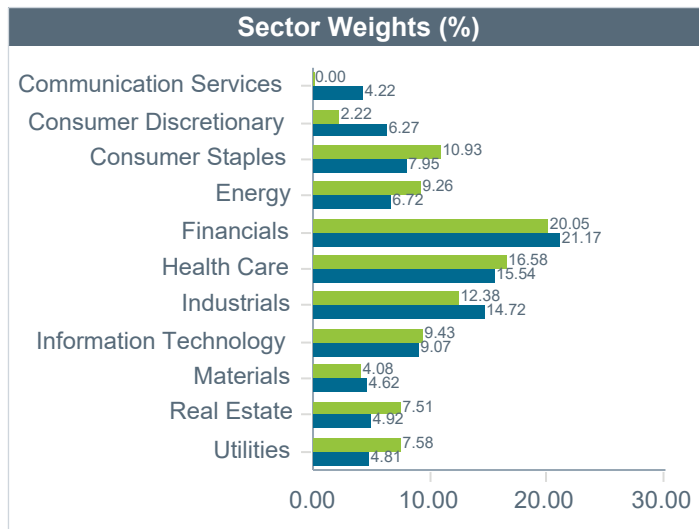
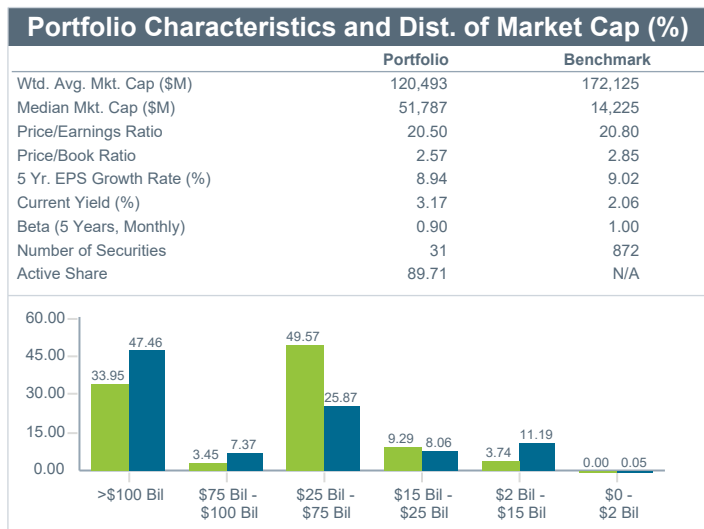
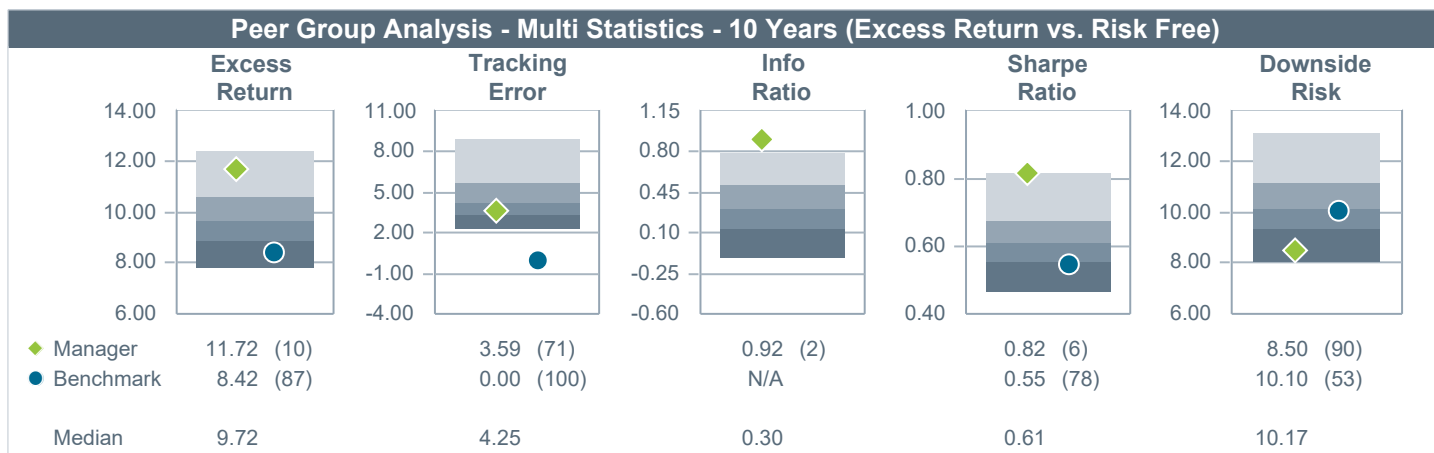
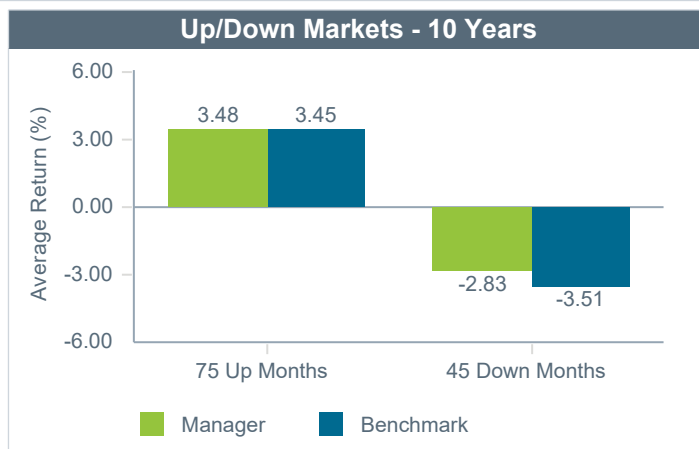
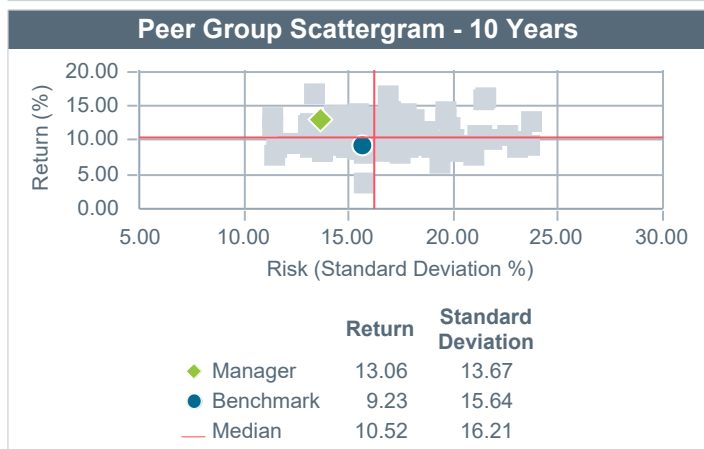
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	2.85	34.00	10.22	16.20	14.68	13.72	39.69	-23.92	28.01	15.54	31.94
Benchmark	9.43	27.76	9.03	10.69	9.53	9.23	11.46	-7.54	25.16	2.80	26.54
Difference	-6.58	6.24	1.19	5.51	5.15	4.49	28.23	-16.38	2.85	12.74	5.40
Peer Group Median	7.72	28.85	10.70	12.89	11.16	10.52	14.00	-5.41	28.03	4.55	27.52
Rank	100	12	60	10	7	5	2	98	51	12	15
Population	219	219	218	210	203	193	248	259	273	289	312



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



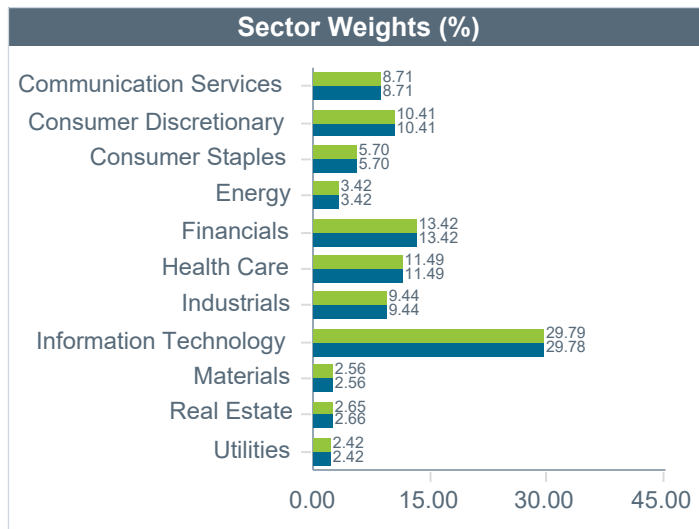
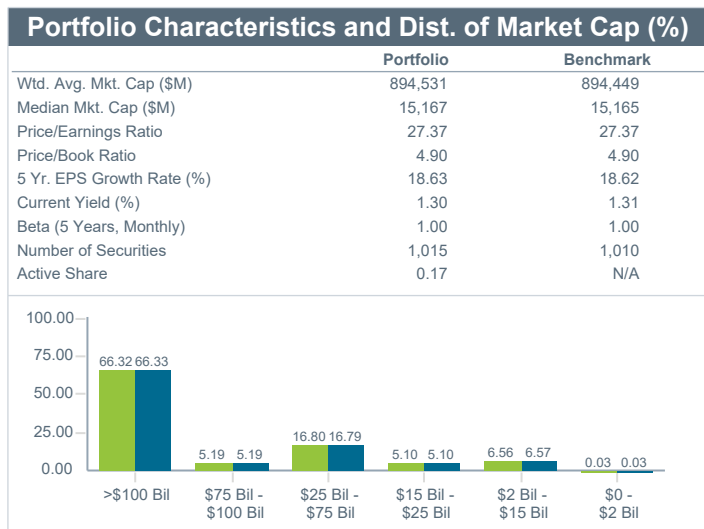
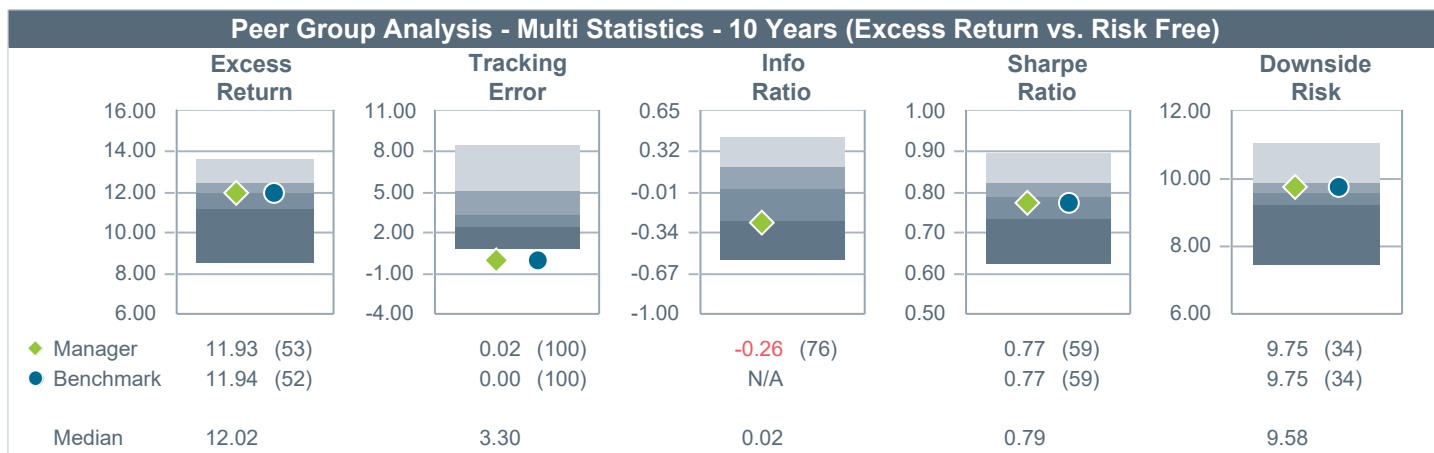
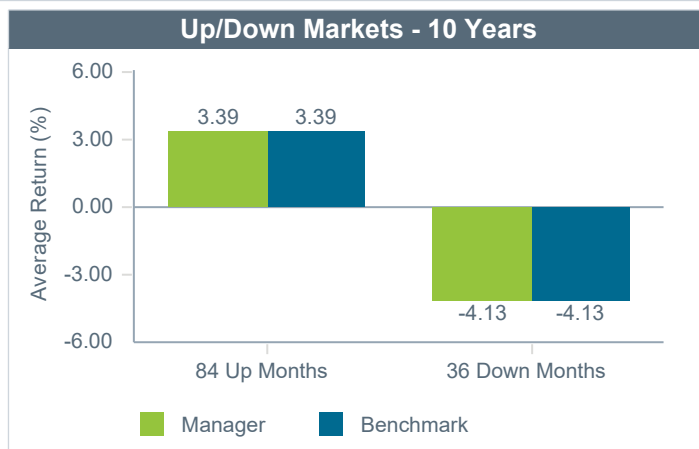
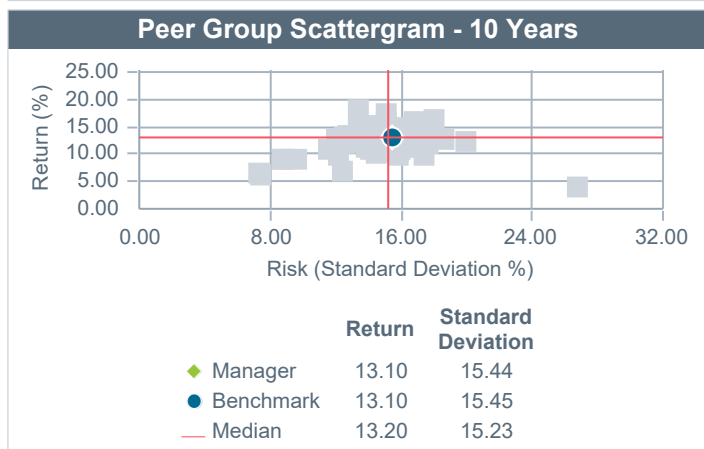
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	9.73	23.50	12.63	15.15	13.57	13.06	8.99	4.15	30.58	10.07	31.19
Benchmark	9.43	27.76	9.03	10.69	9.53	9.23	11.46	-7.54	25.16	2.80	26.54
Difference	0.30	-4.26	3.60	4.46	4.04	3.83	-2.47	11.69	5.42	7.27	4.65
Peer Group Median	7.72	28.85	10.70	12.89	11.16	10.52	14.00	-5.41	28.03	4.55	27.52
Rank	16	90	19	18	12	8	85	6	25	28	18
Population	219	219	218	210	203	193	248	259	273	289	312



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



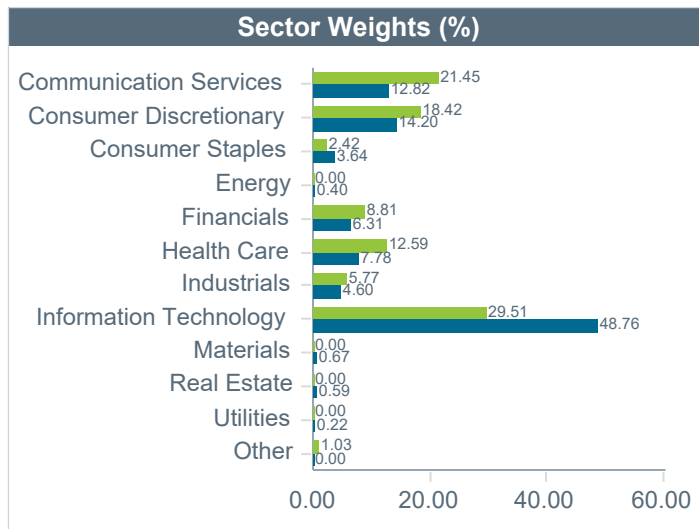
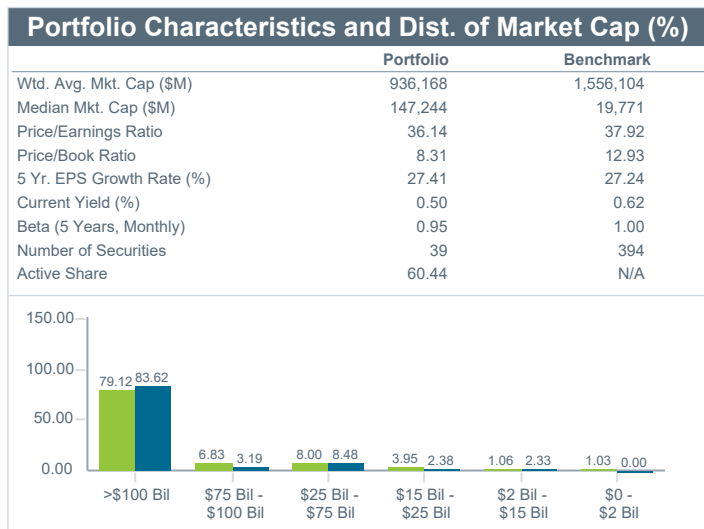
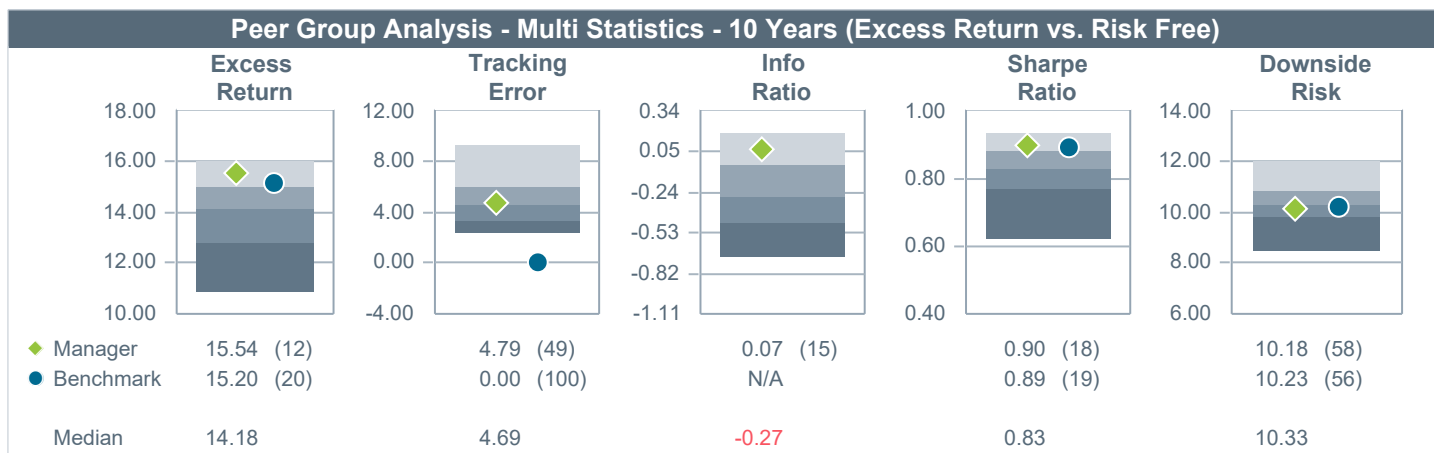
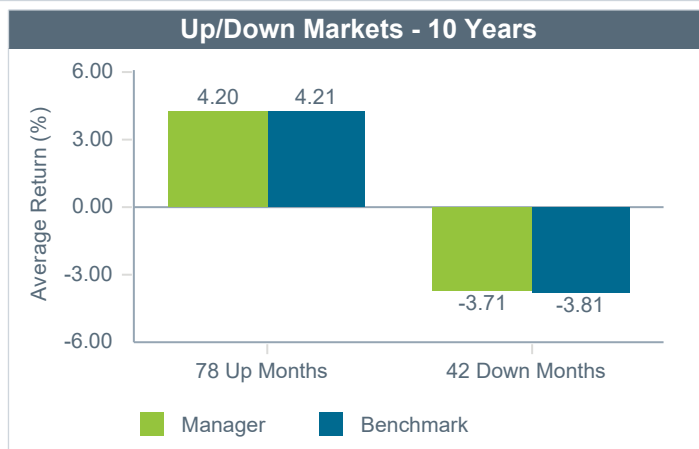
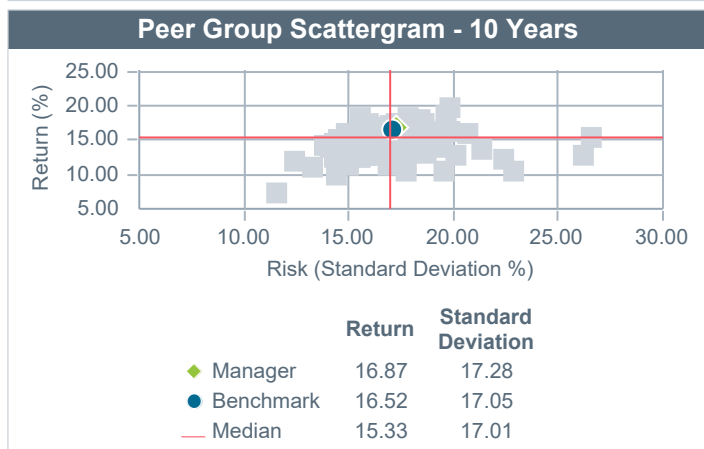
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
<b>Manager</b>	<b>6.08</b>	<b>35.71</b>	<b>10.83</b>	<b>15.64</b>	<b>14.18</b>	<b>13.10</b>	<b>26.56</b>	<b>-19.14</b>	<b>26.46</b>	<b>20.91</b>	<b>31.42</b>
Benchmark	6.08	35.68	10.83	15.64	14.18	13.10	26.53	-19.13	26.45	20.96	31.43
Difference	0.00	0.03	0.00	0.00	0.00	0.00	0.03	-0.01	0.01	-0.05	-0.01
Peer Group Median	5.89	35.30	11.09	15.59	13.92	13.20	24.70	-16.54	27.75	17.69	30.13
Rank	41	46	57	49	46	53	35	76	60	29	36
Population	174	174	170	162	155	145	212	224	226	240	265



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



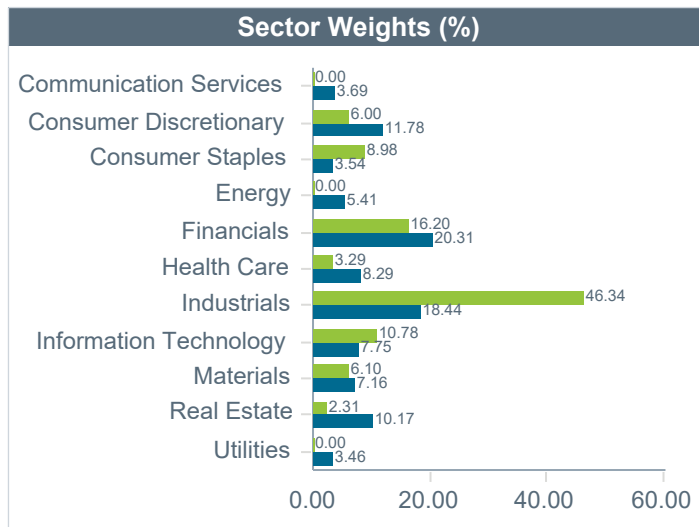
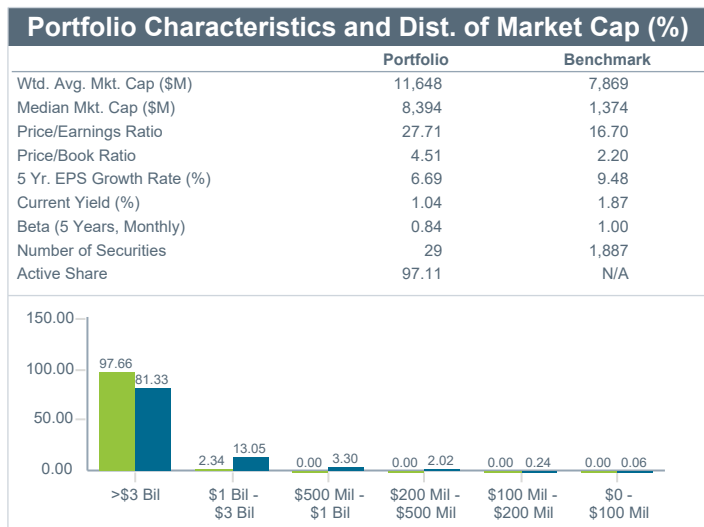
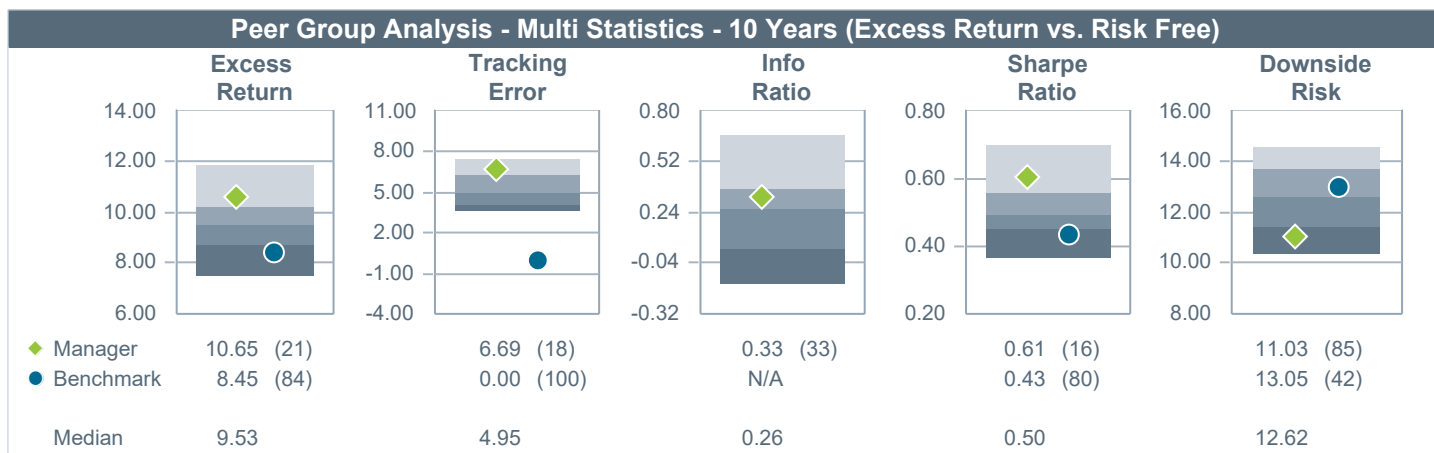
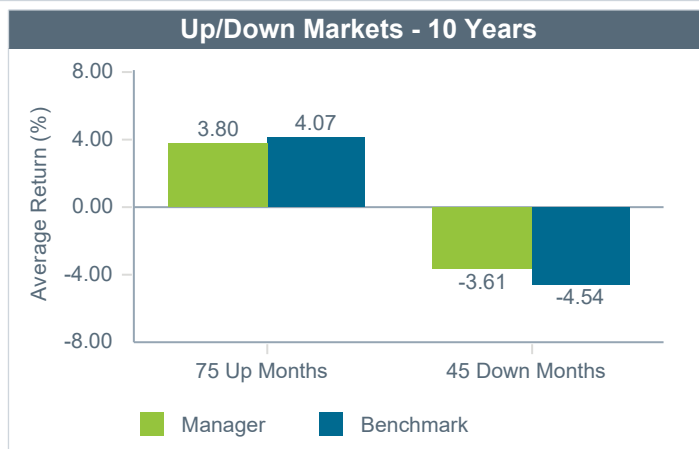
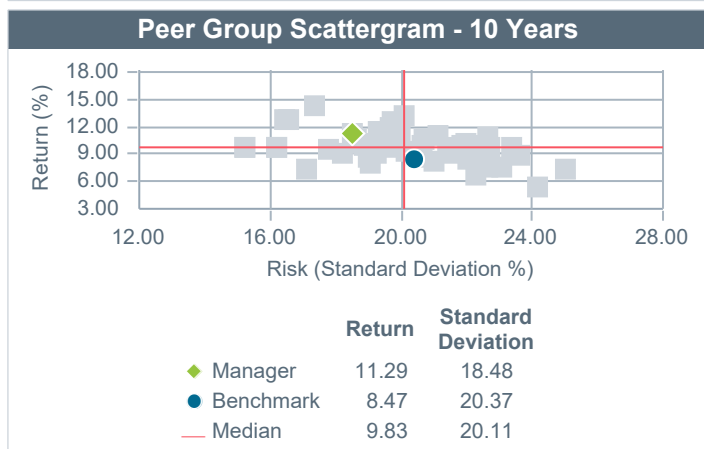
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
<b>Manager</b>	<b>5.15</b>	<b>41.11</b>	<b>13.58</b>	<b>19.09</b>	<b>17.13</b>	<b>16.87</b>	<b>52.53</b>	<b>-27.15</b>	<b>19.45</b>	<b>32.95</b>	<b>32.71</b>
Benchmark	3.19	42.19	12.02	19.74	18.20	16.52	42.68	-29.14	27.60	38.49	36.39
Difference	1.96	-1.08	1.56	-0.65	-1.07	0.35	9.85	1.99	-8.15	-5.54	-3.68
Peer Group Median	3.45	40.90	9.73	17.50	16.59	15.33	39.65	-29.03	24.98	35.35	34.01
Rank	25	49	10	26	39	10	7	40	81	63	63
Population	179	179	177	175	169	156	205	212	216	226	240



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



Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	7.96	25.96	4.47	11.11	10.53	11.29	17.87	-20.00	22.18	24.69	33.20
Benchmark	9.63	26.59	6.06	9.99	7.85	8.47	15.98	-13.08	27.78	4.88	23.56
Difference	-1.67	-0.63	-1.59	1.12	2.68	2.82	1.89	-6.92	-5.60	19.81	9.64
Peer Group Median	8.79	24.77	7.15	11.26	9.24	9.83	16.04	-10.12	27.91	7.17	27.19
Rank	64	37	80	62	29	17	36	91	93	5	6
Population	58	58	58	56	54	51	69	76	78	85	85

