SUMMARY TO THE BOARD OF TRUSTEES AND F.I.A.C.
MANAGER UPDATE WORKSHOP

Tuesday, August 4, 2026
12:00 P.M. – 1:00 P.M.

City of Jacksonville Police and Fire Pension Fund
1 West Adams Street Suite 100, Jacksonville, FL 32202
Richard “Dick” Cohee Board Room

Board of Trustees

Capt. Michael Lynch, Board Chair

Staff

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

Financial Investment and Advisory Committee (F.I.A.C.)

*Kendall Park, FIAC Chair
Brian Chappell, FIAC Secretary
*Steve Glenn

Guests

Andrei Bolshakov, WEDGE Capital Management
Richard Wells, WEDGE Capital Management

Brennan Merrell, COJ
Randy Wyse, President, JPOFFHIT

Notice

Meeting Agendas and Summaries are available on our website at jacksonville.gov/PFPF. 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 to file a public records request.

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. 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.

City of Jacksonville Police and Fire Pension Fund
Agenda to the Manager Update Workshop of
Tuesday, August 4, 2026
12:00 P.M. – 1:00 P.M.

Summary

I. Manager Update Workshop

a. WEDGE Capital Management

Richard Wells and Andrei Bolshakov of WEDGE Capital Management reviewed the Fund's QVM Small Mid Cap Value portfolio, emphasizing its performance for the one-year period ended June 30, 2026. The portfolio returned 24.01% net of fees, compared with 38.54% for the Russell 2500 Value Index, resulting in relative underperformance of 14.53 percentage points. Although the portfolio produced a strong absolute return, benchmark performance was heavily influenced by a narrow group of rapidly appreciating technology companies, particularly artificial intelligence-linked hardware stocks that did not meet the strategy's investment criteria.

Technology was the primary source of the one-year shortfall, detracting approximately 13.55 percentage points from relative performance. WEDGE's technology hardware holdings gained approximately 151%, but significantly trailed the benchmark's 323% return, while the portfolio's software holdings declined during the period. Sandisk was the most significant individual factor. The company was spun out of Western Digital in early 2025 and had reported negative quarterly earnings until May 2026, making it inconsistent with WEDGE's profitability and valuation-oriented selection process. Nevertheless, Sandisk's stock rose approximately 4,914% over the trailing year and increased from 0.14% to 2.24% of the Russell 2500 Value Index. Because the portfolio did not own Sandisk, the stock alone detracted approximately 7.31 percentage points from the strategy's one-year relative performance.

Sandisk, Ciena, Lumentum, Coherent, and Flex collectively detracted approximately 11.49 percentage points from trailing one-year relative performance. These companies were not held because their market capitalizations exceeded the QVM Small Mid Cap Value strategy's eligibility limit, yet their extraordinary appreciation remained fully reflected in the benchmark. Additional weakness came from health care stock selection, which detracted approximately 3.12 percentage points, while the portfolio's financial positioning contributed approximately 2.28 percentage points and partially offset the shortfall. WEDGE maintained that the underperformance reflected an unusually concentrated market environment favoring expensive companies and businesses with weak or negative historical profitability, rather than a change in its systematic, sector-neutral process using value, contrarian, and momentum factors.

II. Adjournment

1:00 P.M.

Terry Wood, Board Secretary

Summary Prepared By:
Steve Lundy, Deputy Director
City of Jacksonville Police and Fire Pension Fund

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To be Approved: 08/21/2026