



## SUMMARY TO THE REGULAR F.I.A.C. MEETING

Tuesday, October 22, 2024

3:30 P.M. – 5:36 P.M.

City of Jacksonville Police and Fire Pension Fund  
1 West Adams Street Suite 100, Jacksonville, FL 32202

The next Financial Investment and Advisory Committee (F.I.A.C.) meeting will be held Tuesday, November 19, 2024 at 3:30 P.M.

### Financial Investment and Advisory Committee

Eric “Brian” Smith Jr., Chair  
Brian Chappell, Secretary  
Greg Ealey  
Steve Glenn  
Kendall Park

### Guests

Jordan Cipriani, RVK, Investment Consultant  
\*Joseph Delaney, RVK, Investment Consultant  
\*Spencer Hunter, RVK, Investment Consultant  
\*Jim Voytko, RVK, Investment Consultant

### Fund Staff

Timothy H. Johnson, Executive Director – Plan Administrator  
Steve Lundy, Deputy Director  
Kevin Grant, Finance Manager

\*Asterisk denoted virtual meeting attendance via the ZOOM application.

### Notice

Meeting Agendas and Summaries are available on our website at [jaxpfpf.coj.net](http://jaxpfpf.coj.net). For additional meeting documents, please contact Steve Lundy, Custodian of Public Records for the City of Jacksonville Police and Fire Pension Fund at 904-255-7373 or [SLundy@coj.net](mailto:SLundy@coj.net) to file a public records request.

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

Pursuant to the American with Disabilities Act, accommodations for persons with disabilities are available upon request. Please allow 1-2 business days notification to process; last minute requests will be accepted, but may not be possible to fulfill. Please contact Disabled Services Division at: V(904) 630-4940, TTY-(904) 630-4933, or email your request to [KLMcDan@coj.net](mailto:KLMcDan@coj.net).

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## Summary

### I. Public Comment

None.

### II. Meeting Summaries – *action requested*

#### a. *September 24, 2024 FIAC Meeting*

Kendall Park moved to approve the September 24, 2024 FIAC Meeting Summary, seconded by Steve Glenn. The vote passed unanimously.

### III. Upcoming Meetings

a. *Annual Board of Trustees Breakfast – Friday, October 25, 2024 at 8:00AM*

b. *Manager Update Workshop – Blue Owl Capital – Tuesday, October 29, 2024 at 12:00PM*

c. *Joint Board of Trustees & FIAC Meeting – Friday, November 22, 2024 at 9:00AM*

Brian Smith reminded the FIAC of two upcoming events: the Annual Board of Trustees Breakfast and the Blue Owl Capital Manager Update Workshop. He also announced that the November FIAC meeting, initially set for November 19, has been rescheduled to Friday, November 22, at 9:00 AM, to coincide as a joint meeting with the Board of Trustees for Investment Consultant RFP candidate interviews.

*Editor's Note: This joint meeting has since been moved to Wednesday, November 20, at 9:00 AM.*

### IV. Executive Director's Report

#### a. *Analysis of Responses to Investment Consultant RFP – action requested*

Timothy Johnson outlined the Investment Consultant RFP process, initiated as the PFPF's current consultant, RVK, reaches contract expiration at year's end. Thirteen responses were received by the RFP deadline, reviewed and ranked by PFPF Staff. Johnson stressed that the PFPF Staff is not involved in the selection; all responding firms are qualified, with none disqualified by Staff. The FIAC may recommend any number of the 13 respondents to the Board of Trustees for interviews.

Kevin Grant and Steve Lundy presented the RFP evaluation matrix, which outlines the criteria used by PFPF Staff in their assessment. They shared insights on each respondent, highlighting specific strengths. The FIAC discussed various criteria, emphasizing the importance of fees and compatibility with PFPF Staff, who will work closely with the selected consultant.

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Brian Chappell noted standouts: RVK, Callan, and NEPC.