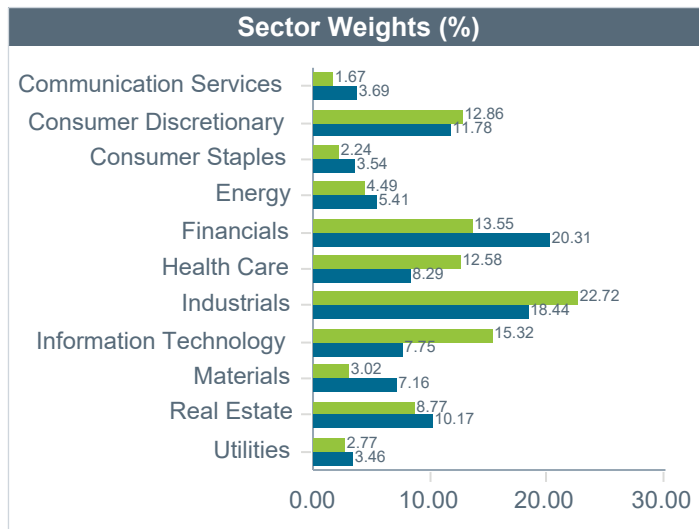
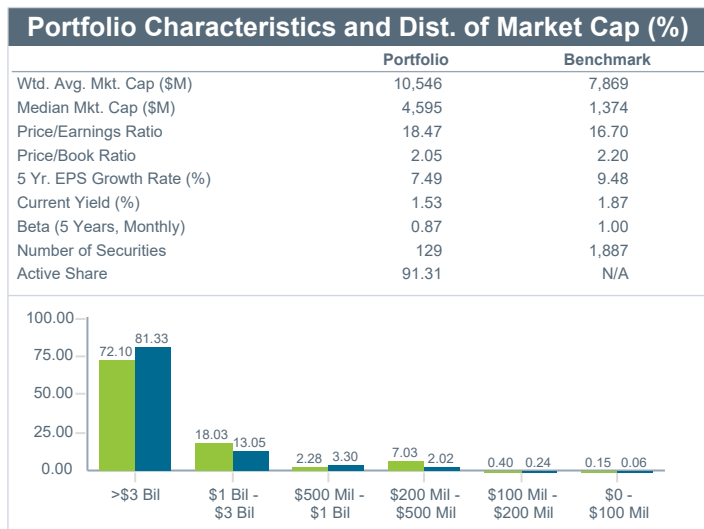
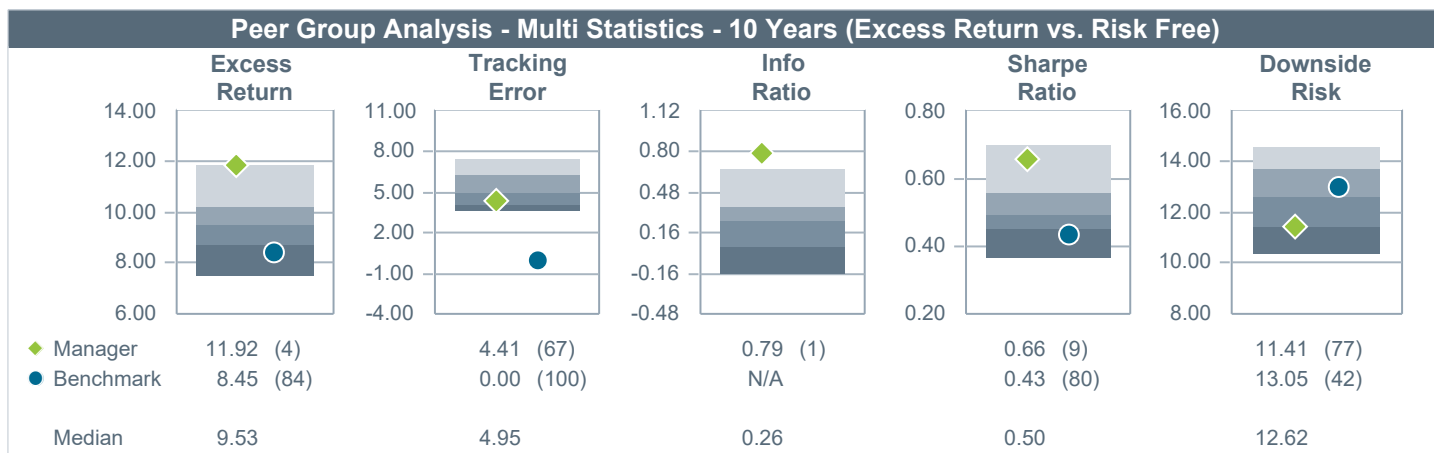
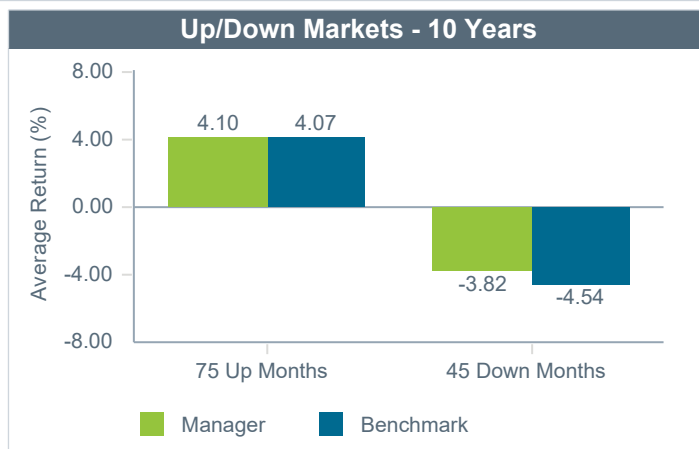
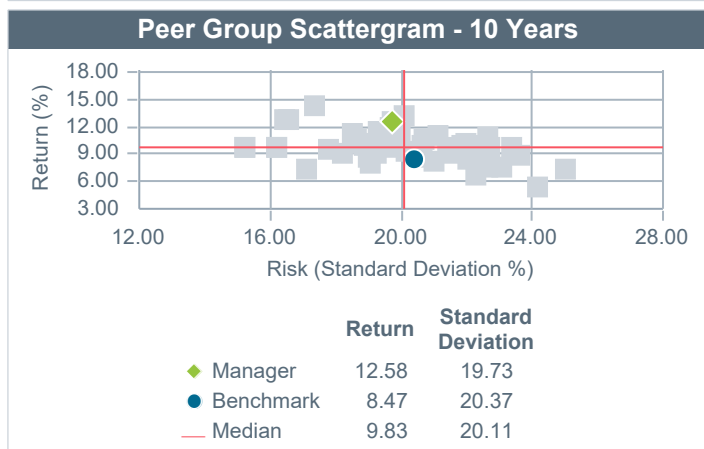


Performance shown is gross of fees and product specific prior to client inception. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.





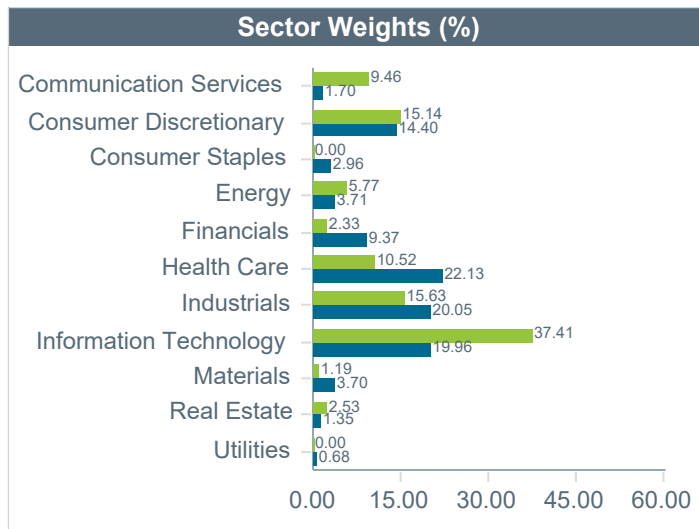
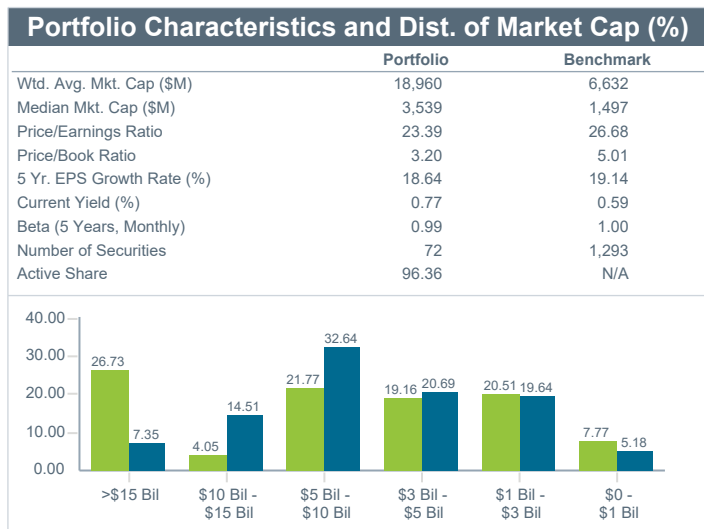
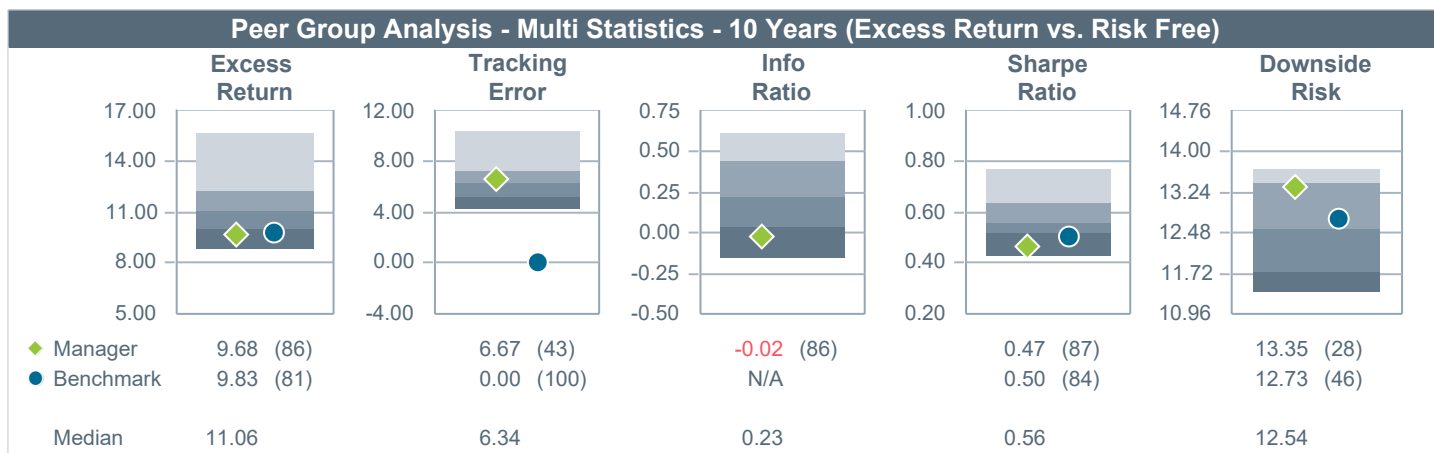
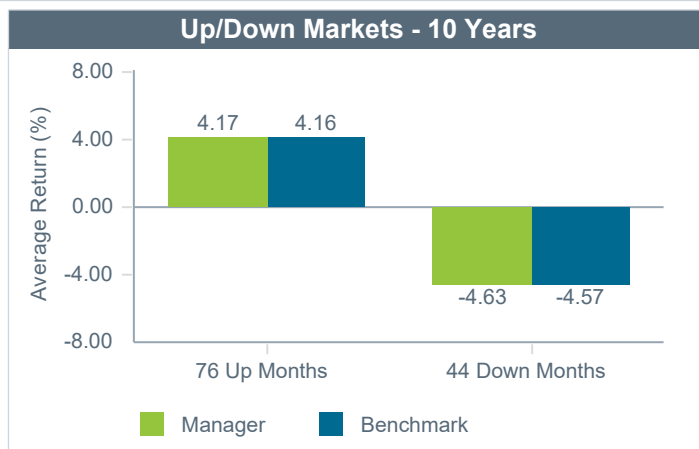
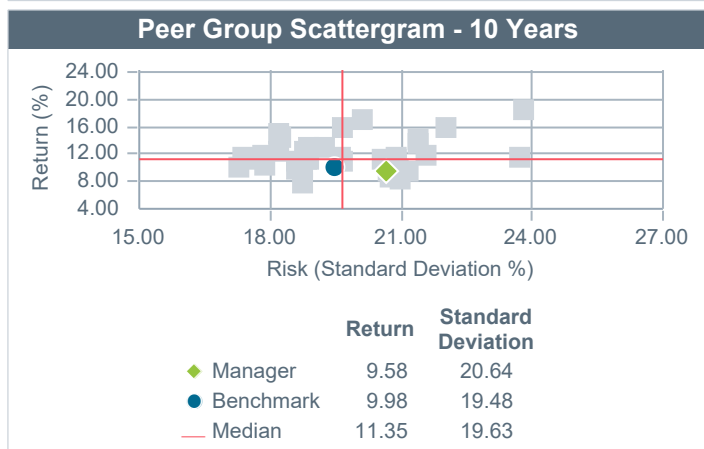
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	8.74	27.74	9.88	13.75	10.81	12.58	19.31	-9.07	31.53	7.55	27.80
Benchmark	9.63	26.59	6.06	9.99	7.85	8.47	15.98	-13.08	27.78	4.88	23.56
Difference	-0.89	1.15	3.82	3.76	2.96	4.11	3.33	4.01	3.75	2.67	4.24
Peer Group Median	8.79	24.77	7.15	11.26	9.24	9.83	16.04	-10.12	27.91	7.17	27.19
Rank	52	27	14	17	24	8	24	42	26	48	42
Population	58	58	58	56	54	51	69	76	78	85	85



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



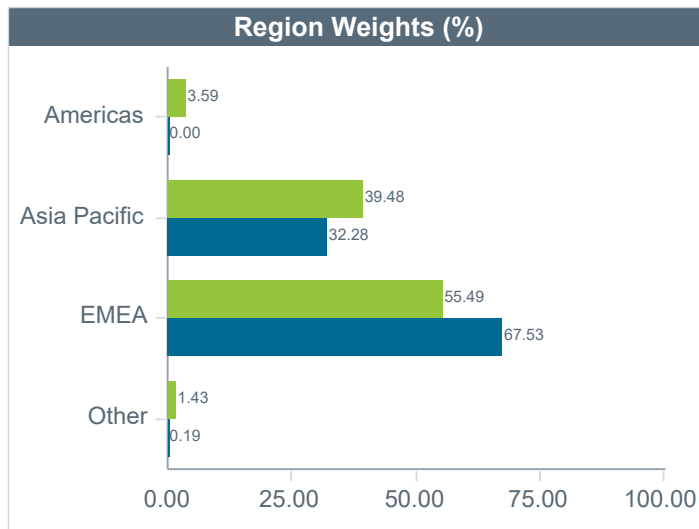
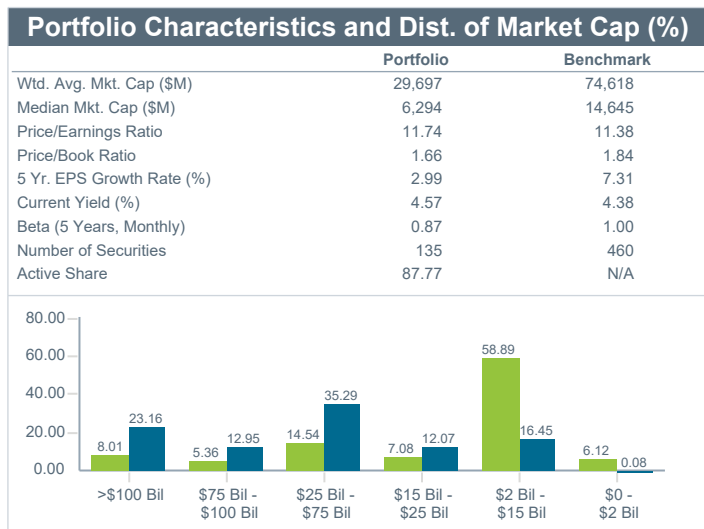
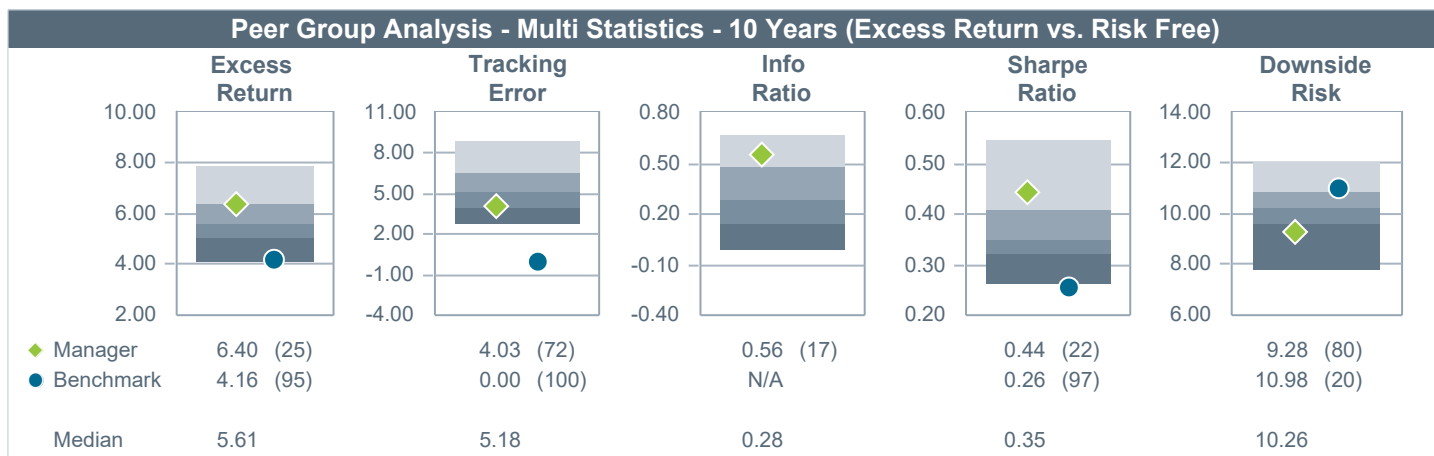
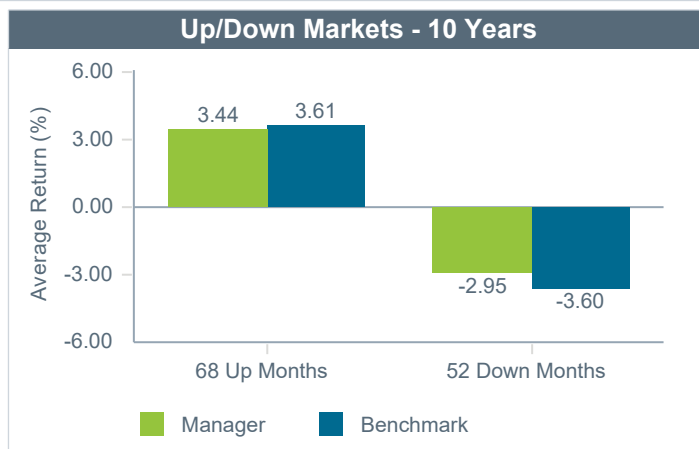
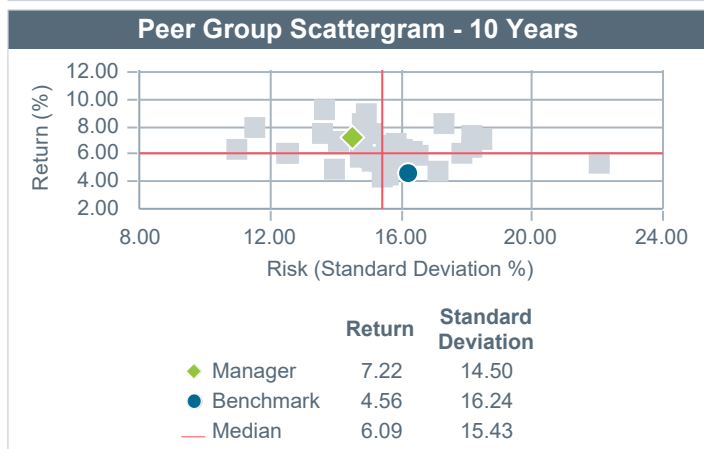
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	1.80	17.13	-1.60	10.03	8.62	9.58	15.67	-23.95	12.71	33.32	41.57
Benchmark	6.99	25.20	-0.75	9.75	9.43	9.98	18.93	-26.21	5.04	40.47	32.65
Difference	-5.19	-8.07	-0.85	0.28	-0.81	-0.40	-3.26	2.26	7.67	-7.15	8.92
Peer Group Median	6.95	25.75	0.16	12.50	12.09	11.35	18.84	-27.59	13.32	45.80	32.24
Rank	99	80	65	71	90	90	71	32	57	78	5
Population	61	61	59	55	49	38	63	62	64	63	59



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



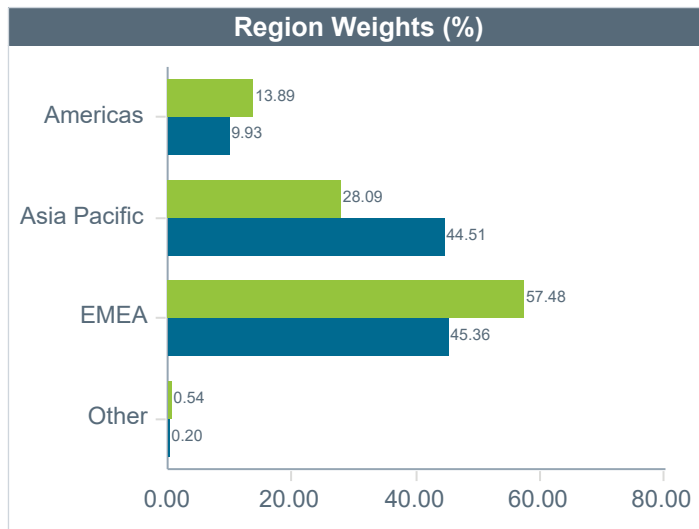
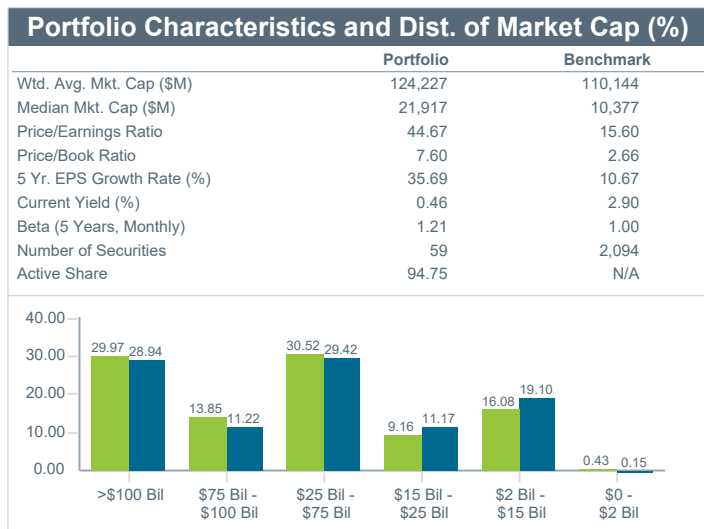
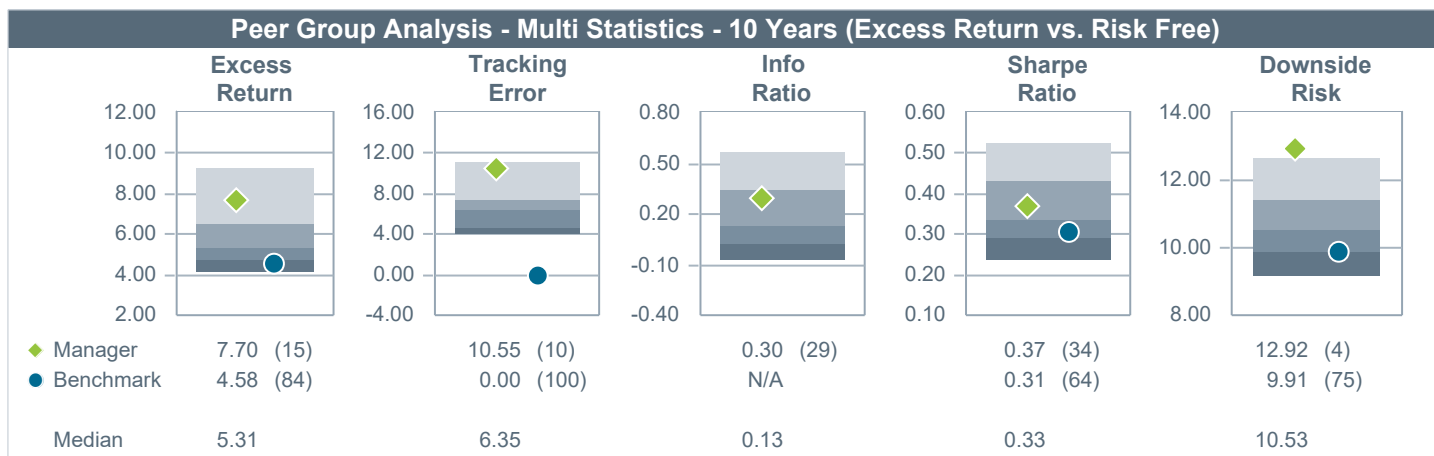
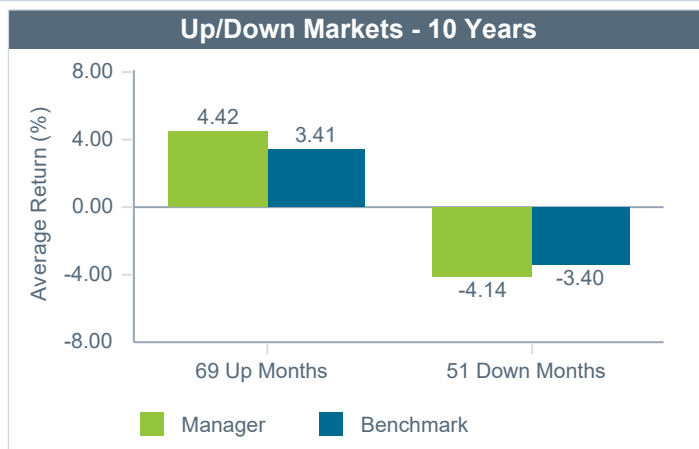
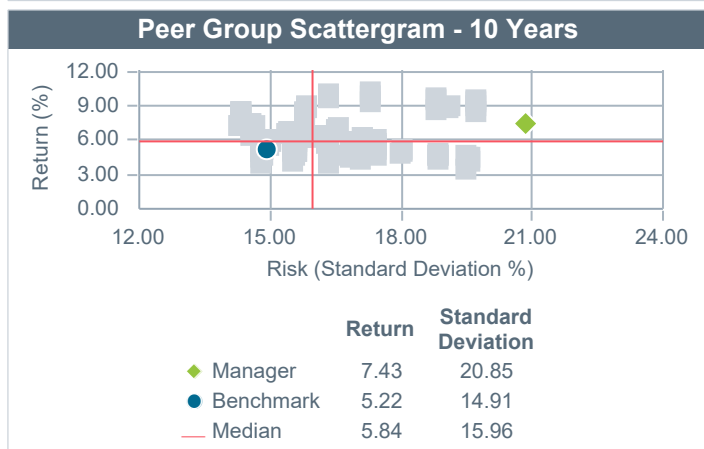
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	10.07	19.84	8.63	9.54	6.50	7.22	21.78	-5.23	12.52	0.17	18.05
Benchmark	8.89	23.14	8.94	8.27	5.02	4.56	18.95	-5.58	10.89	-2.63	16.09
Difference	1.18	-3.30	-0.31	1.27	1.48	2.66	2.83	0.35	1.63	2.80	1.96
Peer Group Median	9.06	24.66	7.42	8.79	6.30	6.09	18.42	-9.94	11.65	4.55	21.17
Rank	32	98	27	37	39	22	8	10	42	81	90
Population	38	38	38	38	37	37	38	45	46	51	57