Steve Glenn cited RVK, Gallagher, and Callan, commending RVK’s track record. He indicated strong support for retaining RVK.

Steve Glenn moved to recommend the Board of Trustees select firms RVK, Gallagher, Callan, and NEPC for interview, seconded by Greg Ealey. The vote passed unanimously.

V. Investment Consultant Reports

*a. H.I.G. Realty Fund V – action requested*

Jordan Cipriani and Joseph Delaney presented a “re-up opportunity” in H.I.G. Realty Fund V, a non-core real estate fund targeting diversified U.S. sectors such as industrial, residential, and distressed assets. The recommended commitment of \$15 million aligns with the PFPF’s alternative investment pacing plan. The target fund size is \$1.0 billion, with a final close in Q2 2025 and an anticipated Gross IRR of 17-20% and Gross Multiple of 2.0x.

Steve Glenn moved to accept RVK’s recommendation to commit \$15 million to H.I.G. Realty Fund V, seconded by Greg Ealey. The vote passed unanimously.

*b. Monthly Investment Performance Analysis – September 30, 2024*

Jordan Cipriani provided a brief update on the Monthly Investment Performance Analysis as of September 30, 2024. Key highlights included a Fiscal Year Beginning Market Value of \$2.2 billion, net cash flows of \$96 million, and investment gains of \$475 million, bringing the Ending Market Value to approximately \$2.8 billion, with a preliminary FY 2024 return of 20.3%.

Brian Smith proposed a discussion in January regarding potential asset allocation changes to include private equity, forming a recommendation for the Board of Trustees.

VI. Old Business

*a. Domestic Equity Structure Update*

Jordan Cipriani provided an update on the Domestic Equity Structure recommendation from the FIAC to the Board of Trustees. Due to scheduling conflicts, follow-up questions, and delays from a hurricane, the Board postponed action on the recommendation, which is now set for the October agenda. Cipriani noted that she has prepared a summary presentation for the Board, reiterating the rationale behind the FIAC’s recommendation.

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Jordan Cipriani explained that the recommendation has evolved with FIAC's guidance. Initially, it proposed terminating Sawgrass and consolidating its assets with the other Large Cap Growth manager, Loomis Sayles. However, RVK now suggests considering a broader Large Cap Growth search, which would include both current managers. Additionally, they aim to separate this from the SMID value recommendation and propose shifting PFPF's small cap value exposure to SMID value. This adjustment would better align with the existing SMID growth structure within the PFPF.

The FIAC reviewed their structural concerns regarding Sawgrass Asset Management, particularly noting its decline in assets under management. The PFPF is Sawgrass' largest institutional client, representing 22% of Sawgrass' assets and serving as their largest individual account. Furthermore, the PFPF's share of Sawgrass' overall assets continues to grow.

Brian Chappell emphasized that the FIAC should convey to the Board of Trustees that, within their field, this situation is a clear red flag. Brian Smith expressed significant discomfort as a fiduciary to the PFPF, stressing the importance of communicating to the Board that immediate action on Sawgrass is essential. He cautioned that further delays will only worsen the situation, and that if no action is taken, a strong justification will be necessary.

Chair Brian Smith asked for a motion that the FIAC strongly supports RVK's latest Domestic Equity Structure recommendation.

**Brian Chappell moved to conduct a Large Cap Growth search including both Loomis Sayles and Sawgrass and SMID value search including WEDGE in line with the recommendation prepared for the Board by RVK. Steve Glenn seconded the motion. The motion passed unanimously.**

Brian Chappell stressed the importance of timely action from the Board of Trustees.

## VII. New Business

None.

## VIII. Adjournment

5:36 P.M.

Brian Chappell, FIAC Secretary

**Summary Prepared By:**

Steve Lundy, Deputy Director  
City of Jacksonville Police and Fire Pension Fund

**Posted:** 10/29/2024

**To be Approved:** 11/20/2024