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



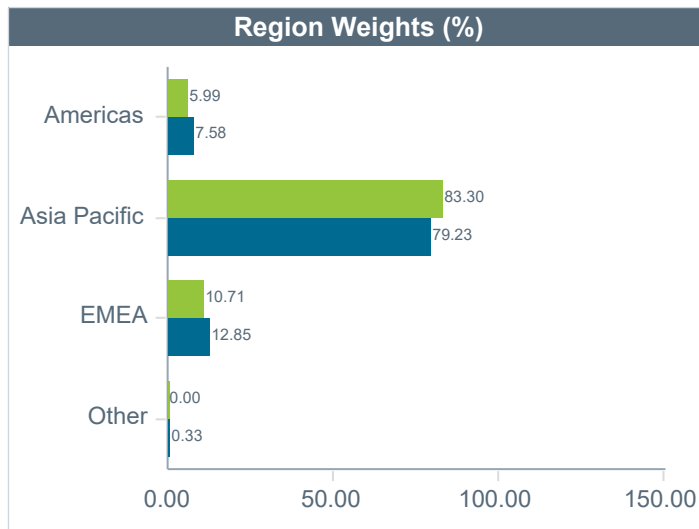
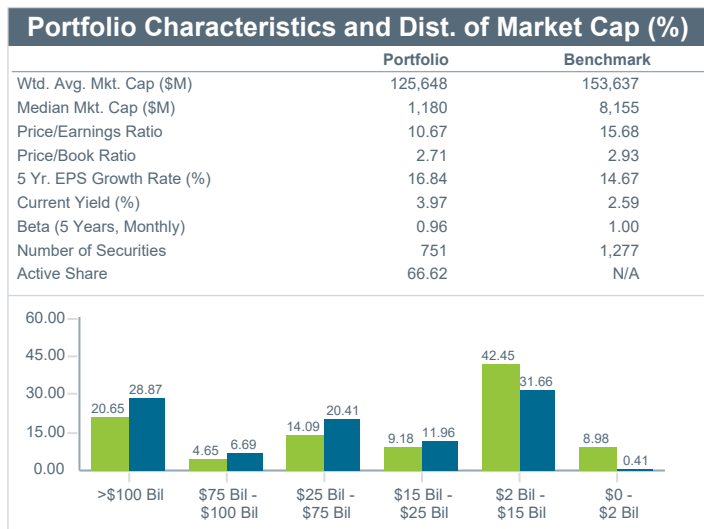
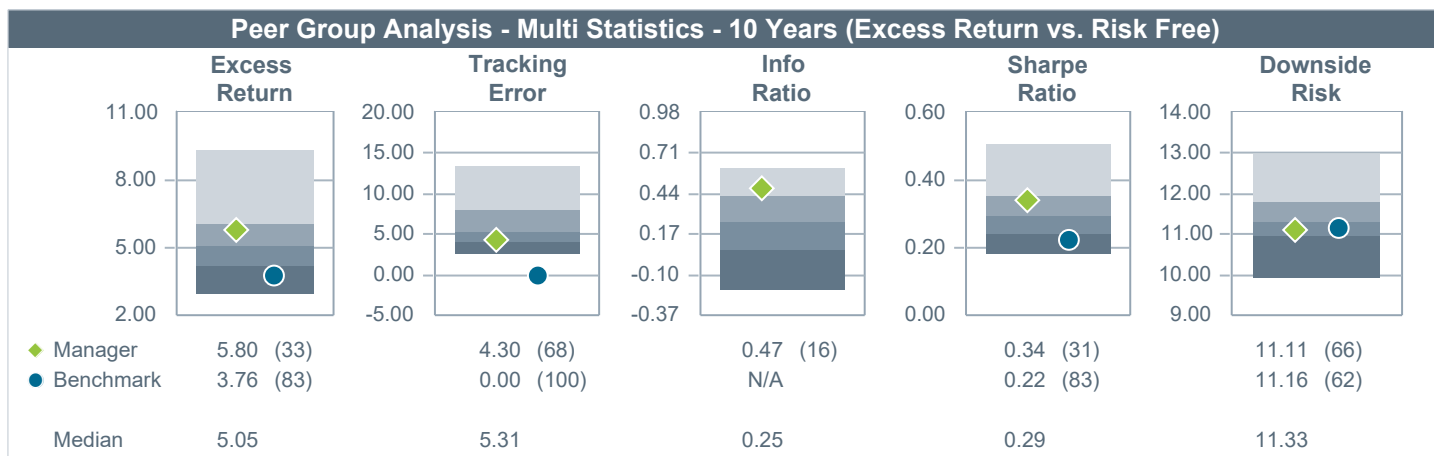
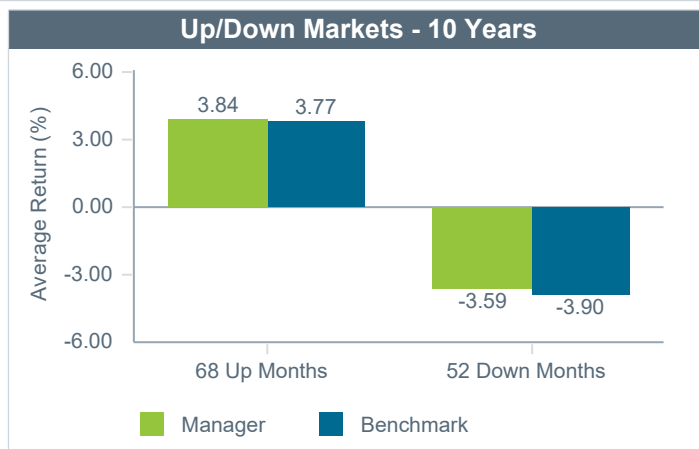
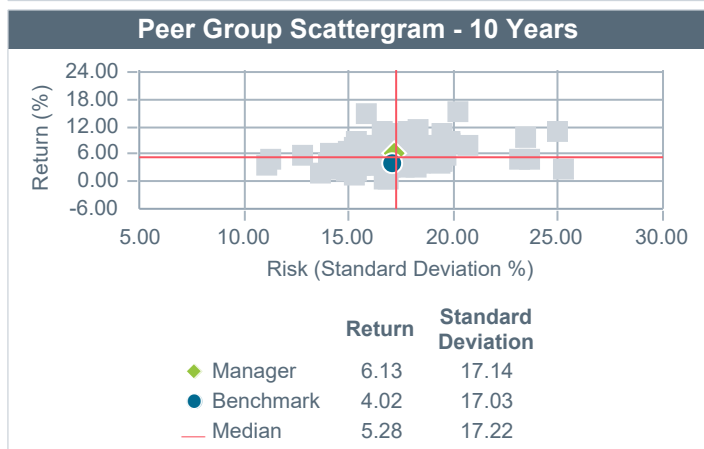
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
<b>Manager</b>	<b>9.94</b>	<b>29.22</b>	<b>-6.34</b>	<b>7.75</b>	<b>5.87</b>	<b>7.43</b>	<b>14.42</b>	<b>-34.36</b>	<b>-9.32</b>	<b>63.13</b>	<b>37.48</b>
Benchmark	8.06	25.35	4.14	7.59	5.44	5.22	15.62	-16.00	7.82	10.65	21.51
Difference	1.88	3.87	-10.48	0.16	0.43	2.21	-1.20	-18.36	-17.14	52.48	15.97
Peer Group Median	6.31	24.78	-1.17	6.96	5.46	5.84	15.36	-26.63	7.93	22.75	27.84
Rank	19	24	96	32	36	23	65	90	98	1	2
Population	158	158	158	158	158	120	162	170	170	170	172



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



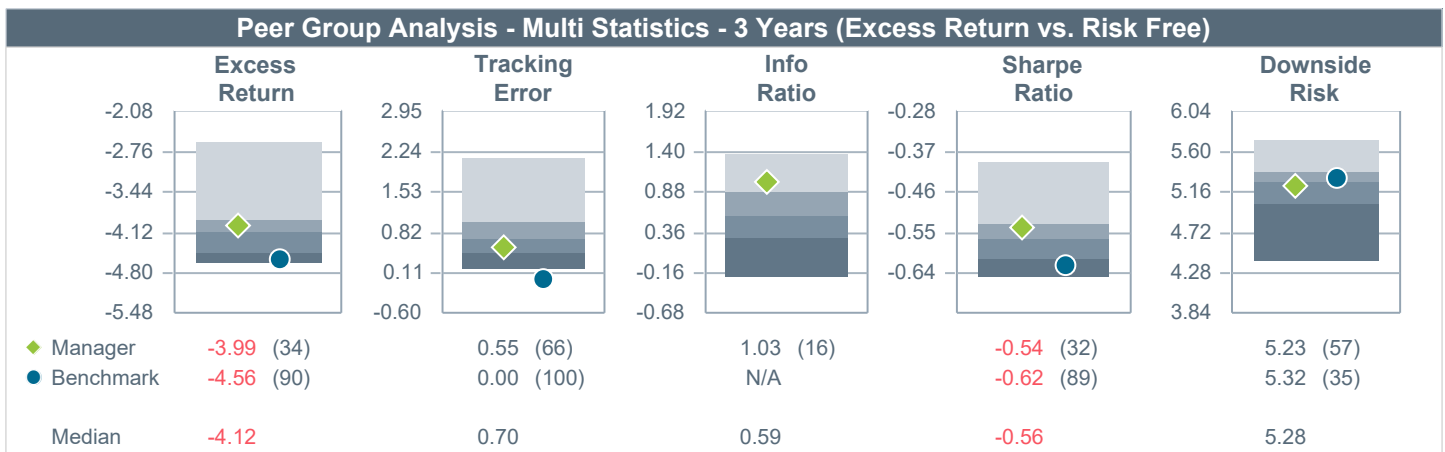
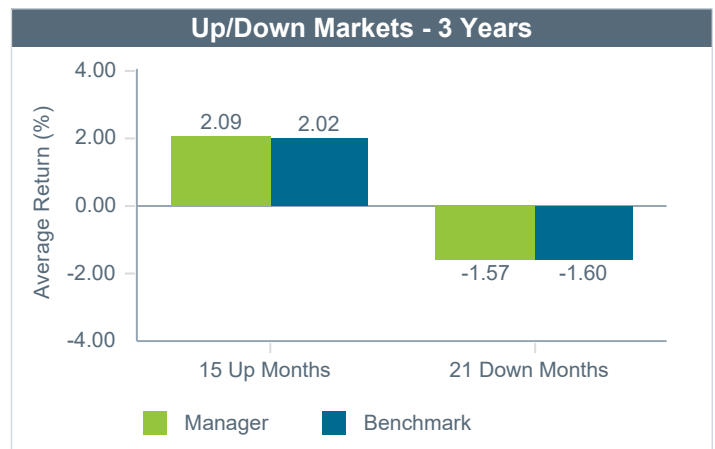
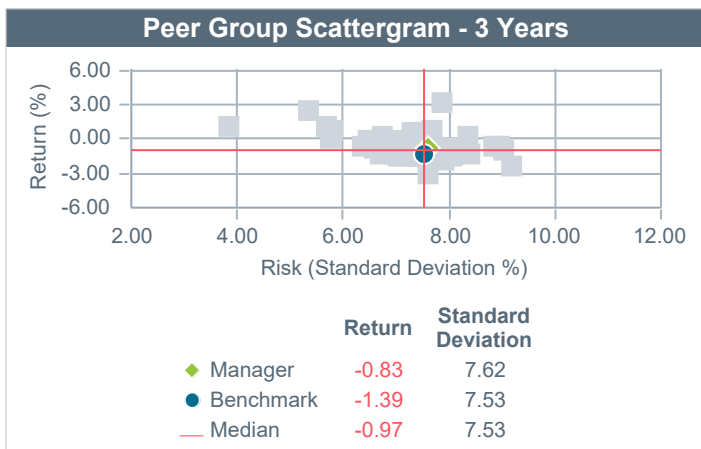
Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
<b>Manager</b>	<b>7.07</b>	<b>32.73</b>	<b>6.67</b>	<b>10.52</b>	<b>6.11</b>	<b>6.13</b>	<b>22.81</b>	<b>-19.69</b>	<b>8.75</b>	<b>12.55</b>	<b>18.00</b>
Benchmark	8.72	26.05	0.40	5.75	3.65	4.02	9.83	-20.09	-2.54	18.31	18.42
Difference	-1.65	6.68	6.27	4.77	2.46	2.11	12.98	0.40	11.29	-5.76	-0.42
Peer Group Median	7.49	25.19	1.02	7.36	4.87	5.28	12.91	-19.61	1.13	18.29	20.15
Rank	55	8	21	24	31	31	19	51	25	75	66
Population	282	286	273	250	224	195	318	328	335	361	380



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

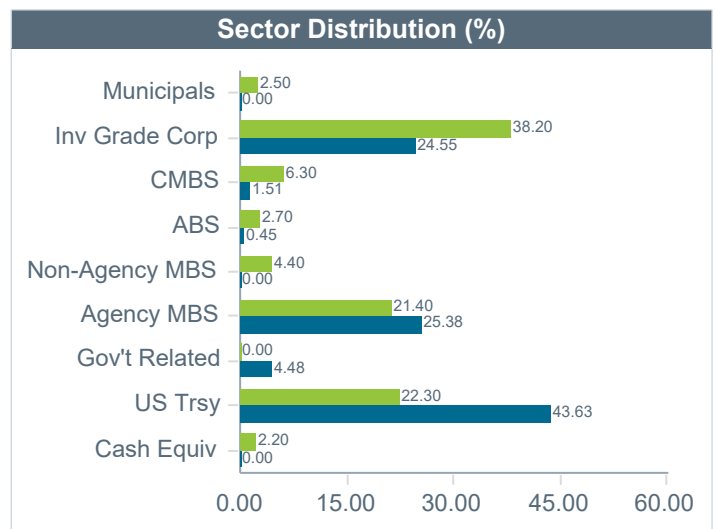


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	5.46	13.01	-0.83	N/A	N/A	N/A	6.68	-13.23	N/A	N/A	N/A
Benchmark	5.20	11.57	-1.39	0.33	1.47	1.84	5.53	-13.01	-1.55	7.51	8.72
Difference	0.26	1.44	0.56	N/A	N/A	N/A	1.15	-0.22	N/A	N/A	N/A
Peer Group Median	5.24	12.30	-0.97	0.89	2.00	2.33	5.98	-12.95	-1.24	8.34	9.17
Rank	14	17	37	N/A	N/A	N/A	19	74	N/A	N/A	N/A
Population	129	128	127	126	123	120	138	146	152	160	162



### Portfolio Characteristics

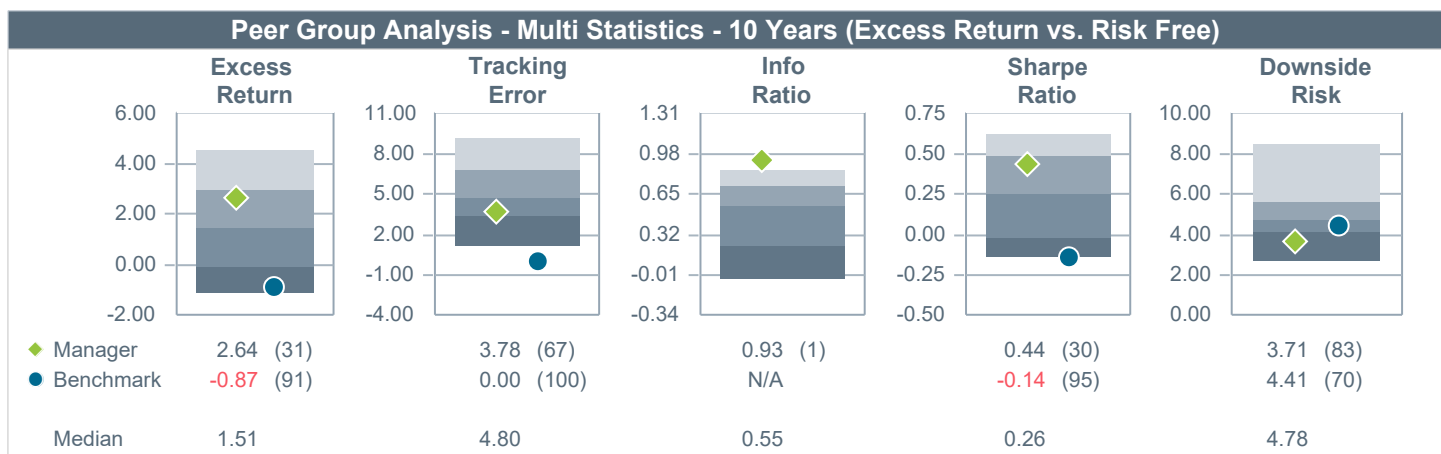
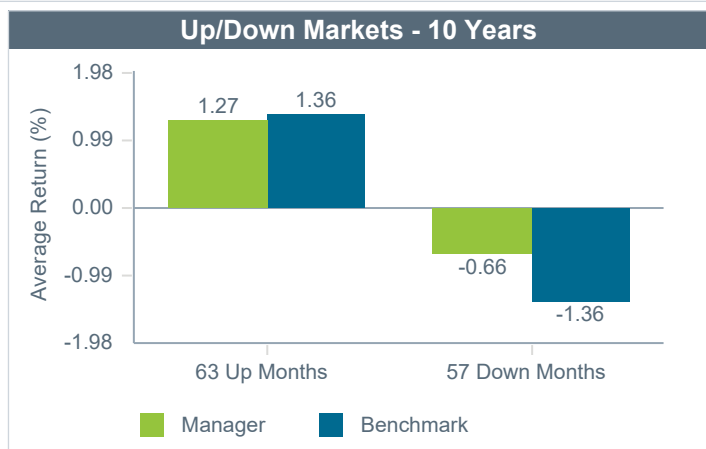
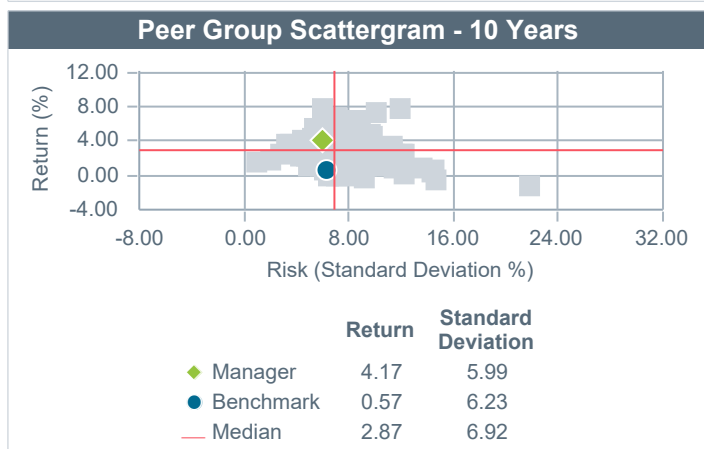
	Portfolio	Benchmark
Effective Duration	6.18	6.20
Spread Duration	3.76	N/A
Avg. Maturity	8.19	8.36
Avg. Quality	Aa3	Aa2/Aa3
Yield To Maturity (%)	N/A	4.23
Coupon Rate (%)	3.57	3.37
Current Yield (%)	N/A	N/A
Holdings Count	202	13,702



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

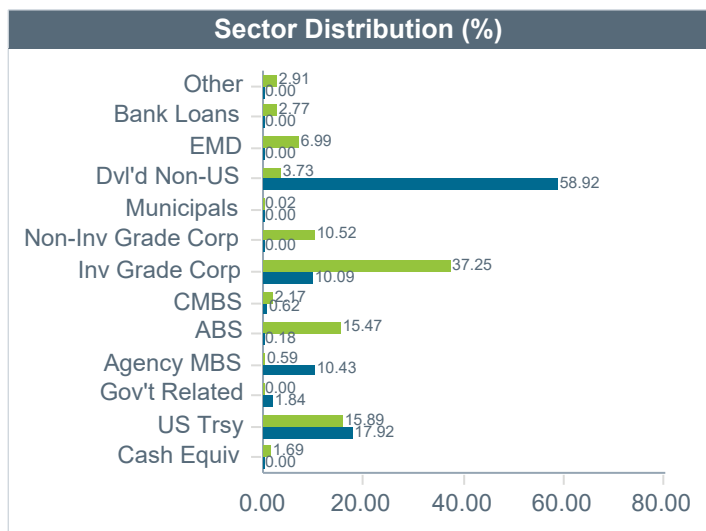


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	5.85	15.19	0.67	3.59	3.93	4.17	8.56	-12.09	0.55	15.08	9.79
Benchmark	6.98	11.99	-3.06	-0.83	0.26	0.57	5.72	-16.25	-4.71	9.20	6.84
Difference	-1.13	3.20	3.73	4.42	3.67	3.60	2.84	4.16	5.26	5.88	2.95
Peer Group Median	4.97	13.44	0.67	2.76	3.03	2.87	9.02	-12.13	0.51	8.45	9.72
Rank	37	26	50	37	34	29	53	50	49	7	49
Population	188	188	184	174	166	148	211	224	236	251	258



### Portfolio Characteristics

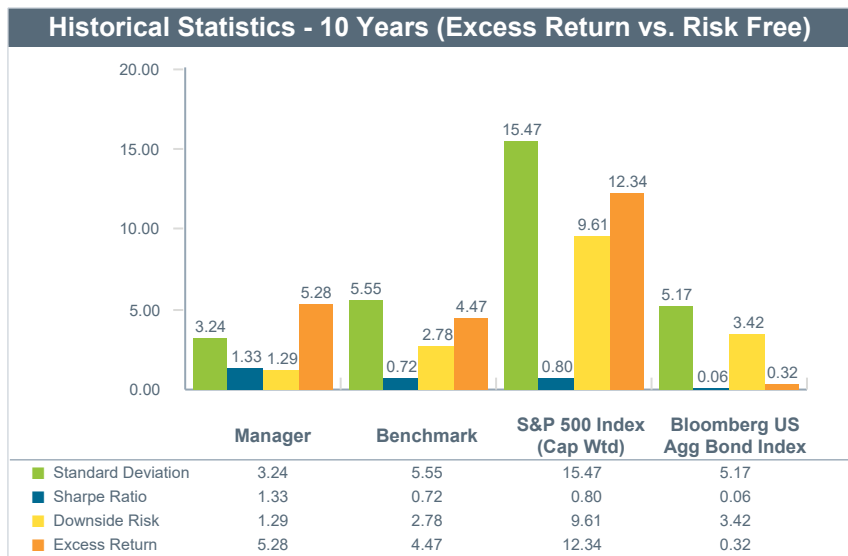
	Portfolio	Benchmark
Effective Duration	4.58	6.67
Spread Duration	3.86	N/A
Avg. Maturity	5.46	8.49
Avg. Quality	Baa2	N/A
Yield To Maturity (%)	5.18	3.33
Coupon Rate (%)	4.87	2.79
Current Yield (%)	5.02	N/A
Holdings Count	848	30,511



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

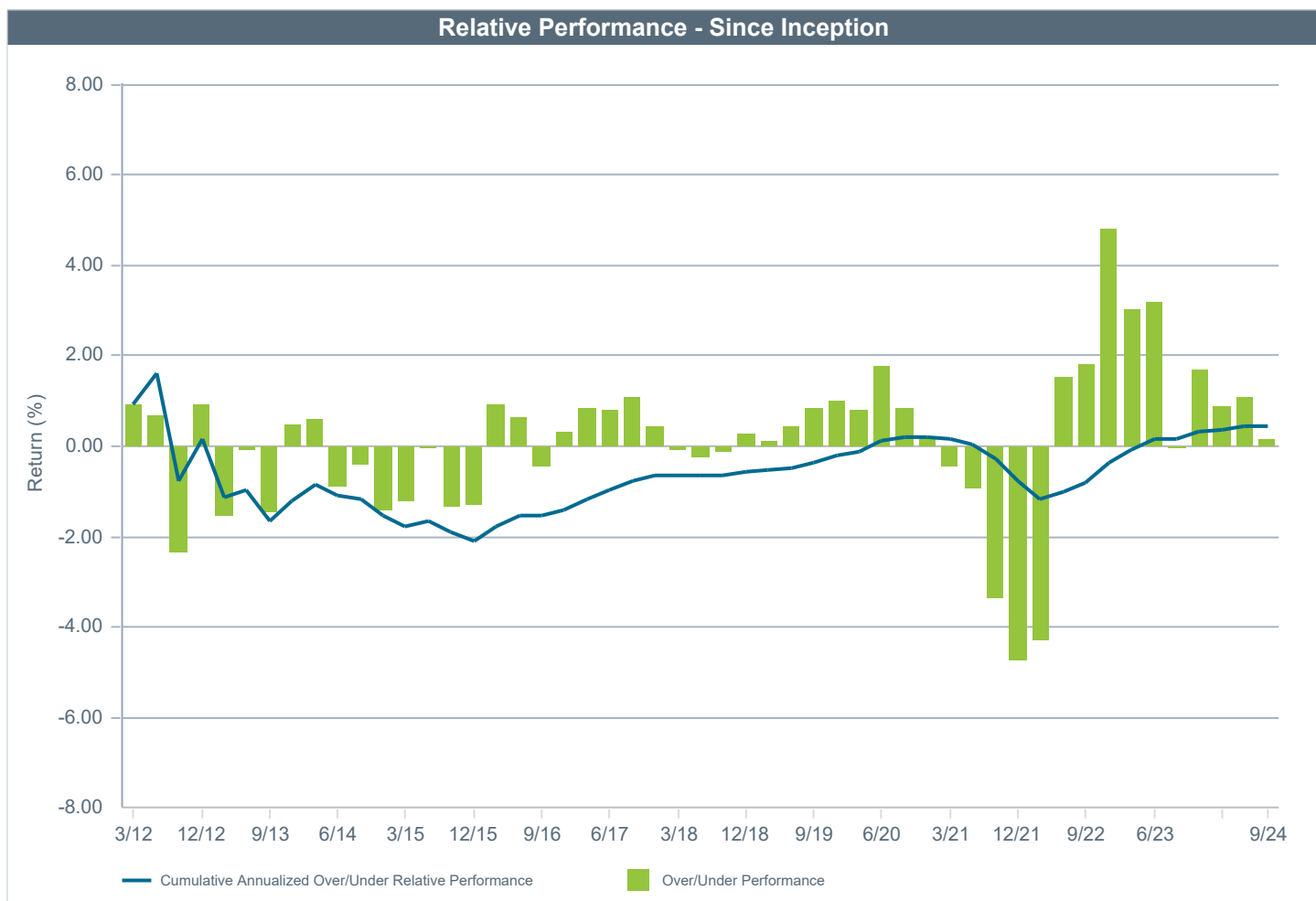


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	0.40	-3.68	2.75	4.71	5.64	7.05	-4.91	11.43	10.94	4.91	7.87
Benchmark	0.25	-7.27	-0.18	2.94	4.12	6.10	-12.02	7.47	22.17	1.19	5.34
Difference	0.15	3.59	2.93	1.77	1.52	0.95	7.11	3.96	-11.23	3.72	2.53



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.79
S&P 500 Index (Cap Wtd)	-0.41
Russell 2000 Index	-0.32
MSCI EAFE Index (USD) (Net)	-0.41
MSCI Emg Mkts Index (USD) (Net)	-0.29
Bloomberg US Agg Bond Index	-0.38
Bloomberg US Trsy US TIPS Index	-0.36
Wilshire US REIT Index	-0.31
HFRI FOF Comp Index	-0.36
Bloomberg Cmdty Index (TR)	0.04
ICE BofAML 3 Mo US T-Bill Index	-0.74
Cons Price Index (Unadjusted)	0.28
NCREIF ODCE Index (AWA) (Gross)	0.79





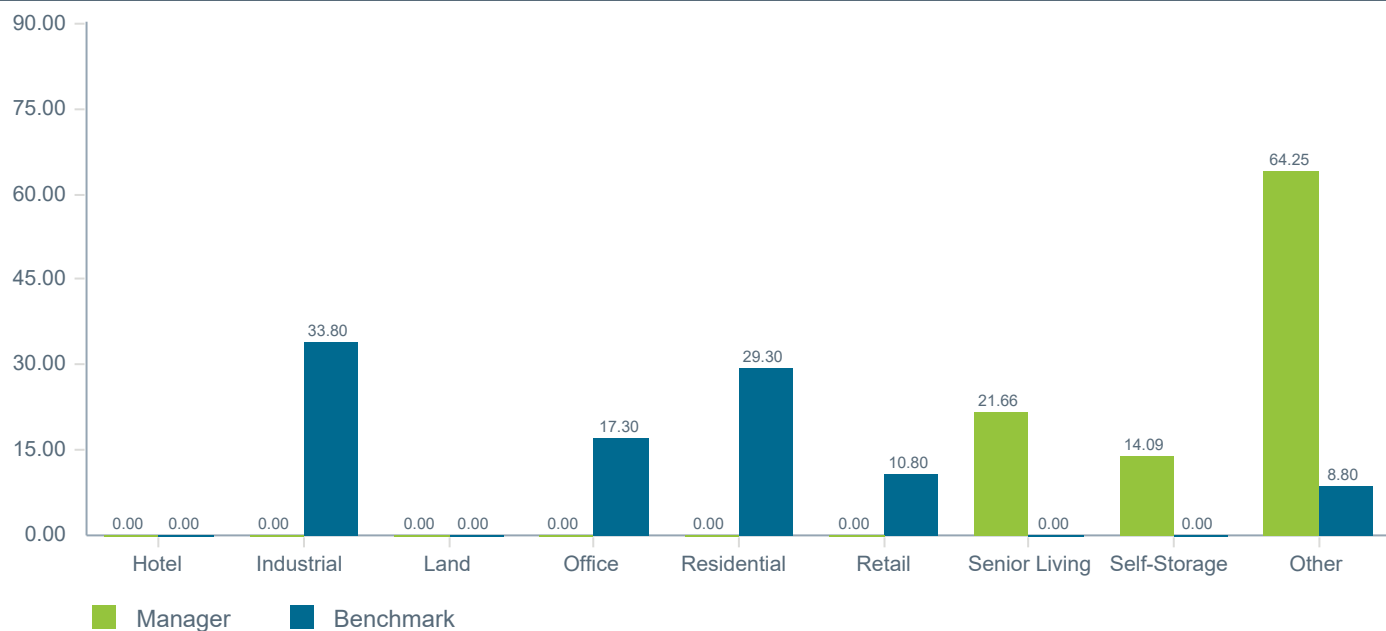
**Investment Strategy**

The Fund's strategy is on primarily stabilized income-producing investments in niche sectors; Education, Health, and Storage. Within these sectors the fund invests in student housing, seniors housing, medical office buildings, life science buildings, and self-storage. The majority of the return from the Fund is expected to be realized from current income, with a modest portion of the return to be derived from asset appreciation. Harrison Street believes that the primary property types it targets will provide better risk/return profiles than properties in traditional core portfolios across all economic cycles.

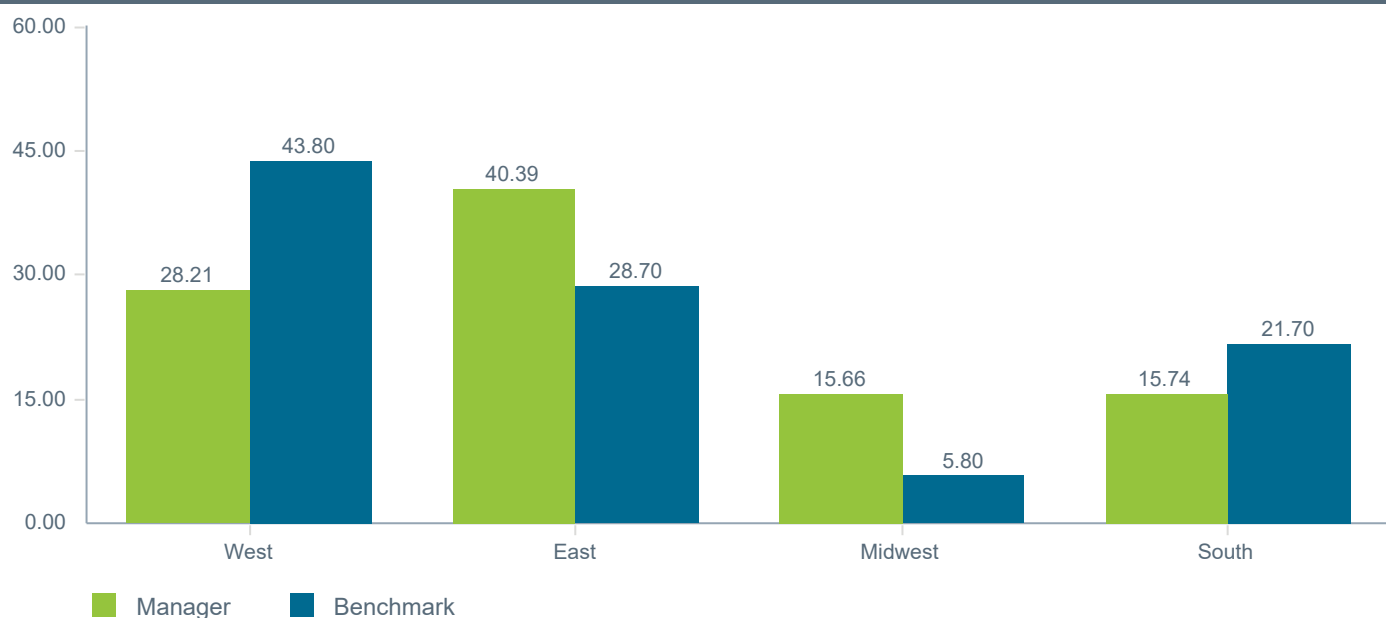
**Investment Profile**

Fund Inception	2011
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (mm) \$	13,157
Fund Leverage %	26.56
Portfolio Occupancy %	89.40
Cash Reserve %	0.24
Number of Investments	392
Number of Limited Partners	260

**Property Type Allocation (%)**



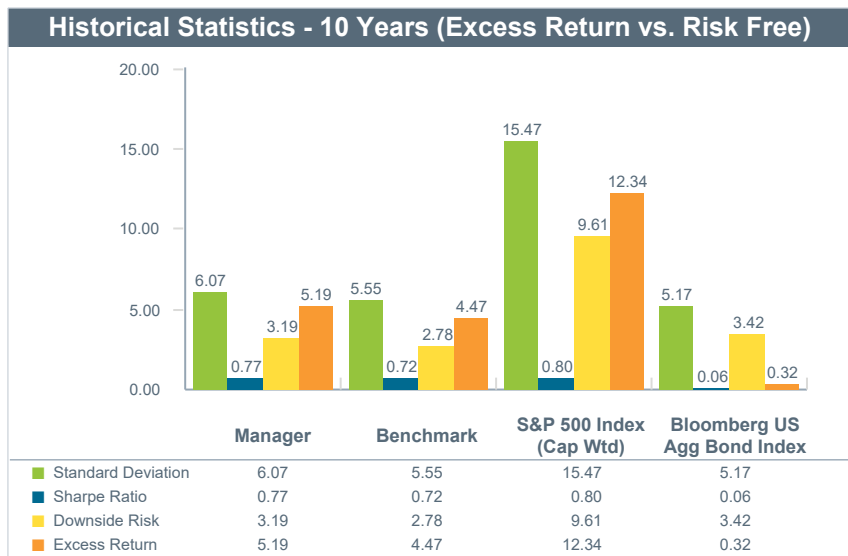
**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Allocation to "Other" consists of entertainment, parking, data center, and operating land.

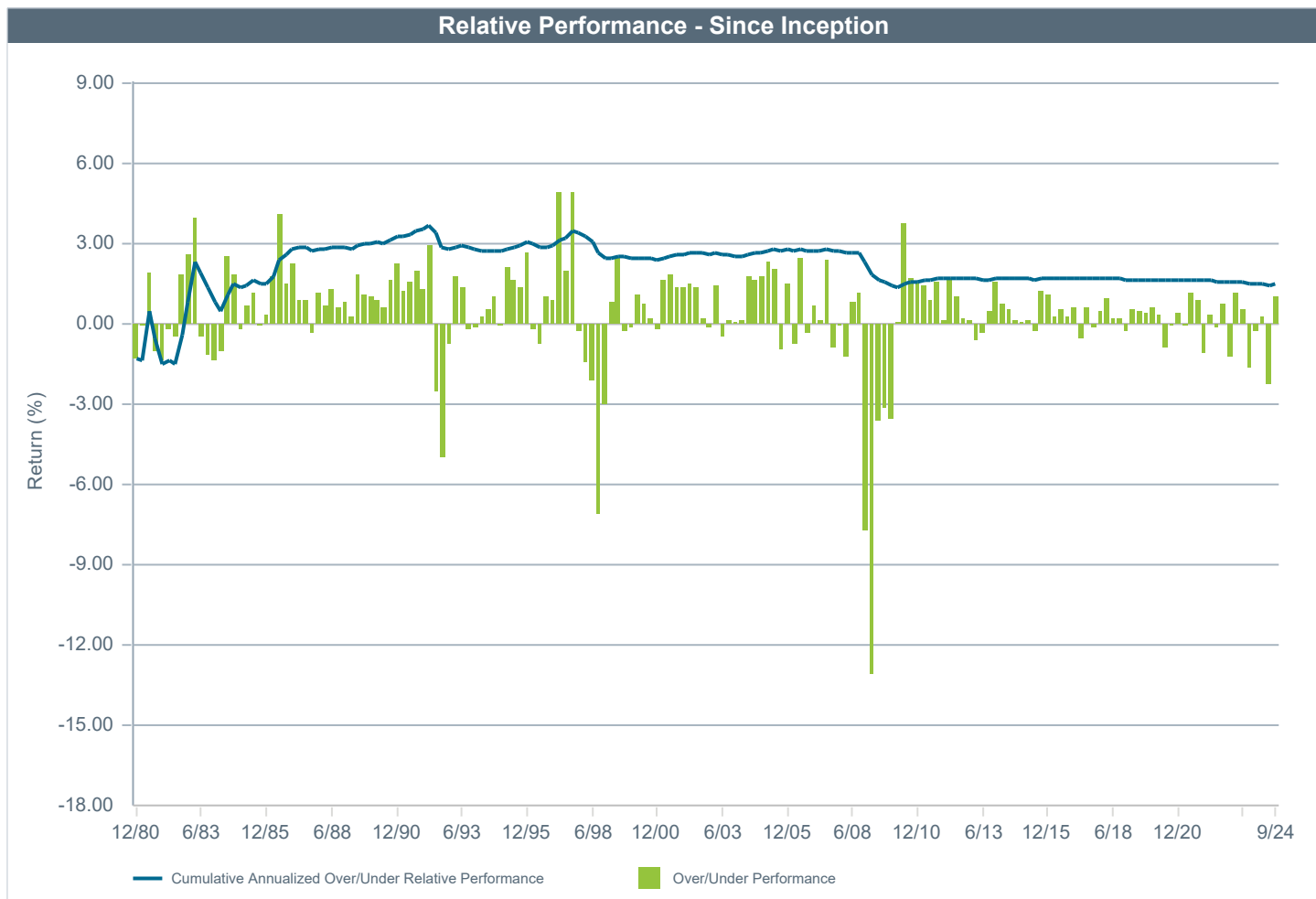


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	1.30	-8.39	-1.02	2.94	4.55	6.82	-12.17	7.13	23.30	1.03	7.52
Benchmark	0.25	-7.27	-0.18	2.94	4.12	6.10	-12.02	7.47	22.17	1.19	5.34
Difference	1.05	-1.12	-0.84	0.00	0.43	0.72	-0.15	-0.34	1.13	-0.16	2.18



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.97
S&P 500 Index (Cap Wtd)	-0.29
Russell 2000 Index	-0.24
MSCI EAFE Index (USD) (Net)	-0.37
MSCI Emg Mkts Index (USD) (Net)	-0.36
Bloomberg US Agg Bond Index	-0.33
Bloomberg US Trsy US TIPS Index	-0.24
Wilshire US REIT Index	-0.05
HFRI FOF Comp Index	-0.29
Bloomberg Cmnty Index (TR)	0.12
ICE BofAML 3 Mo US T-Bill Index	-0.73
Cons Price Index (Unadjusted)	0.27



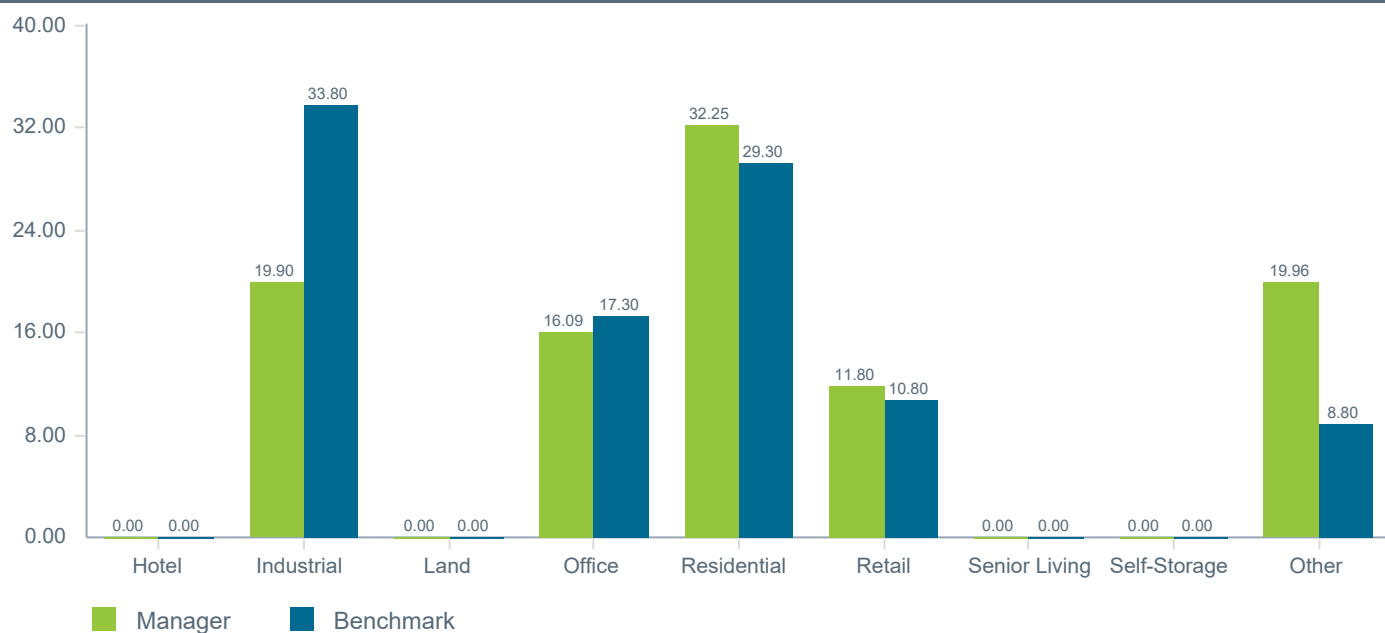
**Investment Strategy**

The Fund pursues a diversified core-plus real estate strategy that seeks to generate a total return before fees of 9.0% to 12.0% annually by structuring investments to enhance risk-adjusted returns. Investments may be made through direct property ownership or indirectly through such vehicles as joint ventures, general or limited partnerships, limited liability companies, mortgage loans and other loan types, including mezzanine debt, and debt secured by an interest in the borrowing entity or interests in companies or entities that directly or indirectly hold real estate or real estate interests. It operates with a leverage limit of 40% and may invest up to 35% of its gross assets in higher-risk, non-core real estate investment opportunities.

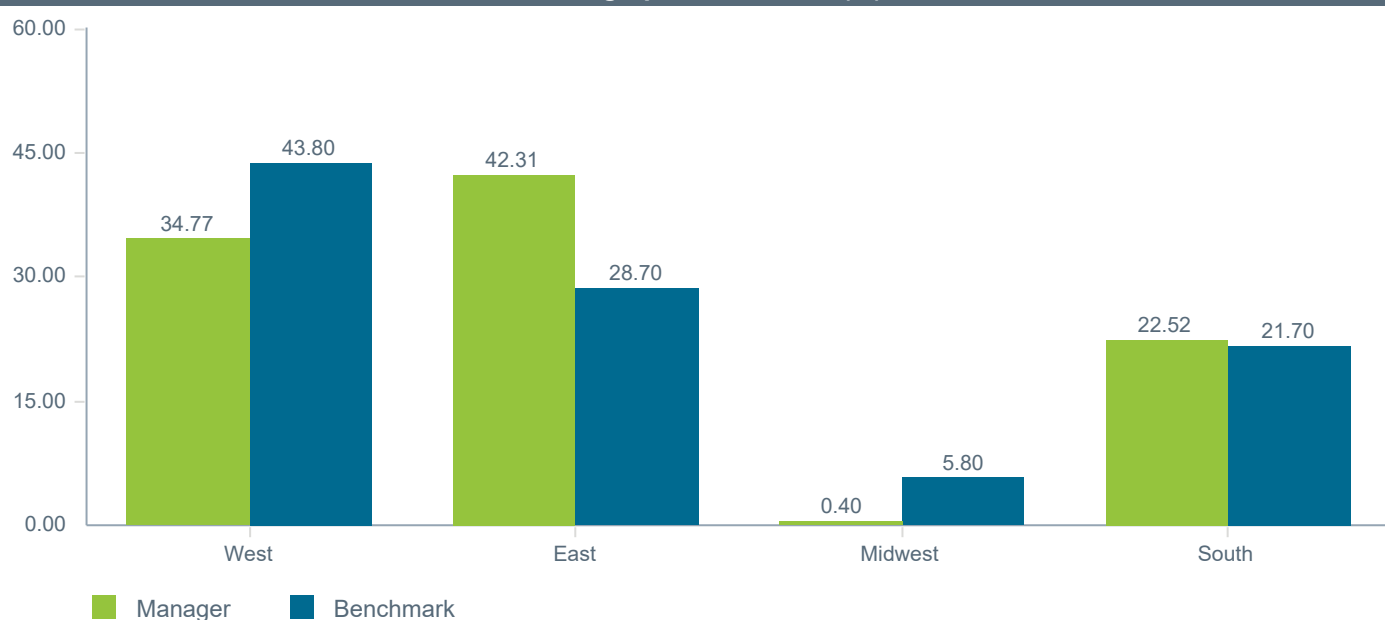
**Investment Profile**

Fund Inception	1980
Legal Structure	REIT
Fund Structure	Open-End
Gross Real Estate Assets (mm) \$	15,393
Fund Leverage %	42.15
Portfolio Occupancy %	89.24
Cash Reserve %	1.61
Number of Investments	139
Number of Limited Partners	115

**Property Type Allocation (%)**



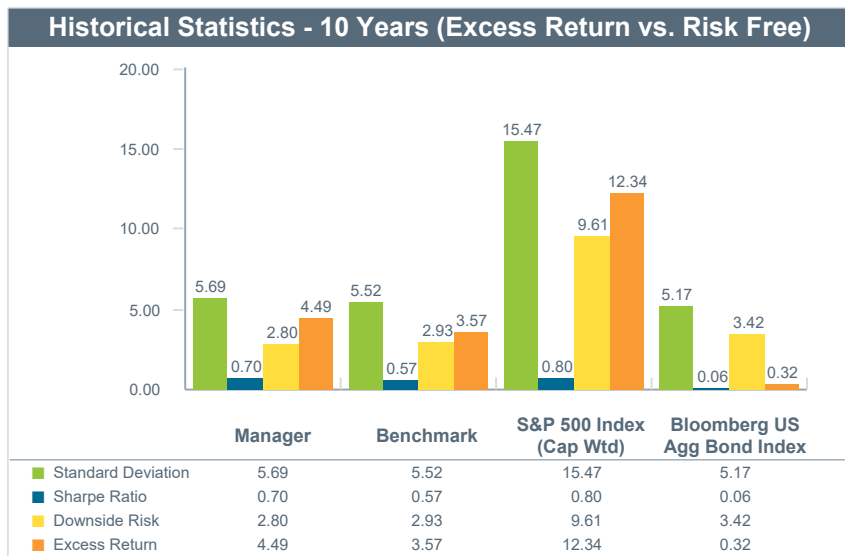
**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Allocation to "Other" consists of entertainment, parking, data center, and operating land.

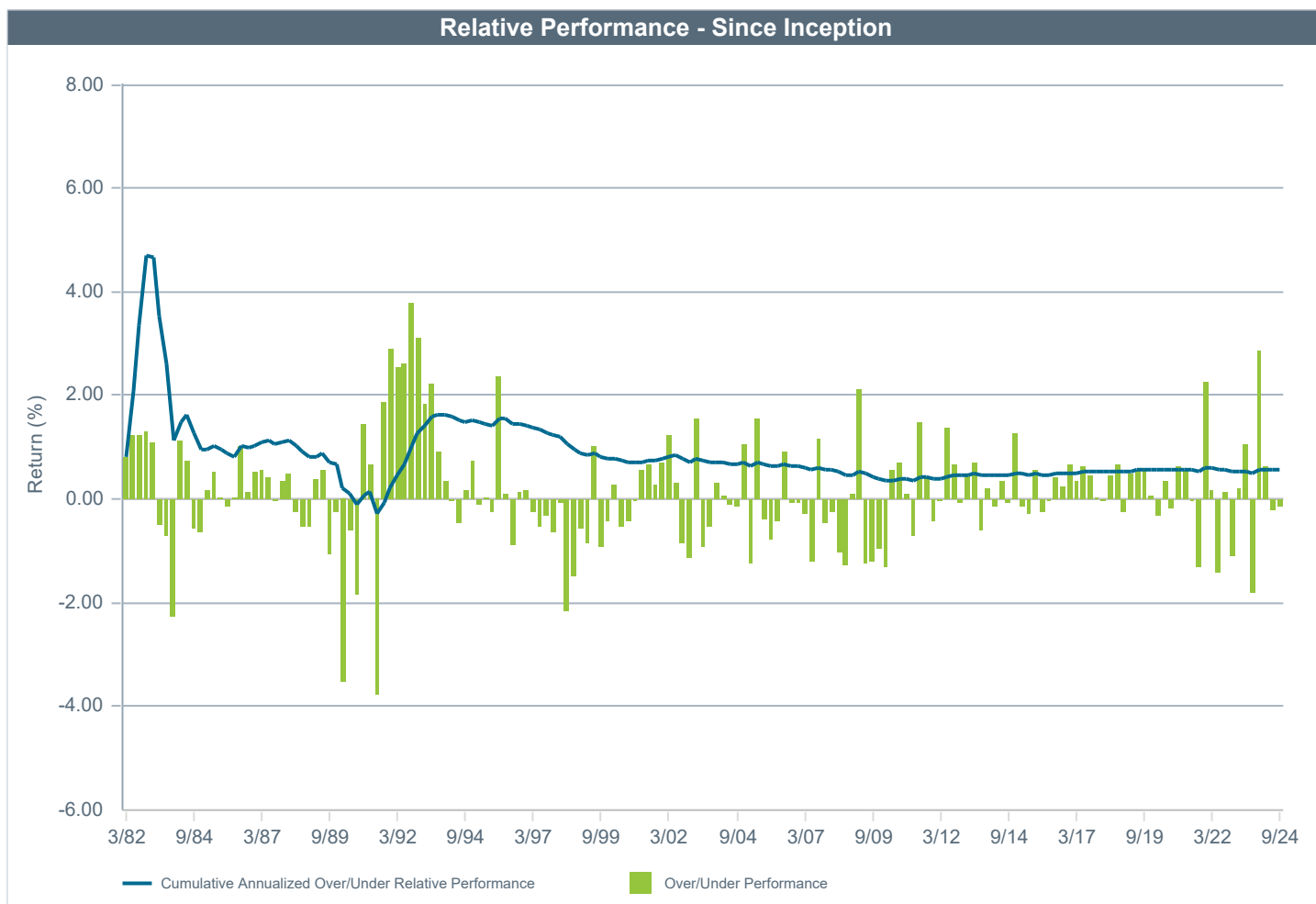


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	-0.13	-5.13	-0.16	2.55	3.95	6.10	-10.69	4.27	22.83	0.81	6.22
Benchmark	0.02	-8.04	-1.04	2.05	3.21	5.16	-12.73	6.55	21.02	0.34	4.39
Difference	-0.15	2.91	0.88	0.50	0.74	0.94	2.04	-2.28	1.81	0.47	1.83



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Net)	0.96
S&P 500 Index (Cap Wtd)	-0.16
Russell 2000 Index	-0.14
MSCI EAFE Index (USD) (Net)	-0.30
MSCI Emg Mkts Index (USD) (Net)	-0.29
Bloomberg US Agg Bond Index	-0.27
Bloomberg US Trsy US TIPS Index	-0.18
Wilshire US REIT Index	0.10
HFRI FOF Comp Index	-0.22
Bloomberg Cmdty Index (TR)	0.12
ICE BofAML 3 Mo US T-Bill Index	-0.71
Cons Price Index (Unadjusted)	0.23
NCREIF ODCE Index (AWA) (Gross)	0.96



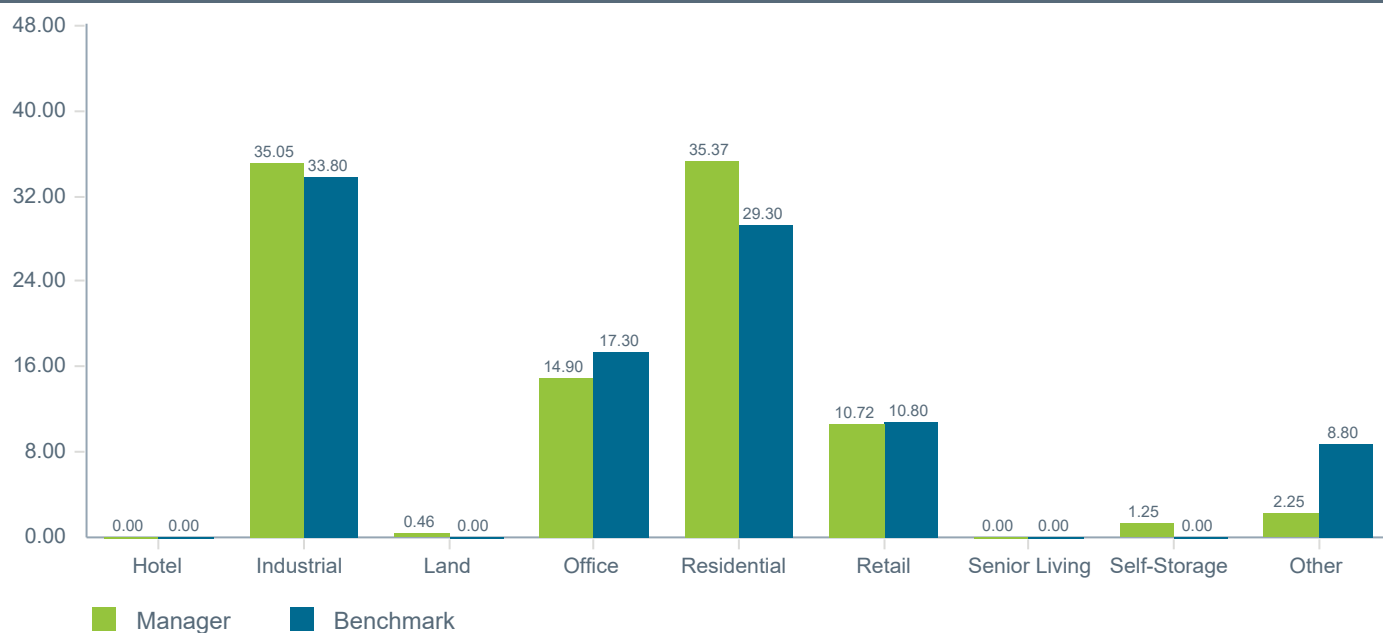
**Investment Strategy**

The Principal U.S. Property Account is a core real estate account designed to have a low to moderate risk profile consistent with other open-end real estate funds comprising the NFI-ODCE. This risk profile has two components: 1) a low to moderate real estate property risk profile; and 2) a low to moderate risk portfolio level operating profile. Low to moderate real estate property risk is accomplished by investing primarily in well-leased properties on an unleveraged basis. Long-term investment objectives include investing in a well-diversified portfolio and meeting or exceeding the NFI-ODCE over a full market cycle. Low to moderate portfolio level risk is accomplished by operating with limited portfolio level obligations and a well-diversified portfolio. The Account invests in the traditional real estate property types; multifamily, office, industrial, and retail.

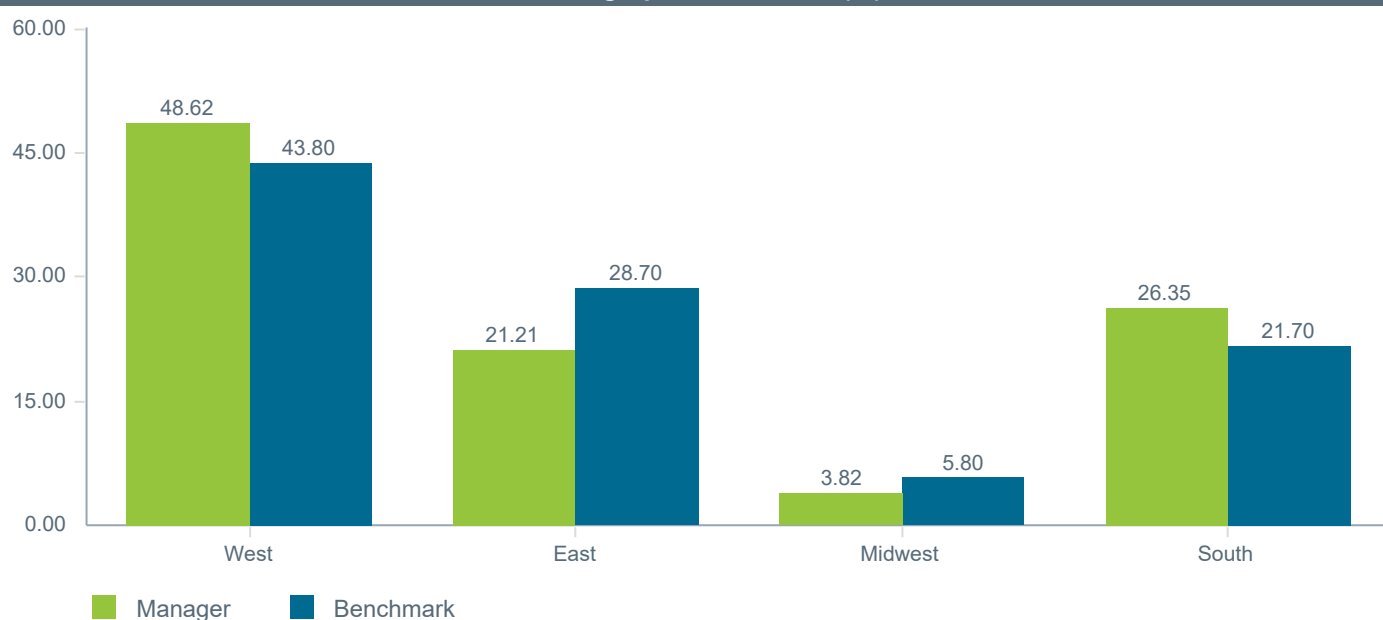
**Investment Profile**

Fund Inception	1982
Legal Structure	Insurance SA
Fund Structure	Open-End
Gross Real Estate Assets (mm) \$	11,631
Fund Leverage %	25.68
Portfolio Occupancy %	89.04
Cash Reserve %	3.74
Number of Investments	145
Number of Limited Partners	4,496

**Property Type Allocation (%)**



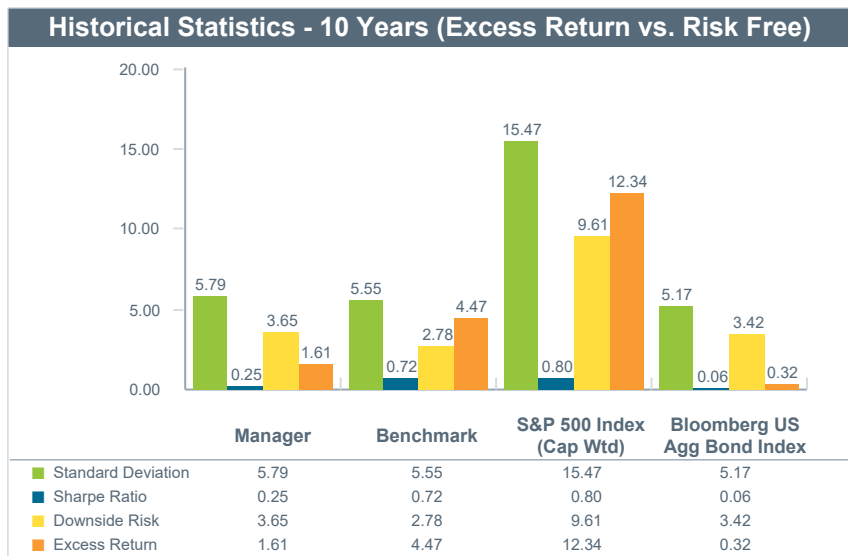
**Geographic Allocation (%)**



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

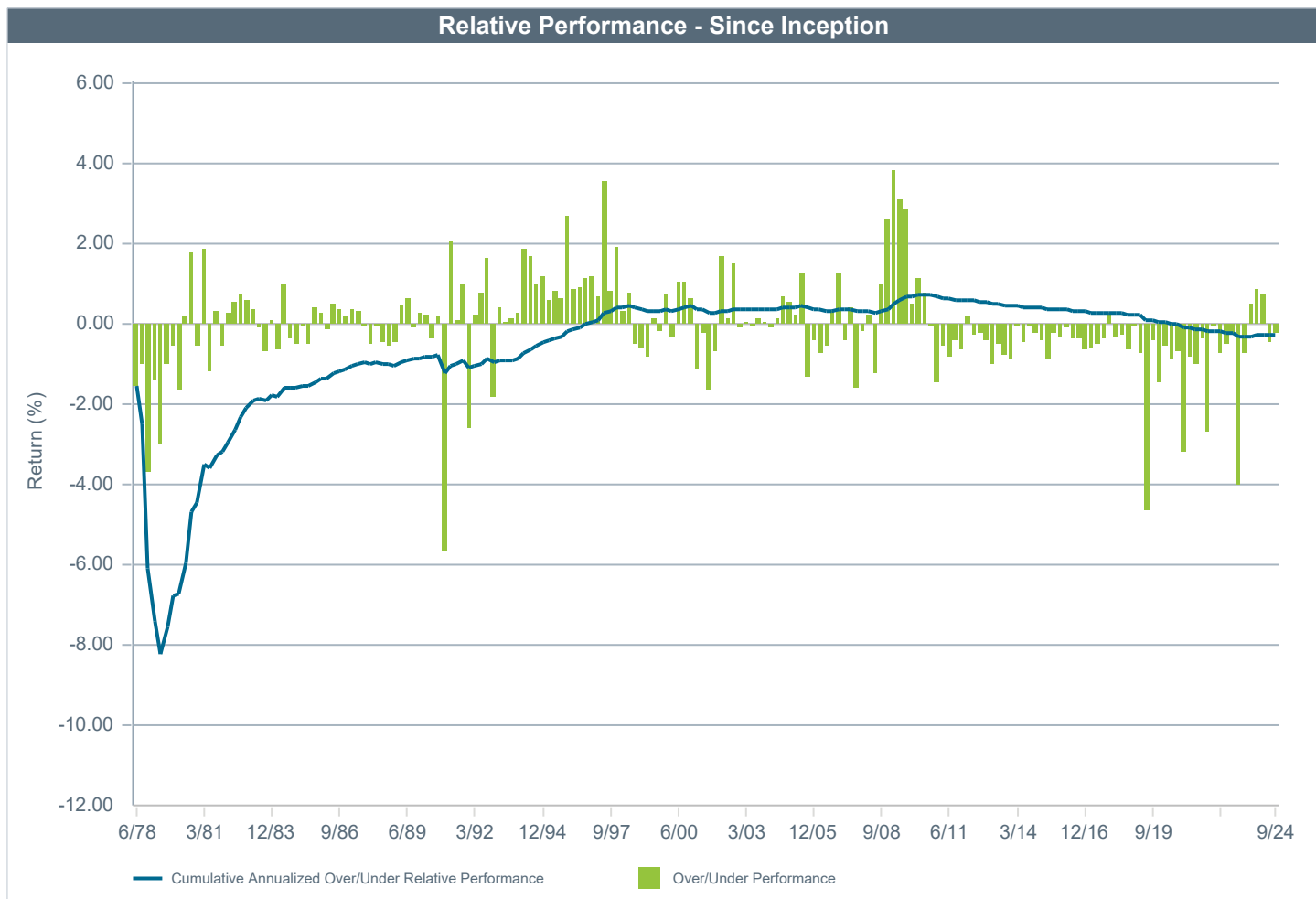


Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	0.02	-6.43	-2.68	-0.42	0.69	3.12	-15.00	5.91	16.24	-4.04	-2.10
Benchmark	0.25	-7.27	-0.18	2.94	4.12	6.10	-12.02	7.47	22.17	1.19	5.34
Difference	-0.23	0.84	-2.50	-3.36	-3.43	-2.98	-2.98	-1.56	-5.93	-5.23	-7.44



### Actual Correlation - 10 Years

	Actual Correlation
NCREIF ODCE Index (AWA) (Gross)	0.93
S&P 500 Index (Cap Wtd)	-0.37
Russell 2000 Index	-0.33
MSCI EAFE Index (USD) (Net)	-0.46
MSCI Emg Mkts Index (USD) (Net)	-0.40
Bloomberg US Agg Bond Index	-0.41
Bloomberg US Trsy US TIPS Index	-0.34
Wilshire US REIT Index	-0.11
HFRI FOF Comp Index	-0.36
Bloomberg Cmnty Index (TR)	0.13
ICE BofAML 3 Mo US T-Bill Index	-0.66
Cons Price Index (Unadjusted)	0.22



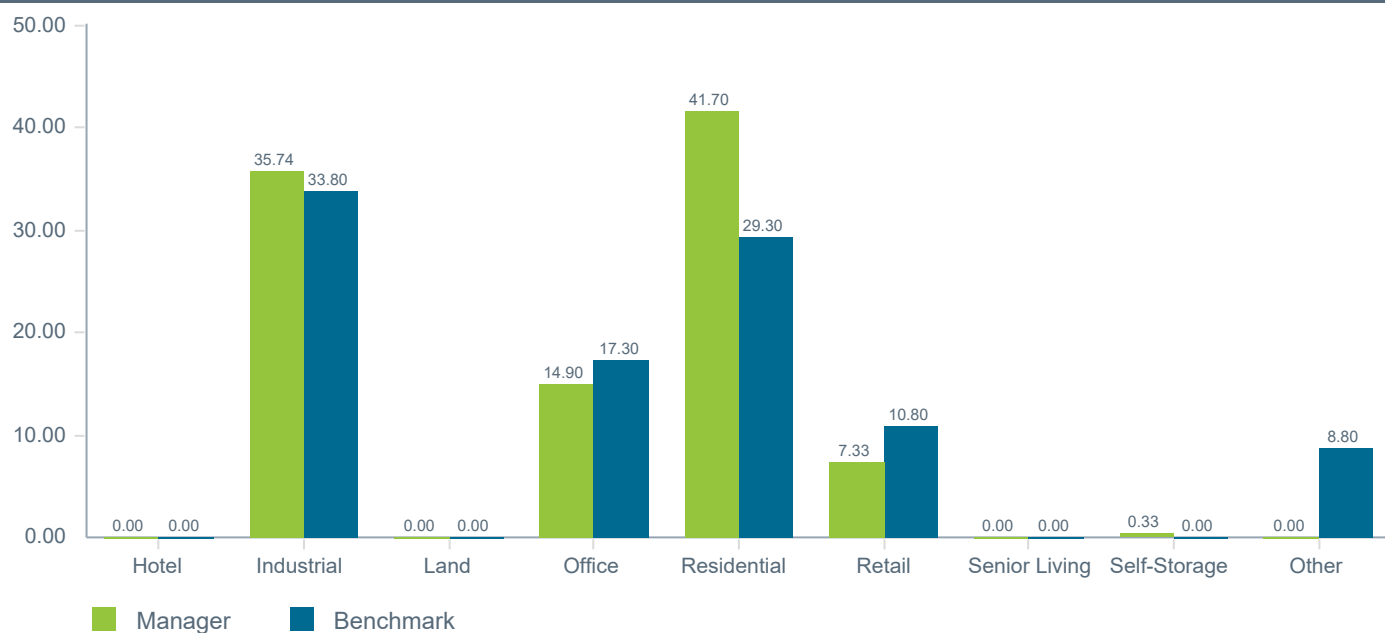
**Investment Strategy**

The Fund pursues a diversified core real estate strategy that seeks to produce attractive risk-adjusted returns by focusing on selective acquisitions, diversification, active portfolio management, and asset management. The Fund invests in well-leased, stabilized assets in major US metropolitan markets and receives the majority of its return from the income component. Diversification for the Fund is consistently pursued on many levels, including geographic region, property type, and economic sector. The Fund has historically maintained a leverage ratio significantly lower than the NCREIF ODCE Index and invests 5-15% of its gross assets in value-added type real estate investment opportunities.

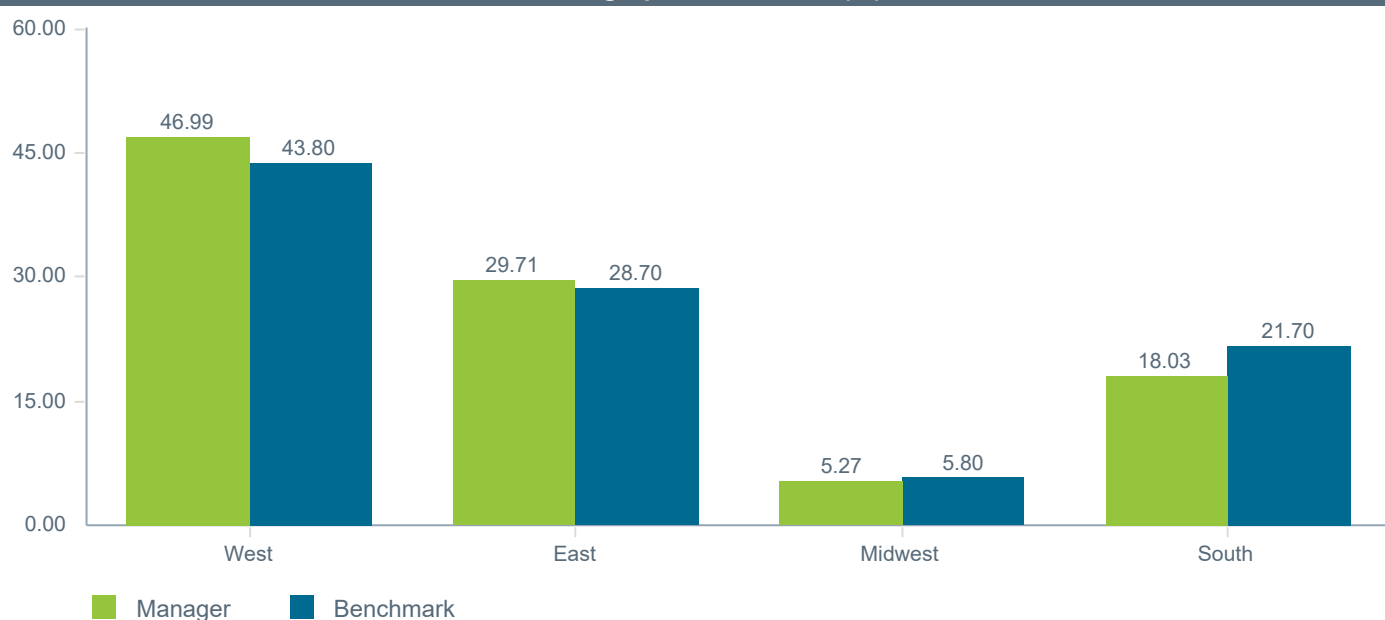
**Investment Profile**

Fund Inception	1978
Legal Structure	LP
Fund Structure	Open-End
Gross Real Estate Assets (mm) \$	13,505
Fund Leverage %	22.66
Portfolio Occupancy %	92.60
Cash Reserve %	2.89
Number of Investments	119
Number of Limited Partners	432

**Property Type Allocation (%)**



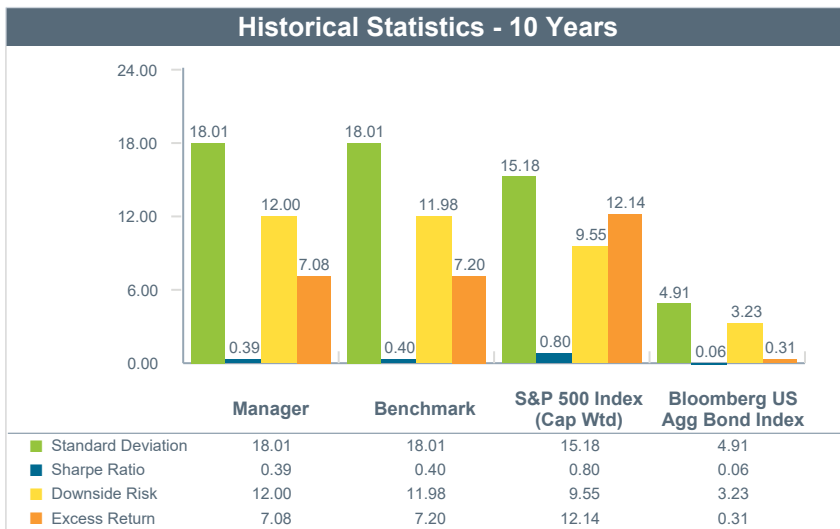
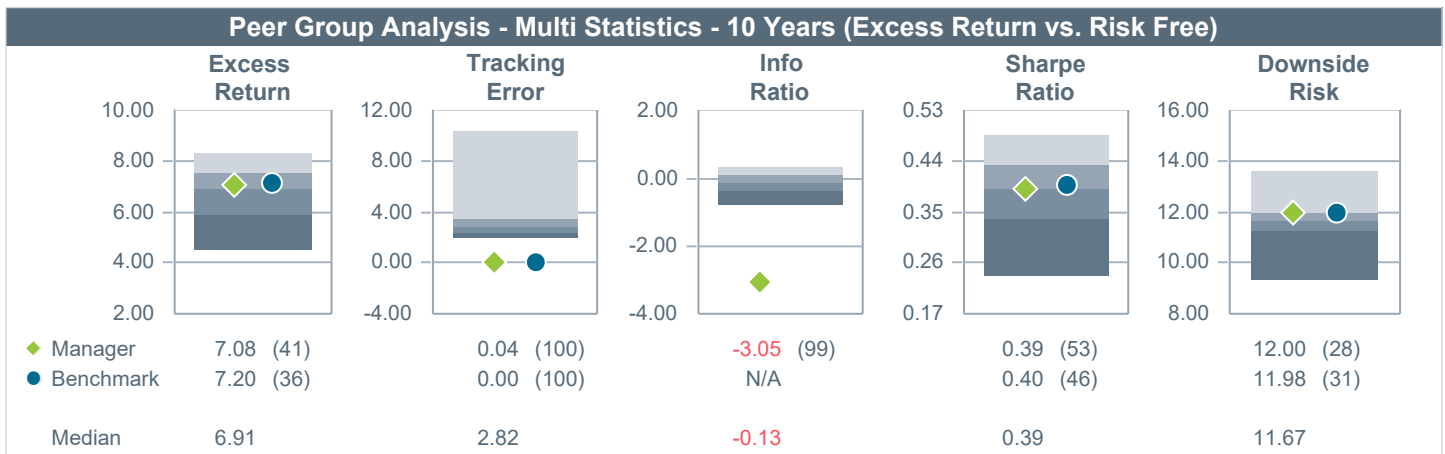
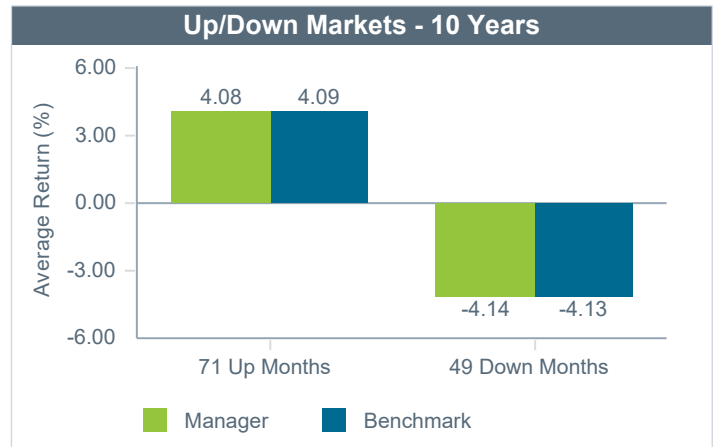
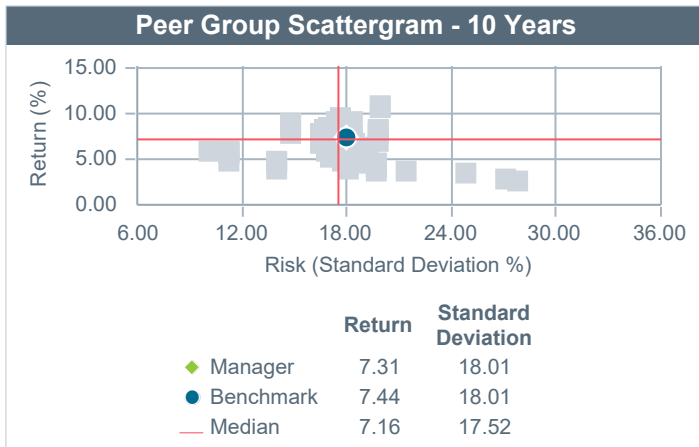
**Geographic Allocation (%)**



Performance shown is gross of fees and product specific. Calculation is based on quarterly periodicity. Investment profile data shown is provided by the investment manager and is as of the most recently available quarter end. Allocation data shown is based on NAV. Allocation to "Other" consists of entertainment, parking, data center, and operating land.



Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
<b>Manager</b>	<b>17.19</b>	<b>34.20</b>	<b>2.49</b>	<b>4.74</b>	<b>6.37</b>	<b>7.31</b>	<b>11.75</b>	<b>-26.20</b>	<b>40.38</b>	<b>-4.72</b>	<b>28.91</b>
Benchmark	17.23	34.38	2.63	4.90	6.50	7.44	11.96	-26.12	40.56	-4.55	29.03
Difference	-0.04	-0.18	-0.14	-0.16	-0.13	-0.13	-0.21	-0.08	-0.18	-0.17	-0.12
Peer Group Median	15.84	32.43	2.82	4.80	6.46	7.16	11.91	-26.17	41.32	-4.31	27.32
Rank	14	26	62	55	54	44	56	51	63	55	35
Population	241	240	232	216	192	154	244	247	251	248	256



### Actual Correlation - 10 Years

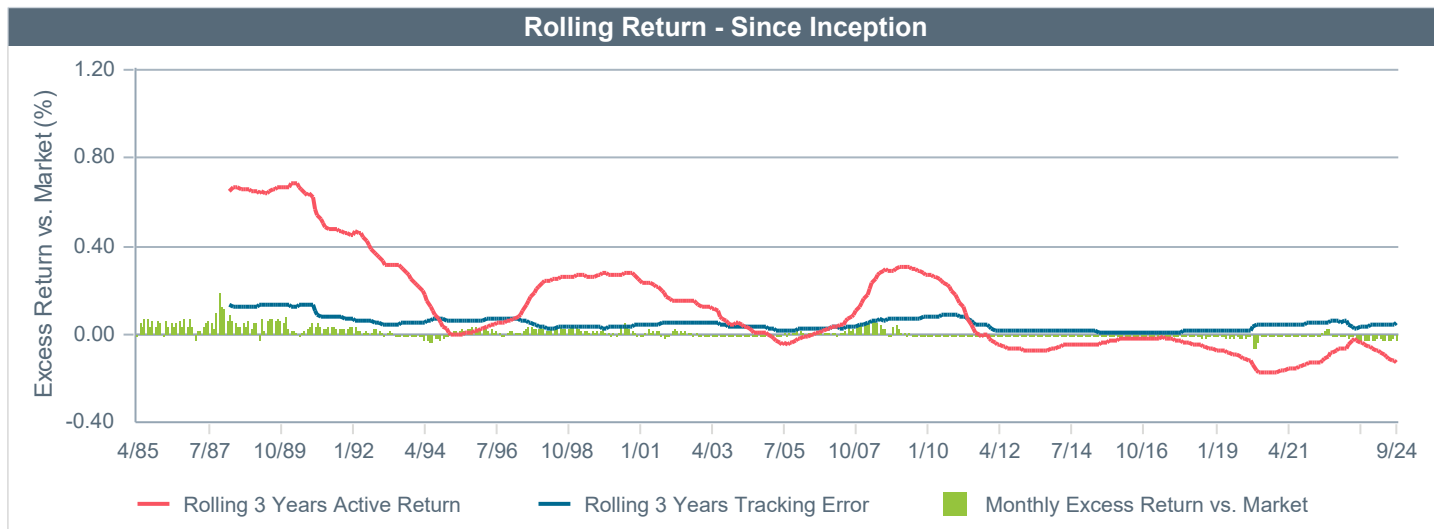
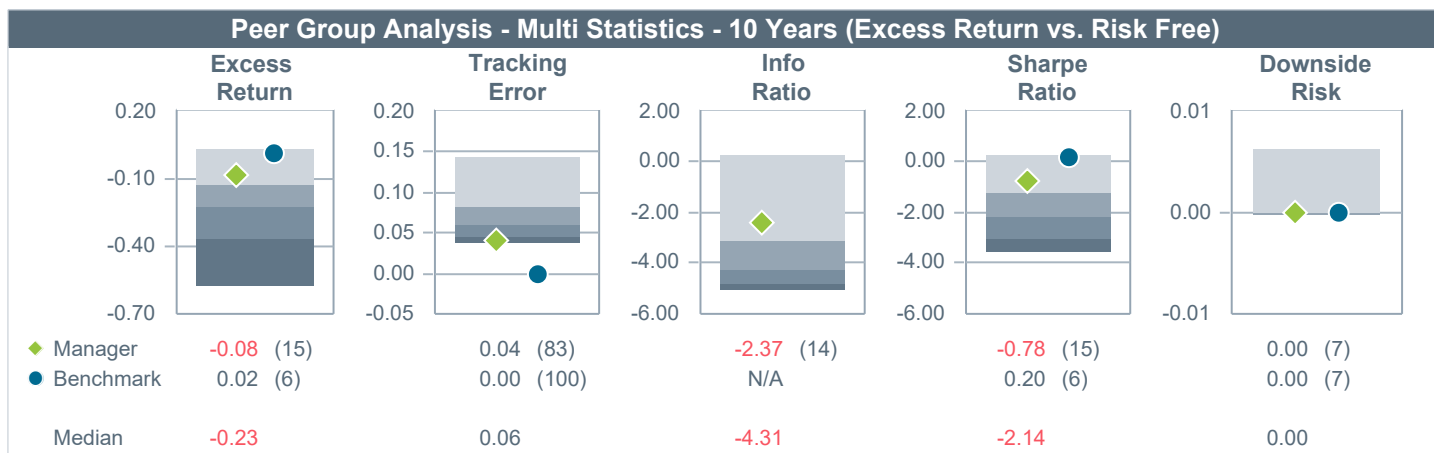
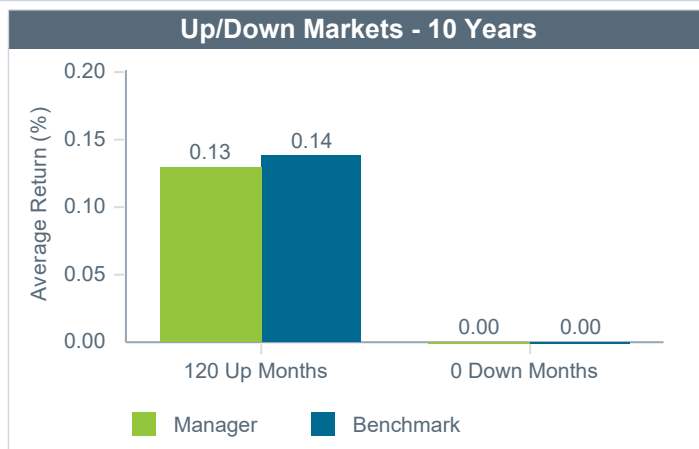
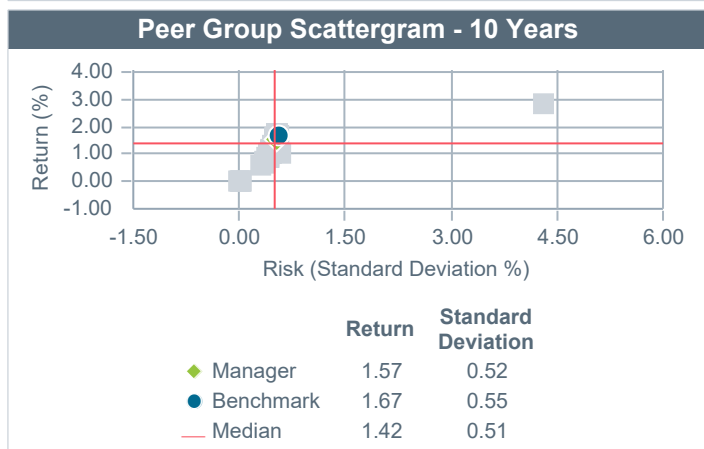
Index	Actual Correlation
Vanguard Spl Real Estate Index	1.00
S&P 500 Index (Cap Wtd)	0.75
Russell 2000 Index	0.72
MSCI EAFE Index (USD) (Net)	0.67
MSCI Emg Mkts Index (USD) (Net)	0.54
Bloomberg US Agg Bond Index	0.57
Bloomberg US Trsy US TIPS Index	0.63
Wilshire US REIT Index	0.99
HFRI FOF Comp Index	0.61
Bloomberg Cmnty Index (TR)	0.26
ICE BofAML 3 Mo US T-Bill Index	-0.03
Cons Price Index (Unadjusted)	-0.10

Performance shown is net of fees and product specific. Calculation is based on monthly periodicity. Performance shown is calculated using Net Asset Values (NAV). Parentheses contain percentile ranks. Benchmark consists of MSCI US REIT Index (USD) (Gross) adjusted to include a 2% cash position (Lipper Money Market Average) through 04/30/09; MSCI US REIT Index (USD) (Gross) through 02/01/18; MSCI US IM Real Estate 25/50 Transition Index through 07/24/18; and MSCI US IM Real Estate 25/50 Index (Gross) thereafter.





Performance											
	QTD	1 Year	3 Years	5 Years	7 Years	10 Years	2023	2022	2021	2020	2019
Manager	1.30	5.33	3.50	2.25	2.13	1.57	5.03	1.55	0.03	0.37	2.09
Benchmark	1.37	5.63	3.63	2.38	2.26	1.67	5.26	1.50	0.05	0.58	2.25
Difference	-0.07	-0.30	-0.13	-0.13	-0.13	-0.10	-0.23	0.05	-0.02	-0.21	-0.16
Peer Group Median	1.26	5.18	3.34	2.12	1.98	1.42	4.88	1.39	0.01	0.30	1.90
Rank	22	24	16	17	16	14	21	20	12	31	20
Population	744	715	665	623	581	472	769	786	774	794	799



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



# Addendum & Glossary



## City of Jacksonville Employees' Retirement System Addendum

### Performance Related Comments:

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

### Custom Composite Benchmark Comments:

- **Current 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.
- **Actual Allocation Index:** The Actual Allocation Index is calculated monthly using beginning of month weights of each investment applied to its corresponding primary benchmark return. The inception date is 01/2019 and prior performance is listed as "N/A".
- **Actual Allocation Index (Net of Alts):** The Actual Allocation Index (Net of Alts) is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return, with the exception of funds in Real Estate and Diversifying Assets composites, which are represented by actual monthly composite returns. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **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.

## Glossary

**Active Return** - The difference between the investment manager/composite performance relative to the performance of an appropriate market benchmark.

**Active Share** - Measures the degree to which the holdings of a fund differ from the holdings of the benchmark. Active share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the fund versus the weight of each holding in the benchmark and dividing by two.

**Alpha** - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market or a portfolio's non-systematic return.

**Alpha Ratio** - A measure of a portfolio's non-systematic return per unit of downside risk. It is measured by dividing the alpha of a portfolio by the downside risk. The non-systematic return is a measure of a portfolio's historical performance not explained by movements of the market.

**Average Quality** - Bond quality ratings are reported using the investment managers' and the index providers' preferred rating agency. *Average Quality for managers unable to provide this statistic is instead provided by Morningstar; if unavailable on Morningstar, it has been estimated using a credit quality distribution provided by the manager.* There are two primary rating agencies in the US. *Moody's* assigns ratings on a system that employs up to four symbols (consisting of letters and numbers), such as, Aaa, Aa2, etc., with Aaa being the highest or safest rating. *Standard & Poor's (S&P)* employs a system that uses + and - along with letters, such as AAA, AA+, etc. The two rating agencies' systems are summarized below:

<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>
<b>Higher Credit Quality – Investment Grade</b>			<b>Lower Credit Quality – Below Investment Grade</b>		
AAA	Aaa	Prime/Highest credit quality	BB+	Ba1	Speculative/Low credit quality
AA+	Aa1	High credit quality	BB	Ba2	
AA	Aa2		BB-	Ba3	
AA-	Aa3		B+	B1	Highly speculative
A+	A1	Upper-medium credit quality	B	B2	
A	A2		B-	B3	
A-	A3		CCC+	Caa1	Substantial credit/default risk
BBB+	Baa1	Lower-medium credit quality	CCC	Caa2	Extremely speculative
BBB	Baa2		CCC-	Caa3	
BBB-	Baa3		CC	Ca	Vulnerable to default
			C	Ca	
			D	C	In default

**Benchmark Effect** - The difference between the blended return of each respective managers' benchmark within a composite and the composite's benchmark return.

**Beta** - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

**Box Plots** - A graphical representation of the distribution of observations. From top to bottom, the four boxes represent the spread between the maximum value and the minimum value in each quartile. A quartile represents the values that divide the observations into four quarters (i.e., 1<sup>st</sup> quartile, 2<sup>nd</sup> quartile, 3<sup>rd</sup> quartile, and 4<sup>th</sup> quartile). The median observation is where the 2<sup>nd</sup> quartile and 3<sup>rd</sup> quartile meet.

**Buy and Hold Attribution** - At the beginning of the time period under analysis, the manager and benchmark portfolios are broken down into segments (i.e., styles, sectors, countries, and regions) based on the desired type of attribution. The formula assumes zero turn-over to the manager and benchmark portfolios throughout the period and calculates the segment returns ("buy and hold returns") to arrive at performance attribution. Due to portfolio turnover, buy and hold attribution may not accurately represent quarterly performance relative to the benchmark. Country, region, sector, and style allocations are as of the date one quarter prior to the reporting date, and the returns shown are for those segments throughout the quarter reported. Due to disclosure guidelines set by each investment manager, equity characteristics shown are as of the most recent date available. The following is the methodology for segment classification:

**Sector** - Attribution is calculated using the Global Industry Classification Standard (GICS), which is a detailed and comprehensive structure for sector and industry analysis. Stocks are classified by their primary sector as defined by S&P Capital IQ data. Attribution to "other" is the result of securities based in industries that do not fit into any GICS classification.

**Country/Region** - Attribution is calculated using the Morgan Stanley Capital International (MSCI) region standards. Stocks are classified by their domicile country/region, as defined by S&P Capital IQ data, and thus may differ from the classification of the investment manager and/or index provider. Attribution to "EMEA" represents securities based in Europe, the Middle East, and Africa. Attribution to "Other" is the result of securities based in countries/regions that do not fit into any MSCI classification.

**Style** - Stocks are classified into the following style boxes: large/mid/small vs. growth/neutral/value. Stocks are classified along large/mid/small categories at the time of the Russell index rebalancing, using the index market cap boundaries as cutoff points. Stocks are classified along growth/neutral/value categories at the time of the Russell index rebalancing, using the price/book ratio as supplied by S&P Capital IQ. Stocks in the Russell 3000 Index portfolio are sorted by price/book ratio; names with the highest price/book ratio that make up 1/3 of the total market capitalization are assigned to the growth category, and names that make up the subsequent 1/3 of the total market capitalization are assigned to the neutral category, while the balance of the names are assigned to the value category. Stocks are unclassified when there is not enough data to determine a size and style metric.

Portfolio Characteristics and Buy and Hold Attribution reports utilize product-specific data for all mutual funds and commingled funds.

## Glossary

### Capital Markets Review -

**Breakeven Inflation** - Measures the expected inflation rate at each stated maturity by taking the difference between the real yield of the inflation-linked maturity curve and the yield of the closest nominal Treasury maturity.

**Consumer Confidence** - Measures domestic consumer confidence as defined by the degree of optimism on the state of the economy that consumers express through saving and spending.

**Consumer Price Index (CPI)** - Measures the change in the price level of consumer goods and services.

**Federal Funds Rate** - The interest rate at which a depository institution lends funds maintained at the Federal Reserve to another depository institution overnight. It is one of the most influential interest rates in the US economy, since it affects monetary and financial conditions, which in turn have a bearing on key aspects of the broad economy including employment, growth and inflation.

**Option-Adjusted Spread** - Measures the flat spread of an index or bond to the Treasury yield curve after removing the effect of any embedded options.

**Purchasing Managers Index (PMI)** - Measures economic activity by surveying purchasing managers on a monthly basis as to whether business conditions have improved, worsened, or stayed the same.

**Real Gross Domestic Product (Real GDP)** - An inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year.

**Unemployment Rate** - The percentage of the total labor force that is unemployed but actively seeking employment.

**US Dollar Total Weighted Index** - Measures the value of the US Dollar relative to a basket of other world currencies. It is calculated as the weighted geometric mean of the dollar's value versus the EUR, GBP, CAD, SEK, CHF, and JPY.

**VIX** - Measures the implied volatility of S&P 500 Index options by looking at the market's expectation of the S&P 500 Index volatility over the next 30 day period. Commonly referred to as the "fear index" or the "fear gauge."

**Cash Flow Effect** – The composite's active return minus the sum of each managers' active return minus the benchmark effect.

**Consistency** - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

**Convexity** - A measure of the shape of the curve that describes the relationship between bond prices and bond yields.

**Correlation** - A statistical measure of the relationship between asset class returns. A value of 1.00 is a perfect correlation; that is, the asset classes always move in the same direction. A value of -1.00 indicates a perfect negative correlation, in which the asset classes always move in opposite directions of each other. A value of 0 indicates there is no relationship between the direction of returns of the two asset classes. Correlation calculations only consider the direction of changes relative to two variables and not the magnitude of those changes.

**Coupon Rate** - The percentage rate of interest paid on a bond or fixed income security; it is typically paid twice per year.

**Current Yield** - The annual income of a security divided by the security's current price.

**Down Market Capture** - Down market by definition is negative benchmark return and down market capture represents the ratio in % terms of the average portfolios return over the benchmark during the down market period. The lower the value of the down market capture the better the product's performance.

**Downside Risk** - A measure similar to standard deviation that focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative returns for the selected periodicity. The higher the factor, the riskier the product.

**Earnings Per Share** - It is backward looking, calculated using the one year current EPS divided by the one year EPS five years ago.

**Effective Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield.

**Excess Return vs. Market** - Average of the monthly arithmetic difference between the manager's return and the benchmark return over a specified time period, shown on an annualized basis.

**Excess Return vs. Risk Free** - Average of the monthly arithmetic difference between the manager's return and the risk-free return (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise) over a specified time period, shown on an annualized basis.

**Excess Risk** - A measure of the standard deviation of a portfolio's performance relative to the risk-free return.

**Expense Ratios** - Morningstar is the source for mutual fund expense ratios.

**Gain/Loss** - The net increase or decrease in the market value of a portfolio excluding its Net Cash Flow for a given period.

**Indices** - All indices and related information are considered intellectual property and are licensed by each index provider. The indices may not be copied, used, or distributed without the index provider's prior written approval. Index providers make no warranties and bear no liability with respect to the indices, any related data, their quality, accuracy, suitability, and/or completeness.

**Information Ratio** - Measured by dividing the active rate of return by the tracking error. The higher the information ratio, the more value-added contribution by the manager.

## Glossary

**Liability Driven Investing (LDI)** - A method to optimally structure asset investments relative to liabilities. The change in liabilities is estimated by the Ryan Labs Generic PPA Index of appropriate duration for that Plan. This benchmark is based on generic data and is therefore an approximation. RVK is not an actuarial firm, and does not have actuarial expertise.

**Estimated Funded Status** - The estimated ratio of a Plan's assets relative to its future liabilities. This is calculated by dividing the Plan's asset market value by the estimated present value of its liabilities. The higher the estimated funded status, the better the Plan's ability to cover its projected benefit obligations. An estimated funded status of 100% indicates a Plan that is fully funded.

**Estimated PV of Liabilities** - An estimate of a Plan's future liabilities in present value terms. The beginning of the period liability is provided by the Plan's actuary. The period-end present value liability estimate provided in this report is derived by applying the estimated percentage change generated using the Ryan Labs Generic PPA Index with duration similar to that reported on the most recent actuarial valuation report.

**Duration of Liabilities** - The sensitivity of the value of a Plan's liabilities to changes in interest rates, as calculated by the Plan's actuary.

**Duration of Assets** - The dollar-weighted average duration of all the individual Plan assets.

**Estimated Plan Hedge Ratio** - The estimate of how well a Plan's investment portfolio is hedged against changes in interest rates - a primary driver of funded status movements. This is calculated by dividing the dollar-weighted values of both the Plan asset duration by the liability duration and multiplying by the estimated funded status. An estimated plan hedge ratio of zero indicates that the Plan's liabilities have not been hedged, whereas a value of one indicates fully hedged.

**Modified Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield, assuming the bonds' expected cash flows do not change.

**Mutual Fund Performance** - Whenever possible, manager performance is extended for any share class that does not have 10 years of history. Using Morningstar's methodology, a single ticker within the same fund family (often the oldest share class) is chosen to append historical performance.

**Net Cash Flow** - The sum, in dollars, of a portfolio's contributions and withdrawals. This includes all management fees and expenses only when performance shown is gross of fees.

### Peer Groups -

**Plan Sponsor Peer Groups** - RVK utilizes the Mellon Analytical Solutions Trust Universe along with the Investment Metrics Plan Sponsor Universe.

The combined Mellon Analytical Solutions Trust Universe and Investment Metrics Plan Sponsor Universe is used for comparison of total fund composite results and utilizes actual client performance compiled from consultant and custodian data. The Plan Sponsor Peer Group database includes performance and other quantitative data for over 2,100 plans which include corporate, endowment, foundation, public, and Taft Hartley plans.

**Investment Manager Peer Groups** - RVK utilizes Investment Metrics' Peer Groups for investment manager peer comparison and ranking. The Investment Metrics Peer Group database includes performance and other quantitative data for over 840 investment management firms and 29,000 investments products, across more than 160 standard peer groups. Mutual Fund Peer Groups are net of fees.

**Percentile Rankings** - Percentile rank compares an individual fund's performance with those of other funds within a defined peer group of managers possessing a similar investment style. Percentile rank identifies the percentage of a fund's peer group that has a higher return (or other comparative measurement) than the fund being ranked. Conversely, 100 minus the individual fund's ranking will identify the percentage of funds within the peer group that have a lower return than the fund being ranked.

1 - Highest Statistical Value

100 - Lowest Statistical Value

*Example: American Funds AMCP;R-4 (RAFEX) is ranked in the 4<sup>th</sup> percentile within the IM US Equity Large-Cap Growth Funds (MF) Peer Group for the Sharpe Ratio. Within the IM US Equity Large-Cap Growth Funds peer group, 4% of the other funds performed better than American Funds AMCP;R-4 (RAFEX), while 96% of the funds performed worse.*

**Performance Methodology** - RVK calculates performance for investment managers and composites using different methodologies.

**Investment Managers** - Performance is calculated for interim periods between all large external cash flows for a given month and geometrically linked to calculate period returns. An external cash flow is defined as cash, securities, or assets that enter or exit a portfolio. RVK defines a "large cash flow" as a net aggregate cash flow of  $\geq 10\%$  of the beginning-period portfolio market value or any cash flow that causes RVK calculated performance to deviate from manager/custodian reported performance in excess of 5 basis points for a given month.

**Composites** - The Modified Dietz methodology is utilized to calculate asset class, sub-asset class, and total fund composite performance. The Modified Dietz method calculates a time-weighted total rate of return that considers the timing of external cash flows; however, it does not utilize interim period performance to mitigate the impact of significant cash in- and outflows to the composite.

RVK calculates performance beginning with the first full month following inception. Since inception performance may vary from manager reported performance due to RVK using the first full month of returns as the inception date. Performance for both managers and composites is annualized for periods greater than one year.

**Portfolio Characteristics & Distribution (%)** - Due to disclosure guidelines set by each investment manager, portfolio characteristics and distribution percentages shown are as of the most recent date available.

**Price to Earnings Ratio** - The ratio valuing a company's current share price relative to its trailing 12-month per-share earnings (EPS).

**Private Equity Quartile Ranks** - Private Equity quartile ranks are generated using vintage year peer group data provided by Thomson Reuters, and are based on each fund's annualized, since inception internal rate of return (IRR). Three Private Equity peer groups are available via Thomson Reuters: Buyout, Venture, and All Private Equity. Ranks are available quarterly, at a one-quarter lag.

**R-Squared** - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**Return** - Compounded rate of return for the period.

**% Return** - The time-weighted rate of return of a portfolio for a given period.

**Risk Free Benchmark** - ICE BofAML 3 Mo US T-Bill Index unless specified otherwise.

## Glossary

**RVK Liquidity Rating** - A qualitative method for determining the relative amount of liquidity in a portfolio. The characteristics considered when determining relative liquidity include trading volume, gates for redemption, leverage, nature of transactions, and pricing mechanisms. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating.

<u>Asset Class</u>	<u>RVK Liquidity Rating</u>	<u>Asset Class</u>	<u>RVK Liquidity Rating</u>
<u>Liquid Investments</u>		<u>Less Liquid Investments</u>	
T-Bills and Treasuries	100	Fixed Income Plus Sector	50
Cash Equivalents	98	Stable Value (Plan Sponsor Directed)	50
TIPS	95	Hedge Funds of Funds	35
US Large Cap Equity	95		
Diversified Real Return	93		
Stable Value (Participant Directed)	91		
Global Equity	90	<u>Not Liquid Investments</u>	
Non-US Large Cap Equity	90	Core Real Estate	25
Global Tactical Asset Allocation	88	Core Plus Real Estate	15
MLPs	85	Non-Core Real Estate	5
US Mid Cap Equity	85	Private Equity	5
US SMid Cap Equity	85	Private Credit	5
US Small Cap Equity	85		
REITs	85		
Non-US Small Cap Equity	85		
Emerging Markets Equity	85		
Core Fixed Income	85		
Core Plus Fixed Income	80		

**Sector Allocation** - Negative fixed income sector allocation reflects manager's use of derivatives, short selling, or interest rate swaps.

**Sharpe Ratio** - Represents the excess rate of return over the risk-free return (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise), divided by the standard deviation of the excess return to the risk free asset. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

**Simple Alpha** - The difference between the manager's return and the benchmark's return.

**Spread Duration** - The approximate percentage change in a bond's price for a 100 basis point change in its spread over a Treasury of the same maturity.

**Standard Deviation** - A statistical measure of the range of a portfolio's performance. The variability of a return around its average return over a specified time period.

**Thematic Classification** - Represents dedicated manager allocations; as such, thematic allocations are approximations. RVK categorizes the following asset classes as Alpha, Capital Appreciation, Capital Preservation, and Inflation:

<u>Alpha</u>	<u>Capital Appreciation</u>	<u>Capital Preservation</u>	<u>Inflation</u>
Absolute Return Strategies	Public Equity	Core Fixed Income	TIPS
Currency Overlay	Private Equity	CMBS Fixed Income	Bank Loans
	Preferred Securities	Asset Backed Fixed Income	Core Real Estate
	High Yield	Domestic Core Plus Fixed Income	Real Return
	Convertible Fixed Income	Mortgage Backed Fixed Income	Inflation Hedges
	TALF Funds	International Developed Fixed Income	REITs
	Distressed Debt	Cash Equivalents	Commodities
	Emerging Market Fixed Income	Stable Value	
	Value Added Real Estate		
	Opportunistic Real Estate		

**Time Period Abbreviations** - **QTD** - Quarter-to-Date. **CYTD** - Calendar Year-to-Date. **FYTD** - Fiscal Year-to-Date. **YOY** - Year Over Year.

**Total Fund Attribution** - The Investment Decision Process (IDP) model provides an approach to evaluating investment performance that applies to all asset classes and investment styles. The IDP model is based on a top-down hierarchy framework of investment decisions, with each decision contributing to the overall profit or loss. The IDP approach starts from the strategic asset allocation and follows the flow of the investments down to the manager's skill.

**Strategic Asset Allocation (SAA)** - The percentage return gained or lost from the long-term strategic asset allocation decision, the most significant determinant of long-term performance. SAA is the product of the target asset allocation multiplied by the corresponding benchmark returns.

**Tactical Asset Allocation (TAA)** - The percentage return gained or lost from not having been precisely allocated at the target asset allocation mix, whether by deviations that are tactical in nature or a by-product of moving towards the target mix. TAA is the product of the actual asset allocation multiplied by the broad asset class benchmarks, less the SAA.

**Style Selection (SS)** - The percentage return gained or lost from intentional style biases within each asset class (e.g. value rather than core or overweight to emerging markets relative to benchmark). SS is the product of the actual manager allocation within each asset class multiplied by their specific benchmark, less TAA.

**Manager's Skill (MS)** - The percentage return gained or lost from manager value added relative to their specific benchmark. MS is the product of the actual manager allocation multiplied by their achieved excess return.

**Total Fund Beta** - Total Fund Beta is calculated using the S&P 500 as the benchmark. It represents a measure of the sensitivity of the total fund to movements in the S&P 500 and is a measure of the Total Fund's non-diversifiable or systematic risk.

## Glossary

**Tracking Error** - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

**Treynor Ratio** - Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Treynor ratio represents the excess rate of return over the risk-free rate (i.e., ICE BofAML 3 Mo US T-Bill Index unless specified otherwise) divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better historical risk-adjusted performance.

**Unit Value** - The dollar value of a portfolio, assuming an initial nominal investment of \$100, growing at the compounded rate of %Return for a given period.

**Up Market Capture** - Up market by definition is positive benchmark return and up market capture represents the ratio in % terms of the average portfolio's return over the benchmark during the up market period. The higher the value of the up market capture the better the product's performance.

**Yield to Maturity** - The rate of return achieved on a bond or other fixed income security assuming the security is bought and held to maturity and that the coupon interest paid over the life of the bond will be reinvested at the same rate of return. The 30-Day SEC Yield is similar to the Yield to Maturity and is reported for mutual funds.

**Yield to Worst** - The bond yield calculated by using the worst possible yield taking into consideration all call, put, and optional sink dates.



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CHICAGO

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# Monthly Investment Performance Analysis

City of Jacksonville Employees' Retirement System

Period Ended: October 31, 2024

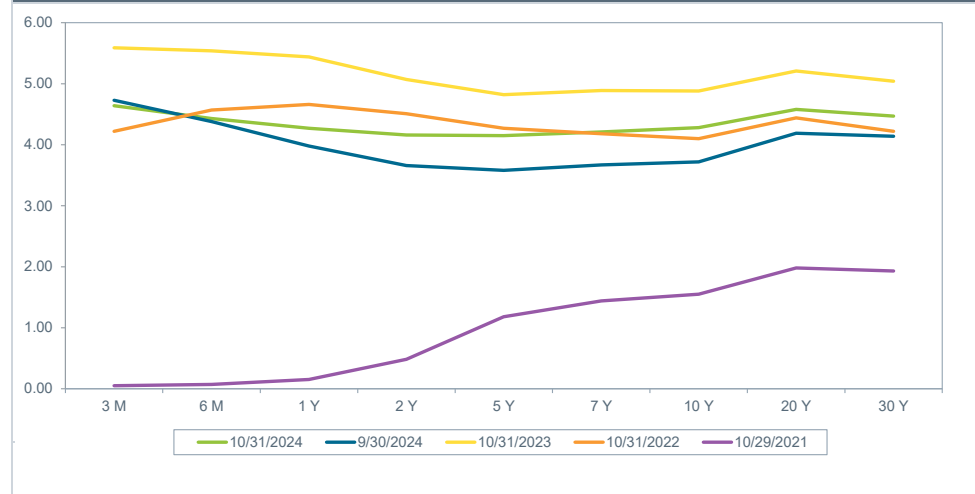


**General Market Commentary**

- During October, both domestic and international equity markets traded lower for the month, posting low to mid-single digit losses, with international markets pulling back more than U.S. markets.
- Heightened volatility was experienced due to uncertainty related to the U.S. presidential election, continued geopolitical risks, and mixed signals regarding the health of the economy.
- Fixed income markets also experienced a drawdown during September, with yields increasing across the curve as investors evaluate potential future Fed actions, moderating inflation, and the likelihood of a soft landing for the U.S. economy.
- US inflation, as measured by CPI, continued to moderate with year-over-year inflation slowing to 2.4% as of the end of September.
- Equity markets posted negative returns in October as the S&P 500 (Cap Wtd) Index returned -0.91% and the MSCI EAFE (Net) Index returned -5.44%. Emerging markets returned -4.45%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -2.48% in October, underperforming the -1.64% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -4.24%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned -2.90% in October and 4.55% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned 7.19% for the trailing one-year period and 14.99% for the trailing five-year period ending June 2024.
- Absolute return strategies returned 0.42% for the month and 12.02% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- Crude oil's price increased by 1.22% during the month but has decreased by 14.84% YoY.

Economic Indicators	Oct-24	Sep-24	Oct-23	10 Yr	20 Yr	
Federal Funds Rate (%)	4.83	—	4.83	5.33	1.70	1.66
Breakeven Inflation - 5 Year (%)	2.38	▲	2.06	2.41	1.94	1.93
Breakeven Inflation - 10 Year (%)	2.35	▲	2.16	2.44	1.98	2.09
Breakeven Inflation - 30 Year (%)	2.34	▲	2.17	2.49	2.03	2.23
Bloomberg US Agg Bond Index - Yield (%)	4.73	▲	4.23	5.65	2.87	3.27
Bloomberg US Agg Bond Index - OAS (%)	0.36	—	0.36	0.57	0.47	0.59
Bloomberg US Agg Credit Index - OAS (%)	0.79	▼	0.84	1.19	1.16	1.38
Bloomberg US Corp: HY Index - OAS (%)	2.82	▼	2.95	4.37	4.20	4.90
Capacity Utilization (%)	N/A	N/A	77.49	78.78	77.41	77.18
Unemployment Rate (%)	4.10	—	4.10	3.80	4.69	5.81
PMI - Manufacturing (%)	46.50	▼	47.20	46.70	53.24	52.93
Baltic Dry Index - Shipping	1,388	▼	2,084	1,459	1,429	2,257
Consumer Conf (Conf Board)	108.70	▲	98.70	99.10	110.11	92.80
CPI YoY (Headline) (%)	2.60	▲	2.40	3.20	2.89	2.62
CPI YoY (Core) (%)	3.30	—	3.30	4.00	2.97	2.45
PPI YoY (%)	N/A	N/A	1.80	1.10	2.71	N/A
M2 YoY (%)	N/A	N/A	2.60	-3.50	6.66	6.41
US Dollar Total Weighted Index	125.02	▲	121.53	124.12	115.03	104.36
WTI Crude Oil per Barrel (\$)	69	▲	68	81	62	72
Gold Spot per Oz (\$)	2,781	▲	2,636	2,000	1,576	1,317

**Treasury Yield Curve (%)**



Treasury Yield Curve (%)	Oct-24	Sep-24	Oct-23	Oct-22	Oct-21
3 Month	4.64	4.73	5.59	4.22	0.05
6 Month	4.43	4.38	5.54	4.57	0.07
1 Year	4.27	3.98	5.44	4.66	0.15
2 Year	4.16	3.66	5.07	4.51	0.48
5 Year	4.15	3.58	4.82	4.27	1.18
7 Year	4.21	3.67	4.89	4.18	1.44
10 Year	4.28	3.72	4.88	4.10	1.55
20 Year	4.58	4.19	5.21	4.44	1.98
30 Year	4.47	4.14	5.04	4.22	1.93

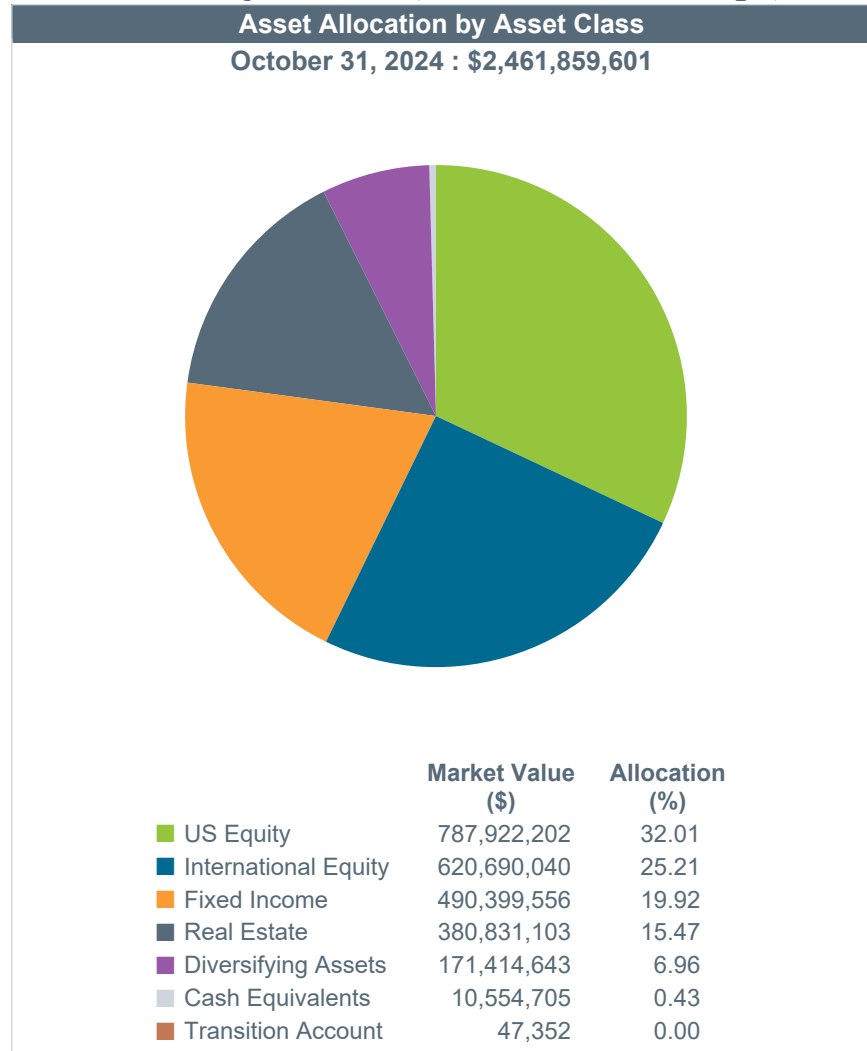
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-0.91	-0.91	20.97	38.02	9.08	15.27	13.97	13.00
Russell 2000	-1.44	-1.44	9.56	34.07	-0.05	8.50	7.01	7.94
MSCI EAFE (Net)	-5.44	-5.44	6.85	22.97	2.70	6.24	4.93	5.27
MSCI EAFE SC (Net)	-6.27	-6.27	4.14	22.96	-3.00	4.10	2.96	5.73
MSCI EM (Net)	-4.45	-4.45	11.66	25.32	-1.43	3.93	2.47	3.43
Bloomberg US Agg Bond	-2.48	-2.48	1.86	10.55	-2.20	-0.23	1.10	1.49
ICE BofAML 3 Mo US T-Bill	0.38	0.38	4.43	5.39	3.63	2.36	2.27	1.69
NCREIF ODCE (Gross)	N/A	N/A	-2.56	-7.27	-0.18	2.94	4.12	6.10
FTSE NAREIT Eq REITs Index (TR)	-2.90	-2.90	12.57	36.80	1.53	4.55	6.67	6.50
HFRI FOF Comp Index	0.42	0.42	7.42	12.02	2.18	5.43	4.20	3.79
Bloomberg Cmtly Index (TR)	-1.85	-1.85	3.89	-1.18	2.15	6.96	4.27	-0.08

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.



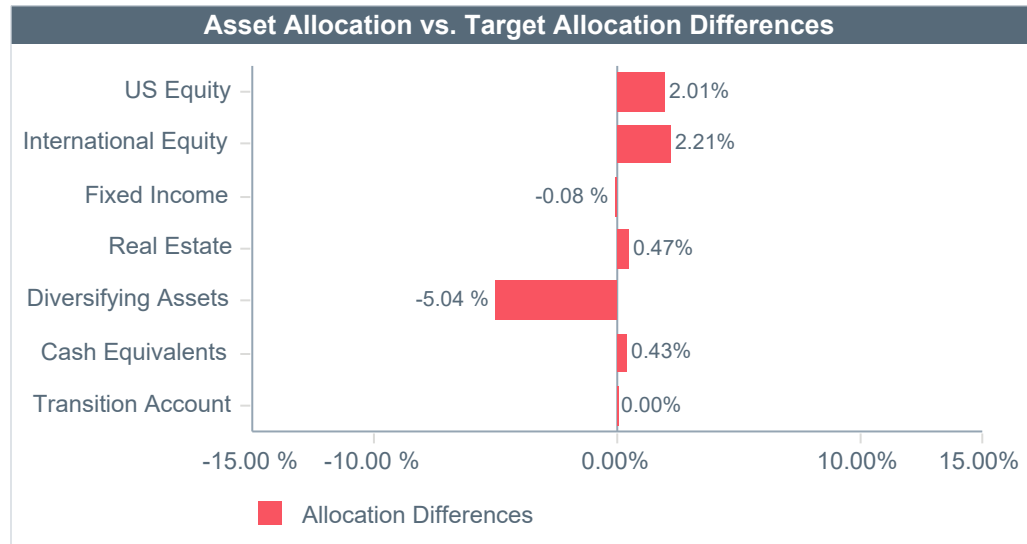
Total Fund

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 (%)
<b>Total Fund</b>	<b>2,461,859,601</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>
US Equity	787,922,202	32.01	20.00	30.00	40.00
International Equity	620,690,040	25.21	13.00	23.00	25.00
Fixed Income	490,399,556	19.92	10.00	20.00	30.00
Real Estate	380,831,103	15.47	0.00	15.00	20.00
Diversifying Assets	171,414,643	6.96	0.00	12.00	20.00
Cash Equivalents	10,554,705	0.43	0.00	0.00	10.00
Transition Account	47,352	0.00	0.00	0.00	0.00



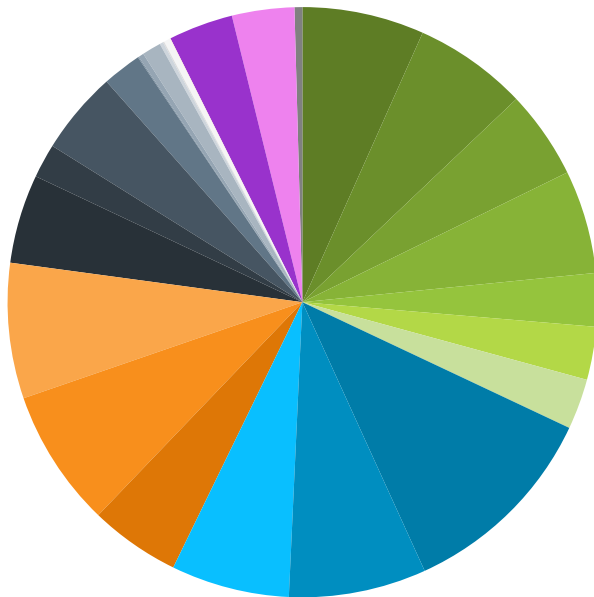
**Schedule of Investable Assets**

Periods Ending	Beginning Market Value (\$)	Net Cash Flows (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
FYTD	2,475,947,332	77,961	-14,165,692	2,461,859,601	-0.57
CYTD	2,355,516,708	-105,362,171	211,705,064	2,461,859,601	8.93

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. Fiscal year for the COJ ends 09/30.



October 31, 2024 : \$2,461,859,601



	Market Value (\$)	Allocation (%)
■ Eagle Capital Large Cap Value (SA)	164,477,796	6.68
■ Wellington Select Equity Income Fund (SA)	153,459,215	6.23
■ BNYM DB Lg Cap Stock Idx NL (CF)	119,072,935	4.84
■ Loomis, Sayles & Co Lg Cap Grth (CF)	139,501,369	5.67
■ Kayne Anderson US SMID Value (SA)	71,663,499	2.91
■ Systematic Financial US SMID Value (SA)	71,448,881	2.90
■ Pinnacle Associates US SMID Cap Growth (SA)	68,298,509	2.77
■ Silchester Intl Val Equity (CF)	275,583,122	11.19
■ Bail Giff Intl Gro;4 (BGEFX)	185,576,003	7.54
■ Acadian Emg Mkts Eq II (CF)	159,530,915	6.48
■ Baird Core Fixed Income (SA)	122,025,348	4.96
■ Loomis Sayles Multisector Full Discretion (CF)	185,907,023	7.55
■ Schroder Flexible Secured Income LP (CF)	182,467,185	7.41
■ Harrison Street Core Property LP	120,153,316	4.88
■ PGIM Real Estate PRISA II LP	45,946,901	1.87
■ Principal US Property (CF)	112,087,447	4.55
■ UBS Trumbull Property (CF)	52,766,687	2.14
■ Vanguard RE Idx;ETF (VNQ)	1,392,978	0.06
■ Abacus Multi-Family Partners VI LP	7,002,370	0.28
■ H.I.G. Realty Partners IV (Onshore) LP	25,681,182	1.04
■ Bell Value-Add Fund VII (CF)	4,671,592	0.19
■ Hammes Partners IV LP	1,630,168	0.07
■ IPI Partners III-A LP	8,007,634	0.33
■ Ares US Real Estate Opportunity IV LP	1,490,828	0.06
■ Adams Street Private Equity (SA)	87,196,427	3.54
■ Hamilton Lane Private Credit (SA)	84,218,216	3.42
■ Dreyfus Gvt CM;Inst (DGCXX)	10,554,705	0.43
■ Transition Account	47,352	0.00

Market values shown are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. During 10/2024, Ares US Real Estate Opportunity IV LP received its first capital call.

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

As of October 31, 2024

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Total Fund</b>	<b>2,461,859,601</b>	<b>100.00</b>	<b>-0.57</b>	<b>-0.57</b>	<b>-0.57</b>	<b>8.93</b>	<b>18.71</b>	<b>2.58</b>	<b>7.05</b>	<b>6.21</b>	<b>6.53</b>	<b>6.36</b>	<b>07/01/1999</b>
Total Fund Policy Index			-1.88	-1.88	-1.88	9.80	20.98	3.65	7.39	6.81	6.72	6.09	
Difference			1.31	1.31	1.31	-0.87	-2.27	-1.07	-0.34	-0.60	-0.19	0.27	
Actual Allocation Index			-1.86	-1.86	-1.86	8.67	18.72	2.01	6.23	N/A	N/A	N/A	
Difference			1.29	1.29	1.29	0.26	-0.01	0.57	0.82	N/A	N/A	N/A	
Actual Allocation Index (Net of Alts)			-1.82	-1.82	-1.82	7.58	17.54	2.20	6.40	N/A	N/A	N/A	
Difference			1.25	1.25	1.25	1.35	1.17	0.38	0.65	N/A	N/A	N/A	
<b>Total Equity</b>	<b>1,408,612,242</b>	<b>57.22</b>	<b>-0.76</b>	<b>-0.76</b>	<b>-0.76</b>	<b>14.94</b>	<b>31.64</b>	<b>4.49</b>	<b>11.12</b>	<b>9.26</b>	<b>9.52</b>	<b>7.03</b>	<b>07/01/1999</b>
<b>US Equity</b>	<b>787,922,202</b>	<b>32.01</b>	<b>-0.44</b>	<b>-0.44</b>	<b>-0.44</b>	<b>16.69</b>	<b>33.45</b>	<b>6.28</b>	<b>13.59</b>	<b>12.05</b>	<b>11.51</b>	<b>7.85</b>	<b>07/01/1999</b>
US Equity Index			-0.73	-0.73	-0.73	19.75	37.86	7.64	14.60	13.27	12.44	8.00	
Difference			0.29	0.29	0.29	-3.06	-4.41	-1.36	-1.01	-1.22	-0.93	-0.15	
<b>International Equity</b>	<b>620,690,040</b>	<b>25.21</b>	<b>-1.16</b>	<b>-1.16</b>	<b>-1.16</b>	<b>12.77</b>	<b>29.39</b>	<b>1.88</b>	<b>7.44</b>	<b>5.05</b>	<b>6.32</b>	<b>6.09</b>	<b>07/01/1999</b>
International Equity Index			-4.91	-4.91	-4.91	8.61	24.33	1.60	5.78	4.41	4.79	4.27	
Difference			3.75	3.75	3.75	4.16	5.06	0.28	1.66	0.64	1.53	1.82	
<b>Fixed Income</b>	<b>490,399,556</b>	<b>19.92</b>	<b>-0.66</b>	<b>-0.66</b>	<b>-0.66</b>	<b>5.44</b>	<b>12.34</b>	<b>-0.47</b>	<b>0.79</b>	<b>1.32</b>	<b>1.61</b>	<b>4.38</b>	<b>07/01/1999</b>
Fixed Income Index			-2.27	-2.27	-2.27	2.52	11.20	-1.78	0.18	1.39	1.69	4.01	
Difference			1.61	1.61	1.61	2.92	1.14	1.31	0.61	-0.07	-0.08	0.37	
<b>Real Estate</b>	<b>380,831,103</b>	<b>15.47</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-4.57</b>	<b>-6.33</b>	<b>0.24</b>	<b>2.27</b>	<b>3.33</b>	<b>5.14</b>	<b>4.81</b>	<b>12/01/2005</b>
Real Estate Index			0.02	0.02	0.02	-3.06	-7.89	-0.96	2.11	3.25	5.18	5.05	
Difference			-0.03	-0.03	-0.03	-1.51	1.56	1.20	0.16	0.08	-0.04	-0.24	
<b>Core Real Estate</b>	<b>332,347,330</b>	<b>13.50</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-5.12</b>	<b>-6.72</b>	<b>-0.25</b>	<b>1.97</b>	<b>3.11</b>	<b>4.98</b>	<b>4.73</b>	<b>12/01/2005</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	-3.20	-8.04	-1.04	2.05	3.21	5.16	5.04	
Difference			-0.01	-0.01	-0.01	-1.92	1.32	0.79	-0.08	-0.10	-0.18	-0.31	
<b>Non-Core Real Estate</b>	<b>48,483,773</b>	<b>1.97</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.37</b>	<b>-2.83</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.93</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	-1.72	
Difference			-0.17	-0.17	-0.17	2.96	3.37	N/A	N/A	N/A	N/A	24.65	
<b>Diversifying Assets</b>	<b>171,414,643</b>	<b>6.96</b>	<b>-0.07</b>	<b>-0.07</b>	<b>-0.07</b>	<b>3.76</b>	<b>5.75</b>	<b>16.83</b>	<b>12.54</b>	<b>8.76</b>	<b>4.57</b>	<b>8.09</b>	<b>03/01/2011</b>
Diversifying Assets Index			-0.70	-0.70	-0.70	17.16	31.50	10.37	8.09	5.88	2.97	5.10	
Difference			0.63	0.63	0.63	-13.40	-25.75	6.46	4.45	2.88	1.60	2.99	

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

**As of October 31, 2024**

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Cash Equivalents</b>	<b>10,554,705</b>	<b>0.43</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>4.49</b>	<b>5.39</b>	<b>3.86</b>	<b>1.61</b>	<b>N/A</b>	<b>N/A</b>	<b>1.71</b>	<b>09/01/2018</b>
FTSE 3 Mo T-Bill Index			0.43	0.43	0.43	4.62	5.59	3.78	2.44	2.31	1.71	2.41	
Difference			-0.02	-0.02	-0.02	-0.13	-0.20	0.08	-0.83	N/A	N/A	-0.70	

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

As of October 31, 2024

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>US Equity</b>													
<b>Eagle Capital Large Cap Value (SA)</b>	<b>164,477,796</b>	<b>6.68</b>	<b>-0.15</b>	<b>-0.15</b>	<b>-0.15</b>	<b>21.06</b>	<b>33.51</b>	<b>7.37</b>	<b>14.47</b>	<b>13.26</b>	<b>12.75</b>	<b>11.49</b>	<b>03/01/2007</b>
Russell 1000 Val Index			-1.10	-1.10	-1.10	15.40	30.98	6.85	10.14	9.25	8.87	7.40	
Difference			0.95	0.95	0.95	5.66	2.53	0.52	4.33	4.01	3.88	4.09	
Russell 1000 Index			-0.70	-0.70	-0.70	20.33	38.07	8.12	15.00	13.70	12.75	10.33	
Difference			0.55	0.55	0.55	0.73	-4.56	-0.75	-0.53	-0.44	0.00	1.16	
<b>Wellington Select Equity Income Fund (SA)</b>	<b>153,459,215</b>	<b>6.23</b>	<b>-0.09</b>	<b>-0.09</b>	<b>-0.09</b>	<b>15.00</b>	<b>25.44</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>21.00</b>	<b>06/01/2023</b>
Russell 1000 Val Index			-1.10	-1.10	-1.10	15.40	30.98	6.85	10.14	9.25	8.87	20.66	
Difference			1.01	1.01	1.01	-0.40	-5.54	N/A	N/A	N/A	N/A	0.34	
<b>BNYM DB Lg Cap Stock Idx NL (CF)</b>	<b>119,072,935</b>	<b>4.84</b>	<b>-0.71</b>	<b>-0.71</b>	<b>-0.71</b>	<b>20.38</b>	<b>38.13</b>	<b>8.53</b>	<b>15.23</b>	<b>N/A</b>	<b>N/A</b>	<b>14.52</b>	<b>05/01/2019</b>
Russell 1000 Index			-0.70	-0.70	-0.70	20.33	38.07	8.12	15.00	13.70	12.75	14.31	
Difference			-0.01	-0.01	-0.01	0.05	0.06	0.41	0.23	N/A	N/A	0.21	
<b>Loomis, Sayles &amp; Co Lg Cap Grth (CF)</b>	<b>139,501,369</b>	<b>5.67</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>22.31</b>	<b>43.67</b>	<b>10.73</b>	<b>17.98</b>	<b>15.93</b>	<b>N/A</b>	<b>16.52</b>	<b>08/01/2017</b>
Russell 1000 Grth Index			-0.33	-0.33	-0.33	24.14	43.77	8.84	19.00	17.51	16.18	17.98	
Difference			0.33	0.33	0.33	-1.83	-0.10	1.89	-1.02	-1.58	N/A	-1.46	
<b>Kayne Anderson US SMID Value (SA)</b>	<b>71,663,499</b>	<b>2.91</b>	<b>-0.37</b>	<b>-0.37</b>	<b>-0.37</b>	<b>11.10</b>	<b>31.96</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6.05</b>	<b>03/01/2022</b>
Russell 2500 Val Index			-1.26	-1.26	-1.26	9.87	32.42	3.99	9.39	7.57	7.87	5.32	
Difference			0.89	0.89	0.89	1.23	-0.46	N/A	N/A	N/A	N/A	0.73	
<b>Systematic Financial US SMID Value (SA)</b>	<b>71,448,881</b>	<b>2.90</b>	<b>-1.83</b>	<b>-1.83</b>	<b>-1.83</b>	<b>11.58</b>	<b>30.84</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.58</b>	<b>03/01/2022</b>
Russell 2500 Val Index			-1.26	-1.26	-1.26	9.87	32.42	3.99	9.39	7.57	7.87	5.32	
Difference			-0.57	-0.57	-0.57	1.71	-1.58	N/A	N/A	N/A	N/A	2.26	
<b>Pinnacle Associates US SMID Cap Growth (SA)</b>	<b>68,298,509</b>	<b>2.77</b>	<b>-0.97</b>	<b>-0.97</b>	<b>-0.97</b>	<b>3.29</b>	<b>25.58</b>	<b>-4.39</b>	<b>8.13</b>	<b>7.37</b>	<b>8.48</b>	<b>11.46</b>	<b>03/01/2010</b>
Russell 2500 Grth Index			-0.25	-0.25	-0.25	10.92	34.21	-2.47	9.14	8.98	9.48	12.03	
Difference			-0.72	-0.72	-0.72	-7.63	-8.63	-1.92	-1.01	-1.61	-1.00	-0.57	

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

As of October 31, 2024

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>International Equity</b>													
<b>Silchester Intl Val Equity (CF)</b>	<b>275,583,122</b>	<b>11.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.27</b>	<b>25.44</b>	<b>7.34</b>	<b>8.01</b>	<b>5.58</b>	<b>6.85</b>	<b>9.10</b>	<b>06/01/2009</b>
MSCI EAFE Val Index (USD) (Net)			-4.70	-4.70	-4.70	8.44	22.75	6.64	6.47	4.19	4.28	5.71	
Difference			4.70	4.70	4.70	1.83	2.69	0.70	1.54	1.39	2.57	3.39	
<b>Bail Giff Intl Gro;4 (BGEFX)</b>													
<b>Bail Giff Intl Gro;4 (BGEFX)</b>	<b>185,576,003</b>	<b>7.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>14.59</b>	<b>35.60</b>	<b>-7.27</b>	<b>6.92</b>	<b>5.49</b>	<b>7.36</b>	<b>9.17</b>	<b>06/01/2009</b>
Baillie Gifford Index			-5.08	-5.08	-5.08	8.26	25.18	-1.93	5.22	4.63	5.51	7.02	
Difference			5.08	5.08	5.08	6.33	10.42	-5.34	1.70	0.86	1.85	2.15	
Baillie Gifford Spliced Index			-4.91	-4.91	-4.91	8.61	24.33	1.60	5.83	4.64	5.07	6.49	
Difference			4.91	4.91	4.91	5.98	11.27	-8.87	1.09	0.85	2.29	2.68	
<b>Acadian Emg Mkts Eq II (CF)</b>													
<b>Acadian Emg Mkts Eq II (CF)</b>	<b>159,530,915</b>	<b>6.48</b>	<b>-4.37</b>	<b>-4.37</b>	<b>-4.37</b>	<b>16.08</b>	<b>30.98</b>	<b>4.69</b>	<b>8.10</b>	<b>4.30</b>	<b>4.71</b>	<b>4.13</b>	<b>02/01/2011</b>
MSCI Emg Mkts Index (USD) (Net)			-4.45	-4.45	-4.45	11.66	25.32	-1.43	3.93	2.47	3.43	2.49	
Difference			0.08	0.08	0.08	4.42	5.66	6.12	4.17	1.83	1.28	1.64	
<b>Fixed Income</b>													
<b>Baird Core Fixed Income (SA)</b>													
<b>Baird Core Fixed Income (SA)</b>	<b>122,025,348</b>	<b>4.96</b>	<b>-2.47</b>	<b>-2.47</b>	<b>-2.47</b>	<b>2.76</b>	<b>11.77</b>	<b>-1.84</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-1.23</b>	<b>03/01/2021</b>
Bloomberg US Agg Bond Index			-2.48	-2.48	-2.48	1.86	10.55	-2.20	-0.23	1.10	1.49	-1.65	
Difference			0.01	0.01	0.01	0.90	1.22	0.36	N/A	N/A	N/A	0.42	
<b>Loomis Sayles Multisector Full Discretion (CF)</b>													
<b>Loomis Sayles Multisector Full Discretion (CF)</b>	<b>185,907,023</b>	<b>7.55</b>	<b>-0.08</b>	<b>-0.08</b>	<b>-0.08</b>	<b>6.49</b>	<b>16.67</b>	<b>0.41</b>	<b>3.15</b>	<b>3.53</b>	<b>3.68</b>	<b>5.56</b>	<b>11/01/2007</b>
Bloomberg Gbl Agg Bond Index			-3.35	-3.35	-3.35	0.13	9.55	-4.08	-1.64	-0.17	0.23	1.74	
Difference			3.27	3.27	3.27	6.36	7.12	4.49	4.79	3.70	3.45	3.82	
<b>Schroder Flexible Secured Income LP (CF)</b>													
<b>Schroder Flexible Secured Income LP (CF)</b>	<b>182,467,185</b>	<b>7.41</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.79</b>	<b>6.79</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8.24</b>	<b>10/01/2022</b>
SOFR+1.75%			0.55	0.55	0.55	6.00	7.25	5.55	4.15	N/A	N/A	6.90	
Difference			-0.55	-0.55	-0.55	0.79	-0.46	N/A	N/A	N/A	N/A	1.34	
SOFR+5%			0.81	0.81	0.81	8.81	10.68	8.92	7.48	N/A	N/A	10.31	
Difference			-0.81	-0.81	-0.81	-2.02	-3.89	N/A	N/A	N/A	N/A	-2.07	

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

As of October 31, 2024

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Core Real Estate</b>													
<b>Harrison Street Core Property LP</b>	<b>120,153,316</b>	<b>4.88</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-4.07</b>	<b>-4.07</b>	<b>1.93</b>	<b>3.85</b>	<b>4.73</b>	<b>N/A</b>	<b>5.64</b>	<b>11/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	-3.20	-8.04	-1.04	2.05	3.21	5.16	4.23	
Difference			0.00	0.00	0.00	-0.87	3.97	2.97	1.80	1.52	N/A	1.41	
<b>PGIM Real Estate PRISA II LP</b>	<b>45,946,901</b>	<b>1.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-10.65</b>	<b>-14.16</b>	<b>-0.41</b>	<b>1.39</b>	<b>3.08</b>	<b>N/A</b>	<b>5.10</b>	<b>01/01/2015</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	-3.20	-8.04	-1.04	2.05	3.21	5.16	4.93	
Difference			0.00	0.00	0.00	-7.45	-6.12	0.63	-0.66	-0.13	N/A	0.17	
<b>Principal US Property (CF)</b>	<b>112,087,447</b>	<b>4.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2.95</b>	<b>-5.90</b>	<b>-0.65</b>	<b>2.40</b>	<b>3.79</b>	<b>5.95</b>	<b>6.35</b>	<b>01/01/2014</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	-3.20	-8.04	-1.04	2.05	3.21	5.16	5.52	
Difference			0.00	0.00	0.00	0.25	2.14	0.39	0.35	0.58	0.79	0.83	
<b>UBS Trumbull Property (CF)</b>	<b>52,766,687</b>	<b>2.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-6.96</b>	<b>-6.96</b>	<b>-3.13</b>	<b>-0.97</b>	<b>0.05</b>	<b>2.34</b>	<b>3.58</b>	<b>01/01/2006</b>
NCREIF ODCE Index (AWA) (Net)			0.00	0.00	0.00	-3.20	-8.04	-1.04	2.05	3.21	5.16	4.80	
Difference			0.00	0.00	0.00	-3.76	1.08	-2.09	-3.02	-3.16	-2.82	-1.22	
<b>Vanguard RE Idx;ETF (VNQ)</b>	<b>1,392,978</b>	<b>0.06</b>	<b>-3.35</b>	<b>-3.35</b>	<b>-3.35</b>	<b>9.71</b>	<b>34.50</b>	<b>-0.97</b>	<b>3.80</b>	<b>6.00</b>	<b>5.88</b>	<b>11.05</b>	<b>12/01/2008</b>
Custom REITs Index			-3.40	-3.40	-3.40	9.84	34.60	-0.83	3.95	6.34	6.21	11.72	
Difference			0.05	0.05	0.05	-0.13	-0.10	-0.14	-0.15	-0.34	-0.33	-0.67	

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

As of October 31, 2024

	Allocation		Performance (%)										
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Incep.	Inception Date
<b>Non-Core Real Estate</b>													
<b>Abacus Multi-Family Partners VI LP</b>	<b>7,002,370</b>	<b>0.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-40.12</b>	<b>-47.48</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-45.79</b>	<b>10/01/2022</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	-8.30	
Difference			-0.17	-0.17	-0.17	-38.53	-41.28	N/A	N/A	N/A	N/A	-37.49	
<b>H.I.G. Realty Partners IV (Onshore) LP</b>	<b>25,681,182</b>	<b>1.04</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5.40</b>	<b>5.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>01/01/2022</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	-1.72	
Difference			-0.17	-0.17	-0.17	6.99	11.45	N/A	N/A	N/A	N/A	N/A	
<b>Bell Value-Add Fund VII (CF)</b>	<b>4,671,592</b>	<b>0.19</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5.25</b>	<b>-22.93</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-14.69</b>	<b>04/01/2023</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	-6.29	
Difference			-0.17	-0.17	-0.17	-3.66	-16.73	N/A	N/A	N/A	N/A	-8.40	
<b>Hammes Partners IV LP</b>	<b>1,630,168</b>	<b>0.07</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-52.33</b>	<b>-70.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-67.87</b>	<b>10/01/2023</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	-5.59	
Difference			-0.17	-0.17	-0.17	-50.74	-64.57	N/A	N/A	N/A	N/A	-62.28	
<b>IPI Partners III-A LP</b>	<b>8,007,634</b>	<b>0.33</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>25.12</b>	<b>04/01/2024</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	0.52	
Difference			-0.17	-0.17	-0.17	N/A	N/A	N/A	N/A	N/A	N/A	24.60	
<b>Ares US Real Estate Opportunity IV LP</b>	<b>1,490,828</b>	<b>0.06</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>11/01/2024</b>
NCREIF ODCE Index (AWA) (Net) +2%			0.17	0.17	0.17	-1.59	-6.20	0.94	4.09	5.28	7.26	N/A	
Difference			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Diversifying Assets</b>													
<b>Adams Street Private Equity (SA)</b>	<b>87,196,427</b>	<b>3.54</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.79</b>	<b>0.79</b>	<b>19.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>18.88</b>	<b>11/01/2020</b>
S&P 500 Index+3%			-0.66	-0.66	-0.66	23.99	42.16	12.36	18.73	17.39	16.39	20.21	
Difference			0.66	0.66	0.66	-23.20	-41.37	7.41	N/A	N/A	N/A	-1.33	
<b>Hamilton Lane Private Credit (SA)</b>	<b>84,218,216</b>	<b>3.42</b>	<b>-0.14</b>	<b>-0.14</b>	<b>-0.14</b>	<b>7.19</b>	<b>11.86</b>	<b>7.89</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.27</b>	<b>04/01/2021</b>
ICE BofAML Gbl Hi Yld Index +2%			-0.73	-0.73	-0.73	9.54	19.56	3.99	5.60	5.69	6.23	4.10	
Difference			0.59	0.59	0.59	-2.35	-7.70	3.90	N/A	N/A	N/A	-0.83	
<b>Cash Equivalents</b>													
<b>Dreyfus Gvt CM;Inst (DGCCX)</b>	<b>10,554,705</b>	<b>0.43</b>	<b>0.41</b>	<b>0.41</b>	<b>0.41</b>	<b>4.49</b>	<b>5.40</b>	<b>3.70</b>	<b>2.41</b>	<b>2.30</b>	<b>1.72</b>	<b>1.63</b>	<b>05/01/2001</b>
FTSE 3 Mo T-Bill Index			0.43	0.43	0.43	4.62	5.59	3.78	2.44	2.31	1.71	1.62	
Difference			-0.02	-0.02	-0.02	-0.13	-0.19	-0.08	-0.03	-0.01	0.01	0.01	

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

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**Performance Related Comments:**

- Performance is annualized for periods greater than one year.
- Performance and market values shown are preliminary and subject to change.
- The inception date shown indicates the first full month of performance following initial funding.
- The market value shown for the Transition Account includes JXP Transition, 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.
- **Actual Allocation Index:** The Actual Allocation Index is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **Actual Allocation Index (Net of Alts):** The Actual Allocation Index (Net of Alts) is calculated monthly, using beginning of month weights of each investment applied to its corresponding primary benchmark return, with the exception of funds in the Core Real Estate, Non-Core Real Estate, and Diversifying Assets composites, which are represented by actual monthly composite returns. The Actual Allocation Index's Inception date is 01/2019 and prior performance is listed as "N/A".
- **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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# Manager Profile

## Pinnacle Small-Mid Cap Growth Equity Strategy

### Strategy Overview

Style:	US Small-Mid Growth Equity
Vehicle:	Separate Account
Benchmark:	Russell 2500 Growth Index

### Firm Overview

Headquarters:	New York, NY
Firm AUM:	\$9 Billion
Management Fee:	0.70% (SMID Growth Median: 0.78%)
Strategy AUM:	\$1 Billion

**Strategy Overview:** The strategy seeks long-term capital appreciation in common stocks of smaller companies trading at attractive valuations. Stock selection and portfolio weighting is based on fundamental research conducted by the investment team and their resulting view on the growth trajectory and overall conviction in company direction and management. The strategy is differentiated relative to peers given the incorporation of valuation criteria. Comparatively, many peers will invest in growth companies with less emphasis on valuation level. Given this bias, Pinnacle will tend to hold a larger proportion of their portfolio in cyclical companies and sectors which can lead to periods of underperformance. Additionally, the team will invest in companies with smaller market cap profiles (below \$3B) and allow them to grow into mid cap companies over time. This bias can be detrimental when existing mid cap companies strongly outperform smaller cap companies within their opportunity set.

**Firm and Team Structure:** Boutique firm fully owned by employees primarily focused on investment management. Firm and asset levels have been stable despite recent underperformance. The investment team consists of an experienced group of four portfolio managers that have worked together over multiple market cycles using a consistent approach. They are supported by two analysts assigned specific stocks or sectors to research.

**Recent Performance:** Performance of the strategy was satisfactory at the end of 2022 with a rebound experienced following underperformance in 2020 during the outperformance of high multiple, high growth stocks which aren't held at large weights in this portfolio. The contrarian approach deployed by the investment team has been challenged once again in 2023 and 2024 as well given the resurgent performance of high multiple, high growth stocks, in somewhat similar fashion as 2020.

**Summary:** Recent performance over the trailing 18 months has been challenged by market conditions characterized by sharp positive performance of stocks not generally targeted by the strategy, but also stock selection decisions made by the investment team. The investment approach generated above average levels of tracking error which necessitates patience by investors, but given the magnitude of recent underperformance RVK views it as prudent for clients to confirm conviction in Pinnacle and its role within their portfolios.

As of September 30, 2024	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
Pinnacle Small-Mid Cap	4.78%	17.13%	-1.60%	10.03%	8.62%	9.58%
Russell 2500 Growth Index	11.20%	25.20%	-0.75%	9.75%	9.43%	9.98%
<i>Difference</i>	<i>-6.42%</i>	<i>-8.07%</i>	<i>-0.85%</i>	<i>0.28%</i>	<i>-0.81%</i>	<i>-0.4%</i>
SMID Growth Peer Median	12.15%	25.44%	-0.14%	11.70%	11.76%	11.30%
<i>Difference</i>	<i>-7.37%</i>	<i>-8.31%</i>	<i>-1.46%</i>	<i>-1.67%</i>	<i>-3.14%</i>	<i>-1.72%</i>
Rank	80	80	67	72	91	86

Manager return data, as of 9/30/2024, reflects actual COJ ERS performance and is gross of fees.



# Risk/Return - Five and Ten Year

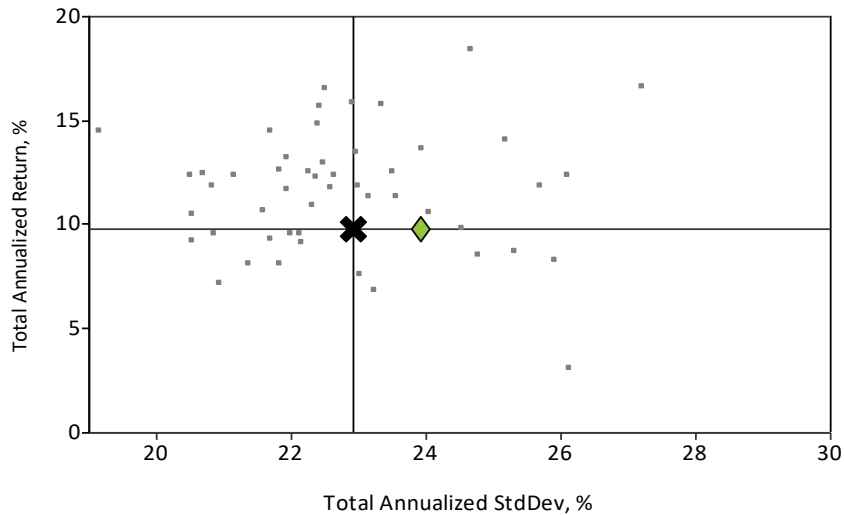
As of September 2024

Benchmark: Russell 2500 Growth TR USD

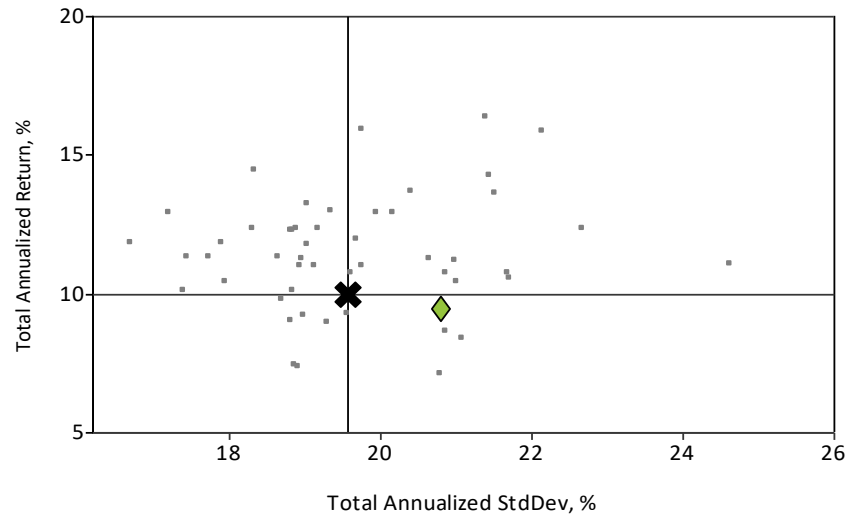
Universe: eA SMID Cap Growth

Universe Size: 183

### Five Year Risk/Return



### Ten Year Risk/Return



◆ Pinnacle: SMID Growth

✕ Russell 2500 Growth TR USD

	Annualized Return	Annualized Std. Dev.
Pinnacle: SMID Growth	9.83	23.93
<b>Russell 2500 Growth TR USD</b>	<b>9.75</b>	<b>22.91</b>
eA SMID Cap Growth Median	11.94	22.48

	Annualized Return	Annualized Std. Dev.
Pinnacle: SMID Growth	9.45	20.79
<b>Russell 2500 Growth TR USD</b>	<b>9.98</b>	<b>19.56</b>
eA SMID Cap Growth Median	11.35	19.21

Manager return data, as of 9/30/2024, reflects performance of the separate account composite and is gross of fees.



# Up/Down Market Capture - Five and Ten Year

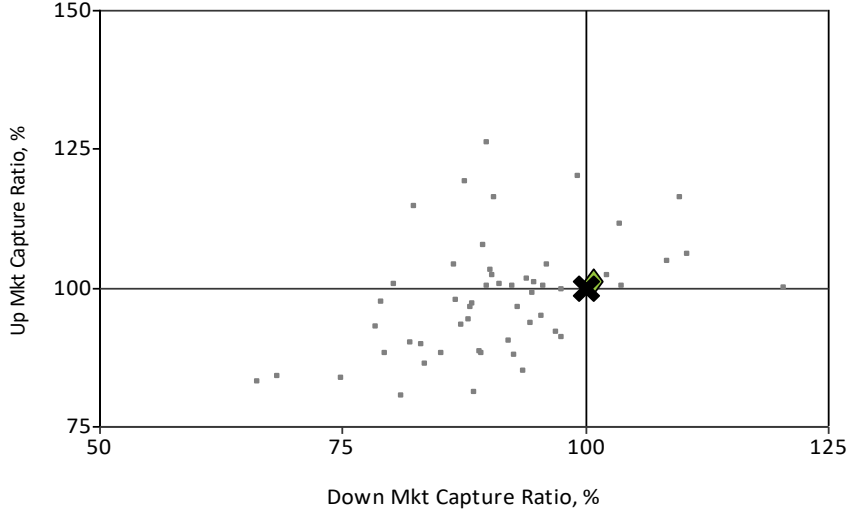
As of September 2024

Benchmark: Russell 2500 Growth TR USD

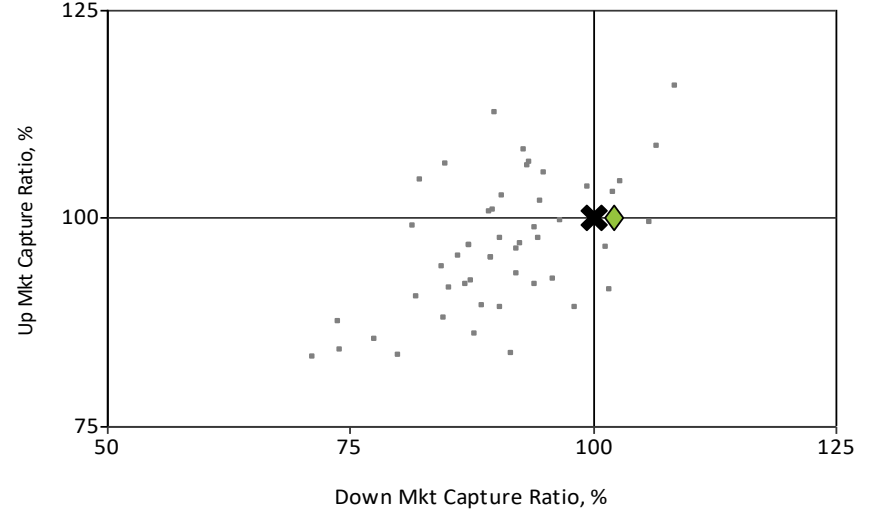
Universe: eA SMID Cap Growth

Universe Size: 183

Five Year Up/Down Market Capture Ratio



Ten Year Up/Down Market Capture Ratio



◆ Pinnacle: SMID Growth

✱ Russell 2500 Growth TR USD

	Up Mkt Cap Ratio, %	Up Mkt Months	Down Mkt Cap Ratio, %	Down Mkt Months
Pinnacle: SMID Growth	101.09	34	100.84	26
Russell 2500 Growth TR USD	100.00	34	100.00	26
eA SMID Cap Growth Median	98.07	34	90.19	26

	Up Mkt Cap Ratio, %	Up Mkt Months	Down Mkt Cap Ratio, %	Down Mkt Months
Pinnacle: SMID Growth	100.08	76	102.17	44
Russell 2500 Growth TR USD	100.00	76	100.00	44
eA SMID Cap Growth Median	96.84	76	90.37	44





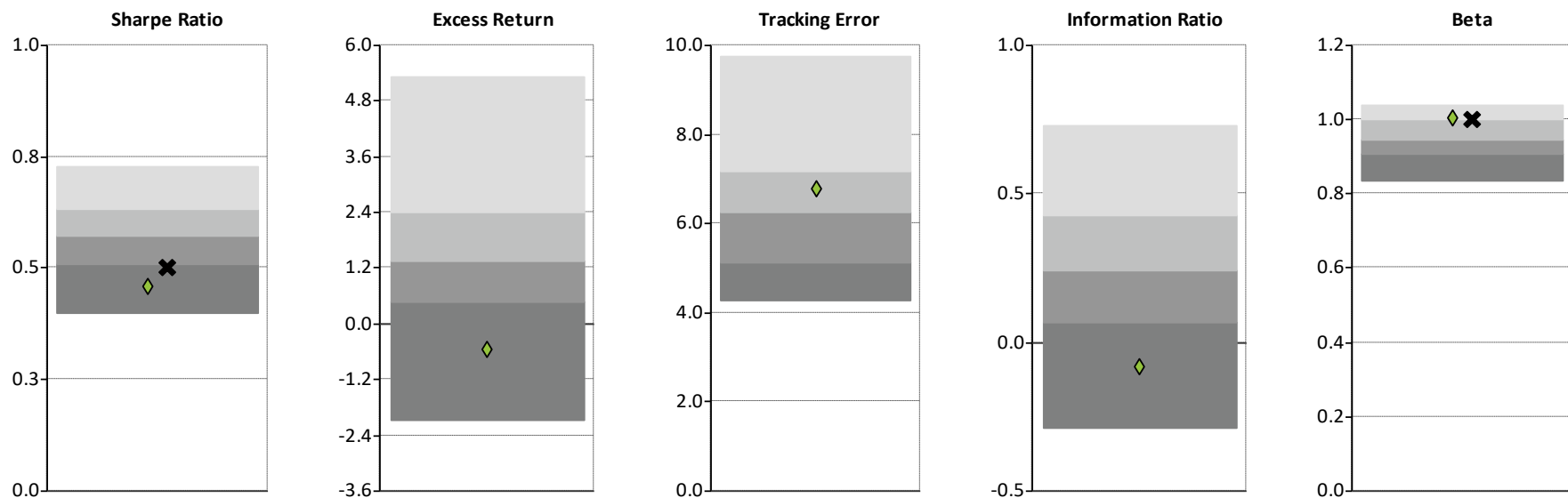
# Modern Portfolio Theory Statistics - Ten Year

As of September 2024

Benchmark: Russell 2500 Growth TR USD

Universe: eA SMID Cap Growth

Universe Size: 183



◆ Pinnacle: SMID Growth    ✖ Russell 2500 Growth TR USD

Firm/Product	Sharpe Ratio	Rank	Excess Return %	Rank	Tracking Error	Rank	Information Ratio	Rank	Beta	Rank
Pinnacle: SMID Growth	0.46	90	-0.53	84	6.77	36	-0.08	83	1.01	25
<b>Russell 2500 Growth TR USD</b>	<b>0.50</b>	<b>78</b>	<b>0.00</b>	<b>81</b>	<b>0.00</b>	<b>100</b>	---	---	<b>1.00</b>	<b>26</b>
eA SMID Cap Growth Median	0.57	50	1.37	50	6.27	50	0.24	50	0.95	50

Manager return data, as of 9/30/2024, reflects performance of the separate account composite and is gross of fees.



**CITY OF JACKSONVILLE EMPLOYEES RETIREMENT  
SYSTEM**

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

Adopted January 2006  
Amended August 27, 2009  
Amended December 15, 2011  
Amended October 26, 2017  
Amended July 1, 2021  
**Amended October 24, 2024**

**Commented [RVK1]:** Will update based on Board approval date

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**Commented [RVK2]:** We observe that throughout the IPS document Board responsibilities are listed out, however there is not a single, easy to read section that summarizes those responsibilities, like the of the Investment Consultant or Treasurer and Plan Administrator, as an example. As such, for consideration, we added a dedicated section for Board Responsibilities and drafted sample summary language. We believe adding this section may offer added clarity for the reader and/or current or future Board members.

## **INTRODUCTION & PURPOSE**

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

The purpose of this document is to communicate, in writing, the investment objectives and guidelines established by the Board as they pertain to the Plans and the Fund. It is intended to provide the Board, the City's Treasurer, the System's Administrator and Investment Staff, the System's Investment Consultant, the System's Investment Managers and the System's Custodian a clear and accurate understanding of all investment objectives, investment guidelines and the criteria by which investment performance shall be evaluated. The guidelines and objectives provided herein are intended only to complement those contained in Chapter 18610, Laws of Florida, Acts of 1937; Sections 112.661(5) and 215.47, Florida Statutes; Sections 120.103 and 120.104, Chapter 2023-28, Laws of Florida, including Sections 112.662 & 215.855, Florida Statutes (Appendix B), Jacksonville Ordinance Code, and any other applicable ordinances or statutes. If at any time this document is found to be in conflict with such ordinances or statutes, the ordinances and statutes shall prevail.

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

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

**Commented [RVK3]:** Updated to upper case to be consistent throughout the IPS.

**Commented [RVK4]:** Listed the statutes related to HB3 (HB3 language added in Appendix B); defer to Staff and Counsel on inclusion.

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

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

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

#### **GENERAL OBJECTIVES**

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

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

## **BOARD RESPONSIBILITIES**

**Commented [RVK5]:** Added dedicated section with Board Responsibilities listed throughout the document.

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

The Board has delegated certain authority, duties and responsibilities to the City Treasurer, Plan Administrator, Investment Staff, Investment Managers, Investment Consultant, and Custodian, as listed in the respective sections of this Policy, to assist in the implementation of the Board's directives and management of the investment process.

In addition to the above, specific duties of the Board are outlined in detail throughout this document, but generally encompass the following:

- 1) Establish the investment objectives and guidelines as they pertain to the Plans, and adopt a Statement of Investment Policy in order to provide responsible parties and Investment Staff a clear and accurate understanding of all investment objectives, investment guidelines and the criteria by which investment performance shall be evaluated. Responsible parties shall not deviate from this Policy without the written permission of the Board.
- 2) For each actuarial valuation, determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter for the Plans. This determination is to be filed with the Department of Management Services, the plan sponsor and the consulting actuary.
- 3) Using input from the Investment Consultant and actuary, approve long-term target allocation percentages and permitted ranges for each asset class, based on its determination of the appropriate risk posture for the Plans given the stated investment goals. In doing so, the most recent asset-liability study or asset allocation review performed by the Investment Consultant (generally every few years) will be leveraged to inform decision making.
- 4) Seek to create a well-diversified and balanced portfolio of equity, fixed income, real estate, diversifying assets, money market and other investments, as described in this Policy. The Board may invest System assets in any securities, real property and other assets it deems appropriate after a thorough review of the needs of the Plans and a careful evaluation of the potential risk and returns, provided such investment is authorized by this Policy and not prohibited by law.
- 5) The Board has determined that outside Investment Managers may be retained, and shall delegate to each Investment Manager full investment discretion with respect to the management of assets under its control and the responsibility to vote any and all proxies applicable to designated Plan assets under each Investment Manager's

management. Accordingly, using input from the Investment Consultant, the Board has responsibility to approve the selection and termination of Investment Managers.

- 6) Establish allocations containing permissible investments for each asset class to those defined by this Policy, within the limits set forth by statute (Investment Guidelines section of this Policy). These may be modified as set forth in any individual Investment Manager instructions, to the extent approved by the Board and permitted by applicable ordinances and statutes.
- 7) Approve Investment Manager Instructions (Appendix A) for each separate account established with an Investment Manager.
- 8) Review the investment activities and investment performance of the Fund and each Investment Manager on a regular basis to assure compliance with the goals, objectives and guidelines contained in this Policy.
- 9) Using input from Investment Staff, approve the selection and termination of the Investment Consultant.
- 10) Retain a bank or trust company to act as Custodian for the System's assets.
- 11) Periodically review the following:
  - a. The Fund's asset allocation in light of the Investment Consultant's current capital markets assumptions.
  - b. Actual investment results to determine whether the Fund's asset allocation remains reasonable and each Investment Manager's decision-making process remains consistent with the style and methodology for which the Investment Manager was originally retained.
  - c. The Investment Manager's proxy voting procedures and proxy voting records.
  - d. Commissions generated, commission rates charged and firms used by the Investment Managers to execute trades.
  - e. Investment Manager fee schedules.
- 12) Review annually this Policy as well as the Plans' circumstances (e.g., cash flow, liquidity requirements) in concert with the Investment Consultant, to ensure this Policy continues to reflect the Board's objectives, goals, and philosophy guidelines; where necessary, seek to periodically revise.
- 13) Approve requests to any changes to this Policy as requested by any party in a contractual relationship with the System.
- 14) Provide notice to the City Council President, Council Finance Committee Chairperson, and Council Auditor of any proposed changes to this Policy not less than 60 days prior to the final meeting for adoption of such change. Upon approval by the Board, Investment Staff shall communicate all changes to relevant parties as necessary.

The Board has adopted additional provisions to comply with Section 112.661, Florida Statutes, as outlined in this document.

**Commented [RVK6]:** The IPS offers generally offers language around manger hiring and selection of vehicle type in the Commingled and Mutual Fund section and it's further implied in the Investment Consultant duties section. We would propose making this hire/fire responsibility clearer in this section; draft language added for consideration, combined with existing language on use of / delegation to Investment Managers.

**Commented [RVK7]:** Please note, we do not observe any language specific to Board approval for the selection of the Investment Consultant. Could consider adding. Drafted language included for consideration.

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

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

### **INVESTMENT MANAGER RESPONSIBILITIES**

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

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

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



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

- Take custody of assets under their control;
- Execute trades through brokers affiliated with the Investment Manager or the System's Investment Consultant or Custodian; or
- Otherwise pay any fees, compensation or gratuities to the System's Investment Consultant or Custodian.

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

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

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

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

Each Investment Manager is expected to provide all reasonable information requested by the Board. All Investment Managers shall keep the Board and Investment Consultant informed on a timely basis of:

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

Whenever Investment Managers believe that any particular guideline should be altered, it is the Investment Manager's responsibility to initiate written communication with the Board and Investment Consultant requesting such change.

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

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

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

Commented [RVK8]: Added Diversifying Assets to include all private market asset classes.

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

### **INVESTMENT CONSULTANT RESPONSIBILITIES**

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

Specific duties of the Investment Consultant include:

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

Commented [RVK9]: From Performance Evaluation section

- 5)6) Notifying the Board of changes in the structure, personnel, ownership, or process of Investment Managers serving the System, in addition to any performance concerns, and recommend corrective action when necessary as soon as feasible;
- 6)7) Maintain Watch List on behalf of the Board and providing periodic updates of the Watch List, no less than quarterly, to the Board. The purpose of a Watch List is to further assist the Board in exercising their fiduciary oversight responsibilities by highlighting factors that may warrant heightened surveillance. Areas of focus will include, although are not limited to, those outlined in items 7 of this section. Investment Managers may or may not be placed on the Watch List ahead of a recommendation to terminate;
- 8) Conducting searches for Investment Managers and other service providers as necessary and making recommendations for such positions;
- 7)9) Conduct periodic pricing studies for private investments;
- 8)10) Disclosing potential conflicts of interest as they become known; and
- 11) Providing ad hoc investment research and other support as may be necessary to support the Board's educational and informational needs.
- 12) Review periodically this Policy and recommend any necessary changes to Investment Staff and the Board;
- 13) Provide advice with respect to Investment Managers transition management events, including the recommendation of transition management services.

**Commented [RVK10]:** Added language on maintenance of WL

**Commented [RVK11]:** Added language on consultant conducting pricing studies

**Commented [RVK12]:** Added language on consultant assisting with review and update of IPS, and transition management.

### **CUSTODIAN RESPONSIBILITIES**

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

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

- 1) Accept daily trading/cash reconciliation instructions from the ~~money~~-Investment Managers;
- 2) Advise Investment Managers daily of changes in cash equivalent balances;
- 3) Immediately advise Investment Managers of contributions and withdrawals from account;
- 4) Notify Investment Managers of tenders, rights, fractional shares or other dispositions of holdings;
- 5) Resolve any custodial account problems with Investment Managers;

- 6) Safekeeping of securities;
- 7) Collection of all interest and dividends;
- 8) Daily sweep of idle cash balances;
- 9) Process all Investment Manager security transactions;
- 10) Collect proceeds from maturing securities and sale transactions;
- 11) Make cash disbursements as directed;
- 12) Provide monthly accounting statements based on fair market value for each security in each Investment Manager account and a consolidated statement of all assets under custody;
- 13) Provide account representative and back-up to assist City-Investment Staff in all needs relating to the custody and accountability of System assets;
- 14) Managing as securities lending agent and/or assisting the securities lending program as directed by the Board;
- 15) Provide a schedule of commissions paid and brokers used by each Investment Manager;
- 16) Provide reports or assistance on corporate actions, class action notice filings, forwarding proxies to appropriate parties and any other actions or reports mutually agreed upon by the Custodian and the Board;
- 17) Provide any other tasks necessary for the effective safekeeping, valuation or administration of System assets.

### **INVESTMENT OBJECTIVES**

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

In addition, the System seeks a total rate of return after all expenses that equals or exceeds the current actuarial investment return assumption. The Board, with help from the actuary and Investment Consultant, shall use the Fund's asset allocation as the primary tool to achieve this objective. As this is a long-term objective and investments are subject to short-term volatility, the main investment focus of the Board is the expected return and associated expected volatility of the Plan-Fund as a whole over a long-term investment time horizon. The performance of each asset class and the performance of

each Investment Manager relative to appropriate market indices and style peer comparisons shall be monitored over both the long term and short term. Each Investment Manager is expected to maintain a consistent philosophy and style, perform well versus others utilizing the same style, and add incremental value after costs.

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

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

The specific investment goals of the System are as follows:

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

### **ASSET ALLOCATION**

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

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

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

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

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

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

Further, rebalancing less liquid asset classes, such as real estate, private credit and private equity, should not be undertaken as automatically, as compared to transactions designed to rebalance the more liquid public market asset classes. Less liquid assets should rarely be sold for the primary purpose of portfolio rebalancing. Most of the time, market conditions and cash flow will allow achieving targeted allocation levels with the passage of time. For purposes of determining asset allocation percentages for rebalancing, allocations to less liquid assets that are committed but not yet invested may need to be taken under consideration, as do known or expected returns of capital invested. In addition, market values for less liquid assets may often lag market values for liquid assets by as much as three months, and this must be tolerated.

**Commented [RVK13]:** Expanded language on rebalancing to address private asset classes

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

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

**Commented [RVK14]:** Given the progress the Board has made in building up the private investments program in recent years, the Board may consider adding more specificity to the sub-asset class targets within Real Estate (Core and Non-Core) and Diversifying Assets (Private Equity and Private Credit), which require annual pacings and commitments.

\*Statutory Maximum

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

## **INVESTMENT GUIDELINES**

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

### **EQUITY SECURITIES**

#### **Permitted Securities:**

The following are permissible investments:

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

#### **Equity Guidelines**

- 1) The total equity portfolio may not exceed 80% of the Fund's assets measured at market value.
- 2) The total portion of the Fund's international equity holdings combined with non-US dollar corporate bonds may not exceed 25% of the Fund's assets measured at market value.
- 3) No more than 10% of the market value of the total equity portfolio may be invested in the combined common stock, preferred stock or convertible securities of any one company.
- 4) Investments in shares of companies that have been publicly traded for less than one year are limited to no more than 10% of the market value of the total equity portfolio.



- 5) American Depository Receipts are permissible in domestic equity portfolios and are limited to 15% of a Investment Manager's portfolio.
- 6) Exchange Traded Funds or index fund investments are permitted.
- 7) No individual equity strategy/mandate, measured at market value, shall have an economic sector weighting which exceeds the greater of either 30% or 2 times the sector weight of the underlying benchmark. Exceptions can be made, at the Board's discretion, should the strategy/mandate require greater allowance.
- 8) -Not more than 75 percent of the Fund may be in internally managed common stock.
- 9) A total return goal of the domestic equity composite, net of fees, is to exceed the return of the Russell 3000 Index over a market cycle (roughly 7 years).
- 10) The total return goal of the international equity composite, net of fees, is to exceed the return of the MSCI All Country World EX-US Index over a market cycle (roughly 7 years).
- 11) Sections 112.661(5) and 215.47 of the Florida Statutes shall guide the Equity Guidelines and supersede all conflicts in the Investment Policy.

## **FIXED INCOME SECURITIES**

### **Permissible Securities:**

The following are permissible investments:

- Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.
- Florida State bonds pledging the full faith and credit of the state and revenue bonds additionally secured by the full faith and credit of the state.
- Bonds of the several counties or districts in the state containing a pledge of the full faith and credit of the county or district involved.
- Bonds issued or administered by the State Board of Administration secured solely by a pledge of all or part of the 2-cent constitutional fuel tax accruing under the provisions of s. 16, Art. IX of the State Constitution of 1885, as amended, or of s. 9, Art. XII of the 1968 revised State Constitution.
- Bonds issued by the State Board of Education pursuant to ss. 18 and 19, Art. XII of the State Constitution of 1885, as amended, or to s. 9, Art. XII of the 1968 revised State Constitution, as amended.

- Bonds issued by the Florida Outdoor Recreational Development Council pursuant to s. 17, Art. IX of the State Constitution of 1885, as amended.
- Notes, bonds, and other obligations of agencies of the United States.
- Other bonds listed in the Fixed Income Guidelines below.

### **Fixed Income Guidelines**

- 1) At a minimum, 80% of the total fixed income portfolio shall be rated "investment grade" or higher. The Board defines investment grade as "BBB-", "Baa3" or their equivalent, as rated by a Nationally Recognized Statistical Rating Organization. In the event of a split rating, the security must be rated "BBB-", "Baa3" or their equivalent by at least two investment rating agencies to be considered investment grade. The lower rating will be used if the investment is rated by two ratings agencies.
- 2) Permissible securities shall include fixed income separate accounts and commingled vehicles consisting of those US Treasuries and Agencies, corporate bonds, mortgage-backed securities, asset backed securities and convertible securities listed below.
- 3) Investments in corporate bonds issued by a non-US corporation of commercial entities shall not exceed 25% of the market value of the total fixed income portfolio. This limitation shall not apply to US dollar-denominated securities listed and traded on US exchanges.
- 4) The total value of the securities of any single non-US Government issuer shall not exceed 5% of the market value of the total fixed income portfolio.
- 5) Investments in Collateralized Mortgage Obligations (CMOs) shall be limited to 25% of the market value of the total fixed income portfolio.
- 6) There is no limit imposed on investments in fixed income securities issued directly by the United States Government or any agency or instrumentality thereof.
- 7) Investments in Commercial Mortgage Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service. However, the total value of all CMBS investments shall not exceed 25% of the market value of the total fixed income portfolio.
- 8) All fixed income investments shall be limited to fully and easily negotiable fixed income securities, unless specifically authorized by the Board.
- 9) Investments in convertible bonds shall be limited to 10% of the market value of the total fixed income portfolio. However, any convertible bond investments should be liquidated at the time of conversion so as to avoid the fixed income managers holding equity securities in a fixed income portfolio.

10) Structured notes may not be held in the fixed income portfolio.

11) The following are limited to 25% or less of the Fund:

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

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

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

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

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

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

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

H. —United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities.

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

12) Not more than 25 percent of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entities having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated

securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.

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

## REAL ESTATE

### Permissible Investments:

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

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

### Real Estate Guidelines

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

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

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

- Investments are typically commercial properties requiring redevelopment or repositioning for alternative use or upgrade. These properties have the potential for increases in tenant occupancy rates and leasing income attained from capital

improvements and effected property management, over the projected holding period.

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

**CASH EQUIVALENT SECURITIES**

The following are permissible investments:

**Permissible Securities:**

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

**Cash Equivalent Guidelines**

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

**USE OF FUTURES AND OPTIONS**

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

**COMMINGLED AND MUTUAL FUNDS:**

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

## **DIVERSIFYING ASSETS:**

### **Permissible Strategies:**

The following are permissible investments:

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

### **Diversifying Assets Guidelines**

1.1 The long-term role of diversifying assets is to improve the risk-adjusted return of the overall portfolio by increasing the long-term expected return above what would be normally available using only conventional securities and reducing overall portfolio volatility through use of a diversified set of strategies and the inherent smoothing of private valuation methods. The long-term nature of private investments and vintage year diversification shall be emphasized so that the System,



as a long-term investor, may properly take advantage of the private negotiation of transactions and the illiquidity premium associated with such private investments.

2.2) Prior to making any investment in diversifying assets, the sub-strategy investments will be evaluated, by the Board, based on their singular characteristics and their incremental value to the total Fund. Any "lock-up" periods shall be appropriate given the underlying strategy.

3.3) The Board understands that there are certain additional risks associated with investing in private investments, such as: the long-term nature and illiquidity of the investment; the complexity of the strategies employed; the higher cost and delay of investment return to the System (e.g. "J-curve effect"); the possible lack of full public disclosure of certain financial information; and the labor intensive nature of private investment programs for plan sponsors to implement and monitor. However, the Board has determined that possible reward outweighs the possible risks and has also determined that the long-term role of diversifying assets, is consistent with the System's Policy.

4.4) In private equity, private credit and real asset investing there is the risk of sustaining a complete loss on any of the individual company investments. The Board understands and expects that while specific investments may incur losses of all or part of invested capital, a diversified portfolio of holdings should produce a positive rate of return in excess of that available from public securities. Therefore, the System shall prudently diversify its private investment program in a manner consistent with professionally managed institutional private programs, as recommended by its Investment Consultant or Investment Staff, so as to decrease the likelihood of loss. The private investments, in aggregate, will be prudently diversified by having broad exposure across the sub-strategies listed above. Further, the private investments, in aggregate, shall be diversified by: industry groups, company, number of transactions, stage of company maturity, form of investment, geography and time (vintage year diversification). Investment in non-US limited partnerships is permitted.

5.5) Over commitment: The implementation of any private investment, such as private equity and private credit, by the System shall be made over time so as to increase vintage year diversification. The timing of new commitments shall be spread out so as to avoid undue concentration of commitments in any one year. Over the long-term, it is expected that varying amounts of new funding will be committed each year to increase diversification. The Board recognizes that it will be necessary to make capital commitments in excess of the target allocation for private investments in order to achieve the target allocation and subsequently maintain it. The Investment Consultant shall monitor the amount of capital committed, drawn, invested and distributed and make a recommendation to the Board as to the amount of new commitments to be made each year.

6-6) Each fund shall be invested and diversified according to each fund's legal documentation. Accordingly, at the composite level, no limitations shall be imposed on any single partnership, strategy, or investment.

7-7) Public Records Request: The Board recognizes that periodically a request for information under a state statute or local ordinance "Public Record Request" may be made concerning the System's private investments. The Board believes that public disclosure of certain information about the System's private investments, especially financial information of the underlying companies held by limited partnerships, may materially harm the System's investments. Therefore the Board has adopted the following procedure in the event such a request is made: Public disclosure of the System's private investment shall be limited to the following: the identity of each fund; the amount of capital committed, invested and returned for each fund; the internal rate of return for each fund; any information disclosed by the fund to the Board in the Board's regular, open meetings, and as otherwise may be required by law.

8-8) The total return goal of the privately traded diversifying assets investments should be to produce a dollar-weighted return (internal rate of return or IRR) that exceeds a public market equivalent (PME) dollar-weighted return of a market index appropriate for the private strategies utilized over a full market cycle. Where possible, peer comparisons shall be made using statistically valid performance universes with the expectation that performance will rank above median in vintage year periods.

9-9) The total return goal of the publicly traded diversifying assets investments, or for which a valid investable index or peer universe exists, should be to exceed the return of a blended index using appropriate indices weighted to reflect Policy weights of the respective strategies, net of fees.

### **COMPLIANCE PROCEDURES**

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

- The securities must be permissible under Sections 112.661(5) and 215.47, Florida Statutes.
- The investment must represent no more than 2% of the Investment Manager's portfolio and the overall investment in the security across all Investment Managers' portfolios must not exceed 2% of the Fund's aggregate investment portfolio.
- Immediate notification shall be provided to the City's Treasurer and Chief Financial Officer ("CFO"), including a summary of the type, magnitude, and risk of such variance to the specific Investment Manager's guidelines.

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

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

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

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

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

**THIRD-PARTY CUSTODIAL AGREEMENTS:** Securities should be held with a third party, and all securities purchased by, and all collateral obtained by, the board should be properly

designated as an asset of the board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the board or the board's designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, to the extent possible, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

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

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

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

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

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

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

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

### **PERFORMANCE EVALUATION**

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

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

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

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

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

Investment Mmanagers shall communicate with the Board and Iinvestment Cconsultant as follows:

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

Board communication with Iinvestment Managers:

~~1-1~~ On a timely basis, the Board shall provide the Iinvestment Managers with changes to this Policy.

~~2-2~~ The Board shall also communicate as needed with the Iinvestment Managers to:

- a. Review and discuss any modifications and changes to the Plans' investment objectives, goals and guidelines;
- b. Identify any significant anticipated changes in the Plans' cash flow, liquidity requirements or plan circumstances; and
- c. Any other matter, which may bear upon the Plans' assets managed by a particular Investment Manager.

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

The Board shall periodically review:

~~1-1~~ The Fund's asset allocation in light of the Investment Consultant's current capital markets assumptions.

~~2-2~~ Actual investment results to determine whether the Fund's asset allocation remains reasonable and each Investment Manager's decision-making process remains consistent with the style and methodology for which the Investment Manager was originally retained.

~~3-3~~ The Iinvestment Manager's proxy voting procedures and proxy voting records.

~~4-4~~ Commissions generated, commission rates charged and firms used by the Iinvestment Managers to execute trades.

~~5-5~~ Investment Manager fee schedules.

#### **REVIEW OF POLICY**

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

Amended this 1<sup>st</sup> day of July, 2021.

Commented [RVK15]: Will update based on Board approval date

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



**APPENDIX A**

## SAMPLE INVESTMENT MANAGER INSTRUCTIONS

## Policy:

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

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

## Guidelines:

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



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

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

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**APPENDIX B**

The Board and its Investment Managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Sections 112.662 & 215.855, Florida Statutes, along with regulations adopted by the Department of Management Services.

1. Definition of pecuniary factor: The term "pecuniary factor" is defined as a factor that an investment fiduciary "prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system. The term does not include the consideration of the furtherance of any social, political, or ideological interests." [112.662(1)]

2. Exclusive consideration of pecuniary factors: Only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]

3. Proxy voting: Only pecuniary factors may be considered when voting proxies. [112.662(3)]

4. Filing requirements: The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment Managers and the Board's Investment Consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28.

5. Contracting and external communication requirements: Investment Manager contracts shall comply with Section 215.855 as follows:

"Any written communication made by an Investment Manager to a company in which such manager invests public funds on behalf of the Board must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida."

6. The Investment Consultant will provide Investment Managers for consideration who invest only based on pecuniary factors as defined by Florida Statutes §112.662.

**Commented [RVK16]:** Please note, we have included draft language counsel wrote and approved for the PFPF pertaining to HB3. While largely outside of RVK's purview, we provide it here for ERS legal review and potential inclusion.

7. If a Request for Proposals document is issued for Investment Manager services, pursuant to Section 287.05701, Florida Statutes, the solicitation document must include the following:

“The Board of Trustees may not request documentation of or consider a vendor’s social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor’s social, political, or ideological interests.”

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# City of Jacksonville Employees' Retirement System

## INVESTMENT ACTIVITY REPORT: November 2024

### Events

**Board Due Diligence Meetings**  
**1<sup>st</sup> Thursday Each Month**  
*Presentation: 12:30-2 PM*  
*City Hall Conference Room 3C*

**December 5, 2024**  
*Loomis Sayles- Economist*

**January 2, 2025**  
*Happy New Year - No meeting*

**February 6, 2025**  
*Harrison Street -Real Estate*

**March 6, 2025**  
*Wellington- Large Cap Value*

**April 3, 2025**  
*Eagle Capital- Large Cap Core*

**May 1, 2025**  
*Kayne Anderson- SMID Core*

**June 5, 2025**  
*Systematic- SMID Value*

**July 3, 2025**  
*Happy 4<sup>th</sup> of July*  
*No meeting*

**August 7, 2025**  
*Adams Street- PE*

**September 4, 2025**  
*TBD*

**October 2, 2025**  
*Loomis Sayles- LCG*

**November 6, 2025**  
*Payden & Rygel – Jeffrey*  
*Cleveland- Economist*

### Staff Update

**Contract Status Update**  
HIG- Realty Fund V- ?

#### 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**  
*HIG- Real Estate*  
*IPI-Real Estate*  
*Kayne Anderson- SMID Core*

**Potential Manager Meetings**  
DigitalBridge  
Federated  
Fort Washington  
Goldman Sachs  
Torry

### Cash Flows

**Hamilton Lane-Private Credit**  
Castlelake Opp VI: \$2.0 M  
Hamilton Lane Strat VIII: \$0.9 M  
ICG NA Credit III: \$0.6 M  
Oaktree Special Sit: \$0.8M  
**Total Called: ~\$4.3 million**

**Adams Street- Private Equity**  
Tranche I: \$0  
**Total Called: ~\$65.4 million**

#### Real Estate

Abacus Multi Family: \$1.3 M

**Provider Disbursements**  
Pinnacle: \$110,000  
Total Fees: ~\$0.1 million

**Provider Income + Redemptions**  
N/A  
**Total: \$**



# City of Jacksonville Employees' Retirement System



## INVESTMENT CONSULTING SERVICES

### Background

### Staff Recommendation

Summit Strategies, the former investment consultant was acquired by Mercer in 2018. Mercer exited public DB consulting.

**The service and deliverables have exceeded expectations. Staff recommends accepting and consolidating the remaining three one-year renewals, increasing the cumulative maximum indebtedness to \$2 million, with the contract ending on January 31, 2028. Anticipate issuing an RFP in the middle of 2027**

Staff received 13 investment consultant RFP responses in late 2018. Annual fees varied from \$170,000 to \$320,000 with escalators.

Hired RVK: 1/1/2019 - five-year contract with four, one-year renewals.

Fee: \$180,000 per year with greater of annual 3% or South CPI escalator after year 2. A/L Study extra \$45,000

### RVK Team

Team approach led by **Jordan Cipriani**, directly supported by **Samia Khan** and **Jim Voytko**. Professional Staff behind the scenes include manager research, performance, analytics, & operations teams.

Year 1	\$180,000	Year 6 2024	\$220,941
Year 2	\$180,000	Year 7* 2025	\$229,779
Year 3	\$185,400	Year 8* 2026	\$238,970
Year 4	\$199,120	Year 9* 2027	\$248,529
Year 5 + A/L Study	\$258,058	Total Fees	\$1,940,796

\* 4% inflation Estimate

### Manager Additions

Wellington, Kayne Anderson, Systematic, Baird, Schroders, Abacus, H.I.G, Bell, Hammes, Adams Street, Ares, IPI.

### Services Provided

- Monthly & quarterly performance analysis
- Rebalancing analysis and recommendations
- Investment manager review and selection
- Private equity & real estate diligence
- Transition management support and evaluation
- Trustee/Staff education
- Asset allocation review
- Investment policy review
- Risk management
- Asset liability study
- Portfolio construction and monitoring
- Securities lending support and evaluation
- Collaborative with Staff
- No conflicts of interest and client first philosophy

### Staff Concerns

Professional Staff turnover in recent years is concerning, although has moderated. Turnover has challenged the industry.